

Public disclosure

As at 30 June 2021

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Introduction

Document Objectives

As of 1 January 2014, reforms of the Basel Committee ('Basel III') agreements were transposed into European Union law to strengthen the banks' ability to absorb shocks resulting from financial and economic tensions, regardless of their origin, to improve risk management and governance, and to strengthen transparency and disclosure. The Basel Committee has maintained the three-pillar approach on which the previous agreement on capital ('Basel 2') was based. It integrated and strengthened it in order to increase, in qualitative and quantitative terms, the capital position of intermediaries by introducing countercyclical supervisory instruments, regulations on liquidity risk management and leverage limits.

In particular, the Third Pillar (hereinafter also "Pillar 3") is based on the assumption that the Market Discipline may contribute to strengthen capital regulations and therefore promote the stability and soundness of banks and the financial sector.

Therefore, the purpose of Pillar 3 is to combine the minimum capital requirements (Pillar 1) and the process of prudential monitoring (Pillar 2) through the identification of a set of disclosure transparency requirements which allow the market operators to be provided with relevant, comprehensive and reliable information about capital adequacy, exposure to risks and general characteristics of the systems intended to identify, measure and manage said risks.

Within the European Union, "Basel 3" measures have been transposed into two legislative acts:

- Directive 2013/36/EU of 26 June 2013 (hereinafter "CRD IV") implemented by the Bank of Italy following the issue of Circular no. 285 of 17 December 2013 "Supervisory provisions for banks". These EU provisions govern, inter alia, the conditions for accessing banking activities, the freedom of establishment and the freedom to provide services, the supervisory review and additional capital buffers;
- (EU) Regulation no. 575/2013 of 26 June 2013 (hereinafter "CRR") which governs the prudential supervisory institutions set by Pillar 1 and the rules on public disclosure (Pillar 3).

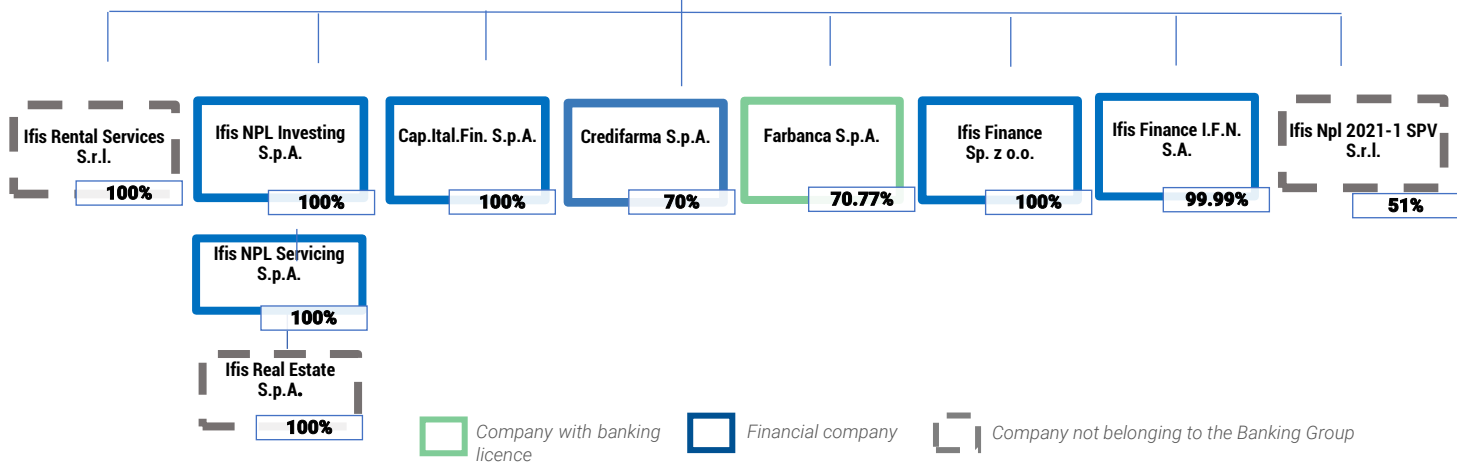
More specifically, that public disclosure was drafted considering the following regulations:

- Regulation EU 2019/876 – art. 433 quater establishing, for the "other bodies" (not included in articles 433bis and ter), half-yearly production of the main metrics established by art 447, by using the EU KM1 form pursuant to annex I of Regulation 637/2021 of 15 March 2021;
- EBA/GL/2020/07 - Guidelines on reporting and disclosure concerning exposures subjected to measures applied in response to the Covid-19 crisis, by publishing the information set forth in Annex 3 – "Disclosure models for information on exposures subject to legislative and non-legislative moratoriums and on new exposures subject to public guarantee schemes".

The Banca Ifis Banking Group

As at 30 June 2021 the Banca Ifis Banking Group, controlled by La Scogliera SpA, consisted in the Parent Company Banca Ifis SpA and the subsidiaries, Ifis NPL Investing S.p.A, Ifis NPL Servicing S.p.A., Cap. Ital.Fin. S.p.A., Credifarma S.p.A., Farbanca S.p.A., Ifis Finance Sp. z o.o., Ifis Finance I.F.N. S.A. and Ifis Npl 2021-1 SPV S.r.l. (securitisation vehicle of which the majority of shares had been acquired at end June 2021).

The Banca Ifis Group, at the reporting date of 30/06/2021 was composed as follows:



1. Information on the main metrics (EU KM1 Form Regulation 637/2021)

Here below please find the information in table form established by art. 447 of Regulation 876/2019 and incorporated in the EU KM1 Form of Regulation 637/2021. When first applied, figures related to the half year of reference are the only ones required.

In compliance with art. 19 of the CRR, the consolidated asset requirements are calculated including the Holding of the banking Group, not consolidated in equity, in the prudential consolidation.

Form KM1
(in thousands of Euro)

		30/06/2021
Own funds available (amounts)		
1	Common equity Tier 1 Capital (CET1)	1,066,061
2	Tier 1 capital	1,124,166
3	Total capital	1,405,366
Exposure amounts weighted for the risk		
4	Total as a percentage of the total risk exposure amount	9,319,520
Capital ratios (as a percentage of the weighted risk exposure amount)		
5	Common equity Tier 1 ratio (%)	11.44%
6	Tier 1 capital ratio (%)	12.06%
7	Total capital ratio (in %)	15.08%
Additional own fund requirements to meet risks other than the excessive financial leverage risk (as a percentage of the weighted risk exposure amount)		
EU 7a	Additional own fund requirements to meet risks other than the excessive financial leverage risk (in %)	2.00%
EU 7b	Of which CET1 capital (percentages)	1.12%
EU 7c	Of which Tier 1 capital (percentages)	1.50%
EU 7d	Total own fund SREP requirements (%)	10%
Combined reserve requirement and total asset requirements (as a percentage of the weighted exposure for risk amount)		
8	Capital conservation reserve (%)	2.50%
EU 8a	Conservation reserve due to the macro-prudential or systemic risk identified at a member State level (%)	-
9	Institution's specific countercyclical capital reserve (%)	-
EU 9a	Capital reserve to meet the systemic risk (%)	-
10	Reserve of the institutions of systemic relevance at global level (%)	-
EU 10a	Reserve of other systemic relevance institutions (%)	-
11	Combined capital reserve requirement (%)	2.50%
EU 11a	Total capital requirements (%)	12.50%

12	CET1 available after satisfying total SREP own fund requirements (%)	308,876
	Leverage ratio	
13	Total exposure measure	12,873,655
14	Leverage ratio (%)	8.73% ¹
EU 14a	Additional own fund requirements to meet the excessive financial leverage risk (in %)	-
EU 14b	of which CET1 capital (percentages)	-
EU 14c	Total SREP financial leverage requirements (%)	3.18%
	Financial leverage reserve and total financial leverage requirement (as a percentage of the total exposure measure)	
EU 14d	Financial leverage reserve requirement (%)	0%
EU 14e	Total financial leverage ratio requirement (%)	3.18%
	Liquidity coverage ratio	
15	Total of high quality liquid assets (HQLA) (weighted value - medium)	1,907,936
EU 16a	Cash outflows - Total weighted value	446,792
EU 16b	Cash outflows - Total weighted value	784,192
16	Total net cash outflows (correct value)	111,698
17	Liquidity coverage ratio (%)	1708.12%
	Stable net financing ratio	
18	Total stable financing available	10,943,045
19	Total stable financing requested	7,917,821
20	NSFR ratio (%)	138.206%

¹ The ratio is calculated considering transitory dispositions IFRS9/Reg. 876/2019.

2. Disclosure on exposures subject to measures applied in response to the Covid-19 crisis (EBA Guidelines GL / 2020/07)

Quantitative disclosure

With a communication dated 30 June 2020, the Bank of Italy implemented the EBA Guidelines relating to the reporting and disclosure obligations to the public on the exposures subject to measures applied in the light of the Covid-19 crisis (EBA / GL / 2020/07) . The objective of the guidelines is to monitor, at a European level and in a harmonized way, the moratoriums granted to support customers in response to the crisis triggered by Covid-19 as well as to provide an adequate and appropriate understanding of the risk profile of supervised entities, in consistency with the information relating to the consolidated Finrep report. To this end, institutions are required to publish information on:

- exposures subject to legislative and non-legislative moratoriums applied in light of the Covid-19 crisis (EBA / GL / 2020/02);
- exposures subject to forbearance measures applied following the Covid-19 crisis;
- new exposures subject to public guarantee schemes introduced in the Member States.

Quantitative disclosure

Below are the three tables provided for in Annex 3 EBA/GL/ 2020/07.

Information on loans and advances subject to legislative and non-legislative moratoriums
(in thousands of Euro)

	a	b	c	d	e	f	g	
Gross book value								
	In bonis			Non-performing				
		Of which: exposures subject to forbearance measures	Of which: instruments with a significant increase in credit risk after initial recognition but which are not non-performing (Phase 2)		Of which: exposures subject to forbearance measures	Of which: probable defaults that have not expired or which have not been past due for more than 90 days		
1	Loans and advances subject to a moratorium	159,258	156,646	2,216	3,070	2,612	885	1,565
2	of which: to families	23,811	23,768	1,036	1,084	43	0	43
3	of which: secured by residential real estate as collateral	8,848	8,806	1,000	1,000	43	0	43
4	of which: to non-financial companies	134,632	132,063	1,179	1,987	2,569	885	1,522

5	<i>of which: to small and medium-sized enterprises</i>	117,508	115,795	1,106	1,874	1,713	339	963
6	<i>of which: secured by non-residential real estate as collateral</i>	36,497	36,200	0	0	297	297	0

		h	i	j		k	l	m		n	o	
		Accumulated impairment, accumulated negative changes in fair value due to credit risk										Gross book value
		In bonis					Non-performing					Inflows in the non-performing exposures
			Of which: exposures subject to forbearance measures	Of which: instruments with a significant increase in credit risk after initial recognition but which are not non-performing (Phase 2)		Of which: exposures subject to forbearance measures	Of which: probable defaults that have not expired or which have not been past due for more than 90 days					
1	Loans and advances subject to a moratorium	-1,199	-808	-75	-98	-391	-92	-260			363	
2	<i>of which: to families</i>	-161	-161	-46	-48	0	0	0			0	
3	<i>of which: secured by residential real estate as collateral</i>	-79	-79	-43	-43	0	0	0			0	
4	<i>of which: to non-financial companies</i>	-1,031	-640	-29	-50	-391	-92	-260			363	
5	<i>of which: to small and medium-sized enterprises</i>	-844	-546	-27	-45	-298	-45	-168			363	
6	<i>of which: secured by non-residential real estate as collateral</i>	-173	-173	0	0	0	0	0			0	

Breakdown of advance loans subject to legislative and non-legislative moratoriums by residual duration of the moratoriums
(in thousands of Euro)

	a	b	c	d	e	f	g	h	i
	Number of debtors	Gross book value							
		Of which: legislative moratoriums	Of which: expired	Remaining duration of the moratoriums					
				<=3months	>3months <=6months	>6months <=9months	>9months <=12months	>1year	
1	Loans and advances for which a moratorium has been offered	10,348	792,933						
2	Loans and advances subject to moratorium (granted)	10,323	792,689	777,211	633,431	22,162	95,998	41,098	
3	of which: to families			102,592	79,314	675	21,757	1,378	
4	of which: secured by residential real estate as collateral			13,810	4,962	51	8,797	0	
5	of which: to non-financial companies			670,844	551,157	20,672	74,241	39,719	
6	of which: to small and medium-sized enterprises			530,229	420,843	18,230	61,968	37,310	
7	of which: secured by non-residential real estate as collateral			71,298	38,251	105	34,766	1,626	

Information on new loans and advances subject to newly applied public guarantee schemes introduced in response to the Covid-19 crisis

		a	b	c	d
		Gross book value	Maximum amount of the guarantee that can be considered		Gross book value
			of which: subject to forbearance measures	Public guarantees received	Inflows in the non-performing exposures
1	New loans and advances subject to public guarantee schemes	481,687	323	288,121	722
2	of which: to families	9,078			0
3	of which: secured by residential real estate as collateral	0			0
4	of which: to non-financial companies	472,464	323	280,603	722
5	of which: to small and medium-sized enterprises	358,355			429
6	of which: secured by non-residential real estate as collateral	0			0

3. Declaration by the Manager charged with preparing the Company's financial reports

The undersigned, Mariacristina Taormina, pursuant to Article 154 bis, Paragraph 2 of Italy's 'Consolidated Law on Financial Intermediation', the Corporate Chief Financial Officer of Banca Ifis SpA, declares that the accounting information contained in this 'Public Disclosure at 30 June 2021" corresponds to the company's accounting records, books and entries.

Venice, 23 September 2021

The Manager charged with preparing
the Company's financial reports

Mariacristina Taormina