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# 1H 2023 Results

*3<sup>rd</sup> August 2023*

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## BFF Banking Group

- 1H23 Reported Net Profit +34% YoY at €76.1m, 1H23 Adjusted Net Profit +20% YoY at €81.9m, with Total Revenues up by 72% YoY, driven by *Factoring & Lending* and HTC government bond portfolio.
- Repricing of liabilities front-loaded, repricing of assets with time-lag: interest rates upside still partially unlocked.
  - ✓ Late Payment Interest rate reset at 12.00% (from 10.50%) from 1-Jul-23, and at 12.25% from 1-Jan-24 at current rates.
- Increase in loan book at €5.3bn (1H record high), despite smaller balance sheet mainly driven by decrease in HTC bond portfolio.
- Solid balance sheet with diversified and stable funding mix. Loan/deposit ratio at 71%, with net positive inflow of retail deposits.

## Capital & Dividends

- Distribution of €81.9m (€0.438 p.s.) as dividend, +18% YoY, with payment date on 13-Sep-23, following GSM of 7-Sep-23 .
- CET1 ratio at 15.6% with €106m of excess capital vs. 12% CET1 target.

## Others

- Presented on 29<sup>th</sup> June BFF 2028 strategy update and 2026 financial targets.
- New credit rating from DBRS, with Investment Grade on Long-Term Deposits.
- Board of Directors started the process to present its own slate by February.

# Larger loan book, smaller balance sheet YoY

- 1 Loan book +16% YoY at €5.3bn, 1H record high.
- 2 Balance Sheet down by €0.4bn YoY and €1.3bn vs. YE22 mainly through decrease in HTC bond portfolio.
- 3 Increase in retail deposits (+€1.4bn YoY).
- 4 Loan/deposit ratio at 71%, vs. 76% at YE22.
- 5 Leverage ratio at 5.0%, vs. 4.6% at Dec-22.

	€m	1H 2023	FY 2022	1H 2022
<b><u>Assets</u></b>				
1 Loans & Receivables portfolio		5,252	5,442	4,529
2 HTC Bond portfolio		5,208	6,130	6,000
Intangibles		69	70	66
Other assets <sup>(1)</sup>		1,478	1,700	1,852
<b>2 Total assets</b>		<b>12,008</b>	<b>13,342</b>	<b>12,447</b>
<b><u>Liabilities and Equity</u></b>				
Deposits from transaction services		5,603	5,916	7,838
3 On-line deposits		1,744	1,283	307
Repos		3,204	4,441	2,912
Other liabilities		706	944	737
Equity (incl. Tier I)		751	759	654
<b>Total liabilities and Equity</b>		<b>12,008</b>	<b>13,342</b>	<b>12,447</b>
<b><u>Ratio</u></b>				
4 Loan / deposit ratio (%)		71%	76%	56%
5 Leverage ratio (%)		5.0%	4.6%	4.1%

(1) Includes ECB deposits, fiscal assets, Repos, Investments and other assets.

# Adjusted Net Income up by 20% YoY driven by revenues from F&L and Government Bond Portfolio

Time-lag in repricing of assets vs. liabilities, with upside from higher interest rates still to fully unlock.

1 1H23 Total Revenues up by 72% YoY, with strong performance in:

- F&L, c. 1.7x vs. 1H22;
- HTC gov. bonds, 10x YoY, on smaller portfolio.

2 Higher cost of funding due to increasing interest rates.

3 Good cost discipline, Cost/Income 44% vs. 45% in 1H22.

4 Net income +20% YoY at €81.9m.

	€m	1H 2023	1H 2022	1H 2021
<b>Adjusted P&amp;L</b>				
Revenues F&L		186.1	108.7	95.2
Revenues Payments		29.2	26.5	26.3
Revenues Securities Services		12.4	23.5	22.6
Other Revenues		125.1	46.4	25.3
<i>of which HTC Bond Portfolio</i>		78.6	7.7	9.4
<b>1 Total Revenues</b>		352.8	205.0	169.3
<b>2 Cost of funding<sup>(1)</sup></b>		(150.9)	(22.7)	(20.1)
<b>Total Net Revenues</b>		201.9	182.3	149.3
OPEX incl. D&A		(88.0)	(82.4)	(93.0)
<b>3 Cost / Income (%)</b>		44%	45%	62%
Provisions		(1.9)	(2.4)	3.7
PBT		112.0	97.4	60.0
<b>4 Net Income</b>		81.9	68.5	46.6

with Arca

(1) Includes gains / losses on derivatives used to manage the hedging of currencies and interest rates exposure.

# Factoring & Lending: 71% increase YoY in revenues, driven by higher loan book and interest rates

- **Gross Interest Income up by 69% YoY:**
  - Ongoing repricing of maturity commissions;
  - Higher YoY loan book;
  - **Net LPs over-recovery** (+€5.9m YoY).
- **Other Income (Expenses)** at €14.2m primarily related to “recovery costs” rights (€11.4m vs. €3.0m in 1H22).
- Gross Yield on average loans at 6.7%, +34% YoY, still to benefit from increase in LPI rate from Jul-23.
- Total LPs and “Recovery cost” funds at €1,074m, of which €566m off balance-sheet.

€m	1H21	1H22	1H23
<b>Gross Interest Income</b>	<b>89.0</b>	<b>101.6</b>	<b>171.9</b>
<i>of which Net LPs over-recovery</i>	<i>(0.6)</i>	<i>(1.1)</i>	<i>4.9</i>
Other Income (Expenses)	6.2	7.0	14.2
<b>Revenues</b>	<b>95.2</b>	<b>108.7</b>	<b>186.1</b>

	1H21	1H22	1H23
Gross yield on average loans (%)	5.0%	5.0%	6.7% <sup>(1)</sup>

€m	1H21	1H22	1H23 <sup>(2)</sup>
LPIs fund	701	745	823
<i>of which: Off balance-sheet</i>	<i>418</i>	<i>434</i>	<i>441</i>
Recovery Costs fund	182	230	251
<i>of which: Off balance-sheet</i>	<i>182</i>	<i>230</i>	<i>126</i>

(1) Average Loans do not include accrued “Recovery cost” rights. (2) LPI’s recovery rate accrual to 50% from 45% starting from 31-Dec-2022. From the same date, Recovery costs rights accounted on an accrual basis.

# Factoring & Lending KPIs: loan book +16% YoY, best 1H ever

- 1H23 loan book at €5.3bn up by 16% YoY, best 1H ever:
  - double digit growth in all countries but Slovakia. Greece and Portugal strong outperformers (+49% and +34% YoY, respectively).
- Good performance of **volumes**: +7% YoY at €3.6bn (+14% excluding Ecobonus):
  - very positive performance of Portugal (+122% YoY);
  - double-digit growth in Greece and Slovakia;
  - Italy +5% YoY (+16% excluding Ecobonus), Spain and Poland almost flat YoY.

Loans and receivables €m	1H21 <sup>(1)</sup>	1H22 <sup>(1)</sup>	1H23 <sup>(1)</sup>	% YoY
Italy	1,819	2,930	3,375	+15%
Spain	286	261	306	+17%
Poland	724	786	891	+13%
Slovakia	223	233	239	+2%
Portugal	224	186	250	+34%
Greece	74	117	174	+49%
Other Countries	9	14	17	+22%
<b>Total</b>	<b>3,359</b>	<b>4,529</b>	<b>5,252</b>	<b>+16%</b>

Volumes €m	1H21	1H22	1H23	% YoY
Italy	1,293	2,084	2,180	+5%
Spain	685	779	770	-1%
Poland	271	299	296	-1%
Slovakia	21	10	11	+14%
Portugal	140	111	247	+122%
Greece	44	86	107	+25%
Other Countries	14	27	33	+26%
<b>Total</b>	<b>2,468</b>	<b>3,395</b>	<b>3,644</b>	<b>+7%</b>

+16%<sup>(2)</sup>

+14%<sup>(2)</sup>

(1) Including fiscal receivables "Ecobonus" for €238m in 1H23 (€213m in 1H22), which are accounted in «Other Assets» in the Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPIs at €508m at the end of 1H23 (€311m at the end of 1H22). (2) % growth YoY excluding Ecobonus.

# Payments: revenues +10% YoY, deposits +48% YoY

- **Transactions** at 359m, +12% YoY, thanks to higher YoY intermediation volumes and card settlement operations, partially offset by structural decline in checks and receivables.
- **Revenues** up YoY at €29.2m (+10% YoY), reflecting positive volumes trend.
- **1H23 Deposits** at €3.0bn, up by 48% YoY, thanks to higher balances on operational accounts.

	1H21	1H22	1H23
N° of transactions (m)	278	321	359

€m	1H21	1H22	1H23
<b>Revenues</b>	<b>26.3</b>	<b>26.5</b>	<b>29.2</b>
of which: Net Fees and Commissions	20.8	20.8	23.4
of which: Other	5.5	5.7	5.8

€m	1H21	1H22	1H23
EoP Deposits	2,116	2,008	2,976



# Securities Services: positive performance in Global Custody and net inflows in Depository Bank

- **Depository Bank's AuD** at €52.4bn, +10% YoY excluding Arca. Positive net inflows of €1.2bn in 1H23.
- Good performance of **Global Custody's AuC** to €170bn, +4% YoY.
- **Revenues** up 8% YoY excluding Arca.
- 1H23 **Deposits** at €2.6bn, down by €1.6bn YoY excluding Arca, due to shift in asset allocation.

€m	1H21	1H22	1H23
Depository Bank (AuD EoP)	80,461	78,679	52,395
Global Custody (AuC EoP)	168,452	163,524	169,859

€m	1H21	1H22	1H23
<b>Revenues</b>	<b>22.6</b>	<b>23.5</b>	<b>12.4</b>
of which: Net Fees and Commissions	22.2	23.5	12.3
of which: Other	0.3	(0.0)	0.0

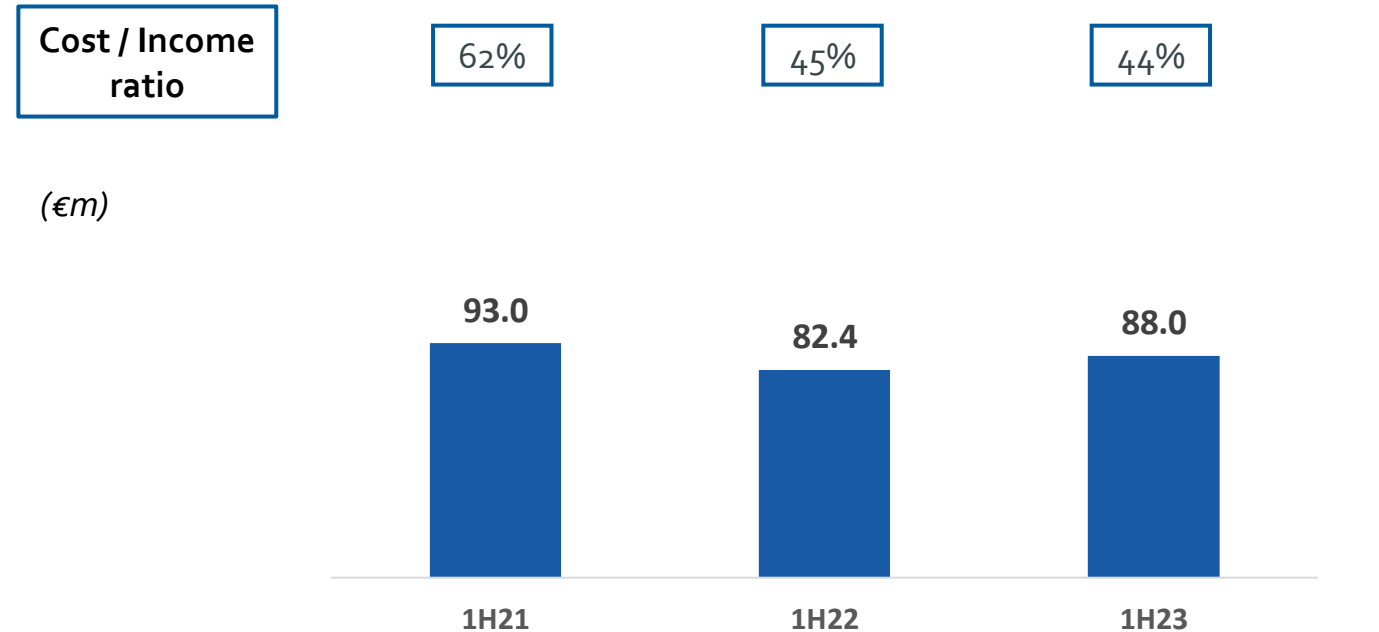
€m	1H21	1H22	1H23
EoP Deposits	6,401	5,830	2,626

# Stable Cost/Income YoY at 44%, despite investments and inflation



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## Group Opex and D&A (€m)



### of which:

Factoring & Lending	(18.6)	(19.7)	(22.6)
Payments	(15.8)	(15.5)	(16.4)
Securities Services	(14.6)	(13.0)	(10.4)
Other	(44.0)	(34.2)	(38.6)

- F&L: Opex and D&A at €22.6m (+14% YoY) mainly due to increased legal collection costs.
- Payments: Opex and D&A up by 6% YoY, reflecting higher volumes.
- Securities Services: Opex and D&A down by 20% YoY, thanks to lower direct costs and personnel expenses.
- Other: Opex and D&A +13% YoY due to higher costs related to new projects.

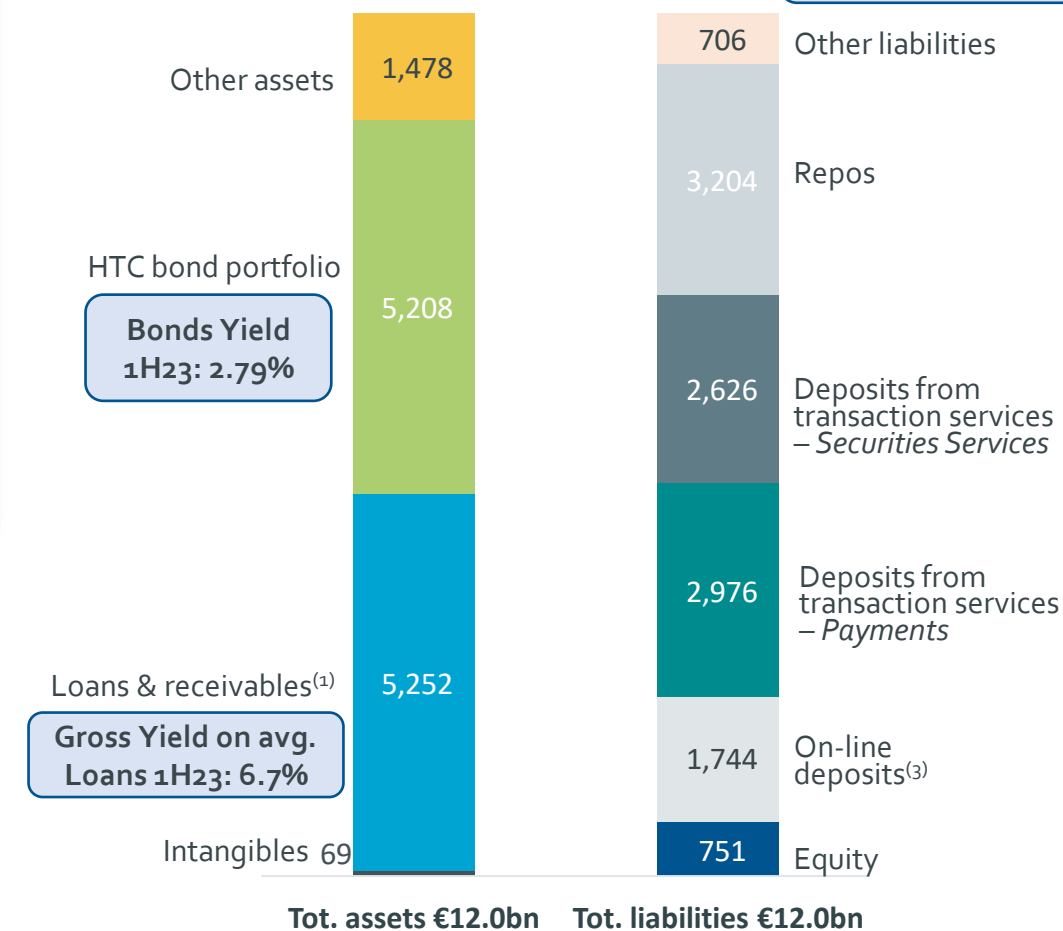
# Ample funding capacity with no ECB borrowing

- LCR at 312.3% (297.8% at YE22) and NSFR at 159.1% (vs. 161.1% at YE22).
- Cost of funding lower than the average market reference rates.
- No ECB funding to be refinanced.
- 1H23 HTC portfolio yield impacted by fixed bonds, in reduction at €1.1bn (vs. €1.9bn at YE22)
- Yield on floating rate portfolio at 4.51% at 30-Jun-23 (a major portion of floater bonds refixed in Apr-23).

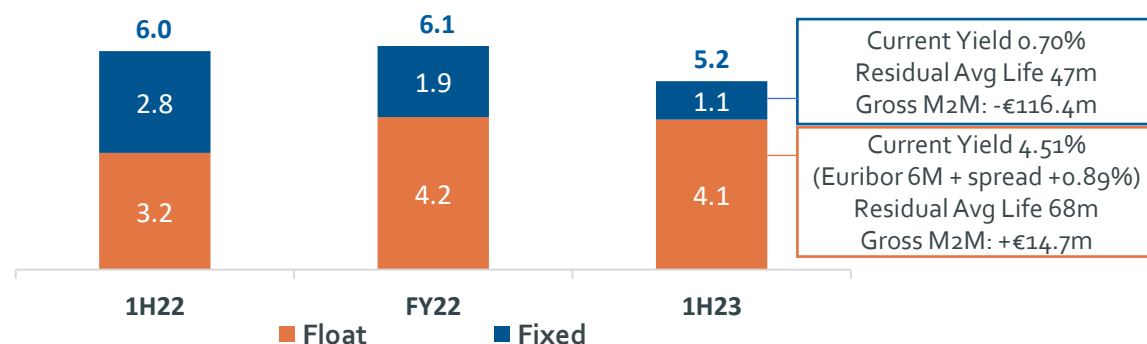
NSFR	159.1%	LCR	312.3%
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## Balance Sheet Breakdown 1H23 (€m)

Group Cost of funding<sup>(2)</sup> 1H23: 2.75%



## HTC bond portfolio (€bn)



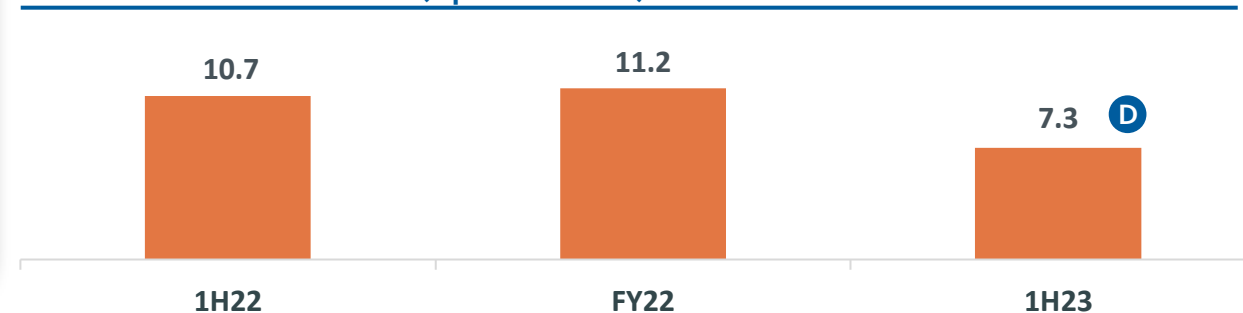
(1) Including fiscal receivables "Ecobonus" for €238m, which are accounted in «Other Assets» in Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPLs at €508m. (2) Including EUR-PLN FX swaps of €11.9m from management accounts. (3) On-line deposits in zloty equal to €322m.

# Excellent Asset Quality with 91% of Net Impaired Loans vs. Public Sector

- A** NPE at €303.0m, +7% vs. YE22, reflecting increase in Past Due without any increase in underlying risk:
- B** almost entire exposure towards Public Administration (91% of NPE);
- C** NPL are mainly due to municipalities in conservatorship (“dissesti”)<sup>(1)</sup>, with **NPL ratio** excl. “dissesti” at 0.1% of loans and **NPL coverage ratio** excl. “dissesti” at 76%.
- D** Cost of Risk in 1H23 at 7.3bps.

€m	1H22	FY22	1H23
Net NPLs	80.7	86.4	89.9
<i>of which: Italian Municipalities</i>	73.4	79.7	83.3
<i>of which: Others</i>	7.3	6.7	6.6
Net UTP	14.1	12.1	13.1
Net Past due	33.9	185.3	200.0
<b>Net impaired loans</b>	<b>128.7</b>	<b>283.8</b>	<b>303.0</b>
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center;">           Change in DoD<sup>(2)</sup> guidelines in Sep-22         </div> <div style="border: 1px solid black; border-radius: 10px; padding: 5px; text-align: center;">           91% <b>B</b> public sector         </div> </div>			
<i>NPL ratio excluding Italian Municipalities</i>	0.2%	0.1%	0.1%
<i>NPL Coverage ratio excluding Italian Municipalities</i>	68%	74%	76%

## Annualized Cost of Risk (bps on loans)



(1) Municipalities in conservatorship are classified as NPLs by regulation, despite BFF is legally entitled to receive 100% of the principal and LPIs at the end of the recovery process.  
 (2) More stringent criteria in the interpretation of New DoD: “Guidelines on the application of the definition of default under Art. 178 of Regulation (EU) no. 575/2013”.

# €0.438 per share of 1H23 dividend to be paid on 13-Sep-23, +18% YoY, BFF

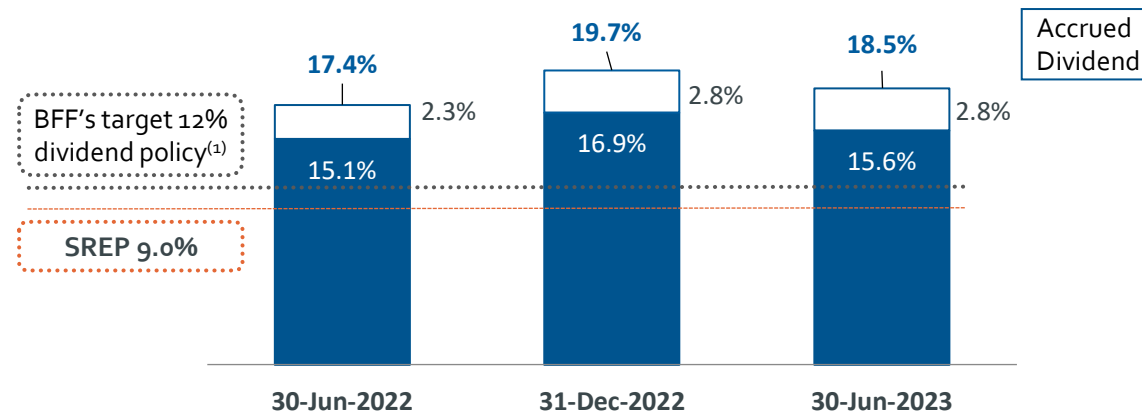
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## €106m of excess capital vs. 12% CET1 ratio target post dividend

- CET1 ratio at 15.6%, with €106m of capital in excess of 12.0% CET1 ratio target.
- Higher RWA density at 44% vs. 42% at YE22, mainly due to transitory accounts related to Transaction Services activity, which have been closed in Jul-23.

RWAs €m	2,457	2,740	2,896
RWAs density	41%	42%	44%

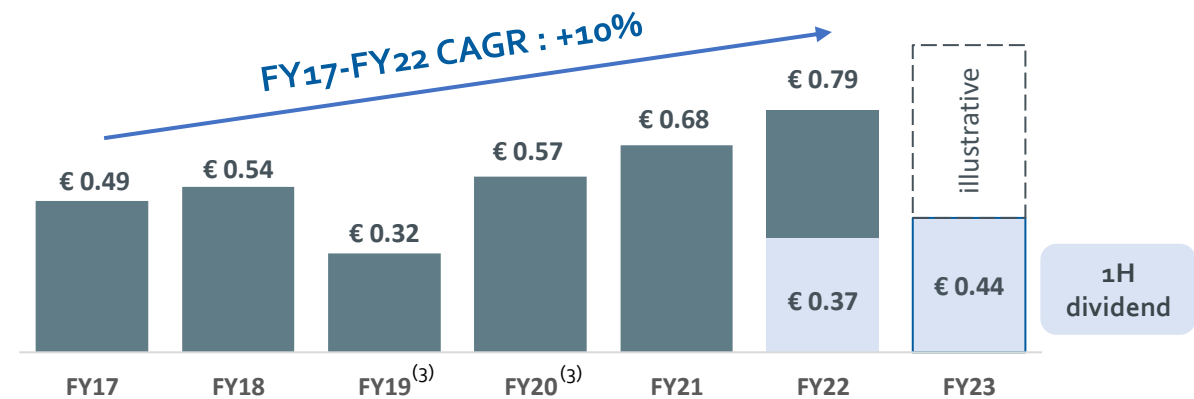
### Common Equity Tier 1 ratio



### Dividends

- 2023 dividend paid twice a year on the basis of the Net Adjusted Profit of the period, subject to CET1 > 12.0%<sup>(1)</sup>.
- First tranche of 2023 dividend of €0.438 per share<sup>(2)</sup>, +18% vs. 1H22, to be paid in Sep-23, following approval of GSM on 7-Sep-23.
- Second tranche to be paid in Apr-24 post AGM on the basis of 2H23 results.

### Dividend per share (€)



(1) In addition to TCR >15%, as long as requested by ECB. Please see slide 54 of BFF "Ever more a bank like no other". (2) For further details please see Press Release on [1H23 Consolidated Financial Results](#). (3) Paid in 2021.

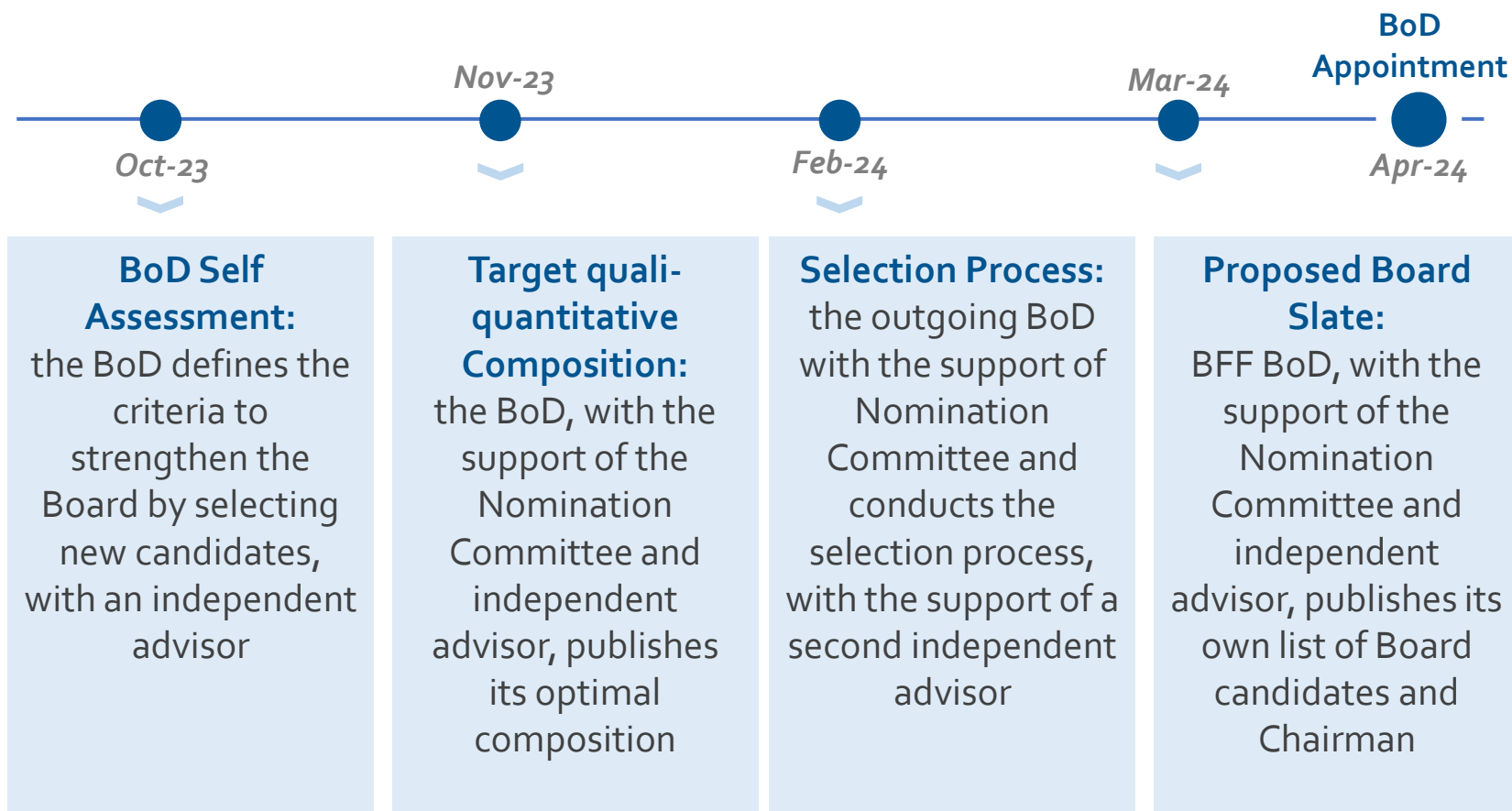
# Board of Directors slate process fully aligned with best corporate governance market practice

- BFF BoD resolved to present its own slate, following a process aligned with best market practice:

- ✓ 2 independent advisors;
- ✓ Quali-quantitative composition criteria published 6 months ahead of AGM;
- ✓ Full flexibility to renew or not the current CEO, without any exit payment<sup>(1)</sup>.

- Board of Statutory Auditors slate to be presented only by shareholders.

## Board of Directors slate timeline



(1) Removal of the trigger on the basis of a settlement with the CEO subject to all the provisions of the variable remuneration as envisaged in the Group Remuneration Policy (60% deferral, 5y deferral period, 51% paid in financial instruments in each instalment), see also page 58 of BFF "[Ever more a bank like no other](#)".

# Upcoming Events

**13<sup>th</sup> Sep-23**

Dividend payment date

**13<sup>th</sup> Sep-23**

Barclays – Global Financial Services Conference – New York

**11<sup>th</sup> - 15<sup>th</sup> Sep-23**

1H23 post-results Roadshow – Milan: physical; Switzerland: virtual

**21<sup>st</sup> Sep-23**

Bank of America – 28<sup>th</sup> Annual Financials CEO Conference – London

**13<sup>th</sup> - 15<sup>th</sup> Nov-23**

Exane BNP Paribas – 6<sup>th</sup> MidCap CEO Conference – Paris

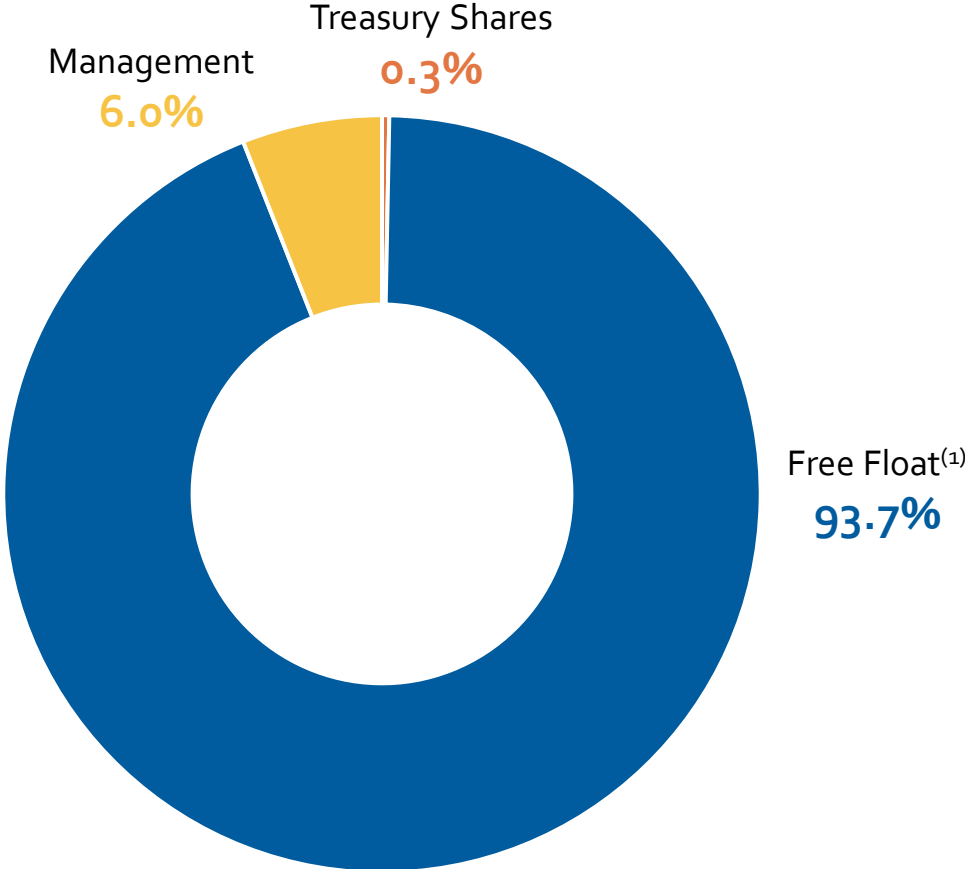
# Appendix



# Glossary

<b>AGM</b>	Annual General Meeting	<b>F&amp;L</b>	Factoring & Lending	<b>OPEX</b>	Operating Expenditures
<b>AuC</b>	Assets under custody	<b>GSM</b>	General Shareholders' Meeting	<b>P&amp;L</b>	Profit & Loss
<b>AuD</b>	Assets under depositary	<b>G&amp;A</b>	General and Administrative	<b>PA</b>	Public Administration
<b>Avg.</b>	Average	<b>H</b>	Half	<b>PAYM</b>	<i>Payments</i>
<b>Bps</b>	Basis Points	<b>HTC</b>	Held-To-Collect	<b>PBT</b>	Profit before taxes
<b>CAGR</b>	Compounded Average Growth Rate	<b>KPIs</b>	Key performance indicators	<b>Repo(s)</b>	Repurchase agreement(s)
<b>CC</b>	Corporate Center	<b>LCR</b>	Liquidity Coverage Ratio	<b>RWA</b>	Risk weighted assets
<b>CET<sub>1</sub></b>	Core Equity Tier 1	<b>LPIs</b>	Late payment interests	<b>SREP</b>	Supervisory Review and Evaluation Process
<b>DoD</b>	Definition of Default	<b>M2M</b>	Mark to Market	<b>SEC SER</b>	<i>Securities Services</i>
<b>D&amp;A</b>	Depreciation and amortisation	<b>NHS</b>	National Healthcare System	<b>TCR</b>	Total Capital Ratio
<b>ECB</b>	European Central Bank	<b>NPE</b>	Non-performing exposures	<b>UTP</b>	Unlikely To Pay
<b>EoP</b>	End of the period	<b>NPL</b>	Non-Performing Loans	<b>YE</b>	Year End
<b>Euribor</b>	Euro InterBank Offered Rate	<b>NSFR</b>	Net Stable Funding Ratio	<b>YoY</b>	Year-on-year
<b>FY</b>	Full-year	<b>OCI</b>	Other comprehensive income		

# A true Public Company with Management owning c. 6.0%



Total Number of shares as of 31/07/2023: 186,687,904

(1) Source: 120A - 120B - 120D Disclosure Forms and Internal Dealing communications. Percentage stakes are calculated on 186,687,904 total issued shares as of 31/07/2023. As of 31/07/2023 Capital Research and Management Company held 9.4m of BFF shares, equal to 5.1% of the share capital.

# Summary reported consolidated Balance Sheet

€m	BFF + DEPObank		
	1H 2022	FY 2022	1H 2023
Cash and cash balances	387.2	634.9	197.4
Financial assets measured at fair value through profit or loss	38.8	90.5	130.6
<i>a) financial assets held for trading</i>	7.0	0.2	1.6
<i>b) financial assets designated at fair value</i>	-	-	-
<i>c) other financial assets mandatorily measured at fair value</i>	31.8	90.3	129.0
Financial assets measured at fair value through OCI	128.5	128.1	130.7
Financial assets measured at amortized cost	11,262.9	11,895.9	10,828.5
<i>a) loans and receivables due from banks</i>	693.3	478.2	525.4
<i>b) loans and receivables due from customers</i>	10,569.6	11,417.6	10,303.0
Hedging derivatives	8.8	-	-
Equity investments	13.6	13.7	13.1
Property, plant and equipment	50.4	54.3	61.7
Intangible assets	65.8	70.2	69.4
Tax assets	79.1	60.7	61.0
Other assets	411.8	394.2	516.1
<b>Total consolidated assets</b>	<b>12,446.8</b>	<b>13,342.4</b>	<b>12,008.5</b>
Financial liabilities measured at amortized cost	11,094.6	11,994.8	10,648.1
<i>a) deposits from banks</i>	685.9	1,166.4	1,023.3
<i>b) deposits from customers</i>	10,370.0	10,789.4	9,624.8
<i>c) securities issued</i>	38.6	39.0	-
Financial Liabilities Held for Trading	2.0	0.9	1.0
Hedging derivatives	0.0	14.3	0.1
Tax liabilities	100.8	136.0	156.1
Other liabilities	569.7	401.4	417.6
Employees severance indemnities	3.2	3.2	3.1
Provisions for risks and charges	22.5	33.0	31.6
Equity	597.4	526.7	674.7
Net Profit	56.6	232.0	76.1
<b>Total consolidated liabilities and equity</b>	<b>12,446.8</b>	<b>13,342.4</b>	<b>12,008.5</b>

# 1H23 summary P&L

€m	F&L	SEC SER	PAYM.	CC	ADJUSTED	Adjustments	REPORTED
Interest Income	171.9	2.3	4.6	92.5	271.3	-	271.3
Interest Expenses	(90.3)	-	-	(55.4)	(145.7)	-	(145.7)
<b>Net Interest Income</b>	<b>81.6</b>	<b>2.3</b>	<b>4.6</b>	<b>37.2</b>	<b>125.6</b>	<b>-</b>	<b>125.6</b>
Net Fee and Commission Income	1.5	12.3	23.4	(1.0)	36.2	-	36.2
Dividends	-	-	-	6.7	6.7	-	6.7
Gains/Losses on Trading	-	-	-	(5.3)	(5.3)	-	(5.3)
Fair value adjustments in hedge accounting	-	-	-	-	-	-	-
Gains/losses on disposal/repurchase of	-	-	-	19.7	19.7	-	19.7
<i>a) financial assets measured at amortized cost</i>	-	-	-	19.8	19.8	-	19.8
<i>b) financial assets measured at fair value through OCI</i>	-	-	-	(0.1)	(0.1)	-	(0.1)
<i>c) financial liabilities</i>	-	-	-	-	-	-	-
Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss	-	-	-	(0.4)	(0.4)	-	(0.4)
<i>a) financial assets and liabilities designated at fair value</i>	-	-	-	-	-	-	-
<i>b) other financial assets mandatorily measured at fair value</i>	-	-	-	(0.4)	(0.4)	-	(0.4)
<b>Net Banking Income</b>	<b>83.1</b>	<b>14.6</b>	<b>28.0</b>	<b>56.8</b>	<b>182.6</b>	<b>-</b>	<b>182.6</b>
Net adjustments/reversals of impairment for credit risk concerning:	(1.6)	-	-	(0.6)	(2.3)	-	(2.3)
<i>a) financial assets measured at amortized cost</i>	(1.8)	-	-	(0.1)	(1.9)	-	(1.9)
<i>b) financial assets measured at fair value through OCI<sup>(1)</sup></i>	0.1	-	-	(0.5)	(0.4)	-	(0.4)
Administrative and Personnel Expenses	(21.9)	(10.1)	(16.0)	(35.6)	(83.6)	(6.2)	(89.8)
Net provisions for risks and charges	0.1	-	0.4	(0.1)	0.4	-	0.4
<i>a) commitments and guarantees provided</i>	(0.1)	-	-	-	(0.1)	-	(0.1)
<i>b) other net allocations</i>	0.2	-	0.4	(0.1)	0.5	-	0.5
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	(0.7)	(0.3)	(0.4)	(3.0)	(4.4)	(1.9)	(6.3)
Other Operating Income (Expenses)	12.7	0.0	5.8	0.8	19.3	-	19.3
<b>Profit Before Income Taxes from Continuing Operations</b>	<b>71.7</b>	<b>4.2</b>	<b>17.8</b>	<b>18.3</b>	<b>112.0</b>	<b>(8.1)</b>	<b>103.9</b>
Income Taxes					(30.1)	2.3	(27.8)
<b>Net Profit</b>					<b>81.9</b>	<b>(5.8)</b>	<b>76.1</b>

(1) "Financial assets measured at fair value through OCI" includes "Gains (Losses) on equity investments" accounted separately in the consolidated financial accounts.

# Adjusted vs Reported Profit Reconciliation

€m – Adjustments	1H22	1H23	YoY %
<b>Reported Net Profit</b>	<b>56.6</b>	<b>76.1</b>	<b>+34.4%</b>
Exchange rates movements	(0.8)	-	
Stock Options & Stock Grant plans	2.1	0.5	
Transaction/restructuring costs/M&A <sup>(1)</sup>	4.7	2.6	
Taxes related to intercompany dividends and DTA write-off	5.0	-	
Group CEO settlement agreement	-	1.8	
Customer contract amortisation	0.9	0.9	
<b>Adjusted Net Profit</b>	<b>68.5</b>	<b>81.9</b>	<b>+19.5%</b>







(1) Transaction/restructuring costs and M&A represents two different accounting items, grouped in a single line for representation purposes.




# Group P&L per quarter

€m GROUP	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Interest Income	51.3	53.8	54.9	73.2	60.3	75.8	76.8	112.5	125.1	146.2
Interest Expenses <sup>(1)</sup>	(7.5)	(12.6)	(3.9)	(6.7)	(5.5)	(17.3)	(15.6)	(44.5)	(64.9)	(82.9)
<b>Net Interest Income<sup>(1)</sup></b>	<b>43.8</b>	<b>41.2</b>	<b>51.0</b>	<b>66.5</b>	<b>54.8</b>	<b>58.6</b>	<b>61.2</b>	<b>68.1</b>	<b>60.3</b>	<b>60.1</b>
Net Fee and Commission Income	22.4	23.1	25.1	23.8	22.9	22.9	22.9	22.0	17.7	18.5
Other Income	4.6	(0.3)	2.1	(0.0)	9.1	2.0	2.2	1.8	25.5	0.5
<b>Net Banking Income</b>	<b>70.8</b>	<b>64.0</b>	<b>78.2</b>	<b>90.3</b>	<b>86.8</b>	<b>83.5</b>	<b>86.3</b>	<b>91.8</b>	<b>103.5</b>	<b>79.1</b>
Other Operating Income (Expenses)	5.3	9.2	6.0	7.7	5.1	6.9	6.4	12.3	8.4	10.9
<b>Total Net revenues</b>	<b>76.1</b>	<b>73.2</b>	<b>84.2</b>	<b>98.0</b>	<b>92.0</b>	<b>90.3</b>	<b>92.7</b>	<b>104.1</b>	<b>111.8</b>	<b>90.0</b>
Direct OPEX	(39.0)	(49.0)	(38.1)	(43.0)	(35.5)	(42.7)	(36.6)	(44.8)	(36.6)	(47.0)
<i>of which Personnel Expenses</i>	<i>(18.4)</i>	<i>(16.9)</i>	<i>(18.6)</i>	<i>(18.1)</i>	<i>(17.1)</i>	<i>(17.7)</i>	<i>(16.3)</i>	<i>(18.4)</i>	<i>(17.2)</i>	<i>(17.3)</i>
<i>of which G&amp;A</i>	<i>(20.6)</i>	<i>(32.1)</i>	<i>(19.5)</i>	<i>(24.9)</i>	<i>(18.3)</i>	<i>(25.0)</i>	<i>(20.3)</i>	<i>(26.4)</i>	<i>(19.4)</i>	<i>(29.7)</i>
D&A	(2.5)	(2.5)	(2.6)	(0.9)	(2.0)	(2.2)	(2.2)	(1.6)	(2.4)	(2.0)
Loan Loss Provisions	0.9	0.4	0.1	0.0	0.0	(2.3)	(1.2)	(2.2)	(0.5)	(1.8)
Net provisions for risks and charges	(0.0)	2.5	0.3	0.0	(0.7)	0.5	(0.0)	(0.4)	0.1	0.3
<b>Adjusted Profit Before Taxes</b>	<b>35.5</b>	<b>24.5</b>	<b>43.8</b>	<b>54.1</b>	<b>53.8</b>	<b>43.7</b>	<b>52.7</b>	<b>55.2</b>	<b>72.4</b>	<b>39.6</b>

(1) Net Interest Income includes Corporate Center gains / losses on derivatives used to manage the hedging of currencies and interest rate exposure.

# Non-recourse factoring and lending Volumes (€m)

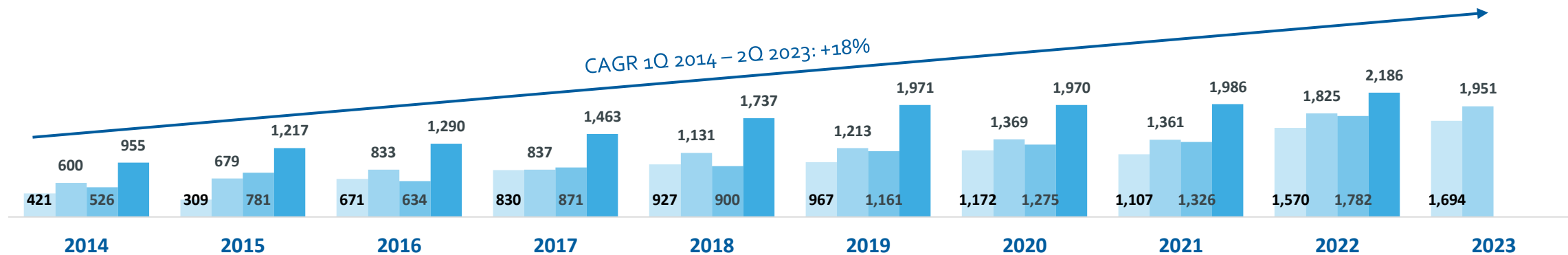
Non-recourse factoring volumes		1H 2021	1H 2022	1H 2023
<b>Italy</b> 		<b>1,293</b>	<b>2,084</b>	<b>2,180</b>
NHS		885	1,194	1,429
PA		353	553	604
Other		55	337	146
<b>Spain</b> 		<b>685</b>	<b>779</b>	<b>770</b>
NHS		468	576	532
PA		218	203	238
<b>Portugal</b> 		<b>140</b>	<b>111</b>	<b>247</b>
NHS		112	72	126
PA		28	39	121
<b>Greece</b> 		<b>44</b>	<b>86</b>	<b>107</b>
NHS		41	73	92
PA		3	10	13
Other		-	3	2
<b>Croatia</b> 		<b>1.4</b>	<b>1.4</b>	<b>-</b>
NHS		0.3	0.6	-
PA		1.1	0.9	-
<b>France</b> 		<b>12</b>	<b>24</b>	<b>32</b>
NHS		10	24	26
PA		2	0.3	7
<b>A Total</b>		<b>2,176</b>	<b>3,085</b>	<b>3,335</b>

Non-recourse factoring and lending volumes		1H 2021	1H 2022	1H 2023
<b>Poland</b> 		<b>271</b>	<b>299</b>	<b>296</b>
Healthcare		232	251	269
Local Government Units		39	48	27
<b>Slovakia</b> 		<b>21</b>	<b>10</b>	<b>11</b>
Healthcare		20	8	0.9
Local Government Units		1	2	11
<b>Czech Republic</b> 		<b>0.5</b>	<b>1.1</b>	<b>1.3</b>
Healthcare		0.4	1.1	0.6
Local Government Units		0.1	-	0.8
<b>B Total</b>		<b>292</b>	<b>310</b>	<b>309</b>

<b>A + B</b>	1H 2021	1H 2022	1H 2023
<b>Group Total</b>	<b>2,468</b>	<b>3,395</b>	<b>3,644</b>

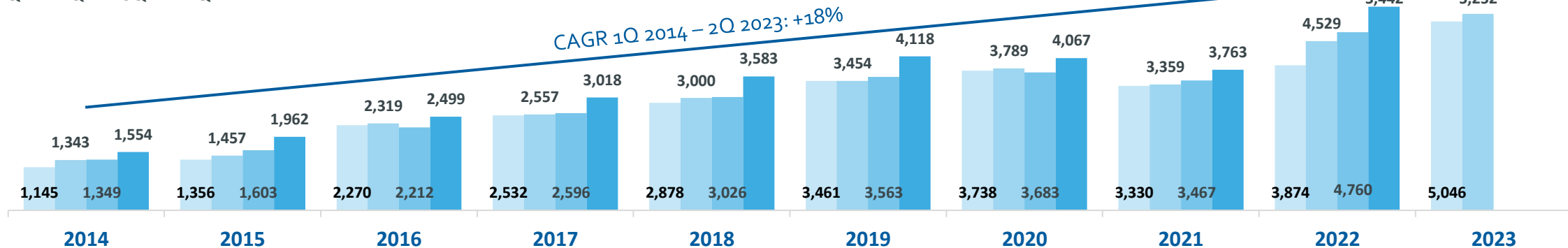
## New Volumes by quarter (€m)

1Q 2Q 3Q 4Q



## Customer Loans by quarter (€m)

1Q 2Q 3Q 4Q



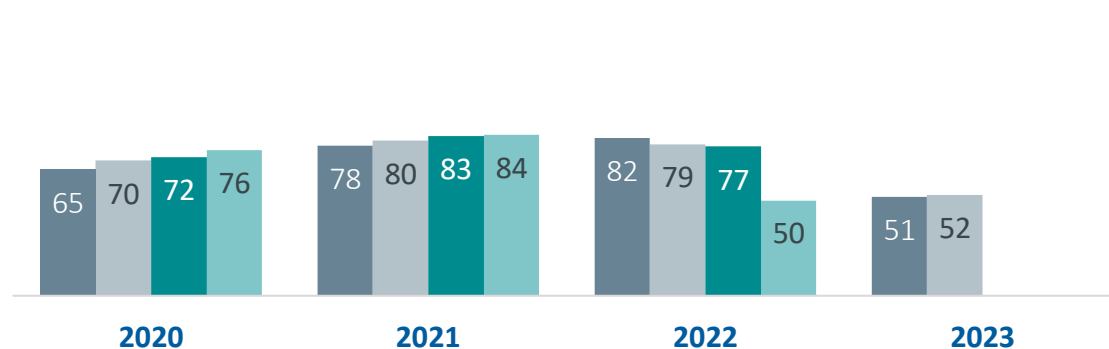


# Factoring & Lending P&L per quarter

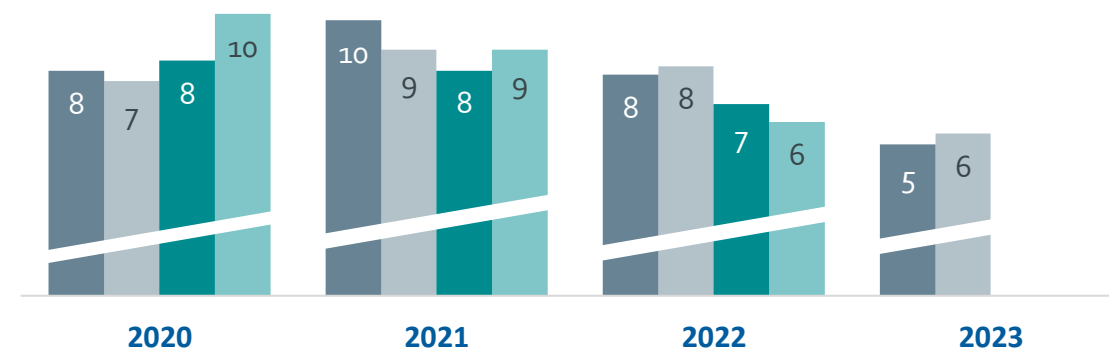
€m	FACTORING & LENDING	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
<b>Net Interest Income</b>		<b>32.9</b>	<b>31.5</b>	<b>32.9</b>	<b>51.5</b>	<b>35.5</b>	<b>39.0</b>	<b>39.8</b>	<b>39.4</b>	<b>43.4</b>	<b>38.2</b>
Net Fee and Commission Income		1.7	1.6	1.2	1.1	1.0	1.3	0.0	1.2	0.8	0.7
Other Income (Expenses)		(0.0)	(0.3)	0.3	-	-	-	-	-	-	-
<b>Net Banking Income</b>		<b>34.7</b>	<b>32.9</b>	<b>34.5</b>	<b>52.6</b>	<b>36.5</b>	<b>40.3</b>	<b>39.8</b>	<b>40.6</b>	<b>44.2</b>	<b>39.0</b>
Other Operating Income (Expenses)		1.5	1.6	0.9	3.4	1.8	2.9	2.6	5.5	5.8	7.0
<b>Total Net Revenues</b>		<b>36.2</b>	<b>34.5</b>	<b>35.3</b>	<b>56.0</b>	<b>38.3</b>	<b>43.3</b>	<b>42.4</b>	<b>46.1</b>	<b>49.9</b>	<b>45.9</b>
Direct OPEX		(8.4)	(9.5)	(9.1)	(10.3)	(9.4)	(9.6)	(9.6)	(13.8)	(10.0)	(11.9)
<i>of which Personnel Expenses</i>		<i>(5.1)</i>	<i>(5.5)</i>	<i>(5.3)</i>	<i>(5.6)</i>	<i>(5.4)</i>	<i>(4.8)</i>	<i>(4.7)</i>	<i>(5.6)</i>	<i>(5.6)</i>	<i>(5.9)</i>
<i>of which G&amp;A</i>		<i>(3.3)</i>	<i>(4.0)</i>	<i>(3.8)</i>	<i>(4.8)</i>	<i>(4.0)</i>	<i>(4.8)</i>	<i>(4.9)</i>	<i>(8.1)</i>	<i>(4.4)</i>	<i>(6.1)</i>
Direct D&A		(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.3)	(0.6)	(0.1)
Loan Loss Provisions		(0.1)	(0.1)	(0.3)	(0.3)	0.0	(2.0)	(1.0)	(2.8)	(0.4)	(1.2)
Net provisions for risks and charges		(0.2)	0.4	0.1	0.0	(0.0)	0.0	0.0	(0.6)	0.2	(0.1)
<b>Profit Before Taxes</b>		<b>27.2</b>	<b>24.9</b>	<b>25.7</b>	<b>45.0</b>	<b>28.5</b>	<b>31.3</b>	<b>31.4</b>	<b>28.7</b>	<b>39.2</b>	<b>32.5</b>

# Payments & Securities Services

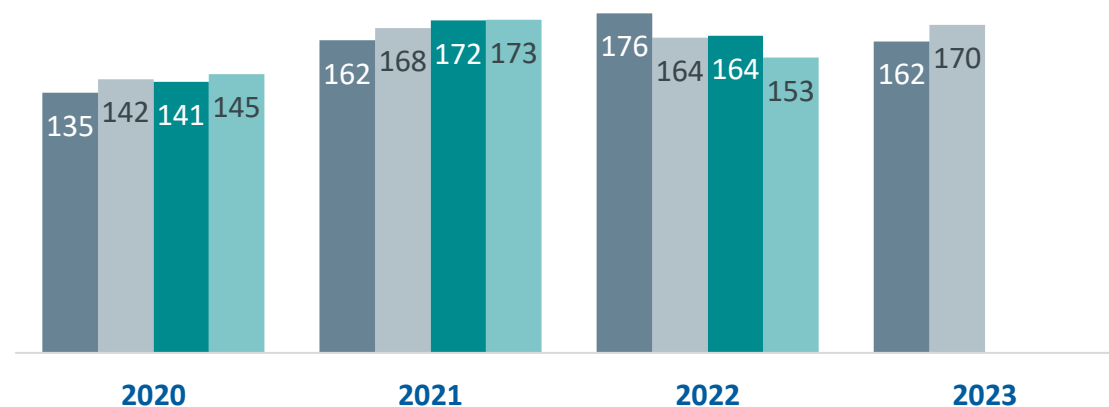
## AuD end of quarter (€bn)



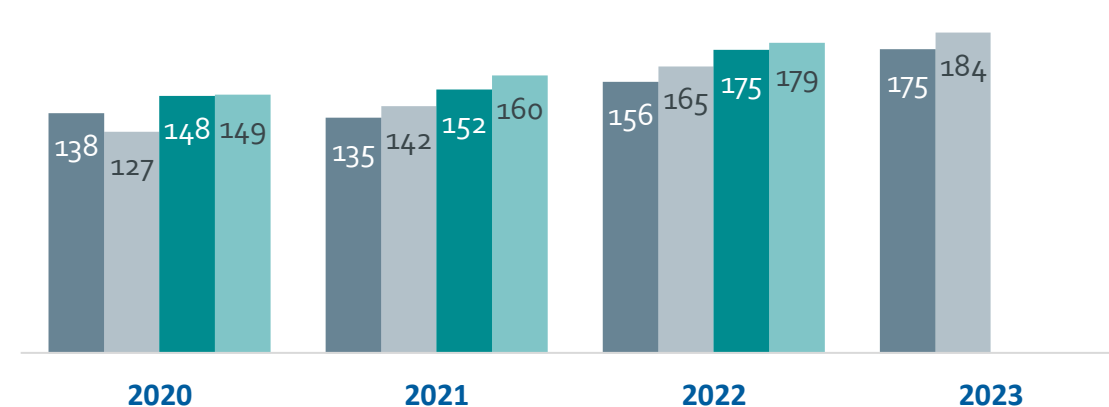
## Deposits end of quarter (€bn)



## AuC end of quarter (€bn)



## Payment transactions by quarter (#m)



■ 1Q ■ 2Q ■ 3Q ■ 4Q

# Payments P&L per quarter

€m PAYMENTS	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
Net Interest Income	0.5	2.6	2.3	1.9	2.1	2.0	1.5	1.0	1.8	2.8
Net Fee and Commission Income	10.3	10.5	12.3	10.7	10.3	10.5	10.5	14.1	11.7	11.8
<b>Net Banking Income</b>	<b>10.7</b>	<b>13.1</b>	<b>14.6</b>	<b>12.5</b>	<b>12.4</b>	<b>12.5</b>	<b>12.0</b>	<b>15.1</b>	<b>13.4</b>	<b>14.6</b>
Other Operating Income (Expenses)	2.7	2.8	2.8	2.8	2.5	3.1	3.2	2.4	2.5	3.3
<b>Total Net Revenues</b>	<b>13.4</b>	<b>16.0</b>	<b>17.4</b>	<b>15.3</b>	<b>14.9</b>	<b>15.6</b>	<b>15.2</b>	<b>17.6</b>	<b>15.9</b>	<b>17.9</b>
Direct OPEX	(7.5)	(7.8)	(7.8)	(7.6)	(7.5)	(7.9)	(8.1)	(8.4)	(7.9)	(8.1)
<i>of which Personnel Expenses</i>	<i>(1.0)</i>	<i>(0.9)</i>	<i>(0.9)</i>	<i>(0.8)</i>	<i>(0.9)</i>	<i>(0.9)</i>	<i>(0.9)</i>	<i>(1.0)</i>	<i>(1.0)</i>	<i>(1.1)</i>
<i>of which G&amp;A</i>	<i>(6.6)</i>	<i>(6.9)</i>	<i>(6.9)</i>	<i>(6.8)</i>	<i>(6.5)</i>	<i>(7.0)</i>	<i>(7.1)</i>	<i>(7.4)</i>	<i>(6.9)</i>	<i>(7.0)</i>
Direct D&A	(0.2)	(0.2)	(0.2)	0.5	(0.1)	(0.1)	(0.0)	(0.1)	(0.2)	(0.2)
Loan Loss Provisions	-	-	-	-	-	-	-	-	-	-
Net provisions for risks and charges	-	-	-	-	(0.0)	0.1	(0.0)	(0.1)	0.1	0.3
<b>Profit Before Taxes</b>	<b>5.7</b>	<b>7.9</b>	<b>9.3</b>	<b>8.2</b>	<b>7.4</b>	<b>7.8</b>	<b>7.1</b>	<b>9.0</b>	<b>7.9</b>	<b>9.9</b>

# Securities Services P&L per quarter

€m	SECURITIES SERVICES	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
	<b>Net Interest Income</b>	<b>3.0</b>	<b>1.5</b>	<b>2.1</b>	<b>4.2</b>	<b>2.7</b>	<b>2.3</b>	<b>0.5</b>	<b>3.3</b>	<b>1.2</b>	<b>1.1</b>
	Net Fee and Commission Income	10.9	11.4	11.7	12.1	11.8	11.7	12.1	6.8	5.8	6.5
	<b>Net Banking Income</b>	<b>13.9</b>	<b>12.8</b>	<b>13.9</b>	<b>16.4</b>	<b>14.5</b>	<b>14.0</b>	<b>12.6</b>	<b>10.1</b>	<b>7.0</b>	<b>7.6</b>
	Other Operating Income (Expenses)	0.2	0.2	0.2	0.4	0.0	(0.1)	(0.0)	1.3	0.0	0.0
	<b>Total Net Revenues</b>	<b>14.0</b>	<b>13.0</b>	<b>14.0</b>	<b>16.8</b>	<b>14.6</b>	<b>14.0</b>	<b>12.6</b>	<b>11.4</b>	<b>7.0</b>	<b>7.6</b>
	Direct OPEX	(7.0)	(7.1)	(6.9)	(7.5)	(6.3)	(6.6)	(6.1)	(5.6)	(5.0)	(5.1)
	<i>of which Personnel Expenses</i>	<i>(3.2)</i>	<i>(3.1)</i>	<i>(3.1)</i>	<i>(2.8)</i>	<i>(3.1)</i>	<i>(3.1)</i>	<i>(3.0)</i>	<i>(3.1)</i>	<i>(2.8)</i>	<i>(2.9)</i>
	<i>of which G&amp;A</i>	<i>(3.8)</i>	<i>(4.0)</i>	<i>(3.8)</i>	<i>(4.7)</i>	<i>(3.1)</i>	<i>(3.4)</i>	<i>(3.0)</i>	<i>(2.6)</i>	<i>(2.2)</i>	<i>(2.3)</i>
	Direct D&A	(0.3)	(0.2)	(0.2)	0.5	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.2)
	Loan Loss Provisions	-	-	-	-	-	-	-	-	-	-
	Net provisions for risks and charges	-	-	-	-	(0.4)	(0.1)	0.1	0.4	-	-
	<b>Profit Before Taxes</b>	<b>6.7</b>	<b>5.6</b>	<b>6.9</b>	<b>9.8</b>	<b>7.8</b>	<b>7.2</b>	<b>6.6</b>	<b>6.1</b>	<b>1.9</b>	<b>2.3</b>

# Corporate Center P&L per quarter

€m CORPORATE CENTER	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023
<b>Net Interest Income<sup>(1)</sup></b>	<b>7.4</b>	<b>5.5</b>	<b>13.7</b>	<b>8.9</b>	<b>14.5</b>	<b>15.2</b>	<b>19.4</b>	<b>24.4</b>	<b>14.0</b>	<b>17.9</b>
Net Fee and Commission Income	(0.5)	(0.4)	(0.2)	(0.1)	(0.2)	(0.6)	0.2	(0.1)	(0.6)	(0.5)
Other Income	4.6	0.0	1.8	(0.0)	9.1	2.0	2.2	1.8	25.5	0.5
<b>Net Banking Income</b>	<b>11.5</b>	<b>5.2</b>	<b>15.2</b>	<b>8.8</b>	<b>23.4</b>	<b>16.6</b>	<b>21.8</b>	<b>26.0</b>	<b>38.9</b>	<b>18.0</b>
Other Operating Income (Expenses)	1.0	4.6	2.2	1.0	0.8	0.9	0.7	3.0	0.1	0.6
<b>Total Net revenues</b>	<b>12.5</b>	<b>9.7</b>	<b>17.4</b>	<b>9.9</b>	<b>24.2</b>	<b>17.5</b>	<b>22.5</b>	<b>29.0</b>	<b>39.0</b>	<b>18.6</b>
<i>Direct OPEX</i>	(16.0)	(24.6)	(14.2)	(17.6)	(12.3)	(18.7)	(12.9)	(17.0)	(13.8)	(21.9)
<i>of which Personnel Expenses</i>	(9.1)	(7.4)	(9.2)	(8.9)	(7.6)	(8.8)	(7.6)	(8.7)	(7.8)	(7.5)
<i>of which G&amp;A</i>	(6.9)	(17.2)	(4.9)	(8.7)	(4.6)	(9.8)	(5.2)	(8.3)	(5.9)	(14.4)
D&A	(1.7)	(1.7)	(1.9)	(1.6)	(1.7)	(1.6)	(1.8)	(1.1)	(1.5)	(1.5)
Loan Loss Provisions	1.0	0.5	0.4	0.3	0.0	(0.3)	(0.1)	0.6	(0.1)	(0.5)
Net provisions for risks and charges	0.2	2.0	0.2	0.0	(0.2)	0.4	(0.1)	(0.2)	(0.2)	0.2
<b>Adjusted Profit Before Taxes</b>	<b>(4.0)</b>	<b>(14.1)</b>	<b>1.9</b>	<b>(8.9)</b>	<b>10.1</b>	<b>(2.6)</b>	<b>7.6</b>	<b>11.3</b>	<b>23.4</b>	<b>(5.1)</b>

(1) Net Interest Income includes gains / losses on derivatives used to manage the hedging of currencies and interest rate exposure.

# 1H22 summary P&L

€m	F&L	SEC SER	PAYM.	CC	ADJUSTED	Adjustments	REPORTED <sup>(1)</sup>
Interest Income	101.6	6.2	4.5	23.8	136.1	-	136.1
Interest Expenses	(27.1)	(1.2)	(0.5)	0.9	(27.8)	-	(27.8)
<b>Net Interest Income</b>	<b>74.6</b>	<b>5.0</b>	<b>4.1</b>	<b>24.6</b>	<b>108.3</b>	<b>-</b>	<b>108.3</b>
Net Fee and Commission Income	2.3	23.5	20.8	(0.8)	45.8	-	45.8
Dividends	-	-	-	7.1	7.1	-	7.1
Gains/Losses on Trading	-	-	-	5.1	5.1	1.2	6.3
Fair value adjustments in hedge accounting	-	-	-	-	-	-	-
Gains/losses on disposal/repurchase of	-	-	-	-	-	-	-
<i>a) financial assets measured at amortized cost</i>	-	-	-	-	-	-	-
<i>b) financial assets measured at fair value through OCI</i>	-	-	-	-	-	-	-
<i>c) financial liabilities</i>	-	-	-	-	-	-	-
Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss	-	-	-	4.0	4.0	-	4.0
<i>a) financial assets and liabilities designated at fair value</i>	-	-	-	-	-	-	-
<i>b) other financial assets mandatorily measured at fair value</i>	-	-	-	4.0	4.0	-	4.0
<b>Net Banking Income</b>	<b>76.8</b>	<b>28.6</b>	<b>24.9</b>	<b>40.0</b>	<b>170.3</b>	<b>1.2</b>	<b>171.4</b>
Net adjustments/reversals of impairment for credit risk concerning:	(2.0)	-	-	(0.2)	(2.3)	-	(2.3)
<i>a) financial assets measured at amortized cost</i>	(2.0)	-	-	(0.2)	(2.4)	-	(2.4)
<i>b) financial assets measured at fair value through OCI<sup>(2)</sup></i>	0.0	-	-	(0.0)	0.2	-	0.2
Administrative and Personnel Expenses	(19.0)	(12.8)	(15.4)	(30.9)	(78.2)	(9.7)	(87.9)
Net provisions for risks and charges	-	(0.5)	0.1	0.3	(0.1)	-	(0.1)
<i>a) commitments and guarantees provided</i>	-	0.3	-	-	0.3	-	0.3
<i>b) other net allocations</i>	-	(0.8)	0.1	0.3	(0.4)	-	(0.4)
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	(0.7)	(0.1)	(0.1)	(3.3)	(4.3)	(1.4)	(5.7)
Other Operating Income (Expenses)	4.7	(0.0)	5.7	1.6	12.0	-	12.0
<b>Profit Before Income Taxes from Continuing Operations</b>	<b>59.8</b>	<b>15.1</b>	<b>15.1</b>	<b>7.5</b>	<b>97.4</b>	<b>(10.0)</b>	<b>87.5</b>
Income Taxes					(28.9)	(1.9)	(30.8)
<b>Net Income</b>					<b>68.5</b>	<b>(11.9)</b>	<b>56.6</b>

(1) The item «Fair value adjustments in hedge accounting» has been reclassified in «Gains / Losses on Trading» and in «Interest Expenses». Costs related to deferred employees' benefits, previously accounted in «Net provision for risks and LLP» are reclassified in «Personnel Expenses».

(2) "Financial assets measured at fair value through OCI" includes "Gains (Losses) on equity investments" accounted separately in the consolidated financial accounts.

