

Banca Generali

2011 Full Year Results and 2012 Outlook

Milan, March 13, 2012

Today's Agenda

➤ **FY 2011 Results**

➤ **Net Inflows, AUM and recruiting**

➤ **2012 Business Outlook**

➤ **Closing Remarks**

2011 results: best quality result for Banca Generali, allowing to propose a €0.55 DPS (dividend yield at 5.7%)

Key 2011 Achievements

Best class net profit

2011 net profit broadly matched 2010 level (excl. 2010 one-off tax benefit), as higher recurring revenues and tough cost control counterbalanced the impact from bad markets (i.e. lower performance fees, lower trading income, lower AUM)

Very satisfactory dividend policy confirmed

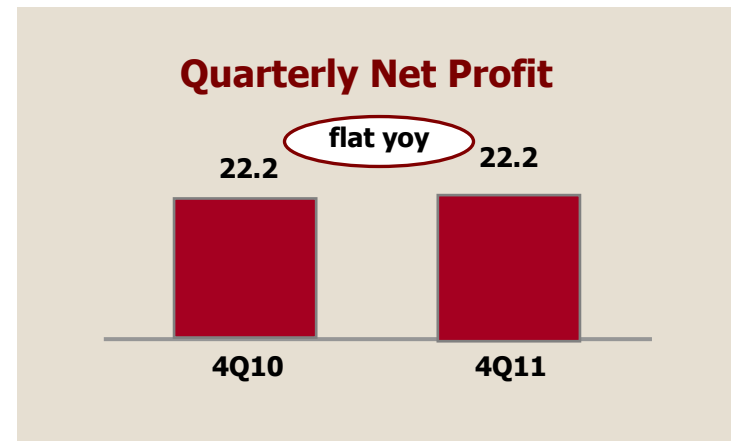
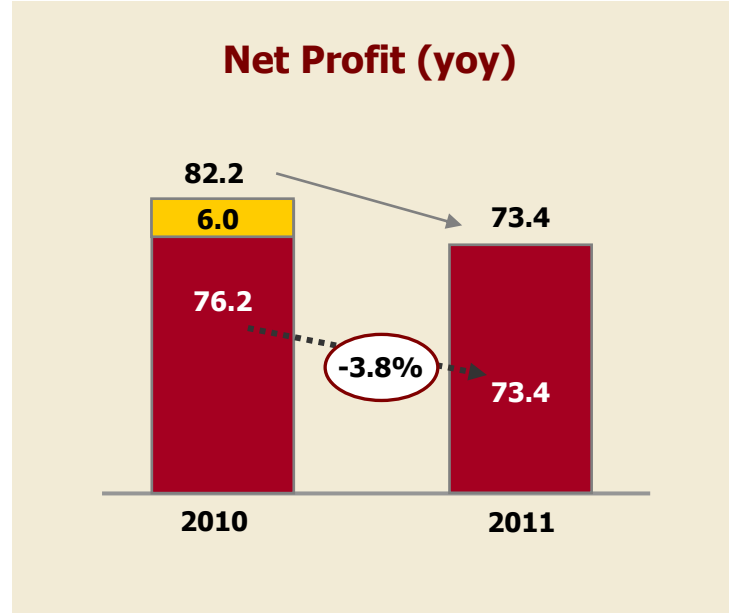
DPS proposal at €0.55 (in line with 2010 level), with an implied dividend yield of 5.7%, at the top of the financial sector

Record inflows of net new money

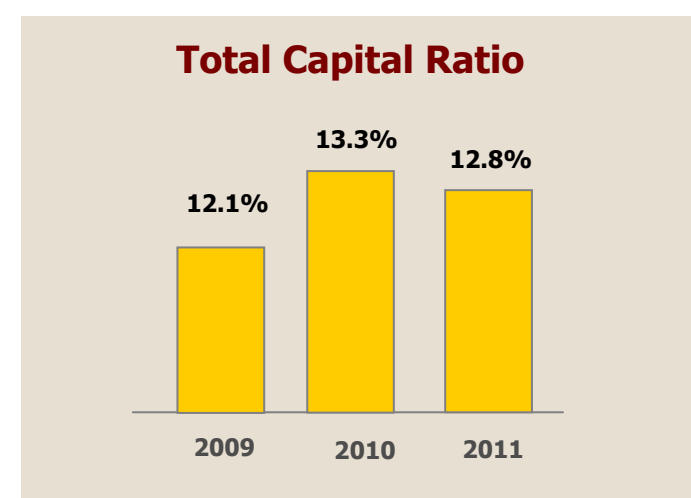
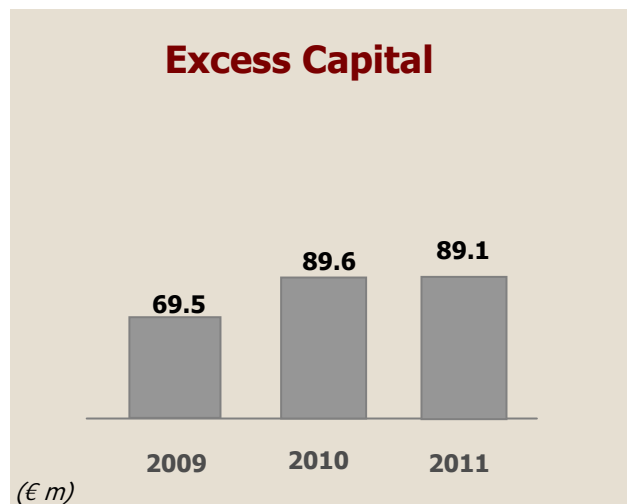
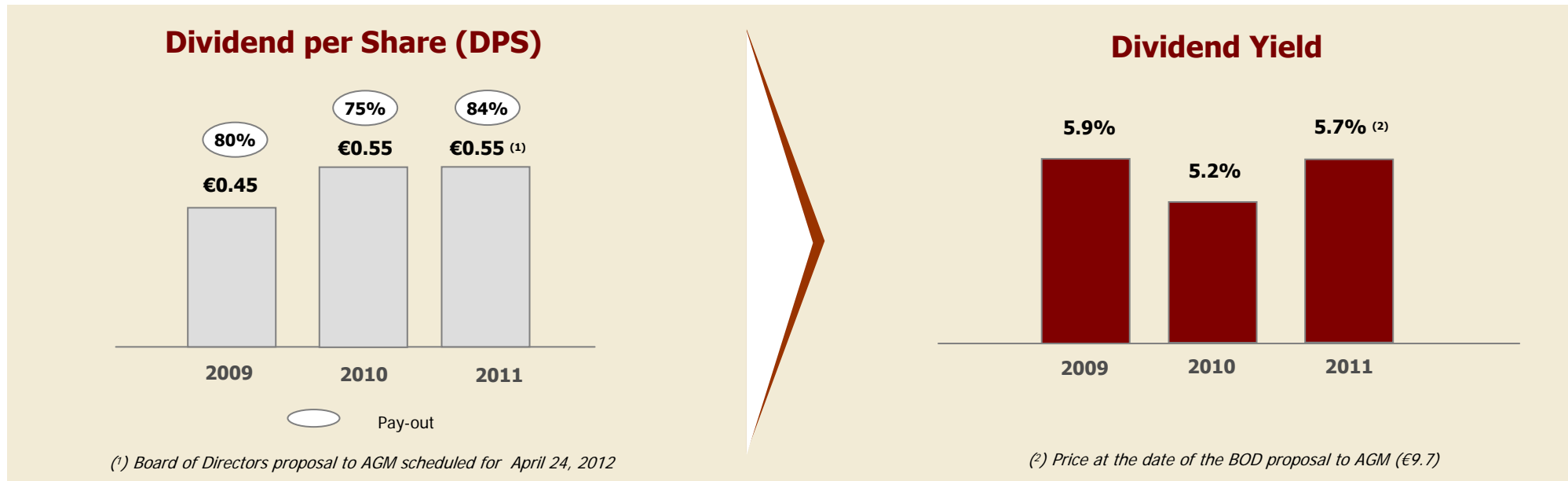
Strong volumes proving quality of the business franchisee. Growth is coming mainly from new clients

Solid balance sheet

Tier 1 Ratio at 11.1%, Total Capital Ratio at 12.8%



Banca Generali can confirm a very satisfactory dividend policy, on the back of its solid balance sheet



Consolidated 2011 Profit and Loss Account: main takeaways

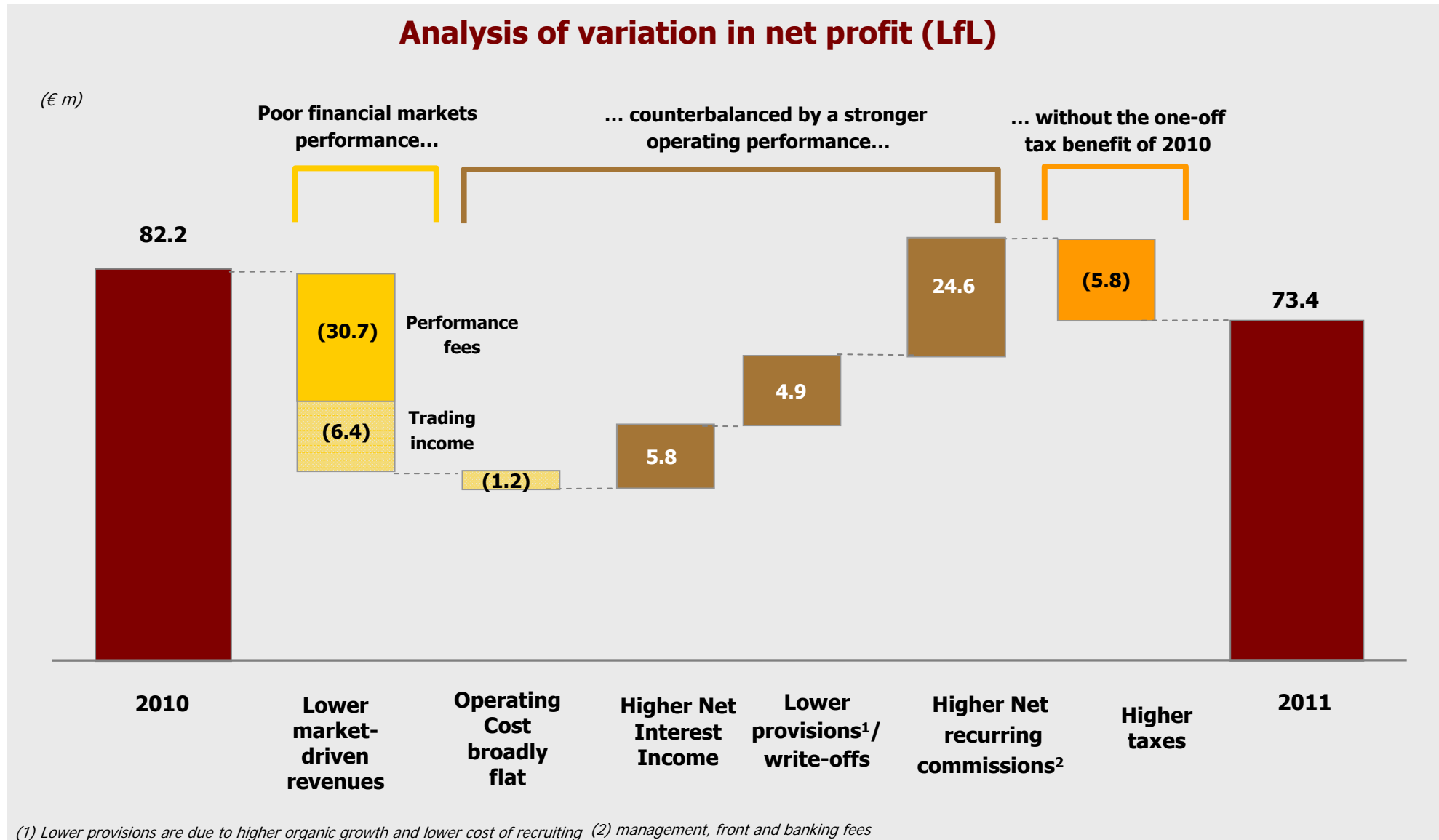
(€ mln)	12M10 (reported)	12M11 (reported)	% Chg	12M10 (excl. GIL)	12M11 (excl. GIL)	Var. %
Net Interest Income	43.2	49.1	13.4%	43.2	49.0	13.4%
Commission income	373.4	355.1	-4.9%	346.3	327.0	-5.6%
Commission expense	-175.4	-163.7	-6.7%	-155.4	-142.2	-8.5%
Net Commission	198.0	191.5	-3.3%	190.8	184.7	-3.2%
Net income (loss) from trading activities	-60.8	-85.6	40.7%	-60.8	-85.6	40.6%
Dividends	74.0	92.3	24.7%	74.0	92.3	24.7%
Net income (loss) from trading activities and Dividends	13.2	6.7	-49.2%	13.1	6.7	-49.1%
Net Banking Income	254.4	247.2	-2.8%	247.2	240.5	-2.7%
Staff expenses	-64.9 ^{1,2}	-64.9 ¹	0.1%	-63.3 ^{1,2}	-63.1 ¹	-0.2%
Other general and administrative expense	-78.0	-79.2	1.5%	-77.2	-78.5	1.7%
Depreciation and amortisation	-4.1	-4.1	0.6%	-4.0	-4.1	0.7%
Total costs	-147.0	-148.2	0.8%	-144.5	-145.7	0.8%
Cost /Income Ratio	-52.7%	-54.8%	-2,1 p.p.	-53.3%	-55.3%	-2 p.p.
Other net operating income (expense)	8.8	8.7	-1.4%	8.6	8.7	0.3%
Operating Profit	116.2	107.7	-7.3%	111.3	103.4	-7.1%
Net adjustments for impair.loans and other assets	-4.3	-6.1	41.0%	-4.3	-6.1	41.0%
Net provisions for liabilities and contingencies	-17.0	-10.0	-41.3%	-16.7	-10.0	-40.0%
Profit Before Taxation	94.9	91.6	-3.4%	90.3	87.3	-3.3%
Direct income taxes	-8.5	-14.3	67.6%	-8.1	-13.9	71.9%
Tax rate	9.0%	15.6%	6,6 p.p.	8.9%	15.9%	7 p.p.
Minorities interest	-4.1	-4.0	-4.4%	0.0	0.0	
Net Profit	82.2	73.4	-10.7%	82.2	73.4	-10.7%

- **Interest margin** increase due to higher deposits and higher investment yield on the banking book
- Minor decrease in **net commissions** (-3% yoy), as the sharp fall in performance fees (-76% yoy) was offset by higher management fees (+9% yoy)
- **Trading income** down 49%, from extraordinary high level in 2011
- Impressive cost discipline, as **operating costs** were flat (+0.8% yoy)
- Decrease in **provisions** attributable to an higher share of organic growth and lower cost of recruiting
- **Net profit** down only by 3.8%, after stripping out the one-off tax gain of 2010

Notes - The figures reported in this document are not IFRS 5 compliant as far as discontinued operations are concerned (disposal of BG SGR), while the figures reported in the annual financial report are fully compliant with IFRS 5. Figures "ex-GIL" do not incorporate the contribution of Generali Investment Luxembourg ("GIL") merged with BG Investment Lux on September 9, 2009

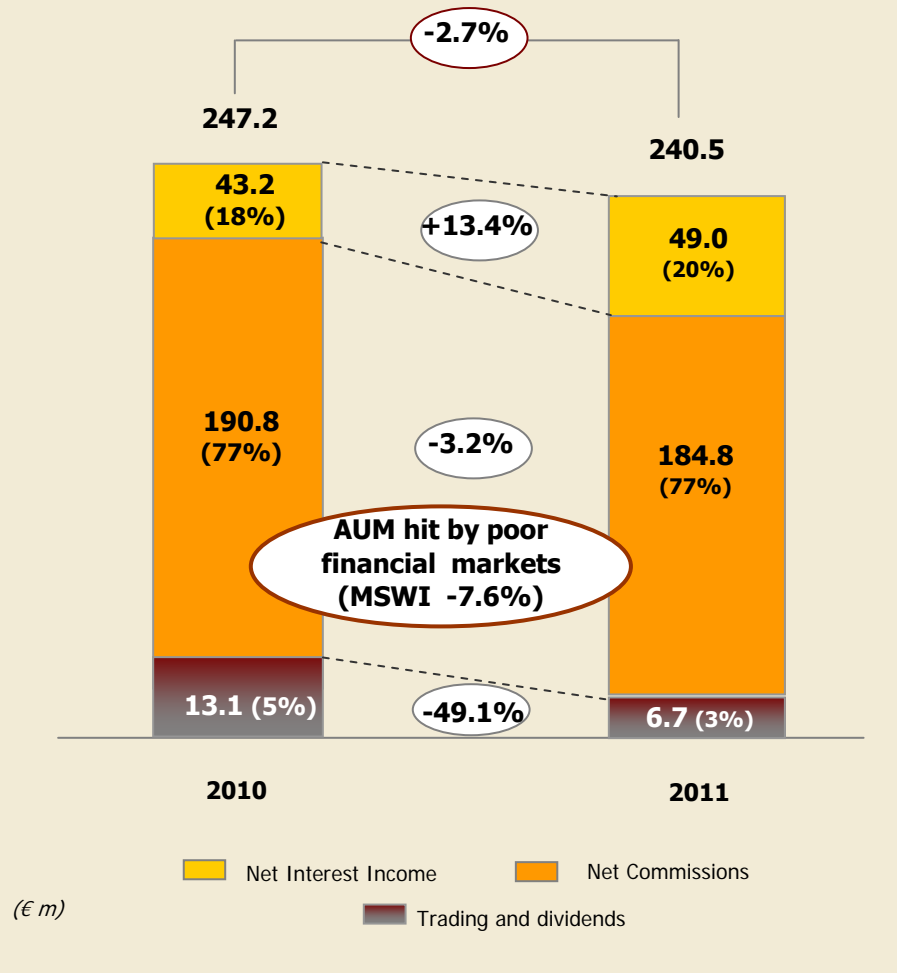
¹ According to Bankit circular of 16.02.2012, transfer costs were classified as staff costs (from prev.G&A) ² According to IAS 19, 2010 LT incentive plans were reclassified under staff cost from provisions

The strong growth in the recurring business offset a poor contribution from market-driven revenues

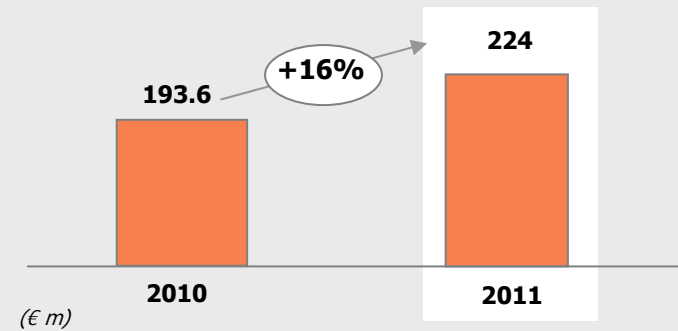


2011 revenues were broadly stable in value, but significantly better in terms of mix and sustainability

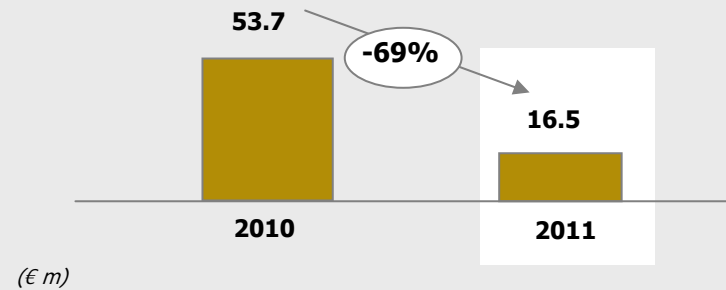
Breakdown of Net Banking Income (LfL)



Recurring Revenues (LfL) (Interest margin, management, front and banking fees)

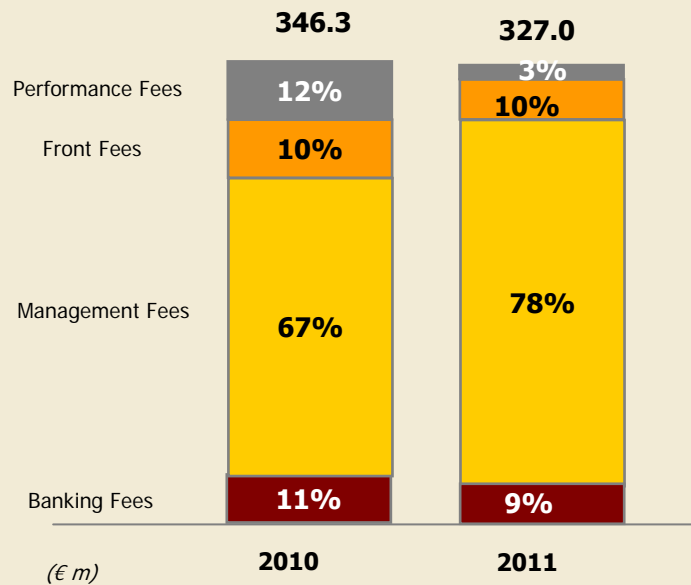


Market-driven Revenues (LfL) (Performance fees + Trading income)



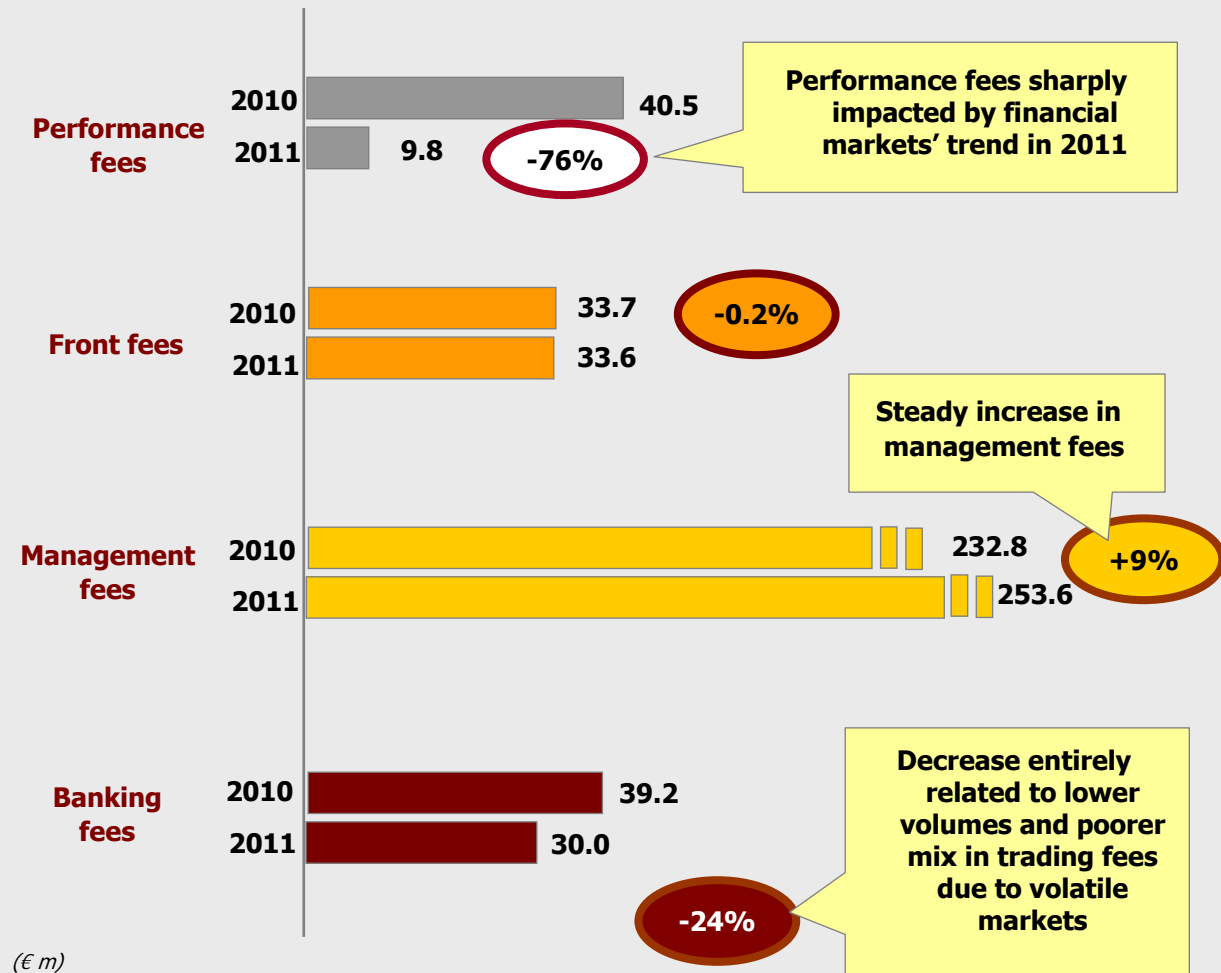
Recurring commissions make up 97% of total gross fees

Gross Commissions (LfL)



Gross commissions decrease (-5.6%) is entirely due to volatile financial markets, hitting performance and trading fees

Breakdown of Gross Commissions (LfL)



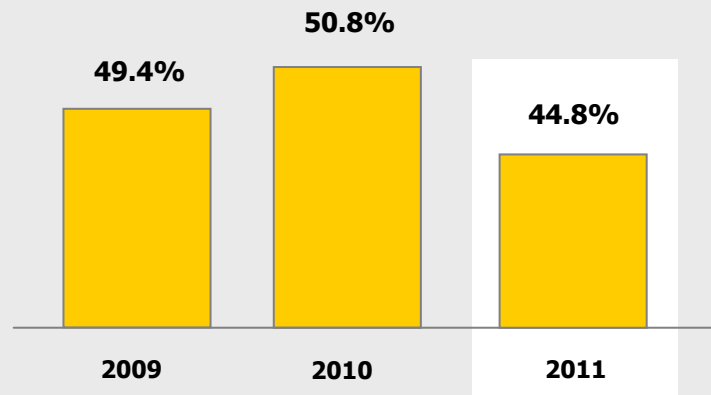
Performance fees sharply impacted by financial markets' trend in 2011

Steady increase in management fees

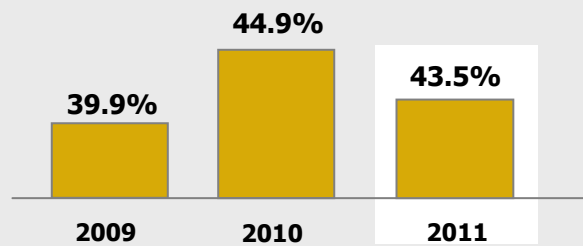
Decrease entirely related to lower volumes and poorer mix in trading fees due to volatile markets

Net commissions were up 16% yoy, stripping out performance fees

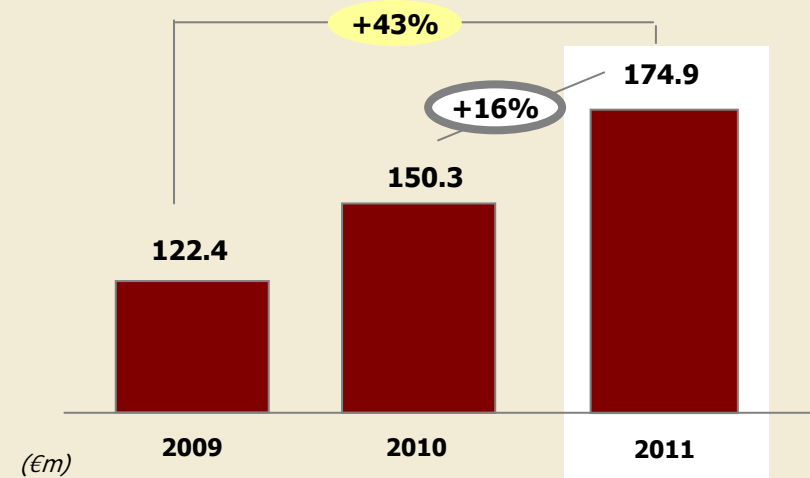
Pay-out trend excl. Perf. Fees (LfL)



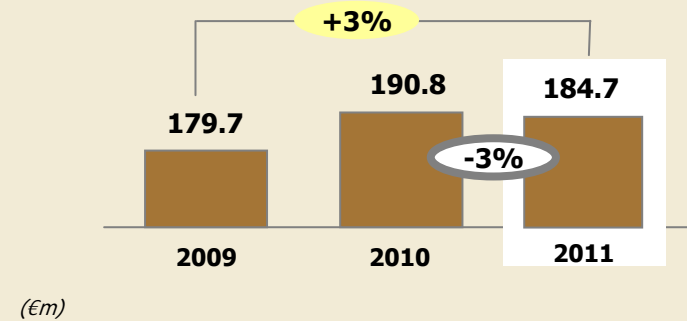
Pay-out trend incl. Perf. Fees (LfL)



Net Commissions excl. Perf. Fees (LfL)

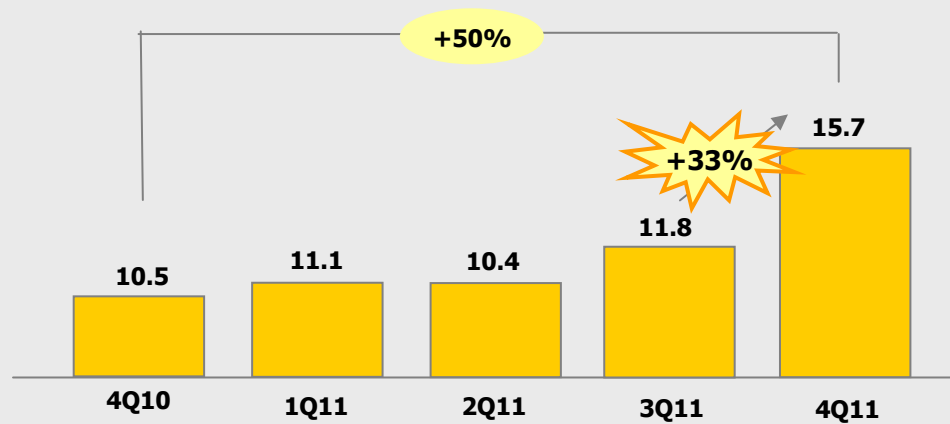


Net Commissions incl. Perf. Fees (LfL)



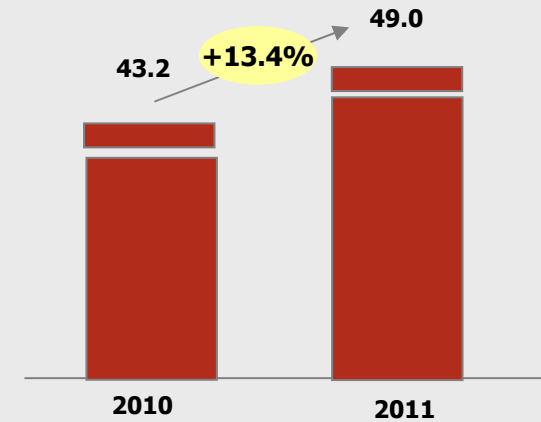
Interest margin's growth sharply accelerating in 4Q2011, boosted by the participation to LTRO in 2011

Quarterly Net Interest Margin (Lfl)



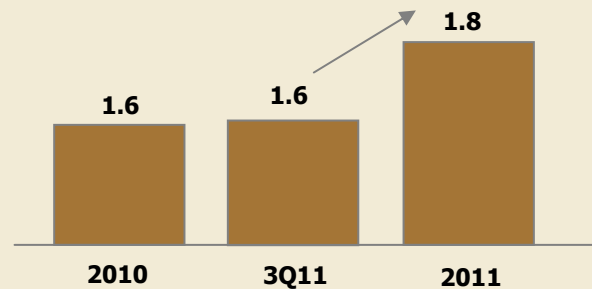
(€ m)

Net Interest Margin (yoy)



(€ m)

Deposits (yoy)



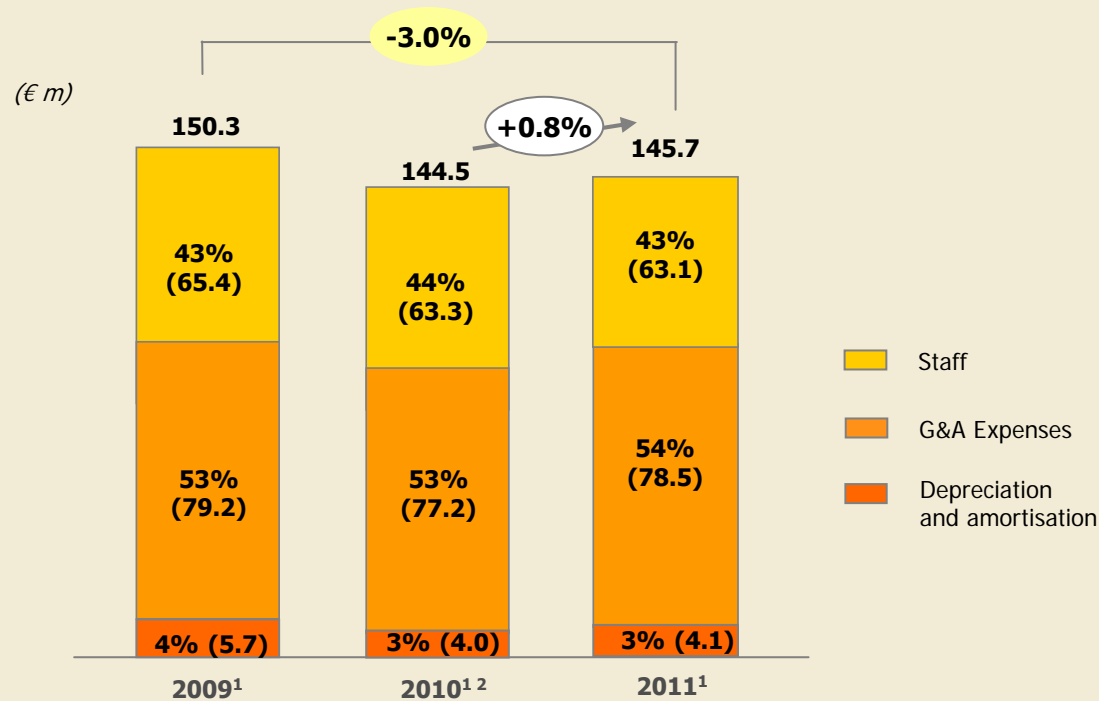
(€ bn)

4Q 2011 bounce of net interest margin is due to the rise in both volumes and yield on the banking book occurred in the period

The banking maintains a defensive profile with short duration (1.08) and short maturity (2.5)

Cost discipline maintained, as operating costs were flat (+0.8%) in the period

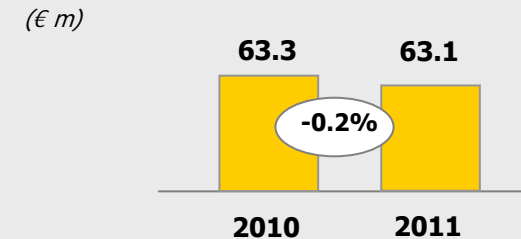
Operating Costs Breakdown (LfL)



¹ According to Bankit circular of 16.02.2012, transfer costs were classified as staff costs (from prev. G&A)

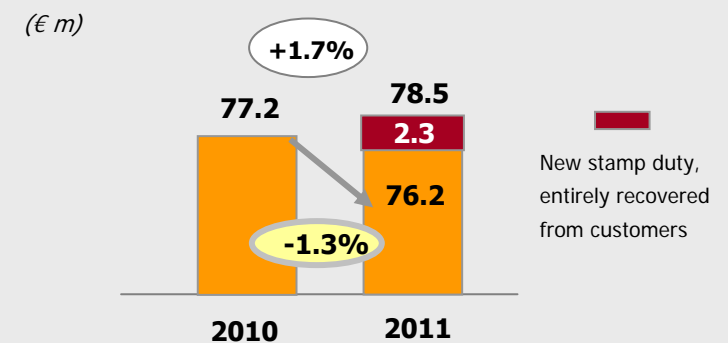
² According to IAS 19, 2010 LT incentive plans were reclassified under staff cost from provisions

Staff costs



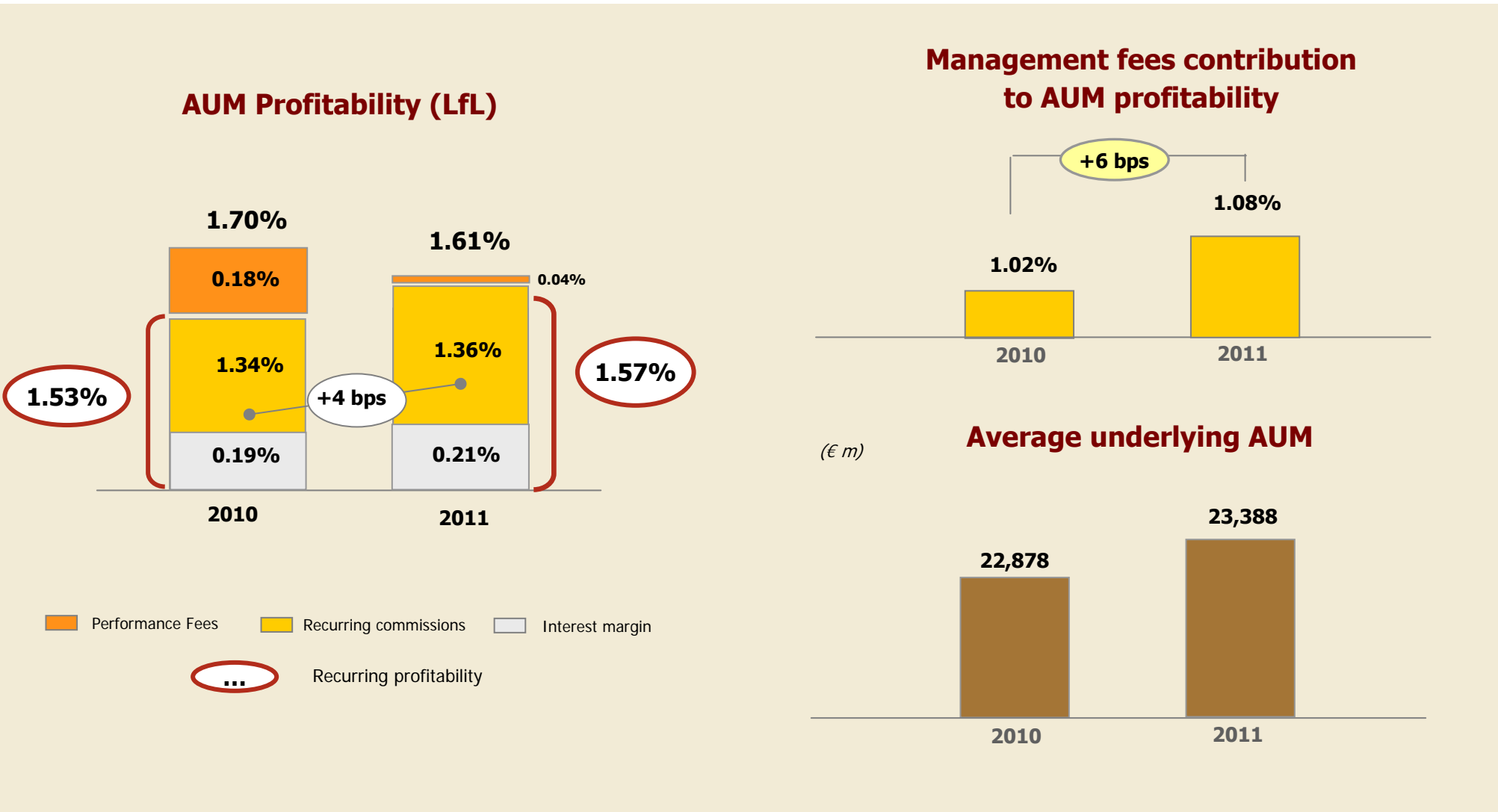
Costs were fully stable, reflecting a slight decrease in the FTE number

G&A Expenses



Excluding the charge of the new stamp duty (fully reimbursed from customers) G&A are down in absolute value (-1.3% yoy)

Recurring Profitability further improving compared to the same period of last year



Today's Agenda

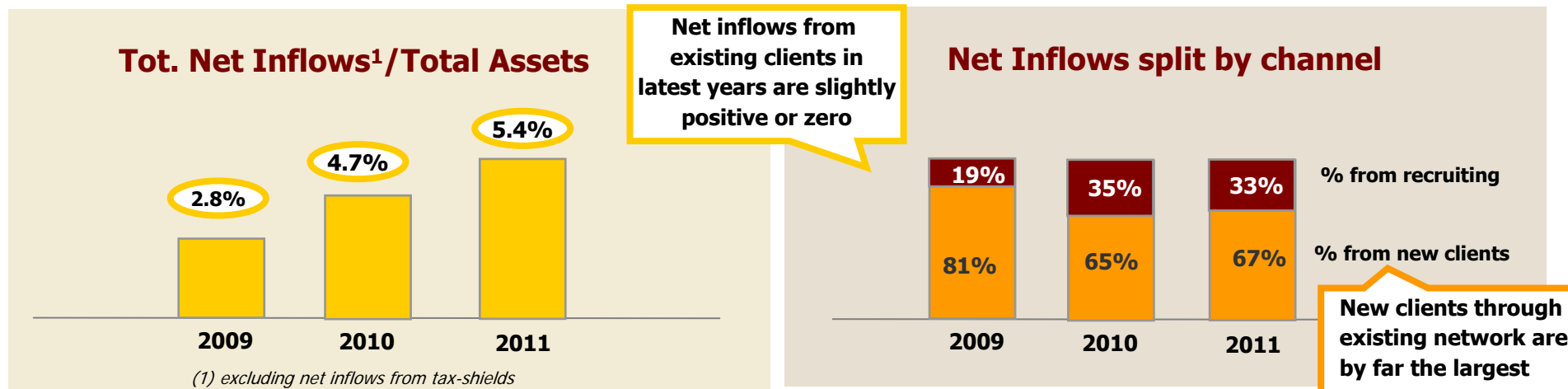
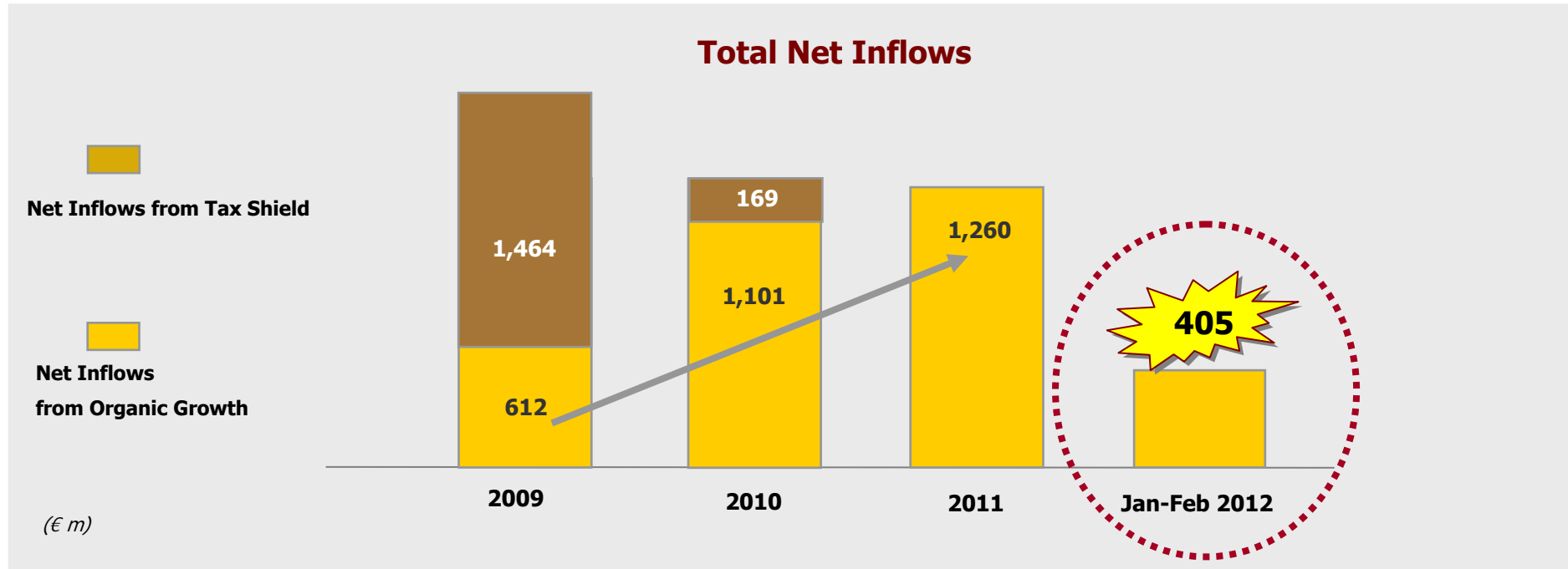
➤ **FY 2011 Results**

➤ **Net Inflows, AUM and recruiting**

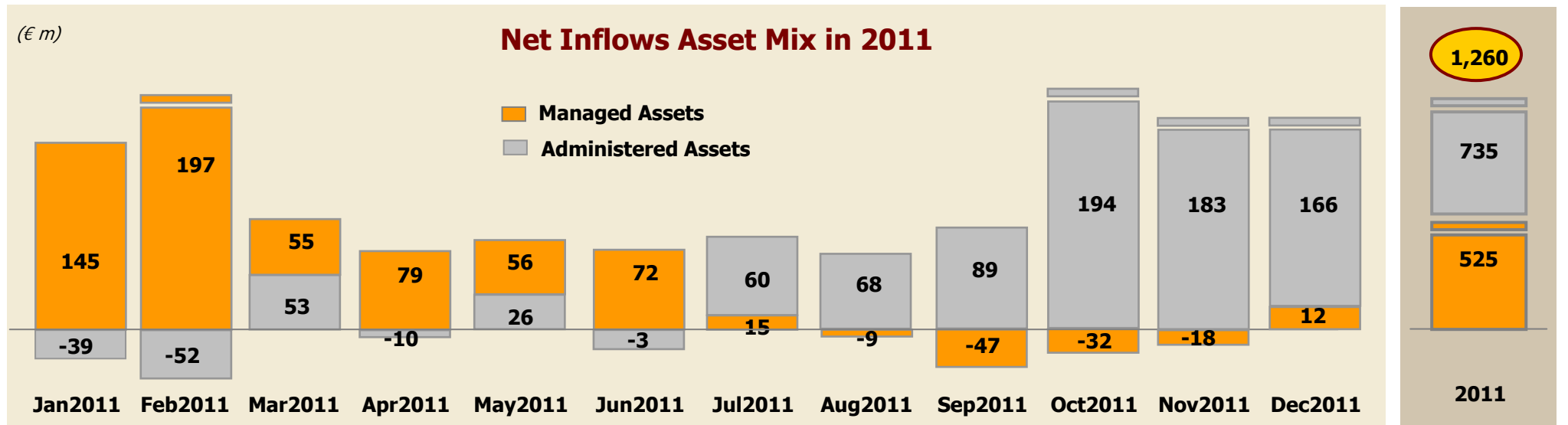
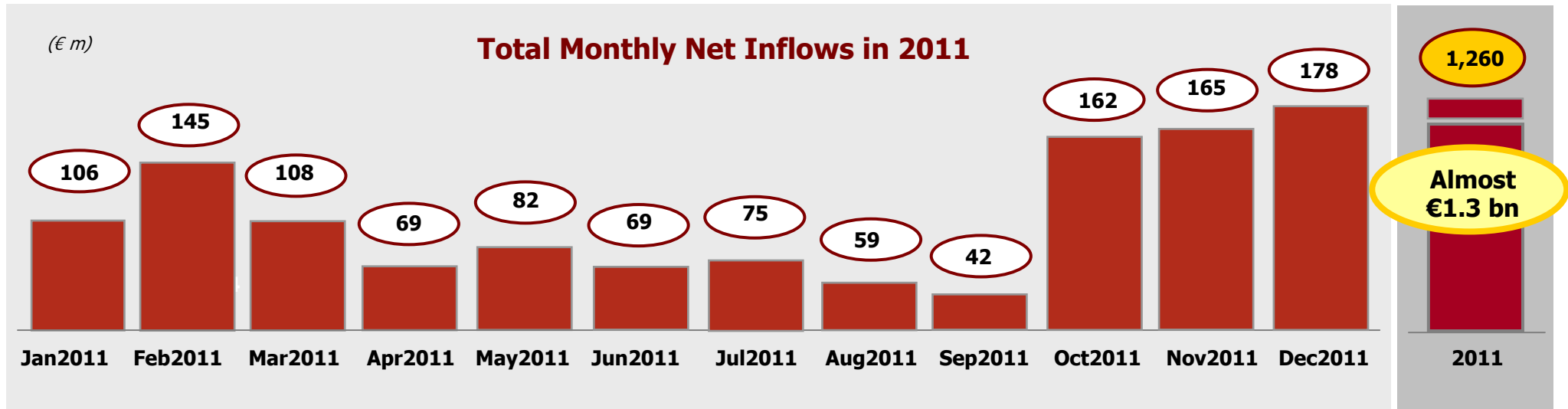
➤ **2012 Business Outlook**

➤ **Closing Remarks**

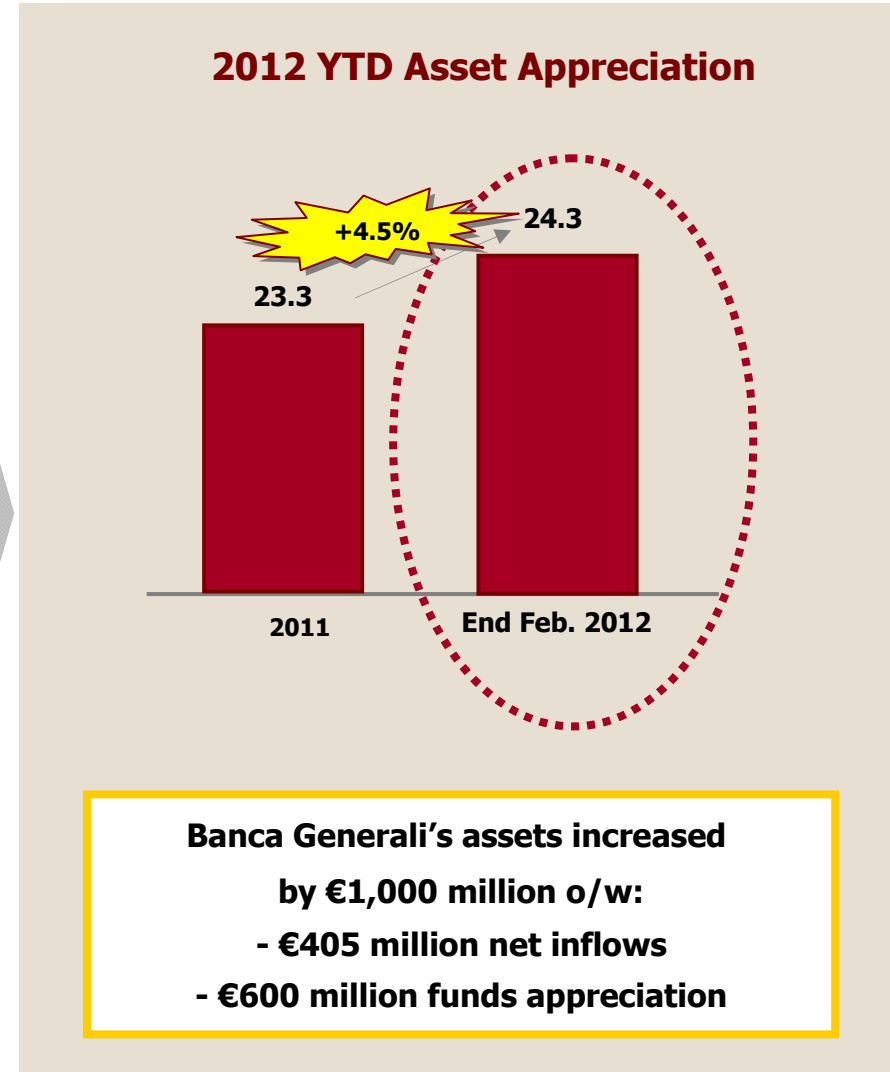
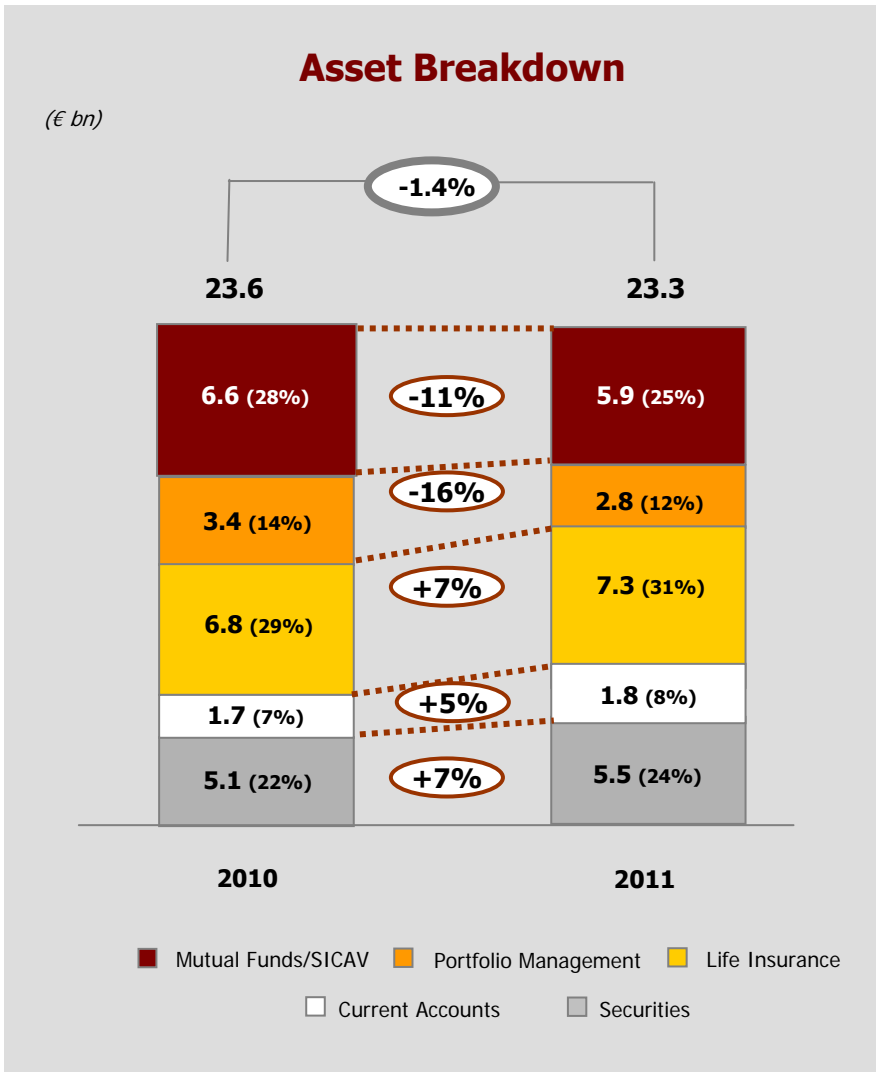
Record net inflows generation in 2011, with positive momentum still going on in 2012



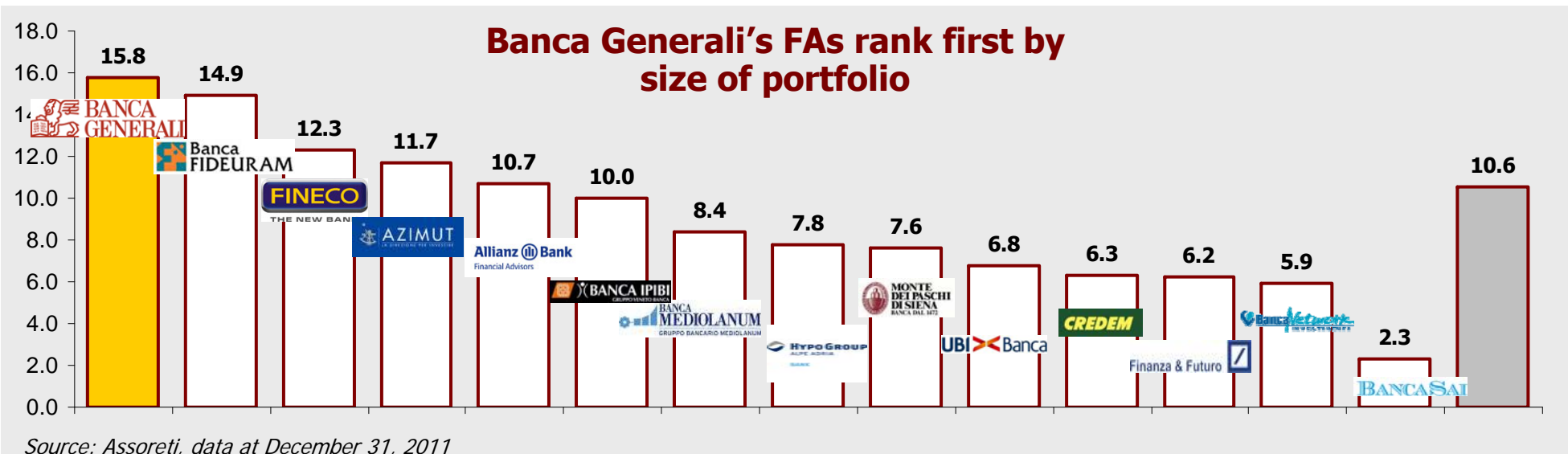
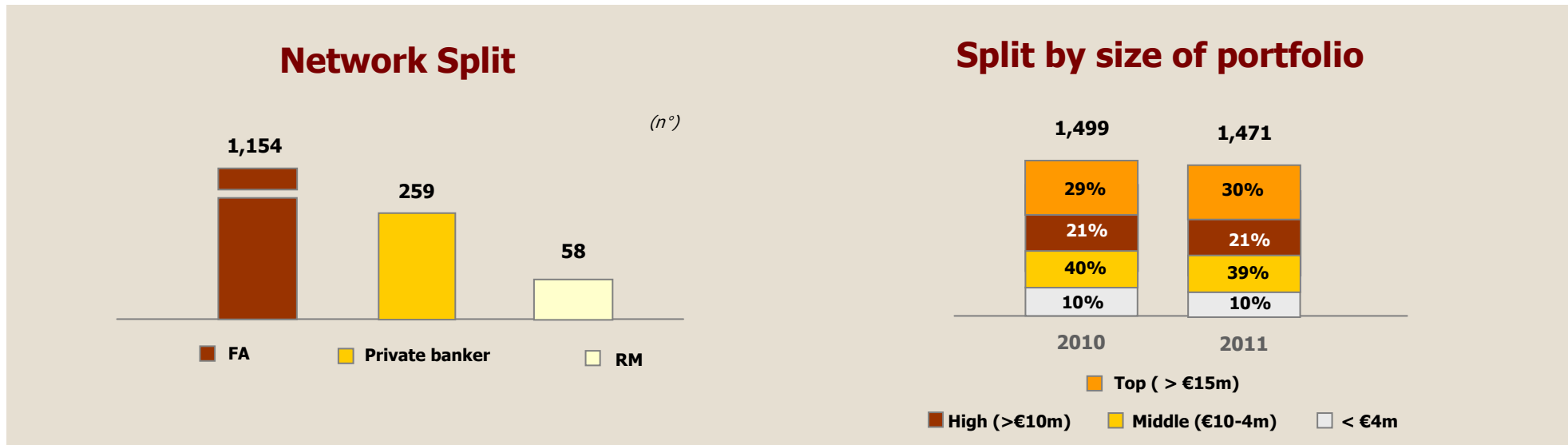
Banca Generali is continuing to grow and even accelerating in one of the worst periods for financial markets



Total assets proving resilient in 2011, even if hit by the decrease in financial markets worldwide



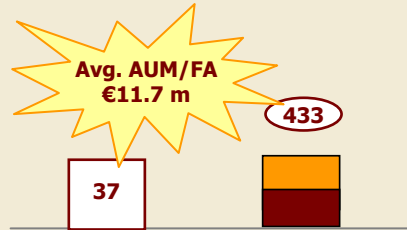
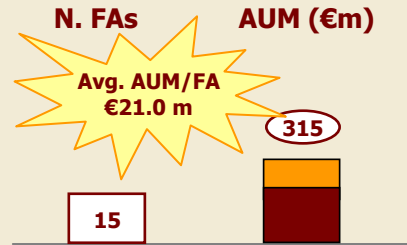
Banca Generali distribution network in a snapshot



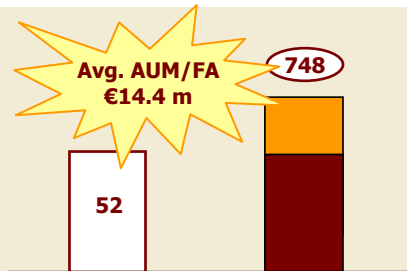
Recruiting focussed on top quality people



FY11 Recruiting Results

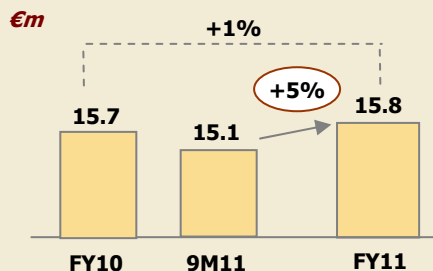
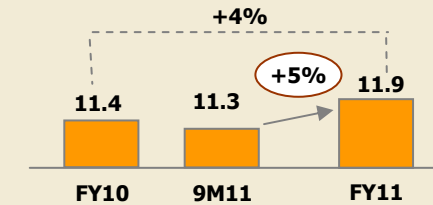
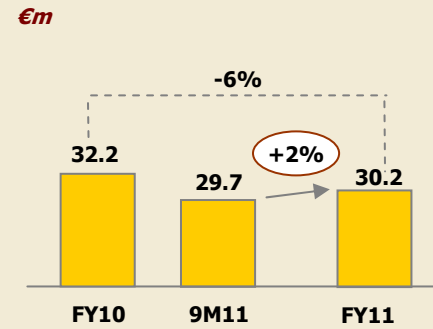


Total BG Group



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

FY11 AUM/FA



- Banca Generali hired 52 professionals since the start of 2011, with an average size of portfolio of €14.4 million
- The average size of the advisors portfolios increased by 1% ytd to €15.8 m, with a rather positive increase in the last quarter (+5%)
- The company confirms a target of 50 recruits for 2012, in line with recent years

Today's Agenda

➤ **FY 2011 Results**

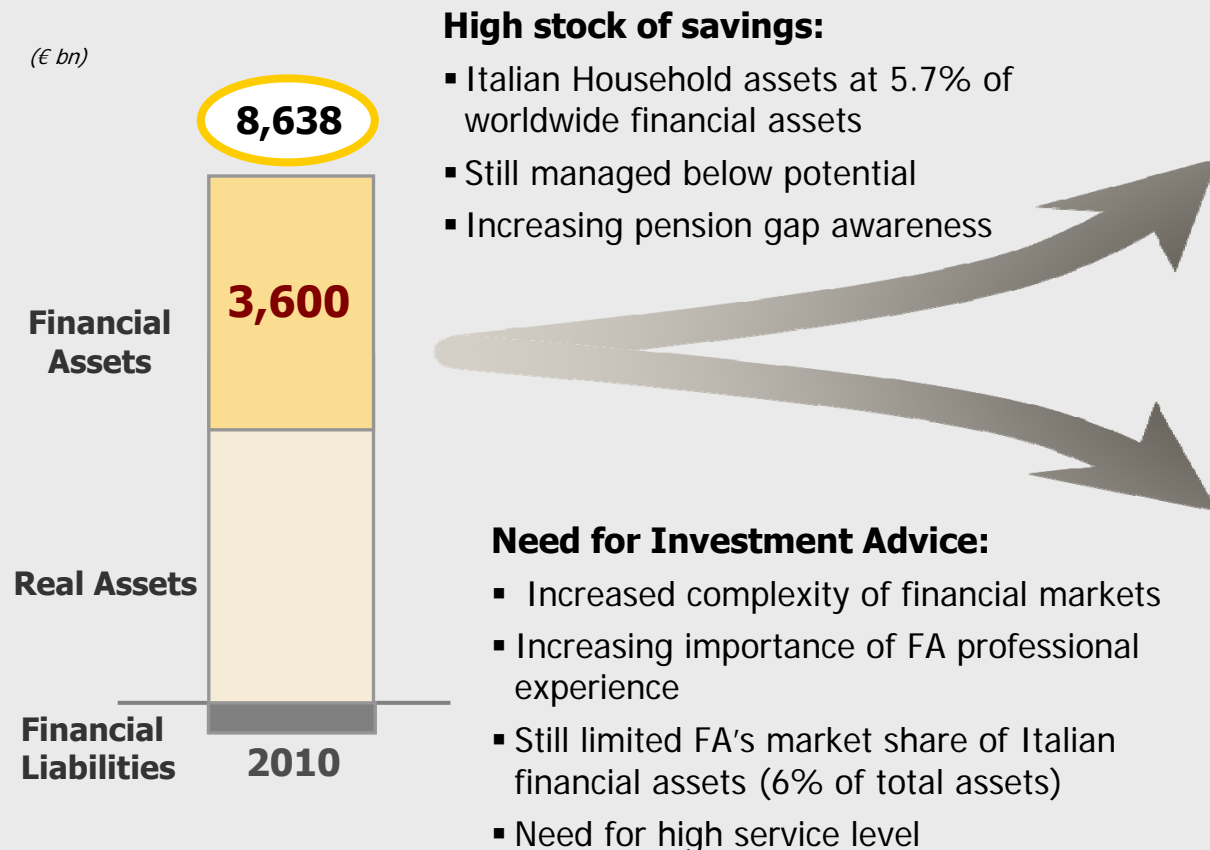
➤ **Net Inflows, AUM and recruiting**

➤ **2012 Business Outlook**

➤ **Closing Remarks**

Market still offers significant growth opportunities for the industry and particularly for Banca Generali

Italian Households Assets



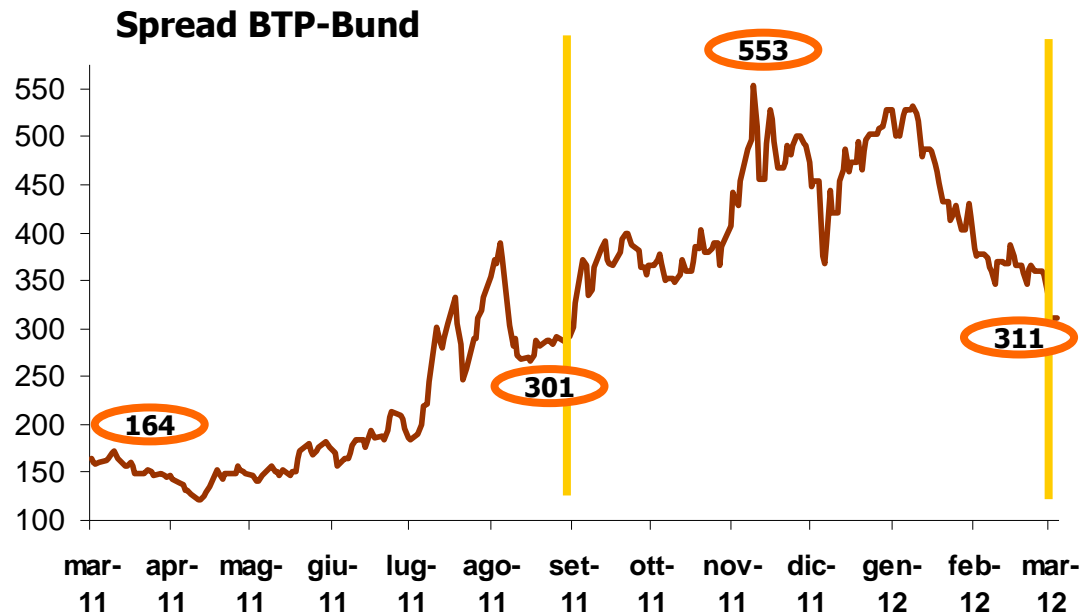
Banca Generali very well placed to tap this demand:

- Highly experience network, strictly selected in the last five years
- Wide product offer, ranging from banking to insurance to tailor-made investment products
- Efficient business platform, able to guarantee a fast time-to-market of new products
- Strong brand reputation

Source: Bank of Italy

Banca Generali successfully managed the widening of the spread on Italian govies

An extraordinary event ...



Italian Sovereign under the limelight in 4Q11:

- PIIGS under pressure
- Sell-off of any European financials stocks
- Fears of a euro break-up

... that commanded an extraordinary reaction

Launch of a wide range of new products

**- BG DAY –
September 19**

to profit from a unique investment opportunity and attract new customers



BG TARGET

Over €950 m of new money raised since September

Now it is time to move on, driving clients towards more long-term investment products

After having successfully managed the worst crisis of Italian govies...

Over €950 m of new money raised since September

... Back to Normal



Increase shift towards managed products

- FoF/Sicav (BG Selection)
- Discretionary accounts (BG Target)
- Multiline insurance (BG new Security)



Exploit wide diversification options by

- Investment strategy/themes
- Asset managers



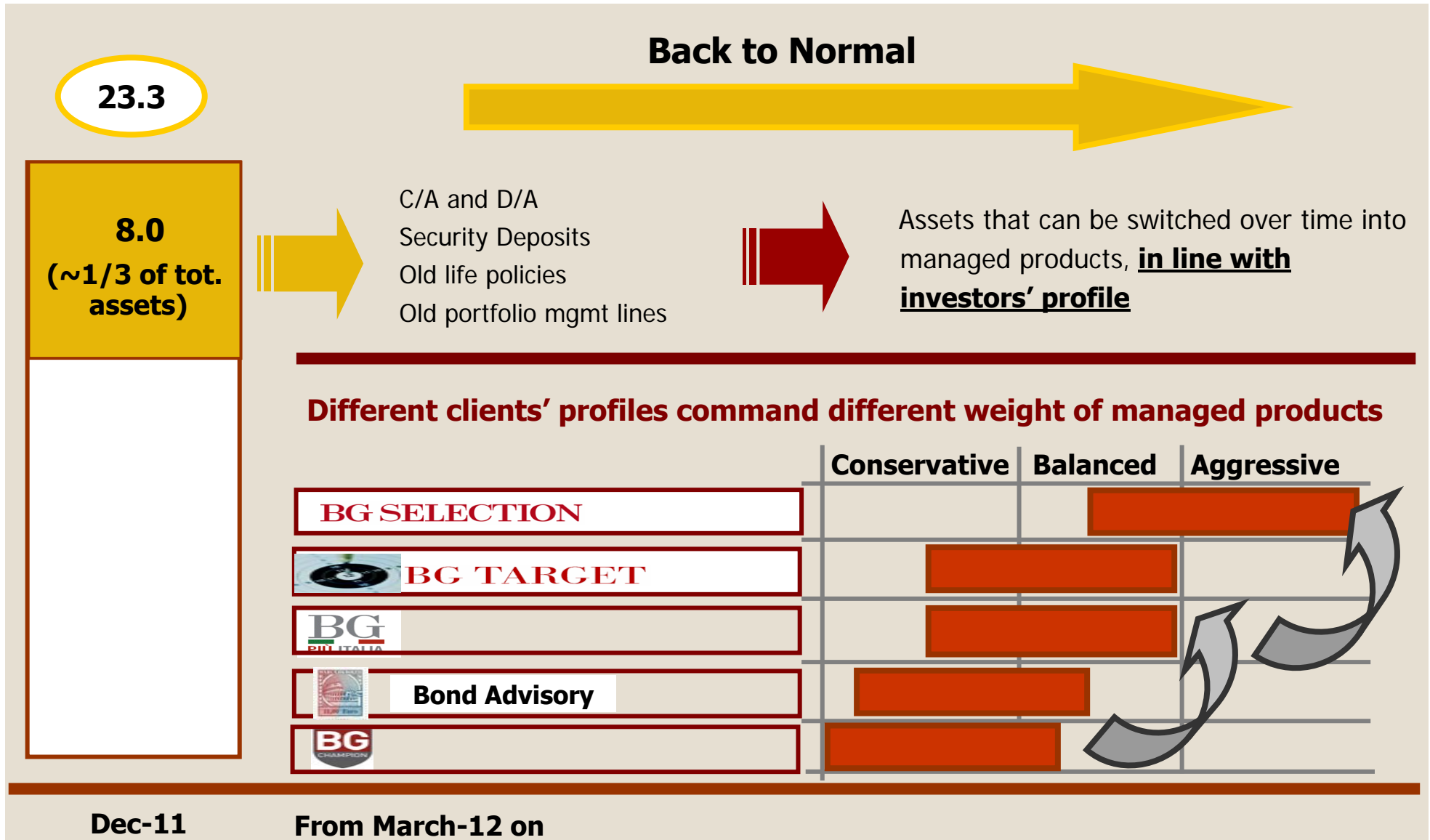
Selected liquidity/defensive products maintained

Sept-11

Feb-12

From March-12 on

About 25% of Banca Generali assets are still invested below potential



Asset diversification and capital protection key drivers of Banca Generali's offer of managed products

Back to Normal



Unparallel diversification tool



- Unique choice of the **best international asset managers**
- Unique **diversification across sectors and markets**
- Wide range of investment categories (focus on flexible and and emerging markets), with **different risk/return profiles**



Protected and diversified equity exposure



- Capital protection** provided by zero-coupon (still at interesting entry levels)
- Equity component focused on **emerging markets**, exploiting different investment styles available within the category
- Wide choice of **durations** available

From March-12 on

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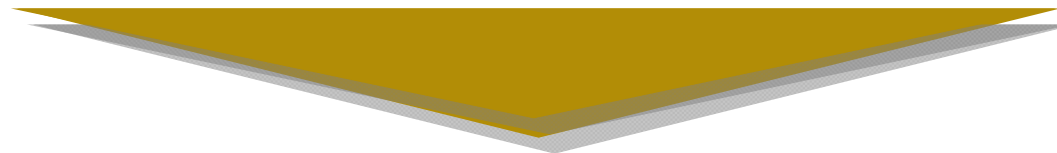
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Banca Generali key business objectives for 2012

Banca Generali is confident that its business guidelines will drive the company towards a profitable and sustainable growth for many years ahead, in any market conditions



- Continuous focus on new clients' acquisition
- Strengthening the recruiting of high quality professionals (mainly from banks)



GROWTH

- Enhancing asset diversification exploiting the wide range of asset management products



PROFITABILITY

- Focus on recurring revenues
- Tight cost discipline



SUSTAINABILITY

2012 Upcoming Corporate Events

APRIL						
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					

**Shareholders Meeting
to approve 2011 results (1st call)**

MAY						
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 1Q 2012 results

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

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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

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.

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