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Testo del comunicato

Vedi allegato.

BANCA IFIS

PRESS RELEASE – PRELIMINARY 2016 RESULTS

Record profit (688 million Euro, +324,7%): Banca IFIS turns a new chapter. Estimated 0,82 Euro dividend per share. EPS is 12,94€; CET1 ratio is 15,7%.

The results include also the former Interbanca Group's data only for December 2016 and the impact of its acquisition. On 16 March 2017, Banca IFIS will present in Milan its annual results and the guidelines of the 2017-2019 strategic plan.

Mestre (Venice), 9 February 2017 – The Board of Directors of Banca IFIS met today under the chairmanship of Alessandro Csillaghy De Pacser and approved the document concerning the **preliminary results** for the year 2016.

“A highlight for 2016 was the acquisition of the former Interbanca Group, finalised in late November” stated **Giovanni Bossi**, Banca IFIS CEO. “This allows us to complete our range of services for SMEs, and we have started achieving synergies from the very first few weeks, seizing several cross-selling opportunities. This acquisition brings valuable skills, size and capital ratios to the Group—and to the market—, enabling us to grow further in the sectors we operate in. In addition—emphasized Mr. Bossi—we continued to increasingly focus on the non-performing loans sector, where the Bank is committed to continue growing.”

On 16 March 2017, Banca IFIS will present its annual results and the guidelines of the 2017-2019 strategic plan.

Highlights (reclassified data¹)

The new Banca IFIS Group's consolidated income statement for 2016 reported a record profit of approximately 687,9 million Euro.

The acquisition of the former Interbanca Group contributed a significant 623,6 million Euro to this result. This amount represents the so-called “Gain on bargain purchase” that, at the end of the Purchase Price Allocation process in accordance with international accounting standards, was recognised through profit or loss. It consists of the positive difference between the fair value of the assets acquired and liabilities assumed (742,8 million Euro) and their purchase price (119,2 million Euro, including potential further reductions). In addition, the Bank expects the assets recognised at fair value during the acquisition process to make a positive contribution to net profit from financial activities also in the future after their profitability is aligned with the reference market rates.

¹ Net value adjustments in the NPL Area, totalling 32,6 million Euro at 31 December 2016 compared to 3,6 million Euro at 31 December 2015, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net value adjustments represent an integral part of the return on the investment.

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Here below are the operating highlights, which refer also to the former Interbanca Group for December 2016:

- Consolidated **net banking income**¹ amounted to 326,0 million Euro, -19,4% compared to 2015. To be pointed out that the total for 2016 includes 11,0 million Euro of additional cost for funding related to the acquisition of the former Interbanca Group. Likewise, the result for the previous year had benefited from the rebalancing of the government bond portfolio completed in April 2015, resulting in a 124,5 million Euro gain. Excluding said amount, the growth totals 53,6 million Euro (+18,9%).
 - The NPL Area reported steady growth (154,7 million Euro, +193,7%). During the year, 44,5 million Euro in gains on the sale of residual portfolios were realized.
 - Trade Receivables totalled 174,4 million Euro (158,7 million Euro in December 2015, +9,9%). 15,8 million Euro came from the application of the new model to estimate cash flows from the receivables outright purchased (ATD, *Acquisto a Titolo Definitivo* in Italian) due from Italy's National Health Service.
 - For the month of December 2016 alone, the former Interbanca Group contributed 1,9 million Euro to net banking income. This amount was divided between the Trade Receivables, Corporate Banking and Leasing sectors.
- **Net value adjustments**¹ concerning exclusively the Trade Receivable sector, totalled 26,6 million Euro. They referred for 22,2 million Euro to loans to customers (compared to 21,7 million Euro at 31 December 2015, +2,7%), and for 4,4 million Euro to impairment losses on unlisted equity securities. The former Interbanca Group's adjustments referring to December 2016 amounted to 1,6 million Euro.
- **Operating costs** were 202,5 million Euro (128,1 million Euro in 2015) and included the costs associated to the former Interbanca Group's acquisition, amounting to 16,5 million Euro.
 - The operating costs exclusively for the former Interbanca Group were 13,8 million Euro. Excluding the former Interbanca Group and the costs attributable to the mentioned acquisition, the costs referring to the Banca IFIS Group's previous scope came in at 172,2 million Euro.
- The **gain on bargain purchase** referring to the former Interbanca Group's acquisition, amounted to 623,6 million Euro.

At 31 December 2016, the **Group profit for the period** totalled 687,9 million Euro, up 324,7% from 162,0 million Euro in December 2015. Banca IFIS's Like-For-Like profit, net from the bargain (623,6 million Euro) and from the costs associated with the acquisition of the former Interbanca Group (which is overall 27,5 million Euro) totalled 89,7 million Euro, with a growth on the 2015 Like-For-Like data of 12,2%. The EPS at 31 December 2016 was 12,94€, the adjusted EPS was 1,69€.

Estimated dividend per share is 0,82 Euro.

At 31 December 2016, **total assets** amounted to 8,7 billion Euro, up 25% from 7,0 billion Euro in 2015.

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Consolidated loans totalled 5,9 billion Euro at 31 December 2016 (3,4 billion Euro at 31 December 2015, +72,5%).

Gross non-performing loans referring to the Trade Receivables sector totalled 476,3 million Euro, with 275,3 million Euro in impairment losses and a coverage ratio of 57,8%. Gross bad loans amounted to 276,7 million Euro, with 245,0 million Euro in impairment losses and a coverage ratio of 88,5%.

Gross non-performing loans referring to the Corporate Banking and Leasing sectors (attributable to the former Interbanca Group) totalled 889,9 million Euro, with 681,1 million Euro in impairment losses and a coverage ratio of 76,5%. Gross bad loans amounted to 534,9 million Euro, with 501,5 million Euro in impairment losses and a coverage ratio of 93,7%.

At the end of the year, **consolidated equity** stood at 1,2 billion Euro, compared to 573,5 million Euro at 31 December 2015.

Own funds fully benefited from the acquisition of the former Interbanca Group, as the Bank did not take a prudential approach to accounting for the gain on bargain purchase recognised through profit or loss.

At the end of 2016, Banca IFIS's Group **consolidated CET1 and Total Own Fund ratios** - of Banca IFIS Group stand-alone – both totalled 15,7%, compared to 15,8% at 31 December 2015 (note² shows the ratio including La Scogliera).

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 accounting records, books and entries.

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² The own funds, the risk-weighted assets and the consolidated solvency ratios at 31 December 2016 were determined with reference to the regulatory principles contained in Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) of 26 June 2013 acknowledged by the Bank of Italy in Communications nr.285 and nr.286 of 17 December 2013. Article 19 of CRR considers the inclusion for the purposes of prudential consolidation of the non-consolidated banking group holding in the net equity. The CET1 at 31 December 2016 including La Scogliera S.p.A. is 14,7% compared to 14,2% at 31 December 2015 Total Own Funds ratio is 15,3% compared with 14,9% at 31 December 2015.

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