



SPAFID
CONNECT

Informazione Regolamentata n. 0147-14-2022	Data/Ora Ricezione 10 Febbraio 2022 07:31:32	Euronext Star Milan
--	--	---------------------

Societa' : BANCA IFIS
Identificativo : 157289
Informazione
Regolamentata
Nome utilizzatore : IFISN01 - DA RIO
Tipologia : REGEM; 2.2
Data/Ora Ricezione : 10 Febbraio 2022 07:31:32
Data/Ora Inizio : 10 Febbraio 2022 07:31:33
Diffusione presunta
Oggetto : Banca Ifis exceeds targets and closes 2021
with net profit up 46,2% to 100,6 million
Euro

Testo del comunicato

Vedi allegato.

PRESS RELEASE
FY 2021 PRELIMINARY RESULTS

Banca Ifis exceeds targets and closes 2021 with net profit up 46,2% to 100,6 million Euro

Profit, net of PPA and real estate gains, has grown sixfold on 2020 and is 10% higher than in 2019. The result was achieved despite the prudential interventions within the scope of the COVID-19 pandemic on concentration risk, vintage and Npl portfolio acquired, and the incurring of costs related to the transfer and consequent regulatory deconsolidation of the registered office of the Holding company La Scogliera. In 2021, an all-time record was achieved in terms of revenues (602,5 million Euro), cash recoveries of purchased Npl portfolios (345 million Euro) and purchases of Npl portfolios (3,7 billion Euro).

Moody's has assigned Banca Ifis a rating of Baa3 (investment grade) with a stable outlook due to the Bank's profitability and solid capital and liquidity position.

For FY 2021, the Board of Directors proposes that the Shareholders' Meeting distribute a dividend of 0,95 Euro per share, equal to twice the coupon for FY 2020. Payment is expected for May 2022.

Preliminary period results

Reclassified data¹ - 1 January 2021/31 December 2021

- **Net banking income is up 28,8% to 602,5 million Euro** (467,8 million Euro at 31.12.2020) and benefited from the improved performance of the Npl Segment of 257,6 million Euro (+94,6 million Euro compared to 31.12.2020) and higher revenues from the Commercial & Corporate Banking Segment of 283,2 million Euro (+60,5 million Euro compared to 31.12.2020).
- **Operating costs amounted to 375,5 million Euro** (+21,9% compared to 308,0 million Euro as at 31.12.2020), due to higher variable costs related to legal activities and Npl recovery, to the inclusion of Farbanca and the former Aigis Banca in the scope of consolidation, to ICT projects, to higher costs for variable remuneration of employees and one-off items related to the transfer of the registered office of the Holding company La Scogliera.
- **The net profit attributable to the Parent Company of 100,6 million Euro recorded double-digit growth (+46,2%)** compared to 68,8 million Euro in 2020. Excluding the PPA and the gain of 24,2 million Euro from the sale of the property in Corso Venezia in Milan in 2020, the result was six times that of 2020 and 10% higher than 2019.
- **Cost of credit of 77,2 million Euro** (down from 91,4 million Euro in 2020), which includes additional provisions of an additional 18 million Euro in the Npl portfolio for long-term effects related to COVID-19, 12,5 million Euro for concentration risk, and 12,0 million Euro for positions in the commercial portfolio with high vintage.
- **CET1 at 15,44%** is among the best in the market and gives stability to the dividend payout.
- **Solid liquidity position: approximately 960 million Euro at 31 December 2021** in reserves and free assets that can be financed by the ECB (LCR above 900%).

Capital requirements

- **CET1 up to 15,44% (11,29% at 31 December 2020) with respect to an SREP requirement of 8,12%**; TCR: 19,63% (14,85% at 31 December 2020) with respect to an SREP requirement of 12,5%. The significant increase in shareholders' equity compared to 31 December 2020 is mainly due to the transfer of the registered office of the Holding company La Scogliera to the Canton of Vaud (Lausanne - CH) - in connection with personal reasons of the Chairman. The effectiveness of the resolution passed by the extraordinary shareholders' meeting of the parent company to transfer the registered office, as from 27 December 2021, has in fact allowed the elimination of La Scogliera from the regulatory consolidation of the Bank, with consequent full appreciation of the Group's equity.

¹ In the following statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. For this reason too, apart from the specific operations, the effects of an analysis performed also in response to the Covid-19 pandemic have been classified amongst value adjustments.

PRESS RELEASE
FY 2021 PRELIMINARY RESULTS

Milan, 10 February 2022 – The Board of Directors of Banca Ifis, chaired by the Deputy Chairman, Ernesto Fürstenberg Fassio, has approved the preliminary results for 2021. The draft 2021 financial statements will be approved on 10 March 2022.

"In 2021 we were able to seize the opportunities offered by the economic recovery, creating the basis for the 2022-24 Business Plan - **explains Frederik Geertman, CEO of Banca Ifis - Parent Company profit stood at 100,6 million Euro, up 46,2%**, and is higher than the guidance we had revised upwards in November and estimated at between 90 and 100 million Euro. The result which, calculated net of PPA, amounted to 85 million Euro was up 10% on 2019 and was supported by the excellent performance of all the Bank's business units. **Revenues of 602,5 million Euro reached an all-time high led by recurring components.**

The effectiveness of the resolution to transfer the registered office of La Scogliera to the Canton of Vaud (Lausanne - CH), which took place on 27 December 2021, has made it possible to optimise the Group's capital structure from a regulatory point of view (eliminating, already with effect from FY 2021, the consequences deriving from the prudential consolidation of the Parent Company), while confirming, at the same time, the focus on long-term growth of the controlling shareholder. The CET1 at 31 December 2021 thus stands at 15,44% and supports the stability of the dividend policy. With reference to FY 2021, the Board of Directors proposes that the Shareholders' Meeting **pay a dividend of 0,95 Euro per share**, corresponding to a payout ratio of 50,5% and equal to double the coupon distributed in 2021 against FY 2020 (0,47 Euro per share).

In the Npl Segment, in 2021 **we exceeded our targets by acquiring over 3,7 billion Euro of non-performing loans, confirming our position as market leader in small ticket unsecured loans**, with a market share of 46%. Period purchases will make a solid contribution to the Bank's profitability in the coming years. Cash recoveries on Npl portfolios acquired reached an all-time high and amounted to 345 million Euro (+33% compared to 259 million Euro in 2020) confirming the portfolio's quality.

In the **Commercial & Corporate Banking Segment**, we continued the process of the digitisation and development of services from an omnichannel perspective with the implementation of the "*Ifis4business*" platform, which will be extended to all products in the portfolio within this year. We have also entered into partnerships with other institutions in order to increase the distribution capacity of the Bank's products and services without increasing fixed costs. In addition, we have initiated projects aimed at improving the Bank's efficiency, such as the creation of a new centralised procurement function for contract negotiation and supplier selection and cost optimisation.

With a view to prudence, in 2021 we made adjustments to loans of 18 million Euro in the Npl portfolio for the long-term effects related to COVID-19, 12,5 million Euro on trade receivables for concentration risk and 12,0 million Euro on positions with high vintage.

In the ESG area, in 2021, we reinforced our distinctive positioning towards a more sustainable and inclusive future, also thanks to the establishment of the Sustainability Committee. Banca Ifis was the first Italian challenger bank to adhere to the Net-Zero Banking Alliance: we committed, within 18 months of signing up, to defining targets for reducing emissions by 2030 and zeroing those of the entire portfolio by 2050. Banca Ifis has also - and it is the first institution in Italy - been certified for gender equality by the "Winning Women Institute," concludes Geertman.

PRESS RELEASE

FY 2021 PRELIMINARY RESULTS

Highlights

RECLASSIFIED DATA ¹

The Banca Ifis Group's consolidated income statement at 31 December 2021 reported a profit attributable to the Parent Company of 100,6 million Euro and Group profit of 102,3 million Euro: +48,0% over 2020.

Highlights from the Banca Ifis Group's income statements for FY 2021 are set out below.

Net interest and other banking income¹

Net interest and other banking income totalled 602,5 million Euro, up 28,8% from last year's 467,8 million Euro. This increase of 134,7 million Euro was mainly related to: the improved general economic environment from which all the Group's businesses benefited, the contribution of 17,8 million Euro from Farbanca (not a member of the Banca Ifis Group for the first eleven months of 2020) and that of the former Aigis Banca business unit and the positive change in other components of net interest and other banking income of 20,0 million Euro (from 11,2 million Euro at 31 December 2020 to 31,3 million Euro at 31 December 2021).

These positive effects primarily benefited net interest income, which increased by 27,8% from 381,7 million Euro at 31 December 2020 to 488,0 million Euro at 31 December 2021.

Net commissions amounted to 83,3 million Euro, an increase compared to the figure at 31 December 2020, which was 74,9 million Euro (+11,2%): this performance was driven by a greater contribution from commission income connected to activities in the Structured Finance segment.

The other components of net banking income are made up as follows:

- 13,9 million Euro for net gains from the sale or buy-back of financial assets and liabilities, down on 31 December 2020, which booked net profit of 21,4 million Euro;
- 11,0 million Euro for the net positive result of other financial assets and liabilities measured at fair value through profit or loss (up 20,8 million Euro on the negative 9,7 million Euro at 31 December 2020), which includes the net positive change to the fair value of capital instruments and units of UCITS funds;
- 7,5 million Euro for dividends generated by shares held in the Group-owned portfolio, a significant increase on the 3,0 million Euro in 2020.

Net impairment losses¹

Net credit risk adjustments totalled 77,2 million Euro at 31 December 2021, compared to net losses of 91,4 million Euro at 31 December 2020. The figure for 2021 includes adjustments of 18,0 million Euro relative to the Npl Segment, recorded following a detailed analysis, carried out also in response to the COVID-19 pandemic, in terms of greater collection times, mainly on higher vintage positions. This includes additional provisions of 12,5 million Euro in the Corporate Banking area against the concentration risk typical of the sector, also to take account of potential further future effects connected with the lack of credit support measures. Finally, the item also includes 12,0 million Euro linked to a revision of the assessment of the recoverability of the arrears on the commercial portfolio with the public administration with higher vintage.

Operating costs

Operating costs totalled 375,5 million Euro, showing an increase on the 308,0 million Euro at 31 December 2020 (+21,9%).

¹ In the following statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. For this reason too, apart from the specific operations, the effects of an analysis performed also in response to the Covid-19 pandemic have been classified amongst value adjustments.

PRESS RELEASE

FY 2021 PRELIMINARY RESULTS

Below are the item's main components.

- Personnel expenses rose by 14,9% to 141,8 million Euro (123,4 million Euro for the year ended 31 December 2020). The increase in this item is due to higher allocations for variable remuneration of approximately 7,5 million Euro compared to 2020 - a year that was affected by prudential policies related to the uncertainty of the pandemic - and to the entry into the Banca Ifis Group of Farbanca and the former Aigis Banca business unit for 5,2 million Euro. The number of Group employees at 31 December 2021 was 1.849 as compared with 1.758 staff at 31 December 2020, of whom 45 coming from the acquisition of the former Aigis Banca business unit;
- Other administrative expenses, at 31 December 2021, amounted to 231,8 million Euro, an increase of 21,5% on 31 December 2020. The increase is attributable to higher costs for professional services and expenses for the purchase of goods and other services mainly related both to the resumption of credit recovery activities in the Npl Segment and to the change in the scope of consolidation with the full inclusion of Farbanca and the business unit acquired from the former Aigis Banca and the related integration costs as well as one-off costs connected with the transfer of the registered office of the Holding company La Scogliera;
- Net provisions for risks and charges amounted to 10,7 million Euro, down 61,8% compared to 28,0 million Euro at 31 December 2020, which included provisions of 6,9 million Euro relating to the Solidarity Fund and prudential allocations to commitments to disburse funds and guarantees for a total of 8,8 million Euro mainly related to the unique macroeconomic context of 2020;
- Other net operating income amounted to 27,5 million Euro, down 47,0% compared to the previous year. The item referred mainly to revenue from the recovery of expenses charged to third parties. The relevant cost component is included in other administrative expenses, namely under legal expenses and indirect taxes, as well as recoveries of expenses associated with leasing operations. The change is substantially due both to lower "gain on bargain purchase", for approximately 13,9 million (in 2020, 16,8 million Euro related to the acquisition of Farbanca, against 2,9 million Euro related to the former Aigis Banca perimeter), and to the fact that in 2020 the Npl Segment had benefited from 14,1 million Euro received as indemnities on portfolios acquired in previous years.

Net profit for the year

At 31 December 2021, net profit pertaining to the Parent Company came to 100,6 million Euro, up 46,2% on the 68,8 million Euro of 31 December 2020, which benefited from an extraordinary capital gain of 24,2 million Euro and the related tax effect due to the sale of the Milan property in Corso Venezia.

The Group's net profit for the year ended 31 December 2021, including the profit pertaining to minorities of 1,7 million Euro, is up 48,0% and comes to 102,3 million Euro.

Focus on individual Segments

Below are the main dynamics recorded in the individual Segments that go towards forming the economic-equity results at 31 December 2021.

Net profit of the **Commercial & Corporate Banking Segment** comes to 57,8 million Euro, up 154,5% as compared with last year. This change is due to the growth in net interest and other banking income of 60,5 million Euro while adjustments for credit risk amounted to 45,0 million Euro and include, as previously mentioned, additional adjustments of 12,5 million Euro in corporate banking and 12,0 million Euro in adjustments to exposures to the public administration.

In detail:

- the contribution made by the Factoring Area towards net banking income booked by the Commercial & Corporate Banking Segment came to 144,5 million Euro, essentially in line with last year;

PRESS RELEASE

FY 2021 PRELIMINARY RESULTS

- net banking income of the Leasing Area is 55,7 million Euro, up 6,5 million Euro (+13,3%) on 31 December 2020; this result is due for 7,3 million Euro to lesser interest expense following a review of internal transfer rates, partly offset for 0,8 million Euro by lesser interest income in the operating lease segment (Rental);
- net banking income of the Corporate Banking & Lending Area, which came to 83,0 million Euro at 31 December 2021, rose by 52,3 million Euro on the previous year, with an increase in the interest margin of 30,8 million Euro, in the commission component for 6,5 million Euro and in other components of net banking income for 15,0 million Euro.

Operating costs increased by a total of 33,7 million Euro compared to 31 December 2020, mainly due to both the aforementioned higher provisions for variable remuneration and the entry into the Group of Farbanca and the former Aigis Banca business unit and the related integration costs.

Net profit of the **Npl Segment** is approximately 50,2 million Euro, a significant rise of 180,3% on the 17,9 million Euro booked at 31 December 2020, thanks to the recovery of all business activities.

The net banking income of the Segment¹ amounted to 257,6 million Euro (+58,1%) as compared with 162,9 million Euro at 31 December 2020. The net profit from financial activities of the Npl Segment therefore amounted to 239,6 million Euro, up 47,0% on the 162,9 million Euro at 31 December 2020. An important result deriving from the improvement of the economic situation compared to 2020, when the pandemic led to the closure of the courts and the consequent stalling of judicial and third-party collection activities.

"Interest income from amortised cost", referring to the interest accruing at the original effective interest rate, at 31 December 2021 came to 150,4 million Euro, up 8,1% on the 139,1 million Euro of 31 December 2020, largely thanks to the increase in receivables at amortised cost.

The item "Other components of net interest income from changes in cash flow" at 31 December 2021 came to 122,5 million Euro as compared with the 42,5 million Euro at 31 December 2020, due to the changed pandemic context. This item includes:

- out-of-court settlements of 65,6 million Euro, consisting of 83,4 million Euro in connection with recovery plans, offset in part by negative changes of 17,8 million Euro in connection with the valuation of statistical curves;
- legal expenses of 56,9 million Euro, almost entirely due to the contribution of actions for injunction, attachment and garnishment orders.

The Segment presents "Net adjustments for credit risk" of 18,0 million Euro; these adjustments refer to the write-down of receivables following completion of a detailed analysis, carried out also in response to the COVID-19 pandemic, in terms of greater collection times, mainly on higher vintage positions.

In line with debt collection activities, operating costs rise by 19,4%, going from 139,1 million Euro at 31 December 2020, to 166,1 million Euro at 31 December 2021. This increase is essentially due to the variable costs linked to debt collection.

At 31 December 2021, the **Governance & Services and Non-Core Segment** recorded a period loss of 5,8 million Euro as compared with the profit of 28,5 million Euro of 31 December 2020, which benefited from the capital gain, gross of taxes, of 24,2 million Euro deriving from the sale of the property in Corso Venezia, Milan.

¹ In the following statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. For this reason too, apart from the specific operations, the effects of an analysis performed also in response to the Covid-19 pandemic have been classified amongst value adjustments.

PRESS RELEASE FY 2021 PRELIMINARY RESULTS

The segment's net banking income amounted to 61,7 million Euro, down 20,4 million Euro compared to 31 December 2020; this change is due to the increase in net banking income of the Governance & Services Area of 9,2 million Euro, not sufficient to offset the decline in the Non-Core portfolio in run off, of 29,6 million Euro.

Operating costs come to 55,7 million Euro, up 6,8 million Euro on 31 December 2020. The change is mainly due to non-recurring effects that affected the two periods under comparison. In particular, FY 2021 includes 11,5 million Euro in one-off costs linked to the transfer of the registered office of the parent company, only partly offset by other income of 2,9 million Euro connected with the positive difference that emerged when allocating the purchase price of the former Aigis Banca business unit, by contrast FY 2020 included operating income for 16,8 million Euro relating to the acquisition of Farbanca, offset by 11,3 million Euro in provisions for credit risks on commitments and guarantees given and for probable contractual indemnities and 6,9 million Euro relative to the provision made to the employee solidarity fund.

The breakdown of the main statement of financial position items of the Banca Ifis Group at 31 December 2021 is shown below.

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amounted to 10.331,8 million Euro, up 13,1% on 31 December 2020 (9.135,4 million Euro). The item includes debt securities for 2,0 billion Euro (1,3 billion Euro at 31 December 2020), of which government securities for 1,6 billion Euro.

The contribution of the Commercial & Corporate Banking Segment is up on the balance at 31 December 2020 (+8,9%). Growth in the Corporate Banking & Lending Area (+20,5%), followed by the Factoring Area (+6,7%) and the Npl Segment (+8,4%) was offset by a 1,7% decrease in the Leasing Area. An increase is also recorded of 544,1 million Euro in exposures of the Governance & Services and Non-Core Segment, mainly due to the purchase of debt securities during the year.

Funding

During 2021, the Group continued its strategy of differentiating between distribution channels, in order to ensure a better balance between retail funding and wholesale funding. The Group boasts liquidity above the requirements: approximately 960 million Euro at 31 December 2021 in reserves and free assets that can be financed by the ECB (LCR above 900%).

Total funding amounted to 10.786,6 million Euro at 31 December 2021 (+8,9% compared to 31 December 2020) and is represented for 52,7% by payables due to customers (55,2% at 31 December 2020), for 24,1% by payables due to banks (23,9% also at 31 December 2020), and for 23,2% by debt securities issued (20,9% at 31 December 2020).

At 31 December 2021, the Group's funding structure was as follows:

- 52,7% customers;
- 18,9% TLTROs;
- 13,4% ABSs;
- 9,8% debt securities;
- 2,0% Repos;
- 3,2% other.

Amounts due to customers amounted to 5.683,7 million Euro at 31 December 2021, an increase of 3,9% compared to 31 December 2020, also following the acquisition of the former Aigis Banca business unit.

PRESS RELEASE FY 2021 PRELIMINARY RESULTS

Payables due to banks amounted to 2.598,0 million Euro, up 9,8% compared to 31 December 2020, mainly due to new repurchase agreements on securities issued with self-securitisation and Npl Segment receivables as underlying assets.

Securities issued amounted to 2.504,9 million Euro at 31 December 2021, up on the 2.069,1 million Euro of 31 December 2020. This increase is mainly attributable to senior securities for a total of 390,2 million Euro relating to the Emma securitisation (performing exposures in the Pharma segment originated by Farbanca), restructured in June 2021 and for 88,7 million Euro to ABCP Programme securities mainly for new issues in the fourth quarter of 2021.

Equity and ratios

At 31 December 2021, Group consolidated Equity totalled 1.623,9 million Euro (1.550,0 million Euro at 31 December 2020). The main changes in consolidated equity are:

- the positive change relative to the year result pertaining to the Parent company of 100,6 million Euro;
- the positive change in Equity attributable to non-controlling interests for 1,5 million Euro, mainly for the part share of the period results accrued by the subsidiaries Farbanca and Credifarma;
- the positive change due to the adjustment of gains on the sale of FVOCI securities for 1,2 million Euro and other minor positive changes for 0,3 million Euro;
- the negative change of 25,1 million Euro related to dividends distributed during the year;
- other net negative changes of 4,5 million Euro mainly related to actuarial gains and losses, changes in the foreign exchange reserve and changes in the fair value of financial instruments with an impact on comprehensive income.

The effectiveness of the resolution of the Extraordinary Shareholders' Meeting to transfer the registered office of the Holding company La Scogliera to the Canton of Vaud (Lausanne - CH), as of 27 December 2021, and the subsequent completion of the corporate transfer process made it possible to eliminate it from the regulatory consolidation of the Bank and to calculate the consolidated capital requirements without including La Scogliera. At 31 December 2021, the new ratios for the Banca Ifis Group amounted to a CET1 ratio of 15,44%⁴ (compared with 11,29%⁵ at 31 December 2020), a TIER1 ratio of 15,45%⁴ (11,86%⁵ at 31 December 2020) and a Total Capital Ratio of 19,63%⁴ (compared with 14,85%⁵ at 31 December 2020). The significant increase between the two dates is mainly due to the above-mentioned regulatory deconsolidation.

In addition, please note that the Bank of Italy has asked the Banca Ifis Group to satisfy the following consolidated capital requirements in 2021, in continuity with 2020, including a 2,5% capital conservation buffer:

- Common Equity Tier 1 (CET1) capital ratio of 8,12%, with a required minimum of 5,62%;
- Tier 1 capital ratio of 10,0%, with a required minimum of 7,5%;
- Total Capital Ratio of 12,5%, with a required minimum of 10,0%.

At 31 December 2021, the Banca Ifis Group easily met the above prudential requirements.

Significant events occurred during the year

The Banca Ifis Group transparently and promptly discloses information to the market, constantly publishing information on significant events through press releases. Please visit the Investor Relations and Media sections of the institutional website www.bancaifis.it to view all press releases.

⁴ Transitional Own Funds with the inclusion of profits generated by the Banking Group as of 31 December 2021.

⁵ Comparative figures refer to the scope of prudential consolidation at 31 December 2020. The same figures, restated on a like-for-like basis on a conservative basis at 31 December 2021 would be: CET1 15,47%, TIER1 15,49% and Total Capital 19,87%

PRESS RELEASE
FY 2021 PRELIMINARY RESULTS

Corporate reorganisation of the Group's business in the Npl Segment

On 1 January 2021, the Npl Segment underwent a corporate reorganisation with the creation of a vertical chain aiming to guarantee the separation and independence of loan acquisitions and collections. The Group's business in the Non-Performing Loans has therefore been reorganised into three separate companies: Ifis Npl Investing, Ifis Npl Servicing and Ifis Real Estate. The first acquires the portfolios, the second deals with management and collection and Ifis Real Estate deals with the real estate business, servicing the other two companies.

Resignation of Director Divo Gronchi

On 14 January 2021, the Independent Director Divo Gronchi tendered his resignation, with immediate effect, from the position of Director and, consequently, member of the Company's Appointments Committee and Supervisory Body. Having acknowledged the resignation tendered by Mr Gronchi, the Board of Directors resolved to replenish the Appointments Committee members, choosing Monica Billio as new member. The Board has also resolved to replenish the members of the Bank's Supervisory Body, appointing Beatrice Colleoni as new member.

Agreement for the cessation of contracts with Luciano Colombini

On 11 February 2021, Luciano Colombini tendered his resignation, as already announced in December 2020, from the role of Chief Executive Officer and the position of director on the board of Banca Ifis, to embark on new professional challenges. Mr Colombini ceased office upon conclusion of the Shareholders' Meeting held on 22 April 2021.

On 11 February 2021, the Bank's Board of Directors therefore approved, with the opinion in favour given by the Remuneration Committee and the Board of Auditors, an agreement for the termination of contracts with Luciano Colombini. This agreement, which is in line with the Bank's approved Remuneration Policy, establishes that Mr Colombini will be paid his remuneration for the office of Chief Executive Officer until the date on which he effectively leaves office, as well as the deferred components of the bonus already accrued and recognised for FY 2019, which will be paid in accordance with the terms and conditions of the Remuneration Policy. In addition, at the date on which he leaves office, Mr Colombini will receive severance indemnity equal to the fixed and variable remuneration envisaged for the residual term of the three-year mandate originally conferred upon him (12 months of recurring remuneration), to be paid in accordance with the terms and conditions of the Remuneration Policy (and, therefore, 50% in financial instruments, with a deferral period, of a portion of 40% of the indemnity, of 3 years, without prejudice, in any case, to the application of the malus and clawback clauses). No non-competition obligations are envisaged.

Banca Ifis has developed the first securitisation in Italy of Npls backed by assignment orders

On 22 March 2021, Banca Ifis declared that for the purpose of a loan, through the subsidiary Ifis Npl Investing, it had implemented the very first securitisation in Italy of a non-performing portfolio mainly comprising unsecured loans backed by assignment orders. The transaction is an innovative solution for this type of non-performing exposure, where the debt collection procedure through compulsory enforcement (attachment of one fifth of the salary) is at an advanced stage. The transaction aimed to collect funding for Ifis Npl Investing of up to 350 million Euro in liquidity on the institutional market, without deconsolidating the underlying credits. The loan portfolios concerned by the transaction (a portfolio of secured loans and an unsecured portfolio backed by assignment orders) owned by the subsidiary Ifis Npl Investing, was transferred to a newly-established SPV called IFS NPL 2021-1 SPV S.r.l., which issued senior, mezzanine and junior notes.

The Shareholders' Meeting has approved the 2020 financial statements. Frederik Geertman appointed as Chief Executive Officer

The Shareholders' Meeting of Banca Ifis, which met on 22 April 2021 chaired by Sebastien Egon Fürstenberg, approved the 2020 annual financial statements and the distribution of a unitary gross dividend of 0,47 Euro per share, deducted from own funds at 31 December 2020: payment date 26 May 2021, record date 25 May 2021 and ex-dividend date (no. 23) 24 May 2021. The Shareholders' Meeting confirmed Frederik Geertman as CEO, previously coopted as director on 11 February 2021, and approved the proposal made by the majority shareholder La Scogliera S.p.A. to appoint Monica Regazzi as new independent director, to replace the resigning director Luciano Colombini. The Board of Directors,

PRESS RELEASE FY 2021 PRELIMINARY RESULTS

which met at the end of the Shareholders' Meeting, therefore appointed Frederik Geertman as Chief Executive Officer of Banca Ifis, granting him the relevant powers.

Independence requirements of the Director Monica Regazzi verified

On 13 May 2021, the Board of Directors verified the independence requirements, according to the criteria contained in the TUF and the Corporate Governance Code for Listed Companies, for the director Monica Regazzi.

Banca Ifis intervenes to guarantee depositors of Aigis Banca with the purchase of an operative BU of the company

On 23 May 2021, Banca Ifis reported that it had shared the terms and conditions of the intervention aimed at guaranteeing depositors of Aigis Banca, assigned under receivership by the Ministry for the Economy and Finance, with the Fondo Interbancario di Tutela dei Depositi (Interbanking Deposit Protection Fund). The Bank of Italy, which appointed the Liquidators of Aigis Banca, has approved the sale of its assets, liabilities and contracts to Banca Ifis. The price paid by Banca Ifis, symbolically, of one Euro, together with the intervention of the Fondo Interbancario di Tutela dei Depositi for a total of 48,8 million Euro and the terms of the contract guarantee no material impacts on the equity ratios (CET1), asset quality ratios and income statement of the Group.

Banca Ifis: communication of La Scogliera S.p.A. on the transfer of the Holding company's office to the canton of Vaud (Lausanne)

On 18 June, Banca Ifis took note of what was communicated by La Scogliera S.p.A. (the Bank's majority shareholder with 50,5% of the capital) regarding the approval by the Shareholders' Meeting of said majority shareholder of the transfer of the holding company's office to the canton of Vaud (Lausanne). The transfer by La Scogliera S.p.A. is subject to satisfaction of the conditions precedent established by the Shareholders' Meeting, including that relating to obtaining an opinion from the Revenue Agency on the tax consequences of the transfer, as well as the successful completion, expected by the end of the year, of the envisaged regulatory procedures. As far as the Bank (which maintains its presence in Italy) is concerned, the transfer could also have the effect of optimising its capital requirements.

The Shareholders' Meeting approves the amendments to the Articles of Association designating two Joint General Managers

The Extraordinary Shareholders' Meeting of Banca Ifis held on 28 July, in a single call, chaired by Ernesto Fürstenberg Fassio, approved the amendments to Articles 10, 11, 13, 15, 17, 18, 20, 21 and 22 of the Articles of Association in view of the new organisational structure, which introduces the figures of two Joint General Managers. By provision no. 1091263 of 20 July 2021, the Bank of Italy ascertained that said amendments are not in conflict with the criterion of health, prudent management. At the end of the authorisation process, Fabio Lanza and Raffaele Zingone were appointed as Joint General Managers. As a result of the reorganisation, Alberto Staccione, who no longer holds the position of General Manager, will work within the company as Chief Lending Officer. In line with the remuneration policy adopted by the Banca Ifis Group, termination of the office of General Manager does not entail the payment of indemnities or other benefits.

Banca Ifis distributes the 2019 dividend of 1,10 Euro per share

On 14 October, Banca Ifis started implementing the shareholders' resolution of 23 April 2020 on the distribution of a gross unit dividend for FY 2019 of 1,10 Euro per share. The amount was payable starting 20 October 2021 with record date on 19 October 2021 and ex-dividend date (no. 24) of 18 October 2021. Payment was made through the authorised financial intermediaries with which the shares are registered on the Monte Titoli System.

Banca Ifis is the first Italian challenger bank to join the Net-Zero Banking Alliance

Banca Ifis is the first Italian challenger bank to join the Net-Zero Banking Alliance (NZBA), the initiative promoted by the United Nations aiming to speed up the sustainable transition of the international banking segment. The Net-Zero Banking Alliance brings together institutes, which are committed to bringing their loans and investment portfolios into

PRESS RELEASE FY 2021 PRELIMINARY RESULTS

line with the achievement of the zero net emissions goal by 2050, as per the targets set by the Paris Climate Agreement.

Banca Ifis undertakes to: define its emissions-reducing objectives within 18 months of signing and report on them annually; define interim objectives to be achieved by 2030; prioritise the most significant areas of impact, namely high emissions intensity sectors; spread awareness of the progress as part of a transition strategy approved by the Board of Directors; and publish annual emissions values.

Banca Ifis closes a record acquisition: 2,8 billion Euro of Npls acquired from Cerberus

Banca Ifis has completed the largest Npl acquisition ever in the Bank's history, reaching the estimated Npl portfolio purchase target for 2021 of around 3 billion Euro ahead of schedule. The Bank has signed an agreement with a company of the Cerberus Capital Management L.P. Group ("Cerberus") for the acquisition of a portfolio of bad loans with a nominal amount of 2,8 billion Euro. The stock comprises 300.000 unsecured loans originated by Italian banks and financial institutions. The receivables, due from retail customers, mainly derive from consumer loan contracts (personal loans, special-purpose loans and car loans).

In terms of portfolio size, the transaction represents the most significant direct sale of Non-Performing Loans in 2021 in Italy, both in the primary and secondary markets.

Banca Ifis, the Shareholders' Meeting has unanimously approved the proposal to alter the ratio of variable to fixed components of the Chief Executive Officer's Remuneration

The Ordinary Shareholders' Meeting of Banca Ifis, which met on 21 December 2021 in a single call, chaired by Ernesto Fürstenberg Fassio, unanimously approved the proposal to change to 1,5:1 the ratio between the variable and fixed components of the CEO's remuneration. The approved increase, which has no impact on the Bank's capital strength and compliance with related capital requirements, will apply from FY 2022 and will be implemented as part of the Bank's remuneration policy to be submitted to the Shareholders' Meeting for approval of the financial statements as at and for the year ending 31 December 2021.

Banca Ifis: favourable opinion for the transfer of the registered office of La Scogliera S.p.A. to the Canton of Vaud (Lausanne - CH)

Following the press release of 18 June 2021, Banca Ifis has acknowledged the declarations made on 27 December 2021 by the controlling shareholder La Scogliera S.p.A., holding 50,5% of the share capital, regarding the effectiveness, following the waiver of certain suspensory conditions, of the resolution to transfer the registered office of La Scogliera to the Canton of Vaud (Lausanne - CH), approved by the Shareholders' Meeting of the controlling shareholder last June. The transfer is expected to be completed by the end of January 2022. Banca Ifis keeps its presence in Italy unchanged.

Significant subsequent events

Moody's has assigned Banca Ifis the rating of Baa3 with stable outlook

Moody's has assigned Banca Ifis a rating of Baa3 (investment grade) with a stable outlook due to the Bank's profitability and solid capital and liquidity position. The original text of the press release issued by Moody's is available on the rating agency's website (www.moodys.com).

Declaration of the Corporate Accounting Reporting Officer

Pursuant to article 154 bis, paragraph 2 of the Consolidated Law on Finance, the Corporate Accounting Reporting Officer, Mariacristina Taormina, declares that the financial information contained in this press release corresponds to the related books and accounting records.

PRESS RELEASE
FY 2021 PRELIMINARY RESULTS

Reclassified Financial Statements

In the following statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. For this reason too, apart from the specific operations, the effects of an analysis performed also in response to the Covid-19 pandemic have been classified amongst value adjustments.

Reclassified Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	AMOUNTS AT		CHANGE	
	31.12.2021	31.12.2020	ABSOLUTE	%
Cash and cash equivalents	355.381	291.602	63.779	21,9%
Financial assets held for trading through profit or loss	8.478	20.870	(12.392)	(59,4)%
Financial assets mandatorily measured at fair value through profit or loss	144.660	136.978	7.682	5,6%
Financial assets measured at fair value through other comprehensive income	614.013	774.555	(160.542)	(20,7)%
Receivables due from banks measured at amortised cost	524.991	791.761	(266.770)	(33,7)%
Receivables due from customers measured at amortised cost	10.331.804	9.135.402	1.196.402	13,1%
Property, plant and equipment	120.256	115.149	5.107	4,4%
Intangible assets	61.607	60.970	637	1,0%
<i>of which: goodwill</i>	<i>38.794</i>	<i>38.798</i>	<i>(4)</i>	<i>(0,0)%</i>
Tax assets	329.674	381.431	(51.757)	(13,6)%
Other assets	487.027	317.478	169.549	53,4%
Total assets	12.977.891	12.026.196	951.695	7,9%

LIABILITIES AND EQUITY (in thousands of Euro)	AMOUNTS AT		CHANGE	
	31.12.2021	31.12.2020	ABSOLUTE	%
Payables due to banks measured at amortised cost	2.597.965	2.367.082	230.883	9,8%
Payables due to customers measured at amortised cost	5.683.745	5.471.874	211.871	3,9%
Debt securities issued measured at amortised cost	2.504.878	2.069.083	435.795	21,1%
Financial liabilities held for trading	5.992	18.551	(12.559)	(67,7)%
Tax liabilities	49.154	48.154	1.000	2,1%
Other liabilities	436.107	438.311	(2.204)	(0,5)%
Post-employment benefits	9.337	9.235	102	1,1%
Provisions for risks and charges	66.825	53.944	12.881	23,9%
Valuation reserves	(25.435)	(19.337)	(6.098)	31,5%
Reserves	1.367.019	1.320.871	46.148	3,5%
Share premiums	102.972	102.491	481	0,5%
Share capital	53.811	53.811	-	0,0%
Treasury shares (-)	(2.847)	(2.948)	101	(3,4)%
Equity attributable to non-controlling interests (+/-)	27.786	26.270	1.516	5,8%
Profit (loss) for the year (+/-)	100.582	68.804	31.778	46,2%
Total liabilities and equity	12.977.891	12.026.196	951.695	7,9%

PRESS RELEASE
FY 2021 PRELIMINARY RESULTS

Reclassified Consolidated Income Statement

ITEMS (in thousands of Euro)	YEAR		CHANGE	
	31.12.2021	31.12.2020	ABSOLUTE	%
Net interest income	487.971	381.692	106.279	27,8%
Net commission income	83.282	74.887	8.395	11,2%
Other components of net banking income	31.266	11.221	20.045	178,6%
Net banking income	602.519	467.800	134.719	28,8%
Net credit risk losses/reversals	(77.159)	(91.359)	14.200	(15,5)%
Net profit (loss) from financial activities	525.360	376.441	148.919	39,6%
Administrative expenses:	(373.606)	(314.187)	(59.419)	18,9%
a) personnel expenses	(141.781)	(123.369)	(18.412)	14,9%
b) other administrative expenses	(231.825)	(190.818)	(41.007)	21,5%
Net allocations to provisions for risks and charges	(10.669)	(27.954)	17.285	(61,8)%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(18.733)	(17.817)	(916)	5,1%
Other operating income/expenses	27.522	51.933	(24.411)	(47,0)%
Operating costs	(375.486)	(308.025)	(67.461)	21,9%
Value adjustments of goodwill	-	(700)	700	(100,0)%
Gains (Losses) on disposal of investments	-	24.161	(24.161)	(100,0)%
Pre-tax profit (loss) from continuing operations	149.874	91.877	57.997	63,1%
Income taxes for the year relating to current operations	(47.571)	(22.735)	(24.836)	109,2%
Profit (loss) for the year	102.303	69.142	33.161	48,0%
Profit (loss) for the year attributable to non-controlling interests	1.721	338	1.383	409,2%
Profit (loss) for the period attributable to the Parent company	100.582	68.804	31.778	46,2%

PRESS RELEASE
FY 2021 PRELIMINARY RESULTS

Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: (in thousands of Euro)	AMOUNTS AT	
	31.12.2021	31.12.2020
Common Equity Tier 1 Capital (CET1)	1.486.880	1.038.715
Tier 1 Capital (T1)	1.488.624	1.091.858
Total Own Funds	1.891.346	1.366.421
Total RWAs	9.633.003	9.203.971
Common Equity Tier 1 Ratio	15,44%	11,29%
Tier 1 Capital Ratio	15,45%	11,86%
Ratio – Total Own Funds	19,63%	14,85%

Transitional Own Funds with the inclusion of profits generated by the Banking Group as of 31 December 2021.

Comparative figures refer to the scope of prudential consolidation at 31 December 2020. The same figures, restated on a like-for-like basis on a conservative basis at 31 December 2021 would be: CET1 15,47%, TIER1 15,49% and Total Capital 19,87%

Rosalba Benedetto
Head of Communications, Marketing
and External Relations
Banca Ifis S.p.A.

Eleonora Vallin
Head of the Press Office
Banca Ifis S.p.A.
M. +39 342 8554140

Martino Da Rio
Head of IR and Corporate Development
Banca Ifis S.p.A.
M. +39 02 24129953

Cristina Fossati, Luisella Murtas
Press Office
Image Building
+39 02 89011300

Fine Comunicato n.0147-14

Numero di Pagine: 16