



BANCA GENERALI S.P.A.

INTERIM REPORT

as of 31.03.2013



INTERIM REPORT

as of 31.03.2013

BOARD OF DIRECTORS - 7 MAY 2013

Banca Generali S.p.A.

Administration and control bodies

BOARD OF DIRECTORS

| | |
|----------------------------------|-------------------------|
| Vagnone Paolo | Chairman |
| Piermario Motta | Chief Executive Officer |
| Agrusti Raffaele | Director |
| Anaclerio Mario Francesco | Director |
| Baessato Paolo | Director |
| Brugnoli Giovanni | Director |
| Genovese Fabio | Director |
| Gervasoni Anna | Director |
| Miglietta Angelo | Director |
| Riello Ettore | Director |

BOARD OF STATUTORY AUDITORS

| | |
|-------------------------------|-------------------|
| Alessio Verni Giuseppe | Chairman |
| Gambi Alessandro | Acting Auditor |
| Venchiarutti Angelo | Acting Auditor |
| Camerini Luca | Alternate Auditor |
| Bruno Anna | Alternate Auditor |

GENERAL MANAGER

Motta Piermario

MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL REPORTS

Fancel Giancarlo

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GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS

Group economic and financial highlights

Consolidated figures

| (€ MILLION) | 31.03.2013 | 31.03.2012 | CHANGE % |
|--|--------------|--------------|-------------|
| Net interest income | 33.5 | 23.1 | 44.7 |
| Net commissions | 62.5 | 70.4 | -11.2 |
| Dividends and net profit from trading activities | 1.4 | 7.7 | -82.3 |
| Net banking income | 97.3 | 101.2 | -3.8 |
| Staff expenses | -18.2 | -18.0 | 0.7 |
| Other general and administrative expense | -23.9 | -23.1 | 3.8 |
| Amortisation and depreciation | -1.2 | -1.2 | -1.7 |
| Other net operating income (expense) | 4.0 | 3.6 | 13.3 |
| Net operating expense | -39.2 | -38.7 | 1.3 |
| Operating profit | 58.1 | 62.5 | -7.0 |
| Provisions | -10.8 | -11.7 | -7.9 |
| Adjustments | -1.4 | -3.4 | -60.2 |
| Profit before taxation | 46.0 | 47.4 | -2.9 |
| Net profit | 35.5 | 39.2 | -9.3 |
| Cost/Income ratio | 39.1% | 37.1% | 5.4 |
| EBITDA | 59.3 | 63.7 | -6.9 |
| ROE | 10.89% | 16.52% | -34.1 |
| EPS - Earnings per Share (€) | 0.313 | 0.351 | -10.8 |

Net inflows

| (ASSORETI DATA) (€ MILLION) | 31.03.2013 | 31.03.2012 | CHANGE % |
|-----------------------------|------------|------------|-------------|
| Mutual funds and SICAVs | 390 | -11 | n.a. |
| Asset management | 7 | 10 | -30.0 |
| Insurance/Pension funds | 189 | 436 | -56.7 |
| Securities/Current accounts | 34 | 108 | -68.5 |
| Total | 620 | 543 | 14.2 |

Assets Under Management & Custody (AUM/C)

| (ASSORETI DATA) (€ BILLION) | 31.03.2013 | 31.12.2012 | CHANGE % |
|-----------------------------|-------------|-------------|------------|
| Mutual funds and SICAVs | 7.4 | 6.8 | 8.7 |
| Asset management | 3.1 | 3.1 | -0.4 |
| Insurance/Pension funds | 8.7 | 8.5 | 2.2 |
| Securities/Current accounts | 7.8 | 7.8 | 0.8 |
| Total | 27.0 | 26.2 | 3.2 |

Net equity

| (€ MILLION) | 31.03.2013 | 31.12.2012 | CHANGE % |
|---------------------------------|------------|------------|----------|
| Net equity | 437.7 | 395.1 | 10.8 |
| Capital for regulatory purposes | 292.2 | 276.5 | 5.7 |
| Excess capital | 122.3 | 105.8 | 15.6 |
| Solvency margin | 13.76% | 12.96% | 6.2 |



CONSOLIDATED
FINANCIAL
STATEMENTS

CONSOLIDATED BALANCE SHEET

| Assets | (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|---|------------------|------------------|-----------------|----------------------|---------|
| | | | | AMOUNT | % |
| | | | | HFT financial assets | 851,223 |
| AFS financial assets | 1,045,546 | 1,733,885 | -688,339 | -39.7% | |
| HTM financial assets | 2,913,734 | 3,000,330 | -86,596 | -2.9% | |
| Loans to banks | 307,513 | 843,368 | -535,855 | -63.5% | |
| Loans to customers | 1,359,495 | 1,308,585 | 50,910 | 3.9% | |
| Property, equipment and intangible assets | 50,901 | 51,778 | -877 | -1.7% | |
| Deferred tax assets | 43,329 | 41,163 | 2,166 | 5.3% | |
| Other assets | 175,756 | 115,608 | 60,148 | 52.0% | |
| Total assets | 6,747,497 | 7,317,265 | -569,768 | -7.8% | |

| Net equity and liabilities | (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|--|------------------|------------------|-----------------|--------------|-----------|
| | | | | AMOUNT | % |
| | | | | Due to banks | 2,398,937 |
| Due to customers | 3,583,784 | 4,491,173 | -907,389 | -20.2% | |
| Financial liabilities held for trading and hedging | 1,271 | 1,448 | -177 | -12.2% | |
| Tax payables | 29,766 | 36,620 | -6,854 | -18.7% | |
| Other liabilities | 220,076 | 95,013 | 125,063 | 131.6% | |
| Special purpose provisions | 75,989 | 67,995 | 7,994 | 11.8% | |
| Valuation reserves | -13,588 | -10,587 | -3,001 | 28.3% | |
| Reserves | 267,150 | 139,841 | 127,309 | 91.0% | |
| Additional paid-in capital | 26,615 | 16,591 | 10,024 | 60.4% | |
| Share capital | 113,888 | 112,938 | 950 | 0.8% | |
| Treasury shares (-) | -41 | -41 | - | - | |
| Minority interests | 8,129 | 7,166 | 963 | 13.4% | |
| Net profit for the period | 35,521 | 129,212 | -93,691 | -72.5% | |
| Total net equity and liabilities | 6,747,497 | 7,317,265 | -569,768 | -7.8% | |

CONSOLIDATED PROFIT AND LOSS ACCOUNT

| Items (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|--|----------------|----------------|---------------|---------------|
| | | | AMOUNT | % |
| Net interest | 33,481 | 23,144 | 10,337 | 44.7% |
| Net commissions | 62,497 | 70,389 | -7,892 | -11.2% |
| Dividends | 8 | 45 | -37 | -82.2% |
| Net result of financial operations | 1,351 | 7,612 | -6,261 | -82.3% |
| Net operating income | 97,337 | 101,190 | -3,853 | -3.8% |
| Staff expenses | -18,159 | -18,029 | -130 | 0.7% |
| Other general and administrative expense | -23,929 | -23,051 | -878 | 3.8% |
| Net adjustments of property, equipment and intangible assets | -1,159 | -1,179 | 20 | -1.7% |
| Other operating expense/income | 4,039 | 3,566 | 473 | 13.3% |
| Net operating expense | -39,208 | -38,693 | -515 | 1.3% |
| Operating profit | 58,129 | 62,497 | -4,368 | -7.0% |
| Net adjustments for non-performing loans | -767 | -3,055 | 2,288 | -74.9% |
| Net adjustments of other assets | -598 | -376 | -222 | 59.0% |
| Net provisions | -10,754 | -11,678 | 924 | -7.9% |
| Gain (loss) from equity investments | -4 | - | -4 | n.a. |
| Operating profit before taxation | 46,006 | 47,388 | -1,382 | -2.9% |
| Income taxes for the period | -9,522 | -7,568 | -1,954 | 25.8% |
| Gains from non-current assets held for sale | - | 159 | -159 | -100.0% |
| Profit attributable to minority interests | -963 | -813 | -150 | 18.5% |
| Net profit | 35,521 | 39,166 | -3,645 | -9.3% |

STATEMENT OF COMPREHENSIVE INCOME

| Items (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|---|---------------|---------------|----------------|----------------|
| | | | AMOUNT | % |
| Net profit (loss) | 35,521 | 39,166 | -3,645 | -9.3% |
| Other income, net of income taxes: | | | | |
| AFS assets | -2,634 | 30,978 | -33,612 | -108.5% |
| Cash flow hedges | - | -219 | 219 | -100.0% |
| Actuarial gains (losses) from defined benefit plans | -367 | - | -367 | n.a. |
| Total other income, net of taxes | -3,001 | 30,759 | -33,760 | -109.8% |
| Comprehensive income | 32,520 | 69,925 | -37,405 | -53.5% |



INTERIM REPORT

1. Summary of first quarter operations

The Banca Generali Group closed the first quarter of 2013 with net profit of 35.5 million euros, compared to a net profit of 39.2 million euros for the first quarter of 2012, and net equity of 437.7 million euros.

Net banking income amounted to 97.3 million euros, decreasing slightly (-3.8%) compared to the first quarter of 2012 due to a slowdown in non-recurring components of operating result, consisting of performance commissions and the result of financial operations. Despite reaching the noteworthy level of 14.7 million euros, performance commissions, which, as is common knowledge, are tied to market trends, did not replicate the extraordinary results reported at the end of the first quarter of 2012 (29.4 million euros). The result of financial operations also showed a downtrend compared to the first quarter of 2012 with a decrease of 6.3 million euros.

In this context, the Bank was able to preserve the high profitability levels reached in the first quarter of 2012 thanks to the rise in net interest income (+44.7%), driven by increased traded volumes and the persistent favourable trend in interest rates, as well as the significant improvement in management commissions (+12.3%), which rewarded the results achieved in terms of growth in net inflows of assets under management.

Total operating expenses were 39.2 million euros, essentially in line with the first quarter of 2012 (+1.3%), also thanks to a lower increase of staff expenses (+0.7%).

Net provisions amounted to 10.8 million euros, down 0.9 million euros compared to the same period of 2012, 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 27.0 billion euros at 31 March 2013, up compared to 26.2 billion euros at the end of 2012. In addition, at 31 March 2013, assets under administration and custody of the Generali Group companies totalled approximately 1.3 billion euros, and 6.5 billion euros were held in mutual funds, SICAVs and discretionary accounts GPF/GPM distributed directly by management companies or parties outside the Banking Group, for an overall amount of 34.0 billion euros.

The Banca Generali Group remains one of the top distributors of financial products through financial advisors networks with 27.0 billion euros in assets under management.

In the first quarter of 2013, net inflows amounted to 620 million euros.

Before analysing the Bank's revenues and financial results for the first three months of 2013, macroeconomic information for the main economic regions of the world is reported, to provide a better understanding of the factors that influenced the results of the Banking Group.

2. Macroeconomic context

In the first quarter of 2013, financial markets benefited from a gradual increase in risk appetite: exchanges posted gains, tensions surrounding European sovereign debt relented and credit spreads remained at the levels reached at the end of 2012. This took place in a context in which political risks nonetheless re-emerged: the parliamentary elections in Italy yielded a political deadlock and Cyprus avoided defaulting on its debt thanks to an aid package from the European Union and International Monetary Fund that entailed drastic measures. There were essentially three factors that permitted an overall improvement in the financial markets. The first of these was the fact that in September the European Central Bank implemented a credible plan (OMT) for dealing with possible stress on the sovereign security market, allowing it to prevent political turmoil from translating into market price tensions. A second factor was the improvement in the global economic scenario: despite the continuing stagnation in the Euro Area, in the United States most of the published data indicate an accelerating growth scenario and constant improvement of the job market, owing in part to a fiscal policy that has become restrictive. In China, the transition to the new government, which took office in March, was accompanied by confirmation that the authorities are pursuing more moderate growth targets than in previous years, while aiming to achieve sustainable development in the medium term. The third supporting factor was the confirmation by the central banks of developed countries of their willingness to support growth: the Federal Reserve will continue to provide abundant liquidity for a period that has yet to be defined and the Bank of Japan multiplied its efforts to generate a climate of reflation.

The background remained that of an accelerating recovery, although at growth rates that continued to lag behind potential levels. In the United States, the highly expansionary monetary policy permitted a gradual improvement in the job market, which in turn translated into support for private consumption. In addition, residential real estate investments resumed their rise, while bank lending resumed its expansion. Within the Euro Area, there continued to be a gap between fiscally virtuous economies - although these also slowed - and the economies of peripheral countries, where fiscal austerity is prolonging the recessionary state. In China, the growth scenario stabilised, albeit at slower

rates than in previous years, partly as an economic policy objective pursued by the authorities. In the corporate arena, earnings in the fourth quarter of 2012 proved more solid than expected in the United States, while the downwards revision of profits continued in Europe. Inflation stabilised at historically low levels in all geographical areas, with some exceptions (Brazil and Russia): increases in fuel prices were more than offset by the positive performance of the structural component. Within this scenario, central banks confirmed highly accommodating stances: the Federal Reserve has announced that it may keep rates at their current levels until 2015, the Bank of Japan extended its quantitative easing programme and the ECB showed a pro-active orientation on rates. By contrast, most central banks of emerging countries continued to lower interest rates gradually.

Interbank market rates in the Euro Area were stable during the quarter. The three-month EURIBOR fluctuated around the level of 0.2% reached in late 2012, whereas the EONIA rate moved within the range of 0.07%-0.13%. From the standpoint of liquidity management, during the period there were further decreases in both the volume of ECB refinancing for the banking systems of peripheral countries and loans from the Bundesbank to other central banks, as measured by the Target 2 system, providing a good approximation of capital movements within the Euro Area.

Within this context, equity markets displayed a diverging trend, with those of developed countries outperforming those of emerging countries. The MSCI World index rose by 10.4%, the S&P500 by 13.4% and the Topix by 13.1%. In Europe, the benchmark index for the entire area (the DJ Stoxx 600) grew by 5%, while the Euro Area benchmark (the DJ Euro Stoxx) climbed 2%. During the period, exchanges in emerging markets reported fluctuating performance in euro: 4.2% overall (the MSCI Emerging Markets index), -1.1% in India and -1.6% in China. Overall, the market sectors that performed best in Europe were food, financial services, health and travel, while raw materials, utilities, real estate and banks posted below-average performance.

During the period, the trends in bond yields on the markets of reference (Treasuries and Bunds) differed according to the macroeconomic scenario. In Europe, after a brief uptrend, yields

returned to year-end levels as a consequence of a weaker-than-expected growth scenario: in the Euro Area, the two-year rate was again negative (-0.02%) at the end of the quarter compared to 0.01% at year-end, while the ten-year rate increased to 1.28% from 1.18%. By contrast, in the United States the confirmation of a process of moderate expansion drove long-term yields up: ten-year rates rose to 1.85% at the end of March from 1.75% at year-end 2012, whereas two-year rates remained essentially unchanged (0.25% from 0.24%). In the winter months, spreads between European Monetary Union countries stabilised at slightly above the levels reached at the end of 2012: the political difficulties in Italy and financial difficulties in Cyprus did not trigger a renewed increase in aversion to risk. Italy's spread initially contracted, falling from 332 points to a low of 250 at the end of January, to then climb once more following the parliamentary election deadlock, closing the quarter at 349 points.

Currency markets were dominated by expectations of growth and, effective the end of February, the re-emergence of political tensions in the Euro Area (Italy and Cyprus). Following initial weakening to 1.30 from 1.32 at the end of 2012, the euro-dollar exchange rate rose to reach 1.37 in early February and then fell again, closing the period at 1.28. Confirmation of the expansion-

ary acceleration of Japanese monetary policy allowed the depreciation of the yen to continue: during the quarter, the euro-yen exchange rate rose from 113.6 to 120.9.

Finally, commodities prices fluctuated within a limited range. Oil prices (WTI) rose from 92 dollars a barrel in early January to 97 at the end of the quarter, slightly below the high for the period. Over the same period, gold decreased from 1,675 dollars an ounce to a low of 1,565, to then increase and close the period at 1,595.

Outlook

Projections by major international authorities for the coming months call for stability in the growth scenario. In developed countries, growth rates are expected to accelerate in the second half of the year, albeit remaining below their potential, whereas in emerging countries they will be overall solid. Central Banks generally expect that the inflationary environment will remain under control. Finally, in Europe it has been confirmed that reinforcement of economic policy coordination will continue during the year.

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 inflows of 13.2 billion euros in the first quarter of 2013.

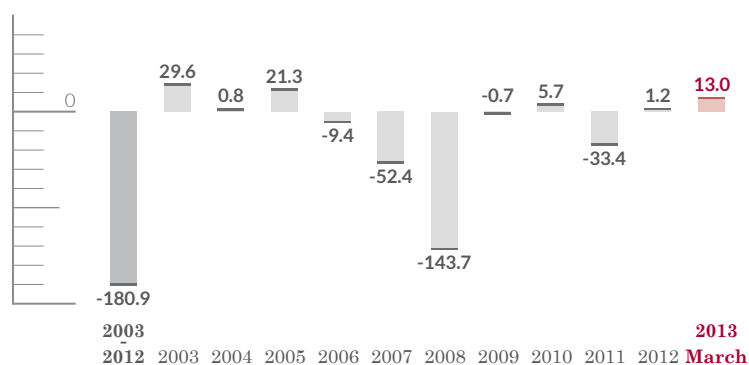
In detail, the UCIT market reported net inflows of about 13 billion euros. This figure represents the continuation of a positive trend that began in the second half of 2012 and that accelerated further during the reporting quarter. Over the same period, individual retail asset management schemes reported a halt to the

outflows that had characterised them for some time, resulting in essentially stable results (0.2 billion euros for the quarter). This positive result was influenced by a period of relative stabilisation and recovery of the financial markets and of the associated positive performances by investment instruments.

In this context, investors continued to favour foreign UCITs (11.1 billion euros, typically based in Luxembourg) over Italian UCITs (1.9 billion euros).

The Italian Collective Investment Undertakings (UCITs) market

March 2013 (€ billion)



Source: Assogestioni.

3.2 The Assoreti market

The net inflows reported by the Assoreti market (measuring total distribution activity through financial advisors) in the first three months of 2013 also showed significant increases compared to the same period of 2012, with changes in flows significantly in favour of assets under management (and, to a lesser extent, in-

surance products) against considerable divestments from assets under administration. In this case as well, the presentation of less negative market prospects than seen in late 2011 and early 2012 drove less conservative investments with a longer investment horizon.

| (€ MILLION) | 31.03.2013 | 31.03.2012 | CHANGE |
|---|--------------|--------------|------------|
| Asset management | 3,601 | 1,074 | 2,527 |
| Insurance products | 1,959 | 758 | 1,201 |
| Assets under administration and custody | -1,373 | 1,394 | -2,767 |
| Total | 4,187 | 3,226 | 961 |

Source: Assoreti.

3.3 Banca Generali

Within this scenario, Banca Generali remained among the market leaders in terms of net inflows through Financial Advisors, with net inflows of 620 million euros in March and a market share of approximately 15%.

In detail, Banca Generali's positive net inflows related mainly to assets under management (397 million euros) and exceeded by 14% the excellent figures reported in 2012, thus pursuing the up-trend of the second half of 2012 and clearly bucking the trend for the first months of 2012 (-1 million euros).

By contrast, net inflows to insurance products (189 million euros) and assets under administration (34 million euros) were less exceptional, however reaching positive levels.

As for the market at large, these results were driven by the relative stabilisation of the financial markets, a process that had already begun in 2012 and resulted in more positive valuations of investment instruments with longer-term investment horizons, and thus in a decrease in inflows to more conservative investment instruments.

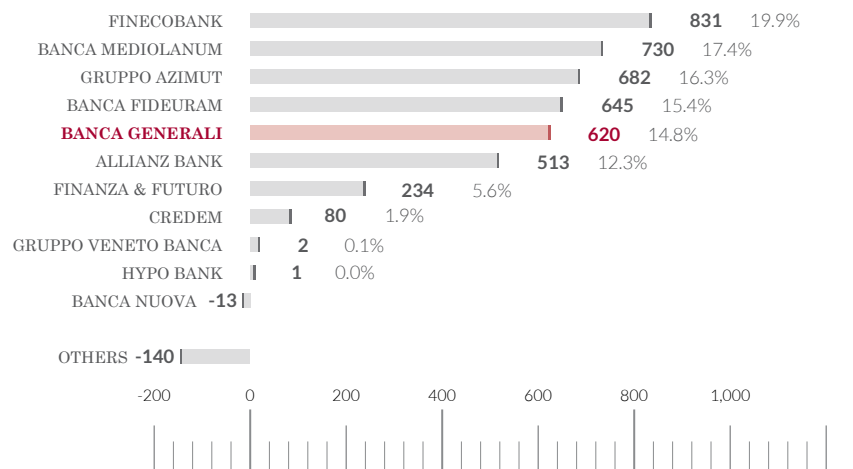
Banca Generali also ranked among the top five competitors on the market in terms of assets under management at the end of 2012, with a slight increase in market share compared to 2011.

Net inflows of Banca Generali

| (€ MILLION) | BG GROUP 31.03.2013 | BG GROUP 31.12.2012 | YOY CHANGES VS 31.12.2012 | |
|--|------------------------|------------------------|---------------------------|-----------------|
| | | | AMOUNT | % |
| Total assets under management | 397 | -1 | 398 | >100% |
| Funds and SICAVs | 390 | -11 | 401 | >100% |
| GPF/GPM | 7 | 10 | -3 | -30.0% |
| Total insurance products | 189 | 436 | -247 | -56.7% |
| Total assets under administration and custody | 34 | 108 | -74 | -68.5% |
| Total net inflows gathered by the network | 620 | 543 | 77 | 14.2% |

Total Net Inflows - Assoreti - 4.2 billion euros

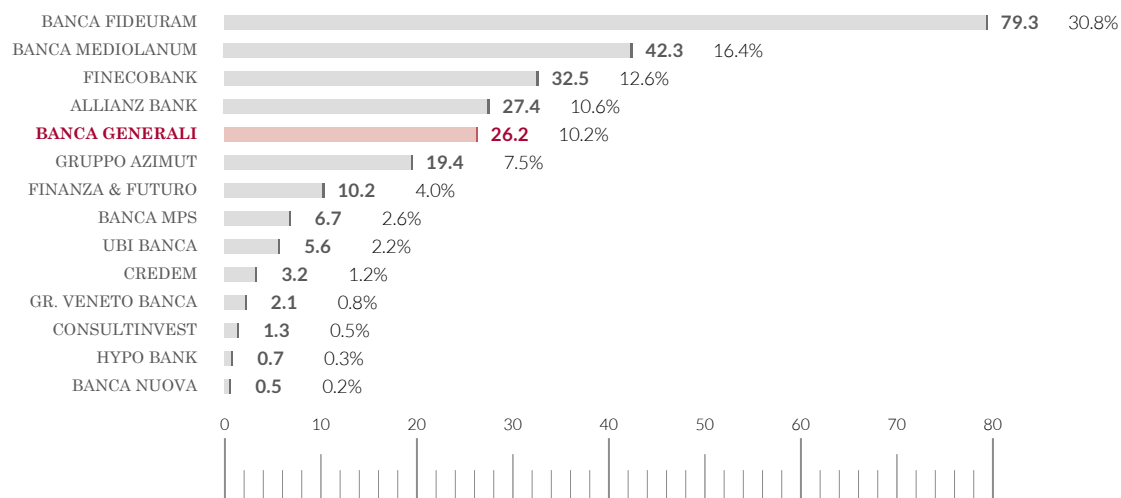
March 2013 (€ million)



Source: Assoreti.

Total Assets - Assoreti - 257.2 billion euros

December 2012 (€ billion)



Source: Assoreti.

The following table provides a summary of Banca Generali's assets, updated through the first quarter of 2013, illustrating their composition by macro-aggregate and providing a comparison with the figures as of December 2012. 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 (3%), mainly driven by the net inflows for the period.

Banca Generali's total assets

| (€ MILLION) | BG GROUP 31.03.2013 | BG GROUP 31.12.2012 | YTD CHANGES VS 31.12.2012 | |
|--|------------------------|------------------------|---------------------------|-------------|
| | | | AMOUNT | % |
| Total assets under management | 10,475 | 9,897 | 578 | 5.8% |
| Funds and SICAVs | 7,352 | 6,763 | 589 | 8.7% |
| GPF/GPM | 3,123 | 3,134 | -11 | -0.3% |
| Total insurance products | 8,674 | 8,488 | 186 | 2.2% |
| Total assets under administration and custody | 7,804 | 7,779 | 25 | 0.3% |
| Total assets placed by the network | 26,953 | 26,164 | 789 | 3.0% |

4. Operating result and performance of the main equity aggregates

4.1 Profit and loss results

The Group's net profit at the end of the first quarter of 2013 amounted to 35.5 million euros, representing the second best quarterly result after that of the first quarter of 2012.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|--|----------------|----------------|---------------|---------------|
| | | | AMOUNT | % |
| Net interest | 33,481 | 23,144 | 10,337 | 44.7% |
| Net commissions | 62,497 | 70,389 | -7,892 | -11.2% |
| Dividends | 8 | 45 | -37 | -82.2% |
| Net result of financial operations | 1,351 | 7,612 | -6,261 | -82.3% |
| Net operating income | 97,337 | 101,190 | -3,853 | -3.8% |
| Staff expenses | -18,159 | -18,029 | -130 | 0.7% |
| Other general and administrative expense | -23,929 | -23,051 | -878 | 3.8% |
| Net adjustments of property, equipment and intangible assets | -1,159 | -1,179 | 20 | -1.7% |
| Other operating expense/income | 4,039 | 3,566 | 473 | 13.3% |
| Net operating expense | -39,208 | -38,693 | -515 | 1.3% |
| Operating profit | 58,129 | 62,497 | -4,368 | -7.0% |
| Net adjustments of non-performing loans | -767 | -3,055 | 2,288 | -74.9% |
| Net adjustments of other assets | -598 | -376 | -222 | 59.0% |
| Net provisions | -10,754 | -11,678 | 924 | -7.9% |
| Gain (loss) from equity investments | -4 | - | -4 | n.a. |
| Operating profit before taxation | 46,006 | 47,388 | -1,382 | -2.9% |
| Income taxes for the period | -9,522 | -7,568 | -1,954 | 25.8% |
| Gains from non-current assets held for sale | - | 159 | -159 | -100.0% |
| Profit attributable to minority interests | -963 | -813 | -150 | 18.5% |
| Net profit | 35,521 | 39,166 | -3,645 | -9.3% |

Net operating income amounted to 97.3 million euros, with a slight decline of 3.9 million euros (-3.8%) compared to the same period of the previous year, determined by several factors:

- the decline in the non-recurring components of net operating income (-21.0 million euros), consisting of performance commissions and the result of financial operations, which were unable to replicate the extraordinary results reported at the end of the first quarter of 2012. In further detail, performance commissions, the accrual of which is strongly influenced by the situation of volatility on the financial markets, while reaching the considerable level of 14.7 million euros, declined by nearly one-half compared to 2012, whereas the income from financial operations showed a decline of 6.3 million euros;
- the increase in net interest (+44.7%), owing both to the expansion of traded volumes compared to the first quarter of 2012 (which only benefited from the effects of the LTROs of late February 2012) and to the continuation of the favourable interest rate situation, characterised by the low costs of inflows and attractive returns offered by the Italian government securities market;
- the increase in performance commissions (+12.3%), driven both by the highly positive trend in net inflows of assets under management and the performance effect on pre-existing AUM.

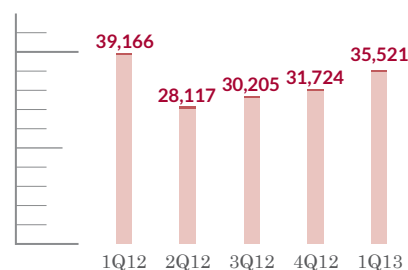
Net operating expense reported a more modest increase (+1.3%) totalling 39.2 million euros, also thanks to the control of staff expenses.

The **cost/income ratio**, which measures the ratio of operating costs, gross of value adjustments to tangible and intangible assets, to net operating income, amounted to 39.1%, confirming the positive operating leverage effect, which saw the cost performance outpaced by the revenue performance.

Operating result amounted to 58.1 million euros, whilst **value adjustments and provisions** decreased to 12.1 million euros overall (-3.0 million euros), however including prudential provisions for litigation and impairment of receivables.

Operating profit before taxation thus stood at 46.0 million euros, down slightly by 1.4 million euros compared to the first quarter of 2012.

Net profit for the period (€ thousand)



Quarterly evolution of the Profit & loss account

| (€ THOUSAND) | 1Q2013 | 4Q2012 | 3Q2012 | 2Q2012 | 1Q2012 |
|--|----------------|----------------|----------------|----------------|----------------|
| Net interest | 33,481 | 31,164 | 29,123 | 28,121 | 23,144 |
| Net commissions | 62,497 | 46,998 | 50,678 | 46,000 | 70,389 |
| Dividends | 8 | 12 | 30 | 652 | 45 |
| Net result of financial operations | 1,351 | 3,261 | -437 | 1,179 | 7,612 |
| Net operating income | 97,337 | 81,435 | 79,394 | 75,952 | 101,190 |
| Staff expenses | -18,159 | -15,111 | -17,144 | -16,877 | -18,029 |
| Other general and administrative expense | -23,929 | -23,903 | -24,441 | -21,256 | -23,051 |
| Net adjustments of property, equipment and intangible assets | -1,159 | -1,083 | -1,141 | -1,090 | -1,179 |
| Other operating expense/income | 4,039 | 5,789 | 4,200 | 5,584 | 3,566 |
| Net operating expense | -39,208 | -34,308 | -38,526 | -33,639 | -38,693 |
| Operating profit | 58,129 | 47,127 | 40,868 | 42,313 | 62,497 |
| Net adjustments of non-performing loans | -767 | -2,278 | 1,614 | 147 | -3,055 |
| Net adjustments of other assets | -598 | 221 | -128 | -429 | -376 |
| Net provisions | -10,754 | -3,285 | -1,022 | -2,628 | -11,678 |
| Gain (loss) from equity investments | -4 | -2 | - | -2 | - |
| Operating profit before taxation | 46,006 | 41,783 | 41,332 | 39,401 | 47,388 |
| Income taxes for the period | -9,522 | -9,245 | -10,187 | -10,276 | -7,568 |
| Gains from non-current assets held for sale | - | 133 | - | 159 | 159 |
| Profit attributable to minority interests | -963 | -947 | -940 | -1,167 | -813 |
| Net profit | 35,521 | 31,724 | 30,205 | 28,117 | 39,166 |

4.1.1 Net interest

Net interest income amounted to 33.5 million euros, increasing by 10.3 million euros compared to the first quarter of 2012 (+44.7%), mainly as a result of:

- the expansion of the average volumes traded by Banca Generali, especially in regards to the LTRO undertaken in late February 2012 (1,100 million euros), which only had a partial impact on the quarter concerned;
- the trend towards a further decline in the cost of inflows, which saw short-term EURIBOR rates decrease to approximately one-fifth of the already low levels of the same period of 2012; in further detail, the average one-month EURIBOR amounted to 0.11% at the end of March, whereas the average three-month EURIBOR stood at 0.21%;
- the high yields offered by Italian government securities, which continued to offer excellent investment opportunities.

In this regard, it should be noted that in July the ECB interest rate applied to primary refinancing operations decreased from 1% to 0.75%.

In comparison to that figure, the internal rate of return (IRR) on the HTM portfolio - to which the securities purchased following the LTROs were allocated - still amounted to 3.36% on an annual basis at the end of March.

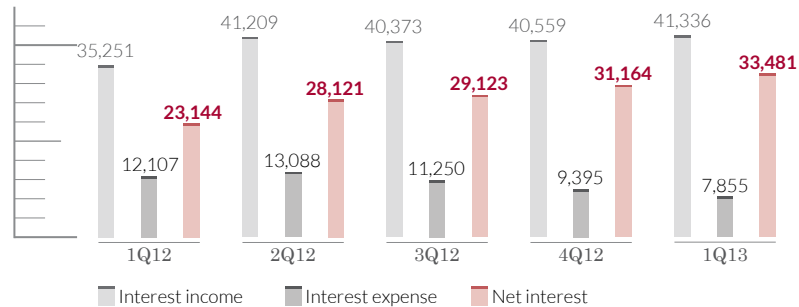
With regard to the first quarter of 2013, the decrease in interest rates began to impact the inflows from "high-yield" customers (deposit accounts), leading to a reduced interest of customers in this investment solution.

Interest income thus grew by 6.1 million euros (17.3%), owing to the decisive contribution of the securities portfolio (+6.5 million euros or 21.5%) which offset the reduction in income from loans to customers and banks.

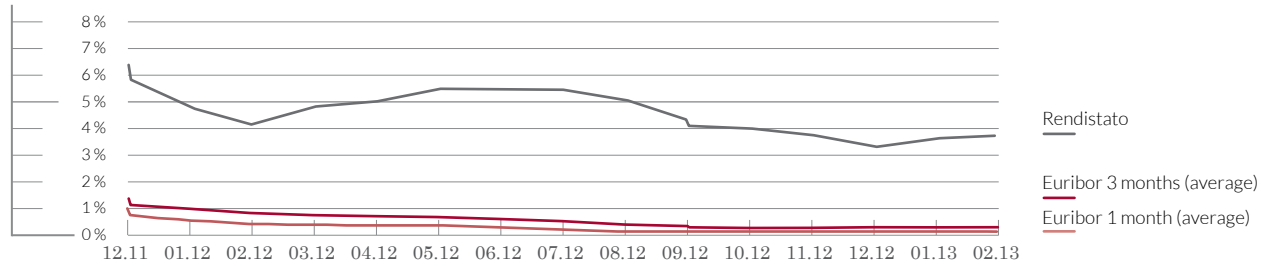
By contrast, the cost of funding decreased by 4.3 million euros (-35.1%) due to the decline in expenses associated with inter-bank transactions in the form of repurchase agreements (-1.5 million euros), ordinary inflows from customers (-2.3 million euros) and high-yield inflows (-0.5 million euros).

| (€ THOUSAND) | 31.03.2013 | 31.03.2012 | CHANGE | |
|---|---------------|---------------|---------------|---------------|
| | | | AMOUNT | % |
| HFT financial assets | 5,134 | 183 | 4,951 | n.a |
| AFS financial assets | 6,332 | 9,452 | -3,120 | -33.0% |
| HTM financial assets | 24,116 | 19,054 | 5,062 | 26.6% |
| Financial assets classified among loans | 1,152 | 1,535 | -383 | -25.0% |
| Total financial assets | 36,734 | 30,224 | 6,510 | 21.5% |
| Loans to banks | 267 | 387 | -120 | -31.0% |
| Loans to customers | 4,335 | 4,610 | -275 | -6.0% |
| Hedging derivatives | - | - | - | n.a. |
| Other assets | - | 30 | -30 | -100.0% |
| Total interest income | 41,336 | 35,251 | 6,085 | 17.3% |
| Due to ECB | 2,441 | 2,199 | 242 | 11.0% |
| Due to banks | 150 | 173 | -23 | -13.3% |
| Repurchase agreements - banks | 1,351 | 2,807 | -1,456 | -51.9% |
| Due to customers | 3,047 | 5,877 | -2,830 | -48.2% |
| Repurchase agreements - customers | 670 | 661 | 9 | 1.4% |
| Subordinated loan | 196 | 385 | -189 | -49.1% |
| Other liabilities | - | 5 | -5 | -100.0% |
| Total interest expense | 7,855 | 12,107 | -4,252 | -35.1% |
| Net interest | 33,481 | 23,144 | 10,337 | 44.7% |

Net interest (€ thousand)



Evolution of interest rates (monthly average)

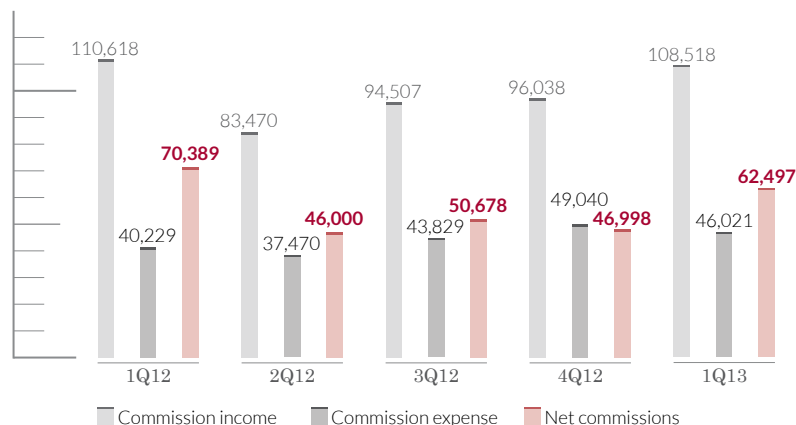


4.1.2 Net commissions

The commissions aggregate amounted to 62.5 million euros, decreasing by 11.2% compared to the first quarter of 2012, and was broken down as follows.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|--|----------------|----------------|---------------|---------------|
| | | | AMOUNT | % |
| Collective and individual portfolio management commissions | 68,491 | 79,654 | -11,163 | -14.0% |
| Placement of securities and UCITs | 11,722 | 7,726 | 3,996 | 51.7% |
| Distribution of third-party financial products | 19,247 | 16,135 | 3,112 | 19.3% |
| Trading and securities custody commissions | 6,864 | 5,610 | 1,254 | 22.4% |
| Other banking services | 2,194 | 1,493 | 701 | 47.0% |
| Total commission income | 108,518 | 110,618 | -2,100 | -1.9% |
| Commissions for external offer | 39,276 | 35,416 | 3,860 | 10.9% |
| Dealing in securities and custody | 2,012 | 716 | 1,296 | 181.0% |
| Asset management | 4,034 | 3,578 | 456 | 12.7% |
| Other banking services | 699 | 519 | 180 | 34.7% |
| Total commission expense | 46,021 | 40,229 | 5,792 | 14.4% |
| Net commissions | 62,497 | 70,389 | -7,892 | -11.2% |

Net commissions (€ thousand)



Overall **commission income** decreased by 2.1 million euros (-1.9%) due to a slowdown in performance commissions (-14.7 million euros) compared to the first quarter of 2012.

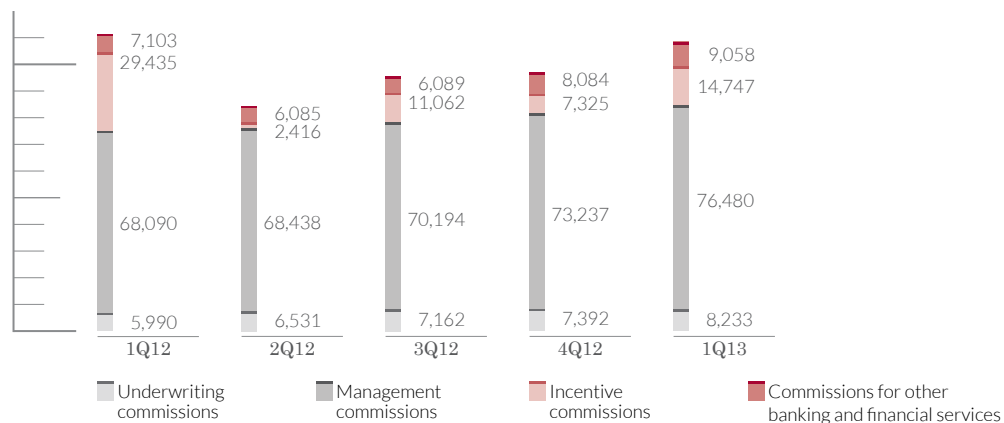
lent renewed vigour to the uptrend in management commissions (+8.4 million euros) already seen in the fourth quarter of 2012.

The significant increase in AUM in the first quarter of the year, owing to the constant impetus provided by net inflows and the overall positive financial market performance also

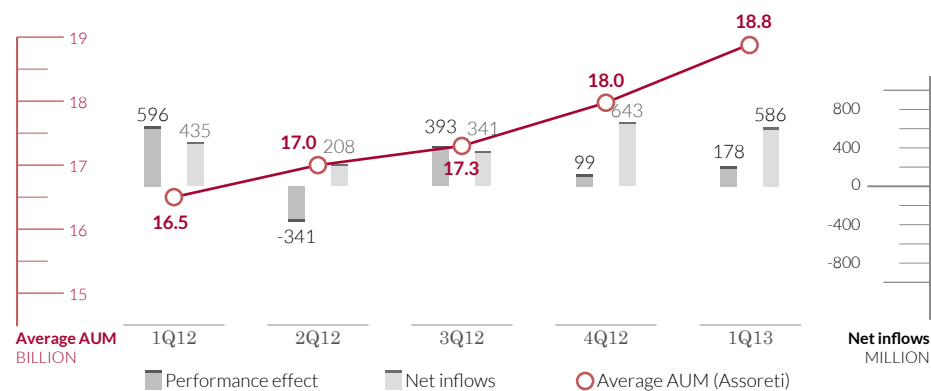
This trend, along with the positive performance of underwriting commissions and commission for other banking services, offset the decline in performance commissions.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|--|----------------|----------------|---------------|--------------|
| | | | AMOUNT | % |
| Underwriting commissions | 8,233 | 5,990 | 2,243 | 37.4% |
| Management commissions | 76,480 | 68,090 | 8,390 | 12.3% |
| Incentive commissions | 14,747 | 29,435 | -14,688 | -49.9% |
| Commissions for other banking and financial services | 9,058 | 7,103 | 1,955 | 27.5% |
| Total | 108,518 | 110,618 | -2,100 | -1.9% |

Breakdown of commission income (€ thousand)



Evolution of managed assets and the insurance AUM



Commission income from the solicitation of investment and asset management of households amounted to 99.5 million euros, with a decrease of 4.0 million euros compared to the same period

of the previous year, mainly attributable to the SICAVs promoted by the Banking Group and the above-mentioned performance commissions trend.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|---|---------------|----------------|----------------|---------------|
| | | | AMOUNT | % |
| 1. Collective asset management | 51,493 | 64,191 | -12,698 | -19.8% |
| 2. Collective asset management of the Generali Group | 7,655 | 6,842 | 813 | 11.9% |
| 3. Individual asset management | 9,343 | 8,621 | 722 | 8.4% |
| Commissions on asset management | 68,491 | 79,654 | -11,163 | -14.0% |
| 1. Placement of third-party UCITs | 8,868 | 6,342 | 2,526 | 39.8% |
| 2. Bond placement | 2,854 | 1,384 | 1,470 | 106.2% |
| 3. Other placement operations | - | - | - | n.a. |
| 4. Distribution of third-party asset management products (GPM/GPF, pension funds) | 104 | 84 | 20 | 23.8% |
| 5. Distribution of third-party insurance products | 19,117 | 15,948 | 3,169 | 19.9% |
| 6. Distribution of other third-party financial products | 26 | 103 | -77 | -74.8% |
| Commissions for the placement and distribution of third-party products | 30,969 | 23,861 | 7,108 | 29.8% |
| Asset management commissions income | 99,460 | 103,515 | -4,055 | -3.9% |

The distribution of third-party financial products and services continued to show an increase in revenues driven by the distribution of the insurance products of Genertellife (+3.2 million euros, or +19.9%). The reporting quarter showed a positive performance also in terms of distribution for structured bonds and third-party UCITs (+39.8%).

The contribution of management commissions for funds distributed by foreign companies of the Generali Group, arising from the operations of the merged Generali Investments Luxembourg (GIL), amounted to 7.6 million euros, up 0.8 million euros compared to the same period of the previous year.

Commission expense amounted to 46.0 million euros, up 5.8 million euros compared to the same period of the previous year (+14.4%), mainly due to the increase in distribution commissions. The aggregate includes 6.0 million euros in commissions for the activities carried out by the merged company Generali Investments Luxembourg (GIL), which grew (+0.6 million euros) compared to the same period of 2012.

Net of the result from such non-core activity, the Group's total pay-out ratio, compared to commission income, net of performance commission income, therefore was 46.5%, in line with the figure reported at the end of the same period of 2012.

Distribution commission expense reached 39.3 million euros, showing an increase of 3.9 million euros compared to the same period of the previous year, primarily owing to management commissions provided to the sales network in light of the increase in AUM.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|------------------------|---------------|---------------|--------------|--------------|
| | | | AMOUNT | % |
| Front-end commissions | 5,074 | 4,104 | 970 | 23.6% |
| Management commissions | 27,815 | 25,232 | 2,583 | 10.2% |
| Incentive commissions | 1,918 | 1,613 | 305 | 18.9% |
| Other commissions | 4,469 | 4,467 | 2 | - |
| Total | 39,276 | 35,416 | 3,860 | 10.9% |

Other net commissions from banking services offered to customers include trading, order collection and custody and administration commissions, in addition to commissions charged to customers for account-keeping expenses and other services. This aggregate amounted to 6.3 million euros, up by 8.2% compared to the same period of 2012, primarily owing to the effect of the increase in securities trading services and collection and payment services rendered to insurance group companies.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|---|---------------|---------------|---------------|---------------|
| | | | AMOUNT | % |
| Dealing in securities and currencies | 4,721 | 3,998 | 723 | 18.1% |
| Order collection and securities custody commissions | 2,143 | 1,612 | 531 | 32.9% |
| Collection and payment services | 980 | 444 | 536 | 120.7% |
| Commission income | 652 | 638 | 14 | 2.2% |
| Commissions for other banking services | 562 | 411 | 151 | 36.7% |
| Total traditional banking operations | 9,058 | 7,103 | 1,955 | 27.5% |
| Commissions for securities trading and custody | -2,012 | -716 | -1,296 | 181.0% |
| Collection and payment services | -365 | -294 | -71 | 24.1% |
| Commissions for other banking services | -334 | -225 | -109 | 48.4% |
| Total commission expense | -2,711 | -1,235 | -1,476 | 119.5% |
| Net commissions | 6,347 | 5,868 | 479 | 8.2% |

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, gains and losses from the disposal of financial assets allocated to the AFS portfolio and other portfolios valued at amortised cost (HTM, Loans), from the related dividends and any result of hedging.

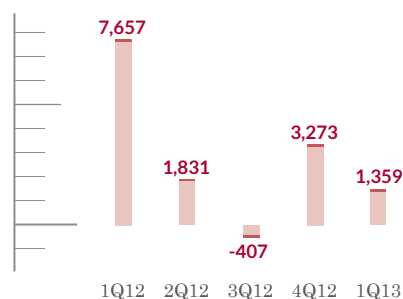
| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|---|---------------|--------------|----------------|----------------|
| | | | AMOUNT | % |
| Dividends from trading | 8 | 45 | -37 | -82.2% |
| Trading of financial assets and equity derivatives | -39 | 124 | -163 | -131.5% |
| Trading of financial assets and derivatives on debt securities and interest rates | -4,313 | 6,172 | -10,485 | -169.9% |
| Trading of UCIT units | 423 | 850 | -427 | -50.2% |
| Securities transactions | -3,921 | 7,191 | -11,112 | -154.5% |
| Currency and currency derivative transactions | 386 | 452 | -66 | -14.6% |
| Net profit from trading operations | -3,535 | 7,643 | -11,178 | -146.3% |
| Net profit from hedging | - | - | - | n.a. |
| Dividends from AFS assets | - | - | - | n.a. |
| Gains and losses on equity securities | 105 | -52 | 157 | n.s. |
| Gains and losses on AFS and HTM debt securities and loans | 4,789 | 66 | 4,723 | n.a. |
| Profit (loss) of financial operations | 1,359 | 7,657 | -6,298 | -82.3% |

At the end of the first quarter of 2013, the aggregate presented a positive contribution of 1.4 million euros, though decreasing compared to 7.7 million euros reported at the end of the same period of the previous year.

In this context, the financial assets allocated to the trading portfolio generated a net loss of 3.9 million euros overall, entirely attributable to unrealised capital losses and realised losses pertaining to the government securities portfolio acquired in late 2012 and the first quarter of 2013.

By contrast, the disposal of financial assets classified to portfolios measured at amortised cost generated net gains of 4.9 million euros, primarily arising from the sale of government securities allocated to the AFS portfolio and banking securities allocated to the Loans portfolio.

Result of financial operations (€ thousand)



| (€ THOUSAND) | GAINS | LOSSES | TRANSFER OF RESERVES | 31.03.2013 | 31.03.2012 | CHANGE |
|---|--------------|------------|----------------------|--------------|------------|--------------|
| | | | | | | |
| AFS financial assets | 2,321 | -26 | 1,237 | 3,532 | -25 | 3,557 |
| Debt securities | 2,291 | -24 | 1,070 | 3,337 | 27 | 3,310 |
| Equity securities | 6 | -2 | 101 | 105 | -52 | 157 |
| UCIT units | 24 | - | 66 | 90 | - | 90 |
| Financial assets classified among loans | 1,382 | -20 | - | 1,362 | 145 | 1,217 |
| HTM financial assets | - | - | - | - | -106 | 106 |
| Total | 3,703 | -46 | 1,237 | 4,894 | 14 | 4,880 |

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 39.2 million euros, marking an overall increase of 0.5 million euros compared to the same period of the previous year (+1.3%).

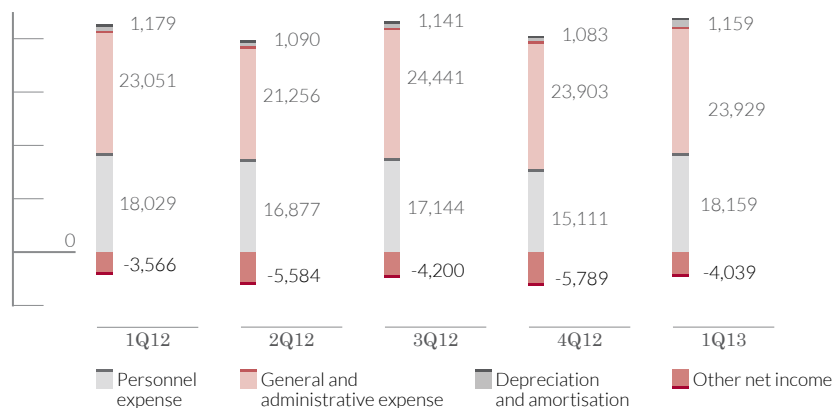
| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|--|---------------|---------------|------------|-------------|
| | | | AMOUNT | % |
| Staff expenses | 18,159 | 18,029 | 130 | 0.7% |
| Other general and administrative expense | 23,929 | 23,051 | 878 | 3.8% |
| Net adjustments of property, equipment and intangible assets | 1,159 | 1,179 | -20 | -1.7% |
| Other income and expenses | -4,039 | -3,566 | -473 | 13.3% |
| Operating expense | 39,208 | 38,693 | 515 | 1.3% |

Staff expenses, including full-time employees, interim staff and directors, amounted to 18.2 million euros, virtually unchanged (+0.7%) compared to the same period of the previous year.

The Group employees totalled 797 at the end of the first quarter, thus recording an increase of 9 compared to the same period of the previous year.

| | 31.03.2013 | 31.03.2012 | CHANGE | | AVERAGE 2013 | AVERAGE 2012 |
|--|------------|------------|----------|-------------|--------------|--------------|
| | | | NUMBER | % | | |
| Managers | 46 | 51 | -5 | -9.8% | 46 | 51 |
| 3 rd and 4 th level executives | 125 | 121 | 4 | 3.3% | 126 | 120 |
| Other employees | 626 | 616 | 10 | 1.6% | 620 | 606 |
| Total | 797 | 788 | 9 | 1.1% | 792 | 777 |

Breakdown of operating expense (€ thousand)



Within this context, the change in the aggregate is primarily attributable to remuneration factors, including the impact of short- and long-term incentives (+0.3 million euros).

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|--|---------------|---------------|-------------|---------------|
| | | | AMOUNT | % |
| 1) Employees | 17,801 | 17,313 | 488 | 2.8% |
| Salaries and social security charges | 12,325 | 12,060 | 265 | 2.2% |
| Provision for termination indemnity and supplementary pension funds | 1,061 | 1,248 | -187 | -15.0% |
| Costs related to payment agreements based on own financial instruments | 10 | 44 | -34 | -77.3% |
| Short-term productivity bonuses | 3,061 | 2,730 | 331 | 12.1% |
| Other long-term incentives | 699 | 684 | 15 | 2.2% |
| Other employee benefits | 645 | 547 | 98 | 17.9% |
| 2) Other staff | 17 | 119 | -102 | -85.7% |
| 3) Directors and Auditors | 341 | 597 | -256 | -42.9% |
| Total | 18,159 | 18,029 | 130 | 0.7% |

Other general and administrative expense amounted to 23.9 million euros, up by 0.9 million euros (+3.8%), compared to the same period of the previous year.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|---|---------------|---------------|------------|--------------|
| | | | AMOUNT | % |
| Administration | 3,005 | 2,907 | 98 | 3.4% |
| Advertising | 802 | 960 | -158 | -16.5% |
| Consultancy and professional advice expense | 1,025 | 769 | 256 | 33.3% |
| Auditing | 35 | 63 | -28 | -44.4% |
| Other general costs (insurance; T&E) | 1,143 | 1,115 | 28 | 2.5% |
| Operations | 8,194 | 7,657 | 537 | 7.0% |
| Rent and usage of premises | 3,871 | 3,759 | 112 | 3.0% |
| Outsourced services | 1,060 | 1,133 | -73 | -6.4% |
| Post and telephone | 730 | 767 | -37 | -4.8% |
| Print material and contracts | 171 | 174 | -3 | -1.7% |
| Other indirect staff expenses | 613 | 578 | 35 | 6.1% |
| Other operating expenses | 1,749 | 1,246 | 503 | 40.4% |
| Information system and equipment | 8,447 | 8,144 | 303 | 3.7% |
| Outsourced IT services | 6,019 | 6,087 | -68 | -1.1% |
| Fees for financial databases and other IT services | 2,082 | 1,389 | 693 | 49.9% |
| Software maintenance and servicing | 176 | 443 | -267 | -60.3% |
| Other expenses (equipment rental, maintenance, etc.) | 170 | 225 | -55 | -24.4% |
| Taxes and duties | 4,283 | 4,343 | -60 | -1.4% |
| Total other general and administrative expense | 23,929 | 23,051 | 878 | 3.8% |

4.1.5 Provisions and adjustments

Net provisions amounted to 10.8 million euros, down 0.9 million euros compared to the same period of 2012 (-7.9%), primarily due to lower provisions for incentives related to the sales network (-0.6 million euros) and the impact on 2012 of provisions for expenses of merging BG SGR (-0.8 million euros).

In particular, allocations to provisions include 5.6 million euros relating to incentives set to accrue and 2.0 million euros in al-

locations in service of the recruitment plan aimed at expanding portfolios in the medium term.

Net provisions for contractual indemnities for Financial Advisors include 0.3 million euros allocated for new "retirement bonus" schemes, aimed at ensuring the most deserving employees a supplemental pension benefit at retirement.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|--|---------------|---------------|-------------|--------------|
| | | | AMOUNT | % |
| Provision for staff expenses | 32 | 810 | -778 | -96.0% |
| Provisions for legal disputes | 2,200 | 1,875 | 325 | 17.3% |
| Provision for incentive fees | 7,621 | 8,268 | -647 | -7.8% |
| Provisions for termination indemnity and over fees | 901 | 590 | 311 | 52.7% |
| Other provisions for liabilities and contingencies | - | 135 | -135 | -100.0% |
| Total | 10,754 | 11,678 | -924 | -7.9% |

Impairments amounted to 1.4 million euros, of which 0.6 million euros referred to the financial assets segment.

In further detail, the AFS equities portfolio, already subject to impairment in previous years, underwent further impairment losses of 0.6 million euros.

In the area of receivables not arising from lending transactions, there was an increase in provisions for impairment recognised to

cover the risks associated with recovery of commission advances provided to former financial advisors who have left service (0.6 million euros).

Finally, marginal measures were taken on the collective reserve covering the portfolio of performing bank loans.

| (€ THOUSAND) | ADJUSTMENTS | REVERSALS | 1Q2013 | 1Q2012 |
|--|---------------|-----------|---------------|---------------|
| | | | | |
| Specific adjustments/reversals | -1,230 | - | -1,230 | -3,081 |
| Debt securities (AFS, HTM, Loans) | - | - | - | -2,236 |
| Equity securities | -598 | - | -598 | -376 |
| Operating loans | -600 | - | -600 | -450 |
| Non-performing loans of the bank portfolio | -32 | - | -32 | -19 |
| Portfolio adjustments/reversals | -135 | - | -135 | -350 |
| Debt securities (Loans, HTM) | - | - | - | - |
| Performing loans of the banking portfolio | -135 | - | -135 | -350 |
| Total | -1,365 | - | -1,365 | -3,431 |

4.1.6 Net result for the period, taxes and Earnings per Share

Taxes for the period on a current and deferred basis have been estimated at 9.5 million euros, up 2.0 million euros for the first quarter of the previous year.

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|------------------------------------|---------------|---------------|---------------|--------------|
| | | | AMOUNT | % |
| Current taxes for the period | -11,660 | -9,546 | -2,114 | 22.1% |
| Prior period taxes | - | - | - | n.a. |
| Changes of prepaid taxation (+/-) | 1,968 | 1,995 | -27 | -1.4% |
| Changes of deferred taxation (+/-) | 170 | -17 | 187 | n.a. |
| Total | -9,522 | -7,568 | -1,954 | 25.8% |

The increase in the Group's total tax rate from 16.0% in the first quarter of 2012 to the current 20.7% (+4.7%) was primarily due to the increase in the incidence of the profit before taxation earned in Italy compared to that earned abroad, which is subject to lower tax rates (+3.9%), as well as the increased IRAP tax burden (+0.5%), in addition to the combined effect of an additional series of factors (partially taxed revenues, costs with limited deductibility and deferred taxation from previous years), which together had an impact of 0.3%.

Profit for the period attributable to minority interests amounted to 1.0 million euros and refers to the minority interest in GFM held by the Assicurazioni Generali insurance group.

Therefore, consolidated net profit for the first three months of 2013 amounted to 35.5 million euros.

Net basic earnings per share currently being accrued decreased from 0.351 eurocents to 0.313 eurocents.

| | 1Q2013 | 1Q2012 | CHANGE | |
|--|--------------|--------------|---------------|---------------|
| | | | AMOUNT | % |
| Net profit for the period (€ thousand) | 35,521 | 39,166 | -3,645 | -9.3% |
| Earnings attributable to ordinary shares | 35,521 | 39,166 | -3,645 | -9.3% |
| Average number of outstanding shares | 113,558 | 111,729 | 1,829 | 1.6% |
| EPS - Earnings per Share (€) | 0.313 | 0.351 | -0.038 | -10.8% |
| Average number of outstanding shares diluted capital | 115,543 | 115,032 | 511 | 0.4% |
| EPS - Diluted earnings per share (€) | 0.307 | 0.340 | -0.033 | -9.7% |

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 2013, this item amounted to 32.5 million euros, compared to 69.9 million euros for the same period of the previous year. However, the first quarter of 2013 is compared with a first quarter of 2012 characterised by a sharp decline in the spreads on Italian government debt, which had allowed significant unrealised capital gains to be recognised among equity reserves in relation to the portfolio of available-for-sale financial assets (+31.0 million euros).

In the first three months of 2013, these reserves reported a slight net decrease of -2.6 million euros, due to the combined effects of:

- the mark to market of the carrying amount of the AFS portfolio (-2.5 million euros), attributable to the temporary exacerbation of market tensions regarding the Italian sovereign debt segment, witnessed after the Italian elections in February 2013;
- the reduction of pre-existing net positive reserves due to re-absorption in the profit and loss account through realisation and impairment (-1.0 million euros);
- the positive tax effect associated with the above changes (+0.9 million euros).

| (€ THOUSAND) | 1Q2013 | 1Q2012 | CHANGE | |
|---|---------------|---------------|----------------|----------------|
| | | | AMOUNT | % |
| Net profit (loss) | 35,521 | 39,166 | -3,645 | -9.3% |
| Other income, net of income taxes: | | | | |
| AFS assets | -2,634 | 30,978 | -33,612 | -108.5% |
| Cash-flow hedges | - | -219 | 219 | -100.0% |
| Actuarial gains (losses) from defined benefit plans | -367 | - | -367 | n.a. |
| Total other income, net of taxes | -3,001 | 30,759 | -33,760 | -109.8% |
| Comprehensive income | 32,520 | 69,925 | -37,405 | -53.5% |

4.2 Balance sheet and net equity aggregates

At the end of the first three months of 2013, total consolidated assets amounted to 6.7 billion euros, marking a decline of 0.6 billion euros compared to the end of 2012 (-7.8%).

The decrease is substantially attributable to the downsizing of net inflows from customers (-20.2% compared to 2012),

whose performance had been considerably influenced by the activity of the Assicurazioni Generali insurance group to which the Bank belongs. As a result, the volume of core loans amounted to 6.5 billion euros, down 8.9% compared to the end of 2012.

| ASSETS (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|---|------------------|------------------|-----------------|--------------|
| | | | AMOUNT | % |
| HFT financial assets | 851,223 | 222,548 | 628,675 | 282.5% |
| AFS financial assets | 1,045,546 | 1,733,885 | -688,339 | -39.7% |
| HTM financial assets | 2,913,734 | 3,000,330 | -86,596 | -2.9% |
| Loans to banks (*) | 307,513 | 843,368 | -535,855 | -63.5% |
| Loans to customers | 1,359,495 | 1,308,585 | 50,910 | 3.9% |
| Property, equipment and intangible assets | 50,901 | 51,778 | -877 | -1.7% |
| Tax receivables | 43,329 | 41,163 | 2,166 | 5.3% |
| Other assets | 175,756 | 115,608 | 60,148 | 52.0% |
| Total Assets | 6,747,497 | 7,317,265 | -569,768 | -7.8% |

(*) Including loans with central banks repayable on demand.

| NET EQUITY AND LIABILITIES (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|--|------------------|------------------|-----------------|--------------|
| | | | AMOUNT | % |
| Due to banks | 2,398,937 | 2,229,896 | 169,041 | 7.6% |
| Due to customers | 3,583,784 | 4,491,173 | -907,389 | -20.2% |
| Financial liabilities held for trading and hedging | 1,271 | 1,448 | -177 | -12.2% |
| Tax payables | 29,766 | 36,620 | -6,854 | -18.7% |
| Other liabilities | 220,076 | 95,013 | 125,063 | 131.6% |
| Special purpose provisions | 75,989 | 67,995 | 7,994 | 11.8% |
| Valuation reserves | -13,588 | -10,587 | -3,001 | 28.3% |
| Reserves | 267,150 | 139,841 | 127,309 | 91.0% |
| Additional paid-in capital | 26,615 | 16,591 | 10,024 | 60.4% |
| Share capital | 113,888 | 112,938 | 950 | 0.8% |
| Treasury shares (-) | -41 | -41 | - | - |
| Minority interests | 8,129 | 7,166 | 963 | 13.4% |
| Net profit for the period | 35,521 | 129,212 | -93,691 | -72.5% |
| Total Net equity and Liabilities | 6,747,497 | 7,317,265 | -569,768 | -7.8% |

Quarterly evolution of consolidated Balance Sheet

| ASSETS (€ THOUSAND) | 31.03.2013 | 31.12.2012 | 30.09.2012 | 30.06.2012 | 31.03.2012 | 31.12.2011 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| HFT financial assets | 851,223 | 222,548 | 200,056 | 33,676 | 34,272 | 35,323 |
| AFS financial assets | 1,045,546 | 1,733,885 | 1,085,941 | 1,138,390 | 1,186,802 | 1,318,992 |
| HTM financial assets | 2,913,734 | 3,000,330 | 3,019,003 | 3,045,018 | 2,937,276 | 1,415,701 |
| Loans to banks | 307,513 | 843,368 | 398,604 | 325,737 | 727,002 | 574,171 |
| Loans to customers | 1,359,495 | 1,308,585 | 1,152,179 | 1,091,698 | 1,035,070 | 971,648 |
| Property, equipment and intangible assets | 50,901 | 51,778 | 49,148 | 50,115 | 50,970 | 52,103 |
| Tax receivables | 43,329 | 41,163 | 48,222 | 61,905 | 65,673 | 77,046 |
| Other assets | 175,756 | 115,608 | 104,139 | 92,217 | 86,072 | 103,230 |
| Financial assets held for sale | - | - | - | - | 468 | 675 |
| Total Assets | 6,747,497 | 7,317,265 | 6,057,292 | 5,838,756 | 6,123,605 | 4,548,889 |

| NET EQUITY AND LIABILITIES (€ THOUSAND) | 31.03.2013 | 31.12.2012 | 30.09.2012 | 30.06.2012 | 31.03.2012 | 31.12.2011 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Due to banks | 2,398,937 | 2,229,896 | 2,337,782 | 2,328,576 | 2,327,369 | 1,070,909 |
| Due to customers | 3,583,784 | 4,491,173 | 3,132,826 | 3,016,706 | 3,249,417 | 3,042,371 |
| Financial liabilities held for trading and hedging | 1,271 | 1,448 | 3,359 | 2,005 | 2,864 | 1,737 |
| Tax payables | 29,766 | 36,620 | 34,355 | 28,286 | 30,699 | 21,019 |
| Other liabilities | 220,076 | 95,013 | 136,158 | 104,589 | 106,436 | 85,043 |
| Financial liabilities held for sale | - | - | - | - | 291 | 316 |
| Special purpose provisions | 75,989 | 67,995 | 67,711 | 69,432 | 72,961 | 65,073 |
| Valuation reserves | -13,588 | -10,587 | -17,317 | -40,897 | -25,582 | -56,341 |
| Reserves | 267,150 | 139,841 | 142,466 | 142,645 | 200,143 | 126,508 |
| Additional paid-in capital | 26,615 | 16,591 | 4,494 | 3,406 | 3,406 | 3,231 |
| Share capital | 113,888 | 112,938 | 111,792 | 111,694 | 111,694 | 111,676 |
| Treasury shares (-) | -41 | -41 | -41 | -248 | -248 | -248 |
| Minority interests | 8,129 | 7,166 | 6,219 | 5,279 | 4,989 | 4,176 |
| Net profit (loss) for the period (+/-) | 35,521 | 129,212 | 97,488 | 67,283 | 39,166 | 73,419 |
| Total Net equity and Liabilities | 6,747,497 | 7,317,265 | 6,057,292 | 5,838,756 | 6,123,605 | 4,548,889 |

4.2.1 Direct inflows from customers

Total direct inflows from customers amounted to 3,583.8 million euros, down by 907.4 million euros compared to 31 December 2012, primarily owing to the re-absorption of most of the term deposits by the Parent Company (-1,045 million euros) at the end of the previous year for temporary treasury needs.

Captive inflows from the parent company, Assicurazioni Generali, and the Italian and foreign subsidiaries of Assicurazioni Gen-

erali Group, reported an overall decrease of 1,057 million euros to 905.5 million euros at the end of the period.

Consequently, inflows from customers not belonging to the insurance group increased by approximately 150 million euros thanks to the strong performance of traditional current account inflows, which offset the slowdown in inflows in the form of high-yield deposit accounts and repurchase agreements.

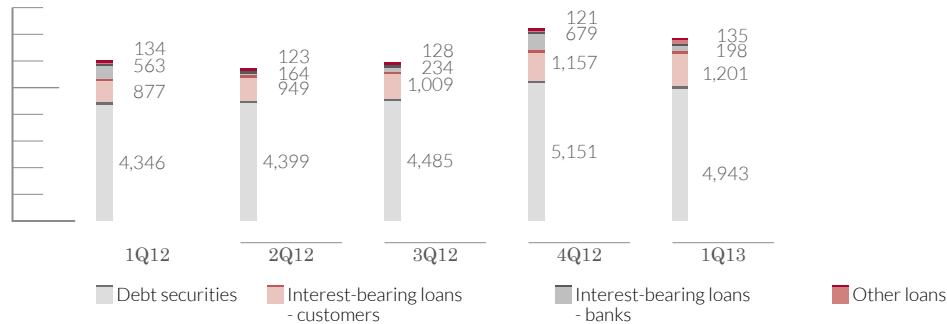
| € THOUSAND | 31.03.2013 | 31.12.2012 | CHANGE | |
|--|------------------|------------------|-------------------|---------------|
| | | | AMOUNT | % |
| 1. Current accounts and free deposits | 2,905,645 | 2,632,355 | 273,290 | 10.4% |
| 2. Term deposits | 453,189 | 1,610,868 | -1,157,679 | -71.9% |
| 3. Financing | 171,799 | 177,593 | -5,794 | -3.3% |
| Repurchase agreements | 147,408 | 153,397 | -5,989 | -3.9% |
| Generali Versicherung subordinated loan | 24,391 | 24,196 | 195 | 0.8% |
| 4. Other debts | 53,151 | 70,357 | -17,206 | -24.5% |
| Operating debts to sales network | 28,327 | 30,401 | -2,074 | -6.8% |
| Other | 24,824 | 39,956 | -15,132 | -37.9% |
| Total due to customers (Item 20) | 3,583,784 | 4,491,173 | -907,389 | -20.2% |

4.2.2 Core loans

Core loans totalled 6.5 billion euros, decreasing by 0.6 billion euros compared to 31 December 2012.

| € THOUSANDS | 31.03.2013 | 31.12.2012 | CHANGE | |
|--|------------------|------------------|-----------------|--------------|
| | | | AMOUNT | % |
| HFT financial assets | 851,223 | 222,548 | 628,675 | n.s. |
| AFS financial assets | 1,045,546 | 1,733,885 | -688,339 | -39.7% |
| HTM financial assets | 2,913,734 | 3,000,330 | -86,596 | -2.9% |
| Financial assets classified among loans | 169,504 | 234,138 | -64,634 | -27.6% |
| Financial assets | 4,980,007 | 5,190,901 | -210,894 | -4.1% |
| Loans to banks | 197,980 | 679,064 | -481,084 | -70.8% |
| Loans to customers | 1,201,321 | 1,157,008 | 44,313 | 3.8% |
| Operating loans and other loans | 98,203 | 81,743 | 16,460 | 20.1% |
| Total interest-bearing financial assets and loans | 6,477,511 | 7,108,716 | -631,205 | -8.9% |

Evolution of loans (€ million)



The Group's financial assets held for treasury and investment needs and allocated to the various IAS portfolios accounted for 76.9% of the aggregate and totalled 4,980 million euros, decreasing by 210.9 million euros (-4.1%) compared to 31 December 2012, involving mainly the portfolio of financial assets available for sale (AFS), which decreased by 688 million euros.

The decline was partially offset by the increase in the portfolio of financial assets held for trading (629 million euros), entirely attributable to very short-term investments - with a

residual life of just over 30 days - in Italian government securities.

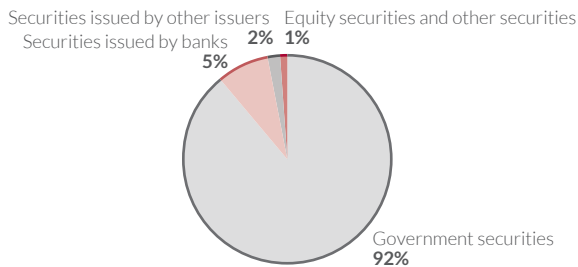
Overall, the sovereign debt exposure reached 4.6 billion euros, with a ratio to the total aggregate increasing from 89.5% to 91.7%, whereas the exposure to credit issuers decreased from 7.5% to 5.4%.

Additionally, such exposure consists solely of securities issued by the Italian Republic, and may be broken down as follows by portfolio of allocation:

Breakdown of sovereign debt exposure by IAS portfolio

| (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|---|------------------|------------------|----------------|--------------|
| | | | AMOUNT | % |
| Exposure to the sovereign risk by portfolio: | | | | |
| HFT financial assets | 818,903 | 190,073 | 628,830 | n.s. |
| AFS financial assets | 945,011 | 1,605,949 | -660,938 | -41.2% |
| HTM financial assets | 2,804,255 | 2,849,763 | -45,508 | -1.6% |
| Total | 4,568,169 | 4,645,785 | -77,616 | -1.7% |

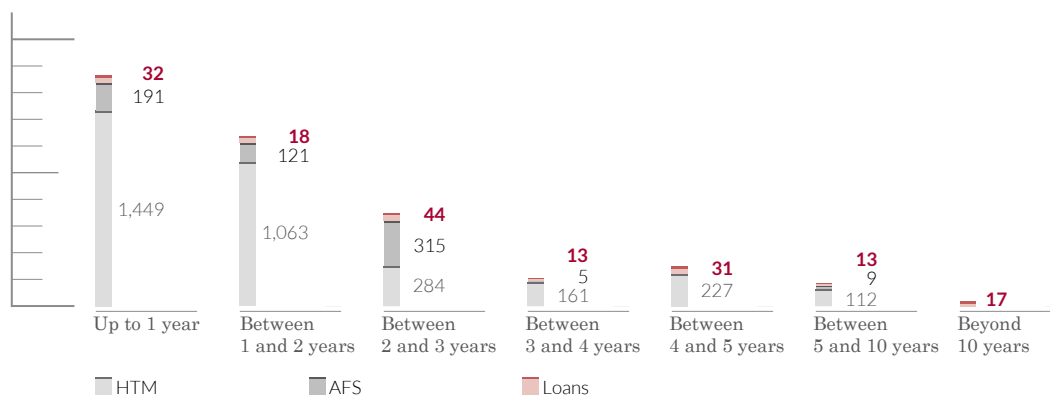
Breakdown of financial assets portfolio at 31.03.2013



The overall geographical breakdown of the portfolio of debt securities thus shows a high concentration of investments relating to Italian securities (97.8%).

The portfolio of debt securities had an overall average residual life of about 1.6 years and 15.0% of it was made up of variable rate issues.

Maturity of the bond portfolio (€ million)



Loans to customers amounted to 1,201 million euros, increasing by 44.3 million euros compared to the previous year (+3.8%). However, the overall performance of the aggregate does not adequately underline the significant growth in disbursement of loans to customers (+52.9 million euros; 12.6%) and overdraft facilities (+40.5 million euros), which was partially off-

set by re-absorption of short-term loans issued on the new MIC.

Customer lending operations are nonetheless guided by criteria of the utmost prudence and control of risk, and are primarily conducted in the segments property mortgage lending and lending secured by financial assets.

| (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|---|------------------|------------------|---------------|---------------|
| | | | AMOUNT | % |
| Current accounts | 669,984 | 629,453 | 40,531 | 6.4% |
| Personal loans | 471,901 | 418,953 | 52,948 | 12.6% |
| Other financing and loans not in current accounts | 37,867 | 47,226 | -9,359 | -19.8% |
| Short-term term deposits on the new MIC | - | 40,003 | -40,003 | -100.0% |
| Financing | 1,179,752 | 1,135,635 | 44,117 | 3.9% |
| GESAV life insurance participating policy | 21,569 | 21,373 | 196 | 0.9% |
| Total loans | 1,201,321 | 1,157,008 | 44,313 | 3.83% |
| Receivables from product companies | 66,769 | 54,507 | 12,262 | 22.5% |
| Sums advanced to Financial Advisors | 24,635 | 22,078 | 2,557 | 11.6% |
| Interest-bearing daily margin, Italian Stock Exchange | 2,694 | 2,167 | 527 | 24.3% |
| Changes to be debited and other loans | 4,014 | 2,877 | 1,137 | 39.5% |
| Operating loans and other loans | 98,112 | 81,629 | 16,483 | 20.2% |
| Debt securities | 60,062 | 69,948 | -9,886 | -14.1% |
| Total loans to customers | 1,359,495 | 1,308,585 | 50,910 | 3.9% |

Operating receivables classified among loans to customers consist primarily of trade receivables from product companies in connection with the distribution of financial products

and services and advances paid to Financial Advisors under incentive plans.

The amount and weight of non-performing loans have not changed significantly, compared to the figure at the end of 2012.

The **interbank position**, net of the securities portfolio and operating loans, showed a balance of 2,201 million euros at 31 March 2013, growing by 650 million euros

(+41.9%) compared to the end of the previous year, due to:

- the re-absorption of temporary liquidity investment transactions (deposits and repurchase agreements) for a net amount of 481 million euros;
- the increase in the interbank inflows form of repurchase agreements (+244 million euros), partly re-absorbed by the current account liability.

| (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|--|-------------------|-------------------|-----------------|---------------|
| | | | AMOUNT | % |
| 1. Repayable on demand | 68,840 | 111,936 | -43,096 | -38.5% |
| Demand deposits with ECB | - | - | - | n.a. |
| Demand deposits with credit institutions | - | 65,000 | -65,000 | -100.0% |
| Transfer accounts | 68,840 | 46,936 | 21,904 | 46.7% |
| 2. Time deposits | 129,140 | 567,128 | -437,988 | -77.2% |
| Mandatory reserve | 108,416 | 19,519 | 88,897 | 455.4% |
| Term deposits | 18,944 | 147,693 | -128,749 | -87.2% |
| Repurchase agreements | - | 398,136 | -398,136 | -100.0% |
| Collateral margins | 1,780 | 1,780 | - | - |
| Total due to banks | 197,980 | 679,064 | -481,084 | -70.8% |
| 1. Due to central banks | 1,312,285 | 1,309,841 | 2,444 | 0.2% |
| Term deposits with ECB | 1,312,285 | 1,309,841 | 2,444 | 0.2% |
| 2. Due to banks | 1,086,652 | 920,055 | 166,597 | 18.1% |
| Transfer accounts | 4,096 | 80,217 | -76,121 | -94.9% |
| Term deposits | 8,292 | 8,892 | -600 | -6.7% |
| Repurchase agreements | 1,046,137 | 801,383 | 244,754 | 30.5% |
| Collateral margins | 7,771 | 9,336 | -1,565 | -16.8% |
| Other debts | 20,356 | 20,227 | 129 | 0.6% |
| Total due to banks | 2,398,937 | 2,229,896 | 169,041 | 7.6% |
| Net interbank position | -2,200,957 | -1,550,832 | -650,125 | 41.9% |
| 3. Debt securities | 109,442 | 164,190 | -54,748 | -33.3% |
| 4. Other operating receivables | 91 | 114 | -23 | -20.2% |
| Total interbank position | -2,091,424 | -1,386,528 | -704,896 | 50.8% |

4.2.3 Net equity

At 31 March 2013, consolidated net equity, including net profit for the period, amounted to 437.7 million euros compared to 395.1 million euros at the end of the previous year and underwent the following changes.

| (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|----------------------------------|----------------|----------------|---------------|--------------|
| | | | AMOUNT | % |
| Share capital | 113,888 | 112,938 | 950 | 0.8% |
| Additional paid-in capital | 26,615 | 16,591 | 10,024 | 60.4% |
| Reserves | 267,150 | 139,841 | 127,309 | 91.0% |
| (Treasury shares) | -41 | -41 | - | - |
| Valuation reserves | -13,588 | -10,587 | -3,001 | 28.3% |
| Equity instruments | - | - | - | n.a. |
| Net profit (loss) for the period | 35,521 | 129,212 | -93,691 | -72.5% |
| Group net equity | 429,545 | 387,954 | 41,591 | 10.7% |
| Minority interests | 8,129 | 7,166 | 963 | 13.4% |
| Consolidated net equity | 437,674 | 395,120 | 42,554 | 10.8% |

| | GROUP | THIRD PARTIES | OVERALL |
|--|----------------|---------------|----------------|
| Net equity at period-start | 387,954 | 7,166 | 395,120 |
| Dividend paid | - | - | - |
| Previous stock option plans: issue of new shares | 8,950 | - | 8,950 |
| New stock option plans | 121 | - | 121 |
| Other changes | - | - | - |
| Change in valuation reserves | -3,001 | - | -3,001 |
| Consolidated net profit | 35,521 | 963 | 36,484 |
| Net equity at period-end | 429,545 | 8,129 | 437,674 |
| Changes | 41,591 | 963 | 42,554 |

The change in net equity for the first quarter of 2013 was influenced by the effects generated by previous and new stock option plans, the performance of fair value reserves for the portfolio of financial assets available for sale and other reserves which contribute to the comprehensive income.

This figure does not take account of the distribution of dividends of approximately 102.4 million euros that was approved by the

shareholders at the Ordinary Meeting held on 24 April 2013 to approve the Financial Statements for 2012.

The fair value reserves for the portfolio of AFS financial assets, which at the end of the quarter amounted to a negative balance of 13.2 million euros, mainly refer to the portfolio of government bonds.

| (€ THOUSAND) | 31.03.2013 | | | 31.12.2012 | |
|--|------------------|------------------|----------------|----------------|---------------|
| | POSITIVE RESERVE | NEGATIVE RESERVE | NET RESERVE | NET RESERVE | CHANGE |
| 1. Debt securities | 238 | -13,798 | -13,560 | -11,690 | -1,870 |
| 2. Equity securities | 284 | -5 | 279 | 1,043 | -764 |
| 3. UCIT units | 68 | -8 | 60 | 60 | - |
| 4. Cash-flow hedges | - | - | - | - | - |
| 5. Actuarial gains (losses) from defined benefit plans | - | -367 | -367 | - | -367 |
| Total | 590 | -14,178 | -13,588 | -10,587 | -3,001 |

At 31 March 2013, consolidated capital for regulatory purposes amounted to 292.2 million euros, net of the expected dividend payout, up by 15.7 million euros compared to the end of the previous year.

At the end of the quarter, the aggregate capital for regulatory purposes recorded 122.3 million euros in excess of the amount required by the Supervisory Authority to cover credit, market, and operating risks. The solvency ratio was 13.76%, compared to the minimum requirement of 8%.

| (€ THOUSAND) | 31.03.2013 | 31.12.2012 | CHANGE | |
|--|------------------|------------------|----------------|---------------|
| | | | AMOUNT | % |
| Tier 1 capital | 268,438 | 252,359 | 16,078 | 6.37% |
| Tier 2 capital | 23,762 | 24,163 | -402 | -1.66% |
| Tier 3 capital | - | - | - | n.a. |
| Total capital for regulatory purposes | 292,199 | 276,523 | 15,676 | 5.67% |
| B.1 Credit risk | 119,572 | 122,701 | -3,129 | -2.55% |
| B.2 Market risk | 8,759 | 6,446 | 2,313 | 35.88% |
| B.3 Operating risk | 41,576 | 41,576 | - | - |
| B.4 Other capital requirements | - | - | - | n.a. |
| B.4 Total capital requirements | 169,907 | 170,723 | -816 | -0.48% |
| Excess over prudential requirements | 122,292 | 105,800 | 16,492 | 15.59% |
| Risk-weighted assets | 2,123,838 | 2,134,038 | -10,200 | -0.48% |
| Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio) | 12.64% | 11.83% | 0.81% | 6.88% |
| Regulatory capital/Risk-weighted assets (Total capital ratio) | 13.76% | 12.96% | 0.80% | 6.2% |

It should be noted that Banca Generali has exercised 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 Banking Group of the same name, specialises 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. Following the merger of the subsidiary BG SGR S.p.A. on 1 September 2012, the company also launched a new asset management division aimed at developing the portfolio management schemes inherited from the subsidiary.

Considering that the merger transaction entered into effect for accounting and tax purposes retroactively from 1 January 2012, the profit and loss situation of Banca Generali at 31 March 2012 has been restated in order to take account of the effects of the merger.

Banca Generali closed the first three months of 2013 with net profit of 7.9 million euros, sharply increasing compared to the

same period of the previous year, mainly thanks to net operating income.

Net banking income, net of dividends from investee companies, amounted to 63.5 million euros, up considerably from the 53.4 million euros reported at the end of the first three months of 2012 (+19.1%), owing chiefly to the increase in net interest (+10.3 million euros) and the rise in the commissions aggregate (+6.1 million euros; 27.2%). With reference to the foregoing, operating expenses reached 37.0 million euros, slightly increasing compared to the same period of the previous year (+1.2%), also thanks to the control of staff expenses stable at 16.6 million euros.

The company also recognised net allocations to provisions for risks and charges of 10.7 million euros, down from the 11.6 million euros reported at the end of the first three months of 2012, primarily relating to incentives set to accrue for the distribution network and prudential provisions for a litigation currently underway.

| (€ THOUSAND) | 1Q2013 | 1Q2012 RESTATED | CHANGE | |
|--|----------------|--------------------|---------------|--------------|
| | | | AMOUNT | % |
| Interest income | 41,334 | 35,249 | 6,085 | 17% |
| Interest expense | -7,864 | -12,123 | 4,259 | -35% |
| Net interest | 33,470 | 23,126 | 10,344 | 45% |
| Commission income | 64,606 | 53,596 | 11,010 | 21% |
| Commission expense | -35,894 | -31,026 | -4,868 | 16% |
| Net commissions | 28,712 | 22,570 | 6,142 | 27% |
| Dividends | 8 | 45 | -37 | -82% |
| Net result from banking operations | 1,352 | 7,613 | -6,261 | -82% |
| Net operating income | 63,542 | 53,354 | 10,188 | 19% |
| Staff expenses | -16,594 | -16,534 | -60 | - |
| Other general and administrative expense | -23,205 | -22,486 | -719 | 3% |
| Net adjustments of property, equipment and intangible assets | -1,136 | -1,152 | 16 | -1% |
| Other operating expense/income | 3,923 | 3,597 | 326 | 9% |
| Net operating expense | -37,012 | -36,575 | -437 | 1% |
| Operating profit | 26,530 | 16,779 | 9,751 | 58% |
| Net adjustments for non-performing loans | -767 | -3,055 | 2,288 | -75% |
| Net adjustments of other assets | -598 | -376 | -222 | 59% |
| Net provisions | -10,722 | -11,647 | 925 | -8% |
| Dividends and income from equity investments | - | - | - | n.a. |
| Gains (losses) from the disposal of equity investments | -4 | - | -4 | n.a. |
| Operating profit before taxation | 14,439 | 1,701 | 12,738 | n.a. |
| Income taxes for the period on current operations | -6,529 | -2,670 | -3,859 | 145% |
| Profit (loss) from non-current assets, net of tax | - | 159 | -159 | -100% |
| Net profit | 7,910 | -810 | 8,720 | n.a. |

Total assets under management placed by Financial Advisors at the end of the first three months of 2013 amounted to about 27.0 billion euros, up compared to 31 December 2012 (26.2 bil-

lion euros). Net inflows amounted to 620 million euros, compared to 543 million euros at the end of the first three months of 2012.

5.2 Performance of Generali Fund Management S.A.

Generali Fund Management S.A. 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 S.A. ended the first quarter of 2013 with a net profit of approximately 28.2 million euros, down from the 40.5 million euros reported for the same period of 2012 (-12.3 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 31.0 million euros, down from the 46.7 million euros reported in 2012, whereas total operating expenses remained in line with the same period of the previous year at 1.6 million euros, approximately 1.2 million euros of which consisted of staff expenses.

Net profit attributable to minority shareholders amounted to 1.0 million euros, whereas the company's net equity stood at approximately 87.5 million euros. In April, the company paid to the

parent company Banca Generali a dividend of 12.3 million euros for financial year 2012.

Overall, assets under management at 31 March 2013 amounted to 11,661 million euros, up compared to 10,122 million euros at 31 December 2012. This figure also includes assets under management of the merged company Generali Investments Luxembourg amounting to 6,031 million euros at 31 March 2013, compared to 5,900 million euros at the end of the previous year.

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 2013 with net profit of 0.3 million euros and net equity of 11.5 million euros.

Net banking income amounted to 1.0 million euros, whereas gen-

eral and operating expense was 0.5 million euros, including 0.3 million euros for staff expenses.

Total assets under management amounted to 918 million euros, with a slight increase compared to 887 million euros at 31 December 2012.

5.4 Performance of Generfid S.p.A.

Generfid, a company specialising in custodial capacity of assets, closed the first quarter of 2013 with net profit of about 4 thousand euros and net equity amounting to about 0.6 million euros. Assets under management amounted to 770 million euros.

6. Basis of preparation

The Interim Report for the first quarter of 2013 has been 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; and
- 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 compared with the figures at the end of the previous year;
- the consolidated condensed profit and loss account for the period between the beginning of the year and the end of the quarter, compared with data for the same period of the previous year;
- the statement of comprehensive income for the period be-

tween the beginning of the year and the end of the quarter, compared with the data for the same period of the previous year.

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 No. 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 2012.

The Financial Statements presented herein must therefore be read together with those documents.

Amendments to IAS 19

The amendment to IAS 19 issued by the IASB on 16 June 2011 and endorsed by Regulation (EC) No. 475/2012 of 6 June 2012, which modifies the rules for recognising defined benefit plans

and termination benefits, entered into effect on 1 January 2013. In the banking group's case, the new rules apply solely to the accounting treatment of the provision for post-employment benefits.

In detail, the amendment eliminates the option to defer actuarial gains and losses within the scope of the corridor method, without recognising them, and instead requires that they be recognised in full in the statement of comprehensive income, including the share previously recognised in profit or loss (the "overcorridor"). If this criterion had been applied to 2012, the balance sheet figures at the end of that year would have showed an increase in liabilities associated with the provision for post-employment benefits of 0.4 million euros, as well as negative reserves from

actuarial losses on defined benefit plans of -0.3 million euros. Net profit for the year would also have increased by 0.6 million euros, with an overall positive effect on the balance sheet of 0.3 million euros.

Measurement

The preparation of the Interim Report 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 the actual amounts report-

ed herein 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 allocations for staff incentives 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 fol-

lowing subsidiaries and has not changed compared to year-end 2012:

| COMPANY NAME | REGISTERED OFFICE | TYPE OF CONTROL | SHAREHOLDING RELATIONSHIP | | % OF VOTES IN ORD. SHAREHOLDERS' MEETING |
|-------------------------------------|-------------------|-----------------|---------------------------|-------------------------|--|
| | | | INVESTOR | % OF OWNERSHIP INTEREST | |
| Fully consolidated companies | | | | | |
| BG Fiduciaria Sim S.p.A. | Trieste | 1 | Banca Generali | 100.00% | 100.00% |
| Generali Fund Management S.A. | Luxembourg | 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 its subsidiaries at 31 March 2013, 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, 7 May 2013

The Board of Directors



DECLARATION PURSUANT
TO ARTICLE 154-*BIS*,
PARAGRAPH 2, OF
LEGISLATIVE DECREE NO. 58
OF 24 FEBRUARY 1998

Declaration Pursuant to Article 154-*bis*, paragraph 2, of Legislative Decree No. 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, Via Machiavelli 4, share capital of 113,888,282 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 No. 58 of 24 February 1998, the Interim Report at 31 March 2013 corresponds to the said Company's books, records and accounting documents.

Trieste, 7 May 2013

*Giancarlo Fancel
Manager in charge
of the Company's financial reports*

BANCA GENERALI S.p.A.

Banca Generali S.p.A.

REGISTERED OFFICE

Via Machiavelli 4 - 34132 Trieste - Italy

SHARE CAPITAL

Authorised 119,378,836 euros

Subscribed and paid 113,888,282 euros

TAX CODE, VAT NO. AND TRIESTE REGISTER
OF COMPANIES

00833240328

**Company managed and coordinated
by Assicurazioni Generali S.p.A.**

**Bank which is a member of the Interbank Deposit
protection fund**

**Registration with the Bank Register
of the Bank of Italy under No. 5358**

**Parent company of the Banca Generali Banking Group
registered in the banking group register**

ABI code 03075.9



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