



2012 Results and Business Outlook

Milan, 8 March 2013

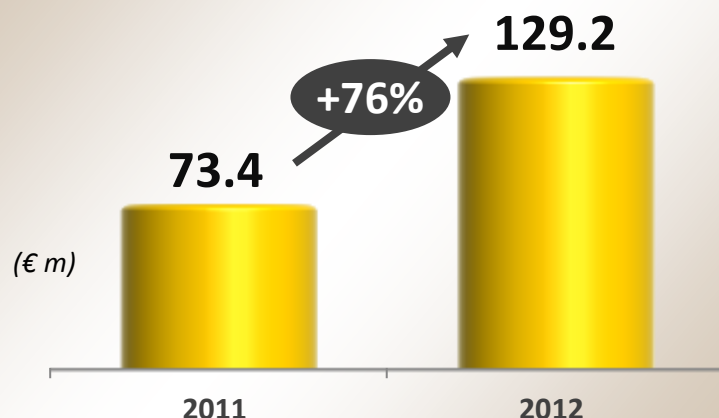
2012 Results

Net Inflows, AUM and Recruiting

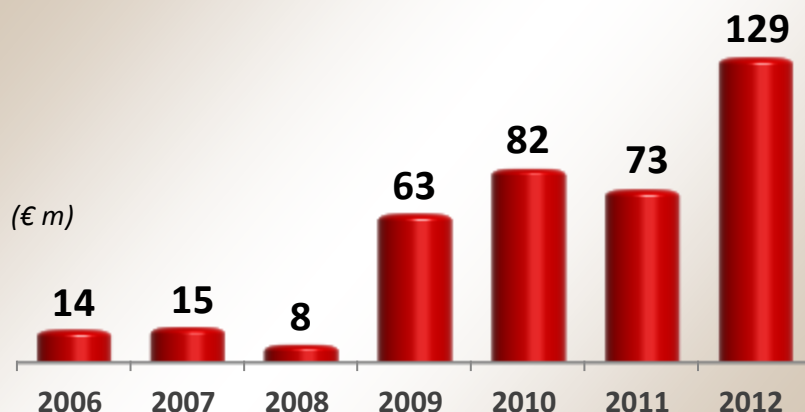
2013 Business Outlook

Closing Remarks

Net Profit



2006-2012 Net Profit



Excellent set of 2012 results

- Record net profit at €129m (+76%)
- Improving profitability ratios with gross margin at 1.87% and ROE at 58.3%
- Strong AUM growth (€26.2 bn, +12%), driven by buoyant net inflows (€1.6bn) and positive fund performance to clients (+7.7% on managed products)

Outstanding DPS growth

- DPS proposal at €0.90 (+64%), confirming the historical pay-out level of the company

Strong capital ratios

- Excess capital increased to €106m, with Tier1 ratio at 11.8% and total capital ratio at 13.0%

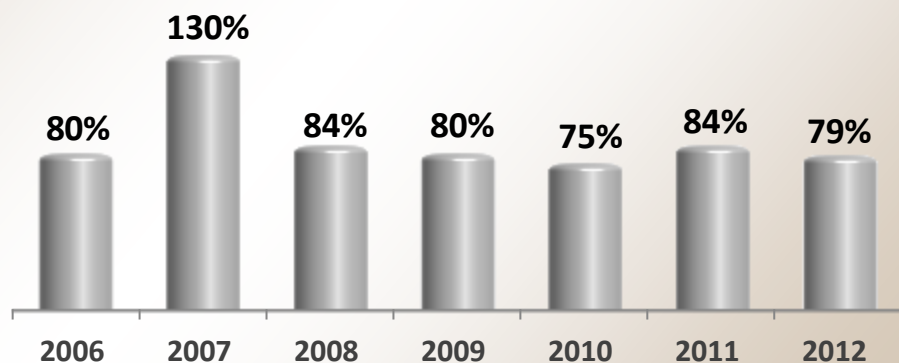
Promising start into 2013

- Total net Inflows at €410 million in January-February
- Net inflows in managed products at €361 million

Dividend per Share (DPS)

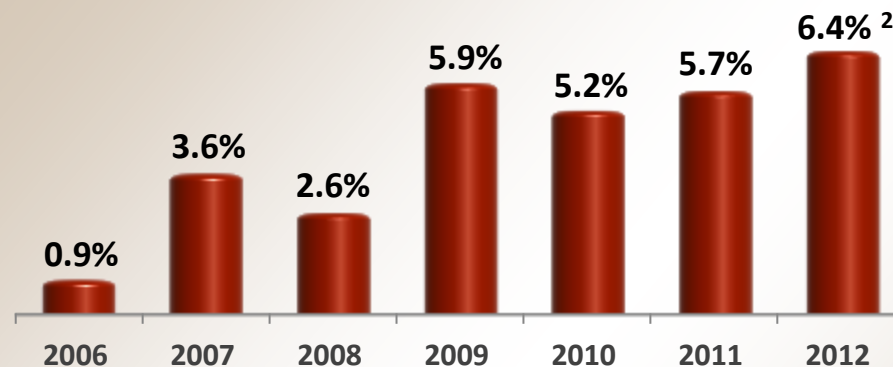


Dividend Pay-out

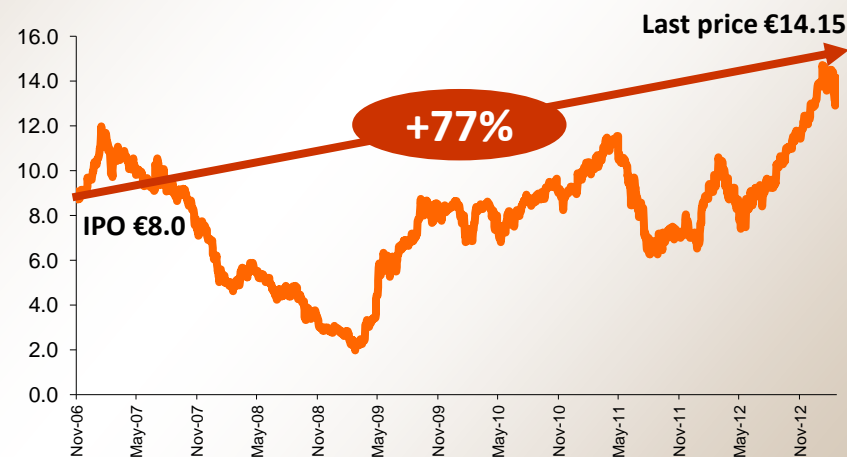


(¹) Board of Directors proposal to AGM scheduled for April 24, 2013

Dividend Yield



Banca Generali Share Price



(²) Price at the date of the BOD proposal to AGM (€14.15)

Strong increase in **Net Interest Income** thanks to higher volumes and higher investment yield on the bond portfolio

Solid increase in **net commissions (+14% YoY)** thanks to higher assets and a positive fund performance

Subdued Increase in operating costs (+4.6%) much lower than total revenue (+40%)

Lower **Write-downs** on investment portfolio

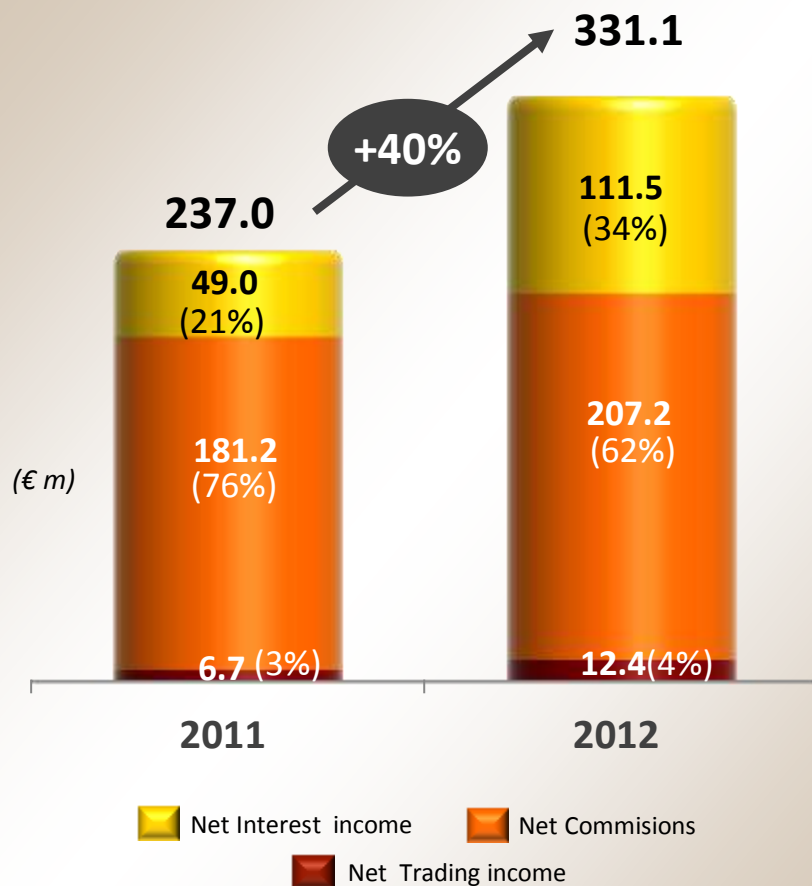
Higher **provisions** entirely linked to higher net inflows and better recruiting prospects

Net profit at €129.2m (+76%)

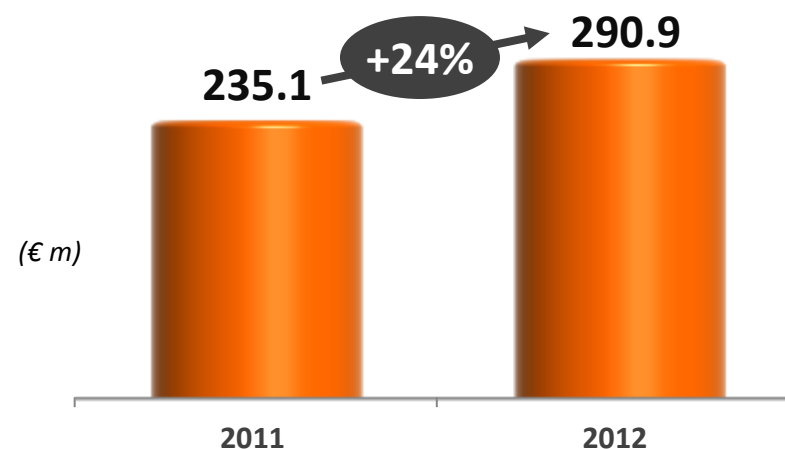
(€ m)	12M11 (reported)	12M12 (reported)	% Chg	12M11 (excl. GIL)	12M12 (excl. GIL)	% Chg
Net Interest Income	49.1	111.6	127.4%	49.0	111.5	127.5%
Commission income	350.7	384.6	9.7%	322.6	355.6	10.2%
Commission expense	-162.8	-170.6	4.8%	-141.4	-148.4	5.0%
Net Commission	188.0	214.1	13.9%	181.2	207.2	14.3%
Net income (loss) from trading activities	-85.6	11.6	-113.6%	-85.6	11.6	-113.6%
Dividends	92.3	0.7	-99.2%	92.3	0.7	-99.2%
Net income (loss) from trading activities and Dividen	6.7	12.4	84.7%	6.7	12.4	84.4%
Net Banking Income	243.7	338.0	38.7%	237.0	331.1	39.7%
Staff expenses	-64.8	-67.2	3.7%	-63.0	-65.1	3.4%
Other general and administrative expense	-78.6	-92.7	17.9%	-77.9	-92.0	18.0%
Depreciation and amortisation	-4.1	-4.5	9.8%	-4.0	-4.4	10.4%
Other net operating income (expense)	8.7	19.1	120.7%	8.7	19.0	119.4%
Total costs	-138.8	-145.2	4.6%	-136.3	-142.5	4.6%
Cost /Income Ratio	-55.3%	-41.6%	13,7 p.p.	-55.8%	-41.7%	14,1 p.p.
Operating Profit	104.9	192.8	83.7%	100.7	188.6	87.3%
Net adjustments for impair.loans and other assets	-6.0	-4.3	-28.3%	-6.0	-4.3	-28.3%
Net provisions for liabilities and contingencies	-10.1	-18.6	84.9%	-10.1	-18.7	84.4%
Profit Before Taxation	88.9	169.9	91.1%	84.6	165.6	95.9%
Direct income taxes	-13.4	-37.3	179.2%	-13.0	-36.8	184.3%
Tax rate	15.0%	21.9%	6,9 p.p.	15.3%	22.3%	7 p.p.
Income/(losses) after tax on assets held for sales	1.8	0.5	-75.4%	1.8	0.5	-75.4%
Minorities interest	-4.0	-3.9	-2.2%	0.0	0.0	
Net Profit	73.4	129.2	76.0%	73.4	129.2	76.0%

Figures "excl. GIL" (LfL) do not incorporate the contribution of Generali Investment Luxembourg ("GIL") merged with BG Investment Lux on 9 Sept. 2009

Total Revenues (ex "GIL")



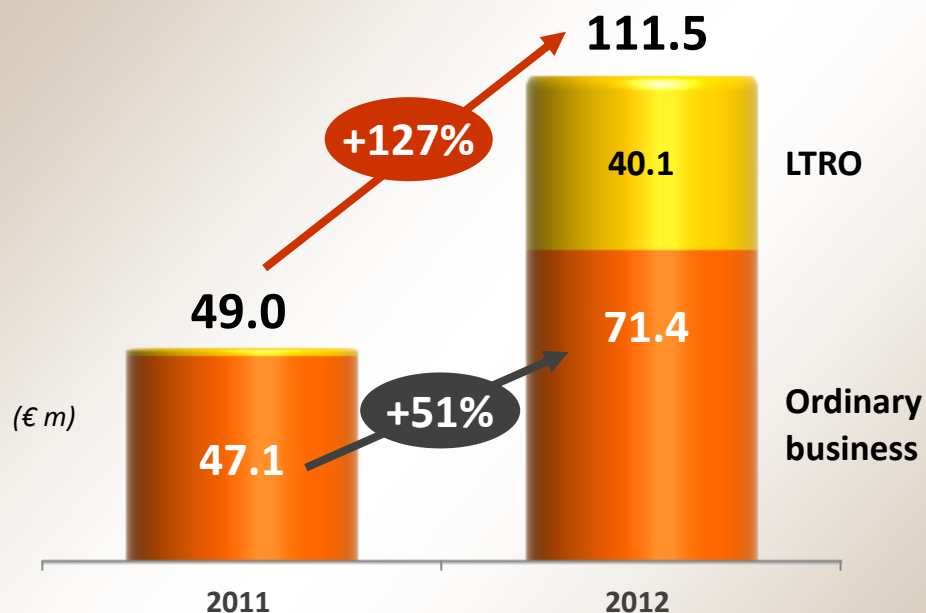
Total Revenues ex-LTRO (ex "GIL")



- **Total revenues at €331m (+40%) with a growing contribution from all business lines**
 - NII at €111.5m, +127% YoY (+51% ex-LTRO)
 - Net commissions at €207.2m, +14% YoY
 - Trading income at €12.4m, +84% YoY
- **Strong growth in total revenues also ex-LTRO contribution (+24%)**

Net interest income more than doubled, driven by favourable investment conditions

Net Interest Income (ex "GIL")



Stable LTRO contribution

- LTRO assets amount to €1.3 bn (26% of total banking book)
- They have fully matched maturities, which allow to estimate a broadly stable P&L contribution for 2013 and 2014

Defensive Banking Book

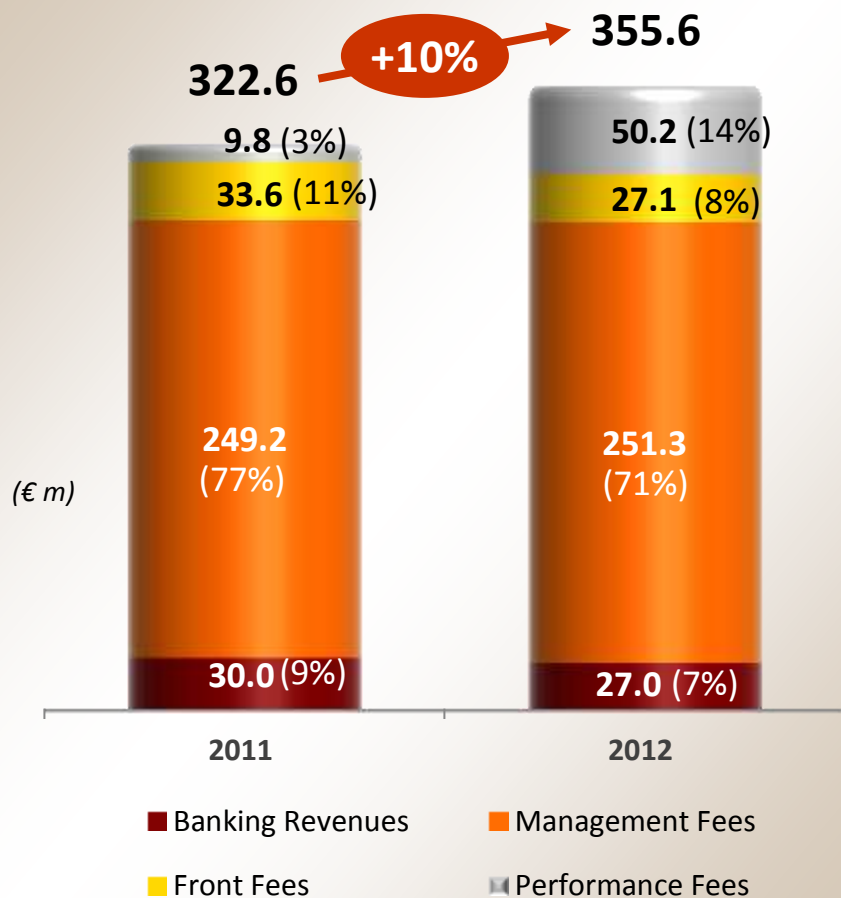
- Total banking book amounts at €5.0bn, with a 1.8 maturity and 1.3 duration
- 2012 avg. yield at 3.3% (2.4% in 2011)

Selected and secured lending

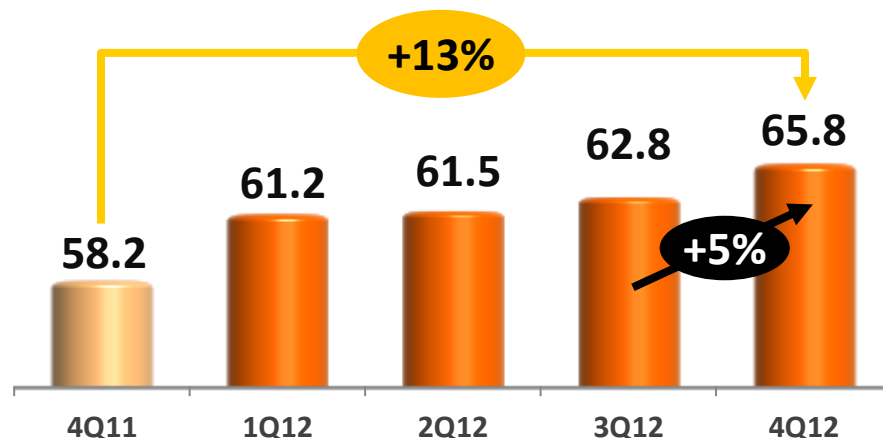
- €300m new secured loans issued in 2012 with a 70% LTV (i.e. related guarantees amount to around €450m)
- excellent asset quality (0.2% NPL/credits to clients) on total loan book of €1.1bn

Gross commissions driven by higher assets and positive fund performance

Breakdown of Gross Commissions (ex "GIL")



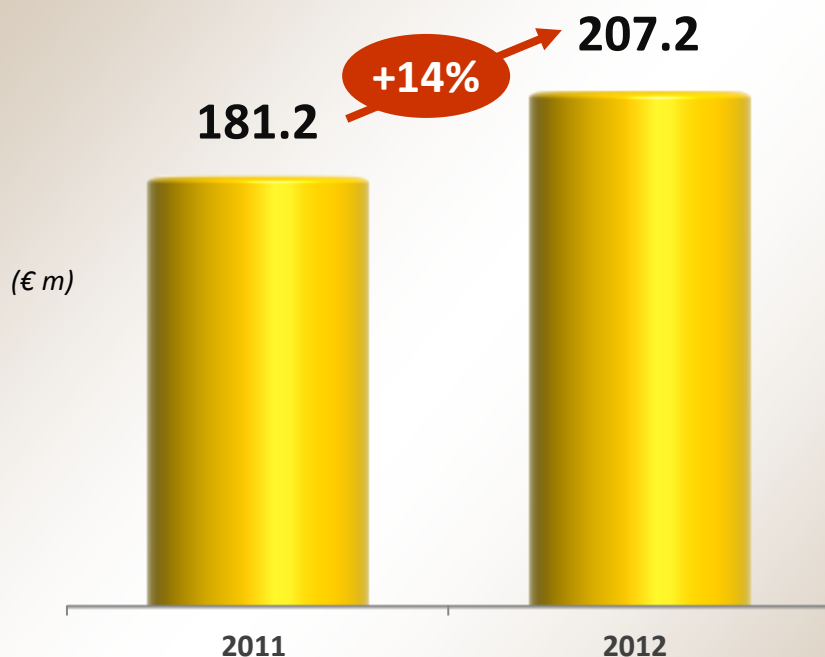
Quarterly management fees (ex "GIL")



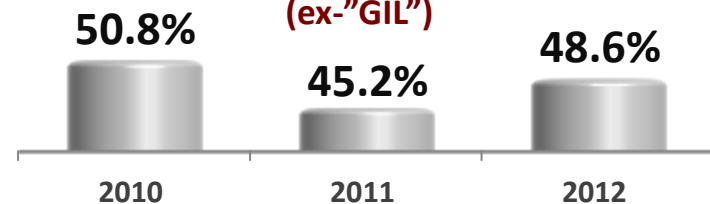
- Quarterly **management fees** posted +13%YoY, with a sharp acceleration in 4Q12 (+5% QoQ)

- Trend in **entry fees** reflects lower structured bond sales
- Banking revenues** are primarily related to poor trading conditions in most of 2012, except for 4Q12
- Good **performance-driven revenues**

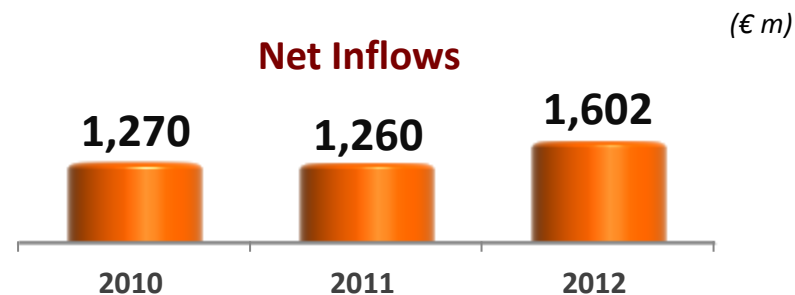
Net Commissions (ex "GIL")



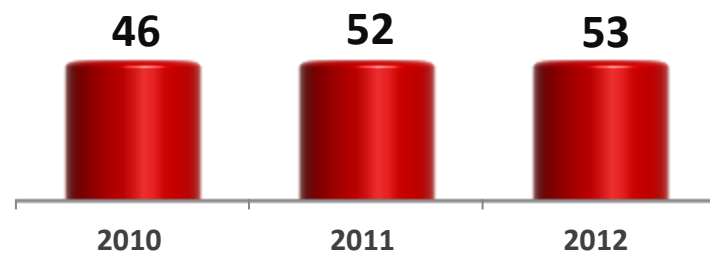
Pay-out ratio excl. perf. fees (ex-"GIL")



Net Inflows



No. of new Recruits



Increase in operating expenses linked to new IT investments

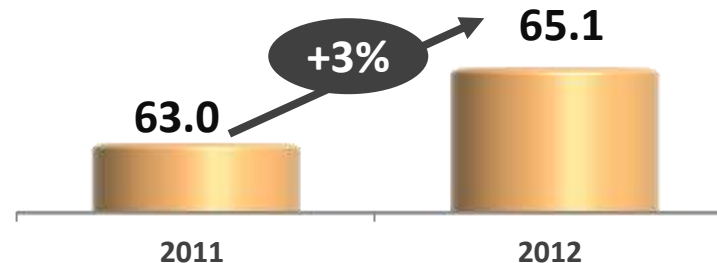
Operating expenses (ex-GIL) net of stamp duty¹

(€ m)



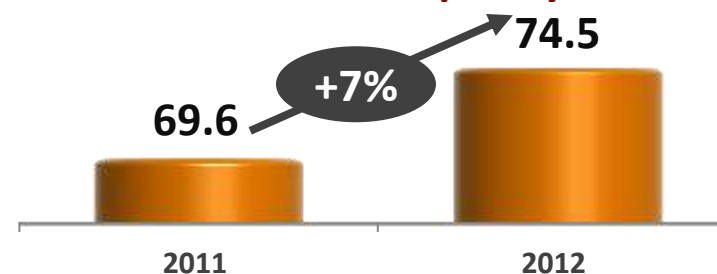
¹ Stamp duty is fully recovered from clients. The increase is linked to the "Salva Italia" decree (Nov 2012)

Staff costs



- Staff costs incorporated an **higher variable component** due to strong company results

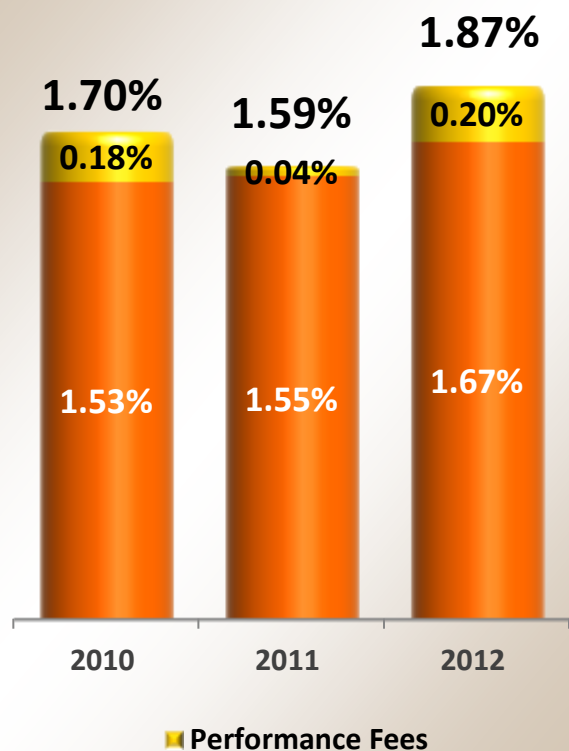
G&A ex-stamp duty



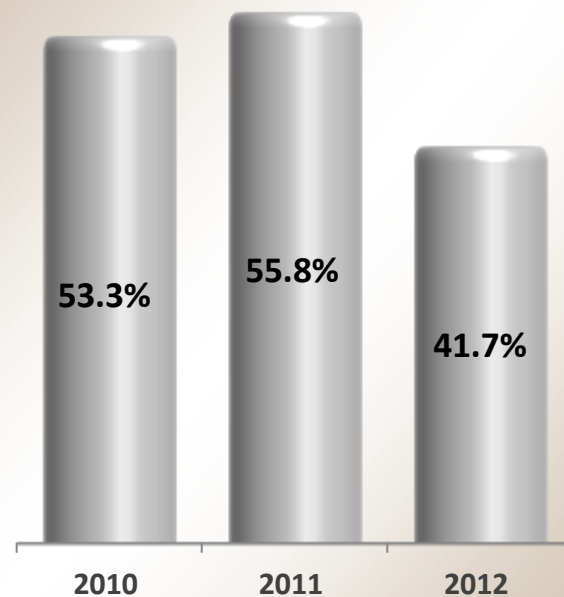
- G&A costs incorporated **higher IT investments** (digital signature), one-off merger costs related to BG Sgr and **higher costs for governance requirements**

(€ m)

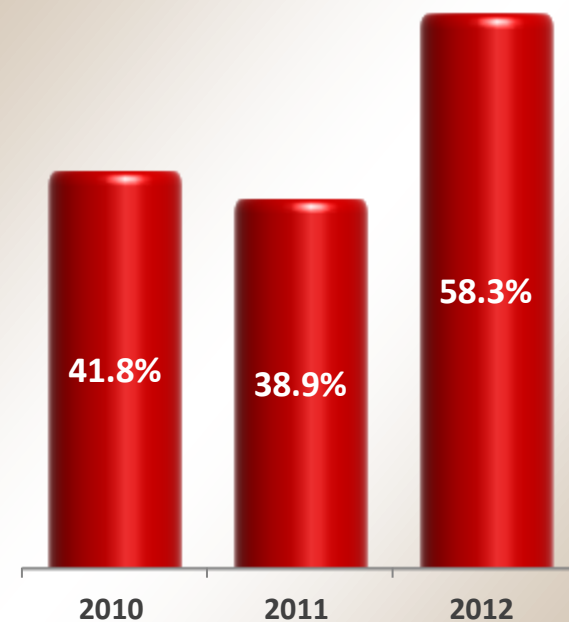
AUM profitability



Cost/Income ratio

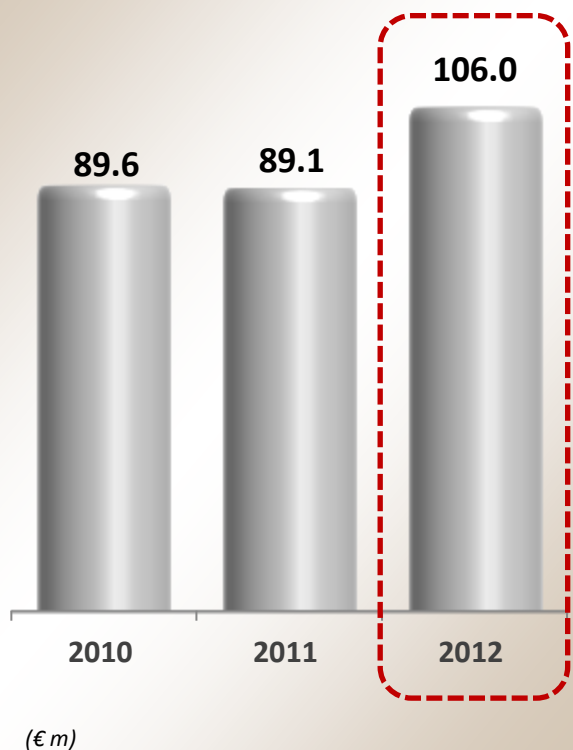


ROE

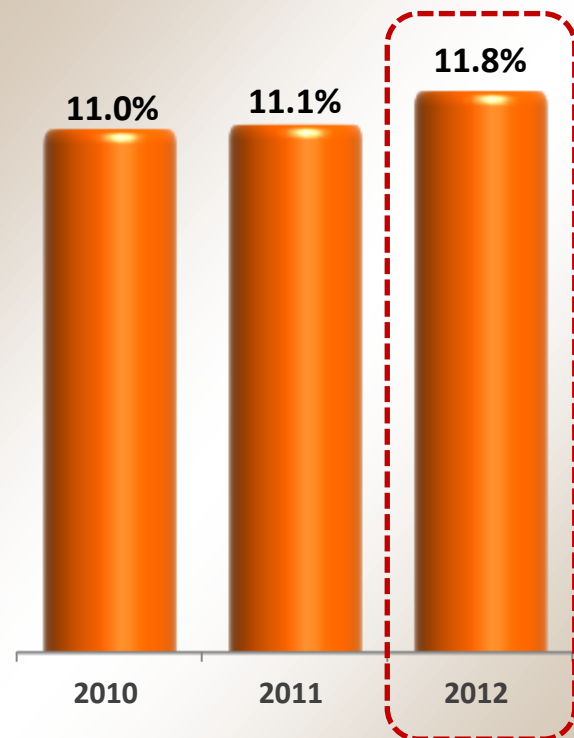


Figures excl. "GIL"

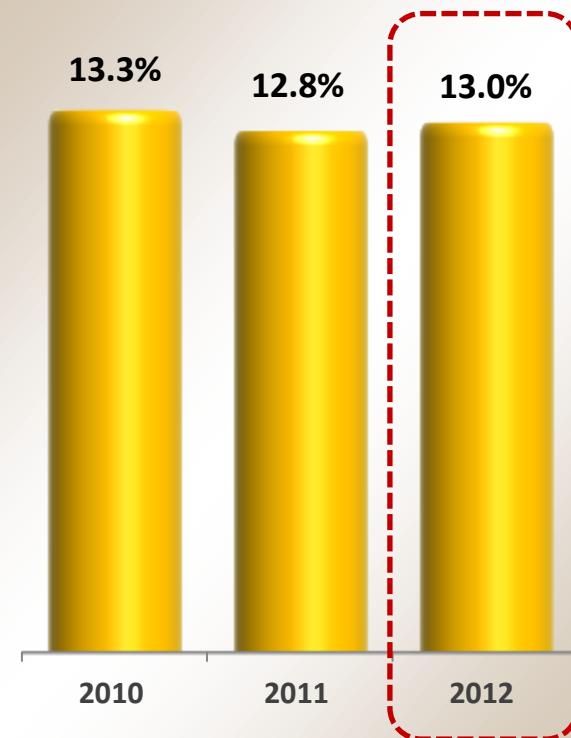
Excess Capital



Tier 1 Capital Ratio



Total Capital Ratio



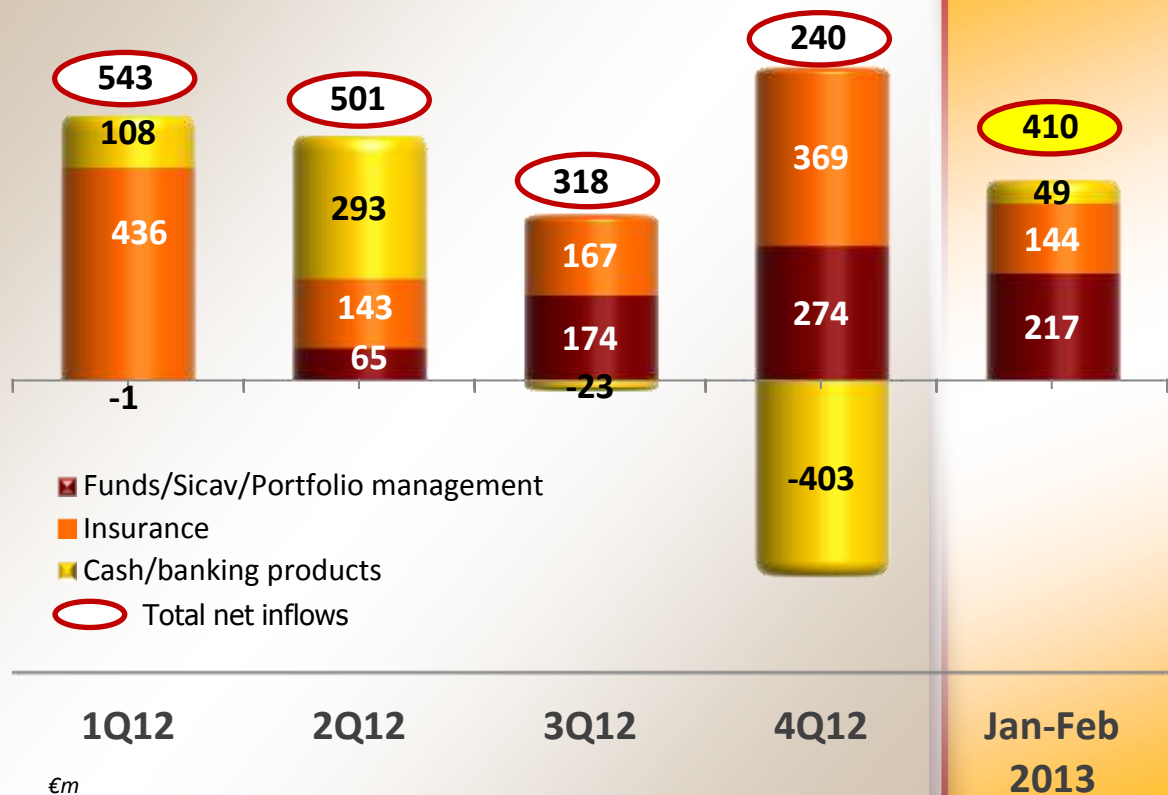
2012 Results

Net Inflows, AUM and Recruiting

2013 Business Outlook

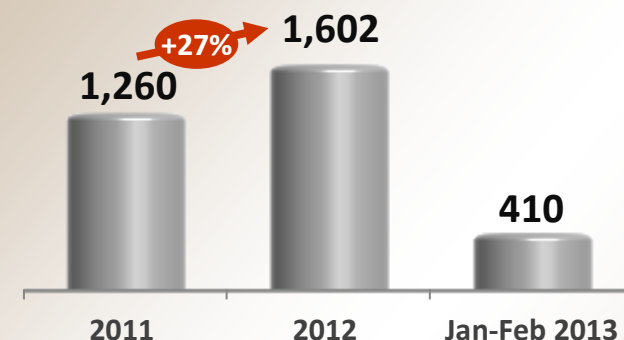
Closing Remarks

Net Inflows split by quarter and mix

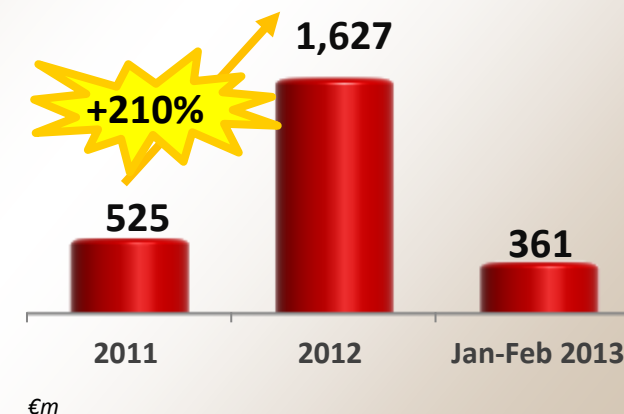


- From 2Q12 onwards steady growth in funds/sicav (€730m)
- In 4Q12 a major switch out of cash/banking products into funds/insurance

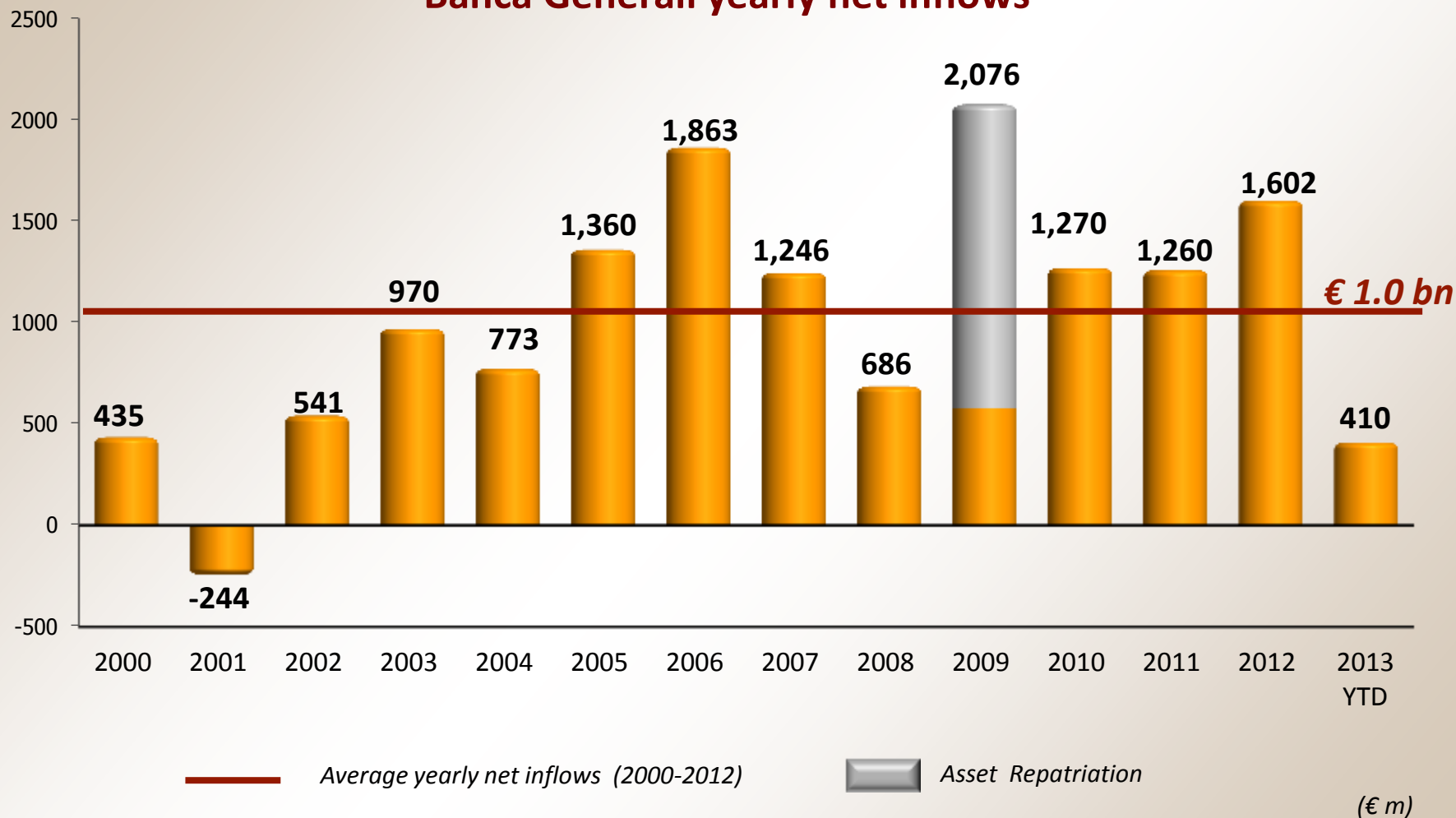
Total Net Inflows



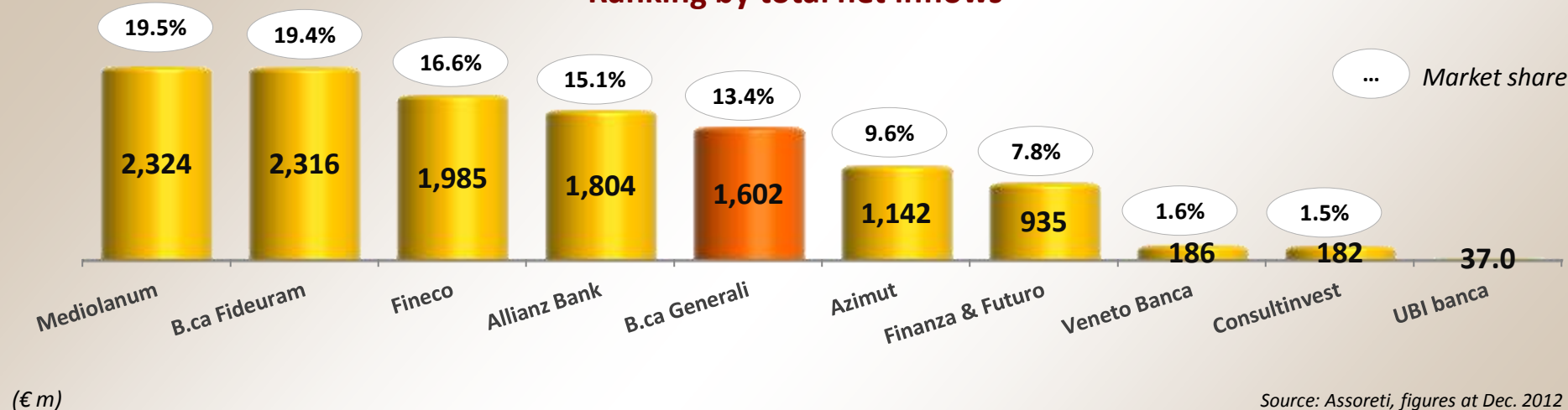
Net Inflows in managed products



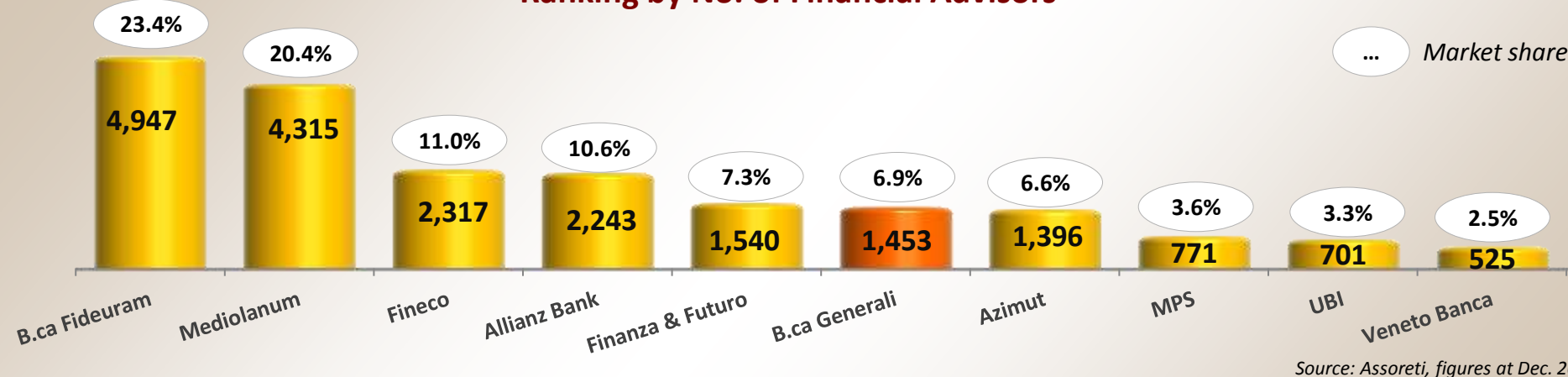
Banca Generali yearly net inflows



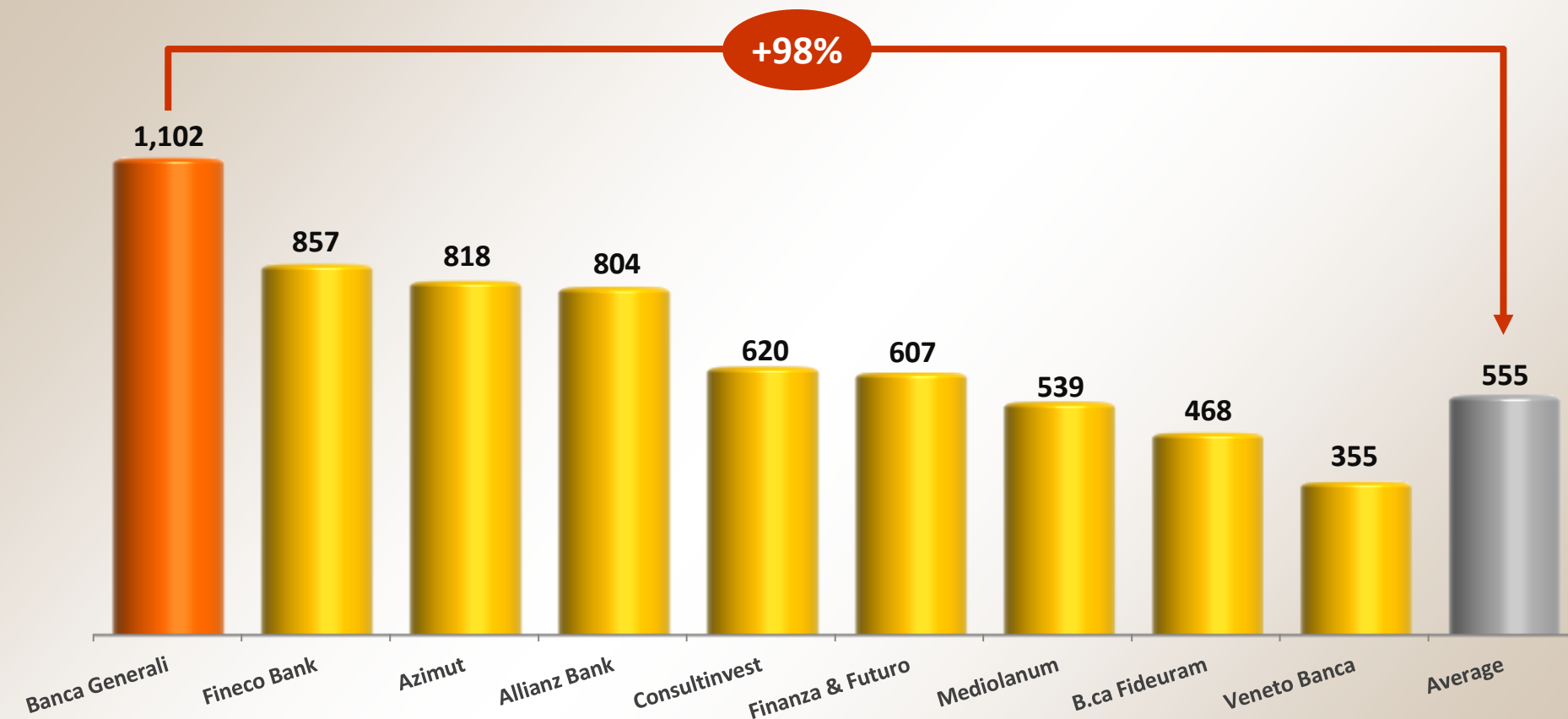
Ranking by total net inflows



Ranking by No. of Financial Advisors



Ranking by FA productivity (Net Inflows/Financial Advisors)



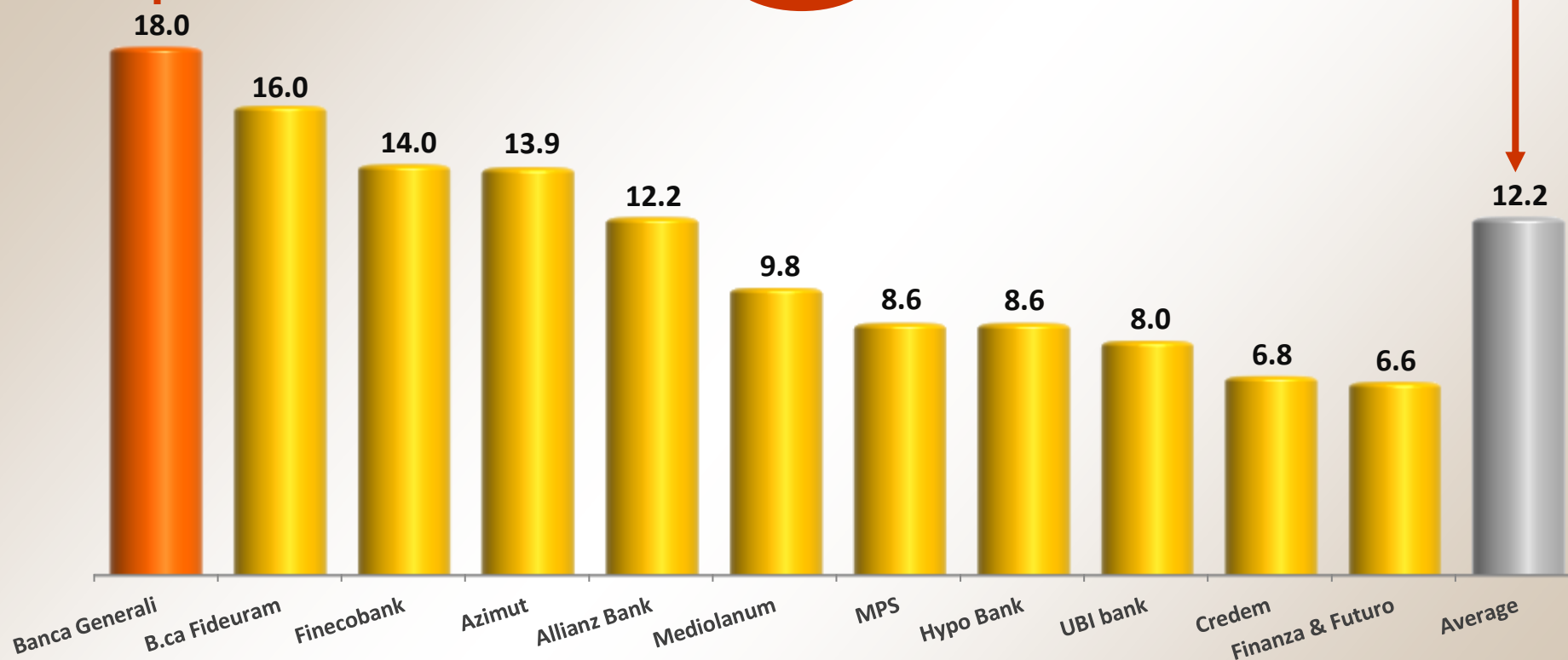
(€ '000)

Source: Assoreti, figures at Dec. 2012

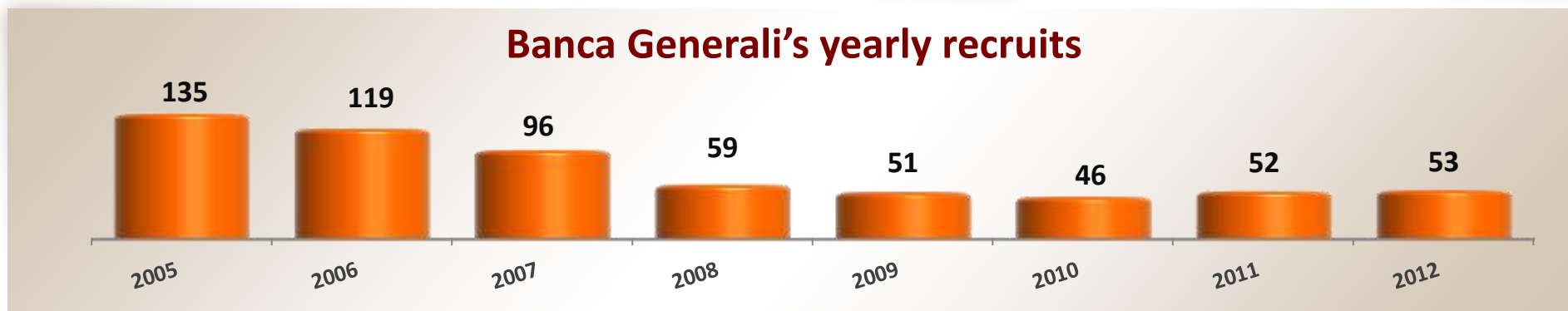
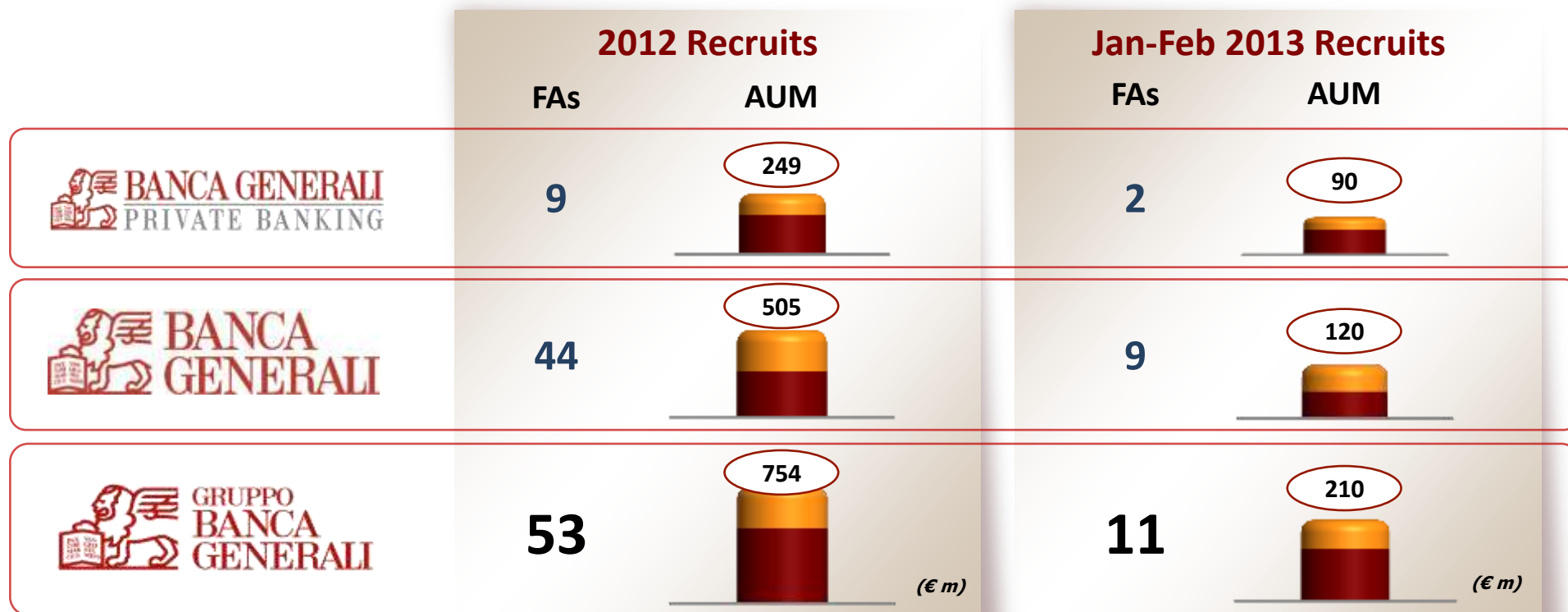
Ranking by FA portfolio size (AUM/FA)

(€ m)

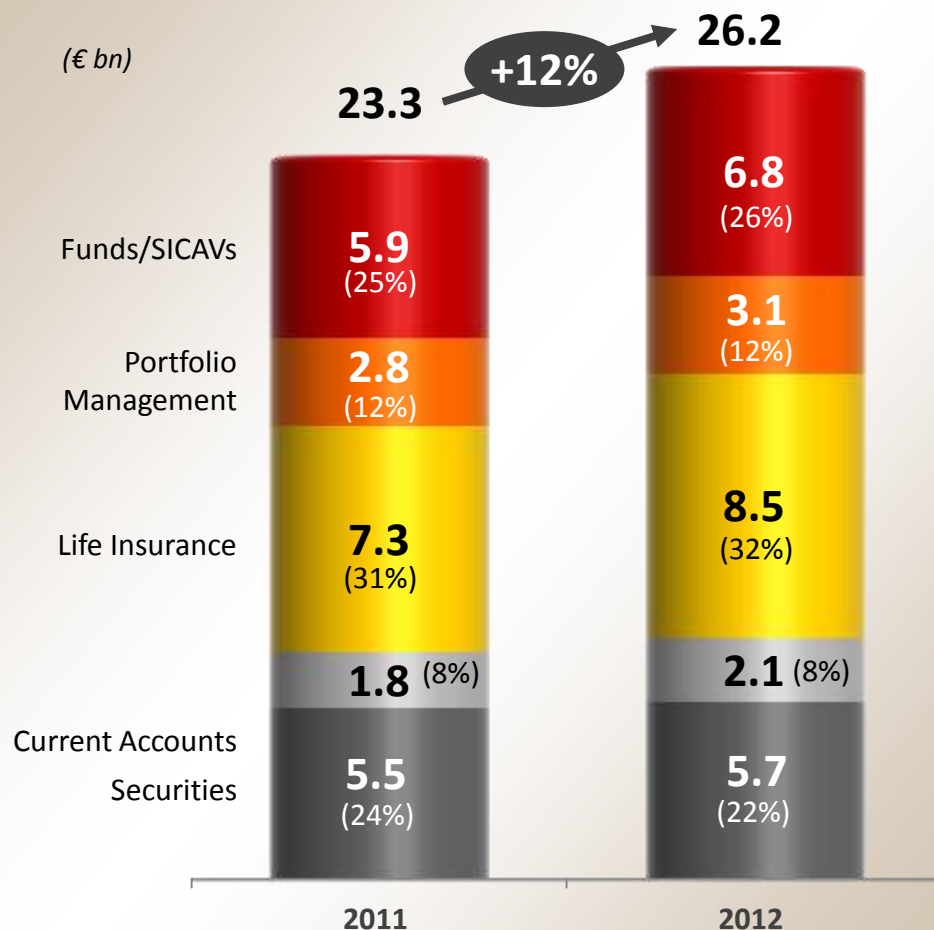
+48%



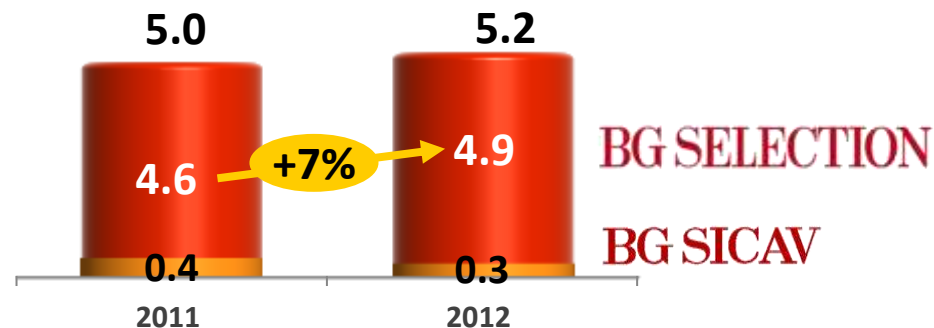
Source: Assoreti, figures at Dec. 2012



Asset Breakdown

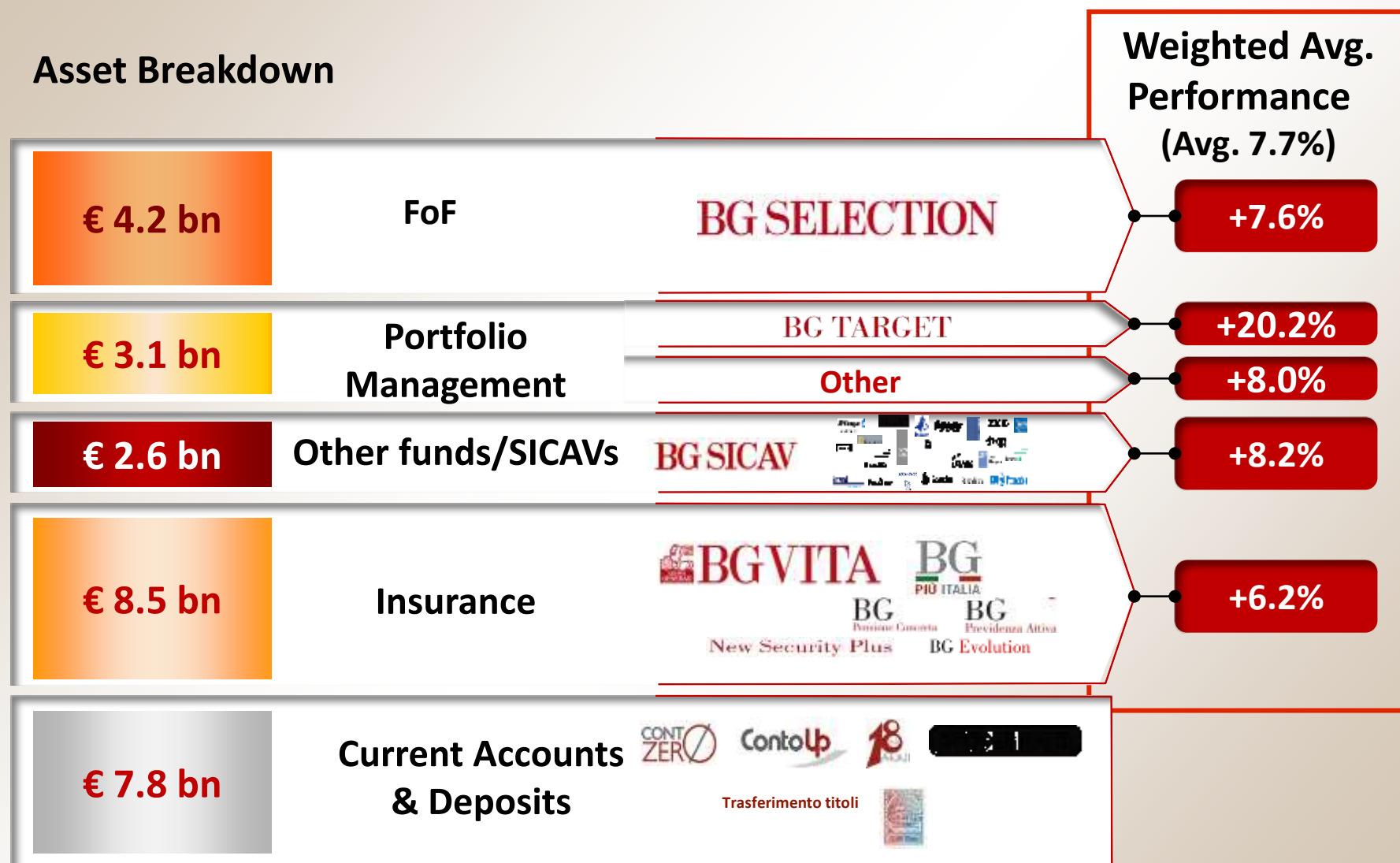


Breakdown of Lux-based assets by product



- **Growth in all product lines, reflecting both net inflows trend and fund performance:**
 - Funds/Sicavs +16%
 - Portfolio Management +10%
 - Life +16%
 - Administered Assets +7%
- **70% of total assets are managed assets**
- **Lux-based assets represent 20% of total**

Asset Breakdown



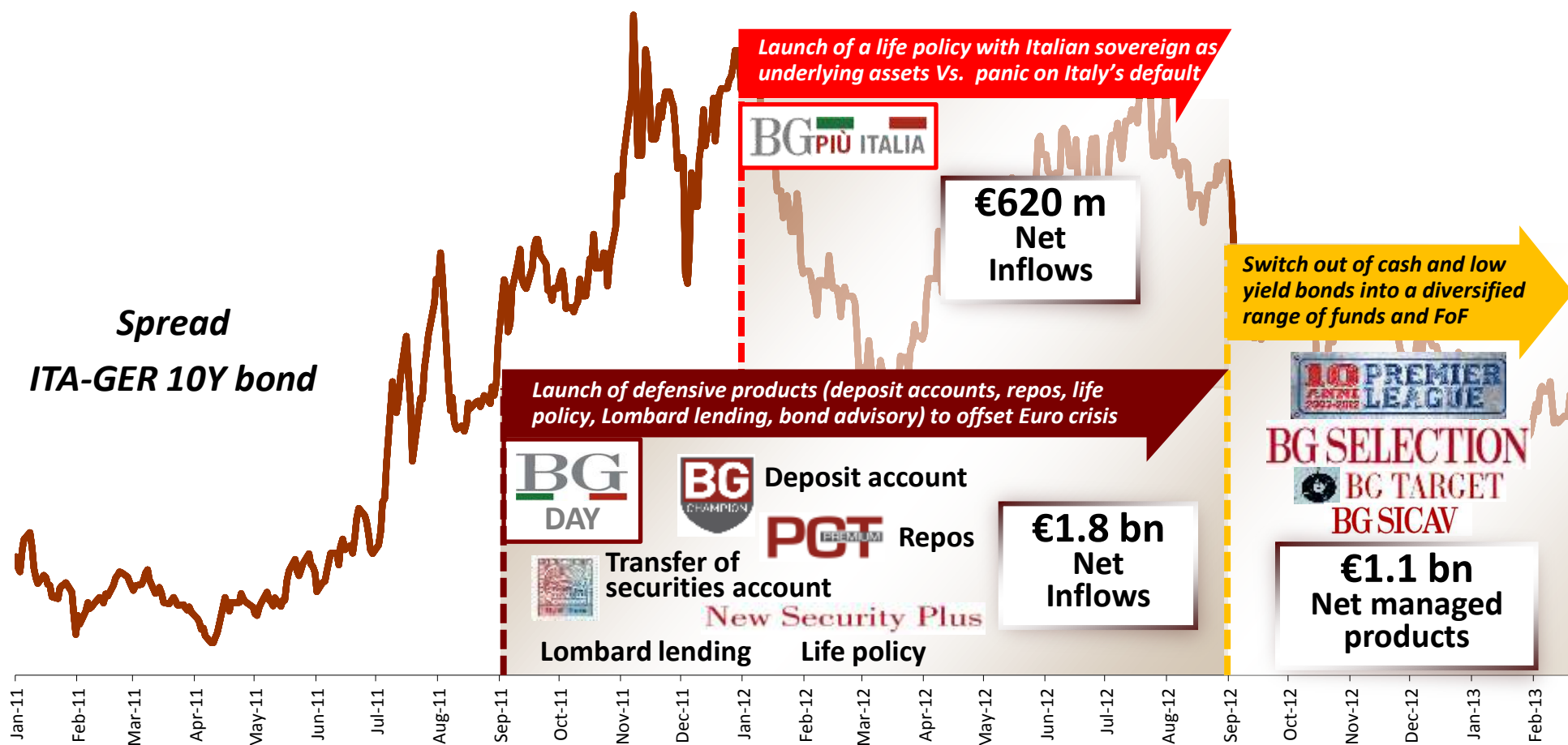
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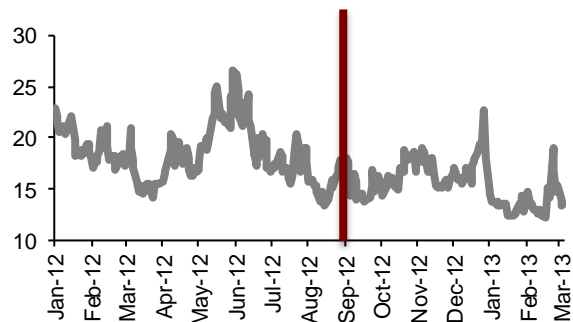
Closing Remarks

Key product campaigns and relative results since 2011

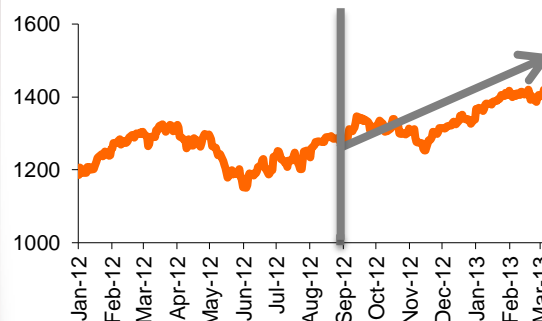


In September we recommended enhancing risk profile in clients' portfolio...

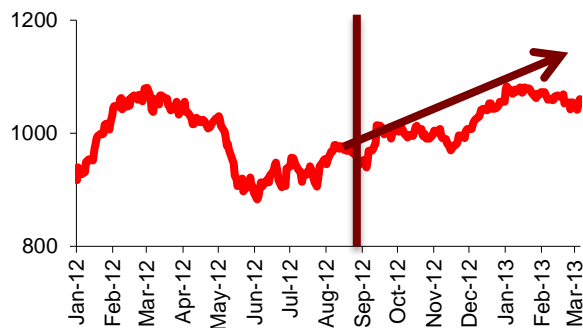
CBOE Vix Index



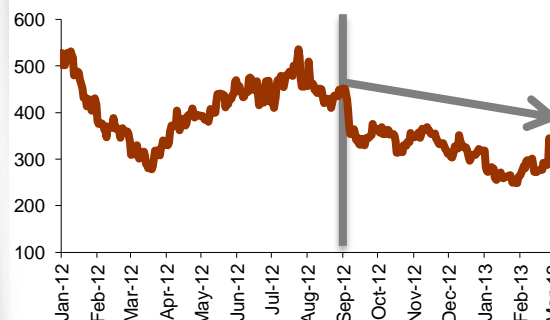
MSCI World



MSCI Emerging Markets



Spread BTP-Bund

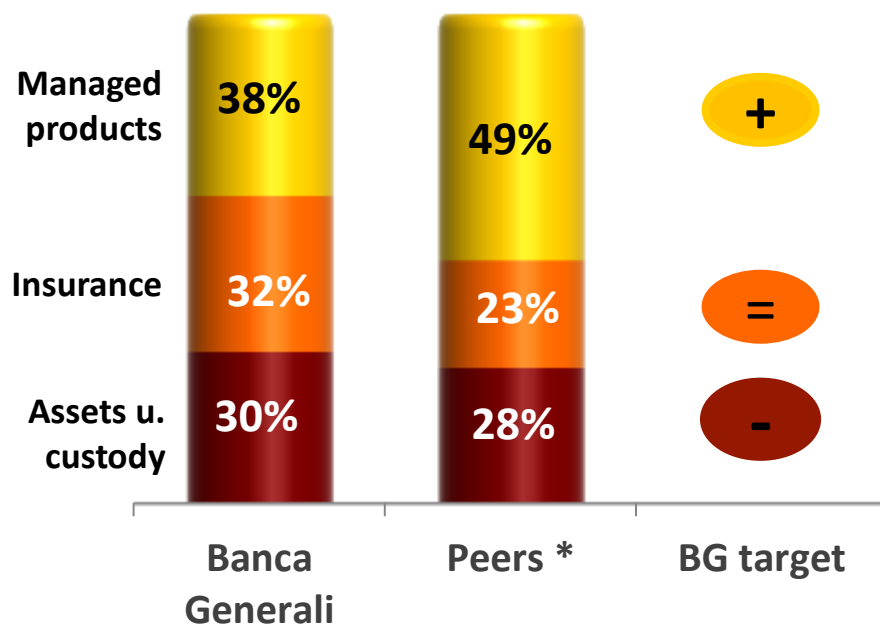


- Improving market sentiment
- Decreasing interest rates in euro-zone periphery leading to the search for other bond strategies (EM, corporate, high yield)
- Evidence of improving equity risk appetite from clients

**Over €1.1 bn net inflows
in managed products
since Sept. 2012**

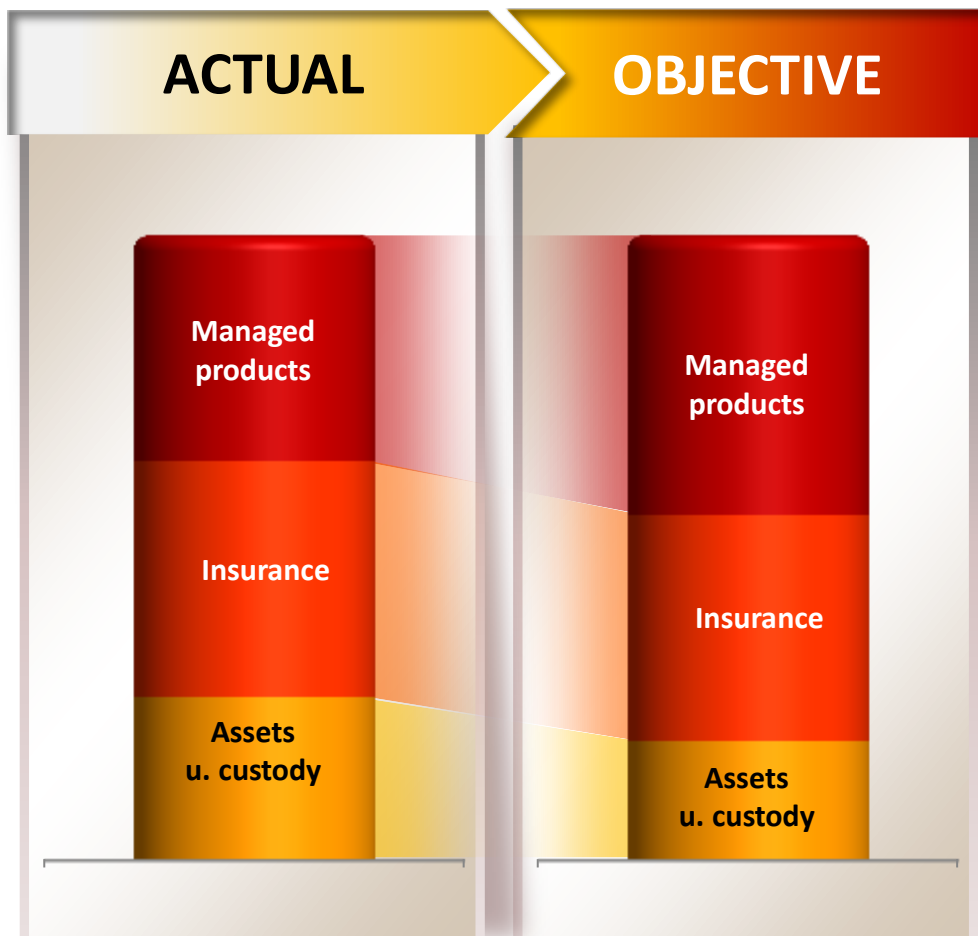
...and there is still scope for a further increase

Asset Mix: Banca Generali vs. Peers



- Current BG **exposure to managed assets** is significantly **below peers**
- **Low equity exposure at 19%** of total assets (primarily invested in Emerging markets)
- **Liquidity products** are an inefficient investment choice

(*) Banca Fideuram, Mediolanum, Allianz Bank, Azimut, Fineco
Source: Assoreti, figures at December 31, 2012



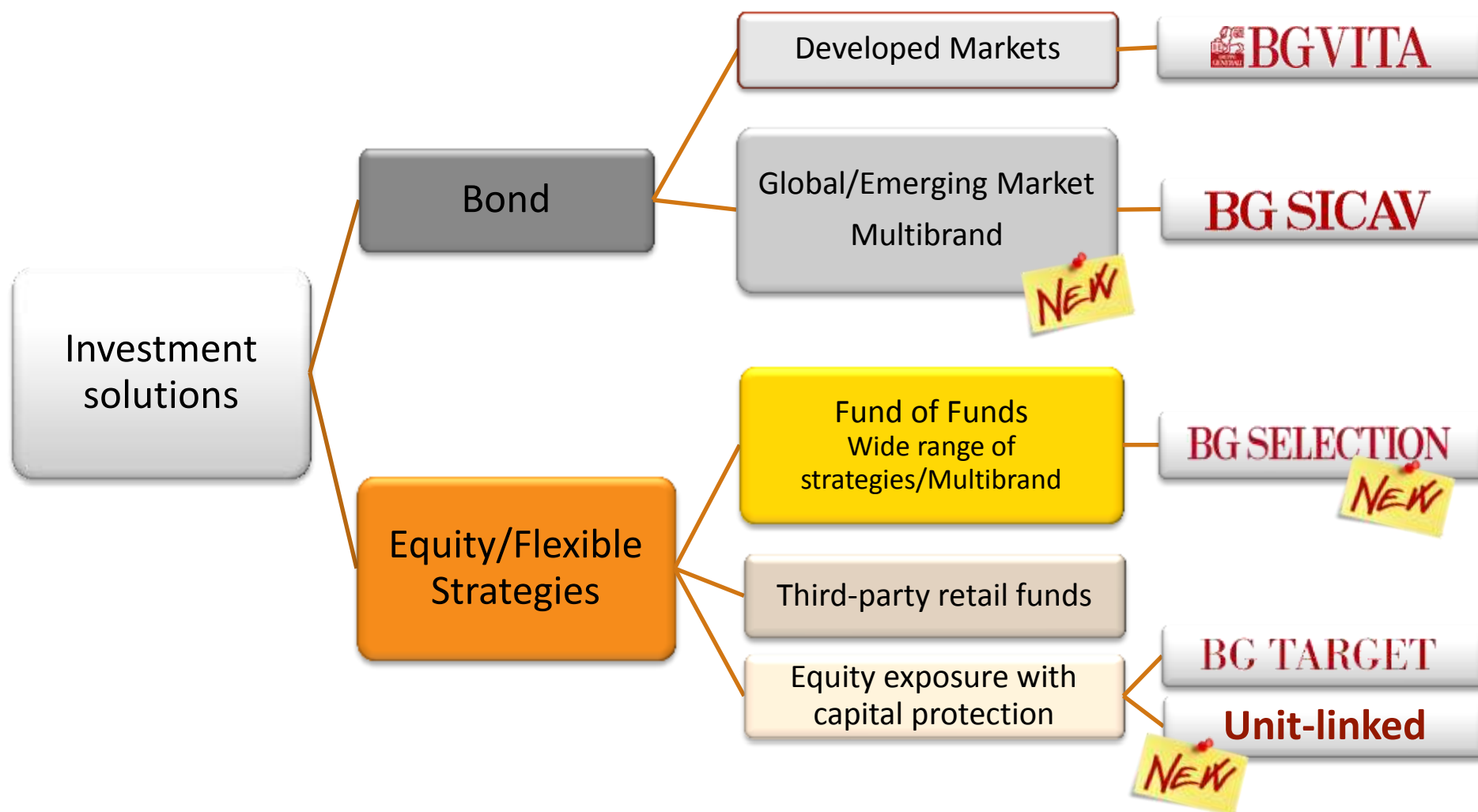
**We target a 3-4 p.p.
increase in the share of
equity/flexible funds**

**We target a selected review of current
exposure to cash and banking products
through our advisory tools:**



BG *Investment Advisory*

A few new launches to integrated current wide product offer



Low yield in major developed countries

European Sovereign risk looming large

Investment opportunities in specialised segments/geographies

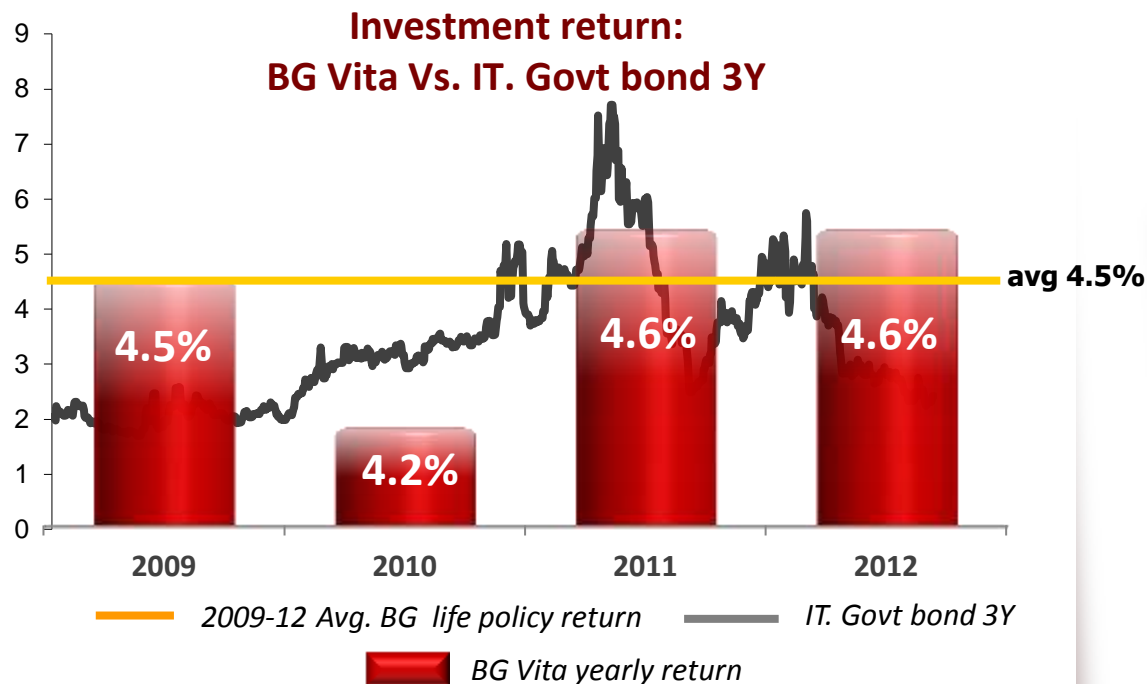
Search for attractive return in the bond market requires an **active ad flexible approach**, open to the global fixed income market

BG SICAV

Hub for multibrand bond/currency investment strategies on emerging and global segments of the fixed income market

- Mandates to be assigned to the best specialists in the sector
- Broad range of investment strategies (long-only and alternative)
- 2 flexible bond funds (Global, Emerging Markets) already launched

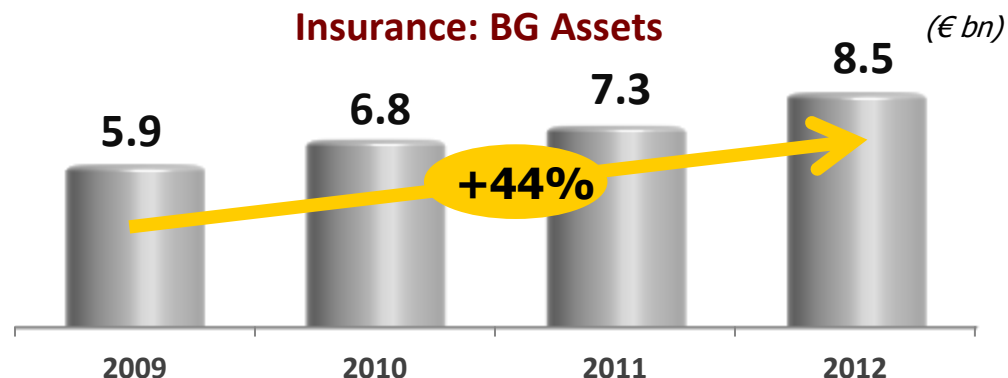
15 new mandates under review



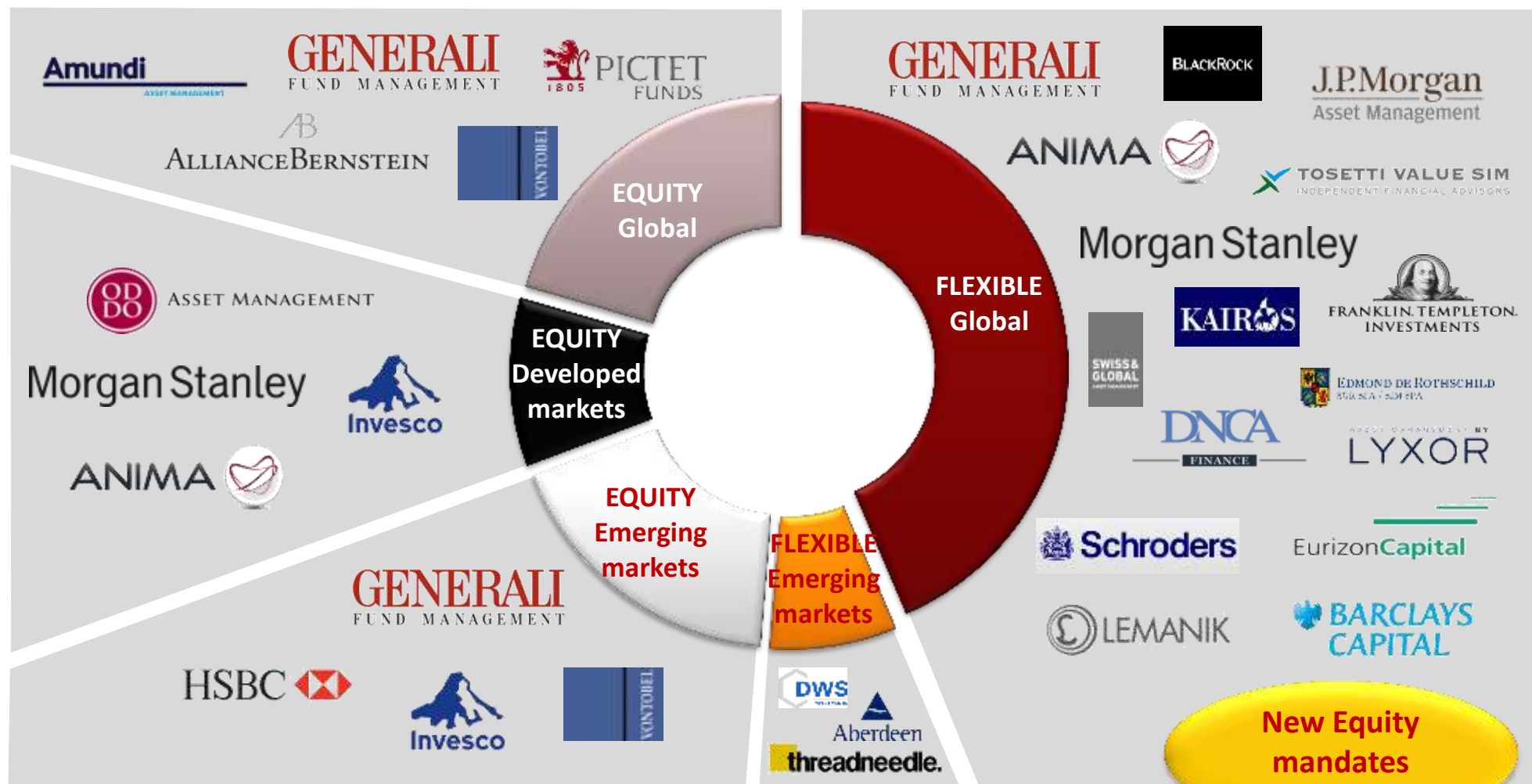
Insurance Products

- Insurance products used as a proxy of bond investments in view of their stable return generation and capital guarantee
- The average return of segregated accounts in the 2009-2012 period has been **4.5%**, well above the risk-free rate in the period.
- Traditional life policies maintain an attractive appeal for 2013 in view of their **tax exemption from stamp duty**

Insurance: BG Assets (€ bn)



BG Selection: an unrivalled investment solution



**New Equity
mandates
by year-end**

2012 Results

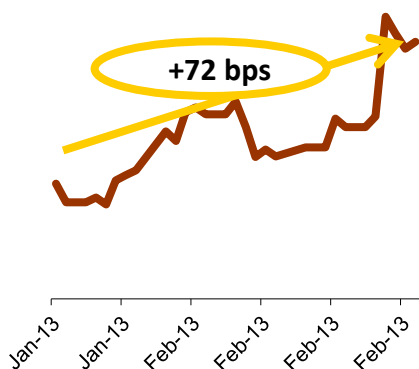
Net Inflows, AUM and Recruiting

2013 Business Outlook

Closing Remarks

What we have learnt from the recent crisis

ITA-GER 10Y bond Spread



Market crisis can be opportunities for both...

...Our Customers...

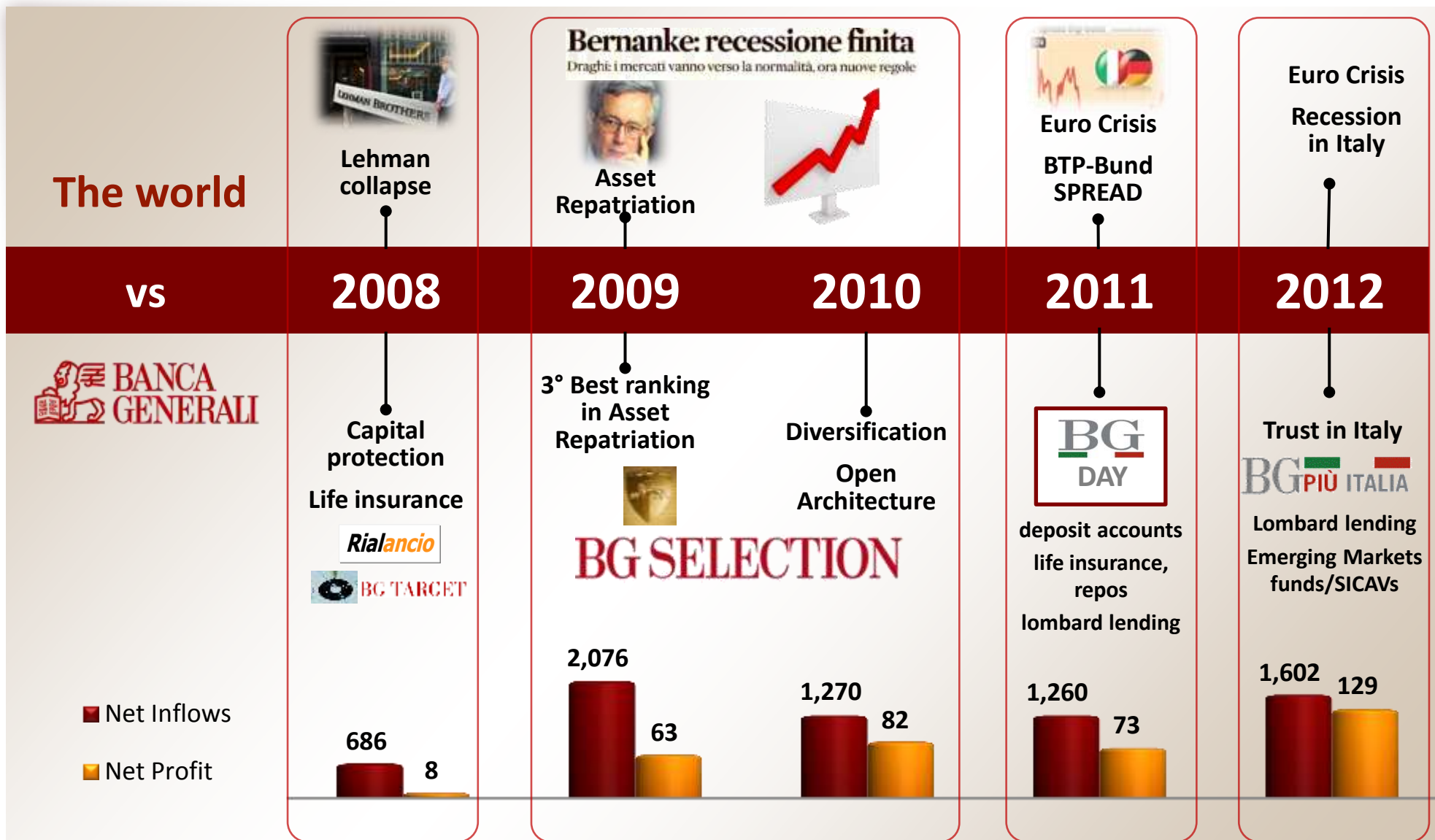
- Exploit investment opportunities with a long-term view avoiding short-term panic reactions
- Sanity check of the portfolios

...Our Company ...

- Demand for investment advisory increases, hence an opportunity to acquire new customers
- Increased evidence of the superiority of FA advisory model compared to traditional banking model

...provided one has the flexibility to react quickly to changing conditions

... the 2008-2012 crisis has turned to growth drivers
for Banca Generali in terms of profits and size...



Our mission

Focusing on client's investment needs and asset revaluation

Our strategy

**Leverage our market expertise and flexibility in
new product launching**

Further enhancing the quality of FA network

Proactive use of our Advisory tools

Our targets

- **Protecting customer's assets in a volatile environment**

- **Increasing market share**
- **Recruiting top professionals**

- **Tailor-made services for upper affluent individuals**
- **Acquiring new customers /increasing the share of wallet of existing ones**

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.

APRIL

Su	Mo	Tu	We	Th	Fr	Sa
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

**AGM to approve 2012 results
(1st call)**

MAY

Su	Mo	Tu	We	Th	Fr	Sa
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**Approval of 1Q 2013
results**

JULY

Su	Mo	Tu	We	Th	Fr	Sa
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**Approval of 1H 2013
results**

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