

Press Release

**Banca Generali Approves the Results for  
the First Nine Months of 2007**

**Consolidated results at September 30, 2007<sup>1</sup> confirm growth**

- **Net profit: €9.3 million (+43.1% vs. September 30, 2006)**
- **Net banking income: €142.8 million (+15.9% vs. September 30, 2006)**
- **Operating profit: €48.8 million (+24.2% vs. September 30, 2006)**
- **EBITDA: €53.9 million (+19.2% vs. September 30, 2006)**
  
- **Net inflows: €1,462 million**
- **AUM: €25.2 billion (+6.3% since year-start)**
  
- **Banca Generali is ready for the MiFID challenge**

*Milan, October 30, 2007* – The Board of Directors of Banca Generali chaired by Giovanni Perissinotto met today and approved the consolidated results for the period ended September 30, 2007.

“The operating results in the first nine months of 2007 were very good, highlighting steady and sustained growth in net interest income and commissions, as well as the effectiveness of cost-containment measures,” stated Chief Executive Officer Giorgio Girelli. “These results allow us to fully confirm the 2007-09 strategic plan targets, despite a more competitive and difficult market scenario”. Banca Generali will update its organisation, products, and procedures to bring them in line with the new MiFID regulations by November 1.

**Consolidated Operating Results at September 30, 2007**

In the first nine months of 2007, **net profit** of the Banca Generali Group reached €9.3 million (+43% vs. €6.5 million at September 30, 2006 and +39% vs. €6.7 million on a Like-for-Like consolidation basis), including net unrealised capital losses at fair value on trading investment portfolio (HFT) amounting to €15.2 million and €30.6 million in provisions mainly allocated to the recruiting of high standing professionals.

Excluding these unrealised capital losses net of taxes, net profit would have amounted to €18.9 million.

**Net interest income** reached €31.4 million (+62%, +48% LfL), confirming the sustained growth recorded in the first half of the year (€20.2 million), especially thanks to the successful strategy of cross-selling banking services to customers.

**Gross commissions** rose 19% to €221 million (+14.2% LfL) and mainly referred to management fees (accounting for 72% of the total, in line with the figure at September 30, 2006). Performance fees for the first nine months of the year for both 2006 and 2007 were not recognised.

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<sup>1</sup> Like-for-like figures include for the first nine months of 2006 consolidation of Banca BSI Italia and Sant’Alessandro Fiduciaria, which joined the Banca Generali Group on July 1, 2006.

Due to high financial market volatility in the third quarter, at September 30 net unrealised capital losses at fair value on trading investment portfolio was negative for €15.2 million, of which approximately 80% on bonds. This was due to the widening of spreads that occurred in August and September, despite a well diversified and very defensive bond portfolio: 97% of the securities have an A or higher rating, 74% are at floating rate, with a duration of 0.26, average maturity of 2.45 years, and mostly consist of government bonds and financial bonds issued by top-tier banks. Overall, unrealised capital losses correspond to 0.7% of the trading investment portfolio (€2.3 billion).

**Net banking income** increased to €142.8 million (+15.9%, +6.6% LfL) boosted by the increase in net interest income and in net commissions (€115.5 million, +23.8% and +14.2% respectively), but partially offset by the above-mentioned unrealised capital losses.

**Operating expenses** remained flat LfL (€94 million, +12.2% based on a different consolidation area). The **cost/income** ratio of 62.3% (vs. 63.3% at September 30, 2006 and 65.2% LfL) would have been of 56.3% if adjusted for the above-mentioned unrealised capital losses.

**Operating profit** rose to €48.8 million (+24.2%, +21.7% LfL). **EBITDA** was €53.9 million (+19.2%, +15.7% LfL) and would have reached €69,1 million (+52.9% and +48.3% respectively) if adjusted for the above-mentioned unrealised capital losses.

At September 30, 2007, Banca Generali Group total assets amounted to €3,679 million. Consolidated **net equity** amounted to €201.7 million.

### **Consolidated Operating Results for Q3 2007**

The Banca Generali Group substantially broke even in the third quarter of 2007 (-€0.8 million), also due to the above-mentioned unrealised capital losses and including €6.5 million in provisions mainly allocated to the recruiting of high standing financial advisors. Net profit for the period, adjusted for the above-mentioned unrealised capital losses, would have amounted to €8.7 million (+42.6% vs. Q3 2006), confirming the excellent operating profitability result achieved in the third quarter.

**Net banking income** decreased to €38.2 million (-12.4%), sustained by the increase in net interest income (€11.3 million, +25.6%) and in net commissions (€37.2 million, +29.6%), but partially offset by the above-mentioned unrealised capital losses.

**Operating expenses** remained flat at €31.4 million (+1.6%), reflecting management's relentless focus on steadily improving operating efficiency. **Cost/income** ratio was 77.5% (vs. 65.6% in Q3 2006), and would have been of 55.4% if adjusted for the above-mentioned unrealised capital losses.

Due to the above-mentioned unrealised capital losses at fair value on trading investment portfolio, **operating profit** almost halved to €6.8 million. **EBITDA** was €8.6 million (-43%) and would have increased by 59% reaching €23.8 million if adjusted for the above-mentioned unrealised capital losses.

### **Consolidated Operating Results**

At the end of September 2007, Banca Generali Group's total **Assets Under Management (AUM)** amounted to €25.2 billion, of which 71.8% were managed assets and life insurance. AUM at €25.2

billion grew 6.3% vs. €23.7 billion at the end of December 2006. The Group ranked third with a 10.7% market share at June 2007 (Assoreti).

With **net inflows** of €1,462 million in the first 9 months of 2007, the Banca Generali Group had a 17% market share (Assoreti).

The Board of Directors adopted several necessary resolutions to bring the bank's products, procedures, and operations into compliance with the **MiFID** directive coming into effect in Italy. Therefore, as of November 1 the bank will be ready to seize the opportunity offered by the new law, with a renewed product range that is compliant with the new rules.

Today, Chief Executive Officer Giorgio Girelli will present the results at September 30, 2007 to the financial community through a **Conference Call** scheduled for 3:00pm (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](http://www.bancagenerali.it).

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The manager responsible for preparing the company's financial reports (Giancarlo Fancel) declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

G. Fancel  
CFO of Banca Generali

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Annexes:

- 1 - Banca Generali Group – Consolidated Profit and Loss at September 30, 2007
- 2 - Banca Generali Group – Consolidated Profit and Loss at September 30, 2007 (comparison on a like-for-like consolidation basis)
- 3 - Banca Generali Group – Consolidated Profit and Loss at September 30, 2007 - Adjusted figures to account for unrealised capital losses (comparison on a like-for-like consolidation basis)
- 4 - Banca Generali Group – Consolidated Profit and Loss for Q3 2007
- 5 - Banca Generali Group – Consolidated Profit and Loss for Q3 2007 – Adjusted figures to account for unrealised capital losses
- 6 - Banca Generali Group – Consolidated Balance Sheet

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**1 - Banca Generali Group – Consolidated Profit and Loss at September 30, 2007**

(million euros)	9M 06 (reported)	9M 07 (reported)	% Chg	FY 06 (reported)
<b>Net Interest Income</b>	<b>19.4</b>	<b>31.4</b>	<b>61.9%</b>	<b>27.3</b>
Commission income	185.3	221.0	19.3%	271.2
Commission expense	-92.0	-105.5	14.7%	-128.6
<b>Net Commission</b>	<b>93.3</b>	<b>115.5</b>	<b>23.8%</b>	<b>142.6</b>
Net Income (loss) from trading activities	-9.0	8.4	n.m.	-5.9
Unrealised gain (loss) at fair value	-0.4	-15.2	n.m.	-0.5
Dividends	19.9	2.6	-86.9%	20.1
<b>Net Banking Income</b>	<b>123.2</b>	<b>142.8</b>	<b>15.9%</b>	<b>183.6</b>
Staff expenses	-34.2	-41.1	20.2%	-53.3
Other general and administrative expenses	-50.0	-54.0	8.0%	-69.8
	-84.2	-95.0	12.8%	-123.0
Depreciation and amortisation	-5.9	-5.1	-13.6%	-8.3
Other net operating income (expense)	6.3	6.1	-3.2%	9.3
<b>Net Operating Expenses</b>	<b>-83.8</b>	<b>-94.0</b>	<b>12.2%</b>	<b>-122.1</b>
<b>Operating Profit</b>	<b>39.3</b>	<b>48.8</b>	<b>24.2%</b>	<b>61.5</b>
Net adj.from impair loans and other assets	-0.2	-0.1	-50.0%	-0.6
Net provisions for liabilities and contingencies	-25.8	-30.6	18.6%	-34.3
Gain (loss) from disposal of equity investments	0.0	0.0	0.0%	-0.1
<b>Profit before taxation</b>	<b>13.4</b>	<b>18.1</b>	<b>35.1%</b>	<b>26.5</b>
Direct Income taxes	-6.9	-8.7	26.1%	-12.5
<b>Net Profit</b>	<b>6.5</b>	<b>9.3</b>	<b>43.1%</b>	<b>14.0</b>
<b>Cost /Income Ratio</b>	<b>63.3%</b>	<b>62.3%</b>	<b>- 1,0 p.p.</b>	<b>62.0%</b>
<b>EBITDA</b>	<b>45.2</b>	<b>53.9</b>	<b>19.2%</b>	<b>69.8</b>

**2 - Banca Generali Group – Consolidated Profit and Loss at September 30, 2007  
(comparison on a like-for-like consolidation basis)**

(million euros)	9M 06 (Like-for-Like)	9M 07	% Chg	FY 06 (Like-for-Like)
<b>Net Interest Income</b>	<b>21.2</b>	<b>31.4</b>	<b>48.1%</b>	<b>29.1</b>
Commission income	193.5	221.0	14.2%	279.9
Commission expense	-92.3	-105.5	14.3%	-129.5
<b>Net Commission</b>	<b>101.1</b>	<b>115.5</b>	<b>14.2%</b>	<b>150.4</b>
Net Income (loss) from trading activities	-7.9	8.4	n.m.	-4.8
Unrealised gain (loss) at fair value	-0.4	-15.2	n.m.	-0.5
Dividends	19.9	2.6	-86.9%	20.1
<b>Net Banking Income</b>	<b>133.9</b>	<b>142.8</b>	<b>6.6%</b>	<b>194.3</b>
Staff expenses	-39.6	-41.1	3.8%	-58.6
Other general and administrative expenses	-53.9	-54.0	0.2%	-73.7
	-93.5	-95.0	1.6%	-132.3
Depreciation and amortisation	-6.5	-5.1	-21.5%	-8.9
Other net operating income (expense)	6.2	6.1	-1.6%	9.2
<b>Net Operating Expenses</b>	<b>-93.8</b>	<b>-94.0</b>	<b>0.2%</b>	<b>-132.0</b>
<b>Operating Profit</b>	<b>40.1</b>	<b>48.8</b>	<b>21.7%</b>	<b>62.2</b>
Net adj.from impair loans and other assets	-0.2	-0.1	-50.0%	-0.6
Net provisions for liabilities and contingencies	-25.8	-30.6	18.6%	-34.3
Gain (loss) from disposal of equity investments	0.0	0.0	0.0%	-0.1
<b>Profit before taxation</b>	<b>14.1</b>	<b>18.1</b>	<b>28.4%</b>	<b>27.2</b>
Direct Income taxes	-7.4	-8.7	17.6%	-13.0
<b>Net Profit</b>	<b>6.7</b>	<b>9.3</b>	<b>38.8%</b>	<b>14.2</b>
<b>Cost /Income Ratio</b>	<b>65.2%</b>	<b>62.3%</b>	<b>- 2,9 p.p.</b>	<b>63.4%</b>
<b>EBITDA</b>	<b>46.6</b>	<b>53.9</b>	<b>15.7%</b>	<b>71.2</b>

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

**3 - Banca Generali Group – Consolidated Profit and Loss at September 30, 2007 -  
Adjusted figures to account for unrealised capital losses (comparison on a like-for-  
like consolidation basis)**

(million euros)	9M 06 (Like-for-Like)	9M 07 (reported)	% Chg	9M 07 (adjusted)	% Chg
<b>Net Interest Income</b>	<b>21.2</b>	<b>31.4</b>	<b>48.1%</b>	<b>31.4</b>	<b>48.1%</b>
Commission income	193.5	221.0	14.2%	221	14.2%
Commission expense	-92.3	-105.5	14.3%	-105.5	14.3%
<b>Net Commission</b>	<b>101.1</b>	<b>115.5</b>	<b>14.2%</b>	<b>115.5</b>	<b>14.2%</b>
Net Income (loss) from trading activities	-7.9	8.4	n.m.	8.4	} -5,2%
Unrealised gain (loss) at fair value	-0.4	-15.2	n.m.	-	
Dividends	19.9	2.6	-86.9%	2.6	
<b>Net Banking Income</b>	<b>133.9</b>	<b>142.8</b>	<b>6.6%</b>	<b>158</b>	<b>18.0%</b>
Staff expenses	-39.6	-41.1	3.8%	-41.1	3.8%
Other general and administrative expenses	-53.9	-54.0	0.2%	-54	0.2%
	-93.5	-95.0	1.6%	-95.0	1.6%
Depreciation and amortisation	-6.5	-5.1	-21.5%	-5.1	-21.5%
Other net operating income (expense)	6.2	6.1	-1.6%	6.1	-1.6%
<b>Net Operating Expenses</b>	<b>-93.8</b>	<b>-94.0</b>	<b>0.2%</b>	<b>-94.0</b>	<b>0.2%</b>
<b>Operating Profit</b>	<b>40.1</b>	<b>48.8</b>	<b>21.7%</b>	<b>64</b>	<b>59.6%</b>
Net adj.from impair loans and other assets	-0.2	-0.1	-50.0%	-0.1	-50.0%
Net provisions for liabilities and contingencies	-25.8	-30.6	18.6%	-30.6	18.6%
<b>Profit before taxation</b>	<b>14.1</b>	<b>18.1</b>	<b>28.4%</b>	<b>33.3</b>	<b>2,4 x</b>
Direct Income taxes	-7.4	-8.7	17.6%	-14.4	94.6%
<b>Net Profit</b>	<b>6.7</b>	<b>9.3</b>	<b>38.8%</b>	<b>18.9</b>	<b>2,8 x</b>
<b>Cost /Income Ratio</b>	<b>65.2%</b>	<b>62.3%</b>	<b>- 2,9 p.p.</b>	<b>56.3%</b>	<b>- 8,9 p.p.</b>
<b>EBITDA</b>	<b>46.6</b>	<b>53.9</b>	<b>15.7%</b>	<b>69.1</b>	<b>48.3%</b>

*Like-for-like figures include for the first nine months of 2006 the consolidation of Banca BSI Italia and Sant'Alessandro Fiduciaria, which joined the Banca Generali Group on July 1, 2006.*

*Adjusted figures do not include net unrealised capital losses at fair value on trading investment portfolio.*

#### 4 - Banca Generali Group – Consolidated Profit and Loss for Q3 2007

(million euros)	3Q 06 (reported)	3Q 07 (reported)	% Chg	1Q 07 (reported)	2Q 07 (reported)
<b>Net Interest Income</b>	<b>9.0</b>	<b>11.3</b>	<b>25.6%</b>	<b>9.8</b>	<b>10.4</b>
Commission income	63.9	75.6	18.3%	74.4	71.0
Commission expense	-35.2	-38.3	8.8%	-34.2	-32.9
<b>Net Commission</b>	<b>28.7</b>	<b>37.2</b>	<b>29.6%</b>	<b>40.2</b>	<b>38.1</b>
Net Income (loss) from trading activities	2.0	3.2	60.0%	1.6	3.5
Unrealised gain (loss) at fair value	3.9	-13.5	n.m.	0.1	-1.7
Dividends	0.0	0	0.0%	0	2.6
<b>Net Banking Income</b>	<b>43.6</b>	<b>38.2</b>	<b>-12.4%</b>	<b>51.6</b>	<b>52.9</b>
Staff expenses	-13.3	-13.0	-2.3%	-14.1	-14.0
Other general and administrative expenses	-17.8	-18.9	6.2%	-16.8	-18.3
	-31.1	-31.9	2.6%	-30.8	-32.3
Depreciation and amortisation	-2.2	-1.8	-18.2%	-1.6	-1.7
Other net operating income (expense)	2.5	2.3	-8.0%	2.4	1.4
<b>Net Operating Expenses</b>	<b>-30.9</b>	<b>-31.4</b>	<b>1.6%</b>	<b>-30</b>	<b>-32.6</b>
<b>Operating Profit</b>	<b>12.8</b>	<b>6.8</b>	<b>-46.9%</b>	<b>21.6</b>	<b>20.4</b>
Net adj.from impair loans and other assets	-0.1	-0.3	3 x	0	0.2
Net provisions for liabilities and contingencies	-0.7	-6.5	9 x	-12	-12.2
<b>Profit before taxation</b>	<b>12.0</b>	<b>0</b>	<b>n.m.</b>	<b>9.6</b>	<b>8.4</b>
Direct Income taxes	-5.8	-0.8	n.m.	-4.9	-3.0
<b>Net Profit</b>	<b>6.1</b>	<b>-0.8</b>	<b>n.m.</b>	<b>4.7</b>	<b>5.4</b>
<b>Cost /Income Ratio</b>	<b>65.6%</b>	<b>77.5%</b>	<b>+ 11,9 p.p.</b>	<b>55.1%</b>	<b>58.3%</b>
<b>EBITDA</b>	<b>15.0</b>	<b>8.6</b>	<b>-42.7%</b>	<b>23.2</b>	<b>22.1</b>



**5 - Banca Generali Group – Consolidated Profit and Loss for Q3 2007 – Adjusted figures to account for unrealised capital losses**

(million euros)	3Q 06 (reported)	3Q 07 (reported)	% Chg	3Q 07 (adjusted)	% Chg
<b>Net Interest Income</b>	<b>9.0</b>	<b>11.3</b>	<b>25.6%</b>	<b>11.3</b>	<b>25.6%</b>
Commission income	63.9	75.6	18.3%	75.6	18.3%
Commission expense	-35.2	-38.3	8.8%	-38.3	8.8%
<b>Net Commission</b>	<b>28.7</b>	<b>37.2</b>	<b>29.6%</b>	<b>37.2</b>	<b>29.6%</b>
Net Income (loss) from trading activities	2.0	3.2	60.0%	3.3	} -16,9%
Unrealised gain (loss) at fair value	3.9	-13.5	n.m.	1.6	
Dividends	0	0	0.0%	0	
<b>Net Banking Income</b>	<b>43.6</b>	<b>38.2</b>	<b>-12.4%</b>	<b>53.4</b>	<b>22.5%</b>
Staff expenses	-13.3	-13.0	-2.3%	-13	-2.3%
Other general and administrative expenses	-17.8	-18.9	6.2%	-18.9	6.2%
	-31.1	-31.9	2.6%	-31.9	2.6%
Depreciation and amortisation	-2.2	-1.8	-18.2%	-1.8	-18.2%
Other net operating income (expense)	2.5	2.3	-8.0%	2.3	-8.0%
<b>Net Operating Expenses</b>	<b>-30.9</b>	<b>-31.4</b>	<b>1.6%</b>	<b>-31.4</b>	<b>1.6%</b>
<b>Operating Profit</b>	<b>12.8</b>	<b>6.8</b>	<b>-46.9%</b>	<b>22</b>	<b>71.9%</b>
Net adj.from impair loans and other assets	-0.1	-0.3	3 x	-0.3	3 x
Net provisions for liabilities and contingencies	-0.7	-6.5	9 x	-6.5	9 x
<b>Profit before taxation</b>	<b>12.0</b>	<b>0</b>	<b>n.m.</b>	<b>15.3</b>	<b>27.5%</b>
Direct Income taxes	-5.8	-0.8	n.m.	-6.5	12.1%
<b>Net Profit</b>	<b>6.1</b>	<b>-0.8</b>	<b>n.m.</b>	<b>8.7</b>	<b>42.6%</b>
<b>Cost /Income Ratio</b>	<b>65.6%</b>	<b>77.5%</b>	<b>+ 11,9 p.p.</b>	<b>55.4%</b>	<b>- 10,2 p.p.</b>
<b>EBITDA</b>	<b>15.0</b>	<b>8.6</b>	<b>-42.7%</b>	<b>23.8</b>	<b>58.7%</b>

Note: Adjusted figures do not include net unrealised capital losses at fair value on trading investment portfolio.



## 6 - Banca Generali Group – Consolidated Balance Sheet

<b>Assets</b>	<b>Sep. 30, 07</b>	<b>June 30, 07</b>	<b>Dec. 31, 06</b>	<b>% Chg</b>	<b>% Chg</b>
<b>(Euro million)</b>				<b>Dec. 31, 06</b>	<b>June 30, 07</b>
Financial assets held for trading	2,296.9	2,422.5	2,108.1	9.0%	-5.2%
Financial assets available for sale	32.4	32.6	37.0	-12.4%	-0.6%
Loans to banks	812.9	283.5	892.5	-8.9%	186.7%
Loans to customers	352.4	328.3	349.7	0.8%	7.3%
Property equipment and intangible assets	22.3	23.2	23.9	-6.7%	-3.9%
Tax receivables	42.0	39.3	35.7	17.6%	6.9%
Other assets	120.3	123.9	133.2	-9.7%	-2.9%
<b>Total Assets</b>	<b>3,679.2</b>	<b>3,253.3</b>	<b>3,580.1</b>	<b>2.8%</b>	<b>13.1%</b>

<b>Liabilities and Shareholders' Equity</b>	<b>Sep. 30, 07</b>	<b>June 30, 07</b>	<b>Dec. 31, 06</b>	<b>% Chg</b>	<b>% Chg</b>
<b>(Euro million)</b>				<b>Dec. 31, 06</b>	<b>June 30, 07</b>
Due to banks	194.5	105.5	40.4	381.4%	84.4%
Direct inflows	3,070.9	2,738.4	3,053.7	0.6%	12.1%
Financial liabilities held for trading	9.7	11.3	16.1	-39.8%	-14.2%
Tax payables	12.0	8.9	19.6	-38.8%	34.8%
Other liabilities	118.9	119.0	179.9	-33.9%	-0.1%
Special purpose provisions	71.6	68.6	65.2	9.8%	4.4%
Valuation reserves	1.2	1.1	1.1	9.1%	9.1%
Reserves	66.5	65.8	61.9	7.4%	1.1%
Additional paid-in capital	22.8	22.8	22.8	0.0%	0.0%
Share capital	111.3	111.3	111.3	0.0%	0.0%
Treasury shares (-)	- 9.5	- 9.5	- 5.9	61.0%	0.0%
Net income (loss) for the period (+/-)	9.3	10.1	14.0	-33.6%	-7.9%
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,679.2</b>	<b>3,253.3</b>	<b>3,580.1</b>	<b>2.8%</b>	<b>13.1%</b>