



a bank like no other®

# 1H 2024 Results

*5<sup>th</sup> August 2024*

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## Response to Bank of Italy

- Response to Bank of Italy on credit classification, governance and remuneration submitted on 11-Jul-24.
- Prudential reclassification of credit portfolio requested by Bank of Italy generates incremental Past Due of €1,429m, incremental RWAs of €1,801m and IFRS 9 incremental provisions of €0.7m.

## Operating performance

- 1H24 Adjusted Net Profit at €71.0m, +5%YoY excluding 1Q23 capital gain on bond sale.
- LPI and Recovery Cost Rights accrual rate increased at 65% from 50%, generating €109m capital uplift.
- Loan book at €5.6bn, +7%YoY, a new historical 1H high.
- Stable Balance Sheet, high liquidity with strong YoY growth (+10%) of deposits at €8.1bn. Loan/deposit ratio at 69%.
- Late Payment Interest rate at 12.25% from 1-Jul-24.

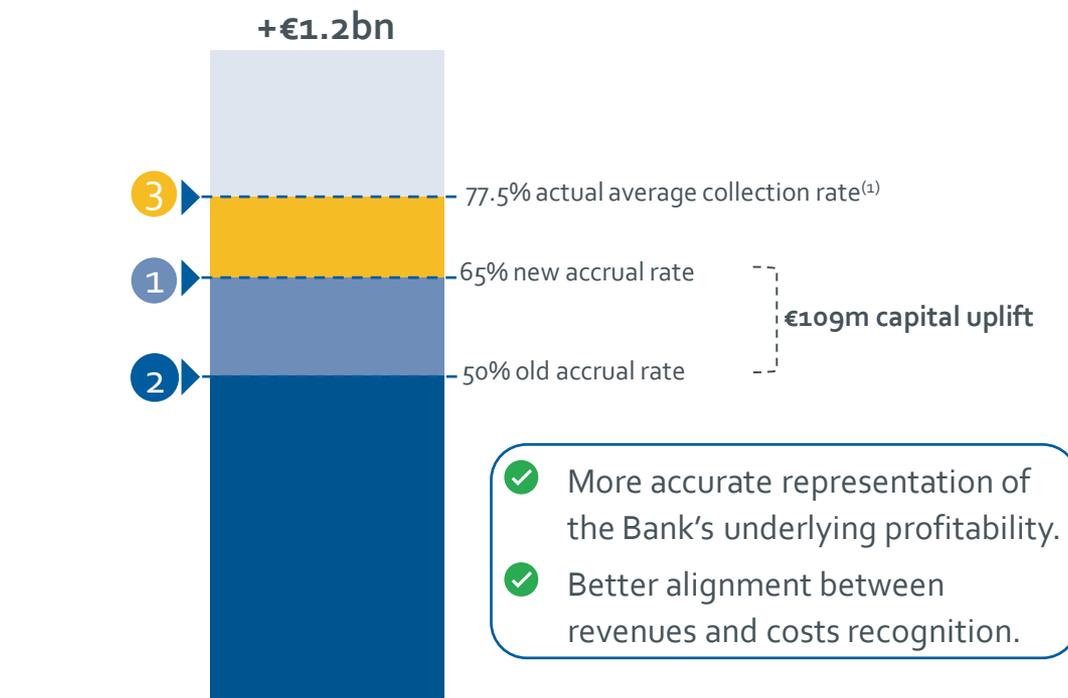
## Capital

- CET1 ratio at 11.9% – close to 12% dividend distribution threshold – and TCR at 14.8%, including 1H24 Net Profit, well above the SREP ratio.
- Significantly improved Leverage ratio at 6.2%.

# Step-up of the accrual rate drives €109m capital uplift

## Total LPI and Recovery Costs Funds @ 30/06/2024

- 1 Increase in the accrual rate of LPI and Recovery Costs to 65% from 50% **2**, generating as of 30-Jun-24 €109m capital uplift.
- 3 Still well below the 77.5% historical level of collection<sup>(1)</sup>.



(1) WAVG in the period 2015-2023.

# Fully addressed Bank of Italy findings on credit reclassification, governance and remuneration



## Credit reclassification

Applied reclassification for prudential purposes to the loan portfolio generating incremental Past Due of €1,429m and incremental RWAs of €1,801m as of 30-Jun-24, **with unchanged risk profile.**



## Governance

Governance matters addressed by BFF by means of an action plan approved by the Bank's corporate bodies.



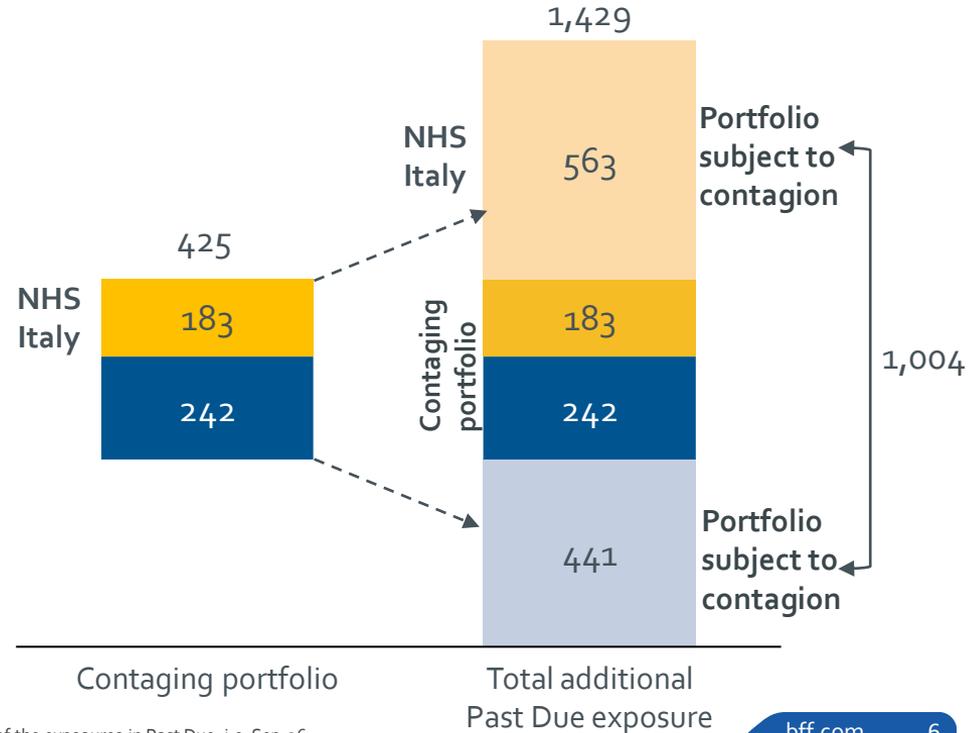
## Remuneration

Measures undertaken to remove the compliance findings through 2024 Remuneration Policy and agreement on different implementations of CEO's contract.

# €1.4bn Past Due inflation generated by €425m back book exposure

- €425m back book generates further €1,004m Past Due on performing book, due to contagion rules.
- Future collection of back book exposures frees up front book.
- BFF options to reduce back book: (i) acceleration of collection, particularly on Italian NHS, (ii) application of other mitigants to be agreed with Bank of Italy and (iii) faster legal processes.
- Any possible calendar provisioning<sup>(1)</sup> released overtime with the collection of the principal amount.

## Additional Past Due exposure (€m, as of 30-Jun-24)



(1) The prudential backstop application will start at the end of the second year from the date of classification of the exposures in Past Due, i.e. Sep-26.

# Portfolio management strategy

		Past Due	
	New Business	Front Book	Back Book
Purchasing criteria	Unchanged	Not applicable	Not applicable
Collection	From ordinary legal actions to injunctions ↓ Ordinary collections	Collection through injunctions ↓ Deflation of Past Due and RWA, driven by Back Book clearing and capital release	Settlement agreements Conclusion of legal actions ↓
RWA	Marginal increase	Decrease over time (capital release upon collection)	

# Economic and financial outlook remains substantially unchanged, confirmed 2026 financial targets

		2023
Adjusted Net Profit <sup>(1)</sup> (€m)		183.2
EPS (€ per share)		0.98
Cumulated dividends (FY23-26) (€m)		183.2
RoTE <sup>(3)</sup> (%)		41%
CET1 ratio (%)		14.2%
Cost/Income (%)		41%



## 2026 Business Plan targets

255 – 265	
1.37 – 1.43 <sup>(2)</sup>	
>720	
>50% (ex. accrual rate step-up) >40% (in. accrual rate step-up)	
>12%	
<40%	

(1) Net income reported less extraordinary expenses including the portion of stock options which is accounted through P&L; (2) €1.34-1.39 p.s. fully diluted, based on maximum dilution related to all outstanding stock-option plans; (3) RoTE: Adj. Net Profit / (Year-end Equity book value – Reported Net Income + Interim dividend - AT1 – Year End Intangibles).

# Adjusted Net Income +5% YoY, excluding 1Q23 capital gain

- 1 1H24 Total Revenues up by 20% YoY excl. 1Q23 capital gain (+13% YoY incl.).
- 2 Cost of funding reflecting higher interest rates.
- 3 1H24 Total Net Revenues up by 9% YoY excl. 1Q23 capital gain (-2% YoY incl.).
- 4 Costs +4% despite investments, inflation and banking sector contract renewal in Italy.
- 5 1H24 provisions at €6.3m, due to IFRS 9 for €0.7m, VAT credit in Italy and longer collection time related to a public exposure in Poland.
- 6 Net income at €71.0m, +5% YoY excl. 1Q23 capital gain (-13% YoY incl.).

<u>Adjusted P&amp;L (€m)</u>		1H 2023	1H 2024
		★ Including €19.8m capital gain pre-tax	
	Revenues F&L	186.2	218.0
	Revenues Payments	29.2	32.5
	Revenues Securities Services	12.4	11.8
	Other Revenues	★ 124.6	136.1
	<i>of which HTC Bond portfolio</i>	78.6	102.2
1	Total Revenues <sup>(1)</sup>	★ 352.4	398.4
2	Cost of funding <sup>(2)</sup>	(150.9)	(201.1)
3	Total Net Revenues	★ 201.4	197.3
4	OPEX incl. D&A	(88.0)	(91.3)
	<i>Cost / Income (%)</i>	44%	46%
5	Provisions	(1.4)	(6.3)
	PBT	★ 112.0	99.7
6	Net Income	★ 81.9	71.0

(1) Includes Gains (Losses) on equity investments; (2) Includes gains / losses on derivatives used to manage the hedging of currencies and interest rates exposure.

# Better leverage ratio, higher liquidity and lower Repos YoY

- 1 Loan book +7% YoY at €5.6bn.
- 2 Bond portfolio reduced by 5% YoY at €5.0bn.
- 3 Increase in retail deposits (+€0.9bn YoY, +52%) and improved Loan/deposit ratio YoY at 69%.
- 4 Reduction in Repos, down by €1.0bn YoY.
- 5 Leverage ratio at 6.2%, thanks to higher equity.

<u>Balance Sheet (€m)</u>	1H 2023	FY 2023	1H 2024
<u>Assets</u>			
1 Loans & Receivables portfolio	5,252	5,617	5,612
2 HTC Bond portfolio	5,208	4,957	4,951
Intangibles	69	75	71
Other assets <sup>(1)</sup>	1,478	1,644	1,525
<b>Total Assets</b>	<b>12,008</b>	<b>12,292</b>	<b>12,159</b>
<u>Liabilities &amp; Equity</u>			
Deposits from transaction services	5,603	6,381	5,461
3 On-line deposits	1,744	2,744	2,652
4 Repos	3,204	1,667	2,215
Other liabilities (inc. Bonds)	706	742	1,017
Equity (inc. Tier I)	751	759	814
<b>Total Liabilities &amp; Equity</b>	<b>12,008</b>	<b>12,292</b>	<b>12,159</b>
<u>Ratio</u>			
3 Loan / deposit ratio (%)	71%	62%	69%
5 Leverage ratio (%)	5.0%	4.8%	6.2%
1 Off-Balance sheet reserves	566	606	467

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

# Factoring & Lending: +17% YoY in revenues

- **Gross Interest Income up by 19% YoY**, with accrual rate step up partially offset by lower Net LPIs over-recovery YoY (-€4.2m).
- **Other Income (Expenses)** at €12.9m primarily related to “recovery costs” rights (€9.0m vs. €11.4m in 1H23), partially due to lower volumes in Italy.

- **Gross Yield on average loans** at 7.6%, +13% YoY.

- **Total LPIs and “Recovery cost” funds** at €1,169m (+€95m, +9% YoY).
- Still **significant deferred profitability**, with off-balance sheet funds at €467m, despite step up of accrual rate at 65%.

(€m)	1H23	1H24
<b>Gross Interest Income</b>	171.9	205.1
<i>of which Net LPIs over-recovery</i>	4.9	0.6
Other Income (Expenses)	14.3	12.9 <sup>(1)</sup>
<b>Revenues</b>	<b>186.2</b>	<b>218.0</b>

(%)	1H23	1H24
Gross Yield on average loans	6.7%	7.6% <sup>(2)</sup>

	@50% accrual	@65% accrual
(€m)	1H23	1H24
<b>Total funds</b> <b>A = B + C</b>	<b>1,074</b>	<b>1,169</b>
of which LPIs fund <b>B</b>	823	916
<i>of which Off-Balance sheet</i> <b>D</b>	441	380
of which Recovery Costs fund <b>C</b>	251	253
<i>of which Off-Balance sheet</i> <b>E</b>	126	87
<b>Total Off-BS funds</b> <b>F = D + E</b>	<b>566</b>	<b>467</b>

(1) Includes Gains (Losses) on equity investments; (2) Average Loans do not include accrued “Recovery cost” rights.

# Factoring & Lending KPIs: loan book growth at 7% YoY

- 1H24 **loan book** at €5.6bn, a new historical high for 1H:
  - Italy, +2%YoY, still penalized by the departure of Italian Commercial Director;
  - Spain up 58%YoY, reflecting good trend of volumes;
  - Poland and Greece confirm positive growth trend.

- Positive performance of **volumes**: +5%YoY at €3.8bn, with double-digit growth in Poland, Spain and Greece.
- Italy down 11%YoY. New sales organization introduced from 2Q24, with new Commercial Director in Italy from Jul-24.
- Slovakia down 50%YoY due to shift to NHS with longer duration and higher margins.

Loans & Receivables (€m)	1H23 <sup>(1)</sup>	1H24 <sup>(1)</sup>	% YoY
Italy	3,375	3,429	2%
Poland	891	976	10%
Spain	306	482	58%
Portugal	250	248	-1%
Slovakia	239	248	4%
Greece	174	213	22%
Other Countries	17	18	3%
<b>Total</b>	<b>5,252</b>	<b>5,612</b>	<b>7%</b>

Volumes (€m)	1H23	1H24	% YoY
Italy	2,180	1,941	-11%
Poland	296	416	41%
Spain	770	1,055	37%
Portugal	247	230	-7%
Slovakia	11	6	-50%
Greece	107	127	19%
Other Countries	33	35	6%
<b>Total</b>	<b>3,644</b>	<b>3,810</b>	<b>5%</b>

(1) Including fiscal receivables "Ecobonus" for €347m in 1H24 (€238m in 1H23), which are accounted in «Other Assets» in the Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPIs at €702m at the end of 1H24 (€508m at the end of 1H23).

# Payments: very positive dynamic of transactions +24% YoY and revenues +11% YoY

- **Transactions** at 444m, +24% YoY, thanks to new client banks in the instant payment and SEPA segments.

- **Revenues** up YoY at €32.5m, +11% YoY, increasing less than volumes due to flat fee mechanism.

- 1H24 **Deposits** at €2.8bn, down by 7% YoY, due to lower liquidity in the banking system.

<i>(m)</i>	1H23	1H24
N° of transactions	359	444

<i>(€m)</i>	1H23	1H24
<b>Revenues</b>	<b>29.2</b>	<b>32.5</b>
of which Net Fees and Commissions	23.4	26.6
of which Other	5.8	5.9

<i>(€m)</i>	1H23	1H24
EoP Deposits	2,976	2,762

# Securities Services: +23% growth in AuD

- **Depository Bank's AuD** at €64.2bn, +23%YoY. Onboarding of Cassa Forense (c. €17bn AuD) expected in 2H24. Positive net inflows of €5.1bn in 1H24.
- **Global Custody's AuC** at €119.1bn, up by 13%YoY, excluding the low margin client exited in 4Q23.

- **Revenues** slightly downYoY, due to the loss of the low margin client and contract renegotiations.

- 1H24 **Deposits** at €2.7bn, +3%YoY.

(€m)	1H23	1H24
Depository Bank (AuD EoP)	52,395	64,202
Global Custody (AuC EoP)	169,859	119,065

with ~€65bn from low margin client exited in 4Q23

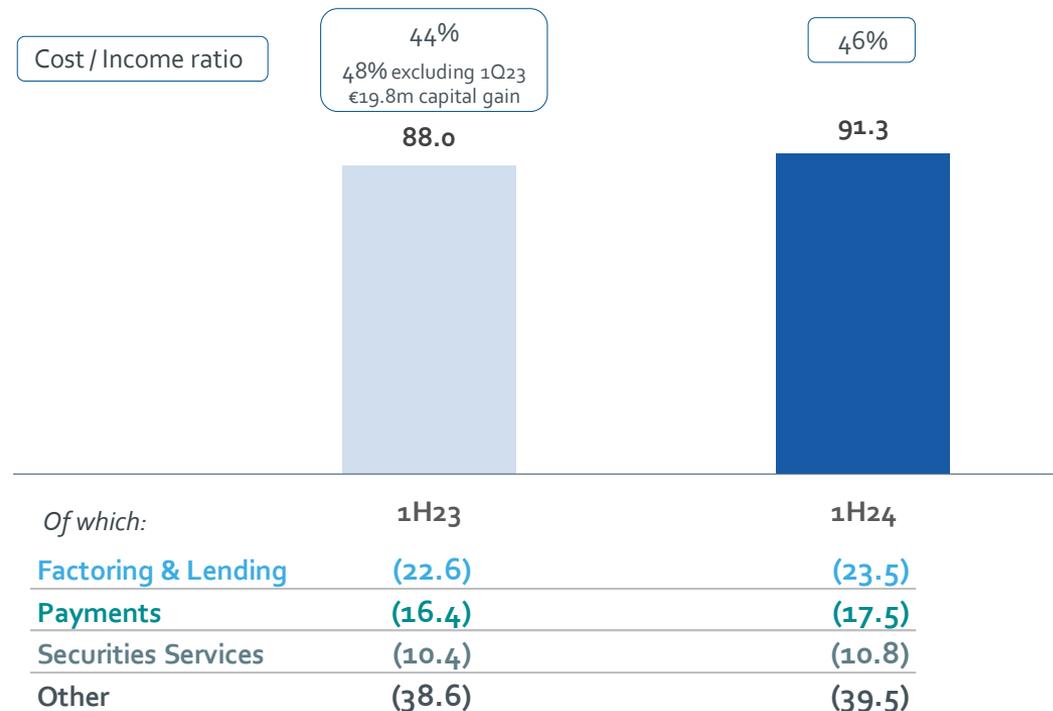
(€m)	1H23	1H24
<b>Revenues</b>	<b>12.4</b>	<b>11.8</b>
of which Net Fees and Commissions	12.3	11.8
of which Other	0.0	0.0

(€m)	1H23	1H24
EoP Deposits	2,626	2,699

# Strong cost discipline despite investments, inflation and renewal of collective agreement in Italy

- Costs increase only by 4% despite investments, inflation and renewal of banking sector national contract in Italy.
- F&L: Opex and D&A at €23.5m, +4% YoY, related to personnel costs.
- Payments: Opex and D&A up by 7% YoY, related to ICT and personnel costs.
- Securities Services: Opex and D&A up by 4% YoY, in relation to ICT systems upgrade and personnel costs.
- Other: Opex and D&A at €39.5m, almost flat YoY, with no contribution to Resolution Fund.

## Group Opex and D&A (€m)



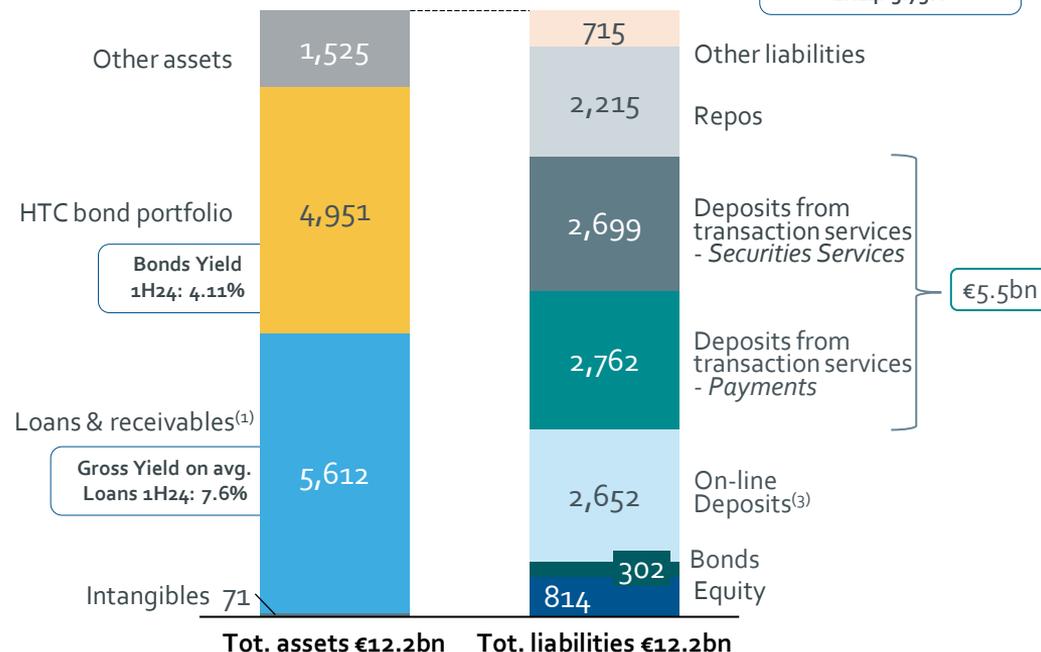
# Stable Balance Sheet, ample funding available

- Deposits at €8.1bn at 1H24, +10%YoY.
- Cost of funding lower than the average market reference rates.
- No ECB funding to be refinanced.
- Yield on floaters at 4.90%. Further reduction in fixed bond portfolio.

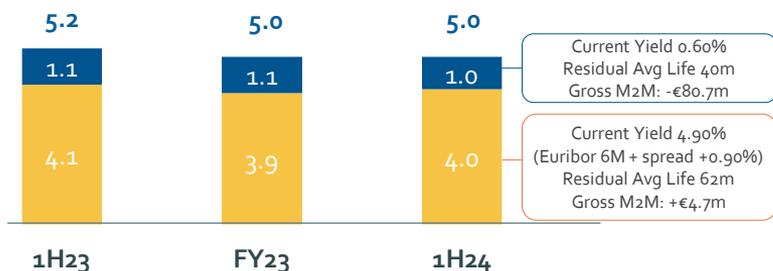
Leverage ratio	6.2%	L/D	69%	NSFR	134.4%	LCR	208.5%
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## Balance Sheet Breakdown 1H24 (€m)

Group Cost of funding<sup>(2)</sup>  
1H24: 3.75%



## HTC bond portfolio (€bn)



■ Float ■ Fixed

(1) Including fiscal receivables "Ecobonus" for €347m, which are accounted in «Other Assets» in Consolidated Financial Accounts, and stock of on balance-sheet "Recovery cost" rights and LPs at €702m. (2) Including EUR-PLN FX swaps of €4.7m from management accounts. (3) On-line deposits in zloty equal to €401m.

# Reclassification of credit exposures requested by Bank of Italy drives up Past Due, with an unchanged risk profile

**A** NPE at €1,814.2m, reflecting an increase in Past Due as a result of the portfolio reclassification for prudential purposes in relation to Bank of Italy inspection report.

Considering that BFF exposure is almost entirely towards Public Administration (98% of NPE **B**), the reclassification does not entail additional credit risk.

**C** NPLs, mainly municipalities in conservatorship<sup>(1)</sup>, down by 3% vs. YE23.

**D** UTP at €25.3m, increased vs. YE23 mainly due to public exposure in Poland.

**E** Cost of Risk in 1H24 at 12.5bps.

(€m)	1H23	FY23	1H24
Net NPLs	89.9	99.8	96.5
<i>of which Italian Municipalities</i>	83.3	92.6	90.9
<i>of which Others</i>	6.6	7.2	5.6
Net UTP	13.1	13.7	25.3
Net Past Due	200.0	219.9	1,692.4
<b>Net Impaired Loans</b>	<b>303.0</b>	<b>333.4</b>	<b>1,814.2</b>
		€263.8m 1H24 Past Due pre reclassification	98% public sector
<i>NPL ratio excluding Italian Municipalities</i>	0.1%	0.1%	0.1%
<i>NPL Coverage ratio excluding Italian Municipalities</i>	76%	75%	80%

<b>Annualized Cost of Risk (bps on loans)</b>	<b>7.3</b>	<b>9.4</b>	<b>12.5</b>
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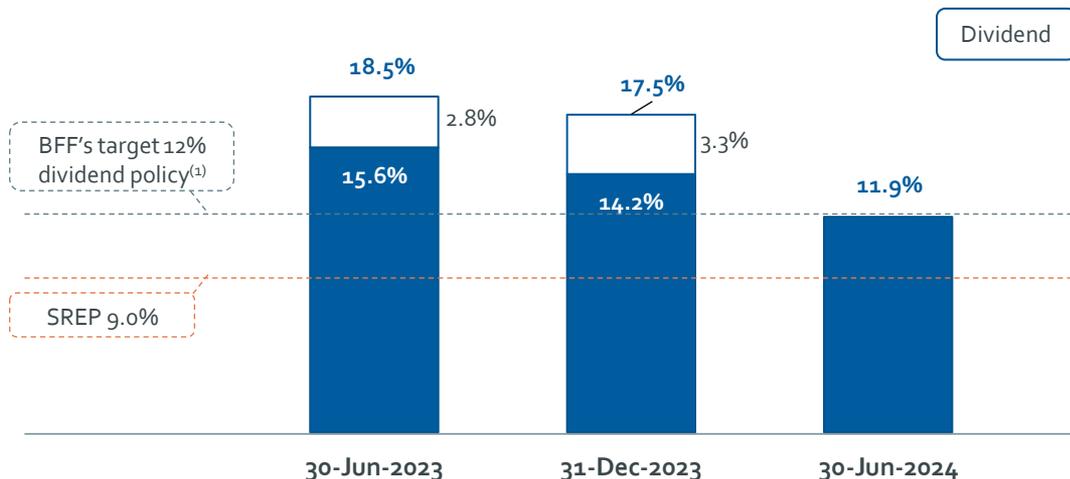
(1) Municipalities in conservatorship are classified as NPLs by regulation, despite BFF is legally entitled to receive 100% of the principal and LPIs at the end of the recovery process.

# Capital ratios well above regulatory targets

- **CET1 ratio at 11.9% and TCR at 14.8%**, including 1H24 Net Profit, well above the 9% CET1 SREP ratio and 12.5% TCR SREP ratio. €7m to reach 12% CET1 dividend payment threshold.
- Higher RWA density at 71% vs. 43% at YE23, following reclassification requested by Bank of Italy.
- Confirmed dividend policy.
- Dividend payment subject to lift of dividend ban by Bank of Italy.

RWAs €m	2,896	3,077	5,029
RWAs density <sup>(2)</sup>	44%	43%	71%

## Common Equity Tier 1 ratio



(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](#)". Dividend payments subject to compliance with all regulatory capital requirements; (2) Calculated as RWAs/Total assets excluding HTC bond portfolio and Cash and Cash Balances.

➤ Pro-active receivable management and reduction of back book to deflate RWA

➤ Rebuilding commercial drive in Factoring and Lending in Italy

➤ Prepare for 4Q peak LPIs and Recovery costs' collection

➤ Close monitoring of Late Payment Directive revision

# Upcoming Events

6<sup>th</sup> – 7<sup>th</sup> Aug-24

1H24 post-results Roadshow – Milan, London, virtual

10<sup>th</sup> Sep-24

Barclays – 22<sup>nd</sup> Annual Global Financial Services Conference – New York

18<sup>th</sup> Sep-24

Morgan Stanley – 2024 Fixed Income Southern European FIG Conference – London

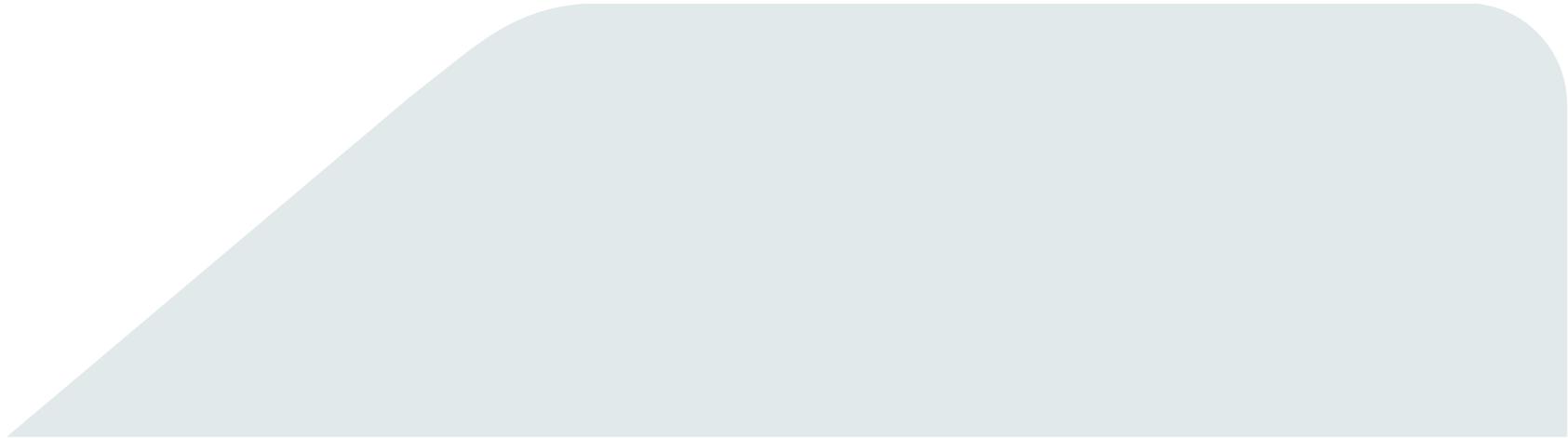
24<sup>th</sup> Sep-24

Bank of America – 29<sup>th</sup> Annual Financials CEO Conference – London

8<sup>th</sup> Oct-24

Intesa Sanpaolo – 2024 Italian Excellences Mid Corporate Conference – Paris

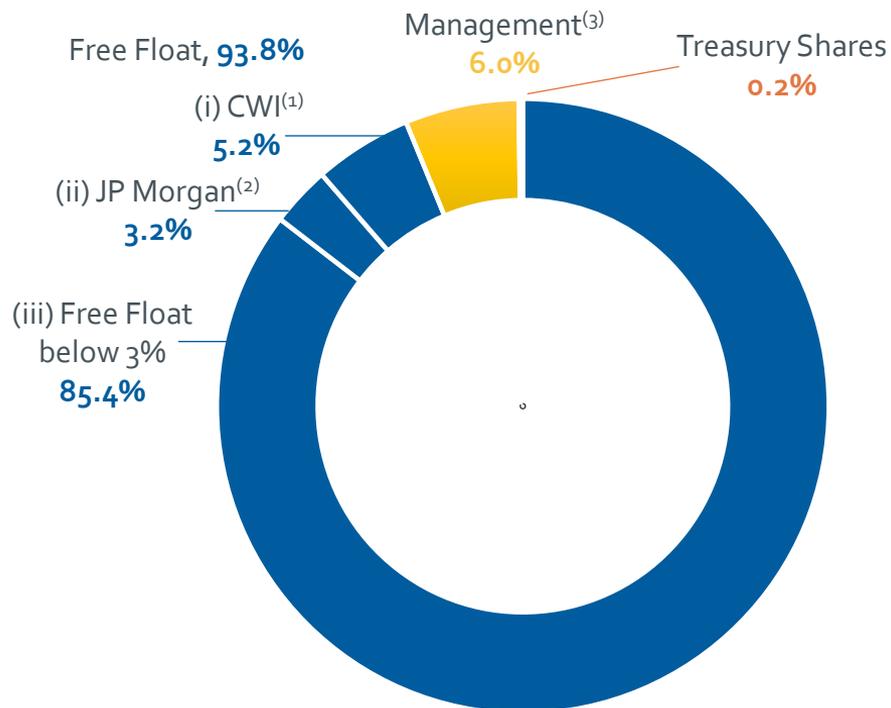
# Appendix



# Glossary

<b>AT1</b>	Additional Tier 1	<b>G&amp;A</b>	General and Administrative	<b>PAYM</b>	Payments
<b>AuC</b>	Assed Under Custody	<b>H</b>	Half	<b>PBT</b>	Profit before taxes
<b>AuD</b>	Assed Under Depository	<b>HTC</b>	Held To Collect	<b>p.s.</b>	per share
<b>Avg.</b>	Average	<b>ICT</b>	Information and Comunication Technologies	<b>Q</b>	Quarter
<b>BoI</b>	Bank of Italy	<b>KPIs</b>	Key performance indicators	<b>Repo(s)</b>	Repurchase agreement(s)
<b>bps</b>	Basis Points	<b>L/D</b>	Loan to Deposit ratio	<b>RoTE</b>	Return on Tangible Equity
<b>BS</b>	Balance Sheet	<b>LCR</b>	Liquidity Coverage Ratio	<b>RR</b>	Recovery Costs Rights
<b>CAGR</b>	Compounded annual growth rate	<b>LPI</b>	Late Payment Interest	<b>RWA</b>	Risk Weighted Assets
<b>CC</b>	Corporate Center	<b>M2M</b>	Mark to Market	<b>SEPA</b>	Single Euro Payments Area
<b>CET1</b>	Common Equity Tier 1	<b>NHS</b>	Nation Health Service	<b>SREP</b>	Supervisory Review and Evaluation Process
<b>D&amp;A</b>	Depreciation and Amortization	<b>NPE</b>	Non-performing exposures	<b>SEC SER</b>	Securities Services
<b>ECB</b>	European Central Bank	<b>NPL</b>	Non Performing Loans	<b>TCR</b>	Total Capital Ratio
<b>EoP</b>	End of Period	<b>NSFR</b>	Net Stable Funding Ratio	<b>TS</b>	Transaction Services
<b>EPS</b>	Earning per share	<b>OCI</b>	Other comprehensive income	<b>UTP</b>	Unlikely to Pay
<b>Euribor</b>	Euro InterBank Offered Rate	<b>OPEX</b>	Operating Expenditures	<b>VAT</b>	Value Added Tax
<b>F&amp;L</b>	Factoring and Lending	<b>P&amp;L</b>	Profit and Loss	<b>WVAG</b>	Weighthed average
<b>FY</b>	Full Year	<b>PA</b>	Public Administration	<b>YE</b>	Year End

# A true Public Company with Management owning c. 6%



Total number of shares as of 05/08/2024:  
**187,576,177**

Source: CONSOB and BFF internal records. Percentage stakes are calculated on total issued shares as of 05/08/2024.

(1) As of 18/09/2023, Capital Research and Management Company held 9.7 million shares, equal to 5.2% of the Bank's share capital.

(2) 28/06/2024, JPMorgan Asset Management Holdings Inc. held 5.9 million shares, equal to 3.2% of the Bank's share capital.

(3) (i) As of 05/08/2024, pursuant to MAR rules, the Group's CEO Massimiliano Belingheri - Relevant Person of the Bank - and his Closely Associated Persons held (directly or indirectly) 11.0 million shares, equal to 5.9% of the Bank's share capital. The remaining management's stake refers to BFF shares held by the 5 Vice Presidents in force as of that date, and by their respective Closely Associated Persons. (ii) As of 10/03/2023, pursuant to rules governing the disclosure of major shareholdings, The Bali Trust held indirectly 9.0 million shares, equal to 4.8% of the Bank's share capital. The Bali Trust is an irrevocable trust with Massimiliano Belingheri and his heirs as beneficiaries.

# Summary reported consolidated Balance Sheet



a bank like no other\*

(€m)	1H23	FY23	1H24
Cash and cash Balances	197.4	257.2	146.4
Financial assets measured at fair value through profit or loss	130.6	166.0	167.4
<i>a) financial assets held for trading</i>	1.6	1.2	0.8
<i>b) financial assets designated at fair value</i>	-	-	-
<i>c) other financial assets mandatorily measured at fair value</i>	129.0	164.9	166.6
Financial assets measured at fair value through OCI	130.7	137.5	140.5
Financial assets measured at amortized cost	10,828.5	10,805.8	10,856.5
<i>a) Loans and receivables with banks</i>	525.4	593.6	582.6
<i>b) Loans and receivables with customers</i>	10,303.0	10,212.3	10,273.8
Hedging derivatives	-	-	-
Equity Investments	13.1	13.2	14.4
Property, Plant and Equipment	61.7	60.7	68.8
Intangible Assets	69.4	74.7	71.3
Tax Assets	61.0	113.7	98.2
Other Assets	516.1	663.4	595.8
<b>Total Consolidated Assets</b>	<b>12,008.5</b>	<b>12,292.3</b>	<b>12,159.2</b>
Financial liabilities measured at amortized cost	10,648.1	10,814.2	10,648.5
<i>a) deposits from banks</i>	1,023.3	2,269.1	2,234.2
<i>b) deposits from customers</i>	9,624.8	8,545.1	8,112.6
<i>c) securities issued</i>	-	0.0	301.7
Financial Liabilities Held for Trading	1.0	1.2	1.4
Hedging Derivatives	0.1	-	0.3
Tax Liabilities	156.1	123.8	165.5
Other Liabilities	417.6	555.4	488.1
Employers Severance Indemnities	3.1	3.0	3.3
Provision for Risks and Charges	31.6	35.9	37.8
Equity	674.7	587.2	652.7
Net Profit	76.1	171.7	161.8
<b>Total Consolidated Liabilities and Equity</b>	<b>12,008.5</b>	<b>12,292.3</b>	<b>12,159.2</b>

# 1H24 summary P&L



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(€m)

Gains / Losses on Trading is part of the Net Interest Income

	F&L	Sec. Serv.	Paym.	CC	Adjusted	Adjustments	Reported
Interest Income	200.7	2.6	6.1	114.9	324.2	106.8	431.0
Interest Expenses	(120.0)	-	-	(78.1)	(198.1)	-	(198.1)
<b>Net Interest Income</b>	<b>80.7</b>	<b>2.6</b>	<b>6.1</b>	<b>36.8</b>	<b>126.1</b>	<b>106.8</b>	<b>232.9</b>
Net Fee and Commission Income	1.7	11.8	26.6	(0.4)	39.7	-	39.7
Dividends	-	-	-	13.3	13.3	-	13.3
Gains/Losses on Trading	4.4	-	-	(3.0)	1.5	-	1.5
Fair value adjustments in hedge accounting	-	-	-	-	-	-	-
Gains/losses on disposal/repurchase of	-	-	-	0.2	0.2	-	0.2
<i>a) financial assets measured at amortized cost</i>	-	-	-	0.2	0.2	-	0.2
<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	0.2	-	-	(4.2)	(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>	0.2	-	-	(4.2)	(4.0)	-	(4.0)
<b>Net Banking Income</b>	<b>87.1</b>	<b>14.3</b>	<b>32.7</b>	<b>42.7</b>	<b>176.8</b>	<b>106.8</b>	<b>283.6</b>
Net adjustments/reversals of impairment for credit risk concerning:	(3.4)	-	-	0.1	(3.3)	-	(3.3)
<i>a) financial assets measured at amortized cost</i>	(3.4)	-	-	0.1	(3.3)	-	(3.3)
<i>b) financial assets measured at fair value through OCI</i>	-	-	-	-	-	-	-
Administrative and Personnel Expenses	(22.2)	(10.3)	(16.8)	(36.0)	(85.4)	(3.7)	(89.0)
Net provisions for risks and charges	(3.1)	-	-	0.1	(3.0)	-	(3.0)
<i>a) commitments and guarantees provided</i>	0.2	-	-	0.2	0.3	-	0.3
<i>b) other net allocations</i>	(3.3)	-	-	(0.1)	(3.4)	-	(3.4)
Net Adjustments to/ Writebacks on Property, Plan and Equipment and Intangible Assets	(1.3)	(0.5)	(0.7)	(3.5)	(6.0)	(1.3)	(7.3)
Other Operating Income (Expenses)	10.7	0.0	5.9	2.4	19.0	25.7	44.7
Gains (Losses) on equity investments	0.3	-	-	1.3	1.6	-	1.6
<b>Profit Before Income Taxes from Continuing Operations</b>	<b>68.0</b>	<b>3.5</b>	<b>21.0</b>	<b>7.1</b>	<b>99.7</b>	<b>127.5</b>	<b>227.2</b>
Income Taxes	-	-	-	-	(28.7)	(36.7)	(65.4)
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71.0</b>	<b>90.8</b>	<b>161.8</b>

# Adjusted vs. Reported Profit Reconciliation

## (€m) - Adjustments

	1H23	1H24	YoY %
<b>Reported Net Profit</b>	<b>76.1</b>	<b>161.8</b>	<b>112%</b>
<b>1</b> Stock Options plans	<b>1</b> 0.5	<b>1</b> 2.5	
Other non recurring activities	2.6	0.7	
Group CEO settlement agreement	1.8	(0.6)	
<b>2</b> Customer contract amortisation	<b>2</b> 0.9	<b>2</b> 0.9	
Change in asset value, including LPI and "Recovery Costs" <sup>(1)</sup>	-	(94.3)	
<b>Adjusted Net Profit</b>	<b>81.9</b>	<b>71.0</b>	<b>-13%</b>

Items **1** and **2** have  
no impact on capital

(1) Also including the impact of longer amortization of fiscal credits (art. 4-bis of Law Decree n.39 of 29<sup>th</sup> March 2024).

# Group P&L per quarter

€m GROUP	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
Interest Income <sup>(1)</sup>	125.1	146.2	163.8	204.2	164.7	164.0
Interest Expenses <sup>(1)</sup>	(64.9)	(86.1)	(97.4)	(106.6)	(102.3)	(98.8)
<b>Net Interest Income<sup>(1)</sup></b>	<b>60.3</b>	<b>60.1</b>	<b>66.4</b>	<b>97.7</b>	<b>62.4</b>	<b>65.2</b>
Net Fee and Commission Income	17.7	18.5	20.0	19.0	20.0	19.7
Other Income	25.5	0.5	1.0	5.7	7.4	2.1
<b>Net Banking Income</b>	<b>103.5</b>	<b>79.1</b>	<b>87.4</b>	<b>122.3</b>	<b>89.9</b>	<b>87.0</b>
Other Operating Income (Expenses)	8.4	10.9	9.9	15.6	8.9	10.1
Gains (Losses) on equity investments	0.1	(0.5)	0.1	0.1	1.4	0.1
<b>Total Net revenues</b>	<b>111.9</b>	<b>89.5</b>	<b>97.3</b>	<b>138.0</b>	<b>100.2</b>	<b>97.2</b>
Direct OPEX	(36.6)	(47.0)	(40.2)	(45.4)	(41.2)	(44.1)
<i>of which Personnel Expenses</i>	<i>(17.2)</i>	<i>(17.3)</i>	<i>(16.9)</i>	<i>(15.6)</i>	<i>(18.7)</i>	<i>(20.3)</i>
<i>of which G&amp;A</i>	<i>(19.4)</i>	<i>(29.7)</i>	<i>(23.3)</i>	<i>(29.7)</i>	<i>(22.6)</i>	<i>(23.9)</i>
D&A	(2.4)	(2.0)	(2.5)	(2.3)	(3.0)	(3.0)
Loan Loss Provisions	(0.6)	(1.3)	(0.5)	(2.5)	(0.7)	(2.6)
Net provisions for risks and charges	0.1	0.3	(0.3)	(3.8)	0.3	(3.3)
<b>Adjusted Profit Before Taxes</b>	<b>72.4</b>	<b>39.6</b>	<b>53.9</b>	<b>83.9</b>	<b>55.6</b>	<b>44.1</b>

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

# Non-recourse Factoring and Lending Volumes (€m)



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	Non-recourse Factoring volumes	
	1H23	1H24
<b>Italy</b>	<b>2,180</b>	<b>1,941</b>
NHS	1,429	1,367
PA	604	407
Other	146	167
<b>Spain</b>	<b>770</b>	<b>1,055</b>
NHS	532	619
PA	238	241
Other	-	195
<b>Portugal</b>	<b>247</b>	<b>230</b>
NHS	126	123
PA	121	108
Other	-	-
<b>Greece</b>	<b>107</b>	<b>127</b>
NHS	92	116
PA	13	8
Other	1.8	2.4
<b>Croatia</b>	-	-
NHS	-	-
PA	-	-
<b>France</b>	<b>32</b>	<b>33</b>
NHS	26	26
PA	6.6	6.7
<b>A</b> <b>Total</b>	<b>3,335</b>	<b>3,386</b>

	Non-recourse F&L volumes	
	1H23	1H24
<b>Poland</b>	<b>296</b>	<b>416</b>
Healthcare	269	352
Local Government Units	27	64
<b>Slovakia</b>	<b>11.4</b>	<b>5.7</b>
Healthcare	0.9	2.8
Local Government Units	10.5	2.9
<b>Czech Republic</b>	<b>1.3</b>	<b>2.7</b>
Healthcare	0.6	0.8
Local Government Units	0.8	1.9
<b>B</b> <b>Total</b>	<b>309</b>	<b>424</b>

	1H23	1H24
<b>A + B</b> <b>Total</b>	<b>3,644</b>	<b>3,810</b>

# Factoring & Lending

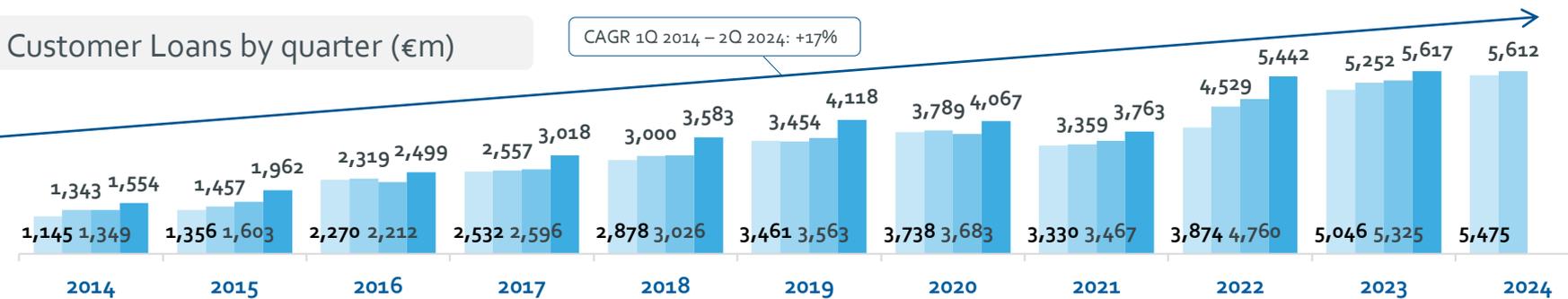
## New Volumes by quarter (€m)

CAGR 1Q 2014 – 2Q 2024: +16%



## Customer Loans by quarter (€m)

CAGR 1Q 2014 – 2Q 2024: +17%



1Q 2Q 3Q 4Q

# Factoring & Lending P&L per quarter

€m FACTORING & LENDING	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
<b>Net Interest Income <sup>(1)</sup></b>	<b>43.4</b>	<b>38.2</b>	<b>46.1</b>	<b>74.7</b>	<b>40.4</b>	<b>44.7</b>
Net Fee and Commission Income	0.8	0.7	0.3	1.4	0.9	0.8
Other Income (Expenses)	-	-	(0.4)	-	0.2	-
<b>Net Banking Income</b>	<b>44.2</b>	<b>39.0</b>	<b>46.0</b>	<b>76.1</b>	<b>41.5</b>	<b>45.6</b>
Other Operating Income (Expenses)	5.8	7.0	6.2	7.7	4.3	6.4
Gains (Losses) on equity investments	0.1	0.0	0.1	0.1	0.2	0.1
<b>Total Net Revenues</b>	<b>50.0</b>	<b>46.0</b>	<b>52.3</b>	<b>83.9</b>	<b>45.9</b>	<b>52.1</b>
Direct OPEX	(10.0)	(11.9)	(11.6)	(11.6)	(10.9)	(11.3)
<i>of which Personnel Expenses</i>	<i>(5.6)</i>	<i>(5.9)</i>	<i>(5.4)</i>	<i>(5.1)</i>	<i>(6.2)</i>	<i>(5.9)</i>
<i>of which G&amp;A</i>	<i>(4.4)</i>	<i>(6.1)</i>	<i>(6.2)</i>	<i>(6.5)</i>	<i>(4.7)</i>	<i>(5.4)</i>
Direct D&A	(0.6)	(0.1)	(0.5)	(0.3)	(0.7)	(0.5)
Loan Loss Provisions	(0.5)	(1.3)	(0.4)	(1.7)	(0.6)	(2.8)
Net provisions for risks and charges	0.2	(0.1)	0.1	(4.1)	0.1	(3.2)
<b>Profit Before Taxes</b>	<b>39.2</b>	<b>32.5</b>	<b>40.0</b>	<b>66.1</b>	<b>33.7</b>	<b>34.3</b>

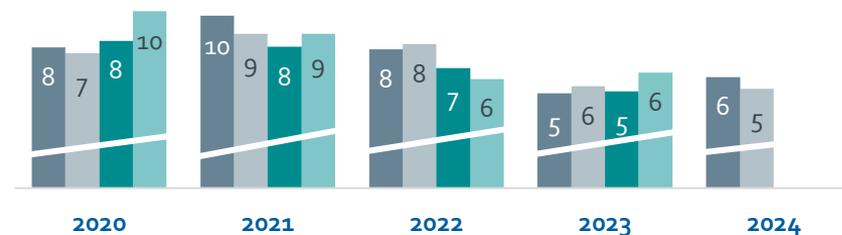
(1) Net Interest Income includes F&L gains / losses on trading.

# Payments & Securities Services

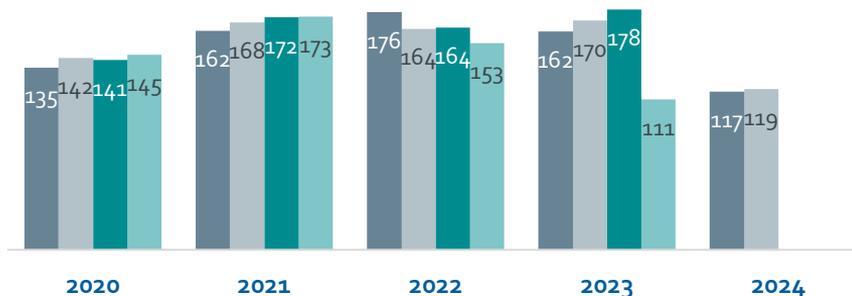
AuD end of quarter (€bn)



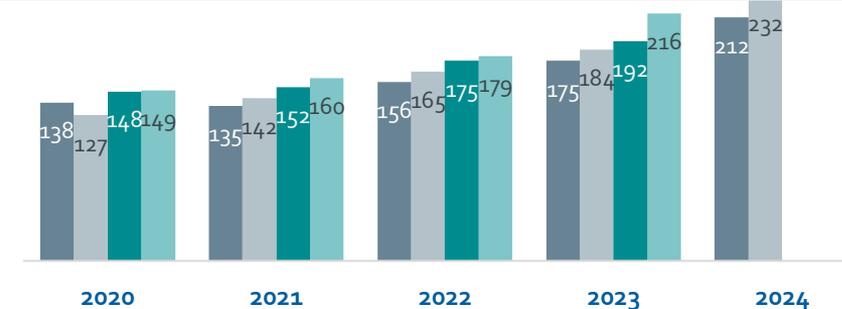
Deposits end of quarter (€bn)



AuC end of quarter (€bn)



Payment transactions by quarter (#m)



# Payments P&L per quarter

€m PAYMENTS	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
<b>Net Interest Income</b>	<b>1.8</b>	<b>2.8</b>	<b>2.1</b>	<b>3.3</b>	<b>3.5</b>	<b>2.6</b>
Net Fee and Commission Income	11.7	11.8	13.3	15.0	13.5	13.1
<b>Net Banking Income</b>	<b>13.4</b>	<b>14.6</b>	<b>15.4</b>	<b>18.3</b>	<b>17.0</b>	<b>15.7</b>
Other Operating Income (Expenses)	2.5	3.3	3.2	2.4	2.8	3.0
Gains (Losses) on equity investments	-	-	-	-	-	-
<b>Total Net Revenues</b>	<b>15.9</b>	<b>17.9</b>	<b>18.6</b>	<b>20.7</b>	<b>19.9</b>	<b>18.7</b>
Direct OPEX	(7.9)	(8.1)	(8.2)	(7.9)	(8.2)	(8.6)
<i>of which Personnel Expenses</i>	<i>(1.0)</i>	<i>(1.1)</i>	<i>(1.0)</i>	<i>(1.2)</i>	<i>(1.2)</i>	<i>(1.4)</i>
<i>of which G&amp;A</i>	<i>(6.9)</i>	<i>(7.0)</i>	<i>(7.2)</i>	<i>(6.7)</i>	<i>(7.0)</i>	<i>(7.2)</i>
Direct D&A	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)
Loan Loss Provisions	-	-	-	-	-	-
Net provisions for risks and charges	0.1	0.3	(0.3)	(0.1)	-	-
<b>Profit Before Taxes</b>	<b>7.9</b>	<b>9.9</b>	<b>9.8</b>	<b>12.4</b>	<b>11.3</b>	<b>9.7</b>

# Securities Services P&L per quarter

€m	SECURITIES SERVICES	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
	<b>Net Interest Income</b>	<b>1.2</b>	<b>1.1</b>	<b>0.6</b>	<b>0.7</b>	<b>1.3</b>	<b>1.3</b>
	Net Fee and Commission Income	5.8	6.5	6.5	4.1	5.8	6.0
	<b>Net Banking Income</b>	<b>7.0</b>	<b>7.6</b>	<b>7.1</b>	<b>4.8</b>	<b>7.0</b>	<b>7.3</b>
	Other Operating Income (Expenses)	0.0	0.0	0.0	0.5	0.0	0.0
	Gains (Losses) on equity investments	-	-	-	-	-	-
	<b>Total Net Revenues</b>	<b>7.0</b>	<b>7.6</b>	<b>7.2</b>	<b>5.3</b>	<b>7.0</b>	<b>7.3</b>
	Direct OPEX	(5.0)	(5.1)	(4.8)	(5.3)	(5.1)	(5.2)
	<i>of which Personnel Expenses</i>	(2.8)	(2.9)	(2.5)	(2.5)	(2.8)	(3.0)
	<i>of which G&amp;A</i>	(2.2)	(2.3)	(2.3)	(2.8)	(2.3)	(2.2)
	Direct D&A	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
	Loan Loss Provisions	-	-	-	-	-	-
	Net provisions for risks and charges	-	-	(0.2)	0.2	-	-
	<b>Profit Before Taxes</b>	<b>1.9</b>	<b>2.3</b>	<b>2.0</b>	<b>0.0</b>	<b>1.7</b>	<b>1.8</b>

# Corporate Center P&L per quarter

€m CORPORATE CENTER	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024
<b>Net Interest Income<sup>(1)</sup></b>	<b>14.0</b>	<b>17.9</b>	<b>17.6</b>	<b>19.0</b>	<b>17.2</b>	<b>16.6</b>
Net Fee and Commission Income	(0.6)	(0.5)	(0.2)	(1.6)	(0.1)	(0.3)
Other Income	25.5	0.5	1.4	5.7	7.2	2.1
<b>Net Banking Income</b>	<b>38.9</b>	<b>18.0</b>	<b>18.9</b>	<b>23.1</b>	<b>24.3</b>	<b>18.4</b>
Other Operating Income (Expenses)	0.1	0.6	0.4	5.0	1.8	0.6
Gains (Losses) on equity investments	-	(0.5)	0.0	0.0	1.3	-
<b>Total Net revenues</b>	<b>39.0</b>	<b>18.1</b>	<b>19.2</b>	<b>28.1</b>	<b>27.3</b>	<b>19.0</b>
<i>Direct OPEX</i>	(13.8)	(21.9)	(15.5)	(20.6)	(17.0)	(19.0)
<i>of which Personnel Expenses</i>	(7.8)	(7.5)	(7.9)	(6.8)	(8.5)	(9.9)
<i>of which G&amp;A</i>	(5.9)	(14.4)	(7.6)	(13.8)	(8.5)	(9.1)
D&A	(1.5)	(1.5)	(1.6)	(1.5)	(1.7)	(1.8)
Loan Loss Provisions	(0.1)	0.0	(0.2)	(0.9)	(0.1)	0.2
Net provisions for risks and charges	(0.2)	0.2	0.1	0.3	0.2	(0.1)
<b>Adjusted Profit Before Taxes</b>	<b>23.4</b>	<b>(5.1)</b>	<b>2.1</b>	<b>5.4</b>	<b>8.8</b>	<b>(1.7)</b>

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

# 1H23 summary P&L



a bank like no other\*

(€m)	F&L	Sec. Serv.	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:	(1.8)	-	-	(0.1)	(1.9)	-	(1.9)
<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>	-	-	-	-	-	-	-
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
Gains (Losses) on equity investments <sup>(1)</sup>	0.1	-	-	(0.5)	(0.4)	-	(0.4)
<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81.9</b>	<b>(5.8)</b>	<b>76.1</b>

(1) Item "Net adjustments/reversals of impairment for credit risk concerning b) financial assets measured at fair value through OCI" and item "Gains (Losses) on equity investments" have been accounted separately in line with the consolidated financial accounts, differently from 1H23 Results Presentation.



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