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Banca Ifis for the sustainable transition of enterprises

Non-Financial Statement
2023



The customer is at the centre of our activities: we work on the ground alongside small and medium-sized Italian enterprises and people.

5.1 Our commitment to enterprises

[GRI 2-23]
[GRI 3-3]

Policies and other reference documentation

- Operating note Leasing preliminary investigation process (Banca Ifis)
- NO 111 - Leasing BU - Redemption assessment and setting process (Banca Ifis)
- NO 103 - Leasing Area - Definition of the subjective credit quality assessment process (Banca Ifis)
- Policy for managing the acquisitions of distressed loan portfolios and relating monitoring (Ifis Npl Investing)
- Ordinary credit management policy (Banca Ifis)
- Ordinary credit management policy (Cap.Ital.Fin.)
- Operational Note Credit management process: customer acquisition phase (Cap.Ital.Fin.)
- Operational Note Credit management process: evaluation and decision-making phase (Cap.Ital.Fin.)
- Operational Note Credit management process: investigation phase (Cap.Ital.Fin.)
- Credit management policy (Banca Credifarma)
- Organisational Procedure - Concession and Management of Structured Finance (Banca Ifis)
- Group Lending Policy
- Group Project Initiative Management Policy
- Organisational Change Management Procedure
- Group Code of Ethics
- Group Management Committee Regulations (Banca Ifis, Ifis Npl Investing, Ifis Npl Servicing)
- Policy for approving new products and services, starting new operations, and entering new markets (Banca Ifis, Group)
- Distribution Policy (Cap.Ital.Fin.)
- ESG Policy

Products for SME development

Support to SMEs has always been an intrinsic part of the DNA of Banca Ifis Group, which sees itself as “a company that does banking” and, consequently, undertakes to flank entrepreneurs, meeting their needs with a diversified, structured Commercial and Corporate Banking offer headed by factoring, financial leasing and operating leasing, advisory services for corporate acquisitions, M&As and medium- and long-term loans and the acquisition of tax credits. In the **non-performing loans (Npl)** segment, the competitive advantage is hinged on the combination of the capacity to acquire and manage/transform bad loans, offering families and businesses the possibility of agreeing on and managing sustainable repayment plans.

In addition to ordinary factoring, leasing and loans in support of businesses, 2023 also saw the continued pursuit of the project to **raise awareness of the sales network**, aimed at **assisting SMEs** - regardless of whether they are customers or not - **about the opportunities offered by public incentive schemes supporting investments and working capital:**

- **Finance Leases associated with the New Sabatini Law incentive scheme:** the Italian Ministry of Economic Development gives SMEs an annual grant - for 5 years - related to equipment on leases or loans specifically intended for investing in capital goods. This incentive scheme, with which the Group has associated a leasing product with a specific contractual package, has been refinanced by the Budget Law for 2023 as well, with the expansion as of 2023 to “green” investments (brand new machinery, plant and equipment for production use, with low environmental impact, as part of programmes aimed at improving the eco-sustainability of products and/or production processes).
- **Financial leasing backed by the SME Guarantee Fund:** the percentage of coverage of the Guarantee Fund is equal to 80% of the amount financed. The assessment as to the applicability by the Group of this type of guarantee to the financial lease contracts takes place on the basis of specific guidelines aiming to facilitate investments and support SMEs.
- **Loan backed by the SME Guarantee Fund:** the SME Guarantee Fund allows the concession of credit thanks to a guarantee covering up to 80% of any financing arrangement, with a limit of 2,5 million Euro per applicant—be it a company or an independent contractor. The 2022 Budget Law (Law No. 234 of 30 December 2021) and the Aid Decree (Decree Law No. 50 of 17 May 2022, as converted by Law No. 91 of 5 July 2022) provided for the application of a transitional regime of the Guarantee Fund, subsequently extended by the 2023 Budget Law (Law No. 197 of 29 December 2022) under which the maximum amount of guaranteed financing for the company was increased to 5 million Euro and the percentage of direct guarantee was raised, regardless of the financing durations.
- **Factoring with recourse backed by the SME Guarantee Fund:** since 2020, Banca Ifis Group has been operating with the guaranteed factoring product that combines factoring with recourse with the guarantee offered by the Central Guarantee Fund, which covers up to 60% of the amount of the loan; this percentage was increased to 80% for rating bands 3, 4 and 5 by the Budget Law and the Aid Decree.
- **Loan backed by SACE SupportItalia Guarantee:** this is financing destined to assure the necessary liquidity to the enterprises based in Italy, of every dimension and productive sector, with liquidity requirements linked to the negative impacts of the war in Ukraine. The Loan provides for the issue of a guarantee in favour of the bank by SACE S.p.A., which can vary from 70% to 90% depending on the size of the company, introduced by the Aid Decree and applicable as of 22 July 2022.

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Legal Entity/ Business Line	Product/Service with Social Purposes	Operations for 2023		Operations for 2022		Operations for 2021	
		Monetary value (mln Euro)	% of total monetary value	Monetary value (mln Euro)	% of total monetary value	Monetary value (mln Euro)	% of total monetary value
Banca Ifis/Leasing	Finance Leases associated with the New Sabatini Law incentive scheme	210,6	20,0%	234,2	15,7%	139,1	8,0%
	Financial leasing associated with the MCC Guarantee Fund	68,8	2,5%	63,7	1,7%	50,8	0,6%
	Finance leases with EIB funding	44,1	2,1%	22,0	6,1%	-	-
	Moratorium Law Decree No. 18/2020	-	-	-	-	613,0	18,0%
	Moratorium granted by Banca Ifis	-	-	-	-	5,8	0,1%
Banca Ifis/Trade receivables	Financing backed by the MCC Guarantee Fund	333,3	6,8%	294,8	5,3%	189,4	3,1%
	Loan backed by SACE SupportItalia Guarantee	37,8	2,3%	24,5	0,9%	-	-
	M/L financing backed by the MCC Guarantee Fund	186,2	97,1%	145,7	96,8%	194,7	66,8
	<i>of which with EIB funding</i>	15,3	8,4%	5,4	3,4	-	-
	<i>of which with CDP funding</i>	148,5	74,6%	92,2	65,2%	1,5	0,4%
	Loan backed by SACE Guarantee Italy	-	-	32,3	2,0%	78,1	2,8

Initiatives to foster a corporate culture inspired by social values

[FS16]

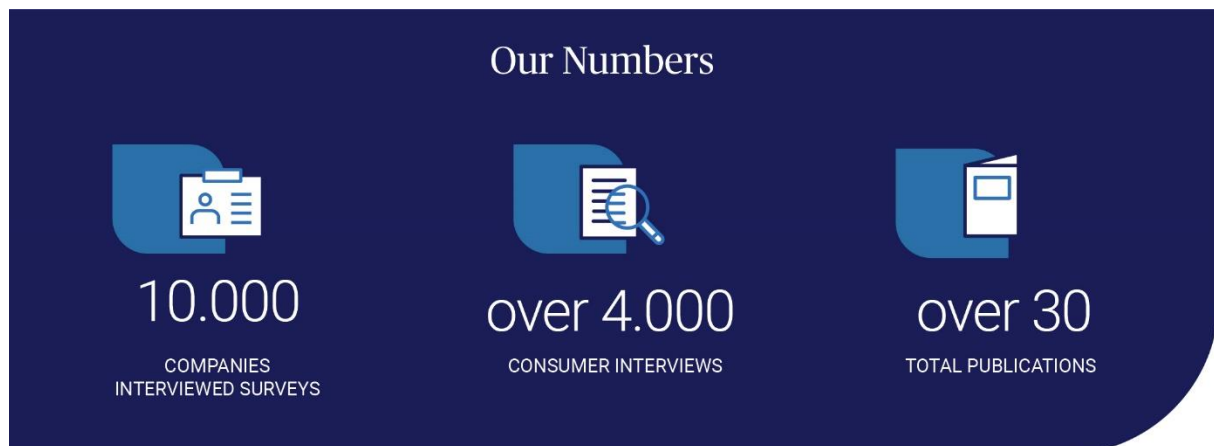
Banca Ifis Group has the desire to **flank companies, as a spreader of the business culture**, both through the analysis of data and with the tale of winning business contexts, which can be a guide for all those wanting to do business today and tomorrow. The aim is to delve into certain sectors and meet companies that have distinguished themselves in particular areas such as **innovation** and **sustainability**. To understand this, in 2019 Banca Ifis continued its path of discovery of SMEs, based on:

- **Numbers** - quantitative analysis and estimation and forecasting methodology applied to the **companies' financial statements** data;
- **People** - interviews and in-depth analysis of **entrepreneurs** and **managers** also described through the "Pmiheroes" series, a podcast project that has woven a narrative starting from the Sustainability Goals of the UN 2030 Agenda and then viewing them within the context of the stories of businesses that choose to implement them in their activities every day; but also through the story of business cases with significant results in terms of innovation and sustainability, linked to the geographical areas analysed with Market Watch PMI;
- **Enterprises** - study of **products, reference markets** and **business models** and **territories**. In-depth analysis of certain products or topics of interest to customers and prospects through the "The voice of our experts" series, which involved a number of people from Banca Ifis and constituted a new channel for information and updates;
- **New generation observatory** - predictive analysis of the companies' managerial priorities through the use of **web listening**, whose founding mechanisms are machine learning and the semantic engine.

The project stories and results are represented and communicated through a cross-media storytelling made up of videos, photographs, written tales and podcasts featured on the Group's social channels and website.

In 2023, several sharing events were organised to support the enterprise culture:

- 6 online webinars and events to discuss the regional economic context as part of the **Innovation Days** project in collaboration with Il Sole24Ore and Confindustria;
- A study dedicated to the **Bicycle Ecosystem** and presented at the Italian Cycling Tourism Oscars event in Cesena;
- Pianeta 2030, the sustainability event organised by Corriere della Sera, aims to address all aspects related to the topic of sustainable development through various testimonials.



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In addition, the Group works on several local initiatives with businesses, independent professionals and SMEs, helping to **promote the management culture** and raise awareness on **best practices as well as new technologies and tools supporting growth** - chief among them digitalisation.

Innovation Days	Banca Ifis was the main partner and speaker of the cycle of online meetings organised by Il Sole 24 Ore and Confindustria. Six in-person and live streaming events from the territories of Italian excellence, moderated by Sole 24 Ore journalists, in which entrepreneurs and institutions met to share successful experiences, new business models and winning ideas for the companies of tomorrow.
Npl events	The top managers of Ifis Npl Investing and Ifis Npl Servicing have contributed with their presence as speakers to take a picture of the Npl market, also making use of the data produced by Banca Ifis Market Watch by participating in the main events organised by the most important players in the sector at European and national level (e.g. NPL Days London, Credit Village Spring Days, Naples NPL Conference, NPL&UTP Summit).
Npl Meeting	Once again this year Banca Ifis organised the main Italian event dedicated to the world of Npls during which the main market players, institutional representatives and regulators met to discuss the subject.
Credit Fair	Banca Ifis was among the protagonists of the event organised by the newspaper Credit News. Two days of online focus and insights dedicated to the most current issues in credit management.
Forbes Small Giants	Banca Ifis was sponsor and speaker at the "Small Giants" series of events, aimed at giving voice and visibility to Italian SMEs, organised by the newspaper Forbes Italia for the Palermo, Perugia, Ancona, Cagliari, Turin, Lecce, Mantua, Bologna, Treviso, Salerno and Bergamo stops.
6th Gran Sasso Forum	Banca Ifis was among the protagonists, with its own speech, at the sixth International Forum of Gran Sasso, organised by the Diocese of Teramo, an event dedicated to raising awareness of the academic and scientific communities within the panel "Economy, Financial Sciences and Business Organisation".
ABI Workshop	Banca Ifis was a speaker at the event promoted by ABI and organised by ABI Servizi, on ESG topics in the financial sector, as well as at the workshop on "Active management of non-performing loans".
Annual Unirec	"Credit scenarios between risk management and collection potential. Credit protection between new macroeconomic scenarios, evolution of the regulatory framework and the challenges of sustainability" is the title of the annual conference organised by UNIREC, in which Banca Ifis is a sponsor.
University lectures	Over the course of the year, Banca Ifis's managers were called upon to speak several times, sharing their expertise at various university training institutes such as Luiss and IULM.
Financial Disclosure, Communication and Corporate Culture	Banca Ifis has contributed as sponsor and speaker to provide content to major financial, communication and business culture events such as Invoice Trading in Italy, Trade and Investment Forum, Meeting of Young Entrepreneurs in the North East, Fiera del Credito Milano Finanza Banking Awards, Legality and Profit Awards, Business Ethics Summit, Equity and Debt Investments in Italy and Digital Talk Banking.
Innovation Days	Banca Ifis was the main partner and speaker of the cycle of online meetings organised by Il Sole 24 Ore and Confindustria. Six in-person and live streaming events from the territories of Italian excellence, moderated by Sole 24 Ore journalists, in which entrepreneurs and institutions met to share successful experiences, new business models and winning ideas for the companies of tomorrow.

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Banca Ifis Group also focuses on disseminating information that allows **entrepreneurs to know more about the financial instruments that can help their business**.

Through **Banca Credifarma** and in collaboration with Federfarma, the Group is committed to taking part in various different initiatives on the territory benefiting **pharmacies** with a view to **spreading awareness of experiences and innovative instruments supporting business development**. During 2023, in-person conferences resumed and Banca Credifarma was present at the main industry events with its own dedicated stand, spaces and active participation and its own spokespersons.

In particular, Banca Credifarma actively contributed, with some of the main players in the pharmaceutical sector, to the organisation of **training workshops** dedicated to pharmacy owners, focusing on management control and proper financial management of pharmacies (10-stage Workshop, called “Tips on Tour” and 4-stage Roadshow, called “Proper management of the relationship with the credit system”).

In addition, Banca Credifarma, during 2023, introduced the **unsecured loan product** assisted by a guarantee issued by the Guarantee Fund for Small and Medium-Sized Enterprises, established by Italian Law No. 662 of 23 December 1996 and managed by Banca del Mezzogiorno Medio Credito Centrale S.p.A., aimed at supporting liquidity needs and investment projects with a coverage of up to 80% of the value of the loan granted.

Instead, as regards the **refresher and training courses of the internal structures** operating in direct contact with customers, in 2023, the following activities were carried out:

- **Monthly meetings for agents operating in the Npl field:** a cycle of online updating and discussion appointments for credit consultants operating throughout Italy on behalf of Banca Ifis. To these an annual convention has been added;
 - **Business Area Management Meeting:** during the year various meetings were organised in person at the Bank's General Management for top managers and territorial managers of the Business Area, plus an annual convention;
 - **Leasing & Rental Convention:** annual meeting at the presentation with the entire leasing agent network to share the leasing and rental area's performance, the bank's objectives and new projects, and to discuss important topics such as digitalisation and the relevance of ESG;
- Banca Credifarma convention:** face-to-face meeting with all employees of the subsidiary Banca Credifarma at the Banca Ifis DG for an update on plans and views on the future.

Initiatives to foster a corporate culture inspired by social values

[FS16]

The Banca Ifis **Research and Strategic Marketing Department** is constantly involved in research, analysis and data processing, in order to identify trends, study relevant market segments in economic and production terms and plan medium and long-term strategies. The general topics are broached with a methodological approach able to offer an adequate scientific basis for analysis and ensure that forecasts are consistent, yet at the same time it adopts simple, linear presentations of communicative appeal to maximise the dissemination of the messages. The **Market Watch is the observatory specifically dedicated to the study of the emerging trends and business models** in the two areas of Banca Ifis Group specialisation: Italian SMEs and the non-performing loans market. In particular:

- the **Npl Market Watch** uses a proprietary database (from Market Watch Npl September 2023, approximately 770 transactions recorded with details of 37 pieces of potentially available information) coupled with the analysis of other institutional sources to analyse **the trends characterising the non-performing loans segment**, offering a complete overview, both from the investor side and servicing side. Since 2023, the observatory has benefited from three important advances: the estimation of closed positions at the system level, thus achieving a more accurate estimate of the total impaired Italy; a multivariate model for forecasting the rate of credit deterioration able to provide a more reliable forecast in an increasingly volatile macroeconomic scenario; the analysis of recovery performance for the withdrawn portfolios, increasing the focus on credit management important both for the financial re-inclusion of households and businesses and for the money that can thus be put back into the economic circuit. During the course of 2023, in addition to the two full editions of Market Watch Npl, in early February and in September at the Npl Meeting, a further 5 in-depth reports were prepared on specific topics in this financial sector;
- The **SME Market Watch** provides an **analysis of the trend of Italian SMEs**, focussed on the main “Made in Italy” production sectors, on how business models are evolving and on the key factors that result in success in a market context. The report collects, processes and comments on numbers and information from various qualitative and quantitative sources, with analyses from databases and

surveys (approximately 10.000 SMEs interviewed). As it did in 2022, the Market Watch examined the characteristics and peculiarities of the production fabric of the individual Italian regions, with an in-depth analysis of some of the excellences that work in the various Italian regions from an “ecosystem” perspective. In 2023, in addition, critical issues and opportunities of the environment in which SMEs operate, dictated by the macroeconomic and geopolitical scenario, were noted. Transversely to the territories, the **2023 analysis** also focused on three **main topics**: growth prospects and related financial requirements, the ability to “network” between companies in the territory, and sustainability policies.

Banca Ifis Market Watches confirm their **original approach**, seeking to offer **“transversal” observatories dedicated to production chains or particular sectors of the Italian economy**. These are the cases of **Bicycle Ecosystem**, **Economy of Beauty** (both now in their third year), the **Italian Sport System Observatory**⁴⁰ and **Kaleidos Impact Watch**⁴¹ (the latter focusing on investments in social and environmental sustainability by Italian SMEs), now in their second year.

⁴⁰ For more details, see chapter 2.1 Our Commitment to the Community - “Commitment to the world of sport”.

⁴¹ For more details see chapter 2.1 Our Commitment to the Community - “The social agenda of Banca Ifis and the Kaleidos Social Impact Lab”.

Market Watch - Bicycle Ecosystem and Giro d'Italia

In 2023, the Bank's **Market Watch Bicycle Ecosystem** was once again carried out by the Bank's Research Department, in order to optimise a product of excellence of Made in Italy, a perfect synthesis of innovation, technology, sustainability, people's well-being and the prosperity of businesses and territories.

Now at its third edition, the observatory investigated **the evolution of the bicycle production sector**, highlighting an important growth mainly linked to the development of the ebike and the confirmation of Italy's leadership at international level. Two focuses were developed: **the phenomenon of cycle tourism**, which is considered one of the factors stimulating the development of the Italian cycling ecosystem as well as an instrument of economic value for all territories in our country, and the **ebike**, a vehicle that, thanks to technology, makes it possible to broaden the potential pool of bicycle users and expand the range of territories suitable for cycle tourists thanks to its ability to cross more inaccessible territories or reach more remote areas.

The results have been made available to the community to enrich the debate on an economic ecosystem that also has a social and value bearing.

In 2023, Banca Ifis carried out **the first scientific study to estimate the economic impact of the Giro d'Italia** and to identify the behaviour, attitudes and identikit of spectators and tourists in the territories.

The Giro d'Italia, which took place in May 2023, generated an expenditure of 2 billion Euro, proving its attractiveness and producing economic value for the territories that welcomed it. The Giro d'Italia event is of great appeal: the 2023 edition welcomed 2,1 million live spectators for a total of 5 million admissions.

The study also showed that the history of the Giro does not end with the period of the event. The attractive power of the Italian landscapes, combined with the fascination of the event, is in fact an assist for tourism: 1,8 million spectators followed the Giro through the media and intend to visit the places that fascinated them. Analysing the experience of the 2023 Giro d'Italia has also produced a powerful tool at the service of tourism marketing and the promotion of the territory: knowing the profile of the fan and the activities he or she chooses to carry out in the different types of stages in fact leads to the creation of a real marketing tool for the offer of services.

Finally, the study also embraced a different perspective, that of production: there is "another Giro" represented by the supply chain of Italian bicycle and component manufacturers. A chain of excellence that knows how to set an example in the world: 77% of the teams that took part in the last edition of the event chose bicycles or components Made in Italy.

This first work, at the service of the territories hosting the great Italian classic, was **presented as part of the Trento Sports Festival** organised by La Gazzetta dello Sport.

2023 saw the birth of the new observatory on **Experiential Tourism**, created on the occasion of Federturismo Confindustria's 30th anniversary celebration and founded on an economic-behavioural model based on "experience". The study also opened a new project strand related to the **measurement of the economic impact of events**, which, through a multi-source methodology, has already been applied to the Olympics, FIFA World Cup, Sanremo Festival and Giro d'Italia. This is an important development because it shows the role of events in creating widespread value for territories and communities, a dimension to which Banca Ifis has always devoted attention.

Market Watch - Tourism as a pillar of the experience economy

The first organic study that Banca Ifis has dedicated to **tourism** enhances it **as a tool at the service of the individual, society and the international community**. Tourism, from this perspective, acquires a new and broader dimension that embraces the quest for experience and personal enrichment. The new trend, Italian but with a global matrix, sees people seeking a journey that enables them to get to know, discover and grow through direct and intense contact with the other and the elsewhere. Tourism entrepreneurs are, therefore, the creators and promoters of engaging and memorable experiences, which, as the Chairman of Banca Ifis pointed out, “on the one hand invite personal well-being and on the other promote dialogue arising from mutual knowledge and cultural interchange”.

Specifically, **two lines of research were developed** in this study:

1. **The principles of the “Experience Economy”** (Joseph Pine and James Gilmore) composed the key to understanding the tourism phenomenon. Thus, different experiences have been identified that the Italian tourism ecosystem is able to offer the experiential tourist, seven areas that can move in unison to create an all-encompassing offer as well as to satisfy specific needs precisely because of their uniqueness. A living and evolving ecosystem, with a travel context in which interaction with the place visited goes far beyond the mere “exploration” of a tourist location. It is in this space that the role of tourism companies is located, which, in line with the concept of the “Experience Economy”, work well beyond the levers of price and product, building engaging and memorable experiences capable of winning over and thus building customer loyalty;
2. **the research** reveals a true Tourism Ecosystem that generates impacts even beyond tourism spending, contributing to the value creation of other industries and the soft power of our country. On the one hand, the Italian tourism movement creates an ecosystem in which entrepreneurs able to create experiences of value for people, thanks to the richness of the Italian offer, produce economic value for the territories and the entire productive system of our country for ~265 billion Euro per year (estimate for 2022). On the other hand, the 7 tourism experiences play a fundamental role in creating, through direct and real contact, an idea of Italy at a global level and, in this way, increase the country's authoritativeness and strengthen its role: in 2023, Italy is ninth in the world ranking (Brand Finance rankings), having climbed one position compared to the previous year. Italy's potential loss, if it did not have an advantage on 7 dimensions impacted by the tourist experience, would drop it to 16th position, down 7 places. It is evident how crucial these dimensions, on which the tourist experience plays an important role, are for Italy's soft power.

The study has become part of the **volume published by Federturismo Confindustria**, for its 30th anniversary, with which Banca Ifis shares “the mission that each of our realities pursues in its own sector, wishing to contribute to the development of an innovative, internationalised, sustainable entrepreneurial system capable of promoting the economic and social growth of our country” (Chairman of Banca Ifis).

Digital innovation

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The development of digital innovation is amongst the key, priority actions for the implementation of the Group's strategy, which aims **to expand the offering of the Bank's products to entirely digital sales channels, improve the user experience** for all types of users and **streamline and digitise internal processes**. In 2023, the Group continued to strengthen and develop the digitalisation process started in the previous year to continue to increase the efficiency of internal processes on the one hand and improve the quality and effectiveness of services to customers, both companies and individuals, on the other.

Ifis4business changes its name and becomes **mylfis**, bringing a further step in the process of digitising the bank's services with a view to an ever-better digital customer experience. Since 2023, the platform has also been extended **to the management of Rental or Leasing products**, and will no longer address only **corporate customers, but also private individuals** in possession of these product categories.

The project started with the **creation of Ifis4business** in 2020, a real online hub that would allow businesses to conduct their business digitally by managing their assignments and position vis-à-vis the Bank independently, simplifying both operations and the bureaucratic steps inherent to business activity.

The starting point in 2020 of the journey was the services dedicated to **assigned debtors factoring and confirming** (Supply-chain area), with the on-line editing and management of the invoices assigned by their suppliers, and the possibility of reporting any changes and submit requests for redefinition of payment times.

In 2021, the Bank worked on new functions dedicated to **factoring assignors** for the complete digital management of their operations, activating Ifis4business in 2022 to replace the old platform to allow companies to: upload and sign invoice assignments and accompanying documents, monitor their progress and verify the proposal of new clients on-line.

2023 was dedicated to the study and subsequent implementation of **leasing and rental** products in the portal, increasingly transforming the platform into a multi-product environment that could cover new products offered by the Bank. In 2024, we will see a continuation along the path of improving the user experience, expanding the functions and information rendered to the customer.

Still in support of corporate customers, an extensive work programme has been launched, entitled **Digital Selling Platform** (DSP), aiming to better monitor the sales and onboarding processes of new customers. The project initiative is aimed at setting up **a single sales platform** within which to centralise processes, for each type of service offered, both through sales channels intermediated by the commercial network (internal/external) and in direct mode (self) towards end customers.

In 2021, the core of the application was implemented, making it possible to:

- activate **sales processes for leasing and rental products** through the internal sales network or external partners. The new application has replaced the previous ones, enabling the Bank and the subsidiary Ifis Rental to perform, in a single solution, all the activities necessary for the sale of a new leasing or rental product, such as: definition of sales quotes and the collection of digitally signed documents;
- place loans assisted by the MCC Guarantee Fund (**Digital Lending**) in self mode. The entire process is done completely remotely, the customer can view the offer, request the credit, upload the required ancillary documentation and digitally sign the loan agreement.

In 2022, the Bank focused on **remote sales**, enabling the sale of leasing products in fully or partially self-service mode. The customer can make sales quotations independently, sign pre-contractual and contractual documentation by means of a **digital signature** issued after recognition in person or remotely (i.e. operator video recognition, Spid).

Also in 2022, in line with the digitisation path undertaken and focusing on private customers (rental tech), the Bank created within the **Digital Selling Platform**, a new application dedicated to full-self onboarding (the **Digital Onboarding Tool**). A modular solution, which enables the configuration of dedicated onboarding processes, exploiting integration with customer identification services (SPID and videoselfie), automatic document upload, document authentication and OCR and open banking services.

2023 focused on **expanding the product showcase** of the Digital Selling Platform by introducing new products from the leasing and rental world. A new sales channel for private rental customers (**Rental to Private**) was also added, integrating the Digital Onboarding Tool with the eCommerce of a major business partner.

2023 also saw the launch of a new self-service sales experience (**Digital Leasing**), which allows customers to complete the entire automotive leasing application and subscription process completely remotely, uploading all the required information, including vehicle information, themselves. The customer is also offered the option of continuing completely online (with remote support, if desired or necessary, from a contact centre) or of using an expert present on their territory (Half-digital process).

Both the myIfis ecosystem and the Digital Selling Platform ecosystem have been revised from **a full-responsive perspective**, and are now usable by customers from any device, facilitating multi-channel sales and management processes and the use of these platforms also on the move.

For the retail market, in salary/pension-backed loan sector, a **commercial relaunch** programme of the company **Cap.Ital.Fin** was activated in 2022, which called for updates to the current distribution process, aimed at enabling a “**one-stop shop**” sales approach and which included: changes to the process and revision of the current pricing and contracts.

In 2023, a further milestone was reached in Cap.Ital.fin's commercial relaunch programme through the introduction of **digital signatures and remote customer recognition**. In addition, the project was initiated that will allow CQS to be added to the Digital Selling Platform product showcase in 2024, in the first instance available for intermediate sales.

In 2021, an extensive work programme known as the **Credit Portal (IMUW)** was launched, consisting of several intermediate steps, with the aim of having a single tool (for internal use) for the management of assessments and decisions on applicants for leasing and rental products. In 2022, work began for the extension of the platform to Factoring products, including enriching the logic of the Autodecisioning engine and external data sources to support the evaluator. The project aims to achieve increased application decision-making speed, standardisation of evaluation processes and tools and a focusing of in-house expertise on more complex operations. A key enabler for the construction of such an ecosystem is the increasingly rich **integration of the Credit Portal** (and the associated Autodecisioning engine) **with external Infoproviders**.

In 2023, **information for assessing the creditworthiness** of applicants for Factoring concessions, renewals or revisions (e.g. master data, balance sheet indicators, internal rating, indicators introduced by the EBA-LOM regulations and level of exposure to the Ifis Group) was made available in a centralised manner in the IMUW platform.

In 2024, activities will continue to extend the functionalities present in the IMUW platform, with the inclusion of instructions for Factoring products (valuation and resolution) and the expansion of the logic of the Autodecisioning engine for certain types of practices (e.g. renewals and revisions), in addition to interventions to evolve, according to the Bank's ESG policies, the valuation and credit granting processes.

For the retail market, in the **Npl** area, in 2023 Ifis Npl expanded the tools available to customers to **conclude paperless agreements** by introducing the possibility to **digitally sign** proposals through SPID secure authentication. The new mode is in addition to those already available such as graphometric signature or voice signature. In addition, the **use of RPA** has been **extended**, applied to the execution of tax payments through the PagoPa system. The process is integrated with the portal made available by the Ministry of Justice, in the future it will be able to take advantage of the web services (Web Servicer exposed by the Ministry of Justice) that will be integrated directly into the management system. The year also saw the completion of a major streamlining of Ifis Npl Servicing's application pool, which led to the rationalisation of processes and tools, now unified for all managed businesses (Captive, Third Party Account, Securitisation).

Business line	Transaction	2023	2022	2021
Banca Ifis – Leasing	Signing contracts with digital signature	67%	47%	13%
Ifis Rental - Rental	Signing contracts with digital signature	60%	38%	4%
Banca Ifis – Retail	Current account and deposit account opening	100%	100%	100%
Banca Ifis – Retail	Current account and deposit account transactions	100%	100%	100%
Banca Ifis – Factoring	% assignments completed via digital portals (Invoice sellers)	90%	59%	0%
Banca Ifis – Supply Chain	% invoice acknowledgements completed via digital portals (Assigned debtors)	36%	36%	28%

In 2022, Banca Ifis Group, through **Banca Credifarma**, presented the new Satispay Business payment solution, which allows pharmacies to accept payments through a simple application installed on the PC, in an easy, fast, convenient and transparent way, enabling customers to make payments with a simple and flexible tool through their smartphone.

This solution was presented in conjunction with the Connect PagoPA service, through which pharmacies will be able to accept the payment of health tickets for specialist and outpatient services directly at the till, as well as pay taxes, fees or charges to the public administration and other participating entities that provide services to residents, by simply scanning the bill's QR Code, with immediate transaction confirmation.

In addition, the partnership with Nexi has been further strengthened, which started an important collaboration with Farmakom with the development of the Pharmacy Digital Hub, confirming its proximity to Italian pharmacists, facilitating business continuity and the digitalisation of online services and payments, while also guaranteeing security and support for the evolution of digital health, through the creation of a customised eCommerce platform.

In 2023, the DCR Portal was activated, which allows client pharmacies to conveniently access the Online Bank, obtain their advances within 24 hours and complete requests in just a few minutes from a regular PC, 24 hours a day, 7 days a week, using Banca Credifarma's Internet Banking platform.

Quality of products and services

The quality of the service and products offered has a major impact on satisfaction over the service received, on the relationship with the customer and the perception of the reliability and security of the Bank and operators working on its behalf. **Quality and transparency are therefore strategic** for the Group, which undertakes to study, design and test products and services that are always aligned with the market's needs and of the best possible quality.

Through a **Policy for approving new products and services, starting new operations, and entering new markets**, Banca Ifis Group sets the rules for developing and distributing new products in accordance with business strategies and objectives.

In addition, in the **Leasing area**, during the preliminary phase of new business relationships with a potential supplier or partner, and before purchasing assets to be leased to customers, **a series of checks are performed**:

- **in the case of potential affiliated partners/vendors**, with which the bank intends to establish an on-going relationship, the activation of commercial agreements is subject to an investigation aimed at verifying the quality of the assets supplied and compliance with the criteria of reliability, credibility and soundness from a financial and reputational standpoint. A Code of Conduct must also be signed in order to conclude commercial agreements;
- **in the case of occasional suppliers** (for example, proposed directly by the customer for the purchase of a specific asset), the checks aim to verify the quality of the asset, the actual existence of the company and the possession of the main credentials, in order to prevent any fraud involving the brand and the customer.

Banca Ifis Group service level

For Banca Ifis Group, our commitment is to guarantee customers a high level of service with quick and timely responses that stand out on the market. Below are the results obtained in 2023 for the **leasing, factoring and SME loan products**, which are substantively in line with the results of FY 2022.

Average time for **assessing lease proposals** (in line with 2022):

- Cars and commercial vehicles: 1,5 days.
- Instrumental assets (industrial, IT and Office) and industrial vehicles worth less than or equal to € 200.000: 4 days.
- Instrumental assets and industrial vehicles worth more than € 200.000: 7 days.

Average time to **respond to requests made by leasing customers** (in line with 2022):

- Time for managing customer requests: 2 days.
- Telephone call abandon rate: 4%.
- First Call Resolution: 95%.
- Issue of deed of sale for the asset after the lease contract: 2 days.

Average time for **assessing factoring proposals**: 15,1 days.

Average time for **assessing SME loan proposals**: 14,7 days.

Ifis Npl Investing, including through Ifis Npl Servicing promotes on-going operator-customer relationships to consolidate trust over time, and implements **various safeguards** to guarantee the quality of the service provided by network operators (debt collection companies, agents, internal call centres), including:

- **credentials and qualifications**: agents can be registered in the list of the OAM (Association of Credit Agents and Brokers). Starting September 2020, the company has begun also including Agents under a licence to collect according to Art. 115 of the Consolidated Act on Public Safety (T.U.L.P.S.), hence during the selection phase, numerous controls are carried out on their reliability. In the same way, before establishing the relationship, debt collection companies are also assessed on their reliability, credibility, and financial soundness;
- **measurement of the performance of agents and debt collection companies**: the Group has specific KPIs and contractual SLAs⁴² to monitor the quality of the positions processed, envisaging and imposing penalties (on contractual SLAs) in the case of prolonged poor performance.

To evaluate the effectiveness of the adopted management approach, the business areas that own each product or service verify whether those comply with the Bank's sales processes to make sure the customer's needs are met effectively, and the control functions can schedule and conduct reviews in accordance with the Bank's policy.

⁴² SLA: Service Level Agreements, i.e. contractual instruments through which the service metrics that must be respected by a service provider towards its customers/users are defined.

Specifically concerning the **definition and introduction of new products and services**:

- the **Compliance** function ensures the control of the risk of non-compliance, for example, by assessing the adequacy of the safeguards with respect to the applicable regulations or by verifying the compliance of the advertising messages envisaged. In addition, following the introduction of new products and services, the Compliance function requires the provision of appropriate training courses for the OUs impacted by the new banking products and services (e.g., on the risks inherent in the new product and how to mitigate them);
- The **Anti-Money Laundering** function helps evaluate the risk that the new initiative could pose to the Bank concerning the potential for it to become involved in money-laundering and terrorist financing as a result of the new product.