

**Ordinary Shareholders' Meeting of
Banca Generali – Trieste, 23 April 2020**

Report of Chief Executive Officer and General Manager

Gian Maria Mossa

Milan, 23 April 2020

Banca Generali Shareholders, good morning and welcome.

We find ourselves in an unprecedented situation. The Covid-19 pandemic has affected what we care most about: our health, personal relationships, employees, Financial Advisors and all our customers. Five of our colleagues were infected with Covid-19 and unfortunately we lost one of them, Gianni Alitta, a very capable professional who had been with the Bank from the beginning. Our first thoughts go out to him and his family.

The situation makes physical distancing a necessity, yet this has not stopped the Bank from organising and ensuring business continuity – something that it has successfully done for two months now. None of the many initiatives has been slowed and some new initiatives have even been launched to rise to the new challenges and needs imposed by the situation.

Our network of Financial Advisors has stood by our customers, helping them face the most appropriate investment choices. Indeed, there is no one response and it is as appropriate as ever to make decisions tailored to each customer's specific situation and needs. As in the past, at the most complex times our Financial Advisors have succeeded in contributing that added value to managing customers' wealth and the ability to select the Bank's products and services that are most effective at managing the customer's emergency.

The pandemic we have been experiencing in recent days has forced us to make decisions that would have been unthinkable just a few weeks ago, and the impact of which will be felt long after social distancing ends. As in all serious crises, new opportunities will be created for large parts of the economy, whereas others could face or expedite an irreversible fate. Accordingly, the reaction by financial markets has been unprecedented. The first quarter of 2020 was the worst of all time. Thursday, 12 March 2020 will go down in financial history: all global exchanges in Europe and North America fell by more than 9%, Wall Street saw its sharpest drop since Black Monday in 1987 and the FTSE MIB declined by around 17%, making it the worst market that day.

Central banks and governments the world over reacted swiftly, showing that they had learned the lesson of previous crises. Central banks launched massive liquidity support plans and, for the first time, undertook purchasing policies for a wide range of bonds, expanding their sphere of action as never before. In turn, governments launched fiscal support programmes swiftly and credibly. The European Union offered important central support measures. The SURE programme, the

enhancement of the EIB and the opening of the ESM for health emergencies are a blueprint for common action at the European level that can provide an eagerly awaited long-term vision to complement the national management of the emergency in the near term.

The efficacy of these market support measures soon became apparent, with some recoveries from the lows of mid-March. However, financial market volatility will remain high for an extended period. In the final analysis, overcoming the crisis will require progress in managing the health emergency, a decline in new case levels and scientific progress at the global level to deliver a cure or a vaccine. These will be the true factors capable of defeating this emergency and leading to a recovery of social life and economic activity.

Fortunately, the Bank began this crisis with a very robust financial situation featuring strong capital ratios and ample liquidity. Even in simulations of severe financial stress scenarios, the Bank maintains capital levels above the requirements set by the authorities. The Bank's solidity is currently a great strength that makes us a safe haven for our customers and all investors.

In this difficult environment, Banca Generali has pursued three main lines of action.

Our first thought went to the health and safety of all our employees, Financial Advisors, customers and their families, to ensure that they would not be infected or spread the disease. The Bank expedited its remote working initiatives, which were then extended to 100% of its population at the end of February. The transition to remote operations was successfully implemented, while always ensuring full operating continuity of all processes. Customer support activities were highly enhanced, by leveraging the digital channel (home and mobile banking), and customer care was strengthened, particularly the Contact Centre, supporting asset management and insurance order confirmation. Branch service coverage was ensured in accordance with the strictest safety procedures. All this was achieved thanks to the extreme professionalism and ability of all those who work for Banca Generali, whether branch employees or Financial Advisors. They have all shown — and continue to show — an exceptional sense of belonging and dedication, of which we should be extremely proud and appreciative.

Secondly, the Bank focused closely on its core business: protecting the wealth of its customers. At the beginning of this crisis, Banca Generali had relatively low equity exposure of around 22-25% on average. Accordingly, falling markets represent an opportunity for those who are willing and able to grasp this opportunity through solutions that make it possible to plan a constant, yet gradual, increase in equity exposure, exploiting the abrupt market corrections and fluctuations during this period. In addition, new investment solutions have been launched. Among them, I would like to call attention to a liquidity management tool that draws on the deep expertise gained in our treasury activity, which will be made available to manage this phase of a sharp increase in cash held in current accounts. As I mentioned at the outset, the quality of our Financial Advisors and their ability to stand by their customers is the factor that enables us to make the difference in financial market crises, since we are able to best interpret our customers' needs and pair them with the wide range of products and services offered by the Bank according to a personalised approach.

Thirdly, given the nature of this crisis, its expected impact on the economy and possible social repercussions, Banca Generali decided to take concrete action to support Italy, its Communities and its Healthcare System. The first initiatives, coordinated with the Generali Group's Covid-19 Extraordinary Fund created for the emergency, were designed to support Italy's healthcare system through donations by the Bank and by its employees and Financial Advisors for a total of one million euros.

Two initiatives were then planned to take advantage of the expertise honed by the Bank over the past two years in structuring securitisations, which are an effective tool for channelling resources into Italy's healthcare system and business community, i.e., its small and medium-sized enterprises, self-employed professionals and retailers.

With significant initial support from the Generali Group, and in collaboration with the innovative credit and risk scoring platform Credimi, an initial securitisation programme was thus launched, activating 100 million euros, which in a few weeks will be funnelled to hundreds of small Italian businesses in the form of five-year loans backed by the Guarantee Fund.

A new healthcare receivable securitisation programme was then activated to provide liquidity to health companies at this time of severe pressure, with a mezzanine tranche for professional customers.

A programme was also launched in support of credit in response to the strong demand now expected from the economy to manage the crisis situation.

These initiatives are very important because they pursue the twofold goal of channelling funds into the economy by bridging the gap between Italian investors and the needs of the real economy, while taking advantage of the solutions implemented by the Italian government, and of offering customers diversified investment solutions at a time of severe volatility.

I wanted to begin this meeting with an immediate discussion of the situation and the initiatives that the Bank has developed over the past two months, in which the outlook and priorities have shifted so swiftly and radically compared to the beginning of the year, making them now seem obsolete.

The very approach taken to holding this meeting is new, necessitated by the Covid-19 emergency. In accordance with the “Cure Italy” Decree (Decree-Law No. 18 of 17 March 2020), the Shareholders’ Meeting is being held solely by audio conferencing, and those entitled to vote at the Shareholders’ Meeting will only be able to do so through the Appointed Representative.

The quality of our results in 2019 would undoubtedly have merited a different environment, a real audience of investors, and perhaps a more detailed review. In any event, I shall attempt to outline its most salient points.

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BANCA GENERALI, TOTAL ASSETS ACCELERATED ASSET EXPANSION

Total Assets bn/€



Record asset expansion

- Organic growth (Total net inflows) €5.1bn
- Asset performance €4.2bn
- M&A (Nextam & Valeur): €2.2bn

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BANCA
GENERALI

2019 was the best ever year in the Bank's history, with a sound and solid growth focused on long-term sustainability. Total assets amounted to 69 billion euros, driven by organic growth (5.1 billion euros), non-organic growth through the consolidation of Nextam and Valeur (2.2 billion euros) and the market effect. In this regard, I would like to emphasise that organic growth was achieved for 76% of the total by the existing Financial Advisor network, the highest percentage of all time, confirming the strength and quality of Banca Generali's network and its ability to grow regardless of recourse to recruitment.

In the year, Assets Under Advisory more than doubled and now account for 6.8% of total assets, confirming the increased demand for a comprehensive, holistic advisory service, as that offered by the BGPA platform and, as regard AUC advisory service, the Ro4AD platform.

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BANCA GENERALI, MARKET SHARES STILL BLUE OCEAN AHEAD

Reference market	Size of the market	Banca Generali's market share (%)		
		2008	2013	2019
Italian FA sector (Assoreti)	 €620 billion	9.4%	10.4%	14.0% ¹
Italian Private Financial Wealth (AIPB)	 €1,112 billion	2.4%	3.0%	6.2% ²
Total Italian financial Household assets	 €4,396 billion ³	0.5%	0.7%	1.6%

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NOTE: 1) data as of 31.12.2019, on a like-for-like basis i.e. excluding ISPB and 2019 new entrants; 2) Banca Generali estimates as of 31.12.2019; 3) Italian financial Household assets as of 30.09.2019



The results achieved show constant growth in market share in the networks sector (Assoreti), where Banca Generali had market share of around 14% at the end of 2019, up from 10.4% in 2013, and even more so from 9.4% in 2008. Even more significant was the increase in market share of total Italian financial household assets managed by Banca Generali from 0.5% in 2013 to the current 1.6%. The increase in market share in the Italian private-banking sector, in which the Bank chose to reposition itself from 2016 to the present, was also particularly important for us. In this case, the Bank currently has market share of 6.2%, double the level of 2013 and three times of that of 2008.

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BANCA GENERALI, MARKET POSITIONING STRONG INCREASE IN PRIVATE BANKING



4 Fonte: Assoreti, Magstat. Note: 1) SPB (€111.7mlrd) included in the perimeter as of 01/01/2015; 2) Excluding the acquisition of Nextam Partners a Valeur; 3) Assets refer to Clients over €50K, by operator.

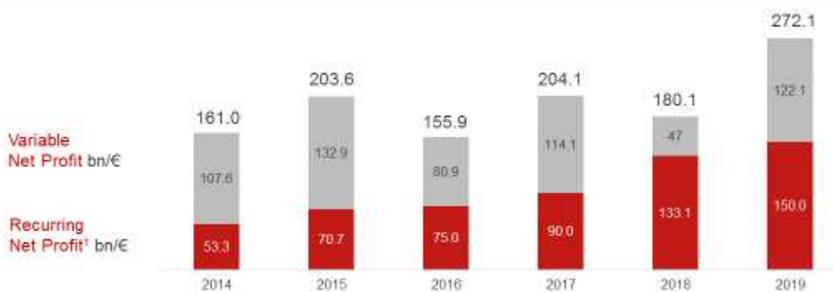


The successful repositioning in private banking is also borne out by the recent Magstat survey, which shows that Banca Generali has rapidly climbed the rankings for the sector from 16th place in 2013 to reach the number-three spot, behind two of the largest Italian banking groups, Intesa and Unicredit.

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NET PROFIT TREND STEADY IMPROVEMENT IN THE RECURRING COMPONENT

Net Profit: Recurring vs. Variable m/€



5 NOTE: 1) 2014-2019 recurring net profit including results from dividend and forex due to their recognition dates. 2019 recurring profit also excluding FRS16 net impact of €1.1m



Equally important was the rise in net profit during the year. Consolidated net profit for 2019 amounted to 272.1 million euros (+51%) — the best result in the Bank's history. Net profit benefited from the significant business expansion and the numerous initiatives launched to

diversify the Bank's revenues and increase their sustainability in the long term. We are especially satisfied with the constant progress achieved at the level of recurring net profit, which has tripled over the past five years. The main driver of this result was the increase in assets thanks to a network of highly skilled experienced and professional Financial Advisors who succeeded in constantly growing total assets.

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RESULTS AT A GLANCE KEY TAKEAWAYS			
(€ mln)	2018	2019	% Chg
Net interest income	60.0	74.0	23.4%
Net income (loss) from trading activities and Dividends	24.1	14.2	-41.2%
Net Financial Income	84.1	88.2	4.9%
Gross fees	741.7	881.0	18.8%
Fee expenses	-376.3	-391.2	4.0%
Net Fees	365.3	489.8	34.1%
Total Banking Income	449.4	578.0	28.6%
Staff expenses	-84.2	-97.2	15.4%
Other general and administrative expense	-162.3	-162.7	0.3%
Depreciation and amortisation	-9.3	-30.0	n.m.
Other net operating income (expense)	59.4	68.7	15.6%
Total operating costs	-196.6	-221.2	12.5%
<i>Cost/Income Ratio</i>	<i>41.7%</i>	<i>33.1%</i>	<i>-8.6 p.p.</i>
Operating Profit	252.8	356.8	41.1%
Net adjustments for impairments and other assets	-7.3	-5.4	-26.1%
Net provisions for liabilities and contingencies	-25.4	-24.2	-4.4%
Gain (loss) on equity investments	-0.4	-1.9	n.m.
Profit Before Taxation	219.8	325.3	48.0%
Direct income taxes	-39.6	-53.2	34.2%
<i>Tax rate</i>	<i>18.0%</i>	<i>16.3%</i>	<i>-1.7 p.p.</i>
Net Profit	180.1	272.1	51.1%

Comments

- Buoyant increase in Operating Profit (+41%)**
 - NII (+23%) lifted by a sharp growth in banking assets and more efficient treasury management
 - Net Fees (+34%) driven by the improvement in product mix, the acceleration in new revenue streams and a strong investment performance
 - Core operating costs in line with guidance (+4.8%) while total costs lifted by acceleration in key projects, first-time consolidation of Nextam and Valeur and one-off items
- Lower adjustments below the operating line**
 - More benign environment for valuation of financial securities within Banking Book
- Reported net profit at €272m (+51%)**
 - The best year in the bank's history

Net banking income amounted to 578.0 million euros, with an increase of 128.6 million euros (+28.6%) compared to 2018, thanks to several factors, including: 1) the increase in gross management fees driven by the assets growth in managed solutions; 2) the success of initiatives aimed at diversifying net fees; 3) a higher net interest income owing to the increase in asset volume and the average yield of the banking book.

The result was also attributable to the increase in revenue items linked to favourable financial market performance in the period, such as performance fees.

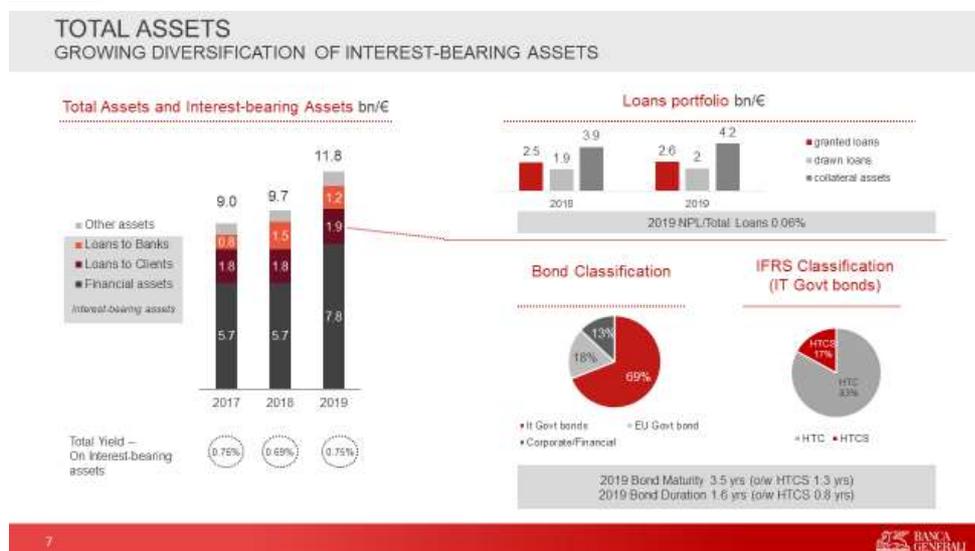
Operating costs amounted to 221.2 million euros, increasing compared to the same period of the previous year (+12.5%), mainly due to the effect of some one-off items (9.1 million euros) and the consolidation of Nextam and Valeur (6.9 million euros). Net of these items, organic growth of core expenses was 4.8% and included a variable component of staff expenses, which increased due to the Bank's good results for the year. One-off costs, which are therefore not replicable in 2020, were mainly due to the acceleration of the three-year plan's strategic projects, M&A costs and the

relocation of the administrative offices.

The cost/income ratio, which measures the ratio of operating expenses (gross of adjustments to property, equipment and intangible assets) to net operating income, amounted to an excellent 32.3%, whereas the adjusted cost/income ratio for non-recurring items stood at 38.8% (42.3% at year-end 2018), thus confirming the Bank's excellent operating efficiency.

Net adjustments and provisions amounted to 31.5 million euros, down compared to 33.1 million euros in the previous year, thanks to the improved risk profile of the Italian government bonds in portfolio arising from the application of collective basis of measurement in accordance with IFRS 9.

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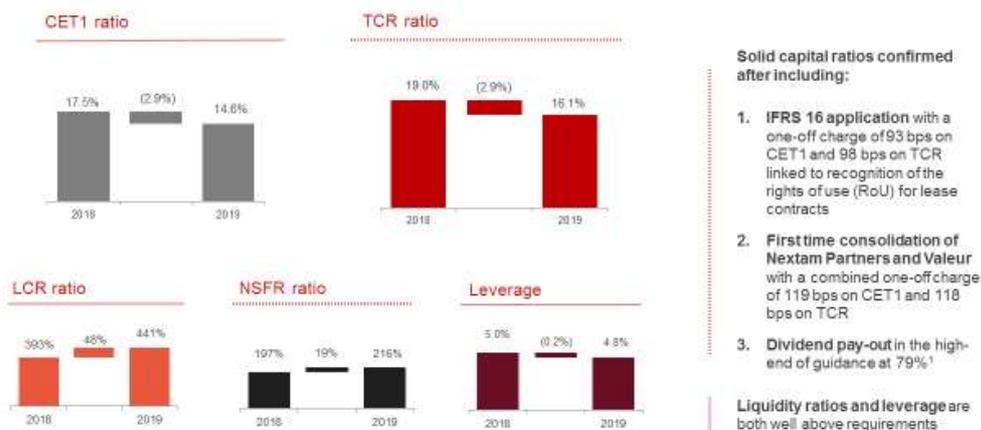


At 31 December 2019, the Bank's total consolidated direct assets amounted to 11.8 billion euros, increasing by over 2.0 billion euros (+21.6%) compared to the end of 2018. The increase was driven by the rise in customer current account deposits. Assets are primarily composed of financial assets (7.8 billion euros, +37%), almost exclusively bonds with a prudent profile attributable to an average residual life of 3.5 years and a duration of 1.6 years.

Loans to clients (1.9 billion euros) rose by 4.5%, while maintaining an excellent profile: net non-performing unsecured exposures (where risk is thus effectively borne by the Bank) amounted to 0.4 million euros, approximately 0.02% of total loans to clients.

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CAPITAL RATIOS SOLID CAPITAL REAFFIRMED



17 NOTE: 1) 2019-21 dividend policy is based on a 70-80% earnings' pay-out ratio with a yearly DPS floor at €1.25. The dividend floor distribution is subject to the level of TCR within the RAF and it must not exceed a 100% earnings' pay-out



Banca Generali also confirmed the soundness of its regulatory aggregates. CET1 ratio stood at 14.6% and Total Capital ratio was 16.1%. In this regard, the transition to IFRS 16 entailed an adverse impact on TCR of around 98 bps, attributable for 94 bps to the recognition of the new RWAs associated with the rights of use with reference to CET1 ratio, whereas the acquisition of the Nextam Partners Group and Valeur yielded a further extraordinary impact of 118 bps on TCR and of 119 bps on CET1 ratio, mainly owing to the deduction of the new intangibles from consolidated own funds.

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CONTO ECONOMICO INDIVIDUALE

(€ mil.)	12M 18	12M 19	% Chg
Net interest income	60.2	74.3	23.4%
Net income (loss) from trading activities and Dividends	172.8	226.8	31.2%
Net Financial Income	233.0	301.1	29.2%
Gross fees	554.2	582.0	5.0%
Fee expenses	-348.1	-363.2	4.3%
Net Fees	206.0	218.8	6.2%
Net Banking Income	439.1	519.9	18.4%
Staff expenses	-79.3	-86.9	9.0%
Other general and administrative expense	-160.3	-159.4	-0.6%
Depreciation and amortisation	-9.2	-28.8	n.m.
Other net operating income (expense)	59.0	66.1	11.9%
Net Operating Expenses	-189.8	-206.7	8.9%
Operating Profit	249.2	313.2	25.7%
Net adjustments for impair loans and other assets	-7.3	-5.4	-26.0%
Net provisions for liabilities and contingencies	-25.5	-24.2	-4.4%
Gain (loss) from disposal of equity investments	-0.3	-2.5	n.m.
Profit Before Taxation	216.3	281.3	30.0%
Direct income taxes	-27.5	-32.9	20.8%
Net Profit	188.8	248.4	31.4%

HIGHER OPERATING INCOME (+25,7%)

- Higher net commissions and higher net Interest Income partially offset by the negative impact of the First-time application of the new IFRS16 accounting principle and by the lower contribution from trading and dividends (-€10.5 million) compared to the previous year that benefitted from the Bank's banking book de-risking action.
- Higher contribution from dividends, both on account and on balance, from the Lux-based BG Fund Management Luxembourg Sa.
- Cost trend hit by some non-recurring components linked to the acceleration of some strategic projects, to the integration of the new acquisitions and to moving to the new headquarter

NET PROFIT AMOUNTED TO €248.4 MILLION (+31%)

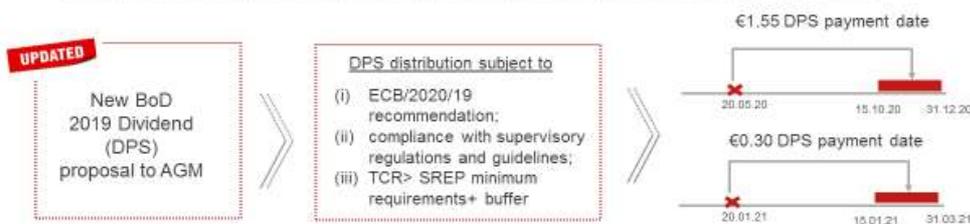
- The net result benefitted from the more favourable environment for the valuation of the financial instruments within the banking book according to IFRS 9

The results of the Parent Company, Banca Generali S.p.A., largely reflect the performance reported by the Group. Net profit amounted to 248 million euros, up 31%. The increase in fees and net interest income, along with the greater contribution from interim and annual dividends distributed by the Luxembourg-based subsidiary BG Fund Management Luxembourg S.A., was partly offset by the higher extraordinary costs of the numerous strategic projects implemented, relating to the integration of the companies acquired into the Banking Group and the relocation of the Headquarters.

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2019 DIVIDEND PROPOSAL TO AGM CONFIRMED BUT PAYMENT POSTPONED

- On 30 March 2020, Banca Generali decided to responsibly comply with the new recommendations issued by the Supervisory Authorities in light of the exceptional market context caused by the outbreak of COVID-19:
 - Recommendation of the European Central Bank issued on 27 March 2020
 - Recommendation of the Bank of Italy issued on 27-31 March and on 1 April 2020
- Thus, Banca Generali revised its BOD 2019 Dividend proposal to AGM by postponing the date of dividend distribution subject to prior verification of a new set of conditions



The shareholder remuneration proposal has been formulated on the basis of the results achieved and in line with the dividend policy approved with the three-year plan on 9 March 2020.

The proposal was then revised on 1 April in accordance with the recommendations by the Bank of Italy (on 27-31 March and 1 April) and the European Central Bank (on 27 March), issued to strengthen the banking system's ability to provide credit and combat the risks of a prolonged liquidity crisis in the economic system as a result of the risks associated with the Covid-19 pandemic.

The Board of Directors resolved to submit to the General Shareholders' Meeting a proposal to defer the payment of the dividend — the amounts of which were disclosed to the market on 9 March 2020 — to a date after 1 October 2020.

In detail, the Board of Directors intends to propose to the General Shareholders' Meeting to pay a dividend of €1.55 per share from 15 October to 31 December 2020, and a dividend of €0.30 per share from 15 January to 31 March 2021.

The dividend distributions are subject to the Board of Directors' prior verification that (i) the conditions indicated in the Recommendation ECB/2020/19 are met, (ii) the supervisory regulations and guidelines applicable from time to time are complied with, and (iii) Total Capital Ratio at the company and consolidated level continues to exceed the SREP minimum requirements plus a 1.2% buffer, thus equal to 9.2% and 13.0%, respectively. The outcome of this assessment will be promptly disclosed to the market in accordance with the public disclosure regulations in force.

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CLOSING REMARKS ON TRACK TO FINANCIAL TARGETS

Objective	KPIs	2021 Targets	2019 Results	Score
Asset growth	Cumulated Net Inflows	>14.5 bn/€	5.1 bn/€	✓
	Total Assets	76-80 bn/€	69.0 bn/€	✓
Sustainable profitability	Core Net Banking Income ¹	≥63 bps	67 bps	✓
	Core Operating Costs ²	3%-5% CAGR	4.8%	✓
Shareholders' remuneration	Dividend pay-out	70%-80% pay-out ratio	78% pay-out	✓
	Dividend per share	DPS (1.25€) set as a floor	DPS 1.85€	✓

Legend: ✓ On track to 2021 target

34 NOTE: 1) Guidance based on Group perimeter including recent acquisitions and foreign expansion; core net banking income computed as net banking income excluding performance fees and trading gains; margin based on average assets on an annualized basis. 2) Core operating costs computed as total operating costs ex-sales personnel expenses, current elements



The 2019 results have proved to be fully in line with the financial and strategic objectives set in the 2019-2021 three-year plan. As I speak, the pandemic is showing signs of slight improvement. The expectations for the impact on the economy are in agreement in forecasting a very severe impact in the near term, whereas there is disagreement regarding the forecasts for the timing of the recovery. In fact, there is discussion of a V-shaped or U-shaped recovery (in this latter case, with a forecast of at least two years). At Banca Generali, we are monitoring the situation closely. We believe that May and June will be very important to understanding the timing of the end to the crisis in Italy and the world.

To conclude, I would like to remind you that, despite this difficult context, the Bank's business results have remained very positive. The first quarter of 2020 ended with net inflows of 1.5 billion euros, up compared to 1.4 billion euros in the first quarter of the previous year. In March in particular, net inflows amounted to 517 million euros, confirming that Banca Generali is perceived as a safe haven in times of crisis by both current and new customers. This increases our sense of accountability and provides even greater motivation in managing and proposing increasingly advanced solutions suited to the situation.