Public disclosure

As at 30th June 2022

Index

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).

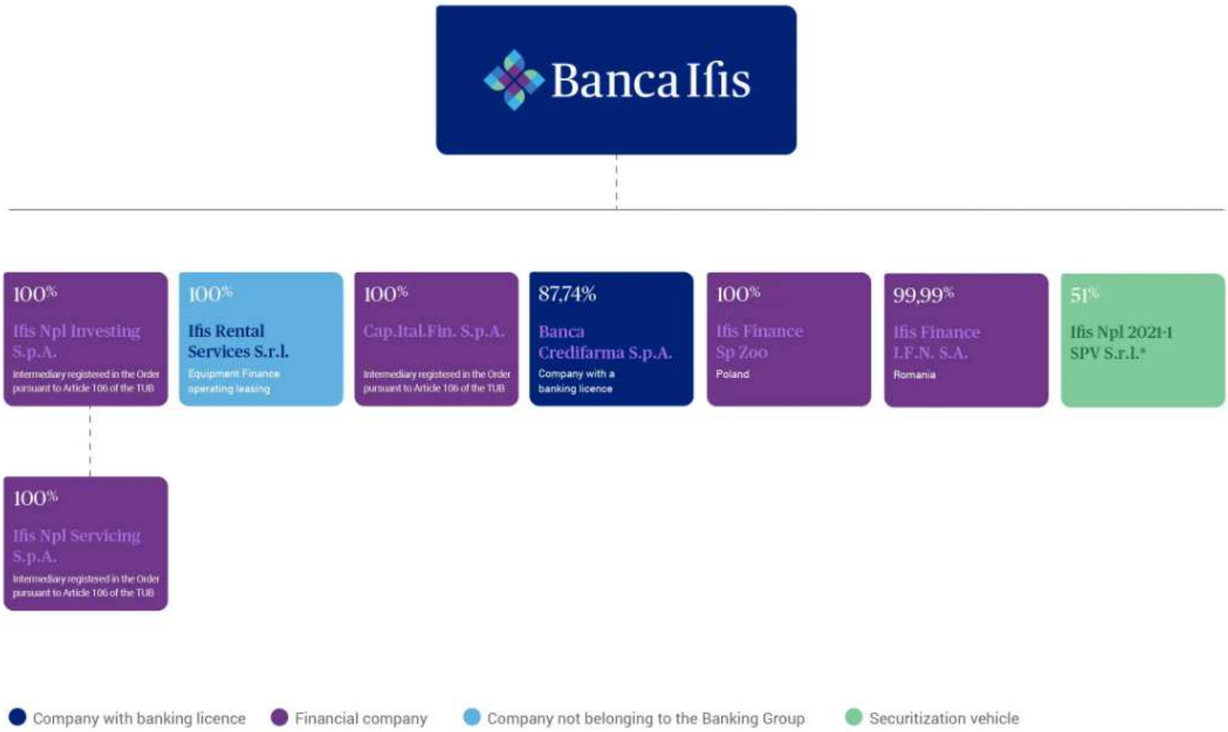
More specifically, that public disclosure was drafted considering the following regulations:

- 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 2022 the Banca Ifis Banking Group consisted in the Parent Company Banca Ifis SpA and the subsidiaries, Ifis Rental Services S.r.l., Ifis Npl Investing S.p.A, Ifis Npl Servicing S.p.A., Cap. Ital.Fin. S.p.A., Banca Credifarma 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.

The Banca Ifis Group, at the reporting date of 30/06/2022 was composed as follows:



* SPV set up in accordance with Law no. 130 of 1999 for the purposes of securing a loan

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.

The Board of Directors of the Holding Company of the "La Scogliera" Banking Group, which met in an extraordinary meeting on 27th December 2021, resolved to approve the transfer of the registered office outside the European Union (Switzerland with Lausanne office) and the related change of name to La Scogliera SA with the secondary office remaining in Italy. On the basis of the changes made at corporate level recorded early 2022, the consolidated capital requirements were calculated for the dates of 30th June 2022 and 31st December 2021 without the inclusion of La Scogliera Holding.

Related to the comparative data on the 30th June 2021 of Available own funds and Capital ratios, they are referred at the consolidates prudential perimeter actually in force on that date. For sake of clarity, the same data computed using the consolidate prudential perimeter on the 30th June 2022, would be (in millions):

- Common equity Tier 1 Capital (CET1): 1.442;
- Tier 1 capital: 1.444;
- Total capital: 1.846;
- Common equity Tier 1 ratio (%): 15,51%;
- Tier 1 capital ratio (%): 15,53%;
- Total capital ratio (in %): 19,86%.

(IN MILLIONS OF EURO)		30/06/2022	31/12/2021	30/06/2021
Available own funds (amounts)				
1	Common equity Tier 1 Capital (CET1)	1.471	1.487	1.066
2	Tier 1 capital	1.472	1.489	1.124
3	Total capital	1.873	1.891	1.405
Risk-weighted exposure amounts				
4	Total exposure amounts for the risk	9.858	9.633	9320
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common equity Tier 1 ratio (%)	14,92%	15,44%	11,44%
6	Tier 1 capital ratio (%)	14,93%	15,45%	12,06%
7	Total capital ratio (in %)	19,00%	19,63%	15,08%

(IN MILLIONS OF EURO)		30/06/2022	31/12/2021	30/06/2021
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1,65%	2,00%	2,00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0,90%	1,12%	1,12%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1,25%	1,50%	1,50%
EU 7d	Total SREP own funds requirements (%)	9,65%	10,00%	10,00%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation reserve (%)	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)			-
9	Institution specific countercyclical capital buffer (%)	0,00%	0,00%	-
EU 9a	Systemic risk buffer (%)			-
10	Global Systemically Important Institution buffer (%)			-
EU 10a	Other Systemically Important Institution buffer (%)			-
11	Combined buffer requirement (%)	2,50%	2,50%	2,50%
EU 11a	Overall capital requirements (%)	12,15%	12,50%	12,50%
12	CET1 available after meeting the total SREP own funds requirements (%)	6,27%	7,32%[1]	3,31%[1]
Leverage ratio				
13	Total exposure measure	13.369	13.367	12.874
14	Leverage ratio (%)	11,01%	11,14%	8,73%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	3,18%	3,18%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	0,00%	0,00%	0,00%

[1] Numbers shown as percentage following the revision of Eba's mapping tool.

(IN MILLIONS OF EURO)		30/06/2022	31/12/2021	30/06/2021
EU 14e	Overall leverage ratio requirement (%)	3,00%	3,18%	3,18%
Liquidity coverage ratio (LCR)				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	1.007	1.032	1.908
EU 16a	Cash outflows - Total weighted value	392	415	447
EU 16b	Cash inflows - Total weighted value	751	728	784
16	Total net cash outflows (correct value)	98	104	112
17	Liquidity coverage ratio (%)	1027,82%	995,62%	1708,12%
Net Stable Funding Ratio (NSFR)				
18	Total available stable funding	11.214	10.902	10.943
19	Total required stable funding	8.079	8.092	7.918
20	NSFR ratio (%)	138,80%	134,73%	138,21%

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 application of these guideline on the present document is still required, as consequence of the Statement "EBA confirms the continued application of COVID-19 related reporting and disclosure requirements until further notice", issued by the European Banking Authority (EBA) on the date of 17th January 2022. 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.

Table 1: Disclosure on loans and advances subject to a moratorium (legislative and not legislative)

In the table here below is shown an overview of the credit quality of loans and advances subject to a moratorium on the loan's capital as consequence of the Covid-19 crisis (EBA/GL/2020/07, EBA/GL/2020/02). Here are shown only the expositions subject to a moratorium still alive, as for the EBA guidelines, so excluding the expired ones for which the waiting period of the payment is not valid anymore.

		Gross book value						
			In bonis			Deteriorate		
	(IN MILLIONS OF EURO)			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	0,3757	0,3757	-	-	-	-	-
2	of which: to families	-	-	-	-	-	-	-
3	*of which: secured by residential real estate as collateral*	-	-	-	-	-	-	-
4	of which: to non-financial companies	0,3757	0,3757	-	-	-	-	-

(IN MILLIONS OF EURO)		Gross book value						
			In bonis			Deteriorate		
				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
5	*of which: to small and medium-sized enterprises*	*0,3757*	*0,3757*	-	-	-	-	-
6	*of which: secured by non-residential real estate as collateral*	-	-	-	-	-	-	-

(DATI IN MILIONI DI EURO)		Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross book value
			In bonis			Deteriorate			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	(0,0063)	(0,0063)	-	-	-	-	-	-
2	of which: to families	-	-	-	-	-	-	-	-
3	*of which: secured by residential real estate as collateral*	-	-	-	-	-	-	-	-
4	of which: to non-financial companies	(0,0063)	(0,0063)	-	-	-	-	-	-
5	*of which: to small and medium-sized enterprises*	*(0,0063)*	*(0,0063)*	-	-	-	-	-	-
6	*of which: secured by non-residential real estate as collateral*	-	-	-	-	-	-	-	-

Table 2: Breakdown of advance loans subject to legislative and non-legislative moratoriums by residual duration of the moratoriums

In the table below is shown a breakdown of the exposures subject to a moratorium during their own life, as per EBA guidelines EBA/GL/2020/02. Here are also included the positions where the standstill period of the payments is not anymore valid or the ones that have lost the characteristics required by the EBA guidelines.

(IN MILLIONS OF EURO)		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	8.854	568							
2	Loans and advances subject to moratorium (granted)	8.849	564	560	564	0	0	0	0	0
3	of which: to families		75	74	75	0	0	0	0	0
4	*of which: secured by residential real estate as collateral*		*11*	*11*	*11*	*0*	*0*	*0*	*0*	*0*
5	of which: to non-financial companies		486	482	486	0	0	0	0	0
6	*of which: to small and medium-sized enterprises*		*396*	*393*	*395*	*0*	*0*	*0*	*0*	*0*
7	*of which: secured by non-residential real estate as collateral*		*63*	*61*	*63*	*0*	*0*	*0*	*0*	*0*

Table 3: Information on new loans and advances subject to newly applied public guarantee schemes introduced in response to the Covid-19 crisis

The table below shows an overview of the stock of new loans subject to public guarantee schemes introduces in order to help companies to face the Covid-19 crisis.

		Gross book value		Maximum amount of the guarantee that can be considered	Gross book value
	(IN MILLIONS OF EURO)		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**	494	1	420	10
2	of which: to families	12			0
3	*of which: secured by residential real estate as collateral*	*0*			*0*
4	of which: to non-financial companies	481	1	410	10
5	*of which: to small and medium-sized enterprises*	*401*			*10*
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 S.p.A., declares that the accounting information contained in this 'Public Disclosure at 30th June 2022" corresponds to the company's accounting records, books and entries.

Venice, 22 September 2022

The Manager charged with preparing
the Company's financial reports

Mariacristina Taormina

This report has been translated into the English language solely for the convenience of international readers.