

PRESS RELEASE

## **Credit quality improves, loans to customers rise, profit margins grow**

Mestre, 22 January 2014 - Banca IFIS hereby issues a preview of the twelve months' results obtained during 2013:

- net banking income amounted to 264 million Euro, 70 million euro in the 4<sup>th</sup> quarter alone (not comparable with the same period of the previous year when 6,1 million Euro profit from a financial assignment was realized);
- profit from financial activities is increasing when compared with growth achieved over the first nine months of the year , thanks also to the 3Q adjustments that remained relatively stable in line with the trend of the first 9 months of 2012, resulting in a net reduction compared with the same period of the previous year;
- the growth in the number of SMEs financed continues to rise;
- The number of enterprises financed has continued to grow and has exceeded 5,7 billion Euro (+15,4%).
- loans in the trade receivables sector have risen significantly, reaching close to 2 billion Euro with cash flows experiencing strong growth over the twelve months of the year ;
- strong improvement in Asset Quality, with a substantial reduction of total net impaired assets, in every single category.

During 2013 in the Distressed Loans Sector, new non-performing loan portfolios were purchased for a nominal value of about 500 million Euro.

Total bill and cash collections doubled during last year thanks to new initiatives that had a positive impact on the profit margins of this sector. Net profit from financial activities is in line with the trend of the first nine months' results.

The total amount of the securities portfolio as at 31 December 2013 amounted to 8,4 million Euro, maintaining short-term maturities characteristics (more than 40% will expire in 2014).

The solvency of the Bank remains excellent, also with the adoption of the Basel 3 requirements. Banca IFIS is not subjected to the Asset Quality Review; capitalization levels exclude the need for an equity increase.

On December 24, the stability law was approved, implementing a 8.5% increase in income tax– only for 2013 - for Italian banks, with effect on income of the full year.

“For Italian banks 2013 was a really difficult year – says **Giovanni Bossi**, C.E.O. of Banca IFIS. – due to a negative economy and the need to improve the banks’ equity ratios, with consequent reduction in loans, and for the difficulty to make enough profit to be able to cover the losses coming from the fast deterioration of credit quality.

In such a context, Banca IFIS has increased its loan commitments and the number of its clients, not only producing increasing profitability but significantly improving credit quality. Abundant liquidity, excess capital and good returns accompany a consolidated presence in the credit chain which enables the Bank to give its clients what they need. We are well-armed to face the challenges of 2014 excellently.”

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