Interim Report on Operations
as of 30 September 2010

Board of Directors
5 November 2010

Banca Generali S.p.A.
Authorised share capital 119,378,836.00 euros, underwritten and paid-up share capital 111,351,392.00 euros
Registered offices at Trieste, Via Machiavelli 4 - Italy
Trieste Register of Companies, Tax Code and VAT No. 00833240328
Member of the Interbank Deposit Protection Fund
Bank Register No. 5358
Parent Company of the Banca Generali banking group registered in the Banking Group Register
Company managed and coordinated by Assicurazioni Generali S.p.A.

Company Boards

CHAIRMAN	Perissinotto Giovanni
CHIEF EXECUTIVE OFFICER	Girelli Giorgio Angelo
BOARD OF DIRECTORS	Baessato Paolo Borrini Amerigo Buscarini Fabio De Vido Andrea Lentati Attilio Leonardo Minucci Aldo Miglietta Angelo Riello Ettore
BOARD OF STATUTORY AUDITORS	Alessio Vernì Giuseppe (Chairman) Venchiarutti Angelo Gambi Alessandro Camerini Luca (Alternate Auditor) Bruno Anna (Alternate Auditor)
GENERAL MANAGER	Motta Piermario

Contents

Group Economic and Financial Highlights

Highlights

Consolidated figures	30.09.2010	30.09.2009	*Change %*
(€ million)			
Net interest income	32.7	38.6	*-15.3*
Net commissions	151.0	136.7	*10.4*
Dividends and net profit from banking activities	10.7	18.6	*-42.6*
Net banking income	194.4	194.0	*0.2*
Staff expenses	-49.3	-47.3	*4.2*
Other general and administrative expense	-63.2	-67.4	*-6.3*
Amortisation and depreciation	-3.0	-4.1	*-25.5*
Other operating income	7.7	5.9	*30.4*
Net operating expense	-107.8	-112.9	*-4.5*
Operating profit	86.7	81.1	*6.8*
Provisions	-18.4	-20.0	*-8.0*
Adjustments	-1.9	-6.2	*-69.6*
Profit before taxation	66.4	55.0	*20.8*
Net profit	60.0	45.6	*31.6*
Cost / income ratio	53.9%	56.1%	*-4.0*
EBITDA	89.7	85.2	*5.3*
ROE	29.6%	24.1%	*22.8*
EPS - Earnings per Share (euro)	0.5396	0.4122	*30.9*

Net Inflows	30.09.2010	30.09.2009	*Change %*
(€ million) (Assoreti data)			
Mutual Funds and SICAVs	282	210	*34.4*
Asset management	338	2	*13,882.0*
Insurance / Pension funds	890	320	*178.0*
Securities / Current accounts	-619	- 203	*205.0*
Total	**891**	**329**	***170.4***

Assets Under Management & Custody (AUM/C)	30.09.2010	31.12.2009	*Change %*
(€ billion) (Assoreti data)			
Mutual Funds and SICAVs	6.2	5.8	*6.5*
Asset management	3.4	3.0	*11.5*
Insurance / Pension funds	6.6	5.9	*13.3*
Securities / Current accounts	6.8	7.5	*-8.7*
Total	**23.1**	**22.2**	*3.8*

Net equity	30.09.2010	31.12.2009	*Change %*
(€ million)			
Net equity	270.7	268.5	*0.8*
Capital for regulatory purposes	228.3	205.7	*10.9*
Excess capital (*)	95.5	69.5	*37.3*
Solvency margin (*)	13.75%	12.08%	*13.8*

(*) Estimates

Consolidated Accounting Statements

Consolidated Balance Sheet

Assets (€ thousand)	30.09.2010	30.06.2010	31.12.2009	Change on 30.06	 on 31.12
Financial assets held for trading	231,614	299,958	219,029	-22.8%	5.7%
Financial assets available for sale	1,505,018	1,389,236	1,482,281	8.3%	1.5%
Financial assets held to maturity	584,815	606,797	666,074	-3.6%	-12.2%
Loans to banks	512,647	455,346	641,697	12.6%	-20.1%
Loans to customers	798,162	774,520	783,170	3.1%	1.9%
Property, equipment and intangible assets	53,217	54,130	55,914	-1.7%	-4.8%
Tax receivables	72,095	63,019	50,209	14.4%	43.6%
Other assets	105,120	116,218	89,742	-9.5%	17.1%
Total Assets	3,862,688	3,759,224	3,988,116	2.75%	-3.1%

Liabilities and Net Equity (€ thousand)	30.09.2010	30.06.2010	31.12.2009	Change on 30.06	 on 31.12
Due to banks	471,229	454,627	148,114	3.7%	218.2%
Due to customers	2,836,116	2,790,942	3,368,401	1.6%	-15.8%
Financial liabilities held for trading	7,104	6,941	494	2.3%	1,338.1%
Tax payables	18,211	19,138	16,203	-4.8%	12.4%
Other liabilities	201,378	172,095	136,138	17.0%	47.9%
Special purpose provisions	57,938	63,210	50,285	-8.3%	15.2%
Valuation reserves	-10,465	- 11,188	- 1,602	-6.5%	553.2%
Reserves	83,401	86,299	73,245	-3.4%	13.9%
Additional paid-in capital	21,718	22,309	22,309	-2.6%	-2.6%
Share capital	111,329	111,313	111,313	0.0%	0.0%
Treasury shares (-)	-660	- 4,471	- 4,471	-85.2%	-85.2%
Minority interests	5,341	4,313	4,476	23.8%	19.3%
Net profit (loss) for the year (+/-)	60,048	43,696	63,211	37.4%	-5.0%
Total Liabilities and Net Equity	3,862,688	3,759,224	3,988,116	2.75%	-3.1%

Consolidated Profit and Loss Account

(€ thousand)	30.09.2010	30.09.2009	Change %	30.09.2009 Restated	Change %	Q3 2010	Q3 2009 Restated
Net interest income	32,724	38,646	-15.3%	38,698	-15.44%	10,370	10,057
Net commissions	151,014	136,730	10.4%	142,406	6.04%	44,109	52,091
Dividends	56,433	58,068	-2.8%	58,068	-2.82%	12,021	11,379
Net result from banking operations	- 45,748	- 39,462	15.9%	- 39,462	15.93%	- 14,712	- 6,116
Net operating income	194,423	193,982	0.2%	199,710	-2.65%	51,788	67,411
Staff expenses	- 49,312	- 47,343	4.2%	- 47,981	2.77%	- 15,504	- 14,670
Other general and administrative expense	- 63,171	- 67,408	-6.3%	- 67,875	-6.93%	- 19,860	- 23,492
Net adjustments of property, equipment and intangible assets	- 3,016	- 4,050	-25.5%	- 4,089	-26.24%	- 1,014	- 1,383
Other operating expense/income	7,731	5,930	30.4%	4,266	81.22%	1,776	1,347
Net operating expense	- 107,768	- 112,871	-4.5%	- 115,679	-6.84%	- 34,602	- 38,198
Operating profit	86,655	81,111	6.8%	84,031	3.12%	17,186	29,213
Net adjustments for non-performing loans	- 1,154	- 3,315	-65.2%	- 3,315	-65.19%	355	- 136
Net adjustments of other assets	- 726	- 2,878	-74.8%	- 2,878	-74.77%	- 59	16
Net provisions	- 18,372	- 19,966	-8.0%	- 20,715	-11.31%	2,520	- 3,579
Gain (loss) from the disposal of equity investments	-	-	n.a.	-	n.a.	-	-
Operating profit/(loss) before income taxes	66,403	54,952	20.8%	57,123	16.25%	20,002	25,514
Income taxes for the period on current operations	- 3,492	- 7,412	-52.9%	- 7,549	-53.74%	- 2,623	- 3,018
Profit/(loss) from non-current discontinued operations, net of taxes	-	- 1,912	-100.0%	- 1,912	-100.00%	-	-
Net profit/(loss) for the period of minority interests	- 2,863	-	n.a.	- 2,034	40.76%	- 1,027	- 767
Net profit for the period	60,048	45,628	31.6%	45,628	31.60%	16,352	21,729

Statement of Comprehensive Income

(€ thousand)	30.09.2010	30.09.2009	%	Q3 2010	Q3 2009
Net profit for the period	**60,048**	**45,628**	31.6%	**16,352**	**21,729**
Other income net of income taxes					
Assets available for sale	-8,863	5,596	-258.4%	723	3,517
Total other income net of income taxes	-8,863	5,596	-258.4%	723	3,517
Comprehensive income	51,185	51,224	-0.1%	17,075	25,246

Quarterly Evolution of the Profit and Loss Account

(€ thousand)	30.09.2010	Q3 2010	30.06.2010	Q2 2010	Q1 2010	31.12.2009	Q4 2009	30.09.2009 Restated
Net interest income	32,724	10,370	22,354	11,439	10,915	49,269	10,571	38,698
Net commissions	151,014	44,109	106,905	55,774	51,131	184,729	42,323	142,406
Dividends and income from equity investments	56,433	12,021	44,412	44,412	-	73,866	15,798	58,068
Net result from banking operations	- 45,748	- 14,712	- 31,036	- 40,478	9,442	- 52,867	-13,405	- 39,462
Net operating income	194,423	51,788	142,635	71,147	71,488	254,997	55,287	199,710
Staff expenses	- 49,312	- 15,504	- 33,808	- 17,073	- 16,735	- 67,056	-19,075	- 47,981
Other general and administrative expenses	- 63,171	- 19,860	- 43,311	- 22,950	- 20,361	- 80,013	-12,138	- 67,875
Net adjustments of property, equipment and intangible assets	- 3,016	- 1,014	- 2,002	- 1,106	- 896	- 5,779	-1,690	- 4,089
Other operating expense/income	7,731	1,776	5,955	3,999	1,956	3,374	-892	4,266
Net operating expense	- 107,768	- 34,602	- 73,166	- 37,130	- 36,036	- 149,474	- 33,795	- 115,679
Operating profit	86,655	17,186	69,469	34,017	35,452	105,523	21,492	84,031
Net adjustments for non-performing loans	- 1,154	355	- 1,509	- 637	- 872	- 3,341	-26	- 3,315
Net adjustments of other assets	- 726	- 59	- 667	- 426	- 241	- 4,222	-1,344	- 2,878
Net provisions	- 18,372	2,520	- 20,892	- 9,336	- 11,556	- 15,851	4,864	- 20,715
Gain (loss) from the disposal of equity investments	-	-	-	-	-	-	-	-
Operating profit/ before income taxes	66,403	20,002	46,401	23,618	22,783	82,109	24,986	57,123
Income taxes for the period	- 3,492	- 2,623	- 869	2,459	- 3,328	- 14,639	-7,090	- 7,549
Income (loss) from non-current discontinued operations	-	-	-	-	-	- 1,912	-	- 1,912
Net profit (loss) for the period of minority interests	- 2,863	- 1,027	- 1,836	- 1,198	- 638	- 2,347	-313	- 2,034
Net profit for the period	60,048	16,352	43,696	24,879	18,817	63,211	17,583	45,628

Explanatory Notes

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

The Banca Generali Group closed the first nine months of 2010 with a net profit of 60.0 million euros, compared to a net profit of 45.6 million euros for the same period of 2009 (+31.6%), and net equity attributable to the Parent Company of 265.4 million euros.

First of all, it should be noted that the comparative consolidated profit and loss account for the same period of 2009 does not include the financial aggregates of Generali Investment Luxembourg SA (GIL), which was merged into Generali Fund Management Sa (GFM, formerly BG Investment Luxembourg SA) on 9 September 2009 effective for legal purposes on 1 October 2009 and for accounting purposes 1 January 2009.
Accordingly, the profit and loss accounts of the two reporting periods are not comparable, and the most significant changes set out below are thus also provided on a like-for-like basis.

Net banking income amounted to 194.4 million euros, in line with the result for the third quarter of 2009. This result was achieved primarily thanks to the increase in net commissions, which rose by 10.4% compared to the same period of the previous year, whereas the net result from financial operations decreased (-42.6%). Net interest showed a decline in line with the interest-rate market (-5.9 million euros).

Operating expenses totalled 107.8 million euros, decreasing by 4.5% (6.8% on a like-for-like basis) compared to the first nine months of 2009, with staff expenses rising from 47.3 million euros to 49.3 million (+4.2%, 2.8% on a like-for-like basis).

Net provisions amounted to about 18.4 million euros at 30 September 2010, a 1.6 million euros decrease (-8.0%) compared to the same period of 2009, mainly due to higher provisions in connection with the development of and incentives to the distribution network.

The total value of the assets managed by the Group on behalf of its customers, which is the figure used for reporting to Assoreti, amounted to 23.1 billion euros at 30 September 2010, in line with the figure reported at year-end 2009. In addition, at 30 September 2010, assets under administration and custody of the Generali Group companies totalled approximately 1.4 billion euros, and 8.2 billion euros were held in mutual funds and discretionary accounts (GPF and GPM) distributed directly by management companies or parties outside the banking group, for an overall total of 32.7 billion euros.

With 23.1 billion euros in assets under management and 891 million euros in net inflows for the period from 1 January to 30 September 2010, the Banca Generali Group continues to hold a leading position among institutions specialising in the distribution of financial products through financial advisor networks.

Before analysing the Bank’s sales and financial results for the first nine months of 2010, macroeconomic information for the main economic regions of the world is reported, to provide a better understanding of the factors that influenced the results of the Banking Group.

2. Macroeconomic Context

The first nine months of 2010 witnessed the continuation of the phase of global recovery, although at a gradually decreasing pace owing to the elimination of economic policy stimulus measures. At the same time, business results in both the United States and Europe remained strong in terms of profit and also showed an improvement in turnover. Against this backdrop, stock markets fluctuated within broad trading ranges in the months following the peak reached in April, showing a high level of volatility. In the summer, a more severe weakening in the U.S. growth scenario than expected and the recurrence of concerns regarding the sovereign debt crisis in the Euro Area (Ireland) drove down yields on benchmark government securities (Treasuries and Bunds) while also widening the spreads on the securities of countries on the Euro Area's periphery. The euro/dollar exchange rate, which had fallen as a result of the intensification of political risk in the euro area during the first half of the year, has begun to climb again in recent months: the Federal Reserve, has stated that it is willing to adopt new monetary stimulus measures to support growth.

At the macroeconomic level, global growth passed through two distinct phases: while rates neared potential levels in the first half of the year, growth declined towards a weaker trend level in the following months. This difference was more pronounced in developed economies owing to the phase of massive debt reduction and the persistent credit crunch. The reason for these two phases shown by all economies — although in different ways — is to be sought in the gradual re-absorption of fiscal policy incentives, the exhaustion of the inventory cycle in the United States and Japan and restrictive measures aimed at returning growth to a more sustainable path in China. In the Euro Area, the sovereign debt crisis drove many countries to adopt restrictive fiscal stances in order to reduce budget deficit levels in the near term and public debt in the medium term. However, international trade continued to expand and in many cases has returned to pre-recession levels. With the transition to more restrictive fiscal policies in many advanced countries, support for the economy was once again provided through monetary policy. Inflationary pressures are absent and central banks have succeeded in keeping official rates stable and low. Both the FED and the ECB have repeatedly stated that they would be willing to use expansionary monetary measures if the economic situation were to deteriorate. On the contrary, in many emerging countries the pace of growth has led monetary authorities to raise interest rates to combat the price pressures that have began to crop up again.

In the first three months of the year, Euro Area interbank market interest rates trended downwards, depressed by an abundance of liquidity and the expectation that the ECB would leave refinancing rates unchanged for many months: the three-month Euribor fell from 0.70% to 0.63%. Then, due to the deterioration of the sovereign debt crisis, upwards pressure resumed: the three-month rate rose rapidly to reach 0.71% at the end of June. In this scenario, the ECB approved a timely series of measures (the "sterilised" purchase of government bonds, the resumption of auctions with an unlimited supply of liquidity, etc.) aimed at responding to money-market tensions: the efficacy of these measures translated into a stabilisation of financing conditions and, in the summer months, a reduction in financing requests. Accordingly, the ECB, while continuing to state that it was willing to supply the required liquidity, also showed that it was disposed to tolerate the rise of market rates as a response to the improvement in the economic situation: at the end of September, the three-month Euribor reached 0.89% and the spread between the swap rate and Euribor rate also climbed to 0.71% from 0.39% at the beginning of the year.

After a phase of relative strength in the months until April, equity markets then showed a high level of volatility, fluctuating within a broad trading range. At the end of September, the global market index (MSCI World) was at the same level as at the beginning of the year. The S&P 500 and Stoxx Europe 600 — which at the end of April had shown gains of +9.2% and +7.2%, respectively — both closed the period at +2.3%; the FTSE MIB registered a bear performance, falling from +1.2% in April to -11.8%, as did the Topix, which from a peak in April (+9.1%) ended the period at -8.6%. On the contrary, emerging markets showed more consistent trends, while displaying extensive fluctuations in all of the major areas (Eastern Europe, Asia and Latin America): the MSCI Emerging Markets index reached a high at the end of September with a positive performance of +5.9%. On the whole, the sectors of the European market that performed the best were automobiles, consumer goods, industrial goods and services and travel, whereas utilities, construction, energy and banks all underperformed the average.

Bond markets were initially dominated by the sovereign debt crisis in the countries on the Euro Area's periphery, then, beginning in the summer months, by rising uncertainties relating to the slowdown of global growth. Yields in countries considered low-risk (Germany and the USA) fell gradually throughout the period, reflecting investors' preference over rising political risk in the Euro Area, but also anticipating the move towards a less lively growth trend than in the first six months: ten-year rates, which at the beginning of the year were at 3.39% (Germany) and 3.83% (USA), had declined by 111 and 132 basis points respectively at the end of September to 2.28% and 2.51%. On the contrary, the yields on the bonds of countries considered at risk of default increased considerably, raising spreads to the highest levels since the Monetary Union was created. In the summer, the market began to become more selective, with yields and spreads falling for countries with more solid fiscal situations, whereas spreads continued to widen for countries at risk. In this context, spreads on non-financial corporate bonds proved highly resistant and continued to contract owing to solid fundamentals (an improvement in cash flow, low interest rates and a gradual decrease in the insolvency rate).

Currency markets also went through two distinct phases. Until June, the euro weakened against all other currencies, reflecting the gradual intensification of the sovereign debt crisis in the Euro Area: the exchange rate, which was around 1.45 to the dollar, reached a low of 1.1925 in early June. The euro then stabilised following the approval of highly restrictive fiscal measures in most countries of the European Union. The transition to a phase of pronounced slowdown of the U.S. economy beginning in August and the reiterated willingness of the Federal

Reserve to adopt new expansionary monetary policy measures then drove the dollar to depreciate gradually against all of the other currencies: at the end of September, the euro/dollar exchange-rate had returned to 1.365. The yen/dollar exchange rate, which had fluctuated in a range between 88 and 95 until the summer, closed the period at a low (83.5) despite intervention by the Bank of Japan in mid-September aimed at weakening the yen.

Finally, commodities prices trended upwards until April to then weaken, reflecting heightened uncertainty surrounding the growth scenario. The price of oil rose from 82.5 dollars a barrel at the end of December to 90.8 in mid-April, to then close out the period at 80.

3. Performance of Group Companies

3.1 Performance of BG SGR

In the first nine months of 2010, BG SGR, a management company specialising in mutual investment funds, SICAVs, and discretionary accounts, reported 1.5 million euros in net profit, approximately 28.7 million euros in net equity and 37.7 million euros of total balance sheet assets. The growth of net equity compared to the previous year was chiefly due to the increase in capital and additional paid-in capital for a total of 9.5 million euros undertaken following the contribution of the discretionary account Business Unit by Banca BSI Italia.
Operating results before taxes, net provisions, adjustments, depreciation and amortisation (EBITDA), amounted to 3.1 million euros.
Net banking income amounted to approximately 11.6 million euros, whereas general and administrative expense was 9.1 million euros, including about 5.3 million euros for staff expenses.
On the whole, the assets of funds promoted and/or managed and discretionary accounts amounted to 4,173 million euros at 30 September 2010, representing an increase of 86% compared to the 2,244 million euros as of 31 December 2009, principally owing to the foregoing contribution, which yielded 1,471 million euros in assets under management.

3.2 Performance of BG Fiduciaria SIM

In the first nine months of 2010, BG Fiduciaria, a company specialising in GPF and GPM portfolios, mainly in a custodial capacity, reported 1.1 million euros in net profit, 8.4 million euros in net equity and total assets under management amounting to 1,020 million euros, increasing compared to 729 million euros at 31 December 2009.
Operating results before taxes, net provisions, adjustments, depreciation and amortisation (EBITDA), amounted to 1.8 million euros.
Net banking income amounted to 3.3 million euros, whereas general and administrative expense was 1.7 million euros, including 1.0 million euros for staff expenses.

3.3 Performance of Generali Fund Management Sa

Generali Fund Management Sa (GFM, formerly Bg Investments Luxembourg Sa), which took up this name following the merger of Generali Investments Luxembourg Sa in the last quarter of 2009, is a company under Luxembourg law specialising in the administration and management of SICAVs. Following the above-mentioned merger, the Group owns 51% of the share capital, while the remaining 49% is owned by Generali Investments, a Generali Group company. The two shareholdings are treated differently with respect to earnings distributions planned for 2010, allocated to Banca Generali to the extent of 95%.
At 30 September 2010, the company reported a net profit of approximately 62.1 million euros and net equity of about 76.7 million euros.
Operating profit before taxes, net provisions, adjustments, depreciation and amortisation (EBITDA), amounted to approximately 68.9 million euros.
Net banking income amounted to about 72.5 million euros, while administrative expense was 3.8 million euros, including 2.9 million euros for staff expenses.
Overall assets under management at 30 September 2010 amounted to 11.3 billion euros.

3.4 Generfid S.p.A. trust company

On 2 August 2010, S. Alessandro Fiduciaria, a company specialising in implementing trusts, changed its name to "GENERFID S.p.A. Società Fiduciaria di Amministrazione e Trust".
It also completed a capital increase aimed at supporting the development of its activity in the area of trust management.
For the first nine months of 2010, the company reported a net result of 71 thousand euros and net equity of 334 thousand euros.

3.5 Performance of the Parent Company, Banca Generali

Subsidiary Banca BSI Italia was merged into Banca Generali with effect as of 1 January 2010, following the transfer of the discretionary account management business from Banca BSI Italia to subsidiary BG SGR.
Accordingly, effective 1 January 2010, from an industrial standpoint the private-banking activity conducted by Banca BSI Italia was concentrated into a division of Banca Generali designated "Banca Generali Private Banking" to take its place alongside the commercial division specialised in the distribution of financial and banking products to affluent clients through financial advisor networks.

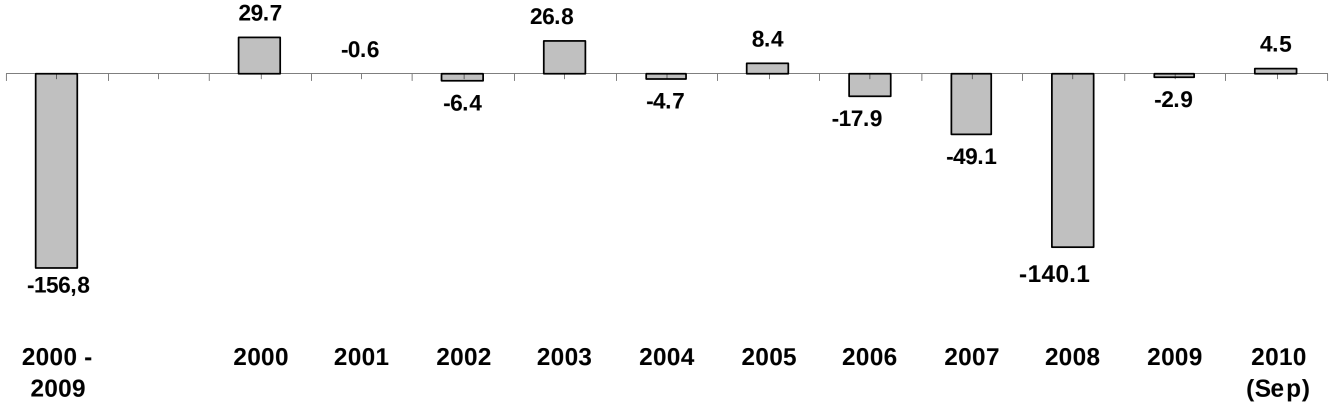
For the first nine months of 2010, Banca Generali reported a net profit amounting to 53.4 million euros, with an increase of 15.9 million euros compared to the same period of the previous year, driven primarily by the increase in intercompany dividends.
On a like-for-like basis, the net income for the reporting period amounted to 21.6 million euros, with an increase by 147.7%.
Total assets under management placed by financial advisors at the end of the third quarter 2010 amounted to 23.1 billion euros, compared to 13 billion at the end of the same period of 2009 (22.2 billion euros on a like-for-like basis), and net inflows amounted to 890 million euros.
Net equity amounted to 191.9 million euros compared to the 249.9 million euros reported at the end of the previous year, largely due to the merger deficit arising from the absorption of Banca BSI Italia, which was accounted for by decreasing net equity.
Operating results before taxes, net provisions, adjustments, depreciation and amortisation
(EBITDA) amounted to 71.2 million euros, up from the 60.6 million euros reported in the same period of the previous year.
Net banking income amounted to 162.3 million euros, whereas general and operating expense was 98.3 million euros, including 40.0 million euros for staff expenses.

4. Net Inflows, Assets Under Management, and Market Positioning in Distribution Through Financial Advisor Networks

4.1 The Asset Management Market: UCITS

In the first nine months of 2010, the UCITS market in Italy showed a significant increase compared to the same period of 2009 (+4.5 billion euros compared to -7.5 billion euros). Nonetheless, the uptrend that began in the second half of 2009 returned to negative levels in the second half of 2010 (with the exception of August) against the backdrop of a capital market situation that showed considerable renewed uncertainty and high volatility.
It is important to note that Italian UCITS continue to show outflows in favour of international UCITS (-15.1 billion euros compared to 19.7 billion euros).

The UCITS Market



Source: Assogestioni.

4.2 The Assoreti Market

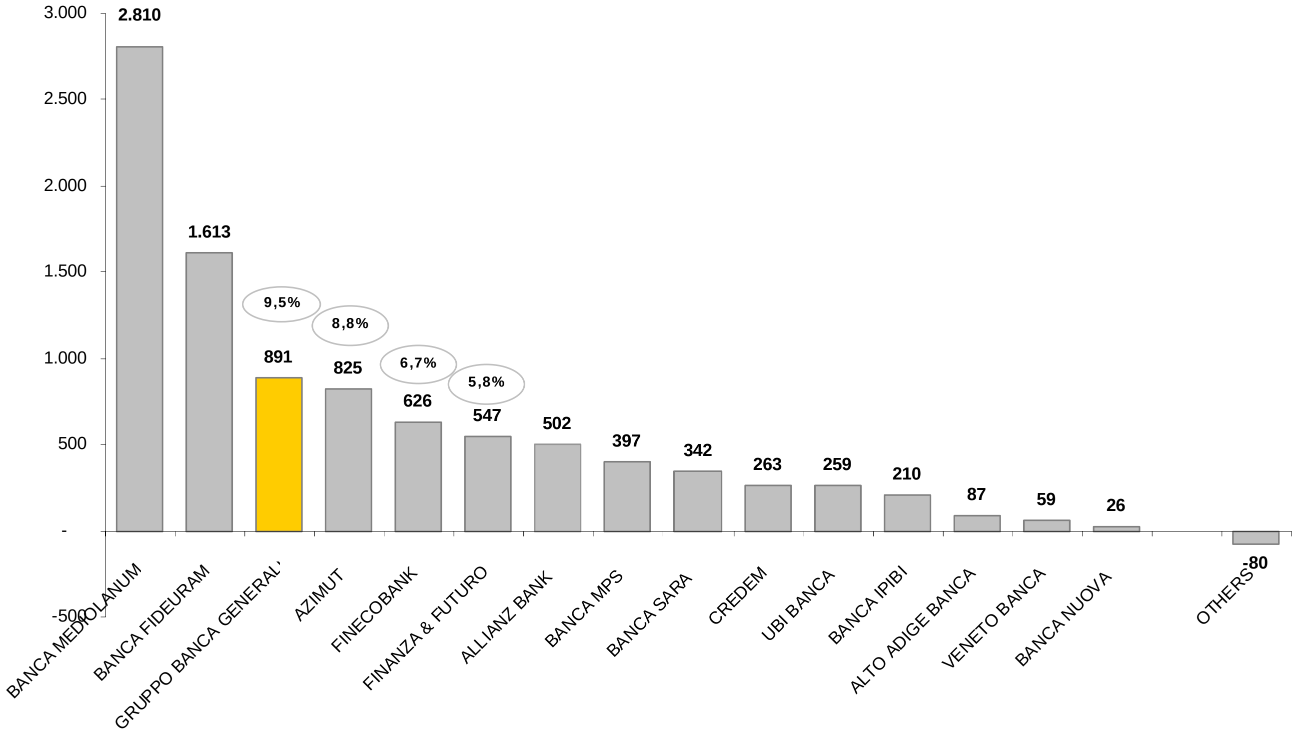
Total net inflows on the "Assoreti" market (total distribution through financial advisors) also increased in the first 8 months of 2010, performing considerably better compared to the figures of the first quarter 2009 (+9.2 billion euros on 7.2 billion euros in 2009). Moreover, the period's most salient characteristic was the internal composition of net inflows. While net inflows from asset management products had shown renewed resiliency in the second half of 2009 (4.6 billion euros), the figure had nearly doubled by August 2010 (9 billion euros), in addition to the 1.8 billion euros of inflows from insurance products, while assets under administration showed outflows of a roughly equivalent amount (-1.6 billion euros compared to a positive 1.7 billion euros in 2009). In other words, the market witnessed a resumption of activity characterised by a significant return to the placement of the instruments typical of the financial advisor market.

4.3 The Banca Generali Group

In this positive context, the Banca Generali Group remained among the market leaders with a 9% increase in market share in August and net inflows of 891 million euros in September.
In further detail, inflows were balanced between assets under management (620 million euros), insurance products (890 million euros) and assets under administration and custody (-619 million euros).
Likewise, in the insurance sector the Banca Generali Group reported values in excess of those of the industry at large, driven by a product line that shows specific levels of excellence that also justify the more than 1.2 billion euros in life new business.

TOTAL NET INFLOWS — ASSORETI — 9,171 million euros

August 2010, in millions of Euro

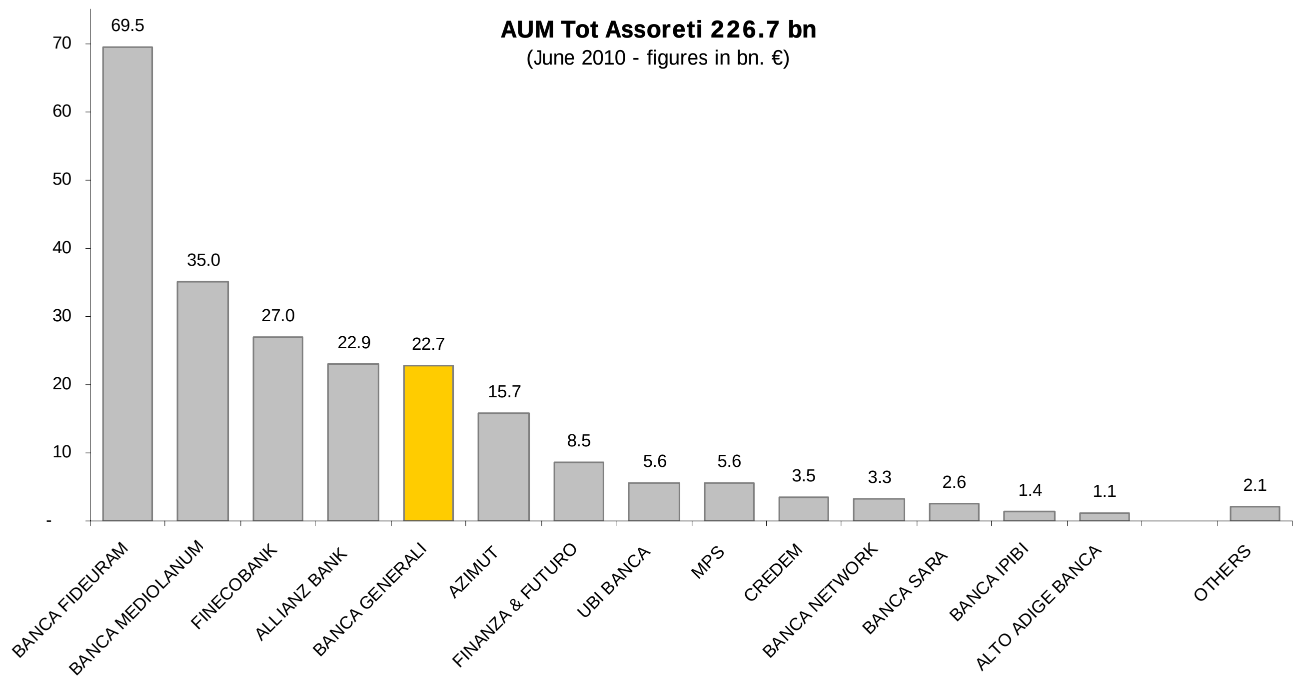


Source: ***Assoreti.***

According to the latest data, the Banca Generali Group remained among the top five companies in terms of Assets Under Management.

<u>TOTAL ASSETS — ASSORETI — 226.7 billion euros</u>

June 2010, in billion of Euro



Source: ***Assoreti.***

The following table provides a summary of the assets and their aggregates by product type as of September 2010.
illustrating their composition by macro-aggregate and furnishing a comparison with the figures as of December 2009. The assets in question refer to the Assoreti market, and therefore to the Financial Advisor operating area.
The change in assets in the three quarters was 3.8% and showed growth especially in the insurance segment (+13.3%), due in part to the launch in the first quarter of a new policy offering particularly competitive features. The asset management segment also yielded considerable growth (+8.2%), equally supported by funds and SICAVs and individual portfolio management schemes. Those increases were driven both by net inflows and the diversification of the assets held by clients away from asset administration and towards asset management products.

(€ million)	BG Group 30.09.2010	BG Group 31.12.2009	Change on 31.12.2009	
			Amount	%
Total managed assets	**9,598**	**8,871**	**727**	*8.2%*
Funds and SICAVs	6,214	5,837	377	*6.5%*
GPF/GPM	3,384	3,034	350	*11.6%*
Total life insurance	**6,635**	**5,855**	**780**	*13.3%*
Total non managed assets	**6,838**	**7,494**	**-656**	*-8.7%*
Total assets placed by the network	**23,072**	**22,220**	**852**	***3.8%***

5. Performance of Main Financial and Economic Aggregates

5.1 Basis of Preparation

The interim report for the third quarter 2010 is prepared as per article 154-*ter*, paragraph 5, of Italian Legislative Decree 58/98, introduced by Legislative Decree 195/2007, in implementation of Directive 2004/109/CE (so-called Transparency Directive).
This decree replaces the previous provision, article 82 “Quarterly Reports” and Annex 3D (Standards for Drafting the Quarterly Report) of the Rules for Issuers, which required the drafting of a quarterly report, setting the minimum standards for content.

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 situation of the issuer and its subsidiaries.

This document contains the following quantitative data on the balance sheet situation and quarterly profit and loss performance:

- the consolidated condensed balance sheet at the end of the quarter (30/09/2010) compared with the figures at the end of the previous quarter (30/06/2010) and the end of the previous year (31/12/2009).
- the consolidated condensed profit and loss account for the period between the beginning of the year and the end of the quarter (1 January – 30 September 2010) and the reporting quarter (third quarter 2010), compared with the figures for the same periods of the previous year (1 January – 30 September 2009 and third quarter 2009).
- a Statement of Comprehensive Income for the period between the beginning of the year and the end of the quarter (1 January – 30 September 2010) and the reporting quarter (third quarter 2010), compared with the figures for the corresponding periods of the previous year (1 January – 30 September 2009 and third quarter 2009).

The Consolidated Balance Sheet is presented in a format that summarises the primary asset and liability items.
The consolidated Profit and Loss Account is presented in a condensed, reclassified format and states the intermediate profit margins that make up net profit.
The Report also includes explanatory notes that refer to the accounting standards employed and other specific explanatory notes pertaining to transactions undertaken up to the end of the quarter.
The amounts included in the financial statements and notes are expressed in thousands of euros, unless otherwise indicated.

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

The Interim Report is not subject to audit by the Independent Auditors.

5.2 Accounting Standards

The accounting standards and measurement criteria used are the same as those used to prepare the consolidated financial statements at 31 December 2009 and Half-Yearly Financial Report at 30 June 2010. The financial statements presented herein must therefore be read in conjunction with those documents.

Measurement

The preparation of the Interim Report on Operations 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 for the reporting period.

The estimates and assumptions used are based on the information available on operations and subjective judgements, which may be based on historical trends.
Given their nature, the estimates and assumptions used may vary from period to period, meaning that amounts in the interim report may differ materially from subsequent periods due to changes in the subjective judgements used.
The main areas for which management is required to use subjective judgements include:

- the determination of the fair value of financial instruments and derivatives used for reporting purposes;
- the valuation of securities included in the portfolios of financial assets available for sale, financial assets held to maturity and financial assets included in bank and customer receivables, subject to the impairment procedure;
- the quantification of the financial advisor network's remuneration (pay out) for September 2010 and commission-based incentive measures for the second half of the year;
- the quantification of personnel-related provisions and provisions for liabilities and contingencies;
- the determination of value adjustments of non-performing loans and the provision for performing loans;
- the evaluation of the appropriateness of the amount of goodwill;
- estimates and assumptions used to determine current and deferred taxation.

5.3 Consolidated Companies and Business Combinations

The companies consolidated by the Group in accordance with IAS 27 include the Parent Company, Banca Generali S.p.A. and the following subsidiaries.

Company name	Head office	Type of control	Shareholding relationship		% of votes
			Investor	% of ownership interest	abs. ord.
Fully consolidated companies					
- BG Fiduciaria SIM S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- BG SGR S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- Generali Fund Management S.A.	Luxemb.	1	Banca Generali	51.00%	51.00%
- Generfid S.p.A.	Milan	1	Banca Generali	100.00%	100.00%

Legend: type of control:
(1) control pursuant to Section 2359, paragraph 1, No. 1 of the Italian Civil Code (majority voting rights at general shareholders' meeting)

On 1 January 2010, two restructuring transactions internal to the banking group were completed:
1) the discretionary portfolio management business unit was contributed by Banca BSI Italia to BG SGR;
2) Banca BSI Italia was merged into the parent company, Banca Generali;

Both of the foregoing qualify as transactions between entities under common control and have been accounted for in accordance with the principle of the continuity of the values of the transferred assets and liabilities on the basis of the book values indicated in Banca Generali's 2009 financial statements.

Accordingly, those transactions only changed the Group's legal structure, without yielding substantial effects either on its scope of consolidation or the measurements of consolidated assets and liabilities.

In addition, it should be noted that the comparative consolidated profit and loss account at 30 September 2009 does not include the financial aggregates of Generali Investment Luxembourg SA ("GIL"), which was merged into Generali Fund Management Sa ("GFM", formerly BG Investment Luxembourg SA) on 1 October 2009 effective for accounting purposes 1 January 2009.
For a better understanding of results, a comparative profit and loss situation is also presented in restated form to account for the foregoing effects and the necessary indications concerning changes on a like-for-like basis are provided for the main profit and loss account items.

The consolidated accounts include the separate accounts of the Parent Company and the subsidiaries at 30 September 2010, reclassified and adjusted where necessary to take account of consolidation requirements. The most important intra-Group transactions, influencing both the balance sheet and profit and loss account, were eliminated. Unreconciled amounts were recognised respectively in other assets/liabilities and other revenues/expenses.

5.4 Changes in the Balance Sheet and Net Equity

At 30 September 2010, total consolidated assets amounted to almost 3.9 billion euros, down compared to year-end 2009 (-3.1%).

Similar decreases were also recorded for inflows from customers and banks (-5.9%) and core loans (-4.2%).

Assets	30.09.2010	30.06.2010	31.12.2009	Change	
(€ thousand)				vs. 30.06	vs. 31.12
Financial assets held for trading	231,614	299,958	219,029	-22.8%	5.7%
Financial assets available for sale	1,505,018	1,389,236	1,482,281	8.3%	1.5%
Financial assets held to maturity	584,815	606,797	666,074	-3.6%	-12.2%
Loans to banks	512,647	455,346	641,697	12.6%	-20.1%
Loans to customers	798,162	774,520	783,170	3.1%	1.9%
Property, equipment and intangible assets	53,217	54,130	55,914	-1.7%	-4.8%
Tax receivables	72,095	63,019	50,209	14.4%	43.6%
Other assets	105,120	116,218	89,742	-9.5%	17.1%
Total assets	3,862,688	3,759,224	3,988,116	2.75%	-3.1%

Net Equity and Liabilities	30.09.2010	30.06.2010	31.12.2009	Change	
(€ thousand)				on 30.06	on 31.12
Due to banks	471,229	454,627	148,114	3.7%	218.2%
Due to customers	2,836,116	2,790,942	3,368,401	1.6%	-15.8%
Financial liabilities held for trading	7,104	6,941	494	2.3%	1,338.1%
Tax payables	18,211	19,138	16,203	-4.8%	12.4%
Other liabilities	201,378	172,095	136,138	17.0%	47.9%
Special purpose provisions	57,938	63,210	50,285	-8.3%	15.2%
Valuation reserves	-10,465	- 11,188	- 1,602	-6.5%	553.2%
Reserves	83,401	86,299	73,245	-3.4%	13.9%
Additional paid-in capital	21,718	22,309	22,309	-2.6%	-2.6%
Share capital	111,329	111,313	111,313	0.0%	0.0%
Treasury shares (-)	-660	- 4,471	- 4,471	-85.2%	-85.2%
Minority interests	5,341	4,313	4,476	23.8%	19.3%
Net profit (loss) for the year (+/-)	60,048	43,696	63,211	37.4%	-5.0%
Total Net Equity and Liabilities	3,862,688	3,759,224	3,988,116	2.75%	-3.1%

5.4.1 Core Loans

Core loans totalled 3.6 billion euros and decreased by 160.0 million euros compared to 31 December 2009.

In detail, net loans on the interbank market declined by 164.5 million euros (-31.2%), the investments allocated to the various IAS portfolios decreased by 52.4 million euros (-2.0%) whereas loans to customers and, to a lesser extent, operating loans bucked the trend.

(€ thousand)	30.09.2010	30.06.2010	31.12.2009	Change %	
				on 30.06	on 31.12
Financial assets held for trading	231,614	299,958	219,029	-22.8%	5.7%
Financial assets available for sale (AFS)	1,505,018	1,389,236	1,482,281	8.3%	1.5%
Financial assets held to maturity (HTM)	584,815	606,797	666,074	-3.6%	-12.2%
Loans to banks	512,647	455,346	641,697	12.6%	-20.1%
Financing	363,217	332,291	527,708	9.3%	-31.2%
Other	1,743	1,569	1,284	11.1%	35.7%
Debt securities in the loans portfolio	147,687	*121,486*	*112,705*	21.6%	31.0%
Loans to customers	798,162	774,520	783,170	3.1%	1.9%
Financing	545,922	519,851	487,503	5.0%	12.0%
Life insurance participating policy	30,335	30,061	29,439	0.9%	3.0%
Other	91,603	87,323	94,460	4.9%	-3.0%
Debt securities in the loans portfolio	130,302	137,285	*171,768*	-5.1%	-24.1%
Total core loans	3,632,256	3,525,857	3,792,251	3.0%	-4.2%

Financial assets held for trading amounted to 231.6 million euros, increasing by 12.6 million euros (+5.7%) on the figure as of the end of the previous year due to the reduction in transactions involving the portfolio, consisting for two-thirds of Italian and UEM government bonds.
The portfolio of assets available for sale (AFS) amounted to 1,505 million euros, in line with the figure as of the end of previous year (+1.5%).
The government bond component of that portfolio reached 87.9%, while the equity component amounted to 1%.
During the first nine months of 2010, debt securities allocated to HTM portfolios and customer and bank receivables recorded an overall decrease by 87.7 million euros, due primarily to the prevalence of reimbursement flows by issuers and a limited quantity of new purchases regarding bank issues in the loans portfolio.

Within loans to customers, financing amounted to 546.0 million euros, up by 58.4 million euros (+12.0%), essentially attributable to the rise in overdraft lines of credit.

Net interbank position was substantially positive at the end of the third quarter and amounted to 41.4 million euros, showing a clear turnaround compared to the figures in the half-yearly reports, but decreasing by 452.2 million euros compared to the situation at the end of 2009 (-91,6%).
This result may be attributed to the decrease in the loan position (-129.0 million euros or -20.1%), which primarily affected the term component (term deposit with ECB), and the increase in the debt position (+323.1 million euros), chiefly owing to the undertaking of repurchase agreement transactions.

(€ thousand)	30.09.2010	30.06.2010	31.12.2009	Change %	
				vs. 30.06	vs. 31.12
Loans to banks	512,647	455,346	641,697	12.6%	-20.1%
Due to banks	- 471,229	- 454,627	- 148,114	3.7%	218.2%
Net interbank position	41,418	719	493,583	5660.5%	-91.6%

5.4.2 Direct Inflows

Total direct inflows from customers amounted to about 2.8 billion euros, marking a slight increase compared to 30 June 2010 (+1.6%), however decreasing by 532.3 million euros (-15.8%) compared to 31 December 2009.
The reduction essentially involved inflows from other parties external to the Generali Group, with a decline of 565.2 million euros compared to December 2009 (-20.9%) and of 85.3 million euros compared to the previous half-yearly situation (-3.8%), while investments in asset management products rose.
Captive funding from the Parent Company, Assicurazioni Generali, and the other sister companies belonging to that group amounted to 701.0 million euros, representing 24.7% of total inflows, and increased compared both to 31 December 2009 (+4.9%) and the end of the half-year (+22.9%).

(€ thousand)	30.09.2010	30.06.2010	31.12.2009	Change %	
				on 30.06	on 31.12
Transfer accounts	2,486,662	2,603,870	3,148,729	-4.5%	-21.0%
Repurchase agreements	66,190	66,812	106,703	-0.9%	-38.0%
Term deposits	198,650	31,400	-	532.6%	n.a.
Generali Versicherung subordinated loan	40,000	41,158	40,387	-2.8%	-1.0%
Other debts	44,326	47,245	71,825	-6.2%	-38.3%
Debt securities					
Certificates of deposit	288	457	757	-37.0%	-62.0%
Total direct inflows	2,836,116	2,790,942	3,368,401	1.6%	-15.8%

5.4.3. Net Equity and Treasury Shares

At 30 September 2010, Group's net equity amounted to 265.4 millions euros and did not show significant changes compared to the situation at the end of the previous year.

However, the evolution of the Group's net equity was influenced by the combined effect of the dividend of 49.9 million euros distributed in May 2010, the contribution of the net profit earned at the end of the period, the change in reserves relating to stock-option plans and net decreases in valuation reserves.

(€ thousand)	30.09.2010	30.06.2010	31.12.2009	Change %	
				on 30.06	on 31.12
1. Share capital	111,329	111,313	111,313	0.0%	0.0%
2. Additional paid-in capital	21,718	22,309	22,309	-2.6%	-2.6%
3. Reserves	83,401	86,299	73,245	-3.4%	13.9%
4. (Treasury shares)	- 660	- 4,471	- 4,471	-85.2%	-85.2%
5. Valuation reserves	- 10,465	- 11,188	- 1,602	-6.5%	553.2%
6. Equity instruments	-	-	-	0.0%	0.0%
7. Net profit (loss) for the period	60,048	43,696	63,211	37.4%	-5.0%
Group net equity	265,371	247,958	264,005	7.0%	0.5%
Minority interests	5,341	4,313	4,476	23.8%	19.3%
Consolidated net equity	270,712	252,271	268,481	7.3%	0.8%

Share Capital, Treasury Shares and Stock-option Plans

On 13 September 2010, the body charged with administering the stock-granting plan reserved for the Chief Executive Officer and General Manager of Banca Generali S.p.A. granted 389,596 ordinary Banca Generali shares to the Chief Executive Officer.
Accordingly, the carrying amount of the shares granted, 3,810 thousand euros, was accounted for by deducting 3,116 thousand euros from a specifically allocated IFRS 2 reserve and the remainder from additional paid-in capital.

Therefore, at the end of the first nine months of 2010, the parent company Banca Generali had 70,010 treasury shares having a total carrying value of 660 thousand euros to the following beneficiaries:

- 60,000 shares arising from the merger of Banca BSI Italia S.p.A. allocated in service of the stock-option plan for the subsidiary's former chairman;
- 10,071 shares referring to residual grants under the stock-granting plan for the financial advisors of the former Prime Consult network, originally launched in 2001.

In the third quarter of 2010, a total of 15,631 shares were also issued in service of the stock-option plans reserved for the Group's financial advisors, resulting in further limited reductions in the IFRS 2 reserve as the contra entry to changes in share capital and additional paid-in capital.

If the effects of foregoing transactions are excluded, reserves associated with stock-option plans remained essentially stable, owing in part to the definitive measurement conducted at the date of official authorisation by the Shareholders' Meeting on 21 April of the three-year extension of the 2006 stock-option plans reserved for the Group's financial advisors and managers following the listing of the Parent Company, which resulted in a reduction of 0.8 million euros.

Valuation Reserves

Valuation reserves refer primarily to positive or negative fair value adjustments to financial assets available for sale, net of the associated tax effect.
At period-end, such reserves had a total negative value of 10,5 million euros, decreasing by 8.9 million euros, primarily owing to the debt securities segments, as illustrated in the following table.

(€ thousand)	30.09.2010			
	Debt securities		Equity	Total
	AFS	formerly AFS	Share capital	
1. Amount at year-start	1,733	- 1,726	- 1,646	- 1,639
2. Increases	6,350	1,189	935	8,474
2.1 Fair value increases	1,047		33	1,080
2.2 Transfer to profit and loss of negative reserves				
due to impairment	0		726	726
due to disposal	1,045	1,166	0	2,211
2.3 Other changes	4,258	23	176	4,457
3. Decreases	15,463	433	1,442	17,338
3.1 Fair value decreases	12,370	0	1,359	13,729
3.2 Adjustments due to impairment	-	0	0	0
3.3 Transfer to profit and loss account of positive reserve: due to disposal	3,006	63	83	3,152
3.4 Other changes	87	370	0	457
4. Amount at year-end	-7,380	-970	-2,153	-10,503

The reserve associated with debt securities also includes 1.0 million euros in decreases in fair value that were recognised due to the transfer of securities from the AFS portfolio to the portfolios held to maturity and loans and receivables (net of the relative tax effect). According to IAS 39, these reserves will be absorbed over time through an amortisation process over the estimated residual life of the reclassified securities, which generated a positive effect of approximately 0.8 million euros in the period under review.

The increase in negative reserves measured at the end of the third quarter was primarily attributable to the significant increase in the net negative reserve for the debt securities segment as a result of both the negative market performance and the reversal to profit and loss of part of the positive reserves carried at the end of the previous year.

Capital for Regulatory Purposes

Consolidated capital for regulatory purposes was estimated at 228.2 million euros at 30 September 2010, net of the projected total dividend payout, marking an increase of 22.5 million euros on the situation at 31 December 2009.

(€ thousand)	30.09.2010	31.12.2009
Tier 1 capital	188,608	166,078
Tier 2 capital	39,663	39,666
Tier 3 capital	-	-
Total capital for regulatory purposes	228,271	205,744
B.1 CREDIT RISK	93,552	92,836
B.2 MARKET RISKS	9,244	13,375
B.3 OPERATING RISK	30,006	30,006
B.4 OTHER PRUDENTIAL REQUIREMENTS	-	-
B.4 TOTAL PRUDENTIAL REQUIREMENTS	132,802	136,217
EXCESS OVER PRUDENTIAL REQUIREMENTS	95,469	69,527
Overall committed capital	58.18%	66.21%
Capital committed to credit risk	41.0%	45.12%
Capital committed for market risk	4.0%	6.50%
Capital committed for operating risk	13.1%	14.6%
Risk-weighted assets	1,660,025	1,702,713
Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	11.36%	9.75%
Regulatory capital/Risk-weighted assets (Total capital ratio)	13.75%	12.08%

The development of the regulatory aggregate compared to the situation at the year-end 2009 is attributable, not only to the development of the balance sheet aggregates examined above, but also to the application of the provisions issued by the Bank of Italy:

- the Instruction of 18 May 2010 regarding the possibility of adopting the approach calling for the full “neutralisation” of capital gains and losses to net equity on AFS securities in alternative to the “asymmetrical” approach provided for in applicable supervisory regulations;
- the Note of 11 March 2009 concerning the ways in which prudential filters are calculated in the event of the tax redemption of goodwill in accordance with Article 15 of Law Decree No. 185/2008.

In further detail, Banca Generali opted for the method of full neutralisation of the capital gains and capital losses that arose in the current year and were recognised in equity in relation to the EU area government bond segment allocated to the AFS portfolio.

On the subject of the problem of the redemption of goodwill, the calculation of capital for regulatory purposes was modified to include a negative filter of 2,414 thousand, equal to 50% of the net tax benefit obtained through the redemption of goodwill in accordance with the foregoing provision of law.

5.5 Operating Performance

The following tables and notes provide an analysis of the operating results for third quarter of 2010 compared to those for the same period of 2009.
However, it should be noted that the comparative consolidated profit and loss account at 30 September 2009 does not include the financial aggregates of Generali Investment Luxembourg SA ("GIL"), which was merged into Generali Fund Management Sa ("GFM", formerly BG Investment Luxembourg SA) on 1 October 2009 effective for accounting purposes 1 January 2009.
In addition, following the release on 18 November 2009 of the first update to Circular No. 262 of 22 December 2005, the Bank of Italy has made some changes to the basis of presentation and preparation of bank financial statements and the following reclassifications became necessary:

- account-keeping expenses representing commissions, and not the mere reimbursement of costs, were reclassified from the aggregate other operating expense/income to net commissions; and
- staff incentive expenses other than productivity bonuses were classified from staff expenses to net provisions.

For a better understanding of results, a comparative profit and loss situation is also presented in restated form to account for the foregoing effects and the necessary indications concerning changes on a like-for-like basis are provided for the main profit and loss account items.

(€ thousand)	30.09.2010	30.09.2009	Change Amount	%	30.09.2009 Restated	Q3 2010	Q3 2009 Restated
Net interest	32,724	38,646	-5,922	-15.3%	38,698	10,370	10,057
Net commissions	151,014	136,730	14,284	10.4%	142,406	44,109	52,091
Dividends	56,433	58,068	- 1,635	-2.8%	58,068	12,021	11,379
Net result from banking operations	- 45,748	- 39,462	- 6,286	15.9%	- 39,462	- 14,712	- 6,116
Net operating income	194,423	193,982	441	0.2%	199,710	51,788	67,411
Staff expenses	- 49,312	- 47,343	- 1,969	4.2%	- 47,981	- 15,504	- 14,670
Other general and administrative expense	- 63,171	- 67,408	4,237	-6.3%	- 67,875	- 19,860	- 23,492
Net adjustments of property, equipment and intangible assets	- 3,016	- 4,050	1,034	-25.5%	- 4,089	- 1,014	- 1,383
Other operating expense/income	7,731	5,930	1,801	30.4%	4,266	1,776	1,347
Net operating expense	- 107,768	- 112,871	5,103	-4.5%	- 115,679	- 34,602	- 38,198
Operating profit	86,655	81,111	5,544	6.8%	84,031	17,186	29,213
Net adjustments for non-performing loans	- 1,154	- 3,315	2,161	-65.2%	- 3,315	355	- 136
Net adjustments of other assets	- 726	- 2,878	2,152	-74.8%	- 2,878	- 59	16
Net provisions	- 18,372	- 19,966	1,594	-8.0%	- 20,715	2,520	- 3,579
Gain (loss) from equity investments	-	-	-	n.a.	-	-	-
Operating profit/(loss) before taxation	66,403	54,952	11,451	20,8%	57,123	20,002	25,514
Income taxes for the period on current operations	- 3,492	- 7,412	3,920	-52.9%	- 7,549	- 2,623	- 3,018
Profit (loss) from non-current discontinued operations, net of taxes	-	- 1,912	1,912	-100.0%	- 1,912	-	-
Profit (loss) for the year attributable to minority interests	- 2,863	-	- 2,863	n.a.	- 2,034	- 1,027	- 767
Net profit	60,048	45,628	14,420	31,6%	45,628	16,352	21,729

Consolidated operating net profit amounted to 86.6 million euros, a 5.5 million euros increase compared to the same period of last year (+6.8%), due to a slowdown in operating expenses (-4.5%).
Net operating profit held substantially stable due to the significant contribution of the commissions aggregate (+14.3 million euros or +10.4%), against the backdrop of a decline in the net result of banking operations, including dividends (-7.9 million euros or -42.6%) and net interest (-5.9 million euros or -15.3%).

On a like-for-like basis, operating profit rose by 3.1%.

Consolidated net profit for the first nine months of the year consequently amounted to 60.0 million euros, up consistently compared to 45.6 million euros at the end of the same period of 2009 (+31.6%).

5.5.1. Net Interest

Net interest amounted to 32.7 million euros, a 5.9 million euro decrease (-15.3%), compared to the same period of the previous year.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Financial assets held for trading	3,419	7,696	- 4,277	-55.6%	7,696	1,224	1,058
Financial assets available for sale	15,651	16,382	- 731	-4.5%	16,382	5,470	3,850
Financial assets held to maturity	9,173	13,491	- 4,318	-32.0%	13,491	2,805	3,339
Financial assets classified among loans	3,475	7,091	- 3,616	-51.0%	7,091	1,338	1,687
Total financial assets	31,718	44,660	- 12,942	-29.0%	44,660	10,837	9,934
Loans to banks	1,592	5,351	- 3,759	-70.2%	5,403	272	500
Loans to customers	7,681	11,841	- 4,160	-35.1%	11,841	2,547	3,198
Other assets	8	119	- 111	-93.3%	119	2	10
Total interest income	40,999	61,971	- 20,972	-33.8%	62,023	13,658	13,642
Due to banks	115	583	- 468	-80.3%	583	38	39
Due to customers	6,623	19,267	- 12,644	-65.6%	19,267	2,430	2,390
Repurchase agreements - banks	1,135	56	1,079	1,926.8%	56	723	13
Repurchase agreements - customers	402	2,527	- 2,125	-84.1%	2,527	97	251
Outstanding securities and hedging derivatives	-	892	- 892	-100.0%	892	-	892
Total interest expense	8,275	23,325	- 15,050	-64,5%	23,325	3,288	3,585
Net interest	32,724	38,646	- 5,922	-15,3%	38,698	10,370	10,057

The performance of net interest was influenced by the considerable decrease in market interest rates that began in the first half of 2009.
In further detail, interest income decrease by 21.0 million euro or 33.8% compared to the same period of the previous year, whereas the cost of inflows from customers and banks decreased by 15.0 million euros (-64.5%), resulting in a sharp contraction in net interest.

5.5.2 Net Commissions

Aggregated commissions amounted at 151.0 million euros, a net increase of 14.3 million euros (+10.4%) compared to the same period of the previous year.
On a like-for-like basis, net commissions increased by 8.6 million euros, or 6.0%.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Asset management	169,005	129,193	39,812	30.8%	142,323	54,249	54,203
Placement of securities	28,239	38,731	- 10,492	-27.1%	38,854	7,925	11,726
Distribution of third-party fin. products	41,457	29,470	11,987	40.7%	29,470	13,937	10,102
Dealing in securities and currencies	9,836	3,622	6,214	171.6%	3,622	6,031	1,241
Order collection, custody, and securities administration	14,622	12,658	1,964	15.5%	12,658	1,073	5,084
Collection and payment services	1,467	1,564	- 97	-6.2%	1,564	577	500
Other services	3,399	921	2,478	269.1%	3,294	1,153	1,262
Total commission income	268,025	216,159	51,866	24.0%	231,785	84,945	84,118
Commissions for external offer	98,059	68,744	29,315	42.6%	78,694	34,054	26,855
Collection and payment services	844	446	398	89.2%	446	699	115

Dealing in securities and custody	6,055	3,620	2,435	67.3%	3,620	1,630	1,745
Asset management	9,464	5,029	4,435	88.2%	5,029	3,738	2,764
Other commissions	2,589	1,590	999	62.8%	1,590	715	548
Total commission expense	117,011	79,429	37,582	47.3%	89,379	40,836	32,027
Net commissions	151,014	136,730	14,284	10.4%	142,406	44,109	52,091

Commission income rose by 51.9 million euros or 24.0% (+15.6% on a like-for-like basis) and is consistently tied to the solicitation and management of investments by households, which increased by 41.3 million euros (+20.9% and 13.3% on a like-for-like basis).

Overall, the contribution of the Group's collective asset management operations, which consist of the Luxembourg SICAVs and mutual funds of BG SGR, expanded by 10.7% corresponding to 11.8 million euros compared to the same period of the previous year.
The individual portfolio management segment, mainly linked to the operations of BG SGR and BG Fiduciaria, showed revenue growth of 49.6%, or 9.2 million euros, a significant portion of which is attributable to the development of trust management schemes.
The contribution of management commissions for funds distributed by foreign management companies of the Generali Group, primarily arising from the operations of the merged GIL, amounted to 19.0 million euros (+42.9% on a like-for-like basis).

The placement and distribution of third-party services showed moderate 2.2% growth compared to the corresponding period of the previous year, with revenues of 69.7 million euros at 30 September 2010.
In that segment, the decline in commissions on the placement of bonds was offset by greater revenues deriving from the distribution of insurance products (+45.3%) and the placement of third-party UCITS (+34.5%).

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Asset management, own							
1. Collective asset management (UCITs, pension funds)	122,378	110,557	11,821	10.7%	110,557	37,469	43,421
2. Collective asset management of the Generali Group	18,964	139	18,825	13543.2%	13,269	7,572	4,776
3. Individual asset management	27,663	18,497	9,166	49.6%	18,497	9,208	6,006
Commissions on asset management	169,005	129,193	39,812	30.8%	142,323	54,249	54,203
1. Placement of third-party UCITs	22,100	16,434	5,666	34.5%	16,557	6,329	4,466
2. Bond placement	5,689	21,397	- 15,708	-73.4%	21,397	1,596	6,360
3. Other placement operations	450	900	- 450	-50.0%	900	-	900
4. Distribution of third-party asset management products (GPM/GPF, pension funds)	256	264	- 8	-3.0%	264	87	69
5. Distribution of third-party insurance products	39,692	27,326	12,366	45.3%	27,326	13,490	9,377
6. Distribution of other third-party financial products	1,509	1,880	- 371	-19.7%	1,880	360	656
Placement and distribution of third-party products	69,696	68,201	1,495	2.2%	68,324	21,862	21,828
Total	238,701	197,394	41,307	20.9%	210,647	76,111	76,031

Revenues from other banking services offered to customers include trading, order receipt and custody and administration commissions, in addition to commissions charged to customers for account-keeping expenses and other services.
On a like-for-like basis, including the reclassification of account fees among commission income, the aggregate showed an increase of 38.7% compared to the previous year (56.3% in absolute terms) owing to the growth of trading services (+50.2%) and in particular international order receipt, a service rendered primarily to the insurance and banking group's UCITS. This performance was reflected in symmetrical growth of order receipt commission expenses.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Trading services	24,458	16,280	8,178	50.2%	16,280	7,104	6,325
Commission income	2,126	-	2,126	n.a.	1,957	-	- 169

Other services	2,740	2,485	255	10.3%	2,901	1,730	1,931
Total commission income from other services	29,324	18,765	10,559	56.3%	21,138	8,834	8,087
Trading services	6,055	3,620	2,435	67.3%	3,620	1,630	1,745
Asset management	9,464	5,029	4,435	88.2%	5,029	3,738	2,764
Other services	3,433	2,036	1,397	68.6%	2,036	1,414	663
Total commission expense from other services	18,952	10,685	8,267	77.4%	10,685	6,782	5,172

The commission structure showed a sharp rise in management commissions (respectively +69.0 million euros or +57.7%, and +55.7 million euros or +42.0% on a like-for-like basis) and in banking service commissions (+10.5 million euros).
Incentive commissions, which are attributable to the management activity of GFM's SICAVs, showed a significant slowdown compared to the excellent result achieved in the first nine months of 2009 (-15.8 million euros or -38.2%), entirely attributable to market performance in the third quarter of this year.
Underwriting commissions decreased by 11.9 million euros (-32.7%), owing in part to the lesser contribution of the bond placements undertaken.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Underwriting commissions	24,519	36,438	- 11,919	-32.7%	36,426	5,978	11,458
Management commissions	188,612	119,607	69,005	57.7%	132,872	66,934	47,251
Incentive commissions	25,488	41,245	- 15,757	-38.2%	41,245	3,175	17,223
Other commissions (other banking and financial services)	29,406	18,869	10,537	55.8%	21,242	8,858	8,186
Total	268,025	216,159	51,866	24.0%	231,785	84,945	84,118

Lastly, the commissions aggregate witnessed an increase in commission expenses by 37.6 million euros (47.3%), partly attributable to the contribution of the activity of the merged GIL (+30.9% on a like-for-like basis).
Growth is primarily attributable to the significant rise in the commissions paid to the banking group's financial advisors distribution networks (+24.6% on a like-for-like basis), in addition to the aforementioned cost of the rise in trading commission expenses (+67.3%).

5.5.3 Dividends

Total dividends amounted to 56.4 million euros, mostly attributable to equity securities traded as part of equity swap transactions executed during the period, illustrated in detail in the next section.
Net of said component, dividends include 0.4 million euros in profits distributed by equity investments classified among financial assets available for sale, whereas the remainder referred to other trading operations.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%			
Dividends of financial assets available for sale	431	570	- 139	-24.4%	570	-	-
Dividends from trading	57	91	- 34	-37.4%	91	21	6
Dividends on TRS operations	55,945	57,407	- 1,462	-2.5%	57,407	12,000	11,373
Total dividends	56,433	58,068	- 1,635	-2.8%	58,068	12,021	11,379

5.5.4. Net Profit from Trading and Financial Operations

Net profit from trading includes profits and losses on sales and capital gains/loss on the fair-value measurement of financial assets and liabilities held for trading or available for sale, as well as profits and losses on the sale of financial assets included in other financial asset portfolios and any result of hedging operations.

At the end of the first nine months of 2010, financial operations, as defined above, contributed a negative 45.7 million euros, marking 6.3 million euros decrease on the loss reported in the same period of 2009.

The net loss on assets classified as HFT amounted to 54.9 million euros, whereas the net profit on the sale of securities classified as AFS and in other portfolios valued at amortised cost amounted to 9.1 million euros.
Trading operations also included currency activity, which generated 1.3 million euros in profits, a clear progress compared to the same period of 2009.

However, if the contribution of the dividends collected as part of the equity swap transactions undertaken during the reporting period in the amount of 55.9 million euros is also considered, the overall net profit on trading amounted to 1.1 million euros, down from the 2.9 million euros reported at the end of the first nine months of 2009.
Accordingly, financial operations generated an overall profit of 10.2 million euros in the first nine months of 2010 compared to 17.9 million euros at the end of the same period of 2009.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Net income (loss) on financial assets	-96,733	-34,926	-61,807	177.0%	-34,926	-15,562	-4,109
Gain (loss) on financial assets	-846	-888	42	-4.7%	-888	359	442
Income (loss) on derivatives	42,525	-18,782	61,307	-326.4%	-18,782	3,095	-7,163
Gain (loss) on derivatives	-1,080	-457	-623	136.3%	-457	227	-75
Securities transactions	-56,134	-55,053	-1,081	2.0%	-55,053	-11,881	-10,905
Currency transactions	1,272	550	722	131.3%	550	-664	111
Result from trading	-54,862	-54,503	-359	0.7%	-54,503	-12,545	-10,794
Net profit from hedging	-	-	-	n.a.	-	-	-
Income (loss) from repurchases	9,114	15,041	-5,927	-39.4%	15,041	-2,167	4,678
Income (loss) of financial operations	-45,748	-39,462	-6,286	15.9%	-39,462	-14,712	-6,116

As stated above, trading activity consisted substantially of equity swap transactions undertaken with the aim of turning a profit on the purchase and sale of equity securities in correlation with the ex-dividend dates, without assuming risk position.
The foregoing equity swap operations were conducted in the form of both over-the-counter total return swap contracts with leading international banking counterparties and the trading of futures contracts on regulated markets.

Trading operations also include the acquisition of structured par asset swap transactions intended as arbitrage of projected inflation rate trends and the interbank rate and the continuation of IRSs started in the previous year.

(€ thousand)	Gains from trading	Capital gains	Loss from trading	Capital loss	Net result 30/09/2010	Net result 30/09/2009	Change
1. Debt securities transactions	961	142	-1,073	-579	-549	-302	-247
Debt securities - reclassification IAS39	-	-	-		-	-	-
2. Equity securities transactions	289	3	-62	-510	-280	331	-611
Equity securities	178	3	-62	-510	-391	394	-785
Equity securities – reclassification IAS39	-	-	-	-	-	-	-
Options on equity securities	111	-	-	-	111	-63	174
3. Par Asset Swaps	743	94	-1,116	-265	-544	911	-1,455
Debt securities	*659*	*94*	-	-	753	2,101	-1,348
Asset swaps	84	-	-1,116	-265	-1,297	-1,190	-107
4. Total Return Swaps (TRS)	123,042	-	-121,119	-	1,923	2,340	-417

Equity securities (TRS transactions)	*9,870*	-	*-107,510*	-	-97,640	-38,238	-59,402
Dividends	55,945	-	-	-	55,945	57,407	-1,462
Equity swaps	6,401	-	-2,965	-	3,436	-16,829	20,265
Futures	50,826		-10,062		40,764	-	40,764
Sintetic forward			*-582*		-582	-	-582
5. UCITS unit quota transactions	317	134	-73	-130	248	232	16
6. Interest Rate Swaps (IRS)	310	-	-230	-1,064	-984	-1,152	168
7. Currency transactions	1,272	249	-252	-	1,269	544	725
Derivatives	-	249	-252	-	-3	-6	3
Exchange gains and losses	1,272	-	-		1,272	550	722
Result from trading	126,934	622	-123,925	-2,548	1,083	2,904	-1,821

Net profits earned on the trading of securities not classified to the trading portfolio amounted to 5.9 million euros and consisted of profits on the portfolio of available-for-sale (AFS) assets deriving from the unwinding of positions held at the end of the previous year with the reversal of 2.0 million euros in net positive reserves to profit and loss and of new purchases during the period.

(€ thousand)	Gains	Losses	Transfer of reserves	30.09.2010	30.09.2009
Financial assets available for sale					
Equity securities	7	-20	83	70	-336
Debt securities	8,972	-5,114	1,961	5,819	15,024
Financial assets classified among loans	2,826	-20		2,806	353
Financial assets held to maturity	733	-314		419	
	8,979	-5,134	2,044	9,114	15,041

Despite this result, the first nine months of 2010 continued to witness the consequences of the financial market crisis of 2008, which resulted in the recognition of impairment losses on a limited number of debt securities classified among loans and equity securities classified to the AFS portfolio in the total amount of 1.3 million euros, of which 0.7 million euros related to the equity securities segment and 0.6 million euros to the debt securities segment.

5.5.5 Operating Expenses

Operating expenses, including staff expenses, other general and administrative expense, amortisation and depreciation and other operating income and expenses decreased slightly by 5.1 million euros compared to the same period of the previous year, equal to -4.5% (-6.8% on a like-for-like basis).
The cost-income ratio, i.e., the ratio of expenses, before adjustments to property, equipment and intangible assets, to net banking income (cost/income ratio), thus was 53.9%, marking an improvement over the figure for the same period of 2009 (56.1%), due to the improvement in consolidated operating revenues.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Staff expenses	-49,312	-47,343	-1,969	4.2%	-47,981	-15,504	-14,670
Other general and administrative expense	-63,171	-67,408	4,237	-6.3%	-67,875	-19,860	-23,492
Net adjustments of property, equipment and intangible assets	-3,016	-4,050	1,034	-25.5%	-4,089	-1,014	-1,383
Other income and expenses	7,731	5,930	1,801	30.4%	4,266	1,776	1,347
Operating expense	-107,768	-112,871	5,103	-4.5%	-115,679	-34,602	-38,198

The number of the Group's staff members under salaried employment contracts amounted to 776, up by 3 compared to the end of 2009 and 12 compared to the same period of the previous year (-3 on a like-for-like basis).

	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Managers	50	56	- 6	-10.7%	58	-	4
3rd and 4th level executives	125	114	11	9.6%	117	-	4
Other employees	601	594	7	1.2%	598	- 3	7
Total employed staff	**776**	**764**	**12**	**1.6%**	**773**	**- 3**	**15**

Staff expenses, including full-time employees, interim staff, and directors increased a net 2.0 million euros (+4.2%) compared to the same period of the previous year.
On a like-for-like basis, staff expenses increased by 1.3 million euros, or 2.8%.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
1) Employees	*47,697*	*46,034*	*1,663*	*3.6%*	*46,549*	*14,988*	*14,290*
Wages and salaries	27,000	25,731	1,269	4.9%	26,281	8,267	7,899
Social security charges	6,886	6,667	219	3.3%	6,755	2,126	2,025
Provision for termination indemnity	858	241	617	256.0%	241	315	- 77
Contributions to outside supplemental pension funds	2,409	2,359	50	2.1%	2,445	767	1,023
Costs related to payment agreements based on own financial instruments	- 123	400	- 523	-130.8%	400	-	118
Productivity premiums	7,753	7,797	- 44	-0.6%	7,166	2,319	2,227
Other employee benefits	2,914	2,839	75	2.6%	3,261	1,194	1,075
2) Other staff	*- 28*	*- 137*	*109*	*-79.6%*	*- 54*	*76*	*- 132*
3) Directors and Auditors	1,643	1,446	*197*	*13.6%*	*1,486*	*440*	*512*
of which costs related to payment agreements based on own financial instruments	-	-	-	n.a.	-	-	-
Total	**49,312**	**47,343**	**1,969**	**4.2%**	**47,981**	**15,504**	**14,670**

Other general and administrative expense amounted to 63.2 million euros, a decrease of 4.2 million euros (-6.3%), compared to the corresponding period of the previous year.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Administration	9,666	10,962	- 1,296	-11.8%	11,237	3,321	3,323
Advertising	3,333	4,451	- 1,118	-25.1%	4,613	1,288	1,585
Consultancy and professional advice expense	3,294	3,582	- 288	-8.0%	3,652	940	987
Audit	519	515	4	0.8%	532	158	- 21
Other general costs (insur.; T&E)	2,520	2,414	106	4.4%	2,440	935	772
Operations	23,260	23,723	- 463	-2.0%	23,868	7,298	8,138
Rent and usage of premises	12,068	11,369	699	6.1%	11,473	3,952	3,606
Outsourced services	3,312	4,310	- 998	-23.2%	4,310	844	1,565
Post and telephone	2,383	2,578	- 195	-7.6%	2,612	999	987
Print material and contracts	867	879	- 12	-1.4%	886	249	285
Other operating expenses	4,630	4,587	43	0.9%	4,587	1,254	1,695
Information system and equipment	24,179	26,184	- 2,005	-7.7%	26,231	7,396	9,921
Outsourced IT services	16,704	19,136	- 2,432	-12.7%	19,183	4,943	7,804
Fees for financial databases and other IT services	3,745	4,042	- 297	-7.3%	4,042	1,457	939
Software maintenance and servicing	2,606	1,653	953	57.7%	1,653	767	653
Other expenses (equipment rental, maintenance, etc.)	1,124	1,353	- 229	-16.9%	1,353	229	525
Taxes and duties	6,066	6,539	- 473	-7.2%	6,539	1,845	2,110
Total other general and administrative expense	**63,171**	**67,408**	**- 4,237**	**-6.3%**	**67,875**	**19,860**	**23,492**

5.5.6 Net Provisions

Net provisions amounted to 18.4 million euros and decreased by 1.6 million euros compared to 2009 (-8.0%; -11.3% on a like-for-like basis).
Provisions of 13.7 million euros mainly include commission charges mainly related to incentives underway and short- and medium-term incentive programs connected to the expansion of the sales network.
Allocations to the provision for staff expenses of 2.2 million euros refer to the estimate of some types of non-contractual personnel incentives that have yet to vest, which it is believed do not currently meet the requirements laid down in IAS 19 for consideration among staff expenses, and to the estimate of the expenses of redundancy incentives associated with the process of rationalising the Group initiated after the merger of Banca BSI Italia.

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Provision for staff expenses	2,182	-	2,182	n.a.	749.00	202	675
Provisions for risks related to commissions to be assigned	13,695	16,349	-2,654	-16.2%	16,349.00	-2,988	2,512
Provisions for risks related to legal disputes	1,438	2,803	-1,365	-48.7%	2,803.00	199	83
Provisions for termination indemnity and overfees	1,057	414	643	155.3%	414.00	67	-91
Other provisions for risks and charges	-	400	-400	-100.0%	400.00	-	400
Total	18,372	19,966	-1,594	-7.98%	20,715	-2,520	3,579

5.5.7 Impairment

Adjustments to account for the impairment of financial assets amounted to 1.9 million euros, down from 6.2 million euros in the same period of the previous year.
Specifically adjustments due to non-performance was recognised in connection with financial assets classified to the AFS portfolio, attributable to the equity securities segment for 0.7 million euros.
Certain minor positions reallocated to the loans portfolio also became impaired in the amount of 0.6 million euros due to the occurrence of triggers indicating principal losses or prospects of an extension of the schedule of repayment flows.

In addition to the impairment of financial instruments, net impairments were recognised on receivables not arising from lending transactions, consisting primarily of commission advances disbursed to former financial advisors and other operating receivables of 0.6 million euros.

(€ thousand)	Value adjustment	Reversals -	30.09.2010	30.09.2009	Q3 2010	Q3 2009
Specific adjustments/reversals						
Impairment of equity securities	-726		-726	-2,847	-59	-
Impairment of AFS debt securities	-		-	-30	-	17
Impairment of debt securities (loans)	-560	-	-560	-2,093	-	-85
Impairment of fun. receivables (FAs, product companies)	-533	-	-533	-1,158	416	-
Banking portfolio	-73	12	-61	-65	-61	-52
Portfolio adjustments/reversals						
Collective valuation of debt securities reclass. IAS 39	-		-	-	-	-
Collective valuation of banking portfolio	-	-	-	-	-	-
Total	-1,892	12	-1,880	-6,193	296	-120

5.5.8 Taxes

Direct taxes for the Group's companies at the end of the period amounted to 3.5 million euros, down sharply compared to the same period of 2009.

(€ thousand)	30.09.2010	30.09.2009	Change	
			Amount	%
Current taxation	-11,190	-15,209	4,019	-26.4%
Substitute tax for goodwill redemption	-5,984	-	-5,984	n.a.
Prior period taxes	-529	38	-567	-1492.1%
Changes of prepaid taxation (+/-)	11,813	7,459	4,354	58.4%
Changes of deferred taxation (+/-)	2,398	300	2,098	699.3%
Taxes for the period (-)	-3,492	-7,412	3,920	-53%

The tax position for the first nine months of 2010 was primarily influenced by the non-recurring positive effect of 6.2 million euros deriving from the difference between the reversal to profit and loss of deferred tax assets and liabilities at full rates and the substitute tax at a soft rate owed for redemption, in accordance with Decree Law No. 185/2008 and Law No. 244/2008 (2008 Finance Act), respectively, goodwill (4.8 million euros) and intangible assets (1.4 million euros) arising from the merger of Banca del Gottardo Italia S.p.A., as illustrated in the table below.

Redeemable items (€ thousand)	Recorded value	Tax value	Redeemable value	Substitute tax	Recognition of deferred tax assets	Reversal of deferred tax liabilities	Net economic benefit
Goodwill	31,352	-	31,352	-5,016	9,845	-	4,828
Client relationships	7,628	-	7,628	-968	-	2.395	1,427
Total	38,980	-	38,980	-5,984	9,845	2.395	6,256

At the end of the reporting period, tax expense (net of the tax effect) showed a net increase of 2.3 million euros corresponding to +31.5%.

5.5.9 Result for the Period and Earnings per Share

As stated in the introduction, consolidated operating profit amounted to 86.6 million euros at 30 September 2010, while operating profit before taxation stood at 66.4 million euros, after 18.4 million euros in provisions and 1.9 million euros in net adjustments.

Profit for the period attributable to minority interests amounted to 2.9 million euros and refers to the minority interest in GFM held by the Assicurazioni Generali insurance group.

Accordingly, the first nine months of 2010 ended with a year-to-date consolidated **net profit** of 60.0 million euros, increasing sharply compared to the net profit earned in the same period of 2009 (+31.6%).

(€ thousand)	30.09.2010	30.09.2009	Change		30.09.2009	Q3 2010	Q3 2009
			Amount	%	Restated		Restated
Net operating income	194,423	193,982	441	0.2%	199,710	51,788	67,411
Operating expense	-107,768	-112,871	5,103	-4.5%	-115,679	-34,602	-38,198
Operating profit	86,655	81,111	5,544	6.8%	84,031	17,186	29,213
Net adjustments for non-performing loans	-1,154	-3,315	2,161	-65.2%	-3,315	355	-136
Net adjustments of other assets	-726	-2,878	2,152	-74.8%	-2,878	-59	16
Net provisions	-18,372	-19,966	1,594	-8.0%	-20,715	2,520	-3,579
Gain (loss) from the disposal of equity investments	-	-	-	n.a.	-	-	-
Operating profit/ before taxation	66,403	54,952	11,451	20.8%	57,123	20,002	25,514

Income taxes for the period on current operations	-3,492	-7,412	3,920	-52.9%	-7,549	-2,623	-3,018
Profit (loss) of groups of available-for-sale assets, net of taxes	-	-1,912	1,912	-100.0%	-1,912	-	-
Profit (loss) for the year attributable to minority interests	-2,863	-	-2,863	n.a.	-2,034	-1,027	-767
Net profit	60,048	45,628	14,420	31.6%	45,628	16,352	21,729

Earnings per share were 0.540 euros at 30 September 2010.

	30.09.2010	30.09.2009	Change	
			Amount	%
Net profit for the period (€ thousand)	60,048	45,628	14,420	31.6%
Net profit attributable to ordinary shares	60,048	45,628	14,420	31.6%
Average number of outstanding shares	111,278,941	110,694,130	584,811	0.5%
EPS - Earnings per Share (euro)	0.540	0.4122	0.1274	30.9%
Average number of outstanding shares with diluted capital	118,961,201	111,527,800	7,433,401	6.7%
EPS - Diluted earnings per share (euro)	0.505	0.409	0.096	23.4%

5.5.10 Statement of Comprehensive Income

The Group's comprehensive income consists of the net profit and all other components that contribute to the Company's performance, particularly the changes in the value of assets allocated directly to net equity reserves.

This value was 51.2 million euros at 30 September 2010 due to the effect of net negative components of 8.9 million euros, attributable to fair value adjustments to available-for-sale financial assets.

In further detail, during the first nine months of 2010, this item was determined by negative net changes in fair value of -12.6 million euros, which were recognised to net equity, -0.9 million euros was transferred to the profit and loss account from the net positive reserves due to the realisation of losses and amortisation, and +0.7 million euros was transferred from negative reserves due to impairment. The tax effect of the above amounted to +4.0 million euros.

(€ thousand)	30.09.2010	30.09.2009	Change		Q3 2010	Q3 2009
			Amount	%		
Net profit (loss)	**60,048**	**45,628**	**14,420**	31.6%	**16,352**	**21,729**
Other income net of income taxes						
Assets available for sale	-8,863	5,596	-14,459	-258.4%	723	3,517
Total other income, net of taxes	-8,863	5,596	-14,459	-258.4%	723	3,517
Comprehensive income	51,185	51,224	-39	-0.1%	17,075	25,246

BANCA GENERALI

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

The undersigned dr. Giancarlo FANCEL, born in Portogruaro (VE) on 26 September 1961, Deputy General Manager - CFO and Manager in charge of preparing the financial reports of Banca Generali S.p.A., with headquarters in Trieste, via Machiavelli No 4, the share capital of 111,351,392 euros, recorded in the Register of Companies of Trieste to n. 103698, for the intent and purpose of article. 154-bis, second paragraph, of Legislative Decree 24 February 1998, No 58, - to the best of his knowledge in light of the position held by virtue of the deliberations of the Board of Directors of the Company dated 16 February 2007 - as a Manager in charge of preparing corporate accounting documents,

declares

that the Interim Report on Operations as of 30 September 2010 corresponds to document results, books and accounts records.

Trieste, 5 November 2010

Giancarlo Fancel
Manager charged with preparing
the company's financial reports
BANCA GENERALI S.p.A.