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Vedi allegato.

**PRESS
RELEASE****First-half results****RESULTS BOOSTED BY MANAGEMENT
FEES, MARKETS AND OPERATING
LEVERAGE**

- Net profit: €108.1 million (+61%)
- Management fees: €280 million (+18%)
- Operating expenses: €93.2 million (+4%)

**GROWTH OF TOTAL ASSETS AND
CAPITAL RATIOS**

- Total assets at €52.1 billion (+20%)
- Managed assets at €40.1 billion (77% of total)
- CET1 and Total Capital Ratio: 17.0% and 18.7%
(+30 bps)

**2016 SUSTAINABILITY REPORT
APPROVED**

- Global Added Value (GAV): €614.1 million

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Milan, 27 July 2017 – The Board of Directors of Banca Generali, chaired by Giancarlo Fancel, approved the consolidated results for the first half of 2017.

Chief Executive Officer and General Manager Gian Maria Mossa stated: *“This was the Bank’s best ever half year in terms of business growth, with significant P&L improvements regarding profitability, solidity and operating efficiency. The quality of our managed solutions and our professionals continue to be much appreciated by customers, as shown by the amount of net inflows. Our focus on innovation and wealth advisory is accompanied by great attention to the regulatory challenges — on the strength of a service model already compliant with the new directives — and the challenges posed by the market, where we aim to strengthen our position as the private bank of choice for customers.”*



Consolidated P&L results at 30 June 2017

Net profit amounted to **€108.1 million** for H1 2017, up 61% compared to the same period of the previous year. The result was driven by the sharp **growth of revenues** (+34%), which reflected the significant **business expansion** (**total assets: €52.1 billion +20%**; net inflows: €3.8 billion +31%). P&L improvements were accompanied by a further strengthening of capital ratios, which confirm both development sustainability and management effectiveness.

In further detail, **net banking income** was €270.2 (+33.8%) thanks to the contribution of all revenue components (except for trading of the Bank's proprietary portfolio which reflects a prudent exposure to Italian and European government securities).

Management fees rose by **18% to €280.0 million**, driven by higher total assets and stable margins. Entry fees (€28.9 million, +33%) and performance fees (€74 million) also increased, boosted by stock market performance.

Net interest income also rose 7% to €31.6 million, despite the particularly prudent approach in the investment portfolio. At 30 June, it amounted to €6.0 billion (+25%, +12% YTD), 99% invested in bonds with duration of less than 2 years (Italian government bonds accounted for 92%, of which 56% variable rate bonds).

The increase in revenues was accompanied by a careful management of **operating expenses**, which totalled €93.2 million (+4%), in line with plans. Excluding items linked to the expansion of the commercial network, expenses rose only 2.2% compared to the previous year. This result also includes the €1.8 million contribution to the Single Resolution Fund (BRRD). The lower ratio of costs compared to the higher total assets led to a further strengthening of this ratio (0.35% compared to 0.37% at year-end 2016), with a **cost/income ratio of 33.1%**.

Total balance sheet assets of the Banca Generali Group at 30 June 2017 rose by 16.5% YOY to €8,874 million (+6% YTD). **Consolidated net equity** further improved to **€626 million (+13%** compared to H1 2016).

Capital ratios further strengthened on the previous excellent figures: on a phased-in basis, **CET 1 ratio** stood at 17.0% (+30 bps YTD) and **Total Capital ratio** at 18.7% (+30 bps YTD). With reference to regulatory requirements, excess capital on a phased-in basis amounted to €274 million (+6%).

P&L Results for Q2 2017

All the main P&L and balance sheet items rose further in Q2 2017. The increase in net inflows and the careful asset diversification policy led to a **37% growth of net profit to €51.9 million** compared to Q2 2016.

Net banking income rose by 27% to €135.5 million driven by the sharp increase in net fees (€113.6 million +30%).



Among fee income, management fees amounted to €144.7 million for the second quarter, up 20% compared to the previous year and 7% compared to Q1 2017, which testifies to the increasingly stronger sustainability of results.

Moreover, between April and June, operating expenses decreased to €46.3 million (-0.1%).

Net Inflows and Assets Under Management (AUM)

Net inflows for H1 2017 totalled **€3,820 million, up 31%** compared to the same period of the previous year, setting a new record for the period.

Net inflows were mainly generated by **asset management and insurance products** which amounted to **€3,437 million**, accounting for 90% of the total. The new wrappers of products — especially BG Solution and the multi-line policy BG Stile Libero — continued to be much in demand (€2,806 million YTD), trebling their net inflows compared to the same period of 2016.

Managed assets and assets under administration at 30 June 2017 rose by 20% YOY reaching €52.1 billion (up 10% YTD). The **managed products** component rose to €40,1 billion at the end of June, **accounting for 77% of the total**, up 21% YOY and 11% YTD. Wrapper solutions totalled €10.6 billion at the end of June (20% of the total).

2016 Sustainability Report

The Board of Directors also approved the 2016 Sustainability Report, now in its eight edition. The graphics and contents were revamped with a view to making the Report more effective and comprehensive. Banca Generali's focus on a sustainable growth strategy for all the various stakeholders is shown by a **Global Added Value (GAV) of €614.1 million in 2016**. The environmental and energy consumption awareness-raising policy helped to reduce greenhouse gas emissions by **27.8% in the past three years**. People quality is at the core of the Bank's growth process. 96.6% of the company's personnel has an indefinite-term contract and 13 thousand hours of training were delivered in the year, testifying to the company's commitment to education. Personnel is evenly split between women and men (50% each), a percentage that remained unaltered with the further hirings made in 2016.

Social responsibility activities continue to play a central role in the Bank's relationship with the areas in which it operates, with events aimed to enhance the artistic heritage, sports talent, and, last but not least, support to several non-profit associations in favour of the disadvantaged.

Business Outlook

H1 2017 was marked by favourable conditions that the markets saw as positive signs of economic recovery, accompanied by growing political pragmatism and central bank sensitivity. Against this background, Banca Generali succeeded in meeting the needs of customers, attracting new customers and net inflows at a very rapid pace. However, the peaks reached by stock prices and the prudent approach adopted in view of the forthcoming elections — such as those in Germany



— as well as the monetary and trade evolutions still underway, might lead households to adopt a more cautious approach in the second half of the year. The commitment to solving banking crises is helping to instil new confidence in the system in a moment when new regulatory changes are becoming effective. Banca Generali's flexible service model and versatile range of products and services guarantee an effective growth process that is likely to continue in the coming months.

Presentation to the Financial Community

A **conference call** for the financial community will be held today, at **2:00 p.m. CEST**, to analyse the H1 2017 results.

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 United Kingdom +44 121 281 8003;

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

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Annexes:

1. Banca Generali Group – Consolidated Profit and Loss Statement at 30 June 2017
2. Banca Generali Group - Consolidated Profit and Loss Statement for the Second Quarter of 2017
3. Banca Generali Group – Reclassified Consolidated Balance Sheet at 30 June 2017
4. Total AUM at 30 June 2017

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The Manager responsible for preparing the company's financial reports (Tommaso Di Russo) 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. Tommaso Di Russo (CFO of Banca Generali)

1) BANCA GENERALI – CONSOLIDATED PROFIT AND LOSS STATEMENT AT 30 JUNE 2017

€ million	6M 16	6M 17	% Chg
Net Interest Income	29.6	31.6	6.9%
Gross fees	284.5	382.8	34.6%
Fee expenses	-131.7	-153.6	16.7%
Net Fees	152.8	229.2	50.0%
Net income (loss) from trading activities	18.1	7.6	-57.8%
Dividends	1.5	1.8	18.2%
Net income (loss) from trading activities and Dividends	19.6	9.4	-52.0%
Net Banking Income	202.0	270.2	33.8%
Staff expenses	-43.4	-43.9	1.0%
Other general and administrative expense	-64.0	-69.6	8.8%
	-107.4	-113.4	5.6%
Depreciation and amortisation	-2.3	-3.8	62.7%
Other net operating income (expense)	20.1	24.0	19.6%
Net Operating Expenses	-89.7	-93.2	4.0%
Operating Profit	112.3	176.9	57.6%
Net adjustments for impair.loans and other assets	-1.6	-3.2	94.1%
Net provisions for liabilities and contingencies	-28.5	-45.7	60.4%
Profit Before Taxation	82.1	128.0	55.9%
Direct income taxes	-14.8	-19.9	34.5%
Net Profit	67.3	108.1	60.7%
Cost/Income Ratio	43.3%	33.1%	-10.2 p.p.
EBITDA	114.6	180.7	57.7%
Tax rate	18.1%	15.6%	-2.5 p.p.

2) BANCA GENERALI – CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE SECOND QUARTER OF 2017

€ million	2Q 16	2Q 17	% Chg
Net Interest Income	14.4	15.8	9.9%
Gross fees	156.7	190.4	21.5%
Fee expenses	-69.1	-76.8	11.1%
Net Fees	87.6	113.6	29.8%
Net income (loss) from trading activities	3.7	4.5	21.1%
Dividends	1.4	1.5	9.6%
Net income (loss) from trading activities and Dividends	5.1	6.0	18.0%
Net Banking Income	107.1	135.5	26.5%
Staff expenses	-23.0	-23.1	0.8%
Other general and administrative expense	-31.6	-34.6	9.6%
	-54.6	-57.8	5.9%
Depreciation and amortisation	-1.2	-2.1	75.4%
Other net operating income (expense)	9.4	13.5	44.4%
Net Operating Expenses	-46.4	-46.3	-0.1%
Operating Profit	60.7	89.2	46.9%
Net adjustments for impair.loans and other assets	-0.4	0.0	-98.5%
Net provisions for liabilities and contingencies	-17.0	-27.5	61.1%
Profit Before Taxation	43.2	61.6	42.6%
Direct income taxes	-5.3	-9.8	83.5%
Net Profit	37.9	51.9	36.9%
Cost/Income Ratio	42.2%	32.7%	-9.5 p.p.
EBITDA	61.9	91.2	47.4%
Tax rate	12.3%	15.9%	3.6 p.p.

3) BANCA GENERALI – RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2017

€ million

Assets	31/12/2016	30/06/2017	Change	% Change
Financial assets held for trading	38.6	46.2	7.6	19.8%
Financial assets available for sale	4,409.3	4,750.7	341.3	7.7%
Financial assets held to maturity	731.4	1,005.7	274.4	37.5%
Loans to banks	894.0	696.1	-197.9	-22.1%
Loans to customers	1,881.9	1,921.6	39.7	2.1%
Equity investments	2.0	1.9	-0.1	-4.5%
Property equipment and intangible assets	97.8	95.8	-2.0	-2.0%
Tax receivables	44.5	51.0	6.4	14.5%
Other assets	257.2	305.3	48.1	18.7%
Total Assets	8,356.7	8,874.3	517.5	6.2%

Liabilities and Shareholders' Equity	31/12/2016	30/06/2017	Change	% Change
Due to banks	802.7	946.9	144.2	18.0%
Direct inflows	6,648.2	6,598.7	-49.5	-0.7%
Financial liabilities held for trading	1.2	1.0	-0.2	-13.3%
Tax payables	17.1	32.3	15.2	88.8%
Other liabilities	118.9	516.5	397.6	334.5%
Special purpose provisions	122.2	152.5	30.3	24.8%
Valuation reserves	9.0	-1.0	-9.9	-110.6%
Reserves	314.4	345.6	31.3	9.9%
Additional paid-in capital	53.8	58.4	4.6	8.5%
Share capital	116.4	116.8	0.4	0.4%
Treasury shares (-)	-2.9	-1.6	1.4	-46.1%
Net income (loss) for the period (+/-)	155.9	108.1	-47.8	-30.7%
Total Liabilities and Shareholders' Equity	8,356.7	8,874.3	517.5	6.2%



4) TOTAL AUM AT 30 JUNE 2017

Assets Under Management (YoY)	Jun 2017	Jun 2016	Abs. Chg	Chg.
Mutual Funds	12.43	10.39	2.04	19.6%
Portfolio Management	6.26	3.82	2.44	63.9%
Managed Assets	18.69	14.21	4.48	31.5%
Life Insurance	21.42	18.81	2.61	13.9%
<i>of which BG STILE LIBERO</i>	<i>6.75</i>	<i>4.78</i>	<i>1.97</i>	<i>41.2%</i>
Non Managed Assets	12.00	10.57	1.43	13.5%
<i>of which: Securities</i>	<i>6.48</i>	<i>6.04</i>	<i>0.44</i>	<i>7.3%</i>
Total	52.11	43.59	8.52	19.5%
Assets Under Management (YTD)				
€ billion	Jun 2017	Dec 2016	Abs. Chg	Chg.
Mutual Funds	12.43	11.18	1.25	11.2%
Portfolio Management	6.26	4.68	1.58	33.8%
Managed Assets	18.69	15.86	2.83	17.8%
Life Insurance	21.42	20.21	1.21	6.0%
<i>of which BG STILE LIBERO</i>	<i>6.75</i>	<i>5.61</i>	<i>1.14</i>	<i>20.3%</i>
Non Managed Assets	12.00	11.47	0.53	4.6%
<i>of which: Securities</i>	<i>6.48</i>	<i>6.19</i>	<i>0.29</i>	<i>4.7%</i>
Total	52.11	47.54	4.57	9.6%

Fine Comunicato n.0856-45

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