

Banca Ifis: net profit for the first half of the year up 25,5% to 91 million Euro. Guidance for 2023 revised upwards

- 2023 profit guidance revised upwards: net profit of 160 million Euro is expected, up from 150 million Euro in February 2023 and the 2022-2024 Business Plan target of 137 million Euro.
- The new progressive dividend policy has been approved, providing for an increase in the payout ratio when the profit threshold required to meet the Bank's capital needs is exceeded, in accordance with the reference macroeconomic and regulatory context, and the progress of the Business Plan.
- The favourable revenue trend, up 8% compared to the first half of 2022, is supported by the positive correlation of trade receivables to rising interest rates and Bank pricing policy.
- Cash recoveries on Npl portfolios rise to 195 million Euro, up 7,0% compared to the first half of 2022, despite inflationary tensions.
- The credit cost during the half-year, at an all-time low, is 16 million Euro, despite including 14 million Euro of provisions on performing exposures to cover macroeconomic risks.
- The CET1 ratio stands at 15,01%, excluding the profit for the first half of 2023, thereby easily exceeding capital requirements (8,65%).

2023 First half results

Reclassified data¹ - 1 January 2023/30 June 2023

- **The Group's net profit amounts to 91,0 million Euro, up 25,5%** from 72,5 million Euro in the first half of 2022.
- **The guidance for net profit in 2023 was raised to 160 million Euro**, up from the 150 million Euro estimated last February. The new guidance, which is based on the assumption of no extraordinary geopolitical or macroeconomic events and no significant regulatory changes, includes the effects of the increase in the cost of funding and the costs of the integration of Revalea, the Mediobanca group company whose acquisition was announced last May, with closing expected during the fourth quarter of 2023.
- **Net banking income, up 7,6% to 348,5 million Euro** from 324,0 million Euro in the first half of 2022, benefits from the positive correlation of Commercial & Corporate Banking Segment to rising interest rates and the Bank's pricing policy. Revenues in the Npl Segment, although broadly stable compared to the first half of 2022, highlight the resilience of funding despite rising inflation.
- **Operating costs, at 195,8 million Euro** (+5,5% compared to 185,5 million Euro in the first half of 2022), increase due to higher personnel expenses (80,4 million Euro compared to 73,6 million Euro in the first half of 2022), mainly due to the increase in variable remuneration and provisions for the renewal of the collective agreement for bank employees, and higher other administrative expenses (119,2 million Euro compared to 114,6 million Euro in the first half of 2022), which reflect the offsetting of the inflationary effect by careful cost control and continuous efficiency improvements.
- **The credit cost is 16,3 million Euro**, down by more than 50% compared with the first half of 2022, despite including 14 million Euro of provisions on the performing exposures portfolio to cover potential macroeconomic risks.
- **Liquidity position, as at 30 June 2023, is equal to approximately 1,1 billion Euro** in reserves and free assets that can be financed by the ECB (LCR above 1.000%).

Capital requirements²

¹ Reclassifications and aggregations of the consolidated income statement concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- the following is included under the single item "Net credit risk losses/reversals":
 - net credit risk losses/reversals relating to financial assets measured at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets measured at fair value through other comprehensive income;
 - net allocation to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
 - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

² CET1 and Total Capital at 30 June 2023 do not include the profits generated by the Banking Group in the first six months of 2023.

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- **CET1 comes to 15,01% (in line with the figure at 31 December 2022)** and TCR to 18,04% (18,82% as at 31 December 2022), calculated excluding the first half 2023 profit.

Milan, 3 August 2023 – The Board of Directors of Banca Ifis met today under the chairmanship of Ernesto Fürstenberg Fassio and approved the results for the first half of 2023.

*“The results obtained by the Bank in the first half of 2023 confirm the soundness of a business model that, despite a challenging macroeconomic context, has demonstrated its ability to combine financial sustainability with attention to all stakeholders. During the period, all the main indicators recorded strong growth, leading us to revise our profit estimates for 2023 upwards to 160 million Euro from the 150 million Euro estimated in February 2023, which already exceeded the target of 137 million Euro set forth in the 2022-2024 Business Plan. This result has been achieved thanks also to the positive revenue growth in Commercial & Corporate Banking Segment, supported by the positive correlation with the rise in interest rates, the dynamism of the commercial network and the acceleration of the digitalisation process that has made available new platforms and tools to improve efficiency both in commercial business and in Npls where, during the period, cash recoveries on purchased portfolios amounted to 195 million Euro, up 7% compared to the first half of 2022” - states **Frederik Geertman, CEO of Banca Ifis**, who adds: “we have already started the funding plan to repay the 2 billion Euro TLTRO, potentially even before the maturity date of September 2024, with the remarketing the senior notes of the leasing securitisation for approximately 400 million Euro and ramping up the Npl securitisation for a further 400 million Euro. In addition to these transactions, there is the approximately 700 million Euro of the proprietary portfolio maturing naturally by September 2024. Repurchase and reverse repurchase transactions on the proprietary portfolio, the increase of retail funding with a multi-channel strategy and senior bond issues are also planned for the coming quarters. Finally, in the first half of 2023, the bank's prudent lending policy led us to increase the reserves set aside for potential macroeconomic risks by 14 million Euro to a total of 65 million Euro”.*

The Commercial & Corporate Banking Segment's revenues, up 23% compared to the first half of 2022, reflect the Group's positive correlation to rising interest rates (85% of the commercial loan portfolio is at floating rates). The dynamism of the Group's commercial network was evidenced by growth rates above those of its reference markets: in the first half of 2023, Factoring turnover grew by 11,3% (compared to 1,1% for the market) and Leasing disbursements grew by 15,1% (compared to 13,1% for the market).

In the Npl Segment, cash recoveries on acquired portfolios amounted to 195 million Euro, up 7,0% on the first half of 2022. To date, judicial and extrajudicial recovery activities do not show any significant negative impact from rising inflation and interest rates.

The digitisation process of Banca Ifis sped up in the first half of 2023. The Group is committed to the implementation of the 2022-2024 D.O.E.S. Business Plan that focuses on innovation and digitisation, through major investments in projects that aim to make the Group's model increasingly sustainable and efficient. In the Npl Segment, innovative systems have been developed to support acquisition and recovery decision-making strategies; the “Pagoghiaro” portal, now extended to all judicial and extrajudicial collections, allows debtors to monitor payments and the Group to reconcile collections more efficiently. In the Commercial & Corporate Banking Segment, a new platform was developed to support analysts in their credit evaluation and deliberation activities, and a new digital multi-product sales platform “Next” opened to customers and physical agent networks.

The portfolio owned in the Governance & Services and Non-Core Segment benefited from the purchase, during the fourth quarter of 2022, of a portfolio of debt securities issued by leading European financial and corporate institutions with a particularly attractive risk-return ratio.

At 2,76%, **the average cost of funding** in the second quarter of 2023 is up from 2,24% in the first quarter of 2023 and in line with estimates. The liquidity position, as at 30 June 2023, amounts to approximately 1,1 billion Euro and is substantially in line with the average of previous quarters.

Asset quality ratios, the Gross Npe Ratio and the Net Npe Ratio stand respectively at 5,9% and 3,9%. These figures would come in respectively at 4,5% and 2,4% excluding reclassifications resulting from the application of the New Definition of Default regulations to receivables from the National Health System (NHS), which are characterised by limited credit risk and long payment terms.

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Capital ratios confirm the strong strength of both the Bank and the Group. Both the main indicators remain well above the minimum required levels, with a consolidated CET1 Ratio of 15,01% (in line with the figure at 31 December 2022) and a consolidated Total Capital Ratio of 18,04% (18,82% as at 31 December 2022), calculated excluding profits for the first half of 2023.

New Dividend Policy

At the same time as approving the results for the first half of 2023, the Board of Directors approved Banca Ifis's new shareholder remuneration policy. The Dividend Policy provides for a progressive mechanism with an increase in the payout ratio when the threshold of earnings needed to meet the Bank's capital requirements (retained earnings) is exceeded, in accordance with the reference macroeconomic and regulatory context and the progress of the Business Plan in force over time. The Board may propose to the Shareholders' Meeting to distribute a portion of the Bank's net profit for the year up to 50% of the consolidated net profit attributable to Banca Ifis up to the Materiality Threshold identified when defining the annual budget and 100% of the consolidated net profit attributable to Banca Ifis in excess of the Materiality Threshold. The Materiality Threshold, for 2023, is set at 100 million Euro. This is without prejudice, in any case, to the Board's full discretion in defining, on a case-by-case basis, the dividend distribution proposal to be submitted to the Shareholders' Meeting, in accordance with Article 28 CRR.

TCFD Report

Within the framework of ESG activities, the Board of Directors of Banca Ifis has approved the first edition of the **TCFD Report**, the report presenting useful information for investors and stakeholders to correctly assess Banca Ifis's climate-related risks and opportunities. The document, drawn up on a voluntary basis and aligned with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), created on the initiative of the Financial Stability Board, further expands the Group's ESG reporting, representing, among other projects, the strategy to reduce emissions financed on the credit portfolio that the Bank has defined by joining, first in Italy, the Net-Zero Banking Alliance (NZBA), the initiative promoted by the United Nations to accelerate the sustainable transition of the international banking sector. The full document is available on the Banca Ifis website at: <https://www.bancaifis.it/en/our-sustainability/environment/tcfd-report/>

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Highlights

RECLASSIFIED DATA³

The Banca Ifis Group's consolidated income statement at 30 June 2023 reports a profit attributable to the Parent company of 91 million Euro.

Highlights from the Banca Ifis Group's income statements for the first six months of 2023 are set out below.

Net banking income

Net banking income totals 348,5 million Euro, up 7,6% from 324,0 million Euro at 30 June 2022. Contributing to this result is the growth of the **Factoring Area**, with 86,4 million Euro and an increase of 9,5%, thanks to the increase in net interest income and net commissions, the growth of the **Leasing Area** (30,5 million Euro, an improvement of 1,6 million Euro compared to the same figure of 30 June 2022) and the better performance of the **Corporate Banking & Lending Area** (57,9 million Euro, +68,7% compared to the figure of 30 June 2022).

The **Npl Segment's** net banking income totals 136,5 million Euro, up 1,5 million Euro on the same period last year, mainly due to higher interest income (related to the increase in the average value of the underlying loans) and the good performance of legal collection mainly attributable to the higher number of foreclosures and repossessions produced. These changes were offset by lower out-of-court collections.

Net banking income for the **Governance & Services and Non-Core Segment** amounts to 37,1 million Euro, down 9,6 million Euro compared to the first half of 2022, this decrease being driven by a decrease in net interest income of 5,3 million Euro compared to the first half of 2022, mainly due to the negative impact of the increase in the cost of funding and the other components of net banking income, which also decreased by 5,2 million Euro, as a result of lower gains on the sale of financial assets and negative fair value changes on trading derivatives.

Net credit risk losses

Net credit risk losses of 16,3 million Euro are down 17,3 million Euro compared to the first half of 2022. The reduction is mainly linked to higher write-backs recorded on impaired positions that had previously been written down.

Operating costs

Operating costs total 195,8 million Euro, showing an increase on 30 June 2022 (+5,5%).

The cost/income ratio stands at 56,2%, an improvement of 1,1% compared to the same period last year.

Below are details of the item's main components:

- Personnel expenses, amounting to 80,4 million Euro, are up by 9,3%, a figure attributable to an increase in the number of employees at the reporting date, higher variable remuneration and the estimated costs connected with the renewal of the collective agreement for bank employees;
- Other administrative expenses as at 30 June 2023 amount to 119,2 million Euro, an increase of 4,0% compared to June 2022, mainly due to expenses for the purchase of goods and services, which rose by 14,0%.

Net allocations to provisions for risks and charges

Net allocations to provisions for risks and charges as at 30 June 2023 amount to 526 thousand Euro. The item in the first half of 2022 had benefited from releases amounting to 5,6 million Euro as a result of GACS credit assignment transactions.

³ Reclassifications and aggregations of the consolidated income statement concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to "Net interest income") to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of "Operating costs";
- the following is included under the single item "Net credit risk losses/reversals":
 - net credit risk losses/reversals relating to financial assets measured at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets measured at fair value through other comprehensive income;
 - net allocation to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
 - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

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Net profit attributable to the Parent company

The net profit attributable to the Parent company amounts to 91 million Euro, up 25,5% on the same period of 2022.

Focus on individual Segments

Below are the main dynamics recorded in the individual Segments that go towards forming the financial results at 30 June 2023.

Net profit of the **Commercial & Corporate Banking Segment** comes to 49,4 million Euro, 25,1 million Euro higher (+102,9%) than at 30 June 2022. As shown in more detail below, this result was driven by the growth in net interest income of 16,1 million Euro (+16,1%) and net commissions (+7,3 million Euro, or +17,6%) and other components of net banking income of 9,3 million Euro, as well as by lower net adjustments of 8,4 million Euro (-29,7%).

Net banking income derives from the combined effect of the various Areas of the Segment, as described below:

- the contribution of the **Factoring Area** amounts to 86,4 million Euro, an increase of 9,5% compared to the same period of last year. This result is due to the greater contribution both of net interest income (up by 3,5 million Euro) and net commission income (up by 4,6 million Euro), as a consequence of the increase in the returns on the receivables under management;
- Net banking income from the **Leasing Area** amounts to 30,5 million Euro, an improvement of 1,6 million Euro compared with the figure at 30 June 2022. This increase is due to the higher contribution of net interest income of 2,4 million Euro, which was partially offset by the lower commission margin of 0,9 million Euro;
- net banking income of the **Corporate Banking & Lending Area** comes to 57,9 million Euro at 30 June 2023, up 23,6 million Euro on 30 June 2022 (+68,7%). The positive change is a result of the combined effect of the following factors:
 - growth of 10,1 million Euro in net interest income (+37,0%), thanks in particular to the positive contribution of the Lending unit, as a result of contributions of 5,0 million Euro from the pharmaceutical business, 2,4 million Euro from the unit assisting SMEs, 2,3 million Euro from the Corporate Banking division (and in particular from the Structured Finance business unit) and, finally, 0,4 million Euro from the salary-backed loans/pension-backed loans segment managed through the subsidiary Cap.Ital.Fin;
 - increased net commissions by 3,6 million Euro (+65,9%), mainly resulting from the Corporate Banking division (specifically the Structured Finance unit);
 - a 9,9 million Euro increase in other net banking income components attributable to the Corporate Banking unit due to the higher contribution generated by the items measured at fair value, including UCITS funds and minority interests.

Net credit risk losses of the Segment amount to 19,8 million Euro, down 8,4 million Euro compared to the same period of the previous year. This change is mainly attributable to the Factoring Area, both because the figure for the first half of 2022 was affected by adjustments on commercial positions with higher vintage, especially related to positions with the NHS, and because in the first half of 2023 there were higher write-backs from collections on impaired positions previously written down.

The increase in operating costs of 4,5 million Euro of the Commercial & Corporate Banking Segment compared to 30 June 2022 is essentially due to the rise in personnel expenses due to both the increase in headcount and higher variable remuneration and additional allocations in view of the renewal of the National Collective Bargaining Agreement (NCBA).

Period profit of the **Npl Segment** is 30,5 million Euro. The Segment's net banking income amounts to 136,5 million Euro and is essentially in line with the figure for the same period of the previous year, as the growth in interest income linked to the increase in average loans and the better performance of legal inflows were substantially offset by the lower contribution of out-of-court management and lower profits from the sale of Npl portfolios. Operating costs increase by 4,8 million Euro compared to the first half of 2022 to 91,6 million Euro as at 30 June 2023. This increase is due to higher personnel expenses of 2,0 million Euro for both increased staffing (including the efforts of the parent company Banca Ifis) and expected increases in the NCBA (already factored in June 2023), while the remaining increase of 2,8 million Euro relates to higher recovery costs.

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Collections of the Npl Segment in the first half of 2023 come to 195,0 million Euro, including the instalments collected during the period from realignment plans, from garnishment orders and transactions carried out and rise by 7,0% on the collections of 182,2 million Euro made in the first half of 2022.

The profit of the **Governance & Services and Non-Core Segment** at 30 June 2023 amounts to 12,1 million Euro, a decrease on the 30 June 2022 figure of 15,9 million Euro. Net banking income amounts to 37,1 million Euro, down 9,6 million Euro compared to the first half of 2022, due to a decrease in net interest income of 5,3 million Euro compared to the first half of 2022, mainly due to an increase in the cost of funding, and other components of net banking income, which also decreased by 5,2 million Euro, as a result of lower gains on the sale of financial assets and negative fair value changes on trading derivatives.

Segment operating costs come to 22,5 million Euro, up 1,0 million Euro on 30 June 2022. This change is linked to the increased activities in the area of Communication, Marketing, Public Affairs & Sustainability during the first half of 2023, the year of Banca Ifis' 40th anniversary. Net allocations to provisions for risks and charges amount to 0,2 million Euro, an increase of 3,9 million Euro compared to the figure as at 30 June 2022, mainly because the comparative figure included reversals on GACS at the end of the guarantee period.

[The breakdown of the main statement of financial position items of the Banca Ifis Group at 30 June 2023 is shown below.](#)

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amount to 10.114,4 million Euro, a reduction on 31 December 2022 (10.186,9 million Euro). The item includes debt securities in the amount of 2,1 billion Euro (an increase on the figure for year-end 2022 of 1,9 billion Euro, +6,3%), of which 1,7 billion Euro related to government bonds. The Commercial & Corporate Banking Segment records a slight slowdown (-2,0%) concentrated in the Factoring Area (-7,2%), which suffers seasonality, against the substantial stability of the Leasing Area and Corporate Banking & Lending Area. The Governance & Services and Non-Core Segment increases by 102,5 million Euro (mainly as a result of the increase in the debt securities portfolio in the first half of 2023), while loans in the Npl Segment decrease slightly compared to 31 December 2022 (-2,9%).

Funding

During the first half of 2023, the Group continued its strategy of differentiating between distribution channels, in order to ensure a better balance with respect to retail funding. The Group has liquidity at 30 June 2023 (in reserves and free assets that can be financed in the ECB) such as to enable it to easily respect the LCR limits (with index more than of 1.000%).

Total funding amounts to 11,1 billion Euro at 30 June 2023 and is in line with the figure at 31 December 2022; it is represented for 49,0% by payables due to customers (45,8% at 31 December 2022), for 27,6% by payables due to banks (30,7% at 31 December 2022), and for 23,4% by debt securities issued (no change to incidence compared with 31 December 2022).

The Group's funding structure is as follows:

- 49,0% customers;
- 18,4% TLTROs;
- 13,1% Asset Backed Securities (ABS);
- 10,3% debt securities;
- 9,2% other.

Payables due to banks come to 3,1 billion Euro, down 10,0% compared to the figure for end December 2022 mainly due to the onset maturity of short-term payables due to central banks (LTRO). As at 30 June 2023, the balance of payables due to banks was mainly represented by TLTRO transactions in the amount of about 2,0 billion Euro and repo transactions in the amount of 0,8 billion Euro.

Payables due to customers at 30 June 2023 total 5,5 billion Euro, up 7,0% compared to 31 December 2022. The growth is driven by both retail funding, which amounts to 4,3 billion Euro as at the end of June 2023 (+2,8%), and the repurchase agreement (repo) component, which grows by 255,5 million Euro compared to 31 December 2022.

Debt securities issued amount to 2,6 billion Euro at 30 June 2023 and consist of:

- securities issued by the SPV ABCP Programme for 1,1 billion Euro relating to the senior tranche;
- securities issued by the Emma SPV for 0,4 billion Euro relating to the senior tranche;

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- bonds issued by Banca Ifis amounting to 1,1 billion Euro, of which 0,4 billion Euro related to subordinated loans. Compared to 31 December 2022, the following changes have occurred:
 - 300 million Euro related to a 4-year senior bond issued in January 2023;
 - 45 million Euro related to the second tranche issued in March 2023 and related to a senior bond with a duration of 4 years and a total nominal amount of 110 million Euro;
 - redemption of 300 million Euro of the senior bond issued in 2018 and matured in April 2023.

Equity and ratios⁴

At 30 June 2023, Consolidated Equity totals 1.675,0 million Euro (1.597,8 million Euro at 31 December 2022). The main changes can be traced back to:

- the positive change relative to the period result pertaining to the Parent company of 91,0 million Euro;
- the negative change due to the payment of the balance on the 2022 dividend in the amount of 21,0 million Euro;
- the net positive change of 4,9 million Euro in the comprehensive income component of the valuation reserve, mainly due to changes in the fair value of financial instruments with an impact on comprehensive income and exchange rate differences;
- the positive change in Equity attributable to non-controlling interests for 1,0 million Euro, for the part share of the period results accrued by the subsidiary Banca Credifarma;
- other increases of 1,3 million Euro related to the Group's share-based remuneration programmes of the Parent company Banca Ifis.

At 30 June 2023, the equity ratios for the Banca Ifis Group amount to a CET1 Ratio of 15,01%, a Tier 1 Ratio of 15,02% and a Total Capital Ratio of 18,04%.

Please note that the Bank of Italy, following the Supervisory Review and Evaluation Process (SREP) to review the capitalisation targets of the system's largest intermediaries, adopted the following capital requirements for the Banca Ifis Group, including a 2,5% capital conservation buffer:

- CET1 Ratio of 7,90%, with a required minimum of 5,40%;
- Tier 1 Ratio of 9,75%, with a required minimum of 7,25%;
- Total Capital Ratio of 12,15%, with a required minimum of 9,65%.

In order to ensure a level of capital that can absorb any losses arising from stress scenarios, as referred to in Article 104 ter of EU Directive 36/2013, the Bank of Italy has set the following capital levels for the Banca Ifis Group, to which the specific countercyclical coefficient is added:

- CET1 Ratio of 8,65%, consisting of an OCR CET1 Ratio of 7,90% and a target component (Pillar 2 Guidance) of 0,75%;
- Tier 1 Ratio of 10,50%, consisting of an OCR Tier 1 Ratio of 9,75% and a target component of 0,75%;
- Total Capital Ratio of 12,90%, consisting of an OCR Total Capital Ratio of 12,15% and a target component of 0,75%.

At 30 June 2023, the Banca Ifis Group easily meets the above prudential requirements.

Significant events during the period

The Banca Ifis Group transparently and promptly discloses information to the market, constantly publishing information on significant events through press releases. Please visit the "Press Releases" and the subsection of the "Investor Relations & Corporate Development" section of the institutional website www.bancaifis.it to view all press releases.

Here below is a summary of the most significant events in the first half of 2023.

Issue of the 300 million Euro bond maturing in 4 years

⁴ CET1, Tier 1 and Total Capital at 30 June 2023 do not include the profits generated by the Banking Group in the first six months of 2023.

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On 12 January 2023, Banca Ifis successfully completed the placement of a Senior Preferred bond issue under its EMTN programme amounting to 300 million Euro. The transaction was intended for institutional investors. Specifically, the issue has a maturity of four years, with a settlement date scheduled for 19 January 2023. The reoffer price is 99,569, for a return at maturity of 6,25% and a coupon that is payable annually in the amount of 6,125%. The bond was listed on Euronext Dublin and has an expected rating of BB+ by Fitch and Baa3 by Moody's. The placement of this bond is part of the EMTN funding programme envisaged in the Group's 2022-2024 Business Plan, which estimates 2,5 billion Euro of new placements.

The Shareholders' Meeting approved the Annual Report 2022, the distribution of a dividend of 0,40 Euro per share as balance for the financial year and the appointment of Sebastien Egon Fürstenberg as Honorary Chairman

The Shareholders' Meeting of Banca Ifis, which met on 20 April 2023 in single call, chaired by Ernesto Fürstenberg Fassio in accordance with the applicable provisions, and hence in the manner set out in Art. 106 of Decree-Law no. 18 of 17 March 2020, approved:

- in the ordinary session:
 - Banca Ifis 2022 Annual Report;
 - the distribution to shareholders of a dividend of 0,40 Euro, as balance for FY 2022, gross of any withholding taxes, per share, with ex-dividend date (coupon no. 27) on 22 May 2023, record date on 23 May 2023 and payment on 24 May 2023;
 - Section I of the document "Report on Remuneration Policy and Remuneration Paid" prepared in accordance with Art. 123-ter of Legislative Decree no. 58/1998. The Shareholders' Meeting also resolved in favour of Section II of the aforementioned document relating to the implementation of remuneration policies during FY 2022;
 - the amendment to certain provisions of the "2021-2023 LTI Plan";
 - the appointment of Founder Sebastien Egon Fürstenberg as Honorary Chairman of Banca Ifis for an indefinite term.
- in an extraordinary session, amendments to Articles 2, 4, 6, 8, 12, 14 and 20 of the Banca Ifis Articles of Association.

Npl industrial partnership signed with the Mediobanca Group

On 22 June 2023, Banca Ifis and the Mediobanca Group announced that they had signed a long-term partnership for the management of non-performing loans (Npls). According to the agreement, Banca Ifis will take over Revalea S.p.A., a company created in 2022 from the spin-off of Npls from the acquisition of non-performing loan portfolios, from Mediobanca for a consideration of 100 million Euro.

The partnership has a strong industrial value as it consolidates Banca Ifis's position as a key player in the market for impaired loans in the small tickets unsecured segment. The two institutions also simultaneously signed a multi-year servicing agreement that envisages MBCredit Solutions (a Mediobanca Group company specialised in credit management) continuing to support Banca Ifis in the management and collection of non-performing and impaired loans by making its professional and industrial expertise available to the partner, in addition to a forward flow agreement on the Npls deriving from Compass' consumer credit.

Revalea S.p.A.'s portfolio of impaired loans, with a nominal value of 6,8 billion Euro and a net book value of 256 million Euro, is characterised by unsecured loans, 89% of which come from the banking sector and 64% of which are Retail loans and the remainder Corporate loans. When the deal is finalised, the 22-man strong team of professionals from Revalea will strengthen the Banca Ifis team.

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The closing of the transaction, which is subject only to obtaining the relevant regulatory approvals, is expected by the fourth quarter of 2023. The transaction will reduce Banca Ifis's CET1 by approximately 40 bps.

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Significant subsequent events

The Board of Directors of Banca Ifis appoints Simona Arduini as Vice Chair

The Board of Directors of Banca Ifis S.p.A. met on 13 July 2023 and unanimously approved the appointment of Professor Simona Arduini as Vice Chair. Simona Arduini will support the bank, amongst other matters, in the pursuit of projects in the area of sustainability in all its forms. Prof. Arduini will retain her role as Chair of the Audit and Risk Committee until her term expires and will also join the Sustainability Committee. It has also been confirmed that Prof. Arduini meets the independence requirements.

Declaration of the Manager Charged with preparing the Company's financial reports

Pursuant to article 154 bis, paragraph 2 of the Consolidated Law on Finance, the Manager Charged with preparing the Company's financial reports, Massimo Luigi Zanaboni, declares that the financial information contained in this press release corresponds to the related books and accounting records.

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Reclassified Financial Statements and key balance sheet data

Reclassifications and aggregations of the consolidated income statement concern the following:

- net credit risk losses/reversals of the Npl Segment are reclassified to interest receivable and similar income (and therefore to “Net interest income”) to the extent to which they represent the operations of this business and are an integral part of the return on the investment;
- net allocations to provisions for risks and charges are excluded from the calculation of “Operating costs”;
- the following is included under the single item “Net credit risk losses/reversals”:
 - net credit risk losses/reversals relating to financial assets measured at amortised cost (with the exception of those relating to the Npl Segment mentioned above) and to financial assets measured at fair value through other comprehensive income;
 - net allocation to provisions for risks and charges for credit risk relating to commitments and guarantees granted;
 - profits (losses) from the sale/repurchase of loans at amortised cost other than those of the Npl Segment.

Reclassified Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	30.06.2023	31.12.2022
Cash and cash equivalents	681.428	603.134
Financial assets held for trading	25.263	26.868
Financial assets mandatorily measured at fair value through profit or loss	167.874	195.220
Financial assets measured at fair value through other comprehensive income	773.675	697.611
Receivables due from banks measured at amortised cost	630.277	565.762
Receivables due from customers measured at amortised cost	10.114.445	10.186.932
Hedging derivatives	323	-
Property, plant and equipment	128.356	126.341
Intangible assets	68.618	64.264
<i>of which:</i>		
- <i>goodwill</i>	38.020	38.020
Tax assets:	292.251	325.181
a) <i>current</i>	51.549	60.924
b) <i>prepaid</i>	240.702	264.257
Non-current assets and disposal groups	813	-
Other assets	468.773	471.064
Total assets	13.352.096	13.262.377

PRESS RELEASE
2023 FIRST HALF RESULTS

LIABILITIES AND EQUITY (in thousands of Euro)	30.06.2023	31.12.2022
Payables due to banks	3.079.322	3.422.160
Payables due to customers	5.460.902	5.103.343
Debt securities issued	2.601.658	2.605.195
Financial liabilities held for trading	25.954	25.982
Hedging derivatives	12	-
Tax liabilities:	42.584	52.298
a) <i>current</i>	12.517	21.961
b) <i>deferred</i>	30.067	30.337
Other liabilities	406.913	391.697
Post-employment benefits	7.565	7.696
Provisions for risks and charges	52.198	56.225
Valuation reserves	(52.760)	(59.722)
Reserves	1.507.208	1.440.944
Interim dividends (-)	-	(52.433)
Share premiums	84.108	83.767
Share capital	53.811	53.811
Treasury shares (-)	(21.817)	(22.104)
Equity attributable to non-controlling interests (+/-)	13.402	12.432
Profit (loss) for the period (+/-)	91.036	141.086
Total liabilities and equity	13.352.096	13.262.377

Reclassified Consolidated Income Statement

ITEMS (in thousands of Euro)	30.06.2023	30.06.2022
Net interest income	274.686	264.351
Net commission income	50.297	42.212
Other components of net banking income	23.523	17.391
Net banking income	348.506	323.954
Net credit risk losses/reversals	(16.338)	(33.674)
Net profit (loss) from financial activities	332.168	290.280
Administrative expenses:	(199.694)	(188.245)
a) <i>personnel expenses</i>	(80.445)	(73.598)
b) <i>other administrative expenses</i>	(119.249)	(114.647)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(8.552)	(8.225)
Other operating income/expenses	12.466	10.960
Operating costs	(195.780)	(185.510)
Net allocations to provisions for risks and charges	(526)	3.061
Value adjustments of goodwill	-	(762)
Gains (losses) on disposal of investments	-	135
Pre-tax profit (loss) for the period from continuing operations	135.862	107.204
Income taxes for the period relating to continuing operations	(43.856)	(34.423)
Profit (loss) for the period	92.006	72.781
(Profit) loss for the period attributable to non-controlling interests	(970)	(266)
Profit (loss) for the period attributable to the Parent company	91.036	72.515

PRESS RELEASE
2023 FIRST HALF RESULTS

Consolidated Own Funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS	
	30.06.2023 ⁽¹⁾	31.12.2022
Common Equity Tier 1 (CET1) capital	1.501.605	1.520.570
Tier 1 capital	1.502.575	1.521.490
Total Own Funds	1.804.800	1.906.288
Total RWAs	10.004.645	10.128.064
CET1 Ratio	15,01%	15,01%
Tier 1 Ratio	15,02%	15,02%
Total Capital Ratio	18,04%	18,82%

(1) CET1, Tier 1 and Total Capital at 30 June 2023 do not include the profits generated by the Banking Group in the first six months of 2023.

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