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Oggetto	:	Ammendment - Banca IFIS: approved the results for the first nine months

Testo del comunicato

Vedi allegato.

Approved the results for the first nine months of 2017

3Q

"We acted swiftly and resolutely to position the Bank on sustainable growth paths. The market scenario is challenging, and interest rates at zero are not helping. Competing in this environment requires significant efforts on the part of all the Group's employees. "

CEO Giovanni Bossi

Banca IFIS: the first nine months of 2017 saw positive and constantly improving indicators. Confirmed the Group's profitability targets.

Highlights – 3Q 2017 Results
(1 January -30 September)

RECLASSIFIED DATA[1]

- **Net banking income:** 371,3 million Euro (+56,2%);
- **Net profit from financial activities:** 391,7 million Euro (+79,5%);
- **Operating costs:** 186,2 million Euro (+56,9%);
- **Net Profit for the period:** 149,1 million Euro (+125,0%);
- **Cost of risk towards to SMEs** (Trade Receivables, Corporate Banking and Leasing): -19 bps;
- **SMEs net bad –loan to total loans ratio**: 1,6% (1,2% at 31 December 2016);
- **SMEs gross bad-loan coverage ratio:** 89,3% (92,0% at 31 December 2016);
- **Total Group employees** : 1.432 people (1.323 at 31 December 2016);
- **Common Equity Tier 1 (CET1):** 17,14% (15.82% at 1 January 2017) [2];
- **Tier 1 Capital Ratio (T1):** 17,14% (15,82% at 1 January 2017) [2];
- **Total Own Funds Capital Ratio**: 17,14% (15.83% at 1 January 2017) [2];

+56,2%
371,3 mln/€
Net banking income

+79,5%
391,7 mln/€
Net profit from financial activities

+125,0%
149,1 mln/€
Net Profit for the period

1,6%
SMEs net bad-loan to total loans ratio

89,3%
SMEs gross bad-loan coverage ratio

17,14%
CET1, T1 and Total Own Funds Capital Ratio

1 Net impairment losses on receivables of the NPL Area, totalling 23,1 million Euro at 30 September 2017 compared to 23,6 million Euro at 30 September 2016, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net impairment losses represent an integral part of the return on the investment.
2 The reported total own funds ratio refers only to the scope of the Banca IFIS Group, thus excluding the effects of the prudential consolidation in the parent La Scogliera S.p.A. Consolidated own funds, risk-weighted assets and solvency ratios at 30 September 2017 were calculated based on the regulatory principles set out in Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) dated 26 June 2013, which were transposed in the Bank of Italy's Circulars no. 285 and 286 of 17 December 2013. Article 19 of the CRR requires to include the unconsolidated holding of the banking Group in prudential consolidation. The CET1 at 30 September 2017 including La Scogliera S.p.A. amounted to 15,65%, compared to 14,80% at 31 December 2016, the Tier 1 Capital Ratio (T1) amounted to 16,01% compared to 15,05% while the Total Own Funds Ratio totalled 16,49% compared to 15,39% at 31 December 2016. Please note that the comparative data at 31 December 2016 was restated to account for the change in the opening balances following the definition of the price paid for the acquisition of the former GE Capital Interbanca Group to the seller.

«We are going to accelerate our digital growth: in the last part of the year, we will launch two portals dedicated to our two types of customers, businesses and households. We are against digital technology as a fad and an end in itself, and we support it when it enables and improves the user's experience in his or her relationship with the Bank».

Highlights – 3nd Quarter 2017 Results
(1 July – 30 September)

RECLASSIFIED DATA[3]

- **Net banking income**: 121,3 million Euro (+39,8%);
- **Net profit from financial activities** : 123, 2 million Euro (+48,4%);
- **Operating Costs**: 63,6 million Euro (+51,7%);
- **Net profit for the period**: 45,5 million Euro (+67,5%);

Mestre (Venice) – 9 November 2017

The Board of Directors of Banca IFIS met today under the chairmanship of Sebastien Egon Fürstenberg and approved the Group's interim financial report for the first nine months of 2017.

"We acted swiftly and resolutely to position the Bank on sustainable growth paths. The market scenario is challenging, and interest rates at zero are not helping. Competing in this environment requires significant efforts on the part of all the Group's employees", said Giovanni Bossi, Banca IFIS's CEO. "This commitment is present and leverages the skills of the resources across the various businesses, but requires considerable flexibility in tackling new targets as well as repositioning ourselves in the market—all without losing sight of the goals for the period and of the three-year strategic plan. Based on the results achieved, I can say that we respected the roadmap for the merger of the former Interbanca Group which is now a completed process. Now we can focus on growth and development". The CEO added that "we are going to accelerate our digital growth: in the last part of the year, we will launch two portals dedicated to our two types of customers, businesses and households. We are against digital technology as a fad and an end in itself, and we support it when it enables and improves the user's experience in his or her relationship with the Bank."

Highlights.

RECLASSIFIED DATA[3]

Net banking income[3]

Totalled 371,3 million (237,7 million Euro at 30 September 2016, +56,2%). The positive performance was attributable to a series of factors such as the consolidation of the former Interbanca Group, with the Leasing and Corporate Banking segments making positive contributions. Both reported strong results and benefited from the favourable impact of the breakdown of the difference between the fair value as measured in the business combination and the carrying amount of the receivables recognised by Interbanca and IFIS Leasing over time. More detailed information for each segment can be found below. The extremely robust performance of Tax Receivables contributed to the growth for the first nine months of the year, whereas the pressure on margins in short-term lending to businesses (Trade Receivables) affected especially medium and large-sized corporate customers —including those inherited from the former Interbanca Group. As for the NPL Area, the portfolio's sale dynamics in the first nine months of 2017 was less lively compared to the prior-year period. The effective management of existing portfolios resulted in better payment arrangements. At 30 September 2017, net banking income was affected also by the costs incurred to secure funding for the acquisition. During 2017, the Group started rationalising its funding cost structure.

Specifically:

- at the end of May, it finalised a 300 million Euro senior bond issue with a 3-year maturity on the Irish Stock Exchange;
- halfway through October, it finalised a 400 million Euro Tier 2 bond issue with a 10-year maturity and callable after 5 years on the Irish Stock Exchange;
- on 31 October 2017, it changed interest rates on the rendimax savings account and the contomax current account as well as announced that, as far as retail funding is concerned, effective 1 January 2018 clients will be responsible for stamp duty costs for both the rendimax savings account and the contomax current account;
- optimised the costs of the securitisation transactions launched for the acquisition of the former Interbanca Group, winding some of them down.

3 Net impairment losses on receivables of the NPL Area, totalling 23,1 million Euro at 30 September 2017 compared to 23,6 million Euro at 30 September 2016, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net impairment losses represent an integral part of the return on the investment.

Net value adjustments The balance of net impairment losses/reversal was a positive 20,4 million Euro (write-back), compared to a negative 19,5 million Euro in the first nine months of 2016. The cost of the quality of loans to SMEs amounted to -19bps; as for the Trade Receivables segment, they stood at 14,3 million Euro, compared to 15,2 million Euro at 30 September 2016 (-6,9%). This result testifies to Banca IFIS's ability to lend by carefully assuming credit risk. The Leasing and Tax Receivables segments recognised 4,0 and 0,2 million Euro in impairment losses, respectively, whereas the Corporate Banking segment reported 38,9 million Euro in reversals deriving specifically from two individually significant positions. Concerning net impairment losses on receivables of the NPL Area, totalling 23,1 million Euro (23,6 million Euro at 30 September 2016), they were reclassified to interest receivable and similar income to present more fairly this particular business, for which net impairment losses represent an integral part of the return on the investment.

Operating Costs Totalled 186,2 million Euro (118,7 million Euro at 30 September 2016, +56,9%). The cost/income ratio stood at 50,1%, compared to 49,9% in the prior-year period. The rise in operating costs was largely attributable to the consolidation of the former Interbanca Group, which added 36,9 million Euro (excluding the contribution from IFIS Factoring, which was merged into Banca IFIS effective 1 January 2017). Personnel expenses amounted to 73,8 million Euro (41,9 million Euro in September 2016, +76,0%). At 31 September 2017, the Group's employees numbered 1.432, compared to 1.323 at 31 December 2016 (+8,3% in the first nine months of 2017). Administrative expenses amounted to 104,1 million Euro, up 47,7% from 70,5 million Euro in the prior-year period.

At 30 September 2017, the Group net profit for the period totalled 149,1 million Euro, up 125,0% from 66,3 million Euro at 30 September 2016.

For a better understanding of the results for the period and the comparative data, please note that, starting from 2017, changes in market interest rates and the bank's funding rates required revising the method to calculate the internal transfer rates, and therefore updating them. To facilitate the comparison of the two reference periods, the 2016 results have been restated according to the 2017 funding approach across all segments.

As for the contribution of **individual segments** to the operating and financial results at 30 June 2017, here below are the highlights:

- **Loans to SMEs** (including the Trade receivables, Leasing, and Corporate Banking segments) generated 252,9 million Euro in net banking income. **Total loans to businesses** amounted to 5.067,9 million Euro, compared to 5.233,8 million Euro at 31 December 2016 (-3,2%). The decline was largely the result of the contraction in the trade receivables segment (-11,6%) due to the pressure on margins, especially with medium- and large-sized corporate customers inherited from the former Interbanca Group’s portfolio. Meanwhile, the Corporate banking and Leasing segments were up +11,7% and +7,1%, respectively. Specifically, the breakdown of loans to corporate customers was as follows: 15,0% are due from the public sector and 85,0% from the private sector. Trade receivables generated 97,6 million Euro in net banking income (101,7 million Euro in the first nine months of 2016, -4,0%); the segment's turnover rose to 8,0 billion Euro (+6,3% from 30 September 2016), with 5.238 corporate customers (+6,2% compared to the prior-year period). The Corporate Banking segment generated 108,8 million Euro in net banking income. This amount included the 79,0 million Euro positive impact of the breakdown of the difference between the fair value as measured in the business combination and the carrying amount of the receivables recognised by the subsidiary Interbanca over time. This largely arose from the positions allocated to Workout & Recovery as well as Structured Finance. The exposure of receivables in the Corporate Banking segment amounted to 1,0 billion Euro (+11,7%). The Leasing segment's net banking income totalled 46,5 million Euro thanks to the positive trend of loans to customers, contributing to the rise in market share, and included the positive impact of the breakdown of the difference between the fair value as measured in the business combination and the carrying amount of the receivables recognised by the subsidiary over time, which amounted to 7,9 million Euro. The nominal amount of the segment's receivables was 1,3 billion Euro.
- The NPL Area[4] generated 108,4 million Euro in net banking income, compared to 107,4 million Euro in the prior-year period (+0,9%). This amount included 17,7 million Euro in gains on the sales of portfolios (26,8 million Euro at 30 September 2016). In the first nine months of 2017, the NPL Area acquired portfolios of receivables with a par value of 4 billion Euro, bringing the total amount of positions to 1.507.346 for an overall par value of 12,5 billion Euro.
- Tax Receivables generated 12,0 million Euro in net banking income, up 16,2% from 10,4 million Euro at 30 September 2016.
- The net banking income of Governance and Services was negative 2,0 million Euro. This was largely because of the lower overall contribution from the government bond portfolio—which in the first nine months of 2016 contributed 12,6 million Euro in interest income—as well as the fact that Banca IFIS incurred, and continues incurring in 2017, significant costs associated with the additional funding for the closing of the acquisition of the former Interbanca Group.

4 Net impairment losses on receivables of the NPL Area, totalling 23,1 million Euro at 30 September 2017 compared to 23,6 million Euro at 30 September 2016, were reclassified to Interest receivable and similar income to present more fairly this particular business, for which net impairment losses represent an integral part of the return on the investment.

Here below is the breakdown of **net non-performing loans** concerning **loans to SMEs**:

- **Net bad loans** amounted to 83,5 million Euro, compared to 65,1 million Euro at the end of 2016 (+28,2%); the net bad-loan ratio was 1,6%, up from 1,2% at 31 December 2016. The coverage ratio stood at 89,3% (92,0% at 31 December 2016);
- The balance of net **unlikely to pay** was 181,0 million Euro, -12,7% from 207,3 million Euro at the end of 2016; the coverage ratio amounted to 45,4% from 45,9% at 31 December 2016;
- **Net non-performing past due exposures** totalled 154,0 million Euro, compared with 137,4 million Euro in December 2016 (+12,0%). The rise in past due exposures was due to the natural increase in such exposures to Italy's Public Administration as well as to new private-sector past due positions concerning individual long-standing clients that had never been classified within this category. The coverage ratio of net non-performing past due exposures was 3,0% (2,6% at 31 December 2016).

Overall, gross **non-performing loans to businesses** (including the Trade Receivables, Leasing, and Corporate Banking segments) totalled 1.282,1 million Euro, with 863,5 million Euro in impairment losses and a coverage ratio of 67,4%.

At the end of the period, consolidated **equity** totalled 1.338,7 million Euro, compared to 1.228,6 million Euro (restated amount) at 31 December 2016.

The **consolidated CET1** [5] **, the Tier 1 Capital Ratio (T1)** [5] **and the Total Own Funds Ratios** [5] of the Banca IFIS Group alone, excluding the effect of the consolidation of the Parent Company La Scogliera, amounted to 17,14% compared to the restated data at 1 January 2017, equal to 15,82% for the CET1 and T1, and equal to 15,83% for the Total Own Fund Ratio.

For more details, see the Consolidated Interim Report at 30 September 2017, available in the "Institutional Investors" section of the official website www.bancaifis.it

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.

5 The reported total own funds ratio refers only to the scope of the Banca IFIS Group, thus excluding the effects of the prudential consolidation in the parent La Scogliera S.p.A. Consolidated own funds, risk-weighted assets and solvency ratios at 30 September 2017 were calculated based on the regulatory principles set out in Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) dated 26 June 2013, which were transposed in the Bank of Italy's Circulars no. 285 and 286 of 17 December 2013. Article 19 of the CRR requires to include the unconsolidated holding of the banking Group in prudential consolidation. The CET1 at 30 September 2017 including La Scogliera S.p.A. amounted to 15,65%, compared to 14,80% at 31 December 2016, the Tier 1 Capital Ratio (T1) amounted to 16,01% compared to 15,05% while the Total Own Funds Ratio totalled 16,49% compared to 15,39% at 31 December 2016. Please note that the comparative data at 31 December 2016 was restated to account for the change in the opening balances following the definition of the price paid for the acquisition of the former GE Capital Interbanca Group to the seller.

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Consolidated Statement of Financial Position

ASSETES (in thousands of Euro)		AMOUNT AT 30.09.2017	01.01.2017 RESTATED	31.12.2016	CHANGE ABSOLUTE	%
10	Cash and cash equivalents	59	34	34	25	73,5%
20	Financial assets held for trading	36.123	47.393	47.393	(11.270)	(23,8)%
40	Available for sale financial assets	480.815	374.229	374.229	106.586	28,5%
60	Due from banks	1.949.613	1.393.358	1.393.358	556.255	39,9%
70	Loans to customers	5.961.285	5.928.212	5.928.212	33.073	0,6%
120	Property, plant and equipment and investment property	128.243	110.348	110.348	17.895	16,2%
130	Intangible assets	23.790	14.981	14.981	8.809	58,8%
	of which:					
	- goodwill	814	799	*799*	15	1,9%
140	Tax assets:	510.367	581.016	581.016	(70.649)	(12,2)%
	a) current	79.544	87.836	87.836	(8.292)	(9,4)%
	b) deferred	430.823	493.180	493.180	(62.357)	(12,6)%
	of which as per Italian law 214/2011	*219.251*	*191.417*	*191.417*	*27.834*	*14,5%*
160	Other assets	288.482	259.343	249.574	29.139	11,2%
	Total assets	**9.378.777**	**8.708.914**	**8.699.145**	**669.863**	**7,7%**

LIABILITIES AND EQUITY (in thousands of Euro)		AMOUNT AT 30.09.2017	01.01.2017 RESTATED	31.12.2016	CHANGE ABSOLUTE	%
10	Due to banks	965.194	503.964	503.964	461.230	91,5%
20	Due to customers	5.337.597	5.045.136	5.045.136	292.461	5,8%
30	Debt securities issued	1.223.979	1.488.556	1.488.556	(264.577)	(17,8)%
40	Financial liabilities held for trading	42.048	48.478	48.478	(6.430)	(13,3)%
80	Tax liabilities:	37.033	24.925	24.925	12.108	48,6%
	a) current	1.214	491	491	723	147,3%
	b) deferred	35.819	24.434	24.434	11.385	46,6%
100	Other liabilities	402.066	337.325	337.325	64.741	19,2%
110	Post-employment benefits	7.366	7.660	7.660	(294)	(3,8)%
120	Provisions for risks and charges	24.761	24.318	24.318	443	1,8%
	b) other reserves	24.761	24.318	24.318	443	1,8%
140	Valuation reserves	(907)	(5.445)	(5.445)	4.538	(83,3)%
170	Reserves	1.038.062	383.835	383.835	654.227	170,4%
180	Share premiums	101.776	101.776	101.776	-	0,0%
190	Share capital	53.811	53.811	53.811	-	0,0%
200	Treasury shares (-)	(3.187)	(3.187)	(3.187)	-	0,0%
210	Non-controlling interests (+ / -)	55	48	48	7	14,6%
220	Profit (loss) for the period (+/-)	149.123	697.714	687.945	(548.591)	(78,6)%
	Total liabilities and equity	**9.378.777**	**8.708.914**	**8.699.145**	**669.863**	**7,7%**

Reclassified [1] Consolidated Income Statement

	ITEMS (in thousands of Euro)	NINE MONTHS 2017	NINE MONTHS 2016	CHANGE ABSOLUTE	CHANGE %
10	Interest and similar income	364.292	201.244	163.048	81,0%
20	Interest and similar expenses	(74.867)	(35.154)	(39.713)	113,0%
30	**Net interest income**	**289.425**	**166.090**	**123.335**	**74,3%**
40	Commission income	62.386	43.846	18.540	42,3%
50	Commission expense	(9.750)	(3.795)	(5.955)	156,9%
60	**Net commission income**	**52.636**	**40.051**	**12.585**	**31,4%**
70	Dividends and similar income	48	-	48	n.a.
80	Net loss from trading	11.525	(706)	12.231	(1732,4)%
100	Profit (loss) from sale or buyback of:	17.680	32.254	(14.574)	(45,2)%
	a) receivables	17.703	26.759	(9.056)	(33,8)%
	b) available for sale financial assets	(23)	5.495	(5.518)	(100,4)%
120	**Net banking income**	**371.314**	**237.689**	**133.625**	**56,2%**
130	Net impairment losses/reversal on:	20.427	(19.492)	39.919	(204,8)%
	a) receivables	15.935	(15.493)	31.428	(202,9)%
	b) available for sale financial assets	(972)	(3.999)	3.027	(75,7)%
	d) other financial transactions	5.464	-	5.464	n.a.
140	**Net profit from financial activities**	**391.741**	**218.197**	**173.544**	**79,5%**
180	Administrative expenses:	(177.891)	(112.420)	(65.471)	58,2%
	a) personnel expenses	(73.782)	(41.919)	(31.863)	76,0%
	b) other administrative expenses	(104.109)	(70.501)	(33.608)	47,7%
190	Net provisions for risks and charges	(7.110)	(3.460)	(3.650)	105,5%
200	Net impairment losses/reversal on plant, property and equipment	(3.213)	(1.428)	(1.785)	125,0%
210	Net impairment losses/reversal on intangible assets	(5.551)	(1.885)	(3.666)	194,5%
220	Other operating income (expenses)	7.578	495	7.083	1430,9%
230	**Operating costs**	**(186.187)**	**(118.698)**	**(67.489)**	**56,9%**
270	Gains (Losses) on disposal of investments	(3)	-	(3)	n.a.
280	**Pre-tax profit for the period from continuing operations**	**205.551**	**99.499**	**106.052**	**106,6%**
290	Income taxes for the period relating to current operations	(56.421)	(33.230)	(23.191)	69,8%
320	**Profit (loss) for the period**	**149.130**	**66.269**	**82.861**	**125,0%**
330	Profit (loss) for the period atributable to non-controlling interests	7	-	7	n.a.
340	**Profit (Loss) for the year attributable to the Parent Company**	**149.123**	**66.269**	**82.854**	**125,0%**

1 Net value adjustments in the NPL Area, totalling 23,1 million Euro at 30 September 2017 compared to 23,6 million Euro at 30 September 2016, 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.

Reclassified [1] Consolidated Income Statement: 3rd Quarter

	ITEMS (in thousands of Euro)	3° QUARTER 2017	3° QUARTER 2016	CHANGE ABSOLUTE	CHANGE %
10	Interest and similar income	116.438	66.233	50.205	75,8%
20	Interest and similar expenses	(25.372)	(13.245)	(12.127)	91,6%
30	**Net interest income**	**91.066**	**52.988**	**38.078**	**71,9%**
40	Commission income	21.145	14.299	6.846	47,9%
50	Commission expense	(2.873)	(1.212)	(1.661)	137,0%
60	**Net commission income**	**18.272**	**13.087**	**5.185**	**39,6%**
70	Dividends and similar income	8	-	8	n.a.
80	Net loss from trading	11.834	(374)	12.208	(3264,2)%
100	Profit (loss) from sale or buyback of:	103	21.065	(20.962)	(99,5)%
	a) receivables	78	21.065	(20.987)	(99,6)%
	b) available for sale financial assets	25	-	25	n.a.
120	**Net banking income**	**121.283**	**86.766**	**34.517**	**39,8%**
130	Net impairment losses/reversal on:	1.957	(3.731)	5.688	(152,5)%
	a) receivables	(37)	(3.731)	3.694	(99,0)%
	b) available for sale financial assets	(297)	-	(297)	n.a.
	d) other financial transactions	2.291	-	2.291	n.a.
140	**Net profit from financial activities**	**123.240**	**83.035**	**40.205**	**48,4%**
180	Administrative expenses:	(58.555)	(38.353)	(20.202)	52,7%
	a) personnel expenses	(24.298)	(14.324)	(9.974)	69,6%
	b) other administrative expenses	(34.257)	(24.029)	(10.228)	42,6%
190	Net provisions for risks and charges	(5.213)	(1.827)	(3.386)	185,3%
200	Net impairment losses/reversal on plant, property and equipment	(1.165)	(582)	(583)	100,2%
210	Net impairment losses/reversal on intangible assets	(1.657)	(724)	(933)	128,9%
220	Other operating income (expenses)	3.028	(415)	3.443	(829,6)%
230	**Operating costs**	**(63.562)**	**(41.901)**	**(21.661)**	**51,7%**
270	Gains (Losses) on disposal of investments	**59.678**	**41.134**	**18.544**	**45,1%**
280	**Pre-tax profit for the period from continuing operations**	(14.210)	(13.985)	(225)	1,6%
290	Income taxes for the period relating to current operations	**45.468**	**27.149**	**18.319**	**67,5%**
320	**Profit (loss) for the period**	2	-	2	n.a.
330	Profit (loss) for the period atributable to non-controlling interests	**45.466**	**27.149**	**18.317**	**67,5%**
340	**Profit (Loss) for the period attributable to the Parent Company**	**149.123**	**66.269**	**82.854**	**125,0%**

1 Net value adjustments in the NPL Area, totalling 6,5 million Euro in the 2nd quarter of 2017 and 13,7 million Euro in the 2nd quarter of 2016, 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.

Reclassified [1] Consolidated Income Statement: Quarterly Evolution

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION	YEAR 2017			YEAR 2016			
(in thousands of Euro)	3nd Q.	2nd Q.	1st Q.	4th Q. Restated	3rd Q.	2nd Q.	1st Q.
Net interest income	**91.066**	**108.651**	**89.708**	**69.465**	**52.988**	**55.395**	**57.707**
Net commission income	**18.272**	**20.145**	**14.219**	**1.060**	**13.087**	**13.316**	**13.648**
Dividends and similar income	**8**	**40**	**-**	-	-	-	-
Net result from trading	11.834	1.306	(1.615)	4	(374)	(86)	(246)
Profit (loss) from sale or buyback of:	103	17.625	(48)	17.753	21.065	5.694	5.495
Receivables	78	17.625	-	17.770	21.065	5.694	-
Available for sale financial assets	25	-	(48)	(17)	-	-	5.495
Net banking income	**121.283**	**147.767**	**102.264**	**88.282**	**86.766**	**74.319**	**76.604**
Net value adjustments/revaluations due to impairment of:	1.957	18.614	(144)	(7.113)	(3.731)	(7.496)	(8.265)
Receivables	(37)	16.846	(874)	(6.761)	(3.731)	(6.449)	(5.313)
Available for sale financial assets	(297)	(660)	(15)	(357)	-	(1.047)	(2.952)
other financial transactions	2.291	2.428	745	5	-	-	-
Net profit from financial activities	**123.240**	**166.381**	**102.120**	**81.169**	**83.035**	**66.823**	**68.339**
Personnel expenses	(24.298)	(25.411)	(24.073)	(23.959)	(14.324)	(14.187)	(13.408)
Other administrative expenses	(34.257)	(38.718)	(31.134)	(55.775)	(24.029)	(28.051)	(18.421)
Net allocations to provisions for risks and charges	(5.213)	445	(2.342)	1.611	(1.827)	2.157	(3.790)
Net value adjustments to property, plant and equipment and intangible assets	(2.822)	(2.483)	(3.459)	(2.742)	(1.306)	(1.069)	(938)
Other operating income (expenses)	3.028	(70)	4.620	630.492	(415)	162	748
Operating costs	**(63.562)**	**(66.237)**	**(56.388)**	**549.627**	**(41.901)**	**(40.988)**	**(35.809)**
Gains (Losses) on disposal of investments	**-**	**(2)**	(1)	**-**	-	-	-
Pre-tax profit for the period from continuing operations	**59.678**	**100.142**	**45.731**	**630.796**	**41.134**	**25.835**	**32.530**
Income taxes for the period relating to current operations	(14.210)	(29.168)	(13.043)	689	(13.985)	(8.760)	(10.485)
Profit (loss) for the period	**45.468**	**70.974**	**32.688**	**631.485**	**27.149**	**17.075**	**22.045**
Profit (loss) for the period atributable to non-controlling interests	2	4	1	40	-	-	-
Profit (Loss) for the period attributable to the Parent Company	**45.466**	**70.970**	**32.687**	**631.445**	**27.149**	**17.075**	**22.045**

1 Net value adjustments in the NPL Area 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.

EQUITY: BREAKDOWN (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.06.2017	01.01.2017 RESTATED	ABSOLUTE	%
Capital	53.811	53.811	-	*0,0%*
Share premiums	101.776	101.776	-	*0,0%*
Valuation reserve:	(907)	(5.445)	4.538	*(83,3)%*
- AFS securities	*5.092*	*1.534*	*3.558*	*231,9%*
- post-employment benefit	*52*	*(123)*	*175*	*(142,3)%*
- exchange differences	*(6.051)*	*(6.856)*	*805*	*(11,7)%*
Reserves	1.038.062	383.835	654.227	*170,4%*
Treasury shares	(3.187)	(3.187)	-	*0,0%*
Non-controlling interests	55	48	7	*14,6%*
Profit for the period	149.123	697.714	(548.591)	*(78,6)%*
Equity	**1.338.733**	**1.228.552**	**110.181**	**9,0%**

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: BANCA IFIS GROUP SCOPE (in thousands of Euro)	AMOUNTS AT		
	30.09.2017	01.01.2017 RESTATED	31.12.2016
Common equity Tier 1 Capital (CET1) [1]	1.198.276	1.109.018	1.099.249
Tier 1 Capital (T1)	1.198.269	1.109.018	1.099.249
Total own funds	**1.198.650**	**1.109.170**	**1.099.401**
Total RWA	**6.991.501**	**7.008.830**	**6.999.061**
Common Equity Tier 1 Ratio	17,14	15,82%	15,71%
Tier 1 Capital Ratio	17,14	15,82%	15,71%
Total own funds Capital Ratio	**17,14**	**15,83%**	**15,71%**

(1) Common Equity Tier 1 Capital includes the profit for the period net of estimated dividends

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