

Banca Generali

1Q12 Results and business update

Milan, 8 May 2012

Today's Agenda

➤ **1Q 2012 Results**

➤ Net Inflows, AUM and recruiting

➤ 2012 Business Update

➤ Closing Remarks

The best quarter ever for Banca Generali, combining organic growth and market performance

A record quarter for Banca Generali

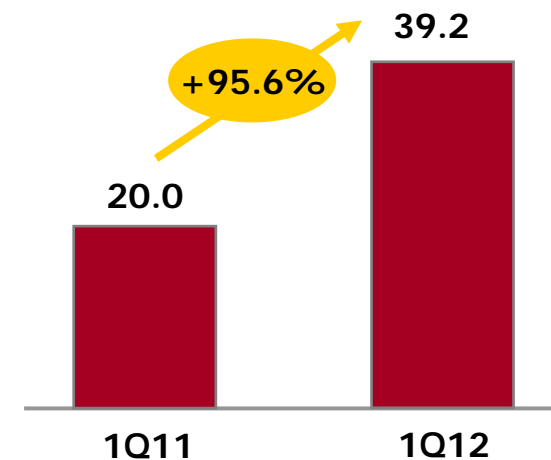
Record net profit: profit level doubled yoy driven by top lines growth, even including a conservative stance on costs and provisioning

Strong net inflows: net inflows YTD (april) at €686 million, already over the average of FY2011 and FY2010

Total assets at €24.6 billion (+6% YTD), driven by an excellent fund performance: WAP of 4.5% at the end of March for the in-house managed portfolio

AUM profitability at record level of 2.11% (vs. 1.61% in 1Q11): contribution from recurring business lines increased to 1.62% (vs. 1.54% in 1Q11)

Net Profit (yoy)



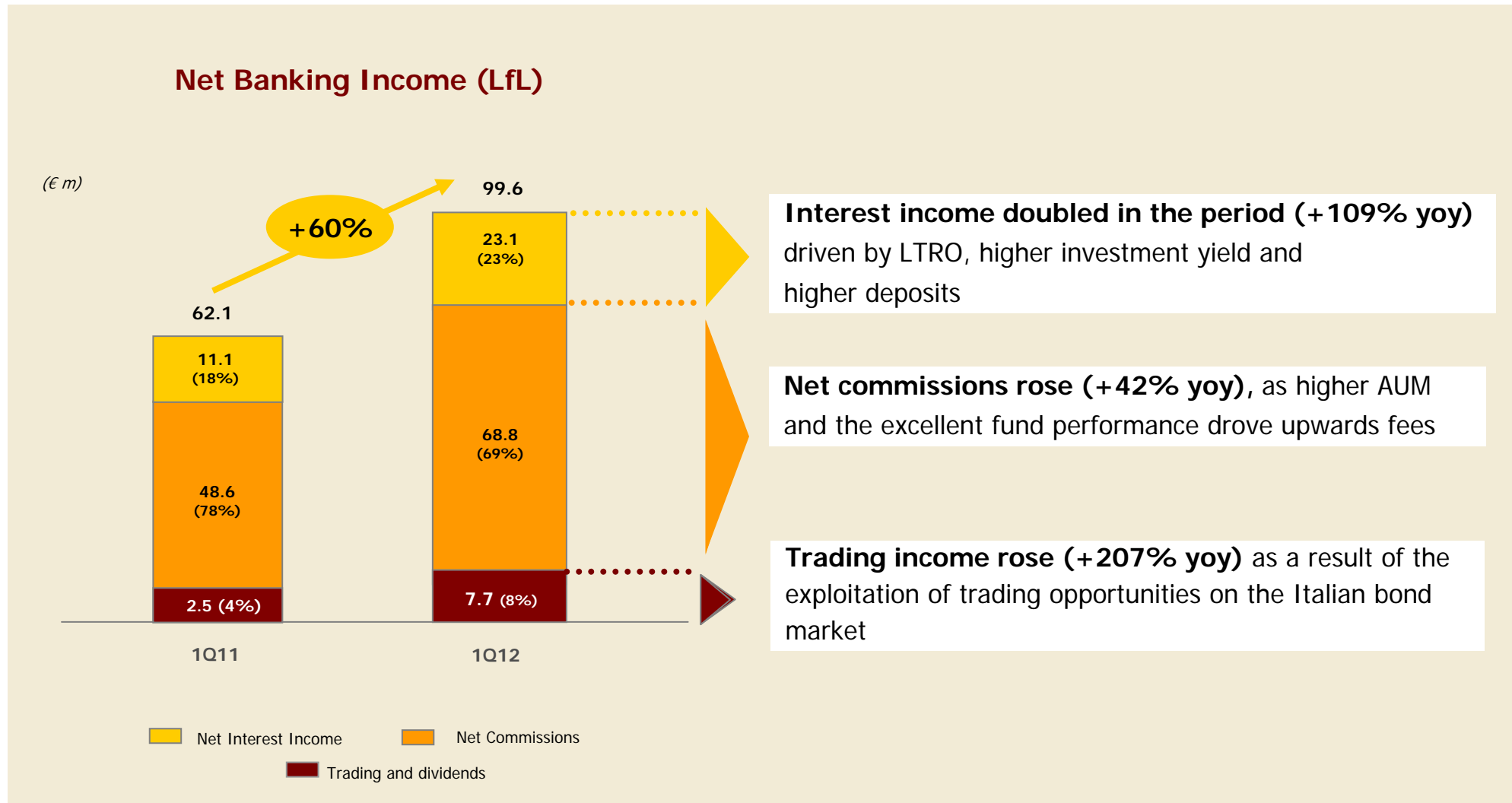
Consolidated 1Q 2012 Profit and Loss Account: main takeaways

(€ m)	3M11 (reported)	3M12 (reported)	% Chg	3M11 (excl. GIL)	3M12 (excl. GIL)	% Chg
Net Interest Income	11,1	23,1	109,1%	11,1	23,1	109,1%
Commission income	90,6	110,6	22,1%	83,0	103,7	25,0%
Commission expense	-40,1	-40,2	0,2%	-34,4	-34,9	1,3%
Net Commission	50,5	70,4	39,5%	48,6	68,8	41,8%
Net income (loss) from trading activities	2,5	7,6	206,2%	2,5	7,6	206,6%
Dividends	0,0	0,0	319,6%	0,0	0,0	319,6%
Net income (loss) from trading activities and Dividends	2,5	7,7	206,7%	2,5	7,7	207,1%
Net Banking Income	64,0	101,2	58,0%	62,1	99,6	60,4%
Staff expenses	-16,6	-18,0	8,3%	-16,2	-17,5	8,5%
Other general and administrative expense	-18,3	-23,1	25,8%	-18,2	-22,9	25,7%
Depreciation and amortisation	-0,9	-1,2	25,2%	-0,9	-1,2	25,6%
Total costs	-35,9	-42,3	17,7%	-35,3	-41,6	17,8%
Cost /Income Ratio	-52,2%	-37,1%	15,1 p.p.	-52,9%	-37,0%	15,9 p.p.
Other net operating income (expense)	1,5	3,6	130,7%	1,5	3,6	130,5%
Operating Profit	29,7	62,5	110,7%	28,3	61,6	117,4%
Net adjustments for impair.loans and other assets	-0,1	-3,4	n.m.	-0,1	-3,4	n.m.
Net provisions for liabilities and contingencies	-5,3	-11,7	119,4%	-5,3	-11,7	119,4%
Profit Before Taxation	24,3	47,4	95,1%	23,0	46,5	102,5%
Direct income taxes	-3,5	-7,6	114,8%	-3,4	-7,5	120,2%
Tax rate	14,5%	16,0%	1,5 p.p.	14,8%	16,1%	1,3 p.p.
Income/(losses) after tax on assets held for sales	0,5	0,2	-65,5%	0,5	0,2	-65,5%
Minorities interest	-1,2	-0,8	-32,4%	0,0	0,0	
Net Profit	20,0	39,2	95,6%	20,0	39,2	95,6%

- **Interest income** increase due to LTRO, higher investment yield, higher deposits
- **Net commissions** (+42% yoy) driven by higher AUM and an excellent fund performance
- **Trading income** (>2x) exploited trading opportunities on the Italian bond market
- **Operating costs** are incorporating one-offs and the increase in stamp duty (fully recovered from clients)
- Increase in **provisions** reflecting a conservative stance on the incentives to be paid to the network
- **Net profit** almost doubled, even after including an higher tax-rate (16.1% vs. 14.8% in 1Q11)

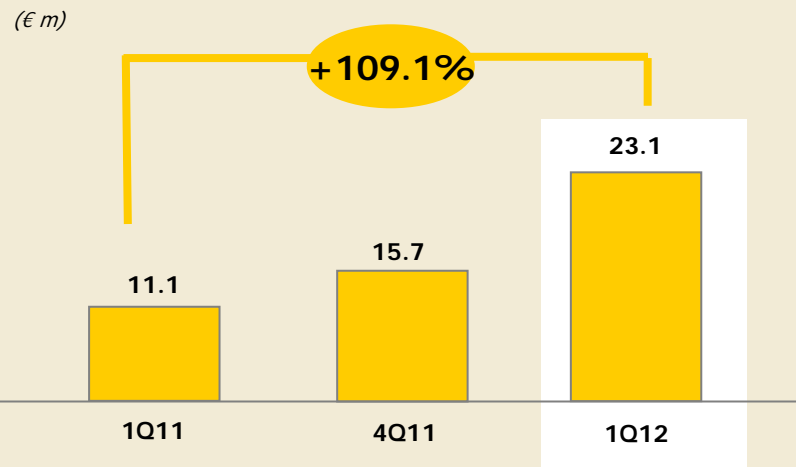
The figures reported in this document are IFRS 5 compliant. Figures "ex-GIL" do not incorporate the contribution of Generali Investment Luxembourg ("GIL") merged with BG Investment Lux on September 9, 2009.

Strong growth in total revenues (+60% yoy), with all business lines delivering a buoyant contribution

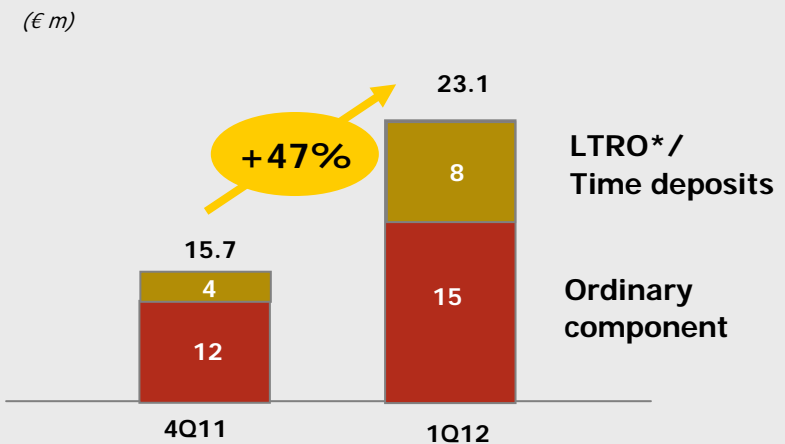


Interest income doubled in the period thanks to a higher investment return and higher volumes

Quarterly Net Interest Income (LfL)



Net Interest Income split (QoQ)

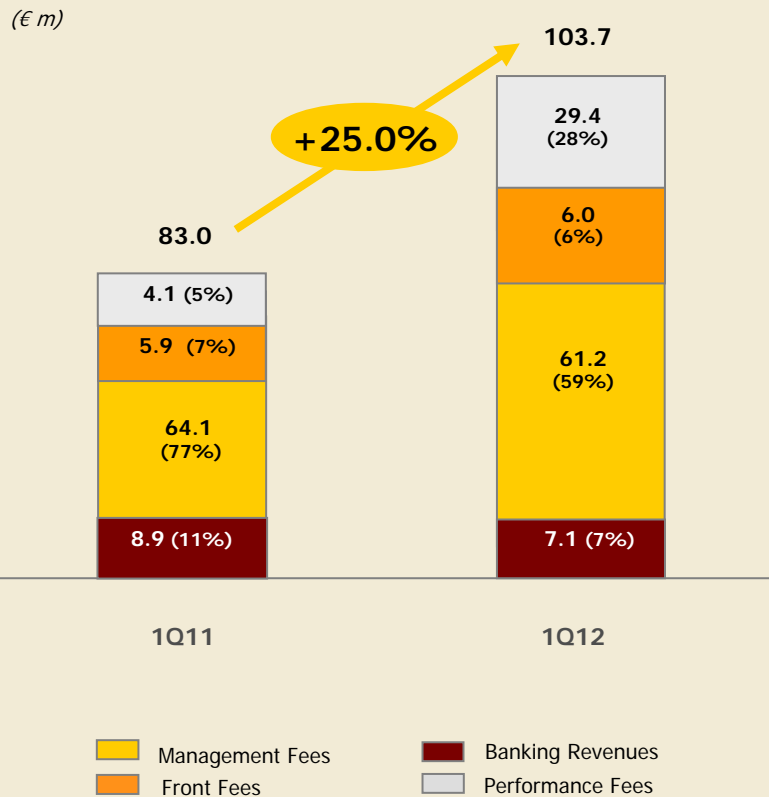


(*) Total LTRO assets equal to €1.6 bn, o/w €1.3bn are a 3yrs facility and €0.3bn are a 12 months facility

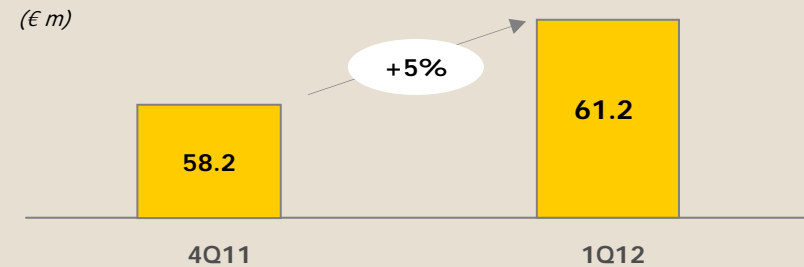
- **Interest income doubled in the period (+109% yoy)** driven by LTRO, higher investment return of the banking portfolio (from 1.9% in 1Q11 to 3.0% in 1Q12), higher volumes
- **LTRO overall contributed with €8m to the result.** LTRO investments are perfectly matched in terms of durations
- **Defensive bias of the Banking Portfolio maintained** (avg maturity at 2.5 years and an avg duration of 1.5)

Gross commission posted a nice pick up (+25% yoy), bearing fruits of an excellent fund performance and buoyant net inflows

Breakdown of Gross Commissions (LfL, YoY)

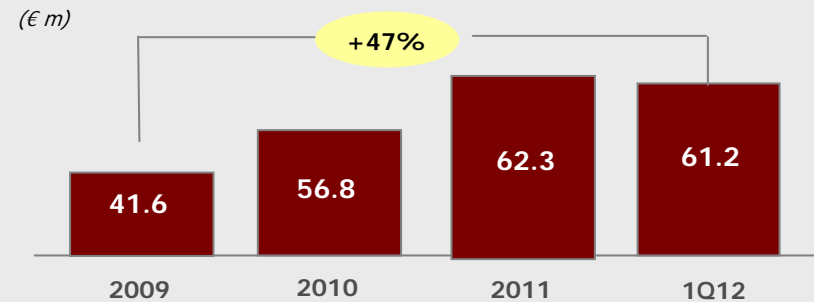


Management Fees (LfL, QoQ)



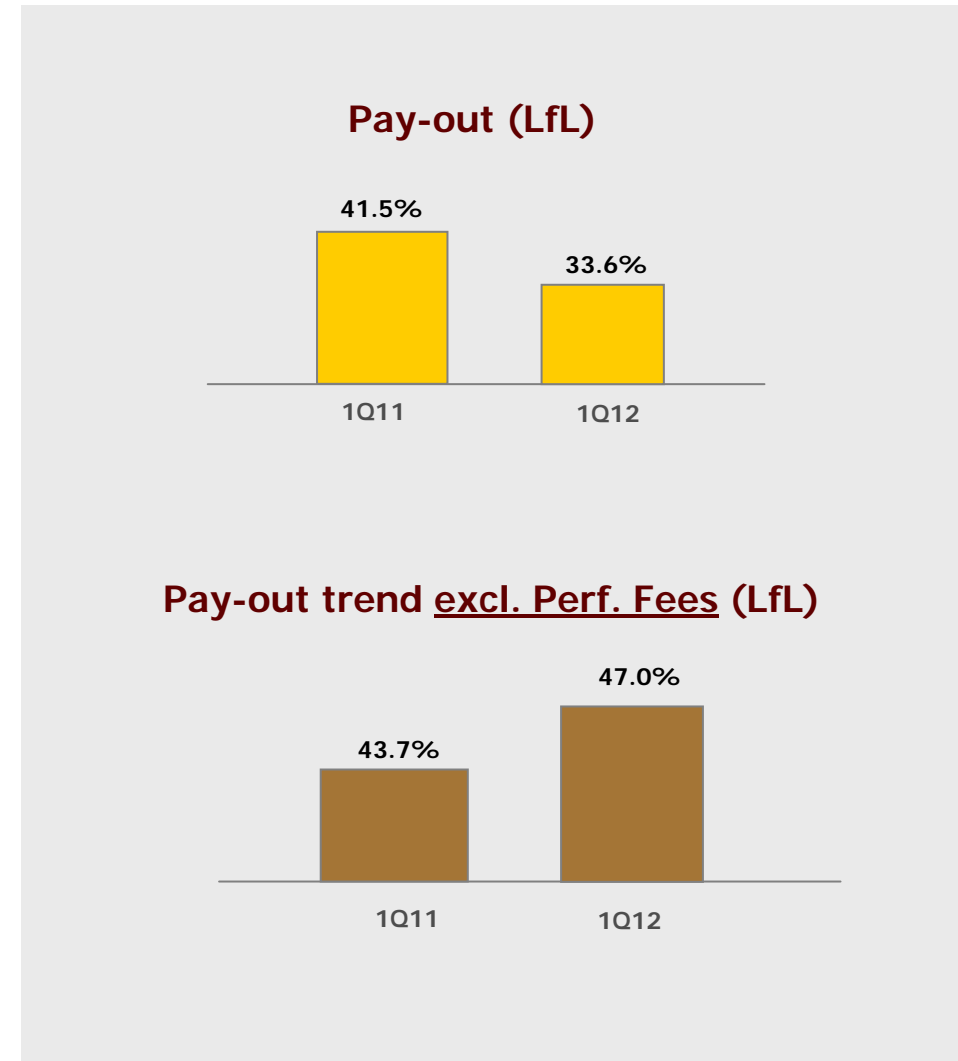
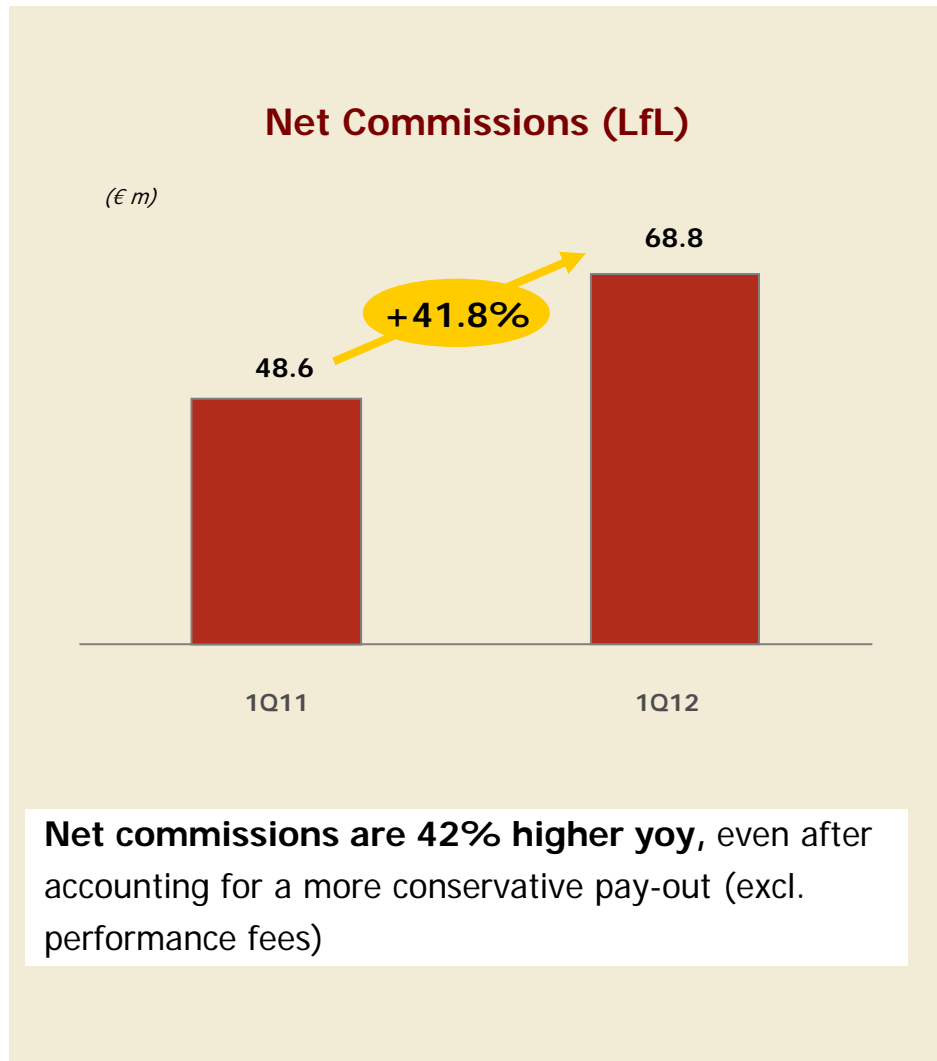
Management fees are up by 5% qoq, as net inflows and fund performance boosted the underlying AUM

Average Management Fee per Quarter (LfL)

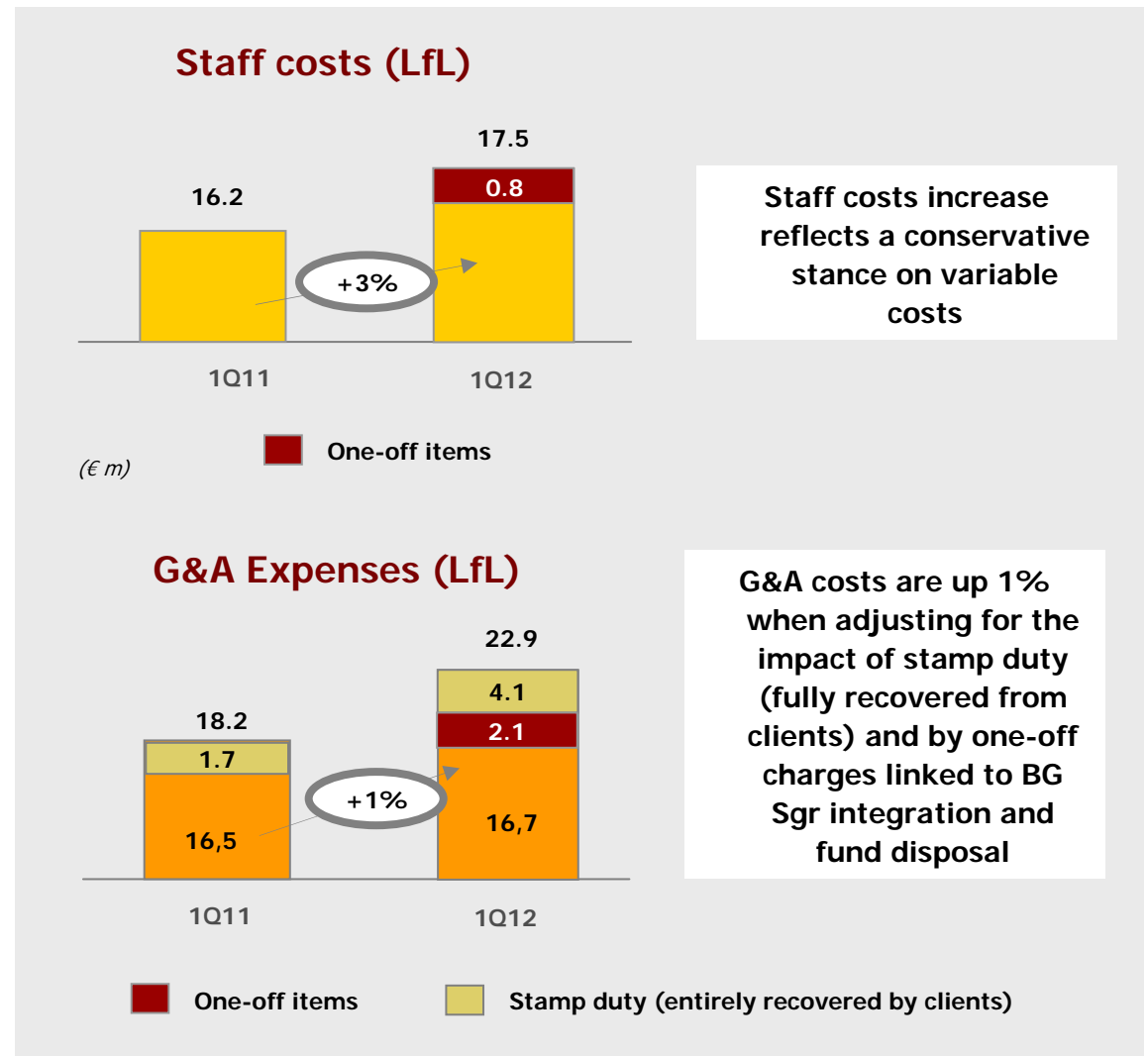
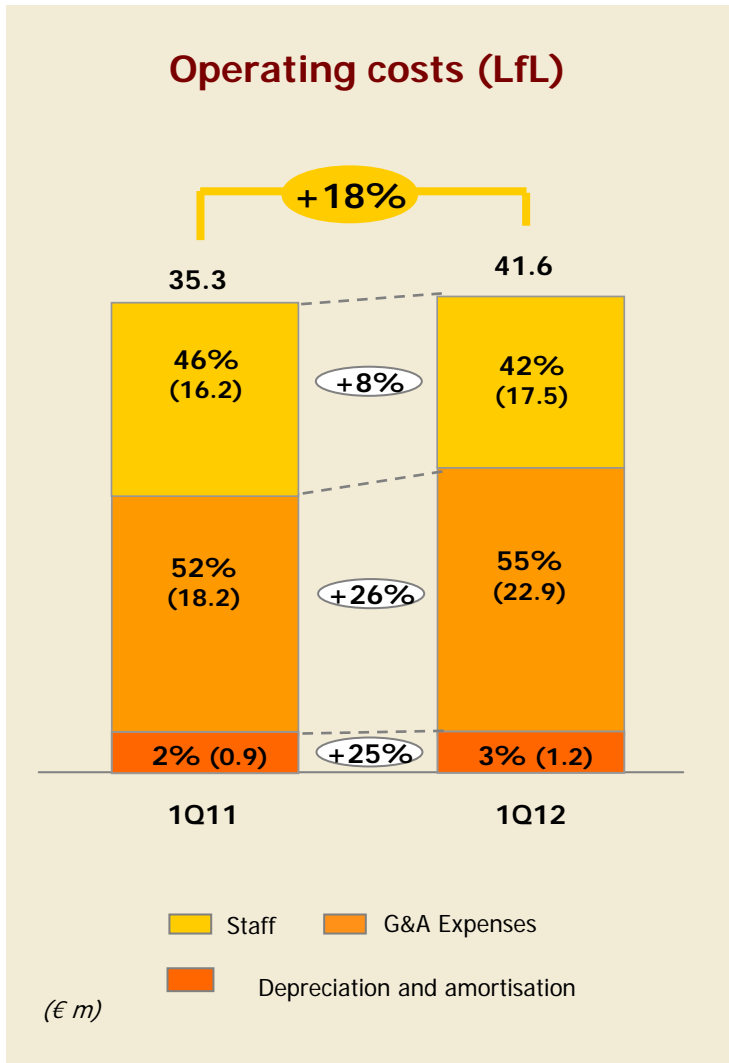


Contribution from management fees has become significantly more solid and sustainable since 2009

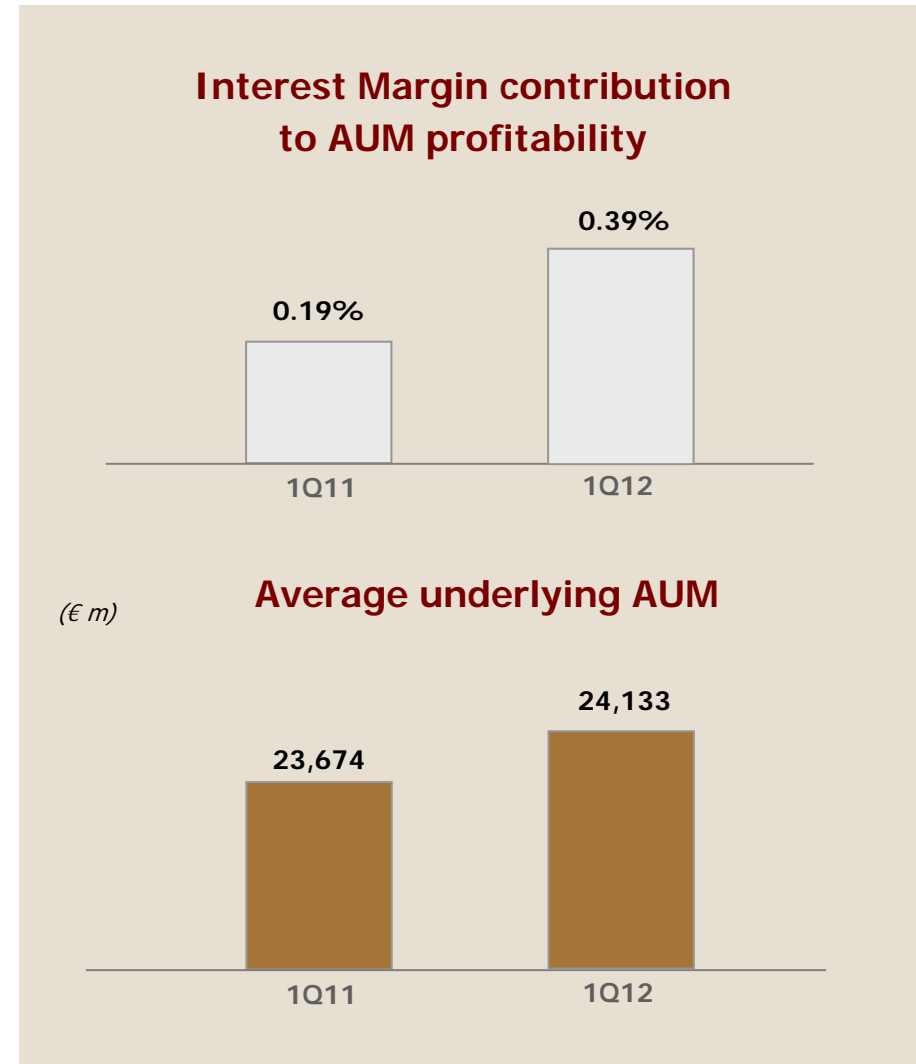
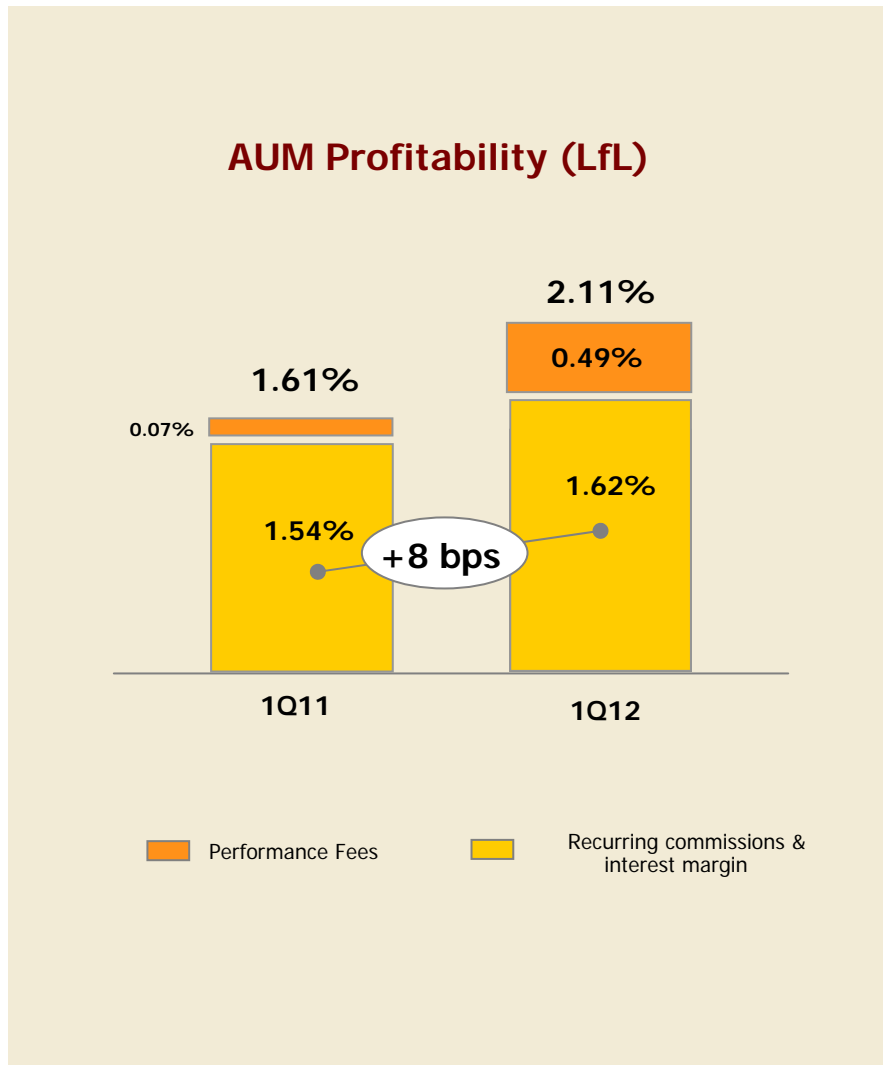
Net commissions sharply up, as higher performance fees drove reported pay-out down



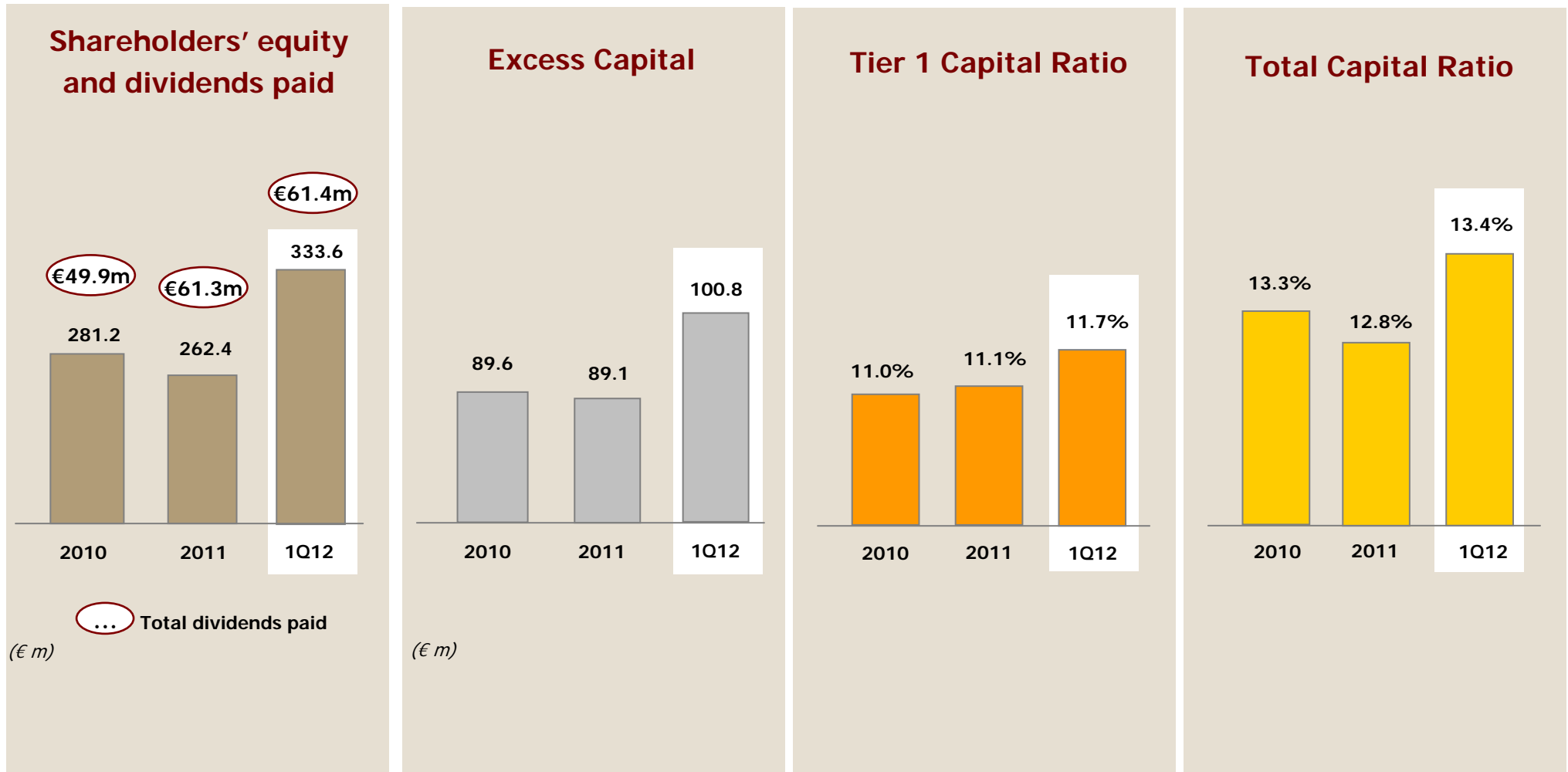
The spike in costs linked to one-off items and set to be reabsorbed by year-end



AUM profitability climbs to 2.11%, the record level for the group so far



Banca Generali has further strengthened its already solid capital base



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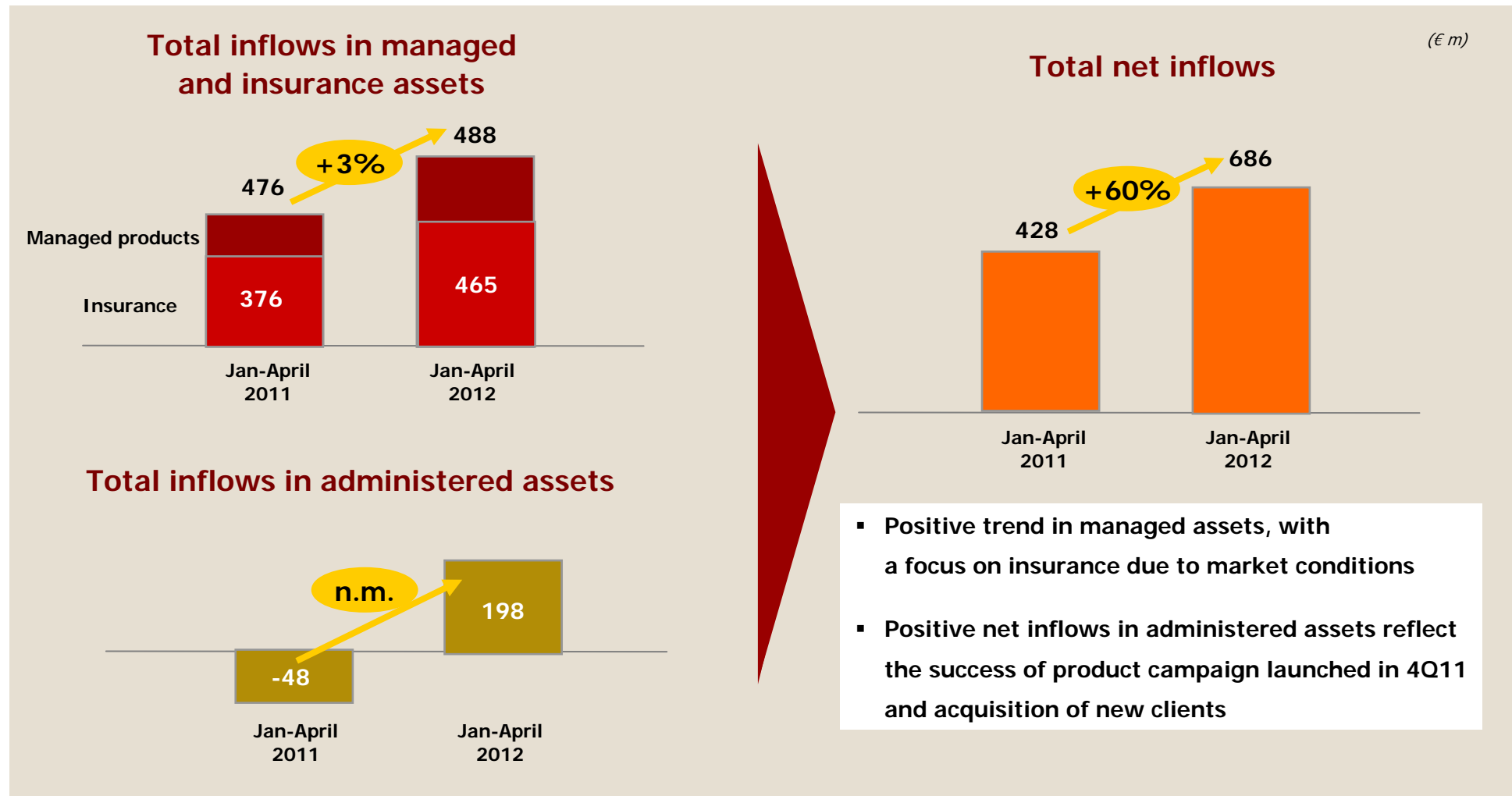
➤ 1Q 2012 Results

➤ **Net Inflows, AUM and recruiting**

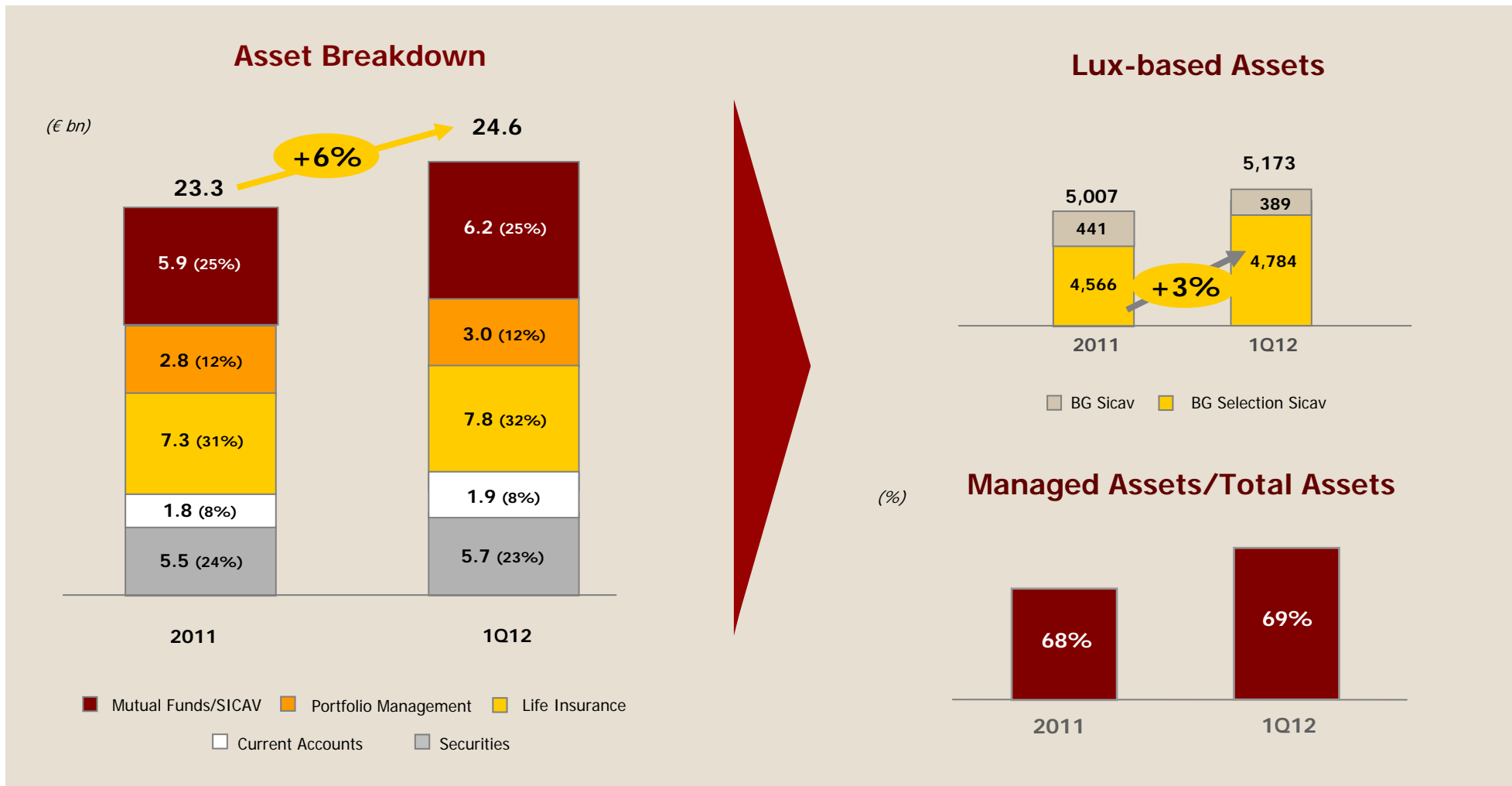
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➤ Closing Remarks

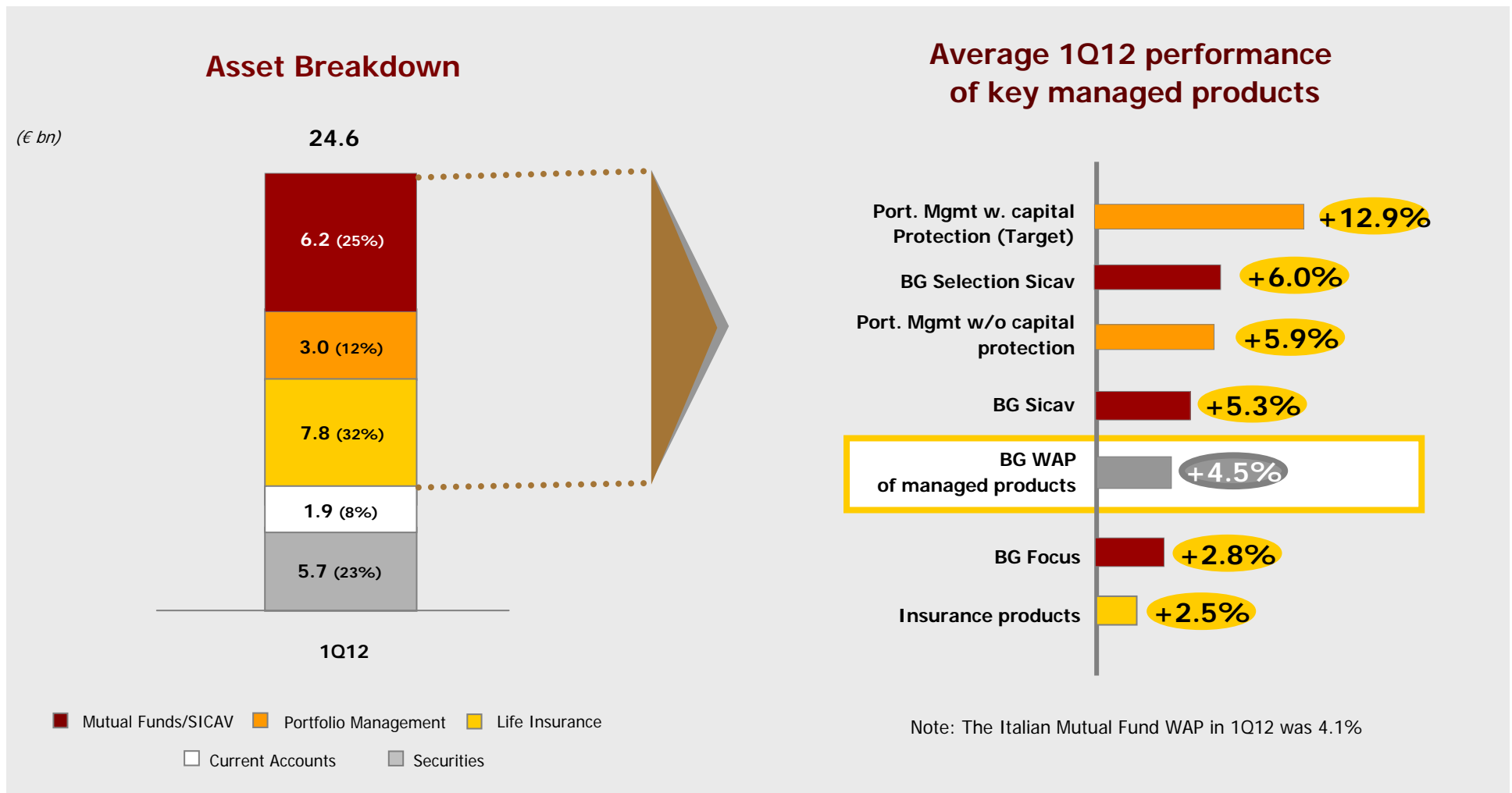
In 2012 net inflows confirm the positive track record of recent few months



Total assets increased by €1.4 billion in 1Q12 to €24.6 bn (+6% YTD)



Brilliant 1Q12 performance at 4.5% (weighted)

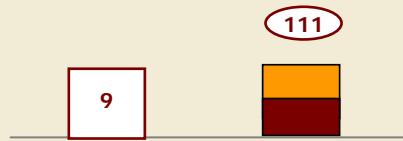
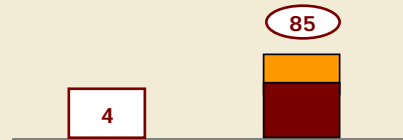


The recruiting policy remained focussed on high standing professionals

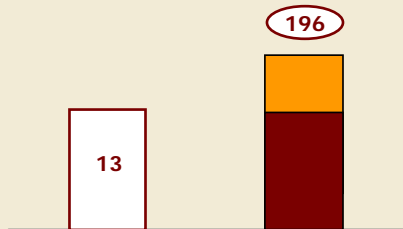


1Q12 Recruiting Results

N. FAs AUM (€m)

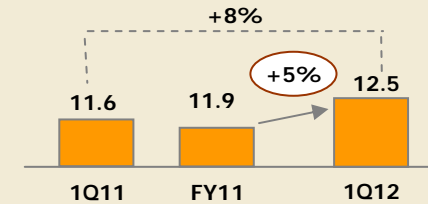
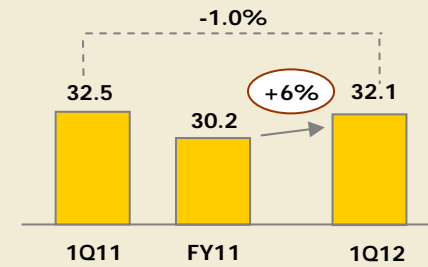


Total BG Group

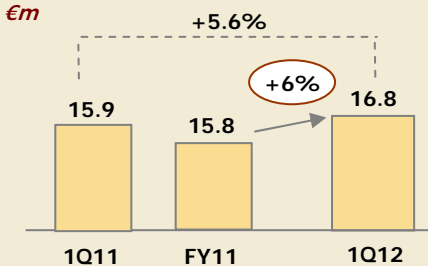


AUM/FA

€m



€m



■ AUM already brought in ■ Potential AUM ○ AUM □ N° of FA

- Banca Generali hired 13 professionals in 1Q 2012, with an average portfolio of €15.1m
- The average size of the advisors portfolios increased by 5.6% yoy to €16.8 m, with a rather positive increase in the last quarter (6%)
- The company targets 50 recruits for 2012, in line with recent years

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2Q12 business actions set to exploit current large growth opportunities in the market

Business actions set for 2Q12

Revising and continuing
the successful product
campaign launched in 4Q11

Exploiting the offer of
capital protection products

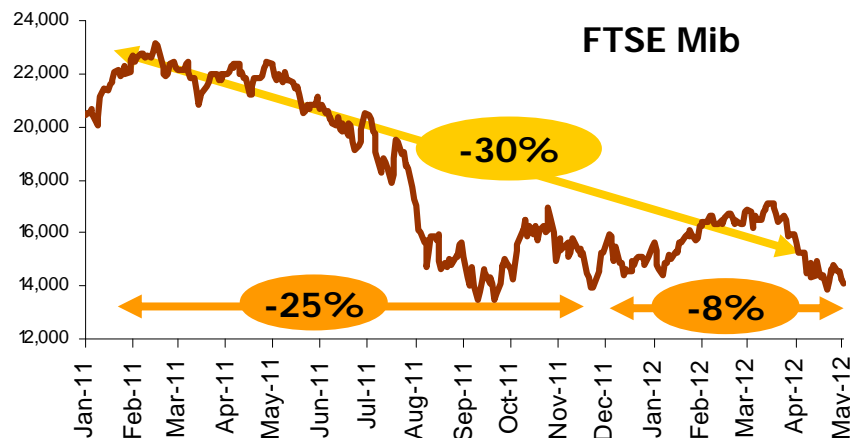
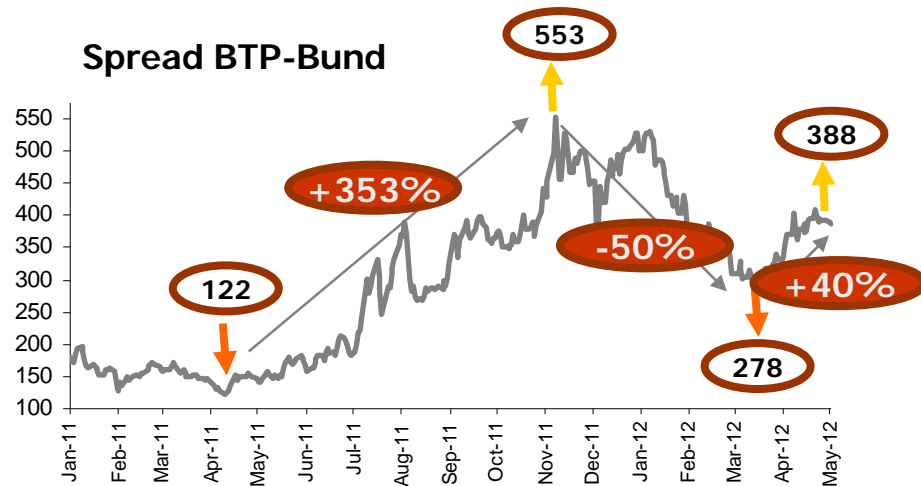
Enhancing diversification
within clients portfolios

2Q12 Commercial Objectives

- Acquiring new clients
- Increasing the share of wallet of existing customers
- Increasing Lombard lending for entrepreneurs/private clients

Two tools to face market volatility and keep on gathering new assets

Persisting volatile financial markets...



... that Banca Generali faces with...

... a wide and diversified product offer...

- Deposit accounts/repos
- Bond and Currency Advisory
- Insurance policy
- Portfolio management with capital protection (BG TARGET), providing exposure to emerging markets

... and highly skilled professionals

- Networks can rely on their positive track record in terms of investment advices to their customers, resulting in:
 1. stronger relationship with clients
 2. positive word of mouth attracting new clients

Low-risk products and high-profile advisory key to gather new assets in present market conditions (1/2)

Bond and Currency Advisory



- A dedicated team of experts with a proven track record
- Personalized portfolio analysis for prospect clients
- Daily and Weekly list of recommended single bonds and bond portfolio

Deposit Account and repos



- Current offer for deposit account at 3% gross on assets held for 1 year
- Repos paying 2% net on new deposit held for 1 year

Structured bond

- A new product on emerging markets currencies set to be launched in 2012

Lombard lending

- Lombard lending to selected clients

A powerful tool for:

High-profile customer service

Attracting new clients

Increasing the share of wallet of existing customers

The offer of portfolio management with capital protection represents a key step for moving clients towards managed solutions



BG TARGET

Two new global lines and six new lines on emerging markets launched with expiry at 2017

Capital protection provided by BTP strip

Yield at 30/4/2012

2017	5.0%
2021	5.7%
2024	6.5%

+

Equity component focused on **emerging markets**, exploiting different investment styles/geographies available within BG Selection offer, namely:

1Q12 performance

▪ Alfa	+ 9.5%
▪ Multi global plus	+ 8.1%
▪ Latin America	+ 6.7%
▪ China & India	+ 3.8%
▪ Eastern Europe	+ 14.4%
▪ Africa and Middle East	+ 5.4%
▪ Next 11	+ 6.5%
▪ Multi-Emerging markets	+ 6.6%

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Banca Generali's key principles to deliver future growth and value creation

Network Quality

- Exploiting positive word of mouth to attract new clients
- Selected recruiting, with focus only on top professionals

Fast time to market

- Continuing positive track record in timely new product launch
- Further IT investments to support clients and networks

Capital Preservation

- Further enhancement of portfolio diversification
- Controlled volatility for clients' assets

**Key objective:
Growth**

**More Clients, More Assets,
More Profits**

2012 Upcoming Corporate Events

JULY						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Approval of 1H 2012 results

NOVEMBER						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Approval of 9M 2012 results

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Disclaimer

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

G. Fancel, CFO

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These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties.

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