

**FY-07 Results &
2008-09 Outlook**

Built Around the Future

**Giorgio Girelli, CEO
Milan, March 13, 2008**

Today's Agenda

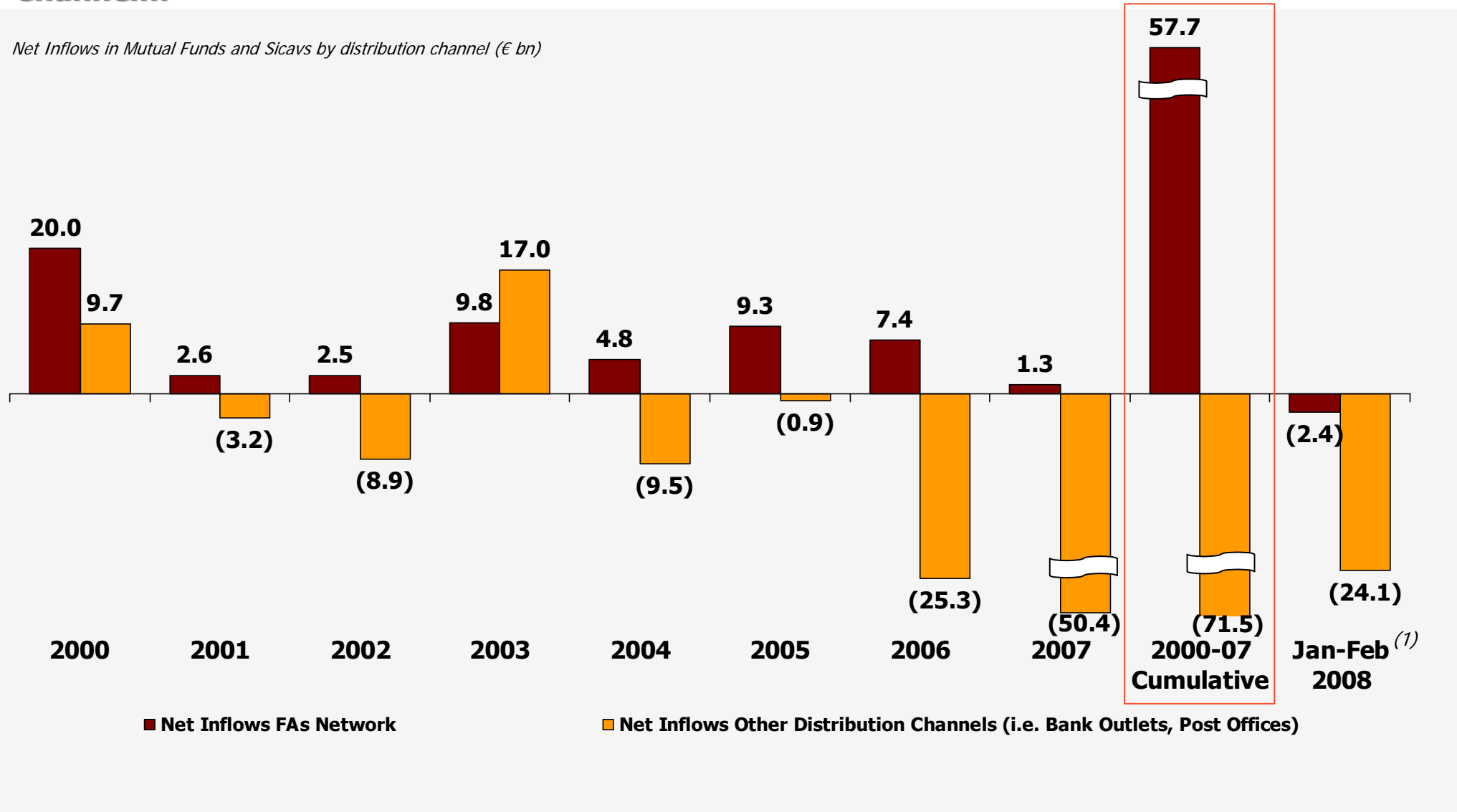
I. FY 2007 RESULTS

II. 2008 MAIN GUIDELINES

III. STRATEGIC OUTLOOK

Banca Generali: a Top Player in the best performing Distribution Channel...

Net Inflows in Mutual Funds and Sicavs by distribution channel (€ bn)

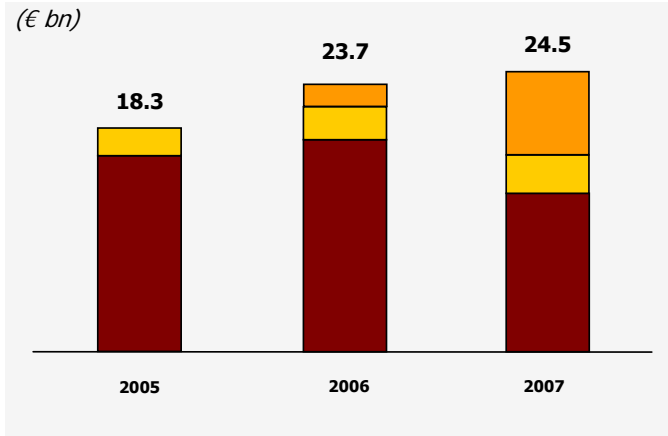


(1) The FAs Network Net inflows include only January 08

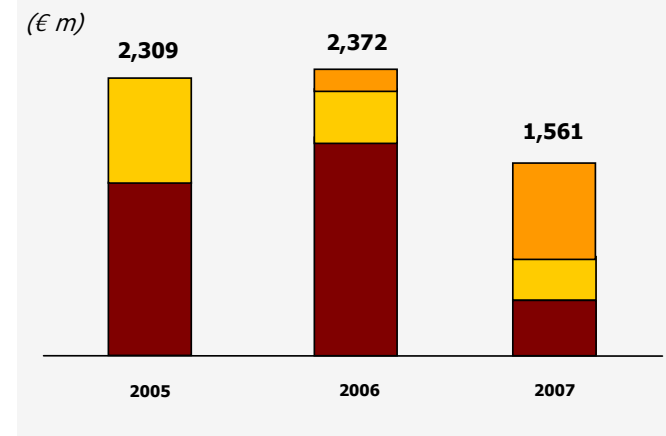
Source: Assoreti – Assogestioni

... Increasing Assets and Net Inflows even under unfavorable Market Conditions

AUM

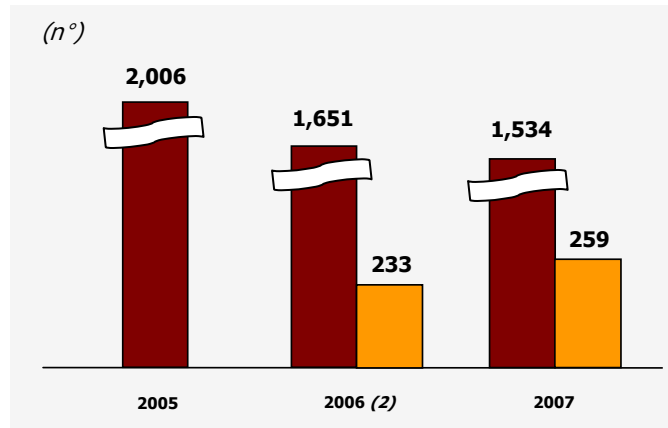


Net Inflows

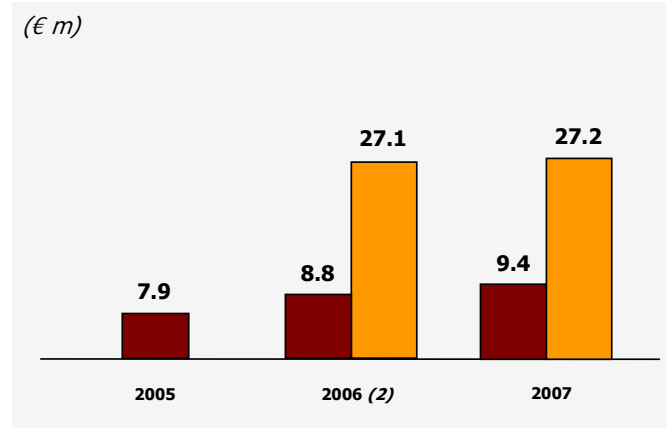


- 10.3% market share in AUM
- Resilient Net Inflows in a difficult market, with excellent growth in Private Banking

Financial Advisors ⁽¹⁾



AUM/FA ⁽¹⁾



- Our main goal remains upgrading FA's network profile rather than increasing their number

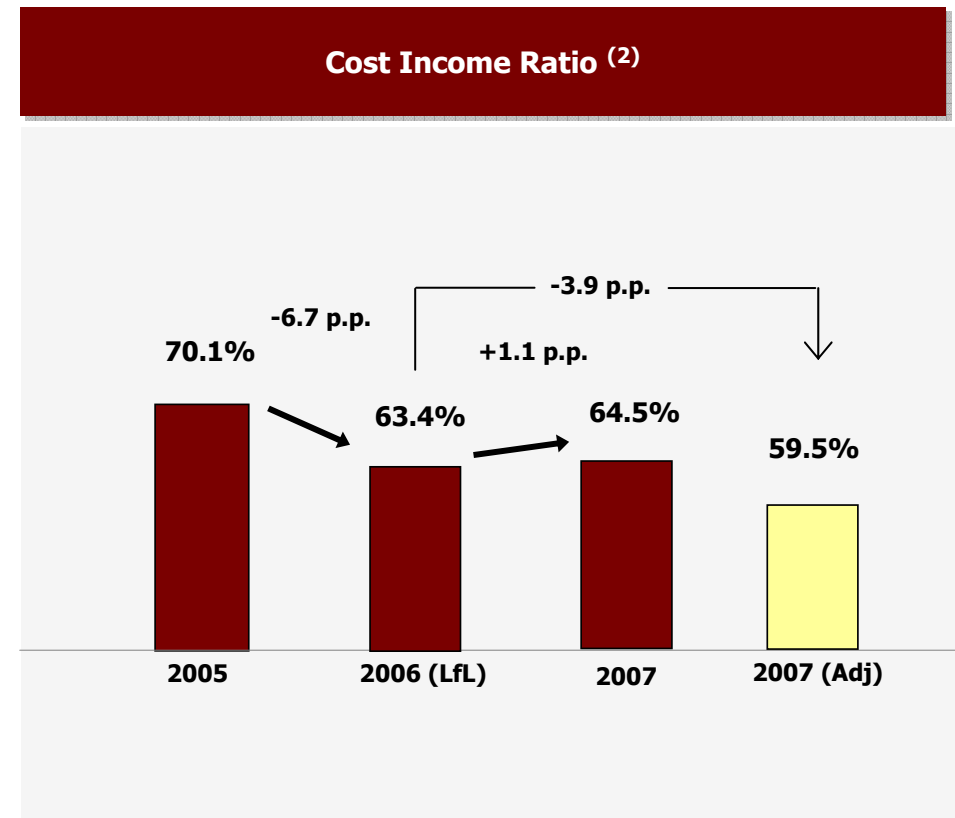
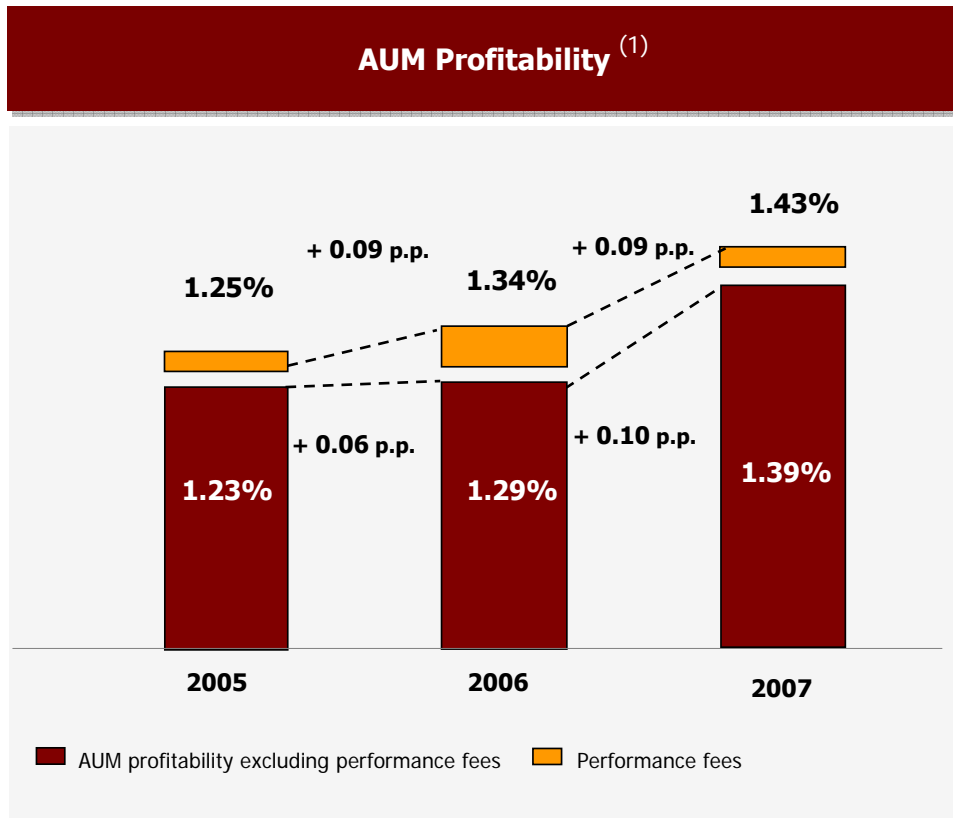
Source: Assoreti

■ Banca Generali ■ Simgenia ■ Banca BSI Italia

(1) Excluding Simgenia, FAs amounting to 2,652 at December 2007

(2) Banca BSI Italia was acquired in July 2006 – 2006 data include the Customer Relationship Officers following the spin-off of Banca Generali Private Banking unit (as from January 1, 2007)

FY 2007 Results at a Glance (1/2): Further and steady progress on profitability improvement



• **AUM Profitability growth driven by net interest income & recurring fees**

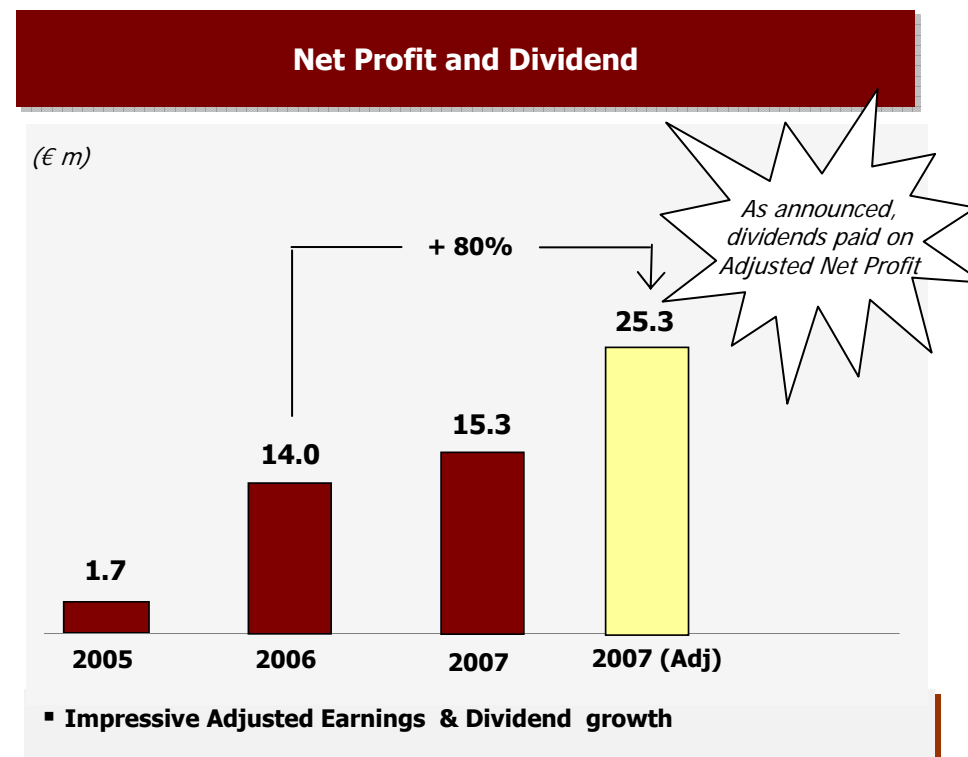
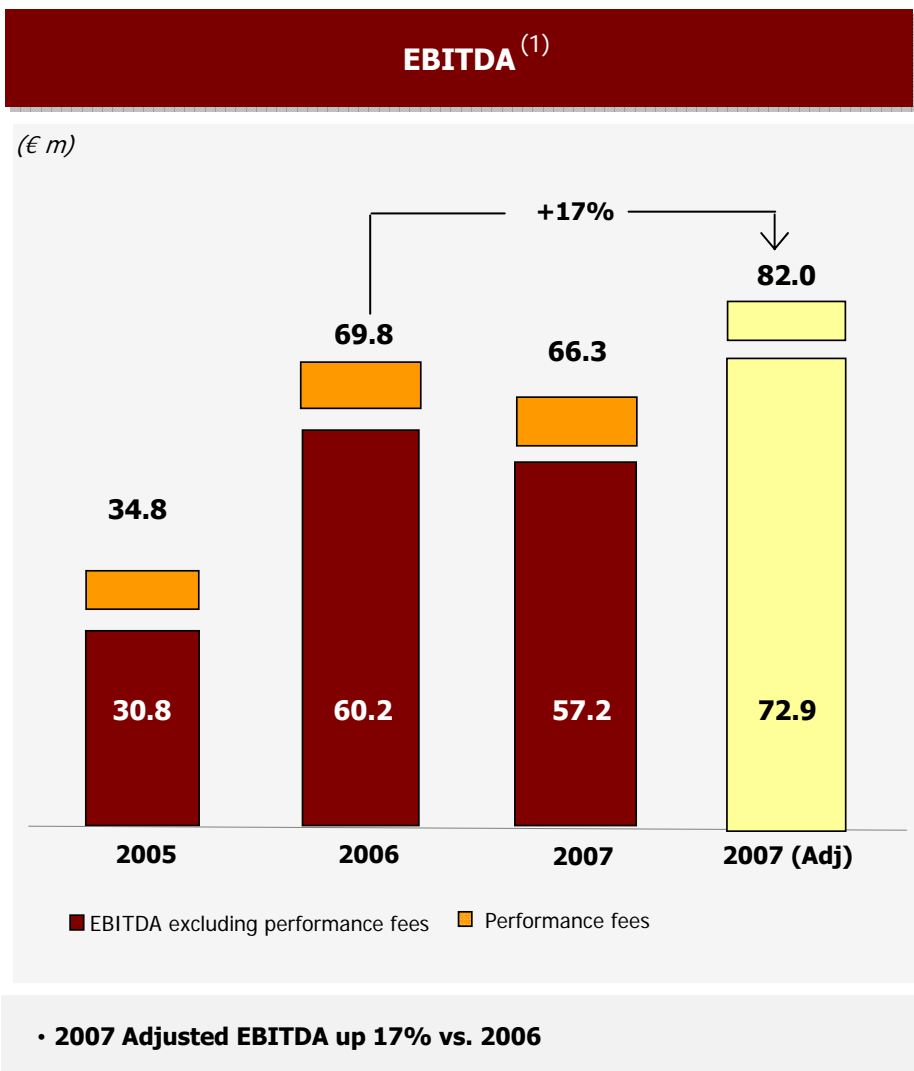
- **Adjusted Cost/Income strongly improved at 59.5%**
- **More than 10 b.p. improvement in the last 2 years**

(1) Calculated as (Gross Commissions + Net Interest Margin) / Average AUM

(2) Calculated as (Total Administrative Expenses + Other Expenses – Other Income)/Total Income

Note: 2007 Adjusted figures for € 15.7 m unrealised capital losses at fair value on trading investment portfolio (HFT)

FY 2007 Results at a Glance (2/2): Jump in Profits and Dividend



	2006	2007
DPS	€ 0.10	€ 0.18* +80%
PAY OUT	80%	130%* +50 p.p.

(1) Calculated as Operating Profit before Provisions + Depreciation & Amortization

* Board of Directors proposal to AGM due April 22, 2008

Note: 2007 Adjusted figures for € 15.7 m unrealised capital losses at fair value on trading investment portfolio (HFT)

Non-Recurring Items Affecting FY 2007 Results

Adjustment for Unrealised Capital Losses



- Unrealised capital losses at fair value on trading investment portfolio at 2007 Year-End amounted to **€ 15.7m** (vs. € 15.2m at end-September).
- In 4Q 07 Banca Generali further strengthened an already defensive asset allocation:
 - ✓ Equity weight < 2%; 97.4% of bonds rated >=A; no subprime risk; maturity < 2 years;
 - ✓ The more volatile investments were sold (about € 100m)

Tax Rate Changes



- The 2008 projected Italian corporate tax rate reduction (IRES & IRAP) affected anticipated and deferred taxes in 2007, with a non-recurring extra charge of some **€4m**, therefore increasing consolidated tax rate to close 60%.

Recruiting Costs Treatment



- The expiry of FA recruiting incentive plans implied a decrease in provisions to € 21m (vs. € 31m at end-September) thus increasing commission expenses by **€ 13m**, which penalised Net Banking Income, Cost/Income and EBITDA.

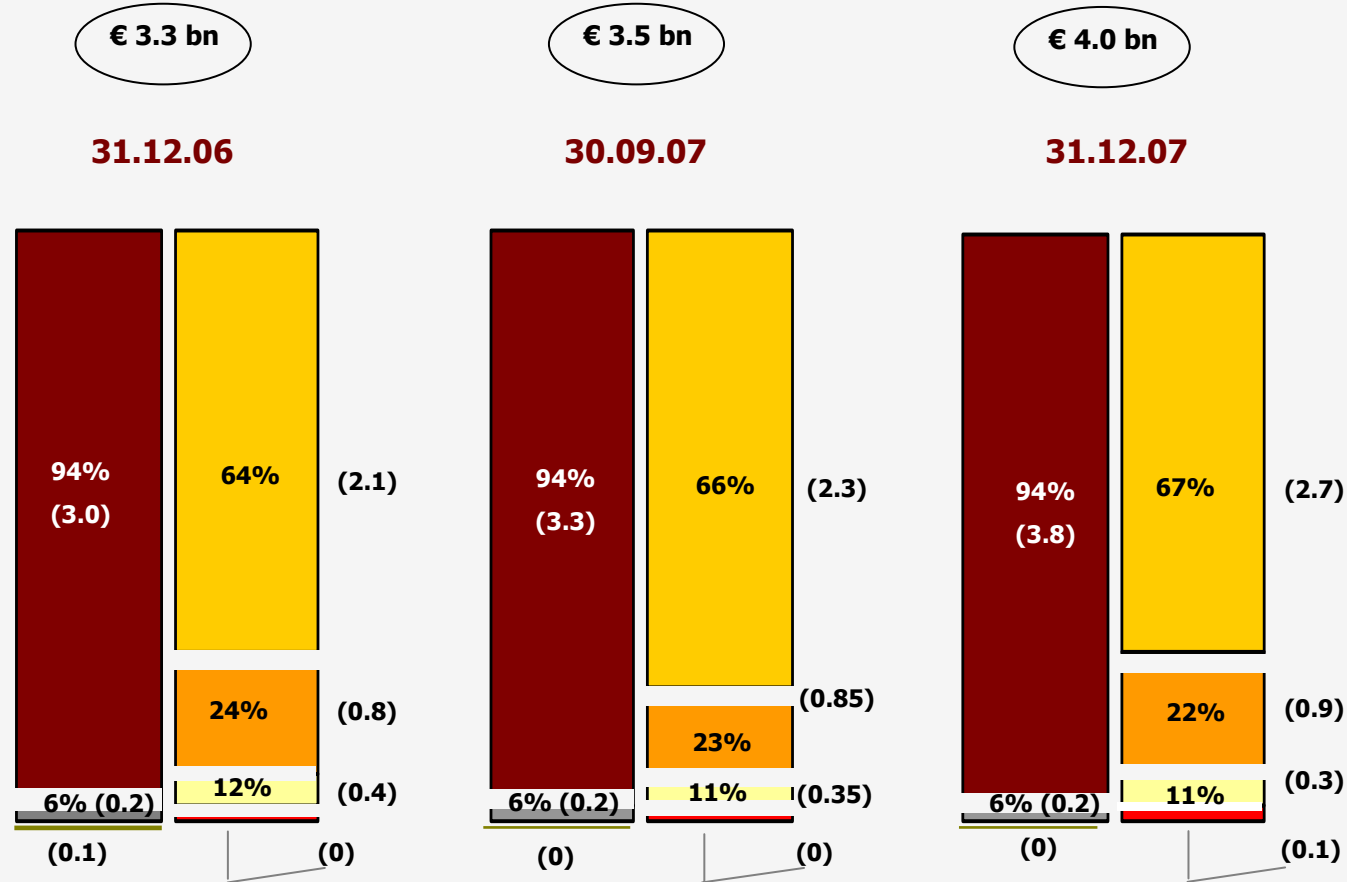
FY 2007 Consolidated Profit & Loss

(€ m)	FY06 (Lfl)	FY07	% Chg (YoY)	FY07 (Adj)	% Chg (YoY)	
Net Interest Income	29,1	43,1	48,1%	43,1	48,1%	▪ Net Interest Income up 48%, thanks to successful banking strategy
Commission income	279,9	308,4	10,2%	308,4	10,2%	
Commission expense	-129,5	-155,5	20,1%	-155,5	20,1%	
Net Commission	150,4	152,9	1,7%	152,9	1,7%	▪ Net Commissions at € 153m, driven by recurring fees even considering €13 m of non-recurring costs for the expirations of recruitment plans
Net income (loss) from trading activities	-4,8	3,3	-169,6%	3,3	-169,6%	
Unrealized gain (loss) at fair value	-0,5	-15,7	n.m.	0,0	-100,0%	
Dividends	20,1	2,8	-85,8%	2,8	-85,8%	
Net Banking Income	194,3	186,6	-4,0%	202,3	4,1%	▪ Net Banking Income +4% stripping out for € 15.7 m of unrealised capital losses at fair value
Staff expenses	-58,6	-57,1	-2,5%	-57,1	-2,5%	
Other general and administrative expense	-73,7	-70,8	-3,9%	-70,8	-3,9%	
	-132,3	-128,0	-3,3%	-128,0	-3,3%	
Depreciation and amortisation	-8,9	-7,1	-20,6%	-7,1	-20,6%	
Other net operating income (expense)	9,2	7,7	-16,4%	7,7	-16,4%	
Net Operating Expenses	-132,0	-127,3	-3,5%	-127,3	-3,5%	▪ Net Operating Expenses down 3.5%, driving Adjusted Cost/Income to 59.5% (-3.9 p.p.)
Operating Profit	62,2	59,2	-4,8%	74,9	20,4%	▪ Adjusted Operating Profit +20%
Net adjustments for impair.loans and other assets	-0,6	-0,6	-8,4%	-0,6	-8,4%	
Net provisions for liabilities and contingencies	-34,3	-21,4	-37,7%	-21,4	-37,7%	
Gain (loss) from disposal of equity investments	-0,1	0,0	-100,0%	0,0	-100,0%	
Profit Before Taxation	27,2	37,3	37,0%	53,0	94,6%	
Direct income taxes	-13,0	-22,0	69,6%	-27,6	112,9%	▪ Tax-rate penalised by fiscal changes
Net Profit	14,2	15,3	7,3%	25,3	77,8%	▪ Adjusted Net Profit at € 25m (+78%)
Cost /Income Ratio	63,4%	64,5%	1,1 p.p.	59,5%	-3,9 p.p.	
EBITDA	71,2	66,3	-6,8%	82,0	15,2%	▪ Adjusted EBITDA +15%

Notes:

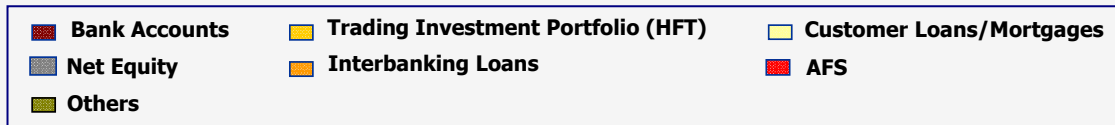
- 2006 figures are Like-for-Like (including Banca BSI Italia and Sant'Alessandro Fiduciaria, which joined Banca Generali Group on July 1, 2006)
- 2007 Adjusted figures for € 15.7 m unrealised capital losses at fair value on trading investment portfolio (HFT)

Investment Portfolio: Less Volatility on P&L...



Actions taken to reduce volatility:

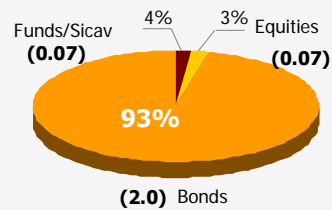
- Higher volatility bonds (about € 100m) were sold in the last quarter, with a realised capital loss of € 5.6m booked in 2007 P&L
- New investment in bonds are classified as AFS. At the end of February 2008 they amounted to more than €700m (vs. € 100m 2007 YE)



Investment Portfolio: ...even more Defensive Profile

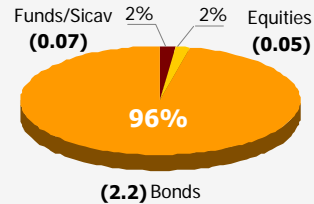
Investment Portfolio

31.12.06



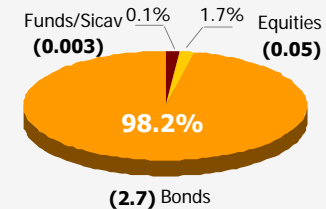
Total € 2.1 bn

30.09.07



Total € 2.3 bn

31.12.07

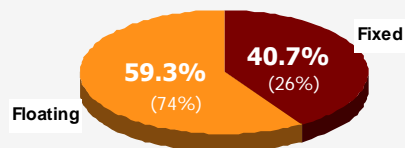


Total: € 2.8 bn ⁽¹⁾

Net unrealised capital losses at € 15.7 m, of which about 80% on bonds, due to increasingly widening spreads mostly on financial bonds. Unrealised losses will be reabsorbed at maturity date, thus creating a potential benefit on future balance sheets.

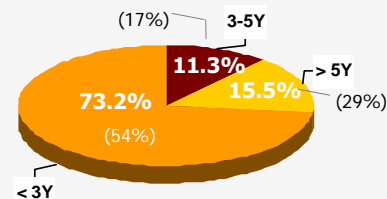
Bond Portfolio

Interest Rate



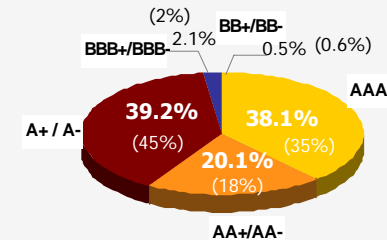
Average Duration: 0.2775
(vs. 0.264 end-September 2007)

Maturities



Average Maturity : 1.90 years
(vs. 2.45 end-September 2007)

Rating



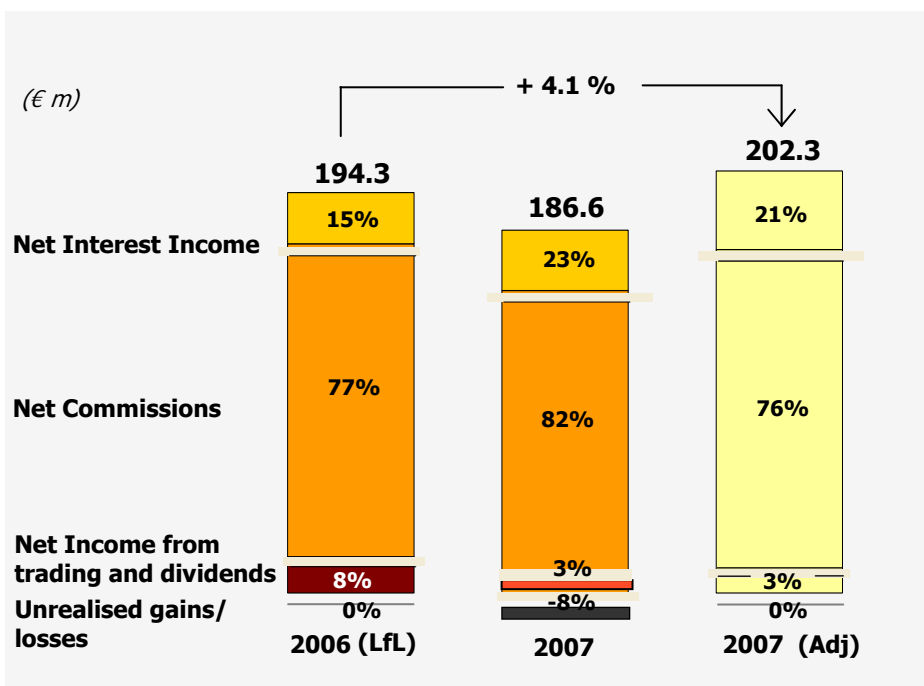
97.4% ≥ A-rated
(vs. 97% end-September 2007)

(1) Of which 0.1 AFS

(...) 9M07 figures

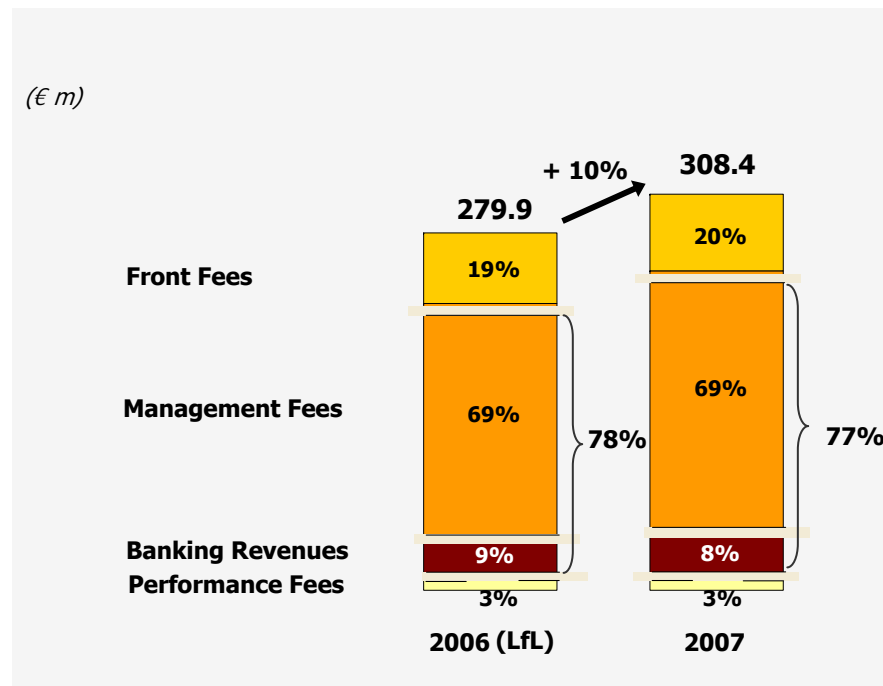
Steady Revenues driven by Recurring Items

Breakdown of Net Banking Income



- Rising weight of Net Interest Income thanks to successful banking strategy
- Net Commission steadily around 80%

Breakdown of Gross Commissions



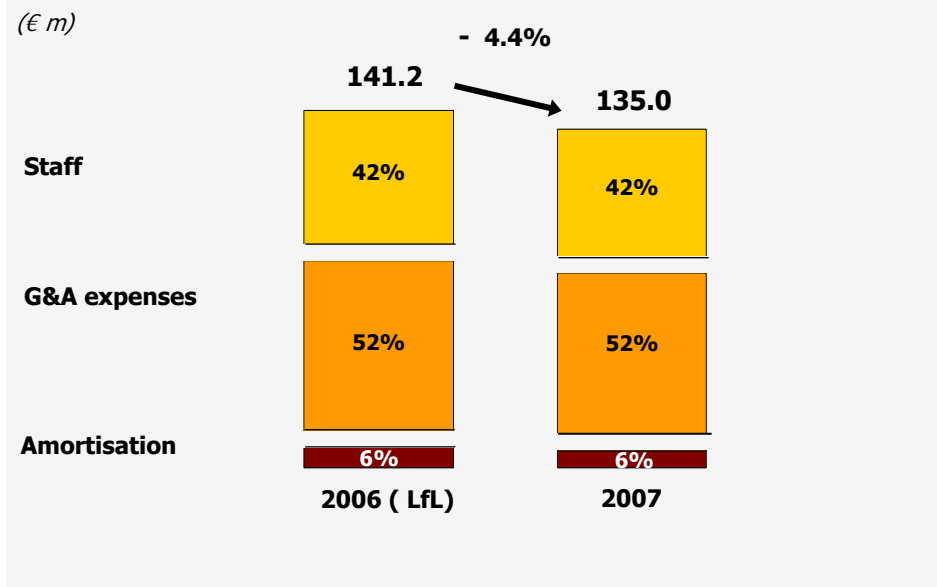
- The most stable part of Revenues (management fees and banking Revenues) is steadily around 80%
- Very low weight of performance fees

Notes:

- 2006 figures are Like-for-Like (including Banca BSI Italia and Sant'Alessandro Fiduciaria, which joined Banca Generali Group on July 1, 2006)
- 2007 Adjusted figures for € 15.7 m unrealised capital losses at fair value on trading investment portfolio (HFT)

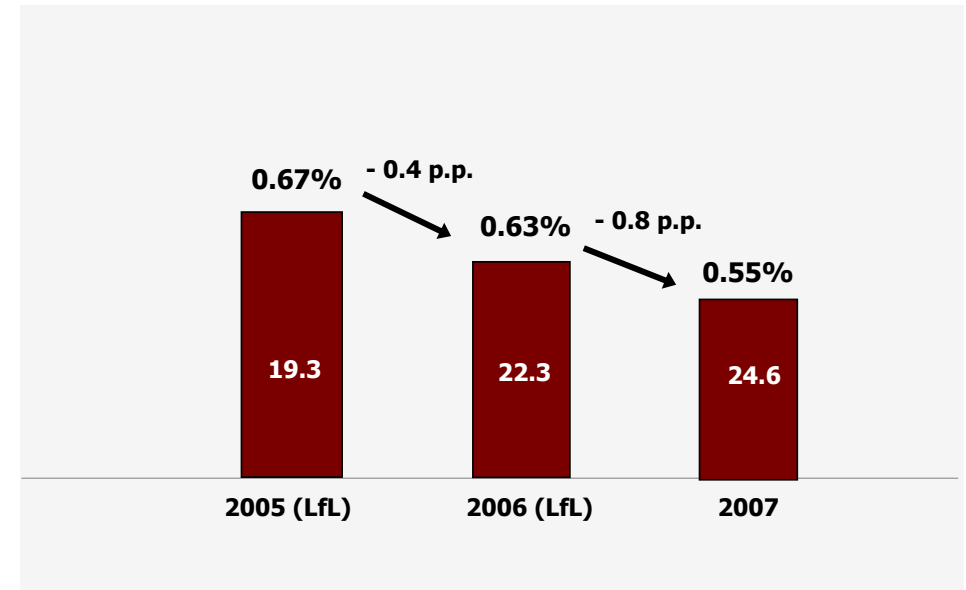
Cost Control, a Core Strength of Banca Generali

Operating Costs Breakdown



- Operating Costs -4.4% vs.3Y Plan target of +3.2% CAGR in 07-09
- Costs decreased by 6.3% in real terms, assuming inflation at 1.9% in 2007 YE (ISTAT)

Operating Costs/AUM



- Full confirmation of operating leverage potential
- 12 b.p. improvement in just 2 years

Notes:
 - 2005 figures are Like-for-Like (including BG SGR, which joined Banca Generali Group on January 1, 2006)
 - 2006 figures are Like-for-Like (including Banca BSI Italia and Sant'Alessandro Fiduciaria, which joined Banca Generali Group on July 1, 2006)

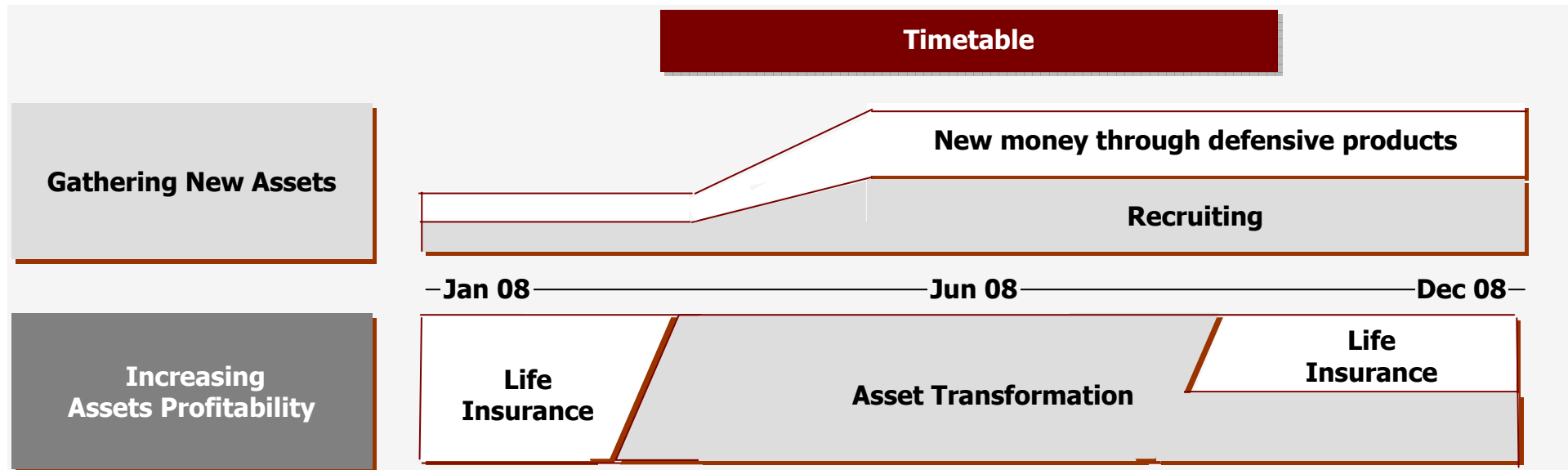
Today's Agenda

I. FY 2007 RESULTS

II. 2008 MAIN GUIDELINES

III. STRATEGIC OUTLOOK

Our planned Actions to cope with a tough 2008



Gathering New Assets: Commercial Policy pushing on defensive products

Banking Products

Bank Accounts

- Well diversified range with interest rate up to 80% 1M Euribor (cap €50k)
- Extremely contained fees
- No charge for ATM withdrawals

REPO

- "Promo Plus" REPO offering top interest rate in retail market (last week 3.6% net – from 1 to 3 months)

Bank Leverage: only 36% of our clients holds Banking Products

Raising bank penetration to increase clients' share of wallet

Traditional Life Insurance

- New guaranteed-return single-premium policy
- Extremely contained loadings and no exit costs after 6 months
- Enhanced yield in the first 2 years

Cash management with over 6 months time frame

Capital Protection Products



Capital protection combined with equity markets' potential upside:

- BG/BSI Target: Individual Portfolio Management with Capital Protection (GPM)
- BG Protection: Unit-Linked Policies with Capital Protection

Long-term Investments

Gathering New Assets: Focusing on selective Recruiting

Networks



Private Banker and CRO*



Financial Advisor

Segmented Recruiting

Who we are looking for

- FAs from competing networks with AUM > €15 mln
- High standing bank employees
- Private Bankers from leading international groups

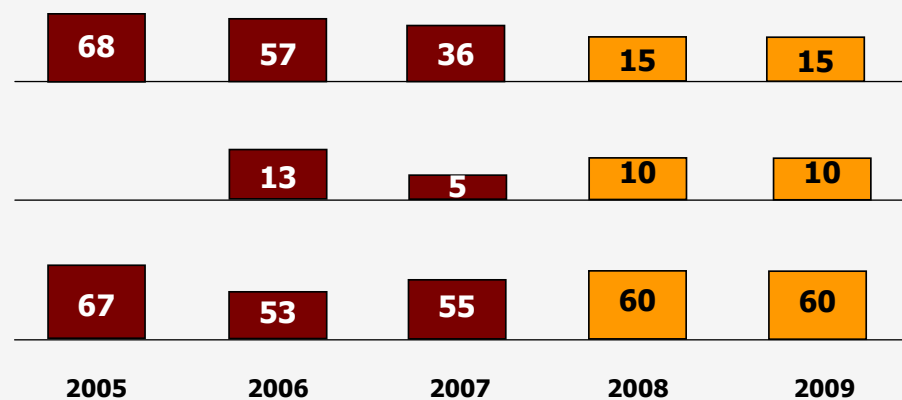
- FAs from competing networks with AUM > €5 mln
- Medium-high profile bank employees willing to move to commission-based compensation

Recruiting trend and Targets

TOP PBs

CROs

FAs



* Customer Relationship Officer (employee)

Increasing Asset Profitability (1/2): A new Lux Company operating since March 1, 2008

BG INVESTMENT
L U X E M B O U R G S . A .



**New Luxembourg-based Management Company
100% owned by Banca Generali**

To improve Business Flexibility and Product Time to Market

BG SICAV

BG SELECTION SICAV



Asset Allocation
Team

Fund Selection
Team

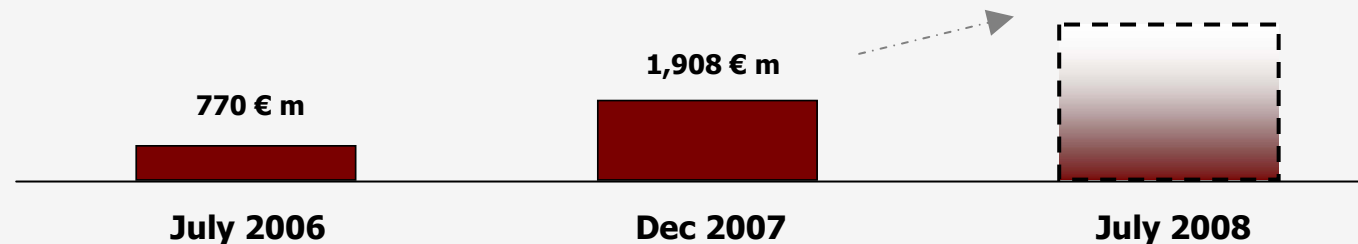
Administration
and Operations

Marketing and
Sales

**Fully Equipped Organization
resident in Luxembourg
(staff of 14 people)**

Strategic Choice

**Luxembourg-based
AUM trend**



Increasing Asset Profitability (2/2): Key Benefits of the new Lux Company

BG INVESTMENT
L U X E M B O U R G S . A .



Which benefits from Luxembourg venture?

1

Higher flexibility in product development

2

Fiscal benefits for clients

3

BG Sicavs placement to third parties

4

Becoming the Generali Group factory for retail Sicavs (starting project)

Increasing Asset Profitability (1/3): New Asset Management Product Range

3 different approaches

Investment

BG SICAV

Diversification

BG SELECTION_{SICAV}

Protection



BG TARGET
BSI TARGET

Wide Product Range

13 Traditional SICAV Lines

- 5 Equities
- 5 Flexibles
- 2 Bonds
- 1 Liquidity

14 Luxembourg Funds of Funds

- 4 Equities Developed Markets
- 4 Equities Emerging Markets
- 3 Global Equities
- 2 Total Return
- 1 Liquidity

7 Capital Protection Discretionary Accounts

- 4 Emerging Markets Lines
- 3 Global Equities Lines

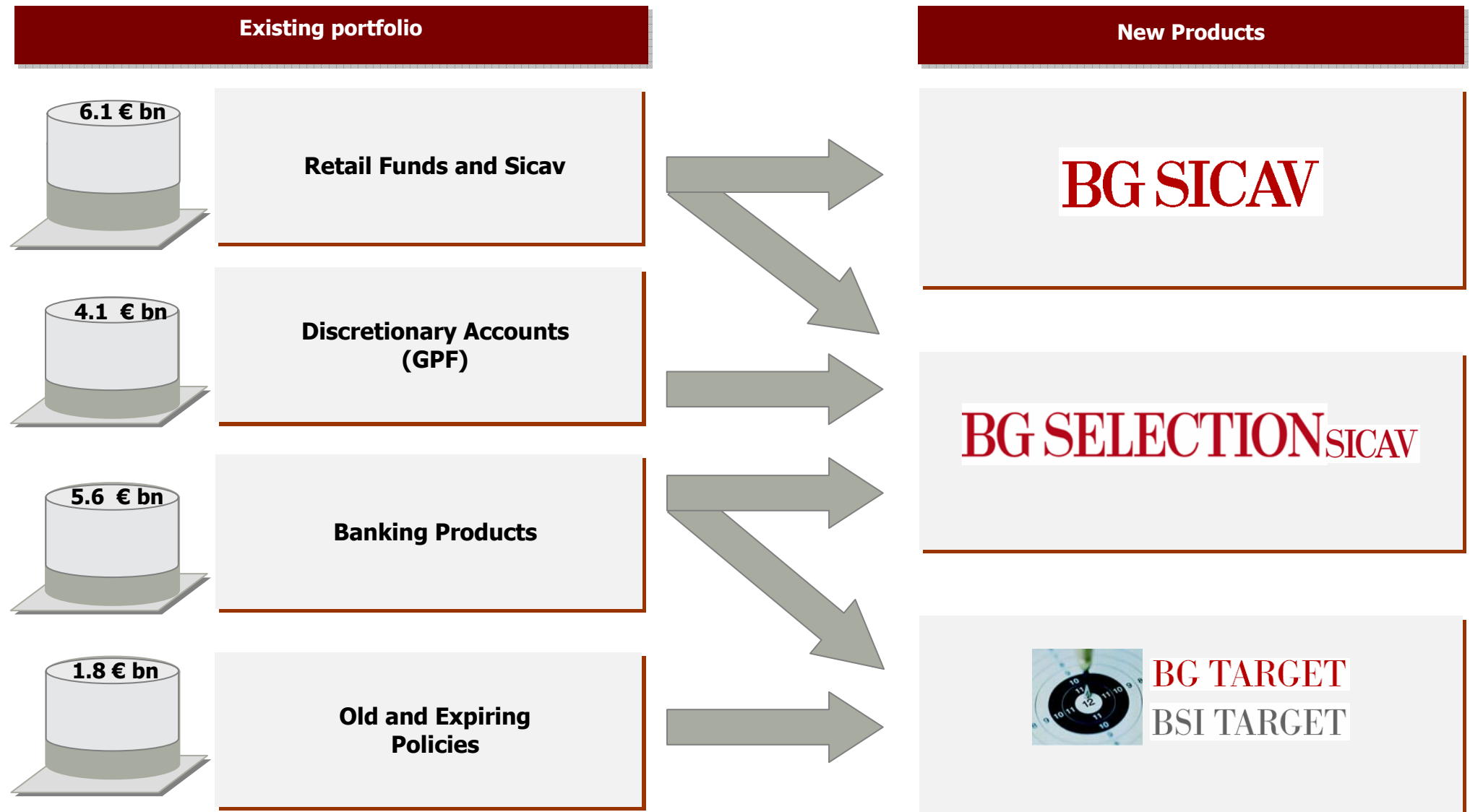
Products Key Features

- Exploiting BG Sgr know-how
- Hedging
- 100% Mifid compliant

- 100% Multibrand
- Invested also in ETF and Hedge Fund
- Hedging & Leverage
- 100% Mifid compliant

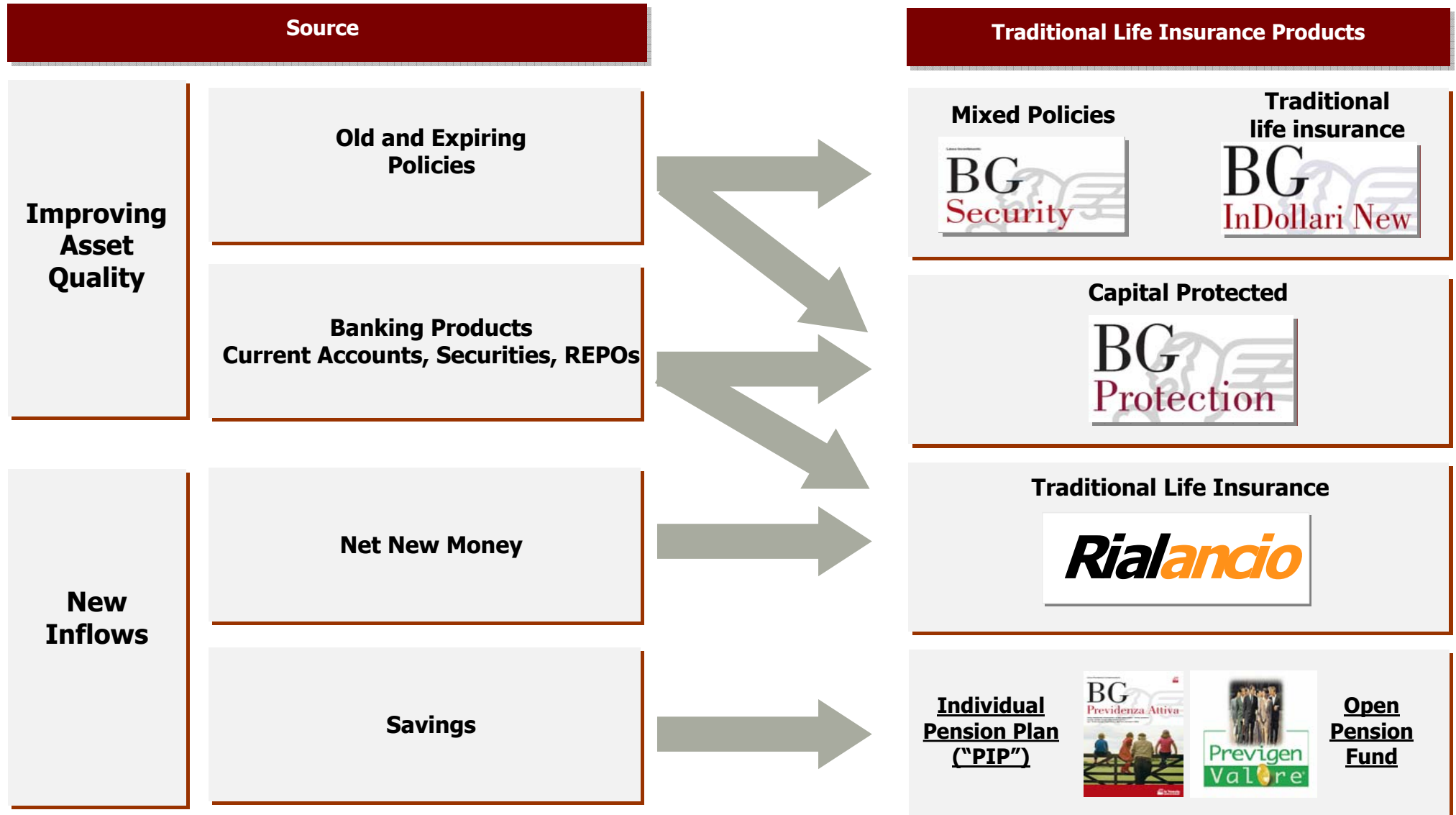
- Capital Protection with Equity Markets Upgrade
- Underlying Assets: BG Selection Sicav, Emerging Markets and Global Equity Lines
- 100% Mifid compliant

Increasing Asset Profitability (2/3): Actions to drive Asset Transformation



Note: December 31, 2007 referred to BG and BSI, only

Increasing Asset Profitability (3/3): Wide Range of Life Products



BG Advanced Business Model...

Best-in-class In-House Product Offer

		No. Products 2008	% 5/4/3 star rated ⁽¹⁾
In House	 	43	31%
Generali Group	 	40	31%

(1) Percentage calculated on rated funds
 Source: Morningstar, Overall Rating as of December 31, 2007

Objective Consulting Service



- Our tool for independent advisory
- Financial Planning targeting the whole client portfolio (including also assets held by third parties)
- On offer by 250 PB/FAs, from 2Q-08 fully Mifid Compliant

Open Architecture

- 20 third parties
- ≅ 1,000 products
- 39% 3/4/5 stars Morningstar rating
- Steadily growing number of Third Parties



Professional MultiBrand System

BG SELECTION SICAV
 5 Continents
 All markets
 ≅ 10,000 Funds & Sicav
 (41% 3/4/5 star rated)
 ETF & Hedge Funds
 Hedging & Leverage

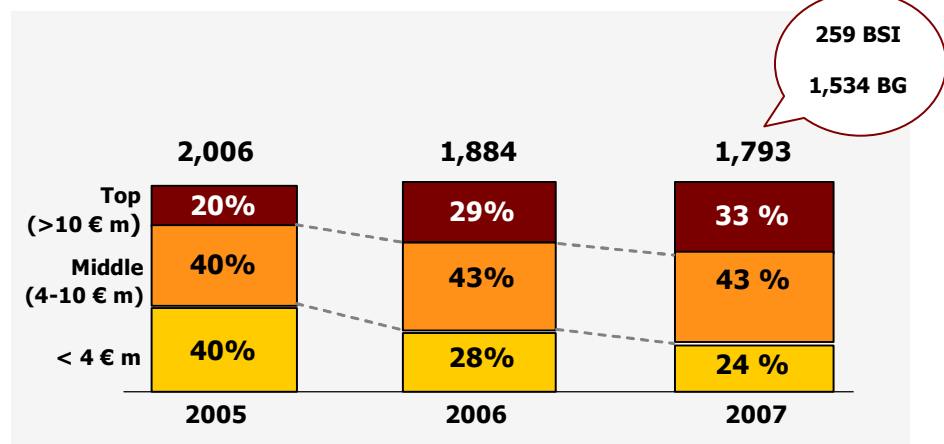
... combined with constant FA Network upgrading

AUM/Financial Advisor (1)



(1) Excluding Simgenia

Number of Financial Advisors (1)



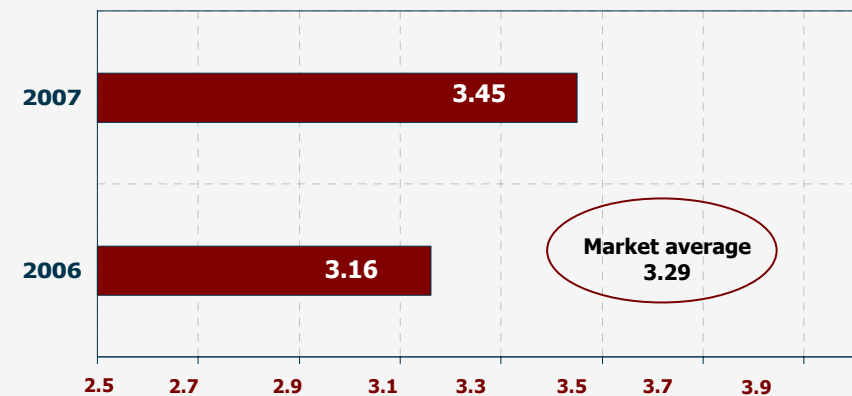
FA Global Satisfaction Trend (min 1 – max 4) (2)



(2) Data refer to BG Financial Advisors

Source: Eurisko Finance – PF Monitor 2007 independent research

FA Willingness to stay in Banca Generali over the next 5 years (min 1 – max 4) (2)



Today's Agenda

I. FY 2007 RESULTS

II. 2008 MAIN GUIDELINES

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BG Strategy to face 2008 challenges

2008 Strategy

Market Outlook

Developing Assets and Profitability even Considering a Difficult Market Landscape

BG Mission

**HIGH VOLATILITY,
CLIENTS NEED
ADVICE**

**INCREASING &
PROTECTING
CUSTOMERS' SAVINGS
IN THE LONG TERM**

**ITALIAN ASSET GATHERING
IS AN ATTRACTIVE
BUSINESS FOR PLAYERS:**

- providing real **ADVISORY** to clients
- having a very focused **STRATEGY** and a strong shareholders' commitment

**New Assets through
Defensive Products,
suited for Guaranting
Long Term Returns
to Clients**

- **Capital-protected Products**
(Ex: *BG Target*)
- **New Life Insurance Policies**
(Ex: *Rialancio*)
- **Banking Products**

**Brand New Range of
Luxembourg-based
Products (SICAV &
Funds of Funds)**

- **BG Sicav**
- **BG Selection Sicav**
(*funds of funds of BG Sicav
and third parties*)



- **Strength**
- **Solidity**
- **Accountability**

We are Confident in Delivering 2007-09 Strategic Plan Targets

Ongoing and consolidated trends...

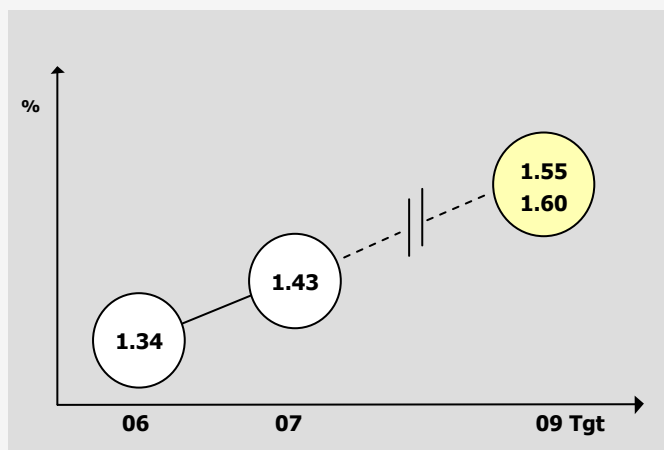
- Steady Assets Growth
- Increasing Assets Profitability
- Constantly growing revenues
- Relevant operative leverage

...combined with brand new actions

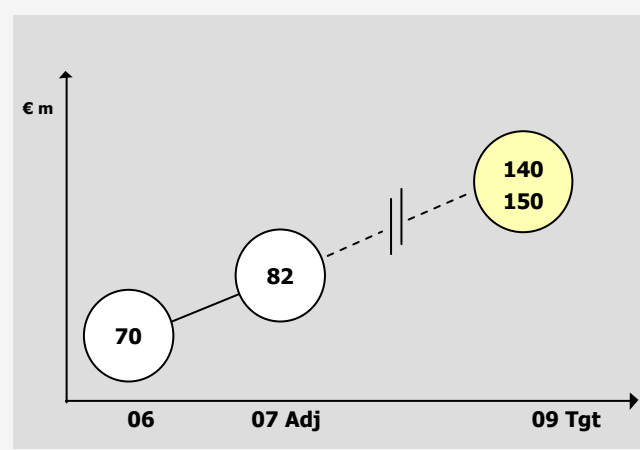
- Possible performance fee increase
- BG's enhanced role as trading platform within Generali Group
 - Lower provisions for FA recruiting
 - Tax optimization

2007-09 Strategic Plan Profitability Targets are fully reconfirmed despite difficult environment

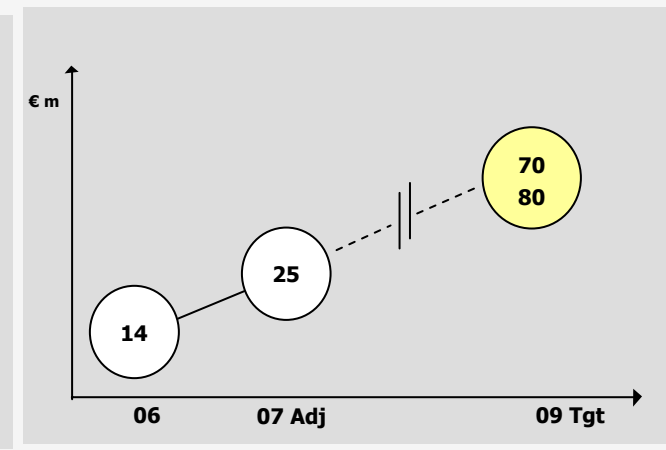
AUM Profitability



EBITDA

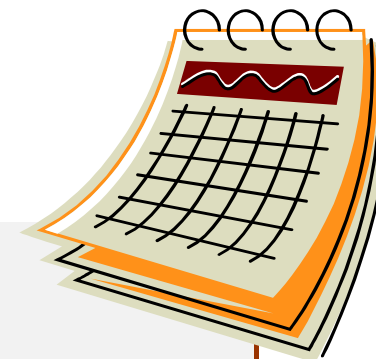


Net Profit



Target of the 2007-2009 Strategic Plan

What's Next



- ***Tuesday May 6, 2008:***

11:00 AM CET Review of Q1 2008 accounts

4:00 PM CET Conference Call

- ***Wednesday July 30, 2008:***

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

3:00 PM CET Conference Call

Investor Relations Team

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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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