

**PRESS
RELEASE****Preliminary results at 31 December 2023****All-time high net profit driven by the recurring component**

- Net profit: €326.1 million (+53%)
- Recurring net profit¹: €320.3 million (+45%)
- Recurring fee income: €958.0 million (+2%)
- ‘Core’ operating costs: €246.8 million (+6%)

Highest-ever total assets

- Total assets: €92.8 billion (+12%)
- Assets under Advisory: €9.6 billion (+30%)
- 2023 net inflows: €5.9 billion (+3%)
- January 2024 net inflows: €323 million

Proposed dividend: €2.15 per share

- Dividend to be paid in May 2024 (€1.55) and February 2025 (€0.60)
- CET1 ratio at 17.8% and TCR at 19.0%

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Milan, 8 February 2024 — The Board of Directors of Banca Generali approved the preliminary consolidated results at 31 December 2023.

Chief Executive Officer and General Manager Gian Maria Mossa stated: *“We are very satisfied with these results, which testify to our Bank’s strength and excellence and to our growing role as a point of reference for households and corporates as far as wealth management needs are concerned. 2023 was a challenging year, with investors bewildered by the negative effect of rises in investment interest rates, the inflation-related loss of purchasing power and the growing geopolitical uncertainties. In this context, we overperformed our 2022 net inflow result, recording the best year ever in our history in terms of net profit and total assets, while also strengthening our capital solidity and increasing shareholder remuneration. Our highly professional bankers and our comprehensive range of products and services proved to be distinctive elements in our business model, in a context*

¹ Profit net of performance fees, non-recurring trading income and other one-off items

of increasing demand for advanced advisory and bespoke solutions. In the first weeks of this year, we started to observe encouraging signs in terms of net inflow mix and recruitment of new Financial Advisors, and we are also convinced that the strategic projects we are rolling out — particularly those focusing on data and Switzerland — are differentiation levers that allow us to look to the Bank's sustainable growth prospects with optimism."

CONSOLIDATED P&L RESULTS AT 31 DECEMBER 2023

Financial year 2023 closed with **consolidated net profit at €326.1 million**, up 53.1% compared to €213.0 million for the previous year. This result was driven by a strong 45% increase in the **recurring component** to €320.3 million. This growth far exceeded the three-year Plan's target (+10%-15%), marking a **new historic record** in the Bank's sustainable development path.

Profitability benefited both from the positive contribution of net interest income, attributable to the gradual upwards revisions of the Bank's asset yields following interest rate rises, and from the numerous successful initiatives undertaken to diversify fee income. From an operational standpoint, these results also confirmed our constant focus on cost containment in a context of persistent inflation pressure.

Net profit growth was also supported by a further business expansion, with **total assets** at an all-time high of **€92.8 billion (+11.8%)**, and the ongoing strengthening of capital and liquidity ratios, already well above regulatory requirements.

In further detail:

Net banking income rose by 23.2% to €788.2 million, driven by the sharp increase in net financial income (€321.3 million; +90.9%) and stable net recurring fees (€459.3 million; +1.2%, net of fee expense related to net interest income). Variable fees² totalled €19.2 million, essentially in line with the previous year (€19.3 million).

Net interest income grew by +110.0% to €304.4 million, thanks to higher asset yields coupled with tight cost of funding discipline. At year-end, interest-bearing assets amounted to €14.1 billion, of which €2.3 billion of loans to customers and €10.7 billion related to the financial asset portfolio, whose specific characteristics, such as short duration (1.2 years) of the bond portfolio and the high percentage of variable-rate securities (52% of the total), supported the profitability increase. Total deposits amounted to €13.5 billion at year-end, of which €11.2 billion represented by retail customer deposits (83% of the total).

Gross recurring fees totalled €958.0 million, up 1.8% compared to the previous year. In detail, **investment fees**³ reached €846.0 million, in line with the previous year, thanks to the acceleration of the advisory component (€41.3 million; +15.2%) in addition to traditional gross management fees (€804.7 million). **Other recurring fees** grew by 21.9% to €112.0 million, confirming the effectiveness of the revenue diversification initiatives launched in recent years.

² It should be noted that in January 2024 variable fees amounted to about €16 million

³ Investment fees include management fees and advisory fees. This definition reflects the new approaches in terms of regulatory provisions and market practices

Operating costs amounted to €276.7 million, with an annual +7.9% change that included €8.1 million non-core costs mainly linked to feasibility analyses related to possible M&As, the expansion of in-house solutions and initiatives aimed at developing the affluent channel⁴, in line with the strategic projects of the 2022-2024 three-year Plan. **'Core' operating costs** totalled €246.8 million, of which €7.4 million generated by the launch of BG Suisse Private Bank, up +6.0%, in line with the three-year Plan's guidance.

Operating efficiency indicators further improved: the ratio of **operating costs to total assets** was 30 bps (31 bps at the end of 2022), whereas the **cost/income ratio**, adjusted for non-recurring items, such as variable fees, declined to 34.9% (40.8% at year-end 2022).

Provisions, contributions to banking funds and net adjustments totalled €66.5 million compared to €53.0 million for the previous year (+25.4%). The change was linked on the one hand to the reversal of value adjustments on loans and securities for €7.8 million and on the other to the alignment of discount rates used to measure actuarial provisions that contributed a positive €5.1 million in 2023 compared to €26.7 million for the previous year. Net of this external effect of discount rates, the year-end aggregate figure changed slightly compared to the previous year (€55.0 million compared to €53.8 million in 2022; +2.2%).

The **tax rate** was 26.5%, up by 1.7 pps compared to the previous year, due to the lower contribution of the foreign entities to the Group's result.

P&L RESULTS FOR Q4 2023

Q4 2023 net profit grew by 23.2% to **€71.0 million** compared to €57.6 million for 2022. This high-quality result was confirmed by the recurring component, which, excluding variable items, grew by 22.2% to **€70.4 million**.

Net banking income rose by 17.0% to €196.1 million, compared to €170.2 million in 2022, driven by both a strong growth in net interest income (€76.3 million; +33.6%) and the positive contribution of gross recurring fees (€241.2 million; +3.7%) and variable fees (€8.9 million compared to €1.7 million for the same period of the previous year).

Operating costs totalled €83.2 million compared to €74.7 million for Q4 2022. 'Core' operating costs amounted to €72.4 million (+6.1% YoY), including €2.6 million development costs of BG Suisse Private Bank. Non-core costs amounted to €4.6 million, linked to feasibility analyses related to possible M&As, the expansion of in-house solutions and initiatives aimed at developing the affluent channel, in line with the strategic projects of the 2022-2024 three-year Plan.

Operating result reached €116.0 million, up 21.4% compared to Q4 2022, testifying to the soundness and operating leverage potential of the Bank's business model.

⁴ It should be noted that negotiations are currently underway — on an exclusive basis until 30 April 2024 — between Banca Generali and One Zero with a view to evaluating the terms and conditions of a possible partnership; this is based on the principles included in a non-binding memorandum of understanding previously entered into by the parties.

Profit before taxation grew by 21.5% to €94.7 million, after recognising provisions, contributions to banking funds and net adjustments for €20.4 million compared to €17.5 million for the previous year.

DIVIDEND PROPOSAL

The Board of Directors resolved to submit to the General Shareholders' Meeting, to be held in first call on 18 April 2024, as per the financial calendar, a dividend proposal for a total of €251.2 million, equal to €2.15 per share (gross of legal withholdings) for each of the 116,851,637 outstanding shares and a **total payout of 77%** on the 2023 consolidated net profit.

Dividend has been calculated by applying a payout of 77% on recurring net profit and of 100% on non-recurring net profit. If approved by the General Shareholders' Meeting, the payment will be as follows:

- €1.55 per share, ex-date 20 May 2024; record date 21 May 2024, and payment date 22 May 2024;
- €0.60 per share, ex-date 24 February 2025; record date 25 February 2025, and payment date 26 February 2025

Based on the closing price of the Banca Generali stock on 5 February 2024 of €35.5 per share, the dividend yield of the proposed dividend (accounting view) amounts to 6.1%.

It is also confirmed that Banca Generali will proceed with payment of the second tranche of the 2022 dividend, already authorised and amounting to €0.65 per share, as follows: ex-date 19 February 2024; record date 20 February 2024, and payment date 21 February 2024.

CAPITAL RATIOS AT 31 DECEMBER 2023

At 31 December 2023, Banca Generali had a **CET1 ratio** of 17.8% (15.6% at 31 December 2022) and a **Total Capital ratio (TCR)** of 19.0% (16.7% at 31 December 2022). These percentages consider the proposal for distributing a dividend of €2.15 per share, equal to a payout ratio of 77% of the 2023 consolidated net profit.

Capital ratios exceeded the specific requirements set by the Bank of Italy for the Group (CET1 ratio at 8.0% and Total Capital Ratio at 12.3%) for the 2024 SREP – Supervisory Review and Evaluation.

The Bank's **leverage ratio** at 31 December 2023 was 5.4% (4.3% at 31 December 2022), remaining well above the regulatory requirements.

The Bank's liquidity ratios were confirmed at excellent levels: the **Liquidity Coverage ratio (LCR)** was stable at 335% (338% at 31 December 2022) and the **Net Stable Funding ratio (NSFR)** was 214% (203% at 31 December 2022).

COMMERCIAL RESULTS AT 31 DECEMBER 2023

At 31 December 2023, Banca Generali's **total assets** amounted to €92.8 billion (+11.8%), marking a **new all-time high** in the Bank's business expansion process. This result was driven by robust

net inflows in the year and a positive asset performance, despite the persistent financial market volatility in the period.

In light of the new approaches in terms of regulatory provisions and market practices, total assets were reclassified to **Assets under Investment** and **Other Assets**. Assets under Investment include Assets Under Management, traditional life insurance policies and Assets under Advisory⁵. Other Assets include the customers' Assets under Custody and Client's deposits other than under advisory.

Assets under Investment amounted to €62.9 billion at year-end 2023, up 6.8% compared to the previous year. This result benefited from the increase in financial wrappers (€10.5 billion; +12.5%) and in-house funds (€10.1 billion; +10.3%), both managed directly by Banca Generali Group. Growth was also strongly driven by assets under advisory, which contributed €5.5 billion⁵, up +60% compared to the previous year.

Other Assets amounted to €29.9 billion, up 23.8% compared to the previous year as a result of the sharp increase in Assets under Custody (AUC) other than under advisory owing to the customers' reinvestment of excess liquidity in bonds throughout 2023 following central banks' significant interest rate rises to cope with inflationary dynamics. Assets under Custody other than under advisory amounted to €20 billion at year-end, up 34.5% compared to the previous year.

Overall, **Assets under Advisory** reached €9.6 billion at the end of December, significantly up (+29.8%) compared to year-end 2022. Their ratio to total assets rose to 10.3% (8.9% at 2022 year-end).

With regard to the management company, BGFML's assets rose to €20.4 billion (+10.0%).

Finally, it should be noted that ESG assets amounted to €16.2 billion, accounting for 37.6% of managed solutions at 31 December 2023.

Total net inflows amounted to €5.9 billion in 2023, up +3% compared to the previous year. It should be noted that 85% of net inflows was gathered by Banca Generali's existing Financial Advisory network⁶, confirming its proactivity and expertise both in supporting its customers' investment choices and in acquiring new customers.

In line with the new classification of customer's total assets, **net inflows from Assets under Investment** amounted to €1.4 billion compared to €2.0 billion for the previous year but were nonetheless satisfying considering the market context altered by the main central banks' rapid and significant interest rate rises.

Net inflows from **other assets** totalled €4.5 billion compared to €3.7 billion for the previous year. This result was driven by particularly significant net inflows from Assets under Custody following the shift towards deposits of the excess liquidity accumulated in previous years due to the context of extremely low interest rates.

⁵ Net of double counting

⁶ Banca Generali's Financial Advisors, excluding new recruits for the year and the previous year

COMMERCIAL RESULTS AT JANUARY 2024

January net inflows amounted to **€323 million**, with a sharp increase in the highest value-added component of Assets under Investment. The latter reached €99 million, strongly increasing compared to the €7 million outflows of the previous year. The figure is in line with the trend of recent months, which witnessed a **robust increase in demand for professional advice** and a renewed interest for investment diversification in managed solutions.

Net inflows from Assets under Investment benefited chiefly from the higher demand for financial wrappers (€57 million in January) and advanced advisory services on AuC & Banking under Advisory (€105 million in January). Net inflows from traditional life insurance policies were also positive at €26 million (compared to €142 million outflows for the previous year).

In January, net inflows from **Assets under Custody** declined compared to the previous year's peaks (€206 million compared to €307 million for the previous year).

BUSINESS OUTLOOK

Financial year 2024 marks the start of the last year of Banca Generali's 2022-2024 Strategic Plan. Although the geopolitical, economic and financial context has deeply changed since the Plan's launch, on 7 February 2022, the Bank believes it can confirm the strategic guidelines and financial targets shared at that time.

In detail, Banca Generali confirms its three financial macro-objectives as follows:

- **Consistent Growth:** cumulated net inflows estimated in the range between €18.0 billion and €22.0 billion for the 2022-2024 three-year period;
- **Profitable Growth:** generating a compound annual growth rate (CAGR) of recurring profit equal to 10-15% over the 2022-2024 three-year period;
- **Remunerative Growth:** distributing steadily growing dividends over the Plan period, based on the approved Dividend Policy:
 - i. Dividend payout set according to the following criteria:
 - 70-80% on the portion of recurring net profit;
 - 50-100% on the portion of variable net profit.
 - ii. Two-tranche mechanism for dividend payment:
 - 1st tranche: Year T/Q2;
 - 2nd tranche: Year (T+1)/Q1.

Based on the above and in light of profit forecasts, the Bank confirms its objective to distribute cumulative dividends of €7.5-€8.5 per share in the 2022-2025 period (cash view).

PRESENTATION TO THE FINANCIAL COMMUNITY

The preliminary 2023 consolidated results will be presented to the financial community during a **conference call** scheduled today, 8 February 2024 at **14:00 CET**.

Annexes:

1. Banca Generali – Consolidated Profit and Loss Statement at 31 December 2023
2. Banca Generali – Consolidated Profit and Loss Statement for the Fourth Quarter of 2023
3. Banca Generali – Reclassified Consolidated Balance Sheet at 31 December 2023
4. Total Assets at 31 December 2023 (new view)
5. Net Inflows at 31 December 2023 (new view)
6. Net Inflows at 31 January 2024 (new view)

* * *

The Manager responsible for preparing the company's financial reports (Tommaso di Russo) declares, pursuant to Paragraph 2 of Article 154-bis, of the Italian Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentary results, books and accounting records. Tommaso di Russo (CFO of Banca Generali)

1) BANCA GENERALI – CONSOLIDATED PROFIT AND LOSS STATEMENT AT 31 DECEMBER 2023

m/€	12M 2022	12M 2023	% Chg
Net Interest Income	145.0	304.4	n.m.
Net income (loss) from trading activities and Dividends	23.3	16.9	-27.4%
Net Financial Income	168.3	321.3	90.9%
Gross recurring fees	940.7	958.0	1.8%
Fee expenses	-488.5	-510.4	4.5%
Net recurring fees	452.2	447.6	-1.0%
Variable fees	19.3	19.2	-0.5%
Total Net Fees	471.5	466.8	-1.0%
Total Banking Income	639.8	788.2	23.2%
Staff expenses	-114.8	-124.3	8.3%
Other general and administrative expense	-116.6	-122.9	5.4%
Depreciation and amortisation	-36.7	-39.8	8.4%
Other net operating income (expense)	11.5	10.2	-10.8%
Total operating costs	-256.5	-276.7	7.9%
Operating Profit	383.3	511.5	33.4%
Net adjustments for impair.loans and other assets	-8.3	-0.5	-93.7%
Net provisions for liabilities and contingencies	-27.1	-49.8	83.9%
Extraordinary charges	0.0	0.0	n.m.
Contributions to banking funds	-17.6	-16.1	-8.3%
Gain (loss) from participations valued at equity	-0.1	-1.1	n.m.
Profit Before Taxation	330.2	443.8	34.4%
Direct income taxes	-81.9	-117.8	43.9%
Income/(losses) after tax on assets held for sales	0.0	0.0	n.m.
Minorities interest	-0.1	-0.1	-4.2%
Extraordinary Tax agreement	-35.3	0.0	n.m.
Net Profit	213.0	326.1	53.1%
Cost/income ratio	40.1%	35.1%	-5.0 p.p.
EBITDA	420.0	551.2	31.3%
Tax rate	24.8%	26.5%	1.7 p.p.

2) BANCA GENERALI – CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE FOURTH QUARTER OF 2023

m/€	4Q 2022	4Q 2023	% Chg
Net Interest Income	57.1	76.3	33.6%
Net income (loss) from trading activities and Dividends	2.5	4.1	63.3%
Net Financial Income	59.6	80.4	34.8%
Gross recurring fees	232.7	241.2	3.7%
Fee expenses	-123.9	-131.3	6.0%
Net recurring fees	108.8	109.9	1.0%
Variable fees	1.7	8.9	n.m.
Total Net Fees	110.6	118.8	7.5%
Total Banking Income	170.2	199.2	17.0%
Staff expenses	-29.7	-34.0	14.7%
Other general and administrative expense	-36.3	-40.9	12.6%
Depreciation and amortisation	-10.0	-10.7	6.8%
Other net operating income (expense)	1.3	2.4	80.6%
Total operating costs	-74.7	-83.2	11.5%
Operating Profit	95.5	116.0	21.4%
Net adjustments for impair.loans and other assets	-0.9	0.5	n.m.
Net provisions for liabilities and contingencies	-16.1	-22.5	40.0%
Extraordinary charges	0.0	0.0	n.m.
Contributions to banking funds	-0.6	1.7	n.m.
Gain (loss) from participations valued at equity	0.0	-0.9	n.m.
Profit Before Taxation	78.0	94.7	21.5%
Direct income taxes	-20.4	-23.7	16.4%
Income/(losses) after tax on assets held for sales	0.0	0.0	n.m.
Minorities interest	0.0	0.0	n.m.
Extraordinary Tax agreement	0.0	0.0	n.m.
Net Profit	57.6	71.0	23.2%
Cost/income ratio	43.9%	41.8%	-2.1 p.p.
EBITDA	105.6	126.7	20.0%
Tax rate	26.1%	25.0%	-1.1 p.p.

3) BANCA GENERALI – RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2023

m/€				
Assets	31/12/2022	31/12/2023	Change	% Change
Financial assets at fair value through P&L (FVPL)	507.3	509.4	2.1	0.4%
Financial assets at fair value through other comprehensive income (FVOCI)	1,120.1	1,000.9	-119.2	-10.6%
Financial assets at amortised cost	14,478.6	12,905.5	-1,573.1	-10.9%
<i>a) Loans to banks</i>	3,284.1	2,846.4	-437.7	-13.3%
<i>b) Loans to customers</i>	11,194.5	10,059.0	-1,135.5	-10.1%
Hedging derivatives	286.8	162.0	-124.8	-43.5%
Equity investments	3.1	2.0	-1.1	-36.1%
Property equipment and intangible assets	295.3	292.1	-3.2	-1.1%
Tax receivables	72.3	108.1	35.8	49.6%
Other assets	503.4	537.3	33.9	6.7%
Total Assets	17,266.8	15,517.2	-1,749.7	-10.1%

Liabilities and Shareholders' Equity	31/12/2022	31/12/2023	Change	% Change
Financial liabilities at amortised cost	15,504.0	13,503.0	-2,001.0	-12.9%
<i>a) Due to banks</i>	544.5	231.7	-312.8	-57.5%
<i>b) Direct inflows</i>	14,959.4	13,271.3	-1,688.1	-11.3%
Financial liabilities held for trading	123.6	132.8	9.2	7.5%
Tax payables	44.6	46.1	1.5	3.4%
Other liabilities	281.2	353.0	71.8	25.5%
Special purpose provisions	244.9	268.9	24.0	9.8%
Valuation reserves	-10.0	-0.8	9.2	-92.0%
Capital instruments	50.0	50.0	0.0	0.0%
Reserves	724.5	752.7	28.2	3.9%
Additional paid-in capital	53.8	53.0	-0.8	-1.4%
Share capital	116.9	116.9	0.0	0.0%
Treasury shares (-)	-80.1	-85.0	-4.9	6.1%
Shareholders' equity attributable to minority interest	0.4	0.3	-0.1	-23.5%
Net income (loss) for the period	213.0	326.1	113.1	53.1%
Total Liabilities and Shareholders' Equity	17,266.8	15,517.2	-1,749.7	-10.1%

4) TOTAL ASSETS AT 31 DECEMBER 2023

<i>m/€</i>	Dec 2022	Dec 2023	Abs. Chg	Chg.
Assets under Investment	58,880	62,896	4,017	6.8%
Managed Solutions	40,121	43,113	2,992	7.5%
Mutual Funds and SICAVs	20,628	21,975	1,347	6.5%
<i>of which In House Funds</i>	9,147	10,091	945	10.3%
<i>of which Third party Funds</i>	11,481	11,884	403	3.5%
Financial Wrappers	9,364	10,535	1,171	12.5%
Insurance Wrappers	10,130	10,603	473	4.7%
Traditional Life Insurance Policies	15,340	14,314	-1,026	-6.7%
AUC & Banking under Advisory	3,419	5,469	2,050	60.0%
Other Assets	24,179	29,927	5,748	23.8%
Assets under Custody	14,891	20,030	5,139	34.5%
Deposits	9,288	9,897	609	6.6%
Total Assets	83,059	92,823	9,764	11.8%

<i>m/€</i>	Sept 2023	Dec 2023	Abs. Chg	Chg.
Assets under Investment	60,681	62,896	2,215	3.7%
Managed Solutions	41,594	43,113	1,519	3.7%
Mutual Funds and SICAVs	21,115	21,975	860	4.1%
<i>of which In House Funds</i>	9,561	10,091	530	5.5%
<i>of which Third party Funds</i>	11,554	11,884	330	2.9%
Financial Wrappers	10,209	10,535	326	3.2%
Insurance Wrappers	10,269	10,603	334	3.3%
Traditional Life Insurance Policies	14,177	14,314	137	1.0%
AUC & Banking under Advisory	4,911	5,469	558	11.4%
Other Assets	28,079	29,927	1,849	6.6%
Assets under Custody	18,445	20,030	1,585	8.6%
Deposits	9,633	9,897	264	2.7%
Total Assets	88,760	92,823	4,063	4.6%

5) NET INFLOWS AT 31 DECEMBER 2023

<i>m/€</i>	December 2022	December 2023	Jan-Dec 2022	Jan-Dec 2023
Assets under Investment	592	494	1,972	1,388
Managed Solutions	408	146	1,972	801
Mutual Funds and SICAVs	77	0	693	87
<i>of which In House Funds</i>	39	34	203	399
<i>of which Third party Funds</i>	38	-34	490	-312
Financial Wrappers	248	131	1,000	699
Insurance Wrappers	83	15	279	15
Traditional Life Insurance Policies	-73	110	-814	-1,167
AUC & Banking under Advisory	257	238	814	1,754
Other Assets	48	340	3,735	4,467
Assets Under Custody	679	303	3,370	5,674
Liquidity	-631	37	365	-1,207
Total Net Inflows	640	834	5,707	5,855

6) NET INFLOWS – JANUARY 2024

<i>m/€</i>	January 2023	January 2024	YTD 2023	YTD 2024
Assets under Investment	-7	99	-7	99
Managed Solutions	53	-32	53	-32
Mutual Funds and SICAVs	60	-58	60	-58
<i>of which In House Funds</i>	31	-8	31	-8
<i>of which Third party Funds</i>	29	-50	29	-50
Financial Wrappers	14	57	14	57
Insurance Wrappers	-21	-31	-21	-31
Traditional Life Insurance Policies	-142	26	-142	26
AUC & Banking under Advisory	82	105	82	105
Other Assets	424	224	424	224
Assets Under Custody	307	206	307	206
Liquidity	117	18	117	18
Total Net Inflows	417	323	417	323