

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

Appointment of the Board of Auditors and its Chairman for financial years ending 31 December 2012, 2013 and 2014 and determination of the annual remuneration of the statutory auditors; relevant and ensuing resolutions

Shareholders,

With the approval of the financial statements for the year ended 31 December 2011, the mandate of the Company's Statutory Auditors, conferred by the Shareholders' Meeting on 21 April 2009 for the three-year period 2009/2011 is terminated as the period of office has come to an end.

At present, the Board of Auditors is composed of Giuseppe Alessio Verni (Chairman), Alessandro Gambi and Angelo Venchiarutti (Acting Auditors), Luca Camerini and Anna Bruno (Alternate Auditors).

We extend our heartfelt thanks and appreciation to the members of the above control body for their relentless efforts to date on the Company's behalf, and remind you that, pursuant to Article 20 of the Articles of Association, the Board of Statutory Auditors is composed of a three Acting Auditors and two Alternate Auditors.

The new Board of Statutory Auditors will remain in office until the date of the Shareholders' Meeting which will be called to approve the financial statements for the year ending 31 December 2014.

Under the Articles of Association mentioned, the Board of Statutory Auditors is appointed based on lists of candidates, made up of two sections: one for the appointment of the regular Auditors and the other for the appointment of the alternate Auditors. The lists contain a number of candidates no higher than the number of members to be elected, listed by progressive number. Each candidate may appear on only one list, upon penalty of ineligibility.

Shareholders who individually or jointly represent at least 2.00% of share capital are entitled to submit a list.

Each shareholder (as well as (i) shareholders belonging to the same group, the latter being defined to include the party, which need not necessarily be a corporation, exercising control within the meaning of Article 2359 of the Italian Civil Code, and each subsidiary controlled by, or under the common control of the said party, or (ii) shareholders who have entered into the same shareholders' agreement within the meaning of Article 122 of

Legislative Decree No. 58 of 24 February 1998 as further amended, or (iii) shareholders who are otherwise associated with each other by virtue of associative relationships contemplated under the applicable statutory and/or regulatory framework) may contribute to the submission of only one list. In the event of breach, account will not be taken of the relative backing given to any of the lists.

The lists, signed by shareholders with standing must be filed no later than the 25th day prior to the scheduled date of the first calling of the Shareholders' Meeting and must be accompanied by the information on the identity of shareholders who submitted the lists, with an indication of the percentage of share capital held jointly, as well as the following documentation:

- a) the curriculum vitae of each candidate, containing exhaustive information on the candidate's personal and professional features, as well as their skills and experience in the insurance, financial and/or banking fields;
- b) a declaration by shareholders other than those who, even jointly, hold a controlling interest or relative majority stake, attesting the absence of associative relationships with the latter;
- c) the declarations in which each candidate accepts nomination and commits, if he/she is elected, to accept the office and also certifies, under his own responsibility, the inexistence of causes of incompatibility and of ineligibility, as well as possession of the requisites of integrity and professionalism which prevailing laws require for the office of Auditor of the Company.

The certifications from authorised brokers attesting to the collective ownership interest held as at the date of filing of the list must be delivered to the Company by 5:00pm of 3 April 2012.

The election of the Board of Auditors will be carried out as provided for by Article 20, paragraphs 8, 9 and 10, of the Articles of Association. The first two candidates on the list obtaining the highest number of votes and the first candidate on the list obtaining the highest number of votes from amongst the lists submitted and voted by shareholders who are not associated, not even indirectly, with the shareholders who submitted and voted for the list obtaining the highest number of votes (Minority List), shall be deemed elected regular Auditors. The first candidate on the list obtaining the highest number of votes and the first candidate on the Minority List will be the Alternate Auditors. Should only one list be submitted, all the members of the Board of Statutory Auditors shall be appointed from the said list.

The Acting Auditor elected from the Minority List shall be the Chairman. In the event of submission of a single list, the first candidate specified therein will take the chairmanship. Lists submitted in disregard of the provisions set forth in Article 20 of the Articles of Association shall be considered as never having been submitted.

In inviting you to pass a resolution on the appointment of the members of the Board of Statutory Auditors, electing the said members from one of the lists submitted by the persons and parties entitled to do so, in accordance with Article 20 of the Articles of Association, it is pointed out that the text of the related shareholders' resolution must reflect the outcome of the ballot.

Resolutions must be passed in respect of the appointment as well as the annual remuneration of the members of Board of Auditors.

In such regard, it must be pointed out that the remuneration of the Company's Board of Auditors is currently established at the gross annual amount of 40,000.00 euros for the Chairman and the gross annual amount of 30,000.00 euros per each regular auditor, over and above the refund of out-of-pocket expenses sustained for attending meetings.

With regard to the above, the relevant administrative bodies of the Company have analysed prevailing trends, on the basis of in-depth sector-specific benchmarking. The aforesaid study confirms the appropriateness of current remuneration levels, taking due account of the features of the Banca Generali group.

The Shareholders are accordingly invited to establish the remuneration due to the Chairman of the Board of Statutory Auditors and each Regular Auditor, over and above the refund of out-of-pocket expenses sustained for attending meetings, for the three-year term of office of the Board of Auditors previously appointed by this General Shareholders' Meeting and therefore through to the date of the approval of the financial statements for the year ending 31 December 2014.

The text of the shareholders' resolution must reflect the outcome of the decision to be taken by the General Shareholders' Meeting itself.

Milan, 13 March 2012

THE BOARD OF DIRECTORS