

<b>Informazione Regolamentata n. 0856-7-2023</b>	<b>Data/Ora Ricezione 09 Febbraio 2023 12:50:39</b>	<b>Euronext Milan</b>
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Societa' : BANCA GENERALI  
Identificativo : 172336  
Informazione  
Regolamentata  
Nome utilizzatore : BCAGENERALIN04 - Zazzaro  
Tipologia : 1.1  
Data/Ora Ricezione : 09 Febbraio 2023 12:50:39  
Data/Ora Inizio : 09 Febbraio 2023 12:50:40  
Diffusione presunta  
Oggetto : Banca Generali FY 2022 Investor  
Presentation

*Testo del comunicato*

Vedi allegato.

# Investor Presentation

## Preliminary FY 2022 RESULTS

9 February 2023



To be the No. 1 private bank, unique by **value of service, innovation** and **sustainability**



**FY 2022 Financial Results**

**Balance Sheet & Capital Ratios**

**Net Inflows, Assets and Recruiting**

**Business Update and Closing Remarks**

**Annex**



**Net inflows and assets held up well in the year** amid extraordinarily challenging financial market conditions. Managed products are well channelled in a steady recovery starting from 4Q thanks to an in-depth review of product offer



**FY 2022 recurring results posted a strong increase (+25%) - above expectations** - proving the flexibility of the business model, the benefits of diversification of product and service offering and relentless cost discipline



**Sound balance sheet**, well placed to benefit from higher interest rates, and **solid capital and liquidity ratios** well above regulatory requirements, supporting a dividend proposal of €1.65 per share



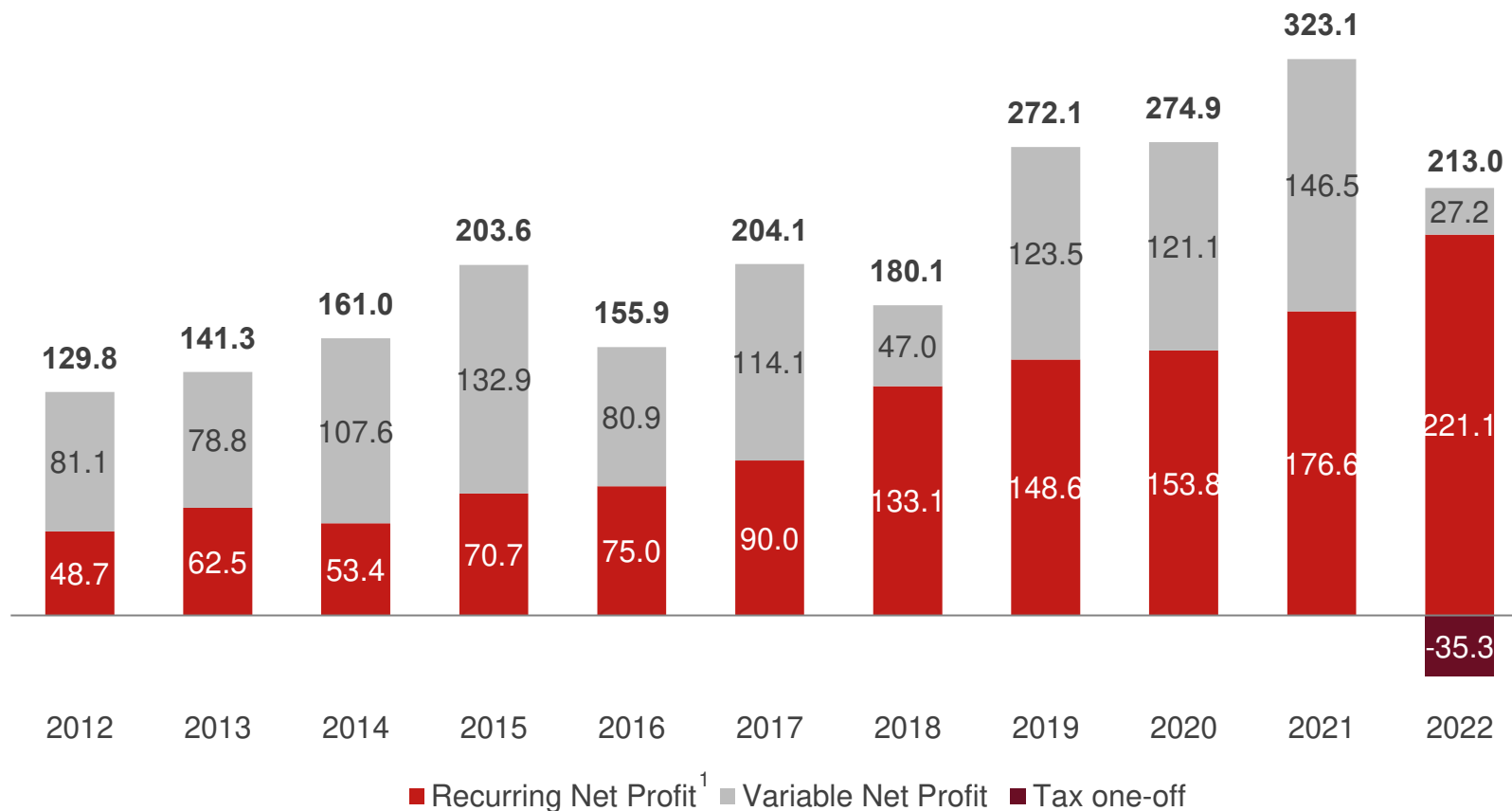
Banca Generali fully **on track to meet its key financial targets of the 2022-2024 Business Plan** despite radically changed market environment. **All initiatives of our strategic pillars** - value of service, innovation and sustainability - are in place

# RECURRING NET PROFIT (1/2)

## EARNINGS QUALITY STEADILY IMPROVING OVER TIME



### Net Profit - Yearly €\m



- ▶ FY 2022 recurring net profit increased by **4.5x** over the last 10 years
- ▶ The Bank has **increasingly focused on recurring revenues** working on new revenue streams, increasing diversification and innovation of products and services, pricing optimization, short/long term incentive schemes and cost control
- ▶ Results point to **growing sustainability** and more upside once financial markets fully recover

# RECURRING NET PROFIT (2/2)

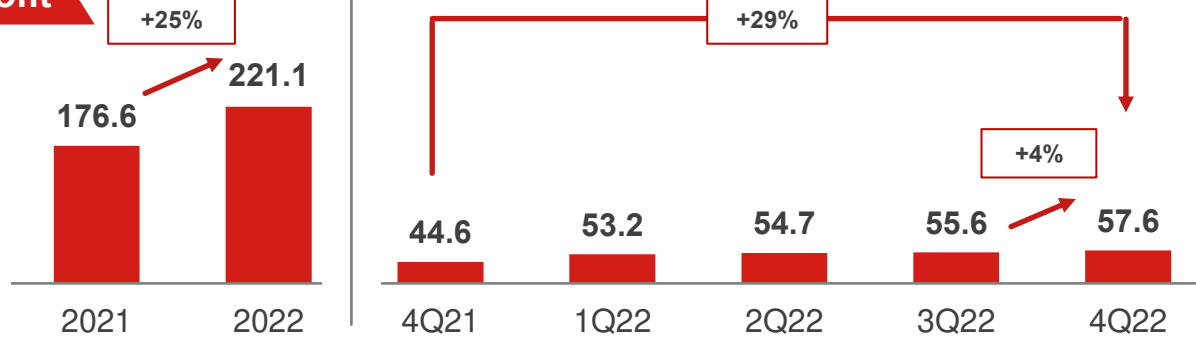
## HEALTHY QUARTERLY TREND DESPITE TOUGH FINANCIAL MARKETS



### Net Profit €\m

#### Recurring Net Profit<sup>1</sup>

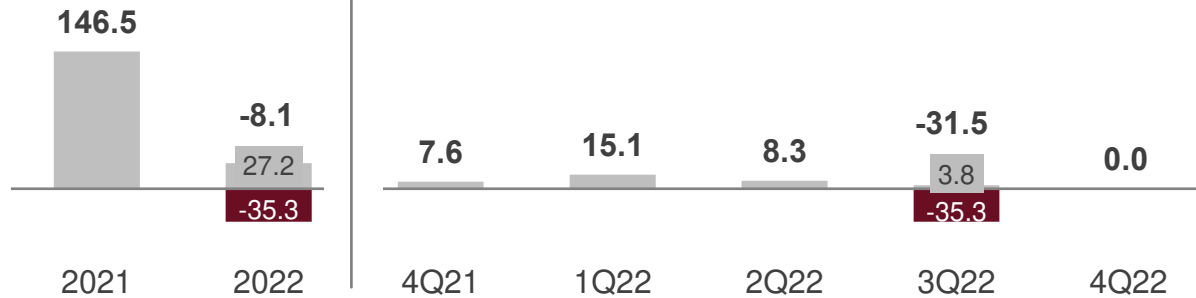
€\m



#### Variable Net Profit

€\m

- Tax one-off
- Other variable components



► **FY 2022 recurring net profit (+25%)** posted a solid quarterly progression thanks to stable net recurring fees coupled with growing NII and a tight cost discipline even in the inflationary environment

► **FY 2022 variable net profit** hit by **€35m one-off charge** and by unfavourable market conditions

### Net Profit €\m

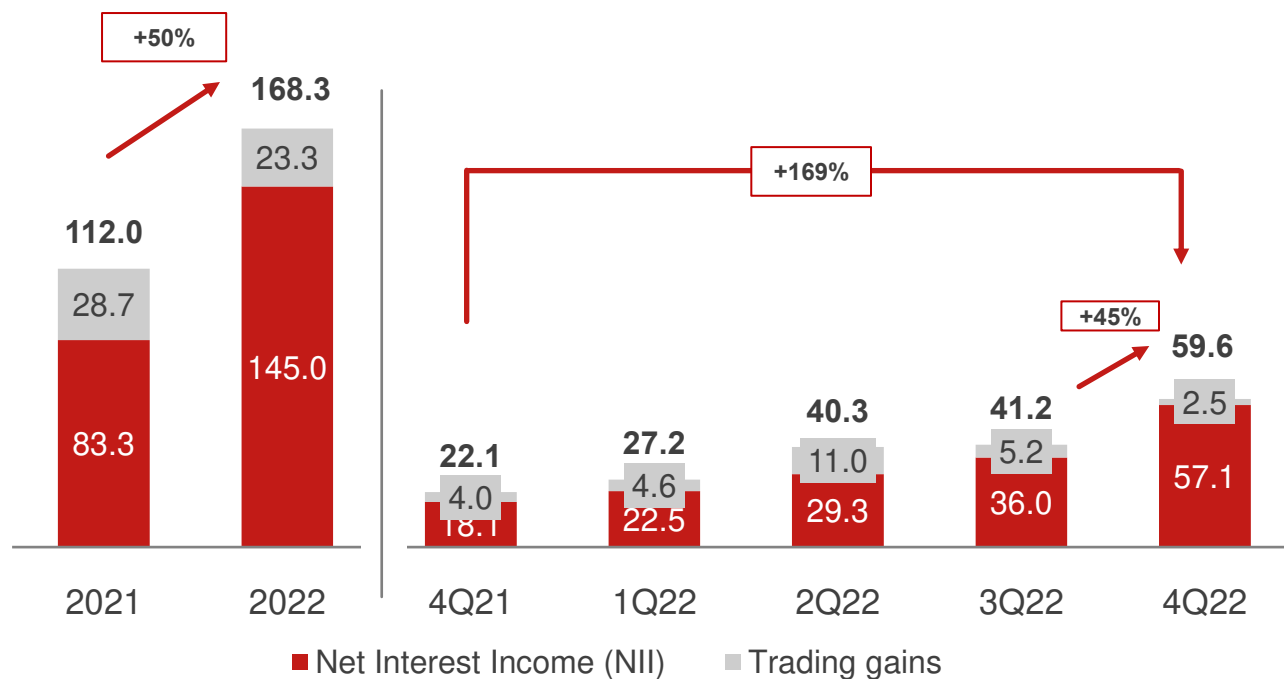


# NET FINANCIAL INCOME

## ASSET REPRICING DRIVES A STRONG INCREASE IN NET INTEREST INCOME (NII)



### Net Financial Income (NFI) €m



► **FY 2022 NFI (+50%)** leveraging on the strong acceleration of NII (+74%) driven by the repricing of interest-bearing assets in the period (+31 bps average YoY)

► **4Q 2022 NII (+45% QoQ)** benefitted also from the repricing of €260m of inflation linked bonds (+€6m in the quarter, +€20m in the year)

### Total NFI Yield<sup>1</sup>



### Total NII Yield<sup>1</sup>

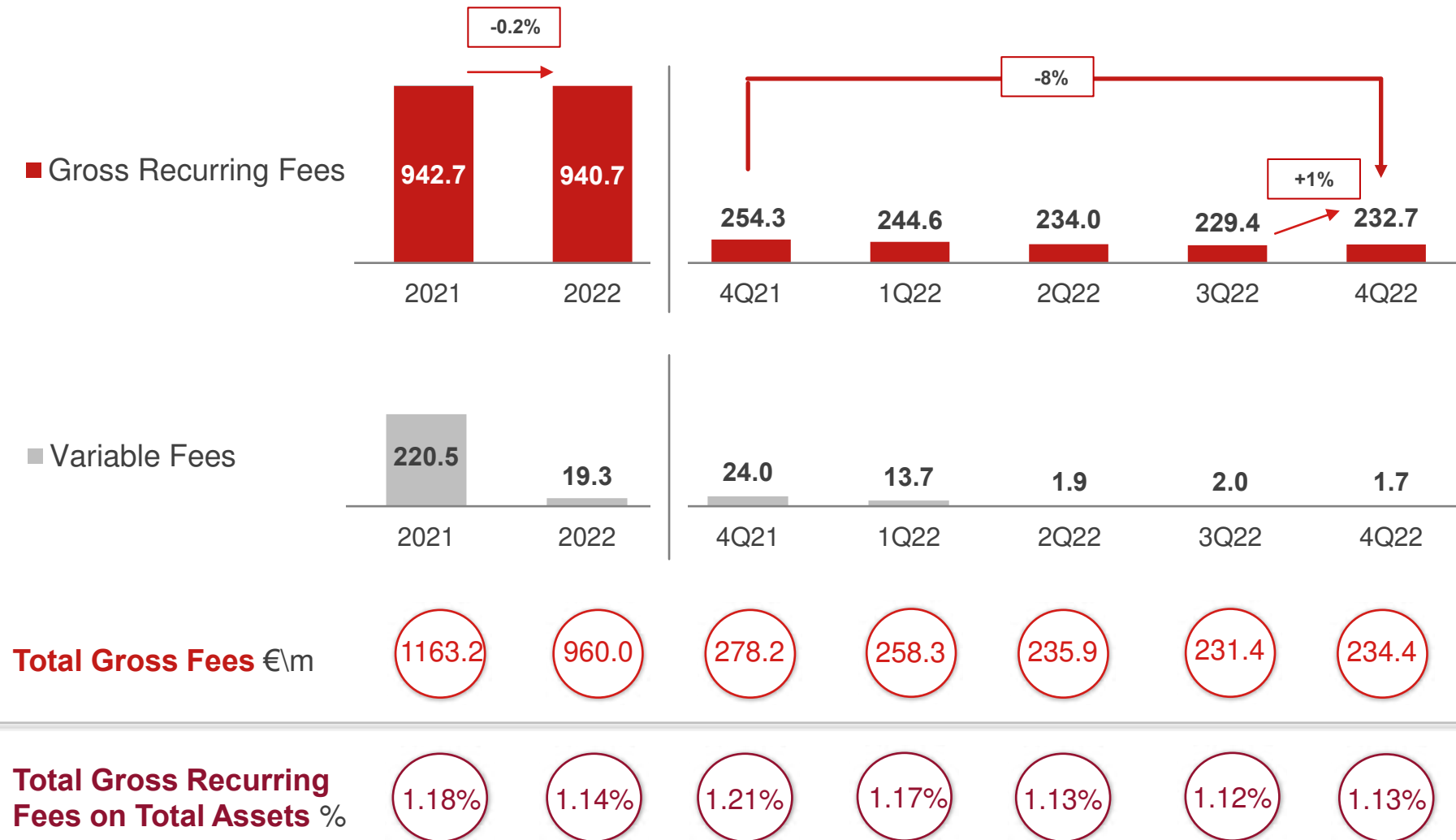


# TOTAL GROSS FEES

RECURRING FEES SUCCESSFULLY LEVERAGE ON PRODUCT AND SERVICE DIVERSIFICATION



## Total Gross Fees €\m



► **FY 2022 gross recurring fees** were flat YoY leveraging on product and service diversification at group level. 4Q total recurring fees bottomed out

► Contribution from **variable fees** suffered one of the worst years for balanced portfolios ever



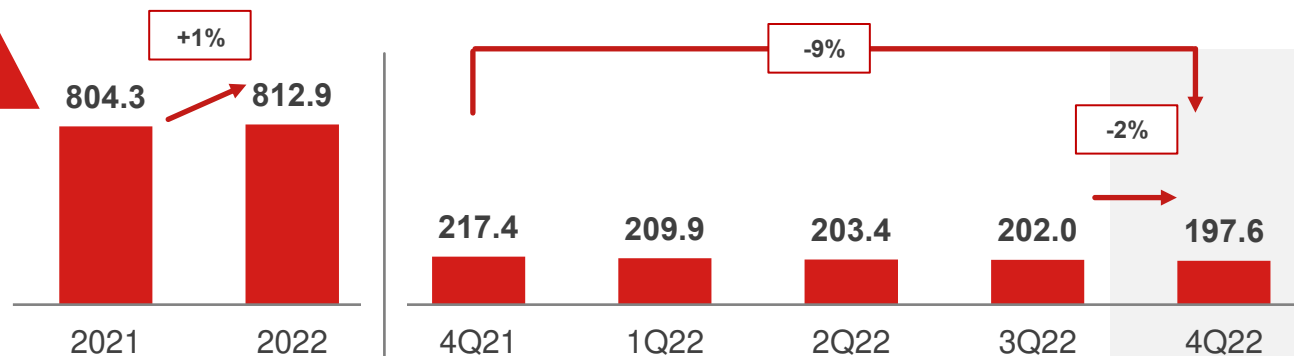
# MANAGEMENT FEES

## CONSTANT MANAGEMENT FEE MARGIN AMID LOWER MANAGED ASSETS



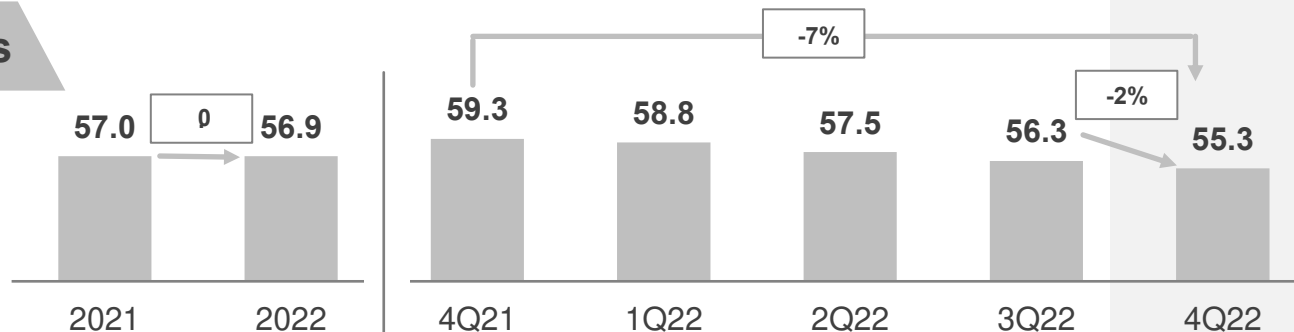
### Management Fees

€m



### Avg. Managed Assets

€bn



### Management Fees on Managed Assets

%



### Management Fees on Total Assets

%



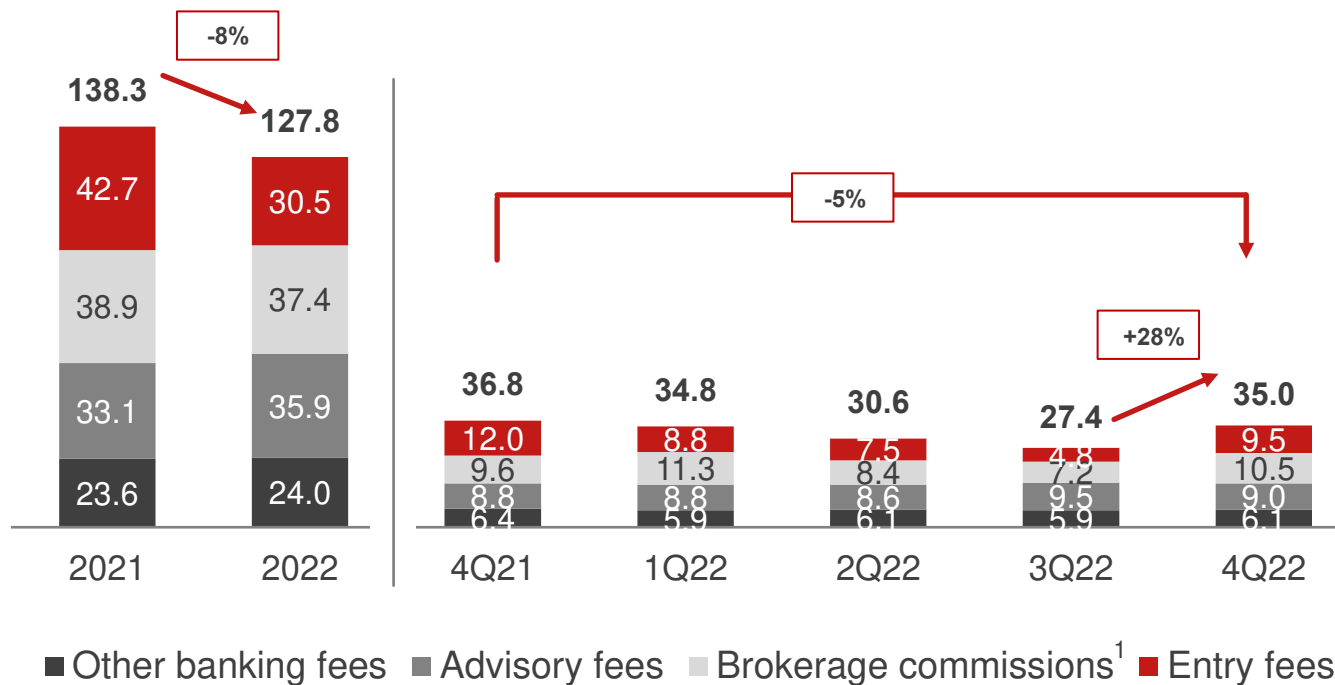
► **FY 2022 management fees were flat YoY (+1% YoY)** while they posted a small decrease in 4Q 2022 (-2% QoQ) in line with trend in volumes

► **Management fee margin (1.43% +2bps YoY)** was comfortably above guidance ( $\geq 1.41\%$ ) for both FY and 4Q, despite the unfavourable financial markets over the year

# BANKING AND ENTRY GROSS FEES

## SIZEABLE PICKUP IN ACTIVITY AT YEAR END

### Banking and Entry Gross Fees €\m



- ▶ **FY 2022 entry fees** posted a cyclical contraction (-29%) due to lower front fees from managed products and lower volumes in structured products
- ▶ **FY 2022 advisory fees** (+9%) posted a sound YoY increase despite the challenging financial markets
- ▶ **FY 2022 brokerage commissions** (-4%) were little changed after posting a strong increase in 4Q (+46% QoQ) mostly driven by retail brokerage

Banking and Entry Gross Fees on Total Assets %



- of which excl. Cyclical Component<sup>2</sup> %

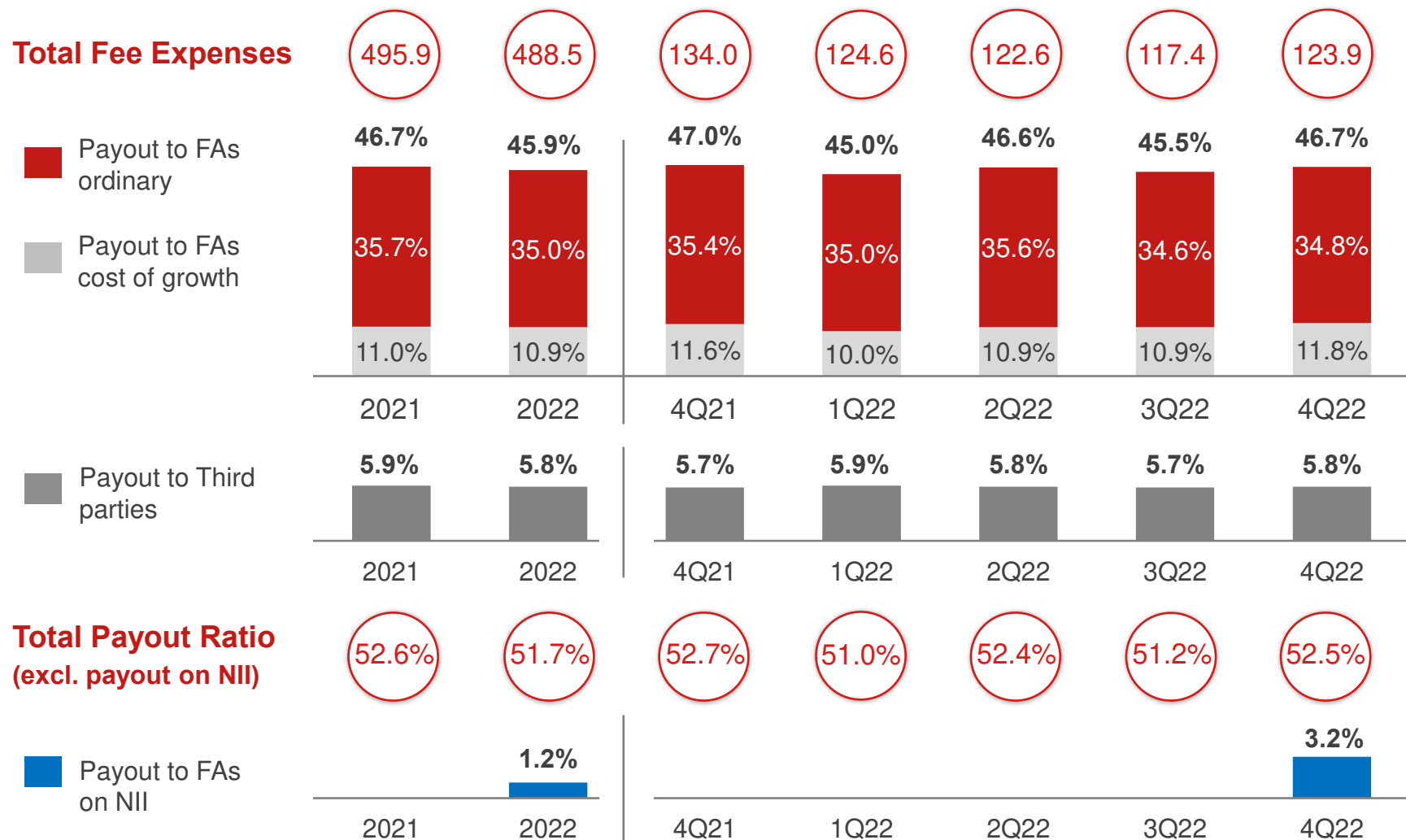


# TOTAL PAYOUT RATIO

## BUSINESS MODEL'S FLEXIBILITY DRIVES FEE EXPENSES AND PAYOUT LOWER



### Total Payout Ratio and Fee Expenses €\m



► **FY 2022 fee expenses (-1.5%) and payout (51.7%, -8bps) decreased on business mix in the period**

► **FY 2022 payout ratio on third-party slightly improved on higher internalization and optimization of trading activities**

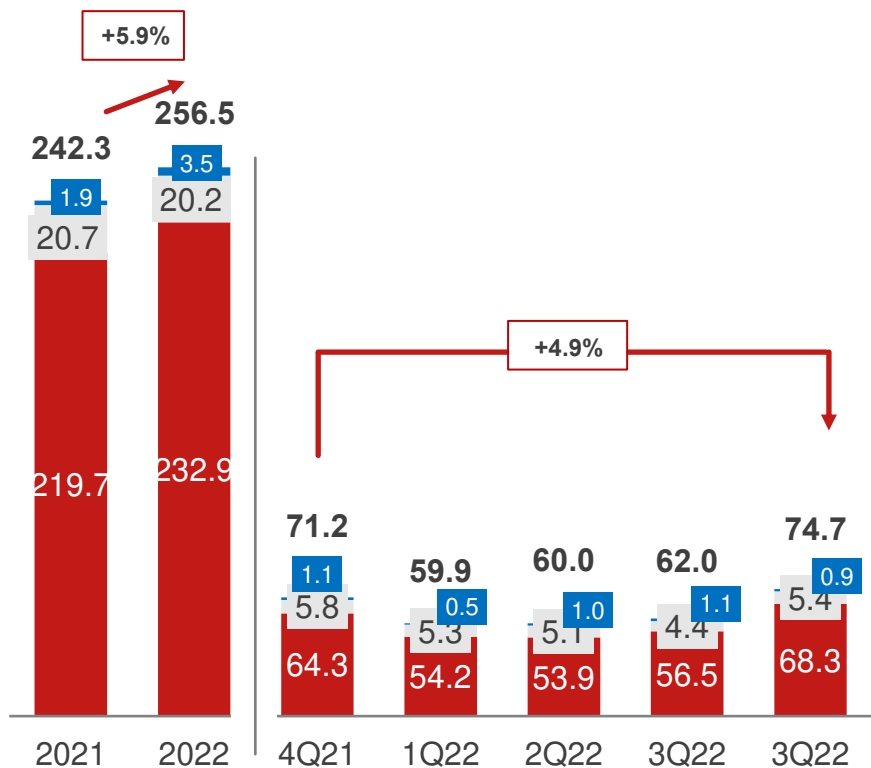
► **Payout on NII represents fee expenses paid to FAs on the spread between markup and markdown of current accounts. The amount is paid once per year and is capped**

# OPERATING COSTS (1/2)

## COST GUIDANCE MET ON TIGHT COST MANAGEMENT

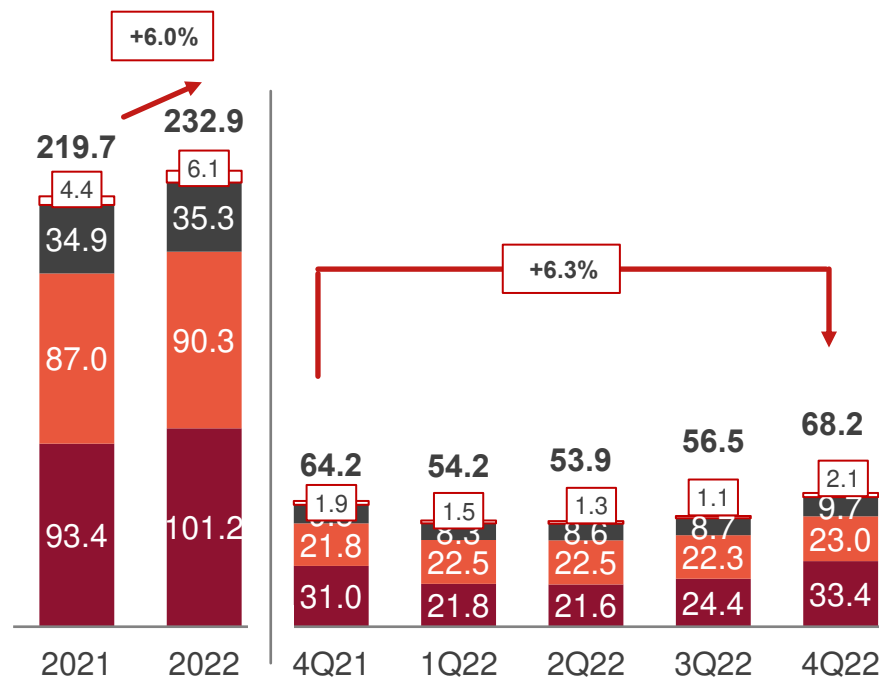


### Total Operating Costs<sup>1</sup> €m



- One-off items
- Sales personnel
- Core operating costs (incl. BG Suisse)

### Breakdown of Core Operating Costs<sup>1</sup> €m



- G&A
- Staff costs
- Depreciation
- BG Suisse

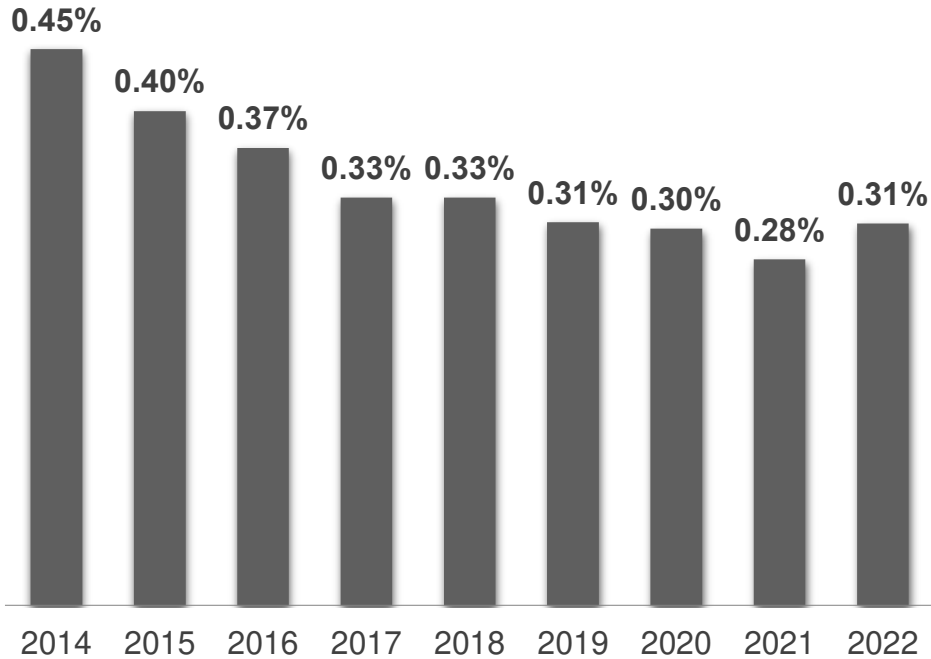
- ▶ **FY 2022 total operating costs** (+5.9%) included €3.5m one-off items (+5.3% excl. one-offs)
- ▶ **FY 2022 core operating costs** (+6.0%) increased driven by an acceleration in IT projects and commercial events and the development of BG Suisse
- ▶ **2022-2024 guidance on core operating costs of CAGR 5.0-6.0% confirmed** despite inflationary environment

# OPERATING COSTS (2/2)

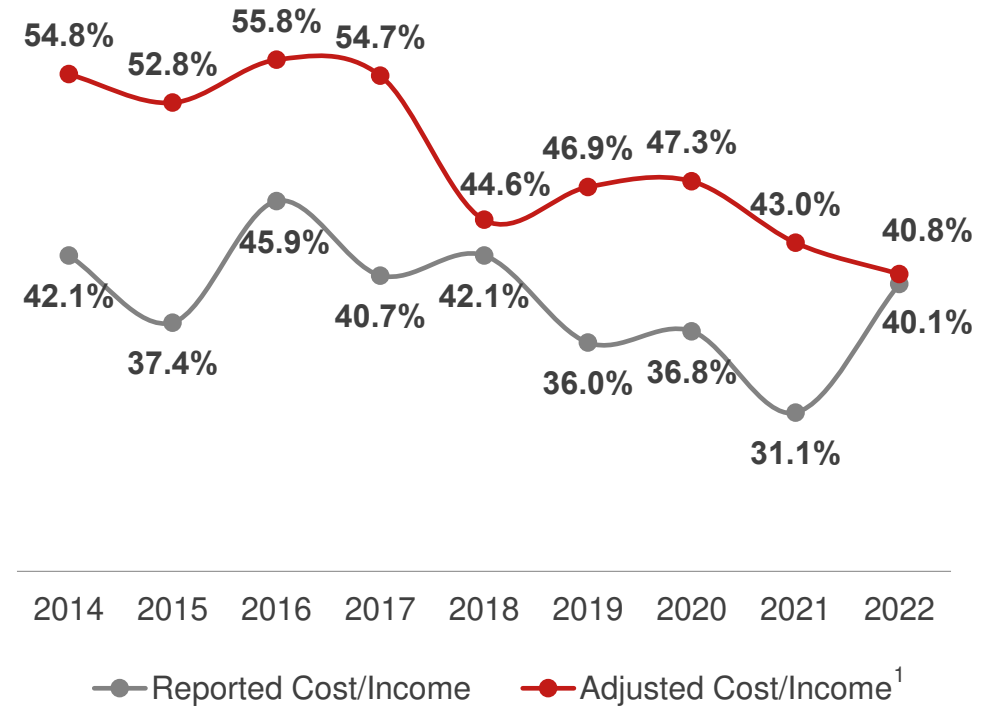
COST RATIOS CONFIRMED AT BEST PRACTICE LEVELS



## Operating Costs / Total Assets



## Cost / Income Ratio



(€ m)	FY 21	FY 22	% Chg
<b>Net Financial Income</b>	<b>112.0</b>	<b>168.3</b>	<b>50.3%</b>
<b>Net recurring fees</b>	<b>446.8</b>	<b>452.2</b>	<b>1.2%</b>
Variable fees	220.5	19.3	-91.2%
<b>Total Banking Income</b>	<b>779.3</b>	<b>639.8</b>	<b>-17.9%</b>
Core operating costs	-219.7	-232.9	6.0%
<b>Total operating costs</b>	<b>-242.3</b>	<b>-256.5</b>	<b>5.9%</b>
<b>Operating Profit</b>	<b>537.0</b>	<b>383.3</b>	<b>-28.6%</b>
<b>Operating Profit excl. performance fees</b>	<b>316.5</b>	<b>364.0</b>	<b>15.0%</b>
Net adjustments for impair.loans and other assets	-2.5	-8.3	n.m.
Net provisions for liabilities and contingencies	-45.4	-27.1	-40.3%
Contributions to banking funds	-15.5	-17.6	13.7%
Other one-off charges	-80.6	0.0	n.m.
Gain (loss) from disposal of equity investments	-0.3	-0.1	-62.9%
<b>Profit Before Taxation</b>	<b>392.7</b>	<b>330.2</b>	<b>-15.9%</b>
Direct income taxes	-69.6	-81.9	17.5%
Extraordinary Tax agreement	0.0	-35.3	n.m.
<i>Tax rate</i>	<i>17.7%</i>	<i>24.8%</i>	<i>7.1 p.p.</i>
<b>Net Profit</b>	<b>323.1</b>	<b>213.0</b>	<b>-34.1%</b>
<b>Recurring Net Profit</b>	<b>176.6</b>	<b>221.1</b>	<b>25.2%</b>

## Comments

- ▶ **Operating result excl. performance fees (+15%)** posted a sound increased driven by solid recurring revenues and tight cost discipline (+6%)
- ▶ **Total non operating charges (excl. one-off items)<sup>1</sup>** decreased reflecting lower pension provisions and other contractual indemnities to FAs. The calculation is based on Fair Values linked to the review of the discount rate prompted by higher interest rates. These changes were partially offset by higher provisions for risk and charges amid 2022 negative market conditions and higher contribution to banking funds
- ▶ **Results including the one-off tax charge of €35m** linked to the settlement with the Tax Revenue Agency
- ▶ **Recurring net profit<sup>2</sup> (+25%)** posted a double digit increase above the 2022-2024 guidance after the higher tax-rate at 24.8% (+7 p.p.) following the different revenue mix

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FY 2022 Financial Results

**Balance Sheet & Capital Ratios**

Net Inflows, Assets and Recruiting

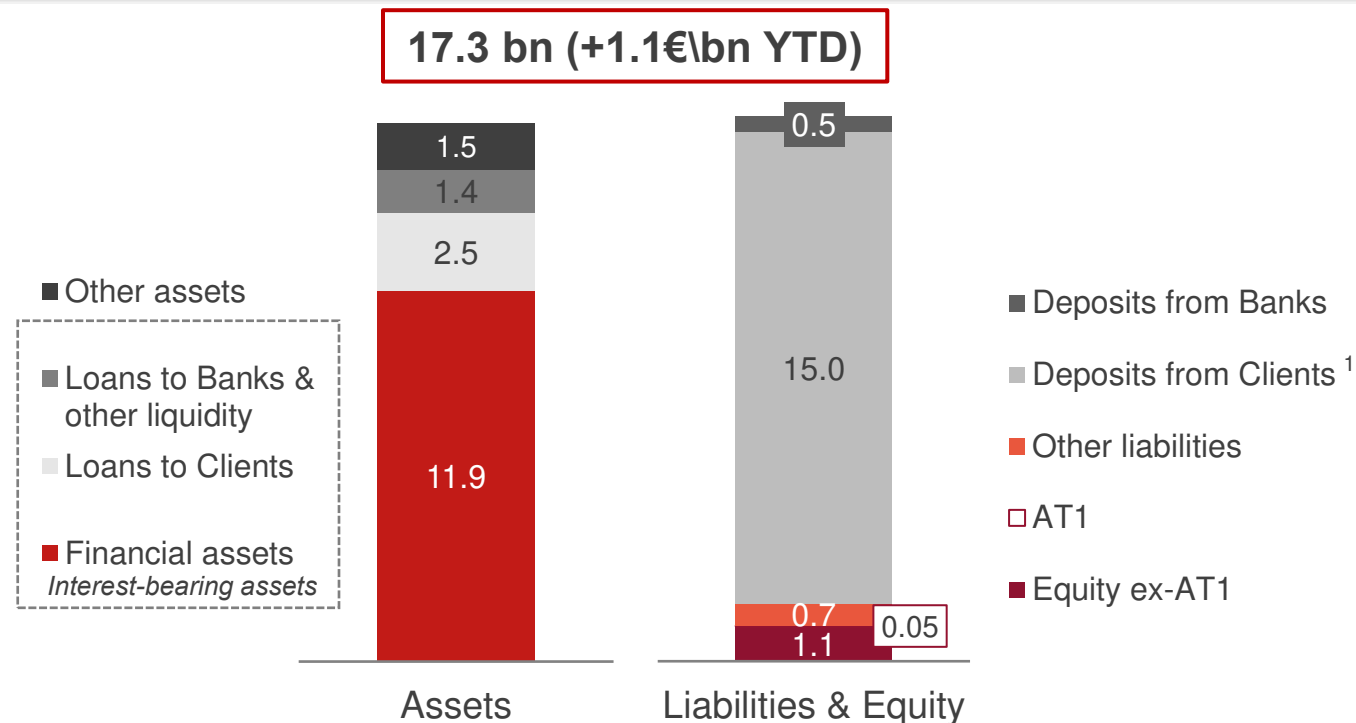
Business Update and Closing Remarks

Annex

# BALANCE SHEET (1/3)

## SIMPLE AND LOW RISK BALANCE SHEET

### FY 2022 Balance Sheet - Assets and Liabilities €\bn



**Deposits from Clients** 15.0bn (+1.4€\bn YTD)

**Interest Bearing Assets (IBA)** 15.8bn (+0.7€\bn YTD)

- ▶ **Total balance sheet** increased by €1.1bn (+6.6% YoY) to €17.3bn even after the decision to entirely reimburse TLTRO assets (€700m) in November 2022
- ▶ **Interest bearing assets amounted to €15.8bn (+4.9%)** driven by expansion of Financial Assets' portfolio (€11.9bn, +12%)
- ▶ **Loan book** reached €2.5bn (+5.0% YTD) confirming a focus on asset quality with NPL exposure (net of indemnity) at 4bps. The loan book is almost entirely composed of floating-rate bonds
- ▶ The bank has only a **small AT1 bond issue (€50m)** included as Tier 1 capital with own funds almost fully represented by CET 1 capital

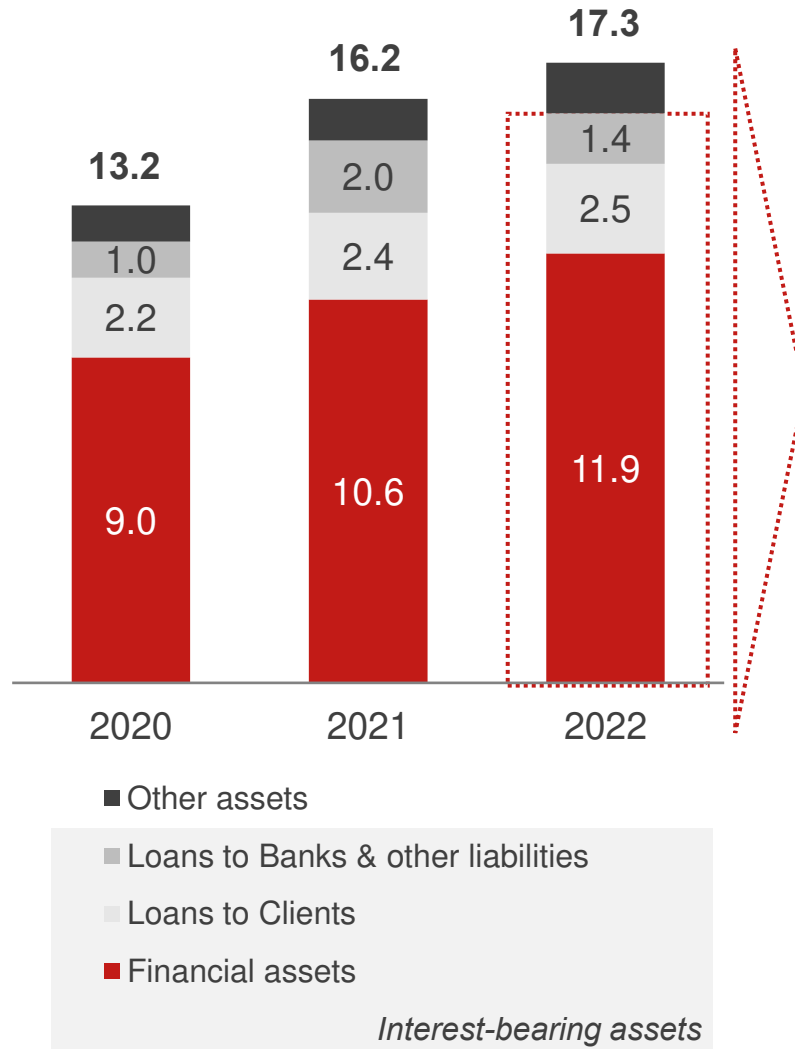


# BALANCE SHEET (2/3)

## STRONG INCREASE IN AVERAGE YIELD ON INTEREST BEARING ASSETS



### Total Assets and Interest-Bearing Assets: Volumes and Yields €bn



	2020	2021	2022	4Q22
<b>Yield on Interest Bearing Assets</b>	<b>0.77%</b>	<b>0.57%</b>	<b>0.95%</b>	<b>1.60%</b>
o/w Loans to Banks	-0.08%	-0.26%	0.25%	1.45%
o/w Loans to Clients	1.08%	1.07%	1.49%	2.57%
o/w Financial Assets	0.81%	0.58%	0.93%	1.42%
<b>Cost of Funding</b>	<b>-0.01%</b>	<b>-0.04%</b>	<b>0.03%</b>	<b>0.18%</b>
o/w Cost of retail funding	0.0%	-0.01%	0.03%	0.13%

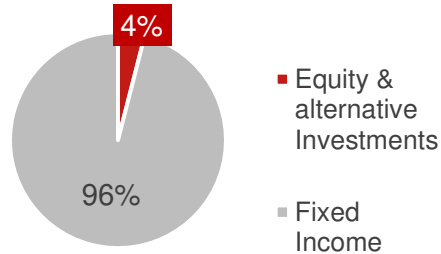
▶ **Strong spike in the average yield on interest bearing assets** to 95bps (+38bps YoY) with a further sharp increase in 4Q22 to 160bps (+69 bps QoQ)

▶ **Yield on financial assets** increased by 35bps YoY leveraging on an ongoing quarterly acceleration (1.42% in 4Q22)

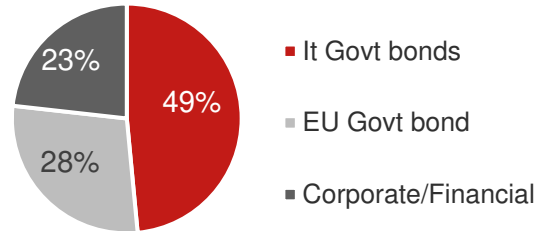
▶ **Very low cost of funding elasticity** to the spike in rates

### Focus on Financial Assets (Banking Book) €bn

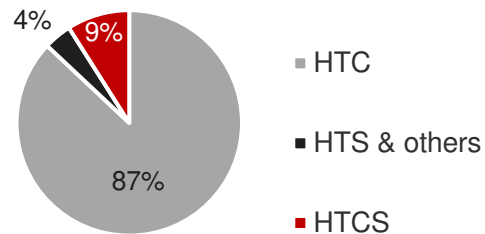
#### Total PTF Classification



#### Bond PTF Classification

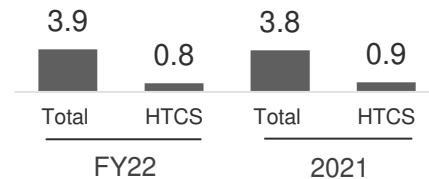


#### Total PTF - IFRS Classification

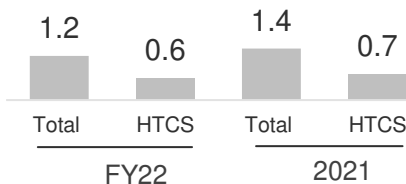


Floating rate bonds 53%, Fixed rate bonds and zero coupon 47%

#### Bond PTF Maturity



#### Bond PTF Duration



- ▶ High **quality and diversification** of financial assets. Fixed income represents 96% of total with the remaining 4% being alternative investments  
Fixed income is almost entirely composed of investment grade securities. Italy gov't bonds represent less than 50% of total. A third of the bond portfolio is rated  $\geq A$  of which longer tenor bonds are more than 70% rated AA/AAA
- ▶ **Conservative investment strategy** reflected in **short duration** (1.2 years) and maturity (<4 years) of the bond portfolio
- ▶ Financial assets are **favourably exposed to the rise of interest rates** thanks to a high share of floating rate bonds (53% of total) and a low duration
- ▶ 87% of total financial assets are accounted at HTC hence with a **limited volatility** on P&L

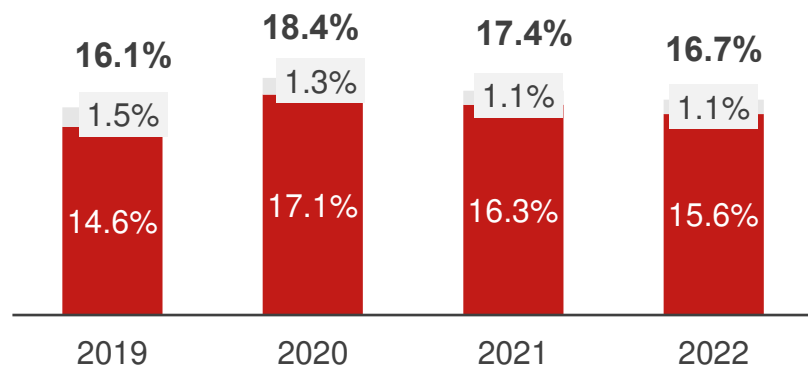
# CAPITAL AND LIQUIDITY RATIOS

## SOLID CAPITAL RATIOS REAFFIRMED

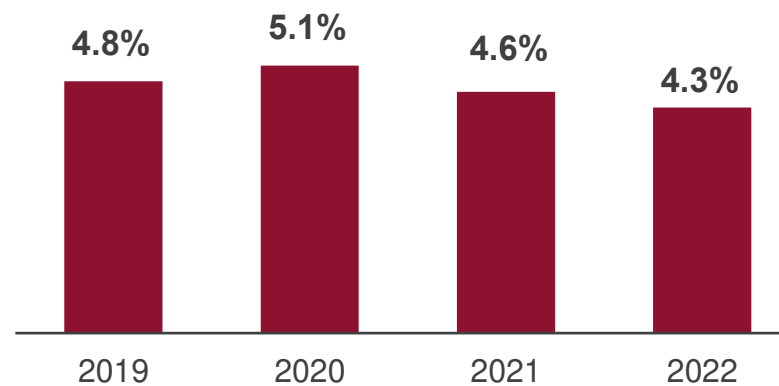


### Total Capital Ratio %

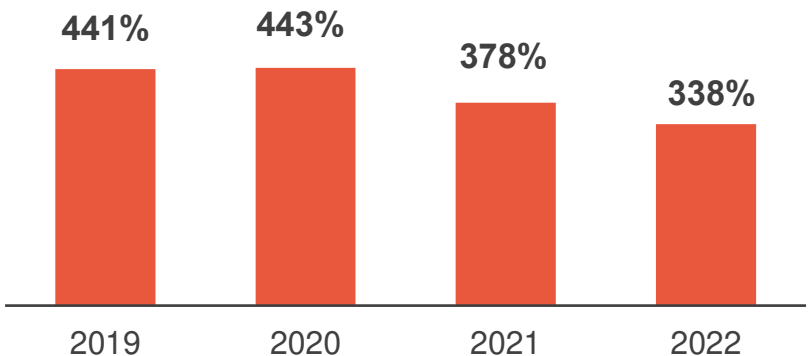
■ CET1 ■ AT1



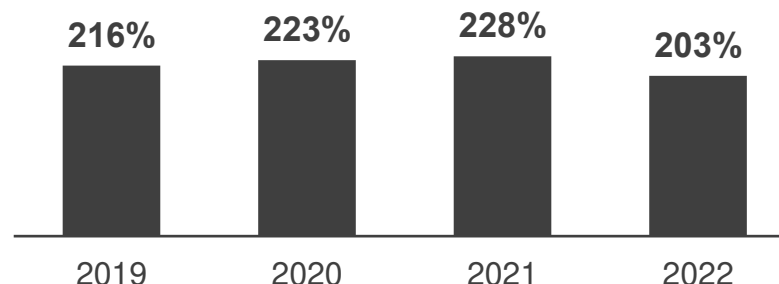
### Leverage Ratio %



### Liquidity Coverage Ratio €bn



### Net Stable Funding Ratio %



▶ **Capital position proved solid** notwithstanding the volatility of financial markets and the growing requirements linked to business expansion

▶ Capital ratios well above **SREP requirements** (CET1 8.0% and TCR 12.3%)

▶ Capital ratios are based on a 90.5% **consolidated dividend payout**

▶ **Liquidity ratios** well above requirements, yet off peak levels

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FY 2022 Financial Results

Balance Sheet & Capital Ratios

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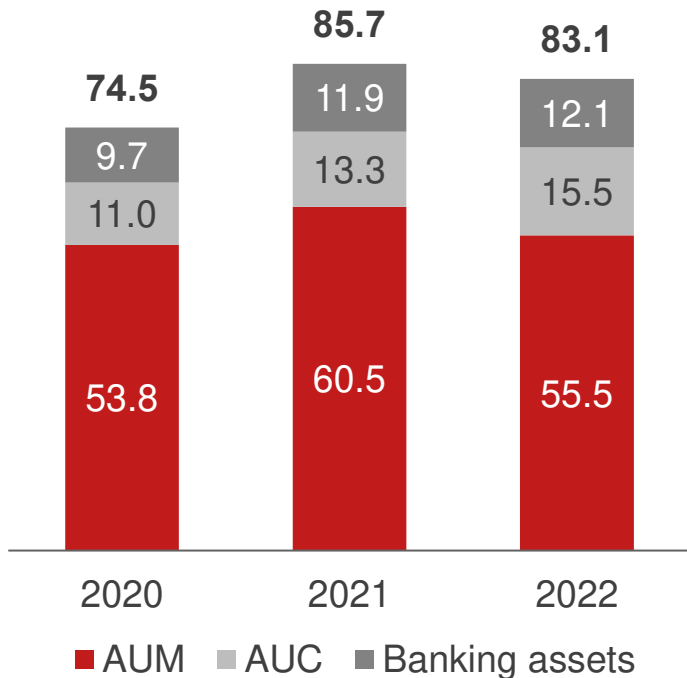
Annex

# TOTAL ASSETS

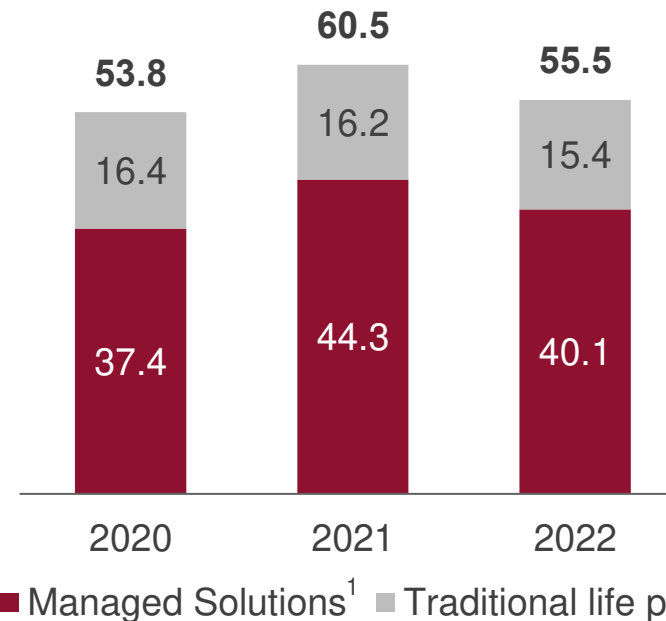
LITTLE CHANGED AFTER ONE OF THE WORST YEARS EVER FOR FINANCIAL MARKETS



**Total Assets** €\bn



**AUM** €\bn



**Assets under Advisory / Total Assets**



**AUM / Total Assets**



**Managed Solutions / Total Assets**



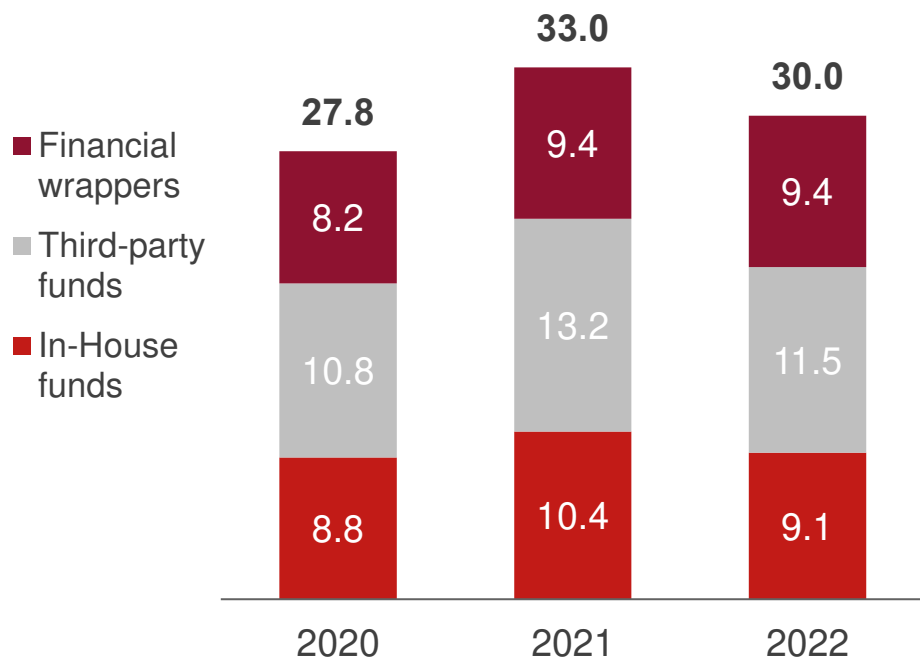
- ▶ **FY 2022 total assets at €83.1bn (-3% YoY, +3% QoQ)** benefitted from 4Q financial markets' recovery from September's lows
- ▶ **FY 2022 product mix at year-end** shows an increase in favour of more defensive solutions (deposits and AUC) and advanced advisory services
- ▶ **4Q 2022 posted an inflection point for managed solutions** with a solid recovery driven by the launch of a brand-new product offer

# AUM BREAKDOWN

## FINANCIAL WRAPPERS CONFIRMED AS MOST IN DEMAND FROM CLIENTS



### AM Products €\bn



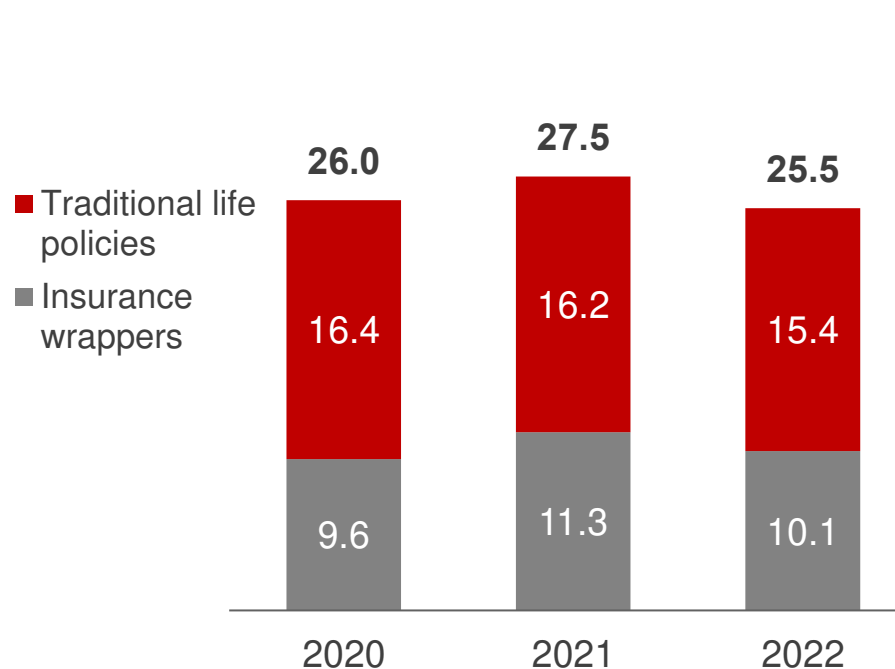
### In-house Solutions (In-house Funds + Financial Wrappers) / AM Products

61.0%

60.0%

61.7%

### Insurance Products €\bn



### Insurance Wrappers / Total Assets

12.9%

13.1%

12.2%

▶ **FY 2022 In-house solutions at 3Y highs on total AM products (61.7%, +170bps)**, driven by growing success of financial wrappers both in terms of net inflows and relative performance

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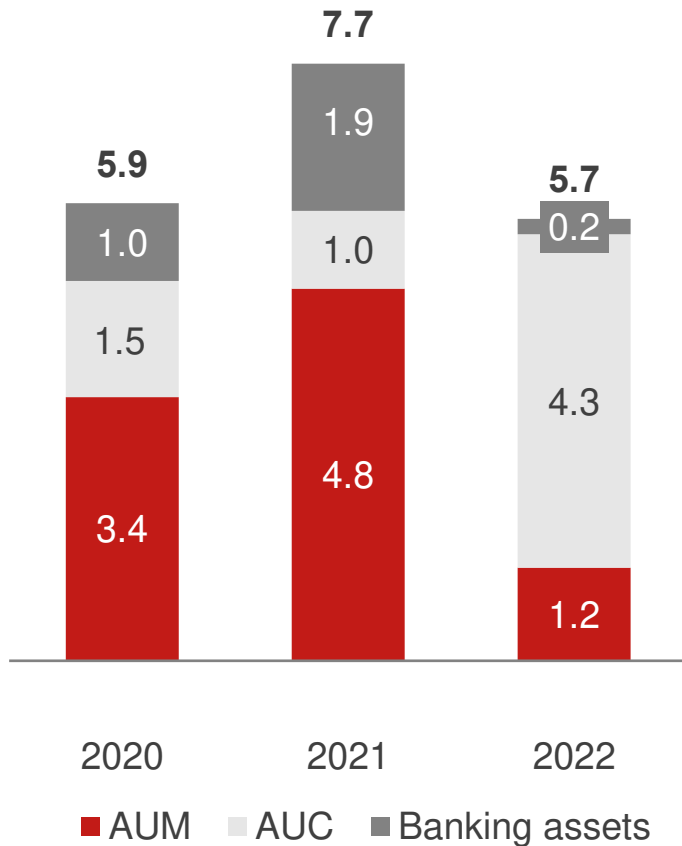
▶ **FY 2022 insurance solutions decreased** pending the launch of new solutions in the next months

# NET INFLOWS

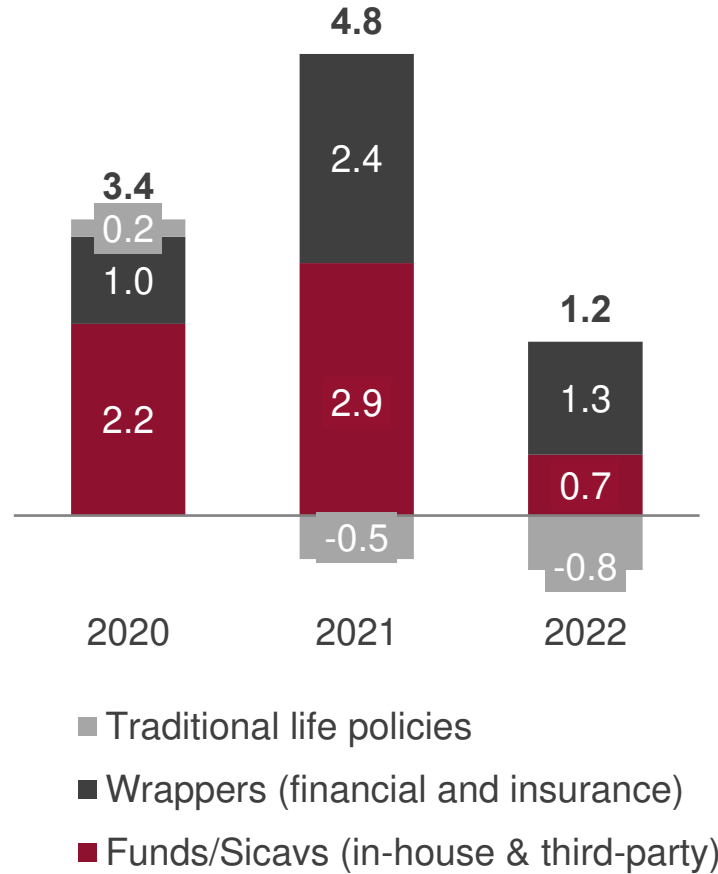
NET INFLOWS HELD UP WELL IN ONE OF THE WORST YEARS EVER FOR FINANCIAL ASSET



**Total Net Inflows** €\bn



**AUM Net Inflows** €\bn



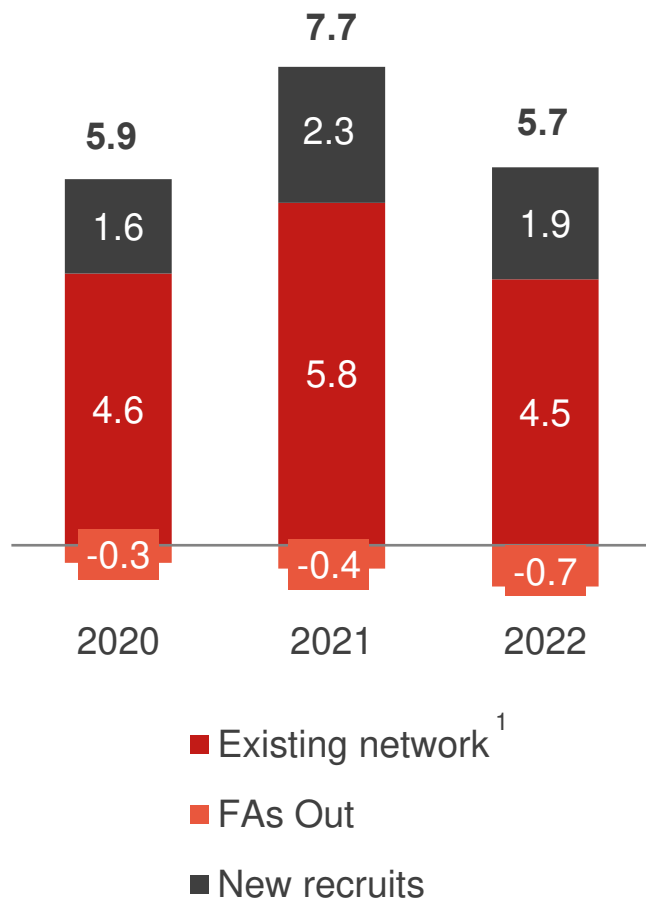
- ▶ **FY 2022 net inflows proved solid in terms of volumes at 7% of starting assets** and broadly in line with 2022 levels
- ▶ FY 2022 net inflows mix reflected the historical shift in asset repricing after the long period of 'lower for longer /negative interest rates' towards more normalized market conditions
- ▶ The **launch of new products** in October 2022 marked the start of the recovery of wrappers and funds

# NET INFLOWS DRIVEN BY EXISTING FAS

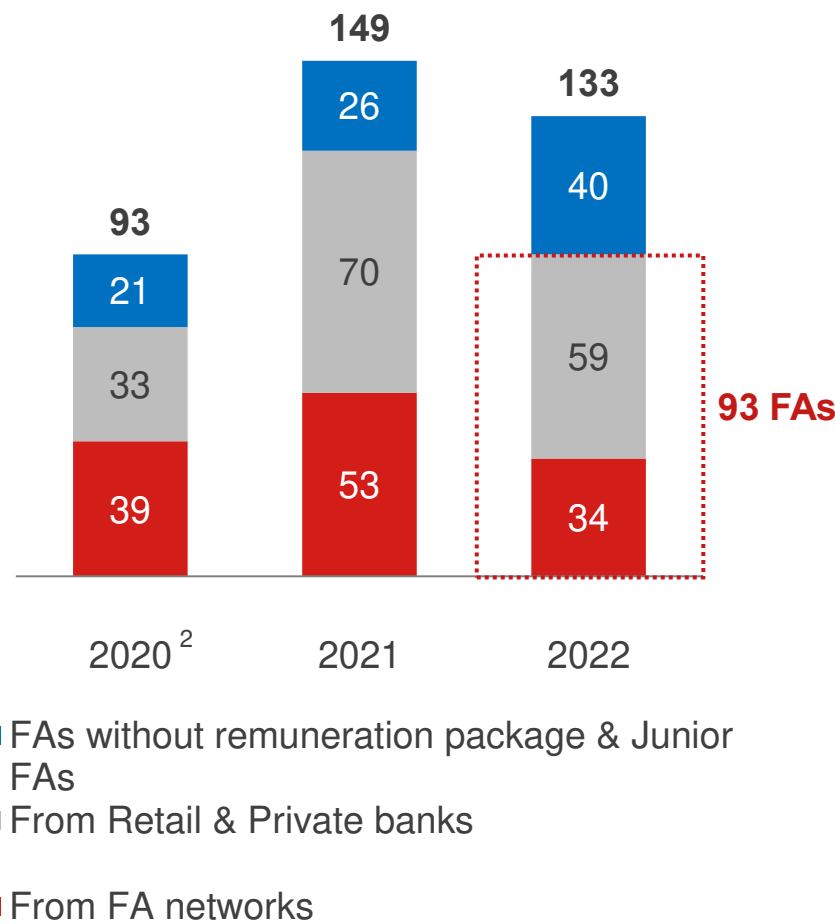
## GROWING FOCUS ON RECRUITING YOUNGER PROFILES



**Net Inflows by Acquisition Channel** €\bn



**Recruitment by Acquisition Channel** #



▶ **Net inflows driven by existing FAs** (79% of total net inflows vs. an average of 72% in 2018-2021)

▶ **High quality new recruits in terms of seniority and age profile**

- 41% of 2022 new recruits under 45
- 40 FAs without remuneration package and Junior FAs on top of 93 senior recruits

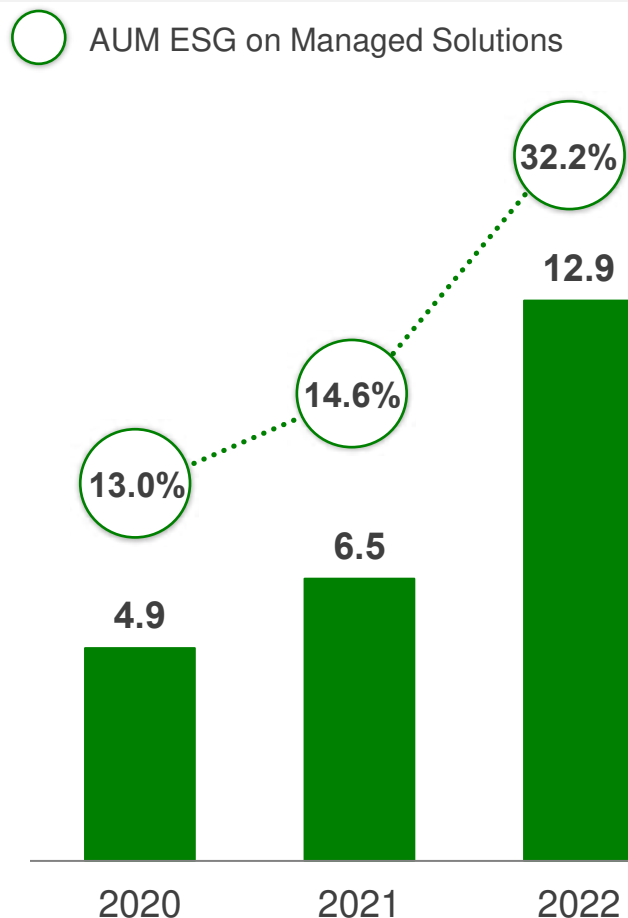


# SUSTAINABLE VALUE PROPOSITION

## ESG PRODUCT OFFER AND RATINGS



### Assets in ESG Products €\bn



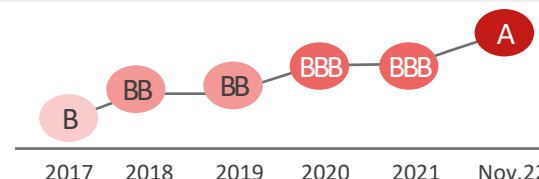
▶ **ESG assets<sup>1</sup>** increased sharply due to a broader inclusion of assets following the introduction of the MIFID-ESG regulation (Aug. 2022)

▶ The **new scope** encompasses all available ESG funds (about 800 strategies) whereas previous scope referred only to those ESG funds included in the BGPP platform<sup>2</sup> (about 260 strategies)

### Banca Generali: ESG Ratings

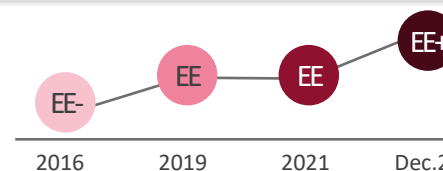
#### MSCI Scores

On a scale from CCC to AAA



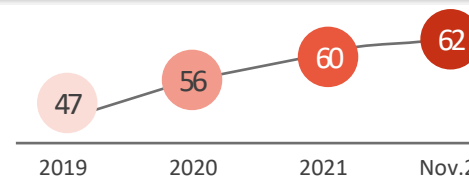
#### Standard Ethics

On a scale from F to EEE



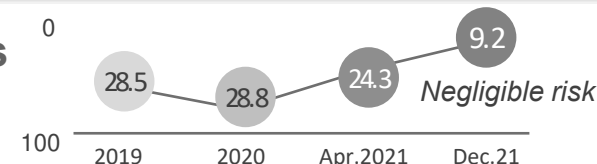
#### Vigeo Moody's

On a scale from 0 to 100



#### Sustainalytics

On a scale from 100 to 0



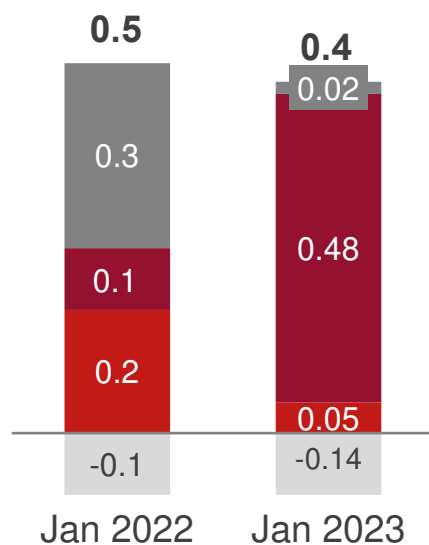
Signatory of:



MIB ESG Index

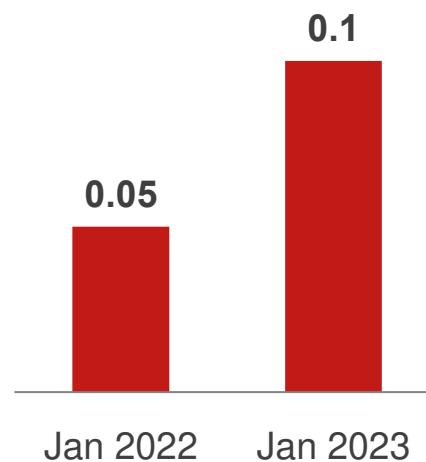


### Total Net Inflows €\bn

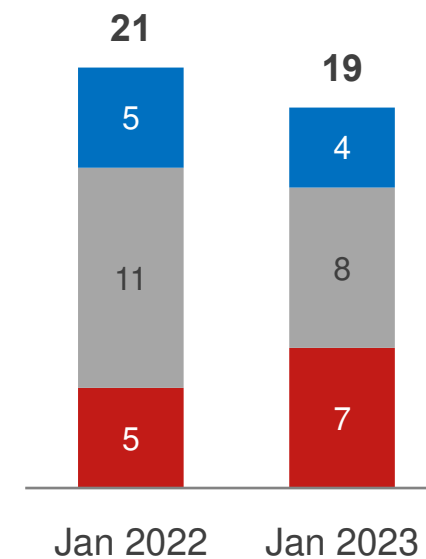


- Banking assets
- AUC
- Traditional life insurance
- Managed solutions

### Net Inflows in Assets under Advisory €\bn



### Recruitment # of new recruits



- FAs without remuneration package & Junior FAs
- From retail & private banks
- From FA Networks

To be the No.1 private bank, unique by  
**value of service, innovation** and  
**sustainability**

FY 2022 Financial Results

Balance Sheet & Capital Ratios


Net Inflows, Assets and Recruiting

**Business Update and Closing Remarks**

Annex

# 2022-2024 FINANCIAL TARGETS ON TRACK AND TARGETS REAFFIRMED



Objectives and KPIs	2022-24 Targets	2022 Targets & Results		2023 Targets
 <p><b>Consistent growth</b> Cumulated net inflows 2022-2024</p>	€18bn–€22bn	€5.5bn–€6.0bn	€5.7bn 	€5.7bn–€6.7bn
 <p><b>Profitable growth</b> Increase of recurring net profit 2021-2024</p>	10%–15% CAGR	15%–20% CAGR	+25% YoY 	15%–20% CAGR
 <p><b>Remunerative growth</b> Cumulated DPS<sup>2</sup> 2022-2025 (cash view<sup>3</sup>)</p>	€7.5–€8.5 p.s.	Payout <sup>1</sup> 70%-80% of recurring net profit + 50%-100% of variable net profit with tranching mechanism	DPS  2022/23: €2.55 2023/24: €1.65 Cum. DPS YTD: €4.20	Payout <sup>1</sup> 70%-80% of recurring net profit + 50%-100% of variable net profit with <b>tranching mechanism</b>



### Objective

### Key actions



#### DATA DRIVEN APPROACH

- Start pilot of the 'Enhanced' service model, the **Family office platform for FAs** highlighting commercial opportunities for high potential client. The platform performs comprehensive reports and several use cases and double touch approach
- Start pilot of **phase 1 of exploiting the client potential** driven by advanced data analytics approach
- **Roll out of Advanced Data Management for Corporate Clients.** Multiple use cases by using machine learning and data analytics, customized on clients



#### Support FA productivity

With a 'data driven' approach and marketing support as well as pushing on Team approach

#### PRESENCE ON THE TERRITORY, INNOVATION HUB, BG LAB

- **Back to Normal:** push on increasing client events (institutional events and co-marketing events) from 2022 (still low) levels
- **Innovation Hub:** leveraging on our new dedicated location for hosting in person training programs, sharing best practices and favouring meetings at every level of the Bank and the FA network
- **BG LAB:** tailor-made training programs available on demand

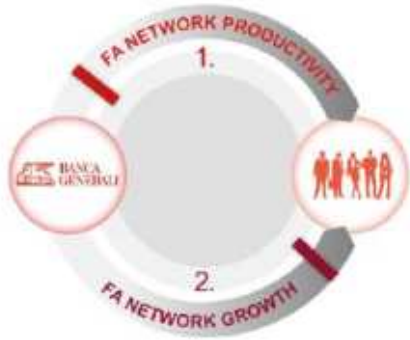
# CONSISTENT GROWTH – FOCUS ON PRODUCTIVITY & FA NETWORK EXPANSION (2/2)

## WIDENING TARGET TO NEW TALENT POOLS



Consistent growth

### Objective

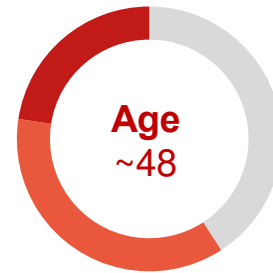


### Expanding the network base

Recruiting activity set to onboarding new talents and leveraging on team approach

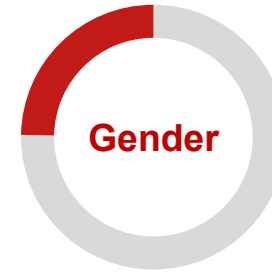
### Recruiting features

#### INCREASING DIVERSIFICATION OF NEW RECRUITS<sup>1</sup>



Legend:  
 ≤45 (Grey)  
 45-55 (Orange)  
 ≥55 (Red)

Vs. average FA age 55 yrs



Legend:  
 Male (Grey)  
 Female (Red)

Vs. female presence of 20%

#### FOCUS ON TEAM APPROACH

## BG | TEAM

No. of teams: 143

AUM (€bn): 12.4

- **Goals:** 57% sharing competencies and 43% FA succession planning
- **Number doubled** in 2022 vs. 2019

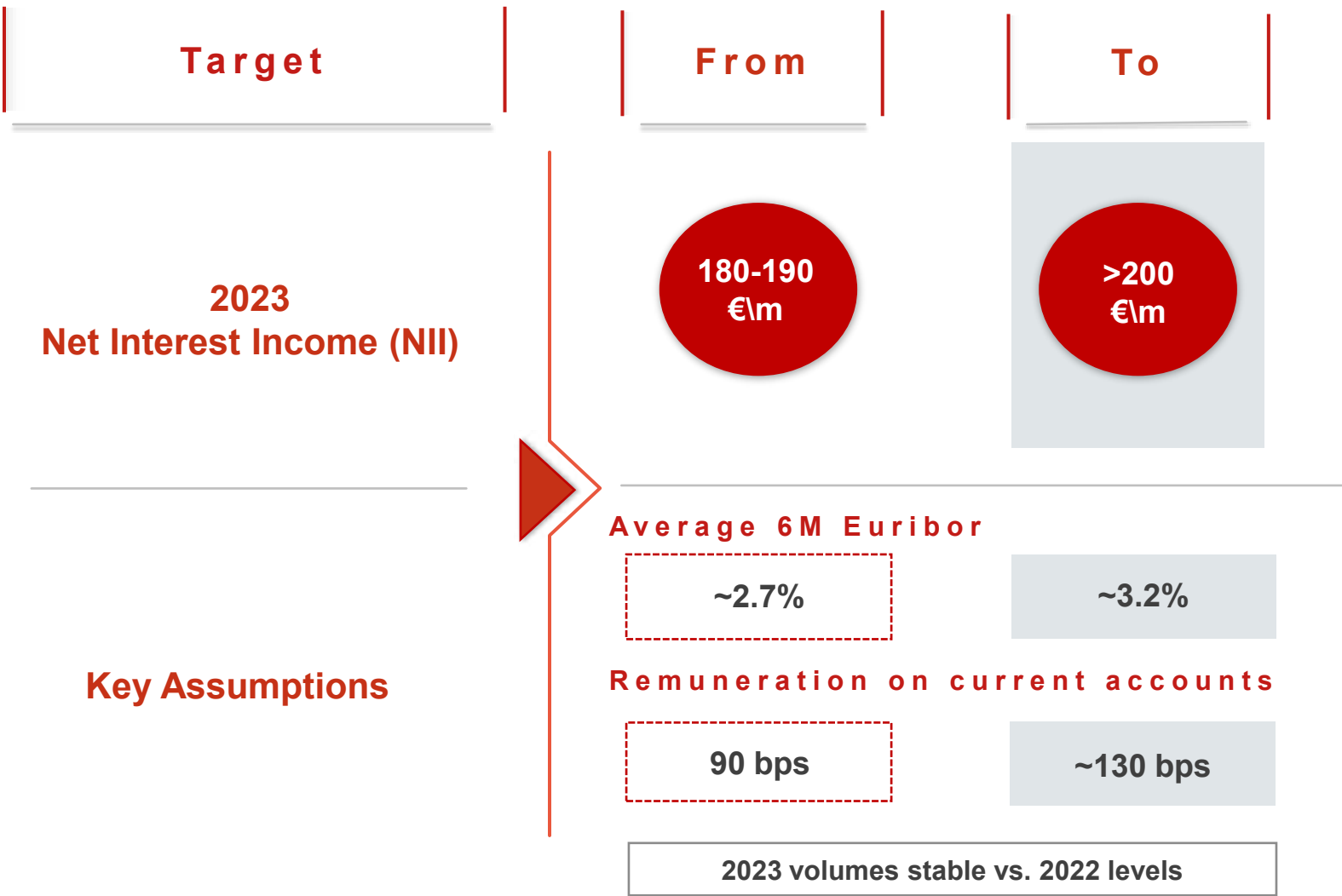
### 2023 Target

New recruits incl. young talents

150

Recruiting as % total net inflows

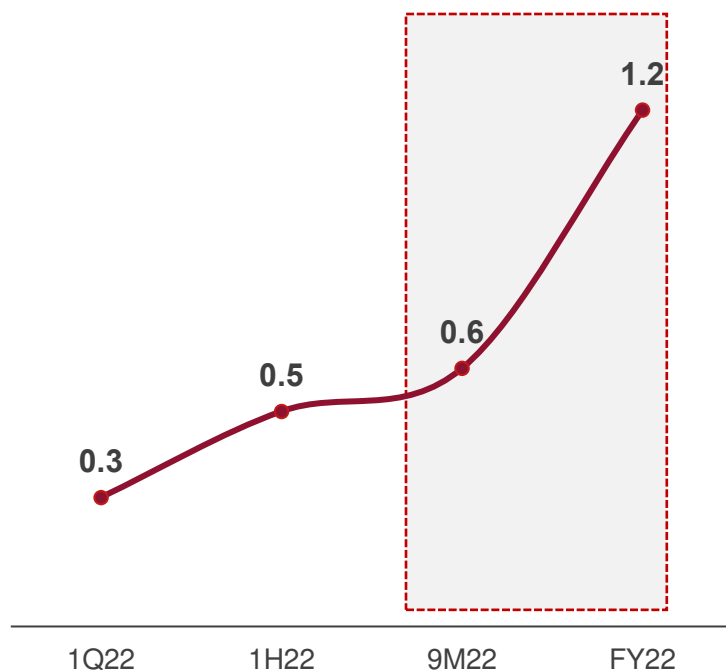
25-30%



- ▶ NII guidance revised to assess impact of the new interest rate scenario for 2023-2024
- ▶ Average NII yield expected to grow until 2023 and then stabilize. Cautious investment profile maintained for financial assets in terms of duration and maturity
- ▶ Remuneration of current accounts seen at around 130 bps including selected extraordinary commercial campaigns

### Growing focus on in-house solutions

2022 Cumulated net inflows in financial wrappers & in-house funds



**Multi team asset management platform** (7 teams) totally independent from each other and leveraging on:

- Diversified investment approach
- Different levels of customization
- Diversified underlying assets

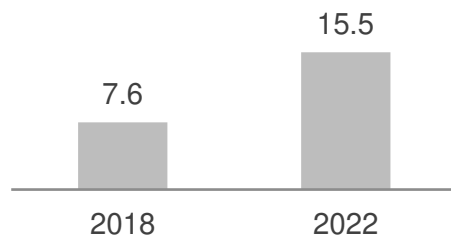


- **Bond strategies** - leveraging on the new bond paradigm
- **Flexible investment strategies** – i) active management to capture entry exit points across a broad universe of asset classes; ii) seizing opportunities of oversold assets
- **Smart Target solutions** to leverage interest rates opportunities
- Ongoing focus on **instalments plans** whenever applicable

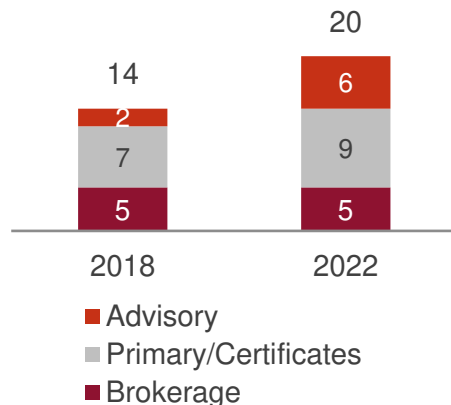


### Assets under Custody (AUC)

AUC (€\bn)

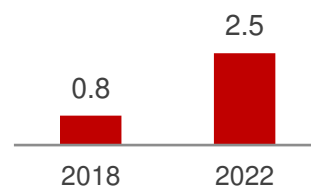


AUC Net margin (bps)

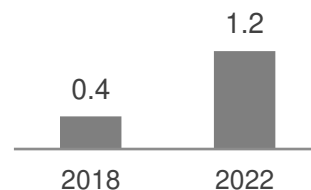


### New revenue streams

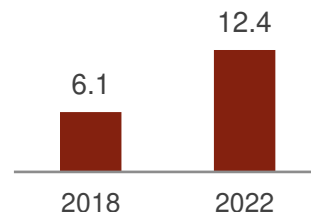
AUC under Advanced advisory (€\bn)



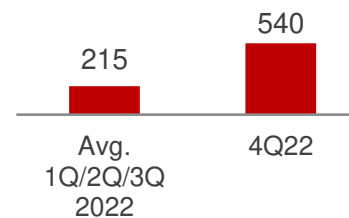
Primary + Structured products (€\bn)



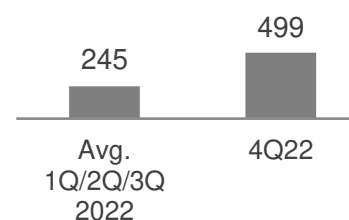
Retail Brokerage (€\bn)



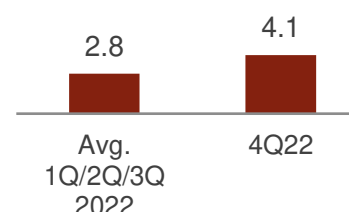
Net Inflows (€\m)



New issues (€\m)



Avg. retail trading volumes (€\bn)



▶ AUC assets increased to an all time high (+14.5% of total assets) with a **growing share linked to advanced advisory services**

▶ Activity on **primary markets and certificates** has become a strong contributor to business and margin

▶ **Retail brokerage** volumes have been steadily increasing over time (4Q22 best ever since 2016)

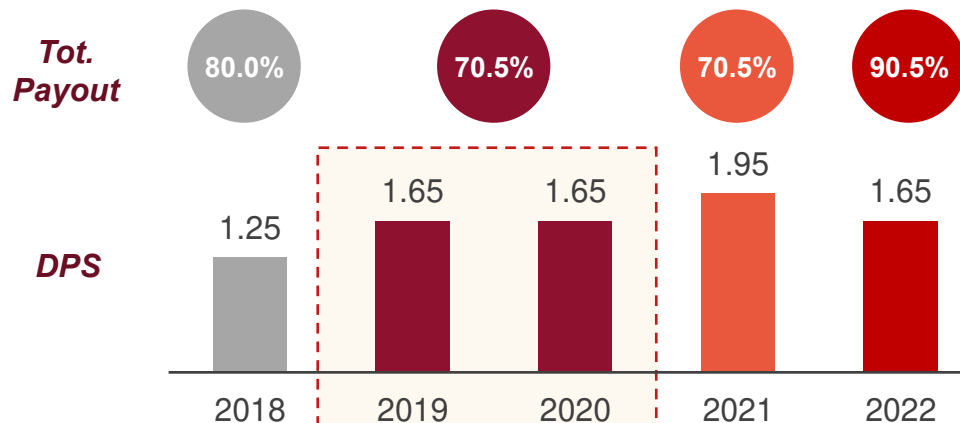
# REMUNERATIVE GROWTH – 2022 DIVIDEND PROPOSAL

## DPS PROPOSAL AVOIDED PENALIZATION DUE TO THE ONE-OFF TAX CHARGE

### Dividend policy

DPS (€)  
and Dividend payout (%)  
(accounting view)

### 2022 Dividend proposal



➤ FY 2022 DPS proposal at **€1.65 per share** (90.5% payout of consolidated net profit) based on the following terms:

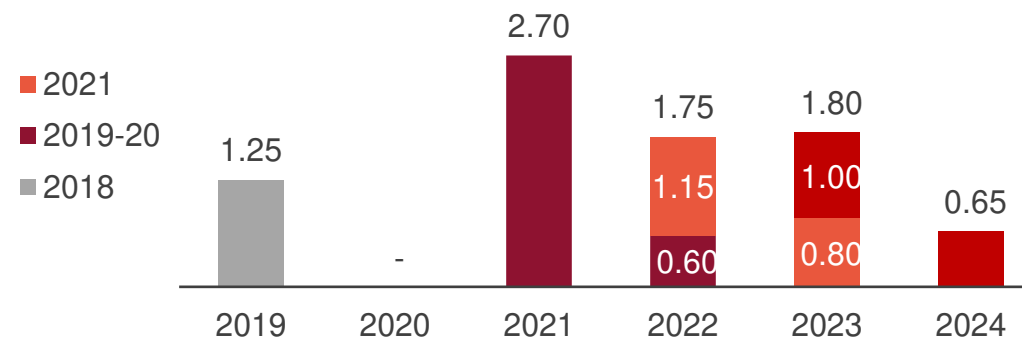
- **80% payout on recurring net profit**
- **60% of non-recurring net profit excluding the one-off charge** related to the agreement with the Tax Revenue Agency

➤ 2022 **DPS payment** will be subject to the *tranching mechanism*:

- €1.0 payment in 2Q 23
- €0.65 payment in 1Q 24

➤ **Payment of second tranche of 2021 DPS (€0.8)** confirmed with shares trading ex-dividend on 20 February 2023

DPS (€)  
(cash view)



# 2022-2024 FINANCIAL TARGETS CONCLUSION

## Objectives and KPIs

## 2022-24 Targets

## 2023 Targets

## 2023 Actions



### Consistent growth

Cumulated **net inflows**  
2022-2024

€18bn–€22bn

€5.7bn–€6.7bn

- Accelerate data driven approach
- Back to in-person activity and training
- Onboarding of new talents and leveraging on team approach



### Profitable growth

Increase of **recurring net profit** 2021-2024

10%–15%  
**CAGR**

15%–20%  
**CAGR**

- Exploiting new rate environment
- Growing focus on in-house solutions
- Expanding AUC and advanced advisory services



### Remunerative growth

Cumulated **DPS<sup>2</sup>** 2022-2025  
(cash view<sup>3</sup>)

€7.5–€8.5 p.s.

### Payout<sup>1</sup>

70%-80% of recurring net profit  
+ 50%-100% of variable net profit with **tranching mechanism**

- Exploiting full flexibility of dividend policy
- Commitment to distributing growing dividends under cash view

To be the No.1 private bank, unique by **value of service, innovation** and **sustainability**

FY 2022 Financial Results

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**Annex**

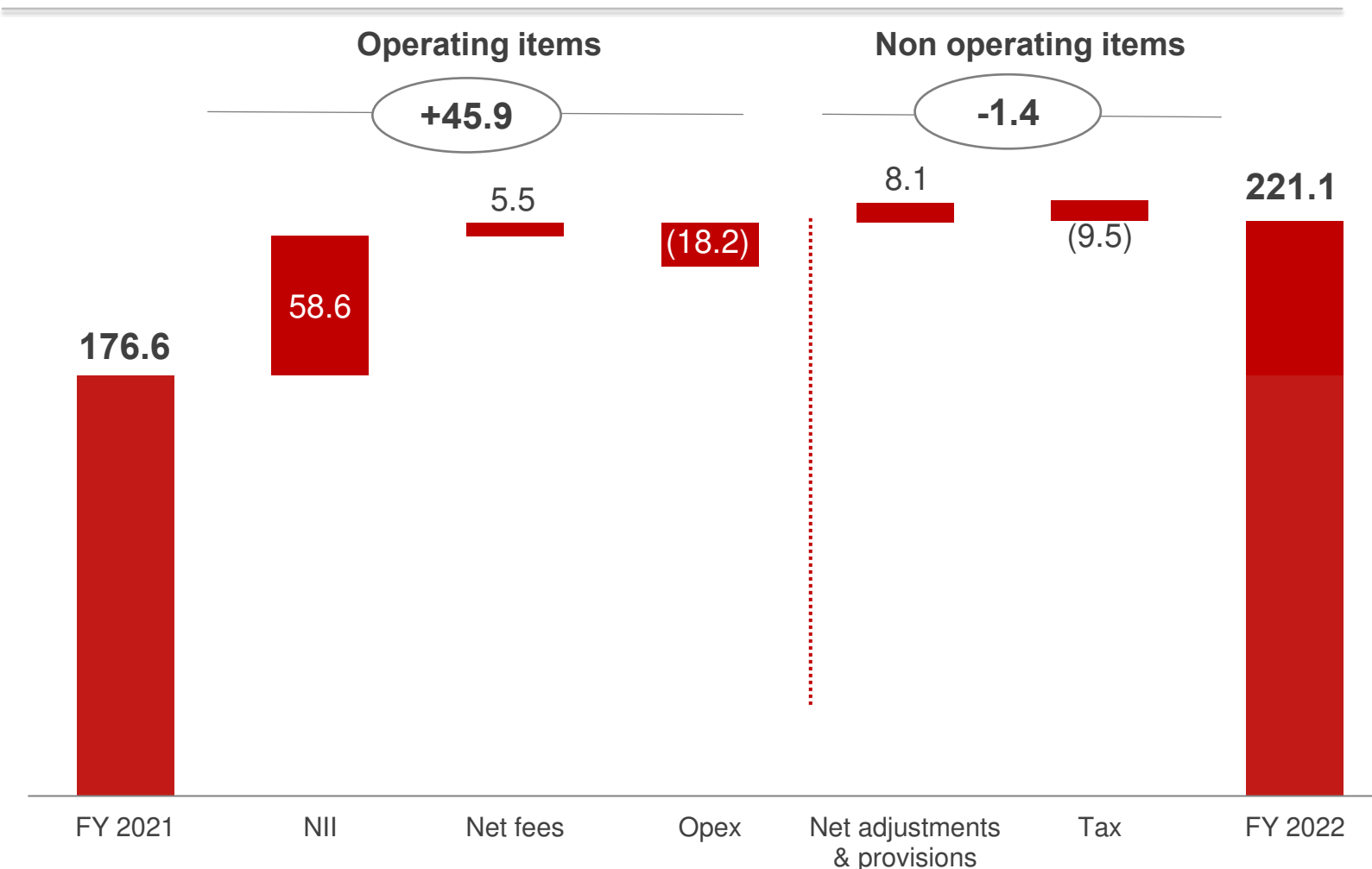
- **Financials back-up**
- Investor Day messages
- Sector

# RECURRING NET PROFIT

## RUN RATE OF RECURRING NET PROFIT ABOVE 2022-2024 TARGET



### Build up of Recurring Net Profit<sup>1</sup> €\m



**FY 2022 recurring net profit (+25% YoY)** increased strongly driven by its operating component reflecting the positive exposure to the benefits of higher interest rates mostly via higher NII coupled with resilient recurring fees and tight cost management

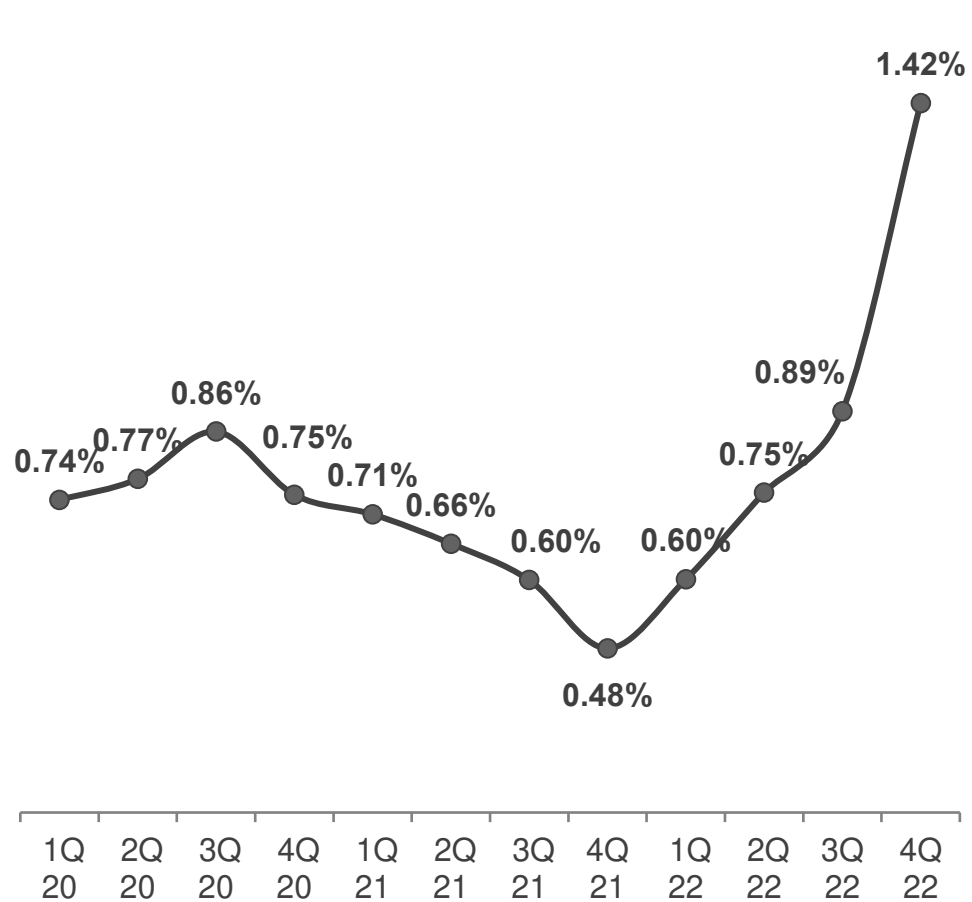
**Neutral contribution from non operating items** leveraging on the upwards revision of discount rates in the calculation of Fair Value of actuarial provisions

# INVESTMENT YIELDS

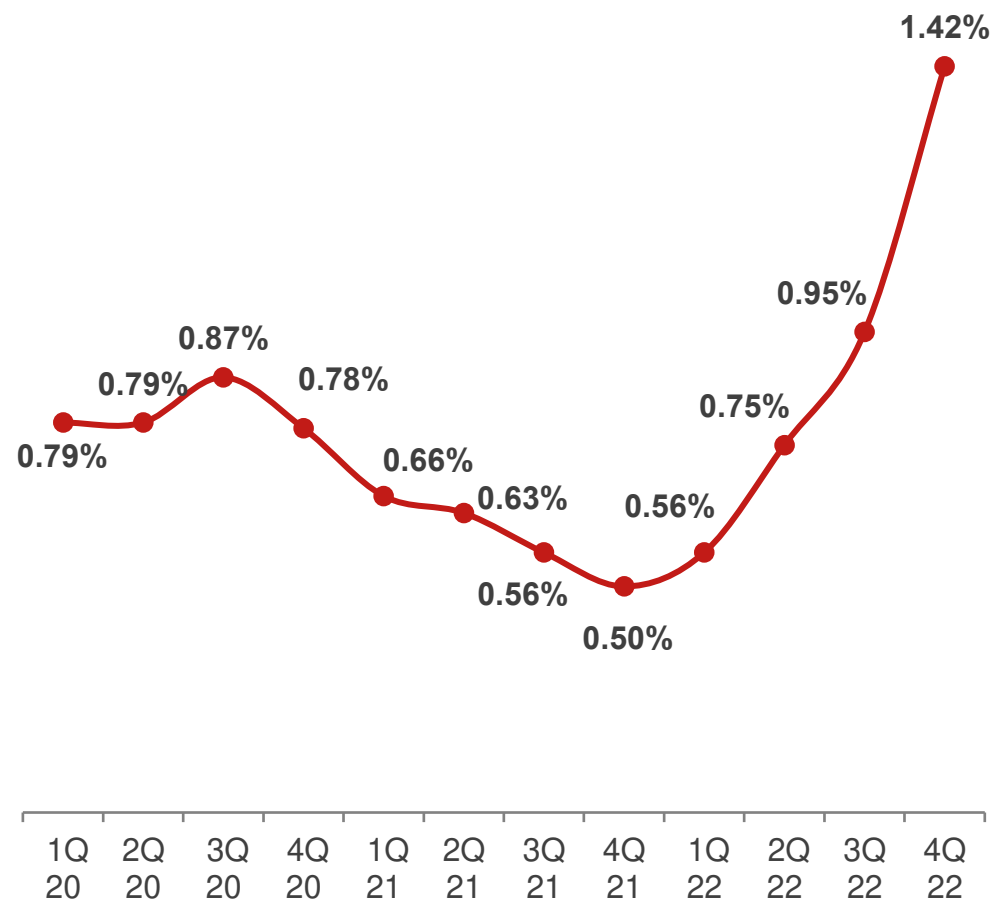
## TOTAL NII YIELD BOOSTED BY ASSETS REPRICING IN 4Q22



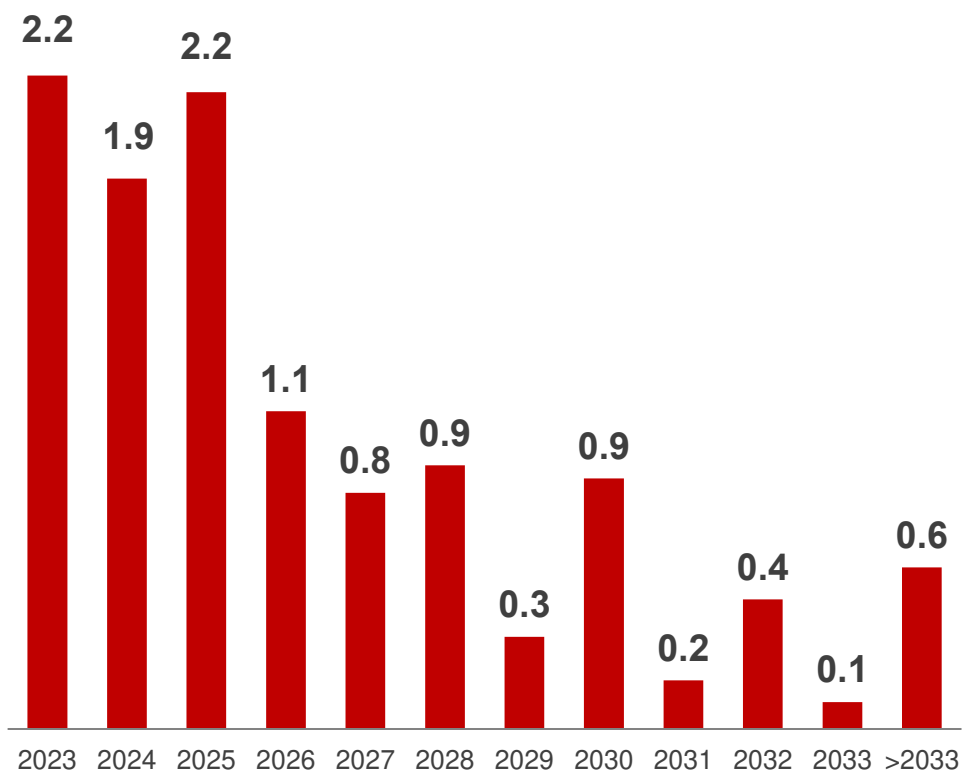
### Total NII Yield: Quarterly Trend



### Financial Assets Yield: Quarterly Trend



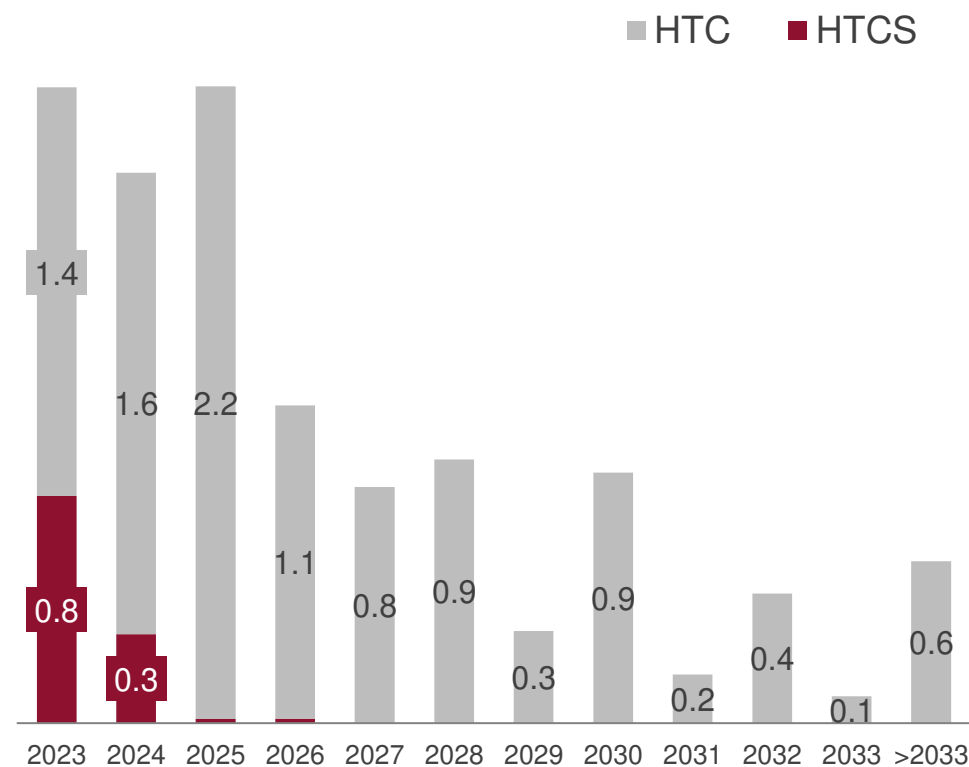
Banking Book Maturities by Year €\bn



% of fixed rates



Banking Book Maturities – Split by Accounting Treatment €\bn

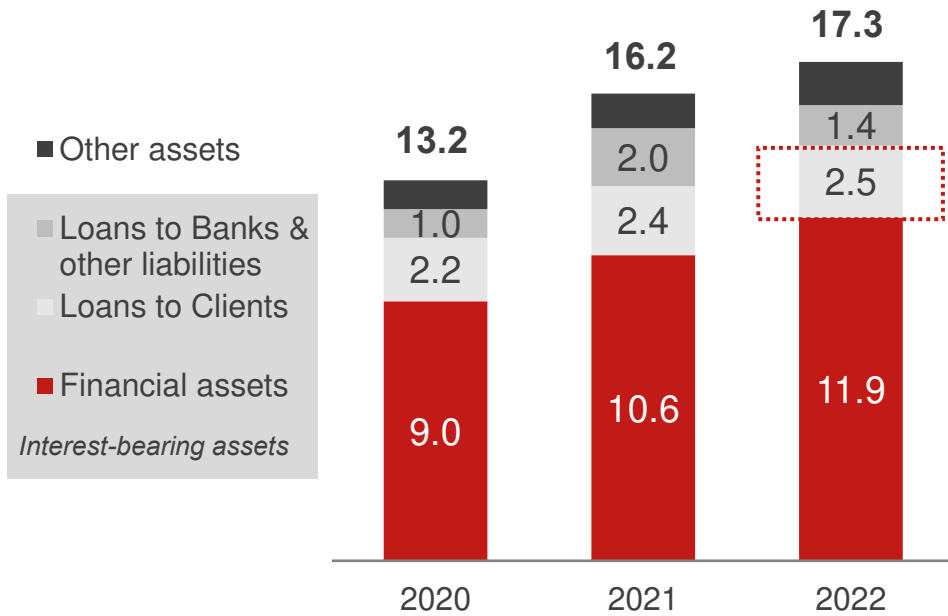


# BANKING BOOK (2/2)

## HIGH QUALITY LOAN BOOK



### Total Assets and Interest-bearing Assets €\bn

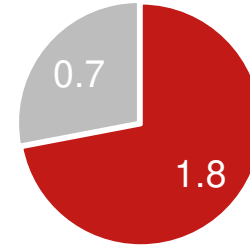


### Yield – On Loans to Clients



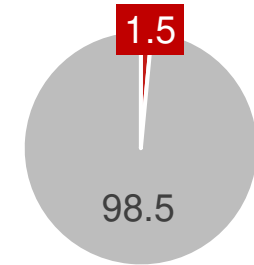
### Focus on Loan Book (Banking Book) €\bn

#### 2022 Credit Book €\bn



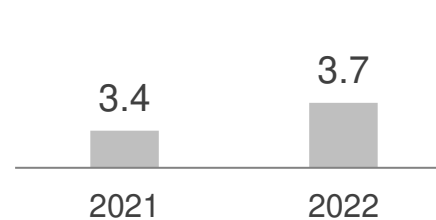
- Lines of Credit
- Mortgages & personal loans

#### Lending Quality %



- NPL
- Performing loans

#### Granted Loans €\bn

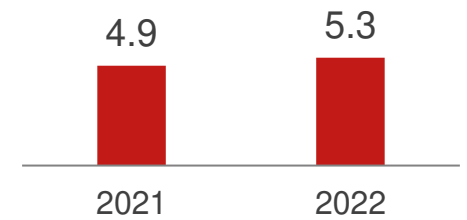


Drawn loans/  
Granted loans

72%

70%

#### Collateral Assets €\bn



Collateral assets/  
Drawn loans

202%

207%



Banca Generali signed a **framework agreement** with the Italian Revenue Agency for the settlement of tax claims in relation to transfer pricing for the tax periods from 2014 to 2019. More in detail, the agreement recognized:

1

- ▶ **No penalties** for the Bank, due to the penalty protection regime
- ▶ The **suitability of the Transfer Pricing Model** and the Transfer Pricing Policy prepared by the Bank
- ▶ A **higher remuneration for the fiscal years 2014-2018** for the handover, carried out in 2008, to the newly established company BGFML of the delegated investment management of BG Sicav. The **actual charge** for the year has been **limited to €35 million**
- ▶ **No tax claims** for the **2019 tax period**

2

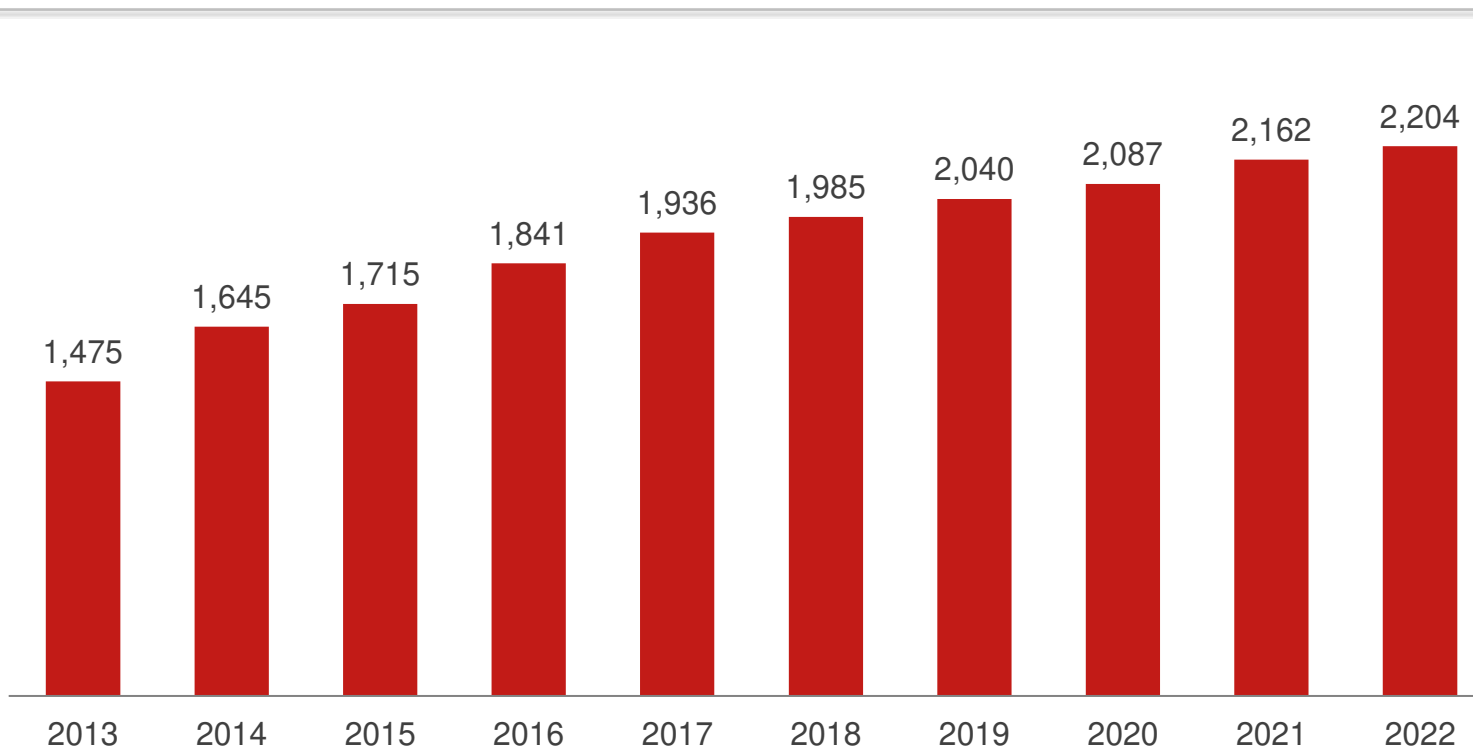
The agreement paves the way for **FULL IMPLEMENTATION OF THE COOPERATIVE COMPLIANCE PROCEDURES** to which Banca Generali was admitted on 27 December 2021, with effects as of the 2020 tax period

# FINANCIAL ADVISORY NETWORK

## STEADY GROWTH BY SIZE AND QUALITY

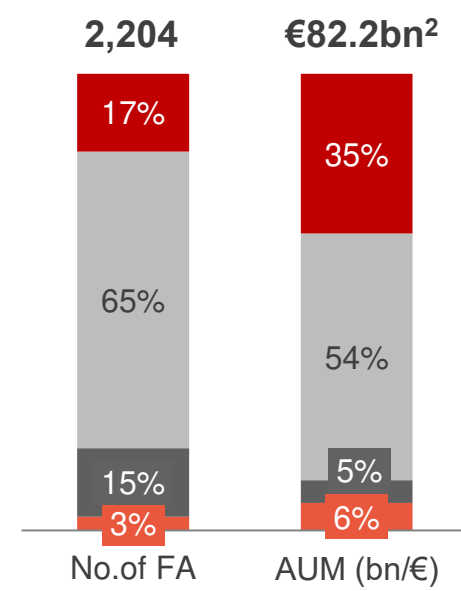


### Total No. of FAs #



Headline FA retention at **95.8%** - Core FA retention at **98.7%**

### Breakdown by cluster of FAs<sup>1</sup>



- Wealth Managers (>€50m)
- Private Bankers (€15-50m)
- Financial Planners (<€15m)
- Relationship Managers

143 FA Teams (15% of total assets) - Avg. Portfolio: €86.9m assets per Team

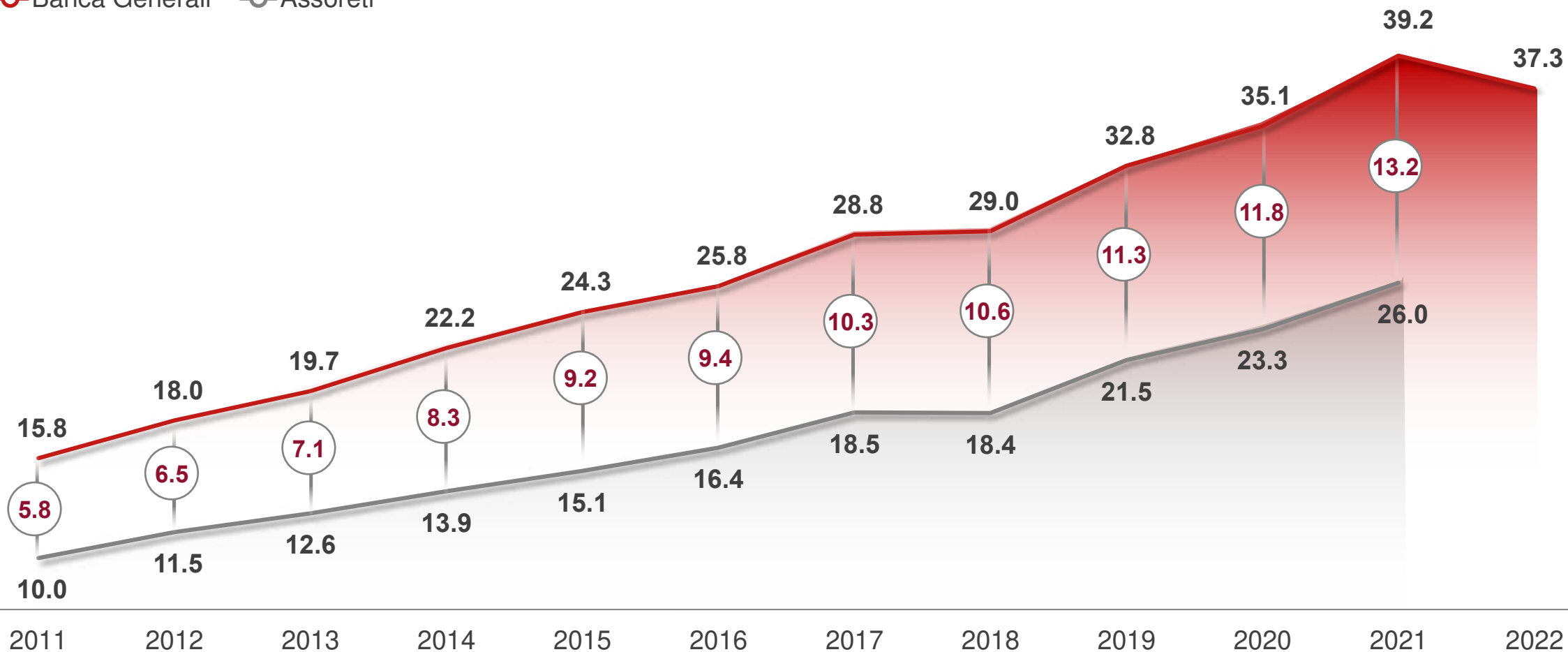
# QUALITY OF THE NETWORK

## BEST FA QUALITY IN THE INDUSTRY



### Average FA portfolio (Assets per Financial Advisor) €\m

— Banca Generali    — Assoreti<sup>1</sup>

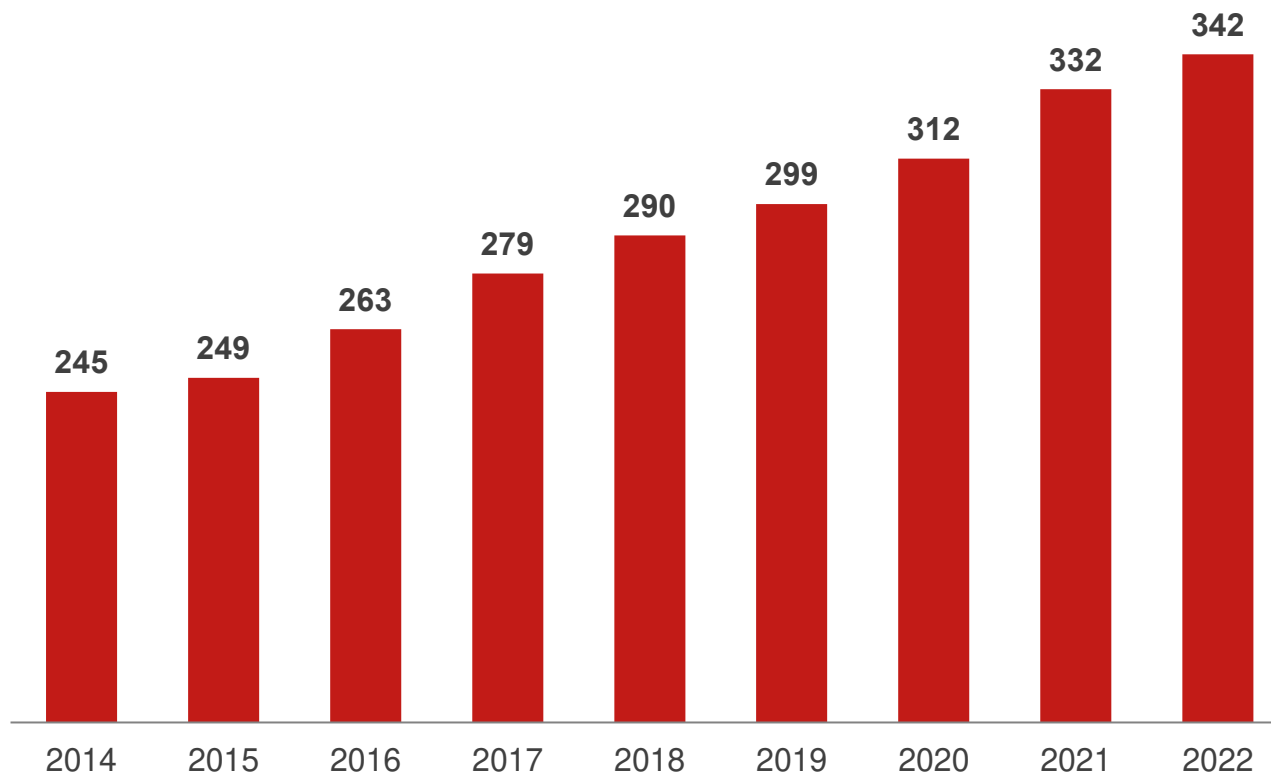


# CLIENTS' SEGMENTATION

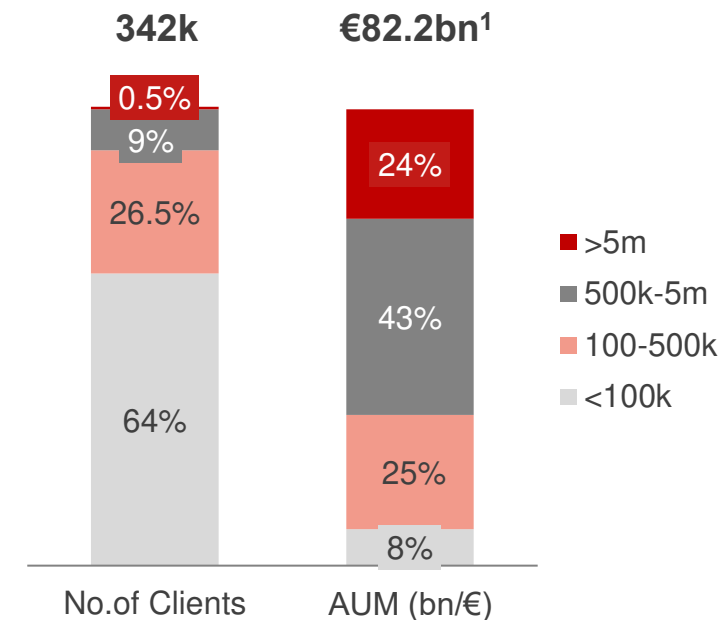
## GROWING CLIENT BASE WITH A FOCUS ON WEALTH ADVISORY NEEDS



### Total No. of Clients '000



### Breakdown by cluster of Clients



Private Banking Assets<sup>2</sup>: €55.3bn  
Private Banking Clients: 31k

To be the No.1 private bank, unique by  
**value of service, innovation** and  
**sustainability**

FY 2022 Financial Results

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- Financials back-up
- **Investor Day messages**
- Sector

# 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

## 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]

# EXPANDING INTO NEW CLIENT SEGMENTS

PRODUCTS, SERVICES AND PLATFORMS TO SERVE CURRENT CLIENTS AND ATTRACT NEW CLIENTS

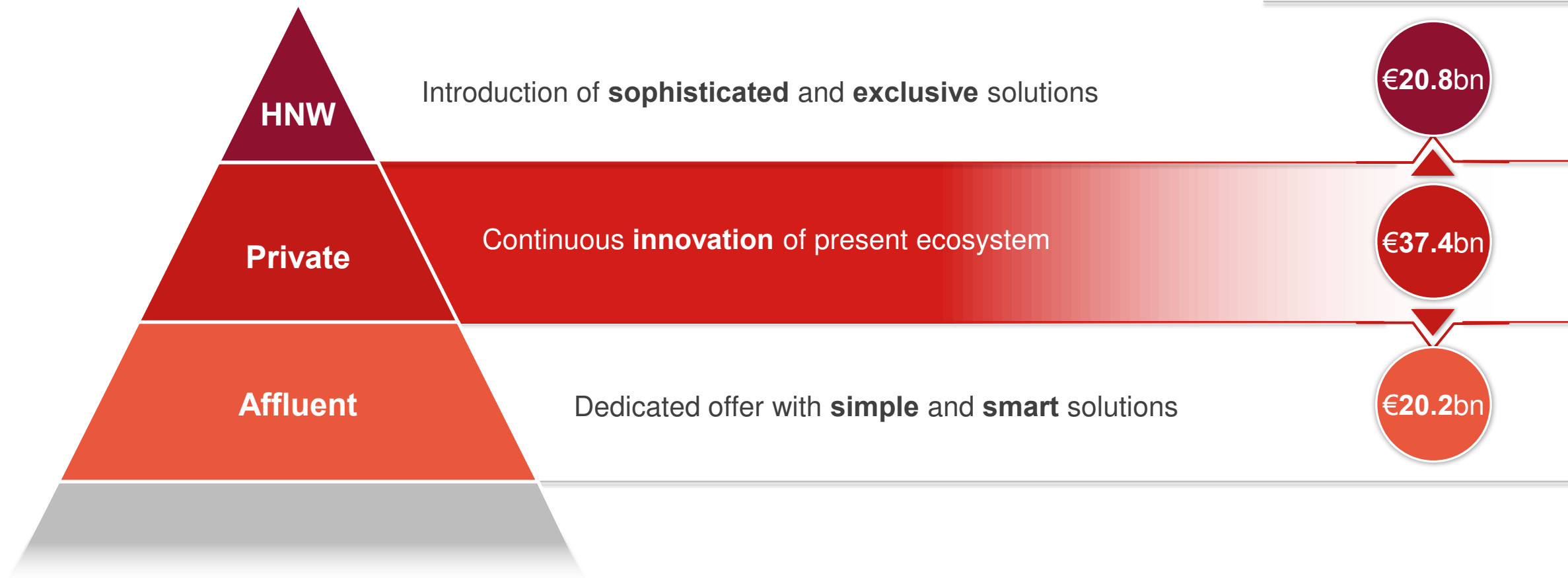
1st Pilla



## Client pyramid

1.  Advanced Advisory
2.  In-house offer
3.  Insurance
4.  AuC & Banking
5.  Lending

## 2021 Client assets<sup>1</sup>





# THREE DEDICATED SERVICE MODELS TO BETTER SUPPORT FAs AND CLIENTS

1st Pilla



## 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

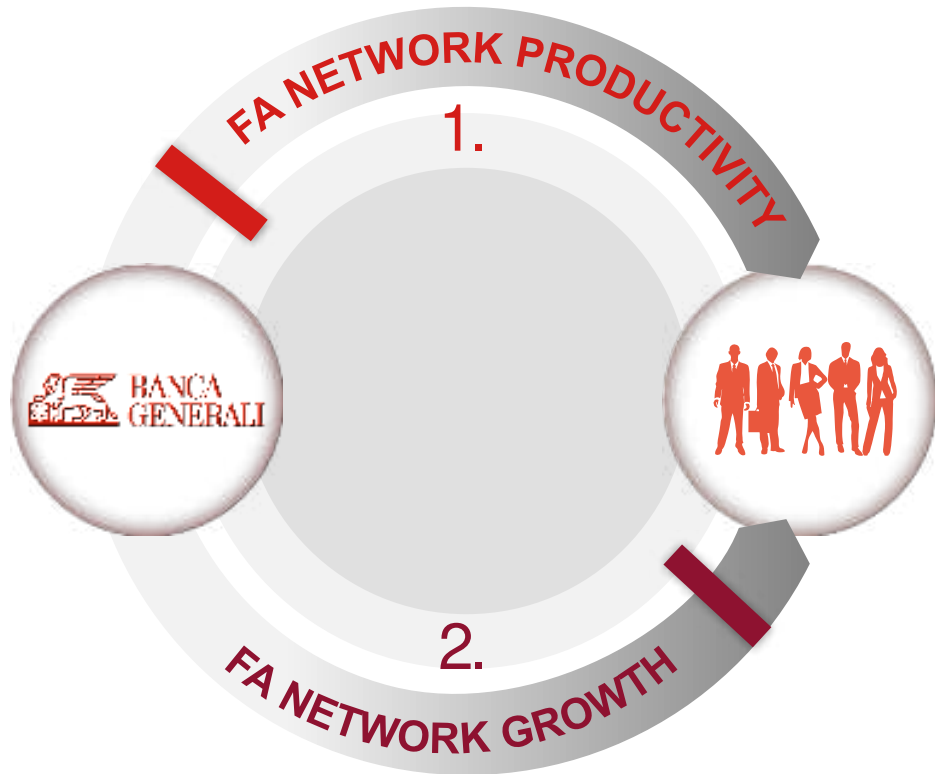


➤ **Self**  
«**Digital**» service model, digital accessibility and assistance for standard needs and low-value-added activities

# BRINGING GROWTH TO THE NEXT LEVEL

BY WORKING ON BOTH PRODUCTIVITY AND NETWORK EXPANSION

1st Pilla



## 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

# NEW RECRUITMENT POOLS

DIVERSIFIED ACTIONS TO ATTRACT A WIDER POPULATION OF FAS

1st Pilla



## Recruitment guidelines

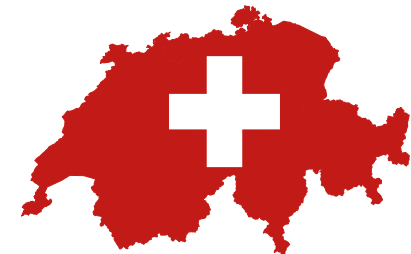
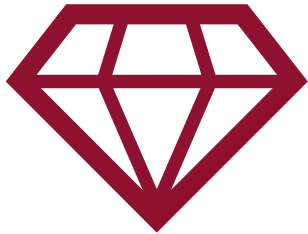
Private talent



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

# EXPANDING GROWTH IN SWITZERLAND

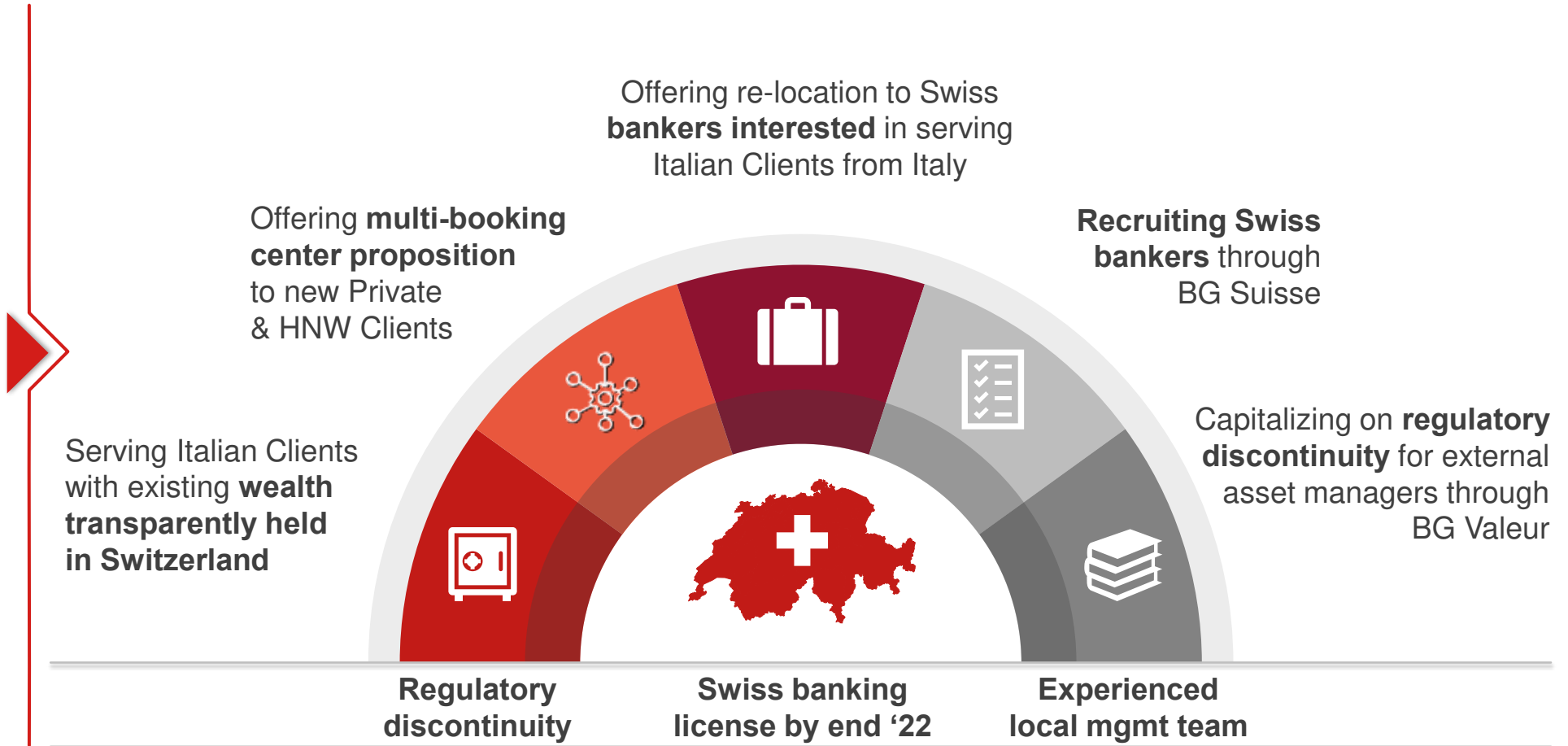
BY ADDRESSING CLIENTS MANAGED IN ITALY AND CLIENTS MANAGED IN SWITZERLAND

1st Pilla



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



## 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

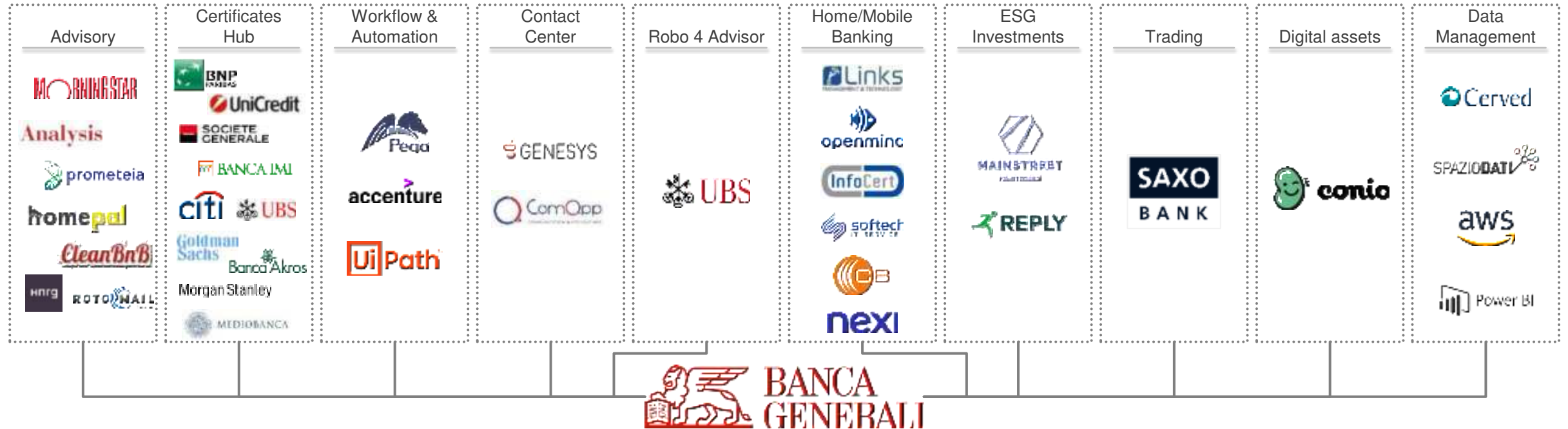
# PARTNERSHIPS ECOSYSTEM (1/2)

OVER THE PAST YEARS WE HAVE OPENED OUR ARCHITECTURE TO BEST-OF-BREED PARTNERS

2<sup>nd</sup> Pillar



## Front-end



## Back-end



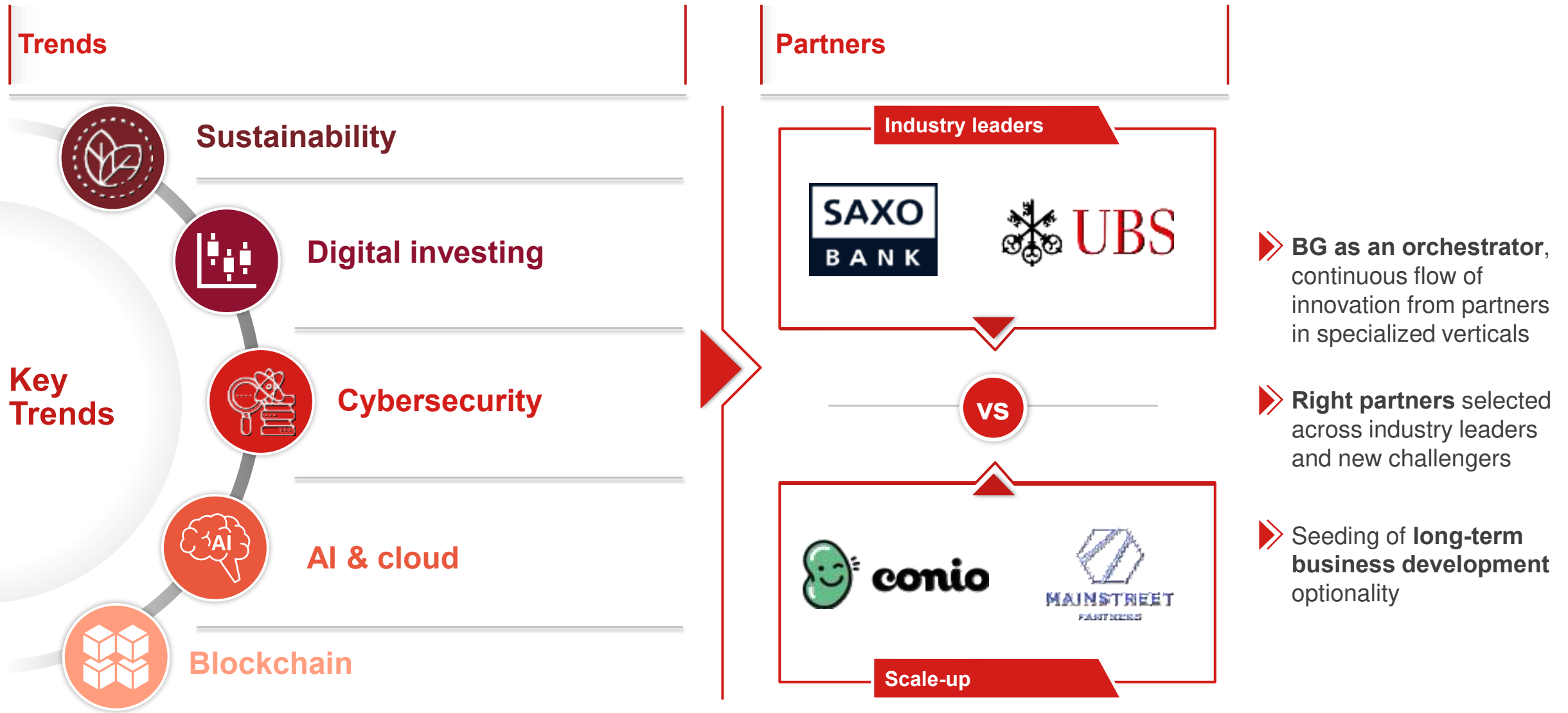
Plugging in solutions from best in class international providers

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



# STRATEGIC GUIDELINES FOR BG'S SUSTAINABILITY PATH

## STATED FOR EACH STAKEHOLDER

3<sup>rd</sup> Pillar



### 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**



### Clients & Financial Advisors



Enhance our ESG offering and strengthen ESG know-how of FAs

#### 2024 Targets:

**>40%** ESG AuM on total managed solutions

**>50%** FAs with advanced know-how of ESG or with EFPA ESG certification

**>90%** FAs taking part in annual training on ESG topics

### Shareholders & Authorities



Reinforce transparency on BG ESG strategies

#### 2024 Targets:

Increase ESG disclosure via reporting frameworks

Becoming a signatory of:



Ongoing stakeholder engagement to meet investors' demand

### Employees



Further foster diversity & inclusion and work-life balance

#### 2024 Targets:

**50%** New hiring under 35

**70%** Employees involved in digital transformation & sustainability projects

**100%** Employees in hybrid work, excluding front office and sales

### Community & Future Generations



Climate protection and fight poverty and social exclusion

#### Targets:

**By 2025:** -25% carbon intensity in corporate investments\* vs 2019

**By 2030:** phase out company investments to carbon fuel

**By 2040:** net zero emissions

Asset manager specific engagement policies

Increase community engagement and launch social impact initiatives



### Clients & FAs



- As of 31/12/2022, 63% of total clients have already answered the new Mifid questionnaire and amongst them **69% have declared HIGH interest for ESG investments**
- Assets invested in ESG products reached €12.9bn at year-end accounting for **32.2% of total managed solutions, in line with the 3-years plan target**



### Shareholders & Authorities



- In December 2022, Banca Generali became a **signatory of the Principles of Responsible Investments (PRI)**, promoted by the United Nations



### Employees



- The percentage of **employees involved in digital and/or in ESG initiatives exceeded the 70% target**
- An **ESG advanced training plan** has been launched on topics related to sustainable finance and ESG risk; it will be rolled out on other topics in 2023 as well




### Community & Future Generations



- **Major focus on education with several projects:**
  - Financial Education with FEduF
  - Blog Protezione e Risparmio
  - Edufin
  - Research projects in partnership with Università Bicocca





To be the No.1 private bank, unique by  
**value of service, innovation** and  
**sustainability**



FY 2022 Financial Results

Balance Sheet & Capital Ratios

Net Inflows, Assets and Recruiting

Business Update and Closing Remarks

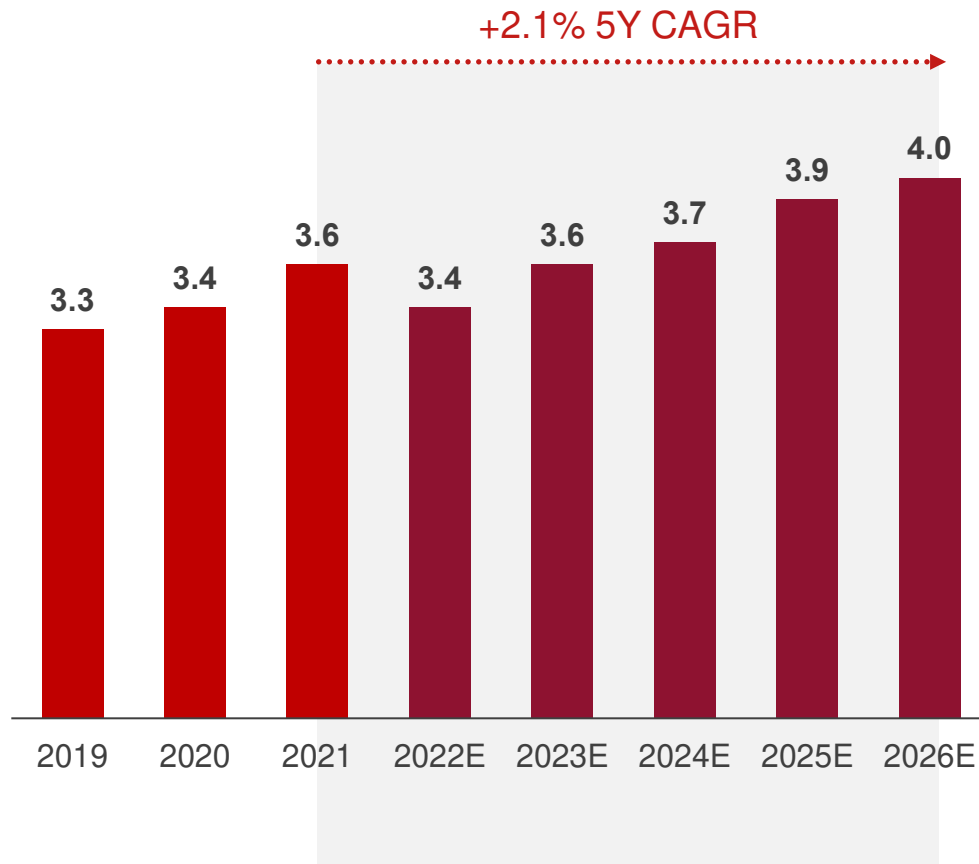
**Annex**



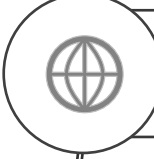


- Financials back-up
- Investor Day messages
- **Sector**

# ITALIAN TARGETABLE FINANCIAL WEALTH – OUTLOOK

## POSITIVE MOMENTUM EXPECTED TO CONTINUE

### Italian Targetable Financial Wealth - Outlook, €tn

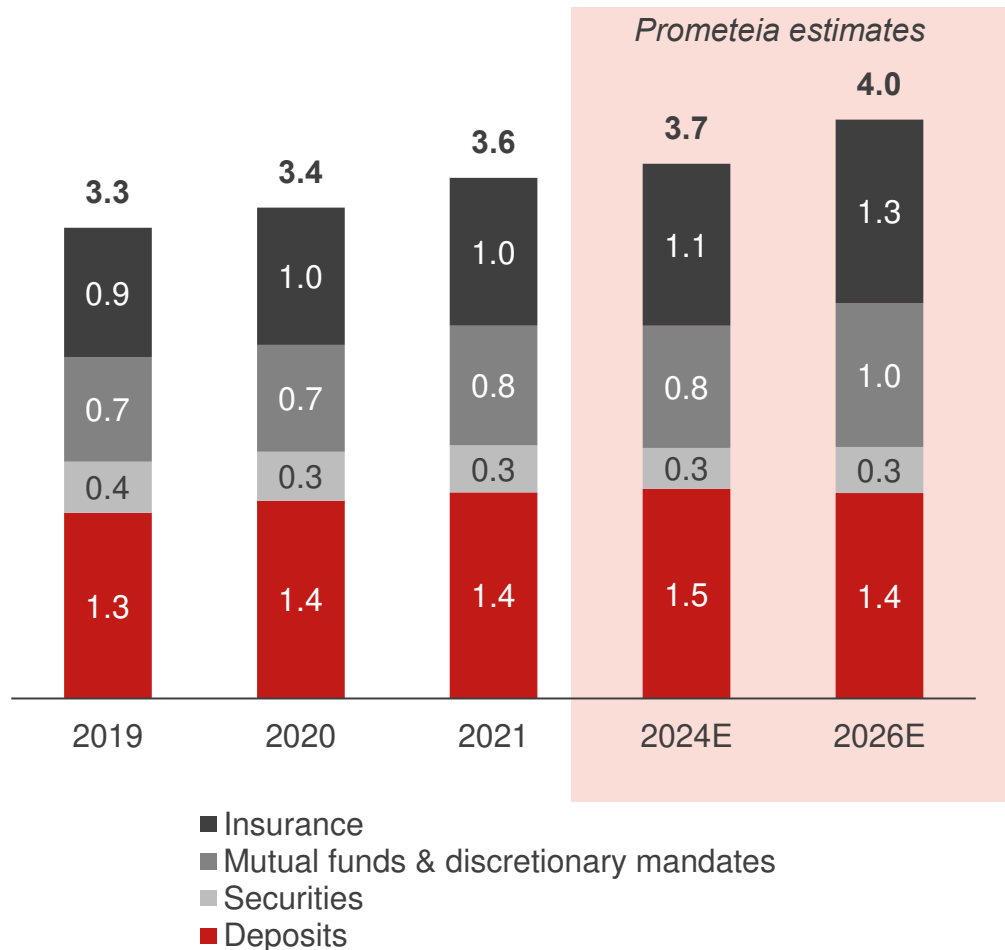


-  Growing demand for **professional investment advice** driven by heightened market volatility and product complexity
-  Still **inefficient mix** of household financial wealth with €1.6bn of cash in current accounts
-  Demand for **360° advisory on both financial and non-financial wealth**
-  **Aging population** and **growing demand for pension savings** in light of the new pension system
-  Ongoing innovation and expansion of products' offering with a particular focus on **sustainability**

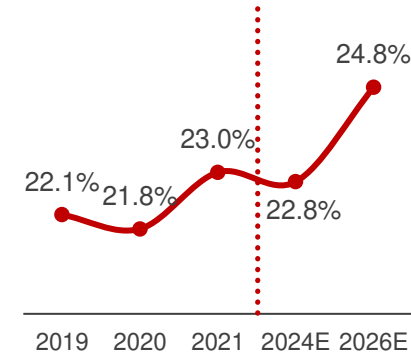
# ITALIAN TARGETABLE FINANCIAL WEALTH – OUTLOOK BY PRODUCT

## INSURANCE PRODUCTS EXPECTED TO GROW THE MOST

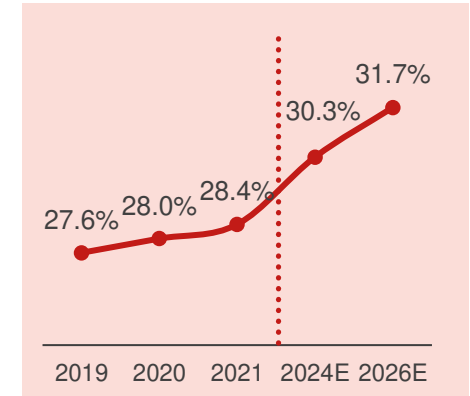
Targetable Financial Wealth - Outlook by product, €tn



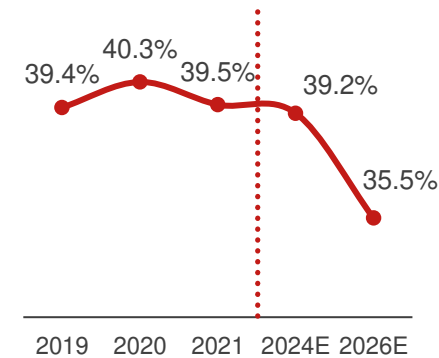
Mutual funds & Disc. mandates on Targetable Financial Wealth %



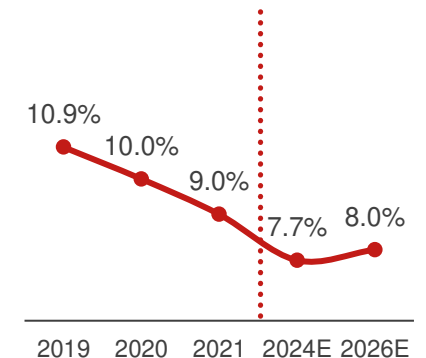
Insurance on Targetable Financial Wealth %



Deposits on Targetable Financial Wealth %



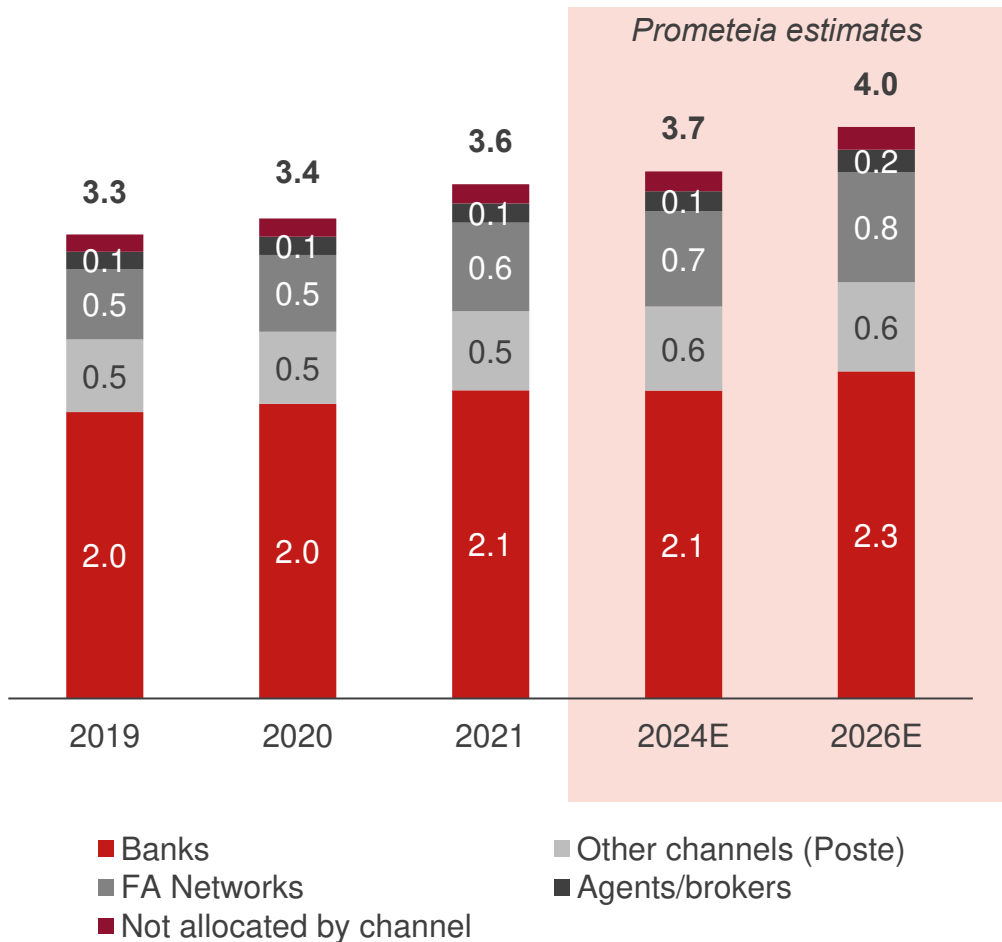
Securities on Targetable Financial Wealth %



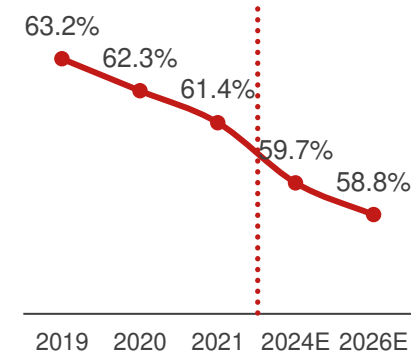
# ITALIAN TARGETABLE FINANCIAL WEALTH – OUTLOOK BY CHANNEL

## FA NETWORK STILL PROJECTED AS THE FAST-GROWING DISTRIBUTION CHANNEL

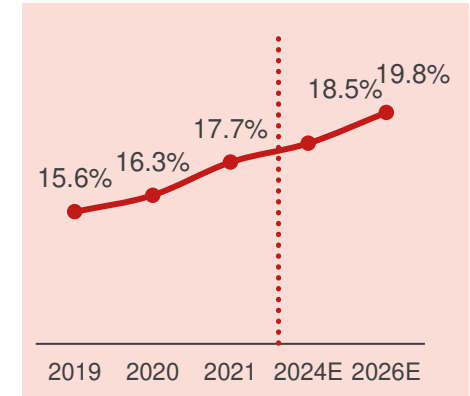
Targetable Financial Wealth – Outlook by channel, €tn



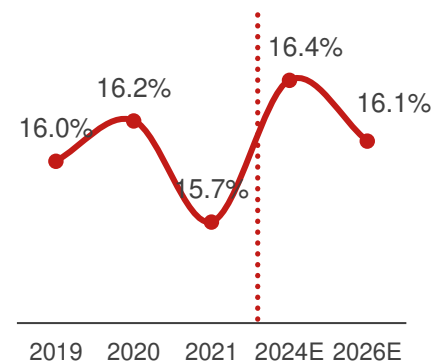
Banks on Targetable Financial Wealth %



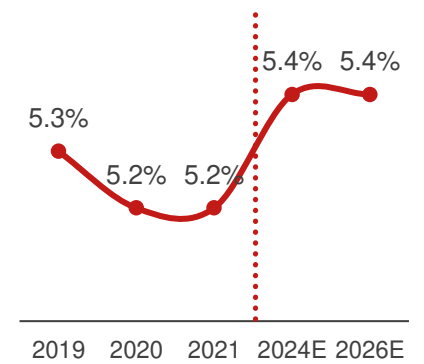
FA Networks on Targetable Financial Wealth %



Other channels (Poste) on Targetable Financial Wealth %



Agents and brokers on Targetable Financial Wealth %

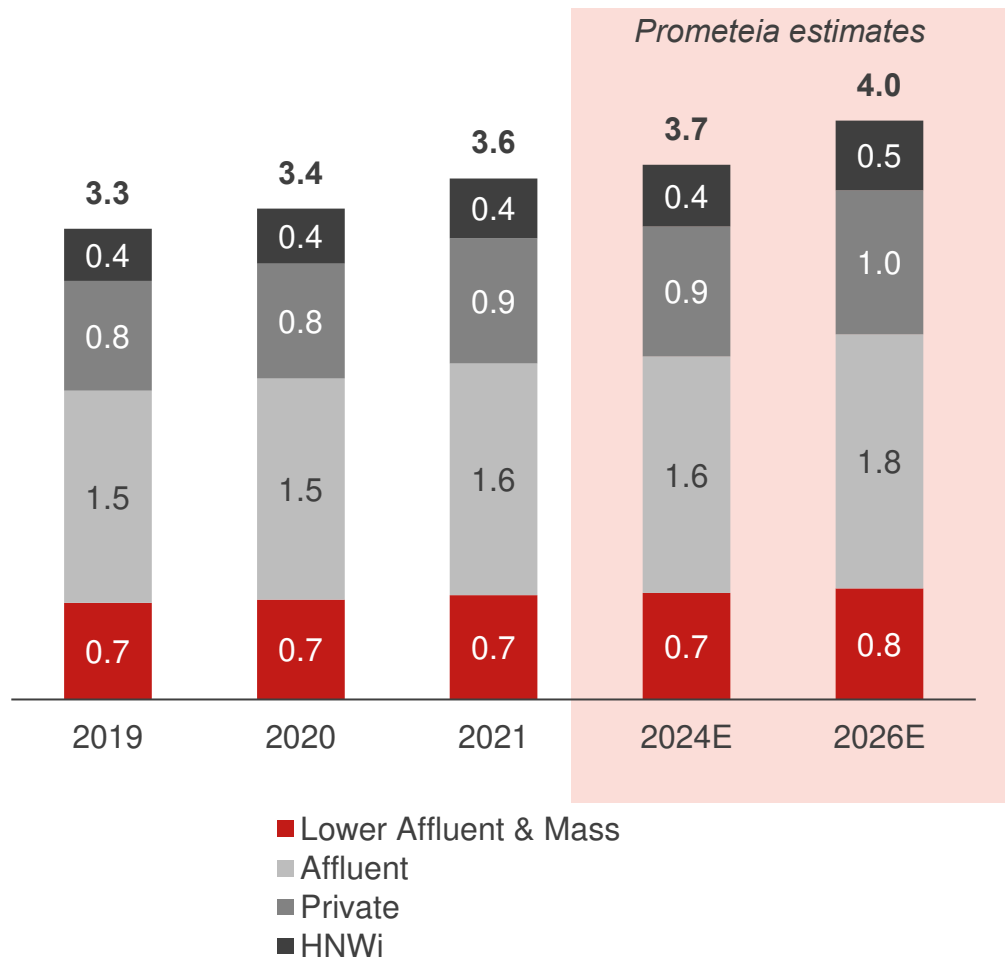


# ITALIAN TARGETABLE FINANCIAL WEALTH – OUTLOOK BY CLIENT SEGMENTATION

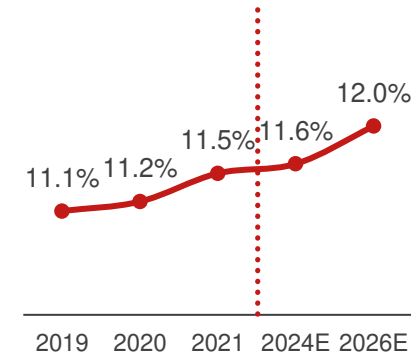
## WEALTH CONCENTRATION IN FAVOUR OF PRIVATE AND HNWI EXPECTED TO CONTINUE



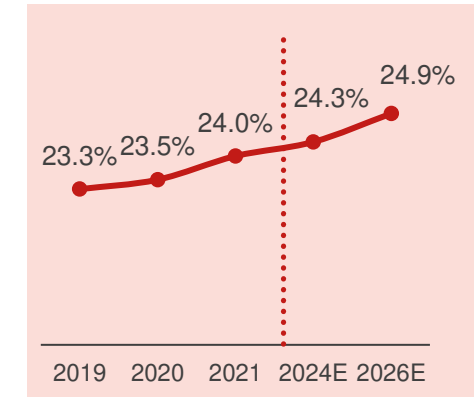
Targetable Financial Wealth – Outlook by cluster of clients, €tn



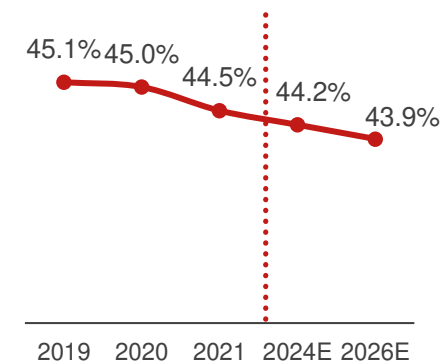
HNWi on Targetable Financial Wealth %



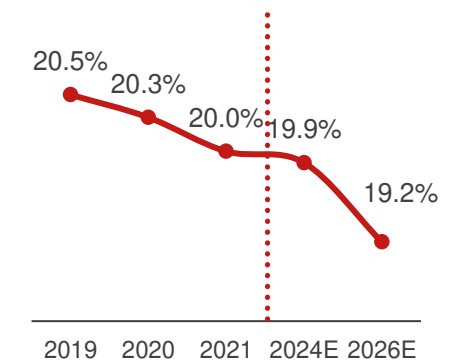
Private clients on Targetable Financial Wealth %



Affluent clients on Targetable Financial Wealth %



Lower Affluent & Mass on Targetable Financial Wealth %



*The manager responsible for preparing the company's financial reports (Tommaso Di Russo) declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.*

*T. Di Russo, CFO*

Certain 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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MAY						
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28	29	30	31			

1Q 2023 Results  
Conference Call

JULY						
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30	31					

1H 2023 Results  
Conference Call

NOVEMBER						
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

9M 2023 Results  
Conference Call

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## Banca Generali Investor App



Fine Comunicato n.0856-7

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