

**PRESS
RELEASE****Investor Day 2018****Banca Generali presents its strategic guidelines and financial targets for 2019-2021****Sustainable growth, solidity, and shareholder remuneration – financial targets for 2021:**

- Total assets expected in the range of €76-80 billion
- Total net inflows for the period \geq €14.5 billion
- Core¹ revenues/average assets \geq 63 bps
- Core operating expenses: 3-5% (CAGR)²
- Dividend policy (payout at 70–80%) confirmed with floor (in absolute value) in line with 2017 dividend (€1.25)

Commercial excellence, accelerated digital development and targeted international expansion — strategic targets for 2021:

- Extension of private banking offer and spread of best practices within the network
- A new digital presence: development of the brand and new customer-centric services
- New international partnerships with SAXO Bank to expand opportunities for services and growth

Non-organic growth:

- Binding offer signed to acquire Valeur Fiduciaria S.A., a Swiss wealth management boutique

London, 3 December 2018 – Banca Generali's top management has presented to institutional investors in London its strategic guidelines and financial targets for the three-year period 2019-2021.

Chief Executive Officer and General Manager Gian Maria Mossa stated: *"We are entering a new phase of our development through a series of strategic actions. These will allow us to further consolidate our distinctive positioning as a private bank by reaching important new business expansion and profitability objectives. We are emerging from a decade of ample liquidity in the financial system and we face a series of uncertainties tied to the economic and monetary prospects that have driven us to reflect on the best opportunities for sustainable growth that is well defined*

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¹ "Core" net banking income, i.e., net of performance fees and net income from trading activities.

² Estimated based on the current business perimeter, excluding the effect of the recent acquisitions and the international expansion. Core operating expenses are calculated net of sales staff expenses.



and balanced over time. We have confidence in the validity of our business model, which are focused on the role of the private banker and is aiming at protecting and growing wealth through our improved line-up of investment solutions and new wealth management services. The launch of our international expansion and our focus on technology are strengthening our leadership and opportunities in the sector. These factors, combined with our team's strength, passion and determination, allow us to look with great confidence to a future in which Banca Generali plays an increasingly important role in the private banking industry."

Commercial excellence, digital transformation and targeted international development – Strategic objectives for 2021

The strategic guidelines for the period 2019-2021 aim at realising the Company's Vision of being the number-one private bank by value of service, innovation and sustainability.

Our strategy is based on the strong conviction that the **Personal Financial Services** market in Italy is large and still not adequately served. It is also about to face a deep transformation that will increase the focus on quality of service, which will benefit top professionals, such as those at Banca Generali.

From 2013 to present, Banca Generali has undergone a thorough transformation that has set it apart in Italy's private banking industry for the excellence of its commercial growth, combined with its solid capital position and strong operating performance. The new plan represents a **continuation** of the development envisaged by the previous one, while including some **discontinuous elements** intended to guarantee that we will rise to the new challenges posed by the economic, technological and regulatory scenario. This is the context for the decision to pursue growth opportunities outside Italy for the first time.

In detail, the following six strategic guidelines have been identified:

People and organisation: developing a culture of talent and meritocracy at all levels of the organisation, with a strong focus on efficiency.

Excellence of the network: promoting new approaches to doing business while also fostering the sharing and spreading of best practices amongst its approximately 2,000 professionals — including Wealth Managers, Private Bankers, Financial Planners and Relationship Managers — while further increasing the Bank's commitment to training.

Approach to wealth management: expanding the range of solutions for diversifying and protecting financial and non-financial wealth (directly or through qualified partnerships) by launching dedicated new services for small and mid-size corporate clients, including hedging of foreign exchange risk through the partnership with SAXO. Moreover, the bank will further expand secured lending offer for clients.



Digital transformation: accelerating the pace of digital innovation, with an emphasis on the new image and new services. A new range of tools and solutions has been designed for clients, completing the process of transformation that began with support to Financial Advisors' operations and then continued with the digitalisation of the Bank's processes.

Brand: consolidating Banca Generali's image of excellence and strengthening its digital presence by leveraging the quality and innovative nature of its service, in addition to the solidity and prestige of its image.

Internationalisation: launching a targeted international expansion, while also extending the solutions available to the Bank's financial advisors, through partnerships with international players with a strong track-record and reputation.

Our continuing aspiration to leadership of the household-targeted private banking industry translates into the search for new digital wealth management services. This is the context for our **partnership with SAXO Bank**, a global leader in online trading and fintech. Banca Generali and SAXO Bank have struck a partnership — known as BG SAXO — that is set to redefine trading due to the breadth of the range of tools offered and the quality of its platform. This platform can be tailored to meet clients' different needs: a cutting-edge tool for both retail and corporate clients. The launch of the partnership is on hold pending the necessary authorisations from the Bank of Italy and Consob, and the first few months after launch will be dedicated to an initial pilot phase prior to the official launch, estimated to occur in the first quarter of 2019.

Growth, sustainability and shareholder remuneration – Financial targets for 2021

The Bank has set important financial goals for itself, with the ultimate objective of ensuring the remuneration of all its shareholders, with a particular focus on sustainability and capital solidity.

In detail, the Company plans to continue with its current growth process and to gain further market share. Forecasts call for **cumulative net inflows** of more than €14.5 billion in the three-year period 2019-2021, of which €12.6-14.4 billion attributable to the current consolidation area and €2.1-3.4 billion to the new inflows generated by the new business in Switzerland.

Assets managed and administered on behalf of clients are expected within a range of €76-€80 billion **by the end of 2021**. This figure includes the contribution provided by Switzerland of €3.1-€4.4 billion, encompassing both the acquisition of the Valeur asset management business and organic growth on the Swiss market. Advanced advisory contracts are expected to amount to €5.5-€6.0 billion.



The Bank also expects to generate **core³ business profitability** of at least 63 bps. This projection is based on the increasing diversification of recurring, sustainable items that can count on the new initiatives such as the launch of the BG SAXO platform, the new advisory services for corporate clients and increased lending. The estimates are based on a market scenario expected to show a moderate increase in the returns generated by the banking book.

Amongst the new strategic guidelines, the bank also confirms its commitment to a tight cost management with an expected 3-5% CAGR for **core⁴ operating costs**.

Finally, turning to shareholder remuneration, Banca Generali confirms its dividend policy (pay-out ratio at 70%-80%) and sets a minimum annual **dividend** of at least the amount distributed in 2018 on the basis of 2017 net profit, i.e., €1.25 per share.

Entry into Swiss market launched — Binding offer made to acquire Valeur Fiduciaria S.A.

In its three-year growth plan, Banca Generali considers new strategic opportunities on international markets. In this regard, the Bank announces that a binding offer has been made — and accepted by the sellers — for the acquisition of 90.1% of Valeur Fiduciaria S.A., a private banking boutique based in Lugano, Switzerland.

The deal reflects Banca Generali's goal of growing on markets favourable to the private advisory industry, such as Switzerland, which benefits from the changed market and regulatory scenario.

Valeur Fiduciaria was formed in 2009 by independent managers with significant experience in the private-banking sector in Switzerland and manages CHF 1,326 million⁵.

The acquisition will be subject to the appropriate conditions customarily applied to transactions of this kind.

The Manager responsible for preparing the company's financial reports (Tommaso Di Russo) declares, pursuant to Paragraph 2 of Article 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. Tommaso Di Russo (CFO of Banca Generali)

³ "Core" revenues = net interest income, management, banking and front fees net of the related fee expense. This item does not include variable revenues associated with market performances (performance fees and net income from trading activities).

⁴ Core operating costs are net of sales personell costs

⁵ At 30 June 2018