

1Q23 results

11 May 2023

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 - 2.4 Focus on PPA



1Q23 results

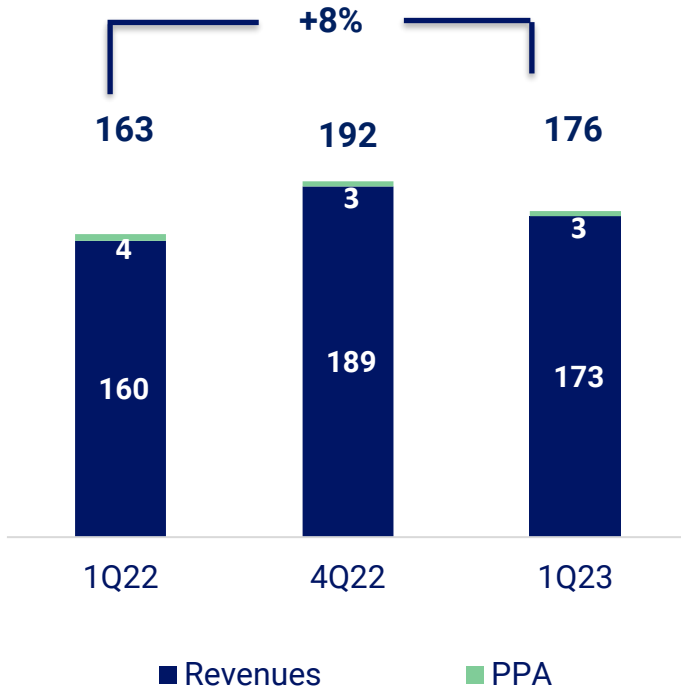
1Q23 results summary

- 1 **Net income in 1Q23 of €46m (+29% QoQ and +31% YoY), confirming Banca Ifis's acceleration**
- 2 **Net revenues at €176m (-8% QoQ and +8% YoY), driven by performance in Commercial Banking**
- 3 **Factoring turnover +17% YoY** (excluding factoring vs. PA), new business in **leasing +22% YoY**. Cash collection of Npl portfolio at **€97m (-3% QoQ, +7% YoY)**
- 4 **Operating costs* at €91m (-19% QoQ and +4% YoY)**. Inflation impact countered by efficiency, discipline and cost control
- 5 **Loan loss provisions at €10m** including €5m prudent add-on provisions against macroeconomic risk in performing loans, confirming outstanding risk/return performance of loan book
- 6 **Stable and resilient customer deposit base (flat QoQ)**. Average cost of funding developing as expected at 2.24% in 1Q23 (1.49% in 4Q22)
- 7 **CET1 up by 20bps to 15.21% in support of the growth strategy and the dividend payout of the Bank.** €0.40 dividend per share to be paid on 24 May 23. The record date is on 23 May 23 and the ex-dividend date on 22 May 23

* Excluding risks and charges

Net revenues accelerating

Quarterly Revenues



- **Net revenues at €176m (-8% QoQ and +8% YoY)**
- 1Q23 net revenues breakdown:
 - Commercial banking revenues at €88m (€93m in 4Q22 and €74m in 1Q22) reflecting the Bank's positive interest rates correlation and ongoing loan repricing. 1Q23 includes €8m capital gains on direct and indirect PE investments (€1m in 1Q22) due to the disposals of some equity stakes
 - Npl revenues at €69m (€83m in 4Q22 and €70m in 1Q22)
 - Non Core & G&S (proprietary bond portfolio) at €19m with a recurrent and stable contribution to revenues

Very robust commercial activity

Factoring turnover (€bn)

New leasing business (€mln)

Of which: automotive (€mln)



* excluding factoring vs PA

1Q22 4Q22 1Q23

1Q22 4Q22 1Q23

1Q22 4Q22 1Q23

* Factoring turnover +17% YoY excluding factoring vs. PA for which Ifis has reviewed its business model following the application of the new DoD

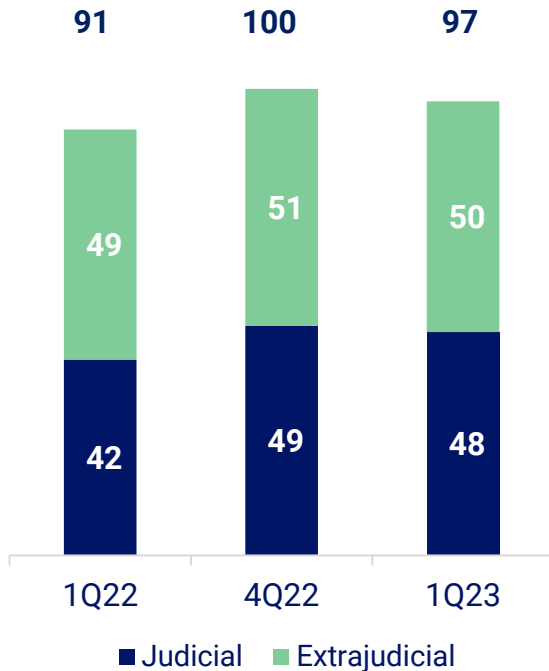
- Excellent commercial productivity in SME lending
- No change in small ticket focus
- Acceleration in equipment and tech leasing. No real estate/nautical
- Excellent 1Q23 notwithstanding 4Q22 peak due to fiscal benefits

- Strong presence with electrical vehicle brands

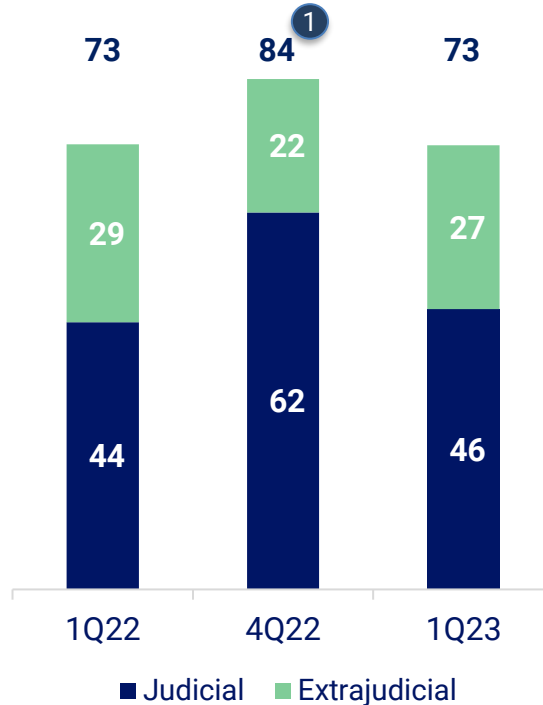
■ Factoring vs. SMEs ■ Factoring vs. PA

Npl portfolio performance resilient and well-positioned*

Track record in quarterly cash collection (€mIn)

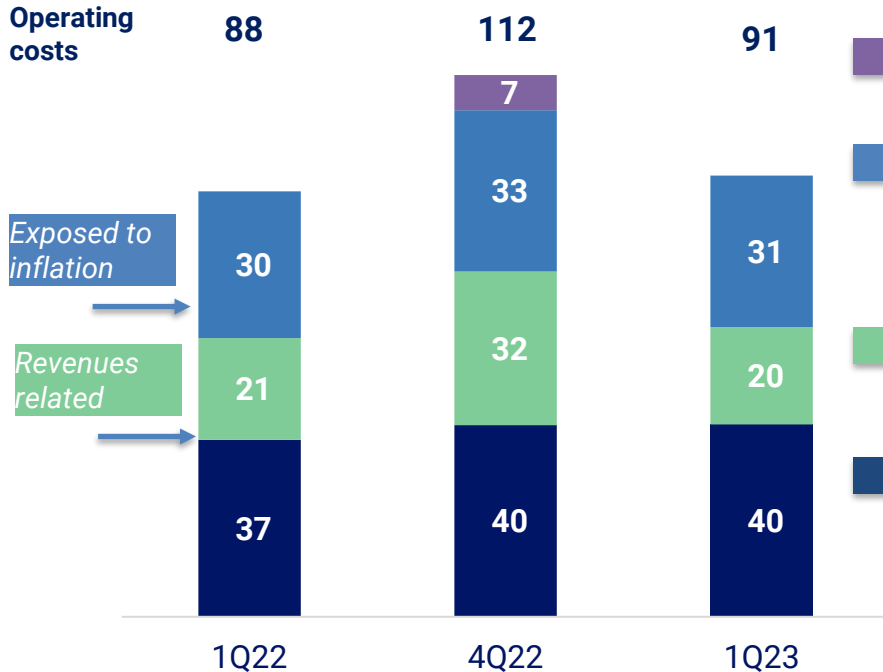


Revenues (€mIn)



- Extrajudicial collections remain solid, therefore negligible impact from interest rate or inflation increase on collections
 - Area of focus: monitoring of new voluntary plans in the face of a potential economic slowdown
- ¹ 4Q22 revenues included positive contribution of the release of specific (large) newly acquired NPL portfolios. As a result, both NPLs revenues and NPL variable recovery costs decreased by ca. -€12mIn QoQ

Inflation impact countered by efficiency, translating into solid cost control



FITD&SRF €6mIn provisions in 1Q23 (€7mIn were booked as costs in 4Q22)

Other operating costs*: potential impact of inflation and volume growth more than offset by contract renegotiation. Includes **ca. €8mIn** IT investment, which remained stable YoY/QoQ in the last 2Y as per key business plan projects in innovation and digitalization

Costs directly linked to Npl recovery: Costs directly linked to Npl recovery decrease of €12mIn QoQ partially linked in seasonality

Cost of personnel substantially stable YoY showing discipline in new hiring

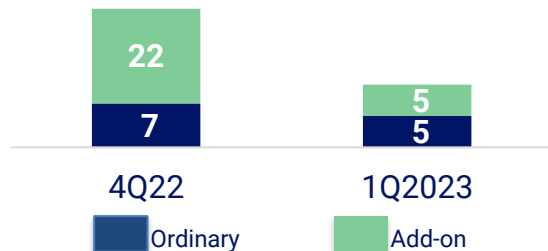
| | | | |
|------------------|---|----|---|
| FITD & SRF | 6 | -7 | 6 |
| Other provisions | 0 | 3 | 1 |

| | | | |
|-------------------------------------|-----------|------------|-----------|
| Operating costs + provisions | 94 | 108 | 97 |
|-------------------------------------|-----------|------------|-----------|

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

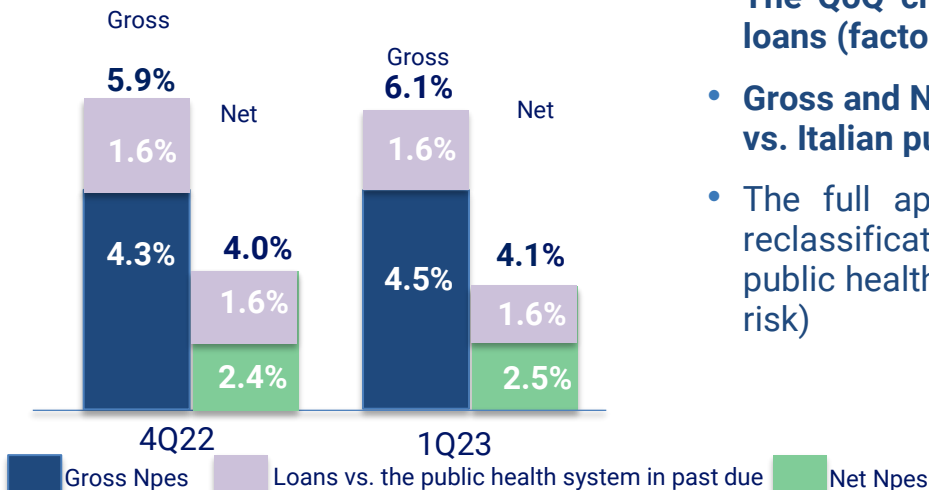
Very resilient loan book confirms asset quality

Loan loss provisions*



- **1Q23 LLP of €10mln**, including €5mln add-on provisions against potential macroeconomic risks. In 1Q23 no visible sign of asset quality deterioration
- **Total management overlay against performing loans reached ca. €60mln provisions for potential macroeconomic risks**

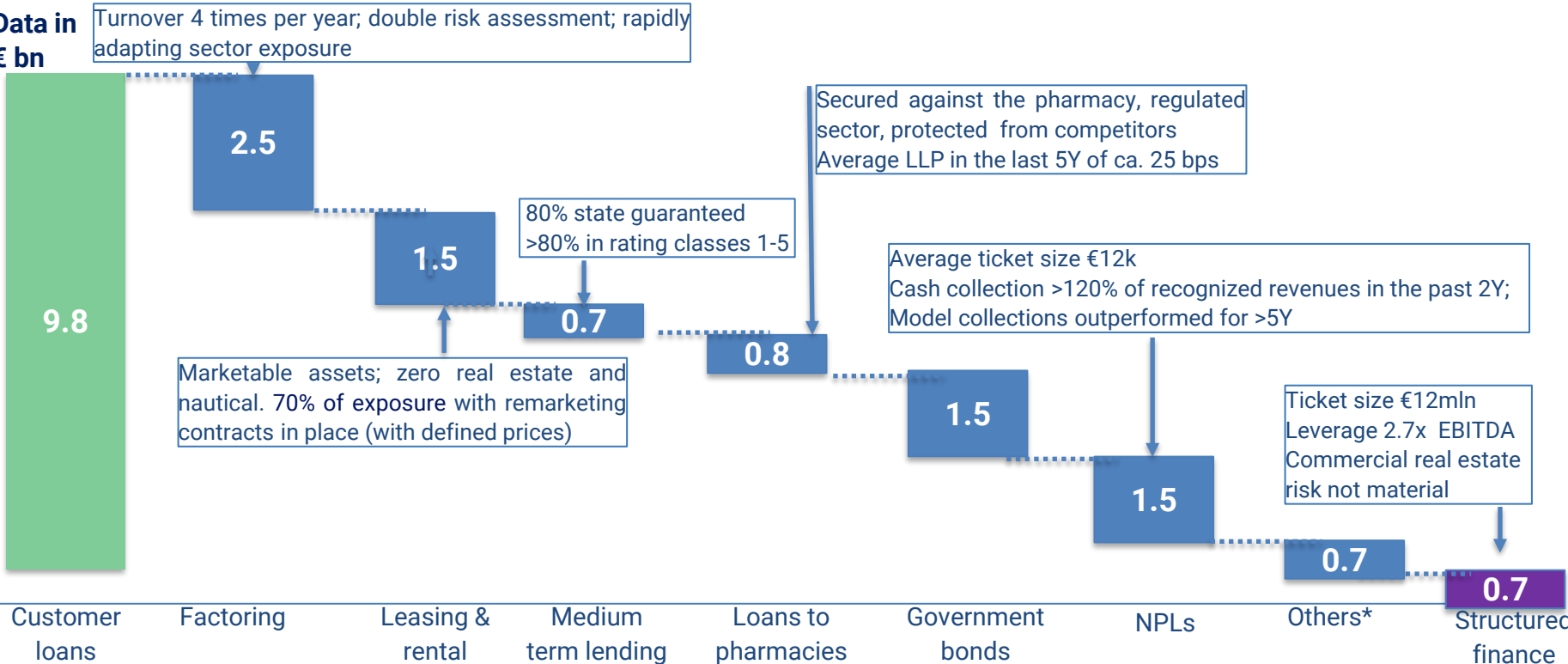
Asset quality Npe ratios



- **The QoQ change in asset quality ratios is due to lower performing loans (factoring seasonality). Total NPEs are stable in €/mln**
- **Gross and Net Npe Ratio of 4.5% and 2.5% excluding loans in past due vs. Italian public health system**
- **The full application of the New DoD to the portfolio led to the reclassification into past due a total of €111mln loans vs. the Italian public health system (historically, a late payer with limited asset quality risk)**

Banca Ifis's superior risk-return trade-off (1/3)

Data in € bn



Only ca. 10%-15% of Banca Ifis's loan book is direct, unmitigated medium/term lending to enterprises. In this loan book, leverage and concentration risks are kept low and are strongly reserved against (management overlay)

* Loans mainly related to financial bonds portfolio 5Y (€0.3bn) and residual retail mortgages (€0.1bn).

Banca Ifis's superior risk-return trade-off (2/3)

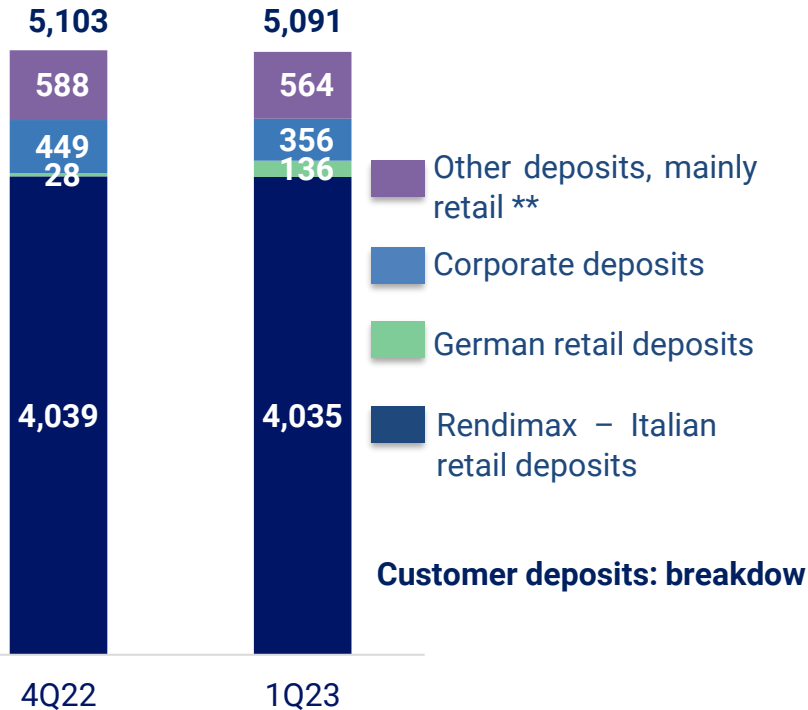
| | € bn | Average Duration in Y | Average ticket size |
|---------------------|------|-----------------------|--|
| Factoring | 2.5 | 0.22* | €300k* |
| Leasing | 1.3 | 2.7 | €40k auto €60k equipment |
| Rental | 0.2 | 2.0 | €7k |
| Medium term lending | 0.7 | 3.0 | €300k |
| Loans to pharmacies | 0.8 | 7.5 | €400k |
| Structured finance | 0.7 | 5.0 | €12mln |
| NPLs | 1.5 | 4.0 | €12k |
| Government bonds | 1.5 | 2.5 | Government bonds classified as HTC |
| Other | 0.7 | | €0.3bn financial bonds portfolio 5Y €0.1bn retail mortgages |

*Excluding factoring to PA, taxed incentives ("superbonus 110%") and VAT credit

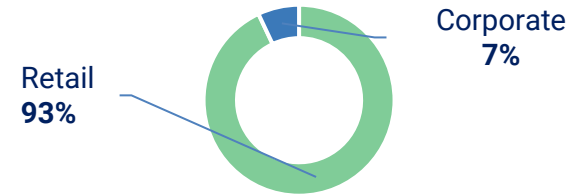
Customer loans: >70% of Banca Ifis's customer loan book has a duration shorter than 3Y

Banca Ifis's superior risk-return trade-off (3/3)*

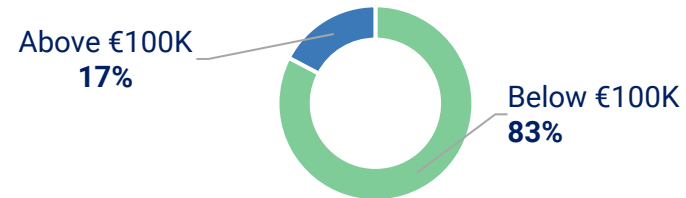
Customer deposit breakdown



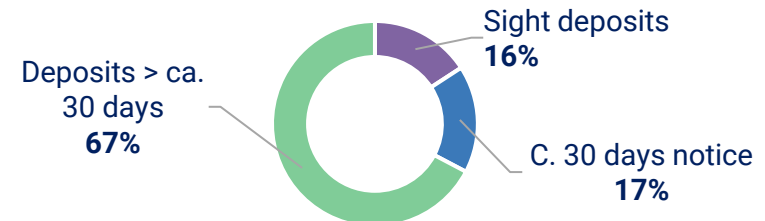
Very limited corporate deposits



Rendimax deposits: 83% protected by FITD



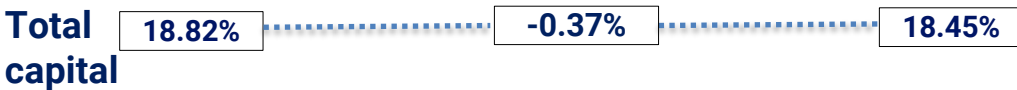
Rendimax: very limited sight deposits



*Source: management accounting data

** Other deposits include mainly B.Credifarma retail deposits (€243mln in 1Q23), ex Aigis deposits (€83mln in 1Q23) and Time deposits (€115mln in 1Q23)

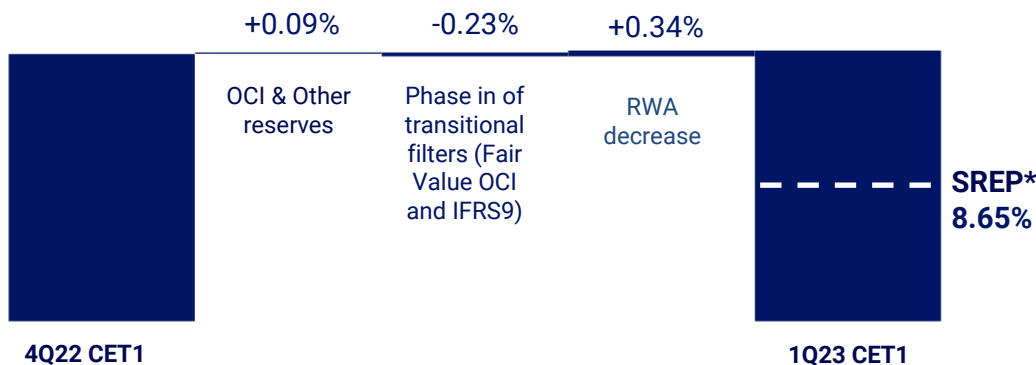
Banca Ifis Group – Capital ratios evolution



CET1 actual of 15.21% at 31 Mar 23, excluding 1Q23 net income

Key items of CET1 evolution in 1Q23

- +0.09%** mainly due to a combination of decrease in FVOCI reserve (+0.06%) and increase in other reserve (+0.03%)
- 0.23%** due to the regulatory removal of transitional filters on the FVOCI reserves on Government bonds and a partially removal of IFRS9 provisions
- +0.34%** as a combination of lower RWA for the seasonality in factoring, and higher RWA for market risk and counterparty risk in REPOs business



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

Quarterly results

| Reclassified Consolidated Income Statement - (€ mln) | 1Q22 | 4Q22 | 1Q23 |
|--|---------------|----------------|---------------|
| Net interest income | 131.1 | 155.7 | 139.4 |
| Net commission income | 20.7 | 28.3 | 23.3 |
| Trading and other revenues | 11.5 | 7.8 | 13.1 |
| Total Revenues | 163.3 | 191.9 | 175.8 |
| Loan loss provisions | (17.0) | (28.6) | (10.0) |
| Total Revenues - LLP | 146.3 | 163.2 | 165.9 |
| Personnel expenses | (36.6) | (39.6) | (39.7) |
| Other administrative expenses | (53.6) | (70.9) | (53.8) |
| Other net income/expenses | 2.3 | (1.4) | 2.4 |
| Operating costs | (87.8) | (111.8) | (91.1) |
| Net provisions for risks and charges | (6.4) | 4.1 | (6.4) |
| Pre tax profit | 52.1 | 55.5 | 68.4 |
| Taxes | (16.7) | (19.7) | (22.1) |
| Net income - attributable to the Parent company | 34.9 | 35.5 | 45.9 |
| Customer loans | 10,276 | 10,187 | 9,834 |
| - of which Npl Business | 1,519 | 1,520 | 1,495 |
| Total assets | 12,893 | 13,262 | 13,300 |
| Total funding | 10,612 | 11,131 | 11,112 |
| - of which customer deposits | 5,683 | 5,103 | 5,091 |
| - of which TLTRO and LTRO | 2,031 | 2,424 | 2,035 |
| Shareholders Equity | 1,642 | 1,598 | 1,650 |

- Includes €8mln capital gains on PE investments (€1mln in 1Q22) due to the disposals of some equity stakes
- Includes €5mln add-on provisions against macroeconomic risk
- Includes €22mln negative one-offs due to the impacts of the Government decree ("decreto aiuti")
- Includes €6mln FITD&SRF costs booked as 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. 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

1Q23 Results: P&L break-down by business unit

| Data in € mln | Npl | Commercial & Corporate banking | | | | Non core & G&S | Consolidated |
|--|------------|--------------------------------|------------|-------------------------|-------------------------------------|----------------|--------------|
| | | Factoring | Leasing | Corp. Banking & Lending | Tot. Commercial & Corporate banking | | |
| Net interest income | 68 | 27 | 13 | 18 | 57 | 15 | 139 |
| Net commission income | 1 | 17 | 3 | 4 | 23 | (1) | 23 |
| Trading & other revenues | 1 | (1) | 0 | 8 | 7 | 5 | 13 |
| Net revenues | 69 | 43 | 15 | 30 | 88 | 19 | 176 |
| -Of which PPA | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| Loan loss provisions | 0 | (3) | (1) | (9) | (12) | 2 | (10) |
| Operating costs | (41) | (24) | (8) | (9) | (41) | (9) | (91) |
| Net allocations to provisions for risks and charges | (0) | 0 | 0 | (0) | (0) | (6) | (6) |
| Gains (Losses) on disposal of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0,0 |
| Net income | 19 | 11 | 5 | 8 | 24 | 4 | 46 |
| Net income attributable to non-controlling interests | | | | | | | 0.4 |
| Net income attributable to the Parent company | | | | | | | 46 |
| Net income (%) | 41% | 24% | 10% | 17% | 51% | 8% | 100% |
| Customer Loans | 1,495 | 2,467 | 1,475 | 2,296 | 6,238 | 2,101 | 9,834 |
| RWA¹ | 1,756 | 2,323 | 1,303 | 1,655 | 5,281 | 1,777 | 8,813 |
| Allocated capital² | 267 | 353 | 198 | 252 | 803 | 270 | 1,341 |

① €8mln capital gains on PE investments (€1mln in 1Q22) due to the disposals of some equity stakes

② €6mln FITD&SRF Operating costs reclassified from provisions for risks and charges

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

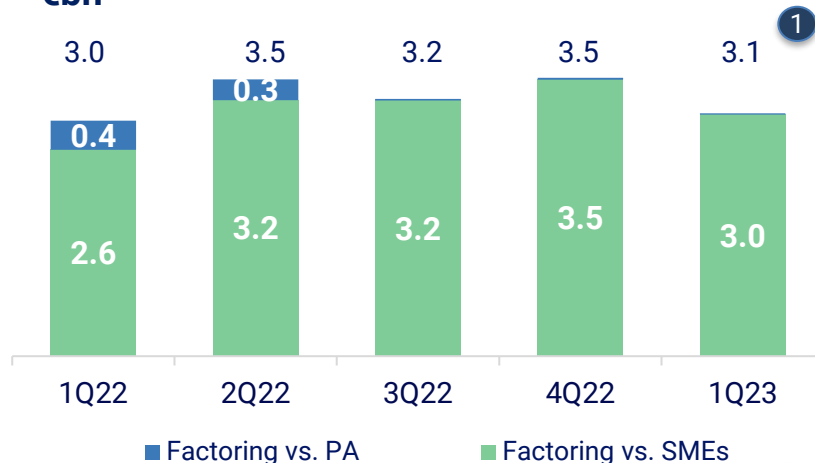
- G&S: includes €1.5bn of Government bonds at amortized costs

- 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)

Turnover - €bn



① 1Q23 factoring turnover at €3.1bn, +17% YoY excluding factoring vs. PA, for which Banca Ifis is reviewing its business model; 4Q22 is impacted by usual seasonality

② The reduction of the factoring loans YoY (-9%) 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 6.6%. The change vs. 4Q22 is due to cost of funding increase

Net customer loans - €mln

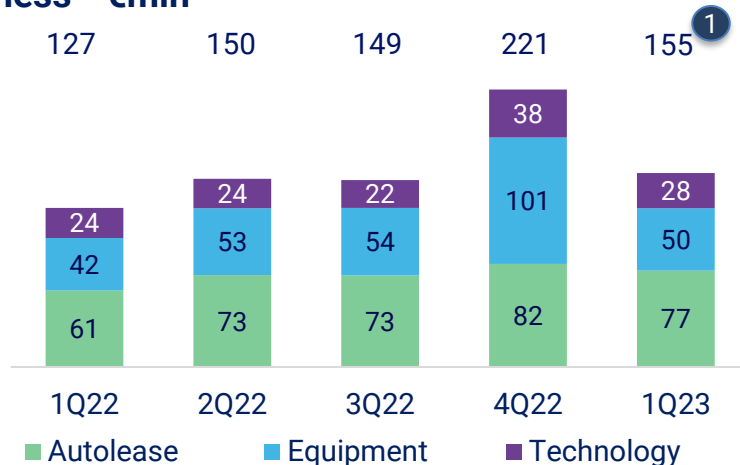
| | | | | | |
|------|-------|-------|-------|-------|-------|
| 1Q22 | 2,722 | 2,738 | 2,468 | 2,756 | 2,467 |
|------|-------|-------|-------|-------|-------|

| Data in €mln | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 |
|------------------------------------|------|------|------|------|------|
| Net revenues | 40 | 39 | 44 | 48 | 43 |
| Net revenues / avg. customer loans | 5.7% | 5.7% | 6.8% | 7.4% | 6.6% |
| Loan loss provisions* | (9) | (1) | (4) | (0) | (3) |

Loan loss provisions include:

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

New business - €mln



- ¹ New leasing +22% YoY due to revamping commercial activity
- ² Net revenues / average customer loans at 4.2% in 1Q23
- ³ Asset quality risk is mitigated by strong sector and borrower diversification and by the remarketing agreements for repossessed assets

Net customer loans - €mln

| Period | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 |
|--------------------|-------|-------|-------|-------|-------|
| Net customer loans | 1,378 | 1,390 | 1,396 | 1,472 | 1,475 |

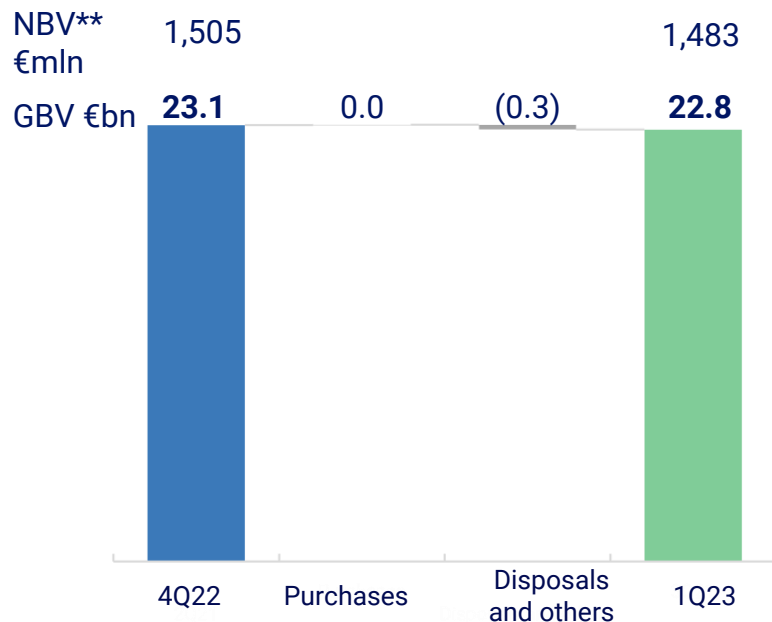
| Data in €mln | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 |
|-----------------------------------|------|------|------|------|-------------------|
| Net revenues | 15 | 14 | 14 | 17 | 15 |
| Net revenues / avg customer loans | 4.5% | 4.0% | 3.9% | 4.6% | 4.2% ² |
| Loan loss provisions* | (1) | 1 | (2) | (1) | (1) ³ |

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

No Npls acquired in 1Q23

- Very limited NPL transactions in 1Q23
- No concerns on achieving Business Plan purchasing targets

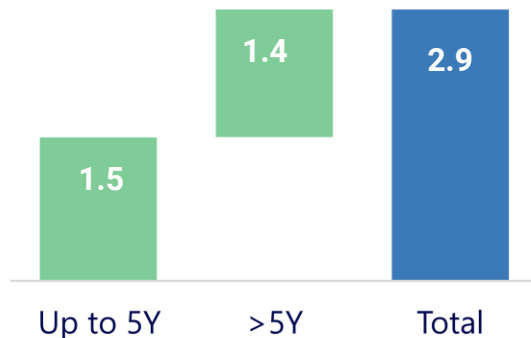
Npls disposals and others in 1Q23: €0.3bn GBV

- The disposals generated a capital gain of €0.5mln. "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: €2.9bn



ERC breakdown

| Data in €bn | GBV | NBV | ERC |
|-------------------------------|-------------|------------|------------|
| Waiting for workout - At cost | 1.1 | 0.1 | 0.2 |
| Extrajudicial positions | 14.2 | 0.5 | 0.8 |
| Judicial positions | 7.5 | 0.9 | 1.9 |
| Total | 22.8 | 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 1Q23), court injunctions ["precetto"] issued and order of assignments (GBV of €1.9bn in 1Q23) have already been expensed in P&L
- **€2.2bn cash recovery (including proceeds from disposals) was generated in the years 2014 –1Q2023**

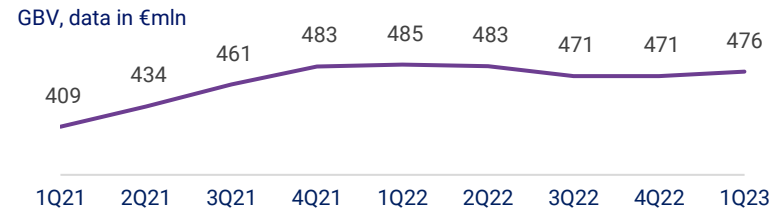
Npl Business*: GBV and cash recovery

Judicial recovery

| Judicial recovery (€ mln) | GBV | % |
|---|--------------|-------------|
| Frozen | 1,708 | 23% |
| Court injunctions ["precetto"] and foreclosures | 1,018 | 14% |
| Order of assignments | 838 | 11% |
| Secured and Corporate | 3,975 | 53% |
| Total | 7,539 | 100% |

To be processed

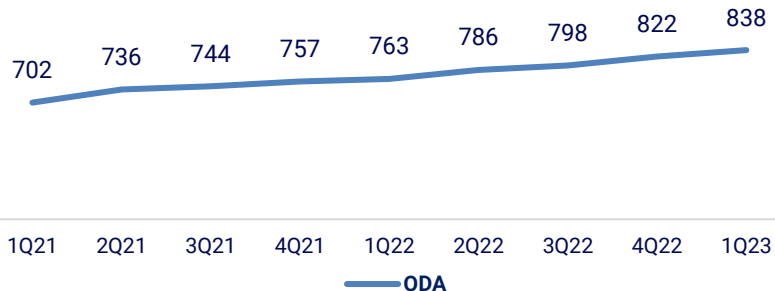
Non judicial recovery – Voluntary plans



— Non-judicial payment plans

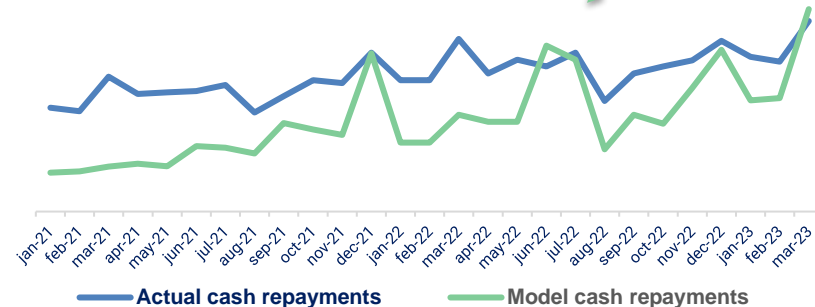
Judicial recovery – Order of Assignments

GBV, data in €mln



Actual vs. model cash repayments

Judicial + non judicial recovery, data in €mln



In 2022 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

Cash collection

- 1 Npl cash collection at €97m, driven by judicial recovery. 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) | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2021 YE | 2022 YE |
|---------------------------------------|------|------|------|------|------|------|------|------|------|---------|---------|
| Cash collection | 81 | 89 | 82 | 94 | 91 | 91 | 101 | 100 | 1 97 | 345 | 384 |
| Contribution to P&L** | 64 | 70 | 66 | 74 | 73 | 71 | 67 | 84 | 73 | 273 | 295 |
| Cash collection / contribution to P&L | 127% | 128% | 124% | 127% | 125% | 128% | 152% | 120% | 134% | 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 | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 |
|--|---------------|-------------------------|---------------|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Waiting for workout - Positions at cost | 1,147 | 107 ¹ | 203 | 3,409 ² | 3,850 | 4,193 | 1,571 | 1,284 | 1,096 |
| Extrajudicial positions | 10,987 | 11,280 | 11,657 | 10,804 | 11,155 | 11,379 | 13,386 | 14,302 | 14,196 |
| - Ongoing attempt at recovery | 10,578 | 10,846 | 11,196 | 10,321 | 10,670 | 10,896 | 12,914 | 13,831 | 13,720 |
| - Non-judicial payment plans | 409 | 434 | 461 | 483 | 485 | 483 | 471 | 471 | 476 |
| Judicial positions | 7,546 | 7,896 | 7,183 | 7,618 | 7,245 | 7,323 | 7,498 | 7,478 | 7,539 |
| - Frozen** | 3,243 | 3,644 | 2,883 | 2,010 | 1,662 | 1,715 | 1,725 | 1,627 | 1,708 |
| - Court injunctions ["precetto"] issued and foreclosures | 686 | 700 | 727 | 771 | 818 | 858 | 913 | 978 | 1,018 |
| - Order of assignments | 702 | 736 | 744 | 757 | 763 | 786 | 798 | 822 | 838 |
| - Secured and Corporate | 2,915 | 2,816 | 2,830 | 4,080 | 4,002 | 3,963 | 4,062 | 4,051 | 3,975 |
| Total | 19,680 | 19,282 | 19,043 | 21,831 | 22,250 | 22,895 | 22,455 | 23,065 | 22,831 |

| NBV - €mln | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Waiting for workout - Positions at cost | 112 | 15 | 31 | 136 | 148 | 159 | 77 | 114 | 86 *** |
| Extrajudicial positions | 368 | 393 | 413 | 425 | 436 | 438 | 464 | 470 | 468 |
| - Ongoing attempt at recovery | 188 | 198 | 200 | 202 | 208 | 208 | 237 | 238 | 230 |
| - Non-judicial payment plans | 180 | 195 | 213 | 223 | 228 | 230 | 227 | 232 | 238 |
| Judicial positions | 916 | 961 | 930 | 917 | 898 | 908 | 929 | 921 | 929 |
| - Frozen** | 300 | 330 | 295 | 271 | 240 | 235 | 229 | 208 | 211 |
| - Court injunctions ["precetto"] issued and foreclosures | 162 | 161 | 166 | 172 | 181 | 187 | 200 | 207 | 209 |
| - Order of assignments | 292 | 305 | 306 | 310 | 320 | 333 | 335 | 346 | 355 |
| - Secured and Corporate | 162 | 165 | 163 | 164 | 157 | 154 | 164 | 160 | 154 |
| Total | 1,396 | 1,369 | 1,375 | 1,478 | 1,483 | 1,505 | 1,469 | 1,505 | 1,483 |

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

*Source: management accounting data

**Other Judicial positions

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

Npl Business*: P&L and cash evolution

| P&L - €mln | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Waiting for workout - Positions at cost | | | | | | | | | |
| Extrajudicial positions | 22 | 29 | 30 | 38 | 29 | 25 | 23 | 22 | 27 |
| - Ongoing attempt at recovery | (2) | 6 | (2) | 6 | (1) | 0 | 4 | 1 | (1) |
| - Non-judicial payment plans | 24 | 23 | 32 | 33 | 30 | 24 | 18 | 21 | 28 |
| Judicial positions | 42 | 41 | 36 | 35 | 44 | 47 | 44 | 62 | 46 |
| - Frozen** | - | - | - | - | - | - | - | - | - |
| - Court injunctions and foreclosures + Order of assignments | 36 | 34 | 30 | 32 | 41 | 40 | 36 | 54 | 40 |
| - Secured and Corporate | 5 | 7 | 5 | 3 | 2 | 7 | 8 | 8 | 6 |
| Total | 64 | 70 | 66 | 74 | 73 | 71 | 67 | 84 | 73 |

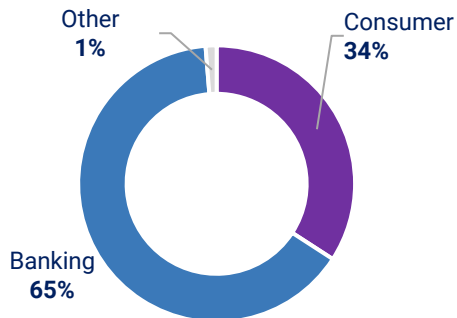
| Cash - €mln | 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|-----------|
| Waiting for workout - Positions at cost | | | | | | | | | |
| Extrajudicial positions | 42 | 47 | 43 | 51 | 49 | 49 | 52 | 51 | 50 |
| - Ongoing attempt at recovery | 6 | 9 | 5 | 6 | 5 | 6 | 11 | 8 | 6 |
| - Non-judicial payment plans | 36 | 39 | 38 | 46 | 44 | 44 | 41 | 43 | 44 |
| Judicial positions | 39 | 42 | 39 | 42 | 42 | 42 | 49 | 49 | 48 |
| - Frozen** | - | - | - | - | - | - | - | - | - |
| - Court injunctions and foreclosures + Order of assignments | 30 | 30 | 31 | 32 | 33 | 32 | 35 | 37 | 36 |
| - Secured and Corporate | 9 | 12 | 7 | 11 | 9 | 10 | 14 | 13 | 12 |
| Total | 81 | 89 | 82 | 94 | 91 | 91 | 101 | 100 | 97 |

*Source: management accounting data

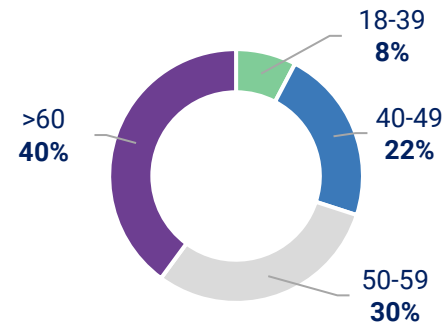
**Other Judicial positions

Npl Business*: portfolio diversification

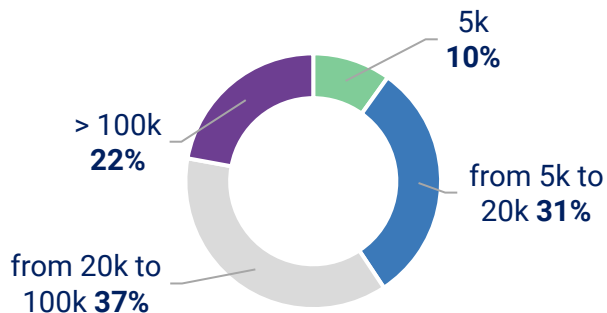
Breakdown of GBV by type



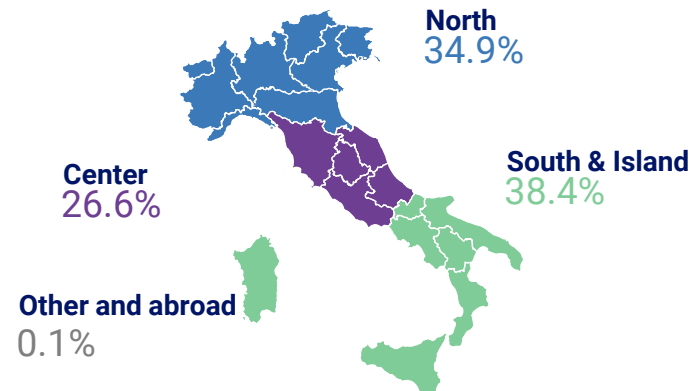
Breakdown of GBV by borrower age



Breakdown of GBV by ticket size



Breakdown of GBV by region

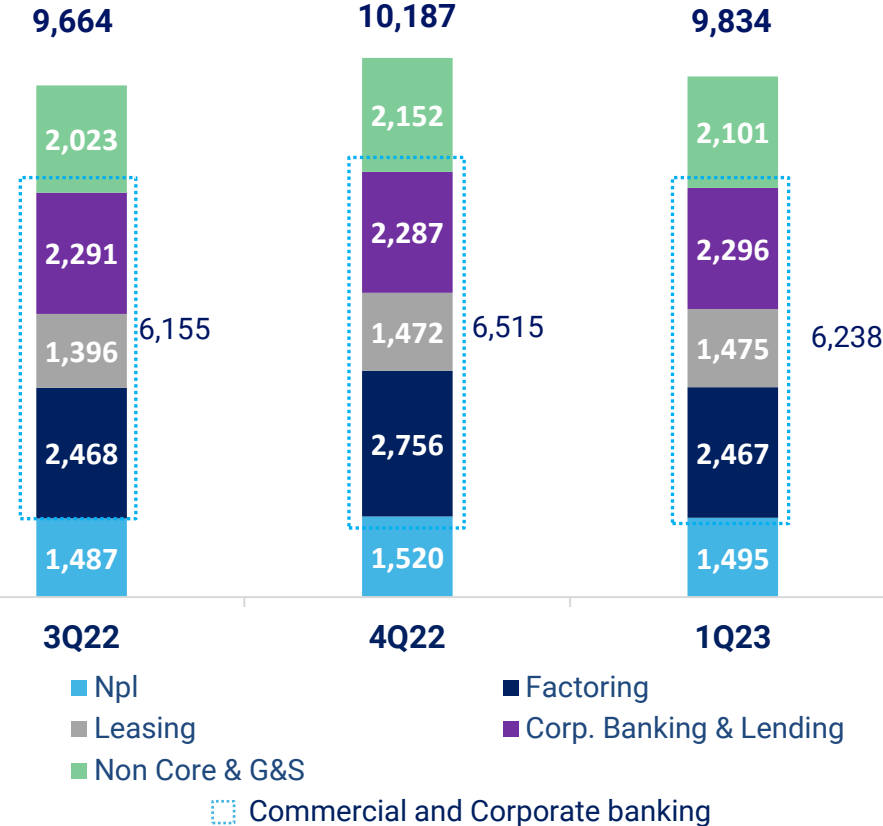


*Source: management accounting data and risk management data (i.e. data refer only to property portfolio)

2.2 Consolidated financial data

Customer loans

Customer loans (€ mln)



- 1Q23 customer loans at €9,834mln (-3% QoQ) driven by:
 - Normal seasonality in factoring (-10% QoQ)
 - Some disposals of long term Government bonds in G&S (-1% QoQ)

Asset quality (€ mln)

| Consolidated ratios | 3Q22 | 4Q22 | 1Q23 |
|---------------------|------|------|------|
| Gross Npe* | 7.4% | 5.9% | 6.1% |
| Net Npe* | 4.8% | 4.0% | 4.1% |

| Commercial & Corporate Banking | Gross | Coverage % | Net |
|--------------------------------|------------|------------|------------|
| Bad loans | 92 | 73% | 25 |
| UTPs | 143 | 43% | 82 |
| Past dues | 143 | 5% | 136 |
| Total Npes | 378 | 36% | 243 |

| Non Core & G&S** | Gross | Coverage % | Net |
|-------------------|-----------|------------|-----------|
| Bad loans | 12 | 51% | 6 |
| UTPs | 32 | 25% | 24 |
| Past dues | 6 | 31% | 4 |
| Total Npes | 51 | 32% | 35 |

- The QoQ change in asset quality ratios is due to lower performing loans (factoring seasonality)
- Asset quality ratios in 1Q23:
 - **Gross Npe Ratio***: 6.1% (5.9% in 4Q22); **4.5%** excluding loans in past due vs. Italian public health system
 - **Net Npe Ratio***: 4.1% (4.0% in 4Q22); **2.5%** excluding loans in past due vs. Italian public health system
- Gross and Net Npe in Commercial & Corporate Banking came in at €378mln (€382mln in 4Q22) and €243mln (€251mln in 4Q22), respectively
- The application of the New Definition of Default (“New DoD”) led to the reclassification into past due €111mln 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

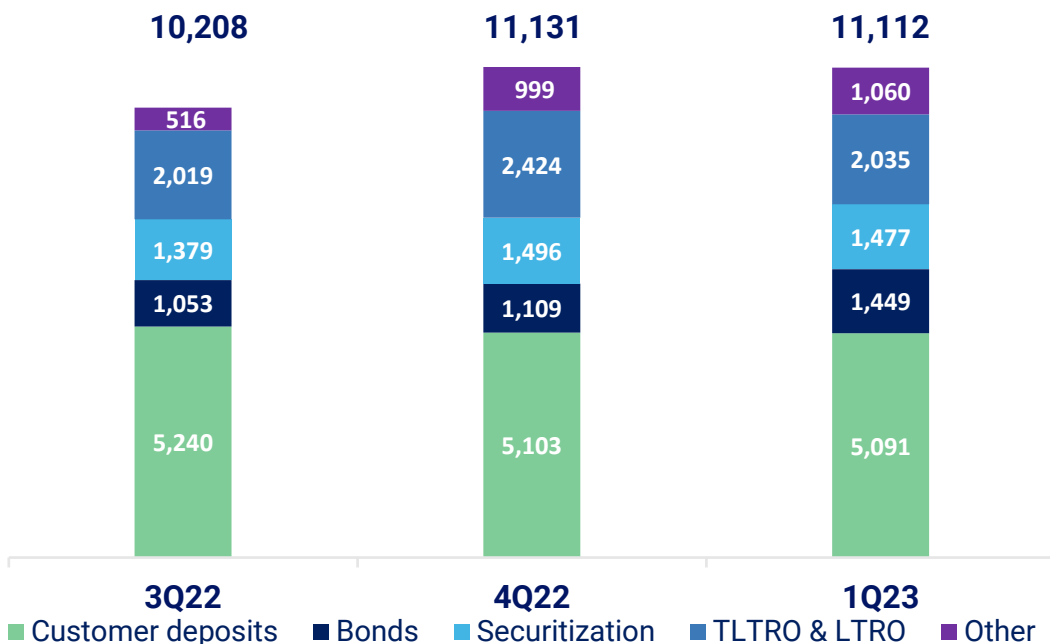
Strong sector and borrower diversification*

| Industry | €mln | % of total | Max concentration |
|---|------|------------|-------------------|
| General and other manufacturing | 923 | 15% | 20% |
| Pharmacy lending | 818 | 13% | 20% |
| Wholesale and commercial trade | 544 | 9% | 12% |
| Transport and storage | 358 | 6% | 8% |
| Activities linked to constructions | 309 | 5% | 6% |
| Private lending | 255 | 4% | 8% |
| National Healthy System (PA) | 249 | 4% | 15% |
| Export lending and foreign subsidiaries | 228 | 4% | 6% |
| Professional activities | 172 | 3% | 5% |
| Automotive | 166 | 3% | 5% |
| Retail commercial trade | 139 | 2% | 6% |
| Health and social activities | 154 | 2% | 5% |
| Building and constructions | 146 | 2% | 5% |
| Food industry | 145 | 2% | 5% |
| Financial services | 135 | 2% | 5% |
| Arts and sports | 140 | 2% | 5% |
| Rental and support | 123 | 2% | 5% |
| Agriculture | 111 | 2% | 5% |
| Plastic and gum/tyre industry | 98 | 2% | 5% |

| Industry | €mln | % of total | Max concentration |
|-------------------------------|--------------|-------------|-------------------|
| Plastic and gum/tyre industry | 98 | 2% | 5% |
| Metallurgic industry | 84 | 1% | 5% |
| Information services | 83 | 1% | 5% |
| Other transportation vehicles | 76 | 1% | 5% |
| Energy and gas supply | 69 | 1% | 5% |
| Chemical Industry | 68 | 1% | 5% |
| Restaurant and leisure | 56 | 1% | 5% |
| Real estate activities | 61 | 1% | 5% |
| Water and waste management | 62 | 1% | 5% |
| Paper production | 48 | 1% | 5% |
| Electronical activities | 46 | 1% | 5% |
| Furniture production | 42 | 1% | 5% |
| Textil industry | 41 | 1% | 5% |
| Wood industry | 41 | 1% | 5% |
| Pharmaceutical industry | 33 | 1% | 5% |
| Shoes manufacturing | 32 | 1% | 5% |
| Others | 184 | 3% | NA |
| Total | 6.238 | 100% | 100% |

- Strong sector diversification: exposure to all sectors of the Italian economy (“codici Ateco”)
- All sector exposure significantly below concentration risk
- Small tickets focus and high borrower diversification in all sectors

Funding (€mln)



| | 3Q22 | 4Q22 | 1Q23 |
|-------------|---------|-------|-------|
| LCR | >1,000% | >500% | >800% |
| NSFR | >100% | >100% | >100% |

- Customer deposits stable QoQ
- Securitizations include €1,106mln of factoring securitization and €371mln of Banca Credifarma securitization
- Banca Ifis has €2.0bn TLTRO expiring in September 2024
- New bond issue of €300mln in Jan 2023 with 4Y maturity. In April 2023, Banca Ifis reimbursed €300mln senior bond
- “Other” includes €785mln banking repo with underlining the property portfolio
- Average cost of funding at 2.24% in 1Q23 (1.49% in 4Q22)
- MREL fixed at 12.15% of TREA. The requirement of ca. €1.2bn is entirely covered by equity

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
- Strategical use (at around 75% of total assets* in 1Q23) of HTC to reduce proprietary portfolio volatility
- Low RWA density and relevant ECB / funding eligibility

1Q23 proprietary portfolio revenues at around €21mln, +€4.7mln (+30%) vs. 1Q22**

- € 17.8mln interest income
- €3.2mln trading and other income of which €0.7mln from dividends

Expected 2023 further upside revenues' pillars:

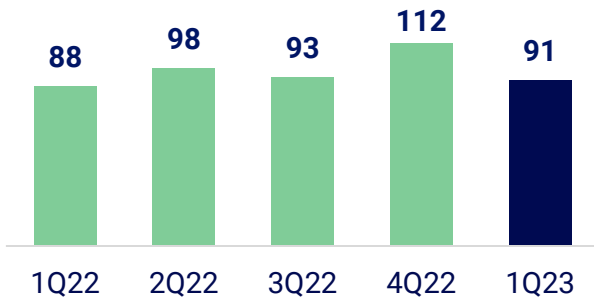
- Estimated additional dividend flows at around €9mln
- Gradually increasing interest income, potentially improved by inflation linked (5% of total assets in 1Q23) and floater bonds (more than 24% of total assets in 1Q23) in case of further inflation and short term rate increase

| Type of asset - Data in €mln as at end of quarter | Bonds | | | Equity | Total |
|---|-------------|------------|------------|------------|-------------|
| | Government | Financial | Corporate | | |
| Held to collect/amortized cost | 1513 | 617 | 93 | | 2223 |
| Held to collect and sell (FVOCI) | 445 | 131 | 50 | 115 | 740 |
| Total (HTC and HTC&S) | 1958 | 748 | 143 | 115 | 2963 |
| Held for trading/Funds | | 14 | | | 15 |
| Total portfolio | 1958 | 761 | 143 | 115 | 2978 |
| Percentage of total | 65,7% | 25,6% | 4,8% | 3,9% | 100,0% |
| Held to collect/amortized cost Duration | 2,5 | 3,6 | 2,9 | NA | 2,8 |
| Held to collect and sell (FVOCI) Duration | 3,1 | 3,3 | 2,8 | NA | 3,1 |
| FVTPL Duration | | 12,0 | | | 12,0 |
| Average duration (HTC and HTC&S) - YEARS | 2,6 | 3,7 | 2,9 | NA | 2,9 |

(*) Evaluation HTC: amortized cost
Evaluation HTCS & HFT/Funds: market value
(**) Data excluding cost of funding

Reclassified consolidated operating costs*

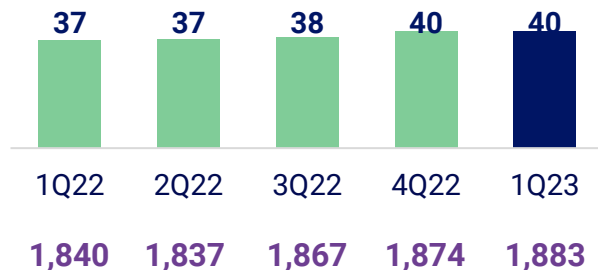
Operating costs (€mln)



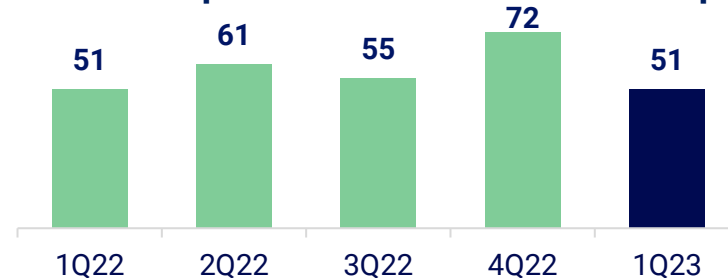
1Q23 operating costs at €91mln

- HR costs stable vs 4Q22
- -€21mln QoQ in other operating costs. Main items:
 - Costs directly linked to Npl recovery decrease of €12mln QoQ partially linked to seasonality
 - -€7mln of FITD costs

Personnel expenses (€mln)



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

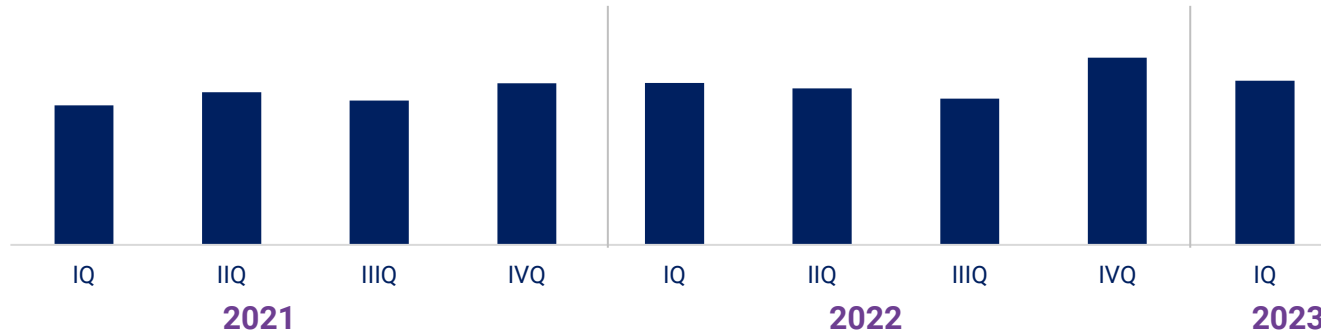


Banca Ifis employees

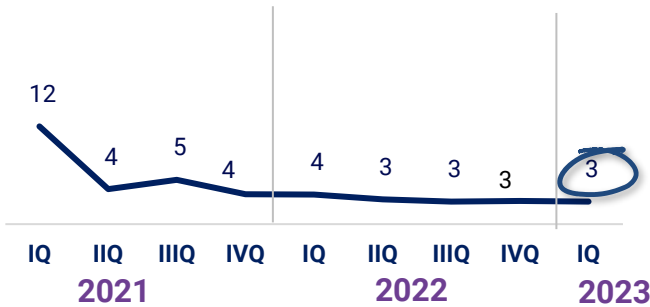
*Figures exclude "Net allocations to provisions for risks and charges"

Seasonality in Npl and PPA and effect of Covid-19

Net interest income in Npls

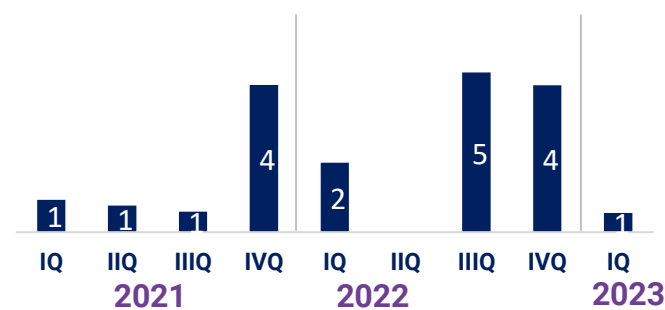


Reversal of PPA ex-IB (pre-tax)



1Q23 pre tax reversal PPA at €3m

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

28.8

Other non-convertible DTAs

- DTAs generated due to negative valuation reserves and provisions for risks and charges (~€48.3mln as of 31 Mar 2023)
- 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 Mar 2023)

20.9

* 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.

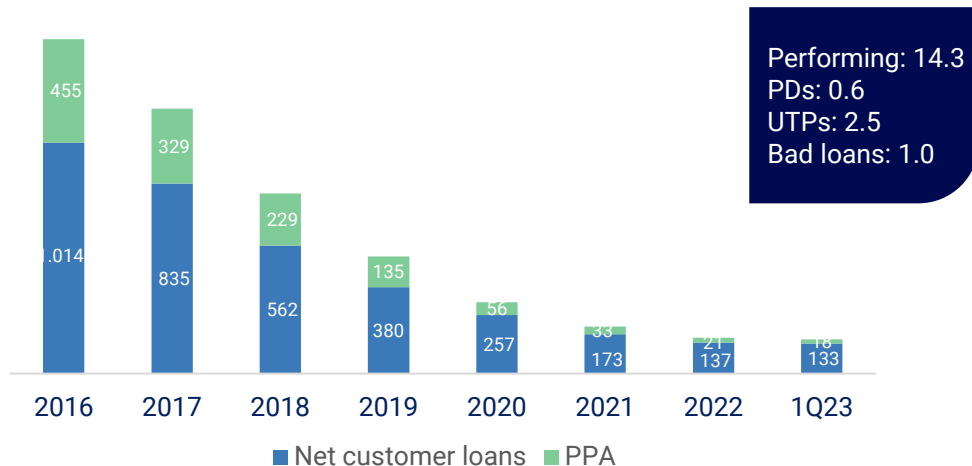
2.4 Focus on PPA

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 31 Mar 23, the residual amount of pre-tax PPA was €18m

Net customer loans and PPA - €m



Performing: 14.3
PDs: 0.6
UTPs: 2.5
Bad loans: 1.0

PPA reversal in P&L- €m

| 1Q21 | 2Q21 | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 |
|--|------|------|------|--|------|------|------|
| 12 | 4 | 5 | 4 | 4 | 3 | 3 | 3 |
| 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 | | | |

| 1Q23 |
|---|
| 3 |
| 1Q23: €3m. o/w: -€0m Corp. Banking & Lending -€3m Non Core & G&S |

| Outstanding at 1Q23 |
|---|
| 18 |
| 1Q23 Outstanding, o/w: -€0m Corp. Banking & Lending -€18m Non Core & G&S |

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