

PRESS RELEASE

Nine month results**NET PROFIT AT €132.4 MILLION (+26%)**

- Net profit for Q3 at €43.9 million (+31%)
- Management fees at €262 million (+21%)
- Cost/Income ratio down to 35.4%

ACCELERATION IN NET INFLOWS

- Net inflows for October: €243 million
- Total net inflows at €3.3 billion (+66%)

**INTEGRATION OF THE CREDIT SUISSE
BUSINESS LINE EXCEEDED THE
OBJECTIVES**

- 51 private bankers joined Banca Generali for a total of €1.9 billion

SOLID CAPITAL POSITION

- Tier 1 ratio at 13.9% and total capital ratio at 14.3%

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Milan, 4 November 2014 – The Board of Directors of Banca Generali, chaired by Paolo Vagnone, approved the consolidated results for the first nine months of 2014.

The CEO of Banca Generali, Piermario Motta, commented: *“We are very satisfied with our ongoing growth, quarter after quarter improvement in results and sound quality- and innovation-oriented business model. Figures show that our Bank is a point of reference in terms of its financial advisors’ professional skills, its versatility and its ability to attract talents and lead the way in service evolution. Thanks to our commitment, we constantly exceeded our objectives and brought also the recent acquisition to a successful conclusion. On this basis, we look towards the coming months with great enthusiasm and confidence.”*

PRESS RELEASE

Consolidated Operating Results at 30 September 2014¹

The financial statements at 30 September 2014 closed with an unprecedented growth of the main indicators. Consolidated net profit rose 26% to €132.4 million, nine months net inflows increased by 67% to €3.1 billion and AUM at the end of September reached the all-time high of €33.6 billion (+19%). The increase in net inflows was coupled by an effective optimization of the portfolio mix, which led to a significant rise in fee income. This did not impact the cost structure, which remained broadly stable net of the investments made to develop the innovative technological and advisory platforms.

Net banking income amounted to €330.6 million (+23%), thanks to the sharp double-digit increase in management fees as a result of higher average managed assets. The Bank's ability to grasp several trading opportunities linked to the volatility of Italian government bonds, particularly in the second quarter of the year, following the European elections, also contributed to the positive revenue results.

Gross fees grew by 20% to €353.6 million, reflecting the increase in **management fees** which reached €261.9 million (+21%), accounting for 74% of the overall result. This increase was mainly driven by higher average managed assets. Overall, recurring fees (management, front and banking fees) amounted to €312.4 million (+18%), accounting for 88% of total fees. This result reflects the outstandingly solid business and its long-term sustainability.

Net interest income amounted to €82.3 million, including the decrease of about €10 million, compared to the previous year, due to lower interest rates. On the other hand, the further reduction in funding costs and the increase in counter-guaranteed loans to €1,564 million — with a negligible 0.05% bad loan impact — provided a positive contribution to the line. The Bank continues to adopt a prudent asset management strategy and an investment policy oriented towards short duration bonds (1.6 years), in light of the interest rate uncertainty and volatility at world level.

Net operating expenses totalled €120.3 million. The increase (7.3%) was significantly lower than the rise in revenues (+23%) and AUM (+19%). Staff expenses increased mainly because of the variable remuneration schemes and the new personnel recently recruited to support the Bank's increased size and develop the new service model. General and administrative expenses include one-off costs related to the acquisition of the business line of Credit Suisse Italy and investments for upgrading the IT platform and developing the new advisory platform.

Capital ratios remained excellent: Tier 1 Capital ratio was 13.9% and Total Capital ratio was 14.3% (with a slight decrease due to the impact of Basel 3 regulations and the expansion of the ordinary lending activity). Excess capital rose by 5% YTD to €151.5 million.

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¹ Following the partial de-merger by the Luxembourg-based company GFM SA of its funds/SICAV management operations relating to the insurance operations of the Generali group, which became effective on 1 July 2014, assets, liabilities and the result for the period of the business line have been recognised in accordance with IFRS5.

PRESS RELEASE

Consolidated Operating Results for Q3 2014

Banca Generali's **net profit** for the third quarter amounted to €43.9 million, up 31% compared to the same period of 2013.

Net banking income rose by 26.2% to €101.3 million, driven by net fees which increased by 46% to €68 million. Trading also contributed to this result.

EBITDA sharply rose by 38.0% to €60.5 million, with a 60% margin, improving compared to 55% in the same period of the previous year.

Moreover, the **Cost/Income ratio** further decreased to 40.3% (compared to 45.4% for the previous year), thus remaining at top levels in the industry.

Net Inflows and Assets under Management (AUM)

The significant expansion witnessed in the first half of the year continued in the third quarter — which is usually a calmer period due to the July to September holidays — with demand for investment advisory showing a very dynamic trend. Net inflows for the quarter amounted to €770 million, 77% more than in the same period of the previous year and more than twice the average of the prior years.

October was in line with the excellent performances of the previous months: net inflows totalled €243 million, of which €250 million from managed assets and insurance products.

Overall **net inflows amounted to €3,328 million YTD**, increasing by 66% compared to the same period of the previous year.

YTD net inflows focused on managed assets and insurance products, which totalled €3,164 million (+39%), accounting for about 95% of total net inflows. With reference to individual products, **BG Stile Libero** was very successful. This multi-line policy launched in early March generated net inflows of about €1,459 million in eight months. This product is highly appreciated thanks to its flexibility and the wide range of funds in which it invests (91% of the product underlying assets), and the advantage of insurance cover, as well as the possibility to couple this product with segregated accounts (9% of underlying assets at the end of October).

Total AUM amounted to **€33.6 billion for the first nine months of the year**, up 19% compared to the previous year. The increase was highly significant in terms of **managed assets and insurance products, which achieved €25.1 billion (+23%)**, accounting for 75% of total AUM (+3pps YOY).

Assets under administration rose to €8.5 billion, reflecting the constant acquisition of new clients and a higher share of wallet of existing clients.

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PRESS RELEASE

Acquisition of the Italian affluent and upper affluent private banking operations of Credit Suisse

On 31 October, the acquisition of the Italian affluent and upper affluent private banking operations of Credit Suisse Italy was finalised. The transaction was a perfect fit for Banca Generali's operations and further strengthens its positioning in the Italian private banking segment.

The acquired business line includes the agency contracts of 51 private bankers, with total AUM of about €1.9 billion. The retention rate was very high, nearing 90% of the business line's total AUM. The success of this transaction reflects the quality of Banca Generali's product range and service model, which compare with top-level practice internationally. These items were highly recognised and appreciated by Credit Suisse professionals in the interest of their private banking clients.

Consideration for the transaction has been set at €45 million, to be funded mainly through a €43 million Tier 2 subordinated debt, fully subscribed by Generali Beteiligungs GmbH. The interest rate will be fixed at 3.48% for the first five years.

The acquired business line will be included in the consolidation area as of 1 November 2014 and it is expected to become earnings accretive as early as in the coming year, thanks to the limited amount of fixed costs. Upon these basis, the Bank is confident to be able to successfully and rapidly integrate the acquired business, also in light of the successful integrations it has carried out over the past few years.

Business Outlook

Banca Generali's success in dynamically meeting Italian investors' growing demand for qualified advice has translated into a sharp acceleration of net inflows, which reached excellent results in terms of managed assets in Italy. The decline in interest rates in the first nine months of the year and general economic pressures further exacerbated difficulties for investors, while also intensifying the challenges wealth management companies. Uncertainty related to the actions of central banks, tensions surrounding the economic policies of major countries and concerns of a slowdown of global growth have been heightening volatility over the past few weeks. These also point to average low bond returns, with significant asymmetries at a global level. As a result, Italian investors' demand for professional investment advice is growing strongly. To support this trend, Banca Generali is investing in training its professionals and developing its services, covering all aspects of clients' wealth: from cost effective management of real estate assets, to an analysis of tax issues, assistance with succession planning and corporate finance advisory. With these skills, the Bank is in an ideal position to seize the extensive opportunities of the coming months.

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PRESS RELEASE

Presentation to the Financial Community

A **conference call** for the financial community will be held today, at **2:00 pm CET (1:00 pm GMT)** to analyse the results for the first nine months of 2014.

It will be possible to follow the event by dialling the following numbers:

from Italy and other non-specified countries: + 39 02 805 88 11;

from the UK: + 44 121 281 8003;

from the USA: + 1 718 705 8794 / +1 855 265 6959 (toll-free)

Banca Generali's App Investor

The Bank's results are available also on the new Banca Generali's App Investor, which can be downloaded both from the Apple Store and the Android Market.



* * *

The Manager responsible for preparing the company's financial reports (Stefano Grassi) declares, pursuant to paragraph 2 of Art. 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.

Stefano Grassi (CFO of Banca Generali)

* * *

Annexes:

- 1) Banca Generali – Consolidated Profit and Loss Statement at 30 September 2014
- 2) Banca Generali – Consolidated Profit and Loss Statement for the Third Quarter of 2014
- 3) Banca Generali – Reclassified Consolidated Balance Sheet at 30 September 2014
- 4) Total AUM at 30 September 2014
- 5) Total Net Inflows at 31 October 2014

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Banca Generali

Banca Generali is a leading player in Italy in the field of integrated distribution of financial, banking and insurance products through its Financial Advisor networks: Banca Generali Financial Planners and Banca Generali Private Banking. The company's strategy is based on four key elements: qualified advice from professionals ranked at the top in their fields in terms of skills and experience, one of the broadest and soundest product portfolios on the market, with a transparent structure open to prestigious solutions from third-party firms, the competitiveness of its banking service platform and the guarantee of solidity and reliability that the Generali brand represents for all of its customers. Listed on the Milan stock exchange since November 2006, Banca Generali is 51% controlled by Assicurazioni Generali. Banca Generali is present throughout Italy with 43 bank branches and 135 offices for its over 1500 financial advisors.

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PRESS RELEASE

**1) BANCA GENERALI – CONSOLIDATED PROFIT AND LOSS STATEMENT AT 30
SEPTEMBER 2014**

(€ mil.)	9M13	9M14	% Chg
Net Interest Income	92.3	82.3	-10.9%
Gross fees	295.2	353.6	19.8%
Fee expenses	-129.7	-157.3	21.3%
Net Fees	165.5	196.2	18.6%
Net income (loss) from trading activities	10.4	51.3	394.9%
Dividends	0.9	0.8	-9.9%
Net income (loss) from trading activities and Dividends	11.3	52.1	362.2%
Net Banking Income	269.1	330.6	22.9%
Staff expenses	-51.3	-55.7	8.6%
Other general and administrative expense	-77.6	-90.6	16.7%
	-128.9	-146.3	13.5%
Depreciation and amortisation	-3.7	-3.1	-14.8%
Other net operating income (expense)	20.4	29.1	42.4%
Net Operating Expenses	-112.2	-120.3	7.3%
Operating Profit	156.9	210.3	34.0%
Net adjustments for impair.loans and other assets	-1.9	-5.3	179.5%
Net provisions for liabilities and contingencies	-18.8	-29.8	58.9%
Profit Before Taxation	136.3	175.2	28.6%
Direct income taxes	-31.2	-43.6	39.7%
Income/(losses) after tax on assets held for sales	3.3	0.7	-78.3%
Minorities interest	-3.3	0.0	-100.1%
Net Profit	105.1	132.4	26.0%
Cost/Income Ratio	40.3%	35.4%	-4.9 p.p.
EBITDA	160.6	213.4	32.9%
Tax rate	22.9%	24.9%	2 p.p.

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PRESS RELEASE

2) BANCA GENERALI – CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE THIRD QUARTER OF 2014

(€ mil.)	3Q 13	3Q 14	% Chg
Net Interest Income	28.7	27.0	-6.0%
Gross fees	94.5	130.8	38.4%
Fee expenses	-47.9	-62.8	31.0%
Net Fees	46.5	68.0	46.0%
Net income (loss) from trading activities	5.0	6.3	26.9%
Dividends	0.1	0.0	-13.1%
Net income (loss) from trading activities and Dividends	5.0	6.4	26.5%
Net Banking Income	80.3	101.3	26.2%
Staff expenses	-16.9	-18.3	8.3%
Other general and administrative expense	-25.6	-30.6	19.7%
	-42.5	-48.9	15.2%
Depreciation and amortisation	-1.3	-1.1	-16.8%
Other net operating income (expense)	6.1	8.1	33.6%
Net Operating Expenses	-37.7	-41.9	11.1%
Operating Profit	42.6	59.4	39.6%
Net adjustments for impair.loans and other assets	-0.4	-0.8	81.5%
Net provisions for liabilities and contingencies	2.6	-4.0	-252.9%
Profit Before Taxation	44.8	54.6	22.0%
Direct income taxes	-11.3	-11.7	3.4%
Income/(losses) after tax on assets held for sales	0.8	1.0	19.6%
Minorities interest	-0.8	0.0	-100.0%
Net Profit	33.5	43.9	31.2%
Cost/Income Ratio	45.4%	40.3%	-5.1 p.p.
EBITDA	43.8	60.5	37.9%
Tax rate	25.2%	21.4%	-3.8 p.p.

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3) BANCA GENERALI – RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2014 (€ MILLION)

Assets	Sept 30, 2014	Dec 31, 2013	Change	% Change
Financial assets held for trading	29.5	229.9	-200.9	-87.4%
Financial assets available for sale	1,916.9	1,626.1	295.5	18.2%
Financial assets held to maturity	1,904.5	2,652.7	-399.5	-15.1%
Loans to banks	797.3	291.4	609.8	209.3%
Loans to customers	1,660.2	1,499.8	120.4	8.0%
Property equipment and intangible assets	47.5	50.1	-1.7	-3.4%
Tax receivables	38.1	38.3	0.6	1.5%
Other assets	151.7	140.2	58.6	41.8%
Assets held for sales	87.4	74.2	10.1	13.5%
Total Assets	6,633.2	6,602.7	492.8	7.5%

Liabilities and Shareholders' Equity	Sept 30, 2014	Dec 31, 2013	Change	% Change
Due to banks	1,387.9	2,230.9	-514.1	-23.0%
Direct inflows	4,328.0	3,588.7	914.0	25.5%
Financial liabilities held for trading	1.4	0.6	-0.4	-68.5%
Tax payables	45.2	27.8	8.7	31.4%
Liabilities linked to assets held for sales	78.8	66.3	1.1	1.7%
Other liabilities	190.0	142.6	68.9	48.3%
Special purpose provisions	91.7	76.7	13.3	17.3%
Valuation reserves	22.1	5.5	14.0	256.0%
Reserves	195.3	164.2	30.9	18.8%
Additional paid-in capital	45.0	37.3	5.6	15.0%
Share capital	115.6	114.9	0.5	0.5%
Treasury shares (-)	0.0	0.0	0.0	0.0%
Shareholders' equity attributable to minority inter	0.0	6.0	3.1	51.8%
Net income (loss) for the period (+/-)	132.4	141.3	-52.8	-37.4%
Total Liabilities and Shareholders' Equity	6,633.2	6,602.7	492.8	7.5%

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PRESS RELEASE

4) TOTAL AUM AT 30 SEPTEMBER 2014

<i>Billion of Euros</i>	Sep 2014	Jun 2014	Abs. Chg
Mutual Funds	9.50	9.20	0.30
Portfolio Management	3.56	3.49	0.07
Managed Assets	13.06	12.69	0.37
Life Insurance	11.99	11.12	0.87
Non Managed Assets	8.54	8.48	0.06
<i>of which: Securities</i>	5.96	5.91	0.05
Total	33.59	32.29	1.30

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5) TOTAL NET INFLOWS AT 31 OCTOBER 2014

<i>Million of Euros</i>	Oct 2014	Sep 2014	Abs. Chg
Mutual Funds	-42	-16	-26
Managed Portfolio	-44	7	-51
Mutual Funds and Managed Portfolio	-86	-9	-77
Life Insurance	336	226	110
<i>of which BG STILE LIBERO</i>	258	128	130
Managed Assets	250	217	33
Non Managed Assets	-7	17	-24
<i>of which: Securities</i>	-13	-176	163
Total	243	234	9
	Jan-Oct 2014	Jan-Oct 2013	Abs. Chg
Mutual Funds	546	1,289	-743
Managed Portfolio	114	71	43
Mutual Funds and Managed Portfolio	660	1,360	-700
Life Insurance	2,504	910	1,594
<i>of which BG STILE LIBERO</i>	1,459	0	1,459
Managed Assets	3,164	2,270	894
Non Managed Assets	164	-264	428
<i>of which: Securities</i>	-350	-323	-27
Total	3,328	2,006	1,322

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Life New Business	Oct 2014	Sep 2014	Abs. Chg
Life New Business	388	250	138
	Jan-Oct 2014	Jan-Oct 2013	Abs. Chg
Life New Business	2,904	1,414	1,490