14/07/2014
PRESS RELEASE

Media Relations
T +39.040.671085
press@generali.com

Investor Relations
T +39.040.671202
+39.040.671347
ir@generali.com

www.generali.com

Generali agrees sale of BSI to BTG Pactual

- **Total consideration of CHF 1.5 bln[1]**
- **Transaction will add 9 p.p. to the Group's Solvency 1 ratio**
- **Group achieves its 2015 Solvency 1 target ratio over a year in advance of turnaround plan**

Trieste – Generali's Board of Directors, chaired by Gabriele Galateri, approved today an agreement for the sale of its entire holding in BSI to Banco BTG Pactual for a total consideration of CHF 1,5 billion. The consideration is composed of an amount of CHF 1,2 billion in cash and CHF 300 million in BTG units[2] listed on the Sao Paulo Stock Exchange (BM&FBOVESPA).

The **Generali Group CEO, Mario Greco**, said: "*The sale of BSI is a key milestone in the turnaround of Generali. With this transaction we exceed our Solvency 1 target, restoring the capital base of Generali over a year in advance of our 2015 plan.This sale completes the disposal process aimed at strengthening the capital base of the Group, resolving a key issue for us, and allowing Generali to focus on driving forward with its core insurance business. This result is a testament to our team's ability and commitment to execute a complex transaction in a challenging environment. With regards to BSI, the sale will allow it to benefit from a new owner dedicated to its development as a leading private banking group."*

The sale of BSI is part of Generali's strategy to focus on its core insurance business and improve its capital position. On completion, Generali will reach a total of € 3.7 billion in disposals of non-core assets. This will reduce both the debt and the leverage position of the Company. The transaction will add an estimated approx. 9 percentage points to the Group's Solvency 1 ratio which will be, on a pro-forma basis based on 1Q14, above our 160% 2015 Solvency 1 target ratio. The transaction is expected to generate a minor net loss in the region of € 0.1bn on completion.

The disposal of the bank will significantly reduce Generali's non-insurance activities and it is expected to be a positive factor for rating agency evaluations.

The consideration of the sale of BSI will be adjusted using customary mechanisms and any fine established pursuant to the US Department of Justice's tax amnesty programme relating to Swiss financial banking institutions payable by BSI.

The transaction, which is subject to the usual regulatory approvals, is expected to be completed by the first half of 2015.

BSI is a Swiss private bank with CHF 90 bln of Assets under Management. With around 2,000 employees and over 400 relationship managers, it is headquartered in Lugano and has offices in Europe, Latin America, Hong Kong and Singapore.

BTG Pactual is a financial institution active in particular in the investment and commercial banking and wealth management. With more than 2,800 employees it is based in Latin America, Europe, Usa, Hong Kong and Singapore. The Group is listed in the Brazilian stock exchange and has now a market capitalization of around $ 14 billion.

---

1 Equivalent at € 1.24 billion on an Euro-CHF exchange rate at 1.214 as at today

2 Each BTG Pactual's stock unit consists of: (i) one Banco BTG Pactual S.A. unit, consisting in turn of one ordinary and two preference Banco BTG Pactual S.A. shares, and (ii) one BTG Participations Ltd unit, consisting in turn of one ordinary BTG Participations Ltd share with voting rights, and two ordinary shares in the same company without voting rights.

Generali has been assisted on the transaction by J.P.Morgan and Mediobanca as financial advisors.

THE GENERALI GROUP

The Generali Group is one of the largest global insurance providers with 2013 total premium income of €66 billion. With 77,000 employees worldwide serving 65 million clients in more than 60 countries, the Group occupies a leadership position on West European markets and an increasingly important place on markets in Central Eastern Europe and Asia.