INTERIM REPORT

2024

AT 30 SEPTEMBER 2024

TIME TO CHANGE






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.



Interim Report
at 30 September 2024

BOARD OF DIRECTORS
7 NOVEMBER 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.
Administration and Control Bodies

Board of Directors - 7 November 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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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

GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS

(€ MILLION)	30.09.2024	30.09.2023	CHANGE %
Net interest income	237.3	228.1	4.1
Net financial income	**247.9**	**241.0**	**2.9**
Net fees	475.5	348.0	36.6
Net banking income	723.4	589.0	22.8
Net operating expenses [(a)]	-210.5	-193.5	8.8
of which: staff expenses	-100.0	-90.3	10.7
Operating result	512.9	395.5	29.7
Provisions and charges related to the banking system [(a)] and other one-off charges	-61.1	-45.1	35.4
Adjustments to non-performing loans	0.9	-1.0	-193.7
Profit before taxation	452.6	349.1	29.6
Net profit	338.6	255.1	32.7

PERFORMANCE INDICATORS

	30.09.2024	30.09.2023	CHANGE %
Cost/income ratio [(a)] [(b)]	29.1%	32.9%	-11.4
Operating costs/Total assets – annualised [(c)]	0.28%	0.29%	-4.4
EBTDA [(a)]	543.4	424.5	28.0
ROE [(d)]	34.4%	30.9%	11.2
ROA [(e)]	0.45%	0.38%	16.7
EPS - Earnings per share (euros)	2.97	2.24	32.9

NET INFLOWS

(€ MILLION)	30.09.2024	30.09.2023	CHANGE %
Assets under Investment	**2,032**	**887**	**129.1**
Funds and Sicavs	214	289	-26.0
of which: in-house funds	*640*	*410*	*56.1*
Financial wrappers	1,049	525	99.8
Insurance wrappers	195	28	596.4
Managed solutions	**1,458**	**842**	**73.2**
Traditional life insurance policies	27	-1,291	-102.1
AUC & Banking under Advisory	547	1,336	-59.1
Other assets	**2,702**	**3,457**	**-21.8**
Assets under Custody	2,148	4,825	-55.5
Deposits	554	-1,368	-140.5
Total	**4,734**	**4,344**	**9.0**

(a) For a greater understanding of operating performance, mandatory contributions (of both an ordinary and extraordinary nature) paid to the Italian Interbank Deposit Protection Fund, the European Single Resolution Fund and Italian National Resolution Fund have been reclassified from the 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 period-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 period.
(e) Ratio of net result for the period to period-end exact total client assets within Assoreti's scope and total client assets within the Swiss market, annualised.

TOTAL CLIENT ASSETS

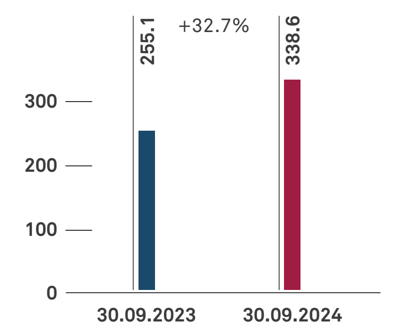
(€ BILLION)	30.09.2024	31.12.2023	CHANGE %
Assets under Investment (f)	**67.7**	**62.9**	**7.6**
Funds and Sicavs	23.7	22.0	7.8
of which: in-house funds	*11.4*	*10.1*	*13.2*
Financial wrappers	12.1	10.5	14.5
Insurance wrappers	11.3	10.6	6.2
Managed solutions	**47.0**	**43.1**	**9.0**
Traditional life insurance policies	14.5	14.3	1.5
AUC & Banking under Advisory	6.1	5.5	12.0
Other assets (f)	33.3	29.9	11.4
Assets under Custody	22.9	20.0	14.2
Deposits	10.4	9.9	5.6
Total (c)	**101.0**	**92.8**	**8.8**

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

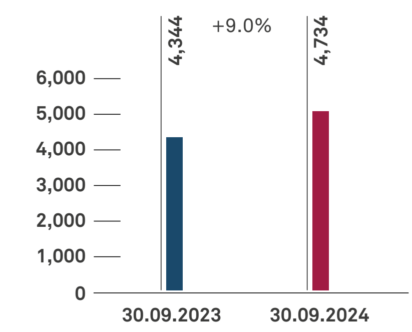
NET EQUITY

	30.09.2024	31.12.2023	CHANGE %
Net equity (€ million)	1,414.7	1,213.3	16.6
Own funds (€ million)	1,010.4	839.7	20.3
Excess capital (€ million)	539.0	294.8	82.8
Total Capital Ratio	26.5%	19.0%	39.9

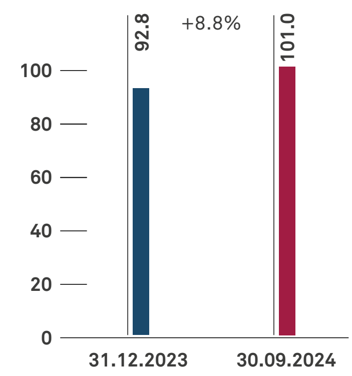
NET PROFIT
(€ million)



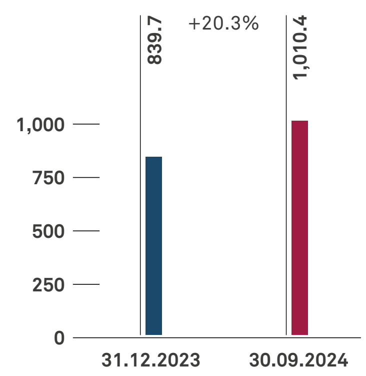
NET INFLOWS
(€ million)



TOTAL CLIENT ASSETS
(€ billion)



OWN FUNDS
(€ million)



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CONSOLIDATED FINANCIAL STATEMENTS

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

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

ASSETS

(€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial assets at fair value through profit or loss	509,118	509,407	-289	-0.1%
Financial assets at fair value through other comprehensive income	1,049,938	1,000,936	49,002	4.9%
Financial assets measured at amortised cost:	12,965,478	12,905,455	60,023	0.5%
a) loans to banks (*)	3,382,793	2,846,425	536,368	18.8%
b) loans to customers	9,582,685	10,059,030	-476,345	-4.7%
Hedging derivatives	144,462	161,955	-17,493	-10.8%
Equity investments	3,842	1,975	1,867	94.5%
Property, equipment and intangible assets	270,424	292,054	-21,630	-7.4%
Tax assets	106,108	108,113	-2,005	-1.9%
Other assets	560,237	537,267	22,970	4.3%
Total assets	**15,609,607**	**15,517,162**	**92,445**	**0.6%**

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

LIABILITIES AND NET EQUITY

(€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial liabilities measured at amortised cost:	13,390,289	13,503,015	-112,726	-0.8%
a) due to banks	333,233	231,684	101,549	43.8%
b) due to customers	13,057,056	13,271,331	-214,275	-1.6%
Financial liabilities held for trading and hedging	151,544	132,821	18,723	14.1%
Tax liabilities	49,850	46,088	3,762	8.2%
Other liabilities	318,823	353,037	-34,214	-9.7%
Special purpose provisions	284,417	268,936	15,481	5.8%
Valuation reserves	9,263	-797	10,060	n.a.
Equity instruments	150,000	50,000	100,000	200.0%
Reserves	834,847	752,749	82,098	10.9%
Share premium reserve	52,392	52,992	-600	-1.1%
Share capital	116,852	116,852	-	-
Treasury shares (-)	-87,282	-85,005	-2,277	2.7%
Net equity attributable to minority interests	-	338	-338	-100.0%
Net profit (loss) for the period (+/-)	338,612	326,136	12,476	3.8%
Total liabilities and net equity	**15,609,607**	**15,517,162**	**92,445**	**0.6%**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

ITEMS (€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Net interest income	237,346	228,080	9,266	4.1%
Net income (loss) from trading activities and dividends	10,540	12,882	-2,342	-18.2%
Net financial income	**247,886**	**240,962**	**6,924**	**2.9%**
Recurring fee income	771,983	716,778	55,205	7.7%
Fee expense	-418,662	-379,108	-39,554	10.4%
Net recurring fees	**353,321**	**337,670**	**15,651**	**4.6%**
Variable fee income	122,192	10,338	111,854	n.a.
Net fees	**475,513**	**348,008**	**127,505**	**36.6%**
Net banking income	**723,399**	**588,970**	**134,429**	**22.8%**
Staff expenses	-99,950	-90,306	-9,644	10.7%
Other general and administrative expenses (net of duty recoveries)	-87,806	-82,054	-5,752	7.0%
Net adjustments of property, equipment and intangible assets	-30,474	-29,038	-1,436	4.9%
Other operating expenses/income	7,733	7,882	-149	-1.9%
Net operating expenses	**-210,497**	**-193,516**	**-16,981**	**8.8%**
Operating result	**512,902**	**395,454**	**117,448**	**29.7%**
Net adjustments to non-performing loans	924	-986	1,910	-193.7%
Net provisions for liabilities and contingencies	-49,053	-27,319	-21,734	79.6%
Contributions and charges related to the banking and insurance system	-12,067	-17,809	5,742	-32.2%
Gains (losses) from equity investments valued at equity	-106	-240	134	-55.8%
Operating profit before taxation	**452,600**	**349,100**	**103,500**	**29.6%**
Income taxes for the period	-113,988	-94,042	-19,946	21.2%
Net profit attributable to minority interests	-	-43	43	-100.0%
Net profit	**338,612**	**255,101**	**83,511**	**32.7%**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ITEMS (€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Net profit	**338,612**	**255,058**	**83,554**	**32.8%**
Other income, net of income taxes:				
With transfer to Profit and Loss Account:				
Exchange differences	-683	-232	-451	194.4%
Financial assets measured at fair value through other comprehensive income	5,537	4,717	820	17.4%
Cash flow hedges	6,165	-	6,165	n.a.
Without transfer to Profit and Loss Account:				
Financial assets measured at fair value through other comprehensive income	-550	787	-1,337	-169.9%
Actuarial gains (losses) from defined benefit plans	-623	-565	-58	10.3%
Total other income, net of taxes	**9,846**	**4,707**	**5,139**	**109.2%**
Comprehensive income	**348,458**	**259,765**	**88,693**	**34.1%**
Consolidated comprehensive income attributable to minority interests	-213	-75	-138	183.6%
Consolidated comprehensive income attributable to the Group	**348,672**	**259,840**	**88,831**	**34.2%**

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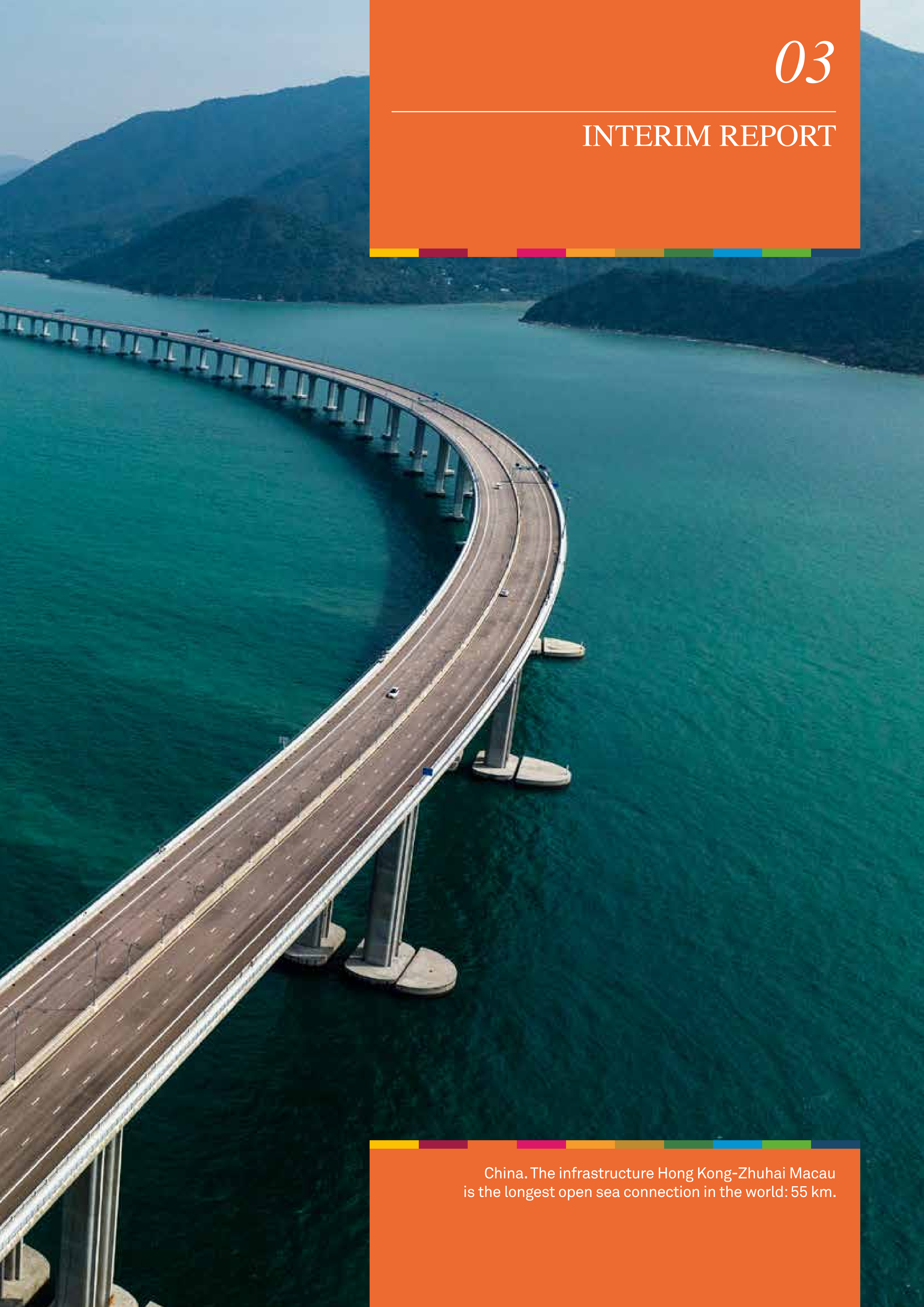
INTERIM REPORT



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

1. Summary of Operations for the First Nine Months of 2024

Banca Generali Group closed the first nine months of 2024 with **consolidated net profit of 338.6 million euros**, sharply up compared to the same period of 2023 (+32.7%), driven by the surge in non-recurring net profit, which reached 81.9 million euros thanks to the recovery of performance fees. **Recurring net profit** amounted to 256.7 million euros, consolidating the excellent result of the previous year (249.9 million euros).

This result benefited from the Bank's ongoing business expansion, which exceeded 100 billion euro **total assets at the end of the period (101.0 billion euros; +8.8% 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 **723.4 million euros** compared to 589.0 million euros for the first nine months of 2023 (22.8%). The significant increase was driven by the higher **net financial income** (247.9 million euros; +2.9%), the good performance of **net recurring fees** (353.3 million euros; +4.6%) and the sharp rise in **variable fees**, which amounted to 122.2 million euros, thanks to the excellent performance of the UCITS managed by the Banking Group.

Operating expenses amounted to **210.5 million euros** (+8.8% YoY), including 7.1 million euro one-off charges, thus confirming the Bank's operational efficiency. **Core**[1] **operating expenses** totalled **185.5 million euros**, up 6.4% in line with the Plan's projections.
This aggregate included 8.9 million euros charges generated by the launch of BG Suisse (4.8 million euros in 2023) and 3.0 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 2.3%.
Operating efficiency indicators remained at excellent levels: the ratio of **total costs to total assets** stood at 28 bps, down also thanks to the performance of total assets; the **cost/income ratio**, adjusted for non-recurring items, thus reached 33.8% compared to 32.8% for the same period of the previous year.

Provisions, contributions and charges related to the banking system and **net adjustments** amounted to **60.2 million euros**, up by **14.1 million euros** compared to the first nine months of 2023 (+30.5%), as a result of higher provisions for liabilities and contingencies (+21.7 million euros) partly offset by the end of the initial period for the constitution of the deposit protection funds that, following the end of contributions to the Single Resolution Fund (SRF), regarded the last annual contribution (-7.6 million euros) to the Italian Interbank Deposit Protection Fund (FITD).
Provisions also included 1.9 million euros allocated as an estimate of the contribution to the new Guarantee Fund for the Life Insurance Sector, currently being established, accrued in the first nine months of 2024.
The change in this item was mainly attributable to the increase in provisions for contractual indemnities for the Financial Advisor Network (+11.6 million euros), which were mainly impacted by the alignment of discount rates used to measure actuarial provisions, with a net impact of 8.6 million euros.

Operating profit before taxation was 452.6 million euros, up 103.5 million euros compared to the same period of the previous year (+29.6%).

At the end of the first nine months of 2024, total consolidated assets amounted to 15.6 billion euros, slightly up compared to the end of 2023 (+0.6%).
Core loans thus totalled 14.5 billion euros, up 0.1 billion euros (+0.8%) compared to the end of 2023.
Total net inflows reached 13.4 billion euros, declining slightly by a little more than 0.1 billion euros (-0.8% compared to the end of 2023), essentially offset by the issue of a new 100 million euro AT1 equity instrument, fully subscribed by companies of the Insurance Group. Overall, the deleveraging efforts that the Bank had implemented in the first half of 2024 and had led to a sharp decrease in repurchase agreements were fully expensed.

[1] Operating expenses, net of non-recurring items, amounting to 7.1 million euros (3.5 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 17.9 million euros (15.6 million euros in 2023).

The **banking book financial assets** amounted to 10.6 billion euros (-1.3% compared to the end of 2023), of which nearly 95% invested in bonds. In this regard, in order to stabilise future yields, the fixed-rate bond component was increased to 56% of the total (49% at the end of 2023) and duration was extended to 1.3 years (1.2 years at year-end 2023), whereas maturity remained stable at 3.7 years.
Exposures composed of loans to customers reached 2.1 billion euros (-7.2% compared to year-end 2023).

Net interbank position stood at 1.2 billion euros, sharply up compared to 2023 (+40.2%) and to the end of the first half of the year (+45.9%), mainly as a result of the rebound of deposits with the ECB (+260 million euros) and the recovery of repurchase agreement transactions.

With reference to **capital requirements**, the Bank confirmed the soundness of its regulatory aggregates. CET1 ratio was **22.6%** and Total Capital ratio rose to **26.5%, also as a result of the issue of the new AT1 equity instrument**. These ratios were above the specific requirements set by the Bank of Italy for the Group (i.e., CET1 ratio at 8.08% and Total Capital Ratio at 12.38%) for the SREP – Supervisory Review and Evaluation.

Net inflows reached **4.7 billion euros** (+9.0% compared to the same period of 2023), thus confirming the gradual improvement in the product mix to the benefit of AUM products. Net inflows from **Assets under Investment** rose to **2.0 billion euros** for the period, more than double the previous year's result. This good performance was chiefly driven by managed solutions (**1.5 billion euros** YTD; +73% YoY). Among these, worth of mention was the contribution of wrappers, which catalysed **1.2 billion euro** net inflows (+125% YoY), and that of in-house funds, amounting to 640 million euros (+56% YoY). The latter benefitted from the recent revision and expansion of the products offered. Net inflows from **Other assets** amounted to **2.7 billion euros** for the first nine months of the year, also thanks to an increase in deposits (**554 million euros** YTD) compared to the previous year (1.4 billion euro net outflows) linked to the gradual normalisation of interest rates, an acceleration in the acquisition of new clients and a higher turnover linked to bonds reaching maturity.

At the end of September, **assets under advisory** reached **10.4 billion euros**, markedly up (+17% compared to the same period of 2023) and with a 10.3% ratio to total client assets.

The Group's **total client assets** stood at **101.0 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 5.4 billion euros in funds and Sicavs distributed directly by BGFML, for an overall total of **107.5 billion euros**.

Intermonte Voluntary Tender Offer

On 16 September 2024, Banca Generali launched a voluntary tender offer in cash aimed at acquiring all the ordinary shares of Intermonte Partners SIM S.p.A. ("Intermonte") for a consideration of 3.04 euros per each share including a premium of 24.0% with respect to the average performance of the previous three months. In the event of full acceptance by all shareholders, the maximum consideration to be paid will be equal to 98.2 million euros.
To date, Banca Generali has received commitments to accept the Offer in respect of approximately 69% of the Issuer's share capital.
The Offer aims to collect at least 90% of Intermonte shares, with the intention to delist the shares. Banca Generali aims to integrate Intermonte — a leading independent broker with a leadership position in the Italian market and thirty years of consolidated experience and success — into its Banking Group.
Intermonte stands out for its quality in its areas of activity — Negotiation & Trading, Global Markets, Investment Banking, Digital Division & Advisory and Research — which are complementary and synergistic to Banca Generali's activity and its private banking positioning, in particular with reference to entrepreneurs and small and medium-sized enterprises (SMEs). This transaction is part of the plan to strengthen Banca Generali's growth with the objective to create value for all stakeholders by further differentiating its market positioning from that of its peers by developing increasingly distinctive professional skills focused on wealth protection and advisory.

2. Macroeconomic Context

In the third quarter of 2024, the main global equity indexes recorded positive performances. In particular, US equity markets achieved new all-time highs. In the quarter, emerging countries outperformed developed countries, also driven by China's market rally in the second half of September.

The macroeconomic context was characterised by solid economic growth at around 3% in the US, whereas the Eurozone showed some signs of a further economic cooling, particularly in Germany. By contrast, inflation continued to normalise in both the US and Europe, stabilising at around 2.5% and 2%, respectively. Worth of mention in the quarter was the August's volatility spike following US labour market data that raised concerns that the FED might have been delaying the start of its rate cuts. Within that context, large-cap tech stocks linked to AI, which until then had led the stock market rises, experienced the most severe correction.
Equity markets then fully recovered the drawdown, ending the quarter in positive territory, boosted by the FED's 50 bps cut in September compared to the 25 bps expected by analysts.
Furthermore, geopolitical tensions further exacerbated in the Middle East, with Israel engaged not only in Gaza, but also on a double front with Iran and Lebanon. However, this situation did not particularly destabilise the markets, which remained more focused on macroeconomic growth data and inflation.

Over the period, investors' expectations about central banks' next moves changed several times. At the end of the quarter, the market was still pricing in two rate cuts by the ECB and more than two rate cuts by the FED by the end of the year.

Against this backdrop, long duration securities, especially government bonds, posted returns. The yield of German ten-year bonds went from 2.5% at mid-year to about 2.1%, while the yield of ten-year Treasuries declined by approximately 60 bps, closing the period at around 3.8%.

The BTP-Bund spread stood at 132 bps, down from about 150 bps at mid-year, not far from the low for the period of 127 bps.

With regard to spread-based products, both IG and HY corporate issues and financial issues benefited from a high carry and a positive macroeconomic context. In general, the spreads of the aforementioned asset classes remained virtually unchanged during the third quarter.

In September, the yield to maturity of investment-grade issues stood at around 3.5%, while that of high-yield securities continued to near 6%, thus offering attractive returns, given that a period of lower interest rates will kick in and will likely benefit corporates.

With regard to the good stock market performance, emerging countries outperformed developed country markets thanks to the excellent performance of the Chinese stock market. The MSCI China returned around 17% in euro terms, outperforming both the US and European indices (around +1% and +2.9%, respectively, in euro). The Chinese market rose by over 30 percentage points from its lows following the joint announcement by the government and China's central bank of both fiscal and monetary stimulus to support the economy in order to meet the 5% annual growth target.

At sector level, utilities and industrial companies recorded the best performance, also as a result of the start of the central banks' monetary easing cycle. The European financial sector also delivered positive returns (+5%), with banks continuing to benefit from higher interest rates than in the past. At global level, energy (-7% in euro terms) and information technology (-2.5% in euro terms) underperformed the other sectors.

With regard to currencies, over the third quarter of the year the euro strengthened against the dollar (+4.5%), with the euro/dollar exchange rate at around 1.12 at the end of September. This movement was due to the monetary policy decisions of the respective central banks, with the FED being more dovish than the ECB so far. The yen gained about 11.6% against the dollar, following the narrowing of the interest rate differential between the Fed and BOJ. This variation came after a historic depreciation of the Japanese yen that had brought it to its lows for more than 30 years.

In the third quarter of 2024, the general commodity index remained essentially stable in a highly volatile context, despite a sharp decline at the beginning of the period, then followed by a full recovery of prior losses. However, significant uncertainties remain regarding the resilience of the global economic cycle.
The energy commodity sector was particularly weak, with the oil segment weighed down by fears of a possible reversal of supply cuts by the OPEC Plus oil-producing countries. The precious metals sector was positive, including in relative terms, supported — particularly as regards gold — by expectations of future interest rate cuts.

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 eight months of 2024 with net inflows of 6.8 billion euros, mainly thanks to the contribution of bond funds, which benefited from market trends and high interest rates in the first half of the year. These inflows offset net outflows from flexible, equity and balanced funds.

Assets under management amounted to 1,387 billion euros in August 2024 (net of assets invested in collective management solutions), of which 1,232 billion euros (89%) was invested in open-ended funds and 155 billion euros in retail portfolio management solutions.

Long-term funds accounted for almost all open-ended funds (91.7% in August 2024). These funds included the following categories:

- bond funds (35.0% of total assets or 431.5 billion euros) with +33.8 billion euro net inflows in the first eight months of the year;
- equity funds (31.7% of total assets or 390.9 billion euros), with net outflows of approximately -11.2 billion euros;
- flexible funds (14.5% of total assets or 179.1 billion euros), with net outflows of -12.1 billion euros;
- balanced funds (10.3% of total assets or 127.0 billion euros), with year-to-date net outflows of -14.0 billion euros;
- hedge funds (0.1% of total assets or 0.8 billion euros), with year-to-date net outflows of -0.05 billion euros.

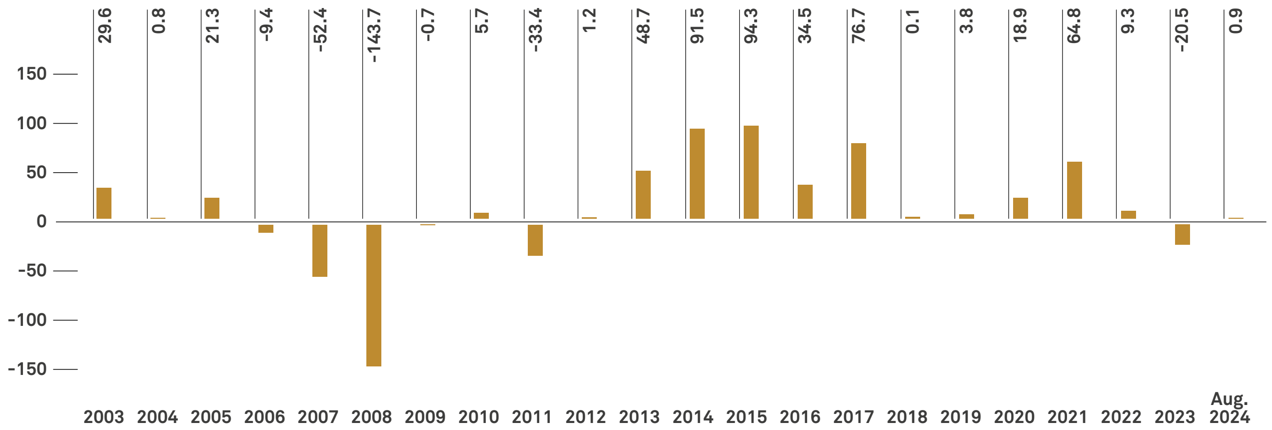
Money-market funds amounted to 46.0 billion euros (3.7% of total open-ended funds), with year-to-date total net inflows of 2.1 billion euros. In addition, 56.3 billion euros was invested in unclassified funds.

EVOLUTION OF NET INFLOWS AND ASSETS UNDER MANAGEMENT

	NET INFLOWS		ASSETS	
(€ MILLION)	AUGUST 2024 YTD	AUGUST 2023 YTD	AUGUST 2024 YTD	AUGUST 2023 YTD
Italian funds	10,107	3,094	272,645	240,002
Foreign funds	-9,162	-13,781	958,954	871,637
Total open-ended funds	**945**	**-10,687**	**1,231,599**	**1,111,639**
GP retail	**5,835**	**3,019**	**155,229**	**152,574**
Total	**6,780**	**-7,668**	**1,386,828**	**1,264,213**

Source: Assogestioni data.

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



Source: Assogestioni data.

3.2 The Assoreti market

Net inflows amounted to +31.7 billion euros in the first eight months of 2024, with a +1.4 billion euro increase (+4.6%) compared to the same period of the previous year.
Net inflows from assets under management stood at +9.8 billion euros, significantly up compared to the same period of the previous year, driven by customers' growing interest for these types of solutions. In this segment, the contribution of mutual funds and Sicavs was +6.7 billion euros, whereas that of discretionary mandates was +3.1 billion euros.
Net inflows from insurance products stood at +3.4 billion euros, markedly recovering compared to the negative performance of the first eight months of 2023.
Net inflows from assets under administration closed on a positive note (+18.6 billion euros), albeit significantly declining compared to the particularly good result for the same period of the previous year (-34.0%). This item included +0.2 billion euro net inflows from liquidity and +18.3 billion euro net inflows from assets under custody.

NET INFLOWS - ASSORETI MARKET

	ASSORETI MARKET		CHANGE	
(€ MILLION)	AUGUST 2024 YTD	AUGUST 2023 YTD	EURO	%
Assets under management	9,813	5,028	4,785	95.2%
Insurance products	3,360	-2,835	6,195	n.s.
Assets under administration	18,559	28,135	-9,576	-34.0%
Total	**31,733**	**30,328**	**1,405**	**4.6%**

Source: Assoreti data.

3.3 Banca Generali

In the first nine months of 2024, Banca Generali's net inflows totalled 4.7 billion euros, up 9% compared to the same period of the previous year.

The net inflow mix improved markedly thanks to the increase in demand for investment products and services (Assets under Investment), which grew to 2 billion euros for the reporting period (0.9 billion euros in September 2023). The first nine months of the year were characterised by the customers' interest in managed solutions and insurance wrappers, which recorded 1.5 billion euro net inflows overall, sharply up compared to 0.8 billion euros in September 2023.

Among managed solutions, worth of mention were discretionary mandates (+1.0 billion euros, essentially doubled compared to 2023) and the renewed interest for insurance wrappers, which recorded net inflows of +195 million euros, up compared to 28 million euros at the end of September 2023. Traditional life insurance policies also grew significantly compared to 2023, with net inflows returning to positive territory.

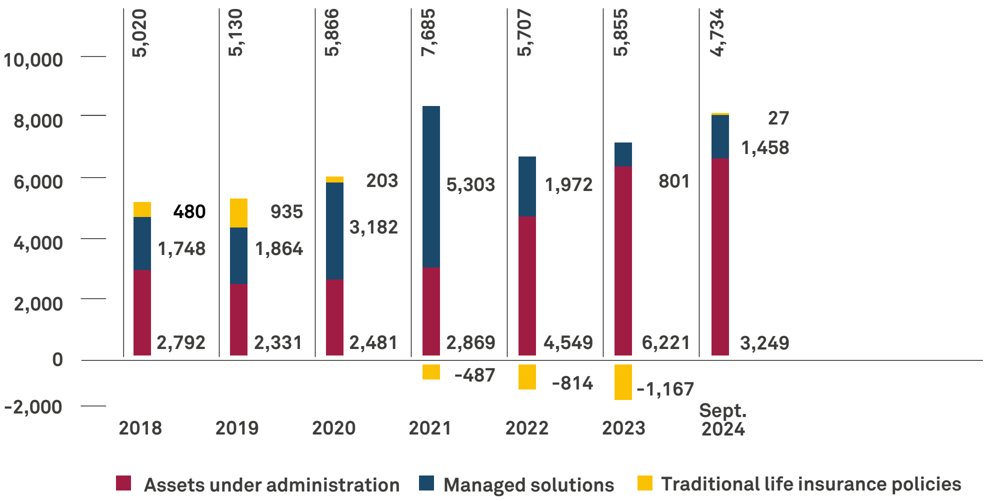
The market context, characterised by interest rates that remained high for most of the year, continued to drive demand for assets under administration, which however normalised compared to the record levels reported in the previous year. Net inflows from AUC & Banking under Advisory amounted to 547 million euros compared to 1.3 billion euros for the same period of the previous year (-59%). Albeit remaining at excellent levels (2.7 billion euros), other assets (Assets under Custody and deposits) declined sharply compared to 3.5 billion euros for 2023 (-22%), mainly due to a lower demand for assets under administration.

BANCA GENERALI'S NET INFLOWS

	BG GROUP		CHANGES VS 30.09.2023	
(€ MILLION)	30.09.2024	30.09.2023	AMOUNT	%
Assets under Investment	**2,032**	**887**	**1,145**	***129.1%***
Managed solutions	**1,458**	**842**	**616**	***73.2%***
Funds and Sicavs	214	289	-75	-26.0%
of which:				
– *in-house funds*	*640*	*410*	*230*	*56.1%*
– *third-party funds*	*-426*	*-121*	*-305*	*-252.1%*
Financial wrappers	1,049	525	524	99.8%
Insurance wrappers	195	28	167	596.4%
Traditional life insurance policies	**27**	**-1,291**	**1,318**	**n.s.**
AUC & Banking under Advisory	**547**	**1,336**	**-789**	**-59.1%**
Other assets	**2,702**	**3,457**	**-755**	**-21.8%**
Assets under Custody	2,148	4,825	-2,677	-55.5%
Deposits	554	-1,368	1,922	n.s.
Total	**4,734**	**4,344**	**390**	**9.0%**

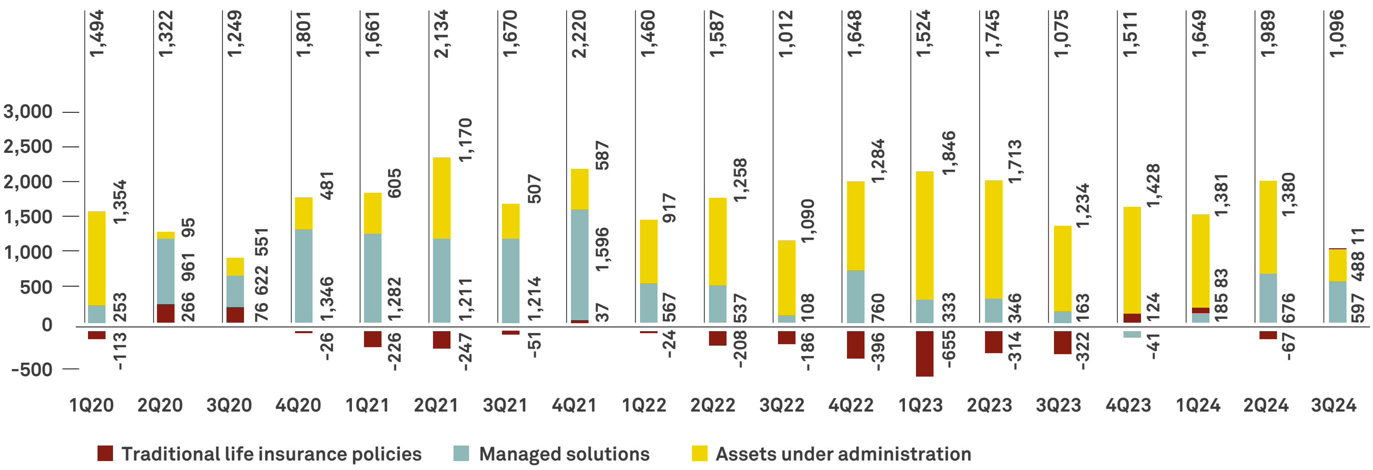
Note: overall reported figure for the Swiss market.

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 nine months of 2024, net inflows from assets under administration continued to perform well, although declining sharply compared to the same period of 2023. Managed solutions grew sharply and net inflows from traditional life insurance policies remained at positive levels throughout 2024 (+27 million euros in September 2024 vs -1.3 billion euros in September 2023).

BREAKDOWN OF QUARTERLY NET INFLOWS (€ MILLION)



BANCA GENERALI'S TOTAL CLIENT ASSETS (ASSORETI)

	BG GROUP		CHANGES VS 31.12.2023	
(€ MILLION)	30.09.2024	31.12.2023	AMOUNT	%
Assets Under Investment	**66,823**	**62,038**	**4,785**	**7.7%**
Managed solutions	**46,164**	**42,254**	**3,909**	**9.3%**
Funds and Sicavs	23,682	21,975	1,707	7.8%
Financial wrappers	11,218	9,676	1,542	15.9%
Insurance wrappers	11,264	10,603	661	6.2%
Traditional life insurance policies	**14,535**	**14,314**	**221**	1.5%
AUC & Banking under Advisory	**6,124**	**5,469**	**655**	12.0%
Other assets	**33,108**	**29,762**	**3,346**	**11.2%**
Assets under Custody	22,668	19,865	2,802	14.1%
Deposits	10,440	9,897	544	5.5%
Total client assets	**99,931**	**91,800**	**8,132**	**8.9%**

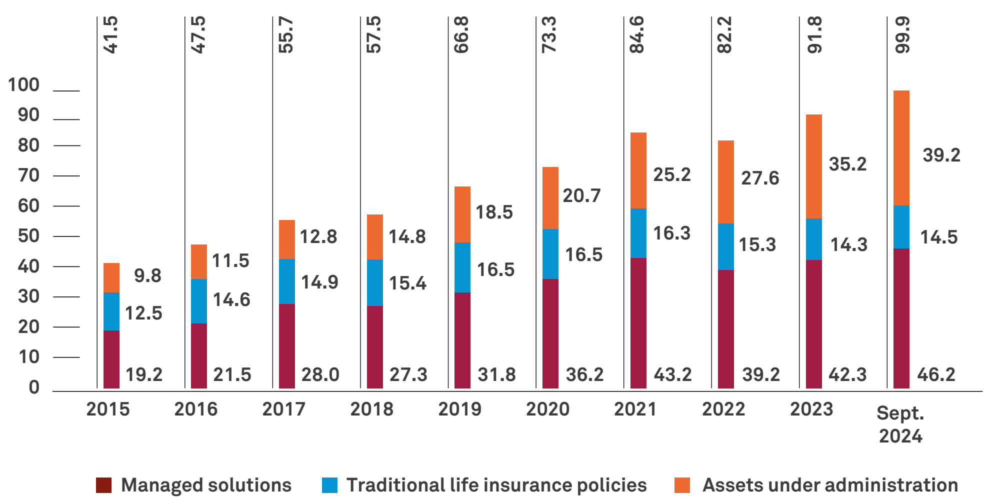
At 30 September 2024, Banca Generali's total client assets (excluding BG Valeur and BG Suisse) amounted to 99.9 billion euros (+8.9%), with managed solutions remaining the main component of its asset mix, accounting for 46.2% of total assets. Traditional life insurance policies accounted for 14.5% of the total, slightly declining compared to year-end 2023. AUC & Banking under Advisory increased moderately, accounting for 6.1% of total assets (6.0% at year-end 2023).

All asset classes grew compared to the end of 2023: assets under management rose by +9.3%, AUC & Banking under Advisory by +12.0% and traditional life insurance policies by +1.5%.

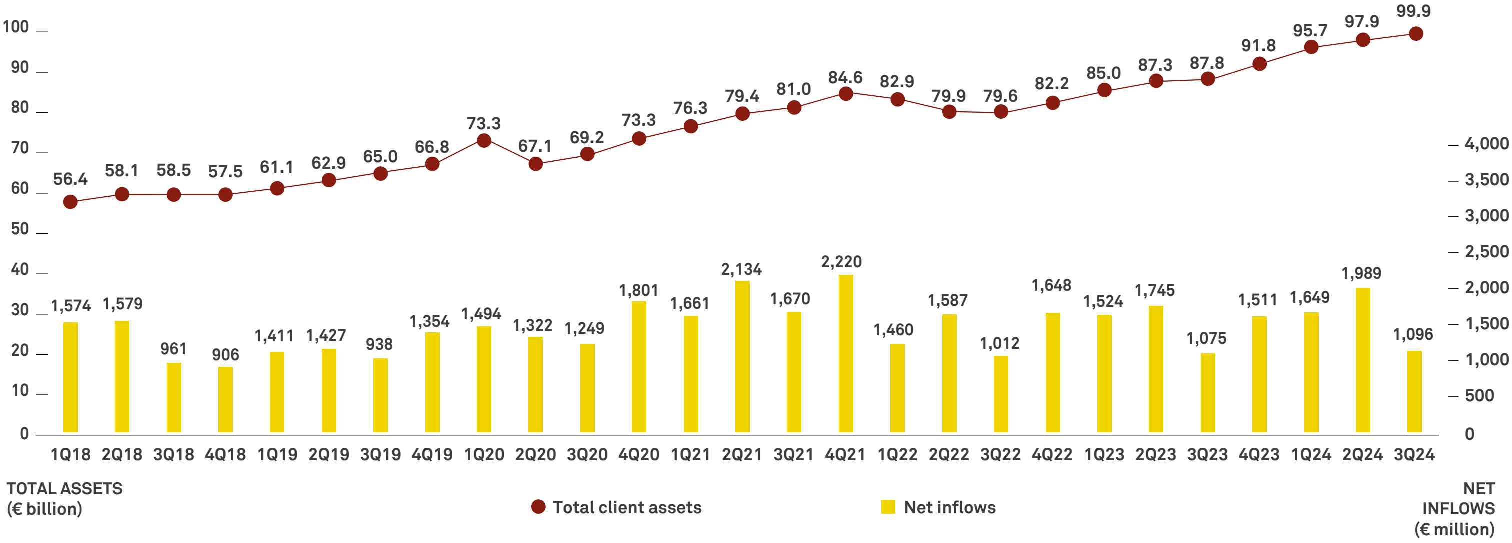
Banca Generali's total client assets evolution

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



4. Operating Result[2]

Banca Generali Group closed the third quarter of 2024 with a **consolidated net profit of 338.6 million euros**, sharply up compared to the third quarter of 2023 (+32.7%), driven by the surge in non-recurring net profit, which reached 81.9 million euros thanks to the recovery of performance fees. **Recurring net profit** amounted to 256.7 million euros, consolidating the 2023 excellent result (249.9 million euros).

This result benefited from the Bank's ongoing business expansion, which exceeded 100 billion euro **total assets at the end of the period (101.0 billion euros; +8.8% 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.

			CHANGE	
(€ THOUSAND)	30.09.2024	30.09.2023	AMOUNT	%
Net interest income	237,346	228,080	9,266	4.1%
Net income (loss) from trading activities and dividends	10,540	12,882	-2,342	-18.2%
Net financial income	**247,886**	**240,962**	**6,924**	**2.9%**
Recurring fee income	771,983	716,778	55,205	7.7%
Fee expense	-418,662	-379,108	-39,554	10.4%
Net recurring fees	**353,321**	**337,670**	**15,651**	**4.6%**
Variable fee income	122,192	10,338	111,854	n.a.
Net fees	**475,513**	**348,008**	**127,505**	**36.6%**
Net banking income	**723,399**	**588,970**	**134,429**	**22.8%**
Staff expenses	-99,950	-90,306	-9,644	10.7%
Other general and administrative expenses (net of duty recoveries)	-87,806	-82,054	-5,752	7.0%
Net adjustments of property, equipment and intangible assets	-30,474	-29,038	-1,436	4.9%
Other operating expenses/income	7,733	7,882	-149	-1.9%
Net operating expenses	**-210,497**	**-193,516**	**-16,981**	**8.8%**
Operating result	**512,902**	**395,454**	**117,448**	**29.7%**
Net adjustments to non-performing loans	924	-986	1,910	-193.7%
Net provisions for liabilities and contingencies	-49,053	-27,319	-21,734	79.6%
Contributions and charges related to the banking and insurance system	-12,067	-17,809	5,742	-32.2%
Gains (losses) from equity investments valued at equity	-106	-240	134	-55.8%
Operating profit before taxation	**452,600**	**349,100**	**103,500**	**29.6%**
Income taxes for the period	-113,988	-94,042	-19,946	21.2%
Net profit attributable to minority interests	-	-43	43	-100.0%
Net profit	**338,612**	**255,101**	**83,511**	**32.7%**

[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 11.1 million euros in 2024 and 9.6 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 74.2 million euros in 2024 and 60.2 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 and the European Single Resolution Fund), 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 **723.4 million euros**, up 22.8% as a result of the following factors:

- the increase in **net financial income** (247.9 million euros; +2.9%), 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, in order to stabilise future yields, the fixed-rate bond component was increased to 56% of the total (49% at the end of 2023) and duration was extended to 1.3 years (1.2 years at year-end 2023), whereas maturity remained stable at 3.7 years;
- the good performance of **gross recurring fees** (772.0 million euros; +7.7%), which strengthened the recovery trend already observed in the previous year, driven in particular by:
  - the rise in **investment fees**[3] (672.6 million euros; +5.9%), which, as a result of a modest change in traditional gross management fees (635.7 million euros; +5.2%), nonetheless benefited from the acceleration of the advisory component (36.9 million euros; +21.7%);
  - the growth of **other recurring fees** (99.4 million euros; +21.3%) thanks to the excellent performance of certificate placement and of customers' trading activities;
- the sharp increase in **variable fees**, which reached 122.2 million euros thanks to the excellent performance of the UCITS managed by the Banking Group.

Operating expenses amounted to **210.5 million euros** (+8.8% YoY), including 7.1 million euro one-off charges, thus confirming the Bank's operational efficiency. **Core**[4] **operating expenses** totalled **185.5 million euros**, up 6.4% in line with the Plan's projections.
This aggregate included 8.9 million euros charges generated by the launch of BG Suisse (4.8 million euros in 2023) and 3.0 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 2.3%.

Operating efficiency indicators remained at excellent levels: the ratio of **total costs to total assets** stood at 28 bps, down also thanks to the performance of total assets; the **cost/income ratio**, adjusted for non-recurring items, thus reached 33.8% compared to 32.8% for the same period of the previous year.

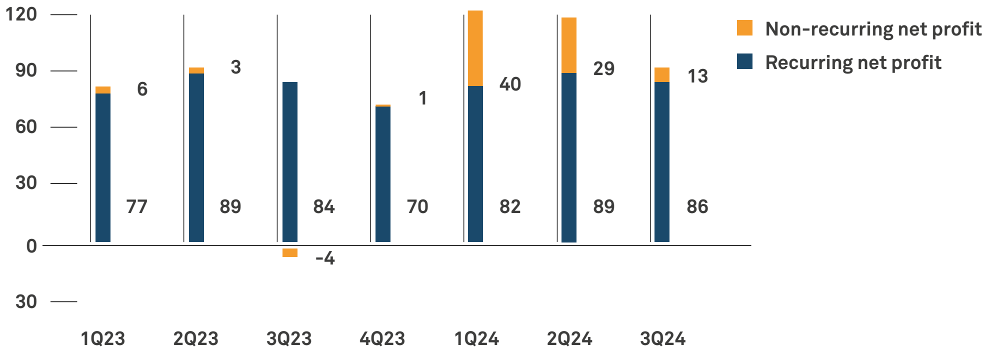
Provisions, contributions and charges related to the banking system and **net adjustments** amounted to **60.2 million euros**, up by **14.1 million euros** compared to the first nine months of 2023 (+30.5%), as a result of higher provisions for liabilities and contingencies (+21.7 million euros) partly offset by the end of the initial period for the constitution of the deposit protection funds that, following the end of contributions to the Single Resolution Fund (SRF), regarded the last annual contribution (-7.6 million euros) to the Italian Interbank Deposit Protection Fund (FITD).
Provisions also included 1.9 million euros allocated as an estimate of the contribution to the new Guarantee Fund for the Life Insurance Sector, currently being established, accrued in the first nine months of 2024.
The change in this item was mainly attributable to the increase in provisions for contractual indemnities for the Financial Advisor Network (+11.6 million euros), which were mainly impacted by the alignment of discount rates used to measure actuarial provisions, with a net impact of 8.6 million euros.

Operating profit before taxation was 452.6 million euros, up 103.5 million euros compared to the same period of the previous year (+29.6%).

The **tax burden** for the period was **114.0 million euros**, with an overall tax rate of 25.2%, down compared to 26.9% 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 advanced advisory fees linked to the BG Personal Advisory (BGPA) service. This definition reflects the new approaches in terms of regulatory provisions.
[4] Operating expenses, net of non-recurring items, amounting to 7.1 million euros (3.5 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 17.9 million euros (15.6 million euros in 2023).

QUARTERLY NET PROFIT (€ MILLION)



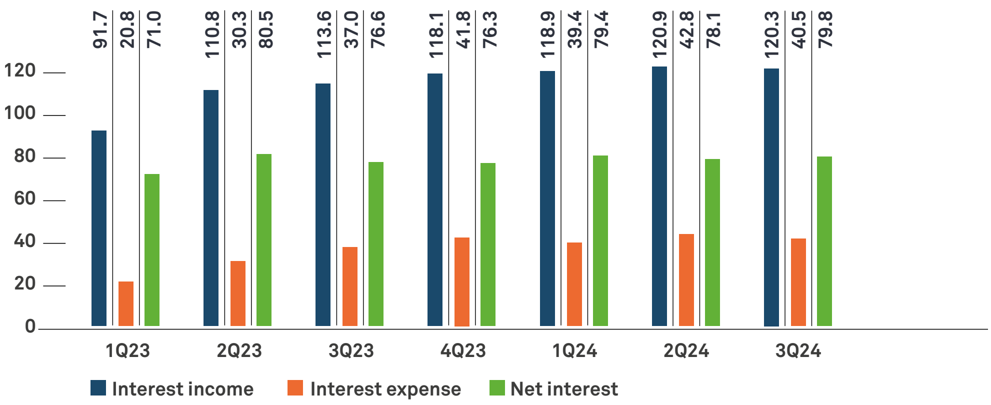
QUARTERLY EVOLUTION OF THE PROFIT AND LOSS ACCOUNT

(€ THOUSAND)	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
Net interest income	79,807	78,092	79,447	76,320	76,626	80,502	70,952
Net income (loss) from trading activities and dividends	1,423	4,650	4,467	4,061	3,066	5,860	3,956
Net financial income	**81,230**	**82,742**	**83,914**	**80,381**	**79,692**	**86,362**	**74,908**
Recurring fee income	257,516	257,638	256,829	241,244	237,997	240,668	238,113
Fee expense	-137,848	-142,292	-138,522	-131,303	-123,650	-130,602	-124,856
Net recurring fees	**119,668**	**115,346**	**118,307**	**109,941**	**114,347**	**110,066**	**113,257**
Variable fee income	28,207	39,561	54,424	8,887	2,773	2,558	5,007
Net fees	**147,875**	**154,907**	**172,731**	**118,828**	**117,120**	**112,624**	**118,264**
Net banking income	**229,105**	**237,649**	**256,645**	**199,209**	**196,812**	**198,986**	**193,172**
Staff expenses	-34,714	-33,045	-32,191	-34,065	-30,393	-30,200	-29,713
Other general and administrative expenses	-30,444	-28,901	-28,461	-40,856	-27,279	-28,675	-26,100
Net adjustments of property, equipment and intangible assets	-10,440	-10,173	-9,861	-10,688	-9,818	-9,820	-9,400
Other operating income/expenses	1,685	3,792	2,256	2,402	1,250	5,091	1,541
Net operating expenses	**-73,913**	**-68,327**	**-68,257**	**-83,207**	**-66,240**	**-63,604**	**-63,672**
Operating result	**155,192**	**169,322**	**188,388**	**116,002**	**130,572**	**135,382**	**129,500**
Net adjustments to non-performing loans	151	-653	1,426	458	-426	-1,715	1,155
Net provisions	-18,847	-11,546	-18,660	-22,525	-8,612	-8,478	-10,229
Contributions and charges related to the banking system	-1,875	158	-10,350	1,681	-11,964	155	-6,000
Gains (losses) from equity investments valued at equity	-214	-43	151	-869	-145	-92	-3
Operating profit before taxation	**134,407**	**157,238**	**160,955**	**94,747**	**109,425**	**125,252**	**114,423**
Income taxes for the period	-35,354	-39,646	-38,988	-23,727	-29,370	-33,283	-31,389
Net profit attributable to minority interests	-	-	-	-15	5	-11	-37
Net profit	**99,053**	**117,592**	**121,967**	**71,035**	**80,050**	**91,980**	**83,071**

4.1 Net interest income

At the end of the third quarter of 2024, net interest income amounted to 237.3 million euros, up 9.3 million euros (+4.1%) compared to the same period of the previous year, driven by interest rates that remained 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 14.8% (+31.9 million euros) against an 8.3% decrease in the average loan volume.
The average yield of the bond portfolio stood at around 334 bps in the reporting period, sharply up compared both to 265 bps for the first nine months 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 (56.0% of the total).

Interest on loans to customers, most of which are benchmarked on the Euribor, grew by 3.0% (+2.2 million euros), despite a 10.8% decline in the average loan volume, driven by an increase in the average loan rates, which went from just above 410 bps for the first nine months of 2023 to nearly 480 bps.

With regard to exposures to banks, interest income increased by 10.1 million euros, mainly as a result of transactions with the ECB, namely overnight deposits and the minimum reserve[5] (+6.9 million euros).

The cost of funding went from 88.1 million euros at the end of the first nine months of 2023 to 122.7 million euros (+39.3%) as a consequence of the swift surge in interest expense, recognised on net inflows from customers' current account deposits and benchmarked on Euribor (+50.5 million euros; +124.5%) partly offset by a marked decline in interest on repurchase agreement transactions with banks and customers (-15.8 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 1.1 billion euros, sharply decreasing compared to the same period of the previous year (2.0 billion euros), largely offset by the expansion of net inflows from current account deposits and term deposits.

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

NET INTEREST INCOME

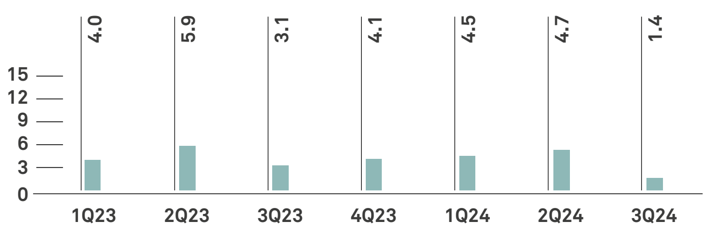
(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Financial assets measured at fair value through profit or loss	85	80	5	6.3%
Financial assets measured at fair value through other comprehensive income (*)	24,504	12,658	11,846	93.6%
Financial assets measured at amortised cost (*)	223,202	203,163	20,039	9.9%
Total financial assets	**247,791**	**215,901**	**31,890**	**14.8%**
Loans to banks	16,005	12,858	3,147	24.5%
Loans to the ECB and the Italian NCB	18,469	11,525	6,944	60.3%
Loans to customers	77,794	75,558	2,236	3.0%
Hedging derivatives	-39	-	-39	n.a.
Other assets	-	301	-301	-100.0%
Total interest income	**360,020**	**316,143**	**43,877**	**13.9%**
Due to banks	935	957	-22	-2.3%
Repurchase agreements – banks	5,874	12,827	-6,953	-54.2%
Due to customers	91,084	40,579	50,505	124.5%
Repurchase agreements - customers	22,286	31,153	-8,867	-28.5%
IFRS 16-related financial liabilities	2,495	2,547	-52	-2.0%
Total interest expense	**122,674**	**88,063**	**34,611**	**39.3%**
Net interest income	**237,346**	**228,080**	**9,266**	**4.1%**

(*) 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 nine months of 2024, the aggregate was positive for 10.5 million euros, slightly declining compared to the same period of the previous year.

NET RESULT OF FINANCIAL OPERATIONS

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Dividends and income on UCITS	**1,309**	**1,215**	**94**	**7.7%**
Securities transactions	65	208	-143	-68.8%
Currency and currency derivative transactions	5,038	2,537	2,501	98.6%
Net income (loss) from trading activities	**5,103**	**2,745**	**2,358**	**85.9%**
Equity securities and UCITS	1,805	2,301	-496	-21.6%
Debt securities	-23	12	-35	n.a.
Financial Advisors' policies and other financial assets	263	59	204	n.a.
Net income (loss) on assets measured at fair value through profit or loss	**2,045**	**2,372**	**-327**	**-13.8%**
Net income (loss) from hedging	**-87**	**2,244**	**-2,331**	**-103.9%**
Gains (losses) from disposal on HTC and HTCS debt securities	**2,170**	**4,306**	**-2,136**	**-49.6%**
Net result of financial operations	**10,540**	**12,882**	**-2,342**	**-18.2%**

Net income from **trading activities** amounted to 5.1 million euros, chiefly driven by the contribution of currency operations.
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, as a result of 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 2.2 million euros, mostly attributable to the turnover of the HTC portfolio.

4.3 Fee income

Fee income totalled **894.2 million euros**, markedly up compared to the same period of 2023 (+23.0%) owing both to the expansion of **recurring fees** (+7.7%) and the significant leap of **variable fees** (+111.9 million euros).

FEE INCOME

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Management fees	635,656	604,490	31,166	5.2%
BGPA advisory fees	36,900	30,316	6,584	21.7%
Recurring investment fees	**672,556**	**634,806**	**37,750**	**5.9%**
Underwriting fees	37,929	29,992	7,937	26.5%
Fees for other services	61,498	51,980	9,518	18.3%
Other recurring fees	**99,427**	**81,972**	**17,455**	**21.3%**
Total recurring fees	**771,983**	**716,778**	**55,205**	**7.7%**
Performance fees	122,192	10,338	111,854	n.a.
Total fee income	**894,175**	**727,116**	**167,059**	**23.0%**

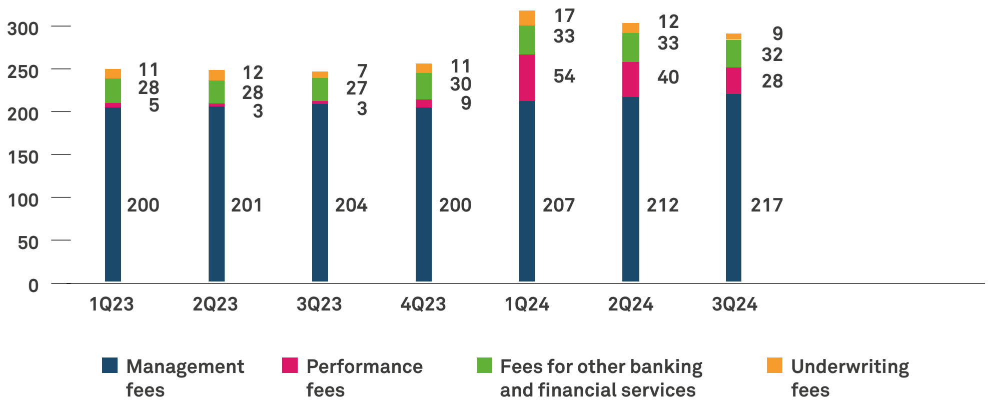
The new aggregate of **investment fees** includes both management fees and BG Personal Advisory (BGPA) advisory fees and amounted to **672.6 million euros**, up compared to the same period of the previous year (+5.9%). It benefited from the robust growth of the advisory component (6.6 million euros; +21.7%), in addition to traditional gross management fees.

With regard to recurring fees, **management fees** rose modestly compared to the previous year (+5.2%) thanks to the increase in average total assets managed (+7,8%[6]) compared to the same period of 2023, despite a still subdued performance of the insurance segment.

Underwriting fees (+26.5%) confirmed the positive trend that had begun in the previous year, thanks to the excellent performance of the **certificate** placement activity (+8.0 million euros; +51.5%) and the sharp recovery in fees for the placement of UCITS (+4.3 million euros; +65.3%), only partly offset by a slight decline in bond placements (-4.5 million euros; -56.4%).

Fees for other services, of a banking and financial nature, net of BGPA advisory fees, grew by 18.3% mainly thanks to the income generated by retail brokerage (+27.6%).

BREAKDOWN OF FEE INCOME (€ MILLION)



Fee income from the solicitation of investment and asset management of households reached 795.8 million euros and, net of the aforementioned non-recurring component, reported a good performance compared to the previous year (+6.2%).

ASSET MANAGEMENT FEE INCOME

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
1. Collective portfolio management	381,770	252,844	128,926	51.0%
2. Individual portfolio management	95,391	79,247	16,144	20.4%
Fees for portfolio management	**477,161**	**332,091**	**145,070**	**43.7%**
1. Placement of UCITS	109,786	102,405	7,381	7.2%
– *of which: UCITS promoted by the Group*	*6,101*	*3,667*	*2,434*	*66.4%*
2. Placement of bonds and equity securities	28,232	24,575	3,657	14.9%
– *of which: certificates*	*23,542*	*15,541*	*8,001*	*51.5%*
3. Distribution of third-party asset management products (GPM/GPF, pension funds)	1,176	982	194	19.8%
4. Distribution of third-party insurance products	179,096	184,359	-5,263	-2.9%
5. Distribution of other third-party financial products	326	408	-82	-20.1%
Fees for the placement and distribution of financial services	**318,616**	**312,729**	**5,887**	**1.9%**
Asset management fee income	**795,777**	**644,820**	**150,957**	**23.4%**

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

With reference to the **Sicavs** promoted by the Banking Group, **management fees** — net of the effect of non-recurring performance components — grew by 7.2% as a result of the increase in average assets managed compared to the same period of 2023 (+13.1%).
Overall, at the end of the quarter, assets managed by BGFML amounted to 22.3 billion euros, of which 11.4 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 20.4% driven by a 17.3% rise in average assets compared to the same period of 2023.

The **placement of third-party UCITS** recovered markedly in the first nine months of 2024 (+4.9 million euros; +5.0%) as a result of the increase in both average assets managed (+3.5%) and underwriting fees (+2.3 million euros).

Fee income from **distribution of insurance products** (-2.9%) continued to be penalised by subdued underwriting activities and a slower expansion of average assets managed (+2.0% compared to the same period of 2023).

Fee income for other services, of a banking and financial nature, including BGPA advisory fees, stood at 98.4 million euros, up 16.1 million euros (19.6%) driven by advisory fees (+7.1 million euros) and fees for trading (+9.1 million euros).

FEE INCOME FOR OTHER SERVICES

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
BG Personal Advisory fees	36,900	30,316	6,584	21.7%
Management fees for Generali Group's unit-linked products	7,223	6,750	473	7.0%
Other advisory fees	959	880	79	9.0%
Fees for trading and custody	41,864	32,796	9,068	27.6%
Fees for collection and payment services	2,993	3,437	-444	-12.9%
Fee income and account-keeping expenses	4,318	4,243	75	1.8%
Fees for other services	4,141	3,874	267	6.9%
Fees for banking services	**98,398**	**82,296**	**16,102**	**19.6%**

With regard to investment advisory, income from BG Personal Advisory (BGPA) advisory fees amounted to **36.9 million euros**, up 21.7% thanks to the increase in assets under advisory, which totalled **10.4 billion euros** overall (+17% compared to the same period of 2023), with a ratio to total assets of 10.3% compared to 9.1% for the first nine months of 2023.
Management fees for insurance portfolios, in service of the Insurance Group's unit-linked policies, stood at **7.2 million euros** (+7.0%).

4.4 Fee expense

Fee expense, including fee provisions[7], amounted to 418.7 million euros, sharply increasing compared to the third quarter of 2023 (+10.4%).

[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 11.1 million euros for 2024 and 9.6 million euros for 2023.

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 52.9%, slightly up compared to 51.6% for the first nine months of 2023.

FEE EXPENSE

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Ordinary payout	267,833	237,089	30,744	13.0%
Extraordinary payout	79,165	71,709	7,456	10.4%
Other network maintenance expenses	23,590	26,161	-2,571	-9.8%
Fee expense for off-premises offer	**370,588**	**334,959**	**35,629**	**10.6%**
Fees for portfolio management	29,632	27,910	1,722	6.2%
Other fee expense	18,442	16,239	2,203	13.6%
Total	**418,662**	**379,108**	**39,554**	**10.4%**

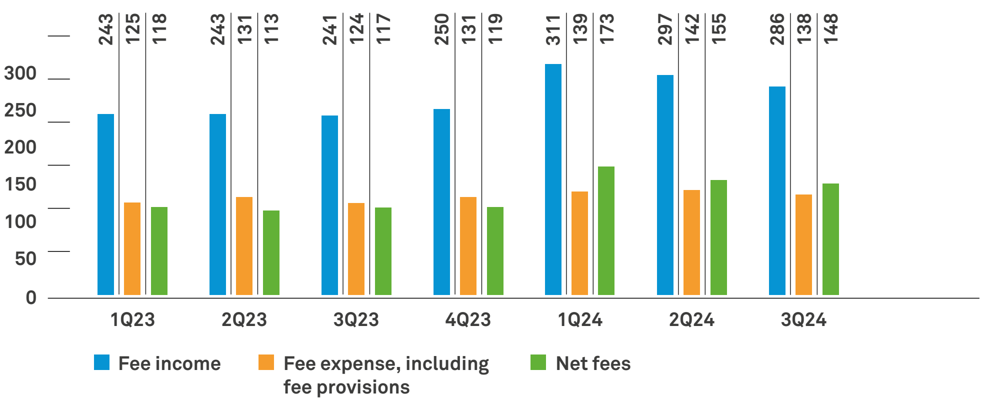
Fee expense for off-premises offer paid to the Financial Advisor Network amounted to 370.6 million euros (+10.6%) as a result of the increased ordinary payout (+30.7 million euros), driven by underwriting fees (+5.8 million euros; +23.8%) and fees for other services (+11.7 million euros; +50%). With regard to the latter, *inter alia*, fees on net interest income continued to grow (+1.6 million euros).

The increase in extraordinary payout (+10.4%) was mainly attributable to the progress in the remuneration of organic growth (14.2%), with respect to the increase in fee expense related to the recruitment activity (+5.2%).

Fees for portfolio management stood at 29.6 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 18.4 million euros, mainly including fee expense for custody and trading and fees for collection and payment services.

QUARTERLY NET FEES (€ MILLION)



8 The numerator of the total payout ratio does not include 10.4 million euro fee expense, which was paid back to the Financial Advisor Network, calculated on the basis of net interest income (8.9 million euros in 2023). At 30 September 2024, the ratio of said fees to net interest income was 4.4%.

4.5 Operating expenses

Despite inflationary pressures, **operating expenses** amounted to 210.5 million euros (+8.8% YoY), including 7.1 million euro one-off charges, thus confirming the Bank's operational efficiency. **Core**[9] **operating expenses** totalled **185.5 million euros**, up 6.4% in line with the Plan's projections.
This aggregate included 8.9 million euros charges generated by the launch of BG Suisse (4.8 million euros in 2023) and 3.0 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 2.3%.

Operating efficiency indicators remained at excellent levels: the ratio of **total costs to total assets** stood at 28 bps, down also thanks to the performance of total assets; the **cost/income ratio**, adjusted for non-recurring items, thus reached 33.8% compared to 32.8% for the same period of the previous year.

OPERATING EXPENSES

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Staff expenses	99,950	90,306	9,644	10.7%
Other general and administrative expenses (net of duty recoveries)	87,806	82,054	5,752	7.0%
Net adjustments of property, equipment and intangible assets	30,474	29,038	1,436	4.9%
Other income and expenses (net of duty recoveries)	-7,733	-7,882	149	-1.9%
Operating expenses	**210,497**	**193,516**	**16,981**	**8.8%**

Within this aggregate, **staff expenses**, including employees, interim staff and directors, reached 99.9 million euros, up 9.6 million euros (+10.7%), mainly due to the rise in ordinary remuneration (+5.7 million euros) — driven by 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 — and in variable remuneration (+2.0 million euros), in addition to redundancy incentives (1.7 million euros), which in the third quarter were recognised among other employee benefits.

STAFF EXPENSES

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
1) Employees	**98,510**	**88,928**	**9,582**	**10.8%**
Ordinary remuneration	71,628	65,966	5,662	8.6%
Variable remuneration and incentives	19,769	17,783	1,986	11.2%
Other employee benefits	7,113	5,179	1,934	37.3%
2) Other staff	**-18**	**-50**	**32**	**-64.0%**
3) Directors and Auditors	**1,458**	**1,428**	**30**	**2.1%**
Total	**99,950**	**90,306**	**9,644**	**10.7%**

9 Operating expenses, net of non-recurring items, amounting to 7.1 million euros (3.5 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 17.9 million euros (15.6 million euros in 2023).

The Group's employees totalled 1,104 at the end of the reporting quarter, 40 more compared to the same period of 2023 (+3.8%), whereas the quarterly average headcount rose by 36.

EMPLOYEES

			CHANGE			WEIGHTED AVERAGE (*)	
	30.09.2024	30.09.2023	NUMBER	%	31.12.2023	2024	2023
Managers	76	75	1	1.3%	78	77	74
Executives	379	373	6	1.6%	371	376	367
Employees at other levels	649	616	33	5.4%	616	631	605
Total	**1,104**	**1,064**	**40**	**3.8%**	**1,065**	**1,084**	**1,046**

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

Other general and administrative expenses and other net income totalled 80.1 million euros, with a 5.9 million euro increase compared to the same period of the previous year, including the above-mentioned non-recurring components (3.4 million euros), consisting of legal and advisory expenses, and higher costs for the IT infrastructure and logistics (3.4 million euros in 2023).

4.6 Net provisions

Net provisions not related to fees[10] totalled 49.1 million euros, up 21.7 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 (+11.6 million euros), which were mainly impacted by the alignment of discount rates used to measure actuarial provisions, with a net impact of 8.6 million euros, calculated as the difference between the higher charge of 3.2 million euros recognised in 2024 against a surplus of 5.4 million euros for the previous year[11].
The continuation of the three-year incentive plan generated an impact of 5.6 million euros on the Profit and Loss Account, in line with the same period of the previous year (5.3 million euros)[12].

The provisions for other liabilities and contingencies grew by 6.1 million euros on the previous year and included an additional 18.0 million euro prudential provision (up compared to 14.0 million euros for the first nine months 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.

10 Fee provisions, which amounted to 11.1 million euros (9.6 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 December 2023–September 2024 (3.89%) 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 nine months of 2023 the discount rate used, calculated for the period December 2022 – September 2023, had been 4.36%.
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 PROVISIONS

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Provision for staff liabilities and contingencies	1,583	268	1,315	n.a.
Provision for legal disputes	4,475	1,881	2,594	137.9%
Provision for contractual indemnities to the Financial Advisor Network	20,744	9,046	11,698	129.3%
Provision for tax and contribution disputes	35	-	35	n.a.
Other provisions for liabilities and contingencies	22,216	16,124	6,092	37.8%
– *of which: provisions for risks relating to guarantees issued and commitments*	*-59*	*91*	*-150*	*-164.8%*
Total	**49,053**	**27,319**	**21,734**	**79.6%**

4.7 Adjustments

In the first nine months of 2024, **net adjustments to non-performing loans** amounted to 0.9 million euros, significantly improving compared to -1.0 million euros at the end of the same period of the previous year.

NET ADJUSTMENTS TO NON-PERFORMING LOANS

(€ THOUSAND)	VALUE ADJUSTMENTS	REVERSALS	30.09.2024	30.09.2023	CHANGE
Specific adjustments/reversals	**-1,834**	**1,437**	**-397**	**-2,695**	**2,298**
Non-performing loans of the banking book	-1,431	1,374	-57	-2,351	2,294
Operating loans to customers	-403	63	-340	-344	4
Portfolio adjustments/reversals	**-**	**1,321**	**1,321**	**1,709**	**-388**
Performing debt securities	-	545	545	1,959	-1,414
Performing loans to customers and banks	-	776	776	-250	1,026
Total	**-1,834**	**2,758**	**924**	**-986**	**1,910**

Provisions for expected credit losses (ECLs) on the portfolio of debt securities reported net reversals for 0.5 million euros, declining by 1.4 million euros compared to the third quarter 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, in relative terms, to the improvement in the rating class distribution of the portfolio.

Net specific adjustments declined to just above 0.4 million euros overall and referred mainly to the write-off of past advances to Financial Advisors and operating loans for services rendered to customers.
As regards the aggregate of non-performing loans of the banking book, net adjustments to past-due positions amounted to 0.7 million euros, fully offset by reversals of bad loans and unlikely-to-pay positions.
In the first nine months of 2023, adjustments to non-performing loans of the banking book had increased mainly due to new positions classified as past-due (-2.3 million euros), subsequently reversed.

4.8 Contributions and charges related to the banking and insurance system

The initial period for the constitution of the deposit protection funds ended on 31 December 2023 for the Single Resolution Fund (SRF) and 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) was instead required to 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 amount of 10.2 million euros.

Guarantee Fund for the Life Insurance Sector

Article 1, paragraphs 112-122, of the 2024 Budget Law provides for the establishment of a new Guarantee Fund for the Life Insurance Sector, with functions and characteristics substantially similar to those of the Interbank Deposit Protection Fund (FITD).
The purpose of the Fund is to intervene in cases of compulsory administrative liquidation of member insurance undertakings, reimbursing the protected transactions up to a maximum amount of 100,000 euros to each entitled party.
The financial endowment will be constituted through contributions by members, so that it is proportionate to the Fund's liabilities and, in any case, equal to at least 0.4% of the amount of technical provisions (target level) to be gradually achieved starting from 1 January 2024 and by 31 December 2035 (12 years), of which four-fifths will be borne by insurance companies and one-fifth by intermediaries belonging to the Single Register of Intermediaries (RUI).
All procedures for setting up the fund are yet to be launched, as the necessary implementing decrees have yet to be issued and the Statute has to be approved.
At the time of first application, the contributions due by insurance companies will be equal to 0.4‰ of the life insurance technical provisions, whereas those due by banks, brokerage companies (SIM), other financial intermediaries and Poste Italiane will amount to 0.1‰ of the intermediate life insurance technical provisions.

Based on the foregoing, the Bank's contribution accrued for the first nine months of 2024 could be set at approximately 1.9 million euros.

4.9 Income taxes

Income taxes for the reporting period on a current and deferred basis were estimated at 114.0 million euros, up 19.9 million euros compared to the estimated taxes at the end of the same period of 2023.
The estimated total tax rate was 25.2%, slightly down compared to the same period of the previous year (26.9%), mainly due to the higher contribution of the foreign entities to the Group's result.

INCOME TAXES

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Current taxes for the period	-113,074	-93,848	-19,226	20.5%
Changes of prepaid taxation (+/-)	-78	30	-108	n.a.
Changes of deferred taxation (+/-)	-836	-224	-612	273%
Total taxes	**-113,988**	**-94,042**	**-19,946**	**21.2%**

4.10 Earnings per share

At the end of the third quarter of 2024, basic net earnings per share were 2.97 euros.

EARNINGS PER SHARE

	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Consolidated net profit (€ thousand)	338,612	255,101	83,511	32.7%
Earnings attributable to ordinary shares (€ thousand)	338,612	255,101	83,511	32.7%
Average number of outstanding shares (thousand)	114,029	114,131	-102	-0.1%
EPS – Earnings per share (euros)	**2.97**	**2.24**	**0.72**	**32.9%**
Average number of outstanding shares with diluted share capital (thousand)	114,029	114,131	-102	-0.1%
EPS – Diluted earnings per share (euros)	**2.97**	**2.24**	**0.72**	**32.9%**

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 nine months of 2024, the latter component provided a positive overall contribution of 9.8 million euros, against a net positive change of 4.7 million euros recorded at the end of the same period of the previous year mainly attributable to the activation of the cash flow hedge reserve (+6.2 million euros) and to the HTCS securities portfolio valuation reserves (+5.0 million euros).

In detail, HTCS securities portfolio valuation reserves rose as a result of the following factors:
- an increase in net valuation capital gains totalling 3.9 million euros, net of -0.6 million euros 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 (3.7 million euros);
- a negative net tax effect associated with the above changes and mainly resulting from net decreases in DTAs (-2.6 million euros).

The 0.7 million euro decline in translation reserves referred to net foreign investment in CHF and was instead attributable to the depreciation of this currency compared to the all-time highs reached at the end of 2023.

CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Net profit	**338,612**	**255,058**	**83,554**	**32.8%**
Other income, net of taxes:				
With transfer to Profit and Loss Account:				
Exchange differences	-683	-232	-451	194.4%
Financial assets measured at fair value through other comprehensive income	5,537	4,717	820	17.4%
Cash flow hedges	6,165	-	6,165	n.a.
Without transfer to Profit and Loss Account:				
Financial assets measured at fair value through other comprehensive income	-550	787	-1,337	-169.9%
Actuarial gains (losses) from defined benefit plans	-623	-565	-58	10.3%
Total other income, net of taxes	**9,846**	**4,707**	**5,139**	**109.2%**
Comprehensive income	**348,458**	**259,765**	**88,693**	**34.1%**
Consolidated comprehensive income attributable to minority interests	-213	-75	-138	183.6%
Consolidated comprehensive income attributable to the Group	**348,672**	**259,840**	**88,831**	**34.2%**

5. Balance Sheet and Net Equity Aggregates

At the end of the first nine months of 2024, total consolidated assets amounted to 15.6 billion euros, up by 0.1 billion euros (+0.6%) compared to the end of 2023.
Total net inflows stood at 13.4 billion euros, down 0.1 billion euros overall, as a result of the modest decrease in net inflows from customers (-214 million euros), only partially offset by the interbank funding (+102 million euros).
Core loans thus totalled 14.5 billion euros, increasing by 0.1 billion euros (+0.8%) compared to the end of 2023.

CONSOLIDATED BALANCE SHEET

ASSETS (€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial assets at fair value through profit or loss	509,118	509,407	-289	-0.1%
Financial assets at fair value through other comprehensive income	1,049,938	1,000,936	49,002	4.9%
Financial assets measured at amortised cost:	12,965,478	12,905,455	60,023	0.5%
a) loans to banks (*)	3,382,793	2,846,425	536,368	18.8%
b) loans to customers	9,582,685	10,059,030	-476,345	-4.7%
Hedging derivatives	144,462	161,955	-17,493	-10.8%
Equity investments	3,842	1,975	1,867	94.5%
Property, equipment and intangible assets	270,424	292,054	-21,630	-7.4%
Tax assets	106,108	108,113	-2,005	-1.9%
Other assets	560,237	537,267	22,970	4.3%
Total assets	**15,609,607**	**15,517,162**	**92,445**	**0.6%**

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

LIABILITIES AND NET EQUITY (€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial liabilities measured at amortised cost:	13,390,289	13,503,015	-112,726	-0.8%
a) due to banks	333,233	231,684	101,549	43.8%
b) due to customers	13,057,056	13,271,331	-214,275	-1.6%
Financial liabilities held for trading and hedging	151,544	132,821	18,723	14.1%
Tax liabilities	49,850	46,088	3,762	8.2%
Other liabilities	318,823	353,037	-34,214	-9.7%
Special purpose provisions	284,417	268,936	15,481	5.8%
Valuation reserves	9,263	-797	10,060	n.a.
Equity instruments	150,000	50,000	100,000	200.0%
Reserves	834,847	752,749	82,098	10.9%
Share premium reserve	52,392	52,992	-600	-1.1%
Share capital	116,852	116,852	-	-
Treasury shares (-)	-87,282	-85,005	-2,277	2.7%
Net equity attributable to minority interests	-	338	-338	-100.0%
Net profit (loss) for the period (+/-)	338,612	326,136	12,476	3.8%
Total liabilities and net equity	**15,609,607**	**15,517,162**	**92,445**	**0.6%**

QUARTERLY EVOLUTION OF CONSOLIDATED BALANCE SHEET

ASSETS (€ THOUSAND)	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023
Financial assets at fair value through profit or loss	509,118	509,549	509,334	509,407	506,691	507,179	504,991
Financial assets at fair value through other comprehensive income	1,049,938	863,071	1,075,503	1,000,936	991,393	958,875	1,020,267
Financial assets measured at amortised cost:	12,965,478	12,263,218	12,475,402	12,905,455	12,869,116	13,057,631	14,341,714
a) loans to banks	3,382,793	2,796,855	2,665,196	2,846,425	2,665,380	2,463,233	3,239,432
b) loans to customers	9,582,685	9,466,363	9,810,206	10,059,030	10,203,736	10,594,398	11,102,282
Hedging derivatives	144,462	183,118	178,060	161,955	272,492	232,891	245,363
Equity investments	3,842	4,128	2,126	1,975	2,781	2,927	3,008
Property, equipment and intangible assets	270,424	279,682	285,549	292,054	283,139	289,474	294,089
Tax assets	106,108	101,534	107,003	108,113	99,132	91,429	86,040
Other assets	560,237	542,083	556,185	537,267	522,861	536,585	508,377
Total assets	**15,609,607**	**14,746,383**	**15,189,162**	**15,517,162**	**15,547,605**	**15,676,991**	**17,003,849**

LIABILITIES AND NET EQUITY (€ THOUSAND)	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023
Financial liabilities measured at amortised cost:	13,390,289	12,743,908	13,061,788	13,503,015	13,682,584	13,783,954	15,205,464
a) due to banks	333,233	327,398	300,285	231,684	483,931	526,633	821,661
b) due to customers	13,057,056	12,416,510	12,761,503	13,271,331	13,198,653	13,257,321	14,383,803
Financial liabilities held for trading and hedging	151,544	122,701	122,340	132,821	98,050	107,757	134,378
Tax liabilities	49,850	96,736	74,839	46,088	58,901	33,618	58,487
Other liabilities	318,823	304,249	321,516	353,037	318,056	439,338	200,656
Special purpose provisions	284,417	266,912	268,571	268,936	255,879	249,588	247,751
Valuation reserves	9,263	-272	-303	-797	-5,232	-6,445	-8,292
Equity instruments	150,000	50,000	50,000	50,000	50,000	50,000	50,000
Reserves	834,847	830,717	1,083,262	752,749	749,147	746,862	941,473
Share premium reserve	52,392	52,388	52,992	52,992	52,908	52,784	53,767
Share capital	116,852	116,852	116,852	116,852	116,852	116,852	116,852
Treasury shares (-)	-87,282	-77,367	-85,005	-85,005	-85,005	-72,745	-80,139
Net equity attributable to minority interests	-	-	343	338	364	377	381
Consolidated net profit	338,612	239,559	121,967	326,136	255,101	175,051	83,071
Total liabilities and net equity	**15,609,607**	**14,746,383**	**15,189,162**	**15,517,162**	**15,547,605**	**15,676,991**	**17,003,849**

5.1 Direct inflows from customers

Total direct inflows from customers amounted to 13.1 billion euros, with a decrease of slightly more than 214 million euros (-1.6%) compared to 31 December 2023, chiefly attributable to the sharp decline in repurchase agreement transactions (-533 million euros), largely offset by an increase in current accounts deposits and term deposits (+443 million euros).

However, repurchase agreement transactions recovered markedly in the reporting quarter compared to the end of the first half of the year.
In detail, the decline at 30 September 2024 was chiefly attributable to treasury repurchase agreement transactions with very short maturities effected on the MTS Repo market, managed by Cassa di Compensazione e Garanzia, which dropped by 46.5% to 592 million euros, marking a significantly lower decrease than that at the end of the first half of 2024 (-84.5%), whereas promotional transactions in repurchase agreements with clients stood at 256 million euros (-7.0%), sharply recovering compared to 56 million euros at the end of June.

In this regard, it should be noted that in the first nine months of the year, net deposits on retail customers' current accounts within Assoreti's scope grew by over 554 million euros overall, reversing the trend compared to the first quarter of 2024 (-170 million euros), whereas net inflows from assets under administration further grew by over 2.7 billion euros.

Liabilities relating to daily variation margins received on the Eurex market amounted to 116 million euros, declining slightly compared to the end of 2023 (-7.7%), offset by the performance of hedging derivative transactions.

DUE TO CUSTOMERS

(€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
1. Current accounts and demand deposits	11,377,003	11,097,187	279,816	2.5%
2. Term deposits	405,351	241,730	163,621	67.7%
3. Financing	964,597	1,507,866	-543,269	-36.0%
Repurchase agreements with CC&G (MTS Repo)	592,499	1,106,790	-514,291	-46.5%
Repurchase agreements with customers	256,535	275,859	-19,324	-7.0%
Other (collateral margins)	115,563	125,217	-9,654	-7.7%
4. Other debts	310,105	424,548	-114,443	-27.0%
IFRS 16-related lease liabilities	131,293	141,074	-9,781	-6.9%
Operating debts to Financial Advisor Network	150,545	150,157	388	0.3%
Other debts (money orders, amounts at the disposal of customers)	28,267	133,317	-105,050	-78.8%
Total due to customers	**13,057,056**	**13,271,331**	**-214,275**	**-1.6%**

Captive inflows, generated from the treasury management of the companies within Assicurazioni Generali Group, recorded net outflows of approximately 163 million euros, amounting to 354 million euros at the end of the period and accounting for 2.7% of total inflows, without taking into account 150 million euros relating to AT1 equity instruments.

INFLOWS FROM CUSTOMERS

(€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Total inflows from Generali Group	354,177	516,911	-162,734	-31.5%
of which:				
– *current accounts*	*292,997*	*451,146*	*-158,149*	*-35.1%*
– *IFRS 16-related lease financial liabilities and other debts*	*61,180*	*65,765*	*-4,585*	*-7.0%*
Inflows from other parties	12,702,879	12,754,420	-51,541	-0.4%
of which:				
– *current accounts*	*11,084,006*	*10,646,041*	*437,965*	*4.1%*
– *repurchase agreements and term deposits*	*1,193,626*	*1,558,868*	*-365,242*	*-23.4%*
– *other debts*	*425,247*	*549,511*	*-124,264*	*-22.6%*
Total inflows from customers	**13,057,056**	**13,271,331**	**-214,275**	**-1.6%**

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 114 million euros as a result of the latter component.

5.2 Core loans

Core loans totalled 14.5 billion euros overall, with a net increase of slightly less than 109 million euros compared to 31 December 2023 (+0.8%).

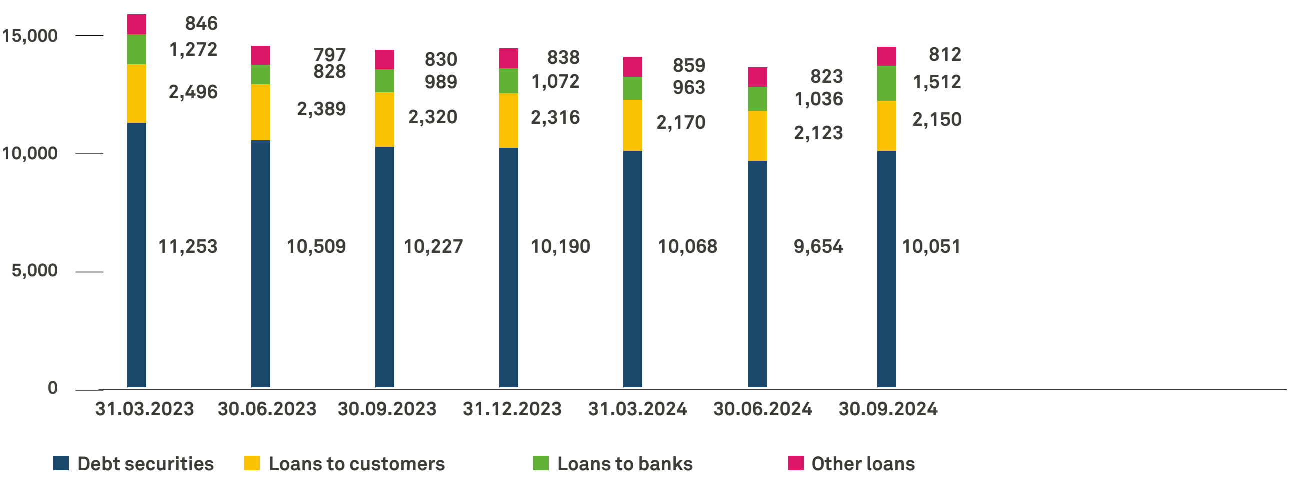
This performance was mainly driven by the expansion of exposures to banks (+439 million euros; +41.0%), which offset the decline in loans to customers, equal to over 166 million euros (-7.2%), and, to a lower extent, in investments in the portfolio of financial assets (-140 million euros; -1.3%).

INTEREST-BEARING FINANCIAL ASSETS AND LOANS

			CHANGE	
(€ THOUSAND)	30.09.2024	31.12.2023	AMOUNT	%
Financial assets measured at fair value through profit or loss	509,118	509,407	-289	-0.1%
Financial assets measured at fair value through other comprehensive income	1,049,938	1,000,936	49,002	4.9%
Financial assets measured at amortised cost	9,023,354	9,211,941	-188,587	-2.0%
Financial assets	**10,582,410**	**10,722,284**	**-139,874**	**-1.3%**
Loans to and deposits with banks (*)	1,511,957	1,072,461	439,496	41.0%
Loans to customers	2,149,744	2,316,087	-166,343	-7.2%
Operating loans and other loans	280,423	304,966	-24,543	-8.0%
Total core loans	**14,524,534**	**14,415,798**	**108,736**	**0.8%**
Total interest-bearing financial assets and loans	**14,244,111**	**14,110,832**	**133,279**	**0.9%**

(*) 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 72.9% of total core loans, slightly down compared to 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

(€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Government securities	7,072,761	7,253,834	-181,073	-2.5%
Supranational and other public institutions	736,630	677,558	59,072	8.7%
Securities issued by banks	1,880,163	1,847,782	32,381	1.8%
Securities issued by other issuers	361,020	410,451	-49,431	-12.0%
Equity securities and other financial instruments at fair value	531,836	532,659	-823	-0.2%
Total financial assets	**10,582,410**	**10,722,284**	**-139,874**	**-1.3%**

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 9.0 billion euros at the end of the period, accounting for 85.2% of total financial asset, decreasing moderately compared to the end of 2023 (-2.0%).
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 1.0 billion euros, marking a 4.9% increase compared to the end of the previous year that was fully attributable to the third quarter.

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.
The specific hedging derivatives portfolio also included some cash flow hedge counter-hedges, activated on certain asset swap positions as of the second quarter of the year, for a total notional amount of 540 million euros, mostly to hedge the HTC portfolio. 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.
At the end of the first nine months of 2024, the notional amounts of the specific hedging derivatives outstanding amounted to 4,265 million euros, of which 161 million euros relating to the HTCS portfolio.
The net book value of the asset swap portfolio, including counter-hedges, was 3,888 million euros overall, essentially in line with its fair value.

At the end of the third quarter, the Bank also activated a macro hedge to mitigate the interest-rate risk of stable demand liabilities (core deposits) by entering into IRS contracts, for a notional amount of 700 million euros and a positive fair value of 1.4 million euros.

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 period (-122 million euros), accounting for 73.8% of total investments in financial instruments.
The portion of the portfolio invested in Italian government bonds stood at 5.6 billion euros, with no material changes compared to the previous year and with a 71.5% ratio to total volumes, slightly increasing compared to the previous year.
Foreign sovereign debt decreased to 2.2 billion euros (-107 million euros; -4.6%), accounting for 28.5% of the total government portfolio.
From a geographical standpoint, investments in foreign bonds were primarily allocated on EU issues, with a particular focus on the Iberian Peninsula and France.

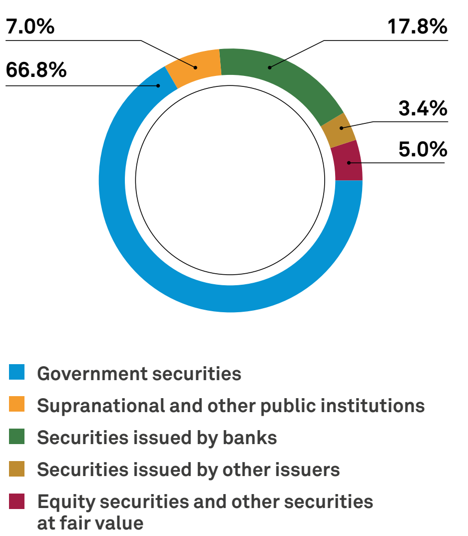
[13] For further details on the restructuring transaction of a portfolio of senior bonds issued by some special purpose vehicles for healthcare receivable securitisation that Banca Generali acquired from its customers and concurrently transferred to the Forward Fund, by subscribing its units, reference 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.

FINANCIAL ASSETS - EXPOSURE TO THE SOVEREIGN RISK

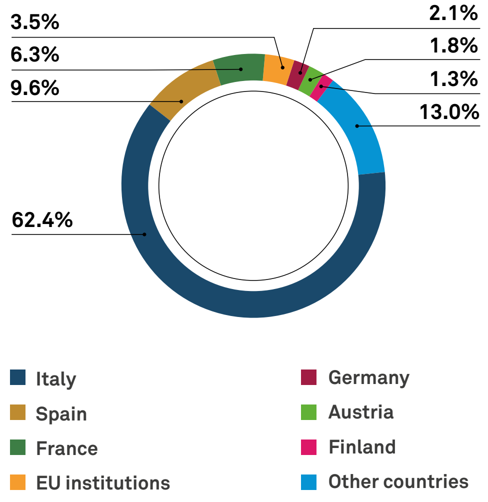
(€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Exposure to the sovereign risk by portfolio:				
Financial assets measured at fair value through other comprehensive income	1,005,714	890,055	115,659	13.0%
Financial assets measured at amortised cost	6,803,677	7,041,337	-237,660	-3.4%
Total	**7,809,391**	**7,931,392**	**-122,001**	**-1.5%**
Total foreign government bonds	**2,226,498**	**2,333,391**	**-106,893**	**-4.6%**
Total Italian government bonds	**5,582,893**	**5,598,001**	**-15,108**	**-0.3%**

The overall geographical breakdown of the debt securities portfolio therefore showed a greater incidence of investments in Italian securities, which stood at 62.4%, followed by the exposure to issuers of the Iberian Peninsula at 9.6%, primarily represented by government bonds.

BREAKDOWN OF FINANCIAL ASSETS PORTFOLIO AT 30.09.2024



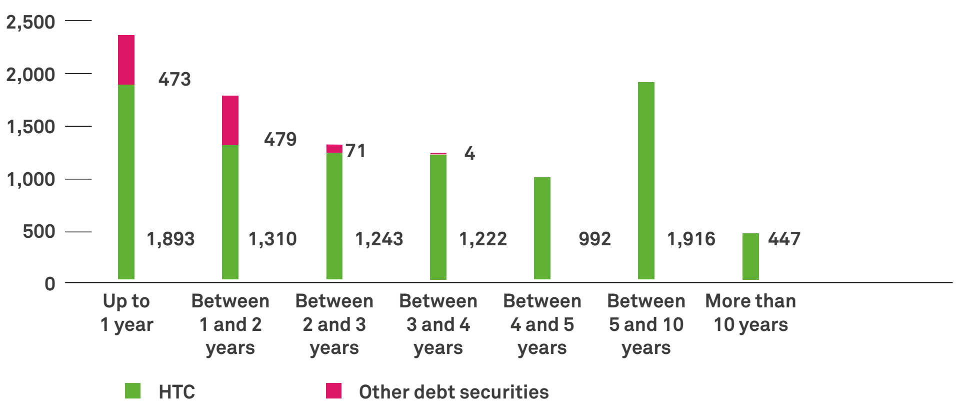
GEOGRAPHICAL BREAKDOWN OF SECURITIES PORTFOLIO AT 30.09.2024



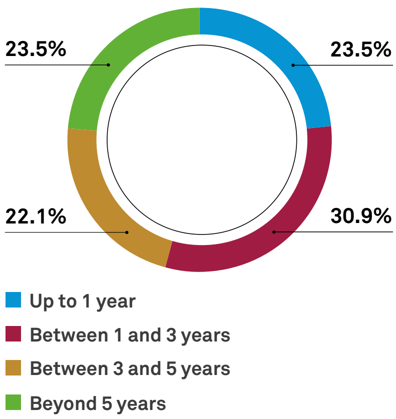
At the end of the first nine months of 2024, the share of financial assets with a maturity of more than 3 years was 45.6%, up slightly compared to the end of 2023 (42.1%).
The portfolio of debt securities had an overall average residual life of about 3.7 years. In particular, the average maturity of the HTC portfolio was 4.3 years, whereas the average maturity of the HTCS portfolio increased to 1.2 years.

44.0% of the portfolio was made up of issues with variable-rate or inflation-linked coupons, including hedged securities, and 56.0% of fixed-rate issues.

BONDS PORTFOLIO MATURITY (€ MILLION)



BREAKDOWN OF BONDS PORTFOLIO BY MATURITY AT 30.09.2024



Loans to customers neared **2,150 million euros**, declining by 166.3 million euros compared to the end of 2023 (-7.2%) 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 **1,290 million euros** (-4.8%).

LOANS AND OPERATING LOANS AND OTHER LOANS

			CHANGE	
(€ THOUSAND)	30.09.2024	31.12.2023	AMOUNT	%
Current accounts	1,585,837	1,694,681	-108,844	-6.4%
Mortgages and personal loans	553,959	609,918	-55,959	-9.2%
Other financing and loans not in current accounts	9,948	11,489	-1,541	-13.4%
Loans	**2,149,744**	**2,316,088**	**-166,344**	**-7.2%**
Operating loans to management companies	174,573	141,305	33,268	23.5%
Sums advanced to Financial Advisors	54,324	58,452	-4,128	-7.1%
Stock exchange interest-bearing daily margin	24,270	84,001	-59,731	-71.1%
Charges to be debited and other loans	18,336	12,560	5,776	46.0%
– *of which: rights of recourse and usufruct rights*	*11,018*	*2,069*	*8,949*	n.a.
Operating loans and other loans	**271,503**	**296,318**	**-24,815**	**-8.4%**

Operating loans and other loans exceeded 271 million euros, down 8.4%.

This item included 11.0 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 (6.3 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 measured at amortised cost and classified as purchased or originated credit impaired (POCI).
In the year, the Bank obtained the reimbursement for the rights of recourse on which it had granted guarantees for 5.6 million euros. Write-downs amounting to 4.2 million euros were recognised along with 1.4 million euro losses on usufruct rights that had become uncollectible.

Net **non-performing exposures** on loans to customers amounted to **23.7 million euros**, or **1.10%** 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 **18.6 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, as defined above, dropped by 5.2 million euros as a result of the decline in positions secured by indemnity (-4.5 million euros) and in unlikely-to-pay positions and positions past due or expired (-2.6 million euros), only partly offset by the increase in bad loans not secured by indemnities (+1.9 million euros).

NON-PERFORMING EXPOSURES

	30.09.2024				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	22,495	3,839	12,867	39,201	24,950	6,284	13,378	44,612	-5,411	-12%
Adjustments	10,350	1,370	3,788	15,508	10,214	2,117	3,357	15,688	-180	-1%
Total net exposure	**12,145**	**2,469**	**9,079**	**23,693**	**14,736**	**4,167**	**10,021**	**28,924**	**-5,231**	**-18%**
Gross exposure	13,135	-	-	13,135	17,746	-	-	17,746	-4,611	-26%
Adjustments	8,015	-	-	8,015	8,140	-	-	8,140	-125	-2%
Exposure guaranteed by net indemnity	**5,120**	**-**	**-**	**5,120**	**9,606**	**-**	**-**	**9,606**	**-4,486**	**-47%**
Gross exposure	9,360	3,839	12,867	26,066	7,204	6,284	13,378	26,866	-800	-3%
Adjustments	2,335	1,370	3,788	7,493	2,074	2,117	3,357	7,548	-55	-1%
Exposure net of indemnity	**7,025**	**2,469**	**9,079**	**18,573**	**5,130**	**4,167**	**10,021**	**19,318**	**-745**	**-4%**
Net guaranteed exposure	**6,973**	**2,064**	**7,377**	**16,414**	**5,076**	**3,806**	**8,131**	**17,013**	**-599**	**-4%**
Net exposure not guaranteed	**52**	**405**	**1,702**	**2,159**	**54**	**361**	**1,890**	**2,305**	**-146**	**-6%**

At 30 September 2024, the interbank position, net of the securities portfolio and operating loans, showed a net credit balance of nearly 1,179 million euros, significantly up by 338 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 increase in the net exposure to central banks in the third quarter (+260 million euros), mainly including overnight deposits in service of treasury transactions;
- a higher net exposure to banks as a result of repurchase agreement transactions (+120 million euros), due to the expansion of funding repurchase agreements with banks, which exceeded lending repurchase agreements with banks;
- the reduction of other net current account exposures (-42 million euros), including deposits and collateral margins on OTC derivatives and repurchase agreements (+17 million euros).

NET INTERBANK POSITION

(€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
1. Repayable on demand	**819,890**	**589,034**	**230,856**	**39.2%**
Demand deposits with ECB and Bank of Italy (*)	762,263	514,303	247,960	48.2%
Transfer accounts	57,627	74,731	-17,104	-22.9%
2. Time deposits	**692,067**	**483,427**	**208,640**	**43.2%**
Minimum reserve	119,926	108,186	11,740	10.9%
Term deposits	53,526	25,566	27,960	109.4%
Repurchase agreements	384,170	229,056	155,114	67.7%
Collateral margins	134,445	120,619	13,826	11.5%
Total loans to banks	**1,511,957**	**1,072,461**	**439,496**	**41.0%**
1. Due to Central Banks	**-**	**-**	**-**	**n.a.**
2. Due to banks	**333,233**	**231,684**	**101,549**	**43.8%**
Transfer accounts	109,707	35,346	74,361	210.4%
Repurchase agreements	205,970	171,320	34,650	20.2%
Collateral margins	12,205	15,202	-2,997	-19.7%
Other debts	5,351	9,816	-4,465	-45.5%
Total due to banks	**333,233**	**231,684**	**101,549**	**43.8%**
Net interbank position	**1,178,724**	**840,777**	**337,947**	**40.2%**

(*) Reclassified from Item 10 – Cash and deposits - Demand deposits to Central Banks.

5.3 Provisions

Special purpose provisions amounted to 284.4 million euros overall, slightly increasing compared to the previous year (+5.8%) and mainly referring to provisions for contractual indemnities and incentives to the Financial Advisor Network.

PROVISIONS

(€ THOUSAND)	30.09.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Provision for termination indemnity	3,359	3,772	-413	-10.9%
Provisions for pensions and similar obligations	2,995	2,476	519	21.0%
Other provisions for liabilities and contingencies	**278,063**	**262,688**	**15,375**	**5.9%**
Provisions for staff expenses	8,386	8,640	-254	*-2.9%*
Provision for the redundancy incentive plan	1,245	1,500	-255	*-17.0%*
Provisions for legal disputes	14,198	12,283	1,915	*15.6%*
Provisions for contractual indemnities to the Financial Advisor Network	192,190	170,856	21,334	*12.5%*
Provisions for Financial Advisor Network incentives	26,400	29,048	-2,648	*-9.1%*
Provisions for tax and contributions/ pension disputes	180	274	-94	*-34.3%*
Other provisions for liabilities and contingencies	35,464	40,087	-4,623	*-11.5%*
– *of which: provisions for risks relating to guarantees issued and commitments*	*6,242*	*9,591*	*-3,349*	*-34.9%*
Total provisions	**284,417**	**268,936**	**15,481**	**5.8%**

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 93.4 million euros;
- other indemnities relating to termination of the agency or management position (management development indemnity, portfolio overfee indemnities, retirement eligibility bonus) for 29.0 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 35.7 million euros;
- the provision in service of the three-year incentive plan for the Financial Advisor Network, in the amount of 34.2 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 21.3 million euro net change in provisions for contractual indemnity to the Financial Advisor Network was attributable to the 12.1 million euro increase in actuarial provisions and to new provisions allocated in service of the three-year incentive plan for the Financial Advisor Network amounting to 9.2 million euros, of which 3.6 million euros set to accrue in subsequent years. At the end of the quarter, the decline in the discount rates used to measure actuarial provisions led to an increase in the latter for approximately 3.2 million euros.

Other provisions for liabilities and contingencies included 28.2 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. The latter also included provisions to hedge credit risk relating to guarantees issued amounting to 6.1 million euros.
In the reporting period, provisions rose by 18 million euros due to the use of 25.1 million euros mainly attributable to enforcement of guarantees issued to customers, settlement fees, 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 in favour of certain customers in 2023 and 2024 totalled 34.6 million euros, of which 9.3 million euros not yet enforced.

The Bank's rights of recourse related to the enforcement of financial flows regarding the above-mentioned illiquid products, in the amount of 16.1 million euros, were therefore recognised among loans to customers, classified as purchased or originated credit impaired (POCI) and valued accordingly. With regard to loans to customers arising from the enforcement of the above-mentioned guarantees, in 2024 the Bank obtained reimbursements for 5.7 million euros from the issuer.
Provisions were also used to cover losses on usufruct rights that had become uncollectible, amounting to 1.4 million euros.

5.4 Net equity and regulatory aggregates

At 30 September 2024, the Banking Group's consolidated net equity, including net profit for the period, neared 1,415 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)	30.09.2024	31.12.2023	AMOUNT	%
Share capital	116,852	116,852	-	-
Share premium reserve	52,392	52,992	-600	-1.1%
Reserves	834,847	752,749	82,098	10.9%
(Treasury shares)	-87,282	-85,005	-2,277	2.7%
Valuation reserves	9,263	-797	10,060	n.a.
Equity instruments	150,000	50,000	100,000	200.0%
Net profit (loss) for the period	338,612	326,136	12,476	3.8%
Banking Group net equity	**1,414,684**	**1,212,927**	**201,757**	**16.6%**
Net equity attributable to minority interests	-	338	-338	-100.0%
Consolidated net equity	**1,414,684**	**1,213,265**	**201,419**	**16.6%**

The 201.4 million euro change in consolidated net equity in the first nine months of 2024, net of dividend approved, was attributable both to the distribution of the previous year's dividend and to the consolidated net profit for the period (338.6 million euros), the issue of AT1 equity instruments (100 million euros) 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)	30.09.2024
Net equity at period-start	**1,213,265**
Consolidated net profit for the period	338,612
Reserves for prior year dividends	-251,231
Dividends not paid on treasury shares	6,021
Purchase and sale of treasury shares	-9,939
Change in IFRS 2 reserves	10,348
Change in OCI valuation reserves	9,846
Changes and dividends on AT1 equity instruments	99,185
Change in ownership interests and net equity attributable to minority interests	-1,414
Other effects	-9
Net equity at period-end	**1,414,684**
Change	**201,419**

On 8 August 2024, the Bank finalised the issue of Additional Tier 1 (AT1) instruments in the aggregate nominal amount of 100 million euros to be fully subscribed by Generali Group companies through a private placement.
The perpetual bond issue envisages a non-cumulative half-yearly coupon that has been set at 6.7% per annum, to be subsequently reset every five years. The Issue is perpetual, in accordance with the applicable law and market practices, and the Issuer will be entitled to early redemption only starting from the fifth year from the date of issue (8 August 2029), subject to prior authorisation from the supervisory authority and satisfaction of the conditions provided for by applicable legislation.
The Issue meets the characteristics required by the current regulatory capital legislation for eligibility as Additional Tier 1 (AT1) securities in the Issuer's financial statements.
A portion of the Issue is aimed at redeeming at par the outstanding 50 million euro euros Additional Tier 1 bond issued on 23 December 2019 and held by Generali Group, for which a specific authorisation request has been filed, while the remaining portion aims at achieving more flexible compliance with the higher requirements introduced by Basel IV for the Bank and the whole banking sector effective from 1 January 2025. Notably the Issue is eligible for MREL purposes.

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 9.3 million euros, with a net increase of 10.1 million euros, mainly due to the activation of the cash flow hedge reserve (+6.2 million euros) and to the increase in the fair value valuation reserves for the portfolio of financial assets measured at fair value through other comprehensive income (+5.0 million euros), partially offset by the reduction in translation reserves referred to net foreign investments in CHF due to the appreciation of this currency.

VALUATION RESERVES

	30.09.2024			31.12.2023	
(€ THOUSAND)	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
Valuation reserves - HTCS debt securities	3,758	-157	3,601	-1,937	5,538
Valuation reserves - OCI equity securities	815	-1,547	-732	-182	-550
Cash flow hedges	6,165	-	6,165	-	6,165
Exchange differences	1,808	-	1,808	2,461	-653
Actuarial gains (losses) from defined benefit plans	628	-2,207	-1,579	-1,139	-440
Total	**13,174**	**-3,911**	**9,263**	**-797**	**10,060**

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 2023 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, **terminated** on 23 September 2024 and all shares authorised were purchased, for a total value of 9,939 thousand euros.

In the first nine months of the year, on the basis of the achievement of the performance objectives set out in the Remuneration Policy, 263,235 treasury shares, with a value of 7,663 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 period, the Parent Company, Banca Generali, thus held 2,908,366 treasury shares, with a value of 87,282 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	-263,235	-7,662,933	29.11	-132,858
Purchases	251,600	9,939,319	39.50	35,392
Amount at period-end 30.09.2024	**2,908,366**	**87,281,598**	**30.01**	**2,822,535**

Consolidated own funds exceeded 1,010 million euros, up 170.7 million euros compared to the end of the previous year (+20.3%), whereas capital absorption declined by 49.5 million euros (-14.0%), as a result of a significant decrease in capital absorbed to cover credit risks (-19.3%).

At the end of the period, CET1 ratio reached 22.6%, compared to a minimum requirement of 8.1%, and Total Capital Ratio (TCR) reached 26.5%, compared to the SREP minimum requirement of 12.1%[14].

OWN FUNDS AND RATIOS

			CHANGE	
(€ THOUSAND)	30.09.2024	31.12.2023	AMOUNT	%
Common Equity Tier 1 capital (CET1)	860,440	789,702	70,738	9.0%
Additional Tier 1 capital (AT1)	150,000	50,000	100,000	200.0%
Tier 2 capital (T2)	-	-	-	n.a.
Total own funds	**1,010,440**	**839,702**	**170,738**	**20.3%**
Credit and counterparty risk	206,475	256,008	-49,533	-19.3%
Market risk	-	3	-3	-92.7%
Operational risk	98,042	98,042	-	-
Total absorbed capital (Pillar I)	**304,517**	**354,053**	**-49,535**	**-14.0%**
Total SREP minimum requirements (Pillar II)	**471,241**	**544,887**	**-73,646**	**-13.5%**
Excess over SREP minimum requirements	539,199	294,815	244,384	82.9%
Risk-weighted assets	3,806,467	4,425,658	-619,191	-14.0%
CET1/Risk-weighted assets	22.6%	17.8%	4.8%	26.7%
Tier 1/Risk-weighted assets	26.5%	19.0%	7.6%	39.9%
Total own funds/Risk-weighted assets (Total Capital Ratio)	**26.5%**	**19.0%**	**7.6%**	**39.9%**

The change in Own Funds was mainly attributable to the aforementioned AT1 equity instrument issued (+100 million euros), as well as to the inclusion of the portion of retained earnings for the period, calculated pursuant to the 2022-2024 Dividend Policy (+51.3 million euros), the dividends on treasury shares not paid out (+6.0 million euros), the reserve allocated on share-based payment plans (+10.3 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.

CHANGE IN OWN FUNDS

(€ THOUSAND)

Own funds at 31.12.2023	**839,702**
Estimated regulatory provisions for retained earnings	51,329
Purchase and sale of treasury shares	-9,939
Change in IFRS 2 reserves	10,348
Dividend not paid out on treasury shares	6,021
Change in OCI reserves on HTCS	4,122
Change in other OCI reserves	-440
Change in goodwill and intangible assets (net of related DTLs)	12,151
DTAs through P&L not arising on temporary differences (tax losses)	-903
Negative prudential filters (prudent valuation)	-49
Issue of new AT1 equity instruments	100,000
Dividends on AT1 equity instruments	-816
Other effects (effects of acquisition of minority interests, net of OCI reserves)	-1,086
Total changes in TIER 1 capital	**170,738**
Own funds at 30.09.2024	**1,010,440**
Change	**170,738**

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

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

At 30 September 2024, on the basis of the prudential provisions that require the upper part of the payout to be considered, just 20% of the consolidated recurring net profit for the period has therefore been included in own funds.

The 49.4 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 332% and Net Stable Funding Ratio (NSFR) at 203%. The Bank's leverage ratio stood at 6.42%.

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

	30.09.2024		
(€ THOUSAND)	SHARE CAPITAL AND RESERVES	NET PROFIT	NET EQUITY
Net equity of Banca Generali	**985,022**	**339,778**	**1,324,800**
Differences between net equity and book value of companies consolidated using the line-by-line method	65,501	-	65,501
– *profit carried forward of consolidated companies*	*58,466*	-	*58,466*
– *goodwill*	*8,707*	-	*8,707*
– *other changes*	*-1,672*	-	*-1,672*
Dividends from consolidated companies	31,960	-204,460	-172,500
Consolidated companies' result for the period	-	203,265	203,265
Net profit attributable to minority interests	-	-	-
Result of associates valued at equity	6	-65	-59
Sterilisation of impaired equity investments	-	-	-
Valuation reserves — consolidated companies	627	-	627
Exchange differences	1,808	-	1,808
Goodwill	-8,707	-	-8,707
Consolidation adjustments	-145	94	-51
Net equity of the Banking Group	**1,076,072**	**338,612**	**1,414,684**

6. Performance of Group Companies

6.1 Performance of Banca Generali S.p.A.

Banca Generali closed the third quarter of 2024 with net profit of 339.8 million euros, up compared to 264.9 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 204.5 million euros (118.2 million euros in the third quarter of 2023).

Reclassified net banking income[15], net of the dividends distributed by the Banking Group's investees, rose by approximately 19.4 million euros (+4.4%) compared to the same period of the previous year. This increase was attributable both to the rise in net interest income (+8.4 million euros), partly offset by the net loss from trading activities (-2.5 million euros), and in net fees (+13.4 million euros).

PROFIT AND LOSS ACCOUNT

(€ THOUSAND)	30.09.2024	30.09.2023	CHANGE AMOUNT	CHANGE %
Net interest income	**235,423**	**227,040**	**8,383**	**3.7%**
Net income (loss) from trading activities	9,262	11,733	-2,471	-21.1%
Dividends	205,769	119,435	86,334	72.3%
– *of which: dividends from equity investments*	*204,460*	*118,220*	*86,240*	*72.9%*
Net financial income	**450,454**	**358,208**	**92,246**	**25.8%**
Fee income	605,309	554,897	50,412	9.1%
Fee expense	-388,177	-351,146	-37,031	10.5%
Net fees	**217,132**	**203,751**	**13,381**	**6.6%**
Net banking income	**667,586**	**561,959**	**105,627**	**18.8%**
Staff expenses	-84,876	-76,659	-8,217	10.7%
Other general and administrative expenses (net of duty recoveries)	-79,329	-76,865	-2,464	3.2%
Net adjustments of property, equipment and intangible assets	-27,688	-27,496	-192	0.7%
Other operating expenses/income	7,843	7,770	73	0.9%
Net operating expenses	**-184,050**	**-173,250**	**-10,800**	**6.2%**
Operating result	**483,536**	**388,709**	**94,827**	**24.4%**
Net adjustments to non-performing loans	923	-986	1,909	-193.6%
Net provisions	-49,053	-27,319	-21,734	79.6%
Contributions and charges related to the banking system	-12,067	-17,809	5,742	-32.2%
Gains (losses) on disposal of equity investments	-41	70	-111	-158.6%
Operating profit before taxation	**423,298**	**342,665**	**80,633**	**23.5%**
Income taxes for the period on operating activities	-83,520	-77,811	-5,709	7.3%
Net profit	**339,778**	**264,854**	**74,924**	**28.3%**

[15] In order to ensure a better understanding of operating performance, in the Profit and Loss Account the provisions for sales incentives and recruitment plans have been reclassified within the net fee aggregate. As a result, net provisions were restated net of these items for an amount of 11.1 million euros for 2024 and 9.6 million euros for 2023.

Net interest income amounted to 235.4 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 (+33.0 million euros) and loans to banks (+9.0 million euros) and, on the other hand, in interest expense on customers' current accounts for approximately 50.3 million euros. The result of transactions with the ECB stood at approximately 18.5 million euros, made up of interest income on overnight deposits.

Net fees stood at approximately 217.1 million euros at the end of the period, increasing by 6.6% compared to the third quarter of 2023 (+13.4 million euros), as a result of the increase in fee income (50.4 million euros) and in fee expense (37.0 million euros). The increase in fee income was mainly driven by the rise in fees for portfolio management (+15.5 million euros), fees for placement of securities and UCITS (+20.3 million euros), fees for trading and custody of securities (+8.2 million euros) and advisory fees (+11.4 million euros), which offset the reduction in fees for distribution of insurance products (-5.3 million euros). Fee expense grew by 37.0 million euros, chiefly due to the increase in fees for off-premises offer (+35.2 million euros).

Net operating expenses[16] amounted to approximately 184.1 million euros, up 6.2% 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 33.8%.

Provisions, net adjustments and contributions and charges related to the banking system totalled 60.2 million euros, up 14.1 million euros compared to the same period of 2023, as a result of higher provisions for liabilities and contingencies (+21.7 million euros).

Operating profit before taxation amounted to 423.3 million euros, up 23.5% compared to the same period of 2023.

Income taxes for the period totalled 83.5 million euros and increased by 5.7 million euros compared to the tax burden estimated at 30 September 2023.
The Bank's overall tax rate was 19.7%, down compared to the third quarter of 2023 (22.7%) 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 99.9 billion euros at 30 September 2024, up 8.9% compared to 31 December 2023. Net inflows reached 4.7 billion euros, up 9.0% 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[17]) and the Sicav BG Private Markets, reserved for institutional investors.

BGFML ended the third quarter of 2024 with a net profit of 212.7 million euros, up compared to 114.0 million euros reported at the end of the same period of the previous year (+98.8 million euros). The increase was mainly driven by performance fees, which rose by 111.8 million euros to 121.8 million euros, and by management fees, which amounted to 260.0 million euros compared to 242.7 million euros for the third quarter of 2023 (+7.2%).

[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, the other income aggregate was restated net of these items for an amount of 74.0 million euros for 2024 and 60.1 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.
[17] New company name of BG Selection Sicav, effective 22 April 2022.

Net banking income amounted to 252.1 million euros (+113.8 million euros compared to the third quarter of 2023). Operating expenses were 8.9 million euros (+0.9 million euros compared to the third quarter of 2023), of which 5.1 million euro staff expenses.
The company's net equity amounted to 99.4 million euros, net of an interim dividend payout of 204.5 million euros for 2024 and a final dividend payout for 2023.
Overall, assets under management at 30 September 2024 amounted to 22,256 million euros, up 1,845 million euros compared to 20,411 million euros at 31 December 2023.

6.3 Performance of Generfid S.p.A.

Generfid S.p.A., a company specialising in custodian capacity of assets, ended the third quarter of 2024 reporting net profit and with net equity amounting to about 1.0 million euros.
Net banking income amounted to approximately 1.1 million euros and virtually covered operating expenses.
Total client assets stood at 1,418 million euros (1,364 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., finalised in October 2024.

The company ended the third quarter of 2024 with net profit of CHF +73.1 thousand (76.3 thousand euros), calculated based on local GAAP.
Revenues, generated mainly from asset management and advisory services, amounted to approximately CHF 7.6 million, whereas operating expenses totalled CHF 6.5 million (of which CHF 5.1 million staff expenses).
BG Valeur S.A.'s net equity recognised in its statutory financial statements totalled CHF 2.4 million at 30 September 2024.

At 30 September 2024, total client assets amounted to 1,032 million euros (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 CHF 10 million, bringing the share capital fully paid-up since incorporation to CHF 70 million.

As mentioned above, in October 2024, the company acquired, through contribution by Banca Generali, a 100% interest in BG Valeur S.A., thus establishing a Swiss banking group. The transaction was authorised by the General Shareholders' Meeting on 8 October 2024.

In detail, BG Suisse, following Banca Generali's transfer of its 100% interest in BG Valeur, consisting of 30,000 registered shares with a nominal value of CHF 100, issued in favour of the latter 12,300 new shares with a nominal value of CHF 1,000, for a total amount of CHF 12.3 million. As a result of the foregoing, the company's share capital is currently made up of 82,300 shares with a nominal value of CHF 1,000, for a total amount of CHF 82.3 million.

It should also be noted that 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 third quarter of 2024 with a net loss of approximately CHF 9.0 million, calculated based on local GAAP.
Operating expenses totalled CHF 9.3 million (of which CHF 3.7 million staff expenses).
BG Suisse's net equity recognised in its statutory financial statements stood at CHF 44.5 million at 30 September 2024.

7. Basis of Preparation

The Interim Report for the first nine months of 2024 was prepared in accordance with the provisions set forth in previously effective Article 154-*ter*, paragraph 5, of Italian Legislative Decree No. 58/98.

In this regard, it should be noted that, as part of the process of transposing Directive No. 2013/50/EU (Transparency 2), on 16 February 2016 Italian legislators enacted Legislative Decree No. 25, which thoroughly amends the aforementioned statute by:
› eliminating the requirement to publish an interim report;
› allowing issuers to continue to disclose to the market — entirely on a voluntary basis — "additional periodic financial information" besides the annual and half-year reports, in compliance with the principles and application criteria set out by Consob.

With resolution No. 19770 dated 26 October 2016, Consob updated the Issuers' Regulation adding the new Article 82-*ter*, which requires listed issuers which have Italy as member state of origin to:
a) publish the intention to disclose additional periodic financial information, specifying the relevant items of information, in a way that the decisions made are clear and stable over time;
b) specify the terms for the approval and the publishing of the additional periodic financial information by the competent body;
c) guarantee the coherence and correctness of the additional periodic financial information made available to the public and the comparability of the information items with the corresponding data contained in the financial report previously made available to the public;
d) ensure rapid, non-discriminatory access which can, with reasonable certainty, guarantee the effective circulation of information throughout the European Union.

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

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

This document contains the following quantitative data on the balance sheet situation and profit and loss performance:
› the consolidated condensed balance sheet at 30 September compared with the figures at the end of the previous year;
› the consolidated condensed profit and loss account for the first nine months of the year, compared with data for the same period of the previous year;
› the statement of comprehensive income for the first nine months of the year, compared with data for the same period of the previous year.

The Consolidated Balance Sheet is presented in a format that summarises the primary asset and liability items. The Consolidated Profit and Loss Account is presented in a condensed, reclassified format and states the intermediate profit margins that make up net profit.
The Report also includes explanatory notes that refer to the accounting standards employed and other specific explanatory notes on transactions undertaken during the reporting period.
The amounts included in the Financial Statements and Notes and Comments are expressed in thousands of euros, unless otherwise indicated.

The consolidated financial position illustrated in the Interim Report has been prepared according to the IAS/IFRS issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with EC Regulation No. 1606 of 19 July 2002.

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

7.1 Accounting Standards

The accounting standards and measurement criteria used are the same as those used to prepare the Consolidated Financial Statements at 31 December 2023.

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.

The date of entry into force of some of the already endorsed standards has been postponed until subsequent years. The early application option has not been exercised for those standards.
The standards and interpretations that entered into force in 2024 did not have a significant impact on the Group's balance sheet and profit and loss account.

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

N.a.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BUT NOT EFFECTIVE YET

N.a.

Measurement

The preparation of the Interim Report requires the use of estimates and assumptions that could influence the amounts reported in the balance sheet and profit and loss account and the disclosure of contingent assets and liabilities therein.
The estimates and assumptions used are based on the information available regarding operations and on subjective judgements, which may be based on historical trends.
Given their nature, the estimates and assumptions used may vary from year to year, meaning that the actual amounts reported herein may differ materially from those reported in subsequent years due to changes in the subjective judgements used.

The main areas for which management is required to use subjective judgements include:

- the quantification of allocations for staff incentives and provisions for liabilities and contingencies;
- the quantification of incentives for the Financial Advisor Network currently being accrued;
- the determination of the fair value of cash financial instruments and derivatives used for reporting purposes;
- the determination of value adjustments and reversals of non-performing loans;
- estimates and assumptions used to determine current and deferred taxation.

7.2 Consolidated companies and business combinations

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

				SHAREHOLDING RELATIONSHIP		% OF VOTES IN ORDINARY SHARE-HOLDERS' MEETING
COMPANY NAME	REGISTERED OFFICE	OPERATING OFFICE	TYPE OF CONTROL	INVESTOR	% OF OWNERSHIP INTEREST	
Banca Generali S.p.A.	Trieste	Trieste, Milan		Parent Company		
BG Fund Management Luxembourg S.A.	Luxembourg	Luxembourg	1	Banca Generali	100.00%	100.00%
Generfid S.p.A.	Milan	Milan	1	Banca Generali	100.00%	100.00%
BG (Suisse) 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 nine 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 from 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 September 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.

Trieste, 7 November 2024

The Board of Directors

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04

DECLARATION PURSUANT TO ART. 154-*BIS*, PARA. 2, OF LEG. DECREE NO. 58 OF 24.02.1998

India. Pupils of Ranjitsinh Disale,
the Global Teacher Prize recipient of 2020, at Paritewadi.

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

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

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

declares

that the Interim Report on Operations as of 30 September 2024 corresponds to document results, books and accounts records.

Trieste, 7 november 2024

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

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 in the banking group register
ABI code 03075.9

BANCA GENERALI

BANCA GENERALI S.P.A.

Registered office	Via Machiavelli 4 34132 Trieste
Milan head office	Piazza Tre Torri 1 20145 Milan T. +39 02 40826691
Trieste head office	Corso Cavour 5/A 34132 Trieste T. +39 040 777111

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