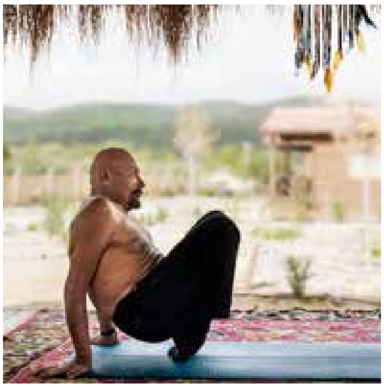
CONSOLIDATED INTERIM REPORT

AT 30 JUNE 2022

TIME TO CHANGE



Time to Change is the project in which Banca Generali and Stefano Guindani investigate on the state of achievement of the 17 SDGs of the UN 2030 Agenda. For each of them, the photographer's key is twofold: on the one hand, the focus is on highlighting the negative action of humankind on the environment and the community, and on the other hand, how humankind itself has an extraordinary capacity to recover through innovative and sustainable solutions. In his three-year research project, Guindani will go beyond the borders of Italy, searching for critical cases and situations of excellence abroad: Brazil, Norway and Australia, but also the United States and South Africa. He will be accompanied by an exceptional companion, Alberto Salza, one of the world's most respected anthropologists, who will edit the project's texts and suggest some of the projects to be monitored.

Consolidated Interim Report at 30 June 2022

Board of Directors
28 July 2022

This Document 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 - 28 July 2022

Board of Directors	Antonio Cangeri	Chairman
	Gian Maria Mossa	Chief Executive Officer
	Azzurra Caltagirone	Director
	Lorenzo Caprio	Director
	Roberta Cocco	Director
	Massimo Lapucci	Director
	Cristina Rustignoli	Director
	Vittorio Emanuele Terzi	Director
Board of Statutory Auditors	Natale Freddi	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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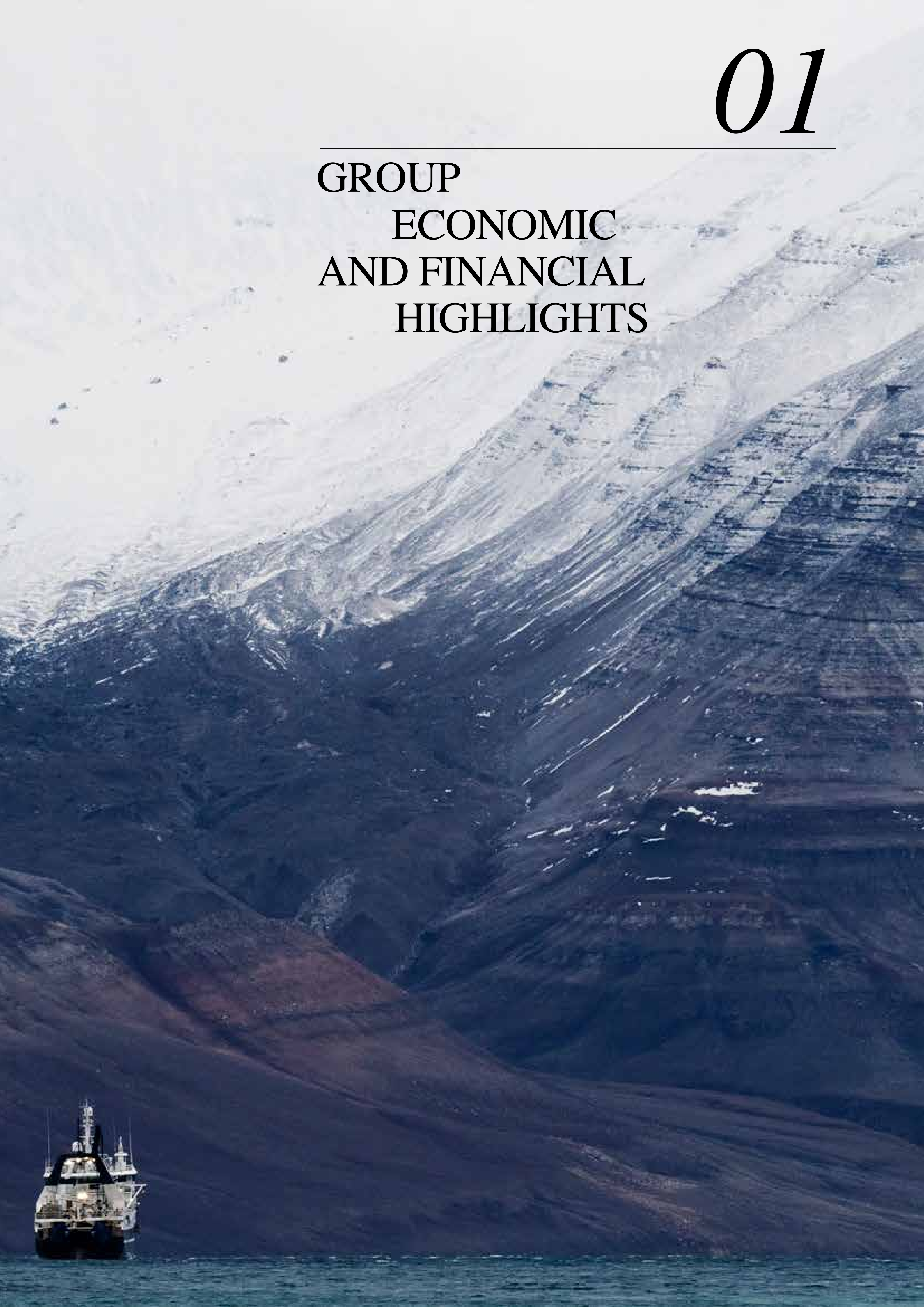
GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS



Group Economic and Financial Highlights

CONSOLIDATED ECONOMIC AND FINANCIAL HIGHLIGHTS

(€ MILLION)	30.06.2022	30.06.2021	CHANGE %
Net interest income	51.8	43.9	18.1
Net financial income	**67.5**	**55.3**	**22.1**
Net fees	246.9	377.4	-34.6
Net banking income	**314.4**	**432.7**	**-27.3**
Net operating expenses [a]	-119.9	-112.3	6.7
of which: staff expenses	*-57.4*	*-53.3*	*7.7*
Operating result	**194.5**	**320.4**	**-39.3**
Provisions and charges related to the banking system [a] and other one-off charges	-17.2	-104.7	-83.5
Adjustments to non-performing loans	-4.9	-4.1	19.9
Profit before taxation	**172.4**	**211.5**	**-18.5**
Net profit	131.3	190.1	-30.9

PERFORMANCE INDICATORS

	30.06.2022	30.06.2021	CHANGE %
Cost/income ratio [a] [b]	38.1%	26.0%	46.9
Operating Costs/Total Assets (AUM) – annualised [c]	0.30%	0.28%	6.2
EBITDA [a]	212.2	337.5	-37.1
ROE [d]	24.9%	35.0%	-28.8
ROA [e]	0.32%	0.47%	-31.2
EPS - Earnings per share (euros)	1.14	1.65	-30.7

NET INFLOWS

(€ MILLION) (ASSORETI DATA)	30.06.2022	30.06.2021	CHANGE %
Funds and Sicavs	463	1,426	-67.5
Financial wrappers	377	360	4.7
Insurance wrappers	264	707	-62.7
Asset management	**1,104**	**2,493**	**-55.7**
Insurance/Pension funds	-232	-473	-51.0
AUC	2,175	1,775	22.5
Total	**3,047**	**3,795**	**-19.7**

(a) For a greater understanding of operating performance, mandatory contributions (of both an ordinary and extraordinary nature) paid to the Italian Interbank Deposit Protection Fund, the European Single Resolution Fund and Italian National Resolution Fund have been reclassified from the general and administrative expenses aggregate to a separate item. The restatement better represents the evolution of the costs linked to the Bank's operating structure by separating them from the systemic charges incurred.
(b) The cost/income ratio measures the ratio of operating expenses to net operating income. This ratio has been restated compared to the previous quarters in order also to include the item "Adjustments of property, equipment and intangible assets".
(c) Operating expenses, gross of non-recurring components, to Assoreti's period-end exact AUM and AUM arising from new acquisitions, annualised.
(d) Ratio of net result to the arithmetic average of net equity, including net profit, at the end of the period and of the same period of the previous year.
(e) Ratio of net result for the period to Assoreti's period-end exact AUM and AUM arising from new acquisitions, annualised.

ASSETS UNDER MANAGEMENT & CUSTODY

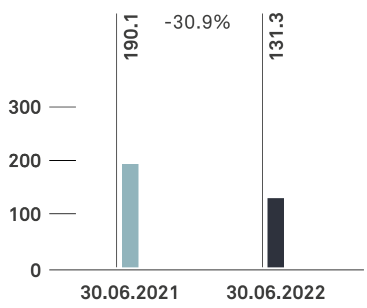
(€ BILLION)	30.06.2022	31.12.2021	CHANGE %
Funds and Sicavs [(f)]	20.7	23.6	-12.4
Financial wrappers [(f)]	8.9	9.4	-5.8
Insurance wrappers	10.3	11.2	-8.5
Asset management	**39.8**	**44.3**	**-10.0**
Traditional life insurance policies	15.9	16.3	-2.1
AUC	25.2	25.2	-0.2
Total [(f)]	**80.9**	**85.7**	**-5.6**

(f) Total Assoreti's AUM were increased by AUM not included in the consolidation scope and generated by the new acquisitions.

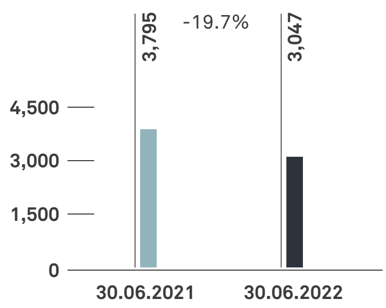
NET EQUITY

(€ MILLION)	30.06.2022	31.12.2021	CHANGE %
Net equity	1,004.7	1,105.9	-9.1
Own funds	743.2	759.0	-2.1
Excess capital	180.1	242.6	-25.8
Total Capital Ratio	16.3%	17.4%	-6.6

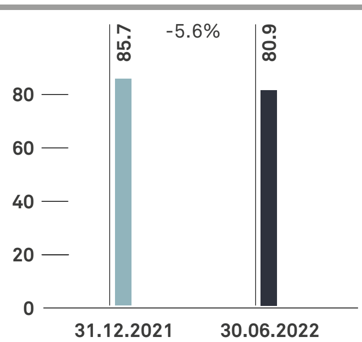
NET PROFIT
(€ million)



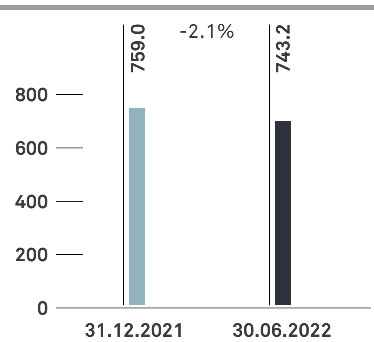
NET INFLOWS
(€ million)



ASSETS UNDER MANAGEMENT
(€ billion)



OWN FUNDS
(€ million)



02

INTERIM REPORT ON OPERATIONS

AT 30 JUNE 2022

BOARD OF DIRECTORS
28 July 2022

1. Summary of half-year operations

The first half of 2022 closed with a consolidated net profit of **131.3 million euros**, sharply down (-30.9%) compared to 190.1 million euros for the first half of 2021, mainly due to the complex macro-economic and financial scenario that characterised the reporting period.

The first six months of 2022 were impacted by one of the worst financial crisis of all times, in sharp contrast to the financial markets' expansionary trend reported in the previous year. The severe international geopolitical tensions, the restrictive policies launched by Central Banks to counter inflationary pressures and the growing fears of an economic recession have led to a sharp contraction of both equity financial markets (MSCI World: -21.2%; Eurostoxx 50: -19.6%) and bond markets (European bonds: -13.1%; US Treasury bonds: -9.1%) in the first half of 2022.

In this context, Banca Generali's commitment to more sustainable financial results bore fruit, as highlighted upon the recent launch of the Bank's 2022-2024 Strategic Plan.

Recurring net profit[1] amounted to **107.9 million euros**, up +30% compared to the previous year. This performance was the result of the strong drive towards growth shown over the years, the flexibility of the Bank's business model and a constant operating cost discipline.
Overall, recurring profit accounted for 82% of net profit for the period, compared to a mere 44% of the total in the same period of the previous year, highlighting a significant profitability profile improvement.

Despite the strong market volatility and the ensuing prudential approach to investments, **net inflows** exceeded **3 billion euros**, confirming the solidity of the trend and a product mix focused on liquidity and protection in a context marked by high financial market volatility.
Most of the period's net inflows were directed towards AUC solutions with **1,260 million euros** YTD, and towards current accounts with **915 million euros** that — according to the Bank's experience — will be then invested in the coming months based on considered financial planning decisions.
Managed solutions (funds, financial and insurance wrappers) amounted to **1,104 million euros**, diversified over a wide range of products and services (in-house and third-party funds, financial and insurance wrappers), among which worth of mention are the in-house products, accounting for over 75% of total net inflows from managed solutions in the period.

At period-end, Banca Generali's **total assets** amounted to **80.9 billion euros**, up 0.6% compared to the end of the first half of 2021. In an extremely complex scenario marked by high volatility and a negative performance of nearly all asset classes, total assets maintained a good resilience and solidity and, despite declining by 5.6% YTD, confirmed their fundamental role in the business expansion process that the Bank has long been pursuing.

At period-end, **Assets under Advanced Advisory (BGPA)** reached **6.7 billion euros**, decreasing by 1.8% compared to the first half of 2021 and by 8.0% YTD, accounting for **8.3%** of total assets.

Net banking income totalled **314.4 million euros** and, net of the sharp decline in performance variable fees (-149.5 million euros; -90.6%), showed an 11.2% increase thanks to the progress of **net recurring fees (231.4 million euros; +8.9%)** and of **net financial income (67.5 million euros; +22.1%)**. The latter benefited from both the growth of average interest-bearing assets (+19.9% compared to the first half of 2021) and the strong increase in bond yields in recent months, thanks to a financial asset structure focusing on a bond portfolio with a short duration (1.4 years) and a high exposure to variable rates (62% of the total).

Operating expenses totalled 119.9 million euros, marking a 6.7% growth, which reflects the charges borne for the acquisition of BG Suisse personnel and technological infrastructure, and the IT expenses linked to the launch of Banca Generali's new data driven digital development projects and its open bank infrastructure.

[1] Profit net of variable fees (performance fees), non-recurring trading income and other one-off items.

'Core'[2] **operating expenses** totalled **108.1 million euros**, up **5.9%**[3], fully in line with the objectives of the new 2022-2024 three-year Plan and confirming the thorough cost discipline and the operating leverage potential of the Bank's business model. This items includes in particular 2.8 million euros generated by the launch of BG Suisse, net of which the growth would have been 4.4%.

The ratio of total operating expenses to total assets was approximately **30 bps**, slightly up as a result of the decline in total assets. The **cost/income ratio**, net of non-recurring items, decreased further to 39.6% (41.8% for the first half of 2021).

Provisions, contributions related to banking funds and **net adjustments** amounted to **22.1 million euros** compared to 28.8 million euros for the previous year (-23.2%), excluding the previous year's one-off provisions[4]. The decline was mainly due to lower provisions for contractual indemnities of an actuarial nature (-20.6 million euros), following the rise in the discount rates applied for the statistical-actuarial assessment, only partly offset by the increase in other provisions for liabilities and contingencies (+13.4 million euros) and adjustments to non-performing loans (+0.8 million euros).

Core loans grew to 16.7 billion euros, with a net increase of nearly 1.3 billion euros compared to the previous year (+8.5%).
The **banking book financial assets** stood at 11.8 billion euros, up 11.1% compared to the previous year. 96% of the portfolio was invested in bonds with a duration of 1.3 years and 50.9% in floating-rate securities, and is thus well positioned to benefit from any rate increase.
Exposures composed of **loans to customers** amounted to **2.6 billion euros**, with a more modest performance in the period (+5.9%), which however highlighted an increase in Lombard transactions.
Net interbank position was nearly 1.3 billion euros, virtually unchanged (-3.5%).

The Bank's **capital solidity** continued to far exceed the requirements set by the Bank of Italy for the Bank in its Supervisory Review and Evaluation Process (SREP), including in a context marked by higher absorption due to the Bank's business expansion, the diversification of the financial asset portfolio and the setting up of the new alternative investment portfolio at the end of the previous year, as well as the continuation of a generous dividend policy.
At 30 June 2022, CET1 ratio was **15.2%** and Total Capital Ratio (TCR) was **16.3%**, compared to SREP minimum requirements of 8% and 12.30%, respectively, as recently revised.

Total **assets under management** (AUM) managed by the Group amounted to **80.9 billion euros** overall, including the 1.0 billion euro contribution deriving from the assets managed by BG Valeur. In addition, managed assets also included 0.9 billion euros in AUC of the Generali Group companies and 3.5 billion euros in funds and Sicavs distributed directly by BGFML, for an overall total of **85.4 billion euros**.

2 Recurring operating expenses, net of costs related to former owners amounting to 10.4 million euros at 30 June 2022 (9.9 million euros for the first half of 2021).

3 One-off operating charges amounted to 1.5 million euros and included the costs for M&A transactions (1.1 million euros) and for the amortisation of intangible assets arising from the acquisition of Nextam and Valeur (0.4 million euros). The comparison data for the first half of 2021 was restated to include the costs associated with the incorporation and start of operations of BG Suisse into the scope of recurring expenses and amounted to 0.4 million euros. In detail, the reported data at the end of the first half of 2021 had included one-off charges amounting to about 2.2 million euros, of which 1.8 million euros referring to the incorporation of BG Suisse and 0.4 million euros related to amortisation and depreciation, as well as 1.2 million euro non-recurring income linked to the reduction of variable consideration due to the former owners of the Nextam Group by virtue of a settlement agreement.

4 In the previous year, 80 million euros was also allocated to protect clients from potential losses on investments in securitisations of healthcare receivables, reserved for professional clients. In this regard, reference should be made to the Annual Integrated Report 2021 and the Interim Report on Operations at 30 June 2021.

2. Macroeconomic context

In the first half of the year, the attention of financial operators was catalysed by the high level of inflation and the consequent new monetary policy paradigm implemented by central banks. In order to contain the price hike that reached 8.6% in the United States and 8.5% in the Eurozone, central banks started raising interest rates.
The macroeconomic scenario was significantly impacted by the armed conflict between Russia and Ukraine which, in addition to causing inevitable geopolitical tensions, impacted the continent's economic and commercial dynamics, causing a sudden rise in commodity prices and the emergence of supply chain bottlenecks.
In this context of high uncertainty and volatility, the main global stock markets recorded a yield decline of between fifteen and twenty percentage points in euros, depending on the region.

In the face of inflation levels that have not been reached globally since the eighties, the ECB's Governing Council announced the end of the Asset Purchase Programme (APP) and approved a first 50 bps rate hike from the end of July. On the US front, the Fed raised interest rates by 150 bps over the period.
Following the interventions of the central banks, the ten-year US Treasury yield over the period reached about 3.5%, and then closed the period at approximately 3%, while the German ten-year yield reached 1.75% closing the six-month period at 1.37%. Yields on the short-term part of the main bond curves were also significantly impacted by the rate hike. The yield on two-year government bonds in the US and in Germany rose by around 220 bps and 126 bps, respectively.

The risk aversion observed in financial markets and the fear of a possible slowdown of growth from next year led to a widening of credit spreads. In particular, the spread on high-yield issues and euro area financial issues widened by 330 bps and 300 bps to reach 647 bps and 671 bps, respectively.
The BTP-Bund spread reached a high at 240 bps and then closed the period at around 118 bps.

In this scenario, the Eurostoxx50 index fell about 20%, while the S&P500 declined by about 14% in euros. The scenario on the Asian front differed compared to the West. In particular, the Chinese government took action to promote expansionary economic policies, also supported by its central bank and, despite the strict closures put in place to counter the spread of Covid, the stock market closed the period recording about -4.70% in euros, outperforming the developed countries.

Since the start of the year, high inflation and rising interest rates impacted equity markets. In particular, some investors moved from the "growth" sector to the "value" sector, as "Growth" companies tend to be more penalised by the greater sensitivity of earnings growth to rising interest rates. The energy and utilities sector performed well over the period globally, while the technology and consumer discretionary sectors underperformed.

With regard to currency markets, the dollar appreciated by approximately 8% against the euro. In the reporting period, the euro/dollar exchange rate declined from 1.13 to 1.04. The euro depreciated mainly due to the increase in the cost of commodities denominated in dollars due to the energy crisis in Europe and the restrictive monetary policy already started by the Federal Reserve compared to the ECB's scheduled start in July.

In the first half of the year, the general **commodity** index (BCOMTR Index) rose sharply, albeit offset by the reductions in June. The driving force behind the rise was the outbreak of the geopolitical crisis in Ukraine, which led to widespread fears about the availability of supply in important sectors of the commodity complex, such as energy, industrial metals and agriculture.

In June, the fears of recession caused by the changed attitude of the central banks began to be felt, which caused a retracement of the energy sector of about 20% in respect of its highs.

The energy sector, where Russia plays a leading role in the world in both oil and natural gas supply, was particularly positive.

The trends in industrial metals and precious metals were instead negative, as, after the increases in the first quarter, they were severely affected in the first case by the fears of recession, and in the second by the strong increases in US and European real rates; there was a moderate rise in agricultural raw materials, which, after the surge at the beginning of the year, also suffered a significant reversal of trends.

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

The first six months of 2022 were characterised by high market volatility, a very unstable geoeconomic environment and a reversal of the main monetary policies.

Despite this instability, Italian GDP is expected to grow both in 2022 (+2.8%) and in 2023 (+1.9%), albeit at a slower rate than in 2021.

Although GDP-related forecasts remained broadly positive (albeit slowing down compared to previous forecasts), the financial markets have been severely impacted by the outbreak of the Russia-Ukraine War. In the first two weeks after the start of the armed conflict, European stock exchanges recorded record losses: Milan (FTSE MIB) lost 14.6%, Frankfurt 14% and Paris 12%, significantly impacting the recoveries after the pandemic crisis. There has been a certain recovery in the months following the outbreak of the conflict, even though the consequences that the conflict is causing on the inflation front and the policies put in place by the Central Banks to counter the crisis remain evident.

As for inflation, during 2022 levels have been reached not seen since 1991 (in Italy 6% on an annual basis), with obvious effects on household savings. This situation obviously caused an erosive effect on financial capitals, which will have to be adequately invested if it is not to lose their purchasing power.

In this context, the financial advisory role carried out by specialised networks, able to support households and protect their savings in a professional manner and with a medium- and long-term horizon, is even more important.

As shown by the following table, in the first five months of 2022, net inflows from the asset management industry were positive for 14.0 billion euros. The increase referred almost entirely to foreign funds, whilst Italian funds declined from 0.7 billion euros to 0.03 billion euros. Net inflows were mainly driven by money-market funds (4.0 billion euros) and particularly by illiquid funds with a longer-term time horizon (10.0 billion euros).

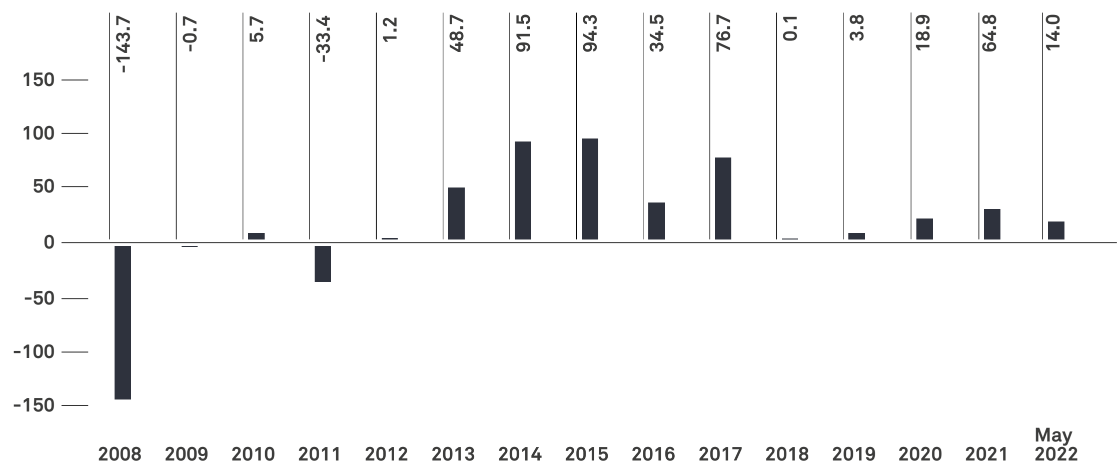
EVOLUTION OF NET INFLOWS AND ASSETS UNDER MANAGEMENT

	YTD NET INFLOWS		ASSETS	
(€ MILLION)	MAY 2022	MAY 2021	MAY 2022	MAY 2021
Italian funds	25	719	240,973	248,259
Foreign funds	13,937	26,953	948,340	942,203
Total open-ended funds	**13,962**	**27,672**	**1,189,313**	**1,190,462**
GP Retail	**4,597**	**4,526**	**155,812**	**152,060**
Total	**18,559**	**32,198**	**1,345,125**	**1,342,522**

Source: Assogestioni data updated May 2022.

Money-market funds had assets of 43.9 billion euros in May 2022 (3.7% of total open-ended funds), with total net inflows positive at 4.0 billion euros, as already mentioned above. Long-term funds, which accounted for almost all open-ended funds (96.3% in May 2022), recorded significantly positive net inflows (+10.0 billion euros), as reported above. Within this category, bond funds remained the prominent type (33.4% of the total, with assets of 397.8 billion euros), although significantly decreasing in the first five months of the year (-11.3 billion euros). They were followed, in order of importance, by equity funds, which accounted for 29.8% of total assets and stood at 354.7 billion euros (up compared to 27.8% at May 2021), with an increase of approximately +14.0 billion euros in the first five months of the year. Flexible funds (assets of 229.3 billion euros; 19.3%) recorded a year-to-date growth of +0.2 billion euros. Balanced funds (assets of 161.8 billion euros; 13.6%) recorded a year-to-date increase of +7.0 billion euros. Hedge funds (assets of 1.9 billion euros; 0.2%) showed a year-to-date drop of -0.04 billion euros.

THE UCITS MARKET IN ITALY SINCE 2008 (€ billion)



Source: Assogestioni data updated May 2022.

3.2 The Assoreti market

In the first five months of 2022, net inflows recorded by the Assoreti market (which relate to the distribution activity of FA networks) amounted to 21.5 billion euros, with a -8.9% decline compared to the figure reported in 2021.
Approximately 59.2% of net inflows generated (12.7 billion euros) was allocated to AUC products, whereas the remainder was invested in insurance and asset management products (16.8% and 24.0%, respectively).

	ASSORETI MARKET		
(€ MILLION)	MAY 2022	MAY 2021	CHANGE
Asset management	3,616	10,068	-6,452
Insurance products	5,151	7,462	-2,311
AUC	12,698	6,039	6,659
Total	**21,465**	**23,570**	**-2,105**

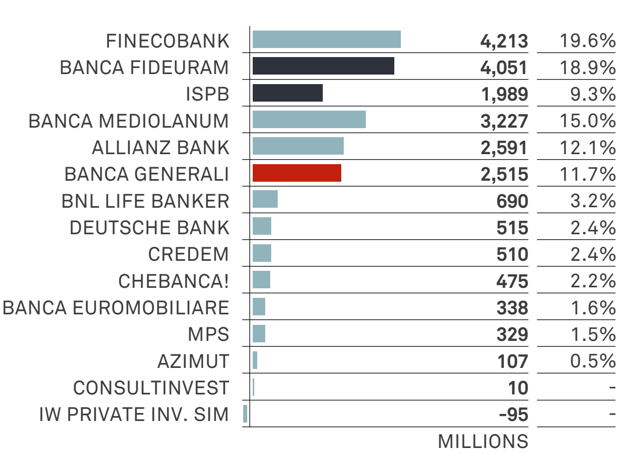
Source: Assoreti data updated May 2022.

In the asset management market, the first five months of 2022 saw the positive performance of both the UCITS segment for approximately 1,555 million euros and discretionary mandates for 2,061 million euros.
The insurance sector continued to attract a significant share of investments with net inflows of 5,151 million euros, of which 4,848 million euros related to unit-linked and multi-line policies.
Net inflows generated by AUC amounted to 12,698 million euros, thanks to the significant cash inflows.

3.3 Banca Generali

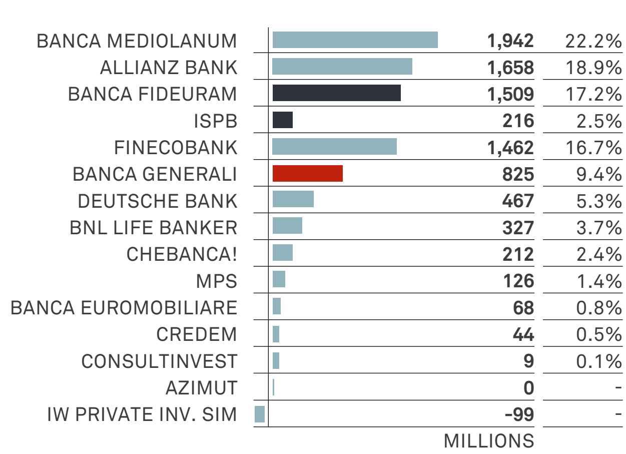
Against this background, Banca Generali continued to be one of the market leaders in terms of net inflows through Financial Advisors, with 2,515 million euros at the end of May 2022 (latest available figure for Assoreti comparison), with a market share of 11.7%. Excluding ISPB, which differs in terms of business model, the market share was 12.9%. Per-capita net inflows per Financial Advisor were 1.14 million euros, 30.0% above the market average (0.88 million euros).

TOTAL NET INFLOWS ASSORETI – 21.5 BILLION EUROS – AND MARKET SHARE % (May 2022, € million)



Source: Assoreti

NET INFLOWS FROM AUM AND INSURANCE PRODUCTS ASSORETI – 8.8 BILLION EUROS – AND MARKET SHARE % (May 2022, € million)



Source: Assoreti

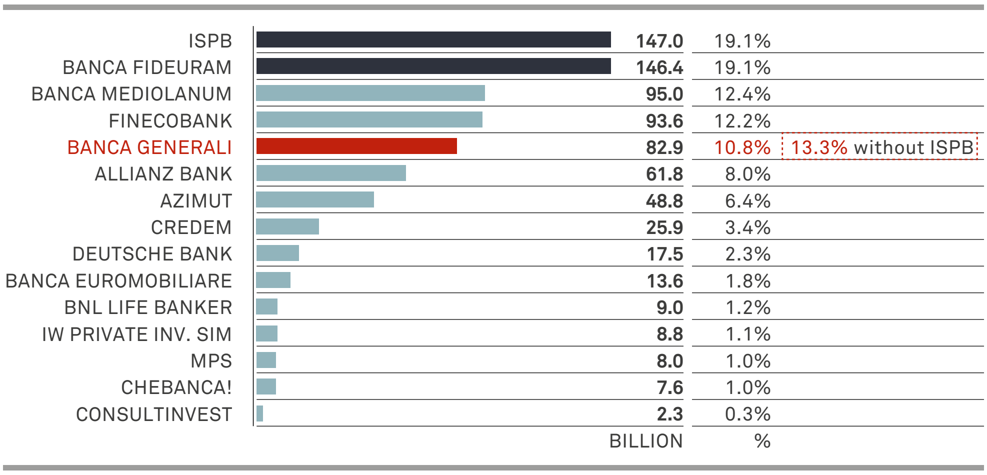
In terms of net inflows of asset management and insurance products, Banca Generali had a 9.4% market share (0.8 billion euros). Per-capita net inflows of asset management and insurance products amounted to 0.37 million euros, above (+4%) the market average of 0.36 million euros.

With specific reference to the June figures, the Bank reported positive net inflows, amounting to 3,047 million euros. This result was chiefly driven by the demand for AUC solutions, in a context where increasingly greater importance is attached to the control of risk and volatility. The Bank is increasingly seen as a beacon for households in search of a secure, reliable and highly professional partner.

NET INFLOWS OF BANCA GENERALI

	BG GROUP		CHANGES VS 30.06.2021	
(€ MILLION)	30.06.2022	30.06.2021	AMOUNT	%
BG Group funds and Sicavs	463	1,426	-963	-68%
Financial wrappers	377	360	17	5%
Insurance wrappers	264	707	-443	-63%
Total assets under management	**1,104**	**2,493**	**-1,389**	**-56%**
Total traditional life insurance policies	**-232**	**-473**	**241**	**-51%**
Total AUC	**2,175**	**1,775**	**400**	**23%**
Total net inflows from products placed by the network	**3,047**	**3,795**	**-748**	**-19.7%**

In terms of assets under management, in March 2022 (latest available figure for comparison) Banca Generali was once again one of the five top competitors in the Assoreti market, with 82.9 billion euro AUM and a market share of 10.8%. Excluding ISPB, market share was 13.3%.



ASSORETI TOTAL AUM – 768.2 BILLION EUROS – AND MARKET SHARE %
(March 2022, € billion)

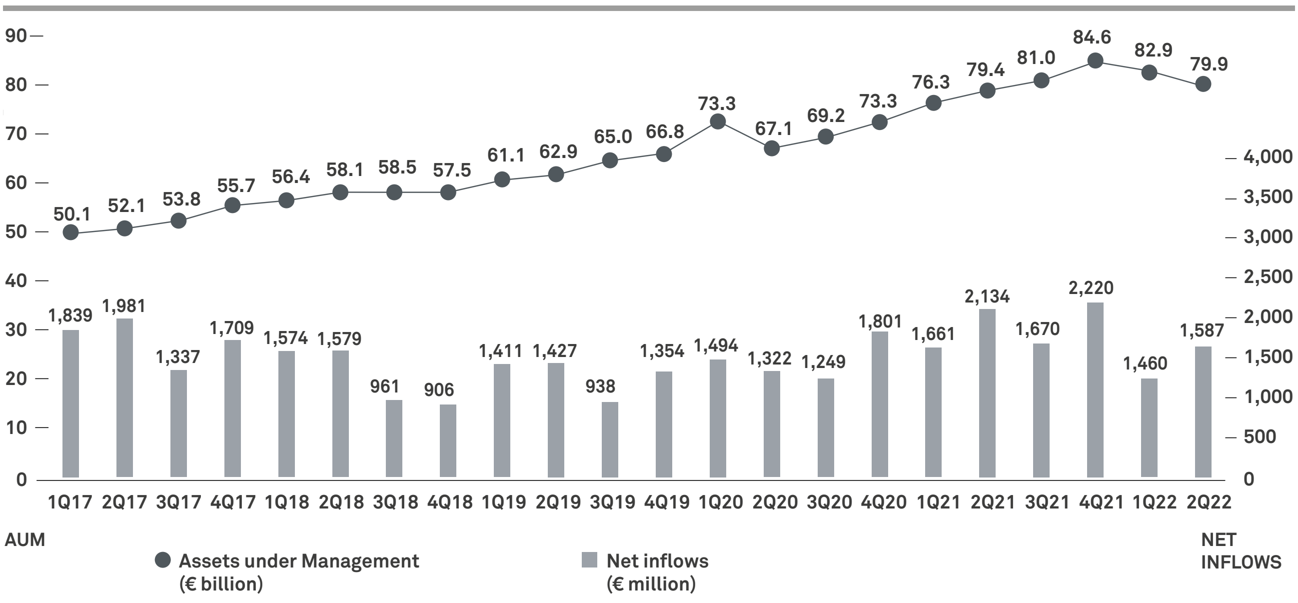
Source: Assoreti

With reference to Banca Generali's assets under management, as illustrated in the table below, the first six months of 2022 saw a slight decline (-5.6%) compared to December 2021.
The value of the portfolio at June 2022, amounting to 79.9 billion euros, refers to the Assoreti market, which is directly attributable to the distribution activity carried out through Financial Advisors.
AUM in asset management products dropped compared to December 2021 (funds and Sicavs: -12.4%; financial wrappers: -5.7%; insurance wrappers: -8.5%), as did traditional life insurance policies (-2.1%). AUC products remained essentially unchanged compared to 31 December 2021 (-0.2%).

BANCA GENERALI'S ASSETS UNDER MANAGEMENT

	BG GROUP		CHANGES VS 31.12.2021	
(€ MILLION)	30.06.2022	31.12.2021	AMOUNT	%
BG Group funds and Sicavs	20,516	23,418	-2,902	-12.4%
Financial wrappers	8,033	8,521	-488	-5.7%
Insurance wrappers	10,296	11,247	-951	-8.5%
Total assets under management	**38,845**	**43,186**	**-4,341**	**-10.1%**
Total traditional life insurance policies	**15,905**	**16,251**	**-347**	**-2.1%**
Total AUC	**25,170**	**25,209**	**-39**	**-0.2%**
Total AUM placed by the network	**79,920**	**84,646**	**-4,727**	**-5.6%**

EVOLUTION OF AUM AND NET INFLOWS



4. Group indirect inflows

The Banking Group's indirect inflows (not limited to the Assoreti market) consist of inflows from retail and corporate customers through the sale of third-party and group products — asset management, insurance products and assets under custody (securities portfolios).

4.1 Asset management and insurance products

Asset management products of the Banking Group

In the first six months of 2022, in the asset management segment the Banking Group conducted wealth management operations through individual portfolio management of Banca Generali and collective asset management of BG Fund Management Luxembourg S.A.

	BG GROUP		CHANGES VS 31.12.2021	
(€ MILLION)	30.06.2022	31.12.2021	AMOUNT	%
Funds and Sicav	18,748	21,610	-2,861	-13.2%
GPF/GPM	8,895	9,413	-518	-5.5%
Total Group's managed assets	**27,643**	**31,023**	**-3,380**	**-10.9%**
of which:				
- UCITS attributable to the Banking Group GPF	*1,700*	*1,711*	*-10*	*-0.6%*
Total assets managed by the Banking Group, net of discretionary mandates, included in the GPF of the Banking Group	**25,943**	**29,312**	**-3,369**	**-11.5%**

The Banking Group's collective asset management products (funds and Sicavs) were represented by Luxembourg Sicavs placed by BG Fund Management Luxembourg S.A. for approximately 18.6 billion euros and the funds of Valeur for approximately 0.1 billion euros.
Total assets invested in funds and Sicavs managed by the Banking Group amounted to 18.7 billion euros, down -2.9 billion euros (-13.2%) compared to the end of 2021.
Total individual portfolio management (GPF/GPM) of the Banking Group stood at 8.9 billion euros, decreasing compared to year-end 2021 (-5.5%). It consisted of Banca Generali's discretionary mandates for about 8.0 billion euros and discretionary mandates of Valeur for approximately 0.9 billion euros.

Third-party asset management products

As part of its product brokerage and placement operations, the Group places third-party products in both the asset management and insurance areas.
In further detail, within its Italian mutual funds segment, Banca Generali distributes the products of the Assicurazioni Generali Group and various third companies, in addition to the products of numerous international investment firms in the international UCITS segment. In June 2022, third-party assets amounted to 11.4 billion euros, down -12.1% compared to year-end 2021. Third-party funds accounted for approximately 56% of the funds placed by the Banking Group (Assoreti scope). This was due to the adoption of the open architecture model, which affords customer access to a very wide range of investment products, including at an international level.

In addition, with reference to the placement of third-party products, it should also be noted that over the years investments directed towards the collective asset management solutions of BG Fund Management Luxembourg S.A. developed significantly. These products are placed directly by the Banca Generali Group, but invest primarily in third-party UCITS. Moreover, and in confirmation of the product's multi-manager orientation, at the end of 2009 and during the following years, management of a large number of sub-funds has been entrusted directly to several leading international investment firms, using their own brands, thereby significantly expanding the diversification of the asset management portfolios held by the Bank's customers. A similar strategy has been recently adopted for the sub-funds of Lux IM, a Luxembourg-based Sicav launched in April 2018 that leverages on the Generali Group's management experience in the markets offering sub-funds broken down by asset class and specialised by geographical area and ESG themes. Overall, about 78% of Lux IM portfolios resorts to third-party management.

	BG GROUP		CHANGES VS 31.12.2021	
(€ MILLION)	30.06.2022	31.12.2021	AMOUNT	%
Funds and Sicav	11,399	12,973	-1,574	-12.1%
GPF/GPM	12	14	-1	-9.6%
Total third-party asset management products	**11,411**	**12,987**	**-1,575**	**-12.1%**

Third-party insurance products

Almost all assets invested in insurance and pension products consist of traditional and multi-line policies of Genertellife, a company of the Assicurazioni Generali Group, placed under the brand BG Vita. In June 2022, assets stood at 25.4 billion euros, down -5.0% compared to year-end 2021. The residual portion of insurance products offered by third parties and placed by Banca Generali amounted to 0.8 billion euros at June 2022, up compared to the end of 2021 (+6.1%).

	BG GROUP		CHANGES VS 31.12.2021	
(€ MILLION)	30.06.2022	31.12.2021	AMOUNT	%
Insurance products BG Vita (unit-linked, traditional life policies, etc.)	25,364	26,710	-1,345	-5.0%
Insurance products offered by third companies	836	788	48	6.1%
Total third-party insurance products	**26,200**	**27,498**	**-1,298**	**-4.7%**

Net inflows from insurance products amounted to 0.03 billion euros in the first six months of 2022 (of which 0.3 billion euros in the multi-line policies BG Stile Libero, BG Oltre and Lux Protection Life).

4.2 Assets Under Administration and Custody

Indirect net inflows of AUC consist of securities deposited by retail and corporate customers for custody and administration in portfolios opened with the Parent Company, Banca Generali.
At 30 June 2022, indirect net inflows amounted to 13.0 billion euros at market value, compared to 14.0 billion euros at the end of 2021 (-6.8%).

	BG GROUP		CHANGES VS 31.12.2021	
(€ MILLION)	30.06.2022	31.12.2021	AMOUNT	%
Indirect inflows of AUC of the Banking Group at market values	13,011	13,957	-946	-6.8%
of which:				
- *securities portfolios of the Banca Generali Group's customers*	*503*	*655*	*-152*	*-23.1%*
- *other customers' securities portfolios*	*12,508*	*13,302*	*-794*	*-6.0%*

5. Operating result and performance of the main net equity aggregates

5.1 Profit and Loss results [5]

The Group's net profit for the first half of 2022 was **131.3 million euros**, sharply down compared to the same period of the previous year (-30.9%), due to the opposite effect of the following factors:

> a sharp decline in **variable fees** (-149.5 million, down 90.6%), due to the collapse of equity and bond markets, thus reversing the trend of the first half of 2021, when they had reached their all-time high;
> a significant increase in **recurring profit**, which reached **107.9 million euros** compared to 83.3 million euros for the first half of 2021, up by nearly 30%.

Overall, recurring profit accounted for 82% of net profit for the period, compared to just 44% of the total for the same period of the previous year, highlighting a significant profitability profile improvement.

[5] 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 9.0 million euros in 2022 and 6.5 million euros in 2021;
2) reclassification to the other general and administrative expenses aggregate of taxes recovered from customers, accounted for among other operating income and expenses and amounting to 41.2 million euros in 2022 and 34.5 million euros in 2021;
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 general and 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.

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	CHANGE %
Net interest income	51,844	43,884	7,960	18.1%
Net income (loss) from trading activities and dividends	15,658	11,379	4,279	37.6%
Net financial income	**67,502**	**55,263**	**12,239**	**22.1%**
Recurring fee income	478,604	449,215	29,389	6.5%
Fee expense	-247,211	-236,795	-10,416	4.4%
Net recurring fees	**231,393**	**212,420**	**18,973**	**8.9%**
Variable fee income	15,554	165,021	-149,467	-90.6%
Net fees	**246,947**	**377,441**	**-130,494**	**-34.6%**
Net banking income	**314,449**	**432,704**	**-118,255**	**-27.3%**
Staff expenses	-57,385	-53,290	-4,095	7.7%
Other general and administrative expenses (net of duty recovery)	-52,743	-46,925	-5,818	12.4%
Net adjustments of property, equipment and intangible assets	-17,617	-17,082	-535	3.1%
Other operating expenses/income	7,841	4,963	2,878	58.0%
Net operating expenses	**-119,904**	**-112,334**	**-7,570**	**6.7%**
Operating result	**194,545**	**320,370**	**-125,825**	**-39.3%**
Net adjustments to non-performing loans	-4,857	-4,051	-806	19.9%
Net provisions for liabilities and contingencies	-11,358	-18,579	7,221	-38.9%
Other one-off charges	-	-80,000	80,000	-100.0%
Contributions and charges related to the banking system	-5,882	-6,137	255	-4.2%
Gains (losses) from equity investments	-58	-109	51	-46.8%
Operating profit before taxation	**172,390**	**211,494**	**-39,104**	**-18.5%**
Income taxes for the period	-41,101	-21,414	-19,687	91.9%
Net profit attributable to minority interests	-15	-18	3	-16.7%
Net profit	**131,304**	**190,098**	**-58,794**	**-30.9%**

Net banking income amounted to **314.4 million euros** and, net of the significant decline in variable performance fees (-149.5 million euros; -90.6%), reported an 11.2% increase as a result of the following factors:

- the progress in **net recurring fees (231.4 million euros; +8.9%)**, driven by:
  - the increase in **management fee income (+8.6%)**, following the rise in both average assets under management compared to the first half of 2021 (+8.4%) and in their profitability;
  - the decline in **other banking and entry fees (-5.1%)**, with regard to which the activities more closely linked to market trends were impacted the most, offset by the increase in revenues generated by advisory services and banking activities;
- the improvement of **net financial income** (**67.5 million euros**; **+22.1%**), which benefited from both the expansion of average interest-bearing assets (+19.9% compared to the first half of 2021) and the strong increase in bond yields in recent months, thanks to a financial asset structure focusing on a bond portfolio with a short duration (1.4 years) and a high exposure to variable rates (62% of the total).

Operating expenses totalled **119.9 million euros**, up 6.7%, which reflects the charges borne for the acquisition of BG Suisse personnel and technological infrastructure, and the IT expenses linked to the launch of Banca Generali's new data driven digital development projects and its open bank infrastructure.
'Core'[6] operating expenses totalled **108.1 million euros**, up **5.9%**[7], fully in line with the objectives of the new 2022-2024 three-year Plan and confirming the thorough cost discipline and the opera-

6 Recurring operating expenses, net of costs related to former owners amounting to 10.4 million euros at 30 June 2022 (9.9 million for the first half of 2021).

7 One-off operating charges amounted to 1.5 million euros and included the charges for M&A transactions (1.1 million euros) and for the amortisation of intangible assets arising from the acquisition of Nextam and Valeur (0.4 million euros). The comparison data for the first half of 2021 was restated to include the costs associated with the incorporation and start of operations of BG Suisse into the scope of recurring expenses and amounted to 0.4 million euros. In detail, reported data at the end of the first half of 2021 had included one-off charges amounting to about 2.2 million euros, of which 1.8 million euros referring to the incorporation of BG Suisse and 0.4 million euros related to amortisation and depreciation, as well as 1.2 million euro non-recurring income linked to the reduction of the variable consideration due to the former owners of the Nextam Group by virtue of a settlement agreement.

ting leverage potential of the Bank's business model. This items includes in particular 2.8 million euros generated by the launch of BG Suisse, net of which the growth would have been 4.4%.

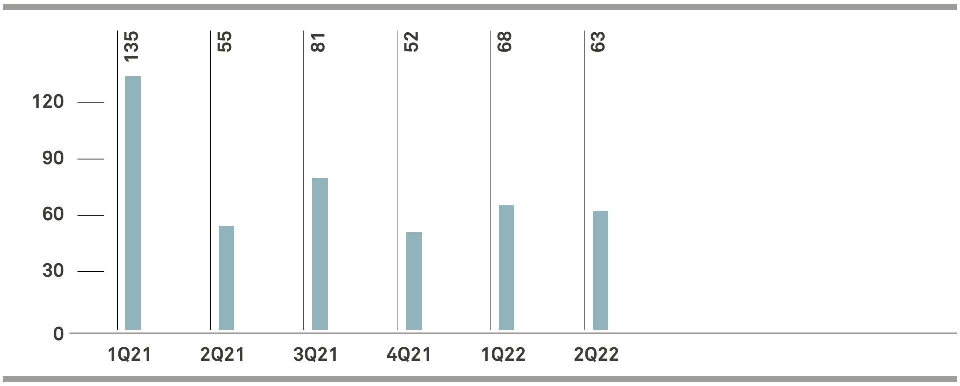
The ratio of operating costs to total assets remained at an excellent level of **0.30%**, slightly up as a result of the decline in total assets. The **cost/income ratio**, net[8] of non-recurring items such as variable fees, reduced further to 39.6% (41.8% in the first half of 2021).

Provisions, contributions related to banking funds and **net adjustments** amounted to 22.1 million euros compared to 28.8 million euros for the previous year (-23.2%), excluding the previous year's one-off provisions[9]. The decline was mainly due to lower provisions for contractual indemnities of an actuarial nature (-20.6 million euros), following the rise in the discount rates applied for the statistical-actuarial assessment, only partly offset by the increase in other provisions for liabilities and contingencies (+13.4 million euros) and adjustments to non-performing loans (+0.8 million euros).

Operating profit before taxation was 172.4 million euros, down 39.1 million euros compared to the previous year (-18.5%).

The **tax burden** for the reporting period were estimated at **41.1 million euros**, with an overall tax rate of 23.8%, sharply increasing compared to 16.3% at the end of the same period of the previous year and calculated gross of the benefits arising from the realignment of the carrying and tax values of goodwill, trademarks and other intangible assets at the end of the first half 2021[10], mainly due to the lesser incidence of the tax burden accrued in jurisdictions other than Italy.

QUARTERLY NET PROFIT (€ million)



[8] The cost/income ratio measures the ratio of operating expenses to net operating income. The adjusted cost/income ratio is stated net of performance fees, charges related to the banking system reclassified to a separate item and the one-off items (operating income and expenses) for an amount of 1.5 million euros in the first quarter of 2022 (0.4 million euros in the first half of 2021).This ratio has been restated compared to the previous quarters in order to include the item "Adjustments of property, equipment and intangible assets" as well.

[9] In the previous year, 80 million euros was also allocated to protect clients from potential losses on investments in securitisations of healthcare receivables, reserved for professional clients. In this regard, reference should be made to the Annual Integrated Report 2021 and the Interim Report on Operations at 30 June 2021.

[10] Overall tax rate net of the realignment was 10.1%. For further details on the realignment of the carrying and tax values of goodwill, trademarks and other intangible assets at the end of the first half 2021, reference should be made to the Annual Integrated Report 2021 and the Interim Report at 30 June 2021.

QUARTERLY EVOLUTION OF THE PROFIT AND LOSS ACCOUNT

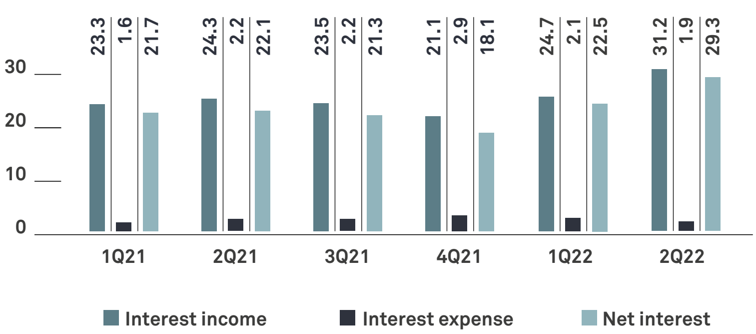
(€ THOUSAND)	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Net interest income	29,309	22,535	18,144	21,306	22,147	21,737
Net income (loss) from trading activities and dividends	11,035	4,623	3,986	13,308	8,430	2,949
Net financial income	**40,344**	**27,158**	**22,130**	**34,614**	**30,577**	**24,686**
Recurring fee income	233,988	244,616	254,271	239,167	228,059	221,156
Fee expense	-122,564	-124,647	-133,952	-125,147	-119,779	-117,016
Net recurring fees	**111,424**	**119,969**	**120,319**	**114,020**	**108,280**	**104,140**
Variable fee income	1,894	13,660	23,953	31,576	53,984	111,037
Net fees	**113,318**	**133,629**	**144,272**	**145,596**	**162,264**	**215,177**
Net banking income	**153,662**	**160,787**	**166,402**	**180,210**	**192,841**	**239,863**
Staff expenses	-28,641	-28,744	-27,794	-26,760	-26,849	-26,441
Other general and administrative expenses	-29,251	-23,492	-32,913	-23,826	-24,607	-22,318
Net adjustments of property, equipment and intangible assets	-8,934	-8,683	-9,842	-8,730	-8,875	-8,207
Other operating income/expenses	6,853	988	-638	566	4,029	934
Net operating expenses	**-59,973**	**-59,931**	**-71,187**	**-58,750**	**-56,302**	**-56,032**
Operating result	**93,689**	**100,856**	**95,215**	**121,460**	**136,539**	**183,831**
Net adjustments to non-performing loans	-2,792	-2,065	1,755	-228	-2,665	-1,386
Net provisions	-6,359	-4,999	-19,268	-7,536	-7,268	-11,311
Other one-off charges	-	-	-628	-	-80,000	-
Contributions and charges related to the banking system	-	-5,882	-958	-8,380	-1,508	-4,629
Gain (loss) from equity investments	-432	374	-112	-68	-50	-59
Operating profit before taxation	**84,106**	**88,284**	**76,004**	**105,248**	**45,048**	**166,446**
Income taxes for the period	-21,103	-19,998	-23,722	-24,503	9,588	-31,002
Net profit attributable to minority interests	-2	-13	42	-20	-36	18
Net profit	**63,005**	**68,299**	**52,240**	**80,765**	**54,672**	**135,426**

5.1.1 Net interest income

At the end of the first half of 2022, net interest income amounted to 51.8 million euros, up by about 8.0 million euros (+18.1%) compared to the same period of 2021, as a result of both the expansion of the average volume of interest-bearing assets and the end of the downtrend in market interest rates.

In particular, the portfolio of debt securities showed a marked rise in interests accrued (+24.1%), attributable not only to the increase in loan volumes (+12.3%), but also to a significant increase in average yields (+11.8%).

NET INTEREST (€ million)



The Bank could benefit from the strong increase in bond yields in recent months, thanks to a financial asset structure focusing on a bond portfolio with a short duration (1.4 years) and a high exposure to variable rates (50.8% of the total).

The average yield of the bond portfolio stood at around 68 bps in the reporting period, up compared both to 59 bps for 2021 and to 61 bps for the first half of 2021.

Overall, variable-rate interest-bearing assets, including the portfolios of debt securities and loans to banks and to customers, accounted for 62% of the total — a figure that rose to 66% when considering the fixed-rate bond portfolio set to mature by the end of 2022.

Interest on loans to customers, most of which are benchmarked on the Euribor, grew by 6.7%, thanks both to the increase in the average exposure volume compared to the first half of 2021 (+5.3%), driven by the ongoing increase in Lombard loans, and to the slight rise in average loan rates (+1.4%).

			CHANGE	
(€ THOUSAND)	30.06.2022	30.06.2021	AMOUNT	%
Financial assets measured at fair value through profit or loss	65	51	14	27.5%
Financial assets at fair value through other comprehensive income (*)	-1,919	-1,930	11	-0.6%
Financial assets measured at amortised cost (*)	38,988	31,806	7,182	22.6%
Total financial assets	**37,134**	**29,927**	**7,207**	**24.1%**
Loans to banks	48	18	30	166.7%
Loans to customers	12,701	11,898	803	6.7%
Other liabilities (negative interest expense)	6,020	5,765	255	4.4%
Total interest income	**55,903**	**47,608**	**8,295**	**17.4%**
Due to banks	414	422	-8	-1.9%
Due to customers	169	369	-200	-54.2%
IFRS 16-related financial liabilities	1,582	1,605	-23	-1.4%
Other assets (negative interest income)	1,894	1,328	566	42.6%
Total interest expense	**4,059**	**3,724**	**335**	**9.0%**
Net interest income	**51,844**	**43,884**	**7,960**	**18.1%**

(*) 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 1.9 million euros and 6.0 million euros, respectively. Income accrued referred to:

- the ECB's refinancing transactions as part of the TLTRO III programme (3.4 million euros), increasing compared to 2021 (+0.4 million euros);
- current account deposits held with the Bank by its institutional and non-institutional customers, for specific agreements and particularly high deposit brackets (1.7 million euros);
- to a residual extent, treasury funding repurchase agreement transactions with banks and customers and other transactions (0.8 million euros).

The charges incurred consisted primarily of interest on balances with the ECB (0.7 million euros) — which however, as of the end of 2019, benefited from the wide exemption thresholds introduced by the ECB's tiering system[11] — and, for the remainder, of repurchase agreements with banks (0.4 million euros) and other transactions.

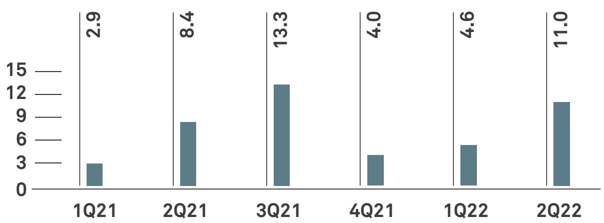
[11] In particular, a variable part of the liquidity in excess of the mandatory reserve held by the credit institutions with the ECB, up to a threshold determined by the mandatory reserves multiplied by six, is exempt from the application of the deposit facility rate, which is currently at -0.5%, and is remunerated at 0%.

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	%
Banks	3,725	3,181	544	17.1%
Customers	2,295	2,584	-289	-11.2%
Total income for negative interest expense	**6,020**	**5,765**	**255**	**4.4%**
Banks	1,881	1,307	574	43.9%
Customers	13	21	-8	-38.1%
Total expense for negative interest income	**1,894**	**1,328**	**566**	**42.6%**
Net negative interest income and expense	**4,126**	**4,437**	**-311**	**-7.0%**

5.1.2 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 measured at fair value through profit or loss, realised gains and losses from the disposal of financial assets measured 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 half of 2022, this item yielded a positive contribution of 15.7 million euros, sharply up compared to the same period of the previous year.

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	%
Dividends and income on UCITS	**1,125**	**1,056**	**69**	**6.5%**
Trading of financial assets and equity derivatives	-47	-92	45	-48.9%
Trading of financial assets and derivatives on debt securities and interest rates	-30	32	-62	n.a.
Trading of UCITS units	6	-56	62	n.a.
Securities transactions	-71	-116	45	-38.8%
Currency and currency derivative transactions	1,438	2,619	-1,181	-45.1%
Net income (loss) from trading activities	**1,367**	**2,503**	**-1,136**	**-45.4%**
Equity securities and UCITS	-1,238	27	-1,265	n.a.
Debt securities	161	53	108	n.a.
Financial Advisors' policies	37	150	-113	-75.3%
Net income (loss) on assets mandatorily measured at fair value through profit and loss	**-1,040**	**230**	**-1,270**	**n.a.**
Net income (loss) from hedging	**11,742**	**2,393**	**9,349**	**n.a.**
Gains (losses) from disposal on HTC and HTCS debt securities	**2,464**	**5,197**	**-2,733**	**-52.6%**
Net result of financial operations	**15,658**	**11,379**	**4,279**	**37.6%**

Net income from **trading activities** amounted to 1.4 million euros, due to the significant decline in the contribution of currency transactions.

Outside of the trading book, **net income of assets mandatorily measured at fair value** through profit or loss contributed a negative 1.0 million euros, essentially attributable to the fair value adjustment of the important investment in the Forward Fund, analysed in detail in the Annual Integrated Report 2021[12].

Net income from hedging was positive for 11.7 million euros, sharply increasing compared to the previous year (+9.3 million euros), as a result of the early closing of several asset swap transactions following the disposal of the underlying security.

The treasury management of debt securities allocated to the HTCS and HTC portfolios recorded gains on disposals amounting to 2.5 million euros, down 2.7 million euros (-52.6%) compared to the first half of 2021. This result was due to the 10.4 million euro imbalance generated by the turnover of the HTC portfolio and to the 7.9 million euro capital loss on disposal of the HTCS portfolio.

5.1.3 Fee income

Fee income amounted to **494.2 million euros**, significantly decreasing compared to the first half of 2021 (-19.5%) due to the strong decline in variable fees (-90.6%). **Net recurring fees** rose by 6.5%, proving to be the aggregate's most resilient item, including within the current difficult market context.

			CHANGE	
(€ THOUSAND)	30.06.2022	30.06.2021	AMOUNT	%
Underwriting fees	16,258	20,688	-4,430	-21.4%
Management fees	413,266	380,497	32,769	8.6%
Fees for other services	49,080	48,196	884	1.8%
Recurring fees	**478,604**	**449,381**	**29,223**	**6.5%**
Performance fees	15,554	164,855	-149,301	-90.6%
Total fee income	**494,158**	**614,236**	**-120,078**	**-19.5%**

With regard to recurring fees, the expansion was driven by the significant progress of **management fees**, which rose by 8.6% as a result of the increase in both average assets for the period (+4%) and their profitability.

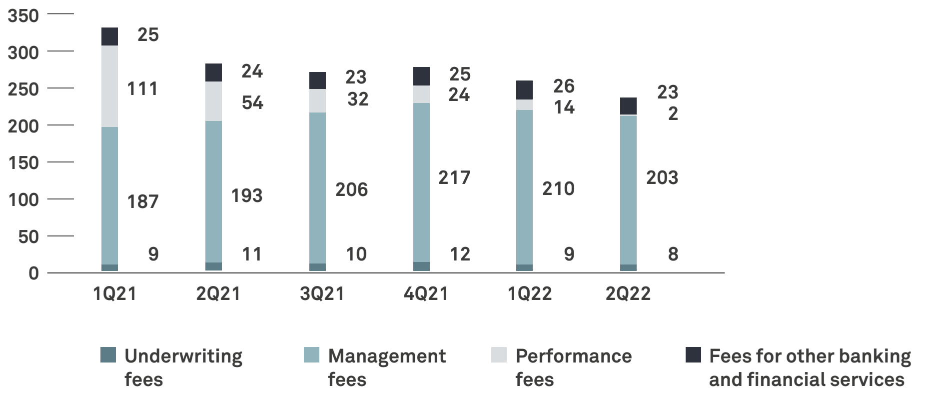
Other underwriting and banking fees declined by 5.1% compared to the first half of 2021 as a result of activities more closely linked to market trends (funds underwriting fees and greater exposure to bond trading), offset by the increase in revenues generated by advisory services and banking activities.

Underwriting fees (-21.4%) were impacted by the marked reduction in income from the placement of UCITS (-44.3%) and the slowdown in the placement of **certificates (-0.3%)**.

Fees for other services, of a banking and financial nature, grew by 1.8% thanks mainly to the income generated by investment advisory (+6.7%) and other banking services (+16.1%), offset by a decline in retail brokerage activities (-7.1%).

[12] For further details on the restructuring transaction of a portfolio of senior bonds issued by some special purpose vehicles for healthcare receivable securitisation that Banca Generali acquired from its customers and concurrently transferred to the Forward Fund, by subscribing its units, reference should be made to the Annual Integrated Report 2021, specifically to Part E of the Notes and Comments to the Consolidated and Separate Financial Statements.

BREAKDOWN OF FEE INCOME (€ million)



Fee income from the solicitation of investment and asset management of households reached 445.1 million euros, with a 7.1% increase compared to the first half of 2021, net of the aforementioned one-off component.

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	CHANGE %
1. Collective portfolio management	183,374	310,964	-127,590	-41.0%
2. Individual portfolio management	46,698	42,961	3,737	8.7%
Fees for portfolio management	**230,072**	**353,925**	**-123,853**	**-35.0%**
1. Placement of UCITS	70,195	69,509	686	1.0%
- *of which: UCITS promoted by the Group*	*2,432*	*4,663*	*-2,231*	*-47.8%*
2. Placement of bonds and equity securities	11,400	11,042	358	3.2%
- *of which: certificates*	*9,704*	*9,733*	*-29*	*-0.3%*
3. Distribution of third-party asset management products (GPM/GPF, pension funds)	578	504	74	14.7%
4. Distribution of third-party insurance products	132,486	130,700	1,786	1.4%
5. Distribution of other third-party financial products	346	359	-13	-3.6%
Fees for the placement and distribution of financial services	**215,005**	**212,114**	**2,891**	**1.4%**
Asset management fee income	**445,077**	**566,039**	**-120,962**	**-21.4%**

Fee income from **distribution of insurance products** grew slightly by 1.4% compared to the same period of 2021, as a consequence of the slowdown with reference to the overall increase in average AUM in this segment (+2.2%), and managed solutions in particular.

With regard to **Sicavs** promoted by the Banking Group, **management fees** — net of the effect of non-recurring performance components — rose by 14.8% compared to 2021, thanks to increase in managed assets (+4%) and the new fee structure introduced as of the second half of 2021.
In addition to the constant success of the **Lux IM** Sicav, which at period-end reported 14.6 billion euro AUM (of which 6.5 billion euros relating to retail funds placed by the Financial Advisors' network), worth of mention is the relaunch of the other Sicav promoted by the Group, which changed its name in BG Collection Investments in April 2022 and has been enhanced to feature new monobrand sub-funds, managed directly by renowned, highly specialised third-party partners.

Fees for the **placement of third-party UCITS** amounted to 67.8 million euros, up 4.5% compared to 2021, owing to the combined effect of the increase in management fees (+9.4%) following the progress of the average assets under management compared to the first half of 2021, offset by a marked decline in underwriting fees (-40.1%).

Fee income for other services, of a banking and financial nature, stood at 49 million euros thanks to the rise in investment advisory (+6.7%). By contrast, fees for trading declined (-7.1%).

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	CHANGE %
Fees for trading and custody	19,704	21,214	-1,511	-7.1%
Investment advisory fees	22,175	20,777	1,398	6.7%
Fees for collection and payment services	2,258	1,992	266	13.4%
Fee income and account-keeping expenses	2,667	2,337	330	14.1%
Fees for other services	2,277	1,876	401	21.4%
Total fee income for other services	**49,081**	**48,196**	**884**	**1.8%**

With regard to investment advisory, fee income from BG Personal Advisory reached 17.9 million euros, up 3.6%, whereas advisory services for the Insurance Group's unit-linked insurance policies stood at 4.3 million euros.
At the end of the first half of 2022, despite the difficult market scenario, **Assets under Advisory** recorded total AUM of **6.7 billion euros**, decreasing by 1.8% compared to the first half of 2021 and by 8.0% YTD.

5.1.4 Fee expense

Fee expense, including fee provisions[13], amounted to 247.2 million euros. The 4.4% increase for the period was more modest compared to the recurring fee income performance.
The Bank's ratio of total payout to total fee income (net of performance fees) was thus 51.7% compared to 52.7% for the first half of 2021.

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	CHANGE %
Fees for off-premises offer	**219,073**	**210,273**	**8,800**	**4.2%**
Ordinary payout	169,073	163,288	5,785	3.5%
Extraordinary payout	50,000	46,985	3,015	6.4%
Other fees	**28,138**	**26,522**	**1,616**	**6.1%**
Fees for portfolio management	18,651	17,281	1,370	7.9%
Fees for dealing in securities and custody	5,082	5,653	-571	-10.1%
Fees for collection and payment services	2,057	1,861	196	10.5%
Fees for other services	2,348	1,727	621	36.0%
Total fee expense	**247,211**	**236,795**	**10,416**	**4.4%**

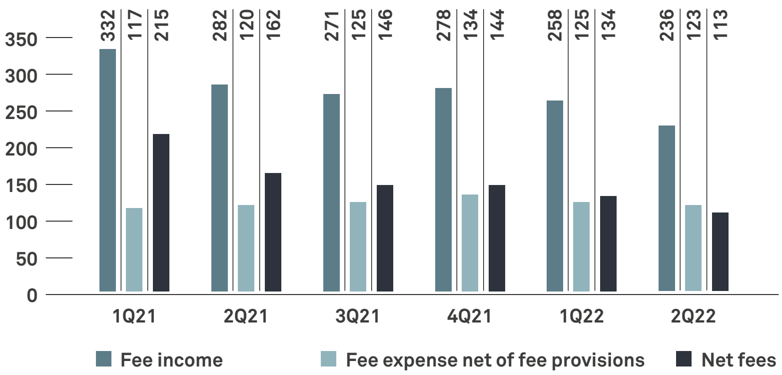
Fee expense for off-premises offer paid to the Financial Advisor network amounted to 219.1 million euros, up 8.8 million euros compared to the same period of 2021 (+4.2%), mainly attributable to the increase in ordinary payout (+5.8 million euros), driven by management fees and, to a lower extent, to incentive fees (+3.0 million euros).

Fees for portfolio management stood at 18.7 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 9,5 million euros, slightly increasing compared to the same period of 2021 (+2.7%), as a result of interbank expenses and other advisory services acquired.

[13] 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 9.0 million euros for 2022 and 6.5 million euros for 2021.

QUARTERLY NET FEES (€ million)



5.1.5 Operating expenses

Operating expenses totalled 119.9 million euros, up 6.7%, which reflects the charges borne for the acquisition of BG Suisse personnel and technological infrastructure, and the IT expenses linked to the launch of Banca Generali's new data driven digital development projects and its open bank infrastructure.

Core[14] **operating expenses** totalled **108.1 million euros**, up **5.9%**[15], fully in line with the objectives of the new 2022-2024 three-year Plan and confirming the thorough cost discipline and the operating leverage potential of the Bank's business model. This items includes in particular 2.8 million euros generated by the launch of BG Suisse, net of which the growth would have been 4.4%.

The ratio of operating costs to total assets remained at an excellent level of **0.30%**, slightly up as a result of the decline in total assets. The **cost/income ratio**, net[16] of non-recurring items such as variable fees, decreased further to 39.6% (41.8% in the first half of 2021).

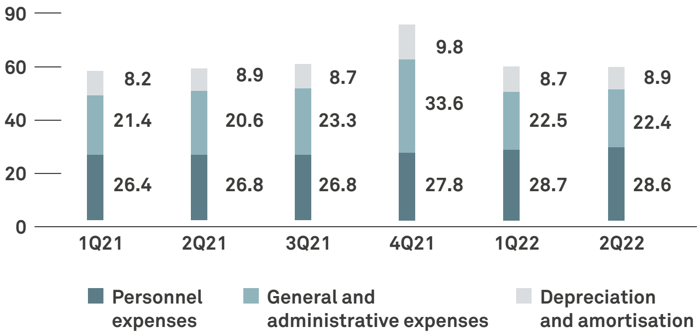
[14] Recurring operating expenses, net of costs related to former owners amounting to 10.4 million euros at 30 June 2022 (9.9 million euros for the first half of 2021).

[15] One-off operating charges amounted to 1.5 million euros and included the costs for M&A transactions (1.1 million euros) and for the amortisation of intangible assets arising from the acquisition of Nextam and Valeur (0.4 million euros). The comparison data for the first half of 2021 was restated to include the costs associated with the incorporation and start of operations of BG Suisse into the scope of recurring expenses and amounted to 0.4 million euros. In detail, the reported data at the end of the first half of 2021 had included one-off charges amounting to about 2.2 million euros, of which 1.8 million euros referring to the incorporation of BG Suisse and 0.4 million euros related to amortisation and depreciation, as well as 1.2 million euro non-recurring income linked to the decline of variable consideration due to the former owners of the Nextam Group by virtue of a settlement agreement.

[16] The cost/income ratio measures the ratio of operating expenses to net operating income. The adjusted cost/income ratio is stated net of performance fees, charges related to the banking system reclassified to a separate item and the one-off items (operating income and expenses) for an amount of 1.5 million euros in the first quarter of 2022 (0.4 million euros in the first half of 2021). This ratio has been restated compared to the previous quarters in order to include the item "Adjustments of property, equipment and intangible assets" as well.

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	CHANGE %
Staff expenses	57,385	53,290	4,095	7.7%
General and administrative expenses and other net income	44,902	41,962	2,940	7.0%
Net adjustments of property, equipment and intangible assets	17,617	17,082	535	3.1%
Operating expenses	**119,904**	**112,334**	**7,570**	**6.7%**

BREAKDOWN OF OPERATING EXPENSES (€ million)



Within this aggregate, **staff expenses**, including employees, interim staff and directors, reached 57.4 million euros, up 4.1 million (+7.7%), as a result of the new resources acquired from BG Suisse (+1.8 million euros), the organic growth of the Group's workforce and, to a lower extent, variable remuneration (+0.7 million euros).

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	CHANGE %
1) Employees	**56,679**	**52,710**	**3,969**	**7.5%**
Ordinary remuneration	41,816	39,065	2,751	7.0%
Variable remuneration and incentives	11,762	10,892	870	8.0%
Other employee benefits	3,101	2,753	348	12.6%
2) Other staff	**-84**	**-188**	**104**	**-55.3%**
3) Directors and Auditors	**790**	**768**	**22**	**2.9%**
Total	**57,385**	**53,290**	**4,095**	**7.7%**

Group's employees totalled 1,015 at period-end, 30 more compared to the same period of 2021 (+3.0%), half of which referring to BG Suisse, in line with the increase by 31 in the average headcount for the first half of the year.

	30.06.2022	30.06.2021	CHANGE IMPORTO	CHANGE %	31.12.2021	MEDIA PONDERATA (*) 2022	MEDIA PONDERATA (*) 2021
Managers	71	66	5	7.6%	67	69	65
Executives	368	335	33	9.9%	337	348	326
– *3rd and 4th level executives*	*193*	*181*	*12*	*6.6%*	*184*	*187*	*177*
– *1st and 2nd level executives*	*175*	*154*	*21*	*13.6%*	*153*	*162*	*149*
Other employees	576	584	-8	-1.4%	582	560	556
Total	**1,015**	**985**	**30**	**3.0%**	**986**	**978**	**947**

(*) Quarterly weighted average, with part-time employees considered at 50% by convention.

Other general and administrative expenses and other net income amounted to 44.9 million euros, with a 2.9 million euro increase compared to the previous year (+7.0%), also largely attributable to the effect of BG Suisse's start-up and infrastructural project charges.

5.1.6 Net provisions

Net provisions not related to fees[17] amounted to 11.4 million euros, down 7.2 million euros compared to the previous year, mainly due to lower provisions to cover contractual commitments to the sales network (-20.1 million euros), partly offset by the increase in other provisions for liabilities and contingencies.

The decrease in provisions for contractual indemnities to the sales network, which at the end of the half-year recorded net surpluses of 3.7 million euros, was largely attributable to the following factors:

> the suspension of the Loyalty Framework Programme for the Financial Advisor network, the 6th 2022-2026 cycle of which was not activated, and which had recorded net provisions of 10.4 million euros in the corresponding period of the previous year;
> the change in the financial and demographic parameters used to value actuarial funds, which resulted in a lower charge of 8.3 million euros, arising from the combined effect of the increase in the discount rates used to value actuarial funds[18 19] (-12.4 million euros), partly offset by the comparison with the higher surpluses recorded in the previous year as a result of the adjustment in the retirement age of Financial Advisors (+4.3 million euros).

The increase in provisions for liabilities and contingencies (+12.4 million euros) was essentially attributable to the greater customer commercial activities requested by the sales network and which are expected to be implemented in the following quarters of the year.
In particular, these provisions included a prudential allocation of 10 million euros to cover commercial activities aimed at restoring potential losses to customers resulting from investments made in products distributed by the Bank and to sustain customer loyalty.

			CHANGE	
(€ THOUSAND)	30.06.2022	30.06.2021	AMOUNT	%
Provision for staff liabilities and contingencies	2,082	707	1,375	194.5%
Provision for legal disputes	1,437	1,756	-319	-18.2%
Provision for contractual indemnities to the sales network	-3,655	17,009	-20,664	-121.5%
Other provisions for liabilities and contingencies	11,479	-873	12,352	n.a.
Guarantees and commitments	15	-20	35	-175.0%
Total	**11,358**	**18,579**	**-7,221**	**-38.9%**

5.1.7 Adjustments

Net adjustments to non-performing loans amounted to 4.9 million euros, slightly increasing compared to the same period of the previous year.

(€ THOUSAND)	VALUE ADJUSTMENTS	REVERSALS	30.06.2022	30.06.2021	CHANGE
Specific adjustments/reversals	**-1,667**	**348**	**-1,319**	**-398**	**-921**
Non-performing loans of the banking book	-1,415	348	-1,067	-255	-812
Operating loans to customers	-252	-	-252	-143	-109
Portfolio adjustments/reversals	**-3,559**	**21**	**-3,538**	**-3,653**	**115**
Performing debt securities	-3,507	-	-3,507	-375	-3,132
Performing loans to customers and banks	-52	21	-31	-3,278	3,247
Total	**-5,226**	**369**	**-4,857**	**-4,051**	**-806**

17 Fee provisions, which amounted to 9.0 million euros (6.5 million euros in 2021), are recognised under the fee expense aggregate.
18 The discount rate applied to actuarial provisions is determined on the basis of the annual average EURIRS rates applicable to the average life of the population, increased by the spread between the ten-year BTP and ten-year EURIRS. The increase in the discount rate used therefore reflected the increase in interest rates and government bond spreads in the period September 2021- June 2022 (2.051%) compared to the previous measurement for the period March 2021-December 2021 (1.0266%).
19 In the first half of 2021, on the basis of observations of the average retirement age over a 5-year time horizon, the estimated age for Financial Advisors had been raised to about 70, an increase of two years over the estimate based on the legal parameters.

Provisions for expected credit losses (ECLs) on the portfolio of debt securities and on performing loans to customers and banks (Stage 1 and Stage 2) showed net adjustments for 3.6 million euros, with a ratio to total financial assets measured at amortised cost (HTC/HTCS) that remained very low.
The debt securities portfolio recorded net adjustments for 3.5 million euros as a result of the expansion of investment volumes and the higher ratio of investments in securities of financial and corporate issuers.
Net specific adjustments totalled 1.3 million euros and referred primarily to new positions classified as unlikely-to-pay and past-due (1.1 million euros) and the impairment or write-off of past advances to Financial Advisors and operating receivables for services rendered to customers (0.2 million euros).

5.1.8 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 **5.9 million euros** and included exclusively the ordinary contributions to the Single Resolution Fund (4.6 million euros in 2021). The additional contributions 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 was in fact finally terminated as of 2022 (1.5 million euros in 2021)[20].

5.1.9 Income taxes

Income taxes for the year amounted to **41.1 million euros**, up 6.5 million euros compared to the burden estimated at the end of the first half of 2021, gross of the 13.1 million euro benefits arising from the realignment of the carrying and tax values of goodwill, trademarks and other intangible assets at the end of the first half 2021[21].
The estimated total **tax rate** was 23.8%, up compared to 16.1% for the same period of the previous year (10.1% net of the realignment), mainly due to the lesser incidence of the tax burden accrued in jurisdictions other than Italy.

			CHANGE	
(€ THOUSAND)	30.06.2022	30.06.2021	AMOUNT	%
Current taxes for the period	-42,480	-67,121	24,641	-36.7%
Prior years' taxes	-	33	-33	-100.0%
Changes of prepaid taxation (+/-)	912	39,000	-38,088	-98%
Changes of deferred taxation (+/-)	467	6,674	-6,207	-93%
Total	**-41,101**	**-21,414**	**-19,687**	**91.9%**
Realignment operations	**-**	**13,143**	**-13,143**	**-100.0%**
Taxes gross of realignment operations	**-41,101**	**-34,557**	**-6,544**	**18.9%**

20 In accordance with international accounting standards (IFRIC 21) and the Bank of Italy's technical guidelines, ordinary contributions to the Interbank Deposit Protection Fund (FITD), maturing in the third quarter of the year, were not recognised as at 30 June 2022.
21 For further details on the realignment of the carrying and tax values of goodwill, trademarks and other intangible assets at the end of the first half 2021, reference should be made to the Annual Integrated Report 2021 and the Interim Report at 30 June 2021.

5.1.10 Earnings per share

The first half of 2022 closed with basic net earnings per share of 1.14 euros.

	30.06.2022	30.06.2021	CHANGE AMOUNT	%
Net profit for the period (€ thousand)	131,304	190,098	-58,794	-30.9%
Earnings attributable to ordinary shares (€ thousand)	131,304	190,098	-58,794	-30.9%
Average number of outstanding shares (thousand)	114,730	115,163	-433	-0.4%
EPS - Earnings per share (euros)	**1.14**	**1.65**	**-0.51**	**-30.7%**
Average number of outstanding shares with diluted share capital	114,730	115,163	-433	-0.4%
EPS - Diluted earnings per share (euros)	**1.14**	**1.65**	**-0.51**	**-30.7%**

5.1.11 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 measured at fair value through other comprehensive income.
At the end of the first half of 2022, the latter component provided a negative overall contribution of 10.6 million euros, compared to a net negative change of 1.2 million euros recorded at the end of the same period of the previous year.

In detail, HTCS debt securities portfolio valuation reserves decreased by 12.8 million euros as a result of the following factors:

> the recognition of net valuation capital losses totalling 18.4 million euros, net of 0.4 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 (-0.5 million euros);
> a positive net tax effect (+6.1 million euros) associated with the above changes and mainly resulting from a net increase in DTAs.

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE AMOUNT	%
Net profit	**131,289**	**190,080**	**-58,791**	**-30.9%**
Other income, net of income taxes:				
With transfer to Profit and Loss Account:				
Exchange differences	286	-	286	n.a.
Financial assets measured at fair value through other comprehensive income	-12,837	-1,870	-10,967	n.a.
Without transfer to Profit and Loss Account:				
Financial assets measured at fair value through other comprehensive income	457	6	451	n.a.
Actuarial gains (losses) from defined benefit plans	1,541	647	894	n.a.
Total other income, net of taxes	**-10,553**	**-1,217**	**-9,336**	**n.a.**
Comprehensive income	**120,736**	**188,863**	**-68,127**	**-36.1%**
Consolidated comprehensive income attributable to minority interests	169	33	137	n.a.
Comprehensive income attributable to the Group	**120,567**	**188,830**	**-68,263**	**-36.2%**

5.2 Balance sheet and net equity aggregates

At the end of the first half of 2022, total consolidated assets amounted to 17.7 billion euros, up by nearly 1.5 billion euros (+9.2%) compared to the end of 2021.

Total net inflows stood at 15.6 billion euros, up 1.2 billion euros overall, fully attributable to the growth in customers' current account deposits.
Core loans thus totalled 16.7 billion euros, up 1.3 billion euros (+8.5%).

ASSETS (€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
Financial assets at fair value through profit or loss	426,181	415,558	10,623	2.6%
Financial assets at fair value through other comprehensive income	2,134,674	2,543,065	-408,391	-16.1%
Financial assets measured at amortised cost:	14,160,038	12,447,258	1,712,780	13.8%
a) loans to banks (*)	3,408,299	2,811,785	596,514	21.2%
b) loans to customers	10,751,739	9,635,473	1,116,266	11.6%
Equity investments	3,098	2,048	1,050	51.3%
Property, equipment and intangible assets	287,441	295,184	-7,743	-2.6%
Tax receivables	69,955	72,627	-2,672	-3.7%
Other assets	603,925	413,176	190,749	46.2%
HFS assets	-	2,694	-2,694	-100.0%
Total assets	**17,685,312**	**16,191,610**	**1,493,702**	**9.2%**

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

LIABILITIES AND NET EQUITY (€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
Financial liabilities measured at amortised cost:	15,612,346	14,412,354	1,199,992	8.3%
a) due to banks	843,741	818,734	25,007	3.1%
b) due to customers	14,768,605	13,593,620	1,174,985	8.6%
Financial liabilities held for trading and hedging	158,499	171,871	-13,372	-7.8%
Tax liabilities	37,427	28,320	9,107	32.2%
Other liabilities	638,111	242,037	396,074	163.6%
HFS liabilities	-	318	-318	-100.0%
Special purpose provisions	234,222	230,843	3,379	1.5%
Valuation reserves	-10,215	522	-10,737	n.a.
Equity instruments	50,000	50,000	-	-
Reserves	718,454	624,033	94,421	15.1%
Share premium reserve	53,771	55,866	-2,095	-3.8%
Share capital	116,852	116,852	-	-
Treasury shares (-)	-55,941	-64,822	8,881	-13.7%
Net equity attributable to minority interests	482	313	169	54.0%
Net profit (loss) for the period (+/-)	131,304	323,103	-191,799	-59.4%
Total liabilities and net equity	**17,685,312**	**16,191,610**	**1,493,702**	**9.2%**

QUARTERLY EVOLUTION OF CONSOLIDATED BALANCE SHEET

ASSETS (€ THOUSAND)	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020
Financial assets at fair value through profit or loss	426,181	426,789	415,558	39,877	40,766	45,555	48,455
Financial assets at fair value through other comprehensive income	2,134,674	2,643,207	2,543,065	3,305,138	3,522,999	3,411,976	2,730,098
Financial assets measured at amortised cost:	14,160,038	13,127,518	12,447,258	11,461,254	11,308,313	9,889,588	9,657,380
a) loans to banks	3,408,299	2,916,354	2,811,785	2,553,351	2,304,706	1,484,204	1,236,556
b) loans to customers	10,751,739	10,211,164	9,635,473	8,907,903	9,003,607	8,405,384	8,420,824
Equity investments	3,098	3,261	2,048	2,158	2,205	1,658	1,717
Property, equipment and intangible assets	287,441	288,470	295,184	271,649	277,073	280,322	288,598
Tax receivables	69,955	67,233	72,627	89,091	88,545	52,882	49,846
Other assets	603,925	459,153	413,176	408,090	443,971	353,403	400,895
HFS assets	-	-	2,694	1,648	1,650	1,847	-
Total assets	**17,685,312**	**17,015,631**	**16,191,610**	**15,578,905**	**15,685,522**	**14,037,231**	**13,176,989**

LIABILITIES AND NET EQUITY (€ THOUSAND)	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020
Financial liabilities measured at amortised cost:	15,612,346	15,120,875	14,412,354	13,462,819	13,465,086	12,183,528	11,506,596
a) due to banks	843,741	795,433	818,734	838,191	877,405	805,612	598,129
b) due to customers	14,768,605	14,325,442	13,593,620	12,624,628	12,587,681	11,377,916	10,908,467
Financial liabilities held for trading and hedging	158,499	222,931	171,871	136,860	96,758	78,082	69,404
Tax liabilities	37,427	31,830	28,320	57,543	60,595	69,593	42,516
Other liabilities	638,111	238,515	242,037	588,253	789,391	184,119	181,697
HFS liabilities	-	-	318	381	284	384	-
Special purpose provisions	234,222	231,984	230,843	287,410	282,928	201,785	192,272
Valuation reserves	-10,215	-5,926	522	1,309	2,871	2,444	4,139
Equity instruments	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Reserves	718,454	948,825	624,033	615,354	613,397	1,002,866	726,471
Share premium reserve	53,771	55,860	55,866	55,825	55,875	57,062	57,062
Share capital	116,852	116,852	116,852	116,852	116,852	116,852	116,852
Treasury shares (-)	-55,941	-64,816	-64,822	-64,822	-38,888	-45,185	-45,185
Net equity attributable to minority interests	482	402	313	258	275	275	246
Net profit (loss) for the period (+/-)	131,304	68,299	323,103	270,863	190,098	135,426	274,919
Total liabilities and net equity	**17,685,312**	**17,015,631**	**16,191,610**	**15,578,905**	**15,685,522**	**14,037,231**	**13,176,989**

5.2.1 Direct inflows from customers

Total direct inflows from customers amounted to 14.8 billion euros, with an increase of 1,175 million euros (+8.6%) compared to 31 December 2021, chiefly attributable to the increase in the balances of retail customers' current accounts.

(€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
1. Current accounts and demand deposits	13,902,270	13,231,340	670,930	5.1%
3. Financing	569,928	7,441	562,487	n.a.
Repurchase agreements	383,622	-	383,622	n.a.
Other (collateral margins)	186,306	7,441	178,865	n.a.
4. Other debts	296,407	354,839	-58,432	-16.5%
IFRS 16-related lease liabilities	155,450	156,363	-913	-0.6%
Operating debts to sales network	116,592	157,980	-41,388	-26.2%
Other debts (money orders, amounts at the disposal of customers)	24,365	40,496	-16,131	-39.8%
Total due to customers	**14,768,605**	**13,593,620**	**1,174,985**	**8.6%**

Inflows from demand deposits, not related to the Assicurazioni Generali Group, reported a net increase by over 837 million euros, chiefly generated by inflows from customers included in the Assoreti perimeter (+915 million euros) and awaiting reinvestment as part of a specific investment plan.

By contrast, **captive inflows** generated from the treasury management of the companies within the Assicurazioni Generali Group recorded net outflows of 169 million euros to 403.6 million euros at the end of the period, accounting for 2.7% of total inflows.

(€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
Inflows from Parent Company	51,329	38,848	12,481	32.1%
Inflows from other subsidiaries of the Generali Group	276,948	455,997	-179,049	-39.3%
IFRS 16-related lease financial liabilities	75,365	77,778	-2,413	-3.1%
Total inflows from Generali Group	**403,642**	**572,623**	**-168,981**	**-29.5%**
Inflows from other parties	14,364,963	13,020,997	1,343,966	10.3%
– *of which: current accounts*	*13,574,285*	*12,737,092*	*837,193*	*6.6%*
Total inflows from customers	**14,768,605**	**13,593,620**	**1,174,985**	**8.6%**

Inflows from repurchase agreements referred exclusively to very short-term treasury repurchase agreements entered into on the MTS Repo market managed by CC&G.

There was also a significant expansion in liabilities relating to daily variation margins received on the Eurex market against customers' derivatives transactions.

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 made available to customers, primarily relating to claims settlement activity by the Group's companies (money orders). This segment decreased, mostly as a result of the money orders for claims issued at the end of December on behalf of insurance companies.

5.2.2 Core loans

Core loans totalled 16.7 billion euros overall, with a net increase of over 1,315 million euros compared to 31 December 2021 (+8.5%).

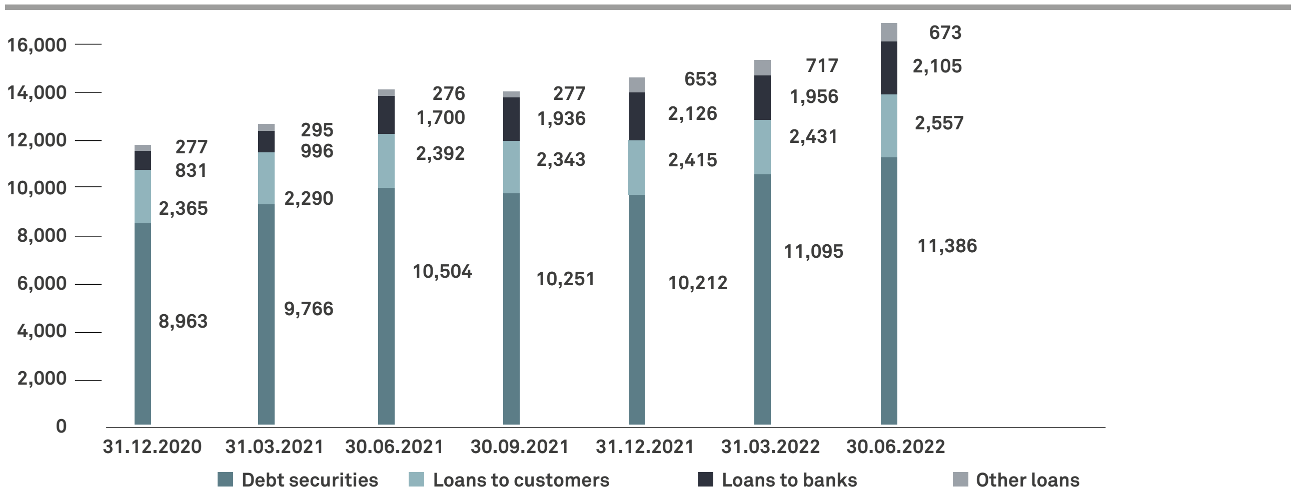
Investments in the portfolio of financial assets, which grew by over 1,185 million euros (+11.1%), made up the largest component of the aggregate.

Exposures towards customers, net of the opening of several repurchase agreements on the eMTS Repo market managed by CC&G (88.5 million euros), reported a more modest growth of 53 million euros (+2.2%).
By contrast, exposures to banks declined slightly (-20.7 million euros, equal to 1.0%).

(€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
Financial assets measured at fair value through profit or loss	426,181	415,558	10,623	2.6%
Financial assets measured at fair value through other comprehensive income	2,134,674	2,543,065	-408,391	-16.1%
Financial assets measured at amortised cost	9,265,801	7,683,260	1,582,541	20.6%
Financial assets	**11,826,656**	**10,641,883**	**1,184,773**	**11.1%**
Loans to and deposits with banks (*)	2,105,099	2,125,833	-20,734	-1.0%
Loans to customers	2,556,986	2,415,273	141,713	5.9%
– *of which: treasury transactions on the eMTS Repo market*	*88,536*	-	*88,536*	*n.a.*
Operating loans and other loans	232,152	222,892	9,260	4.2%
Total interest-bearing financial assets and loans	**16,720,893**	**15,405,881**	**1,315,012**	**8.5%**

(*) ECB demand deposits included.

QUARTERLY EVOLUTION OF LOANS (€ million)



Overall, investments in financial instruments accounted for 70.7% of total core loans, slightly increasing compared to 69.1% at the end of 2021, and continued to be driven by the expansion of the portfolio of securities issued by the government and supranational and other public institutions, and by a careful direct diversification process regarding investments on debt securities issued by credit institutions and, to a lesser extent, other corporate issuers.

(€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
Government securities	8,520,128	8,223,459	296,669	3.6%
Supranational and other public institutions	653,854	577,821	76,033	13.2%
Securities issued by banks	1,534,095	860,285	673,810	78.3%
Securities issued by other issuers	678,057	550,710	127,347	23.1%
Equity securities and other securities	440,522	429,608	10,914	2.5%
Total financial assets	**11,826,656**	**10,641,883**	**1,184,773**	**11.1%**

The residual component of equity securities, UCITS and other similar securities chiefly referred to the investment, for a total of 393 million euros, of the units of the Forward Fund, a newly formed Italian fund (AIF) managed by Gardant SGR and specialised in illiquid investments, in which Banca Generali made a further payment of 17 million euros at the period-end[22].

Investments concentrated in the held-to-collect (HTC) portfolio, driven by financial assets measured at amortised cost and held for long-term investment purposes, which amounted to over 9.3 billion euros at period-end, equal to 78.3% of total financial asset, increasing by 1.6 billion euros (+20.6%).
In light of financial markets' high volatility, the held-to-collect-and-sell (HTCS) portfolio, i.e., financial assets measured at fair value with a balancing entry to net equity without any particular time constraints, declined by 0.4 billion euros (-16.1%) to 2.1 billion euros.

In the first half of the year, the Bank actively continued to operate in asset swap derivatives, trading interest rate swaps to hedge debt securities, mostly Italian and foreign fixed-rate and index-linked government bonds allocated to the HTCS and HTC portfolios.
For each hedging derivative, a specific highly effective fair value hedging relationship is formed.
At the end of the first half of 2022, the notional amounts of the hedging derivatives outstanding amounted to approximately 3,280 million euros, of which 265 million euros relating to the HTCS portfolio. The asset swap portfolio had a net balance of 3,290 million euros and a fair value of 3,283 million euros overall.

The overall portfolio remained focused on sovereign debt and increased by nearly 373 million euros, accounting for 77.6% of total investments in financial instruments, down compared to the end of the previous year (82.7%).

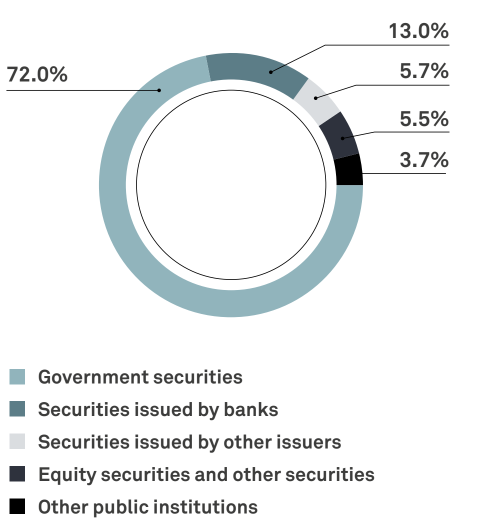
The portion of the portfolio invested in Italian government bonds was essentially stable at 5.5 billion euros (-0.6%), with a ratio to total volumes decreasing to 60.2% compared to 63.2% at the end of 2021.
Foreign sovereign debt thus increased by nearly 405 million euros (+12.5%) to 3,647 million euros, or 39.7% of the total government portfolio.
At period-end, this component was more concentrated on the HTC portfolio (2.3 billion euros) than on the HTCS portfolio (1.3 billion euros), of which it accounted for nearly 73%. From a geographical standpoint, investments were primarily allocated on EU bonds, with a particular focus on the Iberian Peninsula, France and Eastern countries.

			CHANGE	
(€ THOUSAND)	30.06.2022	31.12.2021	AMOUNT	%
Exposure to the sovereign risk by portfolio:				
Financial assets measured at fair value through other comprehensive income	1,799,004	2,285,776	-486,772	-21.3%
Financial assets measured at amortised cost	7,374,978	6,515,504	859,474	13.2%
Total	**9,173,982**	**8,801,280**	**372,702**	**4.2%**
Total foreign government bonds	**3,646,687**	**3,242,127**	**404,560**	**12.5%**
Total Italian government bonds	**5,527,295**	**5,559,153**	**-31,858**	**-0.6%**

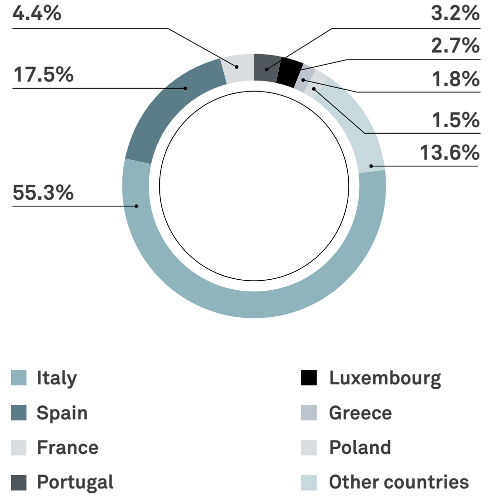
The overall geographical breakdown of the debt securities portfolio therefore indicated a lower concentration of investments in Italian securities, which fell from 60.9% at the end of 2021 to 55.3%, against an increasing exposure to issuers of the Iberian Peninsula, primarily represented by government bonds, which amounted to 20.7%.

[22] For further details on the restructuring transaction of a portfolio of senior bonds issued by some special purpose vehicles for healthcare receivable securitisation that Banca Generali acquired from its customers and concurrently transferred to the Forward Fund, by subscribing its units, reference should be made to the Annual Integrated Report 2021, specifically to Part E of the Notes and Comments to the Consolidated and Separate Financial Statements, and to section "One-off charges" in the Director's Report.

BREAKDOWN OF FINANCIAL ASSETS
30.06.2022



BREAKDOWN OF BOND PORTFOLIO BY COUNTRY
30.06.2022

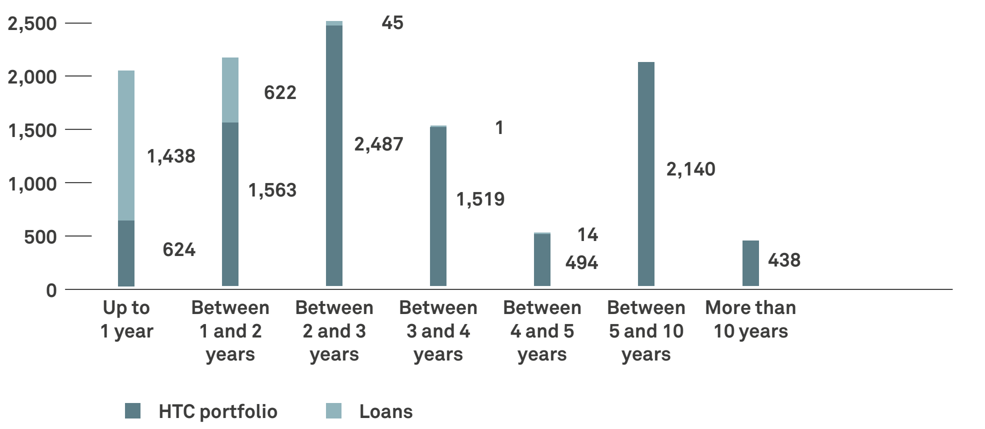


At the end of the first half of 2022, the share of financial assets with a maturity of more than 3 years was 40.4%, sharply down compared to year-end 2021 (46.4%).
The portfolio of debt securities had an overall average residual life of about 3.7 years. In particular, the average maturity of the HTC portfolio was 4.5 years, whereas the average maturity of the HTCS portfolio increased to 0.9 years.

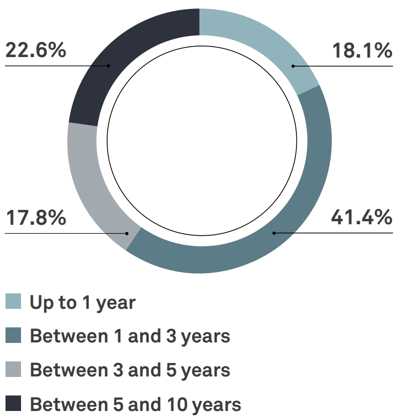
50.8% of the portfolio was made up of issues with variable-rate or inflation-linked coupons, including hedged securities, and 49.2% of fixed-rate issues with zero coupons.

Overall, variable-rate interest-bearing assets, including the portfolios of debt securities and loans to banks and to customers, accounted for 62% of the total — a figure that rose to 66% when considering the fixed-rate bond portfolio set to mature by the end of 2022.

BOND PORTFOLIO MATURITY
(€ million)



BREAKDOWN OF BOND PORTFOLIO
BY MATURITY 30.06.2022



Loans to customers neared **2,557 million euros** and, net of short-term treasury repurchase agreement transactions on the multilateral system eMTS Repo managed by CC&G, rose by 53.2 million euros compared to year-end 2021 (+2.2%), mainly due to new Lombard loans granted, fully secured by pledges on financial instruments, which grew by **54 million euros** in the first half of the year, bringing the total of this type of current account exposures to over **1,341 million euros**.

(€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
Current accounts	1,663,264	1,567,177	96,087	6.1%
Mortgages and personal loans	800,110	843,271	-43,161	-5.1%
Other financing and loans not in current accounts	5,076	4,825	251	5.2%
RRPs with CC&G on MTS REPO	88,536	-	88,536	n.a.
Loans	**2,556,986**	**2,415,273**	**141,713**	**5.9%**
Operating loans to management companies	162,239	157,646	4,593	2.9%
Sums advanced to Financial Advisors	25,504	31,119	-5,615	-18.0%
Stock exchange interest-bearing daily margin	13,608	2,257	11,351	n.a.
Charges to be debited and other loans	18,821	21,816	-2,995	-13.7%
Operating loans and other loans	**220,172**	**212,838**	**7,334**	**3.4%**

Operating loans and other loans grew (+3.4%) as a result of the increase in margins paid in relation with derivative trading and, to a lower extent, trade receivables accrued on the placement and distribution of financial and insurance products, whereas advances to sales network were impacted by the consolidation of the 2021 incentives.

Net **non-performing exposures** on loans to customers amounted to **32.1 million euros**, or **1.25%** of total loans 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 **13.9 million** euros and consisted for nearly 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 on loans to customers, for which risk is effectively borne by the Bank, amounted to just **1.6 million** euros, or around **0.06%** of total loans to customers.

The portfolio of non-performing loans (loans to customers excluding performing loans and securities) rose by 1.2 million euros, mostly attributable to positions past due or expired (+0.8 million euros) and, to a lower extent, to unlikely-to-pay positions (0.3 million euros).

	30.06.2022				31.12.2021				CHANGE	
(€ THOUSAND)	BAD LOANS	UNLIKELY TO PAY	PAST-DUE AND/OR EXPIRED EXPOSURES	TOTAL	BAD LOANS	UNLIKELY TO PAY	PAST-DUE AND/OR EXPIRED EXPOSURES	TOTAL	DELTA	CHANGE %
Gross exposure	28,776	7,077	9,226	45,079	28,650	6,751	8,451	43,852	1,227	3%
Adjustments	9,622	1,637	1,742	13,001	9,679	994	1,349	12,022	979	8%
Total net exposure	**19,154**	**5,440**	**7,484**	**32,078**	**18,971**	**5,757**	**7,102**	**31,830**	**248**	**1%**
Gross exposure	26,268	-	-	26,268	26,082	-	-	26,082	186	1%
Adjustments	8,068	-	-	8,068	8,067	-	-	8,067	1	-
Exposure guaranteed by net indemnity	**18,200**	**-**	**-**	**18,200**	**18,015**	**-**	**-**	**18,015**	**185**	**1%**
Gross exposure	2,508	7,077	9,226	18,811	2,568	6,751	8,451	17,770	1,041	6%
Adjustments	1,554	1,637	1,742	4,933	1,612	994	1,349	3,955	978	25%
Exposure net of indemnity	**954**	**5,440**	**7,484**	**13,878**	**956**	**5,757**	**7,102**	**13,815**	**63**	**-**
Net guaranteed exposure	**918**	**5,094**	**6,253**	**12,265**	**921**	**5,518**	**6,034**	**12,473**	**-208**	**-2%**
Net exposure not guaranteed	**36**	**346**	**1,231**	**1,613**	**35**	**239**	**1,068**	**1,342**	**271**	**20%**

At 30 June 2022, the **interbank position**, net of the securities portfolio and operating loans, showed a net credit balance of over 1,261 million euros, slightly down compared to a net exposure of 1,307 million euros at the end of the previous year, mainly due to the reduction in net exposure towards central banks (-182 million euros) and other items and to the increase in repurchase agreements with banks (+200 million euros).

				CHANGE	
(€ THOUSAND)		30.06.2022	31.12.2021	AMOUNT	%
1.	**Repayable on demand**	**1,392,326**	**1,593,647**	**-201,321**	**-12.6%**
	Demand deposits with ECB and Bank of Italy (*)	1,322,129	1,504,015	-181,886	-12.1%
	Transfer accounts	70,197	89,632	-19,435	-21.7%
2.	**Time deposits**	**712,773**	**532,186**	**180,587**	**33.9%**
	Mandatory reserve	136,933	130,137	6,796	5.2%
	Term deposits	28,473	31,646	-3,173	-10.0%
	Repurchase agreements	399,745	199,805	199,940	100.1%
	Collateral margins	147,622	170,598	-22,976	-13.5%
	Total loans to banks	**2,105,099**	**2,125,833**	**-20,734**	**-1.0%**
1.	**Due to Central Banks**	**687,274**	**690,725**	**-3,451**	**-0.5%**
	TLTRO	687,274	690,725	-3,451	-0.5%
2.	**Due to banks**	**156,467**	**128,009**	**28,458**	**22.2%**
	Transfer accounts	82,501	96,022	-13,521	-14.1%
	Repurchase agreements	47,296	11,752	35,544	n.a.
	Collateral margins	8,352	670	7,682	n.a.
	Other debts	18,318	19,565	-1,247	-6.4%
	Total due to banks	**843,741**	**818,734**	**25,007**	**3.1%**
Net interbank position		**1,261,358**	**1,307,099**	**-45,741**	**-3.5%**

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

Central bank debt consists of the following three-year financing operations disbursed as part of the TLTRO III (Targeted Long Term Refinancing Operation) programme:

> TLTRO III, series IV, in the amount of 500 million euros, disbursed on 24 June 2020 and maturing on 24 June 2023, without prejudice to the possibility of early repayment starting as of the end of September 2021;
> TLTRO III, series VII, in the amount of 200 million euros, disbursed on 24 March 2021 and maturing on 27 March 2024, without prejudice to the possibility of early repayment as of the end of March 2022.

Following the modifications to the TLTRO programme approved by the ECB in January 2021, the interest rate applicable to each transaction was set at a level equal to the average of the main Eurosystem refinancing operations, currently -0.5%, except for periods from 24 June 2020 to 23 June 2021 and from 24 June 2021 to 23 June 2022, in which a special interest rate reduced by 50 basis points could apply under certain conditions and up to a maximum negative rate of 1%.
In particular, the special interest rate will apply where in the period 23 March 2020–23 March 2021 (special reference period) and 24 March 2021–24 March 2022 (additional special reference period), net eligible loan 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.
It should be noted that in the reference period from 1 October 2020 to 31 December 2021 Banca Generali far exceeded the targets assigned, thus benefiting from the maximum interest rates to be applied up to 23 June 2022.

5.2.3 Provisions

Special purpose provisions amounted to over 234 million euros overall, with no significant changes compared to the previous year (+1.5%) and mainly refer to provisions for contractual indemnities to the sales network.

			CHANGE	
(€ THOUSAND)	30.06.2022	31.12.2021	AMOUNT	%
Provision for termination indemnity	4,057	4,335	-278	-6.4%
Provisions for guarantees issued and commitments	58	43	15	34.9%
Provisions for pensions and similar obligations	1,210	2,974	-1,764	-59.3%
Other provisions for liabilities and contingencies	**228,897**	**223,491**	**5,406**	**2.4%**
Provisions for staff expenses	15,554	15,656	-102	-0.7%
Provision for the redundancy incentive plan	2,462	2,462	-	-
Provisions for legal disputes	15,816	16,067	-251	-1.6%
Provisions for contractual indemnities to the sales network	144,966	147,070	-2,104	-1.4%
Provisions for sales network incentives	29,175	31,270	-2,095	-6.7%
Provisions for tax and contributions/pension disputes	7,748	8,056	-308	-3.8%
Other provisions for liabilities and contingencies	13,176	2,910	10,266	n.a.
Total provisions	**234,222**	**230,843**	**3,379**	**1.5%**

Contractual indemnities referred to:
> provisions to cover Financial Advisor termination indemnities provided for under Article 1751 of the Italian Civil Code, assessed on an actuarial basis, in the amount of 80.0 million euros;
> other indemnities relating to termination of the agency or management position (management development indemnity, portfolio development indemnity, retirement eligibility bonus) of 27.3 million euros;
> the provision for the service of the annual cycles of the 2017-2026 Framework Loyalty Programme for the Sales Network, in the amount of 32.1 million euros;
> the new three-year incentive provision amounting to 5.5 million euros.

It should be noted that the Bank decided to suspend the implementation of the above Loyalty Framework Programme, for which the sixth 2022-2026 cycle was therefore not activated. The provisions relating to the latter cycle 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.
In July, a financial advance will also be paid to the beneficiaries of the Loyalty Framework Programme drawing from the cash provision set aside at 30 June 2022. This advance is subject to the same accrual conditions provided for by the Programme and will be definitively acquired by the beneficiaries in the first half of 2027.

The 7.6 million decrease in actuarial provisions was due to the effect of the lower discount rates, which had an impact of 12.4 million euros that fully offset the growth of relevant basic fees.

Provisions for other liabilities and contingencies included a prudential allocation of 10 million euros to cover commercial activities aimed at restoring potential losses to customers resulting from investments made in products distributed by the Bank and to sustain customer loyalty.

Accruals to other provisions for liabilities and contingencies also included amounts allocated to account for tax disputes totalling 7.6 million euros, unchanged on year-end of 2021, in the absence of substantial progress of the exchange underway with the Italian Agency of Revenues[23].

Tax dispute

The following is a summary of income tax dispute in the first half of 2022. The 2021 Annual Integrated Report may be consulted for further information.

[23] In this regard, reference should be made to the Annual Integrated Report 2021.

The audit begun in March 2020 by the Trieste Financial Police Unit of the Finance Police was definitively concluded on 15 March 2022 with the service of an auditors' report on tax periods 2017-2019, containing allegations focusing on disputing the transfer pricing method that the Bank applied to its relations with the Banking Group's Luxembourg-based management company BGFML S.A., substantially similar to those of the previous auditors' report on tax periods 2015-2016, served on 9 December 2021. However, these allegations, similar to the assessment notices that DRE FVG issued on 24 March 2022 regarding tax period 2014 (see the following paragraph for further details), has not yet led to the issuance of an assessment notice.

Discussions continued with the Regional Department for Friuli-Venezia Giulia (DRE FVG) of the Italian Agency of Revenue following the invitation to appear served on 24 November 2021, preliminary to the launch of the assessment with settlement procedure for the 2014 tax period.
In this notice, DRE FVG had redetermined its claims with regard to tax period 2014, claiming greater taxable income from the Bank of approximately 90.4 million euros, of which 86.8 million euros relating to transfer pricing allegations, drawn from the aforementioned auditors' report by the Finance Police, and 3.6 million euros, mostly arising from a previous 2017 auditors' report.
However, on 24 March 2022, DRE FVG served, for that same year, two executive assessment notices, concerning IRES (corporate income tax) and IRAP (regional business tax), setting forth total claims of approximately 36 million euros (inclusive of interest of 7.8 million euros), in addition to approximately 21 million euros of penalties, calculated at the maximum amount.
On 23 May 2022, therefore, the Bank proceeded to file with the Trieste CTP (Provincial Tax Commission) the appeals against the two executive assessments received, which will begin to be processed in October.
As part of the appeal procedure, 1/3 of the amounts due by way of taxes and interest is to be paid as an advance.
With the support of an opinion from a qualified law firm, the company continues to regard the revenue authority's claims as substantially unfounded and to believe that this position will be acknowledged in the tax proceeding. In any case, pending the commencement of the proceeding, discussions with DRE FVG continue in order to reach a possible agreement.

5.2.4 Net equity and regulatory aggregates

At 30 June 2022, the Banking Group's consolidated net equity, including net profit for the period, exceeded 1,004 million euros, net of the 2021 dividend payout resolved upon by the General Shareholders' Meeting on 21 April 2022 for a total amount of 227.9 million euros, which was partly already paid on 23 May 2022 and is to be partly paid in February 2023.

			CHANGE	
(€ THOUSAND)	30.06.2022	31.12.2021	AMOUNT	%
Share capital	116,852	116,852	-	-
Share premium reserve	53,771	55,866	-2,095	-3.8%
Reserves	718,454	624,033	94,421	15.1%
(Treasury shares)	-55,941	-64,822	8,881	-13.7%
Valuation reserves	-10,215	522	-10,737	n.a.
Equity instruments	50,000	50,000	-	-
Net profit (loss) for the period	131,304	323,103	-191,799	-59.4%
Group net equity	**1,004,225**	**1,105,554**	**-101,329**	**-9.2%**
Net equity attributable to minority interests	482	313	169	54.0%
Consolidated net equity	**1,004,707**	**1,105,867**	**-101,160**	**-9.1%**

The 101.2 million euro change in net equity in the first half of 2022 was chiefly attributable to the consolidated net profit for the period and, to a lesser extent, to other components such as the decline in valuation reserves taken to other comprehensive income (OCI) and the change in reserves for share-based payments (IFRS 2), as shown in the following table.

(€ THOUSAND)	30.06.2022	31.12.2021
Net equity at period-start	**1,105,867**	**1,184,504**
Provisions for 2021 dividends	-227,861	-385,607
Purchase of treasury shares	-	-25,984
Change in IFRS 2 reserves	4,277	8,975
Change in OCI valuation reserves	-10,554	-3,539
Changes and dividends on AT1 equity instruments	-815	-1,631
Consolidated net profit	131,289	323,107
Minor dividends paid on treasury shares	3,537	6,057
Other effects	-1,033	-15
Net equity at period-end	**1,004,707**	**1,105,867**
Change	**-101,160**	**-78,637**

Fair value valuation reserves for the portfolio of financial assets measured at fair value through other comprehensive income (HTCS) showed a net decrease of 12.4 million euros, due to the stronger volatility that impacted financial markets as a result of the inflation forecasts and the Ukraine crisis.

	30.06.2022			31.12.2021	
(€ THOUSAND)	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
Valuation reserves - HTCS debt securities	1,387	-11,531	-10,144	2,694	-12,838
Valuation reserves - OCI equity securities	871	-1,252	-381	-837	456
Exchange differences	-	618	618	340	278
Actuarial gains (losses) from defined benefit plans	-	-308	-308	-1,675	1,367
Total	**2,258**	**-12,473**	**-10,215**	**522**	**-10,737**

On 21 April 2022, the General Shareholders' Meeting also authorised the repurchase of a maximum of 897,500 treasury shares in service of remuneration plans for Key Personnel for 2022 and the new Long Term Incentive Plan (LTIP) for the three-year period 2022-2024.
The plan for the buy-back of treasury shares, authorised by the Supervisory Authority on 1 July 2022, has yet to be launched. Therefore, on 30 June 2022, a 36.0 million euro commitment to repurchase own funds was recognised, also for prudential purposes, against treasury shares still to be bought back.

In the reporting period, on the basis of the achievement of the performance objectives set out in the Remuneration Policy, 304,109 treasury shares, with a value of 8,881 thousand euros, of which 82,684 shares in service of the 2018 LTIP, were also allotted to the Group's employees and Financial Advisors qualifying as Key Personnel, as well as to network managers.
At the end of the half-year, the Parent Company, Banca Generali, thus held 1,915,360 treasury shares, with a value of 55,941 thousand euros, intended solely for the service of Remuneration Policies for the Banking Group's Key Personnel.

	NO. OF SHARES	VALUE (EUROS)	AVERAGE PRICE	AVERAGE NO. OF SHARES
Amount at period-start	**2,219,469**	**64,822,379**	**29.21**	**2,219,469**
Allotments	-304,109	-8,880,969	29.20	-98,187
Amount at period-end	**1,915,360**	**55,941,410**	**29.21**	**2,121,282**

Consolidated own funds amounted to 743.2 million euros, down 15.8 million euros on the end of the previous year, mainly due to the effects of the inception of the plan for the buy-back of treasury shares (-36.0 million euros), which fully offset estimated retained earnings (+21.6 million euros) and other effects (-1.4 million euros), as shown in the table below.

In accordance with the risk profile identified in the Risk Appetite Framework and overall capital adequacy, the 2022-2024 Dividend Policy calls for the distribution of a dividend composed as follows to mitigate the effects of the variability of non-recurring components:

- a component calculated at between 70% and 80% of recurring consolidated result;
- a component calculated at between 50% and 100% of non-recurring consolidated result.

For the first half of 2022, on the basis of the prudential provisions that require the upper extremes of the payout to be considered, just the 20% share of the consolidated recurring profit for the period has therefore been included in own funds.

(€ THOUSAND)

Own funds at 31.12.2021	**758,963**
Repurchase commitments of CET1 instruments	-36,009
Estimated regulatory provisions for retained earnings	21,584
Change in IFRS 2 reserves	4,320
Prior years' dividend not paid out	3,537
Change in OCI reserves on HTCS	-12,103
Change in IAS 19 OCI reserves	1,366
Change in goodwill and intangible assets (net of related DTLs)	3,381
DTAs through P&L not arising on temporary differences (tax losses)	-30
Negative prudential filters (prudent valuation - simplified method)	402
Changes and dividends on AT1 equity instruments	-815
Other effects (other reserves)	-1,422
Total changes in Tier 1 capital	**-15,789**
Total changes in Tier 2 capital	**-**
Own funds at 30.06.2022	**743,174**
Change	**-15,789**

Capital absorption rose by 17.0 million euros (+4.9%) due mainly to the expansion of exposures to supervised intermediaries (+6.0 million euros), businesses and retail customers (+5.6 million euros) and covered bonds (+3.7 million euros).

At the end of the period, CET1 ratio reached 15.2%, compared to a minimum requirement of 8%, and Total Capital Ratio (TCR) reached 16.3%, compared to the SREP minimum requirement of 12.30%.

			CHANGE	
(€ THOUSAND)	30.06.2022	31.12.2021	AMOUNT	%
Common Equity Tier 1 capital (CET1)	693,174	708,963	-15,789	-2.2%
Additional Tier 1 capital (AT1)	50,000	50,000	-	-
Tier 2 capital (T2)	-	-	-	n.a.
Total own funds	**743,174**	**758,963**	**-15,789**	**-2.1%**
Credit and counterparty risk	280,576	263,618	16,959	6.4%
Market risk	63	26	37	n.a.
Operating risk	85,227	85,227	-	-
Total absorbed capital (Pillar I)	**365,866**	**348,870**	**16,996**	**4.9%**
Total SREP minimum requirements (Pillar II)	**563,068**	**516,328**	**46,740**	**9.1%**
Excess over SREP minimum requirements	180,106	242,635	-62,529	-25.8%
Risk-weighted assets	4,573,325	4,360,877	212,447	4.9%
CET1/Risk-weighted assets	15.2%	16.3%	-1.1%	-6.8%
Tier 1/Risk-weighted assets	16.3%	17.4%	-1.2%	-6.6%
Total own funds/Risk-weighted assets (Total Capital Ratio)	**16.3%**	**17.4%**	**-1.2%**	**-6.6%**

On 20 May 2022, upon conclusion of the SREP – Supervisory Review and Evaluation Process carried out annually by the competent Supervisory Authority, the Bank of Italy communicated to Banca Generali the following specific capital requirements to be applied to the Banking Group commencing with the reporting on Own Funds at 30 June 2022:

> a Common Equity Tier 1 (CET1) ratio of 8% (previously set at 7.75%), consisting of an Overall Capital Requirement (OCR) of 5.50% (of which 4.5% as minimum regulatory requirement and 1% as additional requirement following the SREP) and a capital conservation buffer for the remainder;
> a Tier 1 ratio (T1 ratio) of 9.85% (previously set at 9.51%), consisting of an Overall Capital Requirement (OCR) of 7.35% (of which 6% as minimum regulatory requirement and 1.35% as additional requirement following the SREP) and a capital conservation buffer for the remainder;
> a Total Capital Ratio (TCR) of 12.30% (previously set at 11.84%), consisting of an Overall Capital Requirement (OCR) of 9.80% (of which 8% as minimum regulatory requirement and 1.80% as additional requirement following the SREP) and a capital conservation buffer for the remainder.

The conservation capital buffer requirement envisaged in the ratios is equal to 2.5%.

In this regard, it should be noted that the Company did not elect to apply the optional phase-in schemes introduced in Commission Delegated Regulation (EU) No. 2020/873, published in the OJEU on 26 June 2020, in relation to the Covid-19 emergency:

> 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 2021 to be sterilised during the 2021-2024 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 Bank's liquidity ratios maintained excellent levels, with the Liquidity Coverage Ratio (LCR) at **400%** and Net Stable Funding Ratio (NSFR) at **206.7%**. The Bank's leverage ratio stood at **4.11%**.

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

	30.06.2022		
(€ THOUSAND)	SHARE CAPITAL AND RESERVES	NET PROFIT	NET EQUITY
Net equity of Banca Generali	**778,122**	**153,042**	**931,164**
Differences between net equity and book value of companies consolidated using the line-by-line method:	64,650	-	64,650
– profit carried forward of consolidated companies	56,212	-	56,212
– goodwill	8,707	-	8,707
– other changes	-269	-	-269
Dividends from consolidated companies	-	84,601	84,601
Consolidated companies' result for the period	36,783	-105,783	-69,000
Net profit attributable to minority interests	497	-15	482
Result of associates valued at equity	-421	-143	-564
Valuation reserves – consolidated companies	2,483	-	2,483
Goodwill	-8,707	-	-8,707
Consolidation adjustments	-6	-399	-405
Net equity of the Banking Group	**873,401**	**131,303**	**1,004,704**

5.2.5 Cash flows

In the first half of 2022, cash flows of operating activities virtually broke even.
In detail, cash inflows were primarily generated by operations (121 million euros), the sharp increase in net inflows from customers (+1,211 million euros) and the expansion of other operating liabilities, totalling 1,750 million euros.
These cash flows were mainly used for financial assets investments (-1,404 million euros) and, to a lower extent, for loans to customers (-159 million euros) and the interbank segment (-152 million euros), with total outflows of 1,750 million euros.

Net cash flows from operating activities were therefore not sufficient to absorb the outflows generated by the financing activity, consisting of dividends paid, comprising the second tranche of the 2020 dividend, the first tranche of the 2021 dividend and the AT1 financial instrument coupon and residually the investment activity.

Cash and cash equivalents at period-end amounted to 1,419 million euros, with a 201 million euro decrease compared to 2021.

(€ THOUSAND)	30.06.2022	30.06.2021	CHANGE
Liquidity generated by operations	**120,746**	**233,922**	**-113,176**
Financial assets	-1,404,480	-1,517,741	113,261
Loans to banks	-180,515	-240,548	60,033
Loans to customers	-158,645	-19,372	-139,273
Other operating assets	-6,402	-25,829	19,427
Total assets	**-1,750,041**	**-1,803,489**	**53,448**
Amounts due to banks	28,419	333,651	-305,232
Amounts due to customers	1,211,150	1,681,404	-470,254
Other operating liabilities	392,915	236,587	156,328
Total liabilities	**1,632,484**	**2,251,642**	**-619,158**
Liquidity generated by/used for operating activities	**3,189**	**682,075**	**-678,886**
Investments	-1,397	-377	-1,020
Acquisition and disposal of business units and equity investments	-796	-597	-199
Liquidity generated by/used for investing activities	**-2,193**	**-974**	**-1,219**
Dividends paid	-202,079	-1,124	-200,954
Issue/purchase of treasury shares and financial instruments	-	-	-
Liquidity generated by/used for financing activities	**-202,079**	**-1,124**	**-200,955**
Net liquidity generated/used	**-201,083**	**679,977**	**-881,060**
Cash and cash equivalents	**1,419,251**	**1,345,919**	**73,332**

6. Performance of Group Companies

6.1 Performance of Banca Generali S.p.A.

Banca Generali closed the first half of 2022 with net profit of 153.0 million euros, down compared to 210.3 million euros reported at the end of the same period of the previous year, chiefly due to the lower contribution of dividends distributed both in advance and at the end of the period by the Luxembourg subsidiary BG Fund Management Luxembourg S.A., decreasing from 218.6 million euros to 105.8 million euros.

Reclassified net banking income[24], net of the dividends from the Banking Group's equity investments, rose by nearly 12.2 million euros (+6.3%) compared to the same period of the previous year. This increase was mainly attributable to the increase in net interest income (+7.9 million euros) and, to a lower extent, of net financial income (+4.2 million euros). Net fees were in line with the figure at 30 June 2021 (+0.2 million euros).

			CHANGE	
(€ THOUSAND)	30.06.2022	30.06.2021	AMOUNT	%
Net interest income	**52,098**	**44,225**	**7,873**	**17.8%**
Net income (loss) from trading activities	14,526	10,393	4,133	39.8%
Dividends	106,909	219,606	-112,697	-51.3%
- *of which: dividends from equity investments*	*105,783*	*218,550*	*-112,767*	*-51.6%*
Net financial income	**173,533**	**274,224**	**-100,691**	**-36.7%**
Fee income	366,460	357,314	9,146	2.6%
Fee expense	-228,588	-219,609	-8,979	4.1%
Net fees	**137,872**	**137,705**	**167**	**0.1%**
Net banking income	**311,405**	**411,929**	**-100,524**	**-24.4%**
Staff expenses	-49,015	-46,968	-2,047	4.4%
Other general and administrative expenses (net of duty recovery)	-49,910	-45,175	-4,735	10.5%
Net adjustments of property, equipment and intangible assets	-16,658	-16,209	-449	2.8%
Other operating expenses/income	7,899	5,095	2,804	55.0%
Net operating expenses	**-107,684**	**-103,257**	**-4,427**	**4.3%**
Operating result	**203,721**	**308,672**	**-104,951**	**-34.0%**
Net adjustments to non-performing loans	-4,858	-4,051	-807	19.9%
Net provisions	-11,358	-18,576	7,218	-38.9%
Other one-off charges	-	-80,000	80,000	n.a.
Contributions and charges related to the banking system	-5,882	-6,137	255	-4.2%
Gains (losses) from the disposal of equity investments	556	-	556	n.a.
Operating profit before taxation	**182,179**	**199,908**	**-17,729**	**-8.9%**
Income taxes for the period on operating activities	-29,137	-2,740	-26,397	n.a.
Income taxes from realignment operations	-	13,143	-13,143	-100.0%
Net income	**153,042**	**210,311**	**-57,269**	**-27.2%**

Net interest income amounted to 52.1 million euros, up 17.8% driven by the positive contribution of securities trading (+7.2 million euros; +22.6%) and the expansion of loans to customers (+0.8 million euros; +6.7%). The net contribution of transactions with the ECB stood at +2.7 million eu-

[24] 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 9.0 million euros for 2022 and 6.5 million euros for 2021.

ros (as imbalance between the TLTRO proceeds and the charges associated with excess demand deposits).

Net fees were unchanged at 137.9 million euros at the end of the period (+0.1%) as a result of the corresponding increase in fee income (+9.1 million euros), particularly advisory fees (+3.0 million euros) and discretionary mandates (+3.4 million euros), and the increase in fee expense (+9.0 million euros), with particular regard to fees for off-premises offer (+8.7 million euros).

Net operating expenses[25] amounted to approximately 107.7 million euros, up 4.3% 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 and intangible assets) to net operating income and dividends, amounted to 44.3%.

Provisions, net adjustments and contributions and charges related to the banking system totalled 22.1 million euros, down 6.7 million euros compared to the same period of 2021, mainly due to lower provisions for risks (-7.2 million euros).

Operating profit before taxation thus amounted to 182.2 million euros, down by 8.9% compared to the same period of 2021.

Income taxes for the year amounted to 29.1 million euros, up 26.4 million euros compared to the burden estimated at 30 June 2021, excluding the 13.1 million euro benefits arising from the realignment of the carrying and tax values of goodwill, trademarks and other intangible assets at the end of the first half 2021.
The Bank's overall tax rate was 16.0%, up compared to the first half of 2021 as a result of the lower incidence on profit of dividends from equity investments subject to reduced taxation.

Total AUM managed by the Group on behalf of its customers — which is the figure used for communications to Assoreti — amounted to 79.9 billion euros at 30 June 2022, down 5.6% compared to the previous year. Net inflows reached 3.0 billion euros, down by 19.7% compared to the figures recorded at the end of the same period of 2021.

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 Collection Investments[26]) and the Sicav called BG Alternative, reserved for institutional investors.
In March 2020, the management company also acquired delegated management of the Luxembourg Sicav Nextam Partners Sicav, which currently only includes a single residual sub-fund.

BGFML ended the first half of 2022 with net profit of 87.1 million euros, down 112.0 million euros compared to the same period of the previous year.
Performance fees declined by 149.2 million euros, whereas management fees rose by 21.6 million euros.
Net banking income amounted to 104.3 million euros (-130.2 million euros compared to the same period of 2021). Operating expenses were 4.7 million euros (+1.0 million euros), of which 2.9 million euros consisted of staff expenses.
The company's net equity amounted to 77.3 million euros, net of a dividend payout of 105.8 million euros, as payment in advance for 2022 and total payment for 2021.
Overall, assets under management at 30 June 2022 amounted to 18,625 million euros, down 2,809 million euros compared to 21,434 million euros at 31 December 2021.

[25] 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 41.0 million euros for 2022 and 34.3 million euros for 2021. 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.
[26] New company name of BG Selection Sicav, effective 22 April 2022.

6.3 Performance of Generfid S.p.A.

Generfid, a company specialising in custodian capacity of assets, ended the first half of 2022 with a slight net profit and net equity amounting to about 0.9 million euros.
Net banking income amounted to approximately 0.7 million euros and virtually covered operating expenses.
Assets under management totalled 1,373 million euros (1,326 million euros for 2021).

6.4 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 first half of 2022 with net profit of CHF 46.4 thousand (47.9 thousand euros), calculated based on local GAAP.
Revenues, generated mainly from asset management and advisory services, amounted to approximately CHF 4.4 million, whereas operating expenses totalled CHF 3.9 million (of which CHF 3.2 million staff expenses).
BG Valeur S.A.'s net equity recognised in its statutory financial statements totalled CHF 3.0 million at 30 June 2022.

At 30 June 2022, total assets under management amounted to 998 million euros, down compared to 1,081 million euros at 31 December 2021.

6.5 Performance of BG Suisse S.A.

BG Suisse S.A, a joint-stock company under Swiss law based in Lugano, incorporated by Banca Generali on 8 October 2021 through an initial contribution of CHF 10 million with the aim of creating a new cross-border private service hub able to exploit the Swiss market's discontinuity due to the significant regulatory changes introduced to comply with the European regulations on financial services.

To this end, in January 2022, the company filed with the Swiss Financial Market Supervisory Authority (FINMA) an application to obtain the banking licence necessary to operate on the Swiss market.

In the first six months of 2022, the company — still in its start-up phase — was essentially inactive and closed the reporting period with a net loss of approximately CHF 3.0 million (3.1 million euros), calculated based on local GAAP.
Operating expenses totalled CHF 2.9 million (of which CHF 1.8 million referring to staff expenses).
BG Suisse S.A.'s net equity recognised in its statutory financial statements stood at CHF 4.7 million at 30 June 2022.

6.6 Nextam Partners SIM and Nextam Partners Ltd.

On 5 March 2021, Banca Generali's Board of Directors approved the disposal of an 80.1% interest in the share capital of Nextam Partners SIM S.p.A.

On 20 January 2022, after obtaining prior authorisation by the Bank of Italy, Banca Generali finalised the sale of the 80.1% interest in the share capital of said company to a new corporate structure led by the main key manager of the Nextam Group, for a consideration of 1,201 thousand euros.
The residual equity investment of 19.9% was recognised at 0.5 million euros and, in view of the relations between the two companies, classified as an equity investment in an associate.

Following the disposal, the settlement agreements signed in the previous year were executed with some of the previous shareholders of the Nextam Group with a view to identifying the amounts due to these shareholders in relation to the earn-outs provided for in the contract for the acquisition of Nextam Partners and to agreeing the termination of the employment relationship between Banca

Generali and the main key manager of the acquired group[27], whereas the employment relationship with the other two key managers has been maintained.

Nextam Partners Ltd launched the member's voluntary liquidation procedure on 16 December 2020 and was thus fully inactive as of 2021.
The company has a residual net equity of about GBP 178 thousand and the liquidation procedure is expected to be completed by the end of the current year.

[27] At the date of disposal of the interest, a settlement amount of 2.2 million euros was paid to the previous shareholders, compared to 3.4 million euros initially established as earn-out upon acquisition of the Nextam Group. In this regard, it should be noted that at the end of the first half of 2021, Banca Generali had already adjusted the value of the liability recognised on the basis of the variable consideration set in the group acquisition contract in favour of the former owners, amounting to 1.2 million euros, which has now been fully written-off. Furthermore, in June 2022, the Board of Directors of Banca Generali approved a settlement proposal to also define the residual sums payable as an earn-out to the other two Key Managers with whom the employment relationship continues. These agreements provide for writing-off a portion of the agreed variable consideration, for an amount of 1.6 million euros, as a result of the failure to achieve the objectives set by the contract in terms of AUM growth and recognition of the residual amount of 0.7 million euros by way of a settlement. At the end of the first half of 2022, the liability allocated against the variable consideration was therefore further reduced by 1.6 million euros and recognised among provisions for contingencies.

7. Related party transactions

7.1 Procedural aspects

In accordance with Article 2391-*bis* of the Italian Civil Code, the Consob Regulation containing provisions relating to transactions with related parties adopted with Resolution No. 17221 of 12 March 2010, as subsequently amended ("**Consob RPT Regulation**"), and the provisions of Part III, Chapter 11, of Bank of Italy Circular No. 285 of 17 December 2013, as subsequently amended, Banca Generali's Board of Directors approved its "Procedure for Related Party and Connected Party Transactions", which entered into effect on 1 January 2011 and was last updated on 22 June 2021 with effect from 1 July 2021.
The aforementioned procedure is intended to implement the aforementioned Consob and Bank of Italy provisions, by adopting, for all Banking Group companies, rules on Transactions with Banca Generali's related parties and connected parties, governing the related investigation, approval, reporting and disclosure activities.

7.2 Disclosure on Related Party Transactions

Without prejudice to the disclosure requirements set forth by IAS 24, rules on periodic disclosure on related party transactions are provided for in Article 5, paragraph 8, of Consob RPT Regulations.

In detail, the interim report should provide the following disclosure:
a) each and every Transaction of Greater Importance effected during the accounting period of reference;
b) other individual transactions with related parties "that have materially influenced" the financial position or results of the Company;
c) changes or developments in related party transactions described in the latest annual report that had a "material effect" on the financial position or results of the Company during the reporting period.

In this regard, the following should be noted.

Unusual, atypical or extraordinary transactions

During the first half of 2022, no related party transactions were carried out that could be defined as atypical or unusual or likely to have "effects on the safeguarding of the company assets or the completeness and accuracy of information, including accounting information, concerning the issuer."

Highly significant transactions

In the first half of 2022, no transactions qualifying as "highly significant", non-ordinary transactions, entered into at non-market or non-standard conditions were carried out that, in accordance with the Procedure for Related Party and Connected Party Transactions, could have given rise to an obligation to publish the related market disclosure document.

Other significant transactions

In the first half of 2022, the following transactions were approved that could be qualified as transactions of "low value" (i.e., transactions of amounts exceeding the significance threshold but below that of highly significant transactions, as defined pursuant to the "Procedure for Related Party and Connected Party Transactions"):
> on 9 March 2022, the Board of Directors of Banca Generali approved a contract for the outsourcing of services (some of which qualifying as Critical or Important Functions) by the Bank to Generali Operations Service Platform S.r.l., a company subject to the management and coordination of Assicurazioni Generali S.p.A.;
> on 21 April 2022, the Board of Directors of Banca Generali approved an increase in the amount of a line of credit, as part of the "Assieme Agreement on guaranteed credit facilities for Executives of the Assicurazioni Generali Group", in favour of an Executive of the direct parent company Generali Italia;

> on 23 June 2022, Banca Generali's Board of Directors approved an increase in the amount of a line of credit, as part of the "Assieme Agreement on guaranteed credit facilities for Executives of the Assicurazioni Generali Group", in favour of an Executive of the Parent Company, Assicurazioni Generali.
> also on 23 June 2022, the Board of Directors of Banca Generali approved a line of credit, as part of the "Assieme Agreement on guaranteed credit facilities for Executives of the Assicurazioni Generali Group", to an Executive of Generali Deutschland AG and his spouse.

These transactions were approved by the Board of Directors, with a prior non-binding favourable opinion from the Internal Audit and Risk Committee.

Ordinary or recurring transactions

Transactions of an ordinary or recurring nature carried out in the first half of 2022 with related parties fall within the Group's ordinary course of business and are usually carried out at arm's length and are, in any case, based on mutual economic advantage, in compliance with the internal procedures mentioned above.

As regard these transactions, there were no changes in the situation of related party transactions described in more detail in the Financial Statements as of 31 December 2021 which might have a material effect on the financial situation and the results of the Company and the Banking Group.
The developments of ordinary transactions with related parties during the first half of 2022 are presented in the specific section of the Condensed Half-Year Financial Statements as of 30 June 2022, along with other information about related party transactions.
Intragroup related party transactions are not included in the above statements, since they are eliminated on consolidation.

8. Human resources and the Group's distribution network

8.1 Employees

At 30 June 2022, the Bank's workforce was 1,015, composed of 71 Managers, 193 3rd and 4th level Executives and 751 employees at other levels; of the last category, 175 were 1st and 2nd level Executives.

	BANCA GENERALI	GENERFID	BG FML	BG VALEUR	BG SUISSE	TOTAL AT 30.06.2022
Managers	59	1	3	3	5	71
3rd and 4th level executives	162	1	11	17	2	193
Other employees	714	5	19	5	8	751
Total	**935**	**7**	**33**	**25**	**15**	**1,015**

Among the 1,015 employees at 30 June 2022, 41 were working under fixed-term contracts, 6 of which as substitutes for employees on maternity leave or leaves of absence.

There was an increase in the workforce of 29 resources compared to year-end 2021 as a result of the addition of:

> 25 indefinite-term staff, following the confirmation of staff already working in the Company and recruitment from the market; and

> 4 fixed-term staff, following the hiring of resources who will serve as a support to handle work peaks due to extraordinary activities and projects and are expected to leave by the end of the year, and the increase in the number of resources hired to replace personnel on maternity leave or leaves of absence.

Regarding trade union relations, the following should be noted:

> in March and June 2022, the reporting and discussion meetings — provided for by Article 13 of the National Collective Labour Agreement for the Credit sector (CCNL Credito) — were held on strategic perspectives and on the main HR issues with a focus on the 2022-2024 three-year Strategic Plan;

> on 5 May 2022, the trade union agreement relating to the payout of the company bonus for the 2021 financial year was signed.

8.1.1 Training and development of employees

The first months of 2022 saw the launch of the new 2022-2024 Strategic Plan and of the new People Strategy to support the business, thus confirming Banca Generali's attention to investments in the development, growth and management of its individuals, by spreading a company culture founded on shared values, fostering distinctive skills and enhancing diversity and inclusion.

The Engagement Survey that had been carried out in October/November 2021 required also a major analysis and dissemination of the results that emerged. The implementation of a cascading project was significant in all the structures in which further analysis was carried out of the results at Banca Generali level and at structure level, the areas of strength and the priorities identified at BG level. It was precisely to support the priorities that in March 2022 the BG Challenge project dedicated to the entire population was launched. 140 colleagues, divided into 18 teams, participated in the challenge to develop ideas in support of priorities. Of the 18 ideas proposed, three were then voted on by the entire bank population.

After two years, 2022 was marked by the resumption of face-to-face Employee Conventions: two important events, one in Milan and one in Trieste, for updates about the business and the new people strategy, and presentation of the winning ideas at the BG Challenge contest. The presentation of the ideas gave the teams the go-ahead to plan their ideas in detail — a phase instrumental to the implementation stage that will take place in the coming months.
This year as well, the Group Performance Management (GPM) process has been managed remotely with great care and attention by both People Managers and Employees, using feedback as an important opportunity for examining and discussing the results, objectives and expectations. As

always, the process was accompanied by training classrooms dedicated to People Managers and Employees, to support the population in GPM management, with a focus on the process and on the supporting tools, from managing remote meetings to defining objectives and the Individual Development Plan, raising everyone's awareness of the widespread responsibility for the success of the Performance Management process.

In accordance with the Banca Generali Group's strategic positioning, the involvement of employees represented a fundamental means of driving engagement and empowerment within the Company, in particular in the first half of 2022.

Ongoing staff training activities continued with due care and diligence in the first half of 2022. Specifically, the following training activities can be reported:

> the Group continued to steadily provide constant update of and access to mandatory regulatory and security training to ensure the Bank's sustainability in the long term. This training activity as well was delivered through e-learning sessions provided through the dedicated platform or through virtual classrooms;
> given the current situation, cyber security remained a central issue, for which the information/training activities continued for the whole population, intended to further boost awareness about information security, highlighting the "alarm bells", threats and IT crimes associated with the current way of working;
> great importance was also placed on specialist technical training on the one hand (learning more about fintech, blockchain and cryptocurrencies, AI, Data Management, etc.) and behavioural training on the other (meetings dedicated to team working, diversity, communication, etc.);
> language training continued with the launch of dedicated courses for both managers and the entire segment of the company population that has increased its contact with international counterparties.

New projects were implemented to support the culture of diversity within the organisation. In the Diversity, Equity and Inclusion (DEI) field, Banca Generali continued its commitment to developing an inclusive culture with a particular focus on the generational theme and women empowerment.

Supporting the generational theme:

> in June 2022, **BG Forever Young** was completed: a training and development programme that had been launched in July 2021 for a selected pool of Under 35s. In this second part of the course, participants attended training classrooms dedicated to smart leadership issues, in discussions with internal and external top managers and through mentoring and micro-internships;
> **BG Generation Month**: a month of webinars and talks (6 digital meetings) dedicated to raising awareness among the entire corporate population of the importance of the generational theme for overcoming stereotypes, appreciating the contribution of each generation and creating a bridge between the four generations present in the Bank.

BG Impact People, for the development of women empowerment, came to an end. This is a development and training course dedicated to female People Managers, aimed at supporting and developing self-leadership and focused on the sharing of tools to be authentic and successful by working on one's potential.

To support its people not just in professional terms, but in personal terms too, Banca Generali forged ahead with the project "Le sfide dell'essere genitore oggi" (Today's parenting challenges), through webinars for parents designed to spread a culture based on inclusion and integration, which can reach young people through their parents, for a future without gender prejudice.
The project dedicated to the practice of mindfulness also met with great success and required the provision of several editions dedicated to Banca Generali Group employees.

Activities continued aimed at fostering an increasing sense of belonging within the Banca Generali Group, incorporating discussions with the Top Management and supporting the new work culture in a hybrid fashion.

> In the new Next Normal context, the following face-to-face activities were organised to strengthen our management's inclusive approach and play a leading role, becoming a role model for the Bank's core themes:
  – a workshop dedicated to First Line Management;
  – two experiential off-site days with the Top 65 managers to share best practice and lay the foundations to create a next normal culture to support a sustainable organisation over time.
> "OnBoarding": digital activities for new employees to discover the world of Banca Generali, its organisation and the operating tools available.
> "A coffee with...": coffee breaks devoted to learning more about current issues and offering the chance for active discussions with Banca Generali's points of contact for each project.

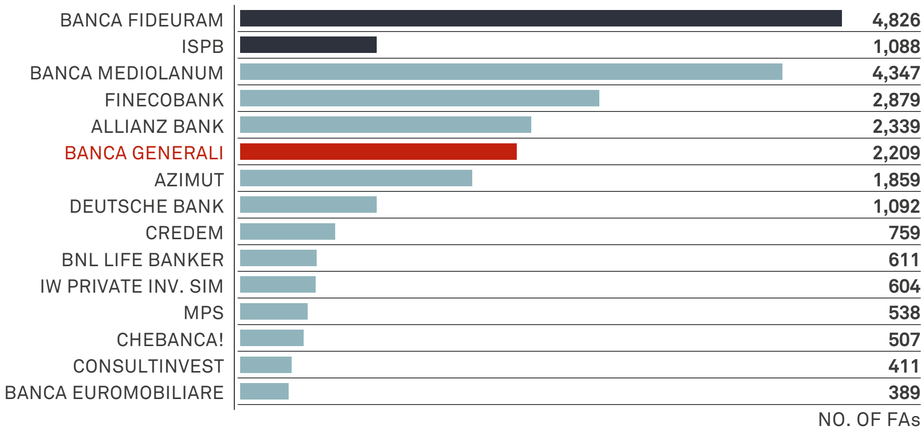
- Working Smart: project with the aim of creating awareness on the core issues of the "new normal" approach, such as "hybrid life", the new communication methods and the development of a new way of collaborating and creating trust within teams.
- "Map2TheNew": specific training sessions devoted to learning managerial skills within the new normal context, spreading and sharing a unique managerial style.

All the activities offered and their level of attendance bear further witness to the focus by the Banca Generali Group and its top management on issues relating to development, empowerment and continuous honing of the technical and managerial skills of Banca Generali's employees, who proved to be open to innovation, flexible to change and curious for learning.

8.2 Financial Advisors

Banca Generali has one of the most important Financial Advisor distribution networks in the Italian market: in May 2022 (latest available data) the network included 2,209 Financial Advisors and Relationship Managers.

NO. OF ASSORETI FINANCIAL ADVISORS: 24,458



May 2022 | Source: Assoreti

In May 2022, there were 2,209 Financial Advisors, with an increase of 47 compared to December 2021.

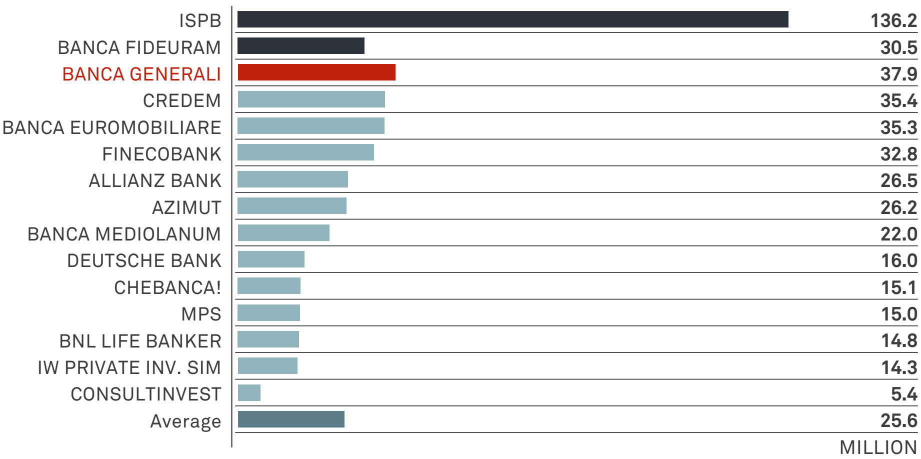
Banca Generali's main data are summarised in the following tables, comparing figures for June 2022 and December 2021:

	30.06.2022		
	NO. FAS	ASSETS (€ MILLION)	ASSETS PER FA (€ MILLION)
Financial Planners/Private Bankers	1,765	47,223	26.8
Wealth Management	441	32,697	74.1
Total	**2,206**	**79,920**	**36.2**

	31.12.2021		
	NO. FAS	ASSETS (€ MILLION)	ASSETS PER FA (€ MILLION)
Financial Planners/Private Bankers	1,726	49,906	28.9
Wealth Management	436	34,741	79.7
Total	**2,162**	**84,646**	**39.2**

Considering data at March 2022 (latest available data), Banca Generali ranked second (fist excluding ISPB) in the Assoreti ranking of per-capita assets per Financial Advisor with 37.9 million euros (+20% compared to 31.6 million euros of the Assoreti market average; +48% compared to 25.6 million euros excluding ISPB and BG).

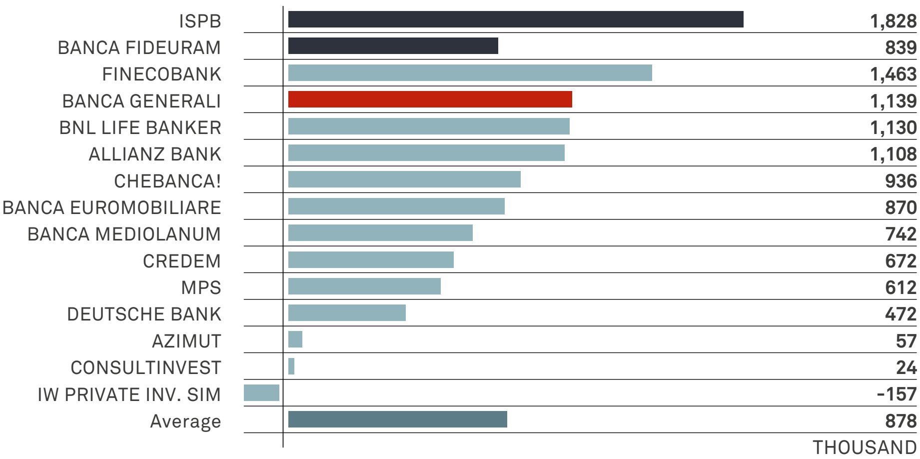
FINANCIAL ADVISORS AND PER-CAPITA AUM



March 2022 | Source: Assoreti

The positive productivity of Banca Generali's sales network is also clear from per-capita net inflows, which amounted to 1.1 million euros (+30% compared to an Assoreti market's average of 0.9 million euros), thus confirming the Bank's professionals at the top of the Assoreti market in May 2022 (last available data) as well.

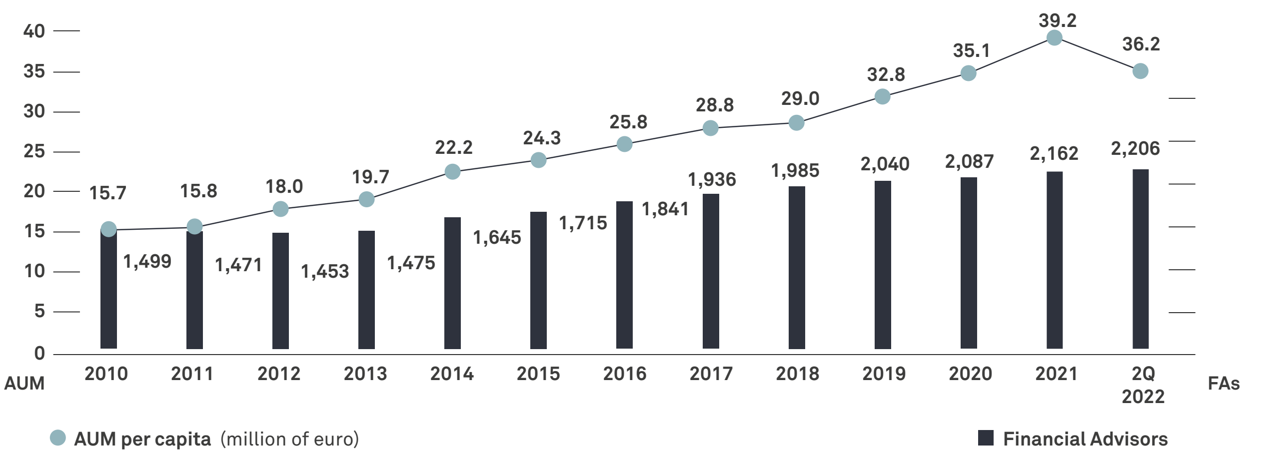
PER-CAPITA NET INFLOWS OF ASSORETI FINANCIAL ADVISORS



May 2022 | Source: Assoreti

Despite the market trend, the productivity of Banca Generali's sales network is also confirmed by per-capita AUM, which amounted to 36.2 million euros in June 2022, down slightly compared to the previous year as it was impacted by the market scenario.

AUM TREND AND FINANCIAL ADVISORS



8.2.1 Distribution Network Training

Managerial training

In the first half of 2022, continuing on from previous years and with the aim of staying close to the Network in the current delicate context, the **My Webinar** digital training schedule resumed with a series of three webinars dedicated to the entire Network, to further examine the theme of storytelling understood both as a sales tool and as a leadership tool.
Thanks to the contribution of excellent ambassadors, the schedule was an opportunity to reflect together with the Financial Advisors on the importance of preparation, training and the art of storytelling as tools to best express potential and develop every communication and relationship process.

In line with the importance attached by Banca Generali to accompanying new Financial Advisors in developing their own professionalism, the **BG New Generation** training course was created, dedicated to young new recruits, in order to provide an understanding of the most important dynamics of managing commercial negotiations, a knowledge of BG tools and services and make them protagonists of their own professional growth.

The course, divided into three days in the classroom and an online session with videos dedicated to an analysis of BG tools, aims to strengthen relational skills and basic sales competencies for effective management of the relationship of trust with customers.
In addition, to help Financial Advisors fully understand the added value of BG Personal Advisory, the in-person training course **The role of the Financial Advisor in the current context** was launched, with the aim of helping Financial Advisors become aware and analyse the current context of change and fully understand their role, overcoming possible responses and resistance to new situations.
The course allows effective behaviours to be reflected on and developed and training provided on the management of customer complaints related to the current context.

As is the case every year, work continued on boosting the potential of the team of Area and District Managers, with the inclusion of Executive Managers for certain areas. Customised **team coaching** courses were introduced to support them in the professional development and growth of their teams, honing their leading role in handling the new challenges posed by a constantly changing context.

In addition, the **D-Training DAY** was launched: a new recurring event dedicated to all Deputy and District Managers in the managerial structure, provided at the Training & Innovation Hub.

It consists of a day dedicated to training, discussion and new strategic projects that will involve managers and their related teams during the year.

Commercial training

In the first half of 2022, commercial training also saw a gradual resumption of face-to-face training activities, organised alternately with online ones.

In February, an in-depth webinar was developed, open to the entire Network and attended by over a thousand Financial Advisors, dedicated to the launch of Banca Generali's strategic partnership with **Conio**, the fintech company operating in the blockchain and cryptocurrency sector.

In March and April, six training webinars were developed, aimed at selected Financial Advisors. These webinars launched the first pilot phase of the **GED** (advanced data management for services to family businesses) project, dedicated to the introduction of a new tool able to optimise and increase the efficiency of data management.

Two initiatives were also completed as part of the activities dedicated to Network training on **sustainable investment**.
Between January and June, two editions were developed of the online training course aimed at obtaining **EFPA ESG Advisor Certification**, in exclusive collaboration with the Polytechnic of Milan. Each of the two editions involved a group of about 50 selected Financial Advisors for about 12 weeks and 24 hours of training via webinar, after which the Financial Advisors were able to directly access the EFPA exam.
In addition, in May and June, face-to-face training classrooms were held that focused on issues related to sustainability. Developed in collaboration with MainStreet Partners, they involved Financial Advisors selected by the Local Areas to consolidate knowledge and skills in the ESG field.

In parallel with these courses, the **Fintech, Products and Services schedule** was proposed with a broader format than in the past: a series of webinars dedicated to examining the technological tools, as well as the most strategic products and services available to Banca Generali Financial Advisors. The initiative, which lasted 13 weeks, involved the entire Network.

In addition, in June the entire Network was involved in a training webinar dedicated to the launch of the new **BG Oltre** multi-line insurance product.

Institutional training

In 2022, the main topics of the **annual professional update for IVASS (Italian institute for insurance supervision) purposes** will be training on products such as BG Oltre, but also insights into pension planning and the insurance market. In addition, the important issue of cybersecurity is also addressed through a new course created specifically with the collaboration of att.y Giovanni Ziccardi, a professor at the University of Milan.

In conjunction with the annual IVASS update, **the refresher course on skills and knowledge for MiFID II purposes** was defined as per the Intermediaries Regulation issued at the beginning of 2018, emphasising the increasing importance of the ESG context and the role of the Financial Advisor in informing and supporting the interest of customers in sustainable and responsible investments.

The first half of 2022 saw the continuation of the training path on the main **risks of money laundering and financing of terrorism and the related prevention measures** implemented by Banca Generali, through short training videos recorded with lawyer Federico Canzi in collaboration with the AML Service. This remote learning course is also part of this year's IVASS and MiFID annual professional refresher, intended for the entire Sales Network.

As part of the Bank's compliance with the EBA Guidelines on Loan Origination and Monitoring, the need emerged to provide the entire Network with a general knowledge of the credit world, through the creation of a learning path held remotely. This training activity examines the **new EBA guidelines** and indicates the solutions adopted by Banca Generali. It is divided into three separate courses and is mandatory for all Financial Advisors.

The BGLAb training refresher, which is dedicated to **newly recruited** Financial Advisors and offers an online self-training tool, continued also in the reporting period. The main topic covered were: Anti Money Laundering regulations, MiFID II, Privacy, Legislative Decree No. 231/2001, Banking Transparency, Qualified Intermediary and Market Abuse.

Tool supporting the Network of Financial Advisors: BGLAb

The gradual implementation of new features improved the use of the BGLAb training platform.
An ad-hoc section, called **BG Welcome**, was designed for Financial Advisors newly recruited in the last year. This specific section aims to gain further knowledge about the operational processes and all the Bank's tools, enabling the new recruits to carry out their daily tasks in the best possible way right from the very start of their time at the Bank.
A new section called **ESG Home** was developed, focussing entirely to the world of sustainability, within which, with a few simple steps, the Financial Advisor can view all the ESG training courses held both in the classroom and online and access a wide range of content, already pre-selected and kept up to date over time and addressing the main issues related to sustainability and the United Nations 17 SDGs.

9. Products and marketing

9.1 Asset management

In the first half of 2022, Banca Generali continued the process of innovating and seeking asset management solutions suited to meeting its clients' needs sustainably.

In order to provide solutions to liquidity management and investment needs, the Bank focused on expanding the Lux IM Luxembourg-based platform, which will be enhanced, in the second half of the year, with six new sub-funds under mandate entrusted to important asset management partners. In further detail:

> two solutions that are part of the Cash Parking family; one that invests in covered bonds and therefore characterised by a low-risk profile, the other managed with a multi-asset approach and with a major focus on managing volatility and containing drawdowns;
> a global equity strategy managed with a value approach;
> two specialised equity solutions, one on new consumer trends and one with a multi-thematic approach, a focus on technology;
> a flexible strategy that selects quality stocks that comply with the ethical principles of the Catholic Church.

Overall, Lux IM proved itself to be a highly innovative and distinctive Sicav in terms of strategies offered both for asset classes and for specific themes.

The whole range is structured into six families with specific objectives, in turn divided by type. Specifically, these are:

> the Equity family, whose goal is to capture the growth trend, is sub-divided into Global, Specialised-Thematic and Geographical (United States, Europe and Emerging);
> the Bond family, whose goal is to take advantage of opportunities and extract value from specialised managers, is sub-divided by risk level (High, Medium and Low) into Global, Specialised-Thematic, Geographical and Credit;
> the Balanced family, whose goal is to construct the core component of the portfolio while maintaining a moderate risk profile, is sub-divided by risk level (Equity max. 30%, Equity max. 30-60% and Equity min. 60%) into Global, Specialised-Thematic and Geographical;
> the Flexible family, whose goal is to manage phases of uncertainty, including according to an opportunistic approach, without exiting the market, is sub-divided into Medium Risk and High Risk;
> the Non-Directional Alternatives family, whose goal is to improve the portfolio's efficiency by adding elements of decorrelation, is sub-divided into Medium Risk and Low Risk;
> the Cash Parking family, whose objective is to reduce cash account balances and/or to serve as a point of departure for portfolio construction, is sub-divided into Cash Management and Short Term.

At 30 June 2022, Lux IM had 89 sub-funds, of which 22 managed by BG Fund Management Luxembourg and 67 under mandate entrusted to leading international investment firms.

The historic BG Selection Sicav was rebranded during the first half of 2022. This is an innovative "fund-of-funds system" under Luxembourg law with a wide diversification on several levels (instruments, markets, strategies, managers and products), which changed its name to **BG Collection Investments**.
Currently, 7 sub-funds are available for active placement, under mandate entrusted to major asset managers with a long track record.
A further review of the BG Collection range on offer is planned in the second half of the year, with the aim of providing customers with multi-asset solutions and an investment style typical of discretionary mandates.
At 30 June 2022, BG Collection Investments had 23 sub-funds, of which 12 managed by BG Fund Management Luxembourg and 11 under mandate entrusted to leading international investment houses.

Open architecture

In line with the aim of constantly improving its services, in the first six months of 2022 the Bank continued to forge ahead with the expansion and adjustment of the funds offered by applying the open architecture model. Sustainability and the search for new trends were the main guiding elements of the strategy for expanding the catalogue, leading to the inclusion of a number of ESG and thematic funds focusing on new generation trends (and high-potential markets.

At 30 June 2022, Banca Generali's retail offer included over 65 management companies with more than 6,800 UCITS overall.

Mid-June 2022 saw the launch of **BG Twin Solution**, the remunerated current account linked to an accumulation plan to gradually invest in financial instruments, and the introduction of the initiative to temporarily reduce the minimum mandate thresholds for some BG Solution, BG Solution Special and BG Solution Top multi-line discretionary mandate schemes.

9.2 Portfolio management

The process of expanding the range to feature an increasing focus on the private segment continued in the first six months of 2022. The line-up of portfolio management schemes featuring lines based on investment policies that combine a traditional financial yield objective with social and environmental parameters aligned with the development goals promoted by the United Nations was further expanded, with the launch, in early April 2022, of the **new Dynamic range**, including the **Dynamic** and **Dynamic 0-100** lines.
The management of these two new lines uses a **quantitative model to identify active trends** and is characterised by an **active and dynamic management style**.

Overall, Banca Generali offers a full portfolio of actively distributed discretionary mandates, composed of BG Solution (43 management lines), BG Solution Top Client (52 management lines) and BG Next (1 management line), which cover all investment strategies, with a strong emphasis on customisation — a need typical of high-net-worth customers and in line with the current economic scenario.

9.3 Alternative products

In the first half of 2022, also given the market conditions and the opportunities generated by the widening of spreads within the corporate bond market, Banca Generali offered its customers the opportunity to re-subscribe to two target funds already previously distributed, namely Muzinich Fixed Maturity 2024 and Muzinich High Yield Bond 2024 Fund. The placement of the non-reserved closed-ended alternative investment fund Muzinich Loans Target 2024 ELTIF also continued.

With regard to private markets, the distribution of the fund Generali Europe Income Holding (GEIH), promoted by Generali Investments Luxembourg S.A. and managed by Generali Real Estate, continued for Banca Generali's professional customers only. This is an alternative real-estate fund established in 2015 with a portfolio of over 3.5 billion euros that invests in prime assets located in major European cities and leased to tenants of high standing.

9.4 Insurance Products

In the first few months of 2022, in order to support net inflows and offer low-risk investment solutions, Banca Generali opened a placement window for BG Custody, the LOB I policy that invests in the Ri.Attiva BG segregated accounts.

In April, a commercial initiative was launched that offered a lower price for BG Stile Libero 40 Plus, the multi-line policy that allows up to 40% of the amount subscribed to be invested in a segregated account, while also taking advantage of the flexibility of investing in sub-funds of Lux IM and third companies for the financial component.

In line with the Strategic Plan, in order to expand the offer of insurance products for affluent customers, on 7 June the placement started of BG Oltre, the first single-premium multi-line policy that invests in the major sustainability and digital transformation issues. The policy is characterised by a low investment minimum and a fixed allocation between segregate accounts (10%) and People, Planet and Digital Transformation internal funds (90%). The internal funds are managed by Generali Investment Asset Management with a flexible management style, in compliance with a maximum level of risk represented by a maximum annual volatility of 12% and with a predominant

equity component. Banca Generali, with its asset management team, is advisor for the portfolio financial composition, for risk management through a model that takes into account quantitative and qualitative factors and for sustainability issues, thanks to the collaboration with MainStreet Partners.
In the first half of 2022 as well, Banca Generali continued the placement of Lux Protection LIFE, the Generali Luxembourg multi-line policy designed exclusively for HNWI and UHNWI customers which combines the need for protection with flexibility and personalisation and is an efficient tool for succession planning. In May, the policy was enhanced by expanding both the external funds offered, with the inclusion of 99 ESG sub-funds, and internal funds offer with the addition of 5 new profiles managed by Banca Generali.

The reporting period also saw the continuation of the placement of the recurring-premium policy BG Insieme - Progetti di Vita, whose main goal is celebrating the most important milestones in clients' lives, thus integrating a significant purpose dimension into their investments such as: Diploma, Degree, First home purchase, Marriage, Birth of the First Child.

9.5 Assets under administration and custody

In the first half of 2022, the process of distributing open architecture certificates continued, with a service model that offers customers a range of products diversified based on the needs of Banca Generali customers, with the aim of offering attractive returns and/or with indexation to the markets without losing the partial or total protection of the capital at maturity.

In the current market environment, the bonds offer was resumes, alongside the certificates, with the aim of offering Banca Generali customers products that provide capital protection at maturity and a periodic return based on the different payoff structures.

With regard to the placement of government bonds, in June 2022 Banca Generali participated in the placement of the 17th edition of BTP Italia, which provided for a coupon flow linked to inflation and with provision for a double loyalty bonus at 4 and 8 years.

At the end of the first half of the year, as a commercial initiative to support net inflows and for the management of short-term liquidity, Banca Generali placed a repurchase agreement maturing on 31 October 2022 and with a gross annual rate of 1.5%.

9.6 Banking products

In the first half of 2022, in order to ensure the high innovation standard for which all Banca Generali products have always been recognised, initiatives were launched to meet private-banking customers' new needs. Specifically, the main solutions concerned:

BG Conio
On 21 February, the new BG Conio service was released thanks to the partnership with Conio S.r.l., a fintech company that operates in the field of cryptocurrencies as a wallet provider that offers custody, negotiation and reporting, currently with a focus on Bitcoins.
This new service allows customers to buy and sell bitcoins, in total autonomy, directly through their Banca Generali current account using the mobile banking app.

Smart POS
In January, the POS range was renewed with the introduction of technologically advanced terminals, customisable and complete with apps dedicated to the profile (Smart or Premium) chosen by the merchant. They stand out for their small size — they are similar to a smartphone — and can transform from tools for receiving payments to true devices with which to access a wide range of additional services (e.g., daily accounting closures, evaluation of personal positioning compared to competitors in the reference product sector, 7/7 assistance, etc.).

Nexi Debit card
The offer of ancillary current account services was enhanced with the introduction of an advanced payment instrument, enabled for use with mobile payment devices; the card allows payments via smartphone or smartwatch. Contactless features and the possibility to make e-commerce purchases, the customisation of spending limits and the ability to limit the use of the card for geographical areas or product categories are also guaranteed within the Nexi Pay app. Customers can view their card PIN at any time for 10 seconds, up to 5 times a day by accessing the home banking service and the mobile banking app (as well as the Nexi Pay app). The Nexi Debit card is provided with a

free multi-risk policy (medical assistance when travelling, reimbursement in case of theft or loss of luggage or theft of cash withdrawn from ATMs, etc.).

Extension of BG Saxo operations for all existing customers

The first half of the year saw the continuation of the programme launched in 2021 to stimulate the upgrade of existing current accounts to the BG Saxo trading platform.

Lombard loans

From 22 April, the Banca Generali offer has been enhanced and, alongside the previous types of Lombard loans, it offers the real-estate Lombard loan, which allows customers to use the credit granted to purchase and/or maintain real-estate properties and/or land.

9.7 Communications and external relations

External communications

Clarity of presentation, transparency and maximum accessibility: these are the principles that guided Banca Generali's external communication also in the first half of 2022. This is the approach that the Bank has chosen to apply in all communication areas, from media relations to customer relations, from dialogue with its private banker network to exchanges with regulatory bodies.

In the field of **media relations**, the first six months of 2022 proved to be rich in activities both on a corporate and commercial level. The year opened with the presentation, on 10 February, of the preliminary financial results for the 2021 financial year. The figures of the Bank's best ever year were accompanied by a wide availability on the part of top management for comments, both related to the company and, more generally, to the complexities that investments were going through at that time. The same availability was then a common thread that also linked the other important event at the beginning of the year, namely the Investor Day on 14 February 2022. On that occasion, CEO Gian Maria Mossa met with the financial community and the media to present the objectives of the 2022-24 three-year Strategic Plan. The initiative was developed by Banca Generali in a hybrid way: the face-to-face mode was accompanied by a live streaming that allowed all interested stakeholders to access the event.

More generally, in the first half of 2022 the Bank issued **24 press releases**, published in both Italian and English, to keep its stakeholders informed on business results and developments. The materials relating to the 2021 Financial Statements and Shareholders' Meeting were made available on the Company's website (www.bancagenerali.com) and announced on newspapers. The Chairman, Chief Executive Officer and Deputy Chairman Managers were also available to provide further information.

The commitment to bringing more and more people closer to the major **investment-related** issues was also pursued by Banca Generali digitally. At the beginning of May, the www.bancagenerali.com website was enhanced with the new section "**Protezione & Risparmio**", a blog that focuses on all the main trends and changes involving the economic and financial world in an educational way. The initiative's success is due both to the constant publication of current issues and to the wide dissemination on social channels, also made possible through the direct involvement of the Bank's employees and Financial Advisors. Some of the Protezione & Risparmio topics receiving the most attention were the war in Ukraine with its economic implications, inflation, tensions concerning commodities and the risks of recession: all topics that have filled the daily news and that Banca Generali has tried to explain in a clear and timely manner.

In addition, the commitment to promoting a more **sustainable** approach in everyday life has continued with the great **BG4SDGs** project. In fact, since the beginning of the year, together with Stefano Guindani, Banca Generali has presented five new Sustainable Development Goals, broadening the dialogue on some of the most important objectives of the UN 2030 Agenda. These include, for example, the zero hunger goal, longevity, gender equality and development cooperation. The digital talks continued at the same time and were subsequently disseminated through the official accounts on Facebook, Instagram, LinkedIn and YouTube, with interviews with experts in the various fields such as Luisa Cristini, Oreste Pollicino and Marta Ceroni.

Communication to Financial Advisors, Clients and Employees

Communication to Financial Advisors and Employees focused in particular on the contents of the new **2022-2024 Three-Year Strategic Plan**, presented in February, with the aim of sharing its guidelines and analysing the growth paths linked to the Plan's three key pillars: **Value of Service**, **Innovation** and **Sustainability**.

The **Roadshow** organised in March, which brought together all the Bank's Financial Advisors in

Milan, Padua and Rome, also concentrated on these issues with a specific focus on the aspects of growth at all levels: size, profitability and shareholder remuneration.

During the six-month period, extensive support was given to all the initiatives undertaken by the Bank in the field of innovation and sustainability so as to **consolidate the relationship between Customers and Financial Advisors**, and to new products and services, with communication plans and specific in-depth briefings for Financial Advisors, also through numerous training **webinars**.

To support the **launch** of the **BG Oltre** policy and the BG Collection Sicav, innovative and functional marketing plans were developed for the affluent and upper affluent customer targets — the main recipients of these new investment solutions. To be increasingly closer to customers, ad-hoc supporting tools have been created with the aim of illustrating the product characteristics in an effective, simple and immediate way. In fact, marketing tools include video brochures and quarterly short video clips that illustrate investment choices in a clear and direct language, with in-depth reports and information on long-term issues, sustainability and the financial context.

On the important issue of **sustainability**, a special communication plan was prepared for Financial Advisors with the aim of providing them with a series of videos and materials that testify to Banca Generali's concrete commitment to ESG issues from 2019 to today, so as to be able to offer customers an interesting and effective storytelling experience.

Customer communication also includes the reorganisation of content and the renewed graphics for the ***ex-post* reporting of costs**, designed to give value to the advisory service also thanks to the market overviews supported by Market Strategy graphics. With regard to financial advisory, the new brochure dedicated to wealth management services was also created, supplemented by concrete examples that highlight the support given to the customer by the BG Personal Advisory service.
Information on new products and services was included in customer communications with promotional banners, dedicated in particular to Lux IM Twin Mix service and the BG Oltre policy.

The principles that guided the **internal communication** activities in the first half of 2022 were: consolidating internal engagement and a sense of belonging to the BG team; promoting a diversity-based, open and inclusive work environment; maximising knowledge of the Bank's initiatives; and sharing development plans for the future, with a particular eye to sustainability and innovation.

At the beginning of the year, the results of the **Generali Global Engagement Survey 2021** were presented and the priorities on which to focus in the next three years were identified. The **BG Challenge** was then created to find tangible solutions to the needs that emerged from the survey. This is an engagement and idea generation activity in which employees challenged each other in teams in the name of innovation, sustainability and creativity. Of the eighteen projects developed during the initiative, three were chosen as winners by top managers and employees and will be developed in the coming months.

To raise employees' awareness of issues related to the 2022-24 Three-Year Strategic Plan, dedicated initiatives were put in place such as **Strategy Pills**, a series of videos in which top managers told employees about the pillars and objectives of our new plan. Storytelling was also supported by news and a dedicated section on InSite, and then discussed further during the Employee Meetings held in June.

The **Employee Meetings** were an opportunity to meet again in person after two years in which there were no face-to-face meetings due to the pandemic. These meetings were dedicated to further analysing the BG People Strategy, as well as the Three-Year Strategic Plan, with a particular focus on issues related to innovation and sustainability.

In the first half of the year, the activation of the **Next Normal** project was supported by communication initiatives and a dedicated section on the Intranet that aimed to concretely guide employees towards a rediscovered normalcy, made up of hybrid work, in which the office becomes the preferred place to collaborate, learn, interact and innovate.

Particular attention was paid in the first half of the year to **Diversity, Equity & Inclusion** issues. Banca Generali considers the "Multi-Generational" theme as an important element for exchange and a value driver. Therefore, in June it developed the **BGeneration Month**: a knowledge path consisting of six digital meetings, supported by a dedicated communication plan, in which the protagonists were representatives of the various generations present in the Bank.

All the communication activity was closely tied to and supported the numerous training initiatives promoted in collaboration with the HR Department and the Business Unit, aiming to maximise engagement and the spread of the strategic messages. Internal communication also amplified the communication initiatives promoted by the Generali Group and the HR business unit.

Events

The first half of 2022 was marked by the **return to face-to-face meetings**, which gradually replaced the digital events with which the Bank maintained constant contact with its employees, Financial Advisors and customers during the Covid-19 period.

The year opened with a very important event, namely Banca Generali's **Investor Day**, during which the new Strategic Plan for the 2022-24 three-year period was presented to analysts and the market. The Plan focuses on the quality of the Bank's professionals, the culture devoted to innovation and sustainability and the desire to create value for all stakeholders.

Between February and March, there were several opportunities to meet Banca Generali's Financial Advisors in person: the **D-Meeting**, dedicated to the first and second line managers, and the **Roadshow**, aimed at all Financial Advisors. These events were valuable moments of dialogue where the Bank's top management presented steps towards achieving objectives helpful to implementing Banca Generali's strategic plan.
The local meetings also saw the involvement of a number of partner companies to analyse in detail the market situation and discuss business and highly topical issues.

An important innovation for 2022 was the inauguration of **BG Art Gallery**, the permanent space dedicated to art that assembles BG Collection works in the exclusive setting of the historic headquarters in Piazza Sant'Alessandro in Milan and represents an opportunity to create new occasions for relationships with customers and art lovers.

The gradual easing of pandemic restrictions also led to a progressive resumption of face-to-face commercial initiatives nationwide. Of these, particular mention should be made of the return after almost a two-year suspension of **Banca Generali – Un Campione per Amico** (A Champion for Friend), the largest event in Italy dedicated to sports education. The resumption of the nationwide stages alongside the four legends of Italian sport (Adriano Panatta, Andrea Lucchetta, Ciccio Graziani and Martin Castrogiovanni) was accompanied by the financial education project **Un Salvadanaio per Amico** (A Piggy-Bank for a Friend) that Banca Generali manages in collaboration with the Italian Banking Association Foundation for Financial Education – FEduF (Abi foundation) and involved the primary schools of all the cities visited by the Un Campione per Amico event.

Numerous events were organised at local level with the aim of creating exclusive cultural, artistic and sporting occasions. In particular, a message of positivity and revival was launched also at musical level by orchestra conductor **Beatrice Venezi**, thanks to a rich concert tour that visited the most important theatres in Italy.

10. Auditing

Banca Generali's Internal Audit Department, a third-tier control function, carries out independent, objective assurance and advisory activity aimed at improving the organisation's efficacy and efficiency and implementing control measures aimed at mitigating company risks. The Department also promotes an effective governance process in view to the Bank's long-term stability and sustainability.
Internal Audit periodically assesses the overall Internal Control System and ICT system in terms of completeness, adequacy, functionality and reliability, by performing checks and onsite audits of the proper conduct of operations and the evolution of risks; it is also responsible for supporting company bodies, the Board of Directors, the Board of Statutory Auditors, the Internal Audit and Risks Committee and Top Managers in defining the structure of the internal control and corporate governance system.

Audit work is performed in accordance with the methodologies and internal and external standards, including:
- the Bank of Italy's supervisory instructions;
- International professional standards of the Association of Internal Auditors;
- Borsa Italiana's Corporate Governance Code;
- Basel Committee on Banking Supervision, June 2012 and July 2015;
- Consob-Bank of Italy Joint Regulation;
- Evolutions of the new SREP and "Guidelines on common procedures and methodologies for the supervisory review and evaluation process", EBA, 19 December 2014;
- CoSO Report, ERM (Enterprise Risk Management) model and CoBIT-Pam methodology.

During the period, Internal Audit's attention was focused on assurance activity involving various topics, such as the ICAAP and ILAAP reports, the Banking Group's remuneration and incentivisation policies, the process of identifying Key Personnel and Critical and Important Functions, in addition to constantly monitoring all the control measures to prevent internal and external fraud. The measures implemented in administrative and accounting processes and the IT applications dedicated to such processes were tested for efficacy.
Among internal audit activity, mention should also be made of audits regarding privacy issues and branches aimed at ensuring proper operational conduct by employees.

Audit activities also focused on verifying the internal control environment of CSE's IT systems, IT security audits and the analysis of the cyber security incident management.

Auditing activities regarding subsidiaries were also carried out during the half-year, in accordance with the internal audit plan, prepared based on an audit-priority approach relating to mandatory and risk-based processes.
Engagement between Internal Audit and second-tier functions continued with the aim of ensuring a constant analysis of known and emerging risks. The improvement paths identified as a result of previous audits were monitored (follow-up activity)

11. Organisation and ICT

A Project Plan has been defined for 2022 to implement the strategic guidelines defined by the Bank within the 2022-2024 Strategic Plan. In particular, the projects focus on the Bank's evolution in line with the Strategic Plan's three pillars: Value of Service, Innovation and Sustainability.
The main initiatives undertaken in the first half of the year are discussed below.

BG SUISSE

In line with the project launched in 2021, the activities in the first half of the year concerned the start-up of operations of the new Swiss entity, BG Suisse, established in September 2021, with the aim of obtaining the banking license from the Swiss regulatory bodies by 2022.

The main ongoing activities are as follows:
> implementation of the information system with the Avaloq provider;
> activation of the Board of Directors;
> definition of the product offer and value proposition for bankers;
> completion of personnel recruiting.

Booking Center Integration

The project activities in the first half of the year focused mainly on completing the implementations necessary to enrich the service's investable universe. In fact, as of 8 June, in addition to the financial instruments already available (securities, bonds, ETFs and certificates), BG International Advisory customers will also be able to choose from a panel of over 400 UCITS selected from four leading asset management companies.
In addition, a new project called GP International was launched with the aim of creating a new service that offers Banca Generali's Italian discretionary mandates but with the deposit of customer assets with BG Suisse, once the latter obtains the banking license and the Freedom to Provide Service from the Swiss and Italian regulatory bodies.

Data project

The process of implementing the new data architecture was forged ahead in continuity with the project launched in 2020 and forming the foundation of the development efforts initiated by Banca Generali according to its data driven company approach.
This initiative enables the Bank to implement a more modern data architecture capable of facilitating the use of IT assets through centralised access to information, in addition to improving and automating reporting and analytics processes in support of the business.
Moreover, a cloud architecture is being implemented in addition to the existing architecture, resident on Microsoft, the objective of which will be to offer the Bank an experimental environment aimed at the autonomous development of innovative features.
The advanced reporting features also continued to be implemented on the areas defined as the greatest priority (e.g., AUC, Compliance).

ESG

In line with the activities started in 2021 and the regulatory developments of the European Regulation on sustainable investments, the first part of the year saw further examination of the innovations impacting on the investment process of advisory products and discretionary mandates.
In particular, updates to the product governance and adequacy assessment approach require an integrated assessment according to ESG logics of the potential impacts on financial product distribution systems and processes.

The main dimensions covered by the project are:
> review of the operating logics of target market verification and adequacy assessment principles in light of the sustainability preferences expressed by the customer;
> identification of the sustainability risk assessment methodology for each product (through ESG scoring);
> classification of products consistent with regulatory definitions (products that comply with the principle adverse impact – PAI and the 'do not significantly harm' principle);
> management of the sustainability attributes required for target market identification.

Commercial initiatives

To support commercial activity, a campaign was launched in May and June with the #BGconTe claim, aimed at stimulating new funding and encouraging portfolio redevelopment.

The campaign is divided into several commercial initiatives, both in terms of AUC (repurchase agreements, bonds) and managed solutions.
With regard to managed solutions, in view of the favourable situation on the interest rate market, a Current Account + PAC package and a new management line were launched in the multi-line model with a logic that provides for investment in zero coupons, or similar securities, completed by an equity portfolio in Lux IM products.
The new BG Oltre insurance policy was launched at the same time, featuring multiple investment lines, focused on sustainable investments.
Activities and commercial launches are continuing in July and are also expected in the second half of the year.

Evolution of financial advisor platforms
In line with the 2022-2024 Strategic Plan, the Bank is developing an advanced data analysis system, with particular reference to family businesses and a "family office" approach reserved for high-end customers — an approach supported by a further development of the holistic platform available to Financial Advisors. With this in mind, the process of supporting Financial Advisors with specialists from central structures and third-party companies that make up the partnership ecosystem identified by the Bank was also strengthened.

BG Saxo
Activities relating to the BG Saxo project (involving a brokerage firm in partnership between Banca Generali and Saxo Bank) continued with the aim of consolidating the underlying operating processes and expanding the catalogue of products and services offered to clients in line with market best practices. In particular, during the first half of 2022, operational improvements were made in the Corporate Actions area, with additional monitoring tools for Bank staff and new tools for the management of registration and/or updating of the securities offered to customers. In addition, in June 2022, B2B2C clients were given the opportunity to operate in complex products such as ETCs, ETNs or Leveraged ETFs. B2B2C customers also continue to have the opportunity to "evolve" their current account into a Single Account version with RTO BG and RTO BG Saxo.

Network improvements
With the aim of bringing the needs of the Commercial Network closer to the evolution-oriented software activities, focus groups were launched in 2022 to collect and address the main suggestions. To this end, a mixed team ("headquarters" users and commercial network users) was created to collect the main reports, identify resolution actions and plan remediation activities with the support of suppliers. The action plan and related releases are shared and communicated periodically to the Network management structures.

"Fast operations" programme
The project aims to improve the user experience of back office structures, adopting the Pegasystems platform for the management of operational processes.

The main measure undertaken concern the following areas:
- operational independence: the new architecture allows the Bank not to be excessively tied to current outsourcers by introducing centralised tools in the Bank (Phygital Room/Documents);
- end-to-end digitalisation: evolution of inbound management and communication processes to Financial Advisors for end-to-end digitalisation (Electronic Bill/Anomaly Management);
- intelligent operations: new ways of working thanks to a data-driven management (Internal Dashboard/Task Assignment/Case Tracking).

The project provides for an ample time horizon with progressive releases expected in the 2022-2023 two-year period.

New document search engine
The new document search engine, which will be launched in July 2022, was created out of the need to make the search for document information more intuitive, user-friendly and immediate, as well as to increase the number of requests that can be managed in self mode by the Network.
It is based on Google technology and uses natural language processing techniques and the search is made simple and intuitive with the insertion of a few keywords.
The document archive was optimised and cleaned with a view to eliminating obsolete content from search results.

Quiclic migration to the cloud
Since 2016, the Bank has introduced, and over time developed, the Quiclic application based on the Pegasystems business process management (BPM) product and which today is one of the main platforms used by Network and headquarters staff to manage the Bank's key processes (On-Boarding, Credit, Digitalisation of Forms, Registry Changes and many others).

In light of Quiclic's central role in the digitalisation of front- and back-office processes, in the first half of the year the Bank completed a special project designed to update the application to the latest available version of Pegasystems and, at the same time, migrate to the SaaS cloud model provided by the vendor, thus introducing various advantages both regarding the management and technical maintenance front and the service level offered to its users, while also increasing security measures and reducing costs.

MiFID II

In continuity with the previous year, the MiFID II project moved forward in 2022, in response to the new regulations introduced by the Consob Recommendation No. 1/2020 of 7 May 2020 and the new Book IX of the Consob Intermediaries Regulation, in addition to the measures undertaken to align with Consob's provisions included in the Technical Note appended to its communication of 4 June 2021.

Project activities were divided into the following key streams with the objectives of:

> consolidating *ex-post* statements to the new Consob regulations by optimising the process of producing and sending statements according to the timescales set by regulators;
> introducing greater control measures in terms of Product Governance by launching the remediation activities identified to update the process of defining and monitoring the commercial offer, the approval process for new products, the governance of illiquid products, the criteria for determining the actual target market, the strategic planning process and the customer profiling;
> strengthening adequacy assessments by increasing information and refining the calculation applied to the customer profiling definition, updating product verification settings with regard to the customer profile, and strengthening cost/benefit control;
> introducing the dynamic suitability report, which, in the instruction phase of the transaction, provides the customer with timely feedback on the assessment carried out according to the profile and tool selected.

EBA LOM

On 20 June 2019, the European Banking Authority (EBA) launched a public consultation on "Draft Guidelines on loan origination and monitoring".
In this context, Banca Generali set up an ad-hoc project to define and implement the measure to align its framework with the guideline requirements.

AML and ADV control measures

Within the framework of anti-money laundering and customer due diligence compliance, mention should be made of the launch of the working groups and analyses focusing on the following areas:

> adoption of the new Faraday transaction monitoring procedure (adoption is planned by the end of 2022);
> recovery of prior past-due positions and subsequent actions to continuously control and monitor the Adequate Verification questionnaire (activity requested by the Supervisory Authority within 31 December 2022);
> adoption of the solution proposed by the Netech supplier for the upgrade of the GIANOS 3D procedure for monitoring transaction, behavioural diagnosis and customer risk classification (kick-on in programming and planning of the detailed work plan in progress).

Security

In order to improve Banca Generali's security posture, in the first half of 2022 the Security and BCP Service completed various activities with a focus on the Banking Group's governance and reinforcement of security measures.
Firstly, the Service strengthened its security-related supervision of subsidiaries (BGFML and BG Valuer) and continued to implement and establish new security solutions to be provided to the network of Financial Advisors.
Secondly, in order to reinforce controls, the Service managed and monitored the implementation of the various measures as part of the global programme designed to reinforce all security controls.

The main measures relate to:

> **Technological Solutions:** In line with the Cyber Security Transformation Program 2.0, a number of technological solutions were implemented that include additional authentication methods to verify a user's identity in log-ins, security solutions for information classification, and solutions for data protection and encryption;
> **Risk and vulnerability management**: based on the Risk Management Framework, the 2022 Cyber Risk Assessment is underway which aims to identify any risks regarding Banca Generali's main critical applications. A vulnerability management tool was adopted that allows the analysis and structured monitoring of the vulnerabilities within Banca Generali's scope, also integrating the data relating to vulnerabilities in terms of third-party suppliers and those obtained from automatic scans carried out by a special vulnerability scanning tool;

- **Security awareness**: in the first half of 2022, Banca Generali proceeded with various security awareness activities to increase employee awareness, including participation in the phishing campaign promoted by the Parent Company and launch of a specific course on phishing issues for the entire Banking Group;
- **Cyber Simulation exercises**: advanced cyber exercise activities designed to assess Banca Generali's resilience to cyber threats and its capabilities in terms of protection, detection and response to potential cyber attacks. The methodology used is based on a threat-intelligence approach, which provides a holistic view of the attack scenario within the environment in which Banca Generali operates by acquiring relevant information from the point of view of an attacker using a black-box model. Mapping the threat landscape allows the efficient mimicking of real Tactics, Techniques, and Procedures implemented by attackers in the context of specific attack scenarios involving the three key security dimensions: Human, Cyber and Physical;
- **Security Assessment**: assessment aimed at improving the Bank's cyber security posture, in line with the NIST framework. Banca Generali commissioned a consulting firm to carry out an assessment of the organisation's IT security, including the leading IT service provider (CSE), and to submit any recommendations. The assessment was based on NIST's cybersecurity framework, a standard that aims to assess an organisation's cybersecurity level based on five different areas: Identify, Protect, Detect, Respond & Recovery.

12. Main risks and uncertainties

In the first half of the year, the Russian invasion of Ukraine amplified the slowdown in the global economy, already weighted down by the impacts of the Covid-19 pandemic, opening up a long period of weak growth and high inflation.
To combat the risk of inflation, the monetary policy of central banks (the Federal Reserve in the United States, as well as the ECB in Europe) initiated a drastic change of course, raising interest rates, after having brought them below zero and lowered them to historical lows. In this context, fears about Italy's risk are re-emerging, generated by the new political crisis that resulted in the fall of the Draghi government, partly mitigated by the ECB's anti-spread shield.

This scenario increases the risk of uncertainties on the credit market: in fact, companies, already weakened by the last two years of the pandemic, have to cope with rising costs and supply chain bottlenecks. In addition, banks are required to address the interest rate risk and the sovereign risk.

The uncertainty tied to the current context of reference requires constant monitoring of the main risk factors to which the Banking Group is exposed, as summarised below.

> The Bank's exposure to **credit** risk mainly arises from its investments in the money market (interbank deposits), financial instruments held in portfolios measured at amortised cost and financial assets at fair value through other comprehensive income, and loans to customers (both corporate and retail). Credit risk refers to the possibility that a counterparty will become insolvent or a borrower will be unable to meet its obligations or unable to meet them on time. More specifically, credit risk is the possibility that an unexpected change in a counterparty's creditworthiness may generate a corresponding unexpected change in the market value of the associated exposure.
Particular importance is placed on managing the credit risk associated with institutional borrowers. These borrowers are allocated appropriate credit lines, which are monitored by the Risk Management Function and established with the objective of maintaining a level of risk that is consistent with the strategies and risk appetite defined by the Board of Directors.

> In continuity with the previous year, loans to customers are characterised by a low NPL percentage within the overall portfolio, particularly considering the provisions made and guarantees received. In keeping with the Group's business model, these guarantees are primarily collateral and secondarily personal (sureties).
To date, the pandemic has not had any significant effects on the quality of the loan portfolio. In the first half of 2022, the portfolio subject to initiatives in support of the economy following the pandemic, such as moratoria and loans for SMEs guaranteed by the Medio Credito Centrale Fund, did not show signs that could materially change the aggregate of the NPL portfolio.

> The **exchange** risk exposure arises from changes in the value of assets and liabilities, the valuation of which is sensitive to changes in the term structure of interest rates or interest rate volatility.
In light of its significant position in government securities (about 80% of the portfolio owned), the Bank is particularly sensitive to the spread/country risk, which is constantly monitored using sensitivity analyses.

> The Bank's exposure to **market** risk — which is currently limited and residual — stems mainly from the trading by the Parent Company, Banca Generali, of financial instruments on its own account. This risk is represented by the possibility to suffer losses due to variations in the value of a security or a portfolio of securities associated with unexpected variations in market conditions (share prices, interest rates, exchange rates, the prices of goods and the volatility of risk factors).
In particular, securities measured at fair value and classified in the portfolios of Financial assets measured at fair value through profit or loss and Financial assets at fair value through other comprehensive income are exposed to market risk, as fluctuations in their prices impact the Group's Profit and Loss Account and net equity.
Market risks are maintained within appropriate limits, which are monitored by the Risk Management Function. Such limits are established with the objective of maintaining a level of risk that is consistent with the strategies and risk appetite defined by the Board of Directors.

> The Bank's exposure to **operating** risks across the various legal entities in the Group is closely linked to the type and volume of business conducted, as well as the operating procedures implemented. In detail, the operations undertaken (primarily management of third-party assets and the distribution of the Group's own and third-party investment products), the use of information technology systems, the definition of operating procedures, interaction with parties protected by the law, the marketing structure adopted (chiefly Financial Advisors) and the direct involvement of all personnel in operations structurally expose the Group to operating risk, which is defined as the possibility of sustaining financial losses deriving from the inadequacy or improper functioning of procedures, human resources, internal systems or external events. This type of risk includes, *inter alia*, losses due to fraud, human error, interruptions of operation, unavailability of systems, breach of contract, natural disasters and legal risk.
The Risk Management function carries out risk assessment and scoring activities and Loss Data Collection processes, monitors the action plans adopted to mitigate material risks, and defines and controls KRIs (Key Risk Indicators), instrumental to monitoring of the areas of highest risk.
Moreover, the Banca Generali Group has adopted an insurance coverage for operating risks deriving from acts of third parties or caused to third parties, as well as adequate clauses covering damages caused by providers of infrastructure and services; it also approved a Business Continuity Plan.
The Bank is also paying attention to IT and security risks, through the continuous monitoring of its IT outsourcers, the launch of measures aimed at strengthening security safeguards and the development of an awareness programme.

> Exposure to the risk of **excessive leverage** is caused by a particularly high level of debt, with the resulting risk that any decreases in the value of an asset (e.g., impairment of securities) may result in the high erosion of capital.
The level of the leverage risk indicator (the ratio of net equity to assets) is periodically monitored by the Risk Management Function in order to ensure that the Bank's targets are met and the legal limits are observed.

> In relation to the **concentration risk**, resulting from the exposure to groups of related counterparties and counterparties operating in the same sector/geographical area, the Bank reports a good level of diversification. In addition, the Bank guarantees ex-ante compliance with the regulatory limits regarding the level of exposure towards related parties and major risks.

> The Bank's exposure to **liquidity** risk derives from funding and lending transactions in the course of the Group's ordinary business, as well as from the presence of unlisted financial instruments in its owned portfolios. Such risk takes the form of default on payment obligations, which may be caused by an inability to raise funds (funding liquidity risk) or the existence of limits on the divestment of assets (market liquidity risk). Liquidity risk also includes the risk that an entity may be forced to meet its own payment obligations at non-market costs, that is to say while incurring a high cost of funding or (and in some cases concurrently) sustaining capital losses when divesting assets.
The Finance Department is responsible for managing treasury and proprietary investment cash flows with the aim of ensuring thorough diversification of sources of financing and monitoring cash flows and daily liquidity. Liquidity needs are primarily managed through recourse to the money market (interbank deposits and repurchase agreements) and, to a secondary degree, where available, through the measures proposed by the ECB. In addition, the Group maintains a portfolio of listed, highly liquid financial instruments in order to respond to potential crisis scenarios characterised by a sudden interruption of net inflows.
Liquidity risk is managed through appropriate short-term and structural (beyond one year) operating limits, monitored by the Risk Management Function, aimed at maintaining a level of risk deemed consistent with the strategies and risk appetite set by the Board of Directors.
The Group also implemented a Contingency Funding Plan aimed at anticipating and handling liquidity crises at both the systemic and idiosyncratic level.

In addition to the aforementioned risks, the Group also ensures monitoring of the following risks:

> **strategic risk**: the actual or prospective risk of a decrease in profits or capital arising from changes in the operating context or poor company decisions, the inadequate implementation of decisions, or insufficient reaction to changes in the competitive scenario.

In order to manage strategic risk, the Bank has formally defined a specific management policy and dedicate guidelines on the strategic planning process. The strategic risk is tackled by policies and procedures in which the most important decisions are reported to the Board of Directors and supported by specific preventive impact analyses in terms of capital adequacy and liquidity, consistency with the Risk Appetite Framework and sustainability of the business model.

> **reputational risk**: the current or prospective risk of a decrease in profits or capital arising from a negative perception of the corporate image by clients, counterparties, shareholders, investors or regulatory authorities.
  The Banca Generali Group is structurally exposed to reputational risk due to the Group's distinctive trading operations, which focus on offering and placing asset management products with its retail customers through its own Financial Advisor Network.
  To monitor this risk, the Bank has adopted a specific policy and a dedicated management framework, in addition to specific codes of conduct and codes of ethics that govern the Group's operations and its dealings with its main stakeholders. In addition, specific organisational structures exist inside the Bank to safeguard the corporate image, each one responsible for the areas within its remit (presentations to the financial community and investors, new product launch, complaints and dispute management, etc.).

13. Outlook for the second half of 2022

The second half of 2022 will continue to be impacted by the changed macro-economic context marked by geopolitical tensions culminated in the outbreak of the conflict in Ukraine, with the consequent deterioration in the economic environment and exacerbation of inflationary tensions. Therefore, after the trend of recovery and easing of pandemic-related measures at the end of last year had encouraged a certain acceleration in growth, recent months have seen tensions recorded in the macroeconomic context, particularly in terms of renewed inflationary pressures and the uncertainties linked to the persistence of the pandemic.

In this context, which is not without uncertainties for the country on the economic and social front, Banca Generali will continue not only to guarantee security and protection for savings in the second half of the year by supporting households in their planning and diversification choices, in order to make the most of the opportunities provided by market recovery compared to merely taking refuge in the liquidity solutions that have characterised savings overall, but also to assume social responsibility through a series of concrete initiatives including those related to the creation of new products to support Italy's SMEs. In detail, Banca Generali reiterates its **central focus on growth in any market context** as a development driver in terms of size, revenue and stakeholders' remuneration.

In light of the above, and consistently with the 2022-2024 Strategic Plan, in the second half of 2022, the Banking Group will continue to **focus its attention on increasing the value of service** bringing the Bank even closer to its Financial Advisor network and its clients and increasing its commitment towards **sustainability** themes, while constantly ensuring greater dedication to developing **innovative** model solutions. From a strategic and operating standpoint, after the success of its private banking positioning, Banca Generali confirms that it intends to open up to a wider client target group and further develop the customisation of its services through the advisor-technology combination.

In line with the pillars of the new 2022-2024 Strategic Plan, the main following measures will be taken in the second half of 2022:

- developing a **range of targeted solutions** that, building on the ecosystem of products, services and platforms already in place in the private segment, enables to better meet the needs of a wider client base — from Affluent clients to High-Net-Worth (HNW) individuals;
- introducing **new service models** that, in a context marked by financial advisor-centric models, allow to enhance Financial Advisors' actions through a greater support by the Bank in managing the clients;
- implementing a new **data-driven network management approach** that, based on an estimate of the growth potential of clients, Financial Advisors and the local area, and on the identification of the main gaps, drives the coordinated action of the Bank, its Network Managers and Financial Advisors;
- **innovating** the Bank's model by creating a data-driven, digital and open bank through the development of digital platforms to enhance customer experience, and building new partnerships in specific fields that allow the Bank to consolidate its position with respect to industry trends;
- consolidating its position in terms of **sustainability**, becoming a point of reference on ESG themes for all stakeholders. In particular, the Bank will be mainly committed to enhancing its value proposition based on SDGs through ongoing expansion of its ESG offering and Financial Advisors' training, creating a work environment that promotes diversity and inclusion and work-life balance, actively contributing to climate protection and acting responsibly towards communities.

Financial targets are fully confirmed at all levels, despite the highest financial market volatility seen in decades. The current interest rate hike is an opportunity that had not been taken into consideration in the Plan's projections and can thus significantly contribute to profitability in the coming years.

Trieste, 28 July 2022

The Board of Directors

03

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

AT 30 JUNE 2022

BOARD OF DIRECTORS
28 July 2022

Consolidated Accounting Statements

CONSOLIDATED BALANCE SHEET

ASSETS

(€ THOUSAND)	30.06.2022	31.12.2021
10. Cash and deposits	1,419,251	1,620,334
20. Financial assets measured at fair value through profit or loss:	426,181	415,558
a) HFT financial assets	2,231	6,578
c) other financial assets mandatorily measured at fair value	423,950	408,980
30. Financial assets measured at fair value through other comprehensive income	2,134,674	2,543,065
40. Financial assets measured at amortised cost:	12,767,712	10,853,611
a) loans to banks	2,015,973	1,218,138
b) loans to customers	10,751,739	9,635,473
50. Hedging derivatives	175,432	11,357
70. Equity investments	3,098	2,048
90. Property and equipment	156,795	159,012
100. Intangible assets	130,646	136,172
of which:		
- *goodwill*	*88,073*	*88,073*
110. Tax receivables:	69,955	72,627
a) current	857	9,623
b) prepaid	69,098	63,004
120. Non-current assets available for sale and disposal groups	-	2,694
130. Other assets	401,568	375,132
Total assets	**17,685,312**	**16,191,610**

NET EQUITY AND LIABILITIES

(€ THOUSAND)	30.06.2022	31.12.2021
10. Financial liabilities measured at amortised cost:	15,612,346	14,412,354
a) due to banks	843,741	818,734
b) due to customers	14,768,605	13,593,620
20. HFT financial liabilities	244	4,551
40. Hedging derivatives	158,255	167,320
60. Tax liabilities:	37,427	28,320
a) current	32,404	22,233
b) deferred	5,023	6,087
70. Liabilities associated with disposal groups	-	318
80. Other liabilities	638,111	242,037
90. Employee termination indemnities	4,056	4,335
100. Provisions for liabilities and contingencies:	230,166	226,508
a) commitments and guarantees issued	58	43
b) pensions and similar obligations	1,210	2,974
c) other provisions	228,898	223,491
120. Valuation reserves	-10,215	522
140. Equity instruments	50,000	50,000
150. Reserves	718,454	624,033
160. Share premium reserve	53,771	55,866
170. Share capital	116,852	116,852
180. Treasury shares (-)	-55,941	-64,822
190. Net equity attributable to minority interests (+/-)	482	313
200. Net profit (loss) for the period (+/-)	131,304	323,103
Total net equity and liabilities	**17,685,312**	**16,191,610**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

ITEMS

(€ THOUSAND)	30.06.2022	30.06.2021
10. Interest income and similar revenues	55,903	47,608
20. Interest expense and similar charges	-4,059	-3,724
30. Net interest income	**51,844**	**43,884**
40. Fee income	494,158	614,236
50. Fee expense	-238,177	-230,301
60. Net fees	**255,981**	**383,935**
70. Dividends and similar income	1,126	1,056
80. Net income (loss) from trading activities	1,367	2,503
90. Net income (loss) from hedging	11,742	2,393
100. Gain (loss) on disposal or repurchase of:	2,464	5,197
a) financial assets measured at amortised cost	10,368	5,018
b) financial assets measured at fair value through other comprehensive income	-7,904	179
110. Net income (loss) from financial assets and liabilities measured at fair value through profit and loss:	-1,041	230
b) other financial assets mandatorily measured at fair value	-1,041	230
120. Net banking income	**323,483**	**439,198**
130. Net adjustments/reversals due to credit risk relating to:	-4,857	-4,051
a) financial assets measured at amortised cost	-4,339	-3,848
b) financial assets measured at fair value through other comprehensive income	-518	-203
150. Net income (loss) from trading activities	**318,626**	**435,147**
190. General and administrative expenses:	-157,192	-140,829
a) staff expenses	-57,385	-53,290
b) other general and administrative expenses	-99,807	-87,539
200. Net provisions for liabilities and contingencies:	-20,392	-105,073
a) commitments and guarantees issued	-15	20
b) other net provisions	-20,377	-105,093
210. Net adjustments/reversals of property and equipment	-11,071	-10,851
220. Net adjustments/reversals of intangible assets	-6,546	-6,231
230. Other operating expenses/income	49,023	39,440
240. Operating expenses	**-146,178**	**-223,544**
250. Gains (losses) from equity investments	-58	-109
280. Gains (losses) on disposal of investments	-	-
290. Net profit before income taxes	**172,390**	**211,494**
300. Income taxes for the period on operating activities	-41,101	-21,414
310. Net profit after income taxes	**131,289**	**190,080**
330. Net profit for the period	**131,289**	**190,080**
340. Net profit (loss) for the period attributable to minority interests	-15	-18
350. Net profit (loss) for the period attributable to the Parent Company	**131,304**	**190,098**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ITEMS

(€ THOUSAND)		30.06.2022	30.06.2021
10.	**Net profit for the period**	**131,289**	**190,080**
	Other income net of income taxes, without transfer to Profit and Loss Account		
20	Equity securities designated at fair value through other comprehensive income	457	6
70.	Defined benefit plans	1,541	647
	Other income net of income taxes, with transfer to Profit and Loss Account		
110.	Exchange differences	286	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	-12,837	-1,870
170.	**Total other income net of income taxes**	**-10,553**	**-1,217**
180.	**Comprehensive income**	**120,736**	**188,863**
190	Consolidated comprehensive income attributable to minority interests	169	33
200.	**Consolidated comprehensive income attributable to the Parent Company**	**120,567**	**188,830**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ITEMS

(€ THOUSAND)	SHARE CAPITAL		SHARE PREMIUM RESERVE	RESERVES		VALUATION RESERVES	EQUITY INSTRU-MENTS	INTERIM DIVIDENDS	TREASURY SHARES	NET PROFIT (LOSS) FOR THE PERIOD	NET EQUITY	GROUP NET EQUITY	NET EQUITY ATTRIBUT-ABLE TO MINORITY INTERESTS
	A) ORDINARY SHARES	B) OTHER		A) RETAINED EARNINGS	B) OTHER								
Net equity at 31.12.2021	**117,127**	**-**	**55,866**	**594,508**	**29,482**	**599**	**50,000**	**-**	**-64,822**	**323,107**	**1,105,867**	**1,105,554**	**313**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount at 01.01.2022	117,127	-	55,866	594,508	29,482	599	50,000	-	-64,822	323,107	1,105,867	1,105,554	313
Allocation of net profit for the previous year:	-	-	-	94,431	-	-	-	-	-	-323,107	-228,676	-228,676	-
- reserves	-	-	-	95,246	-	-	-	-	-	-95,246	-	-	-
- dividends and other allocations	-	-	-	-815	-	-	-	-	-	-227,861	-228,676	-228,676	-
Change in reserves	-	-	-	-	-1,033	-	-	-	-	-	-1,033	-1,033	-
Transactions on net equity:	-	-	-2,095	3,537	-2,509	-	-	-	8,881	-	7,814	7,814	-
- issue of new shares	-	-	-2,095	-	-6,786	-	-	-	8,881	-	-	-	-
- purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
- interim dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
- extraordinary dividends	-	-	-	3,537	-	-	-	-	-	-	3,537	3,537	-
- change in equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
- derivatives on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
- stock options	-	-	-	-	4,277	-	-	-	-	-	4,277	4,277	-
- change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-10,554	-	-	-	131,289	120,735	120,566	169
Net equity at 30.06.2022	**117,127**	**-**	**53,771**	**692,476**	**25,940**	**-9,955**	**50,000**	**-**	**-55,941**	**131,289**	**1,004,707**	**1,004,225**	**482**
Group net equity	**116,852**	**-**	**53,771**	**692,514**	**25,940**	**-10,215**	**50,000**	**-**	**-55,941**	**131,304**	**1,004,225**	**-**	**-**
Net equity attributable to minority interests	**275**	**-**	**-**	**-38**	**-**	**260**	**-**	**-**	**-**	**-15**	**482**	**-**	**-**

(€ THOUSAND)	SHARE CAPITAL		SHARE PREMIUM RESERVE	RESERVES		VALUATION RESERVES	EQUITY INSTRU-MENTS	INTERIM DIVIDENDS	TREASURY SHARES	NET PROFIT (LOSS) FOR THE PERIOD	NET EQUITY	GROUP NET EQUITY	NET EQUITY ATTRIBUT-ABLE TO MINORITY INTERESTS
	A) ORDINARY SHARES	B) OTHER		A) RETAINED EARNINGS	B) OTHER								
Net equity at 31.12.2020	**117,127**	**-**	**57,062**	**700,809**	**25,644**	**4,153**	**50,000**	**-**	**-45,185**	**274,894**	**1,184,504**	**1,184,258**	**246**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount at 01.01.2021	117,127	-	57,062	700,809	25,644	4,153	50,000	-	-45,185	274,894	1,184,504	1,184,258	246
Allocation of net profit for the previous year:	-	-	-	-840	-	-	-	-	-	-274,894	-275,734	-275,734	-
- reserves	-	-	-	-25	-	-	-	-	-	25	-	-	-
- dividends and other allocations	-	-	-	-815	-	-	-	-	-	-274,919	-275,734	-275,734	-
Change in reserves	-	-	-1	-23	85	-	-	-	-	-	61	65	-4
Transactions on net equity:	-	-	-1,186	-110,692	-1,633	-	-	-	6,297	-	-107,214	-107,214	-
- issue of new shares	-	-	-1,186	-	-5,111	-	-	-	6,297	-	-	-	-
- purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
- interim dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
- extraordinary dividends	-	-	-	-110,692	-	-	-	-	-	-	-110,692	-110,692	-
- change in equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
- derivatives on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
- stock options	-	-	-	-	3,478	-	-	-	-	-	3,478	3,478	-
- change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	-1,217	-	-	-	190,080	188,863	188,830	33
Net equity at 30.06.2021	**117,127**	**-**	**55,875**	**589,254**	**24,096**	**2,936**	**50,000**	**-**	**-38,888**	**190,080**	**990,480**	**990,205**	**275**
Group net equity	**116,852**	**-**	**55,875**	**589,301**	**24,096**	**2,871**	**50,000**	**-**	**-38,888**	**190,098**	**990,205**	**-**	**-**
Net equity attributable to minority interests	**275**	**-**	**-**	**-47**	**-**	**65**	**-**	**-**	**-**	**-18**	**275**	**-**	**-**

CONSOLIDATED CASH FLOW STATEMENT

INDIRECT METHOD

(€ THOUSAND)	30.06.2022	30.06.2021 RESTATED
A. OPERATING ACTIVITIES		
1. Operations	**120,746**	**233,922**
Net profit (loss) for the period	131,289	190,080
Gain/loss on HFT financial assets and other assets and liabilities measured at fair value through profit or loss	762	-3,464
Gain/loss on hedging assets	-26,121	-139
Net adjustments/reversals due to credit risk	4,857	4,051
Net adjustments/reversals of property, equipment and intangible assets	17,617	17,082
Net provisions for liabilities and contingencies and other costs/revenues	5,460	91,656
Taxes, duties and tax credits not paid	17,905	-20,233
Adjustments/reversals of discontinued operations	-158	-
Other adjustments	-30,864	-45,110
2. Liquidity generated by/used for financial assets (+/-)	**-1,750,041**	**-1,752,175**
HFT financial assets	4,557	1,546
Financial assets designated at fair value	-	-
Other financial assets mandatorily measured at fair value	-15,698	11,277
Financial assets measured at fair value through other comprehensive income	391,719	-801,139
Financial assets measured at amortised cost:	-2,124,218	-938,030
- *Loans to banks*	*-831,156*	*-384,014*
- *Loans to customers*	*-1,293,063*	*-554,016*
Other assets	-6,402	-25,829
3. Liquidity generated by/used for financial liabilities (+/-)	**1,632,484**	**2,200,328**
Financial liabilities measured at amortised cost:	1,239,569	1,963,741
Due to banks	*28,419*	*282,337*
Due to customers	*1,211,150*	*1,681,404*
Securities issued	-	-
HFT financial liabilities	-4,552	-1,551
Financial liabilities designated at fair value	-	-
Other liabilities	397,467	238,138
Net liquidity generated by/used for operating activities	**3,189**	**682,075**

(€ THOUSAND)	30.06.2022	30.06.2021 RESTATED
B. INVESTING ACTIVITIES		
1. Liquidity generated by:	**-**	**-**
Disposal of equity investments	-	-
Dividends received	-	-
Disposal of property and equipment	-	-
Disposal of intangible assets	-	-
Disposal of subsidiaries and business units	-	-
2. Liquidity used for:	**-2,193**	**-974**
Purchase of equity investments	-796	-597
Purchase of property and equipment	-377	-377
Purchase of intangible assets	-1,020	-
Purchase of subsidiaries and business units	-	-
Net liquidity generated by/used for investing activities	**-2,193**	**-974**
C. FUNDING ACTIVITIES		
Issue/purchase of treasury shares	-	-
Issue/purchase of equity instruments	-	-
Distribution of dividends and other	-202,079	-1,124
Disposal/Purchase of controlling interests	-	-
Net liquidity generated by/used for funding activities	**-202,079**	**-1,124**
NET LIQUIDITY GENERATED/USED IN THE PERIOD	**-201,083**	**679,977**

Reconciliation		
Cash and cash equivalents at period-start	**1,620,334**	**665,942**
Liquidity generated by/used for in the period	-201,083	679,977
Cash and cash equivalents – effects of exchange rate fluctuations	-	-
Cash and cash equivalents at period-end	**1,419,251**	**1,345,919**

Legend:
(+) Liquidity generated
(–) Liquidity used

Notes and Comments

PART A - ACCOUNTING POLICIES

Part A.1 - General

The consolidated half-year financial statements have been drawn up in compliance with Article 154-*ter* of Legislative Decree No. 58/98, enacted by Legislative Decree No. 25 dated 15 February 2016.

In particular, paragraphs 2, 3 and 4 of the Article require that, within three months from the end of the first half of the financial year, listed companies having Italy as their member state of origin publish a half-year financial report including:

- the **Condensed Half-year Financial Statements** prepared in a consolidated form, if the listed company is required to prepare Consolidated Financial Statements in compliance with the international accounting standards;
- an **Interim Report on Operations**, including a description of important events occurred during the half-year period and their impact on the condensed half-year financial statements, the main risks and uncertainties for the remaining six months of the year and information on related parties;
- an **Attestation by the Manager in charge** of preparing the Company's financial reports as per paragraph 5 of Article 154-*bis*;
- a **Report by the independent auditing firm** on the Condensed Half-year Financial Statements, to be published within the same time limit.

Section 1 - Declaration of compliance with International Accounting Standards

These consolidated condensed half-year financial statements have been drawn up in compliance with Italian Legislative Decree No. 38 of 28 February 2005, based on the International Accounting Standards issued by the International Accounting Standards Board (IASB) and interpretation of the International Financial Reporting Interpretations Committee (IFRIC), and endorsed by the European Commission with Regulation No. 1606 of 19 July 2002.

In preparing the Consolidated Condensed Half-year Financial Statements, Banca Generali adopted the IASs/IFRSs in force at the reference date of the report (including SIC and IFRIC interpretations), as endorsed by the European Union.

It should be noted that, following the completion of the endorsement procedure, as of 1 January 2022, 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 2022

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IFRS 3 Business Combinations; IAS 16 Property. Plant and Equipment; IAS 37 Provisions. Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (all issued 14 May 2020)	2021/1080	02.07.2021	01.01.2022

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BUT NOT EFFECTIVE YET

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	2021/2036	23.11.2021	01.01.2023
Amendments to IAS 8 Accounting policies. Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	2022/357	03.03.2022	01.01.2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	2022/357	03.03.2022	01.01.2023

The standards and interpretations that entered into force in 2022 did not have a significant impact on the Group's balance sheet and profit and loss account.

Section 2 - Preparation criteria

The Condensed Consolidated Half-Year Financial Statements are comprised of:

- a **Balance Sheet** as of the end of the interim period under review and a comparative balance sheet as of the end of the previous financial year;

- a **Profit and Loss Account** for the interim reporting period, with a comparative profit and loss account for the same interim period of the previous financial year;
- the **Other Comprehensive Income (OCI) statement**, which includes the profit and loss items for the period recognised directly in net equity, for the interim reporting period as compared to the same period of the previous year;
- a **Statement of Changes in Equity** for the period extending from the beginning of the financial year to the end of the half-year period under review, with a comparative statement for the same period of the previous year;
- a **Cash Flow Statement** for the period extending from the beginning of the financial year to the end of the half-year period under review, with a comparative statement for the same period of the previous year;
- **Notes and Comments** containing references to the accounting standards used and other notes explaining transactions carried out during the period.

The Consolidated Condensed Half-year Financial Statements are prepared by applying IAS 34 on interim disclosures, the general standards set out in IAS 1 and the specific accounting standards approved by the European Commission, as illustrated in Part 2 of these Notes and Comments, and in line with the general assumptions set out in the *Framework for the Preparation and Presentation of Financial Statements* drafted by the IASB. There were no derogations of the application of international accounting standards (IASs/IFRSs).

In detail, IAS 34 on interim financial reporting states that, in the interest of time, the interim financial statements can contain a condensed version of the information provided in the annual report ("condensed financial statements") that provides an update to the latest complete annual report.
In application of this principle, the option to prepare the financial statements for the period in a condensed form has been therefore exercised instead of presenting the complete financial statements as those prepared for the year.

In compliance with the requirements of Article 5 of Legislative Decree No. 38/2005, the Condensed Consolidated Half-year Financial Statements were prepared in euros. The amounts included in the Financial Statements and the figures in the Notes and Comments are expressed in thousands of euro. Unless otherwise stated, the amounts reported in the interim Report on Operations are given in thousands of euro.

The measurement criteria have been adopted on a going-concern basis and are shaped by the principles of accrual-basis accounting and the relevance and meaningfulness of accounting disclosures. Economic substance takes precedence over legal form.
In further detail, the Directors are reasonably certain that the Bank will continue to operate in its current form for the foreseeable future (for at least 12 months) and have prepared the Financial Statements on a going-concern basis. Any uncertainty detected has not been deemed material and does not cast doubt on the Group's ability to operate as a going concern.

Content of the Financial Statements and the Notes and Comments

The Financial Statements and the Notes and Comments have been prepared in accordance with Bank of Italy's Circular No. 262/2005 and the seventh update published on 2 November 2021 and entered into force as of the financial statements for the year ended 31 December 2021.

Accounts that do not include items pertaining to the period under review or the previous period are not stated in the balance sheet and profit and loss account. In the consolidated profit and loss account, net profit attributable to minority interests is presented with a negative sign, whereas loss attributable to minority interests is presented with a positive sign.
The Notes and Comments include only the most significant sections and tables. Sections or tables which include no values are not included in the Notes and Comments.
The Statement of Other Comprehensive Income consists of items that present changes in the value of assets reported during the half-year through valuation reserves, net of the associated tax effect and distinguishing between any income attributable to the Parent Company and minority interests.
The amendment to IAS 1 – *Presentation of Items of Other Comprehensive Income* also requires the separate recognition in the Statement of the components and the relevant taxes that may or may not be reclassified to profit or loss.
As for the balance sheet and profit and loss account, items with nil amounts in both the reporting period and previous period are not presented.

The Consolidated Statement of Changes in Equity is presented by inverting the rows and columns with respect to the presentation requested by the Bank of Italy's Circular No. 262/2005.
The statement presents changes in total consolidated net equity, showing separately the final carrying amounts of the net equity attributable to the Group and minority interests and aggregate changes in those items.

The Cash Flow Statement was prepared using the indirect method, according to which cash flows from operating activities are derived by adjusting net profit for the effects of non-cash transactions.

Cash flows are broken down into:
- cash flows from operating activities, including cash flows from operations and cash flows from increases and decreases in financial assets and liabilities;

- cash flows generated by (used for) investing activities involving fixed assets;
- cash flows generated by (used for) funding activities that alter the company's capital and its remuneration.

Specifically, sections 2 and 3 include only cash generated by (used for) the decrease (increase) in financial assets or the increase (decrease) in financial liabilities resulting from new transactions or reimbursements related to existing transactions.
Accordingly, these sections do not include items such as changes in value (adjustments, reversal values), amortisation and depreciation, the net balance of unpaid taxes (current and deferred), interest and unpaid or uncollected fees; these items have been disclosed separately and classified under operating activities.
Moreover, these cash flows also do not include changes in operating assets and liabilities, but include those relating to financing activities, such as changes in operating loans and amounts payable to Financial Advisors and employees and any related advance payments.

Section 3 - Scope of consolidation and business combinations

1. Scope of consolidation

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

				SHAREHOLDING RELATIONSHIP		% OF VOTES IN ORDINARY SHARE-HOLDERS' MEETING
COMPANY NAME	REGISTERED OFFICE	OPERATING OFFICE	TYPE OF CONTROL	INVESTOR	% OF OWNERSHIP INTEREST	
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%
BG Suisse S.A.	Lugano	Lugano	1	Banca Generali	100.00%	100.00%
Nextam Partners Ltd. in liquidation	London	London	1	Banca Generali	100.00%	100.00%
BG Valeur S.A.	Lugano	Lugano	1	Banca Generali	90.1%	90.1%

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).

The consolidated accounts include the separate accounts of the Parent Company and its subsidiaries at 30 June 2022, properly reclassified and adjusted where necessary to take account of consolidation requirements, except for Nextam Partners Ltd, in liquidation procedure, which during the quarter was not operating. 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.

In the first half of 2022, the scope of consolidation changed solely as a result of the sale of 80.1% of the share capital of the subsidiary Nextam Partners Sim to a group of investors also including some of the former partners of the Nextam Group on 20 January 2022.
As a consequence of the loss of control, the company was deconsolidated and the minority interest acquired, of 19.9%, was measured at equity.
The comparative financial position and financial performance as at and for the period ended 30 June 2021 also does not include the equity investment in the Swiss subsidiary BG Suisse, formed on 8 October 2021 and still in the start-up phase.
However, the effect of the two acquisitions does not materially impact the Banking Group's main operating aggregates.

2. Significant judgements and assumptions used in determining the scope of consolidation

2.1 Subsidiaries

Entities, including structured entities, over which the Group has a direct or indirect control, are subsidiaries.
Control over an entity exists when the Group has the power to influence the variable returns to which the Group is exposed from its involvement with the investee.

To determine that control exists, the Group considers the following factors:
- the investee's purpose and design, to identify the entity's purpose, the activities that determine its returns and how decisions about such activities are made;
- power, to understand whether the Group has contractual rights that give the Group the ability to direct the relevant activities; for this purpose, only substantive rights entailing practical ability to direct the investee are considered;
- exposure in the investee, to establish whether the Group has relations with the investee whose returns can vary based on changes in the investee's performance;
- existence of possible principal/agent relationships.

Where relevant activities are directed through voting rights, the following factors are evidence of control:
- ownership, direct or indirect through subsidiaries, of more than half of the voting rights of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control;
- ownership of half or less of the votes that can be exercised in the General Shareholders' Meeting and the effective power to unilaterally govern significant activities through:
  - control of more than half of the voting rights by virtue of an agreement with other investors;
  - the power to determine the financial and operating policies of the entity under a statute or an agreement;
  - the power to appoint or remove the majority of the members of the board of directors or equivalent governing body, and the entity is managed by that board or body;
  - the power to cast the majority of votes at meetings of the board of directors or equivalent governing body, and the entity is controlled by that board or body.

The existence and effect of potential voting rights, if substantive, are taken into consideration when assessing whether a party has the power to direct the financial and management policies of another entity.

Subsidiaries may also include "structured entities" in which voting rights are not significant in assessing the existence of control, including special purpose entities (SPEs) and investment funds.
Structured entities are considered as subsidiaries when:
- the Group has power arising from contractual rights to direct relevant activities;
- the Group is exposed to variable returns arising from such activities.

2.2 Associate companies
An associate company is one over which the investor has significant influence and that is neither a subsidiary nor a joint venture.

Significant influence is assumed when the investor:
- holds, directly or indirectly, 20% or more of the share capital in the investee, or
- has significant influence over the investee, also by way of shareholders' agreements, through:
  a) representation on the governing body of the investee;
  b) participation in policy making processes, including with regard to decisions on dividends and other distributions;
  c) material transactions;
  d) interchange of management personnel;
  e) provision of essential technical information.

Equity investments in associates are valued using the equity method.

At 30 June 2022, the scope of consolidation included Nextam Sim S.p.A., as described in section 3.1 Scope of Consolidation, and IOCA Entertainment Ltd, a company under UK law, in which Banca Generali acquired a 35% interest in 2015.

2.3 Joint arrangements
A joint arrangement is an arrangement of which two or more parties have joint control.
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under IFRS 11, joint arrangements are classified as either a joint operation or a joint venture based on the Group's contractual rights or obligations:
- a joint operation is a joint arrangement whereby the parties have rights to the assets and obligations for the liabilities relating to the arrangement;
- a joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement.

Equity investments in joint arrangements are valued using the equity method.

Banca Generali – Saxo Bank A/S joint venture
As at 30 June 2022, the scope of the Banking Group included a single equity investment in a company subject to joint control:
- BG Saxo Sim S.p.A., an investment firm formed as part of the joint venture with Saxo Bank, in which Banca Generali acquired a 19.9% stake on 31 October 2019 for 1,995 thousand euros, plus additional costs.

The process for creating the joint venture began on 9 March 2018, when the Board of Directors of Banca Generali approved the final agreements with Saxo Bank to set up a joint arrangement for the development of online trading market and related digital services in Italy.

The objective of the partnership, which has a duration of eight years and may be renewed upon expiry, is to offer clients, on an exclusive basis for the Italian market, access to an innovative platform for advanced trading based on Saxo Bank's technology.

Banca Generali makes available its banking platform and its leading market position in private banking to foster synergies and develop new opportunities for its Financial Advisors and clients, who will thus enjoy access to one of the most comprehensive suites of global trading tools.
The Bank also provides outsourced services to the new brokerage firm (Sim), specifically various back-office activities relating to customer order receipt and execution services.
Saxo Bank instead provides the new Sim with its multi-assets platform that enhances the range of trading and dynamic hedging services, with a particular expertise in FX.

Under the terms of the agreements, the new venture is to be conducted through a newly formed company, BG Saxo Sim, of which Banca Generali is a co-owner with a 19.9% stake.
After being authorised by Consob and entered into the Register of Securities Brokerage Firms on 28 December 2018, the new brokerage firm became operational in 2019.

After an initial test phase, in June 2019 the company officially began to operate with the Banca Generali's customers who decided to open the new account BG Extra, associated with the contract that such customers had entered into with BG Saxo Sim for own account trading services, execution of orders on account of customers and order receipt and transmission.

The process of establishing the joint venture was concluded on 31 October 2019, when, at the end of a long authorisation procedure, Banca Generali was allowed to acquire the aforementioned 19.9% stake from Saxo Bank A/S for 1,995 thousand euros, plus the additional costs associated with the transfer.

According to the assessment conducted, it is believed that BG Saxo Sim may qualify under IFRS 11 as a joint arrangement, and in particular as a joint venture. As a result, in accordance with paragraphs 24 and 26 of IFRS 11, Banca Generali will have to recognise its 19.90% equity investment in the company's share capital as follows:
a) in the consolidated financial statements by applying the equity method in accordance with IAS 28;
b) in the separate financial statements, in accordance with IAS 27, paragraph 10, using the cost method as provided for by IFRS 9, or by applying the equity method as provided for by IAS 28.

3. Significant non-controlling interests in subsidiaries

As at 30 June 2022, all the Group's equity investments were in wholly owned subsidiaries, with the exception of BG Valeur S.A., in which the previous shareholders retain a non-controlling interest of 9.9%.
Accordingly, there are no significant non-controlling interests in subsidiaries.

3.1 Non-controlling interests, potential voting rights and dividends distributed to third parties

COMPANY NAME	NON-CONTROLLING INTERESTS %	POTENTIAL VOTING RIGHTS %	DIVIDENDS DISTRIBUTED TO THIRD PARTIES
BG Valeur S.A.	9.9%	9.9%	-

4. Significant restrictions

As of 30 June 2022, there were no significant restrictions of a legal, contractual, or statutory nature on the Parent Company's ability to access or use the Group's assets and settle the Group's liabilities.

5. Other information

None of the financial statements of the subsidiaries used in preparing the Consolidated Financial Statements have a different reporting date than the consolidated financial statements.

Consolidation methods

Full consolidation method

Subsidiaries are included in the accounts using the full consolidation method, whereby the balance sheet and profit and loss items are consolidated on a line-by-line basis.
After the attribution to minority interests of any portion of net equity and profit and loss results, the value of the equity investment is cancelled due to the residual value of the subsidiary's net equity.
The resulting differences are allocated to the assets or liabilities — including intangible assets — of the subsidiary in question and any remaining balances, if positive, are recorded as goodwill under Intangible Assets. Negative differences are charged to the profit and loss account.

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.
Dividends distributed by subsidiaries were eliminated from the consolidated profit and loss account and a corresponding adjustment was made to income reserves.

Equity method

Associate companies are consolidated according to the concise equity method.
Under the equity method, an equity investment is initially recognised at acquisition cost, inclusive of goodwill, and subsequently adjusted according to the investor's share in the investee's net equity.

Upon acquisition, the difference between the cost of the equity investment and the share of the net fair value of the investee's identifiable assets and liabilities must be determined and recognised as goodwill, if positive, or as income, if negative.

The carrying amount is then increased or decreased to recognise the investor's share of the profits or losses of the investee recorded after the acquisition date under item 220 "Gains (losses) from equity investments" of the profit and loss account.

That share is adjusted to reflect:
- gains and losses on transactions with the associate company, in proportion to the percent interest in the associate company;
- depreciation and amortisation of depreciable assets at their respective fair values at the acquisition date and impairment losses on goodwill and any other non-monetary elements.

Dividends received from an investee reduce the carrying amount of the equity investment.

Changes in the valuation reserves of associate companies are presented separately in the statement of comprehensive income.
If the associate company prepares its financial statements in a foreign currency, the translation differences at the reporting date are recognised in a specific valuation reserve for monetary conversion in other comprehensive income.

When there is indication of a possible loss in value of an equity investment, the recoverable amount of the investment is estimated based on the present value of future cash flows that the company could generate, including the disposal value of the equity investment. If the recoverable amount is less than the carrying amount, the difference is recognised in profit or loss.

Translation of financial statements denominated in currencies other than the euro

The financial statements of companies operating in areas other than the Euro Area are translated into euro by applying the current exchange rates at period-end to assets and liabilities and average exchange rates for the year to items of profit and loss.
The foreign exchange differences of the financial statements of such companies on the application of different exchange rates to assets and liabilities and profit and loss are recognised among Valuation reserves in net equity. Foreign exchange differences on investees' net equity are also recognised among Valuation reserves.

Section 4 - Events occurred after the reporting date

The Consolidated Half-year Financial Statements were approved by the Board of Directors of Banca Generali on 28 July 2022 and its publication was authorised, pursuant to IAS 10, as of the same date.
No events occurred after 30 June 2022 and until the date of approval of the Consolidated Half-year Financial Statements that would make it necessary to adjust the results presented in the consolidated half-year report at that date.
On 1 July 2022, through Bank of Italy's order No. 1018123/22, Banca Generali was authorised to launch the plan to buy-back treasury shares in service of the 2022 Remuneration Policy.

Section 5 - Other information

Use of estimates and assumptions in the preparation of the Consolidated Financial Statements

The preparation of the Consolidated Financial Statements requires the use of estimates and assumptions that could influence the amounts reported in the consolidated balance sheet and profit and loss account and the disclosure of contingent assets and liabilities therein.

The estimates and assumptions used are based on the information available on operations and subjective judgements, which may be based on historical trends.
Given their nature, the estimates and assumptions used may vary from year to year, meaning that reported amounts may differ materially due to changes in the subjective judgements used.

The main areas for which management is required to use subjective judgements include:
- determining the amount of provisions for liabilities and contingencies;
- determining the expenses of personnel productivity bonuses;

> determining the amount of incentive fees to be paid to the sales network as an annual incentive and of incentives related to recruitment plans;
> determining the deferred incentives granted to the sales network, when linked to defined net inflow targets;
> determining the fair value of cash financial instruments and derivatives to be used in financial statement, when not based on current prices drawn from active markets;
> determining the analytical and collective impairment of financial instruments;
> determining the value adjustments and reversals of non-performing loans and the collective provision for performing loans;
> preparing estimates and assumptions underlying the determination of current taxes, which may differ from the effective tax liability computed in conjunction with the payment of the balance of taxes for the year and the filing of the income tax return;
> the assumptions made regarding situations of uncertainty relating to taxation and the outcome of ongoing tax disputes;
> preparing estimates and assumptions on the recoverability of deferred tax assets;
> evaluating the appropriateness of the amounts of goodwill and other intangible assets.

Measurement of goodwill

During the preparation of the 2021 Financial Statements, goodwill was tested for impairment and the carrying value was determined to be accurate. For further information on this subject, reference should be made to the consolidated Financial Statements at 31 December 2021.

For the purpose of preparing the half-yearly financial statements, the existence of trigger events was assessed. No trigger events were identified by the analyses carried out.

Non-recurring significant events and transactions

During the reporting period, there were no non-recurring transactions or events outside the scope of ordinary operations that had a significant impact on the aggregate items of the balance sheet and profit and loss account.

In addition, no atypical and unusual transactions were undertaken, i.e., all transactions that due to their significance/materiality, the nature of the counterparties, the subject matter of the transaction (including in relation to ordinary operations), the transfer pricing method and/or timing of occurrence (near the end of the reporting period) may give rise to doubts as to the accuracy/completeness of the information presented in the financial statements, conflicts of interest, the safeguarding of company assets and the protection of minority shareholders (Consob Communication No. DEM/6064293 of 28 July 2006).

National Tax Consolidation option

In 2004, the Parent Company, Assicurazioni Generali, and some Italian companies belonging to the Assicurazioni Generali Group, including Banca Generali S.p.A., began participating in the National Tax Consolidation governed by Articles 117-129 of the TUIR (Italy's income tax code), which was introduced into Italy's fiscal legislation by Italian Legislative Decree No. 344/2003.
Under the scheme, Banca Generali transfers its taxable profit (or tax losses) to the parent company, Assicurazioni Generali S.p.A., which computes a single taxable profit (or a single tax loss) for the Group as the sum of the profits and/or losses of the individual companies, and reports a single tax receivable from or payable to the Tax Authorities.

Formation of the Assicurazioni Generali VAT Group

On 23 September 2019, as Representative of the Group's Italian subsidiaries, Assicurazioni Generali exercised the option to adopt the Group's VAT rules (set out in Articles 70-*bis et seqq.* of Presidential Decree No. 633/72) with effect from 1 January 2020.
Accordingly, with effect from that date all companies included in the VAT Group will use only the VAT registration number assigned by the Italian Agency of Revenue to the Group: 01333550323.

Audit

The Consolidated Half-Year Financial Statements are subject to limited auditing by the firm KPMG S.p.A. in execution of the resolution passed by the Shareholders' Meeting on 22 April 2021.

Part A.2 - Accounting Standards adopted by the Banca Generali Group

During the first half of 2022, the accounting policies adopted by the Group underwent no significant amendments and supplementations.
Accordingly, the accounting policies used for preparing the Consolidated Condensed Half-year Financial Statements at 30 June 2022, with particular reference to the classification, recognition, measurement and derecognition of assets and liabilities, as well as the methods used for recognising revenues and expenses, are the same as those adopted for the Annual Integrated Report at 31 December 2021, to which the reader is referred to for comprehensive details.
The accounting statements and the Notes and Comments presented herein must therefore be read together with the Accounting Standards listed in the Annual Report.

Part A.3 - Information on fair value

IFRS 13 requires that entities that apply IASs/IFRSs make adequate disclosure of the fair value measurements used for each class of financial instruments, and in particular:

1) the level in the fair value hierarchy into which the fair value measurements are categorised, segregating instruments belonging to different categories;
2) any significant transfers between Level 1 and Level 2 during the year;
3) for instruments measured in Level 3, a reconciliation from the opening balances to the closing balances, disclosing separately changes in profit and loss (in the profit and loss account and net equity), purchases and sales, and transfers out of Level 3 due to the use of market data.

The criteria and procedures for determining fair value used to measure portfolios of financial assets and liabilities in these Consolidated Half-year Financial Statements are the same as those applied in the preparation of the Consolidated Financial Statements at 31 December 2021, as illustrated in Part A, Section 4, of the Notes and Comments to those Financial Statements.

Fair value hierarchy

IFRS 13 requires that financial assets be classified according to a hierarchy of levels (the “fair-value hierarchy”) that reflects the significance of the inputs used in valuation:

> **Level 1:** quoted prices in active markets, as defined in IFRS 13, for identical instruments;
> **Level 2:** inputs other than the price quotations indicated above, observable on the market either directly (prices) or indirectly (price-derived data);
> **Level 3**: inputs not based on observable market data.

Transfers between levels refer to the end of the accounting period of reference (half-yearly or annual), in an independent manner, and generally enter into effect from the beginning of the year of reference. Transfers to and from Level 3 are infrequent and primarily involve the occurrence of situations of default, in which the Bank’s subjective assessment of debt recoverability takes preeminence.

A.3.1 Assets and liabilities measured at fair value on a recurring basis: breakdown by fair-value levels

	30.06.2022				
ASSETS/LIABILITIES MEASURED AT FAIR VALUE	L1	L2	L3	AT COST	TOTAL
1. Financial assets measured at fair value through profit or loss					
a) HFT financial assets	1,985	246	-	-	2,231
b) financial assets designated at fair value	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	944	18,502	404,504	-	423,950
2. Financial assets measured at fair value through other comprehensive income	2,044,339	71,907	-	18,428	2,134,674
3. Hedging derivatives	-	175,432	-	-	175,432
4. Property and equipment	-	-	-	-	-
5. Intangible assets	-	-	-	-	-
Total	**2,047,268**	**266,087**	**404,504**	**18,428**	**2,736,287**
1. HFT financial liabilities	-	244	-	-	244
2. Financial liabilities designated at fair value	-	-	-	-	-
3. Hedging derivatives	-	158,255	-	-	158,255
Total	**-**	**158,499**	**-**	**-**	**158,499**

ASSETS/LIABILITIES MEASURED AT FAIR VALUE	31.12.2021 L1	L2	L3	AT COST	TOTAL
1. Financial assets measured at fair value through profit or loss:					
a) HFT financial assets	2,020	4,558	-	-	6,578
b) financial assets designated at fair value	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	1,151	19,374	388,455	-	408,980
2. Financial assets measured at fair value through other comprehensive income	2,496,384	28,739	-	17,942	2,543,065
3. Hedging derivatives	-	11,357	-	-	11,357
4. Property and equipment	-	-	-	-	-
5. Intangible assets	-	-	-	-	-
Total	**2,499,555**	**64,028**	**388,455**	**17,942**	**2,969,980**
1. HFT financial liabilities	-	4,551	-	-	4,551
2. Financial liabilities designated at fair value	-	-	-	-	-
3. Hedging derivatives	-	167,320	-	-	167,320
Total	**-**	**171,871**	**-**	**-**	**171,871**

A.3.2 Year changes in assets measured at fair value on a recurring basis (Level 3)

	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
	TOTAL	OF WHICH: A) HFT FINANCIAL ASSETS	OF WHICH: B) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	OF WHICH: C) OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
1. Amount at period-start	**388,455**	**-**	**-**	**388,455**	**17,942**
2. Increases	**17,344**	**-**	**-**	**17,344**	**486**
2.1 Purchases	17,110	-	-	17,110	-
2.2 Gains through:	172	-	-	172	-
2.2.1 Profit and loss	172	-	-	172	-
- *of which: capital gains*	*172*	-	-	*172*	-
2.2.2 Net equity	-	-	-	-	486
2.3 Transfers from other levels	-	-	-	-	-
2.4 Other increases	62	-	-	62	-
3. Decreases	**1,295**	**-**	**-**	**1,295**	**-**
3.1 Disposals	301	-	-	301	-
3.2 Redemptions	-	-	-	-	-
3.3 Losses through:	994	-	-	994	-
3.3.1 Profit and loss	994	-	-	994	-
- *of which: capital losses*	*994*	-	-	*994*	-
3.3.2 Net equity	-	-	-	-	-
3.4 Transfers to other levels	-	-	-	-	-
3.5 Other decreases	-	-	-	-	-
4. Amount at period-end	**404,504**	**-**	**-**	**404,504**	**18,428**

A.3.3 Breakdown by fair-value levels of assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis

FINANCIAL ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	30.06.2022			
	BV	L1	L2	L3
1. Financial assets measured at amortised cost	12,767,712	8,974,277	2,797,428	920,431
2. Property and equipment held as investments	-	-	-	-
3. Non-current assets available for sale and disposal groups	-	-	-	-
Total	**12,767,712**	**8,974,277**	**2,797,428**	**920,431**
1. Financial liabilities measured at amortised cost	15,612,346	-	15,612,346	-
2. Liabilities associated to assets held for sale	-	-	-	-
Total	**15,612,346**	**-**	**15,612,346**	**-**

FINANCIAL ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	31.12.2021			
	BV	L1	L2	L3
1. Financial assets measured at amortised cost	10,853,611	7,609,681	2,449,431	982,043
2. Property and equipment held as investments	-	-	-	-
3. Non-current assets available for sale and disposal groups	-	-	-	-
Total	**10,853,611**	**7,609,681**	**2,449,431**	**982,043**
1. Financial liabilities measured at amortised cost	14,412,355	-	14,412,355	-
2. Liabilities associated to assets held for sale	-	-	-	-
Total	**14,412,355**	**-**	**14,412,355**	**-**

PART B - INFORMATION ON THE CONSOLIDATED BALANCE SHEET

1. Assets

1.1 Cash and deposits - Item 10

1.1.1 Breakdown of cash and deposits

ITEMS/VALUES	30.06.2022	31.12.2021
a) Cash	26,924	26,687
b) Current accounts and demand deposits with Central Banks	1,322,129	1,504,015
c) Current accounts and demand deposits with banks	70,198	89,632
Total	**1,419,251**	**1,620,334**

Item b) Current accounts and demand deposits with Central Banks represents the portion of the balance of the settlement account held with the Bank of Italy that is not restricted according to the mandatory reserve rules.

1.2 Financial assets measured at fair value through profit or loss - Item 20

1.2.1 HFT financial assets: debtors/issuers/counterparties

ITEMS/VALUES	30.06.2022	31.12.2021
A. Cash assets		
1. Debt securities	**1,983**	**2,010**
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	1,981	2,008
d) Other financial companies	-	-
of which:		
– *insurance companies*	-	-
e) Non-financial companies	2	2
2. Equity securities	**2**	**10**
a) Banks	-	-
b) Other financial companies	-	-
of which:		
– *insurance companies*	-	-
c) Non-financial companies	2	10
d) Other issuers	-	-
3. UCITS units	**-**	**-**
4. Loans	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which:		
– *insurance companies*	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total A	**1,985**	**2,020**
B. Derivatives		
a) Central counterparties	-	-
b) Other	246	4,558
Total B	**246**	**4,558**
Total (A + B)	**2,231**	**6,578**

1.2.2 Other financial assets mandatorily measured at fair value: debtors/issuers

ITEMS/VALUES	30.06.2022	31.12.2021
1. Equity securities	6,207	6,414
of which:		
- *banks*	-	-
- *other financial companies*	*6,207*	*6,414*
- *other non-financial companies*	-	-
2. Debt securities	2,104	1,882
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which:		
- *insurance companies*	-	-
e) Non-financial companies	2,104	1,882
3. UCITS units	398,183	382,856
4. Loans	17,456	17,828
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	16,520	16,892
of which:		
- *insurance companies*	*16,520*	*16,892*
e) Non-financial companies	936	936
f) Households	-	-
Total	**423,950**	**408,980**

The UCITS portfolio includes the Forward Fund, a newly formed Italian AIF managed by Gardant SGR, specialised in illiquid investments. The fund was subscribed in October 2021 in the amount of 378 million euros, as part of the restructuring of a portfolio of senior notes issued by several special-purpose vehicles in the securitisation of healthcare receivables, which Banca Generali purchased from its customers and concurrently transferred to the Fund, subscribing 98% of its units. At the end of 2021 the fund had a capital loss of 696 thousand euros.
For a detailed analysis of the transaction and the related accounting treatment, the reader is referred to the information provided in "Part E – Information on Risks and Risk Hedging Policies, Section 2 "Prudential consolidation risks", Subsection D "Sale transactions", paragraph C "Financial assets sold and fully derecognised" of the Financial Statements at 31 December 2021. At 30 June 2022 the value of the fund was 393,436 thousand euros; in the first half of the year, a capital loss of 867 thousand euros was recognised.

The residual UCITS portfolio is comprised for 1,779 thousand euros of the investment in the Luxembourg vehicle Algebris, for 1,047 thousand euros of the units of the Tenax Italian Credit Fund, managed by the Irish firm Tenax Capital Ltd., for the remainder of the closed alternative real-estate investment fund MIP I managed by Milano Investment Partners SGR S.p.A.
In February 2021, Banca Generali subscribed 100,000 shares of the newly formed Hope S.p.A., transformed into Sicaf, a fixed-capital investment company, following authorisation from the Supervisory Authorities. Hope Sicaf S.B (società benefit) S.p.A. is an independent, innovative investment platform that adopts a multi-asset and multi-strategy management strategy, selecting excellent, sustainable companies, projects and investment ideas in which to invest, with a focus on "real" Italian assets (tangible assets such as services of public utility, energy and digital infrastructure, real-estate assets and fields for agriculture). The class-A notes held by Banca Generali, as the founding shareholder, were placed in the FVOCI portfolio in the amount of 1 million euros.
The entirety of the interest in the Teref Fund was divested in December 2021. The units were partly liquidated and partly reinvested in interests in the equity of Tecref S.àr.l. The units acquired, with a nominal value of 11,608, were reclassified to the portfolio of financial assets mandatorily measured at fair value, with a final value of 4,263 thousand euros.
Equity investments in shares of the parent company Assicurazioni Generali amounted to 944 thousand euros as at 30 June 2022.
Debt securities refer to the convertible bond issued by Conio Inc. on 9 December 2020, with maturity set on 31 May 2025.

1.3 Financial assets measured at fair value through other comprehensive income — Item 30

1.3.1 Financial assets measured at fair value through other comprehensive income: debtors/Issuers

ITEMS/VALUES	30.06.2022	31.12.2021
1. Debt securities	**2,116,246**	**2,525,123**
a) Central Banks	-	-
b) Public administration bodies	1,799,004	2,285,776
c) Banks	240,894	182,379
d) Other financial companies	57,745	55,958
of which:		
- *insurance companies*	-	-
e) Non-financial companies	18,603	1,010
2. Equity securities	**18,428**	**17,942**
a) Banks	-	-
b) Other issuers	18,428	17,942
- other financial companies	3,195	3,195
of which:		
- *insurance companies*	-	-
- non-financial companies	15,226	14,740
- other	7	7
3. Loans	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which:		
- *insurance companies*	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**2,134,674**	**2,543,065**

The equity securities portfolio included 18,428 thousand euros referring to “minor equity investments”, which are largely related to service agreements concluded by the Group (CSE, GBS, Caricese, SWIFT, etc.) or agreements of a commercial nature (Tosetti Value Sim, 8 A+ SGR, Conio Inc.), usually not listed and non-negotiable. Those interests are measured at purchase cost in the absence of reliable, updated estimates of fair value.
The interest acquired in Conio falls within the wider corporate and commercial partnership with the Californian fintech company founded in 2015, which has positioned itself as a wallet provider that offers custody, negotiation and reporting services, currently regarding Bitcoins only, on the Italian market, thought its investee Conio S.r.l.
At the end of June 2021 Banca Generali acquired a minority interest in the newly formed Beyond Investment S.p.A., an investment holding company owned by the Bank and a group of leading Italian entrepreneurial families with the aim of undertaking private equity, venture capital and real estate investments. The shares, with a value of 166 thousand euros, are measured at cost.

1.3.2 Financial assets measured at fair value through other comprehensive income: gross value and total adjustments

	GROSS VALUE		TOTAL ADJUSTMENTS	
	STAGE 1 AND STAGE 2	STAGE 3	STAGE 1 AND STAGE 2	STAGE 3
Debt securities	2,117,015	-	769	-
Loans	-	-	-	-
Total at 30.06.2022	**2,117,015**	**-**	**769**	**-**
Total at 31.12.2021	**2,525,515**	**-**	**392**	**-**

1.4 Financial assets measured at amortised cost — Item 40

1.4.1 Financial assets measured at amortised cost: categories of loans to banks

TYPE OF TRANSACTIONS/VALUES	30.06.2022 BOOK VALUE	31.12.2021 BOOK VALUE
A. Loans to Central Banks	**136,933**	**130,137**
1. Term deposits	-	-
2. Mandatory reserve	136,933	130,137
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**1,879,040**	**1,088,001**
1. Financing	587,820	412,103
1.1 Current accounts	7,023	6,136
1.2 Term deposits	21,450	25,510
1.3 Other loans:	559,347	380,457
- repurchase agreements	399,745	199,805
- lease loans	-	-
- other	159,602	180,652
2. Debt securities	1,291,220	675,898
2.1 Structured securities	524	538
2.2 Other debt securities	1,290,696	675,360
Total	**2,015,973**	**1,218,138**

1.4.2 Financial assets measured at amortised cost: categories of loans to customers

	30.06.2022	31.12.2021
Loans	**2,556,986**	**2,415,273**
Current accounts	1,663,264	1,567,177
Mortgages and personal loans	800,110	843,271
RRPs with CC&G on MTS REPO	88,536	-
Other financing and loans not in current accounts	5,076	4,825
Debt securities	**7,974,581**	**7,007,362**
Other transactions	**220,172**	**212,838**
Operating loans to management companies	162,239	157,646
Sums advanced to Financial Advisors	25,504	31,119
Stock exchange interest-bearing daily margin	13,608	2,257
Charges to be debited and other loans	18,821	21,816
Total loans to customers	**10,751,739**	**9,635,473**

1.4.3 Doubtful loans

(€ THOUSAND)	GROSS EXPOSURE	VALUE ADJUSTMENTS	NET EXPOSURE 2022	NET EXPOSURE 2021	CHANGE AMOUNT	CHANGE %	SECURED EXPOSURE INDEMNITY	EXPOSURE NET OF INDEMNITY	INDEMNITY 2021
Bad loans	**34,877**	**-14,468**	**20,409**	**20,778**	**-369**	**-1.8%**	**18,200**	**2,209**	**18,015**
Financing	28,776	-9,622	19,154	18,971	183	1.0%	18,200	954	18,015
Debt securities	2,642	-2,642	-	-	-	n.a.	-	-	-
Operating loans	3,459	-2,204	1,255	1,807	-552	-30.5%	-	1,255	-
Unlikely to pay	**7,077**	**-1,637**	**5,440**	**5,757**	**-317**	**-5.5%**	**-**	**5,440**	**-**
Past-due exposures - over 90 days	**9,226**	**-1,742**	**7,484**	**7,102**	**382**	**5.4%**	**-**	**7,484**	**-**
Total non-performing loans	**51,180**	**-17,847**	**33,333**	**33,637**	**-304**	**-0.9%**	**18,200**	**15,133**	**18,015**

Net non-performing loans amounted to 33.3 million euros, equal to 0.31% of total loans to customers, and were substantially unchanged compared to the previous year (-0.3 million euros).

They are attributable to:
- 32,078 thousand euros of financing;
- 1,255 thousand euros of operating loans.

Financing
The positions reclassified as a result of this process are mostly revocable account credit exposures secured by financial collateral in the form of pledges of financial instruments and/or financial products; there are only a few cases of mortgage loans with real estate as collateral or unsecured account overdraft facilities, or covered only by personal guarantees.
In the first half of 2022, the exposure remained essentially unchanged compared to 31 December 2021.

At the end of the period, non-performing loans included 18.2 million euros referring to 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 mainly secured to that end by cash collateral payments by the counterparty. Net of this portfolio, which accounted for over 53% of net non-performing exposures, the weight of non-performing exposures to total loans to customers decreased to 15.7 million euros.

At the end on the first half of the year, the forborne positions stood at approximately 13.2 million euros, of which 2.2 million euros referring to non-performing positions.

Debt securities
The item relating to non-performing debt securities (Stage 3) refers to the Alitalia bond. This bond known as “Dolce Vita”, amounting to 2,642 thousand euros, was fully written down in the previous years due to the airline’s serious state of crisis, which resulted in a court declaration of the company’s insolvency and the commencement of the extraordinary administration procedure.

Operating loans
Net non-performing exposures relating to operating loans amounted to 1,255 thousand euros and referred primarily to litigation or pre-litigation positions of former Financial Advisors.

1.4.3 Financial assets measured at amortised cost: gross value and total adjustments

	GROSS VALUE		TOTAL ADJUSTMENTS	
	STAGE 1 AND STAGE 2	STAGE 3	STAGE 1 AND STAGE 2	STAGE 3
Debt securities - banks	1,293,292	-	2,072	-
Debt securities - customers	7,978,204	2,642	3,623	2,642
Loans to banks	724,992	-	239	-
Loans to customers	2,747,153	48,538	3,328	15,205
Total at 30.06.2022	**12,743,641**	**51,180**	**9,262**	**17,847**
Total at 31.12.2021	**10,828,253**	**46,495**	**6,472**	**14,665**

In respect of the model for assessing expected credit losses (ECLs) provided for in IFRS 9, at 30 June 2022 performing loans measured at amortised cost, classified to Stage 1 and Stage 2, are recognised net of the collective reserves for a total of 9,262 thousand euros, of which:
- 5,695 thousand euros relating to the debt securities portfolio;
- 3,567 thousand euros relating to other loans.

Within this item, total value adjustments of exposures to banks amounted to 2,311 thousand euros, of which 2,072 thousand euros on debt securities and 239 thousand euros on other loans.
The provision for expected losses on debt securities - customers refers instead to the government bond portfolio in the amount of 2,110 thousand euros.

1.5 Hedging derivatives - Item 50

1.5.1 Breakdown of hedging by type of hedge and hierarchy levels

TYPE OF TRANSACTIONS/VALUES	30.06.2022 FAIR VALUE L1	L2	L3	NOTIONAL VALUE	31.12.2021 FAIR VALUE L1	L2	L3	NOTIONAL VALUE
A) Financial derivatives	**-**	**175,432**	**-**	**1,620,500**	**-**	**11,357**	**-**	**827,500**
1) Fair value	-	175,432	-	1,620,500	-	11,357	-	827,500
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B) Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**175,432**	**-**	**1,620,500**	**-**	**11,357**	**-**	**827,500**

1.5.2 Breakdown of hedging derivatives by portfolios hedged and type of hedge

HEDGING TRANSACTIONS/TYPE	FAIR VALUE SPECIFIC: DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND STOCK INDICES	CURRENCIES AND GOLD	CREDIT	GOODS	OTHER	FAIR VALUE GENERAL	CASH FLOWS SPECIFIC	CASH FLOWS GENERAL	FOREIGN INVESTMENTS
1. Financial assets measured at fair value through other comprehensive income	1,020	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	174,412	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**175,432**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

1.6 Equity investments - Item 70

1.6.1 Equity investments: disclosure on type of relations

COMPANY NAME	REGISTERED OFFICE	OPERATING OFFICE	TYPE OF RELATION	SHAREHOLDING: INVESTOR COMPANY	SHAREHOLDING: % HELD	% OF VOTING RIGHTS
A. Subsidiaries under common control						
1. BG Saxo Sim S.p.A.	Milan	Milan	Associate	Banca Generali	19.9%	19.9%
B. Companies subject to significant influence						
1. IOCA Entertainment Limited	United Kingdom - London	United Kingdom - London	Associate	Banca Generali	35%	35%
2. Nextam Partners Sim S.p.A.	Milan	Milan	Associate	Banca Generali	19.9%	19.9%

BG Saxo Sim S.p.A. is an investment firm formed as part of the joint venture with Saxo Bank, in which Banca Generali acquired a 19.9% stake on 31 October 2019 for 1,995 thousand euros, plus additional costs. Banca Generali and Saxo Bank entered into an agreement to set up an exclusive partnership specialising in online trading and digital services. The deal aims to offer Italian customers exclusive access to an innovative advanced trading platform based on Saxo Bank's technology, and managed by BG

Saxo Sim. The new platform will allow for an expansion of the range available to Banca Generali's Financial Advisors, granting access to tailor-made transactions and innovative dynamic hedging solutions that can be offered to both private-banking and corporate customers.
The value of the equity investment in BG Saxo Sim S.p.A. changed during 2022 as a result of the company's capital increase authorised in April and subscribed by Banca Generali S.p.A. for the relevant share equal to 796 thousand euros.

IOCA Entertainment Ltd. is a company under the UK law, in which Banca Generali acquired a 35% interest on 19 October 2015, in the form of 3,500 shares with a nominal value of 1.00 pound sterling each, for a total of 1,616,125 pound sterlings, equivalent to an original amount to approximately 2.2 million euros. The company, an e-commerce/social networking start-up engaged in the commercial development of an app for smartphones and tablets, named Dringle, was fully written off in 2020 as it did not attain its commercial targets and did not offer concrete perspectives of future growth.

On 5 March 2021, Banca Generali's Board of Directors approved the sale of an 80.1% interest in the share capital of Nextam Partners Sim S.p.A. to a new corporate structure led by the main key manager of the Nextam Group. After having received the prior authorisation by the Bank of Italy, the disposal transaction was finalised on 20 January 2022. Banca Generali thus remains the holder of a 19.9% equity interest in the company, qualifying as an associate.

1.6.2 Non-significant equity investments: accounting information

COMPANY NAME	BOOK VALUE OF EQUITY INVEST-MENTS	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL REVENUES	PROFIT (LOSS) FROM OPERATING ACTIVITIES NET OF TAXES	PROFIT (LOSS) FROM OPERATING ACTIVITIES NET OF TAXES	NET PROFIT (LOSS) FOR THE PERIOD	OTHER INCOME COMPO-NENTS NET OF TAXES (2)	COMPREHEN-SIVE INCOME (3) = (1) + (2)
A. Subsidiaries under common control									
1. BG Saxo Sim S.p.A.	2,701	22,652	14,797	699	-719	-	-719	-	-719
B. Companies subject to significant influence									
1. IOCA Entertainment Limited	-	137	4	-	-30	-	-30	-	-30
2. Nextam Partners Sim S.p.A.	397	2,712	718	508	3	-	3	-	3
Total	**3,098**	**25,501**	**15,519**	**1,207**	**-746**	**-**	**-746**	**-**	**-746**

1.6.3 Equity investments: year changes

	30.06.2022	31.12.2021
A. Amount at period-start	**2,048**	**1,717**
B. Increases	**1,266**	**597**
B.1 Purchases	796	597
B.2 Reversals	-	-
B.3 Revaluations	-	-
B.4 Other changes	470	-
C. Decreases	**216**	**266**
C.1 Sales	-	-
C.2 Adjustments	216	266
C.3 Write-downs	-	-
C.4 Other changes	-	-
D. Amount at period-end	**3,098**	**2,048**
E. Total revaluations	**-**	**-**
F. Total adjustments	**2,431**	**2,215**

The 796 thousand euro increase was attributable to the amount paid for the capital increase of BG Saxo Sim S.p.A. in the first half of 2022.
The 470 thousand euro increase refers to the reclassification of the residual equity investment in Nextam Sim S.p.A. after the disposal transaction carried out in early 2022.

1.7 Property, equipment and intangible assets - Items 90 and 100

1.7.1 Breakdown of property, equipment and intangible assets

(€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
A. Property and equipment				
1. Operating	**156,795**	**159,012**	**-2,217**	**-1.4%**
1.1 Owned assets	**7,427**	**8,055**	**-628**	**-7.8%**
- furniture and fittings	6,006	6,452	-446	-6.9%
- EAD machines and equipment	252	290	-38	-13.1%
- miscellaneous machines and equipment	1,169	1,313	-144	-11.0%
1.2 Rights of use acquired through leases	**149,368**	**150,957**	**-1,589**	**-1.1%**
- buildings	148,271	149,728	-1,457	-1.0%
- other	1,097	1,229	-132	-10.7%
Total property and equipment	**156,795**	**159,012**	**-2,217**	**-1.4%**
B. Intangible assets				
With unspecified maturity	**88,803**	**88,789**	**14**	**-**
- goodwill	88,073	88,073	-	-
- trademarks	730	716	14	2.0%
With specified maturity – at cost	**41,843**	**47,383**	**-5,540**	**-11.7%**
- relationship with former customers (Credit Suisse Italy, Nextam S.p.A. group, BG Valeur S.A.)	18,440	19,156	-716	-3.7%
- charges associated with the implementation of legacy CSE procedures	16,659	18,856	-2,197	-11.7%
- other software costs	895	272	623	n.a.
- assets in progress	5,849	9,099	-3,250	-35.7%
Total intangible assets	**130,646**	**136,172**	**-5,526**	**-4.1%**
Total property, equipment and intangible assets	**287,441**	**295,184**	**-7,743**	**-2.6%**

1.7.2 Changes in property, equipment and intangible assets

	GOODWILL	OTHER INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE (TRADEMARKS)	OTHER INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE	PROPERTY AND EQUIPMENT OWNED	RIGHTS OF USE ACQUIRED THROUGH LEASES	30.06.2022	31.12.2021
Net amount at period-start	**88,073**	**716**	**47,383**	**8,055**	**150,957**	**295,184**	**288,598**
Increases	**-**	**14**	**1,006**	**370**	**8,725**	**10,115**	**42,421**
Purchases	-	-	921	339	3,188	4,448	23,406
Other changes	-	14	85	31	5,537	5,667	19,015
Decreases	**-**	**-**	**6,546**	**998**	**10,314**	**17,858**	**35,835**
Sales	-	-	-	-	-	-	-
Adjustments	-	-	6,546	998	10,073	17,617	35,654
of which:							
a) amortisation/depreciation	-	-	*6,546*	*998*	*10,073*	*17,617*	*35,654*
b) write-downs	-	-	-	-	-	-	-
Other changes	-	-	-	-	241	241	181
Amount at period-end	**88,073**	**730**	**41,843**	**7,427**	**149,368**	**287,441**	**295,184**

1.7.3 Breakdown of consolidated goodwill

(€ THOUSAND)	30.06.2022	31.12.2021
Prime Consult Sim and INA Sim	2,991	2,991
BG Fiduciaria Sim S.p.A.	4,289	4,289
Banca del Gottardo	31,352	31,352
Credit Suisse Italy	27,433	27,433
Nextam S.p.A. group	12,202	12,202
BG Valeur S.A.	8,706	8,706
Binck Bank Italia business unit	1,100	1,100
Total	**88,073**	**88,073**

1.7.4 Breakdown of customer relationships

(€ THOUSAND)	30.06.2022	31.12.2021
Nextam group	7,284	7,562
Credit Suisse Italy	8,448	9,024
BG Valeur S.A.	2,708	2,570
Total	**18,440**	**19,156**

1.8 Tax assets and liabilities - Item 110 (Assets) and Item 60 (Liabilities)

1.8.1 Breakdown of item 110 (Assets): tax assets

TYPE OF TRANSACTIONS/VALUES	30.06.2022	31.12.2021
Current taxation	**857**	**9,623**
Sums due for taxes to be refunded	331	177
IRES arising on National Tax Consolidation scheme	-	7,908
IRES and foreign direct taxes	261	437
IRES surtax	265	1,100
IRAP	-	1
Deferred tax assets	**69,098**	**63,004**
With impact on Profit and Loss Account	**62,975**	**61,965**
IRES	52,555	51,603
IRAP	10,420	10,362
With impact on Net Equity	**6,123**	**1,039**
IRES	5,323	966
IRAP	800	73
Total	**69,955**	**72,627**

1.8.2 Breakdown of item 60 (Liabilities): tax liabilities

TYPE OF TRANSACTIONS/VALUES	30.06.2022	31.12.2021
Current taxation	**32,404**	**22,233**
IRES arising on National Tax Consolidation scheme	11,244	-
IRES and other foreign income taxes	19,189	20,900
IRAP	1,971	1,333
Deferred tax liabilities	**5,023**	**6,087**
With impact on Profit and Loss Account	**3,759**	**4,195**
IRES deferred tax liabilities and foreign income taxes	2,783	2,825
IRAP	976	1,370
With impact on Net Equity	**1,264**	**1,892**
IRES deferred tax liabilities and foreign income taxes	1,130	1,627
IRAP	134	265
Total	**37,427**	**28,320**

1.8.3 Breakdown of deferred tax assets

TYPE OF TRANSACTIONS/VALUES	30.06.2022	OF WHICH LAW 214/2011	31.12.2021	OF WHICH LAW 214/2011
With impact on Profit and Loss Account	**62,975**	**6,305**	**61,965**	**6,663**
Provisions for liabilities and contingencies	47,411	-	46,637	-
Write-downs of loans to customers before 2015	1,917	1,917	1,980	1,980
Redeemed goodwill of former Banca del Gottardo (Article 15, para. 10, of Leg. Decree 185/08)	2,449	2,449	2,631	2,631
Goodwill of former BG Fiduciaria Sim (Article 15, para. 10-*ter*)	1,131	1,131	1,200	1,200
Redeemed goodwill of former BG SGR (Article 176, para. 2-*ter*, of TUIR)	808	808	852	852
Redeemed goodwill of former Nextam Partners (Article 15, para. 10, of Decree Law 185/08)	3,923	-	3,923	-
Redeemed goodwill of former Banca del Gottardo (Article 110 of Decree Law 104/21)	2,329	-	2,399	-
Collective write-downs (ECLs) on loans to customers and banks	436	-	381	-
Other	788	-	774	-
Group companies' tax losses	1,081	-	494	-
BVG pension funds	702	-	694	-
With impact on Net Equity	**6,123**	**-**	**1,039**	**-**
Measurement at fair value of HTCS financial assets	5,477	-	453	-
IAS 19-related actuarial losses on post-employment benefits	629	-	586	-
Other	17	-	-	-
Total	**69,098**	**6,305**	**63,004**	**6,663**

For further details on the realignment of the carrying and tax values of goodwill, trademarks and other intangible assets at the end of the first half 2021, reference should be made to the Annual Integrated Report 2021 and the Interim Report at 30 June 2021.

1.8.4 Breakdown of deferred tax liabilities

TYPE OF TRANSACTIONS/VALUES	30.06.2022	31.12.2021
With impact on Profit and Loss Account	**3,759**	**4,195**
Off-balance sheet goodwill deduction	1,339	1,054
Intangible assets recognised upon PPA (trademarks and client relationships)	534	546
Financial assets mandatorily measured at fair value through profit and loss (equity securities and policies)	462	472
Provision for post-employment benefits (IAS 19)	152	152
Other	125	131
Retained earnings of subsidiaries (IAS 12, para. 38 40)	1,147	1,840
With impact on Net Equity	**1,264**	**1,892**
Measurement at fair value of HTCS financial assets	708	1,738
IAS 19-related actuarial gains on BGV pension funds	556	154
Total	**5,023**	**6,087**

1.8.5 Change in deferred tax assets (offsetting entry to the Profit and Loss Account)

	30.06.2022	31.12.2021
1. Amount at period-start	**61,965**	**48,000**
2. Increases	**9,453**	**26,196**
2.1 Deferred tax assets for the period:	9,367	19,733
a) relative to prior years	-	-
b) change in accounting criteria	-	-
c) reversals	-	-
d) other	9,367	19,733
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	86	6,463
of which:		
- *recognised for realignment operations*	-	*6,463*
3. Decreases	**8,443**	**12,231**
3.1 Deferred tax assets eliminated in the period:	8,391	11,928
a) transfers	8,101	11,707
b) write-downs for non-recoverability	-	2
c) change in accounting criteria	-	-
d) other	290	219
3.2 Decreases in tax rates	-	-
3.3 Other decreases:	52	303
a) conversion into tax credits pursuant to Law No. 214/2011	-	-
b) other	52	303
4. Amount at period-end	**62,975**	**61,965**

1.8.6 Change in deferred tax assets pursuant to Law No. 214/2011 (offsetting entry to the Profit and Loss Account)

	30.06.2022	31.12.2021
1. Amount at period-start	**6,663**	**7,569**
2. Increases	**-**	**-**
3. Decreases	**358**	**906**
3.1 Transfers	358	906
3.2 Conversion into tax credits:	-	-
a) due to losses for the period	-	-
b) due to tax losses	-	-
3.3 Other decreases	-	-
4. Amount at period-end	**6,305**	**6,663**

1.8.7 Change in deferred tax liabilities (offsetting entry to the Profit and Loss Account)

	30.06.2022	31.12.2021
1. Amount at period-start	**4,195**	**9,848**
2. Increases	**984**	**2,624**
2.1 Deferred tax liabilities recognised in the period:	962	2,624
a) relative to prior years	-	-
b) change in accounting criteria	-	-
c) other	962	2,624
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	22	-
3. Decreases	**1,420**	**8,277**
3.1 Deferred tax liabilities eliminated in the period:	59	2,087
a) transfers	59	236
b) change in accounting criteria	-	-
c) other	-	1,851
3.2 Decreases in tax rates	-	-
3.3 Other decreases	1,361	6,190
of which:		
- *eliminated for realignment operations*	-	*6,190*
4. Amount at period-end	**3,759**	**4,195**

1.8.8 Change in deferred tax assets (offsetting entry to Net Equity)

	30.06.2022	31.12.2021
1. Amount at period-start	**1,039**	**766**
2. Increases	**6,257**	**1,466**
2.1 Deferred tax liabilities recognised in the period:	6,257	1,466
a) relative to prior years	-	-
b) change in accounting criteria	-	-
c) other	6,257	1,466
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**1,173**	**1,193**
3.1 Deferred tax liabilities eliminated in the period:	187	118
a) transfers	187	118
b) write-downs for non-recoverability	-	-
c) change in accounting criteria	-	-
d) other	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases	986	1,075
4. Amount at period-end	**6,123**	**1,039**

The item 3.3 “Other decreases” refers to the reduction in deferred tax assets following the re-absorption of deductible temporary differences as a result of reversals of assets in the HTCS portfolio.

1.8.9 Change in deferred tax liabilities (offsetting entry to Net Equity)

	30.06.2022	31.12.2021
1. Amount at period-start	**1,892**	**3,494**
2. Increases	**687**	**601**
2.1 Deferred tax liabilities recognised in the period:	687	601
a) relative to prior years	-	-
b) change in accounting criteria	-	-
c) other	687	601
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**1,315**	**2,203**
3.1 Deferred tax liabilities eliminated in the period:	354	1,180
a) transfers	354	1,180
b) change in accounting criteria	-	-
c) other	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases	961	1,023
4. Amount at period-end	**1,264**	**1,892**

The item 3.3 “Other decreases” refers to the reduction in deferred tax liabilities following the re-absorption of deductible temporary differences as a result of higher value adjustments of assets in the HTCS portfolio.

1.9 Non-current assets held for sale and disposal groups and associated liabilities - Item 120 (Assets) and Item 70 (Liabilities)

1.9.1 Non-current assets held for sale and disposal groups: categories

	30.06.2022	31.12.2021
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Equity investments	-	-
A.3 Property and equipment	-	-
of which:		
- *obtained through the enforcement of guarantees received*	-	-
A.4 Intangible assets	-	106
A.5 Other non-current assets	-	2,588
Total A	**-**	**2,694**
of which:		
- *measured at cost*	-	-
- *measured at fair value level 1*	-	-
- *measured at fair value level 2*	-	*2,694*
- *measured at fair value level 3*	-	-
B. Discontinued operations		
B.1 Financial assets measured at fair value through profit or loss	-	-
- HFT financial assets	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily measured at fair value	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-
B.3 Financial assets measured at amortised cost	-	-
B.4 Equity investments	-	-
B.5 Property and equipment	-	-
of which:		
- *obtained through the enforcement of guarantees received*	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total B	**-**	**-**
of which:		
- *measured at cost*	-	-
- *measured at fair value level 1*	-	-
- *measured at fair value level 2*	-	-
- *measured at fair value level 3*	-	-
C. Liabilities associated with assets held for sale		
C.1 Debts	-	25
C.2 Securities	-	-
C.3 Other liabilities	-	293
Total C	**-**	**318**
of which:		
- *measured at cost*	-	-
- *measured at fair value level 1*	-	-
- *measured at fair value level 2*	-	*318*
- *measured at fair value level 3*	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortised cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total D	**-**	**-**
of which:		
- *measured at cost*	-	-
- *measured at fair value level 1*	-	-
- *measured at fair value level 2*	-	-
- *measured at fair value level 3*	-	-

1.9.2 Non-current assets held for sale and disposal groups: other information

On 5 March 2021, Banca Generali's Board of Directors approved the sale of an 80.1% interest in the share capital of Nextam Partners Sim S.p.A. to a new corporate structure led by the main key manager of the Nextam Group.
After having received the prior authorisation by the Bank of Italy, the disposal transaction was finalised on 20 January 2022. Banca Generali thus remains the holder of a 19.9% equity interest in the company, qualifying as an associate.
Pursuant to IFRS 5, at 31 December 2021, at consolidated level the assets and liabilities of the company have been reclassified to the assets and liabilities referring to disposal groups and liabilities associated with disposal groups.

1.10 Other assets - Item 130

1.10.1 Breakdown of other assets

	30.06.2022	31.12.2021
Fiscal items	**97,339**	**80,935**
Advances paid to fiscal authorities – current account withholdings	35	80
Advances paid to fiscal authorities – stamp duty	85,328	56,691
Advances of substitute tax on capital gains	-	22,368
Other advances paid to and sums due from fiscal authorities	663	463
Fiscal Authorities/VAT	88	88
Fiscal Authorities/Superbonus	10,868	922
Sums due from fiscal authorities for other taxes to be refunded	357	323
Leasehold improvements	**6,993**	**7,985**
Operating loans not related to financial transactions	**348**	**290**
Sundry advances to suppliers and employees	**1,879**	**2,119**
Cheques under processing	**9,727**	**8,634**
Money orders and other amounts receivable	9,727	8,634
Other amounts to be debited under processing	**54,308**	**34,848**
Amounts to be settled in the clearing house (debits)	2,053	2,285
Clearing accounts for securities and funds procedure	37,078	24,030
Other amounts to be debited under processing	15,177	8,533
Amounts receivable for legal disputes related to non-credit transactions	**109**	**109**
Trade receivables from customers and banks that cannot be traced back to specific items	**29,840**	**52,864**
Other amounts	**201,025**	**187,348**
Prepayments for the supplementary fees for sales network	75,048	73,451
Prepayments for ordinary incentives	87,191	93,031
Other accrued income and deferred charges that cannot be traced back to specific items	36,680	17,573
Term deposit to guarantee the consideration related to Nextam (escrow account)	1,769	3,000
Sundry amounts	337	293
Total	**401,568**	**375,132**

Receivables from fiscal authorities for withholdings on current accounts represent the positive imbalance between payments on account and the related payable to fiscal authorities.

Other assets include assets associated with the incremental costs of obtaining a contract or incurred to fulfil a contract with customers as set out in IFRS 15, paragraphs 91-104.
Prepayments for the supplementary fees for sales network refer to incremental fee expense of acquiring new customers paid to new Financial Advisors within the framework of recruitment programmes and based on the achievement of specific net inflows targets.
Prepayments for ordinary incentives to the sales network constitute incremental costs of obtaining a contract or costs incurred to fulfil a contract and consist of fees paid annually to the existing sales network based on the achievement of net inflows targets, irrespective of whether they have been achieved by acquiring new customers or by strengthening relationships already in place with existing customers.

Costs are systematically amortised over a time horizon corresponding to the transfer to the customer of the goods or services to which the asset refers, estimated to amount to five years.

The changes in the main prepaid expenses during the reporting period are shown below.

	31.12.2021	AMORTISATION	OF WHICH RELATED TO THE PREVIOUS YEAR	INCREASES	OTHER CHANGES	30.06.2022
Supplementary fees	73,451	-18,609	-15,309	20,206	-	75,048
Ordinary incentives	93,031	-19,254	-16,572	13,414	-	87,191
Three-year incentives	-	-1,098	-	5,491	-	4,393
Total network incentives	**166,482**	**-38,961**	**-31,881**	**39,111**	**-**	**166,632**
Entry bonus on BG Solution portfolio management	7,715	-1,414	-1,288	2,630	-5	8,926
Bonus on JPM funds	132	-41	-37	32	-	123
Total other acquisition costs	**7,847**	**-1,455**	**-1,325**	**2,662**	**-5**	**9,049**
Total	**174,329**	**-40,416**	**-33,206**	**41,773**	**-5**	**175,681**

Other prepaid expenses include for 23,238 thousand euros prepaid expenses not accrued during the period and refer in particular to lease prepayments, insurance premiums and other general and administrative expenses.

2. Net Equity and Liabilities

2.1 Financial liabilities measured at amortised cost - Item 10

2.1.1 Financial liabilities measured at amortised cost: due to banks – categories

TYPE OF TRANSACTIONS/VALUES	30.06.2022 BOOK VALUE	31.12.2021 BOOK VALUE
1. Due to Central Banks	**687,274**	**690,725**
2. Due to banks	**156,467**	**128,009**
2.1 Current accounts and demand deposits	82,501	96,022
2.2 Term deposits	-	-
2.3 Financing:	55,648	12,422
2.3.1 Repurchase agreements	47,296	11,752
2.3.2 Other	8,352	670
2.4 Liabilities for repurchase commitments of own equity instruments	-	-
2.5 Lease debts	-	-
2.6 Other debts	18,318	19,565
Total	**843,741**	**818,734**

The item “Other debts” almost entirely refers to deposits made by EFG Bank S.A. as a guarantee for some non-performing exposures, arising on the acquisition of Banca del Gottardo Italia (collateral deposits).

2.1.2 Financial liabilities measured at amortised cost: due to customers - categories

TYPE OF TRANSACTIONS/VALUES	30.06.2022 BOOK VALUE	31.12.2021 BOOK VALUE
1. Current accounts and demand deposits	13,902,270	13,231,340
2. Term deposits	-	-
3. Financing	569,928	7,441
3.1 Repurchase agreements	383,622	-
3.2 Other	186,306	7,441
4. Liabilities for repurchase commitments of own equity instruments	-	-
5. Lease debts	155,153	156,363
6. Other debts	141,254	198,476
Total	**14,768,605**	**13,593,620**

Item 5 “Lease debts” includes the liability relating to lease payments determined on the basis of the IFRS 16 - *Leases*, which entered into force on 1 January 2019.

Item 6 “Other debts” refers for 3,844 thousand euros to the stock of money orders issued by the parent company Banca Generali in relation to claims payment of insurance companies of the Generali Group, and, for the remaining amount, to other sums made available to customers and trade payables to the sales network.

2.2 Financial liabilities held for trading - Item 20

2.2.1 HFT financial liabilities: categories

	30.06.2022					31.12.2021				
		FV					FV			
TYPE OF TRANSACTIONS/VALUES	NV	L1	L2	L3	FV (*)	NV	L1	L2	L3	FV (*)
A. Cash liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds:	-	-	-	-	-	-	-	-	-	-
3.1.1 structured	-	-	-	-	X	-	-	-	-	X
3.1.2 other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities:	-	-	-	-	-	-	-	-	-	-
3.2.1 structured	-	-	-	-	X	-	-	-	-	X
3.2.2 other	-	-	-	-	X	-	-	-	-	X
Total A	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives										
1. Financial	-	-	244	-	-	-	-	4,551	-	-
1.1 Trading	X	-	244	-	X	X	-	4,551	-	X
1.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit	-	-	-	-	-	-	-	-	-	-
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	**X**	**-**	**244**	**-**	**X**	**X**	**-**	**4,551**	**-**	**X**
Total (A + B)	**X**	**-**	**244**	**-**	**X**	**X**	**-**	**4,551**	**-**	**X**

(*) FV measured without taking account of issuer's creditworthiness changes compared to issue date.

HFT financial liabilities consist for 244 thousand euros of trading transactions relating to currency outrights with customers as counterparty. This item has its balancing entry in assets classified under Item 20.

2.3 Hedging derivatives - Item 40

2.3.1 Breakdown of hedging derivatives by type of hedge and hierarchy levels

	30.06.2022				31.12.2021			
	FAIR VALUE			NOTIONAL VALUE	FAIR VALUE			NOTIONAL VALUE
	L1	L2	L3		L1	L2	L3	
A) Financial derivatives	**-**	**158,255**	**-**	**1,660,000**	**-**	**167,320**	**-**	**1,716,000**
1) Fair value	-	158,255	-	1,660,000	-	167,320	-	1,716,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**158,255**	**-**	**1,660,000**	**-**	**167,320**	**-**	**1,716,000**

2.3.2 Breakdown of hedging derivatives by portfolios hedged and type of hedge

	FAIR VALUE							CASH FLOWS		
	SPECIFIC									
HEDGING TRANSACTIONS/TYPE	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND STOCK INDICES	CURREN-CIES AND GOLD	CREDIT	GOODS	OTHER	GENERAL	SPECIFIC	GENERAL	FOREIGN INVEST-MENTS
1. Financial assets measured at fair value through other comprehensive income	9,988	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	148,267	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**158,255**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	**-**	**X**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**X**
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

2.4 Tax liabilities - Item 60

2.4.1 Breakdown of tax liabilities - Item 60

Section 1.8 (Assets) provides an analysis.

2.5 Other liabilities - Item 80

2.5.1 Breakdown of other liabilities

	30.06.2022	31.12.2021
Trade payables	**22,913**	**26,739**
Due to suppliers	22,202	26,002
Due for payments on behalf of third parties	711	737
Due to staff and social security institutions	**21,189**	**27,875**
Due to staff for accrued holidays, etc.	4,400	3,699
Due to staff for productivity bonuses to be paid out	8,937	16,314
Contributions to be paid to social security institutions	3,210	3,047
Contributions to Financial Advisors to be paid to Enasarco	4,642	4,815
Tax authorities	**366,427**	**30,397**
Withholding taxes to be paid to tax authorities on behalf of employees and contract workers	5,736	6,745
Withholding taxes to be paid to tax authorities on behalf of customers	10,659	5,534
Notes to be paid into collection services	345,709	16,528
VAT payables	4,072	1,493
Tax payables - other (stamp duty and substitute tax on medium-/long-term loans)	251	97
Amounts to be debited under processing	**122,032**	**66,487**
Bank transfers, cheques and other sums payable	8,655	986
Amounts to be settled in the clearing house (credits)	49,238	21,306
Liabilities from reclassification of portfolio subject to collection (SBF)	12,639	6,956
Other amounts to be debited under processing	51,500	37,239
Sundry items	**105,550**	**90,539**
Accrued expenses and deferred income that cannot be traced back to specific items	4,537	985
Sums made available to customers	249	206
Sundry items	1,241	1,519
Amounts to be credited	431	2,454
Liabilities for deferred consideration (earn out) related to the acquisition of the Nextam Group	711	4,501
Amounts due to shareholders for dividends	98,381	80,874
Total	**638,111**	**242,037**

Pursuant to paragraphs 116 a) and 116 b) of IFRS 15, it is reported that the item deferred income includes liabilities associated with contracts within the scope of application of IFRS 15 and relating to three-year up-front fees received in connection with the distribution of certain classes of international UCITS.

Opening balance at 01.01.2022	**233**
Increases	46
Decreases due to the transfer to profit and loss	-64
of which:	
- *relating to prior years*	*-37*
Closing balance at 30.06.2022	**215**

2.6 Provisions for termination indemnity - Item 90

2.6.1 Provisions for termination indemnity: year changes

		30.06.2022	31.12.2021
A.	**Amount at period-start**	**4,335**	**4,936**
	Change in opening balance	-	-
B.	**Increases**	**12**	**13**
	B.1 Provisions for the period	12	13
	B.2 Other increases	-	-
C.	**Decreases**	**291**	**614**
	C.1 Amounts paid	**230**	**384**
	C.2 Other decreases	61	230
D.	**Amount at period-end**	**4,056**	**4,335**

2.6.2 Other information

The amount of termination indemnity can be considered as a non-financial defined benefit plan after the termination of the employment, in accordance with IAS 19.
The provision was measured based on the actuarial value using the methods described in Part A.2 of the Notes and Comments to the Consolidated Financial Statements as of 31 December 2021.

The following are the main actuarial assumptions and the breakdown of the provision for the year and of actuarial gains/(losses):

	30.06.2022	31.12.2021
Discount rate (*)	2.25%	0.49%
Annual inflation rate	2.00%	1.00%
Salary increase rate	2.00%	1.80%
Average duration (years)	8	9

(*) Rate applied to Banca Generali.

		30.06.2022	31.12.2021
1.	Provisions:	12	13
	Current service cost	-	6
	Interest cost	12	7
2.	Actuarial gains and losses:	-50	-168
	- *based on financial assumptions*	*-619*	*-159*
	- *based on actuarial demographic assumptions*	*569*	*-9*
Total provisions for the period		**-38**	**-155**
Actuarial value		**4,056**	**4,335**
Value calculated re. Article 2120 of the Italian Civil Code		**4,056**	**4,056**

2.7 Provisions for liabilities and contingencies - Item 100

2.7.1 Breakdown of provisions for liabilities and contingencies

ITEMS/VALUES	30.06.2022	31.12.2021
1. Provisions for credit risk relating to commitments and financial guarantees issued	58	43
2. Provisions for other commitments and other guarantees issued	-	-
3. Company provisions for pensions	1,210	2,974
4. Other provisions for liabilities and contingencies	228,898	223,491
4.1 Legal and tax disputes	15,816	24,123
4.2 Staff	18,017	18,118
4.3 Other	195,065	181,250
Total	**230,166**	**226,508**

2.7.2 Provisions for liabilities and contingencies: year changes

	PROVISIONS FOR CREDIT RISK RELATING TO COMMITMENTS AND FINANCIAL GUARANTEES ISSUED	PROVISIONS FOR PENSIONS	OTHER PROVISIONS FOR RISK AND CHARGES	TOTAL
A. Amount at period-start	**43**	**2,974**	**223,491**	**226,508**
B. Increases	**15**	**651**	**28,112**	**28,778**
B.1 Provisions for the period	-	235	28,112	28,347
B.4 Other increases	15	416	-	431
C. Decreases	**-**	**2,415**	**22,705**	**25,120**
C.1 Use in the period	-	-	19,452	19,452
C.3 Other decreases	-	2,415	3,253	5,668
D. Amount at period-end	**58**	**1,210**	**228,898**	**230,166**

2.7.3 Other provisions for liabilities and contingencies - details of movements

	31.12.2021	USES	SURPLUS	OTHER CHANGES	PROVISIONS	30.06.2022
Provision for staff expenses	**18,118**	**-2,273**	**-1,010**	**-140**	**3,321**	**18,016**
Provision for restructuring plan	2,462	-	-	-	-	2,462
Provision for staff expenses - other	15,656	-2,273	-1,010	-140	3,321	15,554
Provisions for legal disputes	**16,067**	**-1,688**	**-118**	**-**	**1,555**	**15,816**
Provision for risks related to legal disputes connected with sales network's embezzlements	9,968	-773	-58	-	375	9,512
Provision for risks related to legal disputes with sales network	961	-40	-27	-	35	929
Provision for other legal disputes	5,138	-875	-33	-	1,145	5,375
Provision for termination indemnity of Financial Advisors	**147,070**	**-2,841**	**-5,467**	**4,393**	**1,811**	**144,966**
Provision for termination indemnity of sales network	83,104	-1,357	-1,978	-	277	80,046
Provision for portfolio overfee indemnities	7,845	-69	-668	-	196	7,304
Provision for managerial development indemnity	12,020	-1,321	-161	-	240	10,778
Provision for pension bonuses	10,292	-94	-926	-	-	9,272
Provisions for Framework Loyalty Programme	33,809	-	-1,734	-	-	32,075
Provision for three-year incentive fees	-	-	-	4,393	1,098	5,491
Provisions for risks related to network incentives	**31,270**	**-11,129**	**-911**	**-**	**9,945**	**29,175**
Provision for network development plans	23,301	-7,086	-907	-	7,938	23,246
Provision for deferred bonus	59	-	-4	-	-	55
Provision for managers with access gate	1,092	-267	-	-	-	825
Provision for sales incentives	2,197	-42	-	-	-	2,155
Provision for fees – travel incentives	3,700	-2,853	-	-	2,000	2,847
Provision for fee plans	**921**	**-881**	**-**	**-**	**7**	**47**
Provisions for tax and contributions/ pension disputes	**8,056**	**-332**	**-**	**-**	**24**	**7,748**
Other provisions for liabilities and contingencies	**2,910**	**-1,189**	**-**	**-**	**11,456**	**13,177**
Total	**223,491**	**-19,452**	**-7,506**	**4,253**	**28,112**	**228,898**

2.7.4 Provisions for credit risk relating to commitments and financial guarantees issued

	STAGE 1	STAGE 2	STAGE 3	TOTAL
1. Commitments to disburse funds	-	-	-	**-**
2. Financial guarantees issued	32	26	-	**58**
Total	**32**	**26**	**-**	**58**

2.7.5 Provisions for liabilities and contingencies - other provisions

2.7.5.1 Provisions for staff expenses

Provisions for staff expenses include the following amounts:

> the share of the variable compensation of managers of the Banking Group deferred up to two years and conditional upon continuing satisfaction of the predetermined quantitative levels of asset solidity and liquidity (access gates) established in compliance with the Banking Group's Remuneration policy;
> allocations to the provision for the recruitment plans regarding new employed Relationship Managers (RMs), valued also based on the specific contractual conditions agreed upon and on the probability to achieve the net inflow targets set;
> allocations for post-employment medical benefits of Group's managers, valued using the actuarial method pursuant to IAS 19;
> the provision related to the performance bonus, if at the balance sheet date the company supplementary contract (CIA) has expired or has not been renewed yet.

The above-mentioned provisions have as their balancing entries staff expenses.

Provisions for staff expenses also include, to a lesser extent, provisions outside the scope of IAS 19 but for which IAS 37 applies and that have therefore as their balancing entries net provisions for liabilities and contingencies.

2.7.5.2 Restructuring provisions - Redundancy incentives plan

The voluntary redundancy plan covered by the specific company restructuring provision was launched at the end of 2015 to encourage the rotation of resources through incentives for voluntary departure for groups of employees nearest to retirement age and the filling of the resulting vacant positions with professional and/or managerial profiles more suited to the specific skills now required from a business standpoint.

On 17 December 2021, the Board of Directors extended the voluntary redundancy plan, allocating 2.3 million euros. At the end of the half-year, the residual amount was 2,462 thousand euros.

2.7.5.3 Provisions for legal disputes

This type of provisions for risks includes provisions for pending litigations connected with sales network's embezzlements after insurance coverage, as well as those with disputes currently underway with the sales network and employees and other legal and extra-legal disputes with customers and other entities.

2.7.5.4 Provisions for contractual indemnities for the sales network

These include provisions for termination indemnities paid to the sales network, the portfolio development indemnity, the social-security bonus, the provisions associated with the Framework Loyalty Programme (approved by the General Shareholders' Meeting on 20 April 2017) and the provisions for manager development indemnity.

Provisions covering the cost of the **termination indemnity** of Financial Advisors with an agency agreement is valued as provided for by the law (Article 1751 of the Italian Civil Code) and the specific disbursement criteria defined by Banca Generali. Further details on the latter are provided in Part A.2 of the Notes and Comments to the Consolidated Financial Statements for the year ended on 31 December 2021.

The expenses associated with obligations extant at period-end relating to Financial Advisors are valued using the statistical-actuarial method, with the advice of independent professionals.

The following are the main actuarial assumptions:

IFR - TERMINATION INDEMNITY	30.06.2022	31.12.2021
Discount rate	2.1%	1.0%
Turnover rate (professionals)	1.46%	1.46%
Average duration (years)	13 years	13 years
IAS 37 DBOs/Indemnity provision at the measurement date	61.98%	67.01%

The ratio of Deferred benefit obligations (DBOS) to nominal value of the accrued obligation towards Financial Advisors is given using the value of the provision after one-off deductions related to seniority.

The decrease in the provision for termination indemnities accrued to Financial Advisors during the reporting period was due to the combined effect of the increase in the discount rates used for the assessment of the actuarial funds [1][2] and the significant rise in fee bases.

A specific measurement is made for Financial Advisors who have already left service.

The DBO already accrued by Financial Advisors formerly employed by Credit Suisse, totalling 2.5 million euros, is still based on the payment criteria established by the previous employer and was recognised under provisions for risks. Their DBO accrued with Banca Generali will be due only for the amount exceeding that accrued with Credit Suisse, if any.

The **portfolio overfee indemnities** are instead a scheme (further details are provided in Part A.2 of the Notes and Comments to the Consolidated Financial Statements as at 31 December 2021) that calls for Financial Advisors with at least five years of seniority who leave service permanently to be entitled to an indemnity commensurate to the profitability of the portfolio previously managed, in case of reassignment of the latter.

The indemnity due to the outgoing FA is entirely borne by the incoming FA identified by the Company, except for a residual guarantee by the Bank — equal to 25% of the total indemnity — in the event of termination for death or permanent disability.

1 The discount rate applied to actuarial provisions is determined on the basis of the annual average EURIRS rates applicable to the average life of the population, increased by the spread between the ten-year BTP and ten-year EURIRS. The increase in the discount rate used therefore reflected the increase in interest rates and government bond spreads in the period June 2021-June 2022 (2.051%) compared to the previous measurement for the period March 2021-December 2021 (1.0266%). The rate represented is the rate that corresponds to the average duration of the relevant liabilities, 13 years.

2 In the first half of 2021, on the basis of observations of the average retirement age over a 5-year time horizon, the estimated age for Financial Advisors had been raised to about 70, an increase of two years over the estimate based on the legal parameters.

Even in this case, the charge is determined based on the statistical actuarial method, with the support of independent experts and with reference to the percentage of the Bank's residual risk, i.e., 25% of the indemnity due in case of death or permanent disability.

The "**pension bonus**" is a component of the sales network's indemnity plans, which entailed the yearly provision of an amount based on the achievement of pre-set sales objectives and to be paid only upon final termination for retirement or permanent disability. The actuarial method is used also for this type of evaluation. This incentive has been discontinued as of 2016, without prejudice to the rights acquired by the beneficiaries in previous years.

Within the framework of provisions for contractual indemnities, on 21 March 2017 the Board of Directors granted its final approval for a **Framework Loyalty Programme for the Sales Network** aimed at improving the retention of the Network and the customers acquired over time, and creating value for the Group by attracting stable, high-quality net inflows.

The Framework Loyalty Programme was initially divided into eight separate plans, all set to expire on 31 December 2026 and of decreasing lengths, which may be activated from one year to the next, with the authorisation of the Banca Generali Group's company bodies and in accordance with its remuneration policies.

In 2022, the Bank resolved to suspend the Loyalty Framework Programme for the Financial Advisor network and accordingly the 6th 2022-2026 cycle was not activated.

The individual plans of the Framework Loyalty Program for the Sales Network already underway will all expire on 31 December 2026, after decreasing lengths, and each will allow part of the bonus to be paid in cash and part in shares of Banca Generali (max 50%), after having assessed their effects at the level of capital ratios and free float. The Banca Generali shares for each of the plans will be purchased on the market after authorisation is granted, from one year to the next, by the company bodies (Board of Directors and Shareholders' Meeting) and the Regulator.

Provisions for contractual indemnities refer also to the charge relating to the managerial development indemnity mechanism, approved by the Board of Directors in June 2018 and intended to ensure fair treatment of all network managers in the event of dismissal from their additional roles.

2.7.5.5 Provisions for sales network incentives

This aggregate includes:

- the estimated charges accrued in relation with several recruitment plans for middle-term expansion of managed portfolios. These plans envisage different kinds of incentives (entry bonus, deferred bonus, volume bonus, etc.) related to the achievement of net inflows targets and the presence in the company for one or more years (up to 5 or 7 years);
- the share of network managers' annual incentives deferred up to two years and conditional upon continuing satisfaction of the predetermined quantitative levels of asset solidity and liquidity (access gates) established in compliance with the Banking Group's Remuneration Policy;
- provisions for incentive plans based on the network's performance for the period, including the BG Premier Club trip and other special fee plans (supplementary allowances, stabilisers, target-achievement bonuses, etc.) that involve the payment of benefits or increases in advances paid when certain conditions are met, such as continuous service on the network or the achievement of sales targets.

2.7.5.6 Tax dispute

The following is a summary of income tax dispute in the first half of 2022. The 2021 Annual Integrated Report may be consulted for further information.

The audit begun in March 2020 by the Trieste Financial Police Unit of the Finance Police was definitively concluded on 15 March 2022 with the service of an auditors' report on tax periods 2017-2019, containing allegations focusing on disputing the transfer pricing method that the Bank applied to its relations with the Banking Group's Luxembourg-based management company BGFML S.A., substantially similar to those of the previous auditors' report on tax periods 2015-2016, served on 9 December 2021. However, these allegations, similar to the assessment notices that DRE FVG issued on 24 March 2022 regarding tax period 2014 (see the following paragraph for further details), has not yet led to the issuance of an assessment notice.

Discussions continued with the Regional Department for Friuli-Venezia Giulia (DRE FVG) of the Italian Agency of Revenue following the invitation to appear served on 24 November 2021, preliminary to the launch of the assessment with settlement procedure for the 2014 tax period.
In this notice, DRE FVG had redetermined its claims with regard to tax period 2014, claiming greater taxable income from the Bank of approximately 90.4 million euros, of which 86.8 million euros relating to transfer pricing allegations, drawn from the aforementioned auditors' report by the Finance Police, and 3.6 million euros, mostly arising from a previous 2017 auditors' report.
However, on 24 March 2022 DRE FVG served, for that same year, two executive assessment notices, concerning IRES (corporate income tax) and IRAP (regional business tax), setting forth total claims of approximately 36 million euros (inclusive of interest of 7.8 million euros), in addition to approximately 21 million euros of penalties, calculated at the maximum amount.
On 23 May 2022, therefore, the Bank proceeded to file with the Trieste CTP (Provincial Tax Commission) the appeals against the two executive assessments received, which will begin to be processed in October.
As part of the appeal procedure, 1/3 of the amounts due by way of taxes and interest is to be paid as an advance.

With the support of an opinion from a qualified law firm, the company continues to regard the revenue authority's claims as substantially groundless and to believe that this position will be acknowledged in the tax proceeding. In any case, pending the commencement of the proceeding, discussions with DRE FVG continue in order to reach a possible agreement.

2.7.5.7 Other provisions for liabilities and contingencies

Other provisions for liabilities and contingencies include provisions for operating risks.

2.8 Company net equity - Items 120, 130, 140, 150, 160, 170 and 180

2.8.1 Breakdown of share capital and treasury shares

	UNIT VALUE	NUMBER	NOMINAL VALUE (€)	BOOK VALUE (€ THOUSAND)
Share capital				
- ordinary shares	1.00	116,851,637	116,851,637	116,852
Treasury shares				
- ordinary shares	1.00	-1,915,360	-1,915,360	-55,941
		114,936,277	**114,936,277**	**60,911**

2.8.2 Share capital - Number of shares of the Parent Company: year changes

ITEMS/TYPES	ORDINARY	OTHER
A. Existing shares at period-start	**116,851,637**	**-**
- paid up	116,851,637	-
- partially paid	-	-
A.1 Treasury shares (-)	-2,219,469	-
A.2 Outstanding shares: at period-start	**114,632,168**	**-**
B. Increases	**304,109**	**-**
B.1 Newly issued shares		
- against payment:	-	-
- business combinations	-	-
- bonds conversion	-	-
- exercise of warrants	-	-
- other	-	-
- for free:	-	-
- to staff	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	304,109	-
B.3 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	-	-
C.3 Disposal of companies	-	-
C.4 Other changes	-	-
D. Outstanding shares: at period-end	**114,936,277**	**-**
D.1 Treasury shares (+)	1,915,360	-
D.2 Existing shares at period-end	**116,851,637**	**-**
- paid up	116,851,637	-
- partially paid	-	-

At the reporting date, the share capital of the Bank consisted of 116,851,637 ordinary shares of 1 euro each, with regular dividend entitlement, and was fully paid up.

PART C - INFORMATION ON THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

1. Interests - Items 10 and 20

1.1 Breakdown of interest income and similar revenues

ITEMS/TECHNICAL TYPES	DEBT SECURITIES	FINANCING	OTHER TRANSACTIONS	30.06.2022	30.06.2021
1. Financial assets measured at fair value through profit or loss:	**65**	**-**	**-**	**65**	**51**
1.1 HFT financial assets	2	-	-	2	4
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	63	-	-	63	47
2. Financial assets measured at fair value through other comprehensive income	**9,063**	**-**	**X**	**9,063**	**-337**
3. Financial assets measured at amortised cost:	**53,081**	**12,749**	**-**	**65,830**	**44,417**
3.1 Loans to banks	3,036	48	X	3,084	2,390
3.2 Loans to customers	50,045	12,701	X	62,746	42,027
4. Hedging derivatives	X	X	**-25,075**	**-25,075**	**-2,287**
5. Other assets	X	X	64	**64**	**-**
6. Financial liabilities	X	X	X	**5,956**	**5,764**
Total	**62,209**	**12,749**	**-**	**55,903**	**47,608**
of which:					
- *interest income on impaired financial assets*	-	*218*	-	*218*	*218*

By convention, interest on "Financial liabilities" includes the negative interest expense accrued on funding transactions, as broken down in the following table.

1.2 Interest income and similar revenues: further information

	30.06.2022	30.06.2021
Interest income on bank deposits and current accounts	10	8
TLTRO	3,451	3,058
Repurchase agreements with banks	115	115
Repurchase agreements with customers	438	118
Interest income on customer deposit and current accounts	1,675	2,464
Other financial liabilities	267	1
Total interest income on financial liabilities	**5,956**	**5,764**

1.3 Breakdown of interest expense and similar charges

ITEMS/TECHNICAL TYPES	DEBTS	SECURITIES	OTHER TRANSACTIONS	30.06.2022	30.06.2021
1. Financial liabilities measured at amortised cost:	**2,165**	-	-	**2,165**	**2,396**
1.1 Due to central banks	-	X	X	-	-
1.2 Due to banks	414	X	X	414	422
1.3 Due to customers	1,751	X	X	1,751	1,974
1.4 Securities issued	X	-	X	-	-
2. HFT financial liabilities	-	-	-	**-**	**-**
3. Financial liabilities designated at fair value	-	-	-	**-**	**-**
4. Other liabilities and funds	X	X	-	**-**	**-**
5. Hedging derivatives	X	X	-	**-**	**-**
6. Financial assets	X	X	X	**1,894**	**1,328**
Total	**2,165**	**-**	**-**	**4,059**	**3,724**
of which:					
- *interest expense relating to lease debts*	*1,592*	*X*	*X*	*1,592*	*1,605*

The Item 1.3 “Financial liabilities measured at amortised cost – Due to customers” includes 1.6 million euro interest accrued on lease payment debts calculated in accordance with the provisions of IFRS 16.

By convention, interest on “Financial assets” includes the negative interest income accrued on lending transactions, as broken down in the following table.

1.4 Interest expense and similar charges: further information

	30.06.2022	30.06.2021
Interest expense on deposits with the ECB	732	942
Interest expense on deposits with banks	160	332
Repurchase agreements with banks	429	11
Repurchase agreements with customers	-	16
Interest expense on customer deposits	24	5
Derivatives	549	22
Total	**1,894**	**1,328**

1.5 Hedging differentials

ITEMS	30.06.2022	30.06.2021
A. Hedging gains	28,440	12,737
B. Hedging losses	53,515	15,024
C. Total (A - B)	**-25,075**	**-2,287**

Hedging differentials refer to interest-rate swaps (IRSs) and inflation IRSs entered into in relation to fair-value hedging transactions for fixed-rate or inflation-linked debt securities.

2. Fees - Items 40 and 50

2.1 Breakdown of fee income

TYPE OF SERVICE/VALUES	30.06.2022	30.06.2021
a) Financial instruments	**146,646**	**143,024**
1. Placement of securities	81,596	80,552
1.1 With direct underwriting and/or a firm commitment	994	1,008
1.2 Without a firm commitment	80,602	79,544
2. Receipt and transmission of orders and execution of orders on customers' behalf	18,361	19,512
2.1 Receipt and transmission of orders for one or more financial instruments	4,335	6,349
2.2 Execution of orders on customers' behalf	14,026	13,163
3. Other fees related to activities linked to financial instruments	46,689	42,960
of which:		
- *trading for own account*	-	-
- *individual portfolio management*	*46,689*	*42,960*
b) Corporate finance	**-**	**-**
1. Consultancy on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other fees related to corporate finance services	-	-
c) Investment advisory	**22,175**	**20,777**
d) Offsetting and settlement services	**-**	**-**
e) Collective portfolio management	**183,374**	**310,964**
f) Custody and administration services	**134**	**149**
1. Depository Bank	-	-
2. Other fees related to custody and administration services	134	149
g) Centralised administration services for collective portfolio management	**-**	**-**
h) Trust services	**-**	**-**
i) Payment services	**4,924**	**4,329**
1. Current accounts	2,666	2,337
2. Credit cards	-	-
3. Debit cards and other payment cards	154	107
4. Bank transfers and other payment services	658	634
5. Other fees linked to payment services	1,446	1,251
j) Distribution of third-party services	**134,628**	**133,116**
1. Collective portfolio management	564	490
2. Insurance products	132,487	130,700
3. Other products	1,577	1,926
of which:		
- *individual portfolio management*	*23*	*13*
- *BG Saxo services*	*1,208*	*1,553*
k) Structured finance	**-**	**-**
l) Servicing related to securitisations	**-**	**-**
m) Commitments to disburse funds	**-**	**-**
n) Financial guarantees issued	**246**	**213**
of which:		
- *credit derivatives*	-	-
o) Financing transactions	**-**	**-**
of which:		
- *factoring-related services*	-	-
p) Currency trading	**-**	**-**
q) Goods	**-**	**-**
r) Other fee income	**2,031**	**1,664**
of which:		
- *management of multilateral trading facilities*	-	-
- *management of organised trading facilities*	-	-
Total	**494,158**	**614,236**

2.2 Breakdown of fee expense

TYPE OF SERVICE/VALUES	30.06.2022	30.06.2021
a) Financial instruments	**4,514**	**4,686**
of which:		
- *trading of financial instruments*	*4,011*	*4,160*
- *placement of financial instruments*	-	-
- *individual portfolio management*	*503*	*526*
- *own portfolio*	*503*	*526*
- *third-party portfolio*	-	-
b) Offsetting and settlement services	**-**	**-**
c) Collective portfolio management	**18,148**	**16,755**
1. Own portfolio	18,148	16,755
2. Third-party portfolio	-	-
d) Custody and administration services	**1,670**	**1,493**
e) Collection and payment services	**2,057**	**1,861**
of which:		
- *credit cards, debit cards and other payment cards*	*690*	*601*
f) Servicing related to securitisations	**-**	**-**
g) Commitments to receive funds	**-**	**-**
h) Financial guarantees received	**-**	**-**
of which:		
- *credit derivatives*	-	-
i) Off-premises offer of financial instruments, products and services	**210,038**	**203,779**
j) Currency trading	**-**	**-**
k) Other fee expense	**1,750**	**1,727**
Total	**238,177**	**230,301**

3. Dividends and similar income - Item 70

3.1 Breakdown of dividends and similar income

	30.06.2022		30.06.2021	
ITEMS/INCOME	DIVIDENDS	SIMILAR INCOME	DIVIDENDS	SIMILAR INCOME
A. Other financial assets mandatorily measured at fair value	66	-	63	93
B. Financial assets measured at fair value through other comprehensive income	1,060	-	900	-
Total	**1,126**	**-**	**963**	**93**

4. Net income from trading - Item 80

4.1 Breakdown of net income from trading

TRANSACTIONS/INCOME COMPONENTS	CAPITAL GAINS	INCOME FROM TRADING	CAPITAL LOSSES	LOSSES FROM TRADING	NET RESULT 30.06.2022
1. HFT financial assets	**1**	**41**	**26**	**87**	**-71**
1.1 Debt securities	-	12	26	16	-30
1.2 Equity securities	1	22	-	70	-47
1.3 UCITS units	-	7	-	1	6
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. HFT financial liabilities	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities	-	-	-	-	-
2.2 Debts	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**1,444**
4. Derivatives	**-**	**-**	**-**	**-**	**-6**
4.1 Financial	-	-	-	-	-6
- On debt securities and interest rates	-	-	-	-	-
- *interest rate swaps*	-	-	-	-	-
- *government bond forwards*	-	-	-	-	-
- On equity securities and stock indexes	-	-	-	-	-
- *options*	-	-	-	-	-
- *futures*	-	-	-	-	-
- On currency and gold [1]	X	X	X	X	-6
- Other	-	-	-	-	-
4.2 Credit	-	-	-	-	-
of which:					
- *natural hedging related to the fair value option*	*X*	*X*	*X*	*X*	-
Total	**1**	**41**	**26**	**87**	**1,367**

(1) It includes currency options and currency outrights.

5. Net income from hedging - Item 90

5.1 Breakdown of net income from hedging

INCOME COMPONENTS/VALUES	30.06.2022	30.06.2021
A. Income from:		
A.1 Fair-value hedge derivatives	222,551	15,489
A.2 Hedged financial assets (fair value)	24,926	34,703
A.3 Hedged financial liabilities (fair value)	-	-
A.4 Cash-flow hedge derivatives	-	-
A.5 Assets and liabilities denominated in foreign currencies	-	-
Total income from hedging (A)	**247,477**	**50,192**
B. Charges from:		
B.1 Fair-value hedge derivatives	23,277	33,423
B.2 Hedged financial assets (fair value)	212,458	14,376
B.3 Hedged financial liabilities (fair value)	-	-
B.4 Cash-flow hedge derivatives	-	-
B.5 Assets and liabilities denominated in foreign currencies	-	-
Total charges from hedging (B)	**235,735**	**47,799**
C. Net income from hedging (A - B)	**11,742**	**2,393**
of which:		
- *result of hedging of net positions*	-	-

6. Gains (losses) on disposal/repurchase - Item 100

6.1 Breakdown of gains (losses) on disposal/repurchase

	30.06.2022			30.06.2021		
ITEMS/INCOME COMPONENTS	GAINS	LOSSES	NET RESULT	GAINS	LOSSES	NET RESULT
A. Financial assets						
1. Financial assets measured at amortised cost:	**14,068**	**3,700**	**10,368**	**5,762**	**744**	**5,018**
1.1 Loans to banks	38	16	22	-	-	-
1.2 Loans to customers	14,030	3,684	10,346	5,762	744	5,018
2. Financial assets measured at fair value through other comprehensive income	**1,566**	**9,470**	**-7,904**	**1,258**	**1,079**	**179**
2.1 Debt securities	1,566	9,470	-7,904	1,258	1,079	179
2.2 Loans	-	-	-	-	-	-
Total assets	**15,634**	**13,170**	**2,464**	**7,020**	**1,823**	**5,197**
B. Financial liabilities measured at amortised cost						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**

HTCS equity reserves transferred back to the profit and loss account are illustrated in the following table:

	POSITIVE	NEGATIVE	NET
Debt securities	1,102	-583	519
Total	**1,102**	**-583**	**519**

7. Net result on other financial assets and liabilities measured at fair value through profit and loss - Item 110

7.1 Net change of other financial assets and liabilities measured at fair value through profit and loss: breakdown of other financial assets mandatorily measured at fair value

TRANSACTIONS/INCOME COMPONENTS	CAPITAL GAINS	GAINS ON DISPOSAL	CAPITAL LOSSES	LOSSES ON DISPOSAL	NET RESULT
1. Financial assets	**211**	**2**	**1,239**	**15**	**-1,041**
1.1 Debt securities	161	-	-	-	161
1.2 Equity securities	-	-	207	-	-207
1.3 UCITS units	10	-	1,027	15	-1,032
1.4 Loans	40	2	5	-	37
2. Financial assets - exchange differences	**X**	**X**	**X**	**X**	**-**
Total	**211**	**2**	**1,239**	**15**	**-1,041**

8. Net adjustments/reversals for credit risk - Item 130

8.1 Breakdown of net adjustments for credit risk relating to financial assets measured at amortised cost

	ADJUSTMENTS			REVERSALS			
		STAGE 3					
TRANSACTIONS/INCOME COMPONENTS	STAGE 1 AND STAGE 2	WRITE-OFF	OTHER	STAGE 1 AND STAGE 2	STAGE 3	30.06.2022	30.06.2021
A. Loans to banks	**1,275**	**-**	**-**	**-**	**-**	**-1,275**	**-295**
Loans	3	-	-	-	-	-3	-106
Debt securities	1,272	-	-	-	-	-1,272	-189
B. Loans to customers	**1,746**	**25**	**1,642**	**-**	**349**	**-3,064**	**-3,553**
Loans	29	25	1,642	-	349	-1,347	-3,570
Debt securities	1,717	-	-	-	-	-1,717	17
Total	**3,021**	**25**	**1,642**	**-**	**349**	**-4,339**	**-3,848**

Specific adjustments to loans to customers classified under "Stage 3" amounted to 1,642 thousand euros and included 833 thousand euros for positions past due by more than 90 days, 552 thousand euros for unlikely-to-pay positions, and, for the remainder, other operating loans and loans to the sales network.

These write-downs were partly offset through reversals relating to positions past due at the end of the previous year (260 thousand euros) and reclassified out of the non-performing category, to bad loans (14 thousand euros), to unlikely-to-pay exposures (74 thousand euros) and, for the remainder, to operating loans and loans to sales network.

8.2 Breakdown of net adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income

TRANSACTIONS/INCOME COMPONENTS	ADJUSTMENTS			REVERSALS		30.06.2022	30.06.2021
	STAGE 1 AND STAGE 2	STAGE 3 WRITE-OFF	STAGE 3 OTHER	STAGE 1 AND STAGE 2	STAGE 3		
A. Debt securities	**518**	**-**	**-**	**-**	**-**	**-518**	**-203**
B. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- to customers	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-
Total	**518**	**-**	**-**	**-**	**-**	**-518**	**-203**

9. General and administrative expenses - Item 190

9.1 Breakdown of general and administrative expenses

	30.06.2022	30.06.2021
190 a) Staff expenses	57,385	53,290
190 b) Other general and administrative expenses	99,807	87,539
Total	**157,192**	**140,829**

9.2 Breakdown of staff expenses

TYPE OF EXPENSES/SECTORS	30.06.2022	30.06.2021
1) Employees	**56,679**	**52,697**
a) wages and salaries	30,822	28,945
b) social security charges	7,747	7,355
c) termination indemnity	512	317
d) retirement benefit plans	-	-
e) provision for termination indemnity	13	18
f) provision for pensions and similar obligations:	144	-227
- defined contribution	-	-
- defined benefit	144	-227
g) amounts paid to supplementary external pension funds:	2,578	2,657
- defined contribution	2,578	2,657
- defined benefit	-	-
h) costs related to payment agreements based on own equity instruments	1,399	1,254
i) other employee benefits	13,464	12,378
2) Other staff	**168**	**109**
3) Directors and Auditors	**790**	**768**
4) Retired personnel	**30**	**14**
5) Recovery of expenses for staff seconded to other companies	**-282**	**-298**
Total	**57,385**	**53,290**

9.3 Breakdown of personnel

	30.06.2022	30.06.2021
Employees	**1,015**	**985**
a) Managers	71	66
b) Total executives	368	335
of which:		
- *3rd and 4th level*	*193*	*181*
c) Employees at other levels	576	584
Other personnel	**4**	**3**
Total	**1,019**	**988**

9.4 Other employee benefits

	30.06.2022	30.06.2021
Short-term productivity bonuses	**9,373**	**8,467**
Long-term benefits	**990**	**1,172**
Charges for Relationship Manager recruitment plans	157	172
Charges for deferred variable remuneration (managers' MBO)	833	1,000
Charges for post-employment medical care plans	-	-
Other benefits	**3,101**	**2,739**
Charges for staff supplementary pensions	2,229	1,744
Amounts replacing cafeteria indemnities	519	560
Training expenses	135	191
Contributions to employees	68	108
Transfer incentives and other indemnities	59	90
Other expenses	91	46
Total	**13,464**	**12,378**

Short-term productivity bonuses include the portion of non-deferred variable remuneration payable in cash (MBO) for office and sales managers and portfolio managers, the performance bonus envisaged in company supplementary contracts and allocations in service of the 2022 plan for measures.

9.5 Breakdown of other general and administrative expenses

	30.06.2022	30.06.2021
Administration	**11,751**	**9,601**
Advertising	1,589	1,358
Audit fees	7,102	5,533
Corporate boards and auditing firms	384	437
Insurance	1,874	1,566
Entertainment expenses	193	71
Membership contributions	569	561
Charity	40	75
Operations	**12,178**	**11,189**
Rent and usage of premises and management of property	2,648	2,368
Outsourced administrative services	2,949	3,434
Post and telephone	1,313	1,215
Print material	639	677
Other expenses for sales network management	1,458	912
Other expenses and purchases	2,377	1,927
Other indirect staff expenses	794	657
Information system and equipment	**27,935**	**25,560**
Expenses related to outsourced IT services	18,032	16,605
Fees for IT services and databases	5,099	4,173
Software maintenance and servicing	3,872	3,859
Fees for equipment hired and software used	102	121
Other maintenance	830	802
Indirect taxation	**42,061**	**35,052**
Stamp duty on financial instruments	41,528	34,705
Substitute tax on medium/long-term financing	96	302
Other indirect taxes to be paid by the Bank	437	45
Contributions to the Italian National Resolution Fund and the Interbank Protection Fund	**5,882**	**6,137**
Total	**99,807**	**87,539**

10. Net provisions for liabilities and contingencies - Item 200

10.1 Breakdown of net provisions for credit risk relating to commitment to disburse funds and financial guarantees issued

	30.06.2022			30.06.2021		
	PROVISIONS	SURPLUS	NET	PROVISIONS	SURPLUS	NET
Provisions for commitments and financial guarantees issued	15	-	**15**	-	-20	**-20**
Total	**15**	**-**	**15**	**-**	**-20**	**-20**

10.2 Breakdown of net provisions to other provisions for liabilities and contingencies

	30.06.2022			30.06.2021		
	PROVISIONS	SURPLUS	NET	PROVISIONS	SURPLUS	NET
Provision for staff expenses	**2,082**	**-**	**2,082**	**807**	**-100**	**707**
Provision for restructuring plan	-	-	-	-	-	-
Provision for staff expenses – Other [1]	2,082	-	2,082	807	-100	707
Provisions for legal disputes	**1,555**	**-118**	**1,437**	**2,126**	**-370**	**1,756**
Provision for risks related to legal disputes with subscribers	375	-58	317	1,401	-54	1,347
Provision for risks related to legal disputes with Financial Advisors	35	-27	8	-	-188	-188
Provision for risks related to legal disputes with other parties	1,145	-33	1,112	725	-128	597
Provisions for termination indemnity - Financial Advisors	**1,811**	**-5,467**	**-3,656**	**18,179**	**-1,169**	**17,010**
Provision for risks related to termination indemnity - Financial Advisors	277	-1,978	-1,701	3,952	-986	2,966
Provision for manager incentive indemnity	240	-161	79	884	-	884
Provision for portfolio overfee indemnities	196	-668	-472	2,832	-49	2,783
Provision for pension bonuses	-	-926	-926	143	-134	9
Provision for three-year incentive fees	1,098	-	1,098	-	-	-
Provisions for Framework Loyalty Programme	-	-1,734	-1,734	10,368	-	10,368
Provisions for network incentives	**9,945**	**-911**	**9,034**	**7,502**	**-1,008**	**6,494**
Provision for network development plans	7,938	-907	7,031	5,566	-599	4,967
Provision for deferred bonus	-	-4	-4	4	-53	-49
Provision for managers with access gate	-	-	-	-	-150	-150
Provision for incentive travels	2,000	-	2,000	1,550	-	1,550
Provision for fee plans	7	-	7	382	-206	176
Provision for tax and contributions dispute	**24**	**-**	**24**	**-**	**-**	**-**
Other provisions for liabilities and contingencies	**11,456**	**-**	**11,456**	**80,201**	**-1,075**	**79,126**
Total	**26,873**	**-6,496**	**20,377**	**108,815**	**-3,722**	**105,093**

(1) Provisions for staff expenses do not include the items that are classified as “Staff expenses - Other benefits” in accordance with IAS 19.

11. Net adjustments/reversals of property and equipment - Item 210

11.1 Breakdown of net adjustments of property and equipment

ASSETS/INCOME COMPONENTS	DEPRECIATION	ADJUSTMENTS FOR IMPAIRMENT	REVERSALS	NET RESULT 30.06.2022	NET RESULT 30.06.2021
A. Property and equipment	**11,071**	**-**	**-**	**11,071**	**10,851**
1. Operating:	**11,071**	**-**	**-**	**11,071**	**10,851**
- owned	998	-	-	998	883
- rights of use acquired through leases	10,073	-	-	10,073	9,968
2. Held as investments:	-	-	-	-	-
- owned	-	-	-	-	-
- rights of use acquired through leases	-	-	-	-	-
3. Inventories	X	-	-	-	-
Total	**11,071**	**-**	**-**	**11,071**	**10,851**

12. Net adjustments/reversals of intangible assets – Item 220

12.1 Breakdown of net adjustments of intangible assets

ASSETS/INCOME COMPONENTS	AMORTISATION	ADJUSTMENTS FOR IMPAIRMENT	REVERSALS	NET RESULT 30.06.2022	NET RESULT 30.06.2021
A. Intangible assets	**6,546**	**-**	**-**	**6,546**	**6,231**
of which:					
- software	***5,525***	**-**	**-**	***5,525***	***5,219***
A.1 Owned	**6,546**	**-**	**-**	**6,546**	**6,231**
- generated in-house	-	-	-	-	-
- other	6,546	-	-	6,546	6,231
A.2 Rights of use acquired through leases	**-**	**-**	**-**	**-**	**-**
Total	**6,546**	**-**	**-**	**6,546**	**6,231**

13. Other operating income and expenses - Item 230

13.1 Breakdown of other operating expenses

	30.06.2022	30.06.2021
Adjustments of leasehold improvements	1,169	1,130
Indemnities and compensation for litigation and claims	596	254
Charges from accounting adjustments with customers	1,125	635
Charges for card compensation and guarantees	-	4
Costs associated with tax disputes, penalties and fines	16	-
Other contingent liabilities and non-existent assets	434	283
Other operating expenses	9	-
Total	**3,349**	**2,306**

13.2 Breakdown of other operating income

	30.06.2022	30.06.2021
Recovery of taxes from customers	41,181	34,477
Recovery of expenses from customers	285	296
Fees for outsourced services	39	25
Charge-back of portfolio development indemnity to incoming Financial Advisors	2,743	1,239
Indemnities for Financial Advisors' termination without notice	649	203
Other recoveries of repayments and costs from Financial Advisors	1,503	1,803
Contingent assets related to provisions for staff expenses	1,272	419
Contribution to the Italian fund for employment in the banking sector (FOC), and the Italian bank and insurance fund for staff training (FBA)	185	81
Other contingent assets and non-existent liabilities	4,118	2,840
Insurance compensation and indemnities	263	155
Other income	134	208
Total	**52,372**	**41,746**
Total other net income	**49,023**	**39,440**

14. Gains (losses) from equity investments - Item 250

14.1 Breakdown of gains (losses) from equity investments

INCOME COMPONENTS/SECTORS	30.06.2022	30.06.2021
1) Companies subject to joint control		
A. Gains	-	-
1. Revaluations	-	-
2. Gains on disposal	-	-
3. Reversals	-	-
4. Other gains	-	-
B. Charges	-143	-109
1. Write-downs	-143	-109
2. Adjustments to non-performing loans	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net result	**-143**	**-109**
2) Companies subject to significant influence		
A. Gains	158	-
1. Revaluations	-	-
2. Gains on disposal	158	-
3. Reversals	-	-
4. Other gains	-	-
B. Charges	-73	-
1. Write-downs	-73	-
2. Adjustments to non-performing loans	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net result	**85**	**-**
Total	**-58**	**-109**

Write-downs of equity investments in companies subject to joint control amounted to 143 thousand euros and related to the measurement using the equity method of BG Saxo Sim.

Income and expenses related to companies subject to significant influence referred to the effect of the disposal of the 80.1% interest in the share capital of Nextam Sim S.p.A. performed in January 2022.

15. Income tax for the period for operating activities – Item 300

15.1 Breakdown of income tax for the period for operating activities

INCOME COMPONENTS/SECTORS		30.06.2022	30.06.2021
1.	Current taxation (-)	-42,480	-67,121
2.	Change in prior years' current taxes (+/-)	-	33
3.	Reduction of current taxes for the period (+)	-	-
3.*bis*	Reduction of current taxes for the year arising on tax credits, pursuant to Law No. 214/2011 (+)	-	-
4.	Changes of prepaid taxation (+/-)	912	39,000
5.	Changes of deferred taxation (+/-)	467	6,674
6.	**Taxes for the period (-)**	**-41,101**	**-21,414**

15.2 Reconciliation between theoretical and actual tax expense

The following table reconciles the total amount of taxes due for the period, including both current and deferred taxes, as indicated in Item 300 of the Profit and Loss Account, and the theoretical corporate income tax IRES calculated by applying the 27.5% current applicable tax rate to profit before taxation.

It should be noted that the effects of the reduction of the IRES tax rate from 27.50% to 24% introduced by the "2016 Stability Law" with effect from 1 January 2017 for tax periods after that in progress at 31 December 2016 were neutralised for the Bank as a result of the introduction by that same Law of a surtax of 3.5 percentage points on credit and financial institutions in respect of the same tax periods.

The reconciliation statement is therefore expressed based on higher or lower current and deferred taxes debited or credited to the Profit and Loss Account compared to the theoretical taxation.

	30.06.2022	30.06.2021
Current taxation	**-42,479**	**-67,121**
IRES and foreign income taxes	-34,812	-56,859
IRAP	-7,667	-10,262
Prepaid and deferred taxation	**1,378**	**45,674**
IRES and foreign income taxes	925	38,545
IRAP	453	7,129
Prior years' taxes	**-**	**33**
IRES and foreign income taxes	-	33
IRAP	-	-
Income taxes	**-41,101**	**-21,414**
Theoretical tax rate	**27.5%**	**27.5%**
Profit (loss) before taxation	**172,390**	**211,492**
Theoretical taxation	**-47,407**	**-58,160**
Non-taxable income (+)		
Dividends	294	251
ACE	835	684
Revaluation of equity securities	145	-
Other decreases	61	102
Non-deductible charges (-)		
Double taxation on the dividends distributed by the Group's investees	-1,455	-3,005
Impairment of equity securities PEX	-57	-
Other non-deductible costs	-991	-593
Other effects (+/-)		
IRAP	-7,214	-5,601
Prior years' taxes	-	33
Rate change of companies under foreign law	14,645	31,804
Realignment effects (IRES/IRAP)	-	13,142
Tax losses	-20	-44
Not related deferred tax assets and liabilities and tax losses	219	24
Other consolidation adjustments	-156	-51
Actual tax expense	**-41,101**	**-21,414**
Total actual tax rate	**23.8%**	**10.1%**
Actual tax rate (IRES)	**19.7%**	**8.6%**
Actual tax rate (IRAP)	**4.2%**	**1.5%**

16. Earnings per Share

16.1 Average number of ordinary shares with diluted capital

	30.06.2022	30.06.2021
Net profit for the period (€ thousand)	131,304	190,098
Earnings attributable to ordinary shares (€ thousand)	131,304	190,098
Average number of outstanding shares (thousand)	114,730	115,163
EPS - Earning per share (euros)	**1.14**	**1.65**
Average number of outstanding shares with diluted capital (thousand)	114,730	115,163
EPS - Diluted earnings per share (euros)	**1.14**	**1.65**

PART D - CONSOLIDATED COMPREHENSIVE INCOME

Analytical Consolidated Statement of Comprehensive Income

ITEMS	30.06.2022	30.06.2021
Net profit (loss) for the period	**131,289**	**190,080**
Other income, without transfer to Profit And Loss Account	**1,998**	**653**
Equity securities designated at fair value through other comprehensive income:	**457**	**6**
a) fair value changes	457	6
b) transfers to other net equity components	-	-
Financial liabilities designated at fair value through profit or loss (change in the own creditworthiness):	**-**	**-**
a) fair value changes	-	-
b) transfers to other net equity components	-	-
Equity security hedges designated at fair value through other comprehensive income:	**-**	**-**
a) fair value changes (hedged instrument)	-	-
b) fair value changes (hedging instrument)	-	-
Property and equipment	**-**	**-**
Intangible assets	**-**	**-**
Defined benefit plans	**1,900**	**813**
Non-current assets available for sale and disposal groups	**-**	**-**
Share of valuation reserves of equity investments valued at equity	**-**	**-**
Income taxes on other income, without transfer to Profit and Loss Account	**-359**	**-166**
Other income, with transfer to Profit And Loss Account	**-12,551**	**-1,870**
Hedges of foreign investments:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
Exchange differences:	**286**	**-**
a) value changes	-	-
b) transfer to Profit and Loss Account	286	-
c) other changes	-	-
Cash-flow hedges:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
of which:		
- *result of net positions*	-	-

ITEMS	30.06.2022	30.06.2021
Hedging instruments (non-designated items):	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
Financial assets (other than equity securities) measured at fair value through other comprehensive income:	**-18,920**	**-2,756**
a) fair value changes	- 18,778	- 2,334
b) transfer to Profit and Loss Account	- 142	- 422
1. adjustments due to credit risk	377	103
2. gains (losses) on disposal	- 519	- 525
c) other changes	-	-
Non-current assets available for sale and disposal groups:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
Share of valuation reserves of equity investments valued at equity:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
3. adjustments due to impairment	-	-
4. gains (losses) on disposal	-	-
c) other changes	-	-
Income taxes on other income, with transfer to Profit and Loss Account	**6,083**	**886**
Total other income components	**-10,553**	**-1,217**
Comprehensive income (Items 10 + 190)	**120,736**	**188,863**
Consolidated comprehensive income attributable to minority interests	**169**	**33**
Consolidated comprehensive income attributable to the Parent Company	**120,567**	**188,830**

PART E - INFORMATION ON CONSOLIDATED NET EQUITY

1. Consolidated net equity

1.1 Breakdown of net equity

At 30 June 2022, Banca Generali's net equity, inclusive of the net profit for the period, amounted to 1,005 million euros and was broken down as follows:

(€ THOUSAND)	30.06.2022	31.12.2021	CHANGE AMOUNT	CHANGE %
1. Share capital	116,852	116,852	-	-
2. Share premium reserve	53,771	55,866	-2,095	-3.8%
3. Reserves	718,454	624,033	94,421	15.1%
4. (Treasury shares)	-55,941	-64,822	8,881	-13.7%
5. Valuation reserves	-10,215	522	-10,737	n.a.
6. Equity instruments	50,000	50,000	-	-
7. Net equity attributable to minority interests	482	313	169	54.0%
8. Net profit (loss) for the period	131,304	323,103	-191,799	-59.4%
Total net equity	**1,004,707**	**1,105,867**	**-101,160**	**-9.1%**

Net equity decreased by 101 million euros, compared to the end of the previous year, due to the following changes:

(€ THOUSAND)	30.06.2022
Net equity at period-start	**1,105,867**
Allocation for 2021 dividends	-227,861
Change in IFRS 2 reserves on own financial instruments	4,277
Change in OCI valuation reserves	-10,554
Dividends on AT1 equity instruments	-815
Minor dividends paid on treasury shares	3,537
Consolidated net profit	131,289
Other effects	-1,033
Net equity at period-end	**1,004,707**
Change	**-101,160**

The increase in net equity during the reporting period was influenced by the portion of dividends paid, the change in the reserves for share-based payments (IFRS 2), the change in fair value valuation reserves for the portfolio of HTCS financial assets and other reserves included in other comprehensive income, in addition to the net profit for the period.

1.2 Valuation reserves

1.2.1 Breakdown of valuation reserves

Fair value valuation reserves for the portfolio of financial assets measured at fair value through other comprehensive income (HTCS) showed a net decrease of 12.4 million euros, due to the stronger volatility that impacted financial markets as a result of the inflation forecasts and the Ukraine crisis.

	30.06.2022			31.12.2021	
(€ THOUSAND)	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
Valuation reserves - HTCS debt securities	1,387	-11,531	-10,144	2,694	-12,838
Valuation reserves - OCI equity securities	871	-1,252	-381	-837	456
Exchange differences	-	618	618	340	278
Actuarial gains (losses) from defined benefit plans	-	-308	-308	-1,675	1,367
Total	**2,258**	**-12,473**	**-10,215**	**522**	**-10,737**

1.2.2 Valuation reserves of financial assets measured at fair value through other comprehensive income: change

Valuation reserves on the HTCS portfolio showed a net decrease of 12.4 million euros for the first half of 2022, as a result of the following factors:

1. the recognition of net valuation capital losses totalling -17.9 million euros, net of 0.4 million euros referring to reversal of collective reserves;
2. the reduction of pre-existing net positive reserves due to re-absorption through profit or loss upon realisation (-0.5 million euros);
3. a positive net tax effect (DTAs) associated with the above changes (+6.0 million euros).

	30.06.2022				
	DEBT SECURITIES				
(€ THOUSAND)	CORPORATE	GOVERNMENT	EQUITY SECURITIES	FINANCING	TOTAL
1. Amount at period-start	**706**	**1,988**	**-837**	**-**	**1,857**
Adjustment of opening balances	**-**	**-**	**-**	**-**	**-**
1. Amount at period-start	**706**	**1,988**	**-837**	**-**	**1,857**
2. Increases	**1,831**	**5,751**	**486**	**-**	**8,068**
2.1 Fair value increases	-	417	486	-	903
2.2 Adjustments for credit risk	338	40	X	-	378
2.3 Transfer to Profit and Loss Account of negative reserves: due to disposal	13	570	X	-	583
2.4 Transfer to other net equity components (equity securities)	-	-	-	-	-
2.5 Other changes	1,480	4,724	-	-	6,204
3. Decreases	**4,726**	**15,694**	**30**	**-**	**20,450**
3.1 Fair value decreases	4,595	14,601	-	-	19,196
3.2 Reversals for credit risk	-	-	-	-	-
3.3 Transfer to Profit and Loss Account of positive reserves: due to disposal	22	1,080	X	-	1,102
3.4 Transfer to other net equity components (equity securities)	-	-	-	-	-
3.5 Other changes	109	13	30	-	152
4. Amount at period-end	**-2,189**	**-7,955**	**-381**	**-**	**-10,525**

2. Own funds and regulatory capital ratios

In accordance with Circular No. 262 of 22 December 2005, 7th update of 29 October 2021, for the details of Own Funds and regulatory capital ratios, reference is made to the information regarding own funds and capital adequacy provided in the Pillar 3 Disclosure provided at the consolidated level, available from Banca Generali's corporate website at the address www.bancagenerali.com.

PART F - RELATED PARTY TRANSACTIONS

1. Information on Related Party Transactions

As part of its normal business operations, Banca Generali carries out numerous financial and commercial transactions with related parties included in the scope of consolidation of the Generali Group.

Banca Generali is a direct subsidiary of Generali Italia S.p.A., the holding of all the Insurance Group's operations in Italy. However, the company engaging in management and coordination activities pursuant to Article 2497 of the Italian Civil Code continues to be the ultimate Parent Company, Assicurazioni Generali S.p.A. This is the reason why reference is made to the latter when speaking of the "Parent Company" of Banca Generali, in compliance with IAS 24.

In the banking area, such relationships include current accounts, the custody and administration of securities, stock brokerage and commercial portfolio collection.

As regard the distribution and sale of financial services, a number of agreements were established regarding the Financial Advisors network's placement of asset management and insurance products, as well as banking products and services.
To a lesser extent, advisory and wealth management activities are also carried out, with reference to underlying assets of insurance products placed by the companies of the Insurance Group.

Finally, as part of its normal operations, the Bank also maintains relationships pertaining to outsourcing, IT and administration, insurance and leasing relationships, as well as other minor relationships with Generali Group companies.
Transactions with related parties outside the Generali Group are mostly confined to direct and indirect net inflows activities and loans to Managers with Strategic Responsibilities (and their relatives) of the Bank and its Parent Company. These transactions are carried out at arm's length. Banca Generali's direct investments in activities on which such related parties exercise significant influence or control are absolutely not material.

1.1 Extraordinary and non-recurring transactions

Unusual, atypical or extraordinary transactions

There were no atypical and/or unusual transactions to be reported in the first half of 2022, nor were such transactions undertaken with parties other than related parties such as intra-group entities or third parties.
Pursuant to Consob Notices Nos. 98015375 of 27 February 1998 and 1025564 of 6 April 2001, atypical and unusual transactions are defined as all transactions that due to their significance/materiality, the nature of the counterparties, the subject matter of the transaction (including in relation to ordinary operations), the transfer pricing method and timing of occurrence (near the end of the period) may give rise to doubts as to the accuracy/completeness of the information presented in the financial statements, conflicts of interest, the safeguarding of company assets and the protection of minority shareholders.

Highly significant transactions

In the first half of 2022, the Banking Group did not undertake any transaction qualifying as "highly significant".

Other significant transactions

In the first half of 2022, some transactions were approved qualifying as "moderately significant" transactions, which are subject to the prior non-binding opinion of the Internal Audit and Risk Committee; in this regard, the reader is referred to the dedicated section of the Report on Operations.

1.2 Ordinary or recurring transactions

The developments of ordinary transactions with related parties for the first half of 2022 are presented in the following sections.

Transactions with Assicurazioni Generali Group

Balance Sheet data

(€ THOUSAND)	SUBSIDIARIES AND ASSOCIATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	30.06.2022	31.12.2021	WEIGHT % 2022
Financial assets measured at fair value through profit or loss:	944	-	944	1,151	0.2%
c) other financial assets mandatorily measured at fair value	944	-	944	1,151	0.2%
Financial assets measured at fair value through other comprehensive income	246	-	246	246	-
Financial assets measured at amortised cost:	47,155	1,069	48,224	26,969	0.4%
b) loans to customers	47,155	1,069	48,224	26,969	0.4%
Equity investments	-	3,098	3,098	2,048	100.0%
Property, equipment and intangible assets	71,763	-	71,763	74,369	25.0%
Tax assets (AG tax consolidation)	-	-	-	7,908	-
Other assets	3,592	34	3,626	669	0.2%
Total assets	**123,700**	**4,201**	**127,901**	**113,360**	**0.7%**
Financial liabilities measured at amortised cost:	403,642	15,072	418,714	582,861	2.7%
b) due to customers	403,642	15,072	418,714	582,861	2.8%
Tax liabilities (AG tax consolidation)	11,244	-	11,244	-	30.0%
Other liabilities	1,019	-	1,019	3,781	0.2%
Equity instruments	50,000	-	50,000	50,000	100.0%
Total liabilities	**465,905**	**15,072**	**480,977**	**636,642**	**2.7%**
Guarantees issued	**1,891**	**-**	**1,891**	**2,142**	**3.3%**

The total exposure to the Parent Company, **Assicurazioni Generali**, of companies subject to its control, including the direct parent, Generali Italia S.p.A., and its associate companies, amounted to 123.7 million euros, compared to the 110.2 million euros recognised at the end of 2021, equal to 0.7% of Banca Generali Group's total balance sheet assets.
The item "Property and equipment" includes the net value of the rights of use (ROUs) of 71.8 million euros (relating primarily to the lease payments for the Milan and Trieste administrative offices and the commercial network offices), following the introduction of IFRS 16 with effect from 1 January 2019.

By contrast, the total debt position reached 465.9 million euros, accounting for 2.7% of liabilities, down by 160.5 million euros (-25.6%) compared to the end of the previous year.

Following the introduction of IFRS 16 with effect from 1 January 2019, amounts due to customers include 75.4 million euros due to the recognition of the corresponding lease liabilities.

As part of assets, **financial assets mandatorily measured at fair value through other comprehensive income (OCI FV)** claimed from the parent company refer to shares of Assicurazioni Generali held in the corresponding portfolio of Banca Generali.
As part of the **financial assets measured at fair value through other comprehensive income (HTCS)** portfolio, shareholdings in subsidiaries of the Generali Insurance Group refer to the shares held in the consortia of the GBS Group (Generali Business Solutions).

The item **Associates subject to joint control or significant influence** includes the 19.9% interest in the share capital of BG Saxo Sim S.p.A. that was acquired on 31 October 2019. The value of the equity investment in BG Saxo Sim S.p.A. changed during the first half as a result of the company's capital increase authorised in April and subscribed by the Bank for the relevant share equal to 796 thousand euros.

This item also includes the equity investment in Nextam Partners Sim S.p.A., with regard to which the Bank finalised, on 20 January 2022, the sale of the 80.1% interest held in it to a new corporate structure led by the main key manager of the Nextam Group, after having received the Bank of Italy's prior authorisation. The residual equity investment of 19.9% was recognised at 0.5 million euros and, in view of the relations between the two companies, classified as an equity investment in an associate.

With regard to the equity investment in BG Saxo Sim S.p.A., at 30 June 2022 the share of loss for the period recognised by Banca Generali amounted to approximately 143.2 thousand euros, while with regard to the equity investment in Nextam Sim S.p.A. was 72.9 thousand euros.

Exposures to Generali Group companies recognised as **loans to customers** amounted to 47.2 million euros and refer to the following transactions:

			30.06.2022		31.12.2021	
COMPANY	RELATIONSHIP	TYPE OF TRANSACTION	AMOUNT	REVENUES	AMOUNT	REVENUES
Genertellife	Subsidiary of the AG Group	Operating loans	43,437	-	22,182	-
Other companies of the Generali Group	Subsidiaries of the AG Group	Operating loans	2,983	-	2,832	-
Other companies of the Generali Group	Subsidiaries of the AG Group	Medium/Short-term loans	732	8	801	18
Other exposures with group companies	Subsidiaries of the AG Group	Temporary current account exposures	3	526	16	1,166
			47,155	**534**	**25,831**	**1,184**

Operating loans are comprised of transitional items including fees accrued over the last quarter for the distribution of insurance and financial products of Group companies.

Amounts due to customers attributable to Generali Group's related parties totalled 403.6 million euros at the end of the half-year compared to 572.6 million euros for the previous year and included amounts due to the parent company Assicurazioni Generali S.p.A. for 51.3 million euros, and amounts due to Generali Italia S.p.A. for 36.4 million euros and lease liabilities arising from the lease contracts for the administrative offices and the commercial network offices for 75.4 million euros.

Amounts payable from the Parent Company and classified as **tax liabilities** consisted of Banca Generali S.p.A.'s net tax debt resulting from the balance between tax prepayments, withholdings and credits and the IRES tax calculated at the end of the half year.

It should also be noted that on 23 December 2019 Banca Generali finalised the issue of an Additional Tier 1 Perpetual bond of 50 million euros, which under IAS 32 is considered an **equity instrument** and meets the requirements under regulatory capital rules for being included among Additional Tier 1 instrument in the Issuer's financial statements. The issue was fully subscribed in private placement by two German insurance companies of the Generali Group. The bonds are perpetual and callable, at the issuer's sole discretion, from the sixth year from issue, and they yield — subject to authorisation from the competent Supervisory Authority and under the conditions established in applicable legislation — a non-cumulative half-yearly coupon at a fixed rate of 4.5% per annum for the first five years.

The instalment for an overall amount of 1,125 thousand euros was paid on 23 June 2022, following those already paid in 2021 and 2022.

Finally, a total of 1.9 million euros in personal guarantees was issued for Generali Group companies, of which 1.0 million euros on behalf of Assicurazioni Generali S.p.A.

Profit and Loss Account data

At 30 June 2022, the profit and loss components recognised in the Financial Statements with regard to transactions with companies of the Generali Group amounted to 126.2 million euros, or 73.2% of operating profit before taxation.

(€ THOUSAND)	SUBSIDIARIES AND ASSOCIATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	30.06.2022	30.06.2021	CHANGE AMOUNT	CHANGE %	WEIGHT % 2022
Interest income	534	18	552	622	-70	-11.3%	1.0%
Interest expense	-808	-	-808	-751	-57	7.6%	19.9%
Net interest income	**-274**	**18**	**-256**	**-129**	**-127**	**98.4%**	**-0.5%**
Fee income	137,230	1,208	138,438	137,015	1,423	1.0%	28.0%
Fee expense	-568	-151	-719	-1,052	333	-31.7%	0.3%
Net fees	**136,662**	**1,057**	**137,719**	**135,963**	**1,756**	**1.3%**	**53.8%**
Dividends	66	-	66	62	4	6.5%	5.9%
Operating income	**136,454**	**1,075**	**137,529**	**135,896**	**1,633**	**1.2%**	**42.5%**
Staff expenses	186	60	246	173	73	42.2%	-0.4%
General and administrative expenses	-6,752	-	-6,752	-6,638	-114	1.7%	6.8%
Net adjustments/reversals of property and equipment	-3,758	-	-3,758	-3,994	236	-5.9%	21.3%
Other net operating income	39	15	54	37	17	45.9%	0.1%
Net operating expenses	**-10,285**	**75**	**-10,210**	**-10,422**	**212**	**-2.0%**	**8.1%**
Operating result	**126,169**	**1,150**	**127,319**	**125,474**	**1,845**	**1.5%**	**64.4%**
Operating profit	**126,169**	**1,150**	**127,319**	**125,474**	**1,845**	**1.5%**	**73.9%**
Net profit (loss) for the period	**126,169**	**1,150**	**127,319**	**125,474**	**1,845**	**1.5%**	**97.0%**
Net profit (loss) for the period attributable to the Parent Company	**126,169**	**1,150**	**127,319**	**125,474**	**1,845**	**1.5%**	**97.0%**

Overall **net interest income** accrued in dealings with members of the Insurance Group was negative at 0.3 million euros overall.

By convention, interest income also includes the negative interest expense applied to the deposits of Generali Group companies starting in June 2016, calculated according to the average one-month Euribor for the month prior to the month of calculation.

Interest expense amounted to 0.8 million euros, equal to 19.9% of the total amount recognised in the Profit and Loss Account and chiefly refers to the interest accrued on the IFRS 16-related liability, whereas the interest income from other companies of the Generali Group was absolutely negligible due to the persistence of negative short-term interest rates.

Fee income paid back by companies of the Insurance Group amounted to 137.2 million euros, equal to 27.8% of the aggregate amount and was broken down as follows:

	30.06.2022	30.06.2021	CHANGE ABSOLUTE	CHANGE %
UCITS placement	2,255	1,958	297	15.2
Fees for distribution of insurance products	131,533	129,872	1,661	1.3
Advisory fees	3,390	3,497	-107	-3.1
Other banking fees	52	135	-83	-61.5
Total	**137,230**	**135,462**	**1,768**	**1.3**

The most significant component consists of fees for the **distribution of insurance products** paid back by **Genertellife**, reaching 131.5 million euros, up by 1.3% compared to the same period of the previous year.

Fees on the placement of units of UCITS of the Insurance Group were largely related to the income on the distribution of GI Focus funds, promoted by Generali Investments Europe SGR.

Furthermore, Banca Generali advises on, or directly manages through portfolio management, a portion of the underlying assets of the Group's insurance products.

In this regard, in 2022 fee income for advisory service rendered to Alleanza Assicurazioni S.p.A. and Generali Italia S.p.A. amounted to 3.4 million euros.

Other bank fees refer both to SDD collection activity on behalf of Group companies and current account keeping fees.

It should also be noted that Banca Generali renders trading and order receipt services to Italian and international UCITS administered by management companies that belong to the Banking and Insurance Group. Such fees are generally charged directly against the assets of the UCITS, which are considered entities beyond the scope of IAS 24.

To hedge obligations towards the insured, the insurance wrappers of the Insurance Group (BG Stile Libero, Valore Futuro) also invest a portion of the reserves in UCITS units managed by the Banking Group's management company (BGFML), which receives the related management fees.

The Bank also directly collects from customers — through the correspondent bank — underwriting fees for the Sicavs promoted by the Group (LUX IM Sicav, BG Selection Sicav, Generali Investments Sicav).

Net operating expenses reported by the Banca Generali Group in relation to transactions with related parties of the Generali Group amounted to 10.3 million euros, accounting for 8.2% of the aggregate's total, and refer to outsourced services in the insurance, leasing, administrative and IT sector.

			CHANGE	
	30.06.2022	30.06.2021	ABSOLUTE	%
Insurance services	1,400	1,312	88	6.7%
Property services	219	708	-489	-69.1%
Administration, IT and logistics services	5,096	4,581	515	11.2%
Staff services	-186	-173	-13	7.5%
Amortisation of RoUs (IFRS 16)	3,756	3,994	-238	-6.0%
Total administrative expenses	**10,285**	**10,422**	**-137**	**-1.3%**

Property services decreased sharply due to the change in the accounting treatment of lease and rental payments following the introduction of IFRS 16 and relate solely to additional costs of leases and rentals of motor vehicles and ATMs (former condominium fees, VAT and sundry additional expenses).

Administrative expenses incurred in relation to Generali Italia S.p.A. amounted to 1.4 million euros and refer almost exclusively to insurance services.

Expenses relating to IT, administration and logistics related chiefly to services rendered by Generali Business Solutions S.r.l. (GBS) on the basis of current outsourcing agreements.

The 3.8 million euro value adjustments of property and equipment refers to the amortisation of the IFRS 16-related right of use.

Transactions with other related parties

Exposure in respect of **Key Managers** of the Bank and its parent company Assicurazioni Generali mainly referred to residential mortgages subject to the same terms and conditions applied to similar mortgages held by other Executives of the Banking and Insurance Group.

Amounts due to such parties consist of the balances of correspondent accounts with Banca Generali and are regulated on the basis of conditions applicable to employees of the Banking and Insurance Group.

(€ THOUSAND)	MANAGERS WITH STRATEGIC RESPONSIBILITIES
Loans to customers	3,986
Amounts due to customers	18,841
Interest income	7
Interest expense	-1
Guarantees issued	45

Direction and Coordination

Pursuant to Article 2497-*bis* of the Italian Civil Code, Banca Generali is subject to Assicurazioni Generali S.p.A.'s "management and coordination" activities.

PART G - SEGMENT REPORTING

In application of IFRS 8, Banca Generali Group's segment reporting is based on information that management uses to make its operating decisions (so-called "management approach").

The networks of non-employed Financial Advisors are organised into two macro-divisions on the basis of the total AUM managed by each Financial Advisor.

The **Wealth Management CGU (WM CGU)** consists of the assets attributable to the network of Financial Advisors managing total client assets of more than 50 million euros, in addition to Swiss operations.

The **Private Banking CGU (PB CGU)** consists of the assets attributable to the network of Financial Advisors managing total client assets of less than 50 million euros, as well as the assets attributable to Relationship Managers and the respective clients.

The periodical reports analysed by the management requires the Group to assess the performance of its operating segments on the basis of the performance of the net banking income attributable to such segments. The financial aggregates presented for each segment therefore consist of net interest, net fees and the result of trading activity including dividends. They include both components arising from transactions with third parties external to the Group ("external revenues"), and those deriving from transactions with other segments ("internal revenues").

It should be noted in this regard that internal revenues can be identified solely with reference to net interest income; in fact, since net fees are generated directly by volumes of gross inflows and assets under management relating to the individual segments, they are generated in full as external revenues.

The interest expense incurred by the segments mentioned below was determined on the basis of the actual interest paid on each segment's direct net inflows. Interest income for the segments includes the actual interest accrued on the loans issued to customers in each segment. Both components are recognised net of the share of the "notional interest" calculated on the basis of the TIT (Internal Transfer Rate) and attributed to the Corporate Center segment.

Performance fees have been directly allocated to the business areas which place the products. All the revenue components presented are measured using the same accounting principles adopted to prepare the Group's Consolidated Financial Statements so that segment data can be reconciled more easily with consolidated data.

The following table shows the consolidated profit and loss results of each of the three operating segments, stated net of intra-segment eliminations.

BANCA GENERALI GROUP PROFIT AND LOSS ACCOUNT BY BUSINESS SEGMENT	30.06.2022				30.06.2021			
	PB CGU	WM CGU	CORPORATE CENTER	TOTAL	PB CGU	WM CGU	CORPORATE CENTER	TOTAL
Net interest income	**6,351**	**3,818**	**41,675**	**51,845**	**6,875**	**3,989**	**33,021**	**43,884**
Fee income	303,805	148,134	42,219	494,158	367,535	167,154	79,547	614,236
of which:								
- *underwriting*	*10,902*	*4,031*	*1,324*	*16,257*	*16,822*	*3,405*	*461*	*20,688*
- *management*	*260,183*	*128,021*	*25,055*	*413,259*	*242,941*	*117,701*	*19,855*	*380,497*
- *performance*	*7,094*	*2,900*	*5,567*	*15,561*	*80,282*	*33,344*	*51,395*	*165,021*
- *other*	*25,626*	*13,182*	*10,273*	*49,080*	*27,490*	*12,704*	*7,836*	*48,030*
Fee expense	-156,989	-79,914	-10,308	-247,211	-152,954	-75,490	-8,351	-236,795
of which:								
- *incentives*	*-6,299*	*-2,735*	*-*	*-9,034*	*-5,039*	*-1,455*	*-*	*-6,494*
Net fees	**146,816**	**68,220**	**31,911**	**246,947**	**214,581**	**91,664**	**71,196**	**377,441**
Net income (loss) from trading activities and dividends	-	-	15,658	15,658	-	-	11,379	11,379
Net banking income	**153,169**	**72,038**	**89,243**	**314,450**	**221,456**	**95,653**	**115,595**	**432,704**
Staff expenses	-	-	-	-57,385	-	-	-	-53,290
Other general and administrative expenses	-	-	-	-99,807	-	-	-	-87,539
Adjustments of property, equipment and intangible assets	-	-	-	-17,617	-	-	-	-17,082
Other operating expenses/income	-	-	-	49,023	-	-	-	39,440
Net operating expenses	-	-	-	**-125,786**	-	-	-	**-118,471**
Operating result	-	-	-	**188,664**	-	-	-	**314,233**
Adjustments of other assets	-	-	-	-4,857	-	-	-	-4,051
Net provisions	-	-	-	-11,358	-	-	-	-98,579
Gains (losses) from investments and equity investments	-	-	-	-58	-	-	-	-109
Operating profit before taxation	-	-	-	**172,390**	-	-	-	**211,494**
Income taxes - operating activities	-	-	-	-41,101	-	-	-	-21,414
Profit (loss) from HFS assets	-	-	-	-	-	-	-	-
Net profit (loss) for the period attributable to minority interests	-	-	-	-15	-	-	-	-18
Net profit	-	-	-	**131,304**	-	-	-	**190,098**

(€ MILLION)	30.06.2022				30.06.2021			
Assets Under Management	51,156	28,971	5,243	85,371	52,343	28,074	5,561	85,977
Net inflows	1,917	1,131	n.a.	3,047	2,389	1,405	n.a.	3,795
No. of FAs/RMs	1,833	386	n.a.	2,219	1,787	364	n.a.	2,151

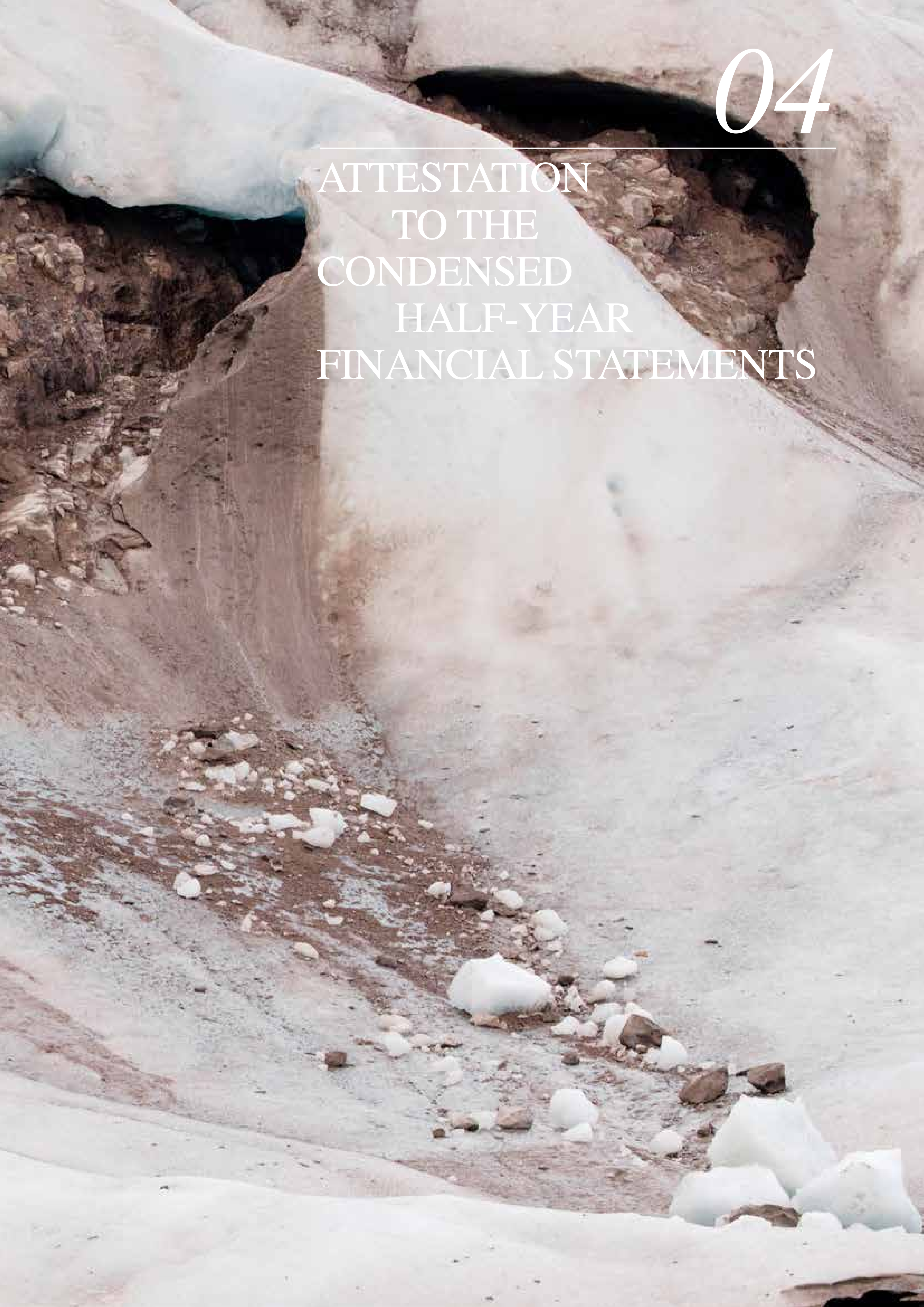
(1) Interest income includes negative interest income classified under Item 20 of the Profit and Loss Account (Interest expense).
(2) Interest expense includes negative interest expense classified under Item 10 of the Profit and Loss Account (Interest income).
(3) The financial data in segment reporting are stated in accordance with Top management's view, reclassifying fee provisions to the item Fee expense.

Trieste, 28 July 2022

The Board of Directors

04

ATTESTATION TO THE CONDENSED HALF-YEAR FINANCIAL STATEMENTS



Attestation to the condensed half-year financial statements

BANCA GENERALI

Attestation to the Condensed Half-year Financial Statements Pursuant to Article 81-*ter* of Consob Regulation 11971 Dated 14 May 1999, as Amended

1. The undersigned Gian Maria Mossa in his capacity as Chief Executive Officer, and Tommaso Di Russo, in his capacity as Manager in charge of preparing the accounting documents of Banca Generali S.p.A., hereby declare, taking into account the provisions set out in article 154-*bis*, paragraphs 3 and 4 of the legislative decree dated 24 February 1998, No.58, that the administrative and accounting procedures adopted to prepare the condensed half-year report for the first half of 2022
   - are appropriate in light of the features of the company, and
   - have been applied.
2. The appropriateness of administrative and accounting procedures for preparing the condensed half-year financial statements at 30 June 2022 was assessed using a process established by Banca Generali S.p.A. based on the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is generally accepted as a reference framework worldwide.
3. The undersigned further declare that:

3.1 the condensed half-year financial statements at 30 June 2022:

a) were prepared in compliance with the applicable international accounting standards recognised in the European Community pursuant to regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002, as well as the provisions of Legislative Decree No. 38 of 28 February 2005, and further applicable provisions, regulations and circular letters issued by the Supervisory Board;

b) reflect the accounting books and records;

c) provide a true and fair view of the assets, liabilities, profit or loss and financial position of the issuer and all consolidated companies.

3.2 The interim report includes a reliable analysis of references to important events occurred in the first six months of the year, and to their impact on the condensed half-year financial statements; it also includes a description of the main risks and uncertainties regarding the coming six months of the year. The interim report also includes a reliable analysis of information on significant related-party transactions.

Trieste, 28 July 2022

Dott. Gian Maria Mossa
Chief Executive Officer

BANCA GENERALI S.p.A.

Dott. Tommaso Di Russo
Manager in charge of preparing
the Company's Financial Documents
BANCA GENERALI S.p.A

05

INDEPENDENT AUDITORS' REPORT

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report on review of condensed consolidated half-year financial statements

To the Shareholders of
Banca Generali S.p.A.

Introduction

We have reviewed the accompanying condensed consolidated half-year financial statements of Banca Generali Group comprising the consolidated balance sheet, the consolidated profit and loss account and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flows statement and notes thereto, as at and for the six months ended June 30, 2022. The company's parent's directors are responsible for the preparation of these condensed consolidated half-year financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these consolidated half-year financial statements based on our review.

Scope of Review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed consolidated half-year financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated half-year financial statements.

Banca Generali Group
Report on review of condensed consolidated half-year financial statements
June 30, 2022

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half-year financial statements of Banca Generali Group as at and for the six months ended June 30, 2022 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Trieste, August 2, 2022

KPMG S.p.A.

(signed on the original)

Pietro Dalle Vedove
Director of Audit

06

ANNEXES

BOARD OF DIRECTORS
28 July 2022

ANNEX 1 - RECONCILIATION BETWEEN OFFICIAL AND RECLASSIFIED STATEMENTS

RECONCILIATION BETWEEN RECLASSIFIED CONSOLIDATED BALANCE SHEET AND CONSOLIDATED BALANCE SHEET

RECLASSIFIED CONSOLIDATED BALANCE SHEET ITEMS - ASSETS	CONSOLIDATED BALANCE SHEET ITEMS - ASSETS	30.06.2022	31.12.2021
Financial assets at fair value through profit or loss		**426,181**	**415,558**
	Item 20. Financial assets measured at fair value through profit or loss	426,181	415,558
Financial assets at fair value through other comprehensive income		**2,134,674**	**2,543,065**
	Item 30. Financial assets measured at fair value through other comprehensive income	2,134,674	2,543,065
Financial assets measured at amortised cost		**14,160,039**	**12,447,258**
a) Loans to banks		**3,408,300**	**2,811,785**
	Item 40. a) Financial assets measured at amortised cost - loans to banks	2,015,973	1,218,138
	- Item 10 (partial) Demand deposits with central banks and banks	1,392,327	1,593,647
b) Loans to customers		**10,751,739**	**9,635,473**
	Item 40 b) Financial assets measured at amortised cost - loans to customers	10,751,739	9,635,473
Equity investments		**3,098**	**2,048**
	Item 70. Equity investments	3,098	2,048
Property, equipment and intangible assets		**287,441**	**295,184**
	Item 90. Property and equipment	156,795	159,012
	Item 100. Intangible assets	130,646	136,172
Tax assets		**69,955**	**72,627**
	Item 110. Tax assets	69,955	72,627
Other assets		**603,924**	**413,176**
	Item 10. Cash and cash equivalents	1,419,251	1,620,334
	- Item 10 (partial) Demand deposits with central banks	-1,392,327	-1,593,647
	Item 50. Hedging derivatives	175,432	11,357
	Item 60. Adjustment of financial assets subject to macro-hedging (+\-)	-	-
	Item 130. Other assets	401,568	375,132
HFS assets		**-**	**2,694**
	Item 120. Non-current assets available for sale and disposal groups	-	2,694
Total assets	**Total Assets**	**17,685,312**	**16,191,610**

RECLASSIFIED CONSOLIDATED BALANCE SHEET ITEMS - LIABILITIES AND NET EQUITY	CONSOLIDATED BALANCE SHEET ITEMS - LIABILITIES AND NET EQUITY	30.06.2022	31.12.2021
Financial liabilities measured at amortised cost		**15,612,346**	**14,412,354**
a) Due to banks		**843,741**	**818,734**
	Item 10 a) Financial liabilities measured at amortised cost – due to banks	843,741	818,734
b) Due to customers		**14,768,605**	**13,593,620**
	Item 10 b) Financial liabilities measured at amortised cost – due to customers	14,768,605	13,593,620
Financial liabilities held for trading and hedging		**158,499**	**171,871**
	Item 20. HFT financial liabilities	244	4,551
	Item 40. Hedging derivatives	158,255	167,320
Tax liabilities		**37,427**	**28,320**
	Item 60. Tax liabilities	37,427	28,320
Other liabilities		**638,111**	**242,037**
	Item 80. Other liabilities	638,111	242,037
Liabilities associated with disposal groups		**-**	**318**
	Item 70. Liabilities associated with disposal groups	-	318
Special purpose provisions		**234,222**	**230,843**
	Item 90. Provisions for termination indemnity	4,056	4,335
	Item 100. Provisions for liabilities and contingencies	230,166	226,508
Valuation reserves		**-10,215**	**522**
	Item 120. Valuation reserves	-10,215	522
Equity instruments		**50,000**	**50,000**
	Item 140. Equity instruments	50,000	50,000
Reserves		**718,454**	**624,033**
	Item 150. Reserves	718,454	624,033
Share premium reserve		**53,771**	**55,866**
	Item 160. Share premium reserve	53,771	55,866
Share capital		**116,852**	**116,852**
	Item 170. Share capital	116,852	116,852
Treasury shares (-)		**-55,941**	**-64,822**
	Item 180. Treasury shares (-)	-55,941	-64,822
Net equity attributable to minority interests		**482**	**313**
	Item 190. Net equity attributable to minority interests (+/-)	482	313
Net profit (loss) for the period (+/-)		**131,304**	**323,103**
	Item 200. Net profit (loss) for the period	131,304	323,103
Total liabilities	**Total Liabilities and Net Equity**	**17,685,312**	**16,191,610**

RECONCILIATION BETWEEN RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT AND CONSOLIDATED PROFIT AND LOSS ACCOUNT

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	30.06.2022	30.06.2021
Net interest		**51,844**	**43,884**
	Item 30. Net interest income	51,844	43,884
Net income (loss) from trading activities and dividends		**15,658**	**11,379**
	Item 70. Dividends and similar income	1,126	1,056
	Item 80. Net income (loss) from trading activities	1,367	2,503
	Item 90. Net income (loss) from hedging	11,742	2,393
	Item 100. Gain (loss) on disposal or repurchase of financial assets measured at fair value through other comprehensive income	2,464	5,197
	Item 110. Net result on other financial assets and liabilities measured at fair value through profit and loss	-1,041	230
Net financial income		**67,502**	**55,263**
Recurring fee income		**478,604**	**449,215**
	Item 40. Fee income	494,158	614,236
	- Item 40 (partial) Variable fee income	-15,554	-165,021
Fee expense		**-247,211**	**-236,795**
	Item 50. Fee expense	-238,177	-230,301
	- Item 200 (partial) provisions	-9,034	-6,494
Net recurring fees		**231,393**	**212,420**
Variable fee income		**15,554**	**165,021**
	- Item 40 (partial) Variable fee income	15,554	165,021
Net fees		**246,947**	**377,441**
Net banking income		**314,449**	**432,704**
Staff expenses		**-57,385**	**-53,290**
	Item 190 a) Staff expenses	-57,385	-53,290
Other general and administrative expenses		**-52,743**	**-46,925**
	Item 190 b) Other general and administrative expenses	-99,807	-87,539
	- Item 190. b) (partial) Charges related to the banking system	5,882	6,137
	- Item 230 (partial) Recovery of indirect and direct taxes	41,182	34,477
Net adjustments of property, equipment and intangible assets		**-17,617**	**-17,082**
	Item 210. Net adjustments/reversals of property and equipment	-11,071	-10,851
	Item 220. Net adjustments/reversals of intangible assets	-6,546	-6,231
Other operating expenses/income		**7,841**	**4,963**
	Item 230. Other operating expenses/income	49,023	39,440
	- Item 230 (partial) Recovery of indirect and direct taxes	-41,182	-34,477
Net operating expenses		**-119,904**	**-112,334**
Operating result		**194,545**	**320,370**

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	30.06.2022	30.06.2021
Net adjustments to non-performing loans		**-4,857**	**-4,051**
	Item 130. Net adjustments/reversals due to credit risk	-4,857	-4,051
Net provisions		**-11,358**	**-98,579**
	Item 200. Net provisions for liabilities and contingencies	-20,392	-105,073
	- Item 200 (partial) provisions	9,034	6,494
Contributions and charges related to the banking system		**-5,882**	**-6,137**
	- Item 190. b) (partial) Charges related to the banking system	-5,882	-6,137
Gains (losses) from equity investments		**-58**	**-109**
	Item 250. Gains (losses) from equity investments	-58	-109
	Item 280. Gains (losses) on disposal of investments	-	-
Operating profit before taxation		**172,390**	**211,494**
Income taxes for the period on operating activities		**-41,101**	**-21,414**
	Item 300. Income taxes for the period on operating activities	-41,101	-21,414
Net profit (loss) for the period		**131,289**	**190,080**
Net profit (loss) attributable to minority interests		**-15**	**-18**
	- Item 340 Net profit (loss) for the period attributable to minority interests	-15	-18
Net profit (loss) for the period attributable to the Parent Company		**131,304**	**190,098**

Banca Generali S.p.A.

Registered office
Via Machiavelli 4 - 34132 Trieste - Italy

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

Tax code and Trieste register
of companies: 00833240328
VAT number: 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 coordination
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BANCA GENERALI

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