

PRESS RELEASE

Preliminary results at 31 December 2015¹**2015 CONSOLIDATED NET PROFIT: €203.6 MILLION (+27%)**

- Revenues rose to €466 million (+11%)
- Management fees at €459 million (+28%)
- Cost/income ratio decreased to 36.5%

TOTAL AUM AT €41.6 BILLION (+14%)

- 2015 net inflows: €4,640 million (+37%)
- January 2016 net inflows: €530 million (+30%)

CAPITAL SOLIDITY ROSE SHARPLY

- CET 1 ratio at 14.3% (+210 bps)
- Total Capital ratio at 15.9% (+170 bps)
- Excess capital at €213 million (+35%)

Milan, 10 February 2016 – The Board of Directors of Banca Generali, chaired by Paolo Vagnone, analysed the preliminary results at 31 December 2015.

The CEO of Banca Generali, Piermario Motta, stated: *“We are very proud of our outstanding results in all the main financial and capital indicators. It is the best demonstration of the great work, passion and dedication which have made Banca Generali a leading player in the financial sector in Italy. In a context of market and credit complexities and pressures, our prudent and solidity-oriented strategy, marked by high balance sheet quality and transparent customer approach, is attracting the attention of households in need of qualified advisory and versatile solutions. The acceleration of the past few months is not a one-off case; it is rather the result of a strategy that in four years has led us to nearly triple net profits and double the size of assets, while also continuing to attract excellent professionals. We remain vigilant on the complex market challenges, which even grew in early 2016. However, our outstanding expertise and experience also in facing difficult situations make us look with much optimism towards the future of our bank.”*

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¹ The approval of the Draft Financial Statements is scheduled on 10 March 2016.

PRESS RELEASE

Consolidated P&L results at 31 December 2015

The preliminary results for 2015 showed a sharp growth in profitability and capital ratios, marking a new record performance in the Bank's history.

In a context where Italian households increasingly need to plan and diversify their financial investments with the help of specialized professionals, and are more carefully assessing the soundness of the banks with which they operate, Banca Generali stands out as one of the institutions of reference. This is also shown by the outstanding business performance (€41.6 billion AUM at the end of 2015, up by €15.4 billion in the three-year period 2012-2015) and the market share increase from 10.2% in 2012 to 12.1% in the three years².

The Bank's attention to customers and effective business model also resulted in a sharp acceleration of the 2015 P&L performance. Net profit grew by 27% to **€203.6 million**, reaching a new peak in the Bank's history. The result also includes the **€8.7 million one-off** contribution made to the new Resolution Fund (BRRD) and the Interbank Deposit Protection Fund (FITD) in December.

Revenues also grew driven by the excellent performance of business operations. **Net banking income** rose by 11% to €465.9 million, mainly thanks to recurring fees, thus reflecting the business soundness and customers' appreciation as confirmed by the increase in the size of assets managed on behalf of households.

Gross fees reached €652 million (+35%), of which €459.1 million (+28%) management fees driven by the strong demand for qualified advisory and asset management solutions. Asset expansion and market trends also led to an increase in performance fees.

Net fees grew (€370.8 million, +44%), also taking into account the growth in net inflows (€4.64 billion, +35%) and the recruitment of 126 (+24%) high-standing financial advisors.

Net interest income was €66.2 million (from €107.0 million), mainly due to the ECB (LTRO) repayment in February — the latter contributing for €34.5 million revenues in the previous year — and, to a lesser extent, the ongoing reduction in interest rates. During the year, revenues from Lombard loans further increased (€23.2 million, +17%) mirroring the excellent quality of the loan portfolio. The bank continued to adopt a conservative investment profile for the banking book, 99% of which was invested in bonds with a duration of 1.8 years. All these elements **highlight the bank's asset quality and outstanding solidity. In detail, the bank does not hold any third-party or own subordinate bonds and has never placed subordinate bonds with its customers.**

Operating expenses totaled €166.9 million, net of the €8.7 million one-off contribution made to the Resolution Fund (BRRD) and the Interbank Deposit Protection Fund (FITD) in December. Excluding this extraordinary charge, **operating expenses were virtually stable compared to the previous year (+0.7%), growing significantly less than revenues during the period (+11%).** Overall (net of the one-off contribution to the Resolution Fund and the Interbank Deposit Protection Fund), the ratio of costs to total assets further decreased (0.40% compared to 0.45% for 2014), as did the cost/income ratio (**34.7% compared to 38.5% for 2014**).

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² On a like-for-like basis, excluding ISPB whose data for the 2012-2014 period are not available .

PRESS RELEASE

The **operating result** grew by 14.6% to €290.3 million, once again showing an excellent operating margin (62.3%).

Banca Generali Group's **total balance sheet assets** at 31 December 2015 amounted to €6,116 million, essentially stable compared to the previous year (€6,140 million). The expected €800 million reduction in ECB LTROs was offset by the increase in retail customers' deposits (+13% over 2014).

At year-end 2015, **consolidated net equity** increased to €636.8 million (+18.7% compared to €536.3 million at year-end 2014). Capital assumes a **dividend payout of €1.20 per share (+22%** compared to 2014) **with an implied gross dividend yield of 5.8%, based on the closing price on 9 February.**

Capital ratios further improved compared to the previous year. In detail: **CET 1 ratio was 14.3% (+210 bps in 2015)** and **Total Capital ratio was 15.92% (+170 bps in the year).** With reference to regulatory requirements, **excess capital amounted to €212.8 million (+34.7%),** or 50% of total Basel 3-compliant own funds.

In 2015, capital ratios reported by **Banca Generali** were **much higher than the regulatory requirements, as determined by the Bank of Italy's periodic Supervisory Review and Evaluation Process (SREP),** which set for Banca Generali the minimum CET 1 ratio at 7% and Total Capital Ratio at 10.6%.

Consolidated P&L Results for Q4 2015

Net banking income for Q4 2015 rose sharply by 11.7% to €99 million. The performance was strongly driven by the growth in net fees (€81.4 million; +33.4%), which mirrored the increase of net inflows and AUM in the quarter.

Q4 operating expenses were impacted by the €8.7 million one-off contribution to the Resolution Fund and Interbank Deposit Protection Fund. Net of this extraordinary charge, operating expenses decreased to €44.2 million (-3.0%) in absolute terms compared to €45.5 million in the previous year, thus confirming the Bank's operating efficiency.

Net profit for Q4 2015 rose by 31% to €37.5 million.

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Net inflows, AUM and Assets under Administration and Custody

At year-end 2015, AUM totalled **€41.6 billion, up by €5.0 billion** compared to the previous year and **by €15.4 billion in the past three-year period. 2012-2015 CAGR was 16.7%.**

In detail, **managed assets** grew to **€31.8 billion (+16%) and accounted for 76% of the total,** increasing by 1pp compared to the previous year and by an impressive 7pps compared to 69% at year-start 2013. In 2015, the development of managed assets was driven by the success of the multi-line policy **BG Stile libero**, which almost doubled its total net inflows in the year to €4.3

PRESS RELEASE

billion (+96%). This product is highly appreciated by customers as a financial planning tool, thanks to its flexibility to invest in multi-manager and multi-strategy funds, combined with insurance segregated accounts, a wide range of services and exclusive insurance coverage.

Assets under administration and custody grew to €9.8 billion (+7.6%) reflecting the constant acquisition of new customers, who tend to first bring liquidity and transfer their securities accounts, and then assess appropriate financial planning solutions.

In 2015, **net inflows recorded a new all-time high** with €4.6 billion, accounting for 13% of total assets. This ratio is outstanding as it was achieved exclusively with retail customers, with no contribution from the institutional or online channels, and it exceeded by over €600 million the excellent 2014 figure, which had benefitted from the €648 million contribution from the recruitment of former Simgenia financial advisors. Net of the latter, net inflows rose by 37% compared to 2014 and by 105% in the last two-year period.

2016 began with the Bank's best year-start performance ever, with net inflows amounting to **€530 million, up by 30% compared to January 2015**. The excellent result followed on the strong growth trend reported in late 2015, which showed a sharp acceleration in the acquisition of both new customers and experienced professionals. The exceptional market volatility over the past few weeks continued to heighten households' attention to the solidity and reputation of a leading financial institution such as Banca Generali, which provides a wide range of investment protection solutions.

In January, assets under administration and custody grew by 127% (€417 million) thanks to the significant inflows from new customers. Usually they first bring liquidity (€245 million) and transfer their securities accounts (€172 million), and subsequently make suitable portfolio choices.

Business Outlook

Banca Generali reported a double-digit percentage growth in all key profitability and capital ratios in a fourth quarter marked by exceptional volatility and uncertainty about economic and monetary prospects. Business performance further confirmed the excellence achieved by the company, with new peaks in net inflows, total assets and recruitment of highly experienced professionals. The Bank's focus on households, with an increasingly private banking positioning, is marked by its specific commitment towards developing tailored solutions both in terms of investment products and wealth advisory services. The ongoing growth trend and attention to quality are increasingly appreciated by customers and talented professionals, who over the past few months have shown their interest in the bank's sound and transparent business model. Market uncertainties are heightening criticalities for and pressures on all asset management players. However, innovation-oriented choices and a strong wealth planning expertise are winning factors that will allow Banca Generali to continue to grow its market shares in the Italian household investment segment.

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PRESS RELEASE

Directors' independence requirements verified by the Board of Directors

The Board of Directors also ascertained that the following Directors meet the independence requirements pursuant to Article 148, paragraph 3, of Legislative Decree No. 58/1998, in compliance with the criteria set forth in the Governance Code of Listed Companies, Bank of Italy Circular Letter No. 285/2013, and Article 37, paragraph 1 d), of Consob Regulation No. 16191/97: Giovanni Brugnoli, Anna Gervasoni, Massimo Lapucci, Annalisa Pescatori and Vittorio Emanuele Terzi. Therefore the majority of members of the Company's Board of Directors meet independence requirements.

Presentation to the Financial Community

The preliminary financial results at 31 December 2015 will be presented to the financial community during a **conference call** scheduled today at **2:00 PM CET**.

To attend the conference call please dial one of the following numbers:

from Italy and other non-specified countries: +39 02 802 0911;

from the United Kingdom +44 121 281 8004;

from the USA +1 718 705 8796 (toll-free: +1 855 265 6958)

Annexes:

- 1) Banca Generali – Consolidated Profit and Loss Statement at 31 December 2015
- 2) Banca Generali – Consolidated Profit and Loss Statement for the Fourth Quarter 2015
- 3) Banca Generali – Reclassified Consolidated Balance Sheet at 31 December 2015
- 4) Total AUM at 31 December 2015

The approval of Banca Generali's Draft Financial Statements at 31 December 2015 is scheduled on 10 March 2016.

The data presented herein are still being audited by the appointed Audit Company.

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PRESS RELEASE

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

(€ mil.)	12M14	12M15	% Chg
Net Interest Income	107.0	66.2	-38.1%
Gross fees	484.6	652.0	34.5%
Fee expenses	-227.4	-281.2	23.7%
Net Fees	257.3	370.8	44.1%
Net income (loss) from trading activities	52.4	25.8	-50.8%
Dividends	2.6	3.1	21.4%
Net income (loss) from trading activities and Dividends	54.9	28.9	-47.4%
Net Banking Income	419.2	465.9	11.1%
Staff expenses	-74.2	-80.9	9.1%
Other general and administrative expense	-128.5	-134.0	4.3%
	-202.6	-215.0	6.1%
Depreciation and amortisation	-4.4	-5.3	20.1%
Other net operating income (expense)	41.3	44.7	8.4%
Net Operating Expenses	-165.8	-175.6	5.9%
Operating Profit	253.4	290.3	14.6%
Net adjustments for impair.loans and other assets	-11.0	-6.5	-41.1%
Net provisions for liabilities and contingencies	-40.3	-45.6	13.2%
Profit Before Taxation	202.1	238.3	17.9%
Direct income taxes	-44.3	-34.7	-21.7%
Income/(losses) after tax on assets held for sales	3.1	0.0	-100.0%
Minorities interest	0.0	0.0	
Net Profit	160.9	203.6	26.5%
Cost/Income Ratio	38.5%	36.5%	-2 p.p.
EBITDA	257.8	295.7	14.7%
Tax rate	21.9%	14.6%	-7.3 p.p.

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2) BANCA GENERALI- CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE FOURTH QUARTER 2015

(€ mil.)	4Q 14	4Q 15	% Chg
Net Interest Income	24.7	14.9	-39.6%
Gross fees	131.1	160.6	22.5%
Fee expenses	-70.0	-79.2	13.1%
Net Fees	61.0	81.4	33.4%
Net income (loss) from trading activities	1.0	0.6	-38.4%
Dividends	1.8	1.9	11.0%
Net income (loss) from trading activities and Dividends	2.8	2.6	-7.4%
Net Banking Income	88.6	99.0	11.7%
Staff expenses	-18.5	-21.2	14.7%
Other general and administrative expense	-37.8	-39.7	5.0%
	-56.3	-60.9	8.2%
Depreciation and amortisation	-1.3	-1.9	48.0%
Other net operating income (expense)	12.2	10.0	-18.1%
Net Operating Expenses	-45.5	-52.9	16.3%
Operating Profit	43.1	46.1	6.9%
Net adjustments for impair.loans and other assets	-5.7	-0.7	-88.5%
Net provisions for liabilities and contingencies	-10.5	-8.1	-22.1%
Profit Before Taxation	26.9	37.3	38.4%
Direct income taxes	-0.7	0.2	-125.4%
Income/(losses) after tax on assets held for sales	2.3	0.0	-100.0%
Minorities interest	0.0	0.0	
Net Profit	28.6	37.5	31.2%
Cost/Income Ratio	49.9%	51.5%	1.6 p.p.
EBITDA	44.4	48.0	8.1%
Tax rate	2.7%	-0.5%	-3.2 p.p.

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3) BANCA GENERALI – RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2015 (€M)

(€ millions)

Assets	Dec 31, 2015	Dec 31, 2014	Change	% Change
Financial assets held for trading	28.0	32.8	-4.8	-14.7%
Financial assets available for sale	2,939.2	2,235.4	703.8	31.5%
Financial assets held to maturity	423.6	1,403.1	-979.5	-69.8%
Loans to banks	419.5	353.6	65.9	18.6%
Loans to customers	1,922.0	1,795.0	127.1	7.1%
Equity investments	2.2	0.0	2.2	n.m.
Property equipment and intangible assets	93.1	93.8	-0.7	-0.7%
Tax receivables	62.0	40.8	21.2	51.9%
Other assets	226.4	185.7	40.7	21.9%
Total Assets	6,116.0	6,140.2	-24.2	-0.4%

Liabilities and Shareholders' Equity	Dec 31, 2015	Dec 31, 2014	Change	% Change
Due to banks	334.0	1,038.9	-704.9	-67.9%
Direct inflows	4,839.6	4,285.4	554.2	12.9%
Financial liabilities held for trading	0.5	2.7	-2.2	-82.6%
Tax payables	22.6	27.6	-5.0	-18.2%
Other liabilities	163.2	149.8	13.4	9.0%
Special purpose provisions	119.4	99.6	19.8	19.9%
Valuation reserves	22.4	18.0	4.4	24.7%
Reserves	247.2	196.2	51.0	26.0%
Additional paid-in capital	50.1	45.6	4.5	9.8%
Share capital	116.1	115.7	0.4	0.4%
Treasury shares (-)	-2.6	0.0	-2.5	n.m.
Net income (loss) for the period (+/-)	203.6	160.9	42.7	26.5%
Total Liabilities and Shareholders' Equity	6,116.0	6,140.2	-24.2	-0.4%

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PRESS RELEASE

4) TOTAL AUM AT 31 DECEMBER 2015

<i>Billion of Euros</i>	<u>Dec 2015</u>	<u>Sep 2015</u>	<u>Abs. Chg</u>	<u>Dec 2014</u>	<u>Abs. Chg Y/Y</u>
Mutual Funds	10.92	10.47	0.45	9.96	0.96
Portfolio Management	3.64	3.61	0.03	3.82	-0.18
Managed Assets	14.56	14.08	0.48	13.78	0.78
Life Insurance	17.26	15.94	1.32	13.69	3.57
<i>of which BG STILE LIBERO</i>	4.34	3.97	0.37	2.16	2.18
Non Managed Assets	9.78	9.32	0.46	9.09	0.69
<i>of which: Securities</i>	6.20	6.00	0.20	6.37	-0.17
Total	41.60	39.34	2.26	36.56	5.04

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The Manager responsible for preparing Banca Generali'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 (Banca Generali CFO)