

Banca Generali

1Q 2010 Results

Milan, 11 May 2010

➤ **1Q 2010 Results**

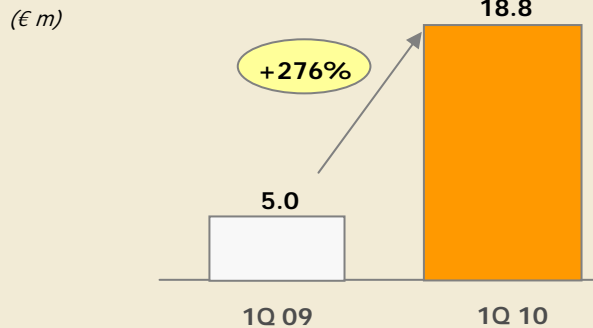
➤ **Net Inflows and AUM**

➤ **Business Update**

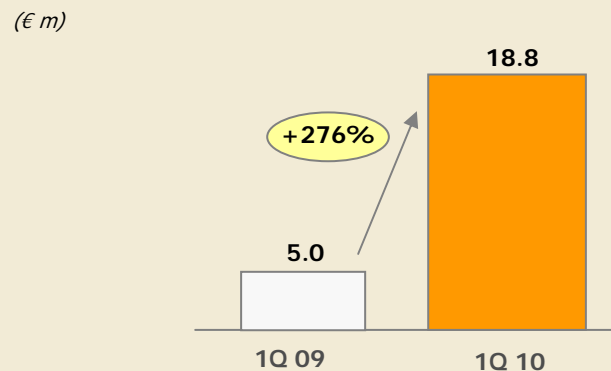
➤ **Closing Remarks**

The strong momentum is going on and accelerating in...

Reported Net Profit



Net Profit (LfL)¹



¹ Like-for-like figures are excluding Generali Investment Luxembourg ("GIL")

... financial results (LfL¹)...

Net Profit at nearly four times

1Q10 Net profit at €18.8 mln, +276% yoy

Revenues driven by buoyant recurring commissions

- 1Q10 Net Banking Income €70.2 mln, +26% yoy
- 1Q10 Gross Commissions €83.1 mln, +43% yoy

Flat operating costs and increasing operating leverage

- Operating costs +1.9% yoy, while AUM +22% yoy
- Cost/Income ratio at 49.3% vs. 60.7% of 1Q09

AUM profitability up at 1.69%

Excellent increase with the contribution from recurring commissions reaching 1.31%, (+11 bps yoy) from 1.20% of 1Q09

... asset growth...

Total net inflows tripled, Asset management inflows increased four times

- €443 mln YTD vs €156 mln in Jan-Apr 2009
- €922 mln YTD in managed asset, vs €240 mln in Jan-Apr 09

AUM growing fast

AUM at €22.9 bn in 1Q10, +22% yoy, +3.1% qoq

... performance to the clients

Asset performance well above competition

Average performance of managed assets at 3.1% in 1Q10 vs. Italian industry at 1.3%

Consolidated 1Q 2010 Profit and Loss Account ⁽¹⁾

(€ mln)	1Q 09 (reported)	1Q 10 (reported)	% Chg	1Q 10 (Lfl)	% Chg
Net Interest Income	16.3	10.9	-32.9%	10.9	-32.9%
Commission income	58.3	88.5	52.0%	83.1	42.7%
Commission expense	-24.5	-37.4	52.7%	-33.3	35.8%
Net Commission	33.7	51.1	51.5%	49.9	47.7%
Net income (loss) from trading activities	5.5	9.4	71.4%	9.4	71.4%
Dividends	0.0	0.0	-100.0%	0.0	-100.0%
Net Banking Income	55.5	71.5	28.8%	70.2	26.4%
Staff expenses	-15.8	-16.7	5.6%	-16.3	3.0%
Other general and administrative expense	-19.6	-20.4	4.0%	-20.2	3.4%
Depreciation and amortisation	-1.3	-0.9	-31.8%	-0.9	-33.1%
Total costs	-36.7	-38.0	3.4%	-37.4	1.9%
<i>Cost /Income Ratio</i>	<i>-60.7%</i>	<i>-49.2%</i>	<i>11,5 p.p.</i>	<i>-49.3%</i>	<i>11,4 p.p.</i>
Other net operating income (expense)	1.7	2.0	15.4%	2.0	15.4%
Operating Profit	20.5	35.5	73.0%	34.7	69.5%
Net adjustments for impair.loans and other assets	-3.5	-1.1	-68.0%	-1.1	-68.0%
Net provisions for liabilities and contingencies	-7.5	-11.6	54.5%	-11.5	54.3%
Profit Before Taxation	9.5	22.8	139.0%	22.1	131.6%
Direct income taxes	-3.4	-3.3	-0.9%	-3.3	-3.1%
<i>Tax rate</i>	<i>35.2%</i>	<i>14.6%</i>	<i>-20,6 p.p.</i>	<i>14.7%</i>	<i>-20,5 p.p.</i>
Income/(losses) after tax on assets held for sales	-1.2	0.0	-100.0%	0.0	-100.0%
Minorities interest	0.0	-0.6		0.0	
Net Profit	5.0	18.8	275.6%	18.8	275.6%

➤ **GIL, Generali Investments Luxembourg ("GIL")**, formerly a Lux-based management company of Assicurazioni Generali, was merged with BG Investment Lux on Sept.9, 2009, thus creating Generali Fund Management S.A.

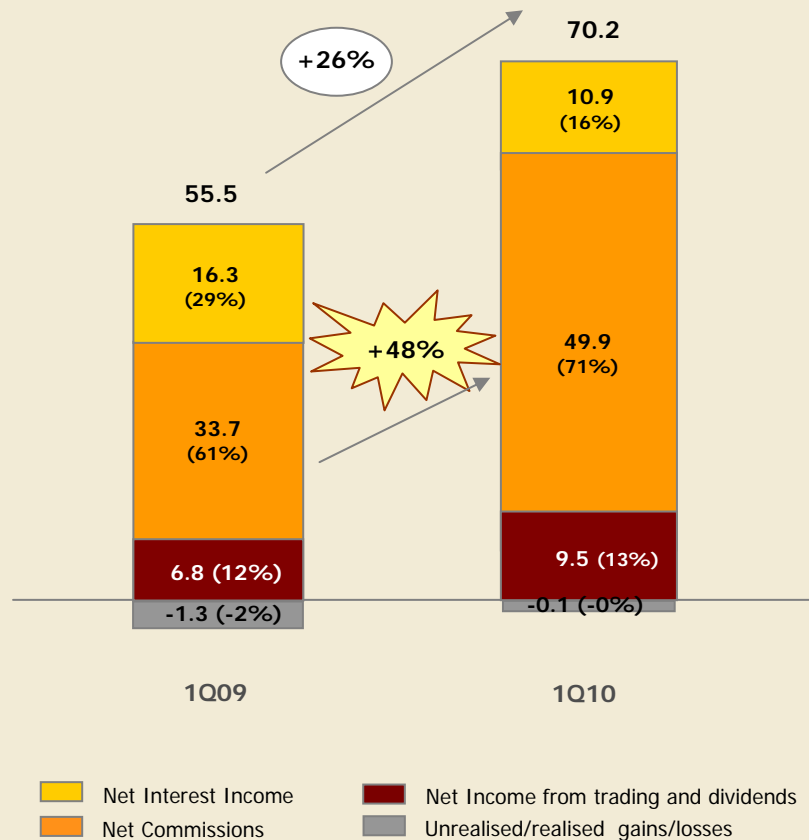
➤ Figures analyzed in the next section (from slide 5 to 10) will be reported excluding GIL for consistency purposes

¹ Like-for-like figures are excluding Generali Investment Luxembourg ("GIL"); ⁽²⁾ according to the revision of circular 262, €0.6 mln were reclassified from "current account charges" to "commission income", while €0.2 mln were reclassified from provisions to "staff expenses".

Strong net commission income driving total revenues increase

Breakdown of Net Banking Income (LfL)

(€ m)

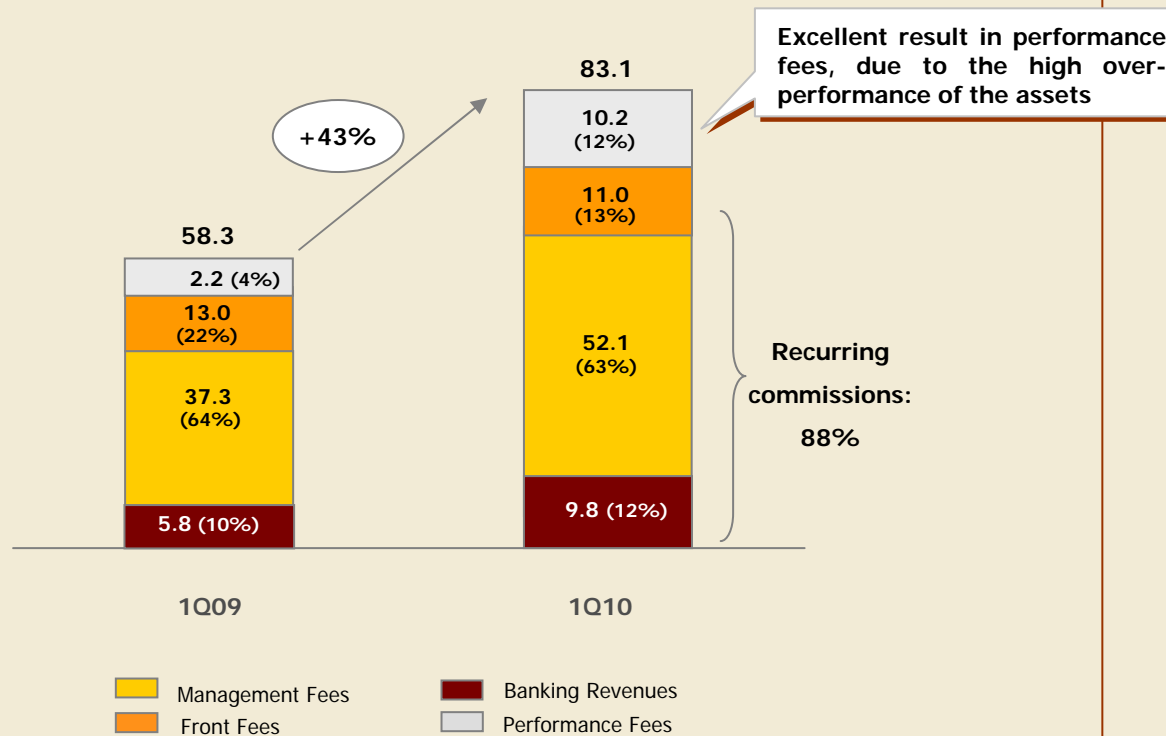


- Net Banking Income reaching €70.2 million, +26% yoy, even with a decline of interest margin due to interest rates trend
- Revenues growth led by strong net commissions (+48% yoy) as a result of the company's strategy to increase assets and their profitability

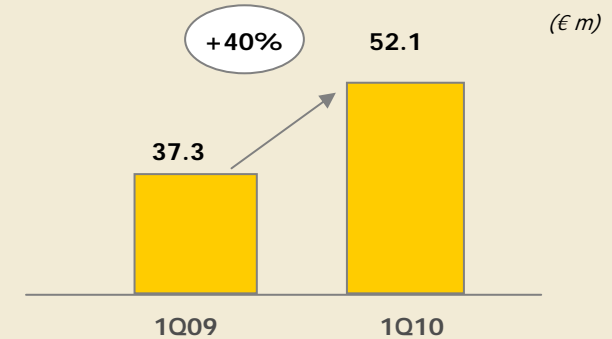
Management fees continue to increase sharply, reflecting growth in net inflows and improving AUM mix

Breakdown of Gross Commissions (LfL)

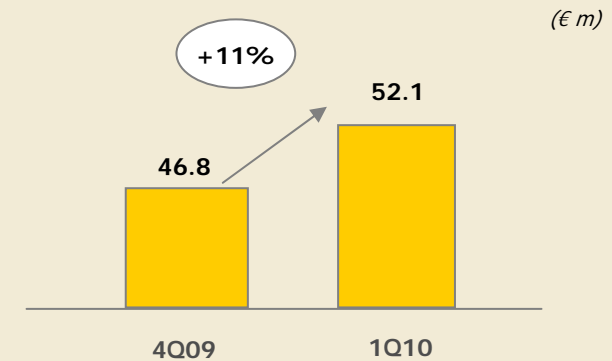
(€ m)



Management fees (LfL, yoy)

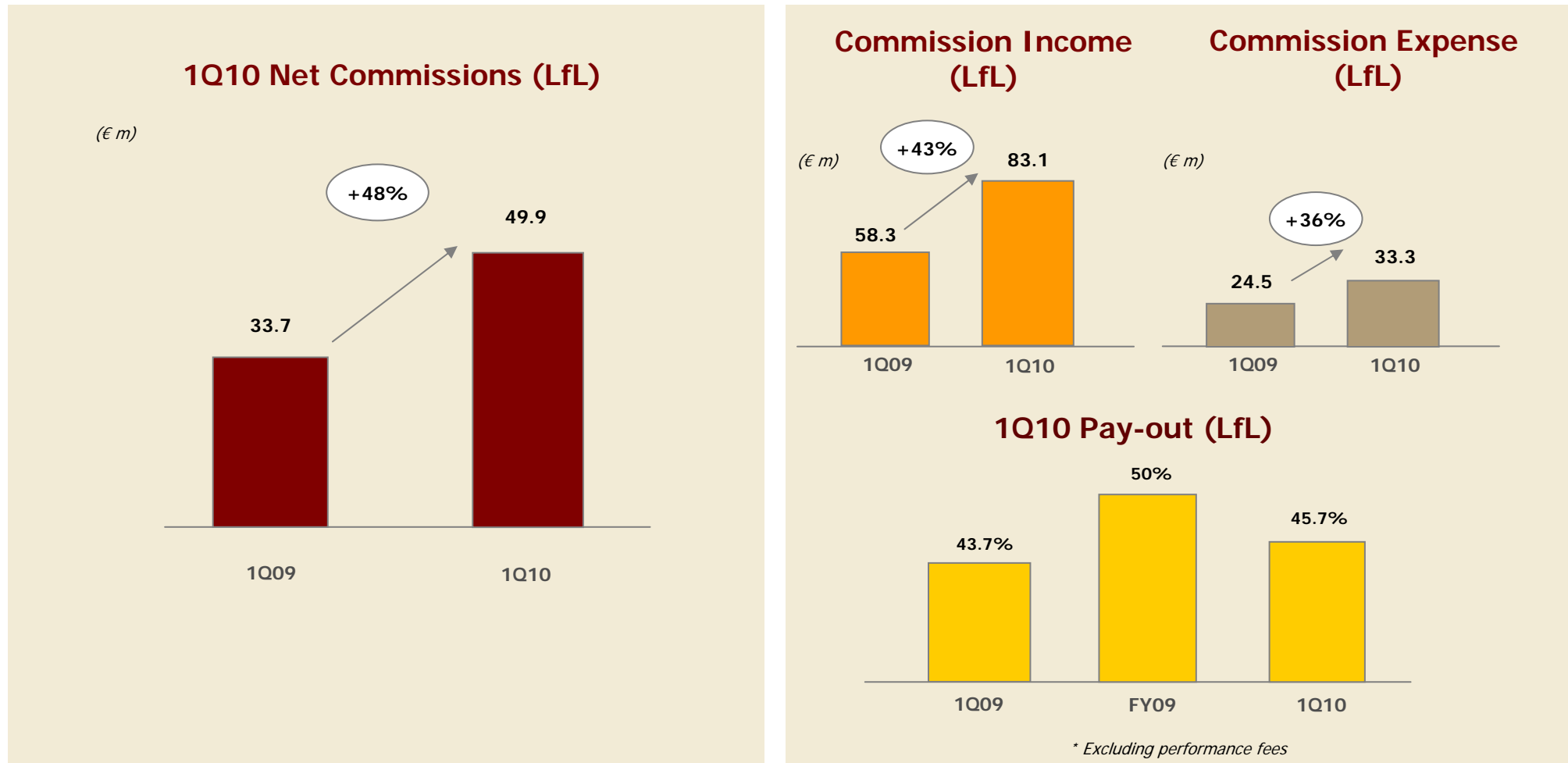


Management fees (LfL, qoq)



- Management fees increased by 40% yoy to €52.1 million
- Recurring fees representing 88% of total commissions, even after the strong increase in performance fees

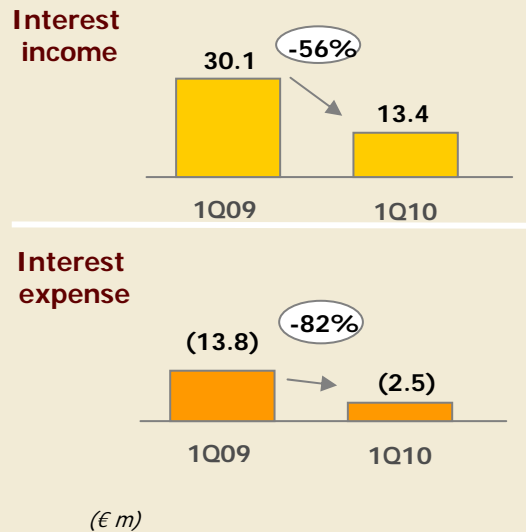
Net commissions growing faster than gross commissions, thanks to pay-out confirmed at good levels



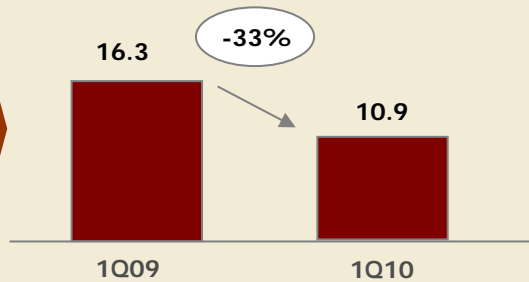
- Net commissions growing by 48% yoy, more than at gross level (+43% yoy)
- Pay-out ratio slightly increased to 45.7% (43.7% in 1Q09), mainly due to the higher share of managed assets products

Resilient results for interest margin

Interest Margin decreasing yoy, yet holding well...

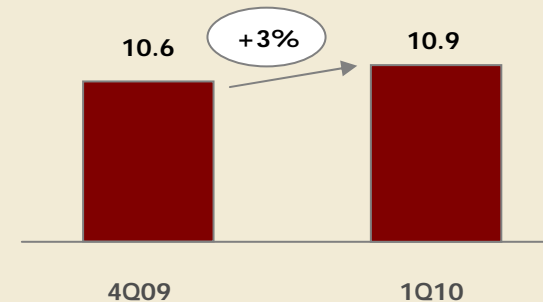


Interest Margin (yoy)



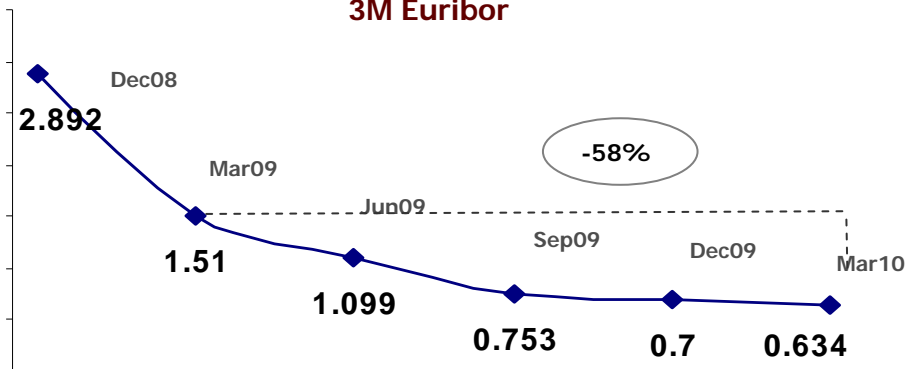
... and increasing qoq

Interest Margin (qoq)



(€ m)

3M Euribor

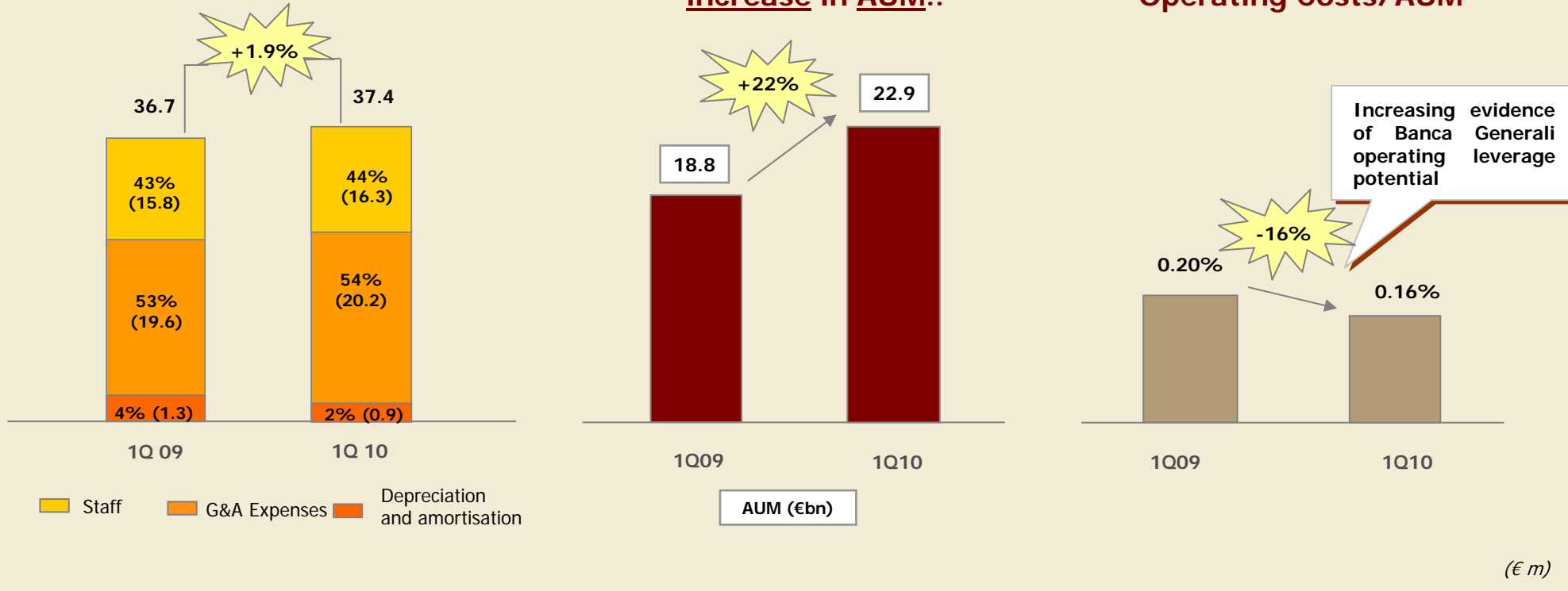


- Interest margin proved solid qoq in 1Q10. The so positive result was achieved even with a very prudent investment strategy, with no financial leverage and nearly no exposure to PIGS and UK govies (only €10 mln in Spanish government bonds)

As promised, very disciplined cost management, with cost base already positioned for further growth

Operating Costs (LfL) almost unchanged.. ..compared with a sharp increase in AUM..

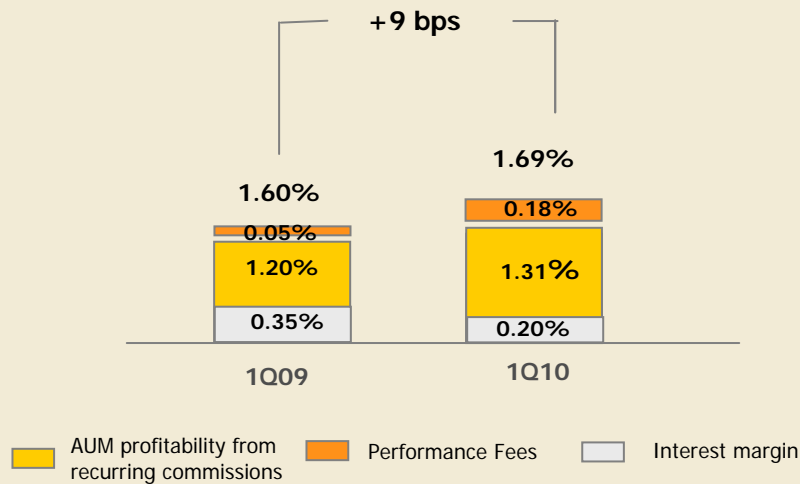
.. leading to a falling Operating Costs/AUM



- Total operating costs slightly increased yoy (+1.9%), yet well below total revenues (+26% yoy)
- Cost base set to decrease in absolute terms by 2010 year-end

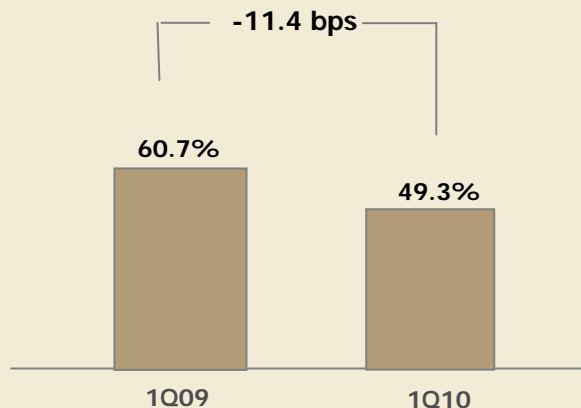
Profitability ratios improving, reflecting volumes increase and improving asset mix

AUM Profitability (LfL)

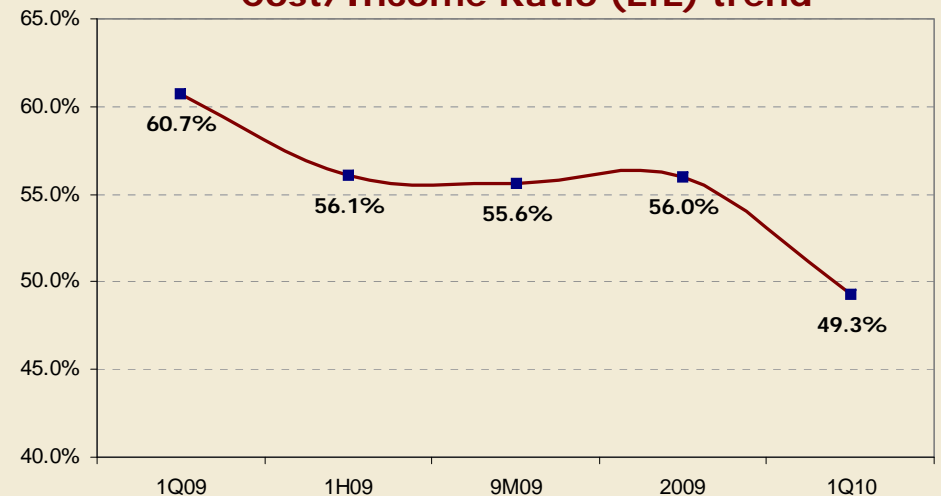


- AUM profitability increased to 1.69% (+9 bps yoy), even after accounting for the falling interest margin contribution
- Profitability from recurring commissions increased by 9% (+11bps) from 1.20% in 1Q09 to 1.31% in 1Q10, reflecting the increase in the share of managed and insurance assets
- Cost/Income ratio at 49.3%, its lowest level ever and in line with management targets

Cost/Income Ratio (LfL)



Cost/Income Ratio (LfL) trend



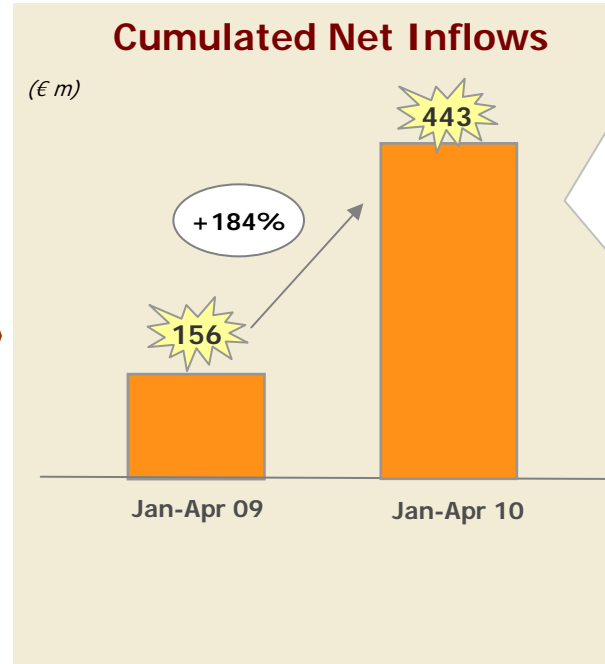
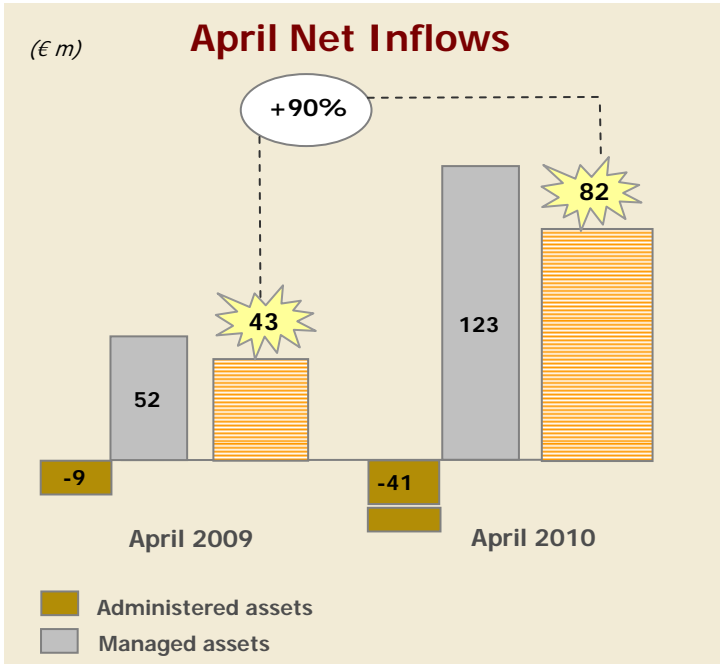
➤ 1Q2010 Results

➤ **Net Inflows and AUM**

➤ Business Update

➤ Closing Remarks

The growth of Banca Generali continues in April with €82 mln in net inflows, €123 mln in managed assets



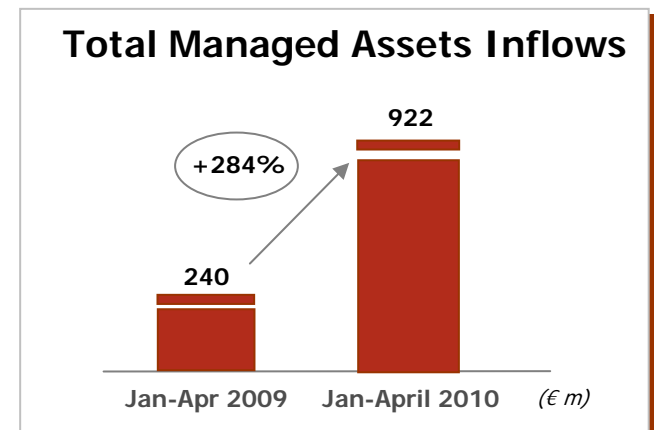
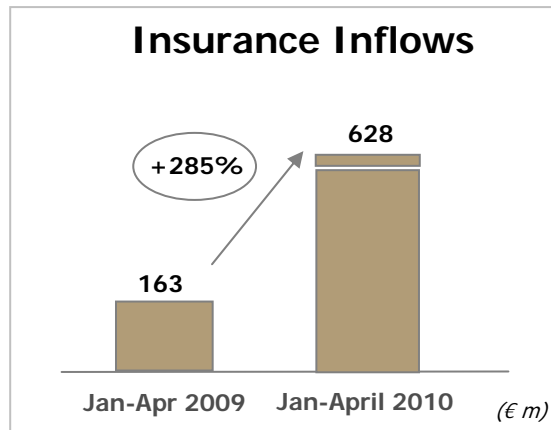
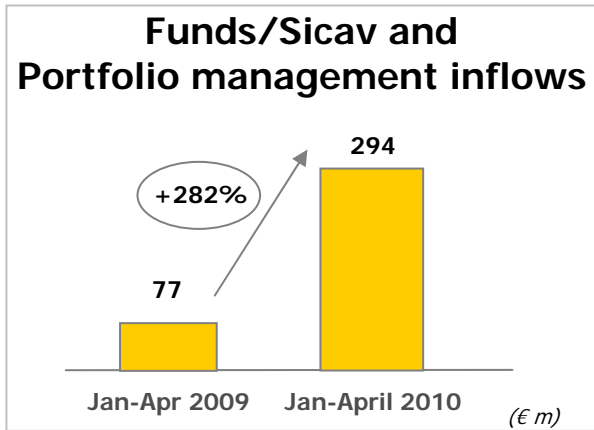
About 76% of Net Inflows come from organic growth (excluding recruitment)

↓

New clients acquisition is only starting but encouraging

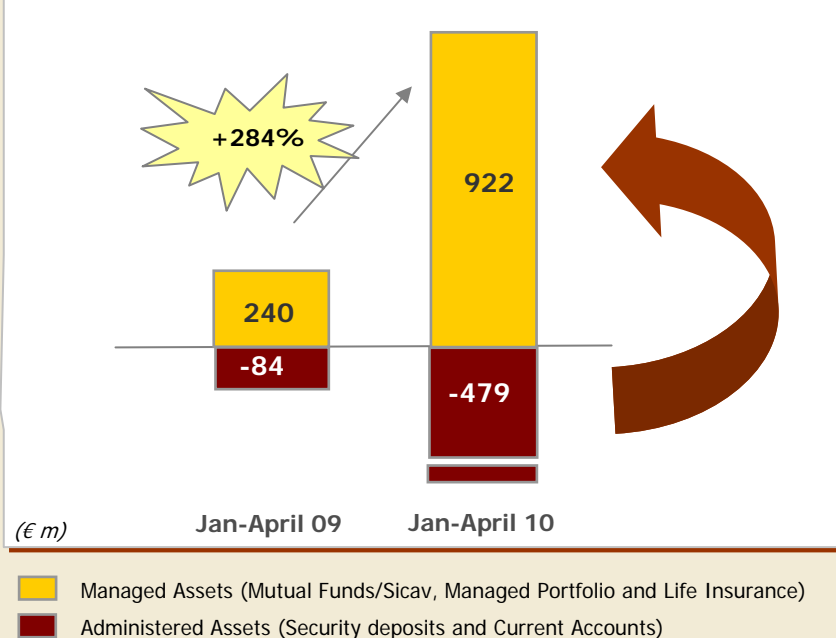
↓

Acquisition costs for organic growth are dramatically lower than growth through recruitment or marketing campaign offering aggressive rates on deposit accounts



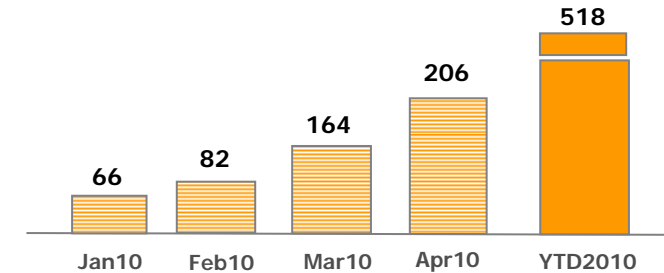
Net inflows in managed core products totalling more than € 1.6 billion YTD

Our strategy to switch into more profitable products is proving successful

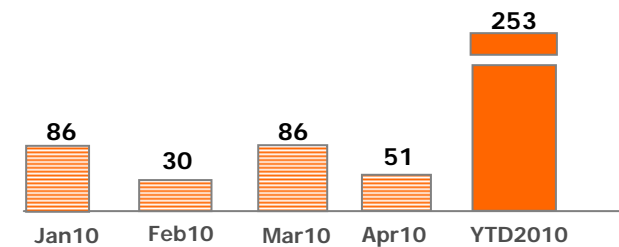


- Total inflows in strategic products YTD amounted to €1,642 million
- Strategic products are identified as FoF (BG Selection Sicav), portfolio management and insurance products

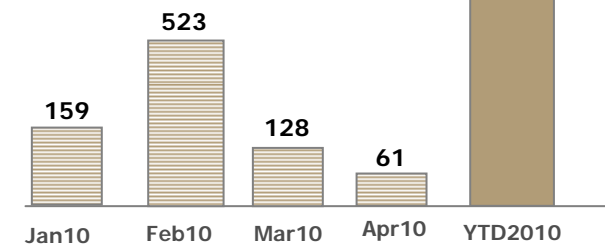
BG Selection Sicav



Portfolio management

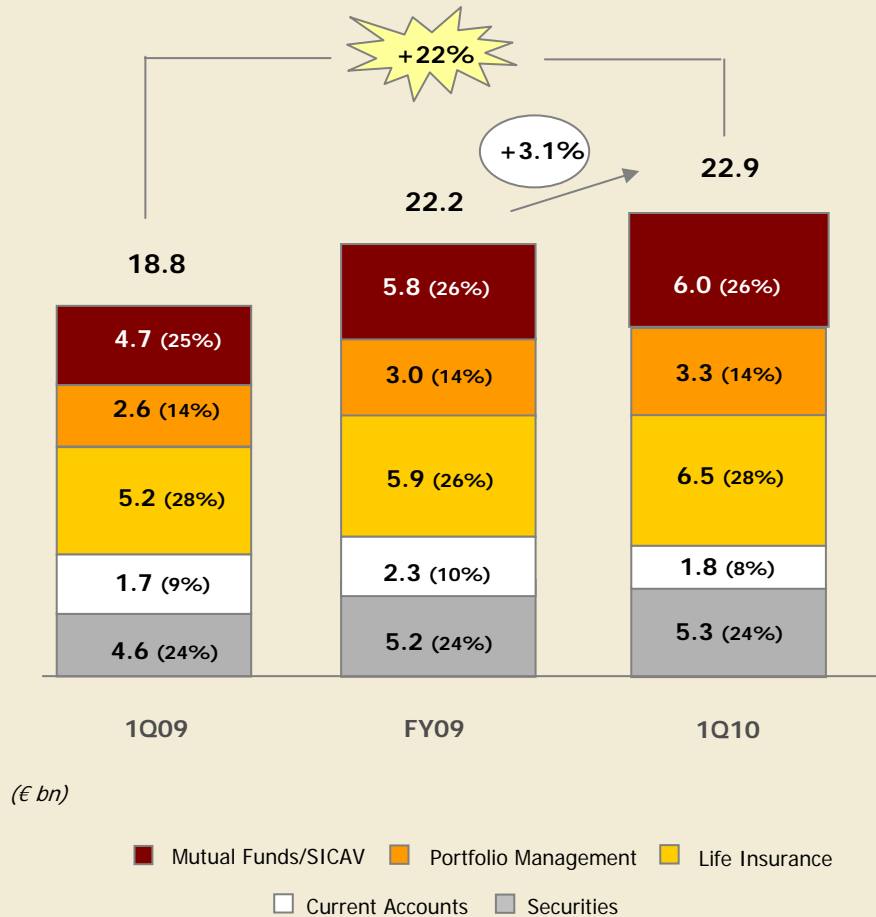


Life new business

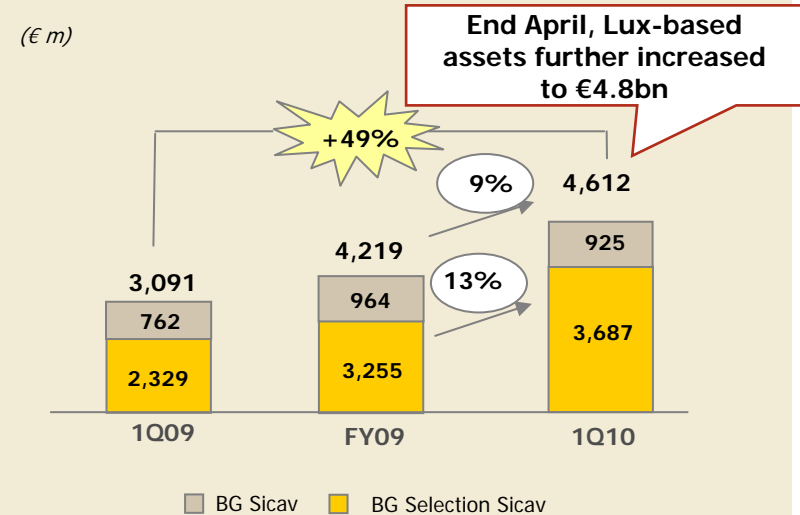


Good net inflows figures and positive funds' performance drove assets to €22.9 billion

Banca Generali Asset Breakdown

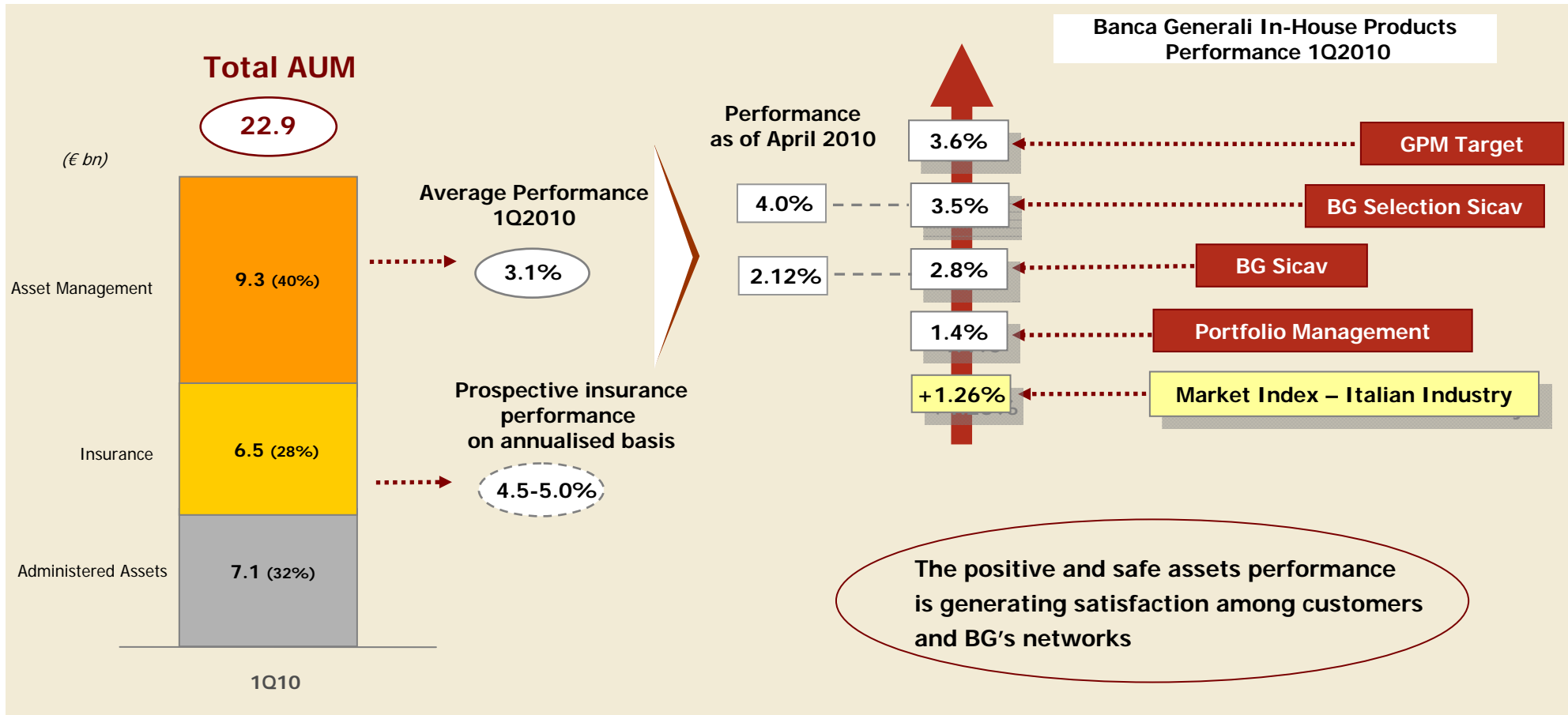


Lux-based Assets



➤ Total assets increased by 3.1% qoq to €22.9bn, driven by solid net inflows and good performance, particularly in Lux-based assets

Our customers' assets are performing well and, at the same time, are well protected



- Asset management products delivered an average performance of 3.1%, thus confirming once again the bank's ability to capture market opportunities. At the same time, also through an annual performance in the region of 4.5%-5.0% on insurance products, BG continues to effectively protect clients' assets, delivering them excellent returns
- In-house Sicavs posted an average performance of 3.4%, well above the reference industry both in Italy (1.26%)
- The good results are confirmed also in April

➤ 2009 Results

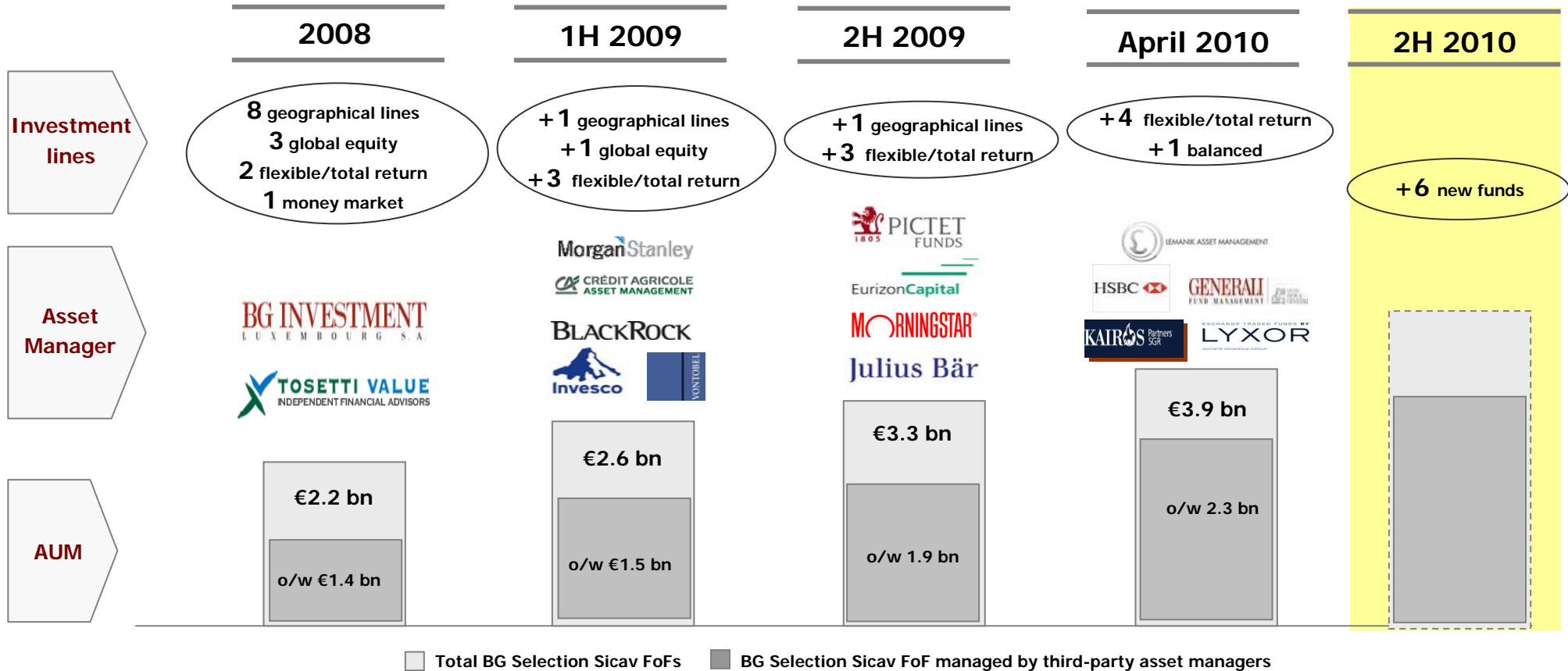
➤ Net Inflows and AUM

➤ **Business Update**

➤ Closing Remarks




Further expansion in the Lux-based FoF product offer

BG SELECTION SICAV



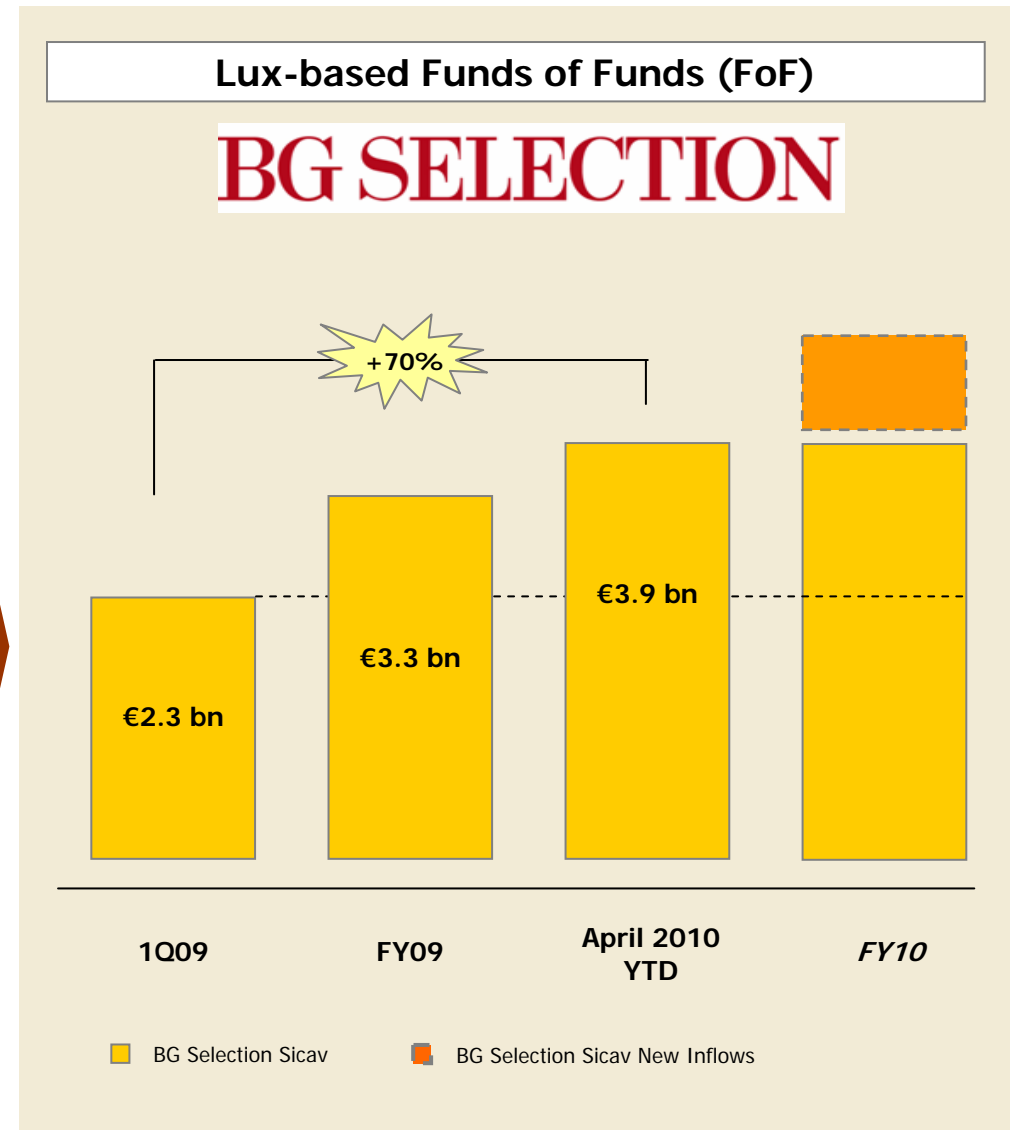
➤ Since its launch in March 2008 the offer of BG Selection Sicav has constantly increased, moving from FoF managed entirely in-house to include also FoFs managed by some of the best international asset managers

New investment lines within BG Selection Sicav, launched in the 1Q2010

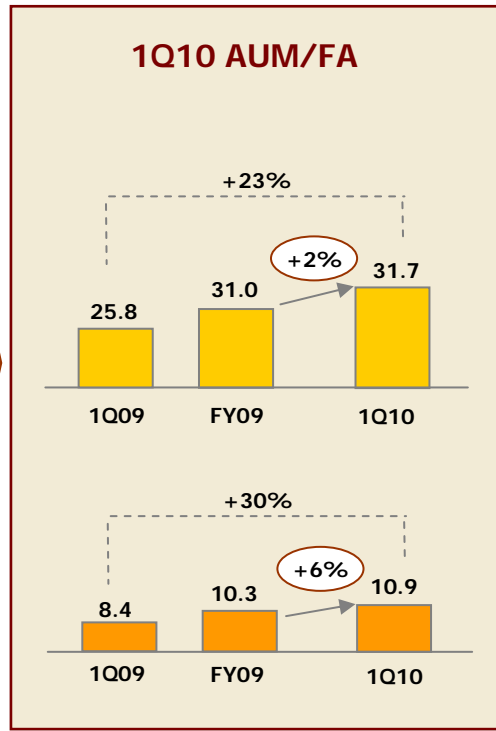
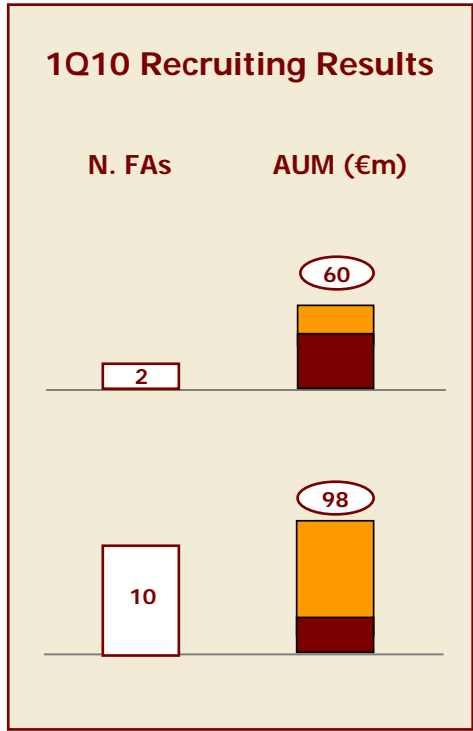
Asset Manager	Name and Classification	Fund details
	<p>3S Total Return</p>	<p>Prudent management approach with mix between bond investments and use of leverage</p>
	<p>MultiHedge Total Return</p>	<p>Fund investing in ETFs of Hedge Funds of Funds</p>
	<p>Kairos Blend Total Return</p>	<p>Selection of the best funds of Kairos asset management</p>
	<p>Emerging Markets Solutions Balanced</p>	<p>Fund dedicated to bonds and equity investments in emerging markets</p>
	<p>Italian Investors Flexible</p>	<p>Fund investing mainly in Italy, replicating the portfolio allocation of a typical Italian investor</p>

Asset transformation is a key pillar of current business strategy

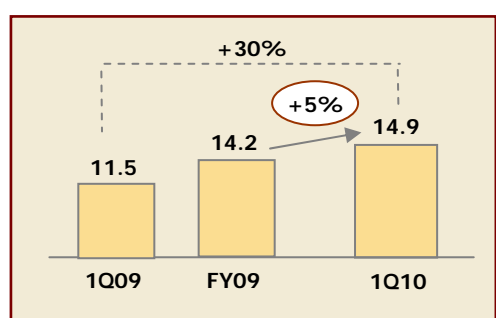
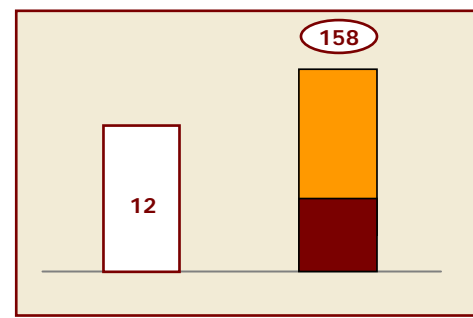
AUM	Asset category
1.7 bn	Third-Party Funds
2.2 bn	Life insurance policy close to expiry and Rialancio policies
7.1 bn	Administered Assets



1Q10 recruiting policy remains selective



Total BG Group



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

- Banca Generali hired 12 people in 1Q10 with an average portfolio of > €13 million each
- Average FAs portfolio increased by 5% on average to €14.9 m
- The company plans to continue a selective recruiting campaign in 2010, in line with 2009 levels (50 people)
- As a guidance, Banca Generali remains committed on enhancing its network profile, rather than increasing the number of advisors

New clients acquisitions (1/4): a new way to support the encouraging growth of new clients

- **The image of Banca Generali and its brand awareness has been significantly improving in the latest months**
- **We aim to increase visibility and, mainly, to seize the opportunity to get in touch with new clients**
- **Events and activities will be focused on the target segments of Banca Generali**

providing new contacts with potential customers that can be then approached by our advisors networks...

... with a very limited size of investments ...

... thanks to very innovative concepts with far reaching capabilities

New clients acquisition (2/4): Events and Marketing activities

Dedicated sports events for young people

Banca Generali Sport Village
Educational sporting events for kids
taking place in 10 Italian cities

When: May to October, 2010

*Potential contacts: more than 20,000 attendees
expected (kids and their parents)
Special opening hours of Banca Generali branches
in the evenings and week-end*

High visibility

Banca Generali Village with 4 special guests



Dedicated products



Dedicated
Life insurance policy

Signed Alessandro Del Piero
products and gadget



National and local Press Conferences

High visibility on national
and local TV networks

New clients acquisition (3/4): Events and Marketing activities

Main sponsor of the international meeting of  : World Ducati Week

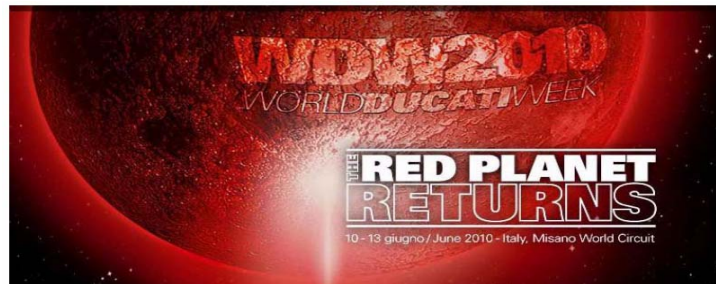
Event organized every two years by Ducati,
the most prestigious italian
motorbike maker

When: June, 2010

Potential contacts: more than 50,000 attendees expected

High visibility

Special Products for Ducati Clients



Dedicated Ducati Card

Banca Generali dedicated corners

Banca Generali special events

Dedicated Banca Generali area
on the Event Official Web Site



New clients acquisition (4/4): Events and Marketing activities

The partnership with football player Alessandro Del Piero

Events with the participation of Alessandro Del Piero (kids Akkademy, TV show appearance)

When: April to December 2010

Potential contacts: 4 million viewers

Web Site Partnership



Signed Products



10+ New Deposit account "10+" with zero costs

Prepaid bank cards



➤ **2009 Results**

➤ **Net Inflows and AUM**

➤ **Business Update**

➤ **Closing Remarks**

Closing remarks (1/2)

Banca Generali development strategy is simple and realistic, and it's going on at a sure pace

Our strengths

- Satisfied clients, available to give referrals, also thanks to our safe and efficient asset allocation
- New customers acquisition encouraging, also thanks to weak competition and to innovative and unrivalled products offer
- Networks productivity increasing
- Tax Shield effect still positive (new clients acquired are bringing also their "domestic" assets to BG)

- Assets are being switched from lower profitability products (bank accounts, securities, old policies) into more profitable investments such as BG Selection Sicav, portfolio management, new policies
- New inflows are mainly going to high profitability products

- Operating platform is sound and efficient

Our opportunities

- Assets are constantly growing, at very low acquisition costs (focus on organic growth of BG vs. recruitment and/or "high interests offer")

- AUM profitability is steadily increasing
- Recurring revenues are growing fast, along with some good performance fees

- Operating costs are expected to remain stable even if AUM were to grow by 30%, from actual €23 bn to €30 bn

Closing remarks (2/2)

In a nutshell, a very good outlook

Assets are growing at low acquisition costs

Allocation of clients' assets is safe and efficient at the same time

AUM profitability is improving

Recurring and steady part of revenues is constantly growing

Huge operating leverage is a reality



✓ Growth

✓ Reduced exposure to market volatility

Impact coming from GFM will sharply enhance this outlook for 2011

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

Certain statements contained herein are statements of future expectations and other forward-looking statements.

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

The user of such information should recognize that actual results, performance or events may differ materially from such expectations because they relate to future events and circumstances which are beyond our control including, among other things, general economic and sector conditions.

Neither Banca Generali S.p.A. nor any of its affiliates, directors, officers employees or agents owe any duty of care towards any user of the information provided herein nor any obligation to update any forward-looking information contained in this document.