



9M 2021 results

4 November 2021

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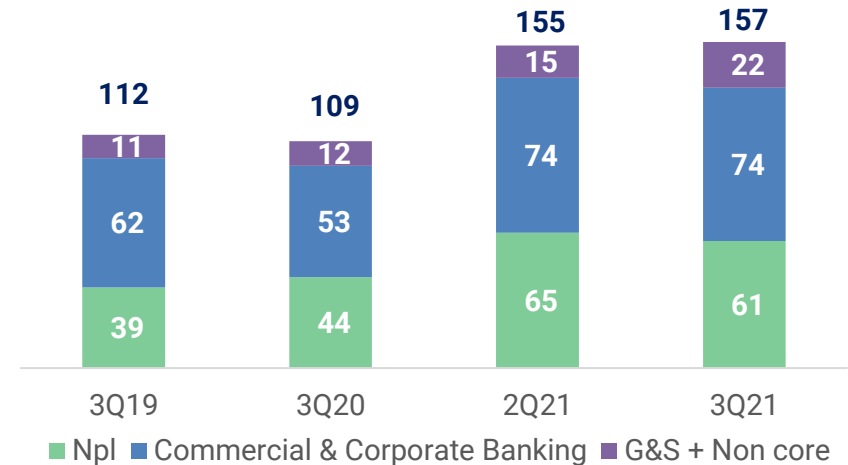


3Q21 results

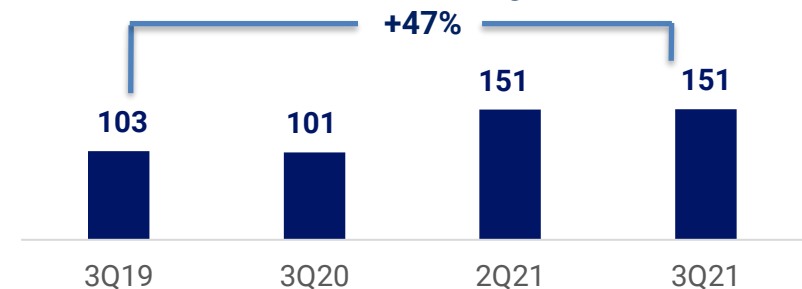
- 1 **Net income of €32mln in 3Q 21, €80mln in 9M 21**
- 2 **Net revenues of €157mln, the highest of the last 6 quarters. Net revenues excluding PPA of €151mln**
- 3 **NPL cash collection of €82mln, up vs. 3Q19 and 3Q20**
- 4 **Loan loss provisions at €20mln, including additional €8mln extra Covid-19 provisions in our NPL portfolio and €5mln for potential concentration risk**
- 5 **Lower range of our net income 2021FY guidance already achieved in 3Q21**
- 6 **We update our 2021 guidance: revenue of €570-590mln and net income of €90-100mln**
- 7 **CET1 at 11.68%, +0.24% vs. 2Q 21, excluding 9M21 net income (16.2% without La Scogliera in the consolidation perimeter)**
- 8 **Transfer of La Scogliera to Canton Vaud (CH): subject to satisfaction of conditions precedent, including an opinion from the Italian internal Revenue Agency, expected in late Dec 21 / early Jan 22. Banca Ifis will present the 2022-24 Plan shortly after**

- Net revenues of €157m up strongly vs. 3Q19, 3Q20 and slightly higher than 2Q21
- Net revenues excluding PPA of €151m, confirming the Bank's ability to replace PPA with core revenues despite seasonality
- NPL net revenues at €61m, despite the court holiday season in August (strong July and September)
- Commercial Banking net revenues at €74m, equal to 2Q liveliness, fully offsetting seasonality of summer months
- G&S includes €10m benefit from TLTRO (0.5% due to the achievement of lending thresholds related to "special reference period" of 1 March 2020 - 31 March 2021)

Net revenues (including PPA) breakdown €m



Net revenues excluding PPA €m



Revenue performance by quickly adapting product offer to customer needs

Commercial Banking revenues: dynamically adapting commercial strategy, marketing and IT/operations

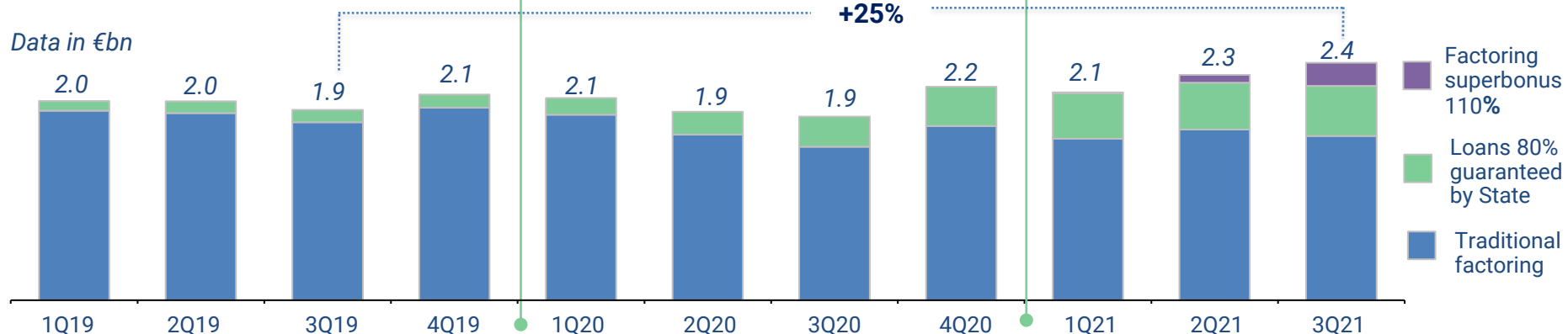
- In 2019, we launched the lending 80% guaranteed by the State which was in strong demand in 2020
- In 2021, we successfully switched to factoring on superbonus 110% credits, given that SMEs have already acquired significant medium term liquidity over the last months
- Growth opportunities support price discipline in existing businesses

Stock of SME credits (€bn)*

Launch of lending guaranteed by the state/MCC

Decree «Cura Italia» (i.e. lower thresholds to access lending guaranteed by State)

Launch of new «Factoring Superbonus 110»



* Source: management accounting data. Includes factoring to Italian SMEs (traditional + superbonus) and loans 80% guaranteed by State. Excludes factoring to Public Administration and factoring to foreign companies and to chemists. Excludes Aigis

Among the very first Italian banks to join the Net-Zero Banking Alliance



Net Zero Banking Alliance

- Alliance promoted by the United Nations aiming to speed up the transition of the economy to net-zero emissions by 2050
- Brings together banks representing over a third of global banking assets, committed to bringing their lending and investment portfolios to net-zero emissions by 2050. Banks commit to intermediate targets (2030) and public reporting
- Recognizes the vital role of finance in supporting the global transition of the real economy to net-zero emissions



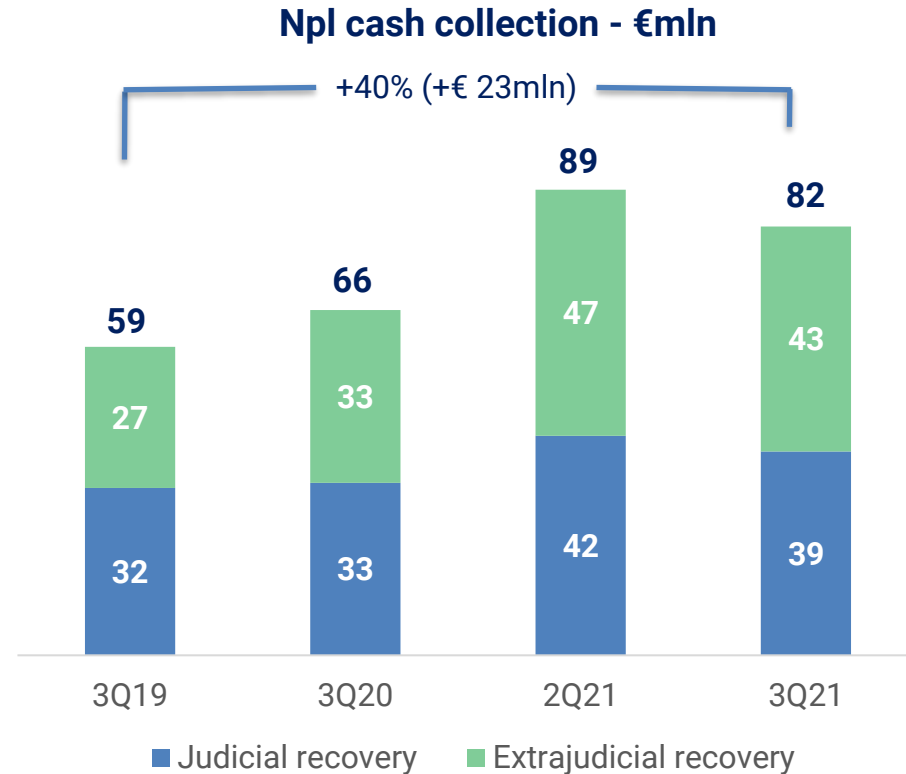
One of the 3 Italian banks to join in October 2021

- ✓ Public commitment of Banca Ifis, in continuity with the environmental action already undertaken
- ✓ Confirming the role played by Banca Ifis in supporting the transition of small and medium enterprises (Italy's backbone)
- ✓ Banca Ifis to set its emissions-reducing targets on priority sectors within 18 months of signing and to report on them annually
- ✓ Part of the long-term ESG strategy of the Bank: sustainability, in all its 3 components, and business development must be fully integrated and complementary
- ✓ ESG leadership as a core pillar of our business and capital market strategy

Banca Ifis's limited exposure to priority 1 sectors (waste, mining and power/utilities) and priority 2 sectors (agriculture, building, transport) allows for ambitious 2030 targets to be announced in 2023/24

NPL collection up vs. 3Q19 and 3Q20

- **€82mN Npl cash collection in 3Q21**
- Actual cash collection continues to outperform internal model estimates, despite Covid-19
- In 2Q21, Banca Ifis prudently initiated a detailed review of the potential long-term impact of Covid-19. The review, which has covered ca. 3/4 of the target portfolio, **led to provisions of €9mN in 2Q21 and €8mN in 3Q21**. We expect to complete the review by year end
- **On 2/11, Banca Ifis completed the largest direct purchase of 2021 in the Italian NPLs market, which will provide a solid contribution to the Bank's profitability over the next years**
 - Deal of €2.8bn GBV (300k unsecured small tickets), from Cerberus Capital Management L.P. (or affiliates)
 - Banca Ifis's 2021 full year purchase target achieved in 3Q
 - Confirms Banca Ifis as one of the few players capable of jumbo deals in short timeframe



Asset quality (€ mln)

Consolidated ratios	1Q21	2Q21	3Q21
Gross Npe*	6.9%	6.4%	6.5%
Net Npe*	3.4%	3.2%	3.4%

Commercial & Corporate Banking	Gross	Coverage %	Net
Bad loans	162	75%	40
UTPs	159	44%	89
Past dues	56	12%	49
Total Npes	376	53%	178

Non Core & G&S**	Gross	Coverage %	Net
Bad loans	24	33%	16
UTPs	54	49%	27
Past dues	7	18%	6
Total Npes	84	42%	49

- In 3Q21, asset quality ratios showed a small increase QoQ mainly driven by the decrease in customer loans
 - Gross Npe Ratio*: 6.5% (6.4% in 2Q21)
 - Net Npe Ratio*: 3.4% (3.2% in 2Q21)
- Gross and Net Npe in Commercial & Corporate Banking came in at €376mln (388mln in 2Q21) and €178mln (€176mln in 2Q21), respectively
- In 3Q21 loan loss provisions at €20mln, including additional €8mln extra Covid-19 provisions in our NPL portfolio and €5mln for potential concentration risk
- Npl Business not included in this analysis. Npe ratios (excluding Npl Segment and Italian Government Bonds at amortized costs included in customer loans) reported:

*Includes commercial loans in Commercial Banking, Non Core and G&S. It excludes Npl business and €1.6bn Government bonds at amortized costs in G&S.

Gross Npes in Commercial and Corporate Banking include ~€25mln factoring technical past due mainly loans to the PA which do not represent a significant asset quality risk

** 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

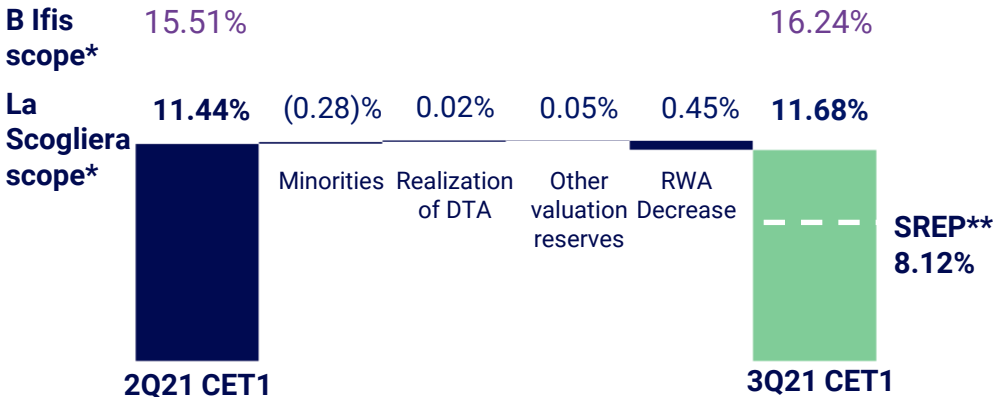
- **Banca Ifis's results have developed better than expected in the last months as the Bank benefits from the macroeconomic recovery**
- Lower range of 2021FY **guidance already achieved** in 3Q21
- **We therefore update our 2021 guidance**
- **We expect revenue of €570-590mIn and net income of €90-100mIn for 2021**
 - Continuing sound trend in revenues in both NPL and commercial banking
 - Prudentially, one-off legal, tax and advisory costs of the possible La Scogliera transfer have been considered in the guidance

(€ mIn)	Min	Max
Revenues	570	590
Net income	90	100

Main assumptions underlying the guidance

- Progressive improvement of the macroeconomic environment
- No macroeconomic or pandemic related shocks
- Continued macroeconomic support by the Governments and Central Banks

Capital ratios evolution excluding 9M 21 net income



- CET1 at 11.68% excluding 9M21 net income (16.24% without the consolidation within La Scogliera perimeter)
- CET1 increased by +0.24% vs. 2Q 21 due to RWA reduction driven by seasonality especially in factoring and leasing

Data in €bn

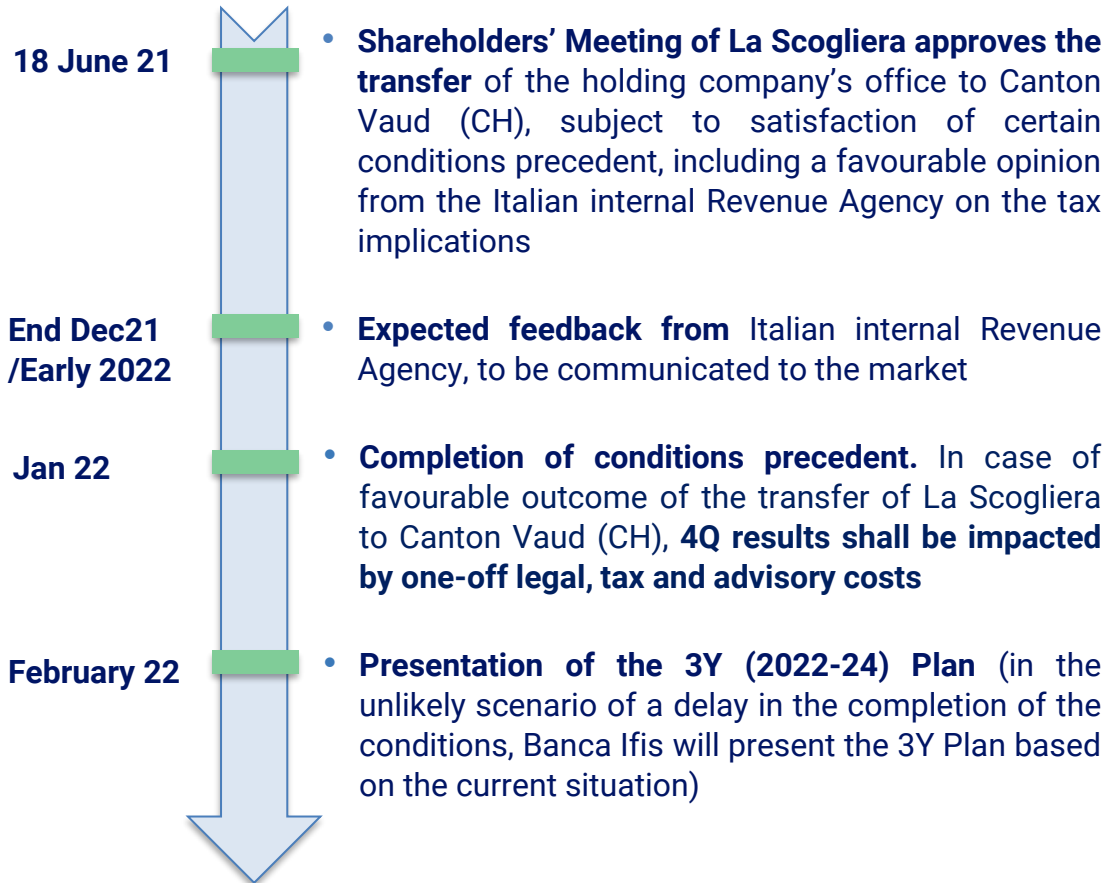
Banca Ifis Group Scope	2Q21	3Q21
RWA	9.3	8.9
CET1	1.4	1.5
Total Capital	1.8	1.9
Total Capital %	19.86%	20.77%

La Scogliera Group scope	2Q21	3Q21
RWA	9.3	9.0
CET1	1.1	1.0
Total Capital	1.4	1.4
Total Capital %	15.08%	15.35%
Excess CET1 not inc. in La Scogliera	0.4	0.4

*The application of the 2013/36/EU (CRD IV) Directive and EU Regulation 575/2013 (CRR) envisages that only 50.8% of the excess capital of Banca Ifis Group Scope is included in the CET1 of La Scogliera Group Scope. Excess Capital of €0.4bn is not included in CET1 of La Scogliera Group Scope.

** At group level capital requirements are: CET1 8.12%, Total Capital 12.5%

Transfer of La Scogliera to Canton Vaud (CH)



- **The transfer of La Scogliera to Canton Vaud (CH)** could positively impact the consolidated CET1 (ca. +450bps at 30 Sep 2021), eliminating the distortive consequences deriving from the regulatory consolidation of Banca Ifis and La Scogliera
- In 2022, the expected change in the RWA weighting of purchased NPLs (from 150% to 100%) is **expected to increase CET1 ca. 60bps**
- We are working on the 3Y Plan and will present a **growth-based, attractive 3Y Plan** even if the transfer of La Scogliera does not occur

Quarterly and nine months results

(€ mln)	2Q21	3Q21	9M20	9M21
Net interest income	117.2	129.6	260.8	362.6
Net commission income	22.1	22.0	55.5	62.9
Trading and other revenues	15.6	5.0	5.4	23.8
Net revenues	154.9	156.6	321.7	449.2
Loan loss provisions (LLP)	(26.5)	(19.8)	(47.9)	(62.4)
Net revenues – LLP	128.4	136.8	273.8	386.8
Personnel expenses	(33.9)	(36.0)	(89.3)	(103.7)
Other administrative expenses	(59.0)	(50.2)	(123.0)	(161.7)
Other net income/expenses	6.1	(3.2)	(17.1)	(2.2)
Operating costs	(86.9)	(89.4)	(229.4)	(267.6)
Gains (Losses) on disposal of investments	-	-	24.2	-
Pre tax profit	41.5	47.4	68.6	119.2
Taxes	(13.1)	(15.0)	(16.1)	(37.7)
Net income - attributable to the Parent company	28.2	31.9	52.3	80.2
Customer loans	9,875	9,751	7,957	9,751
- of which Npl Business	1,371	1,376	1,325	1,376
Total assets	13,269	12,769	11,199	12,769
Total funding	11,000	10,535	9,153	10,535
- of which customer deposits	5,884	5,730	4,916	5,730
- of which TLTRO	2,116	2,036	1,997	2,036
Shareholders Equity	1,574	1,606	1,512	1,606

- Net revenues benefit from the progressive improvement in in judicial and extrajudicial NPL recovery and in Commercial and Corporate Banking activity. Net revenues include €10mln benefit from TLTRO (0.5% due to the achievement of lending thresholds), related to “special reference period” of 1 March 2020 - 31 March 2021
- Includes €8mln write offs due to ongoing review of Covid-19 impact on our NPL portfolio and €5mln provisions against concentration risk
- Increase due to employee’s variable compensation accruals
- Capital gain due to the disposal of real estate in Milan

3Q21 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	60	24	11	15	51	3 19	130
Net commission income	1	14	3	3	21	0	22
Trading & other revenues	0	1	0	1	2	3	5
Net revenues	61	40	15	20	74	22	157
-Of which PPA	0	0	0	2	2	4	5
Loan loss provisions	1 ① (8)	(4)	(1)	2 ② (8)	(13)	1	(20)
Operating costs	(38)	(20)	(7)	(11)	(38)	(14)	(89)
Net income	10	11	5	1	16	6	32
Net income attributable to non-controlling interests						0	0,5
Net income attributable to the Parent company							32
Net income (%)	32%	33%	14%	2%	49%	19%	100%
Customer Loans	1,376	2,475	1,381	2,257	6,114	4 2,261	9,751
RWA¹	2,129	2,042	1,243	1,475	4,759	1,086	7,974
Allocated capital²	249	238	145	172	556	127	931

- ① €8mln provisions due to ongoing review of Covid-19 long-term impact on our NPL portfolio
- ② Includes €5mln provisions for potential concentration risk
- ③ Includes €10mln benefit from TLTRO (0.5% due to the achievement of lending thresholds) related to “special reference period” (1 March 2020 - 31 March 2021)
- ④ Breakdown of customer loans in Non Core & G&S
 - G&S: includes €1.6bn of Italian Government bonds at amortized costs
 - Non Core: includes €0.2bn of performing loans mainly ex Interbanca, €0.1bn retail mortgages and €0.05bn of Npl (former Interbanca + Banca Ifis)

(1) RWA Credit and counterparty risk only. It excludes RWA from operating, market risks and CVA (€1bn);
 (2) RWA (Credit and counterparty risk only) x CET1 3Q21.

Appendices

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2.1 Segment results

Commercial & Corporate Banking loans*

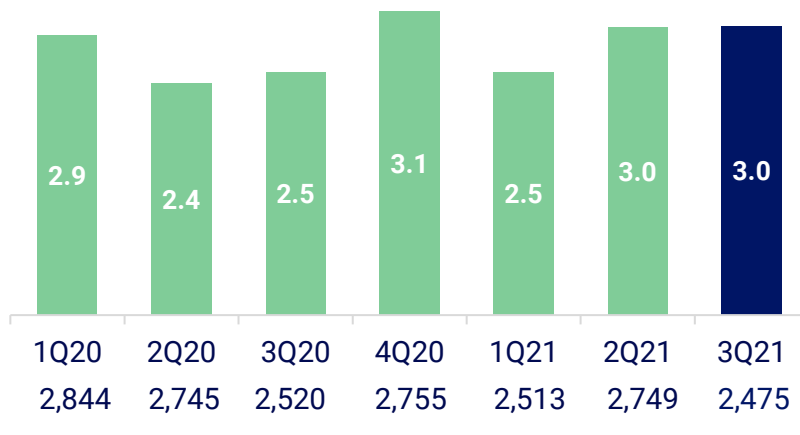
Loans to customer in 3Q21, €bln

Highlights

Factoring	Factoring to SMEs	1.3	<ul style="list-style-type: none"> Strong sector and borrower diversification; exposures to debtors (usually medium and large corporates) with high ratings
	Factoring and other loans to public administration	0.6	<ul style="list-style-type: none"> Limited Asset quality risk: uncertainties on payment time frame to be managed appropriately
	Factoring to large Italian Corporations (Revenue >€500mln)	0.5	<ul style="list-style-type: none"> Leading large/top Italian corporations in stable businesses (pricing discipline over volumes)
	Factoring to pharmacies	0.1	<ul style="list-style-type: none"> Short-term lending within pharmacies business (Credifarma)
Lending	Guaranteed lending	0.8	<ul style="list-style-type: none"> Loans to SMEs 80% guaranteed by MCC/State
	Lending to pharmacies	0.7	<ul style="list-style-type: none"> Medium-/long-term lending to pharmacies (Credifarma and Farbanca)
Leasing and rental	Leasing to SMEs	1.4	<ul style="list-style-type: none"> Strong sector and borrower diversification, with remarketing agreements
Structured Finance	Structured finance to SMEs	0.7	<ul style="list-style-type: none"> Private Equity-sponsored lending to ~55 noncyclical corporations. Tactical investments in PE funds (€50mln)
Total customer loans of Commercial and Corporate Banking		6.1	

*Source: management accounting data

Turnover - €bn



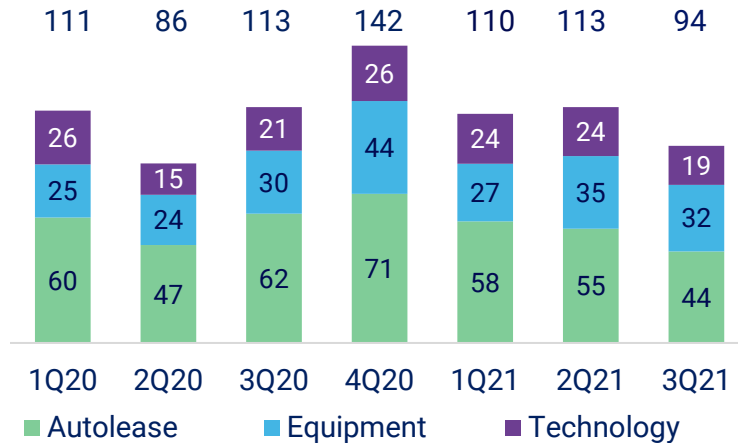
- Factoring net loans -10% QoQ due to seasonality and focus on margins
- Factoring loans of €2.5bn included €0.6bn exposure to the Public Administration

- 1 Net revenues / average customer loans at 6.0% due to margin increase and one off contribution from the disposal of a single position
- 2 In 1Q21, loan loss provisions include a one-off write back due to the update of credit model

Data in €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Net revenues	36	33	34	40	34	35	40
Net revenues / average customer loans	4.9%	4.6%	4.8%	5.7%	5.2%	5.4%	6.0% ¹
Loan loss provisions	(5)	(1)	(2)	(23)	4 ²	(10)	(4)

*Starting from January 2021, Credifarma has been reclassified from Factoring into Corporate Banking and Lending. All 2020 information provided consider this re-allocation.

New business - €mln



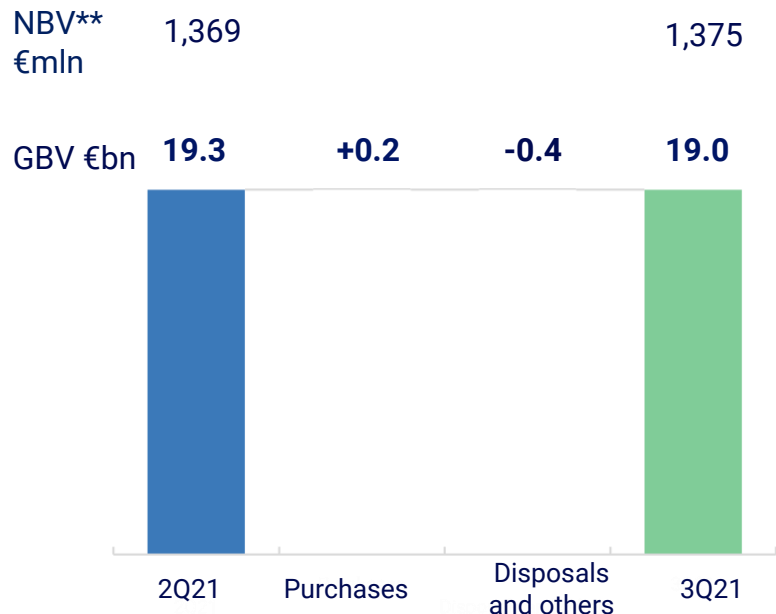
Net customer loans - €mln

1Q20	1,404	1,397	1,394	1,414	1,406	1,411	1,381
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Data in €mln	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Net revenues	12	13	12	13	14	15	15
Net revenues / average customer loans	3.3%	3.7%	3.3%	3.6%	3.9%	4.3%	4.1%
Loan loss provisions	(4)	(4)	(7)	0	(4)	(1)	(1)

- New leasing -16% YoY and QoQ due to seasonality and worldwide bottlenecks in new auto sales. In 3Q21, customer loans came in at €1,381mln (-2% QoQ)
- Asset quality risk is mitigated by strong sector and borrower diversification and by the remarketing agreements for repossessed assets
- Banca Ifis has exposure of €131mln to leasing currently under moratoria. As at 30 Sep 21:
 - ~€350mln (ca. 73% of total) terminated moratoria and started paying again, benefiting from the reopening of the economy
 - ~€131mln (ca. 27% of total) moratoria were still in place and asked for the extension until 31 Dec 21

Npl portfolio evolution



Key numbers*

- 1.8mln tickets, #1.3mln borrowers
- Extensive portfolio diversification by location, type and age of borrower

Npls acquired in 3Q: €0.2bn GBV

- In 3Q21, Banca Ifis purchased €0.2bn
- **On 2/11, Banca Ifis completed its largest ever acquisition of NPLs, which will provide solid contribution to the Bank's profitability over the next years**
 - Purchase of €2.8bn GBV (ca. 300k unsecured small tickets) from Cerberus
 - 2021 full year purchase target achieved in 3Q
 - Confirms Banca Ifis as one of the few players capable of jumbo deals in short timeframe
- We are currently participating /expecting to participate in NPL disposal processes of more than €1bn GBV

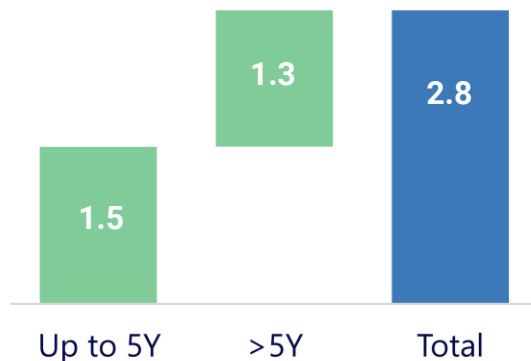
Npls disposed and others in 3Q

- In 3Q21: disposals of portfolios that were already worked out and not strategic for Banca Ifis (disposal price €2.5mln, capital gain €0.6mln)

*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 €mln	GBV	NBV	ERC
Waiting for workout - At cost	0.2	0.0	0.1
Extrajudicial positions	11.7	0.4	0.7
Judicial positions	7.2	0.9	2.0
Total	19.0	1.4	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 3Q21), court injunctions ["precetto"] issued and order of assignments (GBV of €1.5bn in 3Q21) have already been expensed in P&L
- **€1.6bn cash recovery (including proceeds from disposals) was generated in the years 2014 – 3Q2021**

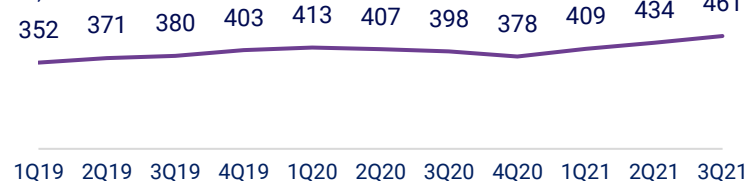
Judicial recovery

Judicial recovery (€ mln)	GBV	%
Frozen**	2,883	40%
Court injunctions ["precetto"] and foreclosures	727	10%
Order of assignments	744	10%
Secured and Corporate	2,830	39%
Total	7,183	100%

To be processed

Non judicial recovery – Voluntary plans

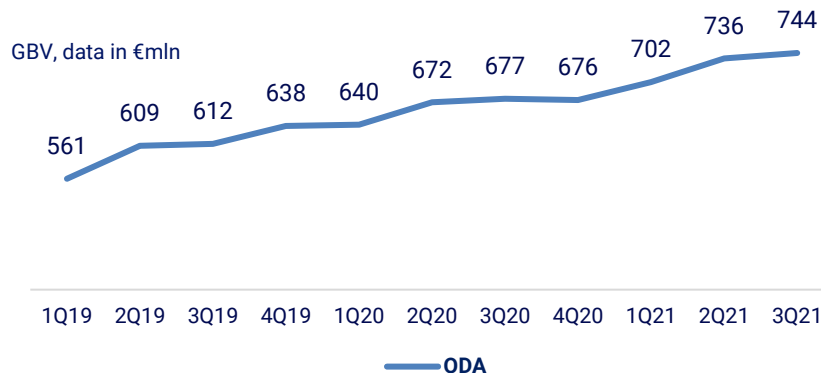
GBV, data in €mln



— Non-judicial payment plans

Judicial recovery – Order of Assignments

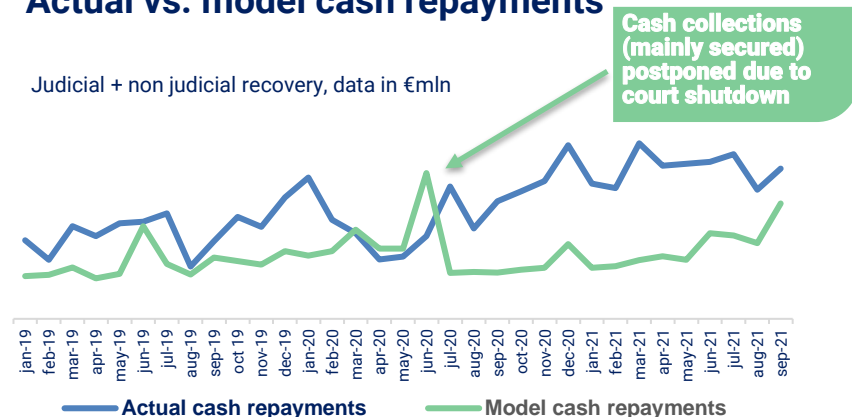
GBV, data in €mln



— ODA

Actual vs. model cash repayments

Judicial + non judicial recovery, data in €mln



— Actual cash repayments

— Model cash repayments

*Source: management accounting data

Npl Business*: cash recovery and P&L contribution

Cash collection

- ① NPL cash collection at record high of €82mln, up vs. 3Q20 and 3Q19. Portfolio proved to be resilient to Covid-19 crisis

P&L Contribution

- ② 3Q 21 P&L contribution benefits from increasing productivity in servicing and from reducing timeframe of recovery of riskier exposures in non judicial workout

Data in € mln (excluding disposals)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	2018 YE	2019 YE	2020 YE
Cash collection	57	67	59	76	65	52	66	76	81	89	82	① 181	258	259
Contribution to P&L**	66	60	44	78	50	34	48	50	64	70	66	② 238	248	182
Cash collection / contribution to P&L	87%	112%	132%	97%	132%	153%	137%	152%	127%	128%	124%	76%	104%	143%

*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*: stock by recovery phase

Cluster	GBV 3Q21 €mln	% total	Description	Average time frame**	Accounting valuation	Cash proceeds
Waiting for workout - Positions at cost	203	1%	Recently acquired, under analysis to select the best recovery strategy, to be assigned either to extrajudicial or to judicial recovery	6 months	Acquisition cost	
Extrajudicial positions	11,657	61%				
-Ongoing attempt at recovery	11,196	59%	Managed by internal and external call centres and recovery networks. The purpose is the transformation into voluntary payment plans (or into judicial recovery if conditions arises)	NA	Statistical model (collective valuation)	No
- Non-judicial payment plans	461	2%	Sustainable cash yields agreed with debtors through call centres and collection agents	5 years	Increase in value (P&L), with valuation based on agreed plan, net of historical delinquency rate, discounted at the IRR used for acquisition	Yes
Judicial positions	7,183	38%				
- Frozen***	2,883	15%	Judicial process has started; but the court injunction ["prechetto"] has not been issued	6-12 months	Acquisition cost	No
- Court injunctions ["prechetto"] issued and foreclosures ("pignoramento")	727	4%	Court injunction ["prechetto"] already issued; legal actions continue to get the order of assignment	8-12 months	#1 increase in value at court injunction ["prechetto"] and #2 increase in value at foreclosure ["Pignoramento"]. Part of the legal costs are expensed in P&L	No
- Order of assignments	744	4%	Enforcement order already issued. The cash repayment plan is decided by the court and starts afterwards	2-4 months	#3 increase in value. The remaining legal costs are expensed in P&L	Yes
- Secured and Corporate	2,830	15%	Ongoing execution of real estate collaterals	4 years	Analytical valuation (expected time frame and amount to be recovered)	Yes
Total	19,043	100%				

*Source: management accounting data

** Data before Covid-19.

***Other Judicial positions

Npl Business*: GBV and NBV evolution

GBV - €mln	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Waiting for workout - Positions at cost	2,864	1,598	1,783	1,794	1,440	1,709	1,885	2,140	1,147	107	203
Extrajudicial positions	9,745	9,862	9,574	10,378	10,619	10,257	10,579	10,273	10,987	11,280	11,657
- Ongoing attempt at recovery	9,393	9,491	9,194	9,975	10,206	9,850	10,182	9,896	10,578	10,846	11,196
- Non-judicial payment plans	352	371	380	403	413	407	398	378	409	434	461
Judicial positions	4,015	4,913	5,226	5,669	5,720	6,278	6,428	7,374	7,546	7,896	7,183
- Frozen**	1,822	1,931	2,192	2,521	2,533	2,627	2,518	3,299	3,243	3,644	2,883
- Court injunctions ["precetto"] issued and foreclosures	464	487	511	543	571	595	642	713	686	700	727
- Order of assignments	561	609	612	639	640	672	677	676	702	736	744
- Secured and Corporate	1,167	1,886	1,911	1,965	1,975	2,384	2,590	2,686	2,915	2,816	2,830
Total	16,624	16,373	16,583	17,841	17,779	18,244	18,893	19,787	19,680	19,282	19,043

NBV - €mln	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Waiting for workout - Positions at cost	174	148	160	109	65	96	104	170	112	15	31
Extrajudicial positions	306	313	308	356	364	355	353	339	368	393	413
- Ongoing attempt at recovery	162	164	154	190	193	184	185	174	188	198	200
- Non-judicial payment plans	144	149	154	166	171	171	169	165	180	195	213
Judicial positions	643	711	720	813	840	854	867	894	916	961	930
- Frozen**	205	207	215	274	298	304	292	296	300	330	295
- Court injunctions ["precetto"] issued and foreclosures	118	118	118	128	120	132	148	160	162	161	166
- Order of assignments	227	244	245	259	270	265	264	280	292	305	306
- Secured and Corporate	94	142	142	152	152	153	162	158	162	165	163
Total	1,123	1,172	1,188	1,278	1,269	1,305	1,324	1,404	1,396	1,369	1,375

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

*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

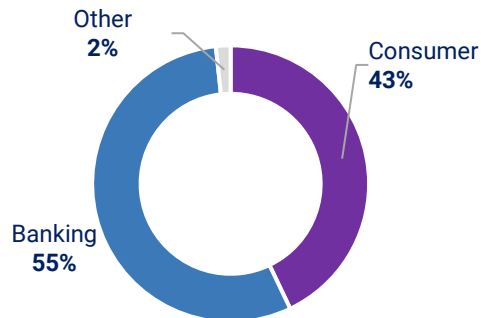
Npl Business*: P&L and cash evolution

P&L - €mln	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Waiting for workout - Positions at cost											
Extrajudicial positions	19	19	19	20	17	10	11	7	22	29	30
- Ongoing attempt at recovery	(3)	(2)	(1)	4	(4)	(3)	(5)	(5)	(2)	6	(2)
- Non-judicial payment plans	22	21	20	17	21	13	15	12	24	23	32
Judicial positions	46	42	26	58	33	24	37	43	42	41	36
- Frozen**	0	0	0	0	0	0	0	0	0	0	0
- Court injunctions and foreclosures + Order of assignments	37	28	18	40	26	24	32	43	36	34	30
- Secured and Corporate	9	14	7	18	6	0	6	0	5	7	5
Total	66	60	44	78	50	34	48	50	64	70	66
Cash - €mln											
Waiting for workout - Positions at cost											
Extrajudicial positions	27	32	27	38	30	23	33	37	42	47	43
- Ongoing attempt at recovery	4	6	4	10	4	3	4	6	6	9	5
- Non-judicial payment plans	23	26	23	28	26	20	29	31	36	39	38
Judicial positions	30	35	32	38	35	29	33	40	39	42	39
- Frozen**	0	0	0	0	0	0	0	0	0	0	0
- Court injunctions and foreclosures + Order of assignments	24	25	25	27	29	23	26	29	30	30	31
- Secured and Corporate	6	11	7	11	7	5	7	11	9	12	7
Total	57	67	59	76	65	52	66	76	81	89	82

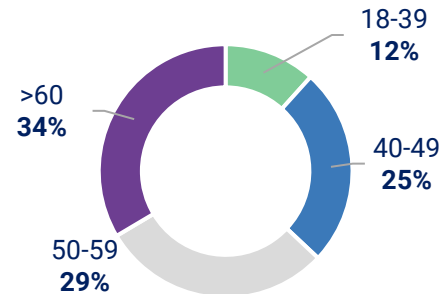
*Source: management accounting data

**Other Judicial positions

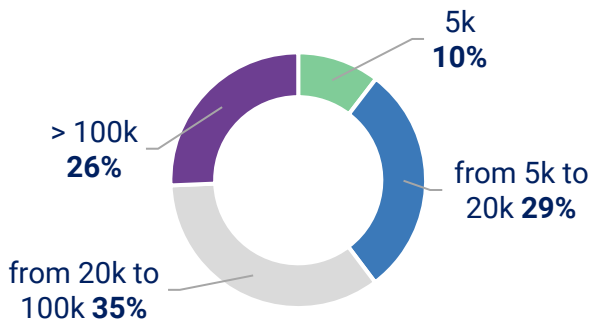
Breakdown of GBV by type



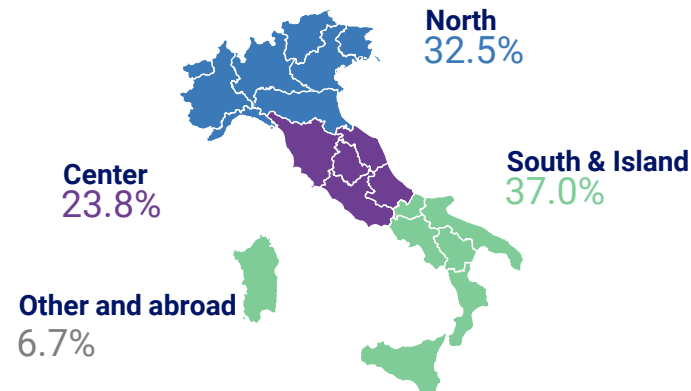
Breakdown of GBV by borrower age



Breakdown of GBV by ticket size



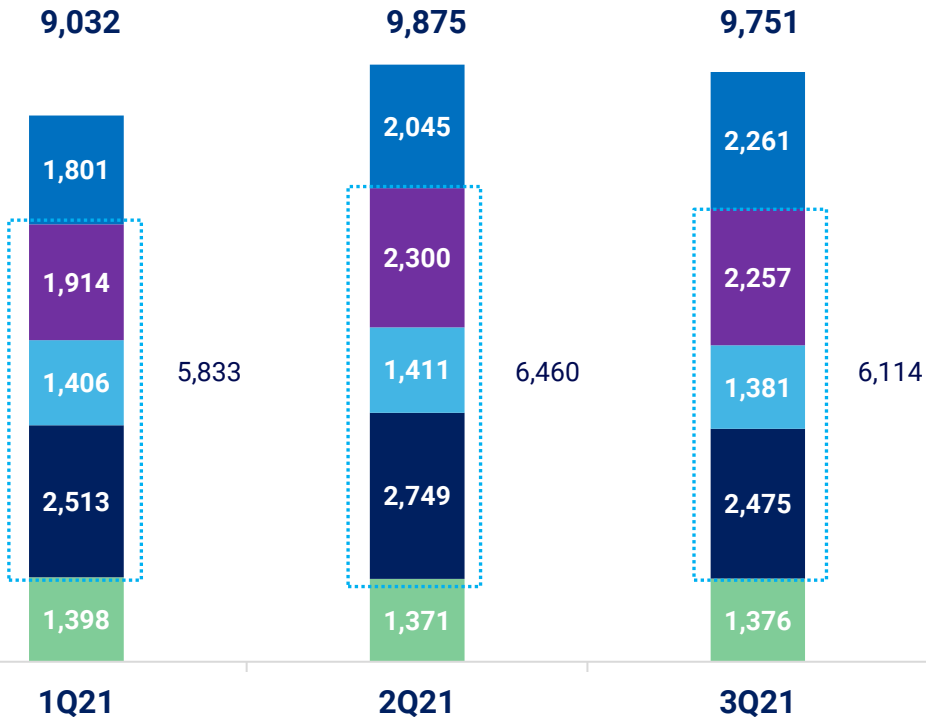
Breakdown of GBV by region



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

2.2 Consolidated financial data

Customer loans (€ mln)

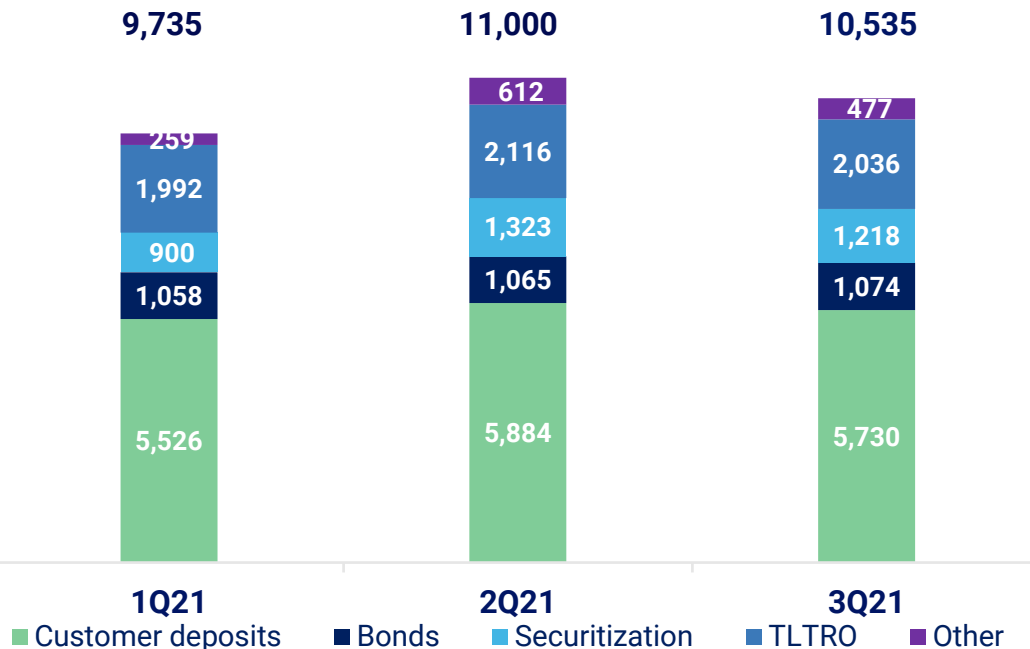


- 3Q21 customer loans at €9,751 (-1.3% vs 2Q21)
- Factoring decreases (-10% QoQ) is driven by seasonality and focus on margins
- Leasing decreases (-2% QoQ) is due to worldwide bottlenecks in new auto sales
- Non Core & GS increased by +€216mln mainly driven by the acquisition of +€212mln of Italian Government bonds at amortized cost

■ Npl ■ Factoring ■ Leasing ■ Corp. Banking & Lending ■ Non Core & G&S
 □ Commercial and Corporate banking

*Starting from January 2021, Credifarma has been reclassified from Factoring into Corporate Banking and Lending. All 2020 information provided consider this re-allocation.

Funding (€mln)



- Customer deposits -3% QoQ driven by cash management efficiency
- The securitizations include €846mln of the factoring securitization and €372mln coming from restructuring of the Farbanca securitization
- Banca Ifis has €2.0bn TLTRO expiring in September 2024 out of a maximum capacity of ca. €3bn
- The decrease in other funding is driven by -€66mln of repo transactions, -€84mln other deposits partially offset by +€15mln of other payables
- Average cost of funding at 0,84% in 3Q21, vs 0.96% in 2Q21, vs 1.02% in 1Q21 and 1.01% in 4Q20

	1Q21	2Q21	3Q21
LCR	>1,400%	>1,700%	>1,500%
NSFR	>100%	>100%	>100%

Strategy

- Long term «fundamental» positioning strongly focused on investment grade bond area coupled with opportunistic trading approach,
- Efficient management of excess cash (ECB deposits) / Low Duration level
- Use of enhancing and hedging strategies coupled with both risk and expected credit loss control
- Low cumulative RWA level and relevant ECB / funding eligibility

Results

- In 9M 21 proprietary portfolio reported a net revenues of €23.8mln (€7.5mln in 3Q21) of which ~ €12.9mln (€4.8mln in 3Q21) as interest rate margin and €10.9mln (€2.7mln in 3Q21) as trading and other income, posting a ~ €13mln increase respect 9M20
- In 9M 21 dividend flow related to equity portfolio weighs for ~€6.1mln within trading and other income

Banca Ifis adopted the mechanism offsetting unrealized gains/losses measured through the FVOCI method on government assets

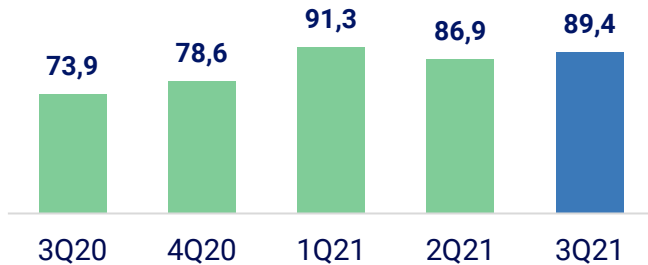
Type of asset - Data in €mln as at end of quarter	Bonds		Equity	Securitization	Total
	Government	Financial			
Held to collect/amortized cost	1644	185	69	120	2018
Held to collect and sell (FVOCI)	489	16	10	86	601
Total (HTC and HTC&S)	2133	201	79	86	2619
Held for trading					2
Total portfolio at market value	2133	201	79	86	2621
Percentage of total	81,4%	7,7%	3,0%	3,3%	100,0%
Held to collect/amortized cost Duration	2,4	3,8	4,3	NA	2,5
Held to collect and sell (FVOCI) Duration	2,3	3,3	4,8	NA	2,3
Average duration (HTC and HTC&S) - YEARS	2,4	3,6	4,4	NA	2,5

* Source: management accounting data

Moratoria	Original exposure	Exposure 3Q21	
Leasing	481	131	Clients voluntary restarted payments on €350mln moratoria (-73%) following the pick up in economic activity Note: leased assets (cars, equipment, technology) with remarketing potential and sector and borrower diversification minimize asset quality risk
Mortgages	126	52	Mainly mortgages guaranteed by State Note: low asset quality risk on other mortgages (mainly retail)
Commercial lending (run off)	147	23	Clients voluntary restarted payments on €124mln moratoria (-84%) following the pick up in economic activity Note: exposure vs. large Italian investment grade corporates granted in 2014-16 and expiring in 2023-25 with limited asset quality risk
Other moratoria	45	5	
Total	799	211	Clients voluntary restarted payments on €588mln moratoria (-74%) following pick up in macro activity

* Source: management accounting data. Moratoria expired as at 30 June 21. Clients could extend moratoria on interest only until 31 Dec 21. The figures indicate exposures that asked for the extension of the moratoria until 31 Dec 21

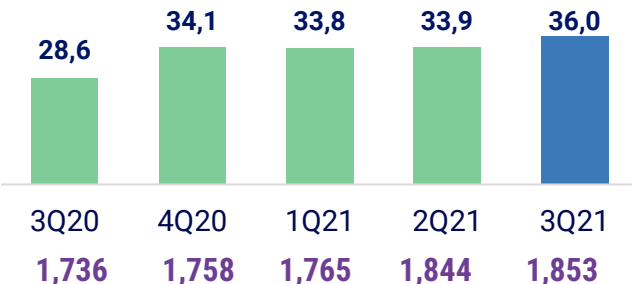
Operating costs (€mln)



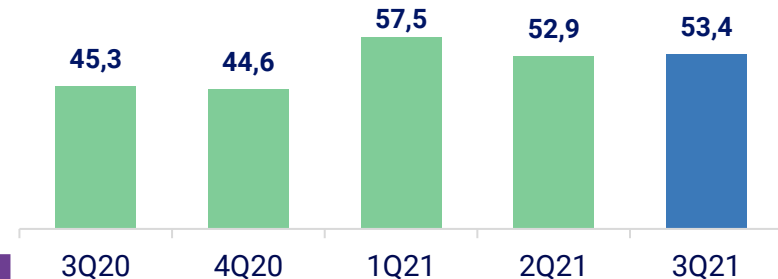
3Q21 operating costs ~+€2.5mln vs. 2Q21:

- +€2.0mln QoQ in personnel expenses, mainly due to variable compensation accruals based on results
- +€0.5mln QoQ in other operating costs, mainly due to:
 - €5.2mln for the FITD contribution
 - €3.2mln Aigis' bargain booked in 2Q21
 - -€4mln legal & recovery costs, mainly NPL
 - -€4mln credit risk accruals (i.e. unfunded commitments)

Personnel expenses (€mln)



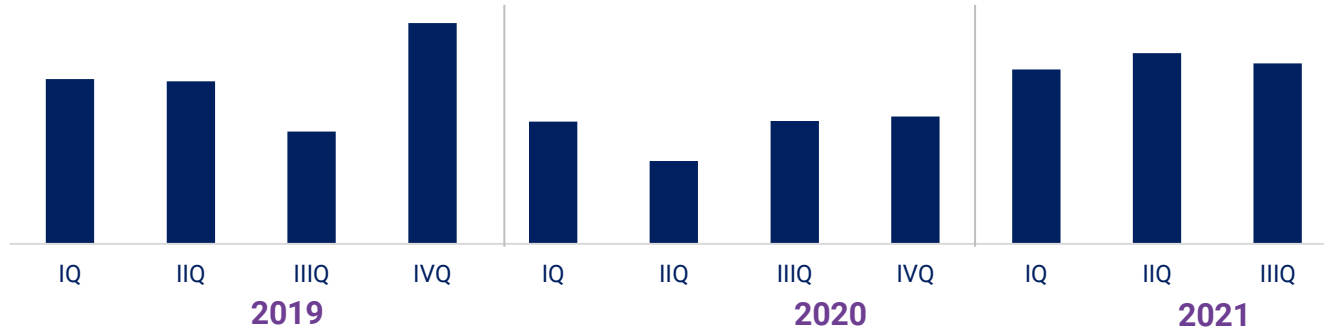
Other adm. expenses and other income / expenses (€mln)



Banca Ifis
employees

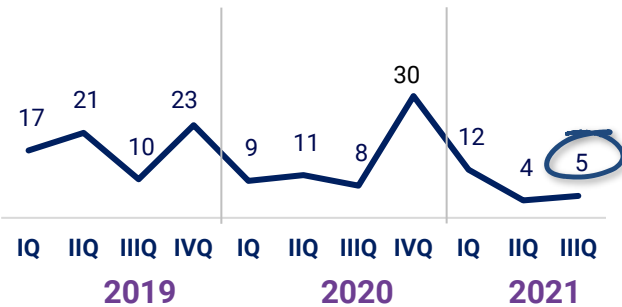
Seasonality in Npl and PPA and effect of Covid-19

Net interest income in Npls



2020 was impacted by court shutdown

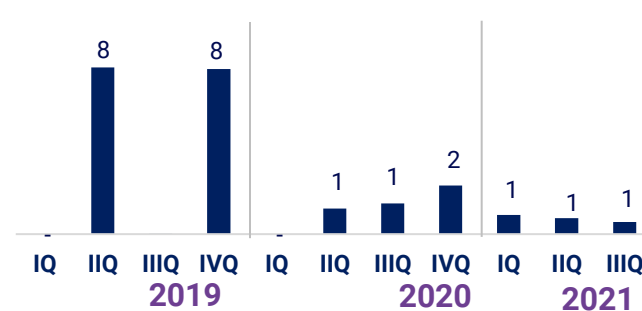
Reversal of PPA ex-IB (pre-tax)



3Q21 pre tax reversal PPA at €5mln

Variability due to reversal of PPA depending on the prepayment / disposal of ex-Interbanca's loans

Capital gains from Npl disposal



3Q21 gains at €1mln

2.3 La Scogliera: implications of CRD IV

- The application of the 2013/36/EU (CRD IV) Directive and EU Regulation 575/2013 (CRR) envisages that 49.2% of the excess capital of the Banca Ifis Group Scope is not included in the CET1 of La Scogliera Group Scope. CET1 excess capital of €0.4bn is not included in La Scogliera Group Scope

La Scogliera S.p.A.
Consolidating Group entity

50.8%**
Banca Ifis S.p.A.

Data in €billion

Data as at 30 Sep 2021	Banca Ifis Group Scope	Capital requirements*	Excess Capital	Minority stake of La Scogliera	Excess capital not included	La Scogliera Group Scope
CET1	1.5		0.8	49.2%	0.4	1.0
Total Capital	1.9		0.9	49.2%	0.4	1.4
CET1 %	16.2%	7.0%		49.2%		11.7%
Total Capital %	20.8%	10.5%		49.2%		15.3%
RWA	8.9					9.0

*Capital requirements at parent company level. At group level capital requirements are: CET1 8.12%, Total Capital 12.5%

**Net of Treasury shares

La Scogliera: 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 (range ca. 5%-12% per annum, with full release by 2026)
- No time and amount limit in the utilization of converted DTAs
- Capital requirements: 100% weight on RWA

Data in €/mln

219.4

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

37.2

Other non-convertible DTAs

- DTAs generated due to negative valuation reserves and provisions for risks and charges (~€ 24.7*mln as of 30 Sep 2021)
- Capital requirements: deduction from CET1 or weighted in RWA depending on certain thresholds**. For Banca Ifis they would be weighted at 250% but they are partially offset by DTL (~€17.3mln as of 30 Sep 2021)

7.4

*Includes prudentially €5.7mln of DTAs related to Ifis Rental and Ifis Real Estate 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 total³⁷ 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

- In 2016, following the acquisition of former Interbanca, Banca Ifis valued the performing and non performing loans of Interbanca by applying a market discount and a liquidity discount to reflect purchase price
- The purchase price allocation (PPA) is written back with the progressive maturity/the disposal of Interbanca's loans

As at 30 Sep 21, the residual amount of pre-tax PPA was €37m

Net customer loans and PPA - €m



PPA reversal in P&L- €m

1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	Outstanding 3Q 21
9	11	8	30*	12	4	5	37
FY 20: €57m. o/w: -€2m In Corp. Banking & Lending -€56m In Non Core & G&S				9M 21: €22m. o/w: -€3m In Corp. Banking & Lending -€19m In Non Core & G&S			3Q 21 Outstanding, o/w: -€1m In Corp. Banking & Lending -€36m In Non Core & G&S

*In 4Q 20, the write back of PPA was mainly driven by loans and Npl disposals and prepayments

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- Mariacristina Taormina, Manager charged with preparing the financial reports of Banca Ifis S.p.A., pursuant to the provisions of Art. 154 bis, paragraph 2 of Italian Legislative Decree no.58 dated 24 February 1998, declares that the accounting information included into this document corresponds to the related books and accounting records.
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