

Press Release

Banca Generali Approves 2Q 2007 Results

Consolidated results for 2Q 2007¹ confirm inflows and profitability growth

At June 30, 2007²:

- Net profit: €10.1 million (vs. €0.3 million at June 30, 2006)
- Net banking income: €104.6 million (up 32% vs. June 30, 2006)
- Operating income: €42 million (up 58% vs. June 30, 2006)
- EBITDA: €45.3 million (up 50% vs. June 30, 2006)

- Net Inflows: €1.2 billion (market leader, Assoreti)
- AUM: €25.2 billion (+6.3% vs. end-2006)

In the Second Quarter 2007:

- Net profit: €5.4 million (vs. €0.4 million in 2Q 2006)
- Net banking income: €52.9 million (up 29% vs. 2Q 2006)
- Operating income: €20.4 million (up +50% vs. 2Q 2006)
- EBITDA: €22.1 million (up +43% vs. 2Q 2006)

- Requested authorization to set-up a Luxembourg-based management company

Trieste, July 30, 2007 – The Board of Directors of Banca Generali chaired by Giovanni Perissinotto met today and approved the Consolidated Quarterly Results for the second quarter 2007.

“Thanks to the excellent performance recorded in the second quarter, Banca Generali's results at the end of June showed a sharp growth in profitability, driven by the increase in recurring revenues and a tight control of operating costs, which decreased on a like-for-like consolidation basis,” stated Chief Executive Officer Giorgio Girelli. “These operating results, together with the excellent level of net inflows, reaffirm the strength of Banca Generali's business model, which is based on two mainstays — the banking platform and an open architecture. These are major competitive advantages in a increasingly evolving market scenario, also in light of the forthcoming introduction of the Mifid directive.”

Consolidated Economic Results at June 30, 2007²

Thanks to the positive performance achieved in the second quarter, at June 30, 2007 **net profit** of the Banca Generali Group reached €10.1 million (vs. €0.3 million at June 30, 2006 and €0.6 million on a like-for-like consolidation basis), net of €24.2 million of provisions mainly for the recruitment of high-level professionals.

Net interest income doubled to €20.2 million (+95%, +66% LfL), accelerating the growth trend already shown in the first quarter (€9.8 million), thanks to the successful cross-selling of banking services to customers and to the interest rates rise.

Gross commissions rose 20% to €145.4 million (+12.2% LfL), with an increase in the weight of management fees (accounting for 71% of the total vs. 70% at June 30, 2006). The weight of entry

¹ Like-for-Like (LfL) consolidation data include, for 2Q 2006 and at June 30, 2006, consolidation of Banca BSI Italia and Sant'Alessandro Fiduciaria, which joined the Banca Generali Group on July 1, 2006.

² Figures at June 30, 2007 are calculated adding the results for the first two quarters of the year. The Board of Directors of Banca Generali will approve the First Half Report on September 25, 2007.

fees went from 19% in 1H 2006 to 20% in 1H 2007. No performance fees were recognised during the first half of the year both in 2006 and 2007.

Net banking income increased to €104.6 million (+31.5%, +16% LfL), thanks to the above-mentioned increase in net interest income and to the rise in net commissions (€78.3 million, +21% and +8% respectively).

Operating expenses fell 0.6% LfL (€62.6 million, +18% not LfL), leading to an improvement in the cost/income ratio, which dropped to 56.7% from 62% of the first half of 2006 (65% LfL).

Operating profit grew to €42 million (+58%, +54% LfL), **EBITDA** to €45.3 million (+50%, 43% LfL).

At June 30, 2007, Banca Generali Group total assets amounted to €3,264 million. Consolidated **net equity** amounted to €201.7 million.

Consolidated Economic Results for 2Q 2007

Net profit of the Group was €5.4 million for the quarter, increasing sharply compared to the break-even achieved in 2Q 2006, net of €12.2 million of provisions.

Net banking income reached €52.9 million (+29%, +15% LfL), thanks to the increase in net interest income (€10.4 million, +86% and +58% LfL) and net commissions (€38.1 million, +8.7% and flat respectively).

The tight control of **operating expenses** (€32.6 million, +18.6% but down 0.4% LfL) led to a strong improvement in the **cost/income** ratio, which dropped to 58.3% from 62.5% of 2Q 2006 (66.4% LfL).

Due to the increase in revenues and cost containment measures, **operating profit** sharply increased to €20.4 million (+50%, +52% LfL). **EBITDA** also rose significantly to €22.1 million (+43%, also LfL).

Consolidated Operating Results

At June 30, 2007, total **Assets Under Management** of the Banca Generali Group reached €25.2 billion, of which 73.2% in managed and insurance assets, up 6.3% compared to €23.7 billion at end-2006 and up 3.3% compared to March 2007, when the Group ranked third with a 10.6% market share (Assoreti).

Net inflows amounted to €498 million in 2Q 2007, reaching €1,203 million in the first six months of 2007, confirming the leadership of the Banca Generali Group with a market share of 18.9% (Assoreti).

The Board of Directors also resolved to start the procedures aimed at obtaining authorisation to set up a new company in Luxemburg (100% held by Banca Generali), which will act as a management company for **BG Sicav**, the multi-fund Sicav under Luxembourg law that currently has about €1.5 billion in assets under management. This operation is instrumental in achieving the 2007-09 Strategic Plan targets, and completes the rationalisation project aimed at bringing all the asset

management operations targeted at the Generali Group's retail customers in Italy under the control of Banca Generali.

Today, Chief Executive Officer Giorgio Girelli will present the results at June 30, 2007 to the financial community through a **Conference Call** scheduled for 3:00 PM CET. To listen to the presentation, please call the following numbers: for Italy (and other countries not listed below) +39 02 802 09 11, for the UK +44 208 79 29 750, for the USA +1 866 23 96 425. The presentation will be available at www.bancagenerali.it.

Pursuant to Paragraph 2 of Art. 154-bis of Italian Legislative Decree 58/98, it is hereby declared that the accounting information reported herein corresponds to the Company's documentary results, accounting books and accounting records.

The Manager in charge of drawing up accounting documents
G. Fancel, CFO of Banca Generali

Annexes:

- 1 - Banca Generali Group – Consolidated Profit and Loss Account for 2Q 2007
- 2 - Banca Generali Group – Consolidated Profit and Loss Account for 2Q 2007 (comparison on a like-for-like consolidation basis)
- 3 - Banca Generali Group – Consolidated Profit and Loss Account at June 30, 2007
- 4 - Banca Generali Group – Consolidated Profit and Loss Account at June 30, 2007 (comparison on a like-for-like consolidation basis)
- 5 - Banca Generali Group – Reclassified Consolidated Balance Sheet

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1 - Consolidated Profit and Loss Account for 2Q 2007

BANCA GENERALI GROUP				(euro million)
(€ m)	2Q 06	2Q 07	% Chg	1Q 07
NET INTEREST INCOME	5.6	10.4	85.5%	9.8
Commission income	65.9	71.0	7.7%	74.4
Commission expense	-30.8	-32.9	6.7%	-34.2
NET COMMISSIONS	35.0	38.1	8.7%	40.2
Net income (loss) from trading activities	-19.2	1.8	} n. m.	1.7
Dividends	19.6	2.6		0.0
NET BANKING INCOME	41.0	52.9	29.0%	51.6
Staff expenses	-11.0	-14.0	27.0%	-14.1
Other general and administrative expense	-16.4	-18.3	12.0%	-16.8
	-27.3	-32.3	18.0%	-30.8
Depreciation and amortisation	-1.8	-1.7	-5.3%	-1.6
Other net operating income (expense)	1.7	1.4	-16.6%	2.4
NET OPERATING EXPENSES	-27.4	-32.6	18.6%	-30.0
OPERATING PROFIT	13.6	20.4	49.9%	21.6
Net adjustments for impair.loans and other assets	-	0.2	n.m.	-
Net provisions for liabilities and contingencies	-12.3	-12.2	-1.5%	-12.0
Gain (Loss) from disposal of equity investments	-	-	-	-
INCOME BEFORE TAXATION	1.3	8.4	6 x	9.6
Direct income taxes	-0.8	-3.0	n. m.	-4.9
NET PROFIT	0.4	5.4	14 x	4.7
Cost / Income ratio	62.5%	58.3%	- 4.2 p.p.	55.1%
EBITDA	15.4	22.1	43.4%	23.2

2 - Consolidated Profit and Loss Account for 2Q 2007 (comparison on a like-for-like consolidation basis)

BANCA GENERALI GROUP		(euro million)		
(€ m)	2Q 06 (LfL)	2Q 07	% Chg	1Q 07
NET INTEREST INCOME	6.6	10.4	57.6%	9.8
Commission income	69.4	71.0	2.2%	74.4
Commission expense	-31.0	-32.9	6.0%	-34.2
NET COMMISSIONS	38.4	38.1	-0.8%	40.2
Net income (loss) from trading activities	-18.5	1.8	} n. m.	1.7
Dividends	19.6	2.6		0.0
NET BANKING INCOME	46.1	52.9	14.8%	51.6
Staff expenses	-13.9	-14.0	0.1%	-14.1
Other general and administrative expense	-18.4	-18.3	-0.2%	-16.8
	-32.3	-32.3	-0.1%	-30.8
Depreciation and amortisation	-2.1	-1.7	-17.5%	-1.6
Other net operating income (expense)	1.7	1.4	-14.8%	2.4
NET OPERATING EXPENSES	-32.7	-32.6	-0.4%	-30.0
OPERATING PROFIT	13.4	20.4	51.9%	21.6
Net adjustments for impair.loans and other assets	-	0.2	n.m.	-
Net provisions for liabilities and contingencies	-12.3	-12.2	-1.5%	-12.0
Gain (Loss) from disposal of equity investments	-	-	-	-
INCOME BEFORE TAXATION	1.1	8.4	7 x	9.6
Direct income taxes	-0.8	-3.0	n.m	-4.9
NET PROFIT	0.3	5.4	18 x	4.7
<i>Cost / Income ratio</i>	66.4%	58.3%	- 8.1 p.p.	55.1%
EBITDA	15.5	22.1	42.6%	23.2

Note: Like-for-like figures include for 2Q 2006 consolidation of Banca BSI Italia and Sant'Alessandro Fiduciaria, which joined the Banca Generali Group on 1 July 2006.

3 – Consolidated Profit and Loss Account at 30 June 2007

BANCA GENERALI GROUP				(euro million)
(€ m)	1H 06	1H 07	% Chg	FY 2006
NET INTEREST INCOME	10.4	20.2	94.6%	27.3
Commission income	121.4	145.4	19.8%	271.2
Commission expense	-56.8	-67.1	18.3%	-128.6
NET COMMISSIONS	64.6	78.3	21.1%	142.6
Net income (loss) from trading activities	-15.4	3.5	} 34.4%	-6.4
Dividends	19.9	2.6		20.1
NET BANKING INCOME	79.5	104.6	31.5%	183.6
Staff expenses	-20.9	-28.0	34.3%	-53.3
Other general and administrative expense	-32.2	-35.1	8.9%	-69.8
	-53.1	-63.1	18.9%	-123.0
Depreciation and amortisation	-3.6	-3.3	-10.3%	-8.3
Other net operating income (expense)	3.8	3.8	1.4%	9.3
NET OPERATING EXPENSES	-53.0	-62.6	18.1%	-122.1
OPERATING PROFIT	26.6	42.0	58.1%	61.5
Net adjustments for impair.loans and other assets	-	0.2	n.m.	-0.6
Net provisions for liabilities and contingencies	-25.1	-24.2	-3.9%	-34.3
Gain (Loss) from disposal of equity investments	-	-	-	-0.1
INCOME BEFORE TAXATION	1.4	18.0	13 x	26.5
Direct income taxes	-1.0	-7.9	n.m.	-12.5
NET PROFIT	0.3	10.1	34 x	14.0
Cost / Income ratio	62.0%	56.7%	- 5.3 p.p.	62.0%
EBITDA	30.2	45.3	49.8%	69.8

4 - Consolidated Profit and Loss Account at 30 June 2007 (comparison on a like-for-like consolidation basis)

BANCA GENERALI GROUP				(euro million)
(€ m)	1H 06 (LfL)	1H 07	% Chg	FY 2006 (LfL)
NET INTEREST INCOME	12.2	20.2	65.9%	29.1
Commission income	129.6	145.4	12.2%	279.9
Commission expense	-57.1	-67.1	17.5%	-129.5
NET COMMISSIONS	72.4	78.3	8.1%	150.4
Net income (loss) from trading activities	-14.3	3.5	} 8.1%	-5.3
Dividends	19.9	2.6		20.1
NET BANKING INCOME	90.3	104.6	15.9%	194.3
Staff expenses	-26.2	-28.0	6.9%	-58.6
Other general and administrative expense	-36.1	-35.1	-2.9%	-73.7
	-62.4	-63.1	1.2%	-132.3
Depreciation and amortisation	-4.3	-3.3	-23.4%	-8.9
Other net operating income (expense)	3.7	3.8	3.1%	9.2
NET OPERATING EXPENSES	-62.9	-62.6	-0.6%	-132.0
OPERATING PROFIT	27.3	42.0	53.8%	62.2
Net adjustments for impair.loans and other assets	-	0.2	n.m.	-0.6
Net provisions for liabilities and contingencies	-25.1	-24.2	-3.9%	-34.3
Gain (Loss) from disposal of equity investments	-	-	-	-0.1
INCOME BEFORE TAXATION	2.1	18.0	9 x	27.2
Direct income taxes	-1.6	-7.9	n. m.	-13.0
NET PROFIT	0.6	10.1	17 x	14.2
Cost / Income ratio	65.0%	56.7%	- 8.3 p.p.	63.4%
EBITDA	31.6	45.3	43.4%	71.2

Note: Like-for-like figures include for 1Q 2006 and for the whole FY 2006 consolidation of Banca BSI Italia and Sant'Alessandro Fiduciaria, which joined the Banca Generali Group on 1 July 2006.

5 - Banca Generali Group – Reclassified Consolidated Balance Sheet

Assets (€ millions)	30 June 07	31 March 07	Change % 31 March 07	30 Dec 07	Change % 30 June 07
Financial assets held for trading	2,423.1	2,375.2	2.0%	2,108.1	14.9%
Financial assets available for sale	32.7	43.8	-25.3%	37.0	-11.6%
Loans to banks	277.1	739.6	-62.5%	892.5	-69.0%
Loans to customers	333.7	345.0	-3.3%	349.7	-4.6%
Equity investments	-	-	-	-	-
Property equipment and intangible assets	23.2	23.1	0.4%	23.9	-2.9%
Tax receivables	39.5	37.5	5.3%	35.7	10.6%
Other assets	135.2	269.3	-49.8%	133.2	1.5%
Total assets	3,264.5	3,833.5	-14.8%	3,580.1	-8.8%
Liabilities and Shareholders' Equity (€ millions)	30 June 07	31 March 07	Change % 31 March 07	30 Dec 07	Change % 30 June 07
Due to banks	103.6	97.5	6.3%	40.4	156.4%
Direct inflows	2,747.4	3,253.9	-15.6%	3,053.7	-10.0%
Financial liabilities held for trading	12.0	14.2	-15.5%	16.1	-25.5%
Tax payables	9.1	26.2	-65.3%	19.6	-53.6%
Other liabilities	122.2	166.2	-26.5%	179.9	-32.1%
Special purpose provisions	68.6	67.8	1.2%	65.2	5.2%
Valuation reserves	1.1	1.2	-8.3%	1.1	0.0%
Reserves	65.8	76.4	-13.9%	61.9	6.3%
Additional paid-in capital	22.8	22.8	-	22.8	-
Share capital	111.3	111.3	-	111.3	-
Treasury shares (-)	- 9.5	- 8.7	9.2%	5.9	61.0%
Net income (loss) for the period (+/-)	10.1	4.7	114.9%	14.0	-27.9%
	3,264.5	3,833.5	-14.8%	3,580.1	-8.8%