



BANCA IFIS

General presentation

- This presentation does not represent a prospectus or other offering documentation, and does not constitute or form part of, and should not be construed as, any offer or invitation to subscribe for, underwrite or otherwise acquire, any securities of Banca IFIS or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities in Banca IFIS or any member of its group or any commitment (including any financing commitment) whatsoever. Furthermore, it does not provide any form of advice (investment, tax or legal) comparable to investment advice, nor does it make any suggestions about specific financial instruments, investments or products of Banca IFIS and it decline any responsibility for eventual investment decisions (including any financing decision) made on the basis of the information contained in this presentation.
- The information contained in this presentation is for background purposes only and is may be subject to amendment, revision and updating. The information, estimates, targets and projections contained herein reflect significant assumptions and subjective judgments by Banca IFIS's and Banca IFIS's managements concerning anticipated results. In addition, certain statements in this presentation are forward-looking statements under the US federal securities laws. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates" and similar expressions. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Furthermore, the information, assumptions and judgments contained herein may or may not prove to be accurate or correct and there can be no assurance that any estimates, targets or projections are attainable or will be realized.
- These include, among other factors, changing business or other market conditions and the prospects for growth anticipated by the Banca IFIS's and Banca IFIS's management. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Banca IFIS do not undertake any obligation to update or revise any forward-looking statements (including forward looking statements), whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of Banca IFIS since the date hereof. In furnishing this presentation, Banca IFIS do not undertake any obligation to update any of the information contained herein or to correct any inaccuracies which may become apparent.
- No representation or warranty, express or implied is or will be given by Banca IFIS or their respective affiliates, shareholders, directors, partners, employees or advisers or any other person as to the accuracy, completeness or fairness of the information contained in this presentation and no responsibility or liability whatsoever is accepted by the same for the accuracy or sufficiency thereof or for any errors, omissions or misstatements negligent or otherwise relating thereto.

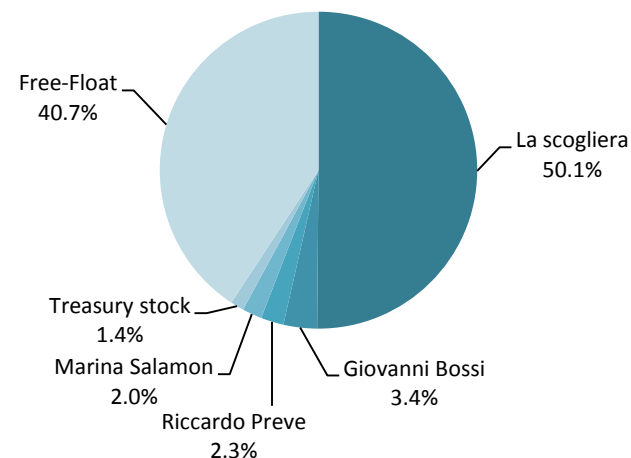


Banca IFIS is a specialty finance Italian player, focused on trade receivable financing, distressed retail loans (DRL) and tax receivables

The group has a strong and diversified business model which allows it to reach outstanding results in terms of profitability and credit quality

- **Founded in 1983** by Sebastien Egon Furstenberg, the current chairman, **as a financial company focused on offering factoring to SMEs**
- **Listed on the Milan Stock exchange (STAR segment)** since 2003, with a **current market capitalization of around Eu 1.1 bn**
- Over the years, the bank **diversified both its trade receivable activity and its funding sources:**
 - **On the asset side:** in 2011, Banca IFIS entered **distressed retail loans** and **tax receivables** and started, on an occasional basis, a **carry trade strategy**, building up a large portfolio of Italian government bonds financed through Repos, which after a peak in 2013 has been gradually reduced (around Eu 5.0bn of govies sold in 1H15) and partially replaced by a new portfolio of floating-rate or inflation-indexed bonds
 - **On the funding side with the launch of Rendimax** (high-yield online savings account) in 2008 **and Contomax** (low-cost/high-return online current account) in 2013
- **Successful track record of acquisition: Toscana Finanza**

Shareholder structure as of 31st December 2015



Key figures 2014 - 2015

	2014	2015		2014	2015
Net Profit/ loss for the period (Eu mn)	96	162	Total Assets (Eu bn)	8.3	7.0
Net Loans to customers (LTC/ Eu bn)	2.8	3.4	Tot. Funds and deposits (Eu bn)	~7.7	~6.1
AFS+HTM (Eu bn)	~5.1	~3.2	Net equity (Eu mn)	438	573
Tier 1 Ratio	14.0%	14.7%	NPL ratio *	1.3%	1.1%
RWA (Eu bn)	~2.8	~3.3	NPL Coverage ratio	86.4%	87.9%

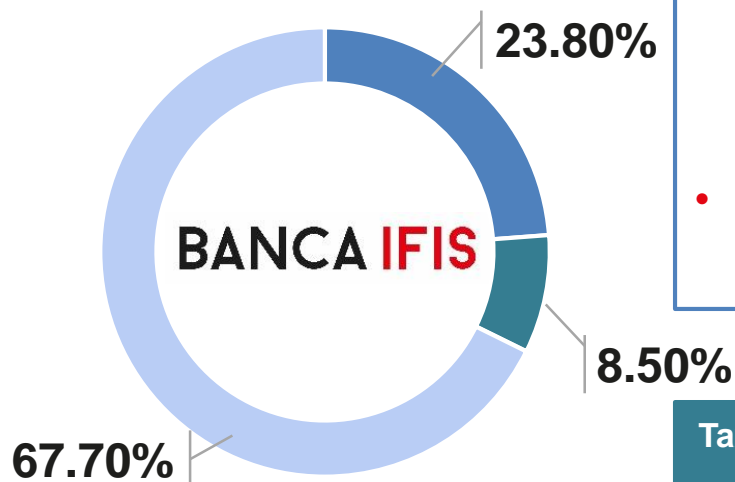
(*) Net bad loans/Net Loans to customers (within Trade receivables)



Strong and well diversified business model built on Banca IFIS' core expertise as a trade receivable player

Trade Receivables ≈ 67.7% as of 31 December 15 NBI (excl. G & S)

- **Trade receivable financing in B2B**, with focus on SMEs and micro companies (around 80% of which with a Turnover < Eu 10mn) and **Public Administration segments** (with focus on the Pharma segment)
- **Total turnover of Eu 10.1 bn** (as of Dec. 31, 2015)
- **≈ 4,500 customers** as of Dec. 31, 2015



DRL ≈ 23.8% as of 31 December 15 NBI (excl. G & S)

- **Acquisition and management of retail Unsecured Distressed Loan portfolios** (i.e. personal, credit card and retail loans)
- **≈ Eu 8.2 bn (Gross Book Value) of receivables managed** as of Dec. 31, 2015

Tax Receivables ≈ 8.5% as of 31 December 15 NBI (excl. G & S)

- **Purchases of tax receivables arising from insolvency proceedings**
- **Eu 191 mn Gross book value at December 2015**



Trade receivable financing currently represents ca. 3/4 of the Group's Net Banking Income (excluding G & S).

In the B2B segment Banca IFIS, thanks to its wide distribution network, targets a specific niche usually less targeted by traditional banks

Focus on SMEs and micro companies in B2B, leading position in the Pharma segment

	<u>Very low competition in the B2B Segment</u>	<u>Public Administration/Pharma segment</u>
Target	<ul style="list-style-type: none"> • Small or micro companies typically with low credit standing and consequent difficulties in obtaining finance from the banking system (50% of IFIS's customers have a turnover below €5mn per year), a segment not attractive for traditional banks 	<ul style="list-style-type: none"> • Large pharma companies willing to factor their trade receivables with the Italian NHS, being a highly concentrated sector (around 40 customers, 20 of which account for approximately 80% of the total)
Customer base	<ul style="list-style-type: none"> • Around 4,487 SMEs at the end of 2015, up from 3,500 in 2011; customers of these SMEs are often high-quality companies, whose trade receivables enjoy good credit rating, thus protecting IFIS' credit quality 	<ul style="list-style-type: none"> • Around 75% of the total PA receivables managed by IFIS is represented by receivables from the national health care system
Type of product	<ul style="list-style-type: none"> • 76% of the B2B book acquired with recourse, ie risk remains with the assignor 	<ul style="list-style-type: none"> • 71% of IFIS's book in the PA/Pharma segment at December 2015 represented by outright purchases
Competition	<ul style="list-style-type: none"> • No real competition from factoring units of large banks due to the strong bias towards SMEs/micro companies 	<ul style="list-style-type: none"> • IFIS, currently the 2nd largest player in the Pharma segment, aims at becoming the leader in the next 2-3 years



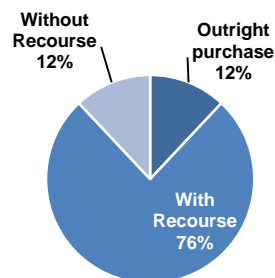
Loans to customers CAGR of 14.6% over the last 10 years

Total receivables managed at FY'15 breakdown by type of products

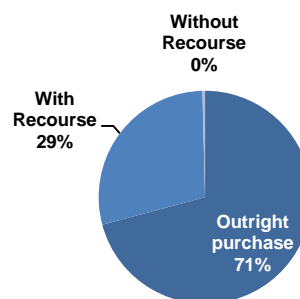
76% of IFIS's B2B book acquired with recourse, ie risk remains with the assignor.

Loans to customers CAGR at around 14.6% over the last 10 years

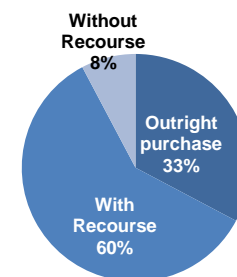
B2B (Eu 2,322 mn)



PA (Eu 1,255 mn)



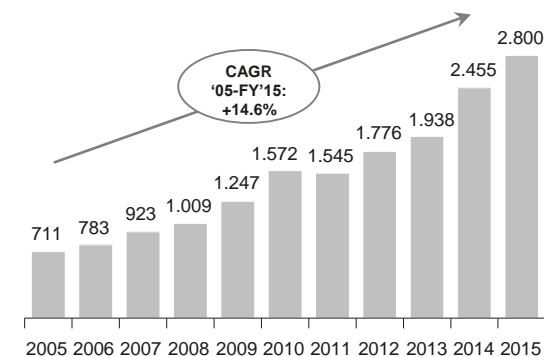
Group (Eu 3,577 mn)



Banca IFIS – Trade receivables main figures

	FY'12	FY'13	FY'14	FY'15
Customers (number)	3,500	3,714	4,200	4,487
Turnover (Eu bn)	4,9	5,7	8,3	10,1
Nominal amount of receivables managed (Outst.)	2,352	2,578	3101	2,578
Net bad loans/ Loans to customers	4,4%	2,6%	1,3%	1,1%

Loans to Customers (Trade receivables) Eu mn



Source: Banca IFIS

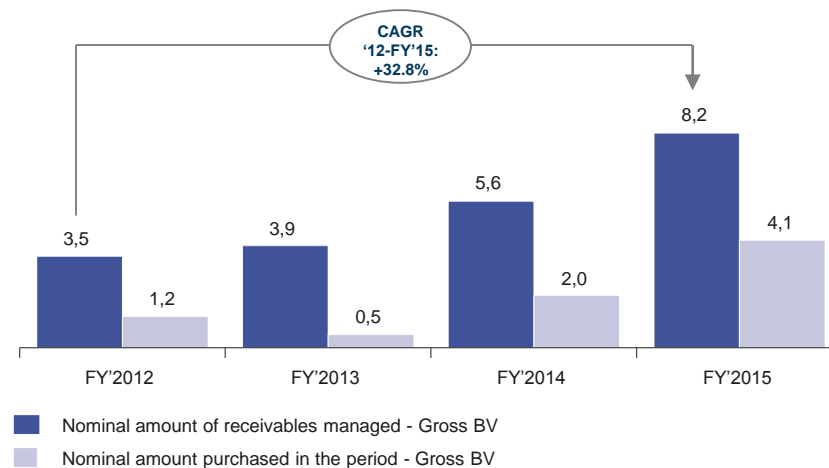
Most accelerated growth among B. IFIS Business

Banca IFIS is the leading player in the Italian segment for distressed retail unsecured loans (personal loans, credit card loans and retail loans)

This is the most liquid part of the Italian distressed loan segment

- Banca IFIS is the only large integrated player in Italy **involved in both the acquisition of DRL and in managing the portfolios acquired**, through the brand CrediFamiglia, with **focus on retail unsecured distressed loans** (personal loans, credit card loans and retail loans)
- **Eu 8.2bn DRL portfolio Gross Book Value** at December 2015 (Eu 5.6bn in December 2014),
- Competitive advantage over most credit servicers thanks to the Group's **integrated collection platform** (call center, over 100 exclusive agents integrated by external collection companies, a legal factory) allowing it to obtain **superior expected collection rate of 10-12% of GBV**, vs 6-10% for peers, and to be a **more competitive bidder than other potential investors**
- **20% IRR target in pricing target portfolios**, in line with IFIS's international competitors

Banca IFIS – DRL Managed Receivables (Gross BV) – Eu bn



Banca IFIS – Other DRL main figures

	FY'12	FY'13	FY'14	FY'15
Loans to Customers (Net BBV) – Eu mn	104	128	135	354
Net BV/ Gross BV of Loans to Customers	3,0%	3,3%	2,4%	4,3%
Positions acquired* (number)	126,375	51,398	213,174	538,240

(*) Total positions equal to over 1mn as of today

Source: Intermonte; Banca IFIS



Market leader

Tax receivables is a relatively small segment, which contributed to 8.5% of the Group's net banking income (excl. G & S) at December 2015

- Banca IFIS operates in this segment through the Fast finance business unit, whose activity mainly consists of the **purchase of tax receivables arising from insolvency proceedings**
- The purchase (without recourse) of the tax receivables is **usually closed at a discount to nominal value**, around 70%, to take into account the length of the recovery process
- **Eu 191 mn** of nominal value of the managed Tax Receivables portfolio as at December 2015
- **12 people employed in this division**, whose major task is to be in constant contact with the bankruptcy courts in order to identify possible sources of new products and assist the parties involved in the proceeding in terms of the operational aspects and in preparing documentation.
- Market leader with approximately 50% share

Banca IFIS – Tax Receivables main figures

	FY'12	FY'13	FY'14	FY'15
NBV – Eu mn	83	90	119	131
Nominal value (GBV) – Eu mn	146	140	168	191
NBV / GBV	56,9%	64,4%	71,2%	68,6%

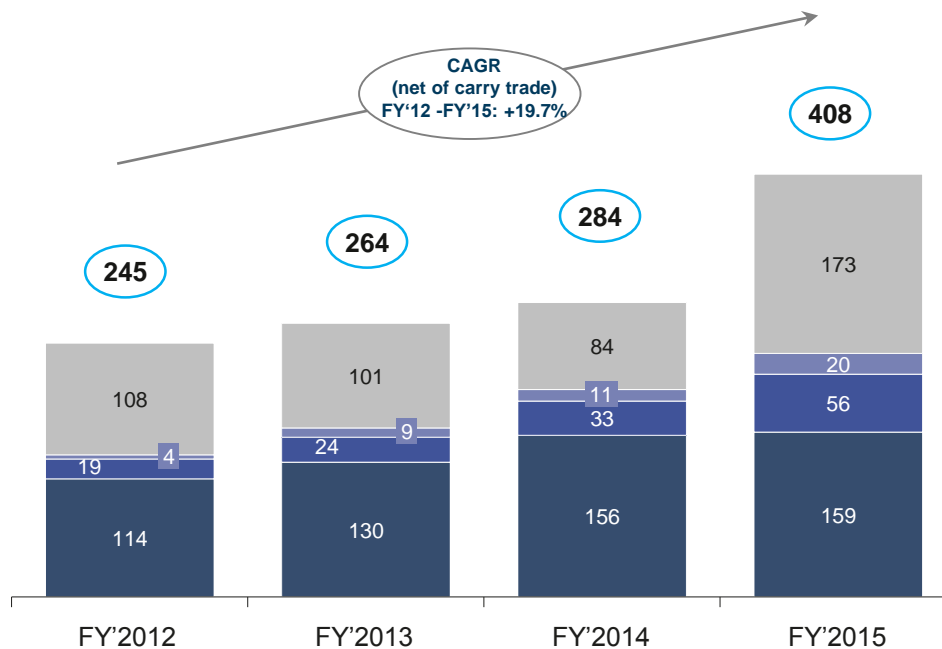
Source: Banca IFIS



Strong track record in growth, showing an NBI (net of carry trade) CAGR of 19.7% over the last four years

Banca IFIS's track record is strong and shows significant growth in all businesses, both in the traditional trade receivables segment, that currently accounts for nearly 67,7% of the Group's NBI, and in the DRL segment, where the bank has been active since 2011 and that currently represents around 15% of NBI

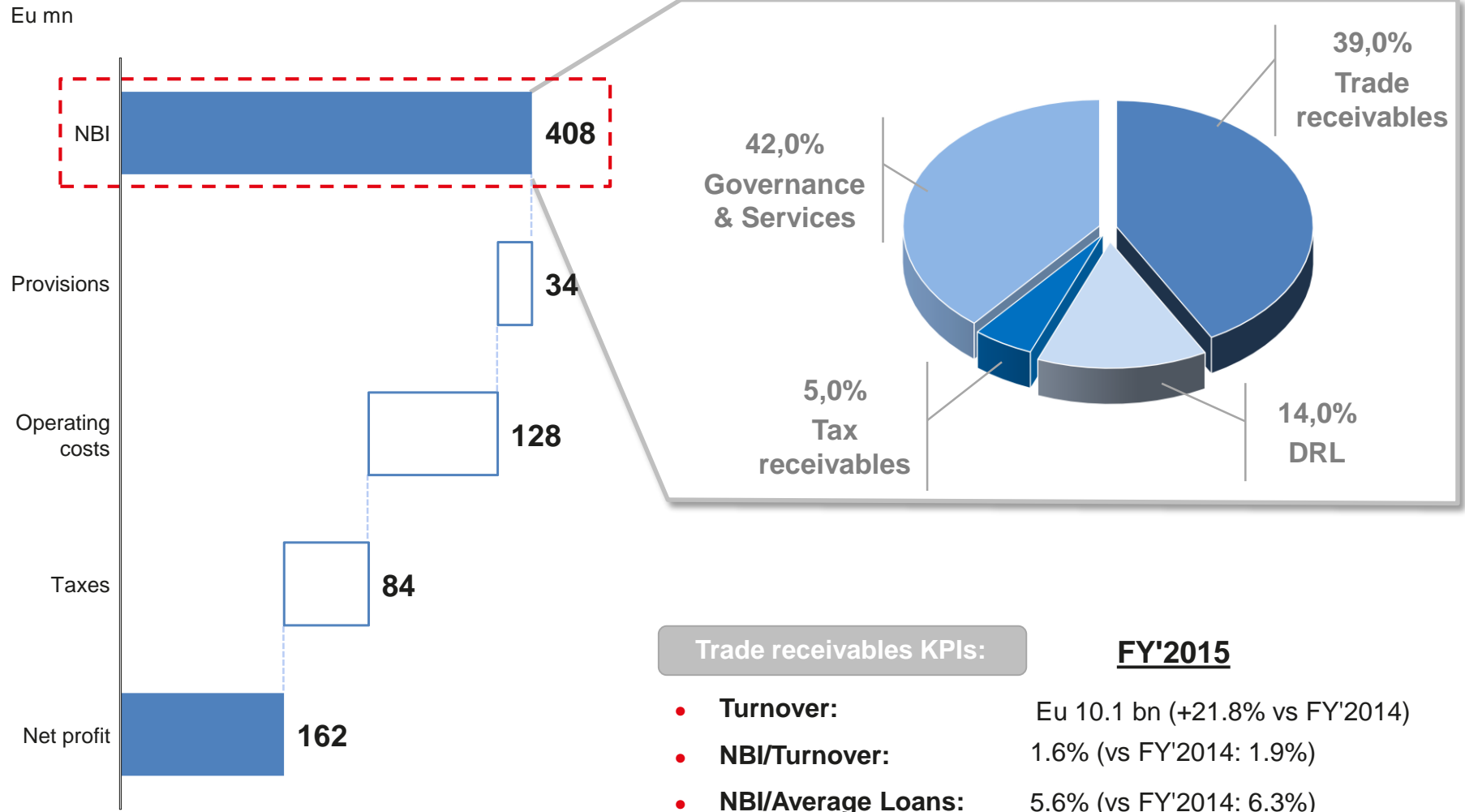
Net Banking Income (Eu mn) breakdown by segment



- Governance & Services ("carry trade")
- Tax receivables
- DRL
- Trade receivables

Source: Banca IFIS





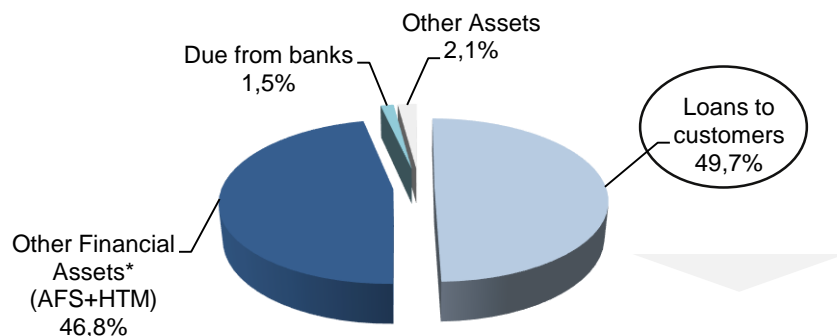
Source: Banca IFIS' FY 2015 results



Strong credit quality with a cost of risk of 90 bps as of Dec. 2015

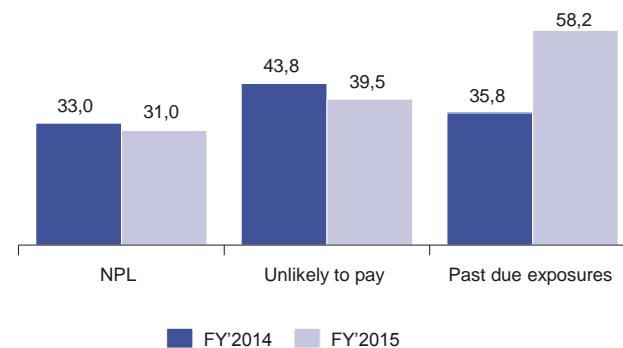
FY'2015 Asset structure

FY'2015 Total Assets (Eu 6,8 bn) breakdown



	Eu mn
Trade receivables	2,848
Distressed Retail Loans	354
Tax receivables	131
G&S	104
G&S	3,437

Credit Quality (net figures) – Eu mn



	FY'2014	FY'2015
• NPL Coverage Ratio	86.4%	87.9%
• % NPLs/Trade receivables	1.3%	1.1%
• % NPLs/equity	7.5%	5.4%
• % Impaired assets/Trade receivables	25.7%	22.4%
• % Cost of Credit	1.7%	0.9%

(*) Portfolio of Italian Bonds
Source: Banca IFIS's FY 2015 results

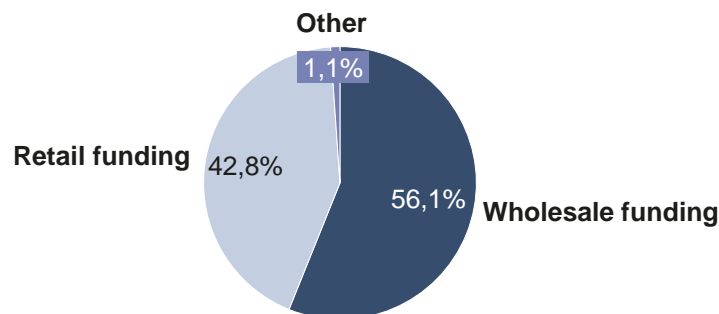


Steady and consistent online funding

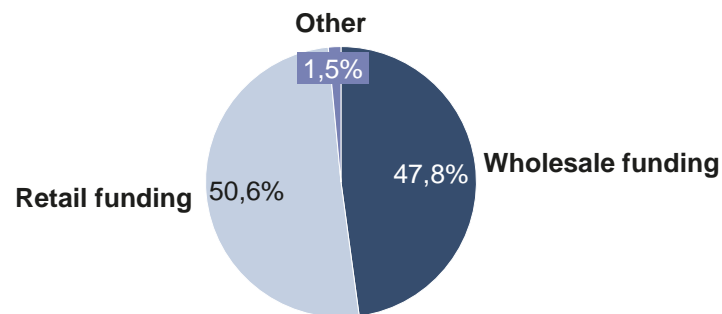
Funding breakdown - Data in Eu mn	2014A	2015A	Ch. %
Retail Funding	3,314	3,113	-6.1%
Wholesale funding - Due to banks	2,259	663	-70.7%
Wholesale funding - Repos*	2,083	2,279	9.4%
Other payables	86	95	9.9%
Total Funding (T.F.)	7,742	6,150	-20.6%

- % of Retail Funding on Total Funding further increased on a relative basis at December of FY2015
- The Euosystem, which funded nearly 30% of its total funding in 2014, at FY2015 represents only 2% of Total Funding, largely replaced by repos with CCG

FY2014 Funding split



FY2015 Funding split



(*) Classified in the Company's accounts under payables due to customers, as they are carried out with counterparties formally other than banks

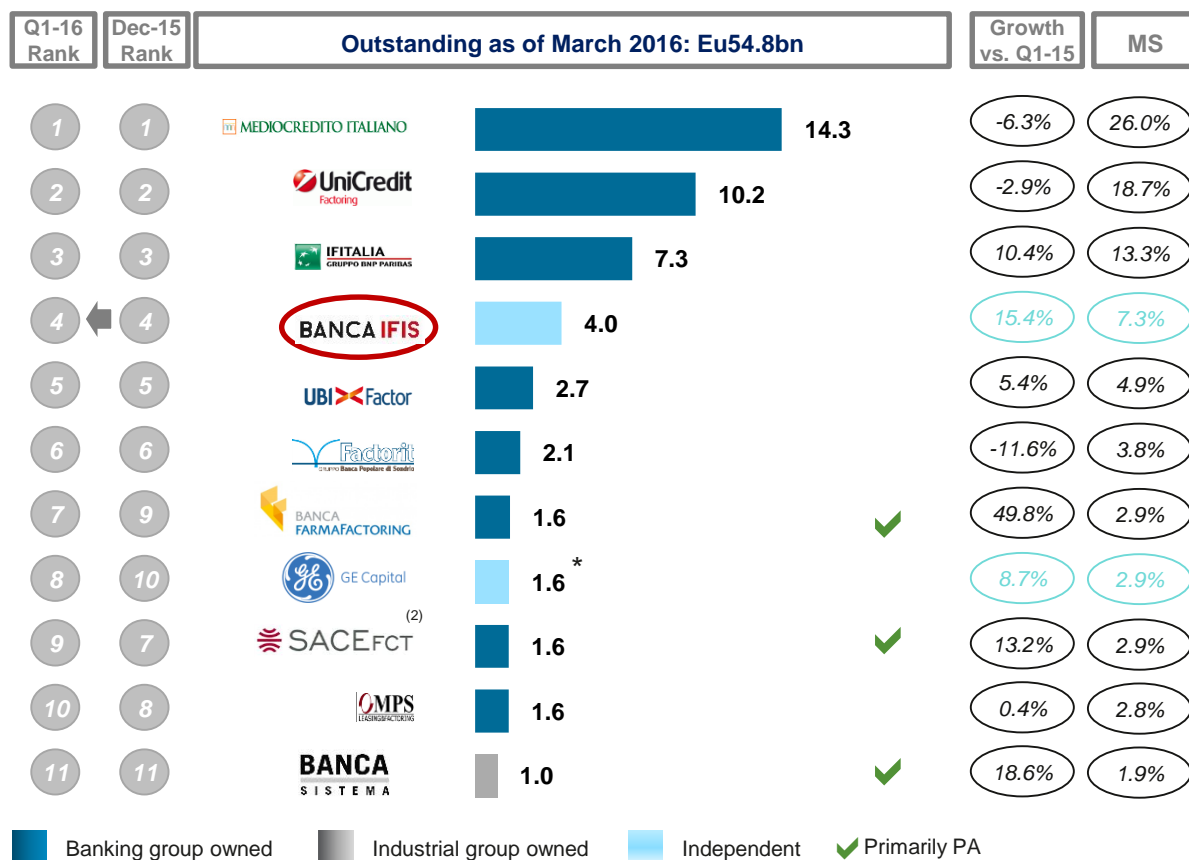
Source: Intermonte; Banca IFIS



Banca IFIS is among the top 5 players in a concentrated market with competitors split between large commercial banks driven

Market Structure by Receivables Outstanding

- The top 5 players account for c.70% of total outstanding Italian factoring segment
- Players can be classified as follows:
 - Owned by a banking group
 - Owned by an industrial group
 - Independent
- Top 3 players are bank owned accounting for c.60% of total outstanding
- The majority of financial institutions carry out their factoring activities via separate dedicated entities



(*) Includes ca. Eu 1.2 bn of captive factoring business that is excluded from the scope

Source: EU Federation of Factoring and Commercial Finance

Note: 1. Assifact 2016



From a niche to a leader in the relative market

Acquisition of Toscana Finanza Group - specialized in the management of distressed loans - in 2011 and integration into Banca IFIS by the beginning of 2012 in order to reinforce and develop the business and operating model, whilst reaching relevant synergies and economies of scales

