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Testo del comunicato

Vedi allegato.

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Approved the results for the first six months of 2018

Banca IFIS Group: Banca IFIS: 66,2 million Euro in profit, 51,8% in Cost/Income ratio. Excellent Enterprises segment's gross-impaired loan ratio: 10,5%

"In the first six months of the year, we were extremely active in each segment, evolving our individual businesses, supporting firms that can now work with more confidence and sustainable business models"

CEO Giovanni Bossi

Highlights– Results of the first half of 2018[1]

RECLASSIFIED DATA [2]: 1 January – 30 June

- **Net banking income:** 278,1 million Euro (+9,8%);
- **Net profit from financial activities:** 238,1 million Euro (+10,3%);
- **Operating costs:** 144,2 million Euro (+20,7%);
- **Net profit for the period:** 66,2 million Euro (-36,1%);
- **Credit risk cost of the Enterprises segment:** 138 bps;
- **Enterprises segment's gross -impaired loan ratio:** 10,5%;
- **Total Group employees:** 1.577 people (+173 people compared to 2017);
- **Common Equity Tier 1 (CET1) Ratio**: 15,13% (15,64% at 31 December 2017) [3];
- **Tier1 (T1) Capital Ratio:** 15,13% (15,64% at 31 December 2017) [3];
- **Total Own Funds Capital Ratio**: 20,28% (21,07% at 31 December 2017) [3].

51,8%	+9,8% 278,1 mln/€	+10,3% 238,1 mln/€	10,5%	20,28%	15,13%
Cost/Income ratio	Net banking income	Net profit from financial activities	Enterprises segment's gross-impaired loan ratio	Total Own Funds Capital Ratio	Common Equity Tier 1 (CET1) - Tier1(T1) Capital Ratio

1 Concerning the impact of the first-time adoption of IFRS 9, in the case of the statement of financial position, the comparative information is that at 1 January 2018 to enable comparison on a consistent basis; meanwhile, in the case of the income statement, the comparative information has been re-aggregated to ensure accounting consistency with the corresponding amounts at 30 June 2018.

2 Net impairment losses/reversals on receivables of the NPL segment were reclassified to interest receivable and similar income to present more fairly this particular business and because they represent an integral part of the return on the investment.

3 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 June 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 June 2018 including La Scogliera S.p.A. amounted to 11,11%, compared to 11,66% at 31 December 2017, the Tier 1 capital was 11,85% compares to 12,18% as at 31 December 2017, while the Total Own Funds Ratio totalled 15,43%, compared to 16,15% at 31 December 2017.

Highlights– Results of the second quarter of 2018

RECLASSIFIED DATA [4]: 1 April – 30 June

- **Net banking income:** 138,7 million Euro (-7,3%);
- **Net profit from financial activities:** 109,7 million Euro (-33,1%);
- **Operating costs:** 70,8 million Euro (+10,9%);
- **Net profit for the period:** 28,4 million Euro (-60,0%);

Mestre (Venice), 3 August 2018 – The Board of Directors of Banca IFIS (Fitch BB+, outlook stable) met today under the chairmanship of Sebastien Egon Fürstenberg and approved the interim financial report for the first half of 2018.

““In the first six months of the year, we were extremely active in each segment, evolving our individual businesses, supporting firms that can now work with more confidence and sustainable business models”, says Giovanni Bossi, Banca IFIS CEO. “The Group has developed new alliances to accelerate the growth of the leasing business, working together with high-standing partners. Always concerning the leasing segment, innovation led us to replace our technological platform as well as improve and streamline all operational processes.

We acquired control of Credifarma—to be consolidated in the second half of 2018—to strengthen our presence in the pharmacy lending sector. In the first six months of the year, we announced the acquisition of the servicer FBS and finalised the acquisition of 100% of CapitalFin. This allows the Group to enter the salary-backed loan business, supporting the NPL segment. Finally, in July we launched a new initiative in the insurance sector. The economic and other benefits of all these activities will start materialising in the second half of 2018.

As for NPLs, in July the Group finalised the acquisition of non-performing loan portfolios with a par value of nearly 600 million Euro. Over the next few months, special emphasis will be placed on providing new debt restructuring solutions to entities that currently hold UTPs, so as to identify the best possible solutions to give new momentum to Italian businesses.

Unfortunately, in the second quarter—concludes Giovanni Bossi—our performance was affected by a series of particularly material events that are unlikely to happen again with the same intensity. I am happy with the results of our ordinary activities in the first six months of 2018, and we confirm our guidance across all businesses for the second half of the year”.

4 Net impairment losses/reversals on receivables of the NPL segment were reclassified to interest receivable and similar income to present more fairly this particular business and because they represent an integral part of the return on the investment

The Banca IFIS Group's results[5] for the half quarter of the year can be summarised as follows:

Net banking income Net banking totalled 278,1 million Euro, +9,8% compared to the first half of 2017 (253,2 million Euro at 30 June 2017). The positive result was largely due to the outstanding performance of the NPL segment—as well as the contribution from the Enterprises segment's Trade Receivables and Leasing areas. The result for the first half of the year was negatively affected by the lower impact of the reversal of the PPA, i.e. 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 former Interbanca Group over time (44,1 million Euro at 30 June 2018, compared to 57,8 million Euro at 30 June 2017, -23,8%) influenced in the recent past by some early payments.

Net impairment losses Net impairment losses amounted to -40,0 million Euro, compared to 12,1 million Euro in net reversals in the prior-year period, and essentially referred to loans to customers of the Enterprises segment. This was attributable to two factors: the higher provisions set aside (14 million) on an individually significant position in the first six months of 2018, compared to 26,8 million Euro in reversals in 2017 in the Corporate Banking area. In the first six months of 2018, the Enterprises segment's cost of credit calculated under IFRS 9 amounted to 138 bps, compared to 31 bps under IAS 39 at 31 December 2017. In the previous year, the Bank had recognised some reversals of impairment losses, excluding which the cost of credit quality would have amounted to 89 bps.

Operating Costs Operating costs totalled 144,2 million Euro (119,5 million Euro at 30 June 2017, +20,7%), resulting in a cost/income ratio of 51,8% (49,0% in the prior-year period). Personnel expenses rose to 55,5 million Euro (49,5 million Euro in June 2017, +12,1%), consistently with the addition of new hires (including those of the new subsidiary Capitalfin); at 30 June 2018 Group employees numbered 1.577 (up 173 people). Administrative expenses amounted to 95,1 million Euro, up 36,1% from 69,9 million Euro in the prior-year period. This was the result of the increase reported by the NPL segment, driven by rising judicial debt collection costs as well as the adoption of the new statistical model for estimating the NPL segment's positions undergoing judicial operations in the NPL area. These costs totalled 14,8 million (that impact on legal expenses and registration fees) and had been previously deferred until the issue of the Garnishment Order.

In addition, the period saw an increase in the expenses associated with consulting services related to the adoption of new technological systems and the help provided to the Group's internal employees in the various projects launched during the first half of the year.

Pre-tax profit totalled 93,9 million Euro in the first six months of 2018, compared to 145,9 million Euro in the prior-year period.

At 30 June 2018, **the Group net profit** for the period totalled 66,2 million Euro, down 36,1% from 103,7 million Euro at 30 June 2017.

5 With reference to the effects of the first-time adoption of IFRS 9, the comparative information in the statement of financial position refers to 1 January 2018 in order to allow for like-for-like comparison, whereas the comparative information in the income statement has been re-aggregated to ensure accounting consistency with the corresponding amounts at 30 June 2018.

As for the contribution of **individual segments**[6] to the operating and financial results at 30 June 2018, here below are the highlights:

- The **Enterprises segment's** net banking income, accounting for 59,3% of the total, amounted to 165,1 million Euro, slightly down from the prior-year period (-3,9%).
  Specifically, **Trade Receivables** generated 80,3 million Euro in net banking income (78,8 million Euro in the first half of 2017, +1,9%); the segment's turnover rose to 6,1 billion Euro (+8,8% from 30 June 2017), while the number of corporate customers rose to over 5.600. Outstanding trade receivables amounted to 3,4 billion Euro, in line with 31 December 2017. To support the entities that do business with Italy's Public Administration, the Group continued developing the TiAnticipo web portal, through which companies can upload their government-certified invoices and rapidly obtain financing.
  As for **Leasing**, the merger of IFIS Leasing into Banca IFIS was finalised in May, with the adoption of a new technological platform. The Leasing Area's net banking income totalled 26,2 million Euro, up 7,0% (+1,7 million Euro) compared to 30 June 2017. The increase was driven by net interest income (+0,8 million Euro) as well as commission income (+0,9 million Euro), which benefited from the rise in lending volumes, and the higher number of customers.
  Corporate Banking's net banking income totalled 52,5 million Euro, down 7,2 million Euro compared to 30 June 2017. The decline was largely attributable to the lower 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 former subsidiary over time (so-called "reversal PPA"), down 12,3 million Euro from the prior-year period—which was to be expected. In the first half of 2017, Corporate Banking reported 26,8 million Euro in net reversals, largely because of an individually significant reversal of impairment losses on receivables.

  Loans to businesses totalled 5.599,7 million Euro at 30 June 2018, +2,5% compared to the restated data at 1 January 2018.

- **The NPL Area**[7] **,** dedicated to acquiring and converting mostly unsecured non-performing loans into sustainable settlement plans, transferred all its operations to the subsidiary IFIS NPL S.p.A. effective 1 July 2018. With 119,3 million Euro in net banking 79,0 million Euro in 2017, +51,1%) the NPL Area was the Group's fastest-growing segment, thanks to the higher number of court-issued garnishment orders as well as the strong performance in converting existing portfolios. Cash receipts rose from approximately 54 million Euro in the first half of 2017 to nearly 81 million Euro in the first six months of 2018. During the semester, the Group further refined the statistical measurement models for its assets under management: specifically, it adopted a new model for estimating the positions undergoing judicial operations, resulting in an approximately 34,7 million Euro positive impact through profit or loss.

  During the period, the Bank continued diversifying its funding sources and making them more flexible. At 30 June 2018, the Group's funding structure was as follows:
  - 59,4% retail;
  - 14,0% debt securities;
  - 12,8% ABS;
  - 8,9% TLTRO;
  - 4,9% other.

As for gross non-performing exposures, following the introduction of the category of the so-called POCI – "purchased or originated credit-impaired" financial assets under the new standard IFRS 9, the new write-off policies adopted by the Group, and in accordance with the 5th update to Circular 262 of the Bank of Italy, the presentation of gross non-performing exposures and the relevant

6 Starting from the first quarter of 2018, Banca IFIS has decided to report three business segments: the Enterprises segment (including all the areas that make up the Group's commercial offering for enterprises, i.e. trade receivables, corporate banking, leasing, and tax receivables); the NPL segment; and the Governance and Services segment. The comparative information has been restated by following the same logic.

7 Net impairment losses on receivables of the NPL segment were reclassified to interest receivable and similar income to present more fairly this particular business and because they represent an integral part of the return on the investment.

impairment losses has changed significantly starting from 1 January 2018. As a result, gross non-performing exposures in the Enterprises segment accounted for 10,5% of total exposures at 30 June 2018, compared to 20,1% at 1 January 2018.

Overall, the gross non-performing loans of the enterprises segment totalled 615,7 million Euro, with 247,6 million Euro in impairment losses and a coverage ratio of 40,2% at 30 June 2018.

Below is the breakdown of net non-performing loans in the Enterprises segment[8] (totalling 368,1 billion Euro):

- **net bad loans** amounted to 68,0 million Euro, compared to 62,9 million Euro of the restated data at 1 January 2018 (+8,2%); the net bad-loan ratio was 1,2%, unchanged from the restated data at 1January 2018. The coverage ratio stood at 70,1% (71,0% at 1 January 2018);
- **net unlikely to pay** totalled 143,7 million Euro, -11,9% from 163,1 million Euro at the data restated at 1 January 2018; the coverage ratio declined to 34,0% from 26,5% at 1 January 2018. The change was mainly attributable to the higher provisions set aside on an individually significant position;
- **Net non-performing past** due exposures totalled 156,5 million Euro, compared with 112,0 million Euro at 1 January 2018 (+39,7%). The rise was partly due to the natural increase in past due exposures to Italy's Public Administration as well as to new private-sector past due positions, concentrated on individually significant counterparties. The coverage ratio of net non-performing past due exposures stood at 8,5% (10,6% at 1 January 2018).

At the end of the period, **consolidated equity** totalled 1.373,1 million Euro, compared to 1.368,7 million Euro at 31 December 2017 (+0,3%).

The **consolidated Common Equity Tier 1 (CET1), Tier 1 (T1) and Total Own Funds Ratios** of the Banca IFIS Group alone, excluding the effect of the consolidation of the Parent Company La Scogliera[9] at 30 June 2018, amounted to 15,13% for both the CET1 and T1 ratios, compared to 15,64% at 31 December 2017, while the consolidated Total Own Funds Ratio amounted to 20,28%, compared to 21,07% at 31 December 2017.

For more details, see the Consolidated Interim Report at 30 June 2018, available in the "Institutional Investors" section of the official website www.bancaifis.it

Significant events occurred in the period

The Banca IFIS Group transparently and timely discloses information to the market, constantly publishing information on significant events through press releases. Please visit the "Institutional Investor Relations" and "Media Press" sections of the institutional website www.bancaifis.it to view all press releases.
Here below is a summary of the most significant events occurred during the period and before the approval of this document:

Acquisition of control of Cap.Ital.Fin. S.p.A.

Concerning the binding offer to acquire control of Cap.Ital.Fin S.p.A. submitted on 24 November 2017, on 2 February 2018 the Bank finalised the acquisition of 100% of Cap.Ital.Fin S.p.A., a company on the register as per Article 106 of the Consolidated Law on Banking that operates across Italy and specialises in salary-backed loans and salary or pension deductions for retirees as well as private- and public-sector and government employees.

8 Please note that, after the new accounting standard IFRS 9 and the provisions in the 5th update to Circular 262 of the Bank of Italy became effective, the Group restated non-performing loans in accordance with the rules concerning POCI – Purchased or Originated Credit Impaired – assets as well as its new write-off policy.

9 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 June 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 June 2018 including La Scogliera S.p.A. amounted to 11,11%, compared to 11,66% at 31 December 2017, total own fund tier 1 capital ratio (T1) was 11,85% compared to 12,18% at 31 December 2017 while the Total Own Funds Ratio totalled 15,43%, compared to 16,15% at 31 December 2017.

Preferred unsecured senior bond placement

In April 2018, Banca IFIS announced and successfully completed the placement of its first preferred unsecured senior bond issue. The 300 million Euro bond has a 5-year maturity and a 2% fixed coupon rate, and the issue price was 99,231%. The bond, reserved for institutional investors except for those in the United States, was issued under Banca IFIS S.p.A.'s EMTN Programme and will be listed on the Irish Stock Exchange. Fitch assigned a "BB+" long-term rating to the bond.

Agreement to acquire FBS S.p.A.

On 15 May 2018, the Group finalised an agreement to acquire control over FBS S.p.A., a company operating in the NPL segment as a servicing specialist (including both master and special services), manager of secured and unsecured NPL portfolios, due diligence advisor, and investor authorised to conduct NPL transactions. The deal was notified to the Bank of Italy and is expected to close by September 2018 with the Group's acquisition of 90% of FBS for 58,5 million Euro.

Significant subsequent events

Acquisition of control of Credifarma S.p.A.

On 2 July 2018, the Group finalised the acquisition of a controlling interest in Credifarma S.p.A., a company specialising in pharmacy lending. The deal was finalised through Banca IFIS's acquisition of the combined 32,5% stake of UniCredit and BNL – BNP Paribas Group as well as the acquisition of part of Federfarma's current interest in the company, amounting to 21,5%. Finally, the lender finalised a capital increase reserved for Banca IFIS to provide Credifarma with a robust financial position for regulatory purposes as well as to pursue future growth plans. The deal requires an overall investment—including the capital increase—of approximately 8,8 million Euro.

Transfer of Banca IFIS's business unit dedicated to Non-Performing Loans

IFIS NPL S.p.A., the joint-stock company into which Banca IFIS spun off its NPL segment, became fully operational on 1 July 2018. The transaction, announced in December 2017, now becomes effective as Banca IFIS's Board of Directors has approved the transfer of the business unit.

IFIS NPL has obtained the authorisation to extend financing and was entered into the register of financial intermediaries pursuant to Article 106 of the Italian Consolidated Law on Banking effective 1 July 2018.

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.

Banca IFIS S.p.A.

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Reclassified financial statements

Net impairment losses on receivables of the NPL 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.

Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)		AMOUNTS AT		CHANGE	
		30.06.2018	31.12.2017	ABSOLUTE	%
10.	Cash and cash equivalents	47	50	(3)	(6,0)%
20.	Financial assets at fair value through profit or loss	161.145	94.421	66.724	70,7%
	a) financial assets held for trading	30.625	35.614	(4.989)	(14,0)%
	c) other financial assets mandatorily measured at fair value	130.520	58.807	71.713	121,9%
30.	Financial assets at fair value through other comprehensive income	433.827	442.576	(8.749)	(2,0)%
40.	Financial assets measured at amortised cost	8.278.499	8.153.319	125.180	1,5%
	a) due from banks	1.568.042	1.760.752	(192.710)	(10,9)%
	b) loans to customers	6.710.457	6.392.567	317.890	5,0%
90.	Property, plant and equipment	130.399	127.881	2.518	2,0%
100.	Intangible assets	24.815	24.483	332	1,4%
	of which: goodwill	*1.504*	*834*	*670*	*80,3%*
110.	Tax assets:	400.773	438.623	(37.850)	(8,6)%
	a) current	46.433	71.309	(24.876)	(34,9)%
	b) deferred	354.340	367.314	(12.974)	(3,5)%
130.	Other assets	303.238	272.977	30.261	11,1%
	Total assets	**9.732.743**	**9.554.330**	**178.413**	**1,9%**

LIABILITIES AND EQUITY (in thousands of Euro)		AMOUNTS AT		CHANGE	
		30.06.2018	31.12.2017	ABSOLUTE	%
10.	Financial liabilities measured at amortised cost.	7.819.032	7.725.159	93.873	1,2%
	a) due to banks	882.324	791.977	90.347	11,4%
	b) due to customers	4.840.864	5.293.188	(452.324)	(8,5)%
	c) debt securities issued	2.095.844	1.639.994	455.850	27,8%
20.	Financial liabilities held for trading	38.627	38.171	456	1,2%
60.	Tax liabilities:	50.519	40.076	10.443	26,1%
	a) current	8.734	1.477	7.257	491,3%
	b) deferred	41.785	38.599	3.186	8,3%
80.	Other liabilities	421.087	352.999	68.088	19,3%
90.	Post-employment benefits	7.792	7.550	242	3,2%
100.	Provisions for risks and charges:	22.603	21.656	947	4,4%
	a) commitments and guarantees granted	2.524	590	1.934	327,8%
	c) other provisions for risks and charges	20.079	21.066	(987)	(4,7)%
120.	Valuation reserves	(14.478)	(2.710)	(11.768)	434,2%
150.	Reserves	1.168.592	1.038.155	130.437	12,6%
160.	Share premiums	102.052	101.864	188	0,2%
170.	Share capital	53.811	53.811	-	0,0%
180.	Treasury shares (-)	(3.103)	(3.168)	65	(2,1)%
200.	Profit (loss) for the period (+/-)	66.209	180.767	(114.558)	(63,4)%
	Total liabilities and equity	**9.732.743**	**9.554.330**	**178.413**	**1,9%**

Consolidated Income Statement

ITEMS (in thousands of Euro)		AMOUNTS AT		CHANGE	
		30.06.2018	30.06.2017	ABSOLUTE	%
10.	Interest receivable and similar income	281.019	251.042	29.977	11,9%
20.	Interest due and similar expenses	(51.442)	(49.495)	(1.947)	3,9%
30.	**Net interest income**	**229.577**	**201.547**	**28.030**	**13,9%**
40.	Commission income	46.885	41.241	5.644	13,7%
50.	Commission expense	(7.111)	(6.877)	(234)	3,4%
60.	**Net commission income**	**39.774**	**34.364**	**5.410**	**15,7%**
70.	Dividends and similar income	301	40	261	652,5%
80.	Net profit (loss) from trading	(352)	(309)	(43)	13,9%
100.	Gain (loss) on sale or buyback of:	1.997	17.577	(15.580)	(88,6)%
	a) financial assets measured at amortised cost	1.999	17.625	(15.626)	(88,7)%
	b) financial assets at fair value through other comprehensive income	-	(48)	48	(100,0)%
	c) financial liabilities	(2)	-	(2)	-
110.	Net result of other financial assets and liabilities at fair value through profit or loss	6.820	-	6.820	-
	b) other financial assets mandatorily measured at fair value	6.820	-	6.820	-
120.	**Net banking income**	**278.117**	**253.219**	**24.898**	**9,8%**
130.	Net credit risk losses/reversal on:	(40.036)	12.109	(52.145)	(430,6)%
	a) financial assets measured at amortised cost	(39.752)	12.784	(52.536)	(411,0)%
	b) financial assets at fair value through other comprehensive income	(284)	(675)	391	(57,9)%
150.	**Net profit (loss) from financial activities**	**238.081**	**265.328**	**(27.247)**	**(10,3)%**
190.	Administrative expenses:	(150.536)	(119.336)	(31.200)	26,1%
	a) personnel expenses	(55.451)	(49.484)	(5.967)	12,1%
	b) other administrative expenses	(95.085)	(69.852)	(25.233)	36,1%
200.	Net allocations to provisions for risks and charges	948	1.276	(328)	(25,7)%
	a) commitments and guarantees granted	1.140	3.173	(2.033)	(64,1)%
	b) other net provisions	(192)	(1.897)	1.705	(89,9)%
210.	Net impairment losses/reversal on property, plant and equipment	(2.846)	(2.048)	(798)	39,0%
220.	Net impairment losses/reversal on intangible assets	(3.079)	(3.894)	815	(20,9)%
230.	Other operating income/expenses	11.337	4.547	6.790	149,3%
240.	**Operating costs**	**(144.176)**	**(119.455)**	**(24.721)**	**20,7%**
290.	**Pre-tax profit (loss) for the period from continuing operations**	**93.905**	**145.873**	**(51.968)**	**(35,6)%**
300.	Income taxes for the period relating to current operations	(27.696)	(42.211)	14.515	(34,4)%
330.	**Profit (Loss) for the period**	**66.209**	**103.662**	**(37.453)**	**(36,1)%**
340.	Profit (Loss) for the period attributable to non-controlling interests	-	5	(5)	(100,0)%
350.	**Profit (loss) for the period attributable to the Parent company**	**66.209**	**103.657**	**(37.448)**	**(36,1)%**

Consolidated Income Statement: 2nd Quarter

ITEMS (in thousands of Euro)		AMOUNTS AT		CHANGE	
		30.06.2018	30.06.2017	ABSOLUTE	%
10.	Interest receivable and similar income	134.008	135.564	(1.556)	(1,1)%
20.	Interest due and similar expenses	(23.911)	(25.004)	1.093	(4,4)%
30.	**Net interest income**	**110.097**	**110.560**	**(463)**	**(0,4)%**
40.	Commission income	23.605	23.457	148	0,6%
50.	Commission expense	(3.651)	(3.312)	(339)	10,2%
60.	**Net commission income**	**19.954**	**20.145**	**(191)**	**(0,9)%**
70.	Dividends and similar income	301	40	261	652,5%
80.	Net profit (loss) from trading	368	1.306	(938)	(71,8)%
100.	Gain (loss) on sale or buyback of:	920	17.625	(16.705)	(94,8)%
	a) financial assets measured at amortised cost	922	17.625	(16.703)	(94,8)%
	c) financial liabilities	(2)	-	(2)	-
110.	Net result of other financial assets and liabilities at fair value through profit or loss	7.099	-	7.099	-
	b) other financial assets mandatorily measured at fair value	7.099	-	7.099	-
120.	**Net banking income**	**138.739**	**149.676**	**(10.937)**	**(7,3)%**
130.	Net credit risk losses/reversal on:	(29.079)	14.277	(43.356)	(303,7)%
	a) financial assets measured at amortised cost	(28.876)	14.937	(43.813)	(293,3)%
	b) financial assets at fair value through other comprehensive income	(203)	(660)	457	(69,2)%
150.	**Net profit (loss) from financial activities**	**109.660**	**163.953**	**(54.293)**	**(33,1)%**
190.	Administrative expenses:	(77.084)	(64.129)	(12.955)	20,2%
	a) personnel expenses	(28.624)	(25.411)	(3.213)	12,6%
	b) other administrative expenses	(48.460)	(38.718)	(9.742)	25,2%
200.	Net allocations to provisions for risks and charges	3.754	2.873	881	30,7%
	a) commitments and guarantees granted	982	2.428	(1.446)	(59,6)%
	b) other net provisions	2.772	445	2.327	522,9%
210.	Net impairment losses/reversal on property, plant and equipment	(1.460)	(852)	(608)	71,4%
220.	Net impairment losses/reversal on intangible assets	(1.656)	(1.631)	(25)	1,5%
230.	Other operating income/expenses	5.691	(72)	5.763	(8004,2)%
240.	**Operating costs**	**(70.755)**	**(63.811)**	**(6.944)**	**10,9%**
290.	**Pre-tax profit (loss) for the period from continuing operations**	**38.905**	**100.142**	**(61.237)**	**(61,2)%**
300.	Income taxes for the period relating to current operations	(10.550)	(29.168)	18.618	(63,8)%
330.	**Profit (Loss) for the period**	**28.355**	**70.974**	**(42.619)**	**(60,0)%**
340.	Profit (Loss) for the period attributable to non-controlling interests	-	4	(4)	(100,0)%
350.	**Profit (loss) for the period attributable to the Parent company**	**28.355**	**70.970**	**(42.615)**	**(60,0)%**

Consolidated Income Statement: Quarterly

CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION (in thousands of Euro)	YEAR 2018		YEAR 2017			
	2nd Q.	1st Q.	2nd Q.	1st Q.	2nd Q.	1st Q.
Net interest income	**110.097**	**119.480**	**121.252**	**91.872**	**110.560**	**90.987**
Net commission income	**19.954**	**19.820**	**21.129**	**18.272**	**20.145**	**14.219**
Other components of net banking income	8.688	78	7.639	11.945	18.971	(1.663)
Net banking income	**138.739**	**139.378**	**150.020**	**122.089**	**149.676**	**103.543**
Net credit risk losses/reversals	(29.079)	(10.957)	(37.075)	(1.140)	14.277	(2.168)
Net profit (loss) from financial activities	**109.660**	**128.421**	**112.945**	**120.949**	**163.953**	**101.375**
Personnel expenses	(28.624)	(26.827)	(24.469)	(24.298)	(25.411)	(24.073)
Other administrative expenses	(48.460)	(46.625)	(48.511)	(34.257)	(38.718)	(31.134)
Net allocations to provisions for risks and charges	3.754	(2.806)	1.719	(2.922)	2.873	(1.597)
Net impairment losses/reversals on property, plant and equipment and intangible assets	(3.116)	(2.809)	(2.688)	(2.822)	(2.483)	(3.459)
Other operating income/expenses	5.691	5.646	4.028	3.028	(72)	4.619
Operating costs	**(70.755)**	**(73.421)**	**(69.921)**	**(61.271)**	**(63.811)**	**(55.644)**
Pre-tax profit from continuing operations	**38.905**	**55.000**	**43.024**	**59.678**	**100.142**	**45.731**
Income taxes for the period relating to continuing operations	(10.550)	(17.146)	(11.387)	(14.210)	(29.168)	(13.043)
Profit for the period	**28.355**	**37.854**	**31.637**	**45.468**	**70.974**	**32.688**
Profit (Loss) for the period attributable to non-controlling interests	-	-	(7)	2	4	1
Profit for the period attributable to the Parent company	**28.355**	**37.854**	**31.644**	**45.466**	**70.970**	**32.687**

EQUITY: BREAKDOWN (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.06.2018	31.12.2017	ABSOLUTE	%
Share capital	53.811	53.811	-	0,0%
Share premiums	102.052	101.864	188	0,2%
Valuation reserves:	(14.478)	(2.710)	(14.036)	517,9%
- Securities	*(7.946)*	*2.275*	*(12.489)*	*(549,0)%*
- Post-employment benefits	*75*	*20*	*55*	*275,0%*
- exchange differences	*(6.607)*	*(5.005)*	*(1.602)*	*32,0%*
Reserves	1.168.592	1.038.155	132.705	12,8%
Treasury shares	(3.103)	(3.168)	65	(2,1)%
Profit for the period	66.209	180.767	(114.558)	(63,4)%
Equity	**1.373.083**	**1.368.719**	**4.364**	**0,3%**

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: BANCA IFIS BANKING GROUP SCOPE (in thousands of Euro)	AMOUNTS AT	
	30.06.2018	31.12.2017
Common equity Tier 1 Capital (CET1)	1.175.684	1.152.603
Tier 1 Capital (T1)	1.175.684	1.152.603
Total own funds	**1.575.684**	**1.552.792**
Total RWA	**7.769.825**	**7.369.921**
Common Equity Tier 1 Ratio	15,13%	15,64%
Tier 1 Capital Ratio	15,13%	15,64%
Total Own Funds Capital Ratio	**20,28%**	**21,07%**

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