

**BANCA GENERALI SHAREHOLDERS' MEETING**  
**23, 24 April 2007**

**AGENDA**

**CONTENTS**

Proposal for approval of the Financial Statements and allocation of net profits for the year 2006 _____	2
Board of Directors' statement with regard to extension of the appointment of the auditing firm Reconta Ernst & Young with the resolution passed at the meeting held on 18 July 2006 _____	3
Proposal of the Board of Statutory Auditors with regard to the extension of the appointment of the auditing firm Reconta Ernst & Young with the resolution passed at the meeting held on 18 July 2006 _____	4
Report of Board of Directors with regard to general liability insurance cover for members of the Board of Directors, members of the Board of Statutory Auditors and for the General Manager _____	6

## Proposal for approval of the Financial Statements and allocation of net profits for 2006

Shareholders,

In submitting the Financial Statements for the year ended 31 December 2006 for your approval, we propose allocating the profit for the year as follows:

Net profit for the year	€	1,600,765
to legal reserve	€	80,038
	€	<u>1,520,727</u>
Use of the reserve from profit carried forward	€	2,818,980
Use of the available reserve	€	6,655,946
	€	<u>10,995,653</u>
a 0.10 euros dividend per ordinary share, including the portion attributable to the treasury shares, as per Section 2357 <i>ter</i> of the Italian Civil Code for a total amount of	€	<u>10,995,653</u>

We also propose to pay out dividends as of 17 May 2007, with ex-dividend date on 14 May and with payment to shares outstanding on the detachment date.

Trieste, 14 March 2007

THE BOARD OF DIRECTORS

## **Board of Directors' statement with regard to extension of the appointment of the auditing firm Reconta Ernst & Young with the resolution passed at the meeting held on 18 July 2006**

Shareholders,

Significant changes have recently been made to the text of Legislative Decree 58/98 (known as the "Consolidation Law on Financial Intermediation") concerning accounts auditing, as a result of the entry into force of the Italian legislative Decree 303/2006. Among other things, it introduced the following:

- a new procedure for appointing the auditing firm. The proposed assignment shall be submitted for approval by the Shareholders' Meeting, following a justified proposal in favour of the assignment by the Supervisory Body, instead of the proposal of the Board of Directors which was required prior to the amendment to the law;
- the extension of the term of the assignment from six years to nine. The assignment cannot be renewed before at least three years have been completed starting from the end of the previous agreement.

Article 8, paragraph 7 of Italian Legislative Decree 303/2006 — in order to harmonise the term of existing assignments — also provides for a transitional procedure that allows, until the date on which the 2006 financial statements are approved, the assignments which are currently in progress to be extended until the term of nine years has been reached.

The Board of Statutory Auditors shall thus formulate its proposals on this matter.

Trieste, 14 March 2007

THE BOARD OF DIRECTORS

## **Proposal of the Board of Statutory Auditors with regard to extension of the appointment of the auditing firm Reconta Ernst & Young with the resolution passed at the meeting held on 18 July 2006**

Shareholders,

In light of the changes in the regulatory framework following the entry into force of Italian Legislative Decree 303/2006, the Board of Statutory Auditors has met to consider whether the appointment of the auditing firm Reconta Ernst & Young SpA, with the resolution passed at the meeting on 18 July 2006, should be extended for a further three years.

In this regard, the Board of Statutory Auditors has examined the proposal to extend the assignment of Reconta Ernst & Young S.p.A., submitted from the auditing firm itself, which currently audits the Company's accounts.

The proposal for extension refers to the years 2012-2014, as the same firm was already commissioned to audit the accounts for the six-year period 2006-2011 by the Shareholders' Meeting held on 18 July 2006.

Please note that as a consequence of this possible extension, the total number of consecutive years subject to auditing would be nine, and therefore the extension would be in accordance with the provisions of article 159, paragraph 4 of Italian Legislative Decree No. 58 of 24 February 1998, as amended by the law No. 262 of 28 December 2005, and the recent Legislative Decree No. 303 of 29 December 2006, published in the Official Journal on 10 January 2007.

In this regard, we have first established that there are no grounds for incompatibility and that, in fact, all the necessary technical and professional requirements exist also in terms of planned commitment and combination of resources used, with regard to Reconta Ernst & Young S.p.A., and its partner Marco Bozzola, who will be tasked with the accounts auditing activities on the firm's behalf. These matters have all been evaluated in relation to the complexity of auditing the annual financial statements, the consolidated statements and the other checks required on the accounts of Banca Generali S.p.A..

The above proposal has also been examined in terms of the time and fee estimate for each financial year from 2012 to 2014, again with regard to the complexity of auditing the annual financial statements, the consolidated statements and the other checks required on the accounts of the company. The proposal was deemed appropriate. The financial content of the proposal is shown below:

<i>Task</i>	<i>Hours</i>	<i>Fee (€)</i>
Auditing of the financial statements	680	58,000.00
Auditing of the consolidated financial statements	100	9,000.00
Periodic checks	160	13,500.00
Limited review of the Company and consolidated half-year report	200	17,500.00
Total	1,140	98,000.00

Taking advantage of the new possibility introduced by article 8, paragraph 7 of the final and transitional provisions of Legislative Decree 303/2006, under which the term of current auditing assignments can be adapted, the Board of Statutory Auditors, as provided for in art. 159, paragraph 1 of the Legislative Decree No. 58 of 24 February 1998, submits for the approval of the Shareholders' Meeting called to approve the financial statements for the year ended 31 December 2006, a proposal to extend the auditing assignment granted to "Reconta Ernst & Young S.p.A." until the date of approval of the financial statements for 2014, according to the above terms and conditions.

Trieste, 12 March 2007

BOARD OF STATUTORY AUDITORS

## **Report of Board of Directors with regard to general liability insurance cover for members of the Board of Directors, members of the Board of Statutory Auditors and for the General Manager**

Shareholders,

The Board of Directors submits for the approval an insurance policy to cover the general liability, which may be incurred by the banking officers on their duties.

The proposed cover, formulated by Assicurazioni Generali S.p.A., concerns those individuals in all of the companies in the Banca Generali Group who are or who will be appointed to one of the following posts: Chairman, Vice Chairman, Chief Executive Officer, Director or member of the Management Committee, General Manager, Chairman and/or member of the Board of Statutory Auditors, Supervisory Body or Management Control Committee, and for anyone who is generally liable by law for damages arising from financial losses unintentionally caused to third parties as a result of culpable negligence of duties arising from the law, the Articles of Association, decisions on appointments or resolutions passed at meetings, in carrying out the duties which their position entails.

The cover would not extend to general liability deriving from acts subject to criminal punishment, nor administrative fines which may be levied by Regulatory Bodies in accordance with laws in force.

Under the policy proposal, cover would also extend to Managers of the bank who are called to the office of Director, General Manager or Auditor of associate companies as defined under Section 2359 of the Italian Civil Code, provided that they have been appointed by the bank itself.

The policy would automatically extend to newly-acquired or incorporated subsidiaries, provided that the total assets of the new subsidiary do not exceed 10% of the parent company's total assets, it is not in liquidation, does not have a negative net equity and its registered office is not in the USA or Canada.

It is proposed that the maximum cover per claim per year and for all the persons insured, will be set at € 10,000,000.00, with secondary limits for claims related to employment matters.

The period of cover would be 12 months with a total annual cost of € 38,000.00.

We further propose that the Chief Executive Officer be vested with full powers to execute the resolution.

Trieste, 14 March 2007

THE BOARD OF DIRECTORS