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Testo del comunicato

Vedi allegato.

PRESS RELEASE – Q1 2016 RESULTS

Banca IFIS: performance up across all business areas

Group net banking income at 79,4 mln Euro (+9,3%), DRLs in the spotlight (+224%).

End of trading in government bonds: 320 million Euro outstanding by the end of 2016. The CEO Giovanni Bossi: "Our business model allows us to swiftly react to the changes and challenges of the current market scenario".

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1 January-31 March 2016	• Net banking income: 79,4 million Euro (+9,3%); • Operating costs: 35,8 million Euro (+40,1%); • Profit for the period: 22,0 million Euro (-16,0%); • Cost of credit quality for trade receivables: 87 bps; • Bad loans ratio in the Trade Receivables segment: 1,1%; • Hiring up: 50 new staff added in the first 3 months of 2016 (+16,3%); • Common Equity Tier 1 (CET1): 13,6% (14,2% at 31 December 2015) [1]; • Total Own Funds Capital Ratio: 14,7% (14,9% at 31 December 2015) [1].

Comment on operations

Mestre (Venice), 27 April 2016 – The Board of Directors of Banca IFIS met today under the chairmanship of Sebastien Egon Fürstenberg and approved the interim financial report for the first quarter of 2016.

"We closed a quarter characterised by heightened market volatility and continuing systemic uncertainty", said **Giovanni Bossi**, Banca IFIS CEO. "Against this backdrop, regulators are constantly revising regulations and instruments, requiring market participants to react quickly and adapt. Banca IFIS continues developing these skills by effectively embracing change and questioning existing methods and processes in order to boost profitability. Even though we have to play by ear—said Mr Bossi—our business model allows us to swiftly react

[1] Total consolidated own funds (amounting to 486.809 million Euro) differ from the amount reported in the consolidated financial statements at 31 December 2015 (501.809 million Euro) due to the 15 million Euro dividend payout approved by the Shareholders' Meeting of the parent La Scogliera S.p.A. on 23 March 2016. The consolidated supervisory reports at 31 December 2015 as well as the relevant capital adequacy ratios have been restated, already at March 2016, to account for said dividend distribution. The data concerning the consolidated Own Funds and capital adequacy ratios reflects said distribution.

to the changes and challenges of the current market scenario while always keeping our goal in mind: generating profits and value for all our stakeholders."

Quarter highlights

Profit for the period totalled 22,0 million Euro, compared to 26,2 million Euro in 2015 (down 16,0%). The following non-recurring items influenced the result:

- 5,5 million Euro **profit from the sale of available for sale financial assets** following the disposal of part of the debt securities portfolio completed in the first quarter of 2016. Out of 1.064,7 million Euro outstanding at 31 March 2016, approximately 740,0 million Euro worth of bonds will be repaid by the third quarter of 2016. Barring further transactions, by the end of 2016 the Bank will have 320,0 million Euro of nominal value in government bonds outstanding. Of these, 270,0 million Euro (nominal value) worth of bonds will be repaid by August 2017.
- 3,0 million Euro in **net impairment losses on available for sale financial assets,** referring to unlisted equity instruments that were found to be impaired.
- 3,8 million Euro in **net allocations to provisions for risks and charges**, including 2,2 million Euro for the annual contribution to the Italian Bank Resolution Fund set up by the Bank of Italy in the wake of the transposition of the BRR Directive 2014/59/EU, and 1,6 million Euro following discussions with the Italian Revenue Agency about the full and final settlement of the claims referring to the fiscal years 2004 and 2005.

Here below are the operating highlights that contributed to the financial performance for the first quarter of 2016:

- **Net banking income** amounted to 79,4 million Euro (+9,3% compared to 72,6 million Euro in the first quarter of 2015), thanks to the surge in the DRL segment (28,7 million Euro, +224,0%). Also the trade receivables (41,3 million Euro, +5,0%) and tax receivables (4,2 million Euro, +6,4%) segments were positive. Meanwhile, the Governance and Services segment posted a decline (5,2 million Euro, -74,7%) following the rebalancing of the securities portfolio in April 2015, which impacted interest income.
- **Net impairment losses** totalled 11,0 million Euro. They referred for 8,1 million Euro to loans to customers (compared to 5,5 million Euro at 31 March 2015, +47,9%), and for 3,0 million Euro to the mentioned impairment losses on available for sale financial assets.
- **Operating costs**, totalled 35,8 million Euro, up 40,1% from 25,6 million Euro in the prior year. This was largely because of the mentioned **provisions for risks and charges** as well as **other administrative expenses** due to higher business volumes in the DRL sector—with special reference to the costs for starting debt collection procedures and collection costs. As for **personnel expenses**, totalling 13,4 million Euro (11,5 million Euro in March 2015, +16,4%), the rise was attributable to new hiring during the first quarter of 2016 (50 staff added, +16,3%), consistently with the goal to strengthen some areas and services supporting the business—especially in the DRL sector. At 31 March 2016, the Group's employees

numbered 755. The cost/income ratio stood at 45,1% at 31 March 2016, compared to 35,2% at 31 March 2015.

As for the contribution of individual sectors to the financial performance for the first quarter of 2016, here below are the highlights for the sectors that reported the most significant or higher-than-expected results:

- **Trade Receivables**: The net banking income of the Trade Receivables segment, amounting to 41,3 million Euro (+5,0% compared to 39,3 million Euro in the first quarter of 2015), mainly refers to the Credi Impresa Futuro and Pharma business areas. The segment generated 2,4 billion Euro in turnover (+10,0% from March 2015), with 4.586 SMEs customers (+6.4% compared to the prior-year period) and 2,8 billion Euro in outstanding loans (-3,0% from December 2015). In addition, the Trade Receivables segment's net banking income rose by 2,3 million Euro thanks to the profits from the new multi-utilities business, launched in late December 2015. The net banking income of the Pharma business area amounted to 8,4 million Euro (7,9 million Euro at 31 March 2015, +5,8%), as turnover was up a significant 22,3% from 31 March 2015.

  As for net impairment losses on receivables, they totalled 5,3 million Euro (5,5 million Euro in the first quarter of 2015, -3,8%). The ratio of credit risk cost concerning trade receivables to the relevant average loan balance over the last 12 months stood at 87 bps (145 bps at 31 March 2015 and 90 bps at 31 December 2015).
- **DRL (Distressed Retail Loans)**: The results for the first quarter of 2016 were positively influenced by the continuing debt collection activities through bills of exchange and expressions of willingness, as well as the reclassification to amortised cost of a sizeable share of the portfolio, following the conclusion of the documentary verification process and the ensuing collections under the bills of exchange or settlement plans for these positions. This contributed nearly 6,0 million Euro to net banking income. In addition, in the first quarter of 2016 the Bank revised the cash flow estimates for the positions under judicial management by including also the estimated interest on arrears deemed recoverable, which contributed about 1,6 million Euro to the net income for the quarter. As for Atlas, the fund intended to speed sales of non-performing loans of Italian banks, Banca IFIS did not observe any reaction from players and prices and believes that the Fund's operations will not affect the Italian non-performing loans market for unsecured consumer loans, which continues functioning as usual and where Banca IFIS is the leader.
- **G&S (Governance and Services)**: net banking income was down 74,7%, from 20,5 million Euro to 5,2 million Euro, largely because of the rebalancing of the securities portfolio in April 2015, which caused interest income to decline. This was partly offset by the sale of 2,1 billion Euro worth of government bonds in the first quarter of 2016, which resulted in a 5,5 million Euro profit. As for retail funding cost (funding totalling 3,3 billion Euro, compared to 3,1 billion Euro at 31 March 2015), it amounted to 1,26%, compared to 1,48% in March 2015, and it is expected to rise slightly as a result of the newly introduced 3-, 4- and 5-year maturities for rendimax.

As for the statement of financial position, here below is the breakdown of the Group's **net non-performing exposures** in the trade receivables segment alone:

- **Net bad loans** amounted to 30,9 million Euro, essentially unchanged from 31 December 2015 (-0,1%); at 1,1%, also the segment's net bad-loan ratio was flat with 31 December 2015. Net bad loans amounted to 5,6% as a proportion of equity, compared to 5,4% at 31 December 2015. The coverage ratio stood at 88,0% (87,9% at 31 December 2015).

- The balance of **net unlikely to pay** was 50,4 million Euro, +27,3% from 39,6 million Euro at 31 December 2015. The increase was mainly attributable to an individually significant position previously classified under net non-performing past due exposures. The coverage ratio stood at 31,5% (32,1% at 31 December 2015).
- **Net non-performing past due exposures** totalled 99,8 million Euro, compared with 58,2 million Euro in December 2015 (+71,4%). The increase was attributable to past due receivables due from the Public Administration that the Bank purchased outright, which surged from 1,2 million Euro at the end of 2015 to 44,7 million Euro at 31 March 2016 (42,6 million Euro referred to the utility segment). The coverage ratio stood at 1,7% (2,6% at 31 December 2015).

For more details, see the Consolidated Interim Report at 31 March 2016, available in the "*Corporate governance*" section of the Company's website 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 accounting information contained in this press release corresponds to the company's accounting records, books and entries.

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Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)		AMOUNT AT		CHANGE	
		31.03.2016	31.12.2015	ABSOLUTE	%
10	Cash and cash equivalents	30	34	(4)	(11,8)%
20	Financial assets held for trading	-	259	(259)	(100,0)%
40	Available for sale financial assets	1.066.413	3.221.533	(2.155.120)	(66,9)%
60	Due from banks	114.691	95.352	19.339	20,3%
70	Loans to customers	3.307.793	3.437.136	(129.343)	(3,8)%
120	Property, plant and equipment and investment property	53.792	52.163	1.629	3,1%
130	Intangible assets	7.391	7.170	221	3,1%
	of which:				
	- goodwill	*821*	*820*	*1*	*0,1%*
140	Tax assets:	61.791	61.737	54	0,1%
	a) current	22.535	22.315	220	1,0%
	b) deferred	39.256	39.422	(166)	(0,4)%
160	Other assets	50.289	82.336	(32.047)	(38,9)%
	Total assets	**4.662.190**	**6.957.720**	**(2.295.530)**	**(33,0)%**

LIABILITIES AND EQUITY (in thousands of Euro)		AMOUNT AT		CHANGE	
		31.03.2016	31.12.2015	ABSOLUTE	%
10	Due to banks	182.568	662.985	(480.417)	(72,5)%
20	Due to customers	3.722.501	5.487.476	(1.764.975)	(32,2)%
40	Financial liabilities held for trading	903	21	882	4200,0%
80	Tax liabilities:	25.118	25.549	(431)	(1,7)%
	a) current	6.283	4.153	2.130	51,3%
	b) deferred	18.835	21.396	(2.561)	(12,0)%
100	Other liabilities	173.386	204.598	(31.212)	(15,3)%
110	Post-employment benefits	1.510	1.453	57	3,9%
120	Provisions for risks and charges	5.961	2.171	3.790	174,6%
	b) other reserves	5.961	2.171	3.790	174,6%
140	Valuation reserves	692	5.739	(5.047)	(87,9)%
170	Reserves	420.350	298.856	121.494	40,7%
180	Share premiums	59.090	58.900	190	0,3%
190	Share capital	53.811	53.811	-	0,0%
200	Treasury shares (-)	(5.745)	(5.805)	60	(1,0)%
220	Profit (loss) for the period (+/-)	22.045	161.966	(139.921)	(86,4)%
	Total liabilities and equity	**4.662.190**	**6.957.720**	**(2.295.530)**	**(33,0)%**

BANCA IFIS

Consolidated Income Statement

ITEMS (in thousands of Euro)		1st QUARTER		CHANGE	
		2016	2015	ABSOLUTE	%
10	Interest and similar income	70.735	70.307	428	0,6%
20	Interest and similar expenses	(10.252)	(12.197)	1.945	(15,9)%
30	**Net interest income**	**60.483**	**58.110**	**2.373**	**4,1%**
40	Commission income	14.888	15.608	(720)	(4,6)%
50	Commission expense	(1.240)	(1.239)	(1)	0,1%
60	**Net commission income**	**13.648**	**14.369**	**(721)**	**(5,0)%**
80	Net loss from trading	(246)	120	(366)	(305,0)%
100	Profit (loss) from sale or buyback of:	5.495	-	5.495	n.a.
	b) available for sale financial assets	5.495	-	5.495	n.a.
120	**Net banking income**	**79.380**	**72.599**	**6.781**	**9,3%**
130	Net impairment losses/reversal on:	(11.041)	(7.490)	(3.551)	47,4%
	a) receivables	(8.089)	(5.471)	(2.618)	47,9%
	b) available for sale financial assets	(2.952)	(2.019)	(933)	46,2%
140	**Net profit from financial activities**	**68.339**	**65.109**	**3.230**	**5,0%**
180	Administrative expenses:	(31.829)	(27.559)	(4.270)	15,5%
	a) personnel expenses	(13.408)	(11.517)	(1.891)	16,4%
	b) other administrative expenses	(18.421)	(16.042)	(2.379)	14,8%
190	Net provisions for risks and charges	(3.790)	(479)	(3.311)	691,2%
200	Net impairment losses/reversal on plant, property and equipment	(405)	(359)	(46)	12,8%
210	Net impairment losses/reversal on intangible assets	(533)	(473)	(60)	12,7%
220	Other operating income (expenses)	748	3.307	(2.559)	(77,4)%
230	**Operating costs**	**(35.809)**	**(25.563)**	**(10.246)**	**40,1%**
280	**Pre-tax profit for the period from continuing operations**	**32.530**	**39.546**	**(7.016)**	**(17,7)%**
290	Income taxes for the period relating to current operations	(10.485)	(13.317)	2.832	(21,3)%
340	**Profit (loss) for the period attributable to the parent company**	**22.045**	**26.229**	**(4.184)**	**(16,0)%**

BANCA IFIS

Reclassified Consolidated Income Statement: Quarterly Evolution

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION (in thousands of Euro)	YEAR 2016	YEAR 2015			
	1st Q.	4th Q.	3rd Q.	2nd Q.	1st Q.
Net interest income	**60.483**	**45.896**	**48.111**	**56.509**	**58.110**
Net commission income	**13.648**	**14.824**	**14.712**	**14.878**	**14.369**
Net result from trading	(246)	(55)	(179)	36	120
Profit (loss) from sale or buyback of:	5.495	16.127	-	124.500	-
Receivables	-	14.948	-	-	-
Available for sale financial assets	5.495	1.179	-	124.500	-
Net banking income	**79.380**	**76.792**	**62.644**	**195.923**	**72.599**
Net value adjustments/revaluations due to impairment of:	(11.041)	(8.089)	(5.411)	(13.260)	(7.490)
Receivables	(8.089)	(7.361)	(1.395)	(11.046)	(5.471)
Available for sale financial assets	(2.952)	(728)	(4.016)	(2.214)	(2.019)
Net profit from financial activities	**68.339**	**68.703**	**57.233**	**182.663**	**65.109**
Personnel expenses	(13.408)	(12.266)	(12.394)	(12.165)	(11.517)
Other administrative expenses	(18.421)	(35.419)	(15.956)	(11.411)	(16.042)
Net allocations to provisions for risks and charges	(3.790)	13	(160)	397	(479)
Net value adjustments to property, plant and equipment and intangible assets	(938)	(1.045)	(942)	(927)	(832)
Other operating income (expenses)	748	1.382	478	(2.141)	3.307
Operating costs	**(35.809)**	**(47.335)**	**(28.974)**	**(26.247)**	**(25.563)**
Pre-tax profit from continuing operations	**32.530**	**21.368**	**28.259**	**156.416**	**39.546**
Income tax expense for the period	(10.485)	(8.207)	(10.233)	(51.866)	(13.317)
Profit for the period	**22.045**	**13.161**	**18.026**	**104.550**	**26.229**

EQUITY: BREAKDOWN (in thousands of Euro)	AMOUNTS AT		CHANGE	
	31.03.2016	31.12.2015	ABSOLUTE	%
Capital	53.811	53.811	-	0,0%
Share premiums	59.090	58.900	190	0,3%
Valuation reserve:	692	5.739	(5.047)	(87,9)%
- AFS securities	6.616	11.677	(5.061)	(43,3)%
- post-employment benefit	(212)	(167)	(45)	26,9%
- exchange differences	(5.712)	(5.771)	59	(1,0)%
Reserves	420.350	298.856	121.494	40,7%
Treasury shares	(5.745)	(5.805)	60	(1,0)%
Profit for the period	22.045	161.966	(139.921)	(86,4)%
Equity	**550.243**	**573.467**	**(23.224)**	**(4,0)%**

OWN FUNDS AND CAPITAL RATIOS (in thousands of Euro)	AMOUNTS AT	
	31.03.2016	31.12.2015 (2)
Common equity Tier 1 Capital (CET1) (1)	445.763	464.316
Tier 1 Capital (T1)	460.232	473.956
Total own funds	**479.524**	**486.809**
Total RWA	**3.269.370**	**3.264.088**
Common Equity Tier 1 Ratio	13,63%	14,22%
Tier 1 Capital Ratio	14,08%	14,52%
Total own funds Capital Ratio	**14,67%**	**14,91%**

(1) Common Equity Tier 1 Capital includes the profit for the period net of estimated dividends
(2) Total consolidated own funds (amounting to 486.809 million Euro) differ from the amount reported in the consolidated financial statements at 31 December 2015 (501.809 million Euro) due to the 15 million Euro dividend payout approved by the Shareholders' Meeting of the parent La Scogliera S.p.A. on 23 March 2016. The consolidated supervisory reports at 31 December 2015 as well as the relevant capital adequacy ratios have been restated, already at March 2016, at the end of March 2016 to account for said dividend distribution. The data concerning the consolidated Own Funds and capital adequacy ratios reflects said distribution.

DRL RECEIVABLES PERFORMANCE	(thousands of Euro)
Receivables portfolio at 31.12.2015	**354.352**
Purchases	40.367
Sales of receivables	(19.871)
Interest income from amortised cost	5.175
Other components of net interest income from change in cash flow	25.397
Losses/Reversals of impairment losses from change in cash flow	(2.776)
Collections	(14.778)
Receivables portfolio at 31.03.2016	**387.866**

Fine Comunicato n.0147-25	Numero di Pagine: 10