

1H23 results

3 August 2023

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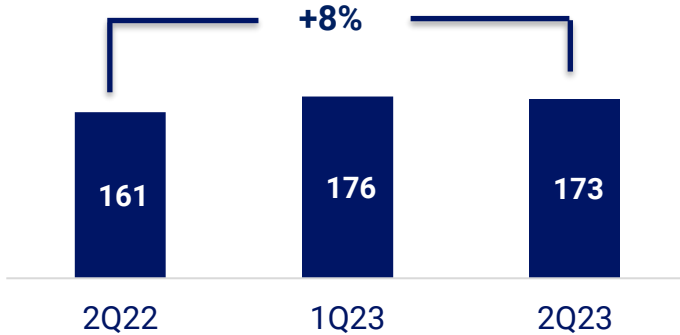


2Q23 results

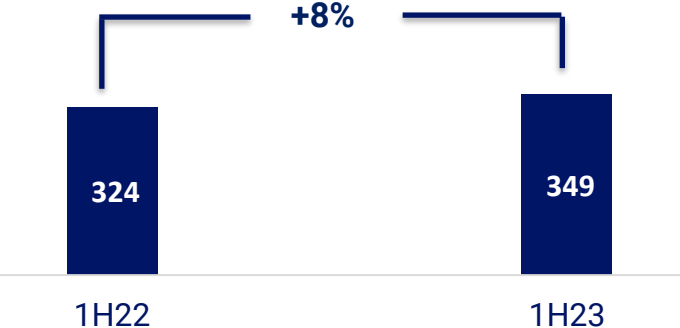
- 1 **Net income in 2Q23 of €45m (substantially stable QoQ and +20% YoY). 1H23 net income at €91m (+26% YoY)**
- 2 **Loan loss provisions at €6m**, of which €9m provisions against macroeconomic risk and -€3m (due to write backs) of ordinary cost of risk. **Total prudential management overlay now at €65m**
- 3 **2023 net income updated guidance increased to €160m** (vs. guidance of €150m in Feb. 23 and Business Plan target of €137m)
- 4 **CET1 at 15.01% excluding 1H23 net income**
- 5 **New dividend policy approved by the Board** which increases the payout ratio: distribution of 50% of the consolidated net profit attributable to Banca Ifis up to €100m and of 100% of the profit in excess of €100m

Net revenues accelerating

Quarterly Revenues



First 6 months Revenues

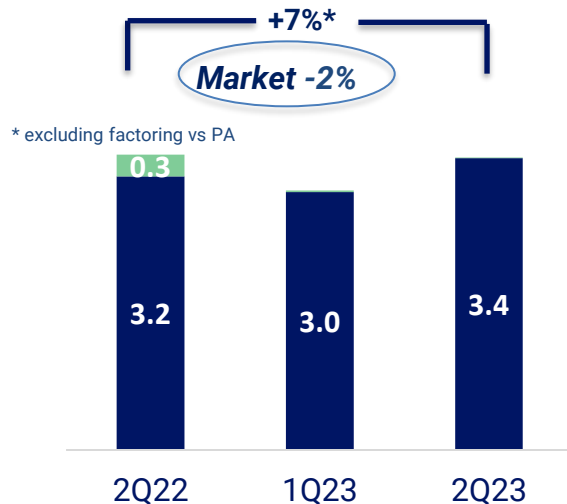


- **Net revenues at €173m (substantially stable QoQ and +8% YoY)**
- 2Q23 net revenues breakdown:
 - Commercial banking revenues at €87m (€88m in 1Q23 and €68m in 2Q22). 1Q23 included €8m capital gains on direct and indirect PE investments due to the disposals of equity stakes
 - Npl revenues* prove highly resilient at €67m (€69m in 1Q23 and €65m in 2Q22)
 - Non Core & G&S at €19m providing a recurrent and stable contribution to revenues

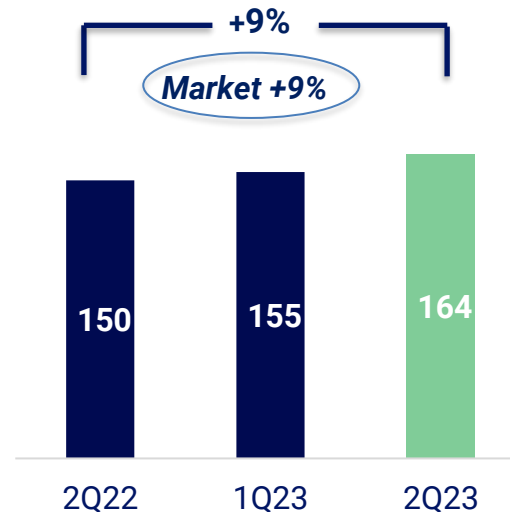
* It includes interest income, cost of funding and some minor items (i.e. net commission income and the gains on sales of receivables)

Very robust commercial activity continues

Factoring turnover (€bn)



New leasing business (€mln)



* Factoring turnover +7% 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
- Digitalization and new product development delivering results
- No change in small ticket focus
- Acceleration in equipment and tech leasing
- No real estate/nautical leasing

Changing the Bank: digitalization projects in Commercial Banking

CLIENT ORIGATION AND PARTNERSHIPS

CLIENT ONBOARDING AND PARTNERSHIPS

CLIENT MANAGEMENT & COMMERCIAL DEVELOPMENT

RISK & CREDIT ASSESSMENT

- **Multi-channel lead origination approach** (Direct, Digital Marketing and Campaigns, Partnerships)
- **Full digital rental**, with e-commerce capability, ready for Q3
- New digital origination tools (specifically tailored for sales workforce) to boost x-selling and cooperation among business lines

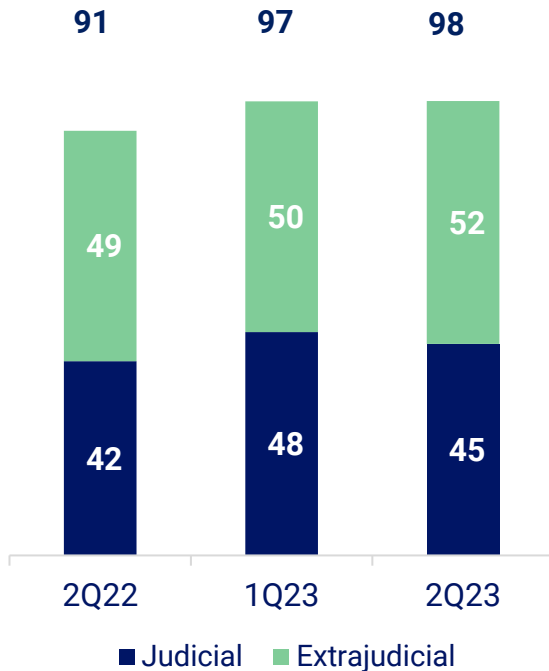
- **Selling processes innovation both in the Full-digital experiences** ("Next Self" platform) and intermediated use-cases ("Next Partner" platform)
- **Fully digital end-to-end sales process for lending, transportation leasing and rental tech**
- New Digital Onboarding Tool for Corporate and Retail
- >70% contracts digitally signed in 1H23

- **Ifis4business platform extended to serve all customer needs** (interaction, transaction and cross-selling) for all core banking products
- ~100% of factoring customers with access to the platform are also actively using it, generating more than 100k/year online transactions
- **In Q3 the online platform will be customized and extended to Leasing & Rental (focus on 70k clients)**

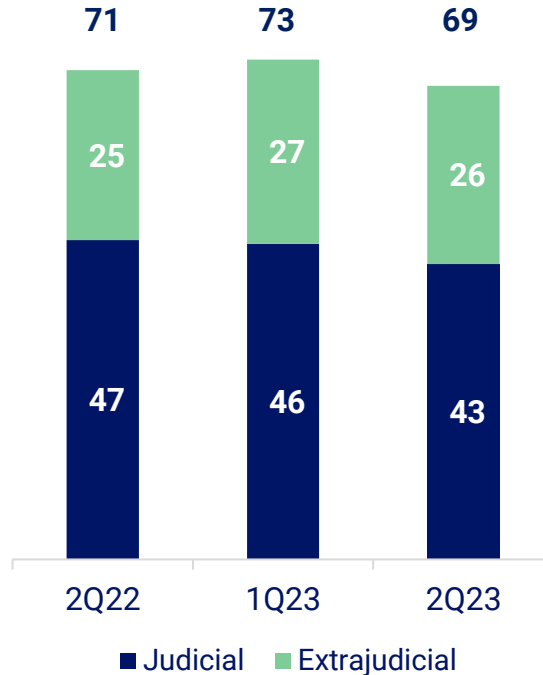
- **Digital credit risk assessment and decisioning for all Bank's products** (efficiency and "time to yes") through completely new digitalized workflow & decision support
- Leasing/rental: reached >60% automated digital decisions. Approval in <4 days for leasing < €200k
- **Factoring: launched the new platform for credit assessment** (including fully-digital decisioning for credit lines renewal)
- Activated new digital anti-fraud controls

Npl portfolio performance resilient and well-positioned*

Track record in quarterly cash collection (€mln)



Revenues from judicial and extrajudicial recovery** (€mln)



- Negligible apparent impact from interest rate or inflation (in 2022, Banca Ifis booked upfront reserves against inflation impact)
- The bank keeps monitoring new voluntary plans in the face of a potential economic slowdown
- In 2Q23, tails of NPL portfolios were sold for modest profits (GBV of €0.7bn)
- Revalea integration costs will be booked upfront in 2H 2023

*Source: management accounting data and risk management 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)



RECOVERY STRATEGY

- Enhancement of **portfolio performance monitoring**
 - **Data-enrichment** of NPL positions
-
- Direct routing to **best-outcome strategy**
 - **Prioritization** of positions by **expected performance potential**
 - **Operations** management at **full-capacity** in each collection channel



DOCUMENT CLASSIFICATIONS

- **Document classification** through a new **semantic document reading** engine based on AI
-
- **Reduction** of **dependence** from **external suppliers** on document classification activities
 - **75k documents** **automatically classified** in last 18 months (process accuracy: 99.7%)



PAYMENTS TO PA

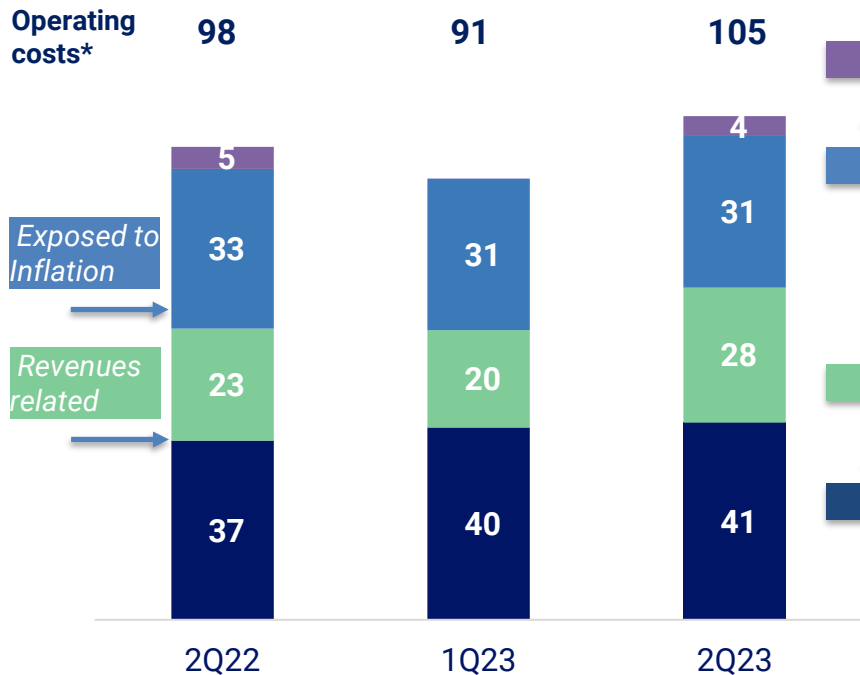
- **Automation** of **payments** to the Public Administration for **judicial recovery** through the “**PagoPA**” portal
-
- **46k payments** performed since Nov 22 (process accuracy: 99.9%)
 - **Direct integration** of **Banca Ifis systems** with the **Italian Minister of Justice** in order to maintain fully automatic payments to all PA



PAYMENT RECONCILIATION AND MONITORING

- Expansion of the **RPA** solution for the **automatic reconciliation** of **payments**
 - Introduction of **payment and debt position monitoring** functions on the “**Pagachiaro**” portal
-
- **207k credit transfers** reconciled automatically in the last 18 months (~78% of the total)
 - **61k payments** performed on Pagachiaro portal by **11k active users** in the last 18 months

Inflation impact countered by efficiency, translating into solid cost control



FITD&SRF €4mIn in 2Q23 (€6mIn provisions in 1Q23 – totally released in 2Q23 – with 2€mIn P&L benefit)

Other operating costs*: impact of inflation and volume growth more than offset by contract renegotiation. Includes ca. €15mIn IT investment YTD, which remained substantially stable YoY/QuQ in the last 2Y as per key business plan projects in innovation and digitalization

Costs directly linked to Npl recovery: +€8mIn QuQ due to positive one-off in 1Q23 and pick up in activity in 2Q23

Cost of personnel increase QuQ driven by collective contract renegotiation accruals (reserves for impacts expected in 2H2023)

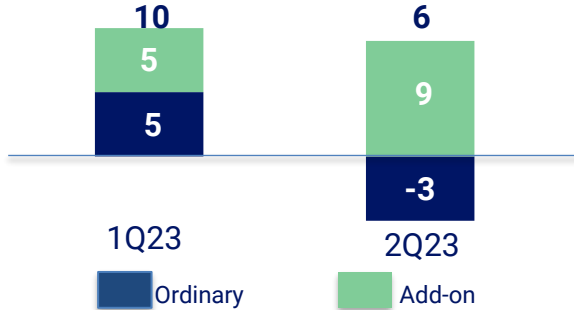
FITD & SRF	-5	6	-6
Other provisions	-5	1	0

Operating costs + provisions	88	97	99
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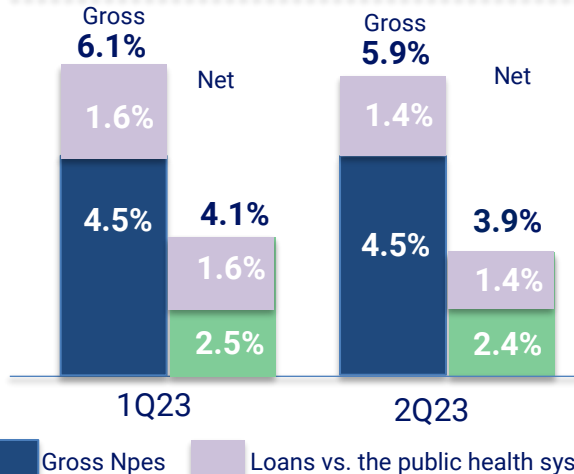
*including other administrative expenses and other net income/expenses excluding Npl recovery costs

Asset quality confirmed and overlay fully expresses Bank's prudence

Loan loss provisions*



- Ordinary cost of risk: €5mln in 1Q23 and -€3mln due to write backs in 2Q23
- Increase in management overlay against performing loans
 - 1Q23 +€5mln
 - 2Q 23: +€9mln
- Total management overlay now: ca. €65mln (>1% of EAD)

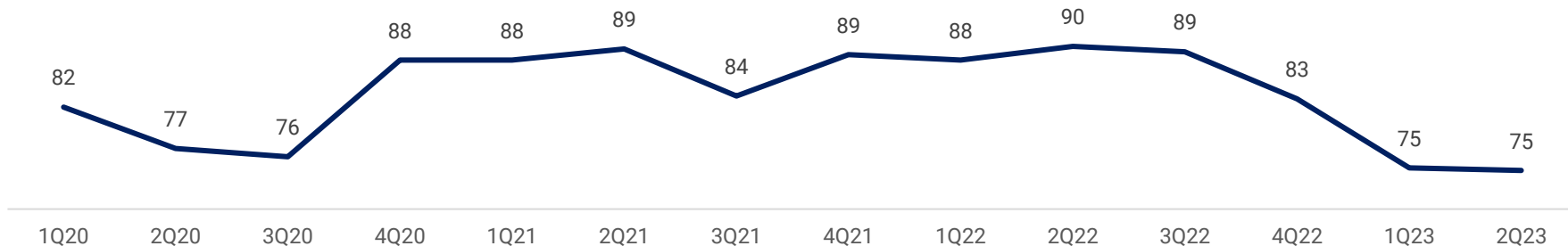


- Gross and Net Npe Ratio of 4.5% and 2.4% excluding loans in past due vs. Italian public health system
- The application of the New DoD led to the reclassification mainly into past due a total of ca. €103mln loans vs. the Italian public health system (historically, a late payer with limited asset quality risk)

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

No signs of macro-risks materializing in Banca Ifis's commercial business

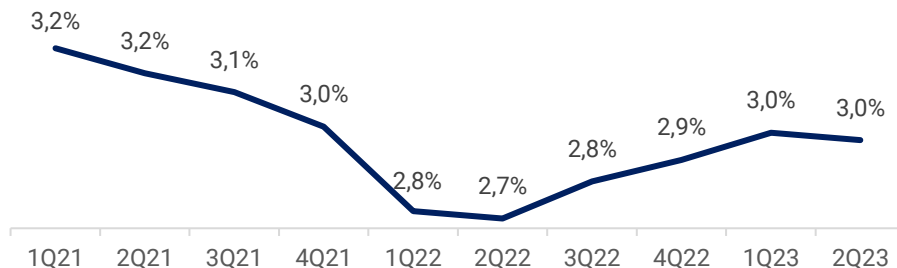
Example: payment days in factoring



Example: ratings migration in credit book*

	2Q22	3Q22	4Q22	1Q23	2Q23
1 notch change in rating					
↑	17%	17%	15%	15%	16%
→	68%	64%	71%	70%	70%
↓	15%	19%	14%	15%	14%

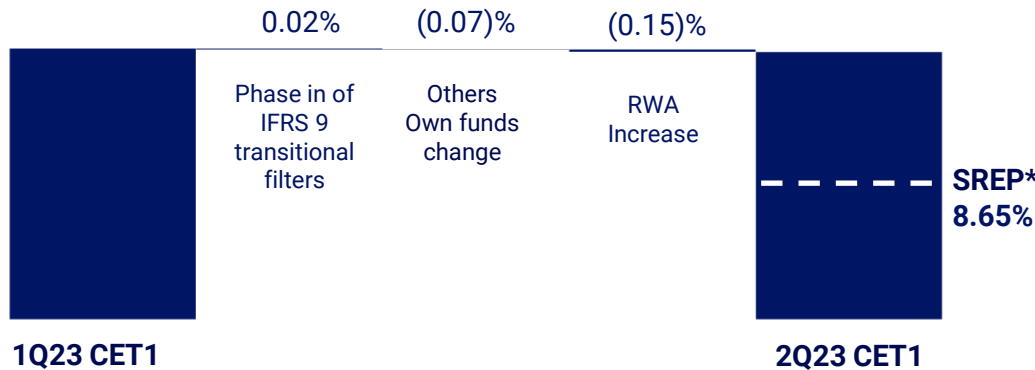
Example: probability of default*



Source: management accounting

* Data refer only to customer loans to rated companies (ca. €4.6bn)

Capital ratios evolution



CET1 actual of 15.01% at 30 June 23, excluding 1H23 net income

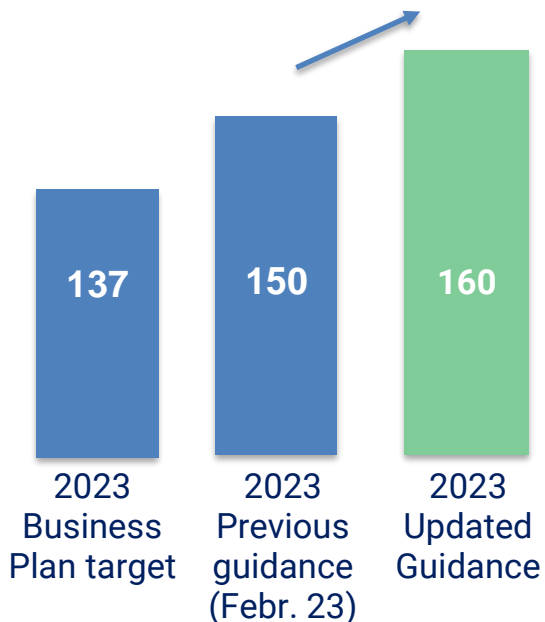
Key items of CET1 evolution in 2Q23

- 0.15% mainly due to factoring seasonality (+€133mln RWA)
- 0.07% mainly due to increase of exposure under calendar provisioning framework (-€8mln)

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

2023 updated net income guidance

Banca Ifis 2023 net income - €mln



2023 net income guidance increased to €160mln

Key assumption:

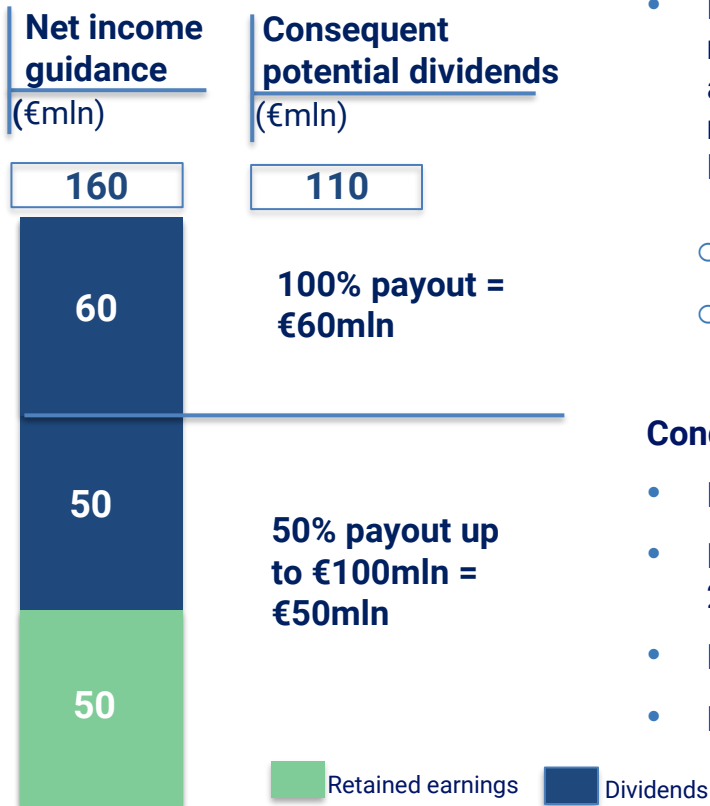
- No geopolitical shocks, or significant deterioration in macroeconomic and financial markets conditions, or relevant regulatory changes

Main drivers of the update

- + **€91mln net income in 1H23** (ca. 60% of previous guidance)
- + **Cost of risk below expectations** reflecting resilient asset quality and better-than-expected macroeconomic environment
- + **Historically prudent provisioning:** the Bank has ca. €65mln management overlays against macroeconomic risks
- Expected increase in cost of funding fully considered
- Revalua acquisition/integration costs will be accounted for upfront in 2H 23 (ca. €10mln)

New dividend policy of Banca Ifis

Illustrative: 2023 dividends



New dividend policy

- Progressive payout ratio, upon exceeding the threshold of earnings necessary to satisfy the Bank's capital requirements, taking into account (i) the evolution of the macroeconomic environment, (ii) the regulatory framework and (iii) the growth targets of the 2022-24 Business Plan
 - **Distribution of 50% of the consolidated net income up to €100mln**
 - **Distribution of 100% of the consolidated net income > €100mln**

Conditions

- Exceed the supervisory capital requirements by a significant margin
- Maintain CET1 Ratio > 14% over the Business Plan period (as stated in 2022-24 Business Plan)
- Provide capital for the growth rate of the 2022-24 Business Plan
- Meet the 2023 net income guidance

Management actions to reimburse €2bn TLTRO due in Sept. 2024: comfortable liquidity allows for a possible partial early repayment

- ✓ **Ca. €400mln: re-marketing of senior leasing securitization notes** to a primary Italian bank proving the sound asset quality of the Bank leasing portfolio
- ✓ **Ca. €400mln: ramp-up of the securitization of an unsecured NPL portfolio** created in 2021
 - NPL portfolio made of positions in judicial recovery and in voluntary payment plans
 - Senior notes to be refinanced on the institutional investors' market. Mezzanine and junior notes to be entirely subscribed by Ifis Npl Investing and not be transferred
 - Confirms Banca Ifis's ability to finance itself innovatively through leveraging its specific types of assets
- ✓ **Ca. €700mln: proprietary portfolio maturing by Sept. 2024** and not to be reinvested
- **Senior bond issues in coming quarters**
- **Further increase of retail funding** through different channels and maturities
- **Repos with institutional counterparties**

Quarterly results

Reclassified Consolidated Income Statement - (€ mln)	1Q23	2Q23	1H22	1H23
Net interest income	139.4	135.2	264.4	274.7
Net commission income	23.3	27.0	42.2	50.3
Trading and other revenues	1 13.1	10.5	17.4	1 23.5
Total Revenues	175.8	172.7	324.0	348.5
Loan loss provisions	(10.0)	(6.4)	(33.7)	2 (16.3)
Total Revenues - LLP	165.9	166.3	290.3	332.2
Personnel expenses	(39.7)	(40.7)	(73.6)	(80.4)
Other administrative expenses	(53.8)	3 (65.4)	(114.6)	(119.2)
Other net income/expenses	2.4	1.5	2.7	3.9
Operating costs	(91.1)	(104.7)	(185.5)	(195.8)
Net provisions for risks and charges	4 (6.4)	5 5.8	3.1	(0.5)
Value adjustments of goodwill		-	(0.8)	-
Gains (Losses) on disposal of investments		-	0.1	-
Pre tax profit	68.4	67.5	107.2	135.9
Taxes	(22.1)	(21.8)	(34.4)	(43.9)
Net income - attributable to the Parent company	45.9	45.1	72.5	91.0

- Includes €8mln capital gains on PE investments due to the disposals of some equity stakes
- Includes €5mln in 1Q23 and €9mln in 2Q23 add-on provisions against macroeconomic risk
- Main drivers of QoQ increase: +8mln in costs directly linked to Npl recovery and +€4mln of FITD&SRF costs
- Includes €6mln FITD&SRF costs booked as provisions for risks and charges
- Released of FITD&SRF provisions booked in 1Q23

Customer loans	9,834	10,114	9,869	10,114
- of which Npl Business	1,495	1,476	1,528	1,476
Total assets	13,300	13,352	12,588	13,352
Total funding	11,112	11,142	10,396	11,142
- of which customer deposits	5,091	5,461	5,376	5,461
- of which TLTRO and LTRO	2,035	2,051	2,021	2,051
Shareholders Equity	1,650	1,675	1,592	1,675

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

2Q23 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	64	27	12	20	59	13	135
Net commission income	1	17	3	5	25	1	27
Trading & other revenues	2	(0)	0	3	3	5	10
Net revenues	67	44	15	28	87	19	173
-Of which PPA	0	0	0	0	0	3	3
Loan loss provisions	0	1	(1)	(8)	(8)	1	(6)
Operating costs	(50)	(24)	(9)	(9)	(41)	(13)	(105)
Net allocations to provisions for risks and charges	0	0	(1)	0	(0)	6	6
Gains (Losses) on disposal of investments	0	0	0	0	0	0	0,0
Net income	11	14	4	8	26	9	46
Net income attributable to non-controlling interests							1
Net income attributable to the Parent company							45
Net income (%)	25%	32%	8%	17%	56%	19%	100%
Customer Loans	1,476	2,558	1,499	2,327	6,384	2,255	10,114
RWA¹	1,729	2,469	1,306	1,682	5,456	1,766	8,950
Allocated capital²	259	371	196	252	819	265	1,343

① €9mln add-on provisions against macroeconomic risk

② €4mln FITD&SRF operating costs reclassified from provisions for risks and charges

③ Released of FITD&SRF provisions booked in 1Q23

④ Breakdown of customer loans in Non Core & G&S

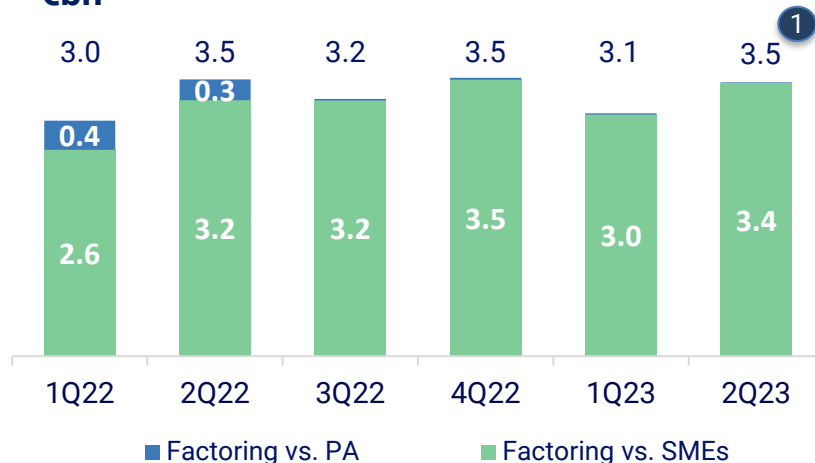
- G&S: includes €1.7bn of Government bonds at amortized costs

- 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)

Turnover - €bn



- 2Q23 factoring turnover +7% YoY excluding factoring vs. PA, for which Banca Ifis is reviewing its business model, following the full application of the New DoD
- The reduction of the factoring loans YoY (-7%) is due the revision of the business model of the factoring vs. the public administration
- Net revenues / average customer loans at 7.0%

Net customer loans - €mln

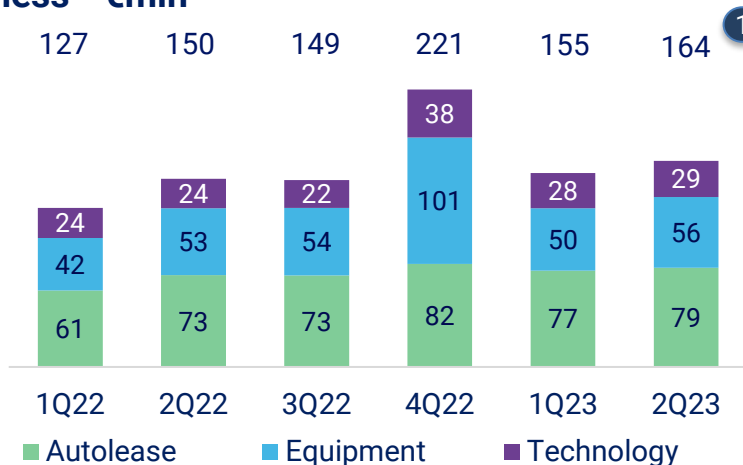
Period	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Net customer loans	2,722	2,738	2,468	2,756	2,467	2,558

Data in €mln	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Net revenues	40	39	44	48	43	44
Net revenues / avg. customer loans	5.7%	5.7%	6.8%	7.4%	6.6%	7.0%
Loan loss provisions*	(9)	(1)	(4)	(0)	(3)	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)"

New business - €mln



- 1 New leasing +9% YoY, proving resilient commercial activity
- 2 Net revenues / average customer loans at 4.1% in 2Q23
- 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	2Q23
Net customer loans - €mln	1,378	1,390	1,396	1,472	1,475	1,499

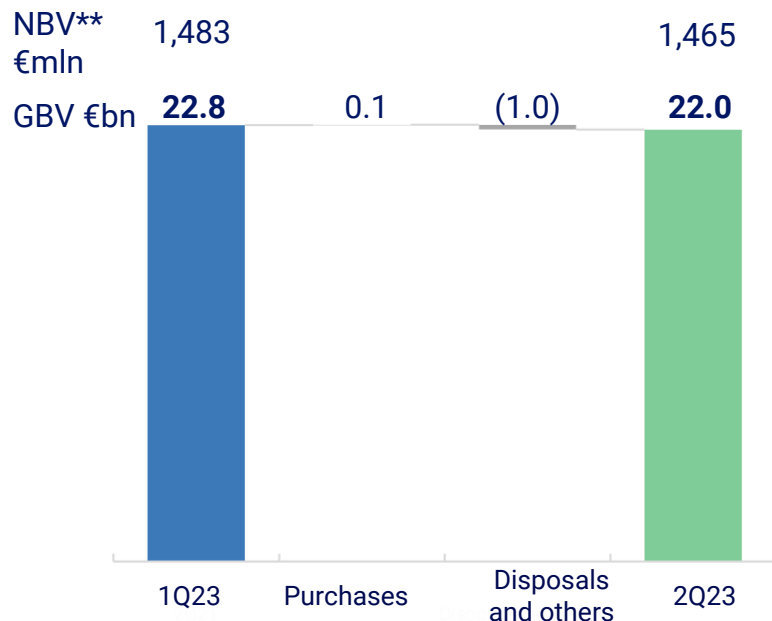
Data in €mln	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Net revenues	15	14	14	17	15	15
Net revenues / avg customer loans	4.5%	4.0%	3.9%	4.6%	4.2%	4.1%
Loan loss provisions*	(1)	1	(2)	(1)	(1)	(1)

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 Business*: portfolio evolution

Npl portfolio evolution



Key numbers*

- 2.1mln tickets, #1.5mln borrowers
- Extensive portfolio diversification by location, type and age of borrower

Npls acquired in 2Q23: €0.1bn GBV

- Acquisition of Revalea from Mediobanca. As at 31 Dec 2022, Revalea had a portfolio of unsecured small ticket NPLs of €6.8bn in terms of GBV (NBV of €256mln)
- Banca Ifis achieved the NPL purchase targets of the 2022-24 Business Plan 1Y in advance, allowing for rigorous selectivity going forward
- Revalea transaction expected to be completed in 4Q23

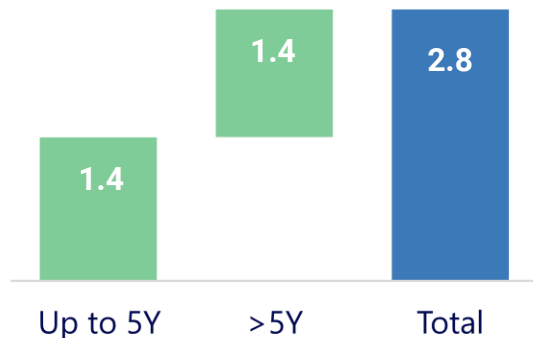
Npls disposals and others in 2Q23: €1.0bn GBV

- The disposals generated a capital gain of €2.7mln. "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: €2.8bn



ERC breakdown

Data in €bn	GBV	NBV	ERC
Waiting for workout - At cost	1.1	0.1	0.2
Extrajudicial positions	13.5	0.5	0.8
Judicial positions	7.3	0.9	1.9
Total	22.0	1.5	2.8

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 2Q23), court injunctions ["precetto"] issued and order of assignments (GBV of €1.9bn in 2Q23) have already been expensed in P&L
- **€2.3bn cash recovery (including proceeds from disposals) was generated in the years 2014 –2Q2023**

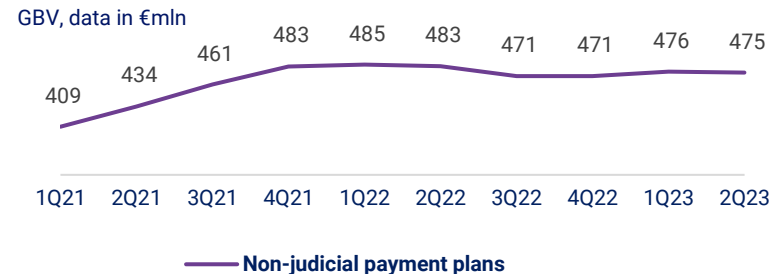
Npl Business*: GBV and cash recovery

Judicial recovery

Judicial recovery (€ mln)	GBV	%
Frozen	1,609	22%
Court injunctions ["precetto"] and foreclosures	1,073	15%
Order of assignments	837	11%
Secured and Corporate	3,819	52%
Total	7,338	100%

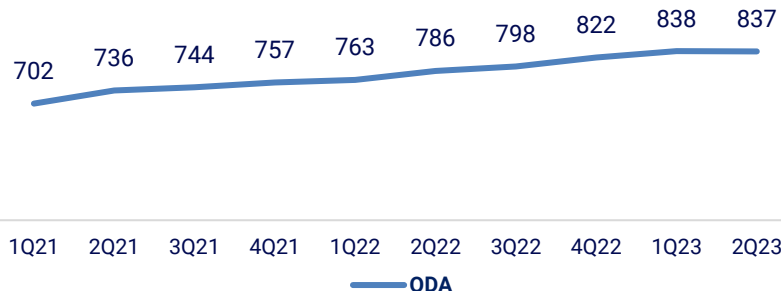
To be processed

Non judicial recovery – Voluntary plans



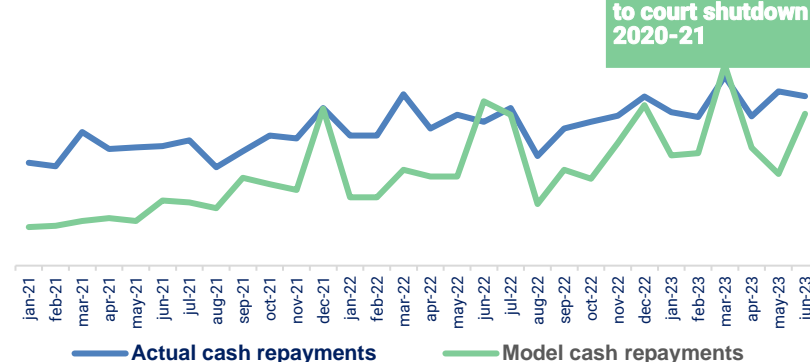
Judicial recovery – Order of Assignments

GBV, data in €mln



Actual vs. model cash repayments

Judicial + non judicial recovery, data in €mln



*Source: management accounting data

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

Npl Business*: cash recovery and P&L contribution

Cash collection

- 1 Npl cash collection at €98mln. As planned in the 3Y Business Plan, the Bank is expecting a slight 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	2Q23	2021 YE	2022 YE
Cash collection	81	89	82	94	91	91	101	100	97	1 98	345	384
Contribution to P&L**	64	70	66	74	73	71	67	84	73	69	273	295
Cash collection / contribution to P&L	127%	128%	124%	127%	125%	128%	152%	120%	134%	141%	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	2Q23
Waiting for workout - Positions at cost	1,147	107	203	3,409	3,850	4,193	1,571	1,284	1,096	1,149
Extrajudicial positions	10,987	11,280	11,657	10,804	11,155	11,379	13,386	14,302	14,196	13,510
- Ongoing attempt at recovery	10,578	10,846	11,196	10,321	10,670	10,896	12,914	13,831	13,720	13,035
- Non-judicial payment plans	409	434	461	483	485	483	471	471	476	475
Judicial positions	7,546	7,896	7,183	7,618	7,245	7,323	7,498	7,478	7,539	7,338
- Frozen**	3,243	3,644	2,883	2,010	1,662	1,715	1,725	1,627	1,708	1,609
- Court injunctions ["precetto"] issued and foreclosures	686	700	727	771	818	858	913	978	1,018	1,073
- Order of assignments	702	736	744	757	763	786	798	822	838	837
- Secured and Corporate	2,915	2,816	2,830	4,080	4,002	3,963	4,062	4,051	3,975	3,819
Total	19,680	19,282	19,043	21,831	22,250	22,895	22,455	23,065	22,831	21,996

NBV - €mln	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Waiting for workout - Positions at cost	112	15	31	136	148	159	77	114	86	92 ***
Extrajudicial positions	368	393	413	425	436	438	464	470	468	460
- Ongoing attempt at recovery	188	198	200	202	208	208	237	238	230	222
- Non-judicial payment plans	180	195	213	223	228	230	227	232	238	239
Judicial positions	916	961	930	917	898	908	929	921	929	913
- Frozen**	300	330	295	271	240	235	229	208	211	194
- Court injunctions ["precetto"] issued and foreclosures	162	161	166	172	181	187	200	207	209	216
- Order of assignments	292	305	306	310	320	333	335	346	355	355
- Secured and Corporate	162	165	163	164	157	154	164	160	154	149
Total	1,396	1,369	1,375	1,478	1,483	1,505	1,469	1,505	1,483	1,465

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	2Q23
Waiting for workout - Positions at cost										
Extrajudicial positions	22	29	30	38	29	25	23	22	27	26
- Ongoing attempt at recovery	(2)	6	(2)	6	(1)	0	4	1	(1)	0
- Non-judicial payment plans	24	23	32	33	30	24	18	21	28	26
Judicial positions	42	41	36	35	44	47	44	62	46	43
- Frozen**	-	-	-	-	-	-	-	-	-	-
- Court injunctions and foreclosures + Order of assignments	36	34	30	32	41	40	36	54	40	37
- Secured and Corporate	5	7	5	3	2	7	8	8	6	6
Total	64	70	66	74	73	71	67	84	73	69

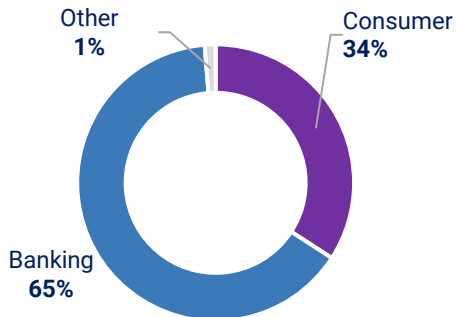
Cash - €mln	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Waiting for workout - Positions at cost										
Extrajudicial positions	42	47	43	51	49	49	52	51	50	52
- Ongoing attempt at recovery	6	9	5	6	5	6	11	8	6	7
- Non-judicial payment plans	36	39	38	46	44	44	41	43	44	45
Judicial positions	39	42	39	42	42	42	49	49	48	45
- Frozen**	-	-	-	-	-	-	-	-	-	-
- Court injunctions and foreclosures + Order of assignments	30	30	31	32	33	32	35	37	36	34
- Secured and Corporate	9	12	7	11	9	10	14	13	12	11
Total	81	89	82	94	91	91	101	100	97	98

*Source: management accounting data

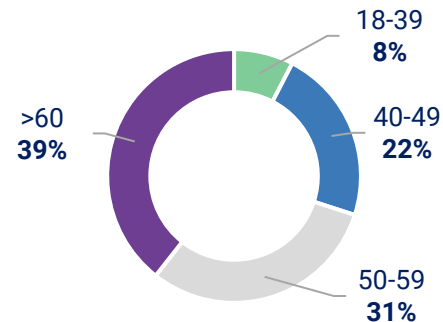
**Other Judicial positions

Npl Business*: portfolio diversification

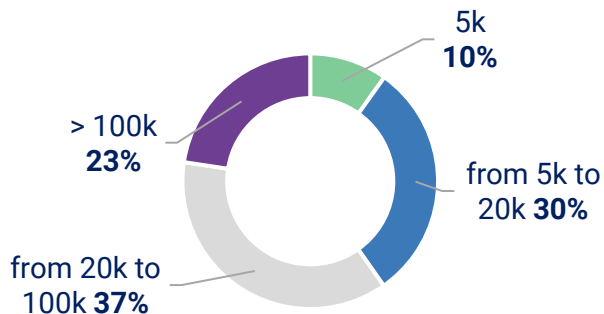
Breakdown of GBV by type



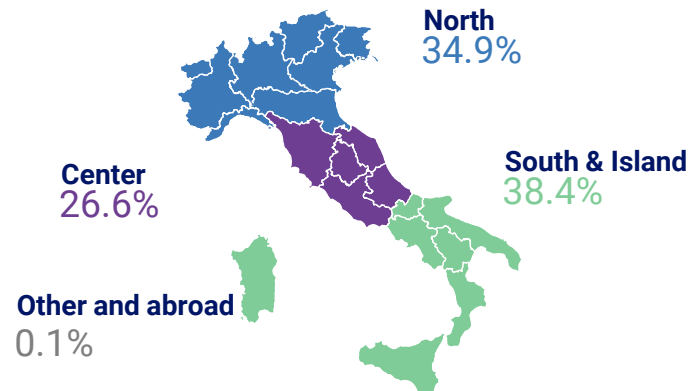
Breakdown of GBV by borrower age



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)

Binding offer to acquire Revalea from Mediobanca

Revalea (€mln)	2022
Customer loans	256
Other assets	28
Total assets	284
Payables due to banks	157
Other liabilities	11
Equity	117
Total liabilities and equity	284

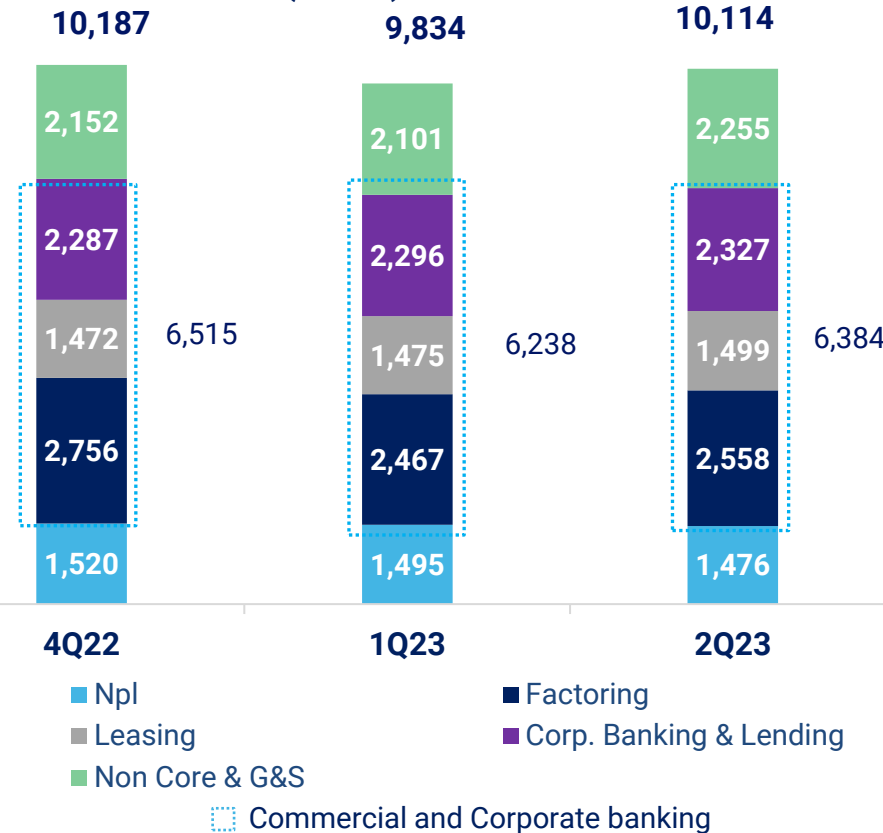
Revalea NPL Portfolio	2022
GBV (€/mln)	6.837
Number of debtors /000	460
GBV per debtor (€/000)	14,9
NBV (€/mln)	256

- Binding offer to acquire from Mediobanca the entire equity of Revalea, subject to regulatory approval, for a consideration of €100mln. The €17mln badwill will be booked as PPA
- As at 31 Dec 22, Revalea had a portfolio of unsecured small ticket NPLs of €6.8bn in terms of GBV (NBV of €256mln) bought by Mediobanca primarily from financial institutions in 2017-21. Mediobanca will continue to act as servicer to Revalea's NPL portfolio
- The binding offer for Revalea has a strong strategic rationale for Banca Ifis:
 - Achieving the NPL purchase targets of the 2022-24 Business Plan, 1Y in advance at an attractive IRR, allowing for rigorous selectivity going forward
 - Negligible impact of calendar provisioning and benefits of Mediobanca financing
 - Good quality / knowledge of Revalea NPL portfolio, as Banca Ifis acted as bidder in most of the competitive processes in which Mediobanca/Revalea participated
 - Strengthening the partnership with Mediobanca with servicing capabilities and the purchase of consumer credit NPLs from Compass (wholly owned by Mediobanca)
- The transaction confirms Banca Ifis's ability to execute complex and landmark NPL transactions, following the acquisition from Cerberus of a €2.8bn NPL portfolio
- The impact of the transaction is estimated ca. 40bps in terms of CET1 relative to the Business Plan

2.2 Consolidated financial data

Customer loans

Customer loans (€ mln)



- 2Q23 customer loans at €10,114mln (+3% QoQ) driven by:
 - Normal seasonality in factoring (+4% QoQ) healthy YoY growth (excluding factoring vs. PA)
 - Purchase of Government bonds in G&S (+€154mln QoQ)

Asset quality (€ mln)

Consolidated ratios	4Q22	1Q23	2Q23
Gross Npe*	5.9%	6.1%	5.9%
Net Npe*	4.0%	4.1%	3.9%

Commercial & Corporate Banking	Gross	Coverage %	Net
Bad loans	95	75%	24
UTPs	145	43%	83
Past dues	131	5%	125
Total Npes	371	38%	232

Non Core & G&S**	Gross	Coverage %	Net
Bad loans	12	52%	6
UTPs	35	23%	27
Past dues	8	35%	5
Total Npes	55	31%	38

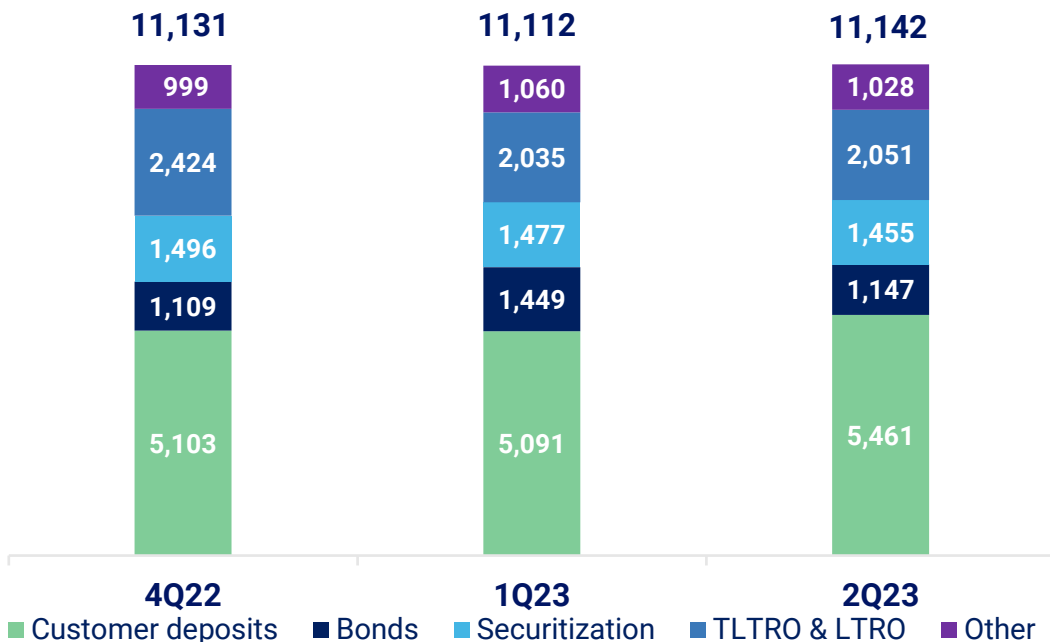
• Asset quality ratios in 2Q23

- **Gross Npe Ratio*: 5.9%** (6.1% in 1Q23); 4.5% excluding loans in past due vs. Italian public health system
 - **Net Npe Ratio*: 3.9%** (4.1% in 1Q23); 2.4% excluding loans in past due vs. Italian public health system
- Gross and Net Npe in Commercial & Corporate Banking came in at €371mln (€378mln in 1Q23) and €232mln (€243mln in 1Q23), respectively
 - The New Definition of Default led to the reclassification mainly into past due of €103mln loans vs. the Italian public health system

*Includes commercial loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.7bn 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)



	4Q22	1Q23	2Q23
LCR	>500%	>800%	>1,000%
NSFR	>100%	>100%	>100%

- Customer deposits +7% QoQ due to increase in repurchase agreements
- Securitizations: €1,054mln of factoring and €400mln of Banca Credifarma securitizations
- New bond issue of €300mln in Jan 2023 with 4Y maturity. In April 2023, Banca Ifis reimbursed €300mln senior bond
- “Other” includes €796mln banking repo with underlying property portfolio
- Average cost of funding at 2.76% in 2Q23 (2.24% in 1Q23)
- Banca Ifis has €2.0bn TLTRO expiring in Sept. 2024
- **MREL 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 stocks 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 1H23) of HTC to reduce proprietary portfolio volatility
- Low RWA density and relevant ECB / funding eligibility

1H2023 proprietary portfolio gross revenues at €46.1mln (**), +€16.5mln (+55% vs. 1H22)

- € 37mln gross interest revenues
- €9.1mln trading and other income of which €8.8mln from dividends

Type of asset - Data in €mln as at end of quarter (*)	Bonds			Equity	Total
	Government	Financial	Corporate		
Held to collect/amortized cost	1668	641	100		2409
Held to collect and sell (FVOCI)	469	130	51	102	751
Total (HTC and HTC&S)	2137	771	151	102	3160
Held for trading/Funds		7			8
Total portfolio	2137	778	151	102	3168
Percentage of total	67,4%	24,6%	4,8%	3,2%	100,0%
Held to collect/amortized cost Duration	2,1	3,3	2,6	NA	2,4
Held to collect and sell (FVOCI) Duration	2,8	2,9	2,6	NA	2,8
FVTPL Duration		12,0			12,0
Average duration - YEARS	2,3	3,3	2,6	NA	2,6

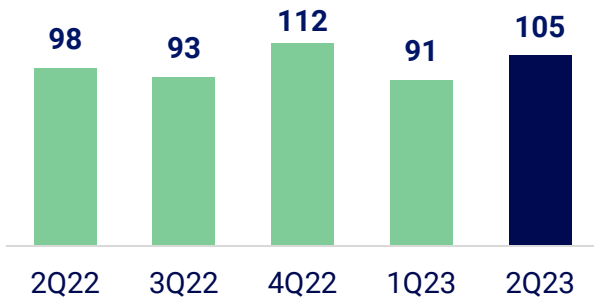
(*) Evaluation HTC: amortized cost
Evaluation HTCS & HFT/Funds: market value
(**) Data excluding cost of funding

Expected 2023 further revenues upside:

- Estimated additional dividend flows at around €2mln
- Gradually increasing interest income, potentially improved by inflation linked instruments (4,8% of total assets in 1H23) and floater bonds (more than 27% of total assets in 1H23) in case of further inflation and short term rate increase

Reclassified consolidated operating costs*

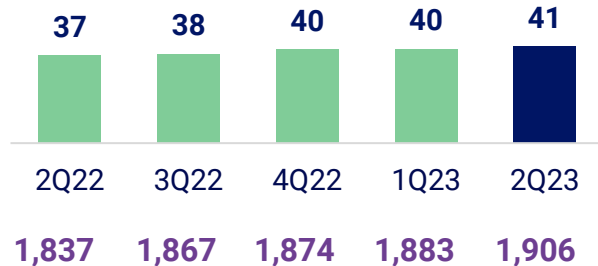
Operating costs (€mln)



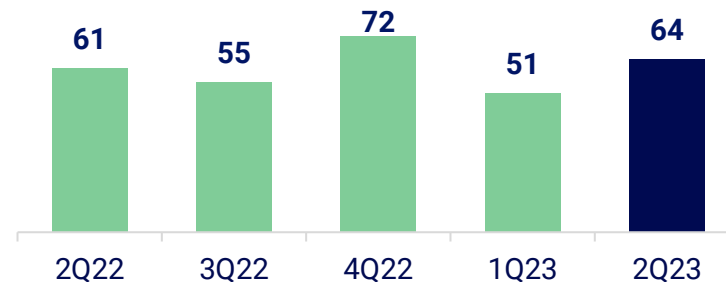
2Q23 operating costs

- HR costs increase due to collective contract renegotiation accruals
- +€13mln QoQ in other operating costs:
 - €4mln related to SRF payments in 2Q23 (€6mln provisions in 1Q23 – released in 2Q23 – with 2€mln P&L benefit)
 - €8mln of NPL recovery expenses due to sizeable one-off in 1Q23 and pick up in activity in 2Q23

Personnel expenses (€mln)



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



Banca Ifis employees

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

2.3 Company overview

A challenger, but with 40 years of track record

Commercial and Corporate Banking



- ▶ **Specialised player for SMEs**, with a broad range of credit products (factoring, lending, leasing, and rental)
- ▶ **Market leader in profitable businesses** (e.g., SME factoring, Tech Rental, Pharmacies)
- ▶ **"Light" commercial network** (without cash services) rooted in the most industrialized areas of the country
- ▶ Customer interaction based on a **high-performance service** model and a **reputation for efficiency**

~100k

active enterprise clients

~6 €bln

customer loans

75%

of credit portfolio with <1-year maturity

NPL



- ▶ **Investor and servicer** specialized in **small ticket NPEs**, with a distinctive vertically integrated business model
- ▶ **Execution track record** with **originators, investors, and other servicers**, supported by pricing capabilities and proprietary debtors' database
- ▶ **Proven collection strategy** with distinctive skip tracing¹ capabilities and internal "legal factory" team

~2 mln

debtors' records

1.5 €bln

net book value

6.0

years for cash-to-cash
2x

Know-how in small tickets valuation and management

Short-term maturity of all asset classes

Proven capabilities in risk management and credit

Flexible capital allocation

1H23 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 revenues	137	86	31	58	175	37	349
<i>% of total</i>	39%	25%	9%	17%	50%	11%	100%
Loan loss provisions	0	(1)	(2)	(17)	(20)	3	(16)
Operating costs + risks and charges	(92)	(47)	(17)	(18)	(82)	(23)	(196)
Net income	30	26	8	16	49	12	92
Net income attributable to non-controlling interests	0	0	0	0	0	0	1
Net income attributable to the Parent company							91
Net income (%)	33%	28%	9%	17%	54%	13%	100%
Customer Loans	1,476	2,558	1,499	2,327	6,384	2,255	10,114
RWA¹	1,729	2,469	1,306	1,682	5,456	1,766	8,950
Allocated capital²	259	371	196	252	819	265	1,343

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

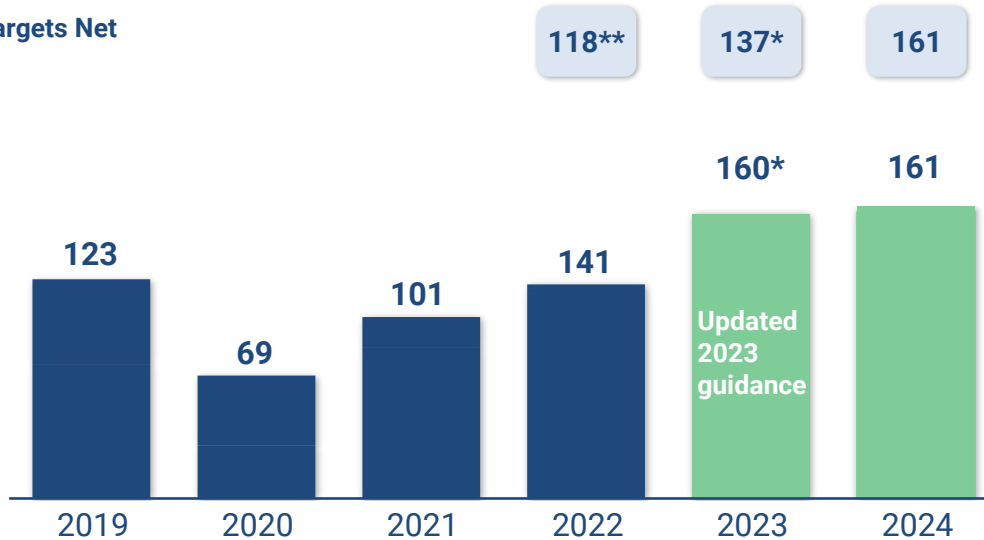
(2) RWA (Credit and counterparty risk only)

Consistent “core net income” growth, driven by our capabilities, with a low risk profile

Net income target, €mln

Business Plan targets Net income, €mln

Actual Target



Banca Ifis’ risk profile

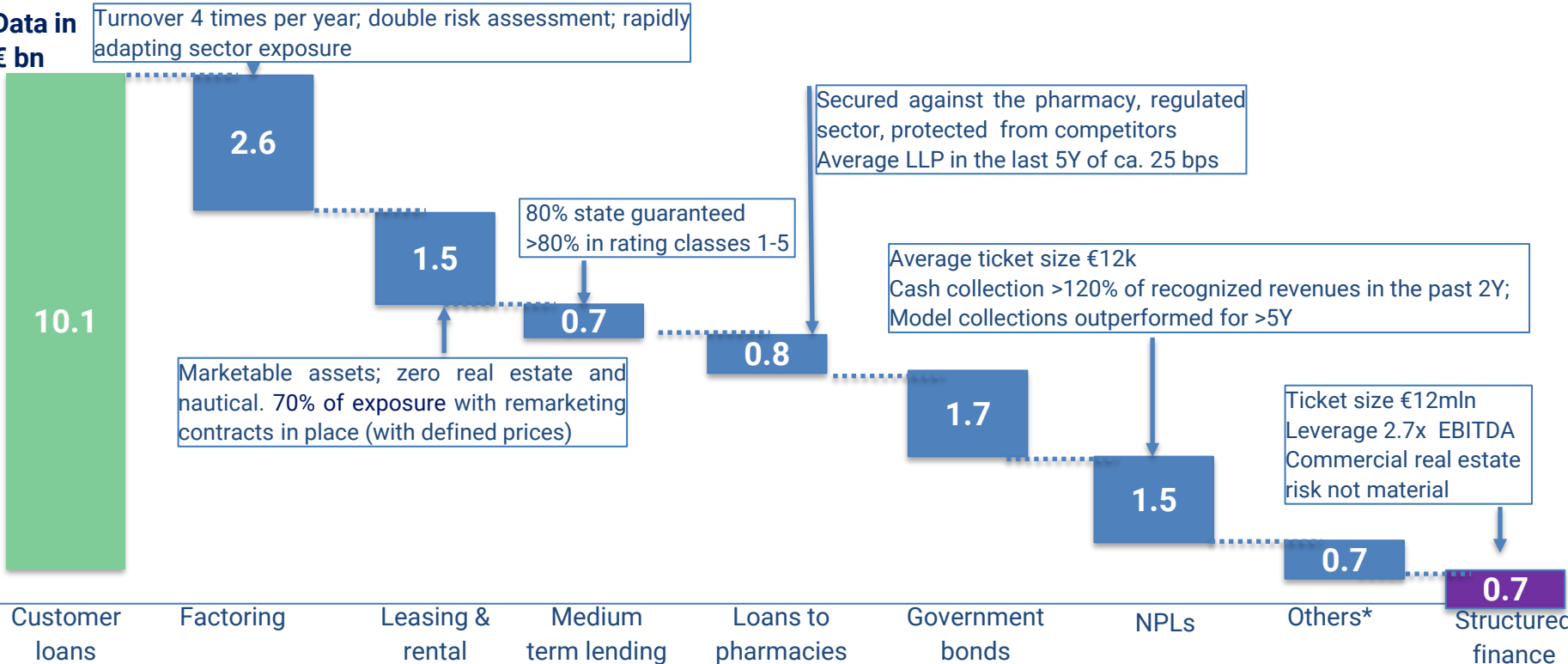
- Structurally protected liquidity position (maturities)
- Marginal contribution of extraordinary revenues
- Diversification
- Fragmentation of exposures and prudent credit policies
- Progressive cost/income reduction through resource re-skilling

*Updated 2023 guidance well above 2023 Business Plan target of €137mln

** 2022 actual net income well above 2022 target of €118mln

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)

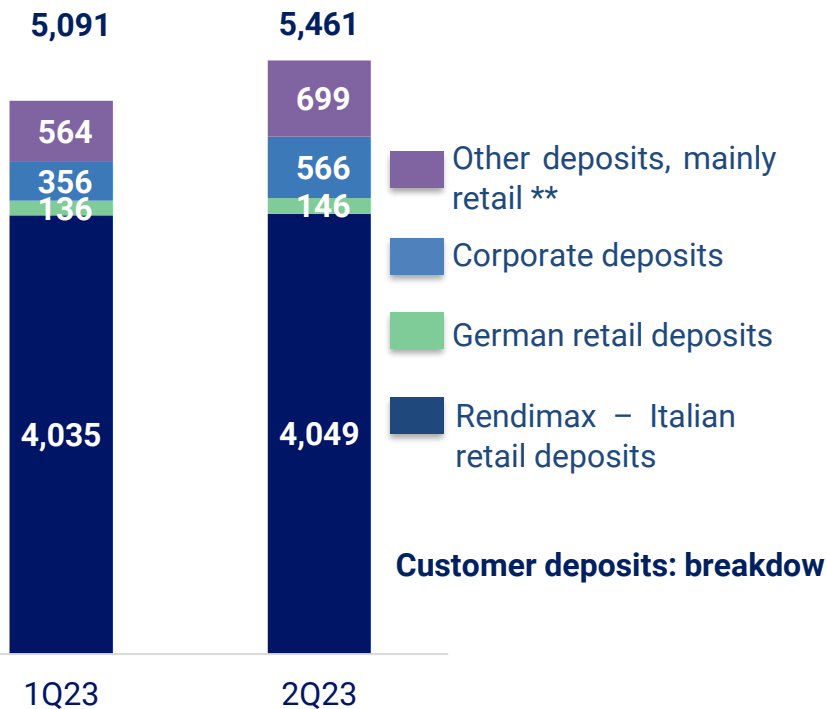
	€ bn	Average Duration in Y	Average ticket size
Factoring	2.6	0.21*	€350k*
Leasing	1.3	2.7	€45k auto €60k equipment
Rental	0.2	2.0	€6k
Medium term lending	0.7	3.0	€300k
Loans to pharmacies	0.8	7.5	€400k
Structured finance	0.7	4.0	€12mln
NPLs	1.5	4.0	€12k
Government bonds	1.7	2.5	Government bonds classified 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

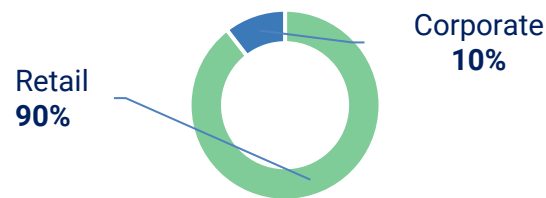
Customer loans: >70% of Banca Ifis's customer loan book has a duration shorter than 3Y

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

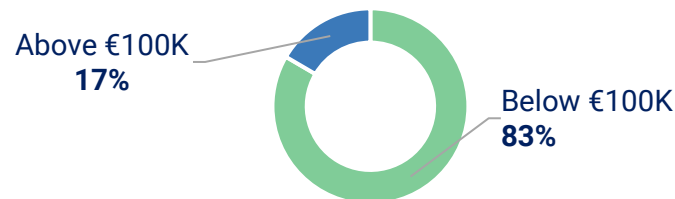
Customer deposit breakdown



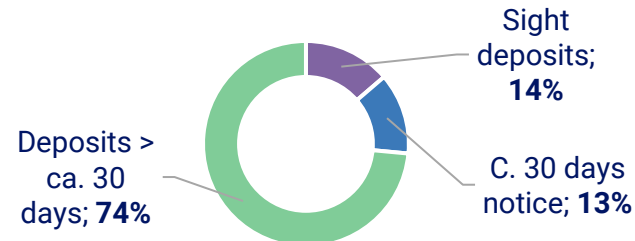
Very limited corporate deposits



Rendimax deposits: 83% protected by FITD



Rendimax: very limited sight deposits



*Source: management accounting data

** Other deposits include mainly B.Credifarma retail deposits (€222mln in 2Q23), ex Aigis deposits (€79mln in 2Q23) and Time deposits (€117mln in 2Q23)

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