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Oggetto : Banca Ifis: net profit up 50% to 72,5 million
Euro in H1 2022

Testo del comunicato

Vedi allegato.

Banca Ifis: net profit up 50% to 72,5 million Euro in H1 2022

Net profit grew by 50% to 72,5 million Euro, a result mainly driven by revenue performance, which increased by 12% in the first half of 2022 compared to the same period last year.

Factoring and Leasing activities all grew at higher rates than the reference markets¹, confirming the dynamism of the Bank's commercial network.

Collections from the Npl business increased, thanks to the increased efficiency of credit recovery activities and the quality of the portfolio, due to the prudent approach taken when purchasing Npl portfolios in recent years.

Significant reserves set aside for Covid in previous years, unused, were reclassified to cope with potential macroeconomic risks arising from the conflict between Russia and Ukraine, and the slowdown in economic growth.

Results first half 2022

Reclassified data² - 1 January 2022 / 30 June 2022

- **Net banking income is up 11,6% to 324 million Euro** (290,4 million Euro at 30.06.2021) and benefits from the greater revenues of the Npl Segment of 135,0 million Euro (+9,5% compared to 30.06.2021) and of the Commercial & Corporate Banking Segment of 142,2 million Euro (+1,6% compared to 30.06.2021).
- **Operating expenses, amounting to 185,5 million Euro** (+7,5% compared to 172,5 million Euro as at 30.06.2021), are up due to higher personnel expenses (73,6 million Euro compared to 67,7 million Euro as at 30.06.2021, due to the growth in variable remuneration and the contribution, in terms of resources, throughout the half-year period linked to the former Aigis Banca acquisition) and other administrative expenses (114,6 million Euro compared to 111,5 million Euro as at 30.06.2021) due to higher costs mainly related to the Group's strategic projects.
- **The Parent Company's net profit amounts to 72,5 million Euro, up 50%** from 48,3 million Euro in the first half of 2021.
- **Credit cost of 33,7 million Euro**, down from 43,5 million Euro in the corresponding period of 2021.
- **Solid liquidity position: approximately 1 billion Euro at 30 June 2022** in reserves and free assets that can be financed by the ECB (LCR above 1.000%).

Capital requirements³

- **CET1 comes to 14,92% (15,44% as of 31 December 2021)** and TCR of 19,00% (19,63% as of 31 December 2021), calculated excluding the first half 2022 profit. CET1 would stand at 15,91% including the positive effects of the application of EU Delegated Regulation 954/2022 published in the Official Journal on 21 June 2022 and effective from July 2022, which allows for a reduction in the risk-weighting on loans acquired from the Npl business and the transfer of loans to the National Health System (NHS) carried out by the Bank in June 2022 (recognition of the risk transfer is expected by September 2022).

¹ Source: Assifact and Assilea

² Reclassifications and aggregations of the consolidated income statement concern the following:

- net impairment losses/reversals of the Npl Segment are reclassified to Interest receivable and similar income (and therefore to the "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net provisions for risks and charges are excluded from the calculation of "Operating costs";
- The following are included under the single item "Net credit risk losses/reversals":
 - net adjustments/reversals for credit risk relating to financial assets valued at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets valued at fair value through other comprehensive income;
 - net provisions for risks and charges for credit risk relating to commitments and guarantees issued;
 - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

³ CET1, Tier 1 and Total Capital at 30 June 2022 do not include the profits generated by the Banking Group in the first six months of 2022.

**PRESS RELEASE
H1 2022 RESULTS**

Mestre, 04 August 2022 – The Board of Directors of Banca Ifis met today under the chairmanship of Sebastien Egon Fürstenberg and approved the results for H1 2022.

“The results for the first half of 2022” - **Frederik Geertman, CEO of Banca Ifis declares** – “reveal net profit of 72,5 million Euro, up 50% on the same period of 2021, mainly driven by the +12% increase in revenues. This trend reflects the resilience of our business model, which allows us to operate by taking advantage of our high specialisation, investment in process innovation and sustainable credit management in markets where our Bank has a strong competitive advantage.

The strong half-year results and the conservative approach to risk-taking we have adopted in recent years will allow us to best cope with the possible adverse macroeconomic scenario in the coming quarters, while continuing to play our role in supporting the real economy”, **Frederik Geertman concludes**.

Revenues of the **Commercial & Corporate Banking Segment** increases by 1,6% compared to the same half of last year. In the first half of 2022, Factoring and Leasing volumes, which are closely linked to invoice amounts and the price of the underlying assets, showed a favourable dynamic, directly reflecting the increase in inflation. The dynamism of the Bank's commercial network was evidenced by growth rates above those of its reference markets⁴: in the first half of 2022, Factoring turnover grew by 18,2% (compared to +16,6% for the market) and Leasing disbursements by +24,4% (compared to 9,4% for the market).

In the **Npl Segment**, cash recoveries on purchased portfolios amounted to 182 million Euro (+7% compared to 170 million Euro in H1 2021), confirming the quality of the portfolio and the increased efficiency of debt collection activities. The quality of the portfolio is a consequence of the prudential approach applied in the purchase of Npl portfolios, which took into account the potential effects of the pandemic (purchases made in 2020-2021) and higher levels of inflation and geopolitical instability (purchases made during the first six months of 2022).

In the first half-year, provisions for credit risks amounted to 34 million Euro. Significant reserves set aside for Covid in previous years, which had not been used, are reclassified to cope with possible macroeconomic risks. The Bank also made additional provisions of 3 million Euro against positions in the commercial portfolio with high vintage.

The exit phase from the business support measures made available by the Government confirmed the quality of the Bank's credit portfolio. Of the receivables that had requested moratorium at 30 June 2022, only 4%, amounting to 23 million Euro, have at least three instalments outstanding, of which 16 million Euro are 80% backed by the Government and 6 million Euro are lease receivables whose underlying asset has a high residual value.

The full application of the regulation on the New Definition of Default to receivables from the National Health System, carried out in order to eliminate any regulatory uncertainty, led to the reclassification into past due of about 145 million Euro nominal. This portfolio is characterised by limited credit risk, mainly in the 'non-performing past due exposures' category, with marginal impact on the Bank's profit and loss account and capital requirements and is set to decrease further in 2022.

CET1 as at 30 June 2022 is 14,92%. CET1 would stand at 15,91% including the positive effects arising firstly from the application of EU Delegated Regulation 954/2022 (published in the Official Journal on 21 June 2022 and effective from July 2022 and allowing a reduction in the risk-weighting on loans acquired from the Npl business) and secondly from the sale of loans to the NHS, carried out by the Bank in June 2022. The completion of the recognition of Significant Risk Transfer of this disposal is expected by September 2022. The good level of capitalisation guarantees the stability and growth of Banca Ifis, in line with the 2022-2024 Business Plan, which focuses on the development of the core business and aims to make the bank increasingly digital, efficient and oriented towards sustainable growth.

⁴ Source: Assifact and Assilea

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Highlights

RECLASSIFIED DATA⁵

The Banca Ifis Group's **consolidated income statement** for the first six months of 2022 reported a profit attributable to the Parent Company of 72,5 million Euro.

Highlights from the Banca Ifis Group's income statements for the first six months of 2022 are set out below.

Net banking income

Net banking income totalled 324 million Euro, up 11,6% from 290,4 million Euro at 30 June 2021. Contributing to this result is the growth of the **Factoring Area**, with 78,9 million Euro and an increase of 14%, thanks to the increase in net interest income and net commissions as a result of the performance of managed receivables, and the good performance of the **Leasing Area** (29 million Euro, in line with 30 June 2021). At 34,3 million Euro, the **Corporate Banking & Lending Area** decreases by 18,4% compared to the figure of 30 June 2021. The figure for the previous half-year had benefited from the contribution of approximately 5 million Euro from the revaluation of the investment in a minority shareholding.

Net banking income of the **Npl Segment** amounts to 135,0 million Euro, up 9,5% compared to June 2021, mainly due to the good performance of legal and extrajudicial inflows, which grow 10,3% overall. In particular, out-of-court management contributes 25,3 million Euro and legal management contributes 41,2 million Euro thanks to the contribution of actions for injunction, attachment and garnishment orders.

Finally, the activity on the proprietary portfolio contributes 6,5 million Euro to the growth in net banking income, of which 2,4 million Euro comes from higher dividends on securities in the portfolio, 2,4 million Euro from trading activities, and 1,7 million Euro from gains on disposals. Similarly, the portfolio of financial instruments of the **Non-Core Area** also makes a positive contribution to net banking income, with a growth of 2,1 million Euro.

Operating costs

Operating costs total 185,5 million Euro, showing a 7,5% increase on the 172,5 million Euro at 30 June 2021.

The cost/income ratio is 57,3% compared to 59,4% in June 2021.

Below are details of the item's main components:

- personnel expenses amounts to 73,6 million Euro. The increase of 8,7% is attributable to variable remuneration growth expenses that had been reduced in 2021 due to the Covid-19 pandemic and to the full half-year contribution in terms of resources, linked to the acquisition of the former Aigis Banca at the end of May 2021;
- other administrative expenses as at 30 June 2022 amounts to 114,6 million Euro, up 2,8% compared to the corresponding period of 2021, mainly due to higher costs related to the Group's strategic projects;
- other net operating income amounts to 11 million Euro, down 30,7% compared to June 2021. The change is mainly due to the inclusion in the figures for the first half of 2021 of 3,4 million Euro of positive difference, which arose from the process of allocating the purchase price of the former Aigis Banca business unit.

Net credit risk losses/reversals

Reclassified **net credit risk losses/reversals** include provisions for credit risk on guarantees issued and gains/losses on the sale of loans. At 30 June 2022, they amounted to 33,7 million Euro compared to 43,5 million Euro in the equivalent period of 2021, the figure for which included adjustments of 8,8 million Euro on the Npl

⁵ Reclassifications and aggregations of the consolidated income statement concern the following:

- net impairment losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to the "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net provisions for risks and charges are excluded from the calculation of "Operating costs";
- the following is included under the single item "Net credit risk losses/reversals":
 - net adjustments/reversals for credit risk relating to financial assets valued at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets valued at fair value through other comprehensive income;
 - net provisions for risks and charges for credit risk relating to commitments and guarantees issued;
 - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

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Segment, made following a detailed analysis - still in progress at the time - carried out also in response to the Covid-19 pandemic, in terms of longer collection times on positions characterised mainly by higher vintage.

Net allocations to provisions for risks and charges

At 30 June 2022, **net allocations to provisions for risks and charges** amounted to a positive 3,1 million Euro, an improvement on the negative balance of 2,4 million Euro at 30 June 2021. The figure is mainly due to the 5,7 million Euro recovery recorded in the first half of 2022 on the risk provisions related to the GACS credit assignment transactions.

Net profit attributable to the Parent Company

At 30 June 2022, the net profit attributable to the Parent company amounted to 72,5 million Euro, up 24,2 million Euro (+50,0%) on the same period of 2021.

Focus on individual Segments

Below are the main dynamics recorded in the individual Segments that go towards forming the economic-equity results at 30 June 2022.

The net profit of the **Commercial & Corporate Banking Segment** amounted to 24,4 million Euro, down by 5,6 million Euro (-18,7%) compared to 30 June 2021. This result was driven by the growth in net interest income of 9 million Euro (+9,9%) and net commissions (+0,8 million Euro, or +2,1%), offset by the reduction in other components of net banking income of 7,6 million Euro (-86,2%) and higher net adjustments of 6,2 million Euro.

Net interest and other banking income derives from the combined effect of the various areas of the business, as described below:

- the contribution of the **Factoring Area** amounted to 78,9 million Euro in the first half of 2022, an increase of 14,0% compared to 30 June 2021. This result was due to the greater contribution both of net interest income (up by 8,2 million Euro) and net commission income (up by 2,3 million Euro), which benefited from the positive trend of receivables under management;
- the **Leasing Area's** net banking income amounted to 29 million Euro, essentially in line with the 30 June 2021 figure, with an improvement in net commissions;
- net banking income of the **Corporate Banking & Lending Area** came to 34,3 million Euro at 30 June 2022, down 7,7 million Euro on 30 June 2021 (-18,4%). The negative change was caused by the combined effect of the 1 million Euro increase in net interest income (driven by the increase in average loans in the Lending segment, which more than offset the decrease in the Corporate Banking segment in relation to a different timing of disbursements), a 1,9 million Euro decrease in net commissions (mainly arising from Corporate Banking), and the 6,8 million Euro decrease in other components of net banking income attributable to the Corporate Banking Area. The figure for the first half of 2021 had also benefited from the contribution of approximately 5 million Euro from the revaluation of the investment in a minority shareholding.

Net impairment losses on receivables amounted to 28,1 million Euro, up 6,2 million Euro compared to 30 June 2021. This change resulted mainly from provisions made in the first half of 2022 on individual impaired positions belonging to the SME segment that are most affected by the current macroeconomic environment.

The increase in **operating costs** of 4,5 million Euro was mainly due to higher personnel expenses. This was due both to higher variable remuneration, which had been reduced in 2021 for the Covid-19 pandemic, and to the contribution over the half-year period in terms of resources, linked to the former Aigis Banca acquisition, which took place at the end of May 2021.

Period profit of the **Npl Segment** is 32,5 million Euro, up 49,7% on 30 June 2021. The net banking income of the Segment amounted to 135,0 million Euro (+9,5%) as compared with 123,2 million Euro at 30 June 2021. The increase was due both to the increase in average loans, which generated interest income of 78,2 million Euro, and to the improvement in expected cash flows based on realised receipts, which in turn generated a contribution of 66,3 million Euro to net banking income. The positive effect on net interest income was 11,7 million Euro as at 30 June 2022 (132,4 million Euro) compared to 120,7 million Euro as at 30 June 2021.

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Collections of the Npl Segment in H1 2022 came to 182,2 million Euro, including the instalments collected during the half-year from re-entry plans, from garnishment orders and transactions carried out and rise by 7,2% on the collections of 170 million Euro made in the first half of 2021.

Profit for the **Governance & Services and Non-Core Segment** at 30 June 2022 was 15,9 million Euro compared to a loss of 2,5 million Euro at 30 June 2021. The Segment's net interest and other banking income amounts to 46,7 million Euro, up 19,5 million Euro on the same period of the previous year and is due to growth of 28,6 million Euro in the **Governance & Services Area**, offset by a lower contribution of 9,1 million Euro from the run-off activities of the **Non-Core Area**.

As regards the **cost of credit**, there is a decrease in net adjustments to 5,5 million Euro compared with 12,8 million Euro at 30 June 2021, which was influenced by provisions on some singularly significant positions.

Operating costs come to 21,5 million Euro, up 3,9 million Euro on 30 June 2021. This increase is primarily due to ICT activities and higher legal and consulting expenses in the Governance & Services Area.

[The breakdown of the main statement of financial position items of the Banca Ifis Group at 30 June 2022 is shown below.](#)

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amounted to 9.869,2 million Euro, a reduction on 31 December 2021 (10.331,8 million Euro). The figure includes debt securities for 1,7 billion Euro (2 billion Euro at 31 December 2021). The **Commercial & Corporate Banking Segment** recorded a contraction (-2,3%) concentrated in the **Factoring Area** (-6,9%, a change influenced by the typical seasonality of the business and a revision of the strategic approach to non-recourse purchases of receivables from the NHS), against the substantial stability of the **Leasing** and **Corporate Banking & Lending Areas**. The **Governance & Services and Non-Core Segment** dropped by 315,1 million Euro, primarily due to period changes in the debt securities portfolio to customers at amortised cost. The related decreases due to the sale and redemption at maturity of certain government bonds more than offset the new investments for the period. **Npl Segment** loans are essentially stable compared to 31 December 2021.

Funding

During the first six months of 2022, **the Group continued its strategy of differentiating between distribution channels**, in order to ensure a better balance with respect to retail funding. The Group has surplus liquidity in respect of its needs (approximately one billion Euro at 30 June 2022 in reserves and free assets that can be financed in the ECB), thereby enabling it to easily respect the LCR and NSFR limits (with indexes more than of 1.000% and 100% respectively).

At 30 June 2022, **total funding** came to 10.396,3 million Euro, -3,6% on the end of FY 2021; the funding structure was as follows:

- 51,7% customers;
- 10,1% debt securities;
- 14,1% Asset Backed Securities (ABS);
- 19,4% TLTROs;
- 4,7% other.

Payables due to customers amounted to 5.376,4 million Euro as at 30 June 2022, down 5,4% compared to the figure as at 31 December 2021, due to a careful policy of rationalising the most expensive and volatile forms of financing. Amounts due to banks amounted to 2.509,3 million Euro, down 3,4% compared to the figure for December 2021 due to less recourse to short-term payables both to Central Banks and via repurchase agreements. The item follows the trend in lending.

Securities in issue remained stable, amounting to 2.510,5 million Euro as at 30 June 2022, in line with the figure as at 31 December 2021.

**PRESS RELEASE
H1 2022 RESULTS****Equity and ratios⁷**

At 30 June 2022, the Group's **consolidated shareholders' equity** stood at 1.592,4 million Euro, down from the 1.623,9 million Euro recorded at the end of 2021. The main changes in consolidated equity are:

- the positive change relative to the period result pertaining to the Parent company of 72,5 million Euro;
- the net negative change for 13,1 million Euro following the corporate reorganisation brought about as a result of the merger by incorporation of the former Credifarma into Farbanca (now renamed Banca Credifarma), at the end of which Banca Ifis's controlling interest increased to 87,74% (while at the beginning of 2022 Banca Ifis held 70% of the former Credifarma and 71,06% of Farbanca);
- the negative change of 19,3 million Euro connected with the repurchase of treasury shares to service the LTI plan;
- the net negative change of 22,7 million Euro in the valuation reserve due to actuarial gains, exchange rate adjustments and changes in the fair value of financial instruments with an impact on comprehensive income;
- the negative change related to profit distribution of 49,8 million Euro.

At 30 June 2022, the **ratios for the Banca Ifis Group** amounted to a CET1 ratio of 14,92% (compared with 15,44% at 31 December 2021), a Tier 1 ratio of 14,93% (15,45% at 31 December 2021) and a Total Capital Ratio of 19,00% (compared with 19,63% at 31 December 2021).

Please note that on 19 May 2022, the Bank of Italy, following the Supervisory Review and Evaluation Process (SREP) to review the capitalisation targets of the system's largest intermediaries, notified the Banca Ifis Group to adopt the following consolidated capital requirements in 2022, including a 2,5% capital conservation buffer:

- CET1 Ratio of 7,90%, with a required minimum of 5,40%;
- Tier 1 Ratio of 9,75%, with a required minimum of 7,25%;
- Total Capital Ratio of 12,15%, with a required minimum of 9,65%.

In order to ensure a level of capital that can absorb any losses arising from stress scenarios, as referred to in Article 104 ter of EU Directive 36/2013, the Bank of Italy has set the following capital levels for the Banca Ifis Group, to which the specific countercyclical coefficient is added:

- CET1 Ratio of 8,65%, consisting of an OCR CET1 Ratio of 7,90% and a target component (Pillar 2 Guidance) of 0,75%;
- Tier 1 Ratio of 10,50%, consisting of an OCR Tier 1 Ratio of 9,75% and a target component of 0,75%;
- Total Capital Ratio of 12,90%, consisting of an OCR Total Capital Ratio of 12,15% and a target component of 0,75%.

At 30 June 2022, the Banca Ifis Group easily met the above prudential requirements.

⁷ CET1, Tier 1 and Total Capital at 30 June 2022 do not include the profits generated by the Banking Group in the first six months of 2022.

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Significant events occurred in the period

The Banca Ifis Group transparently and promptly discloses information to the market, constantly publishing information on significant events through press releases. Please visit the Investor Relations and Media Press sections of the institutional website www.bancaifis.it to view all press releases.

Here below is a summary of the most significant events in the period.

Banca Ifis approves the Liquidity Funding Plan 2022

On 17 January 2022, the Board of Directors of Banca Ifis has approved the Liquidity Funding Plan 2022 for the evolution of the Bank's liquidity funding sources, with a view to sound and prudent management and in compliance with rules of prudence. The aim is to optimise the cost of funding, ensuring appropriate diversification and balance between sources in a sustainable composition and adequate to the risk tolerance thresholds. The Liquidity Funding Plan 2022 confirms the centrality and significant contribution of the Bank's direct retail funding through deposit and current account products and provides, with similar importance and relevance during the year, the increase of the stock of wholesale bonds issued by Banca Ifis with a market oriented target of 1,5 billion Euro at the end of 2022 (of which 400 million Euro of Tier 2 and 1,1 billion Euro of Senior Preferred) compared to the current value of 1,1 billion Euro.

Assignment by Moody's of the Baa3 rating with stable outlook

On 9 February 2022, Moody's assigned Banca Ifis a rating of Baa3 (investment grade) with a stable outlook due to the Bank's profitability and solid capital and liquidity position. The original text of the press release issued by Moody's is available on the rating agency's website (www.moody.com).

Banca Ifis D.O.E.S.: 2022-2024 Business Plan approved

On 10 February 2022, the Board of Directors of Banca Ifis approved the 2022-2024 Business Plan, based on which Banca Ifis will continue to focus on the business segments with the highest opportunity for growth and profitability to strengthen market leadership: Commercial and corporate banking for SMEs and NPLs. In 2024, 164 million Euro of net profit (161 million Euro in profit pertaining to the Parent Company) and an ROE of 9% are expected; in the three-year period 2022-2024, a cumulative net profit in excess of 400 million Euro is expected. The Bank aims to create shareholder value with a dividend payout of approximately a cumulative 200 million Euro over the period 2022-2024, making for a payout ratio of around 50%. CET1 is expected to be 15,1% as of 2024 and will conservatively be above 14% throughout the plan period. In order to support a profitable growth, the Bank has defined an Industrial Plan based on four pillars, summarised in the acronym D.O.E.S, which leverage on Digitisation, Openness (i.e. the Bank-as-a-platform model), Efficiency and Sustainability. The Plan period envisages 200 new hires, of whom 150 young adults, and a training and reskilling program to strengthen and expand on employees' distinctive skills.

Merger by incorporation of Credifarma into Farbanca completed

On 11 April 2022 the merger by incorporation of Credifarma S.p.A. into Farbanca S.p.A., for which authorisation had been received from the Bank of Italy on 21 February 2022, was completed. Thanks to this operation, Banca Credifarma is born: the first specialised pole leader in financial services to pharmacies. The integration represents the completion of the project started with the acquisition of Farbanca in November 2020 and the starting point of

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a new reality equipped with the best skills in the provision of specialised credit to pharmacies thanks to the development of integrated digital services in a single large operator. The transaction is part of the initiatives of the 2022-2024 Business Plan aimed at further simplifying and specialising the organisational structure of the Banca Ifis Group. Post-integration synergies and cross selling with all the Group's financial products will allow Banca Credifarma to further develop its commercial presence in the reference segment. The extension of the investments in digital technology presented in the Business Plan will also speed up process innovation and the extension of the range of services offered, also thanks to new partnerships and consulting solutions complementary to the satisfaction of the needs of the pharmacy business.

Conclusion of the share buyback programme in support of the "2021-2023 LTI Plan"

On 22 April 2022, the program for the purchase of Banca Ifis ordinary shares to service the "2021-2023 LTI Plan", which had been initiated on 15 March 2022 and subject to authorization by the Shareholders' Meeting for a number of ordinary shares not exceeding 1.044.000 and for a maximum total value not exceeding 20,9 million Euro (the "Buy-Back Program"), was concluded. In execution of the Buy-Back Programme, Banca Ifis purchased a total of 1.044.000 shares (corresponding to the maximum number of treasury shares subject to the said authorisation) - equal to 1,940% of the share capital, for a total value of 19.281.157,88 Euro. Following the purchases made until 22 April 2022, considering the treasury shares already in portfolio, as of the closing date of the Buy-Back Programme, the Bank holds 1.383.139 treasury shares equal to 2,570% of the share capital.

The Shareholders' Meeting has approved the 2021 financial statements and a dividend of 0,95 Euro per share

The ordinary Shareholders' Meeting of Banca Ifis, which met on 28 April 2022 in single call, chaired by Sebastien Egon Fürstenberg in accordance with the applicable provisions, and hence in the manner set out in Art. 106 of Decree-Law no. 18 of 17 March 2020, approved:

- Banca Ifis 2021 Annual Report;
- the distribution to shareholders of a dividend of 0,95 Euro, equal to double the coupon distributed in FY 2020 gross of any withholding taxes, per share, with ex-dividend date (coupon no. 25) on 23 May 2022, record date on 24 May 2022 and payment from 25 May 2022;
- the increase in the number of directors from 12 to 13, appointing as members of the Board of Directors for the three-year period 2022-2024 Simona Arduini, Antonella Malinconico, Beatrice Colleoni, Monica Billio, Sebastien Egon Fürstenberg, Ernesto Fürstenberg Fassio, Frederik Herman Geertman, Monica Regazzi, Paola Paoloni, Giovanni Meruzzi, Luca Lo Giudice and Roberta Gobbi and Roberto Diacetti. The members of the Board of Statutory Auditors were also appointed in the persons of: Andrea Balelli (Chairman), Franco Olivetti (Standing Auditor), Annunziata Melaccio (Standing Auditor), Marinella Monterumisi (Alternate Auditor) and Emanuela Rollino (Alternate Auditor);
- Section I of the document "Report on Remuneration Policy and compensation paid" prepared in accordance with Art. 123-ter of Legislative Decree no. 58/1998. The Shareholders' Meeting also resolved in favour of Section II of the aforementioned document relating to the implementation of remuneration policies during FY 2021;
- the remuneration plan based on the assignment of Banca Ifis shares for certain corporate figures described in the information document drawn up pursuant to Art. 114-bis of Italian Legislative Decree no. 58/1998 and related implementing rules (Art. 84-bis of Consob Regulation no. 11971/1999);
- the assignment to PriceWaterhouseCoopers S.p.A. of the tasks related to the statutory audit of the accounts of Banca Ifis S.p.A. for the nine-year period 2023-2031.

**PRESS RELEASE
H1 2022 RESULTS****Sale of Ifis Real Estate S.p.A.**

On 11 May 2022, Ifis Npl Servicing S.p.A.'s 100% stake in Ifis Real Estate S.p.A. was sold in its entirety to Resolute Asset Management Italy S.r.l. and, on the same date, Ifis Real Estate S.p.A. changed its name to Rebuild S.p.A, leaving the perimeter of the Banca Ifis Group's investee companies.

Conclusion of the Supervisory Review and Evaluation Process (SREP) by the Bank of Italy

On 23 May 2022, the Bank of Italy received notification of the conclusion of the periodic prudential review process ('SREP decision') conducted on the Banca Ifis Group. The Bank of Italy has identified the following capital requirements (equal to the sum of the Overall Capital Requirement and Pillar 2 Guidance) for 2022 on a consolidated basis:

- CET1 ratio: 8,65%;
- Tier 1 ratio: 10,50%;
- Total capital ratio: 12,90%.

The above capital requirements include the Target component of the Pillar 2 Guidance of 0,75%.

Significant subsequent events

No significant events occurred between the end of the reporting period and the approval of the Consolidated Half-Year Financial Report at 30 June 2022 by the Board of Directors.

Declaration of the Corporate Accounting Reporting Officer

Pursuant to article 154 bis, paragraph 2 of the Consolidated Law on Finance, the Manager Charged with preparing the Company's financial reports, Mariacristina Taormina, declares that the financial information contained in this press release corresponds to the related books and accounting records.

**PRESS RELEASE
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Reclassified Financial Statements

Reclassifications and aggregations of the consolidated income statement concern the following:

- net impairment losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to the "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net provisions for risks and charges are excluded from the calculation of "Operating costs";
- The following is included under the single item " Net credit risk losses/reversals ":
 - net adjustments/reversals for credit risk relating to financial assets valued at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets valued at fair value through other comprehensive income;
 - net provisions for risks and charges for credit risk relating to commitments and guarantees issued.

Reclassified Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	30.06.2022	31.12.2021
Cash and cash equivalents	285.073	355.381
Financial assets held for trading through profit or loss	24.698	8.478
Financial assets mandatorily measured at fair value through profit or loss	140.030	144.660
Financial assets measured at fair value through other comprehensive income	592.967	614.013
Receivables due from banks measured at amortised cost	687.914	524.991
Receivables due from customers measured at amortised cost	9.869.219	10.331.804
Property, plant and equipment	127.374	120.256
Intangible assets	60.090	61.607
of which:		
- goodwill	38.020	38.794
Tax assets:	330.150	329.674
a) current	37.975	45.548
b) deferred	292.175	284.126
Other assets	470.050	487.027
Total assets	12.587.565	12.977.891

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H1 2022 RESULTS**

LIABILITIES AND EQUITY (in thousands of Euro)	30.06.2022	31.12.2021
Payables due to banks	2.509.307	2.597.965
Payables due to customers	5.376.426	5.683.745
Debt securities issued	2.510.538	2.504.878
Financial liabilities held for trading	16.178	5.992
Tax liabilities:	44.442	49.154
a) current	10.891	16.699
b) deferred	33.551	32.455
Other liabilities	469.959	436.107
Post-employment benefits	8.041	9.337
Provisions for risks and charges	60.257	66.825
Valuation reserves	(48.818)	(25.435)
Reserves	1.442.929	1.367.019
Share premiums	82.187	102.972
Share capital	53.811	53.811
Treasury shares (-)	(22.104)	(2.847)
Equity attributable to non-controlling interests (+/-)	11.897	27.786
Profit for the period	72.515	100.582
Total liabilities and equity	12.587.565	12.977.891

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Reclassified Consolidated Income Statement

ITEMS (in thousands of Euro)	30.06.2022	30.06.2021
Net interest income	264.351	233.033
Net commission income	42.212	40.851
Other components of net banking income	17.391	16.492
Net banking income	323.954	290.376
Net credit risk losses/reversals	(33.674)	(43.544)
Net profit (loss) from financial activities	290.280	246.832
Administrative expenses:	(188.245)	(179.219)
a) personnel expenses	(73.598)	(67.725)
b) other administrative expenses	(114.647)	(111.494)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(8.225)	(9.145)
Other operating income/expenses	10.960	15.824
Operating costs	(185.510)	(172.540)
Net allocations to provisions for risks and charges	3.061	(2.427)
Value adjustments of goodwill	(762)	-
Gain on disposals of investments	135	-
Pre-tax profit from continuing operations	107.204	71.865
Income taxes for the period relating to continuing operations	(34.423)	(22.702)
Profit for the period	72.781	49.163
Profit for the period attributable to non-controlling interests	266	832
Profit for the period attributable to the Parent company	72.515	48.331

Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS	
	30.06.2022	31.12.2021
Common Equity Tier 1 Capital (CET1)	1.471.026	1.486.880
Tier 1 capital	1.471.954	1.488.624
Total Own Funds	1.873.192	1.891.346
Total RWAs	9.857.713	9.633.003
CET1 ratio	14,92%	15,44%
Tier 1 Ratio	14,93%	15,45%
Total Capital Ratio	19,00%	19,63%

CET1, Tier 1 and Total Capital at 30 June 2022 do not include the profits generated by the Banking Group in the first six months of 2022.

PRESS RELEASE
H1 2022 RESULTS

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