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Oggetto : Mediobanca unveils public voluntary exchange offer for 100% of Banca Generali shares worth €6.3bn, to be paid for entirely in Assicurazioni Generali shares

Testo del comunicato

Vedi allegato

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MEDIOBANCA UNVEILS PUBLIC VOLUNTARY EXCHANGE OFFER FOR 100% OF BANCA GENERALI SHARES WORTH €6.3BN, TO BE PAID FOR ENTIRELY IN ASSICURAZIONI GENERALI SHARES

The transaction, which will strongly accelerate execution of the “ONE BRAND-ONE CULTURE” Strategic Plan, will transform the Mediobanca Group into a leader in the Wealth Management industry by TFAs (€210bn), revenues (€2bn), and growth capabilities (NNM of over €15bn per annum)

As a result of this transaction WM will become the Mediobanca Group's core business as well as its strategic priority: WM revenues¹ will increase by 2x to €2bn (45% of consolidated revenues), and net profit by 4x to €0.8bn (50% of the Group's net profit)

The combination between the two companies will produce a European market leader, distinctive for its positioning and brand, and for the quality of its human capital. The DNA shared by Mediobanca and Banca Generali, of excellence and distinctiveness, further strengthens the industrial rationale for the deal, with visible and highly deliverable synergies and low execution risk

Synergies: approx. €300m, 50% costs, 28% revenues, 22% from funding

Significant value creation for Mediobanca shareholders

ROTE to increase from 14% to over 20%

Consolidated net profit: €1.5bn, up 15%

EPS accretive: mid single-digit on reported basis, double-digit on banking²

CET1: 14%³

€4bn cumulative distribution for 3Y BP23-26 confirmed,
implying 22% cumulative yield⁴ over next 18 months

¹ Data: Mediobanca 6M as of end-Dec. 2024 (annualized); Banca Generali 12M as of end Dec. 2024, plus synergies on a run rate basis.

² Banking EPS: excluding Assicurazioni Generali contribution

³ Including CTA and PPA.

⁴ Including dividends and share buybacks and based on weighted average MB price (VWAP) over the last 1 month.

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The transaction entails the exchange offer of Mediobanca's investment in Assicurazioni Generali, for a €6.3bn investment in Banca Generali. Through this large-scale reallocation of capital to WM, the combination will transform the relationship between Mediobanca and AG from a financial investment to a strong industrial partnership

Mediobanca intends to renew the existing partnership between AG and Banca Generali in *bancassurance* and asset management, and expand it to the new MBWM scope. The AG group will therefore benefit from industrial agreements with the Mediobanca Group, which, through the strength of its positioning and brand, will provide growth potential which is superior to that of Banca Generali and the rest of the market.

With its unique Private & Investment Banking model, coupled with the holistic and synergistic approach across the various segments in which it operates, the Mediobanca Group intends to excel as a trusted advisor for companies and entrepreneurs, as a partner for its own employees and clients, and as a valuable investment for its shareholders

The general meeting of Mediobanca shareholders required to approve the transaction as ordinary business under Article 104 of the Italian Finance Act has been called for 16 June 2025

Milan, 28 April 2025 – At a Board meeting held on 27 April 2025, the Directors of MEDIOBANCA – Banca di Credito Finanziario S.p.A. ("MB") approved⁵ a resolution to launch a Voluntary Public Exchange Offer for 100% of the ordinary shares of BANCA GENERALI S.p.A. ("BG"); the consideration will consist of the shares in ASSICURAZIONI GENERALI S.p.A. ("Generali", or "AG") owned by Mediobanca. The decision has been disclosed to the public by means of a press release distributed today as required by Article 102 of Italian Legislative Decree no. 58 of 24 February 1998 and by Article 37 of Consob Regulations for Issuers no. 11971 of 14 May 1999.

The offer is subject to:

- Approval of the transaction by the shareholders of Mediobanca in an ordinary business general meeting, as required by Article 104 of the Italian Finance Act;
- A minimum acceptance rate of 50% plus one share being obtained;
- The required regulatory authorizations being obtained;
- Finalization of the partnership agreements with AG;
- AG commitment to lock up the AG shares received as consideration for twelve months starting from the offer completion, in respect of public offerings or public placements of those shares (including ABB transactions).

The **exchange ratio** has been set at **1.70** AG shares for each BG share, ex-dividend. The exchange ratio is based on prices as at 25 April 2025. The AG shares to be used in the acquisition will be comprised of those currently owned by Mediobanca.

⁵ With Directors Sandro Panizza and Sabrina Pucci abstaining

The bid entails an implicit offer price of **€54.17** per share, representing a premium of:

- **11.4%** vs undisturbed prices on 25 April 2025;
- **9.3%** based on the 1M Volume-Weighted Average Price (VWAP) on 25 April 2025;
- **6.5%** based on the 3M Volume-Weighted Average Price (VWAP) on 25 April 2025.

The transaction, which aims to merge Banca Generali into the Mediobanca Group Wealth Management Division, will **strongly accelerate the Mediobanca Group's transformation, fulfilling the objective stated in the "One Brand-One Culture" Strategic Plan** for the Group to establish itself definitively as a leading wealth manager, distinctive for its positioning (as a Private & Investment Bank, or "PIB"), brand, ability to attract talented professionals, and guarantee remuneration for its shareholders. The proposed combination will create a **market leader**, ranking second in Italy by assets (TFAs of €210bn) and distribution network (approx. 3,700 professionals), with the highest performance in terms of organic growth (NNM of over €15bn per annum) at the high end of the Italian wealth management market.

Banca Generali represents a unique opportunity for Mediobanca thanks to its high level of complementarity, the quality of its business, and the potential it offers to create value for all stakeholders.

◆ **High complementarity**

- **Cultural:** Mediobanca and Banca Generali are both highly specialized businesses, the value of which is driven by the distinctiveness and excellence of their people. This shared DNA further strengthens the deal's industrial rationale, with visible and highly deliverable synergies, and low execution risk.
- **Management and governance:** the combination will allow Banca Generali's clients and professionals to access the Private & Investment Banking services of the Mediobanca eco-system; while Mediobanca's clients and professionals will benefit from the best practices that BG has developed in Wealth Management. This sharing of expertise will allow the combined entity to excel in both segments, with clear advantages for all stakeholders, primarily clients and staff.
- **Scale:** Mediobanca and Banca Generali, both of which have TFAs of over €100bn, will together create a leading player in domestic and European WM.
- **Industrial:** BG's clientèle and franchise are highly synergistic with Mediobanca's Private & Investment Banking model in terms of profile and fit.

◆ **Quality of the business.** Banca Generali is one of the best operators in the domestic market in terms of its:

- **Positioning**
 - **Size and national footprint:** fourth in Italy by total assets (€104bn), second by AUM (€64bn), with a franchise that extends across the entire country; this geographic reach will enable Mediobanca to leverage its PIB model.
 - **Quality of clients:** 360k clients, with over two-thirds of AUM from Private Banking clients, up 50% in last 5Y; BG's target clientèle – HNWI and Premier – is consistent with Mediobanca's focus on the Private/Premier segments and synergistic with its CIB offering.
 - **Quality of franchise:** 2,350 professionals, with high productivity levels and asset gathering capabilities (€6.6bn at end-Dec. 2024, representing a CAGR of +9% in the last 5Y).
 - **Quality of product and service platform,** which is extensive and diversified, and offers synergies with MBWM's offering and clients
- **Capital and earnings platform:** solid balance sheet (CET1 22%), liquid, low capital absorption (RWA density 25%); revenues approx. €1bn, cost-income ratio 30%.

- **Market performance:** in the last 5Y BG has gathered €32bn in NNM (9% of TFAs), outperforming the market (8%); and for the 2025-27 period⁶ TFAs are estimated to grow at a CAGR of +9%.
- ◆ **Value creation for all stakeholders.** The combination between MB and BG will create value for all stakeholders:
 - **Italian system:** creation of a domestic leader in wealth management which is recognized for its unique brand, capital and reputational solidity, best-in-class governance practices, and growth prospects.
 - **Shareholders:** for Mediobanca, to exchange the AG investment for ownership of BG represents an efficient reallocation of capital in favour of an industrial business which is highly synergistic and offers appealing growth prospects; the company's revenues and earnings profiles will be enhanced by the deal, as will its ability to generate capital and so offer its shareholders a best-in-class remuneration policy. BG shareholders will have an opportunity to exchange their investment at a high valuation, increasing the liquidity of their investment in a stock that will offer them considerable upside potential.
 - **Customers:** the clients of Mediobanca and Banca Generali (savers, entrepreneurs, and companies) will be able to access an expanded range of excellent Private & Investment Banking products, mortgages and private loans.
 - **Professionals:** the professionals of both groups will be able to offer their clients a broad and distinctive range of products and services; the pooling of the two groups' finest management and professional capabilities will also enable the combined entity to significantly enhance its leadership position, making it a highly attractive proposition for talented new staff.

The transaction completes Mediobanca's journey to establish itself as a diversified financial Group with WM as its core business as well as its strategic priority. Mediobanca will be a market leader which is distinctive for its positioning, brand, and ability to attract talent. The combination also strengthens the Bank's earnings and capital profile, and, through the significant reallocation of capital, will rebalance the mix of revenues and profits, resulting in positive accretion in terms of profitability, earnings, and shareholder remuneration.

- ◆ **Capital reallocation:** after exchanging the AG investment for Banca Generali, Mediobanca's capital will be entirely allocated to three synergistic businesses (WM, CIB, CF) expected to see attractive growth rates in future years. The AG investment will be sold for €6.3bn, generating a gain on disposal of €2.2bn.
- ◆ **Change in relationship between Mediobanca/AG from financial to industrial:** Mediobanca intends to renew the existing partnership between AG and BG in *bancassurance* and asset management, and expand it to the new scope of MBWM. The AG group will therefore benefit from industrial agreements with the Mediobanca Group, which, through the strength of its positioning and brand, will be primed for growth in WM.
- ◆ **An enhanced and more efficient Group:**
 - €4.4bn in revenues (growth of over 15%), €1.8bn of which in fee income (up 65%);
 - €1.5bn in net profit (up 15%), €0.8bn of which from WM; the net profit from core banking will grow by 70%;
 - Over €210bn in TFAs (€110bn of which in AUM), €56bn in customer loans, €76bn in funding, of which €40bn in deposits, and L/D ratio of 1.4x (vs 1.9x);
 - C/I ratio of 40% (vs 42%), RWAs of €44bn, with density of 40% (vs 48%).

⁶ Mediobanca Research estimates; consensus.

◆ **Rebalanced mix of revenues and profits: the combination will result in the creation of a group in which WM is the leading division at both the top- and bottom-lines:**

- Revenues: WM revenues up 2x to €2bn (vs €1bn), contributing 45% of consolidated total income (vs 25%); fee income will contribute approx. 40% of the Group's total revenues (vs 30%);
- Net profit: WM up 4x to €0.8bn (vs €0.2bn), contributing 50% of the consolidated bottom line (vs <20%).

◆ **Value creation:**

- ROTE: from 14% to over 20%;
- EPS accretive: mid single-digit on reported basis, double-digit on banking²;
- CET1 14% (after CTA and PPA), with enhanced capital generation (up 20% to 270 bps per annum⁷);
- €4bn cumulative distribution for 3Y BP23-26 confirmed, implying 22% cumulative yield⁸ over next 18 months.

The deal will generate €300m in synergies to be realized from (Gross Operating Profit): 50% costs, 28% revenues, 22% funding; low execution risk, in view of the high level of complementarity between the two companies, and the strong industrial rationale of the transaction:

◆ **€150m cost synergies:**

- **€90m in administrative expenses**, due to increased scale and efficiency of the new entity.
- **€60m in HR costs**, to be achieved through staff optimization and the adoption of best practices to be applied across the new perimeter.

◆ **€150m revenue synergies:**

- **€85m from cross-selling and sharing of best practices:** the Banca Generali network will be able to offer its clients Mediobanca's PB & CIB products (advisory, capital markets, certificates, illiquid products, private markets); while MBWM will have an opportunity to draw on BG's best practices in terms of platform and investment solutions.
- **€65m from funding:** driven by ALM and lower cost of funding on excess liquidity resulting from the combination.

◆ **€350m in integration costs**, to be incurred in the first 2Y, in relation to staff integration costs, IT migration and other contingencies.

The share exchange offer is expected to be completed by end-October 2025, with the new entity to be fully integrated within approximately the following twelve months, and the majority of the synergies implemented within 24 months. Mediobanca has a solid track record in terms of successfully integrating acquisitions in the WM sector,⁹ and has the skills and operational expertise required to execute the process efficiently.

The Mediobanca Chief Executive Officer Alberto Nagel will present the deal in a webcast/conference call to take place at 8.30 a.m. CET on 28 April 2025 (access: [CONFERENCE CALL LINK](#) - [WEBCAST LINK](#)).

⁷ Average capital creation in in 3Y 2023-26: 250 bps (cf. "One Brand-One Culture" Strategic Plan).

⁸ Including dividends and share buybacks and based on weighted average MB price (VWAP) over the last 1 month

⁹ Merger of Banca Esperia into Mediobanca; merger of Barclays Italian operations into CheBanca!; and merger of Bybrook into Cairn, resulting in the creation of Polus Capital.

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Financial advisors: Mediobanca, Centerview Partners, Equita, Goldman Sachs

Legal advisor: Chiomenti, Carlo Marchetti

Alberto Nagel, Mediobanca Chief Executive Officer, commented as follows: *"The combination of Banca Generali and Mediobanca, to be achieved by reallocating the capital invested in Assicurazioni Generali, completes the transformation path embarked on by the Mediobanca Group more than a decade ago, when the gradual sale of its equity investments was accompanied by the launch of activities in Wealth Management, coupled with major strengthening in Investment Banking and Consumer Finance. The creation of a diversified group, focused on businesses with above-market average growth rates, low capital absorption levels which can generate visible and recurring revenues and profits has always been the ultimate objective driving our strategy. A solid, profitable group which excels in creating value for all its stakeholders. Today sees the birth of a leader in Wealth Management, which, by combining a shared philosophy in terms of excellence and performance, sets a new benchmark within the Italian and European financial system".*

Milan, 28 April 2025

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Disclaimer

The public voluntary exchange offer described in this press release (the "Offer") will be promoted by Mediobanca S.p.A. (the "Offeror" or "Mediobanca") over the totality of the ordinary shares of Banca Generali S.p.A. ("Banca Generali").

This press release does not constitute an offer to buy or sell Banca Generali's shares.

The Offer will be promoted in Italy as Banca Generali's shares are listed on the Euronext Milan organised and managed by Borsa Italiana S.p.A. and, except for what is indicated below, is subject to the obligations and procedural requirements provided for by Italian law.

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