

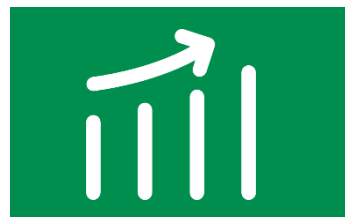


2017 FULL YEAR RESULTS

HIGHLIGHTS

(Million Euro)

FY2017



Profitability

180,8

Net profit

ROE

13,9%



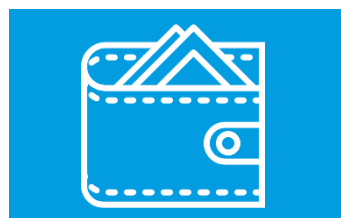
Solidity

1.368,7

Equity

CET1

15,64%



Liquidity

7.725,2

Funding

7.037,7*

FY2016 restated*: data adjusted for the final price paid for Interbanca Group acquisition



2016: DO YOU REMEMBER?

2016:

- Interest 15,8 mln: **one off positive** impact coming from the adoption of the new model to estimate the cash flow of health service receivables purchased outright
- TIT: Group's 2016 NBI recalculated with the **new Internal Transfer Rates**. Due to external (market rates) and internal (composition and funding rates) changes, it has been necessary to revise and update the TIT calculation method
- **One day profit**: 633,4
- **Final price** for the acquisition of Interbanca Group: 109,4 mln

2016:

- Consolidation for only one month of Interbanca Group data
- Reversal PPA impact for around 10 mln

**NOT LIKE FOR LIKE COMPARISON
BETWEEN 2017 AND 2016**



MARGINS (NBI and NPFA*)

(Million Euro)

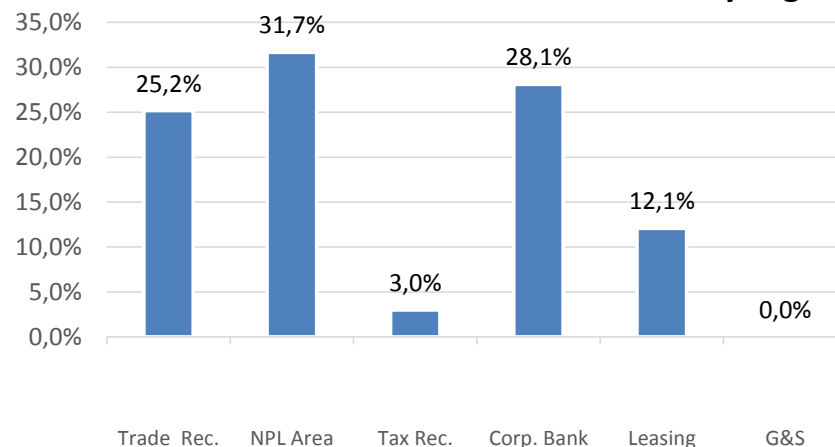
NBI: 519,6

(326,0 FY 2016) +59,4%

NPFA*: 504,8

(299,4 FY 2016) +68,6%

NBI 2017 Breakdown by segment



Data 12M	Trade receivables	Corporate banking	Leasing	Area NPL	Tax receiv.	G&S	Total
NBI 2017	130,8	146,1	62,7	164,5	15,6	0	519,6
NBI 2016**	148,5	3,0***	-1,2***	148,3	13,3	14,0	326,0
% Change	-11,9%	ns	ns	10,9%	17,0%	ns	59,4%
NPFA 2017	97,2	174,4	54,6	164,5	15,3	-1,2	504,8
NPFA 2016**	128,2	2,9***	-2,7***	148,3	13,0	9,7	299,4
% Change	-24,2%	ns	ns	10,9%	18,1%	ns	68,6%



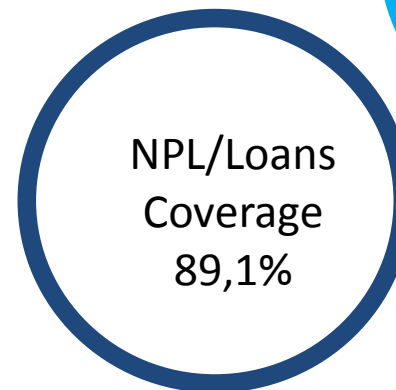
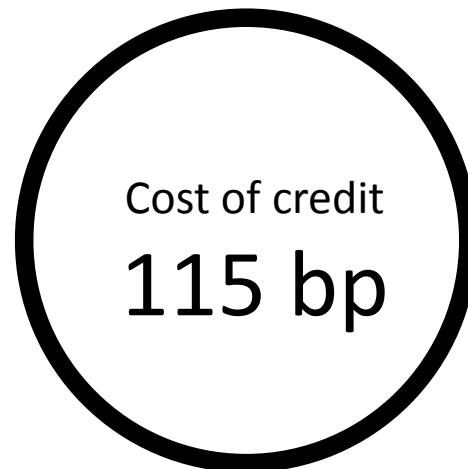
*NPFA= Net Profit from Financial Activities

Data 2016 recalculated with the **new Internal Transfer Rates 4

*** Contribution only for the month of December 2016

INSIGHT ON TRADE RECEIVABLES SEGMENT

FY17 data



INSIGHT ON CORPORATE BANKING SEGMENT

FY17 data

New Loans
420 mln

Reversal PPA-NBI
109,9 mln

Loans
1.059,7mln
+17%

NPL/Loans
Coverage
93,5%

Cost of credit
-153 bp
Positive due to release
of previous provision
and reversal of PPA

Provisions
28,4
Positive



INSIGHT ON LEASING SEGMENT

FY17 data

Clients
71.442

Market share*
2,7%

Loans
1.388,5 mln
+12,4%

Reversal PPA-NBI
10,9 mln

NBI /Loans
Rolling
4,48%

Cost of credit
58 bp



* volumes

INSIGHT ON NPL AREA


FY17 data

	Collection	NPL Gross Portfolio	Book Value	Book Value/NPL Portfolio
Internal and External Recovery Department	Non Judicial Payment Plans	602 mln	131 mln	22%
Legal Recovery Department	Order of Assignment Wage	344 mln	123 mln	36%
	Judicial ongoing workout	2.324 mln	298 mln	13%
Processed at least one time		7.293 mln	153 mln	2%
Waiting for the workout		2.512 mln	94 mln	4%
		13,1 bln	799 mln	




INSIGHT ON NPL AREA


FY17 data



New portfolio
acquisition
4,7 bln



Gross Book Value
Portfolio
13,1 bln

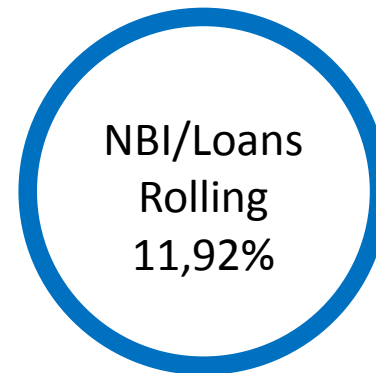
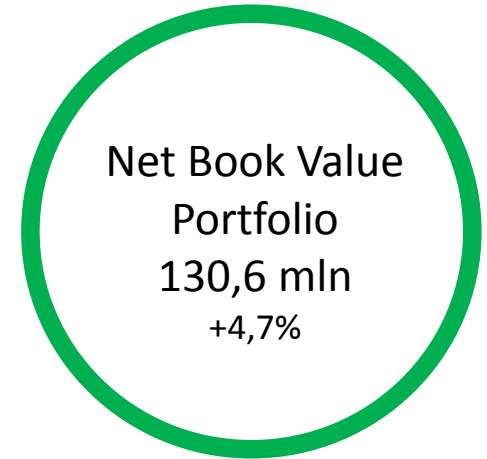


Net Book
Value
Portfolio
799,4 mln
+42,2%



INSIGHT ON TAX RECEIVABLES

FY17 data



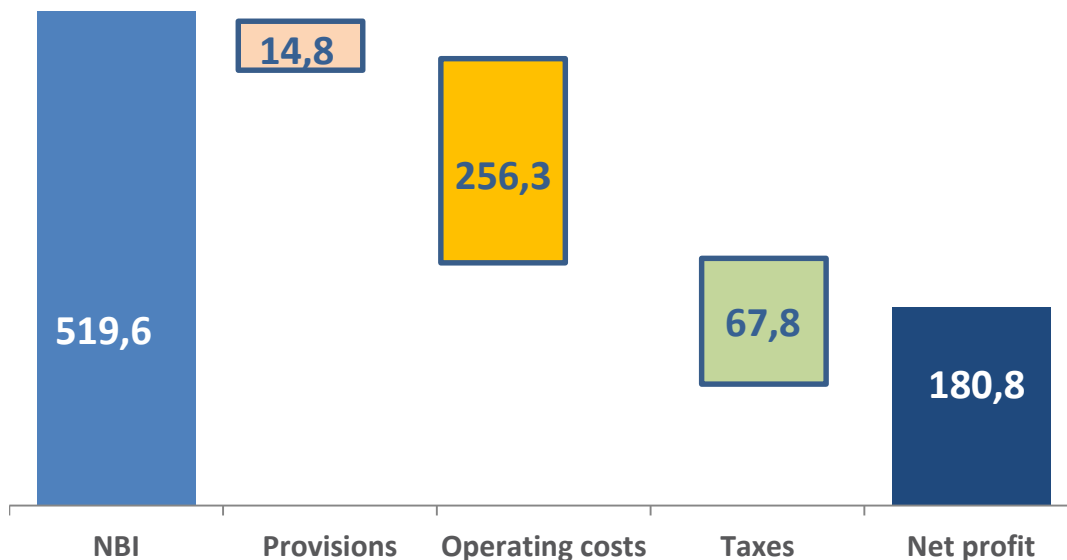
NET PROFIT

Million Euro FY17 data

180,8 (697,7* in FY 2016) -74,1%

Pro-forma normalized:

94,7 (89,8 in FY 2016) +5,5%



Personnel	2017	2016	% Change
	98,3	65,9	+49,1%

Other expenses	2017	2016	% Change
	152,6	126,3	+20,9%

	2017	2016
Cost/Income	49,3%	51,9%**
Tax rate	27,3%	33,4%**

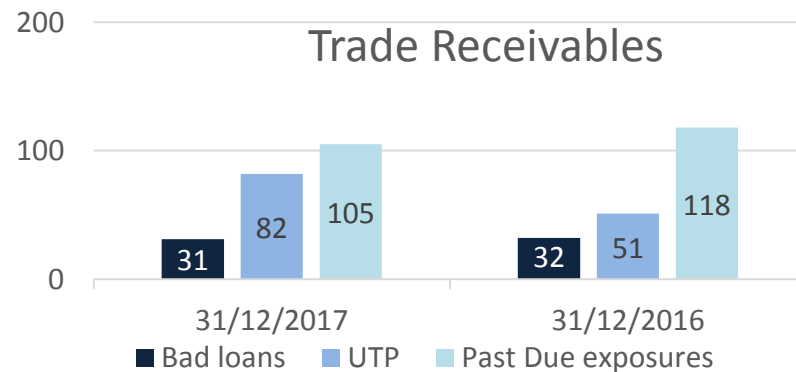
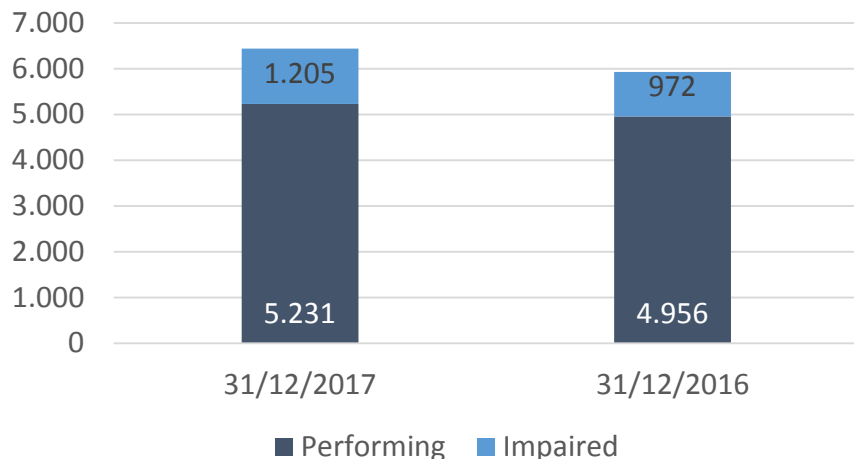


*restated **normalized

ASSET QUALITY & NPE TREND

(Million Euro) FY17 data

Net Customer Loans

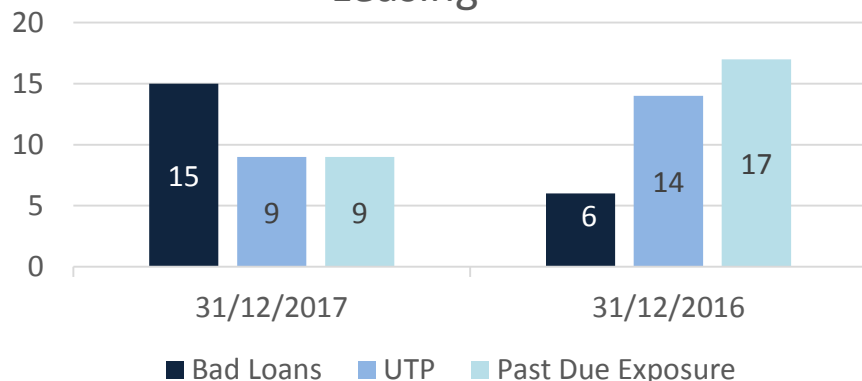


Loans to customers

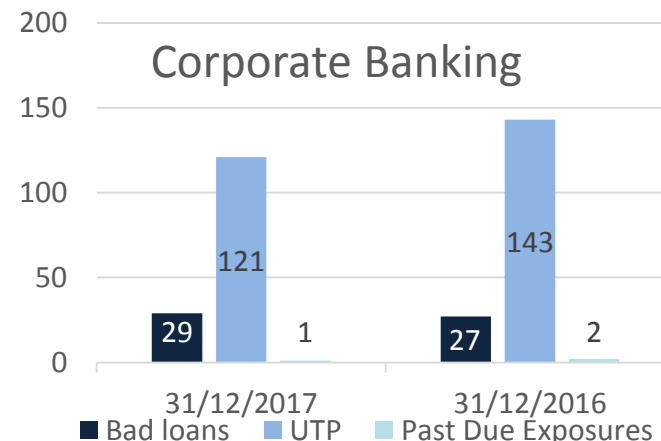
6.435,8 +8,6%

of which:
 3.039,8 Trade receiv.
 1.059,7 Corp. Banking
 1.388,5 Leasing
 799,4 Area NPL
 130,6 Tax receiv.
 17,8 G&S

Leasing



Corporate Banking



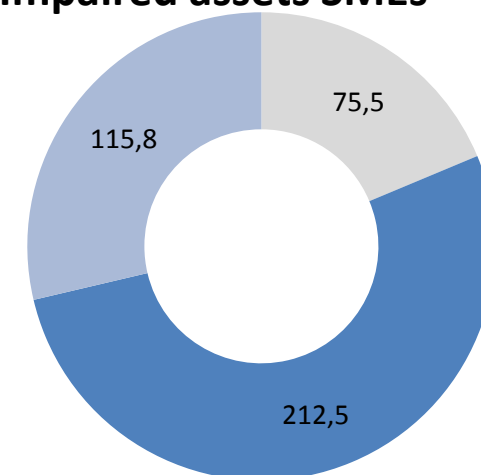
CREDIT QUALITY: SMEs LENDING

(Million Euro) % FY17 data

Loans to customers : 5.618,6 +4,9%

FY2017	Trade Receivables	Corporate Banking	Leasing	Tax receivables	Total SMEs Lending
Net NPL	31,4	28,9	15,3	0	75,5
% Net NPL/Loans	1,0%	2,7%	1,1%	0%	1,3%
% NPE/Loans	7,2%	14,3%	2,4%	0%	7,2%
NPL COVERAGE	89,1%	93,5%	80,9%	0%	90,7%
NPE COVERAGE	58,4%	77,5%	73,0%	0%	69,5%

Impaired assets SMEs



■ NPL
 ■ Unlikely to pay
 ■ Past-due exposures



BALANCE SHEET – LIABILITIES STRUCTURE

(Million Euro) % change 31.12.2017 vs 31.12.2016

rendimax + contomax+ corporate time depo

5.053,1 +9,4%

Due to banks

792,0 +57,1%

699,6 TLTRO n.a.

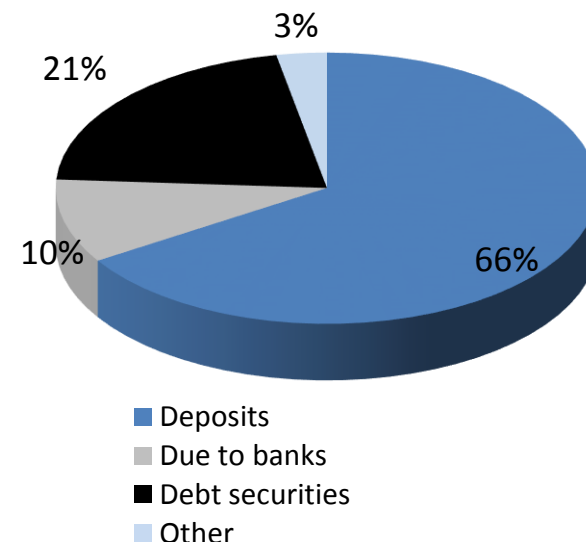
Debt Securities

1.640,0 +10,2%

387,9 Bonds
0,6 Certificates of deposit
850,0 Securitization
401,5 Tier2

Total funding

7.725,2 +9,8%



(Million Euro)

FY17 data

EQUITY: CHANGES	
Net equity at 31.12.2016	1.218,8
Difference on the acquisition price of Interbanca Group	9,8
Increases	183,9
Profit for the period	180,8
Change of AFS reserve	1,1
Other	2,0
Minorities	0,0
Decreases	43,8
Dividends	43,8
Net equity at 31.12.2017	1.368,7

Banca IFIS Group only KPIs	2017	2016*
	31/12	31/12
Common Equity Tier 1 Ratio (CET1)	15,64%	15,82%
Tier 1 Capital Ratio (T1)	15,64%	15,82%
Total Own Fund Capital Ratio	21,07%	15,83%

FY2016 restated*: data adjusted for the final price paid for Interbanca Group acquisition



4 YRS OF CONSISTENT AND SOLID GROWTH

(Million Euro) - FY17 data

	2014	2015	2016*	2017		2014	2015	2016	2017
Net Profit/ for the period	96	162	698	181	RWA (Eu bn)**	2,8	3,3	7,0	7,4
Net Loans to customers (Eu bn)	2,8	3,4	5,9	6,4	CET 1 Ratio**	14%	15,8%	15,8%*	15,6%
AFS+HFT (Eu bn)	5,1	3,2	0,4	0,5	Net equity	438	573	1.219	1.369
Total Assets (Eu bn)	8,3	7,0	8,7	9,6	NPL ratio	1,3%	1,1%	1,0%	1,0%
Tot. Funds and deposits (Eu bn)	7,7	6,2	7,0	7,7	NPL Coverage ratio***	86,4%	87,9%	88,5%	89,1%



*2016 RESTATED data (with bargain 633,4)

**Ratio without parent company La Scogliera minority

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

This Presentation may contain written and oral “forward-looking statements”, which includes all statements that do not relate solely to historical or current facts and which are therefore inherently uncertain. All forward-looking statements rely on a number of assumptions, expectations, projections and provisional data concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the control of Banca IFIS. (the “Company”). There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performance. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. The information and opinions contained in this Presentation are provided as at the date hereof and are subject to change without notice. Neither this Presentation nor any part of it nor the fact of its distribution may form the basis of, or be relied on or in connection with, any contract or investment decision.

The information, statements and opinions contained in this Presentation are for information purposes only and do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to purchase or subscribe for securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. None of the securities referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States or in Australia, Canada or Japan or any other jurisdiction where such an offer or solicitation would be unlawful (the “Other Countries”), and there will be no public offer of any such securities in the United States. This Presentation does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or the Other Countries. Pursuant the consolidated law on financial intermediation of 24 February 1998 (article 154-bis, paragraph 2) Mariacristina Taormina, in her capacity as manager responsible for the preparation of the Company’s financial reports, declares that the accounting information contained in this Presentation reflects the Banca IFIS’s documented results, financial accounts and accounting records.

Neither the Company nor any member of Banca IFIS nor any of its or their respective representatives, directors or employees accept any liability whatsoever in connection with this Presentation or any of its contents or in relation to any loss arising from its use or from any reliance placed upon it.
