

ORDINARY SHAREHOLDERS' MEETING

GIAN MARIA MOSSA, CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

23 April 2020

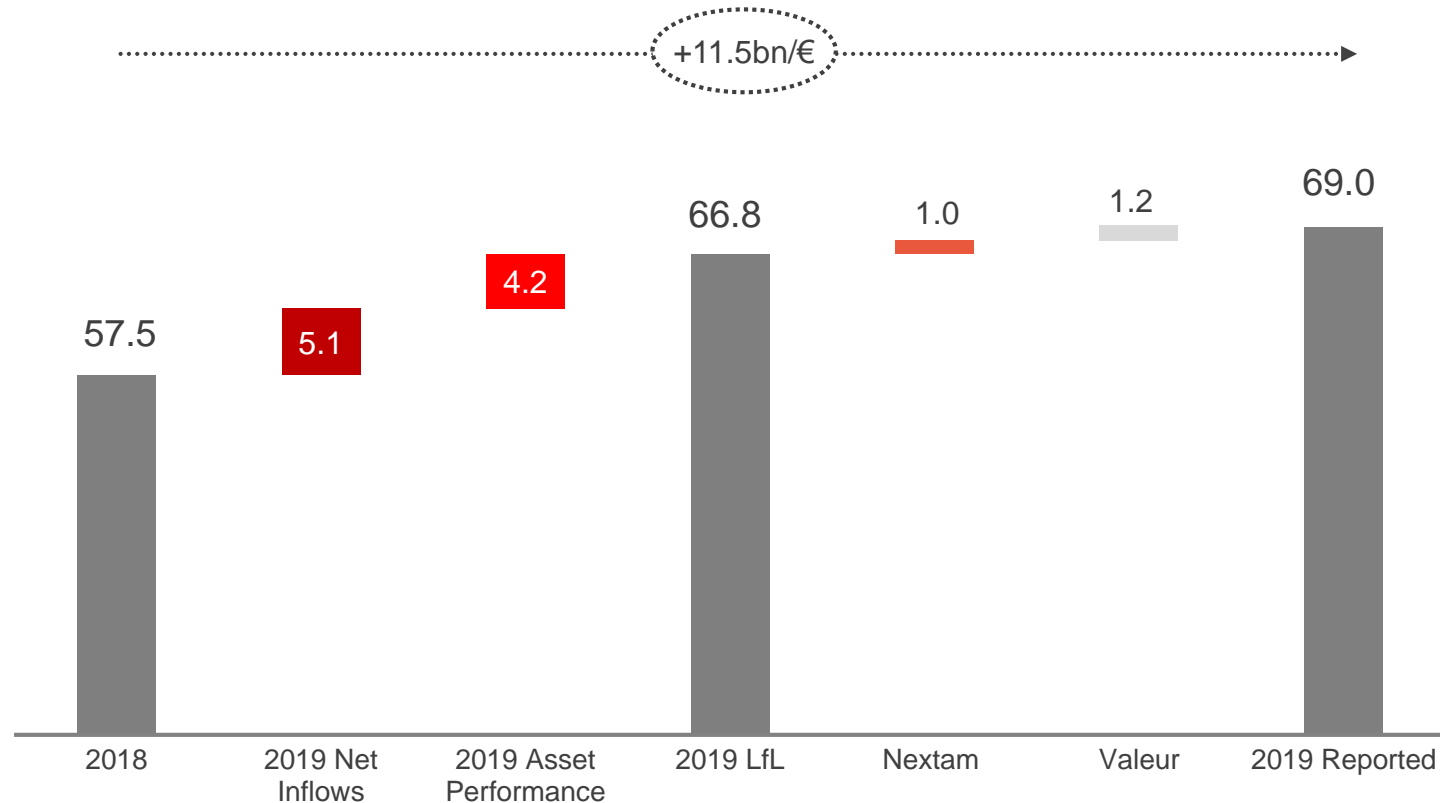


**BANCA
GENERALI**

BANCA GENERALI, TOTAL ASSETS

ACCELERATED ASSET EXPANSION

Total Assets bn/€







Record asset expansion

- Organic growth (Total net inflows) €5.1bn
- Asset performance €4.2bn
- M&A (Nextam & Valeur): €2.2bn

BANCA GENERALI, MARKET SHARES

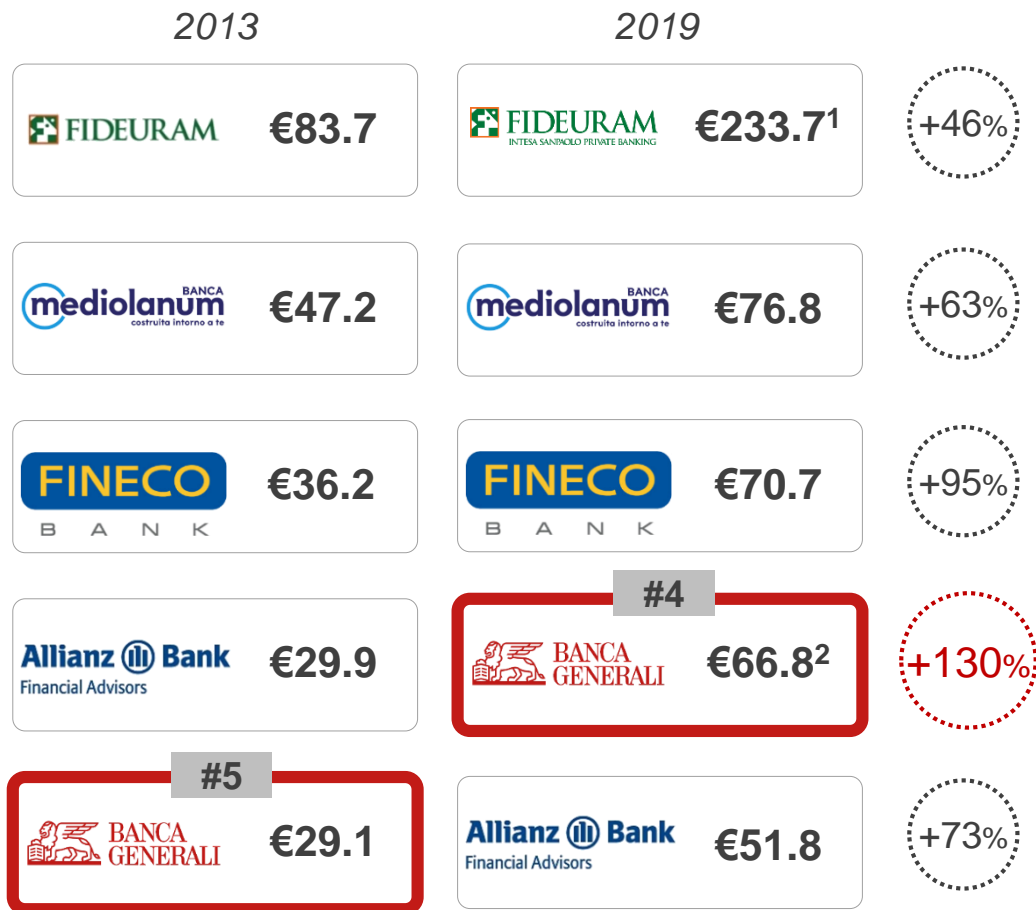
STILL BLUE OCEAN AHEAD

Reference market	Size of the market	Banca Generali's market share (%)		
		2008	2013	2019
Italian FA sector (Assoreti)	 €620 billion	9.4%	10.4%	14.0% ¹
Italian Private Financial Wealth (AIPB)	 €1,112 billion	2.4%	3.0%	6.2% ²
Total Italian financial Household assets	  €4,396 billion ³	0.5%	0.7%	1.6%

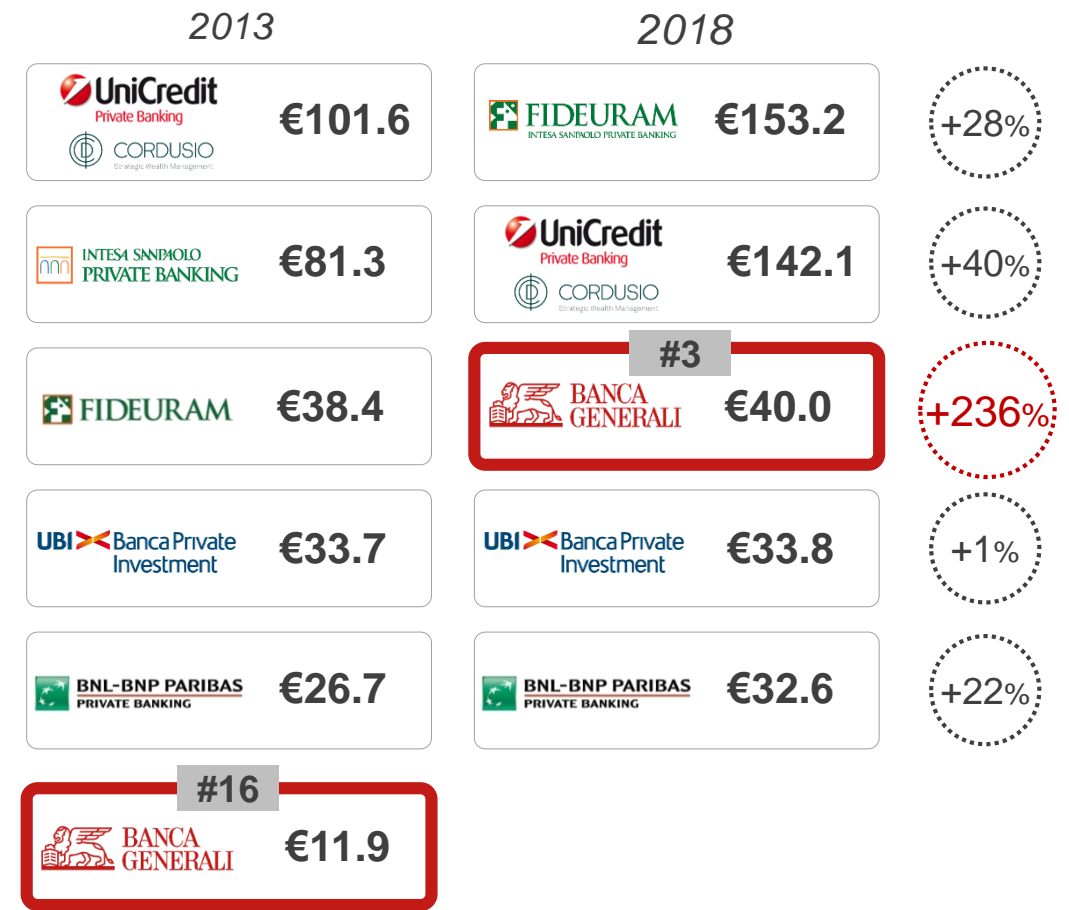
BANCA GENERALI, MARKET POSITIONING

STRONG INCREASE IN PRIVATE BANKING

Assoreti bn/€



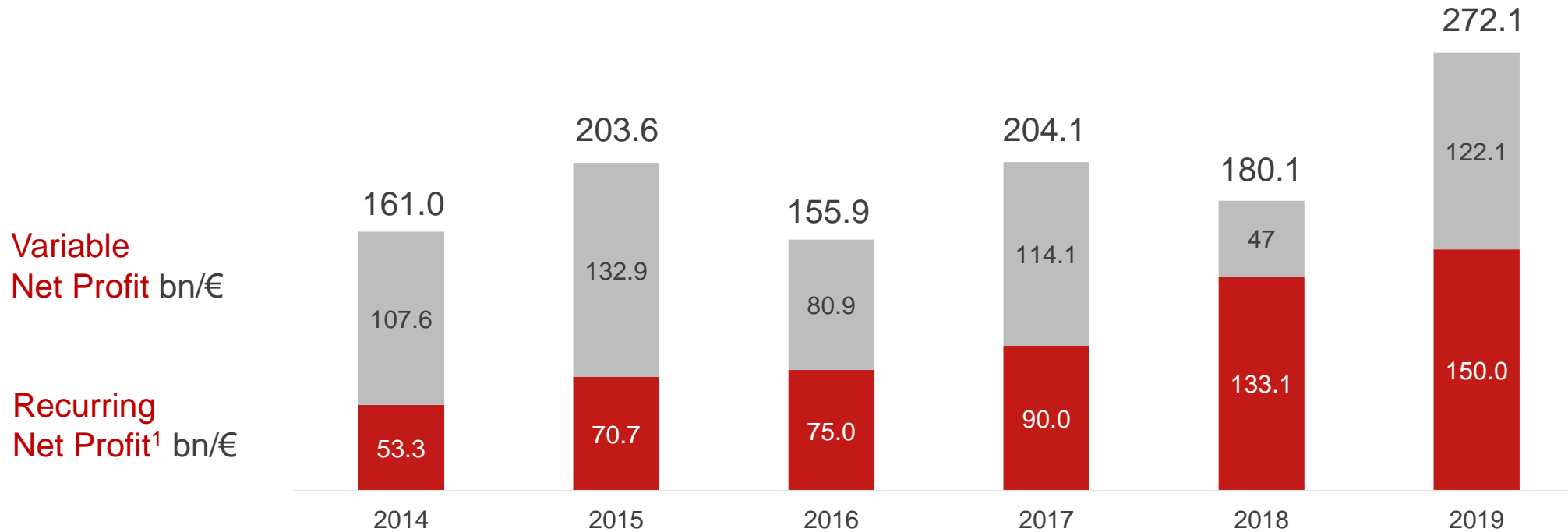
Magstat³ bn/€



NET PROFIT TREND

STEADY IMPROVEMENT IN THE RECURRING COMPONENT

Net Profit: Recurring vs. Variable m/€



RESULTS AT A GLANCE

KEY TAKEAWAYS

(€ mln)	2018	2019	% Chg
Net Interest Income	60.0	74.0	23.4%
Net income (loss) from trading activities and Dividends	24.1	14.2	-41.2%
Net Financial Income	84.1	88.2	4.9%
Gross fees	741.7	881.0	18.8%
Fee expenses	-376.3	-391.2	4.0%
Net Fees	365.3	489.8	34.1%
Total Banking Income	449.4	578.0	28.6%
Staff expenses	-84.2	-97.2	15.4%
Other general and administrative expense	-162.5	-162.7	0.1%
Depreciation and amortisation	-9.3	-30.0	n.m.
Other net operating income (expense)	59.4	68.7	15.6%
Total operating costs ¹	-196.6	-221.2	12.5%
<i>Cost /Income Ratio</i>	41.7%	33.1%	-8.6 p.p.
Operating Profit	252.8	356.8	41.1%
Net adjustments for impair.loans and other assets	-7.3	-5.4	-26.1%
Net provisions for liabilities and contingencies	-25.4	-24.2	-4.4%
Gain (loss) on equity investments	-0.4	-1.9	n.m.
Profit Before Taxation	219.8	325.3	48.0%
Direct income taxes	-39.6	-53.2	34.2%
<i>Tax rate</i>	18.0%	16.3%	-1.7 p.p.
Net Profit	180.1	272.1	51.1%

Comments

Buoyant increase in Operating Profit (+41%)

- NII (+23%) lifted by a sharp growth in banking assets and more efficient treasury management
- Net Fees (+34%) driven by the improvement in product mix, the acceleration in new revenue streams and a strong investment performance
- Core operating costs in line with guidance (+4.8%) while total costs lifted by acceleration in key projects, first-time consolidation of Nextam and Valeur and one-off items

Lower adjustments below the operating line

- More benign environment for valuation of financial securities within Banking Book

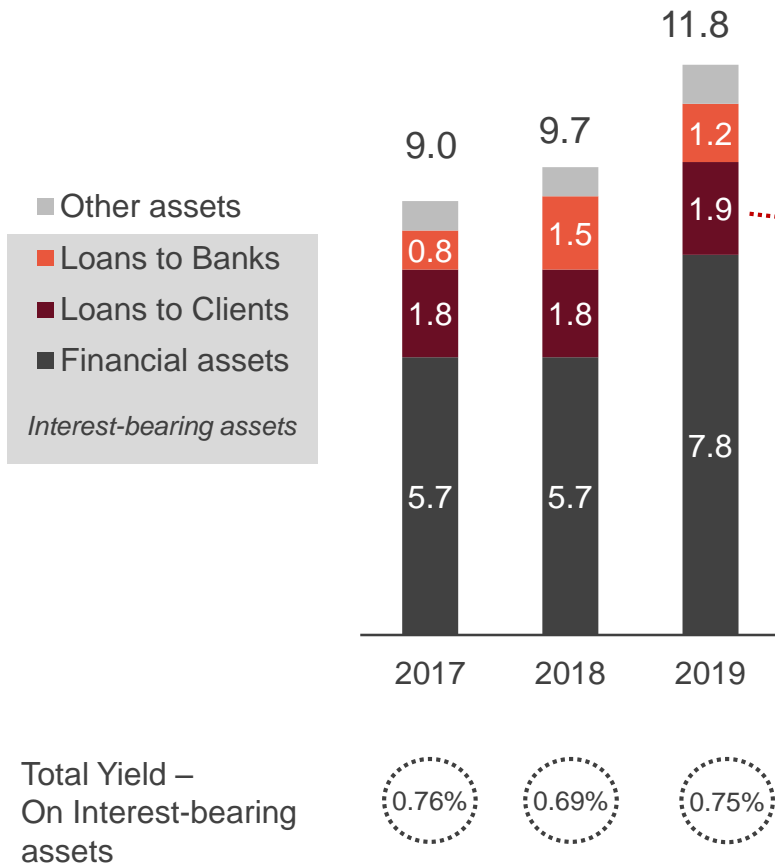
Reported net profit at €272m (+51%)

- The best year in the bank's history

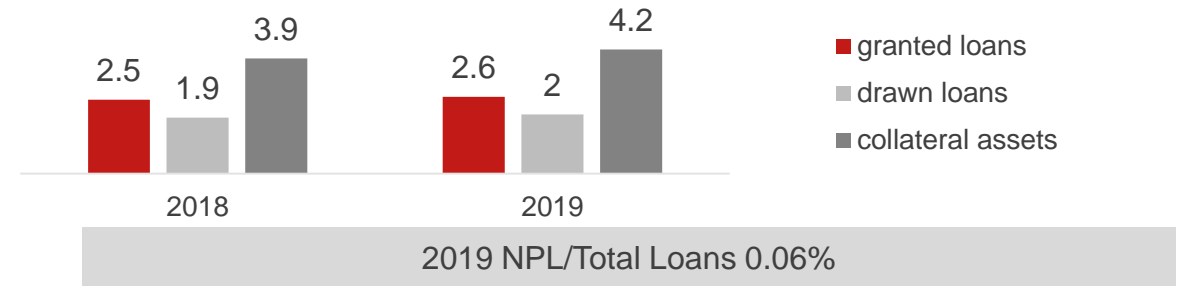
TOTAL ASSETS

GROWING DIVERSIFICATION OF INTEREST-BEARING ASSETS

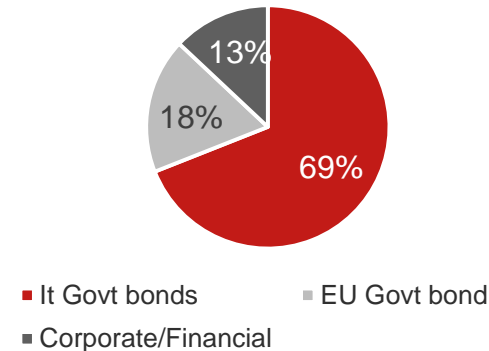
Total Assets and Interest-bearing Assets bn/€



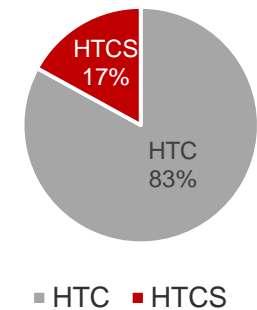
Loans portfolio bn/€



Bond Classification



IFRS Classification (IT Govt bonds)

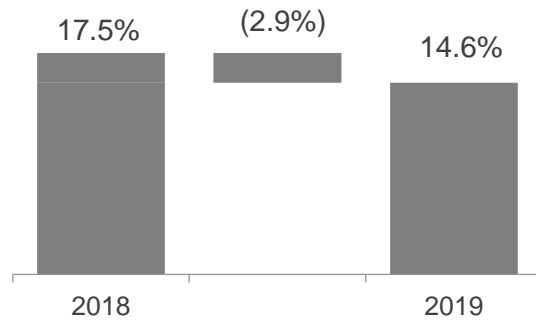


2019 Bond Maturity 3.5 yrs (o/w HTCS 1.3 yrs)
 2019 Bond Duration 1.6 yrs (o/w HTCS 0.8 yrs)

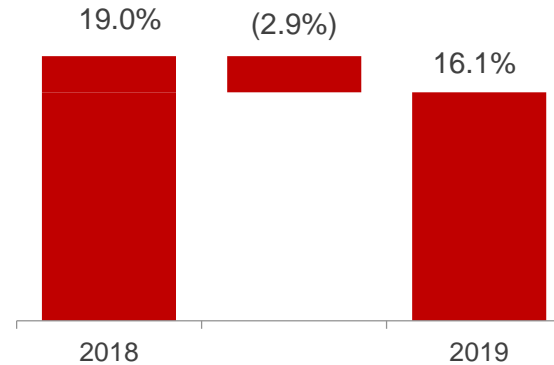
CAPITAL RATIOS

SOLID CAPITAL REAFFIRMED

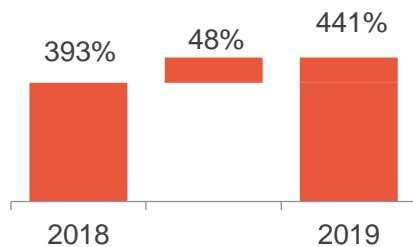
CET1 ratio



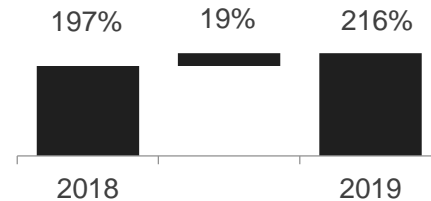
TCR ratio



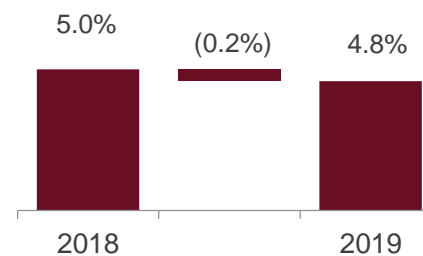
LCR ratio



NSFR ratio



Leverage



Solid capital ratios confirmed after including:

- IFRS 16 application** with a one-off charge of 93 bps on CET1 and 98 bps on TCR linked to recognition of the rights of use (RoU) for lease contracts
- First time consolidation of Nextam Partners and Valeur** with a combined one-off charge of 119 bps on CET1 and 118 bps on TCR
- Dividend pay-out** in the high-end of guidance at 79%¹

Liquidity ratios and leverage are both well above requirements

CONTO ECONOMICO INDIVIDUALE

(€ mil.)	12M 18	12M 19	% Chg
Net Interest Income	60.2	74.3	23.4%
Net income (loss) from trading activities and Dividends	172.8	226.8	31.2%
Net Financial Income	233.0	301.1	29.2%
Gross fees	554.2	582.0	5.0%
Fee expenses	-348.1	-363.2	4.3%
Net Fees	206.0	218.8	6.2%
Net Banking Income	439.1	519.9	18.4%
Staff expenses	-79.3	-86.5	9.0%
Other general and administrative expense	-160.3	-159.4	-0.6%
Depreciation and amortisation	-9.2	-28.8	n.m.
Other net operating income (expense)	59.0	68.1	15.3%
Net Operating Expenses	-189.8	-206.7	8.9%
Operating Profit	249.2	313.2	25.7%
Net adjustments for impair.loans and other assets	-7.3	-5.4	-26.0%
Net provisions for liabilities and contingencies	-25.3	-24.2	-4.4%
Gain (loss) from disposal of equity investments	-0.3	-2.3	n.m.
Profit Before Taxation	216.3	281.3	30.0%
Direct income taxes	-27.3	-32.9	20.8%
Net Profit	189.1	248.4	31.4%

HIGHER OPERATING INCOME (+25,7%)

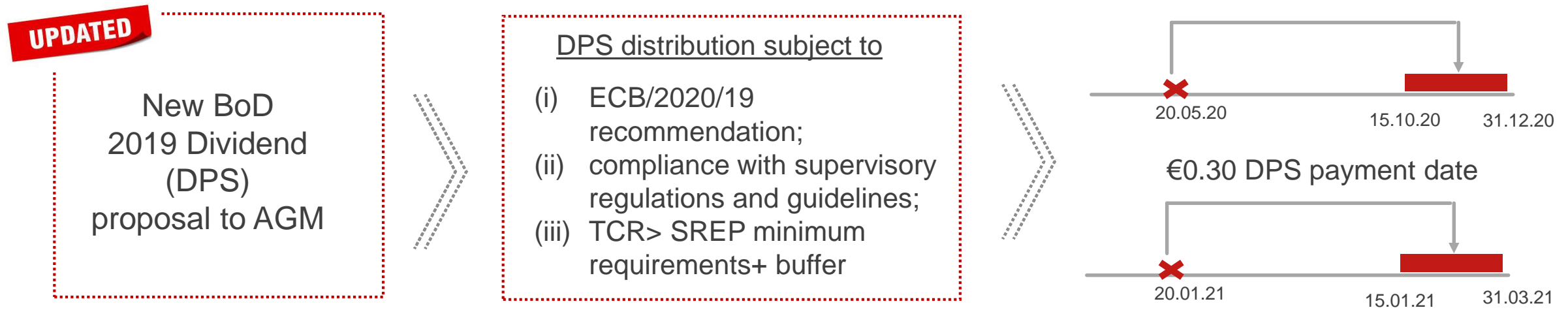
- **Higher net commissions and higher net Interest Income** partially offset by the negative impact of the First-time application of the new IFRS16 accounting principle and by the lower contribution from trading and dividends (-€10.5 million) compared to the previous year that benefitted from the Bank's banking book de-risking action.
- **Higher contribution from dividends**, both on account and on balance, from the Lux-based BG Fund Management Luxembourg Sa.
- Cost trend hit by some **non-recurring components** linked to the acceleration of some strategic projects, to the integration of the new acquisitions and to moving to the new headquarter

NET PROFIT AMOUNTED TO €248.4 MILLION (+31%)

- The net result benefitted from the more favourable environment for the valuation of the financial instruments within the banking book according to IFRS 9

2019 DIVIDEND PROPOSAL TO AGM CONFIRMED BUT PAYMENT POSTPONED

- On 30 March 2020, Banca Generali decided to **responsibly comply with the new recommendations** issued by the Supervisory Authorities in light of the exceptional market context caused by the outbreak of COVID-19:
 - Recommendation of the European Central Bank issued on 27 March 2020
 - Recommendation of the Bank of Italy issued on 27-31 March and on 1 April 2020
- Thus, Banca Generali revised its BOD 2019 Dividend proposal to AGM by **postponing the date of dividend distribution** subject to prior verification of a new set of conditions



CLOSING REMARKS

ON TRACK TO FINANCIAL TARGETS

Objective	KPIs	2021 Targets	2019 Results	Score
Asset growth	Cumulated Net Inflows	>14.5 bn/€	5.1 bn/€	
	Total Assets	76-80 bn/€	69.0 bn/€	
Sustainable profitability	Core Net Banking Income ¹	≥63 bps	67 bps	
	Core Operating Costs ² :	3%- 5% CAGR	4.8%	
Shareholders' remuneration	Dividend pay-out	70%-80% pay-out ratio	78% pay-out	
	Dividend per share	DPS (1.25€) set as a floor	DPS 1.85€	

Legend: On track to 2021 target



**BANCA
GENERALI**