

**PRESS
RELEASE**

Results at 31 March 2024

Double-digit growth in net profit thanks to the increase in total assets and revenues, and to tight cost discipline

- Net profit: €122.0 million (+47%)
- Recurring net profit¹: €82.0 million (+6%)
- Net recurring fees: €118.3 million (+4%)
- 'Core' operating costs²: €61.0 million (+6%)

New all-time high in total assets

- Total assets: €96.8 billion (+13%)
- Assets under Advanced Advisory: €10.1 billion (+28%)
- Q1 2024 net inflows: €1.6 billion (+8%)
- YTD net inflows: €2.3 billion³ (+15%)

Further growth in capital solidity and liquidity

- CET1 ratio at 20.0% and TCR at 21.2%
- LCR at 343% and NSFR at 205%

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Milan, 9 May 2024 - The Board of Directors of Banca Generali approved the consolidated results at 31 March 2024.

Chief Executive Officer and General Manager Gian Maria Mossa stated: *"This very strong result reflects our growth in all the main business areas, as also confirmed by our excellent commercial*

¹ Profit net of performance fees, non-recurring trading income and other one-off items.

² Operating costs, net of non-recurring items, amounting to €1.5 million (€1.1 million in 2023), and of costs related to sales personnel, amounting to €5.7 million (€5.1 million in 2023).

³ Cumulative data at 30 April 2024.

results in April. We are tapping into the gradually recovering demand for advisory and diversification thanks to our bankers' close relations with our clients and to the quality of our constantly updated products and services. This is also confirmed by the rising numbers of our investment solutions and by the net inflows from our Lux IM Sicav. The recent new organisation of our Financial Advisor Network is creating new opportunities and facilitating competence enhancement. This also benefits our recruiting policies, where we stand out as talent catalyst. We are in the right direction to achieve our three-year Plan targets and we are laying the foundations for a new major growth cycle, leveraging on our preferential relationship with businesses and entrepreneurs, in addition to being data-oriented and committed to developing new commercial channels.”

P&L RESULTS AT 31 MARCH 2024

Q1 2024 closed with **consolidated net profit of €122.0 million**, up 47% compared to €83.1 million for the same period of the previous year.

This result benefited from the sharp growth in total assets managed and administered on behalf of clients: they hit a new **all-time high of €96.8 billion**, up 13% compared to Q1 2023. Strong attention continued to be drawn to recurring profitability arising from the development of recurring fees, the product and service diversification and the tight operating cost discipline, which does not compromise on technological innovation and strategic projects, while ensuring constant monitoring of inflation. **Recurring net profit** amounted to **€82.0 million**, up 6% on an annual basis.

The result was also positively influenced by the recovery of financial markets, and equity markets in particular, which drove **variable net profit to €40.0 million** (€6.1 million for Q1 2023), thanks to the net performance of investments in the period.

In further detail:

Net banking income rose to €256.6 million compared to €193.2 million for Q1 2023. The result was driven by the significant contribution of **net financial income** (€83.9 million; +12.0%) and **recurring net fees** (€118.3 million; +4.5%).

Specifically, **net interest income** grew by 12% to €79.4 million as a result of improved financial asset yields, which benefited from a strategy based on fixed income and a very short duration (1.1 years) and higher level of interest rates.

Gross recurring fees rose by 7.9% to €256.8 million, as a result of the following:

- **investment fees**⁴ increased by 4.7% to €219.1 million, benefiting from the recovery of gross management fees (€207.3 million; +3.7%) and the acceleration of the advisory component (€11.8 million; +25.4%);
- **other recurring fees (banking, brokerage and entry)** rose by 30.7% to €37.8 million, benefiting from the sharp increase in assets under custody in the period and the numerous initiatives aimed at diversifying products and services launched in recent years.

In addition to these items, variable fees contribution was equal to €54.4 million in the period (€5.0 million in Q1 2023), attributable to the positive market trend and the net performance generated for clients.

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⁴ Investment fees include management fees and advisory fees. This definition reflects the new approaches in terms of regulatory provisions and market practices.

Operating costs amounted to €68.3 million (+7.2% for the 12 months), of which €1.5 million one-off charges. 'Core' operating costs totalled €61.0 million (+6.3% YoY), in line with the 2022-2024 three-year Plan's guidance, even taking into account:

- €0.9 million linked to the renewal of the National Collective Labour Agreement for the Credit Sector;
- €2.9 million referring to BG Suisse and the project aimed at expanding on the Swiss market.

The ratio of **operating costs to total assets** fell to 28 bps (30 bps at the end of 2023), whereas the **cost/income ratio**, adjusted for non-recurring items, such as variable fees, was 33.0% (34.9% at year-end 2023 and 33.2% for Q1 2023), both confirming an improvement in line with industry best practices.

Provisions, contributions to banking funds and net adjustments totalled €27.6 million compared to €15.1 million for the previous year. The change takes into account the full contribution to the Interbank Deposit Protection Fund (FITD) amounting to €10.4 million compared to €6 million recognised for the same period of the previous year as the final contribution to the Single Resolution Fund. Actuarial provisions grew sharply to €5.1 million (-€1.3 million for Q1 2023) as a result of the portfolio growth trend and the discount rate decline.

The **tax rate** for the period decreased to 24.2% compared to 27.4% for the same period of the previous year, mainly due to the higher contribution of the foreign entities to the Group's result attributable to the increase in variable fees.

CAPITAL RATIOS AT 31 MARCH 2024

With reference to capital requirements, Banca Generali confirms its solid regulatory ratios: **CET1 ratio** was 20.0% and **Total Capital Ratio** was 21.2%. Compared to the end of 2023, capital requirements grew by 2.2 percentage points, of which 1.5 percentage points linked to the optimisation of the analysis of guarantees granted as collateral in lending activities.

The increase in capital ratios was also driven by retained earnings, after an estimated total payout of 87% of generated net profit in the quarter — equal to a payout of 80% of recurring net profit and 100% of non-recurring net profit — in accordance with the dividend policy guidelines defined upon presentation of the 2022-2024 three-year Strategic Plan.

The capital ratios therefore far exceeded the minimum requirements set by SREP – Supervisory Review and Evaluation Process (i.e., CET1 ratio at 8.0% and TCR at 12.3%).

The Bank's **leverage ratio** stood at 5.7%, well above the minimum requirement.

The Bank's liquidity ratios remained high: **LCR (Liquidity Coverage Ratio) was 343%** (335% in 2023) and **NSFR (Net Stable Funding Ratio) was 205%** (214% in 2023).

The already approved dividends amounting to €2.15 per share (equal to a total payout of 77% of the 2023 consolidated net profit) will be paid as follows:

- €1.55 per share, ex-date 20 May 2024; record date 21 May 2024, and payment date 22 May 2024.

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- €0.60 per share, ex-date 24 February 2025; record date 25 February 2025, and payment date 26 February 2025.

COMMERCIAL RESULTS

At the end of March, Banca Generali's **total assets managed and administered on behalf of clients** grew by 12.6% to €96.8 billion, setting a **new all-time high** (+4.3% YTD). This result was driven by solid net inflow volumes and the positive performance of assets following the market recovery in the year.

In detail, **Assets under Investment** rose by 3.8% to €65.3 billion in Q1 2024, accounting for 67.5% of total assets. This progress benefited from the increase in managed solutions to €44.9 billion (+4.1% YTD). Among these, worth of mention were financial wrappers (€11.1 billion; +5.6% YTD) and in-house funds (€10.7 billion; +5.6% YTD), both managed directly by Banca Generali. The increase in Assets under Investment was also driven by the positive contribution of AUC & Banking under Advanced Advisory, which amounted to €5.9 billion, up 8.4% YTD.

Other Assets totalled €31.5 billion, up 5.2% YTD, attributable to the increase in Assets under Custody (AUC) not subject to advanced advisory, against essentially stable deposits. Assets under Custody (AUC) not subject to advanced advisory stood at €21.7 billion at the end of March (+8.3% YTD), showing some normalisation in the trend of reinvesting excess liquidity in bonds.

At March-end, **Assets under Advisory** amounted to €10.1 billion (+28.3% YoY; +5.0% YTD), accounting for 10.4% of total assets (10.3% at year-end 2023).

With regard to the Luxembourg-based management company, BGFML's assets rose to €21.4 billion (+11.9% YoY; +4.7% YTD).

ESG assets grew to €18.9 billion, accounting for 42.1% of managed solutions at 31 March 2024 (+4.5 percentage points YTD). The increase in ESG assets takes into account the approximately €1.8 billion expansion of the fund scope analysed, net of products excluded from the scope.

Total net inflows for the first quarter of 2024 were €1.6 billion, up 8% compared to the same period of the previous year, with a gradual improvement in the product mix thanks to increased demand for investment products and services.

In fact, **net inflows from Assets under Investment** amounted to €651 million in the period, up markedly compared to €109 million for the previous year, mainly driven by the growth of **financial wrappers** (€286 million; +83% YoY) and the positive performance of **in-house funds** (€107 million in the quarter) thanks to the launch of new investment lines.

Net inflows from **Other Assets**, albeit remaining significant at €998 million in absolute terms in the quarter, declined compared to €1.4 billion for the same period of the previous year (-29%), mainly due to a lower demand for assets under custody.

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April net inflows amounted to €644 million (+35% YoY), bringing the YTD total to €2.3 billion (+15% YoY).

In April, the net inflow quality confirmed its uptrend with a **sharp increase in managed solutions** whose net inflows amounted to €254 million, accounting for nearly 60% of the total €439 million gathered by this segment YTD.

Financial wrappers and **in-house funds** were the most-in-demand managed solutions. Net inflows from financial wrappers amounted to €135 million in April (€421 million YTD) thanks to their personalisation and the good results generated. **In-house funds** were the second most in demand with €127 million in April (€234 million YTD), offsetting the weakness of **third-party funds** in the period.

The managed solutions' positive result was also driven by **insurance wrappers**, which contributed €53 million in April, thus showing the first signs of a recovery since year-start.

Net inflows from **Other Assets** - Assets under Custody and Liquidity (not subject to advanced advisory) - amounted to €390 million (€1.4 billion YTD) also thanks to the constant acquisition of new clients.

BUSINESS OUTLOOK

Since year-start, equity markets have recovered markedly, driving the main indexes at all-time highs.

However, behind this positive trend lies a macroeconomic scenario still characterised by uncertainties. Albeit declining compared to 2023, inflation remains at high levels, thus leading to a change in investors' expectations with regard to Central Banks' future moves: the interest rate normalisation/reduction process is expected to be implemented at a slower pace than previously estimated.

This uncertain scenario is also fuelled by the persistent geopolitical tensions in the Middle East and in Ukraine that, in addition to human tragedy, are likely to generate new impacts on commodity prices, and consequently on inflation.

Within this context, households continue to be mainly oriented to a prudent stance, even if they are showing an increasing propensity towards portfolio diversification through managed solutions, above all those offering a high level of personalisation.

Banca Generali is ready to seize the opportunities offered by the interest rate normalisation and confirms its target of **over €6 billion net inflows** for the year, with **Assets under Investment accounting for 40-60% of the net inflows mix**.

* * *

The net inflows target for the last year of the 2022-2024 Strategic Plan is in line with the three financial macro-objectives set for the three-year period:

- **Consistent Growth:** cumulated net inflows estimated in the range between €18.0 billion and €22.0 billion for the 2022-2024 three-year period;
- **Profitable Growth:** generating a compound annual growth rate (CAGR) of recurring profit equal to 10-15% over the 2022-2024 three-year period;

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- **Remunerative Growth:** distributing steadily growing dividends over the Plan period, based on the approved Dividend Policy:
 - i. Dividend payout set according to the following criteria:
 - 70-80% on the portion of recurring net profit;
 - 50-100% on the portion of variable net profit.
 - ii. Two-tranche mechanism for dividend payment:
 - 1st tranche: Year T/Q2;
 - 2nd tranche: Year (T+1)/Q1.

Based on the above and in light of profit forecasts, the Bank confirms its objective to distribute cumulative dividends of €7.5-€8.5 per share in the 2022-2025 period (cash view).

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PRESENTATION TO THE FINANCIAL COMMUNITY

Q1 2024 results will be presented to the financial community during a **conference call** scheduled today, 9 May 2024, at **13:30 CET**.

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Annexes:

1. Banca Generali - Consolidated Profit and Loss Account at 31 March 2024
2. Banca Generali - Reclassified Consolidated Balance Sheet at 31 March 2024
3. Total Assets at 31 March 2024
4. Net Inflows - April 2024

* * *

The Manager responsible for preparing the company's financial reports (Tommaso Di Russo) declares, pursuant to Paragraph 2 of Art. 154-bis of the Italian Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentary results, books and accounting records. Tommaso Di Russo (CFO of Banca Generali)

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**1) BANCA GENERALI – CONSOLIDATED PROFIT AND LOSS ACCOUNT AT
31 MARCH 2024**

m/€	3M 2023	3M 2024	% Chg
Net Interest Income	71.0	79.4	12.0%
Net income (loss) from trading activities and Dividends	4.0	4.5	12.9%
Net Financial Income	74.9	83.9	12.0%
Gross recurring fees	238.1	256.8	7.9%
Fee expenses	-124.9	-138.5	10.9%
Net recurring fees	113.3	118.3	4.5%
Variable fees	5.0	54.4	n.m.
Total Net Fees	118.3	172.7	46.1%
Total Banking Income	193.2	256.6	32.9%
Staff expenses	-29.7	-32.2	8.3%
Other general and administrative expense	-26.1	-28.5	9.0%
Depreciation and amortisation	-9.4	-9.9	4.9%
Other net operating income (expense)	1.5	2.3	46.4%
Total operating costs	-63.7	-68.3	7.2%
Operating Profit	129.5	188.4	45.5%
Net adjustments for impair.loans and other assets	1.2	1.4	23.5%
Net provisions for liabilities and contingencies	-10.2	-18.7	82.4%
Contributions to banking funds	-6.0	-10.4	72.5%
Gain (loss) from participations valued at equity	0.0	0.2	n.m.
Profit Before Taxation	114.4	161.0	40.7%
Direct income taxes	-31.4	-39.0	24.2%
Net Profit	83.1	122.0	46.8%
Cost/income ratio	33.0%	26.6%	-6.4 p.p.
EBITDA	138.9	198.2	42.7%
Tax rate	27.4%	24.2%	-3.2 p.p.

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2) BANCA GENERALI – RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2024

m/€				
Assets	31/12/2023	31/03/2024	Change	% Change
Financial assets at fair value through P&L (FVPL)	509.4	509.3	-0.1	0.0%
Financial assets at fair value through other comprehensive income (FVOCI)	1,000.9	1,075.5	74.6	7.4%
Financial assets at amortised cost	12,905.5	12,475.4	-430.1	-3.3%
<i>a) Loans to banks</i>	2,846.4	2,665.2	-181.2	-6.4%
<i>b) Loans to customers</i>	10,059.0	9,810.2	-248.8	-2.5%
Hedging derivatives	162.0	178.1	16.1	9.9%
Equity investments	2.0	2.1	0.2	7.6%
Property equipment and intangible assets	292.1	285.5	-6.5	-2.2%
Tax receivables	108.1	107.0	-1.1	-1.0%
Other assets	537.3	556.2	18.9	3.5%
Total Assets	15,517.2	15,189.2	-328.0	-2.1%
Liabilities and Shareholders' Equity	31/12/2023	31/03/2024	Change	% Change
Financial liabilities at amortised cost	13,503.0	13,061.8	-441.2	-3.3%
<i>a) Due to banks</i>	231.7	300.3	68.6	29.6%
<i>b) Direct inflows</i>	13,271.3	12,761.5	-509.8	-3.8%
Financial liabilities held for trading	132.8	122.3	-10.5	-7.9%
Tax payables	46.1	74.8	28.8	62.4%
Other liabilities	353.0	321.5	-31.5	-8.9%
Special purpose provisions	268.9	268.6	-0.4	-0.1%
Valuation reserves	-0.8	-0.3	0.5	-62.0%
Capital instruments	50.0	50.0	0.0	0.0%
Reserves	752.7	1,083.3	330.5	43.9%
Additional paid-in capital	53.0	53.0	0.0	0.0%
Share capital	116.9	116.9	0.0	0.0%
Treasury shares (-)	-85.0	-85.0	0.0	0.0%
Shareholders' equity attributable to minority interest	0.3	0.3	0.0	1.5%
Net income (loss) for the period	326.1	122.0	-204.2	-62.6%
Total Liabilities and Shareholders' Equity	15,517.2	15,189.2	-328.0	-2.1%

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3) TOTAL ASSETS AT 31 MARCH 2024

m/€	Dec 2023	Mar 2024	Abs. Chg	Chg.
Assets under Investment	62,896	65,297	2,401	3.8%
Managed Solutions	43,113	44,889	1,775	4.1%
Mutual Funds and SICAVs	21,975	22,858	883	4.0%
of which In House Funds	10,091	10,655	564	5.6%
of which Third party Funds	11,884	12,203	319	2.7%
Financial Wrappers	10,535	11,120	586	5.6%
Insurance Wrappers	10,603	10,910	307	2.9%
Traditional Life Insurance Policies	14,314	14,481	167	1.2%
AUC & Banking under Advisory	5,469	5,927	458	8.4%
Other Assets	29,927	31,497	1,570	5.2%
Assets Under Custody	20,030	21,688	1,658	8.3%
Deposits	9,897	9,809	-88	-0.9%
Total Assets	92,823	96,794	3,971	4.3%

m/€	Mar 2023	Mar 2024	Abs. Chg	Chg.
Assets under Investment	59,844	65,297	5,453	9.1%
Managed Solutions	41,196	44,889	3,692	9.0%
Mutual Funds and SICAVs	21,316	22,858	1,542	7.2%
of which In House Funds	9,329	10,655	1,326	14.2%
of which Third party Funds	11,987	12,203	216	1.8%
Financial Wrappers	9,625	11,120	1,495	15.5%
Insurance Wrappers	10,255	10,910	655	6.4%
Traditional Life Insurance Policies	14,719	14,481	-238	-1.6%
AUC & Banking under Advisory	3,929	5,927	1,998	50.9%
Other Assets	26,099	31,497	5,398	20.7%
Assets Under Custody	15,560	21,688	6,128	39.4%
Deposits	10,540	9,809	-730	-6.9%
Total Assets	85,944	96,794	10,851	12.6%

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4) NET INFLOWS - APRIL 2024

m/€	April 2023	April 2024	YTD 2023	YTD 2024
Assets under Investment	182	254	291	905
Managed Solutions	119	254	452	439
Mutual Funds and SICAVs	27	66	253	9
<i>of which In House Funds</i>	48	127	170	234
<i>of which Third party Funds</i>	-21	-61	83	-225
Financial Wrappers	68	135	224	421
Insurance Wrappers	24	53	-25	9
Traditional Life Insurance Policies	-95	0	-750	83
AUC & Banking under Advisory	158	0	589	383
Other Assets	294	390	1,709	1,388
Assets under Custody	399	224	2,505	1,362
Liquidity ⁵	-105	166	-796	26
Total Net Inflows	476	644	2,000	2,293

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⁵ The item "liquidity" includes repos for -€166 million in April 2024 (€119 million in April 2023).