Banca Ifis

E-MARKET SDIR CERTIFIED

2Q22 results

4 August 2022

Index

1

2Q22 results

Well positioned to face a more challenging macro environment

Banca I

E-MARKET SDIR CERTIFIED

1 **Bank is delivering on Business Plan, focused on core business**

2 **Credit book proactively monitored and confirmed sound**

- Negligible asset quality deterioration from loans formerly under moratoria + negligible direct exposure to Russia/Ukraine
- No write backs of sizable unused provisions for Covid-19 booked in 2020-21; additional prudential add-on provisions on performing portfolio

3 **More stringent assumptions already applied in the purchase of Npl portfolio** to include Covid-19 impacts (purchases carried out in 2020-2021) and macro economic risk (purchases carried out in 2022)

4 Italian Government bonds portfolio has average **maturity matching TLTRO financing**. Prudently holding €0.3bn cash for reinvestment vs. 1Q22

5 **Potential upside from pick up in interest rate in the course of Business Plan period now gradually materializing**

6 **A natural inflation hedge deriving from factoring and leasing businesses (2/3 of customer loans in Commercial & Corporate Banking)**

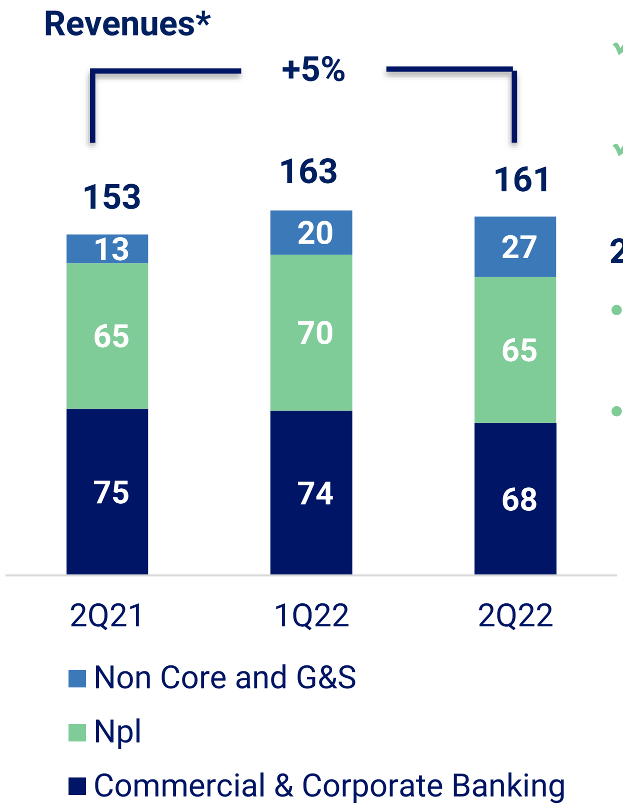
7 CET1 actual of 14.9% at 30 June 22. **CET1 would be at 15.9%,** including 0.75% from the change in weight of RWA from 150% to 100% (effective from July 22)* and 0.24% from the disposal of loans vs. the Italian public health system completed by Ifis in 2Q22 (CET1 derecognition pending Bank of Italy's approval, expected by Sep 22)

*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 weighting on distressed loans acquired from the NPL business

Key deliveries in 2Q22

1. **Net income of €38mln (+7% QoQ and +33% YoY), confirming our track record in growing core businesses**
2. **Net revenues at €161mln (+5% YoY and 6% net of PPA)**, driven by both commercial banking and Npl business
3. **Factoring turnover at record high in 2Q22 and +19% YoY**, new business in **leasing +33% YoY**. Resilient performance of Npl portfolio: cash collection of €91mln
4. **Loan loss provisions at €17mln,** including €3mln provisions on some older vintage exposures in commercial banking
5. In 2Q22, Banca Ifis concluded its analysis on the application of the New Definition of Default (“New DoD”) on exposures versus the Italian public health system. **The Bank fully applies the New DoD parameters** (no exclusions based on operational criteria). The resulting transitory increase in the asset quality ratios has marginal P&L and modest CET1 impacts

Net revenues



Net revenues at €161mln (+5% YoY)

- ✓ Revenues robust (2Q22 include €7.5mln one-off TLTRO III benefit from the Additional Special Period from Sept 2021 to June 2022 booked in G&S)
- ✓ Replacement of PPA with core income: PPA down to €3mln in 2Q22 (vs. €4mln in 2Q21 and €4mln in 1Q22)

2Q22 was impacted by seasonality/lower one-offs compared to 1Q22

- NPL business: in 2Q22 no capital gains from the disposal of NPL portfolio (+€2.4mln capital gains and others in 1Q22)
- Corporate banking: in 2Q22 no capital gains on equity investments (vs. +€1.4mln capital gains in 1Q22) and -€0.7mln lower revenues in structured finance (€5.1mln in 2Q22 vs. €5.8mln in 1Q22) due to timing of transactions

Scenario considerations:

- ✓ Potential upside of ca. €30mln-45mln in net interest income from +100bps in interest rates curve over the Business Plan period
- ❖ Potential negative impact from weaker macroeconomic growth (asset quality deterioration, Npl collection)

*Starting from January 2022, Capitalfin has been reclassified from Non core & G&S into Commercial and Corporate banking. 2021 data reclassified accordingly

A natural inflation-hedge, positive correlated with interest rates

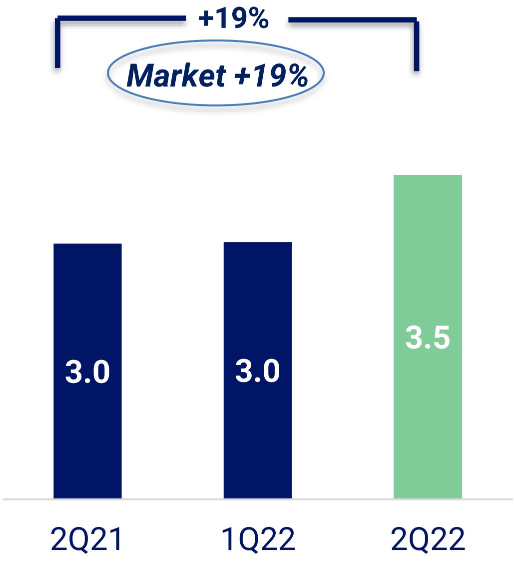
	€ bn	Positive interest rate correlation	Inflation hedge on 2/3 of commercial loans	… and proven asset quality mitigants
Factoring	2.7	✓	✓ The inflation in the invoices increases the factoring turnover proportionally, 1:1	• Strong sector and borrower diversification (8k clients) • Exposure to debtors (usually medium and large corporates) with high ratings • Short term exposures (average 3 months)
Leasing/ rental	1.4	✓	✓ The inflation in the prices of cars/equipment increases the new leasing/rental volumes	• Strong sector and borrower diversification (70k clients), with remarketing agreements • Focus on auto, technology and special equipment • Average duration of 4 years
Lending	1.7	✓		• €0.8bn loans to SMEs 80% guaranteed by MCC/State • €0.9bn medium-/long-term lending to pharmacies (predominantly with pharmacies posted as collateral)
Structured finance	0.6	✓		• Private Equity-sponsored lending to ~55 noncyclical corporations • Stable book (no aggressive growth strategy pursued)

€6.4 Commercial e Corporate Banking loans

✓ Positive correlation

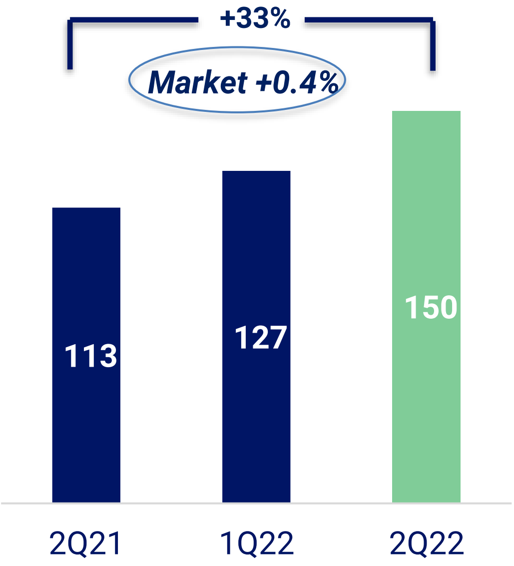
Vigorous commercial activity

Factoring turnover (€bn)



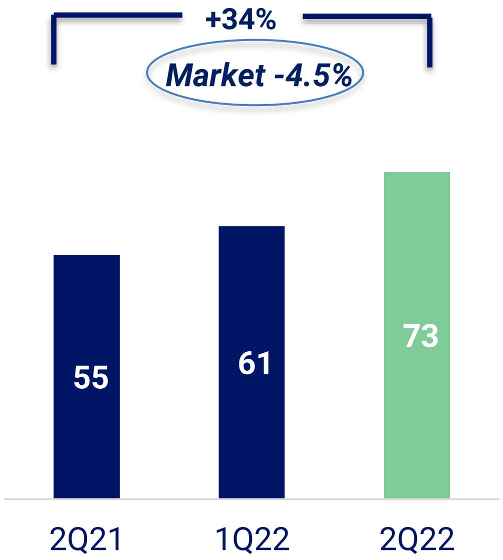
- Factoring turnover at record high in 2Q22

New leasing business (€mln)



- High commercial productivity with growth above market
- No change in small ticket focus
- Specialization in cars and technological equipment

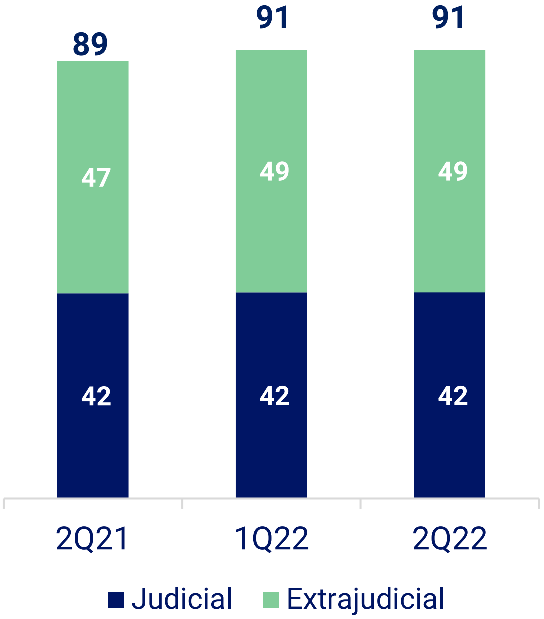
Of which: new leasing auto YoY growth



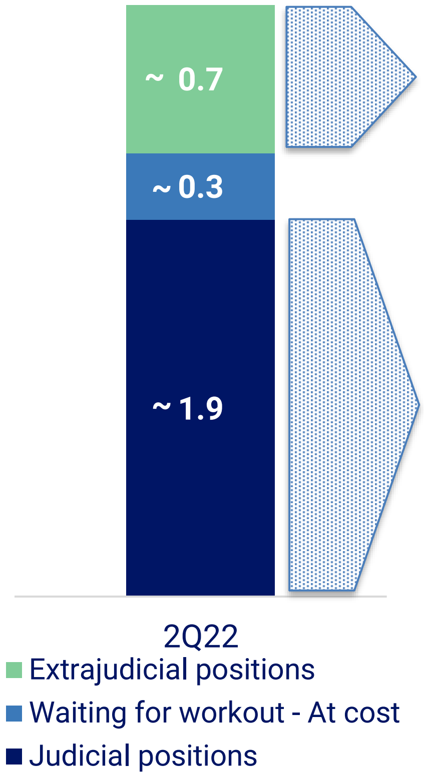
- Strong presence with electrical vehicle brands

Npl portfolio performance resilient and well-positioned*

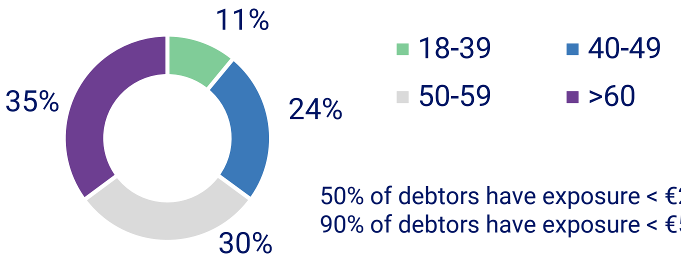
Track record in quarterly cash collection (€mln)



Npl portfolio: expected cash collection ERC - (€bn)

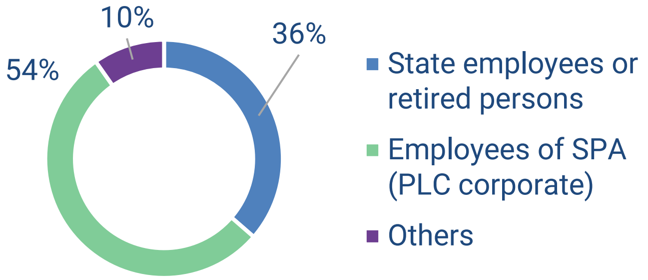


Breakdown of GBV by age of debtor (extrajudicial recovery)



50% of debtors have exposure < €20k
90% of debtors have exposure < €50k

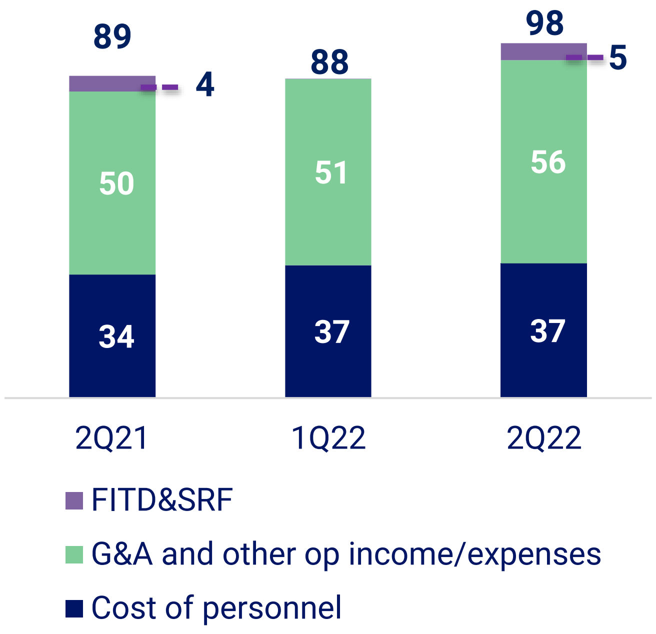
Breakdown of order of assignment by type of employer (judicial recovery) provides stability of cash flows



*Source: management accounting data and risk management data

Efficiency translating into operating cost control

Operating costs*



2Q22 results

- **€5mln FITD&SRF costs****
- **€37mln in HR costs, stable QoQ showing discipline in new hiring**
- **€56mln G&A and other operating income/expenses (+€5mln QoQ).** Potential impact of inflation and volume growth more than offset by contract renegotiation
  - +€3mln QoQ related to higher business volumes*** and +€2mln QoQ other costs (mainly on discretionary marketing expenses)
  - €8mln IT costs (€9mln in 1Q22) confirm our commitment and investments in digitalization and innovation as key pillar of our 2021-24 business plan
  - €23mln variable costs linked to Npl recovery

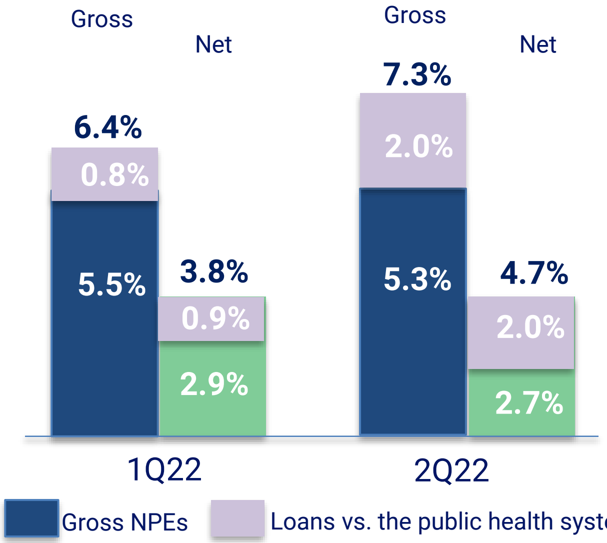
*Figures exclude "Net allocations to provisions for risks and charges"
** The FITD&SRF were booked as provisions in 1Q22. The provisions were released in 2Q22 and booked as costs, with no profit impact
*** +€2mln legal & recovery costs in the Npl segment and +€1mln stamp duty on proprietary trading

Resilient asset quality

Loan loss provisions*

- **2Q22 LLP of €17mln, stable QoQ,** including €3mln additional provisions on some older vintage exposures in commercial banking
- **No write backs of provisions for Covid-19.** Provisions reallocated against potential macroeconomic risk related to the Russia / Ukraine war, high inflation and lower economic growth

Asset quality NPE ratios



- In 2Q22, Banca Ifis concluded its analysis on the application of the New Definition of Default ("New DoD") on exposures versus the Italian public health system. The conclusion was reached to remove any regulatory uncertainty
- In 2Q22, Banca Ifis fully applied the New DoD to the portfolio, without exclusions. We classified into past due a total of €145mln loans vs. the Italian public health system (historically, a late payer with limited asset quality risk) and we disposed a €37mln portfolio of old vintage positions versus the Italian public health system
- The resulting increase in the asset quality ratios has marginal P&L and modest CET1 impacts; we expect a progressive elimination of the effect in the next few quarters

*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 unchanged performance of loans formerly under moratoria*

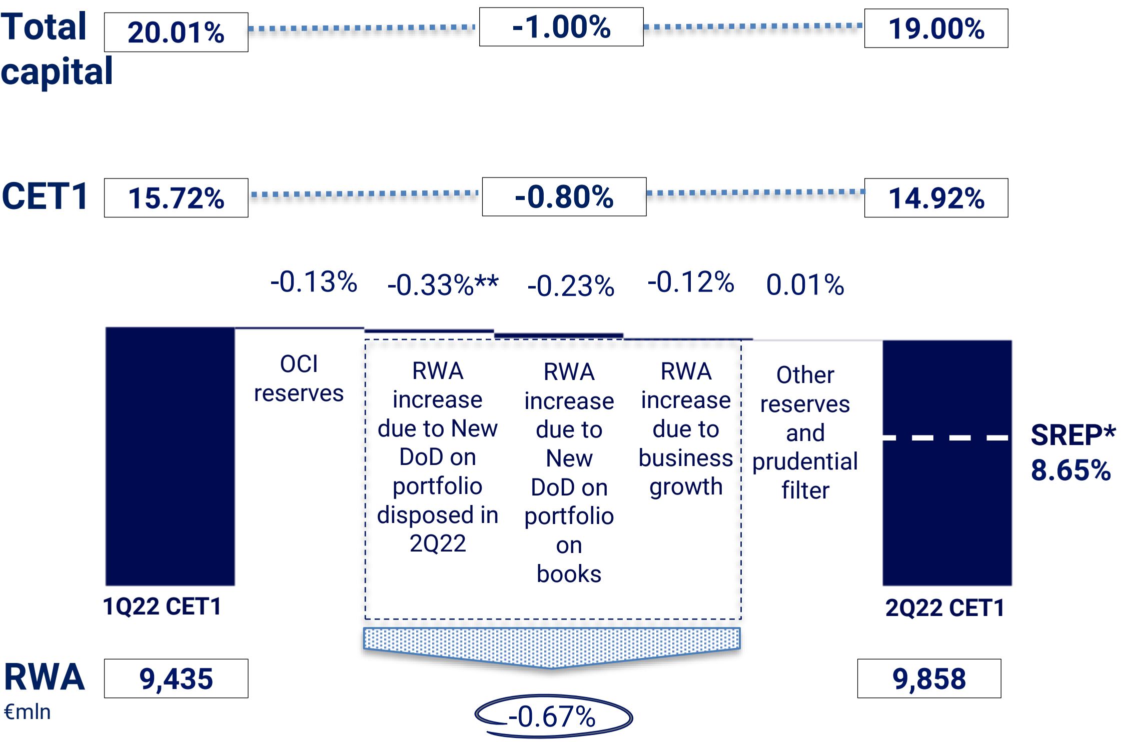
Banca Ifis

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	313	6	2%	0,4%	* 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	136	16	12%	0,9%	* Loans to SMEs 80% guaranteed by MCC/State * Banca Ifis's actual exposure is ca. € 6mln
Corporate banking: of which other loans	21	0	0	0,0%	* No client in arrears * Portfolio consists of non cyclical corporate diversified by sector
Non core	61	1	2%	0,5%	* Run-off of performing loans (mainly ex Interbanca) with maturity in 2024-25
Total	**531**	**23**	**4%**	**0,6%**	**Total €23mln. Exposure consists mainly of lending 80% guaranteed by the State and leasing with sound residual value**

Data at June 2022. *Source: management accounting data

€23mln with at least 3 instalments in arrears, of which €16mln have 80% State guarantee (Banca Ifis exposure is €6mln) and €6mln are leasing with sound residual value of underlying assets

Banca Ifis Group – Capital ratios evolution



CET1 actual of 14.9% at 30 June 22. CET1 would be at 15.9% including 0.75% from the change in weight of RWA from 150% to 100% (due to the application of the EU Reg. 954/2022 published in the Official Journal on 21 June 2022 and effective from July 2022, which allows for the reduction in the weighting on distressed credits acquired by the NPL Business) and 0.24%** from the disposal of loans vs the Italian public health system completed by Banca Ifis in 2Q22 (CET1 derecognition pending Bank of Italy's approval, expected by Sep 22)

* At group level capital requirements are: CET1 8.65%, Total Capital 12.9% (including 0.75% of P2G)
**The difference between 0.33% and 0.24% is due to the fact that the disposed portfolio vs the Italian public health system led to the reclassification into past due of some performing loans, which were not sold

Quarterly results

Banca I

E-MARKET SDIR CERTIFIED

Reclassified Consolidated Income Statement - (€ mln)	1Q22	2Q22	1H21	1H22
Net interest income	131.1	133.3	233.0	264.4
Net commission income	20.7	21.5	40.9	42.2
Trading and other revenues	11.5	5.9	16.5	17.4
Total Revenues	**163.3**	**160.6**	**290.4**	**324.0**
Loan loss provisions	(17.0)	(16.7)	(43.5) 3	(33.7)
Total Revenues - LLP	**146.3**	**144.0**	**246.8**	**290.3**
Personnel expenses	(36.6)	(37.0)	(67.7)	(73.6)
Other administrative expenses	(53.6)	(61.1) 1	(111.5)	(114.6)
Other net income/expenses	2.3	0.4	6.7	2.7
Operating costs	**(87.8)**	**(97.7)**	**(172.5)**	**(185.5)**
Net allocations to provisions for risks and charges	1 (6.4)	9.5 2	(2.4)	3.1
Value adjustments of goodwill	-	(0.8)	-	(0.8)
Gains (Losses) on disposal of investments	-	0.1	-	0.1
Pre tax profit	**52.1**	**55.1**	**71.9**	**107.2**
Taxes	(16.7)	(17.7)	(22.7)	(34.4)
Net income - attributable to the Parent company	**34.9**	**37.6**	**48.3**	**72.5**

Customer loans	10,276	9,869	9,875	9,869
- of which Npl Business	1,519	1,528	1,371	1,528
Total assets	12,893	12,588	13,269	12,588
Total funding	10,612	10,396	11,000	10,396
- of which customer deposits	5,683	5,376	5,884	5,376
- of which TLTRO	2,031	2,021	2,116	2,021
Shareholders Equity	1,642	1,592	1,574	1,592

1. Includes €5mln to provisions to FITD&SRF. The FITD&SRF were booked as provisions in 1Q22. The provisions were released in 2Q22 and booked as costs, with no P&L impact in 2Q22
2. Released of FITD&SRF provisions booked in 1Q22 and €6mln write back of provisions on a Npl GACS transaction
3. 1H21 included €9mln provisions due to ongoing review of Covid-19 long-term impact on our Npl portfolio

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)"

2Q22 Results: P&L break-down by business unit

Banca Ifis

E-MARKET SDIR CERTIFIED

Data in € mln	Npl	Factoring	Leasing	Corp. Banking & Lending*	Tot. Commercial & Corporate banking	Non core & G&S	Consolidated
		Commercial & Corporate banking					
Net interest income	65	24	10	13	48	21	133
Net commission income	1	15	4	3	21	(0)	21
Trading & other revenues	(0)	(0)	0	0	(0)	7	6
Net revenues	**65**	**39**	**14**	**16**	**68**	**27**	**161**
-Of which PPA	*0*	*0*	*0*	*0*	*0*	*3*	*3*
Loan loss provisions	0	(1)	1	(14)	(14)	(3)	(17)
Operating costs	(46)	(21)	(8)	(10)	(39)	(13)	1 (98)
Net allocations to provisions for risks and charges	(0)	(1)	1	0	(0)	10	9
Value adjustments of goodwill	-	(1)	-	-	(1)	-	(1)
Gains (Losses) on disposal of investments	(0)	-	-	-	-	-	0
Net income	**13**	**10**	**6**	**(6)**	**10**	**14**	**37**
Net income attributable to non-controlling interests							(0)
Net income attributable to the Parent company							38
Net income (%)	**35%**	**27%**	**15%**	**(15)%**	**27%**	**38%**	**100%**
Customer Loans	1,528	2,738	1,390	2,281	6,409	2 1,932	9,869
RWA [1]	2,344	2,645	1,214	1,518	5,377	1,091	8,812
Allocated capital [2]	**350**	**395**	**181**	**227**	**802**	**163**	**1,315**

1 Includes €5mln to provisions to FITD&SRF. The FITD&SRF were booked as provisions in 1Q22. The provisions were released in 2Q22 and booked as costs, with no P&L impact in 2Q22

2 Breakdown of customer loans in Non Core & G&S

- G&S: includes €1.4bn 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 2Q22
* Corporate Banking & Lending includes Cap.Ital.Fin

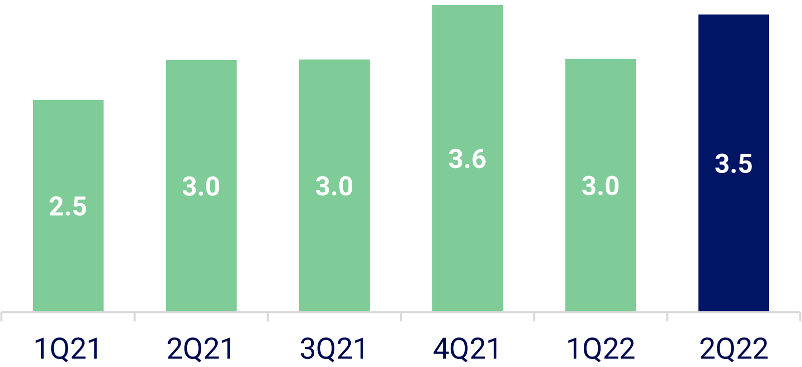
Appendices

2

2.1 Segment results

Factoring

Turnover - €bn



	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Net customer loans - €mln	2,513	2,749	2,475	2,940	2,722	2,738

- Factoring turnover at record high in 2Q22
- Factoring net loans stable QoQ and YoY
- Factoring loans of €2.7bn included €0.3bn exposure to the Public Administration

1 Net revenues / average customer loans at 5.7%, in line with 1Q22

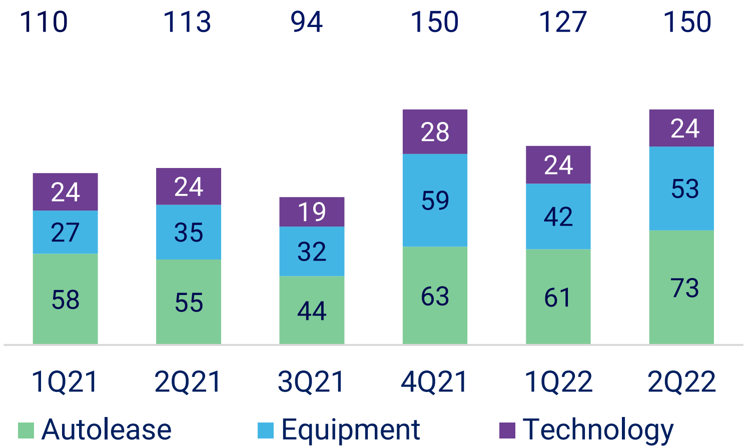
2 In 1Q21, loan loss provisions included a one-off write back due to the update of credit model

Data in €mln	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Net revenues	34	35	38	35	40	39
Net revenues / average customer loans	5.2%	5.4%	5.8%	5.2%	5.7%	5.7% 1
Loan loss provisions*	2 2	(11)	(0)	(9)	(9)	(1)

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

Leasing

New business - €mln



Net customer loans - €mln	1,406	1,411	1,381	1,390	1,378	1,390

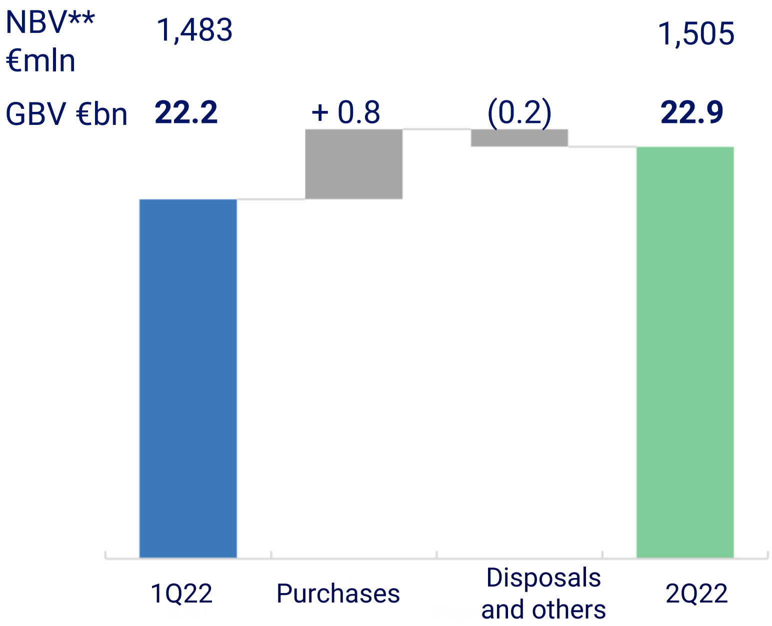
Data in €mln	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Net revenues	14	15	15	12	15	14
Net revenues / average customer loans	3.9%	4.3%	4.1%	3.6%	4.5%	4.0%
Loan loss provisions*	(4)	(1)	(1)	(2)	(1)	1

- New leasing +33% YoY and +18% QoQ, well above market growth
- Net revenues / average customer loans at 4.0% (4Q21 and 1Q22 included one-offs)
- Asset quality risk is mitigated by strong sector and borrower diversification and by the remarketing agreements for repossessed assets

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

Npl Business*: portfolio evolution

Npl portfolio evolution



Key numbers*

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

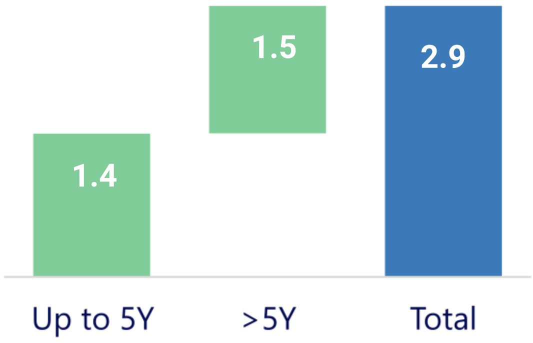
Npls acquired in 2Q: €0.8bn GBV

- In 2Q22, Banca Ifis purchased €0.8bn Npl (GBV). In 1Q22, Banca Ifis acquired €0.6bn Npl (GBV). Purchases are in line with expectations
- We are currently participating/expecting to participate in Npl disposal processes of more than €1.8bn GBV

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

Npl Business*: ERC

ERC: €2.9bn



ERC breakdown

Data in €bn	GBV	NBV	ERC
Waiting for workout - At cost	4.2	0.2	0.3
Extrajudicial positions	11.4	0.4	0.7
Judicial positions	7.3	0.9	1.9
Total	**22.9**	**1.5**	**2.9**

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 2Q22), court injunctions ["precetto"] issued and order of assignments (GBV of €1.6bn in 2Q22) have already been expensed in P&L
- **€1.9bn cash recovery (including proceeds from disposals) was generated in the years 2014 – 2Q2022**

* Source: management accounting data and risk management data

Npl Business*: GBV and cash recovery

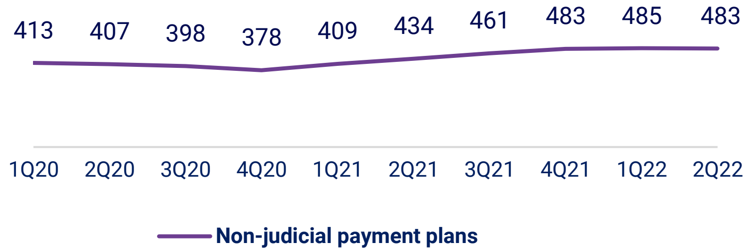
Judicial recovery

Judicial recovery (€ mln)	GBV	%
Frozen**	1,715	23%
Court injunctions [“precetto”] and foreclosures	858	12%
Order of assignments	786	11%
Secured and Corporate	3,963	54%
Total	**7,323**	**100%**

To be processed

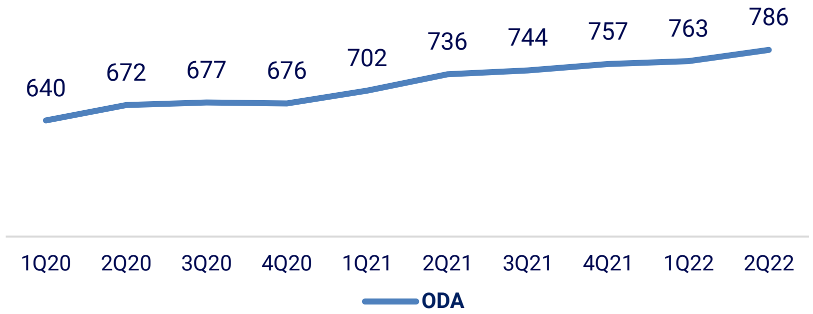
Non judicial recovery – Voluntary plans

GBV, data in €mln



Judicial recovery – Order of Assignments

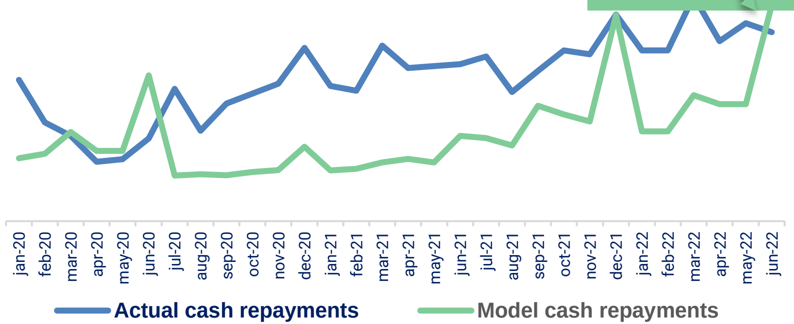
GBV, data in €mln



Actual vs. model cash repayments

Judicial + non judicial recovery, data in €mln

In 2Q22 cash collections in secured and corporate were impacted by longer auction timeframes due to court shutdown in 2020-21



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

*Source: management accounting data

Npl Business*: cash recovery and P&L contribution

Banca I

E-MARKET SDIR CERTIFIED

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 2Q22 P&L contribution benefits from increasing productivity in servicing

Data in € mln (escluding disposals)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	2020 YE	2021 YE
Cash collection	65	52	66	76	81	89	82	94	91	1 91	259	345
Contribution to P&L**	50	34	48	50	64	70	66	74	73	2 71	182	273
Cash collection / contribution to P&L	132%	153%	137%	152%	127%	128%	124%	127%	125%	128%	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	2Q22
Waiting for workout - Positions at cost	**1,440**	**1,709**	**1,885**	**2,140**	**1,147**	1 **107**	**203**	2 **3,409**	**3,850**	**4,193**
Extrajudicial positions	**10,619**	**10,257**	**10,579**	**10,273**	**10,987**	**11,280**	**11,657**	**10,804**	**11,155**	**11,379**
- Ongoing attempt at recovery	10,206	9,850	10,182	9,896	10,578	10,846	11,196	10,321	10,670	10,896
- Non-judicial payment plans	413	407	398	378	409	434	461	483	485	483
Judicial positions	**5,720**	**6,278**	**6,428**	**7,374**	**7,546**	**7,896**	**7,183**	**7,618**	**7,245**	**7,323**
- Freezed**	2,533	2,627	2,518	3,299	3,243	3,644	2,883	2,010	1,662	1,715
- Court injunctions ["precetto"] issued and foreclosures	571	595	642	713	686	700	727	771	818	858
- Order of assignments	640	672	677	676	702	736	744	757	763	786
- Secured and Corporate	1,975	2,384	2,590	2,686	2,915	2,816	2,830	4,080	4,002	3,963
Total	**17,779**	**18,244**	**18,893**	**19,787**	**19,680**	**19,282**	**19,043**	**21,831**	**22,250**	**22,895**

NBV - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22***
Waiting for workout - Positions at cost	**65**	**96**	**104**	**170**	**112**	**15**	**31**	**136**	**148**	**159**
Extrajudicial positions	**364**	**355**	**353**	**339**	**368**	**393**	**413**	**425**	**436**	**438**
- Ongoing attempt at recovery	193	184	185	174	188	198	200	202	208	208
- Non-judicial payment plans	171	171	169	165	180	195	213	223	228	230
Judicial positions	**840**	**854**	**867**	**894**	**916**	**961**	**930**	**917**	**898**	**908**
- Freezed**	298	304	292	296	300	330	295	271	240	235
- Court injunctions ["precetto"] issued and foreclosures	120	132	148	160	162	161	166	172	181	187
- Order of assignments	270	265	264	280	292	305	306	310	320	333
- Secured and Corporate	152	153	162	158	162	165	163	164	157	154
Total	**1,269**	**1,305**	**1,324**	**1,404**	**1,396**	**1,369**	**1,375**	**1,478**	**1,483**	**1,505**

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

Banca I

E-MARKET SDIR CERTIFIED

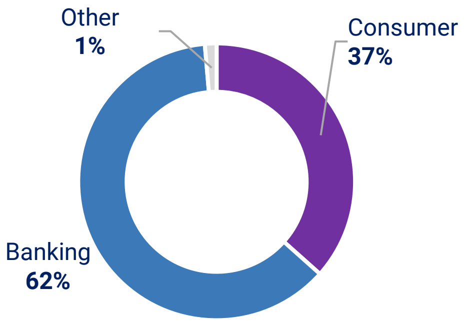
P&L - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Waiting for workout - Positions at cost										
Extrajudicial positions	**17**	**10**	**11**	**7**	**22**	**29**	**30**	**38**	**29**	**25**
- Ongoing attempt at recovery	(4)	(3)	(5)	(5)	(2)	6	(2)	6	(1)	0
- Non-judicial payment plans	21	13	15	12	24	23	32	33	30	24
Judicial positions	**33**	**24**	**37**	**43**	**42**	**41**	**36**	**35**	**44**	**47**
- Freezed**	-	-	-	-	-	-	-	-	-	-
- Court injunctions and foreclosures + Order of assignments	26	24	32	43	36	34	30	32	41	40
- Secured and Corporate	6	0	6	0	5	7	5	3	2	7
Total	**50**	**34**	**48**	**50**	**64**	**70**	**66**	**74**	**73**	**71**

Cash - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Waiting for workout - Positions at cost										
Extrajudicial positions	**30**	**23**	**33**	**37**	**42**	**47**	**43**	**51**	**49**	**49**
- Ongoing attempt at recovery	4	3	4	6	6	9	5	6	5	6
- Non-judicial payment plans	26	20	29	31	36	39	38	46	44	44
Judicial positions	**35**	**29**	**33**	**40**	**39**	**42**	**39**	**42**	**42**	**42**
- Freezed**	-	-	-	-	-	-	-	-	-	-
- Court injunctions and foreclosures + Order of assignments	29	23	26	29	30	30	31	32	33	32
- Secured and Corporate	7	5	7	11	9	12	7	11	9	10
Total	**65**	**52**	**66**	**76**	**81**	**89**	**82**	**94**	**91**	**91**

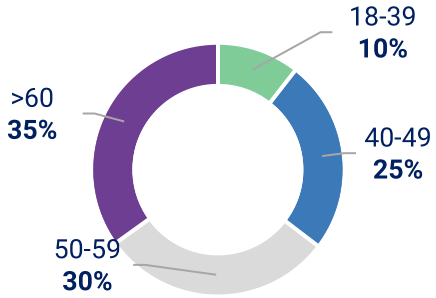
*Source: management accounting data
**Other Judicial positions

Npl Business*: portfolio diversification

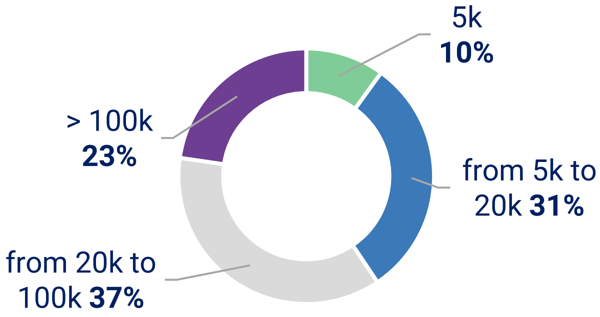
Breakdown of GBV by type



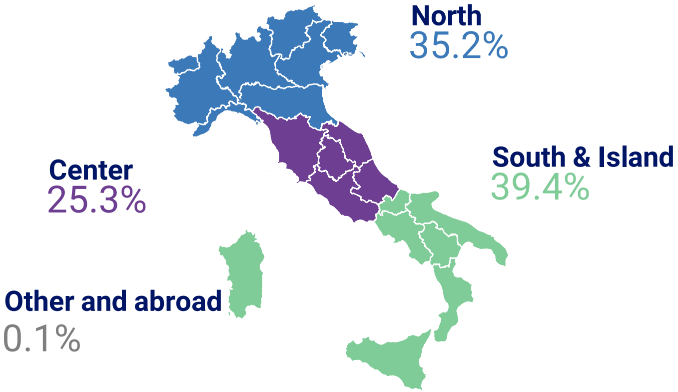
Breakdown of GBV by borrower age



Breakdown of GBV by ticket size



Breakdown of GBV by region

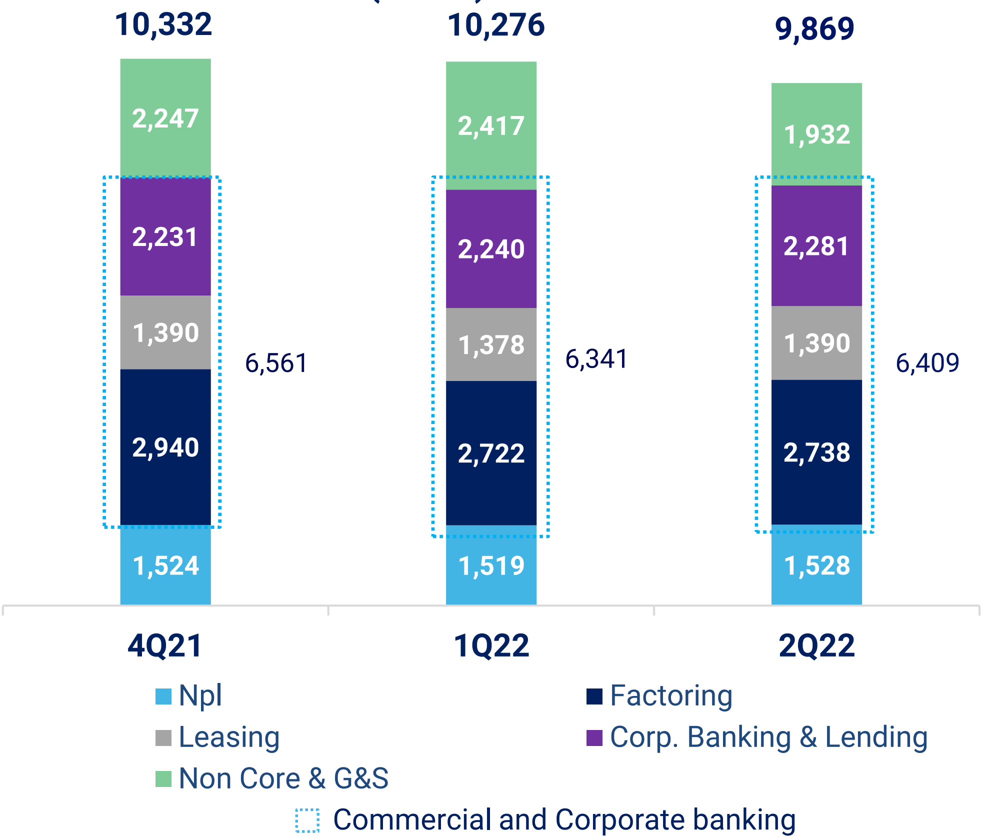


*Source: management accounting data and risk management data
(i.e. data refer only to property portfolio)

2.2 Consolidated financial data

Customer loans*

Customer loans (€ mln)



- 2Q22 customer loans at €9,869 (-4% QoQ) due to the reduction of the Italian government bonds in proprietary portfolio
- Commercial and Corporate banking stable QoQ
- Non Core & G&S: -20% QoQ mainly due to the reduction of the Italian government bond portfolio (-€497mln vs 1Q22)

*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 – 2Q22

Banca I

E-MARKET SDIR CERTIFIED

Asset quality (€ mln)

Consolidated ratios	4Q21	1Q22	2Q22
Gross Npe*	**6.4%**	**6.4%**	**7.3%**
Net Npe*	**3.9%**	**3.8%**	**4.7%**

Commercial & Corporate Banking	Gross	Coverage %	Net
Bad loans	115	76%	27
UTPs	176	41%	104
Past dues	172	7%	160
Total Npes	**462**	**37%**	**291**

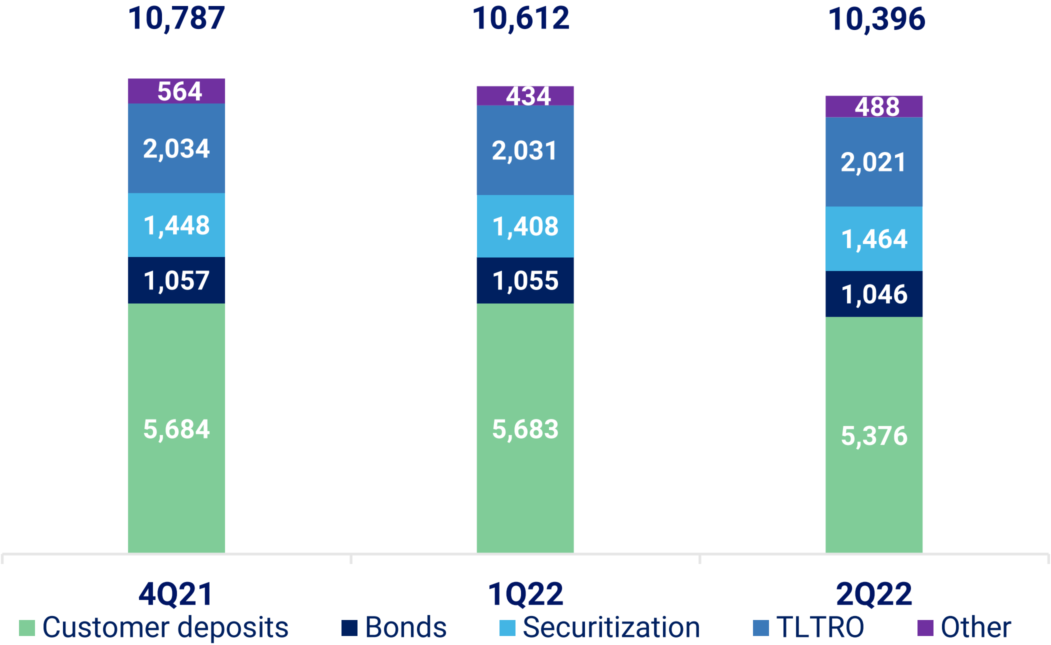
Non Core & G&S**	Gross	Coverage %	Net
Bad loans	15	48%	8
UTPs	48	42%	28
Past dues	5	27%	3
Total Npes	**68**	**43%**	**39**

- **Asset quality ratios in 2Q22:**
  - **Gross Npe Ratio*: 7.3%** (6.4% in 1Q22); **5.3%** excluding loans in past due vs. Italian public health system
  - **Net Npe Ratio*: 4.7%** (3.8% in 1Q22); **2.7%** excluding loans in past due vs. Italian public health system
- Gross and Net Npe in Commercial & Corporate Banking came in at €462mln (€389mln in 1Q22) and €291mln (€218mln in 1Q22), respectively
- Banca Ifis applied the New Definition of Default ("New DoD"). We classified into past due €145mln loans vs. the Italian public health system (historically, a late payer with limited asset quality risk) and we disposed a €37mln portfolio of old vintage positions versus the Italian public health system

*Includes commercial loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.4bn 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

Funding

Funding (€mln)



	4Q21	1Q22	2Q22
LCR	>900%	>1,300%	>1,000%
NSFR	>100%	>100%	>100%

- Customer deposits -5% QoQ
- Securitizations include €1,107mln of the factoring securitization and €357mln of Banca Credifarma 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 0.70% in 2Q22, 0.84% in 1Q22, 0.84% in 4Q21, 0.84% in 3Q21, 0.96% in 2Q21, and 1.02% in 1Q21
- The cost of funding in 2Q22 include €7.5mln one-off TLTRO III benefit from the Additional Special Period (0.50% from Sept 2021 to June 2022). Stripping out this one-off benefit the average cost of funding would be 0.84%, in line with 1Q22

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 (73% of total assets in 1H22) of HTC to reduce proprietary portfolio volatility
- Low RWA density and relevant ECB / funding eligibility

1H22 (2Q22) proprietary portfolio revenues of €29.7mln (€13.4mln)

- €14.9mln (€6.7mln in 2Q22) interest income (partially driven by inflation linked bonds)
- €14.7mln (€6.6mln in 2Q22) trading and other income of which €8.1mln from dividends

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 (mkt value)	Bonds			Equity	Total
	Government	Financial	Corporate		
Held to collect/amortized cost	1283	202	78		1563
Held to collect and sell (FVOCI)	408	29	42	92	571
Total (HTC and HTC&S)	**1691**	**231**	**120**	**92**	**2134**
Held for trading/Funds					7
Total portfolio at market value	**1691**	**231**	**120**	**92**	**2141**
Percentage of total	79,0%	10,8%	5,6%	4,3%	100,0%
Held to collect/amortized cost Duration	2,9	3,3	3,5	NA	3,0
Held to collect and sell (FVOCI) Duration	3,9	2,4	3,3	NA	3,8
Average duration (HTC and HTC&S) - YEARS	**3,2**	**3,2**	**3,4**	**NA**	**3,2**

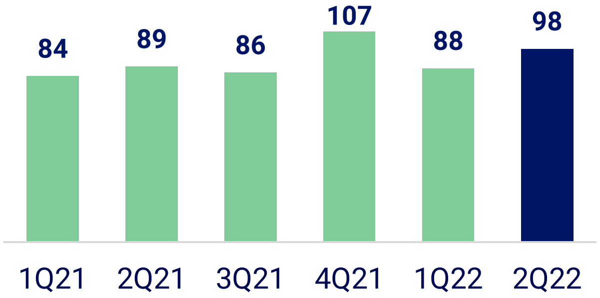
* Source: management accounting data

Potential 2022 upside

- Expected €1mln 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 (7% of total assets in 1H22) and floater bonds (33% of total assets in 1H22) in case of further inflation and short term rate increase

Reclassified consolidated operating costs*

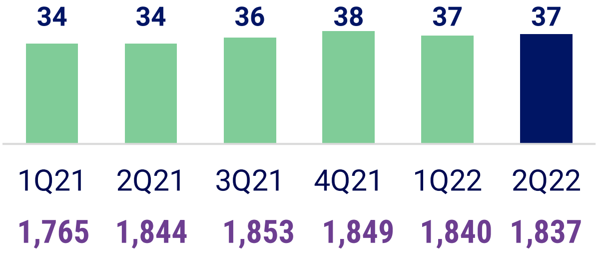
Operating costs (€mln)



2Q22 operating costs +€9.9mln vs. 1Q22

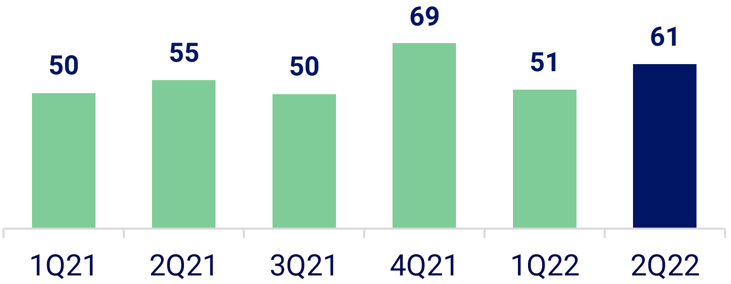
- HR costs stable QoQ
- +€9.4mln QoQ in other operating costs, mainly due to +€5mln FITD&SRF costs**, +€3mln related to higher business volumes*** and +€1mln other costs (mainly on marketing expenses)
- Potential impact of inflation and volume growth more than offset by contract renegotiation

Personnel expenses (€mln)



Banca Ifis employees

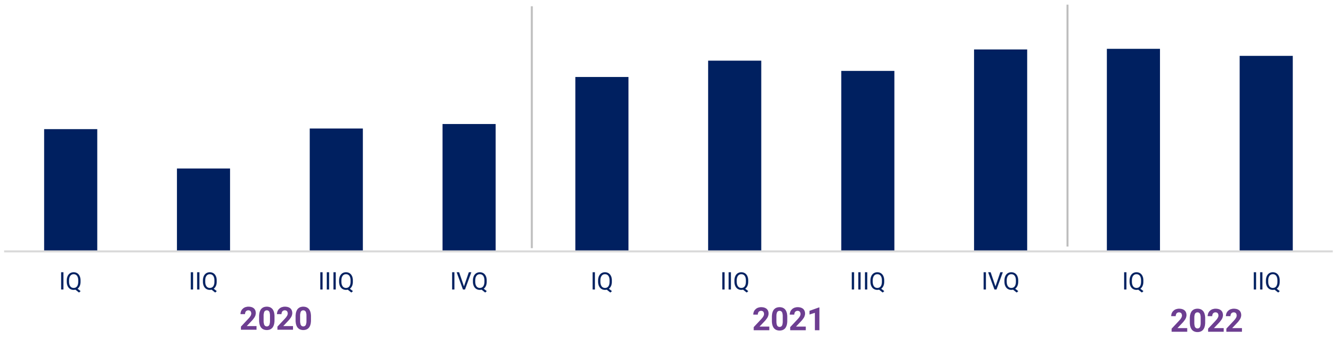
Other adm. expenses and other income / expenses (€mln)



*Figures exclude "Net allocations to provisions for risks and charges"
** The FITD&SRF were booked as provisions in 1Q22. The provisions were released in 2Q22 and booked as costs, with no P&L impact
*** +€2mln legal & recovery costs in the Npl segment and +€1mln stamp duty on proprietary trading

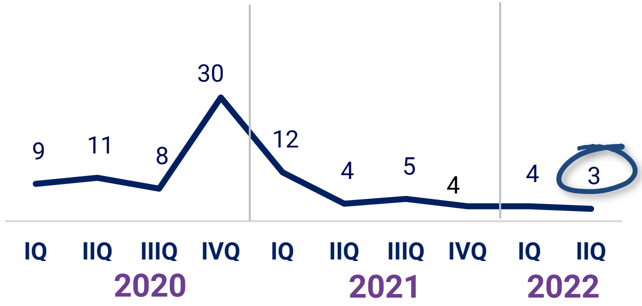
Seasonality in Npl and PPA and effect of Covid-19

Net interest income in Npls



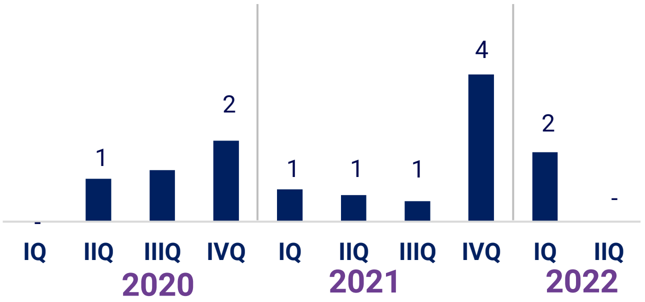
2020 was impacted by court shutdown

Reversal of PPA ex-IB (pre-tax)



2Q22 pre tax reversal PPA at €3mln

Capital gains from Npl disposal



Banca

E-MARKET SDIR CERTIFIED

2.3 Focus on DTA

Focus on DTA regulatory implications

Data in €/mln

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	205.3
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	26.8
Other non-convertible DTAs	• DTAs generated due to negative valuation reserves and provisions for risks and charges (~€47.3*mln as of 30 June 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 30 June 2022)	21.0

*Includes prudentially €5.2mln of DTAs related to Ifis Rental 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 total 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.

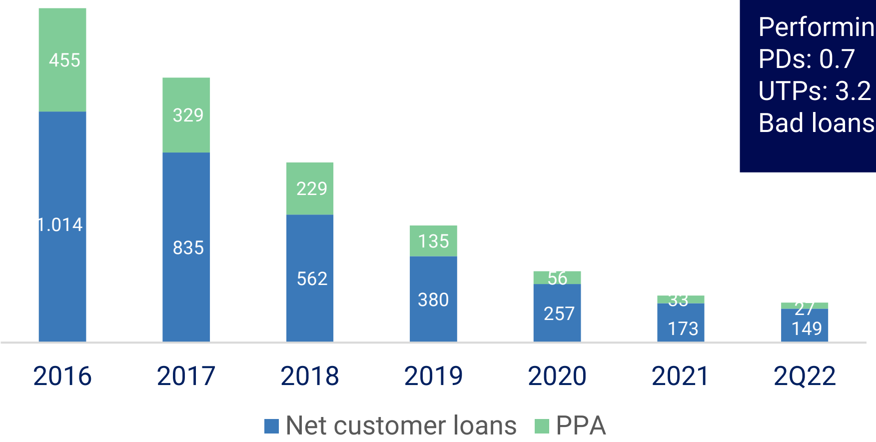
2.4 Focus on PPA

Focus on ex-Interbanca 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 30 June 22, the residual amount of pre-tax PPA was €27mln

Net customer loans and PPA - €mln



Performing: 21.9
PDs: 0.7
UTPs: 3.2
Bad loans: 1.1

PPA reversal in P&L- €mln

1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	Outstanding at 2Q22
9	11	8	30*	12	4	5	4	4	3	27

FY 20: €57mln. o/w:
-€2mln Corp. Banking & Lending
-€56mln Non Core & G&S

FY 21: €25mln. o/w:
-€3mln Corp. Banking & Lending
-€22mln Non Core & G&S

1H 22: €7mln. o/w:
-€1mln Corp. Banking & Lending
-€6mln Non Core & G&S

2Q22 Outstanding, o/w:
-€0mln Corp. Banking & Lending
-€27mln Non Core & G&S

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

Disclaimer

- This Presentation may contain written and oral “forward-looking statements”, which includes all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of Banca Ifis (the “Company”). There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus such forward-looking statements are not a reliable indicator of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice. Neither this Presentation nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.
- The information, statements and opinions contained in this Presentation are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States or in Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would be unlawful (the “Other Countries”), and there will be no public offer of any such securities in the United States. This Presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries.
- Data regarding Scenario considerations, Market, PPA, asset quality ratios, cost income ratios, liquidity ratios, cost of funding, proprietary portfolio, segment reporting, business unit breakdown, commercial and corporate loan breakdown are management accounting. Data regarding Npl portfolio and ERC, Npl cash recovery and Npl P&L contribution, Npl GBV and NBV evolution and breakdown, Npl P&L and cash evolution and breakdown are management accounting.
- Mariacristina Taormina, Manager charged with preparing the financial reports of Banca Ifis S.p.A., pursuant to the provisions of Art. 154 bis, paragraph 2 of Italian Legislative Decree no.58 dated 24 February 1998, declares that the accounting information included into this document corresponds to the related books and accounting records.
- Neither the Company nor any member of Banca Ifis nor any of its or their respective representatives directors or employees accept any liability whatsoever in connection with this Presentation or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it.