

## **Banca Ifis: net profit for the nine months reaches the targets envisaged for year end**

Despite the fact that the macroeconomic scenario continues to be uncertain and the general situation difficult, the Bank continues to operate efficiently and with great faith in the future and is well prepared, also in terms of its equity, to face up to the forthcoming months, aware that they are likely to be unstable

- Net profit of 52,3 million Euro in the first nine months of 2020, with all three quarters of the year showing profit
- Equity position strengthens with CET1 at 11,69%, up 73 basis points on 31 December 2019
- Total funding up 8,1%: over 9,1 billion Euro
- Provisions made for 47 million Euro in view of Covid-19, of which 11 million Euro prudently in the third quarter of 2020, in order to estimate the potential negative effects mainly linked to the moratoriums
- Npl: 1,7 billion Euro acquired in January - October 2020
- Investments confirmed to speed up digitisation

### **Results for the first nine months of 2020**

Reclassified data<sup>1</sup> - 1 January 2020 / 30 September 2020

- **Net banking income** at 321,7 million Euro, down compared to 391,2 million Euro at the same period 2019, due to the slowing of operations brought about by the Covid-19 health emergency in all segments
- **Operating costs** come to 229,4 million Euro, down 4,1% on 30 September 2019, excluding: 11,5 million Euro in net operating income deriving from a non-recurring component recorded during the first nine months of last year, 6,9 million Euro in provisions made for solidarity in 2020 and 7,2 million Euro in greater provisions made in 2020 for the credit risk on commitments and guarantees

#### **Capital requirements with the consolidation within La Scogliera**

- **CET1 up to 11,69%** (10,96% at 31 December 2019) versus an SREP requirement of 8,12%; TCR: 15,45% (14,58% at 31 December 2019) versus an SREP requirement of 12,5%. The organic generation of capital will enable the complete absorption of the Farbanca acquisition. The requirements are calculated excluding the 2019 dividend, whose payment has been suspended by ruling of the Bank of Italy and excluding all profits from the first nine months of 2020.

#### **Capital requirements without the consolidation within La Scogliera<sup>2</sup>**

- **CET1: 15,64%** (14,28% at 31 December 2019); TCR: 20,38% (18,64% at 31 December 2019).

### **2020 guidance**

- For 2020, Banca Ifis expects to see profits in the higher part of the 2020 guidance (between 50 and 65 million Euro), disclosed last 6 August.

<sup>1</sup> Net credit risk losses 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.

<sup>2</sup> Consolidated own funds, risk-weighted assets and solvency ratios at 30 September 2020 were calculated based on the regulatory principles set out in Directive 2013/36/EU (CRD IV) and Regulation (EU) 575/2013 (CRR) of 26 June 2013, which 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.

PRESS RELEASE ON THE RESULTS OF THE  
FIRST NINE MONTHS OF 2020

Mestre (Venice), 5 November 2020 – The Board of Directors of Banca Ifis met today, chaired by the Chairman Sebastien Egon Fürstenberg, and approved the results for the first nine months of 2020.

“The results of the first nine months of 2020 have confirmed the Bank’s resilience even at times of great difficulty, as is that of the Covid-19 pandemic and shown the solidity of the business model, which is well positioned in profitable market niches. Despite an unprecedented macroeconomic context and a situation of general mistrust and uncertainty, Banca Ifis closed the first nine months of 2020 posting profit of 52,3 million Euro and reaching the guidance defined for the current year. All quarters were profitable, despite adjustments and impairment applied reasonably as a result of the Covid-19 pandemic in the amount of approximately 47,9 million Euro during the first nine months of the year”, **Luciano Colombini – Chief Executive Officer of Banca Ifis**, explains.

“Since the start of the year, Banca Ifis has strengthened its consolidated CET1 by 73 basis points, coming in at 11,69%, calculated excluding the 2019 dividend, whose payment has been suspended in compliance with the Bank of Italy recommendations and prudently also excluding profit for the first nine months of 2020. The organic generation of capital will enable the complete absorption of the Farbanca acquisition. Quality of assets is also confirmed as holding out, which to date have shown few signs of deterioration on the loans portfolio and in any case mainly relative to positions that were already experiencing critical issues. On this front, in covering the segments potentially worst impacted by the pandemic, in the third quarter of 2020, prudent provisions were made for approximately 11 million Euro on the estimate of potential negative effects expected and mainly connected with the moratoriums. Additionally, during these months, although maintaining close attention to cost control, investments have been confirmed to speed up the digitisation of the business and the organisational processes, which remain a priority target”.

“The Corporate & Commercial Banking loans portfolio is well diversified by segment, customers and geography. In the last few months, we have adhered to the moratoriums and developed new platforms and products, also assisting businesses not included in the scope with longer repayment plans or by deferring instalments. Our commitment aims to support all businesses with a long-term growth perspective.

On the Npl market, we have confirmed our leadership in unsecured small ticket assets, with the award of large and small deals that in the first 10 months of the year led us to acquire 1,7 billion Euro in non-performing loans in nominal amount and which will contribute towards the Group's profitability for the forthcoming years. At present, we are taking part in other sales processes for a total of approximately 2,4 billion Euro in Npls. During the first nine months of the year, amidst a very difficult market context, cash recoveries are in line with 2019, an activity that also performed well in October”.

“Our retail funding is solid and customers confirm their loyalty. The type of deposit changes, depending on the investment needs and liquidity requirements and records a preference for long-term deposits, at 5 years, which have shown an annual increase of 40% thanks to more attractive returns than those offered by other forms of savings. Excellent results, of approximately 50 million Euro, were also seen in funding on the German market, thanks to the partnership announced in July with Raisin”.

“In a scenario that is as yet uncertain, where a great deal will depend on the duration and impact of this second wave of the pandemic, Banca Ifis is continuing to operate efficiently, looking positively towards the future and is prepared, including in equity terms, to face the forthcoming quarters, which are likely to still be unstable. When the macroeconomic context has stabilised, we will unveil the new Business Plan to the market, which is aimed at ensuring the Group’s sustainable growth”, **Mr Colombini concludes**.

## Highlights

### RECLASSIFIED DATA<sup>3</sup>

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 last 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 has been restated in line with the new Segment reporting.

**Highlights from the Banca Ifis Group's income statements for the first nine months of 2020 are set out below.**

### Net banking income<sup>1</sup>

Net banking income totalled 321,7 million Euro, down 17,8% from 391,2 million Euro in the prior-year period.

The Covid-19 health emergency has caused a general reduction in margins in all segments, in particular in those where operations are connected with the operation of the legal system since, as a result of the court closures during the lockdown period, with activities first frozen and then slowed, there have been difficulties in proceeding to collect on debt. In addition to this, there was a physiologically lesser contribution towards the release of PPA<sup>3</sup>, the effects of which in the first nine months of 2020, equal to 27,5 million Euro, as compared with 47,1 million Euro in the same period of last year. The difference is also highlighted by the early repayments that took place in 2019.

The net banking income of the Commercial & Corporate Banking Segment amounted to 159,5 million Euro, down 12,1% on 30 September 2019. The Factoring Area (-12,7%), Leasing Area (-8,7%) and Corporate Banking & Lending Area are down, recording a reduction of 15,4%, mainly due to the lesser contribution of the "reversal PPA"<sup>3</sup> as compared with the same period of 2019.

### Net impairment losses<sup>1</sup>

Considered overall, and also including provisions made for credit risk on guarantees and commitments in the amount of 7,2 million Euro, net credit risk losses, at 30 September 2020, come to 55,0 million Euro, up on the 48,8 million Euro at 30 September 2019. Against the lesser provisions made in the Factoring Area, which had been negatively impacted during the first nine months of 2019 by adjustments on certain individually significant counterparties, there is a juxtaposed increase in the Leasing Area, mainly due to the prudent valuation of segments most exposed to deterioration following the pandemic and certain write-down of exposure both to cash and unsecured loans, mainly deriving from the former subsidiary Interbanca.

### Operating costs

Operating costs totalled 229,4 million Euro (213,2 million Euro at 30 September 2019). This item is down 4,1% on the same period of last year, if we exclude: 11,5 million Euro in net operating income deriving from a non-recurring component recorded during the first nine months of last year, 6,9 million Euro in provisions made for solidarity in 2020 and 7,2 million Euro in greater provisions made in 2020 for the credit risk on commitments and guarantees.

<sup>1</sup> Net credit risk 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.

<sup>3</sup> 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.

## PRESS RELEASE ON THE RESULTS OF THE FIRST NINE MONTHS OF 2020

In detail, personnel expenses, of 89,3 million Euro, drop by 6,7% (95,7 million Euro at 30 September 2019), as a result of a prudent incentive policy and greater control over current expenses in light of the present context. The number of Group employees at 30 September 2020 was 1.736 as compared with 1.759 resources at 30 September 2019.

Other administrative expenses (123,0 million Euro), net of expenses relative to the closure of certain tax disputes relating to the former subsidiary Interbanca for 30,9 million Euro, offset by other income for 42,4 million Euro, are down 3,3% on 30 September 2019. The change is mainly due to lesser expenses for indirect taxes and duties (driven by the Npl Segment), partially offset by greater costs for professional services and expenses for the purchase of goods and other services.

Pre-tax profit from continuing operations amounted to 68,6 million Euro (-46,6% compared to 30 September 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 47 million Euro, provisions for commitments and guarantees for 7,2 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 September 2020, the Group's net profit came to 52,3 million Euro as compared with the 84,0 million Euro at 30 September 2019.

### Focus on individual Segments

Below are the main dynamics recorded in the individual Segments that go towards forming the economic-equity results at 30 September 2020.

Net profit of the **Commercial & Corporate Banking Segment** comes to 34,4 million Euro, down 24,0% as compared with the first nine months of last year. This change is due to the reduction of net banking income for 21,9 million Euro, partially offset by lesser value adjustments to credit risk for 2,0 million Euro. Operating costs dropped by a total of 5,3 million Euro on the figure recorded for the first nine months of 2019.

- The contribution made by the **Factoring Area** towards net banking income booked by the Commercial & Corporate Banking Segment came to 107,6 million Euro during the first nine months of the year, down 12,7% on the same period of last year. This result is impacted by the lower contribution both of net interest income (down by 5,8 million Euro) and net commission income (down by 9,9 million Euro). During the third quarter of the current year, net banking income decreased by 7,1 million Euro (net interest income down by 3,4 million Euro and net commission income down by 3,7 million Euro). This change is due to the reduction in assets under management both in terms of turnover (down 619 million Euro in the third quarter of 2020 on the same period of last year) and in terms of outstanding loans, which were 3,1 billion Euro and down 0,4 billion Euro.
- Net banking income for the **Leasing Area** is 36,5 million Euro, -8,7% on the figure at 30 September 2019; this change is due to the combined effect of lesser interest income, following an increase in the mix of volumes of the financial leasing component with smaller margins, lesser collection commissions due to the moratorium and lesser repayments as a result of the lesser volumes disbursed during the period.
- Net banking income of the **Corporate Banking & Lending Area**, of 15,4 million Euro at 30 September 2020, shows a decline of 2,8 million Euro on the same period of last year, suffering a reduction in interest income and commission linked to the structured finance business, only partially offset by the contribution on the margin of greater medium/long-term disbursements to SMEs.

## PRESS RELEASE ON THE RESULTS OF THE FIRST NINE MONTHS OF 2020

Period profit for the **Npl Segment** is approximately 12,8 million Euro, down 65,2%, mainly due to the negative effects deriving from the Covid-19 pandemic economic-health crisis.

Net banking income of the Segment<sup>4</sup> comes to 116,7 million Euro as compared with 164,2 million Euro at 30 September 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 8,4% from 95,7 million Euro to 103,8 million Euro at 30 September 2020, largely thanks to the increase in receivables measured at amortised cost, the greater contribution by which is related for 51,8 million Euro to writs, attachments of property, and garnishment orders, and for 19,9 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 74,2 million Euro in the first nine months of 2019 to 27,8 million Euro at 30 September 2020, down 62,5%. A contribution of approximately 29,7 million Euro is made to the current year result by writs, attachments and garnishment orders, whilst the amicable management weighs for -0,6 million Euro and the secured and corporate basin for approximately -2,0 million Euro. In all, during the period, the item was heavily impacted by the court closures in March, April and May, resulting in a reduction, as compared with the same period of last year, in obtaining writs, attachment orders and garnishment orders;
- net commission income is equally split between the increase in commission payable on collections and payments and the reduction in commission income deriving from servicing activities on third party portfolios.

Operating costs decline by 10,9%, going from 112,3 million Euro in the first nine months of 2019 to 100,0 million Euro at 30 September 2020. The change is mainly due to the variable costs connected with debt collection and, in particular, those relating to legal collection impacted by the court closures due to the Covid-19 emergency.

Net profit of the **Governance & Non-Core Services Segment** is 5,3 million Euro, up on the 2,1 million Euro of the first nine months of last year; it includes the capital gain, net of the related costs of sale, of 24,2 million Euro deriving from the sale of the property in Corso Venezia, Milan, partially offset by the greater costs relating to the provision made for solidarity for 6,9 million Euro and the greater provisions of 4,3 million Euro made for credit risks connected with commitments and guarantees.

The net banking income of the **Segment** came to 45,4 million Euro, substantively in line with the 30 September 2019.

Operating costs come to 45,0 million Euro, up 33,7 million Euro on the first nine months of last year. In 2019, the item benefited from the net effect of 11,5 million connected with the definition of tax litigation of the former Interbanca. Indeed, other administrative expenses at 30 September 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 42,4 million Euro (including the related tax effect) against the activation of outstanding guarantees.

[The breakdown of the main statement of financial position items of the Banca Ifis Group at 30 September 2020 is shown below.](#)

### Receivables due from customers measured at amortised cost

Total receivables due from customers measured at amortised cost amounted to 7.957,4 million Euro, up by 4,0% on 31 December 2019. More specifically, as compared with 31 December 2019, the Commercial & Corporate Banking

<sup>4</sup> Net credit risk losses 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.

## PRESS RELEASE ON THE RESULTS OF THE FIRST NINE MONTHS OF 2020

Segment has dropped by 7,7% while the Npl Segment and the Governance & Non-Core Services Segment have respectively grown by 3,5% and 71,5%.

At 30 September 2020, the Commercial & Corporate Banking Segment's net non-performing exposures totalled 190,6 million Euro, down 35,8 million Euro from 31 December 2019 (226,4 million Euro), and may be broken down as follows:

- Net non-performing exposures come to 41,8 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 90,0 million Euro, up 1,6% from the 88,6 million Euro at 31 December 2019;
- Net non-performing past due exposures come to 58,9 million Euro as compared with the 96,0 million Euro at 31 December 2019 (-38,7%) with coverage ratio of 10,0% as compared with 8,4% at 31 December 2019.

The Gross Npe ratio of the Commercial & Corporate Banking Segment is 8,6% (8,5% at 31 December 2019) and the Net Npe ratio is 3,8% (4,2% at 31 December 2019).

### Funding

During the first nine months 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 reference period.

At 30 September 2020, total funding came to 9.152,9 million Euro, +8,1% on the end of FY 2019; the funding structure was as follows:

- 53,7% Customers
- 12,1% Debt securities
- 9,7% ABS
- 21,8% TLTRO
- 2,7% Other

At 30 September 2020, payables due to customers totalled 4.915,6 million Euro (-7,0% compared to 31 December 2019). This was essentially because of the mentioned decline in retail funding from 4.791,0 million Euro at 31 December 2019 to 4.416,7 million Euro at 30 September 2020.

Payables due to banks amounted to 2.245,8 million Euro, up 134,1% 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 248,5 million Euro.

Debt securities issued amounted to 1.991,5 million Euro. The item included 887,9 million Euro (-22,8% 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 line item also comprised 625,6 million Euro (including interest) in senior bonds issued by Banca Ifis, as well as the 415,6 million Euro (including interest) Tier 2 bond. The rest of debt securities issued at 30 September 2020 included 61,4 million Euro in a bond loan issued at the time by the merged entity Interbanca.

### Equity and ratios

At 30 September 2020, the Group's consolidated equity totalled 1.512,3 million Euro, as compared with 1.539,0 million Euro at 31 December 2019.

**With prudential consolidation within La Scogliera, capital ratios** at 30 September 2020 amounted to a CET1 ratio of 11,69%<sup>4</sup> (compared with 10,96% at 31 December 2019), a TIER1 ratio of 12,27%<sup>4</sup> (11,56% at 31 December 2019) and a Total Capital ratio of 15,45%<sup>4</sup> (compared with 14,58% at 31 December 2019).

## PRESS RELEASE ON THE RESULTS OF THE FIRST NINE MONTHS OF 2020

At 30 September 2020 **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 15,64%<sup>4</sup> (compared with 14,28% at 31 December 2019), a TIER1 ratio of 15,64%<sup>4</sup> (14,28% at 31 December 2019) and a Total Capital ratio of 20,38%<sup>4</sup> (compared with 18,64% at 31 December 2019).

In addition, please note that the Bank of Italy has demanded the Banca Ifis Group to meet the following consolidated capital requirements in 2020, in continuity with 2019, 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 September 2020, the Banca Ifis Group fully 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](http://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 payment 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.

On 6 August 2020, the Board of Directors acknowledged the issue of the Bank of Italy provision of 28 July 2020, with which the supervisory authorities recommended 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.

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<sup>4</sup> Common Equity Tier 1, Tier 1 Capital, and Total Own Funds at 30 September 2020 do not include the profits generated by the Banking Group in the first nine months of 2020.

## 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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### Reclassified Financial Statements

Net credit risk losses 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.

### Consolidated Statement of Financial Position

ASSETS (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.09.2020	31.12.2019	ABSOLUTE	%
Cash and cash equivalents	58	56	2	3,6%
Financial assets held for trading through profit or loss	24.163	24.313	(150)	(0,6)%
Financial assets mandatorily measured at fair value through profit or loss	103.487	112.785	(9.298)	(8,2)%
Financial assets measured at fair value through other comprehensive income	1.162.008	1.173.808	(11.800)	(1,0)%
Receivables due from banks measured at amortised cost	1.016.707	626.890	389.817	62,2%
Receivables due from customers measured at amortised cost	7.957.357	7.651.226	306.131	4,0%
Equity investments	4	6	(2)	(33,3)%
Property, plant and equipment	110.366	106.301	4.065	3,8%
Intangible assets	60.800	60.919	(119)	(0,2)%
<i>of which:</i>				
- goodwill	39.501	39.542	(41)	(0,1)%
Tax assets:	377.122	391.185	(14.063)	(3,6)%
a) current	45.454	56.869	(11.415)	(20,1)%
b) deferred	331.668	334.316	(2.648)	(0,8)%
Non-current assets and disposal groups	-	25.560	(25.560)	(100,0)%
Other assets	386.564	352.975	33.589	9,5%
<b>Total assets</b>	<b>11.198.636</b>	<b>10.526.024</b>	<b>672.612</b>	<b>6,4%</b>

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LIABILITIES AND EQUITY (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.09.2020	31.12.2019	ABSOLUTE	%
Payables due to banks measured at amortised cost	2.245.825	959.477	1.286.348	134,1%
Payables due to customers measured at amortised cost	4.915.588	5.286.239	(370.651)	(7,0)%
Debt securities issued measured at amortised cost	1.991.481	2.217.529	(226.048)	(10,2)%
Financial liabilities held for trading	22.824	21.844	980	4,5%
Tax liabilities:	42.054	69.018	(26.964)	(39,1)%
a) current	7.082	28.248	(21.166)	(74,9)%
b) deferred	34.972	40.770	(5.798)	(14,2)%
Other liabilities	407.479	390.022	17.457	4,5%
Post-employment benefits	10.179	9.977	202	2,0%
Provisions for risks and charges	50.930	32.965	17.965	54,5%
Valuation reserves	(19.587)	(3.037)	(16.550)	n.s.
Reserves	1.320.483	1.260.238	60.245	4,8%
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 (+/-)	5.680	5.571	109	2,0%
Profit for the period	52.346	123.097	(70.751)	(57,5)%
<b>Total liabilities and equity</b>	<b>11.198.636</b>	<b>10.526.024</b>	<b>672.612</b>	<b>6,4%</b>

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Reclassified Consolidated Income Statement

ITEMS (in thousands of Euro)	FIRST NINE MONTHS		CHANGE	
	2020	2019	ABSOLUTE	%
<b>Net interest income</b>	<b>260.801</b>	<b>324.638</b>	<b>(63.837)</b>	<b>(19,7)%</b>
<b>Net commission income</b>	<b>55.495</b>	<b>68.729</b>	<b>(13.234)</b>	<b>(19,3)%</b>
Other components of net banking income	5.407	(2.124)	7.531	(354,6)%
<b>Net banking income</b>	<b>321.703</b>	<b>391.243</b>	<b>(69.540)</b>	<b>(17,8)%</b>
Net credit risk losses/reversals	(47.856)	(49.014)	1.158	(2,4)%
<b>Net profit (loss) from financial activities</b>	<b>273.847</b>	<b>342.229</b>	<b>(68.382)</b>	<b>(20,0)%</b>
Administrative expenses:	(212.298)	(253.792)	41.494	(16,3)%
a) personnel expenses	(89.310)	(95.697)	6.387	(6,7)%
b) other administrative expenses	(122.988)	(158.095)	35.107	(22,2)%
Net allocations to provisions for risks and charges	(20.920)	(12.025)	(8.895)	74,0%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(13.087)	(12.793)	(294)	2,3%
Other operating income/expenses	16.902	65.370	(48.468)	(74,1)%
<b>Operating costs</b>	<b>(229.403)</b>	<b>(213.240)</b>	<b>(16.163)</b>	<b>7,6%</b>
Gains (Losses) on disposal of investments	24.161	(408)	24.569	n.s.
<b>Pre-tax profit from continuing operations</b>	<b>68.605</b>	<b>128.581</b>	<b>(59.976)</b>	<b>(46,6)%</b>
Income taxes for the period relating to current operations	(16.143)	(44.528)	28.385	(63,7)%
<b>Profit for the period</b>	<b>52.462</b>	<b>84.053</b>	<b>(31.591)</b>	<b>(37,6)%</b>
Profit for the period attributable to non-controlling interests	116	57	59	103,5%
<b>Profit for the period attributable to the Parent company</b>	<b>52.346</b>	<b>83.996</b>	<b>(31.650)</b>	<b>(37,7)%</b>

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Reclassified Consolidated Income Statement: 3rd Quarter

ITEMS (in thousands of Euro)	3RD QUARTER		CHANGE	
	2020	2019	ABSOLUTE	%
<b>Net interest income</b>	<b>91.122</b>	<b>91.081</b>	<b>41</b>	<b>0,0%</b>
<b>Net commission income</b>	<b>15.688</b>	<b>22.190</b>	<b>(6.502)</b>	<b>(29,3)%</b>
Other components of net banking income	2.102	(1.225)	3327	(271,6)%
<b>Net banking income</b>	<b>108.912</b>	<b>112.046</b>	<b>(3.134)</b>	<b>(2,8)%</b>
Net credit risk losses/reversals	(14.516)	(13.968)	(548)	3,9%
<b>Net profit (loss) from financial activities</b>	<b>94.396</b>	<b>98.078</b>	<b>(3.682)</b>	<b>(3,8)%</b>
Administrative expenses:	(69.553)	(75.274)	5.721	(7,6)%
a) personnel expenses	(28.630)	(31.534)	2.904	(9,2)%
b) other administrative expenses	(40.923)	(43.740)	2.817	(6,4)%
Net allocations to provisions for risks and charges	(4.619)	(5.653)	1.034	(18,3)%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(4.490)	(4.517)	27	(0,6)%
Other operating income/expenses	4.717	11.454	(6.737)	(58,8)%
<b>Operating costs</b>	<b>(73.945)</b>	<b>(73.990)</b>	<b>45</b>	<b>(0,1)%</b>
<b>Pre-tax profit (loss) from continuing operations</b>	<b>20.451</b>	<b>24.088</b>	<b>(3.637)</b>	<b>(15,1)%</b>
Income taxes for the period relating to continuing operations	(4.811)	(8.343)	3.532	(42,3)%
<b>Profit for the period</b>	<b>15.640</b>	<b>15.745</b>	<b>(105)</b>	<b>(0,7)%</b>
Profit for the period attributable to non-controlling interests	50	15	35	233,3%
<b>Profit for the period attributable to the Parent company</b>	<b>15.590</b>	<b>15.730</b>	<b>(140)</b>	<b>(0,9)%</b>

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Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS AT	
	30.09.2020	31.12.2019
Common Equity Tier 1 Capital (CET1)	992.755	1.008.865
Tier 1 Capital (T1)	1.042.070	1.064.524
<b>Total Own Funds</b>	<b>1.311.531</b>	<b>1.342.069</b>
<b>Total RWAs</b>	<b>8.489.946</b>	<b>9.206.155</b>
Common Equity Tier 1 Ratio	11,69%	10,96%
Tier 1 Capital Ratio	12,27%	11,56%
<b>Ratio - Total Own Funds</b>	<b>15,45%</b>	<b>14,58%</b>

Common Equity Tier 1, Tier 1 Capital, and Total Own Funds at 30 September 2020 do not include the profits generated by the Banking Group in the first nine months of 2020.

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: BANCA IFIS BANKING GROUP SCOPE (in thousands of Euro)	AMOUNTS AT	
	30.09.2020	31.12.2019
Common Equity Tier 1 Capital (CET1)	1.323.807	1.312.821
Tier 1 Capital (T1)	1.323.807	1.312.821
<b>Total Own Funds</b>	<b>1.724.189</b>	<b>1.713.198</b>
<b>Total RWAs</b>	<b>8.462.054</b>	<b>9.190.900</b>
Common Equity Tier 1 Ratio	15,64%	14,28%
Tier 1 Capital Ratio	15,64%	14,28%
<b>Ratio - Total Own Funds</b>	<b>20,38%</b>	<b>18,64%</b>

Common Equity Tier 1, Tier 1 Capital, and Total Own Funds at 30 September 2020 do not include the profits generated by the Banking Group in the first nine months of 2020.

