

PRESS RELEASE

THE SUBSIDIARY BG SGR FOCUSES ON PORTFOLIO MANAGEMENT ACTIVITIES AND SELLS ITS ITALIAN-REGISTERED FUNDS

- **Open architecture confirmed as central in Banca Generali's strategy**
- **Generali Fund Management (51% owned by Banca Generali and 49% by the Generali Group) confirms and strengthens its role as asset management company of the Generali Group for funds and SICAV**
- **The sale transaction will generate a net gain of €3.8 million, posted to net equity**

Milan, 27 September 2011 – The Board of Directors of Banca Generali, chaired by Giovanni Perissinotto, approved the **sale of its Italian-registered funds activities** from the controlled company BG SGR S.p.A to Generali Investments Italy SGR S.p.A, a company also controlled by Assicurazioni Generali S.p.A.

Three open-end harmonised Mutual Funds are part of this business unit, BG Focus Monetario, BG Focus Obbligazionario and BG Focus Azionario, for a **total of assets under management equal to €410 million at June 30, 2011**. The funds will continue to be distributed by Banca Generali. The sale follows the decision to dispose of the lower volume activities, whose economies of scale appear insufficient to face the efficiency requirements demanded by the asset management industry.

The total price for the transfer has been set at €5.5 million (determined on the basis of a valuation prepared by KPMG Advisory S.p.A. as independent consultant jointly appointed by the parties involved). In consideration of the fact that the sale is identified as a related-parties transaction, **the net capital gain of €3.8 million will be posted to a net equity reserve**, while the impact on the income statement will be substantially neutral.

The disposal is in line with Banca Generali's strategy, that since the beginning strongly focussed on open architecture. Banca Generali has been indeed a forerunner in introducing open architecture in Italy, of which today it is still the leader in the industry. Banca Generali currently distributes funds of the 30 leading asset managers worldwide.

The transaction is also part of a broader reorganisation of the asset management activities of the group, according to which BG SGR will be in charge of the individual portfolio management activities, that are increasingly important for the group due to the steady growth of

CONTACTS:

www.bancagenerali.com

Media Relations

Michele Seghizzi

Tel. +39 02 6076 5683

michele.seghizzi@bancagenerali.it

Investor Relations

Giuliana Pagliari

Tel: +39 02 6076 5548

giuliana.pagliari@bancagenerali.it

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the private banking customer base, while **Generali Fund Management** is confirmed as the reference point for the establishment and management of funds and SICAV.

Generali Fund Management, an asset management company 51% owned by Banca Generali and 49% by the Generali Group, was established in September 2009 in anticipation of the introduction of the **UCITS IV regulation** which introduces some important changes in the European mutual funds industry with the goal of achieving greater efficiency and integration, in particular by promoting the concentration of different products factory into a single management company domiciled in one of the EU countries.

Generali Fund Management now manages **€12,023 million of AUM**, of which €5,738 million represented by the SICAV (BG SICAV and BG Selection Sicav) for the retail customer base of Banca Generali. In the coming years there will be **significant growth opportunities linked to the Generali Group's project to develop the unit-linked policies** for which Generali Fund Management will manage the underlying funds.

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The operation - that on today's date was also approved by the Board of Directors of the selling and acquiring companies - represents a transaction between related parties of lower relevance, as it does not exceed the 2.5% threshold of the consolidated regulatory capital of the banking group. The operation was however treated by Banca Generali as a transaction of greater relevance between related parties, as its value is close to the relevance threshold (2.32%). Consequently (i) it was approved upon favourable opinion of the Internal Control Committee, comprising independent and non-related members and (ii) pursuant to the terms prescribed by law, the Information Document, prepared according to art. 5 of the Consob Regulation n. 17221 dated March 12 2010, as subsequently amended and integrated, will be made available to the public at the registered office of Banca Generali S.p.A. (Via Macchiavelli 4, Trieste), on the internet site of Banca Generali S.p.A. www.bancagenerali.com, and at Borsa Italiana S.p.A..

The completion of the transaction is subordinated to the communication/attainment of the necessary authorizations by the Supervisory Authority.

CONTACTS:

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Media Relations
Michele Seghizzi
Tel. +39 02 6076 5683

michele.seghizzi@bancagenerali.it

Investor Relations
Giuliana Pagliari
Tel: +39 02 6076 5548

giuliana.pagliari@bancagenerali.it

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)