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Testo del comunicato

Vedi allegato.

Banca Ifis

PRESS RELEASE ON THE RESULTS OF THE
FIRST HALF OF 2020

During the first half, business proves to be resilient and the equity position improves despite the difficult context

- Net profit stands at 37 million Euro, net of adjustments and impairment for 36 million Euro (pre-tax) as a result of the Covid-19
- Improving equity position with an increase of CET1 to 11,58%, up 62 basis points on 31 December 2019
- Strong support to SMEs: more than 18.000 moratoriums requested as at July, 98% approved
- Npls: from January to July, 1,3 billion Euro in purchases, in line with the business plan
- Innovation: digital and operating investments hastened

2020 guidance updated: Banca Ifis estimates profit between 50 and 65 million Euro

Results first half of 2020

Reclassified data[1] - 1 January 2020/30 June 2020

- **Net banking income** comes to 213 million Euro due to the slowing of production activities, which has impacted all the Group's business units
- **Operating costs** come to 155,5 million Euro and include 7 million Euro in provisions made for solidarity and 6 million Euro in provisions made for a guarantee on a former Interbanca credit position

Capital requirements with the consolidation within La Scogliera

- **CET1:** 11,58% (10,96% at 31 December 2019) in respect of an SREP requirement of 8,12%; TCR: 15,33% (14,58% at 31 December 2019) in respect of an SREP requirement of 12,5%. The requirements are calculated excluding the 2019 dividend, which has been suspended by ruling of the Bank of Italy and, for the sake of prudence, excluding all profits from the first half of 2020.

Capital requirements without the consolidation within La Scogliera[2]

- **CET1:** 15,45% (14,28% at 31 December 2019); TCR: 20,15% (18,64% at 31 December 2019).

Guidance 2020

- **FY 2020 profit ranges between 50 and 65 million Euro**, assuming a progressive stabilisation of the macroeconomic context and the absence of economic shocks due to further prolonged lock-down periods.

[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] Consolidated own funds, risk-weighted assets and solvency coefficients at 30 June 2020 were calculated based on the regulatory principles set out in Directive no. 2013/36/EU (CRD IV) and Regulation (EU) no. 575/2013 (CRR) at 26 June 2013, 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.

Banca Ifis

PRESS RELEASE ON THE RESULTS OF THE FIRST HALF OF 2020

Mestre (Venice), 6 August 2020 – The Board of Directors of Banca Ifis, met today and chaired by Deputy Chairman Ernesto Fürstenberg Fassio, approved the results for the first half of 2020.

“The first half of the year has confirmed the validity of the strategy and financial solidity of Banca Ifis, in an absolutely unprecedented macroeconomic context. During the year of the Covid-19 pandemic, one of the worst in recent decades, **Banca Ifis closes the first half showing a profit, strengthening its equity and speeding up investments**”, **Luciano Colombini, Chief Executive Officer of Banca Ifis**, explains. “Even in this difficult outlook, the Bank has shown **considerable resilience** thanks to the **specificity of its business model**, based, on the Enterprise front, on the disbursement of mainly short-term loans and, on the Npl side, on the definition of sustainable repayment plans, with an average term of approximately 7 years.

During the first six months, the Bank recorded net profit of 37 million Euro, net of adjustments and impairment for 36 million Euro (pre-tax) reasonably to be considered as a result of the Covid-19. Moreover, the lock-down and closure of the courts led to a slow-down of the Commercial & Corporate Banking Segment business and of the Npl segment collection business, thereby generating additional direct and indirect impacts.

Consolidated **CET1**, calculated excluding the 2019 dividend, which was suspended on the instruction of the Bank of Italy and, for the sake of prudence, excluding profits of the first half of 2020, **came to 11,58%, up 62 basis points** on 31 December 2019**.** The same ratio, without considering the effects of the regulatory consolidation into La Scogliera, would be 15,45% (14,28% as at 31 December 2019). **Funding remained stable in both the retail and institutional components.** I would like to point out that during the half-year, despite the macroeconomic uncertainty, Banca Ifis in any case **speeded up the innovation and digital transformation of the business and operative model** and, with respect to the forecasts given at the start of the year, expects to increase investments in digitisation.

Over the last few months, the Group has never stopped **operating efficiently and with real faith**. Amidst the lock-down, we successfully completed a strategic deal, acquiring 70,77% of Farbanca, a transaction that will, thanks to the synergies with Credifarma, allow us to create a leading pole in loans to pharmacies; additionally, late June, we completed an important **rebranding project** that will improve the Bank’s positioning and assure a better communication of our business and products. During the period, certain operations were completed, such as the sale of the property in Corso Venezia, Milan, which resulted in a capital gain of 24,2 million Euro and the issue of a bond worth 400 million Euro at more favourable conditions than originally expected and which, in the current market context, are no longer feasible. We have also diversified funding, exporting our offer of deposit accounts on the German savings market, thanks to an agreement with the fintech Raisin.

On the **Commercial** side, we guaranteed **businesses our support**, approving more than 98% of the more than 18.000 moratorium applications received. We stipulated an important agreement with the EIB whereby to finance and support the SMEs impacted by the Covid-19. And this latter measure, which comes in addition to the numerous activities and services made available by the Bank both during the lock-down and in the more difficult phase of recovery of production activities.
In terms of **Npls**, just as envisaged in the business plan, **from January to July, we took over 1,3 billion Euro** in non-performing exposures and are currently taking part in 15 transfer processes for an equivalent nominal amount of approximately 1,9 billion Euro. The purchases finalised in the last months will make a good contribution towards the Bank's profitability over the next two years, thanks to proactive, diversified collection activities”.

“The scenario we face remains uncertain. However, if we assume a progressive stabilisation of the macroeconomic context and no further lock-down periods, **for FY 2020 we hope to achieve net profits ranging between 50 and 65 million Euro.** In actual fact, for the second half, also in light of July’s collections of 25 million Euro as compared with the average of 17 million per month in the second quarter, we expect to see a progressive improvement in the Npl Segment, which should go back to operating fully in the last quarter of the year. The quality of credit in the Commercial & Corporate Banking Segment will depend on the speed of the economic recovery and may be impacted by the end of moratoriums. I do, however, remain very positive about the quality of our assets: our trade receivables, totalling 5,2 billion Euro, include approximately 800 million Euro in loans to the public administration. The remainder of the portfolio is well diversified, in terms of size, Segment and enterprises”, **Luciano Colombini** concludes.

Banca Ifis

PRESS RELEASE ON THE RESULTS OF THE FIRST HALF OF 2020

Highlights

RECLASSIFIED DATA [1]

In order to fully implement the Group's business model, as envisaged by the 2020-2022 Business Plan, changes have been made to the operating Segments as they were previously structured: the Enterprises Segment, renamed Commercial & Corporate Banking groups together the commercial activities intended for enterprises and excludes the portfolios of loans disbursed by Interbanca before the acquisition and set to run-off (previously aggregated into the Enterprises Segment); the Npl Segment has been kept in line with the past, while the Segment, now called Governance & Non-Core Services, has been integrated into the Non-Core section, which includes the portfolios excluded from Commercial & Corporate Banking.

In addition, Segment reporting relating to income statement components has been expanded to include a view of results at the level of net profit.

The comparative information in this document has been restated in line with the new Segment reporting.

The main economic items of the Banca Ifis Group's results for the first half of 2020, are set out below.

Net banking income[1]

Net banking income comes to 212,8 million Euro, down 23,8% on the 279,2 million Euro booked for the same period of 2019.

The Covid-19 health emergency led to a lock-down of economic-production activities in March and April 2020. This in turn resulted in a reduction in margins in all Segments and, in particular, those in which operations are connected with the legal system, which suffered the closure of courts, making it impossible to proceed with legal debt collection measures. In addition to this, there was a physiologically lesser contribution towards the release of PPA[3], the effects of which in the first half of 2020, equal to 19,6 million Euro were substantively halved as compared with the same period of last year (37,5 million Euro); this lesser contribution is further highlighted by the early repayments that took place in 2019.

The net banking income of the Commercial & Corporate Banking Segment amounted to 106,1 million Euro, down 11,2% on 30 June 2019. The Factoring Area (-10,5%), Leasing Area (-8,8%) and Corporate Banking & Lending Area are down, recording a reduction of 22,1%, mainly due to the lesser contribution of the "reversal PPA"[3] as compared with the same period of 2019.

Net impairment losses[1]

Net credit risk losses at 30 June 2020, come to 33,3 million Euro, -4,9% on the 35,0 million Euro booked at 30 June 2019. Against the increase in the Leasing Area, connected with the migration of performing counterparties to a higher risk status, which led to a growth of approximately 4,1 million Euro in the Area adjustments, we have lesser provisions made in the Factoring Area, which during the first half of 2019 had been negatively impacted by adjustments made to certain counterparties that were individually significant.

Operating costs

Operating costs rise 11,6%, totalling 155,5 million Euro (139,3 million Euro at 30 June 2019). The increase of 16,2 million Euro is mainly due to 6,9 million Euro in provisions made for solidarity and 6 million in provisions made for a guarantee on a former Interbanca credit position.

[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.
[3] "Reversal PPA" means 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 GE Capital Interbanca Group - acquired on 30 November 2016 - over time.

In detail, personnel expenses, of 60,7 million Euro, record a reduction of 5,4% (64,2 million Euro at 30 June 2019) mainly due to the lesser provisions for variable remuneration. The number of Group employees at 30 June 2020 is 1.745 as compared with 1.793 of 30 June the previous year.

The other administrative expenses at 30 June 2020, come to 82,1 million Euro, dropping by 28,2% on 30 June 2019. In particular, we note that other administrative expenses at 30 June 2019 included 30,9 million Euro in expenses relating to 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" for 38,5 million Euro (including the related tax effect) against the activation of outstanding guarantees. Without considering this effect, administrative expenses drop by 1,7%. The change is mainly due to the lesser costs for the purchase of goods and services and lesser indirect taxes and duties, only partially offset by higher costs for professional services. Net allocations to provisions for risks and charges amounted to 16,3 million Euro compared with 6,4 million Euro at 30 June 2019. Growth on the corresponding period of the previous year is due to the provision made for 6,9 million Euro relative to the solidarity provision and greater provisions for commitments to disburse provisions and guarantees, mainly in connection with a position of the former Interbanca.

In a similar fashion to other administrative expenses, without considering the effects of indemnities for the definition of tax litigation of the former Interbanca, other net operating income, of 12,2 million Euro drop by 20,8% on the same period of the previous year. These mainly refer to revenue from the recovery of expenses charged to third parties. The relevant cost item is included in other administrative expenses, namely under legal expenses and indirect taxes, as well as recoveries of expenses associated with leasing operations, in line with the same period of last year.

Pre-tax profit from continuing operations amounted to 48,2 million Euro (-53,9% compared to 30 June 2019). A result on which, despite the positive effect deriving from the sale of the Milan property for 24,2 million Euro, the effect of the adjustments and impairment reasonably considered as linked to the Covid-19 had a negative impact for approximately 36 million Euro and a provision of 6,9 million Euro was made for solidarity for voluntary redundancies.

Group net profit for the period

At 30 June 2020, net profit came to 36,8 million Euro as compared with the 68,3 million Euro at 30 June 2019.

Focus on individual Segments

Highlights of the contributions of the various segments to the operating and financial results for the period ended 30 June 2020 are provided below:

Net profit of the **Commercial & Corporate Banking Segment** comes to 22,1 million Euro, down 18,7% as compared with the first half of last year. This negative change is due to the reduction of net banking income for 13,4 million Euro, partially offset by lesser value adjustments to credit risk for 4,0 million Euro. Operating costs dropped by a total of 3,1 million Euro on the figure recorded for the first half of 2019.

- The contribution made by the Factoring Area towards net banking income booked by the Commercial & Corporate Banking Segment came to 72,5 million Euro during the half, down 10,5% on the same period of last year. This result was due to both a lower contribution to net interest income (down by 2,3 million Euro) and net commissions (down by 6,2 million Euro). The half-year performance shows that this negative effect is mainly concentrated in the second quarter of 2020, a period in which the net interest margin decreased by 7,2 million Euro (net interest income down by 3,1 million Euro and net commissions down by 4,1 million Euro).

- Net banking income for the Leasing Area come to 24,8 million Euro, down 8,8% on 30 June 2019; this negative change is due to the combined effect of a higher cost of funding of approximately 1,4 million Euro, due to an increase in figurative interest recognised to the Governance & Non-Core Services Segment and lesser margins of around 1,0 million Euro.
- Net banking income of the Corporate Banking & Lending Area, of 8,7 million Euro at 30 June 2020, shows a decline of 2,5 million Euro on the same period of last year. The negative change mainly refers to the “Other components of net banking income” and is due to the reduction in the fair value of the units of UCITSs held in the portfolio, which accounted for approximately 2 million Euro. This effect is due to the worsening of risk factors (liquidity and credit) during the half, negatively impacted by the instability of markets in the current context.

Net banking income of the **Npl Segment**[1] comes to 73,0 million Euro as compared with 125,5 million Euro at 30 June 2019 and is characterised by the following entries.

- "Interest income from amortised cost", referring to the interest accruing at the original effective interest rate, was up 9,3% from 63 million Euro to 68,9 million Euro, largely thanks to the increase in receivables measured at amortised cost, the greater contribution by which is related for 34,3 million Euro to writs, attachments of property, and garnishment orders (ODA), and for 13,4 million Euro to settlement plans.
- By contrast, the reduction of "Other components of net interest income from change in cash flow" includes the economic effect deriving from the change in cash flows expected as a result of the greater or lesser collections made or expected in respect of the previous forecasts. This component goes from 62,7 million Euro to 14,6 million Euro, down 76,8%. The negative change in the item suffers the closure of courts in March, April and May, which significantly reduced, in comparison with the same period of 2019, the capacity to obtain writs, attachments of property and garnishment orders (ODA), as well as reducing door-to-door amicable debt collection activities.
- Net commission income is essentially in line with the same period of the previous year and is almost entirely attributable to the contribution made by commission income from servicing on third party portfolios.

Operating costs decline by 10,5%, going from 73,2 million Euro in the first half of 2019 to 65,6 million Euro in 2020. The change is mainly due to the variable costs connected with debt collection and, in particular, those relating to legal collection. As for revenues, the court closure due to the Covid-19 emergency and the general lock-down resulted in the halt of a series of costly lawsuits used by the Segment to increase its chance of collection.

Net profit for the period is down by more than 84,8% or approximately 31,4 million Euro in absolute value, the determinant factors of which are mainly due, as specified previously, to external negative factors that have struck the whole of the national economic system.

Net banking income from the **Governance & Non-Core Services Segment** totalled 33,7 million Euro, down approximately 0,6 million Euro on 30 June 2019. The negative change is due to the combined effect of the progressive reduction of the contribution of the "reversal of PPA" (down approximately 17 million Euro), only partially offset by an increase in interest income on the government securities portfolio of approximately 1,0

[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.

million Euro and other components of net banking income up more than 13 million Euro mainly due to income on the proprietary portfolio.

As regards the **cost of credit**, an increase is seen to net adjustments, which come to 13,4 million Euro, as compared with 11,1 million Euro for the first half of 2019. The change in value adjustments is mainly due to the collective value adjustments made to the portfolio of government securities, which suffer the increase in coverage following the expansion of the credit spreads.

Operating costs come to 32,6 million Euro, up 27,0 million Euro on the first half of 2019. The Segment costs in fact include the previously-specified provisions connected with solidarity and the provisions made for risks in view of a guarantee over a former Interbanca credit position. Moreover, the figure of 2019 benefited from the net effect of 7,6 million connected with the definition of tax litigation of the former Interbanca.

Finally, the result for the Segment includes the capital gain, net of the related selling costs, of 24,2 million Euro on the sale of the property located on Corso Venezia in Milan.

The breakdown of the main statement of financial position items of the Banca Ifis Group at 30 June 2020 is shown below.

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amounted to 8.034,0 million Euro, up 5% on 31 December 2019. More specifically, as compared with 31 December 2019, we note that the Commercial & Corporate Banking Segment has dropped by 4,8% while the Npl Segment and the Governance & Non-Core Services Segment have respectively grown by 2,1% and 65,2%.

The Commercial & Corporate Banking Segment's net non-performing exposures totalled 230,0 million Euro at 30 June 2020, up 3,6 million Euro from 31 December 2019 (226,4 million Euro), and may be broken down as follows:

- Net non-performing exposures come to 40,3 million Euro are basically stable in terms of the ratio of net non-performing exposures to total loans (0,8%).
- The balance of net unlikely to pay positions was 97,9 million Euro, up 10,5% from the 88,6 million Euro at 31 December 2019.
- Net non-performing past due exposures come to 91,8 million Euro as compared with the 96,0 million Euro at 31 December 2019 (-4,6%) with coverage ratio of 9,7% as compared with 8,4% at 31 December 2019;

The Gross NPE ratio of the Commercial & Corporate Banking Segment is 9,1% (8,5% at 31 December 2019) and the Net NPE ratio is 4,5% (4,2% at 31 December 2019).

Funding

During the first half of 2020, the Group continued its strategy of consolidating wholesale funding in order to ensure a better balance with respect to retail funding. In line with this strategy, no transactions were undertaken on the debt market with institutional investors during the period. At 30 June 2020, total funding came to 9.171,0 million Euro, +8,4% on the end FY 2019; the funding structure was as follows:

- **53,0% Customers**
- **12,0% Debt securities**
- **10,2% ABS**

- **21,8% TLTRO**
- **3,0% Other**

Payables due to customers at 30 June 2020 come to 4.863,9 million Euro (-8,0% on 31 December 2019), essentially due to the decline in retail funding (Rendimax and Contomax), which goes from 4.791,0 million Euro at 31 December 2019 to 4.383,5 million Euro at 30 June 2020.

Payables due to banks amounted to 2.270,7 million Euro, up 136,7% compared to 31 December 2019. This increase is substantively due to the June 2020 subscription of a TLTRO III tranche worth a nominal 1.900 million Euro maturing in June 2023 and the simultaneous early repayment of the TLTRO II tranche subscribed in 2017 for a nominal 700 million Euro. This subscription is in addition to the tranche with a nominal value of 100 million subscribed in December 2019 and to time deposits with other banks for 270,9 million Euro.

Debt securities issued amounted to 2.036,3 million Euro. The item included a total of 932,8 million Euro (-18,9% compared to 31 December 2019) in securities issued by the special purpose vehicles as part of the securitisation of trade receivables launched at the end of 2016. The item also comprised 630,9 million Euro (including interest) in senior bonds issued by Banca Ifis, as well as the 410,9 million Euro (including interest) Tier 2 bond.

Equity and ratios

At 30 June 2020, the Group's consolidated equity totalled 1.496,9 million Euro, as compared with 1.539,0 million Euro at 31 December 2019.

The coefficients with the prudent consolidation in La Scogliera at 30 June 2020 come to a CET1 of 11,58%[4] (as compared with 10,96% at 31 December 2019), a TIER1 of 12,17%[4] (11,56% at 31 December 2019) and Total Capital of 15,33%[4] (compared with 14,58% at 31 December 2019).

The coefficients of the Banca Ifis Group alone, without considering the effects of the consolidation in the parent company La Scogliera, at 30 June 2020 come to a CET1 of 15,45%[4] (as compared with 14,28% at 31 December 2019), a TIER1 of 15,45%[4] (14,28% at 31 December 2019) and Total Capital of 20,15%[4] (compared with 18,64% at 31 December 2019).

Common Equity Tier 1, Tier 1 Capital, and total Own Funds included the profits generated by the Banking Group at 30 June 2020. The same amounts instead include the profits generated by the Banking Group at 31 December 2019, net of the dividend approved and suspended.

In addition, please note that the Bank of Italy has instructed the Banca Ifis Group to adopt the following consolidated capital requirements in 2020, in continuity with 2019, including a 2,5% capital conservation buffer:

- Common equity tier 1 (CET 1 ratio) 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 30 June 2020, the Banca Ifis Group met the above prudential requirements.

[4] Common Equity Tier 1, Tier 1 Capital, and total Own Funds at 30 June 2020 do not include the profits generated by the Banking Group in the first half of 2020.

Banca Ifis

PRESS RELEASE ON THE RESULTS OF THE FIRST HALF OF 2020

Guidance for 2020

The macroeconomic scenario is impacted by the uncertainty as to how the Covid-19 will evolve and the speed at which production activities will resume. The Banca Ifis Group's economic and financial results will be closely linked to the evolution of the economic context.

If we hypothesise a progressive stabilisation of the macroeconomic context, the support of the central banks and governments of the economy, no further lock-down periods, a proactive management of new cases of Covid-19 and, starting September, full operation of the courts, Banca Ifis expects to achieve **period profit for 2020 ranging between 50 and 65 million Euro**, including the booking of badwill of Farbanca.

Net banking income should range between 420 and 440 million Euro and value adjustments for credit risk losses between 85 and 100 million Euro.

Figures in Euro million	Min.	Max.
Net banking income	**420**	**440**
Net credit risk losses/reversals	(100)	(85)
Profit for the year	**50**	**65**

Significant events occurred in the period

The Banca Ifis Group transparently and promptly discloses information to the market, constantly publishing information on significant events through press releases. Please visit the "Investor Relations" and "Media sections" of the institutional website www.bancaifis.it to view all press releases.

Communication on the FY 2019 Dividend Distribution Policy

On 1 April last, in accordance with the Bank of Italy's recommendation of 27 March 2020 on dividend policy during the Covid-19 pandemic, the Board of Directors of Banca Ifis decided to act responsibly and follow the guidance provided, and therefore to propose that the distribution of dividends for financial year 2019 be postponed until at least 1 October 2020, and thus to proceed with payment after that date, provided that no regulations or recommendations from supervisory authorities to the contrary are issued before that date.

At today's meeting, the Board of Directors acknowledged the issue of the Bank of Italy provision of 28 July 2020, which recommends that all banks abstain until 1 January 2021 from paying dividends relative to FYs 2019 and 2020, clarifying that the limit refers to cash payments that effectively reduce the level and quality of the CET1.

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.

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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	
	30.06.2020	31.12.2019	ABSOLUTE	%
Cash and cash equivalents	58	56	2	3,6%
Financial assets measured at fair value through profit or loss	126.647	137.098	(10.451)	(7,6)%
a) financial assets held for trading	24.300	24.313	(13)	(0,1)%
c) other financial assets mandatorily measured at fair value	102.347	112.785	(10.438)	(9,3)%
Financial assets measured at fair value through other comprehensive income	1.146.701	1.173.808	(27.107)	(2,3)%
Financial assets measured at amortised cost	9.041.645	8.278.116	763.529	9,2%
a) receivables due from banks	1.007.613	626.890	380.723	60,7%
b) receivables due from customers	8.034.032	7.651.226	382.806	5,0%
Equity investments	10	6	4	66,7%
Property, plant and equipment	108.976	106.301	2.675	2,5%
Intangible assets	60.632	60.919	(287)	(0,5)%
of which:				
- goodwill	*39.513*	*39.542*	*(29)*	*(0,1)%*
Tax assets:	385.780	391.185	(5.405)	(1,4)%
a) current	53.476	56.869	(3.393)	(6,0)%
b) deferred	332.304	334.316	(2.012)	(0,6)%
Non-current assets and disposal groups	-	25.560	(25.560)	(100,0)%
Other assets	381.872	352.975	28.897	8,2%
Total assets	**11.252.321**	**10.526.024**	**726.297**	**6,9%**

LIABILITIES AND EQUITY (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.06.2020	31.12.2019	ABSOLUTE	%
Financial liabilities measured at amortised cost	9.171.039	8.463.245	707.794	8,4%
a) payables due to banks	2.270.742	959.477	1.311.265	136,7%
b) payables due to customers	4.863.949	5.286.239	(422.290)	(8,0)%
c) debt securities issued	2.036.348	2.217.529	(181.181)	(8,2)%
Financial liabilities held for trading	22.130	21.844	286	1,3%
Tax liabilities:	47.367	69.018	(21.651)	(31,4)%
a) current	13.310	28.248	(14.938)	(52,9)%
b) deferred	34.057	40.770	(6.713)	(16,5)%
Other liabilities	457.324	390.022	67.302	17,3%
Post-employment benefits	10.088	9.977	111	1,1%
Provisions for risks and charges:	47.425	32.965	14.460	43,9%
a) commitments and guarantees granted	10.925	3.952	6.973	176,4%
c) other provisions for risks and charges	36.500	29.013	7.487	25,8%
Valuation reserves	(20.153)	(3.037)	(17.116)	n.s.
Reserves	1.321.361	1.260.238	61.123	4,9%
Share premiums	102.491	102.285	206	0,2%
Share capital	53.811	53.811	-	0,0%
Treasury shares (-)	(2.948)	(3.012)	64	(2,1)%
Equity attributable to non-controlling interests (+/-)	5.630	5.571	59	1,1%
Profit (loss) for the period (+/-)	36.756	123.097	(86.341)	(70,1)%
Total liabilities and equity	**11.252.321**	**10.526.024**	**726.297**	**6,9%**

Banca Ifis

PRESS RELEASE ON THE RESULTS OF THE FIRST HALF OF 2020

Reclassified Consolidated Income Statement

ITEMS (in thousands of Euro)	1st HALF		CHANGE	
	2020	2019	ABSOLUTE	%
Net interest income	**169.679**	**233.557**	**(63.878)**	**(27,4)%**
Net commission income	**39.807**	**46.539**	**(6.732)**	**(14,5)%**
Other components of net banking income	3.305	(899)	4.204	n.s.
Net banking income	**212.791**	**279.197**	**(66.406)**	**(23,8)%**
Net credit risk losses/reversals	(33.340)	(35.046)	1.706	(4,9)%
Net profit (loss) from financial activities	**179.451**	**244.151**	**(64.700)**	**(26,5)%**
Administrative expenses:	(142.745)	(178.518)	35.773	(20,0)%
a) Personnel expenses	(60.680)	(64.163)	3.483	(5,4)%
b) Other administrative expenses	(82.065)	(114.355)	32.290	(28,2)%
Net allocations to provisions for risks and charges	(16.301)	(6.372)	(9.929)	155,8%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(8.597)	(8.276)	(321)	3,9%
Other operating income/expenses	12.185	53.916	(41.731)	(77,4)%
Operating costs	**(155.458)**	**(139.250)**	**(16.208)**	**11,6%**
Gains (Losses) on disposal of investments	24.161	(408)	24.569	n.s.
Pre-tax profit (loss) from continuing operations	**48.154**	**104.493**	**(56.339)**	**(53,9)%**
Income taxes for the period relating to continuing operations	(11.332)	(36.185)	24.853	(68,7)%
Profit for the period	**36.822**	**68.308**	**(31.486)**	**(46,1)%**
Profit (Loss) for the period attributable to non-controlling interests	66	42	24	57,1%
Profit for the period attributable to the Parent company	**36.756**	**68.266**	**(31.510)**	**(46,2)%**

Reclassified Consolidated Income Statement: 2nd Quarter

ITEMS (in thousands of Euro)	2nd QUARTER		CHANGE	
	2020	2019	ABSOLUTE	%
Net interest income	**78.263**	**118.293**	**(40.030)**	**(33,8)%**
Net commission income	**18.710**	**22.711**	**(4.001)**	**(17,6)%**
Other components of net banking income	9.866	8.084	1.782	22,0%
Net banking income	**106.839**	**149.088**	**(42.249)**	**(28,3)%**
Net credit risk losses/reversals	(14.828)	(21.958)	7.130	(32,5)%
Net profit (loss) from financial activities	**92.011**	**127.130**	**(35.119)**	**(27,6)%**
Administrative expenses:	(70.196)	(103.750)	33.554	(32,3)%
a) Personnel expenses	(28.651)	(32.716)	4.065	(12,4)%
b) Other administrative expenses	(41.545)	(71.034)	29.489	(41,5)%
Net allocations to provisions for risks and charges	(11.412)	(3.860)	(7.552)	195,6%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(4.558)	(4.214)	(344)	8,2%
Other operating income/expenses	4.207	46.938	(42.731)	(91,0)%
Operating costs	**(81.959)**	**(64.886)**	**(17.073)**	**26,3%**
Gains (Losses) on disposal of investments	-	(408)	408	(100,0)%
Pre-tax profit (loss) from continuing operations	**10.052**	**61.836**	**(51.784)**	**(83,7)%**
Income taxes for the period relating to continuing operations	328	(23.469)	23.797	(101,4)%
Profit for the period	**10.380**	**38.367**	**(27.987)**	**(72,9)%**
Profit (Loss) for the period attributable to non-controlling interests	50	21	29	137,1%
Profit for the period attributable to the Parent company	**10.330**	**38.346**	**(28.016)**	**(73,1)%**

Capital indicators

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS AT	
	30.06.2020	31.12.2019
Common equity Tier 1 Capital (CET1)	992.288	1.008.865
Tier 1 capital (T1)	1.042.975	1.064.524
Total own funds	**1.314.316**	**1.342.069**
Total RWAs	**8.571.680**	**9.206.155**
Common Equity Tier 1 Ratio	11,58%	10,96%
Tier 1 Capital Ratio	12,17%	11,56%
Ratio - Total Own Funds	**15,33%**	**14,58%**

Common Equity Tier 1, Tier 1 Capital, and total Own Funds at 30 June 2020 do not include the profits generated by the Banking Group in the first half of 2020.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: BANCA IFIS BANKING GROUP SCOPE (in thousands of Euro)	AMOUNTS AT	
	30.06.2020	31.12.2019
Common equity Tier 1 Capital (CET1)	1.318.319	1.312.821
Tier 1 capital (T1)	1.318.319	1.312.821
Total own funds	**1.718.722**	**1.713.198**
Total RWAs	**8.531.325**	**9.190.900**
Common Equity Tier 1 Ratio	15,45%	14,28%
Tier 1 Capital Ratio	15,45%	14,28%
Ratio - Total Own Funds	**20,15%**	**18,64%**

Common Equity Tier 1, Tier 1 Capital, and total Own Funds at 30 June 2020 do not include the profits generated by the Banking Group in the first half of 2020.

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