

Ordinary Shareholders' Meeting of Banca Generali

Trieste, 23 April 2020

Report of Chairman Giancarlo Fancel

Dear Shareholders,

First of all, a warm welcome.

Italy is in the midst of a dramatic emergency caused by the Covid-19 pandemic. We were all caught by surprise by the aggressiveness and dangerousness of this virus, whose spread is having a devastating impact in terms of mortality in Italy and the other countries in which it has spread, from Western Europe to the United States. National governments have been swift to react to the health emergency, and international cooperation in search of a cure and a possible vaccine is fortunately on the rise. The lockdown formula has become sadly common throughout the world's foremost economies and the cost of such measures is now estimated to have exceeded 5 trillion U.S. dollars. There is agreement that the world economy has already entered a recession, while economists are debating the timing of the recovery and return to normality.

At this difficult time, I am proud to draw attention to the swift, effective action taken by Banca Generali to respond to the situation and to immediately safeguard and protect the health of all its stakeholders, while also seeking to contribute to and support the system.

Employees immediately began working remotely; business continuity has always been guaranteed; digital channels have been enhanced in support of customer-advisor relations; and branch operating coverage has been assured in the utmost safety. Specific initiatives have been launched in support of the healthcare system in its fight against Covid-19 through donations from the Bank, its employees and Financial Advisors. To help customers and employees facing hardship, credit programmes have been created to offer greater flexibility for loan and instalment payments, which may be suspended until the end of the year in the event of need. Among the many initiatives launched by the Bank to provide tangible support in the current environment, I would like to cite an innovative programme — with support from the Generali Group's Extraordinary Fund created for the emergency — which will provide, in a very short order, access to up to 100 million euros in financing for those small and

medium-sized enterprises that represent the beating heart of Italy's economy, allowing them to manage the damage caused by the pandemic.

Emergencies often bring out the best in people and fuel extraordinary innovation. I believe that this is the case for Banca Generali and I hope that you, as shareholders, will join me in thanking the management, employees and Financial Advisors for the dedication and strong sense of belonging that they have shown in this period.

Although the current emergency makes the reasons for this Shareholders' Meeting seem somehow less important, I would still like to say a little about the year that has just come to an end.

The Bank enjoyed a very positive year in 2019, its best of all time in terms of business expansion, financial performance and capital solidity. The Bank reinforced its brand and its private banking positioning. Diversified investment solutions were launched and wealth management services were further expanded, drawing on the excellence of our technological platforms and leveraging the professionalism of our Financial Advisors in their relationships with customers. 2019 was also favourable from the standpoint of financial markets, despite a beginning of the year shaped by the pressures of the fourth quarter of 2018 with regard to risk appetite.

All this was reflected in the Bank's results: total assets rose to 69 billion euros, increasing by 11.5 billion euros in the twelve months. Benefiting from the Bank's business expansion and the gradual market improvement seen during the year, profits reached 272 million euros, the highest level in the Bank's history. Thanks to this performance, the proposed remuneration for shareholders amounts to 185 eurocents per share, of which 30 eurocents to be drawn on the following year, in pursuit of financial sustainability.

However, the distribution proposal being submitted today responsibly takes account — as it inevitably must — of the recommendations made by the Supervisory Authority in light of the Covid-19 emergency. Dividend payment will therefore be postponed until after 1 October 2020 and subject to prior verification that (i) the conditions indicated in the Recommendation ECB/2020/19 are met, (ii) the supervisory regulations and guidelines applicable from time to time are complied with, and (iii) Total Capital Ratio at the company and consolidated level continues to exceed 9.2% and 13.0%, respectively, as the Chief Executive Officer will explain in greater detail.

As already done last year, the 2019 financial results are presented in an integrated manner with the Non-Financial Statement, in order to reflect how sustainability issues have been fully incorporated into the Bank's vision and, from an operating standpoint, have become a part of the management of the most strategic areas of the Bank, through the assignment of key performance indicators (KPIs) tied to sustainability and to the Sustainable Development Goals (SDGs). Achievement of these indicators is regularly monitored by the Management Committee, the responsible Board committee and the entire Board of Directors.

Among the KPIs assigned, attention should be drawn to that of familiarising investors with Sustainability. A goal of 10% of assets under management placed in sustainable investments in 2021 has been set. We are very satisfied to note that, just twelve months from launch, we are very close to achieving this goal. This result was mainly driven by the decision to develop an exclusive model capable of pairing investment diversification objectives with a sustainability-oriented approach that concretely contributes to the 17 Sustainable Development Goals (SDGs) set by the United Nations in its 2030 Agenda and offers an effective reporting on the results achieved. At the end of 2019, ESG-related managed assets amounted to 2.65 billion euros, therefore accounting for 7.9% of total managed assets.

A key take-away from the Annual Integrated Report is the desire to motivate, inspire and develop the People who work for the Bank. I think attention should be drawn to the strong sense of belonging and dedication revealed by the Generali Global Engagement Survey conducted in June, now in its third edition. The Survey, which is held every two years, saw an increase in the response rate to 96% and a rise in the engagement index to 82% — indicators of the strong sense of engagement of the Bank's People in its business. The distinctive strengths that emerged from the analysis of the findings were a clear vision of company strategy and objectives, a widespread commitment among employees, and a deeply rooted, distinctive customer-centric approach. This sense of engagement has been seen each day in these recent weeks of the emergency, as the commitment to moving ahead with plans and launching new dedicated initiatives remained unflagging.

Another element that has always set Banca Generali apart is its investment in training, growth and talent development. Efforts in this direction included various projects linked to universities in conducting joint research and studies relating to savings and the relevant applied technologies. Particular mention goes to innovation through the various initiatives developed with a number of universities (CeTIF-UCSC, SDA Bocconi, Milan Polytechnic and LIUC in Castellanza). I am also particularly proud to announce that the BG Training & Innovation Hub was launched in early 2020.

This dedicated training centre for employees and Financial Advisors is designed to foster dialogue and support research into topics relevant to financial and advisory services.

Among other corporate initiatives, worth of mention are several projects devoted to Diversity & Inclusion, issues that are essential to sustainability. In fact, the emphasis was on exploring issues relating to gender disparity, with support for initiatives focusing on women, and to age disparity, with specific initiatives for the under-30 population. These initiatives came in addition to the Bank's commitment to pursuing excellence in governance, with an openness to dialogue, confirmed not only by the strong female presence and majority of independent Directors within the Board of Directors, but also by the focus on issues relating to transparency in corporate management.

Safeguarding the environment is one of the guiding values of the Generali Group, and thus also of the Bank, which for years has been committed to implementing policies aimed at the reduction of its direct and indirect impacts due to CO₂ production, 100% renewable energy use and 90% certified environmentally friendly paper use. The Company's relocation to the Zaha Hadid Tower in the CityLife area of Milan means that 2019 is a year of discontinuity of measurement. The Tower is clearly a system that delivers an excellent energy and district-heating performance, designed to achieve the highest levels of classification of building energy performance. We are therefore confident that we will succeed in meeting the goals of a 20% decline in total GHGs set for 2020.

Turning to the Bank's contribution to the community, I am pleased to report that Economic Value Generated rose by 18.9% in 2019 to 986 million euros. With specific regard to economic value distributed to institutions and the community, in 2019 Banca Generali continued to support a number of cultural and educational initiatives, including the FAI (Italian Environmental Fund) Spring Days, the tenth edition of "A Champion for a Friend", the event dedicated to children with a focus on financial education issues, and a number of projects within the framework of The Human Safety Net. The solidarity initiatives also include the renewed support to Dynamo Camp through the Dynamo Bike Challenge sponsorship.

Thanks to its constant and concrete commitment to sustainability issues, Banca Generali has received a rating of EE/Strong on a scale of EEE to F awarded by the independent rating agency Standard Ethics, in addition to obtaining the highest rating in the governance area (score badge of 1 on a scale of 1 to 10, where 1 is the lowest level of risk) in the ISS assessment.

Finally, I would like to comment on Banca Generali's stock performance. In 2019, the Bank delivered one of the strongest performances of the Italian financial sector, sharply outperforming the FTSE MIB index (+28.3%) and the banking indices for Italy (+23.0%) and Europe (+11.1%). This positive performance was driven early in the year by the positive response to the presentation of the 2019-2021 Three-Year Plan and then reinforced by the results achieved over the course of the year. However, it must be said that after a brilliant start to 2020 — which led the shares to just short of an important high of 33.0 euros on 19 February 2020 — the Bank's shares were affected by the historic financial market collapse due to the expected effects of the Covid-19 pandemic on the global economy.

I use the term "historic collapse" because many of the Bank's shareholders will remember that on **9 March 2009**: Banca Generali's shares reached a low of 1.9 euros in the final throes of the 2008 financial crisis. What followed was one of the longest bull markets in history. Coincidentally, many years later, **9 March 2020** was also a day that will go down in history as "Black Monday" due to the sharp correction that occurred on that date and the entire subsequent period. The shares are currently trading at 21.54 euros, a decline of 26% on the beginning of the year, compared with -27% for the FTSE MIB index. However, as done in 2008, I would like to call your attention to the share's performance over the long term, in which the Bank will succeed in showing its resilience and value.

As I renew my thanks to the top management, employees and network personnel for their valuable efforts in this complex market environment, I would also like to extend my well-deserved gratitude to the members of the Board of Directors and Board of Statutory Auditors, who bring competence and responsibility to the feedback and guidance they provide on the decisions made by the management, with tangible benefits for all stakeholders.