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Testo del comunicato

Vedi allegato.

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"In 2019 we reported a consolidated net profit of 123,1 million Euro, with a CET1 ratio up to 10,96%.
We laid the foundations for the next three years: the Business Plan presented on 14 January outlines the Group's strategy and objectives for the period from 2020 to 2022.
The activities and projects described have already been launched; in the coming quarters, they will be pursued and monitored carefully."

Luciano Colombini, Banca IFIS CEO

Banca IFIS: BoD approves the 2019 preliminary results

Dividend increases to 1,10 Euro per share
Consolidated net profit for the year: 123,1 million Euro
In 12 months the CET1 ratio rises to 10,96%
Retail funding: 4,8 billion Euro reached

RECLASSIFIED DATA[1]

- **Proposed divided up by 5%** to 1,10 Euro per share for a total dividend of 58,8 million Euro and a share payout ratio of 47,8%;
- **Consolidated net profit for the year:** 123,1 million Euro. The result was conditioned by the natural decline of the PPA reversal[2];
- **Consolidated comprehensive income:** 133,5 milioni di euro, essentially in line with 2018;
- **Net banking income:** 558,3 million Euro (-3,2% vs 31 December 2018). The contribution from the core business was positive;
- **Direct funding** rises to 4,8 billion Euro (+8,3% vs 31 December 2018);
- **Operating costs:** 294,9 million Euro (+7,9% vs 2018) primarily due to the increase in the Group's employees: 1.753 at 31 December 2019 (+7%).

Capital requirements without consolidation within La Scogliera[3]:

- **CET1 ratio:** 14,28% (13,74% at 31 December 2018); **TIER1 ratio:** 14,28% (13,74% at 31 December 2018); **TCR**: 18,64% (18,20% at 31 December 2018).

Capital requirements with the consolidation within La Scogliera:

- **CET1 ratio:** 10,96% (10,30% at 31 December 2018) remains above the SREP requirement of 8,12%; **TIER1 ratio:** 11,56% (10,92% at 31 December 2018) remains above the SREP requirement of 10,0%; **TCR:** 14,58% (14,01% at 31 December 2018) versus an SREP requirement of 12,5%.

1 Net impairment losses on receivables of the NPL segment were entirely reclassified to Interest receivable and similar income to present more fairly this particular business, as they represent an integral part of the overall return on the investment.
2 The term "PPA reversal" refers to the reversal over time of the difference between the fair value as measured in the business combination and the carrying amount of the receivables of the former GE Capital Interbanca Group, acquired on 30 November 2016.
3 Consolidated own funds, risk-weighted assets and solvency ratios at 31 December 2019 were calculated based on the regulatory principles set out in Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) of 26 June 2013, which were transposed in the Bank of Italy's Circulars no. 285 and no. 286 of 17 December 2013. Article 19 of the CRR provides for the prudential consolidation of Banca IFIS in the holding La Scogliera. For the sake of disclosure, we calculated the same indicators without including the effects of the consolidation within La Scogliera. Therefore, the reported total own funds refer only to the scope of the Banca IFIS Group, thus excluding the effects of the prudential consolidation within the parent company La Scogliera S.p.A.

Mestre (Venice), 11 February 2020 – The Board of Directors of Banca IFIS met today under the chairmanship of Ernesto Fürstenberg Fassio and approved the preliminary results for the year 2019.
The 2019 draft financial statements will be approved on 12 March 2020.

"Banca IFIS is a profitable, well capitalised Italian bank with shareholders' equity of 1,5 billion Euro; we boast a strong market position with a robust competitive advantage and a diversified business model with two core divisions: the Commercial and Corporate Banking segment focused on SMEs and the Non-Performing Loans (NPLs) segment," **commented Luciano Colombini, Chief Executive Officer of the Banca IFIS Group.** "This year we are once again offering our shareholders a larger dividend, extending the Bank's strong track record of solidity, which continues to make it possible to reward those who have decided to invest in Banca IFIS. As a further sign of the Bank's ability to fully self-finance its growth, the CET1 ratio rose by 0,66% in 12 months to reach 10,96%."

"In 2019 – a year in which the Bank faced important changes – we reported a profit of 123,1 million Euro, a result that was affected by the natural decrease in the PPA reversal, which, net of taxes, fell from 61 million Euro at the end of 2018 to 47 million Euro at the end of 2019.
In the NPL business, acquisition of a 100% interest in FBS was closed in 2019, expediting the integration process between the two businesses, which will yield considerable synergies, generated by the complementary nature of the expertise possessed by Banca IFIS and FBS. The achievement of our NPL acquisition targets of approximately 3 billion Euro is a further testament to our dynamic market presence and excellent execution capabilities. In the coming years, the strategy also calls for the business to expand into the large loan secured segment through the acquisition of specialised small servicer teams and constant efficiency gains in the recovery system.

In Commercial Banking, we continued to finance the real economy in 2019, confirming our role as a bank devoted to serving SMEs, while reaching our targets in terms of revenues and achieving a gradual decline in the loss rate, which in previous years reached extraordinary peak levels due to the crisis in the construction sector. In the near future we will further increase our presence in the small and medium enterprises segment and focus on constantly developing our distribution and operation model to include a wider range of products and investments in digital innovation that will allow us to further expand our customer base."

"In 2019 we thus laid the foundation and groundwork for the next three years. The Business Plan, presented on 14 January, outlines the Bank's strategy and the objectives to be reached by 2022, calling for a sustainable net profit of 147 million Euro driven by growth across all business units, a return on tangible equity of 8,9%, new investments of 60 million Euro and 190 new employees. The activities and projects described are already under way and will be pursued and monitored in the coming quarters," **concluded Luciano Colombini.**

Highlights

RECLASSIFIED DATA [1]

The Banca IFIS Group's consolidated income statement for 2019 reported a profit attributable to the Parent Company of 123,1 million Euro. Below are the operating highlights:

Net banking income

Consolidated net banking income amounted to 558,3 million Euro (-3,2% on the previous year). Attention should be drawn in particular to the positive contribution made by the industrial components of the NPL Segment and, in the Enterprises Segment, of the Leasing and Tax Receivables Areas, with Trade Receivables which, despite competitive pressure on margins, were essentially in line with 2018, partially offsetting the expected decrease in the PPA reversal[2].

In detail: the net banking income of the NPL Segment totalled 252,4 million Euro (244,2 million Euro in the period ended 31 December 2018, +3,4%), whereas that of the Enterprises Segment was 311,5 million Euro (335,5 million Euro in the period ended 31 December 2018, -7,2%). Specifically, the Trade Receivables Area reported 168,3 million Euro (-1,7 million Euro on the same period of 2018), the Corporate Banking Area 72,0 million Euro (-28,3 million Euro on the same period of 2018, of which 19,9 million Euro due to the natural decrease in the PPA reversal[2]), the Leasing Area 56,1 million Euro (+4,5 million Euro) and the Tax Receivables Area 15,0 million Euro (+1,4 million Euro).

Net impairment losses[1]

Net credit risk losses for the year ended 31 December 2019 of 87,2 million Euro, down by 12,9% on the previous year, referred almost entirely to the Enterprises Segment, which in 2019 recorded total credit risk losses of 83,5 million Euro (down by 13,9 million Euro on 2018, -14,3%), of which 55,2 million Euro attributable to the exposures of the Trade Receivables Area (-26,3%), 17,9 million Euro to the Corporate Banking Area (+54,0%, primarily due to the losses associated with the deterioration of positions already subject to restructuring) and 10,2 million Euro to the Leasing Area (-4,2%).

Operating costs

Operating costs totalled 294,9 million Euro (273,4 million Euro in the year ended 31 December 2018, +7,9%), mainly due to the increase in the number of employees as a result of hiring and the new company scope. The cost/income ratio stood at 52,8%[1], compared to 47,4% at 31 December 2018.

Personnel expenses of 130,0 million Euro were up by 16,5% (111,6 million Euro in the year ended 31 December 2018), due to both the increase in the number of the Group's employees, which stood at 1.753 at 31 December 2019 (+7,0% on the 1.638 employees at 31 December 2018), and the effect of the settlement agreements relating to the departure of the minority shareholders and directors of FBS.

Other administrative expenses, amounting to 214,3 million Euro compared to 176,5 million Euro in the year ended 31 December 2018, include the expense of 30,9 million Euro for the settlement of certain tax disputes regarding the former subsidiary Interbanca, the economic impact of which is fully offset in the item "other net operating income" - including the related tax effect - due to the activation of the outstanding guarantees. Net of this item, the increase of 6,9 million Euro is primarily attributable to the consolidation of the FBS Group, acquired in 2019.

Other net operating income amounted to 77,5 million Euro (29,5 million Euro in the year ended 31 December 2018) and included the effects of the aforementioned activation of guarantees in place in view of the closure of certain tax disputes for 46,2 million Euro in the year ended 31 December 2019 (including the related tax effect); net of this amount, other net operating income (31,3 million Euro) mainly refers to revenues deriving from the recovery of expenses charged to third parties, the related cost item of which is included in other administrative expenses, in particular under legal expenses and indirect taxes, as well as from the recovery of expenses connected with leasing activities.

1 Net impairment losses on receivables of the NPL segment were entirely reclassified to Interest receivable and similar income to present more fairly this particular business, as they represent an integral part of the overall return on the investment.

2 The term "PPA reversal" refers to the reversal over time of the difference between the fair value as measured in the business combination and the carrying amount of the receivables of the former GE Capital Interbanca Group, acquired on 30 November 2016.

Group net profit for the year

The net profit amounted to 123,1 million Euro for the year ended 31 December 2019, down 16,1% from 146,8 million Euro in December 2018 due to the contribution of the extraordinary component (PPA reversal[2]).

Earnings per share in 2019 amounted to 2,30 Euro.

The estimated dividend per share is up 5% compared to the previous year at 1,10 Euro per share, resulting in an overall dividend of 58,8 million Euro and a pay-out ratio of 47,8%.

Focus on individual segments

As for the contribution of individual segments to the operating and financial results at 31 December 2019, here below are the highlights:

The net banking income of the **Enterprises Segment**, which accounted for 55,8% of the total, amounted to 311,5 million Euro, down 7,2% from 335,5 million Euro in the year ended 31 December 2018; the good growth results of the Leasing and Tax Receivables business areas were offset by the lower contribution of the PPA reversal[2] of the Corporate Banking Area and the essential stability of the Trade Receivables Area. The receivables of the Enterprises Segment totalled 5.923,6 million Euro at 31 December 2019, essentially in line with the previous year.

- In particular, the **Trade Receivables Area** had net banking income of 168,3 million Euro, essentially in line with the 170,0 million Euro recorded for the year ended 31 December 2018 (-1,0%). Turnover in 2019 was up by 0,5 billion Euro to 13,9 billion Euro (+4,0%), with the number of client firms rising to 11.015, an increase of 5,4% on the previous year. This sound volume performance did not substantially offset the pressure on margins seen during the year (-1%). The Area's total loans to customers amounted to 3.613,7 million Euro (+0,8% on the end of 2018).
- In 2019 the **Leasing Area** recorded net banking income of 56,1 million Euro, up 8,7% compared to 2018, thanks to an increase in average loans. Loans to customers amounted to 1.448.5 million Euro (+3,5% on 31 December 2018).
- The **Corporate Banking Area** recorded net banking income of 72,0 million Euro, a decrease of 28,2% that was primarily attributable to components of portfolios in the run-off phase tied to the natural decrease in the PPA reversal[2] of 19,9 million Euro (57,9 million Euro versus 77,8 million Euro in the year ended 31 December 2018) and the change in the fair value measurement of financial instruments recognised in 2019 compared to 2018 of approximately 11 million Euro. By contrast, attention should be drawn to the growth of the running component of net banking income. The outstanding loans to customers of the Corporate Banking Area amounted to 706,9 million Euro, down 11,4% compared to the end of 2018, due to the natural decline in the receivables of the component of portfolios in the run-off phase.

The net banking income of the **NPL Segment**[1] amounted to 252,4 million Euro, up by 3,4% from 244,2 million Euro for the period ended 31 December 2018, and may be broken down as follows.

"Interest income from amortised cost", referring to the interest accruing at the original effective interest rate, was up 28,7% to 128,4 million Euro, largely thanks to the increase in receivables at amortised cost, where the largest contribution is related for 64,1 million Euro to writs, attachments of property, and garnishment orders, and for 24,4 million Euro to settlement plans. This item also includes 7,9 million Euro attributable to the newly acquired FBS.

The item "Other components of net interest income" amounted to 119,9 million Euro, compared to 138,2 million Euro at the end of 2018 (-13,2%), and includes the effect on the income statement of the change in expected cash flows, taking account of the extension of average judicial recovery times.

This item includes 5,4 million Euro attributable to the newly acquired FBS.

The increase in net commissions is almost entirely due to the contribution of the newly acquired FBS.

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1 Net impairment losses on receivables of the NPL segment were entirely reclassified to Interest receivable and similar income to present more fairly this particular business, as they represent an integral part of the overall return on the investment.

2 The term "PPA reversal" refers to the reversal over time of the difference between the fair value as measured in the business combination and the carrying amount of the receivables of the former GE Capital Interbanca Group, acquired on 30 November 2016.

Profits from the sale of receivables decreased from 17,1 million Euro to 15,7 million Euro and relate to residual positions with an amortised cost of 7,4 million Euro.
The nominal amount of the receivables managed totalled 24,4 billion Euro at 31 December 2019, of which 17,8 billion Euro of own receivables and 6,6 billion Euro of positions serviced on account of third parties.
The net carrying amount of the NPL Segment's own receivables portfolio amounted to 1.278,2 million Euro at year-end, up by 17,2% on the end of 2018, due in part to the contribution by the FBS Group.
In particular, it should be noted that the purchase price allocation ("PPA") process for the acquisition of the FBS Group entailed, at the business combination date, the recognition of a greater value of loans to customers due to the measurement of these positions at fair value for 7,9 million Euro, gross of the tax effect. In 2019 the effect of the PPA reversal on the income statement (gross of the tax effect) was negative, amounting to approximately 1,8 million Euro.
Expected gross cash flows (Estimated Remaining Collections or ERCs) amount to approximately 2,5 billion Euro.

The breakdown of the main statement of financial position items of the Banca IFIS Group at 31 December 2019 is shown below.

Loans to customers measured at amortised cost

Total **loans to customers measured at amortised cost** amounted to 7.651,2 million Euro, up by 4,6% on 31 December 2018. The Enterprises Segment was essentially unchanged (0,1% on the figure at 31 December 2018), whereas there was growth in both the NPL Segment (17,2%), due in part to the contribution of the FBS Group, and the Governance & Services Segment (47,8% on the figure at 31 December 2018).

The **net non-performing exposures of the Enterprises Segment** amounted to 303,7 million Euro at 31 December 2019 and may be broken down as follows:

- Net bad loans amounted to 68,9 million Euro, a slight increase of on 67,9 million Euro at 31 December 2018, with a substantially stable ratio of net bad loans to net loans. The coverage ratio stood at 70,5% compared to 73,0% at 31 December 2018, a change also driven by the write-offs of several fully impaired exposures during the year. The gross ratio stood at 3,7% at 31 December 2019 (4,0% at 31 December 2018). The net ratio was 1,2% at 31 December 2019 (1,1% at the end of 2018).
- The balance of net unlikely to pay positions was 138,7 million Euro, down by 5,9% from 147,5 million Euro at 31 December 2018, due in part to the increase in the average coverage ratio from 36,9% to 45,9%. The gross ratio stood at 4,1% at 31 December 2019 (3,7% at 31 December 2018). The net ratio was 2,3% at 31 December 2019 (2,5% at the end of 2018).
- Net non-performing past due exposures amounted to 96,0 million Euro compared to 95.0 million Euro at 31 December 2018 (+1,1%) with a coverage ratio of 8,4% compared to 11,3% at 31 December 2018; the increase in non-performing past due exposures is mainly attributable to the public sector, which has lower levels of coverage compared to the private sector. The gross and net ratios at 31 December 2019 were unchanged on the end of 2018 at 1,7% and 1,6%, respectively.

Overall, the gross NPE ratio of the Enterprises Segment was unchanged from 31 December 2018 at 9,5%, whereas the net NPE ratio was 5,1% (5,2% at 31 December 2018).

Funding

At 31 December 2019, the Group's funding structure was as follows:

- 62,4% customers (62,8% at the end of 2018);
- 13,6% ABSs (13,5% at the end of 2018);
- 12,6% debt securities (13,2% at the end of 2018);
- 9,4% TLTROs (9,3% at the end of 2018);
- 2,0% other (1,2% at the end of 2018).

At 31 December 2019, direct funding through Rendimax and Contomax increased by 8,3% on 31 December 2018 to 4.791 million Euro, confirming the Group's solidity requirements.

In addition to the absolute increase in the volumes of funds raised during the year, bearing witness to the consolidated confidence in the Bank amongst retail clients, mention should also be made of the increase in duration from 1 year and 8 months to 1 year and 11 months in 2019. This improvement is primarily attributable to the increase in funding maturing in 5 years, which more than doubled (866 million Euro at the end of 2019 compared to 427 million Euro at the end of 2018).

Equity and ratios[3]

The Group's consolidated equity was strengthened to 1.539,0 million Euro at 31 December 2019, up 5,5% from 1.459,0 million Euro at 31 December 2018.

The capital ratios of the Banca IFIS Group alone, excluding the effect of the consolidation in the Parent Company La Scogliera at 31 December 2019, amounted to a CET1 Ratio of 14,28% (compared to 13,74% at 31 December 2018), a Tier 1 Ratio of 14,28% (13,74% at December 2018) and a Total Capital Ratio of 18,64% (compared to 18,20% at 31 December 2018).

Capital ratios including the effect of the prudential consolidation in the Parent Company La Scogliera at 31 December 2019 amounted to a CET1 Ratio of 10,96% (compared to 10,30% at 31 December 2018) a Tier 1 Ratio of 11,56% (compared to 10,92% at 31 December 2018) and a Total Capital Ratio of 14,58% (14,01% at 31 December 2018).

Common Equity Tier 1, Tier 1 Capital, and total Own Funds include the profits generated by the Banking Group during the year ended 31 December 2019, net of the estimated dividend.

In addition, please note that on 28 January 2019 the Bank of Italy required the Banca IFIS Banking Group to adopt the following consolidated capital requirements in 2019, including a 2,5% capital conservation buffer:

- common equity tier 1 (CET 1) 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 2019, the Banca IFIS Group 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 "Institutional Investor Relations" and "Media Press" sections of the institutional website www.bancaifis.it to view all press releases.
Below is a summary of the most significant events that occurred during the year:

Finalised acquisition of 90% of the capital of FBS S.p.A.

On 7 January 2019, the acquisition was finalised of FBS S.p.A., the fourth national operator specialising in the management of mortgage and corporate NPLs. The operation, announced on 15 May 2018 and financed entirely from the liquidity available to Banca IFIS, involved 90% of the capital of FBS for a total amount of 58,5 million Euro paid in cash.

The Shareholders' Meeting approves the 2018 financial statements. New Board of Directors elected, Luciano Colombini named Chief Executive Officer

The ordinary Shareholders' Meeting of Banca IFIS S.p.A. held on 19 April 2019 approved the 2018 financial statements, the distribution of a dividend of 1,05 Euro for each ordinary share with detachment of coupon (no. 22) on 29 April 2019, record date 30 April and payment from 2 May 2019. The Shareholders' Meeting approved the increase in the number of directors from 9 to 12, appointing members of the

3 Common Equity Tier 1, Tier 1 Capital, and total Own Funds included the profits generated by the Banking Group at 31 December 2019 net of the estimated dividend.

Board of Directors for the three-year period 2019-2021. Luciano Colombini became the new Chief Executive Officer of Banca IFIS S.p.A. on 19 April 2019.

Fitch confirms BB+ rating, outlook stable

On 19 July 2019, the agency Fitch Rating Inc. confirmed its Long-term Issuer Default Rating (IDR) of BB+, stable outlook.

Results of the Bank of Italy's inspection report

On 2 August 2019, the results of the Bank of Italy's inspection, which began on 28 January 2019 and ended on 30 April 2019, were received. It revealed no conformity issues and did not lead to the initiation of any sanction proceedings.

Abandoned negotiations between Banca IFIS and Credito Fondiario

With reference to as was disclosed in a press release dated 2 August 2019, concerning the subscription between Banca IFIS S.p.A. and the Group Credito Fondiario S.p.A. of a non-binding letter of intent aimed at studying the implementation of a partnership in the debt servicing segment, on 30 October 2019, the Board of Directors of Banca IFIS resolved to permanently abandon negotiations with Credito Fondiario and therefore to not go to the due diligence phase, due to the difficulties encountered in defining a negotiating agreement satisfactory to both parties in terms of governance structures.

Banca IFIS acquires full ownership of FBS S.p.A.

On 30 October 2019, Banca IFIS closed the purchase of the 10% interest in FBS S.p.A. held by minority shareholders for a total amount of 12,2 million Euro. By making Banca IFIS the sole shareholder of FBS S.p.A., this deal allows the integration of FBS into the Banca IFIS Group to be completed in the short term and permit even more effective development of the Italian Non-Performing Loans market, with coverage of all segments of non-performing loans, through flexible investment and management structures.

Sale of the property located on Corso Venezia in Milan to Merope A.M.

On 29 November 2019 Banca IFIS announced that it had signed a contract with Merope Asset Management for the sale of the property located at Corso Venezia 56 in Milan for the price of 50,5 million Euro, realising a pre-tax gain of approximately 25 million Euro, to be recognised in financial year 2020, in addition to annual savings on operating costs, once fully effective, of approximately 1,5 million Euro. The sale of the property, in line with the strategy pursued by Banca IFIS, is intended to optimise the use of owned properties, rationalise spaces and contain costs. The transaction will be completed in the first half of 2020.

The Shareholders' Meeting approves amendments to the Articles of Association and updates the Remuneration Policies

On 19 December 2019 the Shareholders' Meeting of Banca IFIS S.p.A., gathered in extraordinary and ordinary session, approved amendments to Articles 8, 10, 12, 13 and 20 of the Articles of Association and the addition of Articles 10-bis and 12-bis. The amendments to the Articles of Association relate to: the rules governing the chair of the Shareholders' Meeting and the role of secretary of the Shareholders' Meeting; the ratio of the fixed to the variable component of the remuneration of personnel; the introduction of the position of honorary Chairman of the Bank; the function of secretary of the Board of Directors and responsibility for appointment of the secretary; the express provision of internal board committees; the introduction of the "casting vote"; and the rules governing the powers of representation in the event of the absence or impediment of the Chairman of the Board of Directors.

The Shareholders' Meeting also approved the update to the Banca IFIS Group's Remuneration Policies for 2019.

Significant subsequent events

Presentation of the 2020/2022 Business Plan

On 14 January 2020 the Board of Directors of Banca IFIS, chaired by Vice Chairman Ernesto Fürstenberg Fassio, approved the 2020/2022 Strategic Plan, which calls for a net profit of 147 million Euro in 2022, investments of 60 million Euro and 190 new employees.

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.

Banca IFIS S.p.A.

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Reclassified Consolidated Financial Statements

Net impairment losses on receivables of the NPL Segment 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.

Reclassified Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	AMOUNTS AT		CHANGE	
	31.12.2019	31.12.2018	ABSOLUTE	%
Cash and cash equivalents	56	48	8	16,7%
Financial assets measured at fair value through profit or loss	137.098	193.654	(56.556)	(29,2)%
a) financial assets held for trading	24.313	29.809	(5.496)	(18,4)%
c) other financial assets mandatorily measured at fair value	112.785	163.845	(51.060)	(31,2)%
Financial assets measured at fair value through other comprehensive income	1.173.808	432.094	741.714	171,7%
Financial assets measured at amortised cost	8.278.116	7.904.567	373.549	4,7%
a) due from banks	626.890	590.595	36.295	6,1%
b) loans to customers	7.651.226	7.313.972	337.254	4,6%
Equity investments	6	-	6	n.a.
Property, plant and equipment	106.301	130.650	(24.349)	(18,6)%
Intangible assets	60.919	23.277	37.642	161,7%
of which:				
- goodwill	*39.542*	*1.515*	*38.027*	*n.s.*
Tax assets:	391.185	395.084	(3.899)	(1,0)%
a) current	56.869	46.820	10.049	21,5%
b) deferred	334.316	348.264	(13.948)	(4,0)%
Non-current assets and disposal groups	25.560	-	25.560	n.a.
Other assets	352.975	302.887	50.088	16,5%
Total assets	**10.526.024**	**9.382.261**	**1.143.763**	**12,2%**

LIABILITIES AND EQUITY (in thousands of Euro)	AMOUNTS AT		CHANGE	
	31.12.2019	31.12.2018	ABSOLUTE	%
Financial liabilities measured at amortised cost	8.463.245	7.437.694	1.025.551	13,8%
a) due to banks	959.477	785.393	174.084	22,2%
b) due to customers	5.286.239	4.673.299	612.940	13,1%
c) debt securities issued	2.217.529	1.979.002	238.527	12,1%
Financial liabilities held for trading	21.844	31.155	(9.311)	(29,9)%
Tax liabilities:	69.018	52.722	16.296	30,9%
a) current	28.248	13.367	14.881	111,3%
b) deferred	40.770	39.355	1.415	3,6%
Other liabilities	390.022	367.872	22.150	6,0%
Post-employment benefits	9.977	8.039	1.938	24,1%
Provisions for risks and charges:	32.965	25.779	7.186	27,9%
a) commitments and guarantees granted	3.952	3.896	56	1,4%
c) other provisions for risks and charges	29.013	21.883	7.130	32,6%
Valuation reserves	(3.037)	(14.606)	11.569	(79,2)%
Reserves	1.260.238	1.168.543	91.695	7,8%
Share premiums	102.285	102.116	169	0,2%
Share capital	53.811	53.811	-	0,0%
Treasury shares (-)	(3.012)	(3.103)	91	(2,9)%
Equity attributable to non-controlling interests (+/-)	5.571	5.476	95	1,7%
Profit (loss) for the year (+/-)	123.097	146.763	(23.666)	(16,1)%
Total liabilities and equity	**10.526.024**	**9.382.261**	**1.143.763**	**12,2%**

Reclassified Consolidated Income Statement

ITEMS (in thousands of Euro)	YEAR		CHANGE	
	31.12.2019	31.12.2018	ABSOLUTE	%
Net interest income	**458.868**	**469.261**	**(10.393)**	**(2,2)%**
Net commission income	**94.078**	**84.505**	**9.573**	**11,3%**
Other components of net banking income	5.387	22.737	(17.350)	(76,3)%
Net banking income	**558.333**	**576.503**	**(18.170)**	**(3,2)%**
Net credit risk losses/reversals	(87.183)	(100.094)	12.911	(12,9)%
Net profit (loss) from financial activities	**471.150**	**476.409**	**(5.259)**	**(1,1)%**
Administrative expenses:	(344.237)	(288.110)	(56.127)	19,5%
a) personnel expenses	(129.959)	(111.584)	(18.375)	16,5%
b) other administrative expenses	(214.278)	(176.526)	(37.752)	21,4%
Net allocations to provisions for risks and charges	(12.376)	(2.099)	(10.277)	489,6%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(15.839)	(12.758)	(3.081)	24,1%
Other operating income/expenses	77.531	29.536	47.995	162,5%
Operating costs	**(294.921)**	**(273.431)**	**(21.490)**	**7,9%**
Gains (Losses) on disposal of investments	(408)	-	(408)	n.a.
Pre-tax profit (loss) from continuing operations	**175.821**	**202.978**	**(27.157)**	**(13,4)%**
Income taxes for the year relating to current operations	(52.633)	(56.168)	3.535	(6,3)%
Profit (loss) for the year	**123.188**	**146.810**	**(23.622)**	**(16,1)%**
Profit (loss) for the year attributable to non-controlling interests	91	47	44	92,8%
Profit (loss) for the year attributable to the parent company	**123.097**	**146.763**	**(23.666)**	**(16,1)%**

Reclassified Consolidated Income Statement: 4th Quarter

ITEMS (in thousands of Euro)	YEAR		CHANGE	
	4th Q. 2019	4th Q. 2018	ABSOLUTE	%
Net interest income	**134.230**	**140.014**	**(5.784)**	**(4,1)%**
Net commission income	**25.349**	**24.525**	**824**	**3,4%**
Other components of net banking income	7.511	8.414	(903)	(10,7)%
Net banking income	**167.090**	**172.953**	**(5.863)**	**(3,4)%**
Net credit risk losses/reversals	(38.169)	(31.179)	(6.990)	22,4%
Net profit (loss) from financial activities	**128.921**	**141.774**	**(12.853)**	**(9,1)%**
Administrative expenses:	(90.445)	(71.010)	(19.435)	27,4%
a) personnel expenses	(34.262)	(28.303)	(5.959)	21,1%
b) other administrative expenses	(56.183)	(42.707)	(13.476)	31,6%
Net allocations to provisions for risks and charges	(351)	3.207	(3.558)	(110,9)%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(3.046)	(3.685)	639	(17,3)%
Other operating income/expenses	12.161	6.922	5.239	75,7%
Operating costs	**(81.681)**	**(64.566)**	**(17.115)**	**26,5%**
Pre-tax profit (loss) from continuing operations	**47.240**	**77.208**	**(29.968)**	**(38,8)%**
Income taxes for the period relating to current operations	(8.105)	(19.447)	11.342	(58,3)%
Profit (loss) for the period	**39.135**	**57.761**	**(18.626)**	**(32,2)%**
Profit (loss) for the period attributable to non-controlling interests	34	(8)	42	(509,8)%
Profit (loss) for the period attributable to the parent company	**39.101**	**57.769**	**(18.668)**	**(32,3)%**

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: (in thousands of Euro)	AMOUNTS AT	
	31.12.2019	31.12.2018
Common equity Tier 1 Capital (CET1)	1.008.865	924.285
Tier 1 capital (T1)	1.064.524	980.463
Total own funds	**1.342.069**	**1.257.711**
Total RWA	**9.206.155**	**8.974.645**
Common Equity Tier 1 Ratio	10,96%	10,30%
Tier 1 Capital Ratio	11,56%	10,92%
Total Own Funds Ratio	**14,58%**	**14,01%**

Common Equity Tier 1, Tier 1 Capital, and total Own Funds included the profits generated by the Banking Group at 31 December 2019 net of the estimated dividend.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: BANCA IFIS BANKING GROUP SCOPE (in thousands of Euro)	AMOUNTS AT	
	31.12.2019	31.12.2018
Common equity Tier 1 Capital (CET1)	1.312.821	1.231.537
Tier 1 capital (T1)	1.312.821	1.231.537
Total own funds	**1.713.198**	**1.631.858**
Total RWA	**9.190.900**	**8.966.099**
Common Equity Tier 1 Ratio	14,28%	13,74%
Tier 1 Capital Ratio	14,28%	13,74%
Total Own Funds Ratio	**18,64%**	**18,20%**

Common Equity Tier 1, Tier 1 Capital, and total Own Funds included the profits generated by the Banking Group at 31 December 2019 net of the estimated dividend.

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