

TAX TRANSPARENCY REPORT

2022

Tax Transparency Report 2022

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Introduction



Tommaso Di Russo
Chief Financial Officer

In today's economic system, **businesses** have a duty to act **sustainably**, supporting social progress in the countries where they are based. To this end, in its tax approach Banca Generali looks at sustainability not only in terms of sound tax governance, but also as a **fair contribution** to the communities in which it operates.

In the current macroeconomic scenario, marked by persistent **uncertainties** caused by the conflict in Ukraine and the restrictive monetary policies, a central role is played by government budgets, whose resources are fundamental to stimulating the economy, protecting and creating jobs and providing essential services to citizens. It would not be possible to pursue these social goals without the public revenue generated by a **fair, efficient** tax system.

The Banca Generali Group is well aware of its **role** and of the **importance** of its contribution in terms of taxes paid as a taxpayer and as a withholding agent in the countries in which it operates: a large company's responsibility translates not only into **proper discharge** of its tax-related duties, but also into the management of tax obligations on behalf of the government, for which it collects, transfers and pays taxes, allowing civil society to enjoy access to the services required for it to function.

For Banca Generali, being **sustainable** means not just **creating long-term value** for the **Company** and its **shareholders**, but also contributing to the **wellbeing** and **development** of the **local communities** in which it operates, through a holistic approach to sustainability that ranges from the products offered to its commitment to social issues, the environment and research.

Within this context, the Group has developed a tax management approach that aims to be as effective and transparent as possible, becoming a full-fledged instrument for achieving its ESG goals.

The Group has always promptly supported the initiatives developed at the international level to promote tax transparency, such as the **GRI 207** disclosure and the related Country-by-Country reporting, as well as the exchange of information between tax authorities, to which it contributes in accordance with various regulations (e.g., FATCA, CRS and DAC 6).

In addition, starting this year, Banca Generali, as the Parent Company of the Banking Group of the same name, is taking a further step forwards by publishing its first Tax Transparency Report (TTR), which offers an overview of the Group's commitment to contributing in the countries in which it operates in terms of both taxes paid and collected as withholding agent. In particular, the Report provides an overview of the Group tax contribution, which in 2022 totalled **598.8 million euros**, including both **taxes borne** and **taxes collected**.

Banca Generali's Tax Transparency Report describes in detail:

- › the tax strategy and principles (paragraph 2.1);
- › the tax risk governance, management and control system (paragraphs 2.2 and 2.3);
- › relations with Tax Authorities and the stakeholders (paragraph 3);
- › the **Tax Reporting** (paragraph 4), with both (i) the **Total Tax Contribution**, detailing the breakdown by tax jurisdictions of taxes directly paid on its business (**taxes borne**) and of taxes withheld and transferred to governments (**taxes collected**), and (ii) the **Country-by-Country Reporting**, providing a clear overview of income taxes accrued and paid, profit before income taxes, and other operating and capital data, broken down by tax jurisdiction.

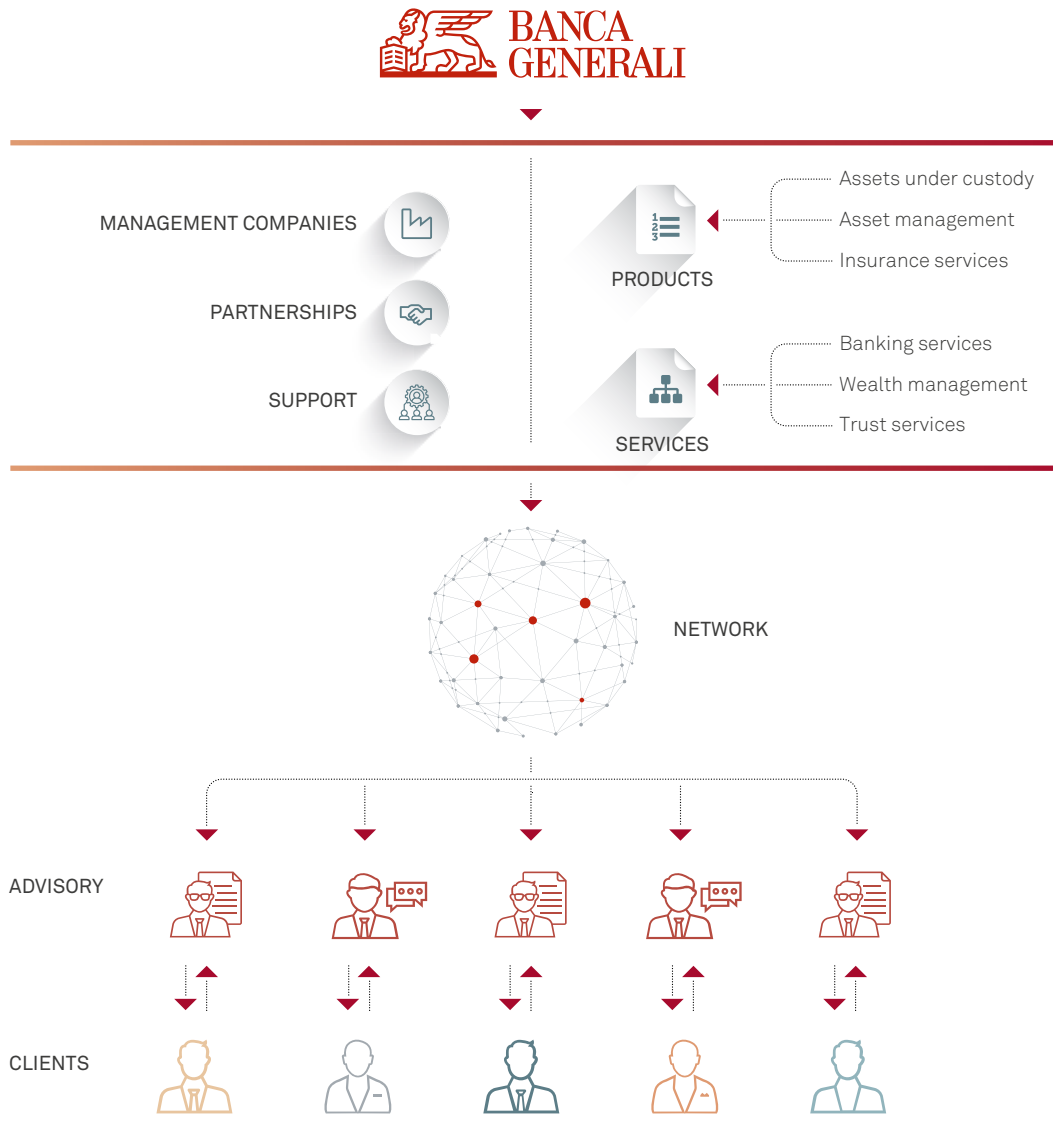
Although it is absolutely under no legal obligation to do so, Banca Generali has decided, for the benefit of all its various stakeholders, to disclose its commitment to spreading the values of sound tax governance, as well as its willingness to contribute responsibly to the communities in which it operates.

This Report is a further step towards constantly improving tax transparency, and underscores the willingness to make the related information available, in line with the best international practices.

The choice of informing the Board of Directors about the **Tax Transparency Report** confirms that the **approach towards a sustainable taxation is considered as one of the pillars underpinning the Bank's organisation**.

1. The Business Model

Banca Generali stands apart within the Italian finance sector for the central role played by the **financial advisory** and **wealth planning** services it offers to the **Private** and **Affluent Client** segments through a network of Financial Advisors ranked at the top of the industry by competency and professionalism. The bond of trust between Financial Advisor and client is key and is complemented by the range of products, services and support models made available by the Bank.



Banca Generali offers:

- › **Banking services:** the Bank provides its clients with a range of bespoke banking accounts and services that make doing day-to-day business simple and efficient, thanks to a line of innovative options that ensure the utmost security in online and mobile payments and banking;
- › **Assets under Custody:** Banca Generali tends to the AUC component of its clients' portfolios by providing advice on the purchase and sale of securities on the secondary and primary markets, in addition to offering certificates;
- › **Asset management:** Banca Generali offers a wide range of mutual funds, as part of an open architecture that benefits from expert selection of the best solutions that thousands of international asset managers have to offer. The open-architecture products offered are rounded out by the in-house range (Luxembourg Sicavs and discretionary mandates) that makes it possible to build bespoke solutions, while keeping risk protection as a priority;

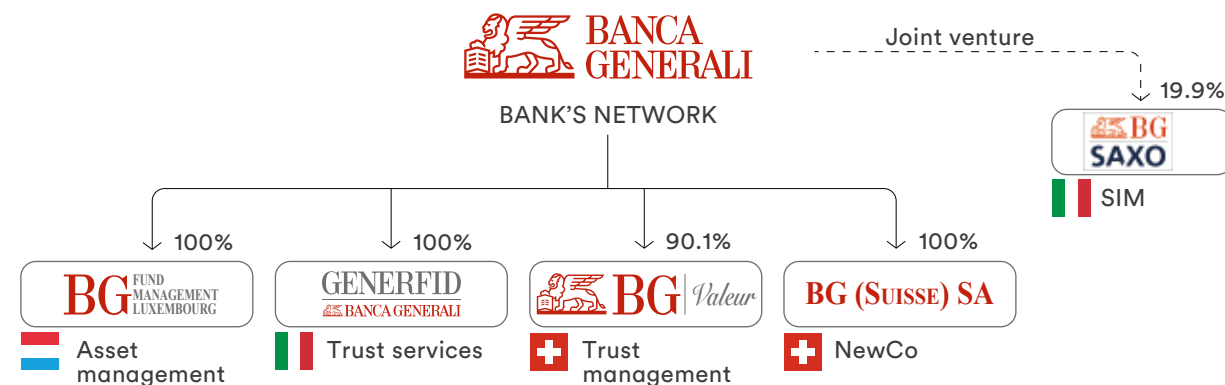


- › **Insurance investments:** in the field of insurance investments, and in particular in the use of asset management to protect and personalise investments, Banca Generali relies on the synergies and expertise offered by the Generali Group, complemented by its own experience and striving for innovation;
- › **Wealth management and trust services:** the Bank offers a wide array of wealth advisory solutions that extend the dialogue with households beyond investment issues to encompass pension planning, corporate finance, real estate and art advisory, with an eye to potential optimisation of protection for future contingencies and challenges relating to generational transfer (family protection).

This range has been designed and is offered to clients with the support of a **value chain** consisting of:

- › **Commercial networks:** the relationship with clients occurs through a Financial Advisor network (made up of Financial Planners, Private Bankers, Wealth Managers and Relationship Managers), able to best meet the different needs of Financial Advisors and Clients;
- › **Managing companies:** in addition to offering banking services, the Group controls a number of managing companies in order to offer its customers the best solutions in some specific segments. These companies include: **BG Fund Management Luxembourg S.A.**, a Luxembourg-based management company responsible for offering in-house funds; **Generfid S.p.A.**, which offers trust services; BG Saxo Sim, a joint venture with the Danish bank Saxo Bank offering advance trading services; and **BG Valeur**, a boutique financial advisory and asset management firm based in Switzerland. The Swiss NewCo **BG Suisse**, incorporated in 2021, reinforced its structure by hiring organisational personnel in preparation for starting up business immediately after obtaining the Swiss banking licence, expected to occur in 2023;
- › **Partnerships:** to bring its clients the best specialist services the market has to offer in terms of products, wealth management and technology, Banca Generali has formed selected partnerships with other firms in Italy and internationally.

GROUP'S STRUCTURE



2. Tax Governance, Control and Risk Management

On 27 December 2021, the Italian Tax Authority admitted Banca Generali, with effect from the tax period ended on 31 December 2020, to the **Cooperative Compliance Program** instituted by Legislative Decree No. 128 of 2015, aimed to establish stronger relations with the tax authorities by transitioning from a relationship based on tax audits subsequent to fulfilment of tax obligations to a system of ongoing exchange, in which the taxpayer and tax authority engage in dialogue to reach, where possible, a prior common assessment of decisions relating to management of the tax variable.

In the review of the application for admission by the Italian Tax Authority in 2021, examination focused on the structure of the internal control system for tax risk adopted by Banca Generali, the **Tax Control Framework (TCF)**, the adoption of which is a condition for eligibility for the scheme.

In line with the instructions from the Organisation for Economic Co-operation and Development (**OECD**), as transposed by the Italian Tax Authority into the rules governing the Cooperative Compliance Programme, Banca Generali's TCF consists of:

- a) a **tax strategy**, approved by the Board of Directors on 23 June 2020, setting out the principles for managing the tax variable and the strategic guidelines aimed at ensuring compliance with tax rules;
- b) a **governance** model that applies to: (i) roles and responsibilities relating to taxation, and (ii) information flows envisaged for managing tax risk addressed to the administrative body (i.e., annual report);
- c) a system for **mapping, controlling, measuring** and **managing tax risk** to ensure the accuracy and correctness of the fulfilment of tax obligations (calculation, payment and tax return) and the monitoring of the interpretative choices made.

2.1 The Tax Strategy

The tax strategy defines Banca Generali's commitment to operating in accordance with the following principles:

- › compliance with tax laws applicable in the countries in which it operates and responsible tax risk management;
- › prohibition to engaging in conduct and transactions that translate into merely artificial constructions and do not reflect the business or may reasonably be expected to yield undue tax advantages;
- › transparency and propriety in relations with the tax authorities;
- › pricing of intercompany transactions on the basis of the arm's-length principle.

By approving the tax strategy, Banca Generali's Board of Directors assumed the responsibility for ensuring that it is disseminated and applied, while also performing the specific task of spreading the underlying culture and values.

The tax strategy entered into force from the day after that of its approval and was published on Banca Generali's corporate website: www.bancagenerali.com/en/sustainability/sustainability-documents.

2.2 The Governance Model

TCF governance is defined by the Tax Compliance Policy, adopted by Banca Generali's Board of Directors on 4 November 2022 and aligned with the tax strategy.

The implementation of the TCF involved, *inter alia*, the provision of a process control system, which is entrusted to the specifically dedicated position of Tax Risk Officer (TRO). At annual intervals, the TRO prepares the Report on the Tax Control Framework, which is presented to the Internal Audit and Risk Committee by the TRO on the invitation of the Chief Financial Officer and, through the Committee itself, to the Board of Directors. The Tax OU and the TRO provide the Compliance



and Anti-Money Laundering Department with all the data necessary for preparation of the relevant report, which is also submitted to the corporate bodies for their evaluation within the broader scope of the management of non-compliance risks to which the Bank is exposed.

2.3 The System for Mapping, Controlling, Measuring and Managing Tax Risk

The TCF adopted by Banca Generali is designed to mitigate the **tax law compliance risks** contained in the related Risk Map, updated and tested by the TRO to provide assurance regarding the internal control system for tax risk. The TRO monitors the release of new tax arrangements that could have an impact on the internal control system to mitigate tax risks. The TRO assesses any need to update the Risk Map. In the event of regulatory changes, the TRO activates the operating functions responsible for the formalisation/updating of corporate processes. The TRO and the Tax OU support the competent operating functions in the assessment of compliance with tax legislation of new processes that are introduced or amended from time to time. In particular, it is the responsibility of the business functions and central functions to promptly report to the TRO and the Tax OU the processes within their remit that have been newly introduced or have undergone operational changes.

As for risk profiles relating to proper interpretation of tax law (**interpretation risk**), the Rules for Managing Interpretation Risk — appended to the Tax Compliance Policy approved by the Board of Directors — lay down a specific risk identification process underlying ongoing interpretative choices and the related measurement, not only in quantitative terms, but also in qualitative terms, including evaluating the reputational aspects that could damage the Bank if the associated event occurs.

The control measures put in place to manage the risk arising from interpretative choices are designed to monitor, among other non-routine transactions, the localisation of value-creating activities and their alignment with the relevant place of taxation, ensuring oversight of any and all artificial use of jurisdictions and structures aimed at securing a tax advantage or exploiting tax asymmetries.

The mitigation of this risk is structured as both an internal decision-making escalation process — depending on the scope of the risk — and activation of preliminary discussions with the Italian Tax Authority on tax risks that exceed the materiality threshold, which is still being defined, in agreement with the said Tax Authority.

Banca Generali's TCF was duly introduced and integrated within the Internal Control and Risk Management System (hereinafter "**ICRMS**") that the Bank adopted, in light of the regulatory framework in which it operates, to improve profitability, protect capital solidity, ensure compliance with external and internal legislation and codes of conduct, promote transparency towards the market through oversight of the risks assumed. In accordance with the prudential supervisory provisions set forth in Bank of Italy Circular No. 285 of 2013 (Part I, Title, Chapter 3), the ICRMS oversees, *inter alia*, the risk of non-compliance with tax regulations. In particular, Banca Generali's TCF functions in a manner complementary to the ICRMS by covering tax risk areas not managed by other internal control systems of the Bank and, in particular, mapping tax compliance risk and managing the tax interpretation risk.

3. Relations with Tax Authorities and Stakeholder Engagement

Banca Generali ensures transparency and propriety in its relations with the tax authorities. In order to consolidate a collaborative approach with the tax authorities, the Bank adopts transfer pricing documentation rules, in accordance with the provisions of the OECD Transfer Pricing Guidelines.

The approach of openness and transparency towards the Tax Authorities is designed to ensure accurate, timely communication. If an error is identified, Banca Generali is committed to proactively providing the relevant explanations and reach an adequate solution. Moreover, in defence of its company interest and that of its shareholders, Banca Generali deems it legitimate to uphold, including in litigation, a reasonable interpretation of the law, should there be differences of interpretation with the competent tax authorities.

In addition, Banca Generali continues to adopt an approach based on tax transparency towards all stakeholders, within the framework of broader ESG matters. Within this framework, Banca Generali received excellent ratings from the main ESG ratings agencies (e.g., MSCI, S&P, Sustainalytics and Moody's - Vigeo Eiris), including with regard to parameters relating to tax management.



4. Tax Reporting

As of the 2021 Annual Financial Report, Banca Generali has been publishing its **Country-by-Country Report** or **CbCR** providing, in accordance with the GRI 207 standard¹, information on income taxes and the main financial and operating data for each jurisdiction in which it operates.

This Report integrates the aforementioned information — provided in section 4.2 — with data on the **Total Tax Contribution (TTC)** given in section 4.3 that, **in addition to income taxes alone**, also includes other type of taxes imposed on the Company (**people taxes, product taxes, bank taxes**) and takes account of both **taxes borne** by the Company and the **taxes collected** from third parties on behalf of the general governments.

The **tax reporting** model adopted makes it possible to **thoroughly** recognise the contribution made by Banca Generali to the economic and social systems of the various countries in which it operates through the taxes it pays², while also highlighting the role played by the Bank in tax systems both as “contributor” of taxes (legal tax liability) and “collector” **legal tax liability** and “collector” **legal remittance responsibility**³.

In this regard and with a view to ESG matters, the World Economic Forum (**WEF**) identified **taxes borne** and **taxes collected** as metrics to measure businesses’ contribution to pursuing the SDGs of the UN 2030 Agenda⁴ (**UN 2030 Agenda**).

4.1 Key Figures

KEY FIGURES ⁵	UNIT	AMOUNT
Revenues	€ million	1,261.7
Profit (loss) before taxation	€ million	318.3
Property and equipment	€ million	155.2
Income taxes accrued (current)	€ million	76.5
Income taxes paid	€ million	87.6
Taxes borne	€ million	162.1
Taxes collected	€ million	436.7
People taxes per employee	Euro	57,266
Number of employees	Unit	838

4.2 Country-by-Country Reporting

Country-by-Country Reporting provides a concise illustration of the key financial, economic and tax information, separately for each tax jurisdiction in which the Group operates.

¹ GRI 207-4 – “Reporting Requirements” section – www.globalreporting.org/standards/media/2482/gri-207-tax-2019.pdf.

² It bears also recalling that corporate income taxes generally account for a limited portion of government tax revenue: in 2020 (the most recent year for which statistics are available), corporate income taxes made up 9% of the tax revenue of OECD countries (source: OECD Revenues Statistics 2022 – www.oecd.org/tax/tax-policy/revenue-statistics-highlights-brochure.pdf).

³ “Legal tax liability, legal remittance responsibility and tax incidence – Three dimensions of business taxation”, OECD Taxation Working Papers, No. 32 - www.oecd-ilibrary.org/docserver/e7ced3ea-en.pdf?expires=1681295169&id=id&acname=guest&checksum=1AA6FACAE1E3C5A56A6C2DF94AB6C279.

⁴ www3.weforum.org/docs/WEF_IBC_Measuring_Stakeholder_Capitalism_Report_2020.pdf.

⁵ The amounts and data of key figures (except for the taxes borne, taxes collected and people taxes per employee) are calculated on the basis of the reporting principles and procedures provided for by the OECD’s Action 13 CbCR guidelines and recognised in the GRI 207-4 standard. Values are presented on an aggregate and not consolidated basis and do not include the amounts relating to (i) dividends received from other Group entities, and (ii) the related taxes accrued and paid. For further details reference should be made to the Glossary.

The purpose of the CbCR is to present the main economic, financial and operating indicators representative of the volume of the Group's activities within each tax jurisdiction which, along with information on the level of taxes accrued and paid and the principles of the tax approach, help provide an overview of the Company's tax position.

TAX JURISDICTION ⁶	CORE BUSINESS	NO. OF EMPLOYEES	INCOME FROM SALES TO THIRD PARTIES (€ MILLION)	INCOME FROM INTRAGROUP TRANSACTIONS WITH OTHER TAX JURISDICTIONS (€ MILLION)	PROFIT (LOSS) BEFORE TAXATION (€ MILLION)	PROPERTY AND EQUIPMENT (€ MILLION)	COMPANIES' INCOME TAXES ACCRUED (CURRENT) (€ MILLION)	COMPANIES' INCOME TAXES PAID (€ MILLION)
Italy	Banking activities	781	788.7	118.8	145.0	150.5	53.9	56.9
Luxembourg	Asset management	27	345.2	0.1	180.3	1.7	22.6	30.7
Switzerland	Asset management	30	8.9	-	(7.0)	3.0	-	-
Country-by-Country Reporting total		838	1,142.7	119.0	318.3	155.2	76.5	87.6
Reconciliation				(119.0)	4.1	(0.4)	6.5	6.5
Consolidated Financial Statements		838	1,142.7	-	322.3	154.9	83.0	94.1

The differences that emerge from the total amounts of the Country-by-Country Reporting and Consolidated Financial Statements refer to:

- > **consolidation adjustments** made in application of the accounting principles adopted in preparing the Consolidated Financial Statements; and
- > the **exclusion** from the **Country-by-Country Reporting** of the amounts relating to (i) dividends received from other group entities and (ii) the **related taxes** paid and accrued.

For information on the **reasons for the difference**, at the Group level, **between** (i) the **tax burden** — expressed in terms of both actual taxes and accrued (current) taxes and (ii) **theoretical tax** (i.e., tax resulting from the application of the tax rate set by the tax regulations to profits/loss before taxation pursuant to GRI 207-4-b-x), reference should be made to Part C, Section 21, "Income tax for the year from operating activities" – Item 300" in the Notes and Comments to the Consolidated Financial Statements.

4.3 Total Tax Contribution

As mentioned above, the **Total Tax Contribution (TTC)** offers a full overview of the taxes that Banca Generali pays in the countries in which it operates.

The taxes paid by Banca Generali and included in the **Total Tax Contribution** or **TTC** are:

- > firstly broken down into two categories:
 - **Taxes borne**: taxes that are a cost for Banca Generali and impact its financial results; and
 - **Taxes collected**: third-party taxes collected by Banca Generali on behalf of general governments as withholding agent or on the basis of similar mechanisms;
- > each of the two categories is in turn broken down by:
 - **Profit taxes**: income taxes;
 - **People taxes**: taxes relating to employment;
 - **Product taxes**: taxes on products and services;
 - **Bank taxes**: taxes on banking activities;
 - **Other taxes**.

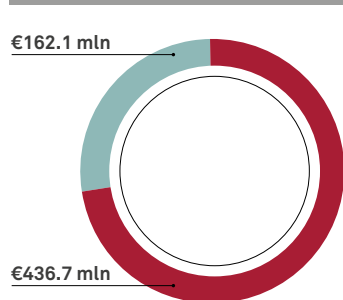
In 2022, Banca Generali's Total Tax Contribution amounted to **598.8 million euros**.

⁶ For the list of entities considered and their tax jurisdiction, reference should be made to the "reporting scope" appended hereto.



Taxes borne accounted for **27.1% of the total** and **taxes collected** accounted for the **remaining 72.9%**.

TTC PROFILE



	€ MILLION	%
Taxes borne	162.1	27.1%
Taxes collected	436.7	72.9%
Total Tax Contribution (TTC)	598.8	100%

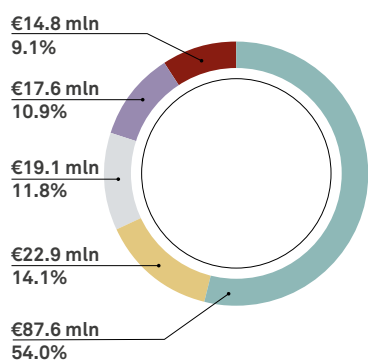
The high **weight of taxes collected** reflects the **dynamics of the business** in which Banca Generali operates: income taxes collected and the stamp duties applied in relation to the products and services offered (banking accounts and services, AUC and AUM) generate significant amounts of profit taxes collected and product taxes collected.

4.3.1 Taxes Borne

Taxes borne amounted to **162.1 million euros**.

Profit taxes accounted for the main component of taxes borne, equal to **54.0%**. **Product taxes**, **People taxes** and **Bank taxes** accounted for **14.1%**, **11.8%** and **10.9%** of the total, respectively. The remaining 9.1% referred to other taxes of a residual amount.

TAXES BORNE – BREAKDOWN



	€ MILLION	%
Profit taxes	87.6	54.0%
Product taxes	22.9	14.1%
People taxes	19.1	11.8%
Bank taxes	17.6	10.9%
Other taxes	14.8	9.1%
Total taxes borne	162.1	100%

Profit taxes coincide with the company's income tax paid and also include prior years' income taxes (41.2 million euros) paid with regard to the resolution of a tax litigation in Italy.

Product taxes substantially include non-deductible VAT.

People taxes essentially include the social security contributions borne by Banca Generali as employer.

Bank taxes refer to contributions to the banking crisis and deposit protection funds and other similar funds.

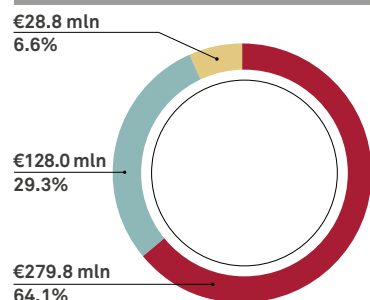
Other taxes essentially include the social security contributions (Enasarco contributions) paid in relation with the Financial Advisors working for the Bank.

4.3.2 Taxes Collected

Taxes collected amounted to **436.7 million euros**.

Profit taxes and **Product taxes** were the main components of taxes collected, accounting for **64.1%** and **29.3%** of the total, respectively. The remaining 6.6% referred to **People taxes**.

TAXES COLLECTED – BREAKDOWN



	€ MILLION	%
Profit taxes	279.8	64.1%
Product taxes	128.0	29.3%
People taxes	28.8	6.6%
Bank taxes	-	-
Other taxes	-	-
Total taxes collected	436.7	100.0%

Profit taxes mainly include income taxes collected from customers (the most significant of which are the taxes applied on AUC and deposits, and AUM solutions) and taxes on self-employment applied to the Financial Advisors working for the Bank.

Product taxes substantially include the stamp duties applied and the net VAT paid.

People taxes essentially include the personal income tax and the social security contributions borne by the Banca Generali's employees and collected by the Bank in its capacity as employer.

4.3.3 Main Indicators of the Group Total Tax Contribution

1. TTC/Revenues ratio

The **TTC/Revenues ratio** identifies the portion of revenues used for paying borne and collected taxes.

For every 100 euros of revenues generated, Banca Generali paid 47.5 euros of taxes, of which 12.8 euros for taxes borne and 34.6 euros for taxes collected.

TTC/REVENUES RATIO	%
Total taxes borne	12.8%
Total taxes collected	34.6%
Total Tax Contribution	47.5%

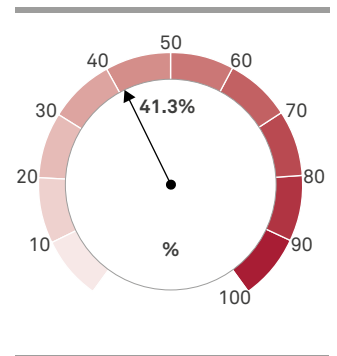
2. Total tax rate

The **total tax rate** provides a concise overview of the tax burden arising from all taxes paid as taxpayer, showing the weight of taxes that represent a cost for Banca Generali (taxes borne) on profits before such taxes.

For every 100 euros of profit before taxes borne, Banca Generali paid 41.3 euros of taxes borne.

TOTAL TAX RATE	%
Total tax rate	41.3%

TOTAL TAX RATE



3. People taxes per employee

The **People taxes per employee** indicates the amount of taxes paid in relation to employment for each employee.

For each employee, Banca Generali paid 57,266 euros of people taxes on average, of which 22,849 euros for people taxes borne and 34,417 euros for people taxes collected.

PEOPLE TAXES PER EMPLOYEE	AMOUNTS PER EMPLOYEES (€ UNIT)
People taxes borne	22,849
People taxes collected	34,417
Total people taxes	57,266



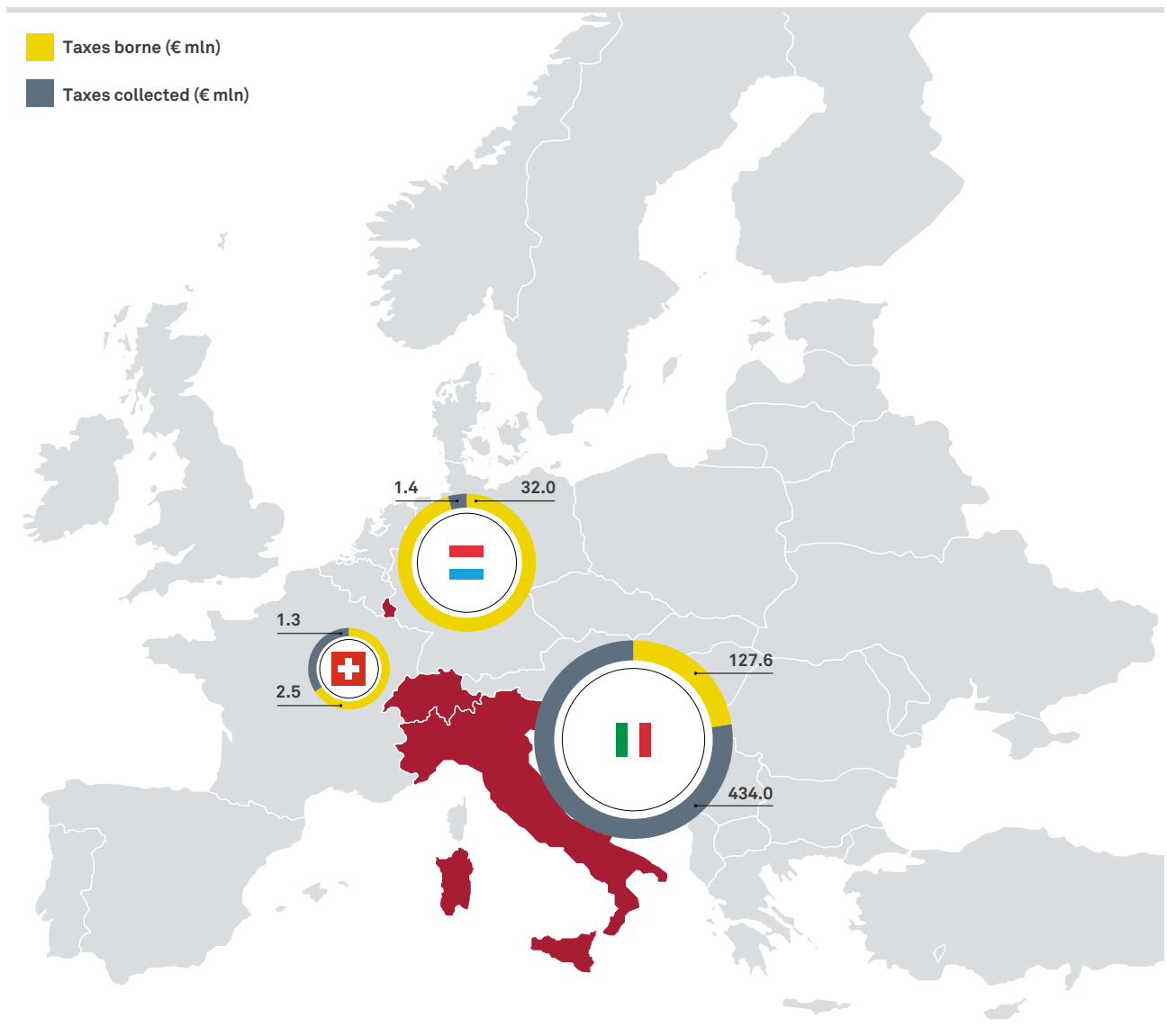
4.3.4 Distribution of the Group Total Tax Contribution

The Group Total Tax Contribution is distributed among the countries in which Banca Generali operates (Italy, Luxembourg and Switzerland) in line with the dynamics of Revenues, Property and equipment and the Number of employees.

COUNTRY	TAXES BORNE (€ MILLION)	TAXES COLLECTED (€ MILLION)	TTC (€ MILLION)	REVENUES (€ MILLION)	PROPERTY AND EQUIPMENT (€ MILLION)	NO. OF EMPLOYEES
Italy	127.6	434.0	561.6	907.5	150.5	781
Luxembourg	32.0	1.4	33.4	345.3	1.7	27
Switzerland	2.5	1.3	3.8	8.9	3.0	30
Total	162.1	436.7	598.8	1,261.7	155.2	838

94% of Total Tax Contribution was concentrated in Italy, in line with the breakdown of Revenues, Property and equipment, and Number of employees.

TAX CONTRIBUTION BY COUNTRY



4.4 Income Taxes

The following table shows the **actual tax rate** and the **cash tax rate** of the Banca Generali Group as a whole, as reported in the Consolidated Financial Statements. For further information, reference is made to the Consolidated Financial Statements.⁷

BREAKDOWN OF TAXES COLLECTED	BANCA GENERALI GROUP (CONSOLIDATED FINANCIAL STATEMENTS) ⁸
Profit before taxation ⁹	322.3
Income taxes for the year ¹⁰	109.4
Income taxes paid ¹¹	94.1
Actual tax rate	33.9%
Cash tax rate	29.2%

The **Group's actual tax rate**, inclusive of the charges associated with the settlement of a tax dispute, was **33.9%**, whereas net of that one-off component it was **24.6%**. By comparison, the estimated tax rate at the end of the previous year had been 19.9%, determined without considering the net benefits of the realignment operations (17.7% considering these realignments).

This change was mainly due to the sharp decrease in income earned in foreign jurisdictions as a percentage of total profit before taxation, partly offset by the significant improvement in net interest income reported by Banca Generali in the second half of the year.

⁷ Part C - Section 21 "Income tax for the year from operating activities" – Item 300 in the Notes and Comments.

⁸ For information on Banca Generali S.p.A.; reference is made to Part C – Section 19 "Income tax for the year from operating activities" – Item 270 in the Notes and Comments to the Separate Financial Statements of Banca Generali S.p.A.

⁹ Unlike the corresponding item reported in the "Country-by-Country Reporting" section, dividends received from other entities of the Banca Generali Group were also included.

¹⁰ Income taxes for the year, as reported in the Consolidated Financial Statements (**reported taxes**). Unlike item "Companies' income taxes accrued (current)" reported in the "Country-by-Country Reporting" section, item "Income taxes for the year" also includes current taxes on dividends received from other entities of the Banca Generali Group, prior years' taxes, deferred tax assets and liabilities and any provisions for uncertain tax liabilities (uncertain tax positions).

¹¹ Unlike the corresponding item reported in the "Country-by-Country Reporting" section, income taxes for the year paid in relation to dividends received from other entities of the Banca Generali Group were also included.



5. Annexes

5.1 Glossary

Number of employees

Average number of employees in the year, calculated on a full-time equivalent basis.

Revenues

Sum of (i) Income from sales to third parties and (ii) Income from intragroup transactions with other tax jurisdictions.

Income from sales to third parties

Income from transactions with entities not belonging to the Banca Generali Group (i.e., entities not included in the Consolidated Financial Statements of Banca Generali S.p.A.).

Intragroup income with other jurisdictions

Income generated by transactions between group entities residing in other tax jurisdictions. Dividends received from other group entities are not included.

The term "income" is to be construed broadly as corresponding to net banking income gross of interest expense and fee expense. Dividends received from other group entities are not included.

Profit (Loss) before taxation

Profit gross of taxes Dividends received from other group entities are not included. For the purposes of the section "Income Taxes", the Profit (Loss) before taxation also includes the dividends received from other entities of the Banca Generali Group.

Companies' income taxes paid

Corporate income taxes paid (on cash basis) in the reporting year, regardless of the year to which the taxes refer. Companies' income taxes paid do not include taxes paid on dividends received from other group entities (approximately 6.5 million euros in 2022). For a more comprehensive overview, it should be noted that the stated amount includes (i) prior years' taxes (41.2 million euros) paid to resolve the tax dispute and (ii) taxes paid to the Assicurazioni Generali Italian national tax consolidation program (approximately 6.6 million euros).

For the purposes of the section "Income Taxes", Income taxes for the year paid also includes the taxes paid on the dividends received from other entities of the Banca Generali Group.

Companies' income taxes accrued (current)

Corporate income taxes calculated on the taxable income for the year (current taxes). Prior years' taxes (approximately 29 thousand euros in 2022), deferred tax assets, deferred tax liabilities and any provisions for uncertain tax liabilities (uncertain tax positions) are not included. Taxes accrued on dividends received from other group entities (approximately 6.5 million euros in 2022) are also not included.

Income taxes for the year

Income taxes for the year, as reported in the Consolidated and Separate Financial Statements of Banca Generali S.p.A. (reported taxes). This item includes current taxes (also those on dividends received from other entities of the Banca Generali Group), prior years' taxes, deferred tax assets and liabilities and any provisions for uncertain tax liabilities (uncertain tax positions).

Property and equipment (other than cash and cash equivalents)

Net carrying amount of property and equipment. Pursuant to IFRS 16, property and equipment includes "rights of use" arising from property and other equipment leasing transactions. Cash and cash equivalents, intangible assets and financial assets (equity investments) are not included.

Total Tax Contribution (TTC) Framework

A universal framework that provides a clear, concise overview of all taxes that a company contributes to public finances. The Framework measures the contribution of a business to a country's tax revenue on cash basis. It is structured in a simple, non-technical way, and is thus relatively easy to understand for those who possess limited understanding of tax matters. It is based on three pillars: 1) the definition of "tax", 2) the distinction between taxes borne and taxes collected and 3) the classification of taxes into various categories.

The definition of "tax": in the context of the TTC Framework and in keeping with the definition provided by the OECD¹², the term "tax" indicates a "a compulsory unrequited payment to the central government"¹³. Payments that yield a benefit in terms of value arising from the use of a good or entitlement to a right are not considered taxes.

The term "tax" is thus to be understood as referring not only to income taxes, but also other forms of taxation to which a company is subject, including both taxes borne by the company as taxpayer or collected as withholding agent.

Distinction between taxes borne and taxes collected:

Taxes borne

Taxes that are a cost for the company and impact its financial results; and

Taxes collected

Third-party taxes collected by the company on behalf of general governments as withholding agent or on the basis of similar mechanisms. Such taxes are considered in light of the value generated and the economic activity exercised by the company.

Taxes are broken down into different categories:

Profit taxes

Income taxes. Profit taxes may be:

- › borne: companies' income taxes paid, as described above;
- › collected: where a withholding is applied to payments made to third parties or natural persons (such as withholdings on profits of a financial nature, interest and royalties and professional services).

People taxes

Taxes and social contributions associated with an employment relationship. People taxes may be:

- › borne: income taxes and social security contributions borne by Banca Generali in its capacity as employer (e.g., social security contributions, health insurance/pension/disability contributions); or
- › collected: personal income taxes or social security contributions borne by the employee and withheld by Banca Generali in its capacity as employer (e.g., personal income tax and social security contributions).

Product taxes

Indirect taxes on the production, supply, use and consumption of goods and services, regardless of the fact that they are paid to the good suppliers or service providers or directly to general governments. The value added tax (VAT) and the stamp duty are included in this category. Product taxes may be:

- › borne: non-deductible VAT; or
- › collected: stamp duty applied and net VAT paid.

Bank taxes

Contributions to the banking crisis and deposit protection funds and other similar funds. They include the contributions to the European Single Resolution Fund, the Italian National Resolution Fund managed by the Bank of Italy and the Interbank Deposit Protection Fund. These are generally taxes borne.

Other taxes

A residual category that includes all taxes that are not included in one of the previous four tax categories. By way of example, "Other taxes" include the social security contributions (Enasarco contributions) paid in relation with the Financial Advisors working for the Bank and property taxes.

¹² "The OECD classification of taxes and interpretative guide", in Revenue Statistics 2022.

¹³ "Compulsory, unrequited payment to general government".



5.2 Disclaimer

This Report has not been audited by Independent Auditors.

The data contained herein refer to the year 2022 (i.e., from 1 January 2022 to 31 December 2022), namely the reporting period of the Annual Integrated Report 2022.

This document is drawn up in euros, i.e., the functional currency used to prepare the Annual Integrated Report 2022. The amounts (except for the number of employees) are shown in millions and rounded to the first decimal, unless otherwise reported. Therefore, the sum of the rounded amounts may sometimes differ from the rounded total.

The reporting scope coincides with the scope of equity investments in wholly owned subsidiaries presented in the Consolidated Financial Statements of Banca Generali S.p.A. at 31 December 2022. It includes the following companies¹⁴.

COMPANY NAME	REGISTERED OFFICE	OPERATING OFFICE
Banca Generali S.p.A.	Italy (Trieste)	Italy (Trieste, Milan)
BG Fund Management Luxembourg S.A.	Luxembourg (Luxembourg)	Luxembourg (Luxembourg)
Generfid S.p.A.	Italy (Milan)	Italy (Milan)
BG Suisse S.A.	Switzerland (Lugano)	Switzerland (Lugano)
BG Valeur S.A.	Switzerland (Lugano)	Switzerland (Lugano)

With regard to this document, it should also be noted that:

- › the term “Banca Generali” is used to indicate the entire Banca Generali Group, also referred to by the expression “Banking Group” or “Bank”;
- › where it is necessary to refer to Banca Generali individually as the Parent Company, the full company name “Banca Generali S.p.A.” is used.

¹⁴ For further information, reference should be made to Part A.1, Section 3 – “Scope of Consolidation and Consolidation Methods” of the Annual Integrated Report 2022.

Banca Generali S.p.A.

Registered office
Via Machiavelli 4 - 34132 Trieste

Share capital
Authorised 119,378,836 euros
Subscribed and paid 116,851,637 euros

Tax and VAT code and registration number in the
Trieste Register of Companies 00833240328
VAT No. 01333550323

Company managed and coordinated
by Assicurazioni Generali S.p.A.
Bank which is a member of the Interbank
Deposit Protection Fund
Registration with the bank register
of the Bank of Italy under No. 5358
Parent Company of the Banca Generali Banking
Group registered in the banking group register
ABI code 03075.9

Coordination and layout
zero3zero9 S.r.l.
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