

#### **GENERALI GROUP'S BSI ACQUIRES BANCA DEL GOTTARDO FROM SWISS LIFE**

- **Generali Group's presence in private banking strengthened: BSI/Banca del Gottardo merger will create a player with CHF 100 billion (€ 60 billion) in assets under management**
- **Contract signed with Swiss Life for the acquisition of 100% of Banca del Gottardo at a price of CHF 1,775 million (€1,069 million)**
- **Over CHF 120 million in cost synergies expected from the merger. The new entity will be one of the leading Swiss pure private banks**

Trieste, 7 November 2007. The Generali Group has signed an agreement with Swiss Life under which its subsidiary BSI will purchase 100% of Banca del Gottardo, for an amount of CHF 1,775 million (€ 1,069 million), subject to possible adjustments in respect of year-end assets under management and shareholders' equity, and after CHF 100 million to be paid to Swiss Life in the form of a dividend for financial year 2007. Once the transaction has been completed, Banca del Gottardo's businesses will be merged with BSI, creating a bank with assets under management of CHF 100 billion which will rank as one of the leading Swiss private banks.

The acquisition of Banca del Gottardo forms part of the Generali Group's strategy to grow its asset management business, in which it is already a major player principally through its subsidiaries BSI (private banking – assets under management of CHF 64 billion ) and Banca Generali (personal financial services – assets under management of € 25.2 billion). Specifically, the acquisition will enable the Group to:

- Achieve significant asset mass in international private banking, a highly profitable sector
- Achieve cost synergies of more than CHF 120 million through the re-organisation of Banca del Gottardo and BSI;
- Implement a low-execution-risk merger, given the high compatibility between BSI and Banca del Gottardo. Banca del Gottardo has outsourced its IT and back-office operations to B-Source, a BSI subsidiary, since 2005;
- Establish a stronger platform to take advantage of the possible growth opportunities in the Private Banking sector. Switzerland is one of the world's largest country in terms of international private banking business, representing 9% of worldwide assets under management.

The acquisition is subject to the approval of the relevant authorities with closing expected to take place in the first quarter of 2008. The transaction will be financed as follows:

- CHF 375 million from of BSI's post merger surplus capital ; and for the balance
- From internal resources and the possible use of a bridge loan by Assicurazioni Generali.

The transaction, which Generali expects to be neutral in terms of its effect on its financial strength ratings, will raise the Group's Return on Embedded Value by approximately 0.20 percentage points.

### **Banca Del Gottardo**

Banca del Gottardo had CHF 36.3 billion of assets under management and net profit of CHF 85.2 million in the first half of 2007. The geographical distribution of its assets under management is as follows: Switzerland (65%), Italy (9%), Rest of Europe (16%), Rest of the world (10%).

Banca del Gottardo recently conducted a strategic review to focus on its private banking business. Under this review, it has already completed the sale of its non-core affiliates and re-organised its client portfolio to prioritise the segments offering the greatest profitability (affluent and High Net Worth Individuals).

### **BSI**

BSI has been part of the Generali Group since 1998 and accounts for assets under management totalling CHF 64 billion. Over the last four years Banca BSI has achieved average annual growth of 13% in assets under management, and reported a net profit of CHF 106 million in the first half of 2007. In recent years, it has built up an international presence covering Monte Carlo, Paris, Hong Kong, Singapore, Buenos Aires, Montevideo.

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