BANCA GENERALI

CONSOLIDATED INTERIM REPORT

AT 30.06.2024

TIME TO CHANGE






BG4SDGs – **Time to Change** is Banca Generali's photographic project dedicated to exploring the world of sustainability through the universal matrix of the 17 SDGs that make up the UN 2030 Agenda.

Photographer Stefano Guindani worked for two years with the aim of tangibly representing, through his poetic shots, the topic of sustainability, essential for the survival of our planet and a key pillar of the Bank's Vision.

In 2023, the publication of the project's images and stories was completed, leading to the launch of the new impact phase, with major social initiatives able to generate concrete effects on the Communities.




Consolidated Interim Report at 30 June 2024

BOARD OF DIRECTORS
25 JULY 2024

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.

Administrative and control bodies

Board of Directors - 25 July 2024

Board of Directors	Antonio Cangeri	Chairman
	Gian Maria Mossa	Chief Executive Officer
	Azzurra Caltagirone	Director
	Lorenzo Caprio	Director
	Paolo Ciocca	Director
	Roberta Cocco	Director
	Alfredo Maria De Falco	Director
	Anna Simioni	Director
	Cristina Zunino	Director
Board of Statutory Auditors	Natale Freddi	Chairman
	Paola Carrara	
	Giovanni Garegnani	
General Manager	Gian Maria Mossa	
Manager in Charge of Preparing the Company's Financial Reports	Tommaso Di Russo	

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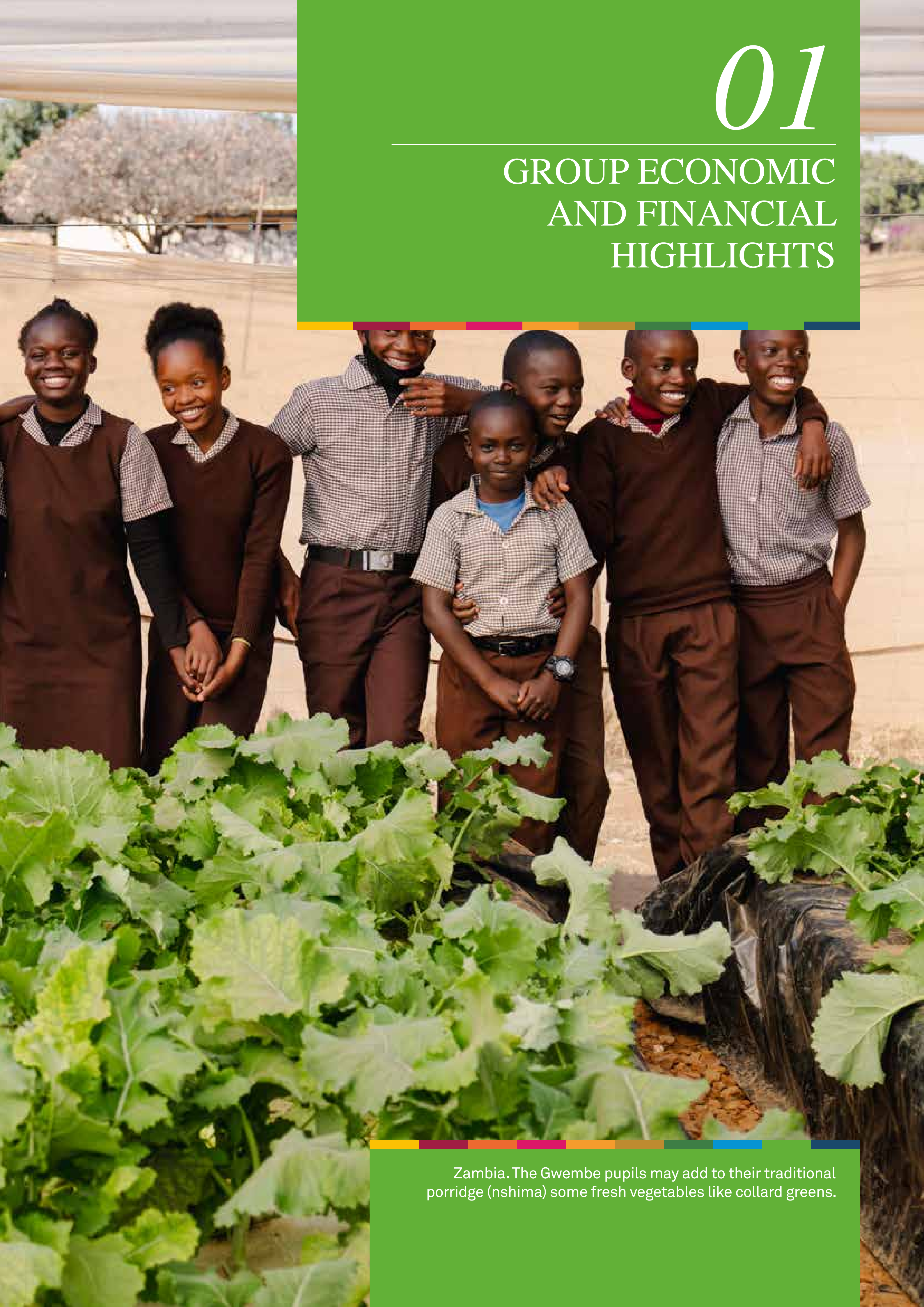


01

GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS

Zambia. The Gwembe pupils may add to their traditional porridge (nshima) some fresh vegetables like collard greens.

Group Economic and Financial Highlights

CONSOLIDATED ECONOMIC AND FINANCIAL HIGHLIGHTS

(€ MILLION)	30.06.2024	30.06.2023	CHANGE %
Net interest income	157.5	151.5	4.0
Net financial income	**166.7**	**161.3**	**3.3**
Net fees	327.6	230.9	41.9
Net banking income	**494.3**	**392.2**	**26.0**
Net operating expenses [a]	**-136.6**	**-127.3**	**7.3**
of which: staff expenses	-65.2	-59.9	8.9
Operating result	**357.7**	**264.9**	**35.0**
Provisions and charges related to the banking system [a] and other one-off charges	-40.4	-24.6	64.5
Adjustments to non-performing loans	0.8	-0.6	-238.0
Profit before taxation	**318.2**	**239.7**	**32.8**
Net profit	**239.6**	**175.1**	**36.9**

PERFORMANCE INDICATORS

	30.06.2024	30.06.2023	CHANGE %
Cost/income ratio [a] [b]	27.6%	32.5%	-14.9
Operating Costs/Total Assets – annualised [c]	0.28%	0.29%	-3.3
EBITDA [a]	377.7	284.1	33.0
ROE [d]	39.5%	32.9%	20.2
ROA [e]	0.48%	0.40%	22.0
EPS - Earnings per share (euros)	2.10	1.53	37.2

NET INFLOWS

(€ MILLION)	30.06.2024	30.06.2023	CHANGE %
Assets under Investment	**1,444**	**640**	**125.6**
Funds and Sicavs	113	274	-58.8
of which: in-house funds	*430*	*303*	*41.9*
Financial wrappers	717	355	102.0
Insurance wrappers	31	50	-38.0
Managed solutions	**861**	**679**	**26.8**
Traditional life insurance policies	**16**	**-969**	**-101.7**
AUC & Banking under Advisory	**567**	**930**	**-39.0**
Other assets	**2,194**	**2,629**	**-16.5**
Assets under Custody	1,951	3,948	-50.6
Deposits	243	-1,319	-118.4
Total	**3,638**	**3,269**	**11.3**

(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 the 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.
(c) Ratio of operating expenses, gross of non-recurring components, to year-end exact total client assets within Assoreti's scope and total client assets of BG Valeur, annualised.
(d) Ratio of net result to the arithmetic average of net equity, including net profit, at the end of the period and at the end of the previous year.
(e) Ratio of net result for the period to year-end exact total client assets within Assoreti's scope and total client assets within the Swiss market, annualised.

TOTAL CLIENT ASSETS

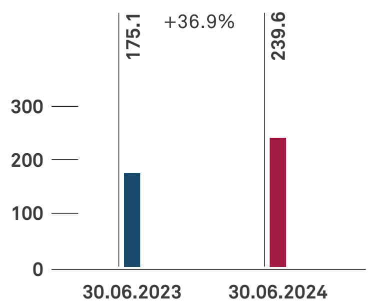
(€ BILLION)	30.06.2024	31.12.2023	CHANGE %
Assets under Investment (f)	**66.3**	**62.9**	**5.5**
Funds and Sicavs	23.2	22.0	5.5
of which: in-house funds	*11.1*	*10.1*	*9.8*
Financial wrappers	11.6	10.5	9.9
Insurance wrappers	11.1	10.6	4.3
Managed solutions	**45.8**	**43.1**	**6.3**
Traditional life insurance policies	**14.5**	**14.3**	**1.3**
AUC & Banking under Advisory	**6.0**	**5.5**	**10.3**
Other assets (f)	**32.7**	**29.9**	**9.1**
Assets under Custody	22.3	20.0	11.3
Deposits	10.4	9.9	4.8
Total (f)	**99.0**	**92.8**	**6.7**

NET EQUITY

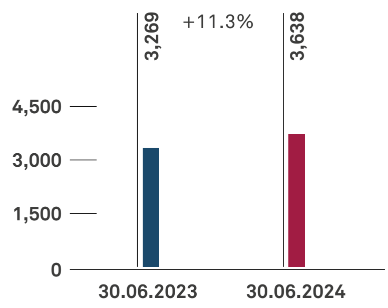
	30.06.2024	31.12.2023	CHANGE %
Net equity (€ million)	1,211.9	1,213.3	-0.1
Own funds (€ million)	888.1	839.7	5.8
Excess capital (€ million)	413.8	294.8	40.4
Total Capital Ratio	23.7%	19.0%	24.7

(f) Total client assets within the Assoreti scope and total client assets within the Swiss market.

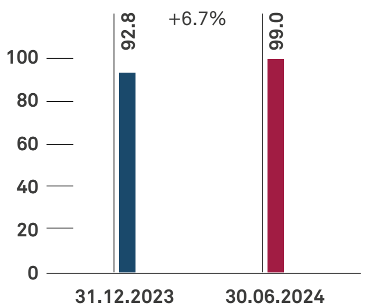
NET PROFIT
(€ million)



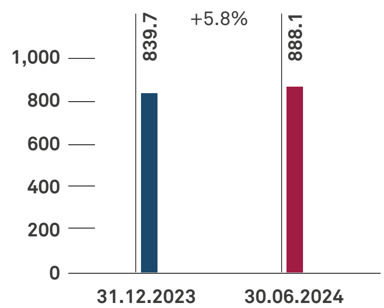
NET INFLOWS
(€ million)



TOTAL CLIENT ASSETS
(€ billion)



OWN FUNDS
(€ million)



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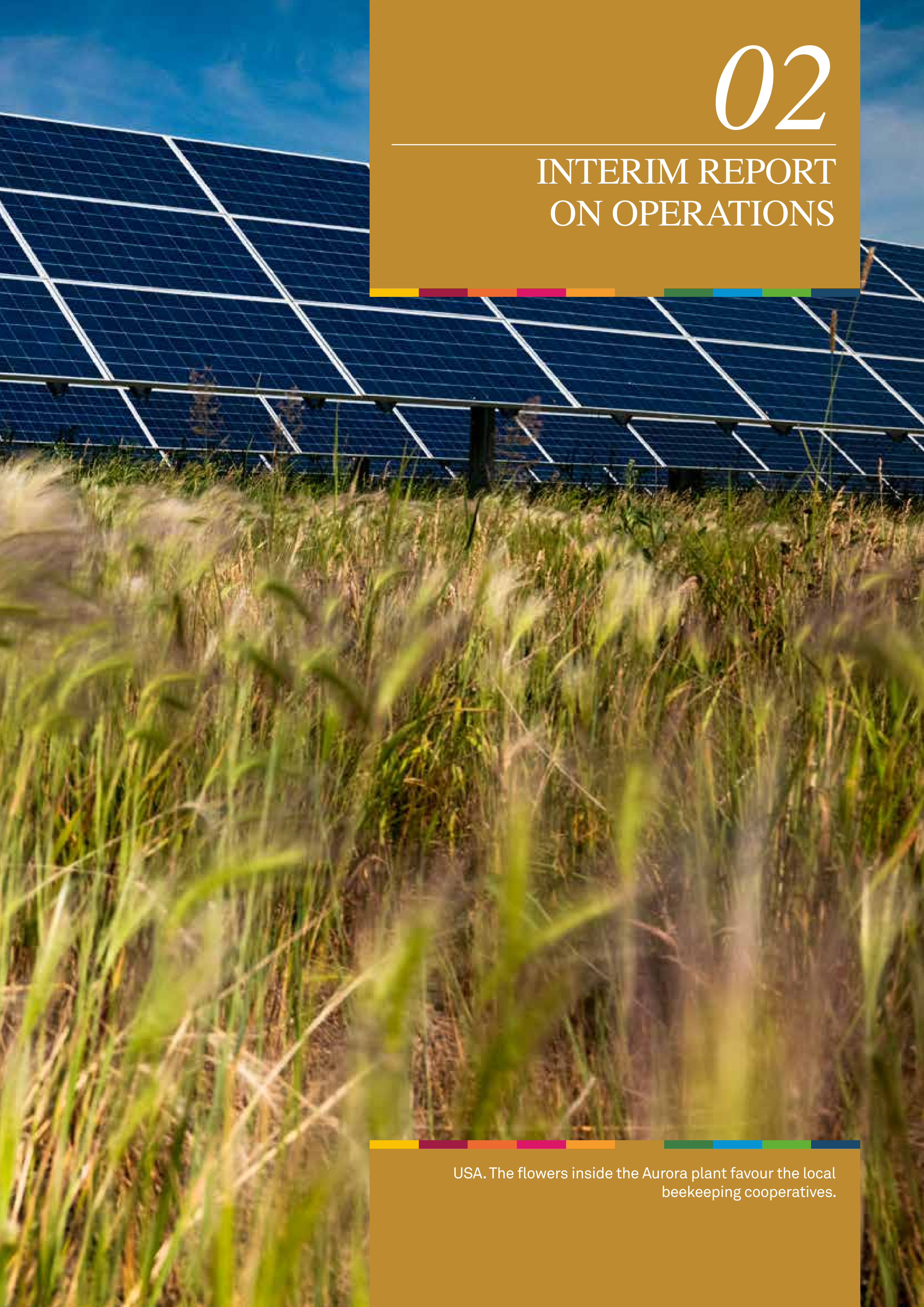
INTERIM REPORT ON OPERATIONS



USA. The flowers inside the Aurora plant favour the local beekeeping cooperatives.

1. Summary of half-year operations

Banca Generali Group closed the first half of 2024 with **consolidated net profit of 239.6 million euros**, sharply up compared to the first half of 2023 (+36.9%), driven by the surge in non-recurring net profit, which reached 69.1 million euros thanks to the recovery of performance fees. **Recurring net profit** amounted to 170.4 million euros, consolidating the 2023 excellent result (166.1 million euros).

This result benefited from the Bank's ongoing business expansion, which brought total assets to nearly 100 billion euros **at the end of the period (99.0 billion euros; +12% YoY)**, as well as from service diversification initiatives and a tight cost discipline. The favourable financial market context, owing both to the gradual normalisation of interest rates and to the performance of international equity market in particular, also contributed to the result.

Net banking income stood at **494.3 million euros** compared to 392.2 million euros for the first half of 2023 (+26.0%). The significant increase was driven by the higher **net financial income** (166.7 million euros; +3.3%), the good performance of **net recurring fees** (233.7 million euros; +4.6%) and the sharp rise in **variable fees**, which amounted to 94.0 million euros, thanks to the excellent performance of the UCITS managed by the Banking Group.

Despite inflationary pressures, **operating expenses** amounted to 136.6 million euros (+7.3% on an annual basis), including 3.1 million euro one-off charges, thus confirming the Bank's operational efficiency. **Core**[1] **operating expenses** totalled **121.7 million euros**, up 6.3% in line with the Plan's projections. This aggregate included 5.8 million euros charges generated by the launch of BG Suisse (3.1 million euros in 2023) and 1.7 million euros linked to the renewal of the National Collective Labour Agreement for the Credit Sector, net of which core expenses would have increased by 2.6%.

Operating efficiency indicators remained at excellent levels: the ratio of **total costs to total assets** stood at 28 bps, down thanks to the performance of total assets; the **cost/income ratio**, adjusted for non-recurring items, increased slightly to 33.3% compared to 32.5% for the same period of the previous year.

Provisions, contributions and charges related to the banking system and **net adjustments** amounted to **39.6 million euros**, up compared to **25.1 million euros** for the first half of 2023, as a result of higher provisions for liabilities and contingencies (+11.5 million euros) and the effect of the end of the initial period for the constitution of the deposit protection funds that, despite the end of contributions to the Single Resolution Fund (SRF), nonetheless required to bring forward to the first quarter of the year the recognition of the last annual contribution (+4.3 million euros) to the Italian Interbank Deposit Protection Fund (FITD).
The change in this item was mainly attributable to the increase in provisions for contractual indemnities for the Financial Advisor Network (+6.5 million euros), which were mainly impacted by the alignment of discount rates used to measure actuarial provisions, with a net impact of 4.9 million euros.

Operating profit before taxation was 318.2 million euros, up 78.5 million euros compared to the same period of the previous year (+32.8%).

At the end of the first half of 2024, total consolidated assets amounted to 14.7 billion euros, down 0.8 billion euros (-5.0%) compared to the end of 2023.
This result was attributable to the decline in total net inflows to 12.7 billion euros (-0.8 billion euros compared to the end of 2023), also due to the Bank's deleveraging efforts, which led to a sharp decrease in repurchase agreements (-1.1 billion euros) in the second quarter of 2024.
Core loans thus totalled 13.6 billion euros, down 0.8 billion euros (-5.4%) compared to the end of 2023.

[1] Operating expenses, net of non-recurring items, amounting to 3.1 million euros (2.2 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 11.7 million euros (10.6 million euros in 2023).

The **banking book financial assets** amounted to 10.2 billion euros (-5.0% compared to the end of 2023), of which nearly 95% invested in bonds. In this regard, it should be noted that it was decided to increase the fixed-rate bond component to 58% of the total (49% at the end of 2023) and to extend duration to 1.5 years (1.2 years at year-end 2023) with maturity at 3.8 years (3.7 years at year-end 2023), so as to further stabilise future yields.
Exposures composed of loans to customers reached 2.1 billion euros (-8.3% compared to 2023).
The interbank position, net of the bond component, declined to 0.7 billion euros, decreasing compared to the previous year (-15.7%), mainly as a result of the decline in deposits with the ECB and the increase in reverse repurchase agreement transactions.

With reference to **capital requirements**, the Bank confirmed the soundness of its regulatory aggregates. CET1 ratio was **22.3%** and Total Capital ratio was **23.7%**. These ratios were above the specific requirements set by the Bank of Italy for the Group (i.e., CET1 ratio at 8.34% and Total Capital Ratio at 12.64%) for the SREP – Supervisory Review and Evaluation.

Net inflows reached **3.6 billion euros** (+11.3% compared to the first half of 2023), thus confirming the gradual improvement in the product mix to the benefit of AUM products.
Managed solutions totalled 0.9 billion euros, accounting for nearly 24% of total net inflows compared to 20.8% for the first half of 2023.
In-house products — funds and financial wrappers — reported positive results, with 1.2 billion euros net inflows, up by over 74% compared to the first half of 2023.
Net inflows from assets under administration remained at significant level in absolute terms (2.8 billion euros), albeit declining markedly compared to the first half of 2023 (-22.4%), showing a sharp decrease in securities deposits (-2.4 billion euros; -49%), offset by the recovery of current account deposits with 243 million euro net inflows, compared to net outflows of 1.3 billion euros for the same period of the previous year.

At the end of June, **assets under advisory** reached **10.3 billion euros**, markedly up (+21.3% compared to the first half of 2023) and with a 10.4% ratio to total client assets.

The Group's **total client assets** stood at **99.0 billion euros**, including the around 1.0 billion euro contribution deriving from the assets managed by BG Valeur. In addition, managed assets also included 1.1 billion euros in assets under administration of the Generali Group companies and 4.3 billion euros in funds and Sicavs distributed directly by BGFML, for an overall total of **104.4 billion euros.**

2. Macroeconomic context

During the first six months of the year, the main global equity indexes recorded a positive performance. In particular, US indices achieved new all-time highs.
The macroeconomic context was characterised by moderate growth in both the United States and the Eurozone and by lower inflation than in 2023. The main market volatility factors were due chiefly to tensions in the Middle East, the European elections held in June and the moves of central banks.

The latter adopted a more wait-and-see approach than investors expected regarding a monetary policy reversal, delaying the first interest rate cut after the fastest rate hike cycle on record.
In this context, investors' expectations changed several times, redefining the trajectory of the interest rate cuts. In particular, Europe witnessed a shift from the six cuts expected at the beginning of the year to only one cut in addition to that already made in June, while the United States saw more than six expected cuts become little more than one. This change in expectations was mainly driven by two factors. Firstly, macroeconomic data for the first half of the year were higher-than-expected, with particular reference to the US economy. Secondly, inflation, despite the decline recorded compared to the previous year, proved to be more resilient than expected, thus maintaining a high degree of uncertainty about the central banks' next moves, both in terms of timing and scale.

In this context, government bonds suffered price losses due to the rise in the main bond curves. In particular, German ten-year bonds went from about 2% at the beginning of the year to about 2.48%, while the yield of ten-year Treasuries rose by 50 bps, closing the period at around 4.40%.
The BTP-Bund spread stood at 158 bps, down from 165 bps at the beginning of the year, but far from the low for the period of 121 bps.
With regard to spread-based products, corporate bonds benefited from the economic resilience of the main economies and from the possibility of actually achieving a soft-landing scenario.
In particular, spreads on investment-grade issues tightened by about 20 bps in the first six months of the year, whereas that of high-yield issues narrowed by approximately 30 bps. The spread on AT1 bonds benefited most from the current macroeconomic scenario, shrinking by around 80 bps: this was due both to the high degree of capitalisation typical of the banking sector that guarantees good stability and to a context still marked by high interest rates that have a positive impact on the balance sheets of credit institutions.
The yields of investment-grade and high-yield issues stood at around 4% and 7%, respectively, both above the historical average of the past ten years.

With regard to the equity asset class, almost all global indexes performed positively in the first six months of the year. Key developed markets outperformed emerging markets.
In particular, the highest returns were achieved by the US indexes, with the returns in euros of the NASDAQ and the S&P 500 at about 22% and 18%, respectively.
Following the first signs of economic recovery, China also closed the first half of the year on a positive note, ending the period with a performance close to about 7% in euros.
The performance of Italy (about +9%) and Japan was also positive. The latter closed the first half of the year with positive returns at around 8% in euros, despite the sharp devaluation of the yen.
At sector level, the best performances were recorded by the technology sector, which continued to benefit from the rally by AI stocks. In particular, it should be noted that the year-to-date performance of the Magnificent Seven was overall about 20% higher than global stock indexes.

With regard to the currency component, in the first half of the year the US dollar appreciated against the euro by approximately 3%. The euro-dollar exchange rate showed high volatility over the period due to geopolitical instability and uncertainty about central banks' future decisions. The yen depreciated by about 14% against the dollar despite a major intervention by the Japanese authorities to support the exchange rate. While remaining at historically very low levels, the rate differential between the FED and the BoJ continued to weigh on the Japanese currency.

In this macroeconomic context, the general commodity index (BCOMTR Index) increased sharply. The precious metals sector, and gold in particular, was very positive, supported by constant purchases by the world's main emerging economies, and first and foremost by China, aimed at greater diversification of their foreign investments. More cyclical sectors such as energy and industrial metals were also positive, driven by the strength of the global economic scenario. The agricultural sector performed negatively due to a higher-than-expected supply.

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 Italian asset management industry closed the first five months of 2024 with net outflows of -4.1 billion euros, mainly due to the outflows from long-term funds, particularly from flexible, balanced and equity funds. Long-term bond funds recorded significant net inflows, driven by market trends and ongoing high interest rates.

Assets under management amounted to 1,336 billion euros (net of assets invested in collective management solutions), of which 1,180 billion euros (88%) was invested in Italian and foreign funds and 156 billion euros in retail portfolio management solutions.

Long-term funds accounted for almost all open-ended funds (96.5% in May 2024). These funds included the following categories:
- bond funds (36.2% of total assets or 427.0 billion euros), with +24.6 billion euro net inflows in the first five months of the year;
- equity funds (34.2% of total assets or 403.4 billion euros), with net outflows of approximately -10.3 billion euros;
- flexible funds (15.0% of total assets or 177.2 billion euros), with net outflows of -9.9 billion euros;
- balanced funds (11.0% of total assets or 130.0 billion euros), with year-to-date net outflows of -9.5 billion euros;
- hedge funds (0.1% of total assets or 0.8 billion euros), with year-to-date net outflows of -0.06 billion euros.

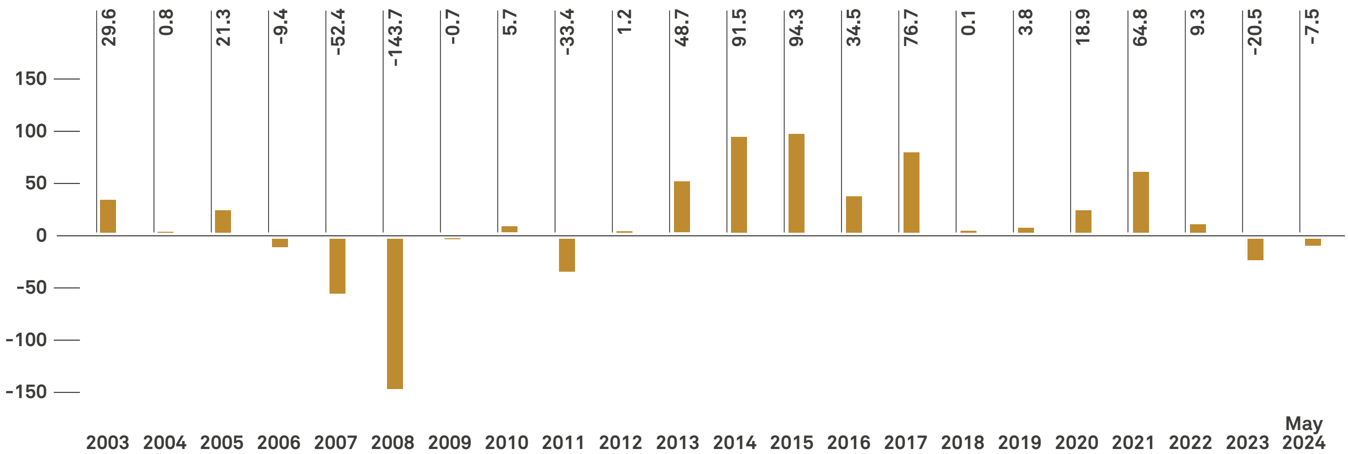
Money-market funds amounted to 41.8 billion euros (3.5% of total open-ended funds), with year-to-date total net outflows of -2.4 billion euros.

EVOLUTION OF NET INFLOWS AND ASSETS UNDER MANAGEMENT

	NET INFLOWS		ASSETS	
(€ MILLION)	MAY 2024 YTD	MAY 2023 YTD	MAY 2024 YTD	MAY 2023 YTD
Italian funds	7,328	1,919	263,893	236,830
Foreign funds	-14,873	-4,856	916,332	866,938
Total open-ended funds	**-7,545**	**-2,937**	**1,180,225**	**1,103,768**
GP Retail	**3,486**	**2,390**	**155,855**	**150,474**
Total	**-4,059**	**-547**	**1,336,080**	**1,254,242**

Source: Assogestioni data.

THE OPEN-ENDED (UCITS) MARKET IN ITALY (€ BILLION)



Source: Assogestioni data.

3.2 The Assoreti market

Net inflows amounted to +19.8 billion euros in the first five months of 2024, with a -2.5 billion euro decline (-11.1%) compared to the same period of the previous year.

Net inflows from assets under management stood at +4.6 billion euros, up compared to the same period of the previous year. In this segment, the contribution of mutual funds and Sicavs was +2.9 billion euros, whereas that of discretionary mandates was +1.7 billion euros.

Net inflows from insurance products stood at 1.0 billion euros, recovering slightly compared to the negative performance of the first five months of 2023.

Net inflows from assets under administration closed on a positive note (+14.2 billion euros), down compared to the particularly good result for the same period of the previous year (-32.9%). This item included +0.7 billion euro net inflows from liquidity and +13.5 billion euro net inflows from assets under custody.

NET INFLOWS - ASSORETI MARKET

	ASSORETI MARKET		CHANGE	
(€ MILLION)	MAY 2024 YTD	MAY 2023 YTD	EURO	%
Assets under management	4,618	3,457	1,161	33.6%
Insurance products	957	-2,380	3,337	n.a.
Assets under administration	14,224	21,193	-6,970	-32.9%
Total	**19,799**	**22,270**	**-2,471**	**-11.1%**

Source: Assoreti data.

3.3 Banca Generali

In the first half of 2024, Banca Generali's net inflows totalled 3.6 billion euros, up 11% compared to the same period of the previous year.

The net inflow mix for the period improved markedly thanks to the increase in demand for investment products and services (Assets under Investment), which grew to 1.4 billion euros for the reporting period (640 million euros for the first half of 2023). The first half of the year was characterised by renewed interest in managed solutions and insurance policies, which recorded

877 million euros net inflows, sharply reversing the trend compared to net outflows of -290 million euros at June 2023.

Among managed solutions, worth of mention were discretionary mandates (717 million euros in the period, doubled compared to 2023) and in-house funds and Sicavs (430 million euros in the period).

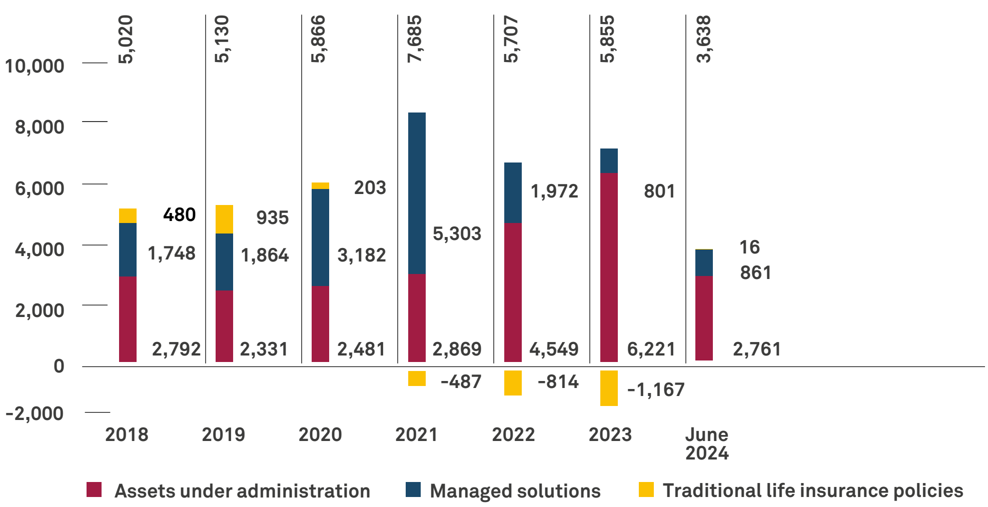
Despite persistently high interest rates, assets under administration continued to be among customers' most-in-demand solutions, although showing some normalisation compared to the record levels reported in the previous year. Net inflows from AUC & Banking under Advisory amounted to 567 million euros in the first half of the year compared to 930 million euros for the same period of the previous year (-39%). Albeit remaining at excellent levels (2.2 billion euros), other assets (Assets under Custody and deposits) declined slightly compared to 2.6 billion euros for 2023 (-17%), mainly due to a lower demand for assets under administration.

BANCA GENERALI'S NET INFLOWS

(€ MILLION)	30.06.2024	30.06.2023	CHANGE %	CHANGE
Assets under Investment	**1,444**	**640**	**126%**	**804**
Managed solutions	**861**	**679**	**27%**	**182**
BG Group funds and Sicavs	430	303	42%	127
Third-party funds and sicavs	-317	-29	-993%	-288
Financial wrappers	717	355	102%	362
Insurance wrappers	31	50	-38%	-19
Traditional life insurance policies	**16**	**-969**	**n.a.**	**985**
AUC & Banking under Advisory	**567**	**930**	**-39%**	**-363**
Other assets	**2,194**	**2,629**	**-17%**	**-435**
Assets under Custody	1,951	3,948	-51%	-1,997
Deposits	243	-1,319	n.a.	1,562
Total	**3,638**	**3,269**	**11%**	**369**

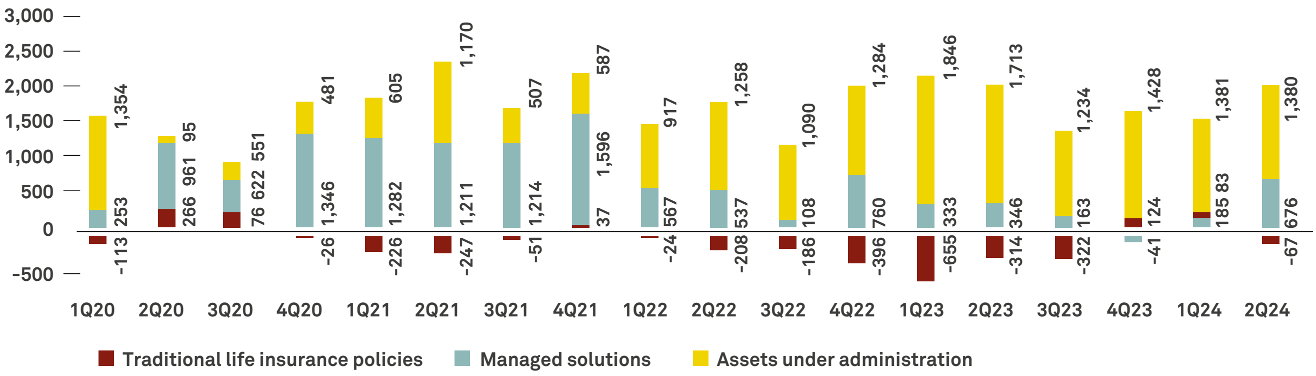
Note: overall reported figure including the Swiss market.

BREAKDOWN OF ANNUAL NET INFLOWS (€ MILLION)



The following chart shows how Banca Generali has continuously succeeded in attracting net inflows in recent years. As already mentioned above, in the first half of 2024, net inflows from assets under administration continued to perform well, strongly influenced by the interest rate level, although clearly declining compared to the same period of 2023 (2.8 billion euros in the first half of 2024 compared to 3.6 billion euros in the same period of 2023). Traditional life insurance policies declined in the second quarter, albeit remaining positive and markedly reversing the trend of the previous year, if the performance for the whole first half of 2024 is considered.

BREAKDOWN OF QUARTERLY NET INFLOWS (€ MILLION)



BANCA GENERALI'S TOTAL CLIENT ASSETS (ASSORETI)

	BG GROUP		CHANGES VS 31.12.2023	
(€ MILLION)	30.06.2024	31.12.2023	AMOUNT	%
Assets under Investment	**65,479**	**62,038**	**3,441**	**5.5%**
Managed solutions	**44,944**	**42,254**	**2,689**	**6.4%**
Funds and Sicavs	23,182	21,975	1,207	5.5%
Financial wrappers	10,706	9,676	1,031	10.7%
Insurance wrappers	11,055	10,603	452	4.3%
Traditional life insurance policies	**14,501**	**14,314**	**187**	**1.3%**
AUC & Banking under Advisory	**6,034**	**5,469**	**565**	**10.3%**
Other assets	**32,453**	**29,762**	**2,691**	**9.0%**
Assets under Custody	22,082	19,865	2,217	11.2%
Deposits	10,371	9,897	475	4.8%
Total client assets	**97,932**	**91,800**	**6,132**	**6.7%**

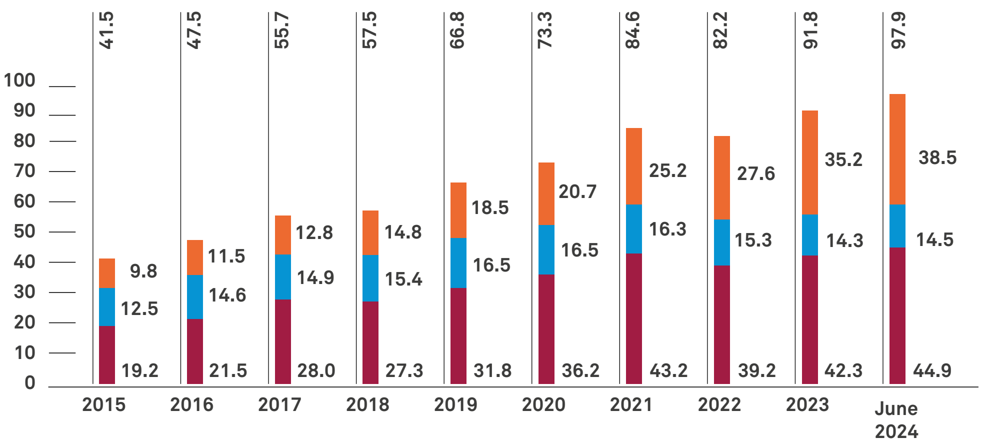
At 30 June 2024, Banca Generali's total client assets (excluding BG Valeur and BG Suisse) amounted to 97.9 billion euros (+6.7%), with managed solutions remaining the main component of its asset mix, accounting for 45.9% of total assets. Traditional life insurance policies accounted for 14.8% of the total, slightly declining compared to year-end 2023. Assets under administration increased moderately, accounting for 39.3% of total assets (38.4% at year-end 2023).

All asset classes grew compared to the end of 2023: assets under management rose by +6.4%, assets under administration by +9.2% and traditional life insurance policies by +1.3%.

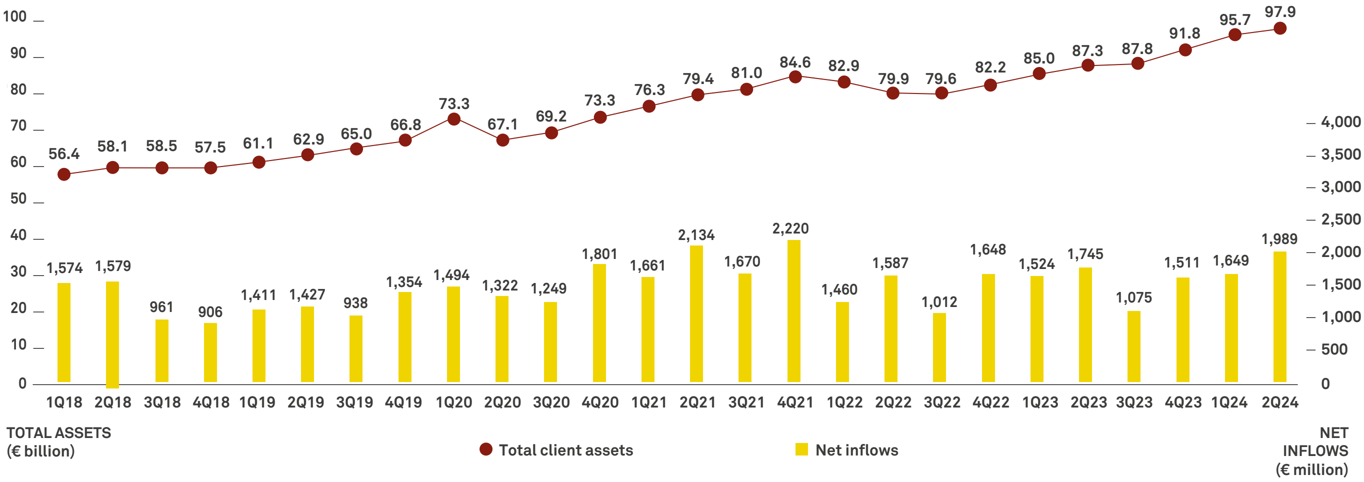
Banca Generali's total client assets evolution

The following tables illustrate the quarterly evolution of Banca Generali's net inflows and total client assets, and provide a breakdown of net inflows by macro-components.

TOTAL CLIENT ASSETS (€ BILLION)



EVOLUTION OF TOTAL CLIENT ASSETS AND NET INFLOWS



Considering BG Valeur and BG Suisse as well, at 30 June 2024, Banca Generali Group's total client assets amounted to 99.0 billion euros (+6.6%), with managed solutions remaining the main component of its asset mix, accounting for 46.3% of total assets (essentially in line with the figure at 31 December 2023).

Assets under Investment, which include managed assets, insurance policies and assets under advisory, grew by +5.4% to 66.3 billion euros compared to the end of the previous year.

(€ MILLION)	BG GROUP 30.06.2024	BG GROUP 31.12.2023	CHANGES VS 31.12.2023 AMOUNT	CHANGES VS 31.12.2023 %
Assets under Investment	**66,324**	**62,896**	**3,427**	**5.4%**
Managed solutions	**45,789**	**43,113**	**2,675**	**6.2%**
Mutual funds and Sicavs	23,182	21,975	1,207	5.5%
Financial wrappers	11,551	10,535	1,017	9.7%
Insurance wrappers	11,055	10,603	452	4.3%
Traditional life insurance policies	**14,501**	**14,314**	**187**	**1.3%**
AUC & Banking under Advisory	**6,034**	**5,469**	**565**	**10.3%**
Other assets	**32,659**	**29,927**	**2,731**	**9.1%**
Assets under Custody	22,284	20,030	2,254	11.3%
Deposits	10,374	9,897	477	4.8%
Total client assets	**98,982**	**92,823**	**6,159**	**6.6%**

4. Operating result[2]

Banca Generali Group closed the first half of 2024 with a **consolidated net profit of 239.6 million euros**, sharply up compared to the first half of 2023 (+36.9%), driven by the surge in non-recurring net profit, which reached 69.1 million euros thanks to the recovery of performance fees. **Recurring net profit** amounted to 170.4 million euros, consolidating the 2023 excellent result (166.1 million euros).

This result benefited from the Bank's ongoing business expansion, which brought **total assets** to nearly 100 billion euros **at the end of the period (99.0 billion euros; +12% YoY)**, as well as from service diversification initiatives and a tight cost discipline. The favourable financial market context, owing both to the gradual normalisation of interest rates and to the performance of international equity market in particular, also contributed to the result.

(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %
Net interest income	157,539	151,454	6,085	4.0%
Net income (loss) from trading activities and dividends	9,117	9,816	-699	-7.1%
Net financial income	**166,656**	**161,270**	**5,386**	**3.3%**
Recurring fee income	514,467	478,781	35,686	7.5%
Fee expense	-280,814	-255,458	-25,356	9.9%
Net recurring fees	**233,653**	**223,323**	**10,330**	**4.6%**
Variable fee income	93,985	7,565	86,420	n.a.
Net fees	**327,638**	**230,888**	**96,750**	**41.9%**
Net banking income	**494,294**	**392,158**	**102,136**	**26.0%**
Staff expenses	-65,236	-59,913	-5,323	8.9%
Other general and administrative expenses (net of duty recoveries)	-57,362	-54,775	-2,587	4.7%
Net adjustments of property, equipment and intangible assets	-20,034	-19,220	-814	4.2%
Other operating expenses/income	6,048	6,632	-584	-8.8%
Net operating expenses	**-136,584**	**-127,276**	**-9,308**	**7.3%**
Operating result	**357,710**	**264,882**	**92,828**	**35.0%**
Net adjustments to non-performing loans	773	-560	1,333	-238.0%
Net provisions for liabilities and contingencies	-30,206	-18,707	-11,499	61.5%
Contributions and charges related to the banking system	-10,192	-5,845	-4,347	74.4%
Gains (losses) from equity investments valued at equity	108	-95	203	-213.7%
Operating profit before taxation	**318,193**	**239,675**	**78,518**	**32.8%**
Income taxes for the period	-78,634	-64,672	-13,962	21.6%
Net profit attributable to minority interests	-	-48	48	-100.0%
Net profit	**239,559**	**175,051**	**64,508**	**36.9%**

[2] 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 7.3 million euros in 2024 and 7.3 million euros in 2023;
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 49.2 million euros in 2024 and 40.2 million euros in 2023;
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, the 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.

Net banking income amounted to **494.3 million euros**, up 26.0% as a result of the following factors:

- the increase in **net financial income** (166.7 million euros; +3.3%), driven by interest rates that remained high, albeit declining slightly compared to the peaks of the previous year, and that the Bank continued to exploit thanks to the flexibility of its financial asset portfolio. It should be noted, in particular, that it was decided to increase the fixed-rate bond component to 58% of the total (49% at the end of 2023) and to extend duration to 1.5 years (1.2 years at year-end 2023) with maturity at 3.8 years (3.7 years at year-end 2023), so as to further stabilise future yields;
- the good performance of **gross recurring fees** (514.5 million euros; +7.5%), which strengthened the recovery trend already observed in the previous year, driven in particular by:
  - the rise in **investment fees**[3] (443.3 million euros; +5.4%), which, as a result of a modest change in traditional gross management fees (419.0 million euros;+4.6%), nonetheless benefited from the acceleration of the advisory component (24.2 million euros; +22.9%);
  - the growth of **other recurring fees** (71.2 million euros; +22.1%) thanks to the excellent performance of certificate placement and of customers' trading activities;
- the sharp increase in **variable fees**, which reached 94.0 million euros thanks to the excellent performance of the UCITS managed by the Banking Group.

Despite inflationary pressures, **operating expenses** amounted to 136.6 million euros (+7.3% on an annual basis), including 3.1 million euro one-off charges, thus confirming the Bank's operational efficiency. **Core**[4] **operating expenses** totalled **121.7 million euros**, up 6.3% in line with the Plan's projections. This aggregate included 5.8 million euros charges generated by the launch of BG Suisse (3.1 million euros in 2023) and 1.7 million euros linked to the renewal of the National Collective Labour Agreement for the Credit Sector, net of which core expenses would have increased by 2.6%.

Operating efficiency indicators remained at excellent levels: the ratio of **total costs to total assets** stood at 28 bps, down thanks to the performance of total assets; the **cost/income ratio**, adjusted for non-recurring items, increased slightly to 33.3% compared to 32.5% for the same period of the previous year.

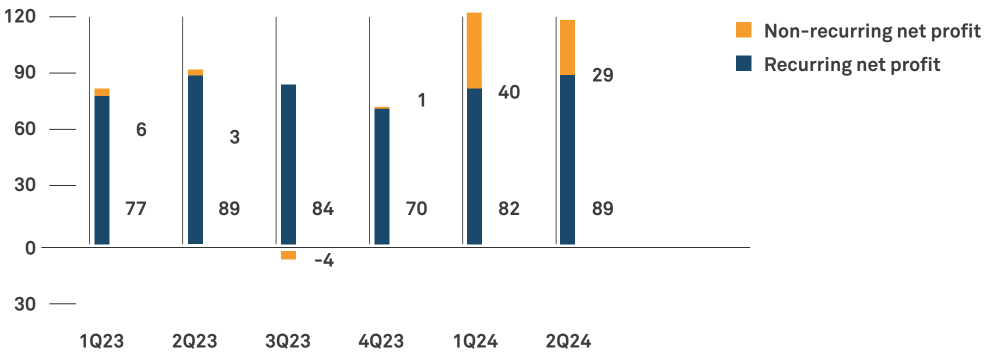
Provisions, contributions and charges related to the banking system and **net adjustments** amounted to **39.6 million euros**, up compared to **25.1 million euros** for the first half of 2023, as a result of higher provisions for liabilities and contingencies (+11.5 million euros) and the effect of the end of the initial period for the constitution of the deposit protection funds that, despite the end of contributions to the Single Resolution Fund (SRF), nonetheless required to bring forward to the first quarter of the year the recognition of the last annual contribution (+4.3 million euros) to the Italian Interbank Deposit Protection Fund (FITD).
The change in this item was mainly attributable to the increase in provisions for contractual indemnities for the Financial Advisor Network (+6.5 million euros), which were mainly impacted by the alignment of discount rates used to measure actuarial provisions, with a net impact of 4.9 million euros.

Operating profit before taxation was 318.2 million euros, up 78.5 million euros compared to the same period of the previous year (+32.8%).

The **tax burden** for the period was **78.6 million euros**, with an overall tax rate of 24.7%, down compared to 27.0% in 2023, mainly due to the higher contribution of the foreign entities to the Group's result.

[3] The new aggregate of investment fees includes management fees and advisory fees linked to the BG Personal Advisory (BGPA) service. This definition reflects the new regulatory approaches.
[4] Operating expenses, net of non-recurring items, amounting to 3.1 million euros (2.2 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 11.7 million euros (10.6 million euros in 2023).

QUARTERLY NET PROFIT (€ MILLION)



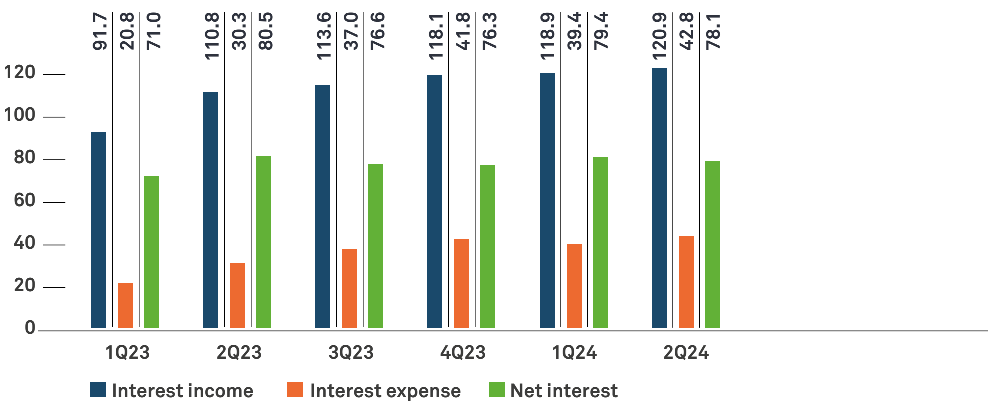
QUARTERLY EVOLUTION OF THE PROFIT AND LOSS ACCOUNT

(€ THOUSAND)	2Q24	1Q24	4Q23	3Q23	2Q23
Net interest income	78,092	79,447	76,320	76,626	80,502
Net income (loss) from trading activities and dividends	4,650	4,467	4,061	3,066	5,860
Net financial income	**82,742**	**83,914**	**80,381**	**79,692**	**86,362**
Recurring fee income	257,638	256,829	241,244	237,997	240,668
Fee expense	-142,292	-138,522	-131,303	-123,650	-130,602
Net recurring fees	**115,346**	**118,307**	**109,941**	**114,347**	**110,066**
Variable fee income	39,561	54,424	8,887	2,773	2,558
Net fees	**154,907**	**172,731**	**118,828**	**117,120**	**112,624**
Net banking income	**237,649**	**256,645**	**199,209**	**196,812**	**198,986**
Staff expenses	-33,045	-32,191	-34,065	-30,393	-30,200
Other general and administrative expenses	-28,901	-28,461	-40,856	-27,279	-28,675
Net adjustments of property, equipment and intangible assets	-10,173	-9,861	-10,688	-9,818	-9,820
Other operating income/expenses	3,792	2,256	2,402	1,250	5,091
Net operating expenses	**-68,327**	**-68,257**	**-83,207**	**-66,240**	**-63,604**
Operating result	**169,322**	**188,388**	**116,002**	**130,572**	**135,382**
Net adjustments to non-performing loans	-653	1,426	458	-426	-1,715
Net provisions	-11,546	-18,660	-22,525	-8,612	-8,478
Contributions and charges related to the banking system	158	-10,350	1,681	-11,964	155
Gains (losses) from equity investments valued at equity	-43	151	-869	-145	-92
Operating profit before taxation	**157,238**	**160,955**	**94,747**	**109,425**	**125,252**
Income taxes for the period	-39,646	-38,988	-23,727	-29,370	-33,283
Net profit attributable to minority interests	-	-	-15	5	-11
Net profit	**117,592**	**121,967**	**71,035**	**80,050**	**91,980**

4.1 Net interest income

At the end of the first half of 2024, net interest income amounted to 157.5 million euros, up 6.1 million euros (+4.0%) compared to the same period of the previous year, driven by interest rates that remained very high, albeit declining slightly compared to the peaks of the previous year, and despite a sharp decline in the average loan volume.

NET INTEREST (€ MILLION)



In particular, interest accrued on the debt securities portfolio rose by 20.2% (+27.9 million euros) against a 9.8% decrease in the average loan volume.
The average yield of the bond portfolio stood at around 332 bps in the reporting period, sharply up compared both to 249 bps for the first half of 2023 and to 278 bps at year-end 2023.
In light of the interest rate stabilisation and expectations about their gradual reduction, and also thanks to a flexible financial asset structure, a revision of the bond portfolio was launched with a view to slightly extending its duration (1.5 years) and increasing exposure to fixed rates (58.8% of the total).

Interest on loans to customers, most of which are benchmarked on the Euribor, grew by 10.6% (+5.1 million euros), despite an 11.8% decline in the average loan volume, driven by an increase in the average loan rates, which went from just below 390 bps for the first half of 2023 to over 480 bps.

With regard to exposures to banks, interest income increased by 4.2 million euros, mainly as a result of transactions with the ECB, namely overnight deposits and the minimum reserve[5] (+4.9 million euros).

The cost of funding went from 51.1 million euros at the end of the first half of 2023 to 82.2 million euros (+60.8%) as a consequence of the interest expense, benchmarked on Euribor, recognised on net inflows from customers' current account deposits (+33.5 million euros; 139.1%) offset by a marked decline in interest on repurchase agreement transactions with banks and customers (-2.4 million euros).

At the end of the period, net inflows from repurchase agreements with customers, mainly composed of very short-term Treasury transactions with Cassa di Compensazione e Garanzia S.p.A., and with banks reached 487 million euros, sharply decreasing compared to the same period of the previous year (1.7 billion euros), chiefly due to the deleveraging efforts implemented in the second quarter of 2024.

[5] As of the reserve maintenance period starting in September 2023, the ECB stopped remuneration of minimum reserves.

NET INTEREST INCOME

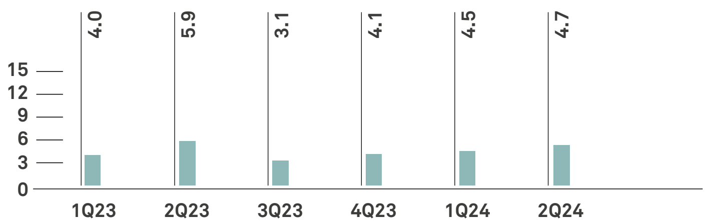
(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %
Financial assets measured at fair value through profit or loss	61	47	14	29.8%
Financial assets measured at fair value through other comprehensive income (*)	16,881	5,936	10,945	184.4%
Financial assets measured at amortised cost (*)	149,362	132,398	16,964	12.8%
Total financial assets	**166,304**	**138,381**	**27,923**	**20.2%**
Loans to banks	9,748	10,402	-654	-6.3%
Loans to the ECB and the Italian NCB	10,629	5,747	4,882	84.9%
Loans to customers	53,033	47,963	5,070	10.6%
Other assets	-	63	-63	-100.0%
Total interest income	**239,714**	**202,556**	**37,158**	**18.3%**
Due to banks	682	662	20	3.0%
Repurchase agreements - banks	4,157	8,660	-4,503	-52.0%
Due to customers	57,613	24,093	33,520	139.1%
Repurchase agreements - customers	18,043	15,987	2,056	12.9%
IFRS 16-related financial liabilities	1,680	1,700	-20	-1.2%
Total interest expense	**82,175**	**51,102**	**31,073**	**60.8%**
Net interest income	**157,539**	**151,454**	**6,085**	**4.0%**

(*) Including hedging differentials.

4.2 Net income from trading activities and dividends

Net income from trading activities and dividends is composed of the net income on financial assets and liabilities held for trading and other assets 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 2024, the aggregate was positive for 9.1 million euros, slightly declining compared to the previous year.

NET RESULT OF FINANCIAL OPERATIONS

(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %
Dividends and income on UCITS	**1,309**	**1,215**	**94**	**7.7%**
Trading of financial assets and equity derivatives	-29	-22	-7	31.8%
Trading of financial assets and derivatives on debt securities and interest rates	130	174	-44	-25.3%
Trading of UCITS units	-17	4	-21	n.a.
Securities transactions	**84**	**156**	**-72**	**-46.2%**
Currency and currency derivative transactions	**3,499**	**1,031**	**2,468**	**n.a.**
Net income (loss) from trading activities	**3,583**	**1,187**	**2,396**	**201.9%**
Equity securities and UCITS	1,666	2,092	-426	-20.4%
Debt securities	56	-33	89	n.a.
Financial Advisors' policies and other financial assets	259	57	202	n.a.
Net income (loss) on assets measured at fair value through profit and loss	**1,981**	**2,116**	**-135**	**-6.4%**
Net income (loss) from hedging	**437**	**418**	**19**	**4.5%**
Gains (losses) from disposal on HTC and HTCS debt securities	**1,807**	**4,880**	**-3,073**	**-63.0%**
Net result of financial operations	**9,117**	**9,816**	**-699**	**-7.1%**

Net income from **trading activities** amounted to 3.6 million euros, thanks to the significantly higher contribution of currency transactions.
Net income of assets mandatorily measured at fair value through profit or loss contributed a positive 2.0 million euros, slightly down compared to the same period of 2023, chiefly driven by the 2.3 million euro fair value adjustment of the important investment in the Forward Fund (+2.5 million euros in 2023).
The treasury management of debt securities allocated to the HTCS and HTC portfolios recorded **gains on disposals** for the period amounting to 1.8 million euros, mostly attributable to the turnover of the HTC portfolio.
Net income from hedging amounted to 0.4 million euros, attributable to the early unwinding of some asset swap transactions.

4.3 Fee income

Fee income totalled **608.5 million euros**, markedly up compared to the same period of 2023 (+25.1%) owing both to the expansion of **recurring fees** (+7.5%) and the significant leap of **variable fees** (+86.4 million euros).

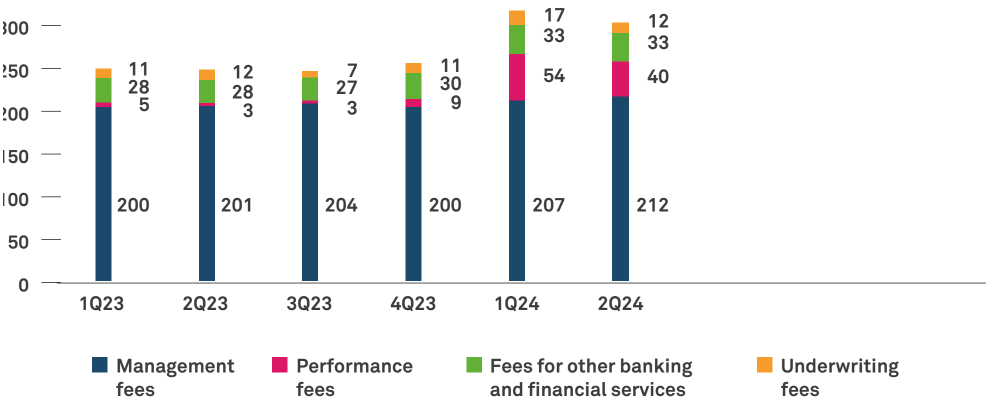
(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %
Management fees	419,032	400,712	18,320	4.6%
BGPA advisory fees	24,212	19,702	4,510	22.9%
Recurring investment fees	**443,244**	**420,414**	**22,830**	**5.4%**
Underwriting fees	28,989	22,906	6,083	26.6%
Fees for other services	42,234	35,410	6,824	19.3%
Other recurring fees	**71,223**	**58,316**	**12,907**	**22.1%**
Total recurring fees	**514,467**	**478,730**	**35,737**	**7.5%**
Performance fees	93,985	7,616	86,369	n.a.
Total fee income	**608,452**	**486,346**	**122,106**	**25.1%**
Net recurring fees	**233,653**	**-223,272**	**10,381**	**4.6%**

The new aggregate of **investment fees** includes both management fees and BG Personal Advisory (BGPA) advisory fees and amounted to **443.2 million euros**, up compared to the same period of the previous year (+5.4%). It benefited from the robust growth of the advisory component (4.5 million euros; +22.9%), in addition to traditional gross management fees.
With regard to recurring fees, **management fees** rose modestly compared to the previous year (+4.6%), thanks to the increase in average total assets managed (+6.2%[6]) compared to the first half of 2023, despite a still subdued performance of the insurance segment (-3.4%).

Underwriting fees (+26.6%) confirmed the positive trend that had begun in the previous year, thanks to the excellent performance of the **certificate** placement activity (+6.7 million euros; +63.4%) and the sharp recovery in fees for the placement of UCITS (+3.7 million euros; +85%), only partly offset by a slight decline in bond placements (-4.5 million euros; -56.7%).

Fees for other services, of a banking and financial nature, net of BGPA advisory fees, grew by 21.1% mainly thanks to the income generated by retail brokerage (+30.1%).

BREAKDOWN OF FEE INCOME (€ MILLION)



Fee income from the solicitation of investment and asset management of households reached 542.0 million euros and, net of the aforementioned non-recurring component, reported a good performance compared to the previous year (+5.8%).

[6] Data referring to the yearly change in average total assets related to managed solutions, including BG Valeur and BGFML's direct assets under management.

ASSET MANAGEMENT FEE INCOME

(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %
1. Collective portfolio management	264,751	168,038	96,713	57.6%
2. Individual portfolio management	61,958	52,153	9,805	18.8%
Fees for portfolio management	**326,709**	**220,191**	**106,518**	**48.4%**
1. Placement of UCITS	73,631	67,667	5,964	8.8%
- *of which: UCITS promoted by the Group*	*4,321*	*2,461*	*1,860*	*75.6%*
2. Placement of bonds and equity securities	21,560	19,119	2,441	12.8%
- *of which: certificates*	*17,232*	*10,543*	*6,689*	*63.4%*
3. Distribution of third-party asset management products (GPM/GPF, pension funds)	728	625	103	16.5%
4. Distribution of third-party insurance products	119,169	123,345	-4,176	-3.4%
5. Distribution of other third-party financial products	209	287	-78	-27.2%
Fees for the placement and distribution of financial services	**215,297**	**211,043**	**4,254**	**2.0%**
Asset management fee income	**542,006**	**431,234**	**110,772**	**25.7%**

With reference to the **Sicavs** promoted by the Banking Group, **management fees** — net of the effect of non-recurring performance components — grew by 6.4% as a result of the increase in average assets managed compared to the first half of 2023 (+11.8%).
Overall, at the end of the period, assets managed by BGFML amounted to 22.1 billion euros, of which 11.1 billion euros referring to placements with retail customers, and increased by 8.3% compared to the end of 2023.

The **individual portfolio management** aggregate continued to report excellent results both in terms of net inflows and profitability, with income increasing by 18.8% driven by a 15.8% rise in average assets compared to the first half of 2023.

The **placement of third-party UCITS** recovered markedly in the first half of 2024 (+4.1 million euros; +6.3%) as a result of the increase in both average assets managed (+3.2%) and underwriting fees (+2.2 million euros).

Fee income from **distribution of insurance products** (-3.4%) continued to be penalised by subdued underwriting activities and stagnating average assets managed (+0.9% compared to the first half of 2023).

Fee income for other services, of a banking and financial nature, including BGPA advisory fees, stood at 66.4 million euros, up 11.3 million euros (20.6%) driven by advisory fees (+4.9 million euros) and fees for trading (+6.8 million euros).

FEE INCOME FOR OTHER SERVICES

(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %
BG Personal Advisory fees	25,151	20,270	4,881	24.1%
Advisory fees for AG group's unit-linked products and other fees	4,498	4,461	37	0.8%
Investment advisory fees	**29,649**	**24,731**	**4,918**	**19.9%**
Fees for trading and custody	29,293	22,510	6,783	30.1%
Fees for collection and payment services	1,836	2,381	-545	-22.9%
Fee income and account-keeping expenses	2,915	2,869	46	1.6%
Fees for other services	2,753	2,621	132	5.0%
Fees for banking services	**36,797**	**30,381**	**6,416**	**21.1%**
Total fee income for other services	**66,446**	**55,112**	**11,334**	**20.6%**

With regard to investment advisory, income from BG Personal Advisory (BGPA) advisory fees amounted to **25.2 million euros**, up 24.1% thanks to the increase in assets under advisory, which totalled **10.3 billion euros** overall (+21.3%), with a ratio to total assets of 10.4% compared to 9.1% for the first half of 2023.
Other advisory services referred mainly to unit-linked insurance products of the Insurance Group and amounted to **4.5 million euros** (+0.8%).

4.4 Fee expense

Fee expense, including fee provisions[7], amounted to 280.8 million euros, sharply increasing compared to the first half of 2023 (+9.9%).
Net of fees paid back on net interest income[8], the Bank's ratio of total payout to total fee income (net of performance fees) was 53.9%, slightly up compared to 52.2% for the first half of 2023.

FEE EXPENSE

(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %
Ordinary payout	180,470	159,816	20,654	12.9%
Extraordinary payout	52,594	49,752	2,842	5.7%
Other network maintenance expenses	15,822	17,133	-1,311	-7.7%
Fee expense for off-premises offer	**248,886**	**226,701**	**22,185**	**9.8%**
Fees for portfolio management	19,781	18,483	1,298	7.0%
Other fee expense	12,147	10,274	1,873	18.2%
Total	**280,814**	**255,458**	**25,356**	**9.9%**

Fee expense for off-premises offer paid to the Financial Advisor Network amounted to 248.9 million euros (+9.8%) as a result of the increased ordinary payout (+20.7 million euros), driven by underwriting fees (+4.4 million euros; +25.4%) and fees for other services (+6.2 million euros; +40.9%). With regard to the latter, *inter alia*, fees on net interest income continued to grow (+1.6 million euros).

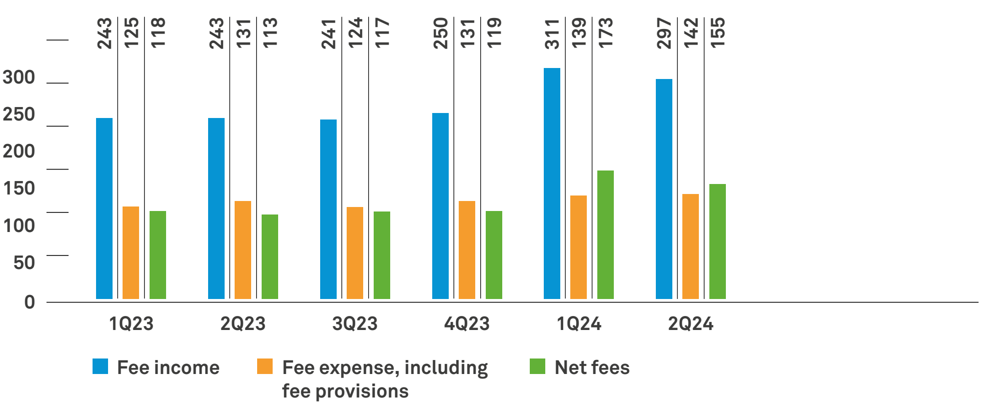
[7] In order to ensure a better understanding of operating performance, in the reclassified consolidated Profit and Loss Account the provisions for incentives related to sales and recruitment plans have been reclassified within the net fee aggregate. As a result, net provisions were restated net of these items for an amount of 7.3 million euros for 2024 and 7.3 million euros for 2023.
[8] The numerator of the total payout ratio did not include 7.1 million euro fee expense, which was paid back to the Financial Advisor Network, calculated on the basis of net interest income (5.5 million euros for the first half of 2023). At 30 June 2024, the ratio of said fees to net interest income was 4.5%.

The modest increase in extraordinary payout (+5.7%) was attributable to the progress in the remuneration of organic growth (10.7%), offset by substantially stable fees for the period related to the recruitment activity (-0.8%).

Fees for portfolio management stood at 19.8 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 12.1 million euros, mainly including fee expense for custody and trading and fees for collection and payment services.

QUARTERLY NET FEES (€ MILLION)



4.5 Operating expenses

Despite inflationary pressures, **operating expenses** amounted to 136.6 million euros (+7.3% on an annual basis), including 3.1 million euro one-off charges, thus confirming the Bank's operational efficiency. **Core[9] operating expenses** totalled **121.7 million euros**, up 6.3% in line with the Plan's projections. This aggregate included 5.8 million euros charges generated by the launch of BG Suisse (3.1 million euros in 2023), net of which core expenses would have increased by 3.9%.

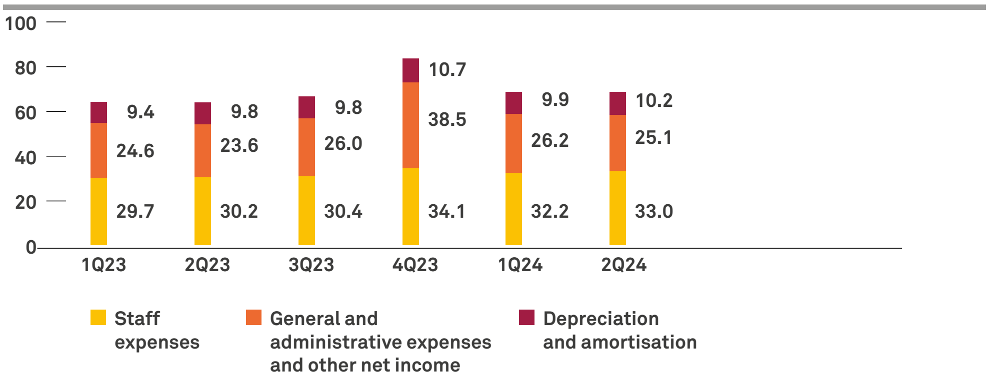
Operating efficiency indicators remained at excellent levels: the ratio of **total costs to total assets** stood at 28 bps, down thanks to the performance of total assets; the **cost/income ratio**, adjusted for non-recurring items, increased slightly to 33.3% compared to 32.6% for the same period of the previous year.

OPERATING EXPENSES

			CHANGE	
(€ THOUSAND)	30.06.2024	30.06.2023	AMOUNT	%
Staff expenses	65,236	59,913	5,323	8.9%
General and administrative expenses and other net income	51,314	48,143	3,171	6.6%
Net adjustments of property, equipment and intangible assets	20,034	19,220	814	4.2%
Operating expenses	**136,584**	**127,276**	**9,308**	**7.3%**

[9] Operating expenses, net of non-recurring items, amounting to 3.1 million euros (2.2 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 11.7 million euros (10.6 million euros in 2023).

OPERATING COST STRUCTURE (€ MILLION)



Within this aggregate, **staff expenses**, including employees, interim staff and directors, reached 65.2 million euros, up 5.3 million euros (+8.9%) as a result of the increase in both the Group's workforce and the average employee cost, the latter also attributable to the renewal of the National Collective Labour Agreement. Variable remuneration remained instead essentially stable.

STAFF EXPENSES

(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %
1) Employees	**64,313**	**59,079**	**5,234**	**8.9%**
Ordinary remuneration	47,984	43,922	4,062	9.2%
Variable remuneration and incentives	12,831	11,935	896	7.5%
Other employee benefits	3,498	3,222	276	8.6%
2) Other staff	**-53**	**-117**	**64**	**-54.7%**
3) Directors and Auditors	**976**	**951**	**25**	**2.6%**
Total	**65,236**	**59,913**	**5,323**	**8.9%**

The Group's employees totalled 1,106 at the end of the reporting period, 40 more compared to the same period of 2023 (+3.8%), in line with the increase by 42 in the quarterly average headcount.

EMPLOYEES

	30.06.2024	30.06.2023	CHANGE AMOUNT	CHANGE %	31.12.2023	WEIGHTED AVERAGE (*) 2024	WEIGHTED AVERAGE (*) 2023
Managers	78	75	3	4.0%	78	78	74
Executives	381	376	5	1.3%	371	376	364
Employees at other levels	647	615	32	5.2%	616	607	581
Total	**1,106**	**1,066**	**40**	**3.8%**	**1,065**	**1,061**	**1,019**

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

Other general and administrative expenses and other net income totalled 51.3 million euros, with a 3.2 million euro increase compared to the previous year, mostly attributable to the above-mentioned non-recurring components (2.4 million euros), consisting of legal and advisory expenses, and to higher costs for the IT infrastructure and logistics (1.7 million euros in 2023).

4.6 Net provisions

Net provisions not related to fees[10] totalled 30.2 million euros, up 11.5 million euros compared to the same period of the previous year, mainly due to the significant increase in provisions to cover contractual commitments to the Financial Advisor Network and to other provisions for liabilities and contingencies.

The increase in provisions for contractual indemnities to the Financial Advisor Network was mainly due to higher actuarial provisions (+7.4 million euros), which were mainly impacted by the alignment of discount rates used to measure actuarial provisions, with a net impact of 4.9 million euros, calculated as the difference between the higher charge of 0.3 million euros recognised in 2024 against a surplus of 4.6 million euros for the previous year[11].
The continuation of the three-year incentive plan generated an impact of 3.8 million euros on the Profit and Loss Account, in line with the same period of the previous year (3.8 million euros)[12].

The provisions for other liabilities and contingencies grew by 3.4 million euros on the previous year and included an additional 12.0 million euro prudential provision (up compared to 8.0 million euros for the first half of 2023) to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid assets distributed by the Bank that were marked by investment repayment issues and to sustain customer retention.

The provisions for other liabilities and contingencies also included 1.2 million euros allocated to cover the 2024 contributions to be paid to the soon-to-be-established Guarantee Fund for the Life Insurance Sector, membership to which will be required also from banking and financial insurance intermediaries.

NET PROVISIONS

			CHANGE	
(€ THOUSAND)	30.06.2024	30.06.2023	AMOUNT	%
Provision for staff liabilities and contingencies	282	872	-590	-67.7%
Provision for legal disputes	3,505	1,589	1,916	120.6%
Provision for contractual indemnities to the Financial Advisor Network	11,875	5,163	6,712	130.0%
Provision for tax and contribution disputes	35	-	35	n.a.
Other provisions for liabilities and contingencies	14,509	11,083	3,426	30.9%
- *of which: provisions for risks relating to guarantees issued and commitments*	*-61*	*110*	*-171*	*n.a.*
Total	**30,206**	**18,707**	**11,499**	**61.5%**

4.7 Adjustments

In the first half of 2024, **net reversals to non-performing loans** amounted to 0.8 million euros, significantly improving compared to -0.6 million euros at the end of the same period of the previous year.

[10] Fee provisions, which amounted to 7.3 million euros (7.3 million euros in 2023), are recognised under the fee expense aggregate.
[11] 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 decrease in the discount rate used therefore reflected the change in average interest rates and government bond spreads in the period September 2023-June 2024 (4.211%) compared to the previous measurement for the period March 2023-December 2023 (4.26%) used for the valuation of actuarial provisions at 31 December 2023. It should be noted that in the first half of 2023 the discount rate used, calculated for the period September 2022-March 2023, had been 4.287%.
[12] The fees accruing on the three-year incentive plan are tied to net inflow targets, and therefore qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the Financial Advisor Network. The provision recognised in the Profit and Loss Account thus represents the portion of the overall incentives assigned to the Financial Advisor Network accrued in the twelve months of the year.

NET ADJUSTMENTS TO NON-PERFORMING LOANS

(€ THOUSAND)	VALUE ADJUSTMENTS	REVERSALS	30.06.2024	30.06.2023	CHANGE
Specific adjustments/reversals	**-1,346**	**922**	**-424**	**-2,336**	**1,912**
Non-performing loans of the banking book	-1,087	921	-166	-2,115	1,949
Operating loans to customers	-259	1	-258	-221	-37
Portfolio adjustments/reversals	**-**	**1,197**	**1,197**	**1,776**	**-579**
Performing debt securities	-	434	434	1,971	-1,537
Performing loans to customers and banks	-	763	763	-195	958
Total	**-1,346**	**2,119**	**773**	**-560**	**1,333**

Provisions for expected credit losses (ECLs) on the portfolio of debt securities reported net reversals for 0.4 million euros, declining by 1.5 million euros compared to the first half of 2023 due to a more modest decrease in the risk profile of the portfolio of government and corporate securities over the comparison period.

Provision for expected losses on performing loans to customers and banks (Stage 1 and Stage 2) showed net reversals for 0.8 million euros, mainly attributable to the decline in the exposure and the improvement in the rating class distribution of the portfolio.

Net specific adjustments declined to just above 0.4 million euros overall and referred for 0.2 million euros to the banking book of non-performing loans, mainly past-due, and for 0.2 million euros to the write-off of past advances to Financial Advisors and operating loans for services rendered to customers. In the first half of 2023, adjustments to non-performing loans of the banking book had increased mainly due to new positions classified as past-due (-2.1 million euros), subsequently reversed.

4.8 Contributions and charges related to the banking system

The initial period for the constitution of the deposit protection funds ended on 31 December 2023 for the Single Resolution Fund (SRF) and will end on 2 July 2024 for the Italian Interbank Deposit Protection Fund (FITD).
In accordance with Regulation (EU) 806/2014, since 1 January 2016 all intermediaries falling within the scope of application of the Single Resolution Mechanism (SRM) have been required to contribute to the Single Resolution Fund (SRF) though ex-ante annual contributions based on a payment plan spread over eight years (so-called "transitional period", from 2016 to 2023) aimed at reaching 1% of the covered deposits of that fund.
After the aforementioned period, the Single Resolution Board (SRB) exclusively verified that the financial means available to the SRF were in line with the target level, a process that for 2024 gave a negative outcome.
By 3 July 2024, the Italian Interbank Deposit Protection Fund (FITD) must instead form a financial endowment, drawing on the contributions paid by member banks, equal to at least 0.8% of covered deposits as at the end of the previous year, i.e., 31 December 2023.
In pursuit of this goal, the FITD amended its Statute to permit the call-in of the last annual contribution, as already provided for in the funding plan and due on 2 July 2024, on the basis of the breakdown of covered deposits as at 31 March 2024, in advance of the previous reference date of 30 September.
The amount of the contribution due was then set by the FITD as equal to the contribution already paid for the previous year.
Accordingly, **expenses related to the contributions to the Italian National Resolution (FRN) and Interbank Deposit Protection Funds (FITD)** included exclusively the ordinary contributions due to the FITD, for an estimated amount of 10.2 million euros. It should be noted that at 31 March 2023, the Bank had only recognised the last annual contribution to the Single Resolution Fund for a total of 6.0 million euros.

4.9 Income taxes

Income taxes for the reporting period on a current and deferred basis were estimated at 78.6

million euros, up 14.0 million euros compared to the estimated taxes at the end of the same period of 2023.
The estimated total tax rate was 24.7%, slightly down compared to the same period of the previous year (27.0%), mainly due to the higher contribution of the foreign entities to the Group's result.

INCOME TAXES

			CHANGE	
(€ THOUSAND)	30.06.2024	30.06.2023	AMOUNT	%
Current taxes for the period	-74,099	-63,834	-10,265	16.1%
Changes of prepaid taxation (+/-)	-3,428	-870	-2,558	294%
Changes of deferred taxation (+/-)	-1,107	32	-1,139	n.a.
Total	**-78,634**	**-64,672**	**-13,962**	**21.6%**

4.10 Earnings per share

At the end of the first half of 2024, basic net earnings per share were 2.1 euros.

			CHANGE	
	30.06.2024	30.06.2023	AMOUNT	%
Consolidated net profit (€ thousand)	239,559	175,051	64,508	36.9%
Earnings attributable to ordinary shares (€ thousand)	239,559	175,051	64,508	36.9%
Average number of outstanding shares (thousand)	113,999	114,287	-288	-0.3%
EPS - Earnings per share (euros)	**2.10**	**1.53**	**0.57**	**37.2%**
Average number of outstanding shares with diluted share capital	113,999	114,287	-288	-0.3%
EPS - Diluted earnings per share (euros)	**2.10**	**1.53**	**0.57**	**37.2%**

4.11 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 2024, the latter component provided a positive overall contribution of 0.3 million euros, against a net positive change of 3.5 million euros recorded at the end of the same period of the previous year.

In detail, HTCS portfolio valuation reserves rose by 1.8 million euros as a result of the following factors:
- a decline in net valuation capital gains totalling -0.6 million euros, of which -0.4 million referring to equity securities in foreign currencies, without transfer to the Profit and Loss Account;
- the reduction of pre-existing net negative reserves on debt securities due to re-absorption through profit or loss upon realisation (3.4 million euros);
- a negative net tax effect associated with the above changes and mainly resulting from net decreases in DTAs (-1.1 million euros).

The 1.8 million euro decline in translation reserves referred to net foreign investment in CHF and was attributable to the depreciation of this currency compared to the all-time highs reached at the end of 2023.

COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP

			CHANGE	
(€ THOUSAND)	30.06.2024	30.06.2023	AMOUNT	%
Net profit	**239,559**	**175,003**	**64,556**	**36.9%**
Other income, net of income taxes:				
With transfer to Profit and Loss Account:				
Exchange differences	-1,830	256	-2,086	-814.8%
Financial assets measured at fair value through other comprehensive income	2,189	3,542	-1,353	-38.2%
Cash flow hedges	449	-	449	n.a.
Without transfer to Profit and Loss Account:				
Financial assets measured at fair value through other comprehensive income	-403	52	-455	-872.2%
Actuarial gains (losses) from defined benefit plans	-94	-340	246	-72.4%
Total other income, net of income taxes	**311**	**3,510**	**-3,199**	**-91.1%**
Comprehensive income	**239,870**	**178,513**	**61,357**	**34.4%**
Consolidated comprehensive income attributable to minority interests	-213	-66	-148	225.5%
Consolidated comprehensive income attributable to the Group	**240,083**	**178,579**	**61,505**	**34.4%**

5. Balance sheet and net equity aggregates

At the end of the first half of 2024, total consolidated assets amounted to 14.7 billion euros, down 0.8 billion euros (-5.0%) compared to the end of 2023.

Total net inflows stood at 12.7 billion euros, down 0.8 billion euros overall, as a result of the decrease in net inflows from customers (-855 million euros), only marginally offset by the interbank funding (+96 million euros).
Core loans thus totalled 13.6 billion euros, down 0.8 billion euros (-5.4%) compared to the end of 2023.

CONSOLIDATED BALANCE SHEET

ASSETS (€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial assets at fair value through profit or loss	509,549	509,407	142	-
Financial assets at fair value through other comprehensive income	863,071	1,000,936	-137,865	-13.8%
Financial assets measured at amortised cost:	12,263,218	12,905,455	-642,237	-5.0%
a) loans to banks (*)	2,796,855	2,846,425	-49,570	-1.7%
b) loans to customers	9,466,363	10,059,030	-592,667	-5.9%
Hedging derivatives	183,118	161,955	21,163	13.1%
Equity investments	4,128	1,975	2,153	109.0%
Property, equipment and intangible assets	279,682	292,054	-12,372	-4.2%
Tax assets	101,534	108,113	-6,579	-6.1%
Other assets	542,083	537,267	4,816	0.9%
Total assets	**14,746,383**	**15,517,162**	**-770,779**	**-5.0%**

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

LIABILITIES AND NET EQUITY (€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial liabilities measured at amortised cost:	12,743,908	13,503,015	-759,107	-5.6%
a) due to banks	327,398	231,684	95,714	41.3%
b) due to customers	12,416,510	13,271,331	-854,821	-6.4%
Financial liabilities held for trading and hedging	122,701	132,821	-10,120	-7.6%
Tax liabilities	96,736	46,088	50,648	109.9%
Other liabilities	304,249	353,037	-48,788	-13.8%
Special purpose provisions	266,912	268,936	-2,024	-0.8%
Valuation reserves	-272	-797	525	-65.9%
Equity instruments	50,000	50,000	-	-
Reserves	830,717	752,749	77,968	10.4%
Share premium reserve	52,388	52,992	-604	-1.1%
Share capital	116,852	116,852	-	-
Treasury shares (-)	-77,367	-85,005	7,638	-9.0%
Net equity attributable to minority interests	-	338	-338	-100.0%
Net profit (loss) for the period (+/-)	239,559	326,136	-86,577	-26.5%
Total liabilities and net equity	**14,746,383**	**15,517,162**	**-770,779**	**-5.0%**

QUARTERLY EVOLUTION OF CONSOLIDATED BALANCE SHEET

ASSETS (€ THOUSAND)	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
Financial assets at fair value through profit or loss	509,549	509,334	509,407	506,691	507,179	504,991	507,346
Financial assets at fair value through other comprehensive income	863,071	1,075,503	1,000,936	991,393	958,875	1,020,267	1,120,101
Financial assets measured at amortised cost:	12,263,218	12,475,402	12,905,455	12,869,116	13,057,631	14,341,714	14,478,596
a) loans to banks	2,796,855	2,665,196	2,846,425	2,665,380	2,463,233	3,239,432	3,284,113
b) loans to customers	9,466,363	9,810,206	10,059,030	10,203,736	10,594,398	11,102,282	11,194,483
Hedging derivatives	183,118	178,060	161,955	272,492	232,891	245,363	286,776
Equity investments	4,128	2,126	1,975	2,781	2,927	3,008	3,091
Property, equipment and intangible assets	279,682	285,549	292,054	283,139	289,474	294,089	295,279
Tax assets	101,534	107,003	108,113	99,132	91,429	86,040	72,266
Other assets	542,083	556,185	537,267	522,861	536,585	508,377	503,394
Total assets	**14,746,383**	**15,189,162**	**15,517,162**	**15,547,605**	**15,676,991**	**17,003,849**	**17,266,849**

LIABILITIES AND NET EQUITY (€ THOUSAND)	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
Financial liabilities measured at amortised cost:	12,743,908	13,061,788	13,503,015	13,682,584	13,783,954	15,205,464	15,503,979
a) due to banks	327,398	300,285	231,684	483,931	526,633	821,661	544,531
b) due to customers	12,416,510	12,761,503	13,271,331	13,198,653	13,257,321	14,383,803	14,959,448
Financial liabilities held for trading and hedging	122,701	122,340	132,821	98,050	107,757	134,378	123,604
Tax liabilities	96,736	74,839	46,088	58,901	33,618	58,487	44,577
Other liabilities	304,249	321,516	353,037	318,056	439,338	200,656	281,248
Special purpose provisions	266,912	268,571	268,936	255,879	249,588	247,751	244,921
Valuation reserves	-272	-303	-797	-5,232	-6,445	-8,292	-9,972
Equity instruments	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Reserves	830,717	1,083,262	752,749	749,147	746,862	941,473	724,536
Share premium reserve	52,388	52,992	52,992	52,908	52,784	53,767	53,767
Share capital	116,852	116,852	116,852	116,852	116,852	116,852	116,852
Treasury shares (-)	-77,367	-85,005	-85,005	-85,005	-72,745	-80,139	-80,139
Net equity attributable to minority interests	-	343	338	364	377	381	442
Consolidated net profit	239,559	121,967	326,136	255,101	175,051	83,071	213,034
Total liabilities and net equity	**14,746,383**	**15,189,162**	**15,517,162**	**15,547,605**	**15,676,991**	**17,003,849**	**17,266,849**

5.1 Direct inflows from customers

Total direct inflows from customers amounted to 12.4 billion euros, with a decrease of nearly 855 million euros (-6.4%) compared to 31 December 2023, chiefly attributable to the sharp decline in repurchase agreement transactions (-1,155 million euros), only partly offset by an increase in current accounts deposits and term deposits (+401 million euros).

The decline was attributable both to treasury repurchase agreement transactions with very short maturities effected on the MTS Repo market, managed by Cassa di Compensazione e Garanzia, down to 172 million euros (-84.5%), and to promotional transactions in repurchase agreements with clients, which stood at 56 million euros (-79.7%) at the end of the period.

In this regard, it should be noted that in the first half of the year, net deposits on retail customers' current accounts within the Assoreti scope grew by over 243 million euros, reversing the trend compared to the first quarter of 2024 (-170 million euros), whereas inflows from assets under administration further grew by over 2.5 billion euros.

Liabilities relating to daily variation margins received on the Eurex market amounted to 151.6 million euros, markedly increasing compared to the end of 2023 (+21.1%), offset by the performance of hedging derivative transactions.

DUE TO CUSTOMERS

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
1. Current accounts and demand deposits	11,251,351	11,097,187	154,164	1.4%
2. Term deposits	488,142	241,730	246,412	101.9%
3. Financing	379,356	1,507,866	-1,128,510	-74.8%
Repurchase agreements with CC&G (MTS Repo)	171,780	1,106,790	-935,010	-84.5%
Repurchase agreements with customers	55,971	275,859	-219,888	-79.7%
Other (collateral margins)	151,605	125,217	26,388	21.1%
4. Other debts	297,661	424,548	-126,887	-29.9%
IFRS 16-related lease liabilities	136,674	141,074	-4,400	-3.1%
Operating debts to Financial Advisor Network	136,870	150,157	-13,287	-8.8%
Other debts (money orders, amounts at the disposal of customers)	24,117	133,317	-109,200	-81.9%
Total due to customers	**12,416,510**	**13,271,331**	**-854,821**	**-6.4%**

Captive inflows, generated from the treasury management of the companies within Assicurazioni Generali Group, recorded net outflows of approximately 145 million euros, amounting to 372 million euros at the end of the period and accounting for 3.0% of total inflows.

INFLOWS FROM CUSTOMERS

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Total inflows from Generali Group	**372,155**	**516,911**	**-144,756**	**-28.0%**
of which:				
- *current accounts*	*309,423*	*451,146*	*-141,723*	*-31.4%*
- *IFRS 16-related lease financial liabilities and other debts*	*62,732*	*65,765*	*-3,033*	*-4.6%*
Inflows from other parties	**12,044,355**	**12,754,420**	**-710,065**	**-5.6%**
of which:				
- *current accounts*	*10,941,928*	*10,646,041*	*295,887*	*2.8%*
- *repurchase agreements and term deposits*	*653,624*	*1,558,868*	*-905,244*	*-58.1%*
- *other debts*	*448,803*	*549,511*	*-100,708*	*-18.3%*
Total inflows from customers	**12,416,510**	**13,271,331**	**-854,821**	**-6.4%**

The non-interest-bearing debt position consisted of accounts payable to the Financial Advisor Network for the placement of financial products and services, as well as of other sums made available to customers, primarily relating to claims settlement activities by the Group's companies (money orders). This item declined by nearly 127 million euros as a result of the latter component.

5.2 Core loans

Core loans totalled 13.6 billion euros overall, with a net decrease of 780 million euros compared to 31 December 2023 (-5.4%).

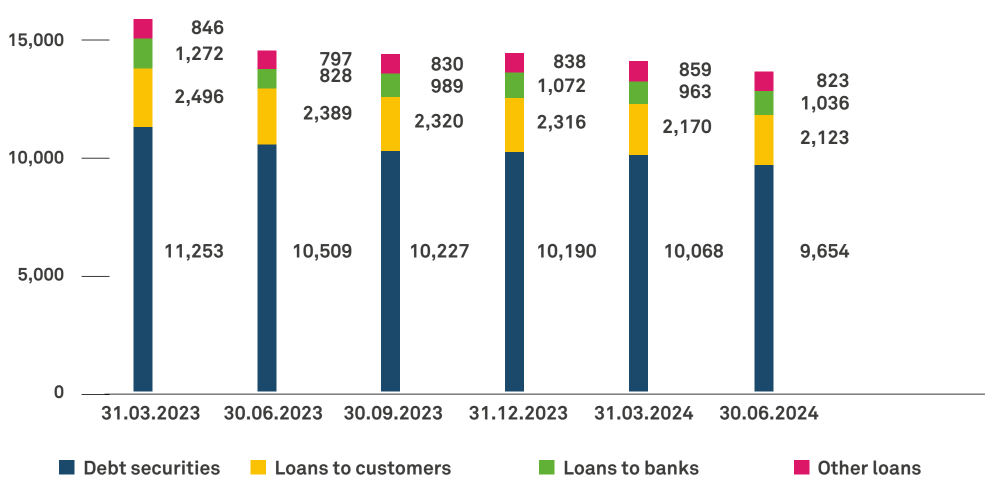
All components declined: loans to customers dropped by over 193 million euros (-8.3%), investments in the portfolio of financial assets decreased by -536 million euros (-5.0%) and exposures to banks reported a more marked decline of -36 million euros (-3.4%).

CORE LOANS

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial assets measured at fair value through profit or loss	509,549	509,407	142	0.0%
Financial assets measured at fair value through other comprehensive income	863,071	1,000,936	-137,865	-13.8%
Financial assets measured at amortised cost	8,813,489	9,211,941	-398,452	-4.3%
Financial assets	**10,186,109**	**10,722,284**	**-536,175**	**-5.0%**
Loans to and deposits with banks (*)	1,036,087	1,072,461	-36,374	-3.4%
Loans to customers	2,122,716	2,316,087	-193,371	-8.3%
Operating loans and other loans	290,926	304,966	-14,040	-4.6%
Total core loans	**13,635,838**	**14,415,798**	**-779,960**	**-5.4%**
Total interest-bearing financial assets and loans	**13,344,912**	**14,110,832**	**-765,920**	**-5.4%**

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

QUARTERLY EVOLUTION OF LOANS (€ MILLION)



Overall, investments in financial instruments accounted for 74.7% of total core loans, in line with the end of 2023, and continued to focus on the portfolio of securities issued by governments and supranational and other public institutions, accounting for nearly three fourths of the total portfolio. This was supported by a careful diversification process regarding investments on debt securities issued by credit institutions, and particularly covered bonds.

FINANCIAL ASSETS

			CHANGE	
(€ THOUSAND)	30.06.2024	31.12.2023	AMOUNT	%
Government securities	6,925,132	7,253,834	-328,702	-4.5%
Supranational and other public institutions	596,030	677,558	-81,528	-12.0%
Securities issued by banks	1,779,230	1,847,782	-68,552	-3.7%
Securities issued by other issuers	353,361	410,451	-57,090	-13.9%
Equity securities and other financial instruments at fair value	532,356	532,659	-303	-0.1%
Total financial assets	**10,186,109**	**10,722,284**	**-536,175**	**-5.0%**

The residual component of equity securities, UCITS and other similar securities chiefly referred to the investment, for a total of 485.8 million euros, in the units of the Forward Fund, an Italian fund (AIF) managed by Gardant SGR and specialised in illiquid investments[13].

The held-to-collect (HTC) portfolio, driven by financial assets measured at amortised cost and held for long-term investment purposes, amounted to over 8.8 billion euros at the end of the period, accounting for 86.5% of total financial asset, decreasing moderately compared to the end of 2023 (-4.3%).
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, amounted to 0.9 billion euros, with a more marked reduction compared to the end of the previous year (-13.8%).

In the reporting period, 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 2024, the notional amounts of the hedging derivatives outstanding amounted to 3,840 million euros, of which 80 million euros relating to the HTCS portfolio. The net book value of the asset swap portfolio was 3,481 million euros overall, essentially in line with its fair value.

The hedging derivatives portfolio also included some cash flow hedges, activated on certain asset swap positions in the second quarter of the year, for a total notional amount of 505 million euros. In particular, these were hedges aimed at stabilising the future cash flows of fixed-rate asset swaps, even limited to a time portion thereof, through trading of forward IRSs.

The overall portfolio remained focused on sovereign and supranational debt, which significantly contributed to the contraction of the debt securities portfolio at the end of the first half of the year (-410 million euros), accounting for 73.8% of total investments in financial instruments.
The portion of the portfolio invested in Italian government bonds declined slightly to 5.5 billion euros (-1.2%), with a 73.5% ratio to total volumes, increasing compared to the previous year.

13 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 on Operations.

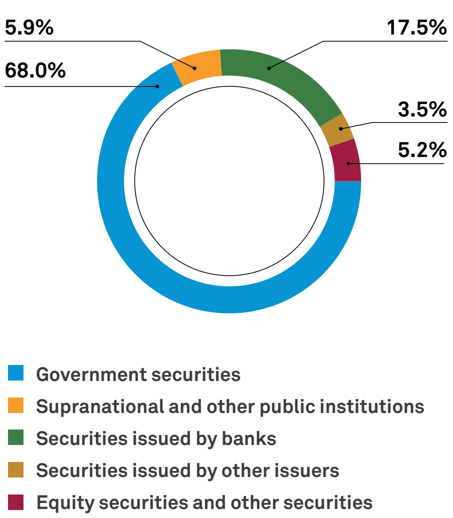
Foreign sovereign debt dropped more sharply to 2.0 billion euros (-342.4 million euros; -14.7%), accounting for 26.4% of the total government portfolio.
From a geographical standpoint, investments in foreign government bonds were primarily allocated on EU issues, with a particular focus on the Iberian Peninsula and France.

EXPOSURE TO THE SOVEREIGN RISK

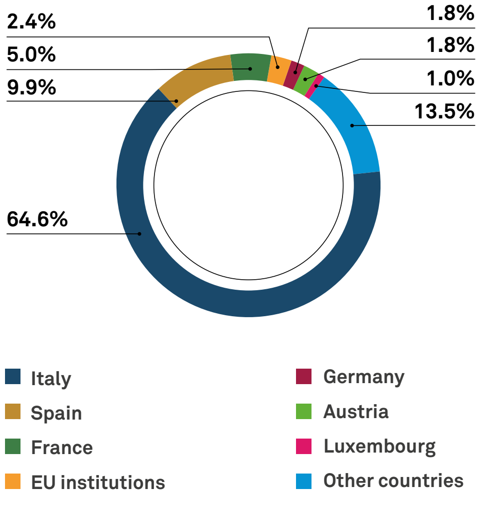
(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Exposure to the sovereign risk by portfolio:				
Financial assets measured at fair value through other comprehensive income	809,664	890,055	-80,391	-9.0%
Financial assets measured at amortised cost	6,711,498	7,041,337	-329,839	-4.7%
Total	**7,521,162**	**7,931,392**	**-410,230**	**-5.2%**
Total foreign government bonds	**1,991,012**	**2,333,391**	**-342,379**	**-14.7%**
Total Italian government bonds	**5,530,150**	**5,598,001**	**-67,851**	**-1.2%**

The overall geographical breakdown of the debt securities portfolio therefore showed a greater incidence of investments in Italian securities, which stood at 64.6%, followed by the exposure to issuers of the Iberian Peninsula at 9.9%, primarily represented by government bonds.

BREAKDOWN OF FINANCIAL ASSETS PORTFOLIO AT 30.06.2024



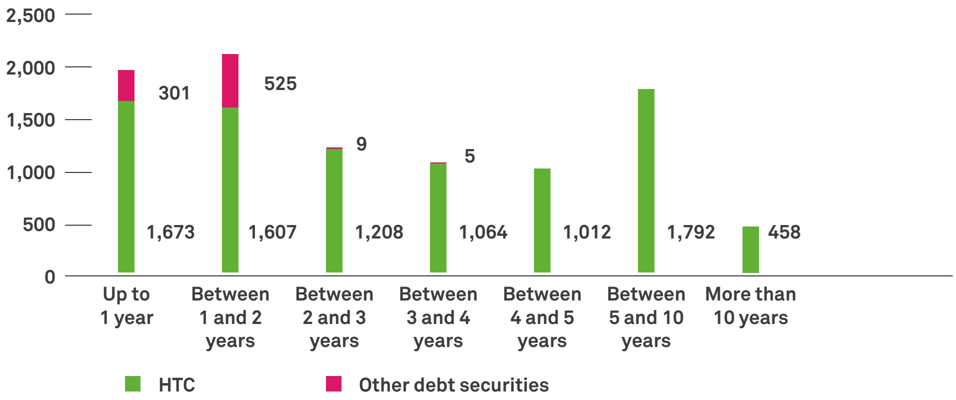
GEOGRAPHICAL BREAKDOWN OF FINANCIAL ASSETS PORTFOLIO AT 30.06.2024



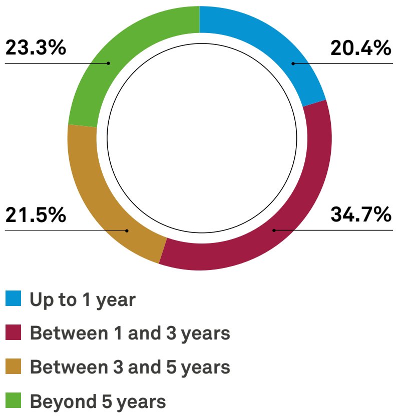
At the end of the first half of 2024, the share of financial assets with a maturity of more than 3 years was 44.8%, slightly up compared to the end of 2023 (42.1%).
The portfolio of debt securities had an overall average residual life of about 3.8 years. In particular, the average maturity of the HTC portfolio was 4.2 years, whereas the average maturity of the HTCS portfolio increased to 1.2 years.

41.2% of the portfolio was made up of issues with variable-rate or inflation-linked coupons, including hedged securities, and 58.8% of fixed-rate issues.

BONDS PORTFOLIO MATURITY (€ MILLION)



BREAKDOWN OF BONDS PORTFOLIO BY MATURITY AT 30.06.2024



Loans to customers neared **2,123 million euros**, declining by 193.4 million euros compared to the end of 2023 (-8.3%) as a result of both current account exposures, including Lombard loans, and transactions regarding mortgages and personal loans.

In particular, Lombard loans, made up of current account exposures fully secured by pledges on financial instruments, totalled **1,286 million euros** (-5.6%).

LOANS AND OPERATING LOANS AND OTHER LOANS

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Current accounts	1,552,048	1,694,681	-142,633	-8.4%
Mortgages and personal loans	559,696	609,918	-50,222	-8.2%
Other financing and loans not in current accounts	10,972	11,489	-517	-4.5%
Loans	**2,122,716**	**2,316,088**	**-193,372**	**-8.3%**
Operating loans to management companies	166,139	141,305	24,834	17.6%
Sums advanced to Financial Advisors	54,544	58,452	-3,908	-6.7%
Stock exchange interest-bearing daily margin	31,072	84,001	-52,929	-63.0%
Charges to be debited and other loans	30,351	12,560	17,791	141.6%
of which:				
- *rights of recourse and usufruct rights*	*19,312*	*2,069*	*17,243*	833.4%
Operating loans and other loans	**282,106**	**296,318**	**-14,212**	**-4.8%**

Operating loans and other loans amounted to 282 million euros, down 4.8%.

This item included 19.3 million euros for the Bank's rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (14.6 million euros), as well as amounts receivable as a result of the transfer by Bank's clients of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.7 million euros). Both categories of amounts receivable were recognised among loans to customers at amortised cost and classified as purchased or originated credit impaired (POCI).

In June, the Bank obtained the reimbursement for the rights of recourse on which it had granted guarantees for 1.6 million euros, while a second tranche of repayments for 4.0 million euros was collected in July.
Losses and write-downs on usufruct rights that had become uncollectible amounted to 1.4 million euros.

Net **non-performing exposures** on loans to customers amounted to **29.8 million euros**, or **1.40%** 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 **20.1 million euros** and consisted for nearly 89% 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 **2.2 million euros**, or around **0.10%** of total loans to customers.

The portfolio of non-performing loans (loans to customers excluding operating loans and debt securities) rose moderately by 0.9 million euros, mostly attributable to unlikely-to-pay positions.

NON-PERFORMING EXPOSURES

	30.06.2024				31.12.2023				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	25,029	6,720	13,850	45,599	24,950	6,284	13,378	44,612	987	2%
Adjustments	10,188	1,977	3,611	15,776	10,214	2,117	3,357	15,688	88	1%
Total net exposure	**14,841**	**4,743**	**10,239**	**29,823**	**14,736**	**4,167**	**10,021**	**28,924**	**899**	**3%**
Gross exposure	17,853	-	-	17,853	17,746	-	-	17,746	107	1%
Adjustments	8,140	-	-	8,140	8,140	-	-	8,140	-	-
Exposure guaranteed by net indemnity	**9,713**	**-**	**-**	**9,713**	**9,606**	**-**	**-**	**9,606**	**107**	**1%**
Gross exposure	7,176	6,720	13,850	27,746	7,204	6,284	13,378	26,866	880	3%
Adjustments	2,048	1,977	3,611	7,636	2,074	2,117	3,357	7,548	88	1%
Exposure net of indemnity	**5,128**	**4,743**	**10,239**	**20,110**	**5,130**	**4,167**	**10,021**	**19,318**	**792**	**4%**
Net guaranteed exposure	**5,076**	**4,338**	**8,537**	**17,951**	**5,076**	**3,806**	**8,131**	**17,013**	**938**	**6%**
Net exposure not guaranteed	**52**	**405**	**1,702**	**2,159**	**54**	**361**	**1,890**	**2,305**	**-146**	**-6%**

At 30 June 2024, the interbank position, net of the securities portfolio and operating loans, showed a net credit balance of 708.7 million euros, down 132.1 million euros compared to a net exposure of 840.8 million euros at the end of the previous year, chiefly due to the combined effect of:

- the reduction in the net exposure to central banks (-76.4 million euros), mainly including overnight deposits in service of treasury transactions;
- the decrease in net exposure to banks (-55.7 million euros), mainly attributable both to the expansion of funding repurchase agreements with banks, which exceeded lending repurchase agreements with banks (-36.3 million euros), and to the change in collateral deposits and margins on OTC derivatives and repurchase agreements (-6.4 million euros) and in other net current account exposures (-13.0 million euros).

NET INTERBANK POSITION

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
1. Repayable on demand	**485,057**	**589,034**	**-103,977**	**-17.7%**
Demand deposits with ECB and Bank of Italy (*)	430,342	514,303	-83,961	-16.3%
Transfer accounts	54,715	74,731	-20,016	-26.8%
2. Time deposits	**551,030**	**483,427**	**67,603**	**14.0%**
Minimum reserve	115,776	108,186	7,590	7.0%
Term deposits	41,866	25,566	16,300	63.8%
Repurchase agreements	280,266	229,056	51,210	22.4%
Collateral margins	113,122	120,619	-7,497	-6.2%
Total loans to banks	**1,036,087**	**1,072,461**	**-36,374**	**-3.4%**
1. Due to Central Banks	**-**	**-**	**-**	**n.a.**
2. Due to banks	**327,398**	**231,684**	**95,714**	**41.3%**
Transfer accounts	44,183	35,346	8,837	25.0%
Repurchase agreements	258,822	171,320	87,502	51.1%
Collateral margins	14,090	15,202	-1,112	-7.3%
Other debts	10,303	9,816	487	5.0%
Total due to banks	**327,398**	**231,684**	**95,714**	**41.3%**
Net interbank position	**708,689**	**840,777**	**-132,088**	**-15.7%**

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

5.3 Provisions

Special purpose provisions amounted to 266.9 million euros overall, slightly decreasing compared to the previous year (-0.8%) and mainly referring to provisions for contractual indemnities and incentives to the Financial Advisor Network.

PROVISIONS

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Provision for termination indemnity	**3,419**	**3,772**	**-353**	**-9.4%**
Provisions for pensions and similar obligations	**2,317**	**2,476**	**-159**	**-6.4%**
Other provisions for liabilities and contingencies	**261,175**	**262,688**	**-1,513**	**-0.6%**
Provisions for staff expenses	7,297	8,640	-1,343	-15.5%
Provision for the redundancy incentive plan	717	1,500	-783	-52.2%
Provisions for legal disputes	13,847	12,283	1,564	12.7%
Provisions for contractual indemnities to the Financial Advisor Network	182,696	170,856	11,840	6.9%
Provisions for Financial Advisor Network incentives	24,645	29,048	-4,403	-15.2%
Provisions for tax and contributions/ pension disputes	180	274	-94	-34.3%
Other provisions for liabilities and contingencies	31,793	40,087	-8,294	-20.7%
- *of which: provisions for risks relating to guarantees issued and commitments*	*130*	*9,591*	*-9,461*	*-98.6%*
Total provisions	**266,911**	**268,936**	**-2,025**	**-0.8%**

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 88.4 million euros;
- other indemnities relating to termination of the agency or management position (management development indemnity, portfolio overfee indemnities, retirement eligibility bonus) of 27.4 million euros;
- the provision in service of the annual cycles of the 2017-2026 Framework Loyalty Programme for the Financial Advisor Network, in the amount of 35.6 million euros;
- the provision in service of the three-year incentive plan for the Financial Advisor Network, in the amount of 31.3 million euros.

The Framework Loyalty Programme for the Financial Advisor Network was suspended at the end of 2021 and therefore no additional annual cycles have been activated since 2022. The provisions relating to the latter programme 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 2022, a 34.2 million euro financial advance related to the bonuses to be paid in cash was also granted to the beneficiaries of the Loyalty Framework Programme drawing from the provision recognised and valued at 30 June 2022. This advance is subject to the same accrual conditions provided for by the Programme and the beneficiaries will be definitively entitled to it in the first half of 2027.

The 2022-2024 three-year incentive plan, approved by the Board of Directors on 18 March 2022 and further adjusted on 5 March 2024, is in addition to the annual incentives for the Financial Advisor Network and is tied to the achievement of both several overall objectives set at the Banking Group level in terms of total net inflows and recurring fee income, established in the new Strategic Plan, and individual objectives.
In particular, at the end of the Plan no incentives may be disbursed without full achievement of the three-year net inflow targets and of at least 90% of the cumulative recurring fee target at the end of 2024.
Special rules also apply to Financial Advisors eligible to participate in the previous Loyalty Framework Programme, for which a bonus floor applies, to be paid at the end of the three-year period if other conditions are met, but only in the absence of net outflows.
The three-year bonus will be paid in 2026, provided that on 31 December 2025 the net inflow targets reached are no less than 90% of net inflows generated at the end of the three-year plan period.

The incentives accruing on a multi-year basis, tied to net inflow targets, qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the Financial Advisor Network.
In addition, the Plan calls for the payment of the cash bonus only, with the sole exception of beneficiaries qualifying as Key Personnel in the three-year period, to whom the specific provisions of the Remuneration Policies (deferral, shared-based payment, etc.) apply.

The 11.8 million euro net change in provisions for contractual indemnity to the Financial Advisor Network was attributable to the increase in actuarial provisions (+5.3 million euros) and other provisions (+0.2 million euros), in response to which the new provisions allocated in service of the three-year incentive plan for the Financial Advisor Network were recognised for a total of 6.3 million euros, of which 2.6 million euros set to accrue in subsequent years. At the end of the first half of the year, the decline in the discount rates used to measure actuarial provisions led to an increase in the latter for approximately 0.3 million euros.

Other provisions for liabilities and contingencies included 27.9 million euros to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues, and to sustain customer retention. In the first half of the year, provisions rose by 12 million euros due to the use of 19.3 million euros mainly attributable to enforcement of guarantees issued to customers, other activities in favour of the latter and costs for legal proceedings in progress against issuers of the illiquid instruments.

In this regard, it should be noted that the financial guarantees issued to certain customers in 2023 and in the first months of 2024, totalling 27.3 million euros, were enforced with full use of the related provisions for credit risk on guarantees granted for 11.1 million euros.
The Bank's rights of recourse related to the enforcement of financial flows regarding the above-mentioned illiquid products, in the amount of 16.2 million euros, were therefore recognised among loans to customers and classified as purchased or originated credit impaired (POCI).

A partial mitigation of the dispute was achieved in 2024 thanks to an offer by a third-party counterparty that allowed customers to transfer the entire amount of one of the illiquid issues subject to litigation, with a significant discount on the carrying amount. Overall, however, the reimbursements already obtained by the issuer and the total interest collected, including the usufruct rights on the coupons maturing in 2023 and 2024 transferred, and the further activities implemented by the Bank allowed the customers concerned to obtain a full refund of the original investment.
Provisions were also used to cover losses and write-downs on usufruct rights that had become uncollectible, amounting to 1.4 million euros.

5.4 Net equity and regulatory aggregates

At 30 June 2024, the Banking Group's consolidated net equity, including net profit for the period, neared 1,212 million euros, net of the 2023 dividend payout resolved upon by the General Shareholders' Meeting on 18 April 2024 for a total amount of 251.2 million euros, which was partly already paid on 24 May 2024 and is to be partly paid in February 2025.

CONSOLIDATED NET EQUITY

			CHANGE	
(€ THOUSAND)	30.06.2024	31.12.2023	AMOUNT	%
Share capital	116,852	116,852	-	-
Share premium reserve	52,388	52,992	-604	-1.1%
Reserves	830,717	752,749	77,968	10.4%
(Treasury shares)	-77,367	-85,005	7,638	-9.0%
Valuation reserves	-272	-797	525	-65.9%
Equity instruments	50,000	50,000	-	-
Net profit (loss) for the period	239,559	326,136	-86,577	-26.5%
Banking Group net equity	**1,211,877**	**1,212,927**	**-1,050**	**-0.1%**
Net equity attributable to minority interests	-	338	-338	-100.0%
Consolidated net equity	**1,211,877**	**1,213,265**	**-1,388**	**-0.1%**

The -1.4 million euro change in consolidated net equity in the first half of 2024, net of dividend approved, was chiefly attributable to the previous year's dividend and to the consolidated net profit for the period and, to a lesser extent, to other components such as the increase 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.

CHANGE IN NET EQUITY

(€ THOUSAND)	30.06.2024
Net equity at period-start	**1,213,265**
Consolidated net profit for the period	239,559
Reserves for prior year dividends	-251,231
Dividends not paid on treasury shares	6,021
Change in IFRS 2 reserves	6,174
Change in OCI valuation reserves	311
Dividends on AT1 equity instruments	-816
Change in ownership interests and net equity attributable to minority interests	-1,415
Other effects	9
Net equity at period-end	**1,211,877**
Change	**-1,388**

In the second quarter of the year, the Bank exercised the call option to purchase the 9.9% minority interest still held by the original shareholders of BG Valeur, provided for in the 2019 purchase agreement and expiring in October. The transaction entailed an outlay of 1.4 million euros and had an impact on the Group's net equity of 1.1 million euros.

Revaluation reserves amounted to -0.3 million euros, with a net increase of 0.5 million euros, mainly due to the fair value valuation reserves for the portfolio of financial assets measured at fair value through other comprehensive income (+1.8 million euros), partially offset by the reduction in translation reserves referred to net foreign investment in CHF due to the appreciation of this currency.

VALUATION RESERVES

	30.06.2024			31.12.2023	
(€ THOUSAND)	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
Valuation reserves - HTCS debt securities	611	-359	252	-1,937	2,189
Valuation reserves - OCI equity securities	644	-1,228	-584	-182	-402
Cash flow hedges	505	-56	449	-	449
Exchange differences	661	-	661	2,461	-1,800
Actuarial gains (losses) from defined benefit plans	1,890	-2,940	-1,050	-1,139	89
Total	**4,311**	**-4,583**	**-272**	**-797**	**525**

On 18 April 2024, the General Shareholders' Meeting also authorised the repurchase of a maximum of 251,600 treasury shares, for a maximum amount of 11.4 million euros, in service of remuneration plans for Key Personnel for 2024 and the new Long Term Incentive Plan (LTIP) for the period 2024-2028.
The plan for the buy-back of treasury shares, authorised by the Supervisory Authority on 26 June 2024, has yet to be launched. Therefore, at 30 June 2024, a commitment to buy back treasury shares was recognised for an amount of 11.4 million euros.
In this regard, it should be noted that, pursuant to the provisions of Article 28(4), of Delegated Regulation (EU) 241/2014, as recently amended by Delegated Regulation (EU) 827/2023, this commitment is no longer considered when calculating Own Funds, as the purchases of treasury shares reserved for personnel are deducted from CET1 only for the period of the issuer's actual possession.

In the reporting period, on the basis of the achievement of the performance objectives set out in the Remuneration Policy, 262,388 treasury shares, with a value of 7,638 thousand euros, of which 61,706 shares in service of the first tranche of the 2021-2023 LTIP, were also allotted to the Banking 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 2,657,613 treasury shares, with a value of 77,367 thousand euros, intended solely for the service of Remuneration Policies for the Banking Group's Key Personnel.

	No. OF SHARES	VALUE	AVERAGE PRICE	AVERAGE No. OF SHARES
Amount at period-start 01.01.2024	2,920,001	85,005,212	29.11	2,920,001
Allotments	-262,388	-7,637,869	29.11	-424,833
Purchases	-	-	-	-
Amount at period-end 30.06.2024	**2,657,613**	**77,367,343**	**29.11**	**2,495,168**

Consolidated own funds amounted to 888.1 million euros, up 48.4 million euros compared to the end of the previous year (+5.8%), whereas capital absorption declined by 53.8 million euros (-15.2%), as a result of a significant decrease in capital absorbed to cover credit risks (-21.0%).

At the end of the period, CET1 ratio reached 22.3%, compared to a minimum requirement of 8.34%, and Total Capital Ratio (TCR) reached 23.7%, compared to the SREP minimum requirement of 12.64%[14 15].

OWN FUNDS AND CAPITAL RATIOS

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Common Equity Tier 1 capital (CET1)	838,123	789,702	48,421	6.1%
Additional Tier 1 capital (AT1)	50,000	50,000	-	-
Tier 2 capital (T2)	-	-	-	n.a.
Total own funds	**888,123**	**839,702**	**48,421**	**5.8%**
Credit and counterparty risk	202,167	256,008	-53,841	-21.0%
Market risk	1	3	-2	-66.2%
Operational risk	98,042	98,042	-	-
Total absorbed capital (Pillar I)	**300,210**	**354,053**	**-53,842**	**-15.2%**
Total SREP minimum requirements (Pillar II)	**474,332**	**544,887**	**-70,555**	**-12.9%**
Excess over SREP minimum requirements	413,791	294,815	118,976	40.4%
Risk-weighted assets	3,752,629	4,425,658	-673,029	-15.2%
CET1/Risk-weighted assets	22.3%	17.8%	4.5%	25.2%
Tier 1/Risk-weighted assets	23.7%	19.0%	4.7%	24.7%
Total own funds/Risk-weighted assets (Total Capital Ratio)	**23.7%**	**19.0%**	**4.7%**	**24.7%**

The change in Own Funds was mainly attributable to the inclusion of the portion of retained earnings for the period, calculated pursuant to the 2022-2024 Dividend Policy (33.5 million euros), the dividends on treasury shares not paid out (+6.0 million euros), the reserve allocated on share-based payment plans (+6.2 million euros) and other net positive capital and prudential effects for 4.0 million euros, as highlighted in the following table.

[14] On 23 January 2024, upon conclusion of the SREP – Supervisory Review and Evaluation Process carried out annually by the competent Supervisory Authority, the Bank of Italy confirmed to Banca Generali the following specific capital requirements to be applied to the Banking Group commencing with the reporting on Own Funds at 31 December 2023:
- a Common Equity Tier 1 (CET1) ratio of 8%, 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 (2.5%);
- a Tier 1 ratio (T1 ratio) of 9.90% (previously set at 9.85%), consisting of an Overall Capital Requirement (OCR) of 7.40% (of which 6% as minimum regulatory requirement and 1.40% as additional requirement following the SREP) and a capital conservation buffer for the remainder;
- a Total Capital Ratio (TCR) of 12.30%, 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 Supervisory Authority however expects that Banca Generali maintains its capital ratios equal to at least 8% for CET1 ratio, to 10.90% for Tier 1 ratio and to 13.30% for Total Capital Ratio.

[15] Starting from the reporting deadline of 30 June 2024, the Bank of Italy decided to require all banks authorised to operate in Italy to set up a CET1 buffer against systemic risk (SyRB - Systemic Risk Buffer) by setting a target rate of 1% of credit and counterparty risk-weighted exposures to Italian residents only, to be achieved gradually by setting aside a reserve of 0.55% by 31 December 2024 and the remaining 0.5% by 30 June 2025. As of 30 June 2024, this systemic risk buffer, calculated at consolidated level, led to an increase in the absorption of CET 1 and TCR equal to 0.26%. The Bank is also required to maintain a countercyclical capital buffer, consisting of 0.26% of CET 1, determined on the basis of the weighted average of the countercyclical ratios applied by the respective Supervisory Authorities in the countries where the institution's relevant credit exposures are located (for Italy, the ratio set by the Bank of Italy is zero). These additional requirements are added to those provided for by the SREP, bringing the overall mandatory requirement to 12.64% of Own Funds.

CHANGES IN OWN FUNDS

(€ THOUSAND)

Own funds at 31.12.2023	**839,702**
Estimated regulatory provisions for retained earnings	33,482
Change in IFRS 2 reserves	6,174
Dividend not paid out on treasury shares	6,021
Change in OCI reserves on HTCS	223
Change in other OCI reserves	89
Change in goodwill and intangible assets (net of related DTLs)	5,495
DTAs through P&L not arising on temporary differences (tax losses)	-866
Negative prudential filters (prudent valuation and CFH reserve)	-312
Dividends on AT1 equity instruments	-816
Other effects	-1,069
Total changes in TIER 1 capital	**48,421**
Total changes in TIER 2 capital	**-**
Own funds at 30.06.2024	**888,123**
Change	**48,421**

The 53.8 million euro reduction in capital absorbed was due to the decline in the credit risk requirement, mainly attributable to the conclusion of the customer risk mitigation project, which made it possible to integrate into the determination of RWAs of exposures to customers (Lombard loans) collateral in the form of third-party UCITS, for which the eligibility of the financial assets underlying the funds must be analysed. The eligibility of such guarantees, analysed using the look-through procedure, is in addition to that of the guarantees consisting of UCITS managed by the Group, already outstanding for some time, and required the activation of a vast range of agreements with a number of management companies, in order to obtain information streams regarding a large number of UCITS sub-funds.
The change in requirements therefore appears to be attributable solely to exposures to corporate and retail customers, due to the aforementioned reduction in weighting, only minimally offset by an increase in other assets.

The Bank's liquidity ratios maintained excellent levels, with the Liquidity Coverage Ratio (LCR) at 333% and Net Stable Funding Ratio (NSFR) at 216%. The Bank's leverage ratio stood at 5.94%.

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

	30.06.2024		
(€ THOUSAND)	SHARE CAPITAL AND RESERVES	NET PROFIT	NET EQUITY
Net equity of Banca Generali	**881,955**	**228,233**	**1,110,188**
Differences between net equity and book value of companies consolidated using the line-by-line method	65,457	-	65,457
– profit carried forward of consolidated companies	58,457	-	58,457
– goodwill	8,707	-	8,707
– other changes	-1,707	-	-1,707
Dividends from consolidated companies	31,960	-134,460	-102,500
Consolidated companies' result for the period	-	145,615	145,615
Result of associates valued at equity	6	108	114
Valuation reserves - consolidated companies	1,131	-	1,131
Exchange differences	661	-	661
Goodwill	-8,707	-	-8,707
Consolidation adjustments	-145	63	-83
Net equity of the Banking Group	**972,318**	**239,559**	**1,211,877**

5.5 Cash flows

In the first half of 2024, operating activities absorbed a total of 149.6 million euro cash flows overall, sharply increasing compared to the first half of 2023, which had recorded over 190 million euro outflows.

In detail, the decline in net inflows from customers generated outflows of 884 million euros, offset by the release of the financial asset portfolio (+521 million euros) and, to a lower extent, by loans to customers (+200 million euros) and the interbank segment (+28 million euros), in addition to cash flows generated by operating activities (278 million euros), for a total of 1,306 million euros.

Cash flows absorbed by operating activities were therefore increased by cash outflows generated by funding activities, consisting of dividends paid — represented by the second tranche of the 2022 dividend, the first tranche of the 2023 dividend and the AT1 financial instrument coupon — for an amount of 249.1 million euros, and to a lesser extent, by investment activities, mainly referring to the equity interest in BG Saxo and the minority interest in BG Valeur.

Cash and cash equivalents at period-end amounted to 514 million euros, with a 139 million euro increase compared to the first half of 2023.

(€ THOUSAND)	30.06.2024	30.06.2023	CHANGE
Liquidity generated by operations	**278,370**	**137,358**	**141,011**
Financial assets	521,371	944,209	-422,838
Loans to banks	-67,520	182,096	-249,616
Loans to customers	199,735	161,123	38,612
Other operating assets	14,062	-48,803	62,865
Total assets	**667,648**	**1,238,625**	**-570,977**
Amounts due to banks	95,286	-18,049	113,335
Amounts due to customers	-883,979	-1,720,881	836,902
Other operating liabilities	-7,733	172,704	-180,437
Total liabilities	**-796,426**	**-1,566,226**	**769,800**
Liquidity generated by/used for operating activities	**149,592**	**-190,243**	**339,834**
Investments in property, equipment and intangible assets	-1,524	-2,502	978
Acquisition and disposal of equity investments in associates and investees	-3,462	80	-3,542
Liquidity generated by/used for investing activities	**-4,986**	**-2,422**	**-2,564**
Dividends paid	-249,138	-205,831	-43,307
Liquidity generated by/used for financing activities	**-249,138**	**-205,831**	**-43,307**
Net liquidity generated/used	**-104,532**	**-398,496**	**293,964**
Cash and cash equivalents	**514,441**	**375,743**	**138,698**

6. Performance of Group companies

6.1 Performance of Banca Generali S.p.A.

Banca Generali closed the first half of 2024 with net profit of 228.2 million euros, up compared to 186.5 million euros reported at the end of the same period of the previous year, chiefly due to the increase in interim and final dividends distributed by the Luxembourg-based subsidiary BG Fund Management Luxembourg S.A., amounting to 134.5 million euros (84.2 million euros in the first half of 2023).
Reclassified net banking income[16], net of the dividends distributed by the Banking Group's investees, rose by approximately 14.5 million euros (+4.9%) compared to the same period of the previous year. This increase was attributable both to the rise in net interest income (+5.5 million euros), partly offset by the net loss from trading activities (-0.8 million euros), and in net fees (+9.7 million euros).

PROFIT AND LOSS ACCOUNT

			CHANGE	
(€ THOUSAND)	30.06.2024	30.06.2023	AMOUNT	%
Net interest income	**156,347**	**150,822**	**5,525**	**3.7%**
Net income (loss) from trading activities	7,807	8,673	-866	-10.0%
Dividends	135,769	85,435	50,334	58.9%
- *of which: dividends from equity investments*	*134,460*	*84,220*	*50,240*	*59.7%*
Net financial income	**299,923**	**244,930**	**54,993**	**22.5%**
Fee income	404,772	371,533	33,239	8.9%
Fee expense	-260,463	-236,931	-23,532	9.9%
Net fees	**144,309**	**134,602**	**9,707**	**7.2%**
Net banking income	**444,232**	**379,532**	**64,700**	**17.0%**
Staff expenses	-55,500	-50,860	-4,640	9.1%
Other general and administrative expenses (net of duty recoveries)	-51,838	-51,561	-277	0.5%
Net adjustments of property, equipment and intangible assets	-18,169	-18,220	51	-0.3%
Other operating expenses/income	6,093	6,504	-411	-6.3%
Net operating expenses	**-119,414**	**-114,137**	**-5,277**	**4.6%**
Operating result	**324,818**	**265,395**	**59,423**	**22.4%**
Net adjustments to non-performing loans	772	-560	1,332	-237.9%
Net provisions	-30,206	-18,707	-11,499	61.5%
Contributions and charges related to the banking system	-10,192	-5,845	-4,347	74.4%
Gains (losses) on disposal of equity investments	-	69	-69	-100.0%
Operating profit before taxation	**285,192**	**240,352**	**44,840**	**18.7%**
Income taxes for the period on operating activities	-56,959	-53,828	-3,131	5.8%
Net profit	**228,233**	**186,524**	**41,709**	**22.4%**

16 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 7.3 million euros for both 2023 and 2024.

Net interest income amounted to 156.3 million euros, up 3.7% compared to the same period of the previous year. The increase was attributable to the combined effect of the rise, on the one hand, in interest income from securities trading (+27.9 million euros) and loans to customers (+5.1 million euros) and, on the other hand, in interest expense on customers' current accounts and repurchase agreement transactions for a total of 35.4 million euros. The result of transactions with the ECB stood at approximately 10.6 million euros, made up of interest income on overnight deposits.

Net fees stood at approximately 144.3 million euros at the end of the period, increasing by 7.2% compared to the first half of 2023 (+9.7 million euros), as a result of the increase in fee income (33.2 million euros) and in fee expense (23.5 million euros). The increase in fee income was mainly driven by the rise in fees for portfolio management (+9.5 million euros), fees for placement of securities and UCITS (+14.2 million euros), fees for trading and custody of securities (+6.2 million euros) and advisory fees (+7.6 million euros), which offset the reduction in fees for distribution of financial products (-4.2 million euros). Fee expense grew by 23.5 million euros, chiefly due to the increase in fee for off-premises offer (+21.9 million euros).

Net operating expenses[17] amounted to approximately 119.4 million euros, up 4.6% 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 32.7%.

Provisions, net adjustments and contributions and charges related to the banking system totalled 39.6 million euros, up 14.5 million euros compared to the same period of 2023, as a result of higher provisions for liabilities and contingencies (+11.5 million euros) and the increase in the contributions and charges related to the banking system (+4.3 million euros).

Operating profit before taxation amounted to 285.2 million euros, up 18.7% compared to the same period of 2023.

Income taxes for the period totalled 57 million euros and increased by 3.1 million euros compared to the tax burden estimated at 30 June 2023.
The Bank's overall tax rate was 20.0%, down compared to the first half of 2023 (22.4%) as a result of the higher contribution to the result of dividends from equity investments subject to reduced taxation.

Total client assets managed by the Bank on behalf of its customers — which is the figure used for communications to Assoreti — amounted to approximately 97.9 billion euros at 30 June 2024, up 6.7% compared to 31 December 2023. Net inflows reached 3.6 billion euros, up 11.3% compared to the figures recorded at the end of the same period of 2023.

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 Banca Generali Group (Lux IM Sicav and BG Collection Investments[18]) and the Sicav BG Private Markets, reserved for institutional investors.

BGFML ended the first half of 2024 with a net profit of 151.7 million euros, up compared to 76.4 million euros reported at the end of the same period of the previous year (+75.3 million euros).

[17] 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, the other income aggregate was restated net of these items for an amount of 49.1 million euros for 2024 and 40.1 million euros for 2023. 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, the European Single Resolution Fund and the Italian National Resolution Fund for previous interventions) have been separated from the general and 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.

[18] New company name of BG Selection Sicav, effective 22 April 2022.

The increase was mainly driven by performance fees, which rose by 86.4 million euros to 93.9 million euros, and by management fees, which amounted to 170.8 million euros compared to 160.5 million euros for the first half of 2023 (+6.4%).
Net banking income amounted to 179.3 million euros (+86.8 million euros compared to the first half of 2023). Operating expenses were 5.9 million euros (+0.8 million euros compared to the first half of 2023), of which 3.4 million euro staff expenses.
The company's net equity amounted to 108.3 million euros, net of an interim dividend payout of 134.5 million euros for 2024 and final dividend payout for 2023.
Overall, assets under management at 30 June 2024 amounted to 22,100 million euros, up 1,689 million euros compared to 20,411 million euros at 31 December 2023.

6.3 Performance of Generfid S.p.A.

Generfid, a company specialising in custodian capacity of assets, ended the first half of 2024 with a slight net loss and net equity amounting to about 1.0 million euros.
Net banking income amounted to approximately 0.7 million euros and virtually covered operating expenses.
Total client assets totalled 1,324 million euros (1,370 million euros at 31 December 2023).

6.4 Performance of BG Valeur S.A.

BG Valeur S.A., which became part of Banca Generali Group on 15 October 2019, is a private banking and wealth management boutique based in Lugano, Switzerland.
Banca Generali, which had held a 90.1% majority interest in the company since 2019, acquired the remaining 9.9% interest from the minority shareholders in the first half of 2024.
This transaction was aimed at subsequently transferring the 100% interest in the company to BG Suisse Private Bank S.A. in the second half of 2024.

The company ended the first half of 2024 with net profit of CHF 21.8 thousand (22.7 thousand euros), calculated based on local GAAP.
Revenues, generated mainly from asset management and advisory services, amounted to approximately CHF 5.0 million, whereas operating expenses totalled CHF 4.2 million (of which CHF 3.2 million staff expenses).
BG Valeur S.A.'s net equity recognised in its statutory financial statements totalled CHF 2.3 million at 30 June 2024.

At 30 June 2024, total client assets amounted to 1,026 million euros, in line with 1,024 million euros at 31 December 2023.

6.5 Performance of BG (Suisse) Private Bank S.A.

BG (Suisse) Private Bank 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 serve its clients in Switzerland through local bankers, offering, on the one hand, its advisory, planning and wealth protection services through a wide range of investment services and, on the other, new opportunities to Italian customers who have long chosen to keep part of their diversified positions in the Swiss market.

In January 2022, the company filed with the Swiss Financial Market Supervisory Authority (FINMA) an application to obtain the banking licence.
On 5 September 2023, the company finally obtained the FINMA's preliminary authorisation to start the banking activity, subject to compliance with certain requirements, including an adequate level of own funds.
Accordingly, on 14 September 2023, Banca Generali carried out a further capital increase of CHF 40 million aimed at increasing the company's statutory share capital as required by the new Articles of Association.
After satisfaction of the said requirements, the final authorisation was issued on 7 November 2023 and the bank changed its company name; the new bank started operating on 1 December 2023.

In the first half of 2024, the company's share capital was further increased by CFH 10 million, bringing the share capital fully paid-up since incorporation to CHF 70 million.
As mentioned above, in the second half of 2024, the company will acquire, through contribution by Banca Generali, a 100% interest in BG Valeur SA, thus establishing a Swiss banking group.

Two events, extremely relevant to the company, were held in May 2024:
- obtaining the licence from the Bank of Italy to operate under the freedom to provide services for the distribution in Italy of current account and securities deposit banking services (21 May 2024), which will take place through Banca Generali's Financial Advisor Network;
- official inauguration at its headquarters in Lugano of the first bank branch open to the public (7 May 2024).

At the end of June, Banca Generali formalised the launch of its innovative **BG International** service, which will allow the Bank's Italian customers to associate their current account and securities deposit held in Switzerland with BG Suisse Private Bank with an investment service provided by the Bank and managed by their trusted Financial Advisor.
The first product in the range is BG Solution International, which will allow customers residing in Italy to benefit from the well-known individual portfolio management service, fully regulated by Italian legislation, on financial assets held in Switzerland.

The company ended the first half of 2024 with a net loss of CHF 5.8 million, calculated based on local GAAP.
Operating expenses totalled CHF 6.0 million (of which CHF 2.3 million staff expenses).
BG Suisse S.A.'s net equity recognised in its statutory financial statements stood at CHF 47.7 million at 30 June 2024.

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 the *Policy for Transactions with Related Parties, Connected Parties and Corporate Officers pursuant to Article 136 of TUB* (the "**RPT Policy**"), which was adopted on 22 June 2023 and entered into effect on 1 July 2023.
The RPT Policy is intended to implement the aforementioned regulatory provisions, by adopting, for all Banking Group companies, rules on transactions with Banca Generali's related 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 Regulation.

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

No atypical and/or unusual related party transactions were carried in the first half of 2024 that were likely to have "effects on the safeguarding of the company assets or the completeness and accuracy of information, including accounting information, concerning the issuer."

Transactions of greater importance

In the first half of 2024, no transactions qualifying as non-ordinary "transactions of greater importance", entered into at non-market or non-standard conditions, were carried out that could have given rise to an obligation to publish the related market disclosure document.

Other significant transactions

In the first half of 2024, the following transactions were approved that could be qualified as non-ordinary "transactions of lesser importance" (i.e., transactions of amounts exceeding the significance threshold, but below that of transactions of greater importance, as defined pursuant to the RPT Policy), entered into at non-market or non-standard conditions:

› on **8 February 2024**, Banca Generali's Board of Directors approved the revision of the strategic partnership with Saxo Bank S.A.

This transaction was approved by the Board of Directors, with a prior non-binding favourable opinion from the Internal Audit and Risk Committee (which also serves as Related Party Transactions Committee).

Ordinary or recurring transactions

Transactions of an ordinary or recurring nature carried out in the first half of 2024 with related parties fall within the Group's ordinary course of business and are 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 at 31 December 2023 that might have had 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 in the first half of 2024 are presented in the specific section of the Condensed Half-Year Financial Statements at 30 June 2024, along with other information on related party transactions.
Intra-group related party transactions are not included in the above-mentioned disclosure, since they are eliminated upon consolidation.

8. Group's Employees and Financial Advisor Network

8.1 Employees

At 30 June 2024, the Bank's employees numbered 1,106, composed of 78 Managers, 188 3rd and 4th level Executives and 840 employees at other levels; of the last category, 193 were 1st and 2nd level Executives.

	BANCA GENERALI	GENERFID	BGFML	BG VALEUR	BG SUISSE	TOTAL AT 30.06.2024
Managers	65	-	3	2	8	78
3rd and 4th level executives	157	1	12	18	-	188
Employees at other levels	796	5	23	4	12	840
Total	**1,018**	**6**	**38**	**24**	**20**	**1,106**

Among the 1,106 employees at 30 June 2024, 65 were working under fixed-term contracts, 8 of whom as replacements for employees on maternity leave or leaves of absence.

Compared to year-end 2023, the number of employees with a permanent contract therefore increased by 41, following the consolidation of employees hired in 2023 and new hires in 2024. The number of employees with a fixed-term contract remained stable in the period, despite increasing by 4 people hired as replacements for employees on maternity leave or leaves of absence.

Trade union relations

Since the beginning of the year, company trade union activities have developed as follows:
- on 26 February 2024, trade union reporting about the favourable conditions available to employees in relation to the new BG Vita insurance products;
- in March 2024, trade union reporting provided for by law regarding the fringe benefits implementing procedures;
- on 19 April 2024, signing of the trade union agreement extended until 31 March 2025, with important additions in terms of environmental sustainability and corporate social responsibility, relating to remote working (so-called "Next Normal");
- on 7 May 2024, signing of the union agreement relating to the payout of the company bonus for the 2023 financial year. Following this agreement, two webinars were organised regarding the possibility of converting the aforementioned bonus into welfare solutions, in order to maximise its economic effect;
- on 28 May 2024, in application of the provisions introduced upon renewal of the National Collective Labour Agreement for the Credit Sector, trade union meeting held to discuss the methods of applying the reduction of the working week to 37 hours for full-time employees, with effect from 1 July 2024;
- on 19 June 2024, pursuant to Article 13 of the National Collective Labour Agreement for the Credit Sector, annual meeting held for reporting to the company trade union representatives and discussing with them the strategic outlook and the main HR issues.

8.1.1 Training and development of employees

In line with its values and the projects carried out in previous years, in the first half of 2024 as well the Banca Generali Banking Group continued to devote close attention to investments in people development, growth and management by further consolidating its company culture, founded on shared values, diversity and inclusion promotion and on the need to ensure the Bank's sustainability in the short, medium and long term.

In 2024, the last year of the Strategic Plan, work continued on the 4 pillars of the People Strategy (Culture, DEI, Skills and Organisation), confirming the focus on a shared culture and the creation of a sense of belonging, the continuous growth and development of the skills necessary for the or-

ganisation, the importance of DEI initiatives and of sustainable growth (attention to organisational issues) with a view to working, on the one hand, on the development of a culture based on inclusion and meritocracy and, on the other hand, the management of new work methods and the development of new competencies, above all with regard to all aspects of digital change.
The first development, training and engagement initiatives that were implemented in the first half of 2024 and that involved the Banca Generali Banking Group's population were organised according to these principles and priorities.

Performance management

The Group Performance Management (GPM) process continued in 2024 with great attention and interest by both People Managers and Employees, remaining one of the most important moments in the Manager-Employee relationship for discussing results, objectives, expectations and growth.
The entire GPM process for the 2022-2024 three-year period has been reviewed and adapted with respect to the new hybrid working mode, so that both Managers and Employees can increasingly feel to be an active part in the process, supporting continuous feedback within the organisation, as a tool for growth and development, as well as meritocracy and transparency in the various phases.
In this regard, in 2024 the GPM was enhanced with an important new phase (stakeholder feedback), during which all the organisation's employees were able to ask for and give feedback to other colleagues with whom activities were carried out during 2023. The phase, which was particularly appreciated, allowed for exchanges and feedback meetings.

The other GPM phases were confirmed:

- *self-evaluation*, namely the possibility for employees to evaluate themselves in qualitative terms;
- *performance appraisal and feedback dialogue* between manager and employee;
- *Individual Development Plan (IDP)*, definition of a plan using the dedicated training and development catalogue Development Linked to Performance, built on the basis of strategic and business needs;
- *mid-year feedback* between manager and employee.

Training

Ongoing people training activities continued with care and diligence in the first half of 2024 for the entire population of Banca Generali Group.

The various initiatives in place in the first half of 2024 are described in detail here under:

- **Training to develop technical skills**, to continue to ensure a widespread technical leadership within the Organisation and competitive on the market. The training held by the organisation's external and internal experts aims to continuously strengthen technical skills in order to support operations by promoting timely alignment with market demands. In this area, great attention was focused on **training on digital skills** through the continuation and completion of the Digital Minds programme, aimed at the entire population for the 2022-2024 three-year period and conceived with the objective of strengthening the 6 core digital skills within the organisation — Artificial Intelligence, Cybersecurity, Blockchain, Advanced Analytics, Customer Experience and Fintech — laying the foundation for seizing the opportunities offered by new technologies and supporting operations in terms of speed and efficiency;
- **Regulatory/Safety Training**, to make the Group sustainable in the long-term and protect its employees and the organisation. Training and updating activities on regulatory issues continued throughout 2024. The activities of this cluster included certifications and training (initial training or updating), related to both legal (new regulations and any updates) and security matters. This training activity as well was delivered in e-learning mode through dedicated e-learning platforms, through virtual classrooms or though in-presence classes, depending on the type of course;
- **Managerial and behavioural training**, dedicated, on the one hand, to Managers and, on the other, to the rest of the Banking Group's company population. Managerial training offers Managers the opportunity to develop and improve their leadership skills both in team management and in the management of systemic complexity in order to be ready to successfully face the challenges that an increasingly competitive and varied market context presents.
  Transversal training on soft skills dedicated to the rest of the population allows the strengthening of the personal knowledge, skills and characteristics that are fundamental individually and in the organisational environment.

Language training continued also in 2024 with the launch of dedicated training for both managers and the entire segment of the company population that has increased its contact with international counterparties.

In addition, the resumption of in-person work, greater office attendance, the need to boost engagement and the desire to see one another again and form teams led to the organisation of several outdoor/direction team building activities in which the use of metaphors not related to work helped reinforce trust within the teams and strengthen interpersonal relationships in order to achieve greater collaboration in reaching common objectives.

Diversity, equity & inclusion

Worth of mention are the DEI (Diversity, Equity and Inclusion) projects implemented in the first months of 2024 and aimed at the enhancement of people, diversity promotion and inclusion policies that are essential elements of Banca Generali Group's People Strategy.
For 2024, Banca Generali Group has defined for the first time a DEI strategy with a programmatic vision in which "hard" and "soft" topics intertwine and compose the various initiatives in support of an environment that is open, inclusive and attentive to the concept of uniqueness.

Specifically, two DIRECTIONS sessions were held, involving over 200 employees between Milan and Trieste, dedicated to sharing Banca Generali Group's DEI matters and collectively defining the 2024 DEI Strategy.

The "Do you speak inclusion?" path continued in 2024 with specific insights related to the theme of inclusive language and organised for the different DEI areas. In the first few months of 2024, in-depth sessions were held focusing on gender, generations and pride. The meetings, held via webinars, allowed participants to examine how important it is to be careful about the way we express ourselves and how being attentive to bias is essential for the creation of relationships of trust.

A project dedicated to new parents was also completed: "*Parents to be: manuale per neo genitori in azienda*" (Parents to be: manual for new parents in the company). This project created webinars dedicated to mums and dads, allowing an open discussion about parenting issues in order to better manage the return to work after maternity leave and provide a focus dedicated to fathers in relation to their role.

In the Diversity, Equity and Inclusion (DEI) field, Banca Generali continued its commitment to developing an inclusive culture with a particular focus on **women's empowerment**. On the occasion of International Women's Day, the **#BeBoldforInclusion** initiative with the ambassador Maria Ameli and Claudia Segre was launched to build an open dialogue on the experience of women within the financial organisation.

Engagement

In accordance with Banca Generali Group's strategic positioning, the involvement of employee represented a fundamental means of driving engagement and empowerment within the Company, in particular in the first half of 2024.

The 2023 Pulse Survey, carried out in October 2023, required also a major analysis and dissemination of the results that emerged. In line with previous years, the first months of 2024 were also accompanied by an important cascading initiative in all the structures in which further analysis was carried out of the results at Banca Generali level and at the level of each individual structure.
Cascading activities continued to offer important moments for discussion, sharing and alignment within the teams both to analyse the emerging results and to define the actions and good practices to be implemented, with a view to continuous improvement.

Important occasions for alignment and sharing with respect to Banca Generali's strategic projects featured in the "A coffee with..." project where, through the involvement of First-Line Managers, all employees had the opportunity to be updated on key issues for the Banking Group and to discuss openly and sincerely with the speakers involved.

Again in 2024, the two company conventions were greatly appreciated by all Banca Generali Group employees. The face-to-face conventions organised supported the sense of belonging to Banca Generali Group and offered an important opportunity for alignment and sharing of the Group's strategic projects.

All the activities offered and their level of attendance bear further witness to the focus by Banca Generali Group and its top managers 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

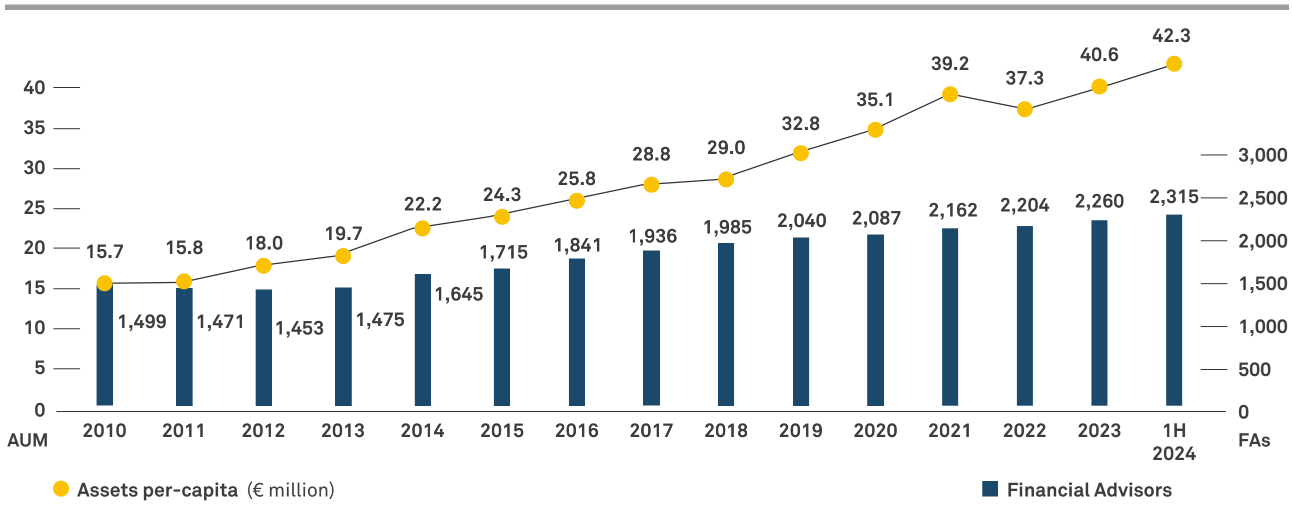
Banca Generali has one of the most important Financial Advisor Networks in Italy: at June 2024, it included 2,315 Financial Advisors and Relationship Managers, with an increase of 55 compared to year-end 2023.

The main data of Banca Generali's Financial Advisor Network are summarised in the following tables, comparing figures for June 2024 and December 2023. It should be noted that in January 2024 the Bank defined the Financial Advisor Network's new organisation, with the primary objective of further enhancing bankers' work and talent development at local level. For comparison purposes, data at 31 December 2023 were reclassified based on the new network organisation:

	30.06.2024			31.12.2023		
	No. OF FAS	ASSETS (€ MILLION)	ASSETS PER FA (€ MILLION)	No. OF FAS	ASSETS (€ MILLION)	ASSETS PER FA (€ MILLION)
Senior Partner Network	101	16,543	163.8	97	15,285	157.6
Private & Wealth Network	2,043	73,656	36.1	2,009	69,398	34.5
FPA Network	94	1,999	21.3	85	1,832	21.6
RM Network	65	4,507	69.3	57	4,142	72.7
HQ Network	12	1,227	102.2	12	1,142	95.2
Total	**2,315**	**97,932**	**42.3**	**2,260**	**91,800**	**40.6**

The productivity of Banca Generali's Financial Advisor Network was also confirmed by client assets per-capita, which amounted to 42.3 million euros in June 2024, up compared to year-end 2023.

EVOLUTION OF CLIENT ASSETS AND FINANCIAL ADVISORS



Note: data refers exclusively to Assoreti's scope; BG Valeur and BG Suisse have been excluded.

8.2.1 Financial Advisor Network training

Managerial training

The innovative **My Academy** project, launched in 2023, continued in 2024 as well: a fully-fledge Academy created in partnership with excellent teachers offering strategic courses on technical and relational topics to accompany each Financial Advisor of the Banca Generali Network on a **personalised and long-term training pathway**.

Over the years, My Academy accompanies all Financial Advisors in the development of their professional skills, through a tailor-made and personalised growth path, with a training plan to enhance their knowledge and key competencies so that they can better carry out the Financial Advisor Role in the current reference context.
In particular, with regard to training on the relationship with the Client, the main topics analysed were behavioural finance in advisory, so as to strengthen the "Relationship Manager" role and accompany Clients in their life choices, and effective communications and strategic relationships, aimed at creating connections and being recognised as trusted Financial Advisors.

In line with the previous year, the path dedicated to the Financial Advisor Role and its added value in the current context continued, with a few days of follow-up aimed at further analysing approaches and techniques useful for understanding the different communication and behavioural styles, in order to increasingly refine the relationship with the Client and conclude the training path started.

In line with the value that Banca Generali recognises to young Financial Advisors and to their professional growth, the **BG New Generation** training course dedicate to young, newly recruited Financial Advisors continued, conveying the most important dynamics for managing a commercial negotiation and learn more about Banca Generali's main tools and services. The course consists of three days in the classroom, an online session with videos on Banca Generali's tools and a subsequent follow-up, aimed to strengthen relational and negotiation skills for effective management of the trusted relationship with Clients.

As in previous years, to support the increased complexity of the context and above all the emergence of new managerial roles following the Financial Advisor Network's reorganisation, the management team, consisting of Sales Managers, Area Managers, WA Managers and District Manager and Executive Partners, continued to be strengthened with personalised **Team Coaching** courses. This tailor-made training helps strengthen the role of coach in managing the important challenges face by the Bank and support them in ensuring the development and professional growth of their teams.
In order to support managerial development and reorganisation, the **Assessment** and **Deep Assessment** courses were also launched for District Managers and Executive Managers, with sessions for online assessment, motivational tests/specific behaviour and the creation of tests/role plays, so that they could acquire greater awareness of their key managerial skills and behaviours and be effective in their Role.

With the aim of continuing to further analyse the topic of Leadership and consolidate the role of Manager Coach, new sessions of the **Training Days** initiatives were organised, dedicated to all WA Managers, Executive Partners and District Managers in the managerial structure.
These consisted of two days in the classroom to work on developing the managers' leadership style, build a common language on people management matters and take care of the development and wellbeing of their teams in achieving goals.
They also focused on Sleep Coaching with a view to improving performance based on the sleeping routine, acting on the day/night, mind/body and conscious/unconscious combinations to find and develop a balance and physical and mental wellbeing.

To enhance the Executive Manager Role and reinforce the People Engagement topics following the 2023 EM Meeting, the one-day training session **Coaching LAB** was created in order for Executive Managers to acquire a common methodology for coaching activities and managing individual interviews, in order to bolster the performance of their Financial Advisors.

To begin laying the foundations for an increasingly inclusive culture that values diversity, promoting gender equality in everyday life and giving space to everyone's talent and merit, focus groups and a **Fast Survey** were carried out aimed at all Banca Generali's **female Financial Advisors**, with the aim of listening to their needs in terms of personal and professional skills for professional development in the Role.
The resultant outputs led to the new multi-year **Inclusive Leadership Programme**, a set of awareness-raising and training initiatives aimed at the entire Financial Advisor Network and managers to learn about and analyse the prevailing gender, age, culture and experience mindsets.
In May and June, the first three networking meetings dedicated to women were held, involving

about 450 female Financial Advisors. At the end of June, a new process was launched to encourage and support the managerial growth of Female Financial Advisors in the Network.

Commercial training

In the first half of 2024, Commercial Training focused on various training projects that involved the Network both on an in-person and an online basis.

The **My Academy** project was developed in line with the previous year. It involved the provision and planning of a series of training sessions from February to mid-July, covering the four technical modules of the course (wealth planning, macroeconomic analysis, products and strategies, wealth management and non-financial services) that involved transversally all local areas.
From April to July, in addition to the compulsory course available on the BG LAB training platform on the same topic, eighteen face-to-face sessions were planned and delivered for the new **BG International** training course, in order to further analyse the strategic, operational and commercial aspects, as well as aspects regarding the product and service offering related to Banca Generali's Swiss project. The sessions involved a large part of the Financial Advisor Network, with the joint participation of Network and Management speakers.
With the aim of helping all professionals to become more aware of their role in the current scenario of uncertainty and continuous change, a new training course was also created to delve into the role's evolution and the useful tools for relating to entrepreneur client, to ensure continuity in the relationship and respond to clients' needs. The project included a focus on the strategic topic of the data use and the operational in-depth analysis of the innovative GED (Advanced Data Management for services to family businesses) application available within the BGPA platform. More than ten face-to-face training sessions were provided dedicated to Financial Advisors selected from all local areas, as well as two webinar training sessions targeted at Network Managers.
In collaboration with AIPB (Italian Private Banking Association), the new **Banca Generali Master Aipb X** project was also launched in March. It involves more than thirty under-40 selected Financial Advisors from all over Italy to explore numerous technical and non-technical topics useful for the Financial Advisor's professional life, thanks to the work of external teachers and Banca Generali specialists. This path consists of a total of 24 training sessions (4 face-to-face at the BG Training & Innovation HUB and 20 via webinar), with intermediate learning tests and an end-of-course test.
In addition, between February and April, the first sessions were held of a pilot course tailor-made for a **small pool of very young Financial Advisors** who are entering the profession. Thanks to the work of Banca Generali's internal specialists, the course aimed to provide young Financial Advisors with the tools and knowledge necessary for an effective start of the advisory activity within the Bank, thus also facilitating the generational transition of the activity.
In line with the previous years, the focus on ESG training remained high in the first half of 2024 as well.
Specifically, following the creation of the new **Sustainable Advisor** Network introduced by the recent reorganisation, from February to July a series of training sessions were developed and planned, both face-to-face (four events) and online (two webinars) dedicated to this specific Financial Advisor target.
In addition, a new edition of the **EFPA ESG Advisor Certification** training course was developed in collaboration with PoliMi Graduate School of Management. With more applications than in 2023, around 50 Financial Advisors were selected to participate in a total of 24 hours of training via webinar, with a weekly session, starting from mid-March until early June. At the end of the training, the Financial Advisors had access to the EFPA exam.
Some Financial Advisors selected from the local areas were able to increase their ESG knowledge and skills thanks to a series of training sessions of the course about speaking well about sustainability "**Parlare bene della Sostenibilità**". The meetings, always held in collaboration with MainStreet Partners and during which topics related to sustainability and ESG regulation were addressed, were planned between May and July.

In addition, a number of webinars dedicated to key topics or new products and solutions were delivered during the first half of the year, in collaboration with the Products Department.

Institutional training

During the first half of 2024, the **refresher course on skills and knowledge for MiFID II and IVASS purposes** was defined, intended for the entire Financial Advisor Network, where various topics were explored, such as: AI and ChatGPT; family risk assessment; Fintech & Insurtech with the role of digital evolution in the financial and insurance ecosystem; ESG rating models in relation to SMEs; IT security and data protection.
This MiFID II and IVASS refresher was enriched by a course on the **macroeconomic scenario and monetary policy** and analysis of LUX IM strategies and management lines, created in collaboration with Banca Generali's Products Department.
In addition, in collaboration with a specialist supplier, an online course was developed on the **prevention of fraud risks** related to corporate customers.

The first half of 2024 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 live webinars targeted to Financial Advisors selected by the AML Service.

The **Welcome Program project, dedicated to all Banca Generali's newly recruited Financial Advisors** and aimed at presenting and describing all of the Bank's most strategic areas, continued in the first half 2024 as well. This two-day training session was held at the Generali Tower with the Heads of the offices that operate in the field of Banca Generali's products, services and operations: this is an important opportunity for swift, in-depth learning of all that Financial Advisors need to know to best serve their Clients.

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, Data Protection, Legislative Decree No. 231/2001, Banking Transparency, Qualified Intermediary and Market Abuse.

Tool supporting the Financial Advisor Network: BGLAb

In line with the previous years, the section **ESG Home** of BGLAb was enhanced, focussing entirely to the world of sustainability. In this section, 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 topics related to sustainability and the United Nations 17 SDGs.

9. Products and marketing

9.1 Asset management

In the first half of 2024, 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 the development of the Lux IM range, which, in the first half of 2024, was expanded with the launch of eleven new funds and refined through restructuring of two existing funds: In detail, the initiatives undertaken were:

- introduction of eight new bond funds (Lux IM M&G Total Return Credit, Lux IM Carmignac Emerging Flexible Bond, Lux IM BlackRock Euro Corporate Investment Grade Bond, Lux IM Candriam Euro Corporate High Yield Bond, Lux IM Candriam Global Corporate High Yield Bond, Lux IM Euro Aggregate Bond, Lux IM Generali Investments Euro Govies and Lux IM Eurizon Global Govies);
- introduction of three new alternative funds (Lux IM LUMYNA Diversified Liquid Alternative, Lux IM Goldman Sachs Commodity Strategy and Lux IM MAN Global Arbitrage);
- restructuring of the Lux IM Pimco Multi Alpha Credit fund into the Lux IM Pimco Income fund and restructuring of the Lux IM Vontobel New Frontier Debt fund into the Lux IM Vontobel Emerging Markets Debt fund.

At 30 June 2024, Lux IM had 93 funds, of which 80 with a commercial focus, while the remaining funds are only institutional or have been removed from the product catalogue. With reference to the total funds, 24 were managed by BG Fund Management Luxembourg, whereas investment management of the remaining 69 sub-funds was delegated to leading international asset managers.

At 30 June 2024, BG Collection Investments had 21 sub-funds, of which 10 managed by BG Fund Management Luxembourg and 11 with investment management delegated to leading international asset managers.

Open architecture

Banca Generali continued to rationalise its product catalogue, positioning some counterparties in post-sales focusing on players viewed as more significant in terms of their proposition and the support offered to the Bank in achieving its development goals.

Overall, at 30 June 2024 Banca Generali's retail offer included approximately 3,500 UCITS under active management, managed by approximately 37 managing companies.

9.2 Portfolio management

Overall, Banca Generali offers a comprehensive portfolio of distributed discretionary mandates, composed of BG Solution (46 management lines), BG Solution Top Client (55 management lines) and BG Next (1 management line), which cover an impressively wide range of investment strategies, with a strong emphasis on customisation — a need typical of HNW customers and in line with the current economic scenario.

In 2024, the Bank forged ahead with the process of expanding the range of BG Solution and BG Solution Top Client portfolio management mandates, and the Smart Target X, XI, XII investment lines were made available for subscription. The latter are new editions of this investment solution, which combines the objective of 10-year capital protection through investment in zero-coupon 10-year Italian bonds with the opportunities offered by market appreciation with a gradual investment in equity markets (30% target).

As of February 2024, two new long-term bond investment lines have been made available, with investments focused on the medium/long ends of the Euro yield curves, with maturities generally between 7 and 10 years, along with the Diversified Alternative line — a flexible line that mainly combines liquid alternative strategies (which generate moderate but constant returns, with very low volatility) and directional trading strategies (which stand out as the line's performance driver and cover all major asset classes, from equities and bonds to FX).

9.3 Alternative products - BG Private Markets

With effect from 30 September 2022, BG Alternative Sicav, an investment company incorporated under Luxembourg law with a focus on illiquid asset classes, was rebranded and changed its name to **BG Private Markets Sicav-SIF**. Starting from 23 January 2023, 3 funds were made available for active placement in partnership with Generali Group and third-party asset managers that are internationally recognised and characterised by a long track record.

With regard to private equity, it was decided to leverage the expertise of Generali Investment Partners with the advisor Lion River, introducing **Generali Private Equity Fund I**. This fund offers Banca Generali's clients the opportunity to co-invest with the Group, benefiting from annual liquidity windows after a 6-year lock-in period.
The private debt product was instead developed in partnership with Carlyle, hence the name **Carlyle Private Debt Fund**. Carlyle is currently one of the world's largest private market managers. The fund offers access to the US direct lending and global opportunistic credit market.

With regard to real estate, the partnership with Generali Real Estate (GRE) was strengthened through the introduction of the **Generali Real Estate Flagship Fund**. This fund invests in the European real-estate segment and has access to one of the best property portfolios built over the years by Generali Group and that had so far been accessible only to insurance companies. The sub-fund offers exposure for about 80% to a Generali core in-house fund (so-called GEIH, which can still be subscribed by the Bank's clients with a minimum investment ticket size set at 10 million euros) and for about 20% to a core plus fund managed by GRE.

All products belonging to the BG Private Markets Sicav-SIF can be subscribed by professional and retail clients (qualified as well-informed investors under Luxembourg laws) with a minimum investment ticket size of 125 thousand euros Time-limited subscription windows have been set for this type of product. The "R" and "R2" share classes, with minimum investments of 125 thousand euros and 2 million euros, respectively, were definitively closed to new investors on 31 January 2024. All three types of products of the "R3" and "R4" share classes, with minimum investments of 5 million euros and 10 million euros, respectively, will be definitively closed to investors as of 31 July 2024.

9.4 Insurance products

With the aim of offering an attractive return to customers, at the beginning of 2024 the placement of BG Custody Futuro Plus 2024, the traditional policy that invests in the Futuro Plus general account, began with the possible subscription of the following three products: BG Stile Libero 50 Plus 2.0 with the possibility of activating the Ribilancia option, BG Custody 2.0 or BG Oltre.

As of 23 April, BG Custody 2.0 2024 has been made available: the traditional policy that invests in the Ri.Attiva BG general account and aims to achieve an average annual return of 3% at the end of the second year of the policy thanks to the 2% subscription bonus.

With regard to hybrid products, BG Stile Libero 50 Plus 2.0 — the policy that allows up to 50% of the amount subscribed to be allocated to the segregated account and the remaining in a wide selection of external funds — saw the elimination of the fees of the segregated account component, both in the basic and in the private versions, and a cost reduction for the unit-linked component for the first two years.

Turning to offerings for HNWI and UHNWI customers, in the first half of 2024 Banca Generali continued to distribute Lux Protection Life, the Generali Luxembourg hybrid private insurance policy that combines the need for protection with flexibility and customisation and constitutes an efficient succession-planning instrument.

The post-sale management service for existing policies continued in partnership with the major private insurance broker Firstance (formerly First Advisor).

The reporting period also saw the continuation of the placement of BG Oltre, the policy focused on sustainability with a discounted pricing for traditional life insurance policies, and 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

In the first half of 2024, the process of distributing open architecture certificates continued, with a service model that offers clients 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.

With regard to the placement of government bonds, in March and May 2024 Banca Generali participated in the placement of the 3rd and 4th edition of BTP Valore, issues dedicated exclusively to retail customers that provide for a step-up fixed coupon flow.

9.6 Banking products

In the first half of 2024, following the review of the strategic partnership with Saxo Sim, the Bank ended the placement of the current accounts integrated with the Saxo trading platform (BG Deluxe, BG Privilege, BG Top Premier and BG Extra) and eliminated the integration of the Saxo platform from current accounts offered under favourable conditions (Employees, Teams, Assieme), keeping only the BG securities custody service active.

Other initiatives

During the first half of 2024, to support net inflows, repurchase agreements reserved for private clients were issued that can be subscribed exclusively through new investments by customers. In addition, 2 deposit account initiatives were launched reserved solely for subscription for business customers (professionals, artisans, legal entities).
In February 2024, the new edition of the BG Twin Solution product was also launched, a remunerated current account linked to the subscription of an accumulation plan on Lux IM funds, aimed at the gradual transformation of liquidity into asset management products, with a permitted duration of 12 or 24 months.
The promotional activity aimed at exempting stamp duty on securities deposits for all customers who transfer securities to Banca Generali was also renewed for the first half of 2024 (the initiative applies both to new transfers and to assets already included in portfolios).

9.7 Communications and external relations

In the first half of 2024, Banca Generali confirmed its communication approach based on the principles of transparency and ease of access, effectively implemented in all areas, from media and customer relations to dialogue with employees and the Financial Advisor Network.

Sustainability, internationalisation and the protection of client wealth were the central communication topics, adapted according to the target audience using the different tools available.

External communications

In the field of **media relations**, the first six months of 2024 were rich in activities both on a corporate and commercial level. These included first of all the disclosure of the **quarterly results at 31 March**, which saw total assets reach a new all-time high, and the **monthly net inflows results**, with the best ever February in the Bank's history.

In the first half of the year, the Bank issued **25 press releases**, published both in Italian and in English, to keep its stakeholders informed on business results and developments.

The Bank was constantly committed to transparency, also thanks to **management's availability** to comment both the evolution of the company business and, more generally, the market and advisory complexities that characterised the period.
In the half-year period, the Bank focused mainly on innovation (from Big Data to AI), sustainability (environmental, social and governance) and service value, in line with the main pillars of its Strategic Plan.

With regard to corporate activities, much attention was paid to the **start of operations at the Swiss subsidiary BG Suisse**. The project was covered by both the specialised and general interest press, in Italy and Switzerland, with a focus on the **inauguration of the Headquarters at Piazza della Riforma in Lugano**.

The commitment to bringing more and more people closer to the major investment-related topics was also pursued digitally. The **Protezione&Risparmio (Protection&Savings) blog**, included in the www.bancagenerali.com website, continued to report with an educational-oriented approach the main trends characterising the economic and financial world, offering a total of about **30 new contributions and insights** that saw a wide dissemination on social channels, also thanks to direct engagement of the Bank's employees and Financial Advisors.

Numerous initiatives continued to be organised together with universities, such as the presentation of the new edition of the O-FIRE report on sustainable finance, in collaboration with **Bicocca University of Milan** and the **Business Monitor of the Corporate Governance Lab**, resulting from the partnership with **SDA Bocconi School of Management**.

The commitment to promoting a sustainable approach continued in several operating areas with the impact phase of the **BG4SDGs – Time to Change** project. In fact, since the beginning of the year, the Financial Advisor Network has held many events in Italy, taking the photo exhibition to numerous cities and organising talks and roundtables focusing on the sustainability challenges that society and businesses have to face. Other events featured the docufilm *Time to Change*, which as of June has been made available on the RaiPlay digital platform. These events and initiatives were widely reported by the local and national press.
Moreover, the ESG commitment also reached **schools** with a sustainability tour involving about **3,500 students from 15 high schools throughout Italy**, thanks to an agreement with the **Elis Centre**.

Communication to Financial Advisors, Clients and Employees

With the January kick offs, top managers met with all Banca Generali's Financial Advisors in Italy, after the introduction of the new commercial organisation presented at the end of last year to more efficiently meet clients' needs and market challenges, charting the course for the last year of the 2022-2024 Strategic Plan.

In April, a road show was dedicated to the Lux IM Sicav's new strategies to analyse, together with partner companies, all the **characteristics and opportunities offered by the 13 new sub-funds** added to the existing product range. In addition to the campaign for which a video and a landing page were made, BGFML and all asset managers were involved in making a digital brochure focussing on the importance of active diversification and excellence in the process of selecting some of the best professionals who combine different investment expertise to innovate their strategies.

Numerous training webinars were held during the half-year to share new product developments and strategy, so as to offer a valuable account of market trends and thus consolidating the trusted **relationship between Customers and Financial Advisors**.

Banca Generali continued to **pay attention and remain close to its professionals who operate throughout Italy**. In addition to the positive experiences of "Incontriamoci in Hub" (Let's Meet at the Hub) and "Miglioramenti in Rete" (Network Improvements), a new project phase was launched thanks to the BG IN ASCOLTO project meetings. These meetings, which will involve more than 250 professionals throughout Italy, are aimed at gathering suggestions and identifying needs to seek to direct activities aimed at supporting the daily work of the bankers.

The "Storie di Successo" (Success Stories) initiative — a format dedicated to the Bank's professional within the Wealth Advisory service — also debuted.

Financial Advisors personally share their own success stories in strengthening their relations with clients and prospects, with a focus on the holistic approach to wealth advisory. This is a unique initiative that offers the opportunity to share information on winning approaches and promote a corporate culture focused on Corporate, Real Estate, Art & Passion Advisory and Family Protection & Planning services.

With a view to being closer to clients, ***The State of the Art*** **magazine** was launched. The magazine informs Banca Generali's clients about news, new trends and the most important events on the Italian and international scene. This magazine is published every two months in addition to the daily Top Financial News newsletter provided for in the Advanced Advisory Contract, and more specifically dedicated to financial markets. The **bancangeneraliprivate.it commercial website was restyled** to give greater value to the product and service range, with a view to global wealth protection, and was supplemented with thematic tutorials to help clients become **acquainted with all the new digital features** added to the Apps and the mobile banking service.

The editorial plan of the content displayed on the **totems** placed at the Italian **branches** was revised in order to spread information on new products and services in real time, highlight sponsorships and communication initiatives such as "Time to Change" with the docufilm on RaiPlay.

The main objective of internal communications, targeted to employees, was to consolidate engagement and the sense of team belonging by enhancing digital communication activities and channels and favouring relational moments of meeting and exchange.

The year started with the **Employee Meetings**, where the HQ employees meet with top managers. In 2024, these meetings also allowed to take stock of the progress of the 2022-2024 Strategic Plan and the BG People Strategy. In addition to plenary meetings, the first half of 2024 was full of meetings and gatherings organised in cooperation with the HR function, which were given wide visibility on internal communication channels.
For example, the "**A coffee with...**" cycle allowed employees to meet directly with the Bank's managers, and the new event **"Noi facciamo rete – A tu per tu con i consulenti BG" (We network - Face to face with BG Financial Advisors)** brought some Banca Generali bankers on stage in an engaging, networking moment with their HQ colleagues.
A new feature of 2024 was the implementation of a Hackathon, called "**Data4Future**", which allowed a group of HQ professional and Network Financial Advisors to participate and try to find solutions to the challenges posed by the world of data.

In addition to the newsletter for new recruits, the ***Prima Pagina*** monthly newsletter turned the spotlight on the Bank's key topics, with the aim of constantly keeping abreast the whole population. In addition to corporate matters, ample space was dedicated to Sustainability, Innovation and Cybersecurity, so as to inform, train and raise awareness among employees on cybersecurity issues.

Events

In addition to the Kick Offs at the beginning of the year and the Roadshow dedicated to the Financial Advisor Network, as well as the Employee Meetings for HQ colleagues, in February the **BG Leadership Meeting** dedicated to the first and second line network managers took place: it offered an important opportunity for getting together and developing professionally to share the focus on commercial strategies and business issues.

The first half of the year also marked the start of Banca Generali's **Inclusive Leadership Programme** with the "**Networking Day – Eccellenze al confronto"** events, which focus on women's empowerment within the Financial Advisor Network, as part of a broader D&I path that will involve the entire Network in the coming months.

Worth of mention were also the events involving young people and the dissemination, at the same time, of financial culture and the values of sport. An example was the new edition of **UCPA - Un Campione per Amico (A Champion for a Friend)**, an event with which for 13 years Banca Generali has been bringing thousands of primary and secondary school children to Italy's most picturesque squares to meet and play alongside four Italian sports legends: **Adriano Panatta, Andrea Lucchetta, Francesco "Ciccio" Graziani and Martin Castrogiovanni**.

Banca Generali's commitment to the community also took the shape of art support, with the numerous exhibitions organised throughout Italy by the Financial Advisor Network and in the now six-year long partnership with **Milano Art Week**. This initiative was widely reported in the national, local and specialised media.
At the premises of Banca Generali's Training & Innovation Hub, it was possible to admire part of the Bank's collection developed as part of the BG ArTalent project, enriched this year with the work by Francesco Vezzoli "Comizi di non amore - The prequel" (contestant No. 3: Marianne Faithfull).
For the occasion, the Bank also offered free admission to the PAC – Padiglione d'Arte Contemporanea (Contemporary Art Pavilion), with a total attendance of more than 800 visitors, and a roundtable on the Value of Contemporary Art was organised in the museum's spaces.
Banca Generali also strengthened its commitment to being close to Italian households and businesses with four new openings at local level, namely in the cities of Piano di Sorrento, Piacenza, Cittadella and Treviso.

10. Auditing

Banca Generali's Internal Audit Department, a third-line control function, carries out independent, objective assurance and advisory activities aimed at improving the organisation's efficacy and efficiency and implementing control measures instrumental to mitigating company risks. The Department also promotes an effective governance process with a view to the Bank's long-term stability and sustainability. Auditing activities regarding Banca Generali and its subsidiaries were therefore carried out during the half-year, in accordance with the outsourcing contract in place among the parties and in line with the internal audit plan, prepared based on an audit-priority approach relating to mandatory activities, the Bank's internal or external requests and risk-based processes.

The Internal Audit Department periodically assesses the Internal Control System and ICT system in terms of completeness, adequacy, functionality and reliability, by performing controls and on-site audits of the proper conduct of operations and the evolution of risks; it is also responsible for supporting corporate bodies, the Board of Directors, the Board of Statutory Auditors, the Internal Audit and Risk 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:

› Bank of Italy Circular No. 285 of 17 December 2013, as further updated;
› "The internal audit function in banks" of the Basel Committee (2012);
› Control Objectives for Information and related Technology (COBIT);
› Enterprise Risk Management model;
› Corporate Governance Code of Borsa Italiana (2006), as further updated;
› International Professional Practices Framework (IPPF);
› "Corporate governance principles for banks" (2015);
› Directive 2014/65/EU, as further updated – Markets in Financial Instruments Directive II;
› Regulation (EU) 600/2014, as further updated – Markets in Financial Instruments Regulation;
› Regulation (EU) 2016/679 – GDPR;
› Directive 2013/36/EU of 26 June 2013, as further updated, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms;
› Bank of Italy's Circular No. 262 of 22 December 2015, as further updated – "Banks' financial statements: layout and preparation";
› Italian Law No. 262 of 28 December 2005, as further updated – Provisions for the protection of savings and the regulation of financial markets;
› Italian Law of 17 December 2010 on collective investment undertakings ("UCITS Law");
› Italian Law of 13 July 2013 on alternative investment fund asset managers (so-called "AIFM Law");
› CSSF Regulation No. 10-4 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing directive 2009/65/EC;
› Commission Delegated Regulation 231/2013 ("AIFMD Level 2");
› Circular CSSF 18/698 on authorisation and organisation of investment fund managers incorporated under Luxembourg law;
› Bank of Italy's Regulation implementing Articles 4-*undecies*, 6(1)(b) and 6(1)(c-*bis*) of TUF (5 December 2019).

In line with Banca Generali Group's Audit Policy, the Internal Audit Department monitors the internal control systems' adequacy and management processes' propriety, as well as the effectiveness and efficiency of organisational procedures, including those implemented at branches. The objectives of on-site audits at branches include compliance with anti-money laundering regulations. To this end, a service agreement has been signed between the Internal Audit and the Anti-Financial Crime Departments that defines the coordination procedures and the information flows resulting from the respective control activities.

In the first half of the year, the Internal Audit Department performed assurance activities covering various topics, including reporting on the Banking Group's remuneration and incentive policies, Critical or Important Functions and internal and external fraud risk control measures, as well as audits regarding anti-money laundering, risk management (including ICAAP and ILAAP), regulatory compliance (including data protection), outsourcing, products, commercial management, and branches — the latter to assess the operational propriety of employees.

Audit activities also focused on verifying the internal control environment of the ICT service providers' IT systems (i.e., CSE), IT security and incident management audits.

There is good cooperation between the Internal Audit Department and the second-line control functions in order to ensure harmonisation of methods and constant analysis of known and emerging risks. In addition, a continuous process is in place to monitor remedial actions for issues assigned during audit activities. On a quarterly basis, the Internal Audit Function submits specific reports on the activities carried out and the progress of remedial plans. In addition, together with the second-line Control Functions, the Internal Audit Function submits a quarterly Integrated Remediation Report to the Board of Directors and Top Managers.

In the first half of 2024, the Internal Audit Department also started projects aimed at strengthening and digitising the Function in line with the Plan and carried out quality assurance activities to ensure compliance with international methodologies and best practices.

11. Organisation and ICT

In 2024 as well, a Project Plan was defined to implement the strategic guidelines defined by the Bank within the 2022-2024 Strategic Plan. In particular, the projects focused on the Bank's evolution in accordance with the three pillars of the Strategic Plan: Value of Service, Innovation and Sustainability.
The main initiatives undertaken in the first half of the year are discussed below.

Booking Center Integration

The activities carried out in the first half of the year focused on two project areas:
- BG Solution International: the new service that offers Banca Generali's discretionary mandates with the deposit of customer assets with BG Suisse;
- BG International Advisory: Banca Generali's investment advisory service with the deposit of customer assets with BG Suisse.

For the first project stream, developments were completed and user tests carried out and, after BG Suisse acquired the authorisation to operate under the freedom to provide services, a pilot project was launched that saw the opening of the first BG Solution International mandates by Banca Generali customers.
As far as BG International Advisory is concerned, functional analyses were carried out and developments are underway to release the service in the first half of 2025.

BG Home

With the aim of developing a new platform that will become the single access point for all the digital features offered by the Bank to its Financial Advisors, the BG Home Programme is designed to group a series of initiatives under a single project framework. In particular, the two areas launched as a priority were:
- Home Page: a new single entry point for the Network that collects the tools most used by Financial Advisors and the most useful features for their daily operations. Developments are currently underway with IT providers and a Family and Friends service for the Network is planned to be launched in the second half of the year;
- Activity Launch: a new dashboard available to Financial Advisors for the simplified execution of operational processes through guided paths. Following the Family and Friends held in May, the tool was released to the whole Network on 8 July.

Digital data risk

This project has been launched with the aim of providing the Bank with advanced risk analytics monitoring, reporting and calculation tools, in particular for monitoring interest rate and liquidity risk (AML) and credit risk of the proprietary portfolio, as well as for defining a new model for managing demand positions that is more consistent with Banca Generali's specific characteristics. Prometeia is the provider selected for implementing the initiative and integrating into the Bank's IT architecture advanced tools aimed at pursuing the aforementioned objectives.
These analytics tools were implemented and the aforementioned processes could fully benefit from the potential and automated features they offer.
At the same time, the evaluation and definition of advanced tools for the management of prospective simulations of the financial statements were launched with the same provider; in this regard, some tools are already up and running (interest margin area), while their extension to other areas is still being assessed.

New Stile Libero

With regard to the insurance products offered, Banca Generali is working with Compagnia BGVita on a new hybrid product with specific investment lines targeting certain target markets.
In addition to third-party best-in-class funds of leading asset managers, the product's new additions include in-house funds directly managed by Banca Generali through several different approaches, always in line with the target market of the individual investment line to be built.

Network reorganisation

In order to stand increasingly closer to its bankers and the local areas, aligning managerial skills with strategic projects and giving further space to outstanding professionals, Banca Generali launched a network reorganisation in December 2023 by creating new managerial roles, in particular the Strategic Sales Manager and the new Network Sales Manager, in addition to the new

Senior Partner Network. The Bank aligned all the systems for communicating with the Financial Advisor Network according to the new organisation.

MiFID questionnaire

In the first half of the year, the Bank took action to comply with the provisions introduced by the publication of the ESMA Final Report of 23 September 2022. The ESG section of the Customer Relationship Charter, MiFID Questionnaire, was therefore integrated to collect more detailed information from customers on their sustainability preferences through the compilation of specific categories required by legislation (e.g. environmentally sustainable investments/sustainable investments/investments that consider PAIs).
In conjunction with this update, in order to follow up on the request of the Bank of Italy (3 August 2023) on parties subject to the application of anti-money laundering obligations in the provision of private-banking services and activities, financial intermediaries are required to collect information from customers on the origin of funds for anti-money laundering purposes.

DORA

Given the growing importance of information and communication technologies (ICT) in the provision of financial services by financial entities, European and Italian legislators have placed the issues of Governance and ICT & Cyber Risk Management at the centre of their regulatory body.
The DORA (Digital Operational Resilience Act) Regulation aims to define a detailed and complete framework of rules for the identification and management of ICT risks, encouraging the application of strategies, procedures and tools in the field of digital operational resilience.
In this context, Banca Generali, after carrying out a multi-compliance assessment in order to assess the Bank's level of compliance with DORA, defined its roadmap of interventions to comply with DORA requirements and started the project's implementation phase, organising it into action areas in line with the pillars on which the Dora Regulation is based. The project provides for constant coordination with the Parent Company, in addition to the involvement of the subsidiaries according to the principle of proportionality.
The action plan aims to reach compliance with the Regulation, which will enter into effect on 17 January 2025, by the end of 2024.

AML and due diligence measures

Within the framework of anti-money laundering and due diligence compliance, mention should be made of the continuation and launch of the working groups and analyses, which reached the following phases:

- activation of the new Faraday procedure for transaction monitoring (Q1 2023). Fine-tuning is underway;
- the new Netech suite (replacing Gianos 3D) was activated for components detecting potentially anomalous transactions to be evaluated (so-called "transaction monitoring"). The wave 2 of this project is underway, relating to the new customer profiling system and the external and internal list screening;
- the action plan communicated to the Bank of Italy as a result of the 2022 inspection was completed, including activation of the new "traffic light" system for clients classified as at higher risk;
- new IT and process controls were activated to support the collection — where required by law — of documentation on the origin of customer funds (in the onboarding phase and on an ongoing basis);
- continuation of the project and interventions requested by GAFC of Assicurazioni Generali for alignment with the GIRS Guidelines and the outcome of the Quality Assurance activity carried out by the Parent Company in Q4 2023 and in Q1 2024.

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 launched an ad-hoc project, which led to the completion, in July 2022, of the measures to align its framework with the requirements of the guidelines through solutions that are not yet fully integrated into the systems. In 2023 and 2024, with the help of IT outsourcers, Banca Generali will implement solutions more integrated into its core systems, in order to reduce any operational risks and improve operational efficiency.

Data project

With regard to the evolutionary path undertaken by Banca Generali to become a data-driven bank, an industrialised approach to data management was designed, supported by the adoption of a data governance & quality platform, and the business glossary was populated with the involvement of all the Bank's structures.

From the point of view of the information assets available on the data lake, the architecture was further enhanced with new data necessary to meet the various business needs, both in terms of advanced reporting (Power BI) and data analytics models.
As part of advanced reporting, the first modules of the QuickView 2.0 platform for sharing the Bank's commercial data with the Network managerial structure were released into production, providing support for creating the reports developed by various bank structures.
As far as data analytics projects are concerned, an algorithm was developed for banker clustering based on profitability/productivity and the related navigation tool, Titan, was defined.
In addition, support was provided to the Risk Management Department for the development of the "Rating" and "Demand Positions" models.

Fast operations

The project aims to improve the user experience of back office structures and to provide Financial Advisor with a single dashboard for monitoring the entire life cycle of their cases and for direct interaction with Headquarters on individual cases, adopting the Pegasystems platform.
The main measure undertaken concern the following areas:
› end-to-end digitalisation: evolution of inbound management and communication processes to Financial Advisors for end-to-end digitalisation and anomaly management;
› intelligent operations: new ways of working thanks to a data-driven management (Case Tracking).

The project provides for an ample time horizon with progressive releases expected in the 2023-2025 period.

Network improvements and assistance

The initiative aims to effectively collect and respond to all reports from the Financial Advisor Network in order to increasingly improve the assistance service that the Bank provides to its Financial Advisors. To achieve this goal, in addition to the analysis of internal processes aimed at making the report resolution more efficient, local focus groups were planned (included in the BG in Ascolto programme) in order to collect new reports and thus align the planning of the software evolutions underway within the Bank with the needs expressed by the Network. With the aim of implementing the action plan in 2025, this year the Bank will analyse and prioritise the various releases necessary to meet the various needs identified, communicating the related progress to the network managerial structures.

Security

In line with its Security Framework (i.e., One Security Framework) and with a view to full synergy between the IT/Cyber and Corporate/Physical security domains, in the first half of 2024 the Bank forged ahead with a series of initiatives aimed at:
› improving the Banking Group's cyber resilience by monitoring and managing all sources of risk;
› ensuring a secure transition to the cloud and promoting the adoption of innovative technology solutions (e.g., AI);
› optimising security incident management processes, from the detection phase to response and recovery;
› strengthening the security operating model and governance, extending the strategic security plan's activities to the subsidiaries as well.

In addition, with a view to consolidating and further developing the Group, the Bank launched the activities envisaged in the security strengthening plan for 2024 which includes, *inter alia*, the Information Security Training and Awareness Plan.

The main initiatives related to:
› **technological solutions**: as part of the Security Strategy Plan, a series of technological solutions and security control measures, already implemented during the previous programmes, were developed and strengthened. The new initiatives focus, in particular, on the following areas:
  – strengthening the security of IT system access through the adoption of account management and privileged access solutions;
  – strengthening the security of the mobile devices used within the Bank through the activation of a new MDM solution;
  – extension of the anti-phishing solution to mobile devices to report suspicious e-mails.

  Several technological solutions and security measures, whose implementation had been launched at the end of 2023, were also fully consolidated. The initiatives covered the following areas:
  – strengthening endpoint security (e.g., encryption, EDR/XDR solutions);

  - consolidating data management and protection through adoption of advanced policies for document classification and sharing (Azure Information Protection);
- **strengthening the security of the Financial Advisor Network**: an ad-hoc assessment was carried out on the information systems used for access by Financial Advisors, after which a roadmap was defined that provides for the removal of emergency certifications, the restriction of unmanaged PC use and the progressive strengthening of device monitoring by the supplier, with possible implementation of managed detection & response tools;
- **management of subsidiaries**: all subsidiaries were actively involved in the implementation of the measures and controls envisaged by the Security Strategy Plan. A new governance and service delivery model is being developed that calls for the appointment of Banca Generali's CSO by Q4 2024, who will serve as CSO for the entire Banking Group. An activity was also launched to formalise the information flows between Banca Generali and its Subsidiaries, already completed with regard to BGFML's scope;
- **critical application monitoring**: the 2024 Cyber Risk Assessment (CRA) campaign was launched with the aim of assessing the level of security maturity of critical assets provided by third parties. An assessment of the security controls relating to the critical Web applications (WAP) provided was also carried out;
- **incident and fraud management**: the Security and BCP Service continued to monitor, analyse and manage security incidents, strengthening anti-fraud control. The review of the Incident Management process was also launched, while the analytical rules underlying the operation of the anti-fraud system are being fine-tuned;
- **risk management**: based on the Risk Management Framework, the 2024 Cyber Risk Assessment campaign was launched with the aim of identifying any risks regarding Banca Generali's main critical applications. In the first half of 2024, risk management on the RSA Archer platform also continued, in collaboration with the Risk Management Department. No high or very high risks were detected;
- **security awareness & training**: in the first half of 2024, Banca Generali defined, formalised and launched the activities envisaged by the Information Security Training and Awareness Plan, which includes activities involving employees, clients, Financial Advisors and the Board of Directors. In addition, in line with the actions taken so far, security training was provided and three local phishing campaigns were organised;
- **business continuity management**: in the first half of 2024, Banca Generali consolidated its new Business Continuity Plan (BCP). To this end, document evolution activities were launched in order to integrate the new requirements of the DORA framework, focusing mainly on:
  - **business impact analysis**: definition of a new template that allows the impacts to be identified and calculated by providing a prior impact assessment. As of 2025, the model will be further updated with an additional assessment of the impacts on confidentiality and integrity;
  - **crisis management model**: event classification was updated in line with Level 2 regulations, including qualitative and quantitative impact criteria and integration of the event classification in compliance with the requirements imposed by DORA;
  - **crisis communication plan**: definition of a new communication plan that provides a series of templates for crisis communication to the Bank's external and internal stakeholders, also in line with DORA's incident reporting methods;
  - **adoption of the Business Continuity & Disaster Recovery Circular**: integration of the outage scenarios required by DORA and the methodologies for updating BC and DR plans, also including response and recovery issues;
- **corporate & physical security**: within its corporate & physical security activities, Banca Generali managed and monitored the risk and security of events with the adoption of additional measures for major events — namely those which, due to their characteristic, impact or importance, had higher complexity or greater risks — for which it was necessary to mitigate the threats detected.

  With regard to travel safety management activities, the safety of the Bank's employees engaged in business trips abroad was addressed through the long-standing collaboration with the supplier GardaWorld. Monitoring was carried out on dedicated training and successful test completion for foreign travellers and on the correct use of the application/tool for managing automatic notifications.

12. Main risks and uncertainties

In the first six months of the year, international financial markets benefited from expectations of less restrictive monetary policies, also in light of inflation trends, which stabilised in the United States and gradually declined in the Euro Area and the United Kingdom.
However, the outlook remains uncertain and vulnerable to economic and financial shocks given the highly uncertain geopolitical and macroeconomic scenario.

In the current economic scenario, banks in the Euro Area are facing risks related to deteriorating asset quality (potential losses on the loan portfolios more exposed to cyclical downturns, such as real estate exposures), the resilience of revenues (higher funding costs) and the difficulty of stabilising retail net inflows, at a time when the Eurosystem is reabsorbing excess liquidity. In addition to this, there are requests for greater capital strengthening by the Regulator: on 26 April 2024, the Bank of Italy decided to gradually activate a systemic risk buffer so as to increase the banks' ability to deal with possible broad-ranging adverse events.

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 may become insolvent, or the likelihood that a borrower may fail to fulfil its obligations or fulfil its obligations on a delayed basis with respect to predetermined due dates. In detail, 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.
  The exposure to credit risk associated with customers was not significantly impacted by interest rate hikes following the ECB's monetary policy moves. In continuity with the previous years, loans to customers are characterised by a low NPL percentage within the overall portfolio, particularly considering the provisions made and guarantees received. In line with the Group's business model, these guarantees are primarily collateral and secondarily personal (sureties).
- The **interest rate** risk exposure arises from changes in the value of assets and liabilities, the valuation of which is sensitive to changes in the term structure or volatility of interest rates.
  In light of its significant position in government securities (about 80% of the proprietary portfolio), the Bank is particularly sensitive to the spread/country risk, which is constantly monitored using sensitivity analyses and stress tests.
- The Bank's exposure to **market** risk stems mainly from the trading by the Parent Company, Banca Generali, of financial instruments on its own account; it is currently limited and residual. Market risk is represented by the possibility to suffer losses due to variations in the value of a financial instrument or a portfolio of financial instruments 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 operating 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 **operational** risks across the various legal entities in the Group is closely linked to the type and volume of activities, as well as the operational procedures adopted. 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 operational procedures, interaction with parties protected by the law, the marketing structure adopted (chiefly Financial Advisors) and the direct involve-

ment of all employees in operations structurally expose the Group to operational risk, which is defined as the possibility of sustaining financial losses deriving from the inadequacy or improper functioning of procedures, employees, internal systems or external events. This type of risk includes, *inter alia*, losses due to fraud, human error, interruptions of operations, 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, Banca Generali Group has adopted an insurance coverage for operational 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 also pays particular attention to **ICT security** risks, as it considers the IT system a fundamental tool for achieving its strategic and business objectives, also taking into account the critical core processes dependent on the said IT system. Therefore, in order to guarantee the protection of its business, its customers and employees, as well as its reputation, the Bank has defined and adopted a framework to measure ICT and IT security risk to which it is exposed, assess the existing control measures and identify possible solutions to manage these risks in line with the defined risk targets. Moreover, considering the heterogeneity of the IT system, the ICT and IT security risk management model is developed with an integrated and coordinated approach, involving the various structures concerned, including external suppliers. In fact, the Bank pays particular attention to monitoring third-party risks, such as risks from ICT suppliers and outsourcers. Therefore, the defined framework also provides for a rigorous and continuous monitoring to ensure that these third parties comply with the required security and reliability standards, minimising the potential associated risks and ensuring the Bank's business continuity.
› 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 proprietary portfolios. Such risk takes the form of default of payment obligations, which may be caused by an inability to procure funding (funding liquidity risk) or the existence of limits on the divestment of assets (market liquidity risk). Liquidity risk also includes the risk of fulfilling payment obligations at above-market costs, incurring a high cost of funding or — and, in some occasions, simultaneously — incurring capital losses on the divestment of 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) operational 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 operational 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 supervisory authorities.
  Banca Generali Group is structurally exposed to reputational risk due to the Group's distinctive operations, which focus on offering and placing financial and insurance products with its clients 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.).

The reputational risk management framework is integrated with sustainability risk considerations (with particular reference to climate risks).

13. Outlook for the second half of 2024

In the second half of 2024, the macroeconomic scenario will be characterised by below-potential global growth, with central banks still committed to bringing inflation under control and showing a more prudential stance in monetary policy easing than projected at year-start. There also continue to be risks relating to energy prices, the growth of sovereign debt and, above all, ongoing geopolitical tensions (Russia-Ukraine and Israel-Palestine wars), in addition to risks linked to the US presidential elections, which could generate adverse effects on expected scenarios.
From the standpoint of financial markets, in light of declining inflation and the ensuing loosening of the monetary tightening stance, the macroeconomic context expected for the second half of 2024 appears nonetheless favourable for both bond and equity markets, which will continue to move in sync, although risks inherent the geopolitical situation and the central banks' moves could impact market volatility.

This macroeconomic scenario is overlaid with certain dynamics in the financial intermediation sector that increase its complexity and related risks, potentially impacting results, in particular with regard to the increasing relevance of AI and ESG matters (CSRD).

In this context — which is certainly complex and marked by uncertainties, with customers focused on advisory services and wealth protection, but not devoid of excellent growth opportunities — choices focusing on service and product innovation, implementation of stronger financial planning and advisory skills, the higher quality of the Bank's Financial Advisor network and the emphasis on internationalisation will continue to prove the winning elements for ensuring that Banca Generali enjoys **sustainable growth** and works to gain further market shares in the investment sector.

In light of the above, and consistently with the 2022-2024 Strategic Plan, in the second half of 2024 as well, the Banking Group will **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** matters, while constantly ensuring greater dedication to developing **innovative** model solutions.

In line with the pillars of the 2022-2024 Strategic Plan, the main measures to be taken in the second half of 2024, in line with the first half of the year, will mainly concern:

- **completion of the restructuring** the Financial Advisor Network launched at the beginning of the year with the aim of increasing closeness, synergy and collaboration to meet customers' needs as part of the evolution of the role of Financial Advisors, with ever increasing sustainability specialisation and expertise in the use of technologies to support their activities;
- 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 — with a focus not only on asset management and insurance investment solutions, but also on new generational transfer services and new products and services linked to the project of the newly-established BG Suisse;
- **innovating** the Bank's model by creating a data-driven, digital and open bank through the development and simplification of digital platforms to enhance customer experience;
- developing **AI processes** to improve the assistance, quality and efficiency of services and activities;
- consolidating its position in terms of **sustainability**, becoming a point of reference on ESG matters for all stakeholders. In particular, in the second half of the year as well, the Bank will expand the sustainable product range offered to its customers and to improving the advisory service quality, in which the continuous ESG training of Financial Advisors plays a fundamental role. As regard human resources, it will continue its efforts to create a work environment that promotes DEI principles and work-life balance, in addition to the active contribution to climate protection and responsible actions towards communities;
- **internationalising** the Banking Group with the start of operations at BG Suisse, which has obtained the banking licence from the Swiss supervisory authority at the end of 2023, as well as the Bank of Italy's authorisation to operate under the freedom to provide services in the first half of 2024.

Seizing the opportunities offered throughout the second half of 2024 by the new market context and, above all, continuing to implementing the aforementioned actions, the Bank will be able to meet its targets in line with the objectives set for the 2022-2024 three-year period, disclosed to the market at the Investor Day 2022:

- **Consistent Growth**: cumulated net inflows estimated in the range between 18.0 billion euros and 22.0 billion euros for the 2022-2024 three-year period;
- **Profitable Growth**: generating a compound annual growth rate (CAGR) of recurring profit equal to 10-15% over the 2022-2024 three-year period;
- **Remunerative Growth**: distributing steadily growing dividends over the Plan period, based on the approved Dividend Policy, for total cumulative dividends of 7.5-8.5 euros per share in the 2022-2025 period (cash view).

Trieste, 25 July 2024

The Board of Directors

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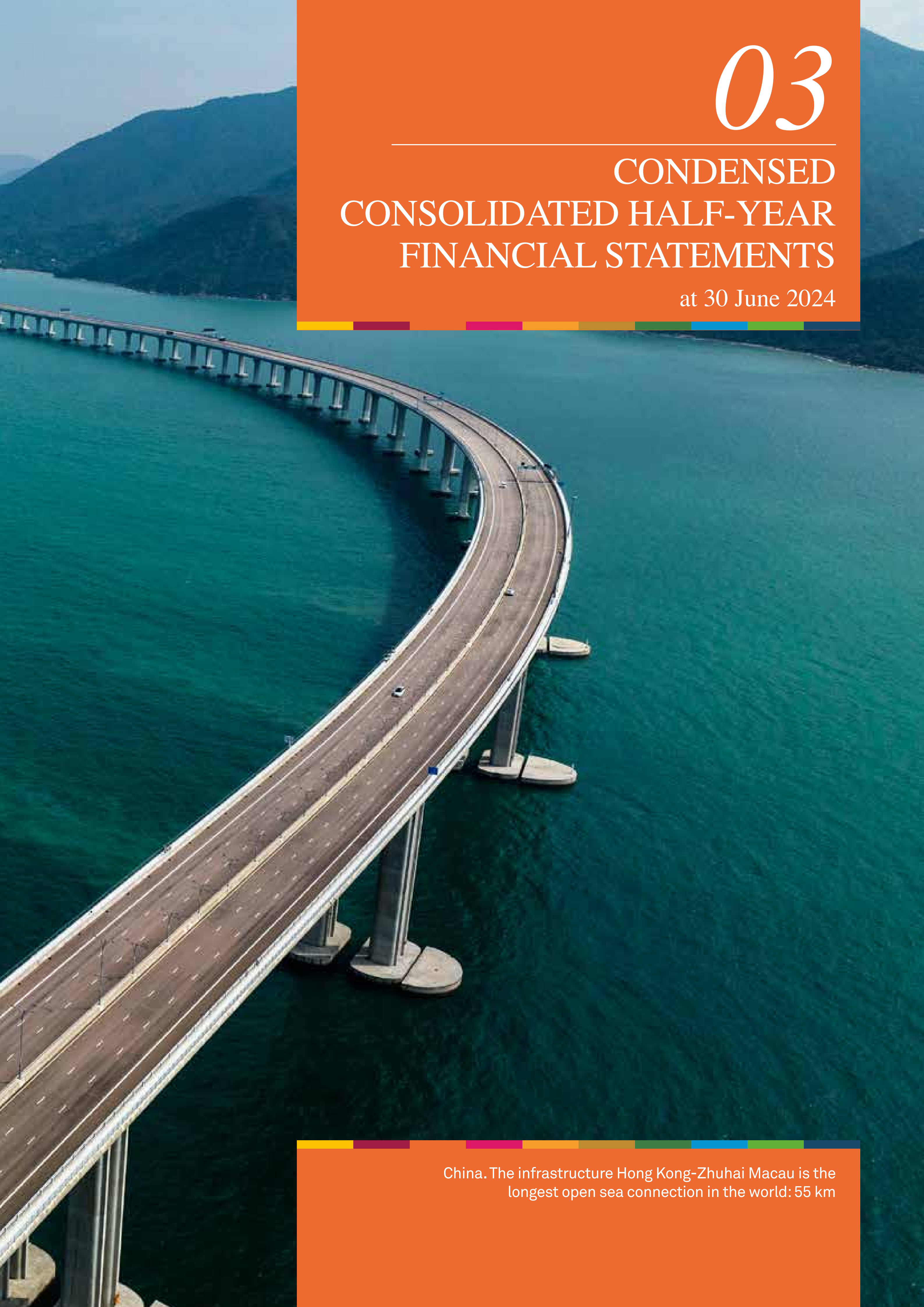

03

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

at 30 June 2024

China. The infrastructure Hong Kong-Zhuhai Macau is the longest open sea connection in the world: 55 km

Consolidated Accounting Statements

CONSOLIDATED BALANCE SHEET

ASSETS

(€ THOUSAND)			30.06.2024	31.12.2023
10.	Cash and deposits		514,441	618,973
20.	Financial assets measured at fair value through profit or loss:		509,549	509,407
	a)	HFT financial assets	324	166
	c)	other financial assets mandatorily measured at fair value	509,225	509,241
30.	Financial assets measured at fair value through other comprehensive income		863,071	1,000,936
40.	Financial assets measured at amortised cost:		11,778,160	12,316,421
	a)	loans to banks	2,311,797	2,257,391
	b)	loans to customers	9,466,363	10,059,030
50.	Hedging derivatives		183,118	161,955
70.	Equity investments		4,128	1,975
90.	Property and equipment		136,915	141,433
100.	Intangible assets		142,767	150,621
	-	*of which: goodwill*	*88,073*	*88,073*
110.	Tax assets:		101,534	108,113
	a)	current	35,695	37,835
	b)	prepaid	65,839	70,278
130.	Other assets		512,700	507,328
	Total assets		**14,746,383**	**15,517,162**

LIABILITIES AND NET EQUITY

(€ THOUSAND)			30.06.2024	31.12.2023
10.	Financial liabilities measured at amortised cost:		12,743,908	13,503,015
	a)	due to banks	327,398	231,684
	b)	due to customers	12,416,510	13,271,331
20.	HFT financial liabilities		-	159
40.	Hedging derivatives		122,701	132,662
60.	Tax liabilities:		96,736	46,088
	a)	current	88,921	39,582
	b)	deferred	7,815	6,506
80.	Other liabilities		304,249	353,037
90.	Employee termination indemnities		3,419	3,772
100.	Provisions for liabilities and contingencies:		263,493	265,164
	a)	commitments and guarantees issued	130	9,591
	b)	pensions and similar obligations	2,318	2,476
	c)	other provisions	261,045	253,097
120.	Valuation reserves		-272	-797
140.	Equity instruments		50,000	50,000
150.	Reserves		830,717	752,749
160.	Share premium reserve		52,388	52,992
170.	Share capital		116,852	116,852
180.	Treasury shares (-)		-77,367	-85,005
190.	Net equity attributable to minority interests (+/-)		-	338
200.	Net profit (loss) for the period (+/-)		239,559	326,136
	Total liabilities and net equity		**14,746,383**	**15,517,162**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

ITEMS

(€ THOUSAND)	30.06.2024	30.06.2023
10. Interest income and similar revenues	239,714	202,556
20. Interest expense and similar charges	-82,175	-51,102
30. Net interest income	**157,539**	**151,454**
40. Fee income	608,452	486,346
50. Fee expense	-273,562	-248,204
60. Net fees	**334,890**	**238,142**
70. Dividends and similar income	1,309	1,215
80. Net income (loss) from trading activities	3,583	1,187
90. Net income (loss) from hedging	437	418
100. Gain (loss) on disposal or repurchase of:	1,807	4,880
a) financial assets measured at amortised cost	967	4,774
b) financial assets measured at fair value through other comprehensive income	840	106
110. Net income (loss) from financial assets and liabilities measured at fair value through profit and loss:	1,981	2,116
b) other financial assets mandatorily measured at fair value	1,981	2,116
120. Net banking income	**501,546**	**399,412**
130. Net adjustments/reversals due to credit risk relating to:	773	-560
a) financial assets measured at amortised cost	867	-790
b) financial assets measured at fair value through other comprehensive income	-94	230
150. Net income (loss) from trading activities	**502,319**	**398,852**
190. General and administrative expenses:	-182,006	-160,709
a) staff expenses	-65,236	-59,913
b) other general and administrative expenses	-116,770	-100,796
200. Net provisions for liabilities and contingencies:	-37,458	-25,961
a) commitments and guarantees issued	61	-110
b) other net provisions	-37,519	-25,851
210. Net adjustments/reversals of property and equipment	-11,946	-11,919
220. Net adjustments/reversals of intangible assets	-8,088	-7,301
230. Other operating expenses/income	55,264	46,808
240. Operating expenses	**-184,234**	**-159,082**
250. Gains (losses) from equity investments	108	-84
280. Gains (losses) on disposal of investments	-	-11
290. Net profit before income taxes	**318,193**	**239,675**
300. Income taxes for the period on operating activities	-78,634	-64,672
310. Net profit after income taxes	**239,559**	**175,003**
330. Net profit for the period	**239,559**	**175,003**
340. Net profit (loss) for the period attributable to minority interests	-	-48
350. Net profit (loss) for the period attributable to the Parent Company	**239,559**	**175,051**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ITEMS

(€ THOUSAND)		30.06.2024	30.06.2023
10.	**Net profit for the period**	**239,559**	**175,003**
	Other income net of income taxes, without transfer to Profit and Loss Account		
20.	Equity securities designated at fair value through other comprehensive income	-403	52
70.	Defined benefit plans	-94	-340
	Other income net of income taxes, with transfer to Profit and Loss Account		
120.	Exchange differences	-1,830	256
130.	Cash flow hedges	449	-
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	2,189	3,542
200.	**Total other income net of income taxes**	**311**	**3,510**
210.	**Comprehensive income**	**239,870**	**178,513**
220.	Consolidated comprehensive income attributable to minority interests	-213	-66
230.	**Consolidated comprehensive income attributable to the Parent Company**	**240,083**	**178,579**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ITEMS

(€ THOUSAND)	SHARE CAPITAL A) ORDINARY SHARES	SHARE CAPITAL B) OTHER	SHARE PREMIUM RESERVE	RESERVES A) RETAINED EARNINGS	RESERVES B) OTHER	VALUATION RESERVES	EQUITY INSTRU-MENTS	INTERIM DIVIDENDS	TREASURY SHARES	NET PROFIT (LOSS) FOR THE PERIOD	NET EQUITY	GROUP NET EQUITY	NET EQUITY ATTRIBU-TABLE TO MINORITY INTERESTS
Net equity at 31.12.2023	**117,127**	**-**	**52,992**	**714,393**	**38,264**	**-584**	**50,000**	**-**	**-85,005**	**326,078**	**1,213,265**	**1,212,927**	**338**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount at 01.01.2024	117,127	-	52,992	714,393	38,264	-584	50,000	-	-85,005	326,078	1,213,265	1,212,927	338
Allocation of net profit for the previous year:	-	-	-	74,032	-	-	-	-	-	-326,078	-252,047	-252,047	-
– Reserves	-	-	-	74,847	-	-	-	-	-	-74,847	-	-	-
– Dividends and other allocations	-	-	-	-816	-	-	-	-	-	-251,231	-252,047	-252,047	-
Change in reserves	-	-	-	-	8	1	-	-	-	-	8	8	-
Transactions on net equity:	-275	-	-604	6,021	-2,000	-	-	-	7,638	-	10,780	10,905	-125
– Issue of new shares	-	-	-604	-	-7,034	-	-	-	7,638	-	-	-	-
– Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
– Interim dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
– Extraordinary dividends	-	-	-	6,021	-	-	-	-	-	-	6,021	6,021	-
– Change in equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
– Derivatives on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
– Stock options	-	-	-	-	6,174	-	-	-	-	-	6,174	6,174	-
– Change in ownership interests	-275	-	-	-	-1,140	-	-	-	-	-	-1,415	-1,290	-125
Comprehensive income	-	-	-	-	-	311	-	-	-	239,559	239,870	240,083	-213
Net equity at 30.06.2024	**116,852**	**-**	**52,388**	**794,446**	**36,272**	**-272**	**50,000**	**-**	**-77,367**	**239,559**	**1,211,877**	**1,211,877**	**-**
Group net equity	**116,852**	**-**	**52,388**	**794,446**	**36,272**	**-272**	**50,000**	**-**	**-77,367**	**239,559**	**1,211,877**		
Net equity attributable to minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		

(€ THOUSAND)	SHARE CAPITAL A) ORDINARY SHARES	SHARE CAPITAL B) OTHER	SHARE PREMIUM RESERVE	RESERVES A) RETAINED EARNINGS	RESERVES B) OTHER	VALUATION RESERVES	EQUITY INSTRU-MENTS	INTERIM DIVIDENDS	TREASURY SHARES	NET PROFIT (LOSS) FOR THE PERIOD	NET EQUITY	GROUP NET EQUITY	NET EQUITY ATTRIBU-TABLE TO MINORITY INTERESTS
Net equity at 31.12.2022	**117,127**	**-**	**53,767**	**691,660**	**32,842**	**-9,710**	**50,000**	**-**	**-80,139**	**212,973**	**1,068,520**	**1,068,078**	**442**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount at 01.01.2023	117,127	-	53,767	691,660	32,842	-9,710	50,000	-	-80,139	212,973	1,068,520	1,068,078	442
Allocation of net profit for the previous year:	-	-	-	19,353	-	-	-	-	-	-212,973	-193,620	-193,620	-
– Reserves	-	-	-	20,168	-	-	-	-	-	-20,168	-	-	-
– Dividends and other allocations	-	-	-	-815	-	-	-	-	-	-192,805	-193,620	-193,620	-
Change in reserves	-	-	-	-136	2	-2	-	-	-	-	-136	-137	1
Transactions on net equity:	-	-	-983	4,804	-1,756	-	-	-	7,394	-	9,459	9,459	-
– Issue of new shares	-	-	-983	-	-6,411	-	-	-	7,394	-	-	-	-
– Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
– Interim dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
– Extraordinary dividends	-	-	-	4,804	-	-	-	-	-	-	4,804	4,804	-
– Change in equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
– Derivatives on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
– Stock options	-	-	-	-	4,655	-	-	-	-	-	4,655	4,655	-
– Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	3,510	-	-	-	175,003	178,513	178,579	-66
Net equity at 30.06.2023	**117,127**	**-**	**52,784**	**715,681**	**31,088**	**-6,202**	**50,000**	**-**	**-72,745**	**175,003**	**1,062,736**	**1,062,359**	**377**
Group net equity	**116,852**	**-**	**52,784**	**715,780**	**31,082**	**-6,445**	**50,000**	**-**	**-72,745**	**175,051**	**1,062,359**		
Net equity attributable to minority interests	**275**	**-**	**-**	**-99**	**6**	**243**	**-**	**-**	**-**	**-48**	**377**		

CONSOLIDATED CASH FLOW STATEMENT

INDIRECT METHOD

(€ THOUSAND)	30.06.2024	30.06.2023
A. OPERATING ACTIVITIES		
1. Operations	**278,370**	**137,358**
Net profit (loss) for the period	239,559	175,003
Gain/Loss on HFT financial assets and other assets and liabilities measured at fair value through profit or loss	-2,824	-14,029
Gain/loss on hedging assets	-1,948	8,583
Net adjustments/reversals due to credit risk	-773	560
Net adjustments/reversals of property, equipment and intangible assets	20,034	19,220
Net provisions for liabilities and contingencies and other costs/revenues	-1,197	12,026
Taxes, duties and tax credits not paid	56,032	-38,813
Other adjustments	-30,513	-25,192
2. Liquidity generated by/used for financial assets (+/-)	**667,648**	**1,238,625**
HFT financial assets	-163	2,006
Other financial assets mandatorily measured at fair value	2,845	12,306
Financial assets measured at fair value through other comprehensive income	146,774	164,589
Financial assets measured at amortised cost:	504,130	1,108,526
Loans to banks	*-55,606*	*450,945*
Loans to customers	*559,736*	*657,581*
Other assets	14,062	-48,803
3. Liquidity generated by/used for financial liabilities (+/-)	**-796,426**	**-1,566,226**
Financial liabilities measured at amortised cost:	-788,693	-1,738,930
Due to banks	*95,286*	*-18,049*
Due to customers	*-883,979*	*-1,720,881*
HFT financial liabilities	-159	-
Other liabilities	-7,574	172,704
Net liquidity generated by/used for operating activities	**149,592**	**-190,243**

(€ THOUSAND)	30.06.2024	30.06.2023
B. INVESTING ACTIVITIES		
1. Liquidity generated by	**-2,045**	**80**
Disposal of equity investments	-2,045	80
Dividends received	-	-
Disposal of property and equipment	-	-
Disposal of intangible assets	-	-
Disposal of subsidiaries and business units	-	-
2. Liquidity used for	**-2,941**	**-2,502**
Purchase of equity investments	-	-
Purchase of property and equipment	-1,290	-553
Purchase of intangible assets	-234	-1,949
Purchase of subsidiaries and business units	-1,417	-
Net liquidity generated by/used for investing activities	**-4,986**	**-2,422**
C. FUNDING ACTIVITIES		
Issue/Purchase of treasury shares	-	-
Issue/Purchase of equity instruments	-	-
Distribution of dividends and other	-249,138	-205,831
Disposal/Purchase of controlling interests	-	-
Net liquidity generated by/used for funding activities	**-249,138**	**-205,831**
NET LIQUIDITY GENERATED/USED IN THE PERIOD	**-104,532**	**-398,496**

Reconciliation		
Cash and cash equivalents at period-start	**618,973**	**774,239**
Liquidity generated by/used for in the period	-104,532	-398,496
Cash and cash equivalents – effects of exchange rate fluctuations	-	-
Cash and cash equivalents at period-end	**514,441**	**375,743**

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, where present, 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 IAS/IFRS 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 2024, several amendments to IAS/IFRS and IFRIC were adopted and new IFRIC were issued.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED IN PREVIOUS YEARS AND EFFECTIVE AS OF 2024

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IFRS 16 – *Leases: Lease Liability in a Sale and Leaseback* (issued on 22 September 2022)	2023/2579	21.11.2023	01.01.2024
Amendments to IAS 1 – *Presentation of Financial Statements*:	2023/2822	20.12.2023	01.01.2024
• *Classification of Liabilities as Current or Non-current* (issued on 23 January 2020);	2023/2822	20.12.2023	01.01.2024
• *Classification of Liabilities as Current or Non-current - Deferral of Effective Date* (issued on 15 July 2020); and	2023/2822	20.12.2023	01.01.2024
• *Non-current Liabilities with Covenants* (issued on 31 October 2022)	2023/2822	20.12.2023	01.01.2024

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED IN 2024 AND EFFECTIVE AS OF 2024

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures: Supplier Finance Arrangements* (issued on 25 May 2023)	2024/1317	16.05.2024	01.01.2024

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BUT NOT EFFECTIVE YET

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
			n.a.

The standards and interpretations that entered into force in 2024 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 **Statement of Other Comprehensive Income** (OCI), 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 (IAS/IFRS).

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 Italian 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 euros. Unless otherwise stated, the amounts reported in the interim Report on Operations are given in thousands of euros.

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 Circular No. 262/2005 and the eighth update published on 17 November 2022 and entered into force as of the financial statements for the year ended 31 December 2023.

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 Bank of Italy 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 generated in the period are recognised without plus or minus signs, whereas cash flows used in the year are preceded by a minus sign.

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 linked to the acquisition of own funds and their 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 (value adjustments/reversal), 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 – Consolidation scope and business combinations

1. Consolidation scope

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 SHAREHOLDERS' MEETING
COMPANY NAME	REGISTERED OFFICE	OPERATING OFFICE	TYPE OF CONTROL	INVESTOR	% 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) Private Bank S.A.	Lugano	Lugano	1	Banca Generali	100.00%	100.00%
BG Valeur S.A.	Lugano	Lugano	1	Banca Generali	100.00%	100.00%

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

In the first six months of 2024, the consolidation scope did not change.

However, it should be noted that at the end of June 2024, Banca Generali acquired a 9.9% minority interest for the shareholders of BG Valeur S.A., bringing its interest in the company to 100%.

The consolidated accounts include the separate accounts of the Parent Company and its subsidiaries at 30 June 2024, properly reclassified and adjusted where necessary to take account of consolidation requirements. The most significant intra-Group transactions, influencing both the balance sheet and profit and loss account, were eliminated. Unreconciled amounts were recognised in other assets/liabilities and other revenues/expenses, respectively.

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 over more than half of the voting rights by virtue of an agreement with other investors;
  - the power to govern the financial and operating policies of the entity under a clause of the Articles of Association 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.

With regard to the assessments conducted in respect of the investment in the Forward Fund, a closed-ended, reserved alternative investment fund (AIF), subscribed during 2021 within the framework of a transaction to restructure a portfolio of senior notes arising from the securitisation of health receivables, in which Banca Generali holds an interest equal to 98% of assets, an analysis conducted by the Bank confirmed that the latter exercises no control on the Fund's activities. For further details, reference should be made to the information provided in "Part E – Information on Risks and the Risk Hedging Policies, Section 2 "Prudential consolidation risks", Subsection D "Transfers", paragraph C "Prudential consolidation - transferred financial assets fully derecognised" of the Annual Integrated Report at 31 December 2021.

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.

On 30 June 2024, this scope included Nextam Partners Sim S.p.A., in which Banca Generali holds a minority interest of 19.9%, and which is classified as such following the sale of 80.1% of the share capital to a group of investors also including some of the former shareholders of the Nextam Group, which took place on 20 January 2022.

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 2024, the scope of the Banking Group included a single equity investment in a company subject to joint control, namely BG Saxo Sim S.p.A., an investment firm formed as part of the joint venture with Saxo Bank, in which Banca Generali holds a 49% equity interest, acquired n in two phases:
› a 19.9% interest acquired on 31 October 2019 for 1,995 thousand euros, plus additional costs;
› a 29.1% interest acquired on 30 May 2024 for 2,033 thousand euros, plus additional costs.

The acquisition of the equity interest falls within the joint venture agreement approved on 9 March 2018 by Banca Generali's Board of Directors and aimed at setting up a joint arrangement for the development of online trading market and related digital services in Italy.

In detail, the objective of the partnership, which had a duration of eight years and may be renewed upon expiry, was 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, through Banca Generali's banking platform and Financial Advisor Network.

The terms of the agreements provided that the said activity be carried out by a newly formed company, BG Saxo Sim, which was authorised by Consob and entered into the Register of Securities Brokerage Firms on 28 December 2018, to then become operational in June 2019.

On 31 October 2019, at the end of a long authorisation procedure, Banca Generali was allowed to acquire the aforementioned 19.9% stake from Saxo Bank A/S.

Under the agreement, Saxo Bank was required to provide its trading platform to BG Saxo, whereas Banca Generali was responsible for placing BG Saxo's advanced trading services among its clients, directly or through its Financial Advisor Network, by activating a specific commercial solution (BG Extra account) and integrating the trading platform into its systems.

The Bank also provided outsourced services to the new brokerage firm (Sim), specifically various back-office activities relating to customer order receipt and execution services.

Based on the experience gained in the first years of operations, on 8 February 2024 Banca Generali's Board of Directors approved a proposal for a thorough revision of the partnership between Banca Generali and Saxo Bank A/S.

The new joint venture agreement, which has a duration of 10 years (2024-2033) and may be renewed upon expiry, includes, *inter alia*, updates to the governance of BG Saxo Sim S.p.A. and the adoption by the latter of a new business model.

Specifically, the agreement provides that:
› BG Saxo Sim introduce a new unbundled business model that ensures it greater operational autonomy in commercial terms, in offering its services and in managing relationships with its customers, also through the extension of the range of services offered for custody and administration of financial instruments, up to date carried out exclusively by Banca Generali;
› Banca Generali acquire an additional equity investment in BG Saxo Sim, bringing its stake in the latter up to 49%, with a new shareholders' agreement to be entered into concurrently.

Within this context, Banca Generali finalised the sale en bloc to BG Saxo Sim, pursuant to Article 58 of TUB, of relationships involving securities account services offered to its customers active on BG Saxo Sim's trading platform and the signing of a new commercial distribution agreement with a term of 10 years.

According to the assessment conducted, BG Saxo Sim is deemed to continue to qualify as a joint arrangement, and in particular as a joint venture, pursuant to IFRS 11, and therefore, in accordance with paragraphs 24 and 26 of IFRS 11, it is recognised:
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.

In light of the characteristics of the company and the agreements in place, the purchase of the second tranche of the equity interest was carried out on the basis of the share of the company's net equity as at 31 March 2024, which was the subject of a special report by the independent auditors.

It should also be noted that, based on the provisions of Article 18, paragraph 4, of the CRR and Bank of Italy provisions (Circular No. 285/2013, Part 2, Chapter 2, Section 3), for supervisory purposes only, the equity interest in BG Saxo qualifies as a shareholding in a joint venture of more than 20% of the share capital, and therefore falls within the scope of consolidated prudential reporting and is subject to prudential consolidation, starting from the reference reporting date of 30 June 2024.

3. Significant non-controlling interests in subsidiaries

As of 30 June 2024, all the Group's equity investments were in wholly owned subsidiaries.

Accordingly, there are no significant non-controlling interests in subsidiaries.

4. Significant restrictions

As of 30 June 2024, there were no significant restrictions of a legal, contractual, or statutory nature on the Parent Company's ability to access the Group's assets or to use them to discharge the Group's liabilities.

5. Other information

None of the financial statements of the subsidiaries used in preparing the Consolidated Financial Statements has 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. Any 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 earnings reserves of prior years.

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 gains 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 25 July 2024 and its publication was authorised, pursuant to IAS 10, as of the same date.

No events occurred after 30 June 2024 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.

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 related 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 Financial Advisor Network as an annual incentive and of incentives related to recruitment plans;
- determining the deferred incentives granted to the Financial Advisor 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;
- preparing estimates and assumptions on the recoverability of deferred tax assets;
- evaluating the appropriateness of the amounts of goodwill and other intangible assets;
- classifying and evaluating the Forward fund[19].

[19] Reference should be made to the information provided in Part E "Information on Risks and Risk Hedging Policies", Section 2 "Prudential consolidation risks", Subsection D "Transfers", paragraph C "Prudential consolidation – Transferred financial assets fully derecognised" of the Annual Integrated Report at 31 December 2021.

Measurement of goodwill

During the preparation of the 2023 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 2023.

Upon preparation of the Half-Year Report, it was checked whether any trigger events existed. The analyses conducted did not identify any such trigger events.

Non-recurring significant events and transactions

During the first half of 2024, there were no non-recurring transactions or events outside the scope of ordinary transactions that had a significant impact on the aggregate items of the balance sheet and profit and loss account, with the exception of the following.

Provisions for commercial initiatives involving illiquid products distributed by the Bank: during the period, additional non-recurring provisions were made for an amount of 12.0 million euros. In addition to fostering customer retention, these provisions to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues, for which civil and criminal litigation is currently ongoing with the party that set up, marketed and managed these transactions.

In this regard, it bears noting that the financial guarantees granted in 2023 to certain customers, totalling 23.3 million euros, were enforced at the beginning of 2024 with full use of the related provisions for credit risk on guarantees granted for 9.4 million euros.

The provision made by the Bank refers in particular to commercial initiatives for customers, including guarantees issued, additional potential customer losses that the Bank might cover in part for the reasons stated above and the legal fees for the litigation with the parties that set up, marketed and managed the financial instruments purchased by customers.

No other 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 S.p.A., and some Italian companies belonging to Assicurazioni Generali Group, including Banca Generali S.p.A., began participating in the National Tax Consolidation governed by Articles 117-129 of 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.

Assicurazioni Generali VAT Group

On 23 September 2019, as Representative of the Group's Italian subsidiaries, Assicurazioni Generali S.p.A. exercised the option to adopt the Group's VAT rules (set out in Articles 70-*bis et seqq.* of Italian 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 Tax Authorities 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' General Meeting on 22 April 2021.

Part A.2 – Accounting standards adopted by Banca Generali Group

During the first half of 2024, 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 2024, 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 2023, 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 IAS/IFRS 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 beginning balances to the ending 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 2023, 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 (unadjusted) in an active market, as defined by IFRS 13;
- **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.

It should be noted that transfers between levels are performed at 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 Breakdown by fair value levels of assets and liabilities measured at fair value on a recurring basis

	30.06.2024			
FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	L1	L2	L3	TOTAL
1. Financial assets measured at fair value through profit or loss:				
a) HFT financial assets	324	-	-	324
b) financial assets designated at fair value	-	-	-	-
c) other financial assets mandatorily measured at fair value	1,444	17,630	490,151	509,225
2. Financial assets measured at fair value through other comprehensive income	838,107	-	24,964	863,071
3. Hedging derivatives	-	183,118	-	183,118
4. Property and equipment	-	-	-	-
5. Intangible assets	-	-	-	-
Total	**839,875**	**200,748**	**515,115**	**1,555,738**
1. HFT financial liabilities	-	-	-	-
2. Financial liabilities designated at fair value	-	-	-	-
3. Hedging derivatives	-	122,701	-	122,701
Total	**-**	**122,701**	**-**	**122,701**

FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	31.12.2023 L1	L2	L3	TOTAL
1. Financial assets measured at fair value through profit or loss:				
a) HFT financial assets	10	156	-	166
b) financial assets designated at fair value	-	-	-	-
c) other financial assets mandatorily measured at fair value	1,183	17,731	490,327	509,241
2. Financial assets measured at fair value through other comprehensive income	975,538	106	25,292	1,000,936
3. Hedging derivatives	-	161,955	-	161,955
4. Property and equipment	-	-	-	-
5. Intangible assets	-	-	-	-
Total	**976,731**	**179,948**	**515,619**	**1,672,298**
1. HFT financial liabilities	-	159	-	159
2. Financial liabilities designated at fair value	-	-	-	-
3. Hedging derivatives	-	132,662	-	132,662
Total	**-**	**132,821**	**-**	**132,821**

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	**490,327**	**-**	**-**	**490,327**	**25,292**
2. Increases	**2,378**	**-**	**-**	**2,378**	**100**
2.1 Purchases	-	-	-	-	100
2.2 Gains through:	2,316	-	-	2,316	-
2.2.1 Profit or loss	2,316	-	-	2,316	-
of which:					
- *capital gains*	*2,260*	-	-	*2,260*	-
2.2.2 Net equity	-	-	-	X	-
2.3 Transfers from other levels	-	-	-	-	-
2.4 Other increases	62	-	-	62	-
3. Decreases	**2,554**	**-**	**-**	**2,554**	**428**
3.1 Disposals	1,698	-	-	1,698	-
3.2 Redemptions	-	-	-	-	-
3.3 Losses through:	856	-	-	856	428
3.3.1 Profit or loss	856	-	-	856	-
of which:					
- *capital losses*	*178*	-	-	*178*	-
3.3.2 Net equity	-	-	-	X	428
3.4 Transfers to other levels	-	-	-	-	-
3.5 Other decreases	-	-	-	-	-
4. Amount at period-end	**490,151**	**-**	**-**	**490,151**	**24,964**

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	30.06.2024			
	BV	L1	L2	L3
1. Financial assets measured at amortised cost	11,778,160	8,495,609	2,542,724	658,676
2. Property and equipment held as investments	-	-	-	-
3. Non-current assets available for sale and disposal groups	-	-	-	-
Total	**11,778,160**	**8,495,609**	**2,542,724**	**658,676**
1. Financial liabilities measured at amortised cost	12,743,908	-	12,743,908	-
2. Liabilities associated to assets held for sale	-	-	-	-
Total	**12,743,908**	**-**	**12,743,908**	**-**

FINANCIAL ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	31.12.2023			
	BV	L1	L2	L3
1. Financial assets measured at amortised cost	12,316,421	8,929,227	2,601,910	703,484
2. Property and equipment held as investments	-	-	-	-
3. Non-current assets available for sale and disposal groups	-	-	-	-
Total	**12,316,421**	**8,929,227**	**2,601,910**	**703,484**
1. Financial liabilities measured at amortised cost	13,503,015	-	13,503,015	-
2. Liabilities associated to assets held for sale	-	-	-	-
Total	**13,503,015**	**-**	**13,503,015**	**-**

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

		30.06.2024	31.12.2023
a)	Cash	29,383	29,939
b)	Current accounts and demand deposits with Central Banks	430,342	514,302
c)	Current accounts and demand deposits with banks	54,716	74,732
Total		**514,441**	**618,973**

Item b) Current accounts and demand deposits with Central Banks includes the value of the overnight deposit with the ECB, the deposits with the Bank of Italy, which were not restricted according to the mandatory minimum reserve rules, and the deposits of the subsidiary BG Suisse S.A., amounting to 22 million euros.

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	30.06.2024	31.12.2023
A. Cash assets		
1. Debt securities	**2**	**2**
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which:		
- *insurance companies*	-	-
e) Non-financial corporations	2	2
2. Equity securities	**5**	**1**
a) Banks	-	-
b) Other financial corporations	-	-
of which:		
- *insurance companies*	-	-
c) Non-financial corporations	5	1
d) Other issuers	-	-
3. UCITS units	**317**	**7**
4. Loans	**-**	**-**
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which:		
- *insurance companies*	-	-
e) Non-financial corporations	-	-
f) Households	-	-
Total A	**324**	**10**
B. Derivatives		
a) Central counterparties	-	-
b) Other	-	156
Total B	**-**	**156**
Total (A + B)	**324**	**166**

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

ITEMS/VALUES	30.06.2024	31.12.2023
1. Equity securities	**1,542**	**3,570**
of which:		
- *banks*	-	-
- *other financial corporations*	*1,542*	*3,570*
- *other non-financial corporations*	-	-
2. Debt securities	**2,155**	**2,038**
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which:		
- *insurance companies*	-	-
e) Non-financial corporations	2,155	2,038
3. UCITS units	**487,915**	**486,090**
4. Loans	**17,613**	**17,543**
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	16,677	16,607
of which:		
- *insurance companies*	*16,677*	*16,607*
e) Non-financial corporations	936	936
f) Households	-	-
Total	**509,225**	**509,241**

The UCITS portfolio includes the Forward Fund, an 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 (past-due or related to disputes), which Banca Generali purchased from its customers to protect them against possible losses, and concurrently transferred to the Fund, subscribing 98% of its units. Additional units for 112 million euros were subscribed in 2022. At the end of the first half of 2024, the value of the fund was 485,760 thousand euros. A 2,260 thousand euro capital gain on the Fund was recorded in the first half of the year.

The residual UCITS portfolio is comprised for 985 thousand euros of the investment in the Luxembourg vehicle Algebris, for 18 thousand euros of the units of the Tenax Italian Credit Fund, managed by the Irish firm Tenax Capital Ltd., and for 1,152 thousand euros of the units of the closed alternative real-estate investment fund MIP I, managed by Milano Investment Partners SGR S.p.A.

In the first months of 2024, over 90% of the equity investment in TECREF S.àr.l., acquired by Banca Generali in 2021, was liquidated for 1,393 thousand euros. At the end of the period, the residual amount was 98 thousand euros.

Equity investments in shares of the parent company Assicurazioni Generali S.p.A. amounted to 1,444 thousand euros at end of the first half of 2024.

Hope Sicaf S.B. S.p.A. was liquidated at the end of the first half of the year; on the basis of the final distribution plan, the Bank was paid an amount of 184 thousand euros, recognising losses on disposal amounting to 205 thousand euros through profit or loss.

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	30.06.2024	31.12.2023
1. Debt securities	**838,107**	**975,644**
a) Central Banks	-	-
b) General governments	809,664	890,055
c) Banks	27,282	82,465
d) Other financial corporations	177	2,152
of which:		
- *insurance companies*	-	-
e) Non-financial corporations	984	972
2. Equity securities	**24,964**	**25,292**
a) Banks	-	-
b) Other issuers	24,964	25,292
- other financial corporations	3,139	3,139
of which:		
- *insurance companies*	-	-
- non-financial corporations	21,825	22,153
- other	-	-
3. Loans	**-**	**-**
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which:		
- *insurance companies*	-	-
e) Non-financial corporations	-	-
f) Households	-	-
Total	**863,071**	**1,000,936**

The equity securities portfolio included 24,964 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, 8a+ SGR, Conio Inc., MainStreet Capital Partners Limited), usually not listed and non-negotiable.

These equity investments are measured at purchase cost, recognising any impairment loss.

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 focused on Bitcoins, on the Italian market, through its investee Conio S.r.l.

During the first quarter of 2023, Banca Generali acquired an equity investment in MainStreet Partners, a company specialising in ESG ratings and advisory, to strengthen its sustainability positioning, for a total value of 7,018 thousand euros at 30 June 2024.

In May, the annual 100 thousand euro outright tranche was paid on the minority interest in Beyond Investment S.p.A., an investment holding company owned by the Bank and by a group of leading Italian entrepreneurial families with the aim of undertaking private equity, venture capital and real estate investments. The value of the shares amounted to 110 thousand euros, after recognising approximately 400 thousand euro capital losses.

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	838,293	-	186	-
Financing	-	-	-	-
Total at 30.06.2024	**838,293**	**-**	**186**	**-**
Total at 31.12.2023	**975,841**	**-**	**197**	**-**

1.4 Financial assets measured at amortised cost - Item 40

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

TYPE OF TRANSACTIONS/VALUES	30.06.2024 BOOK VALUE	31.12.2023 BOOK VALUE
A. Loans to Central Banks	**115,776**	**108,186**
1. Term deposits	-	-
2. Minimum reserve	115,776	108,186
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**2,196,021**	**2,149,205**
1. Loans	444,073	383,888
1.1 Current accounts	-	-
1.2 Term deposits	41,866	25,566
1.3 Other loans:	402,207	358,322
- repurchase agreements	280,266	229,056
- lease loans	-	-
- other	121,941	129,266
2. Debt securities	1,751,948	1,765,317
2.1 Structured securities	-	514
2.2 Other debt securities	1,751,948	1,764,803
Total	**2,311,797**	**2,257,391**

The item “Other loans - other” includes 113,122 thousand euros (120,619 thousand euros at 31 December 2023) relating to guarantee margins paid to banking counterparties for derivatives transactions. The remaining 8 million euros was almost entirely attributable to operating receivables relating to placement and distribution of financial products, collected in the following quarter.

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

	30.06.2024	31.12.2023
Loans	**2,122,716**	**2,316,088**
Current accounts	1,552,048	1,694,681
Mortgages and personal loans	559,696	609,918
Other financing and loans not in current accounts	10,972	11,489
Debt securities	**7,061,541**	**7,446,624**
Other transactions	**282,106**	**296,318**
Operating loans to management companies	166,139	141,305
Sums advanced to Financial Advisors	54,544	58,452
Stock exchange interest-bearing daily margin	31,072	84,001
Charges to be debited and other loans	30,351	12,560
Total loans to customers	**9,466,363**	**10,059,030**

1.4.3 Doubtful Loans

(€ THOUSAND)	GROSS EXPOSURE	VALUE ADJUST-MENTS	NET EXPOSURE 2024	NET EXPOSURE 2023	CHANGE AMOUNT	CHANGE %	EXPOSURE SECURED BY INDEMNITY	EXPOSURE NET OF INDEMNITY	INDEMNITY 2023
Bad loans	**31,894**	**-14,907**	**16,987**	**17,053**	**-66**	**-0.4%**	**9,713**	**7,274**	**9,606**
Financing	25,029	-10,188	14,841	14,736	105	0.7%	9,713	5,128	9,606
Debt securities	2,642	-2,642	-	-	-	-	-	-	-
Operating loans	4,223	-2,077	2,146	2,317	-171	-7.4%	-	2,146	-
Unlikely to pay	**6,720**	**-1,977**	**4,743**	**4,167**	**576**	**13.8%**	**-**	**4,743**	**-**
Past-due exposures – over 90 days	**13,850**	**-3,611**	**10,239**	**10,021**	**218**	**2.2%**	**-**	**10,239**	**-**
Total non-performing loans	**52,464**	**-20,495**	**31,969**	**31,241**	**728**	**2.3%**	**9,713**	**22,256**	**9,606**
Acquired or originated impaired financial assets	**20,051**	**-739**	**19,312**	**2,069**	**17,243**	**n.a.**	**-**	**-**	**-**

Net non-performing loans amounted to approximately 32.0 million euros, equal to 0.31% of total loans to customers, and up by about 0.7 million euros compared to the figure at 31 December 2023.

They are attributable to:
- for 29,823 thousand euros to financing;
- for 2,146 thousand euros to 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.

At the end of the period, non-performing loans included 9.7 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 30.4% of net non-performing exposures, the weight of non-performing exposures to total loans to customers decreased to 22.3 million euros.

At the end on the first half of the year, the forborne positions stood at approximately 7.0 million euros, of which 0.7 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 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 2,146 thousand euros and referred primarily to litigation or pre-litigation positions of former Financial Advisors.

Acquired or originated impaired financial assets
This item referred to the Bank’s rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues, as well as amounts receivable as a result of the transfer by customers to the Bank of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024.

At 30 June 2024, recourse rights amounted to 19.3 million euros, of which 14.6 million euros related to the enforcement of financial guarantees issued and 4.7 million euros associated with usufruct rights. Losses and write-downs on usufruct rights that had become uncollectible amounted to 1.4 million euros in the period.

In June, the Bank also obtained the reimbursement for the rights of recourse on which it had granted guarantees for 1.6 million euros, while a second tranche of repayments for 4.0 million euros was collected in July.

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

	GROSS VALUE			TOTAL ADJUSTMENTS			
	STAGE 1 AND STAGE 2	STAGE 3	ACQUIRED OR ORIGINATED IMPAIRED FINANCIAL ASSETS	STAGE 1 AND STAGE 2	STAGE 3	ACQUIRED OR ORIGINATED IMPAIRED FINANCIAL ASSETS	OVERALL PARTIAL WRITE-OFFS
Debt securities – banks	1,752,672	-	-	724	-	-	-
Debt securities – customers	7,063,424	2,642	-	1,883	2,642	-	-
Loans to banks	559,962	-	-	113	-	-	-
Loans to customers	2,357,587	49,822	20,051	4,046	17,853	739	-
Total at 30.06.2024	**11,733,645**	**52,464**	**20,051**	**6,766**	**20,495**	**739**	**-**
Total at 31.12.2023	**12,293,950**	**47,253**	**2,069**	**8,519**	**18,329**	**3**	**-**

In respect of the model for assessing expected credit losses (ECLs) provided for in IFRS 9, at 30 June 2024 performing loans measured at amortised cost, classified to Stage 1 and Stage 2, are recognised net of the collective reserves for a total of 6,766 thousand euros, of which:

› 2,607 thousand euros relating to the debt securities portfolio;
› 4,159 thousand euros relating to other loans.

Within this item, total value adjustments of exposures to banks amounted to 837 thousand euros, of which 724 thousand euros on debt securities and 113 thousand euros on other loans.

The provision for expected losses on debt securities refers instead to the government bond portfolio in the amount of 1,577 thousand euros.

1.5 Hedging derivatives - Item 50

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

	30.06.2024				31.12.2023			
	FAIR VALUE				FAIR VALUE			
TYPE OF TRANSACTIONS/VALUES	L1	L2	L3	NOTIONAL VALUE	L1	L2	L3	NOTIONAL VALUE
A) Financial derivatives	**-**	**183,118**	**-**	**2,487,000**	**-**	**161,955**	**-**	**1,786,000**
1) Fair value	-	182,590	-	2,142,000	-	161,955	-	1,786,000
2) Cash flows	-	528	-	345,000	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B) Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**183,118**	**-**	**2,487,000**	**-**	**161,955**	**-**	**1,786,000**

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

HEDGING TRANSACTIONS/TYPE	FAIR VALUE							CASH FLOWS		
	SPECIFIC									
	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND EQUITY INDICES	CURRENCIES AND GOLD	CREDIT	GOODS	OTHER	GENERAL	SPECIFIC	GENERAL	FOREIGN INVESTMENTS
1. Financial assets measured at fair value through other comprehensive income	1,462	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	181,128	X	-	-	X	X	X	528	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**182,590**	**-**	**-**	**-**	**-**	**-**	**-**	**528**	**-**	**-**
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		% OF VOTING RIGHTS
				INVESTOR COMPANY	% HELD	
A. Subsidiaries under common control						
1. BG Saxo Sim S.p.A.	Milan	Milan	Associate	Banca Generali	49.0%	49.0%
B. Companies subject to significant influence						
2. Nextam Partners Sim S.p.A.	Milan	Milan	Associate	Banca Generali	19.9%	19.9%

At 30 June 2024, there were two equity investments:

› 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% equity interest on 31 October 2019. Banca Generali and Saxo Bank entered into an agreement to set up an exclusive partnership specialising in online trading and digital services, with the aim of offering Italian customers exclusive access to an innovative advanced trading platform based on Saxo Bank's technology and managed by BG Saxo Sim.
  In May, as part of a broad revision of the partnership in place between Banca Generali and Saxo Bank A/S, approved by Banca Generali's Board of Directors on 8 February 2024, the Bank acquired from Saxo Bank an additional 29.1% interest in BG Saxo Sim's share capital, thus bringing its interest in the joint venture to 49%.

› 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 ASSETS NET OF TAXES	NET PROFIT (LOSS) FOR THE PERIOD (1)	OTHER INCOME COMPO-NENTS NET OF TAXES (2)	COMPRE-HENSIVE INCOME (3) = (1) + (2)
A. Subsidiaries under common control									
1. BG Saxo Sim S.p.A.	3,594	14,196	7,456	3,838	529	-	529	-	529
B. Companies subject to significant influence									
1. Nextam Partners Sim S.p.A.	534	3,717	1,392	1,000	127	-	127	-	127
Total	**4,128**	**17,913**	**8,848**	**4,838**	**656**	**-**	**656**	**-**	**656**

1.6.3 Equity investments: year changes

	30.06.2024	31.12.2023
A. Amount at period-start	**1,975**	**3,091**
B. Increases	**2,153**	**5**
B.1 Purchases	2,045	-
B.2 Reversals	-	-
B.3 Revaluations	108	5
B.4 Other changes	-	-
C. Decreases	**-**	**1,121**
C.1 Sales	-	9
C.2 Adjustments	-	271
C.3 Write-downs	-	841
C.4 Other changes	-	-
D. Amount at period-end	**4,128**	**1,975**
E. Total revaluations	**108**	**-**
F. Total adjustments	**1,894**	**1,894**

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

1.7.1 Breakdown of property, equipment and intangible assets

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
A. Property and equipment				
1. Operating	**136,915**	**141,433**	**-4,518**	**-3.2%**
1.1 Owned assets	**7,433**	**7,127**	**306**	**4.3%**
- furniture and fittings	6,299	5,868	431	7.3%
- EAD machines and equipment	236	241	-5	-2.1%
- miscellaneous machines and equipment	898	1,018	-120	-11.8%
1.2 Rights of use acquired through leases	**129,482**	**134,306**	**-4,824**	**-3.6%**
- buildings	128,468	133,277	-4,809	-3.6%
- other	1,014	1,029	-15	-1.5%
Total property and equipment	**136,915**	**141,433**	**-4,518**	**-3.2%**
B. Intangible assets				
With indefinite useful life	**88,818**	**88,833**	**-15**	**0.0%**
- goodwill	88,073	88,073	-	-
- trademarks	745	760	-15	-2.0%
With definite useful life - measured at cost	**53,949**	**61,788**	**-7,839**	**-12.7%**
- relationships with former customers (Credit Suisse Italy, Nextam S.p.A. Group, BG Valeur S.A.)	14,188	15,294	-1,106	-7.2%
- charges associated with the implementation of legacy CSE procedures	19,699	20,828	-1,129	-5.4%
- other software costs	7,476	7,992	-516	-6.5%
- other intangible assets	-	-	-	n.a.
- assets in progress	12,586	17,674	-5,088	-28.8%
Total intangible assets	**142,767**	**150,621**	**-7,854**	**-5.2%**
Total property, equipment and intangible assets	**279,682**	**292,054**	**-12,372**	**-4.2%**

1.7.2 Changes in property, equipment and intangible assets

	GOODWILL	OTHER INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE (TRADE-MARKS)	OTHER INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE	PROPERTY AND EQUIPMENT OWNED	RIGHTS OF USE ACQUIRED THROUGH LEASES	30.06.2024	31.12.2023
Net amount at period-start	**88,073**	**760**	**61,788**	**7,127**	**134,306**	**292,054**	**295,279**
Increases	**-**	**-**	**595**	**1,265**	**7,551**	**9,411**	**36,592**
Purchases	-	-	595	1,265	5,019	6,879	34,938
Other changes	-	-	-	-	2,532	2,532	1,654
Decreases	**-**	**15**	**8,434**	**959**	**12,375**	**21,783**	**39,817**
Sales	-	-	-	-	-	-	-
Adjustments	-	-	8,088	887	11,059	20,034	39,726
of which:							
a) amortisation/depreciation	-	-	*8,088*	*887*	*11,059*	*20,034*	*39,726*
b) write-downs	-	-	-	-	-	-	-
Other changes	-	15	346	72	1,316	1,749	91
Amount at period-end	**88,073**	**745**	**53,949**	**7,433**	**129,482**	**279,682**	**292,054**

1.7.3 Breakdown of consolidated goodwill

(€ THOUSAND)	30.06.2024	31.12.2023
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
Valeur S.A.	8,706	8,706
Binck Bank N.V. Italy business unit	1,100	1,100
Total	**88,073**	**88,073**

1.7.4 Breakdown of customer relationships

(€ THOUSAND)	30.06.2024	31.12.2023
Customer relationships (former Credit Suisse Italy)	6,144	6,720
Customer relationships (former Nextam S.p.A. Group)	6,170	6,449
Customer relationships (former BG Valeur S.A.)	1,874	2,125
Total	**14,188**	**15,294**

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	30.06.2024	31.12.2023
Current taxation	**35,695**	**37,835**
Sums due for taxes to be refunded	649	1,103
IRES arising on National Tax Consolidation scheme	-	-
IRES and foreign direct taxes	34,690	36,375
IRES surtax	353	353
IRAP	3	4
Deferred tax assets	**65,839**	**70,278**
With impact on Profit and Loss Account	**64,910**	**68,219**
IRES deferred tax assets	53,512	56,546
IRAP deferred tax assets	11,398	11,673
With impact on Net Equity	**929**	**2,059**
IRES deferred tax assets	904	1,843
IRAP deferred tax assets	25	216
Total	**101,534**	**108,113**

1.8.2 Breakdown of item 60 (Liabilities): tax liabilities

TYPE OF TRANSACTIONS/VALUES	30.06.2024	31.12.2023
Current taxation	**88,921**	**39,582**
IRES arising on National Tax Consolidation scheme	60,442	28,360
IRES (surtax for banks)	9,410	4,191
IRAP	19,069	7,031
Deferred tax liabilities	**7,815**	**6,506**
With impact on Profit and Loss Account	**6,828**	**5,594**
IRES deferred tax liabilities and foreign income taxes	4,970	4,179
IRAP deferred tax liabilities	1,858	1,415
With impact on Net Equity	987	912
IRES deferred tax liabilities and foreign income taxes	895	789
IRAP deferred tax liabilities	92	123
Total	**96,736**	**46,088**

1.8.3 Breakdown of deferred tax assets

TYPE OF TRANSACTIONS/VALUES	30.06.2024	PURSUANT TO LAW NO. 214/2011	31.12.2023	PURSUANT TO LAW NO. 214/2011
With impact on Profit and Loss Account	**64,910**	**4,097**	**68,219**	**4,658**
Provisions for liabilities and contingencies	54,139	-	56,642	-
Write-downs of loans to customers before 2015	887	887	1,153	1,153
Redeemed goodwill of former Banca del Gottardo (Art. 15, para. 10, of Decree Law 185/08)	1,724	1,724	1,905	1,905
Goodwill of former BG Fiduciaria Sim (Article 15, para. 10-*ter*)	855	855	924	924
Redeemed goodwill of former BG SGR (Article 176, para. 2-*ter*, of TUIR)	631	631	676	676
Redeemed goodwill of former Nextam Partners (Art. 15, para. 10, of Law Decree 185/08)	1,909	-	2,311	-
Redeemed goodwill of former Banca del Gottardo (Article 110 of Decree Law 104/21)	2,046	-	2,117	-
Collective write-downs (ECLs) on loans to customers and banks	288	-	347	-
Other	1,462	-	1,129	-
Group companies' tax losses	285	-	275	-
BVG pension funds	684	-	740	-
With impact on Net Equity	**929**	**-**	**2,059**	**-**
Measurement at fair value of HTCS financial assets	176	-	1,361	-
Actuarial losses (IAS 19) on termination indemnity	727	-	698	-
Cash flow hedge	26	-	-	-
Total	**65,839**	**4,097**	**70,278**	**4,658**

1.8.4 Breakdown of deferred tax liabilities

TYPE OF TRANSACTIONS/VALUES	30.06.2024	31.12.2023
With impact on Profit and Loss Account	**6,828**	**5,594**
Off-balance sheet goodwill deduction	2,503	2,213
Intangible assets recognised upon PPA (trademarks and client relationships)	423	472
Financial assets mandatorily measured at fair value through profit and loss (equity securities and policies)	675	614
Provision for termination indemnity (IAS 19)	152	152
Other	785	491
Retained earnings of subsidiaries (IAS 12, para. 38 40)	2,290	1,652
With impact on Net Equity	**987**	**912**
Measurement at fair value of HTCS financial assets	319	495
Cash flow hedge	239	-
IAS 19-related actuarial gains on BVG pension funds	429	417
Total	**7,815**	**6,506**

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

	30.06.2024	31.12.2023
1. Amount at period-start	**68,219**	**64,784**
2. Increases	**11,826**	**21,608**
2.1 Deferred tax assets recognised in the period:	11,826	20,998
a) related to prior years	-	-
b) change in accounting criteria	-	-
c) reversals	-	-
d) other	11,826	20,998
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	610
3. Decreases	**15,135**	**18,173**
3.1 Deferred tax assets eliminated in the period:	15,084	17,780
a) transfers	14,937	17,780
b) write-downs for non-recoverability	-	-
c) change in accounting criteria	-	-
d) other	147	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases:	51	393
a) conversion into tax credits pursuant to Law No. 214/2011	-	-
b) other	51	393
4. Amount at period-end	**64,910**	**68,219**

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

	30.06.2024	31.12.2023
1. Amount at period-start	**4,658**	**5,813**
2. Increases	**-**	**-**
3. Decreases	**561**	**1,155**
3.1 Transfers	561	1,155
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	**4,097**	**4,658**

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

	30.06.2024	31.12.2023
1. Amount at period-start	**5,594**	**4,424**
2. Increases	**2,573**	**2,452**
2.1 Deferred tax liabilities recognised in the period:	2,573	1,869
a) related to prior years	-	-
b) change in accounting criteria	-	-
c) other	2,573	1,869
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	583
3. Decreases	**1,339**	**1,282**
3.1 Deferred tax liabilities eliminated in the period:	1,339	1,282
a) transfers	125	275
b) change in accounting criteria	-	-
c) other	1,214	1,007
3.2 Decreases in tax rates	-	-
3.3 Other decreases	-	-
4. Amount at period-end	**6,828**	**5,594**

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

	30.06.2024	31.12.2023
1. Amount at period-start	**2,059**	**5,984**
2. Increases	**372**	**230**
2.1 Deferred tax assets recognised in the period:	372	230
a) related to prior years	-	-
b) change in accounting criteria	-	-
c) other	372	230
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**1,502**	**4,155**
3.1 Deferred tax assets eliminated in the period:	1,106	1,544
a) transfers	1,106	1,544
b) write-downs for non-recoverability	-	-
c) change in accounting criteria	-	-
d) other	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases	396	2,611
4. Amount at period-end	**929**	**2,059**

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)

	30.06.2024	31.12.2023
1. Amount at period-start	**912**	**1,282**
2. Increases	**498**	**2,912**
2.1 Deferred tax liabilities recognised in the period:	498	2,912
a) related to prior years	-	-
b) change in accounting criteria	-	-
c) other	498	2,912
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**423**	**3,282**
3.1 Deferred tax liabilities eliminated in the period:	32	671
a) transfers	32	671
b) change in accounting criteria	-	-
c) other	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases	391	2,611
4. Amount at period-end	**987**	**912**

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 available for sale and disposal groups and associated liabilities - Item 120 (Assets) and Item 70 (Liabilities)

At 30 June 2024, no non-current assets available for sale and disposal groups and associated liabilities were recognised.

1.10 Other assets - Item 130

1.10.1 Breakdown of other assets

	30.06.2024	31.12.2023
Fiscal items	**134,281**	**130,747**
Advances paid to Tax Authorities – stamp duty	88,079	51,221
Advances of substitute tax on capital gains	20,820	46,604
Other advances paid to and sums due from Tax Authorities	937	948
Tax Authorities/VAT	67	67
Tax Authorities/Superbonus	23,621	30,343
Sums due from Tax Authorities for other taxes to be refunded	757	1,564
Leasehold improvements	**8,342**	**8,927**
Operating loans not related to financial transactions	**213**	**355**
Sundry advances to suppliers and employees	**2,777**	**6,282**
Cheques under processing	**9,620**	**11,496**
Money orders and other amounts receivable	9,620	11,496
Other amounts to be debited under processing	**102,426**	**91,786**
Amounts to be settled in the clearing house (debits)	1,297	851
Clearing accounts for securities and funds procedure	46,690	51,949
Other amounts to be debited under processing	19,368	15,821
Assets from reclassification of portfolio subject to collection (SBF)	35,071	23,165
Amounts receivable for legal disputes not related to credit transactions	**937**	**344**
Trade receivables from customers and banks that cannot be traced back to specific items	**30,952**	**57,233**
Other amounts	**223,152**	**200,158**
Prepayments for the supplementary fees for the Financial Advisor Network	64,721	65,277
Prepayments for ordinary incentives	105,060	97,476
Prepayments for three-year incentives	19,170	16,593
Other accrued income and deferred charges that cannot be traced back to specific items	33,644	20,439
Sundry amounts	557	373
Total	**512,700**	**507,328**

Receivables from Tax Authorities for withholdings on current accounts represent the positive imbalance between payments on account and the related payable to Tax 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 the Financial Advisor 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 paid to the Financial Advisor Network qualify instead as incremental costs for obtaining a contract or costs incurred to fulfil a contract and consist of fees paid annually to the existing Financial Advisor Network based on the achievement of net inflow 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 deferred charges during the period are shown below.

	31.12.2023	AMORTISATION	OF WHICH RELATED TO THE PREVIOUS YEAR	INCREASES	OTHER CHANGES	30.06.2024
Supplementary fees	65,277	-13,887	-12,094	13,331	-	64,721
Ordinary incentives	97,476	-25,664	-19,015	33,248	-	105,060
Three-year incentives	16,593	-3,762	-2,494	6,339	-	19,170
Total Financial Advisor network incentives	**179,346**	**-43,313**	**-33,603**	**52,918**	**-**	**188,951**
Entry bonus on BG Solution portfolio management	9,501	-1,977	-1,888	1,948	9	9,481
Bonus on JPM funds	57	-26	-23	15	-	46
Total other acquisition costs	**9,558**	**-2,003**	**-1,911**	**1,963**	**9**	**9,527**
Total	**188,904**	**-45,316**	**-35,514**	**54,881**	**9**	**198,478**

Other deferred charges that cannot be traced back to specific items include for 22,426 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. Liabilities and Net Equity

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	30.06.2024 BOOK VALUE	31.12.2023 BOOK VALUE
1. Due to Central Banks	**-**	**-**
2. Due to banks	**327,398**	**231,684**
2.1 Current accounts and demand deposits	44,183	35,346
2.2 Term deposits	-	-
2.3 Loans:	272,912	186,522
2.3.1 Repurchase agreements	258,822	171,320
2.3.2 Other	14,090	15,202
2.4 Liabilities for repurchase commitments of own equity instruments	-	-
2.5 Lease debts	-	-
2.6 Other debts	10,303	9,816
Total	**327,398**	**231,684**

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	30.06.2024 BOOK VALUE	31.12.2023 BOOK VALUE
1. Current accounts and demand deposits	11,251,351	11,097,187
2. Term deposits	488,142	241,730
3. Loans	379,356	1,507,866
3.1 Repurchase agreements	227,751	1,382,649
3.2 Other	151,605	125,217
4. Liabilities for repurchase commitments of own equity instruments	-	-
5. Lease debts	136,674	141,074
6. Other debts	160,987	283,474
Total	**12,416,510**	**13,271,331**

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 7,607 thousand euros to the stock of money orders issued by the parent company Banca Generali in relation to claims payment of Generali Group insurance companies and, for the remaining amount, to other sums made available to customers and trade payables to the Financial Advisor Network.

2.2 Financial liabilities held for trading - Item 20

2.2.1 HFT financial liabilities: categories

	30.06.2024					31.12.2023				
		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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**159**	**-**	**-**
1.1 Trading	X	-	-	-	X	X	-	159	-	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**	**-**	**-**	**-**	**X**	**X**	**-**	**159**	**-**	**X**
Total (A + B)	**X**	**-**	**-**	**-**	**X**	**X**	**-**	**159**	**-**	**X**

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

2.3 Hedging derivatives - Item 40

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

	30.06.2024				31.12.2023			
	FAIR VALUE			NOTIONAL VALUE	FAIR VALUE			NOTIONAL VALUE
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	**-**	**122,701**	**-**	**1,353,500**	**-**	**132,662**	**-**	**1,496,500**
1) Fair value	-	122,519	-	1,193,500	-	132,662	-	1,496,500
2) Cash flows	-	182	-	160,000	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**122,701**	**-**	**1,353,500**	**-**	**132,662**	**-**	**1,496,500**

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	-	-	-	-	X	X	X	39	X	X
2. Financial assets measured at amortised cost	122,519	X	-	-	X	X	X	143	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	**122,519**	**-**	**-**	**-**	**-**	**-**	**-**	**182**	**-**	**-**
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

	30.06.2024	31.12.2023
Trade payables	**18,874**	**33,991**
Due to suppliers	18,417	33,618
Due for payments on behalf of third parties	457	373
Due to staff and social security institutions	**23,388**	**29,889**
Due to staff for accrued holidays, etc.	5,541	4,239
Due to staff for productivity bonuses to be paid out	9,406	16,387
Contributions to be paid to social security institutions	3,647	4,065
Contributions to Financial Advisors to be paid to Enasarco	4,794	5,198
Payablòes to Tax Authorities	**65,363**	**42,761**
Withholding taxes to be paid to Tax Authorities on behalf of employees and contract workers	7,188	7,073
Current account withholdings	6,784	12,671
Withholding taxes to be paid to Tax Authorities on behalf of customers	14,267	8,665
Notes to be paid into collection services	31,705	7,834
VAT payables	5,408	6,417
Tax liabilities – other (stamp duty and substitute tax on medium-/long-term loans)	11	101
Amounts to be debited under processing	**100,001**	**158,890**
Bank transfers, cheques and other sums payable	9,864	2,645
Amounts to be settled in the clearing house (credits)	56,039	47,044
Liabilities from reclassification of portfolio subject to collection (SBF)	-	128
Other amounts to be debited under processing	34,098	109,073
Sundry items	**96,623**	**87,506**
Amounts to be credited	959	4,881
Sundry items	3,073	2,247
Amounts due to the Interbank Deposit Protection Fund (FITD)	10,192	-
Amounts due to shareholders for dividends to be distributed	73,148	75,954
Accrued expenses and deferred income that cannot be traced back to specific items	8,813	3,116
Sums made available to customers	438	1,308
Total	**304,249**	**353,037**

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 01.01.2024	**100**
Increases	16
Decreases due to the transfer to profit or loss	-49
of which:	
- *relating to prior years*	-48
Closing balance at 30.06.2024	**67**

2.6 Provisions for termination indemnity - Item 90

2.6.1 Provisions for termination indemnity: year changes

	30.06.2024	31.12.2023
A. Amount at period-start	**3,772**	**3,705**
B. Increases	**62**	**355**
B.1 Provisions for the period	45	131
B.2 Other increases	17	224
C. Decreases	**415**	**288**
C.1 Amounts paid	385	288
C.2 Other decreases	30	-
D. Amount at period-end	**3,419**	**3,772**

2.6.2 Other information

The amount of termination indemnity for employees 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 2023.

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

	30.06.2024	31.12.2023
Discount rate (*)	3.53%	3.07%
Annual inflation rate	2.00%	2.00%
Salary increase rate	2.00%	2.00%
Average duration (years)	7	8

(*) Rate applied to Banca Generali.

	30.06.2024	31.12.2023
1. Provisions:	45	131
Current service cost	3	6
Interest cost	42	125
2. Actuarial gains and losses	-30	224
- *based on financial assumptions*	-118	120
- *based on actuarial demographic assumptions*	88	104
Total provisions for the period	**15**	**355**
Actuarial value	**3,419**	**3,772**
Value calculated re. Article 2120 of the Italian Civil Code	**3,634**	**3,903**

2.7 Provisions for liabilities and contingencies - Item 100

2.7.1 Breakdown of provisions for liabilities and contingencies

ITEMS/COMPONENTS	30.06.2024	31.12.2023
1. Provisions for credit risk relating to commitments and financial guarantees issued	130	9,591
2. Provisions for other commitments and other guarantees issued	-	-
3. Company provisions for pensions	2,317	2,476
4. Other provisions for liabilities and contingencies:	261,045	253,097
4.1 Legal and tax disputes	14,027	12,558
4.2 Staff	8,014	10,140
4.3 Other	239,004	230,399
Total	**263,492**	**265,164**

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 LIABILITIES AND CONTINGENCIES	TOTAL
A. Amount at period-start	**9,591**	**2,476**	**253,097**	**265,164**
B. Increases	**838**	**760**	**41,954**	**43,552**
B.1 Provisions for the period	-	280	41,954	42,234
B.2 Changes due to the passage of time	-	-	-	-
B.3 Changes due to different discount rates	-	-	-	-
B.4 Other increases	838	480	-	1,318
C. Decreases	**10,299**	**919**	**34,006**	**45,224**
C.1 Uses in the period	10,238	-	29,921	40,159
C.2 Changes due to different discount rates	-	-	-	-
C.3 Other decreases	61	919	4,085	5,065
D. Amount at period-end	**130**	**2,317**	**261,045**	**263,492**

2.7.3 Other provisions for liabilities and contingencies - details of movements

	31.12.2023	USES	SURPLUS	OTHER CHANGES	PROVISIONS	30.06.2024
Provision for staff expenses	**10,140**	**-2,441**	**-1,934**	**-94**	**2,343**	**8,014**
Provision for restructuring plan	1,500	-783	-	-	-	717
Provisions for staff expenses – other	8,640	-1,658	-1,934	-94	2,343	7,297
Provisions for legal disputes	**12,283**	**-1,941**	**-936**	**-**	**4,441**	**13,847**
Provision for risks related to legal disputes connected with the Financial Advisor Network's embezzlements	3,339	-215	-483	-	2,523	5,164
Provision for risks related to legal disputes with the Financial Advisor Network	1,002	-571	-40	-	54	445
Provision for other legal disputes	7,942	-1,155	-413	-	1,864	8,238
Provisions for termination indemnity of Financial Advisors	**170,856**	**-2,612**	**-995**	**2,577**	**12,870**	**182,696**
Provision for termination indemnity of the Financial Advisor Network	83,103	-679	-787	-	6,775	88,412
Provision for management development indemnity	12,419	-1,754	-38	-	1,324	11,951
Provision for portfolio overfee indemnities	6,666	-105	-66	-	488	6,983
Provision for pension bonuses	8,366	-74	-104	-	317	8,505
Provision for Framework Loyalty Programme	35,358	-	-	-	204	35,562
Provision for three-year incentives	24,944	-	-	2,577	3,762	31,283
Provisions for Financial Advisor Network incentives	**29,048**	**-11,655**	**-443**	**-**	**7,695**	**24,645**
Provision for Financial Advisor Network development plans	21,139	-5,715	-443	-	4,983	19,964
Provision for deferred bonus	60	-	-	-	3	63
Provision for managers' incentives with access gate	273	-273	-	-	-	-
Provision for sales incentives	2,009	-187	-	-	-	1,822
Provision for fees – travel incentives	5,300	-5,300	-	-	2,500	2,500
Provision for fee plans	267	-180	-	-	209	296
Provisions for tax and contributions/ pension disputes	**274**	**-129**	**-**	**-**	**35**	**180**
Other provisions for liabilities and contingencies	**30,496**	**-11,143**	**-**	**-2,260**	**14,570**	**31,663**
Total	**253,097**	**-29,921**	**-4,308**	**223**	**41,954**	**261,045**

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

	PROVISIONS FOR CREDIT RISK RELATING TO COMMITMENTS AND FINANCIAL GUARANTEES ISSUED				
	STAGE 1	STAGE 2	STAGE 3	ACQUIRED OR ORIGINATED IMPAIRED	TOTAL
1. Commitments to disburse funds	-	-	-	-	**-**
2. Financial guarantees issued	108	22	-	-	**130**
Total	**108**	**22**	**-**	**-**	**130**

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 reporting date the company supplementary contract (CIA) has expired or has not been renewed yet.

The above-mentioned provisions have as their balancing entries item "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.

In December 2023, the Board of Directors extended the voluntary redundancy plan, for a final provision amounting to 1.5 million euros, of which approximately 0.8 million euros were used in the first half of 2024.

2.7.5.3 Provisions for legal disputes

This type of provisions for risks includes provisions for pending litigations connected with Financial Advisor Network's embezzlements after insurance coverage, as well as those with disputes currently underway with the Financial Advisor Network and employees and other court and out-of-court disputes with customers and other entities.

2.7.5.4 Provisions for contractual indemnities for the Financial Advisor Network

These include provisions for termination indemnities paid to the Financial Advisor Network, portfolio overfee indemnities, pension bonus, the provisions associated with the Framework Loyalty Programme (approved by the General Shareholders' Meeting on 20 April 2017) and the provisions for management development indemnity, in addition to the provisions for three-year incentives.

The provision 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 2023.

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 adopted:

TERMINATION INDEMNITY	30.06.2024	31.12.2023
Discount rate [20]	4.2%	4.3%
Turnover rate (professionals)	0.91%	0.91%
Average duration (years)	12 years	12 years
IAS 37 DBOs/Indemnity provision at the measurement date	58.14%	56.71%

The ratio of Deferred Benefit Obligations (DBOs) to the nominal value of the accrued obligation towards Financial Advisors is given using the value of the provision after one-off deductions related to seniority of service.

The increase in the provision for termination indemnities accrued to Financial Advisors in the period was due to the combined effect of the increase in the discount rates applied and the rise in fee bases.

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

The indemnity already accrued by Financial Advisors formerly employed by Credit Suisse, totalling 2.4 million euros, is still based on the payment criteria established by the previous employer and was recognised under provisions for risks. Their indemnity 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 2023) 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.

[20] The discount rate was determined on the basis of an average EURIRS curve for the last four quarters, increased linearly by the spread between the EURIRS rate and 10-year BTP.
The rate represented is the rate that corresponds to the average duration of the relevant liabilities, i.e., 12 years.

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.

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 Financial Advisor 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 could be activated from one year to the next, with the authorisation of Banca Generali Group's corporate bodies and in accordance with its remuneration policies.

On 21 April 2022, the General Shareholders' Meeting resolved to suspend the Loyalty Framework Programme for the Sales Network and accordingly the 6th 2022-2026 cycle was not activated.

The individual plans of the Framework Loyalty Programme 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 corporate bodies (Board of Directors and Shareholders' Meeting) and the Regulator.

Provisions for contractual indemnities refer also to the charge relating to the **management 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.

The 2022-2024 **three-year incentive plan**, approved by the Board of Directors on 18 March 2022, is in addition to the annual incentives for the Financial Advisor Network and is tied to the achievement of both several overall objectives set at the Banking Group level in terms of total net inflows and recurring fee income, established in the new Strategic Plan, and individual objectives.

In particular, at the end of the Plan no incentives may be disbursed without full achievement of the three-year net inflow targets and of at least 90% of the cumulative recurring fee target at the end of 2024.

At the level of the individual beneficiary, accrual of the bonus is tied to individual net inflow and advanced inflow targets on a three-year basis to be reached collectively, with a floor below which the incentive is not awarded.

Special rules also apply to Financial Advisors eligible to participate in the previous Loyalty Framework Programme, for whom a bonus floor applies, to be paid at the end of the three-year period if other conditions are met, but only in the absence of net outflows.

All Financial Advisors, Relationship Managers and Network Managers in service at 31 December 2019 are entitled to the three-year incentives.

The three-year bonus will be paid in 2026, provided that on 31 December 2025 the net inflow targets reached are no less than 90% of net inflows reached at the end of the three-year plan period.

The incentives accruing on a multi-year basis, tied to net inflow targets, qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the Financial Advisor Network.

The accrual of the bonus at the end of the three-year period is contingent on achieving the Banking Group access gates, as defined by the Remuneration Policy.

In addition, the Plan calls for the payment of the cash bonus only, with the sole exception of beneficiaries qualifying as Key Personnel in the three-year period, to whom the specific provisions of the Remuneration Policies (deferral, shared-based payment, etc.) apply.

2.7.5.5 Provisions for Financial Advisor 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, total assets bonus, etc.) related to the achievement of net inflow targets and the presence in the Company for one or more years (up to 5 or 7 years);
- 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 future conditions are met, such as continuous service on the network or the achievement of sales targets.

2.7.5.6 Tax dispute

This item included prudential provisions amounting to 180 thousand euros, allocated due to claimed tax assessments and social contributions.

2.7.5.7 Other provisions for liabilities and contingencies

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

In detail, these provisions included a provision of 27.9 million euros to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues and to sustain customer retention.

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	BOOK VALUE (€ THOUSAND)
Share capital			
- ordinary shares	1.00	116,851,637	116,852
Treasury shares			
- ordinary shares	1.00	-2,657,613	-77,367
		114,194,024	**39,485**

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 (-)	-2,920,001	-
A.2 Outstanding shares: at period-start	**113,931,636**	**-**
B. Increases	**262,388**	**-**
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	262,388	-
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	**114,194,024**	**-**
D.1 Treasury shares (+)	2,657,613	-
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 with no nominal value, with regular dividend entitlement, and it 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	30.06.2024	30.06.2023
1. Financial assets measured at fair value through profit or loss:	**61**	**-**	**-**	**61**	**48**
1.1 HFT financial assets	-	-	-	-	1
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	61	-	-	61	47
2. Financial assets measured at fair value through other comprehensive income	**16,370**	**-**	**X**	**16,370**	**6,031**
3. Financial assets measured at amortised cost:	**102,294**	**73,410**	**X**	**175,704**	**193,657**
3.1 Loans to banks	18,861	20,377	X	39,238	32,395
3.2 Loans to customers	83,433	53,033	X	136,466	161,262
4. Hedging derivatives	X	X	47,579	**47,579**	**2,757**
5. Other assets	X	X	-	**-**	**63**
6. Financial liabilities	X	X	X	**-**	**-**
Total	**118,725**	**73,410**	**47,579**	**239,714**	**202,556**
of which:					
- interest income on impaired financial assets	*-*	*182*	*-*	*182*	*366*

1.2 Breakdown of interest expense and similar charges

ITEMS/TECHNICAL TYPES	DEBTS	SECURITIES	OTHER TRANSACTIONS	30.06.2024	30.06.2023
1. Financial liabilities measured at amortised cost:	**82,175**	**-**	**-**	**82,175**	**51,102**
1.1 Due to Central Banks	-	X	X	-	-
1.2 Due to banks	4,839	X	X	4,839	9,321
1.3 Due to customers	77,336	X	X	77,336	41,781
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**	**-**	**-**
Total	**82,175**	**-**	**-**	**82,175**	**51,102**
of which:					
- interest expense relating to lease debts	*1,680*	-	-	*1,680*	*1,700*

The Item 1.3 “Financial liabilities measured at amortised cost - Due to customers” includes 1.7 million euro interest accrued on lease payment debts calculated in accordance with the provisions of IFRS 16.

1.3 Hedging differentials

ITEMS	30.06.2024	30.06.2023
A. Hedging gains	69,673	19,284
B. Hedging losses	22,094	16,527
C. Total (A - B)	**47,579**	**2,757**

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, as well as some cash flow hedge counter-hedges, activated on certain asset swap positions in the second quarter of the year and aimed at stabilising the future cash flows of fixed-rate asset swaps.

2. Fees - Items 40 and 50

2.1 Breakdown of fee income

TYPE OF SERVICE/VALUES	30.06.2024	30.06.2023
a) Financial instruments	**184,932**	**160,248**
1. Placement of securities	**95,190**	**86,786**
1.1 With direct underwriting and/or a firm commitment	-	-
1.2 Without a firm commitment	95,190	86,786
2. Receipt and transmission of orders and execution of orders on customers' behalf	**27,784**	**21,309**
2.1 Receipt and transmission of orders for one or more financial instruments	4,285	3,617
2.2 Execution of orders on customers' behalf	23,499	17,692
3. Other fees related to activities linked to financial instruments	**61,958**	**52,153**
of which:		
- *trading for own account*	-	-
- *individual portfolio management*	*61,958*	*52,153*
b) Corporate finance	-	-
1. Consultancy on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other fees related to corporate finance services	-	-
c) Investment advisory	**29,649**	**24,731**
d) Offsetting and settlement services	**-**	**-**
e) Collective portfolio management	**264,751**	**168,038**
f) Custody and administration services	**173**	**144**
1. Depository Bank	-	-
2. Other fees related to custody and administration services	173	144
g) Centralised administration services for collective portfolio management	-	-
h) Trust services	-	-
i) Payment services	**4,751**	**5,250**
1. Current accounts	2,915	2,869
2. Credit cards	-	-
3. Debit cards and other payment cards	88	145
4. Bank transfers and other payment services	716	701
5. Other fees linked to payment services	1,032	1,535
j) Distribution of third-party services	**121,443**	**125,315**
1. Collective portfolio management	716	613
2. Insurance products	119,169	123,345
3. Other products	1,558	1,357
of which:		
- *individual portfolio management*	*12*	*12*
- *BG Saxo services*	*1,336*	*1,058*
k) Structured finance	**-**	**-**
l) Servicing related to securitisations	**-**	**-**
m) Commitments to disburse funds	**-**	**-**
n) Financial guarantees issued	**375**	**297**
of which:		
- *credit derivatives*	-	-
o) Financing transactions	-	-
of which:		
- *factoring-related services*	-	-
p) Currency trading	-	-
q) Goods	-	-
r) Other fee income	**2,378**	**2,323**
of which:		
- *management of multilateral trading facilities*	-	-
- *management of organised trading facilities*	-	-
Total	**608,452**	**486,346**

2.2 Breakdown of fee expense

TYPE OF SERVICE/VALUES	30.06.2024	30.06.2023
a) **Financial instruments**	**3,587**	**3,360**
of which:		
- *trading of financial instruments*	*3,217*	*2,885*
- *placement of financial instruments*	-	-
- *individual portfolio management*	*370*	*475*
- *Own portfolio*	*370*	*475*
- *Third-party portfolio*	-	-
b) **Offsetting and settlement services**	-	-
c) **Collective portfolio management**	**19,411**	**18,008**
1. Own portfolio	19,411	18,008
2. Third-party portfolio	-	-
d) **Custody and administration services**	**2,428**	**1,998**
e) **Collection and payment services**	**1,504**	**2,115**
of which:		
- *credit cards, debit cards and other payment cards*	*305*	*611*
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**	**241,634**	**219,446**
j) **Currency trading**	-	-
k) **Other fee expense**	**4,998**	**3,277**
Total	**273,562**	**248,204**

3. Dividends and similar income - Item 70

3.1 Breakdown of dividends and similar income

	30.06.2024		30.06.2023	
ITEMS/INCOME	DIVIDENDS	SIMILAR INCOME	DIVIDENDS	SIMILAR INCOME
A. Other financial assets mandatorily measured at fair value	79	-	72	-
B. Financial assets measured at fair value through other comprehensive income	1,230	-	1,143	-
Total	**1,309**	**-**	**1,215**	**-**

4. Net income (loss) from trading activities - Item 80

4.1 Breakdown of net income (loss) from trading activities

TRANSACTIONS/INCOME COMPONENTS	CAPITAL GAINS	INCOME FROM TRADING	CAPITAL LOSSES	LOSSES FROM TRADING	NET RESULT 30.06.2024
1. HFT financial assets	**-**	**161**	**6**	**70**	**85**
1.1 Debt securities	-	160	-	30	130
1.2 Equity securities	-	1	1	28	-28
1.3 UCITS units	-	-	5	12	-17
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**	**3,496**
4. Derivatives	**-**	**-**	**-**	**1**	**2**
4.1 Financial	-	-	-	1	2
- On debt securities and interest rates	-	-	-	-	-
- *interest rate swaps*	-	-	-	-	-
- *government bond forwards*	-	-	-	-	-
- On equity securities and stock indexes	-	-	-	1	-1
- *options*	-	-	-	-	-
- *futures*	-	-	-	*1*	*-1*
- On currency and gold (1)	X	X	X	X	3
- Other	-	-	-	-	-
4.2 Credit	-	-	-	-	-
of which:					
- *natural hedging related to the fair value option*	*X*	*X*	*X*	*X*	-
Total	**-**	**161**	**6**	**71**	**3,583**

(1) It includes currency options and currency outrights.

5. Net income (loss) from hedging - Item 90

5.1 Breakdown of net income (loss) from hedging

INCOME COMPONENTS/VALUES	30.06.2024	30.06.2023
A. Income from:		
A.1 Fair-value hedge derivatives	57,547	95,023
A.2 Hedged financial assets (fair value)	5,653	18,234
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)	**63,200**	**113,257**
B. Charges from:		
B.1 Fair value hedge derivatives	5,683	19,069
B.2 Hedged financial assets (fair value)	57,080	93,770
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)	**62,763**	**112,839**
C. Net income (loss) from hedging (A - B)	**437**	**418**

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

6.1 Breakdown of gains (losses) on disposal/repurchase

	30.06.2024			30.06.2023		
ITEMS/INCOME COMPONENTS	GAINS	LOSSES	NET RESULT	GAINS	LOSSES	NET RESULT
A. Financial assets						
1. Financial assets measured at amortised cost:	**5,465**	**4,498**	**967**	**6,993**	**2,219**	**4,774**
1.1 Loans to banks	159	1	158	1,013	1,044	-31
1.2 Loans to customers	5,306	4,497	809	5,980	1,175	4,805
2. Financial assets measured at fair value through other comprehensive income	**4,284**	**3,444**	**840**	**2,786**	**2,680**	**106**
2.1 Debt securities	4,284	3,444	840	2,786	2,680	106
2.2 Loans	-	-	-	-	-	-
Total assets	**9,749**	**7,942**	**1,807**	**9,779**	**4,899**	**4,880**
B. Financial liabilities measured at amortised cost:						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**

Equity reserves transferred back to the profit and loss account due to the disposal of pre-existing equity reserves of the HTCS portfolio are illustrated in the following table:

	POSITIVE	NEGATIVE	NET
Debt securities	53	-3,416	-3,363
Total	**53**	**-3,416**	**-3,363**

7. Net gains (losses) of other financial assets and liabilities measured at fair value through profit or loss - Item 110

7.1 Net change of other financial assets and liabilities measured at fair value through profit or 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	**2,779**	**2**	**178**	**678**	**1,925**
1.1 Debt securities	-	-	-	-	-
1.2 Equity securities	261	-	33	678	-450
1.3 UCITS units	2,260	-	144	-	2,116
1.4 Loans	258	2	1	-	259
2. Financial assets in foreign currencies: exchange differences	X	X	X	X	**56**
Total	**2,779**	**2**	**178**	**678**	**1,981**

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		ACQUIRED OR ORIGINATED IMPAIRED							
TRANSACTIONS/ INCOME COMPONENTS	STAGE 1	STAGE 2	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	STAGE 1	STAGE 2	STAGE 3	ACQUIRED OR ORIGINATED IMPAIRED	30.06.2024	30.06.2023
A. Loans to banks	**-**	**-**	**-**	**-**	**-**	**-**	**520**	**109**	**-**	**-**	**629**	**735**
Loans	-	-	-	-	-	-	14	109	-	-	123	126
Debt securities	-	-	-	-	-	-	506	-	-	-	506	609
B. Loans to customers	**-**	**-**	**63**	**1,283**	**-**	**-**	**431**	**231**	**922**	**-**	**238**	**-1,525**
Loans	-	-	63	1,283	-	-	413	226	922	-	215	-2,657
Debt securities	-	-	-	-	-	-	18	5	-	-	23	1,132
Total	**-**	**-**	**63**	**1,283**	**-**	**-**	**951**	**340**	**922**	**-**	**867**	**-790**

Specific adjustments to loans to customers classified under “Stage 3” amounted to 1,283 thousand euros and included 949 thousand euros for positions past-due by more than 90 days, 76 thousand euros for unlikely-to-pay positions, and, for the remainder, other operating loans and loans to the Financial Advisor Network.

These write-downs were partially offset through reversals relating to positions past due by more than 90 days (589 thousand euros), to bad loans (18 thousand euros) and to unlikely-to-pay exposures (313 thousand euros).

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

	ADJUSTMENTS						REVERSALS					
			STAGE 3		ACQUIRED OR ORIGINATED IMPAIRED							
TRANSACTIONS/INCOME COMPONENTS	STAGE 1	STAGE 2	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	STAGE 1	STAGE 2	STAGE 3	ACQUIRED OR ORIGINATED IMPAIRED	30.06.2024	30.06.2023
A. Debt securities	**94**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-94**	**230**
B. Loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-	-	-	-	-	-
of which:												
- *acquired or originated impaired financial assets*	-	-	-	-	-	-	-	-	-	-	-	-
Total	**94**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-94**	**230**

9. General and administrative expenses - Item 190

9.1 Breakdown of general and administrative expenses

		30.06.2024	30.06.2023
190 a)	Staff expenses	65,236	59,913
190 b)	Other general and administrative expenses	116,770	100,796
Total		**182,006**	**160,709**

9.2 Breakdown of staff expenses

TYPE OF EXPENSES/SECTORS	30.06.2024	30.06.2023
1) Employees	**64,313**	**59,079**
a) wages and salaries	35,054	32,099
b) social security charges	8,842	8,241
c) termination indemnity	362	328
d) retirement benefit plans	-	-
e) provision for termination indemnity	46	54
f) provision for pensions and similar obligations:	165	125
- defined contribution	-	-
- defined benefit	165	125
g) amounts paid to supplementary external pension funds:	3,515	3,075
- defined contribution	3,515	3,075
- defined benefit	-	-
h) costs related to payment agreements based on own equity instruments	2,473	1,727
i) other employee benefits	13,856	13,430
2) Other staff	**-120**	**-159**
3) Directors and Auditors	**976**	**951**
4) Retired personnel	**67**	**42**
Total	**65,236**	**59,913**

9.3 Breakdown of personnel

	30.06.2024	30.06.2023
Employees	**1,106**	**1,066**
a) Managers	78	75
b) Total executives	381	376
of which:		
- *3rd and 4th level*	188	192
c) Employees at other levels	647	615
Other personnel	**-2**	**-**
Total	**1,104**	**1,066**

9.4 Other employee benefits

	30.06.2024	30.06.2023
Short-term productivity bonuses	**9,889**	**9,901**
Long-term benefits	**468**	**307**
Charges for Relationship Manager recruitment plans	88	-
Charges for deferred variable remuneration (managers' MBO)	380	307
Other benefits	**3,499**	**3,222**
Charges for staff supplementary pensions	2,461	2,303
Amounts replacing cafeteria indemnities	624	510
Training expenses	163	253
Contributions to employees	73	57
Other expenses	178	99
Total	**13,856**	**13,430**

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 plan for 2024 measures.

9.5 Breakdown of other general and administrative expenses

	30.06.2024	30.06.2023
Administration	**8,915**	**9,455**
Advertising	1,499	1,499
Audit fees	4,021	4,791
Auditing firms	601	501
Insurance	1,984	1,805
Entertainment expenses	108	299
Membership contributions	637	537
Charity	65	23
Operations	**13,581**	**13,231**
Rent and usage of premises and management of property	2,876	2,685
Outsourced administrative services	3,741	3,334
Post and telephone	1,417	1,266
Print material	469	541
Other expenses for Financial Advisor Network management	1,340	1,567
Other expenses and purchases	2,497	2,707
Other indirect staff expenses	1,241	1,131
Information system and equipment	**33,237**	**30,810**
Expenses related to outsourced IT services	21,699	19,793
Fees for IT services and databases	6,394	5,853
Software maintenance and servicing	4,629	4,222
Fees for equipment hired and software used	167	119
Other maintenance	348	823
Indirect taxation	**50,846**	**41,455**
Stamp duty on financial instruments	50,125	40,906
Substitute tax on medium/long-term financing	78	117
Other indirect taxes to be paid by the Bank	643	432
Contributions to the Italian National Resolution Fund and the Interbank Protection Fund	**10,192**	**5,845**
Total	**116,770**	**100,796**

10. Net provisions for liabilities and contingencies - Item 200

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

	30.06.2024			30.06.2023		
	PROVISIONS	SURPLUS	NET	PROVISIONS	SURPLUS	NET
Provisions for commitments and financial guarantees issued	-	-61	**-61**	110	-	**110**
Total	**-**	**-61**	**-61**	**110**	**-**	**110**

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

	30.06.2024			30.06.2023		
	PROVISIONS	SURPLUS	NET	PROVISIONS	SURPLUS	NET
Provision for staff expenses	**1,861**	**-1,579**	**282**	**872**	**-**	**872**
Provision for staff expenses – Other (1)	1,861	-1,579	282	872	-	872
Provisions for legal disputes	**4,441**	**-936**	**3,505**	**2,516**	**-928**	**1,588**
Provision for risks related to legal disputes connected with the Financial Advisor Network's embezzlements	2,523	-483	2,040	129	-534	-405
Provision for risks related to legal disputes with the Financial Advisor Network	54	-40	14	71	-201	-130
Provision for other legal disputes	1,864	-413	1,451	2,316	-193	2,123
Provisions for termination indemnity of Financial Advisors	**12,870**	**-995**	**11,875**	**6,054**	**-890**	**5,164**
Provision for risks related to termination indemnity of the Financial Advisor Network	6,775	-787	5,988	1,308	-458	850
Provision for management incentive indemnity	1,324	-38	1,286	579	-174	405
Provision for portfolio overfee indemnities	488	-66	422	117	-54	63
Provision for pension bonuses	317	-104	213	-	-204	-204
Provisions for Framework Loyalty Programme	204	-	204	204	-	204
Provision for three-year incentive fees	3,762	-	3,762	3,846	-	3,846
Provisions for Financial Advisor Network incentives	**7,695**	**-443**	**7,252**	**7,763**	**-509**	**7,254**
Provision for Financial Advisor Network development plans	4,983	-443	4,540	5,262	-509	4,753
Provision for deferred bonus	3	-	3	1	-	1
Provision for incentive travels	2,500	-	2,500	2,500	-	2,500
Provision for fee plans	209	-	209	-	-	-
Provision for tax and contributions dispute	**35**	**-**	**35**	**-**	**-1,391**	**-1,391**
Other provisions for liabilities and contingencies	**14,570**	**-**	**14,570**	**12,364**	**-**	**12,364**
Total	**41,472**	**-3,953**	**37,519**	**29,569**	**-3,718**	**25,851**

(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 (A)	ADJUSTMENTS FOR IMPAIRMENT (B)	REVERSALS (C)	NET RESULT (A + B - C) 30.06.2024
A. Property and equipment	**11,946**	**-**	**-**	**11,946**
1. Operating:	**11,946**	**-**	**-**	**11,946**
- owned	887	-	-	887
- rights of use acquired through leases	11,059	-	-	11,059
2. Held as investments:	**-**	**-**	**-**	**-**
- owned	-	-	-	-
- rights of use acquired through leases	-	-	-	-
3. Inventories	X	-	-	-
Total	**11,946**	**-**	**-**	**11,946**

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

12.1 Breakdown of net adjustments of intangible assets

ASSETS/INCOME COMPONENTS	AMORTISATION (A)	ADJUSTMENTS FOR IMPAIRMENT (B)	REVERSALS (C)	NET RESULT (A + B - C) 30.06.2024
A. Intangible assets	**8,088**	**-**	**-**	**8,088**
of which:				
- *software*	*7,054*	-	-	*7,054*
A.1 Owned	8,088	-	-	8,088
- generated in-house	-	-	-	-
- other	8,088	-	-	8,088
A.2 Rights of use acquired through leases	-	-	-	-
Total	**8,088**	**-**	**-**	**8,088**

13. Other operating income and expenses - Item 230

13.1 Breakdown of other operating expenses

	30.06.2024	30.06.2023
Adjustments of leasehold improvements	1,303	1,261
Write-downs of other assets	-	-
Indemnities and compensation for litigation and claims	113	251
Charges from accounting adjustments with customers	1,357	1,182
Charges for card compensation and guarantees	-	1
Costs associated with tax disputes, penalties and fines	9	80
Other contingent liabilities and non-existent assets	1,292	411
Other operating expenses	-	-
Consolidation adjustments	2	1
Total	**4,076**	**3,187**

13.2 Breakdown of other operating income

	30.06.2024	30.06.2023
Recovery of taxes from customers	49,217	40,176
Recovery of expenses from customers	283	303
Fees for outsourced services	64	63
Charge-back of portfolio overfee indemnity to incoming Financial Advisors	2,837	2,886
Indemnities for Financial Advisors' termination without notice	376	154
Other recoveries of fees and costs from Financial Advisors	2,606	1,725
Contingent assets related to provisions for staff expenses	1,000	2,173
Contributions to provision for employment in the banking sector (FOC) and the fund for staff training (FBA)	323	216
Other contingent assets and non-existent liabilities	2,103	1,788
Insurance compensation and indemnities	388	293
Other income	143	218
Total	**59,340**	**49,995**
Total other net income	**55,264**	**46,808**

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

14.1 Breakdown of gains (losses) from equity investments

INCOME COMPONENTS/SECTORS	30.06.2024	30.06.2023
1) Companies subject to joint control		
A. Gains	**49**	**-**
1. Revaluations	49	-
2. Gains on disposal	-	-
3. Reversals	-	-
4. Other gains	-	-
B. Charges	**-**	**-133**
1. Write-downs	-	-133
2. Adjustments to non-performing loans	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net result	**49**	**-133**
2) Companies subject to significant influence		
A. Gains	**59**	**80**
1. Revaluations	59	-
2. Gains on disposal	-	80
3. Reversals	-	-
4. Other gains	-	-
B. Charges	**-**	**-31**
1. Write-downs	-	-31
2. Adjustments to non-performing loans	-	-
3. Losses on disposal	-	-
4. Other charges	-	-
Net result	**59**	**49**
Total	**108**	**-84**

Revaluations of equity investments in companies subject to joint control and significant influence amounted to 108 thousand euros overall and related to the measurement using the equity method of BG Saxo Sim S.p.A. and Nextam Sim S.p.A.

15. Gains (losses) on disposal of investments - Item 280

15.1 Breakdown of gains (losses) on disposal of investments - Item 280

INCOME COMPONENTS/SECTORS	30.06.2024	30.06.2023
A. Buildings	**-**	**-**
Gains on disposal	-	-
Losses on disposal	-	-
B. Other assets	**-**	**-11**
Gains on disposal	-	-
Losses on disposal	-	-11
Net result	**-**	**-11**

16. Income taxes for the period from operating activities - Item 300

16.1 Breakdown of income taxes for the period from operating activities

INCOME COMPONENTS/SECTORS	30.06.2024	30.06.2023
1. Current taxation (-)	-74,099	-63,834
2. Changes of prepaid taxation (+/-)	-3,428	-871
3. Changes of deferred taxation (+/-)	-1,107	33
4. Taxes for the period (-)	**-78,634**	**-64,672**

16.2 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.

	30.06.2024	30.06.2023
Current taxation	**-74,099**	**-63,834**
IRES and corporate taxes	-62,062	-52,999
IRAP	-12,037	-10,835
Other	-	-
Prepaid and deferred taxation	**-4,535**	**-838**
IRES and corporate taxes	-3,817	-743
IRAP	-718	-95
Income taxes	**-78,634**	**-64,672**
Theoretical tax rate	**27.5%**	**27.5%**
Profit (loss) before taxation	**318,193**	**239,675**
Theoretical taxation	**-87,503**	**-65,911**
Non-taxable income (+)		
Dividends	342	317
ACE	-	843
Other decreases	238	173
Non-deductible charges (-)		
Double taxation on Group's dividends	-1,849	-1,158
Write-down of equity securities PEX and equity investments	-139	-
Other non-deductible costs	-1,036	-808
Other effects (+/-)		
IRAP	-12,755	-10,930
Rate change of companies under foreign law	26,006	13,052
Non-income deferred tax assets and liabilities on tax losses	-1,658	-866
Other adjustments (DTAs/DTLs non-income-based)	-313	-
Other consolidation adjustments	33	616
Actual tax expense	**-78,634**	**-64,672**
Total actual tax rate	**24.7%**	**27.0%**
Actual tax rate (IRES only)	**20.7%**	**22.4%**
Actual tax rate (IRAP only)	**4.0%**	**4.6%**

17. Earnings per Share

17.1 Average number of ordinary shares with diluted capital

	30.06.2024	30.06.2023
Net profit for the period (€ thousand)	239,559	175,051
Earnings attributable to ordinary shares (€ thousand)	239,559	175,051
Average number of outstanding shares (thousand)	113,999	114,287
EPS – Earning per share (euros)	**2.10**	**1.53**
Average number of outstanding shares with diluted capital (thousand)	113,999	114,287
EPS – Diluted earnings per share (euros)	**2.10**	**1.53**

PART D – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Analytical Consolidated Statement of Comprehensive Income

ITEMS	30.06.2024	30.06.2023
10. Net profit (loss) for the period	**239,559**	**175,003**
Other income, without transfer to Profit and Loss Account	**-497**	**-288**
20. Equity securities designated at fair value through other comprehensive income:	**-428**	**55**
a) fair value changes	-428	55
b) transfers to other net equity components	-	-
30. 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	-	-
40. Equity security hedges designated at fair value through other comprehensive income:	**-**	**-**
a) fair value changes (hedged instrument)	-	-
b) fair value changes (hedging instrument)	-	-
50. Property and equipment	**-**	**-**
60. Intangible assets	**-**	**-**
70. Defined benefit plans	**-112**	**-430**
80. Non-current assets available for sale and disposal groups	**-**	**-**
90. Share of valuation reserves of equity investments valued at equity	**-**	**-**
100. Finance income or expenses related to insurance contracts issued	**-**	**-**
110. Income taxes on other income, without transfer to Profit and Loss Account	**43**	**87**
Other income, with transfer to Profit and Loss Account	**808**	**3,798**
120. Hedges of foreign investments:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
130. Exchange differences:	**-1,830**	**256**
a) value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-1,830	256
140. Cash flow hedges:	**661**	**-**
a) fair value changes	661	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
of which:		
- *result of net positions*	-	-

ITEMS	30.06.2024	30.06.2023
150. Hedging instruments (non-designated items):	**-**	**-**
a) value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
160. Financial assets (other than equity securities) measured at fair value through other comprehensive income:	**3,226**	**5,221**
a) fair value changes	-125	4,115
b) transfer to Profit and Loss Account:	3,351	1,106
1) adjustments due to credit risk	-11	-338
2) gains (losses) on disposal	3,362	1,444
c) other changes	-	-
170. Non-current assets available for sale and disposal groups:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
180. Share of valuation reserves of equity investments valued at equity:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account:	-	-
1. adjustments due to non-performing loans	-	-
2. gains (losses) on disposal	-	-
c) other changes	-	-
190. Finance income or expenses related to insurance contracts issued:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
200. Finance income or expenses related to reinsurance contracts held:	**-**	**-**
a) fair value changes	-	-
b) transfer to Profit and Loss Account	-	-
c) other changes	-	-
210. Income taxes on other income, with transfer to Profit and Loss Account	**-1,249**	**-1,679**
220. Total other income components	**311**	**3,510**
230. Comprehensive income (Item 10 + 220)	**239,870**	**178,513**
240. Consolidated comprehensive income attributable to minority interests	**-213**	**-66**
250. Consolidated comprehensive income attributable to the Parent Company	**240,083**	**178,579**

PART E – INFORMATION ON CONSOLIDATED NET EQUITY

1. Consolidated net equity

1.1 Breakdown of net equity

At 30 June 2024, Banca Generali Group's net equity, inclusive of the net profit for the period, amounted to approximately 1,212 million euros and was broken down as follows:

(€ THOUSAND)	30.06.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Share capital	116,852	116,852	-	-
Share premium reserve	52,388	52,992	-604	-1.1%
Reserves	830,717	752,749	77,968	10.4%
(Treasury shares)	-77,367	-85,005	7,638	-9.0%
Valuation reserves	-272	-797	525	-65.9%
Equity instruments	50,000	50,000	-	-
Net profit (loss) for the period	239,559	326,136	-86,577	-26.5%
Consolidated net equity	**1,211,877**	**1,212,927**	**-1,050**	**-0.1%**
Net equity attributable to minority interests	-	338	-338	-100.0%
Banking Group net equity	**1,211,877**	**1,213,265**	**-1,388**	**-0.1%**

Net equity decreased by nearly 1.4 million euros, compared to the end of the previous year, due to the following changes:

(€ THOUSAND)	30.06.2024
Net equity at period-start	**1,213,265**
Reserve for prior year dividends	-245,210
Matured IFRS 2 reserves on own financial instruments	6,174
Change in OCI valuation reserves	311
Changes and dividends on AT1 equity instruments	-816
Consolidated net profit	239,559
Other changes	8
Change in ownership interests and net equity attributable to minority interests	-1,415
Net equity at period-end	**1,211,877**
Change	**-1,388**

The change 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.

In the second quarter of the year, the Bank exercised the call option to purchase the 9.9% minority interest still held by the original shareholders of BG Valeur, provided for in the 2019 purchase agreement and expiring in October. The transaction entailed an outlay of 1.4 million euros and had an impact on the Group's net equity of 1.1 million euros.

1.2 Valuation reserves

1.2.1 Breakdown of valuation reserves

At 30 June 2024, valuation reserves amounted to -0.3 million euros, up by +0.5 million euros compared to the end of 2023.

With regard to this item, fair value valuation reserves for the portfolio of financial assets measured at fair value through other comprehensive income (HTCS) showed a net increase of 1.8 million euros.

The 1.8 million euro decline in translation reserves referred to net foreign investment in CHF and was attributable to the depreciation of this currency compared to the all-time highs reached at the end of 2023.

	30.06.2024			31.12.2023	
(€ THOUSAND)	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
Valuation reserves – HTCS debt securities	611	-359	252	-1,937	2,189
Valuation reserves – OCI equity securities	644	-1,228	-584	-182	-402
Cash flow hedges	505	-56	449	-	449
Exchange differences	661	-	661	2,461	-1,800
Actuarial gains (losses) from defined benefit plans	1,890	-2,940	-1,050	-1,139	89
Total	**4,311**	**-4,583**	**-272**	**-797**	**525**

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

The 1.8 million euro increase in valuation reserves of the HTCS portfolio was due to the following factors:

1. a decline in net valuation capital gains totalling -0.6 million euros, of which -0.4 million euros referring to equity securities in foreign currencies, without transfer to the Profit and Loss Account;
2. the reduction of pre-existing net negative reserves on debt securities due to re-absorption through profit or loss upon realisation (3.4 million euros);
3. a negative net tax effect associated with the above changes and mainly resulting from net decreases in DTAs (-1.0 million euros).

	30.06.2024			
(€ THOUSAND)	CORPORATE	DEBT SECURITIES GOVERNMENT	EQUITY SECURITIES	TOTAL
1. Amount at period-start	**-488**	**-1,449**	**-182**	**-2,119**
Adjustment of opening balances	**-**	**-**	**-**	**-**
1. Amount at period-start	**-488**	**-1,449**	**-182**	**-2,119**
2. Increases	**652**	**3,724**	**26**	**4,402**
2.1 Fair value increases	362	442	-	804
2.2 Adjustments for credit risk	-	14	-	14
2.3 Transfer to Profit and Loss Account of negative reserves due to disposal	282	3,133	-	3,415
2.4 Other changes	8	135	26	169
3. Decreases	**235**	**1,952**	**428**	**2,615**
3.1 Fair value decreases	4	925	428	1,357
3.2 Reversals for credit risk	25	-	-	25
3.3 Transfer to Profit and Loss Account of positive reserves due to disposal	-	53	-	53
3.4 Other changes	206	974	-	1,180
4. Amount at period-end	**-71**	**323**	**-584**	**-332**

2. Own funds and regulatory capital ratios

In accordance with Circular No. 262 of 22 December 2005, 8th update of 17 November 2022, for the details of Own Funds and regulatory capital ratios, reference is made to the information regarding own funds and capital adequacy contained 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. Disclosure 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 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 activities include relationships referring to current accounts, the custody and administration of securities, stock brokerage and commercial portfolio collection.

As regard the distribution and offer of investment products, a number of agreements were established regarding the Financial Advisor 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.

In addition, as part of its normal operations, the Bank also maintains relationships pertaining to outsourcing of IT and administrative services, insurance and leasing relationships, as well as other minor relationships with Generali Group companies.

Transactions with related parties outside Generali Group are mostly confined to direct and indirect funding and lending activities to Key Managers (and their relatives) of the Bank and its Parent Company. These transactions are carried out at market conditions. 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 2024, nor were such transactions undertaken with parties other than related parties such as intragroup 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.

Transactions of greater importance

In the first half of 2024, no transactions qualifying as transactions of greater importance were effected.

Other significant transactions

In the first half of 2024, a transaction qualifying as a non-ordinary "transaction of lesser importance" (i.e., transactions of amounts exceeding the significance threshold, but below that of transactions of greater importance, as defined pursuant to the RPT Policy), entered into at non-market or non-standard conditions, was approved by the Board of Directors with a prior non-binding favourable opinion from the Internal Audit and Risk Committee. For further details, reference should be made to the dedicated chapter of the consolidated Director's Report on Operations.

1.2 Ordinary or recurring transactions

The developments of ordinary transactions with related parties for the first half of 2024 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	30.06.2024	31.12.2023	% WEIGHT 2024
Financial assets measured at fair value through profit or loss:	1,444	-	1,444	1,183	0.3%
c) other financial assets mandatorily measured at fair value	1,444	-	1,444	1,183	0.3%
Financial assets measured at amortised cost:	24,427	411	24,838	24,507	0.2%
b) loans to customers	24,427	411	24,838	24,507	0.3%
Equity investments	-	4,128	4,128	1,975	100.0%
Property, equipment and intangible assets	58,083	-	58,083	61,439	20.8%
Other assets	294	19	313	335	-
Total assets	**84,248**	**4,558**	**88,806**	**89,439**	**0.6%**
Financial liabilities measured at amortised cost:	372,155	6,637	378,792	521,949	3.0%
b) due to customers	372,155	6,637	378,792	521,949	3.1%
Tax liabilities (AG tax consolidation)	60,444	-	60,444	28,360	62.5%
Other liabilities	1,766	98	1,864	4,604	0.6%
Provisions for liabilities and contingencies	-	-	-	2,097	-
Equity instruments	50,000	-	50,000	50,000	100.0%
Total liabilities	**484,365**	**6,735**	**491,100**	**607,010**	**3.3%**
Guarantees issued	**3,797**	**88**	**3,885**	**4,273**	**4.6%**

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 84.2 million euros compared to the 87.1 million euros recognised at the end of 2023, equal to 0.6% 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 58.1 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 484.4 million euros, accounting for 3.3% of total liabilities, down by 115.5 million euros (-19.3%) compared to the end of the previous year, mainly due to the change in temporary liquidity in the Group companies' current accounts.

As a result of the introduction of IFRS 16 with effect from 1 January 2019, amounts due to customers included 62.3 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 (FVOCI)** claimed from the parent company refer to Assicurazioni Generali shares held in the corresponding portfolio of Banca Generali.

The item **Associates subject to joint control or significant influence** included the 19.9% interest held in the share capital of Nextam Partners Sim S.p.A. and the 19.9% interest in the share capital of BG Saxo Sim S.p.A. that was acquired on 31 October 2019. With regard to the latter, on 8 February 2024, Banca Generali's Board of Directors approved the revision of the strategic partnership with Saxo Bank S.A. that led to the acquisition of an additional 29.1% interest in BG Saxo Sim S.p.A.'s share capital, thus bringing the Bank's interest in the company to 49%.

The value of the equity investment in BG Saxo Sim S.p.A. amounted to 3.6 million euros at 30 June 2024.

Exposures to Generali Group companies recognised as **loans to customers** amounted to 24.4 million euros and refer to the following transactions:

COMPANY	RELATIONSHIP	TYPE OF TRANSACTION	30.06.2024 AMOUNT	30.06.2024 REVENUES	31.12.2023 AMOUNT	31.12.2023 REVENUES
Genertellife	Subsidiaries of AG Group	Operating loans	19,265	-	20,204	-
Assicurazioni Generali	Parent company	Operating loans	-	-	347	5
Other companies of Generali Group	Subsidiaries of AG Group	Operating loans	4,716	-	3,041	-
Other companies of Generali Group	Subsidiaries of AG Group	Medium/Long-term loans	446	14	528	31
Other exposures with Group companies	Subsidiaries of AG Group	Temporary current account exposures	-	36	5	32
			24,427	**50**	**24,125**	**68**

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 372.2 million euros at period-end compared to 516.9 million euros for the previous year and included amounts due to the parent company Assicurazioni Generali S.p.A. for 67.1 million euros, and amounts due to Generali Italia S.p.A. for 41.9 million euros, in addition to lease liabilities arising from the lease contracts for the administrative offices and the commercial network offices for 62.3 million euros.

Amounts due to 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 tax credits and the estimated IRES tax due at the end of the first half of 2024.

It should also be noted that on 23 December 2019 Banca Generali had 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 instruments in the issuer's financial statements. The issue was fully subscribed in private placement by two German insurance companies of 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.

On 24 June 2024, the coupon instalment amounting to 1,125 thousand euros was paid, following those already paid in the previous years.

In addition, a total of 3.9 million euro signature loans were issued to Generali Group companies, of which 0.3 million euros to Assicurazioni Generali S.p.A. and 3.5 million euros to Citylife S.p.A.

Profit and Loss Account data

At 30 June 2024, the profit and loss components recognised in the Financial Statements with regard to transactions with Generali Group companies amounted to 104.1 million euros, or 20.4% of operating profit before taxation.

(€ THOUSAND)	SUBSIDIARIES AND ASSOCIATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	30.06.2024	30.06.2023	% WEIGHT 2024
Interest income	50	6	56	30	-
Interest expense	-10,133	-75	-10,208	-5,599	7.9%
Net interest income	**-10,083**	**-69**	**-10,152**	**-5,569**	**-3.3%**
Fee income	125,536	1,336	126,872	131,968	13.0%
Fee expense	-685	-98	-783	-462	0.2%
Net fees	**124,851**	**1,238**	**126,089**	**131,506**	**26.2%**
Dividends	79	-	79	72	6.5%
Operating income	**114,847**	**1,169**	**116,016**	**126,009**	**14.4%**
Staff expenses	175	10	185	175	-0.1%
General and administrative expenses	-7,235	-	-7,235	-7,319	3.0%
Net adjustments/reversals of property and equipment	-3,751	-	-3,751	-4,014	9.4%
Other net operating income	29	-132	-103	85	-0.1%
Net operating expenses	**-10,782**	**-122**	**-10,904**	**-11,073**	**3.7%**
Operating result	**104,065**	**1,047**	**105,112**	**114,936**	**20.6%**
Gains (losses) from the disposal of investments and equity investments	-	108	108	-	-9.7%
Operating profit	**104,065**	**1,155**	**105,220**	**114,936**	**23.7%**
Net profit (loss) for the period	**104,065**	**1,155**	**105,220**	**114,936**	**32.3%**
Net profit (loss) for the period attributable to the Parent Company	**104,065**	**1,155**	**105,220**	**114,936**	**32.3%**

Net interest income accrued in dealings with companies of the Insurance Group was negative at 10.1 million euros overall, accounting for 3.3% of the total item recognised in the Profit and Loss Account.

Interest expense amounted to 10.1 million euros, equal to 7.8% of the total amount recognised in the Profit and Loss Account, and referred mainly to the interest expense on current accounts (9.4 million euros) and to interests accrued on the IFRS 16-related liability (0.7 million euros).

Fee income paid back by companies of the Insurance Group amounted to 125.5 million euros, equal to 12.8% of the aggregate amount and was broken down as follows:

	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	30.06.2024	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	30.06.2023	CHANGE	
							ABSOLUTE	%
Fees for the placement of UCITS	2,680	-	2,680	3,297	-	3,297	-617	-18.7%
Fees for distribution of insurance products	117,368	-	117,368	123,134	-	123,134	-5,766	-4.7%
Fees for distribution of discretionary mandates	690	-	690	19	-	19	671	n.a.
Advisory fees	4,760	-	4,760	4,425	-	4,425	335	7.6%
Other banking fees	38	1,336	1,374	35	1,058	1,093	281	25.7%
Total	**125,536**	**1,336**	**126,872**	**130,910**	**1,058**	**131,968**	**-5,096**	**-3.9%**

The most significant component consisted of fees for the **distribution of insurance products** paid back by **Genertellife**, reaching 117.4 million euros, down by 4.7% compared to the same period of the previous year.

Fees for 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 the first half of 2024 fee income for advisory services rendered to Alleanza Assicurazioni S.p.A., Generali Italia S.p.A. and GIAM SGR S.p.A. amounted to 4.8 million euros.

Other banking fees referred 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 recognised in relation to transactions with related parties of Generali Group amounted to 10.8 million euros, accounting for 3.7% of the aggregate total, and referred to outsourced services in the insurance, leasing, administrative and IT areas.

	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	30.06.2024	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	30.06.2023	CHANGE ABSOLUTE	CHANGE %
Insurance services	1,535	-	1,535	1,473	-	1,473	62	4.2%
Property services	149	-	149	237	-	237	-88	-37.1%
Administration, IT and logistics services	5,522	132	5,654	5,570	-46	5,524	130	2.4%
Staff services	-175	-10	-185	-166	-9	-175	-10	5.7%
Depreciation of RoUs (IFRS 16)	3,751	-	3,751	4,014	-	4,014	-263	-6.6%
Total administrative expenses	**10,782**	**122**	**10,904**	**11,128**	**-55**	**11,073**	**-169**	**-1.5%**

Following the introduction of IFRS 16, property services 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 1.5 million euros and mainly referred to insurance services.

Expenses relating to IT, administration and logistics related chiefly to services rendered by Generali Italia (formerly Generali Business Solution S.c.ar.l.) on the basis of current outsourcing agreements.

The 3.8 million euro value adjustments of property and equipment refers to the depreciation 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 account overdraft facilities and 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)	ASSOCIATES AND MANAGERS WITH STRATEGIC RESPONSIBILITIES
Loans to customers	18,399
Amounts due to customers	22,916
Interest income	381
Interest expense	-194
Fee income	2
Guarantees issued	60

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 **Wealth Management Operating Segment (WM Operating Segment)** 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 clients' assets.

The **Private Banking Operating Segment (PB Operating Segment)** 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 their 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 net income (loss) from trading activities 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 net 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 LTP (Liquidity Transfer Pricing) and attributed to the Corporate Center segment.

Performance fees have been directly allocated to the business areas that place the products. All the revenue components presented are measured using the same accounting standards adopted to prepare the Group's Consolidated Financial Statements so that segment data can be reconciled more easily with consolidated data.

Moreover, in 2024 a deep reorganisation of the Financial Advisor Network was launched, entailing:

i) the separation of the new Senior Partner Network, consisting of Financial Advisors with assets under management of more than 150 million euros and teams with assets under management of more than 350 million euros;
ii) the incorporation of the Private Banking and Wealth Management Networks into the new Private & Wealth Network, within the framework of which, however, the organisational structures of the former networks will retain their peculiarities, under the supervision of a new top management position, the Network Sales Manager, focused on local coordination and commercial guidance of the various network's Area Managers.

The network reorganisation is likely to led to a revision of the Bank's operating segments at Group level for reporting management purposes pursuant to IFRS 8.

To date, the fine-tuning activities instrumental to exactly defining the scope of the new networks, following reallocation of Financial Advisors, are still underway and the related operating segments are being redefined. Therefore, in order to provide a more consistent comparison with the same period of the previous year, the data reported below represents the structure in place up to 31 December 2023 on a like-for-like basis.

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	30.06.2024 PB OPERATING SEGMENT	30.06.2024 WM OPERATING SEGMENT	30.06.2024 CORPORATE CENTER	30.06.2024 TOTAL	30.06.2023 PB OPERATING SEGMENT	30.06.2023 WM OPERATING SEGMENT	30.06.2023 CORPORATE CENTER	30.06.2023 TOTAL
Net interest income	**123,906**	**49,804**	**-16,171**	**157,539**	**97,659**	**38,723**	**15,071**	**151,454**
Fee income	382,244	192,465	33,743	608,452	299,253	152,062	35,032	486,346
of which:								
- *underwriting*	*19,194*	*9,497*	*298*	*28,989*	*14,988*	*7,798*	*120*	*22,906*
- *management*	*264,278*	*134,709*	*20,046*	*419,033*	*252,722*	*126,042*	*21,948*	*400,712*
- *performance*	*62,785*	*27,814*	*3,387*	*93,985*	*3,381*	*1,705*	*2,530*	*7,616*
- *other*	*35,988*	*20,445*	*10,013*	*66,445*	*28,162*	*16,516*	*10,434*	*55,112*
Fee expense	-177,961	-94,521	-8,332	-280,814	-164,631	-83,910	-6,916	-255,458
of which:								
- *incentives*	*-4,310*	*-2,942*	*-*	*-7,252*	*-6,195*	*-1,059*	*-*	*-7,254*
Net fees	**204,283**	**97,944**	**25,411**	**327,638**	**134,621**	**68,151**	**28,115**	**230,888**
Net income (loss) from trading activities and dividends	-	-	9,117	9,117	-	-	9,816	9,816
Net banking income	**328,189**	**147,747**	**18,357**	**494,294**	**232,281**	**106,875**	**53,003**	**392,159**
Staff expenses	-	-	-	-65,236	-	-	-	-59,913
Other general and administrative expenses	-	-	-	-116,770	-	-	-	-100,796
Adjustments of property, equipment and intangible assets	-	-	-	-20,034	-	-	-	-19,220
Other operating expenses/income	-	-	-	55,264	-	-	-	46,809
Net operating expenses	**-**	**-**	**-**	**-146,776**	**-**	**-**	**-**	**-133,121**
Operating result	**-**	**-**	**-**	**347,518**	**-**	**-**	**-**	**259,038**
Adjustments of other assets	-	-	-	773	-	-	-	-561
Net provisions	-	-	-	-30,206	-	-	-	-18,707
Gains (losses) from investments and equity investments	-	-	-	108	-	-	-	-94
Operating profit before taxation	**-**	**-**	**-**	**318,193**	**-**	**-**	**-**	**239,676**
Income taxes - operating activities	-	-	-	-78,634	-	-	-	-64,672
Profit (loss) from HFS assets	-	-	-	-	-	-	-	-
Net profit (loss) for the period attributable to minority interests	-	-	-	-	-	-	-	-48
Net profit	**-**	**-**	**-**	**239,559**	**-**	**-**	**-**	**175,051**

(€ MILLION)	30.06.2024				30.06.2023			
Assets Under Management	61,476	36,280	6,660	104,415	55,120	32,343	5,719	93,182
Net inflows	2,244	1,394	n.a.	3,638	2,112	1,158	n.a.	3,269
No. of FAs/RMs	1,924	403	n.a.	2,327	1,849	401	n.a.	2,250

(1) The financial data in the segment reporting are stated in accordance with the management approach, reclassifying fee provisions to the item Fee expense.

Trieste, 25 July 2024

The Board of Directors

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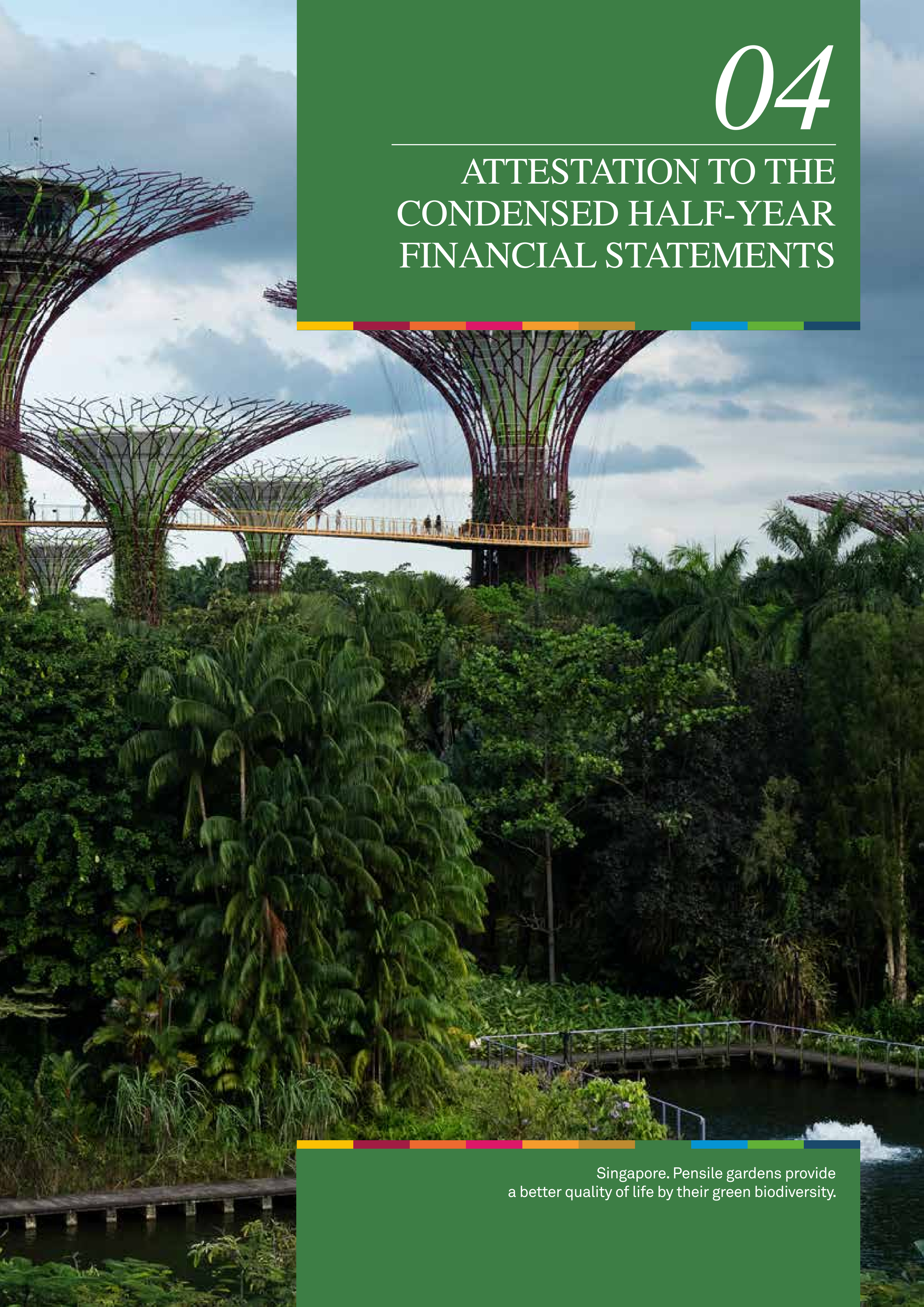


04

ATTESTATION TO THE CONDENSED HALF-YEAR FINANCIAL STATEMENTS

Singapore. Pensile gardens provide
a better quality of life by their green biodiversity.

Attestation to the Condensed Half-Year Financial Statements Pursuant to Article 81-*ter* of Consob Regulation 11971 Dated 14 May 1999, as Further Amended and Extended

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 2024

   - 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 2024 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 2024:

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, 25 July 2024

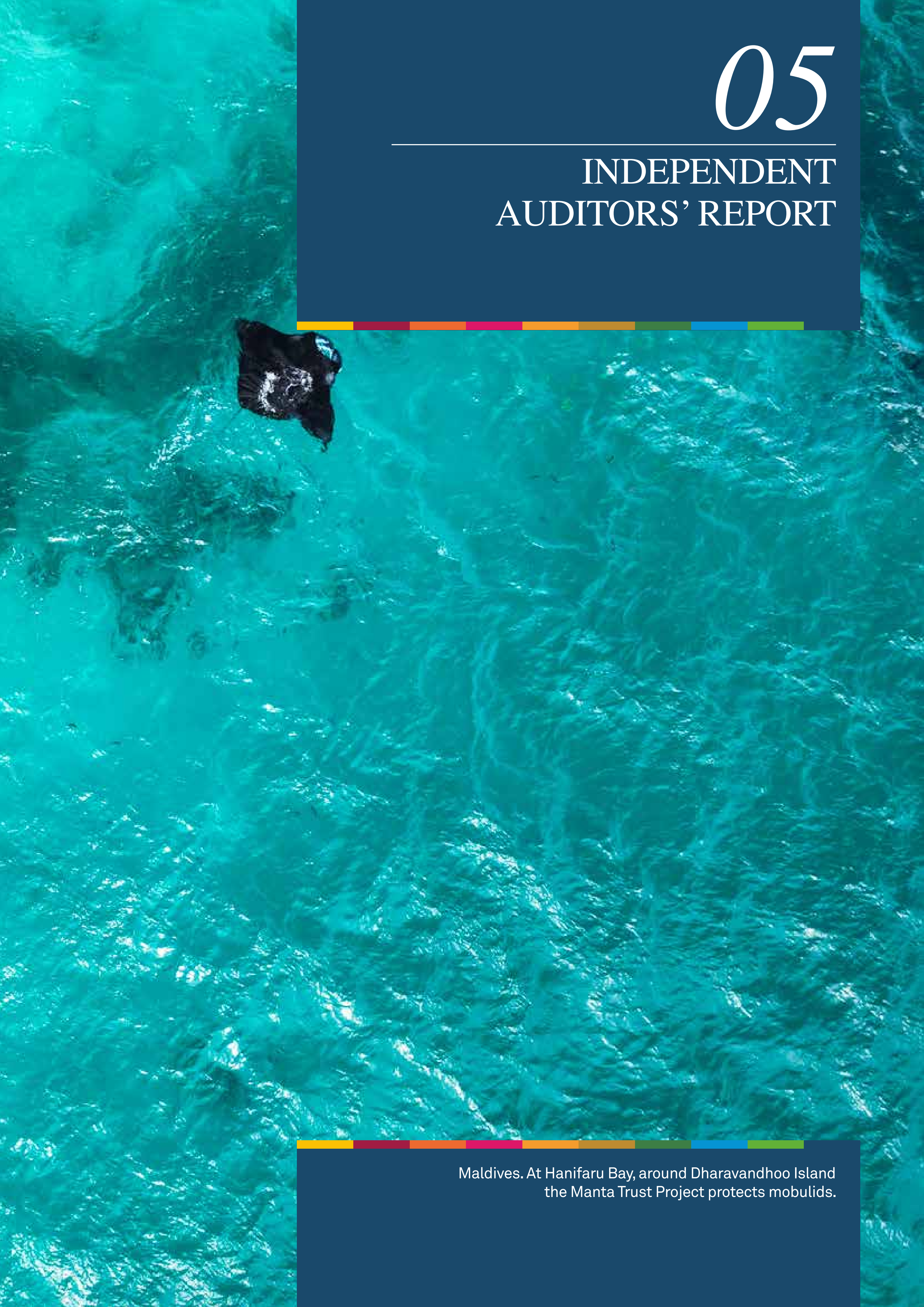
Dott. Gian Maria Mossa
Chief Executive Officer

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



Maldives. At Hanifaru Bay, around Dharavandhoo Island the Manta Trust Project protects mobulids.

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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 and comments thereto, as at and for the six months ended June 30, 2024. 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, 2024

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, 2024 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 5, 2024

KPMG S.p.A.

(signed on the original)

Pietro Dalle Vedove
Director of Audit

06
ANNEXES

Haiti. Street school in Port-au-Prince.

ANNEX 1 - RECONCILIATION BETWEEN OFFICIAL AND RECLASSIFIED STATEMENTS

RECONCILIATION BETWEEN THE RECLASSIFIED CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED BALANCE SHEET

RECLASSIFIED CONSOLIDATED BALANCE SHEET ITEMS – ASSETS	CONSOLIDATED BALANCE SHEET ITEMS – ASSETS	30.06.2024	31.12.2023
Financial assets at fair value through profit or loss		**509,549**	**509,407**
	Item 20. Financial assets measured at fair value through profit or loss	509,549	509,407
Financial assets at fair value through other comprehensive income		**863,071**	**1,000,936**
	Item 30. Financial assets measured at fair value through other comprehensive income	863,071	1,000,936
Financial assets measured at amortised cost		**12,263,218**	**12,905,455**
a) Loans to banks		**2,796,855**	**2,846,425**
	Item 40.a) Financial assets measured at amortised cost – loans to banks	2,311,797	2,257,391
	Item 10. (partial) Demand deposits with central banks and banks	485,058	589,034
b) Loans to customers		**9,466,363**	**10,059,030**
	Item 40.b) Financial assets measured at amortised cost – loans to customers	9,466,363	10,059,030
Hedging derivatives		**183,118**	**161,955**
	Item 50. Hedging derivatives	183,118	161,955
Equity investments		**4,128**	**1,975**
	Item 70. Equity investments	4,128	1,975
Property, equipment and intangible assets		**279,682**	**292,054**
	Item 90. Property and equipment	136,915	141,433
	Item 100. Intangible assets	142,767	150,621
Tax assets		**101,534**	**108,113**
	Item 110. Tax assets	101,534	108,113
Other assets		**542,083**	**537,267**
	Item 10. Cash and deposits	514,441	618,973
	Item 10 (partial) Demand deposits with central banks	-485,058	-589,034
	Item 60. Adjustment of financial assets subject to macro-hedging (+\-)	-	-
	Item 130. Other assets	512,700	507,328
HFS assets		**-**	**-**
	Item 120. Non-current assets available for sale and disposal groups	-	-
Total assets	**Total Assets**	**14,746,383**	**15,517,162**

RECLASSIFIED CONSOLIDATED BALANCE SHEET ITEMS – LIABILITIES AND NET EQUITY	CONSOLIDATED BALANCE SHEET ITEMS – LIABILITIES AND NET EQUITY	30.06.2024	31.12.2023
Financial liabilities measured at amortised cost		**12,743,908**	**13,503,015**
a) Due to banks		**327,398**	**231,684**
	Item 10.a) Financial liabilities measured at amortised cost – due to banks	327,398	231,684
b) Due to customers		**12,416,510**	**13,271,331**
	Item 10.b) Financial liabilities measured at amortised cost – due to customers	12,416,510	13,271,331
Financial liabilities held for trading and hedging		**122,701**	**132,821**
	Item 20. Financial liabilities held for trading	-	159
	Item 40. Hedging derivatives	122,701	132,662
Tax liabilities		**96,736**	**46,088**
	Item 60. Tax liabilities	96,736	46,088
Liabilities associated with disposal groups		**-**	**-**
	Item 70. Liabilities associated with disposal groups	-	-
Other liabilities		**304,249**	**353,037**
	Item 80. Other liabilities	304,249	353,037
Special purpose provisions		**266,912**	**268,936**
	Item 90. Provisions for termination indemnity	3,419	3,772
	Item 100. Provisions for liabilities and contingencies	263,493	265,164
Valuation reserves		**-272**	**-797**
	Item 120. Valuation reserves	-272	-797
Equity instruments		**50,000**	**50,000**
	Item 140. Equity instruments	50,000	50,000
Reserves		**830,717**	**752,749**
	Item 150. Reserves	830,717	752,749
Share premium reserve		**52,388**	**52,992**
	Item 160. Share premium reserve	52,388	52,992
Share capital		**116,852**	**116,852**
	Item 170. Share capital	116,852	116,852
Treasury shares (-)		**-77,367**	**-85,005**
	Item 180. Treasury shares (-)	-77,367	-85,005
Net equity attributable to minority interests		**-**	**338**
	Item 190. Net equity attributable to minority interests (+/-)	-	338
Net profit (loss) for the period (+/-)		**239,559**	**326,136**
	Item 200. Net profit (loss) for the period	239,559	326,136
Total liabilities	**Total Liabilities and Net Equity**	**14,746,383**	**15,517,162**

RECONCILIATION BETWEEN THE RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	30.06.2024	30.06.2023
Net interest		**157,539**	**151,454**
	Item 30. Net interest income	157,539	151,454
Net income (loss) from trading activities and dividends		**9,117**	**9,816**
	Item 70. Dividends and similar income	1,309	1,215
	Item 80. Net income (loss) from trading activities	3,583	1,187
	Item 90. Net income (loss) from hedging	437	418
	Item 100. Gains (losses) on disposal/repurchase of financial assets measured at fair value through other comprehensive income	1,807	4,880
	Item 110. Net gains (losses) of other financial assets and liabilities measured at fair value through profit and loss	1,981	2,116
Net financial income		**166,656**	**161,270**
Recurring fee income		514,467	478,781
	Item 40. Fee income	608,452	486,346
	(Minus) Item 40. (partial) Variable fee income	-93,985	-7,565
Fee expense		-280,814	-255,458
	Item 50. Fee expense	-273,562	-248,204
	Plus: Item 200. (partial) Provisions for fee plans	-7,252	-7,254
Net recurring fees		**233,653**	**223,323**
Variable fee income		93,985	7,565
	Plus: Item 40. (partial) Variable fee income	93,985	7,565
Net fees		**327,638**	**230,888**
Net banking income		**494,294**	**392,158**
Staff expenses		**-65,236**	**-59,913**
	Item 190.a) Staff expenses	-65,236	-59,913
Other general and administrative expenses		**-57,362**	**-54,775**
	Item 190.b) Other general and administrative expenses	-116,770	-100,796
	(Minus) Item 190.b) (partial) Charges related to the banking system	10,192	5,845
	(Minus) Item 230. (partial) Recovery of indirect and direct taxes	49,216	40,176

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	30.06.2024	30.06.2023
Net adjustments of property, equipment and intangible assets		**-20,034**	**-19,220**
	Item 210. Net adjustments/reversals of property and equipment	-11,946	-11,919
	Item 220. Net adjustments/reversals of intangible assets	-8,088	-7,301
Other operating expenses/income		**6,048**	**6,632**
	Item 230. Other operating expenses/income	55,264	46,808
	(Minus) Item 230. (partial) Recovery of indirect and direct taxes	-49,216	-40,176
Net operating expenses		**-136,584**	**-127,276**
Operating result		**357,710**	**264,882**
Net adjustments to non-performing loans		**773**	**-560**
	Item 130. Net adjustments/reversals for credit risk	773	-560
Net provisions		**-30,206**	**-18,707**
	Item 200. Net provisions for liabilities and contingencies	-37,458	-25,961
	(Minus) Item 200. (partial) Provisions for fee plans	7,252	7,254
Contributions and charges related to the banking system		**-10,192**	**-5,845**
	Plus: Item 190.b) (partial) Charges related to the banking system	-10,192	-5,845
Gains (losses) from investments and equity investments		**108**	**-95**
	Item 250. Gains (losses) from equity investments	108	-84
	Item 280. Gains (losses) on disposal of investments	0	-11
Operating profit before taxation		**318,193**	**239,675**
Income taxes for the period from operating activities		-78,634	-64,672
	Item 300. Income taxes for the period from operating activities	-78,634	-64,672
Net profit (loss) for the period		**239,559**	**175,003**
Net profit (loss) attributable to minority interests		**-**	**-48**
	Item 340. Net profit (loss) for the period attributable to minority interests	-	-48
Net profit (loss) for the period attributable to the Parent Company		**239,559**	**175,051**

Banca Generali S.p.A.

Registered office
Via Machiavelli 4 - 34132 Trieste

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

Tax code and Trieste register
of companies: 00833240328
VAT 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 Banca Generali Banking Group
registered with the banking group register
ABI code 03075.9

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