

2022 Preliminary results

9 February 2023

1. 2022 and 4Q 22 preliminary results

2. Appendices

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2.3 Focus on DTA regulatory implications

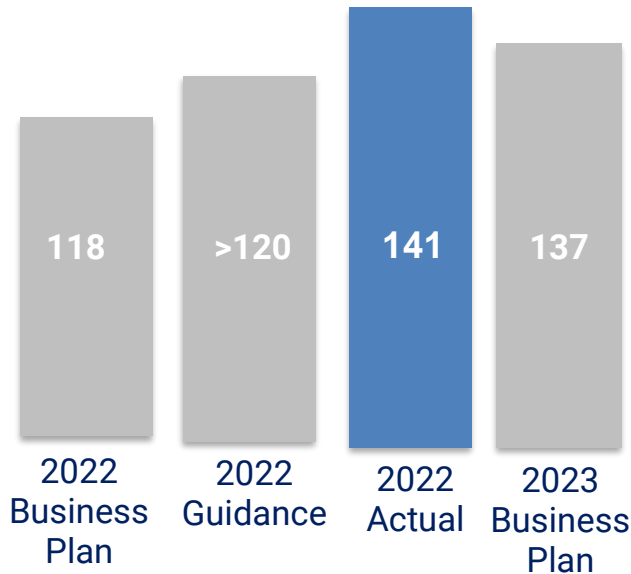
2.4 Focus on PPA



2022 and 4Q 22 preliminary results

2022 core net income at record high

Banca Ifis net income - €mln



- **Net income 2022 of €141mln at record high (excluding PPA)**
- **Achieved 2023 Business Plan target net income 1 year in advance**
- **Well above €120mln 2022 net income guidance**, which included prudent assumptions in terms of macro environment
- **Strong performance from all profit centers more than offset negative one offs upfronted in 2022**
 - 4Q22: €22mln provisions in Npl business due to “Decreto Aiuti”
 - 4Q22: €7mln provisions for potentially lower Npl cash collection due to inflation impact on debtors
 - 1Q22-3Q22: €11mln prudential add-on provisions on performing loans (macro scenario)

- 1 Net income in 4Q22 of €36mln (+8%QoQ and +74% YoY)**, notwithstanding €29mln one-offs in Npl business due to change in regulation (“Decreto Aiuti”, -€22mln) and negative one-off for potential lower cash collections due to inflation (-€7mln)
- 2 Net revenues at €192mln (+16% QoQ and +25% YoY)**, driven by outstanding performance in Commercial Banking and Npl business
- 3 Factoring turnover in 4Q22 +8% QoQ and +9% YoY** (both excluding factoring vs. PA), new business in leasing **+47% YoY**. Confirmed record quarterly cash collection of Npl portfolio: **€100mln (stable QoQ, +7% YoY)**
- 4 Operating costs* at €112mln (+20% QoQ)** mainly due to increase in Npl variable recovery costs and some strategic IT projects
- 5 Loan loss provisions at €29mln**, composed of €22mln negative one-offs on Npl segment due to the impacts of the Government decree (“Decreto Aiuti”) and €7mln provisions on credit risk

Net revenues accelerating

Quarterly Revenues

+25%

154 165 192

4 3 3

150 162 189

4Q21 3Q22 4Q22

■ Revenues

■ PPA

- **Net revenues at €192m (+16% QoQ and +25% YoY). FY revenues at €681m (+13% YoY), both at record high excluding PPA**
- 4Q22 net revenues breakdown:
 - Commercial banking at €93m (€83m in 3Q22) reflecting the Bank's positive interest rates correlation and ongoing loan repricing
 - Npl at €83m (€66m in 3Q22) driven by the judicial workout performance, the increase of the legal interest rate on the order of assignments and provisions against potential lower Npl cash collection
 - Non Core & G&S (proprietary bond portfolio) at €15m (€16m in 3Q22)

Lively commercial activity improved further

Factoring turnover (€bn)



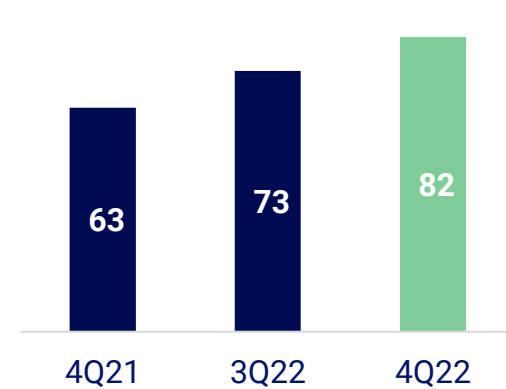
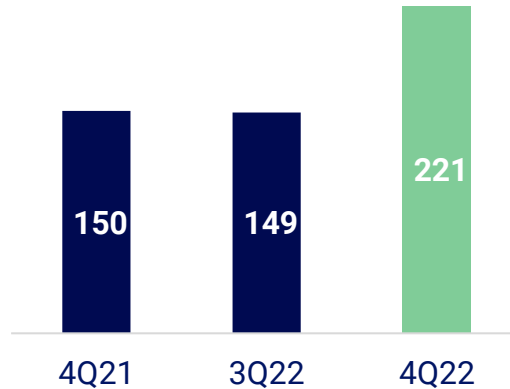
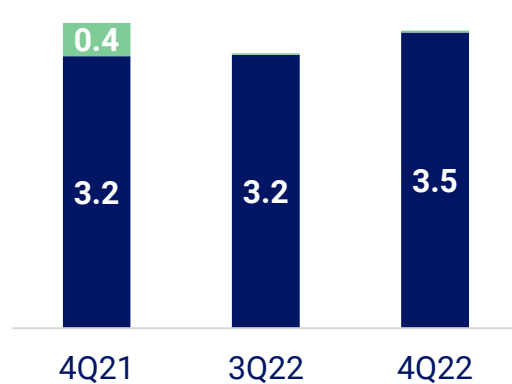
New leasing business (€mln)



Of which: automotive (€mln)



* excluding factoring vs PA



* Factoring turnover +9% YoY excluding factoring vs. PA for which Ifis has reviewed its business model following the application of the new DoD

- Excellent commercial productivity in SME lending
- No change in small ticket focus
- Acceleration in equipment and tech leasing

- Strong presence with electrical vehicle brands

■ Factoring vs. SMEs ■ Factoring vs. PA

Ifis: a natural inflation-hedge coupled with solid commercial performance*

Driver



Positive interest rate correlation



A natural Inflation hedge on 2/3 of the book...

And:



Growing client franchise

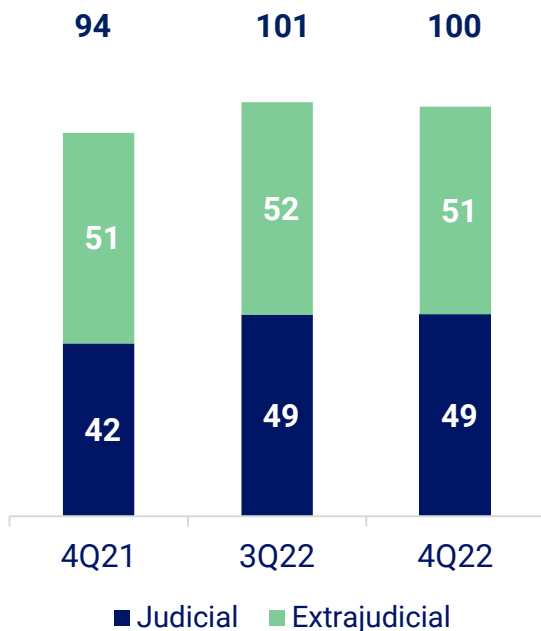


Tangible benefits of digitalization

Evidence

- Variable rates historically predominant in factoring, leasing, structured finance and lending with MCC guarantee
- >85% of the customer loan book is Euribor sensitive
- The inflation in the factoring invoices increases the turnover proportionally, 1:1
- The inflation in the prices of cars/equipment increases the leasing/rental volumes on new underwriting
- B2B / capital goods inflation tends to be higher than consumer price inflation
- Active factoring clients increased to 8.1k in 2022 from 6.2k in 2020 (also reactivation)
- Customer retention up by 6% in 2022 and 6% in 2021
- 100% of factoring clients now on Ifis4business online platform allows increase of turnover and volumes at modest cost increase
- Commercial Banking 2022: revenues +12.6% YoY; costs +3.8% YoY; cost/income at 49.8% (54.0% in 2021)
- Delivery / implementation of process improvements ongoing (e.g. credit automation)

Track record in quarterly cash collection (€mln)



4Q22 P&L of the Npl segment includes one-offs taken upfront

Net revenues ¹ 83

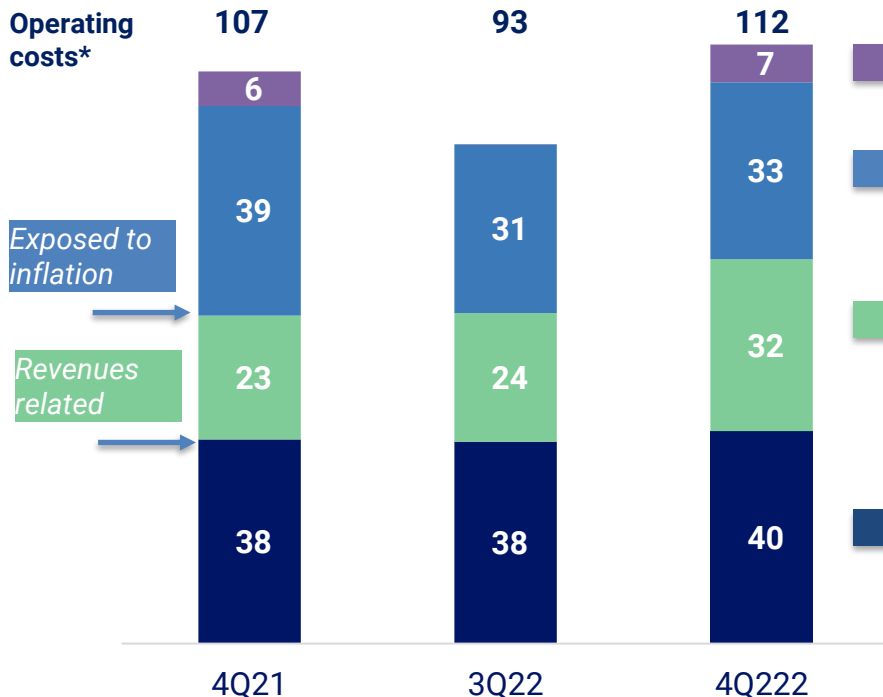
Loan loss provisions ² (22)

Operating costs ³ (54)

Net income 4

- ¹ -€7mln provisions against potential lower Npl cash collection in extrajudicial recovery due to debtors being more cash-constrained by inflation
- ¹ +€8mln increase in legal interest rate in Npl (Orders of Assignment portfolio)
- ² -€22mln write offs for government decree (“decreto aiuti”) which increases the threshold for the execution of legal proceedings against pensions to €1000 (up from €750)
- ³ -€32mln (vs. -€24mln in 3Q22) costs directly linked to Npl recovery driven by judicial workout acceleration and the on-boarding / assignments of sizeable newly acquired Npl portfolios in 4Q22

Efficiency translating into operating cost control



FITD&SRF €7mIn were booked as provisions in 3Q22. The provisions were released in 4Q22 and booked as costs, with no P&L impact

Other operating costs*: potential impact of inflation and volume growth more than offset by contract renegotiation. Includes ca. **€9mIn** IT per quarter in digitalization and innovation as key pillar of our business plan

Costs directly linked to Npl recovery (stamp duty, external lawyers, external recovery servicers). QoQ increase is driven by judicial workout and the onboarding/assignment of newly acquired Npl portfolios in 4Q22

Cost of personnel substantially stable YoY showing discipline in new hiring

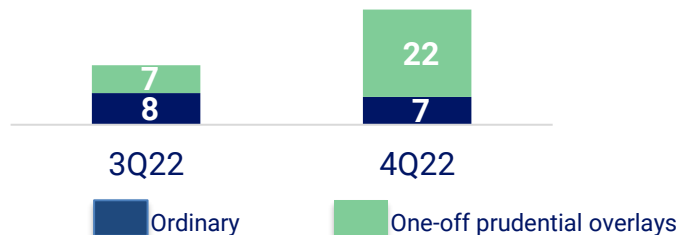
FITD & SRF	-6	7	-7
Other provisions	6	1	3

Operating costs + provisions	4Q21	3Q22	4Q22
	106	101	108

*including other administrative expenses and other net income/expenses excluding Npl recovery costs

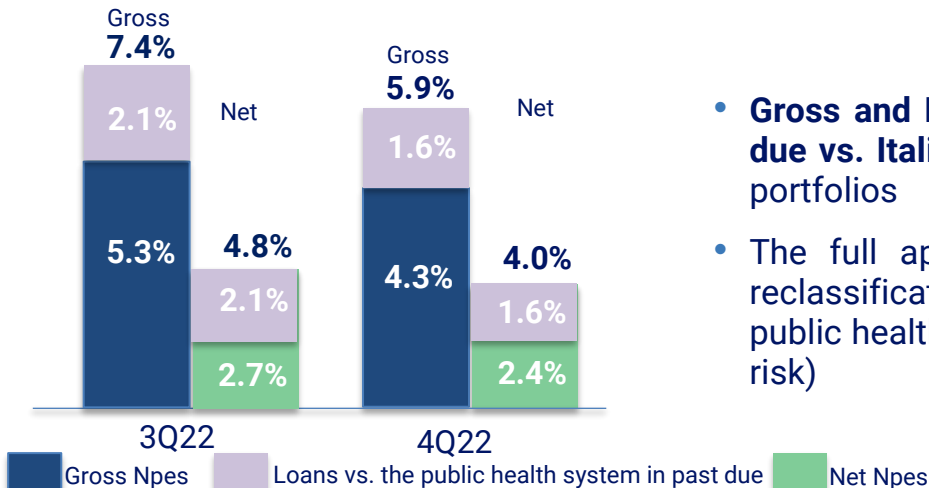
Very resilient loan book confirms asset quality

Loan loss provisions*



- **4Q22 LLP of €29m**, including €22m one-offs on Npl segment due to the Government decree (“decreto aiuti”) which increases the threshold for the execution of legal proceedings against pensions to €1000 (up from €750)
- **> €50m** provisions present against potential macroeconomic risks

Asset quality Npe ratios

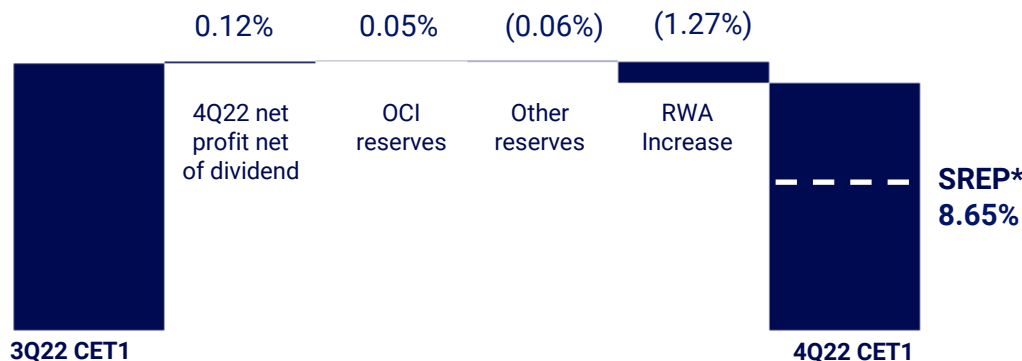
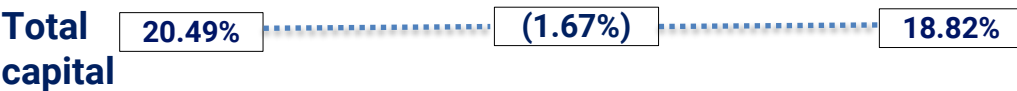


- **Gross and Net Npe Ratio* of 4.3% and 2.4% excluding loans in past due vs. Italian public health system** due to the disposal on some Npl portfolios
- The full application of the New DoD to the portfolio led to the reclassification into past due a total of €116m loans vs. the Italian public health system (historically, a late payer with limited asset quality risk)

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

** Management accounting data

Banca Ifis Group – Capital ratios evolution



CET1 actual of 15.01% at 31 Dec 22, calculated including FY net income and dividend

Key items of CET1 evolution in 4Q22

- +0.12% due to 4Q22 net profit net of dividend
- 1.27% due to RWA Increase: selective investments in financial and corporate bonds at attractive risk return ratios in Nov/Dec 22 (+€518mln; -85bps) and “peak” end of year of Corporate exposure (+€351mln; -59bps mainly due to factoring business)

Capital put to work at attractive risk/return: the capital that was freed up in 3Q22 (due to the change in weight of RWA from 150% to 100% of distressed credits acquired by the Npl Business), was invested in 4Q22

*At group level capital requirements are: CET1 8.65%, Total Capital 12.9% (including 0.75% of P2G)

Strong capital and funding position put at work

**CET1 =
15.01%**

- Maintain a solid CET1 ratio in support of the growth strategy and the dividend payout of the Bank
- Total 2022 dividends of €73.4mln (€1.40 per share)
 - **€0.40 dividend per share to be paid on 24 May 2023 (total €21mln)**
 - €1.00 interim dividend per share paid on 23 Nov. 2022 (total €52mln)

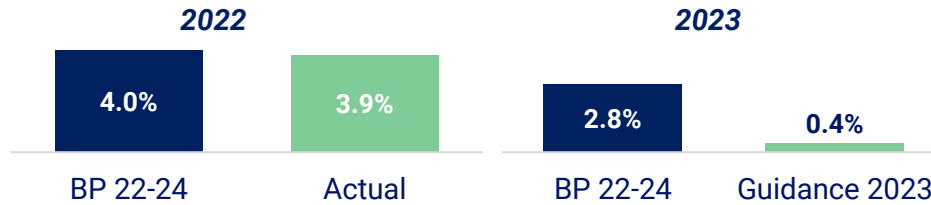
**Stable
Funding**

- LCR > 500%, NSFR > 100%
- €2.0bn TLTRO expiring in Sep. 2024. TLTRO repay to be carried out by asset and liability transactions, including gradually reducing the Italian Government bond portfolio and increasing other financing sources
- €300mln senior bond issued in Jan 2023, 4Y maturity

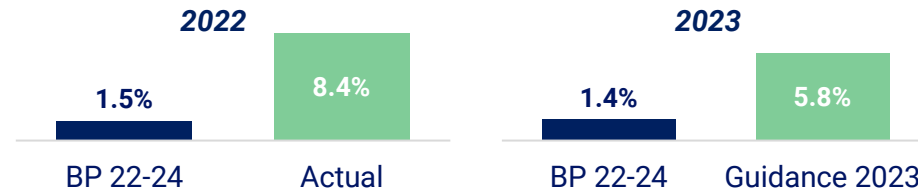
**Net Npe=
2.4%***

- Limited impacted of the macroeconomic slowdown
- Npe* at € 173mln, decreased €9mln QoQ

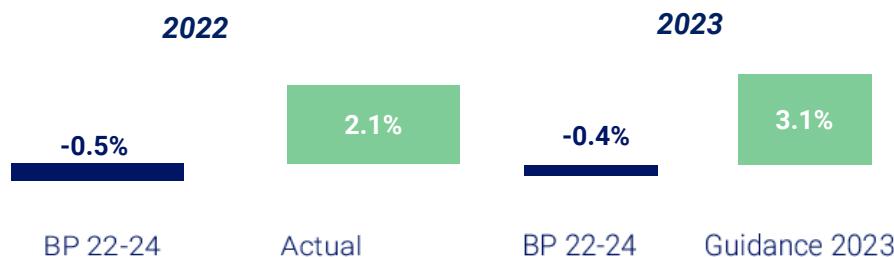
Lower GDP Growth



Higher Inflation



Higher Euribor 3M



Change in macroeconomic assumptions vs. Business Plan 2022-24

- Lower GDP growth
- Higher inflation
- Higher interest rate

Adverse change in regulation vs. Business Plan

- Government decree (“Decreto Aiuti”) increases the threshold for the execution of legal proceedings against pensions to €1000 (up from €750)
- The “New Definition of Default” regulation led to a review of the factoring business vs. the Italian public health system, historically, a late payer
- ECB changing TLTRO parameters starting in November 2022

Banca Ifis net income - €mln

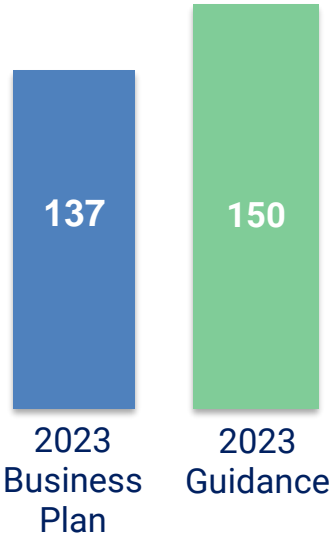
2023 net income guidance increase to €150mln (vs. €137mln in Business Plan)

Key assumptions:

- **No significant deterioration in macroeconomic conditions**
- **Continued stable inflation and further pick-up of interest rates in 1H23**, to be followed by a progressive decrease
- **Evolution of funding costs and spreads in line with market expectations**
- **No major adverse regulatory changes impacting on Banca Ifis's business**

Main drivers:

- **Higher net interest income:** positive impact in Commercial Banking, Proprietary Portfolio offsetting cost of funding
- **Historically prudent provisioning:** the Bank has ca. €50mln present provisions against potential macroeconomic and concentration risks (management overlay)



Quarterly and annual results

Reclassified Consolidated Income Statement - (€ mln)	3Q22	4Q22	FY21	FY22
Net interest income	128.2	155.7	488.0	548.2
Net commission income	23.0	28.3	83.3	93.5
Trading and other revenues	13.6	7.8	28.7	38.8
Total Revenues	164.7	191.9	599.9	680.5
Loan loss provisions	(15.2)	(28.6)	(77.2)	(77.5)
Total Revenues - LLP	149.5	163.2	522.7	603.0
Personnel expenses	(37.6)	(39.6)	(141.8)	(150.8)
Other administrative expenses	(56.9)	(70.9)	(231.8)	(242.4)
Other net income/expenses	1.5	(1.4)	8.8	2.9
Operating costs	(93.0)	(111.8)	(364.8)	(390.4)
Net provisions for risks and charges	(7.6)	4.1	(8.0)	(0.4)
Value adjustments of goodwill	-	-	-	(0.8)
Gains (Losses) on disposal of investments	0.2	-	-	0.3
Pre tax profit	49.1	55.5	149.9	211.8
Taxes	(15.8)	(19.7)	(47.6)	(69.9)
Net income - attributable to the Parent company	33.0	35.5	100.6	141.1

Customer loans	9,664	10,187	10,332	10,187
- of which Npl Business	1,487	1,520	1,524	1,520
Total assets	12,433	13,262	12,978	13,262
Total funding	10,208	11,131	10,787	11,131
- of which customer deposits	5,240	5,103	5,684	5,103
- of which TLTRO and LTRO	2,019	2,424	2,034	2,424
Shareholders Equity	1,611	1,598	1,624	1,598

① +€28mln QoQ increase reflects the Bank's positive interest rates correlation and ongoing loan repricing

② including €22mln negative one-offs due to the impacts of the Government decree ("decreto aiuti")

③ Includes €32mln (+8mln QoQ) variable NPL recovery costs and €7mln FITD&SRF costs reclassified from provisions for risks and charges

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)"

2

Appendices

2.1 Segment results

4Q22 Results: P&L break-down by business unit

Data in € mln	Npl	Commercial & Corporate banking				G&S	Consolidated
		Factoring	Leasing	Corp. Banking & Lending*	Tot. Commercial & Corporate banking		
Net interest income	78	32	14	16	61	17	156
Net commission income	1	17	3	7	27	0	28
Trading & other revenues	4	(0)	0	5	5	(2)	8
Net revenues	83	48	17	28	93	15	192
-Of which PPA	0	0	0	0	0	3	3
Loan loss provisions	(22)	1	(0)	(1)	(5)	(7)	(29)
Operating costs	(54)	(25)	(7)	(10)	(42)	(15)	(112)
Net allocations to provisions for risks and charges	0	(5)	0	1	(3)	7	4
Gains (Losses) on disposal of investments	0	0	0	0	0	0	0,0
Net income	4	12	6	9	27	4	36
Net income attributable to non-controlling interests							0.2
Net income attributable to the Parent company							36
Net income (%)	12%	34%	16%	25%	76%	12%	100%
Customer Loans	1,520	2,756	1,472	2,287	6,515	2,152	10,187
RWA¹	1,794	2,626	1,330	1,615	5,571	1,754	9,120
Allocated capital²	269	394	200	243	836	263	1,369

1 One-offs due to the impacts of the Government decree (“Decreto Aiuti”)

2 €7mln FITD&SRF Operating costs reclassified from provisions for risks and charges

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

- G&S: includes €1.5bn of Italian Government bonds at amortized costs

- Non Core: includes €0.1bn of performing loans mainly ex Interbanca, €0.1bn retail mortgages and €0.03bn 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)

* Corporate Banking & Lending includes Cap.Ital.Fin

FY22 Results: P&L break-down by business unit

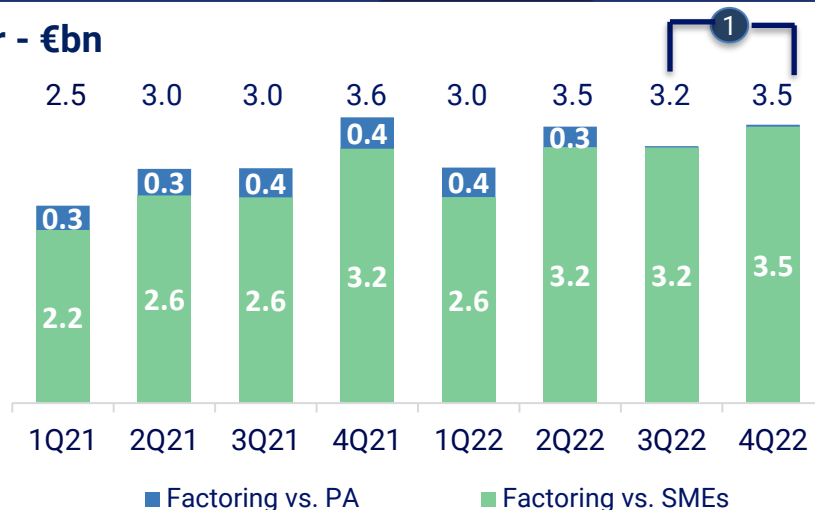
Data in € mln	Commercial & Corporate banking						G&S	Consolidated
	Npl	Factoring	Leasing	Corp. Banking & Lending*	Tot. Commercial & Corporate banking			
Net interest income	271	110	47	58	216	62	548	
Net commission income	4	62	12	17	91	(1)	94	
Trading & other revenues	10	(0)	0	12	12	17	39	
Net revenues	284	172	59	87	318	78	681	
-Of which PPA	0	0	0	1	1	11	12	
Loan loss provisions	(22)	(15)	(3)	(31)	(49)	(7)	(78)	
Operating costs	(189)	(90)	(30)	(39)	(159)	(43)	(390)	
Net allocations to provisions for risks and charges	(1)	(7)	2	1	(5)	5	(0)	
Value adjustments of goodwill	0	(1)	0	0	(1)	0	(1)	
Gains (Losses) on disposal of investments	(0)	0	0	0	0	0	0	
Net income	49	39	19	13	71	22	142	
Net income attributable to non-controlling interests							0.8	
Net income attributable to the Parent company							141	
Net income (%)	34%	28%	13%	9%	50%	16%	100%	
Customer Loans	1,520	2,756	1,472	2,287	6,515	2,152	10,187	
RWA¹	1,794	2,626	1,330	1,615	5,571	1,754	9,120	
Allocated capital²	269	394	200	243	836	263	1,369	

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

(2) RWA (Credit and counterparty risk only)

* Corporate Banking & Lending includes Cap.Ital.Fin

Turnover - €bn



- 1 4Q22 factoring turnover at €3.5bn (+8% QoQ) driven by business development and seasonality
- 2 The reduction of the factoring turnover and factoring loans YoY (-6%) is due the revision of the business model of the factoring vs. the public administration, following the full application of the New DoD
- 3 Net revenues / average customer loans at 7.4% following loan repricing

Net customer loans - €mln

Period	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Net customer loans	2,513	2,749	2,475	2,940	2,722	2,738	2,468	2,756

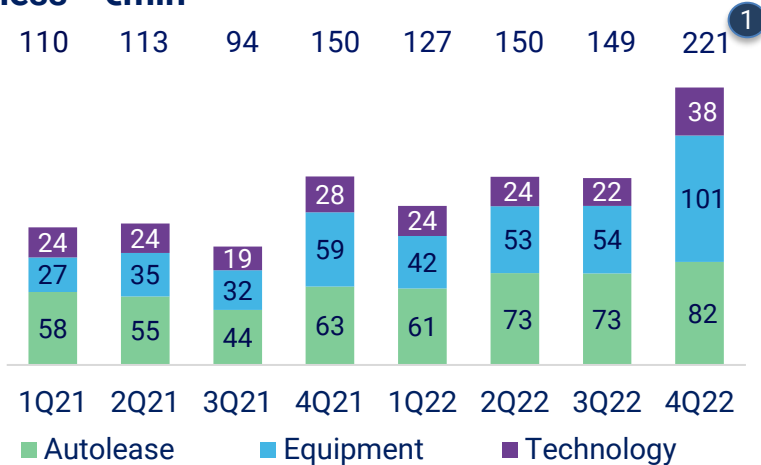


Data in €mln	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Net revenues	34	35	38	35	40	39	44	48
Net revenues / avg. customer loans	5.2%	5.4%	5.8%	5.2%	5.7%	5.7%	6.8%	7.4%
Loan loss provisions	2	(11)	(0)	(9)	(9)	(1)	(4)	(0)

3

Loan loss provisions include:
 * Profit (loss) from sale of loans measured at amortised cost (excluding Npl Segment)

New business - €mln



- 1 New leasing +48% QoQ and +47% YoY due to revamping commercial activity and seasonality
- 2 Net revenues / average customer loans at 4.6% in 4Q22 due to loan repricing (3.9% in 3Q22)
- 3 Asset quality risk is mitigated by strong sector and borrower diversification and by the remarketing agreements for repossessed assets

Net customer loans - €mln

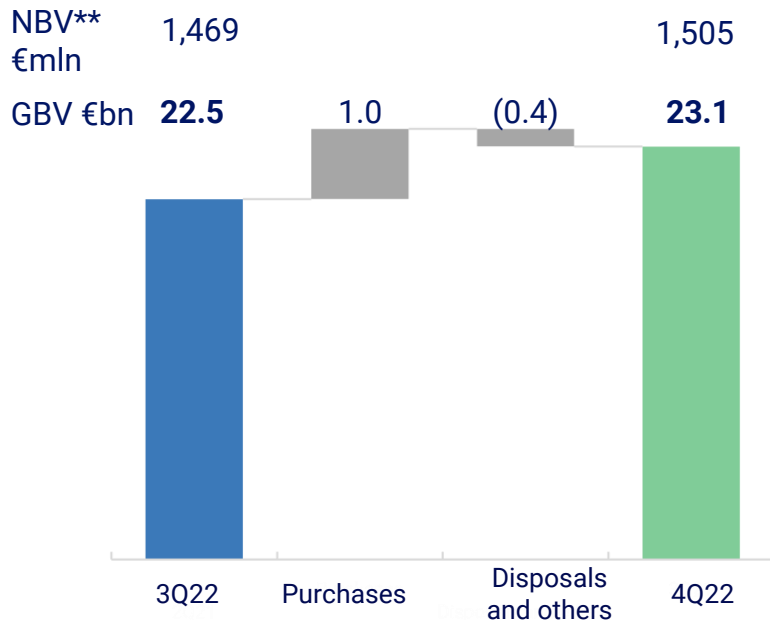
Quarter	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Net customer loans - €mln	1,406	1,411	1,381	1,390	1,378	1,390	1,396	1,472

Data in €mln	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Net revenues	14	15	15	12	15	14	14	17
Net revenues / avg customer loans	3.9%	4.3%	4.1%	3.6%	4.5%	4.0%	3.9%	4.6%
Loan loss provisions*	(4)	(1)	(1)	(2)	(1)	1	(2)	(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)"

Npl portfolio evolution



Key numbers*

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

Npls acquired in 4Q22: €1.0bn GBV

- 2022 purchases in line with our expectations at €2.4bn GBV

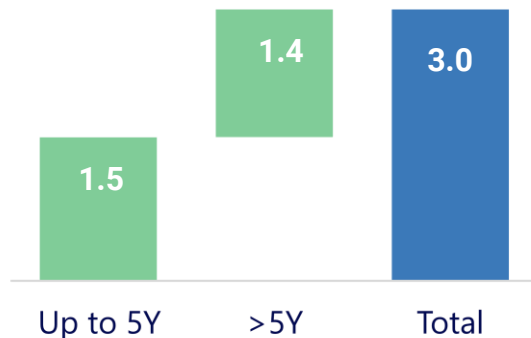
Npls disposals and others in 4Q2: €0.4bn GBV

- 4Q22 saw a disposal of worked-out portfolios that were not strategic for Banca Ifis. The disposals generated a capital gain of €4mln. "Others" includes cash collection on the existing portfolio

*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 €bn	GBV	NBV	ERC
Waiting for workout - At cost	1.3	0.1	0.2
Extrajudicial positions	14.3	0.5	0.9
Judicial positions	7.5	0.9	1.9
Total	23.1	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 4Q22), court injunctions ["precetto"] issued and order of assignments (GBV of €1.8bn in 4Q22) have already been expensed in P&L
- **€2.1bn cash recovery (including proceeds from disposals) was generated in the years 2014 –2022**

Npl Business*: GBV and cash recovery

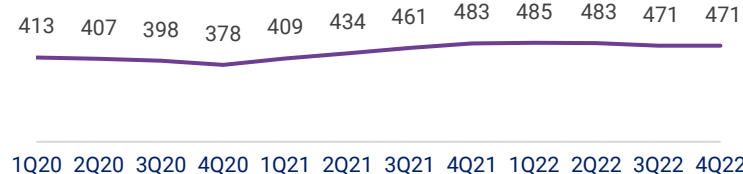
Judicial recovery

Judicial recovery (€ mln)	GBV	%
Frozen	1,627	22%
Court injunctions ["preetto"] and foreclosures	978	13%
Order of assignments	822	11%
Secured and Corporate	4,051	54%
Total	7,478	100%

To be processed

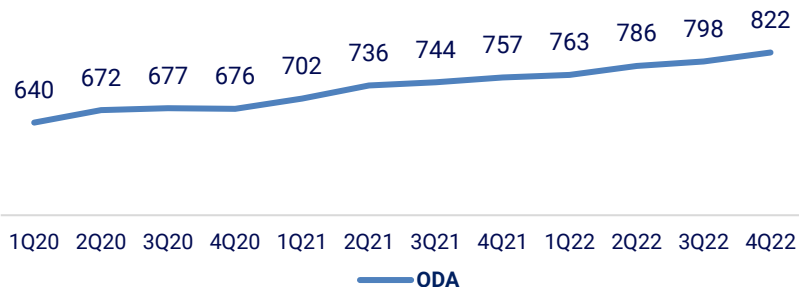
Non judicial recovery – Voluntary plans

GBV, data in €mln



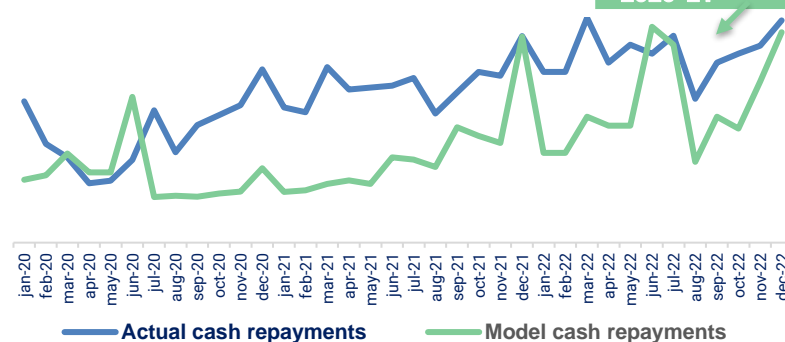
Judicial recovery – Order of Assignments

GBV, data in €mln



Actual vs. model cash repayments

Judicial + non judicial recovery, data in €mln



In 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



P&L and cash collection in NPL business came in at record high in 2022

Cash collection

- Npl cash collection at €100mln, with judicial recovery performing exceptionally well. As planned in the 3Y Business Plan, the Bank is expecting a moderate increase of settlements (“saldi e stralci”) to reduce timeframe of collections

Data in € mln (excluding disposals)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	2020 YE	2021 YE	2022 YE
Cash collection	65	52	66	76	81	89	82	94	91	91	101	100	259	345	384
Contribution to P&L**	50	34	48	50	64	70	66	74	73	71	67	84	182	273	295
Cash collection / contribution to P&L	132%	153%	137%	152%	127%	128%	124%	127%	125%	128%	152%	120%	143%	127%	130%

*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	3Q22	4Q22
Waiting for workout - Positions at cost	1,440	1,709	1,885	2,140	1,147	107 ¹	203	3,409 ²	3,850	4,193	1,571	1,284
Extrajudicial positions	10,619	10,257	10,579	10,273	10,987	11,280	11,657	10,804	11,155	11,379	13,386	14,302
- Ongoing attempt at recovery	10,206	9,850	10,182	9,896	10,578	10,846	11,196	10,321	10,670	10,896	12,914	13,831
- Non-judicial payment plans	413	407	398	378	409	434	461	483	485	483	471	471
Judicial positions	5,720	6,278	6,428	7,374	7,546	7,896	7,183	7,618	7,245	7,323	7,498	7,478
- Frozen**	2,533	2,627	2,518	3,299	3,243	3,644	2,883	2,010	1,662	1,715	1,725	1,627
- Court injunctions ["precetto"] issued and foreclosures	571	595	642	713	686	700	727	771	818	858	913	978
- Order of assignments	640	672	677	676	702	736	744	757	763	786	798	822
- Secured and Corporate	1,975	2,384	2,590	2,686	2,915	2,816	2,830	4,080	4,002	3,963	4,062	4,051
Total	17,779	18,244	18,893	19,787	19,680	19,282	19,043	21,831	22,250	22,895	22,455	23,065

NBV - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Waiting for workout - Positions at cost	65	96	104	170	112	15	31	136	148	159	77	114 ^{***}
Extrajudicial positions	364	355	353	339	368	393	413	425	436	438	464	470
- Ongoing attempt at recovery	193	184	185	174	188	198	200	202	208	208	237	238
- Non-judicial payment plans	171	171	169	165	180	195	213	223	228	230	227	232
Judicial positions	840	854	867	894	916	961	930	917	898	908	929	921
- Frozen**	298	304	292	296	300	330	295	271	240	235	229	208
- Court injunctions ["precetto"] issued and foreclosures	120	132	148	160	162	161	166	172	181	187	200	207
- Order of assignments	270	265	264	280	292	305	306	310	320	333	335	346
- Secured and Corporate	152	153	162	158	162	165	163	164	157	154	164	160
Total	1,269	1,305	1,324	1,404	1,396	1,369	1,375	1,478	1,483	1,505	1,469	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

P&L - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Waiting for workout - Positions at cost												
Extrajudicial positions	17	10	11	7	22	29	30	38	29	25	23	22
- Ongoing attempt at recovery	(4)	(3)	(5)	(5)	(2)	6	(2)	6	(1)	0	4	1
- Non-judicial payment plans	21	13	15	12	24	23	32	33	30	24	18	21
Judicial positions	33	24	37	43	42	41	36	35	44	47	44	62
- Frozen**	-	-	-	-	-	-	-	-	-	-	-	-
- Court injunctions and foreclosures + Order of assignments	26	24	32	43	36	34	30	32	41	40	36	54
- Secured and Corporate	6	0	6	0	5	7	5	3	2	7	8	8
Total	50	34	48	50	64	70	66	74	73	71	67	84

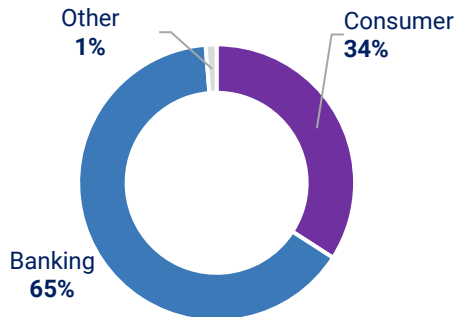
Cash - €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22
Waiting for workout - Positions at cost												
Extrajudicial positions	30	23	33	37	42	47	43	51	49	49	52	51
- Ongoing attempt at recovery	4	3	4	6	6	9	5	6	5	6	11	8
- Non-judicial payment plans	26	20	29	31	36	39	38	46	44	44	41	43
Judicial positions	35	29	33	40	39	42	39	42	42	42	49	49
- Frozen**	-	-	-	-	-	-	-	-	-	-	-	-
- Court injunctions and foreclosures + Order of assignments	29	23	26	29	30	30	31	32	33	32	35	37
- Secured and Corporate	7	5	7	11	9	12	7	11	9	10	14	13
Total	65	52	66	76	81	89	82	94	91	91	101	100

*Source: management accounting data

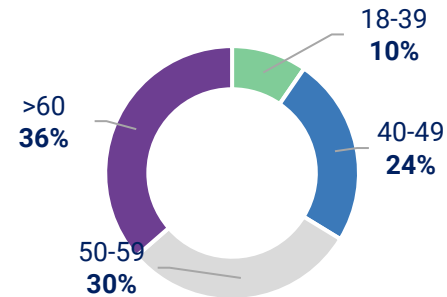
**Other Judicial positions

Npl Business*: portfolio diversification

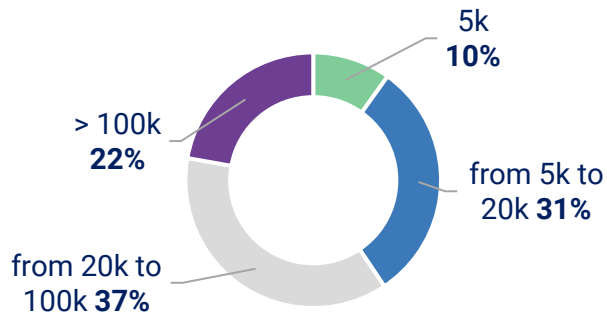
Breakdown of GBV by type



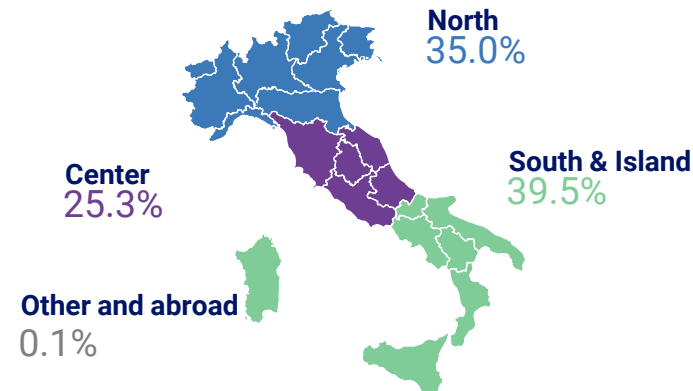
Breakdown of GBV by borrower age



Breakdown of GBV by ticket size



Breakdown of GBV by region

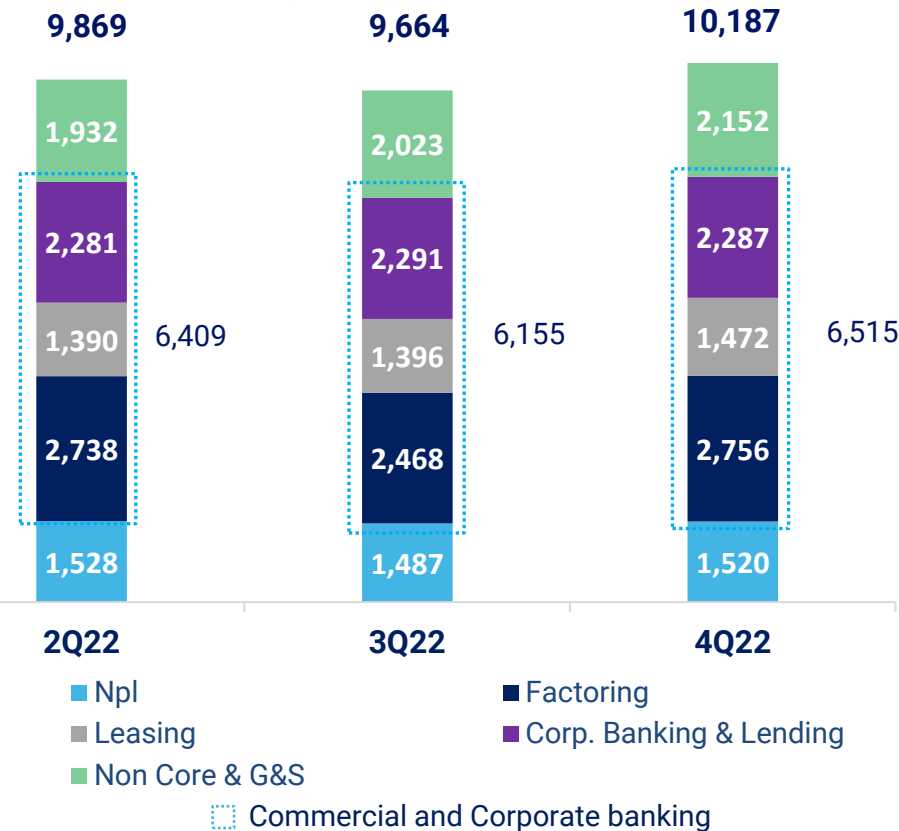


*Source: management accounting data and risk management data (i.e. data refer only to property portfolio)

2.2 Consolidated financial data

Customer loans

Customer loans (€ mln)



- 4Q22 customer loans at €10,187mln (+5% QoQ) driven by factoring (+12% QoQ) and leasing (+5% QoQ) due to business development and seasonality
- G&S +€130mln QoQ due to selective investments in financial and corporate bonds with attractive risk-return ratios

Asset quality (€ mln)

Consolidated ratios	2Q22	3Q22	4Q22
Gross Npe*	7.3%	7.4%	5.9%
Net Npe*	4.7%	4.8%	4.0%

Commercial & Corporate Banking	Gross	Coverage %	Net
Bad loans	90	72%	25
UTPs	142	40%	86
Past dues	150	7%	140
Total Npes	382	34%	251

Non Core & G&S**	Gross	Coverage %	Net
Bad loans	13	48%	7
UTPs	38	35%	24
Past dues	4	26%	3
Total Npes	54	37%	34

Asset quality ratios in 4Q22:

- **Gross Npe Ratio***: 5.9% (7.4% in 3Q22); 4.3% excluding loans in past due vs. Italian public health system
- **Net Npe Ratio***: 4.0% (4.8% in 3Q22); 2.4% excluding loans in past due vs. Italian public health system

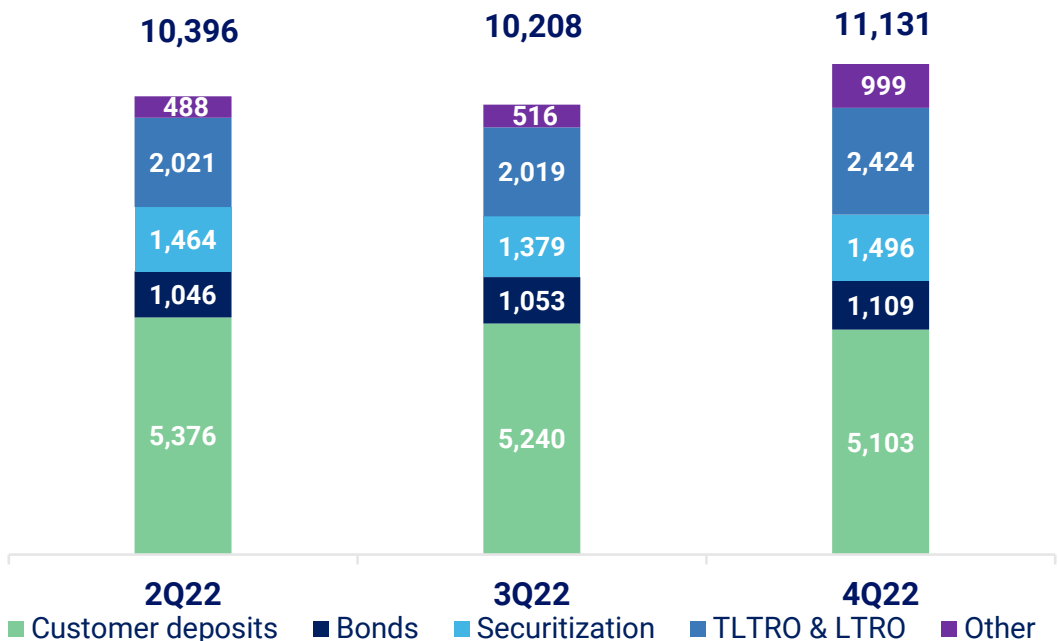
- Gross and Net Npe in Commercial & Corporate Banking came in at €382mln (€455mln in 3Q22) and €251mln (€286mln in 3Q22), respectively

- The application of the New Definition of Default (“New DoD”) led to the reclassification into past due €116mln loans vs. the Italian public health system, historically, a late payer with limited asset quality risk

*Includes commercial loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.5bn 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 (€mln)



- Customer deposits -3% QoQ. Deposit base of ca. 100k customers proved to be resilient. The Bank is repricing (i.e. increasing the offered rates) its deposits focusing on longer maturities
- Securitizations include €1,102mln of factoring securitization and €394mln of Banca Credifarma securitization
- Banca Ifis has €2.0bn TLTRO expiring in September 2024 and €0.4bn LTRO
- New bond issue of €300mln in Jan 2023 with 4Y maturity
- Average cost of funding at 0.96% 2022 YTD

	2022	3Q22	4Q22
LCR	>1,000%	>1,000%	>500%
NSFR	>100%	>100%	>100%

Proprietary portfolio: resiliency and positive contribution to P&L

- Long term «fundamental» positioning strongly focused on investment grade bond area/high dividend equity stock coupled with opportunistic trading approach
- Low Duration level
- Use of enhancing and hedging strategies coupled with both risk and expected credit loss control
- Strategic use (at around 76% of total assets (*) in 4Q22) of HTC to reduce proprietary portfolio volatility
- Low RWA density and relevant ECB / funding eligibility

FY2022 (4Q22) proprietary portfolio revenues of €56.8mln (€16.8mln)

- € 41.6mln interest income (mainly driven by both inflation linked and floater bonds)
- €15.2mln trading and other income of which €9.7mln from dividends
- +€26.5mln vs. '21

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	1531	599	93		2223
Held to collect and sell (FVOCI)	399	139	47	92	677
Total (HTC and HTC&S)	1930	738	140	92	2900
Held for trading/Funds		26	5		31
Total portfolio	1930	764	145	92	2931
Percentage of total	66%	26%	5%	3%	100%
Held to collect/amortized cost Duration	2,8	3,8	3,1	NA	3,0
Held to collect and sell (FVOCI) Duration	3,5	3,8	3,0	NA	3,5
FVTPL Duration		12,0			12,0
Average duration (HTC and HTC&S) - YEARS	2,9	4,1	3,0	NA	3,2

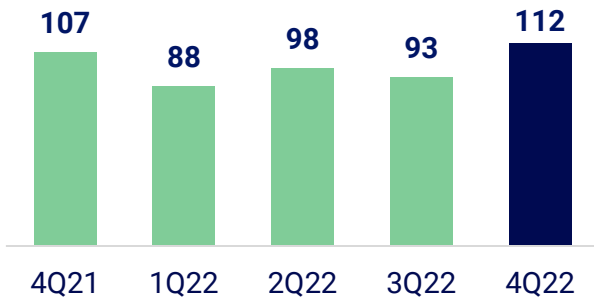
(*) Evaluation HTC: amortized cost
Evaluation HTCS & HFT/Funds: market value

4Q2022 upside pillars fully matched

- Additional dividend flows at around €800k
- Higher interest income (€14.9mln in 4Q22 vs €7.7mln in 3Q22) mainly driven by:
 - a) inflation linked (5% of total assets in 4Q22 with €6.6mln of interest income in 4Q22) and floater bonds (more than 25% of total assets in 4Q22 and €3.8mln of interest income in 4Q22)
 - b) additional investments in financial bonds contribute with €3.4mln of interest income in 4Q22

Reclassified consolidated operating costs*

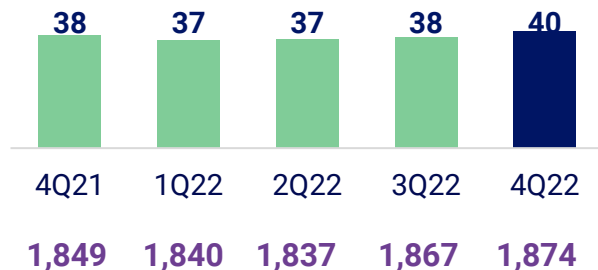
Operating costs (€mln)



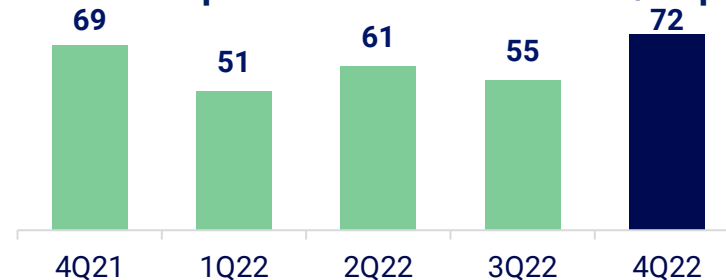
4Q22 operating costs +€18.8mln vs. 3Q22

- +€1.9mln HR costs vs 3Q22 driven by variable compensation due to the achievement of 2022 business plan target
- +€16.9mln QoQ in other operating costs. Main items:
 - +8.2mln costs directly linked to Npl recovery (stamp duty, external lawyers, external recovery servicers)
 - +€7.3mln for FITD
 - +€2.8mln provisions on Headquarter Capex

Personnel expenses (€mln)



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

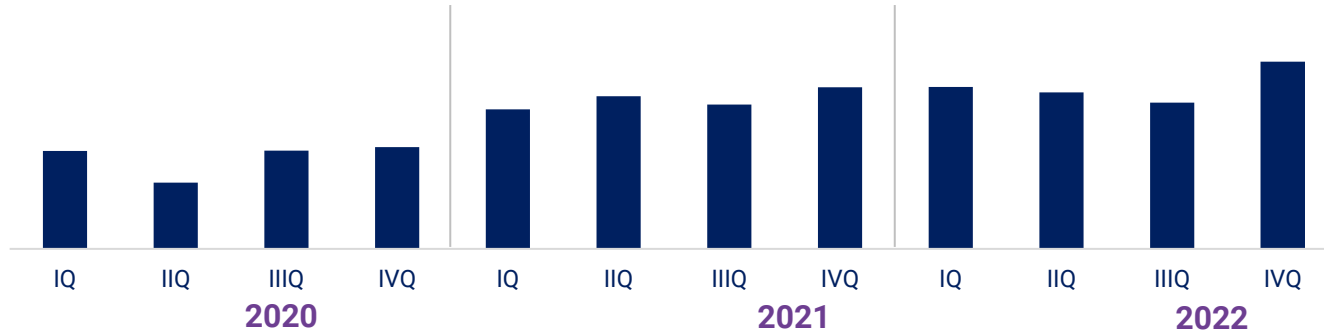


Banca Ifis
employees

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

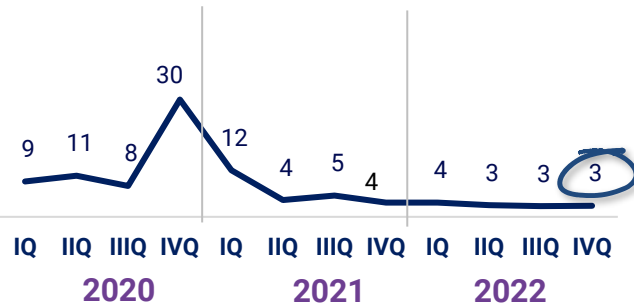
Seasonality in Npl and PPA and effect of Covid-19

Net interest income in Npls



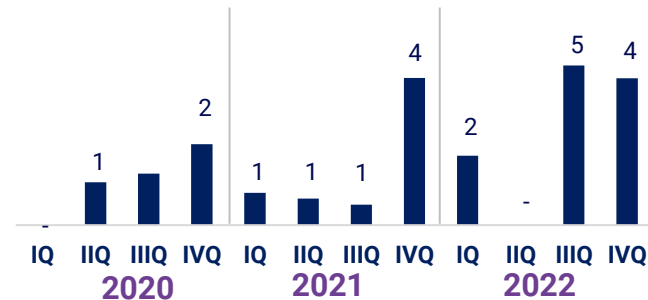
2020 was impacted by court shutdown

Reversal of PPA ex-IB (pre-tax)



4Q22 pre tax reversal PPA at €3mIn

Capital gains from Npl disposal



2.3 Focus on DTA regulatory implications

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 (full release by 2026)
- No time and amount limit in the utilization of converted DTAs
- Capital requirements: 100% weight on RWA

Data in €/mln

172.2

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

29.6

Other non-convertible DTAs

- DTAs generated due to negative valuation reserves and provisions for risks and charges (~€52.5*mln as of 31 Dec 2022)
- Capital requirements: deduction from CET1 or weighted in RWA depending on certain thresholds**. For Banca Ifis they would be weighted at 250% (partially offset by regulatory treatments, mainly DTL ~ €27.4mln as of 31 Dec 2022)

25.1

*Includes prudentially €6.4mln 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 total³⁸ 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.

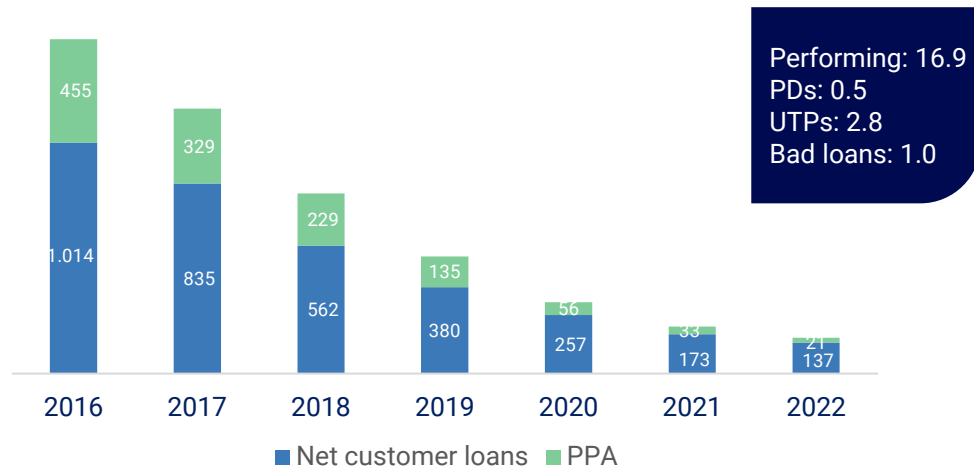
2.4 Focus on PPA

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 31 Dec 22, the residual amount of pre-tax PPA was €21m

Net customer loans and PPA - €m



PPA reversal in P&L- €m

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