

Report of the Board of Directors to the General Shareholders' Meeting

Appointment of two members of the Board of Directors: relevant and ensuing resolutions

Shareholders,

During financial year 2012, two of the Company's directors, Giorgio Angelo Girelli (who also served as Chairman of the Board of Directors) and Giovanni Perissinotto, resigned from office. To replace them, the Board of Directors therefore proceeded to co-opt, within the meaning of article 2386 of the Italian Civil Code, Paolo Vagnone, engineer, on 25 July 2012, and Raffaele Agrusti, on 8 August 2012.

The co-option procedure was conducted in accordance with the provisions of the Bank of Italy Order of 11 January 2012, under which, in the event of the appointment or co-option of directors, the Board of Directors is required to (i) first, identify what could be deemed its optimal membership in qualitative and quantitative terms, in light of the goal of properly discharging its functions, duly describing, on the basis of a statement of grounds, the profile of the theoretical ideal candidates best suited for the purpose, and (ii) then check the extent to which the Board of Directors as constituted following the appointment process, reflects its ideal qualitative and quantitative make-up, as previously identified. In the case of the co-option of directors, the Order further requires, *inter alia*, that the results of the analysis mentioned in point (i) above, as well as the opinion of the Remuneration and Nomination Committee, and the outcome of the assessment mentioned in point (ii) above, are submitted at the first General Shareholders' Meeting following the co-option. This report is accordingly accompanied by a copy of an extract of the minutes of the Board of Directors' meeting of 25 July 2012, setting forth the results of the analysis conducted (Annex A), the opinion issued in such regard by the Remuneration and Nomination Committee on 25 July 2012 (Annex B), the outcomes of the assessment mentioned in point (ii) above and carried out by the Board of Directors on 12 September 2012 (Annex C) and the opinion issued in respect of the same by the Remuneration and Nomination Committee on 11 September 2012 (Annex D).

It must be borne in mind that, pursuant to Article 2386 of the Italian Civil Code, the co-opted director remains in office until the following General Shareholders' Meeting, which coincides with that convened for the approval of the financial statements for the year ended 31 December 2012.

In light of the above, and bearing in mind that:

- pursuant to Article 15 of the Articles of Association, the Board of Directors is made up of between no less than 7 and no more than 12 members;
 - by resolution of 24 April 2012, the General Shareholders' Meeting established that, for the three-year period 2012-2014, the Board of Directors is to be made up of 10 members;
- it is hereby proposed to the General Shareholders' Meeting to take the decisions falling within its remit, by appointing, pursuant to Article 2386 of the Italian Civil Code and Article 15, paragraph 14, of the Articles of Association, two members of the Board of Directors, further establishing that their respective terms of appointment are to expire together with that of the other Directors currently in office, and therefore, upon the approval of the financial statements for the financial year ending 31 December 2014.

Pursuant to the above-mentioned Bank of Italy Order of 11 January 2012, and article 2 of the Corporate Governance Code of Listed Companies, in order to enable you to make informed decisions on the matters falling within your purview, you are provided, attached hereto, with the findings reached by the Board of Directors on 8 March 2013, on the optimal qualitative and quantitative membership of the Board of Directors (Annex E) and the opinion expressed in such regard by the Remuneration and Nomination Committee on 7 March 2013 (Annex F).

An outline draft of the resolution that the General Shareholders' Meeting is invited to pass by way of approval of the aforesaid proposal is provided below:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Trento 8,

- having regard to article 2386 of the Italian Civil Code;
- having regard to article 15, paragraph 14, of the Articles of Association;
- having regard to the Directors' Report and the findings reached by the Board of Directors in respect of the optimal membership of the same in qualitative and quantitative terms,

resolves

1) to appoint, as members of the Board of Directors:

2) to establish that the term of appointment of the aforesaid Directors, is to coincide with that of the other members of the Board of Directors currently in office, and is therefore to expire at the end of the General Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2014."

Milan, 8 March 2013

THE BOARD OF DIRECTORS