Interim Report on Operations as of 31 March 2012

Board of Directors
8 May 2012

Banca Generali S.p.A.
Authorised share capital 119,378,836 euros, underwritten and paid-up share capital 111,693,843 euros
Registered offices at Trieste, Via Machiavelli 4 - Italy
Trieste Register of Companies, Tax Code and VAT No. 00833240328
Member of the Interbank Deposit Protection Fund
Bank Register No. 5358
Parent Company of the Banca Generali banking group registered in the Banking Group Register
Company managed and coordinated by Assicurazioni Generali S.p.A.

Company Boards

CHAIRMAN	Girelli Giorgio Angelo
CHIEF EXECUTIVE OFFICER	Motta Piermario
BOARD OF DIRECTORS	Perissinotto Giovanni Anaclerio Mario Francesco Baessato Paolo Brugnoli Giovanni Genovese Fabio Gervasoni Anna Miglietta Angelo Riello Ettore
BOARD OF STATUTORY AUDITORS	Alessio Vernì Giuseppe (Chairman) Gambi Alessandro Venchiarutti Angelo Camerini Luca (Alternate Auditor) Bruno Anna (Alternate Auditor)
GENERAL MANAGER	Motta Piermario
MANAGER IN CHARGE OF THE COMPANY'S FINANCIAL REPORTS	Fancel Giancarlo

BANCA GENERALI

Contents

Group Economic and Financial Highlights

Consolidated figures	31.03.2012	31.03.2011	Change %
(€ million)			
Net interest income	23.1	11.1	109.1
Net commissions	70.4	50.5	39.5
Dividends and net result of financing operations	7.7	2.5	206.8
Net banking income	101.2	64.0	58.0
Staff expenses	-18.0	-16.6	8.3
Other general and administrative expense	-23.1	-18.3	25.8
Amortisation and depreciation	-1.2	-0.9	25.0
Other net operating income	3.6	1.5	130.7
Net operating expense	-38.7	-34.4	12.6
Operating profit	62.5	29.7	110.7
Provisions	-11.7	-5.3	119.4
Adjustments	-3.4	-0.1	n.a
Profit before taxation	47.4	24.3	95.1
Net profit	39.2	20.0	95.6
Cost / Income ratio	37.1%	52.2%	-29.0
EBITDA	63.7	30.6	108.0
ROE	16.52%	8.31%	98.7
EPS - Earnings per Share (euro)	0.351	0.180	95.0

Net inflows	31.03.2012	31.03.2011	Change %
(€ million) (Assoreti data)			
Mutual funds and SICAVs	-11	163	-106.8
Asset management	10	-73	114.1
Insurance / Pension funds	436	307	42.0
Securities / Current accounts	108	-38	386.2
Total	**543**	**359**	**51.3**

Assets Under Management & Custody (AUM/C)	31.03.2012	31.12.2011	Change %
(€ billion) (Assoreti data)			
Mutual funds and SICAVs	6.2	5.9	5.5
Asset management	3.1	2.8	7.5
Insurance / Pension funds	7.8	7.3	6.8
Securities / Current accounts	7.6	7.2	4.8
Total	**24.6**	**23.3**	**5.9**

Net equity	31.03.2012	31.12.2011	Change %
(€ million)			
Net equity	333.6	262.4	27.1
Capital for regulatory purposes	249.4	236.5	5.5
Excess capital	100.8	89.1	13.1
Solvency margin	13.43%	12.84%	4.6

Consolidated Accounting Statements

Consolidated Balance Sheet

Assets	31.03.2012	31.12.2011	Change	
(€ thousand)			Amount	%
Financial assets held for trading	34,272	35,323	-1,051	-3.0%
AFS financial assets	1,186,802	1,318,992	-132,190	-10.0%
Financial assets held to maturity	2,937,276	1,415,701	1,521,575	107.5%
Loans to banks	727,002	574,171	152,831	26.6%
Loans to customers	1,035,070	971,648	63,422	6.5%
Property, equipment and intangible assets	50,970	52,103	-1,133	-2.2%
Tax receivables	65,673	77,046	-11,373	-14.8%
Other assets	86,072	103,230	-17,158	-16.6%
Financial assets held for sale	468	675	-207	-30.7%
Total assets	6,123,605	4,548,889	1,574,716	34.6%

Net equity and liabilities	31.03.2012	31.12.2011	Change	
(€ thousand)			Amount	%
Due to banks	2,327,369	1,070,909	1,256,460	117.3%
Due to customers	3,249,417	3,042,371	207,046	6.8%
Financial liabilities held for trading and hedging	2,864	1,737	1,127	64.9%
Tax payables	30,699	21,019	9,680	46.1%
Other liabilities	106,436	85,043	21,393	25.2%
Financial liabilities held for sale	291	316	-25	-7.9%
Special purpose provisions	72,961	65,073	7,888	12.1%
Valuation reserves	-25,582	-56,341	30,759	-54.6%
Reserves	200,143	126,508	73,635	58.2%
Additional paid-in capital	3,406	3,231	175	5.4%
Share capital	111,694	111,676	18	0.0%
Treasury shares (-)	-248	-248	0	0.0%
Minority interests	4,989	4,176	813	19.5%
Net profit for the period	39,166	73,419	-34,253	-46.7%
Total net equity and liabilities	6,123,605	4,548,889	1,574,716	34.6%

Consolidated Profit and Loss Account

(€ thousand)	31.03.2012	31.03.2011	Change	
		Restated	Amount	%
Net interest	23,144	11,070	12,074	109.1%
Net commissions	70,389	50,467	19,922	39.5%
Dividends	45	11	34	309.1%
Net result of financial operations	7,612	2,485	5,127	206.3%
Net operating income	101,190	64,033	37,157	58.0%
Staff expenses	-18,029	-16,647	-1,382	8.3%
Other general and administrative expense	-23,051	-18,322	-4,729	25.8%
Net adjustments of property, equipment and intangible assets	-1,179	-943	-236	25.0%
Other operating expense/income	3,566	1,546	2,020	130.7%
Net operating expense	-38,693	-34,366	-4,327	12.6%
Operating profit	62,497	29,667	32,830	110.7%
Net adjustments for non-performing loans	-3,055	10	-3,065	n.a.
Net adjustments of other assets	-376	-70	-306	437.1%
Net provisions	-11,678	-5,322	-6,356	119.4%
Gain (loss) from equity investments	0	0	0	n.a.
Operating profit before taxation	47,388	24,285	23,103	95.1%
Income taxes for the period	-7,568	-3,522	-4,046	114.9%
Profit from non-current assets held for sale	159	461	-302	-65.5%
Profit attributable to minority interests (+/-)	-813	-1,204	391	-32.5%
Net profit	39,166	20,020	19,146	95.6%

Statement of Comprehensive Income

(€ thousand)	31.03.2012	31.03.2011	Change	
		Restated	Amount	%
Net profit (loss)	39,166	20,020	19,146	95.6%
Other income net of income taxes:				
AFS assets	30,978	12,823	18,155	141.6%
Cash-flow hedges	-219	0	-219	n.a.
Total other income, net of taxes	30,759	12,823	17,936	139.9%
Comprehensive income	69,925	32,843	37,082	112.9%

Report on Operations

1. Summary of First Quarter Operations

The Banca Generali Group closed the first quarter of 2012 with net profit of 39.2 million euros, compared to a net profit of 20.0 million euros in the same period of 2011, and net equity of 333.6 million euros.

Net banking income amounted to 101.2 million euros, up by 37.2 million euros compared to the first quarter of 2011. This was primarily due to the return of performance commissions of 29.4 million euros, as well as the strong contribution to net interest (+12.1 million euros) provided by the increase in the volumes of investments in securities and inflows from banks and, to a lesser extent, customers.
The income of banking operations also showed progress of 5.2 million euros compared to the first quarter of 2011.

Total operating expense amounted to 38.7 million euros, up by 12.6% compared to the first three months of 2011 (+4.3 million euros), with general and administrative expenses up by 4.7 million euros, primarily due to the increase in estimated stamp duty charges for the quarter, subject to recovery from customers, while staff expenses increased from 16.6 million euros to 18.0 million euros in the first quarter of 2012 (+8.3%).
Net provisions amounted to 11.7 million euros, up 6.4 million euros compared to the first quarter of 2011, and chiefly comprise allocations for distribution network incentives pending accrual.

The total value of the assets managed by the Group through its network of financial advisors amounted to 24.6 billion euros at 31 March 2012, up compared to 23.3 billion euros at the end of 2011. In addition, at 31 March 2012, assets under administration and custody of the Generali Group companies totalled approximately 1.3 billion euros, and 7.3 billion euros were held in mutual funds, SICAVs and discretionary accounts (GPF and GPM) distributed directly by management companies or parties outside the banking group, for an overall amount of 33.2 billion euros.

The Banca Generali Group remains one of the top distributors of financial products through financial advisors networks with 24.6 billion euros in assets under management.
In the first quarter of 2012, net inflows amounted to 543 million euros.

2. Macroeconomic Context

In the first quarter of 2012, financial markets benefited from a gradual increase in risk appetite: exchanges posted gains, tensions surrounding European sovereign debt relented and credit spreads narrowed. There were essentially three factors that permitted a reduction in risk premium. Firstly, the central banks of developed countries confirmed their willingness to generate abundant liquidity: in particular, the ECB supported the banking system with two long-term refinancing transactions for a total of 1,000 billion euros. A second factor was the improvement in the global economic scenario, which exceeded expectations: despite the negative growth in the Euro Area, in the United States most of the published data indicate a positive scenario and a constant improvement of the job market. In China, where there were concerns of risks arising from a deceleration of the real-estate sector, the data thus far have confirmed a scenario of moderate slowdown. Lastly, the third factor, the effort devoted by institutions at the European level to handling the difficulties in Greece, allowed the European Union and the International Monetary Fund to provide the loans called for in the new aid plan, for a total of 130 billion euros.

The underlying scenario continued to be that of an accelerating recovery, although the rates of growth remained below their potential levels, especially in the Euro Area, where there continued to be a gap between fiscally virtuous economies — which grew — and the economies of peripheral countries — where fiscal austerity is prolonging the recession. In the corporate arena, earnings in the final quarter of 2011 were more solid than expected and the downwards revision of profits has most likely hit bottom. Inflation, which is on the decline in emerging countries, decreased less sharply than predicted in advanced economies owing to increases in energy prices. Within this scenario, central banks assumed highly accommodating stances: the Federal Reserve has announced that it will keep rates at their current levels until 2014, the Bank of Japan and the Bank of England extended their respective quantitative easing programmes, and the ECB provided abundant refinancing for European banks. Conversely, central banks in emerging countries started to gradually lower interest rates or lowered administrative measures aimed at increasing liquidity.

During the quarter, interbank market rates in the Euro Area trended downwards, influenced by the abundant liquidity offered by the ECB and an economic growth scenario in the Euro Area that remains very weak. During the period, the three-month Euribor fell from 1.4% at year-end to 0.80% at the end of March, whereas the EONIA rate fluctuated within the range of 0.35% to 0.40% reached in the final days of 2011, owing to the success of the first three-year refinancing transaction of unlimited quantity at a fixed rate launched by the ECB on 22 December.

Within this context, equity markets climbed, with those of emerging countries generally outperforming those of advanced countries. The MSCI World index rose by 7.9%, the S&P500 by 8.9% and the Topix by 6.3%. In Europe, the benchmark index for the entire area (the DJ Stoxx 600) grew by 7.7%, while the Euro Area benchmark (the DJ Euro Stoxx) climbed 9.5%. During the period, exchanges in emerging markets showed good performances: 10.2% overall (the MSCI Emerging Markets index) and 14.1% in India, except China which showed no change. Overall, the market sectors that performed best in Europe were cars, financial services, insurance and the chemical sector, whereas telecommunications, health, energy and utilities posted below-average performance.

During the period, the trend in bond yields for the main markets (Treasuries and Bunds) was slightly positive, in particular in the United States, where growth strengthened, proving higher than the consensus estimates. In the United States, two-year rates rose to 0.33% at the end of March from 0.24% at year-end, while ten-year rates increased to 2.21% from 1.88%. In the Euro Area, the two-year rate went to 0.21% at the end of the quarter from 0.14% at year-end, while the ten-year rate increased to 1.83% from 1.79%. Spreads between the member states of the European Monetary Union gradually narrowed in response to the generally positive news concerning the management of the Greek debt crisis. Italy’s spread fell from 529 points to a low of 277 in mid-March, to then climb once more to close the quarter at 331 points.

An aversion to risk also dominated currency markets. After an initial slight weakening to around 1.26, the euro/dollar exchange rate climbed to a range of 1.30 to 1.35, within which it fluctuated for the rest of the period. The dollar/yen exchange rate depreciated abruptly, resulting in an increase from 76 to 84 yen to the dollar: the cause was the unexpected announcement by the Bank of Japan of an expansion of the financial asset purchase programme and a clearer commitment to pursue an inflation target.

Finally, commodities prices fluctuated within a broad range, first increasing and then decreasing. The price of Brent crude rose from 110 dollars a barrel in early January to 125 at the end of February and then decreased to 122 at the end of the quarter. Over the same period, gold increased from 1,565 dollars an ounce to a high of 1,785, to then decline to close the period at 1,670.

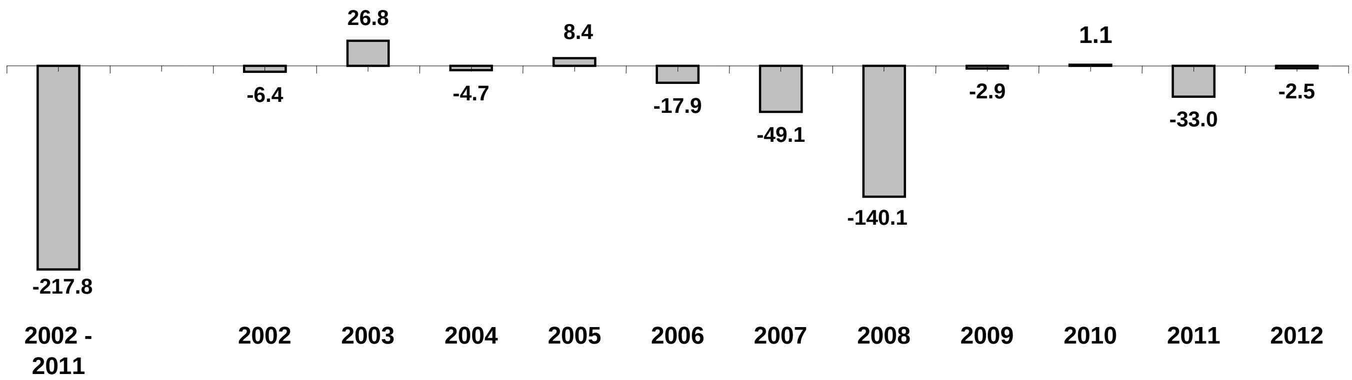
Projections by major international authorities for the coming months call for stability in the growth scenario. Overall growth rates will be solid in all emerging areas, whereas the pace of growth in advanced countries will remain below the potential level. International research centres identify one possible risk to growth as an increase in the price of oil in response to an intensification of tensions in the Middle East area.

3. Banca Generali's Competitive Positioning

3.1 The Asset Management Market

The Italian asset management market, represented by collective management, open-ended funds and individual portfolio management) recorded net outflows of 4.7 billion euros in the first quarter of 2012.
In detail, the UCIT market reported net outflows of about 2.5 billion euros. The figure represents the continuation, albeit with decreased intensity, of the trend seen in 2011, which ended with net outflows of 33 billion euros.
During the reporting quarter, although the causes of this estrangement of investors continued to apply (in particular, (i) a market scenario that has suffered repeated disturbances since 2007, with inevitable consequences for volatility and performance, and (ii) the commercial policies of the traditional banking system, which favoured traditional bank funding instruments, diverting resources from asset management products), the performance was less negative, with net inflows in March of 1.9 billion euros, the only positive value of the last 12 months. This result, which was also influenced by a period of financial market recovery, was primarily driven by collective management schemes (2.4 billion euros), whereas individual management schemes continued to fail to reverse the trend.
In this context, investors continued to favour international UCITS (4.2 billion euros, typically based in Luxembourg) over Italian UCITS (-1.9 billion euros), which do not appear to have benefited from the equivalent legal treatment of capital gains. According to an extrapolation of figures provided by Assogestioni (a trade association for management companies) prepared by Assoreti (a trade association for Financial Advisors), inflow figures also remained consistently positive for the Financial Advisors channel (1.4 billion euros), whereas traditional banks reported considerable divestments (-3.9 billion euros).

The Italian Collective Investment Undertakings (UCITs) Market
(€ billion)



Source: ***Assogestioni****.*

3.2 The Assoreti Market

The net inflows reported by the Assoreti market (total distribution activity through Financial Advisors) in the first quarter of 2012 were in line with those of 2011 (3.2 billion euros), albeit with some differences in terms of flows allocations.

(€ million)	**March 2012**	**March 2011**	**Delta**
Asset management	1,074	1,286	-212
Insurance products	758	79	678

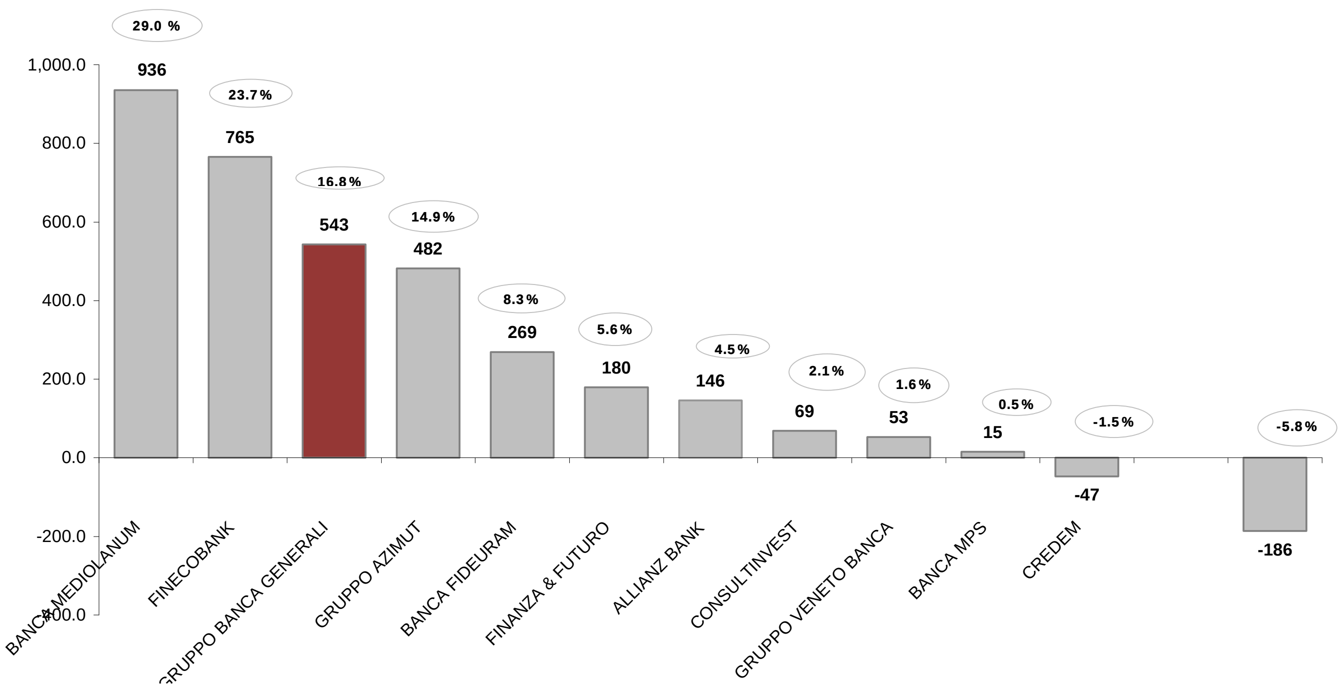
Assets under administration and custody	1,394	1,788	-394
Total	**3,225**	**3,154**	**71**

The flow of investment towards asset management instruments decreased further, whereas there was an increase in inflows to insurance investment instruments, which are characterised by specific capital protection features. In addition, there continued to be a strong interest in assets under administration in the form of both liquidity and bonds, which benefited from the high returns available on the market.

3.3 Banca Generali

Within this scenario, Banca Generali remained among the market leaders by net inflows through Financial Advisors, with inflows of 543 million euros, exceeding by 50% the levels achieved in 2011, and ranking third on the market with an increase of its market share to 16.8%.

TOTAL NET INFLOWS — ASSORETI — 3.2 billion euros
March 2012 (€ million)



Source: ***Assoreti***

In further detail, Banca Generali's net inflows were balanced between insurance products (436 million euros), assets under administration (108 million euros) and with a substantial resilience of assets under management.
The figures, in addition to the highly significant absolute value, represent both confirmation of the trend for the market at large in certain respects and deviation from that trend in others. In further detail, the highly positive insurance products figure was influenced by a product range that shows specific levels of excellence (nearly 600 million euros of life new business) and a commercial policy highly attentive to customers' needs in the particular economic scenario.

Net inflows of Banca Generali

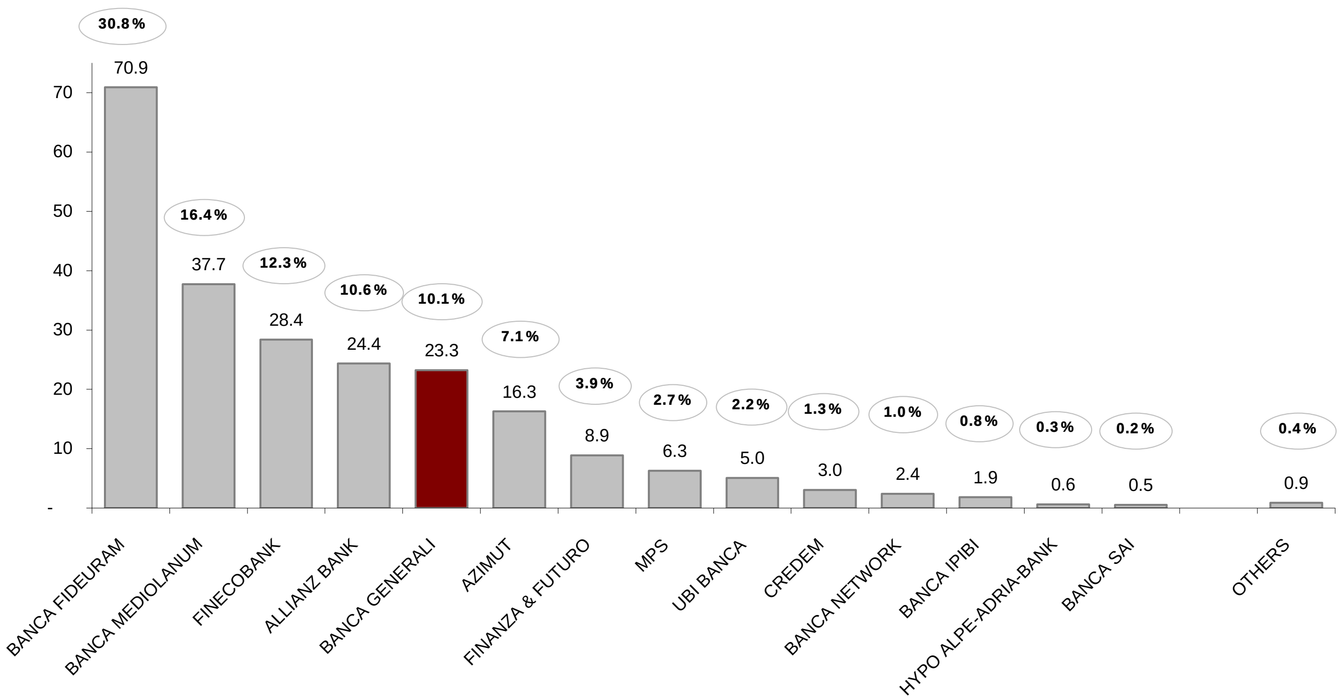
(€ million)	BG Group	BG Group	Changes vs/
	31.03.2012	31.03.2011	31.03.2011

			Amount	%
Total assets under management	**-1**	**90**	**-90**	*-100.8%*
Funds and SICAVs	-11	163	-174	*-106.8%*
GPF/GPM	10	-73	83	*114.1%*
Total insurance products	**436**	**307**	**129**	*42.0%*
Total assets under administration and custody	**108**	**-38**	**146**	*386.2%*
Total assets placed by the network	**543**	**359**	**184**	***51.3%***

Banca Generali also ranked among the top five competitors on the market in terms of assets under management at the end of 2011, with a slight increase in market share owing to better retention of assets under management than the market average.

TOTAL ASSETS — ASSORETI — 230.5 billion euros

December 2011 (€ billion)



Source: ***Assoreti.***

The following table provides a summary of Banca Generali's assets, updated through the first quarter of 2012, illustrating their composition by macro-aggregate and providing a comparison with the figures as of December 2011. These assets refer to the Assoreti market, and therefore to the Financial Advisor operating area.

The total value of assets increased significantly over the quarter (5.9%), owing in part to a financial market scenario that showed a considerable trend towards a recovery in the first months of the year compared to the final months of 2011. This was especially clear in the asset management segment, where progress was largely due to market performance (for example, the MSCI EMU index rose by 9.2% for the quarter).

Over the same period, there was continuing growth in assets under administration (+4.8%) and insurance products (+6.8%), in the latter case driven by new inflows in particular.

Banca Generali's total assets

(€ million)	BG Group		Changes vs/ 31.12.2011	
	31.03.2012	31.12.2011	Amount	%
Total assets under management	**9,224**	**8,692**	**532**	*6.1%*
Funds and SICAVs	6,169	5,850	319	*5.5%*
GPF/GPM	3,055	2,842	213	*7.5%*
Total insurance products	**7,818**	**7,319**	**499**	*6.8%*
Total assets under administration and custody	**7,592**	**7,244**	**348**	*4.8%*
Total assets placed by the network	**24,633**	**23,254**	**1,379**	***5.9%***

4. Performance of Main Balance Sheet and Profit and Loss Aggregates

4.1 Profit and Loss Results

The Group's consolidated net profit for the first quarter of 2012 amounted to 39.2 million euros, up by 19.1 million euros (+ 95.6%) compared to the same period of 2011.

Before proceeding with an analysis of the results achieved, it should be noted that, pursuant to IFRS 5, income and expenses associated with the Italian mutual fund management business unit, the sale of which was authorised by the subsidiary BG SGR in September 2011, have been classified to a separate item, as have profits and losses from discontinued operations. Accordingly, the profit and loss figures for the previous year have also been restated in the interest of greater comparability.

(€ thousand)	31.03.2012	31.03.2011	Change		31.03.2011
		Restated	Amount	%	Official
Net interest	23,144	11,070	12,074	109,1%	11,070
Net commissions	70,389	50,467	19,922	39,5%	51,373
Dividends	45	11	34	309,1%	11
Net result of financial operations	7,612	2,485	5,127	206,3%	2,485
Net operating income	101,190	64,033	37,157	58,0%	64,939
Staff expenses	-18,029	-16,647	-1,382	8,3%	-17,010
Other general and administrative expense	-23,051	-18,322	-4,729	25,8%	-18,170
Net adjustments of property, equipment and intangible assets	-1,179	-943	-236	25,0%	-952
Other operating expense/income	3,566	1,546	2,020	130,7%	1,541
Net operating expense	-38,693	-34,366	-4,327	12,6%	-34,591
Operating profit	62,497	29,667	32,830	110,7%	30,348
Net adjustments for non-performing loans	-3,055	10	-3,065	n.a.	10
Net adjustments of other assets	-376	-70	-306	437,1%	-70
Net provisions	-11,678	-5,322	-6,356	119,4%	-5,322
Operating profit before taxation	47,388	24,285	23,103	95,1%	24,966
Income taxes for the period	-7,568	-3,522	-4,046	114,9%	-3,742
Gains from non-current assets held for sale	159	461	-302	-65,5%	0
Profit attributable to minority interests	-813	-1,204	391	-32,5%	-1,204
Net profit	39,166	20,020	19,146	95,6%	20,020

Net operating income amounted to 101.2 million euros, with an increase of 37.2 million euros (+58.0%) compared to the same period of the previous year.

This evolution was influenced by several factors:

- the return of performance commission income, which amounted to 29.4 million euros;
- the strong contribution to net interest, which improved by 12 million euros (+109.1%), provided by the increase in the volume of investment and inflows owing to the injection of liquidity deriving from the refinancing transactions (LTROs) undertaken by the ECB in December 2011 and February 2012;
- the good result of financial operations, including dividends, which increased by 5.2 million euros compared to 2011.

Net operating expense stood at 38.7 million euros, up compared to the previous year (12.6%), primarily due to the effect of the performance of administrative expenses, resulting in a **consolidated operating profit** of 62.5 million euros, marking an increase of 32.8 million euros compared to the previous year (+110.7%).

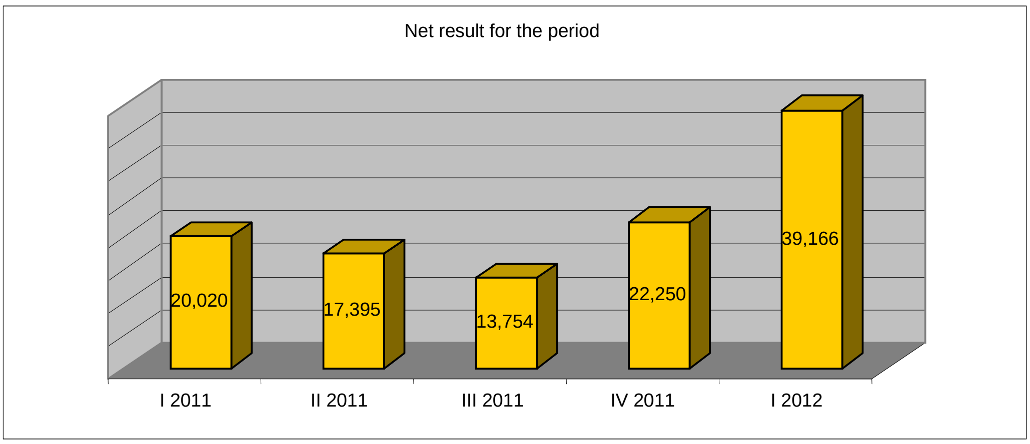
The **cost/income ratio**, used to calculate the percentage weight of operating costs, gross of adjustments of property, equipment and intangible assets with respect to net operating revenues dropped sharply from 52.2% to 37.1%.

Adjustments and provisions increased to 15.1 million euros overall, due chiefly to the greater provisions recognised to account for network incentives set to accrue and, to a lesser extent, prudential provisions for litigations and impairment losses recognised on previously impaired positions.

Operating profit before taxation thus stood at 47.4 million euros, up by 23.1 million euros compared to the first quarter of 2011 (+95.1%).

Quarterly Evolution of the Profit & Loss Account

(€ thousand)	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest	23,144	15,741	11,824	10,424	11,070
Net commissions	70,389	47,087	42,567	47,841	50,467
Dividends	45	11,763	22,829	57,656	11
Net result of financial operations	7,612	-10,356	-23,362	-54,338	2,485
Net operating income	101,190	64,235	53,858	61,583	64,033
Staff expenses	-18,029	-15,090	-16,370	-16,673	-16,647
Other general and administrative expense	-23,051	-16,264	-20,919	-23,059	-18,322
Net adjustments of property, equipment and intangible assets	-1,179	-1,017	-1,181	-950	-943
Other operating expense/income	3,566	791	2,099	4,230	1,546
Net operating expense	-38,693	-31,580	-36,371	-36,452	-34,366
Operating profit	62,497	32,656	17,488	25,131	29,667
Net adjustments for non-performing loans	-3,055	-1,152	-563	-458	10
Net adjustments of other assets	-376	-2,482	-113	-1,151	-70
Net provisions	-11,678	1,701	-1,880	-4,567	-5,322
Gain (loss) from equity investments	0	0	-1	0	0
Operating profit before taxation	47,388	30,723	14,931	18,955	24,285
Income taxes for the period	-7,568	-7,956	-816	-1,061	-3,522
Gains from non-current assets held for sale	159	459	459	457	461
Profit attributable to minority interests	-813	-976	-820	-955	-1,204
Net profit	39,166	22,250	13,754	17,395	20,020



4.1.1. Net Interest

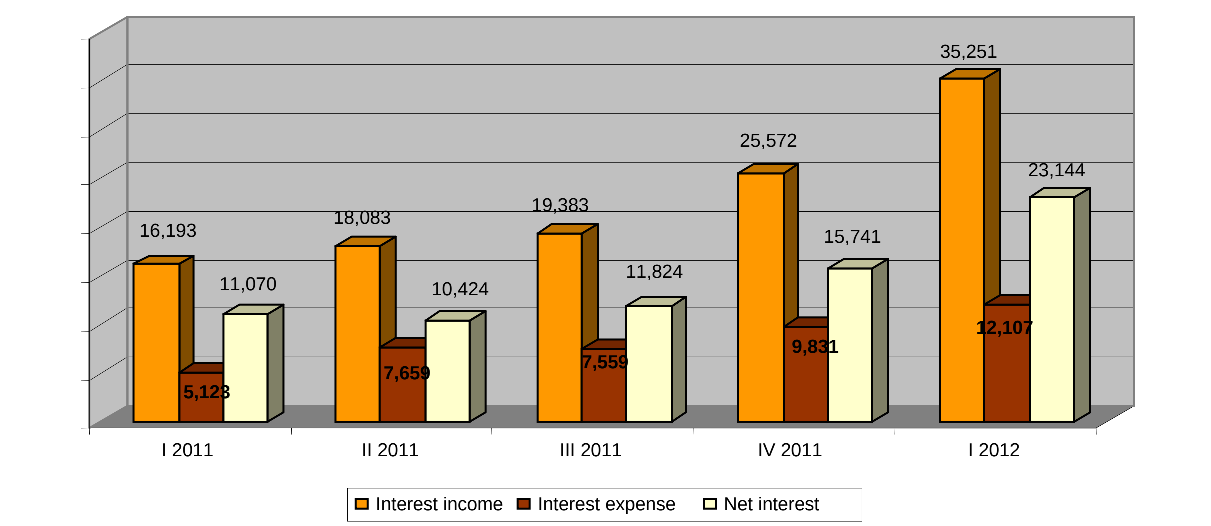
Net interest income amounted to 23.1 million euros, more than doubling the figure for the same period of the previous year (+109.1%), mainly as a result of:

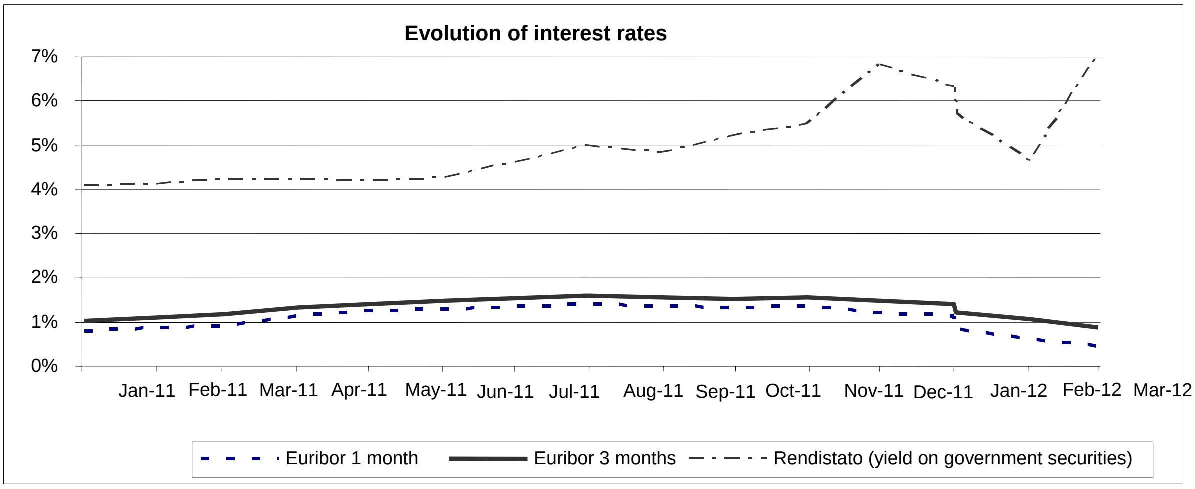
- an expansion of inflows volumes at extremely favourable rates (1%), due to the aforementioned Banca Generali's participation in the refinancing transactions promoted by the ECB;
- a peculiar market situation characterised by high returns offered by Italian government bonds, which offered excellent investment opportunities;
- the concurrent increase in inflows from "high-yield" customers (deposit accounts and repurchase agreements) and interbank inflows (repurchase agreements), characterised by higher cost levels than traditional inflows.

Interest income thus grew by 19.1 million euros (117.7%), owing to the decisive contribution of the securities portfolio (+17.9 million euros or 145.2%) and, to a lower extent, loans to customers (+1.3 million euros or 38.4%).

By contrast, the cost of inflows increased by 7.0 million euros (+136.3%), due to the expenses associated with the ECB transactions (+2.2 million euros), interbank inflows in the form of repurchase agreements (+1.4 million euros) and high-yield term deposits (+2.6 million euros).

(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Financial assets held for trading	183	217	-34	-15.7%
AFS financial assets	9,452	7,129	2,323	32.6%
Financial assets held to maturity	19,054	3,572	15,482	433.4%
Financial assets classified among loans	1,535	1,406	129	9.2%
Total financial assets	30,224	12,324	17,900	145.2%
Loans to banks	387	524	-137	-26.1%
Loans to customers	4,610	3,330	1,280	38.4%
Other assets	30	15	15	100.0%
Total interest income	35,251	16,193	19,058	117.7%
Due to ECB	2,199	0	2,199	n.a.
Due to banks	173	239	-66	-27.6%
Due to customers and securities issued	6,262	3,341	2,921	87.4%
Repurchase agreements - banks	2,807	1,386	1,421	102.5%
Repurchase agreements - customers	661	145	516	355.9%
Other liabilities	5	12	-7	-58.3%
Total interest expense	12,107	5,123	6,984	136.3%
Net interest	23,144	11,070	12,074	109.1%

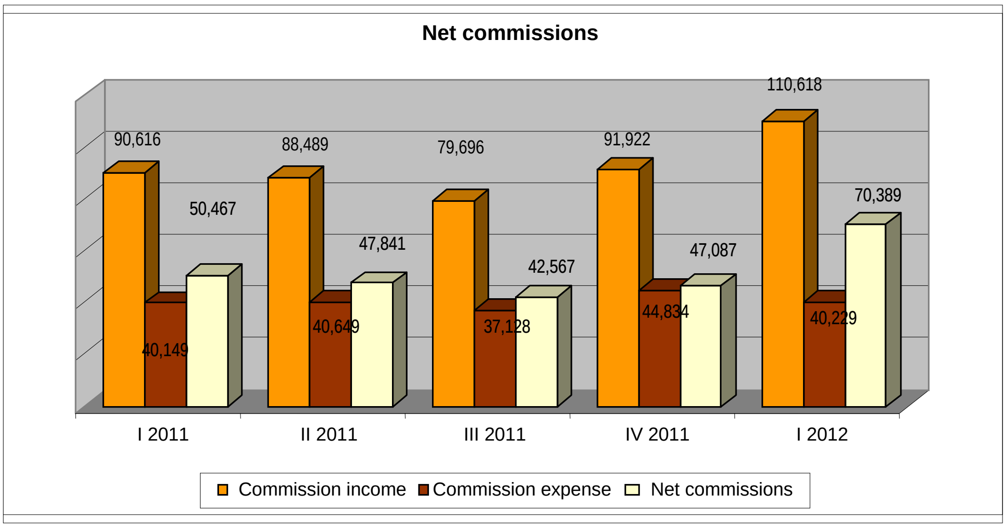




4.1.2 Net Commissions

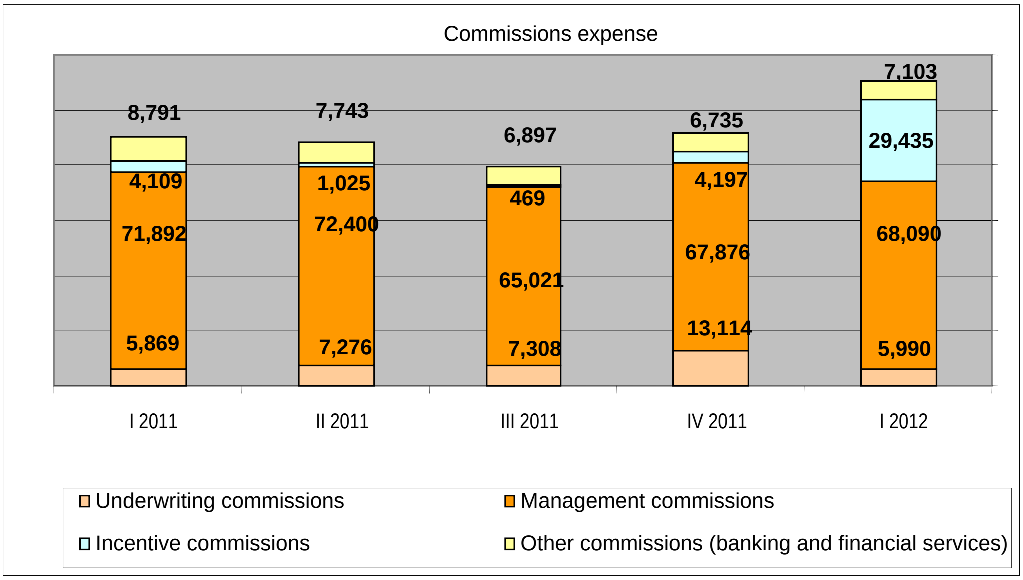
The commissions aggregate stood at 70.4 million euros, increasing by almost 40% compared to the first quarter of 2011, and may be broken down as follows.

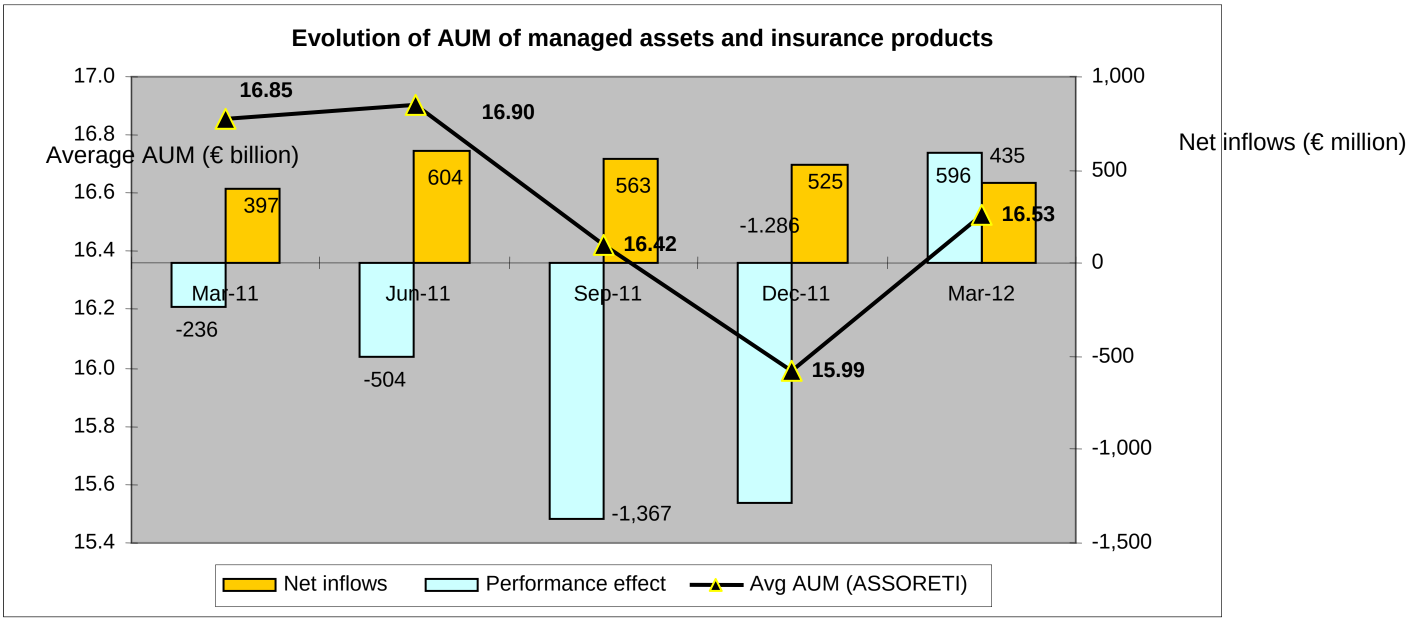
(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Asset management	79,654	58,912	20,742	35.2%
Placement of securities	7,726	7,913	-187	-2.4%
Distribution of third-party fin. products	16,135	14,995	1,140	7.6%
Trading and securities custody commissions	5,610	7,402	-1,792	-24.2%
Other services	1,493	1,394	99	7.1%
Total commission income	110,618	90,616	20,002	22.1%
Commissions for external offer	35,416	34,036	1,380	4.1%
Dealing in securities and custody	716	1,554	-838	-53.9%
Asset management	3,578	4,097	-519	-12.7%
Other services	519	462	57	12.3%
Total commission expense	40,229	40,149	80	0.2%
Net commissions	70,389	50,467	19,922	39.5%



Commission income increased by 20 million euros owing to the growth of performance commissions (+25.3 million euros), accompanied by a slight decline in management commissions of 3.7 million euros (-5.2%) and a decrease in commissions associated with other banking and financial services of 1.7 million euros (-19.2%).
In detail, in comparison with the first quarter of 2011 the performance of management commissions continued to suffer the effects of the erosion of assets under management caused by financial market performance in the second half of 2011, which, however, currently appears to be subject to rapid recovery.

(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Underwriting commissions	5,990	5,896	94	1.6%
Management commissions	68,090	71,815	-3,725	-5.2%
Incentive commissions	29,435	4,109	25,326	616.4%
Commissions for other banking and financial services	7,103	8,796	-1,693	-19.2%
Total	110,618	90,616	20,002	22.1%





Commission expense amounted to 40.2 million euros, virtually stable compared to the same period of the previous year, against the backdrop of a moderate increase in distribution commissions of 1.4 million euros (+4.1%).
By contrast, there was a sharp decline, mirroring the revenue side, in the segment of commission expense relating to trading and securities custody.

Commissions from **the solicitation of investment and asset management** of households amounted to 103.5 million euros, with an increase of 21.7 million euros compared to the same period in the previous year, entirely attributable to the SICAVs promoted by the Banking Group and the above-mentioned performance commissions trend.

(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Asset management, own				
Collective asset management (UCITs, pension funds)	64,191	42,513	21,678	51.0%
Collective assets management of the Generali group	6,842	7,390	-548	-7.4%
Individual asset management	8,621	9,009	-388	-4.3%
Commissions on asset management	79,654	58,912	20,742	35.2%
Placement of third-party UCITs	6,342	7,913	-1,571	-19.9%
Bond placement	1,384	0	1,384	n.a.
Other placement operations	0	0	0	n.a.
Distribution of third-party asset management products (GPM/GPF, pension funds)	84	89	-5	-5.6%
Distribution of third-party insurance products	15,948	14,657	1,291	8.8%
Distribution of other third-party financial products	103	249	-146	-58.6%
Placement and distribution of third-party products	23,861	22,908	953	4.2%
Asset management commissions earned	103,515	81,820	21,695	26.5%

In the placement and distribution of third-party financial products and services, there continued to be strong growth of revenues on the distribution of the insurance products of Genertellife (+1.3 million euros or +8.8%), accompanied during the quarter by the contribution provided by placement, particularly the success of the new Italian BTP reserved for retail investors, which offset the decline in the placement of third-party UCITs (-1.6 million euros or -19.9%).

The contribution of management commissions for funds distributed by foreign companies of the Generali Group, primarily arising from the operations of the merged Generali Investments Luxembourg (GIL), amounted to 6.8 million euros, down 0.5 million euros compared to the same period in the previous year.

Distribution commission expenses amounted to 35.4 million euros and increased by 1.4 million euros compared to the same period of the previous year (+4.1%).
The figure includes 4.9 million euros paid to foreign placement agents of Generali Group funds, which were in line with the figure for the first quarter of 2011.
Net of those items, the Group's pay-out ratio, based on its asset management commission income, net of the performance component, therefore was 45.4%, up compared to 41.1% at the end of the first quarter of 2011.

(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Front-end commissions	4,104	4,384	-280	-6.4%
Management commissions	25,232	24,920	312	1.3%
Incentive commissions	1,613	826	787	95.3%
Other commissions	4,467	3,906	561	14.4%
Total	35,416	34,036	1,380	4.1%

Other net commissions from banking services offered to customers include trading, order receipt and custody and administration commissions, in addition to commissions charged to customers for account-keeping expenses and other services. This aggregate stood at 5.9 million euros, down 13.5% over the first quarter of 2011, due to the slowdown in trading and order receipt.

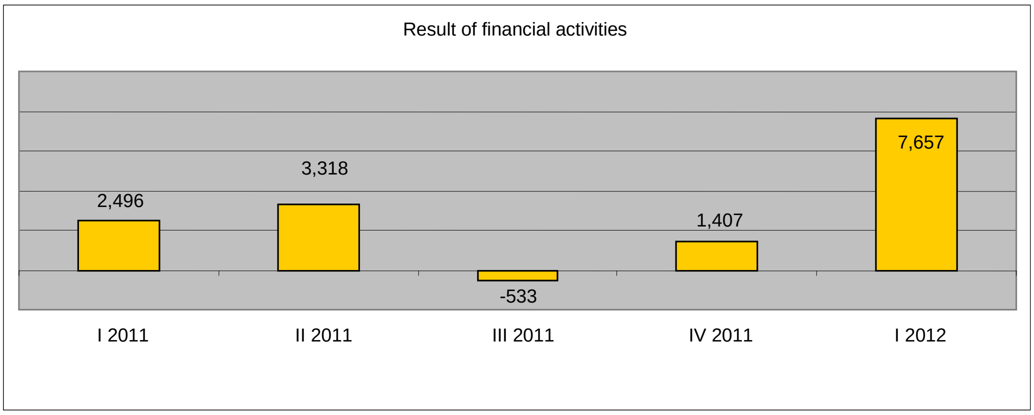
(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Dealing in securities and currencies	3,998	4,665	-667	-14.3%
Order collection and securities custody commissions	1,612	2,734	-1,122	-41.0%
Collection and payment services	444	377	67	17.8%
Commission income	638	643	-5	-0.8%
Commissions for other banking services	411	377	34	9.0%
Total traditional banking operations	7,103	8,796	-1,693	-19.2%
Commissions for securities trading and custody	-716	-1,554	838	-53.9%
Collection and payment services	-294	-205	-89	43.4%
Commissions for other banking services	-225	-257	32	-12.5%
Total commission expense	-1,235	-2,016	781	-38.7%
Net commissions	5,868	6,780	-912	-13.5%

4.1.3 Net Profit from Trading and Financial Operations

The net result of financial operations is composed of the result of financial asset and liability trading, net gains from the disposal of financial assets allocated to the AFS portfolio and other portfolios valued at amortised cost (AFS, HTM, Loans), from the related dividends and any result of hedging.

(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Dividends from trading	45	11	34	309.1%
Trading of financial assets and equity derivatives	124	367	-243	-66.2%
Trading of financial assets and derivatives on debt securities and interest rates	6,172	938	5,234	558.0%
Trading of UCIT units	850	75	775	1033.3%
Securities transactions	7,191	1,391	5,800	417.0%
Currency and currency derivative transactions	452	-273	725	-265.6%

Net profit from trading operations	7,643	1,118	6,525	583.6%
Dividends from AFS assets	0	0	0	n.a.
Gains and losses on equity securities	-52	0	-52	n.a.
Gains and losses on AFS and HTM debt securities and loans	66	1,378	-1,312	-95.2%
Profit (loss) of financial operations	7,657	2,496	5,161	206.8%



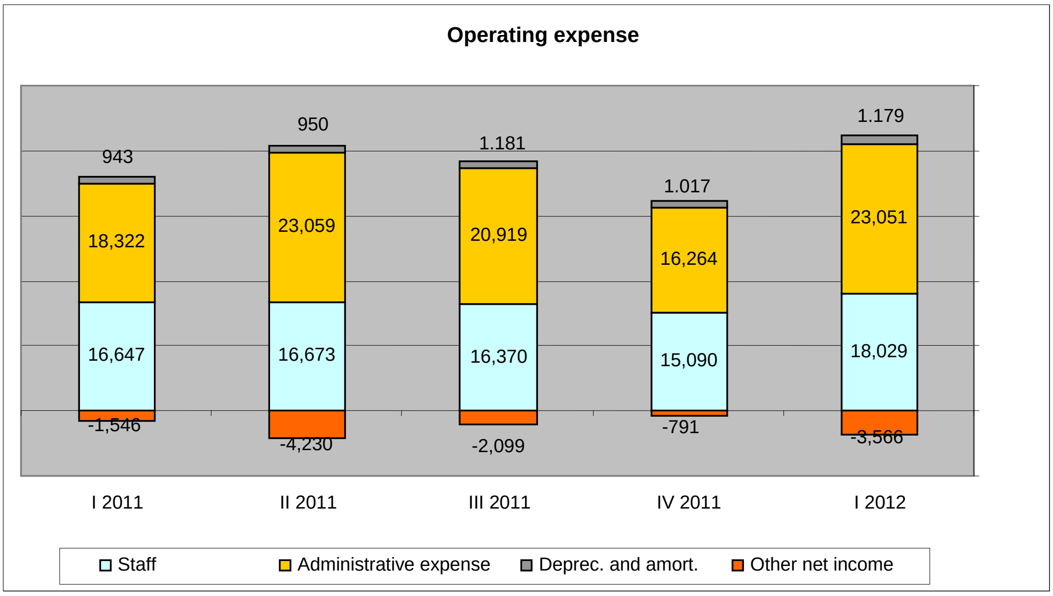
At the end of the first quarter of 2012, the aggregate presented a positive contribution of 7.7 million euros, increasing sharply compared to 2.5 million euros reported at the end of the same period of the previous year.
In this context, net gains on the **trading portfolio** amounted to 7.6 million euros and refer chiefly to transactions involving government bonds undertaken with leading Italian and international banking counterparties.

(€ thousand)	Net profit and dividends	Capital gains	Losses	Capital losses	Net result 31.03.2012	Net result 31.03.2011	Change
1. Debt securities transactions	5,809	682	208	0	6,283	-44	6,327
2. Equity securities transactions	33	121	29	1	124	378	-254
Equity securities	33	121	29	1	124	374	-250
Dividends	0	0	0	0	0	11	-11
Options on equity securities	0	0	0	0	0	-7	7
3. Par asset swaps	0	0	0	0	0	599	-599
Debt securities	0	0	0	0	0	648	-648
Asset swaps	0	0	0	0	0	-49	49
4. Equity securities transactions and futures	0	0	0	0	0	0	0
Equity securities	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0
Futures	0	0	0	0	0	0	0
5. UCITs unit transactions	307	597	0	9	895	75	820
6. Interest rate swaps (IRS)	97	0	171	37	-111	383	-494
7. Currency transactions	1,020	0	568	0	452	-273	725
Derivatives	566	0	568	0	-2	0	-2
Exchange gains and losses	454	0	0	0	454	-273	727
Result from trading	7,266	1,400	976	47	7,643	1,118	6,525

4.1.4 Operating Expense

Operating expense, including staff expenses, other general and administrative expense, amortisation and depreciation and other operating income and expenses amounted to 38.7 million euros, up by 4.3 million euros compared to the same period of the previous year (+12,6%).

(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Staff expenses	18,029	16,647	1,382	8.3%
Other general and administrative expense	23,051	18,322	4,729	25.8%
Net adjustments of property, equipment and intangible assets	1,179	943	236	25.0%
Other income and expenses	-3,566	-1,546	-2,020	130.7%
Operating expense	38,693	34,366	4,327	12.6%



Staff expenses, including full-time employees, interim staff and directors amounted to 18.0 million euros, up by 1.4 million euros (+8.3%) compared to the same period of the previous year.
Group employees reached 788, an increase of 12 compared to the same period of the previous year (+1.5%), mainly due to temporary work requirements.

	31.03.2012	31.03.2011	Change		Average	Average
			Amount	%	2012	2011
Managers	51	51	0	0.0%	51	51
3rd and 4th level executives	121	120	1	0.8%	120	122
Other employees	616	605	11	1.8%	606	601
Total	788	776	12	1.5%	777	773

Against this backdrop, the increase in staff expenses was still associated with salary-related factors, including the full effects of the renewal of the supplementary company agreement, the estimate of short-term and long-term incentives and, to a lesser extent, the stock-option plans for sales staff.
In this regard, it should be noted that in the first quarter of 2011 no allocation was made in connection with the new long-term incentive plan for the Group's managers entitled the Long-Term Incentive Plan, established by the parent company, Assicurazioni Generali, but approved and adopted in the context of the banking group's remuneration policies only in late 2011.
At the end of the first quarter of 2012, the estimated expense in connection with that programme amounted to

approximately 0.6 million euros.

It should finally be noted that in accordance with the clarification provided by the Bank of Italy in its recent Notice of 13 February 2012, certain indirect staff expenses, primarily consisting of individual reimbursements of travel expenses incurred by employees not constituting remuneration, are now classified among administrative expense. Accordingly, the same indirect expenses amounting to 0.4 million euros were also reclassified among administrative expense in the comparative situation for the first quarter of 2011.

Other **general and administrative expense** amounted to 23.1 million euros, up by 4.7 million euros (+25.8%), compared to the same period of the previous year.
However, 2.5 million euros of this increase may be attributed to the greater stamp duty expenses accrued during the quarter as a result of the new provisions set forth in the Save Italy Decree (Legislative Decree 201/2011), which for 2012 calls for a general tax of 0.1% of the market value of all customer financial assets, with a cap and a floor.
However, this increase was matched by the symmetrical increase in taxes recovered from customers, recognised among the other income and expense aggregate, which thus increased by 2.0 million euros during the quarter.

4.1.5 Provisions and adjustments

Net provisions amounted to 11.7 million euros, up by 6.4 million euros compared to the first quarter of the previous year (+119.4%), primarily due to the significant provisions for incentives for the sales network and prudential litigation provisions.
In particular, allocations to provisions consist of 6.1 million euros relating to half-yearly incentives set to accrue, up compared to the previous year, owing to the strong inflows results, whereas the remainder consists of provisions in service of recruitment plans still in effect, aimed at expanding portfolios in the medium term.

(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Provision for staff expenses	810	231	579	250.6%
Provisions for legal disputes	1,875	290	1,585	546.6%
Provision for incentive fees	8,268	4,105	4,163	101.4%
Provisions for termination indemnity and over fees	590	696	-106	-15.2%
Other provisions for risks and charges	135	0	135	n.a.
Total	11,678	5,322	6,356	119.4%

Impairment amounted to 3.4 million euros and primarily related to losses recognised on the financial assets segment.
In further detail, the above segment was affected by the failure to redeem at maturity an ABS that had already been impaired in previous years, resulting in further impairment losses of 2.2 million euros. Additional impairment losses of an automatic nature also affected equities already subject to impairment in 2011 in the amount of 0.4 million euros.

In addition, impairment losses of 0.4 million euros were recognised on receivables not arising from lending transactions in relation to recovery actions involving commission advances provided to former financial advisors who have left service.

(€ thousand)	Adjustments	Reversals	31.03.2012	31.03.2011
Specific adjustments/reversals	-3,081	0	-3,081	-60
Debt securities (AFS, HTM, Loans)	-2,236	0	-2,236	0
Equity securities	-376	0	-376	-70
Operating loans	-450	0	-450	0
Non-performing loans of the bank portfolio	-19	0	-19	10
Portfolio adjustments/reversals	-350	0	-350	0
Debt securities (Loans, HTM)	0	0	0	0
Performing loans of the banking portfolio	-350	0	-350	0
Total	-3,431	0	-3,431	-60

4.1.6 Net Result for the Period, Taxes and Earnings per Share

Current and deferred **taxes for the period** are estimated to reach 7.6 million euros, compared to 3.5 million euros for the first quarter of the previous year. The Group's consolidated tax rate stood at 16%, up compared to the first quarter of the previous year.
Profit for the period attributable to minority interests amounted to 0.8 million euros and refers to the minority interests in GFM held by the Assicurazioni Generali insurance group.
The first quarter of 2012 thus ended with a consolidated net profit of 39.2 million euros. Net basic earnings per share currently being accrued increased from 0.18 eurocents to 0.35 eurocents.

	31.03.2012	31.03.2011	Change	
			Amount	%
Net profit for the year (€ thousand)	39,166	20,020	19,146	95.6%
Earnings attributable to ordinary shares	39,166	20,020	19,146	95.6%
Average number of outstanding shares	111,729	111,360	369	0.3%
EPS - Earnings per Share (euro)	0.351	0.180	0.171	95.0%
Average number of outstanding shares				
Diluted capital	115,032	112,123	2,909	2.6%
EPS - Diluted earnings per share (euro)	0.340	0.179	0.162	90.7%

4.1.7 Comprehensive Income

The Group's comprehensive income consists of the net profit for the year and all components that contribute to company performance without being reflected in the profit and loss account, such as changes in valuation reserves for AFS securities.
At 31 March 2012, the aggregate concerned amounted to 69.9 million euros, up by almost 113% compared to the same period of the previous year.
The sharp increase was a result not only of the growth in net profit for the period, but also of unrealised gains pertaining to the portfolio of available-for-sale financial assets recognised through specific equity reserves (+18.2 million euros).

The net increase in these reserves at 31 March 2012 amounted to 31.0 million euros, up from the 12.8 million euros reported for the first quarter of 2011, and was due to the combined effects of:

- the mark to market of the carrying amount of the AFS portfolio (+45.0 million euros), attributable to the temporary easing of market tensions regarding the Italian sovereign debt segment;
- the reduction of pre-existing net negative reserves due to re-absorption in the profit and loss account through realisation and impairment (0.6 million euros);
- the negative tax effect associated with the above changes (-14.6 million euros).

(€ thousand)	31.03.2012	31.03.2011	Change	
			Amount	%
Net profit (loss)	39,166	20,020	19,146	95.6%
Other income net of income taxes:				
AFS assets	30,978	12,823	18,155	141.6%
Cash-flow hedges	-219	0	-219	n.a.
Total other income, net of taxes	30,759	12,823	17,936	139.9%
Comprehensive income	69,925	32,843	37,082	112.9%

4.2 Balance Sheet and Net Equity Aggregates

At the end of the first quarter of 2012, total consolidated assets amounted to 6.1 billion euros, marking a significant increase of 1.6 billion euros compared to the end of 2011 (+34.6%).

This increase was achieved largely due to the growth of direct interbank inflows (+117.3% compared to 2011), primarily arising from transactions with the ECB that permitted 1.1 billion euros in new funds to be acquired.
As a result, the volume of core loans amounted to 5.9 billion euros, up by 37.2% compared to 2011.

Assets	31.03.2012	31.12.2011	Change	
(€ thousand)			Amount	%
Financial assets held for trading	34,272	35,323	-1,051	-3.0%
AFS financial assets	1,186,802	1,318,992	-132,190	-10.0%
Financial assets held to maturity	2,937,276	1,415,701	1,521,575	107.5%
Loans to banks (*)	727,002	574,171	152,831	26.6%
Loans to customers	1,035,070	971,648	63,422	6.5%
Equity investments	-	-	0	n.a.
Property, equipment and intangible assets	50,970	52,103	-1,133	-2.2%
Tax receivables	65,673	77,046	-11,373	-14.8%
Other assets	86,072	103,230	-17,158	-16.6%
Financial assets held for sale	468	675	-207	-30.7%
Total assets	6,123,605	4,548,889	1,574,716	34.6%

(*) including loans repayable on demand with central banks

Net Equity and Liabilities	31.03.2012	31.12.2011	Change	
(€ thousand)			Amount	%
Due to banks	2,327,369	1,070,909	1,256,460	117.3%
Due to customers	3,249,417	3,042,371	207,046	6.8%
Financial liabilities held for trading and hedging	2,864	1,737	1,127	64.9%
Tax payables	30,699	21,019	9,680	46.1%
Other liabilities	106,436	85,043	21,393	25.2%
Financial liabilities held for sale	291	316	-25	-7.9%
Special purpose provisions	72,961	65,073	7,888	12.1%
Valuation reserves	-25,582	-56,341	30,759	-54.6%
Reserves	200,143	126,508	73,635	58.2%
Additional paid-in capital	3,406	3,231	175	5.4%
Share capital	111,694	111,676	18	0.0%
Treasury shares (-)	-248	-248	0	0.0%
Minority interests	4,989	4,176	813	19.5%
Net profit (loss) for the period (+/-)	39,166	73,419	-34,253	-46.7%
Total Net Equity and Liabilities	6,123,605	4,548,889	1,574,716	34.6%

Quarterly Evolution of Consolidated Balance Sheet

Assets (€ thousand)	31.03.2012	31.12.2011	30.09.2011	30.06.2011	31.03.2011	31.12.2010
Financial assets held for trading	34,272	35,323	35,818	61,000	163,384	119,952
AFS financial assets	1,186,802	1,318,992	1,449,068	1,640,036	1,606,598	1,533,275
Financial assets held to maturity	2,937,276	1,415,701	546,190	529,644	566,830	608,118
Loans to banks	727,002	574,171	533,089	519,638	464,427	475,597
Loans to customers	1,035,070	971,648	889,075	892,350	859,164	852,038
Property, equipment and intangible assets	50,970	52,103	53,094	53,020	52,665	53,269
Tax receivables	65,673	77,046	76,584	60,731	65,486	71,040
Other assets	86,072	103,230	84,721	96,684	100,439	94,599
Financial assets held for sale	468	675	0	0	0	0
Total assets	6,123,605	4,548,889	3,667,639	3,853,103	3,878,993	3,807,888

Net Equity and Liabilities (€ thousand)	31.03.2012	31.12.2011	30.09.2011	30.06.2011	31.03.2011	31.12.2010
Due to banks	2,327,369	1,070,909	682,904	605,108	612,939	450,431
Due to customers	3,249,417	3,042,371	2,506,795	2,771,002	2,740,307	2,910,878
Financial liabilities held for trading and hedging	2,864	1,737	1,837	774	6,194	6,502
Tax payables	30,699	21,019	19,556	18,724	20,741	18,336
Other liabilities	106,436	85,043	144,599	129,771	119,962	82,763
Financial liabilities held for sale	291	316	0	0	0	0
Special purpose provisions	72,961	65,073	63,208	62,386	61,791	57,759
Valuation reserves	-25,582	-56,341	-49,056	-17,634	-10,889	-23,712
Reserves	200,143	126,508	126,089	125,974	187,103	105,400
Additional paid-in capital	3,406	3,231	3,231	3,109	2,086	0
Share capital	111,694	111,676	111,676	111,662	111,574	111,363
Treasury shares (-)	-248	-248	-248	-248	-660	-660
Minority interests	4,989	4,176	5,879	5,060	7,825	6,621
Net profit (loss) for the period (+/-)	39,166	73,419	51,169	37,415	20,020	82,207
Total Net Equity and Liabilities	6,123,605	4,548,889	3,667,639	3,853,103	3,878,993	3,807,888

4.2.1 Direct Inflows from Customers

Total direct inflows from customers amounted to 3,249 million euros, marking an increase of 207 million euros compared to 31 December 2011.

The increase was achieved in part due to the further increase in inflows in the form of high-yield deposit accounts repurchase agreements on the basis of commercial initiatives launched in the fourth quarter of 2011.
This trend affected both retail and captive inflows originating with the parent company, Assicurazioni Generali, and the Italian and international subsidiaries of the Assicurazioni Generali Group.

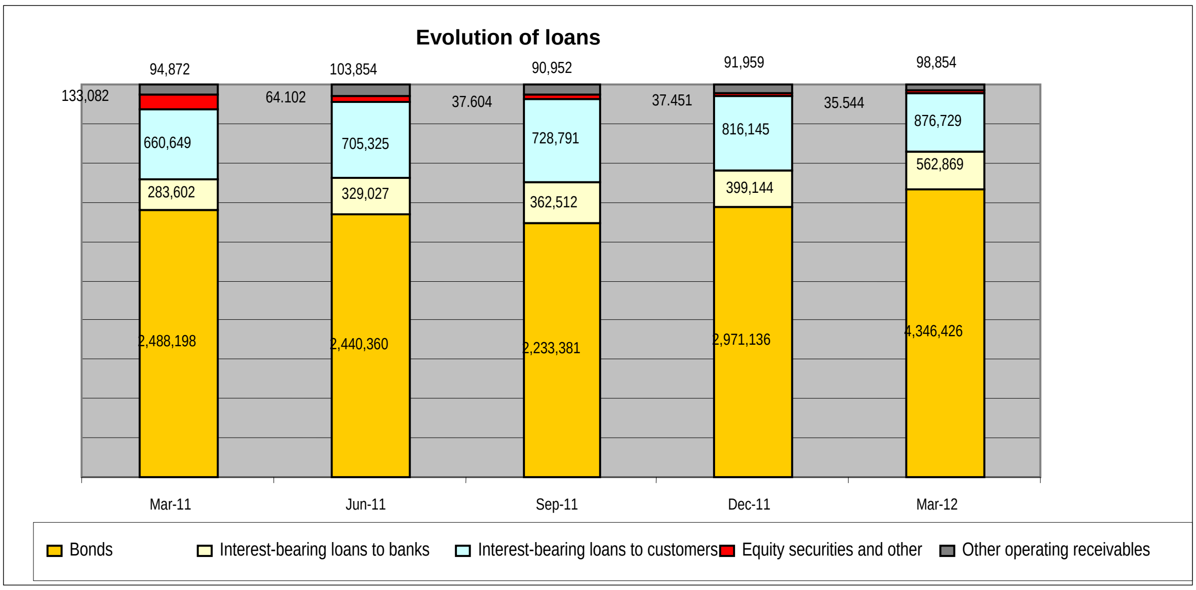
The latter aggregate increased by approximately 96.3 million euros, reaching 947.8 million euros and accounting for 29.2% of total inflows from customers.

(€ thousand)	31.03.2012	31.12.2011	Change	
			Amount	%
1. Current accounts and free deposits	2,490,809	2,495,597	-4,788	-0.2%
2. Term deposits	545,565	344,262	201,303	58.5%
3. Financing	156,711	134,149	22,562	16.8%
Repurchase agreements	123,941	101,764	22,177	21.8%
Other	*32,770*	32,385	385	1.2%
Generali Versicherung subordinated loan	*32,770*	*32,385*	*385*	*1.2%*
4. Other debts	56,332	68,363	-12,031	-17.6%
Operating debts to sales network	29,348	28,696	652	2.3%
Other	26,984	39,667	-12,683	-32.0%
Total due to customers	3,249,417	3,042,371	207,046	6.8%
Securities issued (certificates of deposit)	0	0	0	0.0%
Total due to customers	3,249,417	3,042,371	207,046	6.8%

4.2.2 Core loans

Core loans totalled 5.9 billion euros and increased by 1.6 billion euros compared to 31 December 2011.

(€ million)	31.03.2012	31.12.2011	Change	
			Amount	%
Financial assets held for trading	34,272	35,323	-1,051	-3.0%
AFS financial assets	1,186,802	1,318,992	-132,190	-10.0%
HTM financial assets	2,937,276	1,415,701	1,521,575	107.5%
Financial assets classified among loans	223,620	*238,571*	-14,951	-6.3%
Financial assets	4,381,970	3,008,587	1,373,383	45.6%
Loans to banks	562,869	399,144	163,725	41.0%
Loans to customers	876,729	816,145	60,584	7.4%
Operating loans and other loans	98,854	91,959	6,895	7.5%
Total interest-bearing financial assets and loans	5,920,422	4,315,835	1,604,587	37.2%

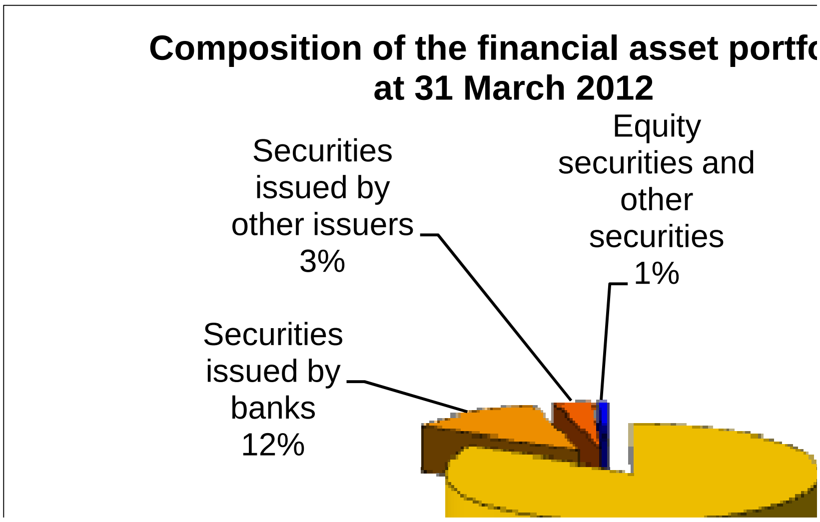


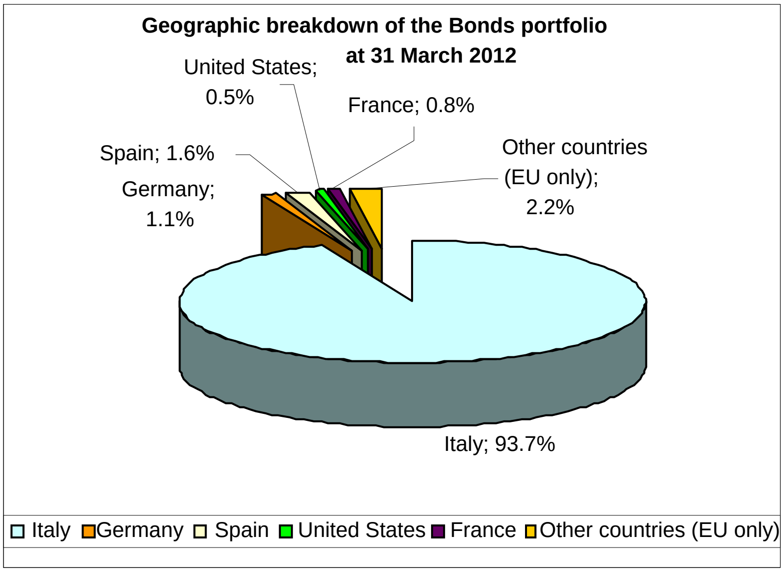
The Group's financial assets held for treasury and investment needs and allocated to the various IAS portfolios accounted for 74% of the aggregate and totalled 4,382 million euros, marking an increase of 1,373.4 million euros (+45,6%) in the quarter, involving solely the portfolio of financial assets held to maturity (HTM).

The new investments within this portfolio, for a total gross amount of 1,633 million euros, referred to the issue of Italian government bonds, largely set to mature between 2014 and 2015 (BTPs) as well as traditional bonds (BOTs and CTZs), whereas there was a decrease in the exposure to other types of issuers due to divestment activity and the redemption flow of securities bonds their natural maturities.

Overall, the sovereign debt exposure reached 3.7 billion euros, with an incidence on the total aggregate increasing from 73% to 83.7%, whereas the exposure to credit issuers decreased from 20.8% to 12%.
This exposure is represented solely by bonds issued by the Italian Republic, with the sole exception of a single Spanish bond of 9.8 million euros set to mature in 2012.

(Exposure to sovereign debt	31.03.2012	31.12.2011	Change	
(€ million)			Amount	%
Financial assets held for trading	407	455	-48	-10.5%
AFS financial assets	999,287	1,130,509	-131,222	-11.6%
HTM financial assets	2,671,572	1,064,025	1,607,547	151.1%
Total	3,671,266	2,194,989	1,476,277	67.3%





Loans to customers amounted to 876.7 million euros, up slightly, by 60.6 million euros (+7.4%), compared to the end of 2011. Overall, the aggregate increased by over 32% compared to 31 March 2011.
The amount and weight of non-performing loans has not changed significantly, compared to the figure at the end of 2011.

The **interbank position**, net of the securities portfolio and operating loans showed a balance of 1,764.5 million euros at the end of the quarter, growing by 1,092.7 million euros compared to the previous year, due to the increase in term deposits with the ECB.
Amounts due to banks also increased (+154.3 million euros), primarily taking the form of repurchase agreements.

(€ thousand)	31.03.2012	31.12.2011	Change	
			Amount	%
1. Repayable on demand	466,516	329,460	137,056	41.6%
Demand deposit with ECB	320,000	60,000	260,000	433.3%
Demand deposits with credit institutions	68,344	169,430	-101,086	-59.7%
Transfer accounts	78,172	100,030	-21,858	-21.9%
2. Time deposits	96,353	69,684	26,669	38.3%
Mandatory reserve	26,940	10,341	16,599	160.5%
Term deposits	69,413	59,343	10,070	17.0%
Total due to banks	562,869	399,144	163,725	41.0%
Term deposit with ECB	1,602,905	500,696	1,102,209	220.1%
Due to banks	724,464	570,213	154,251	27.1%
Transfer accounts	2,221	1,259	962	76.4%
Term deposits	15,662	10,082	5,580	55.3%
Repurchase agreements	686,744	538,625	148,119	27.5%
Other debts	19,837	20,247	-410	-2.0%
Total due to banks	2,327,369	1,070,909	1,256,460	117.3%
Net interbank position	-1,764,500	-671,765	-1,092,735	162.7%
3. Debt securities	163,792	174,505	-10,713	-6.1%
4. Other operating receivables	341	522	-181	-34.7%
Total interbank position	-1,600,367	-496,738	-1,103,629	222.2%

4.2.3 Net Equity

At 31 March 2012, consolidated net equity, including the net profit for the year, amounted to 333.6 million euros compared to the 262.4 million euros at the end of the previous year and underwent the following changes.

(€ thousand)	31.03.2012	31.12.2011	Change	
			Amount	%
Share capital	111,694	111,676	18	0.0%
Additional paid-in capital	3,406	3,231	175	5.4%
Reserves	200,143	126,508	73,635	58.2%
(Treasury shares)	-248	-248	0	0.0%
Valuation reserves	-25,582	-56,341	30,759	-54.6%
Equity instruments	0	0	0	n.a.
Net profit (loss) for the year	39,166	73,419	-34,253	-46.7%
Group net equity	328,579	258,245	70,334	27.2%
Minority interests	4,989	4,176	813	19.5%
Consolidated net equity	333,568	262,421	71,147	27.1%

	Group	Third parties	Overall
Net equity at period-start	258,245	4,176	262,421
Dividend paid	0	0	0
Previous stock option plans: issue of new shares	193	0	193
New stock option plans	214	0	214
Other changes	2	0	2
Change in valuation reserves	30,759	0	30,759
Consolidated profit	39,166	813	39,979
Net equity at period-end	328,579	4,989	333,568
Changes	70,334	813	71,147

This figure does not take account of the distribution of dividends of approximately 61.4 million euros that was approved by the shareholders at the Ordinary Meeting held on 24 April 2012 to approve the financial statements for 2011.

The change in net equity was influenced to a significant degree by the performance of fair-value reserves for the portfolio of financial assets available for sale and cash-flow hedge reserves, which increased by 30.8 million euros at the end of the period to reach a negative value of 25.6 million euros.

(€ thousand)	31.03.2012			31.12.2011	
	Positive reserve	Negative reserve	Net reserve	Net reserve	Changes
1. Debt securities	1,156	-26,645	-25,489	-56,268	30,779
2. Equity securities	352	-260	92	-80	172
3. UCIT units	39	-5	34	7	27
4. Cash-flow hedges	0	-219	-219	0	-219
Total	1,547	-27,129	-25,582	-56,341	30,759

At 31 March 2012, consolidated capital for regulatory purposes amounted to 249.4 million euros, net of the dividend expected to be paid, up by 12.9 million euros compared to the end of the previous year.

At the end of the year, the aggregate capital for regulatory purposes recorded 100.8 million euros in excess of the amount required by the Supervisory Authority to cover credit, market, and operating risks. The solvency ratio was 13.4%, compared to the minimum requirement of 8%.

(€ thousand)	31.03.2012	31.12.2011	Change	
			Amount	%
Tier 1 capital	217,844	204,862	12,983	6.34%
Tier 2 capital	31,580	31,624	-45	-0.14%
Tier 3 capital	0	0	0	n.a.
Total capital for regulatory purposes	249,424	236,486	12,938	5.47%
B.1 CREDIT RISK	103,785	101,830	1,955	1.92%
B.2 MARKET RISKS	7,176	7,861	-685	-8.71%
B.3 OPERATING RISK	37,655	37,655	0	0.00%
B.4 OTHER PRUDENTIAL REQUIREMENTS	0	0	0	n.a.
B.4 TOTAL PRUDENTIAL REQUIREMENTS	148,616	147,346	1,270	0.86%
EXCESS OVER PRUDENTIAL REQUIREMENTS	100,808	89,140	11,668	13.09%
Risk-weighted assets	1,857,700	1,841,825	15,875	0.86%
Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	11.73%	11.12%	0.60%	5.43%
Regulatory capital/Risk-weighted assets (Total capital ratio)	13.43%	12.84%	0.59%	4.6%

It should be noted that Banca Generali informed the Bank of Italy of its decision to exercise the option to neutralise the capital gains and losses deriving from fair-value measurement of financial assets available for sale belonging to the Euro Area government bond segment for the purposes of capital for regulatory purposes, as allowed under Bank of Italy Order of 18 May 2010.

5. Performance of Group Companies

5.1 Banca Generali performance

Banca Generali, the parent company of the homonymous Banking Group, is specialised in the distribution of financial and banking products to affluent customers through financial advisors, as well as to private customers, through both its network of financial advisors and relationship managers who sell financial products to customers as direct employees of the company.

The Bank closed the first three months of 2012 with a net loss of 0.3 million euros, a reversal of the trend represented by the net profit of 3.8 million euros reported at the end of the same period of the previous year, primarily due to the greater allocations and impairment losses recognised and the lack of dividends distributed by the Italian subsidiaries.
Net banking income amounted to 51.4 million euros, up considerably from the 39.9 million euros reported at the end of the first quarter of 2011 (+28.7%), owing chiefly to the increase in net interest (+12.1 million euros) and the positive results of income on financial operations (+5.2 million euros).
Alongside this result, operating expense reached a level of 33.6 million euros (+4.1 million euros compared to the corresponding period of the previous year), of which 14.8 million euros incurred for staff expenses. The Company also recognised net allocations to provisions for risks and charges of 11.6 million euros, up from the 5.3 million euros reported at the end of the first quarter of 2011, primarily relating to incentives set to accrue for the distribution network and disputes.
Total assets under management placed by financial advisors at the end of the first quarter of 2012 amounted to about 24.6 billion euros, up compared to 31 December 2011 (23.3 billion euros). Net inflows amounted to 543 million euros, compared to 359 million euros in the first quarter of 2011.

5.2 Performance of BG SGR

In the previous year, BG SGR, which specialises in mutual fund and portfolio management, had launched two company restructuring transactions that will result in the discontinuation of its operation in 2012:

- the transfer of the collective asset management business unit to the related party Generali Investments Italy SGR, approved by the company’s Board of Directors on 27 September 2011 and finalised on 1 April 2012; and
- the merger of the company into its parent company, Banca Generali, approved by the Boards of Directors of the companies involved on 14 December 2011, set to enter into effect on 1 September 2012.

Following the above transactions, the remaining businesses operated by BG SGR, namely its portfolio management businesses, will be transferred to a specific specialised division of Banca Generali, whereas management of the Alleanza Alto Funds, previously promoted by Alleanza SGR and now by Generali Investments Italy SGR, has already been discontinued.

Accordingly, in compliance with IFRS 5, in the financial statements the company has reclassified to separate line items the amounts of the assets and liabilities of the business unit sold and/or to be discontinued and separated out the associated earnings, net of the tax effect, from the profit from current operations.

The company closed the first three months of 2012 with a loss of 0.5 million euros, compared to the slightly positive result of 0.1 million euros for the first quarter of 2011 and net equity of 28.7 million euros.
Profit from discontinued operations, net of the tax effect, totalled 0.2 million euros, down from the 0.5 million euros for the first quarter of 2011, whereas the operating result was a loss of 0.7 million euros.

Net of discontinued operations, net banking income reached about 2.0 million euros (down compared to 3.2 million euros at the end of the first quarter of 2011). Operating expense amounted to 3.0 million euros, of which about 1.8 million euros staff expenses.
Total assets under management at 31 March 2012 amounted to 3,609 million euros, net of discretionary account funds (GPF), with a reduction compared to 3,859 million euros at 31 December 2011.
The above figure also includes assets under management relating to the Italian funds sold of approximately 342 million euros (370 million euros at 31 December 2011) and 961 million euros relating to assets associated with the management of the Alleanza Alto Funds.

In April, following the sale of the business unit, the company received a consideration of 5.5 million euros, of which 5.2 million euros in goodwill and 0.3 million in the surplus of assets over liabilities. The value of the business unit was determined based on an appraisal conducted by an external advisor, appended to the transaction disclosure document.

5.3 Performance of BG Fiduciaria SIM

BG Fiduciaria, a company specialising in individual GPF and GPM portfolios, mainly in a custodial capacity, closed the first three months of 2012, with a net profit of 0.2 million euros, with a decrease compared to 0.4 million euros for the first quarter of 2011 and with a net equity of 10.4 million euros.
Net banking income amounted to 1.0 million euros, whereas general and operating expense was 0.6 million euros, including 0.4 million euros for staff expenses.
Total assets under management amounted to 917 million euros, down compared to 1,017 million euros at 31 December 2011.

5.4 Performance of Generfid SpA

Generfid, a company specialising in custodian capacity of assets, closed the first quarter of 2012 with net profit of about 9 thousand euros and net equity amounting to about 0.5 million euros. AUM amounted to 559 million euros.

5.5 Performance of Generali Fund Management Sa

Generali Fund Management SA is a Luxembourg company specialised in the administration and management of SICAVs. The banking group holds a 51% interest (class-A shares), whereas the residual 49% interest is held by Generali Investments Italy, a member of the Generali Group (class-B shares). The two share classes are accorded differing treatment in regards to the allocation of profits inasmuch as the Articles of Association state that the share of the net profit or loss for the year attributable to the assets contributed by each of the two shareholders is to be attributed to each share class.
Generali Fund Management SA closed the first quarter of 2012 with a net profit of approximately 40.5 million euros, up sharply from the 19.8 million euros reported at the end of the first quarter of 2011 (+20.7 million euros), primarily owing to the trend in performance commissions collected in connection with the SICAVs promoted and managed by the banking group.
Net banking income thus amounted to 46.7 million euros, up sharply from the 23.3 million euros reported in 2011, whereas total operating expense of 1.5 million euros, approximately 1.0 million euros of which consisted of staff expenses, remained in line with the corresponding period of the previous year.
The net profit attributable to minority shareholders amounted to 0.8 million euros, whereas the company’s net equity stood at approximately 86.8 million euros.
Overall, assets under management at 31 March 2012 amounted to 10,982 million euros, up compared to 10,567 million euros at 31 December 2011. This figure also includes assets under management of the merged company Generali Investments Luxemburg amounting to 5,173 million euros at 31 March 2012, compared to 5,559 million euros at 31 December 2011.

6 Basis of Preparation

The interim report for the first quarter 2012 is prepared as per Article 154-*ter*, paragraph 5, of Italian Legislative Decree 58/98, introduced by Legislative Decree 195/2007, in implementation of Directive 2004/109/CE (so-called Transparency Directive).

The Interim Report provides:
a) a general description of the balance sheet situation and profit and loss performance of the issuer and its subsidiaries during the period of reference;
b) an illustration of the significant events and transactions that occurred during the period of reference and their impact on the balance sheet of the issuer and its subsidiaries.

This document contains the following quantitative data on the balance sheet and quarterly profit and loss performance:

- the consolidated condensed balance sheet at the end of the quarter (31 March 2012) compared with the figures at the end of the previous year (31 December 2011);
- the consolidated condensed profit and loss account for the period between the beginning of the year and the end of the quarter (1 January – 31 March 2012), compared with the data for the same period of the previous year (1 January – 31 March 2011).
- the statement of comprehensive income for the period between the beginning of the year and the end of the quarter (1 January – 31 March 2012), compared with the data for the same period of the previous year (1 January – 31 March 2011).

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The Consolidated Balance Sheet is presented in a format that summarises the primary asset and liability items. The consolidated Profit and Loss Account is presented in a condensed, reclassified format and states the intermediate profit margins that make up net profit.
The Report also includes explanatory notes that refer to the accounting standards employed and other specific explanatory notes pertaining to transactions undertaken up to the end of the quarter.
The amounts included in the financial statements and notes are expressed in thousands of euros, unless otherwise indicated.

The consolidated financial position illustrated in the Interim Report has been prepared according to the IAS/IFRS issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with EC Regulation 1606 of 19 July 2002.

The Interim Report is not subject to audit by the Independent Auditors.

6.1 Accounting Standards

The accounting standards and measurement criteria used are the same as those used to prepare the consolidated financial statements at 31 December 2011.
The financial statements presented herein must therefore be read together with those documents.

Measurement

The preparation of the Interim Report on Operations requires the use of estimates and assumptions that could influence the amounts reported in the Balance Sheet and Profit and Loss Account and the disclosure of contingent assets and liabilities therein.
The estimates and assumptions used are based on the information available on operations and subjective judgements, which may be based on historical trends.
Given their nature, the estimates and assumptions used may vary from year to year, meaning that reported amounts may differ materially due to changes in the subjective judgements used.
The main areas for which management is required to use subjective judgements include:

- the quantification of personnel-related provisions and provisions for liabilities and contingencies;
- the quantification of incentives for the distribution network currently being accrued;
- the determination of the fair value of financial instruments and derivatives used for reporting purposes;

- determining the value adjustments of non-performing loans and the provision for performing loans;
- the evaluation of the appropriateness of the amount of goodwill;
- estimates and assumptions used to determine current and deferred taxation.

6.2 Consolidated Companies and Business Combinations

The consolidation area determined in accordance with IAS 27 includes the parent company, Banca Generali S.p.A., and the following subsidiaries and did not change compared to year-end 2011:

Company name	Registered office	Type of control	Shareholding relationship		% of votes abs. ord.
			Investor	% of ownership interest	
Fully consolidated companies					
- BG Fiduciaria SIM S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- BG SGR S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- Generali Fund Management S.A.	Luxemb.	1	Banca Generali	51.00%	51.00%
- Generfid S.p.A.	Milan	1	Banca Generali	100.00%	100.00%

Legend: type of control:
(1) control pursuant to Section 2359, paragraph 1, No. 1 of the Italian Civil Code (majority voting rights at General Shareholders' Meeting).

The consolidated accounts include the separate accounts of the Parent Company and the subsidiaries at 31 March 2012, reclassified and adjusted where necessary to take account of consolidation requirements. The most important intra-Group transactions, influencing both the Balance Sheet and Profit and Loss Account, were eliminated. Unreconciled amounts were recognised respectively in other assets/liabilities and other revenues/expenses.

Trieste, 8 May 2012

THE BOARD OF DIRECTORS

Declaration Pursuant to Article 154-bis, Paragraph 2, of Legislative Decree 58 of 24 February 1998

The undersigned Giancarlo FANCEL, born in Portogruaro (VENICE) on 26 September 1961, Deputy General Manager and Manager in charge of preparing the financial reports of BANCA GENERALI S.p.A., with registered offices in Trieste, 4 Via Machiavelli, share capital of 111,313,176.00 euros, registered with the Trieste Company Register under No. 103698 — to the best of his knowledge as Manager in charge of the Company's financial reports, pursuant to his appointment by Board resolution of 16 February 2007 — does hereby

declare that

for the intents and purposes of Article 154-*bis*, paragraph 2, of Legislative Decree 58 of 24 February 1998, the Interim Report at 31 March 2012 corresponds to the said Company's books, records and accounting documents.

Trieste, 8 May 2012

Giancarlo Fancel
Manager in charge of preparing
the Company's Financial Reports
BANCA GENERALI S.p.A.