



1Q22 results

12 May 2022

1. 1Q22 results

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1Q22 results

1 Net income of €35mln (+71% QoQ and +74% YoY), confirming our track record in growing core businesses

2 Net revenues at €163mln (+6% QoQ and +19% YoY), driven by both commercial banking and NPL business

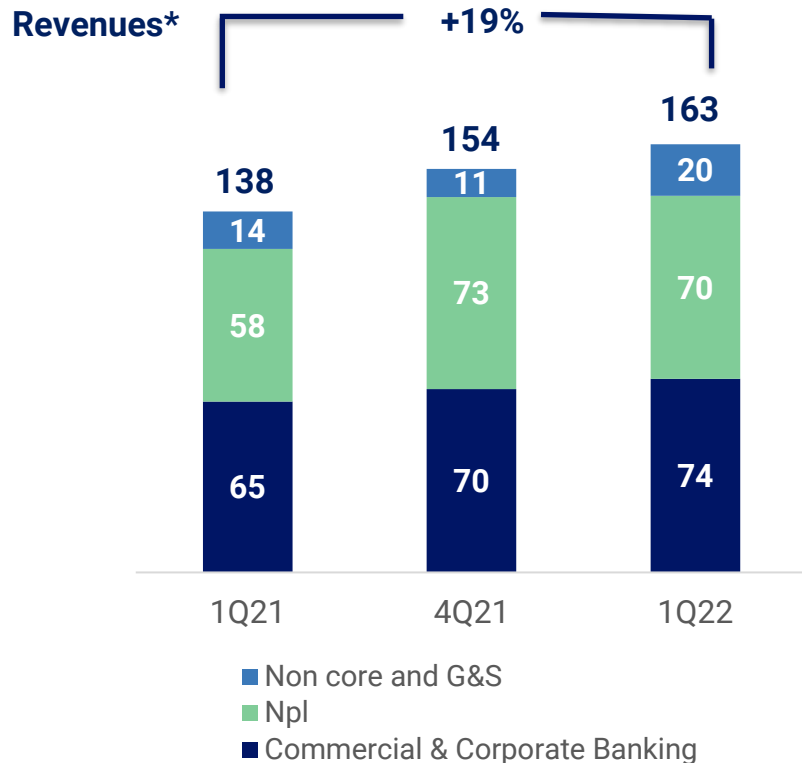
- Dynamic commercial network: factoring turnover +19% YoY, new business leasing +16% YoY. Resilient NPL portfolio: cash collection of €91mln (+13% YoY)
- Potential upside from pick up in interest rates in the course of the Business Plan period

3 Highly resilient asset quality

- Negligible asset quality deterioration from loans formerly under moratoria
- Negligible direct exposure to Russia/Ukraine
- 1Q22, loan loss provisions at €17mln, including €8mln provisions for older vintage positions

4 CET 1 up by 28bps to 15.72% in support of the growth strategy and the dividend policy of the Bank. €0.95 dividend per share to be paid on 25 May 2022. The record date is on 24 May 22 and the ex-dividend date on 23 May 22

Net revenues: growing core business



Net revenues at €163mIn (+6% QoQ and +19% YoY)

- ✓ Increase in core revenues: commercial banking +13% YoY and Npl +20% YoY
- ✓ Replacement of PPA with core income: PPA down to €4mIn in 1Q22 vs. €12mIn in 1Q21

Scenario considerations:

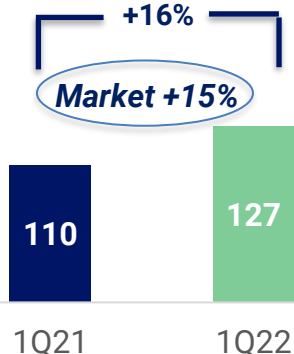
- ✓ Potential upside of ca. €30mIn-45mIn in net interest income from +100bps in interest rates curve over the Business Plan period
- ❖ Potential negative impact from inflation/weaker macroeconomic growth

Vigorous commercial and NPL collection activities

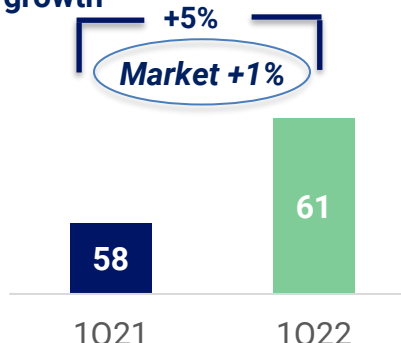
Factoring turnover (€bn)



New leasing business (€mln)



Of which: new leasing auto YoY growth

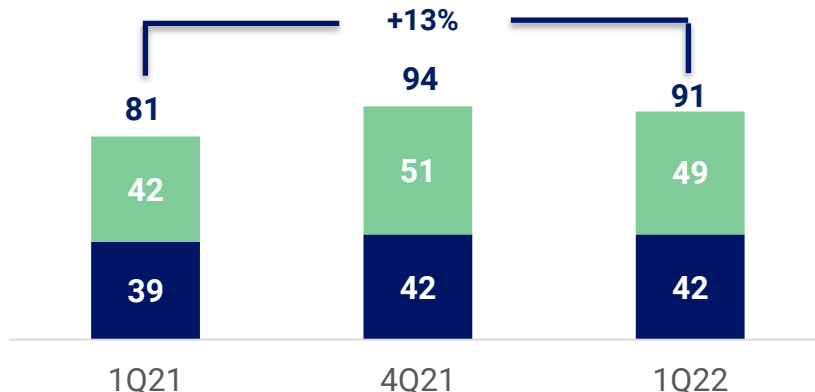


Underwriting growth based on commercial productivity and digitalization: **commercial loans +8% YoY**

✓ Delivery of digital platforms generating tangible impact: **in 1Q22, ca. 40% of factoring clients onboarded on Ifis4business*** (to be completed in 2Q22)

Cash collection (€mln)

■ Extrajudicial
■ Judicial

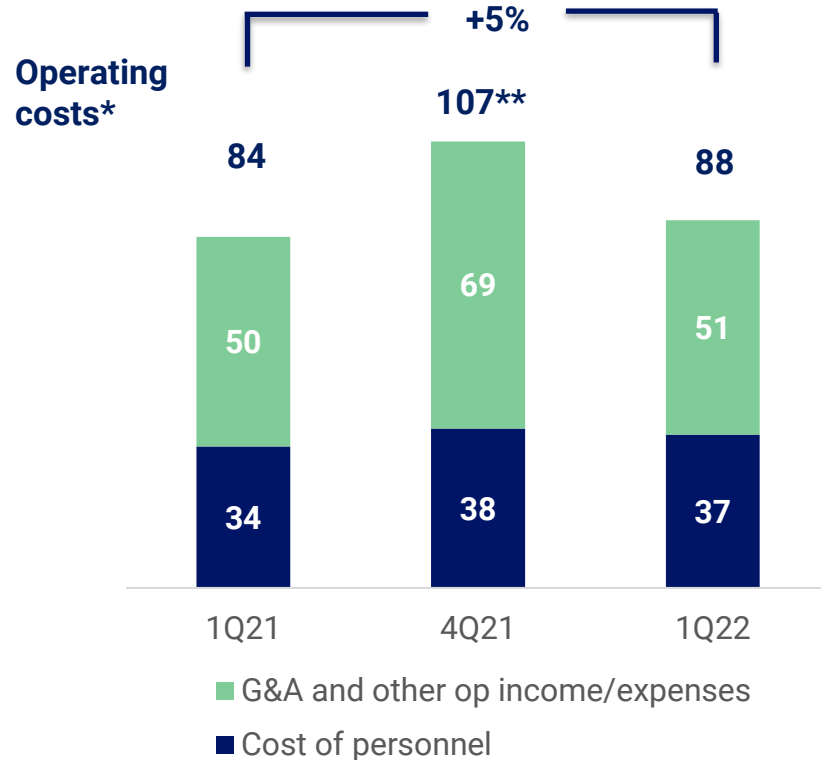


✓ **NPL portfolio performance accelerating** with best in class proprietary servicing capabilities

✓ Moderate increase of settlements (“saldi e stralci”) to reduce timeframe of collections

* Ifis4 Business internet banking suite for all customer needs (origination, interaction, transaction and after sale), for all core banking products

Efficiency translating into operating cost control

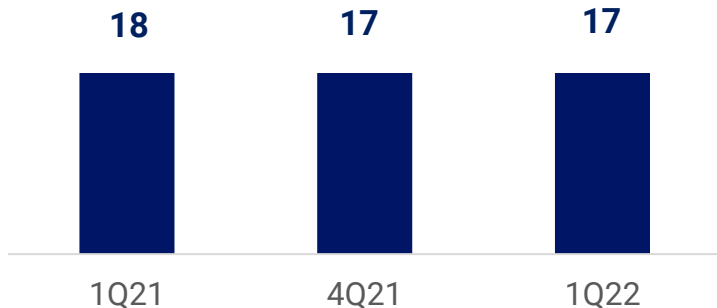


- €37mIn HR costs in line with Business Plan (we expect further limited increase in FTEs over business plan period)
- €51mIn G&A and other operating costs: potential impact of inflation and volume growth more than offset by contract renegotiation (started in 2021, ongoing)
 - €21mIn variable costs linked to Npl recovery
 - €30mIn in other operating costs benefiting from setup of new centralized procurement function and cost control actions, with further potential over the business plan period

*Figures exclude "Net allocations to provisions for risks and charges"

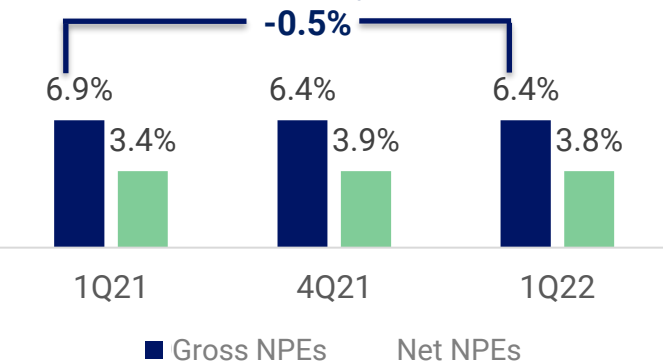
** Included one-off components

Loan loss provisions*



- **1Q22 LLP of €17m, stable QoQ and YoY**, including €8m additional provisions on older vintage positions
- **Negligible asset quality deterioration of loans formerly under moratoria** (see next page)
- **No write backs of sizable unused provisions** for Covid-19 and moratoria booked in 2020-21
- **Implemented proactive monitoring of potential effects of geopolitical macro risk on clients**

Asset quality ratios



- In 4Q21, based on the preliminary interpretation of the New Definition of Default (“New DoD”), Banca Ifis classified into past due €64m loans vs. the Italian public health system (historically a late payer with limited asset quality risk)
- A more stringent interpretation of the New DoD, currently under review, may lead to the classification of further credits into past due. This may increase the asset quality ratios during the collection period of the invoices, with marginal P&L and modest CET1 impacts

*Figures include “Net provisions for unfunded commitments and guarantees and Profit (loss) from sale of loans measured at amortised cost (excluding Npl Segment)”

Quality of Ifis's underwriting confirmed by performance of loans formerly under moratoria*



Type of lending (€mln)	Original moratoria requested	Of which: former moratoria with at least 3 instalments in arrears		In % of total book (by lending type)	Additional considerations
		€mln	% original moratoria		
Leasing	334	6	2%	0,4%	<ul style="list-style-type: none"> * Strong sector and borrower diversification * Leasing assets (cars, computers) with residual value and remarketing agreements mitigate asset quality risk * Loss given default historically at ca. 20%-30%
Corporate banking: of which lending	148	13	9%	0,8%	<ul style="list-style-type: none"> * Loans to SMEs 80% guaranteed by MCC/State * Banca Ifis's actual exposure is ca. €3mln (20% of €13mln)
Corporate banking: of which other loans	21	0	0	0%	<ul style="list-style-type: none"> * No client in arrears * Portfolio consists of non cyclical corporate diversified by sector
Non core	69	1	1%	0%	<ul style="list-style-type: none"> * Run-off of performing loans (mainly ex Interbanca) with maturity in 2024-25
Total	572	20	3%	0,5%	Total €20mln. Exposure consists mainly of lending 80% guaranteed by the State and leasing with sound residual value

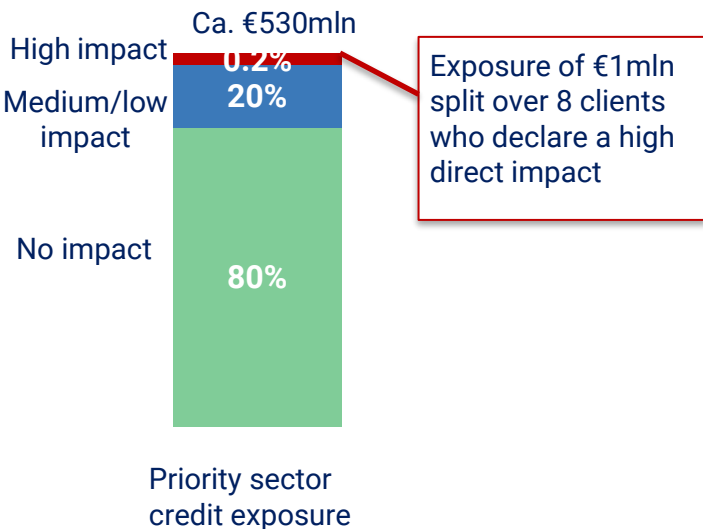
Data at March 2022. *Source: management accounting data

Out of a total of €20mln with at least 3 instalments in arrears: €13mln have 80% public guarantees and €6mln leasing benefit from residual value of underlying assets

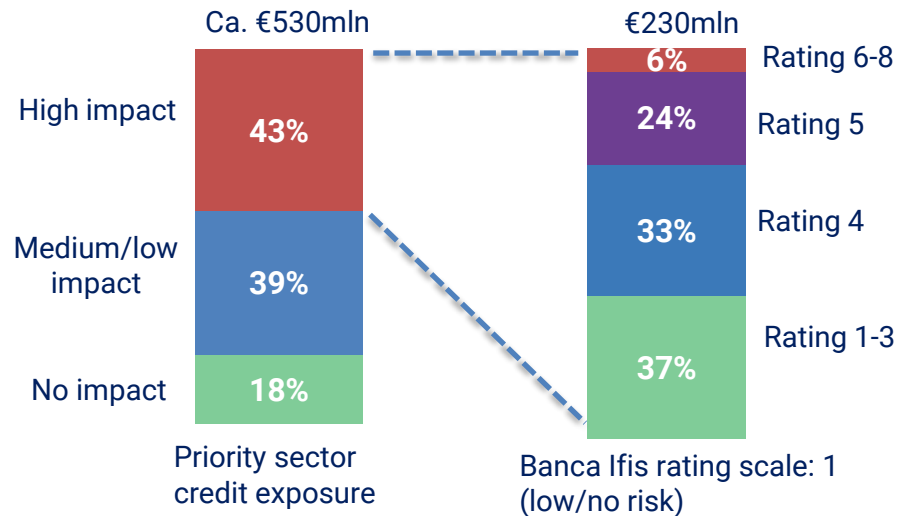
Russia/Ukraine: negligible direct exposure and indirect exposure mitigated by Banca Ifis's risk policies*

Banca Ifis carried out a granular survey on 560 corporate clients with ca. €530mln exposure **operating in the most impacted sectors** (steel, oil, auto, luxury, energy, cement, ceramics, farming) on direct and indirect macro impacts

Direct impacts (i.e. import/export)



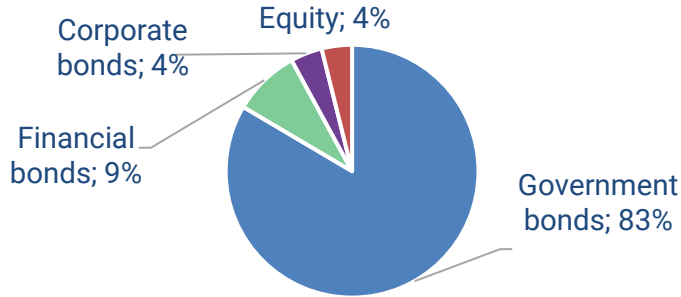
Indirect impacts (i.e. increase in energy and raw material prices)



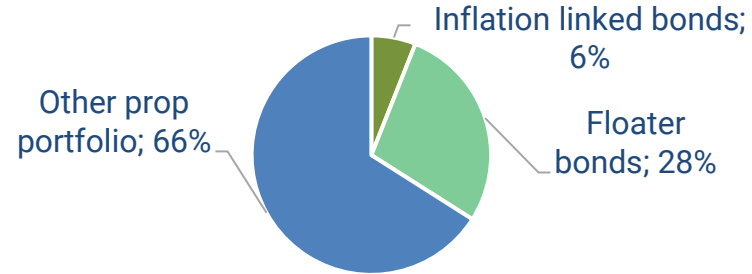
In the sectors potentially most impacted by the Ukraine crisis: negligible direct exposure, while indirect exposure is high for 43% of the client loans but is mitigated by the strong ratings of these clients

Proprietary portfolio set up for low volatility and a stable contribution to P&L*

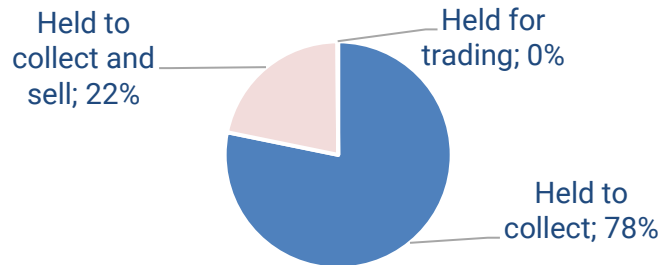
Low risk asset classes- €2.7bn



Exposure to rising interest rates



Low volatility accounting treatment: FV P&L =0.1%



Stable positive contribution to P&L



Held to collect portfolio: duration 2.5Y, matching TLTRO financing

Inflation linked positions and further benefit from dividend flows and the reinvestment of €500mln of Italian govies expired in April 2022 provide positive P&L expectations

Banca Ifis Group – Capital ratios evolution

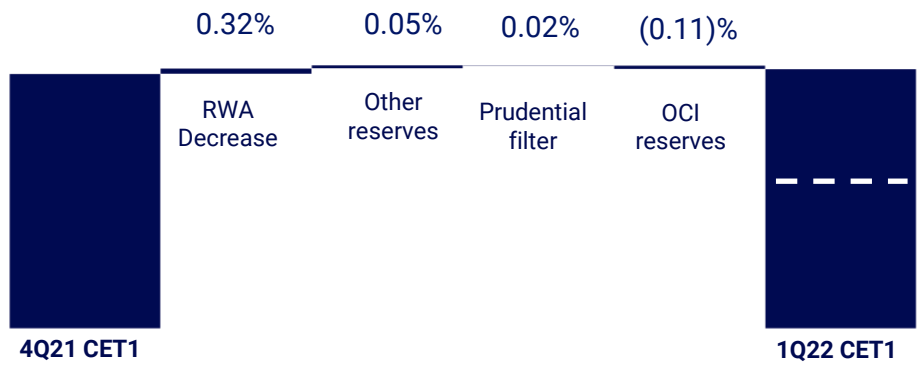
Total capital



CET1



- CET1 at 15.72% (+0.28% vs. 4Q21) excluding 1Q22 net income



Key items of capital ratios evolution in 1Q22

+0.32% mainly due to lower seasonality on factoring loans

-0.11% mainly due to change in market to market of financial instruments (mainly related to Italian Government bonds) classified at fair value through other comprehensive income

RWA
€mln



SREP*
8.12%

* At group level capital requirements are: CET1 8.12%, Total Capital 12.5%. During the 1st quarter of 2022, Banca Ifis Group received from the Bank of Italy the communication of the initiation of the prudential review procedure (SREP); the procedure will be completed within end of June, a deadline by which the Group will be able to submit documents that the Authority could be evaluate in order to modify the minimum levels of capital ratios. The new requirements will therefore be applied starting from 30 June 2022 (first effective date following the procedure).

Quarterly results

Reclassified Consolidated Income Statement - (€ mln)	1Q21	4Q21	1Q22
Net interest income	115.8	125.4	131.1
Net commission income	18.8	20.4	20.7
Trading and other revenues	3.1	8.2	11.5
Net revenues	137.7	154.0	163.3
Personnel expenses	(33.8)	(38.1)	(36.6)
Other administrative expenses	(52.5)	(70.2)	(53.6)
Other net income/expenses	2.4	1.6	2.3
Operating costs	(83.8)	(106.6)	(87.8)
Loan loss provisions	(18.4)	(16.9)	(17.0)
Net allocations to provisions for risks and charges	(5.1)	0.1	(6.4)
Pre tax profit	30.4	30.7	52.1
Taxes	(9.6)	(9.9)	(16.7)
Net income - attributable to the Parent company	20.1	20.4	34.9

Customer loans	9,032	10,332	10,276
- of which Npl Business	1,398	1,524	1,519
Total assets	11,841	12,978	12,893
Total funding	9,735	10,787	10,612
- of which customer deposits	5,526	5,684	5,683
- of which TLTRO	1,992	2,034	2,031
Shareholders Equity	1,572	1,624	1,642

- 1 €8mln trading gains from proprietary portfolio of which €5mln from portfolio sale
- 2 €11.5mln one-off legal and advisory costs for the transfer of La Scogliera to Canton Vaud (CH) and +€5mln Npl recovery costs due to seasonality
- 3 Includes €8mln provisions for older vintage positions
- 4 Includes €6mln to provisions to FITD&SRF (€4mln in 1Q 2021)

In the above statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. For this reason too, apart from the specific operations, the effects of an analysis performed also in response to the Covid-19 pandemic, have been classified amongst value adjustments. In addition:

- Operating costs exclude "Net allocations to provisions for risks and charges"
- Loan loss provisions include: "Net provisions for unfunded commitments and guarantees"; "Profit (loss) from sale of loans measured at amortised cost (excluding Npl Segment)"

1Q22 Results: P&L break-down by business unit

Data in € mln	Npl	Commercial & Corporate banking				Non core & G&S	Consolidated
		Factoring	Leasing	Corp. Banking & Lending*	Tot. Commercial & Corporate banking		
Net interest income	68	25	12	14	52	11	131
Net commission income	1	15	3	3	20	(1)	21
Trading & other revenues	1	(0)	0	2	1	1	12
Net revenues	70	40	15	19	74	20	163
-Of which PPA	-	-	-	1	1	3	4
Operating costs	(41)	(21)	(7)	(10)	(38)	(9)	(88)
Loan loss provisions	0	(9)	(1)	(4)	(14)	(3)	(17)
Net allocations to provisions for risks and charges	(0)	0	-	(1)	(0)	(6)	(6)
Net income	19	6	5	3	14	2	35
Net income attributable to non-controlling interests							0
Net income attributable to the Parent company							35
Net income (%)	55%	18%	15%	7%	40%	5%	100%
Customer Loans	1,519	2,722	1,378	2,240	6,341	2,417	10,276
RWA¹	2,342	2,265	1,226	1,504	4,994	1,065	8,402
Allocated capital²	368	356	193	236	785	167	1,321

- 1 €8mln trading gains from proprietary portfolio of which €5mln from portfolio sale
- 2 Includes €8mln provisions for older vintage positions
- 3 Breakdown of customer loans in Non Core & G&S
 - G&S: includes €1.8bn of Italian Government bonds at amortized costs
 - Non Core: includes €0.1bn of performing loans mainly ex Interbanca, €0.1bn retail mortgages and €0.04bn of Npl (former Interbanca + Banca Ifis)

(1) RWA Credit and counterparty risk only. It excludes RWA from operating, market risks and CVA (€1bn)

(2) RWA (Credit and counterparty risk only) x CET1 1Q22

* Corporate Banking & Lending includes Cap.Ital.Fin

- 1 GDP growth and risk environment expected to become more challenging**
- 2 Core business performance still accelerating**, until now very limited commercial effects of macro environment
- 3 No writebacks of covid related provisions**
- 4 Credit book proactively monitored and confirmed very sound** (and assisted by guarantees / leased assets / invoices of short term nature)
- 5 Low volatility proprietary portfolio** expected to generate additional and recurring revenues
- 6 Ifis's interest revenues remain positively correlated with rates increase**
- 7 With currently available data, business plan profit targets are confirmed**

Appendices

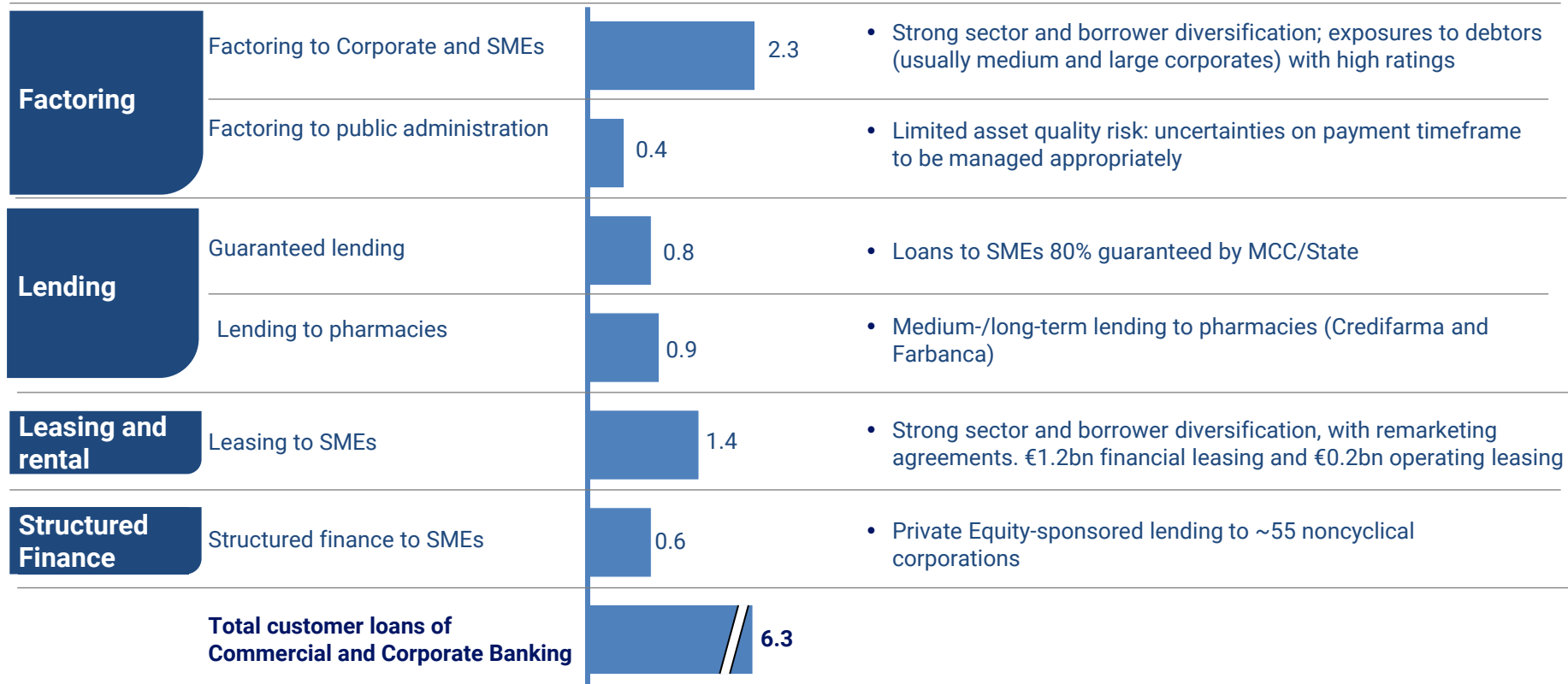
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2.1 Segment results

Commercial & Corporate Banking loans*

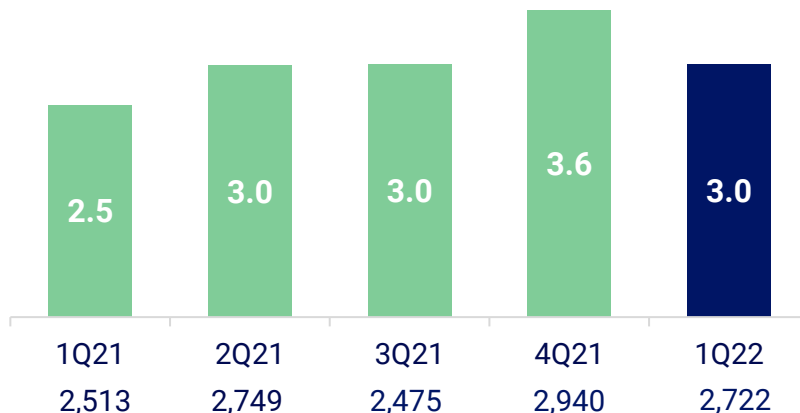
Loans to customer in 1Q22, €bn

Highlights



*Source: management accounting data

Turnover - €bn



Net customer loans - €mln

Period	1Q21	2Q21	3Q21	4Q21	1Q22
Net customer loans - €mln	2,513	2,749	2,475	2,940	2,722

- Factoring net loans -7% QoQ due to seasonality and +8% YoY
- Factoring loans of €2.7bn included €0.4bn exposure to the Public Administration
- 1/4 of turnover growth attributed to new client acquisition, 3/4 to economic recovery

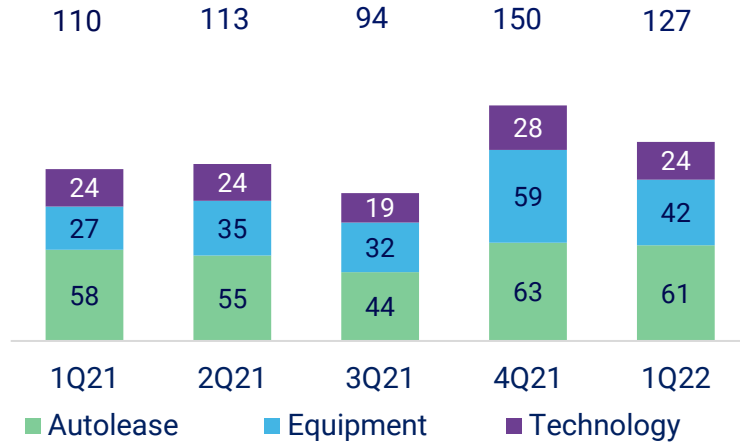
- 1 Net revenues / average customer loans at 5.7%, therefore both volume and margin growth
- 2 In 1Q21, loan loss provisions included a one-off write back due to the update of credit model

Data in €mln	1Q21	2Q21	3Q21	4Q21	1Q22
Net revenues	34	35	38	35	40
Net revenues / average customer loans	5.2%	5.4%	5.8%	5.2%	5.7% ¹
Loan loss provisions*	² 2	(11)	(0)	(9)	(9)

Loan loss provisions include:

- "Net provisions for unfunded commitments and guarantees";
- "Profit (loss) from sale of loans measured at amortised cost (excluding Npl Segment)"

New business - €mln



- New leasing +16% YoY and -15% QoQ (QoQ decrease due to seasonality)
- Net revenues / average customer loans at 4.5% (4Q21 included one-offs)
- Asset quality risk is mitigated by strong sector and borrower diversification and by the remarketing agreements for repossessed assets

Net customer loans - €mln	1Q21	2Q21	3Q21	4Q21	1Q22
	1,406	1,411	1,381	1,390	1,378

Data in €mln	1Q21	2Q21	3Q21	4Q21	1Q22
Net revenues	14	15	15	12	15
Net revenues / average customer loans	3.9%	4.3%	4.1%	3.6%	4.5%
Loan loss provisions*	(4)	(1)	(1)	(2)	(1)

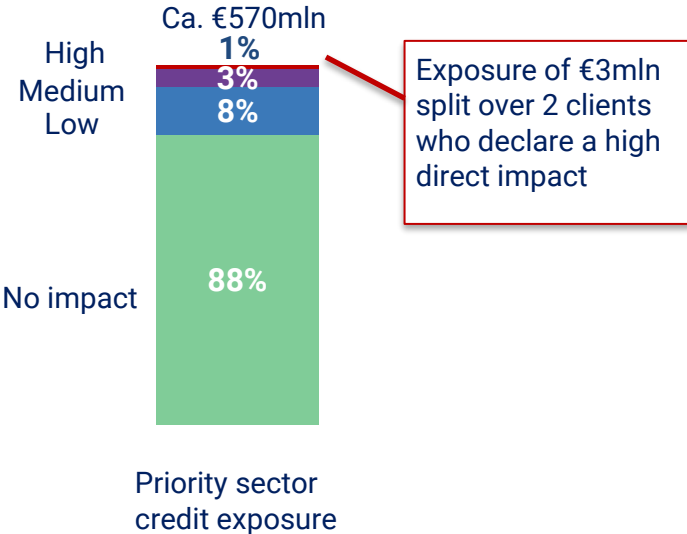
Loan loss provisions include:

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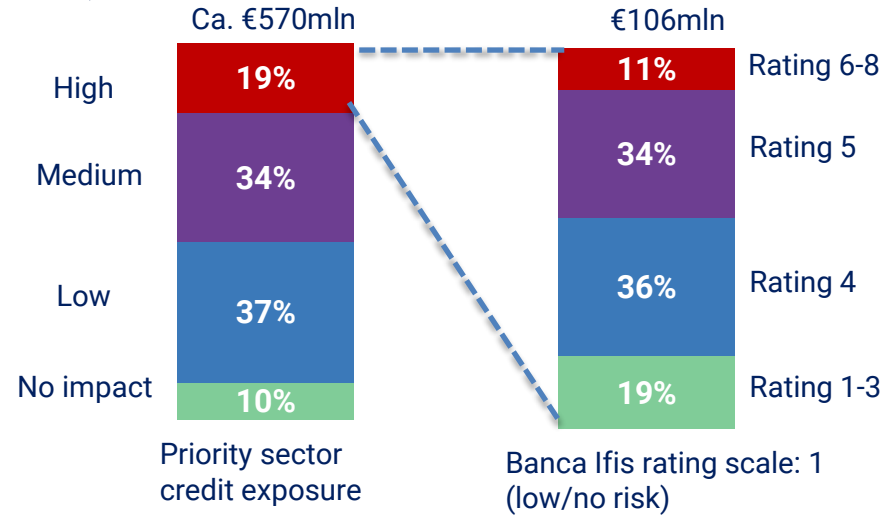
Russia/Ukraine: negligible direct exposure and indirect exposure mitigated by Banca Ifis's risk policies*

Banca Ifis carried out an additional survey on 370 corporate clients with ca. €570mln exposure that have individual loans >2mln and are active in sectors less impacted by the Russia/Ukraine crisis. This survey excludes corporate active in most impacted sectors

Direct impacts (i.e. import/export)

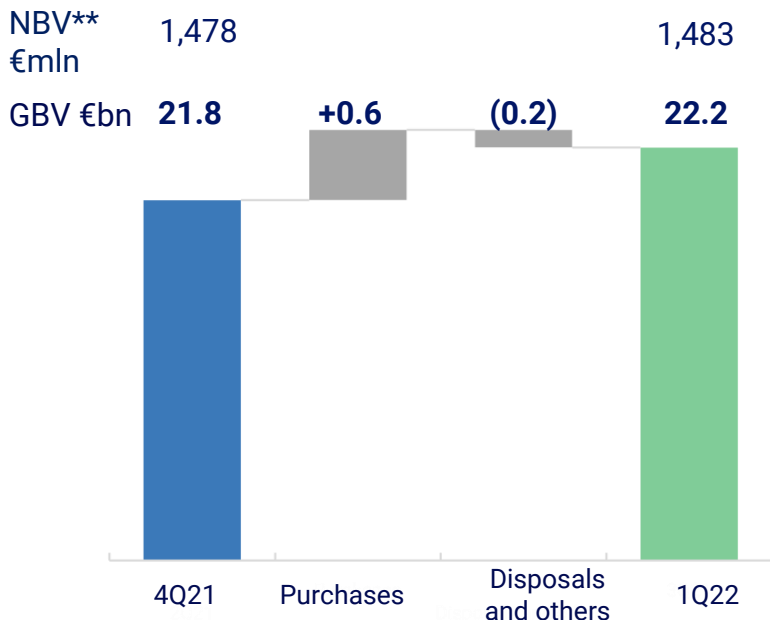


Indirect impacts (i.e. increase in energy and raw material prices)



In the other sectors less impacted by the Ukraine crisis: negligible direct exposure, while indirect exposure is high for 19% of the client loans but is mitigated by the strong ratings of these clients

Npl portfolio evolution



Key numbers*

- 2.2mln tickets, #1.5mln borrowers
- Extensive portfolio diversification by location, type and age of borrower

Npls acquired in 1Q: €0.6bn GBV

- In 1Q22, Banca Ifis purchased €0.6bn NPL (GBV), in line with expectations
- In 2021, Banca Ifis was market leader in small ticket unsecured NPLs with a market share of 46% (34% in 2020)

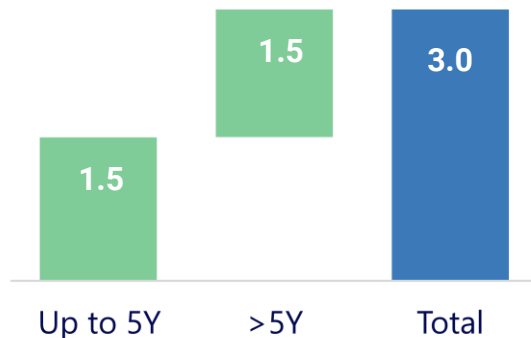
Npls disposed and others in 1Q

- In 1Q22: disposals of NPL portfolios that were already worked out and not strategic for Banca Ifis. The disposal generated a capital gain

*Source: management accounting data

**Does not include customer loans (invoices to be issued) related to Ifis Npl Servicing third parties servicing activities

ERC: €3.0bn



ERC breakdown

Data in €mln	GBV	NBV	ERC
Waiting for workout - At cost	3.8	0.1	0.3
Extrajudicial positions	11.2	0.4	0.7
Judicial positions	7.2	0.9	1.9
Total	22.2	1.5	3.0

ERC assumptions

- ERC based on proprietary statistical models built using internal historical data series and homogeneous clusters of borrowers
 - Type of borrower, location, age, amount due, employment status
 - Time frame of recovery
 - Probability of decay
- ERC represents Banca Ifis's expectation in terms of gross cash recovery. Internal and external costs of positions in non-judicial payment plans (GBV of €0.5bn in 1Q22), court injunctions ["precetto"] issued and order of assignments (GBV of €1.6bn in 1Q22) have already been expensed in P&L
- **€1.8bn cash recovery (including proceeds from disposals) was generated in the years 2014 – 1Q2022**

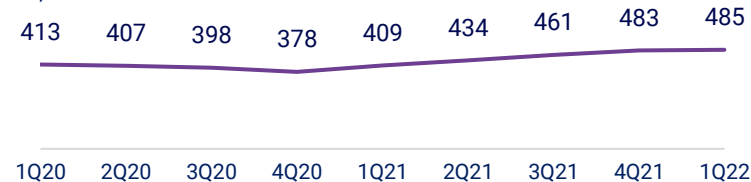
Judicial recovery

Judicial recovery (€ mln)	GBV	%
Frozen**	1,662	23%
Court injunctions ["precetto"] and foreclosures	818	11%
Order of assignments	763	11%
Secured and Corporate	4,002	55%
Total	7,245	100%

To be processed

Non judicial recovery – Voluntary plans

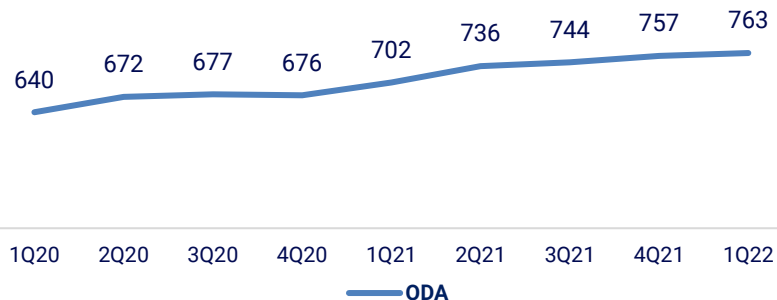
GBV, data in €mln



— Non-judicial payment plans

Judicial recovery – Order of Assignments

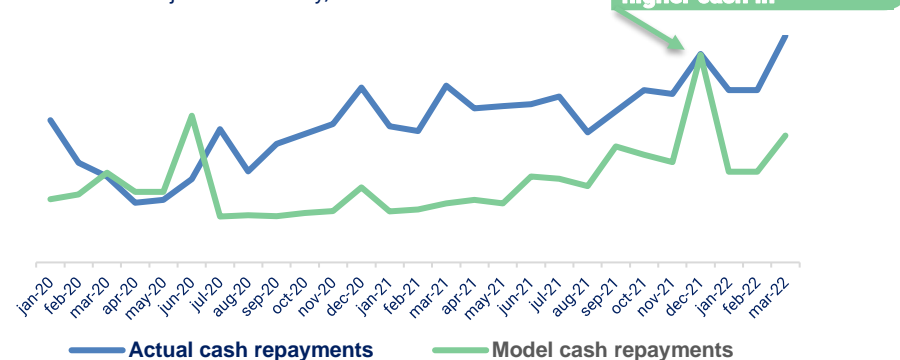
GBV, data in €mln



— ODA

Actual vs. model cash repayments

Judicial + non judicial recovery, data in €mln



— Actual cash repayments

— Model cash repayments

*Source: management accounting data

In May/June 2020 cash collections (mainly secured) were postponed due to court shutdown

Npl Business*: cash recovery and P&L contribution

Cash collection

- 1 NPL cash collection at €91mln. Portfolio proved to be resilient. Moderate increase of settlements (“saldi e stralci”) to reduce timeframe of collections

P&L Contribution

- 2 1Q 22 P&L contribution benefits from increasing productivity in servicing

Data in € mln (excluding disposals)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2020 YE	2021 YE
Cash collection	65	52	66	76	81	89	82	94	1 91	259	345
Contribution to P&L**	50	34	48	50	64	70	66	74	2 73	182	273
Cash collection / contribution to P&L	132%	153%	137%	152%	127%	128%	124%	127%	125%	143%	127%

*Source: management accounting data

** It includes only interest income, excludes cost of funding and some minor items (i.e. net commission income and the gains on sales of receivables)

Npl Business*: GBV and NBV evolution

GBV - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Waiting for workout - Positions at cost	1,440	1,709	1,885	2,140	1,147	107	203	3,409	3,850
Extrajudicial positions	10,619	10,257	10,579	10,273	10,987	11,280	11,657	10,804	11,155
- Ongoing attempt at recovery	10,206	9,850	10,182	9,896	10,578	10,846	11,196	10,321	10,670
- Non-judicial payment plans	413	407	398	378	409	434	461	483	485
Judicial positions	5,720	6,278	6,428	7,374	7,546	7,896	7,183	7,618	7,245
- Frozen**	2,533	2,627	2,518	3,299	3,243	3,644	2,883	2,010	1,662
- Court injunctions ["precetto"] issued and foreclosures	571	595	642	713	686	700	727	771	818
- Order of assignments	640	672	677	676	702	736	744	757	763
- Secured and Corporate	1,975	2,384	2,590	2,686	2,915	2,816	2,830	4,080	4,002
Total	17,779	18,244	18,893	19,787	19,680	19,282	19,043	21,831	22,250

NBV - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Waiting for workout - Positions at cost	65	96	104	170	112	15	31	136	148
Extrajudicial positions	364	355	353	339	368	393	413	425	436
- Ongoing attempt at recovery	193	184	185	174	188	198	200	202	208
- Non-judicial payment plans	171	171	169	165	180	195	213	223	228
Judicial positions	840	854	867	894	916	961	930	917	898
- Frozen**	298	304	292	296	300	330	295	271	240
- Court injunctions ["precetto"] issued and foreclosures	120	132	148	160	162	161	166	172	181
- Order of assignments	270	265	264	280	292	305	306	310	320
- Secured and Corporate	152	153	162	158	162	165	163	164	157
Total	1,269	1,305	1,324	1,404	1,396	1,369	1,375	1,478	1,483

- 1 The decrease in GBV of waiting for workout/positions at costs is due the beginning of the workout of a few large portfolios acquired in 2020
- 2 Acquisition of €3.4bn GVB in 4Q21

*Source: management accounting data

**Other Judicial positions

***Does not include customer loans (invoices to be issued) related to Ifis Npl Servicing third parties servicing activities

Npl Business*: P&L and cash evolution

P&L - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Waiting for workout - Positions at cost									
Extrajudicial positions	17	10	11	7	22	29	30	38	29
- Ongoing attempt at recovery	(4)	(3)	(5)	(5)	(2)	6	(2)	6	(1)
- Non-judicial payment plans	21	13	15	12	24	23	32	33	30
Judicial positions	33	24	37	43	42	41	36	35	44
- Frozen**	0	0	0	0	0	0	0	0	0
- Court injunctions and foreclosures + Order of assignments	26	24	32	43	36	34	30	32	41
- Secured and Corporate	6	0	6	0	5	7	5	3	2
Total	50	34	48	50	64	70	66	74	73

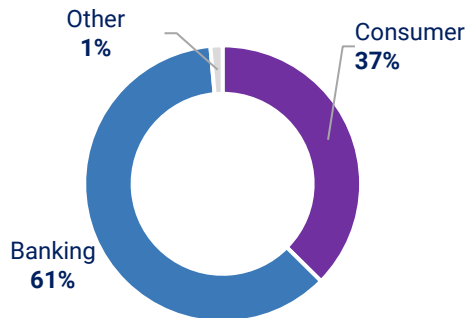
Cash - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Waiting for workout - Positions at cost									
Extrajudicial positions	30	23	33	37	42	47	43	51	49
- Ongoing attempt at recovery	4	3	4	6	6	9	5	6	5
- Non-judicial payment plans	26	20	29	31	36	39	38	46	44
Judicial positions	35	29	33	40	39	42	39	42	42
- Frozen**	0	0	0	0	0	0	0	0	0
- Court injunctions and foreclosures + Order of assignments	29	23	26	29	30	30	31	32	33
- Secured and Corporate	7	5	7	11	9	12	7	11	9
Total	65	52	66	76	81	89	82	94	91

*Source: management accounting data

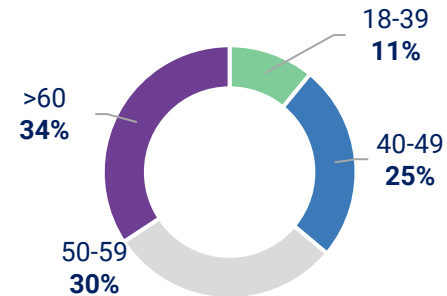
**Other Judicial positions

Npl Business*: portfolio diversification

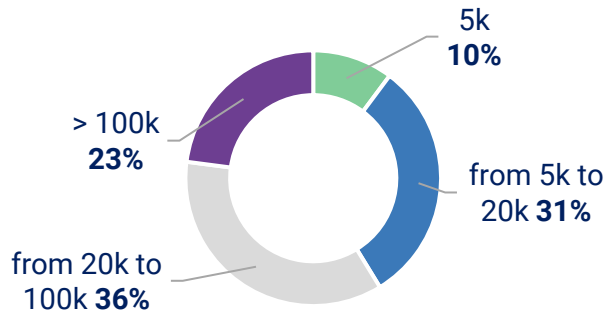
Breakdown of GBV by type



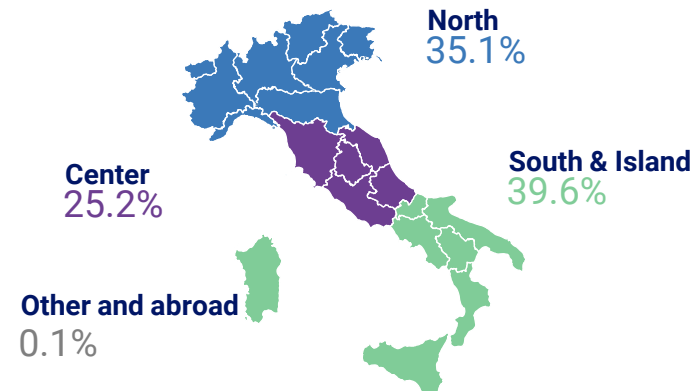
Breakdown of GBV by borrower age



Breakdown of GBV by ticket size



Breakdown of GBV by region

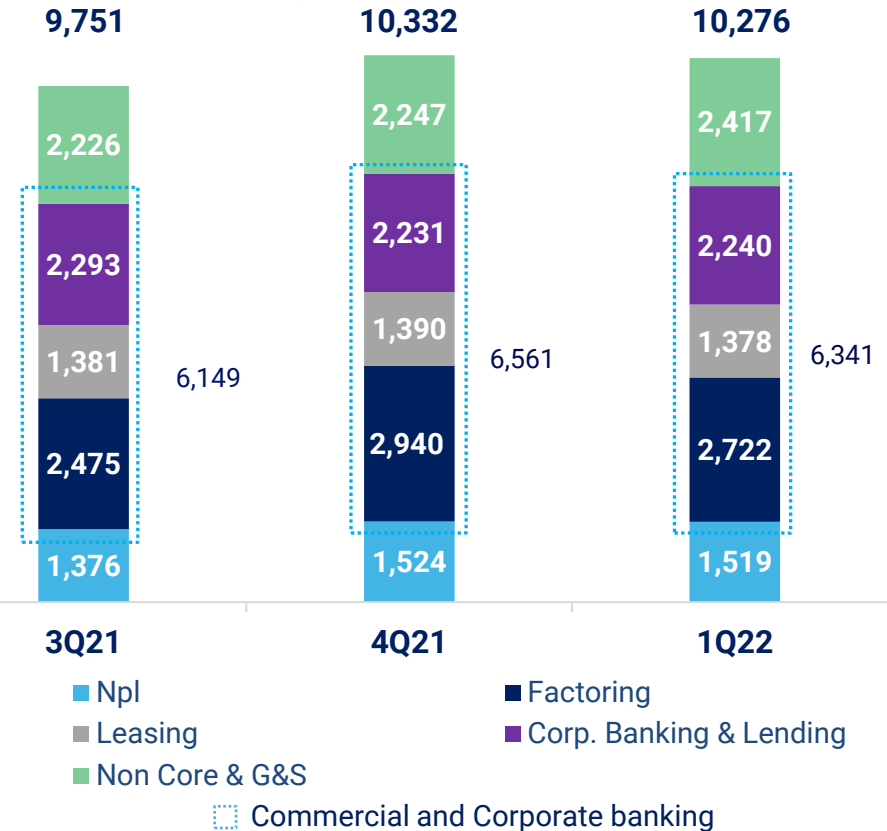


*Source: management accounting data and risk management data (i.e. data refer only to property portfolio)

2.2 Consolidated financial data

Customer loans*

Customer loans (€ mln)



- 1Q22 customer loans at €10,276 substantially stable QoQ
- Factoring: -7% QoQ due to seasonality and +8%YoY driven by market share gain and macroeconomic recovery
- G&S includes €1.8bn of Italian government bonds (+200 mln vs 4Q21)

*Starting from January 2022, Cap.Ital.Fin has been reclassified from Non Core & G&S into Commercial and Corporate banking. 2021 data reclassified accordingly

Asset quality (€ mln)

Consolidated ratios	3Q21	4Q21	1Q22
Gross Npe*	6.5%	6.4%	6.4%
Net Npe*	3.4%	3.9%	3.8%

Commercial & Corporate Banking	Gross	Coverage %	Net
Bad loans	127	74%	33
UTPs	159	43%	90
Past dues	103	8%	95
Total Npes	389	44%	218

Non Core & G&S**	Gross	Coverage %	Net
Bad loans	16	41%	9
UTPs	49	42%	29
Past dues	7	28%	5
Total Npes	72	40%	43

- Asset quality ratios in 1Q22:

- Gross Npe Ratio*: 6.4% (6.4% in 4Q21)
- Net Npe Ratio*: 3.8% (3.9% in 4Q21)

- Gross and Net Npe in Commercial & Corporate Banking came in at €389mln (€401mln in 4Q21***) and €218mln (€238mln in 4Q21***), respectively

- Npl Business not included in this analysis. Npe ratios calculated excluding Npl Segment and Italian Government Bonds at amortized costs included in customer loans

*Includes commercial loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.8bn Government bonds at amortized costs in G&S.

** NPEs in Non Core & G&S that arose from the acquisition of former Interbanca, in accordance with IFRS 9 are qualified as POCI ("purchased or originated credit-impaired") and are booked net of provisions

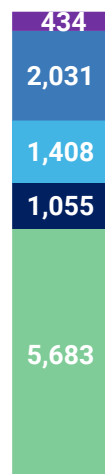
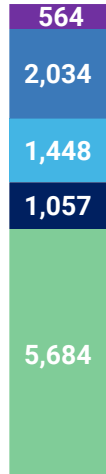
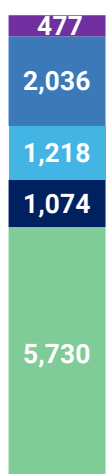
****Starting from January 2022, Cap.Ital.Fin has been reclassified from Non Core & G&S into Commercial and Corporate banking. 2021 data reclassified accordingly

Funding (€mln)

10,535

10,787

10,612



3Q21

4Q21

1Q22

■ Payables due to customers ■ Bonds ■ Securitization ■ TLTRO ■ Other

- Payables due to customers in line QoQ
- Securitizations include €1,034mln of the factoring securitization and €374mln from restructuring of the Farbanca securitization
- Banca Ifis has €2.0bn TLTRO expiring in September 2024 out of a maximum capacity of ca. €2.9bn
- Average cost of funding at 0.84% in 1Q22, vs 0.84% in 4Q21, 0.84% in 3Q21, 0.96% in 2Q21, and 1.02% in 1Q21
- **Moody's assigned Banca Ifis an issue rating of Baa3 (investment grade) with stable outlook**

	3Q21	4Q21	1Q22
LCR	>1,500%	>900%	>1,300%
NSFR	>100%	>100%	>100%

Proprietary portfolio*: resiliency and stable contribution to P&L

- Long term «fundamental» positioning strongly focused on investment grade bond area coupled with opportunistic trading approach
- Efficient management of excess cash (ECB deposits) / Low Duration level (consistent with liabilities)
- Use of enhancing and hedging strategies coupled with both risk and expected credit loss control
- Strategical use (78% of total assets in 1Q22) of HTC to reduce proprietary portfolio volatility
- Low RWA density and relevant ECB / funding eligibility

1Q22 proprietary portfolio net revenues of €16.3mln

- €8.2mln interest income (partially driven by inflation linked bond)
- €8.1mln trading and other income of which €5.2mln from dividends and bond sale
- +€10.2mln vs. 1Q21

Banca Ifis adopted the mechanism offsetting unrealized gains/losses measured through the FVOCI method on government assets

Type of asset - Data in €mln as at end of quarter	Bonds			Equity	Total
	Government	Financial	Corporate		
Held to collect/amortized cost	1829	208	84		2120
Held to collect and sell (FVOCI)	432	25	26	105	588
Total (HTC and HTC&S)	2261	232	110	105	2708
Held for trading/Funds					3
Total portfolio at market value	2261	232	110	105	2711
Percentage of total	83,4%	8,6%	4,1%	3,9%	100,0%
Held to collect/amortized cost Duration	2,3	3,5	3,7	NA	2,5
Held to collect and sell (FVOCI) Duration	3,8	2,8	4	NA	3,8
Average duration (HTC and HTC&S) - YEARS	2,6	3,4	3,8	NA	2,7

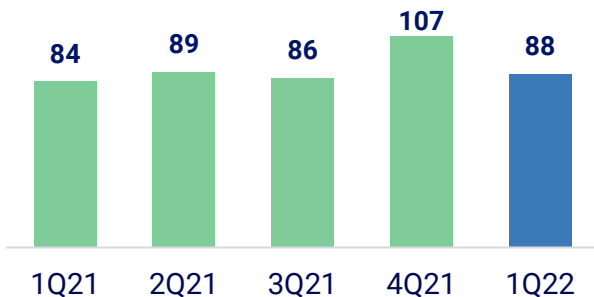
* Source: management accounting data

Potential 2022 upside

- Expected €6.5mln dividend flows
- Higher interest rate flows from potential reinvestment of €500mln IT Gov expired in April 22
- Potentially additional interest rate flows from inflation linked (6% of total assets in 1Q22) and floater bonds (28% of total assets in 1Q22) in case of further inflation and short term rate increase

Reclassified consolidated operating costs*

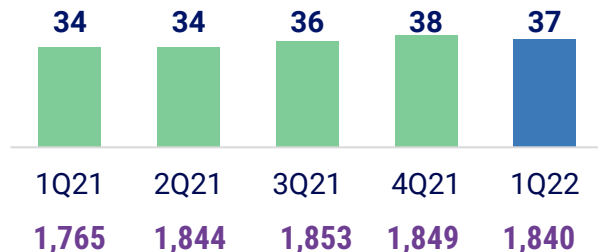
Operating costs (€mln)



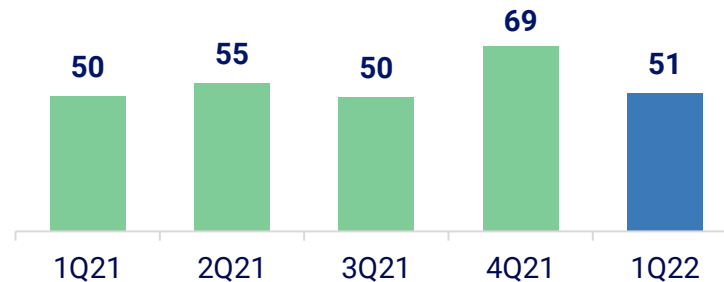
1Q22 operating costs -€19mln vs. 4Q21

- -€1.5mln QoQ in HR costs, mainly due to lower variable compensation accruals
- -€17.3mln QoQ in other operating costs, mainly due to 4Q21 one-off legal and advisory costs (€11.5mln) for the transfer of La Scogliera to Canton Vaud (CH) and €6.5mln of FITD

Personnel expenses (€mln)



Other adm. expenses and other income / expenses (€mln)

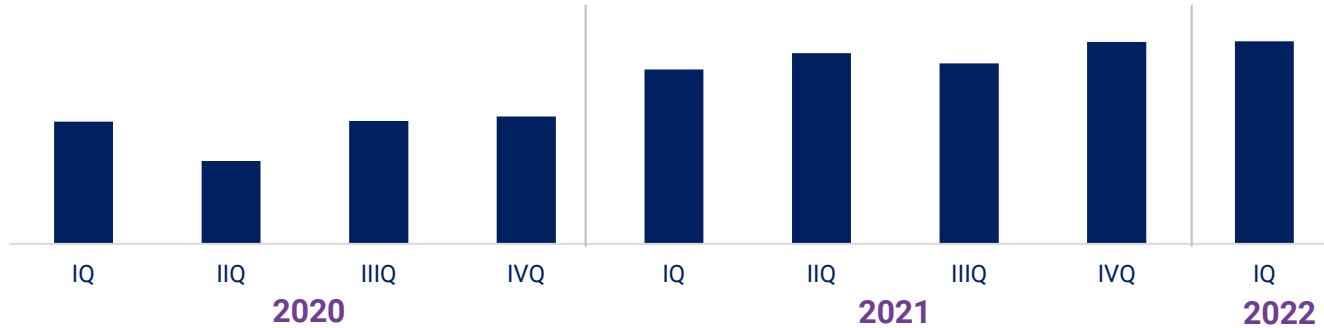


Banca Ifis
employees

*Figures exclude "Net allocations to provisions for risks and charges"

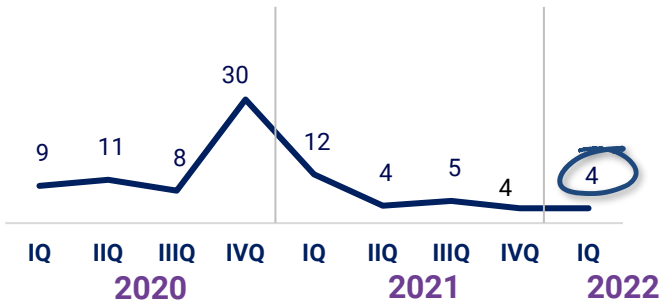
Seasonality in Npl and PPA and effect of Covid-19

Net interest income in Npls



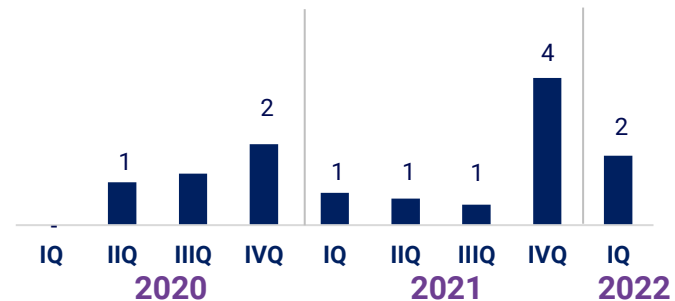
2020 was impacted by court shutdown

Reversal of PPA ex-IB (pre-tax)



1Q22 pre tax reversal PPA at €4m

Capital gains from Npl disposal



2.3 Focus on DTA

Focus on DTA regulatory implications

Convertible DTAs

- DTAs related to write downs of loans convertible into tax credits (under Law 214/2011)
- Their recovery is certain regardless of the presence of future taxable income and is defined by fiscal law (range ca. 5%-12% per annum, with full release by 2026)
- No time and amount limit in the utilization of converted DTAs
- Capital requirements: 100% weight on RWA

Data in €/mln

205.4

DTAs due to tax losses (non - convertible)

- DTAs on losses carried forward (non-convertible) and DTAs on ACE (Allowance for Corporate Equity) deductions can be recovered in subsequent years only if there is positive taxable income
- No time limit to the use of fiscal losses against taxable income of subsequent years
- Capital requirements: 100% deduction from CET1

26.5

Other non-convertible DTAs

- DTAs generated due to negative valuation reserves and provisions for risks and charges (~€43.6*mln as of 31 Mar 2022)
- Capital requirements: deduction from CET1 or weighted in RWA depending on certain thresholds**. For Banca Ifis they would be weighted at 250% but they are partially offset by DTL (~€26.3mln as of 31 Mar 2022)

17.4

*Includes prudentially €5.3mln of DTAs related to Ifis Rental and Ifis Real Estate not included in the Banking Group as not a regulated entity

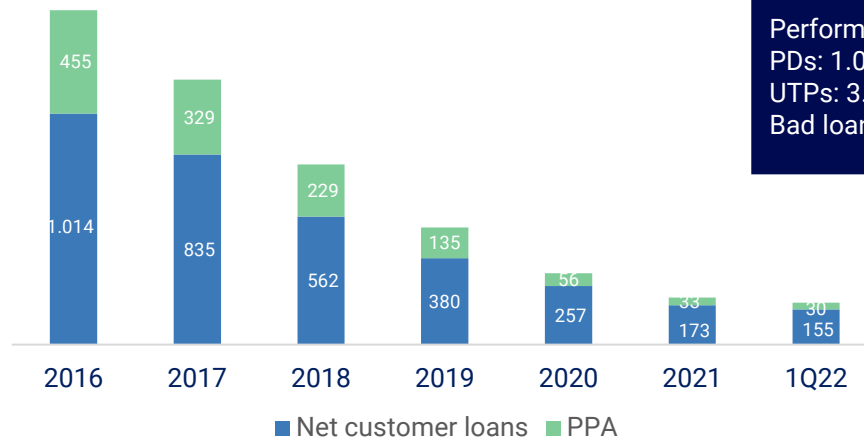
** As stated by CRR (article 48), these kind of DTAs are subjected to a double threshold mechanism: if their amount is less than 10% of the CET1 Capital, they are weighted at 250%; if their amount added to the total³⁷ investments in financial sector subjects is less than 17.65% they are weighted. If the amount of DTAs is greater than or the first or the second threshold, the amount in excess is deducted from CET1 Capital.

2.4 Focus on PPA

- In 2016, following the acquisition of former Interbanca, Banca Ifis valued the performing and non performing loans of Interbanca by applying a market discount and a liquidity discount to reflect purchase price
- The purchase price allocation (PPA) is written back with the progressive maturity/the disposal of Interbanca's loans

As at 31 Mar 22, the residual amount of pre-tax PPA was €30m

Net customer loans and PPA - €m



Performing: 24.4
PDs: 1.0
UTPs: 3.5
Bad loans: 1.1

PPA reversal in P&L- €m

1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	Outstanding at 31 March 22	
9	11	8	30*	12	4	5	4	4	30	
FY 20: €57m. o/w: -€2m Corp. Banking & Lending -€56m Non Core & G&S				FY 21: €25m. o/w: -€3m Corp. Banking & Lending -€22m Non Core & G&S				1Q 22: €4m. o/w: -€1m Corp. Banking & Lending -€3m Non Core & G&S		1Q 22 Outstanding, o/w: -€0m Corp. Banking & Lending -€30m Non Core & G&S

*In 4Q20, the write back of PPA was mainly driven by loans and Npl disposals and prepayments

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