



1Q 2014 Results and Business Outlook

Milan, 8 May 2014

1Q 2014 Results

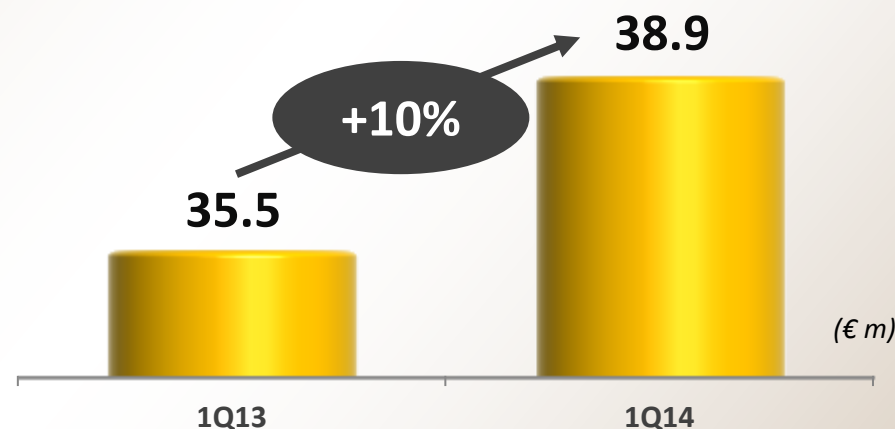
Net Inflows, AUM and Recruiting

Business Update & Closing Remarks

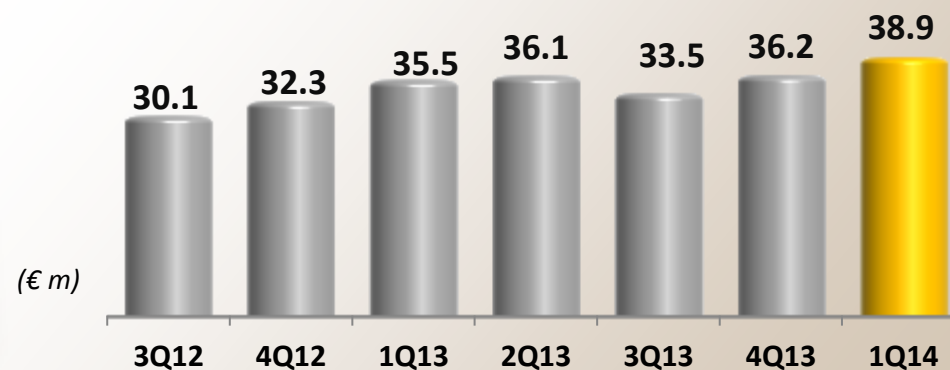
Net profit at €38.9m (+10%)

- **Best quarter since 3Q12**
- **Strong growth in management fees** at €81.8m (+19%) driven by the strong business performance
- **Cost/Income ratios at a new record low of 36.6%**, as operating costs posted a negligible increase (+2%) even including the launch of new growth projects
- **Strong capital position:** Net Equity at €528bn (+21%), with Excess Capital at €154m (+26%) and capital ratios at top level in the industry

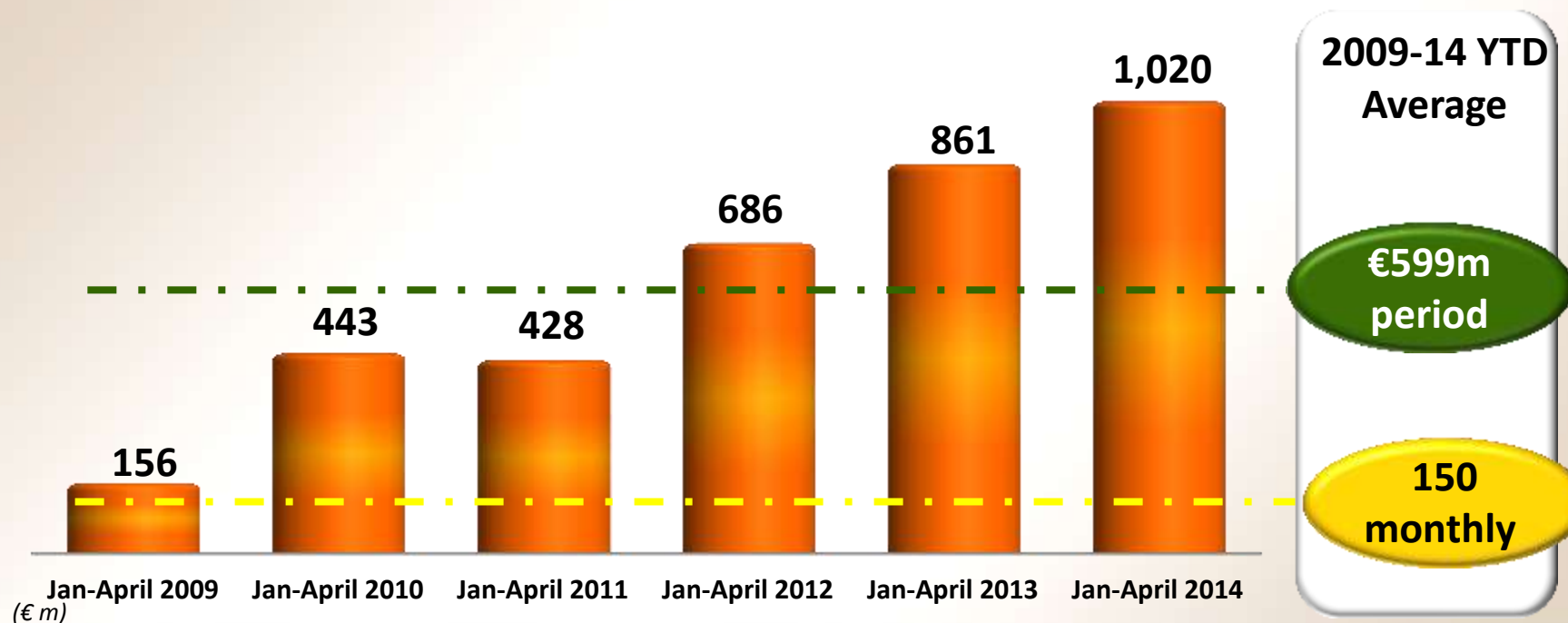
Reported Net Profit



Steady increase in quarterly net profit



Net Inflows Jan-April 2009-14YTD



- Pace of growth significantly higher (+70%) than the average of last six years
- **2014 Net Inflows target raised to €2,000m (+25% vs. previous target)**

(€ m)	3M13 (reported)	3M14 (reported)	% Chg	3M13 (excl. GIL)	3M14 (excl. GIL)	% Chg
Net Interest Income	33.5	28.7	-14.4%	33.5	28.7	-14.4%
Fee income	108.5	112.9	4.1%	100.8	103.0	2.2%
Fee expense	-46.0	-53.1	15.5%	-40.0	-45.4	13.6%
Net Fees	62.5	59.8	-4.3%	60.8	57.6	-5.2%
Net income (loss) from trading activities	1.4	18.3	1254.4%	1.4	18.3	1254.3%
Dividends	0.0	0.0	171.5%	0.0	0.0	171.5%
Net income (loss) from trading and div.	1.4	18.3	1248.1%	1.4	18.3	1248.0%
Total Banking Income	97.3	106.8	9.7%	95.6	104.6	9.4%
Staff expenses	-18.2	-18.6	2.4%	-17.7	-18.1	2.4%
Other general and administrative expense	-23.9	-30.7	28.3%	-23.8	-30.6	28.5%
Depreciation and amortisation	-1.2	-1.0	-10.5%	-1.2	-1.0	-10.5%
Other net operating income (expense)	4.0	10.4	156.4%	4.0	10.4	156.3%
Total costs	-39.2	-40.0	1.9%	-38.5	-39.3	2.0%
<i>Cost /Income Ratio</i>	<i>-39.1%</i>	<i>-36.5%</i>	<i>2.6 p.p.</i>	<i>-39.1%</i>	<i>-36.6%</i>	<i>2.5 p.p.</i>
Operating Profit	58.1	66.8	15.0%	57.1	65.3	14.4%
Net adj. for impair.loans and other assets	-1.4	-0.9	-31.5%	-1.4	-0.9	-31.5%
Net provisions for liabilities and contingencies	-10.8	-10.4	-3.4%	-10.8	-10.4	-3.4%
Profit Before Taxation	46.0	55.5	20.6%	44.9	54.0	20.1%
Direct income taxes	-9.5	-14.8	54.9%	-9.4	-14.6	54.8%
<i>Tax rate</i>	<i>20.7%</i>	<i>26.6%</i>	<i>5.9 p.p.</i>	<i>21.0%</i>	<i>27.0%</i>	<i>6 p.p.</i>
Income/(losses) after tax on assets held for sales	0.0	-0.5		0.0	-0.5	
Minorities interest	-1.0	-1.4	42.3%	0.0	0.0	
Net Profit	35.5	38.9	9.5%	35.5	38.9	9.5%

Total banking income up by 9% driven by higher recurring income and favorable trading conditions

High-quality growth in gross fees as management fees (+19%) more than counterbalanced lower variable fees

Operating costs increased by 2% after including investments for the IT platform

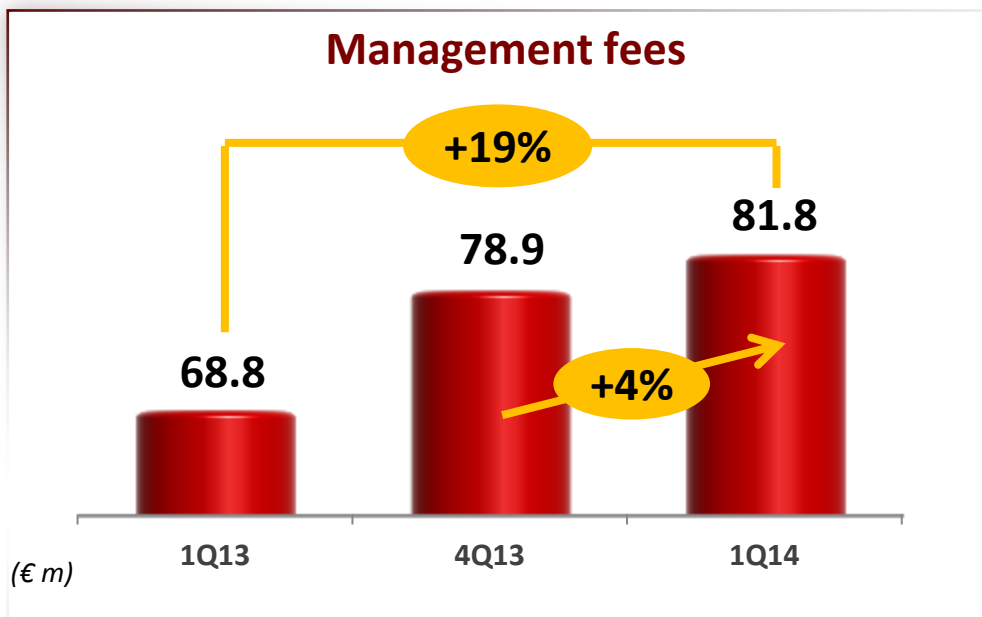
Provisions reflect high net inflows and high recruiting levels

The increase in **tax-rate** reflects the higher contribution from trading

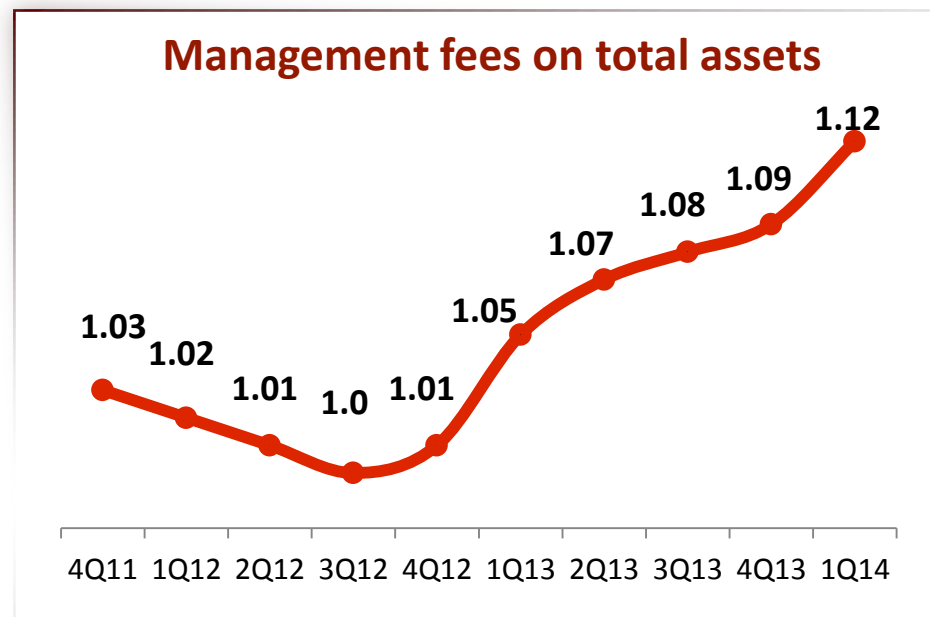
Net profit at €38.9 m (+10%) best consecutive quarter since 3Q12

Continuous management fee expansions

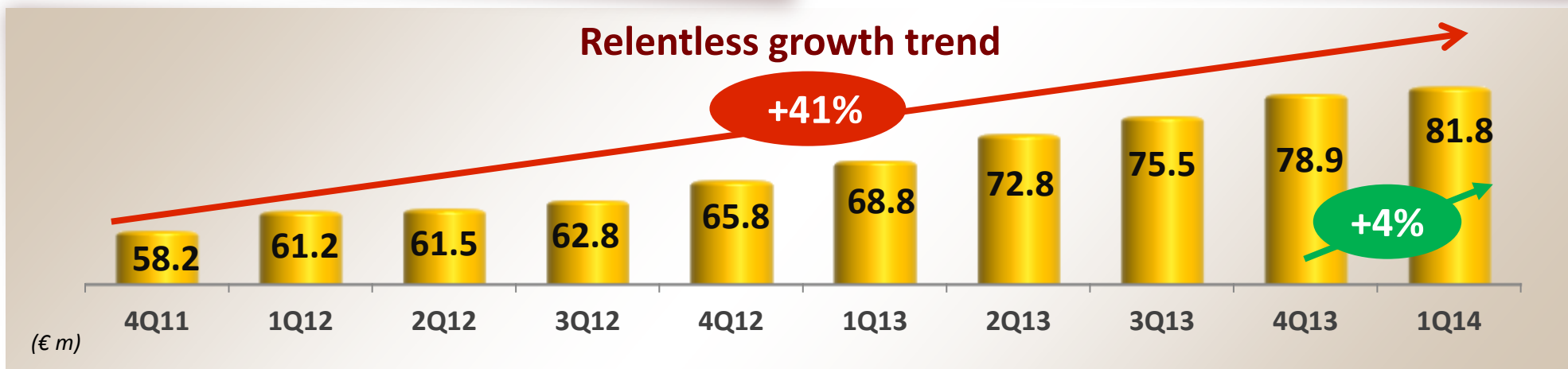
Management fees



Management fees on total assets

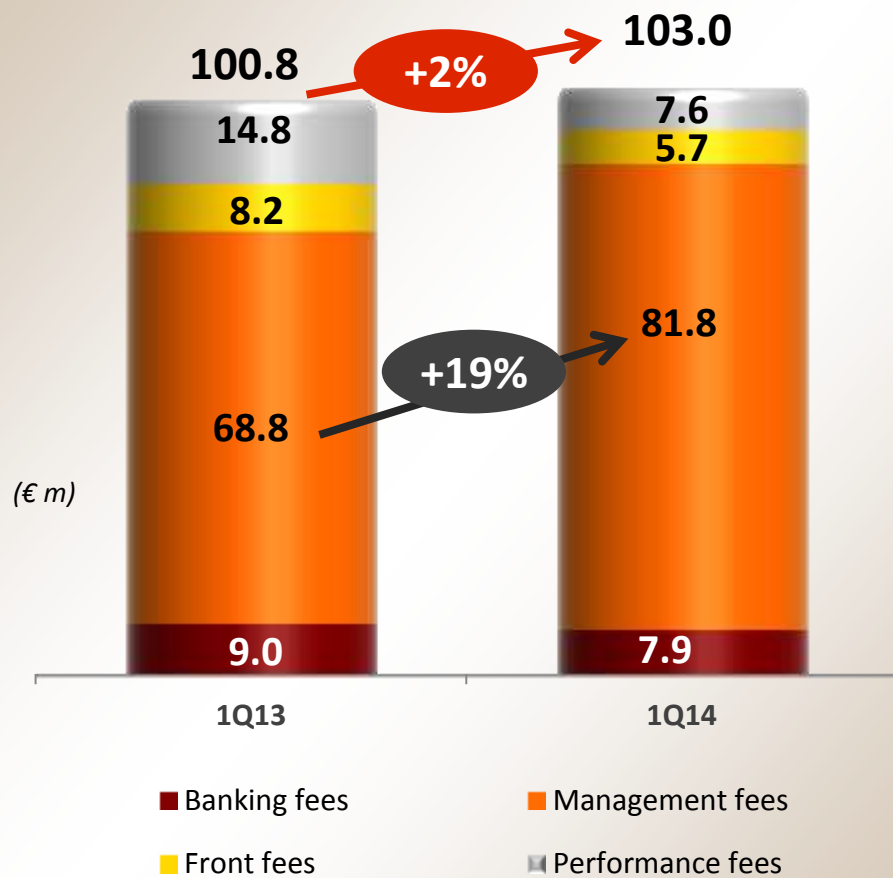


Relentless growth trend



Figures do not incorporate the contribution of Generali Investment Luxembourg ("GIL")

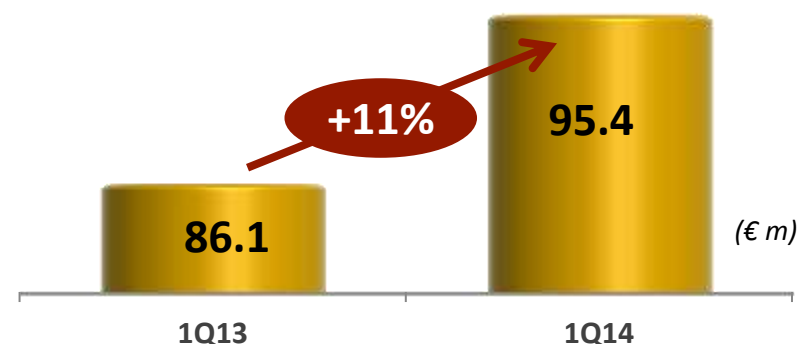
Breakdown of Gross Fees



Performance fees-free

- Recurring gross fees up 11% to €95.4m driven by management fees
- Banking fees and entry fees broadly in line with 4Q13. Unfavorable comparison with 1Q13 which benefitted from extraordinary sales and trading volumes
- Higher management fees more than counterbalancing performance fees

Recurring fees ¹

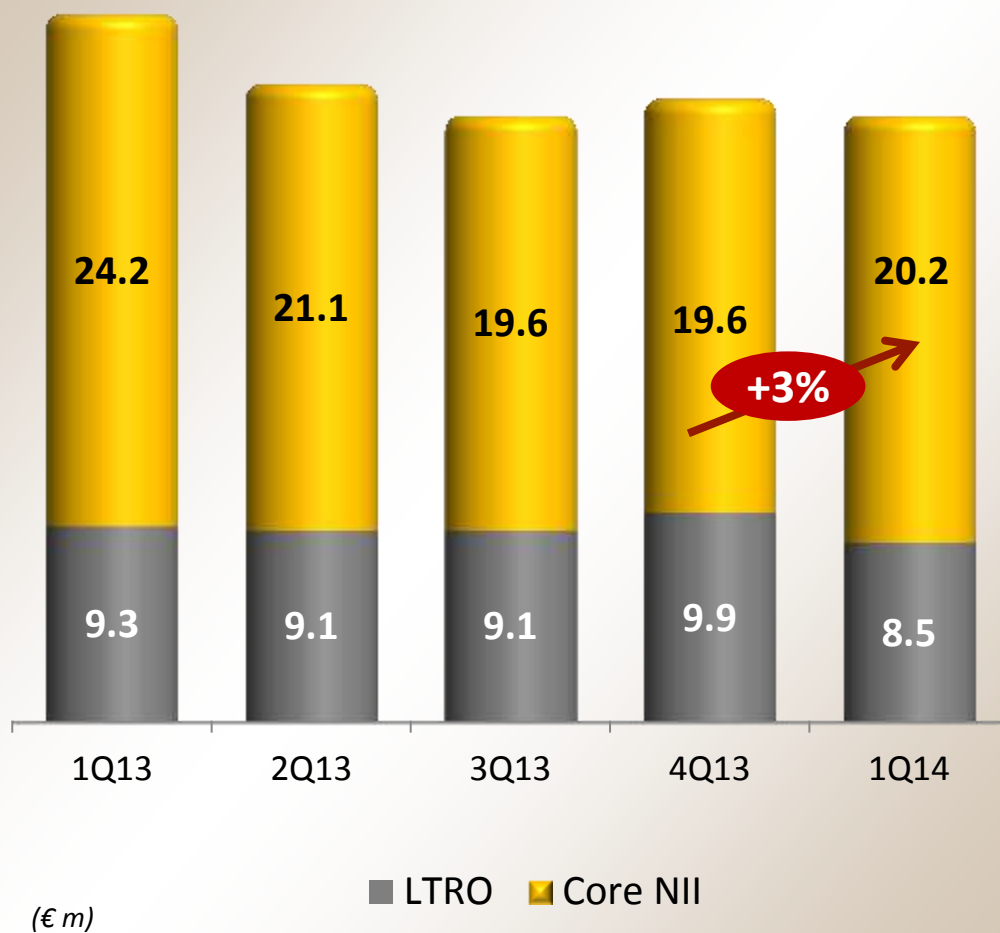


¹ Recurring commissions = management fees, banking fees, front fees

Figures do not incorporate the contribution of Generali Investment Luxembourg ("GIL")

Core net interest income broadly stable

Quarterly Net Interest Income



Solid contribution from core NII

- Core NII slightly increased QoQ supported by higher volumes and a satisfactory return of 2.2% on bond portfolio
- The overall banking book amounted to €5.2bn (+4%) and had an average bond maturity of 2.1 (duration of 1.69)

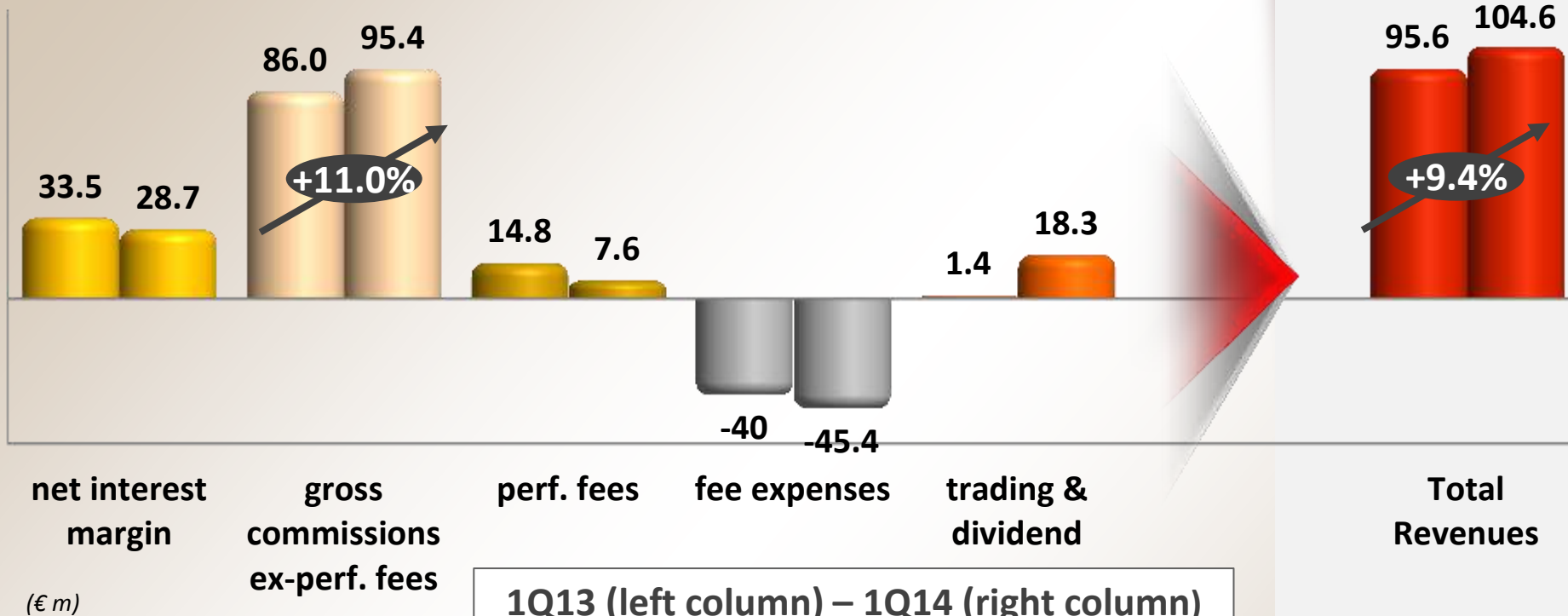
Growing secured lending activity

- Secured lending generated 22% of core NII (15% of total NII)
- Total secured loans amounted to €1.4bn with outstanding financial guarantees worth €2.5bn.
- New **secured loans** issued in 1Q14 amounted to €63 million with related guarantees amounting to around €80m

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Solid total revenues driven by core business

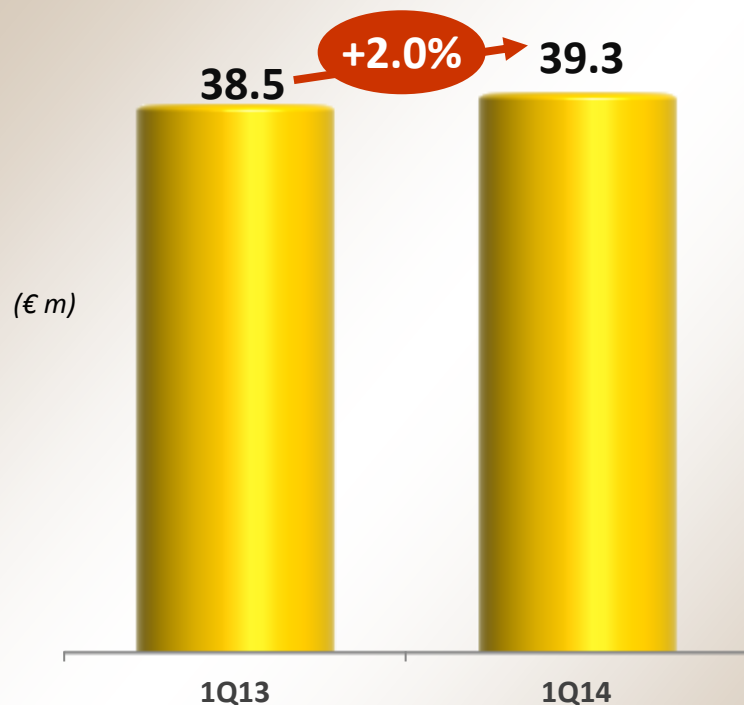
Total Revenues breakdown



- Positive trend in management fees more than offset lower performance fees and a one-off slowdown in entry and banking fees
- Trading opportunities on financial markets exploited
- NII trend reflected partial reimbursement of the LTRO assets and a slightly declining investment return

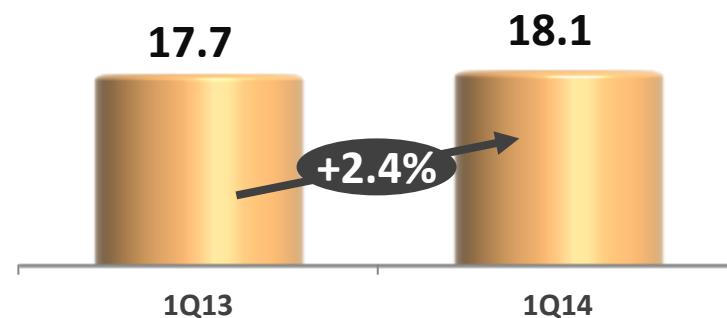
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Operating expenses net of stamp duty¹



¹ Stamp duty is fully recovered from clients. The increase is linked to the "Save Italy Decree" (Nov. 2011)

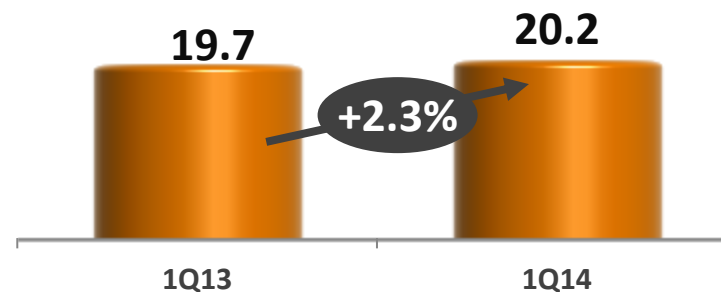
Staff costs



- Staff costs growing moderately

(€ m)

G&A costs ex-stamp duty

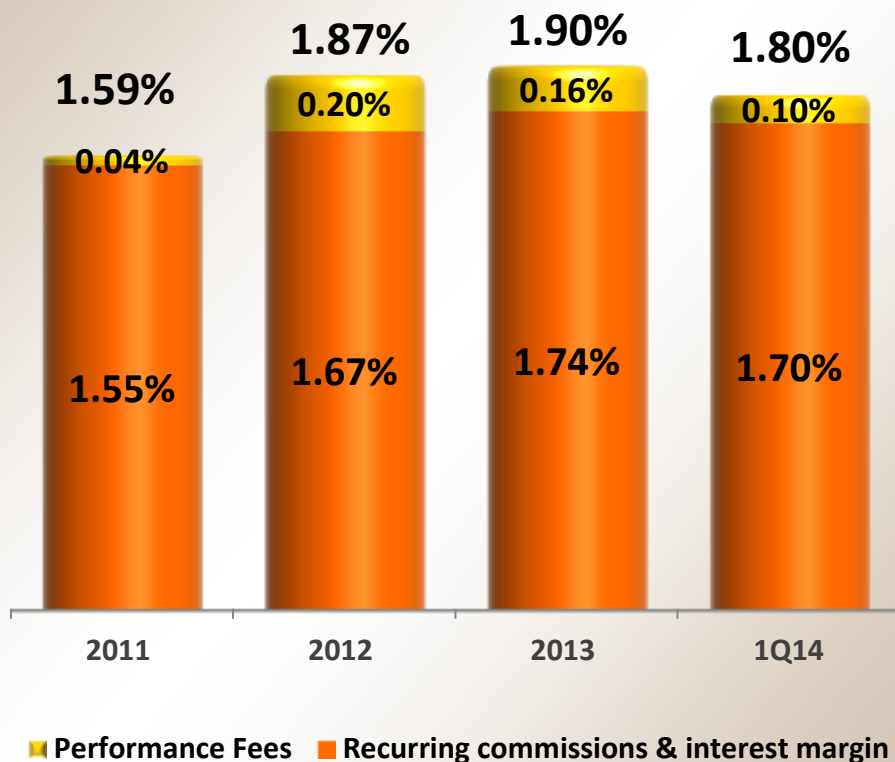


- G&A expenditure also incorporate one-off costs for the launch of the new advisory platform

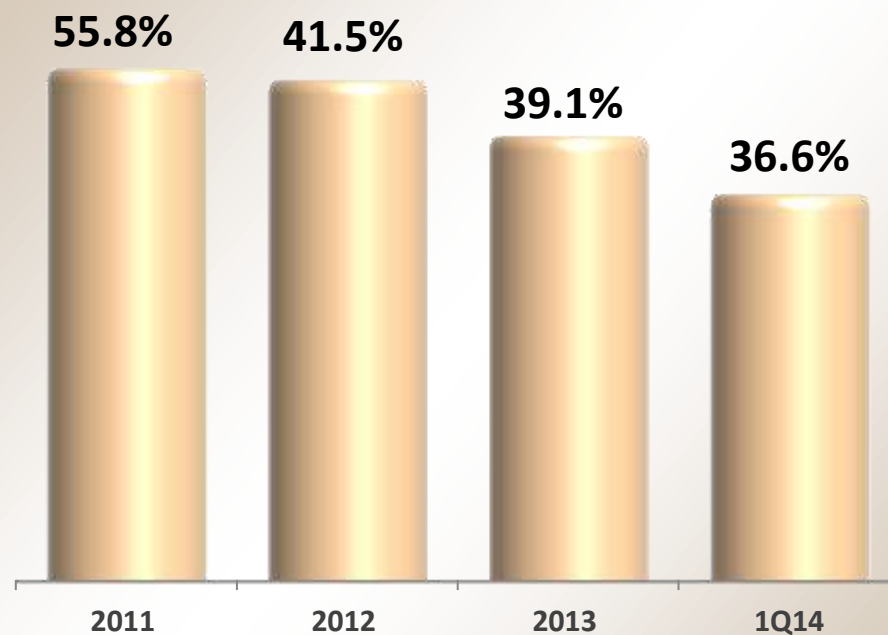
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Profitability ratios at best practice level

AUM profitability

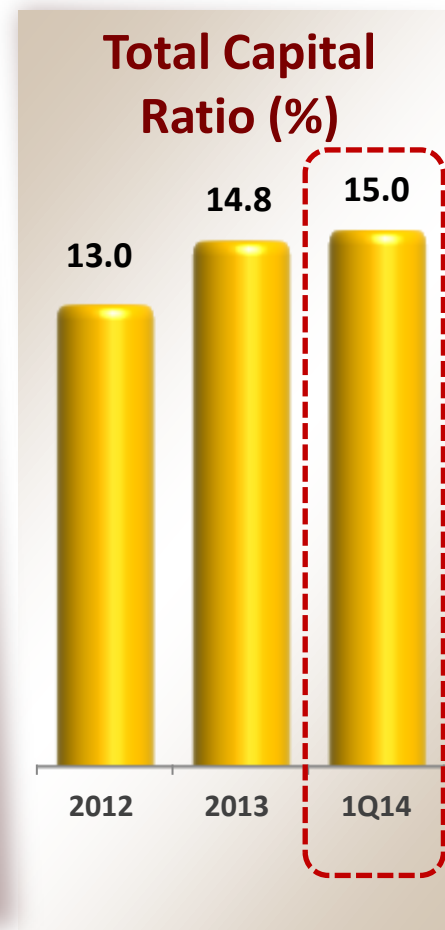
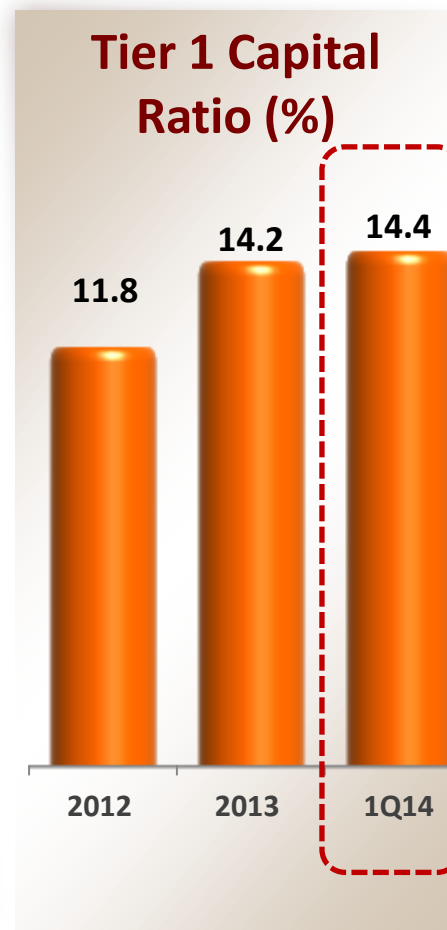
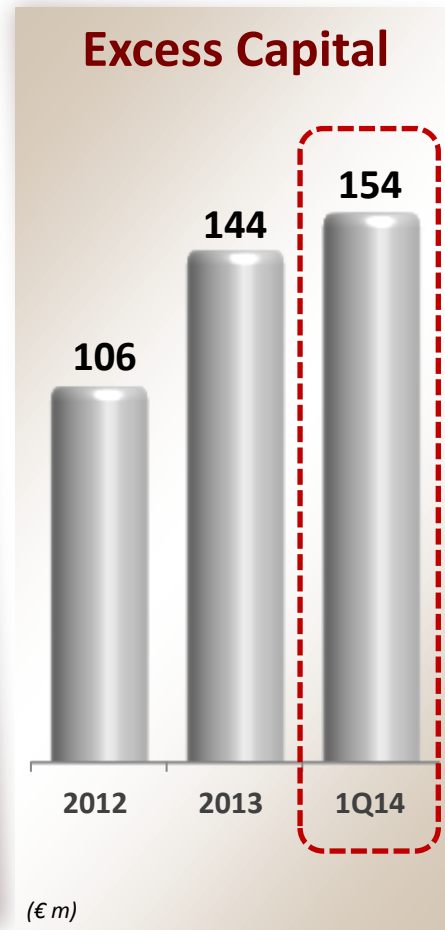
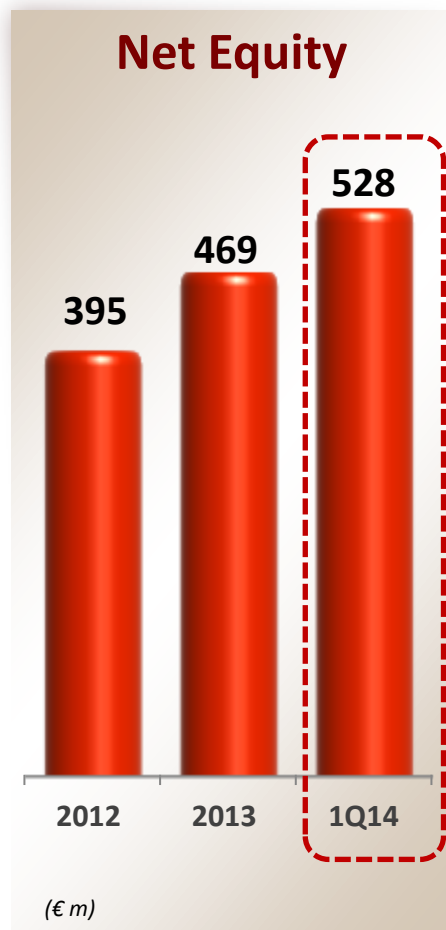


Cost/Income ratio



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Capital strength further increased



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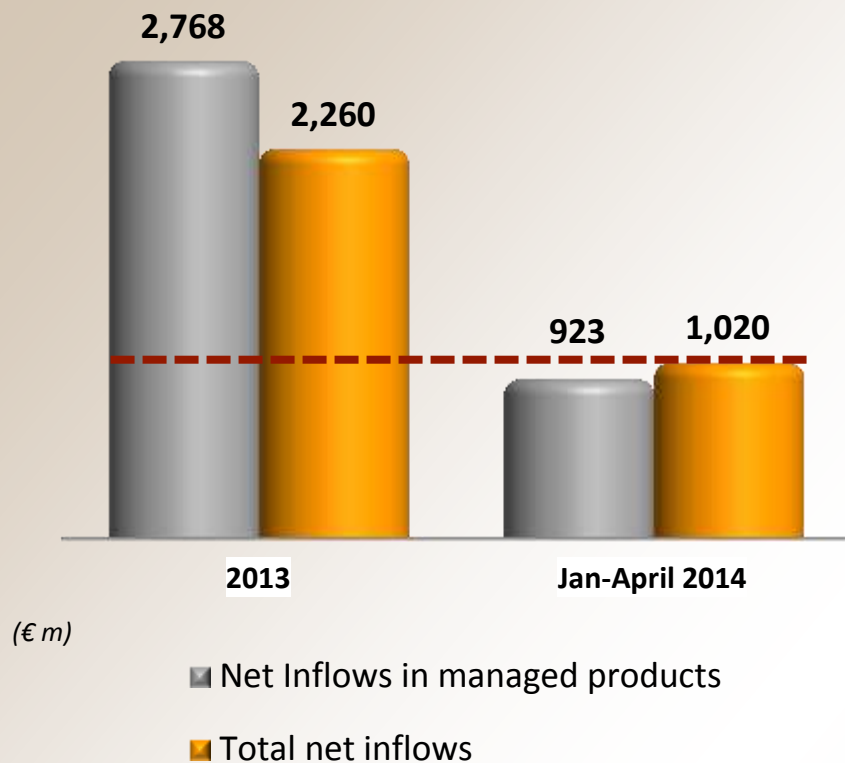
1Q 2014 Results

Net Inflows, AUM and Recruiting

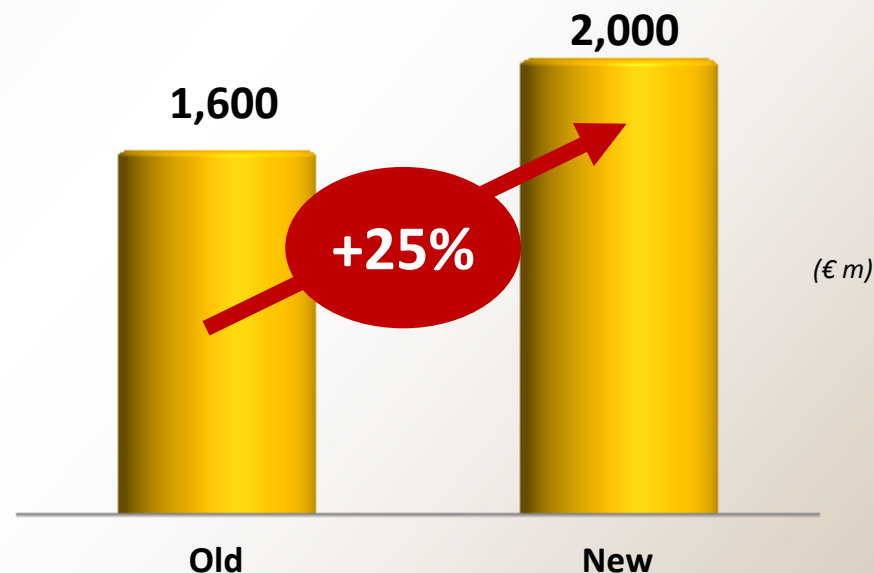
Business update & Closing Remarks

Net Inflows YTD almost 50% of FY2013

Net Inflows YTD

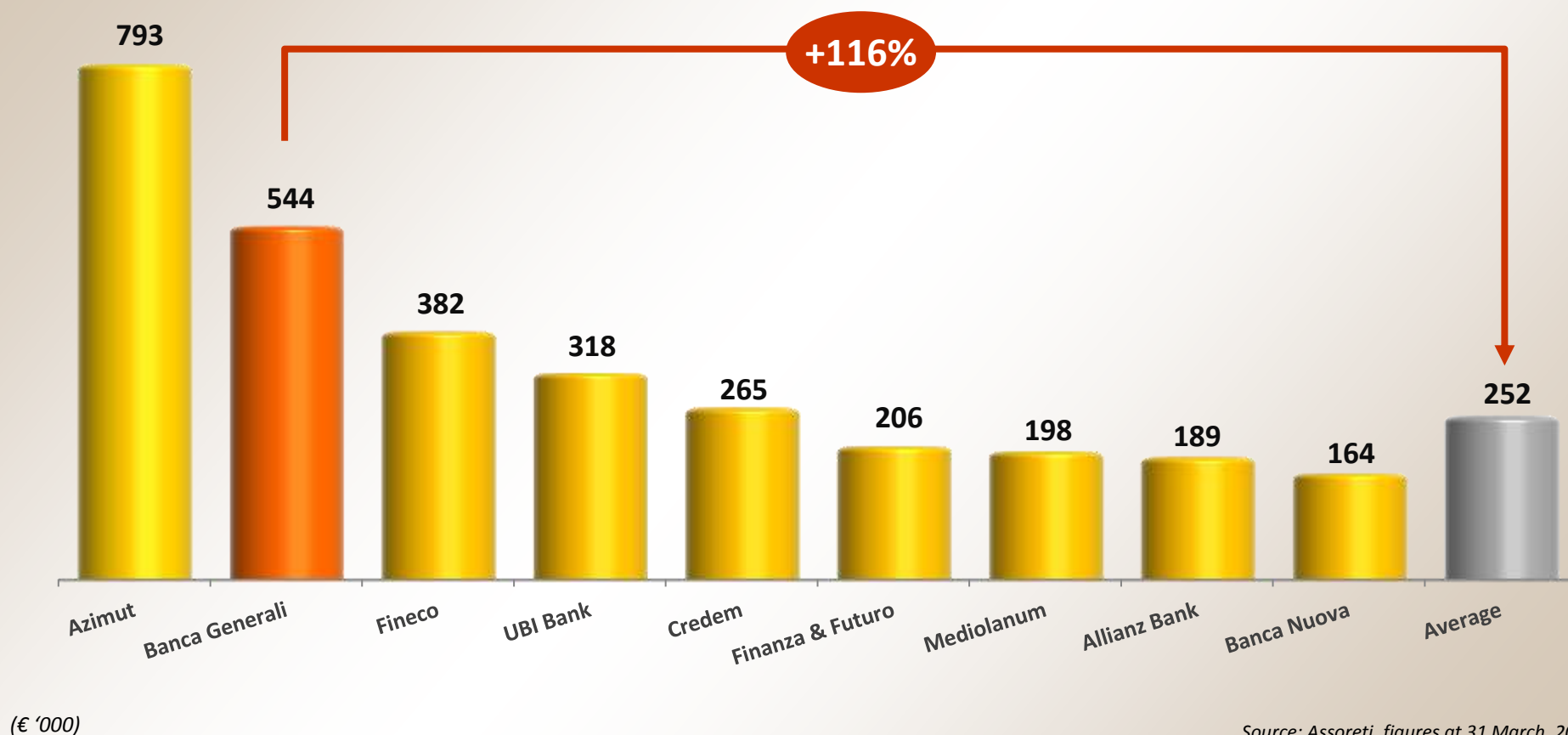


Net Inflows target for 2014



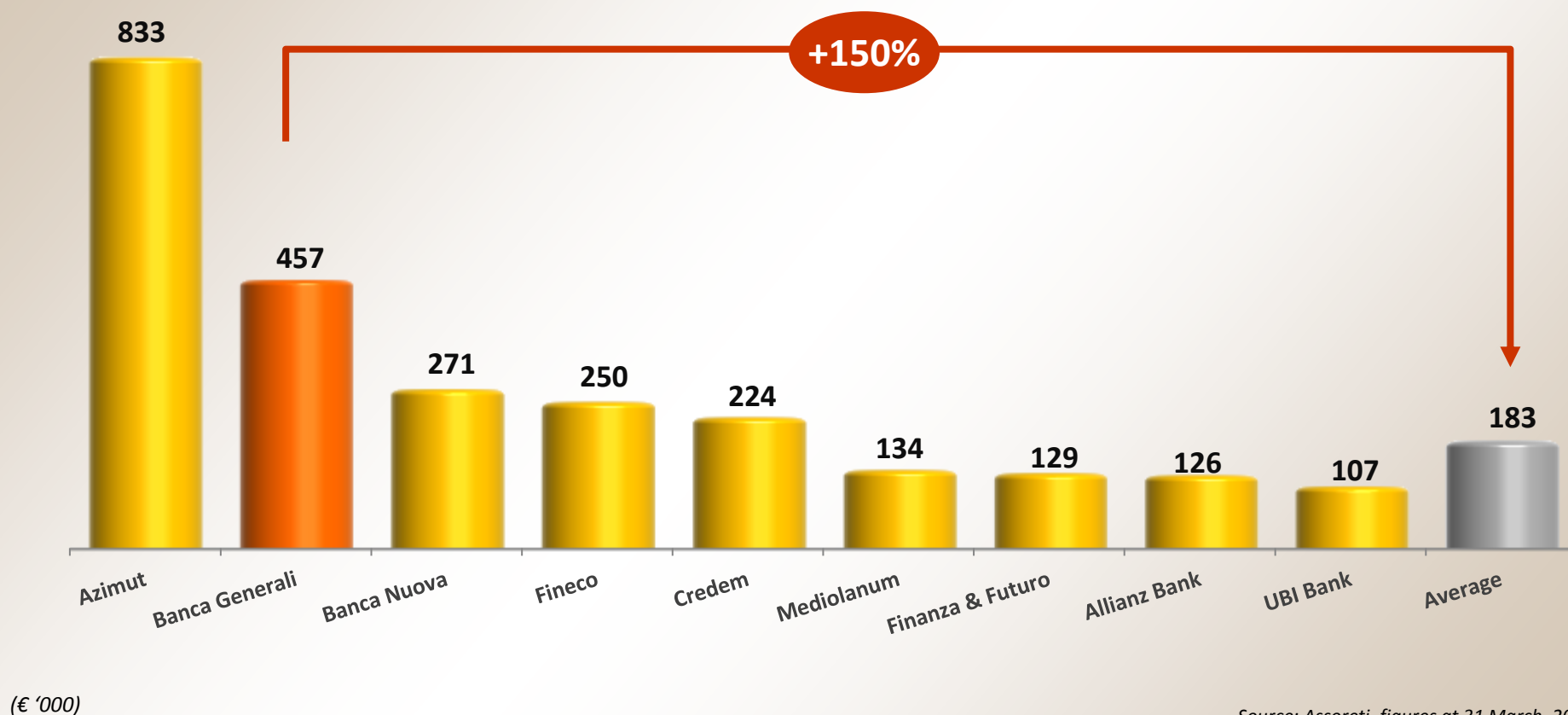
- Net inflows entirely from retail clients, no direct channel (Web platform)
- Steadily gaining market share in the sector (from 9.4% in 2008 to 10.4% in 2013)

Ranking by FA productivity (Tot. Net Inflows/FAs)

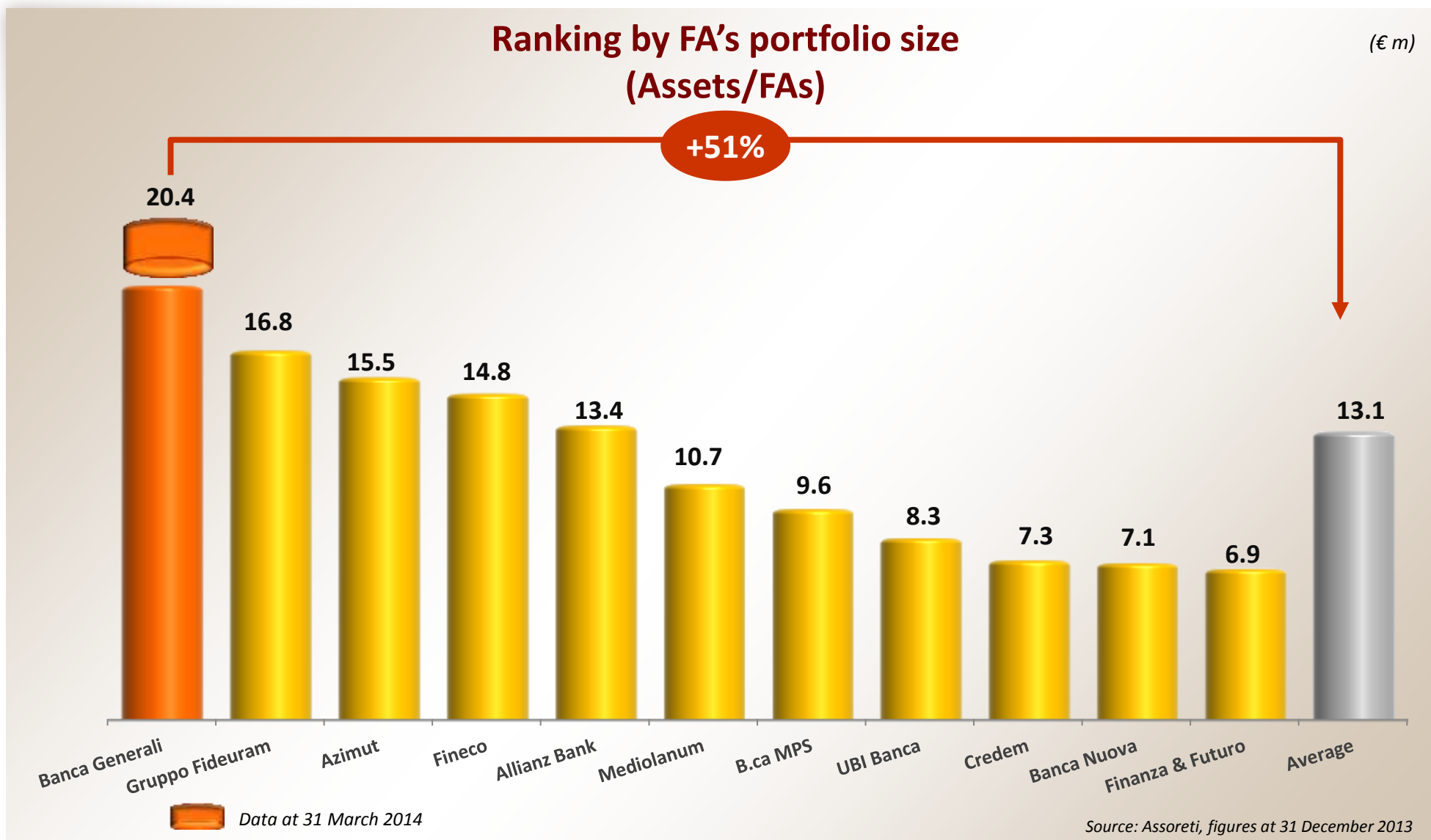


Source: Assoreti, figures at 31 March, 2014

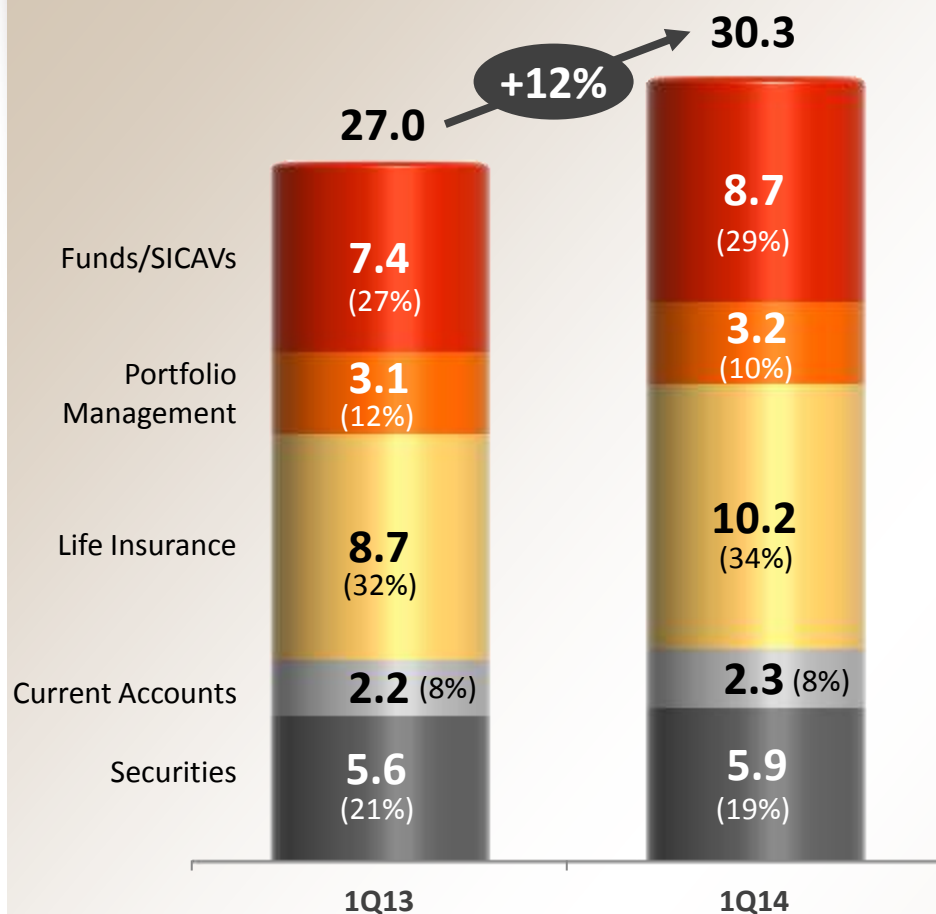
Ranking by FA productivity (Net Inflows in managed products/FAs)



Source: Assoreti, figures at 31 March, 2014

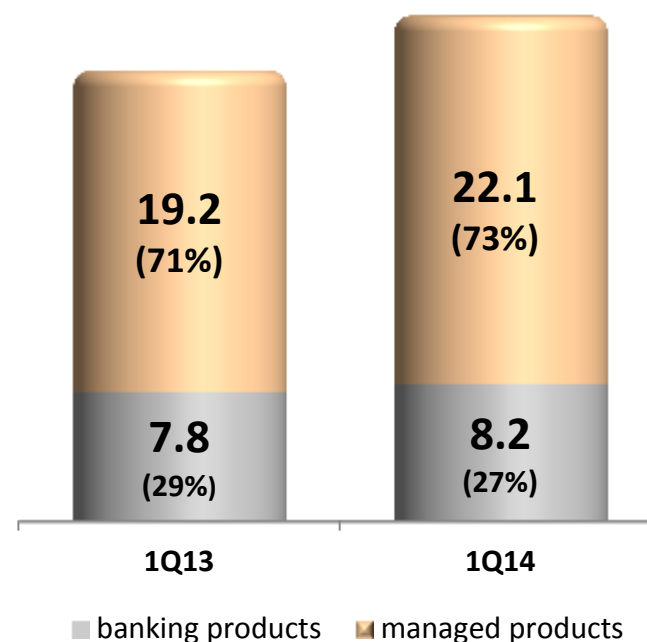


Total Assets



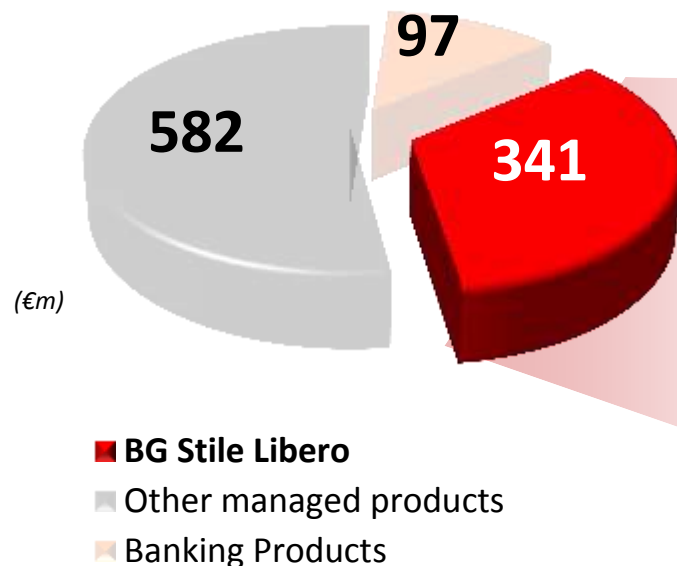
(€ bn)

Managed vs. Banking products

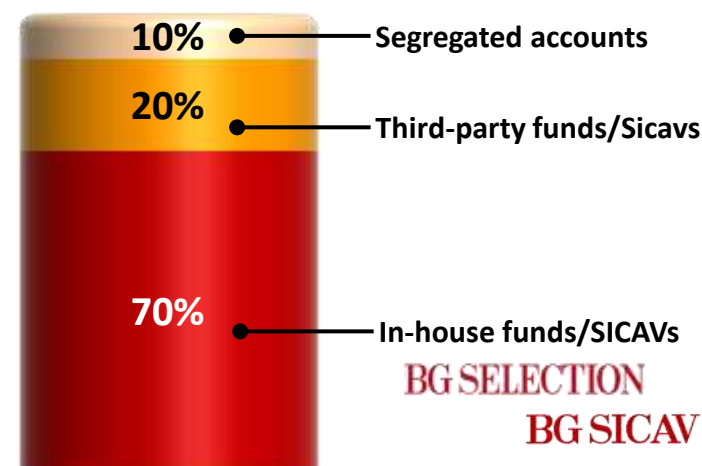




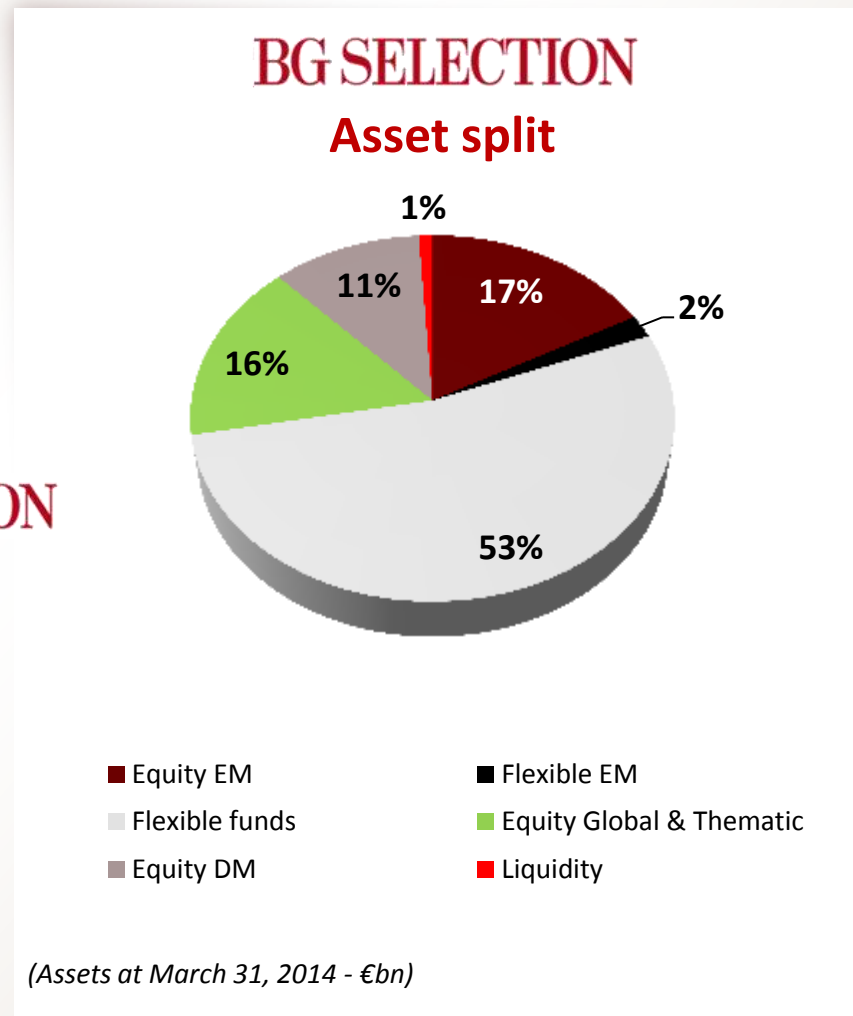
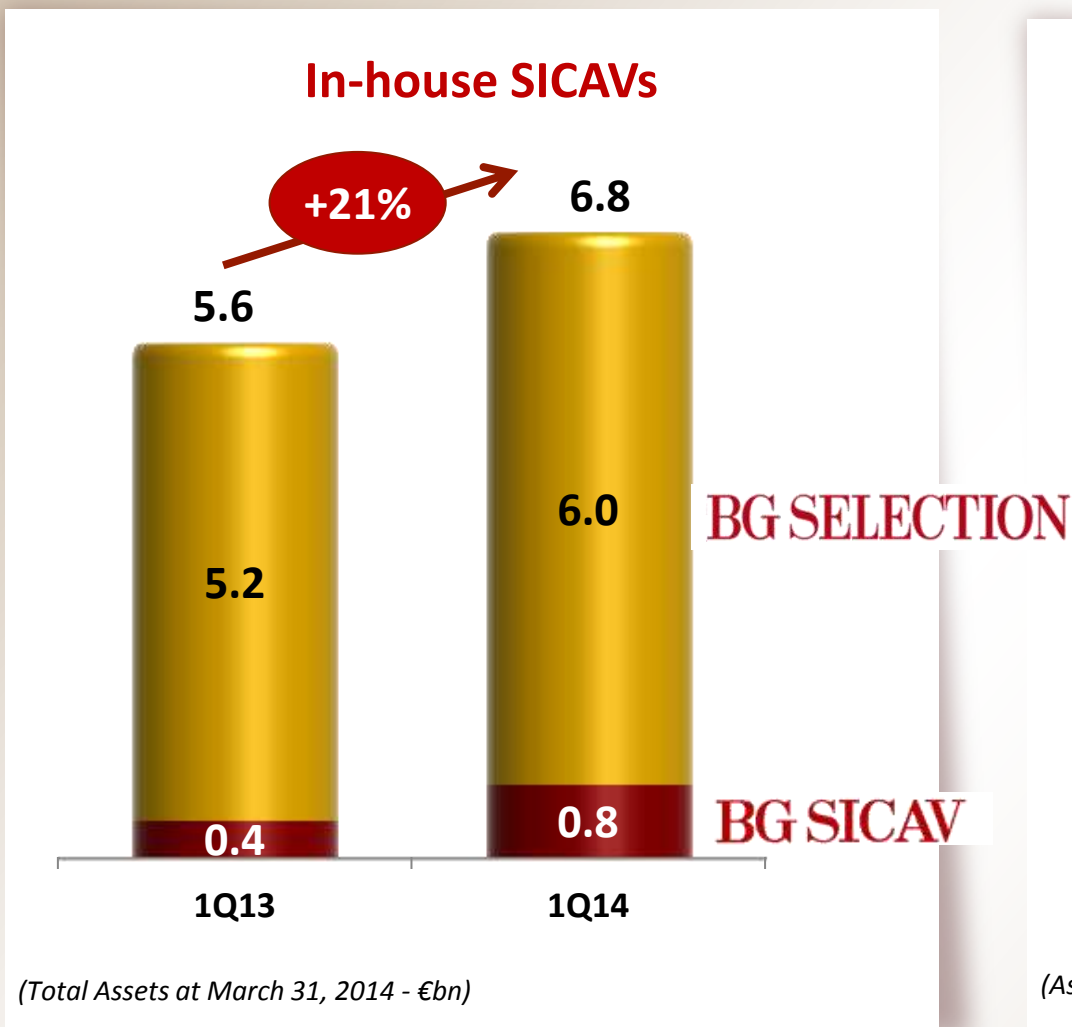
Jan-April 2014 Net Inflows split by product



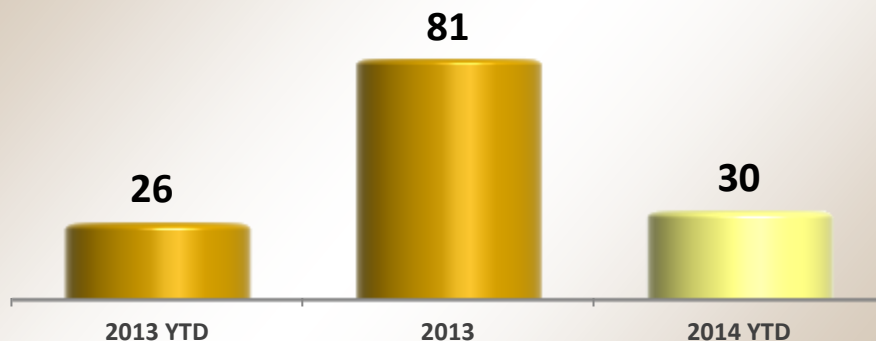
BG Stile Libero Split of underlying assets



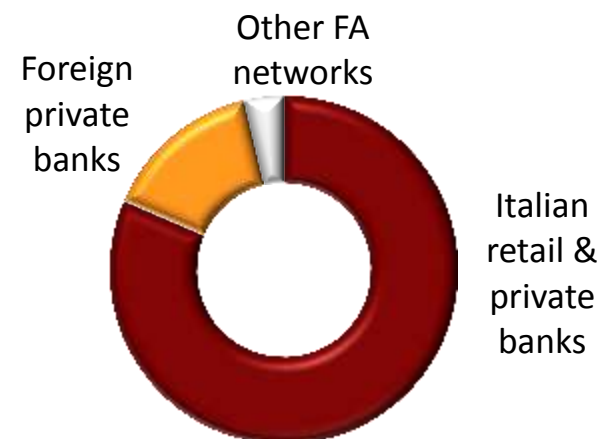
- BG Stile Libero delivered strong results: €341m in 2 months
- Other managed products: solid demand for in-house SICAVs and traditional insurance products, but declining interest for portfolio management and third-party funds



No. of new recruits





Recruiting source



2013 YTD Recruits

2014 YTD Recruits

	FAs	AUM	FAs	AUM
 BANCA GENERALI PRIVATE BANKING	10	450	6	177
 BANCA GENERALI	16	205	24	317
 GRUPPO BANCA GENERALI	26	655	30	494
		(€ m)		(€ m)

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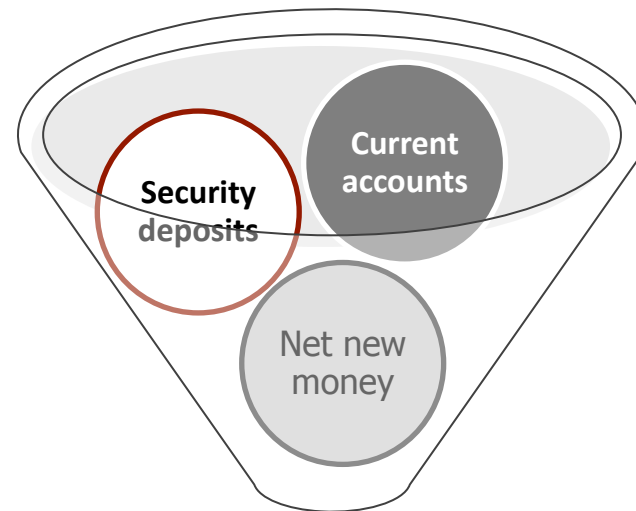
Digitalization is a priority for the bank to support FA's activity and improve customer service:

- “Financial & Insurance Desk’, a new APP to support FA’s activity with a wide range of special features (portfolios, diversification index, market analysis, product review)
- “BG Personal Advisory”: a new desktop accessible from the Web to support FA’s activity
- Customised Web-page for each FA



Ongoing increase in demand for managed products backed by falling interest rates:

- Supporting environment for managed products
- Customers interested in better exploiting international investment opportunities and diversifying their portfolios
- Large bulk of assets still in current accounts and security deposits (€8.2bn)
- Ongoing focus on providing customers with the widest product/service offer



MANAGED PRODUCTS

BG Stile *Libero*

BG SELECTION

BG SICAV

 **BG VITA**

Seizing growth opportunities

- Exploiting favorable market conditions to amass assets
- Recruiting high profile financial advisors
- Evaluating M&A opportunities in Italy

Sustainability of results

- Focusing on recurring revenues
- Maintaining full commitment on cost discipline
- Keeping strong capital ratios

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.

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