

**2008 First Quarter Results
and Banca del Gottardo Italia Acquisition**

**Giorgio Girelli, CEO
Milan, May 06, 2008**

Today's Agenda

1Q-08 Results

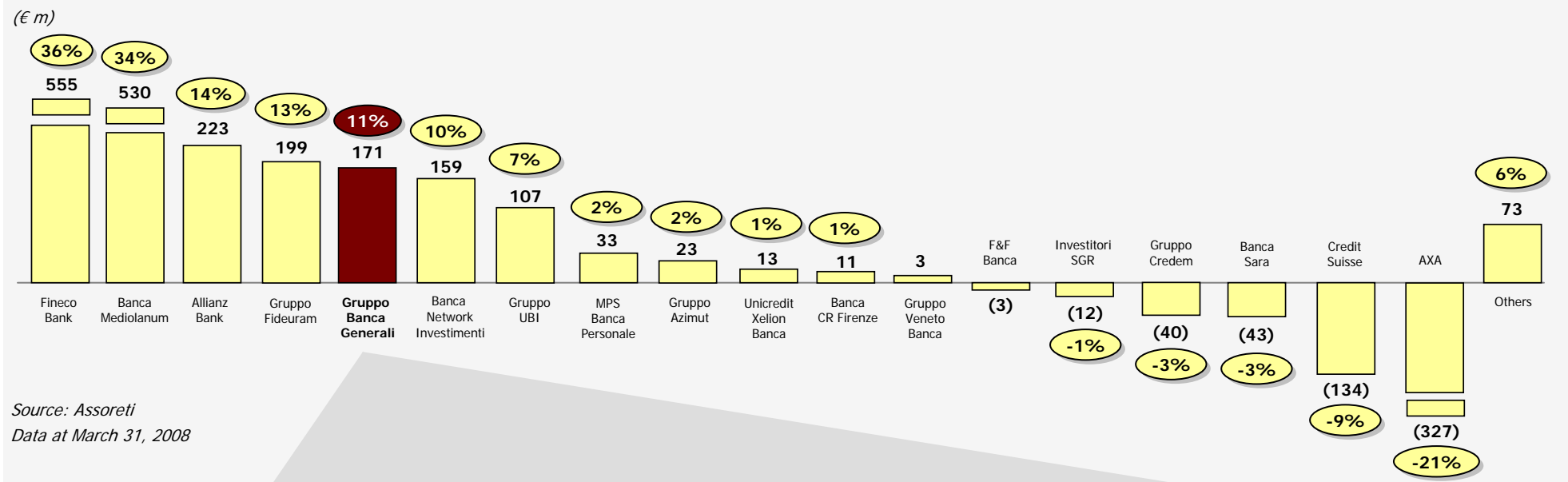
1Q08 Results key messages in a nutshell

- We are delivering in line with our strategy to cope with a tough 2008: Net Inflows were positive by €171 million in 1Q08 and gross inflows in new strategic products is proceeding ahead of targets (€760 million in life products, €920 million in BG-Lux products and €300 m in BG Target YTD)
- Positive industrial results even within an horrible market landscape: growth in industrial net income and continuous reduction in operative costs
- An impressive spread widening in corporate bond (Itraxx from 40 bp at 2007YE to 91 bp at March 31) reflected on our 1Q08 reported net profit
- No benefits on the tax-side accounted, yet
- We fully confirm our 2009 net profit target in a €70-€80 million range (before accounting the positive impact expected from the Banca del Gottardo Italia acquisition)

Banca del Gottardo Italia Acquisition

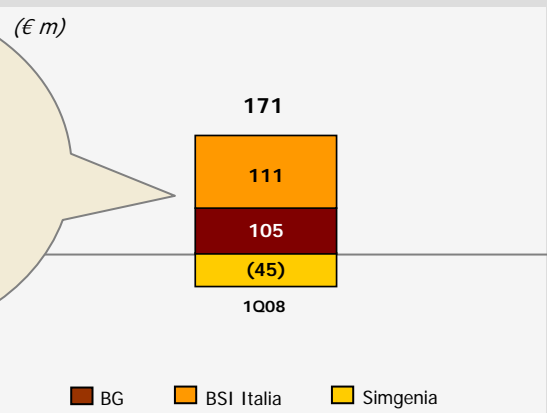
Delivering on 1Q08 Net Inflows target even with unfavourable market conditions

1Q08 Net Inflows Ranking by Groups

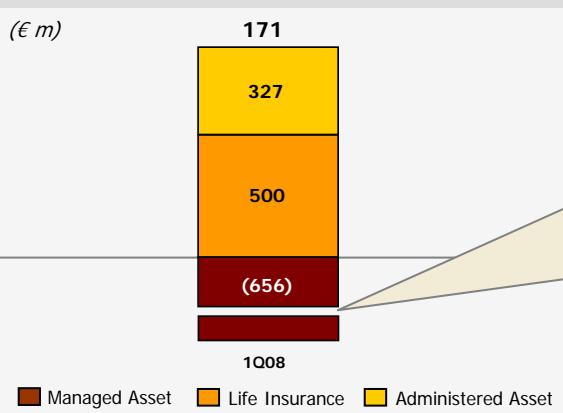


Source: Assoreti
Data at March 31, 2008

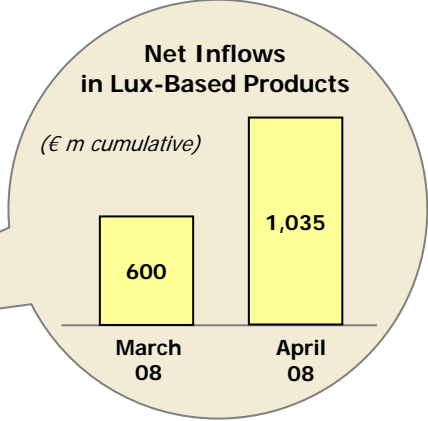
Net Inflows by Company



Net Inflows by Asset Class



Strong results in private banking and BG counterbalancing poor Simgenia contribution



1Q08 Results: Key Remarks

Unfavourable Financial markets



- The company operated in one of the worst business environment of the last decades, due to a combination of poor equity markets (equity stock indexes -16% on average in the quarter) and poor credit markets (ITraxx +51 bp in the period).

Good industrial Performance



- Despite poor 1Q08 financial markets, industrial results on an adjusted basis posted:
 - ✓ +2% net banking income
 - ✓ -0.7% staff and administrative expenses despite the launch of the new Lux-based unit and the new labour contract signed with Banking Trade Unions
 - ✓ +48% Adjusted Pre-Tax Profit
 - ✓ +84% Adjusted Net Profit

Corporate Spread Widening



- As corporate bond spreads reached new peaks in 1Q08, Banca Generali posted €13.6 million of unrealised capital losses on its HFT investment portfolio. About 80% of these losses are related to corporate bonds of European banks

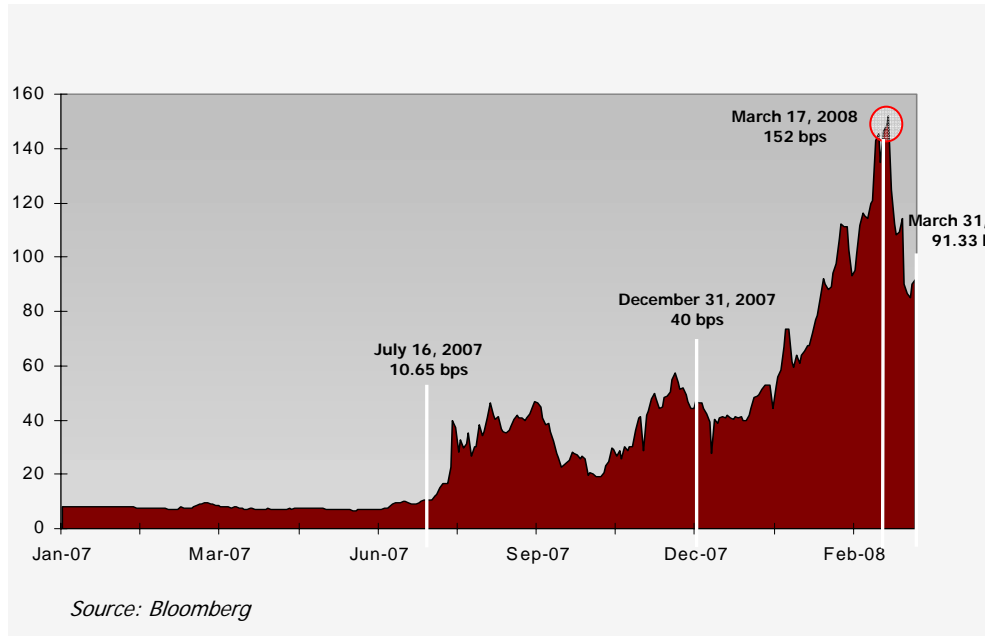
Consolidated Profit and Loss 1Q08 Results: Key Comments

(€ m)	1Q 07	1Q 08	% Chg	1Q 08 (Adj)	% Chg	
Net Interest Income	9.8	14.0⁽¹⁾	42.9%	14.0	42.9%	(1) Strong increase in Net Interest Income
Commission income	74.4	66.6	-10.6%	66.6	-10.6%	
Commission expense	-34.2	-29.5	-13.8%	-29.5	-13.8%	
Net Commission	40.2	37.0⁽²⁾	-7.9%	37.0	-7.9%	(2) Net commissions fell only by 8% despite 1Q07 benefited from €6 million of non-recurring fees and despite AUM decrease due to market trend
Net income (loss) from trading activities	1.6	1.8	9.5%	1.8	9.5%	
Unrealized gain (loss) at fair value	0.1	-13.6	n.m.	0.0	n.m.	
Dividends	0.0	0.1	n.m.	0.1	n.m.	
Net Banking Income	51.6	39.2	-24.0%	52.8⁽³⁾	2.2%	(3) Net banking income up 2.2% excluding unrealised losses on HFT portfolio
Staff expenses	-14.1	-14.2	0.8%	-14.2	0.8%	
Other general and administrative expense	-16.8	-16.4	-1.9%	-16.4	-1.9%	
	-30.8	-30.6 ⁽⁴⁾	-0.7%	-30.6	-0.7%	(4) Operating costs constantly decreasing
Depreciation and amortisation	-1.6	-1.3	-18.7%	-1.3	-18.7%	
Other net operating income (expense)	2.4	1.2	-50.3%	1.2	-50.3%	
Net Operating Expenses	-30.0	-30.7	2.3%	-30.7	2.3%	
Operating Profit	21.6	8.5	-60.6%	22.1	2.1%	
Net adjustments for impair.loans and other assets	0.0	0.1	n.m.	0.1	n.m.	
Net provisions for liabilities and contingencies	-12.0	-7.9 ⁽⁵⁾	-34.1%	-7.9	-34.1%	(5) 1Q08 provisions representing about 50% of the year-end target
Gain (loss) from disposal of equity investments	0.0	0.0	0.0%	0.0	0.0%	
Profit Before Taxation	9.6	0.7	-93.2%	14.2	47.9%	
Direct income taxes	-4.9	-1.3 ⁽⁶⁾	-73.2%	-5.6	13.5%	(6) Impact of IRAP payment to be reabsorbed in the next quarter
Net Profit	4.7	-0.7	-114.2%	8.6⁽⁷⁾	83.9%	(7) Adjusted net profit nearly doubled
Cost /Income Ratio	55.1%	75.0%	19.9 p.p.	55.8%	0.7 p.p.	
EBI TDA	23.2	9.8	-57.8%	23.4	0.7%	

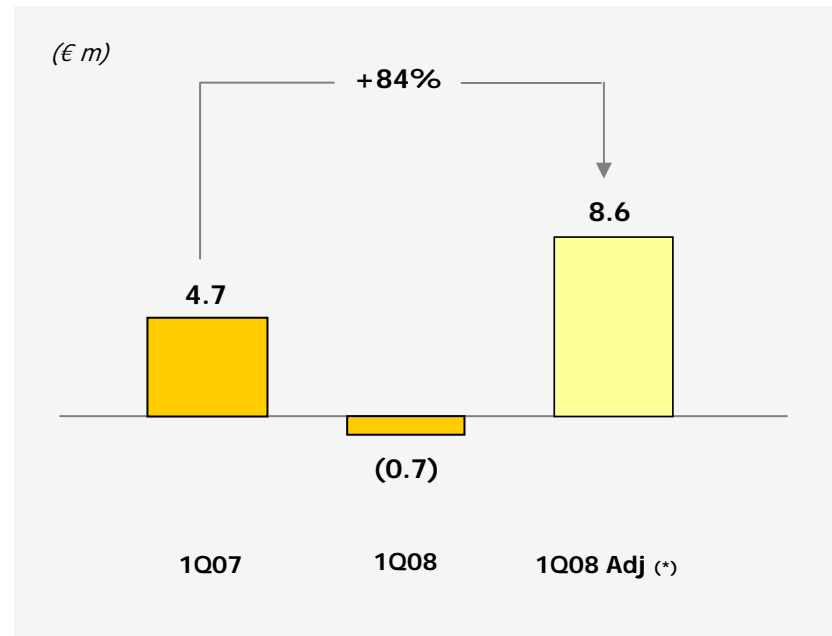
Note: 1Q08 Net Profit Adjusted for € 13.6 m of unrealised capital losses at fair value on the trading investment portfolio (HFT)

1Q08 up 80%, when adjusting for the Impact of Corporate Credit Spreads Movement

Itraxx Europe Senior Financials



Net Profit

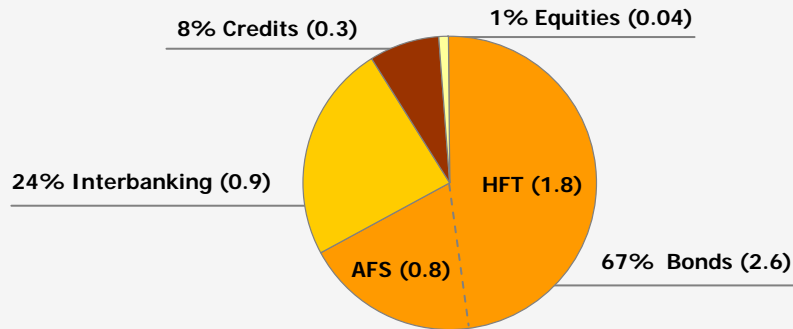


- Itraxx +51bp in 1Q08 (to 91 bp at March, 31)
- Itraxx +81 bp from mid July 2007 to March, 31 2008
- Reported Net Profit penalised by €13.6 million of unrealised Capital Losses on our trading portfolio

(*) 1Q08 Net Profit Adjusted for € 13.6 m of unrealised capital losses at fair value on the trading investment portfolio (HFT)

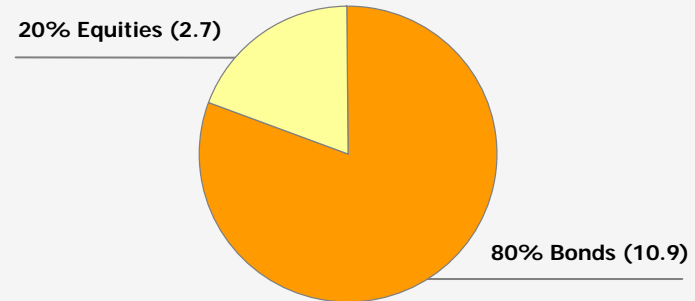
Investment Portfolio – Unrealised Capital Losses mostly coming from Corporate bonds on European banks

Investment Portfolio



Total €3.8 bn

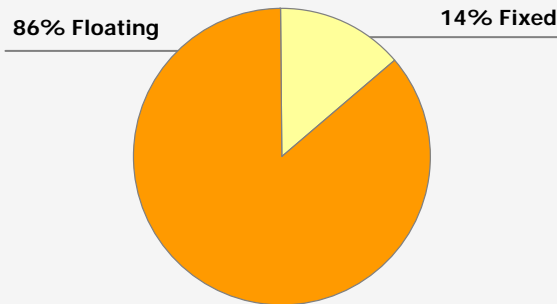
HFT Unrealised Losses Breakdown



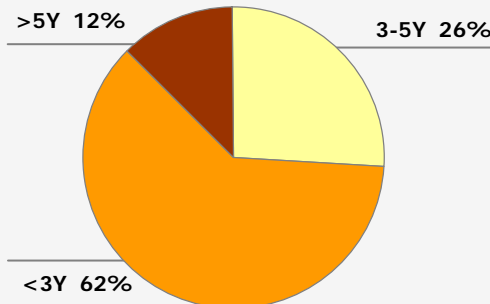
Total €13.6 m

HFT Bond Portfolio Details

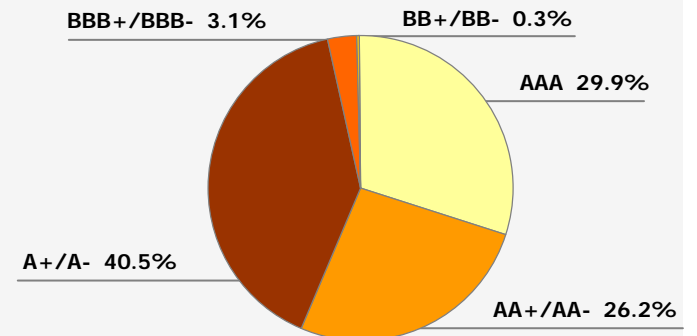
Interest Rate



Maturities

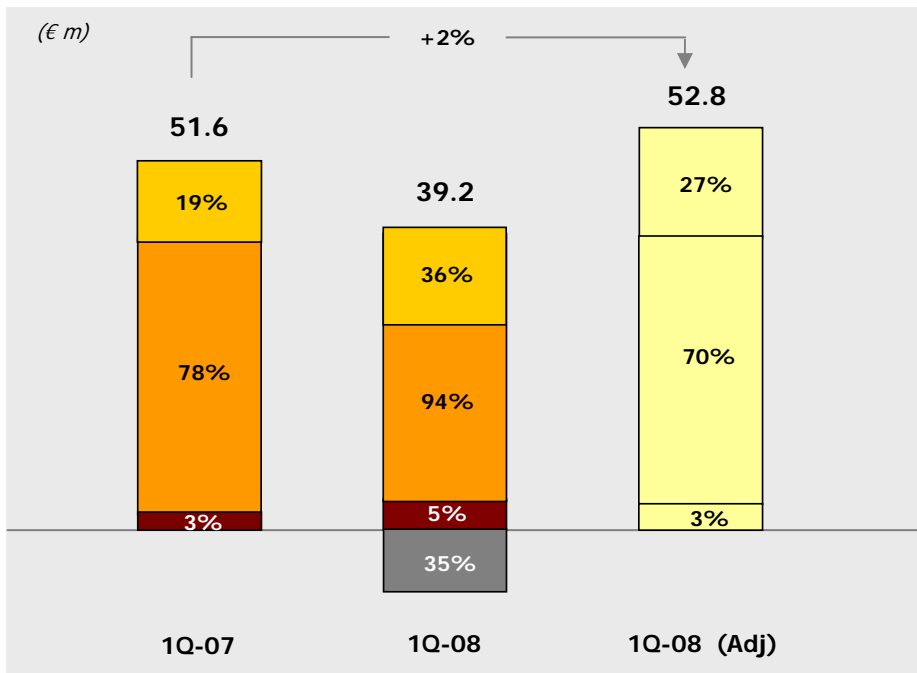


Rating



Gross Commissions and Banking income holding-up well

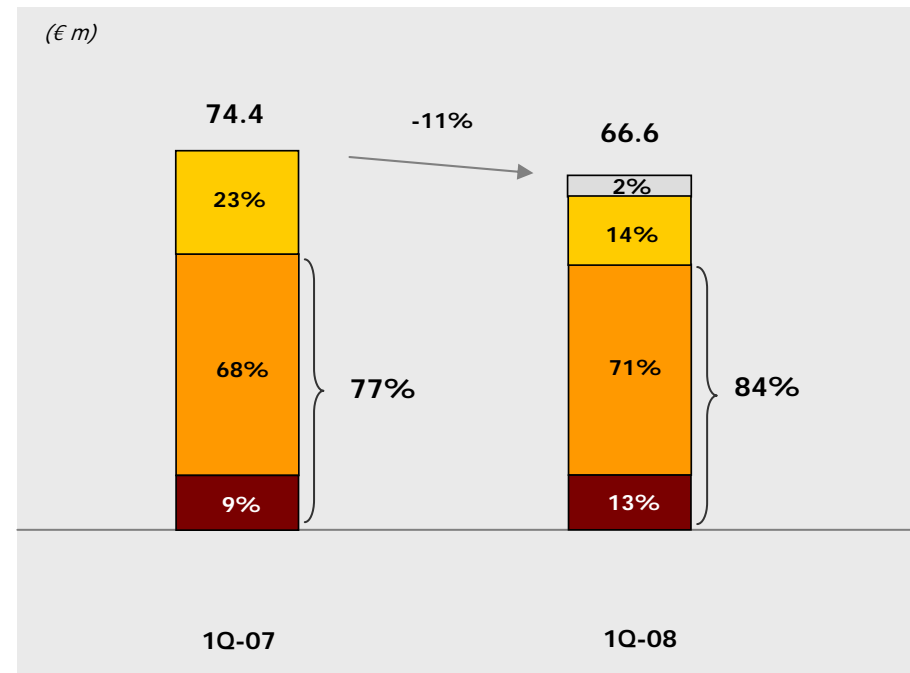
Breakdown of Net Banking Income



- Net Interest Income
- Net Commission
- Net Income from trading and dividends
- Unrealised gains/losses

➤ Strong increase in Net Interest Income thanks to a successful banking strategy

Breakdown of Gross Commissions

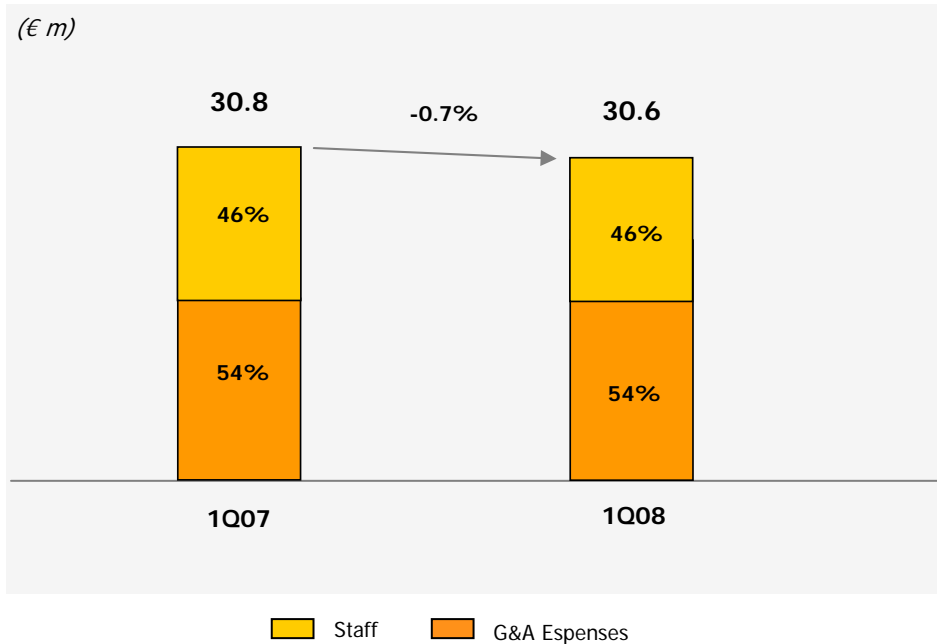


- Front Fees
- Management Fees
- Banking Revenues
- Performance Fees

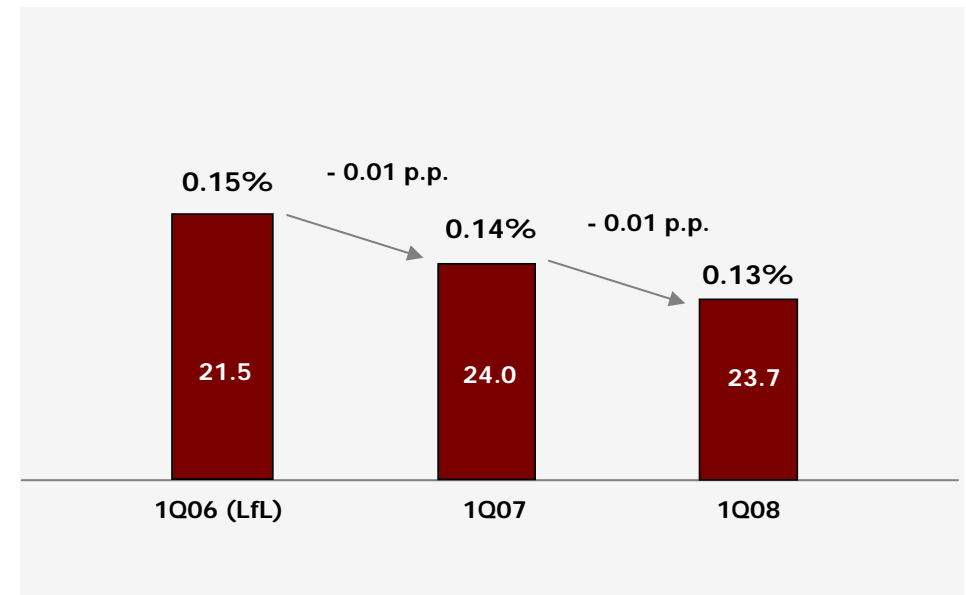
- Increasing weight of recurring fees (from 77% to 84%)
- Unfavourable yoy comparison on entry fees and banking revenues due to non-recurring fees of about €6 million in 1Q07
- Performance fees contributed 2% of total fees

Operating costs - Maintaining a severe discipline on cost control

Operating Costs Breakdown



Operating Costs/AUM (*)



➤ **Excellent results despite higher labour costs related to the new National Banking Contract and the additional costs related to the new Luxembourg-based Management company**

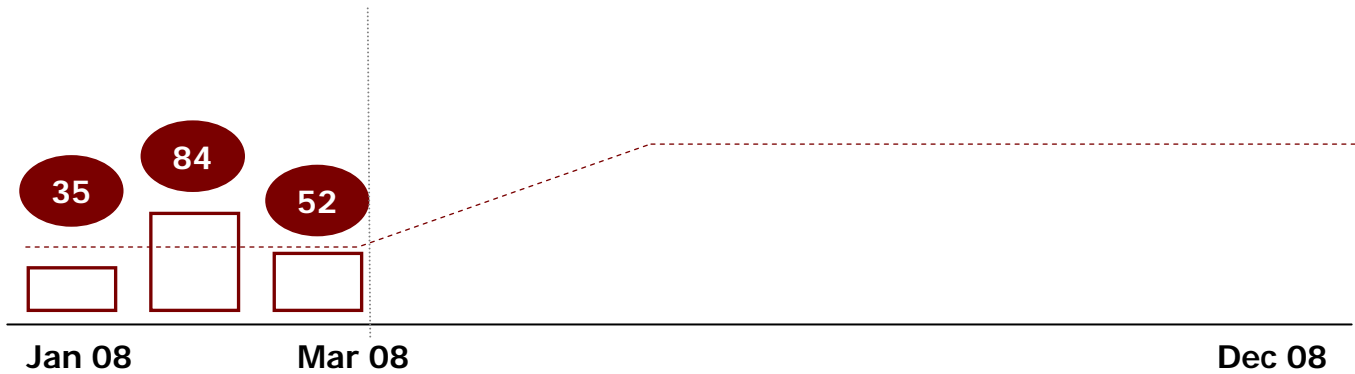
➤ **Further evidence that operating leverage is working**

(*) Including depreciation; Average AUM

Delivering our plan "Strategy to cope with a tough 2008"

1) Gathering New Assets

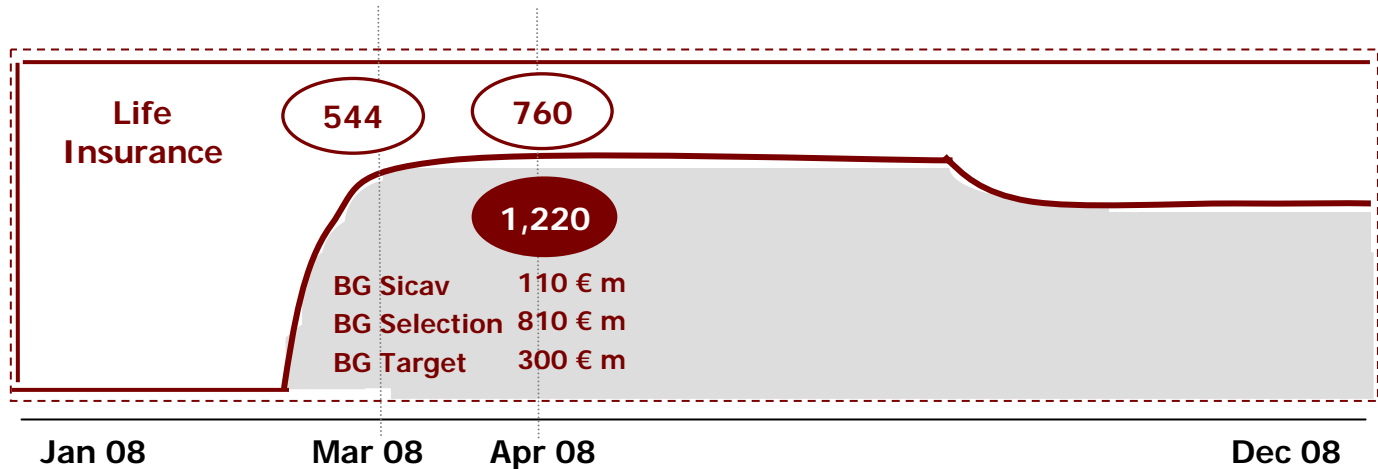
March Net Inflows fully in line with targets



● Monthly New Inflows (€ m)
 - - - - - Expected New Inflows

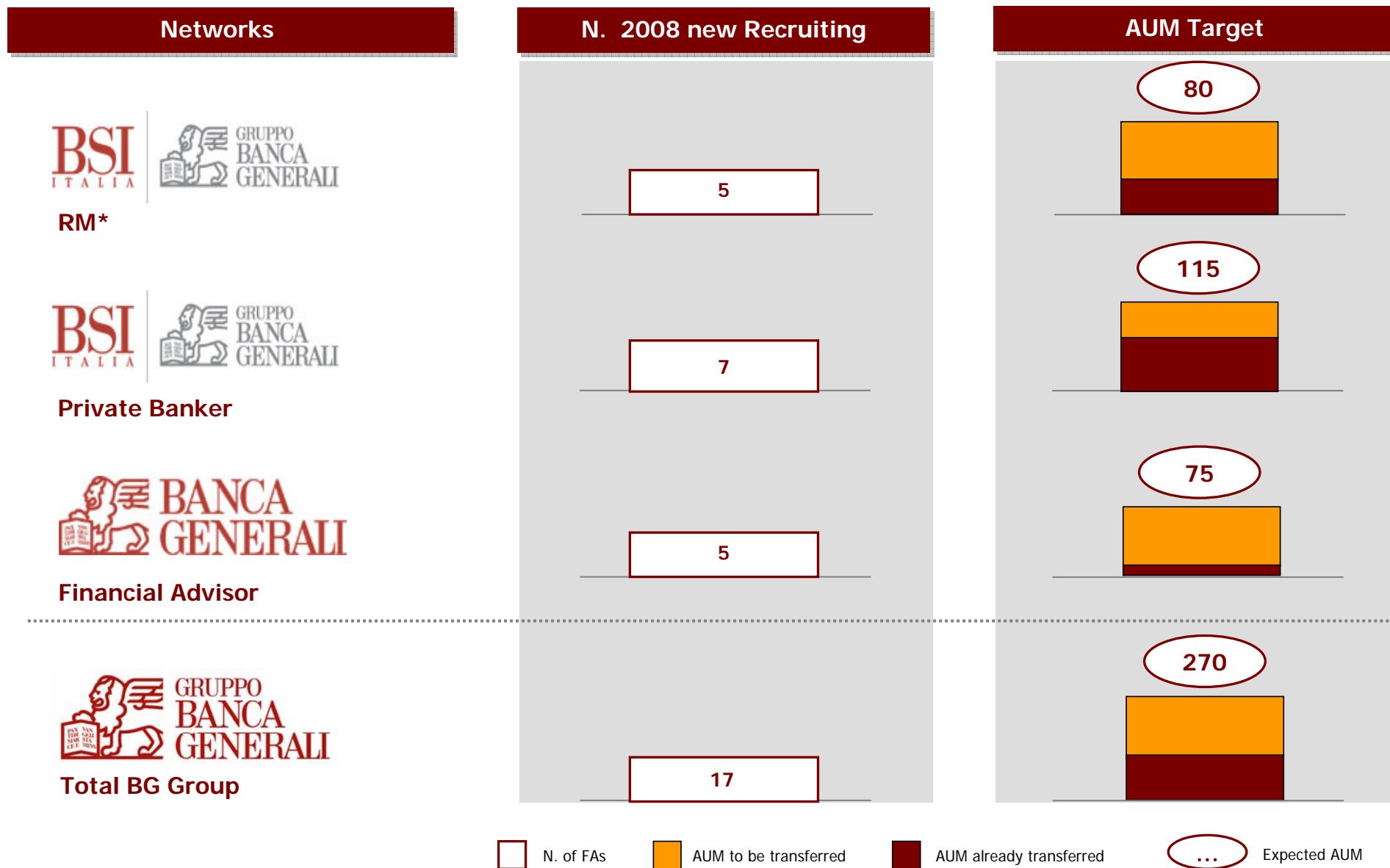
2) Increasing Asset Profitability

Gross Inflows in new strategic products are beyond our expectations



○ Life NB (€ m)
 ● Gross Inflows (€ m)

Recruiting: good development in Private Banking, a bit late on FAs



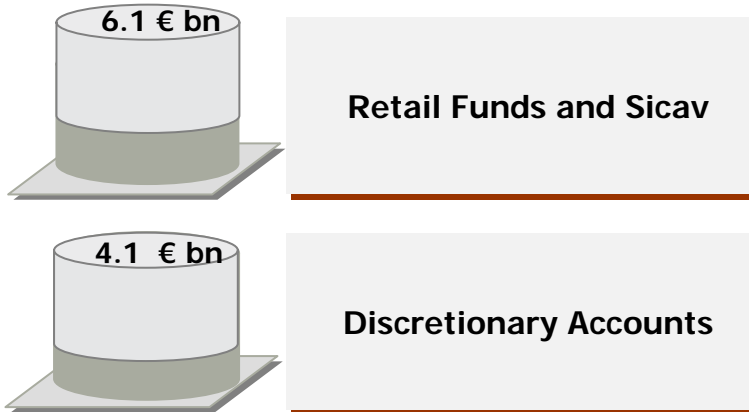
* Relationship Manager (employee)

Asset Transformation is working as planned

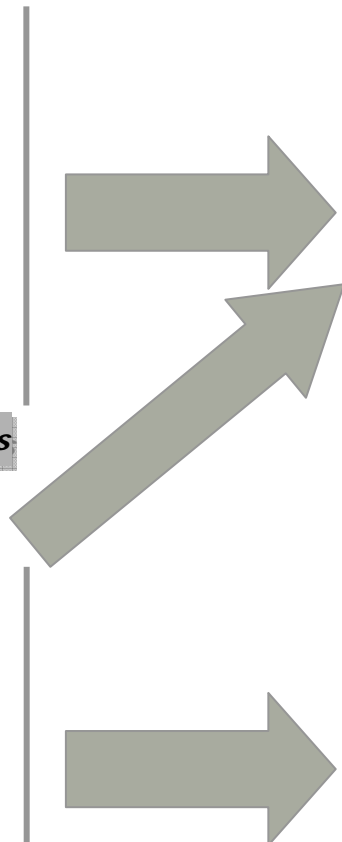
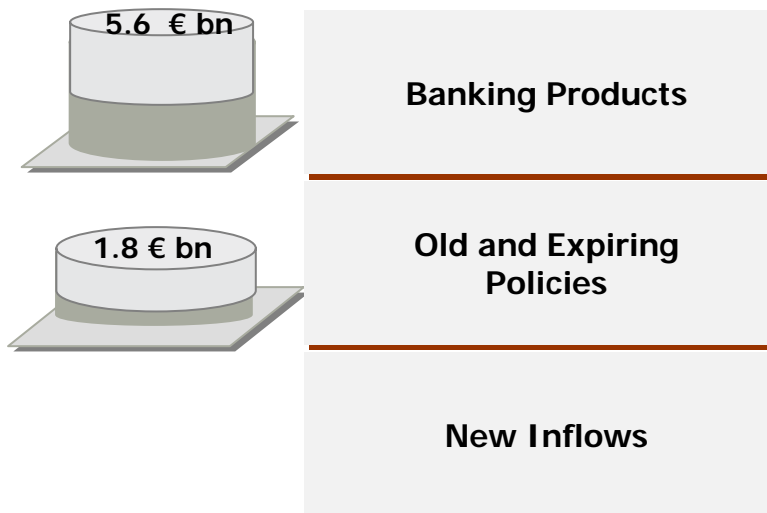
Starting portfolio (31/12/07)

Note: referred to BG and BSI, only

Managed Assets



Non managed and Insurance Assets + New Inflows



New Products and Gross Inflows at the end of April 2008



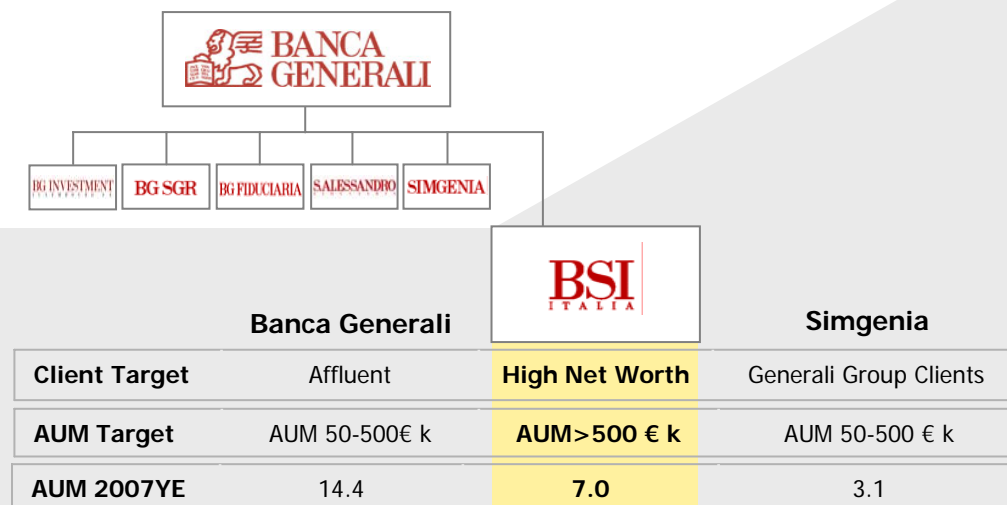
Today's Agenda

1Q-08 Results

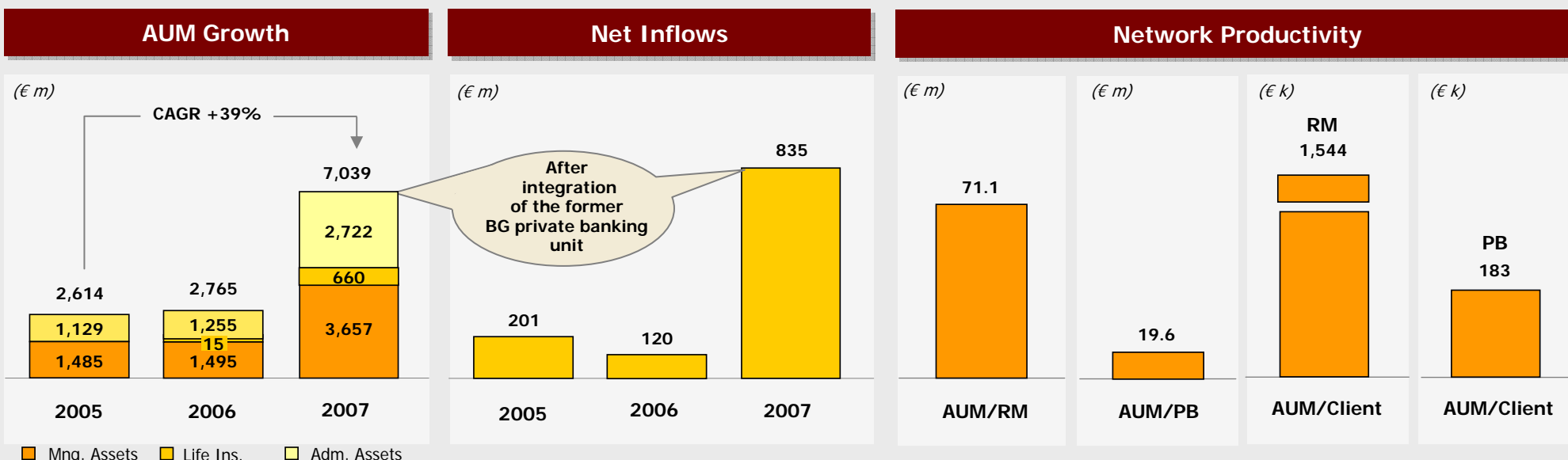
Banca del Gottardo Italia Acquisition

- Focus on Private Banking - A strategic Business to Banca Generali
- Key Highlights of Banca del Gottardo Italia
- Strategic Rationale of the Deal – Creating one of the largest players in PB in Italy
- Industrial Structure of the Deal – Creating a new single entity in private banking by January 1, 2009
- Estimated Synergies – Exploiting BG proven expertise in post Merger Integration
- Key Terms and Financial Structure of the Deal – A good opportunity at the right price
- Expected Economic Impact – Accretive on 2009 target

Focus on Private Banking: A strategic business to Banca Generali



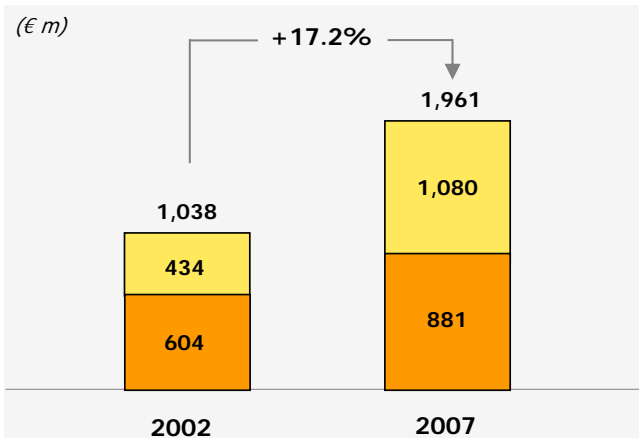
- Private banking, a core business for Banca Generali
- AUM at €7.0 bn in 2007YE (52% managed products)
- Ranking 6th in Italy
- 25,421 active clients
- 221 Private Banker and 38 Relationship Manager
- 6 Branches (Milan, Turin, Monza, Rome, Naples, Bologna)



Key Highlights on Banca del Gottardo Italia

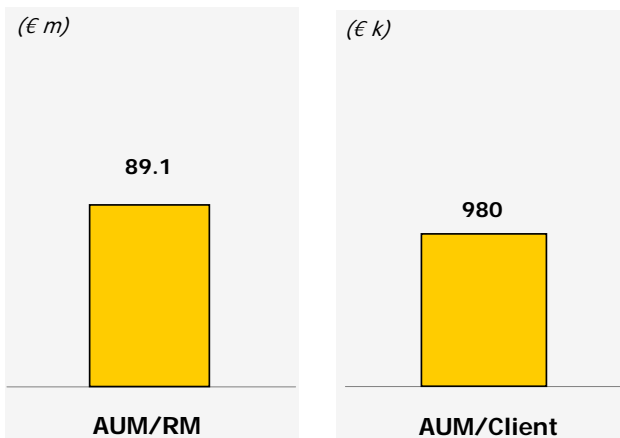
- Banca del Gottardo Italia SpA (BdG) is the Italy-based operation of the Swiss group Banca del Gottardo AG, bought in October 2007 by BSI AG
- BdG Italia start-up in 2002
- 2007YE AUM at €1,961 million with a 2002/07 CAGR of 17.2%
- 2,000 clients, with UHNWI and HNWI clients representing together 86% of total AUM
- 88% of AUM based in the North of Italy (Lombardy at 61% of total, Piemonte 9.4%, Liguria 8.4%)
- 22 Relationship Managers and 5 branches (Bergamo, Milan, Turin, Rome and Treviso)

2002/07 AUM CAGR

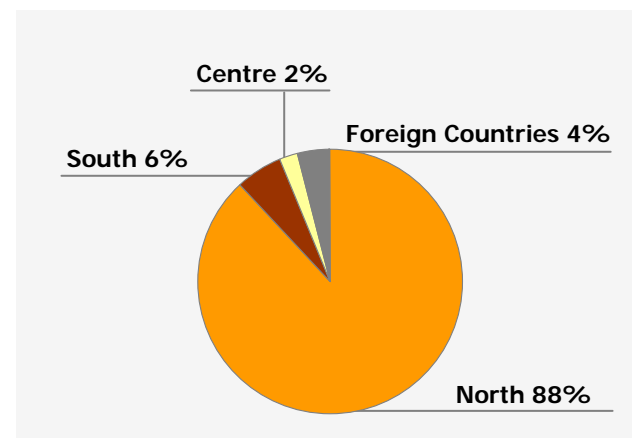


■ Managed Assets ■ Administered Assets

Network Productivity



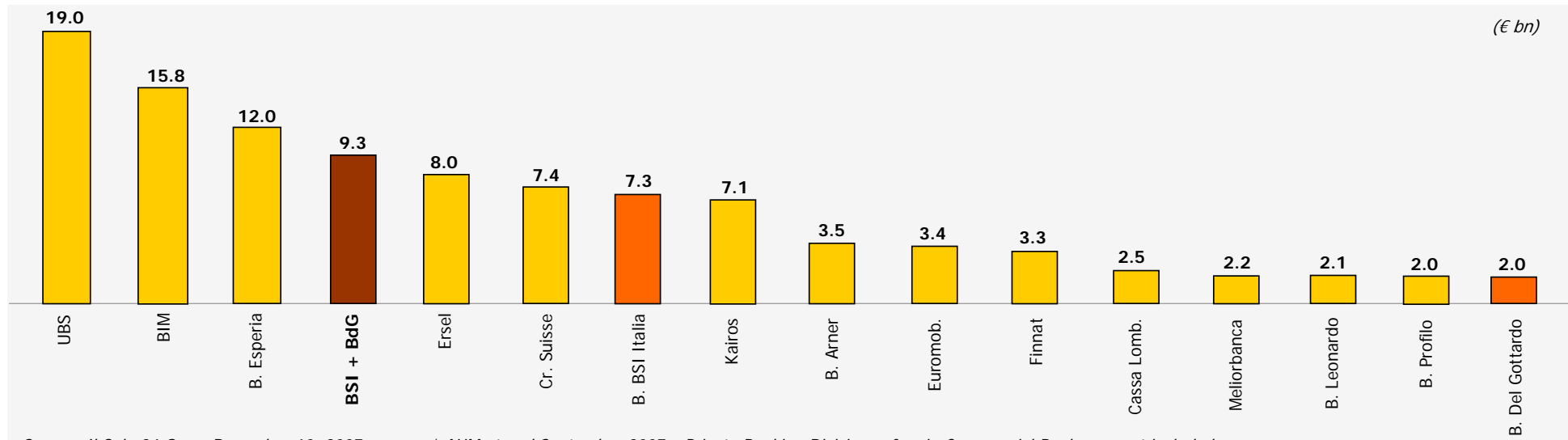
AUM Geographical Split



Strategic Rationale of the Deal – Creating one of the largest player in PB in Italy

- 1 Strengthening our presence in the private banking segment
- 2 Creating one of the largest players in the private banking sector, as BSI + BdG will rank 4th in Italy
- 3 Exploiting one of the few opportunities to grow by external lines on the Italian market
- 4 Strengthening our commercial reach in some of the wealthiest regions in Italy
- 5 Gaining access to a network of highly-skilled private bankers/RMs with a proven local reach

Ranking of Private Banking in Italy*



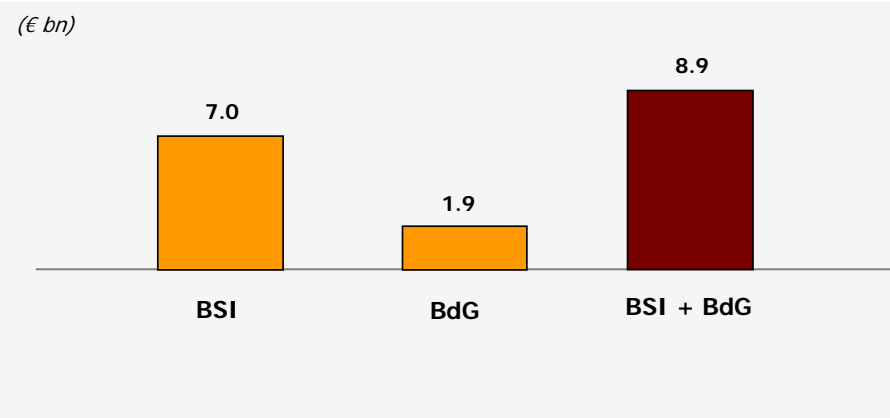
Source: Il Sole 24 Ore – December 10, 2007

* AUM at end September 2007 – Private Banking Divisions of main Commercial Banks are not included

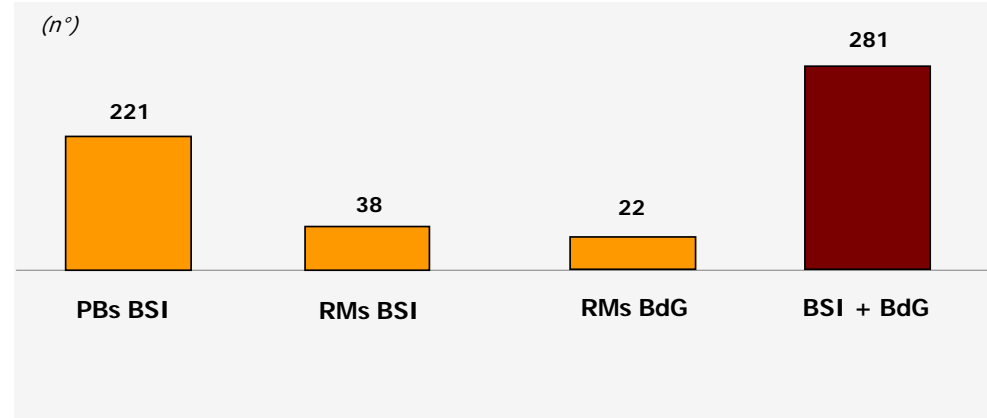
Industrial Structure of the Deal – Creating a new single entity from January 1, 2009

- BSI Italia acquires 100% of BdG from Banca del Gottardo SA
- Authorisation from the Bank of Italy likely to be issued within September 2008
- Creating a new single entity 100% controlled by BG, and fully integrating BSI Italia and BdG
- Integration of all central functions of BdG within BG group and strengthening of existing commercial skills
- New private banking entity with €9 billion of assets, 221 private bankers, 60 RMs
- No rights issues, funding through excess capital and new debt issue

BSI Italia + BdG Combined AUM



BSI Italia + BdG Distribution Network



Estimated Synergies – Exploiting BG proven expertise in Post Merger Integration

Banca del Gottardo Profit and Loss	2006	2007		2009 E
Net Interest Income	9.3	9.4	➤ Revenue Synergies conservatively taken at zero in 2009	7.6
Net Commission	6.9	8.1		10.0
Others	2.3	1.3		1.2
Net Banking Income	18.5	18.8		18.8
Net Operating Expenses	-15.0	-13.5	➤ Estimated Cost Synergies in a €4-€5 m range ✓ Central functions ✓ Headquarter and local branches ✓ IT and back offices procedures	-9.2
Operating Result	3.5	5.3		9.6
Net Provisions for bad debts	-9.9	-4.1	➤ Credit Book ✓ BG has a full guarantee on the credit book for bad debt until 2009 year-end, so the high provisions made in the last 2 years will be reduced to zero	0
Profit before Tax	-6.4	1.2		9.6
Tax	3.1	-2.1	➤ No major restructuring charges ✓ Same IT system ✓ Commercial networks with same organisation	-3.3
Net Profit	-3.3	-0.8		6.3
Estimate Net Profit after Synergies and Cost of Financing			➤ Cost of Financing, net of tax	-2.3
				4.0

Key Terms and Structure of the Deal – A good opportunity at the right price

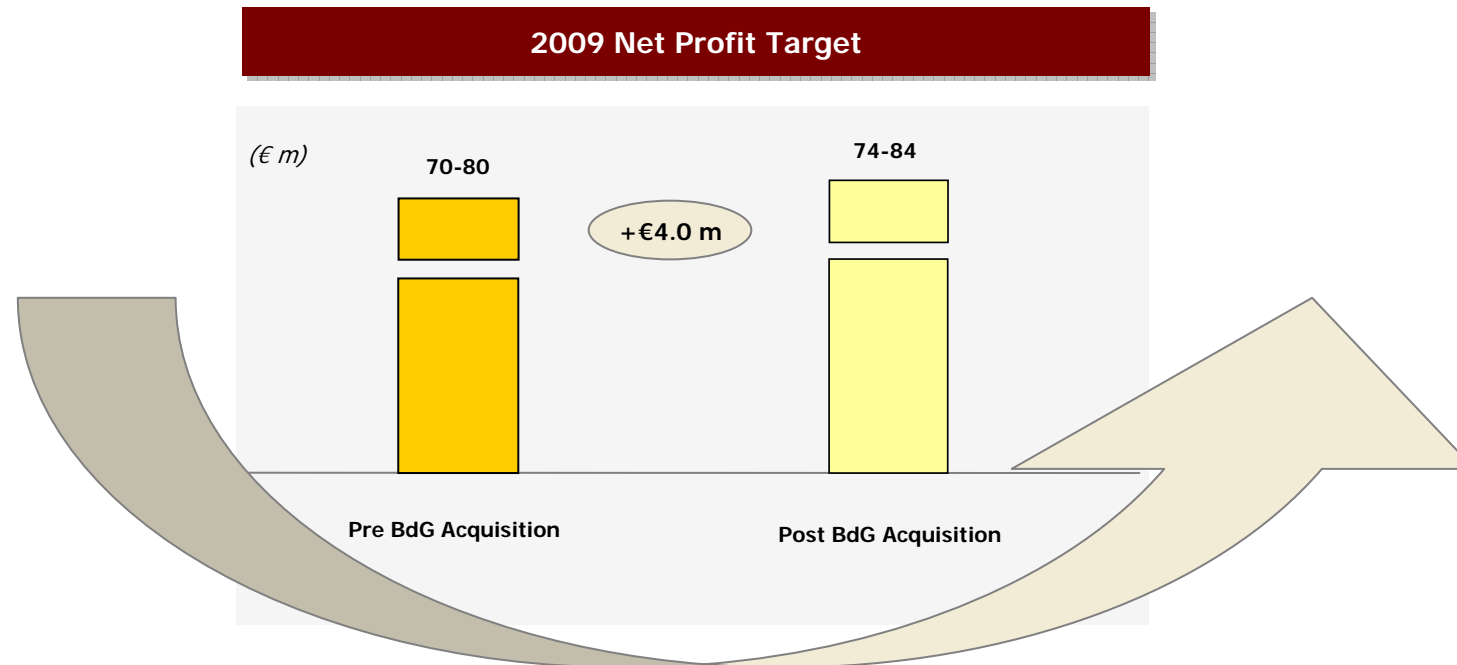
KEY TERMS OF THE DEAL

- The price paid is €62 million, out of which €23.9 million equity and €38.1 million Goodwill *(the price will be paid cash)*
- P/AUM equals to 3.2% and Goodwill/AUM amounts to 1.9%, well below the cost for private bankers recruitment (about 3%)
- The vendor offers full guarantee on the credit book for bad debt until December 31, 2009
- The deal closing is expected by the 3Q08;

FINANCIAL STRUCTURE OF THE DEAL

- The deal will be financed through a combination of internal resources and subordinated debt issue of €40 million provided by the Generali group
- The debt will be amortised over 7 years, with pay-back period starting from the 3rd year
- Cost of financing is fully arms' length, in line with costs of subordinated debt of non-rated banks (i.e. Euribor +200bp; +25/-25bp) fixed at the closing date
- Group Solvency Margin after the deal estimated at 11.2% (from 12.6% at 2007YE) and individual solvency margin at 11.5% (from 12.1% of 2007)
- Group Excess capital after the deal is estimated at € 24.8 million (individual at €49.5 m)

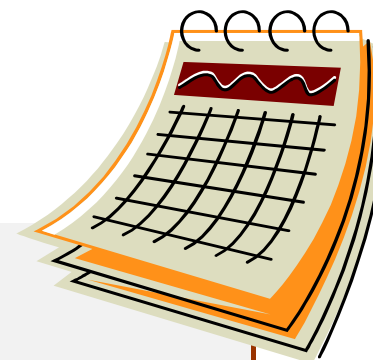
Estimated Impact on Banca Generali 2009 Targets



The deal is a good opportunity for Banca Generali, as it allows:

1. to prove our commitment to grow at the right conditions and to confirm our role as “market consolidator” in the asset gathering sector in Italy
2. to further increase our focus on private banking
3. to be earnings accretive by 5.0% to 5.7% already from the first year of consolidation, without considering any revenue synergies
4. to require no rights issue

What's Next



Wednesday July 30, 2008:

10:00 AM CET Review of 2008 mid-year accounts

3:00 PM CET Conference Call

• *Tuesday October 28, 2008:*

10:00 AM CET Review of Q3 2008 accounts

3:00 PM CET Conference Call

Investor Relations Team

Giuliana Pagliari

Investor Relations Officer

Tel +39 02 6076 5548

Federico Mangiagalli

Tel +39 02 6076 5545

Fax +39 02 6682 854

E-mail investor.relations@bancagenerali.it

Website: www.bancagenerali.it

Disclaimer

The manager responsible for preparing the company's financial reports (Giancarlo Fancel) declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law of Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

G. Fancel, CFO

Certain statements contained herein are statements of future expectations and other forward-looking statements.

These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties.

The user of such information should recognize that actual results, performance or events may differ materially from such expectations because they relate to future events and circumstances which are beyond our control including, among other things, general economic and sector conditions.

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