

1H 2021 RESULTS AND BUSINESS REVIEW

SEPTEMBER 2021



**BANCA
GENERALI**

Our Vision:
To Be the
No.1 Private Bank
unique by Value of
Service, Innovation
and Sustainability



Preliminary remarks



1H 2021 Financial Results



Net Inflows, Assets and recruiting



Business update and closing remarks



Appendix

1H 2021 RESULTS: EXECUTIVE SUMMARY

SOUND OPERATING TREND



Business trend: ongoing positive momentum

- Total Assets at €80.4bn (+17% YoY). Assets under Advisory at €6.8bn (+33%)
- Total Net inflows at €3.8bn (+35% YoY), Net Inflows in Managed Solutions at €2.5bn (+105%)
- FAs network steadily growing by size (2,139 FAs, +4% YoY) and value (Assets/FA at €37.1m, +14%)



Financial Results: sound results despite large one-off provisions

- 1H21 reported net profit at €190.1m (+44%), 1H 2021 recurring net profit at €83.3m (+23%)
- 2Q21 Reported net profit at €54.7m (+3%) including an €80.0m one-off provision to protect clients' investments
- 2Q21 Recurring net profit at €46.0m (+32% YoY, +23% vs. 1Q21) as underlying profitability improves steadily



Capital position: solid even after incorporating more than €500 million for dividends

- CET 1 ratio at 15.3%, TCR at 16.5% and leverage ratio at 4.3% - assuming allocation to dividend of 80% of 1H21 net profit
- €1.25 dividend floor on 2021 results has already been allocated, adding to €3.3 approved for the financial years 2019/2020¹
- DPS payment dates expected to occur in 4Q21 (€2.7/share) and 1Q22 (€0.6/share) following BoD's verifications that all requisites are met

STATEMENT ON THE 2Q 2021 ONE-OFF PROVISION

Purchase offer

In September, Banca Generali will launch an offer to its clients to purchase all senior notes of the outstanding securitizations of health receivables for a total of **€478m**. All clients will receive a sum not lower than the sum invested, net of repayments and coupons received

Assumptions for the provision

With the aim of protecting the clients against potential loss, Banca Generali has made a prudent **provision for €80m**. The assumptions for the definition of the amount of the provision are:

- A fair value of the notes lower than the purchase value offered to clients
- A 100% take-up of the purchase offer

Facts

This decision has been taken in the light of:

- Some critical issues that emerged in the procedures for the recovery of health receivables, also related to the long pandemic situation
- An in-depth analysis of the portfolio of receivables carried out with the support of a sector specialist, which identified a fair value and quality lower than the one expected

Full protection of clients' investments

Although Banca Generali only acted as a Placement Agent, it has nevertheless decided to take on this commitment to protect its clients' investment, leveraging on its capital strength and solid financial results. The investments of **Banca Generali's clients will thus be fully protected**.

RESULTS AT A GLANCE

BEST INTERIM RESULTS DESPITE LARGE ONE-OFF CHARGE

(€ mil)	1H 20	1H 21	% Chg
Net Interest Income	42.4	43.9	3.5%
Net income (loss) from trading activities and Dividends	8.4	11.4	35.5%
Net Financial Income	50.8	55.3	8.8%
Gross recurring fees	382.0	449.2	17.6%
Fee expenses	-203.8	-236.8	16.2%
Net recurring fees	178.2	212.4	19.2%
Variable fees	73.2	165.0	n.m.
Total Net Fees	251.4	377.4	50.1%
Total Banking Income	302.2	432.7	43.2%
Staff expenses	-51.3	-53.3	4.0%
Other general and administrative expense	-44.9	-46.9	4.6%
Depreciation and amortisation	-15.5	-17.1	10.1%
Other net operating income (expense)	2.2	5.0	n.m.
Total operating costs	-109.4	-112.3	2.7%
<i>Cost /Income Ratio</i>	<i>31.1%</i>	<i>22.0%</i>	<i>-9.1 p.p.</i>
Operating Profit	192.8	320.4	66.1%
Net adjustments for impair.loans and other assets	-4.7	-4.1	-13.1%
Net provisions for liabilities and contingencies	-14.4	-98.6	n.m.
Contributions to banking funds	-4.0	-6.1	52.7%
Gain (loss) from disposal of equity investments	-0.1	-0.1	45.3%
Profit Before Taxation	169.7	211.5	24.6%
Direct income taxes	-37.7	-21.4	-43.2%
<i>Tax rate</i>	<i>22.2%</i>	<i>10.1%</i>	<i>-12.1 p.p.</i>
Net Profit	131.9	190.1	44.1%

Comments

Sound Banking Income (+43%)

- Net Financial Income (+9%) supported by a sticky NII and buoyant trading income leveraging on volatility of bond markets during 2Q
- Net Recurring Fees (+19%) benefitted from a continued asset expansion, particularly in Managed Solutions, and lower cost of growth
- Record contribution from variable fees on growing assets and positive performance to clients

Strong operating profit (+66%)

- Operating costs (+2.7%) hardly changed in absolute value, despite the sharp increase in business volumes. Cost income ratio (net of performance fees) decreased to 35% (from 40%)

Large non recurring, non-operating charges (+40%)

- Higher non-operating charges primarily linked to FA loyalty plan and higher contributions to banking funds
- One-off provision of €80 million as already described

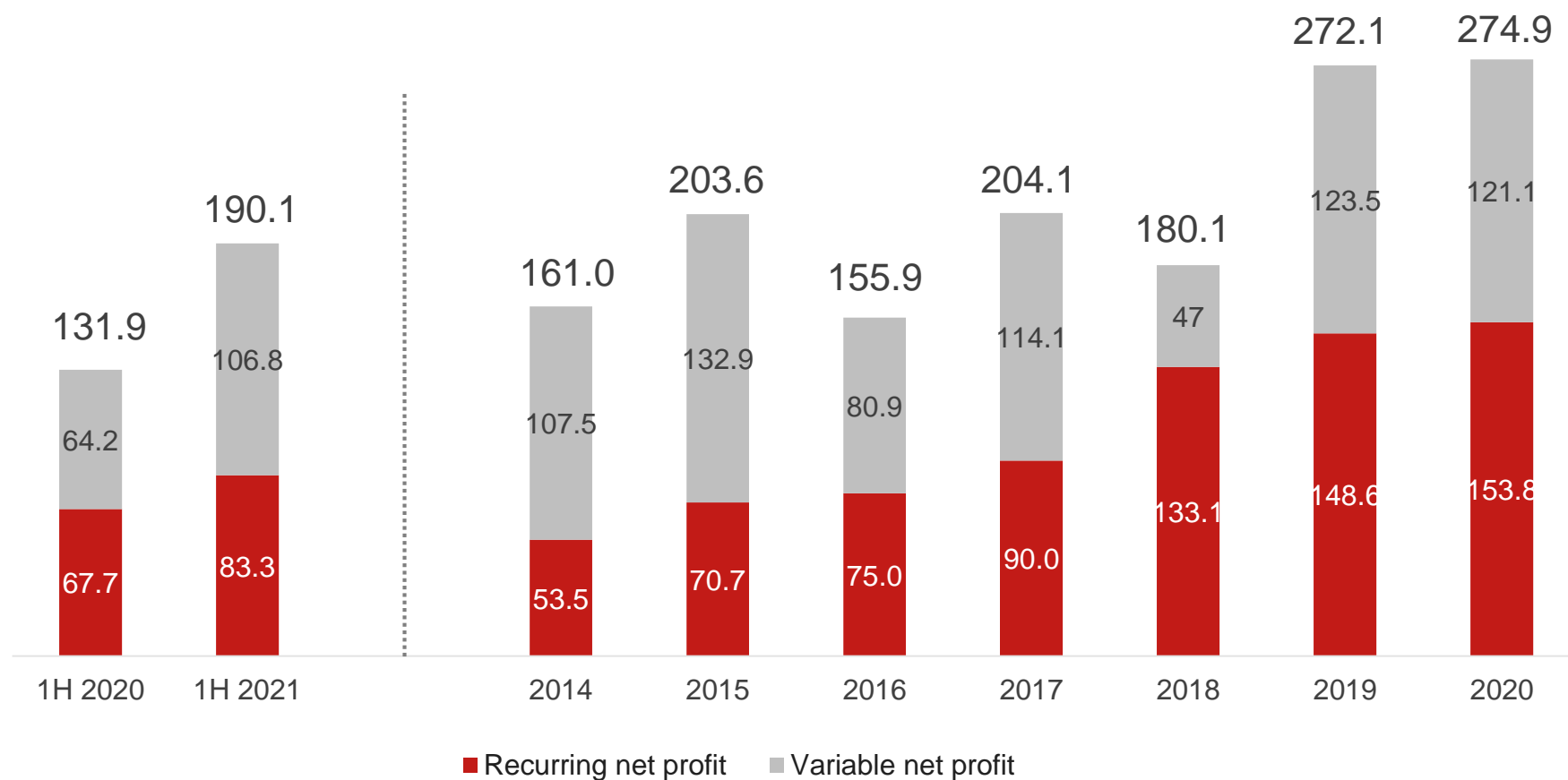
Solid Net profit, after all (+44%)

- Tax-rate benefitted from a one-off €13.1m tax contribution (see slide 7)

SOLID GROWTH IN RECURRING NET PROFIT

DRIVEN BY ASSET EXPANSION, MIX ENHANCEMENT AND OPERATING LEVERAGE

Net Profit: Recurring vs. Variable m/€



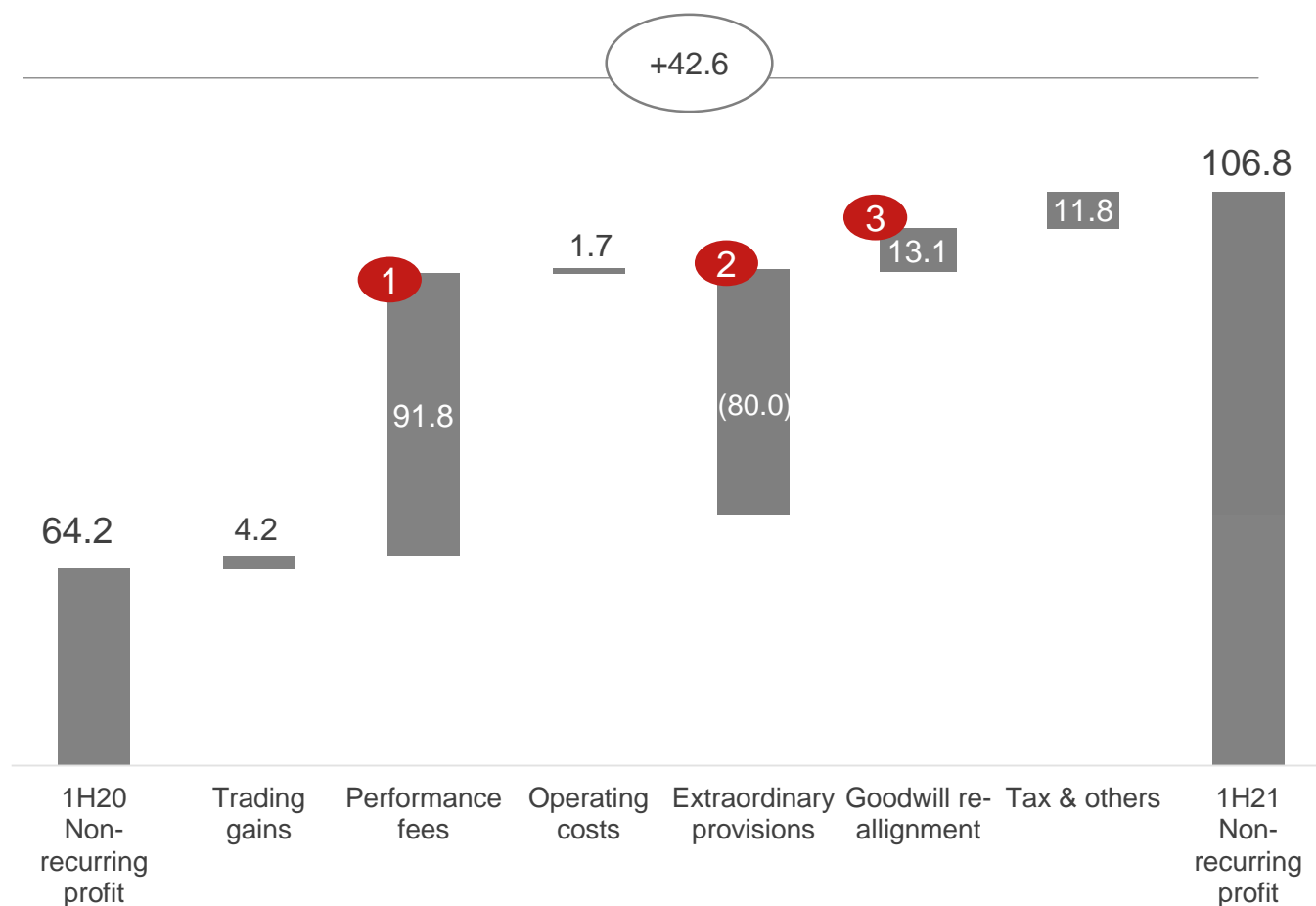
Banca Generali is fully committed to increase its recurring share of profits by leveraging on growth, revenue diversification and cost discipline.

Recurring results jumped 3x since 2014 and 2x since 2016 despite margins' headwinds in the review of product offer and significant investments to push on digitalization (*three waves*) and the launch of a new value proposition on AuC (*new revenue streams*)

NON-RECURRING ITEMS

TWO POSITIVES, ONE NEGATIVE

Build-up of Non-recurring items m/€



1

- Record Performance fees harvesting** leveraging on favorable financial market conditions and positive performance to clients (+4.6%, net of fees). New performance fee structure approved by CSSF (slide 26 for details)

2

- Provision of €80m¹** on the purchase of senior notes related to the entire outstanding investments of professional clients in securitization of healthcare receivables (total notional value €478m)

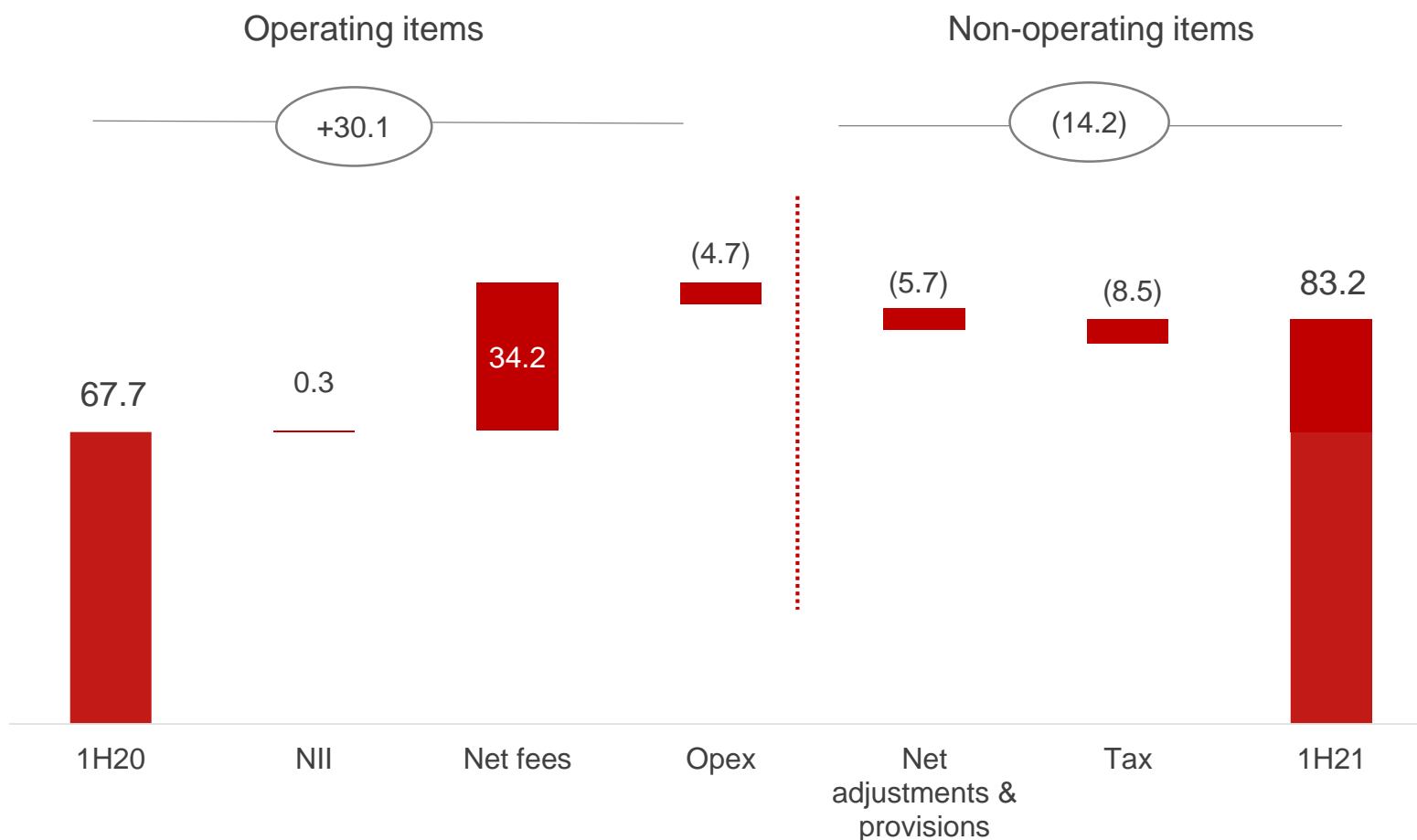
3

- Positive tax contribution of €13.1m** linked to two operations of tax alignment: This first one pursuant to Law 342/2000 refers to goodwill and other intangibles applied to M&A transactions carried out before end 2019 and the second according to the ordinary regime on the goodwill related to recent acquisition of Nextam Partners

STRONG ACCELERATION IN RECURRING NET PROFIT

RECURRING FEES AND OPERATING LEVERAGE DRIVING SOUND GROWTH

Build-up of recurring net profit m/€



- Strong increase in recurring fees (+€34m) driven by **asset expansion and margin recovery**
- Cost discipline (-€4.7m) amplifies benefits of **operating leverage**
- **Higher provisions (-€5.7)**, mainly for FAs' loyalty plan linked to the robust commercial results

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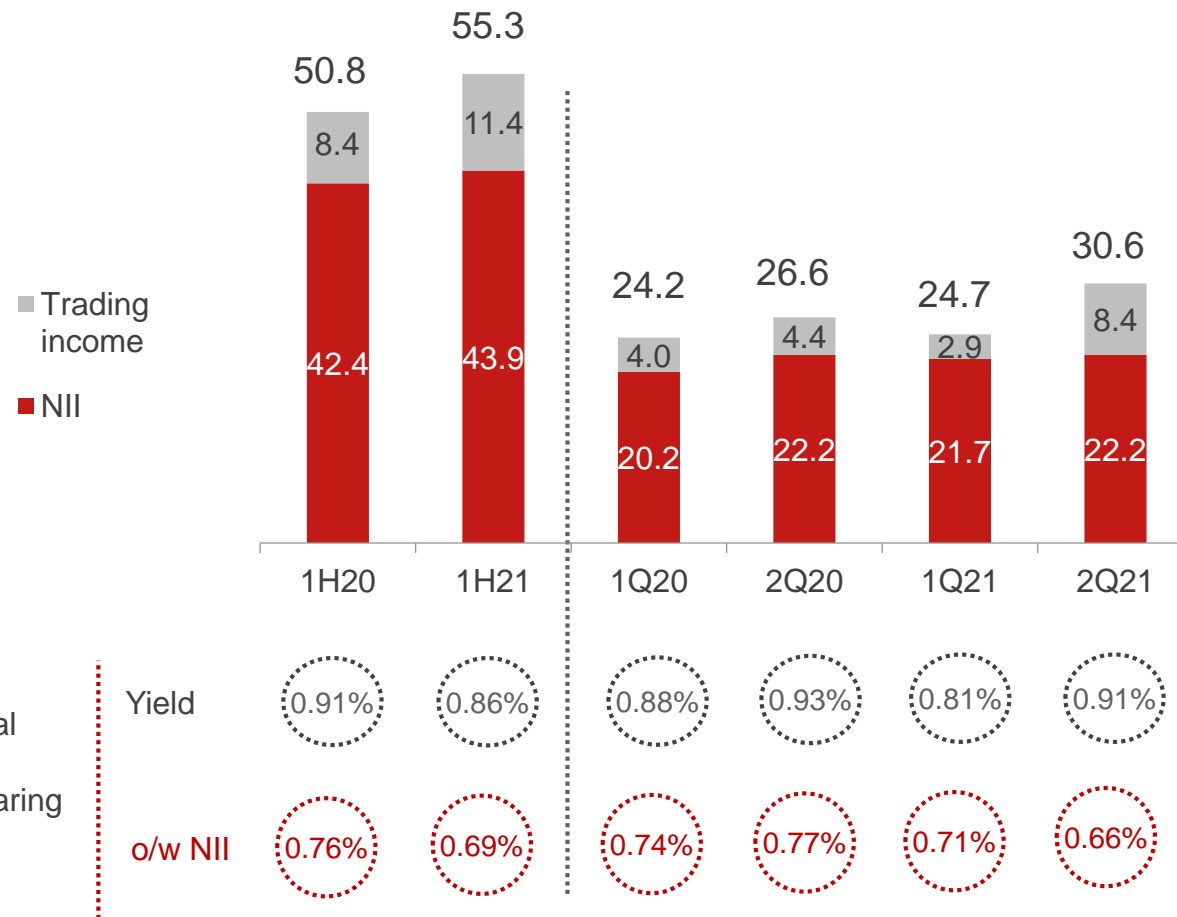


Appendix

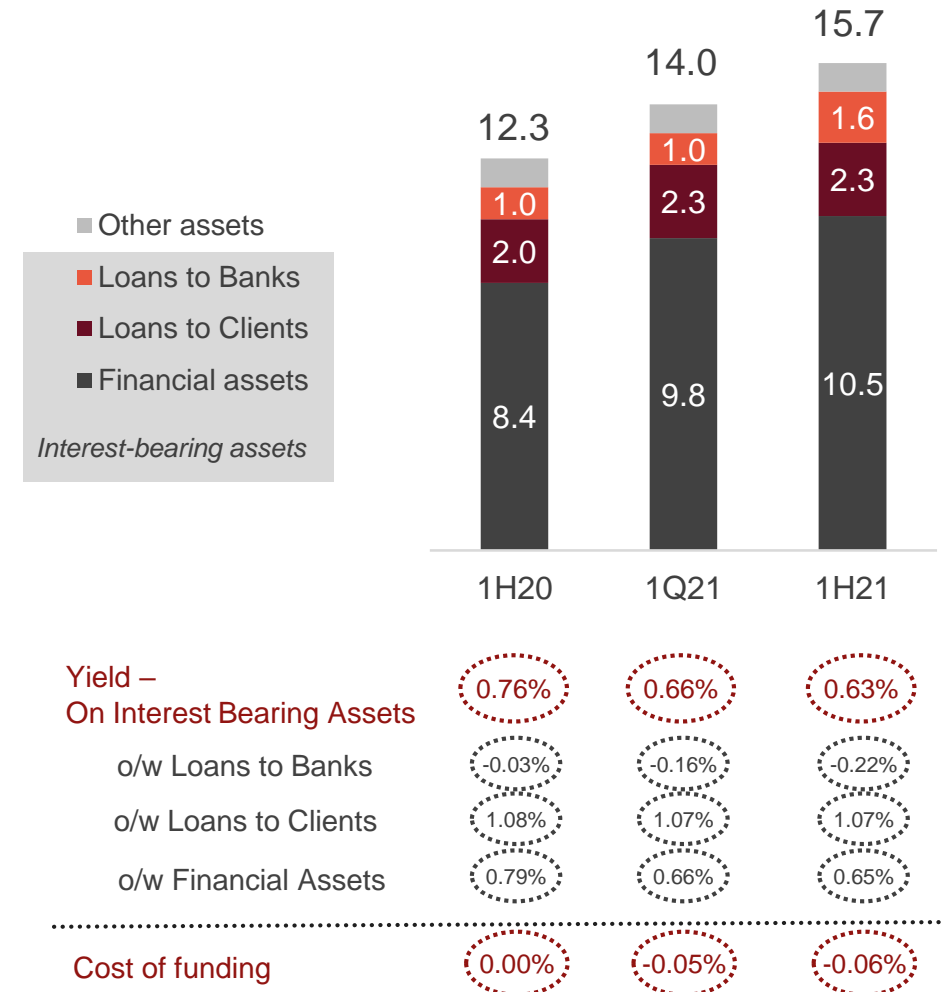
NET FINANCIAL INCOME

NET INTEREST INCOME PROVED RESILIENT

Net financial income m/€



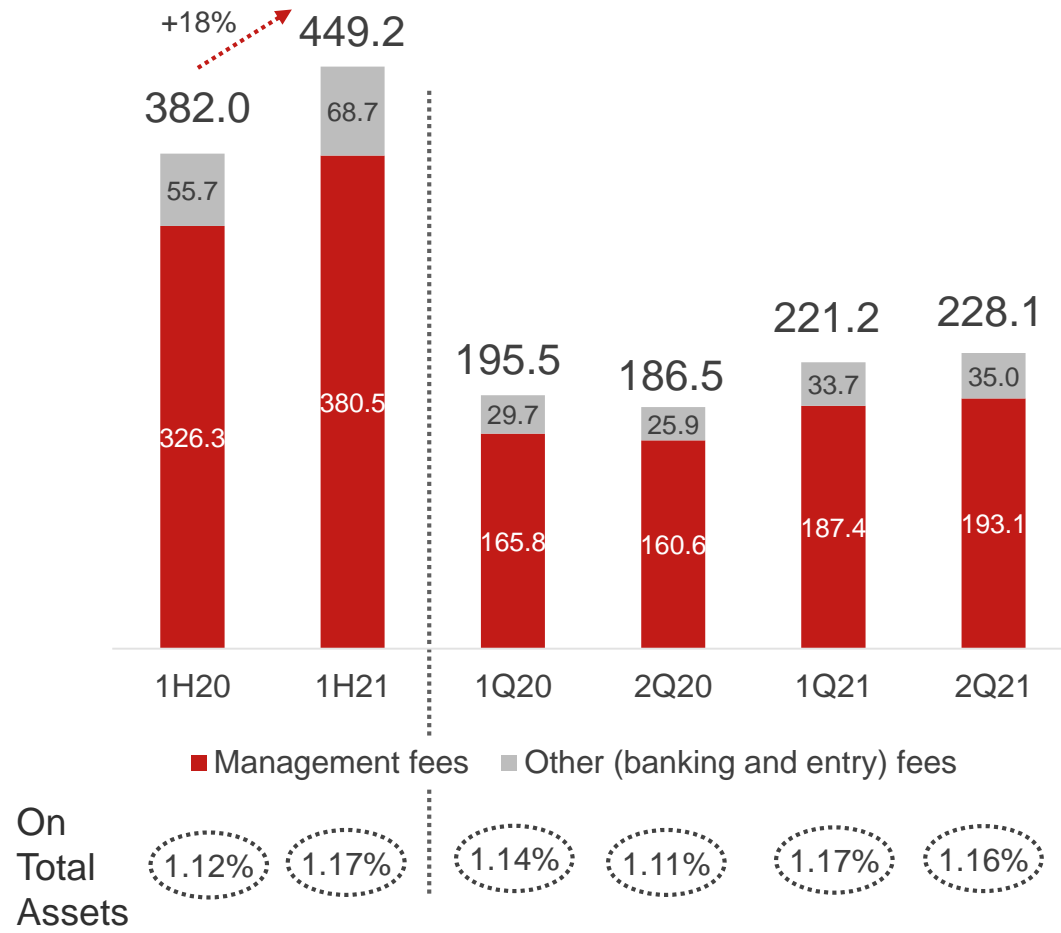
Total Assets and Interest-bearing Assets bn/€



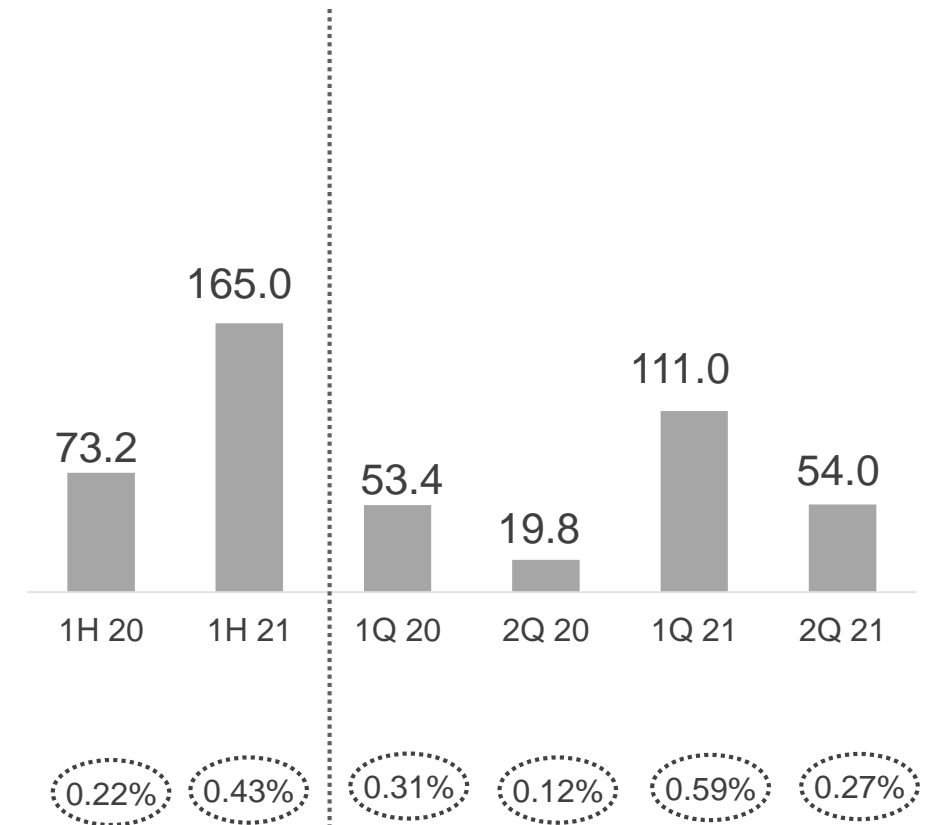
GROSS FEES (1/3)

STRONG REVENUE GROWTH EXPLOITING FAVORABLE MARKET CONDITIONS

Gross recurring fees m/€



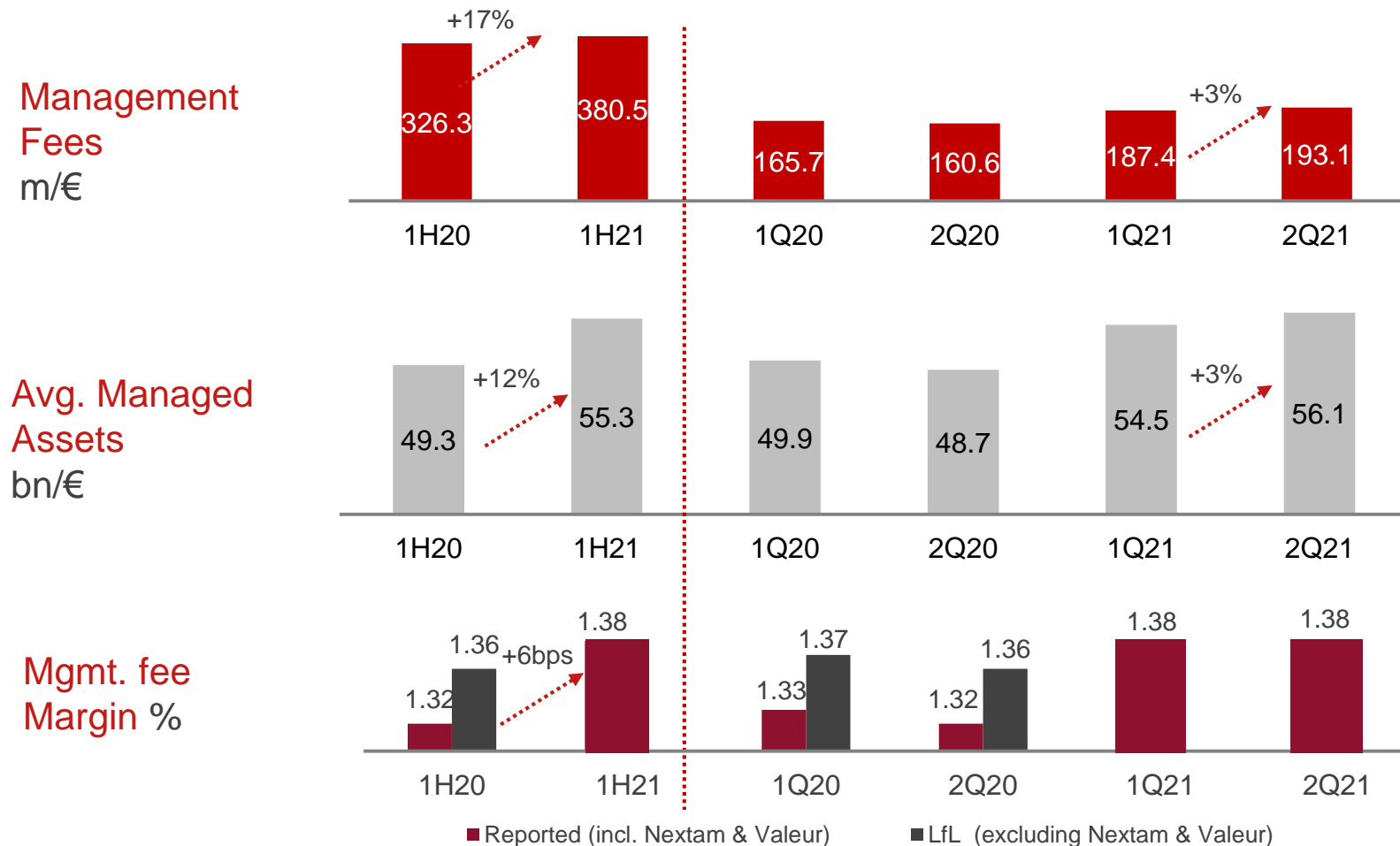
Variable fees m/€



GROSS FEES (2/3): MANAGEMENT FEES

ROBUST ASSET EXPANSION AND MARGIN RECOVERY

Quarterly trend m/€



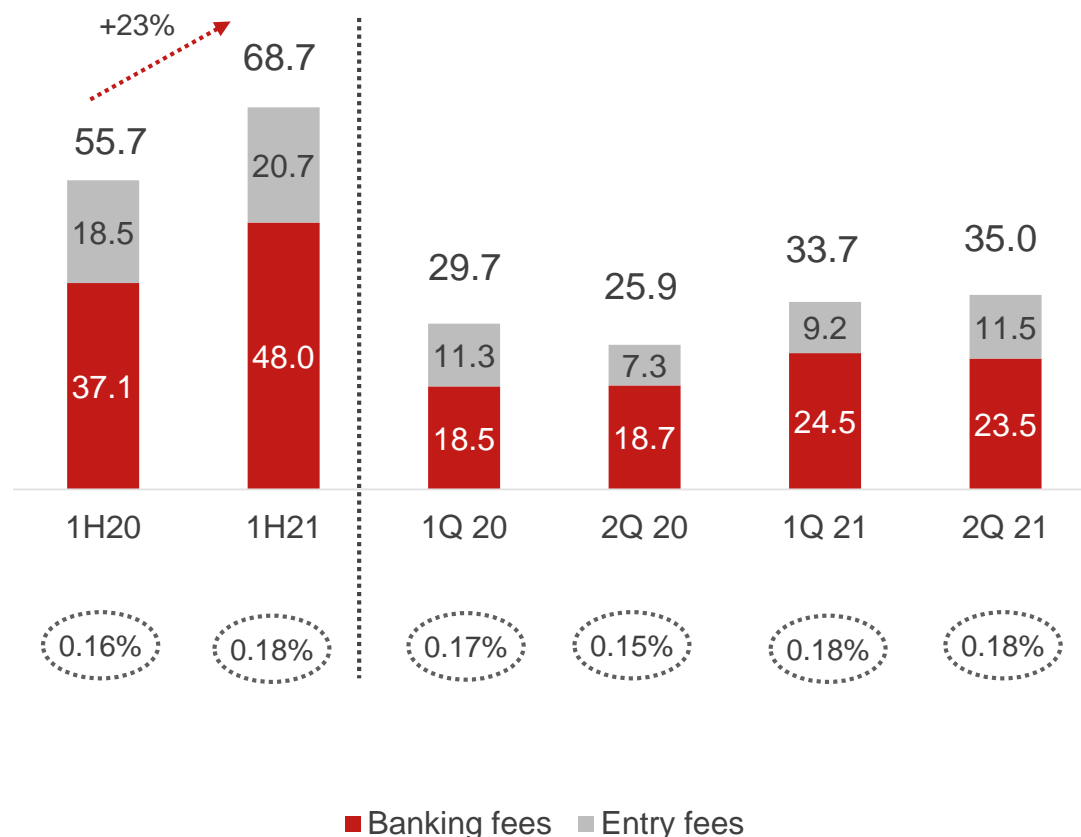
Management fee margin fully in line with 3Y Plan guidance (1.38%-1.42%) both at quarterly and interim level.

Margin expected to further improve in 2H21 following the new pricing structure for LUX IM

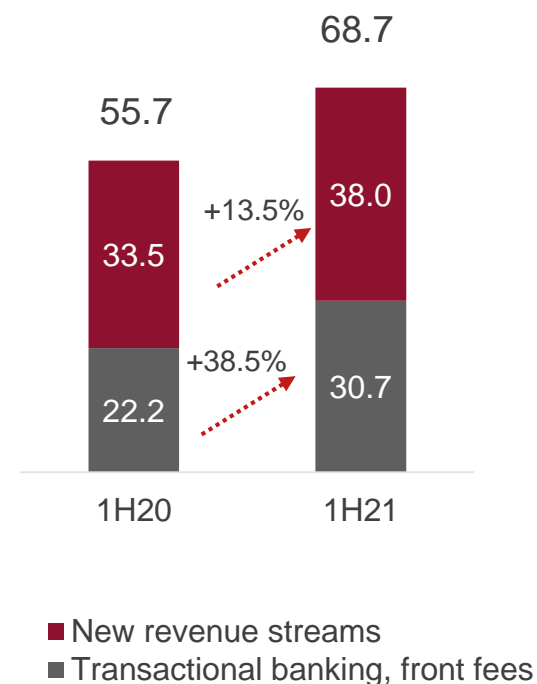
GROSS FEES (3/3): OTHER FEES

STEADILY GROWING CONTRIBUTION WITH A DIVERSIFIED MIX

Banking and Entry Fees m/€



New revenue streams m/€



1H21 new revenue streams posted a significant increase in advisory fees (+35%) and retail brokerage (+14%). Structured products (-10%) had a tough YoY comparison

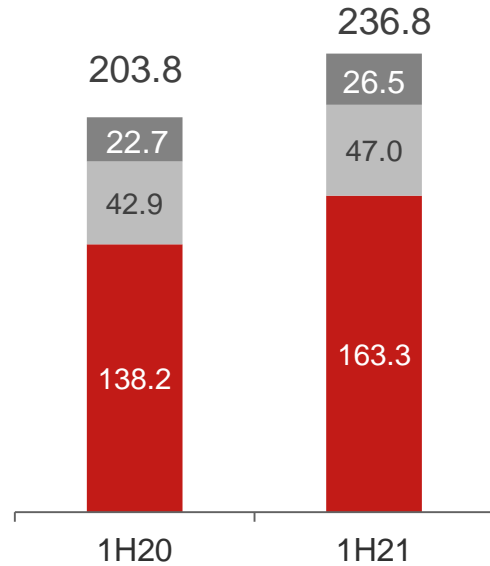
1H21 'Transactional banking and entry fees' (+39%) posted a strong delivery boosted by higher 'traditional' entry fees (+€4.4m), institutional banking (+€2.2m) and other transactional banking fees (+€2.6m)

Details in appendix

FEE EXPENSES

STRUCTURAL IMPROVEMENT IN PAY-OUT RATIO ON LOWER COST OF GROWTH

Total Fee Expenses m/€



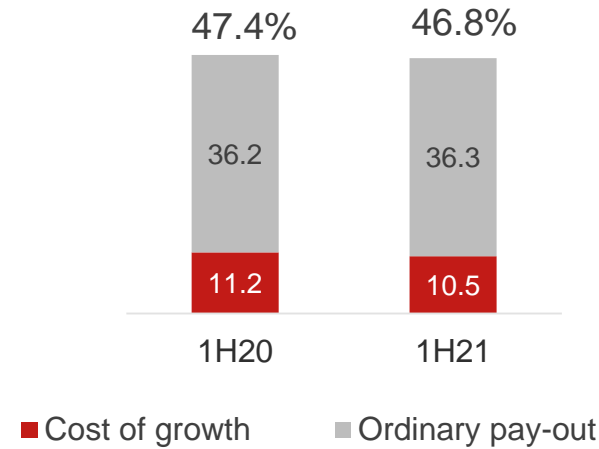
Total Pay-out ratio
(ex-performance
fees)

53.3%

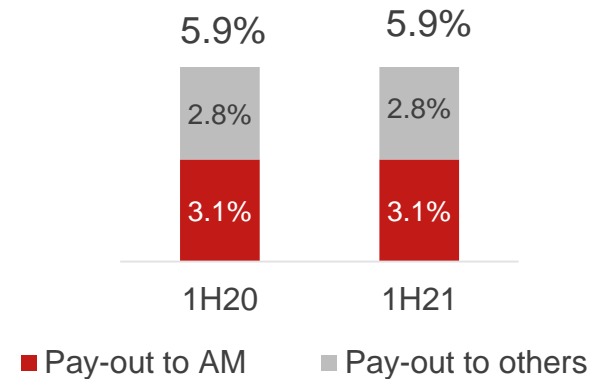
52.7%

- Fee expenses to Third-parties
- Fee expenses to Fas - cost of growth
- Fee expenses to Fas - ordinary

Pay-out to the network %



Pay-out to Third parties %

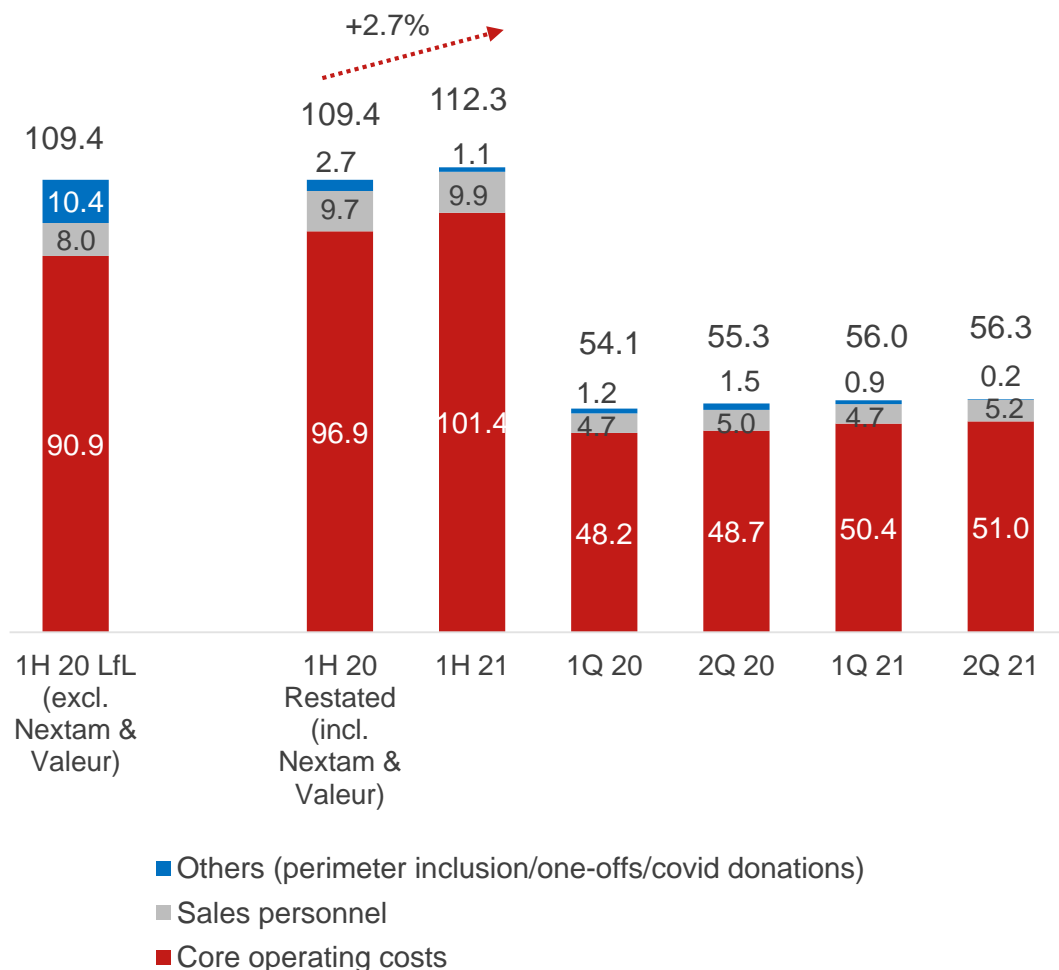


1H 2021 pay-out ratio (ex-performance fees) decreased to 52.7% (-0.6ppts) benefitting from the **lower weight of amortization charges** related to the recruitment of the previous years

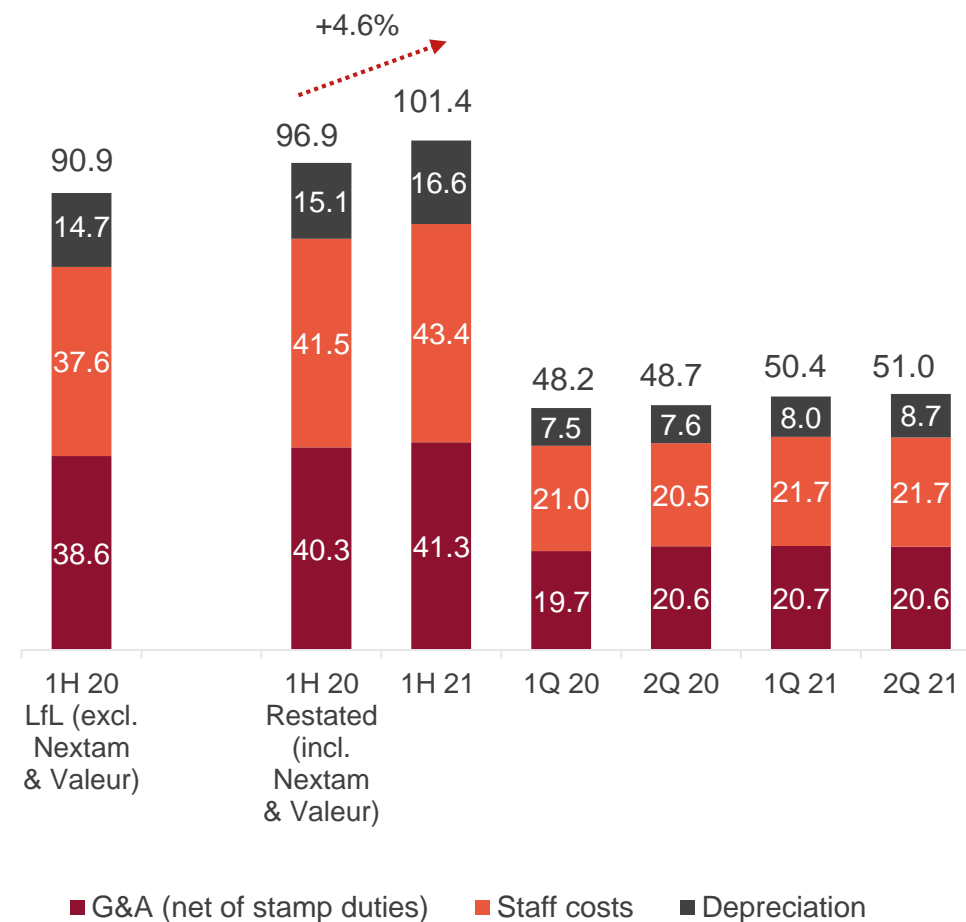
OPERATING COSTS (1/2)

DISCIPLINE IN COST MANAGEMENT

Total operating costs^{1,2} m/€



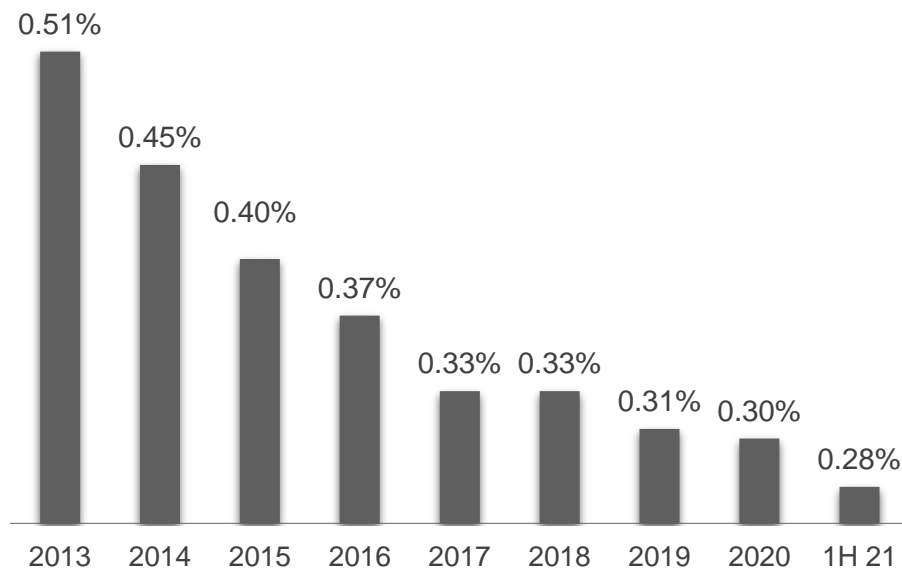
Breakdown of core operating costs^{1,2} m/€



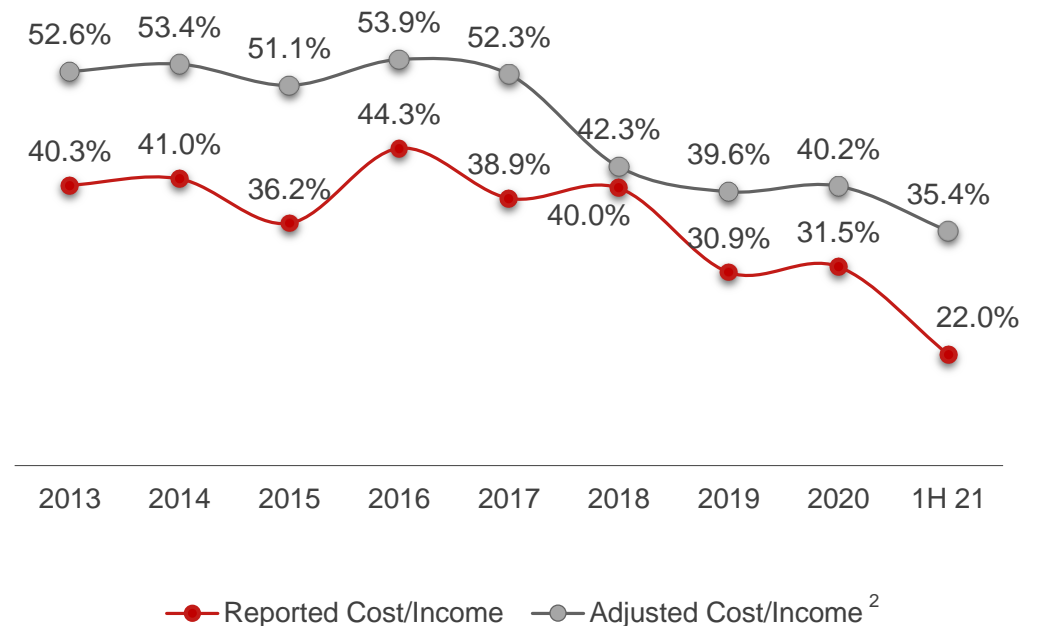
OPERATING COSTS (2/2)

OPERATING LEVERAGE AT ITS BEST

Operating costs/Total assets¹



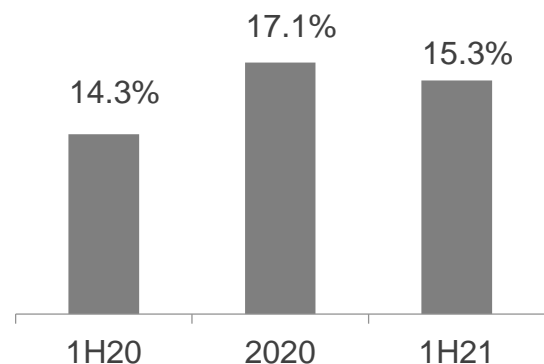
Cost/Income ratio¹



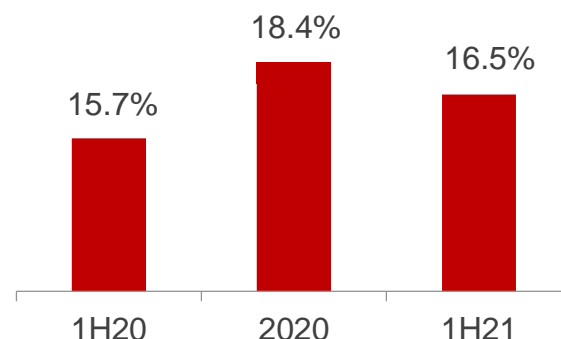
SOUND CAPITAL RATIOS

MORE THAN €500M FOR DIVIDEND EMBEDDED IN CURRENT CAPITAL RATIOS

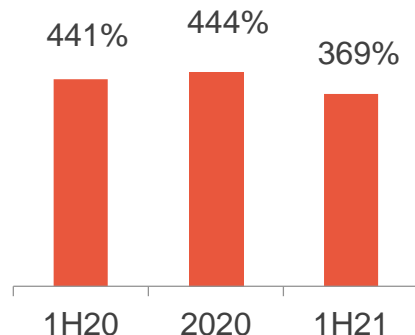
CET1 ratio



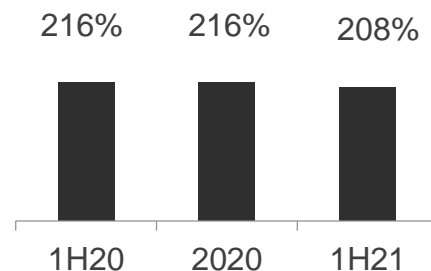
TCR ratio



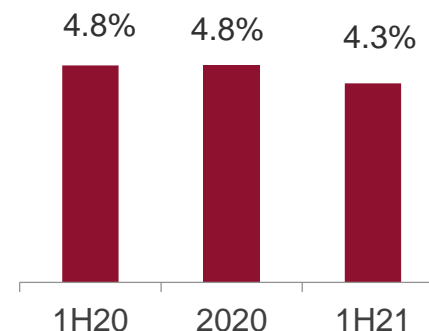
LCR ratio



NSFR ratio



Leverage



Capital ratio at interim level are subject to **seasonality** linked primarily to the commitment for the purchase of treasury shares (700k) to serve remuneration policies at an increased price (€45/p.s.)

Moreover, **higher capital absorption** was linked to temporary higher DTA for the one-off provision and higher diversification of the banking book

1H21 Reported capital ratios are calculated net of >€500m for dividends (€385m for 2019-2020 cumulative dividend already approved by last AGM on 22 April 2021) and €150m on 2021 dividends)

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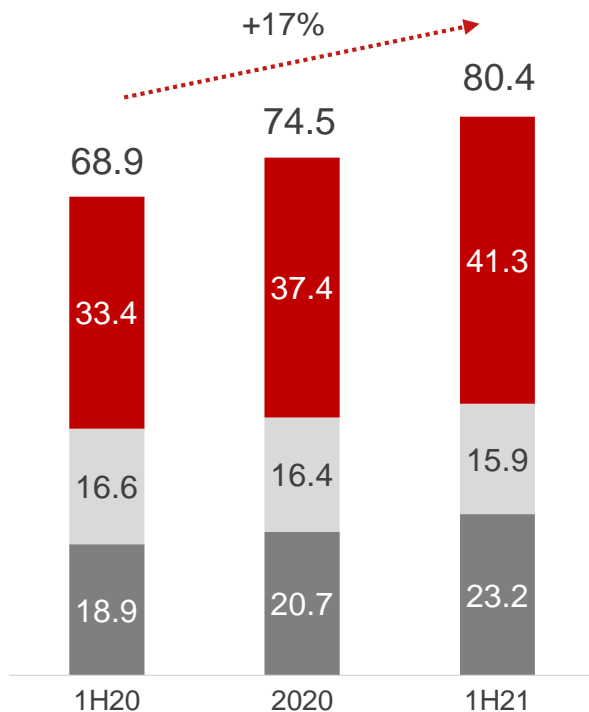


Appendix

TOTAL ASSETS

NEW HIGHS WITH A HIGHER-QUALITY MIX

Total Assets bn/€



% Managed Solutions/Total assets

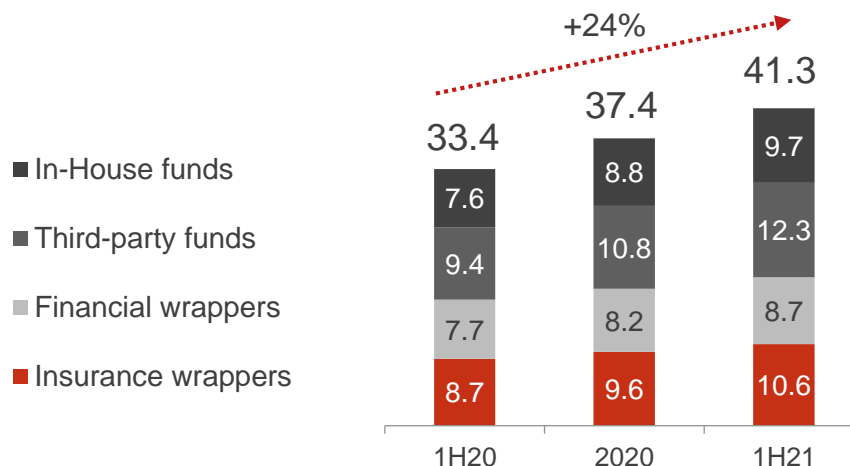
48.5%

50.2%

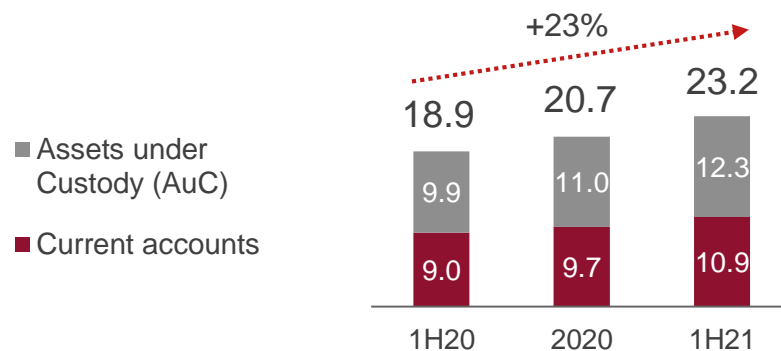
51.3%

■ Banking products ■ Traditional life policies ■ Managed solutions

Managed Solutions bn/€



Banking products bn/€



Managed solutions

(+3ppts to 51.3% of total assets). Growth driven by Funds/SICAVs (in-house +28%, third-party +31%)

Traditional life products

squeezed by rate environment and replaced by insurance wrappers

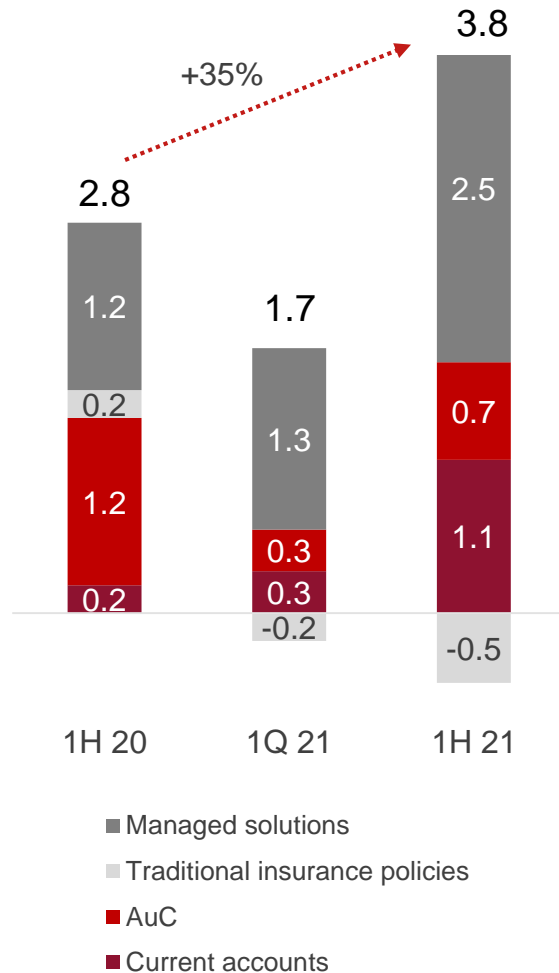
Banking Assets (+23% YoY)

benefitted from a more comprehensive offer on AuC assets and new clients acquisition

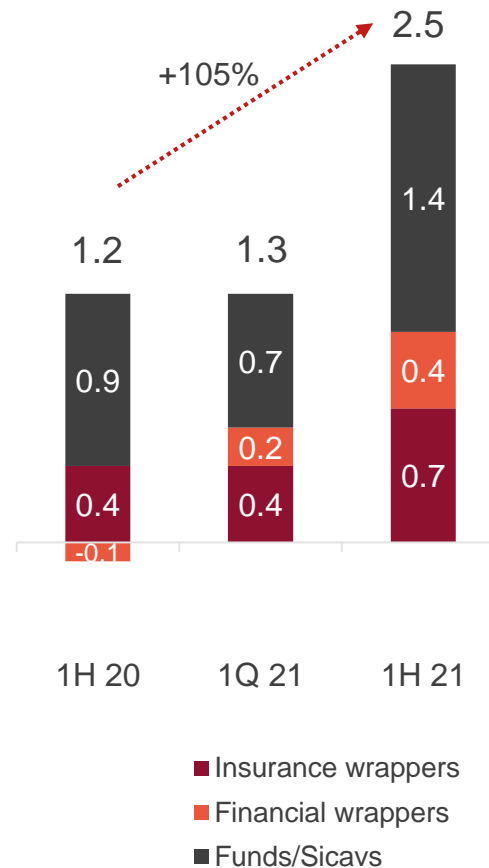
TOTAL NET INFLOWS (1/2)

HIGH-QUALITY MIX FOCUSSED ON MANAGED SOLUTIONS

Total net inflows m/€



Managed solutions, m/€



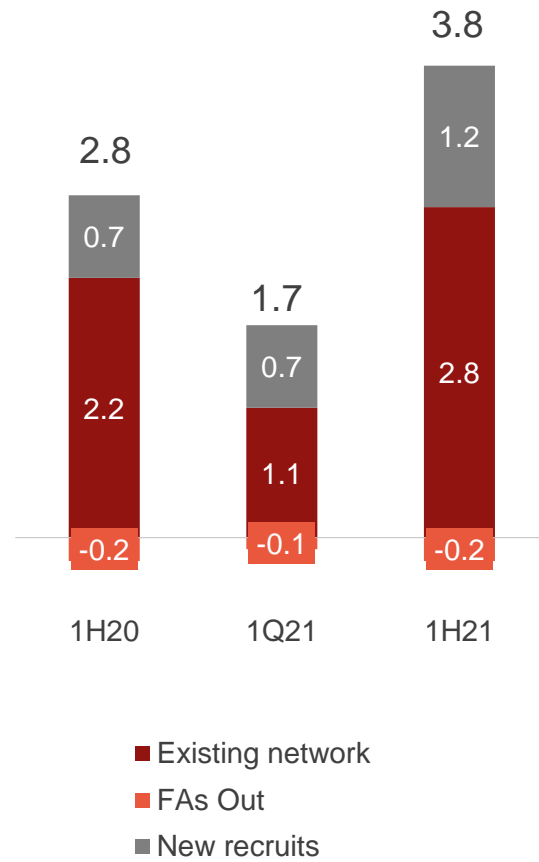
Net inflows (+35%) boosted by managed solutions (+105%)

Positive net inflows in **AuC products** bearing fruits of enhanced focus on products and services through advanced advisory/Ro4AD, brokerage and structured products

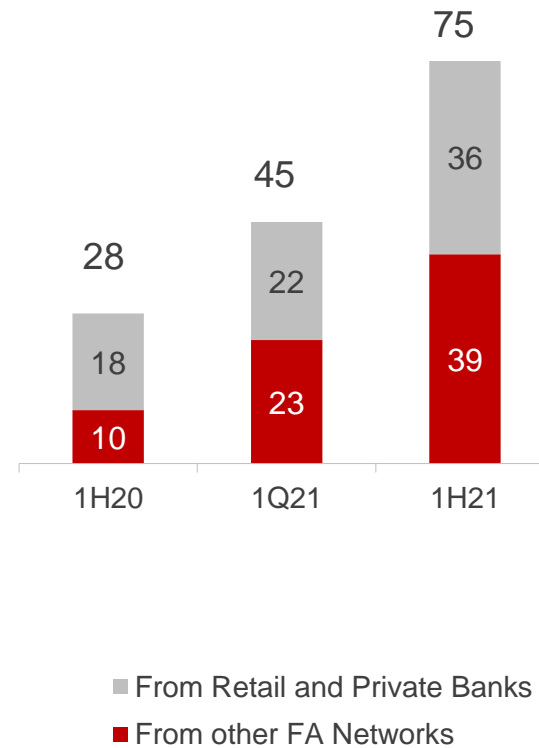
TOTAL NET INFLOWS (2/2)

WELL-BALANCED CONTRIBUTION FROM EXISTING AND NEW RECRUITS

Net inflows by acquisition channel, bn/€



Recruitment trend (# of Recruits)



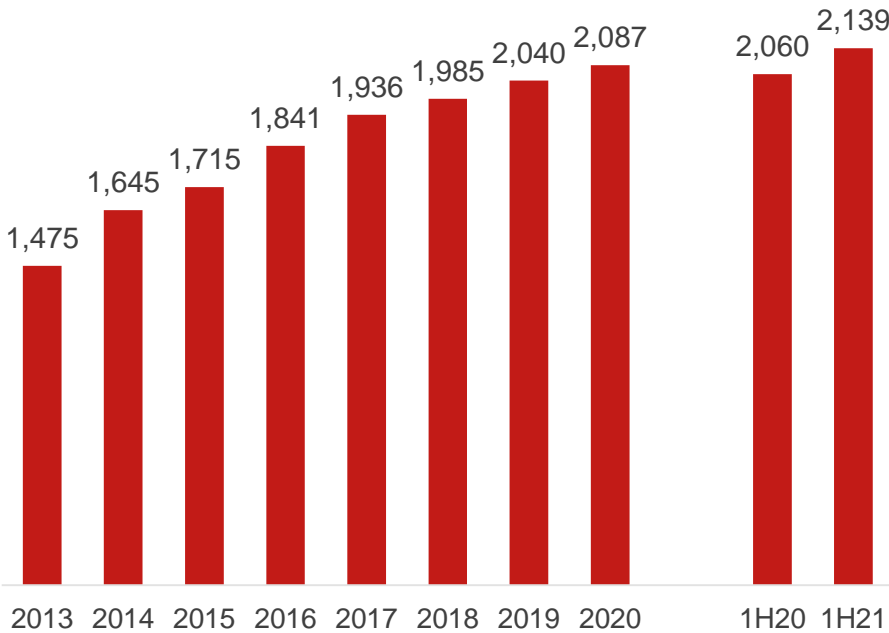
Continued momentum in recruiting recovering from the 1H20 slowdown linked to pandemic

Growth remains well balanced with organic contribution at 74% of total net inflows

FINANCIAL ADVISOR NETWORK

STEADY GROWTH BY SIZE AND VALUE

Financial Advisor Network, No. of FAs



Headline FA retention¹ at 98.1% - Core FA retention at 99.4%

FA Network, by portfolio size and skills

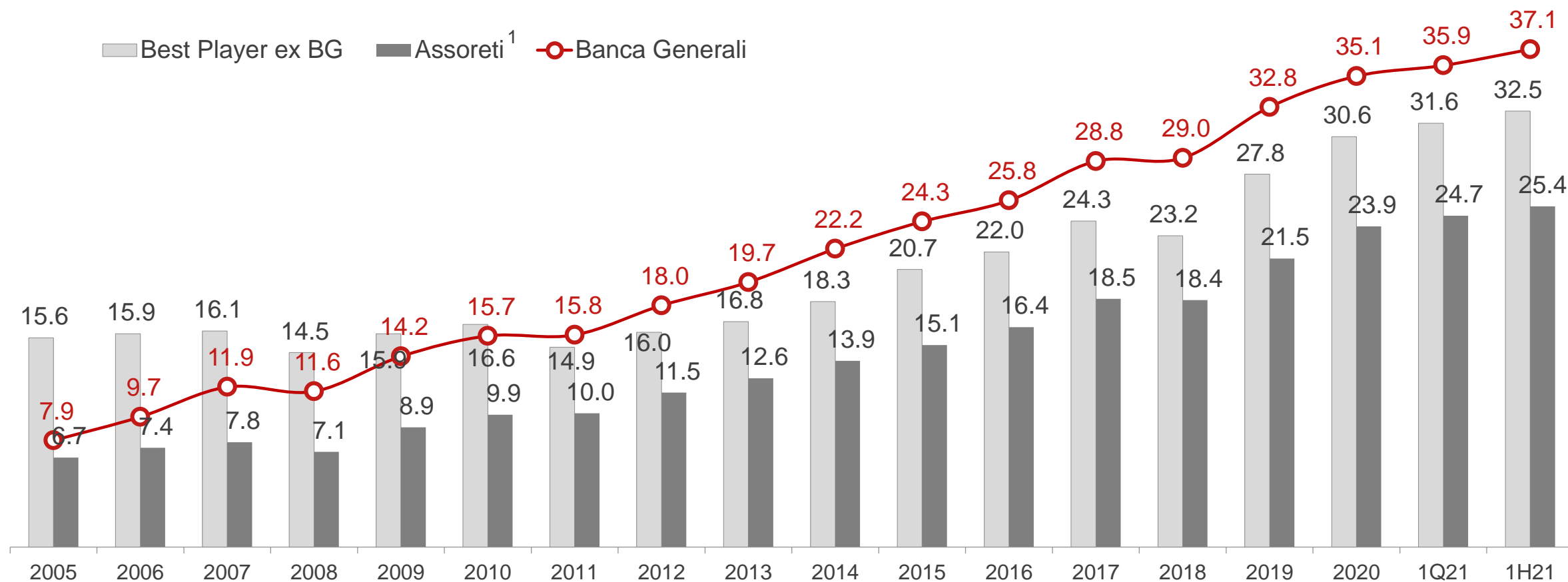
	Clusters	(% of Assets)	No. of FAs	Assets per FA m/€ ²
Financial Advisors	Wealth Managers (PTF>€50m)	35%	340 ¹	90.8
	Private Bankers (PTF€15-50m)	53%	1,321 ¹	33.6
	Financial Planners (PTF <€15m)	5%	332 ¹	13.2
Employees	Relationship Managers	7%	72 ¹	77.1

114 FA Teams (10% of total assets) - Avg. Portfolio: €78.7m assets per Team

BEST FA QUALITY IN THE INDUSTRY

STEADY VALUE GROWTH

Average FA portfolio (Asset per Financial Advisor) m/€

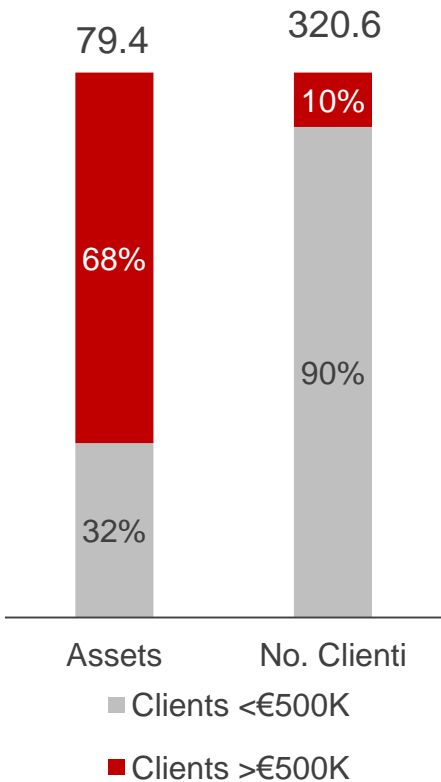


STRONG GROWTH IN PRIVATE CLIENTS

DELIVERING ON PRIVATE CLIENTS AS STATED IN THE 3Y PLAN

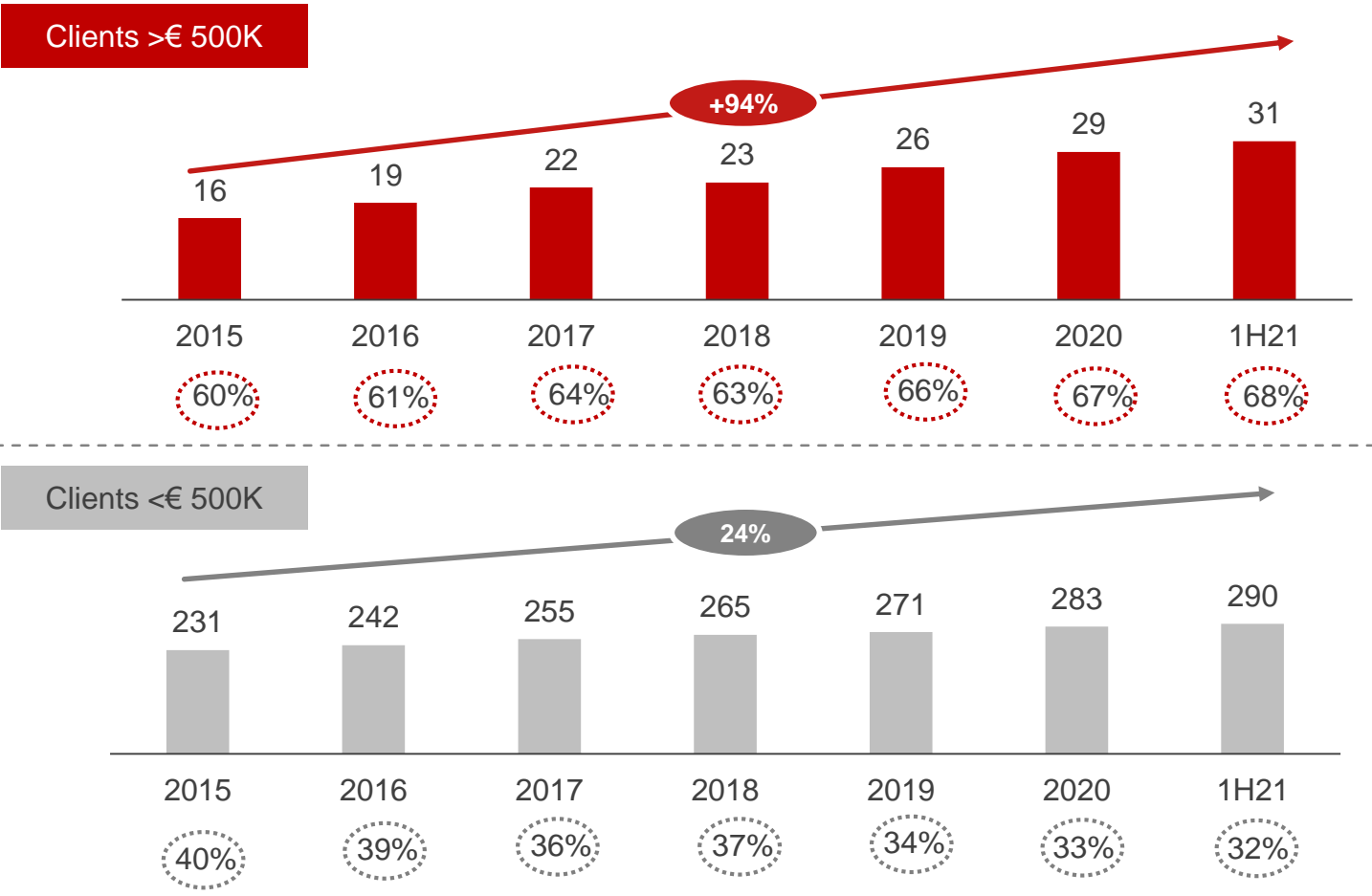
Breakdown of Clients by cluster, bn/€,

Data as of 30.06.2021



No. of Clients,

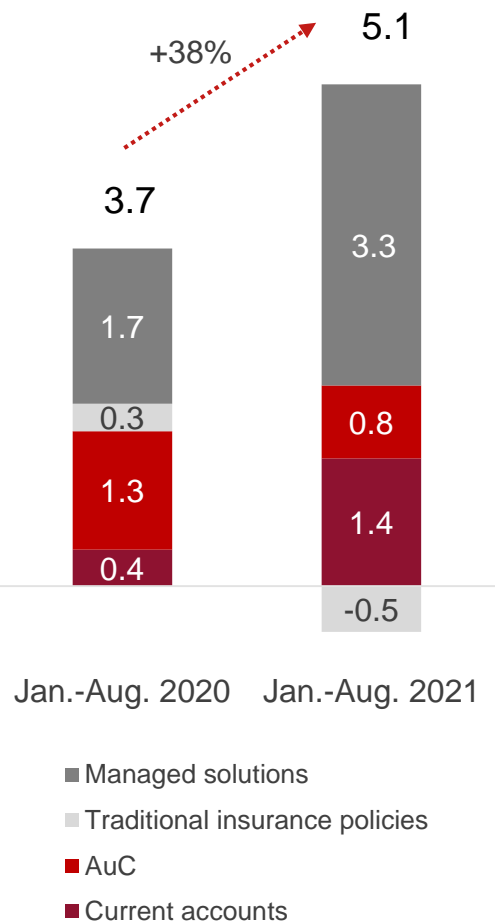
% Asset



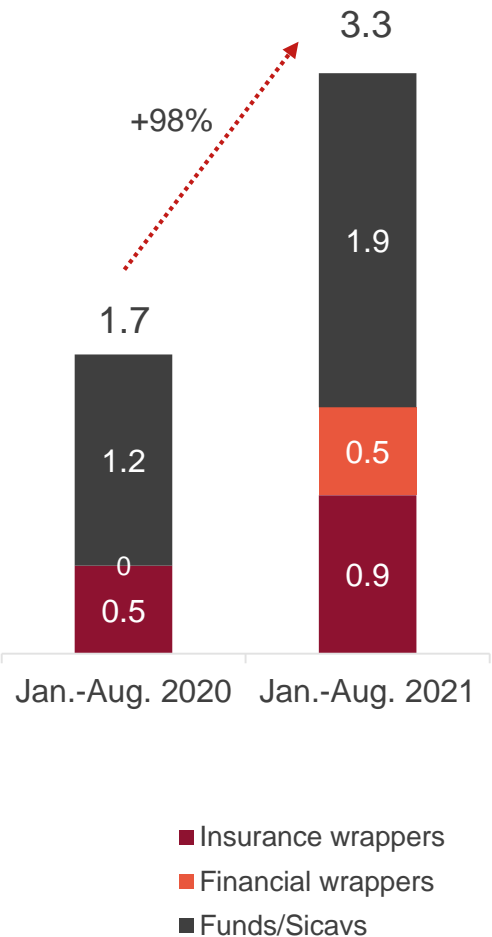
TOTAL NET INFLOWS

STRONG START TO 2H 2021

Total net inflows m/€



Managed solutions, m/€



Both July and August proved much stronger than last year driving total YTD net inflows to €5.1bn (+38%).

Within managed solutions, **wrapper solutions** almost tripled compared to the previous year (€1.4bn, +180%).

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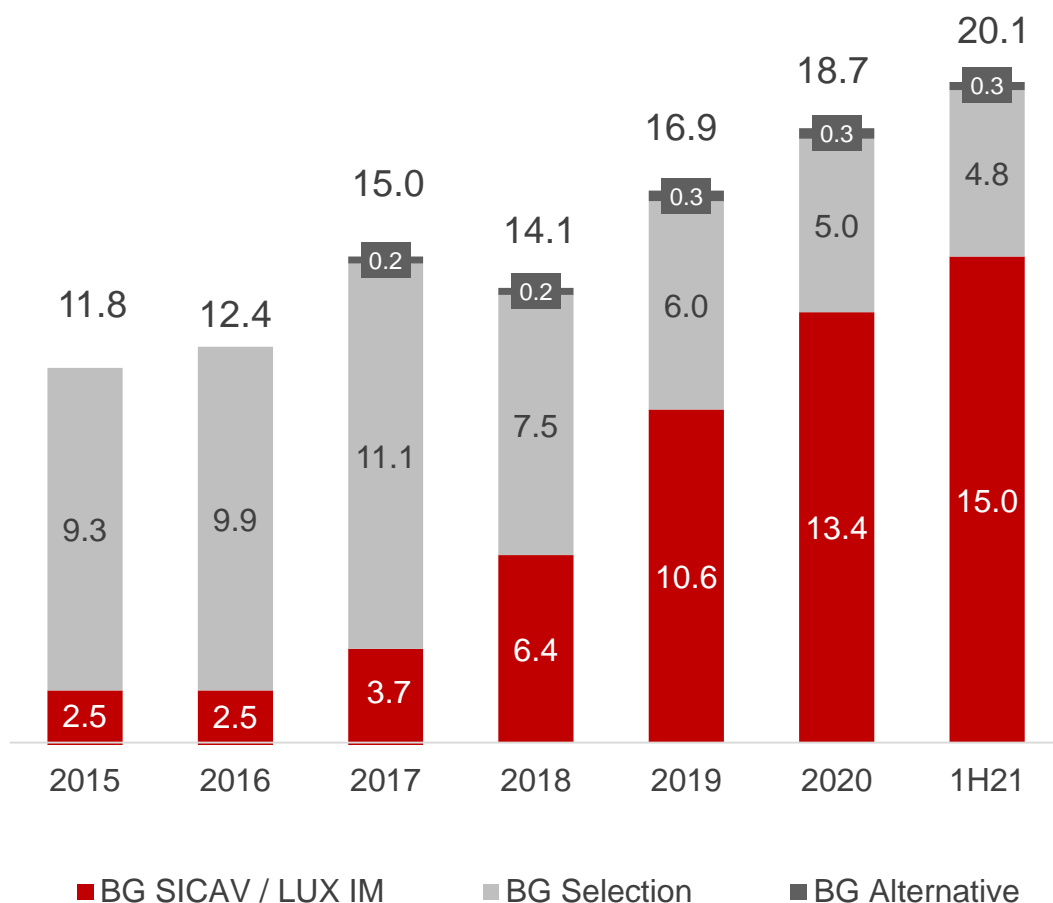


Appendix: Sector trend and business profile

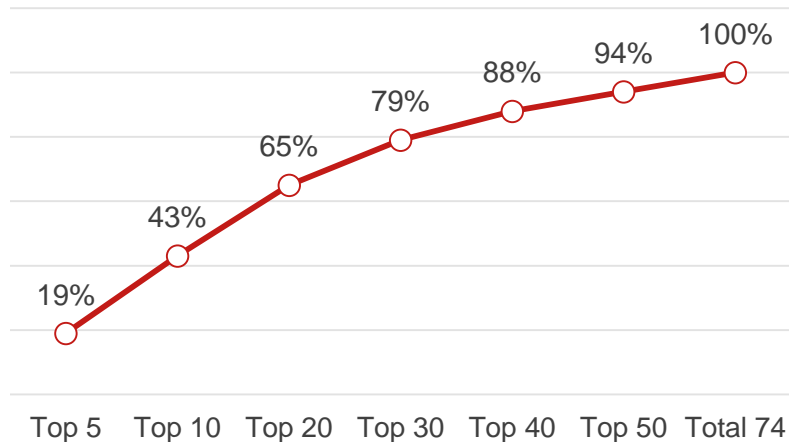
LUX-BASED FUNDS AT ALL-TIME HIGH

LUX IM DRIVING GROWTH OF IN-HOUSE FUNDS

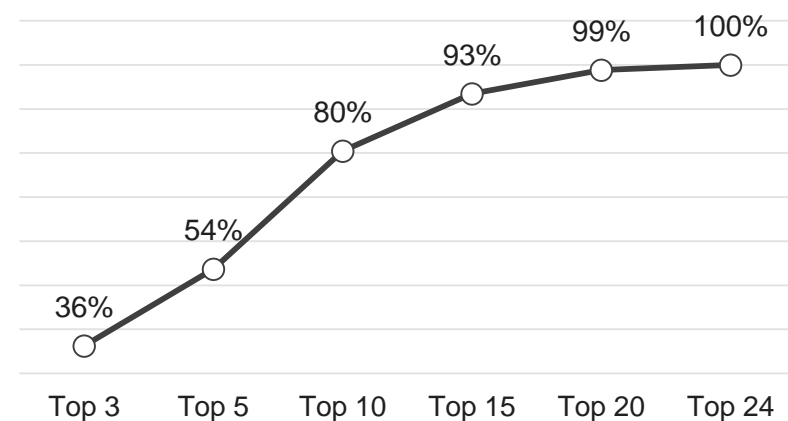
In-house Funds/SICAVs (BG FML), bn/€



LUX IM - Concentration by Strategies



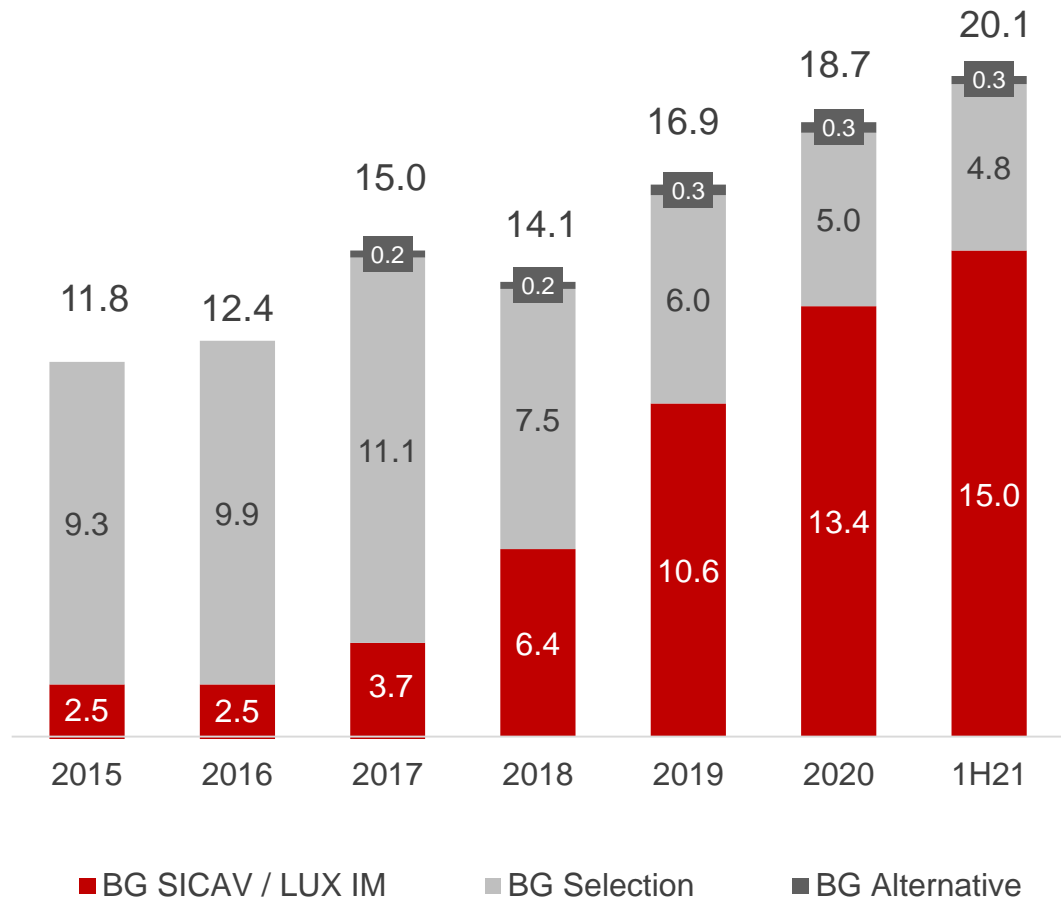
LUX IM - Concentration by AMs (excl. BG FML)



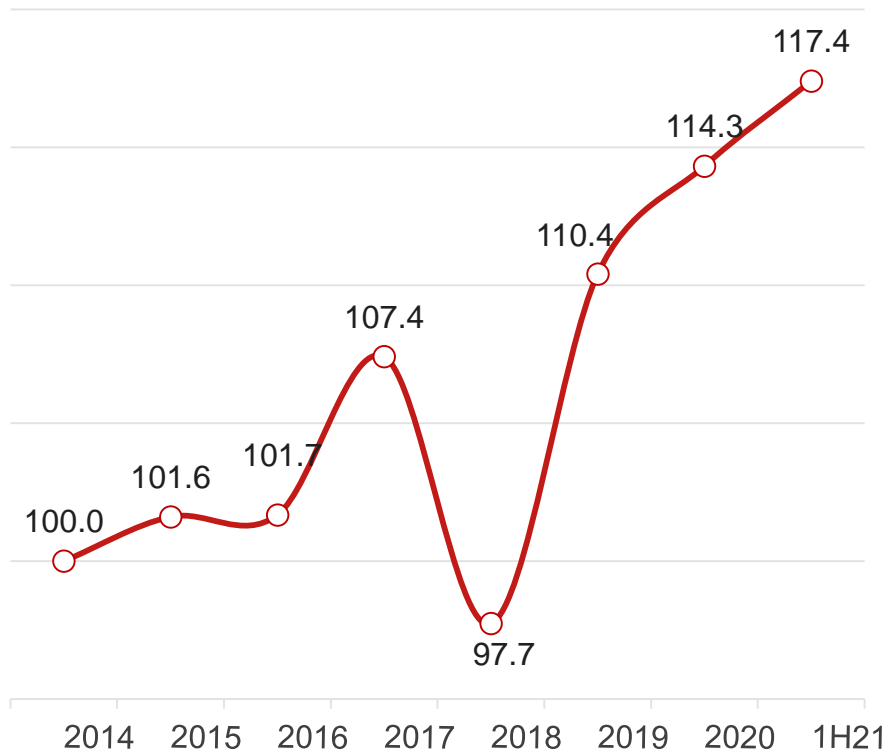
LUX-BASED FUNDS AT ALL-TIME HIGH

LUX IM DRIVING GROWTH OF IN-HOUSE FUNDS

In-house Funds/SICAVs (BG FML), bn/€



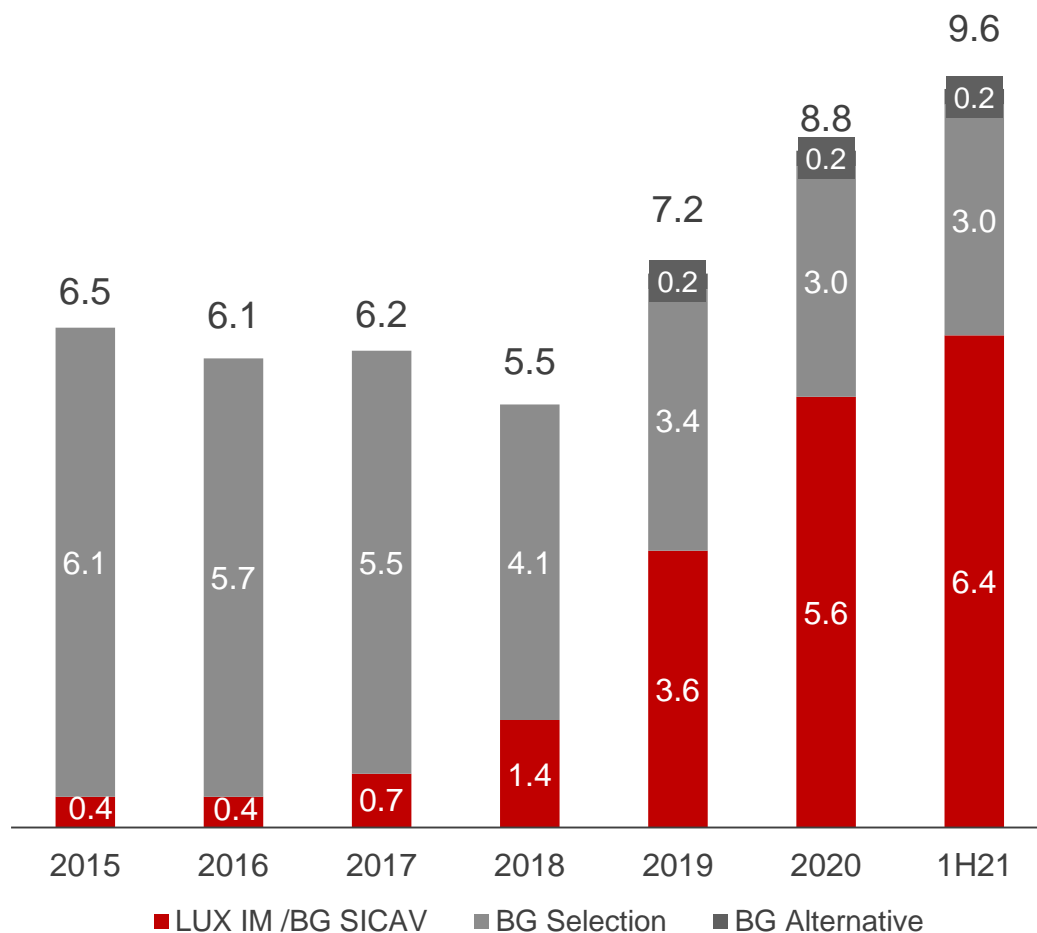
WAP¹ of BG FML



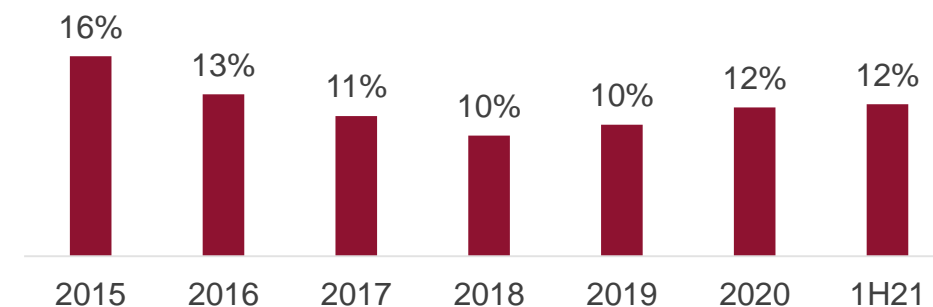
IN-HOUSE MANAGEMENT COMPANY (BG FML)

GROWTH OPPORTUNITIES FAR FROM FULLY EXPLOITED

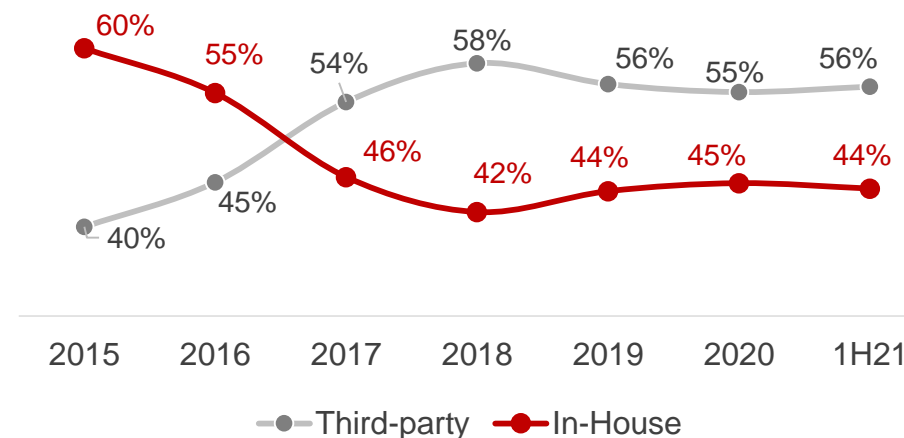
BG FML - Retail fund classes bn/€



Retail In-house Funds/Sicav on Tot. Assets



Retail funds: In-house vs. Third-party funds



REVIEW OF IN-HOUSE FUND OFFER

LUX IM: NEW FEATURES TO PURSUE GROWTH AND PROFITABILITY

LUX IM - Goals

LUX IM

- **Boosting equity offer** with compelling strategies for thematic and ESG funds
- Expanding successful experience of **Industrial advisory lines**
- **Tracking of ‘Flagship Premium AM Funds’**
- **Targeting record level of cash** on current accounts through a dedicated offer which also allows management of both accumulation plans and “risk-off” phases

LUX IM - Guidelines of New offer

Thematic Investing

- From 12 to 16 new sub-funds
- **Capturing demand for innovation and risky assets**

ESG Investing

- From 14 to 28 ESG funds (art.8/art.9)
- **Capturing demand for innovation and risky assets**

Industrial Advisory

- From 4 to 6 new sub-funds with industrial advisory
- **Capturing demand for innovation and risky assets**

Cash Parking

- From 3 to 6 new sub-funds
- **Efficient tool to manage cash piling in the balance sheet**

Tracker of flagship strategies

- 8 new sub-funds tracking ‘iconic’ strategies of key AM partners (5 equity strategies and 3 thematic strategies)
- **Opportunities for internationalization of revenues**

LUX IM




- **Mechanism: High Water Mark** equivalent to the maximum NAV reached by the fund. It allows performance fees to be withdrawn only upon reaching a new High Water Mark
- **Reference period:** from inception
- **Crystallization:** daily


BG SELECTION



- **Mechanism: High-on-High:** Performance fees can only be charged if the NAV of the calculation day exceeds the NAV of the previous withdrawal day
- **Reference period:** 5 years
- **Crystallization:** yearly (with daily accrual)

CLOSING REMARKS

Objective	KPIs	2021 Targets	1H21 YTD Results	Score
Asset growth	Cumulative Net Inflows (bn/€)	>14.5 bn/€	14.8 bn/€	✓
	Total Assets (bn/€)	76-80 bn/€	80.4 bn/€	✓
Sustainable profitability	Core Net Banking Income ¹	≥63 bps	67 bps	✓
	'Core' Operating Costs ¹ :	3%- 5% CAGR	4.6% ²	✓
Shareholders' remuneration	Dividend pay-out	70%-80% pay-out ratio	€1.25 DPS floor on 2021 already allocated	✓
	Dividend per share	DPS (1.25€) set as a floor	€3.3 DPS on 2019/20 already approved by AGM	✓
			 <div>>€500m dividend already allocated and/or approved</div>	

Legend:  On track to 2021 target

Our Vision:
To Be the
No.1 Private Bank
unique by Value of
Service, Innovation and
Sustainability



Preliminary remarks



1H 2021 Financial Results



Net Inflows, Assets and recruiting



Business update and closing remarks



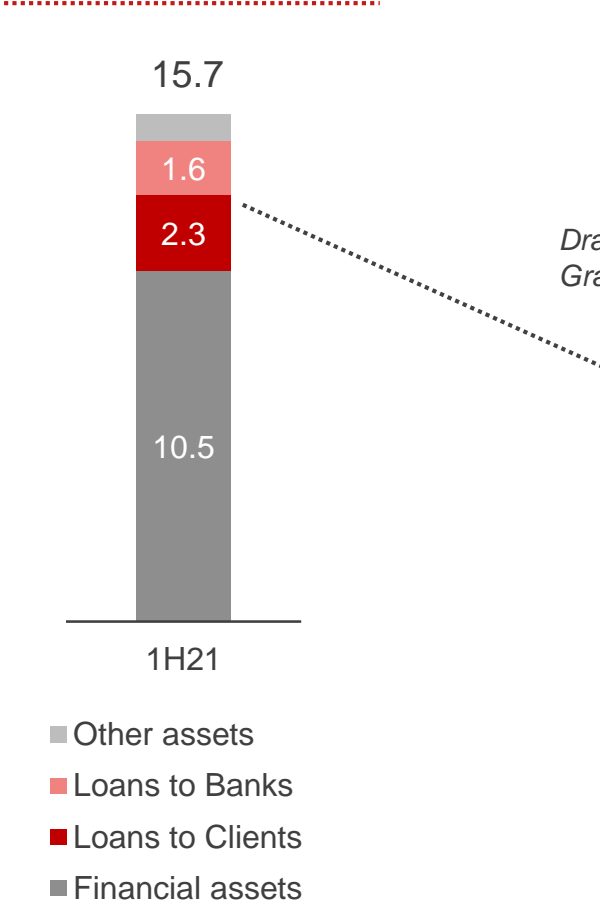
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- **Financials back-up**
- Business Initiatives - others
- Sector data and market share
- Business profile - facts

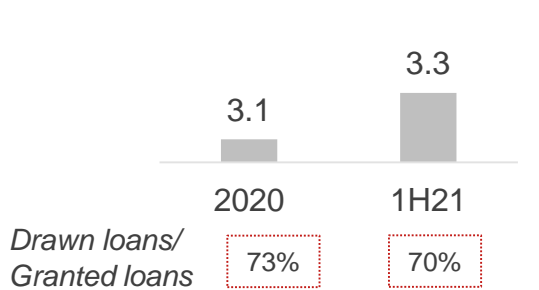
NET FINANCIAL INCOME

HIGH QUALITY BANKING PORTFOLIO

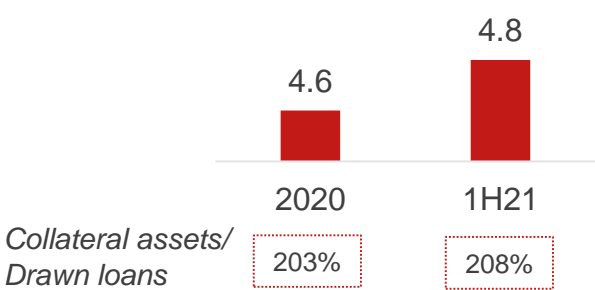
Total Assets bn/€



Granted loans, bn/€

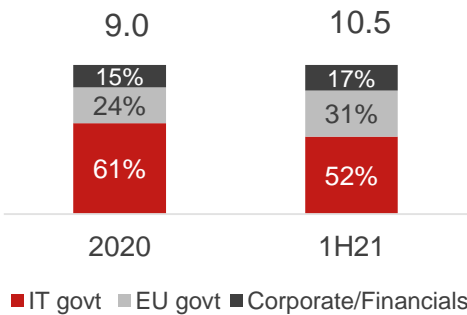


Collateral assets, bn/€

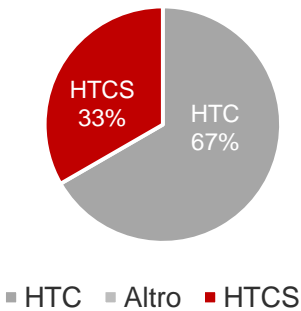


High-quality loan profile with a ratio of collateral assets to drawn loans at 208%

Bond Portfolio Classification bn/€, %



Financial Assets by IFRS Classification



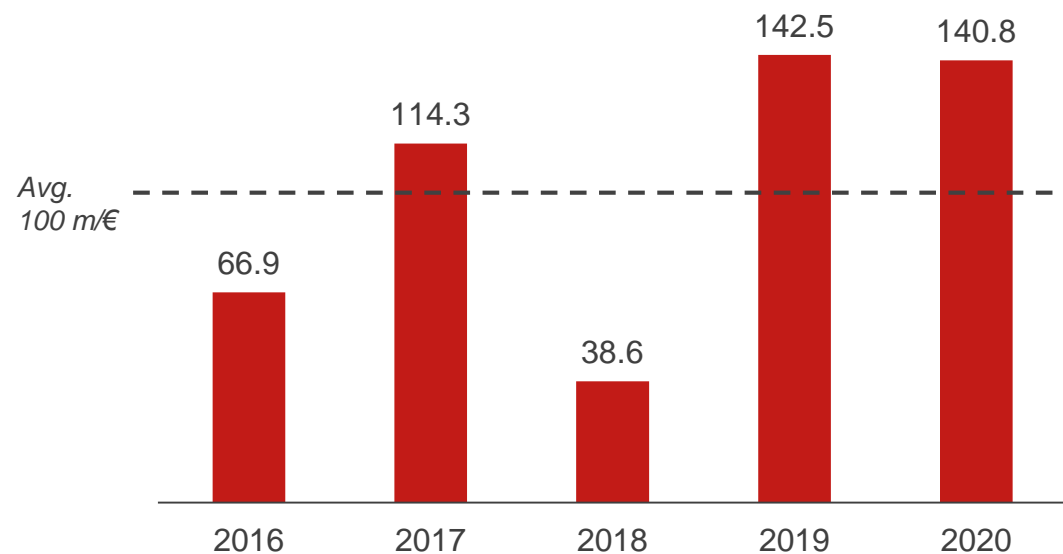
Growing diversification in the profile of banking book in favor of other EU government bonds and financial corporate bonds

1H 21 Maturity 3.7 years (di cui HTCS 0.8 years)
1H 21 Duration 1.4 years(di cui HTCS 0.5 years)

BG FML – FEE STRUCTURE

REPRICING ACTIONS

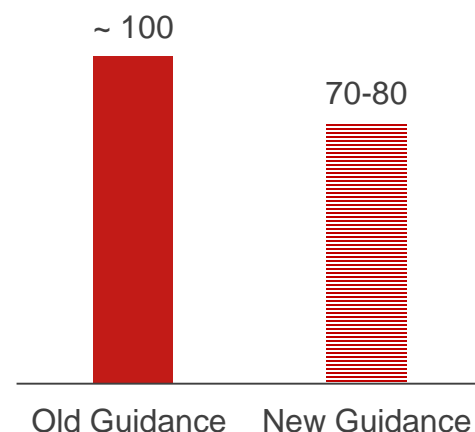
2016-2020 Variable fees m/€



Avg. managed assets bn/€	33.5	39.8	43.6	45.8	48.6
Margin ² bps	20	29	9	31	29

Impact of new performance fees mechanism m/€

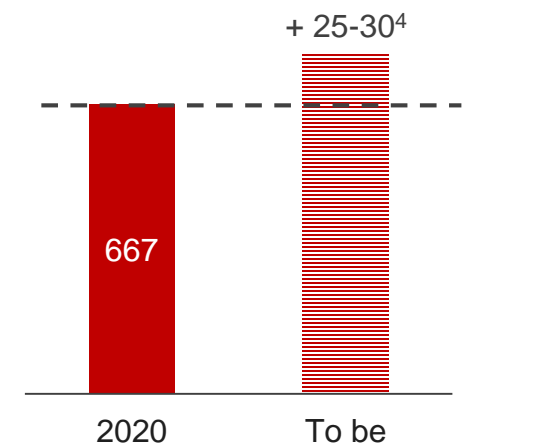
New mechanism for performance fee calculation **presented to CSSF for approval**¹



48.6	48.6
	- 4/6 bps
20	14-16

Gross management fees m/€

Organic review of the fee structure (both admin. and management fees based on price sustainability and careful benchmarking³)



48.6	48.6
	+ 5/6 bps
137	142-143

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 Details in the next slides

KEY BUSINESS DRIVERS

A BG FUND
MANAGEMENT LUX

B ESG

C INSURANCE

NEW REVENUE STREAMS

D ADVANCED ADVISORY

E BROKERAGE

F STRUCTURED PRODUCTS
& PRIMARY MARKET

NEW BUSINESS LEVERS

G LOMBARD LENDING

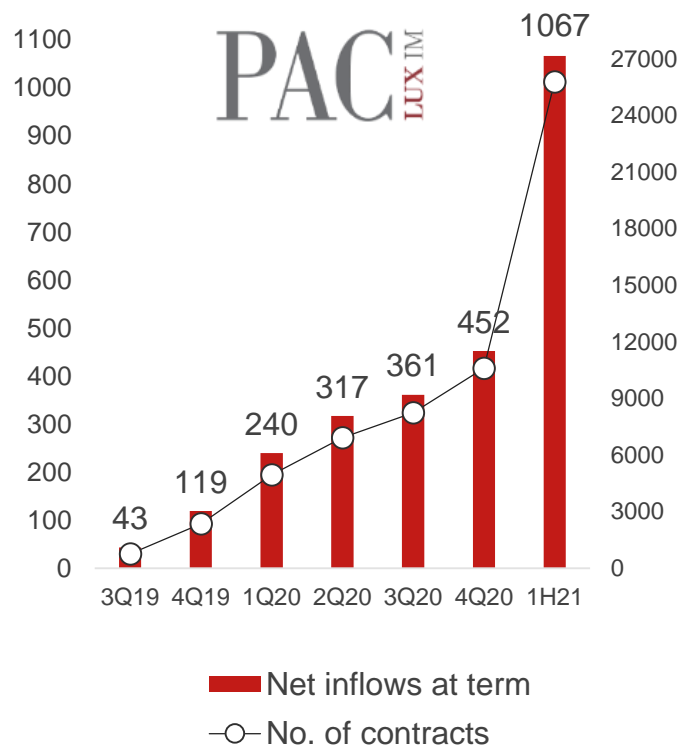
H PRIVATE MARKETS

I INTERNATIONAL
EXPANSION

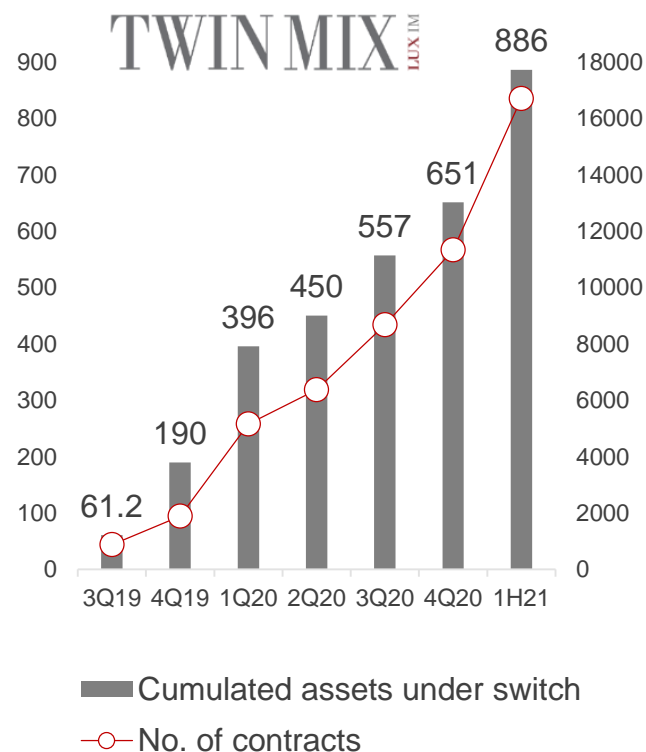
KEY BUSINESS DRIVERS - LUX IM

NEW TOOLS SUPPORTING LUX IM GROWTH

Savings Plans: Net inflows in LUX IM m/€



Switch Plans: Net Inflows in Funds m/€



Strong delivery of new tools linked to LUX IM:

PAC (Savings plans): almost doubled by number since the start of the year. Decent size (€41K) and length (five years) on average

TWIN MIX (Switch plans): solid growth of assets invested in low volatility funds to be switched into higher volatility sub-funds within LUX IM offer

KEY BUSINESS DRIVERS - ESG

DISTINCTIVE APPROACH TO ESG DELIVERING ABOVE EXPECTATION

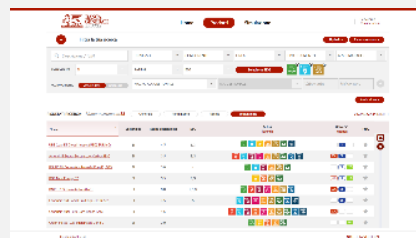
Distinctive commercial approach

UN SDGs



Distinctive ESG value proposition linking investment decisions to SDGs on a tailor-made basis

ESG dedicated platform



IT platform allowing a bespoke selection of ESG funds based on risk profile and SDGs

Fund selection and ranking



Advanced fund analysis by ESG thematic area for sustainability ratings and for alignment with the SDGs

ESG reporting



Reported impact of funds and portfolios according to objective SDG-linked metrics

ESG Integration

100%
of assets
undergoing a
negative
screening

Company exclusions:

- Violation of the UN Global Compact Ten Principles
- Controversial activities based on revenue thresholds for weapons, tobacco and coal production.

Alignment to the SFDR¹ and EU Taxonomy

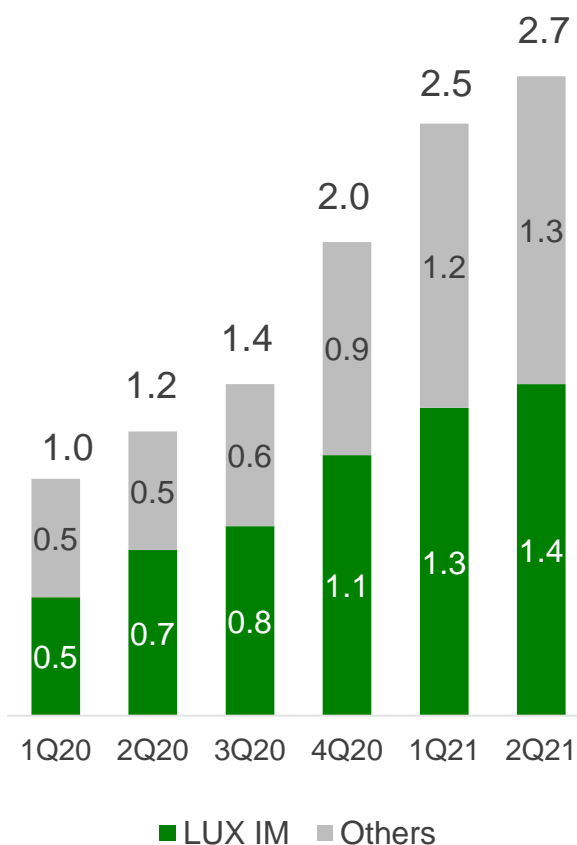
Banca Generali is in the process of labelling its financial products according to SFDR's Article 8 and 9

Additionally, Banca Generali is also placing a major focus on the EU Taxonomy and will be creating a structured system for identifying and managing the inherent risks

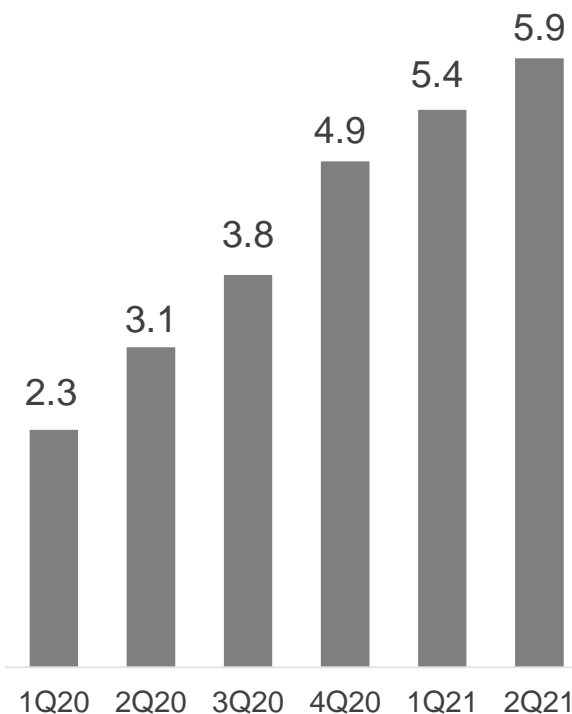
KEY BUSINESS DRIVERS - ESG ASSETS

OVER €700 MILLION NET INFLOWS AT 1H 2021

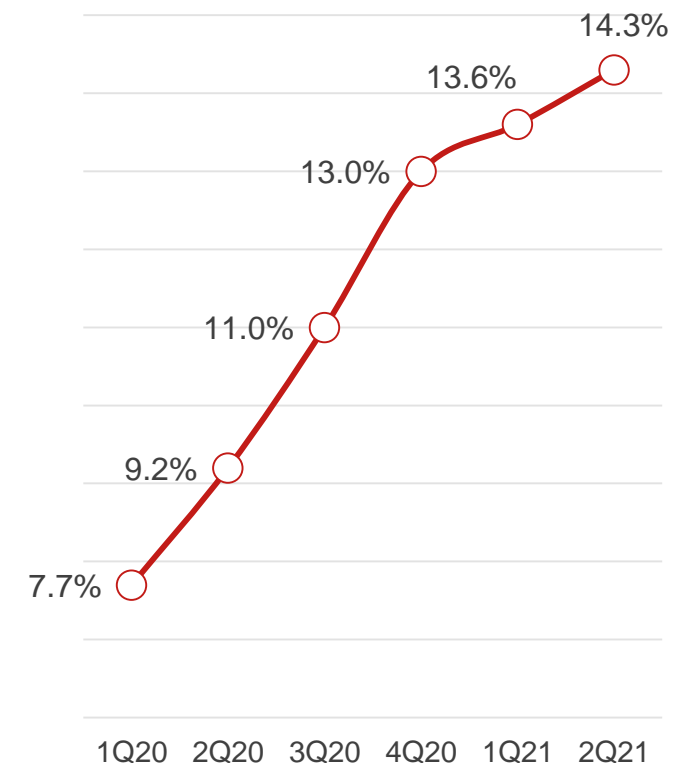
Cumulative Net inflows in ESG¹ products since inception, bn/€



Assets in ESG¹ products, bn/€



ESG¹ as % of Managed Solutions



CLIENTS OF BANCA GENERALI HAVE AN ESG FOCUS

MEASURING IMPACT ACCORDING TO THE SDGs

Based on our proprietary ESG platform we can analyse the positive impact of our clients' sustainable investments, and which SDGs clients focus on

Our clients' sustainable investment feats in 2020:



- Saved **1.6 million tonnes of CO2**, equal to 11.1 million car journeys from Milan to Rome;



- Saved **272 billion liters of water**, equivalent to 3.9 billion showers;



- Distributed over **2 million organic meals**;



- Offered **health care to nearly 80,000 patients**;



- Greater **protection of child labor** and enhancement of Diversity.

Our clients have access to a unique SDG platform

Sostenibilità Banca Generali impact (SBGi) allows our clients to invest in solutions which contribute towards the 17 UN Sustainable Development Goals.



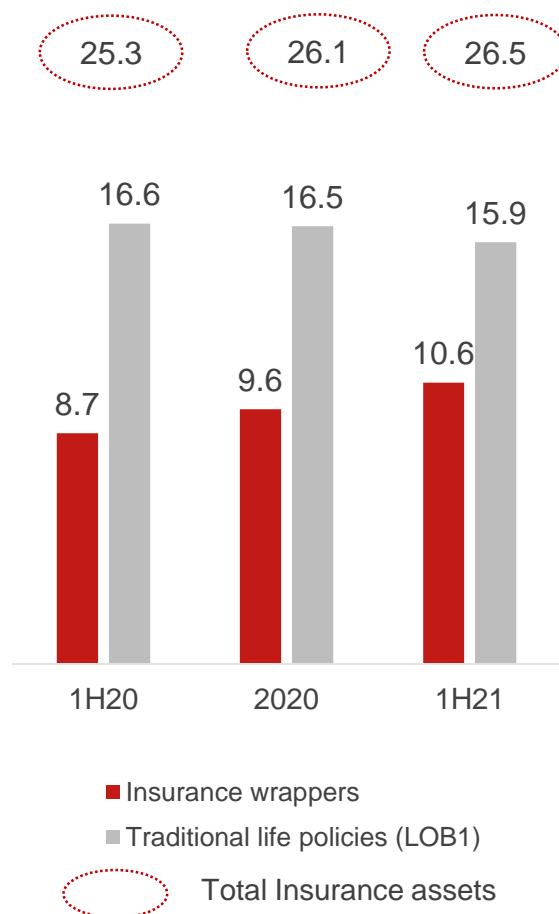
Top 5 SDGs prioritised by our clients in 2020:



KEY BUSINESS DRIVERS - INSURANCE

INSURANCE OFFER TURNING TOWARDS WRAPPER SOLUTIONS

Insurance assets bn/€



Insurance products



- Hybrid solution combining on average 30-40% of LOB1 with single funds/securities and ETF

LUX PROTECTION LIFE

- Private insurance with flexible booking and AM centers and dedicated lines for HNWI



- New saving plans with insurance waivers linked to tailor-made clients' objectives

Growing focus on wrapper solutions
in light of current ultra-low rate environment

Diversified insurance solutions for different client needs, all combining high level of personalization

- BG Stile Libero - bespoke insurance wrappers with distinctive waivers leveraging on Assicurazioni Generali's expertise
- LUX Protection Life - insurance solutions for HNWI for wealth and succession planning
- BG Progetti di Vita - Savings plans with insurance covers linked to life

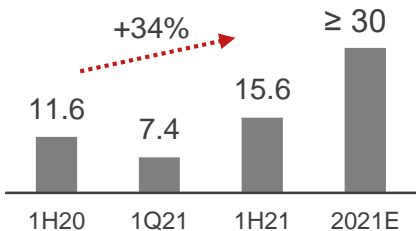
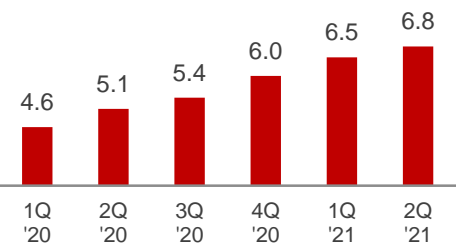
NEW REVENUE STREAMS

GROWING DELIVERY ACROSS ALL PRODUCT LINES

ADVANCED ADVISORY



Assets under advisory (AuA) bn/€

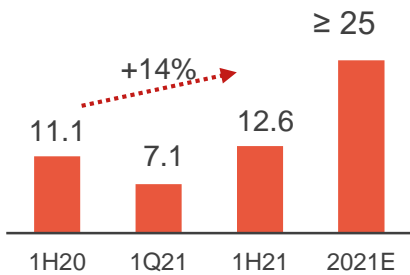
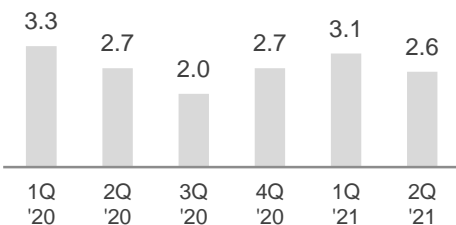


Advanced Advisory fees (+34%) growing steadily on higher volumes (+33%) and stable gross margin (47bps)

RETAIL BROKERAGE



Trading volumes bn/€

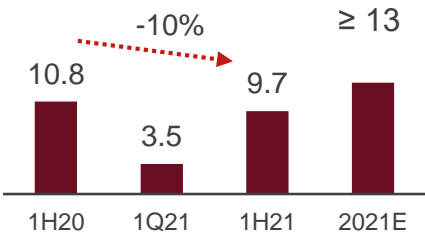
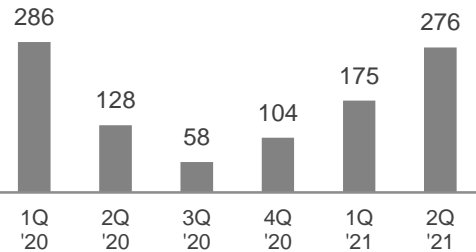


Retail Brokerage revenues (+14%) posted a mild increase - despite lower volumes (€5.7bn, -5%) - thanks to a more profitable trading mix (more equities and foreign markets)

STRUCTURED PRODUCTS



Notional new issues m/€

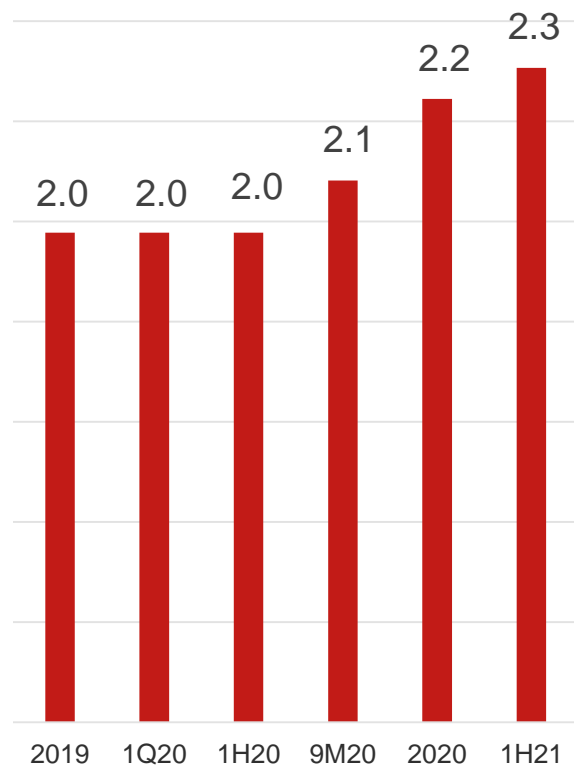


Certificates performing in line with long-term guidance, yet with strong volatility quarter-by-quarter depending on market opportunities

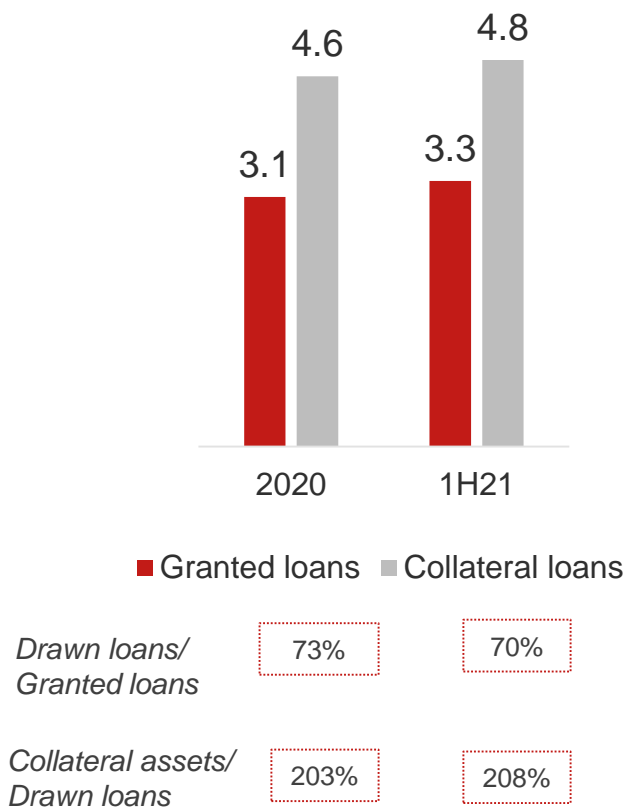
NEW BUSINESS LEVERS - LOMBARD LENDING

STEADY GROWTH IN SECURED LOANS

Drawn loans, bn/€



Loans trend, bn/€



Steady growth in new loans

1H21 new drawn loans at €87 vs. €45m in 1H20 (€264m in 2020)

Well diversified and secured lending

Lending policy focused on the existing Client base, well diversified and with State Guarantees on corporate loans

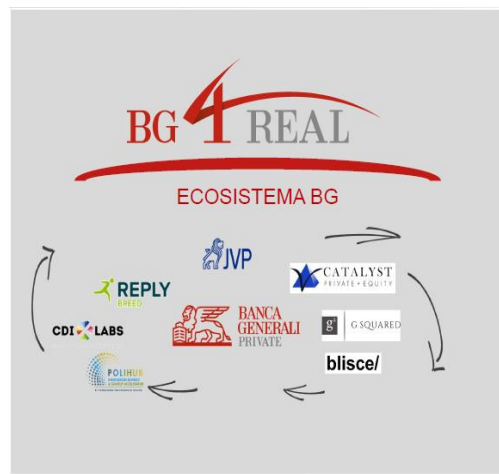
Collateral assets

Lombard loans are backed by financial assets, whose market value is significantly higher than book value

NEW BUSINESS LEVERS - PRIVATE MARKETS

GROWING SUBSCRIPTION

BG's way to Private markets



Client target

Clients' AUM thresholds for access to the product:

- FIA – for Clients with AUM > €500K
- ELTIF - for Clients with AUM > €250K

Minimum investment size requested:

- FIA – €100K
- ELTIF - €10K

Subscriptions in progress

Assets growing steadily to €155m YTD amid strict thresholds and enhanced controls for retail Clients due to long holding period (above 6 years) and illiquidity

BG's ecosystem

Exclusive partnership with International VC and research centers to select co-investment opportunities



NEW BUSINESS LEVERS - INTERNATIONAL EXPANSION

TEMPORARY SLOWDOWN DUE TO THE PANDEMIC AND LOWER RISK PERCEPTION

Three drivers



Increased need to obtain a **Swiss banking licence** in order to capitalise on the opportunities offered by the context

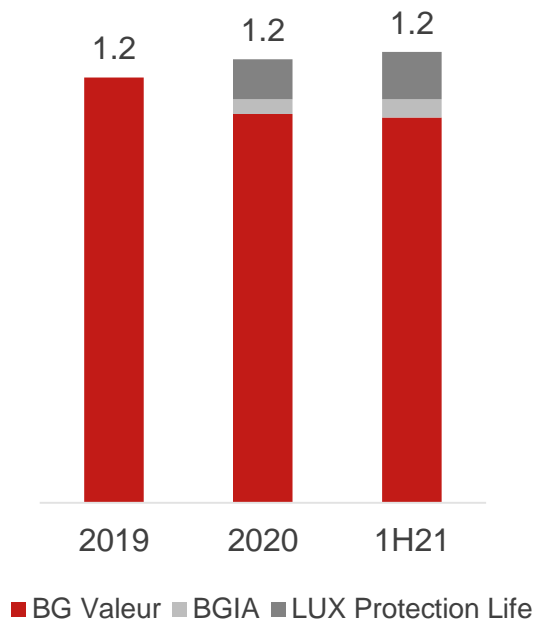


BGIA is the **key tool to better serve clients amid** lockdowns/social distancing measures and changing market context



Opportunity to leverage on **BG Valeur asset management skill** for tailor-made investment lines

Assets, bn/€



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Preliminary remarks



1H 2021 Financial Results



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Business update and closing remarks



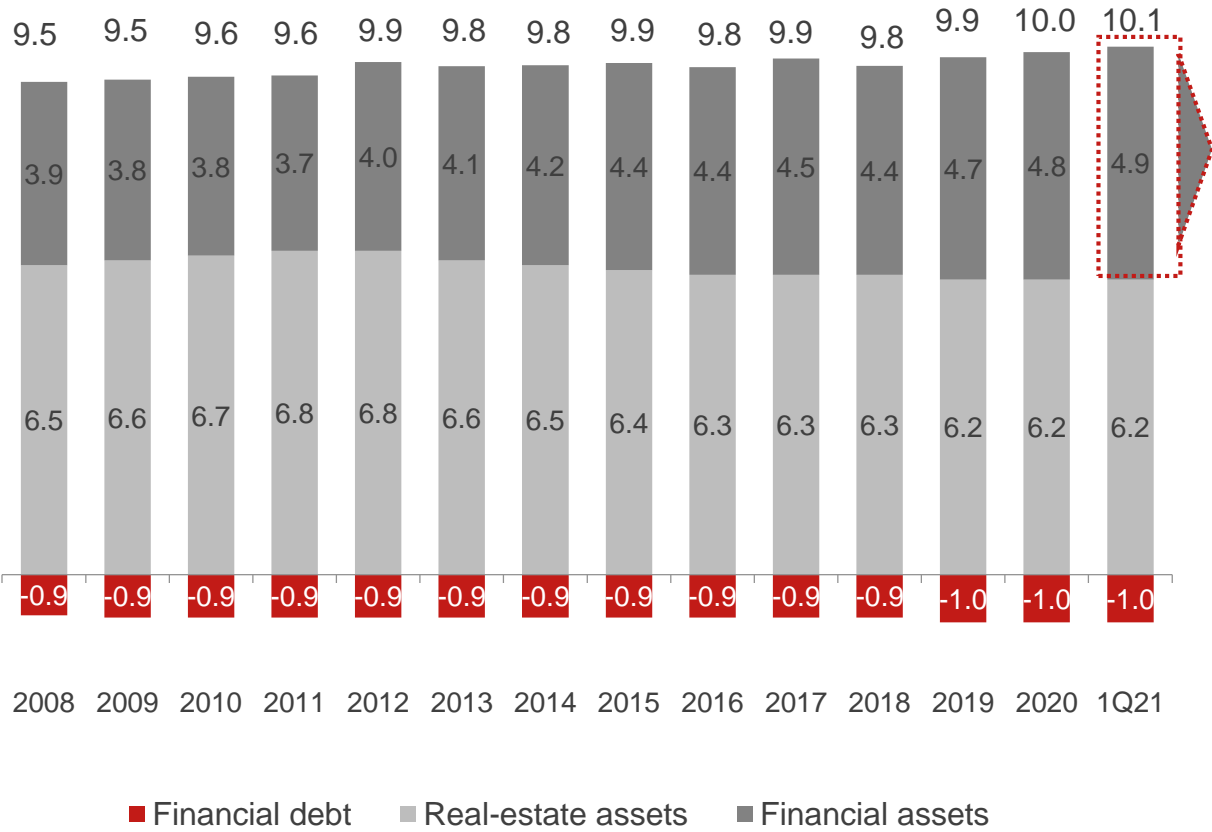
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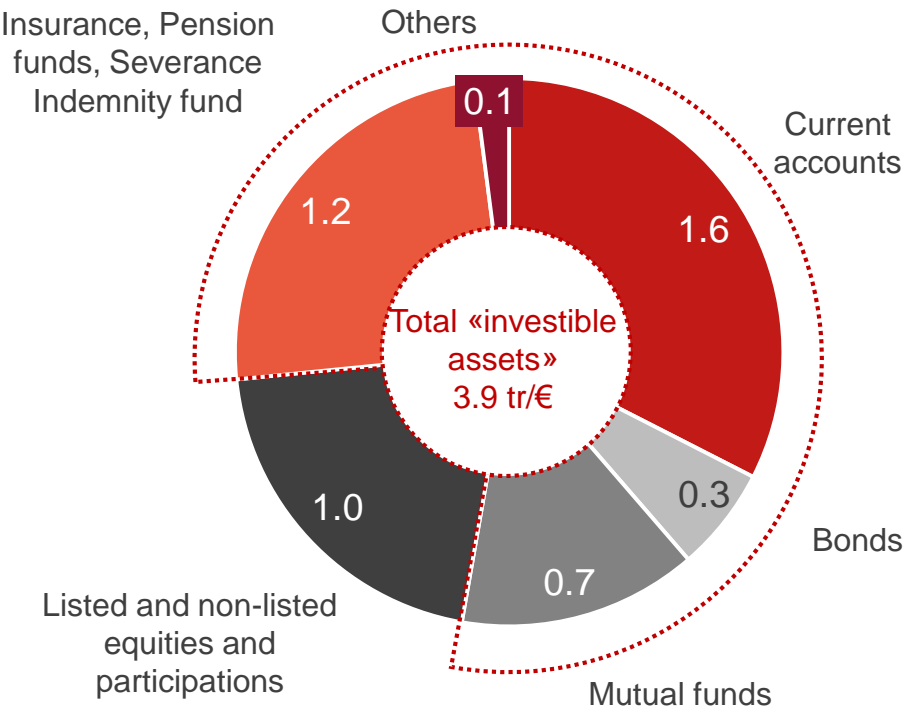
SNAPSHOT ON ITALIAN HOUSEHOLD WEALTH

A WEALTHY COUNTRY FROM AN HOUSEHOLD STANDPOINT

Italian Total Net Household Wealth, €/trillion



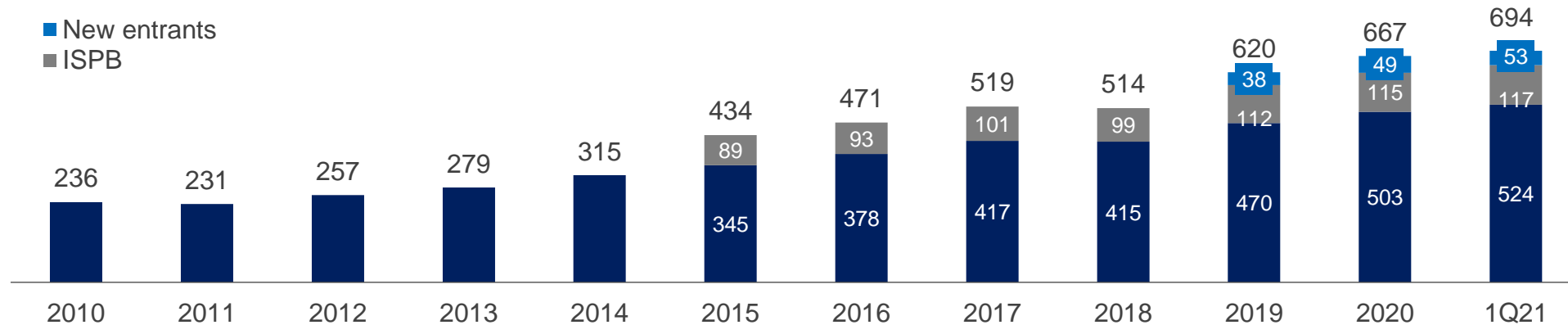
Breakdown of Italian financial wealth, '000 bn/€



FA NETWORKS (ASSORETI) 1/2

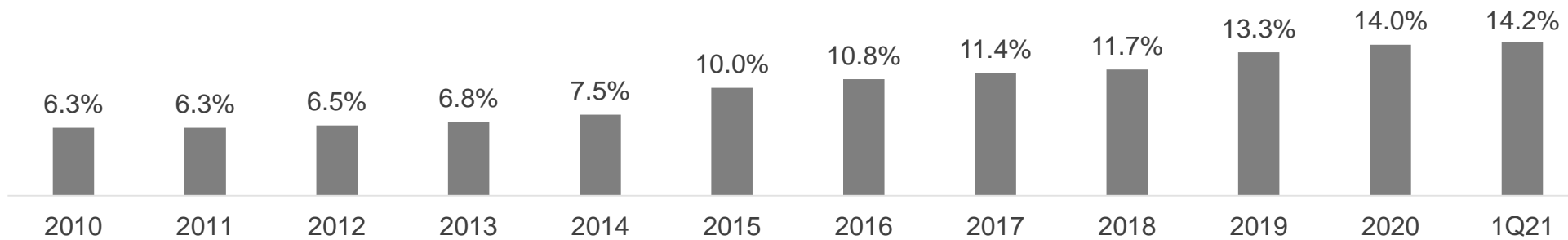
FA ASSETS TRIPLED IN THE LAST 10 YEARS

Financial Assets managed by FAs (Assoreti), bn/€



- The FA sector manages almost €700bn assets, representing 14.2% of total Italian financial household assets (up from 6.3% in 2010)

Market Shares (FAs sector assets as % of tot. Italian Financial assets), %

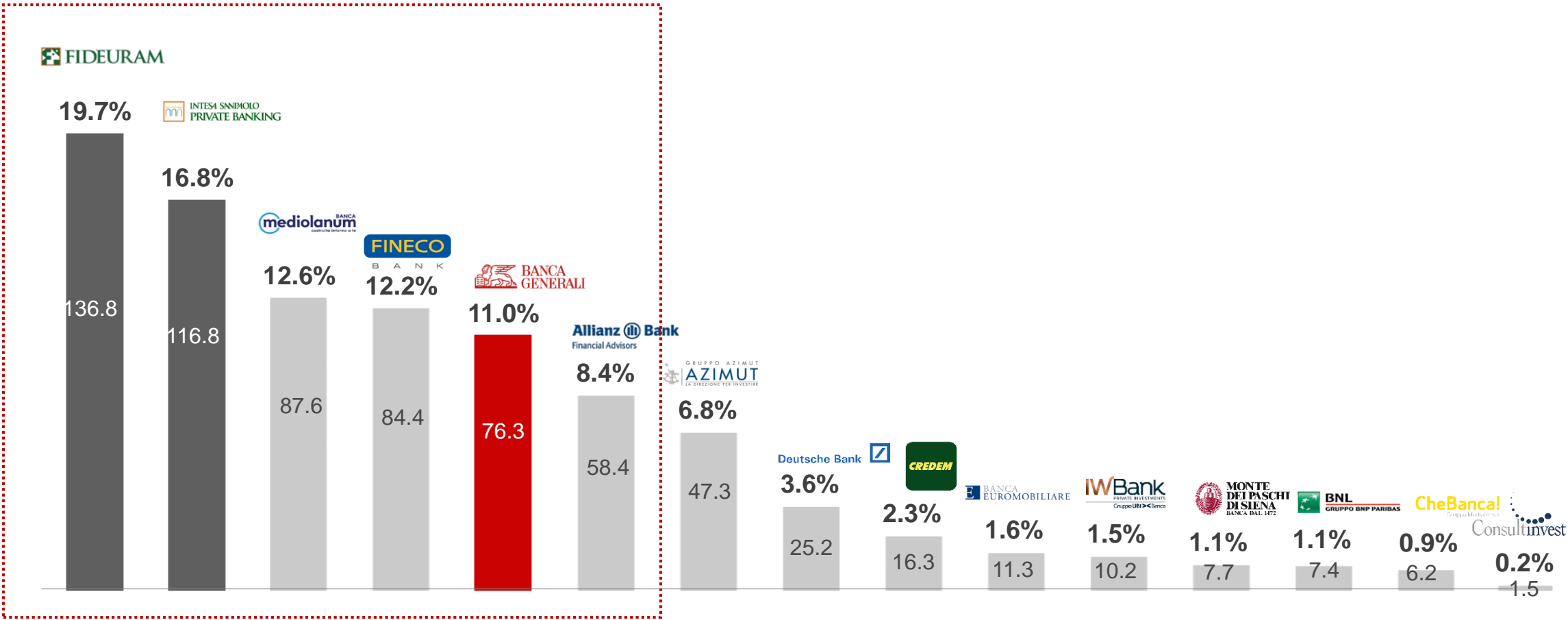


- FA growth is driven by a flexible client service and wide range of IT tools

FA NETWORKS (ASSORETI) 2/2

HIGH CONCENTRATION AS SIZE MATTERS

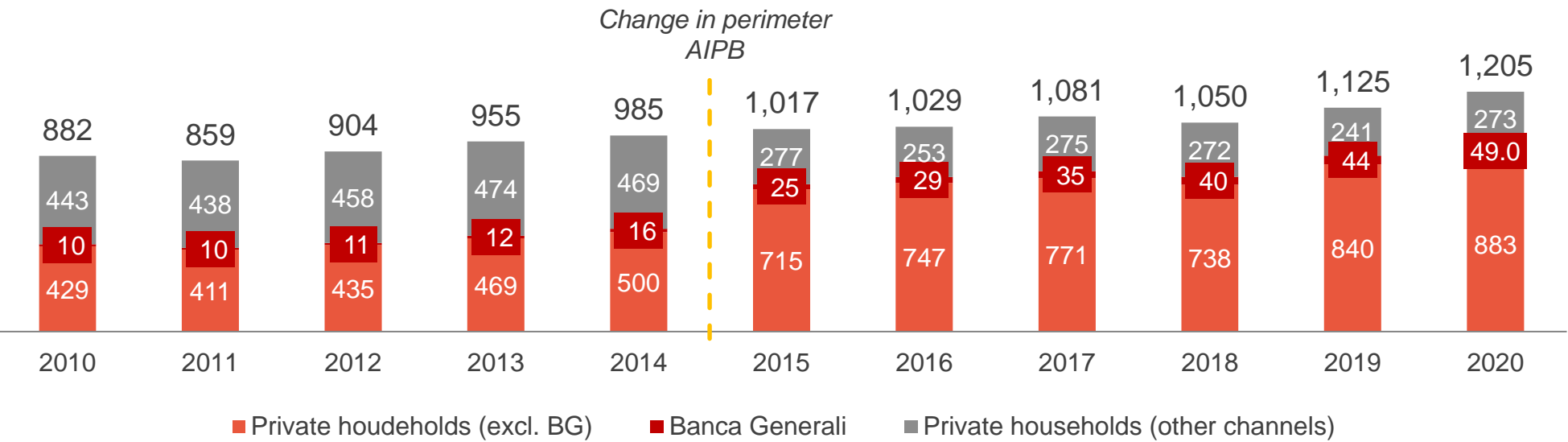
FA Networks - Ranking by asset size on the Italian market, bn/€



ITALIAN PRIVATE BANKING (AIPB)

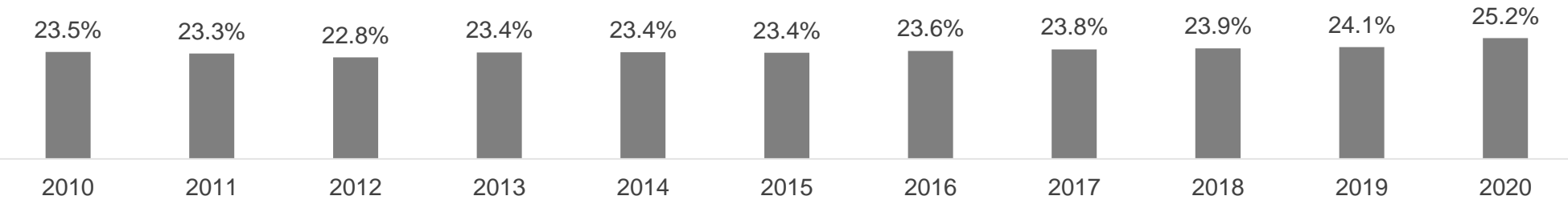
FA ASSETS TRIPLED IN THE LAST 10 YEARS

Private Banking Assets in Italy, bn/€






- Private wealth growing steadily and representing one fourth of total Italian financial wealth

Market Shares (Private banking assets as % of tot. Italian Financial assets), %



- Private households are c.650k , i.e. 10.7% of the entire population

Reference market	Size of the market	Banca Generali's market share (%)		
		2010	2016	2020
Italian FAs sector (Assoreti)	 €667 billion	10.0%	12.6%	14.3% ¹
Italian Private Financial Wealth (AIPB)	 €1,205 billion	1.1%	2.8%	4.1% ²
Total Italian financial Household assets	 €4,777 billion ³	0.6%	1.1%	1.5%

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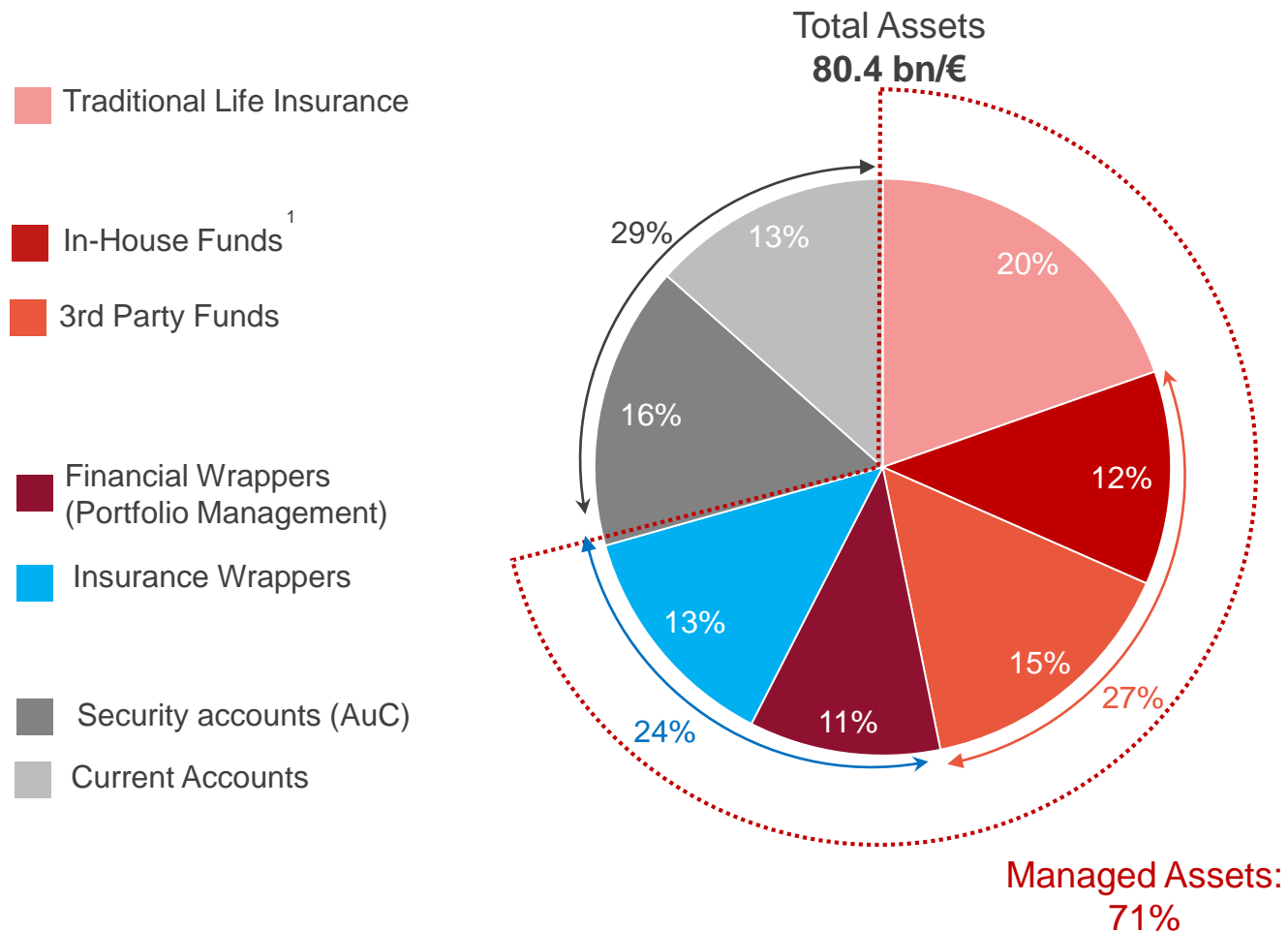
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INVESTMENT SOLUTIONS

DIVERSIFICATION IN ASSET CLASSES AND INVESTMENT TOOLS

Total Asset by product mix



- **Retail fund offer (27% of total assets)** combining in-house and open architecture approach with over 5,500 different retail funds and 55 asset managers offering clients a wide array of choice
- **Insurance solutions (33% of total assets)** combining traditional solution and bespoke tailor-made insurance wrappers
- **Financial Wrappers (11% of total assets):** portfolio management lines maximizing advisors' freedom to customize asset allocation
- **Security accounts – AuC (16% of total assets)** security deposits: Full array of services ranging from, trading and advisory services
- **Current accounts (13% of total assets)** covering all transactional needs with full flexibility (digital, online, physical channels)

RETAIL FUND OFFER

WIDE RANGE OF OPTIONS FOR FINANCIAL ADVISORS AND CLIENTS

Features and rationale

Third party funds - open architecture

- Over **5,500 different retail funds** and **55 asset managers** offering Clients a **wide array of choice**
- Launch of **multi-tiered partnership program** to assess and manage relations with third-party asset managers

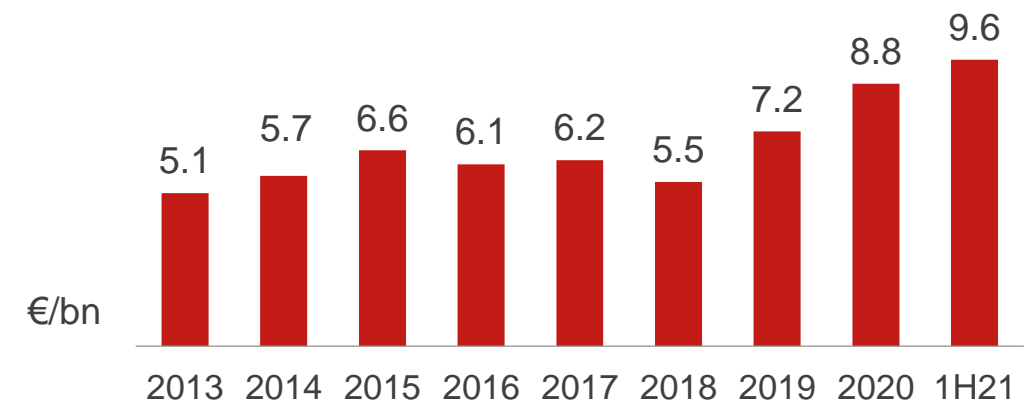
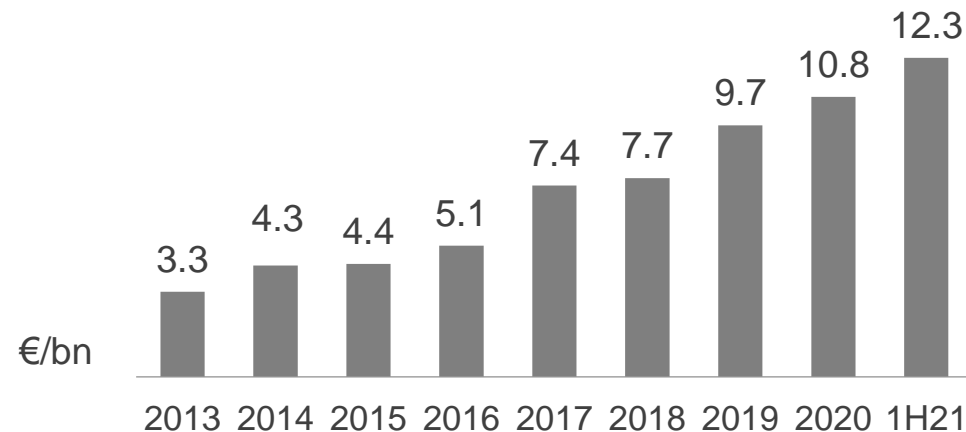


In-house funds

- LUX IM, launched at the beginning of 2018, has now 103 retail sub-funds including a new range of innovative investment solutions just launched
- New launches are focussed on thematic and ESG strategies and "Tracker" solutions of Flagship funds

LUX IM BG SELECTION

Volumes



INSURANCE OFFER

GROWTH LED BY INSURANCE WRAPPERS

Features and rationale

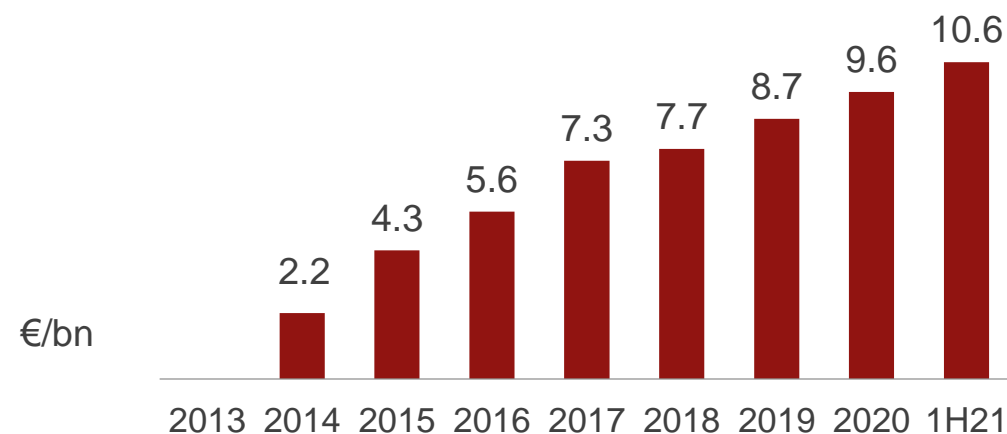
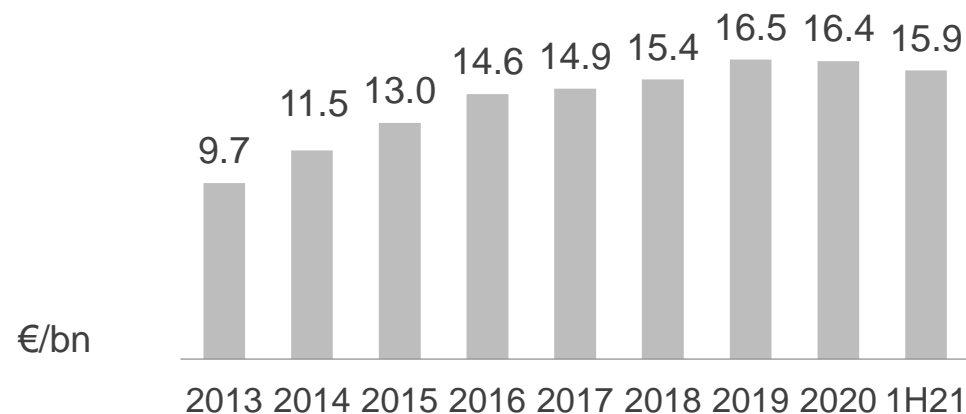
Traditional policies

- Traditional Generali life products based on **segregated accounts** mainly investing in bonds
- Leveraged as a proxy of fixed income investment with **no mark-to-market volatility**
- In light of current lower-for-longer yield environment, the bank established **limits on new subscriptions** to protect returns for existing investors

Insurance wrappers

- **Hybrid insurance policy** combining traditional life and unit-linked component
- **Highly tailored to Clients' needs**, with possibility to choose between funds (institutional fund classes in house or third-party party) and ETFs
- **Key tool for succession planning, tax optimization** allowing to offset capital gains with capital losses and providing **integrated reporting** / risk management
- Wide range of **ancillary services** and **insurance coverage options**

Volumes



FINANCIAL WRAPPERS

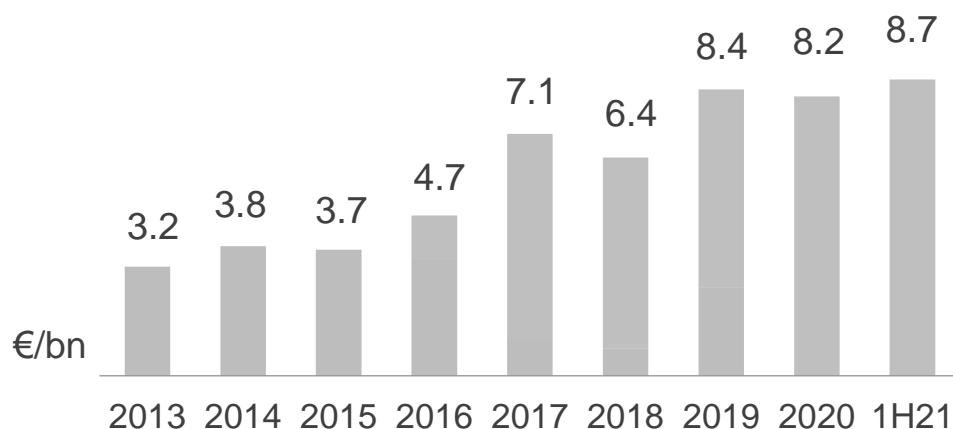
FOCUS ON BESPOKE SOLUTIONS

Financial wrappers

Features and rationale

- Portfolio management lines maximizing financial advisors' **freedom to customize asset allocation**
- **Allocation component** combining **core lines** (by risk profile) with **satellite lines** (specialized)
- **Picking component** allowing to add **institutional classes** of either in-house or 3rd party funds and ETFs
- **Tax optimization** with offset of capital gains with capital losses, **operational** optimization and **integrated reporting/** risk management

Volumes



➤ Specialist teams allowing for maximum diversification

- **Relative portfolio lines** (equity, bonds, balanced)
- **Family office** (liquid alternative, private lines)
- **Total return portfolio lines**
- **Tailor-made portfolio lines** (for UHNWI)
- **Nextam Partners** for private clients interested in tailor-made bottom-up strategies
- **ESG** for sustainability-conscious investors, mostly women and younger generations
- **Quant portfolio lines**
- **Alternative portfolio lines**

EXISTING TEAMS



NEW TEAMS



BANKING PLATFORM

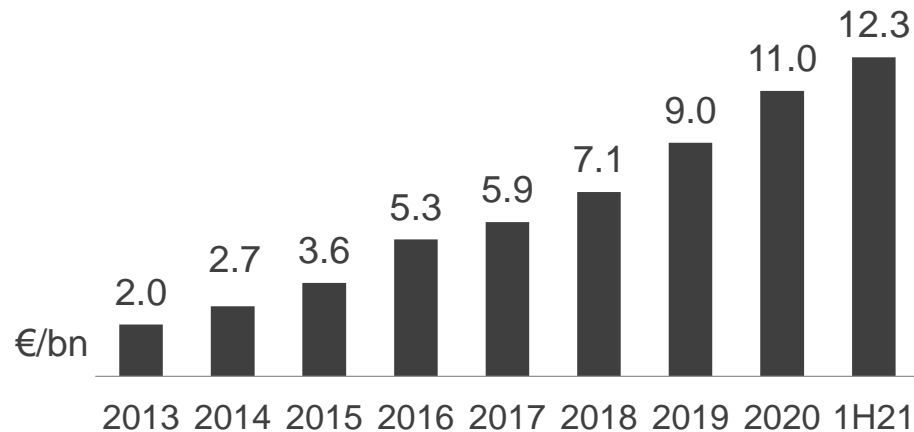
FACILITATING CLIENTS' ACQUISITION AND RETENTION

Features and rationale

Current accounts

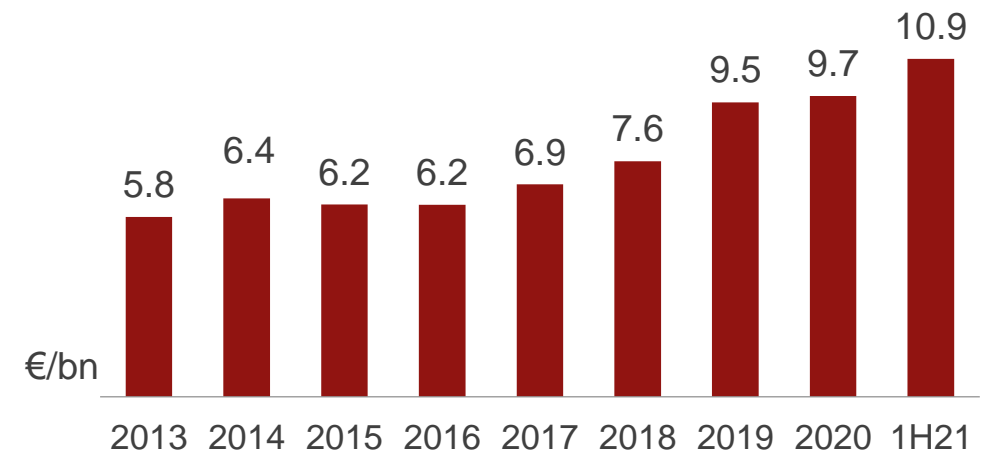
- Full array of banking services covering Clients' **transactional needs** by
- **No interest rates promotions** to attract liquidity
- Wide array of **physical / digital payment options**

Volumes



Security deposits

- **Clients' entry products** when moving assets from traditional banks
- **Starting point of the advisory process**, and highly strategic in a Country with **high penetration of securities/liquidity**
- Possibility to **improve profitability** through: i) certificates; ii) advisory contract; iii) brokerage services



WEALTH MANAGEMENT APPROACH

ADVISORY OPTIONS SPAN BOTH FINANCIAL AND NON FINANCIAL WEALTH

Real estate

- Advisory
- Valuation
- Agency

Financial assets

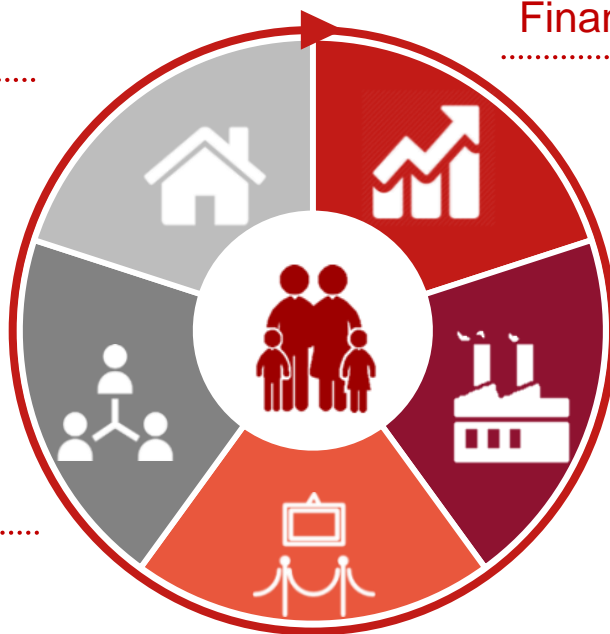
- Open architecture
- In-house funds
- Bespoke financial & insurance solutions
- Banking platform

Corporate

- Merger & Acquisitions
- Dynamic hedging
- Subsidised finance

Family protection, wealth planning

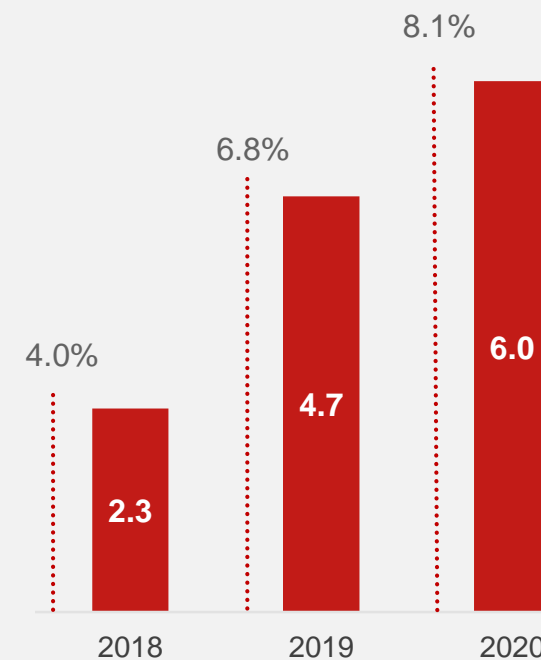
- Succession planning
- Legal and fiscal support
- Wealth protection
- Trust services



Art advisory

- Evaluation of artistic heritage
- Delivery of exhibitions and publication
- Custody, conservation & restoration
- Purchasing & sale of art works

Assets under Advanced Advisory* (€bn) and % of total assets



*The advanced advisory service offers a holistic view of the overall client and their family wealth including both financial and non-financial components (real estate, corporate, family protection & art advisory)

ROBO-4-ADVISOR




AN ADDITIONAL TOOL WITHIN ADVANCED ADVISORY FRAMEWORK





- **Robo-4-Advisors** solution to support FA's productivity
- **Mifid-compliant tool** allowing check of client portfolios' suitability on an ongoing basis
- **Additional service** provided within the advance advisory framework



What is BGPA

 IT platform	IT platform providing an ongoing analysis of clients' portfolios
 Technology	Technology powered by an exclusive partnership with UBS
 Timing	Daily trading alerts generated automatically

Objectives

	Revenue diversification
	Trading ideas on single securities, funds and portfolios
	Risk analysis and ongoing suitability for affluent and lower affluent clients

BG SAXO




AN EXCLUSIVE PARTNERSHIP FOR ADVANCED TRADING



- **Dedicated Joint-Venture with a brokerage firm** – 19.9% BG, 80.1% Saxo Bank
- **Exclusive partnership for the Italian market**
- **Joint-Governance** – with veto right for BG on selected subjects
- **Revenue sharing agreement** based on source of clients



Why Saxo Bank

 Multi-asset	Multi-asset trading platform including over 35,000 tradable securities
 Technology	“State of the art” technology with €100m/year IT investments
 Global scale	Daily trading volumes of \$180bn worldwide

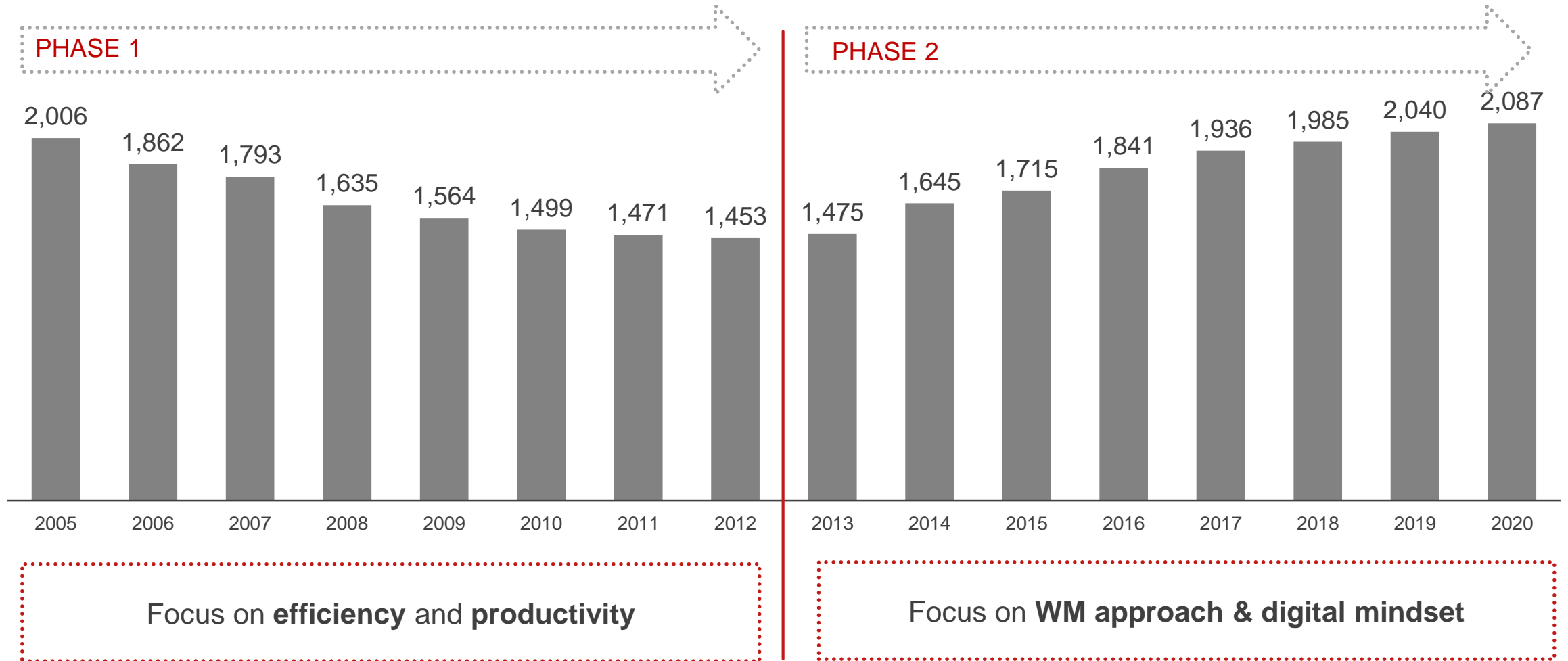
Objectives

I	Revenue diversification
II	Tool for enhancing business offer in the private banking sector (B2B2C)
III	Platform active for existing clients. Next step would be to develop a direct retail channel (B2C)

A MULTI-YEAR NETWORK REPOSITIONING EFFORT

FOCUS ON BEST-IN-CLASS FAS AS A KEY COMPETITIVE ADVANTAGE

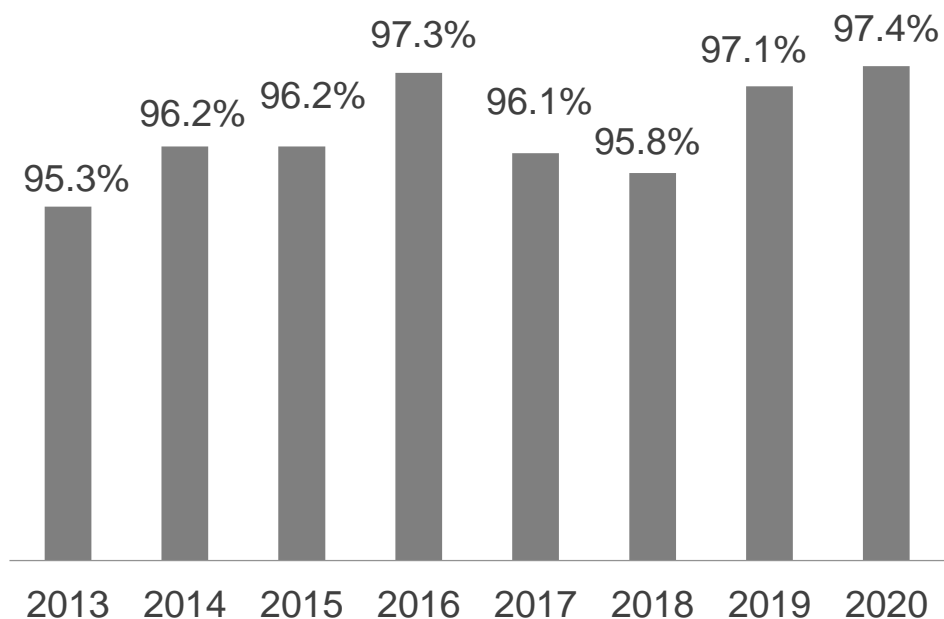
Banca Generali FA Network, # of Advisors



FA RETENTION

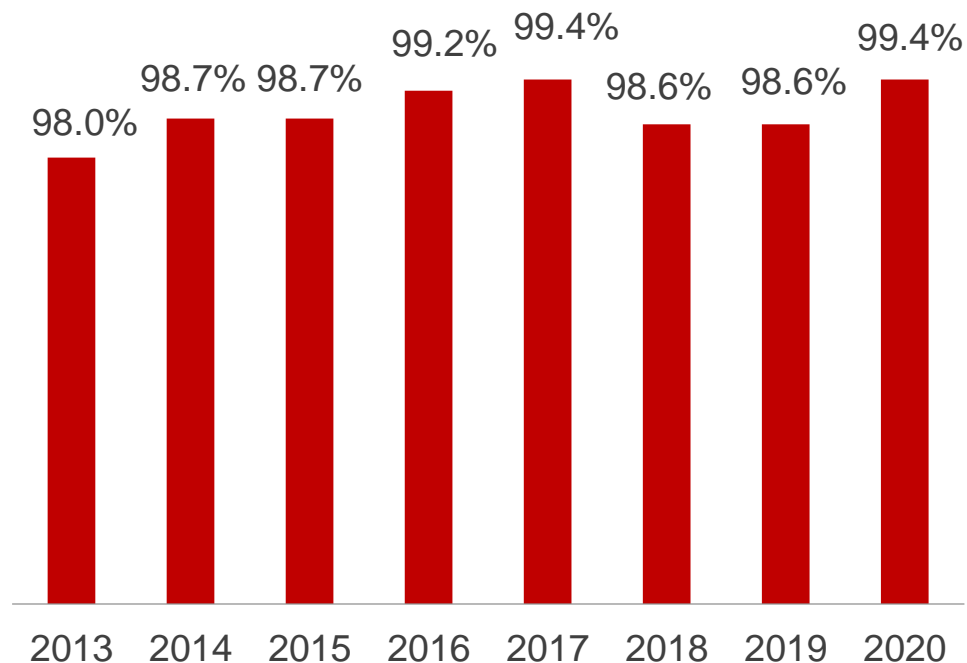
VERY HIGH RETENTION LEVELS

Retention of Headline FAs



Based on total number of FAs leaving for any reason
(mandate withdrawal, retirement, death, change of activity)
(OUT core + OUT other)

Retention of Core FAs

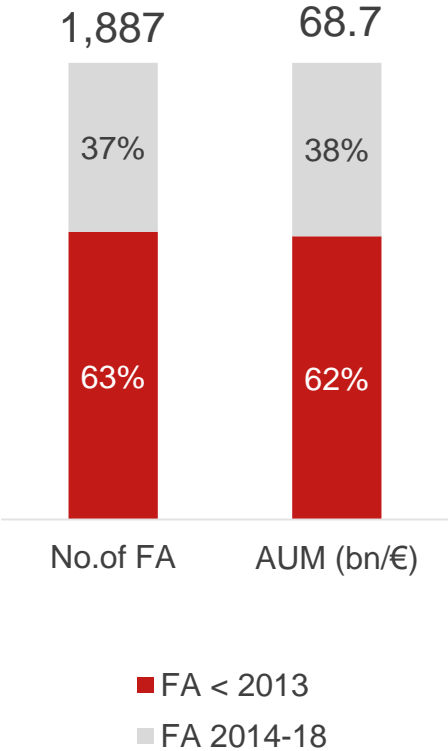


Based on the number of FAs leaving to competition (*OUT core*)

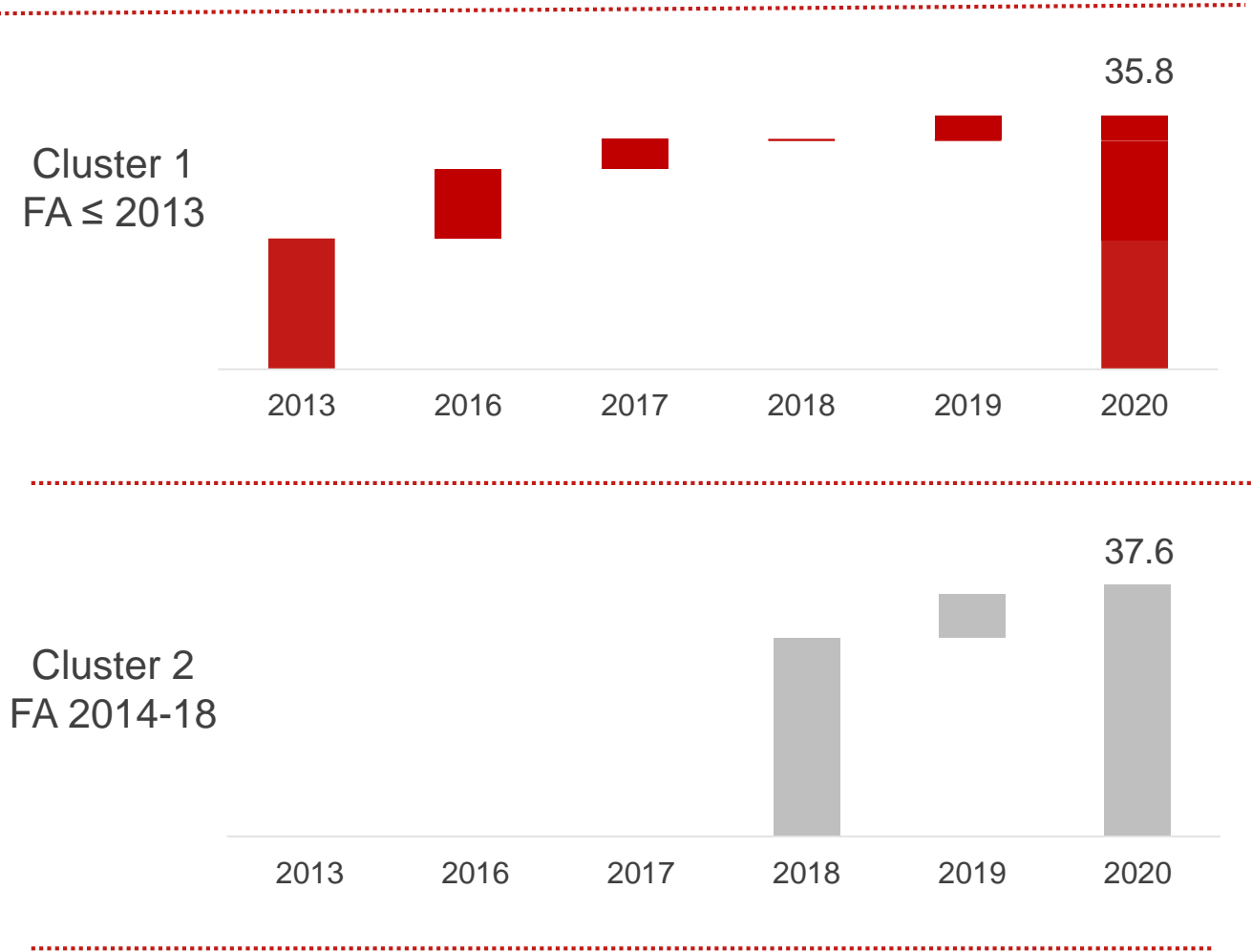
WELL-BALANCED QUALITY OF FAS ACROSS DIFFERENT ‘VINTAGES’

EXISTING FAS SET THE TARGET FOR NEW RECRUITS

Asset breakdown
by cluster of FAs



Portfolio build-up by cluster (m/€)



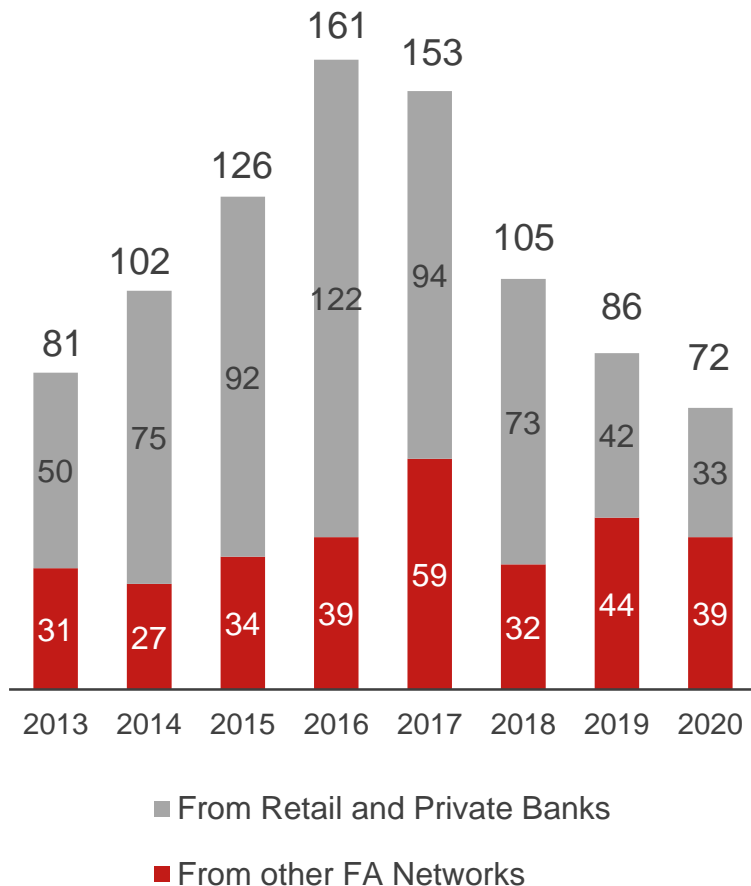
Portfolio growth is building up over time reflecting client and asset acquisitions

Contribution of FAs across different ‘vintages’ tend to revert to the same portfolio size

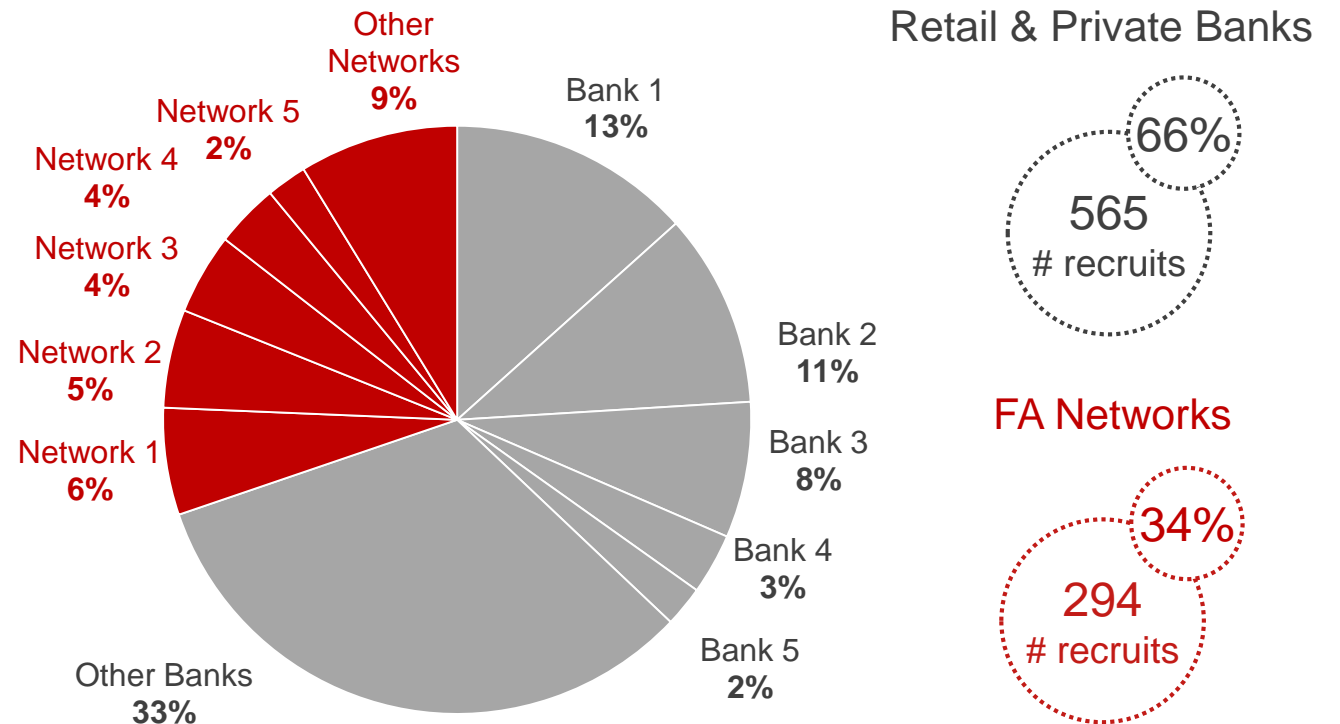
RECRUITMENT POLICY

CHERRY-PICKING THE BEST TALENTS ACROSS THE ENTIRE INDUSTRY

Recruitment trend
(# of Recruits)

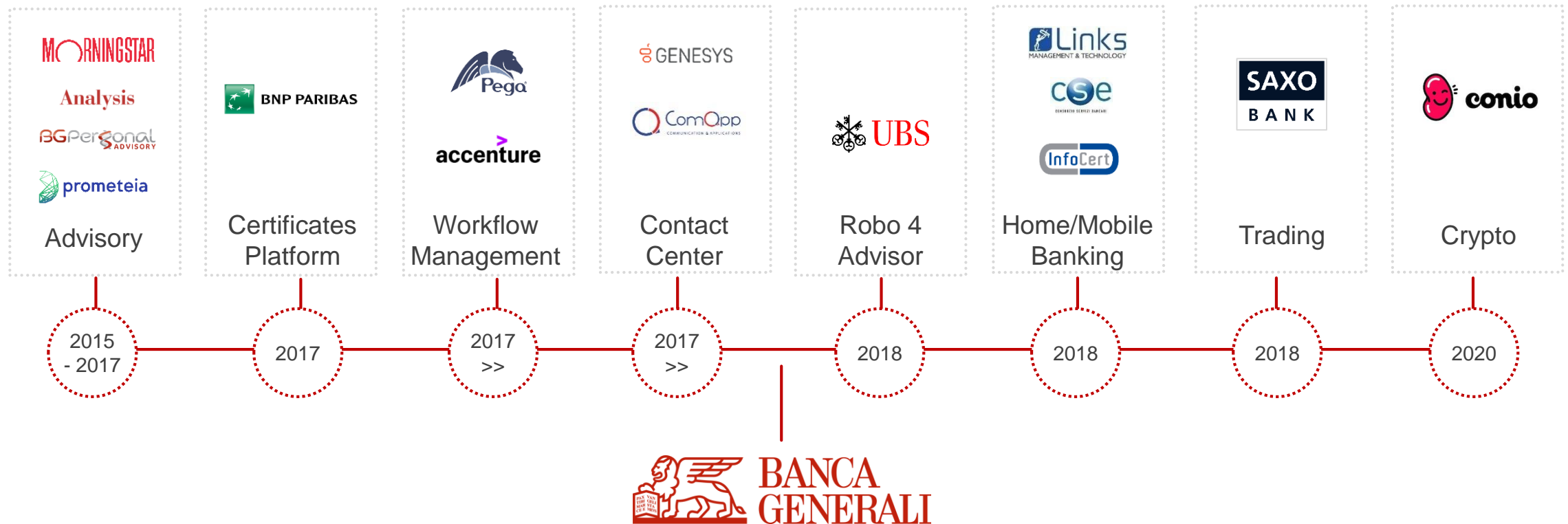


Cumulated recruitment from banks and FA Networks, 2013-2020



TECH STRATEGY HAS BEEN BASED ON AN OPEN BANKING APPROACH LEVERAGING THE BEST EXPERTISE ON THE MARKET

Integration of best technologies in a short period of time
by leveraging on our partnerships to establish «win-win» solutions



DIGITAL TOOLS AND SERVICES (1/2)

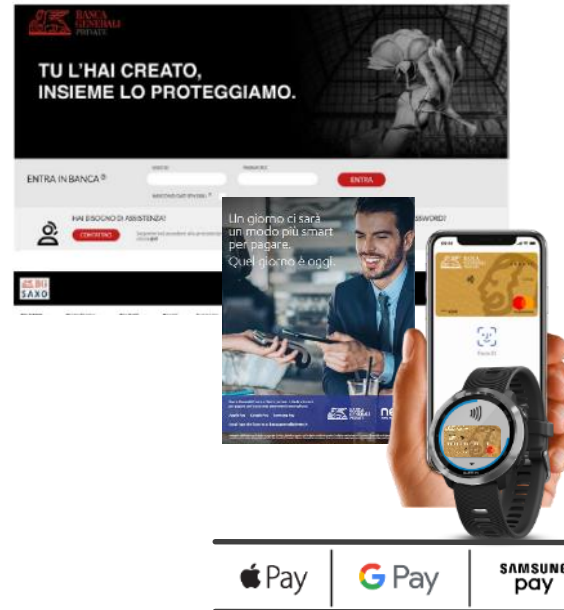
ENHANCE DIRECT CONNECTION WITH CLIENTS

Digital touchpoints & Mobile Banking App



- New Mobile Banking App - innovative customer experience and new features, amongst others: vocal interaction, Apple pay Google Pay and Samsung pay integrated

Digital Onboarding & Digital payments



- 100% digital onboarding process
 - account opened in 20 minutes.

Trading platform: BG SAXO



- Trading Platform: BG SAXO with a segmented platform offer with different level of functionality for ever growing trading experience

DIGITAL STRATEGY (2/2)

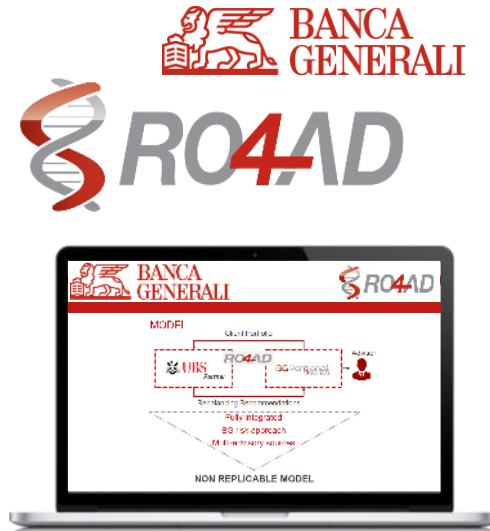
TOOLS TO SUPPORT FINANCIAL ADVISORS

Wealth Advisory Portal



Deep-dive Analysis

Robo 4 Advisor



Support FA Daily Activity:

BG Store



The FAs' digital desk

Digital Collaboration



Paperless Approach

DISCLAIMER

The manager responsible for preparing the company's financial reports (Tommaso Di Russo) declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

T. Di Russo, CFO

Certain statements contained herein are statements of future expectations and other forward-looking statements.

These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties.

The user of such information should recognize that actual results, performance or events may differ materially from such expectations because they relate to future events and circumstances which are beyond our control including, among other things, general economic and sector conditions.

Neither Banca Generali S.p.A. nor any of its affiliates, directors, officers employees or agents owe any duty of care towards any user of the information provided herein nor any obligation to update any forward-looking information contained in this document.

2021 UPCOMING EVENTS

NOVEMBER						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

9M 2021 Results
Conference Call

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Banca Generali Investor App

