

PRESS
RELEASE

Banca Generali announces the settlement of the pending tax claims with the Italian Revenue Agency

Commitment to transparency through the cooperative compliance regime confirmed

Milan, 20 September 2022 – Banca Generali signed a framework agreement with the Italian Revenue Agency on 19 September 2022, whereby the parties agreed upon the terms and conditions for the settlement of tax claims in relation to transfer pricing for the tax periods from 2014 to 2019.

Under the agreement, Banca Generali will incur an actual charge of €45.99 million, of which a greater amount of taxes totalling €40.7 million and interest amounting to €5.29 million¹. No penalties will be applied due to the penalty protection regime. Therefore, since the Bank had already allocated €10.6 million to the provision for tax risks, **the actual charge for the year will be limited to €35.4 million.**

The agreement is based on the recognition for settlement purposes of a remuneration for the handover, carried out in 2008, to the newly established company BGFML of the delegated investment management of BG Sicav. The higher remuneration is recognised in declining order for the tax periods from 2014 to 2018. There are no claims for the 2019 tax period, as the effects of the delegated investment management handover had ended in the above-mentioned period.

The agreement also recognises the suitability of the National Documentation prepared by the Bank, and particularly of the Transfer Pricing Model and the Transfer Pricing Policy, as appropriate for the remuneration of the Bank's functions, assets and risks. It was also recognised that Banca Generali did not contribute in any way to BGFML activities by providing non-contractual services.

The agreement confirms the arm's length nature of the standard remuneration of transactions between Banca Generali and BGFML, thus limiting the matter to an exceptional event that occurred in 2008 and with effects until 2018. 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.

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Banca Generali reiterates the strong commitment to transparency of relations with the Italian Revenue Agency that, as of 2020, has led the Bank to define a Tax Control Framework (TCF) for the detection, measurement, management and control of the tax risk, in line with legal requirements, the provisions of the Bank of Italy and the Revenue Agency, and the OECD guidelines.

By adopting this approach, Banca Generali has committed to openness and collaboration in its relations with the tax authorities in the interest of all its stakeholders, in line with its sustainable growth path and with the sustainability principles adopted by the Bank.

¹ Net of the tax deductibility.