

## **Banca Ifis: net profit of 80,2 million Euro in the first 9 months**

### **Bank revises year-end guidance upwards**

In the first nine months of the year, the Bank's revenues recorded double digit growth, reaching 449.2 million Euro: an all-time high, net of the PPA, as a result of strong growth in business in the commercial portfolio and excellent performances in the Npl Segment. Profits up significantly, despite further prudent provisions to absorb the expiry of government support measures at the end of the year.

In the quarter, year-on-year record of cash recoveries of Npl portfolios purchased, which almost eliminates the less favourable seasonality of the third quarter. Annual target of purchasing 3 billion Euro of Npl portfolios achieved.

The digitisation programme continues and, by joining the Net-Zero Banking Alliance, the Bank further reinforces its commitment to contribute concretely to a more sustainable and inclusive future.

### **2021 guidance**

For 2021, Banca Ifis raises estimates and expects to achieve a net profit between 90 and 100 million Euro (the target communicated on 5 August 2021 was between 80 and 90 million Euro) and revenues between 570 and 590 million Euro (the guidance communicated on 5 August 2021 was between 540 and 560 million Euro).

The guidance was prepared on the assumption of gradual improvement in the scenario, no macroeconomic or pandemic-related shocks and continued support from Governments and central banks for the economic recovery.

### **Results for the first nine months of 2021**

Reclassified data<sup>1</sup> - 1 January 2021/30 September 2021

- **Net interest and other banking income rose to 449,2 million Euro** (+39,6% compared to 321,7 million Euro at 30.09.2020), benefiting from both the improved performance of the Npl Segment and the dynamism of the Commercial and Corporate Banking Segment.
- **Operating costs come to 267,6 million Euro** (+16.6% on 30.09.2020) due to higher variable costs linked to the legal business of the Npl Segment, the entrance of Farbanca and the former Aigis Banca business unit into the scope of consolidation and ICT projects.
- The **net profit attributable to the Parent Company of 80,2 million Euro recorded double-digit growth (+53,2%)** compared to 52,3 million Euro in the same period of 2020. Excluding the PPA and the extraordinary gain of 24,2 million Euro from the sale of the property in Corso Venezia in Milan in 2020, the result was five times that of 2020.
- The **Cost of credit of 62,4 million Euro, of which 19,8 million Euro in the third quarter alone**. The figure for the last quarter includes additional provisions of a further 8,1 million Euro in the Npl portfolio due to the long-term effects of Covid-19 and 5 million Euro for concentration risk on positions in the Corporate Banking & Lending Area.
- **Solid liquidity position: approximately 1,8 billion Euro at 30 September 2021** in reserves and free assets that can be financed by the ECB (LCR above 1.500%)

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

- **CET1 up to 11,68%** (11,29% at 31 December 2020) with respect to an SREP requirement of 8,12%; TCR: 15,35% (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 nine months of 2021.

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

- **CET1: 16,24%** (15,47% at 31 December, 2020); TCR: 20,77% (19,87% at 31 December 2020). These results are calculated without including the profits generated by the Banking Group during the first nine months of 2021.

<sup>1</sup> 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.

<sup>2</sup> Consolidated own funds, risk-weighted assets and solvency ratios at 30 September 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), 4 November 2021 – The Board of Directors of Banca Ifis, chaired by the Deputy Chairman, Ernesto Fürstenberg Fassio, today approved the results for the first nine months of 2021.

“The results of the first nine months confirm the Bank's ability to effectively cover specific businesses and to seize the opportunities offered by the greatly recovered market - explains **Frederik Geertman, CEO of Banca Ifis** -. The net profit for the period attributable to the Parent Company of 80,2 million Euro exceeded our expectations; the result, calculated net of the PPA and extraordinary gains related to the sale of the Milan property, is 25% higher than in the same period of 2019 and approximately 5 times higher than in 2020.

Industrial revenues for the period recorded double-digit growth, up to 449,2 million Euro, supported by the new mix of the commercial portfolio and the excellent performance of the Npl Segment. **Revenues, net of the PPA (amounting to 21,5 million Euro), reached an all-time high.**

The positive trend in these results has prompted us to revise the guidance for 2021 upwards and to **estimate net banking income between 570 and 590 million Euro and an operating profit between 90 and 100 million Euro**. All this was done in the assumption of gradual improvement in the scenario, no macroeconomic or pandemic-related shocks and continued support from Governments and central banks for the economic recovery.

More specifically, the **Commercial & Corporate Banking Segment demonstrated its ability to rapidly adapt its offering to market needs, thanks to a combination of the commercial strategy and operational and technological efficiency**. Although in 2020 we were able to seize the commercial opportunities linked to the strong demand for state-guaranteed mortgages, in 2021 we quickly identified and satisfied the growing demand for factoring linked to ecobonuses and commercial recovery, through the provision of dedicated products and services.

**During the period, the process of digitalising and developing business services from an omni-channel perspective continued:** the "Ifis4business" platform for factoring customers is nearing completion and will be extended to all products in the portfolio by the first half of 2022. The migration of the former Aigis Banca business unit is scheduled for completion in November, and in the Leasing Area, the launch of a new digital sales portal for suppliers, sales people and customers that will make it possible to optimise the management of the commercial chain.

**Positive signs are also recorded by loans in moratorium where 74% of our customers have resumed regular payments.** The remaining receivables in arrears, amounting to 211 million Euro, consist mainly of lease receivables, with underlying vehicles and capital goods, and loans, mainly Government-backed.

During the first nine months of the year, **cash recoveries on Npl portfolios acquired reached an all-time high** and amounted to 252 million Euro, +38% compared to 183 million Euro in the first nine months of 2020, confirming the portfolio's resilience in the face of the crisis. **On 2 November we finalised our largest Npl acquisition**, taking over 2,8 billion Euro of impaired loans from Cerberus. The transaction enabled the Bank to meet its estimated 2021 Npl portfolio purchase target of around 3 billion Euro ahead of schedule and will provide a solid contribution to the Bank's profitability in the coming years.

CET1, calculated excluding the profit for the first nine months, stood at 11,68%, up from 11,29% at 31 December, 2020, confirming Banca Ifis' ability to finance business growth.

**Our Bank's recent membership of the Net-Zero Banking Alliance** further reinforces our commitment to building a more sustainable and inclusive future and will allow us to contribute actively to achieving the common goal of zero net emissions by 2050," **concludes Geertman.**

## Highlights

### RECLASSIFIED DATA <sup>1</sup>

The Banca Ifis Group's consolidated income statement at 30 September 2021 reported a profit attributable to the Parent Company of 80,2 million Euro.

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

### Net interest and other banking income<sup>1</sup>

Net interest and other banking income totalled 449,2 million Euro, up 39,6% from 321,7 million Euro at 30 September 2020. This increase of 127,5 million Euro was mainly related to: the improved general economic environment from which all the Group's businesses benefited, the contribution of 14,1 million Euro from Farbanca and approximately 3,1 million Euro from the former Aigis Banca business unit (not part of the Banca Ifis Group in the first nine months of 2020) and the positive change in other components of net banking income of 18,4 million Euro (from 5,4 million Euro at 30 September 2020 to 23,8 million Euro at 30 September 2021).

These positive effects primarily benefited net interest income, which increased by 39,0% from 260,8 million Euro at 30 September 2020 to 362,6 million Euro at 30 September 2021.

Net commissions amounted to 62,9 million Euro, a slight increase compared to the figure at 30 September 2020, which was 55,5 million Euro (+13,3%): this performance was driven by a greater contribution from commission income connected to activities in the Structured Finance division.

The other components of net banking income are made up primarily as follows:

- 6,9 million Euro the net positive result of other financial assets and liabilities measured at fair value through profit or loss (up 16,3 million Euro on the negative 9,4 million Euro at 30 September 2020), which includes the net positive change to the fair value of capital instruments and units of UCITS funds;
- 10,3 million Euro in net gains on the disposal or repurchase of financial assets and liabilities, down compared to net gains of 13,5 million Euro at 30 September 2020, where the higher proceeds from the disposal of assets (10,4 million Euro in the first nine months of 2021 compared to 6,1 million Euro at 30 September 2020) only partially offset the substantial elimination in 2021 of gains on the repurchase of own liabilities;
- 6,8 million Euro for dividends generated by shares held in the Group-owned portfolio, a significant increase on the 2,9 million Euro in the first nine months of 2020.

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

Net credit risk adjustments totalled 62,4 million Euro at 30 September 2021, compared to net losses of 47,9 million Euro at 30 September 2020. The figure for the first nine months of 2021 includes adjustments of 17,0 million Euro relative to the Npl Segment, recorded following a detailed analysis, currently approaching completion, 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 totalled 267.6 million Euro, marking an increase of +16.6% compared to 229.4 million Euro at 30 September 2020.

Below are the item's main components:

- personnel expenses rose by 16,1% to 103,7 million Euro (89,3 million Euro for the period ended 30 September 2020). The increase in this item is due to higher allocations for variable remuneration of approximately 7,5 million Euro compared to 2020 - a year that was affected by prudential policies related to the uncertainty of the pandemic - and to the entry into the Banca Ifis Group of Farbanca and the former Aigis Banca business

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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unit for approximately 3,7 million Euro. The number of Group employees at 30 September 2021 was 1.853 as compared with 1.736 staff at 30 September 2020, mainly due to the entrances connected with Farbanca and the former Aigis Banca BU;

- other administrative expenses, at 30 September 2021, amounted to 161,7 million Euro, an increase of 31,5% on 30 September 2020. The increase is attributable to higher costs for professional services and expenses for the purchase of goods and other 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 provisions for risks and charges amounted to 9,4 million Euro, down 55,3% compared to 20,9 million Euro at 30 September 2020, which included provisions of 6,9 million Euro relating to the Solidarity Fund and prudential allocations to commitments to disburse funds and guarantees for a total of 7,2 million Euro mainly related to the unique macroeconomic context of 2020;
- other net operating income amounted to 21,4 million Euro, up 26,8% compared to the same period of the previous year (16,9 million at 30 September 2020). The item referred mainly to revenue from the recovery of expenses charged to third parties. The relevant cost component is included in other administrative expenses, namely under legal expenses and indirect taxes, as well as recoveries of expenses associated with leasing operations. The change is mainly due 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 September 2021, net profit pertaining to the Parent Company came to 80.2 million Euro, up 52.2% compared to 52.3 million Euro in the same period of 2020, which benefitted from an extraordinary capital gain of 24.2 million Euro and the related tax effect due to the sale of the Milan property in Corso Venezia).

The Group's net profit for the period to 30 September 2021, including profit attributable to minority interests of 1.4 million Euro, was up 55.5% to 81.6 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 September 2021.

Net profit of the **Commercial & Corporate Banking Segment** comes to 47,2 million Euro, up 37,4% on 30 September 2020. This change is driven by the growth of net banking income for 53.5 million Euro, while value adjustments for the credit risk come to 32 million Euro, are higher than in the first nine months of last year, by 1.8 million Euro. Operating costs rose by a total of 27,8 million Euro on the figure recorded in the same period of 2020. In detail:

- in the first nine months of 2021, the contribution made by the Factoring Area to net banking income booked by the Commercial & Corporate Banking Segment came to 108.7 million, up 5.8 million Euro on the same period of last year;
- net banking income of the Leasing Area is 43.2 million Euro, up 6.8 million Euro (+18.6%) on 30 September 2020; this result is due for 5.4 million Euro to lesser interest expense following a review of internal transfer rates and for 1.4 million Euro to greater commission income in the financial leasing segment;
- net banking income of the Corporate Banking & Lending Area, which came to 61,1 million Euro at 30 September 2021, rose by 40,9 million Euro on the first nine months of last year, with an increase in the interest margin of 23,7 million Euro, in the commission component for 6 million Euro and in other components of net banking income for 11,2 million Euro.

Net profit for the period of the **Npl Segment** is 32.1 million Euro, a significant rise of 151.4% on the 12.8 million Euro booked for the same period of last year thanks to the recovery of all business activities.

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The net banking income of the Segment<sup>1</sup> amounted to 184.3 million Euro (+57.9%) as compared with 116.7 million Euro at 30 September 2020. The net profit from financial activities of the NPL segment therefore amounted to 167.3 million Euro, an increase of 43.3% compared to 116.7 million Euro at 30 September 2020. A major achievement resulting from the improvement in the economic-health situation in 2021 compared to 2020, when the pandemic led to the closure of the courts and the consequent stalling of judicial and third-party recovery activities.

"Interest income from amortised cost", referring to the interest accruing at the original effective interest rate, amounted to 111.6 million Euro at 30 September 2021, marking an increase of 7.5% compared to 103.8 million Euro in the same period of 2020, due mainly to the increase in receivables at amortised cost.

The item "Other components of net interest income from changes in cash flow" stood at 87.7 million Euro at 30 September 2020, compared to 27.8 million Euro at 30 September 2020, due to the changed pandemic context. This item includes:

- out-of-court settlements of 41,4 million Euro, consisting of 58,4 million Euro in connection with recovery plans, offset in part by negative changes of 17 million Euro in connection with the valuation of statistical curves;
- legal management for 46,3 million Euro, where the contribution of actions for injunction, attachment and ODA is 43,2 million Euro while that of the secured and corporate pool is 3,1 million Euro.

The Segment presents "Net adjustments for credit risk" of 17,0 million Euro; these adjustments refer to the write-down of receivables following a detailed analysis, now in its closing stages, carried out also in response to the Covid-19 pandemic, in terms of greater collection times, mainly on higher vintage positions.

In line with debt collection activities, operating costs rise by 20,3%, going from 100 million Euro at 30 September 2020, to 120,3 million Euro at 30 September 2021. This increase is essentially due to the variable costs linked to debt collection.

At 30 September 2021, the **Governance & Services and Non-Core Segment** recorded a profit of 2,2 million Euro as compared with the profit of 5.3 million Euro of 30 September 2020, which benefited from the capital gain, gross of taxes, of 24.2 million Euro deriving from the sale of the property in Corso Venezia, Milan.

The segment's net banking income amounted to 51,9 million Euro, up 6,5 million Euro compared to the same period of the previous year: this variation is linked to the increase in net banking income of the Governance & Services portfolio of 9.4 million Euro, partially offset by a decline in the Non-Core portfolio in run-off for 2.9 million Euro.

Operating costs come to 35,1 million Euro, down 9,9 million Euro on 30 September 2020. The change is mainly due to non-recurring effects that affected the two periods under comparison. In particular, the first nine months of 2021 include 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 nine months of 2020 included 6.9 million Euro related to the allocation made to the employee solidarity fund.

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

### **Receivables due from customers measured at amortised cost**

Total receivables due from customers measured at amortised cost amounted to 9.751,4 million Euro, up 6,7% on 31 December 2020 (9.135,4 million Euro). The item includes debt securities for 1,9 billion Euro (1,3 billion Euro at 31 December 2020), of which government securities for 1,6 million Euro.

The contribution of the Commercial & Corporate Banking Segment is essentially in line with the balance of the same period of last year. The growth in the Corporate Banking & Lending business area (+23,8%) and the substantial stability of the Leasing and Npl Segments were offset by a decrease in the Factoring area (-10,2%). An increase is also recorded of 524,1 million Euro in exposures of the Governance & Services and Non-Core Segment, mainly due to the purchase of debt securities during the first nine months of 2021.

### **Funding**

During the first nine months of 2021, the Group continued its strategy of differentiating between distribution channels, in order to ensure a better balance between retail funding and wholesale funding. The Group boasts liquidity above the requirements: Solid liquidity position: approximately 1,8 billion Euro at 30 September 2021 in reserves and free assets that can be financed by the ECB (LCR above 1.500%)

Total funding amounted to 10.535,3 million Euro at 30 September 2021 (+6,3% compared to 31 December 2020) and is represented for 54,4% by payables due to customers (compared to 55,2% at 31 December 2020), for 23,9% by payables due to banks (23,9% also at 31 December 2020), and for 21,7% by debt securities issued (20,9% at 31 December 2020).

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

- 54,4% customers;
- 10,2% debt securities;
- 11,6% ABSs;
- 19,3% TLTROs;
- 2,1% Repos;
- 2,4% other.

Amounts due to customers amounted to 5.729,9 million Euro at 30 September 2021, an increase of 4,7% compared to 31 December 2020 essentially linked to the contribution of current and deposit accounts referring to the former Aigis Banca business unit for 302,3 million Euro.

Payables due to banks amounted to 2.513,5 million Euro, up 6,2% compared to 31 December 2020, mainly due to new repurchase agreements.

Securities issued amounted to 2.291,8 million Euro at 30 September 2021, up on the 2.069,1 million Euro of 31 December 2020. This increase is mainly attributable to senior notes totalling 372,3 million Euro relating to the Emma securitisation (performing loans of the Pharma sector originated by Farbanca), which was restructured in June 2021, the effect of which was partially offset by the progressive repayment of the units of securities in connection with the ABCP Programme securitisation for 123,4 million Euro and the full repayment of approximately 62,7 million Euro of the bonds issued by the former Interbanca, which matured in March 2021.

### **Equity and ratios**

At 30 September 2021, Group consolidated Equity totalled 1.605,7 million Euro (1.550,0 million Euro at 31 December 2020). The main changes in consolidated equity are:

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- the positive change relative to the period result pertaining to the Parent company of 80,2 million Euro;
- the positive change in Equity attributable to non-controlling interests for 1,4 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 period;
- other net negative changes of 0,8 million Euro mainly related to actuarial gains and losses, changes in the foreign exchange reserve and changes in the fair value of financial instruments with an impact on comprehensive income.

**With prudential consolidation within La Scogliera, capital ratios** at 30 September 2021 amounted to a CET1 ratio of 11.68%<sup>4</sup> (compared with 11.29% at 31 December 2020), a TIER1 ratio of 12.28%<sup>4</sup> (11.86% at 31 December 2020) and a Total Capital ratio of 15.35%<sup>4</sup> (compared with 14.85% at 31 December 2020).

At 30 September 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 16,24%<sup>4</sup> (compared with 15,47% at 31 December 2020), a TIER1 ratio of 16,26%<sup>4</sup> (15,49% at 31 December 2020) and a Total Capital Ratio of 20,77%<sup>4</sup> (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 September 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](http://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 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

<sup>4</sup> Common Equity Tier 1, Tier 1 Capital, and Total Own Funds at 30 September 2021 do not include the profits generated by the Banking Group in the first nine months of 2021.

On 11 February 2021, 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 IFS 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 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 26 May 2021, record date 25 May 2021 and ex-dividend date (no. 23) 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.

### **Independence requirements of the Director Monica Regazzi verified**

On 13 May 2021, the Board of Directors verified the independence requirements, according to the criteria contained 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.

## **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 introduces 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 authorisation process, Fabio Lanza and Raffaele Zingone were appointed as Joint General Managers. As a result of the reorganisation, Alberto Staccione, who no longer holds the position of General Manager, will work within the company as Chief Lending Officer. In line with the remuneration policy adopted by the Banca Ifis Group, termination of the office of General Manager does not entail the payment of indemnities or other benefits.

## **Significant subsequent events**

### **Banca Ifis distributes the 2019 dividend of 1,10 Euro per share**

On 14 October, Banca Ifis started implementing the shareholders' resolution of 23 April 2020 on the distribution of a gross unit dividend for FY 2019 of 1,10 Euro per share. The amount was payable starting 20 October 2021 with record date on 19 October 2021 and ex-dividend date (no. 24) of 18 October 2021. Payment was made through the authorised financial intermediaries with which the shares are registered on the Monte Titoli System.

### **Banca Ifis is the first Italian challenger bank to join the Net-Zero Banking Alliance**

Banca Ifis is the first Italian challenger bank to join the Net-Zero Banking Alliance (NZBA), the initiative promoted by the United Nations aiming to speed up the sustainable transition of the international banking segment. The Net-Zero Banking Alliance requires participating banks to commit to bringing their loans and investment portfolios into line with the achievement of the zero net emissions goal by 2050, as per the targets set by the Paris Climate Agreement. Banca Ifis undertakes to: define its emissions-reducing objectives within 18 months of signing and report on them annually; define interim objectives to be achieved by 2030; prioritise the most significant areas of impact, namely high emissions intensity sectors; spread awareness of the progress as part of a transition strategy approved by the Board of Directors; and publish annual emissions values.

### **Banca Ifis closes a record acquisition: 2,8 billion Euro of Npls acquired from Cerberus**

Banca Ifis has completed the largest Npl acquisition ever in the Bank's history, reaching the estimated Npl portfolio purchase target for 2021 of around 3 billion Euro ahead of schedule. The Bank has signed an agreement with a company of the Cerberus Capital Management L.P. Group ("Cerberus") for the acquisition of a portfolio of non-performing loans with a face value of 2,8 billion Euro. The stock comprises 300.000 unsecured loans originated by Italian banks and financial institutions. The receivables, due from retail customers, mainly derive from consumer loan contracts (personal loans, special-purpose loans and car loans).

In terms of portfolio size, the transaction represents the most significant direct sale of Non-Performing Loans in 2021 in Italy, both in the primary and secondary markets.

**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

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	
	30.09.2021	31.12.2020	ABSOLUTE	%
Cash and cash equivalents	2.621	82	2.539	n.s.
Financial assets held for trading through profit or loss	6.289	20.870	(14.581)	(69,9)%
Financial assets mandatorily measured at fair value through profit or loss	150.656	136.978	13.678	10,0%
Financial assets measured at fair value through other comprehensive income	611.256	774.555	(163.299)	(21,1)%
Receivables due from banks measured at amortised cost	1.330.894	1.083.281	247.613	22,9%
Receivables due from customers measured at amortised cost	9.751.356	9.135.402	615.954	6,7%
Property, plant and equipment	117.988	115.149	2.839	2,5%
Intangible assets	60.755	60.970	(215)	(0,4)%
<i>Of which goodwill</i>	<i>38.791</i>	<i>38.798</i>	<i>(7)</i>	<i>(0,0)%</i>
Tax assets	335.109	381.431	(46.322)	(12,1)%
Other assets	402.518	317.478	85.040	26,8%
<b>Total assets</b>	<b>12.769.442</b>	<b>12.026.196</b>	<b>743.246</b>	<b>6,2%</b>

LIABILITIES AND EQUITY (in thousands of Euro)	AMOUNTS AT		CHANGE	
	30.09.2021	31.12.2020	ABSOLUTE	%
Payables due to banks measured at amortised cost	2.513.546	2.367.082	146.464	6,2%
Payables due to customers measured at amortised cost	5.729.912	5.471.874	258.038	4,7%
Debt securities issued measured at amortised cost	2.291.824	2.069.083	222.741	10,8%
Financial liabilities held for trading	4.617	18.551	(13.934)	(75,1)%
Tax liabilities	49.763	48.154	1.609	3,3%
Other liabilities	498.102	438.311	59.791	13,6%
Post-employment benefits	8.830	9.235	(405)	(4,4)%
Provisions for risks and charges	67.141	53.944	13.197	24,5%
Valuation reserves	(23.332)	(19.337)	(3.995)	20,7%
Reserves	1.367.272	1.320.871	46.401	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 (+/-)	27.641	26.270	1.371	5,2%
Profit (loss) for the period (+/-)	80.190	68.804	11.386	16,5%
<b>Total liabilities and equity</b>	<b>12.769.442</b>	<b>12.026.196</b>	<b>743.246</b>	<b>6,2%</b>

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Reclassified Consolidated Income Statement

ITEMS (in thousands of Euro)	PERIOD		CHANGE	
	30.09.2021	30.09.2020	ABSOLUTE	%
<b>Net interest income</b>	<b>362.614</b>	<b>260.801</b>	<b>101.813</b>	<b>39,0%</b>
<b>Net commission income</b>	<b>62.860</b>	<b>55.495</b>	<b>7.365</b>	<b>13,3%</b>
Other components of net banking income	23.757	5.407	18.350	339,4%
<b>Net banking income</b>	<b>449.231</b>	<b>321.703</b>	<b>127.528</b>	<b>39,6%</b>
Net credit risk losses/reversals	(62.439)	(47.856)	(14.583)	30,5%
<b>Net profit (loss) from financial activities</b>	<b>386.792</b>	<b>273.847</b>	<b>112.945</b>	<b>41,2%</b>
Administrative expenses:	(265.384)	(212.298)	(53.086)	25,0%
a) personnel expenses	(103.711)	(89.310)	(14.401)	16,1%
b) other administrative expenses	(161.673)	(122.988)	(38.685)	31,5%
Net allocations to provisions for risks and charges	(9.353)	(20.920)	11.567	(55,3)%
Net impairment losses/reversals on property, plant and equipment and intangible assets	(14.269)	(13.087)	(1.182)	9,0%
Other operating income/expenses	21.433	16.902	4.531	26,8%
<b>Operating costs</b>	<b>(267.572)</b>	<b>(229.403)</b>	<b>(38.169)</b>	<b>16,6%</b>
Gains (Losses) on disposal of investments	-	24.161	(24.161)	(100,0)%
<b>Pre-tax profit (loss) from continuing operations</b>	<b>119.220</b>	<b>68.605</b>	<b>50.615</b>	<b>73,8%</b>
Income taxes for the period relating to continuing operations	(37.662)	(16.143)	(21.519)	133,3%
<b>Profit (loss) for the period</b>	<b>81.558</b>	<b>52.462</b>	<b>29.096</b>	<b>55,5%</b>
Profit (loss) for the period attributable to non-controlling interests	1.368	116	1.252	n.s.
<b>Profit (loss) for the period attributable to the Parent Company</b>	<b>80.190</b>	<b>52.346</b>	<b>27.844</b>	<b>53,2%</b>

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Own funds and capital adequacy ratios

OWN FUNDS AND CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS AT	
	30.09.2021	31.12.2020
Common Equity Tier 1 Capital (CET1)	1.047.496	1.038.715
Tier 1 Capital (T1)	1.101.109	1.091.858
<b>Total Own Funds</b>	<b>1.376.305</b>	<b>1.366.421</b>
<b>Total RWAs</b>	<b>8.968.645</b>	<b>9.203.971</b>
Common Equity Tier 1 Ratio	11,68%	11,29%
Tier 1 Capital Ratio	12,28%	11,86%
<b>Ratio – Total Own Funds</b>	<b>15,35%</b>	<b>14,85%</b>

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

OWN FUNDS AND CAPITAL ADEQUACY RATIOS: BANCA IFIS BANKING GROUP SCOPE (in thousands of Euro)	AMOUNTS AT	
	30.09.2021	31.12.2020
Common Equity Tier 1 Capital (CET1)	1.452.817	1.422.796
Tier 1 Capital (T1)	1.454.589	1.424.610
<b>Total Own Funds</b>	<b>1.857.386</b>	<b>1.827.409</b>
<b>Total RWAs</b>	<b>8.944.569</b>	<b>9.194.733</b>
Common Equity Tier 1 Ratio	16,24%	15,47%
Tier 1 Capital Ratio	16,26%	15,49%
<b>Ratio – Total Own Funds</b>	<b>20,77%</b>	<b>19,87%</b>

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

