

Banca Ifis: net profit for the half year at 48,3 million Euro, up 31,5% on the same period of 2020

Double digit growth in the first half for the Bank's revenues which reached 292,6 million Euro and reached an all time high, net of PPA (277 million Euro). Record also for cash recoveries of Npl portfolios purchased amounting to 170 million Euro. In an improving macroeconomic environment, more than 70% of customers who had requested the moratorium resumed making regular payments. The programme for the digitisation of the Bank continues as planned.

2021 guidance: Banca Ifis estimates revenues between 540 and 560 million Euro and net income between 80 and 90 million Euro

The guidance was prepared on the assumption that the macroeconomic environment is gradually improving, that there will be no shocks from new lockdowns in the United States, Europe or Italy and that governments and central banks will continue to support the economic recovery.

Results first half 2021

Reclassified data¹ - 1 January 2021/30 June 2021

- **Net banking income grew to 292,6 million Euro** (+37,5% compared to 30.06.2020), benefiting from both the improved performance of the Npl Segment and the dynamism of the Commercial & Corporate Banking Segment.
- **Operating costs come to 178,2 million Euro** (+14,6% on 30.06.2020) due to higher variable costs linked to the legal business of the Npl Segment, the entry of Farbanca into the scope and ICT projects.
- **The Parent Company's net profit of 48,3 million Euro** grows in two figures (+31,5%) on the 36,8 million Euro of the same period last year. It is an even more important result if we consider that the first half of 2020 benefited from an extraordinary capital gain of 24,2 million Euro and the related tax effect for the sale of the Milan property in Corso Venezia.
- **Cost of credit of 42,6 million Euro**, including provisions of 9 million Euro in the Npl portfolio and 5 million Euro on loans, for the long-term effects of Covid-19.
- **Solid liquidity position: approximately 1,9 billion Euro at 30 June 2021** in reserves and free assets that can be financed by the ECB (LCR above 1.700%)
- **Retail funding stable at 4,5 billion Euro.** The portion tied up for more than 18 months increased compared to 31 December 2020, accounting for 30,6% of the total

Capital requirements with the consolidation within La Scogliera

- **CET1 at 11,44%** (11,29% at 31 December 2020) with respect to an SREP requirement of 8,12%; TCR: 15,08% (14,85% at 31 December 2020) with respect to an SREP requirement of 12,5%. These results are calculated without including the profits generated by the Banking Group during the first six months of 2021.

Capital requirements without the consolidation within La Scogliera²

- **CET1: 15,51%** (15,47% at 31 December 2020); TCR: 19,86% (19,87% at 31 December 2020). These results are calculated net of the profits generated by the Banking Group during the first six months of 2021.

¹ In the following statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. For this reason too, apart from the specific operations, the effects of an analysis performed also in response to the Covid-19 pandemic, have been classified amongst value adjustments.

² Consolidated own funds, risk-weighted assets and solvency ratios at 30 June 2021 were calculated based on the regulatory principles set out in Directive no. 2013/36/EU (CRD IV) and Regulation (EU) no. 575/2013 (CRR) of 26 June 2013, as updated and amended over time and transposed, where applicable, in the Bank of Italy's Circulars no. 285 and no. 286 of 17 December 2013. In particular, 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 Banking Group, as defined in accordance with Italian Legislative Decree no. 385/93, thus excluding the effects of the prudential consolidation within the parent company La Scogliera S.p.A.

Mestre (Venice), 05 August 2021 – The Board of Directors of Banca Ifis, chaired by the Deputy Chairman, Ernesto Fürstenberg Fassio, today approved the results for the first half of 2021.

"The results of the first half of the year confirm the solidity of our business model, which was able to immediately take advantage of the improvements in the macroeconomic context" - explains **Frederik Geertman, CEO of Banca Ifis** - **"Revenues** grew double-digit, **reaching 292,6 million Euro** and, net of PPA (277 million Euro), reaching an all-time high, confirming the Bank's ability to generate sustainable revenues in the long term. **The Parent Company's net profit increased by 31,5%** to 48,3 million Euro, compared with 36,8 million Euro in the same period last year.

Positive signs, linked to the recovery, also come from the monitoring of loans in moratorium where 70% of our customers have resumed regular payments. The remaining receivables in arrears, amounting to 221 million Euro, consist mainly of lease receivables, underlying vehicles and capital goods, and loans mainly government-backed.

From a strategic point of view, **the programme of digitisation and omnichannel business services continues**. After the July opening of "Ifis4business" to some large factoring customers, in the coming months we will extend access to the platform to all our factoring customers and, by the first half of 2022, to all the products in our portfolio. This will allow us to reach customers in an omnichannel fashion, further enriching the customer experience, as well as offering new opportunities in terms of marketing.

During the first six months of the year, **cash recoveries on Npl portfolios acquired reached an all time high** and amounted to 170 million Euro, +45,4% compared to 116,9 million Euro in the first half of 2020. Recoveries benefited from precise managerial actions aimed at increasing the productivity of our servicing and reducing the recovery times for positions characterised by greater uncertainty.

In the second quarter of 2021, in a sign of further caution regarding the long-term impacts of Covid-19, we initiated a review of our Npl and commercial portfolio, primarily on positions with high vintage. The analysis, which is still in progress, has led to prudent provisions of 9 million Euro on the Npl portfolio and 5 million Euro on the commercial portfolio, already included in the second quarter results. The Bank's portfolio review will be completed in the second half of 2021.

With respect to the outlook for the current year, I am firmly convinced of the Bank's ability to generate sustainable and recurring profits: **for 2021 we estimate net interest and other banking income in the range of 540 to 560 million Euro and operating profit in the range of 80 to 90 million Euro**, assuming a gradually improving macroeconomic environment, no shocks from new lockdowns in the US, Europe or Italy and continued support from governments and central banks for the economic recovery", **concludes Frederik Geertman**.

Highlights

RECLASSIFIED DATA ¹

The Banca Ifis Group's consolidated income statement at 30 June 2021 reported a profit attributable to the Parent Company of 48,3 million Euro.

Highlights from the Banca Ifis Group's income statements for the first six months of 2021 are set out below.

Net banking income¹

Net banking income totalled 292,6 million Euro, up 37,5% from 212,8 million Euro in the prior-year period. This increase is mainly linked to the following factors: for 50,2 million Euro to the better performance of the Npl Segment and for 33,4 million Euro to the Commercial & Corporate Banking Segment. The latter concentrated its growth mainly in the Corporate Banking & Lending Business Area, which increased its net banking income by 29,7 million Euro to 41,6 million Euro, partly due to the inclusion of Farbanca in the scope (which contributed 8,6 million Euro), the growth in loans to SMEs (up approximately 6,5 million Euro) and the improved results of Equity Investments (up 11,4 million Euro).

The other components of net banking income, which amounted to 18,7 million Euro (compared to 3,3 million at 30 June 2020), consist of the overall good performance of the proprietary portfolio in terms of dividends received (6,1 million Euro), income from the disposal of financial assets (6,9 million Euro) and valuations (7,2 million Euro).

Net impairment losses¹

At 30 June 2021, net credit risk gains totalled 42,6 million Euro, compared to net losses of 33,3 million Euro at 30 June 2020. More specifically, in the first half of the year, net provisions on receivables in the Factoring area amounted to 6,2 million Euro, those in the Leasing area to 4,3 million Euro, and the Corporate Banking & Lending area to 9 million Euro. The Governance & Services and Non-Core Segment contributed net adjustments of 14,4 million Euro. Finally, in the Npl Segment, the item "Net adjustments/reversals for credit risk" refers to the impairment of receivables following a detailed analysis, still in progress, carried out also in response to the Covid-19 pandemic, in terms of greater collection times, mainly on higher vintage positions.

Operating costs

Operating costs come to 178,2 million Euro, up 14,6% on 30 June 2020, due to higher variable costs linked to the legal business of the Npl Segment, the entry of Farbanca into the scope and ICT projects.

Below are the item's main components.

- Personnel expenses rose by 11,6% to 67,7 million Euro (60,7 million Euro for the period ended 30 June 2020). The increase as compared with H1 2020, is mainly due to the entry of Farbanca and the BU of the former Aigis Banca into the Banca Ifis Group, for approximately 2,1 million Euro and greater provisions made for variable remuneration of around 4 million Euro. The number of Group employees at 30 June 2021 was 1.844 as compared with 1.745 resources at 30 June 2020, mainly due to the entries connected with Farbanca and Aigis.
- Other administrative expenses, at 30 June 2021, which come to 111,5 million Euro rise by 35,9% on 30 June 2020. The increase is linked to higher variable costs for professional services and expenses for the purchase of goods and services mainly related both to the resumption of credit recovery activities in the Npl Segment and to the change in the scope of consolidation with the inclusion of Farbanca and the BU acquired from the former Aigis Banca and the related integration costs.
- Net allocations to provisions for risks and charges amounted to 5,6 million Euro, a decrease of 65,5% on the 16,3 million Euro at 30 June 2020. The change is due to lower provisions for credit risks on commitments and

¹ In the following statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. For this reason too, apart from the specific operations, the effects of an analysis performed also in response to the Covid-19 pandemic, have been classified amongst value adjustments.

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guarantees of 3,8 million Euro. This item at 30 June 2020 included provisions of 6,9 million Euro relating to the Solidarity Fund for personnel.

- Other net operating income amounted to 15,8 million Euro, up 29,9% on the 12,2 million Euro recorded for the same period of the previous year. The change is mainly linked to the positive difference that emerged during the provisional allocation of the purchase price of the former Aigis Banca business unit, amounting to 3,4 million Euro.

Net profit for the period

At 30 June 2021, net profit of the Parent Company amounted to 48,3 million Euro, up 31,5% on the 36,8 million Euro of the same period of the previous year, which benefited from an extraordinary capital gain of 24,2 million Euro from this and the related tax effect due to the sale of the Milan property in Corso Venezia.

The Group's net profit at 30 June 2021, including the profit pertaining to minorities of 832 thousand Euro, is up 33,5% and comes to 49,2 million Euro.

Focus on individual Segments

Below are the main dynamics recorded in the individual Segments that go towards forming the economic-equity results at 30 June 2021.

Period net profit of the Commercial & Corporate Banking Segment comes to 31,5 million Euro, up 42,4% on 30 June 2020. This change is due to the growth of net banking income for 33,4 million Euro, while value adjustments for the credit risk come to 19,4 million Euro, in line with the first half of 2020. Operating costs rose by 16,9 million Euro on the figure recorded for H1 2020.

- The contribution made by the Factoring Area towards net banking income booked by the Commercial & Corporate Banking Segment came to 69,2 million Euro in H1 2021, in line with the same period of 2020.
- Net banking income of the Leasing Area is 28,7 million Euro, up 3,9 million Euro (+15,6%) on 30 June 2020; this result is mainly due to lesser interest expense following a review of internal transfer rates.
- Net banking income of the Corporate Banking & Lending Area, which came to 41,6 million Euro at 30 June 2021, rose by 29,7 million Euro on 30 June 2020, with an increase in the interest margin of 14,8 million Euro, in the commission component for 3,5 million Euro and in other components of net banking income for 11,4 million Euro.

Net period profit of the Npl Segment¹ is approximately 21,7 million Euro, a significant rise on the 5,6 million Euro booked for the same period of last year thanks to the recovery of all business activities.

The net banking income of the Segment¹ amounted to 123,2 million Euro (+68,8%) as compared with 73 million Euro at 30 June 2020. A positive impact comes both from the increase in the amount of loans at amortised cost that generated interest income for 73,3 million Euro (up 6,4% at 30 June 2021), and the improvement of cash flow forecasts as a result of collections made in respect of projections, with an effect of 60,1 million Euro on the interest margin in the half-year of 2021, as compared with 14,6 million Euro in the same period of 2020.

Collections made in the Npl Segment in H1 2021 came to 170,0 million Euro, up 45,4% on the 116,9 million Euro booked for H1 2020 and include the instalments collected on realignment plans, garnishment orders and transactions performed.

Operating costs go from 65,6 million Euro at 30 June 2020, to 82,6 million Euro for 30 June 2021, an increase of 25,9% mainly due to the variable costs connected with debt collection.

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At 30 June 2021, the Governance & Services and Non Core Segment recorded a loss of 4,0 million Euro as compared with the profit of 9,1 million Euro of 30 June 2020, which benefited notably from the capital gain, gross of taxes, of 24,2 million Euro mainly due to the sale of the property in Corso Venezia, Milan.

Net interest and other banking income in the segment amounted to 30,0 million Euro, down by 3,7 million Euro compared to the first half of 2020; this change is mainly related to the reduction in the interest margin of the Non-Core portfolio in run-off and the consequent physiological reduction in the PPA reversal³.

Operating costs come to 21,3 million Euro, down 11,3 million Euro on 30 June 2020. The change is mainly due to non-recurring effects that affected the two half-year periods under comparison. In particular, the first half of 2021 includes in other income 3,4 million Euro related to the positive difference that emerged during the provisional allocation of the purchase price of the former Aigis Banca business unit, while the first half of 2020 included 6,9 million Euro related to the provision made to the employee solidarity fund.

The breakdown of the main statement of financial position items of the Banca Ifis Group at 30 June 2021 is shown below.

Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amounted to 9.875,5 million Euro, up 8,1% on 31 December 2020 (9.135,4 million Euro). The item includes debt securities for 1,7 billion Euro (1,3 billion at 31 December 2020), of which government securities for 1,4 million Euro.

The Commercial & Corporate Banking Segment grew by 7,8% compared to the same period a year earlier, with a positive trend concentrated above all in the Corporate Banking & Lending business area (+26,2%), driven by the increase in loans to SMEs, to which the former Aigis Banca division contributed 278 million Euro, while the Factoring & Leasing Areas and Npl Segments remained largely stable. An increase is recorded of 307,9 million Euro in exposures of the Governance & Services and Non-Core Segment, mainly due to the purchase of debt securities during H1 2021.

Funding

During the first six months of 2021, the Group continued its strategy of differentiating between distribution channels, in order to ensure a better balance with respect to retail funding. The Group has surplus liquidity in respect of its needs (approximately 1,9 billion Euro at 30 June 2021 in reserves and free assets that can be financed in the ECB), thereby enabling it to easily respect limits (LCR more than 1.700%).

Total funding amounted to 11.000,2 million Euro at 30 June 2021 (+11% compared to 31 December 2020) and is represented for 53,5% by payables due to customers (compared to 55,2% at 31 December 2020), for 24,8% by payables due to banks (compared to 23,9% at 31 December 2020), and for 21,7% by debt securities issued (20,9% at 31 December 2020).

At 30 June 2021, the Group's funding structure was as follows:

- 53,5% customers;
- 9,7% debt securities;
- 12,0% ABSs;
- 19,2% TLTROs;
- 2,6% Repos;
- 3,0% other.

³ 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.

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Amounts due to customers amounted to 5.884,4 million Euro at 30 June 2021, an increase of 7,5% compared to 31 December 2020 essentially linked to the contribution of deposits referring to the former Aigis Banca business unit for 412,6 million Euro.

Payables due to banks amounted to 2.728,1 million Euro, up 15,3% compared to 31 December 2020, mainly due to new repurchase agreements.

Securities issued amounted to 2.387,7 million Euro at 30 June 2021, up on the 2.069,1 million Euro of 31 December 2020. This increase is mainly attributable to senior notes totalling 372 million Euro relating to the Emma securitisation, an SPV that can be traced to receivables disbursed by the subsidiary Farbanca, which was restructured in June 2021, the effect of which was partially offset by the repayment in full of approximately 63 million Euro of the bonds issued by the former Interbanca, which matured in March 2021.

Equity and ratios

At 30 June 2021, the Group's consolidated equity was up 1,6%, coming in at 1.574 million Euro as compared with the 1.550,0 million Euro at 30 June 2020. The main changes concern:

- the positive change relative to the period result pertaining to the Parent company of 48,3 million Euro;
- the positive change in Equity attributable to non-controlling interests for 0,8 million Euro, for the part share of the period results accrued by the subsidiaries Farbanca and Credifarma;
- the negative change of 25,1 million Euro related to dividends distributed during the half-year.

With prudential consolidation within La Scogliera, capital ratios at 30 June 2021 amounted to a CET1 ratio of 11,44%⁴ (compared with 11,29% at 31 December 2020), a TIER1 ratio of 12,06%⁴ (11,86% at 31 December 2020) and a Total Capital ratio of 15,08%⁴ (compared with 14,85% at 31 December 2020).

At 30 June 2021 **the ratios for the Banca Ifis Group only**, without considering the effects of consolidation within the parent company, La Scogliera, amounted to a CET1 ratio of 15,51%⁴ (compared with 15,47% at 31 December 2020), a TIER1 ratio of 15,53%⁴ (15,49% at 31 December 2020) and a Total Capital ratio of 19,86%⁴ (compared with 19,87% at 31 December 2020).

In addition, please note that the Bank of Italy has asked the Banca Ifis Group to satisfy the following consolidated capital requirements in 2021, in continuity with 2020, including a 2,5% capital conservation buffer:

- Common Equity Tier 1 (CET1) 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 2021, the Banca Ifis Group easily met the above prudential requirements.

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.

Corporate reorganisation of the Group's business in the Npl Segment

On 1 January 2021, the Npl Segment underwent a corporate reorganisation with the creation of a vertical chain aiming to guarantee the separation and independence of loan acquisitions and collections. The Group's business in the Non-Performing Loans has therefore been reorganised into three separate companies: Ifis Npl Investing, Ifis Npl Servicing

⁴ Common Equity Tier 1, Tier 1 Capital, and Total Own Funds at 30 June 2021 do not include the profits generated by the Banking Group in the first six months of 2021.

and Ifis Real Estate. The first acquires the portfolios, the second deals with management and collection and Ifis Real Estate deals with the real estate business, servicing the other two companies.

Resignation of Director Divo Gronchi

On 14 January 2021, the Independent Director Divo Gronchi tendered his resignation, with immediate effect, from the position of Director and, consequently, member of the Company's Appointments Committee and Supervisory Body. Having acknowledged the resignation tendered by Mr Gronchi, the Board of Directors resolved to replenish the Appointments Committee members, choosing Monica Billio as new member. The Board has also resolved to replenish the members of the Bank's Supervisory Body, appointing Beatrice Colleoni as new member.

Agreement for the termination of contracts with Luciano Colombini

On 11 February 2021, Chief Executive Officer Luciano Colombini tendered his resignation, as already announced in December 2020, from the role of Chief Executive Officer and the position of director on the board of Banca Ifis, to embark on new professional challenges. Mr Colombini ceased office upon conclusion of the Shareholders' Meeting held on 22 April 2021.

On 11 February 2021, the Bank's Board of Directors therefore approved, with the opinion in favour given by the Remuneration Committee and the Board of Auditors, an agreement for the termination of contracts with Luciano Colombini. This agreement, which is in line with the Bank's approved Remuneration Policy, establishes that Mr Colombini will be paid his remuneration for the office of Chief Executive Officer until the date on which he effectively leaves office, as well as the deferred components of the bonus already accrued and recognised for FY 2019, which will be paid in accordance with the terms and conditions of the Remuneration Policy. In addition, at the date on which he leaves office, Mr Colombini will receive severance indemnity equal to the fixed and variable remuneration envisaged for the residual term of the three-year mandate originally conferred upon him (12 months of recurring remuneration), to be paid in accordance with the terms and conditions of the Remuneration Policy (and, therefore, 50% in financial instruments, with a deferral period, of a portion of 40% of the indemnity, of 3 years, without prejudice, in any case, to the application of the *malus* and clawback clauses). No non-competition obligations are envisaged.

Banca Ifis has developed the first securitisation in Italy of Npls backed by assignment orders

On 22 March 2021, Banca Ifis declared that for the purpose of a loan, through the subsidiary Ifis Npl Investing, it had implemented the very first securitisation in Italy of a non-performing portfolio mainly comprising unsecured loans backed by assignment orders. The transaction is an innovative solution for this type of non-performing exposure, where the debt collection procedure through compulsory enforcement (attachment of one fifth of the salary) and is at an advanced stage. The transaction aimed to collect funding for Ifis Npl Investing of up to 350 million Euro in liquidity on the institutional market, without deconsolidating the underlying credits. The loan portfolios concerned by the transaction (a portfolio of secured loans and an unsecured portfolio backed by assignment orders) owned by the subsidiary Ifis Npl Investing, was transferred to a newly-established SPV called IFIS NPL 2021-1 SPV S.r.l., which issued senior, mezzanine and junior notes.

The Shareholders' Meeting has approved the 2020 financial statements. Frederik Geertman has been appointed as Chief Executive Officer

The Shareholders' Meeting of Banca Ifis, which met on 22 April 2021 chaired by Sebastien Egon Fürstenberg, approved the 2020 annual financial statements and the distribution of a unitary gross dividend of 0,47 Euro per share, deducted from own funds at 31 December 2020: payment date starting 26 May 2021, record date on 25 May 2021 and ex-dividend date (no. 23) of 24 May 2021. The Shareholders' Meeting confirmed Frederik Geertman as CEO, previously coopted as director on 11 February 2021, and approved the proposal made by the majority shareholder La Scogliera S.p.A. to appoint Monica Regazzi as new independent director, to replace the resigning director Luciano Colombini. The Board of Directors, which met at the end of the Shareholders' Meeting, therefore appointed Frederik Geertman as Chief Executive Officer of Banca Ifis, granting him the relevant powers.

Requisites of independence of the Director Monica Regazzi verified

On 13 May 2021, the Board of Directors verified the requirements of independence according to the criteria set out in the TUF and the Corporate Governance Code for Listed Companies, for the director Monica Regazzi.

Banca Ifis intervenes to guarantee depositors of Aigis Banca with the purchase of an operative BU of the company

On 23 May 2021, Banca Ifis reported that it had shared the terms and conditions of the intervention aimed at guaranteeing depositors of Aigis Banca, assigned under receivership by the Ministry for the Economy and Finance, with the Fondo Interbancario di Tutela dei Depositi (Interbanking Deposit Protection Fund). The Bank of Italy, which appointed the Liquidators of Aigis Banca, has approved the sale of its assets, liabilities and contracts to Banca Ifis. The price paid by Banca Ifis, symbolically, of one Euro, together with the intervention of the Fondo Interbancario di Tutela dei Depositi for a total of 48,8 million Euro and the terms of the contract guarantee no material impacts on the equity ratios (CET1), asset quality ratios and income statement of the Group.

Banca Ifis: communication of La Scogliera S.p.A. on the transfer of the Holding company's office to the canton of Vaud (Lausanne)

On 18 June, Banca Ifis took note of what was communicated by La Scogliera S.p.A. (the Bank's majority shareholder with 50,5% of the capital) regarding the approval by the Shareholders' Meeting of said majority shareholder of the transfer of the holding company's office to the canton of Vaud (Lausanne). The transfer by La Scogliera S.p.A. is subject to satisfaction of the conditions precedent established by the Shareholders' Meeting, including that relating to obtaining an opinion from the Revenue Agency on the tax consequences of the transfer, as well as the successful completion, expected by the end of the year, of the envisaged regulatory procedures. As far as the Bank (which maintains its presence in Italy) is concerned, the transfer could also have the effect of optimising its capital requirements.

Significant subsequent events

The Shareholders' Meeting approves the amendments to the Articles of Association designating two Joint General Managers

The extraordinary shareholders' meeting of the shareholders of Banca Ifis held on 28 July, in a single call, chaired by Ernesto Fürstenberg Fassio, approved the amendments to Articles 10, 11, 13, 15, 17, 18, 20, 21 and 22 of the Articles of Association in view of the new organisational structure, which will introduce the figures of two Joint General Managers. By provision no. 1091263 of 20 July 2021, the Bank of Italy ascertained that said amendments are not in conflict with the criterion of health, prudent management. At the end of the authorization process, the two Joint General Managers will be Fabio Lanza and Raffaele Zingone. The Ordinary Shareholders' Meeting of Banca Ifis then approved all other items on the agenda.

Declaration of the Corporate Accounting Reporting Officer

Pursuant to article 154 bis, paragraph 5 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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Reclassified Financial Statements

In the following statements, net impairment losses/reversals on receivables of the Npl Segment were reclassified to interest receivable and similar income to the extent to which they represent the operations of this business and are an integral part of the return on the investment. For this reason too, apart from the specific operations, the effects of an analysis performed also in response to the Covid-19 pandemic, have been classified amongst value adjustments.

Reclassified Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.06.2021	31.12.2020	ABSOLUTE	%
Cash and cash equivalents	2.641	82	2.559	n.s.
Financial assets held for trading through profit or loss	6.659	20.870	(14.211)	(68,1)%
Financial assets mandatorily measured at fair value through profit or loss	153.310	136.978	16.332	11,9%
Financial assets measured at fair value through other comprehensive income	799.051	774.555	24.496	3,2%
Receivables due from banks measured at amortised cost	1.606.657	1.083.281	523.376	48,3%
Receivables due from customers measured at amortised cost	9.875.482	9.135.402	740.080	8,1%
Property, plant and equipment	120.566	115.149	5.417	4,7%
<i>of which goodwill</i>	38.804	38.798	6	0,0%
Tax assets:	343.010	381.431	(38.421)	(10,1)%
a) current	41.709	74.255	(32.546)	(43,8)%
b) deferred	301.301	307.176	(5.875)	(1,9)%
Other assets	300.113	317.478	(17.365)	(5,5)%
Total assets	13.268.613	12.026.196	1.242.417	10,3%

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LIABILITIES AND EQUITY (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.06.2021	31.12.2020	ABSOLUTE	%
Payables due to banks measured at amortised cost	2.728.071	2.367.082	360.989	15,3%
Payables due to customers measured at amortised cost	5.884.418	5.471.874	412.544	7,5%
Debt securities issued measured at amortised cost	2.387.735	2.069.083	318.652	15,4%
Financial liabilities held for trading	5.040	18.551	(13.511)	(72,8)%
Tax liabilities:	44.993	48.154	(3.161)	(6,6)%
a) current	8.832	12.018	(3.186)	(26,5)%
b) deferred	36.161	36.136	25	0,1%
Other liabilities	570.901	438.311	132.590	30,3%
Post-employment benefits	8.875	9.235	(360)	(3,9)%
Provisions for risks and charges	64.554	53.944	10.610	19,7%
Valuation reserves	(22.233)	(19.337)	(2.896)	15,0%
Reserves	1.366.886	1.320.871	46.015	3,5%
Share premiums	102.972	102.491	481	0,5%
Share capital	53.811	53.811	-	0,0%
Treasury shares (-)	(2.847)	(2.948)	101	(3,4)%
Equity attributable to non-controlling interests (+/-)	27.106	26.270	836	3,2%
Profit (loss) for the period (+/-)	48.331	68.804	(20.473)	(29,8)%
Total liabilities and equity	13.268.613	12.026.196	1.242.417	10,3%

Reclassified Consolidated Income Statement

ITEMS (in thousands of Euro)	PERIOD		CHANGE	
	30.06.2021	30.06.2020	ABSOLUTE	%
Net interest income	233.033	169.679	63.354	37,3%
Net commission income	40.851	39.807	1.044	2,6%
Other components of net banking income	18.741	3.305	15.436	n.s.
Net banking income	292.625	212.791	79.834	37,5%
Net credit risk losses/reversals	(42.601)	(33.340)	(9.261)	27,8%
Net profit (loss) from financial activities	250.024	179.451	70.573	39,3%
Administrative expenses:	(179.219)	(142.745)	(36.474)	25,6%
a) personnel expenses	(67.725)	(60.680)	(7.045)	11,6%
b) other administrative expenses	(111.494)	(82.065)	(29.429)	35,9%
Net allocations to provisions for risks and charges	(5.619)	(16.301)	10.682	(65,5)%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(9.145)	(8.597)	(548)	6,4%
Other operating income/expenses	15.824	12.185	3.639	29,9%
Operating costs	(178.159)	(155.458)	(22.701)	14,6%
Gains (Losses) on disposal of investments	-	24.161	(24.161)	(100,0)%
Pre-tax profit (loss) from continuing operations	71.865	48.154	23.711	49,2%
Income taxes for the period relating to continuing operations	(22.702)	(11.332)	(11.370)	100,3%
Profit (loss) for the period	49.163	36.822	12.341	33,5%
Profit (Loss) for the period attributable to non-controlling interests	832	66	766	n.s.
Profit (loss) for the period attributable to the Parent Company	48.331	36.756	11.575	31,5%

PRESS RELEASE
RESULTS FIRST HALF 2021

Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS AT	
	30.06.2021	31.12.2020
Common Equity Tier 1 Capital (CET1)	1.066.061	1.038.715
Tier 1 Capital (T1)	1.124.166	1.091.858
Total Own Funds	1.405.366	1.366.421
Total RWAs	9.319.520	9.203.971
Common Equity Tier 1 Ratio	11,44%	11,29%
Tier 1 Capital Ratio	12,06%	11,86%
Ratio – Total Own Funds	15,08%	14,85%

Common Equity Tier 1, Tier 1 Capital, and Total Own Funds at 30 June 2021 do not include the profits generated by the Banking Group in the first six months of 2021.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: BANCA IFIS BANKING GROUP SCOPE (in thousands of Euro)	AMOUNTS AT	
	30.06.2021	31.12.2020
Common Equity Tier 1 Capital (CET1)	1.441.751	1.422.796
Tier 1 Capital (T1)	1.443.521	1.424.610
Total Own Funds	1.846.327	1.827.409
Total RWAs	9.294.588	9.194.733
Common Equity Tier 1 Ratio	15,51%	15,47%
Tier 1 Capital Ratio	15,53%	15,49%
Ratio – Total Own Funds	19,86%	19,87%

Common Equity Tier 1, Tier 1 Capital, and Total Own Funds at 30 June 2021 do not include the profits generated by the Banking Group in the first six months of 2021.

