

Press Release

**Banca Generali Group: Guidelines approved for the merger of
Banca del Gottardo Italia into Banca BSI Italia**

The merger will strengthen the Banca Generali Group's Private Banking business

Trieste, 27 August 2008 – At its meeting today chaired by Giovanni Perissinotto, the Board of Directors of Banca Generali approved the guidelines for the merger of Banca del Gottardo Italia into Banca BSI Italia. The merger will be completed following the acquisition of 100% of the share capital of Banca del Gottardo Italia by Banca BSI Italia.

The merger is part of a strategic plan that was approved by the Board of Directors and disclosed to the market on 6 May 2008.

The combination will be carried out by merging Banca del Gottardo Italia into Banca BSI Italia, which will continue to operate under the same name, and will enable the Banca Generali Group to strengthen its Private Banking business. The strengthening of Banca Generali's Private Banking business is part of a well-defined strategy the bank has been pursuing for some time now and that has been producing good results in terms of profitability and growth of assets under management.

The merger will reinforce Banca BSI Italia's position on the market in terms of assets under management and know-how, allowing it to better absorb its fixed costs and increase its overall profitability by achieving further economies of scale.

The merger of Banca del Gottardo Italia is expected to increase estimated Group profit by €4 million at the end of 2009 (prudentially not considering possible revenue synergies).

From a financial standpoint, based on aggregate pro-forma data¹ for 30 June 2008, Banca BSI Italia's net equity following the merger will be €84.3 million.

The merger is expected to become effective 1 January 2009 following the obtainment of the necessary authorisations. Given that, at the time the merger is completed, the share capital of the merged company will be entirely owned by the sole merging shareholder (BSI Italia), the simplified merger procedures provided for by Article 2505 of the Italian Civil Code (*Mergers of Wholly Owned Companies*) apply to the transaction; therefore a share exchange ratio does not have to be determined, nor is it necessary to request the appointment of one or more experts pursuant to Article 2501-*sexies* of the Italian Civil Code.

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.

G. Fancel
CFO of Banca Generali

¹ The pro-forma figures include the coverage of Banca BSI Italia's prior-period losses and share capital increase carried out for the purposes of the acquisition.

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