

**PRESS
RELEASE****BANCA GENERALI'S BOARD OF
DIRECTORS APPROVES THE MERGER OF
BG SGR INTO BANCA GENERALI**

- **A division specialized in individual portfolio management will be set up within Banca Generali**
- **Enhanced specialisation and customer service coupled with higher operating and management efficiency**

Milan, 21 June 2012 - Banca Generali's Board of Directors, chaired by Giorgio Angelo Girelli, met today and resolved upon **the merger of the subsidiary BG SGR S.p.A. into Banca Generali S.p.A.**, approving (pursuant to Article 18, paragraph 2 of the Articles of Association) the merger plan that had been outlined and announced to the market on 14 December 2011. The merger has received prior approval by the Bank of Italy.

The same decision was taken today by the General Shareholders' Meeting of the subsidiary BG SGR.

The merger is part of a **rationalisation plan aimed at increasing the efficiency of Banca Generali's asset management activities** launched in September 2011 with BG SGR's decision to transfer its mutual funds to Generali Investments Italy. The merger is aimed at integrating in Banca Generali the activities still carried out by BG SGR, i.e., portfolio management activities, which are highly strategic for the Bank, given their significant presence within Private clients' portfolios. Based on official data, at 31 March 2012 portfolio management totalled **€3.1 billion of which €2.3 billion managed directly by BG SGR.**

From an industrial viewpoint, BG SGR's activities will become an **autonomous portfolio management division within Banca Generali.** The merger is aimed at further enhancing this activity, focussing especially on quality and customer service. Moreover, once the new division is fully up and running, significant cost and revenue synergies are expected to be achieved within two years.

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The merger will be carried out in simplified form, pursuant to Article 2505 of the Italian Civil Code, as the merged company BG SGR is fully owned by the merging company, and is expected to become **effective as of 1 September 2012** (or other date that may be written in the merger deed), with retroactive accounting and tax effects as of 1 January 2012.

For a more in-depth description of the terms of the transaction, please refer Press Release issued on 14 December 2011 and other documents filed with and made public at the Company Register of Trieste, the Company's registered office and on the websites of Banca Generali (www.bancagenerali.com) and Borsa Italiana S.p.A. (www.borsaitaliana.it).

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The Manager responsible for preparing the company's financial reports (Giancarlo Fancel) declares, pursuant to Paragraph 2 of Art. 154-bis, of the Italian Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.
Giancarlo Fancel (CFO of Banca Generali)