

Investor Presentation

9M22 RESULTS

4 November 2022



To be the No. 1 private bank, unique by
**value of service, innovation and
sustainability**



9M 2022 Financial Results

Balance Sheet & Capital Ratios

Net Inflows, Assets and Recruiting

Business Update and Closing Remarks

Annex

9M 2022 RESULTS: EXECUTIVE SUMMARY



Resilient commercial results despite challenging financial markets conditions, supported by an in-depth review of the value proposition to clients to reflect the new macro environment



Solid 9M 2022 recurring results - above the 3Y Business Plan target - leveraging on higher interest rates, resilient recurring fees and tight cost control



Sound balance sheet, with no debt exposure, favorably exposed to rising interest rates and solid capital ratios well above regulatory requirements



Strategic and financial targets of the **2022-2024 Business Plan overall confirmed** with a new mix reflecting radical changes of business context since its inception

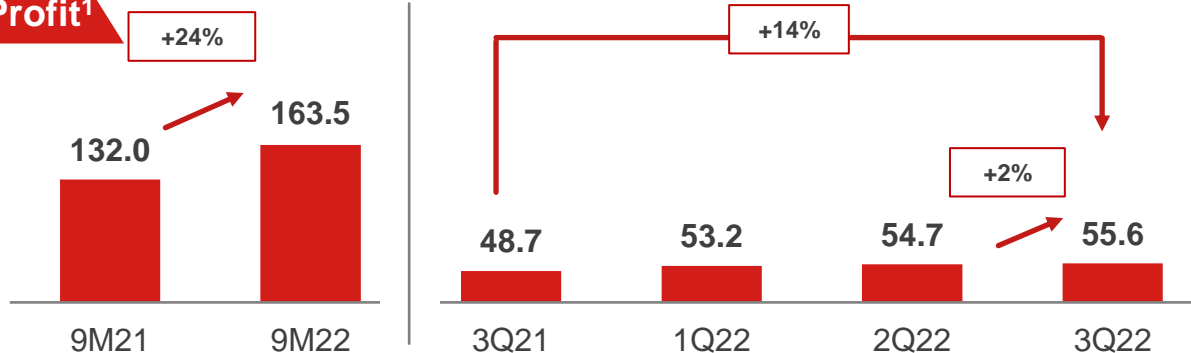
RECURRING NET PROFIT

SOLID RECURRING RESULTS AMID TOUGH MARKET CONDITIONS AND TAX ONE-OFF

Net Profit €\m

Recurring Net Profit¹

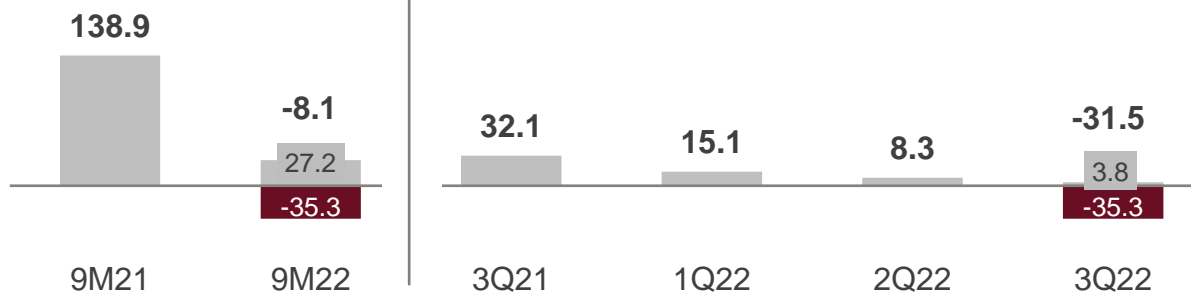
€\m



Variable Net Profit

€\m

- Tax one-off
- Other variable components



Net Profit

€\m

270.9

155.4

80.8

68.3

63.0

24.1

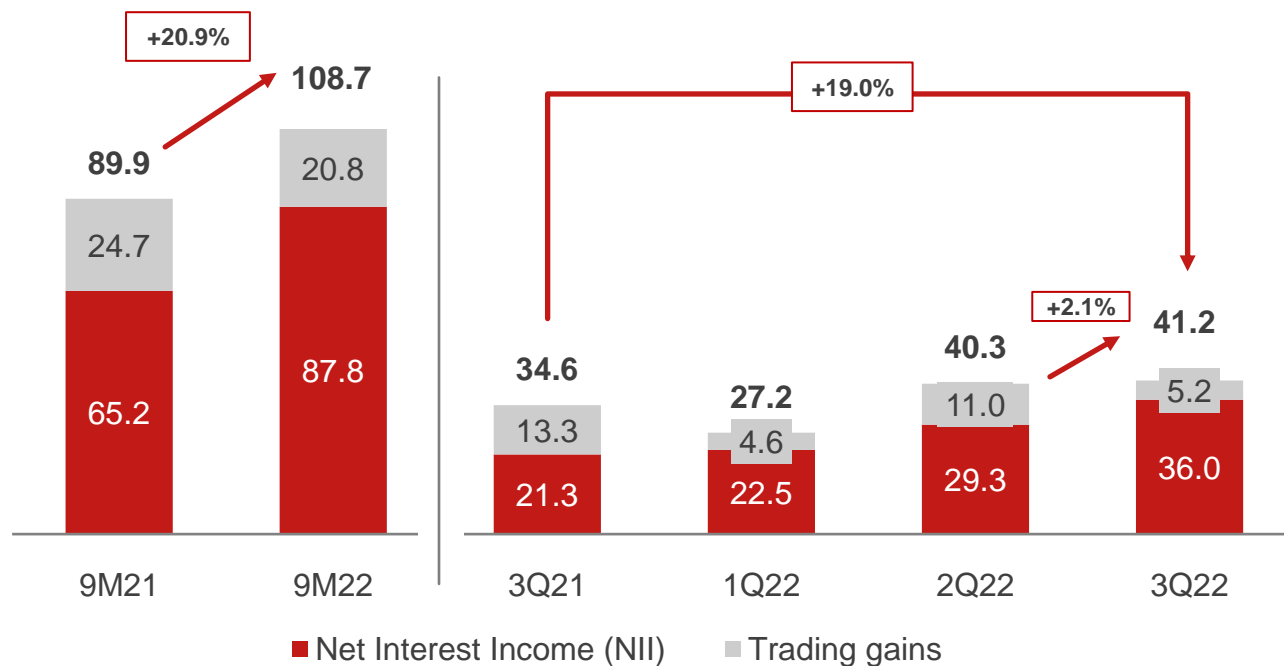
► **9M 2022 recurring net profit (+24%)** supported by higher recurring revenues (NII and gross fees) and tight cost discipline amid volatile financial market conditions

► **9M 2022 variable net profit hit by €35m one-off charge** for the settlement of pending tax claims with the Tax Revenue Agency

NET FINANCIAL INCOME

MAJOR BENEFICIARY OF THE ONGOING INTEREST RATES HIKE

Net Financial Income (NFI) €m



➤ **9M 2022 net financial income (+21%)** benefitted from the strong NII expansion (+35%) leveraging on an ongoing acceleration in the last three quarters driven by rising interest rates

➤ **3Q 2022 NII (+69%)** benefitted from the ongoing repricing of its interest-bearing assets: +9bps YoY (from 66 bps to 75bps) and +14bps QoQ (from 75bps to 89bps)

Total NFI Yield¹

0.90%

0.93%

0.97%

0.72%

1.04%

1.02%

Total NII Yield¹

0.66%

0.75%

0.60%

0.60%

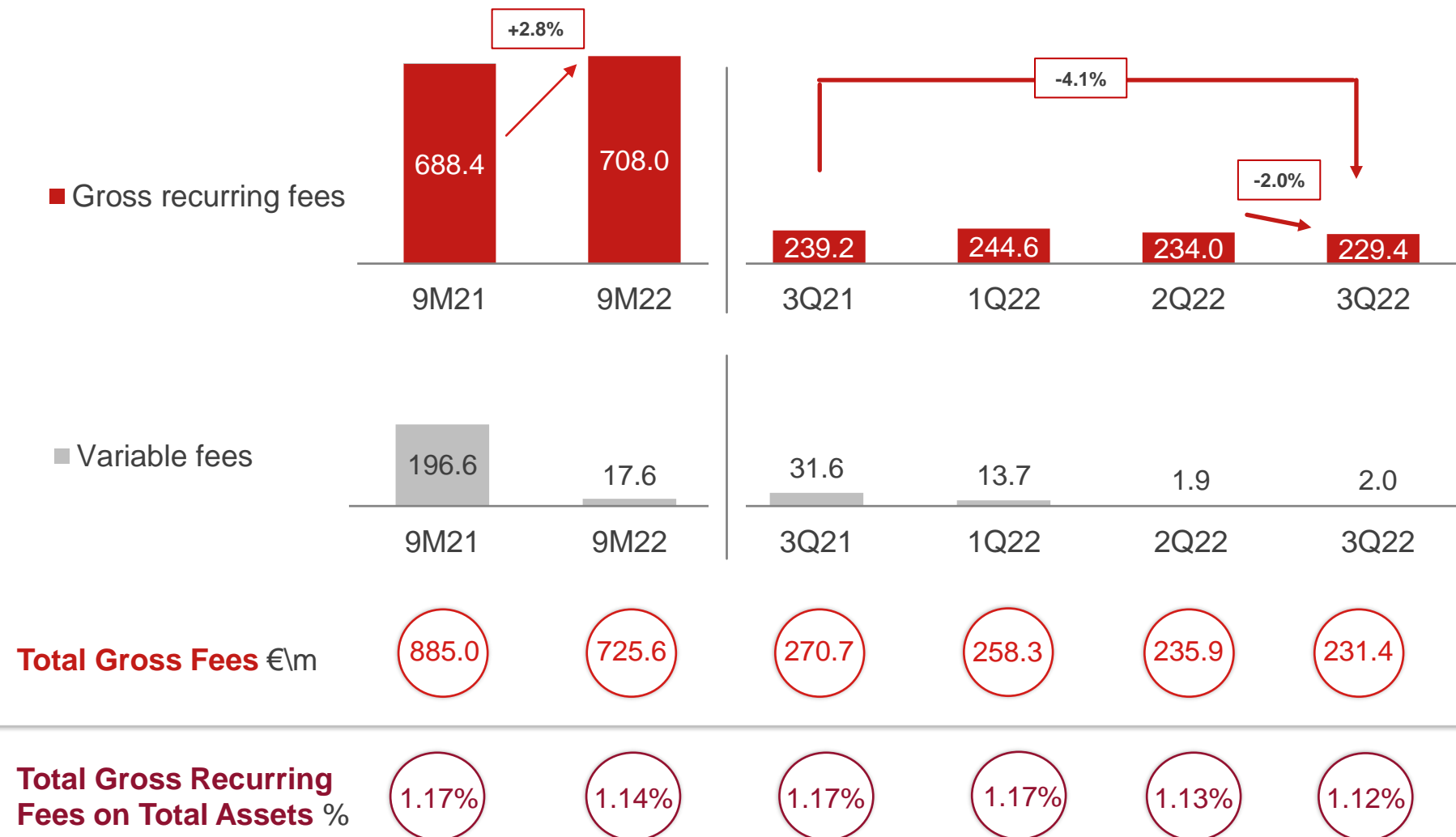
0.75%

0.89%

TOTAL GROSS FEES

RECURRING FEES PROVED RESILIENT AMID CHALLENGING BUSINESS CONDITIONS

Total Gross Fees €\m



► 9M 2022 gross recurring fees proved sticky in absolute value (+2.8% YoY) despite negative market conditions throughout most 3Q22 and lower clients' activity in the period due to seasonality

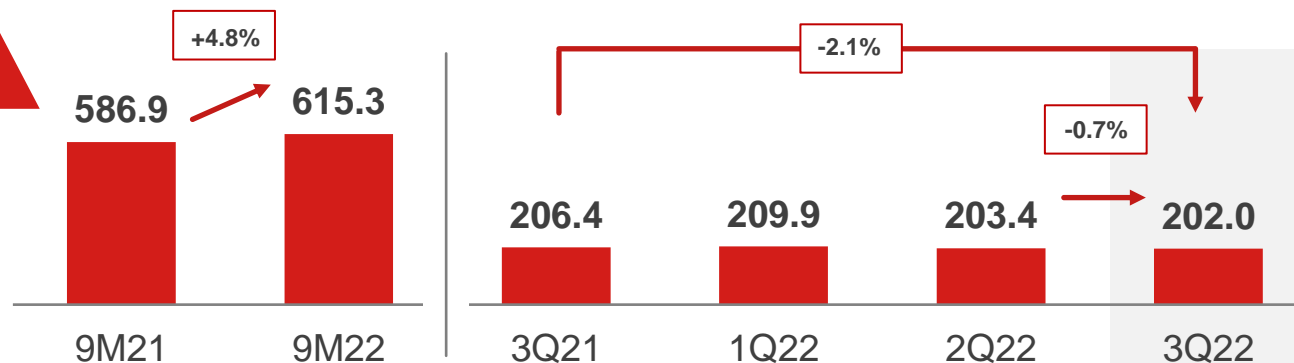
► Contribution from variable fees remained negligible and with an unfavorable YoY comparison

MANAGEMENT FEES

MANAGEMENT FEES PROVING STABLE IN VALUE

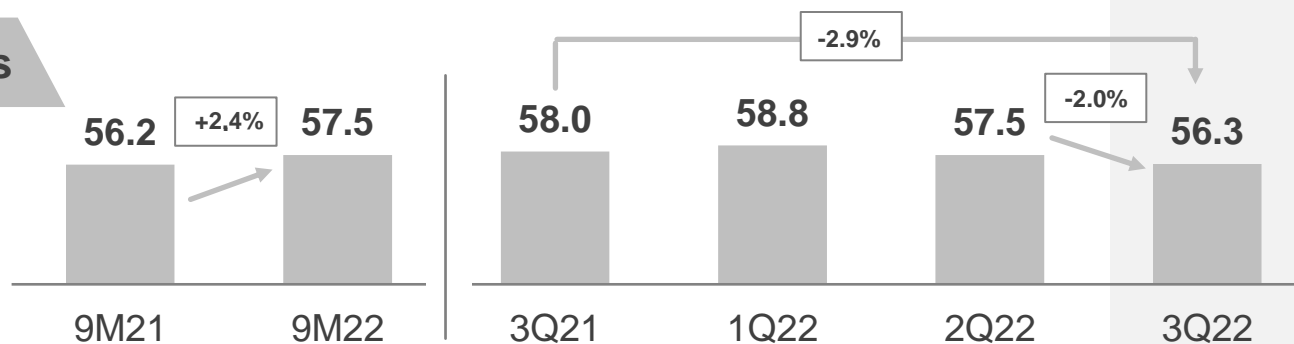
Management Fees

€m



Avg. Managed Assets

€bn



Management Fees on Managed Assets

%



Management Fees on Total Assets

%



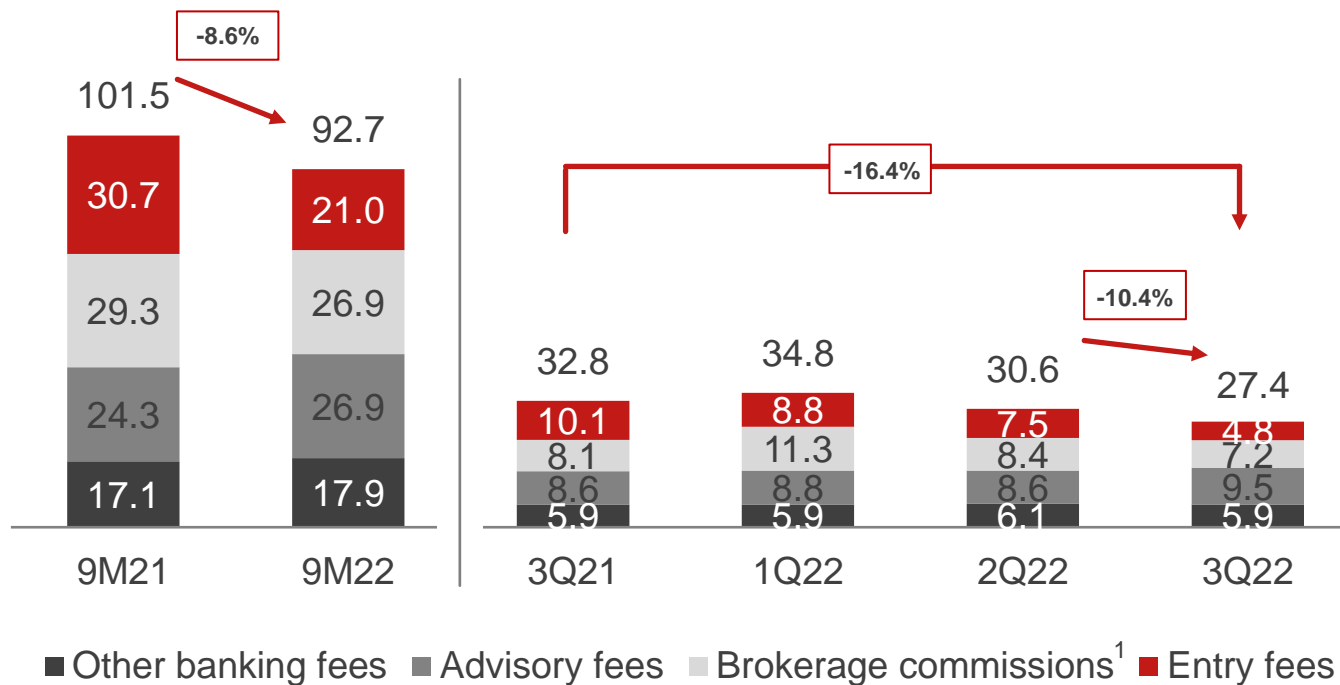
► **9M 2022 management fees (+4.8% YoY)** posted a small increase. At quarterly level, management fees were resilient both compared to the previous quarter and YoY

► **9M 2022 management fee margin (1.42%)** held up despite mounting pressure due to financial markets' high volatility and poor trend

BANKING AND ENTRY GROSS FEES

CYCLICAL COMPONENTS ACCOUNT FOR 65% OF THE DECREASE

Banking and Entry Gross Fees €\m



Banking and Entry Gross Fees on Total Assets %

0.17%

0.15%

0.16%

0.17%

0.15%

0.13%

- of which Excl. Cyclical Component² %

0.15%

0.14%

0.14%

0.15%

0.14%

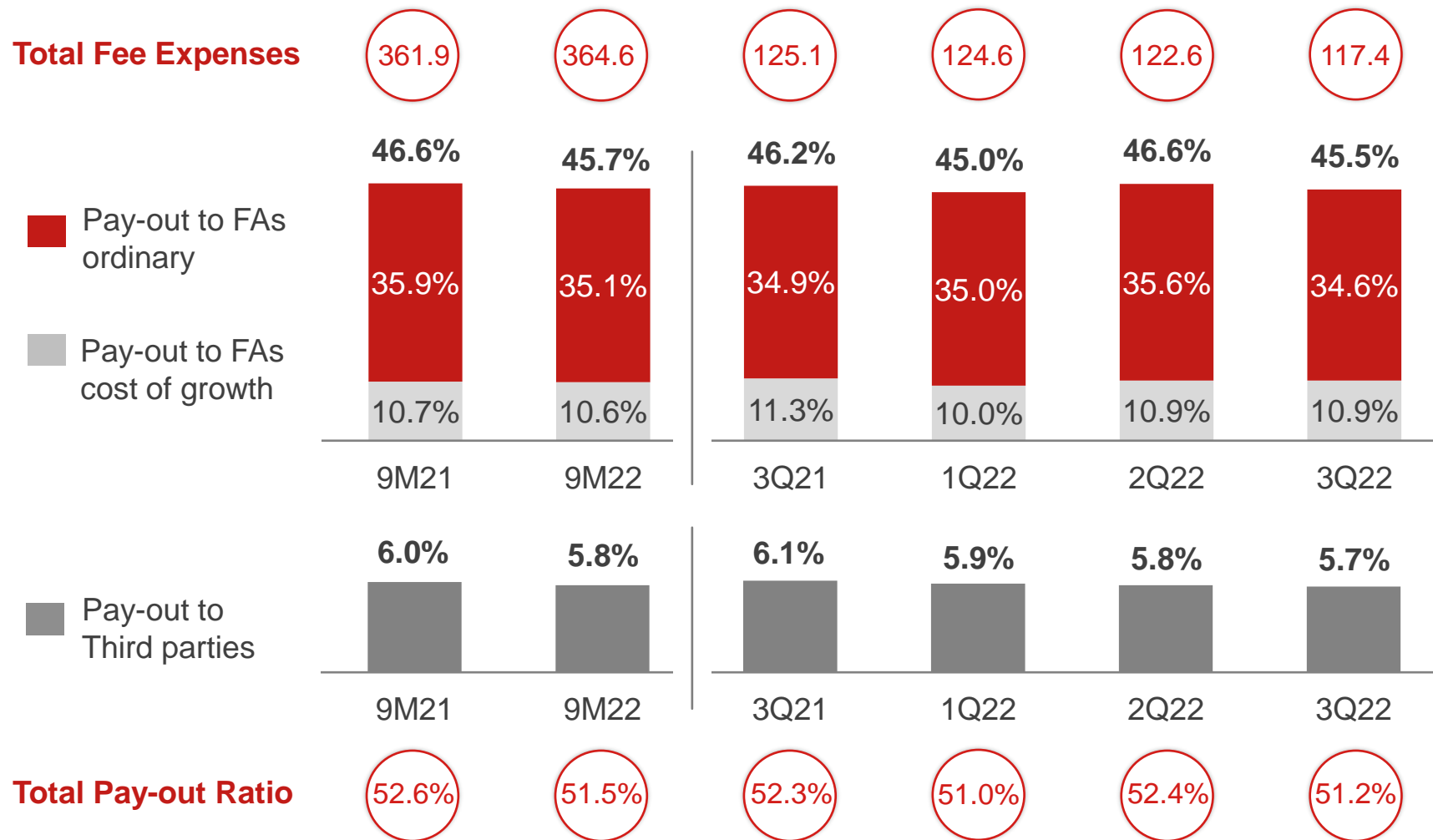
0.13%

- **9M 2022 entry fees** fell by €9.7m, of which €6.5m due to front fees from managed products (cyclical component) and €3.2m on lower primary placements
- **9M 2022 advisory and other banking fees** increased (+8%) despite poor financial markets' trend
- **9M 2022 brokerage commissions** (-8%) fell on lower quality mix despite higher volumes in the period
- **9M 2022 total banking and entry fees** were broadly stable when stripping out the cyclical component (€6.5m)

TOTAL PAY-OUT RATIO

PAY-OUT RATIO IMPROVED FURTHER ON CYCLICAL COMPONENTS

Total Pay-out Ratio and Fee Expenses €\m



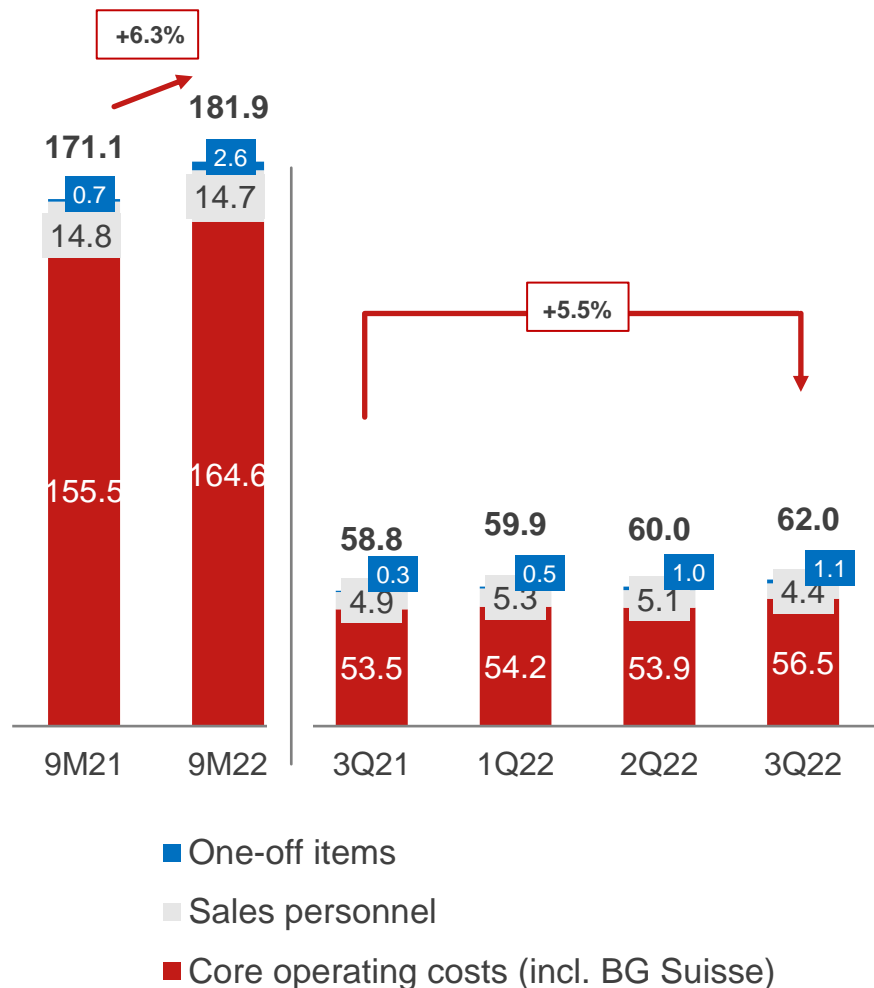
9M 2022 fee expenses (+0.7%) were little changed in absolute value reflecting the structural flexibility of the business model

9M 2022 pay-out ratio on third-party business and higher internalization and optimization of trading activities

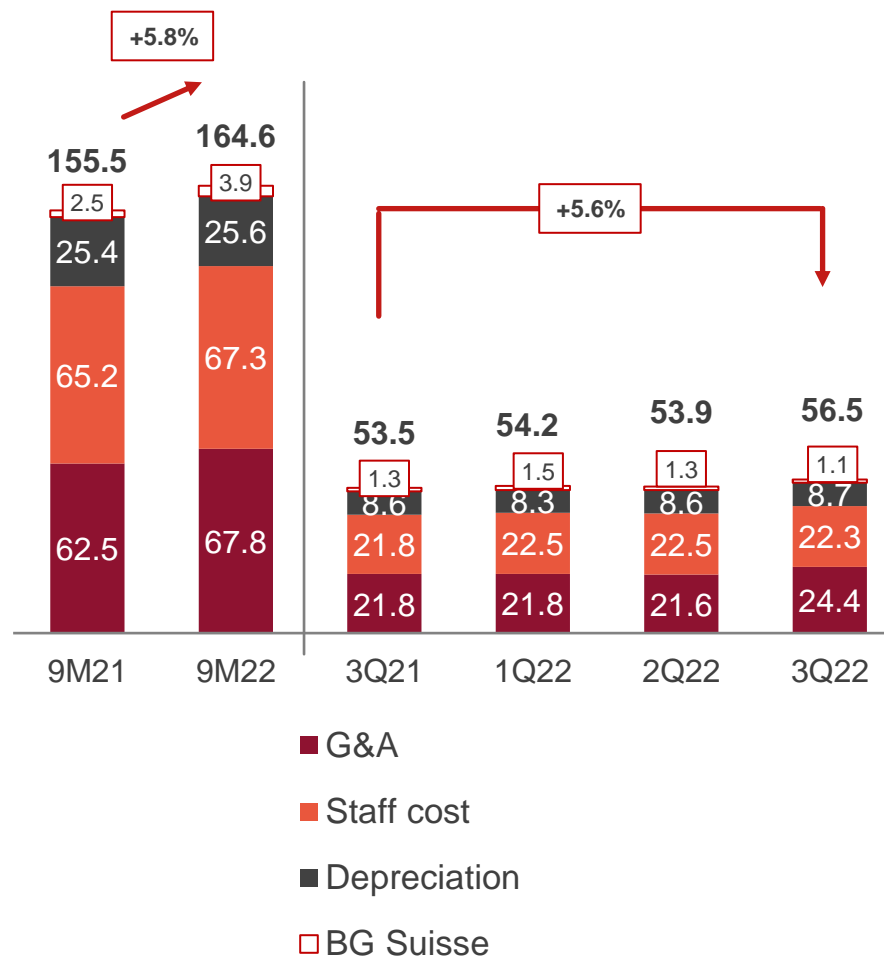
OPERATING COSTS (1/2)

COSTS TREND FULLY IN LINE WITH GUIDANCE

Total Operating Costs¹ €\m



Breakdown of Core Operating Costs¹ €\m



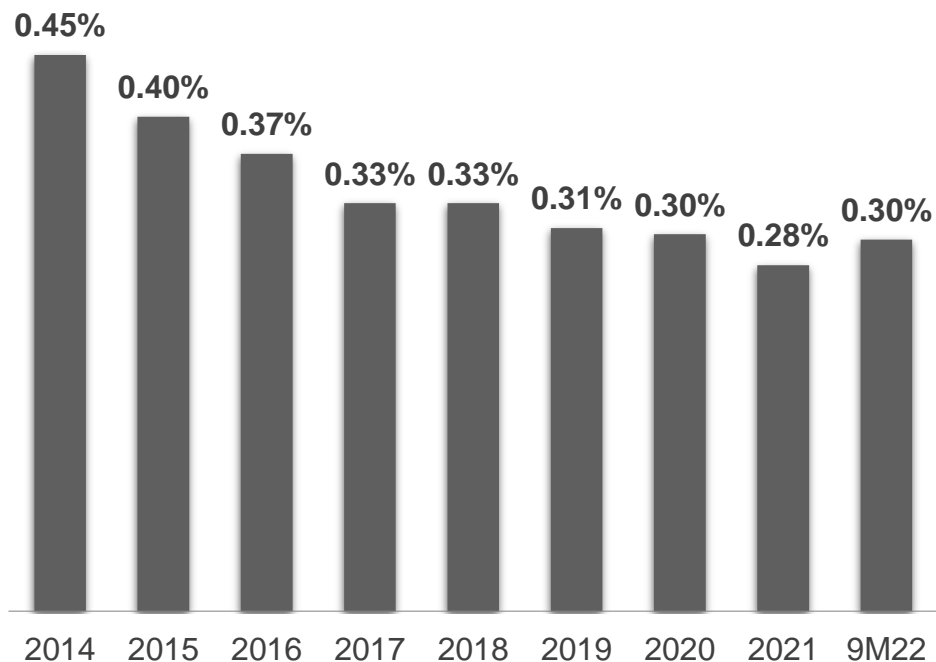
9M 2022 total operating costs (+6.3%) included €2.6m related to one-off development projects (+5.3% ex- one-offs)

9M 2022 core operating costs (+5.8%) increased with a spike in G&A in 3Q22 linked to the acceleration of selected key projects. 2022-2024 guidance of CAGR 5.0-6.0% confirmed

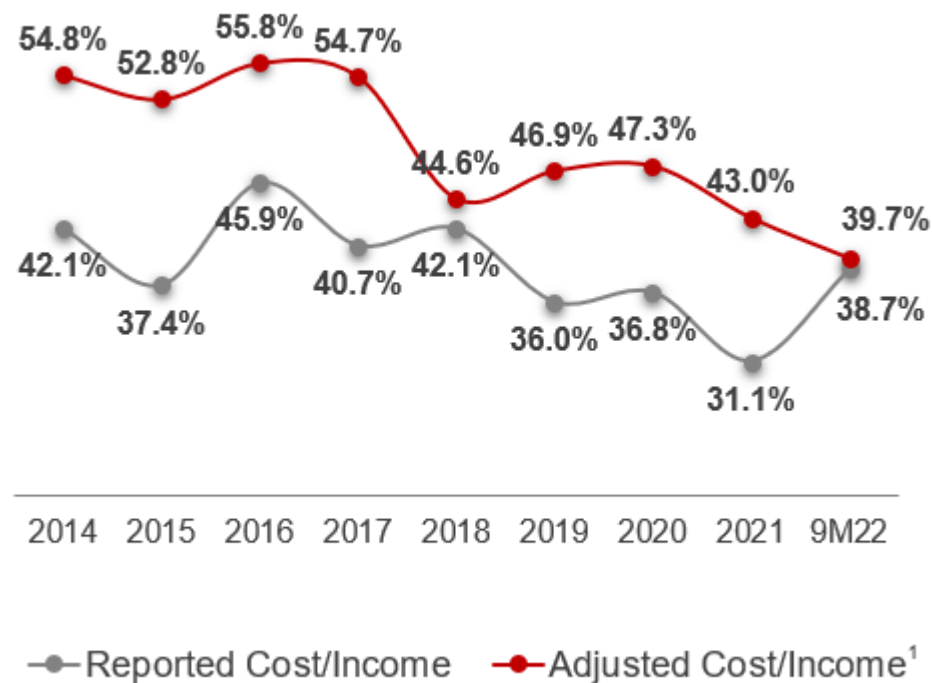
OPERATING COSTS (2/2)

BEST IN CLASS LEVELS FOR COST RATIOS

Operating Costs / Total Assets



Cost / Income Ratio



SUMMING UP

(€ m)	9M 21	9M 22	% Chg
Net Financial Income	89.9	108.7	20.9%
Net recurring fees	326.4	343.4	5.2%
Variable fees	196.6	17.6	-91.1%
Total Banking Income	612.9	469.7	-23.4%
Core operating costs	-155.5	-164.6	5.8%
Total operating costs	-171.1	-181.9	6.3%
Operating Profit	441.8	287.8	-34.9%
Operating Profit ex. Performance fees	245.2	270.2	10.2%
Net adjustments for impair.loans and other assets	-4.3	-7.5	74.6%
Net provisions for liabilities and contingencies	-26.2	-11.0	-58.0%
Contributions to banking funds	-14.5	-17.0	17.1%
Extraordinary provision	-79.9	0.0	n.m.
Gain (loss) from disposal of equity investments	-0.2	-0.1	-36.2%
Profit Before Taxation	316.7	252.2	-20.4%
Direct income taxes	-45.9	-61.5	33.9%
Extraordinary Tax agreement	0.0	-35.3	n.m.
<i>Tax rate</i>	<i>14.5%</i>	<i>24.4%</i>	<i>9.9 p.p.</i>
Net Profit	270.9	155.4	-42.6%
Recurring Net Profit²	132.0	163.5	23.8%

Comments

- ▶ **Operating result ex. performance fees (+10%)** reflecting progress in NII and resilient business margin
- ▶ **Total non operating charges (excl. one-off items)¹** fell overall reflecting Fair Value changes of pension provisions and other contractual indemnities to FAs linked to the review of the discount rate prompted by higher interest rates. These changes more than offset higher contributions to banking funds and other conservative adjustments
- ▶ **One-off tax charge of €35m** linked to the settlement with the Tax Revenue Agency as disclosed on 20 September 2022
- ▶ **Recurring net profit (+24%)** posted a significant increase even after a higher ordinary tax rate (24% +9.9ppt YoY) than last year

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Balance Sheet & Capital Ratios

Net Inflows, Assets and Recruiting

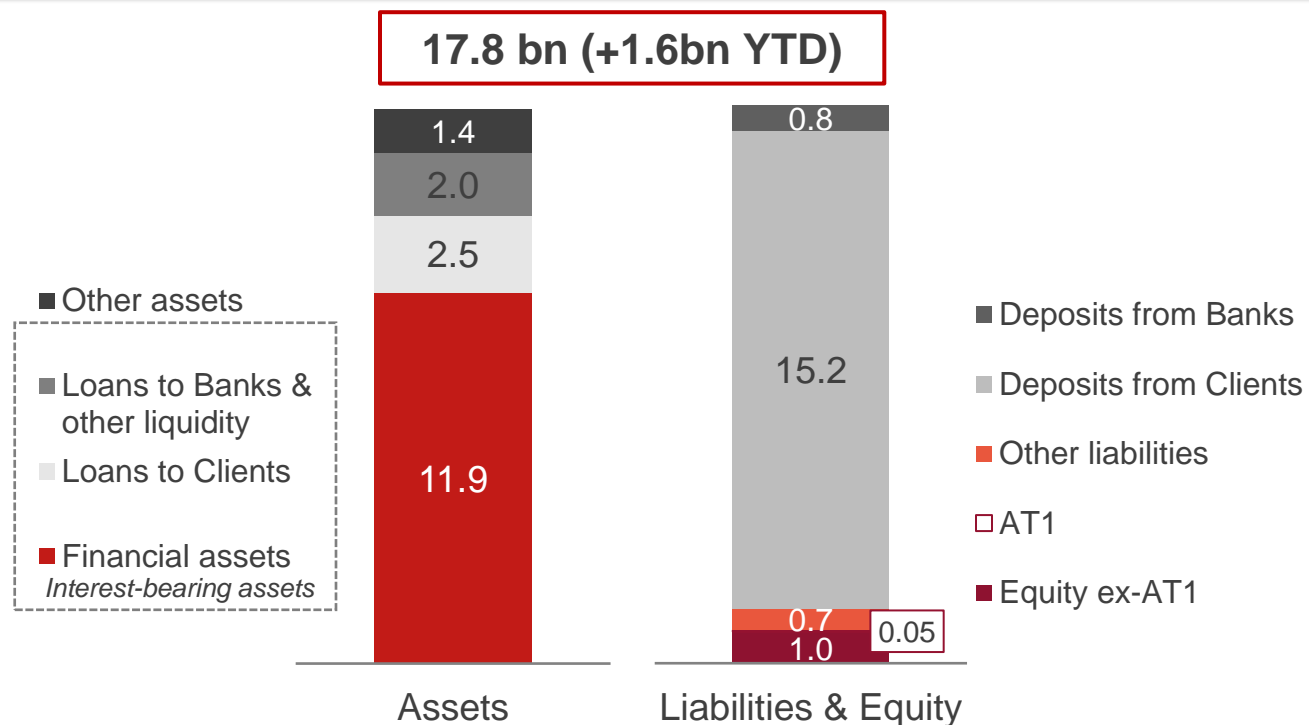
Business Update and Closing Remarks

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BALANCE SHEET (1/2)

SIMPLE AND LOW RISK BALANCE SHEET

9M 2022 Balance Sheet - Assets and Liabilities €



Clients' Deposits

15.2bn (+1.6bn YTD)

Interest Bearing Assets (IBA)

16.3bn (+1.3bn YTD)

▶ **Total balance sheet** increased by €1.6bn (+10% YTD) to €17.8bn driven by the expansion of retail deposits due to clients' higher risk aversion amid complex financial markets

▶ **Interest bearing assets** reached €16.3bn (+8.5% YTD) driven by expansion of Financial Assets' portfolio €11.9bn, +12% YTD)

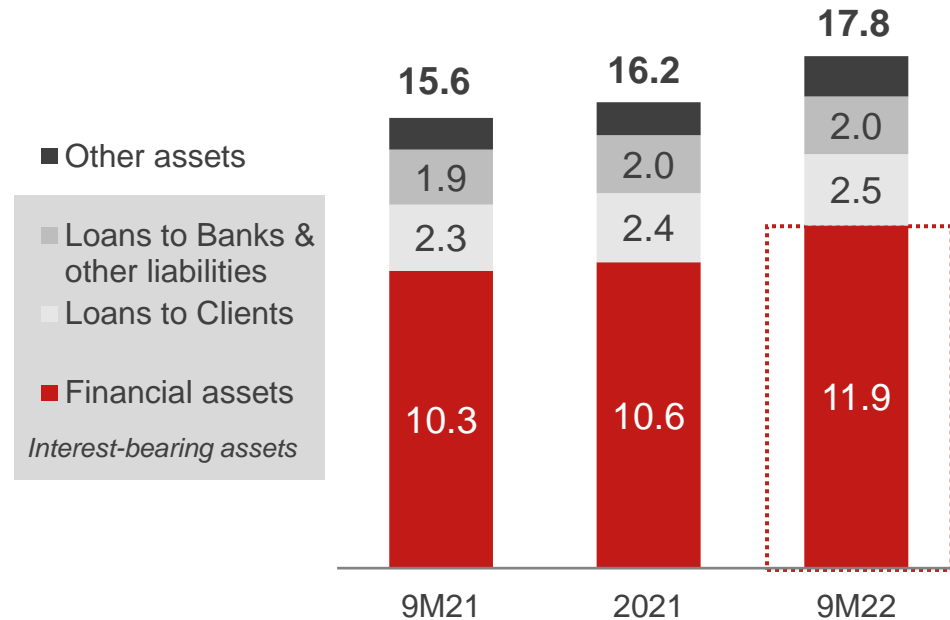
Loan book reached €2.5bn (+2.2% YTD) confirming a negligible CoR at 3bps and NPL exposure (net of indemnity) at 4bps

▶ The bank has **no debt exposure** (only €50m AT1 note)

BALANCE SHEET (2/2)

FINANCIAL ASSETS EXPLOITING HIGHER INTEREST RATES

Total Assets and Interest-Bearing Assets €\bn



Yield – On Interest Bearing Assets

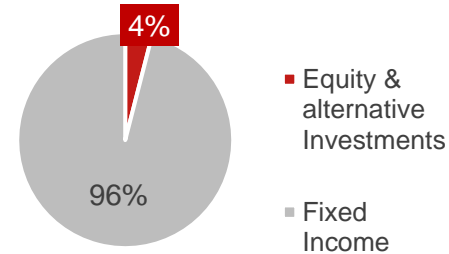
	9M21	2021	9M22
o/w Loans to Banks	-0.24%	-0.26%	-0.07%
o/w Loans to Clients	1.07%	1.07%	1.11%
o/w Financial Assets	0.62%	0.58%	0.76%

Cost of Funding (incl. TLTRO)

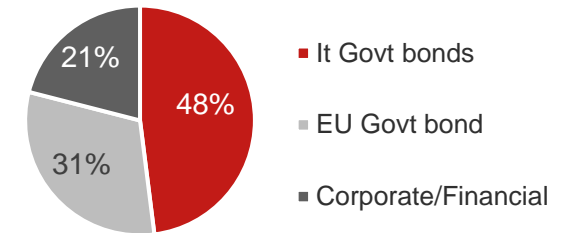
	9M21	2021	9M22
	-0.06%	-0.04%	-0.02%

Focus on Financial Assets (Banking Book) €\bn

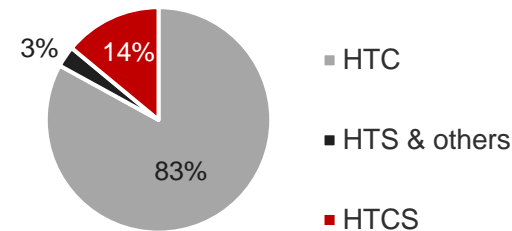
Total PTF Classification



Bond PTF Classification

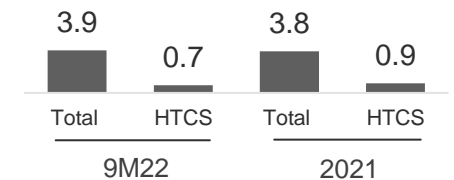


Total PTF - IFRS Classification

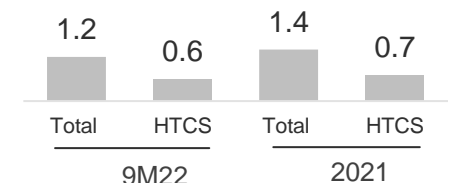


Floating rate bonds 53%, Fixed rate bonds and zero coupon 47%

Bond PTF Maturity



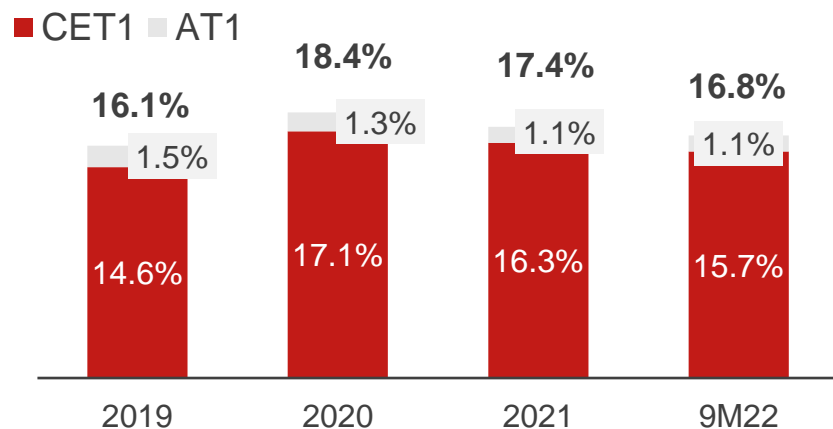
Bond PTF Duration



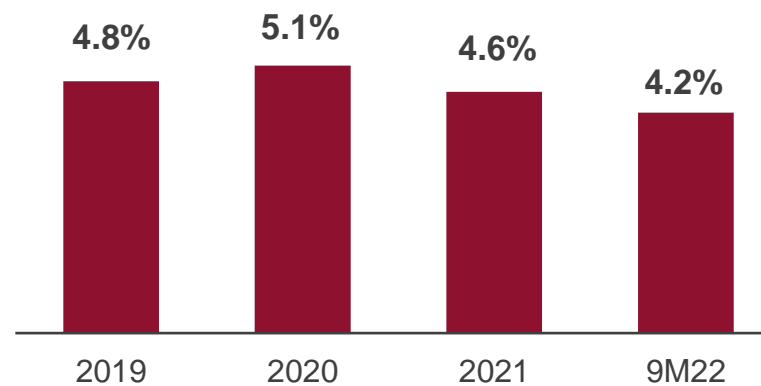
CAPITAL AND LIQUIDITY RATIOS

SOLID CAPITAL POSITION CONFIRMED

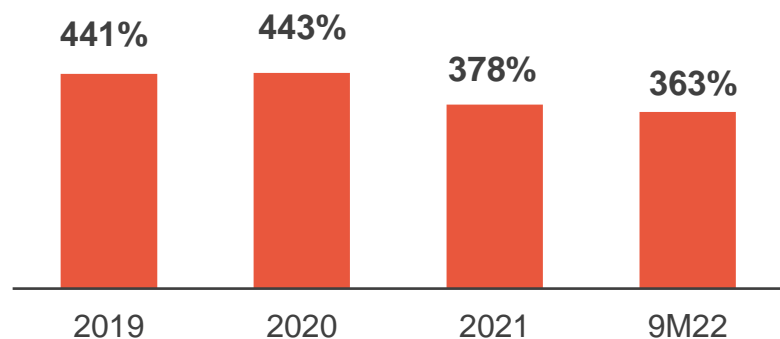
Total Capital Ratio %



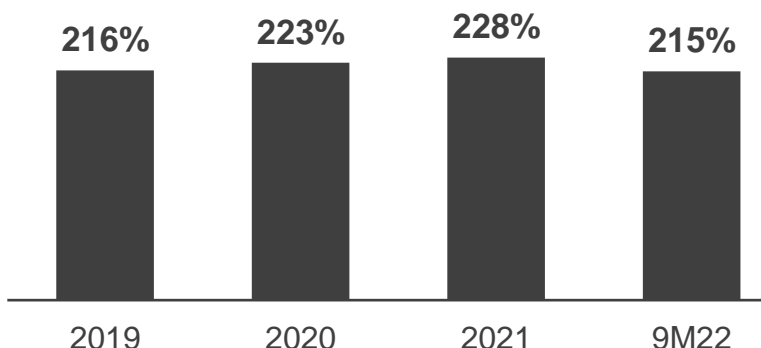
Leverage Ratio %



Liquidity Coverage Ratio €\bn



Net Stable Funding Ratio %



Capital ratios above **SREP requirements** (CET1 8.0% and TCR 12.3%)

Changes in 9M 2022 capital ratios reflected primarily the impact of **higher RWA** for the expansion of the business volumes and the diversification of the banking book.

On the other hand, capital ratios were supported by higher retained profits

Capital ratios are calculated on the base of an implied **79% dividend pay-out** exploiting full flexibility in accordance with the new outstanding dividend policy

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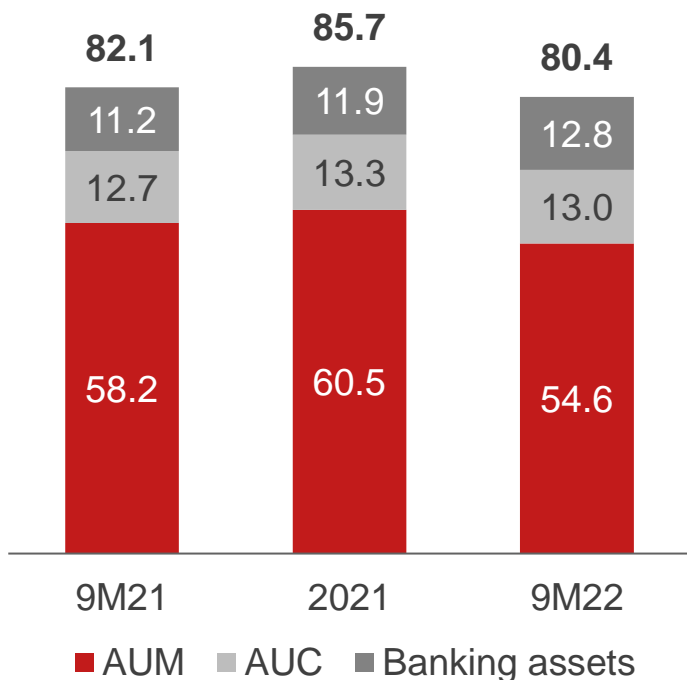
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TOTAL ASSETS

CHALLENGING FINANCIAL MARKETS DRIVING RISK AVERSION HIGHER

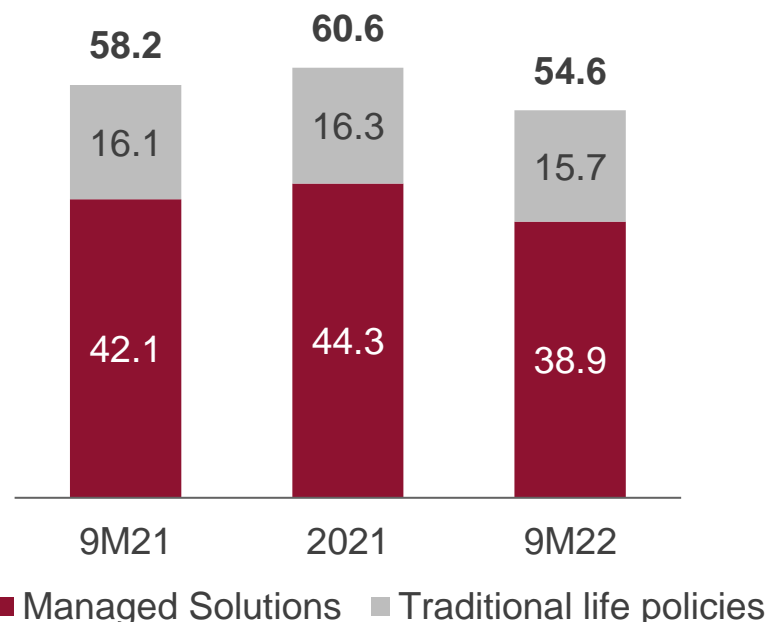
Total Assets €\bn



Assets under Advisory / Total Assets



AUM €\bn



AUM / Total Assets



Managed Solutions / Total Assets



Financial markets declined also in **September** driving 9M 2022 financial markets' performance lower:

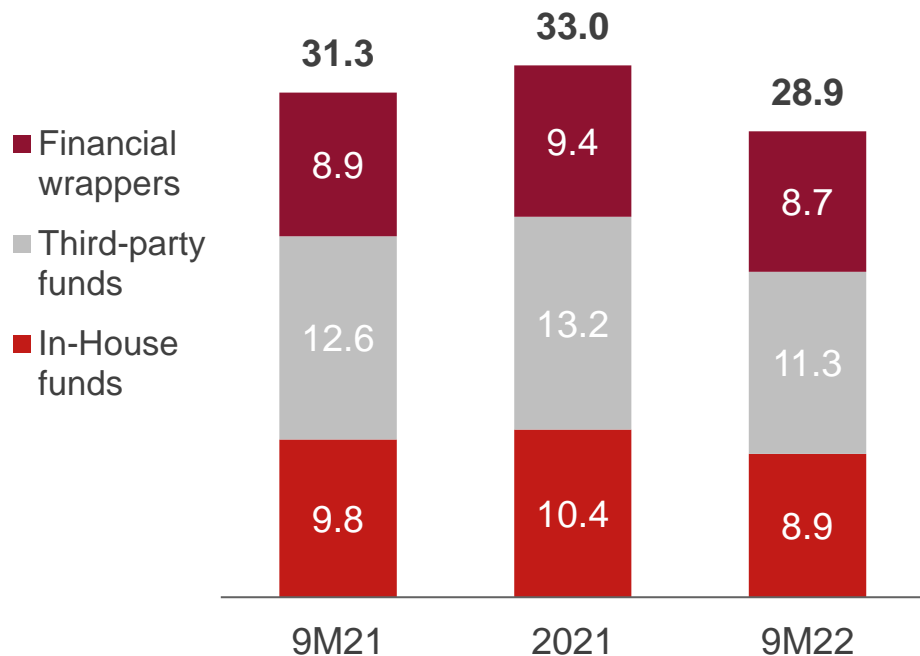
Euro govt bonds: -18.3%,
Euro Stoxx 50: -22.8%,
MSCI World: -26.4%

9M 2022 assets at **€80.4bn** (-6% YTD, -2% YoY) with product mix moving in favor of more defensive solutions (deposits and AuC) and advanced advisory services amid market performance and higher risk aversion

AUM BREAKDOWN

IN HOUSE SOLUTIONS SUPPORTED BY RESILIENT FINANCIAL WRAPPERS

AM Products €\bn



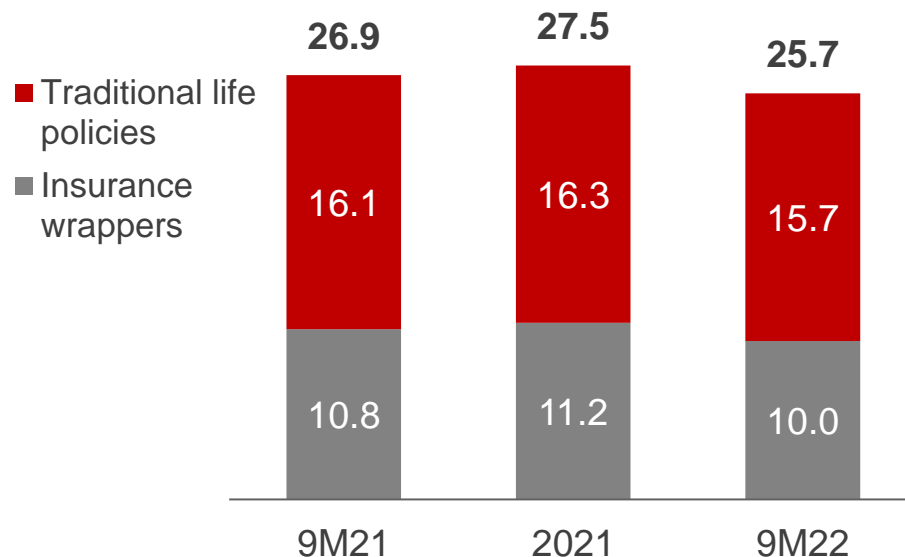
In-house Solutions (In-house Funds + Financial Wrappers) / Total Assets

22.8%

23.1%

21.9%

Insurance Products €\bn



Insurance Wrappers / Total Assets

13.1%

13.1%

12.5%

➤ **9M 2022 AM solutions** (-7.7% YoY) driven mostly by third-party funds (-10.3%) while in-house products (-5.9%) were supported by financial wrappers (-2.4%)

➤ **9M 2022 insurance solutions** posted a small decrease on total assets due to portfolio restructuring amid IT migration and restructuring of the offer

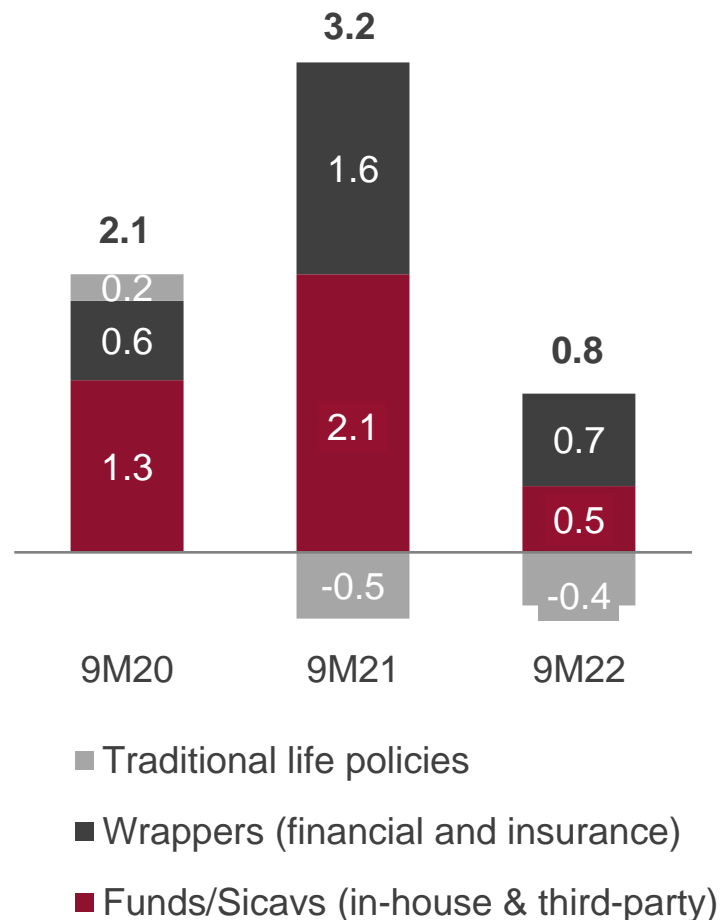
NET INFLOWS

SOUND VOLUMES, MORE DEFENSIVE PRODUCT MIX

Total Net Inflows €\bn



AUM Net Inflows €\bn



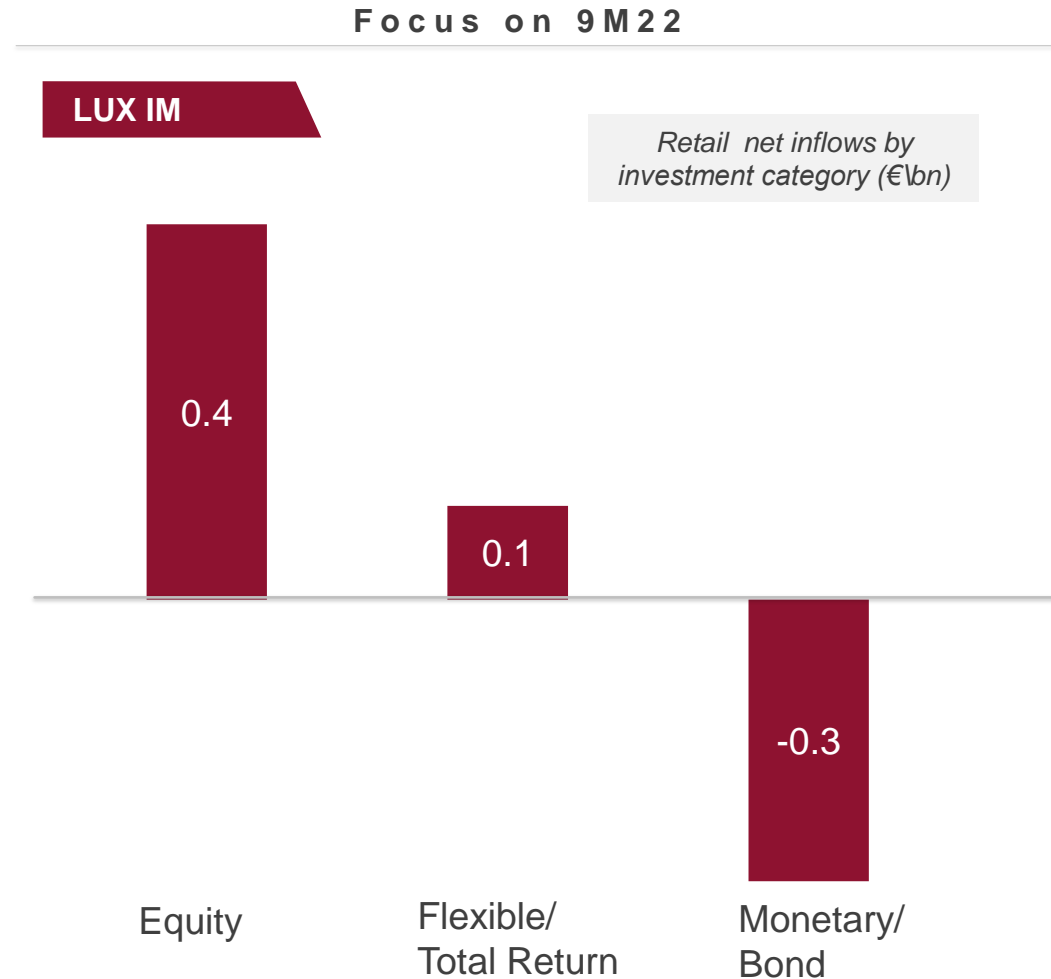
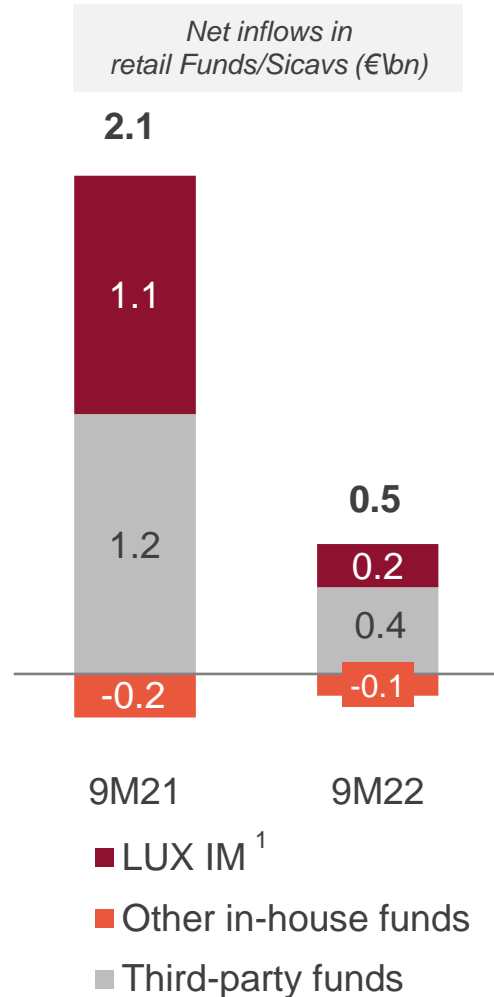
► **9M 2022** net inflows posted results off 2021 peak's levels, yet solid in terms of volumes

► **9M 2022** net inflows mix was affected by clients' higher risk aversion, conservative view on the outlook for financial markets

NET INFLOWS IN RETAIL FUNDS/SICAV

LUX IM IMPROVES MIX, YET VOLUMES REMAIN LOW

Focus on Net inflows in Retail Funds/SICAV €\bn



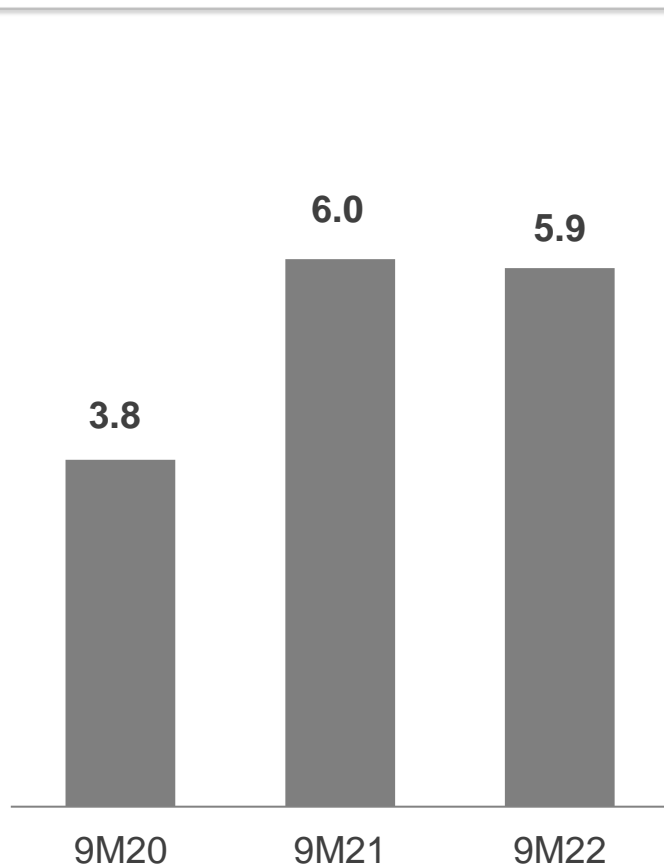
➤ **9M 2022 LUX IM net inflows were high quality** - while weak compared to last year volumes. They were dragged down by outflows from low margin monetary and bond funds whereas net inflows concentrated on equity and total return sub-funds

➤ **9M 2022 third-party funds** supported by the launch of selected fixed income/target loans funds in 1H 2022

ESG PRODUCTS

POSITIVE TREND UNAFFECTED BY SLIDING FINANCIAL MARKETS

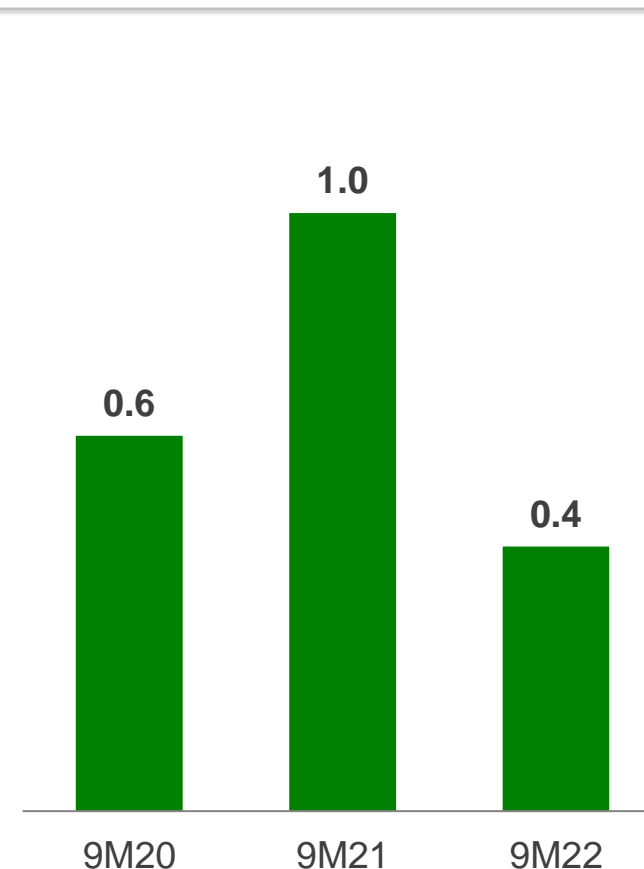
Assets in ESG Products €\bn



ESG as % of Managed Solutions



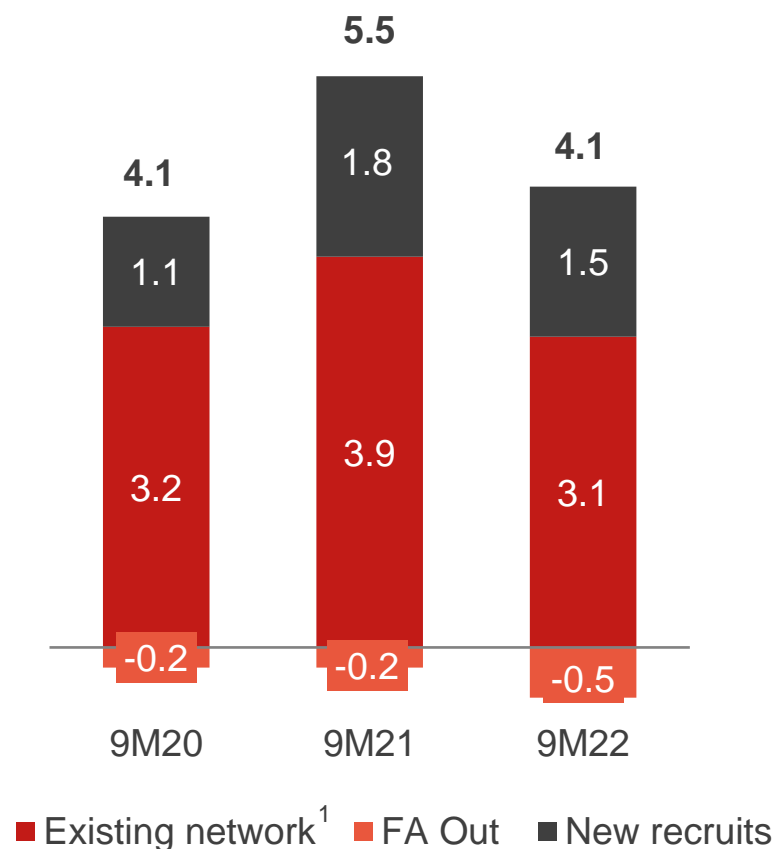
Net Inflows in ESG Products €\bn



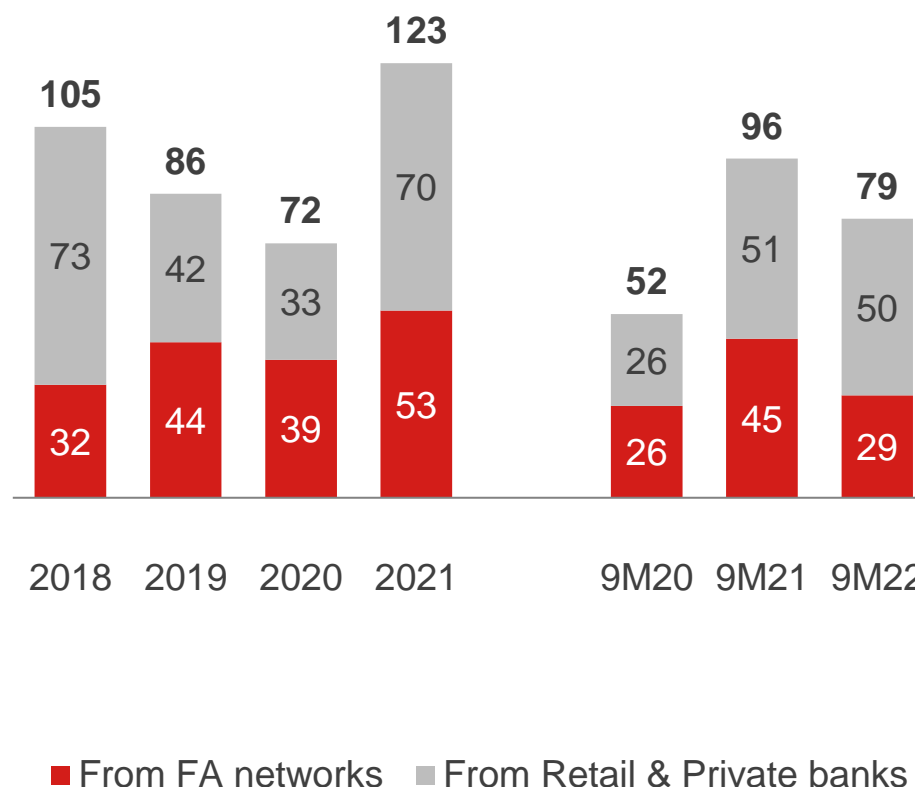
NET INFLOWS BY ACQUISITION CHANNEL

SOLID CONTRIBUTION FROM EXISTING FAs

Net Inflows by Acquisition Channel €\bn



Recruitment Trend # of new recruits



Net inflows driven by existing FAs (75% of total net inflows)

Continued focus on younger profiles

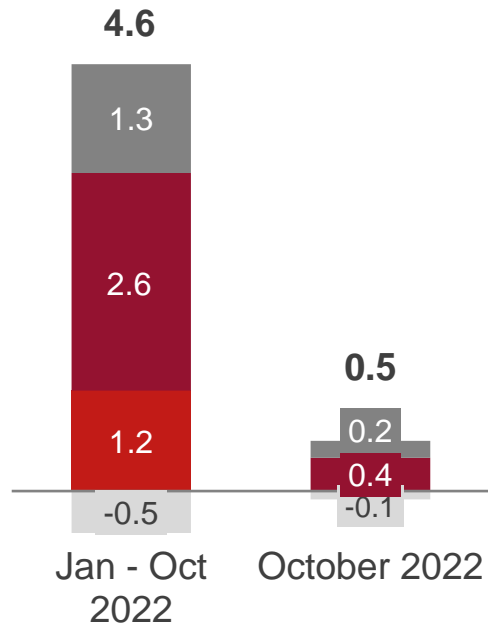
- out of the 79 new recruits, 20 are ≤40 years old
- 9 junior profiles in addition to 79 recruits (no recruiting package)

3Y Plan recruiting targets confirmed

OCTOBER 2022 COMMERCIAL UPDATE

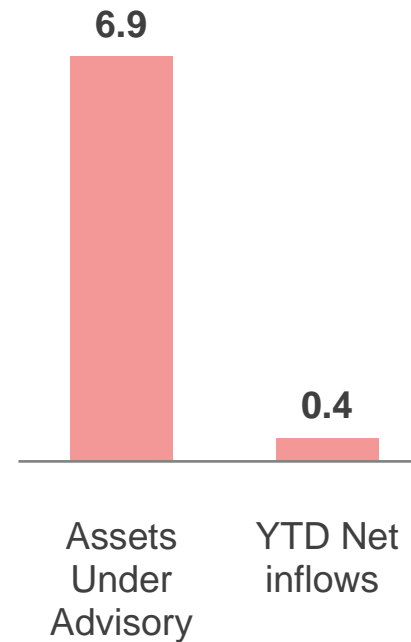
SOLID COMMERCIAL DATA

Total Net Inflows €\bn

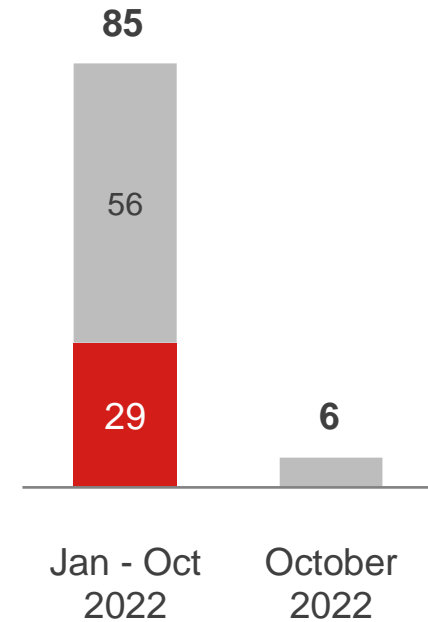


- Banking assets
- AUC
- Traditional life insurance
- Managed solutions

Advanced Advisory €\bn



Recruitment # of new recruits



- From retail & private banks
- From FA Networks

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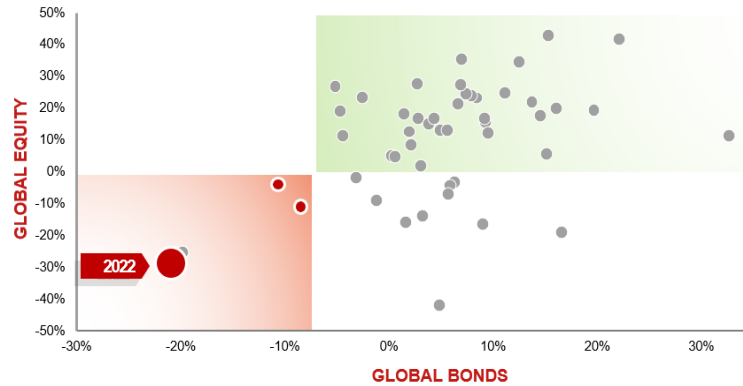
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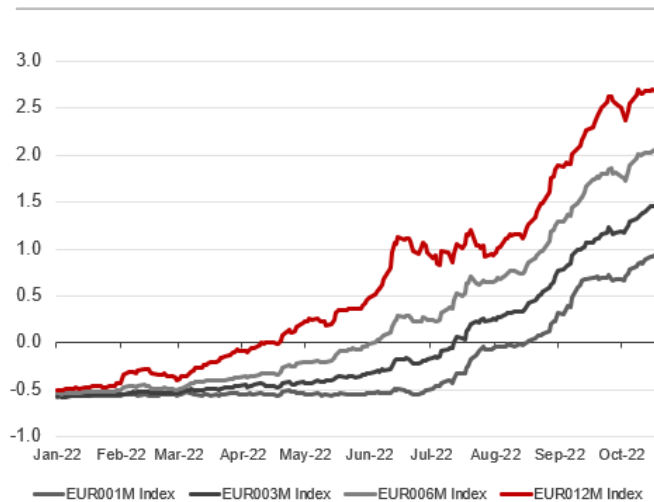


NEW MACRO AND INVESTMENT ENVIRONMENT SINCE THE LAUNCH OF THE PLAN

DRIVING BUSINESS AND FINANCIAL ADJUSTMENTS



Global equity vs. global bonds - Annual returns, 1977-2022¹



Euribor 1M, 3M, 6M, 12M – 2022 YTD Yields²

Rethinking of the offer

- Seizing new investment opportunities leveraging on bonds
- Investing in equity with flexible portfolio and savings/switch plans
- Deploying excess liquidity parked in current accounts

Assessing implications to 3Y financial targets

- Different revenue mix reflecting the normalisation of the interest rates environment
- Key targets of consistent, profitable and remunerative growth confirmed

NEW MANAGED SOLUTIONS LAUNCHED IN 4Q 2022 (1/2)

INVESTMENT SOLUTIONS TO CAPTURE OPPORTUNITIES IN THE CURRENT MARKET

4Q 2022 New Product Offer

€10m per day net inflows
since inception
(from 13 October)

Liquidity Management

- › New in-house Lux Treasury fund
- › New financial wrapper focused on short term liquidity management
- › New financial wrapper focused on global bonds
- › Advanced Advisory on bonds
- › New current account offer **due in 1H23**

LUX IM
EURO SHORT TERM BOND

BG SOLUTION

Active Managed Solutions

- › New in-house Lux funds within BG Collection
- › New financial wrappers solutions
 - Dynamic solution (ETF and single stocks) with automatic rebalancing
 - Smart Target with capital preservation and potential upside mechanism
 - 'Recovery' solution with buy and hold approach
- › Extension of Advanced Advisory approach to ETFs
- › Financial Wrappers platform optimization (dynamic hedging, forex, etc.) **due in 1H23**

BG | **COLLECTION**
INVESTMENTS

BG SOLUTION

Accumulation Plans

- › Push on accumulation and switch plans
- › New release of the accumulation plan digital platform **due in 1H23**

TWIN MIX LUX IM
PAC LUX IM

NEW INSURANCE SOLUTIONS FOR 4Q 2022 AND 2023 (2/2)

EXPANDING INSURANCE OFFER LEVERAGING ON THE NEW INTEREST RATES SCENARIO

The normalisation of the interest rates environment opens the way to the return of traditional life insurance

Phase 1: 4Q 2022



Reopening the offer of **Traditional Life policies** after the halt of the last few years due to the negative interest rate environment



€5m per day
since inception from 13 October












Phase 2: 2023




Launch of a **New insurance platform** combining insurance, investment and protection features with multiple ancillary services

CLOSING REMARKS

KEY TARGETS CONFIRMED OVER THE PLAN HORIZON

Objectives and KPIs	2022-24 Guidance	2022 Guidance	2023 Guidance
 Consistent growth Cumulated net inflows 2022-2024	 €18bn–€22bn	 <ul style="list-style-type: none"> - Net Inflows guidance seen at €5.5–€6.0bn by year end - Growing recovery of managed and insurance solutions continuing through 4Q 2022 driven by new product launches 	 <ul style="list-style-type: none"> - Net Inflows guidance seen at €6.0–€6.5bn confirmed - Steady improvement in the product mix expected
 Profitable growth Increase of recurring net profit 2021-2024	 10%–15% CAGR	 <ul style="list-style-type: none"> - Recurring net profit expected to grow above targets to 15%-20% by year-end - NII expected to grow to €130-€135m by year-end more than offsetting the impact of market turbulence on AUM 	 <ul style="list-style-type: none"> - NII expected to grow to €180-€190m¹ offsetting any pressure on gross fees linked to lower financial markets - Guidance for pay-out and operating costs confirmed
 Remunerative growth Cumulated DPS² 2022-2025 (cash view ³)	 €7.5–€8.5 p.s.	 <p>Confirming the DPS 2022-2025 target thanks to the flexibility of our current dividend policy guidelines, i.e.</p> <p>70%-80% of recurring net profit 0%-100% of variable net profit</p>	



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Net Inflows, Assets and Recruiting

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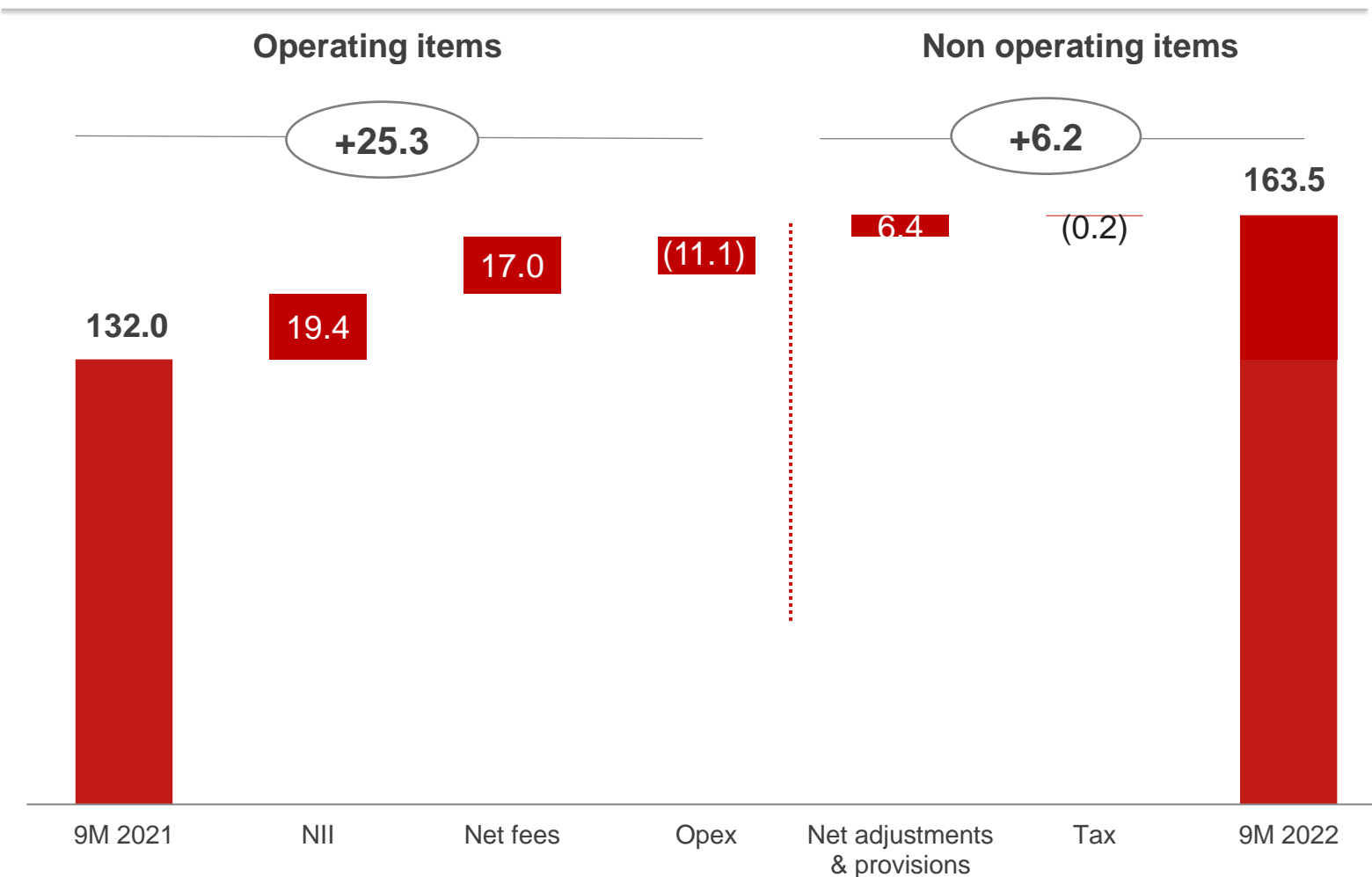
Annex

- **Financials back-up**
- Investor Day messages
- Sector

RECURRING NET PROFIT

RUN RATE OF RECURRING NET PROFIT ABOVE 2022-2024 TARGET

Build up of Recurring Net Profit¹ €\m



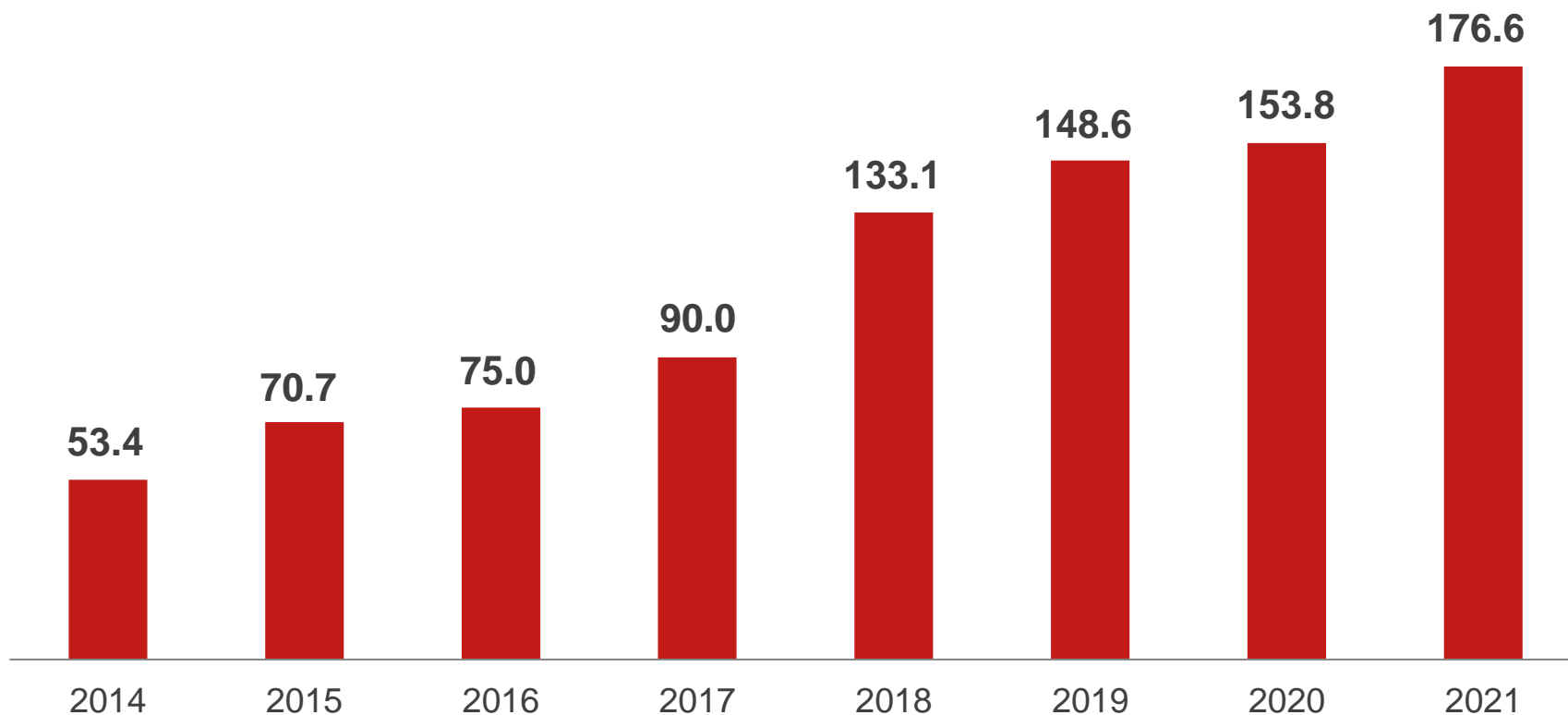
► **Higher 9M 2022 recurring net profit (+24% YoY)** driven by higher recurring revenues (NII and net fees) leveraging on positive exposure to interest rates' hike, resilient in-house solutions and diversification in the AUM component.

► **Positive contribution from non operating items** leveraging on the upwards revision of discount rates in the calculation of Fair Value of actuarial provisions

RECURRING NET PROFIT – YEARLY TREND

EARNINGS' QUALITY AND SUSTAINABILITY STEADILY GROWING

Recurring Net Profit¹ €\m



» **2021 recurring net profit** increased by 3x since 2014 and almost 2.0x since 2017

» Asset growth and new revenue streams more than offset **2018-2020 product rebalancing** to enhance overall pricing sustainability

1

Banca Generali signed a **framework agreement** with the Italian Revenue Agency for the settlement of tax claims in relation to transfer pricing for the tax periods from 2014 to 2019. More in detail, the agreement recognized:

- ▶ **No penalties** for the Bank, due to the penalty protection regime
- ▶ The **suitability of the Transfer Pricing Model** and the Transfer Pricing Policy prepared by the Bank
- ▶ A **higher remuneration for the fiscal years 2014-2018** for the handover, carried out in 2008, to the newly established company BGFML of the delegated investment management of BG Sicav. The **actual charge** for the year has been **limited to €35 million**
- ▶ **No tax claims** for the **2019 tax period**

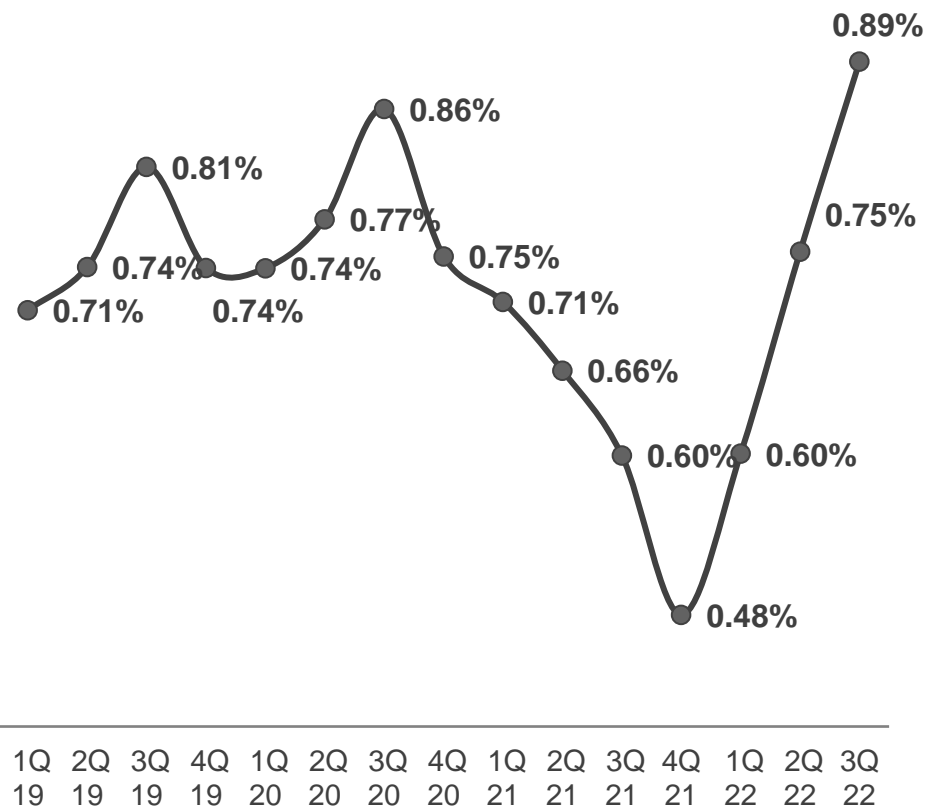
2

The agreement paves the way for **FULL IMPLEMENTATION OF THE COOPERATIVE COMPLIANCE PROCEDURES** to which Banca Generali was admitted on 27 December 2021, with effects as of the 2020 tax period

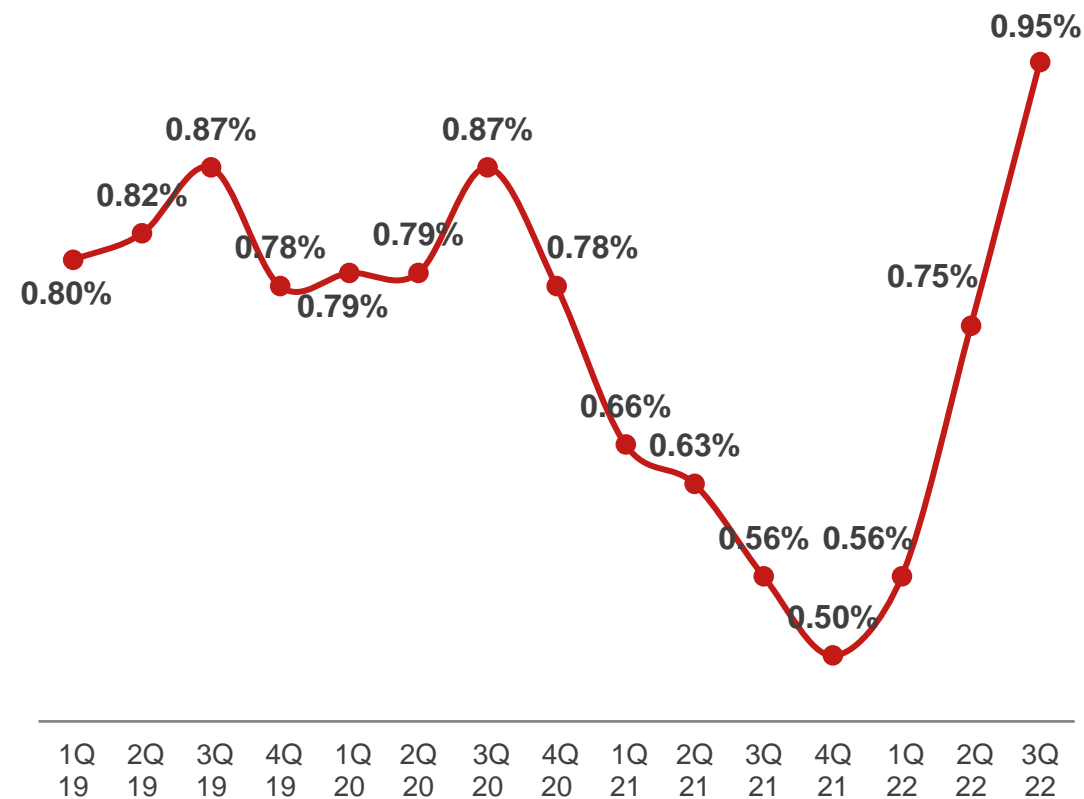
INVESTMENT YIELDS

TOTAL NII YIELD TRACKING INVESTMENT YIELD ON FINANCIAL ASSETS

Total NII Yield: Quarterly Trend



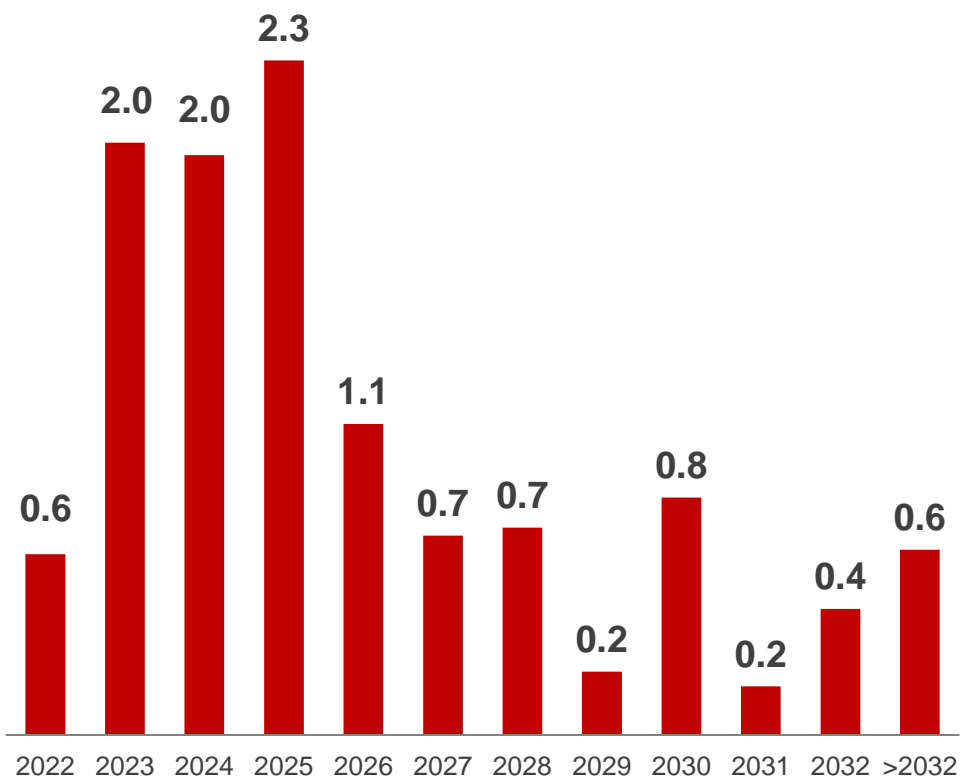
Financial Assets Yield: Quarterly Trend



BANKING BOOK (1/2)

MATURITIES

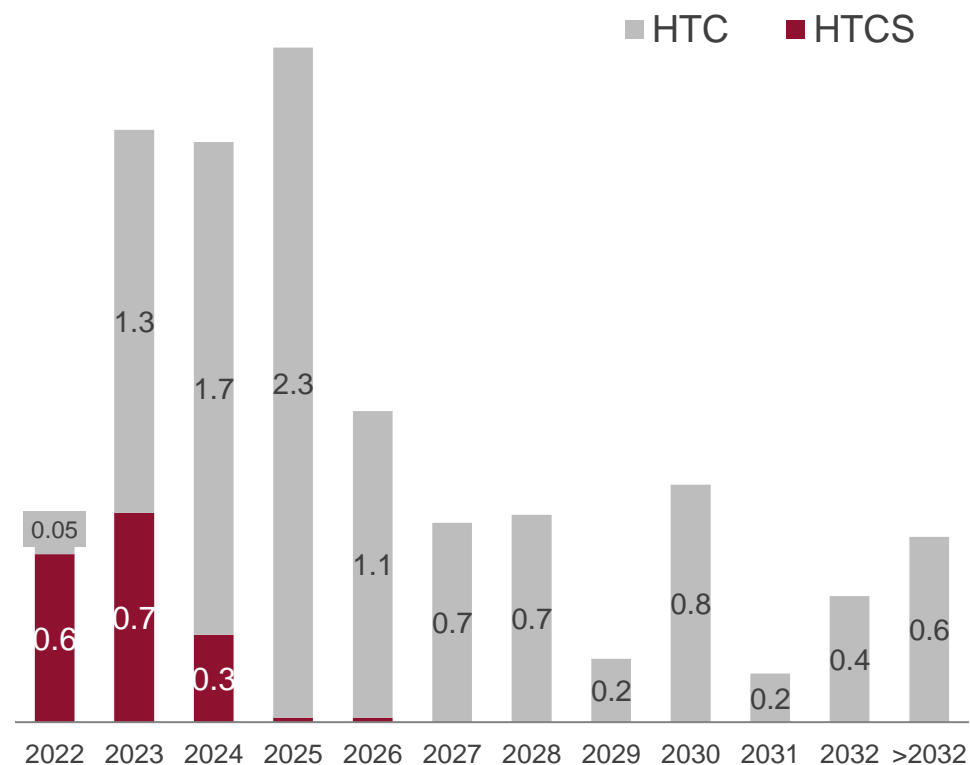
Banking Book Maturities by Year €\bn



% of fixed rates



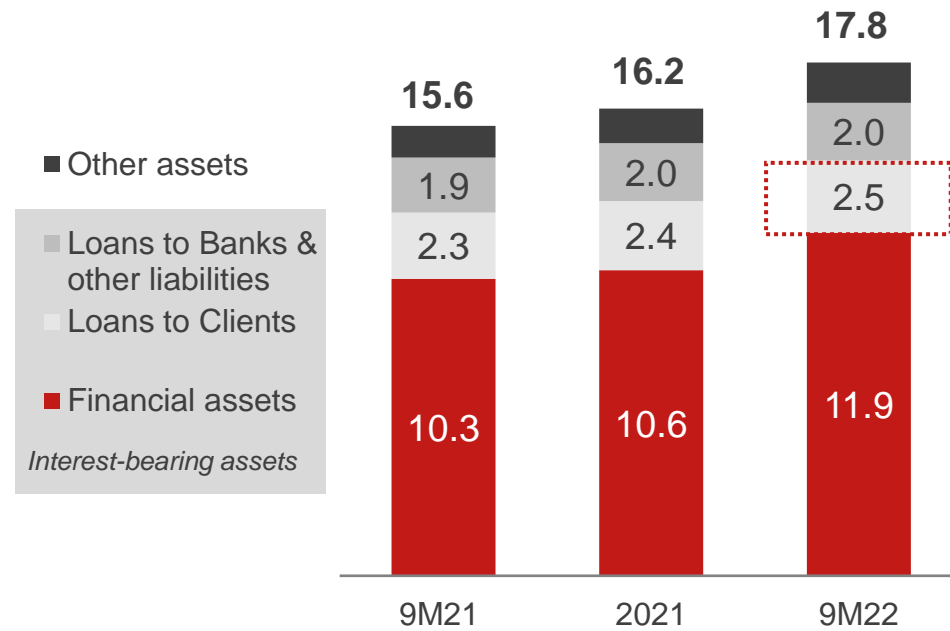
Banking Book Maturities – Split by Accounting Treatment €\bn



BANKING BOOK (2/2)

HIGH QUALITY LOAN BOOK

Total Assets and Interest-bearing Assets €\bn

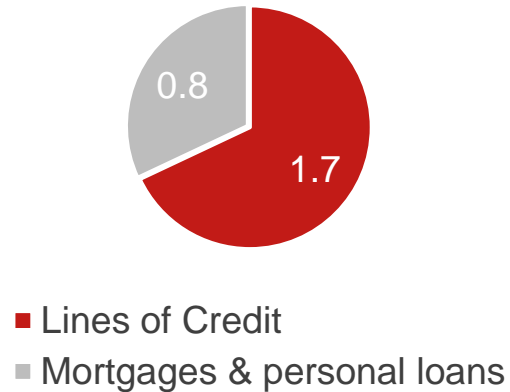


Yield – On Loans to Clients

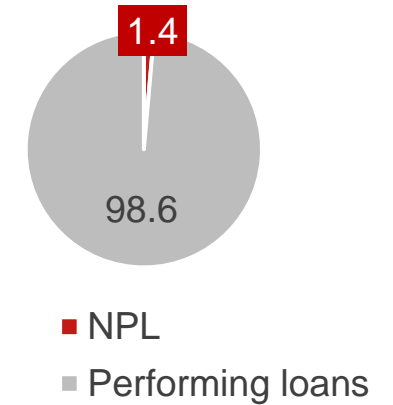


Focus on Loan Book (Banking Book) €\bn

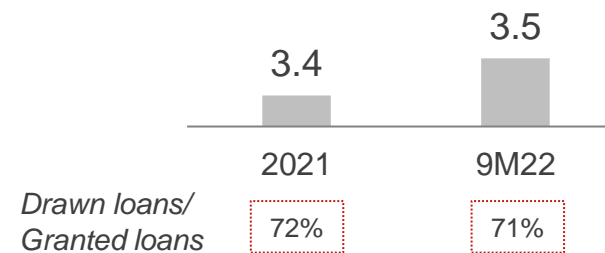
9M22 Credit Book €\bn



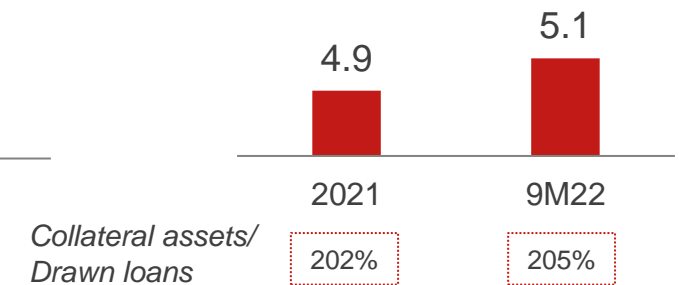
Lending Quality %




Granted Loans €\bn



Collateral Assets €\bn





To be the No.1 private bank, unique by
value of service, innovation and
sustainability



9M 2022 Financial Results

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- **Investor Day messages**
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GROWTH WILL BE ACHIEVED THROUGH THE EVOLUTION OF THE BANK BASED ON THREE KEY PILLARS

Pillars

Value of service

Bring the Bank even closer to the FA network and Clients

Innovation

Continue to build a data-driven, digital and open bank

Sustainability

Be the ESG reference point for all our Stakeholders

1st Pillar

Value of service

Bring the Bank even closer to the FA network and Clients

Guidelines



Targeted offer



Providing FAs with **bespoke products, services and platforms** to anticipate the needs of a wider range of Clients



Multi-service model



Supporting FAs with **customized service models** to match the potential of each Client



Data-driven management approach



Leveraging data to support and **guide FA network's actions**, increasing value of service and productivity

KPIs

Assets under Advisory
on Total Assets

8.5%-10.5%

[By 2024]

Managed solutions
on Total Assets

52%-56%

[By 2024]

EXPANDING INTO NEW CLIENT SEGMENTS

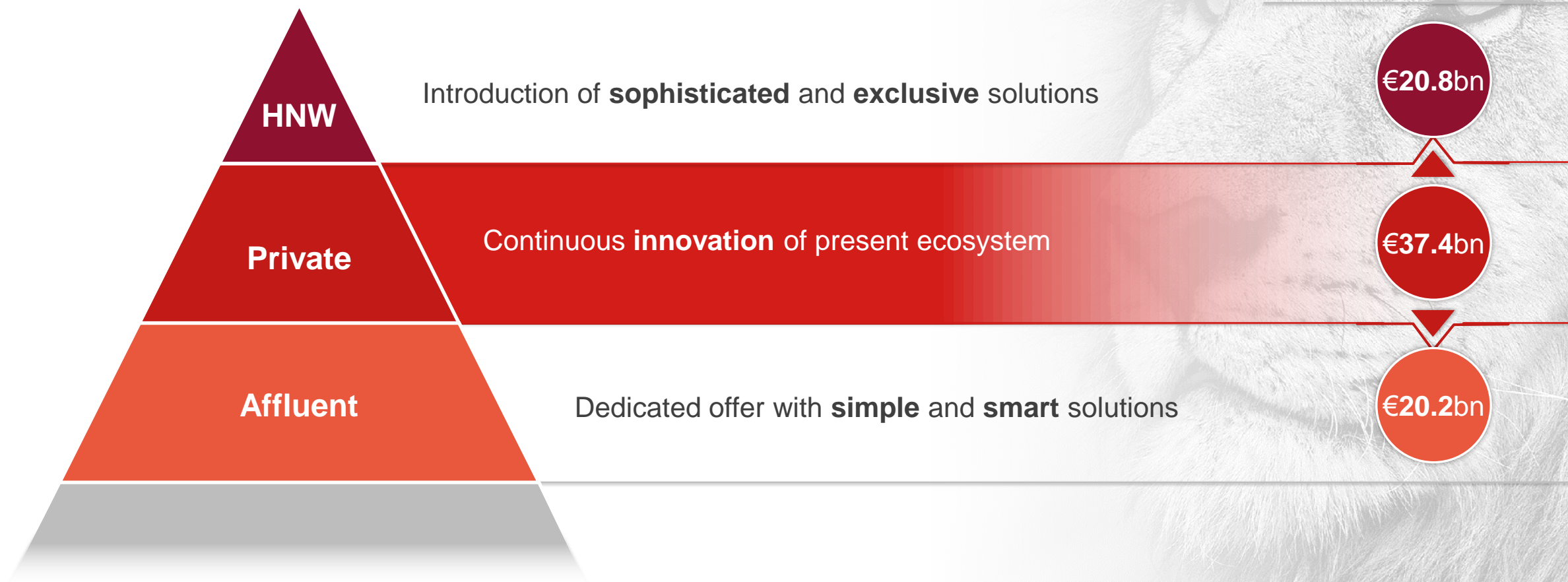
1st Pillar

PRODUCTS, SERVICES AND PLATFORMS TO SERVE CURRENT CLIENTS AND ATTRACT NEW CLIENTS

Client pyramid

1.  Advanced Advisory
2.  In-house offer
3.  Insurance
4.  AuC & Banking
5.  Lending

2021 Client assets¹



THREE DEDICATED SERVICE MODELS TO BETTER SUPPORT FAs AND CLIENTS

1st Pillar

New service models



Target Client and description

High potential Clients



» **Enhanced**
“**Double touch**” service model, powered by dedicated Family Office data-driven platform, to better capture complex-need HNW Clients

Smaller Clients



» **Guided**
«**Hybrid**» service model, adding centrally curated solutions and platforms to help manage Clients with less complex needs

Hands-on Clients

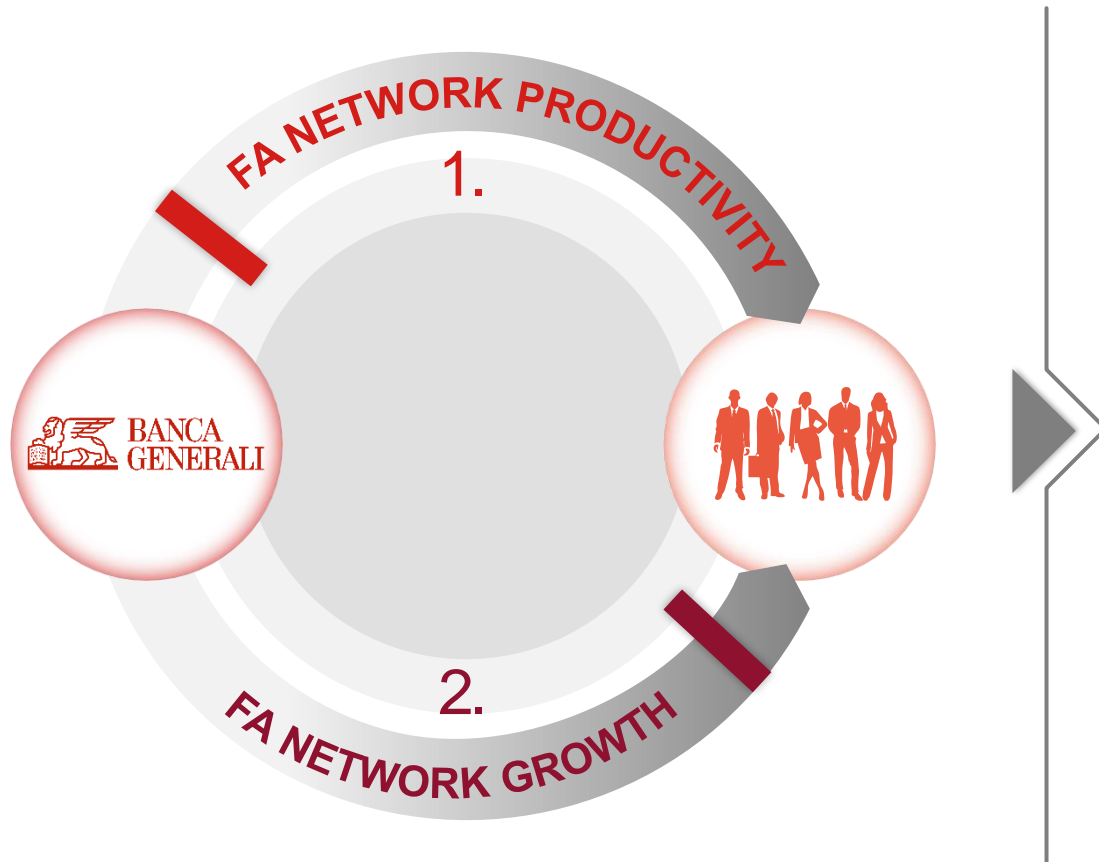


» **Self**
«**Digital**» service model, digital accessibility and assistance for standard needs and low-value-added activities

BRINGING GROWTH TO THE NEXT LEVEL

BY WORKING ON BOTH PRODUCTIVITY AND NETWORK EXPANSION

1st Pillar



- 1. Data-driven approach**
 - Service models & targeted offers
 - Managerial initiatives & support
 - Geomarketing & support
- 2. New talent pools**
 - Private talent
 - Next generation & diverse talent
 - International expansion

NEW RECRUITMENT POOLS

1st Pillar

DIVERSIFIED ACTIONS TO ATTRACT A WIDER POPULATION OF FAS

Recruitment guidelines

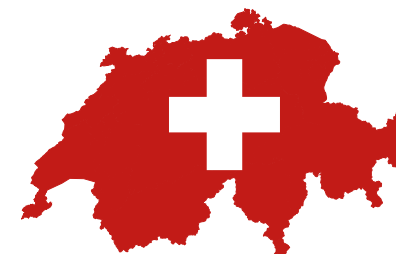
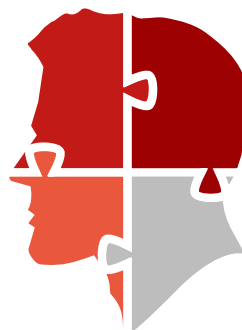
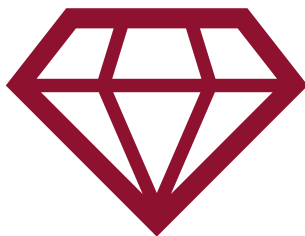
Private talent



Next generation & diverse talent



International expansion



ATTRACT THE BEST
PROFESSIONALS

ONBOARD THE NEXT
GENERATION OF FAs

EXPAND RECRUITMENT
TO SWITZERLAND

Leveraging a **stronger private
positioning** vs the past

Leveraging new **service
models and teams**

Leveraging the **upcoming
banking license**

Targeting cumulated 500 new recruits over 2022-2024

EXPANDING GROWTH IN SWITZERLAND

1st Pillar

BY ADDRESSING CLIENTS MANAGED IN ITALY AND CLIENTS MANAGED IN SWITZERLAND

Targeting >€5bn-€7bn Client assets¹
(between productivity and recruitment) over a 5-year horizon

- ▶ **Client assets of ~€1.2bn** between BG Valeur and BG International Advisory
- ▶ Project postponed by impact of **Covid-19** on recruitment activity and reduced Country risk perception among Italian Clients
- ▶ In the process of obtaining **Swiss banking license**, experienced local management team hired



2nd Pillar

Innovation

Continue to build a data-driven, digital and open bank

Guidelines



Data-driven bank



Systematizing **data** to power our commercial approach, by deploying B2C-like data analytics in an advisor-centric setting



Digital platforms



Designing and integrating **platforms** to foster personalization of commercial processes, simplification of operating processes and digital customer experience



Partnerships ecosystem



Sourcing and orchestrating **partnerships** to position the Bank at the forefront of industry trends

KPIs

Operating Costs /
Total Assets

≤28bps

[By 2024]

Digital investments
2022-2024¹

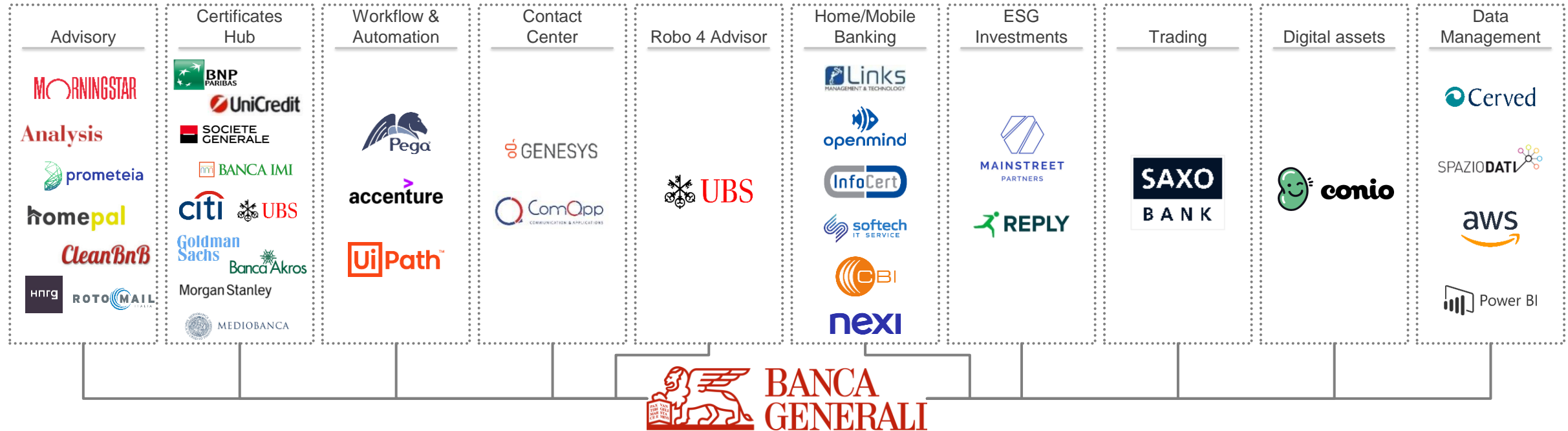
c.€40m

PARTNERSHIPS ECOSYSTEM (1/2)

2nd Pillar

OVER THE PAST YEARS WE HAVE OPENED OUR ARCHITECTURE TO BEST-OF-BREED PARTNERS

Front-end



Back-end



Plugging in solutions from
best in class international providers

Revenue & risk-sharing with partners
vs upfront & running costs / risk taking

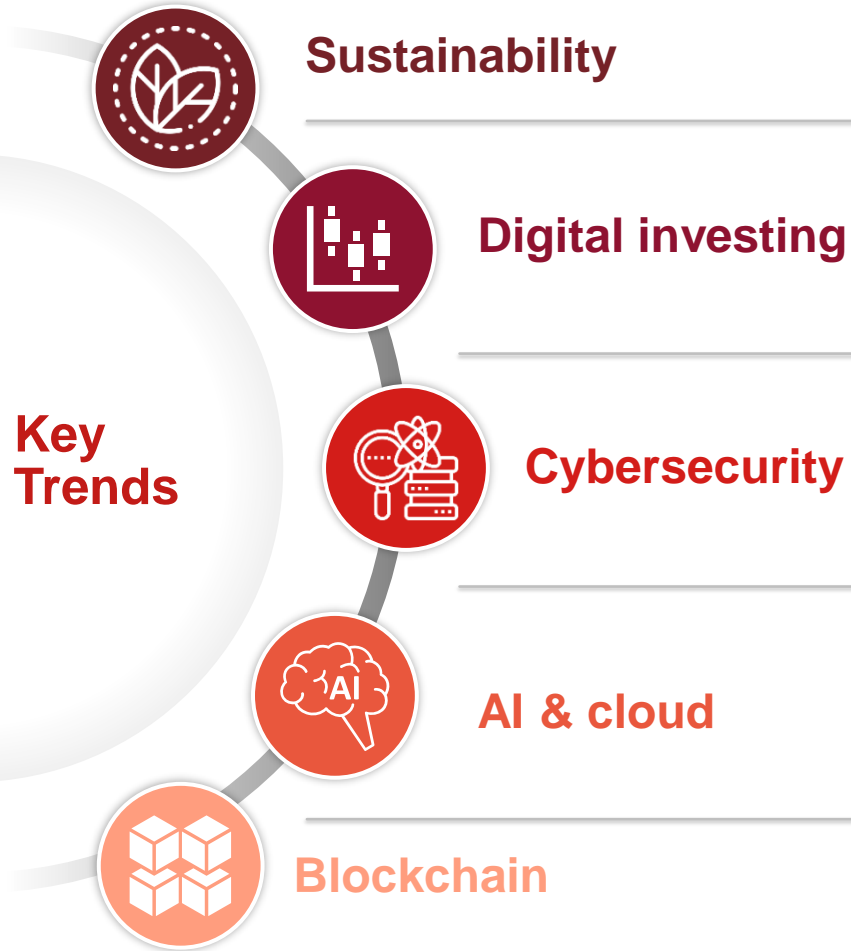
Lean operating machine¹
(<7bps cost on assets)

PARTNERSHIPS ECOSYSTEM (2/2)

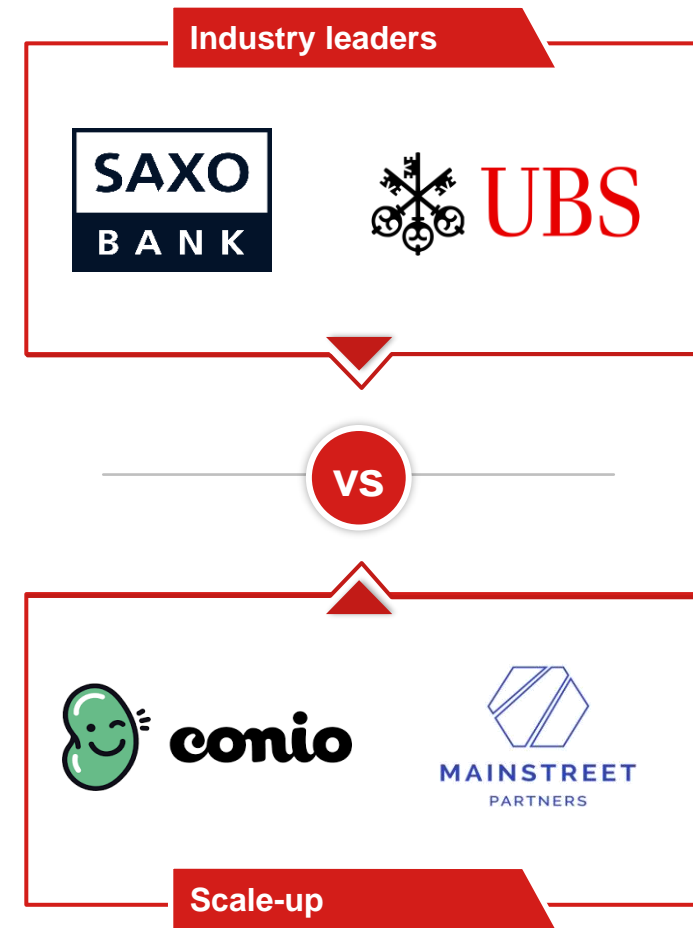
2nd Pillar

THIS APPROACH ENABLES US TO TACKLE KEY TRENDS ALSO BY ACCESSING PARTNERS' INNOVATION

Trends



Partners



- **BG as an orchestrator**, continuous flow of innovation from partners in specialized verticals
- **Right partners** selected across industry leaders and new challengers
- Seeding of **long-term business development** optionality

STRATEGIC GUIDELINES FOR BG'S SUSTAINABILITY PATH

STATED FOR EACH STAKEHOLDER

3rd Pillar

3rd Pillar

Sustainability

Be the ESG reference point for all our Stakeholders

Guidelines



Clients and FAs



Enriching our **SDGs¹ value proposition** by expanding our **ESG offer** and continuous training of our **FAs**



Shareholders
& Authorities



Promoting **transparency and engagement** towards Shareholders and Authorities



Employees



Fostering a **stakeholder culture, diversity & inclusion** and **work-life balance**



Community &
future generations



Actively contributing to **climate protection** and being responsible towards **communities**

KPIs

% of ESG Clients¹

> 50%

[By 2024]

Net zero emissions
by

2040

KEY ACCOMPLISHMENTS UNTIL 2021 YEAR-END

ESG VALUE PROPOSITION TO ANY STAKEHOLDER

3rd Pillar



Clients & Financial Advisors

Unique **commercial approach** (SDGs platform with more than **90k access in 2021** by FAs)

FA training (61h avg. p.a.)

269 ESG funds with wide coverage of SDGs (41% Art. 9 and 59% Art.8)

€6.5bn invested in ESG solutions (14.6% of managed solutions); net inflows at **€1.4bn** in 2021 (18% of total net inflows)

100% of managed assets undergoing a **negative screening**¹



Shareholders & Authorities

ESG factors assessments embedded in all **corporate committees** discussions; managerial executive committee with the role of implementing ESG initiatives

Responsible investment policy applicable to **investments, finance and lending** (negative exclusion)

ESG factor incorporated into **risk management framework**



Employees

Employee training (56h avg. p.a.)

D&I policy, focus on **age/ generation** theme (*#BGforeverYoung project*) and commitment to **gender themes** (*webinars such as #BGWomen, #Women's Empowerment to support their professional development*)

Variable management remuneration linked to ESG results



Community & future Generations

Adoption of **Women's Empowerment Principles**

Financial education project with **FEduF**

"O-Fire" Observatory partnership with **Bicocca University** and **AIF**

Communication
#BG4SDGs

MOST RECENT ESG RATINGS AND DIALOGUE WITH SHAREHOLDERS

COMMITMENT TO TRANSPARENCY AND OPEN COMMUNICATION

3rd Pillar



9.2 - Negligible Risk

BG ranks 1st out of 449 players in the asset management sector and **99th out of 15,000** at global level

December 2021



EE (strong)¹

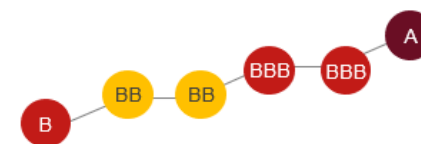
Outlook updated from “stable” to **“positive”**, confirming Investment Grade Sustainability Rating

December 2021



A

Outlook updated from “BBB” to **“A²”**



Apr.17 Jun.18 Oct.19 Sep.20 May.21 Nov.22

November 2022



Top 40 listed companies



MIB ESG Index dedicated to Italian blue-chips, designed by Euronext and Borsa Italiana to identify the major listed national issuers with the best ESG practices

Clients & Financial Advisors



Enhance our ESG offering and strengthen ESG know-how of FAs

2024 Targets:

>40% ESG AuM on total managed solutions

>50% FAs with advanced know-how of ESG or with EFPA ESG certification

>90% FAs taking part in annual training on ESG topics

Shareholders & Authorities



Reinforce transparency on BG ESG strategies

2024 Targets:

Increase ESG disclosure via reporting frameworks

Becoming a signatory of:



Ongoing **stakeholder engagement** to meet investors' demand

Employees



Further foster diversity & inclusion and work-life balance

2024 Targets:

50% New hiring **under 35**

70% Employees involved in **digital transformation & sustainability** projects

100% Employees in **hybrid work**, excluding front office and sales

Community & Future Generations



Climate protection and fight poverty and social exclusion

Targets:

By 2025: -25% carbon intensity in corporate investments* vs 2019

By 2030: phase out company investments to carbon fuel

By 2040: net zero emissions

Asset manager specific **engagement policies**

Increase **community engagement** and launch **social impact initiatives**



Clients & FAs



- In July 2022, Banca Generali integrated its **Mifid questionnaire with ESG topics**
- As of 30/9, 50% of total clients have already answered and amongst them, **70% have declared HIGH' interest for ESG investments**



Shareholders & Authorities



- Banca Generali has started a transversal working group within the Bank with the **objective is to join the PRI by the end of 2022.**



Employees



- 88% of people** involved in training courses on digital and/or ESG issues
- A specific **ESG training plan 2022-2023** has been structured which provides for different degrees of in-depth study depending on the level of involvement of colleagues on the working tables on sustainability.



Community & Future Generations






Major focus on education with several projects:

- Financial Education with Feduf
- Blog Protezione eRisparmio
- Edufin
- Project on sustainability (Bicocca University)



2022-2024 FINANCIAL TARGETS

TARGETING EVEN STRONGER NET INFLOWS, RECURRING NET PROFIT AND DIVIDENDS

Objectives	KPIs	Targets
 Consistent growth	Cumulated net inflows 2022-2024	€18bn–€22bn
 Profitable growth	Increase of recurring net profit ¹ 2021-2024	10%–15% CAGR
 Remunerative growth	Cumulated DPS ² 2022-2025 (cash view ³)	€7.5–€8.5p.s.

DIVIDEND POLICY 2022-2024

STEADILY GROWING DPS, €7.5-€8.5 P.S. CUMULATED OVER 2022-25 (CASH VIEW)



Objectives

Deliver steadily growing DPS (cash view) by smoothing potential earnings volatility connected to variable fees, while increasing flexibility in capital deployment



Policy

Differentiated payout¹: 70%-80% of recurring net profit² + 50%-100% of variable net profit

Tranching mechanism: payment dates in Q2 year T_0 and Q1 year T_0+1



Targeted results

€7.5-€8.5 cumulated DPS³ (cash view) over 2022-25; €2.55 DPS already announced

CLOSING REMARKS

WHY WE ARE CONFIDENT TO DELIVER ON TARGETS



**Sizeable
opportunity**



Acceleration of **structural industry trends**, with growing market share for **FA networks**



**Sound strategy
and foundations**



Strategy resting on **hard-to-match foundations**: quality of FA network + technology



Solid track-record




Tried and tested management team with track-record of **delivering on targets**



Strong brand



Established player in the private segment, part of **Generali Group**



To be the No.1 private bank, unique by
value of service, innovation and
sustainability



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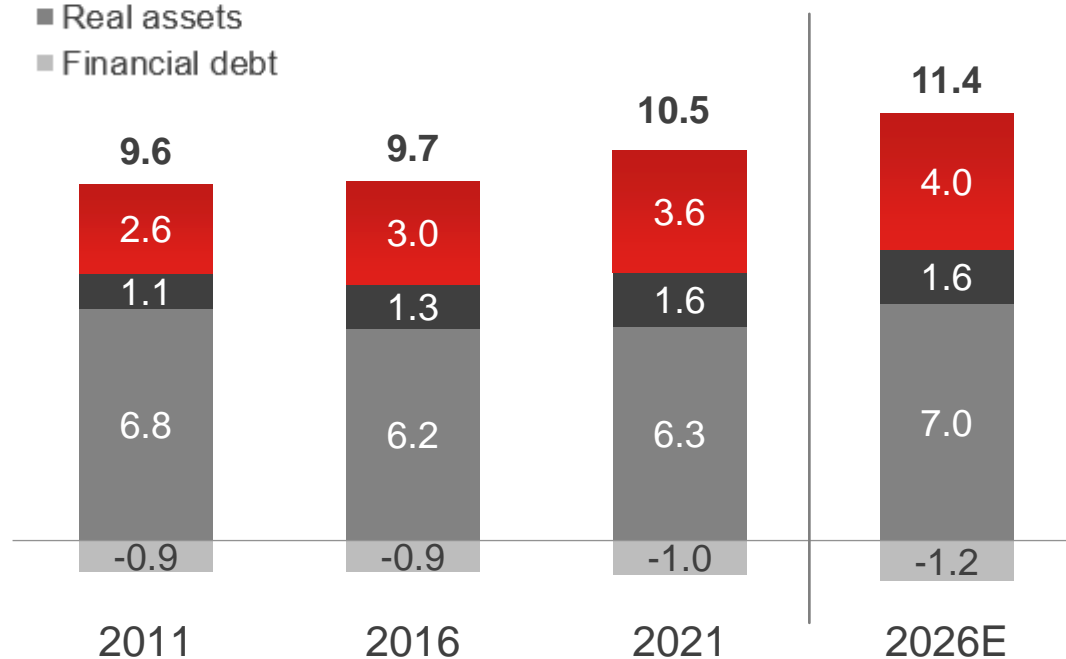
- Financials back-up
- Investor Day messages
- **Sector**

NET ITALIAN HOUSEHOLD WEALTH TO KEEP GROWING

PENETRATION OF MANAGED ASSETS RISING QUICKLY

Net Italian Household Wealth €tn

- Financial wealth - targetable
- Financial wealth - other
- Real assets
- Financial debt

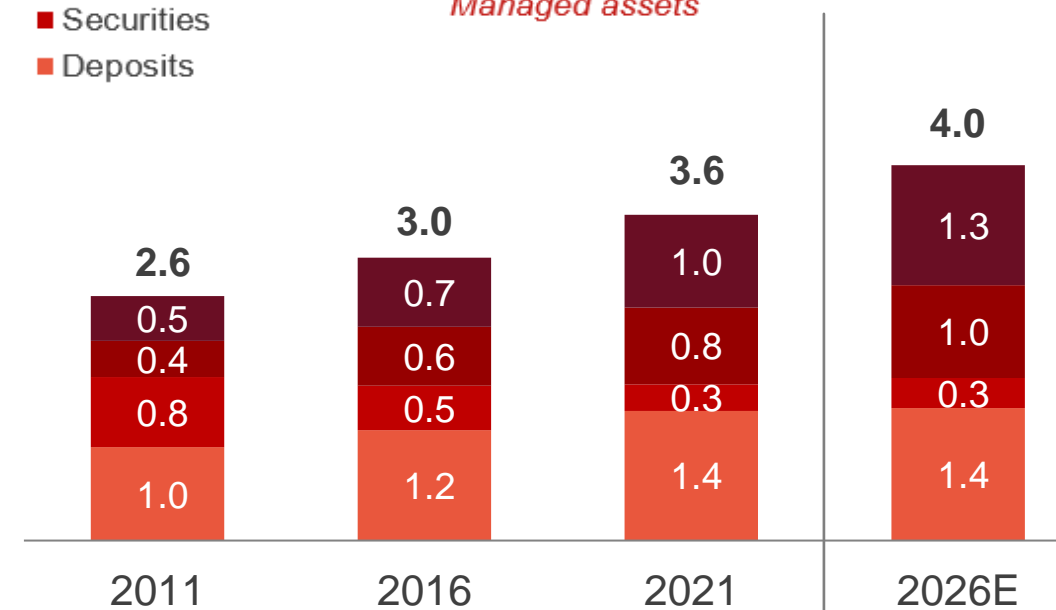


Targetable Financial Wealth / Net Italian Households Wealth



Targetable Financial Wealth – Product mix €tn

- Insurance ¹
 - Mutual funds and discretionary mandates
 - Securities
 - Deposits
- Managed assets*



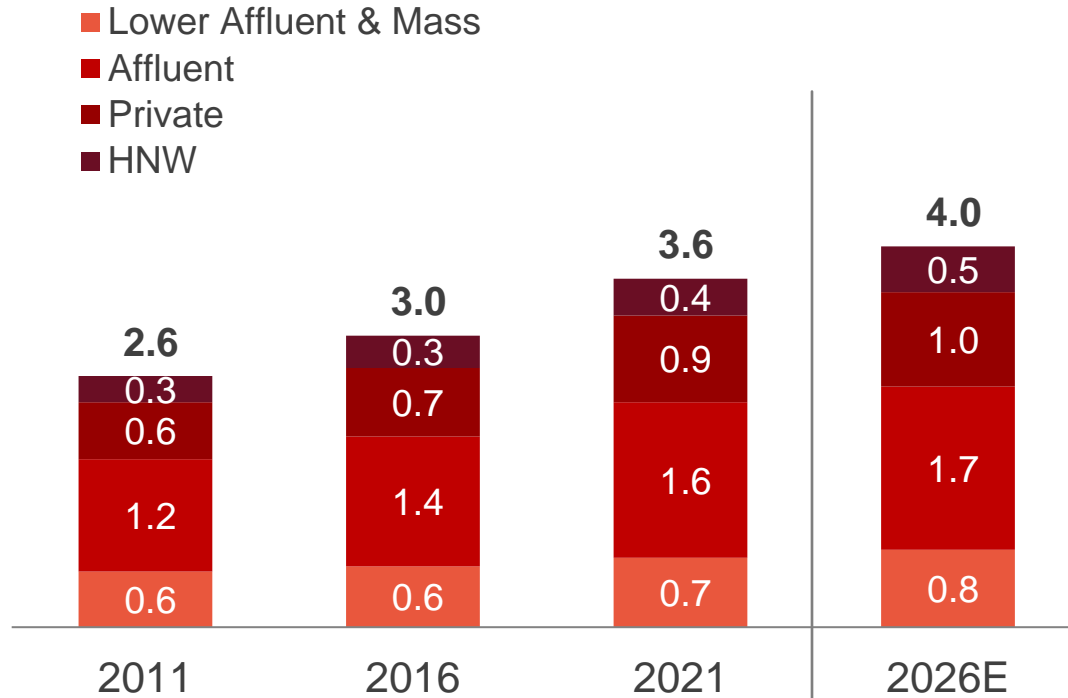
Managed Assets / Targetable Financial Wealth



PRIVATE & HNW HOUSEHOLD WEALTH HAS OUTPACED MARKET GROWTH

FA NETWORKS HAVE EXPANDED THEIR MARKET SHARE

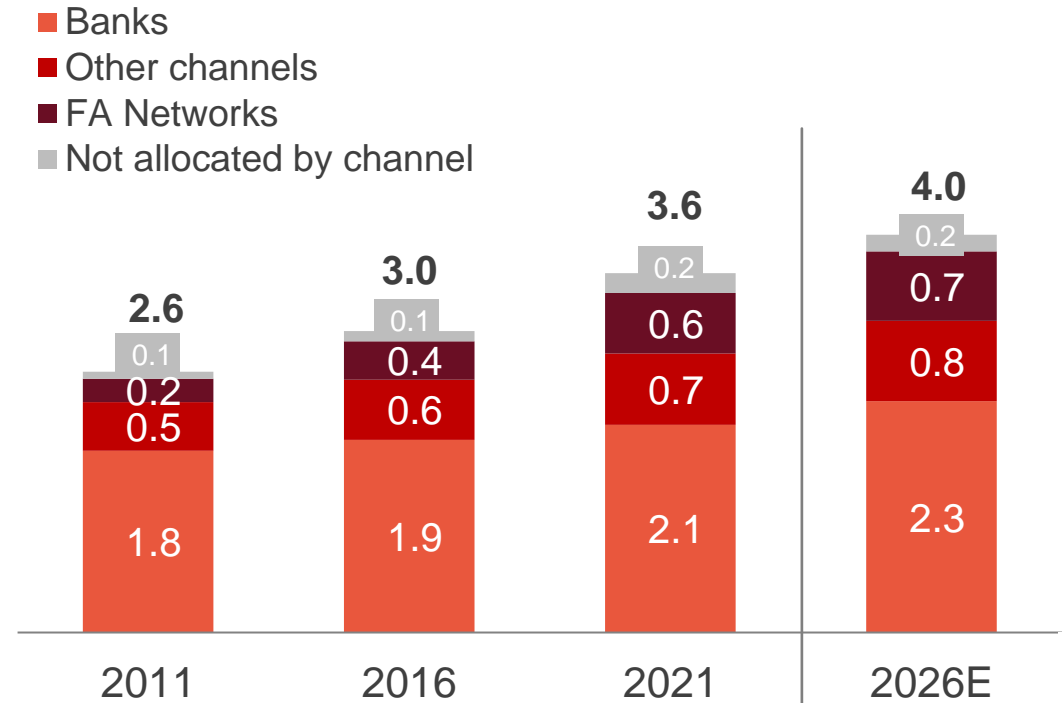
Targetable Financial Wealth – Client segmentation €\tn



Private & HNW Household / Targetable Financial Wealth



Targetable Financial Wealth – Distribution channel €\tn



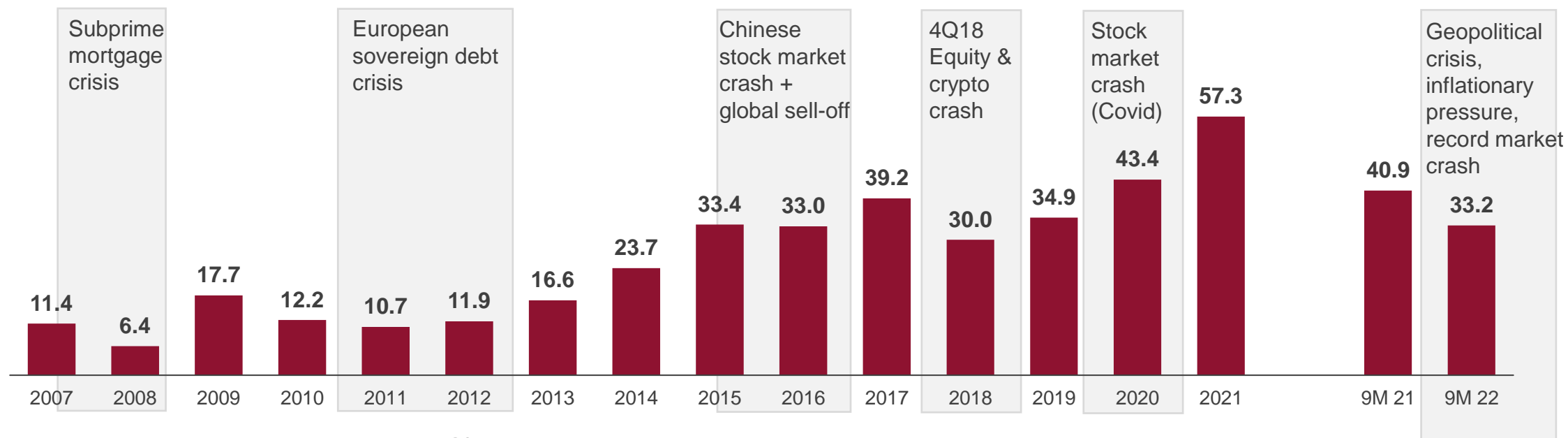
FA Networks / Targetable Financial Wealth (allocated by channel)



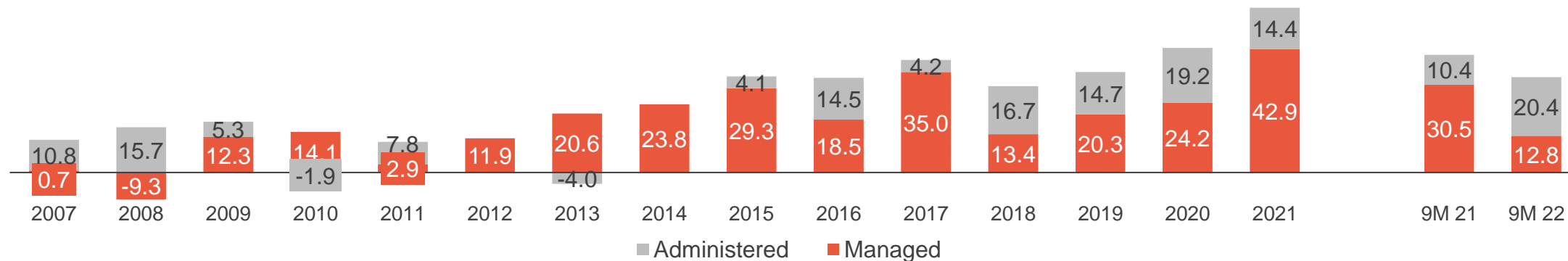
ASSORETI, ASSOCIATION OF FA NETWORKS

YEARLY NET INFLOWS

Assoreti – Net inflows €/bn



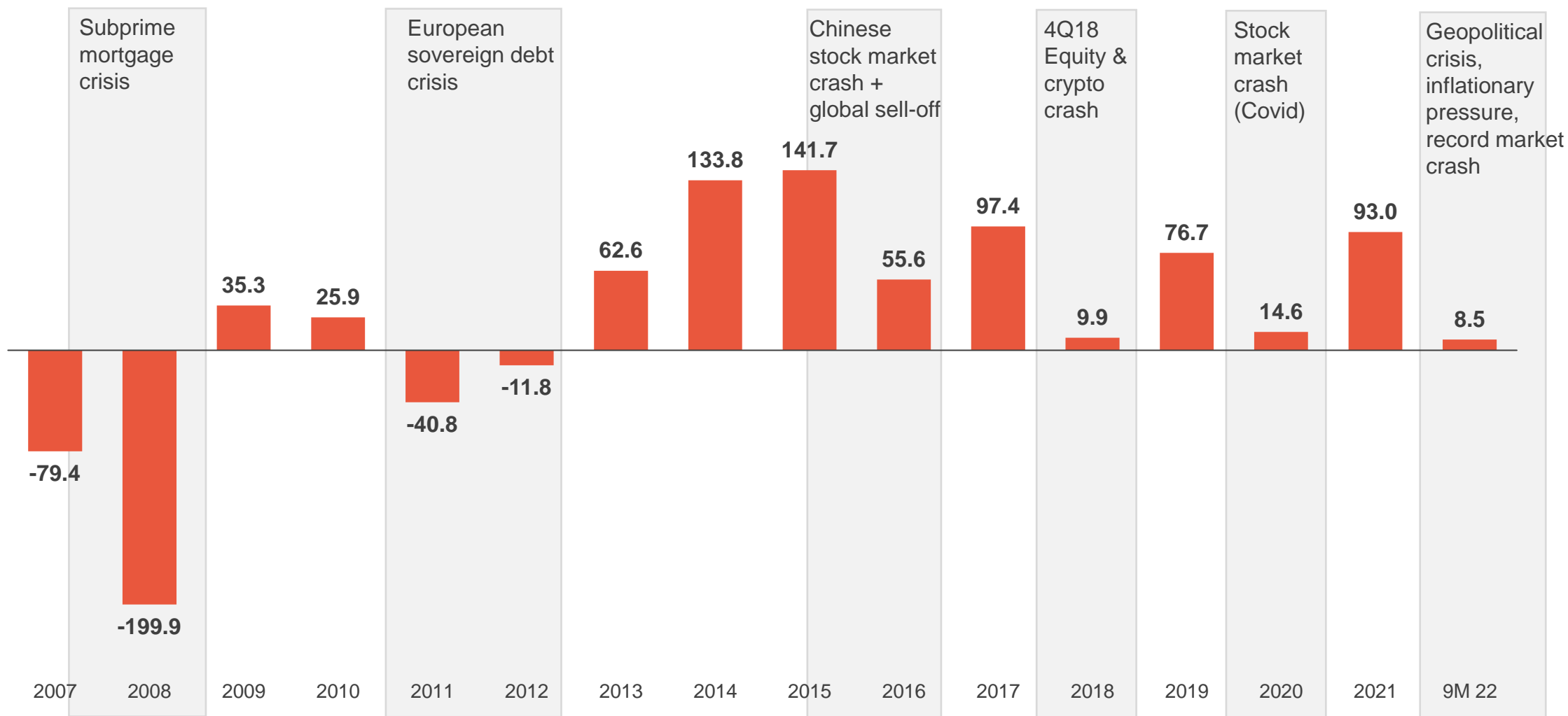
Assoreti – Net inflows breakdown €/bn



ASSOGESTIONI, ASSOCIATION OF ITALIAN ASSET MANAGEMENT

YEARLY NET INFLOWS

Assogestioni – Total net inflows €/bn



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.

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