

**PRESS
RELEASE**

Banca Generali incorporates BG SGR completing the reorganisation of its asset management activities

- **Defined the establishment of a separate Division specialised in individual portfolio management within the Bank, with a significant increase of the operating and management efficiency**
- **Reinforced the commitment to a business model based on open architecture**

Milan, 14 December 2011 - The Board of Directors of Banca Generali and the Board of Directors of BG SGR S.p.A. (company 100% controlled by Banca Generali), both convened on today's date, approved the plan of the **merger by incorporation of BG SGR into Banca Generali**, prepared pursuant to the joint provision of articles 2501-ter and 2505 of the Italian Civil Code.

The merger (which is subordinated to prior authorization from Bank of Italy, according to article 57 of Italy's Consolidated Law on Banking "TUB") is part of the plan to rationalise and streamline the asset management activities of Banca Generali. In this framework, in September of this year, BG SGR had approved the sale of its Italian-registered funds (AUM of €389 million as of September 30) to Generali Investments Italy. Following this transaction, and therefore in the perspective of BG SGR not longer being subject authorised to manage Mutual Funds, it was decided to integrate the remaining activities of BG SGR (the individual portfolio management activities with assets under management of €2.1 billion at September 30, 2011) within Banca Generali through the establishment of a **new separate Division specialised in individual portfolio management**.

The transaction will generate several process optimizations by exploiting the integration in the structure of the Bank. It is also believed that this process will strengthen the focus on portfolio management activities that are highly strategic for the bank in virtue of the strong increase in the number of Private clients that took place in recent years. In this regard it should be noted that the range of investment lines is particularly wide, spacing from total return lines to investment lines with capital protection, providing for a number of investment profiles that is increasingly more specialised.

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It is estimated that within two-years, once fully in place, the merger could bring **significant cost and revenue synergies, while from an accounting point of view the transaction has no impact at the consolidated level**.

With this transaction the reorganisation of the asset management activities of Banca Generali will be completed, reinforcing the **central role played by the open architecture in Banca Generali business model** and confirming the importance of **Generali Fund Management** (a subsidiary company 51% owned by Banca Generali and 49% by Assicurazioni Generali), in the management of Sicav for the entire Generali Group.

The merger will take place in simplified form pursuant to article 2505 of the Italian Civil Code, since the absorbed company, BG SGR, is wholly owned by the acquiring company, Banca

Generali; therefore neither the assessment of the sale price nor the appointment of one or more external consultants to verify the adequacy of such value are required. Moreover, the merger, according to the above mentioned regulation, as well as in compliance with the provision of article 18, second paragraph, of the Articles of Association of Banca Generali, will be submitted to the approval of the Board of Directors of Banca Generali, provided that, pursuant to the third paragraph of article 2505 of the Italian Civil Code, the shareholders of Banca Generali representing at least 5% of the total share capital, will be allowed to ask (through a request to Banca Generali), within 8 days from the date of the registration of the Merger Plan in the Companies Register, that the decision to approve the merger will be made at a shareholders' meeting.

It is expected that **the merger will be effective from September 1, 2012** (or from the date, if different, indicated in the deed of merger) with accounting and fiscal effects retroactive at January 1st, 2012.

The merger is set up as a transaction between related parties according to Consob resolution n. 17221 dated 12 March 2010, and according to the procedure for transactions with related parties adopted by Banca Generali, since it is a transaction between Banca Generali and the subsidiary BG SGR.

Moreover, under article 8 of Company Procedure and article 14 of Consob Regulations, the merger is included in the hypotheses of exclusion from the application of the procedures established for the related parties' transactions, without prejudice to the information obligations.

The documentation relative to the merger transaction will be made available to the public according to the terms of the applicable regulations in force and communication will be made when such documentation is published.

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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