Consolidated Half-Year Report as of 30 June 2008

Board of Directors
30 July 2008

The consolidated half-year report have been translated from those issued in Italy, from the Italian into the English language solely for the convenience of international readers

Banca Generali S.p.A.
Authorised share capital 116,878,836.00 euros, underwritten and paid-up share capital 111,313,176.00 euros
Registered offices at Trieste, Via Machiavelli 4 - Italy
Trieste Register of Companies, Tax Code and VAT No. 00833240328
Member of the Interbank Deposit Protection Fund
Bank Register No. 5358
Parent Company of the Banca Generali banking group registered in the Banking Group Register
Company managed and coordinated by Assicurazioni Generali S.p.A.

Company Boards

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CHIEF EXECUTIVE OFFICER	Girelli Giorgio Angelo
DIRECTORS	Baessato Paolo Borrini Amerigo Buscarini Fabio De Vido Andrea Lentati Attilio Leonardo Minucci Aldo Noto Alfio Riello Ettore
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GENERAL MANAGER	Motta Piermario

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Group Economic and Financial Highlights

Consolidated figures	30/06/2008	30/06/2007	Change %
(€ million)			
Net interest	27.5	20.2	*36.2%*
Net commissions	69.7	78.3	*-10.9%*
Dividends and net profit from trading	-10.8	6.1	*-276.5%*
Net banking income	86.4	104.6	*-17.3%*
Staff expenses	-27.5	-28.0	*-1.8%*
Other general and administrative expense	-36.3	-35.1	*3.5%*
Amortisation and depreciation	-2.6	-3.3	*-20.2%*
Other operating income	3.5	3.8	*-8.8%*
Net operating expense	-63.0	-62.6	*0.6%*
Operating profit	23.5	42.0	*-44.1%*
Provisions	-16.3	-24.2	*-32.5%*
Adjustments	0.1	0.2	*-26.7%*
Profit before taxation	7.3	18.0	*-59.6%*
Net profit	5.5	10.1	*-45.3%*
Cost / income ratio	69.8%	56.7%	*23.1%*
EBTDA	26.1	45.3	*-42.4%*
ROE	5.93%	10.60%	*-44.0%*
EPS - Earnings per Share (euro)	0.050	0.184	*-72.7%*

Net Inflows	30/06/2008	30/06/2007	Change %
(€ million) (Assoreti data)			
Mutual Funds and SICAVs	418.9	485.4	*-14%*
Discretionary accounts	- 1,279.4	- 14.2	*8910%*
Insurance / Pension funds	1,020.4	104.0	*881%*
Securities / Current accounts	226.0	628.1	*-64%*
Total	**385.9**	**1,203.3**	***-68%***

Assets Under Management & Custody (AUM/C)	30/06/2008	31/12/2007	Change %
Breakdown by Class of Assets Under Management & Custody			
(€ billion) (Assoreti data)			
Mutual Funds and SICAVs	7.4	8.1	*-9.8%*
Discretionary accounts	2.9	4.5	*-35.4%*
Insurance / Pension funds	5.3	4.4	*20.3%*
Securities / Current accounts	7.1	7.5	*-4.7%*
Total	**22.7**	**24.5**	*-7.5%*

Net Equity	30/06/2008	31/12/2007	Change %
(€ million)			
Net equity	186.9	208.0	*-10.2%*
Total capital for regulatory purposes	172.9	178.1	*-3.0%*

** The figure at 30/06/2008 is an estimate*

Interim Report on Operations

1. Summary of Half-Year Operations

The Banca Generali Group closed the first half of 2008 with net profit of 5.5 million euros — a decrease of 4.6 million euros compared to the same period of 2007 (-45,3%) — and net equity of 186.9 million euros. The decrease in the first half of 2008 compared to the same period of 2007 was mainly attributable to the recognition of unrealised capital losses of 19.1 million euros on trading investment portfolio (HFT).

For the first half of 2008, EBTDA, which is calculated as profit before taxes, net provisions, adjustments on loans, property, equipment and intangible assets, amounted to 26.1 million euros for the first three months of 2008, down 42.4% compared to 45.3 million euros in the same period of 2007.

Net banking income decreased by 18.2 million euros (-17.3%) compared to 30 June 2007, from 104.6 million euros to 86.4 million euros for the first six months of 2008. A 36.2% increase in net interest income (+7.3 million euros), due primarily to an increase in market interest rates was partially offset by a 10.9% decrease in net commissions (-8.6 million euros) caused by the poor performance of assets under management considering the current condition of the securities market; similar results were seen for securities trading and dividends, which decreased by 276.5% (-16.9 million euros).

Total net operating expenses at 30 June 2008 amounted to 63.0 million euros, up 0.6% compared to the first half of 2007, with staff expenses increasing from 28 million euros in the first six months of 2007 to 27.5 million euros in the same period of 2008.

Net provisions amounted to 16.3 million euros at 30 June 2008, a 32.5% decrease compared to the first half of 2007, mainly due to provisions in connection with the development of the distribution network.

The total value of the assets managed by the Group for its customers amounted to 22.7 billion euros at 30 June 2008, which is the figure used for communications to Assoreti (Italy’s National Association of Financial Products and Investment Services Placing Firms). In addition, at 30 June 2008, assets under administration and custody of the Generali Group companies totalled approximately 8.9 billion euros, and 1.3 billion euros were held in mutual funds and discretionary accounts (GPF and GPM) distributed directly by management companies or parties outside the banking group, for an overall total of 32.9 billion euros.

With 22.7 billion euros in assets under management and 0.4 billion euros in net inflows for the period from 1 January to 30 June 2008, the Banca Generali Group continues to hold a leading position among institutions specialising in the distribution of financial products through financial advisor networks.

In the first half of 2008, the banking group focussed the brunt of its efforts on developing new products aiming at the optimisation of assets in customer portfolios.
With this aim in view, the Group has introduced and developed BG Selection SICAV, managed directly by BG Investment Luxembourg SA, a company under Luxembourg law formed in late 2007 and wholly owned by the Parent Company Banca Generali S.p.A.
The group further expanded the offer of products provided by third-party product companies, consistent with the multibrand concept the banking group has adopted in parallel with the advisory services provided by its financial advisor network, aimed at providing them with instruments and products that are increasingly capable of responding to growing financial and pension demands among Italian households.

The introduction of the Markets in Financial Instruments Directive (MiFID) in Italy involved the Group in a series of activities aimed at updating and improving its organisational, IT and sales procedures. As part of these efforts, and in a market environment that calls for an increase in contract and assistance, the sales force focussed on securing placement and consulting agreements and reviewing customers’ investment choices in light of their individual objectives.

Finally, in the first half of 2008 the Group laid down the basis to potentiate its private banking channel through the acquisition of Banca del Gottardo Italia S.p.A. by Banca BSI Italia S.p.A. Once the necessary authorisations are obtained from the supervisory authorities, the transaction will allow the banking group to increase its total assets under management by around 1.9 billion euros.

Before analysing the Bank's sales and financial results for the first half of 2008, macroeconomic information for the main economic regions of the world is reported, to provide a better understanding of the factors that influenced the results of the banking group.

2. Macroeconomic Context

Financial market conditions were especially difficult in the first half of the year. Volatility was high, pressure mounted in the international fixed-income market and stock market indexes incurred significant losses.

In the first quarter of the year, large international banks were at the epicentre of the stock market crisis and had to report substantial losses on financial activities associated with the US real estate industry. The level of losses reported made it necessary to implement extensive recapitalisation plans. A number of major US and European financial institutions found themselves in severe difficulty (Société Generale, UBS and Merrill Lynch) or had to be rescued (Bear Stearns) by the Federal Reserve, which implemented a strongly expansionary monetary policy and dropped its official rate from 4.25% to 2%.

Despite the credit crisis, the global economy recorded strong growth rates in the first half of 2008, exceeding expectations in both western and emerging countries. Nonetheless, forecasts indicate a slowdown in the second quarter, among other things, as a result of the persistent increases in oil prices, which hit a record of USD 140/barrel (up about 40% since the beginning of the year). The agricultural materials sector also experienced upward price pressure, due to strong demand resulting from an increase in the per-capita income of emerging countries and their use of biofuels in production.
The result was an upturn in inflation in all regions, to which Central Banks responded by implementing — despite the financial crisis and slowing economy — tighter monetary policies in all western countries and many emerging countries.

Stock markets, which had begun to recover from March lows, faced new selling pressure in June, causing the major indexes to close the first half of 2008 with significant losses: S&P 500 -12.6%, Eurostoxx 50 -23.7%, Nikkey 225 -12.1%. In all emerging countries except those in South America, indexes posted double-digit declines. South American indexes posted small decreases for the period.

Due in part to the expansionary monetary policies, bond yields hit their low for the period in March: the 10-year US yield fell to 3.33% and, in Europe, the Bund fell to 3.69% (3.64% and 3.92%, respectively, at the beginning of the year).
In the second quarter, however, yields began to increase slowly and then spiked with the mention of inflation on the market, causing a decrease in bond prices – especially in Europe. These dynamics were seen for all maturities, and the difference between long- and short-term rates narrowed. In June, ten-year bond yields reached 4.20% in the US and 4.60% in Germany.

It is important to note that uncertainty in the market pushed investors towards higher quality government bonds: spreads widened between German bonds and those of other European countries, mainly those with higher levels of debt, such as Italy, Spain and Greece.

The corporate bond market also experienced difficulty, particularly in the first months of the year, when the consistent widening of spreads made financing terms more costly and difficult for companies. The primary market, in fact, remained closed until the second quarter, when higher-rated companies were able to place their bonds on the market.

In the currency markets, the euro was strong against all major currencies, mainly the US dollar, which fell approximately 8% during the six-month period.

Outlook

For the time being, stock market forecasts remain attractive in the medium term and indicate a higher potential than that of bonds. In the short-term, however, uncertainty surrounding growth rates and inflation, also in light of persistent increases in oil prices, could continue to cause stock market volatility.

3. Performance of Group Companies

3.1 Performance of BG SGR

Bg sgr, a company specialising in mutual funds, SICAVs, and individual GPF portfolios, reported 6.9 million euros in net income in the first half 2008. At the end of the period, shareholders' equity amounted to approximately 24.3 million euros and total balance sheet assets to 41.3 million euros.
Operating results before taxes, net provisions, adjustments, depreciation and amortisation (EBTDA), amounted to 10.2 million euros.
Net banking income amounted to approximately 15.8 million euros, whereas general and administrative expense was 6.0 million euros, including about 2.1 million euros for staff expenses.
Total assets under management at 30 June 2008 amounted to 3,146 million euros, an increase of 58.74% compared to 7,624 million euros at 31 December 2007.

3.2 Performance of BG Fiduciaria SIM

BG Fiduciaria, a company specialising in individual GPF and GPM portfolios, mainly in a custodial capacity, reported 567 thousand euros in net income in H1 2008. Total assets under management amounted to 566 million euros, down compared to 801 million euros in 2007, and shareholders' equity was 7.7 million euros.
Operating result before taxes, net provisions, value adjustments and depreciation and amortisation (EBTDA), totalled 901 thousand euros, compared to 471 thousand euros in the same period of the previous year.
Net banking income amounted to 2.1 million euros, whereas general and administrative expense was 1.4 million euros, including 0.7 million euros for staff expenses.

3.3 Performance of Simgenia SIM

Simgenia, a company specialising in the distribution of financial and banking products through financial advisors who mainly act as agents and/or employees of Generali Group Insurance Companies, reported around 47 thousand euros in net loss in H1 2008. Total assets under management amounted to 2.7 billion euros, down compared to 3.1 billion euros in 2007, and net ouflows were 69 million euros. Net equity amounted to approximately 6.6 million euros.
Operating results before taxes, net provisions, adjustments, depreciation and amortisation (EBTDA), totalled 297 million euros, down by about 1.6 million euros compared to the same period of the previous year.
Net banking income amounted to 4 million euros, whereas general and administrative expense was approximately 3.7 million euros, including 1.7 million euros for staff expenses.

3.4 Performance of Banca BSI Italia

Banca BSI Italia specialises in the distribution of financial and banking products to private customers both through the Group's financial advisor networks and through relationship managers employed directly by the company. Banca BSI recorded a net loss of 7.2 million euros for the first half of 2008, broadly in line with the same period of 2007. The loss was mainly due to costs and provisions associated with a programme involving the strengthening of the private banker network acquired from Banca Generali following the transfer of its private banking business unit in January 2007. Total assets under management placed by advisors amounted to 6.6 billion euros at the end of the period, compared to 7.0 billion euros at the end of 2007, while net inflows for the period amounted to 384 million euros.
Net equity amounted to 14.3 million euros, down from 21.6 million euros recorded for the same period of 2007 as a result of the interim loss figure of 7.2 million euros.
Operating profit before taxes, net provisions, value adjustments and depreciation and amortisation (EBTDA),

amounted to 1.6 million euros, down from 4.8 million euros recorded for the first half of 2007.
Net banking income amounted to 15.0 million euros, whereas general and administrative expense was 13.9 million euros, including 4.6 million euros for staff expenses.

3.5 Performance of Sant'Alessandro Fiduciaria S.p.A.

Sant'Alessandro Fiduciaria, a company specialising in custodian capacity of assets, closed the first half of 2008 with net profit of 13 thousand euros and net equity amounting to about 167.5 thousand euros.
Operating results before taxes, net provisions, adjustments, depreciation and amortisation (EBTDA) was a profit of 20 thousand euros, up compared to a loss of approximately 43 thousand euros reported in H1 2007.
Net banking income amounted to 74 thousand euros, whereas general and administrative expense was 53 thousand euros.

3.6 Performance of BG Investment Luxembourg SA

BG Investment Luxembourg Sa, a company subject to Luxembourg law specialising in the management of SICAVs, was formed in November 2007 and began operating in the first months of 2008. At 30 June 2008, the company reported a net profit of approximately 9 million euros and net equity of about 11 million euros.
Operating results before taxes, net provisions, adjustments, depreciation and amortisation (EBTDA), amounted to 10 million euros.
Net banking income amounted to 11.8 million euros, whereas general and administrative expense was 1.8 million euros.
Overall assets under management at 30 June 2008 amounted to 3.0 billion euros.

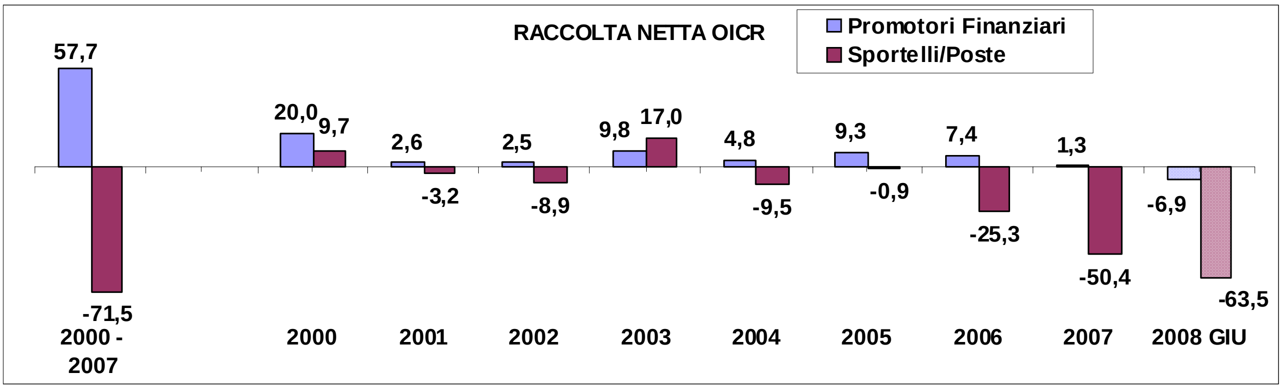
4. Net Inflows, Assets Under Management, and Market Positioning in Distribution Through Financial Advisor Networks

4.1 The asset management market

The retail asset management market is directly affected by both financial market performance, as described above, and the commercial policies of the banking system, which holds the majority of the financial resources of households.
In the first half of 2008, net inflows were influenced by the particularly negative performance of both the equity and bond markets, on the one hand, accompanied by noticeable instability in the currency market and rising commodity prices, on the other, driving inflation in Italy and the EU to its highest level in more than ten years.
In addition to this critical market scenario, the banking industry is increasingly disengaging from the asset management segment in favour of the placement of more traditional banking products.
This explains the deepening of a crisis that has been unfolding for a long time in the sector, so much so that it has attracted the attention of control authorities.

4.2 The Italian collective investment undertakings (UCITS) market

On the whole, in the first half of 2008 the UCITS market in Italy showed a 70.4 billion euros decrease, exceeding 43% of total redemptions for 2007 (source: Assogestioni). In this context, it is worth reiterating that the 2007 results had been an all-time negative. This poor performance extended to nearly all UCITS segments.
The seriousness of this situation is demonstrated by the fact that in the past this negative trend was fully attributable to traditional bank distribution. In fact, net inflows for UCITS recorded on the Financial Advisor Networks remained mostly positive (though with some mixed performances), until the first months of 2008 (source: Assoreti: Distribution of UCITS, Comparison between FA Networks and Bank Branches).



Source: Assoreti. Reclassification of UCITS distribution data, comparison of FA networks and bank branches

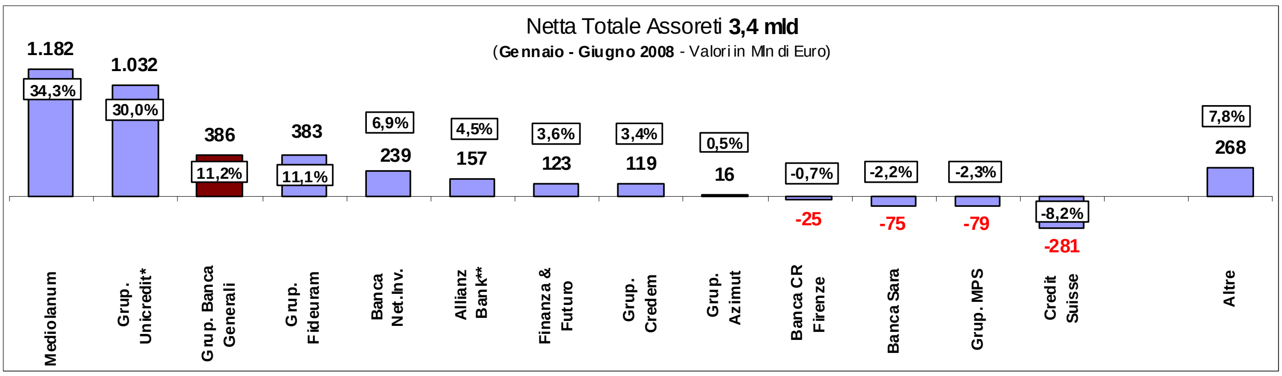
4.3 The Assoreti Market

In general, total inflows of the "Assoreti market" (which consists of companies that report on the distribution activities of financial advisor networks) in the first half of 2008 decreased by approximately 46% compared to the same period of 2007. In detail, while more traditional forms of asset management (funds and discretionary accounts) recorded net outflows of 7.9 billion euros, a significant increase in net inflows was recorded for assets under administration (approximately 9.9 billion euros, +83% from 2007). Inflows attributable to insurance products decreased by 37% compared to 2007 (1,451 million euros). These figures point to a major re-allocation of savings from managed products to administered products, in general more loosely linked to market volatility (government securities).

4.4 The Banca Generali Group

Within this unfavourable scenario, the Banca Generali Group continued to post some of the Assoreti market's highest net inflow figures, with net inflows of the first half of 2008 amounting to 386 million euros and an 11.2% market share.

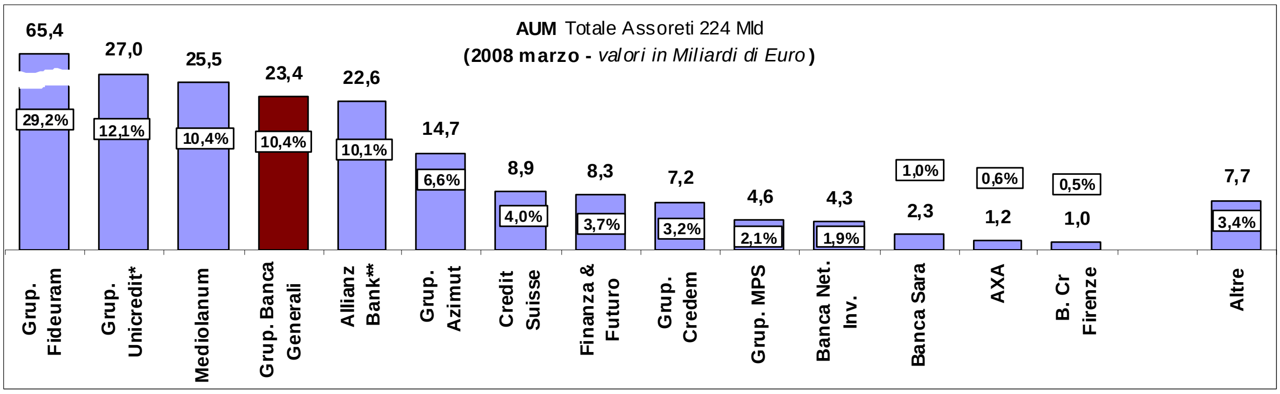
The Banca Generali Group recorded net inflows of 386 million euros at the end of June (Assoreti market), as follows: Parent Company 71 million euros, Banca BSI Italia 384 million euros; Simgenia posted net outflows of 69 million euros. Unlike the results provided above for the Assoreti market, the Group's net inflows were mainly attributable to insurance products. However, it is important to mention that many customers are reallocating their managed assets (-1,279 euros) to the new Luxembourg funds of funds (nearly 2 billion euros for the first half of 2008). In addition, turbulence on the market has pushed investors towards less risky instruments (226 million euros in assets under administration, mainly repurchase agreements and government securities) or protected instruments (capital preservation products, 364 million euros, and insurance products, 1,020 million euros).



** Finecobank jointed the Unicredit Group, along with Unicredit Xelion Bank, effective from 1 October 2007*

*** RasBank became Allianz Bank Financial Advisors effective from 1 October 2007*

The Banca Generali Group continued to lead the market by assets under management with 10.4% of the total.



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*** RasBank became Allianz Bank Financial Advisors effective from 1 October 2007*

The following table provides a summary of the assets and their aggregates by product type as of June 2008. These assets refer to the so called **"Assoreti market"**, i.e. the market covered by FA networks. As observed, these assets have contracted significantly, to a large extent concerning asset management, due to the sharp downturn on the financial markets, with the Italian market declining around 25%.

(€ million)	30/06/2008	31/12/2007	Changes vs/ 31/12/2007	
			Amount	%
Total asset management	10,291	12,640	-2,349	-18.58%
- Funds and SICAVs	7,423	8,148	-725	-8.90%
- GPF/GPM	2,868	4,492	-1,624	-36.15%
Total insurance products	5,307	4,405	902	20.48%
Total assets under administration and custody	7,096	7,451	-355	-4.76%
Total assets placed by the network	22,694	24,496	-1,802	-7.36%

5. Group Indirect Inflows

The banking group's indirect inflows (not limited to the "Assoreti market") consist of funds raised through the sale of third-party and group products — asset management, insurance products and assets under administration and custody (securities portfolios) — to retail and corporate customers. In detail:

5.1 Asset management and insurance products

Banking Group asset management products

In the asset management sector, the banking group conducts wealth management operations through BG Sgr, Banca BSI Italia, BG Fiduciaria and BG Investment Luxembourg.
Specifically, BG Investment Luxembourg, which joined the Group on 27 November 2007, began its management activities on 1 March 2008 with the management of SICAVs on behalf of third parties. BG Fiduciaria manages funds and/or securities portfolios, with or without a fiduciary designation, and Banca BSI Italia manages securities and funds portfolios. Lastly, BG SGR manages both mutual funds and funds and/or securities portfolios. It also manages a number of Alleanza SGR funds of funds.

(€ million)	30/06/2008	31/12/2007	Changes vs/ 31/12/2007	
			Amount	%
Funds and SICAVs	4,880	5,156	-276	-5.35%
- attributable to the banking group's GPF	807	1,682	-875	-52.02%
GPF/GPM	2,710	4,403	-1,693	-38.45%
Total assets managed by the banking group, net of managed securities portfolios included in the GPF of the banking group	**6,783**	**7,877**	**-1,094**	**-13.89%**

Total assets of mutual funds managed by the banking group amounted to 4,880 million euros, including 3,449 million euros on management mandates and role of manager for funds and SICAVs and 807 million euros included in banking group's discretionary accounts.

In the asset management area, the group focused on Asset Management of BG SGR, Banca BSI Italia and BG Fiduciaria, and the relevant assets at 30 June 2008 amounted to 2,710 million euros, down 38.45% compared to 4,403 million euros at 31 December 2007.

Third-party asset management products

As part of its product brokerage and placement operations, the banking group sells third-party products in both the asset management and insurance areas.
Specifically, in the area of mutual funds governed by Italian law, the banking Group places mainly the products of the Generali Group (Fondi Alleanza Sgr, Generali Thalia Sgr) and of the CAAM Group (formerly Nextra). In the area of foreign UCITS, the banking group places the Luxembourg SICAV Generali Investments and the products of more than 20 international investment houses, of which those with the highest concentration of investment are JP Morgan, Julius Baer, Schroeder, Morgan Stanley, Fidelity, Invesco, UBS and Pictet. Significant growth was recorded during the period for the multi-sector SICAVs under Luxembourg law managed directly by the Group (BG Sicav and BG Selection Sicav).

The total value of third-party asset management products at the end of June 2008 was 4,383 million euros, down 26.11% from 31 December 2007. In effect, the decrease — excluding the portion resulting from the unfavourable performance of the financial markets — is mainly attributable to the launch during the period of the Fund of Funds BG Selection SICAV (1,862 million euros at the end of June), 99% of which is made up of third-party Funds and SICAVs. This considered (and although the assets are managed indirectly), the amount of third-party products distributed by the Banca Generali Group increased by about 5% from December 2007.

(€ million)	30/06/2008	31/12/2007	Changes vs/ 31/12/2007	
			Amount	%
Funds and SICAVs	4,127	5,674	-1,547	-27.26%
GPF/GPM	256	258	-2	-0.78%
Total third-party product asset management	4,383	5,932	-1,549	-26.11%

Third-party insurance products

Investments in insurance products and pension assets mainly came through life products, unit-linked policies, and index-linked policies of La Venezia Assicurazioni. At 30 June 2008, assets amounted to 5,307 million euros, up 20.48% compared to December 2007.

(€ million)	30/06/2008	31/12/2007	Changes vs/ 31/12/2007	
			Amount	%
Insurance products (unit linked, policies, etc)	5,307	4,405	902	20.48%
Total third-party insurance products	5,307	4,405	902	20.48%

5.2 Assets under administration and custody

Indirect inflows of assets under administration and custody consist of securities deposited by customers for custody and administration in portfolios opened with the Parent Company Banca Generali and Banca BSI Italia and, for a minimum amount, with other banks. At 30 June 2008, the market value was 12,723 million euros, a 9.64% decrease compared to 14,081 million euros at year-end 2007.
Total indirect inflows were influenced by the portfolio held by the Parent Company, three quarters of which comprise the Alleanza and Toro share packages.
Net of this component, indirect inflows at market value were down 5.50% compared to 31 December 2007.

(€ million)	30/06/2008	31/12/2007	Changes vs/ 31/12/2007	
			Amount	%
Indirect inflows of assets under administration and custody of the banking group (market value)	12,723	14,081	-1,358	-9.64%
of which Generali group securities portfolios	8,447	9,556	-1,109	-11.61%
of which other customer securities portfolios	4,276	4,525	-249	-5.50%
Indirect inflows of assets under administration and custody (market value)	36	36	0	n.a.

6. Human Resources and the Group’s Distribution Network

6.1 Employees

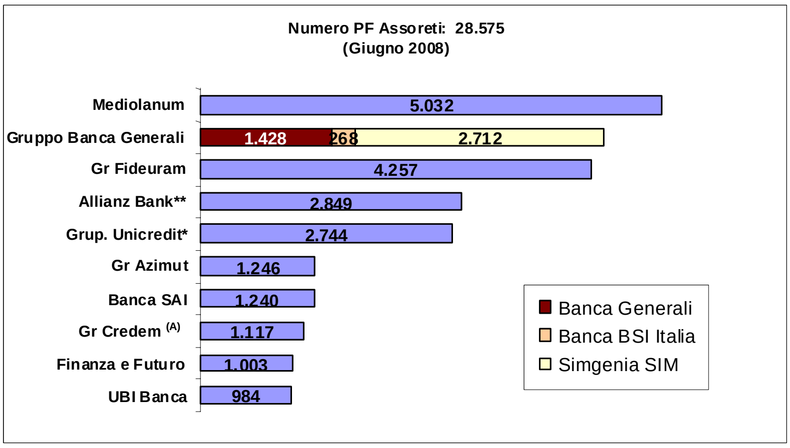
	30/06/2008	30/06/2007	Changes	31/12/2007
Managers	42	44	-2	42
3rd and 4th level executives	95	94	1	90
1rd and 2nd level executives	67	72	-5	70
Other	549	514	35	528
Total	753	724	29	730

Total banking group employees amounted to 753 units, an increase of 29 compared to 30 June 2007.

The first half of 2008 saw the completion of the Group's annual employee performance evaluation process. Manager training continued at the Generali Group Innovation Academy (GGIA), as did technical, language and IT courses organised with leading consulting firms specialising in those areas.
In addition, in an effort to plan training paths for technical skill areas, the bank worked with the GGIA to create focus groups consisting of employees representing various functions to allow the identification of the banking skills necessary to fill the various roles within the company.
The managerial skills mapping process continued with the aim of developing personalised development paths.
As a follow-up to the first corporate-climate survey conducted in 2006, a similar survey was conducted in May on all Group employees. The survey covered areas such as training, communications, development, organisational well-being, leadership and change.

6.2 Financial Advisors

The Banca Generali Group owns one of the largest Financial Advisor-based distribution networks in the Italian market: 1,428 Banca Generali advisors, 268 BSI advisors, and 2,712 Simgenia advisors, for a total of 4,408 professionals.



* Finecobank joined the Unicredit Group, along with Unicredit Xelion Bank, effective from 1 October 2007
** RasBank became Allianz Bank Financial Advisors effective from 1 October 2007
(A) Banca Euromobiliare: updated April 2008.

The defining features of the distribution network are summarily illustrated in the table below, which presents data updated 30 June 2008.

	No. of FAs/ Bank./Rel.Man.	Assets (mln euro)	Average assets per Advisor (mln euro)
Banca Generali	1,428	13,354	9.4
BSI Italia	268	6,636	24.8
Simgenia	2,712	2,704	1.0

Simgenia's FAs carry out this activity as an accessory activity to their primary focus as agent or employee on behalf of insurance companies of the Generali Group. As such, their geographical distribution is the same as that of their agency network (Assicurazioni Generali, Alleanza, INA), and their activities are intended to be supplementary to the insurance business. This explains the lower average assets-under-management figure for the Simgenia network (1.0 million euros).

The Banca Generali Group's financial advisors cover an extensive area in Italy and are supported by a total of 194 bank branches and Advisor Offices.

	Banca Generali / BSI Italia Branches	Advisor Offices
Abruzzo	1	2
Calabria	1	4
Campania	4	12
Emilia Romagna	5	19
Friuli Venezia Giulia	2	4
Lazio	3	5
Liguria	3	15
Lombardy	7	18
Marche	1	4
Piedmont	4	14
Puglia	2	8
Sardinia		1
Sicily	1	6
Tuscany	2	17
Trentino Alto Adige		2
Umbria	1	2
Valle D'Aosta		2
Veneto	5	17
Overall total	42	152

7. Products and Marketing

The Group reviewed and expanded its range of products in the first half of 2008, with the objective of satisfying the needs of a customer base that is more sensitive than ever to the value of consulting and adapting itself to the new scenario of higher interest rates and faltering stock markets.

Asset management
In accordance with the growth strategies defined by the Group, in the first half of 2008, Banca Generali's efforts to expand its range of asset-management products focused on Luxembourg-based products.
BG Investment Luxembourg, a company belonging to the Banca Generali Group, created BG Selection SICAV, a multi-brand Luxembourg SICAV with 13 segments (global, geographical and flexible equity funds and one money market fund) that invest in third-party UCITSs and hedge funds (max 10%).
BG Selection SICAV is a "funds of funds system" suitable for offering customers a product that combines the management skills of qualified investment firms with a wide assortment of financial instruments, markets and strategies that benefit from a professional process of evaluation and selection of UCITS developed in-house by BG Investment Luxembourg.
BG Selection SICAV currently has two flexible total-return segments that take advantage of the consulting expertise of Studio Tosetti Value and are the focus of an advertising campaign featuring Italian soccer player Alessandro Del Piero as spokesperson.
The bank also enhanced its range of capital-protected BG/BSI Target portfolio-management products with a new line called "Africamedioriente" that enables customers to invest in a new, high-growth-potential geographical area with a guaranteed return of capital at maturity.
New third-party sub-funds for the multibrand platform continued to be launched over the period, reaching a total of about one thousand products offered by 20 third-party product companies.

Insurance products
In the first half of 2008, expansion of the range of insurance products focused on a traditional product called

Ri.alancio 2008, a new version of which was launched in January.
The traditional capital-guaranteed policy, which features lower management costs and tunnel commissions than its predecessor, proved to be successful among customers in a period of market uncertainty.

Assets under administration and custody
During the first half of 2008, the Group dedicated significant effort to revising its liquidity management tools and updating its offering in light of legislative changes.
It revised its range of short-term investment products (repurchase agreements) with the objective of increasing inflows of new assets and consolidating those already acquired by offering particularly competitive returns.
Changes in corporate partnerships extended the pre-existing boundaries of commercial and service-related relationships (Group Intesa Sanpaolo, Group Credit Agricole, Group Unicredit), leading to a broadening of the range of products available to Banca Generali and Banca BSI Italia customers and an expansion of the network of partner branches.
Also in the first half of 2008, the Group worked diligently to implement legislative changes (anti-laundering, MiFID) and make all consequent updates to contracts and provide customers with transparency-related information.

Distribution Network Training
Activities aimed at training the Banca Generali Group's distribution network in the first half of 2008 included two large-scale projects: the first focused on the new 2008 product range, providing in-depth coverage of its technical aspects and the sales opportunities of the BG Selection SICAV and BG SICAV system; the second, which provided an update on the MiFID, was a continuation of training activities carried out in the second half of 2007.

These two courses were alternated with mandatory training courses (e.g. ISVAP 60 hours for enrolment with Italy's "Registro Unico degli Intermediari" – Intermediaries Register) and management training, especially for network managers.

Communications
Communications within the Banca Generali Group were handled through corporate events (in particular, the General Meeting held in April) and periodic conference calls and meetings with analysts.
The bank's external communications were handled through, among other things, two industry events (the Italian Trading Forum and the first national convention of the EFPA); furthermore, for one product line, the Group has a partnership for the use of the image of soccer player Alessandro Del Piero, who is featured in a short advertising clip available online.

8. Auditing

The Banca Generali Group's internal audits are performed by its Internal Audit service, which is responsible for the ongoing independent evaluation of the Group's internal control system to guarantee that it is adequate, fully operational and in correct working order. The Internal Audit Service is furthermore responsible for working with the bank's operating units in implementing control and risk management mechanisms and notifying the Board of Directors with possible improvements to risk management policies.
Audit reports cover the bank's business units as well as the Board of Directors, the Board of Statutory Auditors and the Internal Control Committee. These bodies evaluate the recommendations of the head of Internal Audit and the results with respect to the main corporate risks and express their opinion on the audit activities conducted in light of those specified in the audit plan.

In the first half of 2008, Internal Audit was particularly involved in providing assurance with respect to the adequacy of controls and their ability to effectively and efficiently identify risk situations. Attention was concentrated on verifying the presence of control mechanisms and providing guidance on carrying out controls.
During the period, activities were carried out in relation to projects underway, risk factors emerging in past periods and follow-up activities on requested corrective actions.
Evaluations conducted to determine the quality of the internal system for controlling operating processes focused on assessing the behaviour of the financial advisors and the quality of existing regulations and operating and control procedures, with the aim of preventing fraud and ineffective behaviours.
Inspections carried out on the distribution networks were also an occasion for providing consulting and training support and increasing Financial Advisors' awareness of areas included in the evaluations. Auditing activity led to

a general improvement in monitored behaviour reflected in an overall decrease in anomaly indicators.

Assurance activities also included planned audits of investment and banking services. Audits were carried out in the areas of back office, management services and branches, administrative/accounting processes and information systems. The purpose of the audit activities was to determine the quality and effectiveness of controls and, where possible, propose solutions for improving risk management. Finally, the Service focused on following up on improvements implemented as a result of previous audits.
The purpose of monitoring information systems, which was carried out with the support of leading consulting firms, is to assess conditions for physical and logical security, risks in and control of the information system environment, the vulnerability risks of the internal information system, and measures to be implemented to guarantee an adequate general level of system security.
Lastly, as required by the Group's internal policies, Internal Audit constantly monitored the laundering risk by evaluating suspicious transactions and interacting with the appropriate supervisory bodies.

9. Organisation and ICT

In the first half of 2008, the Group either completed or continued working on the following organisational initiatives:

1. Completion of the adaptation of IT systems and operating processes ensuing from the entry into force of the new Markets in Financial Instruments Directive (MiFID);
2. Completion of migration to the new Securities and Finance procedure (SMIT2);
3. Initiation of a large project aimed at strengthening Banca Generali's Finance Department. The project is divided into two main segments:
   - Upgrade of computer systems and operating processes supporting the Trading Desks;
   - Purchase and implementation of an application selected from among the best on the market for managing Treasury activities and securities, to be used by the Treasurer and Risk Manager.

Following the acquisition of Banca del Gottardo Italia by Banca BSI Italia, the initial systems integration projects and all activities concerning the definition and establishment of the new organisational structure of the Private Bank were planned.

Activities are also underway for the complete overhaul of the Group's website. These activities include a broader project aimed at updating the customer website with functionality such as home banking and online trading.

Lastly, a project was initiated to redefine, draft and validate the Group's corporate procedures. The purpose of the project is to review and expand the Banca Generali Group's "Compendio della Normativa Interna" (Summary of Internal Regulations).

10. Outlook for the Second Half of 2008

In the second half of the year, the Group will concentrate the majority of its efforts on the following objectives, some of which were partially addressed in the first half of 2008:

1. developing BG Investment Luxembourg operations;
2. increasing assets and optimising those in customers' portfolios;
3. reorganising the private banking channel following the acquisition of Banca Del Gottardo Italia.

With reference to the first point, the expansion of BG Investment Luxembourg's operations will be achieved through the development of new products/businesses and the acquisition of new customers (including institutional customers).
With reference to the second issue, actions aimed at achieving these objectives will focus in particular on the development of existing customers, both through an increase in the share of wallet and through asset allocation optimisation, in light of the client risk/reward prospects/expectations.
Lastly, subject to the attainment of necessary authorisations from the appropriate supervisory bodies, the second half of 2008 will see the strengthening of the private banking channel. Following the acquisition of Banca del Gottardo Italia, the managed assets of the channel will increase to approximately 1.9 billion euros.

Persisting volatility in the financial markets in the second half of 2008 – mainly in the stock markets – could influence the Group's objectives for 2008.

11. Transactions with Related Parties

In compliance with Article 2391-*bis* of the Italian Civil Code, Article 71 of CONSOB (Italy's stock market regulator) Regulation No. 11971/99 (Rules for Issuers) and the recommendations contained in the Corporate Governance Code for listed companies, on 18 July 2006, the Banca Generali's Board of Directors approved the *Code of Conduct for Transactions with Related Parties*, with the objective of:
(i) defining the guidelines to be followed by Banca Generali and its subsidiaries in carrying out related-party transactions in order to guarantee transparency and correctness in terms of substance and procedures, with particular reference to "significant" transactions, i.e. those having a significant impact on the bank's profitability, assets and liabilities or financial position ("extraordinary" and "material" transactions);
(ii) establishing the procedures for complying with disclosure requirements, including those required under applicable laws and regulations.
In implementing the principles set out in the aforementioned Code, the banking group follows specific procedures to allow the regular flow of information regarding related-party transactions from subsidiaries to the Parent Company and from the Parent Company to its control boards.

In compliance with CONSOB Resolution No. 15232 of 29 Novembre 2005, "related parties" includes parties defined as such by IAS 24 — Related Party Disclosures.
In compliance with this standard, the following are defined as related parties of the banking group:
1. the Parent Company, Assicurazioni Generali S.p.A.;
2. companies that are either directly or indirectly controlled by Assicurazioni Generali (subsidiaries);
3. companies belonging to the banking group (Banca BSI Italia, BG SGR, BG Investment Luxembourg investment, Simgenia, BG Fiduciaria, and Sant'Alessandro Fiduciaria).

For the purpose of IAS 24, related parties also include managers of the Group and the Parent Company Assicurazioni Generali with strategic responsibilities.

Transactions with parties that have powers of management, administration and control over the bank are governed by Article 2391 of the Italian Civil Code and by the rules pertaining to the obligations of banking representatives set out in Article 136 of Italian Legislative Decree No. 385/1993 (Italy's Banking Law) and the Regulatory Instructions, which, in relation to such transactions, require a unanimous resolution by the Board of Directors and the favourable vote of all members of the Board of Statutory Auditors, without prejudice to abstention requirements set forth by law.

(€ thousand)	30/06/2008				30/06/2007
	Directors	Auditors	Other executives with strategic responsibilities	Total	Total
1. Short-term benefits (current comp. and social security charges)	943	107	2,103	3,153	3,187
2. Post-employment benefits (TFR – termination indemnity and pension)	105	-	171	276	301
3. Other long-term benefits	-	-	-	-	-
4. Severance indemnities	-	-	-	-	-
5. Share-based payments(*)	- 236	-	-	- 236	25
Total	**812**	**107**	**2.274**	**3,193**	**3,513**

(*) The negative figure is due to write-downs associated with cash-settled stock-option plans on shares of Parent Company Assicurazioni Generali.

Disclosure of Transactions with Related Parties

As part of its normal business operations, the Group's companies have numerous financial and commercial relationships with the legal entities previously defined as "related".
In the banking area, such relationships include current accounts, the custody and administration of securities, stock brokerage and commercial portfolio collection.
As regards the distribution and sale of financial services, a number of agreements were established regarding the placement by the financial advisors of asset-management and insurance products and banking products and services.
Finally, as part of its normal operations, the Group also has relationships pertaining to outsourcing, IT and administration, insurance, leasing as well as other minor relationships with Generali Group companies.

No transactions other than those completed as part of normal banking relationships with private and corporate customers were carried out during the first half of 2008.
Specifically, no related-party transactions were carried out that could be defined as atypical or unusual or as having an "impact on the safety of the company's assets or the completeness or accuracy of accounting and other information related to the issuer", which would therefore require disclosure to the market pursuant to Article 71-*bis* of CONSOB Regulation No. 11971/99 (and subsequent amendments), except the following ones.

On 6 May 2008, Banca Generali's Board of Directors approved the acquisition of Banca del Gottardo Italia by subsidiary Banca BSI Italia for a price of 62 million euros.
Banca BSI Sa will be the merging company in the transaction, which will therefore qualify as a business combination of entities under common control within the Generali Group.
To fund the acquisition, the Board approved the issue of a subordinated loan by Banca BSI Italia in the amount of 40 million euros, which will be subscribed in full by German subsidiary Generali Versicherung AG.
Information on the above transactions was disclosed to the market in accordance with law.

With reference to these transactions, the main balance sheet and profit and loss account aggregates that are separately identifiable are summarised below.

11.1 Balance Sheet Data

(€ thousand)	Parent Company Assicurazioni Generali	Other associate companies Generali Group	Other related parties	30/06/2008	31/12/2007	Changes Amount	Changes %
Financial assets held for trading	50	-	-	50	116	- 66	-56.9%
Financial assets available for sale	1,068	-	-	1,068	1,371	- 303	-22.1%
Loans to customers	28,039	11,601	587	40,227	53,065	- 12,838	-24.2%
Loans to banks		42,281	-	42,281	42,066	215	0.5%
Other assets	894	242		1,136	690	446	64.6%
Total assets	30,051	54,124	587	84,762	97,308	- 12,546	-12.9%
Due to customers	603,641	362,245	4,689	970,575	1,342,578	- 372,003	-27.7%
Due to banks	-	5,165	-	5,165	5,226	- 61	-1.2%
Financial liabilities held for trading		39		39	131	- 92	-70.2%
Other liabilities	407	3,238		3,645	3,665	- 20	-0.5%
Total liabilities	604,048	370,687	4,689	979,424	1,351,600	- 372,176	-27.5%
Guarantees issued		1,365	-	1,365	3,274	- 1,909	-58.3%

Amounts due to customers attributable to related-party transactions involving current accounts, term deposits and repurchase agreements totalled 970.6 million euros. Of this amount, 603.6 million was due to the Group's Parent Company (down 372 million euros from the year-end 2007 balance).
Amounts due to banks were 5.2 million euros, including 4.6 million euros for the subordinate loan issued by BSI SA and the remaining amounts in term deposits due to BSI SA.

Loans to customers amounted to 40.2 million euros, attributable to a GESAV capitalisation policy for 27.8 million euros, as well as commercial loans to Generali Group's associate product companies.

At 42.3 million euros, amounts due to banks included 40.0 million in term deposits made by Austrian associate Generali Bank AG. The remainder is due to Banca BSI Sa.

Parent Company's Shares

Banca Generali owns 44,188 shares of the Parent Company, Assicurazioni Generali, amounting to 1.1 million euros in relation to a stock option plan available to the Chief Executive Officer.
Banca BSI Italia owns 2,059 shares of its indirect Parent Company, amounting to 50 thousand euros in relation to its role as bank mandated with the execution of transactions affecting the share capital of Assicurazioni Generali S.p.A.

11.2 Profit and Loss Account Data

(€ thousand)	Parent Company Assicurazioni Generali	Other associate companies Generali Group	30/06/2008	30/06/2007	Changes	
					Amount	%
Interest income	822	86	908	655	253	38.6%
Interest expense	-11,215	-9,894	-21,109	-11,100	-10,009	90.2%
Net interest income	-10,393	-9,808	-20,201	-10,445	-9,756	93.4%
Commission income	127	32,653	32,780	44,157	-11,377	-25.8%
Commission expense	-	-724	-724	-3,035	2,311	-76.1%
Net commissions	127	31,929	32,056	41,122	-9,066	-22.0%
Dividends	40	-	40	30	10	33.3%
Gain (loss) on trading	-	-39	-39	-	-39	0.0%
Operating income	-10,226	22,082	11,856	30,707	-18,851	-61.4%
General and administrative expense	-1,602	-6,570	-8,172	-7,820	-352	4.5%
Personnel expenses (secondment)	-109	817	708	250	458	183.2%
Other net operating profit	200	217	417	441	-24	-5.4%
Net operating expense	-1,511	-5,536	-7,047	-7,129	82	-1.2%
Operating income	-11,737	16,546	4,809	23,578	-18,769	-79.6%

Significant items in the statement of operations included interest paid to the Generali Group companies (21.1 million euros) and, to a greater extent, commission income (32.8 million euros), which was mainly attributable to the placement of funds and policies.
This item also refers to commissions on trading on behalf of third parties and order collection.
The expenses incurred by the Bank and payable to related parties included mainly structural costs (8.2 million euros), specifically, rent, outsourcing services and insurance premiums.

Trieste - 30 July 2008

THE BOARD OF DIRECTORS

Condensed Consolidated Financial Statements

Consolidated Accounting Statements

Consolidated Balance Sheet

Assets (€ thousand)	**30/06/2008**	**31/12/2007**
Financial assets held for trading	1,666,987	2,668,735
Financial assets available for sale	889,509	107,687
Loans to banks	910,974	913,893
Loans to customers	357,021	345,656
Equity investments	7	34
Property, equipment and intangible assets	19,881	21,681
Tax receivables	48,573	35,949
Other assets	137,181	117,683
Total assets	**4,030,133**	**4,211,318**

Liabilities and net equity (€ thousand)	**30/06/2008**	**31/12/2007**
Due to banks	288,391	14,289
Due to customers	3,346,558	3,765,585
Financial liabilities held for trading	206	7,686
Tax payables	5,688	5,555
Other liabilities	148,603	157,919
Special purpose provisions	53,831	52,317
Valuation reserves	- 5,743	945
Reserves	61,971	65,729
Additional paid-in capital	22,804	22,804
Share capital	111,313	111,313
Treasury shares (-)	- 9,036	- 8,112
Net profit (loss) for the year (+/-)	5,547	15,288
Total liabilities and net equity	**4,030,133**	**4,211,318**

Consolidated Profit & Loss Account

(€ thousand)		30/06/2008		30/06/2007
Net interest		**27,495**		**20,185**
Net commissions		**69,722**		**78,276**
Dividends		27,712		2,620
Net result from banking operations	-	38,495		3,488
Net operating revenues		**86,434**		**104,569**
Staff expenses	-	27,525	-	28,029
Other general and administrative expense	-	36,302	-	35,072
Net adjustments of property, equipment and intangible assets	-	2,613	-	3,273
Other operating expense/profit		3,471		3,806
Net operating expense	**-**	**62,969**	**-**	**62,568**
Operating income		**23,465**		**42,001**
Net adjustments for non-performing loans		143		195
Net adjustments of other assets		-		-
Net provisions	-	16,299	-	24,160
Gain (loss) from the disposal of equity investments	-	27		-
Operating profit before taxation		**7,282**		**18,036**
Income taxes for the period on continuing operations	-	1,735	-	7,894
Income (loss) from non-current discontinued operations, net of tax		-		-
Profit (loss) for the period attributable to Minority interests		-		-
Net profit		**5,547**		**10,142**

Statement of Changes in Consolidated Net Equity

(€ thousand)	Share capital		itional paid-in ca	Reserves		Valuation reserves			Equity	Treasury	Net profit	Net equity
	a) ord. shares	b) other	capital	a) income	b) other	) available for sa	b) coverage of	c) other	instruments	shares	(loss)	
	ordinary					for sale	cash flows				for the period	
Net equity at 31/12/2007	**111,313**	**-**	**22,804**	**64,876**	**853**	**906**	**-**	**39**	**-**	**- 8,112**	**15,288**	**207,967**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-
Amounts at 01/01/2008	111,313	-	22,804	64,876	853	906	-	39	-	- 8,112	15,288	207,967
Allocation of prior year result	-	-		965	-	-	-		-	-	- 15,288	- 14,323
- Reserves	-	-	-	965	-	-	-	-	-	-	- 965	-
- Dividends and other destinations	-	-	-	-	-	-	-	-	-	-	- 14,323	- 14,323
Change in reserves	-	-	-	-	-	- 6,688	-	-	-	-	-	- 6,688
Transactions on net equity	-	-	-	- 4,723	-			-	-	- 924	-	- 5,647
- Issue of new shares	-	-	-	- 38	-	-			-	38	-	-
- Purchase of treasury shares	-	-	-	-	-	-			-	- 962	-	- 962
- Extraordinary dividend pay-out	-	-	-	- 5,535	-	-	-		-	-	-	- 5,535
- Change in equity instruments	-	-	-	-	-	-			-	-	-	-
- Derivatives on treasury shares	-	-	-	-	-	-			-	-		-
- Stock options	-	-	-	850	-				-			850
Net profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	5,547	5,547
Net equity at 30/06/2008	**111,313**	**-**	**22,804**	**61,118**	**853**	**- 5,782**	**-**	**39**	**-**	**- 9,036**	**5,547**	**186,856**
	-		-	-		-		-		-	-	-

(€ thousand)	Share capital		itional paid-in ca	Reserves		Valuation reserves			Equity	Treasury	Net profit	Net equity
	a) ord. shares	b) other	capital	a) income	b) other	) available for sa	b) coverage of	c) other	instruments	shares	(loss)	
	ordinary					for sale	cash flows				for the period	
Net equity at 31/12/2006	**111,313**	**-**	**22,804**	**61,886**	**-**	**1,026**	**-**	**39**	**-**	**- 5,851**	**14,023**	**205,240**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-
Amounts at 01/01/2007	111,313	-	22,804	61,886	-	1,026	-	39	-	- 5,851	14,023	205,240
Allocation of prior year result	-	-		3,028	-	-	-		-	-	- 14,023	- 10,995
- Reserves	-	-	-	14,023	-	-	-	-	-	-	- 14,023	-
- Dividends and other destinations	-	-	-	- 10,995	-	-	-	-	-	-	-	- 10,995
Change in reserves	-	-	-	- 217	-	23	-	-	-	-	-	- 194
Transactions on net equity	-	-	-	1,142	-			-	-	- 3,661	-	- 2,519
- Issue of new shares	-	-	-	- 192	-	-			-	192	-	-
- Purchase of treasury shares	-	-	-	-	-	-			-	- 3,853	-	- 3,853
- Extraordinary dividend pay-out	-	-	-	-	-	-	-		-	-	-	-
- Change in equity instruments	-	-	-	-	-	-			-	-	-	-
- Derivatives on treasury shares	-	-	-	-	-	-			-	-		-
- Stock options	-	-	-	1,334	-				-			1,334
Net profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	10,142	10,142
Net equity at 30/06/2007	**111,313**	**-**	**22,804**	**65,839**	**-**	**1,049**	**-**	**39**	**-**	**- 9,512**	**10,142**	**201,674**

Consolidated Cash Flow Statement

(€ thousand)	30/06/2008	30/06/2007
Cash flows generated by operations:	**54,069**	**8,098**
Cash flows generated by (+) used for (-) trading and AFS financial assets and liabilities	178,532	-314,259
Cash flows generated by (+) used for (-) loans to banks	-2,191	609,950
Cash flows generated by (+) used for (-) loans to customers	-18,626	25,468
Cash flows generated by (+) used for (-) amounts due to banks	273,854	64,812
Cash flows generated by (+) used for (-) amounts due to customers	-452,229	-336,289
Cash flows generated by (+) used for (-) other operating assets and liabilities	-12,225	-41,670
Liquidity generated by/used for operating activities	**21,184**	**16,110**
Liquidity generated by/used for investment activities	**-813**	**-2,586**
Liquidity generated by/used for financing activities	**-20,820**	**-14,848**
Net cash liquidity generated/used	**-449**	**-1,324**
Cash and deposits	**7,360**	**8,537**

Legend:

(+) liquidity generated (blue)

(-) liquidity used (red)

Notes and Comments

Part A – Accounting Policies

A.1 – General

Italian Legislative Decree No. 195 of 6 November 2007 incorporated Directive 2004/109/EC, which addresses the harmonisation of disclosure requirements regarding financial information by listed companies in the EU (called the Transparency Directive), into Italy's national legislation.

The decree added a new article (154 ter - Financial Relations) to Italian Legislative Decree 58/98 (Italy's Finance Law, or TUF) that changes the procedures and time limits for the presentation of interim accounting documents by listed companies.
In particular, paragraphs 2, 3 and 4 of the article require that, within 60 days from the end of the first half of the financial year, listed companies having Italy as their member state of origin publish a half-year financial report including:

1. **condensed half-year financial statements** prepared in a consolidated format if the listed company is required to prepare consolidated financial statements and in compliance with the applicable international accounting standards recognised in the European Community pursuant to regulation (EC) No. 1606/2002;
2. **an interim report on operations**, including a description of important events occurring during the half-year period and their impact on the condensed half-year financial statements, the main risks and uncertainties for the remaining six months of the year and information on related parties;
3. **a certification by the Manager responsible** for preparing the accounting documents as per paragraph 5 of Article 154-bis;
4. **a report by the independent auditing firm** on the condensed half-year report, to be published, if prepared, within the same 60-day time limit.

The new legislation supersedes Article 81 of CONSOB's Rules on Issuers and becomes effective as of the 2008 consolidated half-year financial report, which must be published by the mandatory deadline of 29 August 2008.

CONSOB had previously amended its rules on interim reporting (with Resolution No. 14990 of 14 April 2005) to require that half-year reports conform to the requirements of IAS 34 Interim Financial Reporting. That resolution also imposed the obligation of preparing consolidated financial statements, but established a broader time limit of four months.

As a result of the more restrictive time limit, entities are no longer required to prepare second- and fourth-quarter reports, which had to be published within 45 days unless the entity opted for early publication of the half-year and annual reports within 90 days of the end of the reporting period.

This consolidated half-year financial report is therefore being provided in place of the second-quarter report and in accordance with the shortest time limit allowable under the new legislation with respect to the previous consolidated half-year report.
It should be noted that the consolidated half-year report for 2007 was approved in September of that same year, while the second-quarter report was approved in July.

Lastly, under Article 154-ter of the TUF, it is no longer required that the Parent Company's accounting schedules and related explanatory notes be provided as attachments to the consolidated report.

A.1.1 - Declaration of compliance with International Accounting Standards

This consolidated half-year financial report has been drawn up in compliance with Italian Legislative Decree 38 of 28 February 2005, based on the International Accounting Standards issued by the International Accounting

Standards Board (IASB) and interpretation of the International Financial Reporting Interpretations Committee (IFRIC), and endorsed by the European Commission with Regulation No. 1606 of 19 July 2002.

In preparing the consolidated interim report, Banca Generali adopted the IAS/IFRS in force at the reference date of the report (including SIC and IFRIC interpretations), as endorsed by the European Union.

This consolidated half-yearly report was therefore prepared in compliance with IAS 34, using the condensed format instead of the full format used for the annual report.

A.1.2 Preparation criteria

This consolidated half-year report includes:

1. **a condensed balance sheet** as of the end of the interim period under review (30 June 2008) and a comparative balance sheet as of the end of the preceding financial year (31 December 2007);
2. **a condensed profit and loss account** for the interim reporting period (first half 2008), with a comparative profit and loss account for the same interim period of the preceding financial year (first half 2007);
3. **a condensed statement of changes in equity** for the period extending from the beginning of the financial year to the end of the half-year period under review, with a comparative statement for the same period of the preceding year;
4. **a condensed cash flow statement** for the period extending from the beginning of the financial year to the end of the half-year period under review, with a comparative statement for the same period of the preceding year;
5. **explanatory notes** containing references to the accounting standards used and other notes explaining transactions carried out during the period.

In particular, IAS 34 states that, in the interest of time, the interim financial statements can contain a condensed version of the information provided in the annual report ("condensed financial statements") that provides an update to the last complete annual report.

The consolidated balance sheet provides a summary of the key asset and liability items and a comparison with the corresponding figures at 31 December 2007.
The consolidated profit and loss account is presented in a condensed, reclassified format and states the intermediate profit margins that make up net profit and is compared to figures for the first half of 2007.
The statement of changes in net equity and the cash flow statement refer to the period from the beginning of the year to 30 June 2008.

The amounts included in the financial statements and notes are expressed in thousands of euros, unless otherwise indicated.

A.1.3 Scope of consolidation and consolidation methods

The companies consolidated by the Group in accordance with IAS 27 include the Parent Company, Banca Generali S.p.A. and the following subsidiaries:

Company Name	Registered office	Type of control	Shareholding relationship		% of votes
			Investor	% of ownership interest	Abs. Ord.
A. Companies in consolidated accounts					
A.1 recognised using the line-by-line method					
- Simgenia S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- BG Fiduciaria SIM S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- BG SGR S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- Banca BSI Italia S.p.A.	Milan	1	Banca Generali	100.00%	100.00%
- BG Investment Luxembourg S.A.	Luxemb.	1	Banca Generali	100.00%	100.00%
- S. Alessandro Fiduciaria S.p.A.	Milan	1	Banca Generali	100.00%	100.00%

Legend: type of control:
(1) control pursuant to Section 2359, paragraph 1, No. 1 of the Italian Civil Code (majority voting rights at general shareholders' meeting)

The scope of consolidation did not change from the situation presented in the 2007 consolidated financial statements.
However, since the end of March 2008, the subsidiary BG Investment Luxembourg, the Luxembourg-law collective investment management company formed in November 2007 to manage foreign-law SICAVs promoted by the banking group, became fully operational.
Due to its incorporation date, this company was not included in the consolidated profit and loss account at 30 June 2007.

The consolidated accounts include the separate accounts of the Parent Company and the subsidiaries at 30 June 2008, reclassified and adjusted where necessary to take account of consolidation requirements. The most important intra-Group transactions, influencing both the balance sheet and profit and loss account, were eliminated. Non-reconciled amounts were recognised respectively in other assets/liabilities and other income/expenses.

A.1.4 Events occurred after the reporting date

No events occurred after 30 June 2008 that would make it necessary to adjust the results presented in the consolidated half-year report at that date.

A.1.5 Other information

Measurement

The preparation of the half-year report requires the use of estimates and assumptions that could influence the amounts reported in the balance sheet and profit and loss account and the disclosure of contingent assets and liabilities therein.
The estimates and assumptions used are based on the information available on operations and subjective judgements, which may be based on historical trends.
Given their nature, the estimates and assumptions used may vary from year to year, meaning that reported amounts may differ materially due to changes in the subjective judgements used.
The main areas for which management is required to use subjective judgements include:

1 the quantification of personnel-related provisions and provisions for liabilities and contingencies;
2 the quantification of the financial advisor network's remuneration (pay out) for June 2008;
3 the determination of the fair value of financial instruments and derivatives used for reporting purposes;
4 the determination of value adjustments of non-performing loans and the provision for performing loans;
5 the evaluation of the appropriateness of the amount of goodwill;
6 estimates and assumptions used to determine current and deferred taxation.

Non-recurring Significant Events and Transactions

During the half year, there were no non-recurring transactions or events outside the scope of ordinary operations that had a significant impact on the aggregate items of the balance sheet and profit and loss account (CONSOB Communication No. DEM/6064293 of 28 July 2006), with the exception of the transaction described below.

On 6 May 2008, Banca Generali's Board of Directors approved the acquisition of Banca del Gottardo Italia by subsidiary Banca BSI Italia for a price of 62 million euros.
As a result of the transaction, which is currently awaiting the necessary authorisations from the appropriate Supervisory Authorities, the Group's assets under management will increase by approximately 1.9 billion euros.
To fund the acquisition, the Board approved the issue of a subordinated loan by Banca BSI Italia in the amount of 40 million euros, which will be subscribed in full by German subsidiary Generali Versicherung AG.

Review

Reconta Ernst & Young carried out a limited review of the consolidated half-year financial statements.

A.2 Accounting Standards

The accounting standards and measurement criteria used are the same as those used to prepare the consolidated financial statements at 31 December 2007. The financial statements presented herein must therefore be read in conjunction with those documents.

Part B Changes in the Balance Sheet and Net Equity

At 30 June 2008, total consolidated assets amounted to 4.0 billion euros, slightly down compared to year-end 2007 (-4.3%).

Similar decreases were also recorded for direct inflows and inflows from credit institutions (-4.0%) and core loans (-5.2%).

Assets (€ thousand)	**30/06/2008**	**31/12/2007**	**Changes** Amount	%
Core loans	3,824,491	4,035,971	- 211,480	-5.2%
Other assets	205,642	175,347	30,295	17.3%
Total assets	**4,030,133**	**4,211,318**	**- 181,185**	**-4.3%**

Liabilities and net equity (€ thousand)	**30,06,2008**	**31,12,2007**	**Changes** Amount	%
Financial liabilities	3,635,155	3,787,560	- 152,405	-4.0%
Other liabilities and special purpose provisions	208,122	215,791	- 7,669	-3.6%
Valuation reserves	- 5,743	945	- 6,688	-707.7%
Capital and other equity reserves	192,599	207,022	- 14,423	-7.0%
Total liabilities and net equity	**4,030,133**	**4,211,318**	**- 181,185**	**-4.3%**

B.1 Core Loans

Core loans totalled 3.8 billion euros, a 211.5 million decrease from 31 December 2007, mainly due to divestments from the trading portfolio (-1,002 million), only partially offset by the 782 million increase in the assets available for sale in the bond portfolio.
Loans to customers increased compared to the end of 2007 due to the combined effect of higher interest-bearing margins payable to stock markets and a decrease in operating loans to product companies.

(€ thousand)	**30/06/2008**	**31/12/2007**	**Changes** Amount	%
Trading	1,666,987	2,668,735	- 1,001,748	-37.5%
Assets available for sale	889,509	107,687	781,822	726.0%
Loans to banks	910,974	913,893	- 2,919	-0.3%
Loans to customers	357,021	345,656	11,365	3.3%
Total interest-bearing financial assets and loans	**3,824,491**	**4,035,971**	**- 211,480**	**-5.2%**

B.1.1 Trading portfolio

Strong turbulence on international financial markets caused a contraction in financial assets held for trading during the period, with volumes falling to 1.7 billion from 2.7 billion at the end of 2007 (-37.5%).

The Group's portfolio of financial assets held for trading consists mainly of debt securities (99.25%), including 568 million euros in government securities (34.1%) and 639 million euros in securities issued by banks (38.37%).
A significant portion of the trading portfolio is invested in repurchase agreements (approximately 596 million euros).

<u>Breakdown of trading portfolio</u>

(€ thousand)	**30/06/2008**	**31/12/2007**	**Changes**

			Amount	%
Government securities	567,721	1,485,198	-917,477	-61.8%
Debt securities issued by banks	639,490	690,158	-50,668	-7.3%
Bonds of other issuers	447,147	453,318	-6,171	-1.4%
Equity securities – shares	11,062	35,849	-24,787	-69.1%
Equity securities – UCITS	1,423	3,080	-1,657	-53.8%
Total cash assets held for trading	**1,666,843**	**2,667,603**	**-1,000,760**	**-37.5%**
Trading derivatives – positive fair value	144	1,132	-988	-87.3%
Total trading portfolio	**1,666,987**	**2,668,735**	**-1,001,748**	**-37.5%**
Trading derivatives – negative fair value	-206	-7,686	7,480	-97.3%
Total assets/liabilities held for trading	**1,666,781**	**2,661,049**	**-994,268**	**-37.4%**

At the end of the period under review, derivatives, which accounted for only a small portion of the trading portfolio, included currency derivatives (currency options, outrights) traded on behalf of customers and an interest rate swap indexed to insurance products for the purpose of replicating the outperformance of insurance transactions over market rates. Most of these interest rate swaps outstanding at 31 December 2007 have reached maturity.

Total return swaps on equity securities with a notional value of approximately 638.6 million euros were entered into during the period; this caused changes in the equities portfolio as well due to purchases and sales of the underlying securities. Details on the effects of these transactions are provided in section C.4.
Furthermore, the only equity swap outstanding at 31 December 2007 was also terminated prior to maturity, resulting in the sale of the related equity investment held in the trading portfolio.

B.1.2 Financial assets available for sale

Financial assets available for sale amounted to 889.5 million euros at 30 June 2008 and consisted of equities (14.0 million euros) and debt securities (875.5 million euros).

(€ thousand)	30/06/2008	31/12/2007	Changes	
			Amount	%
Government securities	523,922	-	523,922	0.0%
Debt securities issued by banks	279,113	26,334	252,779	959.9%
Bonds of other issuers	72,493	68,042	4,451	6.5%
Equity securities	13,981	13,311	670	5.0%
OICR units	-	-	-	0.0%
Total assets available for sale	**889,509**	**107,687**	**781,822**	**726.0%**

The portfolio of available-for-sale financial assets increased by 781.8 million euros compared to 2007 due to growth of the bond component.
This portfolio is intended to contain debt securities to be included in the treasury portfolio and purchased with reference to their income-generating prospects through interest rather than trading requirements. The inclusion in the portfolio of financial assets available for sale therefore permits the elimination of the turbulence affecting financial markets at this juncture from the income contribution of the selected financial instruments.
Fair value decreases of 9.3 million euros (gross) were recognised in the first six months of 2008 (1.5 million euros attributable to equity securities and 7.7 million euros attributable to debt securities).

B.1.3 Risk relating to structured financial products

The report of the Financial Stability Forum (FSF) last April on the stability of the markets and financial intermediaries stressed that "The recent market turmoil has heightened the desirability for financial firms to publicly disclose their exposures to certain instruments that the marketplace now considers to be high-risk or involve more risk than previously thought, including collateralised debt obligations (CDOs), residential mortgage-backed

securities (RMBSs), commercial mortgage-backed securities (CMBSs), other special purpose entities (SPEs) and leveraged finance".
Accordingly, in a recent notice regarding disclosures, the Bank of Italy requested that all financial institutions guarantee the highest possible level of transparency with regard to trading the aforementioned structured products (either directly or through non-consolidated SPEs).

Banca Generali's structured financial instruments are limited to the following:

1. asset-backed securities (ABS) classified as both trading and available-for-sale amounting to 239.4 million euros; value adjustments through profit and loss or the revaluation reserve during the period amounted to 7.0 million euros,
2. one investment in a speculative hedge fund classified as trading amounting to 1.5 million euros; write-downs during the period totalled 0.1 million euros, and
3. one investment in certificates indexed to EUROSTOXX classified as trading amounting to 4 million euros; write-downs during the period totalled 0.2 million euros.

The bank does not have direct or indirect exposures to CDOs, SPEs, subprime loans or similar instruments.

Securitisations

The securitisations portfolio contains only asset-backed securities (ABS) issued by European entities with underlying securities attributable exclusively to European originators.
The majority of the portfolio is made up of financial instruments that have at least an investment-grade rating. Specifically, 63% of the securities have an AAA rating, 8% have an AA rating and 18% have an A rating.

Approximately 125 million euros in residential and commercial mortgage-backed securities (RMBSs/CMBSs) are included in the portfolio; net value adjustments on such securities amounted to 3.9 million euros.

	Cash exposure					
	Senior		Mezzanine		Junior	
	Book value	Adjust. reversals	Book value	Adjust. reversals	Book value	Adjust. reversals
A. Cash exposure	202,467	- 4,479	28,396	- 2,385	8,519	- 143
B. Guarantees issued	-	-	-	-	-	-
C. Lines of credit	-	-	-	-	-	-

	Type of financial-asset portfolio						
	Financial assets held for trading	Financial assets available for sale	Financial assets at fair value	Financial assets held to maturity	Receivables	30/06/2008	31/12/2007
Cash exposure	225,792	13,590	-	-	-	239,382	235,697
- senior	196,130	6,337	-	-	-	202,467	187,616
- mezzanine	22,358	6,038	-	-	-	28,396	45,570
- junior	7,304	1,215	-	-	-	8,519	2,511
Off-balance sheet exposure	-	-	-	-	-	-	-
- senior	-	-	-	-	-	-	-
- mezzanine	-	-	-	-	-	-	-
- junior	-	-	-	-	-	-	-

B.1.4 Interbank position

Banca Generali's net interbank position decreased by 277 million euros during the period (-27.4%). This was mainly due to an increase in amounts due to banks (274 million euros), as loans to banks remained largely stable (- 3 million euros).

(€ thousand)	30/06/2008	31/12/2007	Changes	
			Amount	%
Loans to banks	910,974	913,893	- 2,919	-0.3%
Due to banks	-288,391	-14,289	- 274,102	1918.3%
Net interbank position	**622,583**	**899,604**	**-277,021**	**-27.40%**

The increase in amounts due to banks is attributable to financing received in the form of repurchase agreements executed in the second quarter of 2008 to take advantage of arbitrage opportunities on interbank market rates.

(€ thousand)	30/06/2008	31/12/2007	Changes	
			Amount	%
Repayable on demand	**419,242**	**358,706**	**60,536**	**16.9%**
. Demand deposits	370,000	260,000	110,000	42.3%
. Transfer accounts	49,242	98,706	- 49,464	-50.1%
Time deposits	**491,732**	**555,187**	**- 63,455**	**-11.4%**
. Deposits with central banks	1,029	15,045	- 14,016	-93.2%
. Term deposits	486,991	527,445	- 40,454	-7.7%
. Repurchase agreements	-	-	-	0.0%
. Other operating receivables	3,712	12,697	- 8,985	-70.8%
Total due to banks	**910,974**	**913,893**	**- 2,919**	**-0.3%**
. Transfer accounts	3,224	1,512	1,712	113.2%
. Term current accounts	521	7,651	- 7,130	-93.2%
. Repurchase agreements	279,707	-	279,707	0.0%
. Subordinated loan	4,650	4,650	-	0.0%
. Other operating debts	289	476	- 187	-39.3%
Total due to banks	**288,391**	**14,289**	**274,102**	**1918.3%**
Net interbank position	**622,583**	**899,604**	**- 277,021**	**-30.8%**

B.1.5 Loans to customers

At 357 million euros, loans to customers increased slightly (3.3%) by 11.4 million euros compared to the year-end 2007 figure.

(€ thousand)	30/06/2008	31/12/2007	Changes	
			Amount	%
Financing	**238,678**	**238,422**	**256**	**0.1%**
Current accounts	152,428	137,830	14,598	10.6%
Mortgage loans	41,100	43,706	- 2,606	-6.0%
Pooled financing	26,430	38,826	- 12,396	-31.9%
Other short-term financing	18,105	17,501	604	3.5%
Personal loans	615	559	56	10.0%
Non-performing loans	651	**606**	**45**	**7.4%**
Life insurance participating policy	27,772	**27,104**	**668**	**2.5%**
Other	**89,920**	**79,524**	**10,396**	**13.1%**
Operating loans	43,645	55,472	- 11,827	-21.3%
Interest-bearing daily margin, Borsa Italiana	45,230	22,995	22,235	96.7%
Interest-bearing caution deposits	1,045	1,057	- 12	-1.1%
Total	**357,021**	**345,656**	**11,365**	**3.3%**

The increase was mainly attributable to “other operations”, which mainly refer to operating loans to product companies and interest-bearing daily margins paid to Borsa Italiana in relation to transactions concerning securities and derivatives executed on its own account or on behalf of customers.
Specifically the bank’s exposure to the “Cassa di compensazione e garanzia” (compensation and guarantee fund) in relation to the daily margins paid to Borsa Italiana increased by 22.2 million euros (also in relation to the new

Target 2 requirements). Amounts due from product companies, on the other hand, decreased by 11.8 million euros during the period.

In terms of financing, a decrease in the bank's exposure and the repayment of a number of pooled loans were entirely offset by an increase in credit lines granted on current accounts.

Net exposure to doubtful loans amounted to 0.7 million euros, corresponding to only 0.2% of loans to customers. The total includes 0.4 million euros in the category of expired loans or outstanding over 180 days.
Net bad loans and substandard loans amounted to 0.3 million euros, net of write-downs for a total of 1.0 million euros; the ratio to total net exposure is negligible.
Bad loans mainly originated from current account overdrafts in connection with credit card use.

(€ thousand)	30/06/2008	31/12/2007	Changes	
			Amount	%
Bad loans	212	229	- 17	-7.4%
Substandard loans	41	49	- 8	-16.9%
Expired loans/outstanding over 180 days	398	328	70	21.3%
Total non-performing loans	651	606	45	7.4%
Performing loans	356,370	345,050	11,320	3.3%
Loans to customers	**357,021**	**345,656**	**11,365**	**3.3%**

B.2 Liabilities and Net Equity

B.2.1 Direct inflows

Direct inflows from customers amounted to 3.3 billion euros, down 419.0 million euros from 31 December 2007, mainly due to a reduction in deposits of the Parent Company, Assicurazioni Generali, and the companies in its group.
Conversely, inflows from other customers were largely stable.

(€ million)	30/06/2008	31/12/2007	Changes	
			Amount	%
Transfer accounts	2,566,155	2,838,970	- 272,815	-9.6%
Repurchase agreements	693,217	821,487	- 128,270	-15.6%
AUM current accounts	35,496	28,568	6,928	24.3%
Term deposits	12,440	72,959	- 60,519	-82.9%
Other debts	39,250	3,601	35,649	990.0%
Total direct inflows	**3,346,558**	**3,765,585**	**- 419,027**	**-11.1%**

The significant increase in other debts was due to the stock of self-drawn cheques issued by the Parent Company, Banca Generali, for INA's claim settling.

B.2.2 Special purpose provisions

At the end of the first half of the year, provisions for liabilities and contingencies amounted to 53.8 million euros, up slightly from the year-end 2007 figure. They consisted of 5.4 million euros in amounts due to employees for termination indemnities and 48.4 million euros in relation to other contingencies.

(€ thousand)	30/06/2008	31/12/2007	Changes	
			Amount	%
Provision for termination indemnity	5,403	5,707	-304	-5.3%
Other provisions for pensions and similar obligations	4	0	4	0.0%
Other provisions for liabilities and contingencies	48,424	46,610	1,814	3.9%
- provisions for staff expenses	*3,706*	*7,083*	*-3,377*	*-47.7%*
- provision for legal disputes	*3,394*	*3,922*	*-528*	*-13.5%*
- other provisions for liabilities and contingencies	*41,324*	*35,605*	*5,719*	*16.1%*
Total provisions	**53,831**	**52,317**	**1,514**	**2.9%**

These provisions increased slightly compared to 1.8 million euros for the previous year (+3.9%), mainly due to increases in provisions for incentives and indemnities for the FA network (+5.7 million euros), and, to a lesser extent, litigation charges (-0.5 million euros), and a reduction in incentives for employees (-3.3 million euros).

B.2.3 Net equity and treasury shares

Group net equity amounted to 186.8 million euros at 30 June 2008, down 21.1 million euros from 2007 as a result of a decrease in the interim net profit figure, the payment of dividends for 2007 by the Parent Company, Banca Generali, treasury share repurchases and changes in the valuation reserves.

At Banca Generali's General Meeting of 22 April 2008, which was held to approve the 2007 annual report, a dividend payment of 19.9 million euros was decided upon. The amount exceeded the consolidated net profit figure for 2007 by 4.6 million euros.

(€ thousand)	30/06/2008	31/12/2007	Changes	
			Amount	%
1. Share capital	111,313	111,313	-	0.0%
2. Additional paid-in capital	22,804	22,804	-	0.0%
3. Reserves	61,971	65,729	- 3,758	-5.7%
4. (Treasury shares)	- 9,036	- 8,112	- 924	11.4%
5. Valuation reserves	- 5,743	945	- 6,688	-707.7%
6. Equity instruments	-	-	-	0.0%
7. Net profit (loss) for the period	5,547	15,288	- 9,741	-63.7%
Total net equity	**186,856**	**207,967**	**- 21,111**	**-10.2%**

Treasury shares

During the first half of 2008, the Parent Company allocated 11,535 treasury shares amounting to a total book value of 38 thousand euros to the financial advisors who were eligible for the former Prime Consult stock granting plan. The plan requires that the shares be allocated in three tranches; accordingly:
(i) 1/3 of the shares were allocated on 15 December 2006;
(ii) 1/3 of the shares were allocated on 15 December 2007 and;
(iii) 1/3 of the shares will be allocated by the end of 2008.
Since the maximum number of shares remaining to be allocated is 436,500, the General Meeting of 22 April 2008 authorised (pursuant to Articles 2357 and 2357-ter of the Italian Civil Code) the purchase of the 197,532 shares needed to make up that number and comply with the stock granting plan.
Pursuant to such authorisation, 186,032 treasury shares were repurchased during the period for 962 thousand euros.

At 30 June 2008, the banking group had a total of 1,170,406 shares in the Parent Company, amounting to 9.1 million euros, of which 424,526 to service stock granting plans for the former Prime Consult financial advisors and 745,880 to service stock granting/stock option plans for the group's top management.
As regards the latter, 78,000 shares were purchased by subsidiary BSI Italia S.p.A. in 2007 for 0.8 million euros.

Items/Type	30/06/2008
A. Existing shares at period-start	111,313,176
- fully paid up	111,313,176
- not fully paid	-
A.1 Treasury shares (-)	- 995,909
B.2 Outstanding shares at period-start	110,317,267
B. Increases	11,535
B.1 New issues	
- against payment:	-
- business combinations	-
- bonds converted	-
- warrants exercised	-
- Other	-
- free:	-
- to employees	-
- to directors	-
- other	-
B.2 Sales of treasury shares	11,535
B.3 Other changes	-
C. Reductions	- 186,032
C.1 Cancellation	-

C.2 Purchase of treasury shares	- 186,032
C.3 Business transferred	-
C.4 Other changes	-
D. Outstanding shares: closing balance	**110,142,770**
D.1 Treasury shares (+)	1,170,406
D.2 Existing shares at the end of the year	111,313,176
- fully paid up	111,313,176
- not fully paid	-

Valuation reserves

The valuation reserves include 5.8 million euros from negative reserves resulting from the valuation at fair value of available-for-sale financial assets (0.4 million euros in relation to equity securities and 5.4 million in relation to debt securities).
These reserves also include 39 thousand euros attributable to a residual reserve established under former monetary revaluation laws.
The increase in negative reserves at the end of the period was mainly due to an increase in the net negative reserve established for debt securities and the derecognition of the positive reserve for equity securities.

(€ thousand)	30/06/2008		
	Equity securities	Debt securities	Total
1. Amount at period-start	1,013	- 107	906
2. Increases	153	2,427	2,580
2.1 Fair value increases	-	-	-
2.2 Transfer to profit and loss of negative reserves	-	-	-
due to impaiment	-	-	-
due to disposal	-	-	-
2.3 Other changes	153	2,427	2,580
3. Decreases	1,536	7,732	9,268
3.1 Fair value decreases	1,536	7,732	9,268
3.2 Adjustments due to impairment	-	-	-
due to impaiment	-	-	-
3.3 Transfer to profit and loss account of positive reserve: due to disposal	-	-	-
3.4 Other changes		-	-
4. Amount at year-end	**- 370**	**- 5,412**	**- 5,782**

Capital for regulatory purposes

At 30 June 2008, consolidated capital for regulatory purposes was estimated at 172.9 million euros, net of projected total dividends payout equal to the interim consolidated net profit. Therefore it decreased by 5.3 million euros from 31 December 2007.

(€ thousand)	30/06/2008	31/12/2007	Changes	
			Amount	%
Tier 1 capital	168,245	173,044	-4,799	-2.77%
Tier 2 capital	4,606	5,084	-478	-9.40%
Deductions	0	0	0	0.00%
Total capital for regulatory purposes	**172,851**	**178,128**	**-5,277**	-2.96%

Reconciliation Statement Between Parent Company Net Equity and Net Profit and the Consolidated Net Equity and Net Profit

(€ thousand)	30/06/0008		
	Capital and reserves	Net profit	Net equity
Net equity of Banca Generali	**171,547**	**15,475**	**187,022**
Differences between net equity and book value of companies consolidated using the line-by-line method	**- 13,090**	**-**	**- 13,090**
- Goodwill	- 4,550		*- 4,550*
- Income carried forward of subsidiary companies	- *8,657*	-	*- 8,657*
- Stock granting reserve for 175th anniversary	*205*		*205*
- Acquisition of BSI	- *88*	-	*- 88*
Dividends from consolidated companies	**18,994**	**- 18,994**	**-**
Profit of consolidated companies	**-**	**9,126**	**9,126**
Valuation reserves - consolidated companies	**-**	**-**	**-**
Consolidation adjustments	**3,858**	**- 60**	**3,798**
- Goodwill	4,550		*4,550*
- Treasury shares held by subsidiaries	- *773*	-	*- 773*
- Start-up costs BG Investment Luxembourg		*11*	*11*
- Stock option plan Banca BSI Italia	81	- 71	*10*
Consolidated net equity of the Banca Generali Group	**181,309**	**5,547**	**186,856**

Part C - Profit and Loss Account

The tables and notes that follow provide an analysis of the Group's operating results for the first six months of 2008 compared to those for the same period of 2007.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Net interest	**27,495**	**20,185**	**7,310**	**36.2%**
Net commissions	**69,722**	**78,276**	**-8,554**	**-10.9%**
Dividends and income from equity investments	27,712	2,620	25,092	957.7%
Net result from banking operations	-38,495	3,488	-41,983	-1203.6%
Net operating revenues	**86,434**	**104,569**	**-18,135**	**-17.3%**
Staff expenses	-27,525	-28,029	504	-1.8%
Other general and administrative expense	-36,302	-35,072	-1,230	3.5%
Net adjustments of property, equipment and intangible assets	-2,613	-3,273	660	-20.2%
Other operating expense/profit	3,471	3,806	-335	-8.8%
Net operating expense	**-62,969**	**-62,568**	**-401**	**0.6%**
Operating income	**23,465**	**42,001**	**-18,536**	**-44.1%**
Net adjustments for non-performing loans	143	195	-52	-26.7%
Net adjustments of other assets	-	-	-	0.0%
Net provisions	-16,299	-24,160	7,861	-32.5%
Gain (loss) from the disposal of equity investments	-27	-	-27	0.0%
Operating profit before taxation	**7,282**	**18,036**	**-10,754**	**-59.6%**
Income taxes for the period on continuing operations	-1,735	-7,894	6,159	-78.0%
Income (loss) from non-current discontinued operations, net of tax	-	-	-	0.0%
Profit (loss) for the period attributable to minority interests	-	-	-	0.0%
Net profit	**5,547**	**10,142**	**-4,595**	**-45.3%**

The Banca Generali Group consolidated first-half profit and loss account shows a slowdown in growth due to the increasing instability on the international financial markets triggered in July 2007 with the outbreak of the subprime mortgage crisis in the US.

Consolidated operating profit came to 23.5 million euros, a sharp decrease from the same period of last year (-18.5 million euros), due to a significant slowdown in net revenues (-17.3%).

The decrease is due to the loss on financial activities, which — net of related dividends of 24.9 million euros — amounted to 13.6 million euros for the period, entirely attributable to losses on the trading portfolio (19.1 million euros, compared to a gain of 3.5 million euros at the end of the first half of 2007).
The effects of the crisis also impacted aggregate net commissions, down 8.6 million euros or 10.9% on the same period in the previous year.

In light of the above situation, the interim consolidated net profit figure amounted to 5.5 million euros, down compared to 10.1 million euros for the first half of 2007 (-45.3%).

C.1 Net Interest

Net interest amounted to 27.5 million euros, a 7.3 million euro increase (+36.2%), compared to the same period of the previous year.
Contributors to the increase included a sharp rise in the cost of direct inflows (11.6 million euros, +45.3%) and repurchase agreements with customers and banks (+47.2%).

This increase was offset by a corresponding 13.5 million euros (+32.0%) increase in income from financial assets in the trading and available for sale portfolio, amounting to 11.7 million (98.9%), and to a lesser degree in loans to customers.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Financial assets held for trading	40,728	41,978	- 1,250	-3.0%
AFS financial assets	14,699	-	14,699	-
Loans to banks	23,421	11,773	11,648	98.9%
Loans to customers	7,370	7,059	311	4.4%
Other assets	49	44	5	11.4%
Total interest income	**86,267**	**60,854**	**25,413**	**41.8%**
Due to banks	373	670	- 297	-44.3%
Due to customers and securities issued	37,221	25,609	11,612	45.3%
Financial liabilities associated with assets sold but not derecognised	21,177	14,390	6,787	47.2%
Other liabilities	1	-	1	-
Total interest expense	**58,772**	**40,669**	**18,103**	**44.5%**
Net interest	**27,495**	**20,185**	**7,310**	**36.2%**

C.2 Net Commissions

Aggregated commissions stood at 69.7 million euros, a net decrease of 8.6 million euros (-10.9%) compared to the same period of the previous year.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Asset management	59,023	67,236	- 8,213	-12.2%
Placement of securities	29,899	40,333	- 10,434	-25.9%
Distribution of third-party financial products	22,943	24,845	- 1,902	-7.7%
Dealing in securities and currencies	2,722	2,712	10	0.4%
Order collection, custody, and securities administration	9,991	8,091	1,900	23.5%
Collection and payment services	1,833	1,177	656	55.7%
Other services	545	1,024	- 479	-46.8%
Total commission income	**126,956**	**145,418**	**- 18,462**	**-12.7%**
Commissions for external offer	51,396	63,663	- 12,267	-19.3%
Collection and payment services	1,092	960	132	13.8%
Dealing in securities and custody	2,802	1,648	1,154	70.0%
Asset management	1,028	22	1,006	4572.7%
Other	916	849	67	7.9%
Total commission expense	**57,234**	**67,142**	**- 9,908**	**-14.8%**
Net commissions	**69,722**	**78,276**	**- 8,554**	**-10.9%**

Revenues contracted 18.5 million euros or (-12.7%), largely attributable to the collection and management of household savings, whose contribution decreased by 20.5 million euros, partially offset by the increase in revenues (+2.1 million euros) from other banking services.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Asset management, own				
1. Collective asset management (UCITS, pension funds)	37,117	38,924	- 1,807	-4.6%
2. Individual asset management	21,906	28,312	- 6,406	-22.6%
Commissions on asset management	59,023	67,236	- 8,213	-12.2%
1. Placement of third-party UCITS	28,889	33,700	- 4,811	-14.3%
2. Bond placement	1,010	4,777	- 3,767	-78.9%

3. Other placement operations	-	1,856	- 1,856	-100.0%
4. Distribution of third-party asset management products (GPM/GPF, pension funds)	1,615	1,635	- 20	-1.2%
5. Distribution of third-party insurance products	18,804	19,896	- 1,092	-5.5%
6. Distribution of other third-party financial products	2,524	3,314	- 790	-23.8%
Placement and distribution of third-party products	52,842	65,178	- 12,336	-18.9%
Total	**111,865**	**132,414**	**- 20,549**	**-15.5%**

In this context, commissions from the Group's individual and collective asset management businesses declined 8.2 million euros or 12.2%, mostly concentrated in individual asset management portfolios (-6.4 million) rather than group-managed UCITS.
With regards to commissions on the placement and distribution of third-party services, the 12.3 million euro decrease compared to the first quarter 2007 referred to all types of products, but was mainly due to the 3.8 million euro decrease in contribution from the placement of bonds through the advisor network and the 4.8 million euro decrease in the placement of third-party UCITS. Finally, guarantee commissions from participation in a third-party placement transaction had made a positive contribution in the first half of 2007.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Trading services	12,713	10,803	1,910	17.7%
Other services	2,378	2,201	177	8.0%
Total traditional banking operations	**15,091**	**13,004**	**2,087**	**16.0%**

Commission income from traditional banking operations increased 2.1 million euros, attributable to the significant increase in commissions from order collection and custody and administration, driven both by the expansion in operations on foreign markets for Generali group companies and to a lesser extent by operations with retail customers.

Underwriting commissions (-39.1%) decreased more than management commissions (-11.2%) as the ratio of commissions on traditional banking operations increased. Incentive commissions refer to SICAVs managed by BG Investment Luxembourg.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Underwriting commissions	17,791	29,206	- 11,415	-39.1%
Management commissions	91,318	102,370	- 11,052	-10.8%
Incentive commissions	2,867	296	2,571	868.6%
Other commissions (other banking and financial services)	14,980	13,546	1,434	10.6%
Total	**126,956**	**145,418**	**- 18,462**	**-12.7%**

Lastly, commissions paid decreased by 9.9 million euros (-14.8%), mainly due to a reduction in "commissions for external offer" and post-sale assistance paid to the distribution network (-12.2 million euros). The decrease was substantially in line with the decrease in asset management revenues (-19.3%).
Commissions on trading activities, on the other hand, increased (+70%), as did those payable to BG Investment Luxembourg for managing Luxembourg-based SICAVs.

C.3 Dividends

Total dividends amounted to 27.7 million euros, mostly attributable to equity securities traded as part of total return swap transactions executed during the period, illustrated in detail in the next section.
Net of this component, the remaining dividend balance, which did not change significantly compared to the same period of the previous year, refers to distributions by investee companies classified as available-for-sale financial assets (2.1 million euros) and dividends from trading assets.

(€ thousand)	30/06/2008	30/06/2007	Changes

			Amount	%
Dividends of financial assets available for sale	2,127	1,245	882	70.8%
Dividends from trading	601	649	-48	-7.4%
Dividends on TRS operations	24,984	726	24,258	3341.3%
Total dividends	**27,712**	**2,620**	**25,092**	**958%**

C.4 Net profit from trading and financial operations

Net profit from trading operations includes gains and losses on sales and capital gains/loss on assessments of fair value of financial assets and liabilities held for trading or available for sale, as well as the income and loss from the transfer of financial assets available for sale and the result of hedging operations.

The result at the end of the first half of 2008 was a loss of 38.5 million euros, compared to a net profit of 3.5 million euros for the same period of the previous year, with a net decrease of 42.0 million euros.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Net income (loss) on financial assets	-47,364	3,248	-50,612	-1558.3%
Gain (loss) on financial assets	-19,079	-6,141	-12,938	210.7%
Income (loss) on derivatives	26,886	668	26,218	3924.9%
Gain (loss) on derivatives	15	4,511	-4,496	-99.7%
Securities transactions	**-39,542**	**2,286**	**-41,828**	**-1829.7%**
Currency transactions	**386**	**715**	**-329**	**-46.0%**
Result from trading	**-39,156**	**3,001**	**-42,157**	**-1404.8%**
Net profit from hedging	-	-	-	0.0%
Income (loss) from repurchases	661	487	174	35.7%
Income (loss) of financial operations	**-38,495**	**3,488**	**-41,983**	**-1203.6%**

During the six-month period under review, the bank completed numerous total return swap transactions that had a significant effect on this result.

These transactions involve the payment to the counterparties of all equity amounts and dividend amounts on the basket of equity securities chosen, against receipt of a floating amount of interest on the capital invested for the term of the contract. As part of the swap, Banca Generali purchased a corresponding amount of the underlying securities on the market.

The trading of the underlying securities generated a loss of 48.9 million euros, while the dividends received amounted to 25.0 million euros. The derivative component, on the other hand, generated an equity amount of 54.6 million euros and a dividend amount of 27.6 million euros.
Therefore, considering the related dividends, the total result of total return swap transactions amounts to a gain of 3.0 million euros, and the net loss on trading activities falls to 14.2 million euros.

The overall result on financial operations was partly offset by 0.7 million euros in capital gains on the sale of bonds classified as financial assets available for sale.

(€ thousand)	Net profit and dividends	Capital gains	Loss from trading	Capital loss	30/06/2008	30/06/2007	Difference
1. Debt securities transactions	1,901	684	205	16,109	-13,729	-2,255	-11,474
2. Equity securities transactions	4,664	-	4,875	3,539	-3,750	1,169	-4,919
Equity securities	*4,570*	*-*	*4,772*	*3,539*	*-3,741*	*882*	*-4,623*
Options on equity securities	*94*	*-*	*103*	*-*	*-9*	*287*	*-296*
3. Total Return Swaps (TRS)	*79,589*	*-*	*76,543*	*-*	*3,046*	*263*	*2,783*
Equity securities (TRS transactions)	*-*	*-*	*48,912*	*-*	*-48,912*	*-3,961*	*-44,951*

Dividends	*24,984*				*24,984*	*726*	*24,258*
Derivatives	*54,605*	-	*27,631*	-	*26,974*	*3,498*	*23,476*
4. UCITS unit quota transactions	102	-	39	115	- 52	2,439	- 2,491
5. Interest Rate Swaps (IRS)	30	15	120	-	- 75	1,394	- 1,469
6. Currency transactions	389	39	1	39	388	717	- 329
Derivatives	*3*	*39*	*1*	*39*	*2*	*2*	*-*
Exchange gains and losses	*386*				*386*	*715*	*- 329*
Result from trading	86,675	738	81,783	19,802	- 14,172	3,727	- 17,899

The negative result from trading was, at any rate, due to the deepening of the international financial crisis, which, combined with the deterioration of expectations for the global economy, adversely affected stock- and bond-market performance.
Excluding equity swaps, the loss for the period largely reflects net capital losses at fair value on trading investment portfolio (HFT) with adjustments amounting to 19.1 million euros.

The debt securities segment posted a total net loss of 13.7 million euros, mainly due to the adjustment of the bond portfolio to its fair value at the end of the period, which led to the recognition of 15.4 million euros in net losses.
The equity securities segment posted a net loss of 3.8 million euros, almost entirely attributable to the capital losses described above.

As for interest rate trading, the bank closed most one-year Interest Rate Swap contracts to replicate the outperformance of insurance transactions over market rates.

C.5 Operating expenses

Operating expenses, including staff expenses, other general and administrative expense, amortisation and depreciation and other operating income and expenses did not change significantly compared to the same period of the previous year (-0.4 million euros, or 0.6%), even if the aggregate shows an increase in general and administrative expense (+3.5%).

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Staff expenses	- 27,525	- 28,029	504	-1.8%
Other general and administrative expense	- 36,302	- 35,072	- 1,230	3.5%
Net adjustments of property, equipment and intangible assets	- 2,613	- 3,273	660	-20.2%
Other income and expenses	3,472	3,806	- 334	-8.8%
Operating expense	**- 62,968**	**- 62,568**	**- 400**	**0.6%**

Group employees reached 753 persons, an increase of 29, or +4.0%, compared to 2007.

	30/06/2008	30/06/2007	Changes	
			Amount	%
Managers	42	44	- 2	-4.5%
3rd and 4th level executives	95	165	- 70	-42.4%
Other employees	616	515	101	19.6%
Total	**753**	**724**	**29**	**4.0%**

Staff expenses, including full-time employees, interim staff, and directors decreased a net 0.5 million euros compared to the first half of 2007.

The decrease was mainly due to the “other employees” component, which decreased as a result of a favourable

ratio of secondment income to expenditure.
The reduction in directors' remuneration, on the other hand, is attributable to a write-down of cash-settled stock option plans on shares of the Parent Company, Assicurazioni Generali.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
1) Employees	***27,227***	***27,047***	***180***	***0.7%***
Wages and salaries	16,784	16,839	- 55	-0.3%
Social security charges	4,204	4,421	- 217	-4.9%
Termination indemnity	370	804	- 434	-54.0%
Contributions to outside supplemental pension funds	1,545	961	584	60.8%
Costs related to payment agreements based on own financial instruments	91	353	- 262	-74.2%
Provision for expenses – MBOs and CIAs	2,349	1,934	415	21.5%
Other employee benefits	1,884	1,735	149	8.6%
2) Other staff	***- 543***	***46***	***- 589***	***-1280.4%***
3) Directors	***841***	***936***	***- 95***	***-10.1%***
of which costs related to payment agreements based on own financial instruments	*- 174*	*25*	- 199	-796.0%
Total	**27,525**	**28,029**	**- 504**	**-1.8%**

Other general and administrative expense amounted to 36.3 million euros, an increase of 1.2 million euros, or 3.5%, compared to the same period in the previous year.
The ratio of operating expenses, before adjustments to property, equipment and intangible assets to net banking income (cost/income ratio) was 69.8% due to the reduction in consolidated operating revenues.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Administration	**4,636**	**3,207**	**1,429**	**44.6%**
Advertising	886	455	431	94.7%
Consultancy and professional advice expense	1,309	674	635	94.2%
Corporate boards and auditing firms	631	496	135	27.2%
Other general costs (insur. T&E)	1,810	1,582	228	14.4%
Operations	**15,364**	**15,058**	**306**	**2.0%**
Rent and usage of premises	6,775	6,330	445	7.0%
Outsourced services	4,669	3,987	682	17.1%
Post and telephone	1,120	1,726	- 606	-35.1%
Print material and contracts	780	555	225	40.5%
Other operating expenses	2,020	2,460	- 440	-17.9%
Information system and equipment	**12,774**	**12,923**	**- 149**	**-1.2%**
Outsourced IT services	8,957	8,893	64	0.7%
Fees for IT services and databases	2,161	2,120	41	1.9%
Software maintenance and servicing Software	946	856	90	10.5%
Other expenses (equipment rental, maintenance, etc.)	710	1,054	- 344	-32.6%
Taxes and duties	**3,528**	**3,884**	**- 356**	**-9.2%**
Total other general and administrative expense	**36,302**	**35,072**	**1,230**	**3.5%**

C.6 Net provisions

The amount of net provisions mainly refers to the commission charges at the close of the interim period and new short- and medium-term incentive programmes associated with the expansion of the sales network (15.3 million euros).

Provisions were also made to cover financial advisors' indemnities and legal disputes.
Provisions for termination indemnity decreased due to the elimination of amounts set aside in past years to cover

indemnities that could be payable to former advisors and loyalty premiums (0.4 million euros) as well as the reclassification of a portion of the amounts set aside for overcommission indemnities to commission expense as a result of the fulfilment of related obligations by the beneficiaries.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Provisions for risk related to commissions to be assigned	15,276	22,262	- 6,986	-31.4%
Provision for risks related to legal disputes with subscribers	268	378	- 110	-29.1%
Provisions for termination indemnity and overfees	755	1,583	- 828	-52.3%
Other provisions for liabilities and contingencies	- -	63	63	-100.0%
Total	**16,299**	**24,160**	**- 7,861**	**- 32.5%**

C.7 Taxes

Direct taxes for the Group's companies at the end of the period amounted to 1.7 million euros, down sharply compared to the same period of 2007.
The amount includes both the estimate of current taxes (4.4 million euros) and changes in deferred tax assets and liabilities, which amounted to a net tax benefit of 2.5 million euros.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Current taxation	- 4,382	- 11,097	6,715	-60.5%
Prior period taxes	140	51	89	174.5%
Changes of prepaid taxation (+/-)	146	2,592	- 2,446	-94.4%
Changes of deferred taxation (+/-)	2,361	560	1,801	321.6%
Taxes for the period (-)	**- 1,735**	**- 7,894**	**6,159**	**-78%**

The decrease in the Group's tax liability was due to the combined effect of numerous factors, including a significant reduction in the before-tax profit of the companies in the Group compared to the same period of 2007, the Group's new organisational structure that became effective the first quarter of 2008 and the continuous evolution of Italy's tax laws.

With reference to the last factor, numerous changes were introduced as of this tax period by Italy's 2008 Finance Law (Law 244/2007), including:

1 reductions in the IRES (corporate income tax) and IRAP (regional tax on production activities) rates, from 33% to 27.5% and from 4.25% to 3.90%, respectively,
2 structural changes in the IRAP tax base of financial intermediaries, with the introduction of limits on deductible amounts for certain profit and loss items and the partial taxability of dividends,
3 the recognition of the tax effects of financial statements prepared under IAS/IFRS.

It should be noted, however, that certain aspects of the year-end 2007 reform must still be implemented by specific regulations (Regulation on Alignment with IAS, Regulation on Entertainment Expenses).

In light of tax increases for the oil, banking and insurance sector, the recent Italian Legislative Decree No. 112 of 26 June 2008, introduced — also effective this year — a 3% limit for the amount of interest payable that can be deducted for IRES and IRAP purposes (4% starting in 2009).

C.8 Operating result and earnings per share

The Group's consolidated operating profit at 30 June 2008 amounted to 23.5 million euros. After deducting provisions of 16.3 million, pre-tax operating profit amounted to 7.3 million euros, a significant reduction compared to the same period of last year.

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%

Net operating revenues	86,434	104,569	-18,135	-17.3%
Operating expense	-62,969	-62,568	-401	0.6%
Operating income	**23,465**	**42,001**	**-18,536**	**-44.1%**
Net adjustments for non-performing loans	143	195	-52	-26.7%
Net provisions	-16,299	-24,160	7,861	-32.5%
Gain (loss) from the disposal of equity investments	-27	-	-27	-
Operating profit before taxation	**7,282**	**18,036**	**-10,754**	**-59.6%**
Income taxes for the period on continuing operations	-1,735	-7,894	6,159	-78.0%
Net profit	**5,547**	**10,142**	**-4,595**	**-45.3%**

Net profit for the period amounted to 5.5 million euros, a decrease of 4.6 million euros year on year. Earnings per share was 0.05 euros at 30 June 2008.

	30/06/2008	**31/12/2007**
Net income for the year (€ thousand)	5,547	15,288
Net income attributable to ordinary shares	5,547	15,288
Average number of outstanding shares	110,310,588	109,961,177
EPS – Basic Earnings per Share (euro)	**0.050**	**0.139**

Part D - Consolidated Results by Line of Business

The Group operates in two main areas of business:

1. **Asset management**, which is carried out by "product companies" BG SGR (Italian funds and portfolio management), BG Investment Luxembourg (Luxembourg SICAVs) and BG Fiduciaria SIM and BSI Italia (discretionary accounts).
2. **Banking activities and the sale of financial services**, carried out through the Parent Company Banca Generali, the network of advisors, Simgenia's distribution network and the wealth managers and private bankers network of BSI Italia.

The following tables include figures from the consolidated Balance Sheet and Profit and Loss Account for the two different business segments, gross of intersegment items. Intersegment items include commissions charged by each segment for the distribution of their products as well as other operating charges and income. Specific contractual agreements between Group companies govern the transfer prices applied to transactions between "product factories", companies that create asset management products, and companies responsible for customer relationships.

Distribution by Business Segment: Balance Sheet Figures

Loans to customers	Group total	Banking and distribution	Asset management	Cancellation
Financial assets held for trading	1,666,987	1,659,969	7,018	-
Other financial assets	889,509	889,509	-	-
Loans to customers	357,021	348,244	23,055	- 14,278
Due to customers	- 3,346,558	- 3,367,072	- 72,259	21,781
Net interbank position	622,584	617,609	12,885	- 7,911
Equity investments	7	29,679	-	- 29,672
Property, equipment and intangible assets	19,881	15,353	264	4,264
Employees	753	697	56	-

Distribution by Business Segment: Profit and Loss Account Figures

(€ thousand)	30/06/2008	30/06/2007	Changes	
			Amount	%
Banking and distribution	- 11,008	4,508	- 15,516	-344.2%
Asset management	16,555	5,634	10,921	193.8%
Group	5,547	10,142	- 4,595	-45.30%

(€ thousand)	Group 30/06/2008	Banking and distribution activities	Asset management	Cancellation	Group 30/06/2007	Banking and distribution activities	Asset management	Cancellation
Interest income	86,266	85,427	1,427	588	60,854	60,314	691	150
Interest expense	-58,771	-59,352	-7	-588	-40,669	-40,719	-3	-51
Net interest	27,495	26,075	1,420	-	20,185	19,595	688	99
Commission income	126,956	94,301	57,938	25,283	145,418	127,294	65,527	47,404
Commission expense	-57,234	-52,894	-29,472	-25,132	-67,142	-64,308	-50,009	-47,176
Net commissions	69,722	41,407	28,466	151	78,276	62,986	15,518	228
Dividends	27,712	27,712	-	-	2,620	2,620	-	-
Net result from banking operations	-38,495	-38,429	-66	-	3,488	3,011	477	-
Net operating profit	86,434	56,765	29,820	151	104,569	88,212	16,683	327
Staff expenses	-27,525	-23,653	-3,872	-	-28,029	-25,006	-2,976	47
Other general and administrative expense	-36,302	-31,637	-5,313	-648	-35,072	-31,551	-4,601	-1,080
Net adjustments of property, equipment and intangible assets	-2,613	-2,552	-60	-	-3,272	-3,238	-35	-1
Other operating expense/profit	3,471	3,281	686	497	3,806	4,205	308	707
Net operating expense	-62,969	-54,561	-8,559	-151	-62,567	-55,590	-7,304	-327
Operating profit	23,465	2,204	21,261	-	42,002	32,622	9,379	-
Net adjustments for non-performing loans	143	143	-	-	195	195	-	-
Net adjustments of other financial assets	-	-	-	-	-	-	-	-
Net provisions	-16,299	-16,299	-	-	-24,160	-24,160	-	-
Gain (loss) from the disposal of equity investments	-27	-27	-	0	-	-	-	-
Operating profit before taxation	7,282	-13,979	21,261	0	18,037	8,657	9,379	-
Income taxes for the year on continuing operations	-1,735	2,971	-4,706	-	-7,894	-4,149	-3,745	-
Income (loss) from non-current assets	-	-	-	-	-	-	-	-
Profit (loss) for the period attributable to minority interests	-	-	-	-	-	-	-	-
Net profit	5,547	-11,008	16,555	0	10,143	4,508	5,634	-

Other Information (Assets under Management)

Asset Management Area

The Financial Asset Management Area includes assets attributable to the asset management and common investment funds business, which amounted to 7.2 billion euros.

(€ million)	30/06/2008	31/12/2007	Changes	
			Amount	%
Funds and SICAVs	4,880	5,156	-276	-5.35%
- attributable to the banking group's GPF	807	1,682	-875	-52.02%
GPF/GPM	2,709	4,403	-1,694	-38.47%
Total assets managed by the banking group	6,782	7,877	-1,095	-13.90%

In the first six months of 2008, this area generated commissions (net of the commissions paid to the distribution network) amounting to 28.5 million euros, contributing approximately 16.6 million euros to net profit.

Banking and Distribution Area

This area includes the distribution of asset-management and insurance products through the networks of financial advisors of Banca Generali and Simgenia, as well as through employees and financial advisors of Banca BSI Italia, and traditional banking activities, including the management of assets under administration and custody (securities accounts and current accounts), stock brokerage, payment services, lending and financing.
Total indirect inflows for the segment amounted to 28.5 billion euros, of which 6 billion euros consists of products relating to the wealth management area.

(€ million)	30/06/2008	31/12/2007	Changes	
			Amount	%
Indirect inflows (under administration and custody)	12,759	14,117	-1,358	-9.62%
Indirect inflows (asset management)	10,359	12,759	-2,400	-18.81%
Indirect inflows (insurance products)	5,307	4,405	902	20.48%
Total, gross	28,425	31,281	-2,856	-9.13%
- amount already included in asset management segment	*6,022*	*6,827*	-805	-11.79%
Total, net	22,403	24,454	-2,051	-8.39%

In the first six months of 2008, this area generated net commissions (net of the commissions remitted to financial advisors) amounting to 41.4 million euros, with a negative contribution amounting to 11.0 million euros to net profit. This figure was also impacted by net provisions for liabilities and contingencies totalling 16.3 million euros mainly aimed at reinforcing the distribution network and unrealised capital losses on own securities portfolio of 19.1 million euros.

Attestation to the Condensed Half-year Report Pursuant to Article 154-bis, Fifth Paragraph of Legislative Decree No. 58 of 24 February 1998

The undersigned Giorgio Angelo Girelli, in his capacity as Chief Executive Officer, and Giancarlo Fancel, in his capacity as Manager in charge of preparing the financial reports of Banca Generali S.p.A., hereby declare, taking into account the provisions set out in article 154-*bis*, paragraphs 3 and 4 of the legislative decree dated 24 February 1998, No. 58, that the administrative and accounting procedures followed in preparing the condensed consolidated half-year financial statements during 2008:

1 are appropriate in light of the features of the company, and
2 have been applied.

The appropriateness of administrative and accounting procedures for preparing the condensed consolidated half-year financial statements at 30 June 2008 was assessed using a process established by Banca Generali based on the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, which is generally accepted as a reference framework worldwide.

The undersigned further declare that

1 the condensed consolidated half-year financial statements at 30 June 2008:
   2 reflect the accounting books and records;
   3 were prepared in accordance with the International Financial Reporting Standards adopted by the European Union pursuant to EC Regulation No. 1606/2002, Italian Civil Code and further applicable provisions, regulations and circular letters issued by ISVAP and provide a true and fair view of the assets, liabilities, profit or loss and financial position of the issuer and consolidated companies.

1 The interim report on operations makes reference to important events occurred in the first six months of the year, and to their impact on the condensed half-year financial statements; it also includes a description of the main risks and uncertainties regarding the coming six months of the year, as well as information on significant third-party transactions.

Trieste, 30 July 2008

Giorgio Angelo Girelli
Chief Executive Officer
BANCA GENERALI S.p.A.

Giancarlo Fancel
Manager in charge of preparing
the company's financial documents
BANCA GENERALI S.p.A.

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Auditors' review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Banca Generali S.p.A.

1. We have reviewed the interim condensed consolidated financial statements of Banca Generali S.p.A. and its subsidiaries (the "Banca Generali Group") as of June 30, 2008, comprising the balance sheet, the statement of income, changes in shareholders' equity and cash flows and the related explanatory notes. Management of Banca Generali S.p.A. is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review consists primarily of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management and by applying analytical and other review procedures. A review does not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we express on the annual consolidated financial statements.

   With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to our reports issued on April 4, 2008 and on October 16, 2007 respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Banca Generali S.p.A. as of June 30, 2008 are not prepared, in all material respects, in conformity with IAS 34.

Milan, August 28, 2008

Reconta Ernst & Young S.p.A.
Signed by: Stefano Cattaneo, Partner

This report has been translated into the English language solely for the convenience of international readers