

PRESS RELEASE

**Quarterly results****BEST EVER QUARTERLY RESULTS IN  
TERMS OF ASSET EXPANSION, REVENUES  
AND NET PROFIT****NET PROFIT AT €93.1 MILLION (+140%)**

- Revenues at €180.5 million (+73%)
- Management fees at €107.6 million (+32%)
- Operating expenses at €41.5 million (+5.5%)

**TOTAL SIZE OF ASSETS AT €39.5 BILLION  
(+30%)**

- Total net inflows at €1,447 million (+42%); including the April figure (€305 million)
- Total net inflows in managed assets at €1,463 million (+59%); including the April figure (€363 million)

Milan, 4 May 2015 – The Board of Directors of Banca Generali, chaired by Paolo Vagnone, approved the consolidated results for the first quarter of 2015.

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The CEO of Banca Generali, Piermario Motta, commented: *"This excellent result stemmed from the sharp growth in the size of assets and the quality of our managed financial planning solutions. The significant improvement in earnings figures and capital ratios — our best ever quarterly results — arise from the Bank's efficiency and professional approach in comprehensively meeting households' growing investment protection needs. The near-zero government bond returns and the challenging real estate market are boosting demand for the effective and innovative solutions and expert advice that Banca Generali can provide. We are looking towards our 2015 prospects with great enthusiasm and confidence."*

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**Consolidated P&L results at 31 March 2015**

All the main line items showed a significant acceleration at the end of Q1 2015, from overall assets to revenues. Net profit more than doubled in the period.

The ability to capture the demand for financial advisory services generated by the sharp decrease in interest rates in Italy together with the successful completion of the external growth transaction in the second half of 2014 allowed Banca Generali to exponentially increase the size of assets over the past 12 months. The latter reached €39.5 billion, up 30% (+€9.2 billion) compared to the same period of the previous year. This growth was driven by the customers' strong attention to asset management and insurance solutions, which led to a significant rise in revenues. The development of financial planning was coupled by effective operations and cost management as well as the important Advisory platform project and related services, all of which set the Bank apart in its industry.

The business scalability and the favourable financial market context led to the **best ever quarterly net profit of €93.1 million, up 140%** compared to Q1 2014. **Capital ratios also further improved**, thanks to the Bank's traditional prudent asset management policies.

Specifically:

**Net banking income** rose by 72.5% to €180.5 million, driven by the growth in fees stemming from the increase in net inflows and asset expansion. Also the Treasury activity, based on the confidence in Italian government bond fundamentals, grasped the opportunities offered by increasingly declining spreads. Net interest income decreased as a result of the repayment of ECB's LTROs and the ongoing reduction in interest rates.

**Gross fees** nearly doubled reaching €199.9 million (+94% compared to the same period of the previous year). In detail, **recurring fees amounted to €127.9 million** (+34%), accounting for 64% of total fees. Management fees, which are the most important item in assessing the overall sustainability of revenues and results, increased YoY and QoQ reaching €107.6 million (+32% and +10%, respectively).

**Their uninterrupted growth for thirteen consecutive quarters testify to the upward development trend of the company's core component.**

Performance fees also contributed significantly to the overall result, reflecting the quality and effectiveness of the products selected by the bank's asset management experts. In detail BG Selection and BG SICAV — the Bank's in-house SICAVs — recorded a 9.8% and 7.8% net performance increase, respectively.

**Net interest income** amounted to €18.8 million (€28.7 million in Q1 2014), following the repayment of the remaining €800 million of the ECB's three-year LTROs. The strategic focus continues to be oriented towards a prudent management of financial assets, with a defensive and cautious approach to bond portfolio management, as shown by the short maturity (2.9) and duration (1.8). Finally, Lombard lending to private customers continued to grow, reaching €1.7 billion (+20%). Revenues generated by this activity grew strongly in the period (+32%).

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**Net operating expenses** totalled €41.5 million, thus growing very slightly (+5.5% YOY) compared to the increase in revenues and overall assets. The ratio of (annualised) cost/total assets ratio further decreased: 0.42% compared to 0.52% for Q1 2014. This figure is even more significant considering the reinforcement of the structure dedicated to total asset development, newly acquired clients and the Bank's network of professionals and several distinctive IT projects.

At 31 March 2015, Banca Generali Group's **total assets** amounted to €5,529 million, down by 9.9% compared to 2014, as a result of the repayment of the ECB's LTROs.

**Consolidated net equity** increased by 18% compared to 31 December 2014, reaching €633.8 million. Capital ratios also grew: Tier 1 Capital ratio rose to 12.9% (from 12.2% at year-end 2014) and Total Capital Ratio to 14.7% (from 14.2% at year-end 2014).

**Net Inflows and Assets under Management (AUM)**

Net inflows for the first four months of 2015 totalled €1,447 million, up 42% on top of the excellent result achieved in the same period of the previous year.

Net inflows for the period was entirely driven by **managed products (€1,463 million, +59%)** also due to the historical lows of government bond returns and the ensuing investors' search for active investment management. Against this background, demand for specialised financial advice sharply increased, as shown by Banca Generali's growing numbers.

Among the most notable products, **BG Stile Libero** was particularly successful. This multi-line policy combines segregated accounts with an investment universe of 800 funds and SICAVs, and provides wide-ranging services and insurance cover. Net inflows from this product totalled €947 million for the first four months of 2015, up 178%, thus confirming the its quality and financial planning effectiveness in light of the extensive diversification potential (underlying funds and SICAVs account for about 86% of the policy's assets).

The contribution of the insurance component was stable, with life new business offsetting insurance maturities, with a view to maintaining customers' returns also in the ongoing context of low interest rates.

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The Bank also focused on selecting efficient and versatile multi-manager solutions. Net inflows from these products amounted to €399 million, increasing nearly fourfold compared to the same period of the previous year.

**Managed assets and assets under administration** at 31 March 2015 increased by 30% YOY reaching **€39.5 billion. Managed assets grew by 36%** to €30.0 billion at the end of March.

They currently account for 76% of overall AUM, which over the past three years grew by 76%. Their total weight increased by 7 percentage points, of which three in the past year alone. Among individual product categories, BG Stile Libero contributed the most to growth. In only 13 months, it has grown to account for 8% of total assets.

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**Assets under administration** (current accounts and securities deposits) totalled €9.5 billion at the end of March. In the context of scarcely attractive banking products due to the low interest rates, their growth (+16% over the past year and +25% over the past three years) resulted from the acquisition of new assets both from existing and new clients.

**Business Outlook**

The central banks' commitment to promote growth by supporting governments' reform policies confirms the market guidelines also for the coming months, as reiterated by the main stakeholders. The historic lows in government bond returns are coupled with a strong attention to the share market, where the highs recorded point to growing volatility and complexity especially in the exchange rate market. In this context, the challenge of protecting households' investments can only be faced through skilled and expert professionals who are able to meet this need with diversified and high-quality solutions. The investors' lack of certainties arising from the real estate crisis, the near-zero returns of the Italian government bonds (BOTs and BTPs), and the ongoing economic pressures are heightening the need for more effective investment advisory. By focussing on innovation and the efficiency of its tools, Banca Generali is taking up this challenge and orienting its services towards its clients and financial advisors. The ongoing criticalities of the banking industry continue to provide constructive opportunities for skilled talents aiming to grow in a highly professional environment. The interest shown by more experienced professionals, who appreciate the Bank's wide-ranging solutions and future plans, is further proof of the quality of the process undertaken and the optimism regarding future growth.

**Presentation to the Financial Community**

A **conference call** for the financial community will be held today, at **6:30 pm CET**, to analyse the results for the first quarter of 2015.

It will be possible to follow the event by dialling the following telephone numbers:

from Italy and other non-specified countries: +39 02 805 88 11;

from the UK +44 121 281 8003;

from the USA +1 718 705 8794 (toll-free +1 855 265 6959).

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*The Manager responsible for preparing the company's financial reports (Stefano Grassi) declares, pursuant to Paragraph 2 of Art. 154-bis of the Italian Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.*  
*Stefano Grassi (CFO of Banca Generali)*

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Annexes:

- 1) Banca Generali – Consolidated Profit and Loss Statement at 31 March 2015
- 2) Banca Generali – Reclassified Consolidated Balance Sheet at 31 March 2015
- 3) Total AUM at 31 March 2015
- 4) Net inflows at April 2015

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**1) BANCA GENERALI – CONSOLIDATED PROFIT AND LOSS STATEMENT AT 31 MARCH 2015**

(€ mil.)	3M14	3M15	% Chg
<b>Net Interest Income</b>	<b>28.7</b>	<b>18.8</b>	<b>-34.4%</b>
Gross fees	103.0	199.9	94.0%
Fee expenses	-45.4	-62.9	38.4%
<b>Net Fees</b>	<b>57.6</b>	<b>137.0</b>	<b>137.9%</b>
Net income (loss) from trading activities	18.3	24.6	34.2%
Dividends	0.0	0.1	177.0%
<b>Net income (loss) from trading activities and Dividends</b>	<b>18.3</b>	<b>24.6</b>	<b>34.4%</b>
<b>Net Banking Income</b>	<b>104.6</b>	<b>180.5</b>	<b>72.5%</b>
Staff expenses	-18.1	-19.6	8.4%
Other general and administrative expense	-30.6	-31.5	3.2%
	<b>-48.6</b>	<b>-51.1</b>	<b>5.1%</b>
Depreciation and amortisation	-1.0	-1.1	7.5%
Other net operating income (expense)	10.4	10.8	4.1%
<b>Net Operating Expenses</b>	<b>-39.3</b>	<b>-41.5</b>	<b>5.5%</b>
<b>Operating Profit</b>	<b>65.3</b>	<b>139.0</b>	<b>112.9%</b>
Net adjustments for impair.loans and other assets	-0.9	-3.3	258.2%
Net provisions for liabilities and contingencies	-10.4	-21.6	107.6%
<b>Profit Before Taxation</b>	<b>54.0</b>	<b>114.1</b>	<b>111.5%</b>
Direct income taxes	-14.6	-21.0	44.0%
Income/(losses) after tax on assets held for sales	-0.5	0.0	-100.0%
Minorities interest	0.0	0.0	
<b>Net Profit</b>	<b>38.9</b>	<b>93.1</b>	<b>139.5%</b>
<b>Cost/Income Ratio</b>	<b>36.6%</b>	<b>22.4%</b>	<b>-14.2 p.p.</b>
<b>EBITDA</b>	<b>66.3</b>	<b>140.1</b>	<b>111.3%</b>
<b>Tax rate</b>	<b>27.0%</b>	<b>18.4%</b>	<b>-8.6 p.p.</b>

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**2) BANCA GENERALI – RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2015 (€ MILLION)**

(€ millions)

Assets	Mar 31, 2015	Dec 31, 2014	Change	% Change
Financial assets held for trading	31.8	32.8	-1.1	-3.2%
Financial assets available for sale	2,185.0	2,235.4	-50.4	-2.3%
Financial assets held to maturity	665.9	1,403.1	-737.2	-52.5%
Loans to banks	499.2	353.6	145.6	41.2%
Loans to customers	1,820.4	1,795.0	25.5	1.4%
Property equipment and intangible assets	93.1	93.8	-0.7	-0.8%
Tax receivables	63.7	40.8	22.9	56.0%
Other assets	170.4	185.7	-15.3	-8.2%
<b>Total Assets</b>	<b>5,529.5</b>	<b>6,140.2</b>	<b>-610.8</b>	<b>-9.9%</b>

Liabilities and Shareholders' Equity	Mar 31, 2015	Dec 31, 2014	Change	% Change
Due to banks	225.9	1,038.9	-813.0	-78.3%
Direct inflows	4,264.5	4,285.4	-20.9	-0.5%
Financial liabilities held for trading	3.1	2.7	0.5	18.6%
Tax payables	70.0	27.6	42.4	153.5%
Liabilities linked to assets held for sales	0.0	0.0	0.0	0.0%
Other liabilities	215.4	149.8	65.6	43.8%
Special purpose provisions	116.8	99.6	17.2	17.3%
Valuation reserves	21.1	18.0	3.1	17.3%
Reserves	357.4	196.2	161.2	82.2%
Additional paid-in capital	46.4	45.6	0.9	1.9%
Share capital	115.8	115.7	0.1	0.1%
Shareholders' equity attributable to minority inter	0.0	0.0	0.0	0.0%
Net income (loss) for the period (+/-)	93.1	160.9	-67.8	-42.1%
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,529.5</b>	<b>6,140.2</b>	<b>-610.8</b>	<b>-9.9%</b>

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**3) TOTAL AUM AT 31 MARCH 2015**

<i>Billion of Euros</i>	<b>Mar 2015</b>	<b>Dec 2014</b>	<b>Abs. Chg</b>
Mutual Funds	11.06	9.96	1.10
Portfolio Management	4.09	3.82	0.27
<b>Managed Assets</b>	<b>15.15</b>	<b>13.78</b>	<b>1.37</b>
<b>Life Insurance</b>	<b>14.82</b>	<b>13.69</b>	<b>1.13</b>
<i>of which BG STILE LIBERO</i>	3.05	2.16	0.89
<i>of which unit</i>	0.72	0.70	0.01
<i>of which multilinked</i>	0.09	0.11	-0.02
<b>Non Managed Assets</b>	<b>9.51</b>	<b>9.09</b>	<b>0.42</b>
<i>of which: Securities</i>	6.48	6.37	0.11
<b>Total</b>	<b>39.48</b>	<b>36.56</b>	<b>2.92</b>

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#### 4) NET INFLOWS AT APRIL 2015

<i>Million of Euros</i>	<b>Apr 2015</b>	<b>Mar 2015</b>	<b>Abs. Chg</b>
Mutual Funds	132	143	-11
Managed Portfolio	-70	-1	-69
<b>Mutual Funds and Managed Portfolio</b>	<b>62</b>	<b>142</b>	<b>-80</b>
Life Insurance	301	309	-8
<i>of which BG STILE LIBERO</i>	261	309	-48
<b>Managed Assets</b>	<b>363</b>	<b>451</b>	<b>-88</b>
<b>Non Managed Assets</b>	<b>-58</b>	<b>-14</b>	<b>-44</b>
<i>of which: Securities</i>	-51	-7	-44
<b>Total</b>	<b>305</b>	<b>437</b>	<b>-132</b>
	<b>Jan-Apr 2015</b>	<b>Jan-Apr 2014</b>	<b>Abs. Chg</b>
Mutual Funds	430	176	254
Managed Portfolio	-31	-90	59
<b>Mutual Funds and Managed Portfolio</b>	<b>399</b>	<b>86</b>	<b>313</b>
Life Insurance	1.064	837	227
<i>of which BG STILE LIBERO</i>	947	341	606
<b>Managed Assets</b>	<b>1.463</b>	<b>923</b>	<b>540</b>
<b>Non Managed Assets</b>	<b>-16</b>	<b>97</b>	<b>-113</b>
<i>of which: Securities</i>	-290	-212	-78
<b>Total</b>	<b>1.447</b>	<b>1.020</b>	<b>427</b>

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<b>Life New Business</b>	<b>Apr 2015</b>	<b>Mar 2015</b>	<b>Abs. Chg</b>
<b>Life New Business</b>	<b>420</b>	<b>467</b>	<b>-47</b>
	<b>Jan-Apr 2015</b>	<b>Jan-Apr 2014</b>	<b>Abs. Chg</b>
<b>Life New Business</b>	<b>1.545</b>	<b>1.001</b>	<b>544</b>