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## PILLAR 3

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# Pillar 3 Disclosures Situation at 30.06.2022

*This Document has been translated from that issued in Italy, from the Italian into the English language, solely for the convenience of international readers. The Italian version remains the definitive version.*



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## FOREWORD

The new prudential supervisory provisions applicable to banks and banking groups came into force in EU law on 1 January 2014. They were drafted as part of the Basel Committee agreements (“Basel 3”) and designed to strengthen banks’ capacity to absorb shocks caused by financial and economic stresses, regardless of their origin, improve risk management and governance, and reinforce banks’ transparency and reporting.

In line with the previous framework, the new regulatory scheme requires that intermediaries publish a **Public Disclosure or Pillar 3** aimed at combining minimum capital requirements (Pillar 1) and the prudential control process (Pillar 2), by identifying information transparency requirements that permit the market operators to have access to full, relevant and reliable information about:

- > capital adequacy;
- > risk exposure; and
- > general characteristics of systems intended to identify, measure and manage such risks.

Within the new framework, this pillar has been revised to introduce, amongst other things, transparency requirements regarding the composition of capital for regulatory purposes and the methods used by the Parent Company to calculate capital ratios, securitisation exposures, assets pledged and the new leverage ratio.

Bank of Italy’s Circular 285 “Supervisory Provisions for Banks” of 17 December 2013, as further amended, which covers this subject in Chapter 13, Part Two, thus does not establish specific rules for drafting and publishing Pillar 3, but merely reproduces the list of provisions laid down on the matter in the Regulation EU 575/2013 (CRR – Capital Requirements Regulation).

The subject is therefore governed directly by:

- > the CRR itself, Part 8 “Disclosure by institutions” (Articles 431 – 455), and Part 10, Title I, Chapter 3 “Phase-in provisions for disclosure of own funds” (Article 492);
- > the Regulations of the European Commission entrusted to the EBA (European Banking Authority), laying down the regulatory technical standards and implementing technical standards for uniform models for publication of the various types of disclosures.

The following EBA guidelines were adopted with the 34th update to Circular 285, “Supervisory Provisions for Banks”, issued in September 2020:

- > the “EBA/GL/2014/14 Guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Articles 432(1), 432(2) and 433 of Regulation (EU) 575/2013” (CRR), governing the publication of confidential, proprietary and material information and information for which banks are asked to assess the need for publication more frequently than annually, as generally required;

- > “Guidelines on disclosure requirements under Part Eight of CRR (EBA/GL/2016/11, version 2), which envisage:

- a table-based reporting format aimed at increasing the comparability of the figures published by European banks on own funds and capital requirements, with regard to credit, market and counterparty risk;
- the submission of specific information on governance and the management body, with particular regard to: a) the number of positions held by members of the management body; b) the gender equality policy; and c) the risk reporting process;
- > the “EBA/GL/2017/01 Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of CRR”, aimed at specifying and harmonising the methods of disclosure of the liquidity coverage ratio (LCR);
- > the “EBA/GL/2018/01 Guidelines on uniform disclosures under Article 473-bis of CRR as regards phase-in arrangements for mitigating the impact of the introduction of IFRS 9 on own funds”;
- > the “EBA/GL/2018/10 Guidelines on disclosure of non-performing and forbore exposures”;
- > the “EBA/GL/2018/02”<sup>2</sup> Guidelines on the management of interest rate risk arising from non-trading book activities.

In addition:

- > the Bank of Italy, by its Communication of 30 June 2020, implemented the Guidelines of the European Banking Authority (EBA) on reporting (on a quarterly basis) and disclosure (on a half-year basis) of exposures subject to measures applied in response to the Covid-19 crisis (EBA/GL/2020/07), namely:
  - 1) loans subject to “moratoria” falling within the scope of application of the EBA guidelines on legislative and non-legislative moratoria on loan payments applied in light of the Covid-19 crisis (EBA/GL/2020/02);
  - 2) loans subject to Covid-19-related forbearance measures<sup>3</sup>;
  - 3) newly originated loans guaranteed by the Government or other Public Entity.
- > On 11 August 2020, EBA published the guidelines (EBA/GL/2020/12) amending EBA/GL/2018/01 Guidelines on uniform disclosures under Article 473-bis of Regulation (EU) 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR ‘quick fix’ in response to the Covid-19 pandemic.

It bears remarking that some of the additional disclosures required under the above Guidelines apply solely to larger banks, in accordance with the proportionality principle, with the exception of:

- > specific information on governance provided for in the Guidelines EBA/GL/2016/11 (version 2);

<sup>1</sup> These Guidelines have been superseded by Regulation No. 2021/637, which governs in a more integrated manner public disclosure obligations.

<sup>2</sup> See the previous note.

<sup>3</sup> The above information is required merely for reporting purposes.

- > quantitative information on LCR to be presented in a simplified template, including by less significant banks, as provided for in “Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) 575/2013.”

The Guidelines EBA/GL/2018/01 do not apply since Banca Generali has not applied phase-in provisions aimed at mitigating the impact of the introduction of IFRS 9 on own funds. Similarly, Guidelines EBA/GL/2020/12 do not apply for calculating own funds. Banca Generali has elected not to avail of the temporary measures envisaged in the CRR ‘quick fix’.

30 June 2021 saw the entry into force of the provisions of Regulation (EU) 876/2019 of 20 May 2019 amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements. Regulation (EU) 2021/637 aims to also align the Pillar 3 public disclosures that institutions are required to draw up, on the basis of the amendments introduced in the aforementioned cases.

The Regulation, inter alia:

- > introduced a new calibrated leverage ratio and G-SIIs leverage ratio buffer;
- > introduced new disclosure requirements for the net stable funding ratio;
- > amended the method for calculating own funds requirements for counterparty risk by introducing a Standardised Approach for Counterparty Credit Risk (SA-CCR), which is more risk sensitive, and with a Simplified SA-CCR for institutions that meet predefined eligibility criteria. In addition, Regulation (EU) 2019/876 revised the Original Exposure Method;
- > introduced a new disclosure requirement for performing, non-performing and forbore exposures, including the disclosure of information on collaterals and financial guarantees received;
- > amended certain disclosure requirements on remuneration.

On 15 March 2021, the European Commission endorsed EBA’s recommendations issuing Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.

On 10 November 2021, the EBA published the Final Report “Draft implementing technical standards amending Implementing Regulation (EU) 637/2021 on disclosure of information on exposures to interest rate risk on positions not held in the trading book in accordance with Article 448 of Regulation (EU) 575/2013”, which contains qualitative and quantitative standard models for the disclosure of information on interest rate risk on the banking book.

In January 2022, the European Banking Authority (EBA) published a proposal for implementing technical standards (ITSs) on third pillar disclosure of environmental, social and governance (ESG) risks.

In line with the requirements of Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms (CRR), as modified by Regulation (EU) 2019/876 (CRR II), the ITS project involves the publication of the following information on a half-yearly basis:

- > comparable quantitative information on the transition to climate change and physical risks, including information on exposures to activities related to carbon dioxide emissions and subject to climate-change risk;
- > quantitative information on the mitigation actions of entities in support of their counterparties in the transition to a carbon-neutral economy and adaptation to climate change;
- > KPIs on financing activities for the assets of environmentally sustainable institutions according to the EU taxonomy (GAR and BTAR), such as those consistent with the European Green Deal and the goal of the Paris Agreement;
- > qualitative information about how institutions are integrating ESG considerations into their governance, business models and risk management strategies.

The provisions on ESG risk disclosure apply with effect from 28 June 2022 for large entities that have issued securities admitted to trading on a regulated market of any Member State, as defined in Article 4(1)(21) of Directive 2014/65/EU.

Pursuant to Article 433-*quater*, the Banca Generali Group falls within the scope of other listed institutions and publishes, on a half-year basis, the Pillar 3 public disclosure, and in particular the key metrics provided in Article 447 and the tables contained in the aforementioned Guidelines EBA/GL/2020/07.

Disclosures are of a **qualitative and quantitative** nature, structured so as to provide as complete as possible an overview of the risks assumed, the characteristics of the pertinent governance and control systems and capital adequacy of the Banca Generali Group.

The Group does not use internal models to calculate capital requirements for Pillar I risks and the disclosures set out in Articles 438(e) and (h), 439(l) and (j), 452, 453 and 455 therefore are not provided.

Since the Group is not classified as a “G-SII” the disclosure under Article 441 is not provided.

The Pillar 3 public disclosures are drafted at the **consolidated level** by the Banking Parent Company.

Unless otherwise specified, all amounts are in thousands of euros.

Compliance with public disclosure obligations is an essential condition for the Banca Generali Group to be eligible, for prudential purposes, for the effects of credit risk mitigation (CRM) techniques.

Given the public significance of Pillar 3, the document is submitted to the competent Corporate Boards for approval under the responsibility of the manager in charge of preparing the Company’s financial reports. In accordance with Article 154-*bis* of Legislative Decree 58/98 (TUF), the document is therefore submitted for the relative attestation.

In order to ensure compliance with disclosure requirements, the Banca Generali Group has adopted organisational measures suitable to ensuring the fulfilment of disclosure obligations. Top management analyses the assessment and verification of information quality, inasmuch as the law specifies that these activities fall within the remit of company bodies on an independent basis.

In order to conform to the requirements of supervisory legislation, the Banca Generali Group has defined an internal process for determining Public Disclosures regarding Banca Generali S.p.A. (the “Parent Company”) and, insofar as applicable, the Companies (the “Group

Companies”) subject to consolidated prudential regulatory rules.

The Banca Generali Group regularly publishes its public Pillar 3 disclosures on its website, at the following address: [www.bancagenerali.com/investors/reports-and-relations](http://www.bancagenerali.com/investors/reports-and-relations).

Additional information concerning the Group’s risk profile, pursuant to Article 434 of the CRR, was also published in the Consolidated Interim Report at 30 June 2022. In light of the above Article, if similar information is already disclosed in two or more media, a reference to that information is included in each medium.

## 1. DISCLOSURE OF KEY METRICS

The following table shows the Banca Generali Group's regulatory key metrics.

In detail, it contains the balance sheet aggregates and the value of the risk weighted assets, as well as the capital ra-

tios and the regulatory requirements that the Bank has to comply with.

The table also provides the main liquidity ratios, i.e., Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), and their main components.

### TEMPLATE EU KM1 - KEY METRICS TEMPLATE (1 OF 2)

	A	B	C	
	30.06.2022	31.12.2021	30.06.2021	
<b>Available own funds (amounts)</b>				
1	Common Equity Tier 1 (CET1) capital	693,174	708,963	623,921
2	Tier 1 capital	743,174	758,963	673,921
3	Total capital	743,174	758,963	673,921
<b>Risk-weighted exposure amounts</b>				
4	Total risk-weighted exposure amount	4,573,325	4,360,877	4,079,614
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>				
5	Common Equity Tier 1 ratio (%)	15.1569%	16.2573%	15.2936%
6	Tier 1 ratio (%)	16.2502%	17.4039%	16.5192%
7	Total capital ratio (%)	16.2502%	17.4039%	16.5192%
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.8000%	1.3400%	1.3400%
EU 7b	Of which: to be made up of CET1 capital (percentage points)	1.0000%	0.7500%	0.7500%
EU 7c	Of which: to be made up of Tier 1 capital (percentage points)	1.3500%	1.0100%	1.0100%
EU 7d	Total SREP own funds requirements (%)	9.8000%	9.3400%	9.3400%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>				
8	Capital conservation buffer (%)	2.5000%	2.5000%	2.5000%
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 (%)	0.0120%	0.0100%	0.0090%
EU 9a	Systemic risk buffer (%)	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-
11	Combined buffer requirement (%)	2.5120%	2.5100%	2.5090%
EU 11a	Overall capital requirements (%)	12.3120%	11.8500%	11.8480%
12	CET1 available after meeting the total SREP own funds requirements (%)	6.4405%	8.0640%	7.1792%
<b>Leverage ratio</b>				
13	Total exposure measure	18,065,451	16,484,389	15,763,405
14	Leverage ratio	4.1130%	4.6041%	4.2752%
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>				
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 (%)	3.0000%	3.0000%	3.0263%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>				
EU 14d	Leverage ratio buffer requirement (%)	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.0000%	3.0000%	3.0263%

## TEMPLATE EU KM1 - KEY METRICS TEMPLATE (2 OF 2)

		A	B	C
		30.06.2022	31.12.2021	30.06.2021
<b>Liquidity Coverage Ratio</b>				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	9,681,575	9,122,651	8,194,295
EU 16a	Cash outflows - Total weighted value	2,512,735	2,313,721	2,004,309
EU 16b	Cash inflows - Total weighted value	90,413	74,684	95,064
16	Total net cash outflows (adjusted value)	2,422,322	2,239,036	1,909,246
17	Liquidity coverage ratio (%)	400.1786%	409.8305%	431.5870%
<b>Net Stable Funding Ratio</b>				
18	Total available stable funding	11,651,119	10,953,492	10,200,151
19	Total required stable funding	5,635,517	4,925,094	4,908,379
20	NSFR ratio (%)	206.7445%	222.4017%	207.8110%

At 30 June 2022, Common Equity Tier 1 (CET1) capital amounted to 693,174 thousand euros, slightly down compared to the values recognised at 31 December 2021 (708,963 thousand euros), whilst up compared to the values at 30 June 2021 (623,921 thousand euros).

Risk-weighted exposures amounted to 4,573,325 thousand euros, up compared to the value at 31 December 2021 (4,360,877 thousand euros) and at 30 June 2021 (4,079,614 thousand euros). Overall, capital ratios slightly declined compared to 31 December 2021 in terms of both CET1 Capital Ratio (15.1569% at 30 June 2022 compared to 16.2573% at 31 December 2021) and Total Capital Ratio (16.2502% at 30 June 2022 compared to 17.4039% at 31 December 2021), in any case well above the SREP requirement that the Bank has to comply with equal to 12.3120%, including the Capital Conservation Buffer equal to 2.5%.

With regard to own funds reserves, the Bank must hold a 2.5120% buffer, broken down as follows:

- > a 2.5% capital conservation buffer;
- > a 0.0120% countercyclical capital buffer.

Since there is no provision for additional reserves for the Bank as it is not a national and/or global systemically important institution, as of 30 June 2022, the Overall Capital Requirement (OCR) to be respected is therefore 12.3120%, well below the Bank's capital ratios.

Leverage ratio amounted to 4.1130% at 30 June 2022, slightly down compared to 31 December 2021, especially due to the higher total exposure of 18,065,451 thousand euros at 30 June 2022 against 16,484,389 thousand euros at 31 December 2021. Said ratio is in any case well above the total leverage requirement of 3%. The Bank is not subject to additional own funds requirements to address the risk of excessive leverage and is not required to comply with a leverage ratio buffer requirement.

The short-term liquidity coverage ratio (LCR) is substantially stable and well above the limit set of 100% (the average value of the last twelve monthly measurements as of 30 June 2022 is a little above 400%) by virtue of an average value of the last twelve monthly liquidity buffer measurements of approximately 9,681,575 thousand euros and an average value of the last twelve total net liquidity outflow measurements of approximately 2,422,322 thousand euros.

As of June 2021, following the application of the measures contained in CRR2, the Net Stable Funding Ratio (NSFR) became fully effective. It represents a long-term (1 year) liquidity requirement for banks, calculated as the ratio of Available Stable Funding (ASF) to Required Stable Funding (RSF). At 30 June 2022, the NSFR ratio was approximately 207%, far above the minimum requirement of 100%, with Available Stable Funding at 11,651,119 thousand euros and Required Stable Funding at 5,635,517 thousand euros.

## 2. CREDIT RISK: INFORMATION ON EXPOSURES SUBJECT TO COVID-19-RELATED MEASURES

The pandemic has continued into 2022, with infections peaking in the winter months as expected, subsequently reducing in spring and rising unexpectedly in June. In general, European countries have reduced containment measures such as, for example, the use of masks indoors or restrictions on gatherings; in fact, both business and entertainment public events have also resumed. Italy has aligned itself with the rest of Europe on this matter. In fact, the Italian Government has not extended additional support measures to those implemented during the 2020-2021 two-year period. It did, instead, officially declare the state of emergency closed on 31 March 2022 with the Decree Law of 24 March 2022 “Urgent provisions for removing the measures to combat the spread of the Covid-19 epidemic, as a result of the cessation of the state of emergency”, taking action on containment measures with a gradual approach over time (for example: protection measures such as masks, mandatory green pass and vaccines, limitation of events that create gatherings, etc. ...).

There were no updates in the first half of 2022 with regard to the economic and financial support measures implemented through the Italian banking system.

The terms and conditions of Decree-Law No. 73 of 25 May 2021, the so-called “Sostegni-Bis” Decree, have hence continued to apply. These contain urgent measures related to the Covid-19 emergency for businesses, work, young people, health and local services (the previous decree, known as the “Sostegni” Decree, was instead published in March 2021), the main goal of which was to counter the negative repercussions that the pandemic has inevitably produced at a social and economic level, intervening especially in the following areas: businesses, access to credit and liquidity, health, work and social policies, aid to local authorities, education, research and young people and sectoral interventions.

Regarding business access to credit, in 2021 the decree had extended the liquidity support measures, such as SACE guarantees, SME Fund and related criteria for accessing them, to 31 December 2021, also extending the duration of the guarantee from 5 to 10 years and extending the SME Fund guarantees to companies with less than 250 employees. Starting from 1 July 2021, the maximum guarantee percentages that can be granted by the SME Fund had been revised (from 90% to 80% and from 100% to 90%), with the option to apply different rates in respect of the constraints of the Liquidity Decree later converted into Law (2020).

The decree had also extended the moratoria for SMEs (Article 56 of the Cure Italy Decree, 2020) to 31 December 2021, for requests received by institutions by 15 June 2021 (a measure with which the Bank had complied by extending it to all moratoria, both legislative and at its own initiative).

At the European banking micro-prudential supervision level, in January 2022 EBA published a communication entitled “EBA confirms the continued application of Covid-19 related reporting and disclosure requirements until further notice”, in which i) it considered there was a significant need

to monitor exposures and the credit quality of loans with public support measures, due to the continuing pandemic, thus maintaining the disclosure obligations provided for by the reporting and disclosure guidelines (EBA/GL/2020/07 - Guidelines on reporting and disclosure of exposures subject to measures applied in response to the Covid-19 crisis); (ii) and stated that it would continue to monitor developments and annually assess the appropriateness of applying the guidelines and revoking them if the macroeconomic context made it possible.

### Scope

As indicated by the EBA, the document must include a description of the measures implemented by banks in light of the Covid-19 emergency. More specifically:

- > loans subject to “moratoria” falling within the scope of application of the EBA guidelines on legislative and non-legislative moratoria on loan payments applied in light of the Covid-19 crisis (EBA/GL/2020/02);
- > loans subject to Covid-19-related forbearance measures;
- > newly originated loans guaranteed by the central government or other public entity.

The Bank, as stated in 2021 resolutions that had aligned with Italian legislation, suspended both legislative and non-legislative moratoria.

In response to the pandemic emergency that broke out in 2020, the Bank extended the initiatives in support of the real economy launched during the previous year, to contribute to the liquidity required by the Italian business community. With regard to the other support measures, forbearance measures and granting of loans guaranteed by the central government or other public entity, the Bank also aligned itself with current legislation by concluding these measures at 30 June 2021.

### Data and findings

#### *Loans subject to moratoria*

The following paragraph illustrates the data, expressed in thousands of euros, set forth by the Annex 3 to the EBA Guidelines (EBA/GL/2020/07 Annex 3) describing summary statistics concerning credit quality of loans subject to moratoria based on the different economic sectors and segments.

The moratoria included in the template may be either legislative or non-legislative and must meet the requirements provided for by the EBA Guidelines (EBA/GL/2020/02).

In the Bank’s specific case, after having carried out an in-depth internal analysis, it was established that the requirements set out by the aforementioned guidelines are met as limited to the legislative moratoria applied by the Bank. Accordingly, reports show exclusively data relating to the latter.

## TEMPLATE 1: INFORMATION ON LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA

	A	B	C	D	E	F	G
	GROSS CARRYING AMOUNT						
	PERFORMING				NON-PERFORMING		
			OF WHICH: EXPOSURES WITH FORBEARANCE MEASURES	OF WHICH: STAGE 2		OF WHICH: EXPOSURES WITH FORBEARANCE MEASURES	OF WHICH: UNLIKELY TO PAY THAT ARE NOT PAST-DUE OR PAST-DUE ≤ 90 DAYS
<b>1</b>	<b>Loans and advances subject to moratorium</b>	<b>13,435</b>	<b>13,435</b>	<b>233</b>	<b>233</b>	-	-
2	of which: Households	855	855	-	-	-	-
3	of which: <i>Collateralised by residential immovable property</i>	576	576	-	-	-	-
4	of which: Non-financial corporations	12,513	12,513	233	233	-	-
5	of which: <i>Small and Medium-sized Enterprises</i>	12,047	12,047	233	233	-	-
6	of which: <i>Collateralised by commercial immovable property</i>	-	-	-	-	-	-

	H	I	J	K	L	M	N	O
	ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK							GROSS CARRYING AMOUNT
	PERFORMING				NON-PERFORMING			
			OF WHICH: EXPOSURES WITH FORBEARANCE MEASURES	OF WHICH: STAGE 2		OF WHICH: EXPOSURES WITH FORBEARANCE MEASURES	OF WHICH: UNLIKELY TO PAY THAT ARE NOT PAST-DUE OR PAST-DUE ≤ 90 DAYS	INFLOWS TO NON- PERFORMING EXPOSURES
<b>1</b>	<b>Loans and advances subject to moratorium</b>	<b>2</b>	<b>2</b>	-	-	-	-	-
2	of which: Households	-	-	-	-	-	-	-
3	of which: <i>Collateralised by residential immovable property</i>	-	-	-	-	-	-	-
4	of which: Non-financial corporations	1	1	-	-	-	-	-
5	of which: <i>Small and Medium-sized Enterprises</i>	-	-	-	-	-	-	-
6	of which: <i>Collateralised by commercial immovable property</i>	-	-	-	-	-	-	-

In 2020, in application of Articles 54 and 56 of the Cure Italy Decree, the Bank has granted its customers the possibility of applying for the suspension and rescheduling of payment of instalments, including the final balloon payments for loans including them. Decree Law 104 of 14 August 2020, the “August Decree”, extended the end date of moratoria from 30 September 2020 to 31 January 2021 for companies and Article 1, paragraph 249, of Law 178/2020 then established that for companies already admitted, at 1 January 2021 (the date of entry into force of Law 178/2020), to the support measures provided for in Article 56 of the Cure Italy Decree, the extension of the moratorium applies automatically until 30 June 2021 without any formalities, unless expressly waived by the beneficiary company, by notice to be given to the bank by 31 January 2021, or 31 March 2021 for companies in the tourism sector.

The suspension of loan payments, including both principal and interest amounts, resulted in an extension of the amortisation schedule, which at the end of the suspension period resumes with the same frequency as before the suspension, and in a recalculation of the amount of interest accrued during the suspension period, redistributed over the residual payments that have not yet come due.

No changes are made to the economic terms applied and applying a moratorium does not result in losses or impairment charges.

Loan payments are suspended exclusively at customer’s request. Admitted with effect from 1 April 2020, initially for instalments due until 30 June 2020 and then extended until 30 June 2021 (in line with the 2021 Budget Law), the suspension of payments does not apply to contracts entered into after the date on which it was announced.

In June 2021, following the entry into force of the “Sostegni-bis” Decree-Law the Bank authorised the moratoria to be extended to 31 December 2021 in line with the regulation.

For these positions, the EBA Guidelines (EBA/GL/2020/02 as updated by EBA/GL/2020/15 of 2 December 2020) apply upon restatement. On the other hand, an analysis based on internal monitoring tools and an evaluation of individual cases was carried out with regard to tailor-made moratoria. At 30 June 2022, there were 19 customers for which moratorium applications had been granted (4 individuals who fall within the parameters of admission to the benefits of the Gasparrini Fund and 15 non-financial corporations), with a residual debt of 13,435 million euros (Table 1).

The breakdown of applications by economic sectors of the companies beneficiaries of the suspension pursuant to Article 56 of the Cure Italy Decree-Law was 27% coming from the real-estate sector; 20% from the commercial sector. The distribution by sector of residual debt is 53% manufacturing, followed by real estate at 41%. These percentages reflect the composition of the Bank’s Business Loan Portfolio.

**TEMPLATE 2: BREAKDOWN OF LOANS AND ADVANCES  
SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA  
BY RESIDUAL MATURITY OF MORATORIA (1 OF 2)**

	A	B	C		D
			GROSS CARRYING AMOUNT		OF WHICH: EXPIRED
	NUMBER OF OBLIGORS		OF WHICH: LEGISLATIVE MORATORIA		
<b>1</b>	<b>Loans and advances for which moratorium was offered</b>	<b>19</b>	<b>13,435</b>		
<b>2</b>	<b>Loans and advances subject to moratorium (granted)</b>	<b>19</b>	<b>13,435</b>	<b>13,435</b>	<b>13,435</b>
3	of which: Households		855	855	855
4	of which: Collateralised by residential immovable property		576	576	576
5	of which: Non-financial corporations		12,513	12,513	12,513
6	of which: Small and Medium-sized Enterprises		12,047	12,047	12,047
7	of which: Collateralised by commercial immovable property		-	-	-

**TEMPLATE 2: BREAKDOWN OF LOANS AND ADVANCES  
SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA  
BY RESIDUAL MATURITY OF MORATORIA (2 OF 2)**

	E	F	G	H	I
	GROSS CARRYING AMOUNT				
	RESIDUAL MATURITY OF MORATORIA				
	≤ 3 MONTHS	> 3 MONTHS ≤ 6 MONTHS	> 6 MONTHS ≤ 9 MONTHS	> 9 MONTHS ≤ 12 MONTHS	> 1 YEAR
<b>1</b>	<b>Loans and advances for which moratorium was offered</b>				
<b>2</b>	<b>Loans and advances subject to moratorium (granted)</b>				
3	-	-	-	-	-
4	-	-	-	-	-
5	-	-	-	-	-
6	-	-	-	-	-
7	-	-	-	-	-

### Forborne loans

The Bank adopted the possibility not to introduce automatic classification as forborne of positions subject to moratoria (also confirmed by the Board of Directors' resolution), while maintaining unchanged the internal assessment process, which already provided for individual assessment of positions for their classification as forborne.

During 2021 and in the first half of 2022, it analysed the portfolio subject to both legislative and tailor-made moratoria, to assess potential reclassifications to forbearance and/or UTP positions. Following the outbreak of the pandemic, the Bank continued to monitor the presence of signs of financial difficulty, assessing events and elements that could result, in accordance with internal policies, in the granting of forbearance measures on a case-by-case basis. At 30 June 2022, one position was reported relating to which the moratorium applied was considered as a forbearance measure. In terms of "tailor-made moratoria" active until 31 December 2021, three forbearance measures were attributed (1 Performing + 2 NPLs, for about 0.3 million euros) and three reclassifications were carried out for UTP positions (for about 0.3 million euros).

### Newly originated loans guaranteed by the central government or other public entity

To ensure complete application of the anti-crisis measures designed to combat the effects of the Covid-19 emergency, in 2020 the Bank expanded its range of medium-to-long-term credit offerings with the launch of accreditation and opera-

tion with the Mediocredito Centrale SME Guarantee Fund to obtain government guarantees for long-term loans pursuant to Article 48 of the Cure Italy Decree-Law and Article 13 of the Liquidity Decree-Law; to this end, an internal task force was set up (April 2020-December 2020).

The Bank decided to circumscribe operation with the SME Guarantee Fund, formulating policies that facilitate the granting of loans of more than 25,000 euros (with 90% guarantee).

Loans granted with guarantees from the SME Guarantee Fund to Italian companies, according to the new definition, which includes all companies with fewer than 500 employees (including micro-enterprises and self-employed workers, artisans and freelance professionals), may have a maximum amount of 5 million euros, as provided for in the above Decrees, and may not exceed 25% of the company's revenues. To ensure adequate coverage of credit risk, a supplementary personal surety is to be acquired for loans over 250,000 euros covering the 10% not guaranteed by the Guarantee Fund.

In the first half of 2021, the Bank activated the latest loans requested by customers, without making adjustments in line with the "Sostegni-bis" Decree amendments.

At 30 June 2022, 200 positions were guaranteed by the SME Fund, for an overall exposure of approximately 107.4 million euros, as indicated in the table 3 below.

Of the said positions three were reclassified to non-performing exposures — two of which due to the reclassification as UTP — (for a total amount of 1.347 million euros).

**TEMPLATE 3: INFORMATION ON NEWLY ORIGINATED LOANS AND ADVANCES PROVIDED UNDER NEWLY APPLICABLE PUBLIC GUARANTEE SCHEMES INTRODUCED IN RESPONSE TO COVID-19 CRISIS**

	A	B	C	D	
	GROSS CARRYING AMOUNT		MAXIMUM AMOUNT OF THE GUARANTEE THAT CAN BE CONSIDERED	GROSS CARRYING AMOUNT	
		OF WHICH: FORBORNE	PUBLIC GUARANTEES RECEIVED	INFLOWS TO NON-PERFORMING EXPOSURES	
<b>1</b>	<b>Newly originated loans and advances subject to public guarantee schemes</b>	<b>107,403</b>	<b>-</b>	<b>96,663</b>	<b>1,347</b>
2	of which: Households	1,315			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	106,088	-	95,479	1,347
5	of which: Small and Medium-sized Enterprises	98,900			1,347
6	of which: Collateralised by commercial immovable property	-			-

## DECLARATION OF THE MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL REPORTS



### **Declaration Pursuant to Article 154-bis, Second Paragraph of Legislative Decree No. 58 of 24 February 1998**

The undersigned Dr. Tommaso DI RUSSO, *Chief Financial Officer* and Manager in charge of preparing the financial reports of Banca Generali S.p.A., with headquarters in Trieste, via Machiavelli No. 4, recorded in the Register of Companies of Trieste to n. 103698, for the intent and purpose of article 154-bis, second paragraph, of Legislative Decree 24 February 1998 No. 58, to the best of his knowledge in light of the position held,

#### **declares**

that the accounting information contained in this document corresponds to the document results, books and accounting records.

Trieste, 28 July 2022

Dr. Tommaso Di Russo  
*Manager in charge of preparing  
the company's financial reports*  
BANCA GENERALI S.p.A.

A handwritten signature in blue ink, appearing to read "Tommaso di Russo", written over a horizontal line.

## LIST OF TABLES

The following is a list of the quantitative tables included in the Pillar 3 disclosures and that refer to EBA guidelines (EBA/GL/2018/10, EBA/GL/2020/07, EBA/GL/2020/12, EBA/ITS/2021/07) and Regulation (EU) 637/2021.

LIST OF THE QUANTITATIVE TABLES REFERRING TO EBA GUIDELINES/EU REGULATIONS	FRAMEWORK OF REFERENCE	PILLAR 3 SECTION
EU KM1 - Key metrics template	Commission Implementing Regulation (EU) 2021/637 of 15 March 2021	Disclosure of key metrics
Template 1 - Information on loans and advances subject to legislative and non-legislative moratoria	EBA/GL/2020/07	
Template 2 - Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria	EBA/GL/2020/07	Credit risk: information on exposures subject to Covid-19-related measures
Template 3 - Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to Covid-19 crisis	EBA/GL/2020/07	

# Banca Generali S.p.A.

Registered office  
Via Machiavelli 4 - 34132 Trieste - Italy

Share capital  
Authorised 119,378,836 euros  
Subscribed and paid 116,851,637 euros

Tax code and Trieste register  
of companies: 00833240328  
VAT number: 01333550323

Company managed and coordinated  
by Assicurazioni Generali S.p.A.  
Bank which is a member of the Interbank  
Deposit Protection Fund  
Registration with the bank register of the Bank  
of Italy under No. 5358  
Parent Company of the Banca Generali Banking Group  
registered in the banking group register  
ABI code 03075.9





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