



2013 Results and Business Update

10 March 2014

FY 2013 results

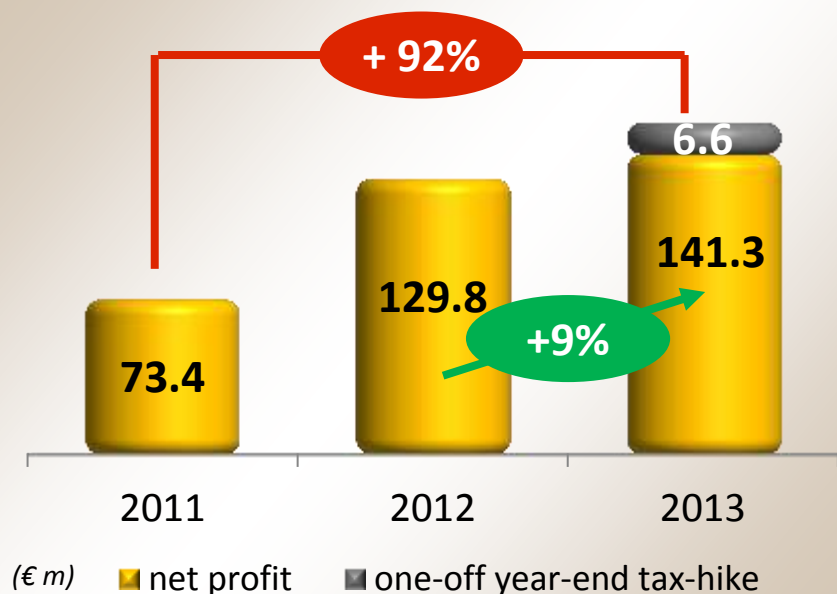
Net Inflows, AUM, recruiting

Business Update

Closing remarks

2013 delivered the best results since the IPO

Net Profit



2013 net profit at record high

- **2013 net profit at €141m (+9%)**, after accounting for a €7m one-off tax-charge introduced by the Italian government at the end of November
- Excluding the one-off charge, net profit at €147.9m, up 14% on top of the +77% posted last year
- Positive results driven by **the increase in recurring revenues** as a result of the higher asset base and better business mix
- **Cost discipline maintained:** the cost/income ratio fell to a new record low of 39%
- **Strong capital position** with shareholders' equity at €469m (+19%) and excess capital at €144m (+36%)

2006- 2013 net profit



Strong business start in 2014

- **Net inflows and total assets at all-time high** boosted by managed products
- **Positive start into 2014** in terms net inflows and new recruits

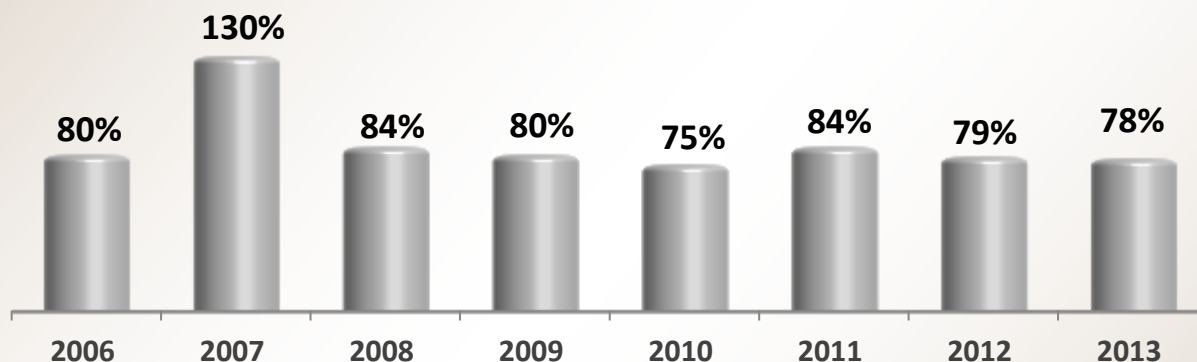
Dividend pay-out ratio confirmed at top levels

Dividend per Share (DPS)



(¹) Board of Directors proposal to AGM scheduled for 23 April 2014

Dividend Pay-out



Appealing dividend yield

- **DPS is set at €0.95**, with an implied yield of 4%, one of the best levels amongst Italian financial stocks
- **Pay-out ratio at 78%**, supported by solid capital ratios
- Commitment to a generous policy confirmed coupled with stronger capital position for funding further growth

Consolidated 2013 results: key highlights

(€ m)	12M12 (reported)	12M13 (reported)	% Chg	12M12 (excl. GIL)	12M13 (excl. GIL)	% Chg
Net Interest Income	111.6	121.8	9.2%	111.5	121.8	9.2%
Fee income	384.6	438.9	14.1%	355.6	404.7	13.8%
Fee expense	-170.6	-204.6	19.9%	-148.4	-178.3	20.2%
Net Commission	214.1	234.3	9.5%	207.2	226.4	9.3%
Net income (loss) from trading activities	11.6	18.1	55.5%	11.6	18.1	55.5%
Dividends	0.7	0.9	23.8%	0.7	0.9	23.8%
Net income (loss) from trading activities and Dividen	12.4	19.0	53.6%	12.4	19.0	53.6%
Total Banking Income	338.0	375.1	11.0%	331.1	367.2	10.9%
Staff expenses	-66.3	-71.5	7.8%	-64.3	-69.5	8.1%
Other general and administrative expense	-92.7	-106.0	14.4%	-92.0	-105.2	14.4%
Depreciation and amortisation	-4.5	-5.1	12.9%	-4.4	-5.0	13.6%
Other net operating income (expense)	19.1	31.3	63.6%	19.0	31.2	63.8%
Total costs	-144.3	-151.2	4.8%	-141.7	-148.6	4.9%
Cost /Income Ratio	-41.4%	-39.0%	2.4 p.p.	-41.5%	-39.1%	2.4 p.p.
Operating Profit	193.6	223.9	15.6%	189.4	218.6	15.4%
Net adjustments for impair.loans and other assets	-4.3	-6.1	41.8%	-4.3	-6.1	41.8%
Net provisions for liabilities and contingencies	-18.6	-22.9	23.0%	-18.7	-22.9	22.5%
Profit Before Taxation	170.7	194.9	14.2%	166.4	189.6	13.9%
Direct income taxes	-37.5	-48.8	30.2%	-37.1	-48.3	30.2%
Tax rate	22.0%	25.1%	3.1 p.p.	22.3%	25.5%	3.2 p.p.
Income/(losses) after tax on assets held for sales	0.5	-0.1	-127.6%	0.5	-0.1	-127.6%
Minorities interest	-3.9	-4.7	21.2%	0.0	0.0	-100.0%
Net Profit	129.8	141.3	8.8%	129.8	141.3	8.8%

Net Interest Income up by 9% supported by solid investment return, lower funding costs, higher lending activity

High-quality growth in total fees (+14%) driven by management fees (+18%) and other recurring fees

Operating costs increased by 5% after including investments for the IT platform

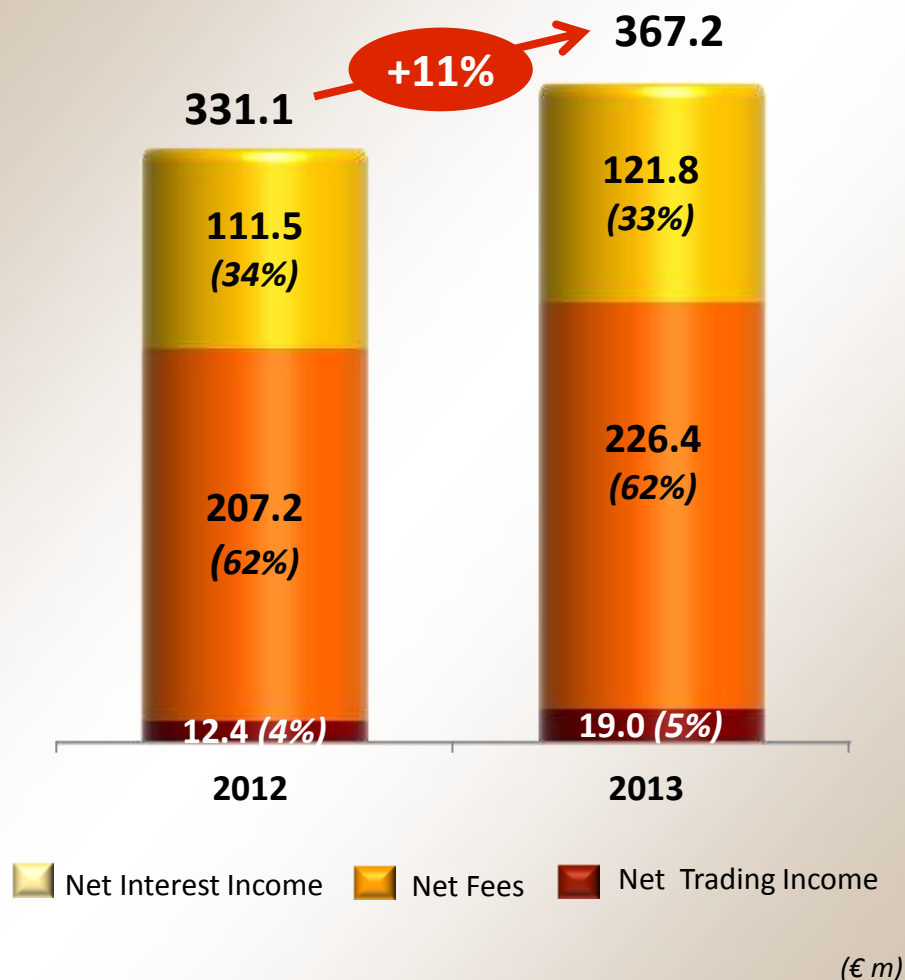
The increase in **provisions** reflects higher net inflows and higher recruiting

Write-offs reflect a conservative valuation of investment and loan portfolios

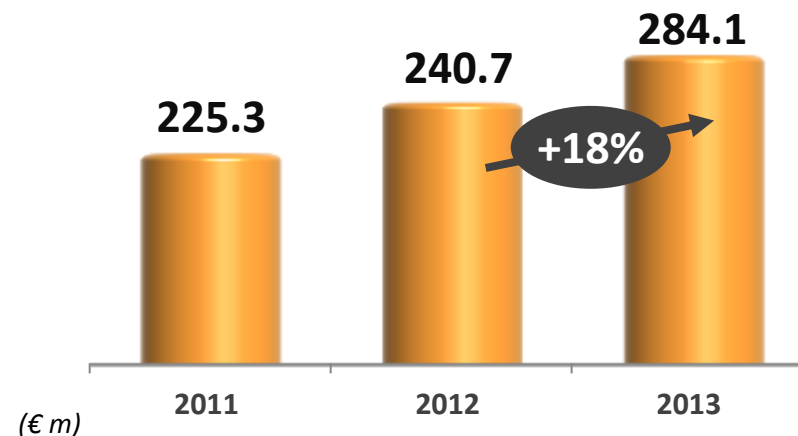
Net profit at €141m (+9%), including the one-off 8.5% higher IRES tax charge introduced at the end of November 2013

Figures do not incorporate the institutional business of GFM; FY2012 figures were restated to comply with the new IAS 19 guidelines introduced on 6 June 2013

Total Revenues



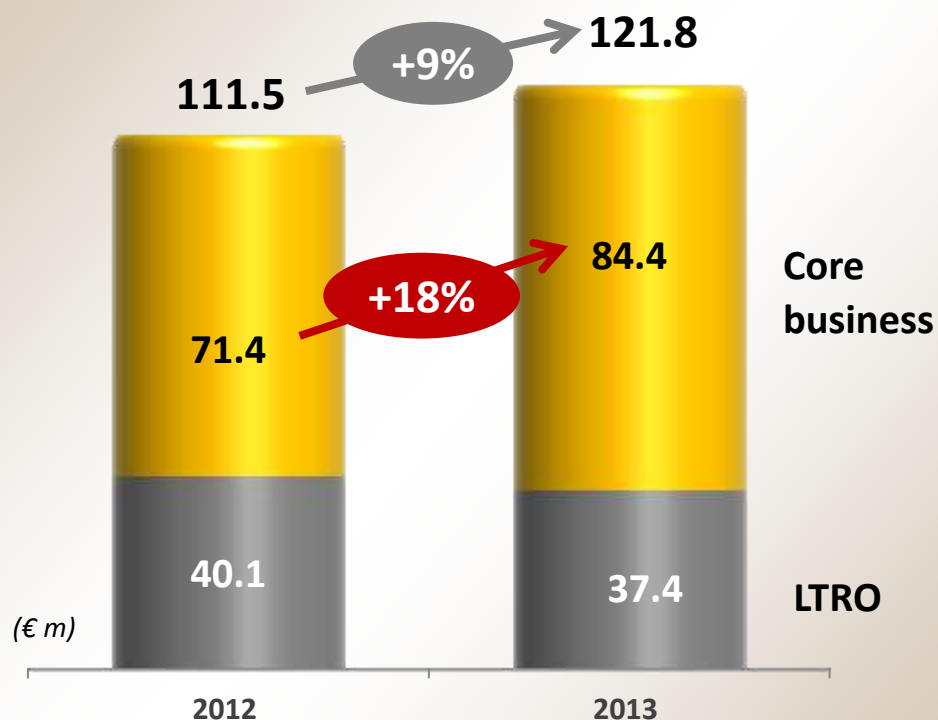
Total Revenues ex-LTRO and ex-performance fees



Positive delivery from all business lines

- Total revenues increased by 11% driven by the higher asset base and improved asset mix
- Growth was driven by recurring fees (+18%) and core net interest income (+18%)
- Variable items such as performance fees (-9%) and LTRO (-7%) delivered a lower contribution

Net interest income



Figures do not incorporate the institutional business of GFM

Double-digit increase in core NII

- NII benefitted by a steady decrease in funding costs during the year coupled with steady investment return (2.6%)
- The overall banking book stands at €4.7bn, with a 2.8 maturity (1.55 duration)

Steady increase in secured lending

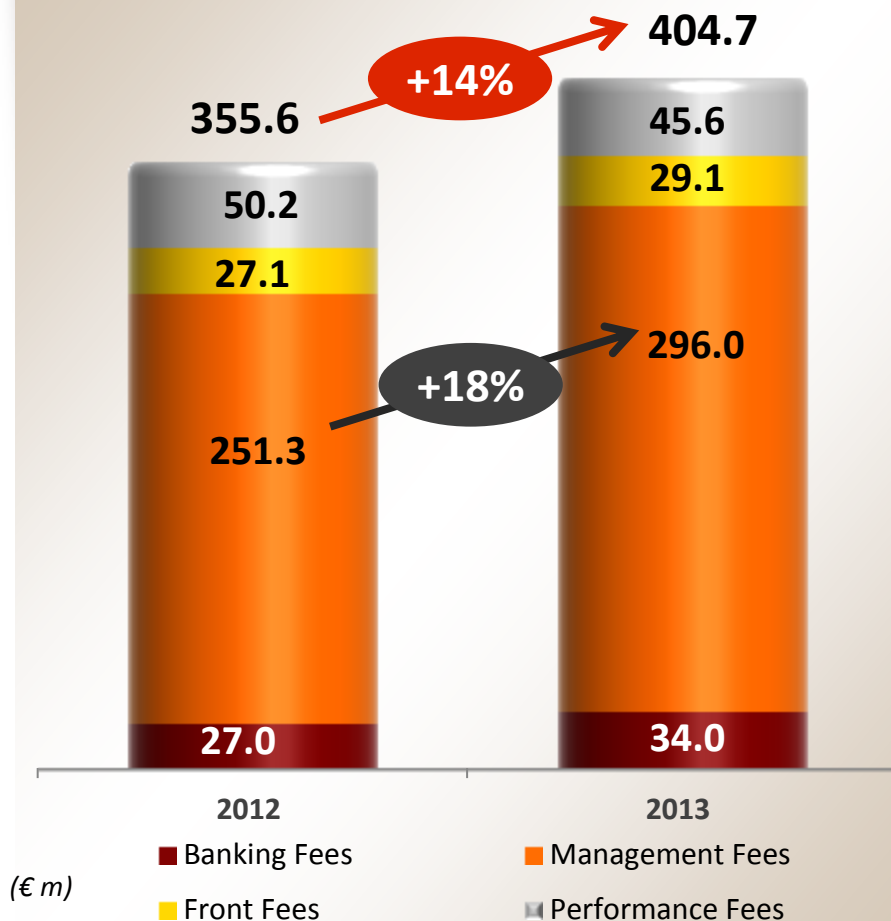
- Secured loans issued in 2013 amounted to €310 (LTV at 75%). Total loan book at €1.3bn with outstanding asset quality
- Revenues from lending are steadily growing and represent 12% of total NII

Lower LTRO contribution

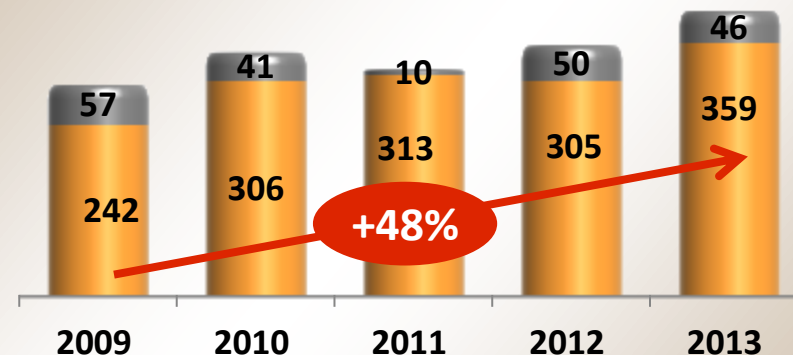
- LTRO assets at €1.1bn (vs. €1.3bn in 2012). They contributed 31% of total NII supported by ECB rate cuts during the years

Enhanced fees sustainability as 90% are recurring

Breakdown of total gross fees



Recurring fees vs. Performance fees

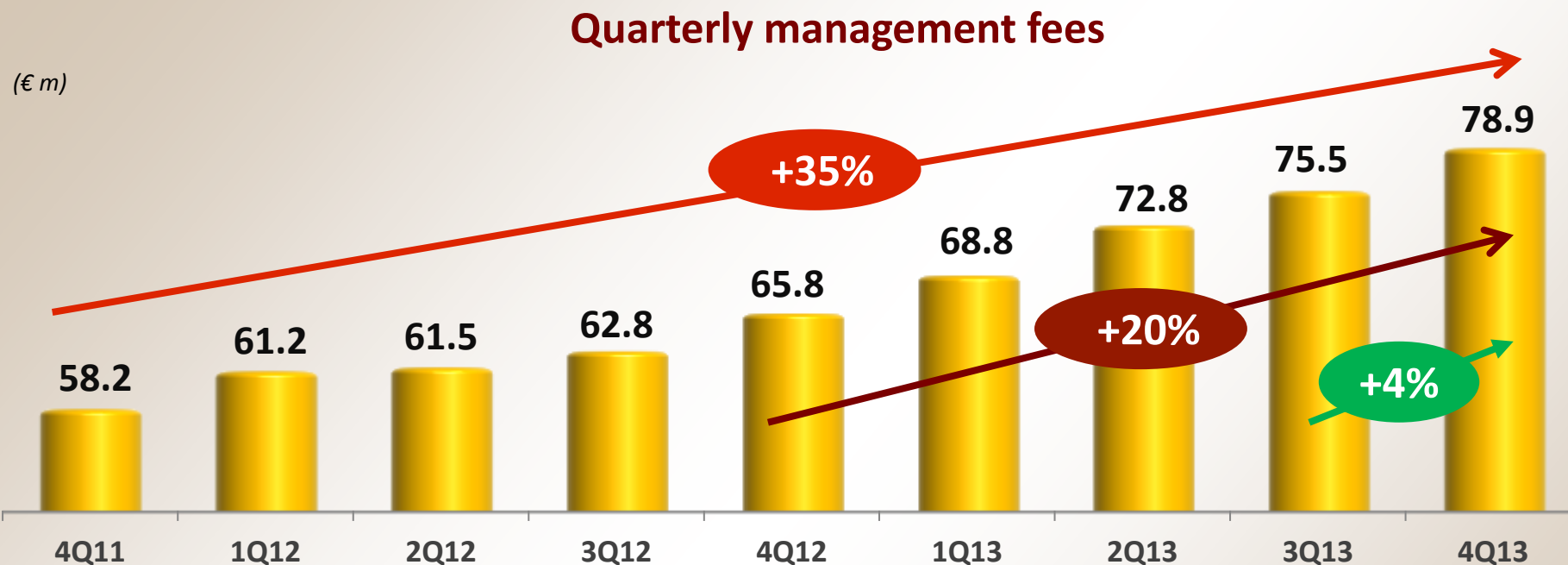


Recurring fees up by +18%

- Strong result driven by management fees (+18%) and by other recurring fees (+17%) as a result of the higher asset base and better mix
- Performance fees represented only 11% of total fees (vs. 14% in 2012) and avg. range comprised between max 19% in 2009, min 3% in 2011)

Figures do not incorporate the institutional business of GFM

Relentless growth in management fees



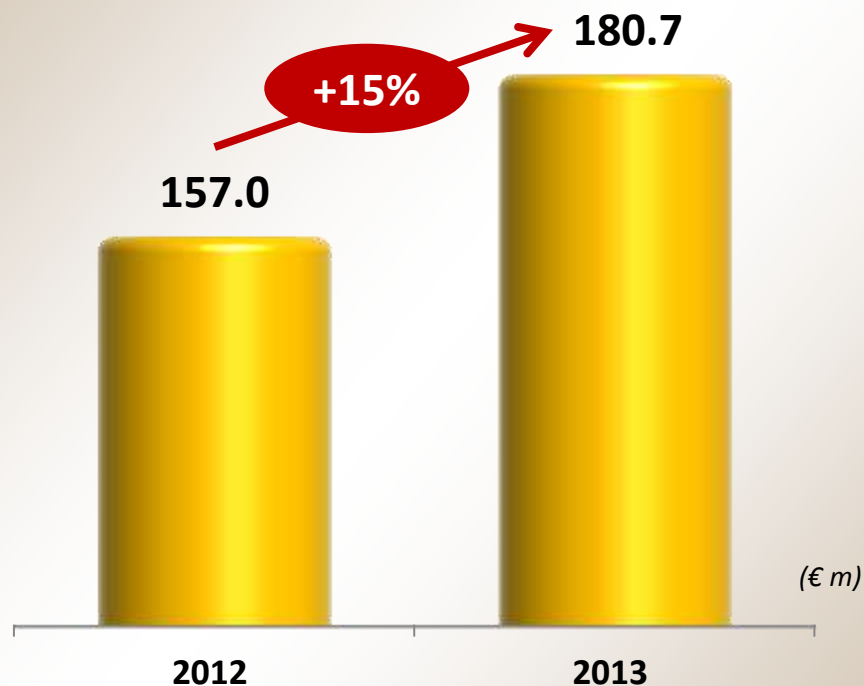
Ongoing steady growth in management fees (+20% yoy, +35% in 2 years)

- Strong increase in management fees driven by the increased asset base and by the ongoing successful shift in customer portfolios from cash and bank deposits towards managed products

Figures do not incorporate the institutional business of GFM

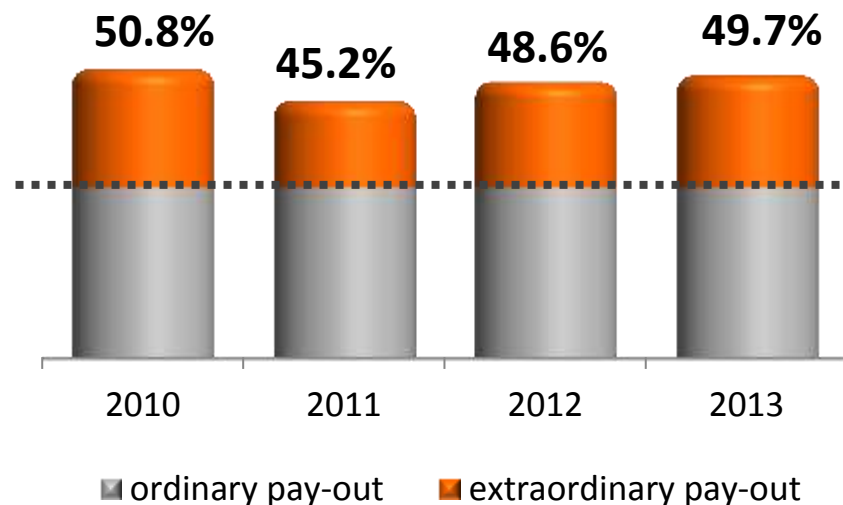
Slight increase in pay-out driven by record business trend

Net Fees (excl. performance fees)



Figures do not incorporate the institutional business of GFM

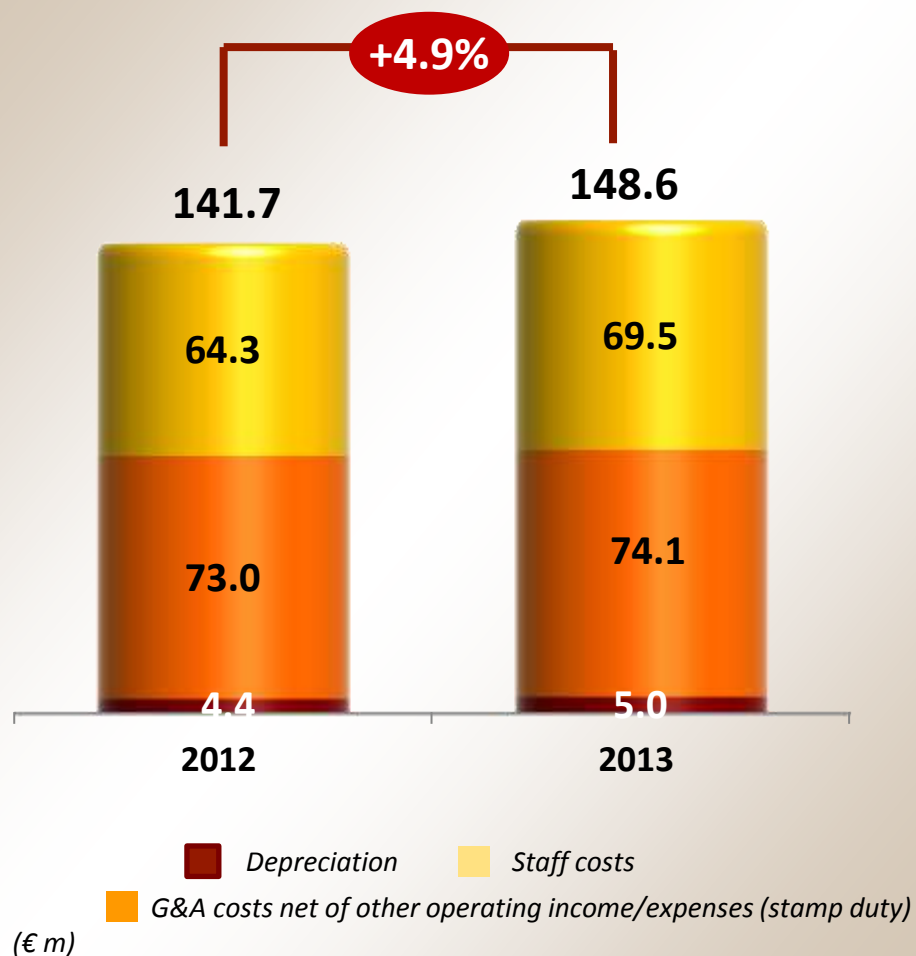
Pay-out ratio (excl. performance fees)



- Ordinary pay-out terms are stable over time
- Extraordinary pay-out is variable, linked to trend in yearly net inflows and recruiting
- 2013 pay-out is temporarily higher due to the ongoing record business activity

Growth projects embedded in cost discipline

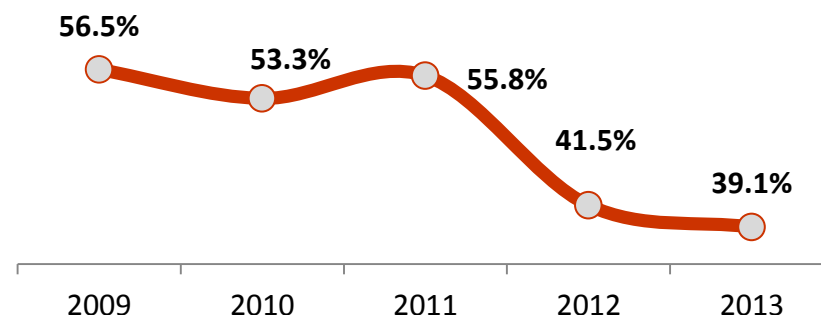
Operating expenses



Costs/Income at record low

- Costs trend remains subdued compared with growth in revenues, highlighting benefits from operating leverage (80% of costs are fixed)
- 2013 figures incorporate significant costs for IT upgrading, launch of the digital signature and of the new advisory platform and to strengthen support to the commercial activity

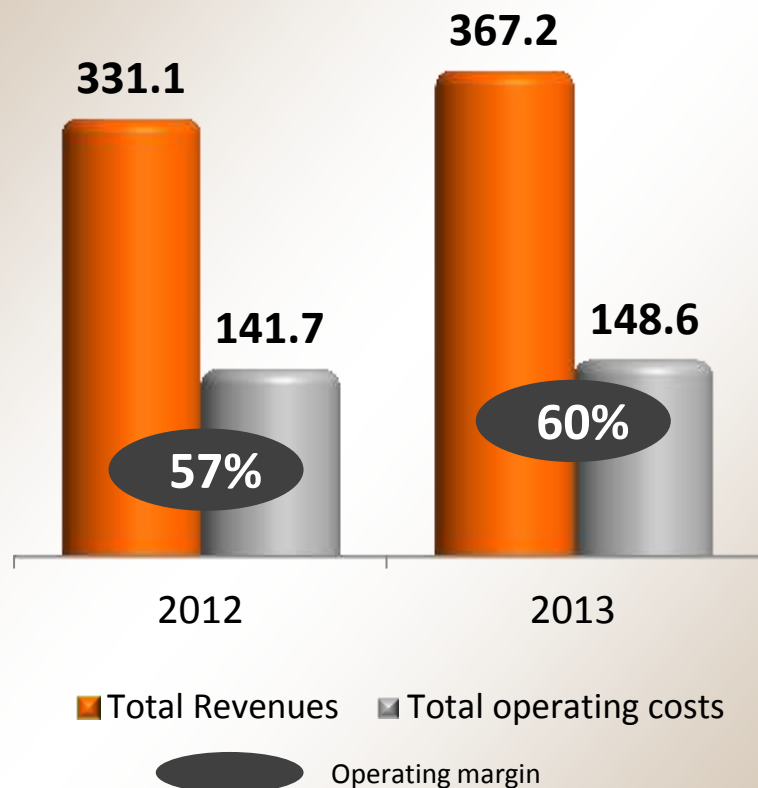
Cost/Income ratio



Figures do not incorporate the institutional business of GFM

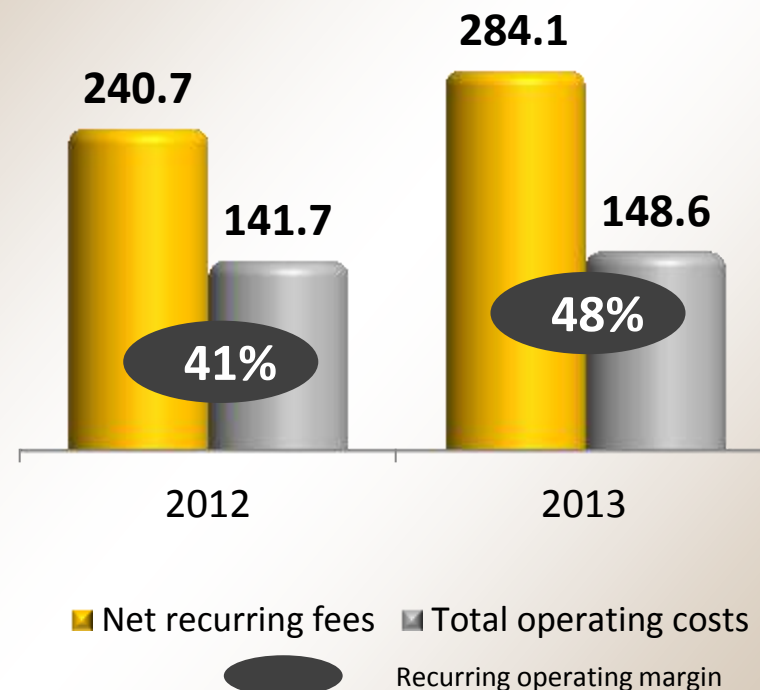
Operating margin on recurring business up to 48% (+7 pps)

Operating margin



(€ m)

Operating margin ex performance fees and ex- LTRO

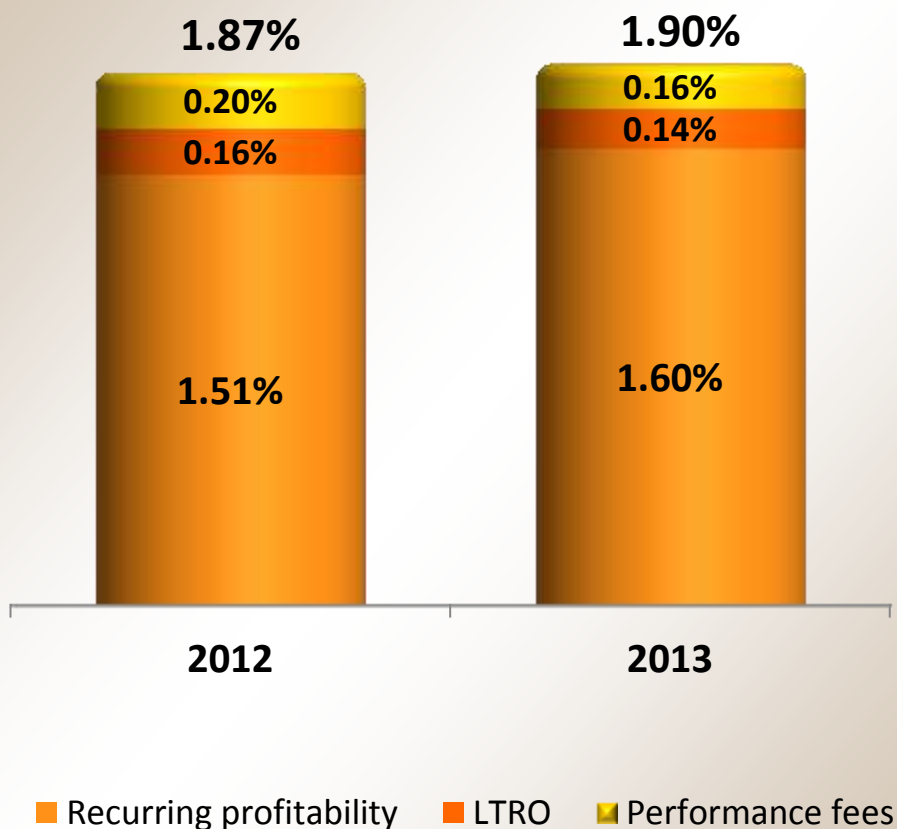


(€ m)

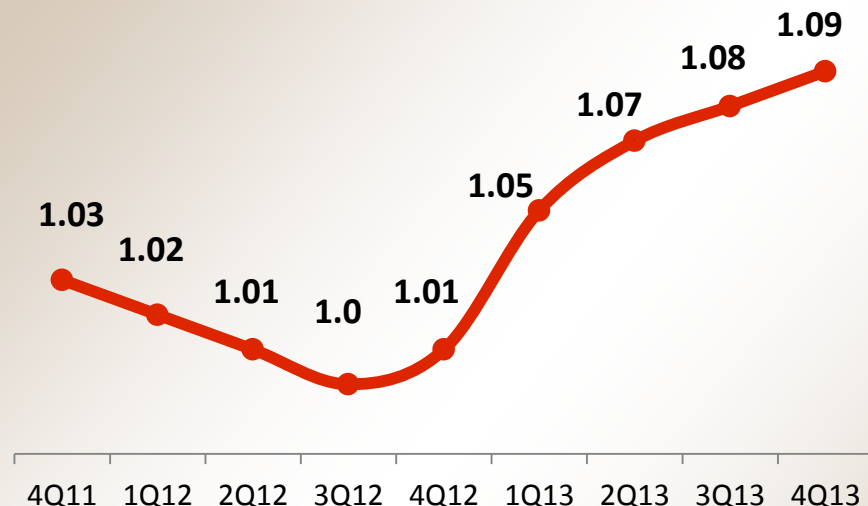
Figures do not incorporate the institutional business of GFM

Increasing contribution from recurring business

Asset profitability



Management fee on total assets

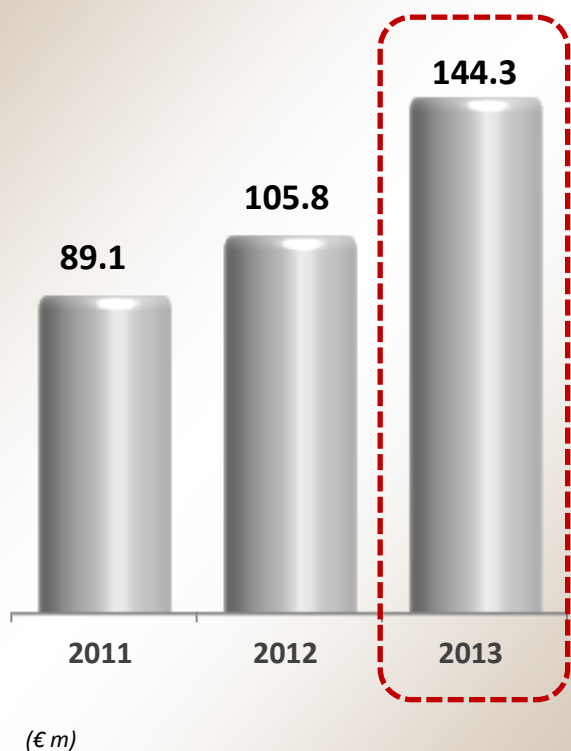


Recurring asset profitability at 1.6%

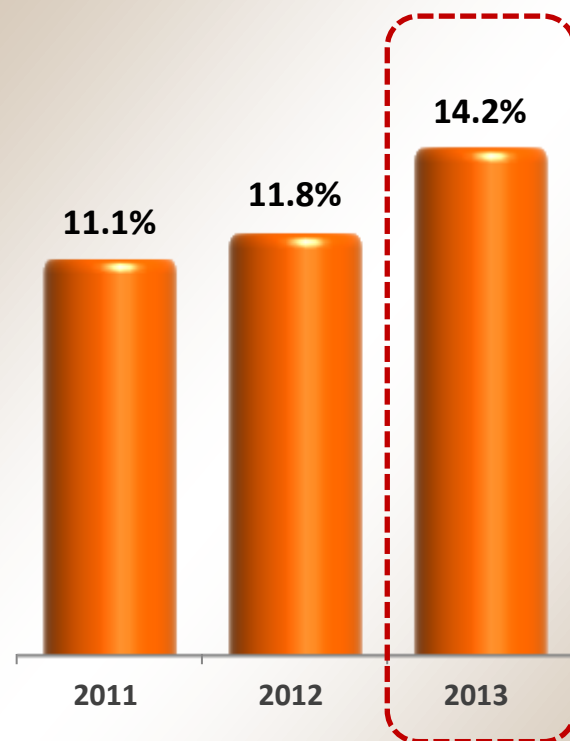
- Recurring profitability increased by 9 bps in the last year more than counterbalancing the 6 bps decline in non recurring items (LTRO, performance fees)

Figures do not incorporate the institutional business of GFM

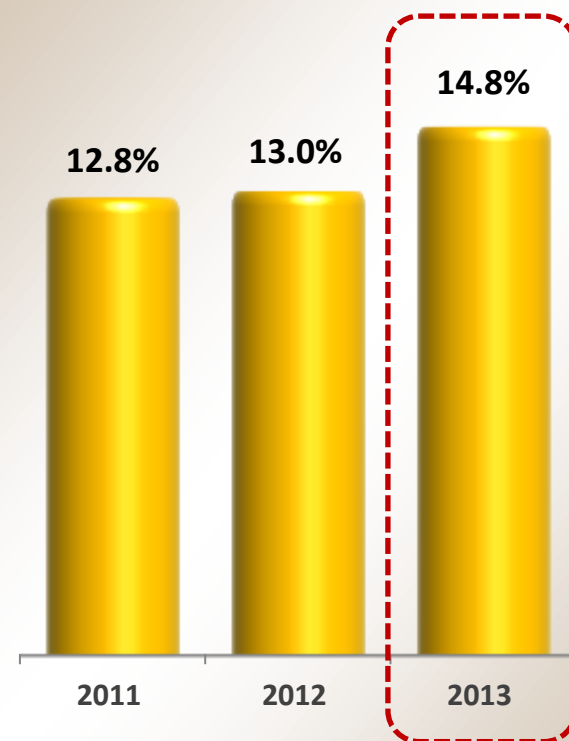
Excess Capital



Tier 1 Capital Ratio



Total Capital Ratio



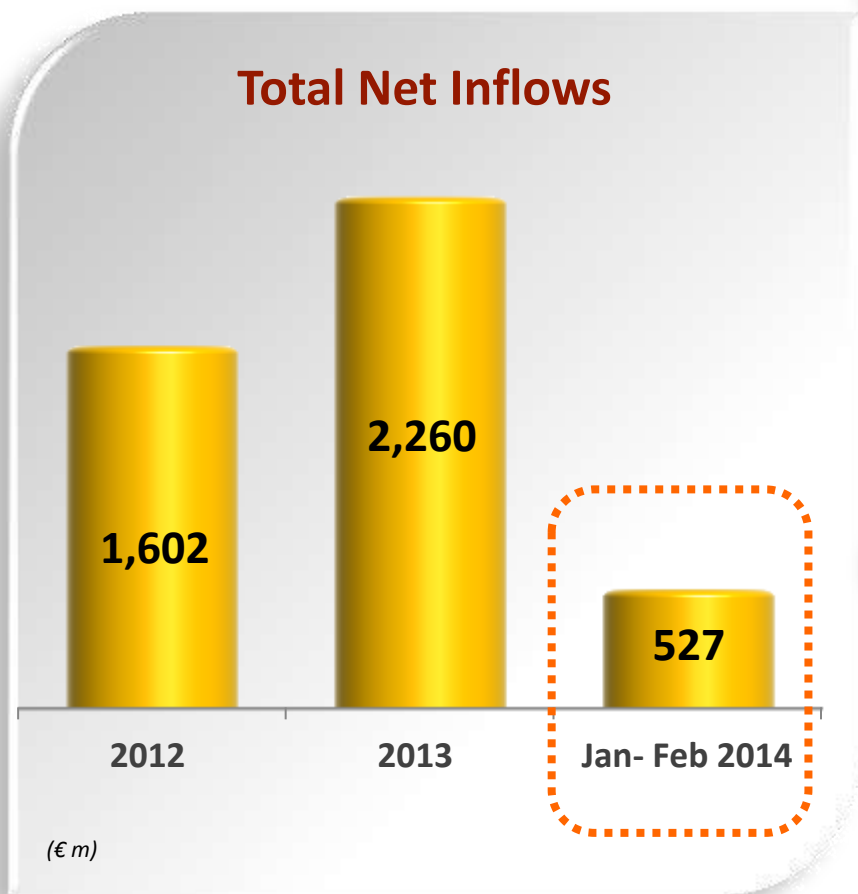
FY 2013 results

Net Inflows, AUM, recruiting

Business Update

Closing remarks

Total Net Inflows



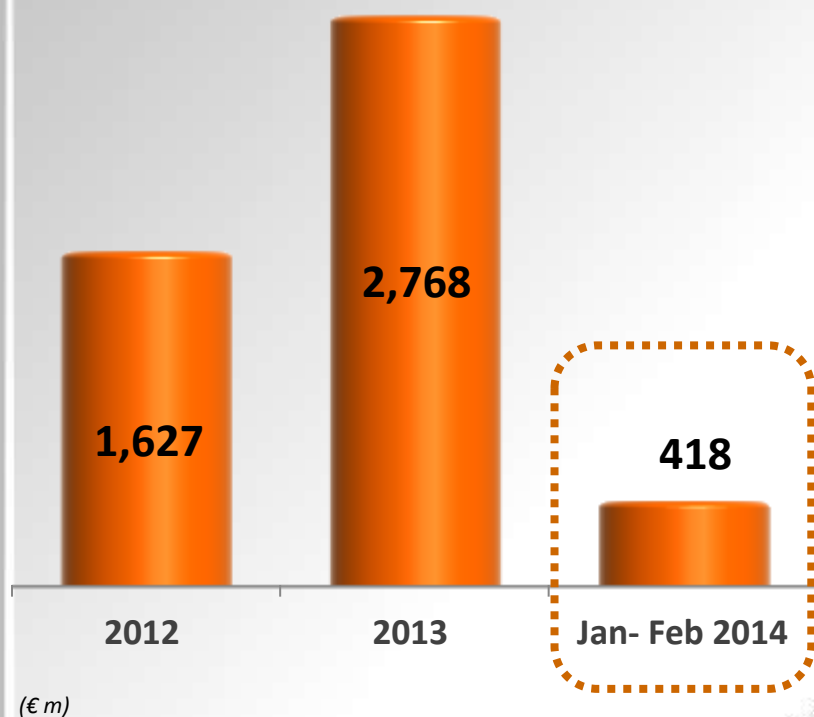
EXISTING NETWORK

	2013	Jan-Feb 2014
▪ Avg. No. FAs	1,464	1,478
▪ New customers YTD	12,567	3,559
▪ Net inflows	€1.2bn	€421m

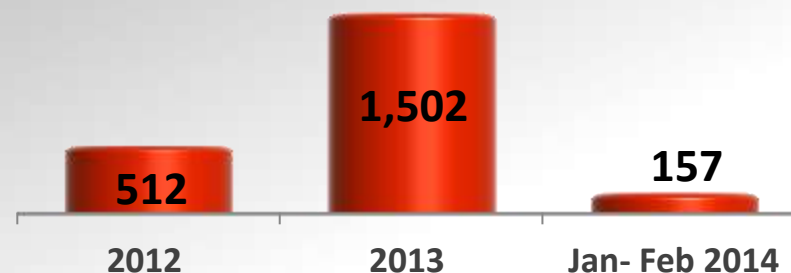
RECRUITING

	2013	Jan-Feb.14
▪ New recruits	81	18
▪ New customers	2,923	335
▪ Net inflows	€1.1bn	€106m

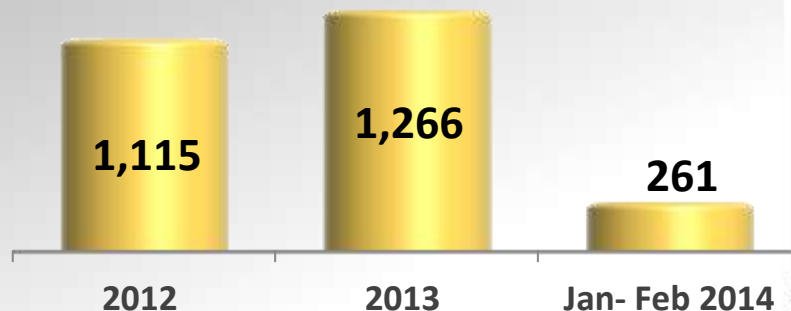
Total Net Inflows in managed products



FUNDS/SICAVS/FOF/PM ¹

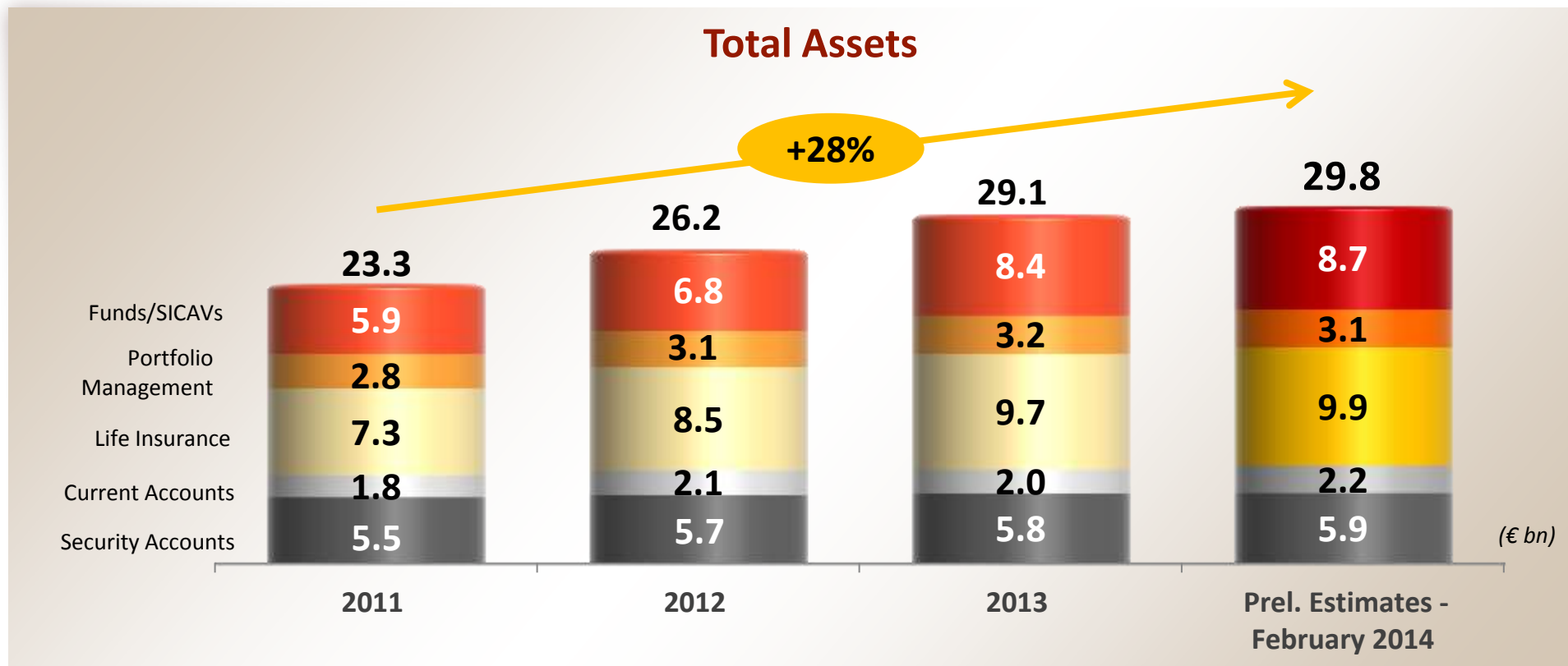


LIFE INSURANCE



¹Legenda: PM=portfolio management

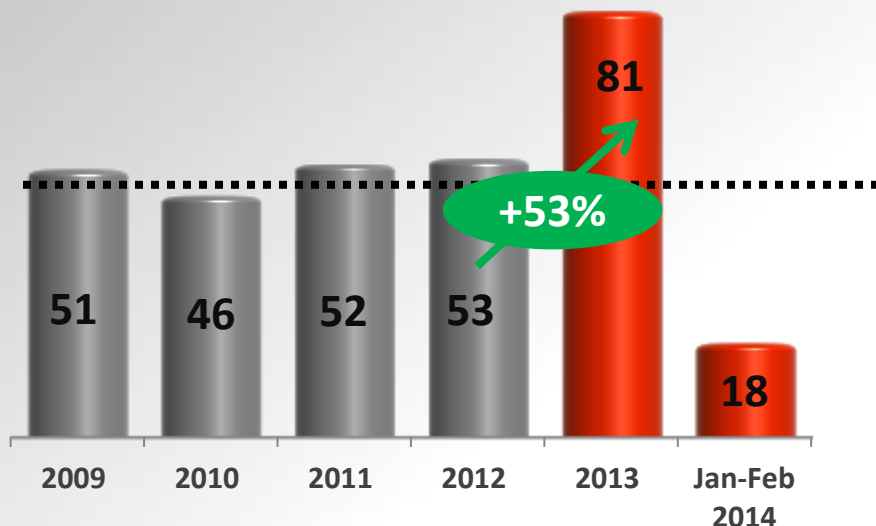
Total assets close to €30bn at end February



- **Mutual funds (+47% since 2011) and Insurance (+36% since 2011)** growing the most as core pillars of our investment strategy
- **Portfolio management** lost appeal after the VAT introduction
- **Assets under custody** also positive reflecting the ongoing acquisition of new clients and of a higher share of wallet of existing ones

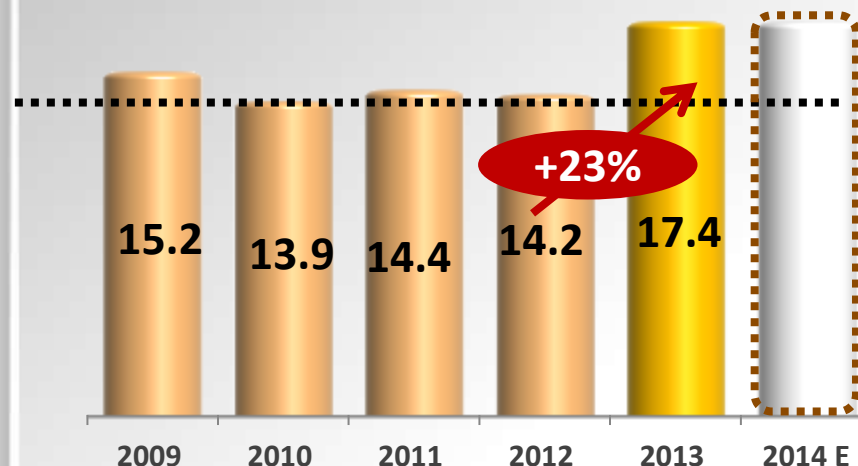
A strong year for recruitment

No. of recruits per year



Assets/recruits

(€ m)

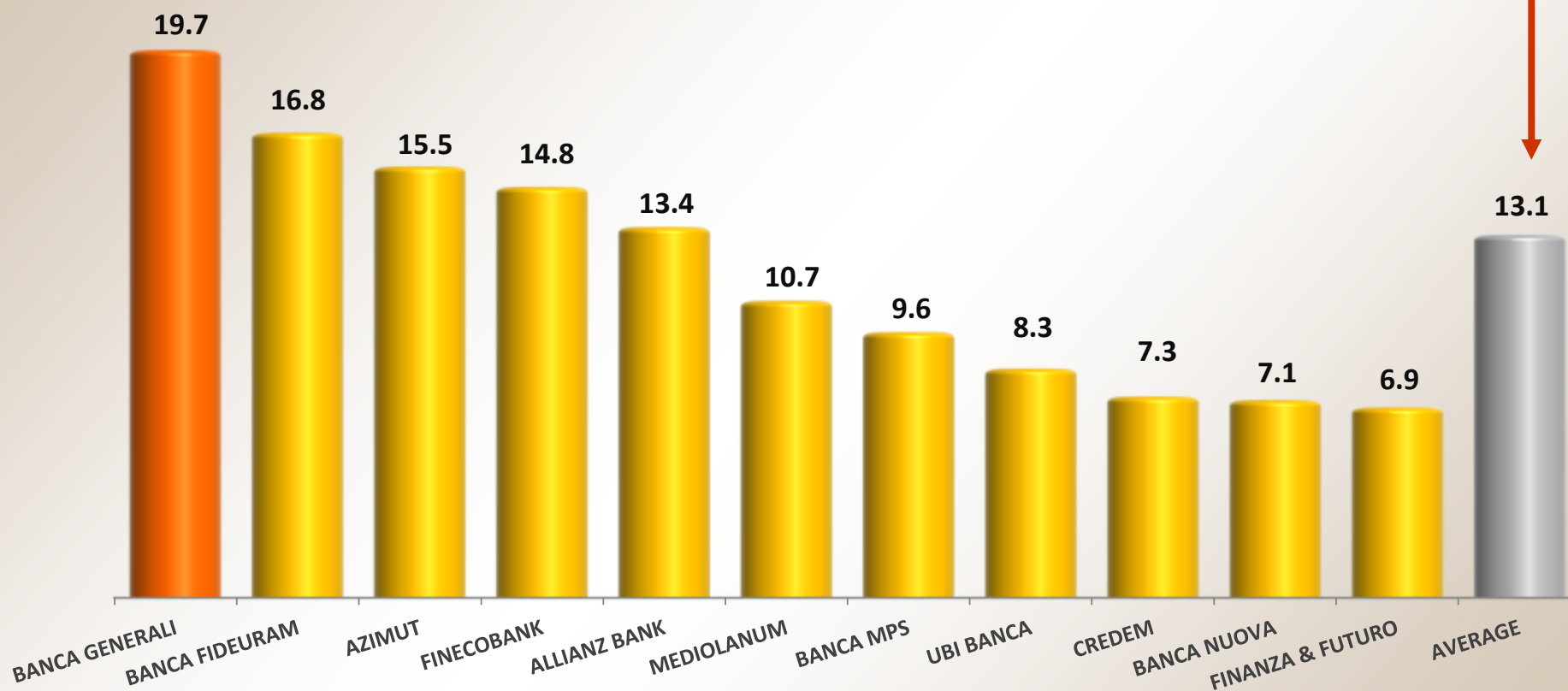


- Sharp increase in the number of new recruits in 2013: 81 people (+53%), o/w 21 private bankers and 60 Financial Planners
- Average portfolio size per new recruit at €17.4m, o/w €31m for private bankers and €12.7m for Financial Planners
- **Conditions for recruitment remain favourable** for the foreseeable future

Ranking by FA's portfolio size (Assets/FA)

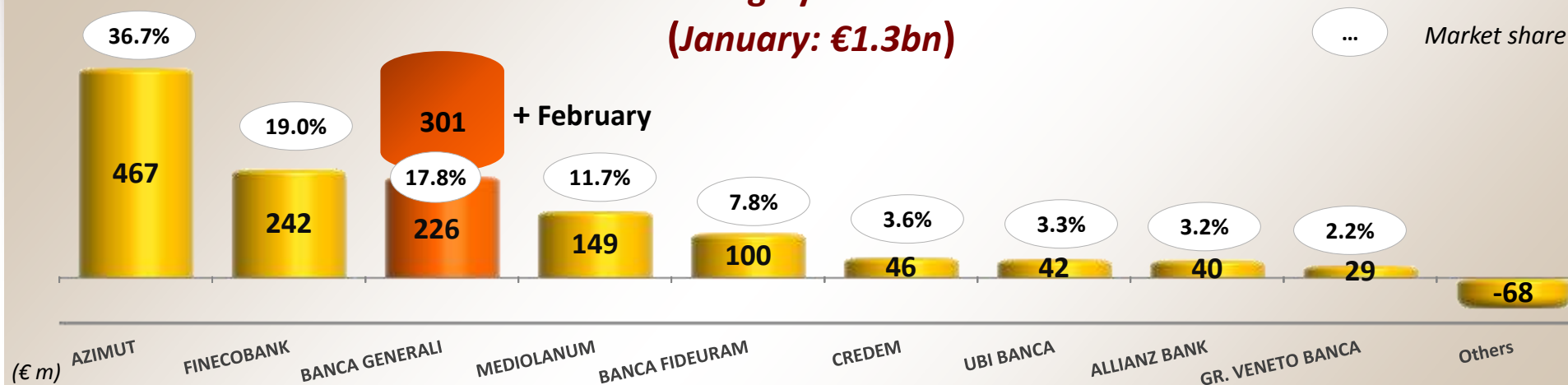
(€ m)

+50%

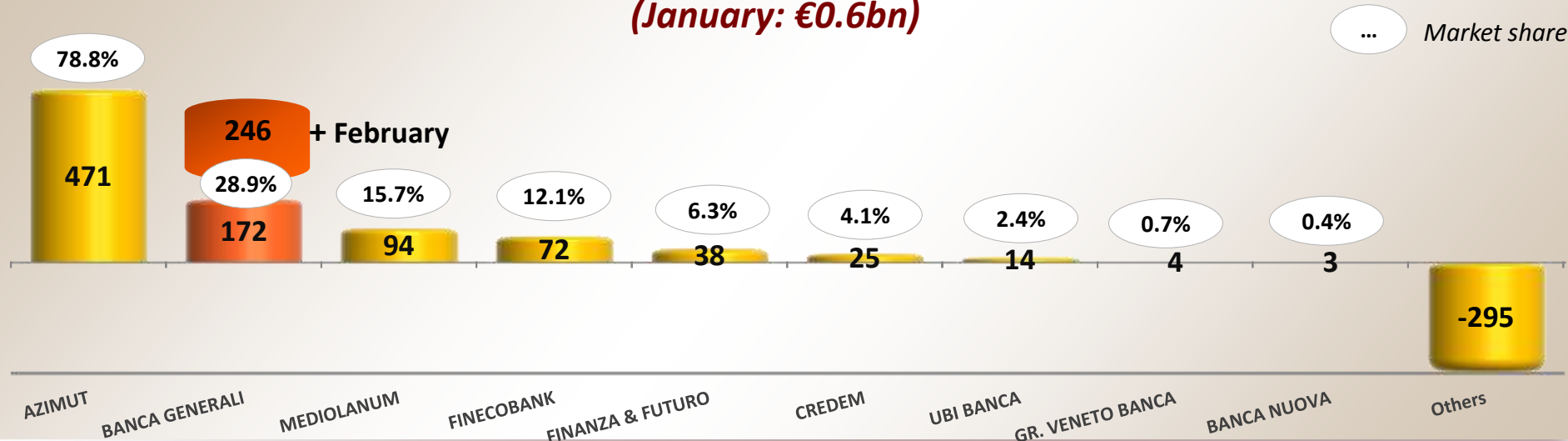


Source: Assoreti, figures at 31 December 2013

Sector ranking by total net inflows (January: €1.3bn)



Sector ranking by net inflows in managed and insurance products (January: €0.6bn)



FY 2013 results

Net Inflows, AUM, recruiting

Business Update

Closing remarks

Launch of a new advisory platform

- A wider service offer supported by primary business partners
- An enhanced role for FAs

 **BG Personal
ADVISORY**

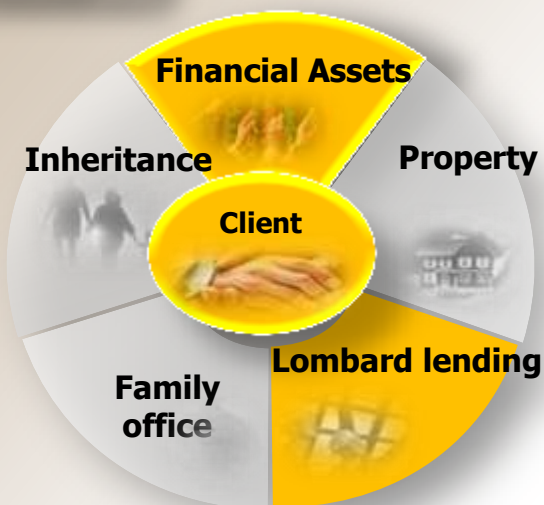
Launch of new products

- A new range of 'real asset' sub-funds
- Launch of new equity and bond funds
- A new multi-line insurance with unique investment features and insurance guarantees

Asset growth with focus on managed products

- Acquiring new customers through existing FA networks
- Exploiting recruiting opportunities (target 60-65 professionals)
- Further increasing exposure to managed products

FROM ...



... TO



Enhanced role for FAs

- Unique service spectrum for the customers
- Reinforcing high-profile standing on the market

Wider service offer

- Investment advisory: Financial and Insurance AppDesk
- Real Estate: a unique tool developed with **Analysis**
- Family office: exclusive agreement with **TOSSETTI VALUE**
- Inheritance: agreement with **CHIOMENTI**
STUDIO LEGALE

BG SELECTION

- Launch of **4 new 'Real Assets' sub-funds**
- New investment strategy where at least 30% of assets is invested in real return asset classes (real estate, commodities, energy, infrastructure, inflation-linked)



Morgan Stanley

BLACKROCK
MORNINGSTAR

Tot. 47 sub-funds

BG SICAV

- Launch of **6 new flexible BOND funds** (credit high yield, global credit, global income alpha, global income bond, new frontier debt, convertible opportunities)
- Core objective is to offer switch opportunities from fixed-income securities into a diversified range of fixed-income funds

J.P.Morgan
Asset Management



Amundi



Tot. 13 bond funds

BG SICAV

- Launch of **4 new EQUITY funds**: global real estate & infrastructure, European small & mid caps, Europe High dividend, Global equity long/short
- Specialty investment themes usually not available within BG Selection and aligned with the bank's investment strategy

threadneedle
investments

GENERALI
MANAGEMENT
Morgan Stanley
Schroders

Tot. 9 equity funds

BG
Stile Libero

A more tailor-made and flexible investment planning



Investment solutions

Diversified offering within a single vehicle: segregated accounts, in-house UCITS, third-party UCITS, ETFs



Insurance benefits

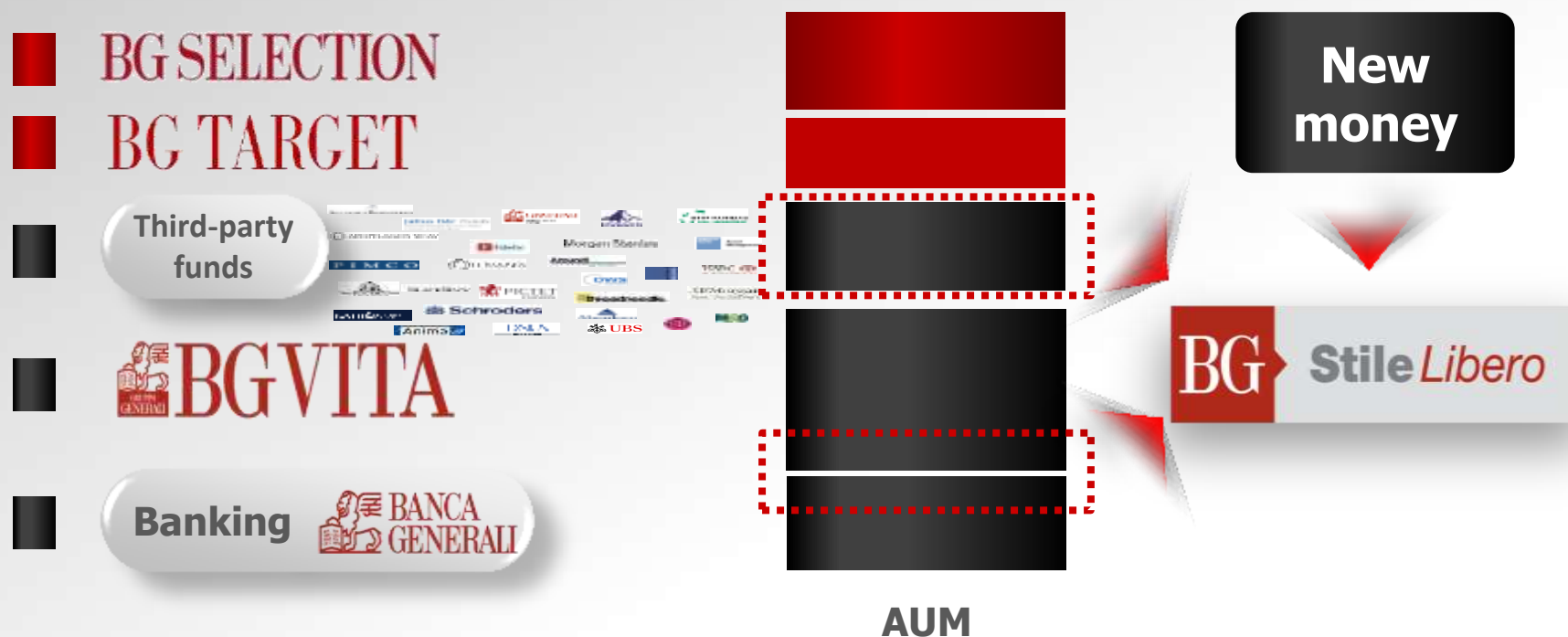
Insurance coverage as a function of the age of the insured, following an accident, in the event of a capital loss



Other services

A range of optional services to supplement the investment solution:
drawdowns, coupons, BG recommended portfolios, personalisation

Stile Libero allows a more tailor-made and flexible investment planning based on the risk profile of each customer



DIGITAL SIGNATURE

AUTHORISED
23 January 2014

- Launch of the digital signature
 - Faster order processing
 - Increase in FA's productivity
 - Enhanced customers' security
 - Easier customer access



WEB PAGE - for each FA

- Customised contents for each FA's web page





PROGRAMMA DEL CONVEGNO

- Saluto e presentazione dell'incontro
Stefano Grassi - Direttore Centrale Responsabile Area C.F.D. Banca Generali
- Recati tributari e introduzione nell'ordinamento del ruolo di autotricciaggio
Antonio Pastore - Sostituto Procuratore alla Procura della Repubblica di Milano
- Volontazione di statuti sulla Voluntary Disclosure e usi/benefici per il contribuente
Raul Angelo Papola - Partner - Chiomenti Studio Legale
- Voluntary Disclosure: attività defensorie all'estero (attività assicurative, polizze, quote societarie e immobili)
Giuseppe Consonni - Professore Associato di Diritto Tributario - Università degli Studi di Brescia
- Quadro IWF: obblighi di monitoraggio degli investimenti e delle attività finanziarie estere
Noberto Argenti - Studio Fiscale e Tributario
- La Voluntary Disclosure e il ruolo dell'UOR
Giuseppe Maffiaroni - UOR - Ufficio Centrale per il contrasto agli Illeciti Fiscali Internazionali - Agenzia delle Entrate
- Voluntary Disclosure e Autotricciaggio
Immanuel Risco - Professore di Diritto Penale Commerciale - Università degli Studi di Bari
- Il ruolo delle Società Fiduciarie e degli Intermediari
Michele Muscato - Consigliere Delegato Generali SpA, Società Fiduciaria di amministrazione e trust
- Sessione di quesiti e approfondimenti

WWW.BANCAGENERALI.IT

MESSAGGIO PUBBLICITARIO CON TIRATURA FINITIMILE



BUSINESS POTENTIAL

- Italian government pursuing the aim of recovering taxes on Italian assets held offshore by September 2015
- Offshore Wealth held by Italian households is estimated at €200bn, o/w €180bn in Switzerland
- Two conferences with primary tax and legal experts already held in Milan and Rome

Fy 2013 results

Net inflows, AUM, recruiting

Business Update

Closing remarks

Our targets

Seizing growth opportunities

Further enhancing the quality of our FA network

Sustainability of results

Our tools

- Ongoing favourable conditions for recruiting high profile and talented professionals
- Evaluating M&A opportunities in Italy
- Launch of the new advisory platform
- Strong investments in training and support services
- Focus on recurring revenues
- Full commitment on cost discipline
- Keeping strong capital ratios

**KEEPING A LONG-TERM FOCUS,
AVOIDING SHORT-TERM NOISES**

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			

**AGM to approve 2013 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 2014
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 2014
results**

Investor Relations Contacts

Giuliana Pagliari

Investor Relations Officer

Phone +39 02 6076 5548

Mobile +39 331 65 30 620

E-mail: giuliana.pagliari@bancagenerali.it

E-mail: investor.relations@bancagenerali.it

Corporate Website

www.bancagenerali.com

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

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.