BANCA GENERALI

9M 2013 Results and Business Update

Milan, 5 November 2013

Today's Agenda

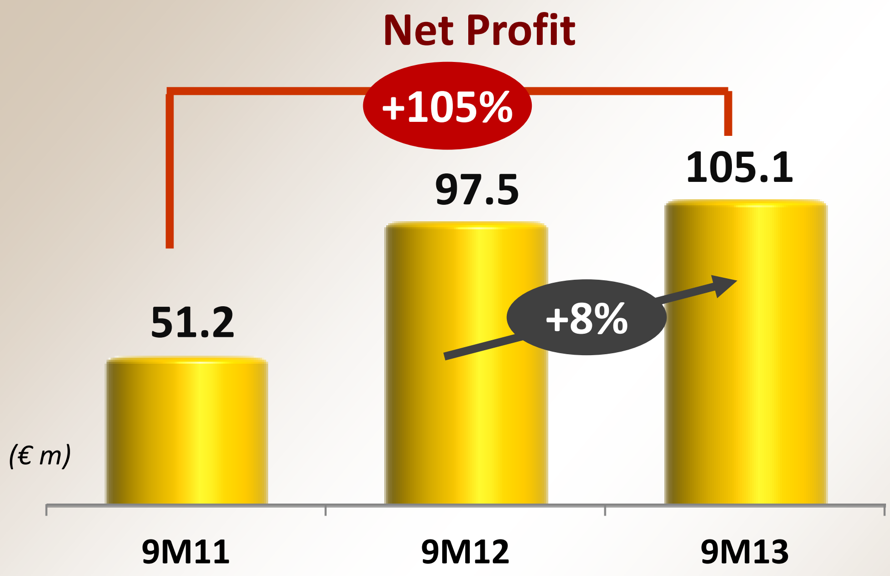
9M 2013 Results

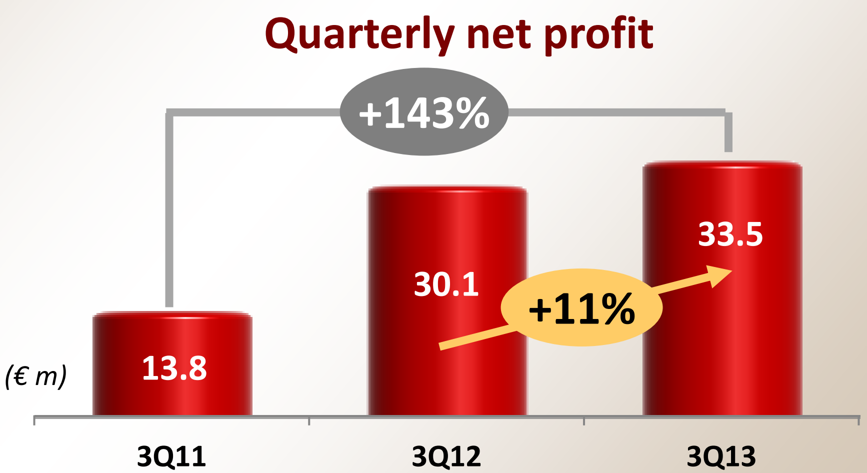
Net Inflows, AUM and Recruiting

Business Update

Closing Remarks

Strong results from growing business





High-quality 9M13 results

- **9M13 net profit at €105m (+8%)**: **best result for the period**, on top of the +90% increase achieved last year in the period
- **Enhanced sustainability:** recurring revenues +15% vs. operating costs +3%

Asset mix rebalancing is bearing fruits

- **Organic growth has already matched LTRO contribution**: recurring gross margin at 1.63% (ex LTRO, ex-performance fees) vs. 1.49% in 9M 2012
- **Net inflows and total assets at all-time high** boosted by managed products
- **Management fees up by +17%**

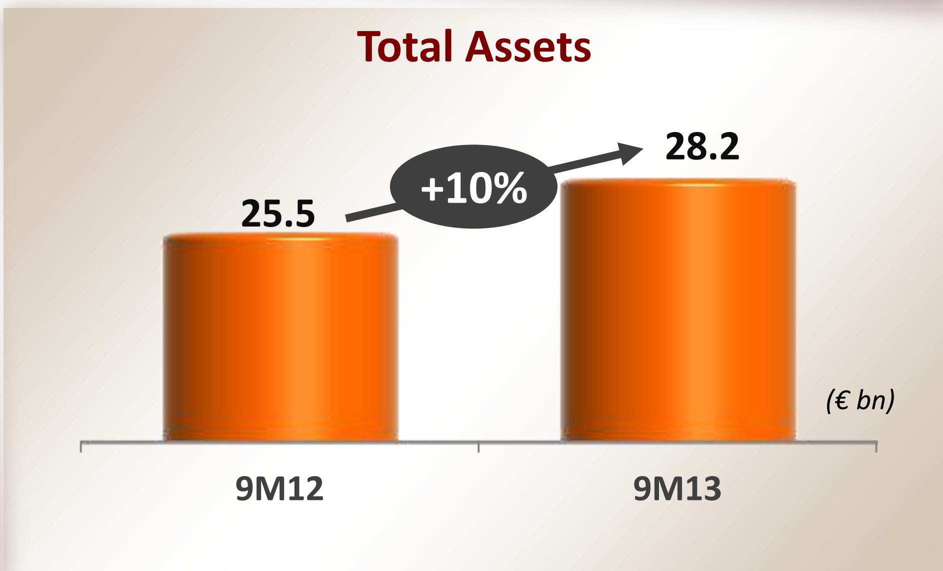
Capital ratios further reinforced

- Excess capital at €144 million (+36%), Tier 1 capital ratio at 14.1% and Total Capital ratio at 15.1%

Significant increase in assets and in net inflows

Ongoing positive momentum

- Strong 9M net inflows with an average run-rate of €205m/month, +54% from 2012 level
- New money into managed products totaled €2.1 bn, as the bank is successfully rebalancing customer portfolios from banking products towards funds, SICAVs and insurance products
- Sharply growing assets (€28.2 bn, +10% yoy), at the highest level in the bank's history



Consolidated 9M13 results: main takeaways

(€ m)	9M12 (reported)	9M13 (reported)	% Chg	9M12 (excl. GIL)	9M13 (excl. GIL)	% Chg
Net Interest Income	**80.4**	**92.3**	**14.9%**	**80.4**	**92.3**	**14.9%**
Commission income	288.6	319.9	10.8%	267.1	295.2	10.5%
Commission expense	-121.5	-148.6	22.3%	-105.2	-129.7	23.3%
Net Commission	**167.1**	**171.2**	**2.5%**	**161.9**	**165.5**	**2.2%**
Net income (loss) from trading activities	8.4	10.4	24.2%	8.4	10.4	24.2%
Dividends	0.7	0.9	24.9%	0.7	0.9	24.9%
Net income (loss) from trading activities and Dividen	9.1	11.3	24.2%	9.1	11.3	24.2%
Total Banking Income	**256.5**	**274.9**	**7.1%**	**251.3**	**269.1**	**7.1%**
Staff expenses	-52.1	-52.8	1.5%	-50.6	-51.3	1.4%
Other general and administrative expense	-68.7	-78.2	13.7%	-68.3	-77.6	13.7%
Depreciation and amortisation	-3.4	-3.7	8.2%	-3.4	-3.7	9.0%
Other net operating income (expense)	13.3	20.4	52.9%	13.3	20.4	53.2%
Total costs	-110.9	-114.3	3.1%	-108.9	-112.2	3.0%
Cost /Income Ratio	*-41.9%*	*-40.2%*	*1.7 p.p.*	*-42.0%*	*-40.3%*	*1.7 p.p.*
Operating Profit	**145.7**	**160.6**	**10.2%**	**142.5**	**156.9**	**10.1%**
Net adjustments for impair.loans and other assets	-2.2	-1.9	-15.2%	-2.2	-1.9	-15.2%
Net provisions for liabilities and contingencies	-15.3	-18.8	22.4%	-15.3	-18.8	22.4%
Profit Before Taxation	**128.1**	**139.9**	**9.2%**	**124.9**	**136.3**	**9.1%**
Direct income taxes	-28.0	-31.5	12.5%	-27.7	-31.2	12.4%
Tax rate	*21.9%*	*22.5%*	*0.6 p.p.*	*22.2%*	*22.9%*	*0.7 p.p.*
Income/(losses) after tax on assets held for sales	0.3	0.0	-100.0%	0.3	0.0	-100.0%
Minorities interest	-2.9	-3.3	13.0%	0.0	0.0	-100.0%
Net Profit	**97.5**	**105.1**	**7.8%**	**97.5**	**105.1**	**7.8%**

Figures do not incorporate the institutional business of GFM

Net Interest Income up by 15% driven by the ordinary business (+27%)

Strong management fees (+17%) drove gross commissions higher (+11%) counterbalancing lower performance fees (-31%)

Enhanced revenues sustainability with revenues ex-perf. fees representing 89% of total (vs. 83% last year)

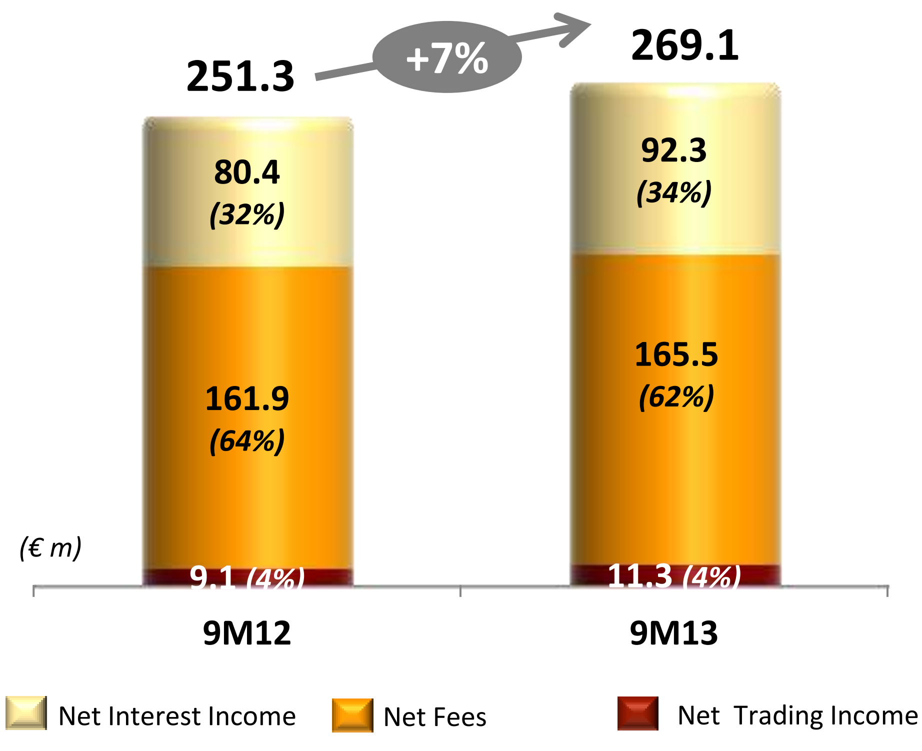
Tight cost management with **operating costs** up by 3% and cost/income at 40%

The increase in **provisions** reflects higher net inflows and higher recruiting

Net profit at €105.1m (+8%), on top of a record result last year

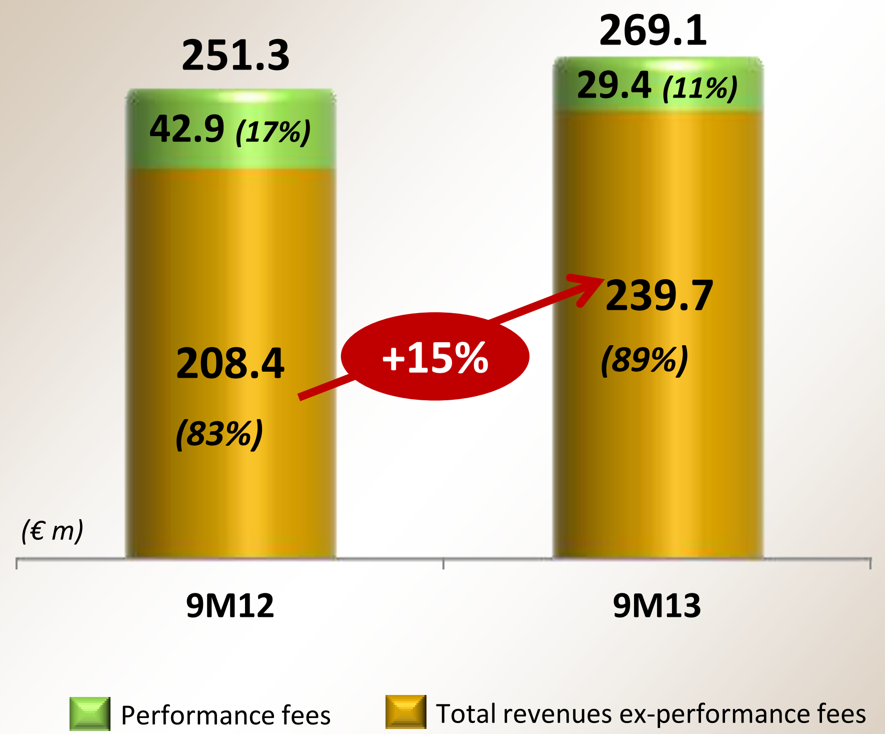
Recurring components drove revenues higher

Total Revenues



- Growing contribution from all business lines

Total Revenues ex-performance fees

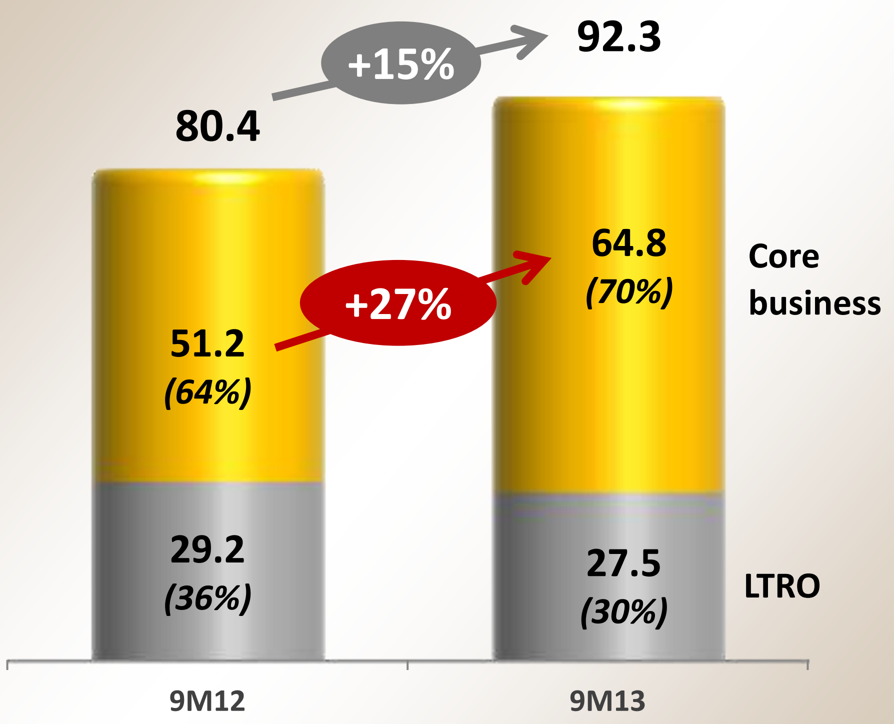


- Higher revenue sustainability

Figures do not incorporate the institutional business of GFM

Net interest income: strong boost from core business

Net Interest Income



(€ m)

+27% increase in core NII

- Core income was driven by surging volumes and slightly lower funding costs
- The overall return on the banking book (€4.3 bn) is proving stable and defensive with a maturity of 2.2 and a duration of 1.7
- Contribution from secured loans is steadily growing and now represents 12% of total NII. In the 9M 2013 the bank issued €280 million secured by €400 million assets.

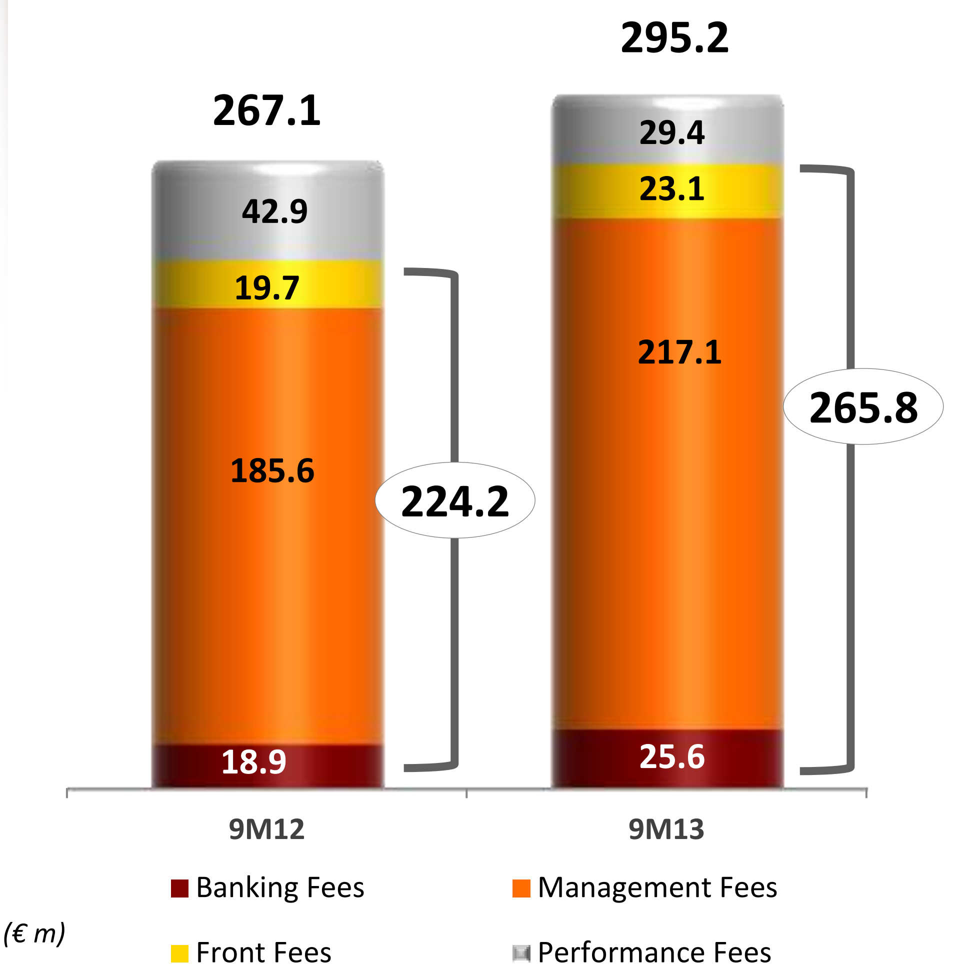
Decreasing contribution from LTRO

- LTRO represented 30% of NII vs. 36% in 9M12, upon repayments to BCE
- Outstanding LTRO assets at €1.1 bn, set to expire on February 2015

Figures do not incorporate the institutional business of GFM

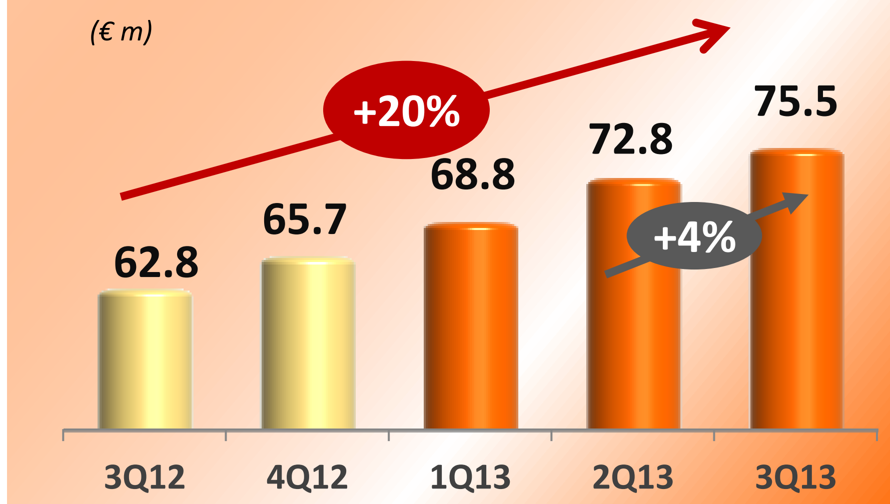
Gross fees: double-digit growth led by management fees

Breakdown of total gross fees



Figures do not incorporate the institutional business of GFM

Quarterly management fees

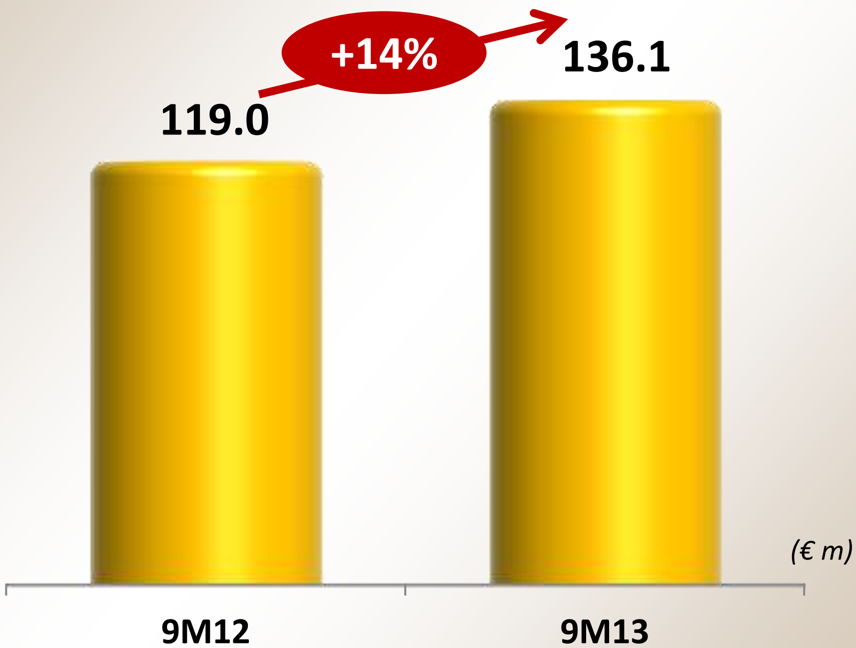


Recurring gross fees up by 19%

- Total recurring gross fees (ex-performance fees) at €265.8 million (+19% yoy)
- Strong boost from management fees reflects the ongoing successful rebalancing in customer portfolio from banking products towards managed products

Net fees: double digit growth with pay-out reflecting strong business trend

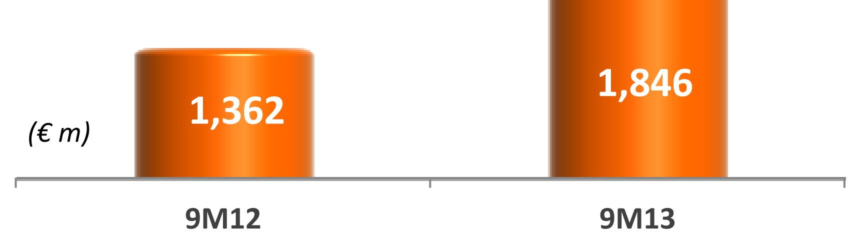
Net Fees (excl. performance fees)



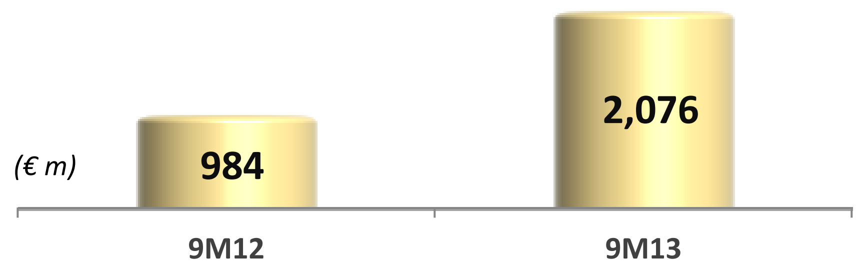
Figures do not incorporate the institutional business of GFM

Pay-out ratio excl. perf. fees

Total Net Inflows



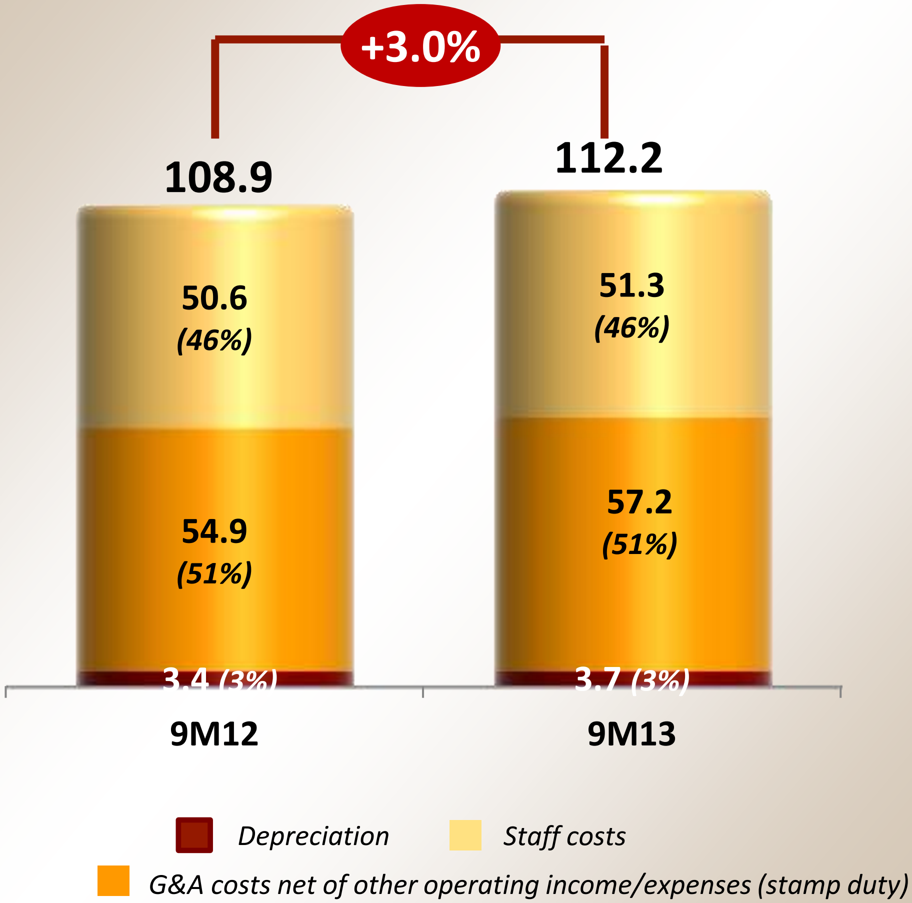
Net Inflows in managed products



No. of new Recruits

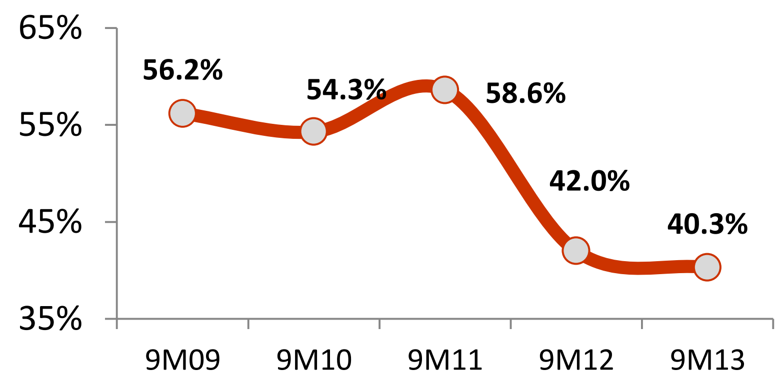
Enduring discipline in cost management

Operating expenses



(€ m)

Cost/Income ratio



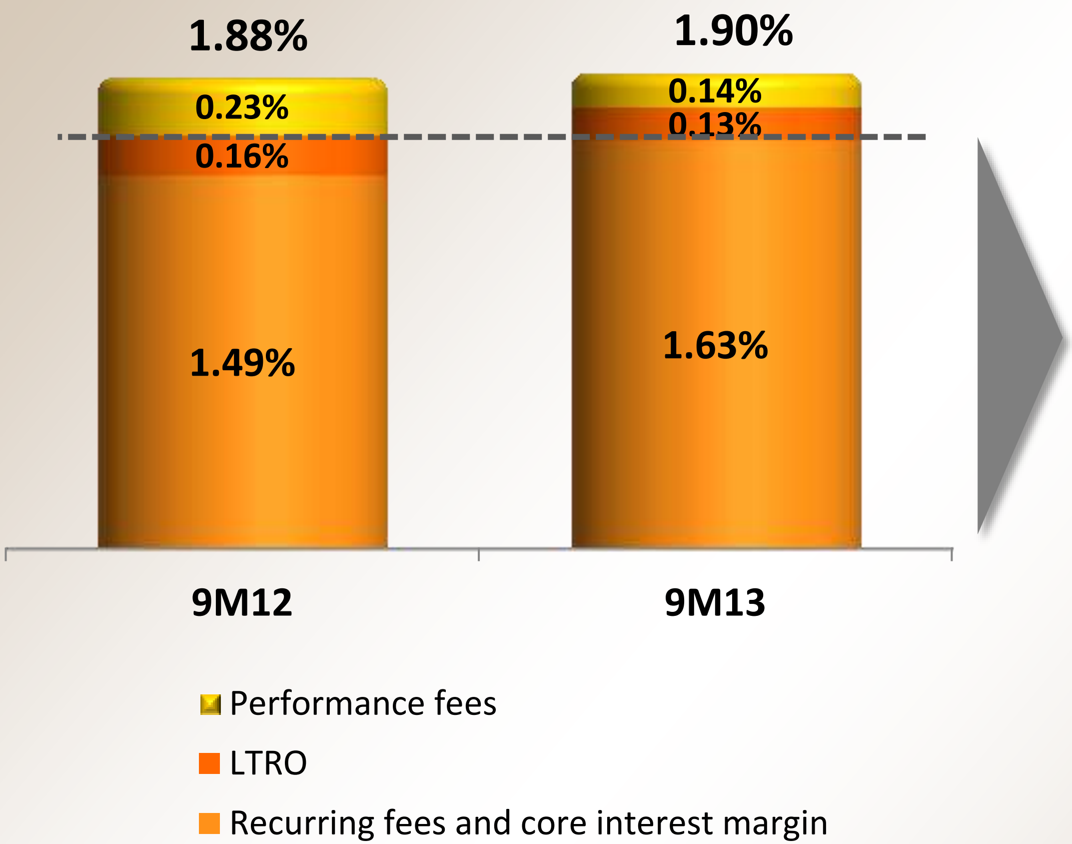
Outstanding cost control

- Both staff costs (+1%) and overheads (+4%) posted a **low single-digit increase**
- **Full commitment on efficiency and cost control** in the months to come
- Well positioned to continue to **exploit positive operating leverage in the years to come**

Figures do not incorporate the institutional business of GFM

Recurring profitability at 1.63% (ex-performance fees, ex-LTRO)

AUM profitability



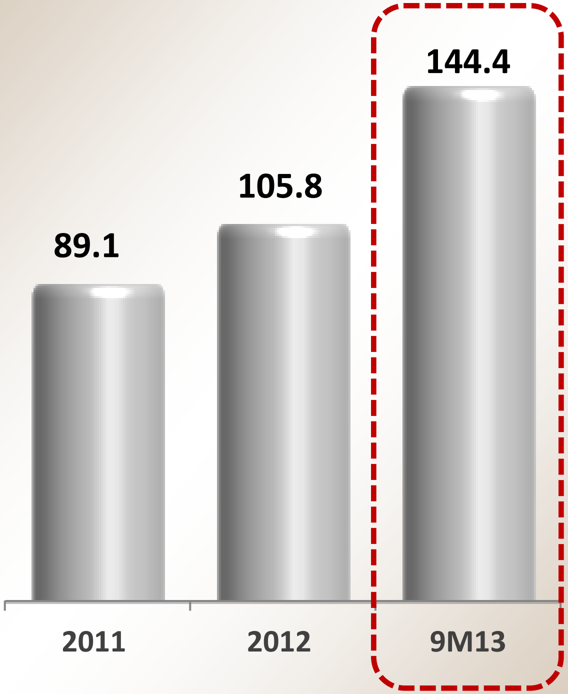
Strong growth in recurring profitability already matched LTRO contribution

- This strong result reflects management focus on asset rebalancing in the last 12 months
- This strategy allowed customers to increase exposure to managed products in order to enhance portfolio diversification and seize investment opportunities on financial markets

Figures do not incorporate the institutional business of GFM

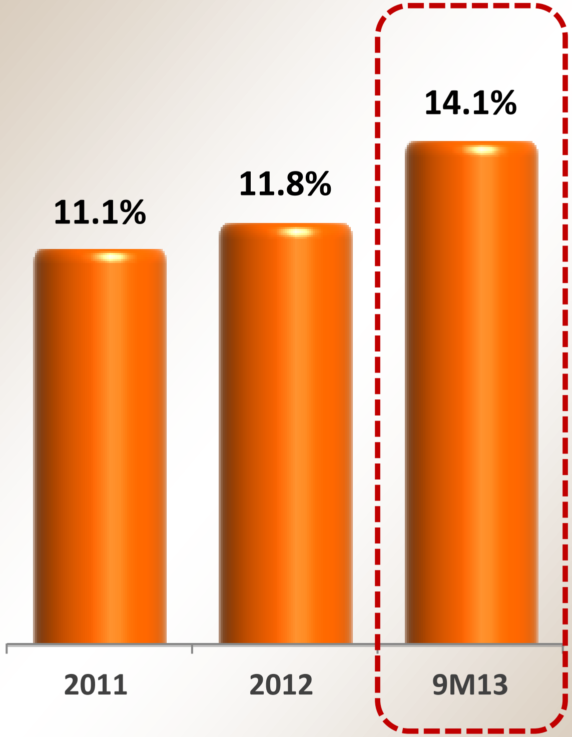
Strong capital ratios supporting the bank's growth strategy

Excess Capital

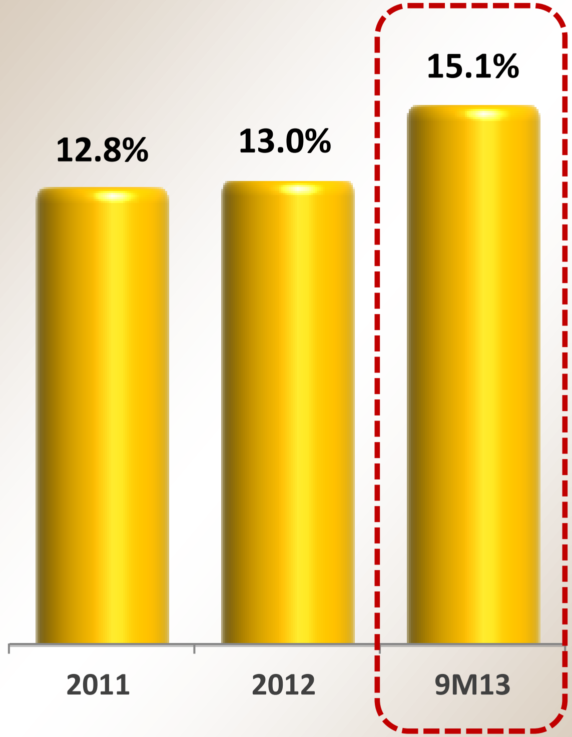


(€ m)

Tier 1 Capital Ratio



Total Capital Ratio



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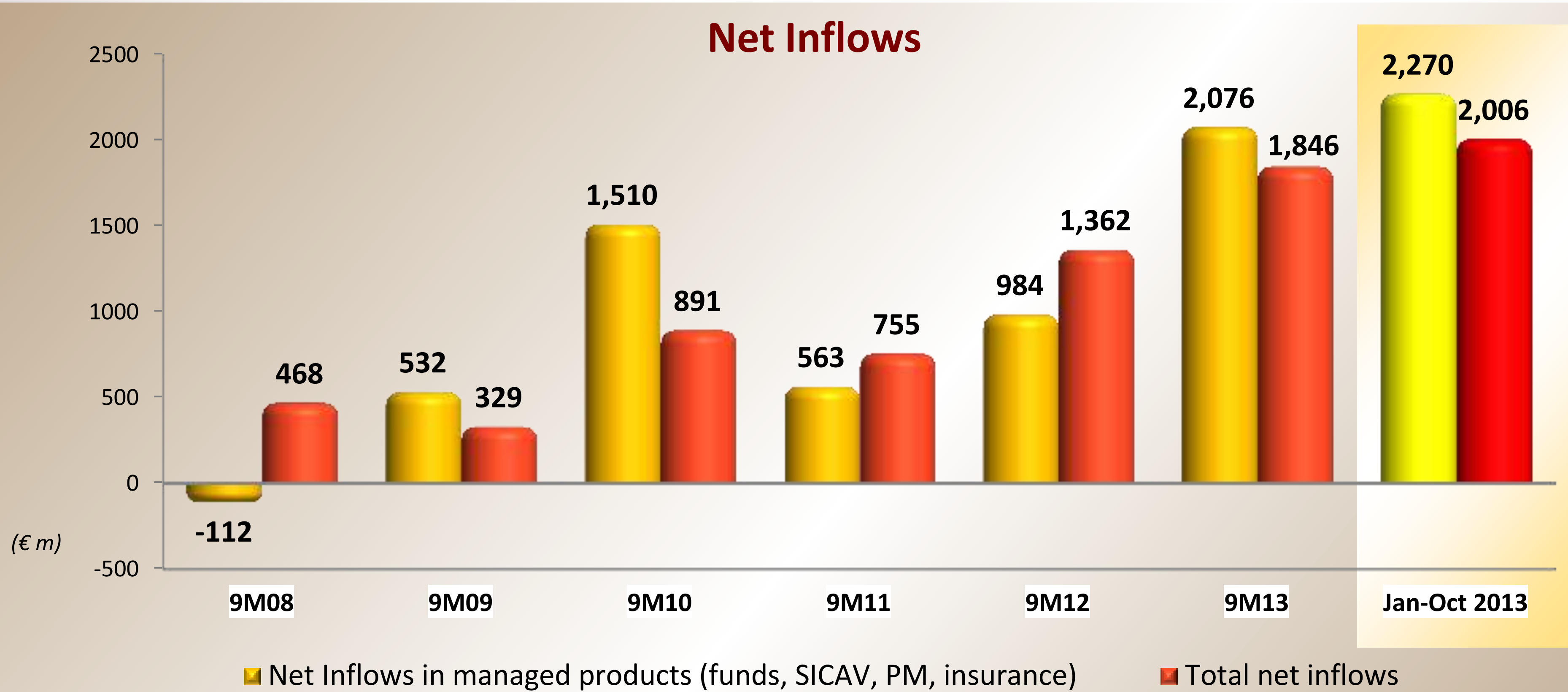
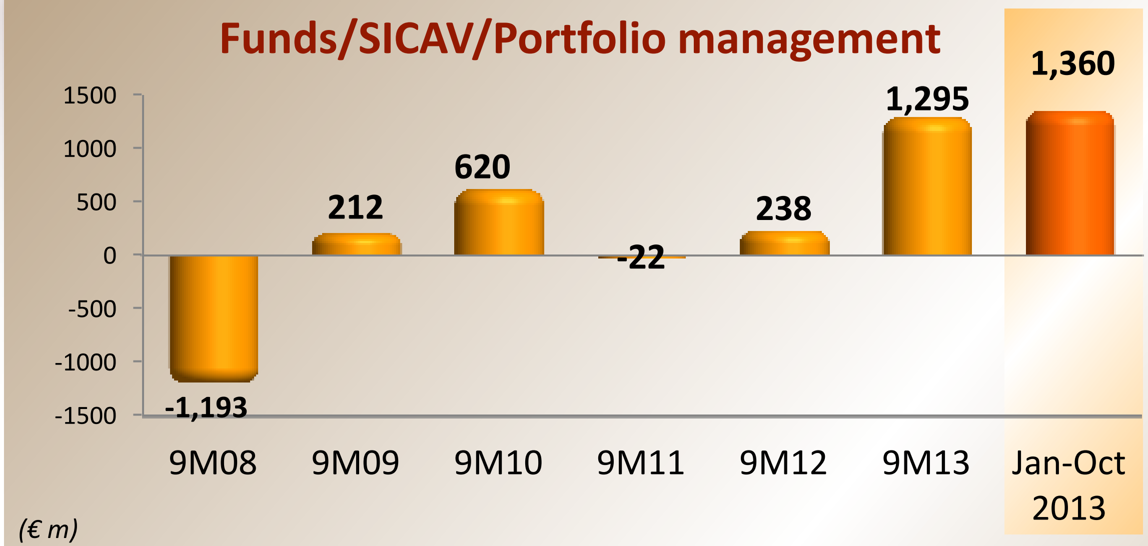
Closing Remarks

Best results by volume and mix since 2008

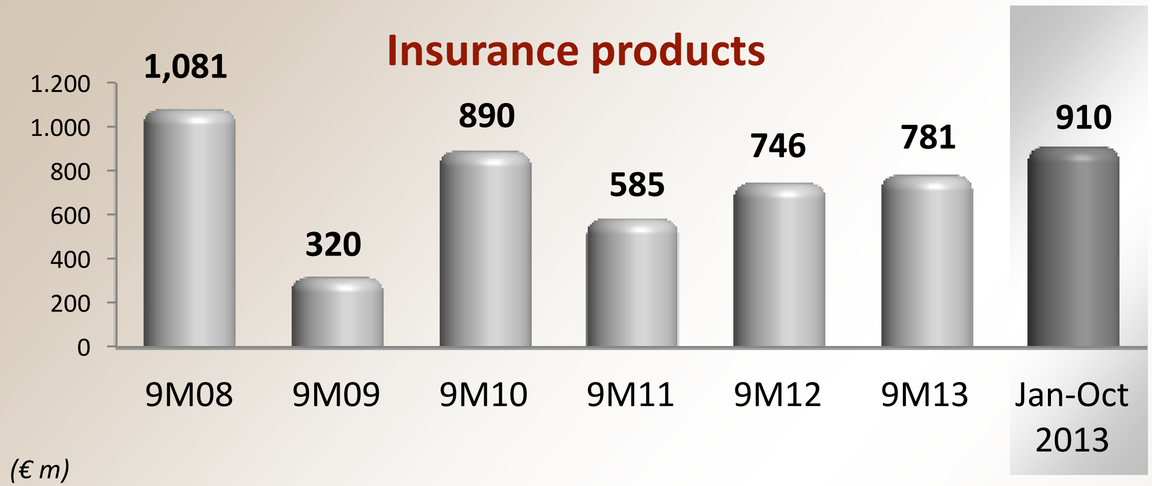


- October net inflows at €160m, driven by €194m in managed products
- Net inflows entirely driven by managed products
- Net inflows from recruiting contributed around €1bn in the period

Best net inflows ever in Funds/SICAV in the period



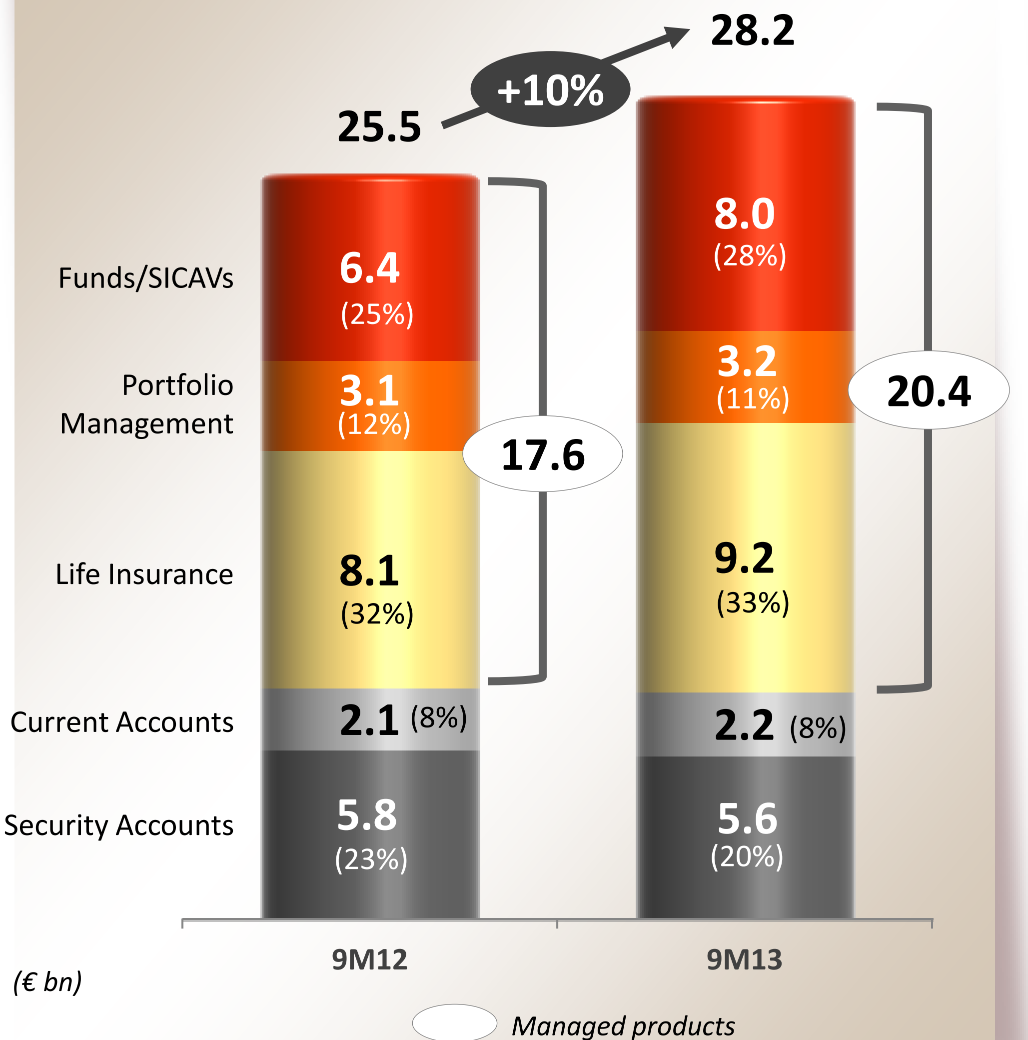
- Inflows are equally split between in-house and third party products



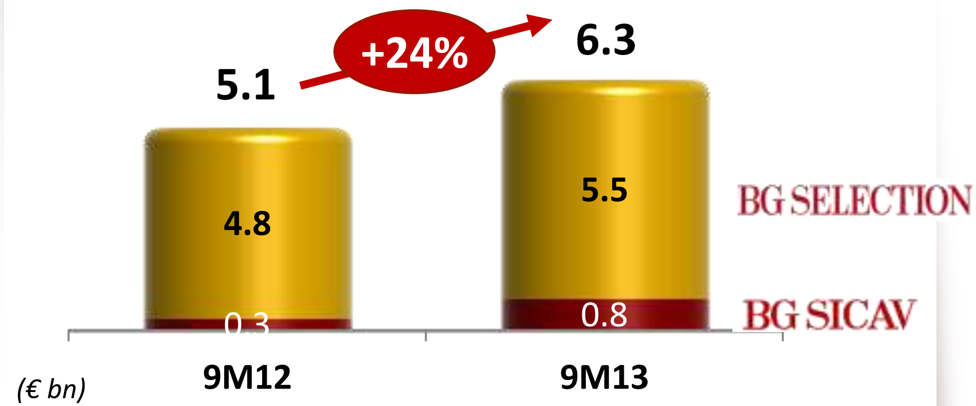
- Net inflows in **insurance products highlight a solid trend** in light of their balanced risk/reward profile

Strong asset increase driven by funds/SICAV and insurance

Asset Breakdown



Lux-based SICAV (GFM)



Sharp increase in managed products

- Total assets at all-time high at 28.2bn (+10% YoY and 8% YTD)
- Total managed products at €20.4bn (+16%) representing 72% of total assets
- Amongst managed products, Lux-based SICAVs posted a sharp growth to €6.3 bn (+24%)

Speed-up in recruiting pace thanks to favourable market conditions

	Jan-Sep 2012 Recruits		Jan-Sep 2013 Recruits	
	FAs	AUM	FAs	AUM
Banca Generali Private Banking	8	209	14	560
Banca Generali	32	388	43	550
Gruppo Banca Generali	40	597	57	1,110

(€ m)

- 57 people recruited YTD with a significantly higher profile than those recruited in the past years (average portfolio of €19.5 million vs. €15 million for those recruited last year, with a 30% increase)
- Recruiting activity is expected to remain favorable over next few months

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Key actions in place

Recruiting

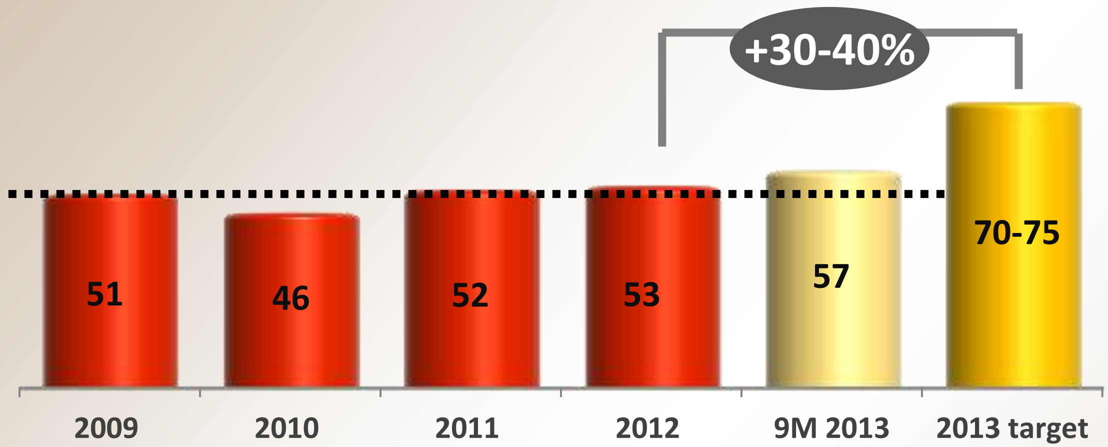
Lombard lending

Rebalancing product mix

Enhancing advisory model

Momentum in network expansion, thanks to favourable market conditions

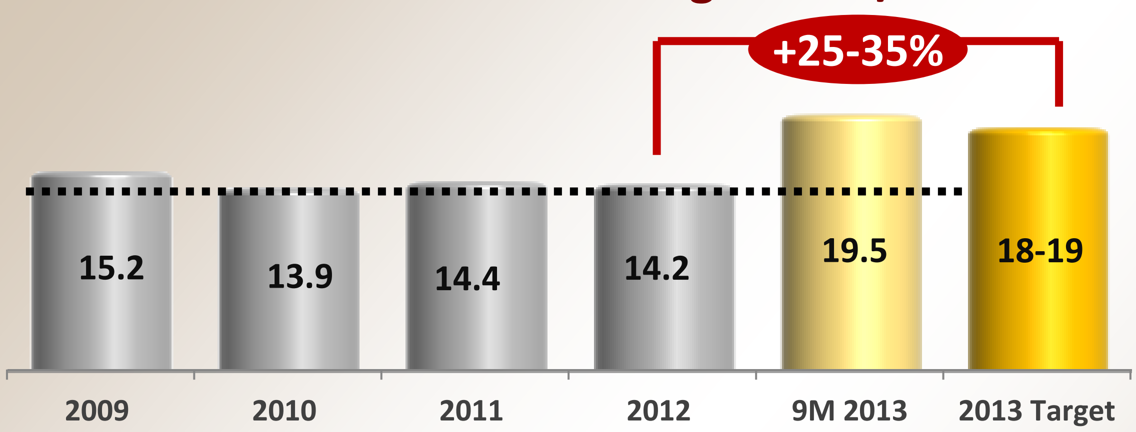
Banca Generali's yearly recruits



- Target of **2013 new recruits raised to 70-75 by year-end** (est. +30%-40% yoy)

(€ m)

Avg. assets/New recruits

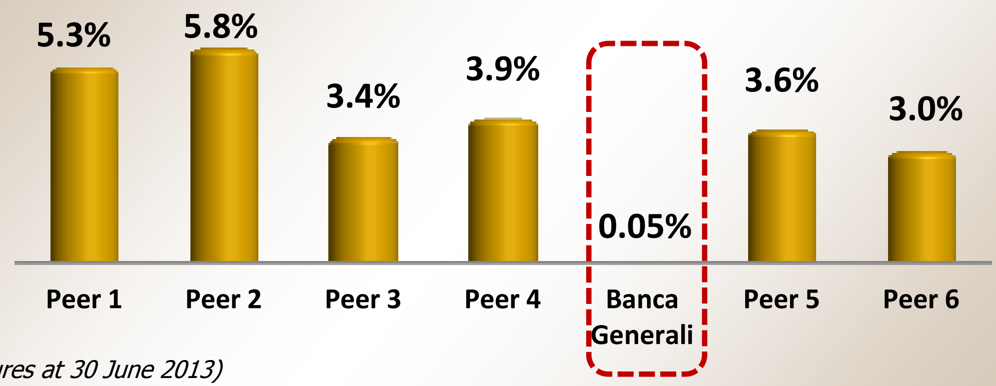


- Sharp **increase in the profile of 2013 new recruits** (est. at +25%-35% yoy)

Secured lending grew steadily, leading to strengthened ties with customers

Customer Loan Book

NPL/total loans to customers



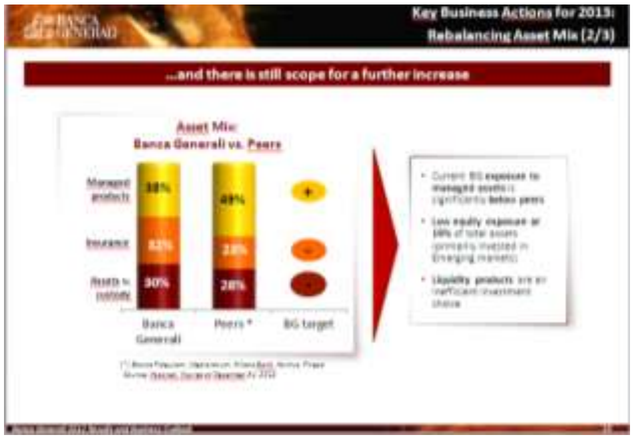
(figures at 30 June 2013)

Customer loans are effective tools to **strengthen ties with best customers…**

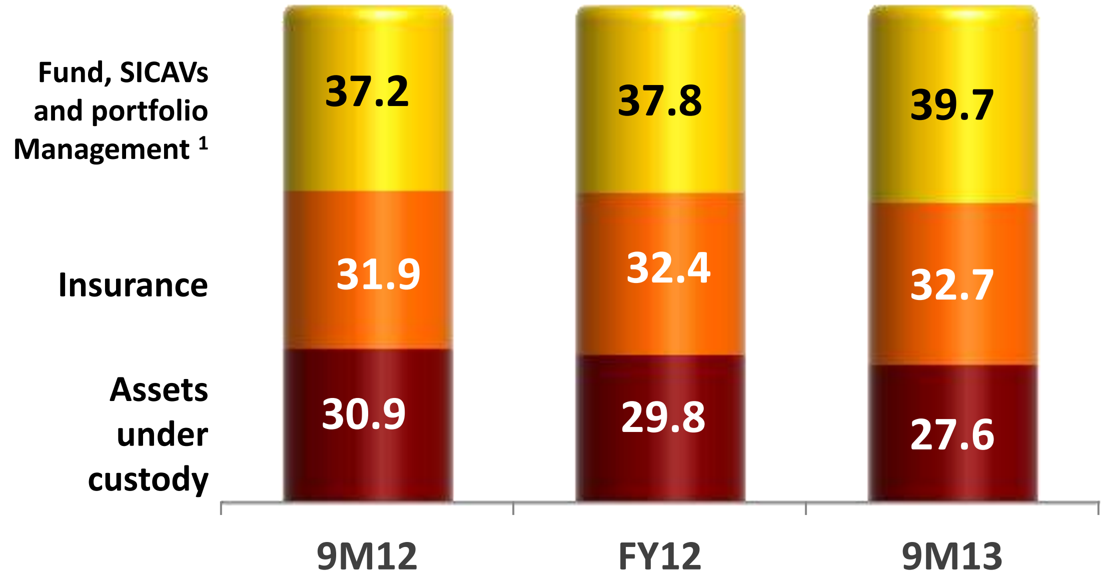
… enhancing income diversification maintains control over risks…

… and exploiting excess capital **improves capital allocation**

Rebalancing asset mix will remain a priority also in the next few months



Banca Generali Asset mix



- Banca Generali's exposure to managed products[1] can be significantly expanded from current levels, as market conditions remain favourable
- Therefore Banca Generali's priority remains that of increasing asset/markets diversification within client portfolios in order to seize investment opportunities provided by financial markets worldwide

2013 targets for managed products achieved faster than expected

Net inflows in managed products

Targets revised upwards for the year

- Banca Generali's exposure to managed products increased by +3.0 p.p. in the last 12 months (to 72% of total assets)
- Growth in managed products remains a priority for the incoming quarter in order to seize investment opportunities and increase market diversification within customer portfolios

A new customer interface model to strengthen competitive position

From 2014

From Investment advisory …

From a plain advisory on investment and trading….

BG Advisory

BGPRIVATE Advisory

… to Wealth Management

… to customized solutions aimed at meeting any financial needs

from banking to real estate, investments, inheritance and other related services

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Closing remarks

Well placed to beat 2013 business targets

- Rebalancing of customer portfolios well ahead of the plan
- Persisting favourable conditions for recruiting of high profile and talented professionals

Well placed to 2013 record earnings

- Enhanced revenues and gross margin sustainability
- Full commitment on disciplined cost management

Ready to seize new growth opportunities

- Exploiting the opportunity generated by the ongoing review of the business model by traditional banks
- Enhancing breath of our interface customer model with preliminary releases available from 1Q 2014

Disclaimer

The manager responsible for preparing the company's financial reports (Stefano Grassi) 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.

S. Grassi, CFO

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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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