

PRESS RELEASE

Quarterly results**NET PROFIT OF €35.5 MILLION FOR THE
QUARTER (€39.2 MILLION IN 1Q 2012)**

- Recurring revenues at €81.2 million (+27%)
- Operating expenses at €39.2 million (+1.3%)

**SHARP GROWTH OF NET INFLOWS AND
AUM**

- Total AUM at €27 billion (+10%)
- Total net inflows at €861 million (+26%) YTD, of which €900 million (+84%) in managed assets

IMPROVED CAPITAL RATIOS

- Excess capital at €122 million (+21%)
- Tier 1 capital ratio at 12.6% and total capital ratio at 13.8%

Milan, 7 May 2013 – The Board of Directors of Banca Generali, chaired by Paolo Vagnone, met and approved the consolidated results for the first quarter of 2013.

The CEO of Banca Generali, Piermario Motta, commented: *“It was a highly satisfactory start to the year in terms of profitability and inflows, and especially of the incisiveness and efficacy shown by the foundation of our business model: recurring revenues. The increase of these items by nearly one-third compared to last year is a reflection both of the value of our advisors, who have succeeded in guiding clients through the market’s complexities with great professionalism, and the competitiveness and quality of our range of products and services. The expertise demonstrated in managing portfolios at the most difficult moments of the crisis has not gone unobserved by the watchful eyes of investors, who are increasingly crediting us with that combination of reliability and pre-eminence that makes us confident in our company’s future.”*

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Consolidated P&L results at 31 March 2013¹

Results for the first quarter proved highly significant owing to the **increase in recurring revenues** and the **effective operating cost control**. The good performance in terms of net profits was

¹ With the purpose of greater clarity and transparency, Banca Generali’s figures are presented also net of the component related to Generali Investment Luxembourg (“GIL”). GIL is the management company of Assicurazioni Generali merged with BG Investment Luxembourg on 9 September 2009.

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accompanied by a further **strengthening of capital solidity** and a prudent asset management, in accordance with the Bank's traditional policy.

In detail, at 31 March 2013 Banca Generali closed with **net profit of €35.5 million** (-9% compared to the same period of 2012) of which €16.1 million attributable to non-recurring revenues; in the same period of the previous year, net profit amounted to €39.2 million, of which €37.1 million were market-related revenues (trading and performance fees) generated by the excellent performance of financial markets.

Total banking income stood at €97.3 million, essentially in line with €101.2 million for the previous year (*€95.6 million, -4.0% excluding Generali Investment Luxembourg "GIL"*), driven by the above-mentioned reduction in extraordinary items. In particular, this result shows a 27% increase to €81.2 million in recurring activities (*€79.5 million, +27% ex-GIL*), thus confirming the uptrend and the strong business model, which generated 83% of revenues from these items compared to 63% in the previous year.

Net interest income rose by 45% to €33.5 million compared to the same period of the previous year, thanks to the positive profitability of the Bank's securities portfolio (or 2.75% annualised in the period), the increase in deposits and the growth in fully counter-guaranteed loans. The portfolio profile remained defensive and prudent; maturity was 1.6 (1.8 at the end of 2012) and duration was 1.1 (1.3 at the end of 2012). This performance was also influenced by the income associated with the Bank's participation in ECB's financing initiatives in February 2012 (LTROs).

Gross commissions were stable at €108.5 million (*€100.8 million, -2.9% ex-GIL*), with a significant increase in recurring components (management, underwriting and banking) to €93.8 million (*€86.1 million, +16% ex-GIL*), offset by the reduced contribution of performance fees, which in the previous year had benefited from extremely positive market conditions.

Among recurring commissions, particularly noteworthy is the positive trend of **management commissions**, increasing by 12.3% to €76.5 million (*€68.8 million, +12% YoY and +5% QoQ ex-GIL*), as a result of the strong growth of AUM and the inflows of the last 12 months (€1.7 billion from April 2012 to March 2013).

Operating expenses reflected the careful management policy with a negligible increase of 1.3% compared to the same period of the previous year and amounting to €39.2 million (*€38.5 million, +1.3% ex-GIL*). The increase in costs was lower than the inflation rate for the period (*in March 2013 CPI was 1.614%*), although still including extraordinary expenses incurred for developing digital signatures on tablets.

Total assets of the Banca Generali Group at 31 March 2013 amounted to €6,747.4 million (-7.8% compared to 31 December 2012). The decrease was partially due to the repayment of a captive liquidity deposit.

Consolidated net equity amounted to €437.7 million (+10.7% compared to €395.1 million at year-end 2012), Tier 1 Capital Ratio rose to 12.6% (11.8% at the end of 2012) and Total Capital

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Ratio was 13.8% (13.0% at year-end 2012). **Excess capital** at the end of March 2013 increased by 21% compared to the end of last year, amounting to €122 million.

Net Inflows and Assets under Management (AUM)

In the first four months of 2013, Banca Generali reported net inflows of €861 million (+26%): the best result of the last five years. The monthly growth rates of **net inflows** (€215 million) almost doubled the excellent monthly average the Bank reported in 2012 (€133 million).

Net inflows for the period focused on the demand of **asset management products** (€900 million, +84%), mirroring the costumers' interest towards investment solutions that allow them to increase the diversification of their portfolio and seize the investment opportunities offered by international markets.

Among managed products, **funds/SICAVs reported a remarkable performance**, with net inflows of €596 million YTD, followed by **insurance products** which showed net inflows of €280 million and remained a key solution in the commercial offering of the Bank thanks to their favourable risk/return ratio.

At the end of March 2013, **AUM and administered assets** increased to **€27.0 billion (+10% compared to €24.6 billion** in the first quarter of the previous year; +3% YTD).

In detail, **AUM amounted to €19.2 billion** (71% of total), marking an increase of 13% compared to the first quarter of 2012. Funds/SICAVs reported a highly positive performance with assets amounting to €7.4 billion, increasing by 19% compared to the same period of 2012 and 9% YTD.

Administered assets amounted to €7.8 billion, up 3% compared to the previous year. Current accounts make up €2.2 billion of this amount.

Business Outlook

The year has got off to a positive start for the Bank, which is exploiting the growth opportunities offered by increasing demand for high-quality financial advice from Italian households. The decrease in interest rates on government securities and expectations of an improvement in economic prospects in the Eurozone and at the global level, albeit in a very gradual manner, are fostering the search for asset management solutions, which represent the Bank's core business. In the coming months, we expect to continue to exploit these favourable dynamics, while also leveraging our capital strength, which was further reinforced in the previous quarter.

Presentation to the Financial Community

The financial results for the first quarter of 2013 will be presented to the financial community during a **conference call** scheduled today at **2:00p.m. CET (1:00p.m. GMT)**.

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

from Italy and other unspecified countries: +39 02 805 88 11;
from the UK +44 121 281 8003;
from the USA +1 718 705 8794.

* * *

*The Manager responsible for preparing the company's financial reports (Giancarlo Fancel) 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.
Giancarlo Fancel (CFO of Banca Generali)*

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Annexes:

- 1) Banca Generali Group – Consolidated Profit and Loss Statement at 31 March 2013
- 2) Banca Generali Group – Consolidated Profit and Loss Statement at 31 March 2013 (ex-GIL)
- 3) Banca Generali Group – Reclassified Consolidated Balance Sheet at 31 March 2013
- 4) Total AUM at 31 March 2013

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**1) BANCA GENERALI GROUP- CONSOLIDATED PROFIT AND LOSS STATEMENT
AT 31 MARCH 2013**

(€ mil.)	3M12 (reported)	3M13 (reported)	% Chg
Net Interest Income	23.1	33.5	44.7%
Commission income	110.6	108.5	-1.9%
Commission expense	-40.2	-46.0	14.4%
Net Commission	70.4	62.5	-11.2%
Net income (loss) from trading activities	7.6	1.4	-82.2%
Dividends	0.0	0.0	-82.3%
Net income (loss) from trading activities and Dividends	7.7	1.4	-82.2%
Net Banking Income	101.2	97.3	-3.8%
Staff expenses	-18.0	-18.2	0.7%
Other general and administrative expense	-23.1	-23.9	3.8%
	-41.1	-42.1	2.5%
Depreciation and amortisation	-1.2	-1.2	-1.7%
Other net operating income (expense)	3.6	4.0	13.2%
Net Operating Expenses	-38.7	-39.2	1.3%
Operating Profit	62.5	58.1	-7.0%
Net adjustments for impair.loans and other assets	-3.4	-1.4	-60.2%
Net provisions for liabilities and contingencies	-11.7	-10.8	-7.9%
Profit Before Taxation	47.4	46.0	-2.9%
Direct income taxes	-7.6	-9.5	25.8%
Income/(losses) after tax on assets held for sales	0.2	0.0	-100.0%
Minorities interest	-0.8	-1.0	18.5%
Net Profit	39.2	35.5	-9.3%
Cost /Income Ratio	37.1%	39.1%	2 p.p.
EBITDA	63.7	59.3	-6.9%
Tax rate	16.0%	20.7%	4,7 p.p.

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**2) BANCA GENERALI GROUP – CONSOLIDATED PROFIT AND LOSS STATEMENT
AT 31 MARCH 2013 (EX-GIL) ²**

(€ mil.)	3M12 (adjusted)	3M13 (adjusted)	% Chg
Net Interest Income	23.1	33.5	44.7%
Commission income	103.7	100.8	-2.9%
Commission expense	-34.9	-40.0	14.6%
Net Commission	68.8	60.8	-11.7%
Net income (loss) from trading activities	7.6	1.4	-82.2%
Dividends	0.0	0.0	-82.3%
Net income (loss) from trading activities and Dividends	7.7	1.4	-82.2%
Net Banking Income	99.6	95.6	-4.0%
Staff expenses	-17.5	-17.7	0.7%
Other general and administrative expense	-22.9	-23.8	3.8%
	-40.4	-41.4	2.4%
Depreciation and amortisation	-1.2	-1.2	-0.9%
Other net operating income (expense)	3.6	4.0	13.3%
Net Operating Expenses	-38.0	-38.5	1.3%
Operating Profit	61.6	57.1	-7.3%
Net adjustments for impair.loans and other assets	-3.4	-1.4	-60.2%
Net provisions for liabilities and contingencies	-11.7	-10.8	-7.9%
Profit Before Taxation	46.5	44.9	-3.3%
Direct income taxes	-7.5	-9.4	26.1%
Income/(losses) after tax on assets held for sales	0.2	0.0	-100.0%
Minorities interest	0.0	0.0	-100.0%
Net Profit	39.2	35.5	-9.3%
Cost /Income Ratio	37.0%	39.1%	2,1 p.p.
EBITDA	62.8	58.2	-7.2%
Tax rate	16.1%	21.0%	4,9 p.p.

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² The figures have been reclassified excluding the contribution of Generali Investments Luxembourg ("GIL").

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3) BANCA GENERALI GROUP – RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 31 MARCH 2013 (€M)

Assets	March 31, 2013	Dec 31, 2012	Change	% Change
Financial assets held for trading	851.2	222.5	628.7	282.5%
Financial assets available for sale	1.045.5	1.733.9	-688.3	-39.7%
Financial assets held to maturity	2.913.7	3.000.3	-86.6	-2.9%
Loans to banks	307.5	843.4	-535.9	-63.5%
Loans to customers	1.359.5	1.308.6	50.9	3.9%
Property equipment and intangible assets	50.9	51.8	-0.9	-1.7%
Tax receivables	43.3	41.2	2.2	5.3%
Other assets	175.8	115.6	60.1	52.0%
Assets held for sales	0.0	0.0	0.0	
Total Assets	6.747.5	7.317.3	-569.8	-7.8%

Liabilities and Shareholders' Equity	March 31, 2013	Dec 31, 2012	Change	% Change
Due to banks	2.398.9	2.229.9	169.0	7.6%
Direct inflows	3.583.8	4.491.2	-907.4	-20.2%
Financial liabilities held for trading	1.3	1.4	-0.2	-12.2%
Tax payables	29.8	36.6	-6.9	-18.7%
Liabilities linked to assets held for sales	0.0	0.0	0.0	
Other liabilities	220.1	95.0	125.1	131.6%
Special purpose provisions	76.0	68.0	8.0	11.8%
Valuation reserves	-13.6	-10.6	-3.0	28.3%
Reserves	267.2	139.8	127.3	91.0%
Additional paid-in capital	26.6	16.6	10.0	60.4%
Share capital	113.9	112.9	1.0	0.8%
Treasury shares (-)	0.0	0.0	0.0	0.0%
Shareholders' equity attributable to minority interest	8.1	7.2	1.0	13.4%
Net income (loss) for the period (+/-)	35.5	129.2	-93.7	-72.5%
Total Liabilities and Shareholders' Equity	6.747.5	7.317.3	-569.8	-7.8%

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4) TOTAL AUM AT 31 MARCH 2013

<i>Billion of Euros</i>	Mar 2013	Dec 2012	Abs. Chg
Mutual Funds	7.35	6.77	0.58
Asset Management	3.12	3.13	-0.01
Managed Assets	10.47	9.90	0.57
Life Insurance	8.68	8.49	0.19
Non Managed Assets	7.80	7.77	0.03
<i>of which: Securities</i>	5.56	5.71	-0.15
Total	26.95	26.16	0.79

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