



1Q 2016 Results and Business Outlook

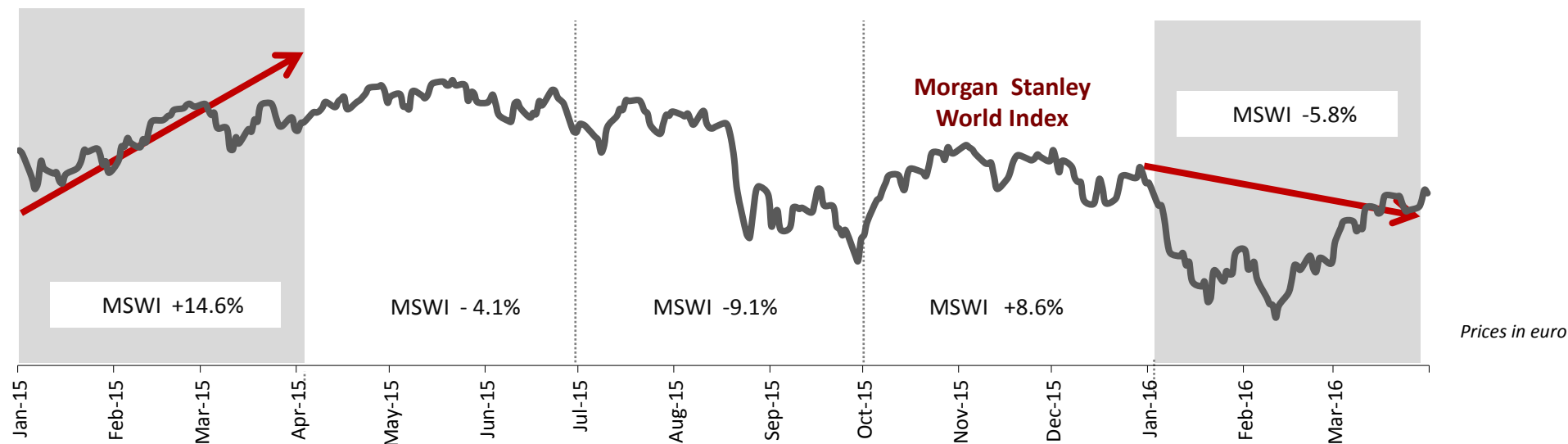
Milan, 11 May 2016

1Q 2016 Results

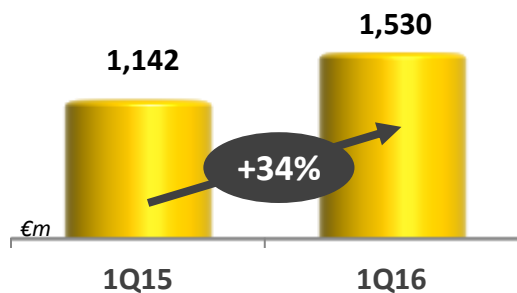
Net inflows and recruiting

Business Update & Closing Remarks

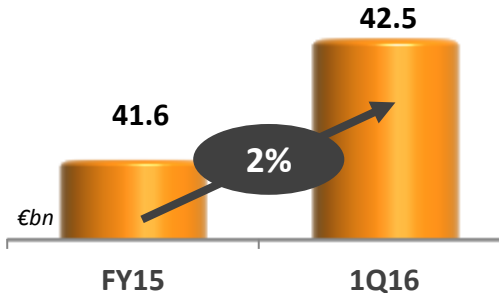
Strong commercial results despite complicated financial markets



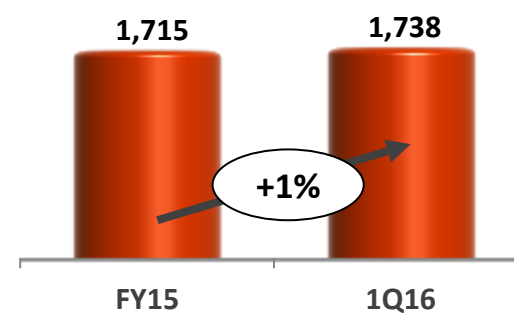
Net Inflows



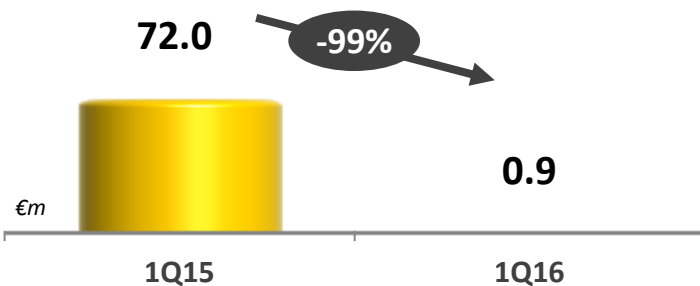
Total assets



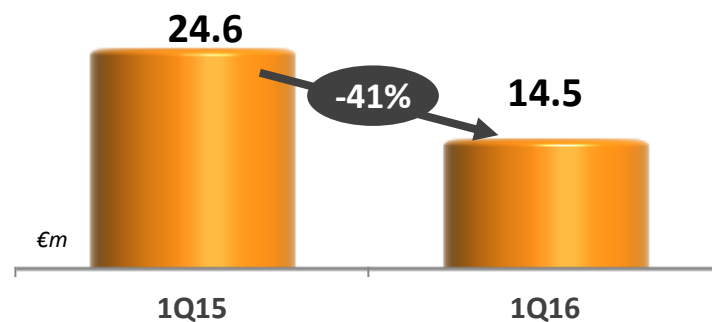
Size of the network



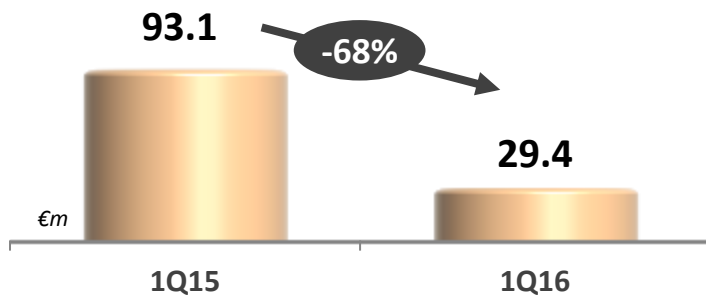
Performance fees



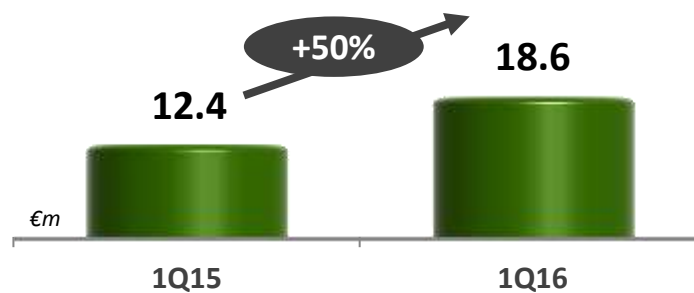
Trading income



Net Profit



Adj. Net Profit



(€ m)	3 M 15	3 M 16	% Chg
Net Interest Income	18.8	15.1	-19.5%
Gross fees	199.9	127.8	-36.1%
Fee expenses	-62.9	-62.5	-0.5%
Net Fees	137.0	65.3	-52.4%
Net income (loss) from trading activities	24.6	14.4	-41.5%
Dividends	0.1	0.1	66.8%
Net income (loss) from trading activities and Dividends	24.6	14.5	-41.3%
Total Banking Income	180.5	94.9	-47.4%
Staff expenses	-19.6	-20.5	4.6%
Other general and administrative expense	-31.5	-32.4	2.6%
Depreciation and amortisation	-1.1	-1.2	3.9%
Other net operating income (expense)	10.8	10.7	-0.7%
Total costs	-41.5	-43.3	4.4%
<i>Cost /Income Ratio</i>	<i>22.4%</i>	<i>44.4%</i>	<i>22 p.p.</i>
Operating Profit	139.0	51.6	-62.9%
Net adjustments for impair.loans and other assets	-3.3	-1.2	-62.9%
Net provisions for liabilities and contingencies	-21.6	-11.4	-47.1%
Profit Before Taxation	114.1	38.9	-65.9%
Direct income taxes	-21.0	-9.5	-54.7%
<i>Tax rate</i>	<i>18.4%</i>	<i>24.4%</i>	<i>6 p.p.</i>
Net Profit	93.1	29.4	-68.4%

Resilient core revenues in a backdrop of challenging financial markets:

- **NII** broadly stable excl. LTRO
- **Net fees stable** excluding one-off drop in performance fees due to financial markets trend
- **Trading income** in line with historical run-rate

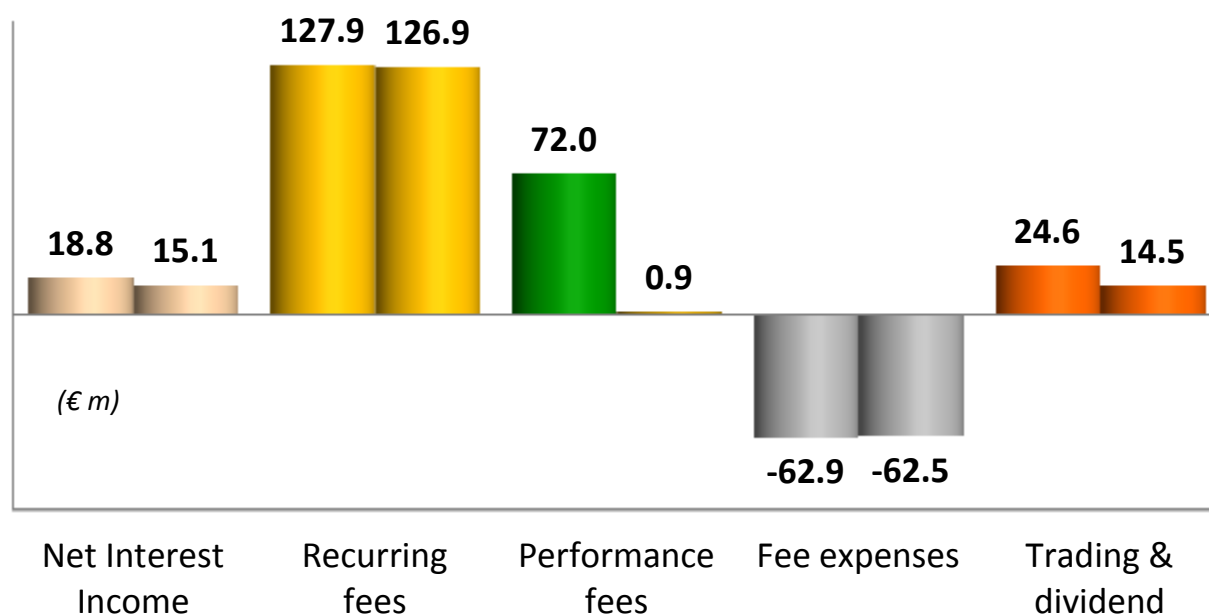
Operating cost +2.2% excl. pro-quota contribution to Resolution Fund

- **G&A flat** excl. €0.9m contribution to resolution fund (BRRD)
- **Staff costs** increase linked to a strengthening in distribution network and commercial staff

Provisions back to ordinary levels, reflecting:

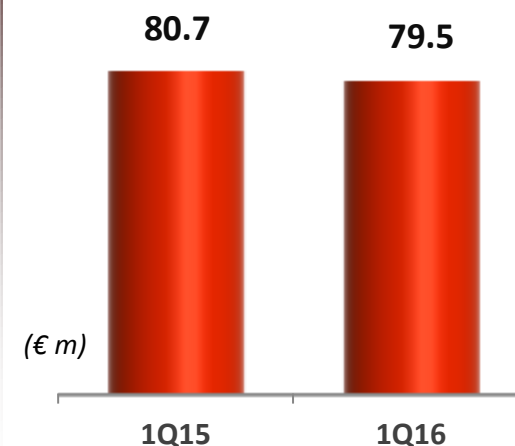
1. Net inflows mix for the period
2. Different accounting of BRRD contribution (now to G&A costs)
3. Lack of one-off contribution to the FAs' severance indemnity fund

Revenue breakdown



1Q15 (left column) – 1Q16 (right column)

Core net revenues (*)

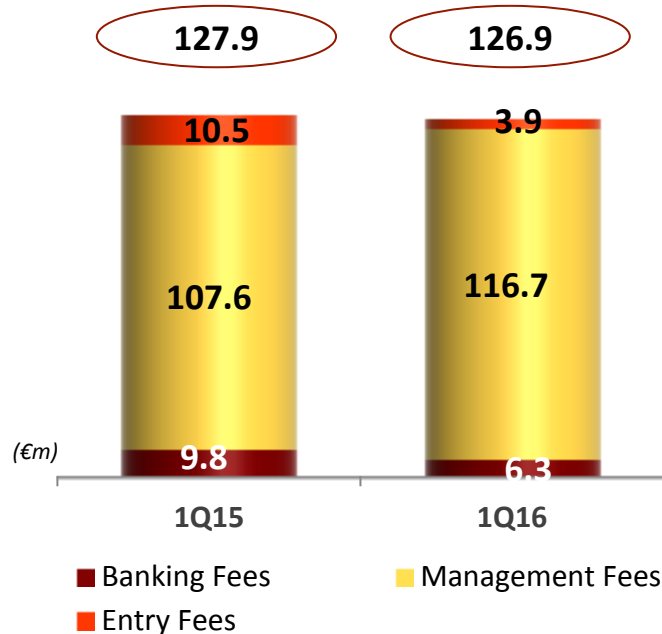


(*) Core revenues= recurring fees+ fee expenses + NII income excl. LTRO

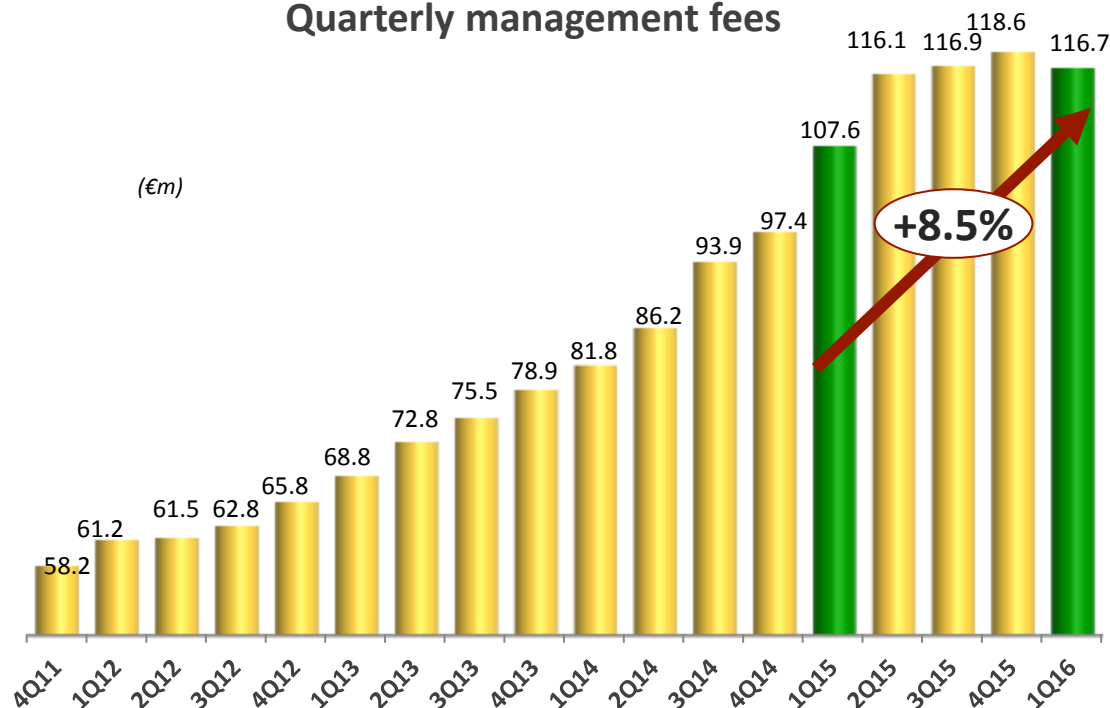
Core revenues proved steady even under a stressed situation

Highly resilient management fees

**Recurring fees
(management, entry, banking)**

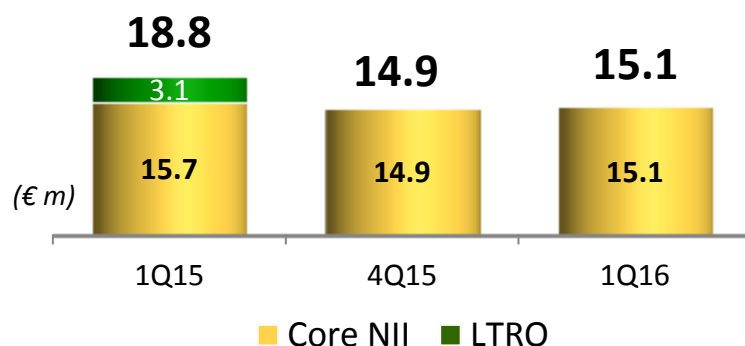


Quarterly management fees



- **Management fees** were supported by resilient assets and a stable product mix
- **Banking fees** reflected a more contained trading activity, while **entry fees** mirrored lower inflows in managed products and zero issue of structured bonds

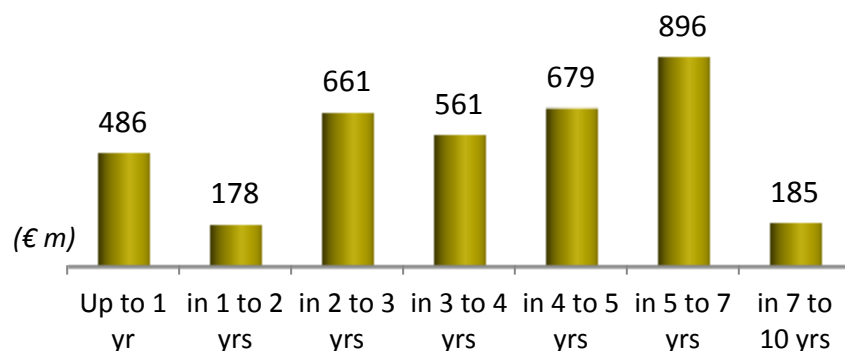
Net Interest Income



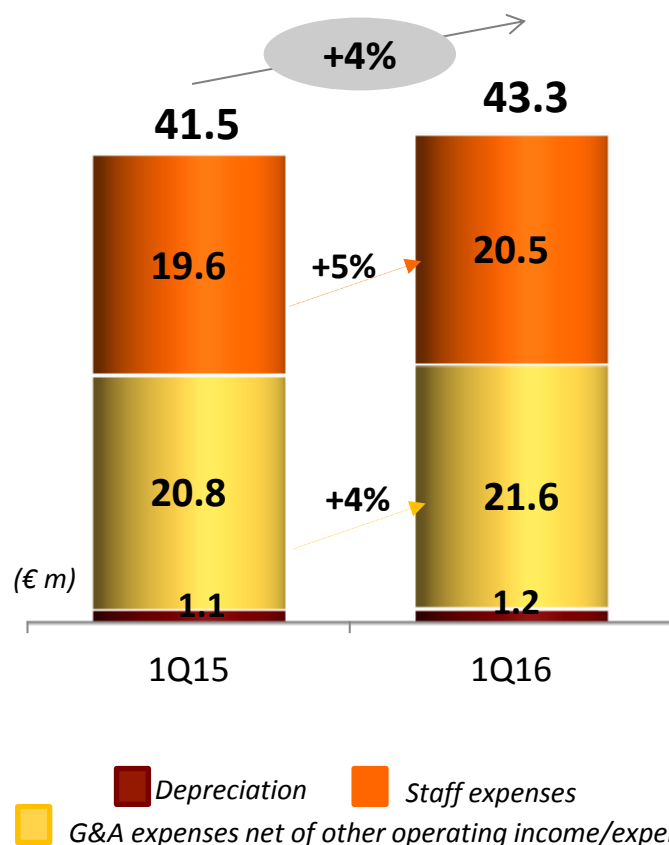
Strong growth in deposit and customer loans proved supportive for NII, partially offsetting negative interest rates

- **Sharp increase in volumes** (6.5bn +28% yoy) driven primarily by the intense acquisition of new customers (€4.4bn, +33% yoy, +15% qoq).
- **Lending activity** proved stable qoq in terms of assets and spread, also confirming an outstanding credit quality
- **Financial asset portfolio** remains defensive: 99% invested in bonds (o/w 84% in govt and 57% floating) with a 1.6 yrs duration and 4.0 yrs time to maturity

Bond portfolio maturity



Operating expenses

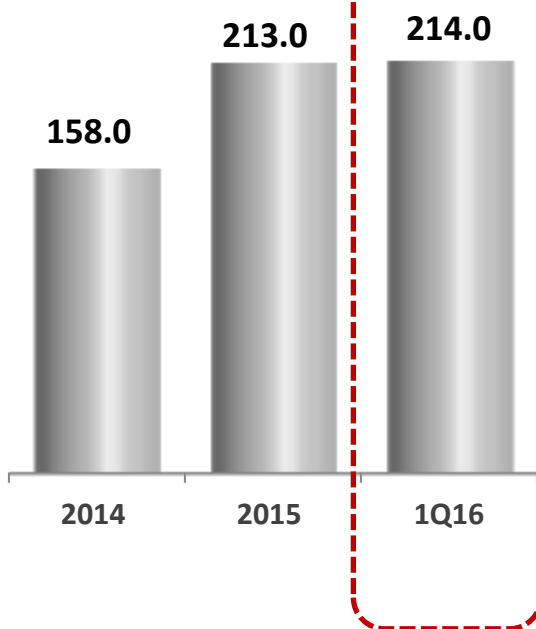


Operating costs +2.2% excl. the pro-rata contribution to resolution (BRRD) and deposit protection (FITD) funds

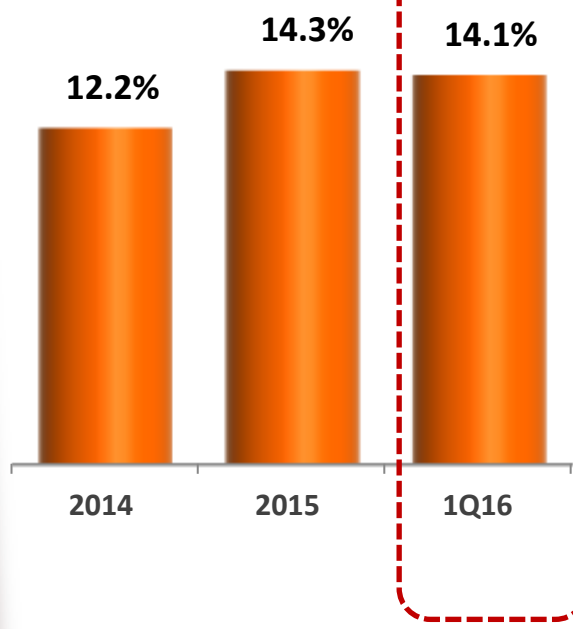
- **Staff expenses (+5%)** to strengthen commercial network and support staff
- **G&A expenses were flat excl. bank provision** despite ongoing IT expenses and higher operating expenses related to the increase in business size and to the expansion of the FA network

Excess Capital

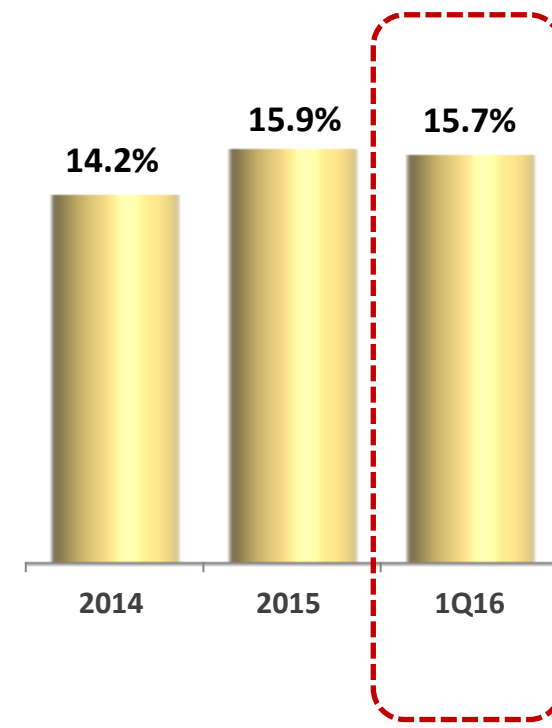
(€ m)



CET1/Tier1 Ratio



Total Capital Ratio



Excess capital to €214m

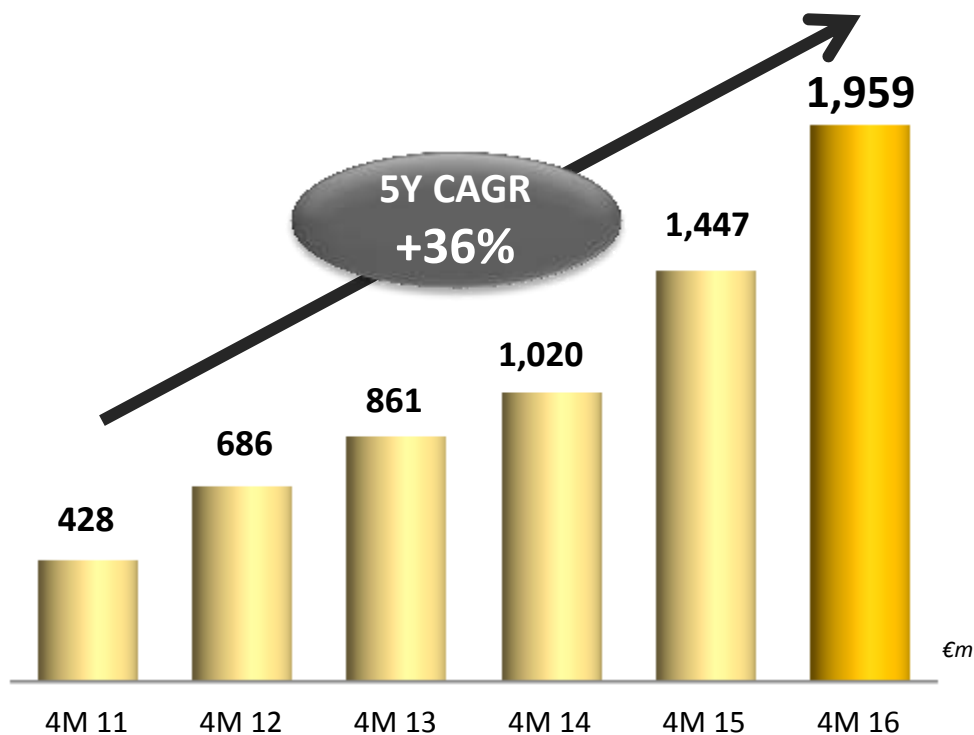
- Capital ratios well above SREP requirement of 10.6% for Total Capital Ratio
- Leverage ratio is at 5.5% (from 6.3%) as a result of the strong expansion of the balance sheet in the period

1Q 2015 Results

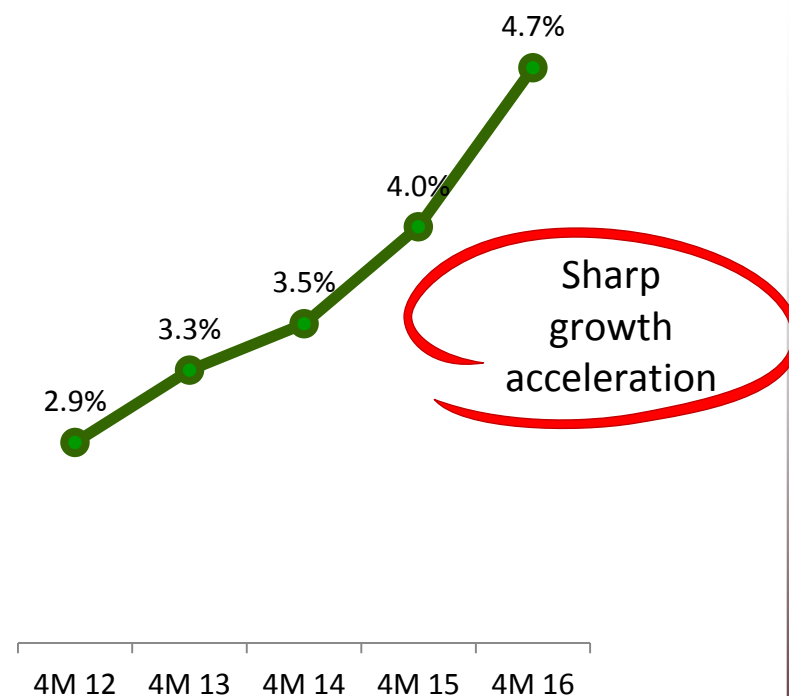
Net Inflows and Recruiting

Business update & Closing Remarks

Net inflows

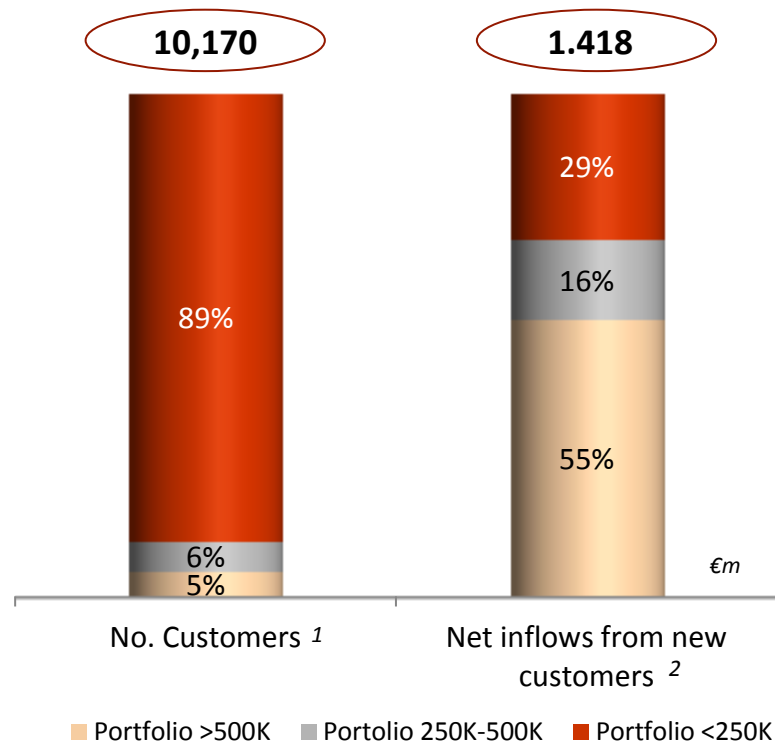


Net Inflows as % of assets

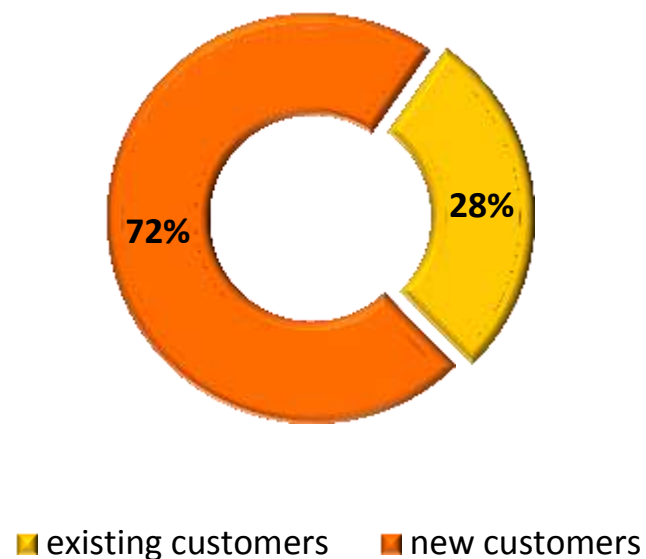


Net Inflows driven by new private customers

Net Inflows from new customers (Jan-Apr. 2016)



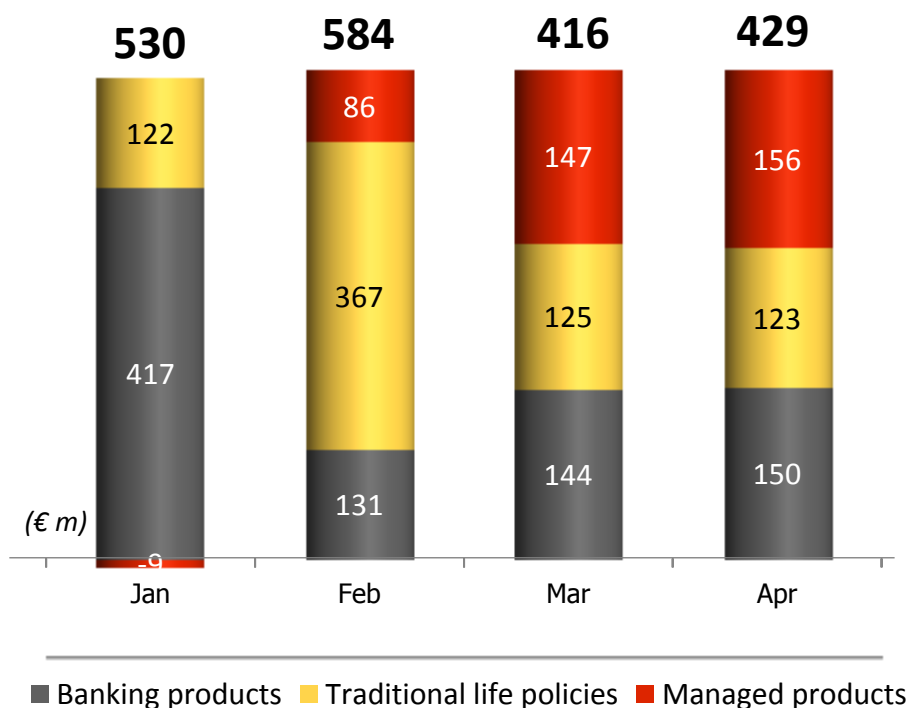
Net Inflows split by customer (Jan-April 2016)



(1) o/w 13% of total from 2016 new recruits; (2) o/w 36% from 2016 new recruits

Net inflows mix gradually normalizing

2016 YTD Net Inflows mix



High cash pile gradually shifting into managed products

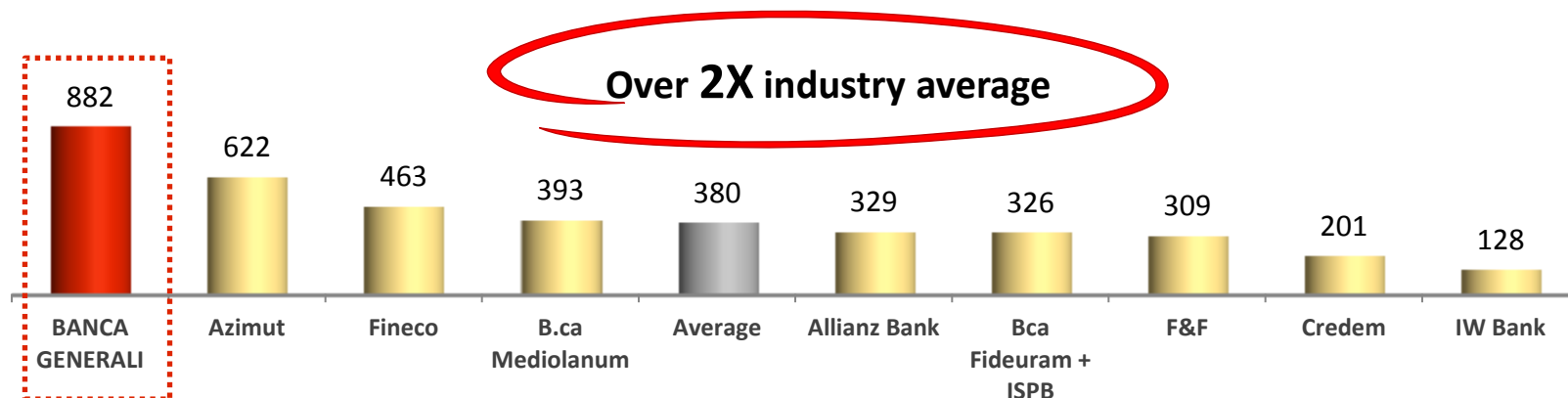
Managed products: back in demand as cash pile starts to be shifted towards managed solutions (BG Solutions and BG Libero, most of all)

Traditional life policies: declining exposure after a booming start of the year driven by customers' risk aversion

Banking products: high cash accumulation driven by the intense customer acquisitions and effective recruiting activity

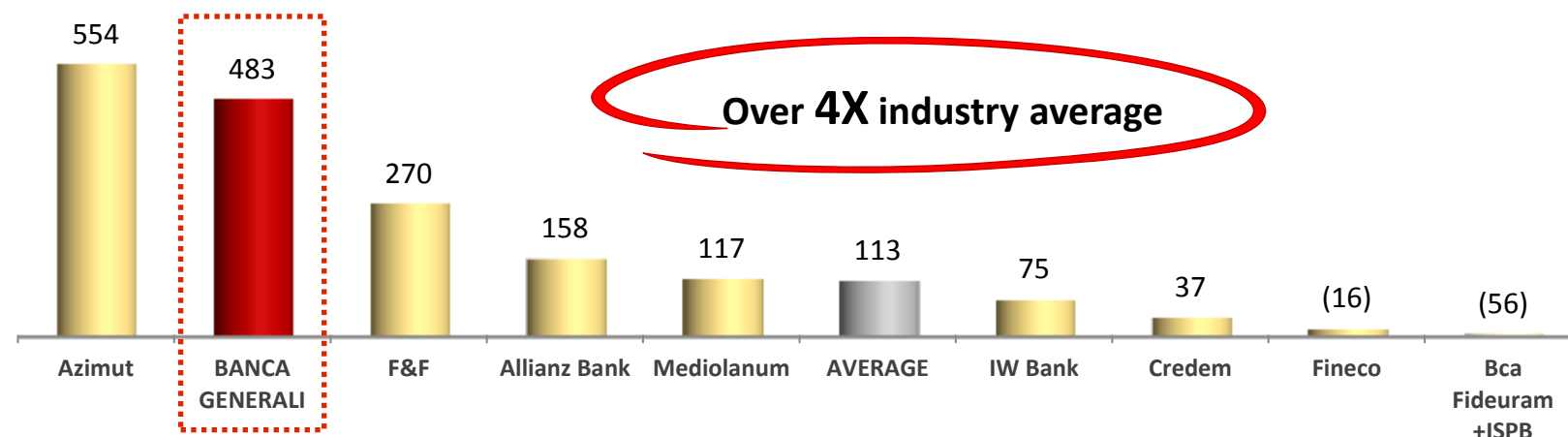
Top of group peers by FA's productivity

**Avg. 1Q16
FA's overall
productivity**

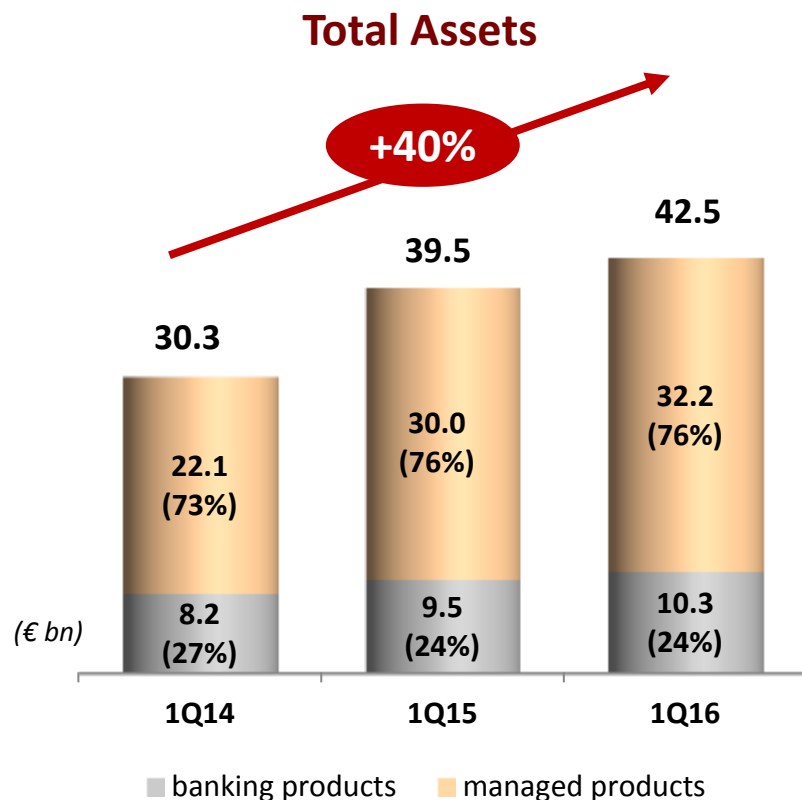


(€ '000) Source: Assoreti, data as of 31 March, 2016

**Avg FA's
productivity
in managed
products**



(€ '000) Source: Assoreti, data as of 31 March 2016



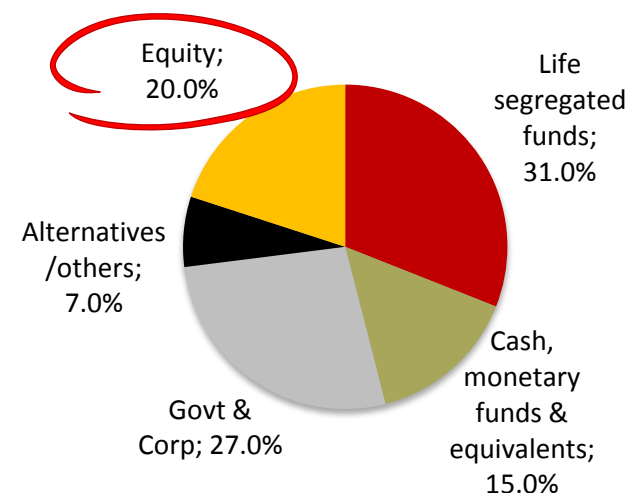
Assets base up by 40% in the last two years despite challenging equity markets in the last 12 months

- **1Q16 assets** supported by a defensive investment profile (equity exposure at 20% of total) in a context of highly unfavorable equity markets throughout 1Q16
- **Stable mix** as managed products represented 76% of total, in line with 2015 year-end level

Total Asset breakdown

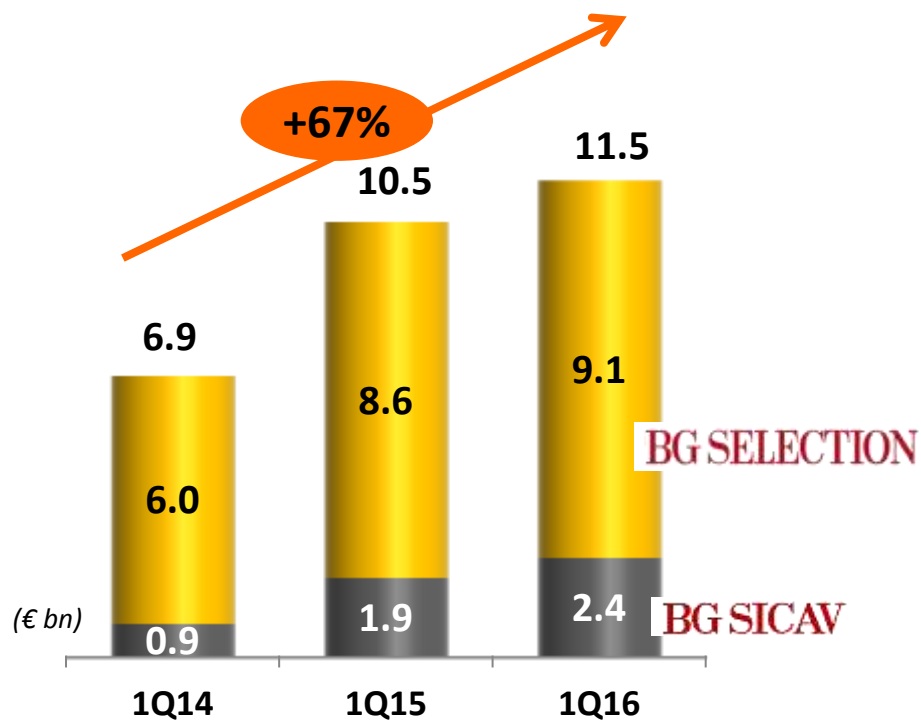
€bn	1Q 2014	1Q 2015	1Q 2016
(+) Funds/SICAVs	8.7	11.1	10.5
(+) Portfolio management	3.2	4.1	3.6
(+) BG Stile Libero, multiline	0.8	3.8	4.5
(A) Managed products	12.7	19.0	18.6
(+) Traditional Insurance	9.4	11.0	13.6
(B) Traditional insurance	9.4	11.0	13.6
(+) Current accounts	2.3	3.0	4.2
(+) Security accounts	5.9	6.5	6.1
(C) Banking assets	8.2	9.5	10.3
Total Assets (A+B+C)	30.3	39.5	42.5

Asset Mix

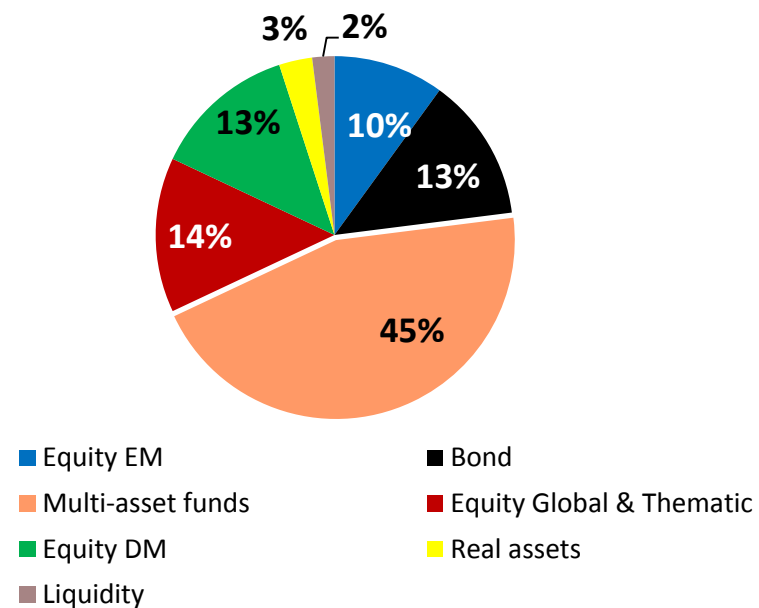


Data as of 31 March 2016

Lux-based SICAVs



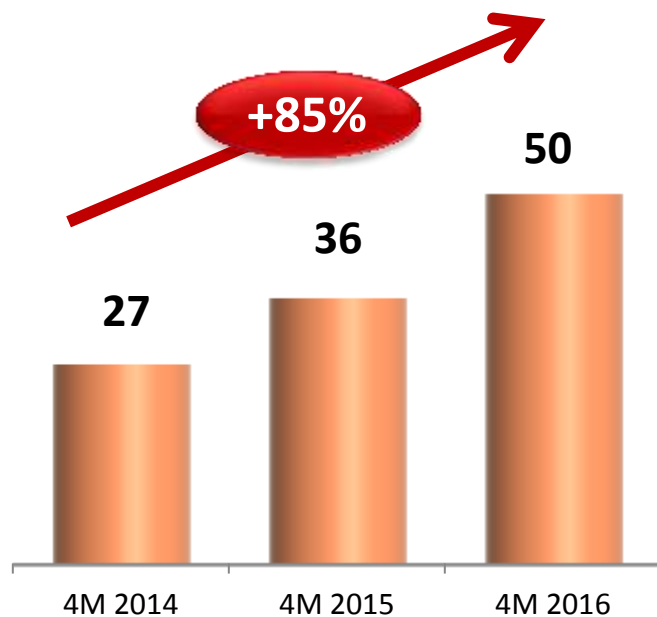
In-house SICAVs: Asset split



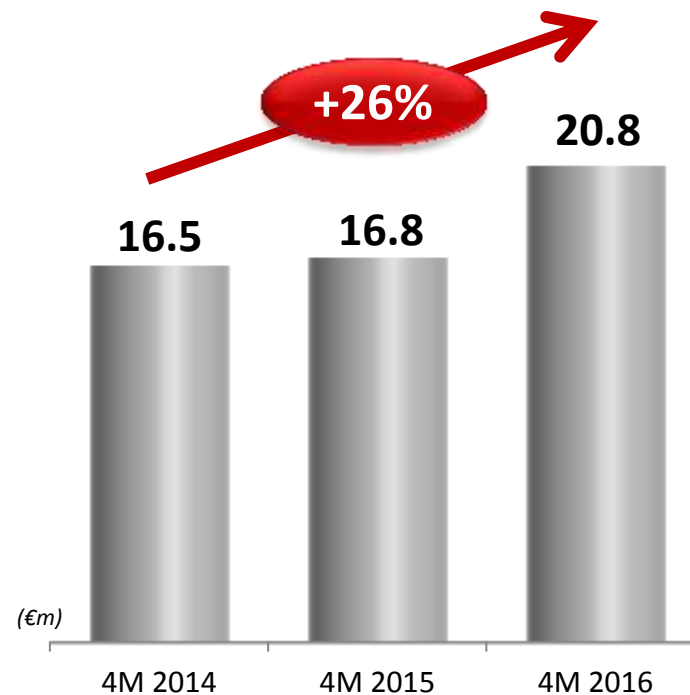
70% of bond funds in: EM debt, income-unconstrained, credit, convertible strategies

Data as of 31 March 2016

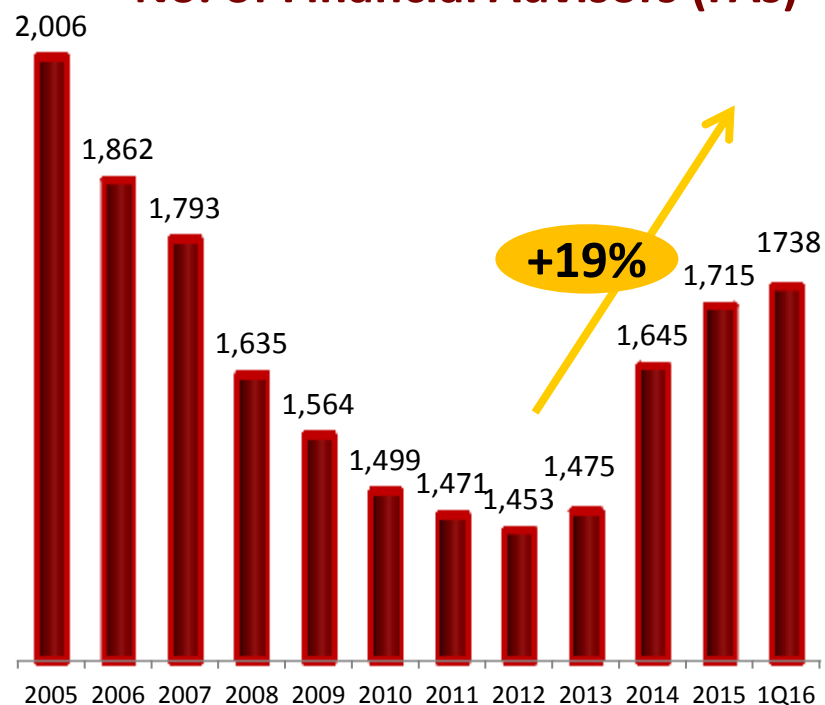
No. of new recruits



Avg. Portfolio/new Recruiting

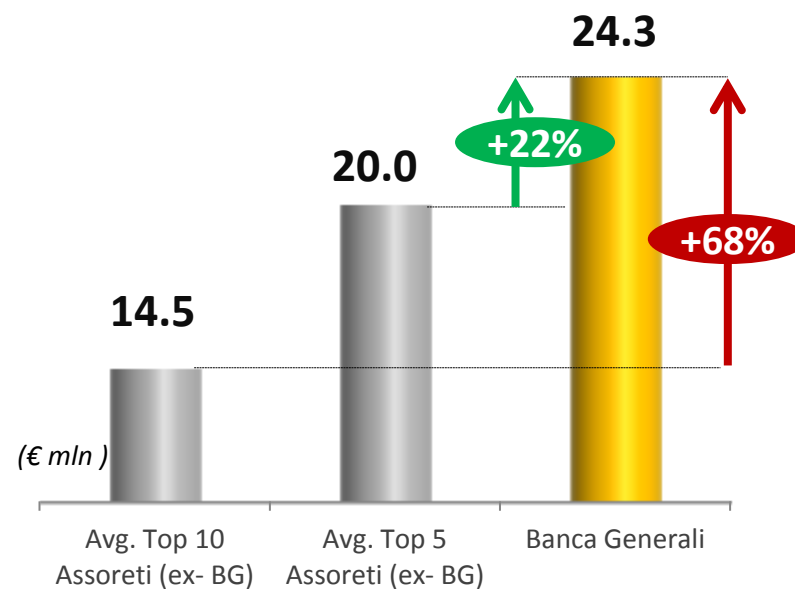


No. of Financial Advisors (FAs)



Banca Generali vs. “Top” Assoreti

Total Assets/No. FAs



1Q 2015 Results

Net Inflows and Recruiting

Business Update & Closing Remarks



**The No. 1 Bank
by value proposition
and innovation**

Value proposition



Products and services



**Operations and
commercial supports**

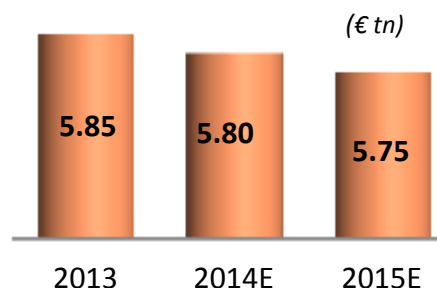


BG Personal ADVISORY



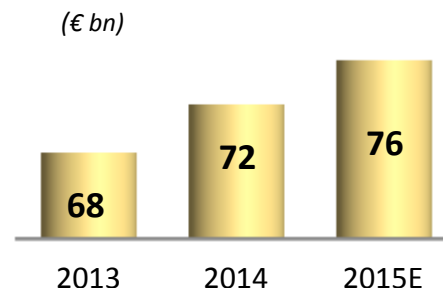
Time to reconsider real-estate investments

Total Real Estate Assets owned by Italian Household



Source: Bankit, Banca Generali's estimates

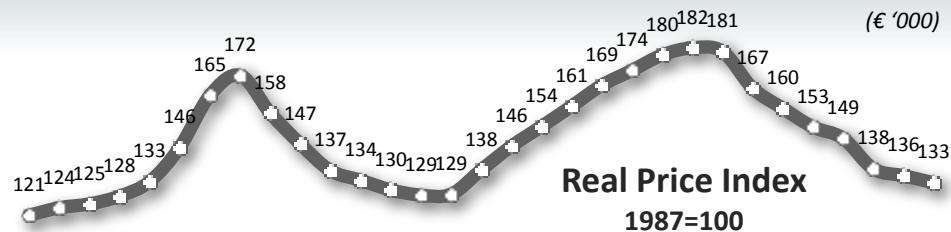
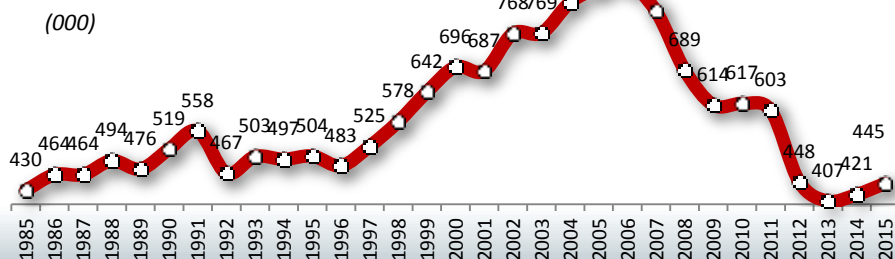
Value of transactions (Italian residential)



Source: Italian Tax Revenue Agency, Gabetti estimates

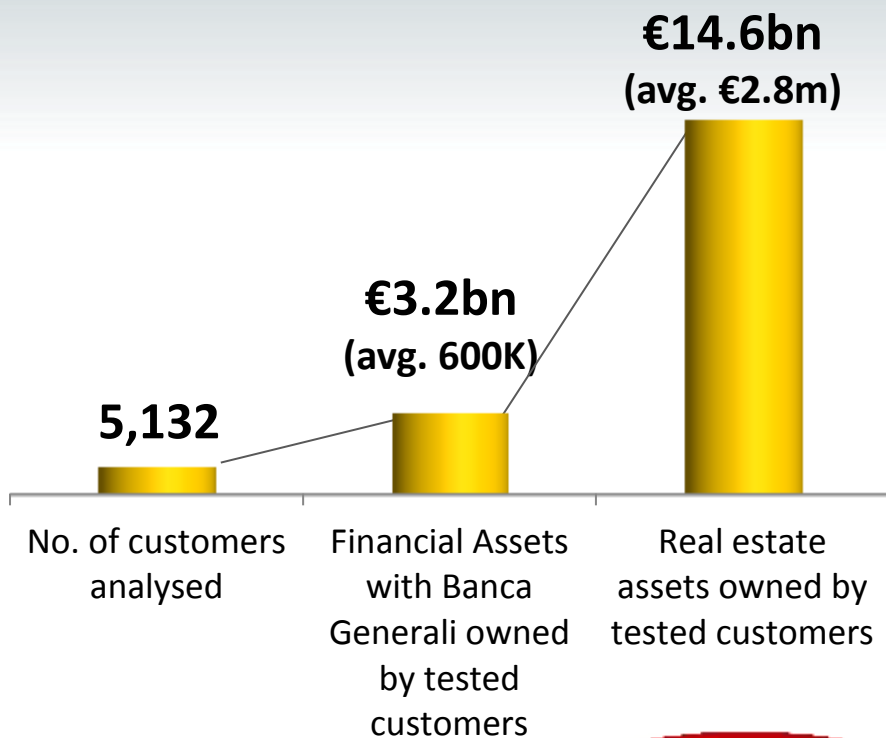
Italian Residential real-estate market

No. of transactions



Source: Italian Tax Revenue Agency – Real-Estate Observatory; "Real-estate market evolution in 4Q15 and annual overview"

BUSINESS OPPORTUNITY



**Property assets
5X higher than
financial assets**

BANCA GENERALI'S TOOLS



- 1,100 financial advisors already trained (63% of total) from the start of 2016
- 500 advisory requests already open
- High-standing partnership with sector specialists



Proven commitment to product innovation

**AFFLUENT to
UPPER AFFLUENT
CUSTOMERS**

INSURANCE



Launch date: March 2014

€4.6bn

PORTFOLIO MANAGEMENT



Launch date: March 2016

€99m

**PRIVATE
CUSTOMERS**



Launch date: March 2016

€100m



Launch date: March 2016

€74m

**Net inflows €4.7bn
in 2.2 years**

**Net inflows €173m
in 1 month**

● CALL CENTER E BACK OFFICE



- Focus on increasing efficiency and providing bespoke assistance
- Enhancing assistance by sector specialists
- Promoting multi-channel approach

● DIGITAL COLLABORATION



- Focus on enhancing FA's productivity as well as service to customers
- APP for checking portfolio positions, receiving investment proposals, confirming investment operations

A distinctive business model

**Able to achieve
SUSTAINABLE RESULTS**

**Able to attract top Professionals,
PEOPLE OF VALUE**

A clear mission:

**PRIVATE BANKING SERVICE
with an HIGH-STANDING
DIGITAL SUPPORT**

**UNIQUE BY BUSINESS MODEL,
SOLIDITY, QUALITY, VALUE
PROPOSITION, INNOVATION**



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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