

# Investor Day 2022-2024

Milan, February 14<sup>th</sup> 2022

Taking **BG** growth  
to the next level





Certain of the 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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The manager charged with preparing the company's financial reports, Tommaso di Russo, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Financial Intermediation, that the accounting information contained in this presentation corresponds to document results, books and accounts records.

# AGENDA

- 
- 1** ➤ **Taking BG growth to the next level** 25 min.  
▶ **Gian Maria Mossa** – *CEO & General Manager*
  - 2** ➤ **Bringing the Bank even closer to the FA network and Clients** 50 min.  
▶ **Andrea Ragaini** – *Deputy General Manager, Wealth Management, Markets & Products*  
▶ **Marco Bernardi** – *Deputy General Manager, Commercial Networks, Alternative Channels and Support*
  - 10 minutes break**
  - 3** ➤ **Continuing to build a data-driven, digital and open bank** 20 min.  
▶ **Riccardo Renna** – *COO & Head of Innovation*  
**Being the ESG reference point for all our Stakeholders**  
▶ **Carmelo Reale** – *General Counsel & Group Sustainability*
  - 4** ➤ **Delivering consistent, profitable and remunerative growth** 25 min.  
▶ **Tommaso di Russo** – *CFO & Head of Strategy*
  - 5** ➤ **Closing remarks & Q&A session** 45 min.



# Investor Day 2022-2024

Milan, February 14<sup>th</sup> 2022







**Gian Maria Mossa**  
CEO & General Manager





# BANCA GENERALI EXCEEDED ALL ITS 2021 TARGETS




REINFORCING EXCELLENT TRACK-RECORD OF GROWTH, PROFITABILITY AND DIVIDENDS

Objectives	KPIs	2021 Target	2021 Results	Status
Asset growth	Cumulative Net Inflows	>€14.5bn	€18.7bn	
	Total Assets	€76bn-€80bn	€85.7bn	
Sustainable profitability	Core Net Banking Income	≥63 bps	67 bps	
	Core Operating Costs	3%-5% CAGR	4.4% CAGR <sup>1</sup>	
Shareholders' remuneration	Dividend Pay-Out	70%-80% pay-out ratio	70.5% avg pay-out 2019-21	
	Dividend per Share (DPS)	€1.25 DPS floor	€3.95 cumulative DPS (cash view <sup>2</sup> , 2019-21)	



# OUR NEW PLAN WILL DELIVER CONSISTENT, PROFITABLE AND REMUNERATIVE GROWTH

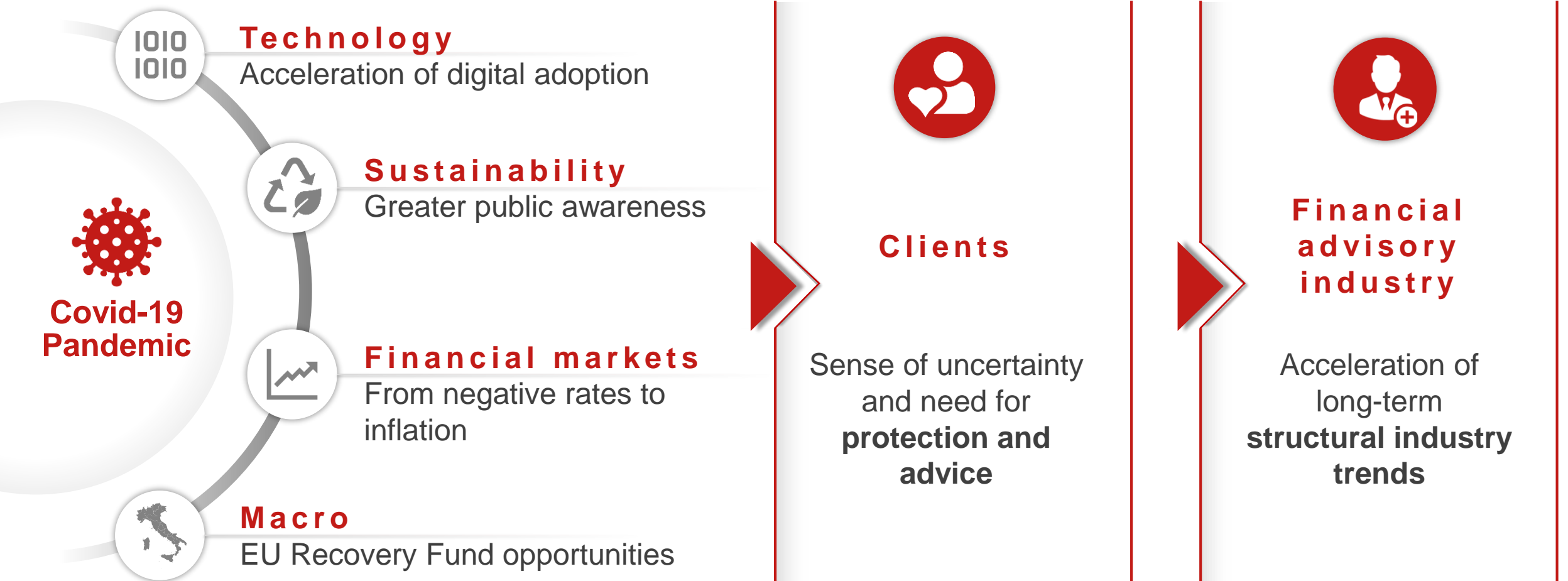
## TARGETING EVEN STRONGER NET INFLOWS, RECURRING NET PROFIT AND DIVIDENDS

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



# THE FA<sup>1</sup> INDUSTRY HAS GROWN SIGNIFICANTLY OVER THE PAST YEARS

## COVID THE CATALYST BEHIND ACCELERATION OF STRUCTURAL INDUSTRY TRENDS

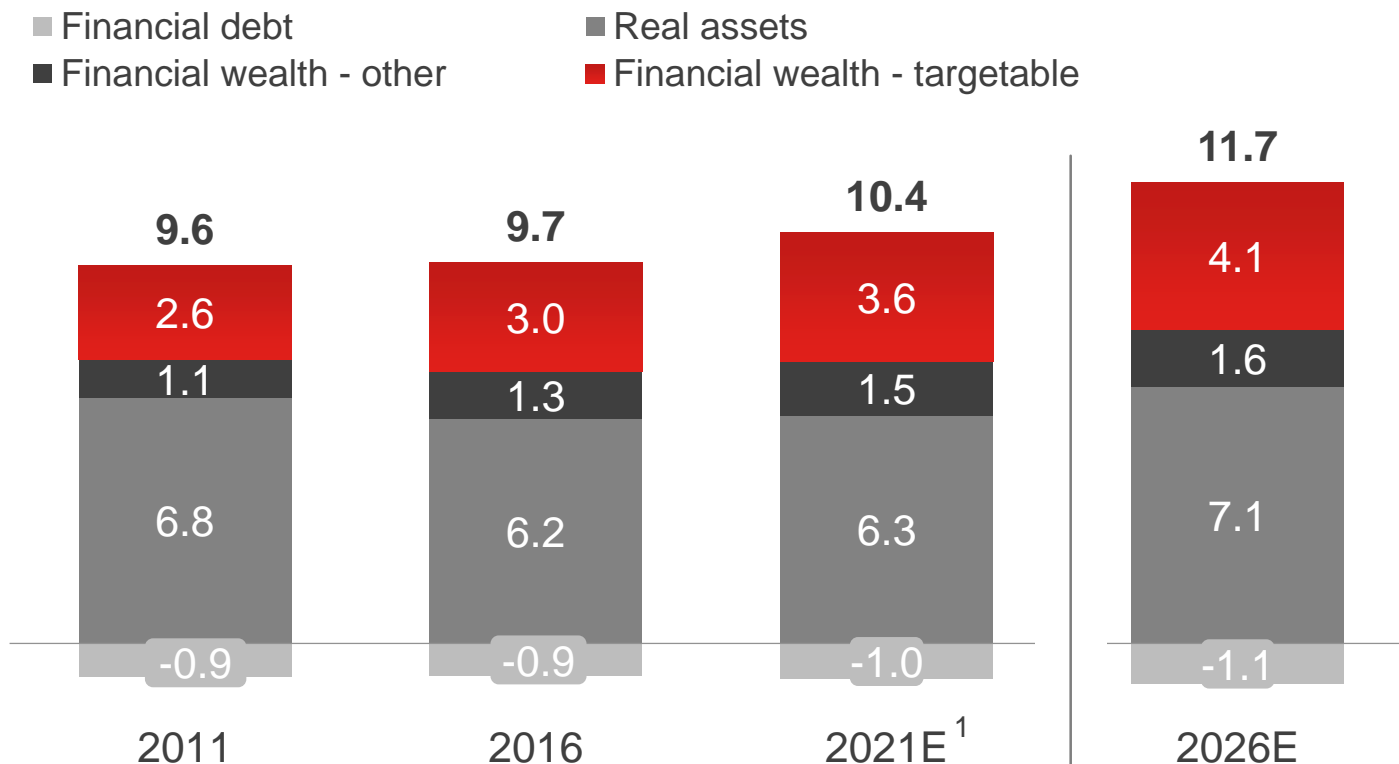




# NET ITALIAN HOUSEHOLD WEALTH TO KEEP GROWING

## NEED FOR ADVICE INCREASING

### Net Italian Household Wealth €tn



- Growing **financial wealth** driven by savings and positive markets; trend expected to continue
- Large presence of **real assets**:  $\frac{3}{4}$  of Italian households are homeowners,  $\frac{1}{5}$  own a second home; expected growth driven by inflation and economic activity
- Low levels of household **financial debt**: amongst lowest in Europe

### Targetable Financial Wealth / Net Italian Households Wealth

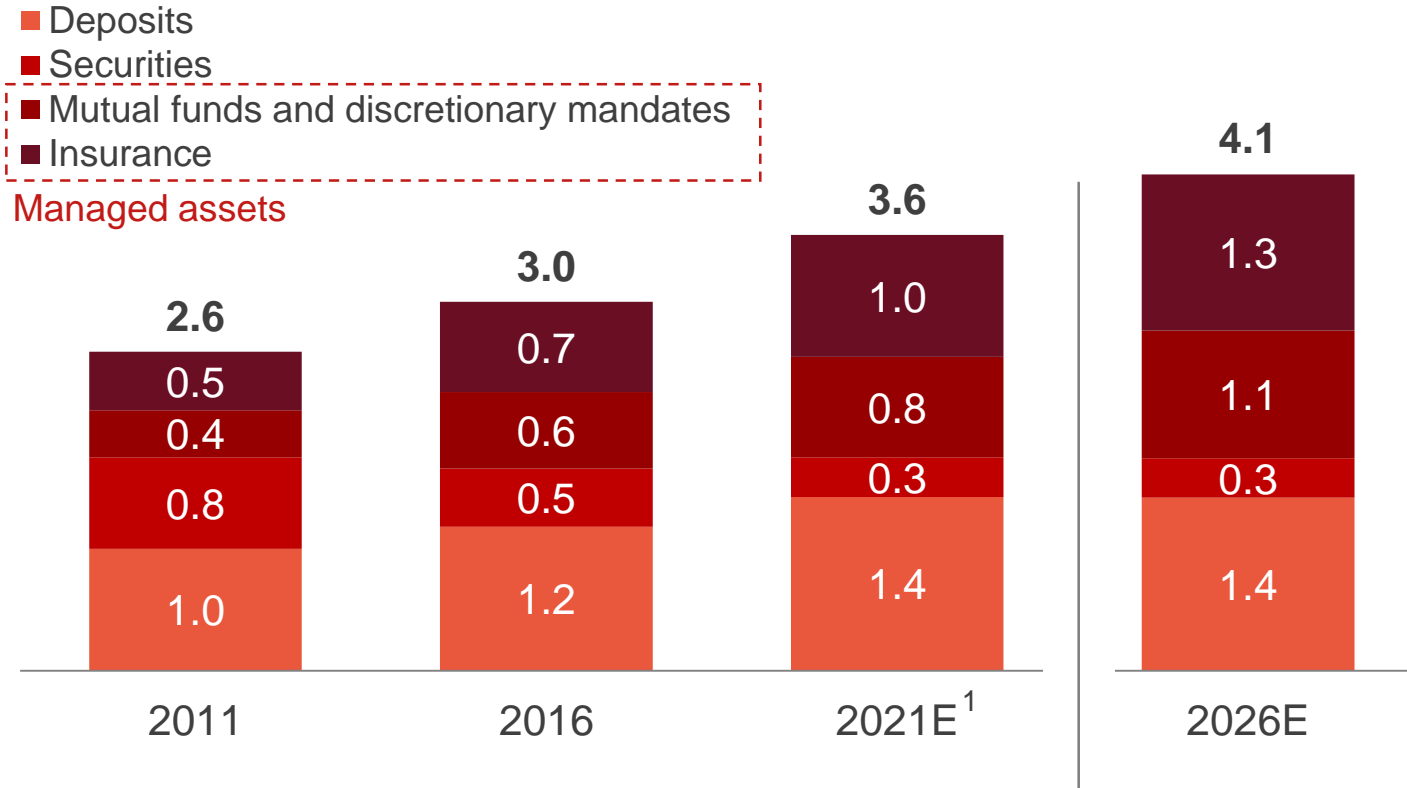




# PENETRATION OF MANAGED ASSETS RISING QUICKLY

WILL KEEP GROWING AS EXCESS CASH IS PUT TO WORK

## Italian Household Targetable Financial Wealth – Product mix €tn



➤ Strong growth in **deposits** driven by low rates environment and pandemic-induced savings; large cash holdings to be put to work given **inflationary expectations**

➤ Long-term decline in **securities**: bail-in rules on bank bonds and lower appetite for sovereign bonds

➤ Structural growth in **managed assets**: pandemic has confirmed crucial role of **private savings** and **protection**

## Managed Assets / Targetable Financial Wealth

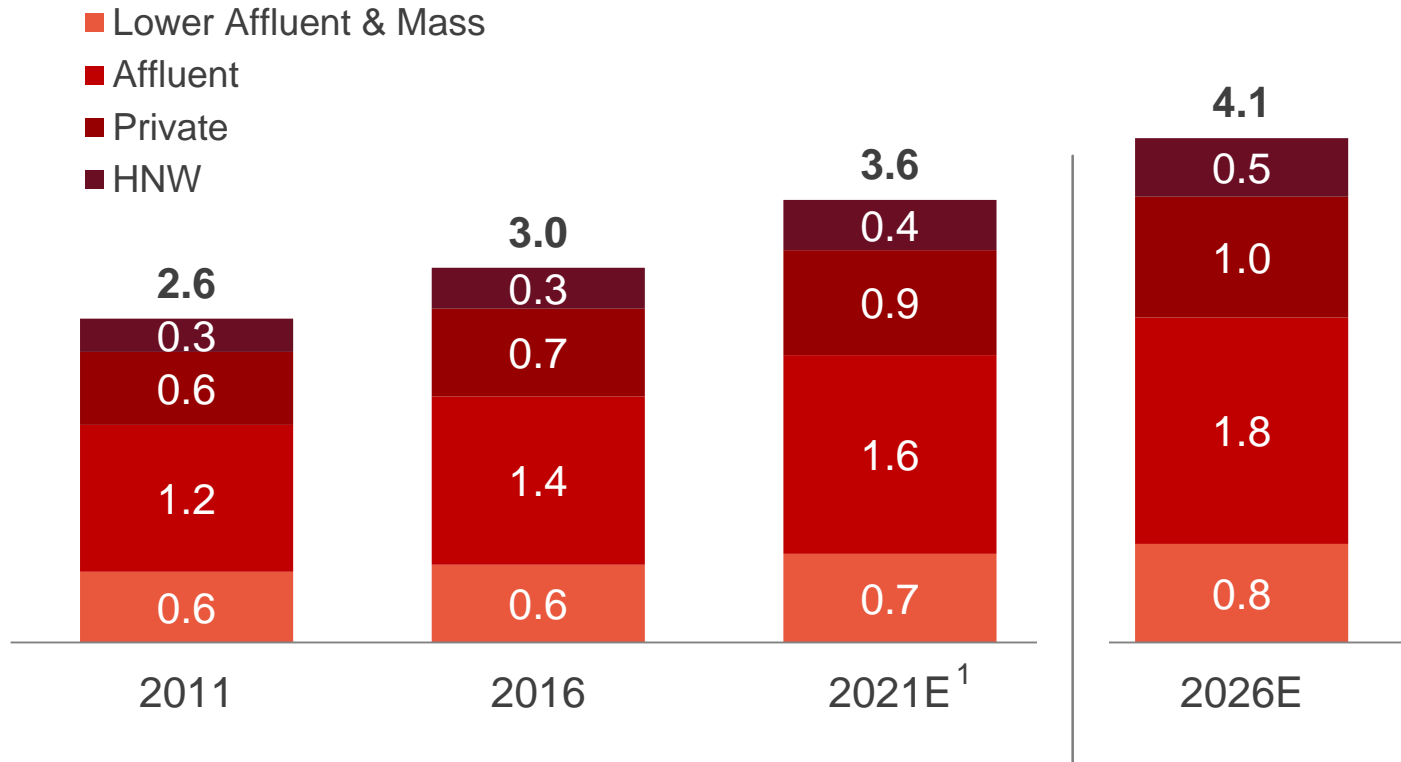




# PRIVATE & HNW HOUSEHOLD WEALTH HAS OUTPACED MARKET GROWTH

AFFLUENT HOUSEHOLDS REPRESENT A SIZEABLE OPPORTUNITY

## Italian Household Targetable Financial Wealth – Client segmentation €tn



- **0.66m Private & HNW households**, whose wealth has outpaced market growth; trend expected to continue over the next years
- **6.8m Affluent households**, with significant exposure to deposits (c.42% of financial wealth)
- **18.8m Lower Affluent & Mass households**, with prevalent exposure to deposits (c.70% of financial wealth) and primary banking needs

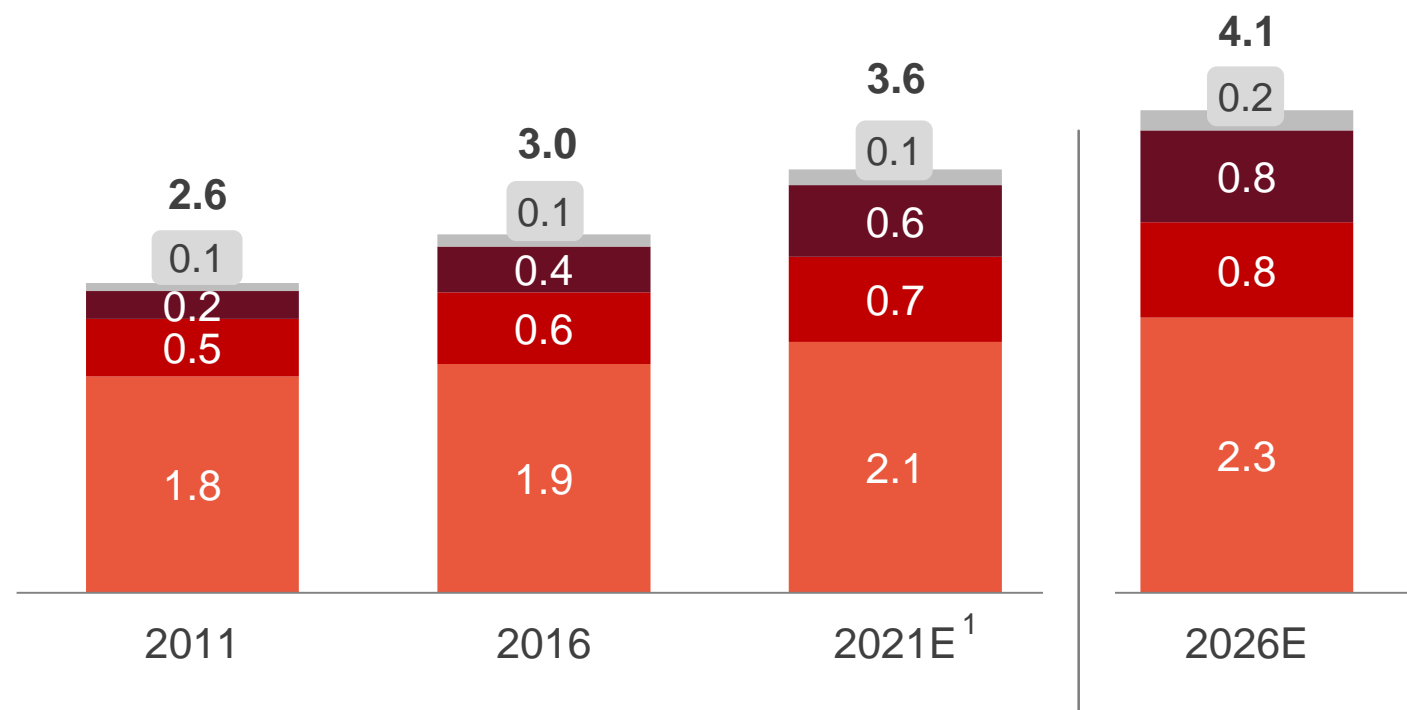
## Private & HNW Household / Targetable Financial Wealth



# FA NETWORKS HAVE EXPANDED THEIR MARKET SHARE AT THE EXPENSE OF A STILL DOMINANT BRANCH-BASED BANKING SYSTEM

## Italian Household Targetable Financial Wealth – Distribution channel €tn

■ Banks ■ Other channels ■ FA Networks ■ Not allocated by channel



- **Financial Advisory networks** significantly expanding market share thanks to value of service to Clients and recruitment of advisors from banking industry; expected to reach c.20% of targetable financial wealth over the next five years
- **Banks losing market share**, albeit in the context of growing assets; still maintaining industry leadership
- **Other channels** (mainly Postal Offices and Insurance Agents) expected to keep growing slower than FA networks but faster than banks

## FA Networks / Targetable Financial Wealth (allocated by channel)





# BANCA GENERALI HAS SUCCESSFULLY GROWN ITS SHARE ACROSS ALL SEGMENTS

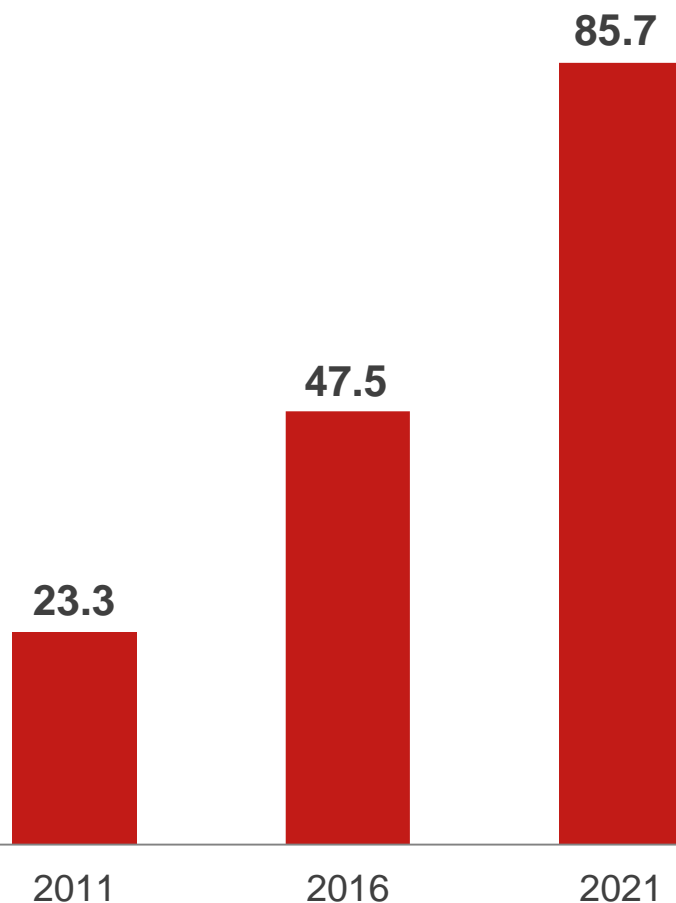
## YET IT IS STILL A «DROP IN THE OCEAN» OF ITALIAN TARGETABLE FINANCIAL WEALTH

Reference segment	Banca Generali Share		
	2011	2016	2021E <sup>1</sup>
Targetable financial wealth	0.9%	1.6%	2.3%
Private & HNW financial wealth	1.1%	2.8%	4.6%
Financial Advisory networks	9.8%	12.2%	13.9%

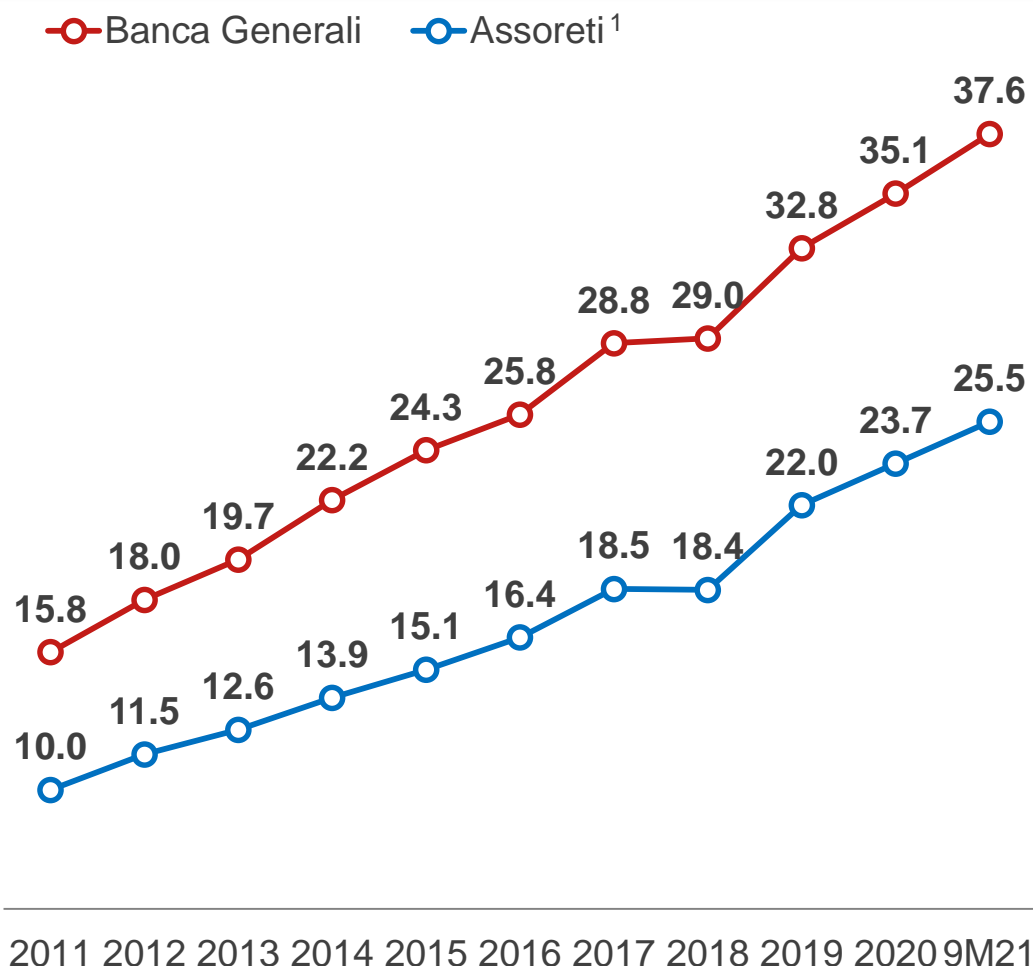
# THE NETWORK, POWERED BY TECHNOLOGY, HAS BEEN OUR KEY GROWTH ENGINE

## IN A VIRTUOUS CYCLE OF GROWING BRAND RECOGNITION AND ATTRACTION OF PRIVATE TALENT

### Total assets €\bn



### Portfolio size €\m



### Brand strength



Third private bank in Italy by size



Best private bank in Europe for use of technology (2021)



Best private bank in Italy (2021)



# GROWTH IS THE RESULT OF A JOURNEY INVOLVING BOLD STRATEGIC CHOICES

## PROVIDING A HARD-TO-MATCH FOUNDATION FOR OUR NEW STRATEGIC PLAN



### Network optimization

Focus on **quality**  
of **FAs** and  
**Managers**



### Bank repositioning

Focus on empowering  
FAs through **WM**  
**ecosystem** and  
**platforms**



### Network re-organization

Focus on bringing  
**Managers closer**  
to **FAs**

**Phase 2**  
2014 – 2018 Plan

**Phase 3**  
2019 – 2021 Plan

**Phase 1**  
2006 IPO



# 2022-24 STRATEGIC PLAN AIMS TO TAKE BG GROWTH TO THE NEXT LEVEL

BUILDING ON OUR VISION

To be the n°1  
private bank,  
unique by **value  
of service, innovation  
and sustainability**



# 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



# BRING THE BANK EVEN CLOSER TO THE FA NETWORK AND CLIENTS

## STRATEGIC GUIDELINES ON OFFER, SERVICE MODEL AND NETWORK MANAGEMENT APPROACH

### 1<sup>st</sup> 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]



# CONTINUE TO BUILD A DATA-DRIVEN, DIGITAL AND OPEN BANK

## STRATEGIC GUIDELINES ON DATA, PLATFORMS AND PARTNERSHIPS

### 2<sup>nd</sup> 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  
2022-2024<sup>1</sup>

c.€40m

# BE THE ESG REFERENCE POINT FOR ALL OUR STAKEHOLDERS

## STRATEGIC GUIDELINES BY STAKEHOLDER

### 3<sup>rd</sup> Pillar

#### Sustainability

Be the ESG reference point for all our Stakeholders

#### Guidelines



Clients and FAs



Enriching our **SDGs<sup>1</sup> 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 Clients<sup>1</sup>

> 50%

[By 2024]




Net zero emissions  
by

2040



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## Andrea Ragaini

Deputy General Manager,  
Wealth Management,  
Markets & Products





# BRING THE BANK EVEN CLOSER TO THE FA NETWORK AND CLIENTS

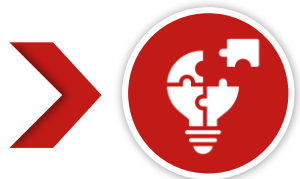
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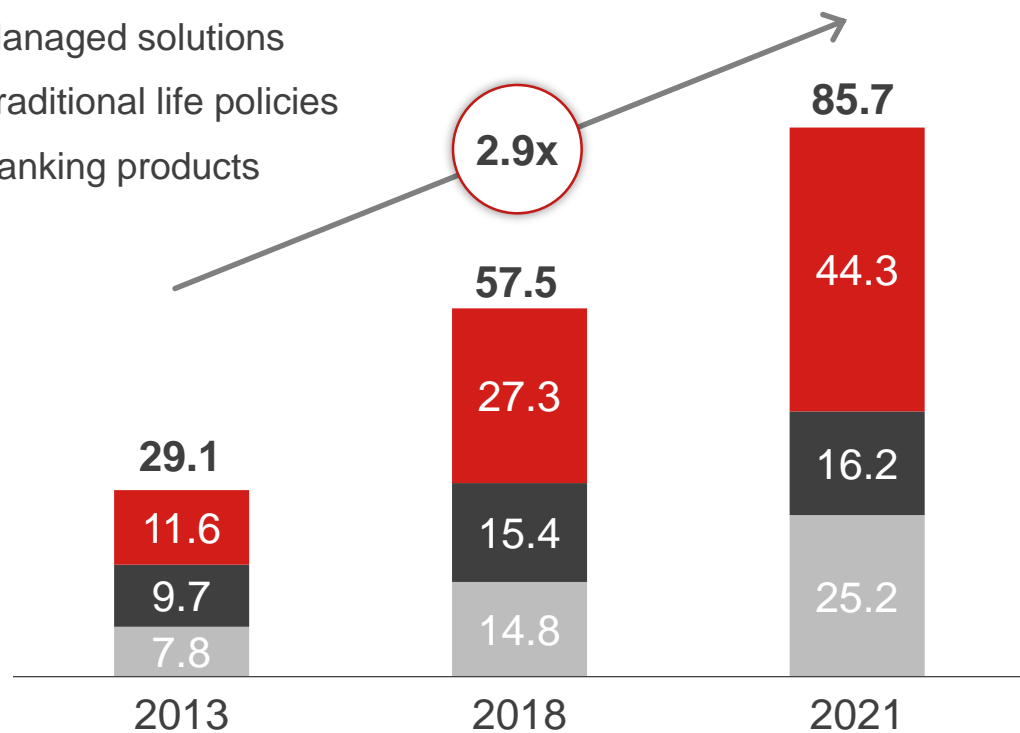


# TOTAL ASSETS BREAKDOWN AND KEY GROWTH DRIVERS

## STEADY GROWTH COUPLED WITH EXCELLENT ABILITY TO DELIVER

### Total Assets €\bn

- Managed solutions
- Traditional life policies
- Banking products



### Advisory

-

2.3

7.3

### Lending

1.3

1.8

2.4

### Key Growth Drivers

detailed next

TARGET  
CLIENTS



- Advanced Advisory**  
Our core activity



- In-house offer**  
The cornerstone of our P&L



- Insurance**  
A key competitive advantage in Wealth Management



- Assets under Custody (AuC) & Banking**  
The gateway to Family wealth



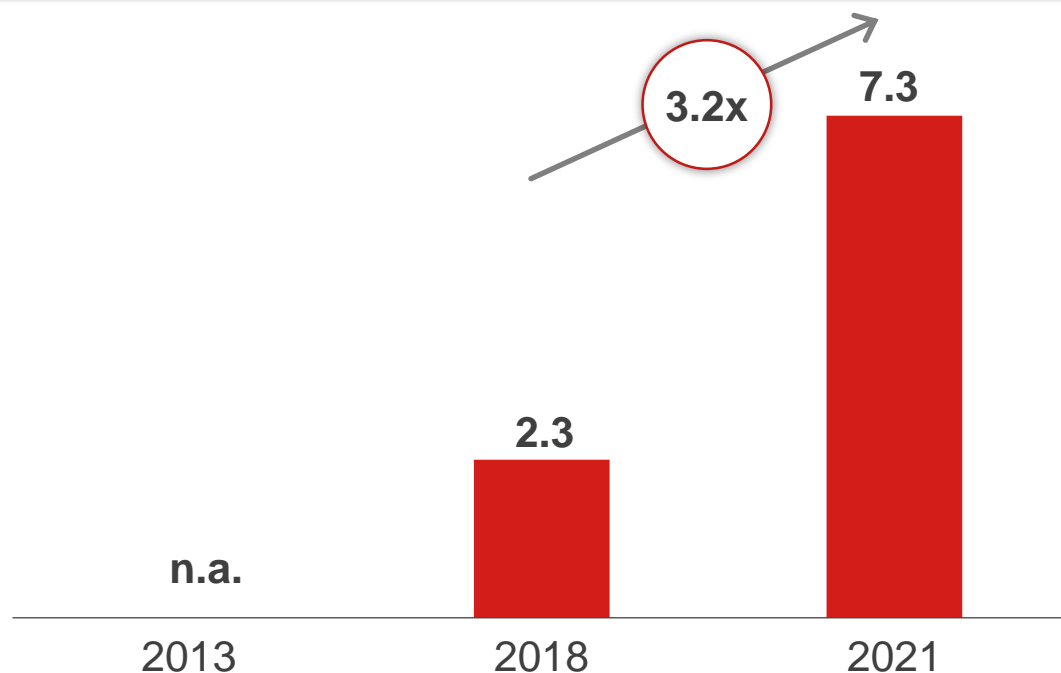
- Lending**  
A complementary offer



# ADVANCED ADVISORY (1/2)

## PROPRIETARY PLATFORM AND ROBO-4-ADVISORY ENGINE TO SUPPORT FAs

### Assets under Advisory €\bn



### Awards



2021  
Best Financial  
Advisory  
Network by  
Client  
satisfaction



2021  
Best private  
bank in  
Europe for  
use of  
technology



### Strong foundations

Leveraging our top quality **Financial Advisor Network**

### Proprietary Platform

- Holistic picture of Client wealth
- Risk-based approach as a key advisory driver
- A powerful robo-4-advisory engine developed with UBS



### Growth initiatives for the next level

### Clients



#### New fee based contract



Scale up of **fee based approach** catering to new segments of FAs and Clients



#### Multi booking center in **Switzerland**



Obtainment of **Swiss banking licence** – BG Suisse



#### Advanced data analytics engine From pull to customized push approach



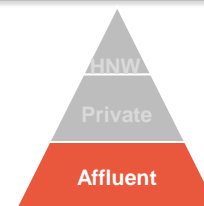
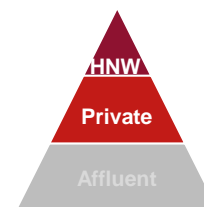
Launch of a new **platform** with several use cases for entrepreneur Clients and family companies: e.g. M&A, financing, liquidity events and more



#### Digital Portfolios From pull to customized push approach



Launch of **automated and customized guided solutions**



1.

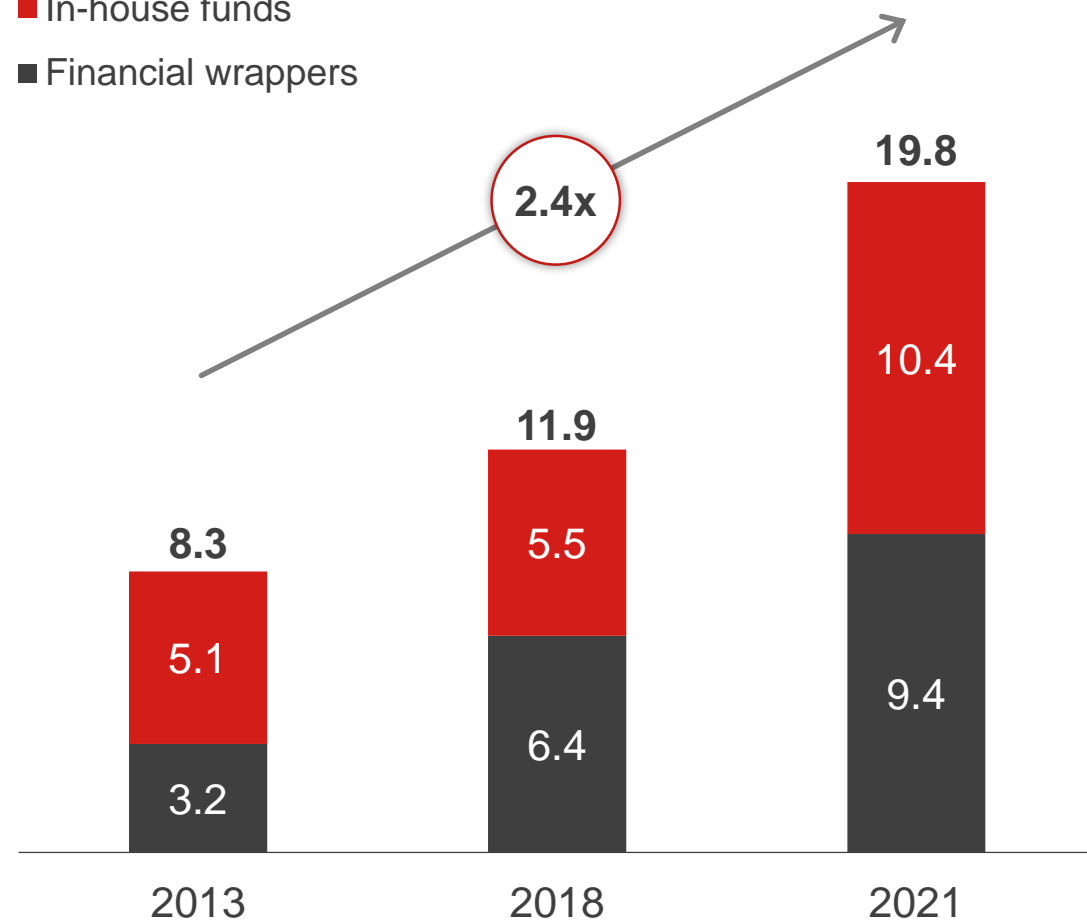


# IN-HOUSE OFFER (1/2)

BG HAS BUILT A STRONG POSITION THANKS TO ITS INNOVATIVE PRODUCTS

## In-house offer €\bn

- In-house funds
- Financial wrappers



## Strong foundations

### In-house funds

- Lux IM Sicav launched in 2018

### Financial wrappers

- Offer redesigned with 7 different portfolio management teams

### Platform

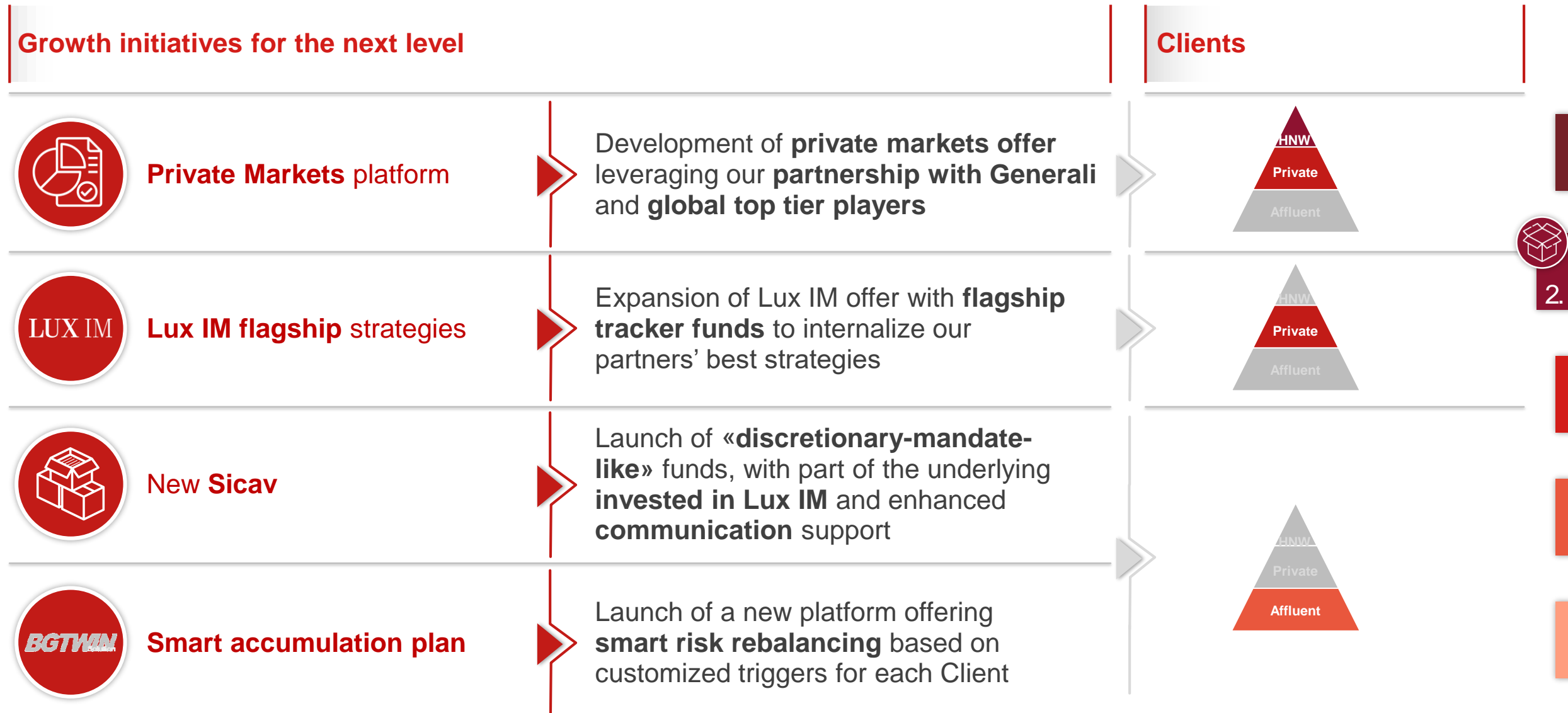
- Developed ESG Platform based on UN SDGs



personal portfolio

# IN-HOUSE OFFER (2/2)

## WIDER RANGE OF TARGETED INVESTMENT SOLUTIONS



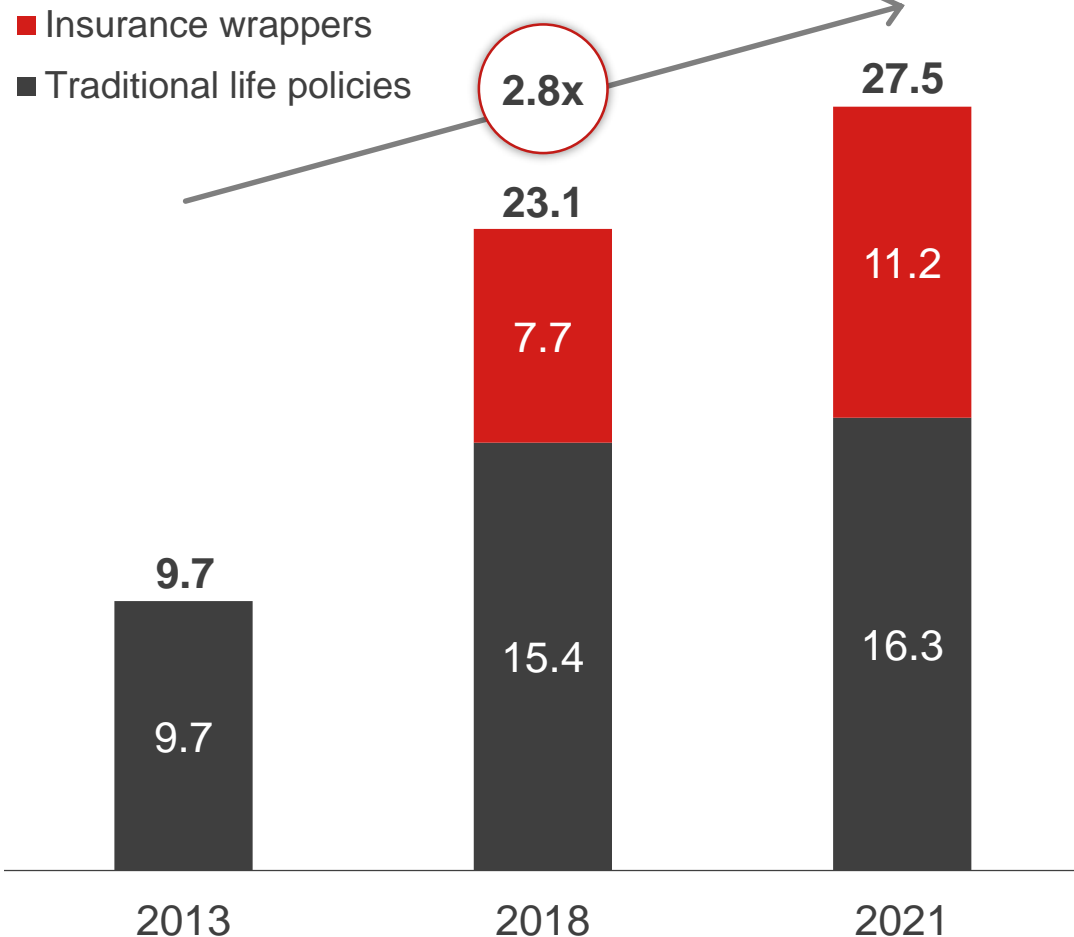
ESG is a common theme across our product offer and SDGs platform



# INSURANCE (1/2)

## TRANSITION TOWARDS A NEW APPROACH TO LIFE INSURANCE ACCOMPLISHED

### Insurance Assets €bn



### Strong foundations

Our insurance **know-how and product range** are a competitive advantage in wealth management

**Generali Group** is a key source of expertise and innovation in the field, as well as brand solidity


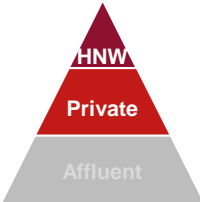


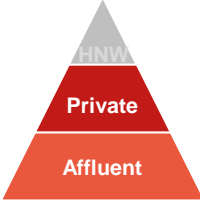

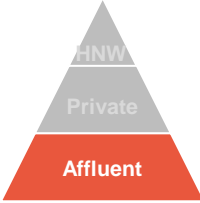
**Remarkable results** achieved in the rebalancing of insurance wrappers and traditional solutions



3.

# INSURANCE (2/2)

## WIDER RANGE OF TARGETED INSURANCE SOLUTIONS

Growth initiatives for the next level			Clients
	<b>BG Stile Libero protection riders</b>	Introduction of new <b>riders within our insurance wrappers</b> in the health and family protection fields	
	<b>Lux Protection Life</b>	Scale up of our <b>private insurance platform</b> , enriched with real assets solutions	
	<b>New insurance platform</b>	Launch of innovative <b>insurance platform</b> aimed at diverting liquidity from current accounts	
	<b>BG Oltre</b>	Launch of <b>new wrapper</b> with a <b>simpler sale and post-sale proposition, in-house underlying</b> and enhanced financial and sustainability <b>communication</b> support	

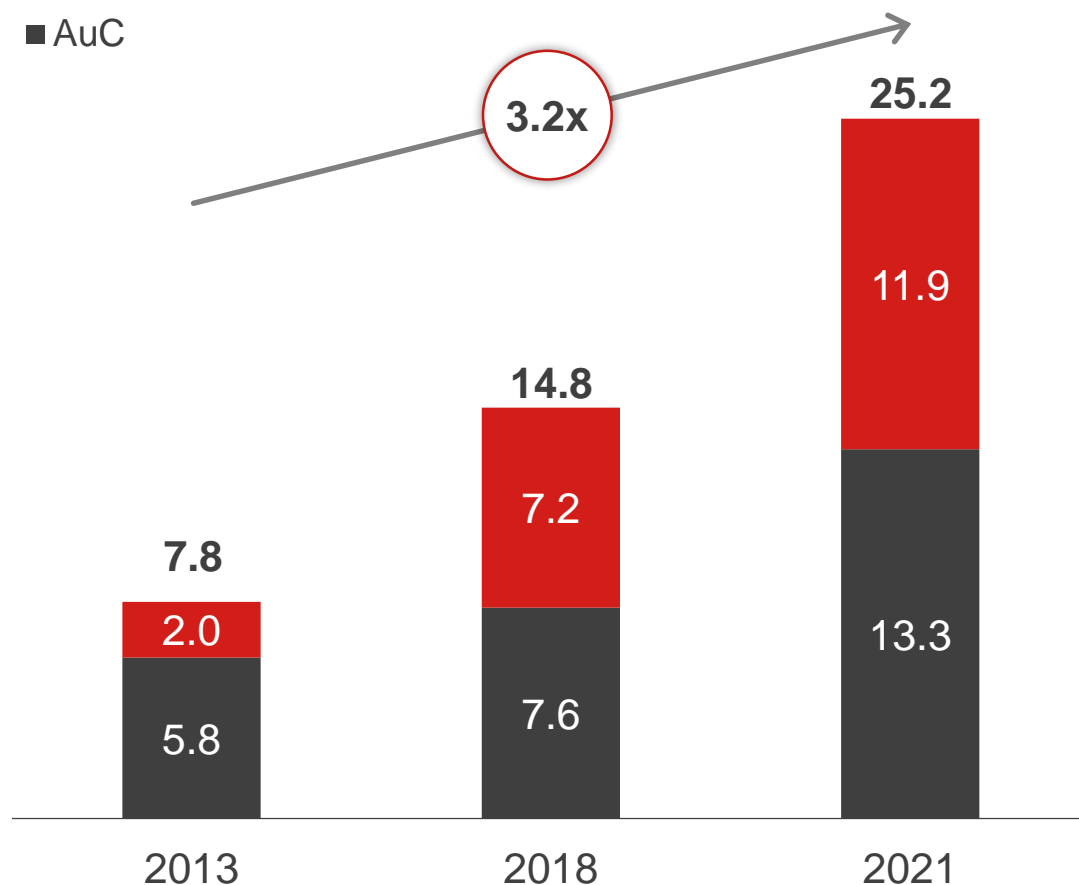


# CUSTODY ASSETS AND BANKING (1/2)

## STRONG TRADING PLATFORM, STRUCTURED PRODUCTS AND BANKING

### Banking products €\bn

- Current accounts
- AuC

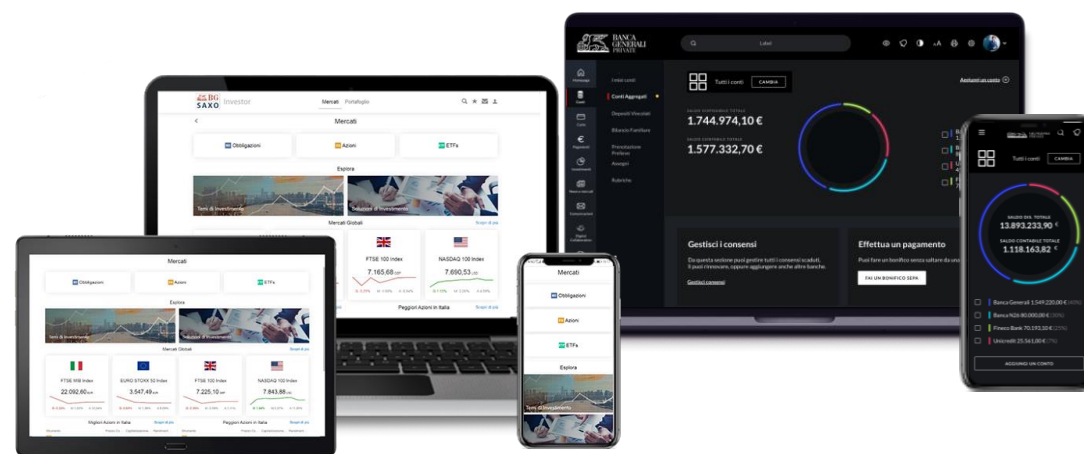


### Strong foundations

Partnership with BG Saxo to launch **BG Saxo SIM trading platform** - up and running

**Private Certificates in open architecture**, working with the leading providers of structured products

New **home banking** with full **digital onboarding** and **PSD2 account aggregation** system



# CUSTODY ASSETS AND BANKING (2/2)

## ENRICHING OUR OFFER ON AUC AND BANKING SOLUTIONS

### Growth initiatives for the next level

### Clients



#### Certificates

BG | CERTIFICATEhub:



Expansion into the **Secondary Market**



#### Ro4AD Evolution



Launch of automatic delivery of **bespoke trading ideas** for individual stocks and bonds



#### BG Saxo



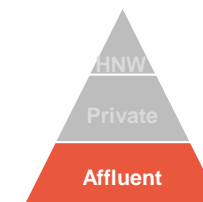
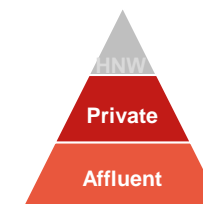
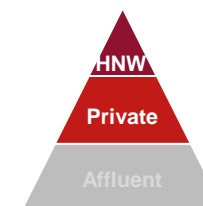
Unleash the full **potential of the platform**, launching **innovative initiatives**



#### Current Accounts



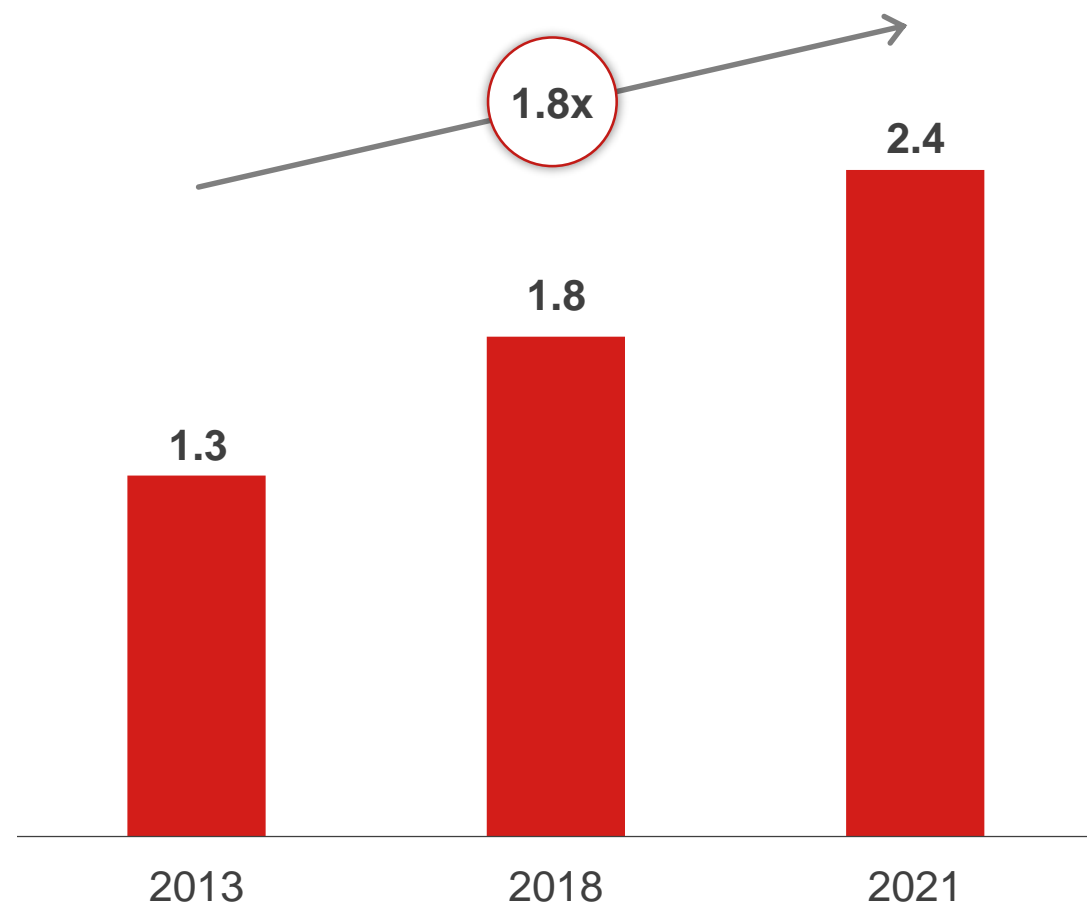
Introduction of a new range of **smart pricing** accounts



# LENDING (1/2)

## ANCILLARY TO PRIVATE BANKING WITH UPSIDE POTENTIAL

Lending €\bn



### Strong foundations

**An ancillary proposition** to wealth management activities, mainly granted to **private individuals**

**High credit quality, over-collateralized** with negligible portfolio risk

Loan book largely composed of **floating-rates loans**, linked to Euribor



5.



# LENDING (2/2)

## UNLOCKING THE POTENTIAL OF LENDING

### Growth initiatives for the next level

### Clients



#### Specialist teams



Roll-out of **specialist teams** to support our FA Network in increasing lending penetration



#### Lending partnerships



Establishment of partnerships to supply **non-collateralized corporate credit**



#### Lombard solutions



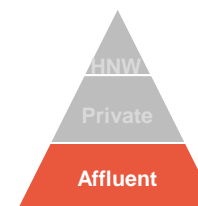
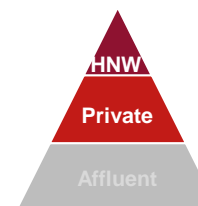
Expansion of Lombard solutions through **amortizing Lombard loans**



#### Instant Lombard Lending



Launch of dedicated IT platform enabling Clients to **request an instant loan digitally** through BG Mobile App or Home Banking



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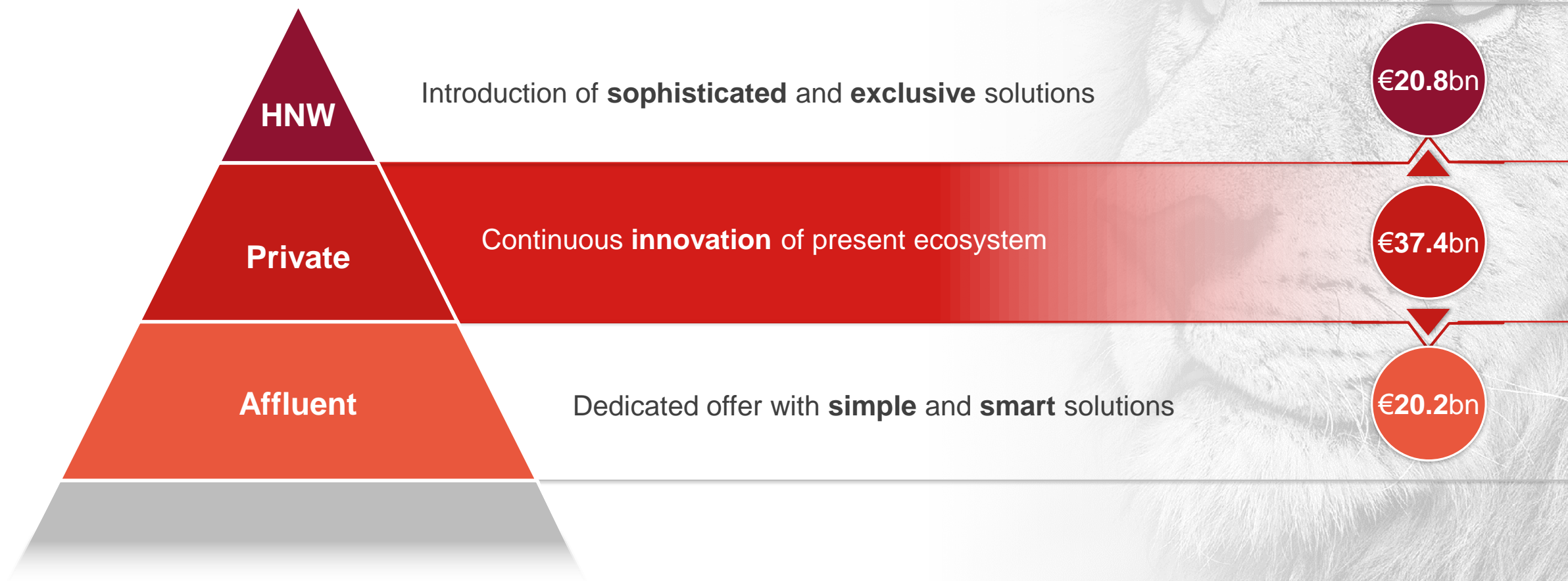
# SUMMING UP

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 assets<sup>1</sup>



# BRING THE BANK EVEN CLOSER TO THE FA NETWORK AND CLIENTS

## STRATEGIC GUIDELINES ON OFFER, SERVICE MODEL AND NETWORK MANAGEMENT APPROACH

### 1<sup>st</sup> 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 wide 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



# EXPAND OUR SERVICE MODEL TO BETTER SUPPORT FAs AND CLIENTS

## THREE DEDICATED APPROACHES

### 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

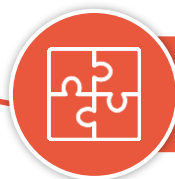
#### Hands-on Clients



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

# ENHANCED: A «DOUBLE-TOUCH» MODEL FOR HNW CLIENTS

COMBINING RICH DATA, ANALYTICS, SERVICE TEAMS AND PARTNERS



Family Office Data  
Driven Platform

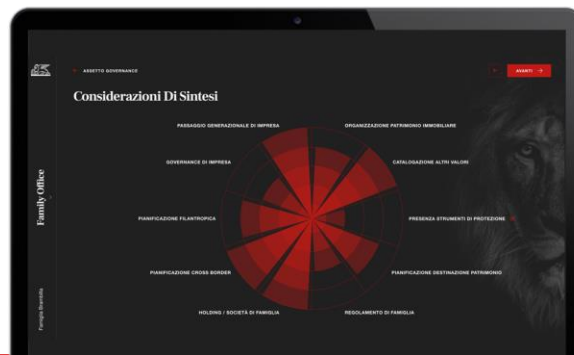
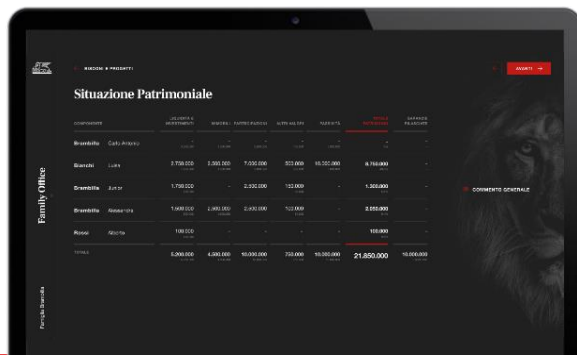
Family Office Platform for FAs highlighting **bespoke commercial opportunities** for high potential Clients

Comprehensive **report**:

- **Family wealth** analysis
- **Macro-trend** analysis
- **Corporate** and Family governance
- ...

Use cases:

- **M&A** opportunities
- **Subsidized finance**
- **Governance structure** and succession planning
- ...



Expertise brought  
by the Bank and Partners

**Specialized teams** working alongside FAs to understand Client needs on complex topics and to identify the right solution provider

Leveraging in-house teams and/or an **ecosystem of external partners** for the actual provision of services

«DOUBLE-TOUCH»



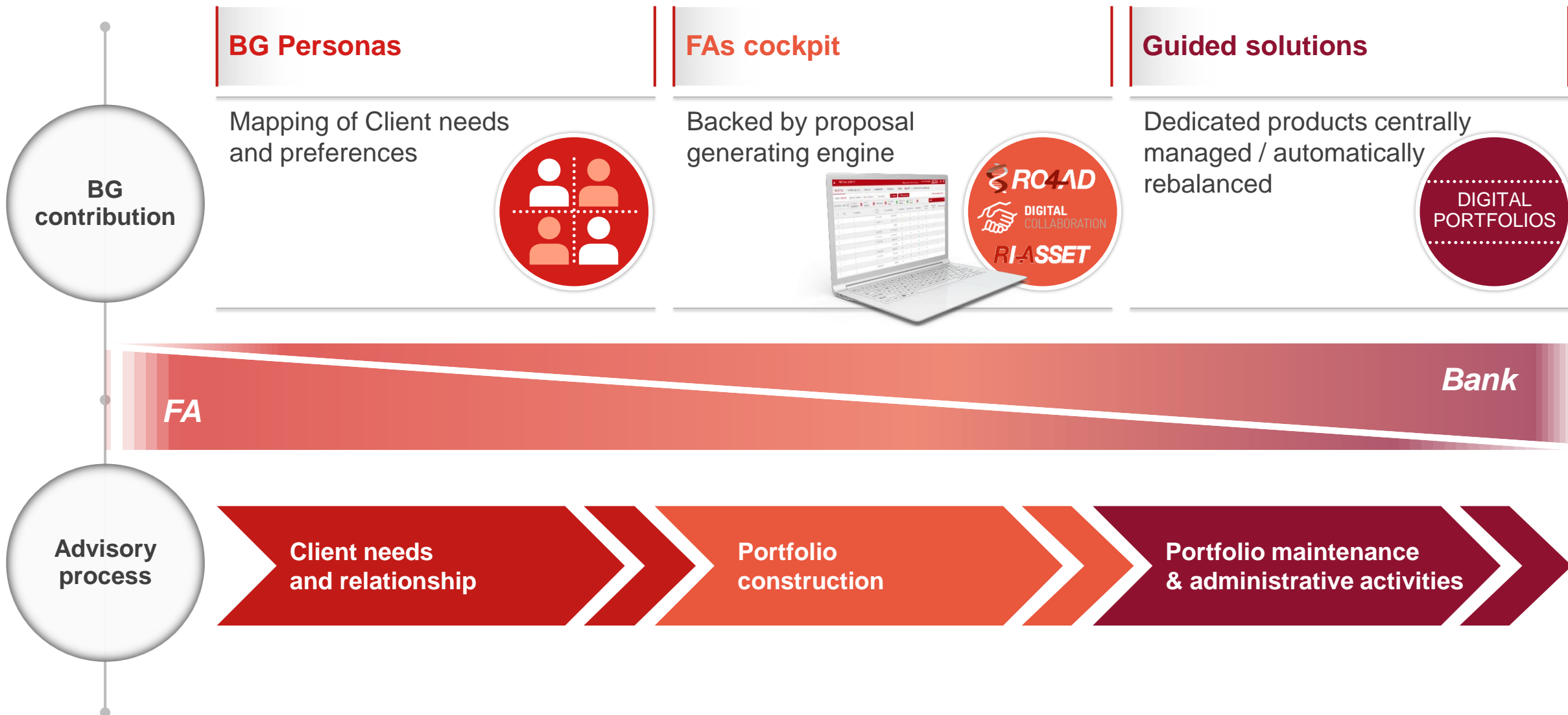
FAs + Clients



Specialist Teams

# GUIDED: A «HYBRID» MODEL TO SERVE AFFLUENT CLIENTS

DEDICATED ENGINE TO DELIVER GUIDED INVESTMENT SOLUTIONS





# SELF: A «DIGITAL» MODEL FOR HANDS-ON CLIENTS

## CURATED ECOSYSTEM OF DIGITAL SERVICES IN SELECTED VERTICALS



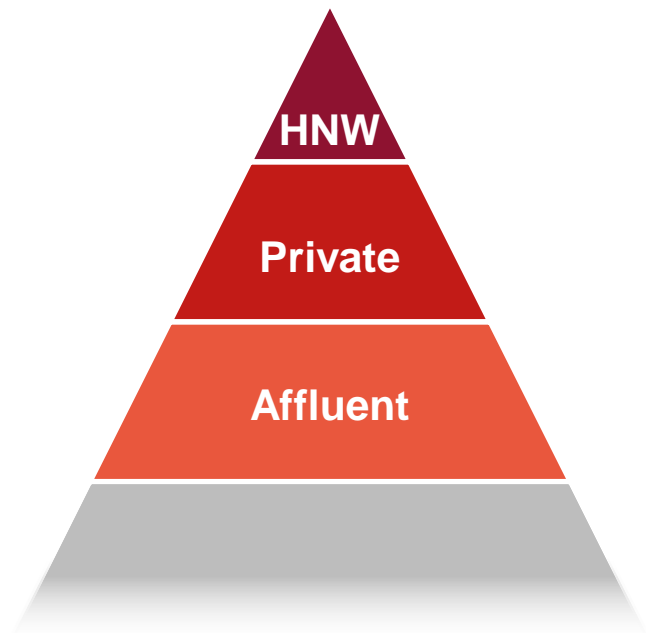
# SUMMING UP

EXPANDING OUR OFFER AND SERVICE MODEL, INCREASING VOLUMES AND MARGINS

Targeted offer



Multi-service model



To better serve different Client segments,  
support new Clients and FAs acquisition  
and increase volumes and margins



# Investor Day 2022-2024

Milan, February 14<sup>th</sup> 2022

## Marco Bernardi

Deputy General Manager,  
Commercial Networks,  
Alternative Channels  
and Support





# BRING THE BANK EVEN CLOSER TO THE FA NETWORK AND CLIENTS

## STRATEGIC GUIDELINES ON OFFER, SERVICE MODEL AND NETWORK MANAGEMENT APPROACH

### 1<sup>st</sup> 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 wide range of Clients



Multi-service model



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



**Data-driven management approach**



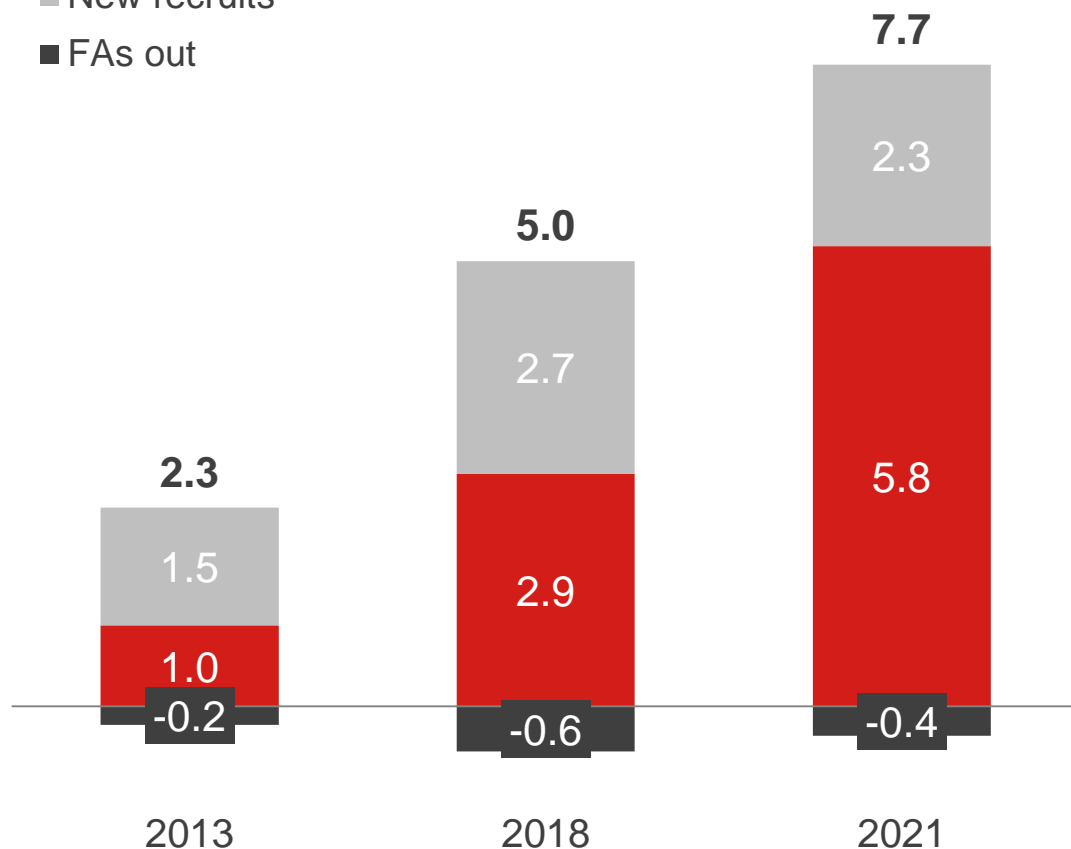
Leveraging data to support and **guide FA network's actions**, increasing value of service and productivity

# BANCA GENERALI HAS POSTED IMPRESSIVE GROWTH

THE FA NETWORK IS THE KEY

## Net inflows €\bn

- Existing network
- New recruits
- FAs out



## Key reasons

➤ **Multi-year FA network improvement** effort, leading to best-in-class advisor quality and unique organizational setup



➤ **Private positioning and brand recognition**, allowing FAs to reach large-ticket Clients



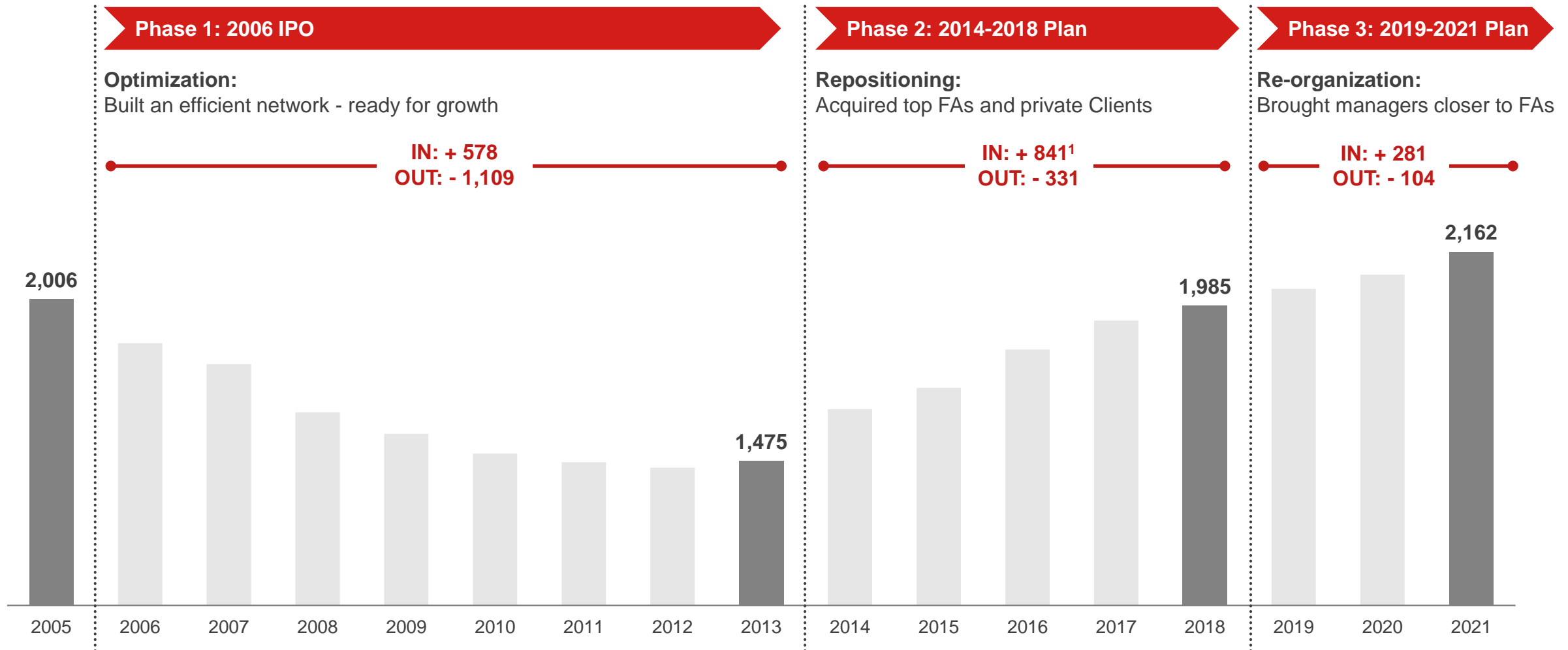
➤ **Wealth management ecosystem**, empowering FAs to approach Client wealth holistically through platforms, services and products



# BG'S GROWTH TRACK-RECORD IS BUILT ON ITS KEY ENGINE: THE FA NETWORK

A SOLID FOUNDATION WHICH HAS BEEN OPTIMIZED, REPOSITIONED AND RE-ORGANIZED





## Financial Advisors #





# FA NETWORK RE-ORGANIZATION HAS BEEN CRUCIAL IN FOSTERING PRODUCTIVITY

## THANKS TO MANAGERS ALLOCATED TO HOMOGENEOUS FAMILIES OF FINANCIAL ADVISORS

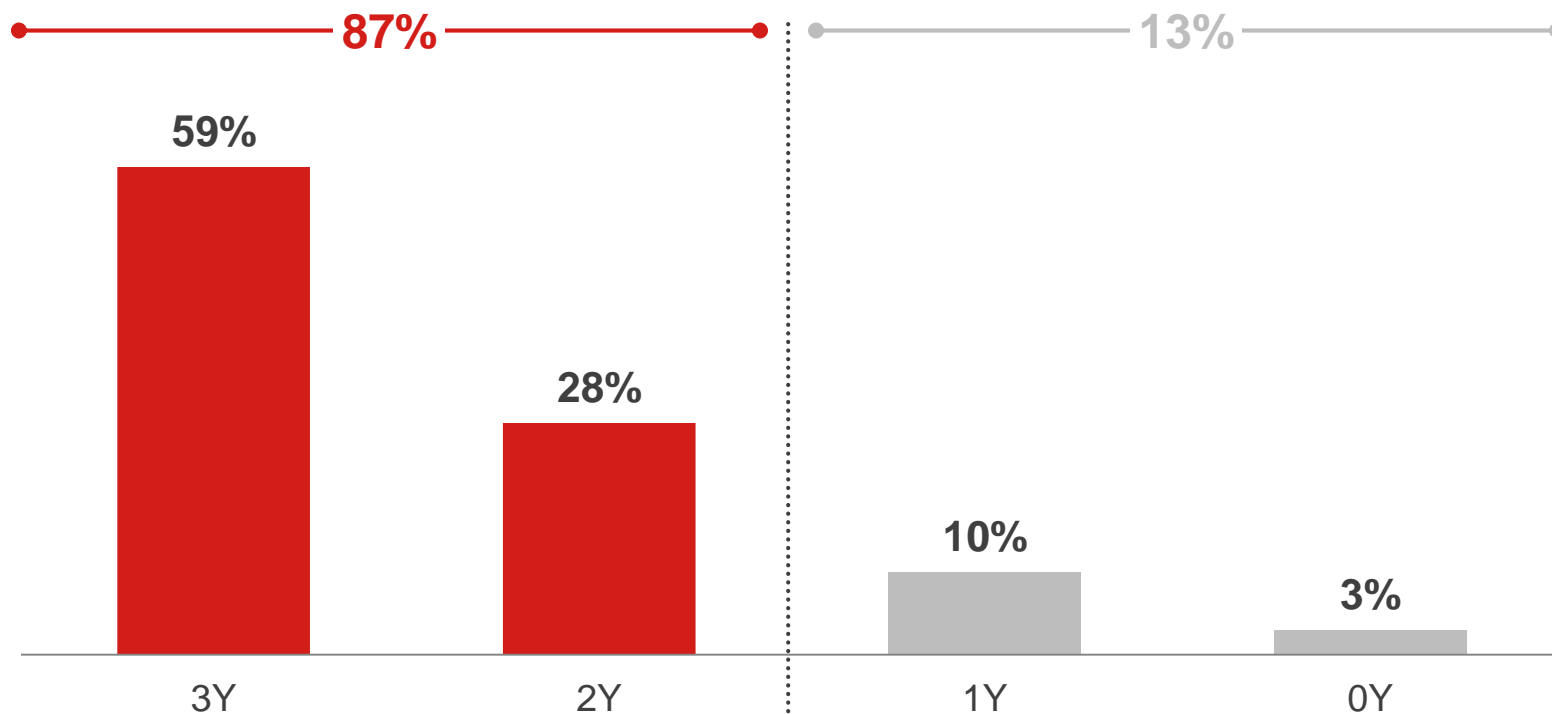
Network structure		Client assets €\bn		FAs <sup>1</sup> #		Avg. portfolio <sup>2</sup> €\m	
		2018	2021	2018	2021	2018	2021
Financial Advisors	WM  WEALTH MANAGERS	15.6	28.0	252	352	73.2	95.8
	PB  PRIVATE BANKERS	31.4	42.3	1,189	1,323	27.3	35.5
	FP  FINANCIAL PLANNERS	4.1	4.5	412	340	10.6	14.4
	Of which <b>BG   TEAM</b>	1.9	9.9	61 FAs in 29 teams	254 FAs in 118 teams	67.1	83.7
Employees	RM  RELATIONSHIP MANAGERS	4.1	5.8	67	74	69.0	81.6

# THE VAST MAJORITY OF THE NETWORK HAS CONTRIBUTED TO RESULTS

87% OF ADVISORS HAVE CONSISTENTLY GENERATED POSITIVE NET INFLOWS OVER 2019-21

## Productivity distribution 2019-2021

% of existing network with positive net inflows for N years, 2019-21



► **87% of advisors are systematically growing their portfolio**, with positive net inflows for at least two years over 2019-2021

► **13% of advisors are either not growing or shrinking their portfolio**, with negative net inflows for at least two years over 2019-2021

## % of Client assets

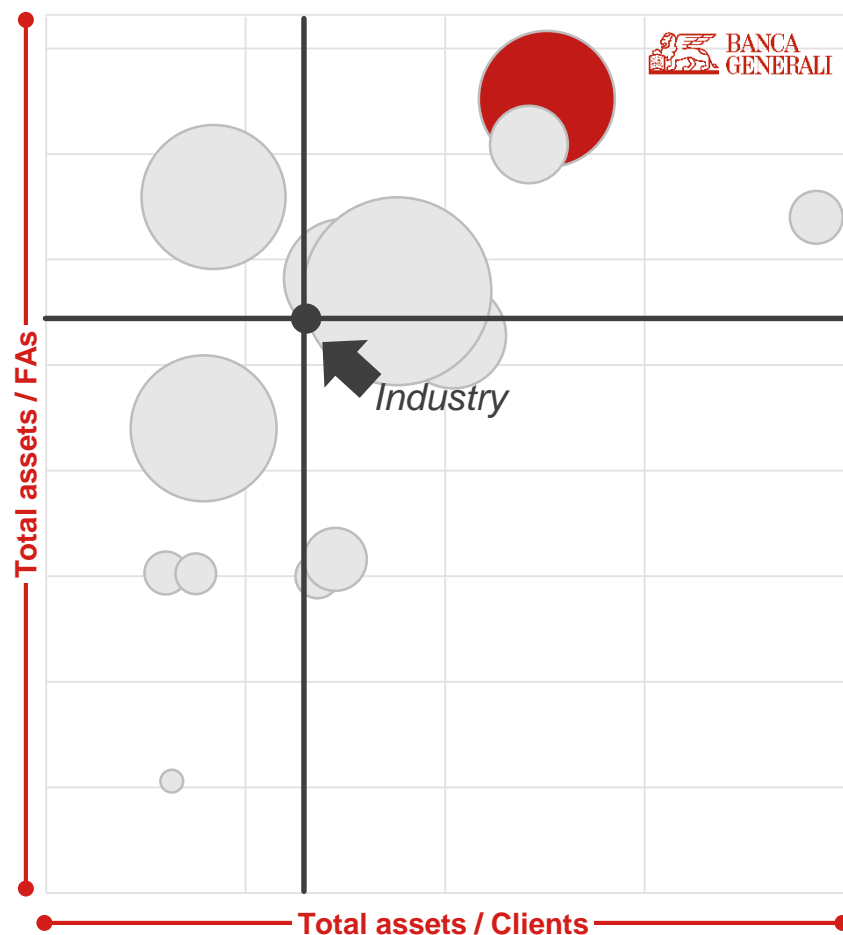


# TODAY, BANCA GENERALI STANDS OUT IN THE INDUSTRY

## BOTH IN TERMS OF POSITIONING AND PRODUCTIVITY

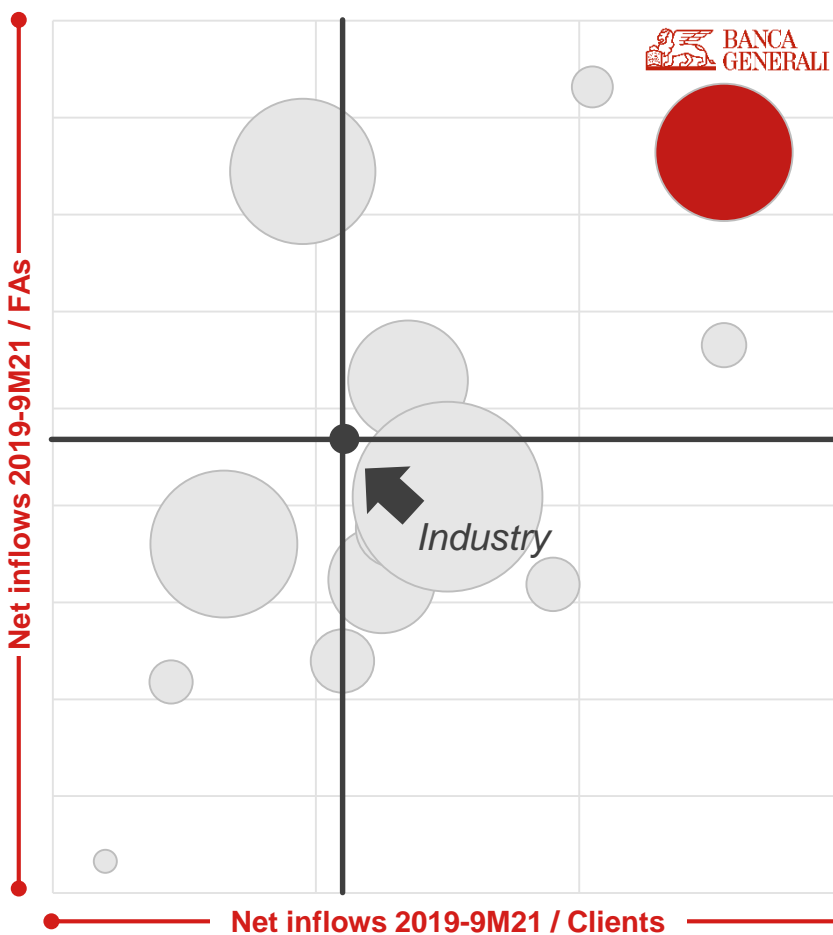
### Positioning vs industry

FA networks by total assets per capita: FAs vs Client



### Productivity vs industry

FA networks by net inflows per capita: FAs vs Clients



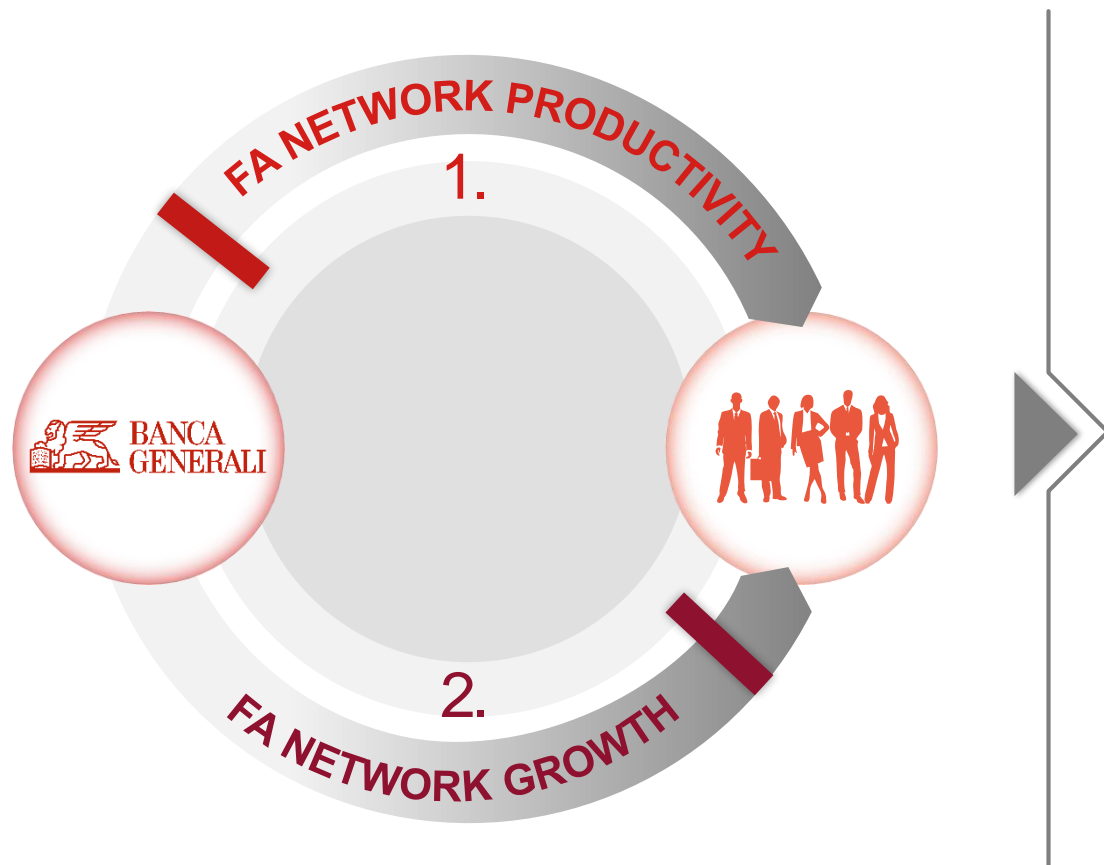
► Banca Generali **ranks at the top of FA networks**, by:

- **Positioning** - avg. size of Financial Advisors and Clients;
- **Productivity** - avg. net inflows per Financial Advisor and Clients



# BANCA GENERALI ASPIRES TO TAKE ITS GROWTH TO THE NEXT LEVEL

BY WORKING ON BOTH PRODUCTIVITY AND NETWORK EXPANSION



1. **Support FAs' productivity** through a new data-driven approach
2. **Expand the network base** by tapping new and diverse talent pools

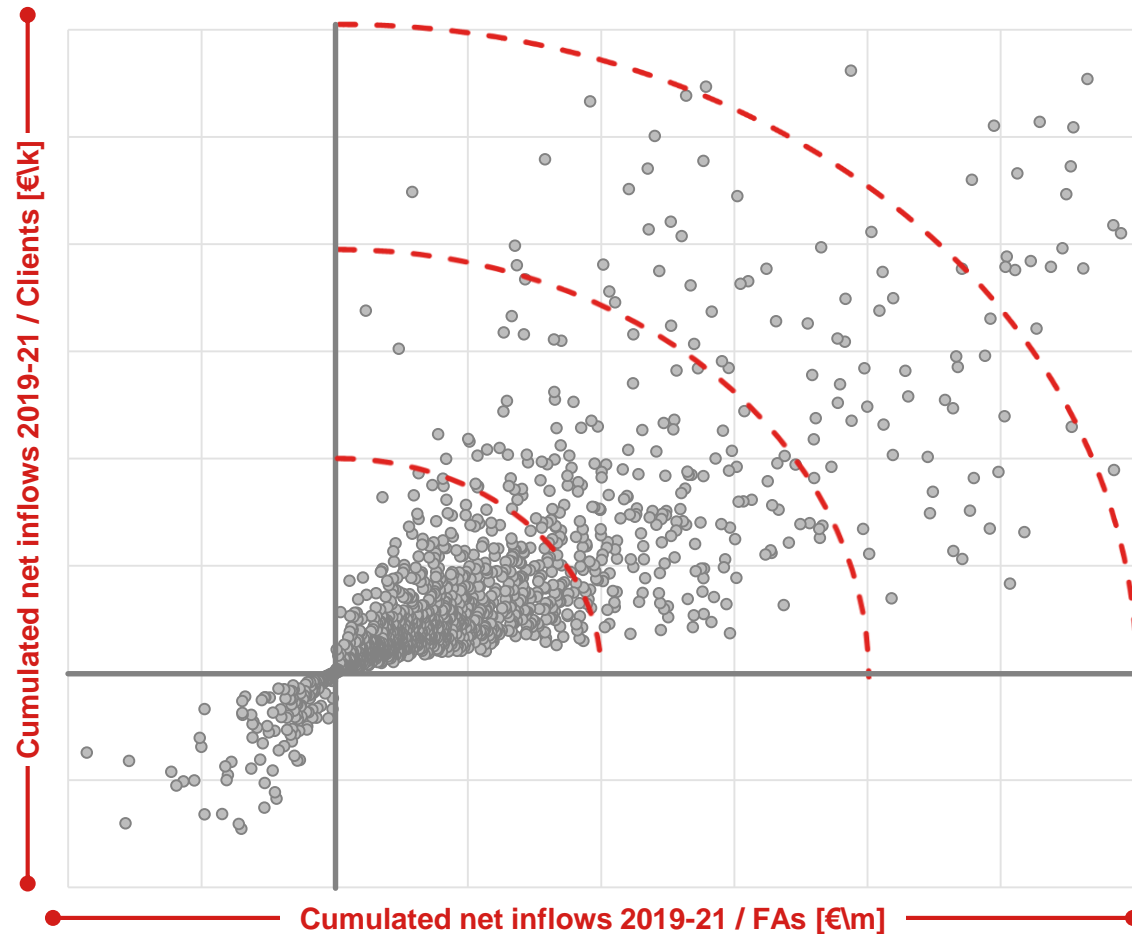
Detailed next

# DESPITE BEST-IN-CLASS METRICS, THERE IS ROOM FOR FURTHER IMPROVEMENT

THERE IS STILL AMPLE DISPERSION IN THE PERFORMANCE OF INDIVIDUAL FAs

1.

## Productivity dispersion



## Root causes

### ► Client base characteristics:

number of Clients served, Client size, share of wallet, Clients in accumulation vs decumulation phase, Client generational change etc.



### ► FA's characteristics:

seniority, skills (commercial and technical) and attitude (to delegate portfolio construction and maintenance, to digital, to non financial services, to ESG)



### ► District characteristics:

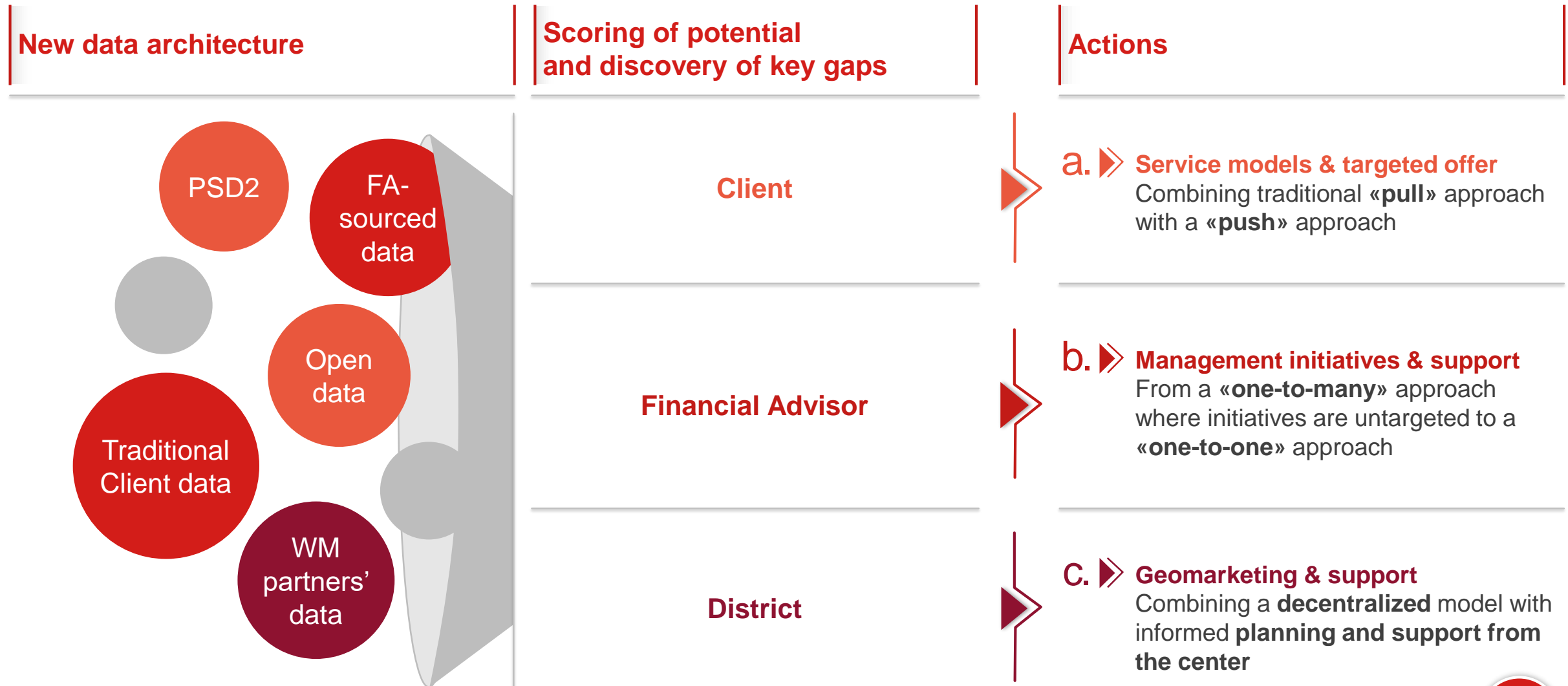
district type, district wealth, competitors' strength, bank footprint etc.



# DATA & ANALYTICS WILL BE KEY TO IMPROVE AGGREGATE PRODUCTIVITY

SCORING OF POTENTIAL WILL HIGHLIGHT GAPS AND DRIVE MANAGEMENT ACTIONS

1.



The end-goal is to boost **productivity** by systematically identifying potential and addressing **performance gaps**





# A SCORING OF CLIENT POTENTIAL WILL GUIDE FA AND BANK ACTIONS

## RESULTING IN TARGETED CLIENT SERVICING

a

1.

### Step 1: Client data

#### Next level

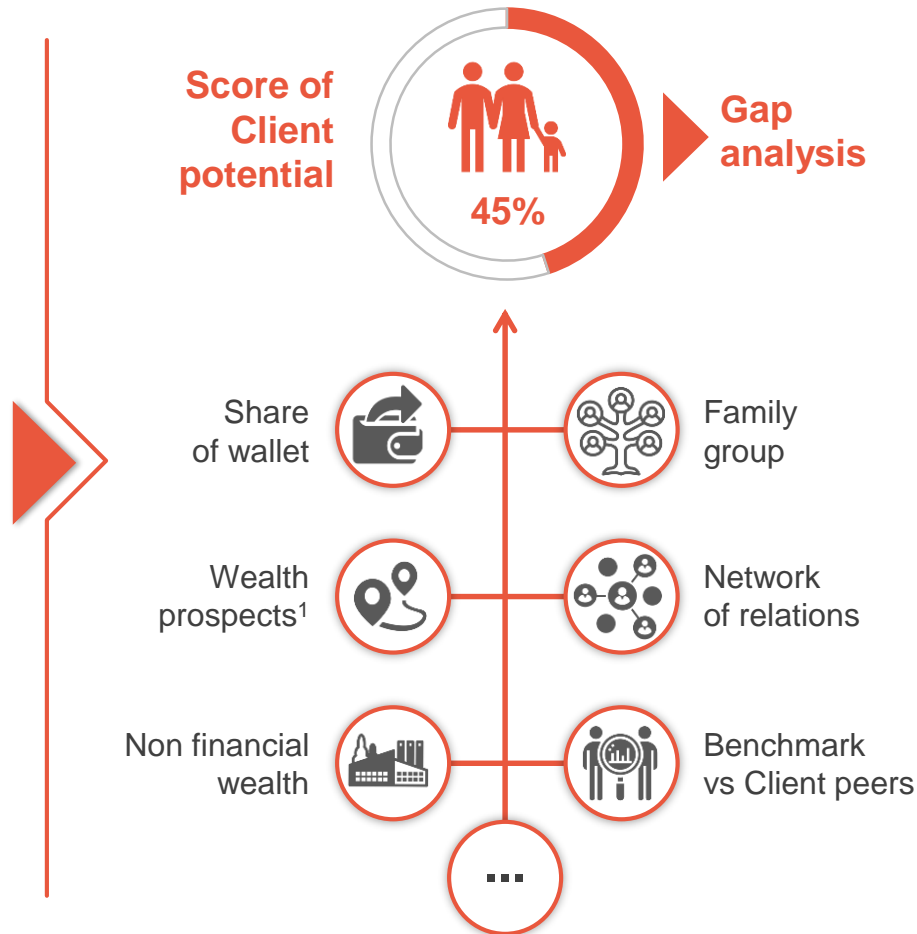
- **Systematic knowledge** of Clients shared by Bank, FAs and managers



- **Strong personal relation / knowledge** between FAs and Clients

#### Foundation

### Step 2: scoring of potential



### Step 3: shared action plan

Shared assessment of **development potential** and **gaps** will guide **service effort** for each Client

Opportunity for the Bank to selectively move from «pull» to «push» approach in deployment of **service models** or **targeted offer**

#### Tools



**Service models**



**Targeted offer**

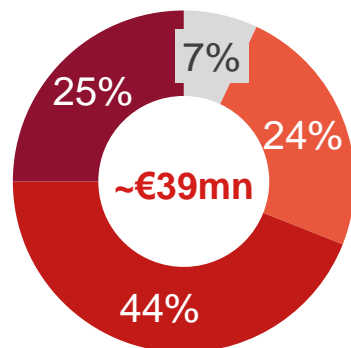
# ENABLING FAs TO RE-ALLOCATE TIME TOWARDS BEST OPPORTUNITIES

HOW WE WILL DELIVER BETTER PRODUCTIVITY AND PROFITABILITY

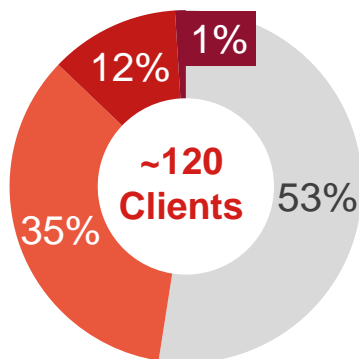
a  
1.

## Looking through the eyes of an FA

**Portfolio** – Key driver of revenue

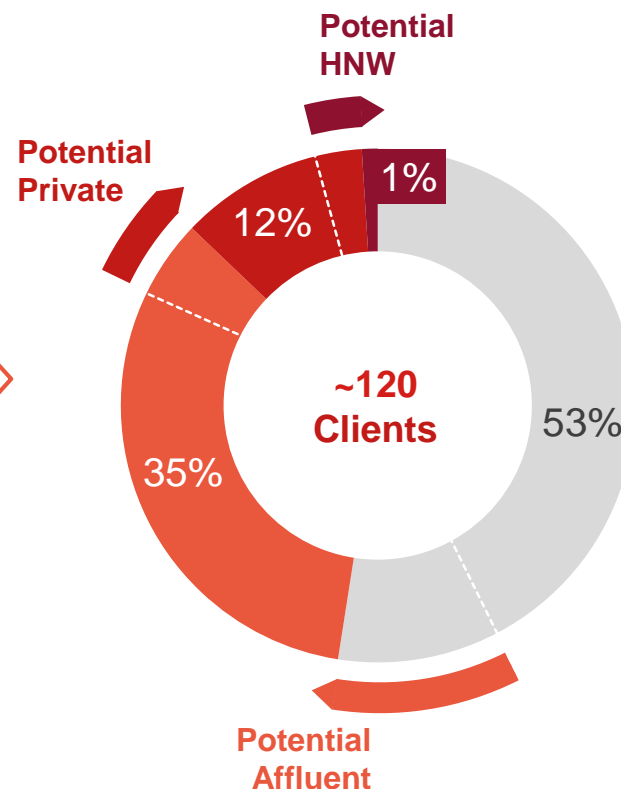


**Client base<sup>2</sup>** – Key driver of FA time



## Adding a view of Client potential...

**Potential Client base**



## ... to support FA's time allocation

**Quality FA-Client time** is a key driver of value and the scarce resource around which to optimize the business

- **Client potential** will be the compass guiding FA and Bank
- **Service models** will enable FA to reallocate time from smaller to higher potential Clients, while raising service level across the board thanks to greater Client service support from the Bank
- **Targeted offer** will allow a tailored approach to each segment

As a result, **better FA productivity and profitability** is expected, while delivering best value to Clients

# A SCORING OF FA POTENTIAL WILL GUIDE MANAGER AND BANK ACTION

## RESULTING IN BEST TARGETED MANAGEMENT INITIATIVES

b

1.

### Step 1: FA data

#### Next level

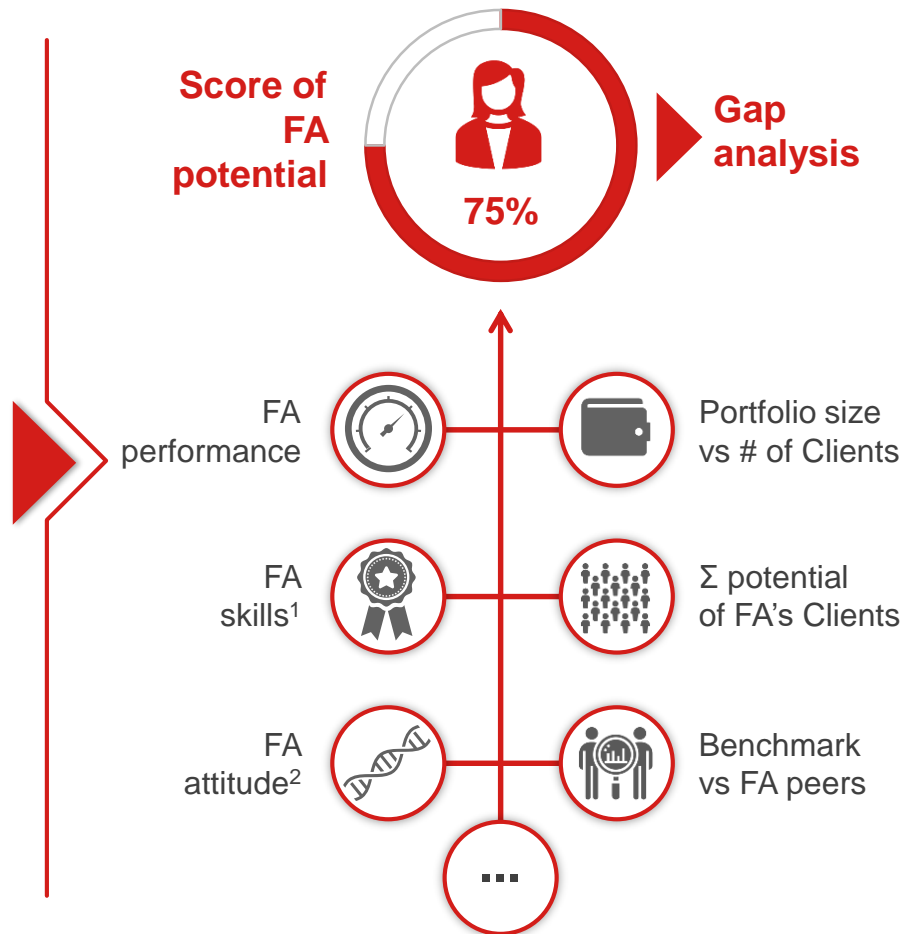
- **Systematic knowledge** of FAs shared by Bank and managers



- **Personal relation / knowledge** between manager and FAs

#### Foundation

### Step 2: scoring of potential



### Step 3: shared action plan

Shared assessment of FA potential and needs (e.g. Client development vs acquisition) will guide **BG support**

Opportunity to move from «**one-to-many**» to «**one-to-one**» **approach** in management initiatives

#### Tools



Team



Training



Succession planning



Coaching



Retention



Exit



# A SCORING OF FA POTENTIAL WILL GUIDE MANAGER AND BANK ACTION

## RESULTING IN BETTER TARGETED LOCAL PRESENCE

C  
1.

### Step 1: district data

#### Next level

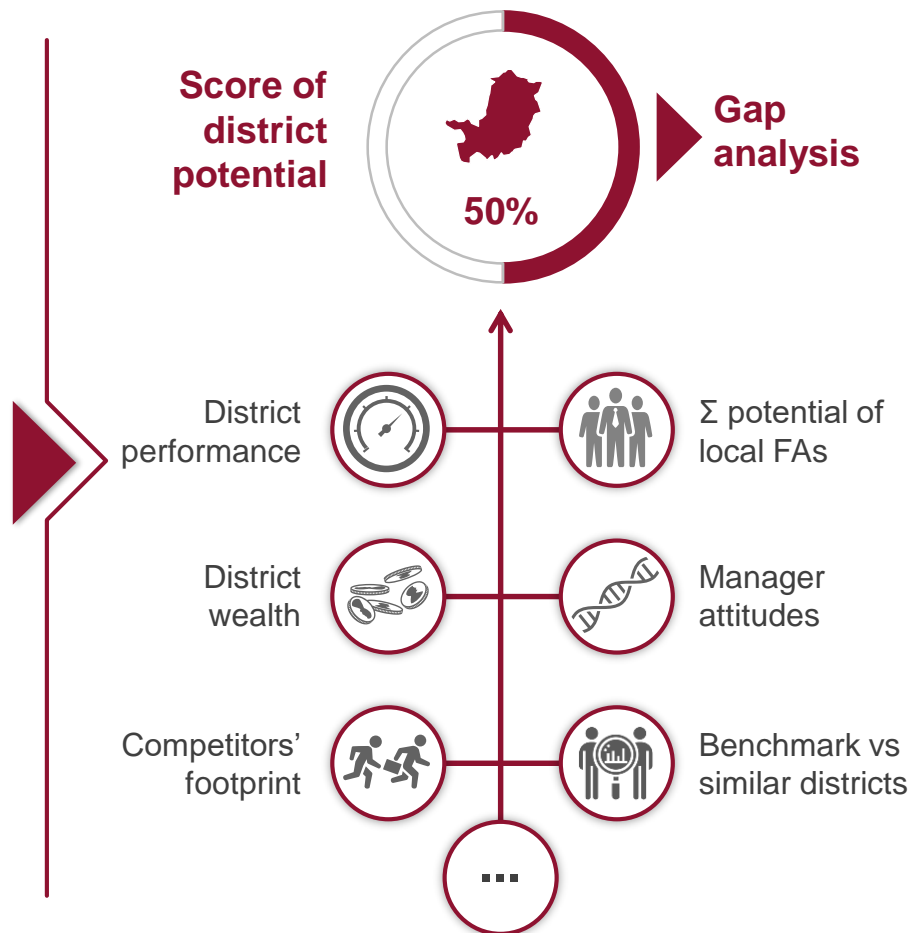
- Systematic knowledge of district shared by Bank and managers



- Manager's **local knowledge** of the peculiarities of the district

#### Foundation

### Step 2: scoring of potential



### Step 3: shared action plan

Opportunity to combine a **decentralized** model where local managers are empowered to find and seize opportunities on the ground with informed **planning and support from the center**

#### Tools



Marketing



Events



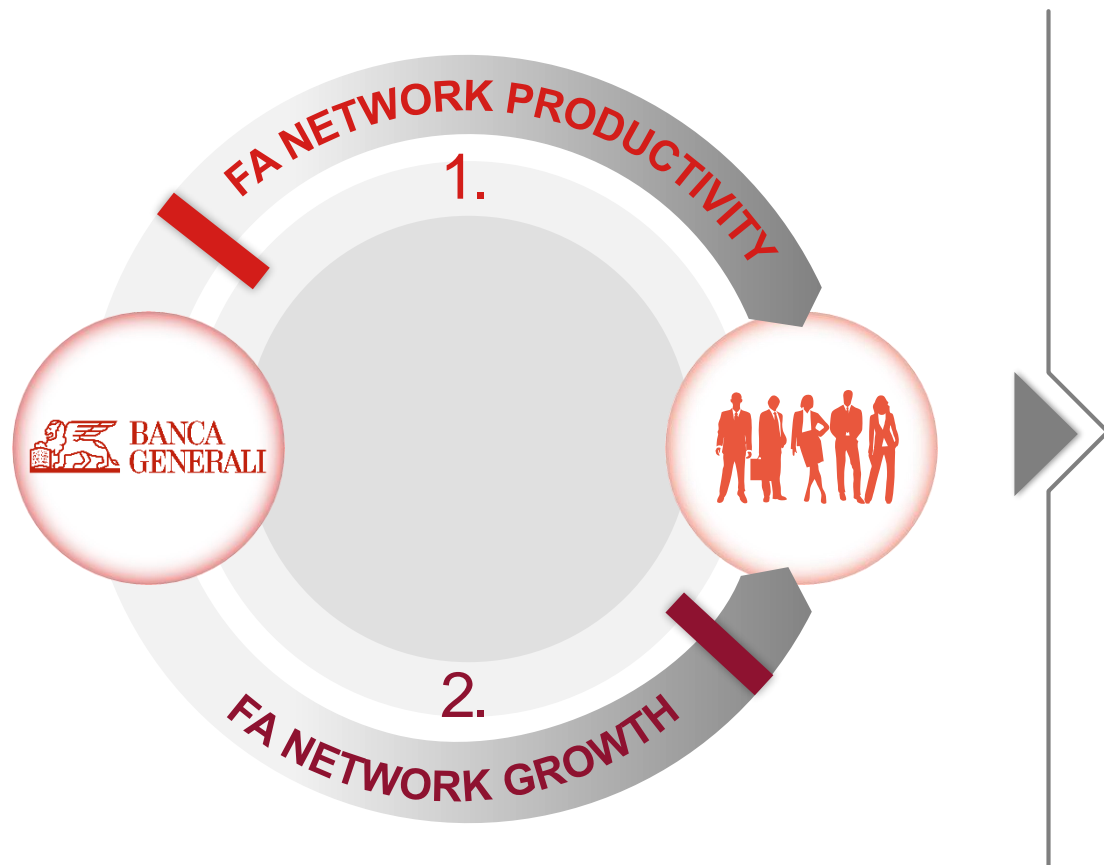
Branch



Recruitment

# BANCA GENERALI ASPIRES TO TAKE ITS GROWTH TO THE NEXT LEVEL

BY WORKING ON BOTH PRODUCTIVITY AND NETWORK EXPANSION



1. **Support FAs' productivity** through a new data-driven approach
2. **Expand the network base** by tapping new and diverse talent pools

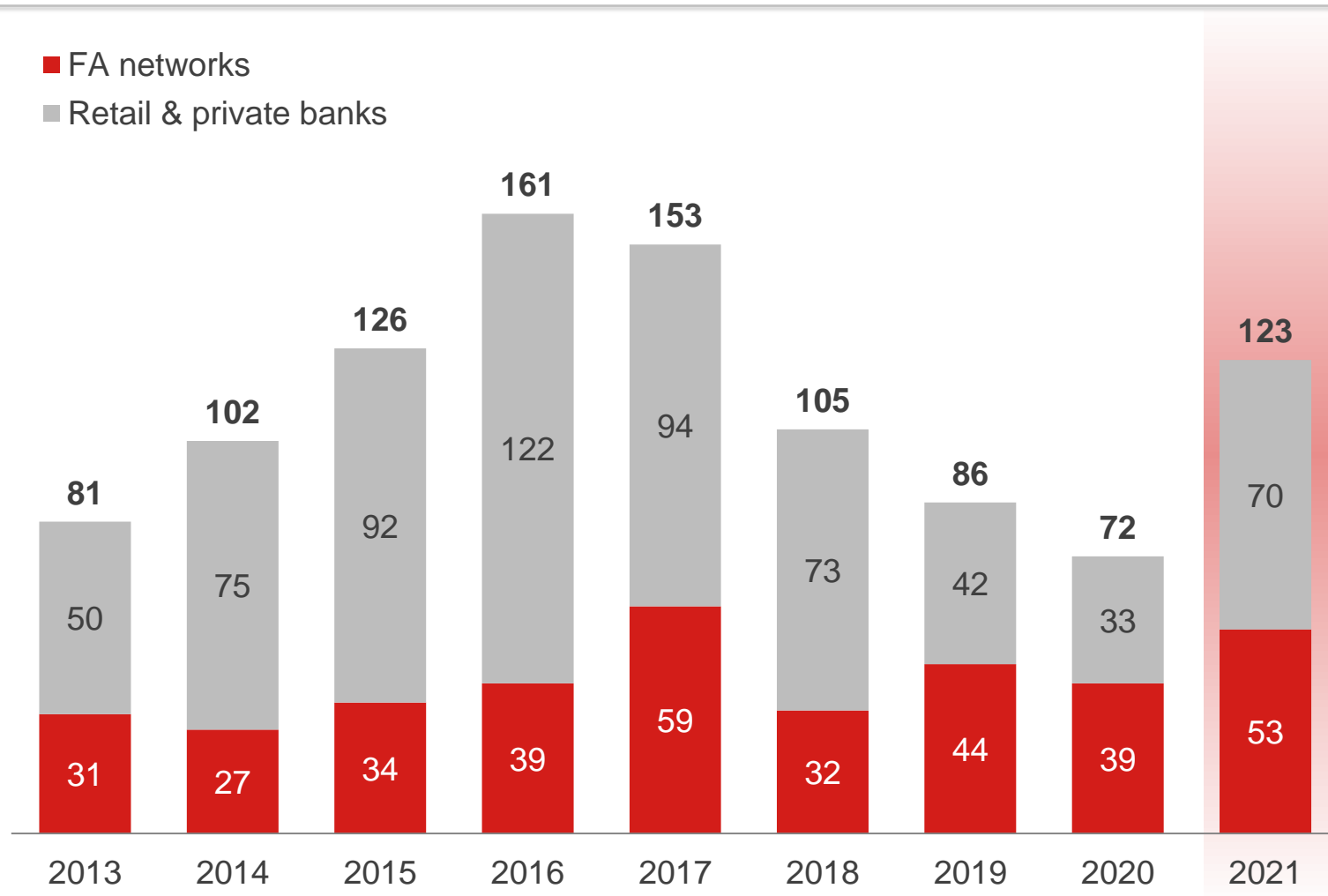
Detailed next

# BANCA GENERALI HAS A SUCCESSFUL TRACK RECORD IN RECRUITING

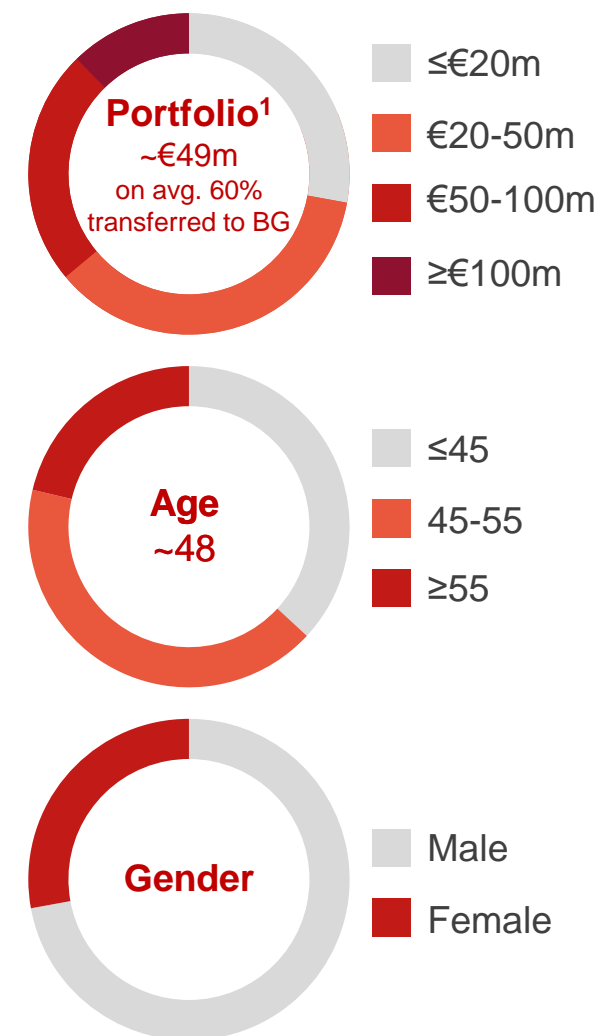
## USING ITS BRAND AND PROWESS IN ATTRACTING TALENT ACROSS THE INDUSTRY

2.

### Recruitment #



### Focus on 2021 recruits





# OVER THE NEXT STRATEGIC CYCLE BG WILL TAP NEW RECRUITMENT POOLS

DUE TO BETTER ABILITY TO ATTRACT AND SUPPORT A WIDER POPULATION OF FAs

2.

## Recruitment guidelines

Private talent



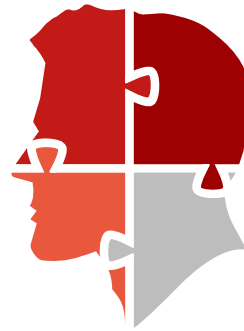
Next generation & diverse talent



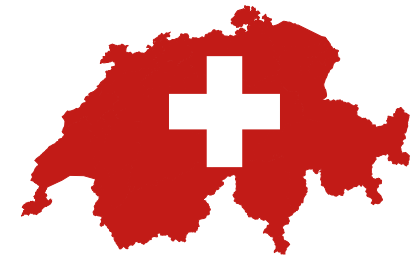
International expansion



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

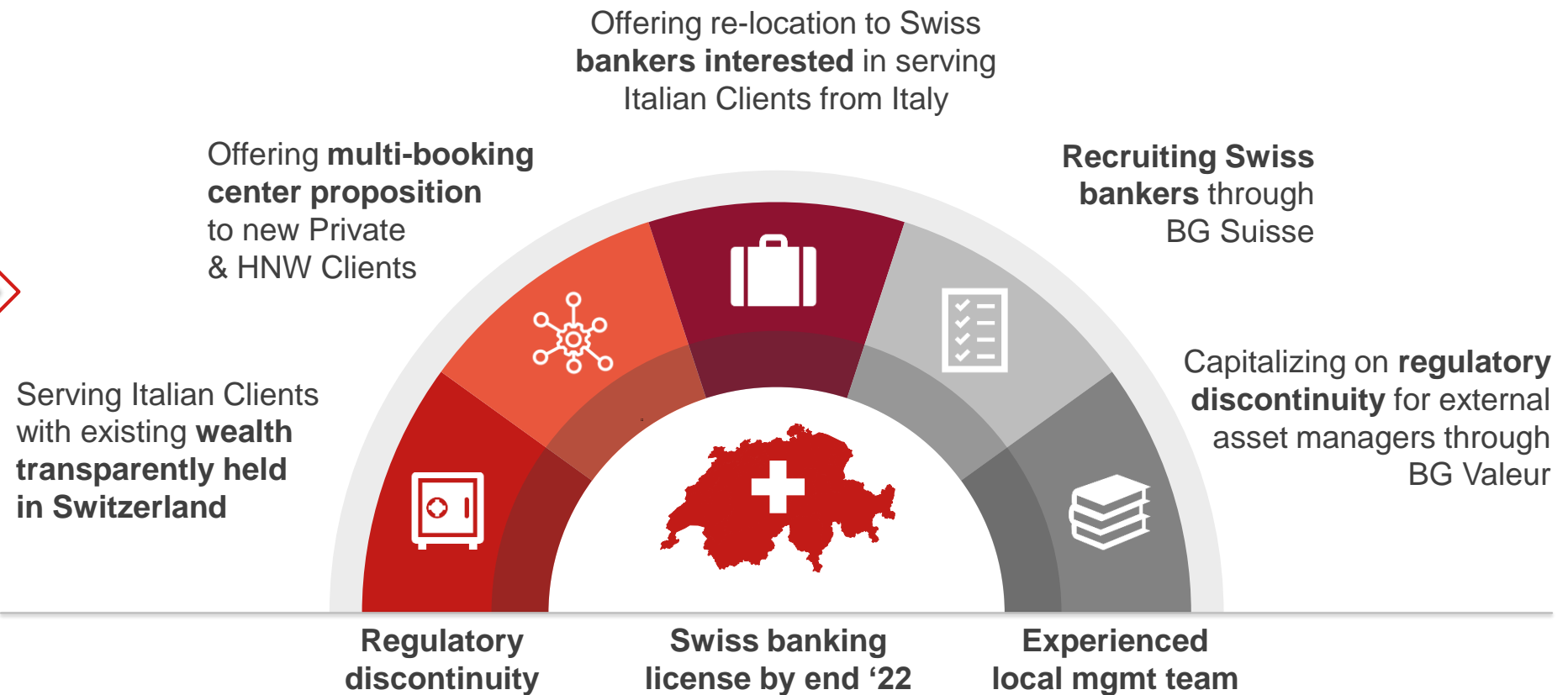
# SWITZERLAND WILL SUSTAIN BOTH RECRUITMENT AND PRODUCTIVITY

## BY ADDRESSING CLIENTS MANAGED IN ITALY AND CLIENTS MANAGED IN SWITZERLAND

2.

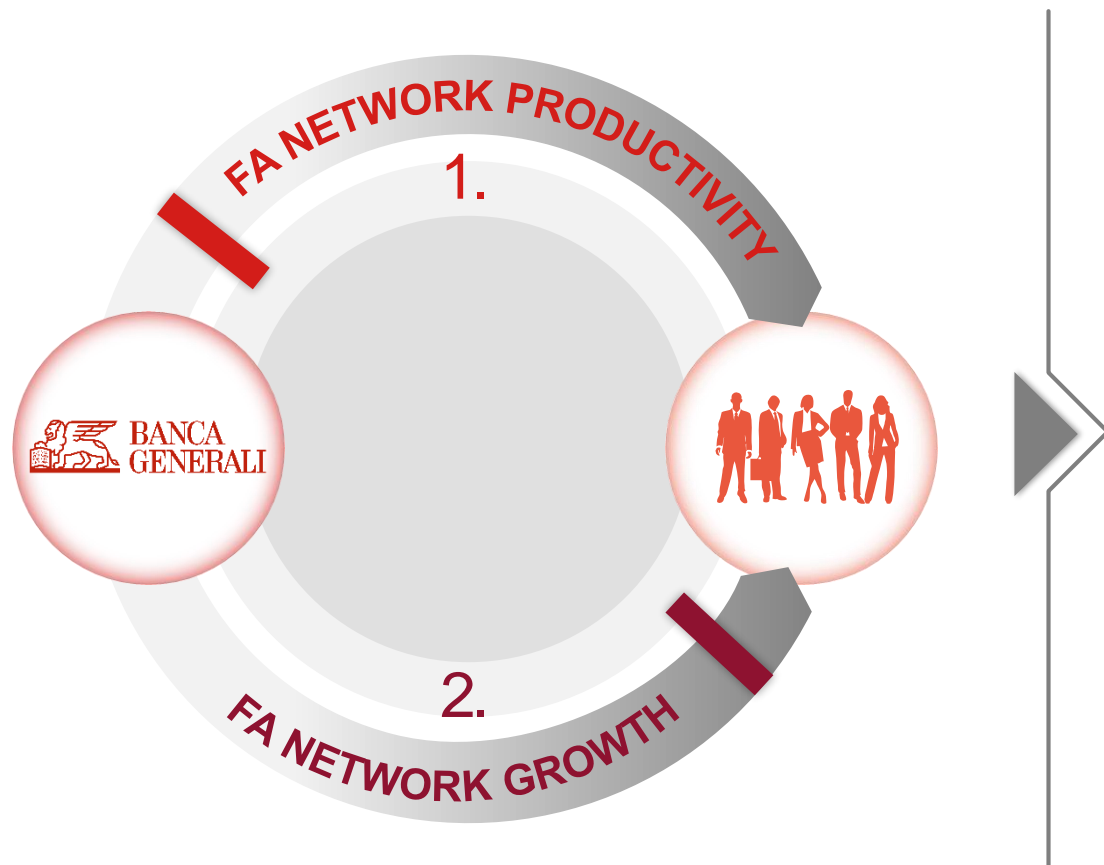
Targeting >€5bn-€7bn Client assets<sup>1</sup>  
(between productivity and recruitment) over a 5-year horizon

- ▶ **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



# BANCA GENERALI ASPIRES TO TAKE ITS GROWTH TO THE NEXT LEVEL

BY WORKING ON BOTH PRODUCTIVITY AND NETWORK EXPANSION



## 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



# Investor Day 2022-2024

Milan, February 14<sup>th</sup> 2022

**Riccardo Renna**  
*COO & Head of Innovation*





# 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



# CONTINUE TO BUILD A DATA-DRIVEN, DIGITAL AND OPEN BANK

## STRATEGIC GUIDELINES ON DATA, PLATFORMS AND PARTNERSHIPS

### 2<sup>nd</sup> 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



# DATA-DRIVEN BANK (1/2)

OVER THE PAST YEARS WE HAVE BUILT A SINGLE VIEW OF DATA WITHIN THE ORGANIZATION

**New data management  
and governance division**



**New data cloud architecture  
(Amazon Web Services)**



**aws**



**Data availability and centrality**  
Single view of data within the organization

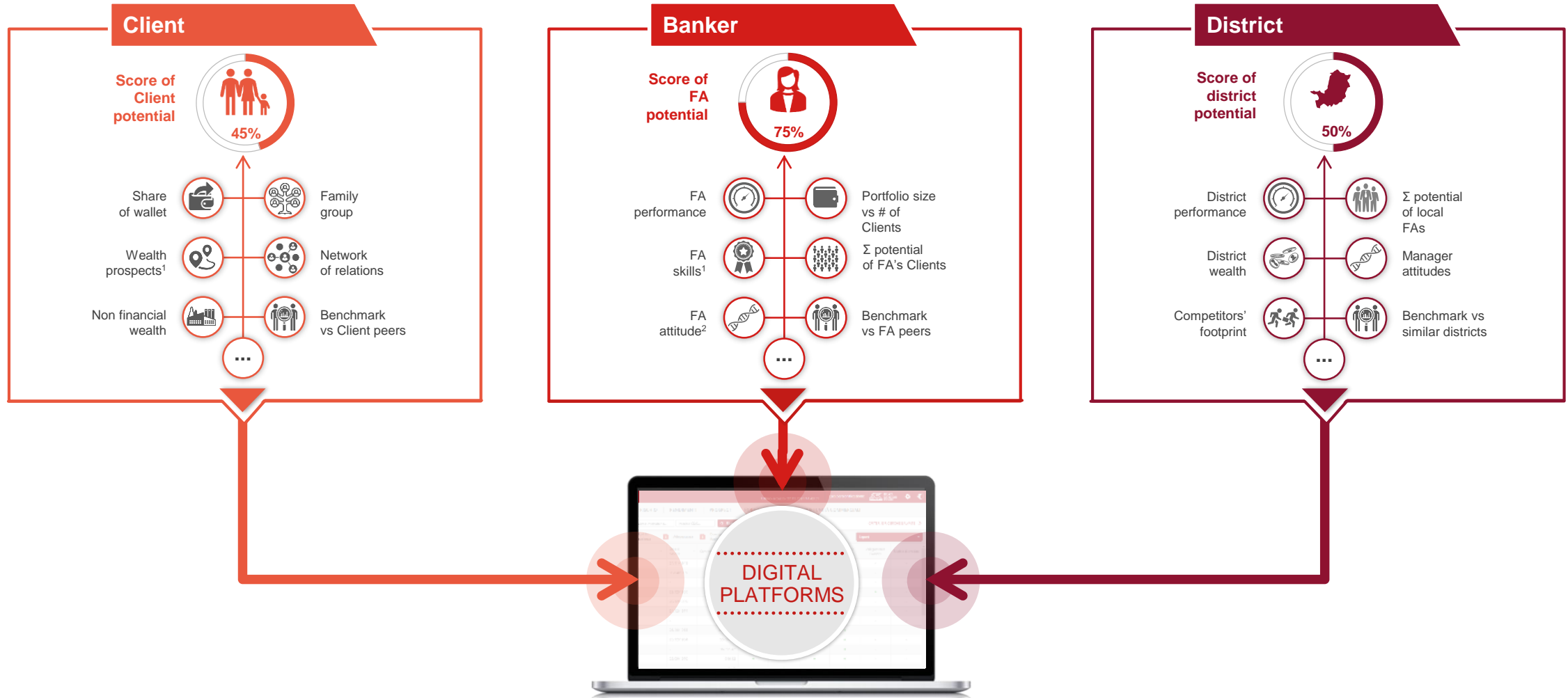


## DATA-CENTRICITY



# DATA-DRIVEN BANK (2/2)

THE NEXT STEP WILL BE TO EXPLOIT OUR HIGH-QUALITY DATA TO POWER THE COMMERCIAL PROCESS



Cloud architecture in place

Provide the FA network with engagement ideas to stimulate **commercial process**

Foster collaboration between Bank and FA network

# DIGITAL PLATFORMS (1/2)

OVER THE PAST YEARS WE HAVE LAID THE DIGITAL FOUNDATIONS OF OUR BANK



**Advisor**

Rich **ecosystem of applications** to support the Financial Advisor



**Bank**

**Business process automation** to simplify daily operations



Up to 40% time reduction<sup>1</sup>



>65% digital onboarding



Up to 70% automation rate<sup>1</sup>



**Client**

New **digital tools** in banking and trading to enrich Client experience





# DIGITAL PLATFORMS (2/2)

WE WILL FURTHER WORK TO FOSTER PERSONALIZATION, SCALABILITY AND DIGITAL EXPERIENCE



**Advisor**



**Targeted personal platforms** as the enablers to new service models, to achieve greater personalization in our **commercial process**



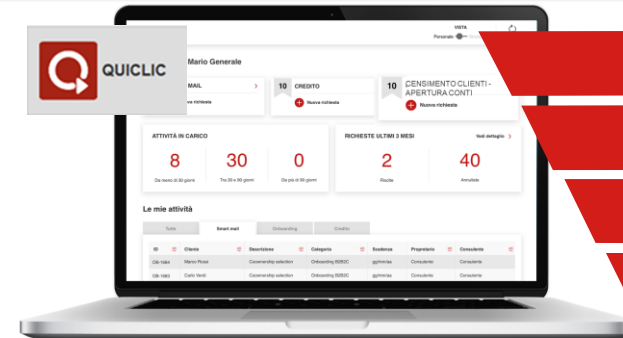
Family Office  
data driven platform



**Bank**



**Smart operations**, with simpler and scalable **operating processes**, to secure operating leverage



Onboarding

Successions

Lending

Payments



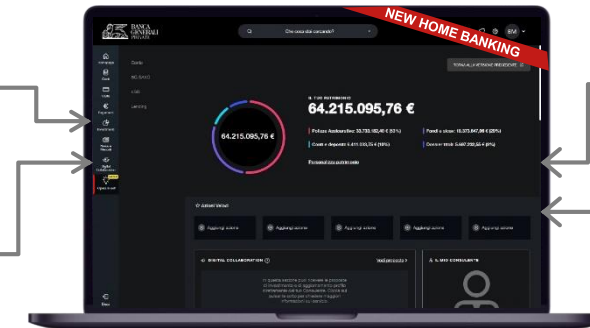
**Client**



**New digital services** in selected verticals to enrich **digital customer experience**

Digital assets

Trading



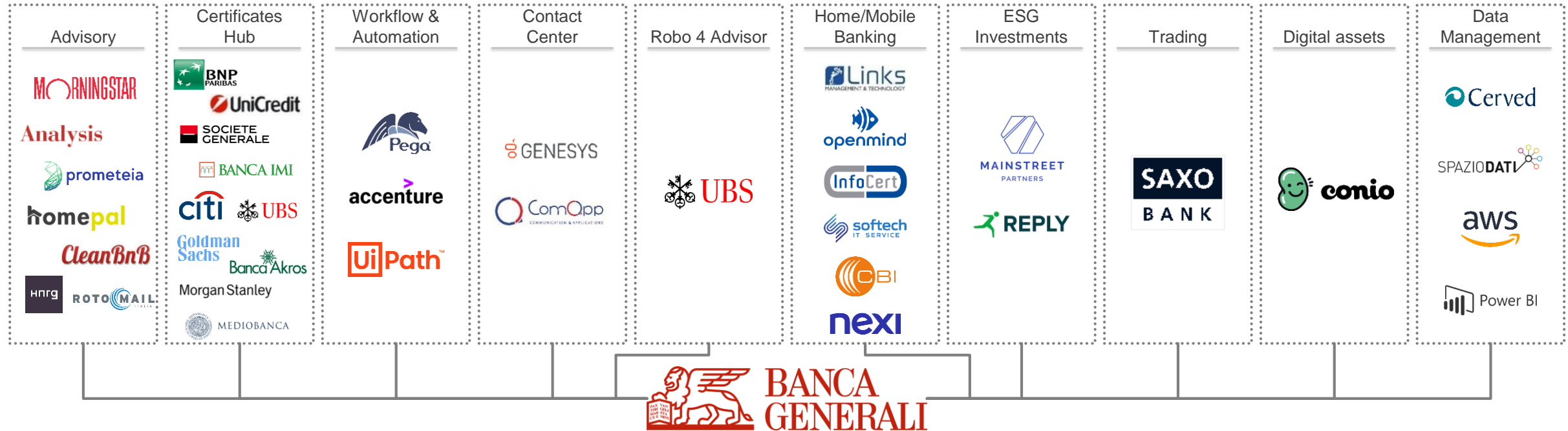
Sustainability

Lending

# PARTNERSHIPS ECOSYSTEM (1/2)

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**

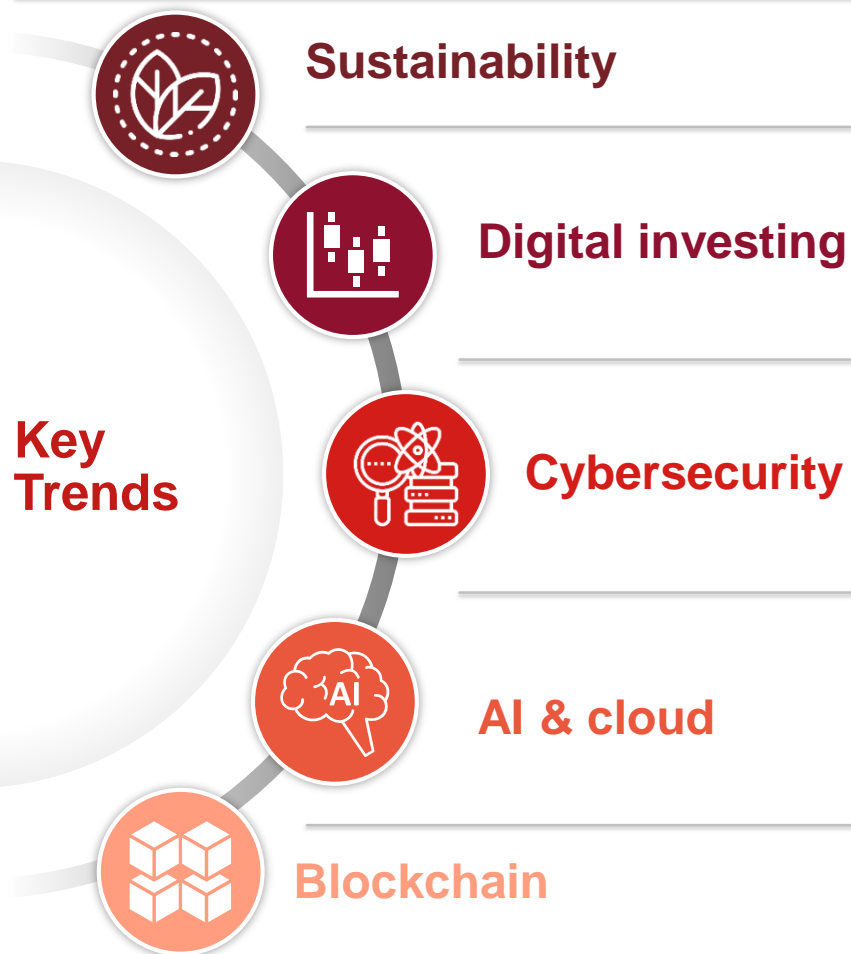
**Revenue & risk-sharing** with partners  
vs upfront & running costs / risk taking

**Lean operating machine<sup>1</sup>**  
(<7bps cost on assets)

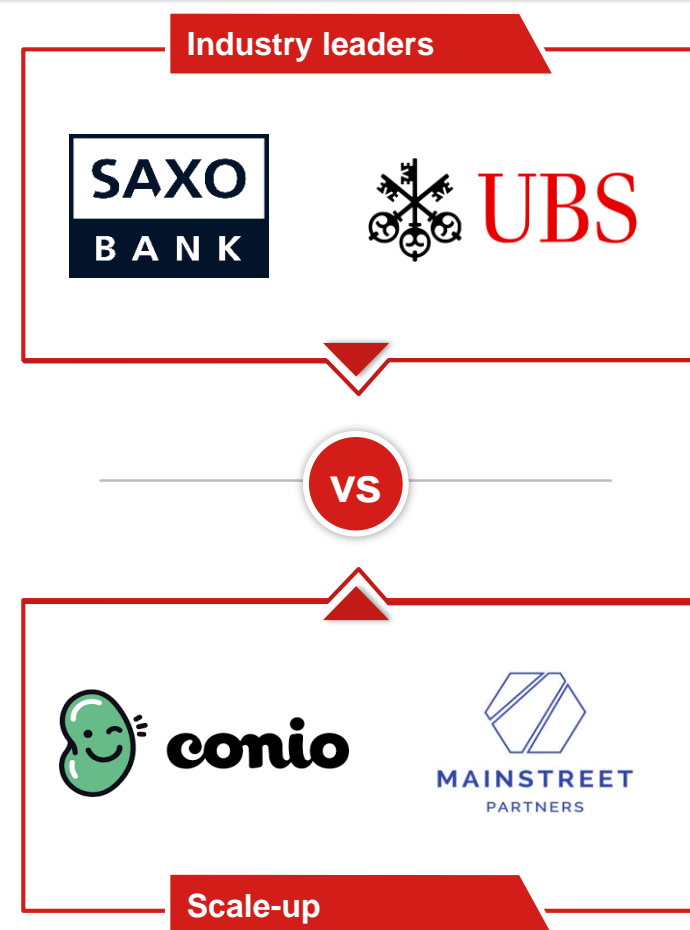
# PARTNERSHIPS ECOSYSTEM (2/2)

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** optionalities



# Investor Day 2022-2024

Milan, February 14<sup>th</sup> 2022

**Carmelo Reale**

*General Counsel & Group  
Sustainability*





# GROWTH WILL BE ACHIEVED THROUGH THE EVOLUTION OF THE BANK BASED ON THREE KEY PILLARS

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### Innovation

Build a data-driven, digital and open bank

### Sustainability

Be the ESG reference point for all our Stakeholders



# BE THE ESG REFERENCE POINT FOR ALL OUR STAKEHOLDERS

## STRATEGIC GUIDELINES BY STAKEHOLDER

### 3<sup>rd</sup> Pillar

#### Sustainability

Be the ESG reference point for all our Stakeholders

#### Guidelines



Clients and FAs



Enriching our **SDGs<sup>1</sup> 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**



# BG APPROACH: SUSTAINABILITY AS THE LIFE FORCE OF BANCA GENERALI

## KEY ACCOMPLISHMENTS



### Clients and FAs

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**<sup>1</sup>



### 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



SUSTAINALYTICS

## 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



## EE (strong)<sup>1</sup>

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



## 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



## Shareholders engagement

➤ **ESG investors represent 34.3%<sup>2</sup>** of institutional shares. This level is **above average** when compared to Nasdaq's market benchmarks for Financials, Italy and Europe

# STRATEGIC PRIORITIES FOR BG'S FUTURE SUSTAINABILITY PATH

## REINFORCING BG'S SUSTAINABILITY STRATEGY BASED ON FOUR GUIDELINES



### Clients and FAs



>40%

% **AUM ESG on managed solutions** (reference to SFDR's Article 8 and 9) thanks to launch of taxonomy oriented solutions

>50%

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

>90%

% **FAs taking part in annual training** on ESG topics [By 2024]



### Shareholders & Authorities



Increase **ESG disclosure** through reporting framework

Becoming a signatory of:



Principles for Responsible Investment



[...]

Ongoing engagement of **Stakeholders**, keeping communication open to **best meet investors' demands**

[By 2024]



### Employees



50%

New hires **under 35**

70%

Employees involved in projects on **digital transformation** and **sustainability impact**

100%

Employees in **hybrid work**<sup>1</sup>

[By 2024]



### Community & future Generations



By 2025: **reduction of carbon footprint by 25% vs 2019** in relation to investments managed by BG in corporates

By 2030: **phase out of all investments in corporates** linked to carbon fuel

By 2040: **net zero emissions**

Asset managers **engagement policies**

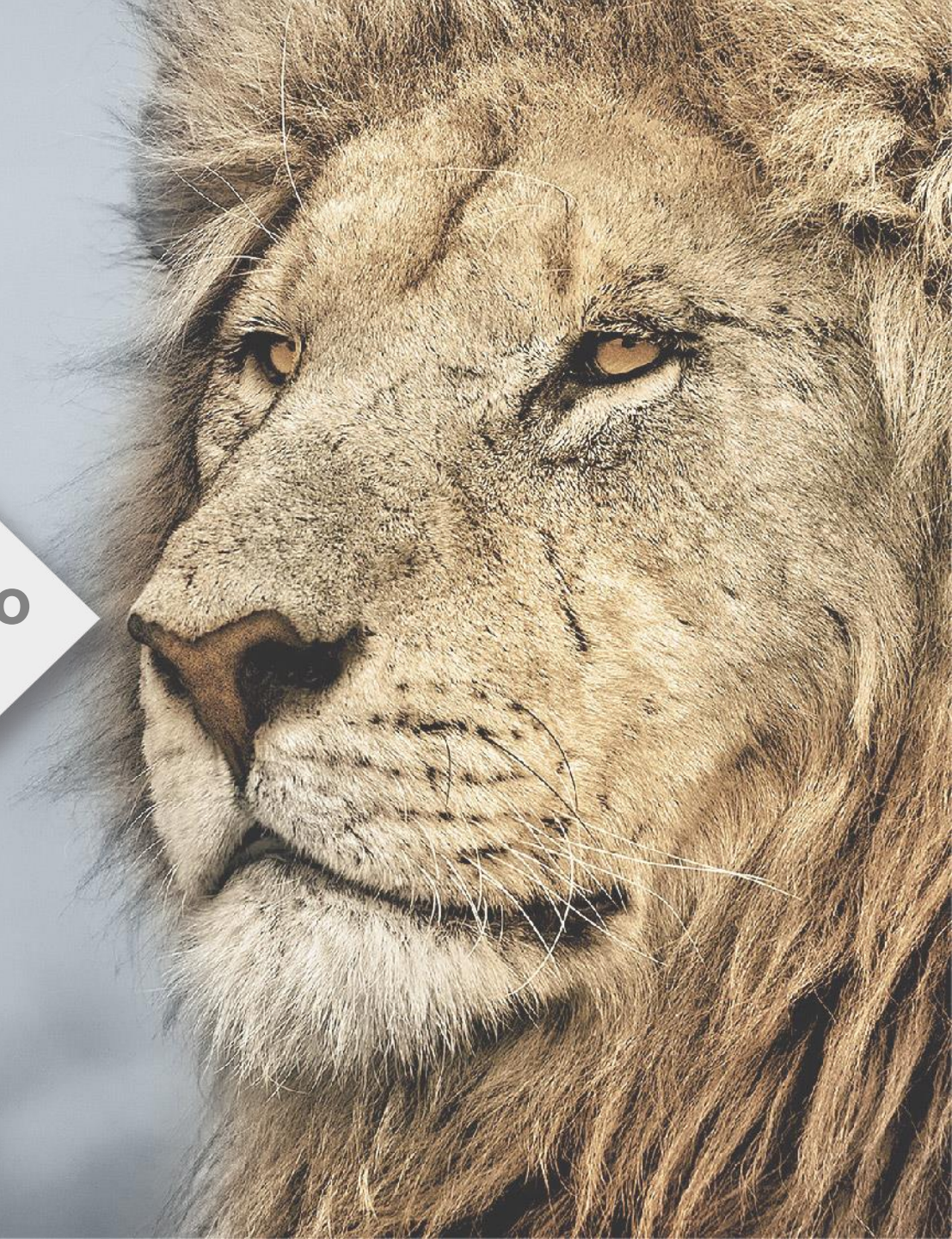
Increase **community engagement** and launch **social impact initiatives**



# Investor Day 2022-2024

Milan, February 14<sup>th</sup> 2022

**Tommaso di Russo**  
CFO & Head of Strategy



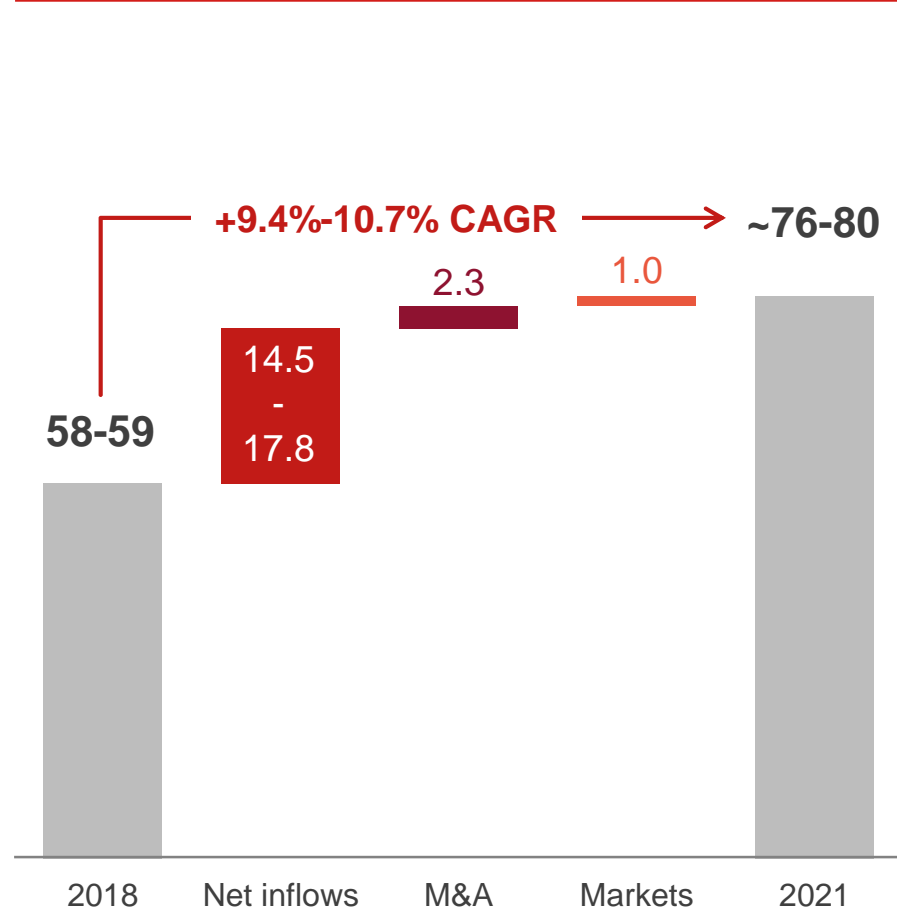


# TOTAL CLIENT ASSETS (1/2)

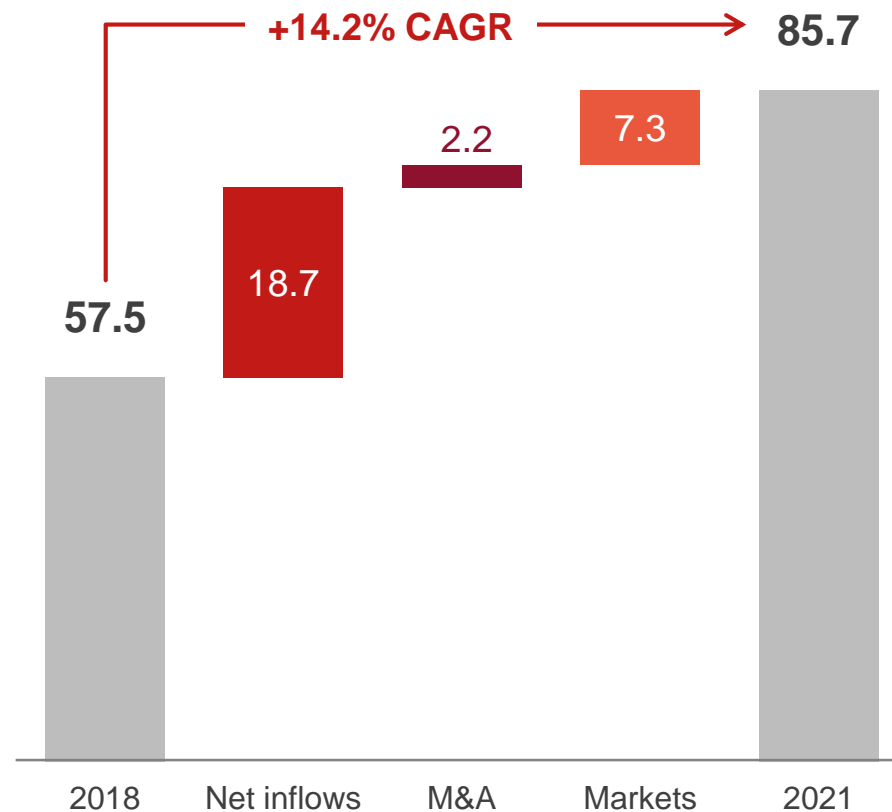
BG SUCCESSFULLY DELIVERED ABOVE TARGET GROWTH DURING PREVIOUS PLAN

Total Client assets €\bn

## 2018 Investor Day guidance



## Actuals for 2018-2021 horizon



➤ Total Client assets grew at 14.2% CAGR 2018-21, above guidance

➤ Better than expected **net inflows** at €18.7bn vs €14.5bn-€17.8bn range and significant contribution from **markets**

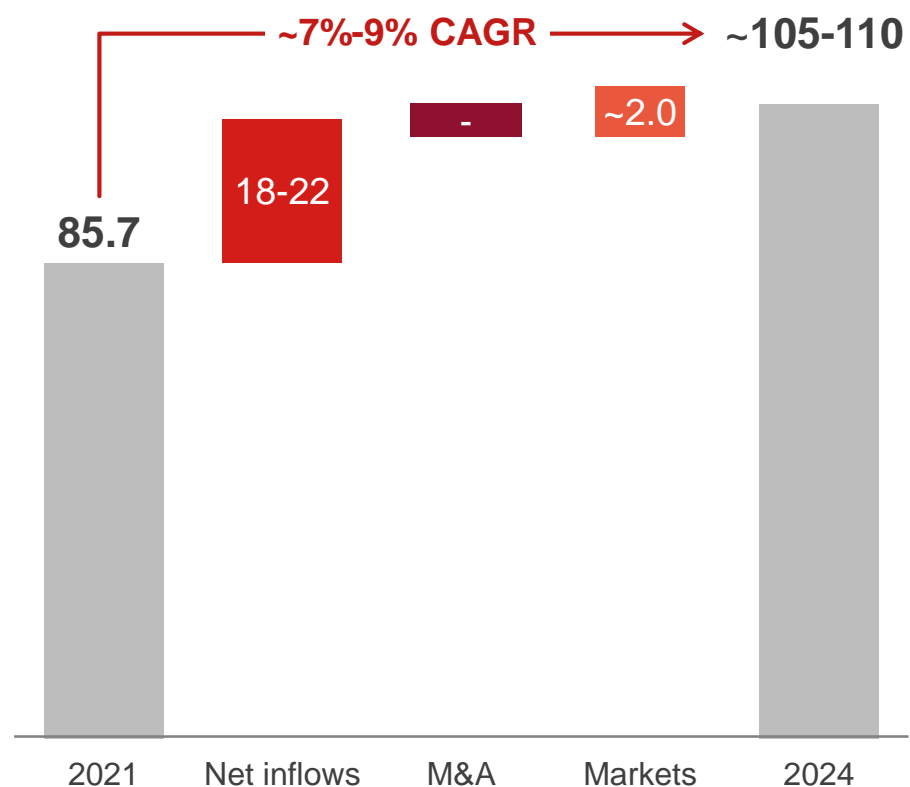
# TOTAL CLIENT ASSETS (2/2)

STRONG NET INFLOWS TOPPING €100BN MILESTONE

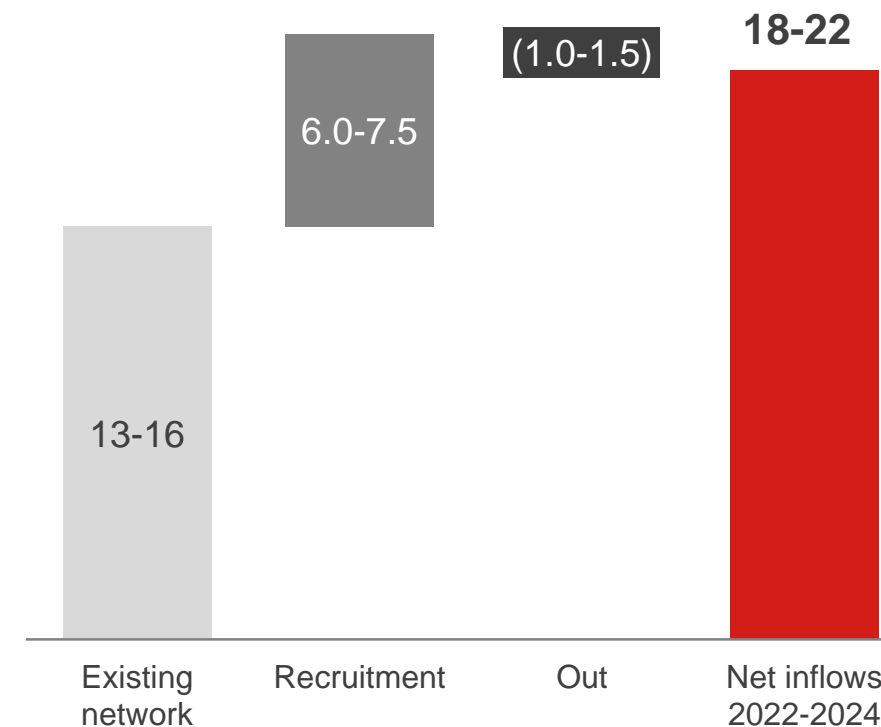


Consistent growth

## Total Client assets €\bn



## Focus on net inflows €\bn



## Guidance

➤ Total Client assets up by ~7%-9% CAGR 2021-24, in €105bn-€110bn range

➤ €18bn-€22bn cumulated net inflows, o/w >2/3 from existing network<sup>1</sup>

➤ Markets <1% p.a.



# RECURRING NET PROFIT

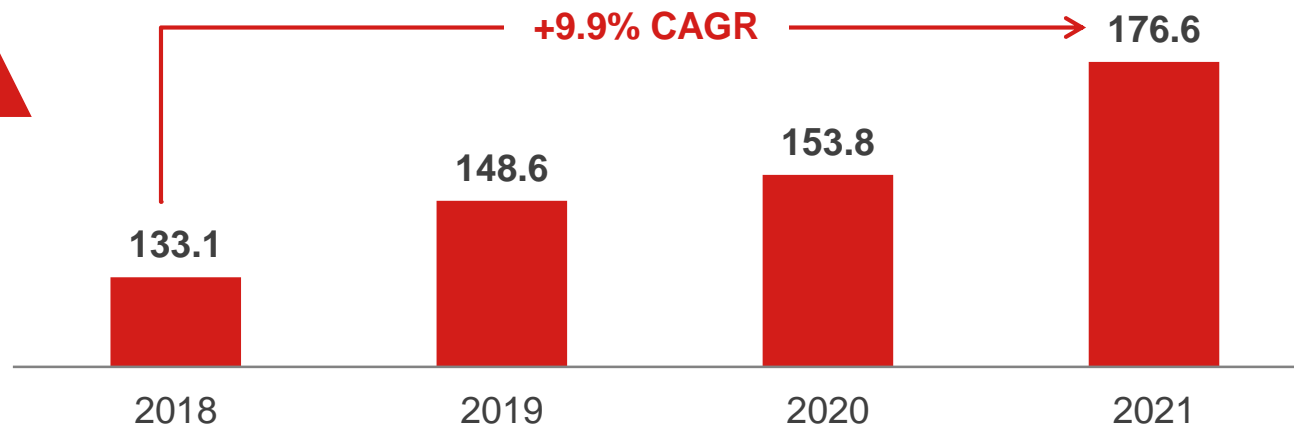
## TARGETING GROWTH IN EXCESS OF DOUBLE DIGITS



Profitable  
growth

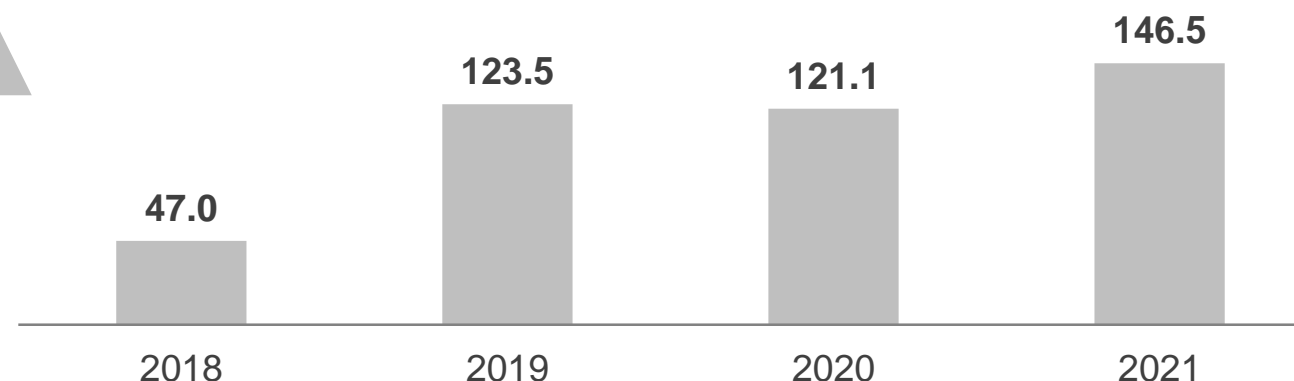
### Recurring net profit

€\m



### Variable net profit

€\m



### Net profit

€\m



### Guidance



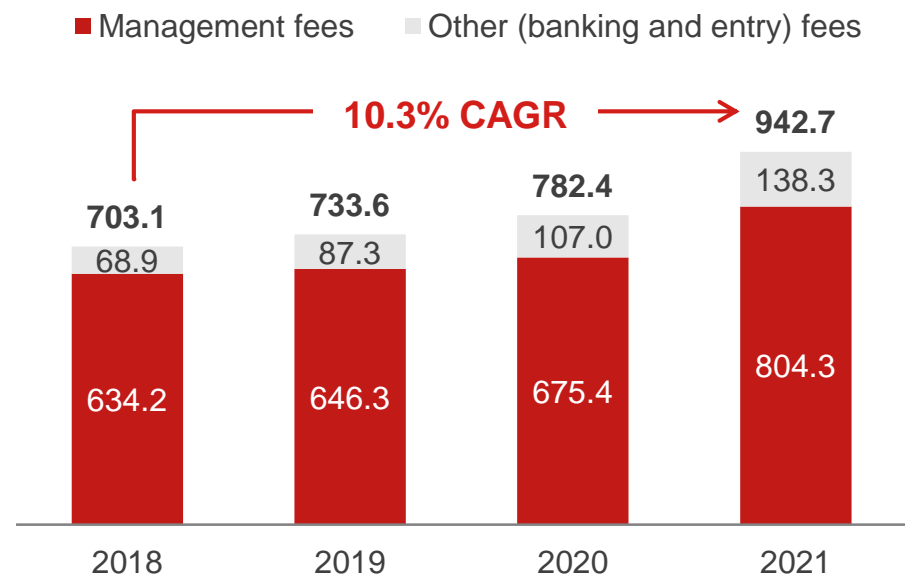
Targeting **10%-15% CAGR** in recurring net profit in 2021-2024 thanks to:

- Revenue growing in line with Client Assets
- Operating leverage due to costs growing slower than revenue

# GROSS FEES (1/2)

RECURRING FEES GROWING 7%-10% CAGR ON AMBITIOUS VOLUMES WITH STABLE MARGINS

## Gross recurring fees €\m



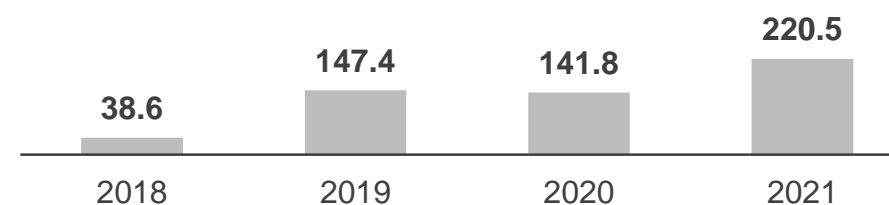
### Gross Recurring Fees on Total Assets



### Management Fees on Managed Assets



## Variable fees €\m



### Variable Fees on Total Assets

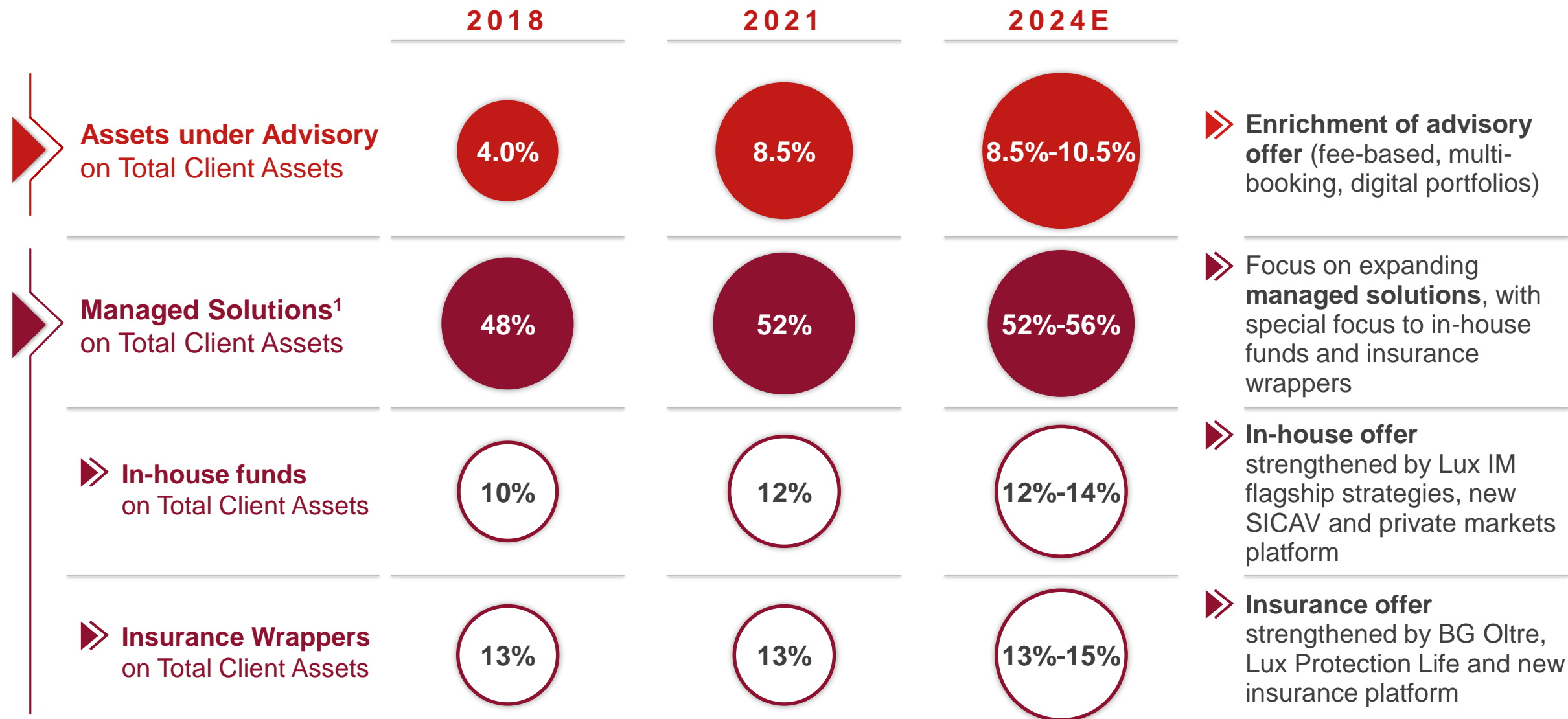


## Guidance

- Gross recurring fees up **7%-10% CAGR** 2021-24, thanks to stable margins
- Variable fees at **€80m-€100m p.a.** with new computation mechanism

## GROSS FEES (2/2)

### MARGINS SUPPORTED BY ASSET MIX AND PRODUCT LAUNCHES

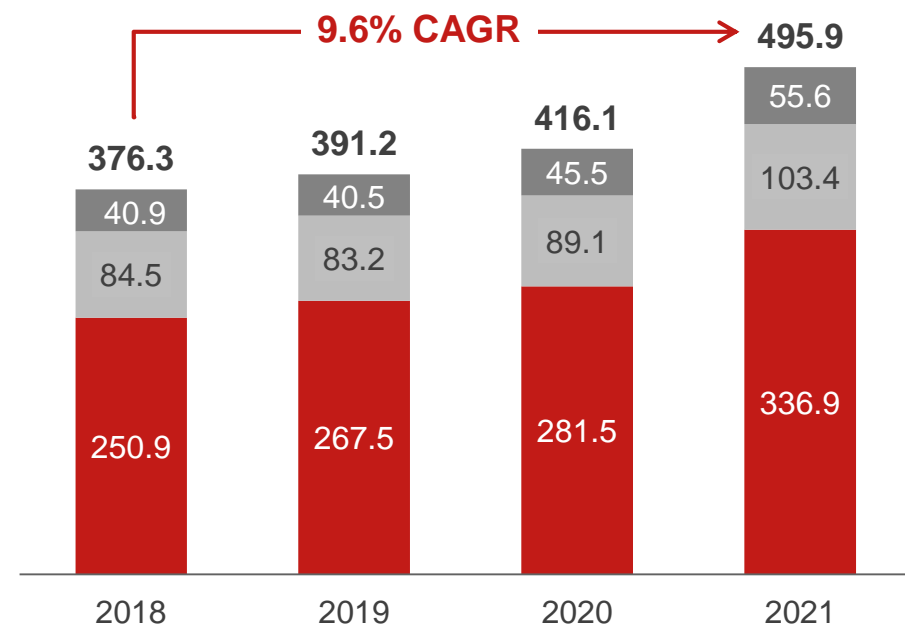




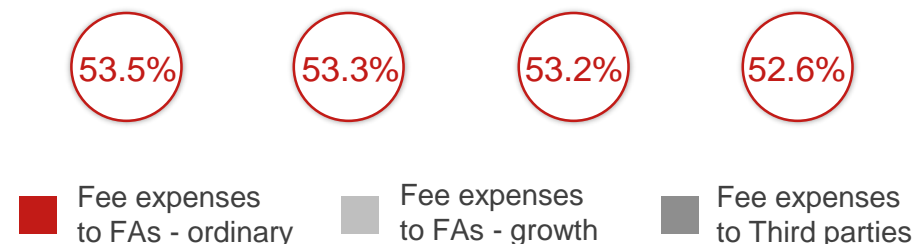
# FEE EXPENSES

STABLE PAYOUT LEVELS DESPITE STRONGER NET INFLOWS

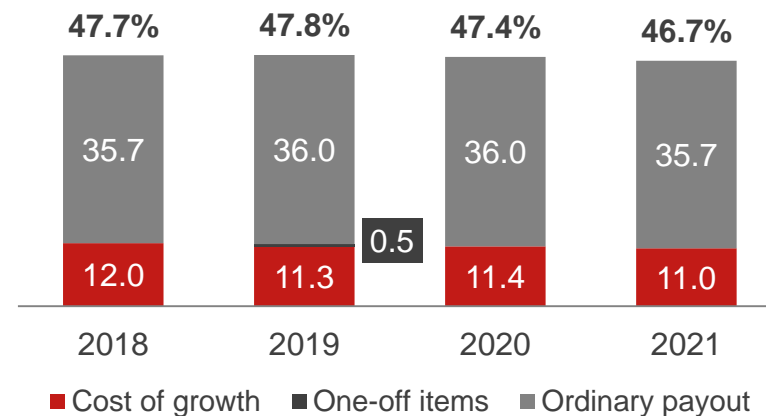
## Total Fee Expenses €m



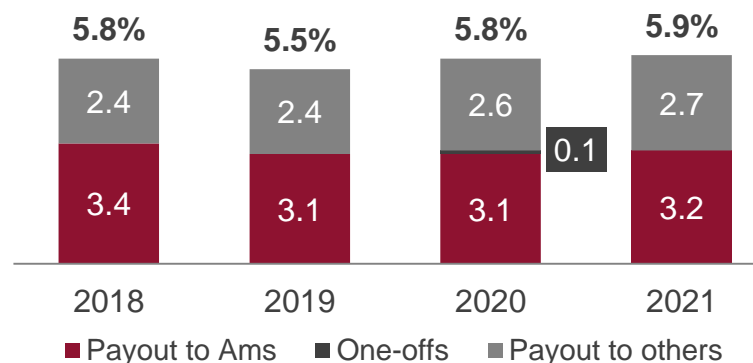
## Total Fee Expenses / Gross Recurring Fees



## Payout to the network %



## Payout to Third parties %



## Guidance

➤ Total fee expenses stable at ~53%

# NET FINANCIAL INCOME (1/2)

NET INTEREST INCOME EXPECTED TO GROW MODERATELY AT 5%-10% CAGR

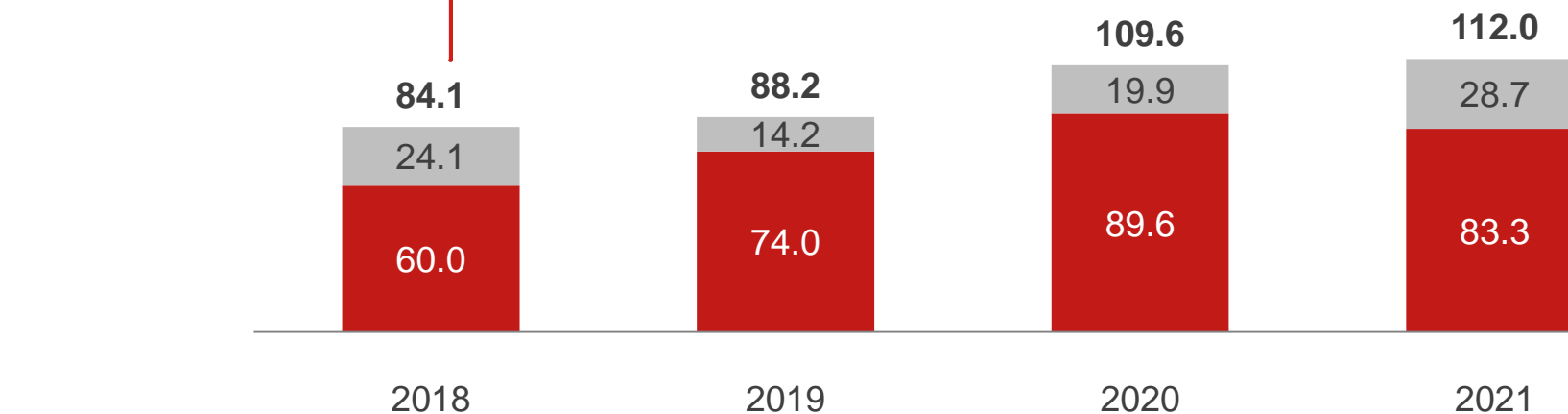
## Net Financial Income<sup>1</sup> €m

■ Net Interest Income

■ Trading Income

Net interest income

11.6% CAGR



### Guidance

➤ Net interest income growing at **5%-10% CAGR** 2021-2024

Detailed next

Total Yield

0.96%

0.89%

0.95%

0.82%

NII Yield

0.69%

0.75%

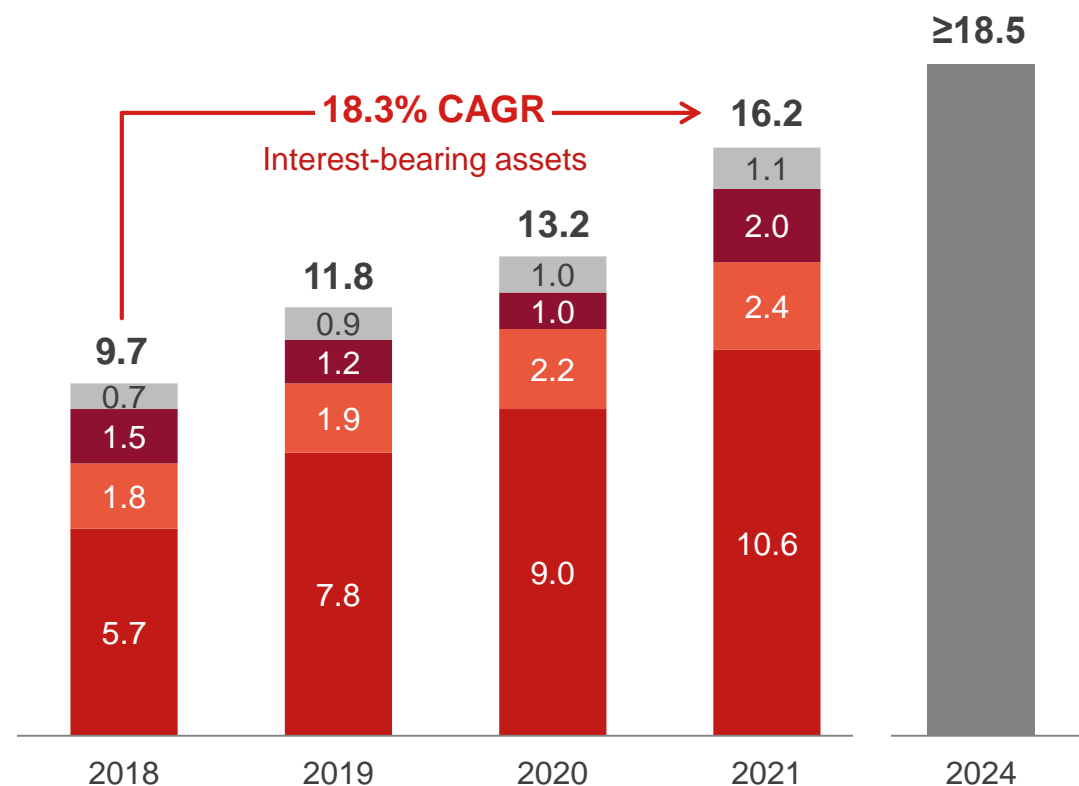
0.78%

0.61%

# NET FINANCIAL INCOME (2/2)

BANKING BOOK DIVERSIFICATION AND LOMBARD LENDING GROWTH OUR KEY OBJECTIVES

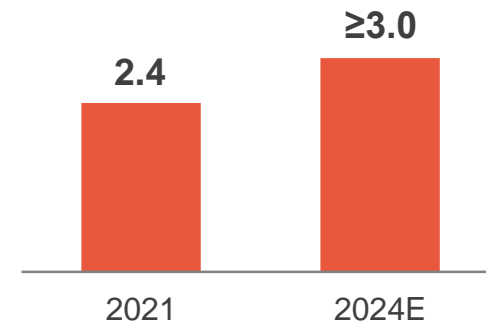
## Total assets breakdown €\bn



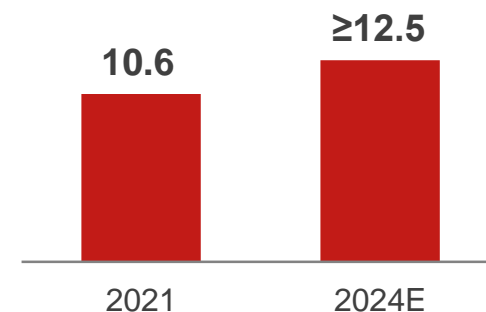
Financial assets Loans to Clients Loans to banks Other assets

Interest-bearing assets

## Loans to Clients €\bn



## Financial assets €\bn



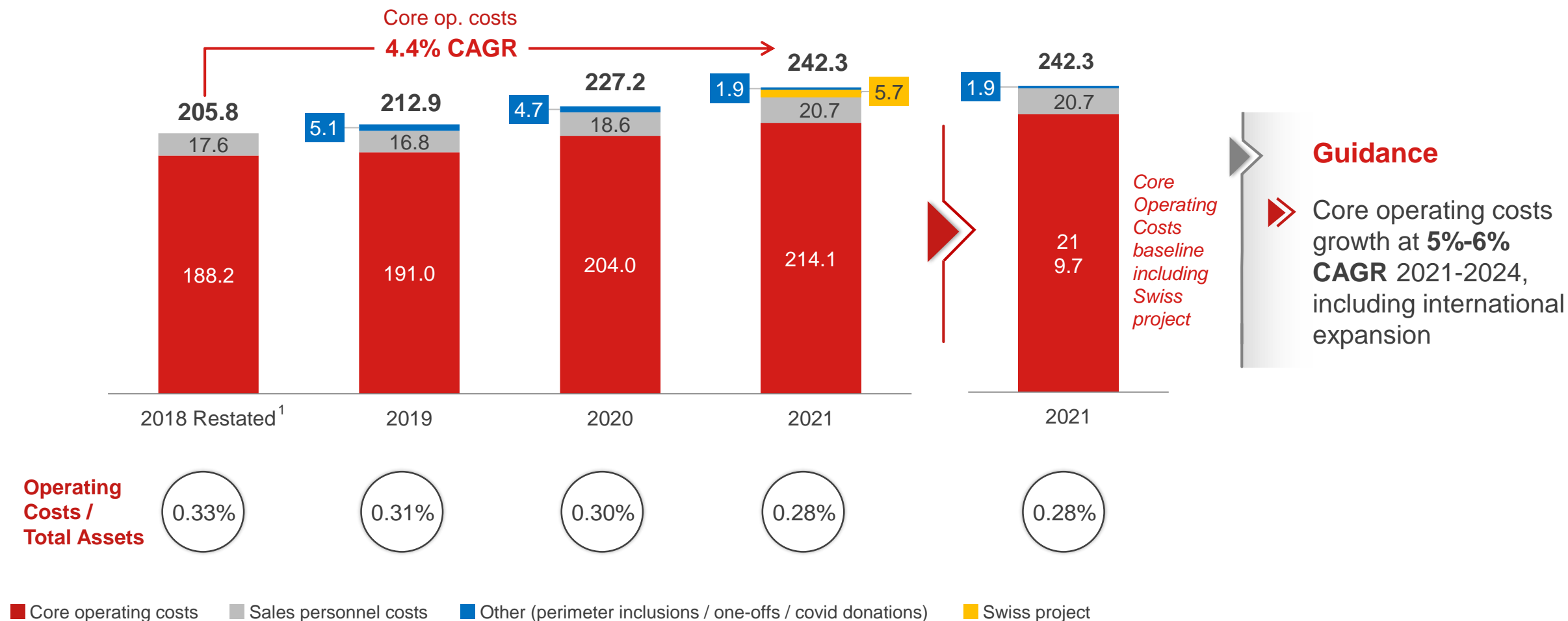
- Targeting €0.6bn lending expansion over 2024; growth driven by **enrichment of Lombard product range**
- Loan book largely composed of **floating-rates loans**
- Continued **diversification** of banking book, while keeping **prudent duration** (~1.5 yrs) and maturity (3.5-4.0 yrs)
- **Yield supported by:**
  - Portfolio of alternative investments
  - Improvement in rates expected by 2024; c.50% of banking book linked to floating-rates



# OPERATING COSTS

GROWTH CONTAINED TO 5%-6% CAGR, INCLUDING INTERNATIONAL EXPANSION

Total operating costs €\m

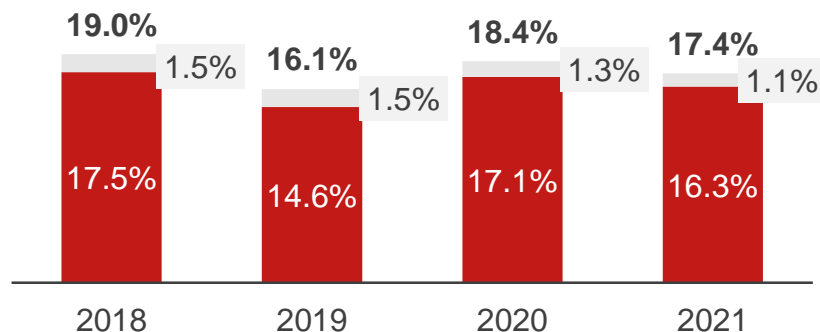


# CAPITAL RATIOS

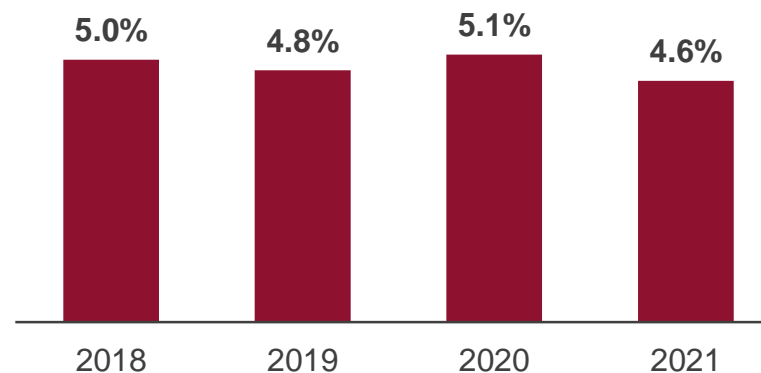
SOLID CAPITAL RATIOS TO BE PRESERVED OVER PLAN HORIZON

## Total Capital Ratio

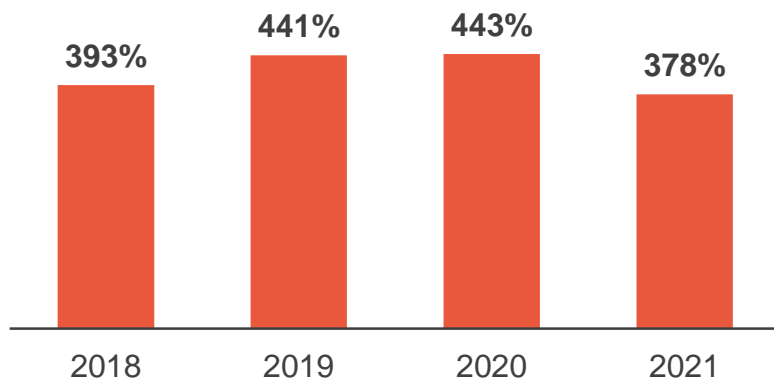
■ CET1 ■ AT1



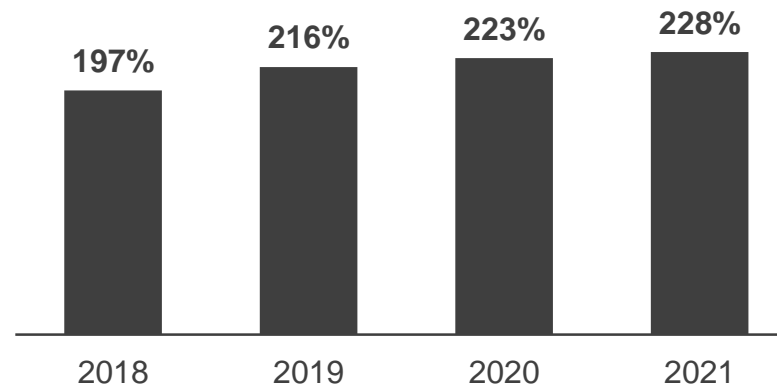
## Leverage Ratio



## Liquidity Coverage Ratio



## Net Stable Funding Ratio



### Guidance

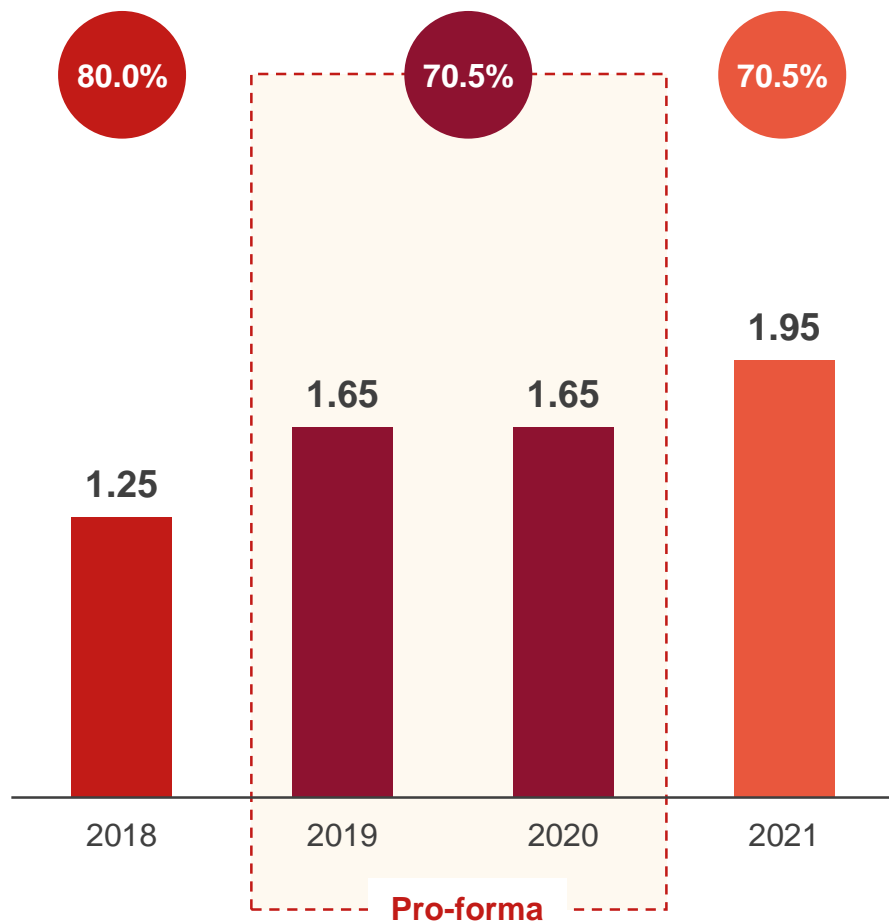
➤ **Solid capital ratios** consistently above requirements, even taking into account generous dividend policy

# DIVIDENDS 2019-2021

PAYOUT RATIO CONSISTENTLY ABOVE 70%; €1.95 DPS TO BE DISTRIBUTED FROM 2021 EARNINGS

## Payout ratio and DPS (accounting view) €

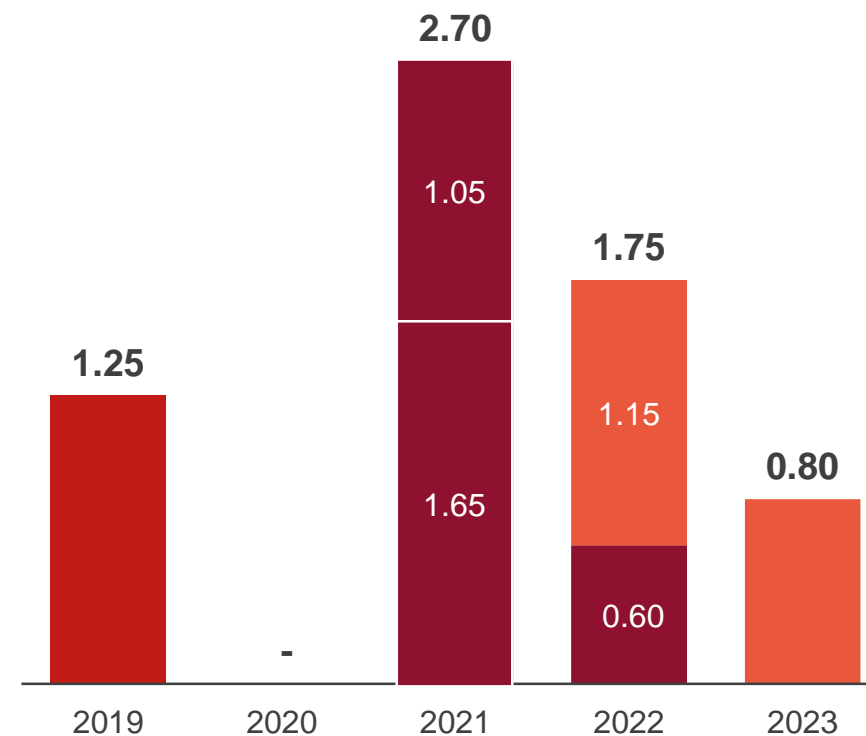
■ Pro-forma for the €3.30 cumulative 2019-20 DPS



## DPS (cash view<sup>1</sup>) €

Accounting year

■ 2018 ■ 2019-20 ■ 2021



➤ **70.5% payout on 2021 earnings<sup>2</sup>**, resulting in **€1.95 DPS** to be paid in two tranches: €1.15 p.s. in May 2022 and €0.8 p.s. in February 2023

➤ **€2.55 DPS** to be paid over 2022-23 already announced



# DIVIDEND POLICY 2022-2024

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



Remunerative  
growth



## Objectives

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



## Policy

**Differentiated payout<sup>1</sup>:** 70%-80% of recurring net profit<sup>2</sup> + 50%-100% of variable net profit

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



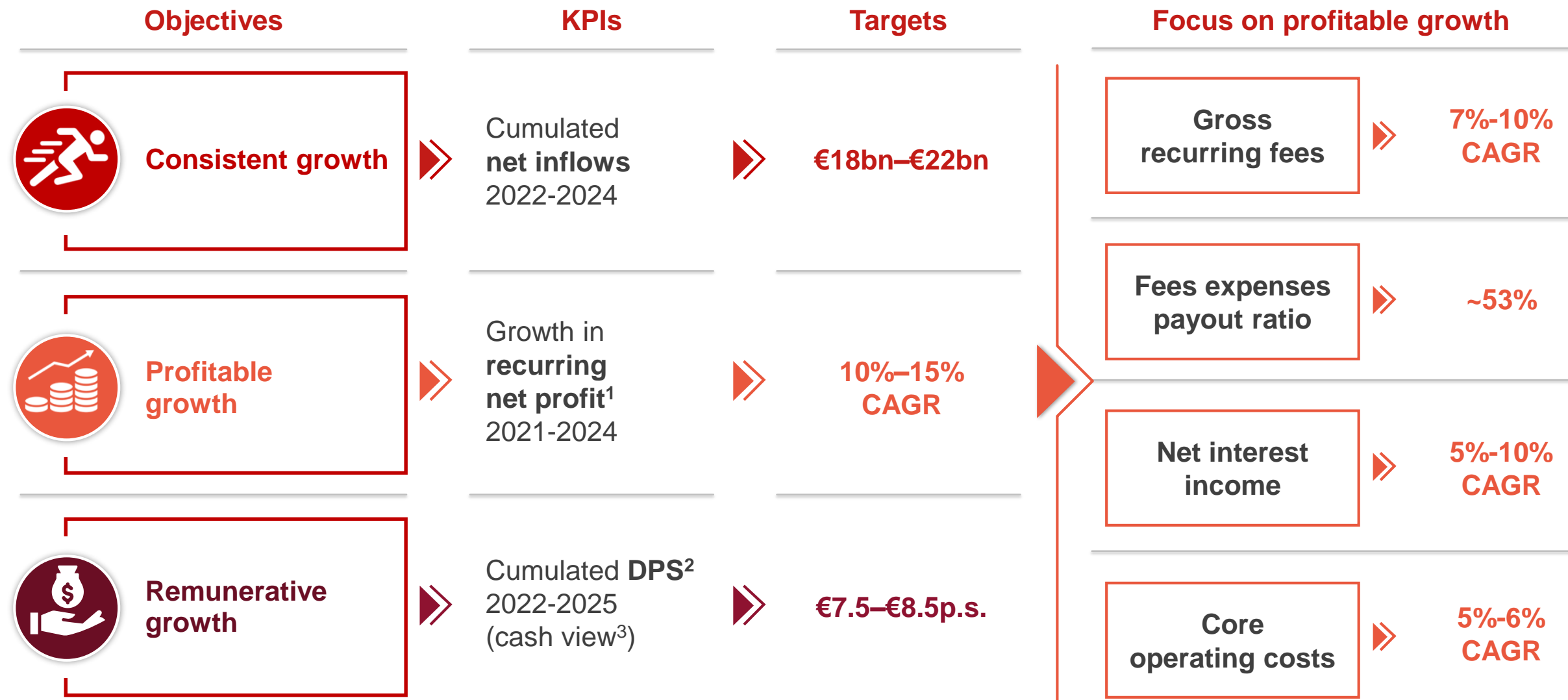
## Targeted results

**€7.5-€8.5 cumulated DPS<sup>3</sup>** (cash view) over 2022-25; €2.55 DPS already announced



# RECAP OF BANCA GENERALI'S FINANCIAL AMBITIONS

CONSISTENT, PROFITABLE AND REMUNERATIVE GROWTH





# Investor Day 2022-2024

Milan, February 14<sup>th</sup> 2022

**Gian Maria Mossa**  
CEO and General Manager





# 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**