BANCA GENERALI

INTERIM REPORT

AT 30 SEPTEMBER 2020

INTERIM REPORT
at 30 September 2020

BOARD OF DIRECTORS
5 NOVEMBER 2020

This Interim Report has been translated from that issued in Italy, from the Italian into the English language, solely for the convenience of international readers. The Italian version remains the definitive version.

BANCA GENERALI

Banca Generali S.p.A.
Administration and Control Bodies

Board of Directors - 5 November 2020

Board of Directors	Giancarlo Fancel	Chairman
	Gian Maria Mossa	Chief Executive Officer
	Giovanni Brugnoli	Director
	Azzurra Caltagirone	Director
	Anna Gervasoni	Director
	Massimo Lapucci	Director
	Annalisa Pescatori	Director
	Cristina Rustignoli	Director
	Vittorio Emanuele Terzi	Director
Board of Statutory Auditors	Massimo Cremona	Chairman
	Mario Francesco Anaclerio	
	Flavia Minutillo	
General Manager	Gian Maria Mossa	
Manager in charge of preparing the Company's Financial Reports	Tommaso Di Russo	

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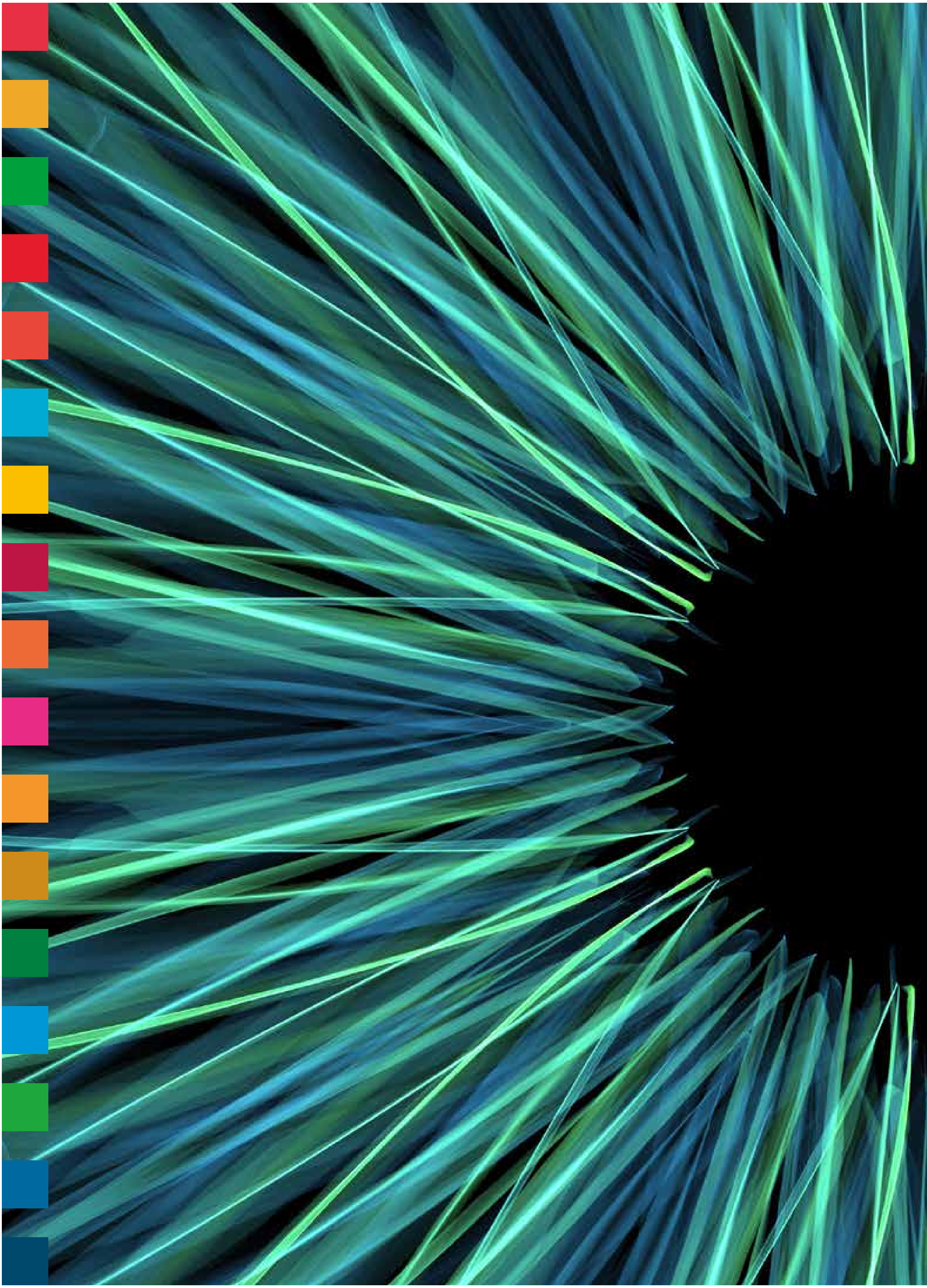
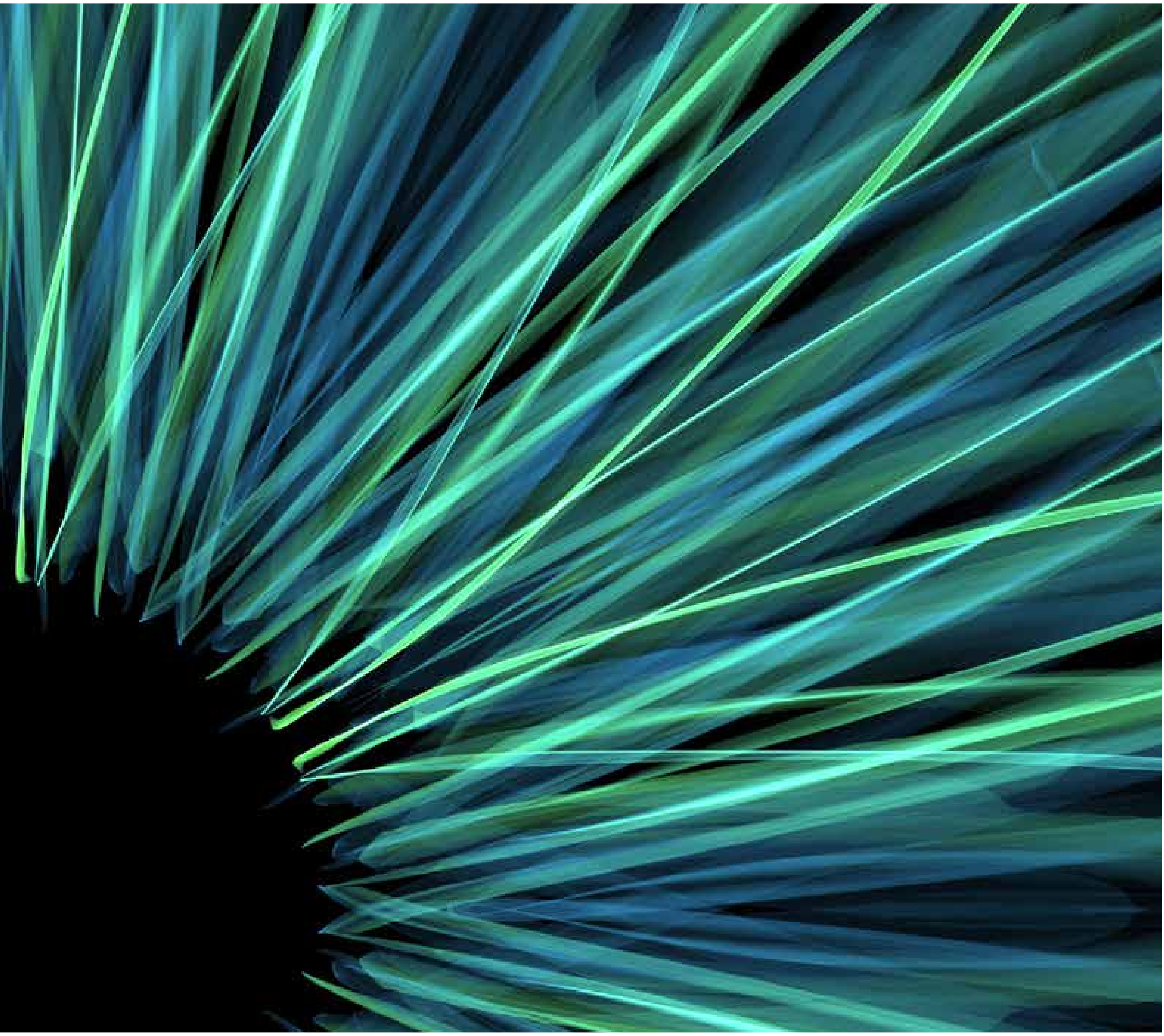




01

GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS

Group Economic and Financial Highlights

CONSOLIDATED FIGURES

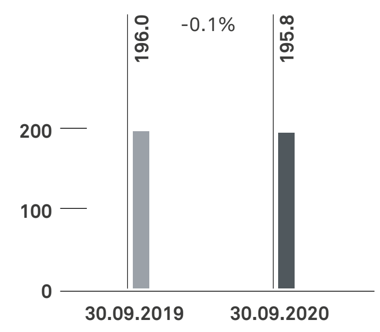
(€ MILLION)	30.09.2020	30.09.2019	CHANGE %
Net interest income	67.1	53.9	24.5
Net financial income	**77.1**	**63.2**	**22.1**
Net fees	370.3	345.2	7.3
Net banking income	**447.4**	**408.4**	**9.6**
Net operating expenses	**-163.9**	**-148.4**	**10.5**
of which:			
Staff expenses	*-76.5*	*-67.6*	*13.1*
Operating result	**283.5**	**260.0**	**9.0**
Provisions and charges related to the banking system	-30.0	-20.2	48.3
Adjustments for impairment	-2.3	-2.3	2.1
Profit before taxation	**251.0**	**237.2**	**5.8**
Net profit	**195.8**	**196.0**	**-0.1**

PERFORMANCE INDICATORS

	30.09.2020	30.09.2019	CHANGE %
Cost/Income ratio	31.4%	31.2%	0.7
Operating Costs/Total Assets (AUM) – annualised	0.31%	0.32%	-4.2
EBITDA	307.0	281.1	9.2
ROE [(a)]	26.3%	34.2%	-23.2
ROA [(b)]	0.39%	0.42%	-7.6
EPS - Earning per share (euros)	1.70	1.68	0.8

(a) Ratio of net result to the arithmetic average of net equity, including net profit, at the end of the reporting period and the end of the previous period.
(b) Ratio of net result to the average of Assoreti's annualised quarterly AUM.

NET PROFIT
(€ million)



NET INFLOWS

(€ MILLION) (ASSORETI DATA)	30.09.2020	30.09.2019	CHANGE %
Funds and Sicavs	1,250	996	25.5
Financial wrappers	56	-350	116.0
Insurance wrappers	530	226	134.5
Asset management	**1,836**	**872**	**110.6**
Insurance/Pension funds	229	995	-77.0
Securities/Current accounts	2,000	1,909	4.8
Total	**4,065**	**3,776**	**7.7**

ASSETS UNDER MANAGEMENT & CUSTODY (AUM/C)

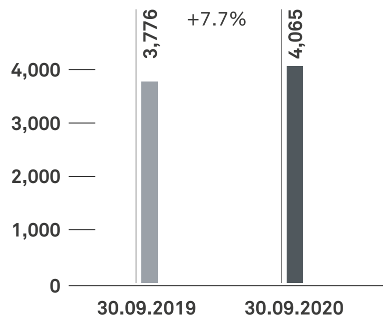
(€ BILLION) (ASSORETI DATA)	30.09.2020	31.12.2019	CHANGE %
Funds and Sicavs	17.7	16.9	4.7
Financial wrappers	7.8	8.4	-7.2
Insurance wrappers	8.9	8.7	3.0
Asset management	**34.5**	**34.0**	**1.3**
Traditional life insurance policies	16.6	16.5	0.6
AUC	19.3	18.5	4.5
Total (c)	**70.4**	**69.0**	**2.0**

(c) The figure of total AUM comprises Assoreti's AUM and the AUM not included in the consolidation scope and generated by new acquisition amounting to 2.2 billion euros at 31 December 2019 and to 1.2 billion euros at 30 September 2020.

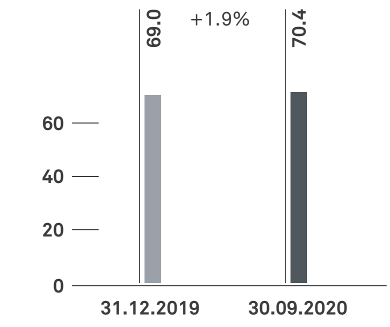
NET EQUITY

(€ MILLION)	30.09.2020	31.12.2019	CHANGE %
Net equity	1,067.7	917.7	16.4
Own funds	789.3	570.9	38.2
Excess capital	359.4	150.9	138.1
Total Capital Ratio	21.7%	16.1%	35.1

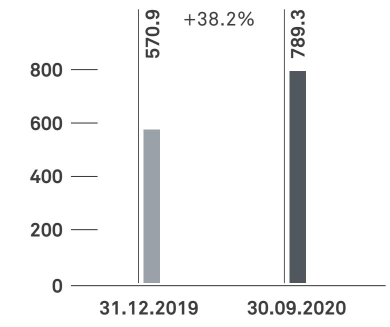
NET INFLOWS
(€ million)



ASSETS UNDER MANAGEMENT
(€ billion)



OWN FUNDS
(€ million)



02

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

ASSETS

(€ THOUSAND)	30.09.2020	31.12.2019	CHANGE AMOUNT	CHANGE %
Financial assets at fair value through profit or loss	47,487	64,998	-17,511	-26.9%
Financial assets at fair value through other comprehensive income	2,363,387	2,778,836	-415,449	-15.0%
Financial assets at amortised cost:	9,703,228	8,206,525	1,496,703	18.2%
a) loans to banks (*)	1,484,651	1,130,690	353,961	31.3%
b) loans to customers	8,218,577	7,075,835	1,142,742	16.1%
Equity investments	1,906	2,061	-155	-7.5%
Property, equipment and intangible assets	283,030	298,354	-15,324	-5.1%
Tax receivables	47,980	51,168	-3,188	-6.2%
Other assets	386,671	363,634	23,037	6.3%
Total assets	**12,833,689**	**11,765,576**	**1,068,113**	**9.1%**

(*) Demand deposits with the ECB have been reclassified among loans to banks.

NET EQUITY AND LIABILITIES

(€ THOUSAND)	30.09.2020	31.12.2019	CHANGE AMOUNT	CHANGE %
Financial liabilities at amortised cost:	11,317,120	10,503,986	813,134	7.7%
a) due to banks	593,496	94,807	498,689	n.a.
b) due to customers	10,723,624	10,409,179	314,445	3.0%
Financial liabilities held for trading and hedging	40,891	8,685	32,206	n.a.
Tax liabilities	42,331	13,618	28,713	210.8%
Other liabilities	184,842	147,097	37,745	25.7%
Special purpose provisions	180,774	174,522	6,252	3.6%
Valuation reserves	3,284	3,813	-529	-13.9%
Equity instruments	50,000	50,000	-	-
Reserves	689,914	454,465	235,449	51.8%
Share premium reserve	57,066	57,729	-663	-1.1%
Share capital	116,852	116,852	-	-
Treasury shares (-)	-45,200	-37,356	-7,844	21.0%
Net equity attributable to minority interests	35	26	9	34.6%
Net profit (loss) for the period (+/-)	195,780	272,139	-76,359	-28.1%
Total net equity and liabilities	**12,833,689**	**11,765,576**	**1,068,113**	**9.1%**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

ITEMS

(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	CHANGE %
Net interest income	67,080	53,866	13,214	24.5%
Net income (loss) from trading activities and dividends	10,068	9,307	761	8.2%
Net financial income	**77,148**	**63,173**	**13,975**	**22.1%**
Fee income	675,636	633,113	42,523	6.7%
Fee expense	-305,371	-287,900	-17,471	6.1%
Net fees	**370,265**	**345,213**	**25,052**	**7.3%**
Net banking income	**447,413**	**408,386**	**39,027**	**9.6%**
Staff expenses	-76,471	-67,619	-8,852	13.1%
Other general and administrative expense (net of duty recovery)	-66,988	-62,728	-4,260	6.8%
Net adjustments of property, equipment and intangible assets	-23,488	-21,152	-2,336	11.0%
Other operating expenses/income	3,006	3,069	-63	-2.1%
Net operating expenses	**-163,941**	**-148,430**	**-15,511**	**10.5%**
Operating result	**283,472**	**259,956**	**23,516**	**9.0%**
Net adjustments for non-performing loans	-2,315	-2,268	-47	2.1%
Net provisions for liabilities and contingencies	-18,878	-12,973	-5,905	45.5%
Contributions and charges related to the banking system	-11,148	-7,269	-3,879	53.4%
Gains (losses) from equity investments	-127	-239	112	-46.9%
Operating profit before taxation	**251,004**	**237,207**	**13,797**	**5.8%**
Income taxes for the period	-55,237	-41,177	-14,060	34.1%
Net profit attributable to minority interests	-13	-	-13	n.a.
Net profit	**195,780**	**196,030**	**-250**	**-0.1%**

STATEMENT OF COMPREHENSIVE INCOME

(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	CHANGE %
Net profit	**195,767**	**196,030**	**-263**	**-0.1%**
Other income, net of income taxes:				
With transfer to Profit and Loss Account:				
Exchange differences	-3	4	-7	-175.0%
Financial assets at fair value through other comprehensive income	-526	18,921	-19,447	-102.8%
Without transfer to Profit and Loss Account:				
Actuarial gains (losses) from defined benefit plans	24	-369	393	-106.5%
Total other income, net of income taxes	**-505**	**18,556**	**-19,061**	**-102.7%**
Comprehensive income	**195,262**	**214,586**	**-19,324**	**-9.0%**
Consolidated comprehensive income attributable to minority interests	11	-	11	n.a.
Comprehensive income attributable to the Group	**195,251**	**214,586**	**-19,335**	**-9.0%**

03

INTERIM REPORT
at 30 September 2020

BOARD OF DIRECTORS
5 NOVEMBER 2020

1. Summary of Operations for the First Nine Months of 2020

Banca Generali Group closed the first nine months of 2020 with a consolidated net profit of 195.8 million euros, in line with the same period of the previous year (-0.1%), despite the severe financial crisis that swept through the world economy following the outbreak of the coronavirus (Covid-19) pandemic emergency beginning in the second half of February.

In the reporting period, financial markets exhibited particularly high volatility which led central banks and governments to implement prompt corrective measures. Equity markets fluctuated considerably, favouring some sector themes, with the performance of many asset classes generally reflecting the impact of the crisis, apart from some exceptions such as government bonds. Banca Generali took a proactive approach to this volatility, focusing as always on protecting its customers' wealth.
The Bank's prudent and diversified strategy allowed the recovery of managed assets and AUC, which stood at 70.4 billion euros, increasing once again compared to year-start levels (+2.0%) and growing sharply on an annual basis (+6.5%).

Total net inflows amounted to 4.1 billion euros, with a figure far above that of the previous year on both a monthly and yearly basis, thus confirming the Bank's ability to grow in any market condition.
However, net inflows were affected by the extreme volatility on international financial markets, which experienced one of the worst episodes of recent decades during this period, and thus were concentrated mainly in current accounts or AUC solutions (2.0 billion euros YTD).
As of April 2020, when financial markets started to recover, the liquidity conversion trend of customers' deposits on current accounts gradually strengthened, focusing on managed solutions, which amounted to a positive 1.8 billion euros at the end of the period, driven by the excellent result of the Lux IM Sicav (net inflows: 1.3 billion euros) and the BG Stile Libero policy (0.5 billion euros).

Despite this difficult scenario, **net banking income** rose by nearly 10% to 447.4 million euros, thanks to the positive trend of net interest income (+22.1%) and net recurring fees (+8.4%). This result was also driven by the variable revenue components linked to the robust financial market growth in the first two months of 2020, before the outbreak of the Covid-19 emergency, and the subsequent rebound (+4.2%).

Operating expenses[1] were 163.9 million euros, increasing compared to the previous year (+10.5%). The change was broadly attributable to the contribution of the acquisition of Nextam and Valeur and the costs incurred for the subsequent reorganisation and integration activities (M&As), amounting to 14.6 million euros and the donations made in light of the Covid-19 emergency for 0.9 million euros. Net of these items, core expenses[2] showed a 2.0% organic growth.

Provisions, net adjustments and charges related to the banking system amounted to 32.3 million euros overall, up 9.8 million euros compared with the same period of 2019, due to the greater net provisions for contractual indemnities for the sales network (+6.4 million euros), partly associated with the alignment of discounting rates applied to actuarial-statistic evaluation and the increase in contributions to the funds for the protection of the banking system, also with respect to higher charges estimated for the measures adopted by the Interbank Deposit Protection Fund (FITD) in the reporting period.

With reference to **capital**, Banca Generali confirmed the soundness of its regulatory aggregates, with a CET1 ratio of 20.4% and a Total Capital Ratio of 21.7%, far in excess of the specific requirements set for the Group by the Bank of Italy (CET1 ratio of 7.75% and a Total Capital Ratio of 11.84%, as the minimum required by the SREP – Supervisory Review and Evaluation Process).

1 At 30 September 2020, in order to ensure a better understanding of operating performance, in the reclassified consolidated profit and loss account the mandatory contributions paid by the Bank, pursuant to the DSGD and BRRD for the protection of the banking system, were reclassified to a separate item not included in the net operating expenses aggregate.
2 Operating expenses net of expenses related to sales personnel and the change in the consolidation scope.

This level of capitalisation was also achieved in part due to the inevitable cancellation of the payment of the first tranche of the dividend for financial year 2019, which was scheduled for payment starting on 15 October, in view of the extension until 1 January 2021 of the temporary restriction placed by the ECB on credit institutions against paying or entering into irrevocable commitments to pay dividends.
In addition, it should be noted that the ECB introduced various prudential mitigation measures aimed at reducing the impact of the Covid-19 emergency on the banking system, such as an option to operate temporarily beneath the capital conservation buffer and Pillar 2 guidance (P2G) and to comply with the binding Pillar 2 requirement (P2R) partially by using equity instruments not classified as CET1. On the basis of these measures, the total binding requirement for the Banking Group could currently amount to 9.34%, with a capital in excess of Own Funds that rose from 359 to 450 million euros.

The total value of **Assets Under Management** (AUM) managed by the Group on behalf of customers — which is the figure used for communications to Assoreti — amounted to 69.2 billion euros at 30 September 2020, in addition to the contribution of 1.1 billion euros deriving from the consolidation of the newly acquired Valeur and the contribution of the Nextam Sicav directly managed by BGFML (0.1 billion euros), for a total of **70.4 billion euros**.
In addition, managed assets also included 0.7 billion euros in AUC of the Generali Group companies and 3.8 billion euros in funds and Sicavs distributed directly by BGFML, for an overall total of **74.9 billion euros**.

Covid-19 pandemic

In addressing the Covid-19 pandemic, the Bank's priority was, and still is, the health and safety of all its employees, financial advisors and clients, as well as their families.

Since the first sings of the seriousness of the pandemic, Banca Generali has adopted a series of broad, effective initiatives designed to prevent and contain the spread of the epidemic within its sites such as limiting its employees' movements on the country to strictly necessary travels, strongly enhancing hygiene and sanitation measures within its offices and branches, and extending eligibility for smart-working to the whole workforce. Ninety percent of employees worked remotely, ensuring full business continuity. Medical and health information was constantly circulated, including through a dedicated newsletter and video messages from the Chief Executive Officer and Human Resources Department. In addition, a dedicated telephone line was set up to provide medical assistance, available to all employees and their family members.

Turning to the development of the business, the third quarter saw a partial recovery of the asset classes that had been negatively affected by the extreme volatility of the international financial markets due to the exceptional nature of the situation generated by the pandemic.
AUM contraction reached its highest level in mid-March (-7.6% of the total, with peaks of nearly -12% for the managed component), to then fall back to -3.1% of the total and -2.54% of managed assets in September 2020.

Net inflows in the first nine months of 2020 were 4 billion euros, confirming a very robust growth trend, despite the dramatically changed environment due to the spread of the pandemic, showing that, at the times of greatest uncertainty and volatility, the Bank is a point of reference in terms of solidity and flexible offering. In March (the apex of the pandemic), net inflows were primarily generated by deposits or AUC solutions. However, in the subsequent months net inflows shifted towards managed and AUC solutions, drawing on the liquidity from previous months.

At the level of profit and loss account, net profit for the first nine months of the year amounted to 195.8 million euros, substantially stable compared to the same period of the previous year, despite the sudden change in economic conditions and market volatility. The increase in recurring profit (+3.92%) is evidence of the solidity of the Bank's core business.
All the components of gross recurring fees grew.

Management fees amounted to 497 million euros, increasing by +4% compared to the same period of the previous year and by +6% compared to the previous quarter, as a result of the market recovery in the reporting period. Banking and entry fees also rose (+31% compared to the same period of the previous year) thanks to the increase in Assets under Advisory (BGPA), the placement of structured products and the contribution of trading activities.
Within this scenario, the Bank confirmed the strategies previously defined and the 2021 targets already disclosed to the market, both in terms of net inflows (14.5 million euros) and total assets (76-80 million euros), as well as of profitability (core net banking income not below 63 bps).

Within this environment of extreme difficulty for the country on the healthcare, economic and social fronts, Banca Generali not only ensured security and protection for savings, but also assumed social responsibility through a series of concrete initiatives. Together with the Generali Group, it created an Extraordinary International Fund allocating 50 million euros for Italy. In addition, the Bank's Board of Directors approved a 1 million euro donation for initiatives in favour of the healthcare structures that are at the forefront of combating the Coronavirus emergency, which entailed the purchase of four ambulances equipped with all resuscitation facilities, already delivered to the Red Cross, and the support to major non-profit organisation active in acquiring adequate protection equipment (eg., face masks) and medical supplies. These efforts are complemented by the fund-raising being carried out among the Bank's employees and Financial Advisors, with the Bank matching every euro with one of its own.

From an operational standpoint, the Group's technological infrastructure and digital banking operating procedures have made it possible to implement several processes aimed at keeping up with the increased remote workload and to ensure the full operation of all company activities, without significant interruptions or service outages, in line with the government initiatives that have deemed banking to be essential services.

The measures adopted and initiatives taken — including those relating to the creation of new products, of which those in support of Italy's SMEs are particularly significant — entailed additional costs that may be estimated at approximately 1.8 million euros; of these costs, 1.7 million euros had already been incurred in the third quarter of the year, including 0.9 million euros in donations.

In response to the Covid-19 emergency, the Bank also assessed possible stress scenarios and the related medium-and-long-term impacts, above all in terms of profit and loss account performance and financial solidity, considering the development of the relevant market environment.

In particular, in March 2020 — first within the Risks Committee and then within the Board of Directors — a stress scenario was represented involving an acute widening of the spread, tension on the equity market and on rates and a shift in the main macro variables, resulting in lower assets under management and lower management and performance fees. Even within this scenario, the findings of the analysis conducted confirmed the Bank's financial solidity, with a Total Capital Ratio that nonetheless remained within the tolerance range indicated by the Risk Appetite Framework.
Similarly, from an ICAAP/ILAAP standpoint, an additional stress test was performed and then brought to the attention of the Board of Directors in June, in compliance with the specific request from the Bank of Italy to update the initial capital adequacy and liquidity estimates to take account of the impacts of Covid-19. This scenario — which in particular envisaged a further decline in real GDP in 2020, accompanied by a deterioration of equity market indices and government bond spreads — also confirmed the previous findings, with all main risk and financial solidity indicators that, albeit worsening as a result of the adverse market conditions, remained within the tolerance thresholds established in the Risk Appetite Framework.

With regard to the incidence of macroeconomic variables, attention should be drawn to the limited correlation found to exist between the decline in GDP and household wealth — a finding that reinforces the sustainability of the Bank's business model and grants it an advantageous position with respect to the other players in the banking market more focused on the traditional credit business.

2. Macroeconomic Context

The third quarter of the year was characterised by a rally by the main stock exchanges following the containment of the spread of the pandemic, which enabled a resumption of economic activity within the major global economies. In September, the spectre of a second wave of Covid-19 transmission and the absence of a vaccine, which probably will not be forthcoming until next year, triggered a risk-off among investors, while still allowing the main equity indices to end the quarter in positive territory. The US market in particular, driven above all by technology stocks, outperformed the European market by approximately five percentage points.

The Federal Reserve published its estimates for US GDP (-3.7% in 2020, better than expected, and +4.0% in 2021) and lowered its unemployment forecast for 2020 to 7.6% in light of the US economic recovery in recent months. In the Eurozone, the decline in GDP was estimated at 8.1% in 2020, followed by estimated growth of +5.1% in 2021.

During the period, the expansionary fiscal and monetary policies implemented by governments and central banks at the global level continued to sustain stock market performance. The assets on the Federal Reserve's balance sheet rose by nearly 3,000 billion dollars since the end of February (equivalent to 13.4% of US GDP in 2019), whereas in fiscal terms the US government set aside more aid than provided during the 2008 financial crisis. In addition, in order to provide a further stimulus to the economy recovery, during the annual symposium in Jackson Hole, Federal Reserve Chairman Jerome Powell announced a shift in monetary policy towards "average inflation targeting". From now on, the 2% inflation target — measured by the change in the personal consumption expenditure price index — will be measured in terms of the average of inflation, accepting periods of inflation above the target (overshooting), offsetting periods in which, as at present, inflation remains low. Finally, the US central bank stated that in order to ensure that the financial markets continue to function properly and maintain expansionary financial conditions, rates will remain at the current level of 0-0.25% until at least the end of 2023, whereas securities purchases will continue at the current pace of 80 billion dollars a month (plus 40 going to mortgage-backed securities).

Europe also mounted a unitary response to the pandemic. On the fiscal policy front, European leaders approved an extraordinary plan (the "Recovery Fund") amounting to 750 billion euros to save the countries most affected by the economic crisis caused by the coronavirus. Among them, Italy will receive 28% of aid, for a total of 209 billion euros, to be used to reconstruct the country's social and economic fabric. The European approach calls for most of the aid to be put towards sustainability, with a particular focus on energy resource waste. Europe has set itself the goal of becoming the first carbon-neutral continent by 2050. Accordingly, economic aid will be allocated to promote increasing de-coupling of economic growth from resource use. The adoption of EU Energy System Integration and Hydrogen Strategies paves the way to a fully decarbonised and more efficient energy sector.

In terms of monetary policy, the European Central Bank announced that rates will remain unchanged at least until the economy reaches 2% inflation and is trending above this level. The ECB has much less room to manoeuvre than the Federal Reserve, in part because its mission relates solely to price stability, without an employment level target. Securities purchases will continue through the PEPP (Pandemic Emergency Purchase Programme) at the current level of 120 billion euros a month.

In the third quarter, the Eurostoxx 50 index moved laterally, punctuated by several periods of volatility, driven above all by the development of the pandemic situation, whereas the S&P 500 and emerging market index posted gains in euro of around 3-4 percentage points, buoyed in particular by the performance of technology stocks. Sectors such as technology and cyclical industrial sectors outperformed. The energy and banking sectors instead underperformed.

In view of the ongoing economic slowdown and the significant monetary stimulus implemented by central banks, German ten-year government bond yields remained near -0.50%, whereas US Treasury yields were essentially unchanged from their lows in recent years at 0.68%. Spreads between European Monetary Union countries narrowed. In particular, in September the BTP-Bund spread reached approximately 138 bps in September, due above all to the agreement on the use of the Recovery Fund, which will make Italy the main beneficiary. In the corporate bond market, due to the considerable need for funds by companies, issuance from June to August exceeded the average for the past ten years by 80%. During the period, credit spreads initially continued the gradual normalisation process that had begun in late March, followed by a slowdown in the final weeks of September due to uncertainty relating to the solidity of the economic recovery.

On currency markets, the dollar depreciated against the euro, with the euro-dollar exchange rate passing from 1.12 to 1.17 for the quarter under review. This currency movement may pose a problem for an export-oriented economy such as that of Europe, which exports approximately 46% of its GDP, compared to 12% for the United States. The euro also gained approximately 2% against the yen and 1% against the pound sterling.

During the third quarter of 2020, the general commodities index posted a robust recovery, following the severe downturns witnessed early in the year. The main supporting factor was the gradual recovery of global economic activity, driven by the easing of the lockdown measures that had been adopted to halt the spread of the pandemic.
The rally extended across all sub-segments of the general commodities index, from the most cyclical segments such as energy and industrial to those less tied to the performance of the economic cycle, such as the agricultural and precious metals sectors. The precious metals sector was once again driven by gold, purchased as a safe-haven asset by investors.

Outlook

The main global investment firms expect that economic activity will recover gradually in the coming months. Despite the adoption of the Recovery Fund, the Eurozone will grow more slowly than the United States. Governments and central banks will continue to adopt expansionary monetary and fiscal policies in support of the economy. In the coming weeks, there will nonetheless be many sources of uncertainty at the global level. Attention will need to be focused in particular on the development of the pandemic, the possible discovery of a vaccine and the outcome of the US elections, which will mark a major turning point for market performance in the fourth quarter of the year.

3. Banca Generali's Competitive Positioning

Banca Generali is a leading Italian distributor of financial products and services for affluent and private customers through Financial Advisors. The Group's markets of reference are asset management and distribution through its Financial Advisor networks.

3.1 The asset management market

In the first eight months of 2020, net inflows of the asset management market were positive for 10.0 billion euros. In this regard, foreign funds rose by approximately 12.6 billion euros, whereas Italian funds reported negative net inflows of about 4.0 billion euros.

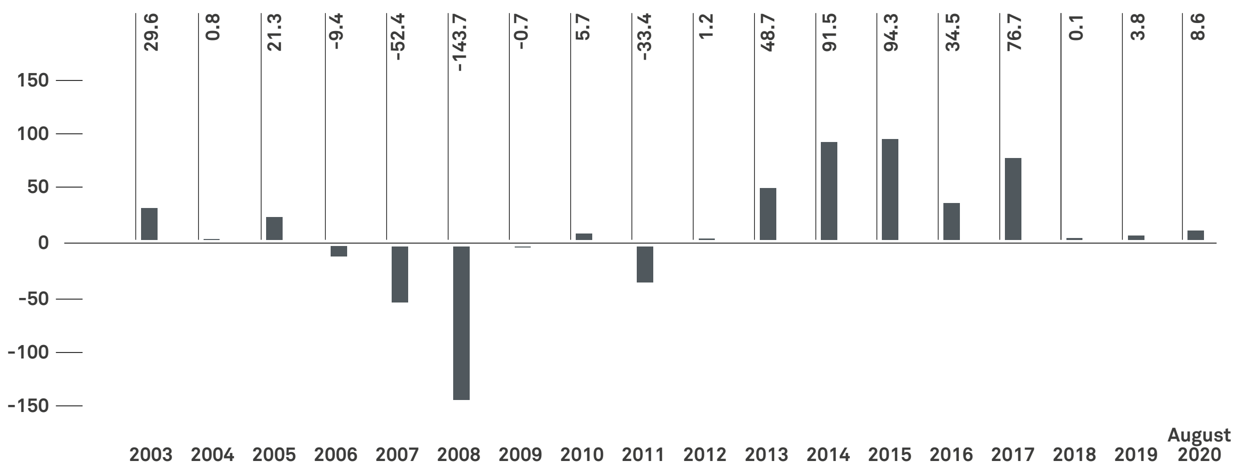
EVOLUTION OF NET INFLOWS AND ASSETS UNDER MANAGEMENT

	NET INFLOWS		ASSETS	
(€ MILLION)	AUGUST 2020	AUGUST 2019	AUGUST 2020	AUGUST 2019
Italian funds	-3,950	-9,082	235,691	243,292
Foreign funds	12,587	8,098	820,356	793,052
Total open-ended funds	**8,637**	**-984**	**1,056,046**	**1,036,344**
GP Retail	**1,380**	**-400**	**130,917**	**128,500**
Total	**10,017**	**-1,384**	**1,186,963**	**1,164,844**

Source: Assogestioni data updated August 2020 (€ million).

The role played by Financial Advisor networks authorised to make off-premises offers was very important: within the open-ended UCITS system, from January to August 2020, Financial Advisor networks raised 10.8 billion euros, whereas the other channels had a negative contribution of approximately -2.2 billion euros.

THE UCITS MARKET IN ITALY SINCE 2003 (€ BILLION)



Source: Assogestioni data updated August 2020.

3.2 The Assoreti market

In the first eight months of 2020, Assoreti market's net inflows (which relate to the distribution activity of Financial Advisor networks) were well above those reported in 2019 (+25.8%). Approximately 45% of net resources invested (13.0 billion euros) regarded asset management and insurance products, whereas the remainder was invested in AUC.

(€ MILLION)	ASSORETI MARKET AUGUST 2020	ASSORETI MARKET AUGUST 2019	CHANGE
Asset management	6,786	2,358	4,428
Insurance products	6,256	7,259	-1,003
AUC	15,773	13,290	2,484
Total	**28,815**	**22,906**	**5,909**

Source: Assoreti data updated August 2020 (€ million).

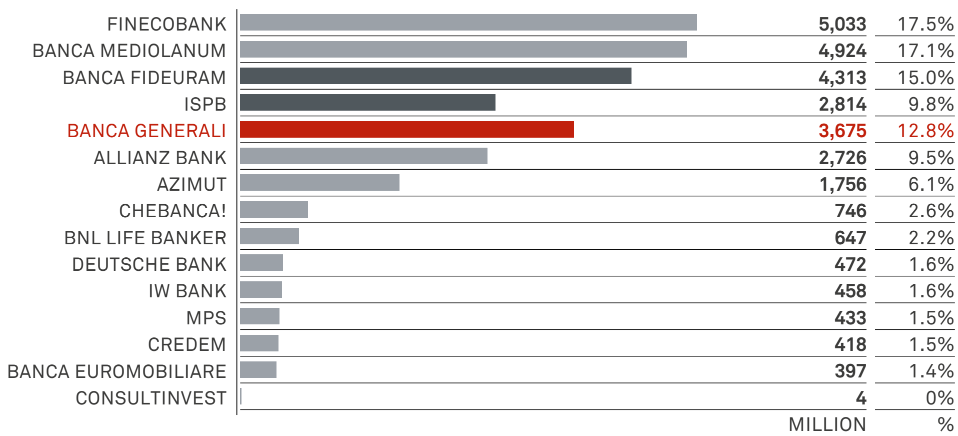
In the asset management market, the first eight months of 2020 saw the positive performance of the UCITS segment for approximately 4,398 million euros and net inflows of 2,389 million euros generated by discretionary mandates. The insurance sector continued to attract a significant share of investments with net inflows of 6,256 million euros, of which 4,485 million euros related to unit-linked and multi-line policies.

Net inflows generated by AUC amounted to 15,773 million euros, also thanks to the significant influx of cash (7,787 million euros).

3.3 Banca Generali

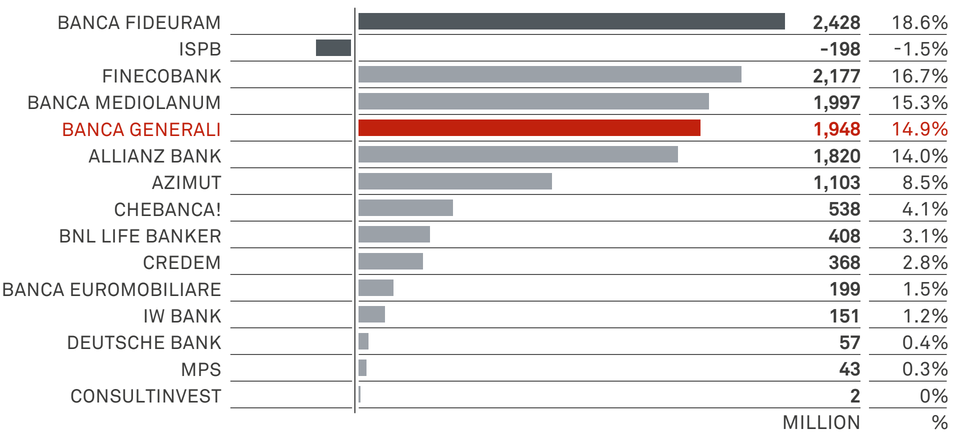
Against this background, Banca Generali continued to be one of the market leaders in terms of net inflows through Financial Advisors, with 3,675 million euros at the end of August 2020 (latest available figure for Assoreti comparison), with a market share of 12.8%. The per-capita net inflows per Financial Advisor were 1.8 million euros, 42% above the market average (1.2 million euros).

TOTAL NET INFLOWS ASSORETI – 28.8 BILLION EUROS – AND MARKET SHARE % (August 2020, € million)



Source: Assoreti.

Banca Generali was among the top players in the industry in terms of net inflows of asset management and insurance products, with a 14.9% market share and net inflows of asset management and insurance products of 0.94 million euros per capita, significantly above the market average (0.56 million euros).



NET INFLOWS FROM AUM AND INSURANCE PRODUCTS – ASSORETI – 13.0 BILLION EUROS – AND MARKET SHARE % (August 2020, € million)

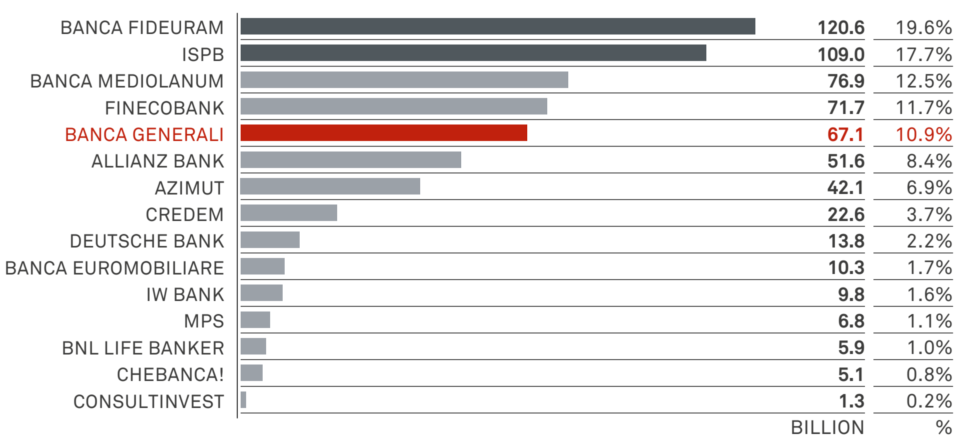
Source: Assoreti.

With specific reference to the September figures, the Bank's net inflows further increased to 4,065 million euros. This result reflected the households' high demand for financial advice, in a context where increasingly greater importance is attached to risk and volatility control and diversification potential. In this context, the Bank is increasingly seen as a beacon for households in search of a secure, reliable and highly professional partner capable of protecting their assets and providing bespoke investment solutions. The figure is even more significant when considering that it only includes net inflows from Banca Generali's Financial Advisors and Private Bankers.

NET INFLOWS OF BANCA GENERALI

	BG GROUP		CHANGES VS 30.09.2019	
(€ MILLION)	30.09.2020	30.09.2019	AMOUNT	%
BG Group funds and Sicavs	1,250	996	254	25.5%
Financial wrappers	56	-350	406	116.0%
Insurance wrappers	530	226	304	134.5%
Total assets under management	**1,836**	**872**	**964**	**110.6%**
Total traditional life insurance policies	**229**	**995**	**-766**	**-77.0%**
Total AUC	**2,000**	**1,909**	**91**	**4.8%**
Total net inflows placed by the network	**4,065**	**3,776**	**289**	**7.7%**

In terms of Assets Under Management, in June 2020 Banca Generali was once again one of the five top competitors in the Assoreti market (distribution activity carried out through Financial Advisors), with 67.1 billion euro AUM and a market share of 10.9%.



ASSORETI TOTAL AUM – 615 BILLION EUROS – AND MARKET SHARE % (June 2020, € billion)

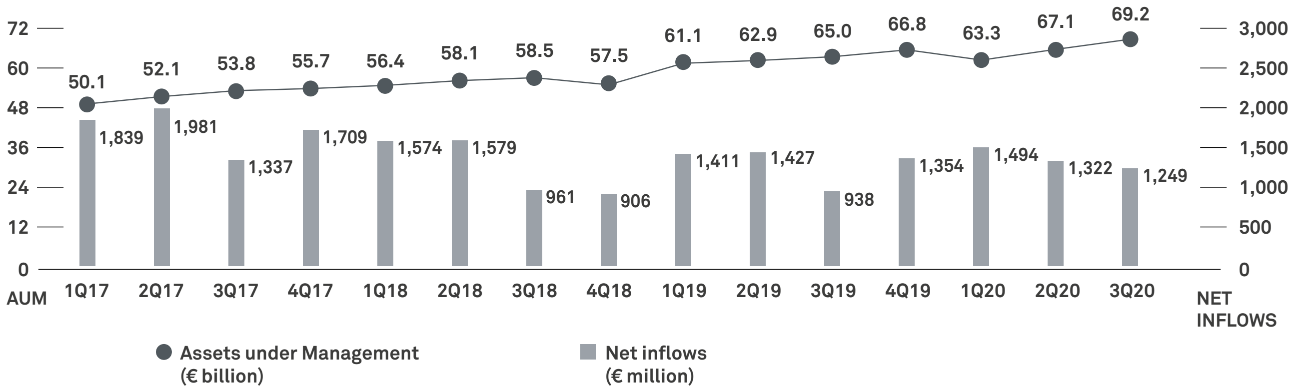
Source: Assoreti.

With specific reference to the September figures, Banca Generali's assets under management — as illustrated in the table below — showed a 3.6% increase in the first nine months of 2020 compared to December 2019.
AUM in asset management products grew by 4.5%; in detail, assets invested in funds and Sicavs rose by 5.5%, in financial wrappers by 4.1% and in insurance wrappers by 3.0%. Traditional life insurance policies increased by 0.7%. AUC rose by 4.5%, driven chiefly by the net inflows attributable to the acquisition of new customers and the liquidity generally deposited on current accounts in highly volatile markets contexts.

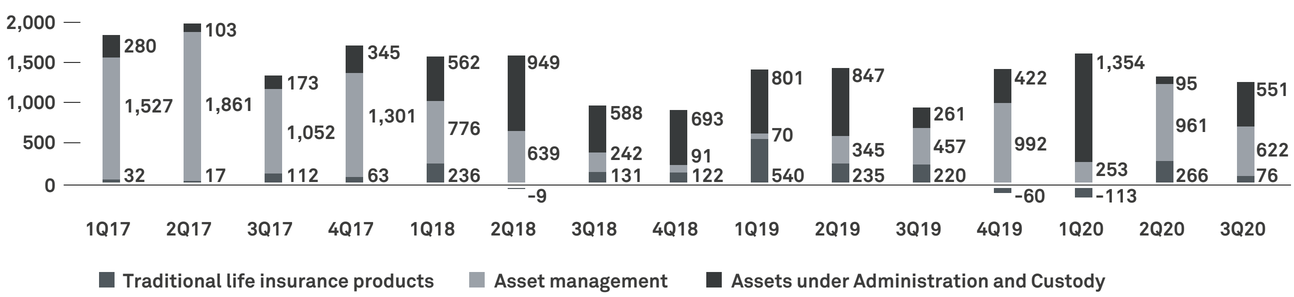
BANCA GENERALI'S ASSETS UNDER MANAGEMENT

	BG GROUP		CHANGES VS 31.12.2019	
(€ MILLION)	30.09.2020	31.12.2019	AMOUNT	%
BG Group funds and Sicavs	17,392	16,478	914	5.5%
Financial wrappers	6,926	6,654	272	4.1%
Insurance wrappers	8,929	8,672	257	3.0%
Total assets under management	**33,247**	**31,804**	**1,444**	**4.5%**
Total traditional life insurance policies	**16,648**	**16,534**	**114**	**0.7%**
Total AUC	**19,319**	**18,482**	**836**	**4.5%**
Total AUM placed by the network	**69,214**	**66,819**	**2,394**	**3.6%**

EVOLUTION OF AUM AND NET INFLOWS



BREAKDOWN OF QUARTERLY NET INFLOWS (€ million)



4. Operating Result[3]

The Group's net profit at the end of the first nine months of 2020 amounted to 195.8 million euros, essentially in line with the same period of the previous year[4], despite the severe financial and economic crisis that swept through the world economy and following the persistence of the coronavirus (Covid-19) pandemic emergency.

(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	CHANGE %
Net interest income	67,080	53,866	13,214	24.5%
Net income (loss) from trading activities and dividends	10,068	9,307	761	8.2%
Net financial income	**77,148**	**63,173**	**13,975**	**22.1%**
Fee income	675,636	633,113	42,523	6.7%
Fee expense	-305,371	-287,900	-17,471	6.1%
Net fees	**370,265**	**345,213**	**25,052**	**7.3%**
Net banking income	**447,413**	**408,386**	**39,027**	**9.6%**
Staff expenses	-76,471	-67,619	-8,852	13.1%
Other general and administrative expense (net of duty recovery)	-66,988	-62,728	-4,260	6.8%
Net adjustments of property, equipment and intangible assets	-23,488	-21,152	-2,336	11.0%
Other operating expenses/income	3,006	3,069	-63	-2.1%
Net operating expenses	**-163,941**	**-148,430**	**-15,511**	**10.5%**
Operating result	**283,472**	**259,956**	**23,516**	**9.0%**
Net adjustments for non-performing loans	-2,315	-2,268	-47	2.1%
Net provisions for liabilities and contingencies	-18,878	-12,973	-5,905	45.5%
Contributions and charges related to the banking system	-11,148	-7,269	-3,879	53.4%
Gains (losses) from equity investments	-127	-239	112	-46.9%
Operating profit before taxation	**251,004**	**237,207**	**13,797**	**5.8%**
Income taxes for the period	-55,237	-41,177	-14,060	34.1%
Net profit attributable to minority interests	-13	-	-13	n.a.
Net profit	**195,780**	**196,030**	**-250**	**-0.1%**

Reclassified net banking income amounted to 447.4 million euros, up 39.0 million euros (+9.6%) compared to the same period of 2019, as a result of the following factors:

> the increase in **net financial income (+22.1%)**, which benefited from the growth of **net interest income (24.5%)**, driven by both growth in average loan volumes of the securities portfolio (+19.6%) and more efficient management of liquidity;

[3] The following reclassifications have been made in the presentation of the reclassified Consolidated Profit and Loss Account in order to facilitate understanding of operating performance:
1) reclassification to the net fee aggregate of the provisions for incentives related to sales and recruitment plans; the net provisions aggregate was restated net of these items, amounting to 9.9 million euros in 2020 and 9.2 million euros in 2019;
2) reclassification to the other administrative expenses aggregate of taxes recovered from customers, accounted for among other operating income and expenses and amounting to 46.1 million euros in 2020 and 40.1 million euros in 2019;
3) reclassification of the costs of the mandatory contributions paid by the Bank, pursuant to the DSGD and BRRD for the protection of the banking system (contributions to the Italian Interbank Deposit Protection Fund, European Single Resolution Fund and the Italian National Resolution Fund for previous interventions), from the administrative expenses aggregate to a separate item not included in the net operating expenses aggregate; this restatement aligns the Bank's disclosure with the most widespread market practice and enables a better presentation of the performance of costs more closely connected to the Bank's operating structure, separated from the amount of the systemic costs incurred.

[4] Two business combinations were undertaken in 2019: the acquisition of the Nextam Partners Group on 25 July 2019 and the acquisition of the Swiss asset manager Valeur Fiduciaria S.A. on 15 October 2019.
The contribution of these acquisitions is therefore reflected in the Consolidated Profit and Loss Account for the comparison period with regard to two months only for the Nextam Group. However, the economic effect of the two acquisitions does not materially impact the Banking Group's main operating aggregates. An analysis of the most significant impacts on the various items of the Profit and Loss Account is thus provided below.

> the growth of **net recurring fees (+8.4%)**, fuelled by the strong boost provided by **banking and entry fees** (+29.2%), which benefited from the considerable development of certificate placement activity and the greater revenues on advisory services, respectively, and by the resilience of **management fees** (+4.4%);
> the contribution of **performance fees (+4.2%)**, attributable to both the robust financial market growth in the first two months of 2020, before the outbreak of the Covid-19 emergency, and, to a lower extent, to the subsequent recovery driven by the economy support measures jointly introduced by central banks and governments.

The growth indicated is largely the result of the organic development of the Banking Group's business. The economic effect of the new acquisitions can be estimated at 1.65% of consolidated net banking income.

Operating expenses[5] were 163.9 million euros, increasing compared to the previous year (+10.5%). The change was broadly attributable to the contribution of the acquisition of Nextam and Valeur and the costs incurred for the subsequent reorganisation and integration activities (M&As), amounting to 14.6 million euros[6], as well as to the Covid-19-related donations for 0.9 million euros. Net of these items, core expenses[7] showed a 2.0% organic growth.

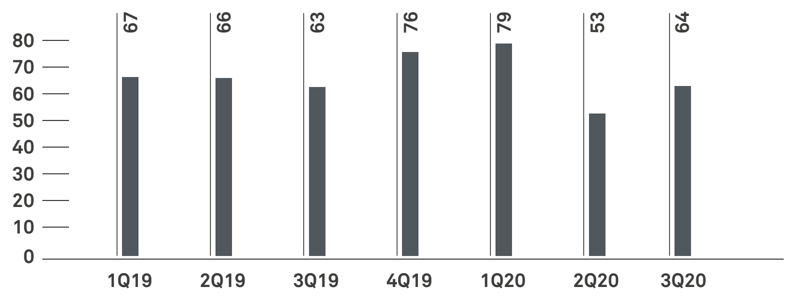
The **cost/income ratio**, which measures the ratio of operating expenses (gross of adjustments to property, equipment and intangible assets) to net operating income, amounted to 31.4%, whereas the adjusted cost/income ratio[8] stood at 37.5%, thus confirming the Bank's excellent operating efficiency.

Provisions, net adjustments and charges related to the banking system amounted to 32.3 million euros overall, up 9.8 million euros compared with the same period of 2019, due to the greater net provisions for contractual indemnities for the sales network (+6.4 million euros), partly associated with the alignment of discount rates applied to actuarial-statistic evaluation and the increase in contributions to the funds for the protection of the banking system, also with respect to higher charges estimated for the measures adopted by the Interbank Deposit Protection Fund (FITD) in the reporting period.
Net adjustments for non-performing loans were essentially stable overall, despite including higher collective adjustments on performing loans to customers for 1.4 million euros, chiefly attributable to the deterioration of the economic scenario due to the Covid-19 emergency.

Operating profit before taxation was 251.0 million euros, up 13.8 million euros compared to the same period of 2019 (+5.8%). The tax burden for the reporting period increased sharply, with an overall tax rate of 22.0%, due both to the increased weight of the tax burden generated abroad and the impact of infragroup dividends distributed in the first nine months of 2020.

[5] See the previous note regarding the reclassification of the mandatory contributions paid by the Bank pursuant to the DSGD and BRRD for the protection of the banking system from the net operating expenses aggregate to a separate item.
[6] The operating expenses associated with the change in the consolidation scope of the Banking Group following the acquisition of the Nextam Group and Valeur, amounted to 12.2 million euros, inclusive of the amortisation of the intangible assets recognised within the framework of the business combinations (0.7 million euros), whereas the costs incurred by Banca Generali for the subsequent reorganisation and integration activities (M&As) amounted to 2.4 million euros. The amount of the operating expenses relating to the former Nextam Group as at 30 September 2020 included an estimate of those relating to the merged entities for the third quarter of the year. The Nextam Group's contribution to the operating expenses aggregate for August and September 2019 had instead been just over 1.2 million euros. In the previous year, the operating expenses aggregate had also included several one-off components relating to the relocation of the administrative offices and the M&A transactions totalling 3.8 million euros, of which 2.6 relating to the business combinations and 1.2 relating to the move to the Hadid Tower.
[7] Operating expenses net of expenses related to sales personnel and the change in the consolidation scope.
[8] Cost/income ratio net of performance fees, charges related to the banking system reclassified to a separate item and operating expenses associated with the change in the consolidation scope, as reported above (14.6 million euros).

QUARTERLY NET PROFIT (€ million)



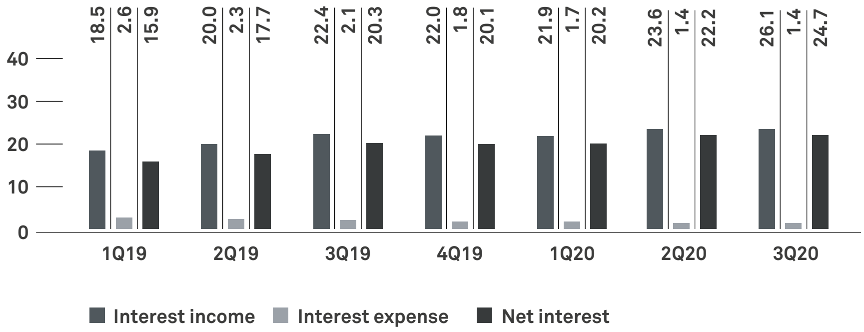
QUARTERLY EVOLUTION OF THE PROFIT AND LOSS ACCOUNT

(€ THOUSAND)	3Q2020	2Q2020	1Q2020	4Q2019	3Q2019	2Q2019	1Q2019
Net interest income	24,680	22,160	20,240	20,149	20,284	17,708	15,874
Net income (loss) from trading activities and dividends	1,668	4,422	3,978	4,866	3,261	2,051	3,995
Net financial income	**26,348**	**26,582**	**24,218**	**25,015**	**23,545**	**19,759**	**19,869**
Fee income	220,440	206,305	248,891	247,901	208,644	216,495	207,974
Fee expense	-101,580	-99,433	-104,358	-103,304	-96,505	-97,134	-94,261
Net fees	**118,860**	**106,872**	**144,533**	**144,597**	**112,139**	**119,361**	**113,713**
Net banking income	**145,208**	**133,454**	**168,751**	**169,612**	**135,684**	**139,120**	**133,582**
Staff expenses	-25,216	-25,586	-25,669	-29,600	-22,608	-23,221	-21,790
Other general and administrative expenses	-22,128	-23,412	-21,448	-28,573	-21,715	-21,747	-19,266
Net adjustments of property, equipment and intangible assets	-7,979	-7,771	-7,738	-8,803	-7,360	-7,000	-6,792
Other operating income/expenses	767	1,469	770	2,479	581	2,090	398
Net operating expenses	**-54,556**	**-55,300**	**-54,085**	**-64,497**	**-51,102**	**-49,878**	**-47,450**
Operating result	**90,652**	**78,154**	**114,666**	**105,115**	**84,582**	**89,242**	**86,132**
Net adjustments for non-performing loans	2,347	-3,602	-1,060	-3,119	-1,125	-5,132	3,989
Net provisions	-4,487	-6,157	-8,234	-11,308	-3,637	-3,215	-6,121
Contributions and charges related to the banking system	-7,129	-965	-3,054	-953	-3,735	-948	-2,586
Gains (losses) from equity investments	-52	-38	-37	-1,628	-154	-26	-59
Operating profit before taxation	**81,331**	**67,392**	**102,281**	**88,107**	**75,931**	**79,921**	**81,355**
Income taxes for the period	-17,505	-14,502	-23,230	-12,015	-12,701	-13,745	-14,731
Net profit attributable to minority interests	-6	-6	-1	-17	-	-	-
Net profit	**63,832**	**52,896**	**79,052**	**76,109**	**63,230**	**66,176**	**66,624**

4.1 Net interest income

Net interest income amounted to 67.1 million euros, up 13.2 million euros compared to the same period of 2019 (+24.5%), owing to the combined effect of the increase in interest income (+17.4%), driven by the financial asset portfolio and the negative interest on net inflows, and the concurrent decline in interest expense (-36.7%).

NET INTEREST (€ million)



In detail, the increase in interest income on the debt securities portfolio (+17.7%) was fully attributable to the increase in the average positions in this portfolio (+19.6%) against its relatively stable profitability, despite a scenario marked by decreasing interest rates.
In the period, the average yield of the bond portfolio was approximately 85 bps, essentially in line with the previous year, whereas the weighted average yield of the HTC portfolio reached 1.1%.

Interest on loans to customers, most of which are benchmarked on the Euribor, remained virtually stable, despite a modest increase in the average loan volume compared to the same period of 2019.
Interest expense declined by 2.6 million euros (-36.7%), mainly owing to the lesser charges due to the early repayment, at the end of 2019, of the subordinated Tier 2 loan (-1.3 million euros) and the reduction in negative interest on demand deposits with the ECB (-1.2 million euros).

			CHANGE	
(€ THOUSAND)	30.09.2020	30.09.2019	AMOUNT	%
Financial assets at fair value through profit or loss	48	120	-72	-60.0%
Financial assets at fair value through other comprehensive income (*)	1,123	3,106	-1,983	-63.8%
Financial assets at amortised cost (*)	49,606	39,924	9,682	24.3%
Total financial assets	**50,777**	**43,150**	**7,627**	**17.7%**
Loans to banks	145	547	-402	-73.5%
Loans to customers	15,620	15,421	199	1.3%
Other assets	4,996	1,792	3,204	178.8%
Total interest income	**71,538**	**60,910**	**10,628**	**17.4%**
Due to banks	685	453	232	51.2%
Due to customers	522	1,301	-779	-59.9%
Repurchase agreements - customers	-	43	-43	-100.0%
Subordinated loan	-	1,262	-1,262	-100.0%
IFRS 16-related financial liabilities	2,614	2,650	-36	-1.4%
Other liabilities	637	1,335	-698	-52.3%
Total interest expense	**4,458**	**7,044**	**-2,586**	**-36.7%**
Net interest income	**67,080**	**53,866**	**13,214**	**24.5%**

(*) Including hedging differentials.

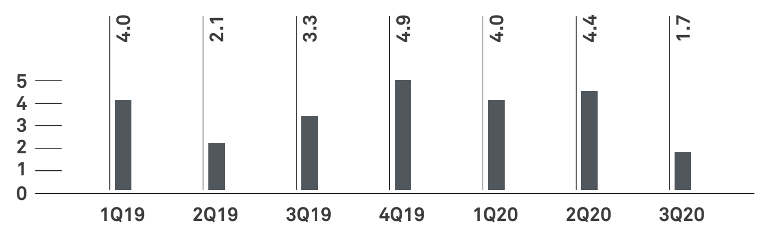
The negative interest income paid to counterparties on loans and negative interest expense paid by counterparties on the Bank's funding operations amounted to 0.6 million euros and 5.0 million euros, respectively.
The expenses incurred related to balances held with the Central Bank (63 thousand euros), whereas the income accrued related chiefly to account deposit net inflows from both institutional and non-institutional clients, for specific agreements and for particularly high deposit amounts (2.6 million euros), and from funding treasury repurchase agreements with banks and customers (0.8 million euros) and income referring to the refinancing transactions undertaken with the ECB (1.5 million euros), of which 1.3 million euros associated with the TLTRO 3.

			CHANGE	
(€ THOUSAND)	30.09.2020	30.09.2019	AMOUNT	%
Banks	1,829	6	1,823	n.a.
Customers	3,167	1,786	1,381	77.3%
Total income for negative interest expense	**4,996**	**1,792**	**3,204**	**178.8%**
Banks	569	1,311	-742	-56.6%
Customers	68	24	44	183.3%
Total expense for negative interest income	**637**	**1,335**	**-698**	**-52.3%**
Net negative interest income and expense	**4,359**	**457**	**3,902**	**853.8%**

4.2 Net income from trading activities and dividends

Net income from trading activities and dividends is composed of the net income on financial assets and liabilities held for trading and other assets at fair value through profit or loss, realised gains and losses from the disposal of financial assets designated at fair value through other comprehensive income and financial assets measured at amortised cost, dividends and any gain or loss on hedging.

NET RESULT OF FINANCIAL OPERATIONS (€ million)



At the end of the first nine months of 2020, the item yielded a positive contribution of 10.1 million euros, sharply up compared to the previous year.

(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	CHANGE %
Dividends and income on UCITS	**1,696**	**2,156**	**-460**	**-21.3%**
Trading of financial assets and equity derivatives	-90	54	-144	-266.7%
Trading of financial assets and derivatives on debt securities and interest rates	-51	593	-644	-108.6%
Trading of UCITS units	-123	-7	-116	n.a.
Securities transactions	-264	640	-904	-141.3%
Currency and currency derivative transactions	4,508	3,818	690	18.1%
Net income (loss) from trading activities	**4,244**	**4,458**	**-214**	**-4.8%**
Equity securities and UCITS	-2,923	-2,819	-104	3.7%
Debt securities	-35	23	-58	-252.2%
Financial Advisors' policies	52	131	-79	-60.3%
Net income (loss) of assets mandatorily measured at fair value through profit and loss	**-2,906**	**-2,665**	**-241**	**9.0%**
Net income (loss) from hedging	**353**	**-21**	**374**	**n.a.**
Debt securities	6,681	5,379	1,302	24.2%
Gains (losses) from disposal on HTC and HTCS debt securities	**6,681**	**5,379**	**1,302**	**24.2%**
Net result of financial operations	**10,068**	**9,307**	**761**	**8.2%**

Net income from **trading activities** amounted to 4.2 million euros, thanks to the contribution of currency operations.
Outside the trading book, net income on **assets mandatorily measured at fair value** through profit or loss decreased by -2.9 million euros as a result of the capital losses on investments in UCITS and other equity securities.
Treasury management of debt securities allocated to the HTCS and HTC portfolio contributed instead 6.7 million euros, up sharply compared to 5.4 million euros for the previous year.

(€ THOUSAND)	TRANSFER OF RESERVES	GAINS	LOSSES	CAPITAL GAINS	CAPITAL LOSSES	30.09.2020	30.09.2019	CHANGE
Debt securities at fair value through other comprehensive income	1,038	896	-4,268	X	X	-2,334	2,979	-5,313
Debt securities at amortised cost	X	9,022	-7	X	X	9,015	62	8,953
Financial assets mandatorily measured at fair value:	X	3	-	118	-3,027	-2,906	-327	-2,579
Debt securities and FITD contribution	X	-	-	-	-35	-35	23	-58
UCITS units	X	2	-	47	-2,574	-2,525	1,659	-4,184
Equity securities	X	-	-	-	-398	-398	- 2,140	1,742
Financial Advisors' policies	X	1	-	71	-20	52	131	-79
Total	**1,038**	**9,921**	**-4,275**	**118**	**-3,027**	**3,775**	**2,714**	**1,061**

4.3 Fee income

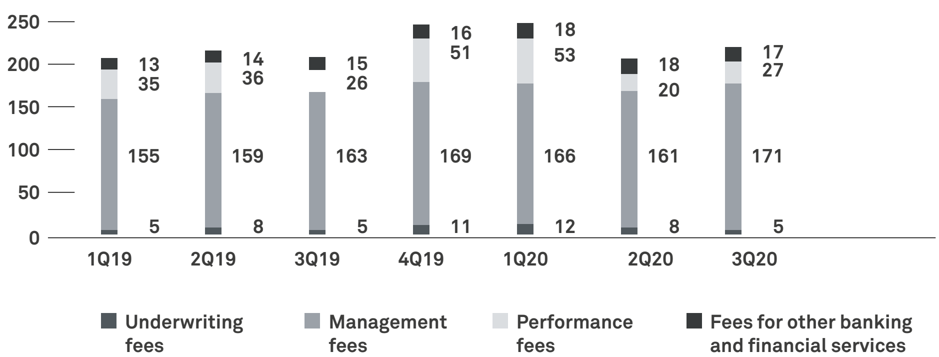
Fee income amounted to 675.6 million euros, up 6.7% compared to the same period of 2019 owing mainly to the robust growth of recurring underwriting fees and fees for other trading and advisory services.
The overall contribution of the new acquisitions of Valeur and Nextam can be estimated at 11.0 million euros, compared to 4.9 million euros recognised in the previous year, accounting for 1.6% of the aggregate.

			CHANGE			
(€ THOUSAND)	30.09.2020	30.09.2019	AMOUNT	%	3Q2020	3Q2019
Underwriting fees	25,174	18,729	6,445	34.4%	5,308	5,435
Management fees	497,198	476,332	20,866	4.4%	170,517	163,052
Performance fees	100,366	96,341	4,025	4.2%	27,172	25,526
Fees for other services	52,898	41,710	11,188	26.8%	17,443	14,630
Total	**675,636**	**633,112**	**42,524**	**6.7%**	**220,440**	**208,643**
Recurring fees	**575,270**	**536,771**	**38,499**	**7.2%**	**193,268**	**183,117**

The increase in fees was borne out by the significant growth in **underwriting fees** (+34.4%) and **fees for other banking and financial services** (+26.8%) that benefited, respectively, from the performance of certificate placement (+3.2 million euros) and higher revenues arising from advanced advisory services (+7.1 million euros).
In this regard, it should be noted that **Assets under Advisory** grew significantly, bringing the total value of AUM at the end of the first nine months of 2020 to 5.4 billion euros (4.4 billion euros at the end of the same period of 2019), with a 1.0 billion euro improvement year-on-year.
The aggregate of **management fees** grew slightly compared to the first nine months of 2019 (+4.4%), despite the effects generated on AUM by market volatility and customers' propensity towards deposits.

Therefore, the economic and financial crises triggered by the Covid-19 emergency has just slowed growth within the fee aggregate, which, after proving quite resilient in the second quarter, now appears to be recovering sharply.
In the third quarter of 2020, **recurring fees** exceeded 193 million euros, up sharply compared both to the second quarter of 2020 (+3.6%) and the third quarter of 2019 (+5.6%), whereas **management fees** grew by 6% compared to the previous quarter of 2020 and by 4.6% compared to the third quarter of 2019.

BREAKDOWN OF FEE INCOME (€ million)



The **non-recurring component** proved resilient compared to the first nine months of 2019 (+4.2%), thanks both to the excellent results reported by the Sicavs promoted by the Group in the first two months of 2020, still characterised by robust financial market growth, and, to a lower extent, to the subsequent recovery driven by the measures jointly introduced by central banks and governments in support of the economy.

Fee income from the solicitation of investment and asset management of households reached 622.7 million euros, with a 5.5% increase compared to the first nine months of 2019, net of the aforementioned non-recurring component.

The new acquisitions of Valeur and Nextam contributed approximately 10.0 million euros, or 1.6% of the total. This amount included 0.5 million euros for management fees related to the Italian funds business, which was de-merged at the end of first half of the year.

(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	CHANGE %
1. Collective portfolio management	286,228	274,100	12,128	4.4%
2. Individual portfolio management	58,875	57,144	1,731	3.0%
Fees for portfolio management	**345,103**	**331,244**	**13,859**	**4.2%**
1. Placement of UCITS	77,426	74,170	3,256	4.4%
- *of which: underwriting of UCITS promoted by the Group*	*4,465*	*3,726*	*739*	*19.8%*
2. Placement of bonds and equity securities	15,250	9,733	5,517	56.7%
of which: certificates	*12,276*	*9,016*	*3,260*	*36.2%*
3. Distribution of third-party asset management products (GPM/GPF, pension funds)	690	597	93	15.6%
4. Distribution of third-party insurance products	182,756	175,324	7,432	4.2%
5. Distribution of other third-party financial products	1,513	334	1,179	353.0%
Fees for the placement and distribution of financial services	**277,635**	**260,158**	**17,477**	**6.7%**
Asset management fee income	**622,738**	**591,402**	**31,336**	**5.3%**

Fee income from **distribution of insurance products** continued to report constant progress (+4.2% compared to 2019), thanks to the steady increase in average AUM in this segment (+3.1%).

With regard to the **Sicavs** promoted by the Banking Group, management fees — net of the effect of non-recurring performance components — grew by 3.9% compared to the first nine months of 2019, thanks to the increasingly positive results reported by the new sub-funds of the Sicav Lux IM, whose AUM totalled 12.0 billion euros (of which 4.8 placed to retail customers).

Fees for the **placement of UCITS** amounted to 77.4 million euros, with an increase of 4.4% on the same period of 2019 that shows the constant demand by customers for à-la-carte funds and Sicavs.
Worth of mention are also the excellent results of the placement of **certificates**, which generated fees for over 12.2 million euros compared to 9.0 million euros reported in 2019.

Fee income for other services, of a banking and financial nature, amounted to 52.9 million euros, thanks to the aforementioned rise in Assets under Advisory (+41.9%) and greater fees for trading driven by retail customers' trading volumes (+23.9%).

(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	CHANGE %
Fees for trading and custody	21,800	17,595	4,205	23.9%
Investment advisory fees	24,160	17,021	7,139	41.9%
- *of which on AG Group's unit-linked policies*	*4,650*	*4,397*	*253*	*5.8%*
Fees for collection and payment services	2,992	3,118	-126	-4.0%
Fee income and account-keeping expenses	1,369	1,413	-44	-3.1%
Fees for other services	2,577	2,563	14	0.5%
Total fee income for other services	**52,898**	**41,710**	**11,188**	**26.8%**

4.4 Fee expense

Fee expense, including fee provisions[9], amounted to 305.4 million euros, with a limited impact generated by new acquisitions (0.9%).
The 6.1% increase for the period was essentially in line with the recurring fee income performance.
The Bank's ratio of total payout to total fee income (net of performance fees) was thus 53.1%, slightly up compared to the same period of the previous year (53.6%).

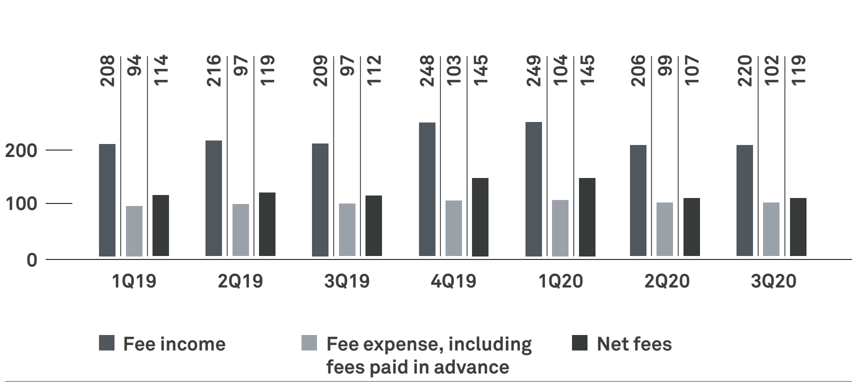
(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	CHANGE %
Fees for off-premises offer	**271,680**	**258,781**	**12,899**	**5.0%**
Other fees	**33,691**	**29,119**	**4,572**	**15.7%**
Fees for portfolio management	22,676	20,438	2,238	11.0%
Fees for dealing in securities and custody	5,723	4,360	1,363	31.3%
Fees for collection and payment services	2,889	3,184	-295	-9.3%
Fees for other services	2,403	1,137	1,266	111.3%
Total fee expense	**305,371**	**287,900**	**17,471**	**6.1%**

Fee expense for off-premises offer paid to the Financial Advisors network amounted to 271.7 million euros, up 12.9 million euros compared to the first nine months of 2019 (+5.0%), mainly attributable to the increase in ordinary payout (+10.0 million euros), driven by the placement of certificates and advisory and, to a lower extent, to incentive fees.

Fees for portfolio management amounted to 22.7 million euros and mostly referred to administration and third-party management fees incurred by the Group's management company for the management of the Sicavs under administration.

Other **fee expense for other services, of both a banking and financial nature**, totalled 11.0 million euros, increasing compared to the same period of 2019 (+26.9%) as a result of higher fees for the new Robo4advisory services and fees for collection services.

QUARTERLY NET FEES (€ million)



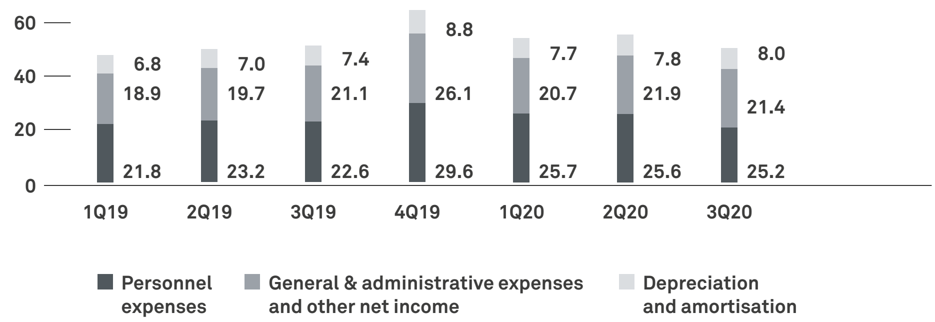
9 In order to ensure a better understanding of operating performance, in the reclassified consolidated Profit and Loss Account the provisions for incentives related to sales and recruitment plans have been reclassified within the net fee aggregate. As a result, net provisions were restated net of these items for an amount of 9.9 million euros for 2020 and 9.2 million euros for 2019.

4.5 Operating expenses

Operating expenses[10] amounted to 163.9 million euros, increasing compared to the previous year (+10.5%). The change was broadly attributable to the contribution of the acquisition of Nextam and Valeur and the costs incurred for the subsequent reorganisation and integration activities (M&As), amounting to 14.6 million euros[11], as well as to the donations made in light of the Covid-19 emergency for 0.9 million euros. Net of these items, core expenses[12] reported a 2.0% organic growth, mainly tied to the acceleration of the three-year plan's strategic projects and the launch of the BG Training & Innovation Hub.

			CHANGE	
(€ THOUSAND)	30.09.2020	30.09.2019	AMOUNT	%
Staff expenses	76,471	67,619	8,852	13.1%
Other general and administrative expenses (net of duty recovery)	66,988	62,728	4,260	6.8%
Net adjustments of property, equipment and intangible assets	23,488	21,152	2,336	11.0%
Other income and expenses (net of duty recovery)	-3,006	-3,069	63	-2.1%
Operating expenses	**163,941**	**148,430**	**15,511**	**10.5%**

BREAKDOWN OF OPERATING EXPENSES (€ million)



Staff expenses, including full-time employees, interim staff and directors, reached 76.5 million euros, up 8.8 million euros compared to the the previous year (+13.1%), due to higher costs associated with the consolidation of the Nextam Group and Valeur amounting to 8.3 million euros. Net of the aforementioned item, the aggregate grew slightly by 0.76%, mainly due to the ordinary component of remuneration and the increase in the average workforce.

[10] See the previous note regarding the reclassification of the mandatory contributions paid by the Bank pursuant to the DSGD and BRRD for the protection of the banking system from the net operating expenses aggregate to a separate item.

[11] The operating expenses associated with the change in the consolidation scope of the Banking Group following the acquisition of the Nextam Group and Valeur, amounted to 12.2 million euros, inclusive of the amortisation of the intangible assets recognised within the framework of the business combinations (0.7 million euros), whereas the costs incurred by Banca Generali for the subsequent reorganisation and integration activities (M&As) amounted to 2.4 million euros. The amount of the operating expenses relating to the former Nextam Group as at 30 September 2020 included an estimate of those relating to the merged entities for the third quarter of the year. The Nextam Group's contribution to the operating expenses aggregate for August and September 2019 had instead been just over 1.2 million euros. In the previous year, the operating expenses aggregate had also included several one-off components relating to the relocation of the administrative offices and the M&A transactions totalling 3.8 million euros, of which 2.6 relating to the business combinations and 1.2 relating to the move to the Hadid Tower.

[12] Operating expenses net of expenses related to sales personnel and the change in the consolidation scope.

(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	%
1) Employees	**75,245**	**66,439**	**8,806**	**13.3%**
Ordinary remuneration	57,315	51,061	6,254	12.2%
Variable remuneration and incentives	13,472	10,745	2,727	25.4%
Other employee benefits	4,458	4,633	-175	-3.8%
2) Other staff	**-18**	**106**	**-124**	**-117.0%**
3) Directors and Auditors	**1,244**	**1,074**	**170**	**15.8%**
Total	**76,471**	**67,619**	**8,852**	**13.1%**

The Group had an employee headcount of 976 at period-end, up by 16 on the previous year, whereas average headcount increased by 56 compared to the first nine months of 2019, mainly as a result of the arrival of the 63 new employees from the Nextam Group and Valeur.

			CHANGE			WEIGHTED AVERAGE (*)	
	30.09.2020	30.09.2019	NUMBER	%	31.12.2019	2020	2019
Managers	67	64	3	4.7%	68	68	56
Executives	326	288	38	13.2%	304	310	279
- *3rd and 4th level executives*	*178*	*160*	*18*	*11.3%*	*177*	*178*	*157*
- *1st and 2nd level executives*	*148*	*128*	*20*	*15.6%*	*127*	*132*	*122*
Other employees	583	608	-25	-4.1%	578	565	552
- *of which: part-time*	*57*	*59*	*-2*	*-3.4%*	*59*	*59*	*55*
Total	**976**	**960**	**16**	**1.7%**	**950**	**942**	**886**

Other general and administrative expenses and other net income amounted to 67.0 million euros, with a 4.3 million euro increase compared to the previous year (+6.8%).

(€ THOUSAND)	30.09.2020	30.09.2019	CHANGE AMOUNT	%
Adjustments/reversals of property and equipment	1,313	1,155	158	13.7%
Adjustments/reversals of rights-of-use acquired through leases	14,553	13,492	1,061	7.9%
Adjustments/reversals of intangible assets	7,622	6,505	1,117	17.2%
Total	**23,488**	**21,152**	**2,336**	**11.0%**

4.6 Net provisions

Net provisions not relating to fees amounted to 18.9 million euros, up 5.9 million euros compared to the same period of the previous year, mainly due to the sums accrued to cover contractual commitments to the sales network (+6.4 million euros).
The increase was due, for approximately 4.0 million euros, to the change in the discount curve[13].

[13] In particular, the discount rate applied to actuarial provisions is determined on the basis of the average values of the EURIRS rates applicable to the average life of the population, increased by the spread between the ten-year BTP and ten-year EURIRS. The decline in the rate at the end of the first half of 2020 thus reflected the contraction in the final year of the spreads on government bonds, slowed only by the brief spike during the most critical period of the pandemic emergency in Italy, from late February to early May 2020.

Provisions referred to termination indemnities pursuant to Article 1751 of the Italian Civil Code for 6.5 million euros and for 6.0 million euros to the 2020-2026 fourth cycle of the Framework Loyalty Programme for the Financial Advisor Network.

			CHANGE	
(€ THOUSAND)	30.09.2020	30.09.2019	AMOUNT	%
Provision for staff liabilities and contingencies	1,435	2,528	-1,093	-43.2%
Provisions for legal disputes	836	968	-132	-13.6%
Provision for contractual indemnities to the sales network	15,478	9,125	6,353	69.6%
Other provisions for liabilities and contingencies	1,116	379	737	194.5%
Guarantees and commitments	13	-27	40	-148.1%
Total	**18,878**	**12,973**	**5,905**	**45.5%**

4.7 Adjustments

Net adjustments for non-performing loans amounted to 2.3 million euros, essentially unchanged compared to the same period of the previous year[14].

The increased provisions for expected credit losses (ECLs) on the debt securities portfolio and on performing loans to customers and banks (Stage 1 and Stage 2) totalled 1.2 million euros, mostly attributable to loans to customers.

The debt securities portfolio registered limited net recoveries (0.1 million euros), due to both the reclassification to Stage 1 of several positions and the lower risk level of the government bond portfolio resulting from the initiatives taken by the ECB, partially offset by the greater adjustments necessary in light of the expansion of investment volumes.

(€ THOUSAND)	VALUE ADJUSTMENTS	REVERSALS ADJUSTMENTS	30.09.2020	30.09.2019	CHANGE
Specific adjustments/reversals	**-1,311**	**245**	**-1,066**	**-6,173**	**5,107**
Equity securities	-	-	-	-	-
Debt securities	-	-	-	-6,561	6,561
Non-performing loans of the banking book	-768	224	-544	471	-1,015
Operating loans to customers	-543	21	-522	-83	-439
Portfolio adjustments/reversals	**-1,404**	**155**	**-1,249**	**3,905**	**-5,154**
Debt securities	-	134	134	3,957	-3,823
Performing loans to customers and banks	-1,404	21	-1,383	-52	-1,331
Total	**-2,715**	**400**	**-2,315**	**-2,268**	**-47**

The portfolio of performing loans to customers reported higher adjustments for 1.4 million euros, mainly attributable to the recalibration of loss parameters (PD and LGD) with the new macroeconomic scenario variables (Forward-Looking Information - FLI), reflecting the changed economic prospects resulting from the deep crisis triggered by the Covid-19 pandemic.

Specific adjustments totalled 1.1 million euros and referred to new positions classified as unlikely-to-pay and past-due (0.5 million euros) and the impairment or write-off of past advances to Financial Advisors and operating receivables for services rendered to customers (0.5 million euros).

[14] It should be noted that the first nine months of 2019 benefited from a significant release to the Profit and Loss Account of collective provisions for performing debt securities in the HTC and HTCS portfolios, recognised in the previous year (3.9 million euros), offset by the 6.5 million euros analytical impairment of the 14 million euro subordinated loan issued by Tyndaris Services Ltd and set to expire at the end of 2021.

4.8 Contributions and charges related to the banking system

Expenses related to the contributions to the Italian National Resolution and Interbank Deposit Protection Funds amounted to 11.4 million euros and included both the ordinary contributions to the Single Resolution Fund (3.1 million euros) and the additional contribution requested by the National Resolution Fund managed by the Bank of Italy to cover the interventions undertaken in 2015 as part of the Resolution plan for four local banks (0.9 million euros).
The ordinary contributions to the Italian Interbank Deposit Protection Fund have been recognised in accordance with international accounting standards (IFRIC 21) and the Bank of Italy's technical guidelines. These contributions, which will accrue in the third quarter of the year, have been estimated to rise sharply compared to the previous year owing to the greater charges associated with the interventions carried out in the current year (7.1 million euros).

4.9 Income taxes

Income taxes for the reporting period on a current and deferred basis were estimated at 55.2 million euros, up 14.1 million euros compared to estimated taxes at the end of the same period of 2019.
The estimated total tax rate was 22.0%, up compared to the same period of the previous year, chiefly due to the increase in the tax rate incurred abroad and, to a lower extent, to the impact of infragroup dividends distributed in the year.

			CHANGE	
(€ THOUSAND)	30.09.2020	30.09.2019	AMOUNT	%
Current taxes for the period	-55,303	-37,922	-17,381	45.8%
Prior years' taxes	78	14	64	457.1%
Changes of prepaid taxation (+/-)	-272	-3,820	3,548	-92.9%
Changes of deferred taxation (+/-)	260	551	-291	-52.8%
Total	**-55,237**	**-41,177**	**-14,060**	**34.1%**

4.9 Earnings per Share

The first nine months of 2020 thus closed with basic net earnings per share of 1.70 euros.

			CHANGE	
	30.09.2020	30.09.2019	AMOUNT	%
Net profit for the period (€ thousand)	195,780	196,030	-250	-0.1%
Earnings attributable to ordinary shares (€ thousand)	195,780	196,030	-250	-0.1%
Average number of outstanding shares (thousand)	115,427	116,482	-1,055	-0.9%
EPS - Earnings per share (euros)	**1.70**	**1.68**	**0.01**	**0.8%**
Average number of outstanding shares with diluted share capital	115,427	116,482	-1,055	-0.9%
EPS – Diluted earnings per share (euros)	**1.70**	**1.68**	**0.01**	**0.8%**

4.10 Comprehensive income

The Banking Group's comprehensive income is determined by the consolidated net profit and all other components that contribute to company performance without being reflected in the Profit and Loss Account, such as changes in valuation reserves for securities at fair value through other comprehensive income.

At the end of the first nine months of 2020, the latter component provided a negative overall contribution of 0.5 million euros, against a net positive change of 18.6 million euros recorded at the end of the same period of the previous year.

In detail, HTCS portfolio valuation reserves decreased, as a result of the following factors:
> an increase in net valuation gains totalling 0.3 million euros, net of 0.3 million euros referring to reversal of collective reserves;
> the reduction of pre-existing net positive reserves due to re-absorption through profit or loss upon realisation (1.0 million euros);
> the positive net tax effect associated with the above changes and mainly resulting from re-absorbtion of net DTLs (+0.2 million euros).

			CHANGE	
(€ THOUSAND)	30.09.2020	30.09.2019	AMOUNT	%
Net profit	**195,767**	**196,030**	**-263**	**-0.1%**
Other income, net of income taxes:				
With transfer to Profit and Loss Account:				
Exchange differences	-3	4	-7	-175.0%
Financial assets at far value through other comprehensive income	-526	18,921	-19,447	-102.8%
Without transfer to Profit and Loss Account:				
Actuarial gains (losses) from defined benefit plans	24	-369	393	-106.5%
Total other income, net of income taxes	**-505**	**18,556**	**-19,061**	**-102.7%**
Comprehensive income	**195,262**	**214,586**	**-19,324**	**-9.0%**
Consolidated comprehensive income attributable to minority interests	11	-	11	n.a.
Comprehensive income attributable to the Group	**195,251**	**214,586**	**-19,335**	**-9.0%**

5. Balance Sheet and Net Equity Aggregates

At the end of the first nine months of 2020, total consolidated assets amounted to 12.8 billion euros, increasing by nearly 1.1 billion euros (+9.1%) compared to the end of 2019.

Total net inflows stood at 11.3 billion euros, up 0.8 billion euros overall, as a result of the increase in both the interbank component (TLTRO) and the customer current account deposits (+0.3 billion euros), which grew by 0.5 billion euros in the quarter under review.
Core loans thus amounted to 12.1 billion euros, up 1.1 billion euros (+9.6%), benefiting from higher resources available following the non-distribution of the dividend for financial year 2019 (0.2 billion euros).

ASSETS (€ THOUSAND)	30.09.2020	31.12.2019	CHANGE AMOUNT	CHANGE %
Financial assets at fair value through profit or loss	47,487	64,998	-17,511	-26.9%
Financial assets at fair value through other comprehensive income	2,363,387	2,778,836	-415,449	-15.0%
Financial assets at amortised cost:	9,703,228	8,206,525	1,496,703	18.2%
a) loans to banks (*)	1,484,651	1,130,690	353,961	31.3%
b) loans to customers	8,218,577	7,075,835	1,142,742	16.1%
Equity investments	1,906	2,061	-155	-7.5%
Property, equipment and intangible assets	283,030	298,354	-15,324	-5.1%
Tax receivables	47,980	51,168	-3,188	-6.2%
Other assets	386,671	363,634	23,037	6.3%
Total assets	**12,833,689**	**11,765,576**	**1,068,113**	**9.1%**

(*) Demand deposits with the ECB have been reclassified among loans to banks.

NET EQUITY AND LIABILITIES (€ THOUSAND)	30.09.2020	31.12.2019	CHANGE AMOUNT	CHANGE %
Financial liabilities at amortised cost:	11,317,120	10,503,986	813,134	7.7%
a) due to banks	593,496	94,807	498,689	n.a.
b) due to customers	10,723,624	10,409,179	314,445	3.0%
Financial liabilities held for trading and hedging	40,891	8,685	32,206	n.a.
Tax liabilities	42,331	13,618	28,713	210.8%
Other liabilities	184,842	147,097	37,745	25.7%
Special purpose provisions	180,774	174,522	6,252	3.6%
Valuation reserves	3,284	3,813	-529	-13.9%
Equity instruments	50,000	50,000	-	-
Reserves	689,914	454,465	235,449	51.8%
Share premium reserve	57,066	57,729	-663	-1.1%
Share capital	116,852	116,852	-	-
Treasury shares (-)	-45,200	-37,356	-7,844	21.0%
Net equity attributable to minority interests	35	26	9	34.6%
Net profit (loss) for the period (+/-)	195,780	272,139	-76,359	-28.1%
Total net equity and liabilities	**12,833,689**	**11,765,576**	**1,068,113**	**9.1%**

QUARTERLY EVOLUTION OF CONSOLIDATED BALANCE SHEET

ASSETS (€ THOUSAND)	30.09.2020	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019	31.03.2019	01.01.2019 FTA
Financial assets at fair value through profit or loss	47,487	46,448	62,072	64,998	75,912	78,309	103,924	90,640
Financial assets at fair value through other comprehensive income	2,363,387	2,430,834	3,117,048	2,778,836	3,221,993	2,435,849	2,224,602	1,987,315
Financial assets at amortised cost:	9,703,228	9,107,038	8,558,941	8,206,525	7,782,394	7,652,682	7,057,490	7,166,172
a) loans to banks	1,484,651	1,347,317	1,005,579	1,130,690	1,329,225	1,138,080	849,522	1,434,533
b) loans to customers	8,218,577	7,759,721	7,553,362	7,075,835	6,453,169	6,514,602	6,207,968	5,731,639
Equity investments	1,906	1,959	2,024	2,061	1,587	1,610	1,629	1,661
Property, equipment and intangible assets	283,030	286,155	291,560	298,354	272,476	232,368	235,350	240,549
Tax receivables	47,980	47,735	54,407	51,168	44,806	44,019	48,842	52,799
Other assets	386,671	402,505	420,815	363,634	392,787	418,060	356,542	332,569
HFS assets	-	-	1,268	-	-	-	-	-
Total assets	**12,833,689**	**12,322,674**	**12,508,135**	**11,765,576**	**11,791,955**	**10,862,897**	**10,028,379**	**9,871,705**

NET EQUITY AND LIABILITIES (€ THOUSAND)	30.09.2020	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019	31.03.2019	01.01.2019
Financial liabilities at amortised cost:	11,317,120	10,788,256	11,145,226	10,503,986	10,568,557	9,767,443	8,879,340	8,811,407
a) due to banks	593,496	580,630	119,156	94,807	94,205	100,087	100,287	128,725
b) due to customers	10,723,624	10,207,626	11,026,070	10,409,179	10,474,352	9,667,356	8,779,053	8,682,682
Financial liabilities held for trading and hedging	40,891	27,243	11,059	8,685	15,484	3,490	506	384
Tax liabilities	42,331	27,094	31,492	13,618	20,106	27,826	22,586	18,018
Other liabilities	184,842	472,417	159,176	147,097	238,696	175,500	154,919	142,176
HFS liabilities	-	-	356	-	-	-	-	-
Special purpose provisions	180,774	176,336	177,981	174,522	157,634	153,924	162,741	164,845
Valuation reserves	3,284	877	-10,866	3,813	6,766	-1,698	-5,974	-11,636
Equity instruments	50,000	50,000	50,000	50,000				
Reserves	689,914	507,834	727,414	454,465	451,610	449,846	595,619	414,368
Share premium reserve	57,066	57,202	57,729	57,729	57,591	57,591	57,819	57,889
Share capital	116,852	116,852	116,852	116,852	116,852	116,852	116,852	116,852
Treasury shares (-)	-45,200	-33,395	-37,356	-37,356	-37,371	-20,677	-22,653	-22,724
Net equity attributable to minority interests	35	10	20	26	-	-	-	-
Net profit (loss) for the period (+/-)	195,780	131,948	79,052	272,139	196,030	132,800	66,624	180,126
Total net equity and liabilities	**12,833,689**	**12,322,674**	**12,508,135**	**11,765,576**	**11,791,955**	**10,862,897**	**10,028,379**	**9,871,705**

5.1 Direct inflows from customers

Total direct inflows from customers amounted to 10.7 billion euros, with an increase of 314 million euros (+3.0%) compared to 31 December 2019, mainly as a result of the increase in the balances of the accounts of retail customers and the reopening of several treasury repurchase transactions.

(€ THOUSAND)	30.09.2020	31.12.2019	CHANGE AMOUNT	CHANGE %
1. Current accounts and demand deposits	10,260,777	9,982,548	278,229	2.8%
2. Term deposits	-	-	-	n.a.
3. Financing	187,848	116,218	71,630	61.6%
Repurchase agreements	187,848	116,218	71,630	61.6%
4. Other debts	274,999	310,413	-35,414	-11.4%
IFRS 16-related lease liabilities	153,187	158,064	-4,877	-3.1%
Operating debts to sales network	104,410	110,455	-6,045	-5.5%
Other debts (money orders, amounts at the disposal of customers)	17,402	41,894	-24,492	-58.5%
Total due to customers	**10,723,624**	**10,409,179**	**314,445**	**3.0%**

Inflows from retail customers, which mainly included demand current account deposits, showed an increase of 596 million euros (386 million euros on an annual basis), chiefly gathered by Financial Advisors' networks and awaiting reinvestment as part of a specific investment plan, thus reaching 10.4 billion euros.
By contrast, captive inflows generated from the treasury activity of the companies within the Assicurazioni Generali Group decreased significantly to 358 million euros at the end of the period, thus accounting for 3.3% of total inflows.
Net inflows from repurchase agreements referred exclusively to short-term repurchase agreements entered into on the MIC market managed by CC&G.

(€ THOUSAND)	30.09.2020	31.12.2019	CHANGE AMOUNT	CHANGE %
Inflows from Parent Company	39,070	27,499	11,571	42.1%
Inflows from other subsidiaries of the Generali Group	249,271	327,856	-78,585	-24.0%
IFRS 16-related lease financial liabilities	70,026	74,499	-4,473	-6.0%
Total inflows from Generali Group	**358,367**	**429,854**	**-71,487**	**-16.6%**
Inflows from other parties	10,365,257	9,979,325	385,932	3.9%
- *of which: current accounts*	*9,973,012*	*9,627,779*	*345,233*	*3.6%*
Total inflows from customers	**10,723,624**	**10,409,179**	**314,445**	**3.0%**

The non-interest-bearing debt position consisted of accounts payable to the sales network for the placement of financial products and services, as well as of other sums available to customers, primarily relating to claims settlement activity by the Group's companies (money orders). This segment shrank, mostly as a result of the collection of the money orders issued at the end of December on behalf of insurance companies.

5.2 Core loans

Core loans totalled 12.1 billion euros overall, with a net increase of nearly 1,064 million euros compared to 31 December 2019 (+9.6%).

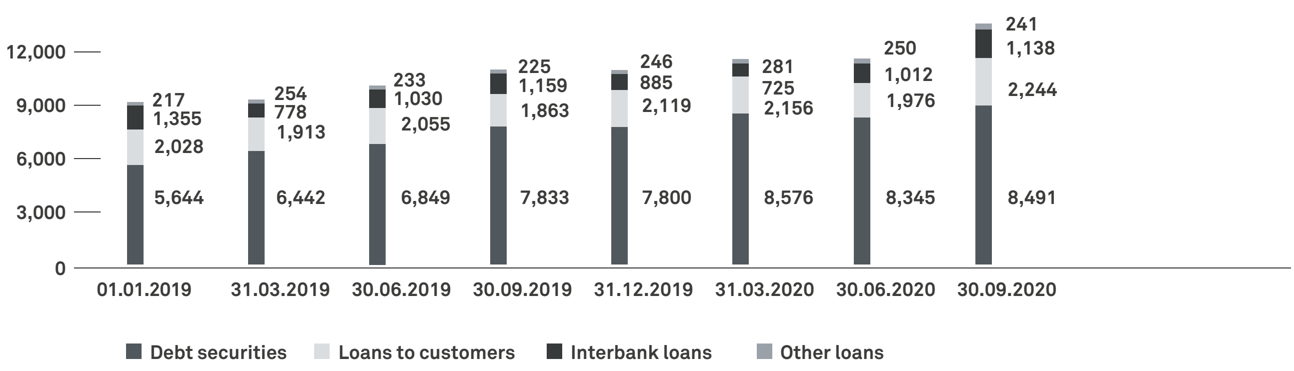
Investments in the portfolio of financial assets, which rose by 689 million euros (+8.8%), represent the main component of the growth of the aggregate, which, however, was also driven by a significant expansion of loans to banks, due to the increase in surplus liquidity deposited with the ECB (+236 million euros), and of loans to customers (+125 million euros).

Net of the decline in short-term repurchase agreement treasury transactions on the MTS Repo managed by CC&G, loans to customers increased considerably (+173 million euros), benefiting from the expansion of Lombard loans, as well as from the effects of the ongoing moratoria and the loans backed by guarantees from the SME fund.

(€ THOUSAND)	30.09.2020	31.12.2019	CHANGE AMOUNT	CHANGE %
Financial assets at fair value through profit or loss	47,487	64,998	-17,511	-26.9%
Financial assets at fair value through other comprehensive income	2,363,387	2,778,836	-415,449	-15.0%
Financial assets at amortised cost	6,135,731	5,013,479	1,122,252	22.4%
Financial assets	**8,546,605**	**7,857,313**	**689,292**	**8.8%**
Loans to and deposits with banks (*)	1,137,840	885,168	252,672	28.5%
Loans to customers	2,243,995	2,118,873	125,122	5.9%
Operating loans and other loans	185,662	189,005	-3,343	-1.8%
Total interest-bearing financial assets and loans	**12,114,102**	**11,050,359**	**1,063,743**	**9.6%**

(*) ECB demand deposits included.

QUARTERLY EVOLUTION OF LOANS (€ million)



Overall, investments in financial assets accounted for 70.6% of the core loan aggregate's total, slightly decreasing compared to 71.1% at the end of 2019, and continued to be mainly driven by the expansion of the government securities portfolio (+7.1%), despite showing also a greater diversification of investments on debt corporate and financial securities.

(€ THOUSAND)	30.09.2020	31.12.2019	CHANGE AMOUNT	CHANGE %
Government securities	7,211,924	6,727,904	484,020	7.2%
Other public institutions	45,263	47,110	-1,847	-3.9%
Securities issued by banks	594,233	527,970	66,263	12.6%
Securities issued by other issuers	639,431	497,097	142,334	28.6%
Equity securities and other securities	55,754	57,232	-1,478	-2.6%
Total financial assets	**8,546,605**	**7,857,313**	**689,292**	**8.8%**

On the basis of the guidelines laid down in the risk framework and 2019-2021 Business Plan, investments in financial assets continued to fuel the held-to-collect (HTC) portfolio, i.e., financial assets measured at amortised cost and held for investment purposes, which grew by 1,122 million euros (+22.4%), mostly driven by government bond purchases, reaching 6.1 billion euros.

The high financial market volatility in the first nine months of the year resulted in more rapid turnover of the portfolio of financial assets at fair value through other comprehensive income (HTCS), yielding an overall decrease of 415 million euros (-15%).

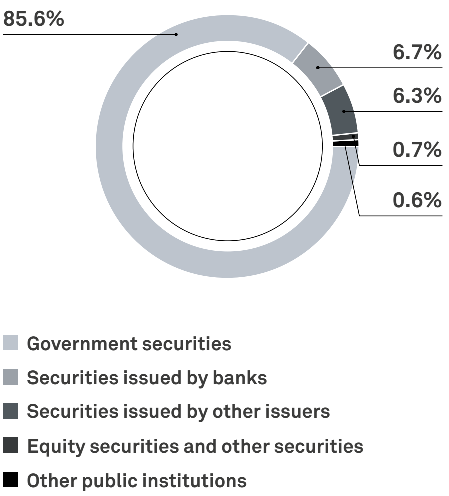
The overall portfolio remained however focused on sovereign debt and increased by 482 million euros, continuing to account for 84.9% of total investments in financial instruments, slightly down compared to the end of the previous year (86.3%).
The foreign component of the government securities portfolio also continued to grow, absorbing over 421 million euros, with a focus on EU government bonds now also allocated to the HTC portfolio (576 million euros), as well as to the HTCS portfolio (1,250 million euros).

			CHANGE	
(€ THOUSAND)	30.09.2020	31.12.2019	AMOUNT	%
Exposure to the sovereign risk by portfolio:				
Financial assets at fair value through profit or loss	43	52	-9	-17.3%
Financial assets at fair value through other comprehensive income	1,925,364	2,278,815	-353,451	-15.5%
Financial assets at amortised cost	5,331,780	4,496,147	835,633	18.6%
Total	**7,257,187**	**6,775,014**	**482,173**	**7.1%**

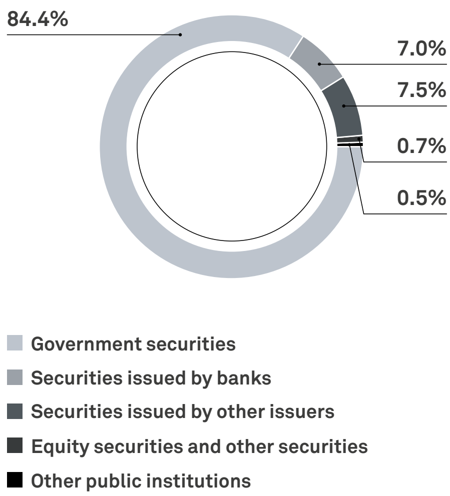
The overall geographical breakdown of the debt securities portfolio indicates a decline in the concentration of investments in Italian securities, which fell from 76.6% at the end of 2019 to 72.8%, reflecting an increase in the exposure to Spain, primarily represented by government bonds, which amounted to 16.8%.

BREAKDOWN OF FINANCIAL ASSETS PORTFOLIO

31.12.2019



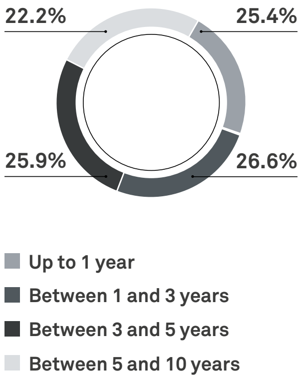
30.09.2020



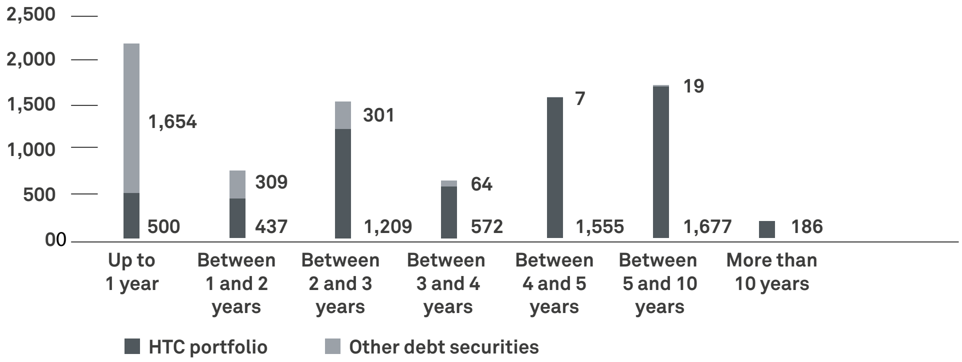
At the end of the first nine months of the year, the share of financial assets with a maturity of more than 3 years declined slightly to 48.1% compared to the end of 2019 (48.9%).
The portfolio of debt securities had an overall average residual life of about 3.7 years. In particular, the average maturity of the HTC portfolio was 4.3 years, whereas the average maturity of the HTCS portfolio declined to 0.6 years.

42.5% of the portfolio was made up of variable-rate or inflation-linked issues, and for the remainder, of fixed-rate issues and zero coupons (39.8% at the end of 2019).

BREAKDOWN OF BONDS PORTFOLIO BY MATURITY 30.09.2020



BONDS PORTFOLIO MATURITY (€ million)



Loans to customers amounted to 2,243 million euros, and, net of short-term repurchase agreement treasury transactions on the multilateral facility e-MTS Repo managed by Cassa di Compensazione e Garanzia, were up by nearly 173 million euros on the end of 2019 (+9%) due to a significant increase in account credit facilities, owing to both new Lombard loans and the "Liquidity for the Nation" initiative (+10.8%), as well as new mortgage transactions backed by a guarantee from the SME fund, pursuant to Article 13 of the Liquidity Decree-Law (23/2020).

			CHANGE	
(€ THOUSAND)	30.09.2020	31.12.2019	AMOUNT	%
Current accounts	1,232,936	1,112,437	120,499	10.8%
Mortgages and personal loans	850,507	798,111	52,396	6.6%
Other financing and loans not in current accounts	2,243	2,256	-13	-0.6%
Reverse repurchase agreement with customers and deposits on the MIC	158,309	206,069	-47,760	-23.2%
Loans	**2,243,995**	**2,118,873**	**125,122**	**5.9%**
Operating loans to management companies	123,999	141,906	-17,907	-12.6%
Sums advanced to Financial Advisors	21,304	18,415	2,889	15.7%
Stock exchange interest-bearing daily margin	24,075	14,091	9,984	70.9%
Charges to be debited and other loans	13,745	14,187	-442	-3.1%
Operating loans and other loans	**183,123**	**188,599**	**-5,476**	**-2.9%**
Debt securities	**5,791,459**	**4,768,363**	**1,023,096**	**21.5%**
Total loans to customers	**8,218,577**	**7,075,835**	**1,142,742**	**16.1%**

Among **operating receivables** and other transactions (-2.9%), there was a decrease in trade receivables accrued on the placement and distribution of financial and insurance products, partly offset by the rise in the margins paid due to the launch of derivatives trading on the Eurex market.

Net **non-performing exposures** on loans to customers amounted to **23.7 million** euros, or 1.06% of total loans to customers reported in the table above.

The aggregate includes all the exposures originating in the portfolio of Banca del Gottardo Italia, fully covered by the loan indemnity granted by BSI S.A. (now EFG Bank AG) upon the sale of the said company and chiefly secured to that end by cash collateral payments by the counterparty. Net of this aggregate, non-performing exposures on loans to customers amounted to **6.2 million** euros and consisted for 95% of credit facilities secured by financial collaterals mainly in the form of pledges on financial instruments and/or similar products, such as mandate to policy redemption.
Unsecured exposures to customers, for which risk is effectively borne by the Bank, amounted to just **0.5 million** euros, or around **0.02%** of total loans to customers.

The portfolio of non-performing loans (loans to customers excluding performing loans ans securities) declined by 3.2 million euros, mainly attributable to the recovery of a position secured by an indemnity, amounting to 2.7 million euros.

	30.09.2020				31.12.2019					
(€ THOUSAND)	BAD LOANS	UNLIKELY TO PAY	NON PERFORMING PAST-DUE EXPOSURES	TOTAL	BAD LOANS	UNLIKELY TO PAY	NON PERFORMING PAST-DUE EXPOSURES	TOTAL	DELTA	CHANGE %
Gross exposure	28,893	3,891	2,872	35,656	32,407	4,566	2,142	39,115	-3,459	-9%
Adjustments	10,095	1,211	619	11,925	10,835	945	424	12,204	-279	-2%
Total net exposure	**18,798**	**2,680**	**2,253**	**23,731**	**21,572**	**3,621**	**1,718**	**26,911**	**-3,180**	**-12%**
Gross exposure	25,976	-	-	25,976	28,694	-	-	28,694	-2,718	-9%
Adjustments	8,456	-	-	8,456	8,455	-	-	8,455	1	-
Exposure guaranteed by net indemnity	**17,520**	**-**	**-**	**17,520**	**20,239**	**-**	**-**	**20,239**	**-2,719**	**-13%**
Gross exposure	2,917	3,891	2,872	9,680	3,713	4,566	2,142	10,421	-741	-7%
Adjustments	1,639	1,211	619	3,469	2,380	945	424	3,749	-280	-7%
Exposure net of indemnity	**1,278**	**2,680**	**2,253**	**6,211**	**1,333**	**3,621**	**1,718**	**6,672**	**-461**	**-7%**
Net guaranteed exposure	**1,246**	**2,443**	**2,053**	**5,742**	**1,299**	**3,455**	**1,504**	**6,258**	**-516**	**-8%**
Net exposure not guaranteed	**32**	**237**	**200**	**469**	**34**	**166**	**214**	**414**	**55**	**13%**

At 30 September 2020, the **interbank position**, net of the securities portfolio and operating loans, showed a net credit balance of 544 million euros, sharply down compared to a net exposure of 790 million euros at the end of the previous year.
The decrease was attributable to the launch of a new financing transaction with the the ECB under the fourth cycle of the TLTRO 3 programme for 500 million euros, partly offset by the increase in demand deposits with the said Central Bank (+236 million euros), and, to a lower extent, in collateral margins.

			CHANGE	
(€ THOUSAND)	30.09.2020	31.12.2019	AMOUNT	%
1. Repayable on demand	**835,979**	**599,103**	**236,876**	**39.5%**
Demand deposits with ECB and Bank of Italy (*)	739,117	503,443	235,674	46.8%
Demand deposits with credit institutions	595	67	528	788.1%
Transfer accounts	96,267	95,593	674	0.7%
2. Time deposits	**301,861**	**286,065**	**15,796**	**5.5%**
Mandatory reserve	99,262	101,063	-1,801	-1.8%
Term deposits	30,026	22,395	7,631	34.1%
Repurchase agreements	137,036	152,969	-15,933	-10.4%
Collateral margins	35,537	9,638	25,899	268.7%
Total loans to banks	**1,137,840**	**885,168**	**252,672**	**28.5%**
1. Due to Central Banks	**498,639**	**-**	**498,639**	**n.a.**
TLTRO	498,639	-	498,639	n.a.
2. Due to banks	**94,857**	**94,807**	**50**	**0.1%**
Transfer accounts	70,960	72,790	-1,830	-2.5%
Repurchase agreements	6,268	-	6,268	n.a.
Collateral margins	20	1,690	-1,670	-98.8%
Other debts	17,609	20,327	-2,718	-13.4%
Total due to banks	**593,496**	**94,807**	**498,689**	**526.0%**
Net interbank position	**544,344**	**790,361**	**-246,017**	**-31.1%**

(*) Reclassified from Item 10 – Demand loans to Central Banks.

The TLTRO III (Targeted Loan Term Refinancing Operation) financing disbursed on 24 June 2020 and preceded by bridge financing (additional Covid-19 LTROs) of 300 million euros that began the previous month has a term of three years, maturing on 24 June 2023, with an early repayment option starting at the end of the second year.
The financing provides for a "special interest rate period" from June 2020 to June 2021, in which interest accrues at a rate equal to that in effect from time to time for the main refinancing transactions, currently a negative -0.5%, which may be reduced up to a negative rate of 1% if during the period from March 2020 to March 2021 the eligible net financing flows disbursed to households for credit purposes other than home purchases and to non-financial companies residing in the euro area (net lending special) are greater than or equal to zero.
In the second period from June 2021 to June 2023, the financing will bear interest at a rate equal to that of the main refinancing operations in effect from time to time, currently -0.5%, which may be reduced up to 0% if the targets set by the Central Bank are not reached during the reference period. It should be noted that as at 30 September 2020 Banca Generali was well above the targets.

5.3 Provisions

Specific provisions totalled 180.8 million euros overall, up by 6.3 million euros compared to the previous year (+3.6%).
The increase in the aggregate was led by provisions for contractual indemnities for the sales network (+14.2 million euros), partly offset by the decline in the balance of provisions for incentives for the sales network (-5.3 million euros), owing primarily to the reduction of commitments in respect of network development plans.

			CHANGE	
(€ THOUSAND)	30.09.2020	31.12.2019	AMOUNT	%
Provision for termination indemnity	4,893	5,153	-260	-5.0%
Provisions for guarantees issued and commitments	120	108	12	11.1%
Provisions for pensions and similar obligations	3,470	3,854	-384	-10.0%
Other provisions for liabilities and contingencies	**172,291**	**165,407**	**6,884**	**4.2%**
Provisions for staff expenses	14,908	14,867	41	0.3%
Restructuring provision – Redundancy incentives plan	1,650	1,741	-91	-5.2%
Provisions for legal disputes	11,724	12,899	-1,175	-9.1%
Provisions for contractual indemnities to the sales network	112,101	97,879	14,222	14.5%
Provisions for sales network incentives	25,707	31,034	-5,327	-17.2%
Other provisions for liabilities and contingencies	6,201	6,987	-786	-11.2%
Total provisions	**180,774**	**174,522**	**6,252**	**3.6%**

Contractual indemnities referred for 68.7 million euros to the provisions for termination indemnities for Financial Advisors pursuant to Article 1751 of the Italian Civil Code (calculated on an actuarial basis), and for 25.3 million euros to other indemnities relating to the termination of the agency relationship or managerial position (managerial incentive indemnity, portfolio development indemnity, pension bonus).
The aggregate included a 18.1 million euros provision for the service of the annual cycles of the 2017-2026 Framework Loyalty Programme for the Sales Network, which saw the launch of the fourth annual cycle (2020-2026) in 2020. The provisions relating to the four cycles that have been launched thus far refer to 50% of the accrued indemnity to be paid in cash, whereas the portion payable in Banca Generali shares has been accounted for pursuant to IFRS 2.

Pension provisions refer to the supplementary pension plan for the employees of the recently acquired BG Valeur. Under local pension legislation (LLP), they cover the mandatory supplementary benefits upon satisfaction of pension requirements or occurrence of an adverse event (death or disability). These obligations are covered by dedicated assets managed by Swiss Life Collective Foundation BGV.

Tax dispute

Provisions for other risks and charges also include 2.6 million euros set aside to cover the tax dispute, following the audit conducted on financial year 2014 by the Italian Revenue Agency.

It should be noted that:
> the preparation of an initial report laying out charges regarding accrual was concluded on 22 December 2017;
> the charges relating to violations of transfer-pricing rules were formulated in the auditors' report on findings drafted on 29 June 2018;
> the findings of both audits are currently still being evaluated by the competent Large Business Taxpayers Office, with which Banca Generali has entered into discussions;
> the time limit for the assessment relating to the year 2014 is pending to date, following the extension granted pursuant to Article 1, paragraph 9, of Decree-Law No. 119 of 23 October 2018.

It should also be noted that in March 2020 a new tax audit regarding the years 2015 and following was launched by the Trieste Economic and Financial Police Unit of the Italian Finance Police.
However, the audit was suspended immediately after it began due to the lockdown measures adopted to check the spread of the pandemic (Italian Finance Police Circular No. 73943 of 11 March 2020).
The audits then resumed on last 9 July, in view of the now imminent end of the period for assessments relating to the year 2015.

5.4 Net equity and regulatory aggregates

As at 30 September 2020, the Banking Group's consolidated net equity, inclusive of net profit for the period, amounted to 1,067.7 million euros, sharply up compared to the previous half-year figure, mainly due to the reallocation to equity reserve of the first tranche of the dividend of 181.1 million euros for year 2019 authorised by the Shareholders' Meeting on 23 April 2020, the distribution of which has been suspended in accordance with the Recommendations issued by the ECB on 27 March 2020 (ECB 2020/19) and on 27 July 2020 (ECB 2020/35) on dividend policy within the framework of the Covid-19 emergency, extended by the Bank of Italy to less significant directly supervised institutions.

In particular, the Board of Directors of Banca Generali on 1 April 2020 had amended the Proposal for destination of the profit as at 31 December 2019, previously approved, resolving, in compliance with the aforementioned Recommendation, to distribute a dividend of 1.55 euros per share between 15 October and 31 December 2020 and a dividend of 0.30 euros per share between 15 January and 31 March 2021, subject to the Board of Directors' prior verification that: (i) the conditions indicated in the Recommendation ECB/2020/19 are met, (ii) the supervisory regulations and guidelines applicable from time to time are complied with, and (iii) Total Capital Ratio at the company and consolidated level exceeds the SREP minimum requirements plus a 1.2% buffer, thus equal to 9.2% and 13.0%, respectively.

However, on 27 July 2020, the European Central Bank issued a new Recommendation (ECB 2020/35) extending the request to refrain from paying dividends, or from entering into irrevocable payment commitments, from 1 October 2020 to at least 1 January 2021. The Bank of Italy issued the same recommendation to the institutions subject to its supervision.
In view of the fact that as at 30 September 2020 a change in this position now appears unrealistic, on 15 October 2020 Banca Generali's Board of Directors acknowledged that it was impossible to proceed with payment of the first tranche of the dividend.

The payment of the second tranche of the dividend for financial year 2019, already approved by the aforementioned General Shareholders' Meeting, in the amount of 35 million euros is currently confirmed as per the conditions set by the said Shareholders' resolution.

			CHANGE	
(€ THOUSAND)	30.09.2020	31.12.2019	AMOUNT	%
Share capital	116,852	116,852	-	-
Share premium reserve	57,066	57,729	-663	-1.1%
Reserves	689,914	454,465	235,449	51.8%
(Treasury shares)	-45,200	-37,356	-7,844	21.0%
Valuation reserves	3,284	3,813	-529	-13.9%
Equity instruments	50,000	50,000	-	-
Net profit (loss) for the period	195,780	272,139	-76,359	-28.1%
Group net equity	**1,067,696**	**917,642**	**150,054**	**16.4%**
Net equity attributable to minority interests	35	26	9	34.6%
Consolidated net equity	**1,067,731**	**917,668**	**150,063**	**16.4%**

The change in net equity in the first nine months of 2020 was influenced, beside the evolution of the above-mentioned dividend for financial year 2019, by the buy-back of treasury shares, the negative performance of fair value valuation reserves for the portfolio of financial assets at fair value through other comprehensive income (HTCS) and other reserves included in other comprehensive income, the change in reserves for share-based payments (IFRS 2) and consolidated net profit being generated, as shown in the following table.

	30.09.2020	31.12.2019
Net equity at period-start	**917,668**	**734,875**
Allocated dividend	-35,055	-144,900
Purchase and sale of treasury shares	-12,688	-17,786
Matured IFRS 2 reserves on own financial instruments	3,312	7,207
Matured IFRS 2 reserves on the AG Group's IFRS2-related plans	148	653
Change in valuation reserves	-505	15,611
Changes and dividends on AT1 equity instruments	-816	50,000
Consolidated net profit being generated	195,767	272,122
Other effects	-100	-114
Net equity at period-end	**1,067,731**	**917,668**
Change	**150,063**	**182,793**

The third quarter of the year saw the completion of the plan to repurchase treasury shares, passed by Shareholders' Meeting on 23 April 2020, authorised by the Supervisory Authority on 16 July 2020 and then launched by the Bank on 3 August 2020.
As part of the plan, a total of 491,000 treasury shares were repurchased for an overall value of 12,688 thousand euros for the service of the Banking Group's Remuneration Policies.
In particular, the repurchased shares will be used to cover the commitments under remuneration plans for key personnel in 2020, the fourth cycle of the retention plan for 2020 and the Long-Term Incentive Plan for the three-year period 2020-2022.

In the first half of the year, on the basis of the achievement of the performance objectives set out in the Remuneration Policy, 190,308 treasury shares, with a value of 4,844 thousand euros, were also allotted to employees and Financial Advisors falling within the Banking Group's Key Personnel, and to network managers.

At 30 September 2020, the Parent Company, Banca Generali, thus held 1,768,271 treasury shares, equal to 1.51% of share capital, with a value of 45,200 thousand euros, intended solely for the service of Remuneration Policies for the Banking Group's Key Personnel.

	NO. OF SHARES	VALUE	AVERAGE PRICE
Amount at year-start	**1,467,579**	**37,356,127**	**25.45**
Allotments	-190,308	-4,843,910	25.45
Purchases	491,000	12,688,174	25.84
Amount at period-end 2020	**1,768,271**	**45,200,391**	**25.56**

Fair value valuation reserves for the portfolio of financial assets at fair value through other comprehensive income (HTCS) showed only a slight net decrease of 0.5 million euros, due to the strong recovery that characterised all financial markets following the measures taken by international central banks to mitigate the financial effects of the pandemic emergency.

	30.09.2020			31.12.2019	
(€ THOUSAND)	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
Valuation reserves - HTCS debt securities	6,303	-642	5,661	6,170	-509
Valuation reserves - OCI equity securities	-	-317	-317	-300	-17
Exchange differences	-	-131	-131	-128	-3
Actuarial gains (losses) from defined benefit plans	-	-1,929	-1,929	-1,929	-
Total	**6,303**	**-3,019**	**3,284**	**3,813**	**-529**

Consolidated own funds amounted to 789.3 million euros, up by 218.3 million euros compared the end of the previous year, due mainly to the reallocation to an equity reserve of the first tranche of the dividend for financial year 2019 not paid out and the retained share of 2020 earnings, as shown in the following table.

Own funds at 31.12.2019	**570,939**
Purchase and sale of treasury shares	-12,688
Change in reserves for share-based payments (IFRS 2)	3,460
Prior year’s dividend not paid out	181,120
Estimated regulatory retained earnings	39,156
Change in OCI reserves on HTCS	-528
Change in goodwill and intangible assets (net of related DTLs)	8,658
Negative prudential filters (prudent valuation - simplified method)	431
DTAs through P&L not arising on temporary differences (tax losses)	-353
Changes and dividends on AT1 equity instruments	-816
Other effects (other reserves)	-96
Total changes in Tier 1 capital	**218,343**
Total changes in Tier 2 capital	**-**
Own funds at 30.09.2020	**789,282**
Change	**218,343**

In view of the new dividend policy, approved by the Board of Directors on 8 March 2019, the regulatory estimate of retained earnings has been prepared by considering a minimum dividend of 1.25 euros and the maximum value of the planned pay-out range, equal to 80% of consolidated profit for the current year.

At the end of the reporting period, CET1 ratio reached 20.4%, compared to a minimum requirement of 7.75%, and Total Capital Ratio (TCR) reached 21.7%, compared to the SREP minimum requirement of 11.84%.

Moreover, it should be noted that on 12 March 2020 the ECB introduced various prudential mitigation measures aimed at reducing the impact of the Covid-19 emergency on the banking system, such as an option to operate temporarily beneath the capital conservation buffer and Pillar 2 guidance (P2G) and to comply with the binding Pillar 2 requirement (P2R) partially by using equity instruments not classified as CET1. On the basis of these measures, the total binding requirement for the Banking Group would temporarily amount to 9.34%, exceeding own funds by over 450 million euros.

			CHANGE	
(€ THOUSAND)	30.09.2020	31.12.2019	AMOUNT	%
Common Equity Tier 1 capital (CET1)	739,282	520,939	218,343	41.91%
Additional Tier 1 capital (AT1)	50,000	50,000	-	-
Tier 2 capital (T2)	-	-	-	n.a.
Total Own funds	**789,282**	**570,939**	**218,343**	**38.24%**
Credit and counterparty risk	205,226	198,294	6,932	3.50%
Market risk	58	294	-236	-80.24%
Operating risk	85,192	85,192	-	-
Total absorbed capital (Pillar I)	**290,476**	**283,780**	**6,696**	**2.36%**
Total SREP minimum requirements (Pillar 2)	**429,904**	**419,994**	**9,910**	**2.36%**
Excess over SREP minimum requirements	359,378	150,945	208,433	138.09%
Risk-weighted assets	3,630,950	3,547,248	83,702	2.36%
CET1/Risk-weighted assets	20.4%	14.7%	5.7%	38.6%
Tier 1/Risk-weighted assets	21.7%	16.1%	5.6%	35.1%
Total own funds/Risk-weighted assets (Total Capital Ratio)	**21.7%**	**16.1%**	**5.6%**	**35.1%**

Absorbed capital for credit and counterparty risk rose slightly compared to the previous year by 6.9 million euros, mostly due to the significant increase of exposures to companies and retail clients, partly backed by government guarantees granted to respond to the Covid-19 emergency. In order to mitigate the significant economic impact of Covid-19 and to promote new loans for businesses and households, the European Commission has promoted a package of banking measures, also including amendments to the CRR, which were adopted by Commission Delegated Regulation (EU) No. 2020/873, published in the OJEU on 26 June 2020.

The package includes, ***inter alia***:

> new IFRS 9 phase-in rules on own funds that allow the greater collective adjustments to performing positions (stage 1 and stage 2) recognised compared to 1 January 2020 to be sterilised during the 2020-2024 period;
> the introduction of a new phase-in filter until 31 December 2022, to exclude from the calculation of CET1 the amount of unrealised profits and losses on exposures towards administrations and public entities recognised since 31 December 2019;
> the acceleration to 30 June 2020 of the timetable for adopting the new SME supporting factor, intended to support exposures to small and medium-sized enterprises by reducing the applicable capital requirements;
> the acceleration of the timetable for eliminating the deduction from own funds of IT investments in software (a measure that is not yet operational, pending the issue of a specific RTS).

In this regard, it should be noted that, at 30 September 2020, Banca Generali had yet to adopt the aforementioned optional phase-in rules. On the other hand, the implementation of the SME supporting factor had a positive impact in terms of the capital requirements for credit risk of 2.1 million euros.

The leverage ratio at the end of the third quarter reached 6.13%, up compared to that at the end of the previous year (4.83%).

RECONCILIATION STATEMENT BETWEEN PARENT COMPANY BANCA GENERALI'S NET EQUITY AND CONSOLIDATED NET EQUITY

	30.09.2020		
(€ THOUSAND)	SHARE CAPITAL AND RESERVES	NET PROFIT	NET EQUITY
Net equity of Banca Generali	**744,801**	**224,983**	**969,784**
Differences between net equity and book value of companies consolidated using the line-by-line method:	76,531	-	76,531
- profit carried forward of consolidated companies	66,793	-	66,793
- goodwill	8,676	-	8,676
- other changes	1,062	-	1,062
Dividends from consolidated companies	59,320	-188,320	-129,000
Consolidated companies' result for the period	-	159,436	159,436
Net profit attributable to minority interests	48	-13	35
Result of associates valued at equity	45	-152	-107
Valuation reserves - consolidated companies	-130	-	-130
Goodwill	-8,676	-154	-8,830
Net equity of the Banking Group	**871,939**	**195,780**	**1,067,719**

6. Performance of Group Companies

6.1 Banca Generali S.p.A. performance

Banca Generali closed the third quarter of 2020 with net profit of 225 million euros, up compared to 189.2 million euros reported at the end of the same period of the previous year, chiefly due to the higher contribution of dividends distributed both in advance and at the end of the period by the Luxembourg subsidiary BG Fund Management Luxembourg S.A, up from 158.6 to 188.3 million euros.

Reclassified net banking income[15], net of the dividends from the Banking Group's equity investments, rose by approximately 28 million euros (+12.6%) compared to the same period of the previous year. This increase was attributable to both the increase in net interest income (+13.4 million euros) and net fees (+13.7 million euros).
Net income (loss) from trading activities rose by 1.3 million euros (+17.8%) compared to the same period of 2019.

			CHANGE	
(€ THOUSAND)	30.09.2020	30.09.2019	AMOUNT	%
Net interest income	**67,377**	**53,970**	**13,407**	**24.8%**
Net income (loss) from trading activities	8,425	7,154	1,271	17.8%
Dividends	190,016	160,769	29,247	18.2%
– *of which: dividends from equity investments*	*188,320*	*158,613*	*29,707*	*18.7%*
Net financial income	**265,818**	**221,893**	**43,925**	**19.8%**
Fee income	455,047	426,257	28,790	6.8%
Fee expense	-282,984	-267,929	-15,055	5.6%
Net fees	**172,063**	**158,328**	**13,735**	**8.7%**
Net banking income	**437,881**	**380,221**	**57,660**	**15.2%**
Staff expenses	-66,180	-62,736	-3,444	5.5%
Other general and administrative expenses	-63,707	-61,134	-2,573	4.2%
Net adjustments of property, equipment and intangible assets	-22,530	-20,635	-1,895	9.2%
Other operating expenses/income	2,781	2,998	-217	-7.2%
Net operating expenses	**-149,636**	**-141,507**	**-8,129**	**5.7%**
Operating result	**288,245**	**238,714**	**49,531**	**20.7%**
Net adjustments for non-performing loans	-1,913	-2,268	355	-15.7%
Net provisions	-18,875	-12,972	-5,903	45.5%
Contributions and charges related to the banking system	-11,148	-7,269	-3,879	53.4%
Gains (losses) from the disposal of equity investments	16	-161	177	-109.9%
Operating profit before taxation	**256,325**	**216,044**	**40,281**	**18.6%**
Income taxes for the period on current operations	-31,342	-26,823	-4,519	16.8%
Net profit	**224,983**	**189,221**	**35,762**	**18.9%**

At the level of net interest income, there was an increase in interest income of 10.4 million euros, mostly owing to the portfolio of financial assets, whereas the decrease in interest expense of 3 million euros was due in part to the repayment of the subordinated loan to Generali Beteiligungs in November 2019, which in the third quarter of the previous year had an impact of 1.3 million euros, and, in part, to a contraction in negative interest income on the excess of the reserve

[15] In order to ensure a better understanding of operating performance, in the Profit and Loss Account the provisions for sales incentives and recruitment plans have been reclassified within the net fee aggregate. As a result, net provisions were restated net of these items for an amount of 9.9 million euros for 2020 and 9.2 million euros for 2019.

requirement, which in the third quarter of 2019 amounted to approximately 1.2 million euros, compared with 63 thousand euros in 2020.

The increase in net fees (+8.7%) to 172.1 million euros at the end of the period is to be attributed to the combined effect of the increase in fee income (+28.8 million euros), particularly on the placement of securities and UCITS (+11.3 million euros) and distribution of third-party financial services (+8.7 million euros), and the increase in fee expense (+15.1 million euros), with particular regard to fees for off-premises offer (+12.7 million euros).

Net **operating expenses**[16] amounted to approximately 149.6 million euros, up 5.7% compared to the same period of the previous year.
The cost/income ratio, which measures the ratio of operating expenses (gross of adjustments to property, equipment, intangible assets) to net operating income and dividends, amounted to 50.9%.

Provisions and net adjustments amounted to 20.8 million euros, up compared to the same period of 2019 (+5.5 million euros), mainly due to the greater net provisions for contractual indemnities for the sales network (+6.4 million euros).

Operating profit before taxation amounted to 256.3 million euros, up by 18.6% compared to the same period of 2019.
The expected tax burden was 31.3 million euros, with an overall tax rate at 12.2%.

Total AUM managed by the Group on behalf of its customers — which is the figure used for communications to Assoreti — amounted to 69.2 billion euros at 30 September 2020, up 3.6% compared to the end of the previous year. Net inflows amounted to 4.1 billion euros, up by 7.7% compared to the figures reported at the end of the same period of 2019.

6.2 Performance of BG Fund Management Luxembourg S.A.

BG Fund Management Luxembourg S.A. (hereinafter BGFML) is a company under Luxembourg law specialising in the administration and management of the Sicavs promoted by the Banca Generali Group (LUX IM Sicav and BG Selection Sicav) and the Sicav called BG Alternative, reserved for institutional investors.
In early March 2020, the management company acquired delegated management of the Luxembourg Sicav Nextam Partners Sicav with total AUM of 243 million euros.

BGFML ended the third quarter of 2020 with net profit of 160.9 million euros, with a 4.8 million euro decrease compared to the same period of 2019.
Performance fees rose by 4.1 million euros and management fees by 7.6 million euros.
Net banking income amounted to 190.4 million euros (+5.5 million euros). Total operating expenses slightly increased (+0.7 million euros compared to 30 September 2019), reaching 5.5 million euros (of which 3.7 euros consisted of staff expenses).
The Company's net equity amounted to 99.7 million euros, net of a dividend payout of 188.3 million euros, as payment in advance and total payment for 2020.

Overall, assets under management at 30 September 2020 amounted to 17,347 million euros, up 414 million euros compared to 16,933 million euros at 31 December 2019.

[16] In order to facilitate the understanding of operating performance, in the presentation of the profit and loss account, taxes recovered from customers have been reclassified to the other administrative expenses aggregate. As a result, the other income aggregate was restated net of these items for an amount of 46.1 million euros for 2020 and 40.1 million euros for 2019. In addition, the costs of the mandatory contributions paid by the Bank, pursuant to the DSGD and BRRD for the protection of the banking system (contributions to the Italian Interbank Deposit Protection Fund, European Single Resolution Fund and the Italian National Resolution Fund for previous interventions) have been separated from the administrative expenses aggregate and reclassified to a separate item in order to better represent the performance of the costs most closely connected to the Bank's operating structure.

6.3 Performance of Generfid S.p.A.

Generfid, a company specialising in custodian capacity of assets, ended the third quarter of 2020 with a slight net profit and net equity amounting to about 0.8 million euros.
Net banking income amounted to about 0.9 million euros and virtually covered operating expenses.
Assets under management totalled 1,195 million euros (1,242 for 2019).

6.4 Performance of Nextam Partners Group

The Nextam Partners Group, which became part of the Banca Generali Group on 25 July 2019, has been offering asset and wealth management and advisory services to private-banking and institutional clients in Italy since 2001.

In 2020, a complex reorganisation of the Group was undertaken:

> on 30 June 2020 the business line relating to the performance of management activity for Italian UCITS (the "UCITS Unit") was contributed by Nextam Partners SGR to the independent asset management company 8a+ Investimenti SGR ("8a+ SGR"), resulting in the acquisition of an equity interest in the latter of 19.5%. Said contribution resulted in a capital gain of 612 thousand euros on the acquisition of the equity investment in 8a+ SGR, valued at 912 thousand euros;

> the subsequent merger of Nextam Partners S.p.A. ("NP SPA") and Nextam Partners SGR ("NP SGR") into the parent company Banca Generali was finalised on 1 July 2020, with retroactive effect for accounting and tax purposes from 1 January 2020;

> on 12 September 2020 Nextam Partners LTD, which at the end of February 2020 had already waived the management mandates granted by Nextam Partner Sicav, obtained approval from the UK Financial Conduct Authority (FCA) for the cancellation of its authorisation to provide regulated investment services (deregistration) in order to proceed with the voluntary liquidation procedure (member's voluntary liquidation), which is expected to be concluded in early 2021 in the absence of obstacles.

It should be noted that, in order to comply with the capital requirements imposed by the FCA until it ceases to operate, in July 2020 Nextam Partners Ltd carried out a capital increase of GBP 590 thousand. The company also modified the duration of its final financial year of activity from 31 December 2020 to 30 September 2020.
Nextam Partners LTD ended the third quarter of 2020 with a net loss of GBP 802 thousand, up from the net loss of GBP 86 thousand on the same period of the previous year (of which 16 thousand after the acquisition).
Net banking income amounted to GBP 84 thousand and operating expenses were GBP 884 thousand, of which 252 staff expenses.

Nextam SIM S.p.A. ended the third quarter of 2020 with a net loss of 656 thousand euros, up from the net loss of 90 thousand euros on the same period of the previous year (of which 40 thousand after the acquisition). Net banking income amounted to 0.6 million euros and operating expenses were 1 million euros, of which 0.6 staff expenses.

Overall, assets under management referring to the former Nextam Partners Group at 30 September 2020 amounted to 544 million euros, down compared to 1,042 million euros at 31 December 2019.

6.5 Performance of BG Valeur S.A.

BG Valeur S.A., which became part of the Banca Generali Group on 15 October 2019, is a private banking boutique based in Lugano, Switzerland.

The company ended the third quarter of 2020 with net profit of CHF 54.6 thousand (51.1 thousand euros), calculated based on local GAAP.
Revenues from asset management and advisory services amounted to approximately CHF 6.8 million, whereas operating expenses amounted to approximately to CHF 6 million (of which 5.2 consisted of staff expenses).
The BG Valeur S.A.'s net equity recognised in its statutory financial statements totalled CHF 619 thousand at 30 September 2020.

On 25 September 2020, Banca Generali's Board of Directors authorised the Bank to carry out a capital increase for the benefit of the subsidiary for a total amount (100%) of CHF 2.7 million in order to bring its capital into line with the capital requirements set by the new federal law on financial institutions (Financial Institutions Act or FinIA), which entered into effect on 1 January 2020. The transaction will be finalised as soon as it is approved by the governing bodies of BG Valeur.

At 30 September 2020, assets under management amounted to 1,060 million euros, down compared to 1,170.1 million euros at 31 December 2019.

7. Basis of Preparation

The Interim Report for the first nine months of 2020 was prepared in accordance with the provisions set forth in Article 154-***ter***, paragraph 5, of Italian Legislative Decree No. 58/98.

In this regard, it should be noted that, as part of the process of transposing Directive No. 2013/50/EU (Transparency 2), on 16 February 2016 Italian legislators enacted Legislative Decree No. 25, which thoroughly amends the aforementioned statute by:

> eliminating the requirement to publish an interim report;
> allowing issuers to continue to disclose to the market — entirely on a voluntary basis — "additional periodic financial information" beside the annual and half year reports, in compliance with the principles and application criteria set out by Consob.

With resolution No. 19770 dated 26 October 2016, Consob updated the Rules for Issuers adding the new Article 82-***ter***, which requires listed issuers which have Italy as member state of origin to:

a) publish the intention to disclose additional periodic financial information, specifying the relevant items of information, in a way that the decisions made are clear and stable over time;
b) specify the terms for the approval and the publishing of the additional periodic financial information by the competent body;
c) guarantee the coherence and correctness of the additional periodic financial information made available to the public and the comparability of the information items with the corresponding data contained in the financial report previously made available to the public;
d) ensure rapid, non-discriminatory access which can, with reasonable certainty, guarantee the effective circulation of information throughout the European Union.

In accordance with the development of the legal framework and in line with its stakeholders' needs, Banca Generali decided to continue to provide its quarterly financial disclosures to the public by drawing up the Interim Report.

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 situation and profit and loss performance:

> the consolidated condensed balance sheet at 30 September 2020 compared with the figures at the end of the previous year;
> the consolidated condensed profit and loss account for the first nine months of the year, compared with data for the same period of the previous year;
> the statement of comprehensive income for the first nine months of the year, compared with 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 on transactions undertaken during the reporting period.
The amounts included in the Financial Statements and Notes and Comments are expressed in thousands of euros, unless otherwise indicated.

The consolidated financial position illustrated in the Interim Report has been prepared according to the IASs/IFRSs 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.

However, the Interim Report does not include the Financial Report or certain explanatory notes that would be required to represent the financial situation and financial performance for the quarter of Banca Generali S.p.A. and the Banca Generali Group in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) adopted by the European Union.

The Interim Report is subject to a limited audit by the independent auditing firm for the purposes of determining the profit for the period to be included in Common Equity Tier 1 capital, as required by Article 26, paragraph 2, of the Regulation (EU) No. 575/2013.

7.1 Accounting Standards

The accounting standards and measurement criteria used are the same as those used to prepare the Consolidated Financial Statements at 31 December 2019.

It should be noted that, following the completion of the endorsement procedure, as of 1 January 2020, several amendments to the IASs/IFRSs, and IFRICs were adopted and new IFRICs were issued.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED IN PREVIOUS YEARS AND EFFECTIVE AS OF 2020

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018)	2019/2075	06.12.2019	01.01.2020
Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018)	2019/2104	10.12.2019	01.01.2020

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED IN 2020 AND EFFECTIVE AS OF 2020

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IFRS 3 Business Combinations (issued on 22 October 2018)	2020/551	22.04.2020	01.01.2020
Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform (issued on 26 September 2019)	2020/34	16.01.2020	01.01.2020
Amendment to IFRS 16 Leases Covid-19-Related Rent Concessions (issued on 28 May 2020)	2020/1434	12.10.2020	01.06.2020

The date of entry into force of some of the already endorsed standards has been postponed until subsequent years. The early application option has not been exercised for those standards.
The standards and interpretations that entered into force in 2020 did not have a significant impact on the Group's balance sheet and profit and loss account.

Estimates and assumptions

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 reported 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;
> the determination of value adjustments and reversals of non-performing loans;
> estimates and assumptions used to determine current and deferred taxation.

7.2 Consolidated companies and business combinations

The companies consolidated by the Group in accordance with IFRS 10 include the Parent Company, Banca Generali S.p.A., and the following subsidiaries:

COMPANY NAME	REGISTERED OFFICE	OPERATING OFFICE	TYPE OF CONTROL	SHAREHOLDING RELATIONSHIP INVESTOR	SHAREHOLDING RELATIONSHIP % OF OWNERSHIP INTEREST	% OF VOTES IN ORDINARY SHAREHOLDERS' MEETING
Banca Generali S.p.A.	Trieste	Trieste, Milan		Parent Company		
BG Fund Management Luxembourg S.A.	Luxembourg	Luxembourg	1	Banca Generali	100.00%	100.00%
Generfid S.p.A.	Milan	Milan	1	Banca Generali	100.00%	100.00%
Nextam Partners Sim S.p.A.	Milan	Milan	1	Banca Generali	100.00%	100.00%
Nextam Partners Ltd.	London	London	1	Banca Generali	100.00%	100.00%
BG Valeur S.A.	Lugano	Lugano	1	Banca Generali	90.10%	90.10%

Legend
Type of control:
(1) Control pursuant to Article 2359, paragraph 1(1), of the Italian Civil Code (majority of voting rights at General Shareholders' Meeting).

In the previous year, the scope of consolidation changed as a result of:
> the acquisition, on 25 July 2019, of a 100% interest in Nextam Partners S.p.A., the parent company of the group of securities brokerage firms of the same name, and therefore of its subsidiaries Nextam Partners SGR, Nextam Partners SIM and the UK subsidiary Nextam Partners Ltd.; the subsequent merger of the first two companies, Nextam Partners S.p.A. and Nextam Partners SGR, into the parent company Banca Generali with effect from 1 July 2020, and with retroactive effect for accounting and tax purposes from 1 January 2020;
> the acquisition, on 15 October 2019, of a 90.1% majority interest in Valeur S.A. (now BG Valeur S.A.), a trust company under Swiss law.

The contribution of these acquisitions is therefore reflected in the Consolidated Profit and Loss Account at 30 September 2020 but only partially in the Profit and Loss Account for the comparison period at 30 September 2019; however, it does not materially impact the Banking Group's operating aggregates. An analysis of the most significant impacts on the various items of the Profit and Loss Account is nonetheless provided in this Interim Report.

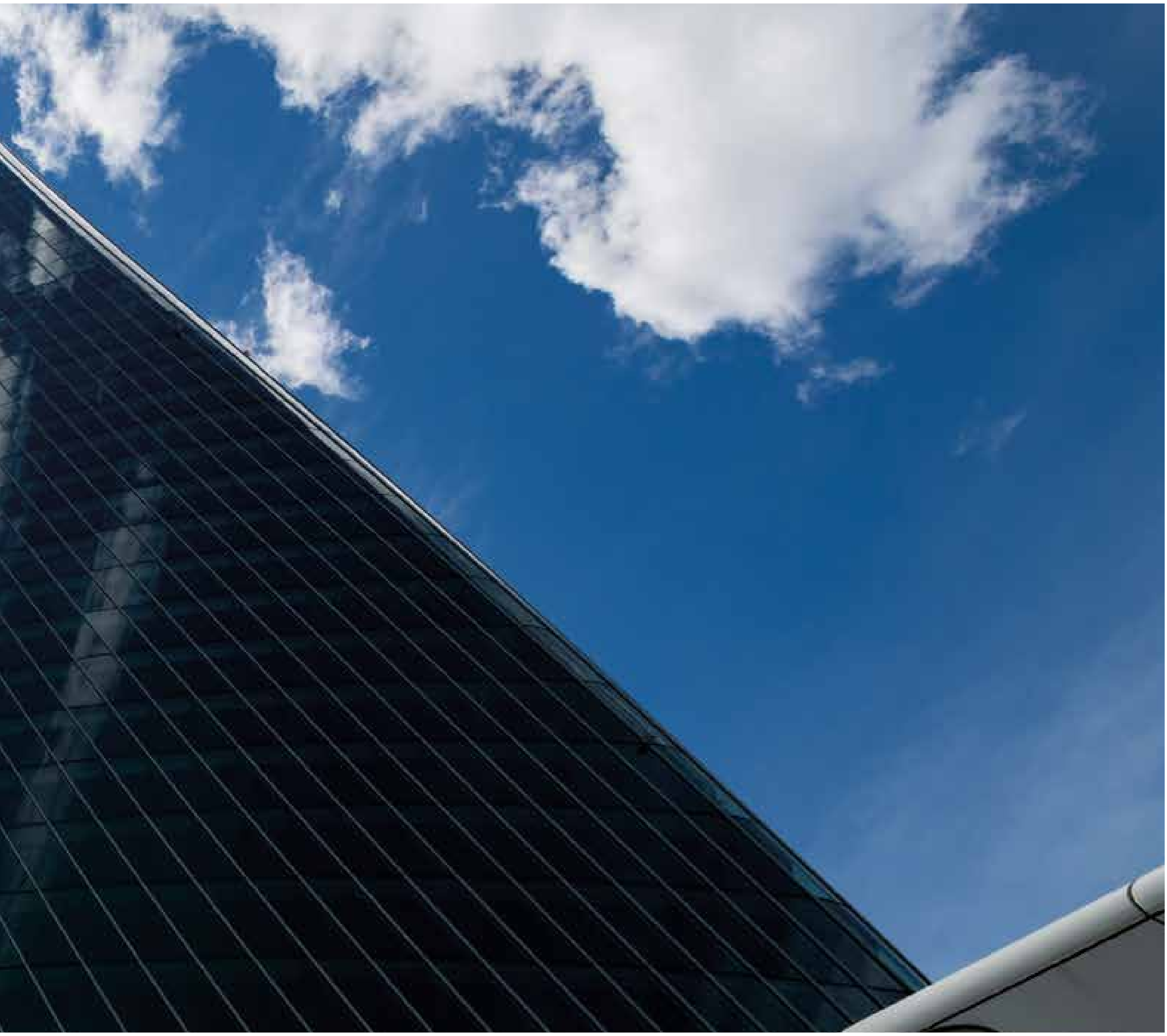
The consolidated accounts include the separate accounts of the Parent Company and its subsidiaries at 30 September 2020, reclassified and adjusted where necessary to take account of consolidation requirements. The most significant intra-Group transactions, influencing both the Balance Sheet and Profit and Loss Account, were eliminated. Unreconciled amounts were recognised in other assets/liabilities and other revenues/expenses, respectively.

Business combinations

The acquisitions of the Nextam Group and Valeur S.A. fall within the scope of IFRS3 and were accounted for using the purchase method.
In particular, IFRS 3 requires that the difference between acquisition cost, inclusive of contingent consideration, be recognised at the acquisition date and that the accounting difference, determined according to IASs/IFRSs, between the acquiree’s consolidated assets and liabilities be attributed, through a purchase price allocation (PPA) procedure, to the acquired assets and liabilities, the identified intangible assets and to goodwill for the remainder.
With regard to the Nextam Group, the organisation of the Group carried out in 2020 necessitates a thorough assessment of the contingent consideration recognised, as well as of the identified intangible assets and goodwill.
In accordance with IFRS 3, the PPA must be concluded within one year from the acquisition date. Accordingly, the figures presented remain subject to variation. The final values associated with the two acquisitions will be presented in the 2020 consolidated Financial Statements.

Trieste, 5 November 2020

The Board of Directors



04

DECLARATION

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

Declaration pursuant to Article 154-*bis*, Second Paragraph, of Legislative Decree No. 58 of 24 February 1998

Declaration Pursuant to Article 154-bis, Second Paragraph of Legislative Decree No. 58 of 24 february 1998

The undersigned Dr. Tommaso DI RUSSO, *Chief Financial Officer* and Manager in charge of preparing the financial reports of Banca Generali S.p.A., with headquarters in Trieste, via Machiavelli No 4, recorded in the Register of Companies of Trieste to n. 103698, for the intent and purpose of article. 154-bis, second paragraph, of Legislative Decree 24 February 1998 No 58, to the best of his knowledge in light of the position held,

declares

that the accounting information contained in this document corresponds to the document results, books and accounting records.

Trieste, 05 November 2020

Dr. Tommaso Di Russo
Manager charged with preparing
the company's financial reports
BANCA GENERALI S.p.A.

Tommaso di Russo

Banca Generali S.p.A.

Registered office
Via Machiavelli 4 - 34132 Trieste

Share capital
Authorised 119,378,836 euros
Subscribed and paid 116,851,637 euros

Tax code and Trieste register
of companies 00833240328
VAT No. 01333550323

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

Consultancy and co-ordination
Sege S.r.l. / zero3zero9 S.r.l.
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BANCA GENERALI

BANCA GENERALI S.P.A.

REGISTERED OFFICE
Via Machiavelli. 4
34132 Trieste

MILAN HEAD OFFICE
Piazza Tre Torri. 1
20145 Milano
+39 02 40826691

TRIESTE HEAD OFFICE
Corso Cavour, 5/a
I - 34132 Trieste
+39 040 7777 111

BANCAGENERALI.COM