



BANCA
GENERALI

PILLAR 3

DISCLOSURES
Situation at 30 June 2021

PILLAR 3

DISCLOSURES

Situation at 30.06.2021

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.

Contents

Foreword	4
1. Disclosure of key metrics	6
2. Credit risk: information on exposures subject to Covid-19-related measures	8
Declaration of the Manager in charge of preparing the Company's financial reports	12

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 continuity with the previous framework, the new regulatory scheme requires that intermediaries publish a public disclosure (**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 No. 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 No. 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 No. 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)(2) and 433 of Regulation (EU) No 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 administrative body, with particular regard to: a) the number of positions held by members of the administrative body; b) the gender equality policy; and c) the risk reporting process;
- > the “Guidelines EBA/GL/2017/01 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 forborne exposures.”

In addition,

- > the Bank of Italy, by its Communication of 30 June 2020, implemented the Guidelines of the European Banking Authority (EBA) on (quarterly) reporting and (half-yearly) disclosure 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 repayments applied in the light of the Covid-19 crisis (EBA/GL/2020/02);
 - 2) loans subject to Covid-19-related forbearance measures¹;
 - 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 GL Guidelines on uniform disclosures under Article 473-bis of Regulation (EU) No. 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 applies 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);
- > 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) No. 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’.

¹ The above information is required merely for reporting purposes.

30 June 2021 saw the entry into force of the provisions of Regulation (EU) No. 2019/876 of 20 May 2019 amending Regulation (EU) No. 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) No. 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) No. 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) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.

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 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 No. 58/98 (TUF), the document is then submitted for the relative certification.

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 Pillar 3 public disclosures on its website, at the following address: www.bancagenerali.com/en/investors/reports-and-relationships

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 2021. 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 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.

TABLE EU KM1: KEY METRICS

		A JUNE 2021	C DECEMBER 2020	E JUNE 2020
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	623,921	626,103	510,951
2	Tier 1 capital	673,921	676,103	560,951
3	Total capital	673,921	676,103	560,951
	Risk-weighted exposure amounts			
4	Total risk exposure amount	4,079,614	3,665,275	3,581,352
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	15.2936%	17.0820%	14.2670%
6	Tier 1 ratio (%)	16.5192%	18.4462%	15.6631%
7	Total capital ratio (%)	16.5192%	18.4462%	15.6631%
	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 (%)	0.7500%	0.7500%	0.7500%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.2600%	0.2600%	0.2600%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.3300%	0.3300%	0.3300%
EU 7d	Total SREP own funds requirements (%)	9.3400%	9.3400%	9.3400%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
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 (%)	0.0000%	0.0000%	0.0000%
9	Institution specific countercyclical capital buffer (%)	0.0088%	0.0036%	0.0065%
EU 9a	Systemic risk buffer (%)	0.0000%	0.0000%	0.0000%
10	Global Systemically Important Institution buffer (%)	0.0000%	0.0000%	0.0000%
EU 10a	Other Systemically Important Institution buffer (%)	0.0000%	0.0000%	0.0000%
11	Combined buffer requirement (%)	2.5088%	2.5036%	2.5065%
EU 11a	Overall capital requirements (%)	11.8488%	11.8436%	11.8497%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.1792%		
	Leverage ratio			
13	Total exposure measure	15,763,527	13,186,209	12,510,427
14	Leverage ratio (%)	4.2752%	5.1273%	4.4839%
	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 (%)	0.0000%		
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0000%		
EU 14c	Total SREP leverage ratio requirements (%)	3.0263%		
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)	0.0000%		

		A	C	E
		JUNE 2021	DECEMBER 2020	JUNE 2020
EU 14e	Overall leverage ratio requirement (%)	3.0263%		
	Liquidity Coverage Ratio²			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	8,194,295	7,703,396	7,628,904
EU 16a	Cash outflows - Total weighted value	2,004,309	1,868,975	1,889,518
EU 16b	Cash inflows - Total weighted value	95,064	121,426	130,637
16	Total net cash outflows (adjusted value)	1,909,246	1,747,549	1,758,881
17	Liquidity coverage ratio (%)	431.5870%	441.0817%	435.3112%
	Net Stable Funding Ratio			
18	Total available stable funding	10,200,151		
19	Total required stable funding	4,908,379		
20	NSFR ratio (%)	207.8110%		

At 30 June 2021, Common Equity Tier 1 (CET1) capital amounted to 623,921 thousand euros, substantially stable compared to the values recognised at 31 December 2020 (626,103 thousand euros) and up compared to the values at 30 June 2020 (510,951 thousand euros).

Risk-weighted assets amounted to 4,079,614 thousand euros, up compared to the value at 31 December 2020 (3,665,275 thousand euros) and at 30 June 2020 (3,581,352 thousand euros). Overall, capital ratios decreased compared to 31 December 2020 in terms of both CET1 Capital Ratio (15.2936% at 30 June 2021 compared to 17.0820% at 31 December 2020) and Total Capital Ratio (16.5192% at 30 June 2021 compared to 18.4462% at 31 December 2020), especially as a result of the increase of risk-weighted exposures, in any case well above the SREP requirement that the Bank has to comply with equal to 11.8488%³, including the Capital Conservation Buffer equal to 2.5% and the Countercyclical Capital Buffer equal to 0.0088%.

With regard to own funds reserves, the Bank must hold a 2.5088% buffer, broken down as follows:

- > a 2.5% capital conservation buffer;
- > a 0.0088% 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 2021, the Overall Capital

Requirement (OCR) to be respected is therefore 11.8488%, well below the Bank's capital ratios.

Leverage ratio amounted to 4.2752% at 30 June 2021, down compared to the previous periods, especially due to the higher total exposure of 15,763,527 thousand euros at 30 June 2021 against 13,186,209 thousand euros at 31 December 2020. Said ratio is in any case well above the total leverage requirement of 3.0263%. 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 2021 is a little above 430%) by virtue of an average value of the last twelve monthly liquidity buffer measurements of approximately 8,194,295 thousand euros and an average value of the last twelve total net liquidity outflow measurements of approximately 1,909,246 thousand euros. In June 2021, 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 2021, the NSFR ratio was approximately 207.81%, far above the minimum requirement of 100%, with Available Stable Funding at 10,200,151 thousand euros and Required Stable Funding at 4,908,379 thousand euros.

² The values of lines 15, EU 16a, EU 16b, 16 and 17 are calculated as the simple average of the last twelve monthly measurements for each reference period in columns "a", "c" and "e".

³ Moreover, it should be noted that in March 2020 the ECB introduced various prudential mitigation measures aimed at reducing the impact of the Covid-19 emergency on the banking system, such as an option to operate temporarily beneath the capital conservation buffer and Pillar 2 guidance (P2G) and to comply with the binding Pillar 2 requirement (P2R) partially by using equity instruments not classified as CET1. On the basis of these measures, the total binding requirement for the Banking Group would temporarily amount to 9.34%.

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

The first half of 2021, as 2020, was marked by the Covid-19 pandemic, particularly by the tail of the second wave and the start and conclusion of the third wave, which reached its peak in April 2021. The pandemic containment measures have included lockdown periods in Italy by geographical area (red, orange and yellow zones), with different limitations, and the substantial start and acceleration of the vaccine campaign throughout the population.

In April, a Council of Ministers Resolution extended the state of emergency until 31 July 2021 and the end of May saw the entry into force of Decree-Law No. 73 of 25 May 2021, the so-called “Sostegni-bis” Decree-Law, containing urgent measures related to the Covid-19 emergency, for businesses, employment, young people, health and local services (the previous decree, known as the “Sostegni” Decree had been published in March 2021).

The decree aims to counter above all the negative repercussions that the pandemic has inevitably produced at the social and economic level, intervening especially in the following areas: businesses, access to credit and liquidity, health, employment and social policies, aid to local authorities, schools, research and young people, as well as sector-related interventions.

Regarding business access to credit, the decree 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 have 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 also extended the moratoria for SMEs (Article 56 of the Cure Italy Decree, 2020) to 31 December 2021, for claims received by the institutions by 15 June 2021.

In 2021, the EBA has also continued to provide the banks with Covid-19-related guidelines, particularly regarding issues relating to the classification (Forbearance and Performing) of moratoria and the deadline by which to grant them. To date, the latest Guidelines (EBA/GL/2020/15), regarding EBA-compliant moratoria (legislative and non-legislative), indicate a granting deadline of 31 March 2021, and allow moratoria with a duration of less than 9 months or more than 9 months based on contractual agreements prior to 30 September 2020 to be exempted from the pandemic treatment under the forbearance classification.

This section is subject to provisions of the guidelines provided for in the measures published on 2 June 2020 relating to the EBA/GL/2020/07 - Final Report - Guidelines on reporting and disclosure of exposures subject to measures applied in response to the Covid-19 crisis.

In the Communication of 30 June 2020, the Bank of Italy extended the reporting obligation to less significant credit

institutions (LSIs) subject to direct supervision, according to simplified methods.

Scope

As indicated by the EBA, the document must include a description of the measures implemented by banks in the 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.

In order to support the real economy of Italy during a time of such severe difficulty, with regard to the above mentioned measures at Board of Directors’ meetings held in April 2020 Banca Generali (hereinafter the “Bank”) resolved upon:

- > the possibility for customers to apply for the suspension of loan payments in application of either Articles 54 and 56 of the “Cure Italy Decree” (legislative moratoria) or an internal initiative extended to borrowers and loans not contemplated in the “Cure Italy Decree” (non-legislative moratoria). The latter may be defined as tailor-made moratoria inasmuch as they do not meet all the criteria set out in the EBA guidelines (EBA/GL/2020/02 as subsequently amended by EBA/GL/2020/15), as communicated by the Bank to the Bank of Italy itself in August 2020. In particular, they are not included in industry agreements and/or those promoted by specific entities. Rather, they are more specifically addressed to customers in the Bank’s core loan portfolio, for which lending activity is secondary to the core business, essentially represented by private-banking customers or other customers holding deposit accounts with the Bank;
- > the application of the process of classification in forbearance to the moratoria at the Banks initiative, in particular by assessing the individual positions in relation to the pandemic emergency and the time horizon of their difficulty, thus avoiding the introduction of automated mechanisms;
- > the commencement of operations with the Mediocredito Centrale SME Guarantee Fund to obtain the guarantees provided for in the Liquidity Decree for loans to Italian companies according to the definition provided in the Decree (companies with fewer than 500 employees, including microenterprises and independent contractors, tradesmen and self-employed professionals) until 31 December 2020.

On the basis of the dates on which the Board of Directors held the above sessions, the Bank adopted the application of the legislative moratoria with effect from 1 April 2020

and commenced operation with the Mediocredito Centrale SME Fund for the granting of loans under the Liquidity Decree with effect from 23 April 2020 and until 31 December 2020.

Accordingly, and in compliance with what the Bank of Italy has implemented in its Communication of 30 June 2020, the Bank sent the first reporting stream using the template set out in the Annex 1 of the EBA Guidelines (EBA/GL/2020/07 Annex 1) relating to the legislative moratoria in portfolio as at 30 June 2020.

During 2021 the Bank, in accordance with the provisions of the 2021 Budget Law and in line with the aims and procedures already authorised, decided to extend, under the same conditions, up to 30 June 2021, the deadline for moratoria in place at 31 December 2020, for all customers on the latter's request through the channels already authorised and used as from April 2020. A subsequent resolution (22 June 2021) extended the date to 31 December 2021, in compliance with the conditions set out in the "Sostegni-bis" Decree.

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.

1. INFORMATION ON LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
	GROSS CARRYING AMOUNT							ACCUMULATED IMPAIRMENT, ACCUMULATED NEGATIVE CHANGES IN FAIR VALUE DUE TO CREDIT RISK							GROSS CARRYING AMOUNT	
	PERFORMING				NON-PERFORMING				PERFORMING				NON-PERFORMING			INFLOWS TO NON-PERFORMING EXPOSURES
		OF WHICH: EXPOSURES WITH FORBEARANCE MEASURES	OF WHICH: INSTRUMENTS WITH SIGNIFICANT INCREASE IN CREDIT RISK SINCE INITIAL RECOGNITION BUT NOT CREDIT-IMPAIRED (STAGE 2)			OF WHICH: EXPOSURES WITH FORBEARANCE MEASURES	OF WHICH: UNLIKELY TO PAY THAT ARE NOT PAST-DUE OR PAST-DUE (<= 90 DAYS)			OF WHICH: EXPOSURES WITH FORBEARANCE MEASURES	OF WHICH: INSTRUMENTS WITH SIGNIFICANT INCREASE IN CREDIT RISK SINCE INITIAL RECOGNITION BUT NOT CREDIT-IMPAIRED (STAGE 2)		OF WHICH: EXPOSURES WITH FORBEARANCE MEASURES	OF WHICH: UNLIKELY TO PAY THAT ARE NOT PAST-DUE OR PAST-DUE (<= 90 DAYS)		
(€ THOUSAND)																
1 Loans and advances subject to moratorium	15,012	15,012	-	-	-	-	-	17	17	-	-	-	-	-	-	
2 of which: Households	1,111	1,111	-	-	-	-	-	1	1	-	-	-	-	-	-	
3 of which: Collateralised by residential immovable property	589	589	-	-	-	-	-	1	1	-	-	-	-	-	-	
4 of which: Non-financial corporations	13,813	13,813	-	-	-	-	-	16	16	-	-	-	-	-	-	
5 of which: Small and Medium-sized Enterprises	13,308	13,308	-	-	-	-	-	10	10	-	-	-	-	-	-	
6 of which: Collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

In application of Articles 54 and 56 of the “Cure Italy Decree”, in 2020 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 No. 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.

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 is applied to tailor-made moratoria.

At 30 June 2021, there were 26 customers for which moratorium applications had been granted (four individuals who fall within the parameters of admission to the benefits of the Gasparrini Fund and 22 non-financial corporations), with a residual debt of 15.012 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, at 30 June 2021, was 27% coming from the real-estate sector; 25% from commerce, 15% from the manufacturing and 10% from the service sector. The distribution by sector of residual debt is 53% manufacturing, followed by real estate at 43%. These percentages reflect the composition of the Bank's Business Loan Portfolio.

2. BREAKDOWN OF LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA BY RESIDUAL MATURITY OF MORATORIA

	A	B	C	D	E	F	G	H	I
	GROSS CARRYING AMOUNT								
	NUMBER OF OBLIGORS	RESIDUAL MATURITY OF MORATORIA							
OF WHICH: LEGISLATIVE MORATORIA		OF WHICH: EXPIRED	> 3 MONTHS < = 3 MONTHS	> 6 MONTHS < = 6 MONTHS	> 9 MONTHS < = 9 MONTHS	> 9 MONTHS < = 12 MONTHS	> 1 YEAR		
(€ THOUSAND)									
1 Loans and advances for which moratorium was offered	26	15,122							
2 Loans and advances subject to moratorium (granted)	26	15,122	15,122	110	7,410	402	7,199	-	-
3 of which: Households		1,175	1,175	63	709	402	-	-	-
4 of which: Collateralised by residential immovable property		589	589	-	186	402	-	-	-
5 of which: Non-financial corporations		13,859	13,859	47	6,614	-	7,199	-	-
6 of which: Small and Medium-sized Enterprises		13,308	13,308	-	6,109	-	7,199	-	-
7 of which: Collateralised by commercial immovable property		-	-	-	-	-	-	-	-

The breakdown of moratoria by residual duration (Table 2) shows that:

- > 7.4 million euros refer to positions the suspension of which has a residual duration of up to three months;
- > 7.2 million euros refer to positions the suspension of which has a residual duration between six months and nine months.

Lastly, internal moratoria (non-legislative and non EBA-compliant moratoria) thus not included in the previous tables amounted to 65 million euros and referred to 257 positions.

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. 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. However, at 30 June 2021 no position was reported relating to which the moratorium applied was considered as a forbearance measure; in any case the Bank is carrying out a qualitative and quantitative analysis of the portfolio, and is monitoring both legislative and tailor-made moratoria.

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 operation 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, by establishing an internal task force (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 2021, 200 positions were guaranteed by the SME Fund, for an overall exposure of approximately 123.5 million euros, as indicated in the table 3 below.

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
(€ THOUSAND)		OF WHICH: FORBORNE	PUBLIC GUARANTEES RECEIVED	INFLOWS TO NON-PERFORMING EXPOSURES
1 Newly originated loans and advances subject to public guarantee schemes	123,506	-	111,156	-
2 of which: Households	1,589	-	-	-
3 of which: Collateralised by residential immovable property	-	-	-	-
4 of which: Non-financial corporations	121,917	-	109,726	-
5 of which: Small and Medium-sized Enterprises	105,903	-	-	-
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, 27 July 2021

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

Banca Generali S.p.A.

Registered office
Via Machiavelli 4 - I - 34132 Trieste

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

Tax code and Trieste register
of companies 00833240328
VAT No. 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



BANCA GENERALI S.p.A.

REGISTERED
OFFICE

Via Machiavelli 4
I - 34132 Trieste

MILAN HEAD
OFFICE

Piazza Tre Torri 1
I - 20145 Milan

T. +39 02 40826691

TRIESTE HEAD
OFFICE

Via Cavour 5/A
I - 34132 Trieste

T. +39 040 7777 111

BANCAGENERALI.COM

