

**“BANCA GENERALI S.P.A.”**

Registered offices at Trieste, Via Machiavelli 4 - Italy  
Authorised share capital 116,878,836.00 euros, underwritten and paid-up share capital  
111,313,176.00 euros

Trieste Register of Companies, Tax Code 00833240328

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.

***Report of the Board of Statutory Auditors to the Shareholders' Meeting called  
for the approval of the financial statements for the year ended 31 December  
2008, pursuant to Section 153 of Legislative Decree 58/98 and Article 2429  
paragraph 3 of the Italian Civil Code***

Shareholders,

We have examined the Financial Report at 31 December 2008, including the draft financial statements of the Company “Banca Generali S.p.A.” at 31 December 2008, both at company and consolidated level, together with the detailed financial statements and attachments and Report on Operations, prepared by the Directors, and duly forwarded to the Board of Statutory Auditors.

Among the significant events occurring during 2008, we highlight:

- the acquisition of a 100% stake in Banca del Gottardo Italia s.p.a., by the subsidiary Banca BSI Italia s.p.a., effective from 1 October 2008, and the subsequent merger thereof, effective 1 January 2009;
- the resolution to sell 85% of the share capital of Simgenia SIM, adopted in December 2008, for which the authorisation process is currently under way with the Oversight Bodies, after which Simgenia will leave the Banking Group.

These transactions fall under the category of those defined as being significant transactions between related parties.

No other significant non-recurring transactions, or atypical or unusual transactions with related parties took place during the year.

The oversight activity was conducted by the Board of Statutory Auditors in 2008, in compliance with the law and, specifically, of Section 149 of Legislative Decree 58/1998, and in accordance with the code of conduct recommended by *Italian National Councils of Certified Public Accountants and Commercial Experts*, taking account of CONSOB and Bank of Italy recommendations.

The Board of Statutory Auditors herewith reports on the oversight activities it conducted in the course of 2008. The Board of Auditors:

- participated in 1 Shareholders' Meeting;
- participated in the 12 meetings of the Board of Directors held during the year, checking that the resolutions adopted and implemented were in compliance with law and the Articles of Association and ensuring that they were neither imprudent nor gave rise to conflicts of interest;
- participated in the 8 meetings of the Internal Control Committee;
- participated in the 2 meetings of the Remuneration Committee;
- met periodically to conduct its audits, recording 21 meetings in its book;
- requested and obtained from the Chief Executive Officer, the General Manager, the Manager in charge of drawing up the company's accounting documents and the company's other Executives, information concerning the most significant transactions executed by the Company and acknowledges that such transactions were not considered openly imprudent or risky, in potential conflict of interest, in contrast with resolutions adopted by the Shareholders' Meeting or such as to compromise the integrity of the company's assets;
- verified the instructions given by the Company to its subsidiaries, pursuant to article 114, paragraph 2 of Legislative Decree 58/1998 and deems that they are adequate;
- the Bank took up the right provided for by the amendment to IAS 39, approved by the IASB on 13 October 2008 and adopted in our legislation thereafter, which allowed certain financial instruments to be reclassified, in particular circumstances, and the respective differences in value to be treated differently. The report on operations and supplementary notes give a detailed illustration of the effects on net equity and the profit and loss account deriving from this application;
- exchanged information with the Statutory Auditors of other companies of the Group;
- issued the legal opinions during the year, the main ones of which are listed below:
  - assignment of remuneration to the Chief Executive Officer and the General Manager;
  - changes and institution of Company Rules and Policies;
  - Audit Firm engagements (audit of the Reporting Package in particular);
  - transactions with Related Parties;
  - proposed merger of Banca del Gottardo with the subsidiary BSI Italia;
  - amendments to the Organisation and Management Model pursuant to Legislative Decree no. 231 of 21 November 2007;
  - opinions pursuant to Section 136 of the Consolidated Law on Banking regarding obligations of banks' corporate officers;
  - ICAAP process;

- verified that its members and the independent auditors possessed the independence requisites and found that the procedures adopted by the Board of Directors to ascertain its own internal independence compliance were adequate;
- systematically followed the activity carried out by the Internal Control Department, stating its observations on the Internal Audit annual report and the program to be implemented, and checking the implementation status of the audit plan and ensuing results; this function is organised into three services: Compliance; Risk Management and Internal Audit;
- verified investors' complaints, making observations thereon;
- verified the general compliance of the Banks with the requirement for correspondence with and communication to the Supervisory Bodies;
- acknowledges that the Company has discharged its obligations under law 197/91 and subsequent amendments, with particular reference to Legislative Decree no. 231 of 21 November 2007, and the provisions of the Bank of Italy and UIF (formerly UIC) regarding money laundering;
- acknowledges that the Bank has performed the necessary actions to comply with the regulations implementing the M.i.FID Directive, with particular reference to conflict of interest matters;
- acknowledges that the Company complied with the privacy obligations concerning personal data and the preparation of the Programmatic Security Document within the meaning of Legislative Decree 196/03 and other applicable regulations;
- acknowledges that during the year the oversight body monitored the operation and compliance of the Organisation and Management Model (MOG), approved by the Board of Directors in June 2006, which has been updated with the provisions for new crimes, and verified that it is suitable for preventing the commission over time of the crimes mentioned in the legislation. The work performed revealed no irregularities that could be related to the crimes contemplated under the provisions of Legislative Decree 231/2001;
- evaluated and verified the appropriateness of the administrative and accounting system, as well as its reliability in accurately representing operations through the report received by the manager in charge of drawing up the company's accounting documents, by the Auditing Firm, by obtaining direct information from the heads of the respective departments, and from examination of company records. As part of the process implementing Law 262/2005 and subsequent amendments, the Bank continued its work on the Financial Accounting Risk Governance project which aims to provide ongoing appraisal of the adequacy of the administrative and accounting procedures;
- acquired information and monitored the adequacy of the Company's organisation structure;

- acknowledges that the company adopted the following codes:
  - internal dealing;
  - privileged information, and established the Insider Register;
  - transactions with related parties: the Financial Statements explain related-party transactions in detail;
- acknowledges that the Company has adhered to the Corporate Governance Code of Listed Companies. It also prepared its Corporate Governance Annual Report;
- checked that the Bank has adopted regulations, processes and structures suitable for monitoring and overseeing banking-related risks, as described in the Report on Operations and Explanatory Notes;
- affirms that the Bank has approved the formation process and simplified ICAAP summary;
- acknowledges that in 2008 the company's intra-group transactions were of a financial and commercial nature, and regarded the supply of services that the directors described in their report on operations and notes to the accounts. These ordinary and extraordinary transactions were made with streamlining and cost-cutting objectives;
- acknowledges that Banca Generali complies with the Fiscal Consolidation Tax of Assicurazioni Generali S.p.A.;
- acknowledges that the report on operations and supplementary notes contain the information regarding the possession of own shares and parent company shares, in respect of which the respective non-distributable reserves have been set aside;
- acknowledges that the Bank meets the individual and consolidated capital requirements, established by the surveillance regulations (capital for regulatory purposes and capital ratios);
- acknowledges that the Report on the Corporate Governance System includes the information pursuant to Art.123-*bis* of the Consolidated Finance Law;
- acknowledges that no complaints have been received during the year pursuant to article 2408 of the Italian Civil Code.

Acknowledges that the Company is managed and coordinated by the Parent Company "Assicurazioni Generali s.p.a." and that, in compliance with the Italian Civil Code, the Company provided complete information on its relations with the Parent Company.

The periodic auditing, the review of the Half-year Report, and the audit of the Company and Consolidated Financial Statements were entrusted to the Auditing Firm "Reconta Ernst & Young S.p.A."; therefore the Board of Directors periodically exchanged information with the Auditing Firm and the latter did not notify the Board of Auditors of any events, circumstances or irregularities requiring its attention. Therefore, during 2008, the Auditing Firm verified regular

bookkeeping practices and correct assessment of operations in the accounting entries, and that the financial statements for the year ended 31 December 2008 coincided with accounting results. It is also reported, in addition to the above, that no further engagements were conferred on the audit firm, whilst the Q.I. tax certification service engagement was conferred on Studio Legale e Tributario Ernst & Young S.p.A., for a fee of 12 thousand euros and the ICAAP consultancy project on Ernst & Young Financial-Business Advisors S.p.A. for a fee of 271 thousand euros.

The manager in charge of drawing up the company's accounting documents and the Chief Executive Office issued the statement and attestation of conformity provided for by regulations in the field of accounting and financial statement communications.

The Board of Auditors nonetheless controlled the general criteria used in drawing up the financial statements as well as its compliance with the law and specific regulations regarding the preparation of financial statements of banking institutions.

The Financial Statements were prepared in compliance with Legislative Decree 38/2005 and in accordance with the accounting standards issued by IASB and IFRIC interpretations. Moreover, they were based on "Instructions for the preparation of company financial statements and the consolidated financial statements of banks and financial institutions that are parent companies of banking groups" issued by the Bank of Italy. The notes on the accounts explain the assessment criteria adopted and provide the necessary information as required by current laws, including information on credit risk, market risk, liquidity risk and operational risk. The Directors' Report provides information on operations, highlighting developments underway and the potential outlook, and the banking Group's development and reorganisation process in 2008.

In carrying out our supervisory activity, as described above, no other significant facts emerged that need to be reported to the competent Supervisory Bodies or that are worthy of mention in this report.

The Board of Auditors points out that the Consolidated Financial Statements of the Banca Generali Group were prepared in compliance with Legislative Decree 38/2005 and in accordance with the accounting standards issued by IASB and IFRIC interpretations. Moreover, they were based on "Instructions for the preparation of company financial statements and the consolidated financial statements of banks and financial institutions that are parent companies of banking groups" issued by the Bank of Italy. The consolidation area, changed with respect to the previous year, includes the parent company Banca Generali S.p.A, and its fully held subsidiaries Simgenia S.p.A, B.G. Fiduciaria Sim S.p.A., BG SGR S.p.A., Banca BSI Italia S.p.A.; S. Alessandro Fiduciaria S.p.A, BG Investment Luxembourg S.A, and Banca del Gottardo S.p.A.

Having regard to the above, the Board of Statutory Auditors considers that the financial

statements for 2008, as presented to you by the Board of Directors, may be approved by you and expresses a favourable opinion regarding the allocation of the profit of 12,027,780 euros as proposed by the Board of Directors.

Finally, the Board of Statutory Auditors reminds you that its period of office is also coming to an end and wishes to thank you for the confidence accorded it.

Trieste, 26 March 2009

The Board of Auditors

Giuseppe Alessio Verni

Paolo D'Agnolo

Angelo Venchiarutti

Annex to the Report of the Board of Statutory Auditors of **Banca Generali S.p.A.**

pursuant to Section 153 of Legislative Decree 58/1998

List of positions held at the companies pursuant to Book V, Sections V, VI and VII, of the Italian Civil Code on the date of issue of the Report (article 144-quinquiesdecies of CONSOB Rules No. 11971/99)

**Giuseppe Alessio Verni**

Chairman

On the date of issue of the Statutory Auditors' Report

to the General Shareholders' Meeting convened to approve the Financial Statements for 2008

Acting Auditorships		Expiry at approval of
n.		
	<b>Commercial companies</b>	
1	Assicurazioni Generali S.p.A:	2010 financial statements issuer
2	Banca Generali S.p.A.	Chairman 2008 financial statements issuer
3	Premuda S.p.A.	2010 financial statements issuer
4	Europ Assistance Italia S.p.A.	Chairman 2008 financial statements
5	Banca BSI S.p.A.	Chairman 2010 financial statements
6	Genertellife S.p.A.	Chairman 2009 financial statements
7	Genertel S.p.A.	2008 financial statements
8	Simgenia SIM S.p.A.	2010 financial statements
9	Europ Assistance Service S.p.A.	2008 financial statements
10	Generali Horizon S.p.A:	Chairman 2008 financial statements
11	S.Alessandro Fiduciaria S.p.A.	Chairman 2011 financial statements
12	UMS Immobiliare Genova S.p.A.	2010 financial statements
13	Grandi Iniziative S.p.A.	2010 financial statements
	total number of positions held	13
	number of positions held with issuers	3

**Angelo Venchiarutti**

Acting Auditor

On the date of issue of the Statutory Auditors' Report

to the General Shareholders' Meeting convened to approve the Financial Statements for 2008

Acting Auditorships		Expiry at approval of
n.		
	<b>Commercial companies</b>	
1	Banca Generali S.p.A.	2008 financial statements issuer
2	S.Alessandro Fiduciaria S.p.A.	2011 financial statements
3	BG Fiduciaria S.p.A.	2010 financial statements
4	Fondi Allenza SGR p.A.	2009 financial statements
5	Generali Investments Italy SGR S.p.A.	2010 financial statements
6	Generali Immobiliare Italia S.p.A.	2011 financial statements
	total number of positions held	6
	number of positions held with issuers	1

**Paolo D'Agnolo**

Acting Auditor

On the date of issue of the Statutory Auditors' Report

to the General Shareholders' Meeting convened to approve the Financial Statements for 2008

Acting Auditorships		Expiry at approval of
n.		
	<b>Commercial companies</b>	
1	Banca Generali S.p.A.	2008 financial statements issuer
2	Generali Properties S.p.A.	2009 financial statements
3	Generali Gestione Immobiliare S.p.A.	2009 financial statements

4	ASSITIMM - S.R.L.		2010 financial statements
5	Genagricola S.p.A.	Chairman	2008 financial statements
6	Casaletto S.r.l.		2008 financial statements
7	Sementi Dom Dotto S.r.l.		2008 financial statements
8	ENOFILA S.R.L.		2008 financial statements
9	KIPRE HOLDING S.p.A.	Chairman	2010 financial statements
10	PRINCIPE SAN DANIELE S.p.A.	Chairman	2010 financial statements
11	SOFI.MA. - S.p.A.		2010 financial statements
12	Carlo Martinolich S.r.l.	Single auditor	2010 financial statements
13	Latterie Carsiche S.p.A.	Chairman	2009 financial statements
14	Tripovich S.r.l.	Single auditor	2009 financial statements
15	Telit Mobile Terminals in Liq.n S.p.A.		2004* financial statements
16	Est Due S.r.l.	Chairman	2009 financial statements
17	Sifra Est S.p.A.	Chairman	2009 financial statements
18	Progetto 3000 - S.r.l.	Chairman	2008 financial statements
19	Francesco Parisi Casa di Spedizioni S.p.A.	Chairman	2010 financial statements
20	Galleria Bardelli S.r.l.	Chairman	2010 financial statements
21	Cava Romana S.p.A. di Aurisina		2009 financial statements
22	TRIESTE-ON-LINE	Auditor	2008 financial statements
23	Circolo Ippico Triestino S.r.l.	Director	2008 financial statements

total number of positions held	23
number of positions held with issuers	1

\* extended due to non-functioning of the Shareholders' Meeting