BANCA GENERALI

INTERIM REPORT
AS OF 30.09.2013

BANCA GENERALI S.p.A.

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BOARD OF DIRECTORS - 05.11.2013

Banca Generali S.p.A.

Administration and control bodies

BOARD OF DIRECTORS

Paolo Vagnone	Chairman
Motta Piermario	Chief Executive Officer and General Manager
Mario Francesco Anaclerio	Director
Paolo Baessato	Director
Giovanni Brugnoli	Director
Philippe Donnet	Director
Fabio Genovese	Director
Anna Gervasoni	Director
Angelo Miglietta	Director
Ettore Riello	Director

BOARD OF STATUTORY AUDITORS

Giuseppe Alessio Vernì	Chairman
Alessandro Gambi	Acting Auditor
Angelo Venchiarutti	Acting Auditor

JOINT GENERAL MANAGERS

Giancarlo Fancel
Gian Maria Mossa

MANAGER IN CHARGE OF PREPARING
THE COMPANY'S FINANCIAL REPORTS

Stefano Grassi

Contents

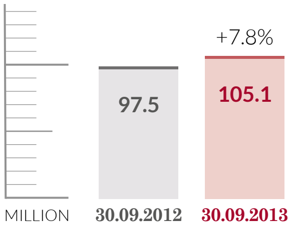
GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS

Group economic and financial highlights

Consolidated figures

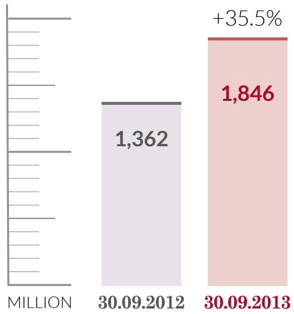
(€ MILLION)	30.09.2013	30.09.2012	CHANGE %
Net interest income	92.3	80.4	14.9
Net commissions	171.2	167.1	2.5
Dividends and net result of financial operations	11.3	9.1	24.2
Net banking income	**274.9**	**256.5**	**7.1**
Staff expenses	-52.8	-52.1	1.5
Other general and administrative expense	-78.2	-68.7	13.7
Amortisation and depreciation	-3.7	-3.4	8.2
Other operating income/expense	20.4	13.4	52.9
Net operating expenses	**-114.3**	**-110.9**	**3.1**
Operating profit	**160.6**	**145.7**	**10.2**
Provisions	-18.8	-15.3	22.4
Adjustments	-1.9	-2.2	-15.2
Profit before taxation	**139.9**	**128.1**	**9.2**
Net profit	**105.1**	**97.5**	**7.8**
Cost/Income ratio	40.2%	41.9%	-3.9
EBITDA	164.2	149.1	10.2
ROE	37.5%	45.7%	-17.9
EPS - Earnings per Share (euro)	0.922	0.873	5.6

Net profit



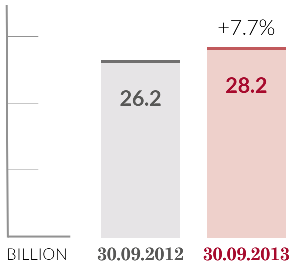
Net inflows

(ASSORETI DATA) (€ MILLION)	30.09.2013	30.09.2012	CHANGE %
Mutual funds and SICAVs	1,222	190	n.s.
Asset management	73	48	52.1
Insurance/Pension funds	781	746	4.7
Securities/Current accounts	-230	378	-160.8
Total	**1,846**	**1,362**	**35.5**



Assets Under Management & Custody (AUM/C)

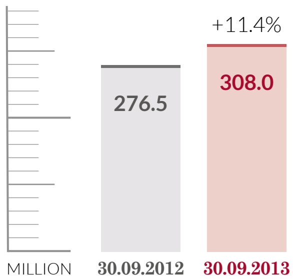
(ASSORETI DATA) (€ BILLION)	30.09.2013	30.09.2012	CHANGE %
Mutual funds and SICAVs	8.0	6.8	18.7
Asset management	3.1	3.1	0.5
Insurance/Pension funds	9.2	8.5	8.5
Securities/Current accounts	7.8	7.8	0.1
Total	**28.2**	**26.2**	**7.7**



Net equity

(€ MILLION)	30.09.2013	31.12.2012	CHANGE %
Net equity (*)	414.0	394.8	4.9
Capital for regulatory purposes	308.0	276.5	11.4
Excess capital	144.4	105.8	36.5
Solvency margin	15.1%	13.0%	16.2

(*) Restated comparison data.



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets

(€ THOUSAND)	30.09.2013	31.12.2012 RESTATED	CHANGE	
			AMOUNT	%
HFT financial assets	30,283	222,548	-192,265	-86.4%
AFS financial assets	1,569,670	1,733,885	-164,215	-9.5%
HTM financial assets	2,516,418	3,000,330	-483,912	-16.1%
Loans to banks	450,267	843,368	-393,101	-46.6%
Loans to customers	1,427,920	1,308,585	119,335	9.1%
Property, equipment and intangible assets	48,848	51,778	-2,930	-5.7%
Tax receivables	40,169	41,276	-1,107	-2.7%
Other assets	102,655	115,608	-12,953	-11.2%
Total assets	**6,186,230**	**7,317,378**	**-1,131,148**	**-15.5%**

Net equity and liabilities

(€ THOUSAND)	30.09.2013	31.12.2012 RESTATED	CHANGE	
			AMOUNT	%
Due to banks	2,178,825	2,229,896	-51,071	-2.3%
Due to customers	3,327,034	4,491,173	-1,164,139	-25.9%
Financial liabilities held for trading and hedging	393	1,448	-1,055	-72.9%
Tax payables	25,419	36,620	-11,201	-30.6%
Other liabilities	167,828	95,013	72,815	76.6%
Special purpose provisions	72,716	68,405	4,311	6.3%
Valuation reserves	-11,798	-11,475	-323	2.8%
Reserves	164,163	139,841	24,322	17.4%
Additional paid-in capital	34,901	16,591	18,310	110.4%
Share capital	114,668	112,938	1,730	1.5%
Treasury shares (-)	-41	-41	-	0.0%
Minority interests	7,056	7,166	-110	-1.5%
Net profit for the period	105,066	129,803	-24,737	-19.1%
Total net equity and liabilities	**6,186,230**	**7,317,378**	**-1,131,148**	**-15.5%**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Items (€ THOUSAND)	30.09.2013	31.12.2012 RESTATED	CHANGE AMOUNT	CHANGE %
Net interest	**92,327**	**80,388**	**11,939**	**14.9%**
Net commissions	**171,243**	**167,067**	**4,176**	**2.5%**
Dividends	908	727	181	24.9%
Net result of financial operations	10,375	8,354	2,021	24.2%
Net operating income	**274,853**	**256,536**	**18,317**	**7.1%**
Staff expenses	-52,827	-52,050	-777	1.5%
Other general and administrative expense	-78,200	-68,748	-9,452	13.7%
Net adjustments of property, equipment and intangible assets	-3,689	-3,410	-279	8.2%
Other operating expense/income	20,417	13,350	7,067	52.9%
Net operating expenses	**-114,299**	**-110,858**	**-3,441**	**3.1%**
Operating profit	**160,554**	**145,678**	**14,876**	**10.2%**
Net adjustments for non-performing loans	-984	-1,294	310	-24.0%
Net adjustments of other assets	-904	-933	29	-3.1%
Net provisions	-18,767	-15,328	-3,439	22.4%
Gain (loss) from equity investments	-4	-2	-2	100.0%
Operating profit before taxation	**139,895**	**128,121**	**11,774**	**9.2%**
Income taxes for the period	-31,527	-28,031	-3,496	12.5%
Gains from non-current assets held for sale	-	318	-318	-100.0%
Profit attributable to minority interests	-3,302	-2,920	-382	13.1%
Net profit	**105,066**	**97,488**	**7,578**	**7.8%**

STATEMENT OF COMPREHENSIVE INCOME

Items (€ THOUSAND)	30.09.2013	31.12.2012 RESTATED	CHANGE AMOUNT	CHANGE %
Net profit (loss)	**105,066**	**97,488**	**7,578**	**7.8%**
Other income, net of income taxes:				
AFS assets	-291	39,302	-39,592	-100.7%
Cash flow hedges	-	-278	278	-100.0%
Actuarial gains (losses) from defined benefit plans	-32	69	-101	-146.4%
Total other income, net of taxes	**-323**	**39,093**	**-39,416**	**-100.8%**
Comprehensive income	**104,743**	**136,581**	**-31,838**	**-23.3%**

INTERIM REPORT

1. Summary of operations for the first nine months of the year

The Banca Generali Group closed the first nine months of 2013 with net profit of 105.1 million euros, up 7.8% compared to the already excellent result achieved in the same period of 2012.

This result is confirmation of the success of the multi-year strategy of expanding the Group's business, in terms of assets under management and net inflows, achieved in a context of rigorous attention to the increase in operating costs and constant innovation at the level of technology and company processes.

Net banking income amounted to 274.9 million euros, with a considerable increase of 18.3 million euros compared to the first nine months of 2012 (+7.1%), owing also to the rise in net interest (+14.9%) and favourable movements in market rates.

The constant rise in the commission aggregate, which amounted to 171.2 million euros was driven by the development of recurring management and underwriting components, tied to the both ongoing growth of assets under management and their quality. This performance offset the decrease in incentive commissions, which are more influenced by financial market volatility.

Finally, the gradual easing of tensions on the government bond market drove the net result from banking operations, which totalled 11.3 million euros, up by 2.2 million euros compared to the first nine months of 2012.

Net operating expenses amounted to 114.3 million euros, up slightly, by 3.1%, compared to the first nine months of 2012, owing to the containment of staff expenses (+1.5%), which amounted to 52.8 million euros, and effective control of other general and administrative expense, which, net of recoveries of taxes for which customers are liable, rose by 5%, chiefly due to the costs of developing the new digital platform.

Net provisions were 18.8 million euros, marking an increase of 22.4% compared to the figure for the same period of 2012, tied to higher costs associated with the development of and incentives for the distribution network, as well as to prudential accruals to account for disputes and operating risks.

The total value of assets managed by the Group on behalf of its customers — which is the figure used for communications to Assoreti (Italy's National Association of Financial Products and Investment Services Placing Firms) — amounted to 28.2 billion euros at 30 September 2013, up 7.7% compared to the end of the previous year. In addition, assets under management also included deposits of assets under administration of companies of the Generali Group in the amount of 1.1 billion euros, and mutual funds and discretionary accounts (GPF and GPM) distributed directly by management companies or parties outside the Banking Group amounting to 6.8 billion euros, for an overall total of 36.1 billion euros.

With 28.2 billion euros in assets under management and 1,846 million euros in net inflows for the first nine months of 2013 (+35.5% compared to the first nine months of 2012), the Banca Generali Group continues to hold a leading position among institutions specialising in the distribution of financial products through Financial Planner networks.

Before analysing the Bank's sales and financial results for the first nine months of 2013, 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

In the first nine months of 2013, financial markets generally benefited from a gradual increase in risk appetite, with a brief interruption in the May-June period only: Exchanges posted gains, tensions surrounding European sovereign debt relented and credit spreads narrowed further. There were essentially three factors that permitted an overall improvement in the financial markets.

Firstly, the European Central Bank maintained broad liquidity conditions, thus preventing individual uncertainty factors (Italian parliamentary elections and Cyprus' risk of default) from translating into general tensions on the Euro Area's financial markets.

A second factor was the improvement in the global economic scenario: the Euro Area slowly emerged from its state of recession, most of the data published for the United States indicate a scenario of accelerating growth, and China, while slowing compared to previous years, stabilised over the summer.

The third supporting factor was the confirmation by the central banks of developed countries of their willingness to support growth: the ECB lowered rates in the spring season and guaranteed the continued availability of unlimited refinancing, and the Bank of Japan redoubled its efforts to generate a reflationary environment. Although continuing to provide abundant liquidity during the reporting period, the Federal Reserve raised the possibility of a scaling back the purchase of securities (i.e., tapering) beginning in the autumn months, provided that the strengthening of the job market and the strong performance of domestic demand were to be confirmed.

This stance initially triggered an abrupt decrease in risk appetite (June) on the financial markets of developed countries and considerable capital outflows from emerging countries. However, market tensions gradually eased over the summer months, as the market priced in the new scenario. In mid-September, the Federal Reserve's decision to postpone the implementation of its tapering programme permitted the favourable financial market climate to continue.

The background remained that of an accelerating recovery of the world economy, although at growth rates that continued to lag behind potential levels. In the United States, the monetary policy — which remained highly expansionary — permitted a constant improvement in the job market, which in turn translated into support for private consumption. In addition, residential real estate investments continued their rise, while bank lending resumed its acceleration. In the Euro Area, the situation improved throughout the summer, and leading indices call for further progress in the coming months. In China, the growth scenario has stabilised on a weaker rate of growth, while remaining at high rates compared to most other economies. In the corporate arena, earnings in the second quarter of 2013 were more solid than expected in the United States, while profit revision took different directions according to different areas, improving in advanced markets and worsening in most emerging markets. Particularly, in terms of structural component, inflation remained stable at historically low levels in all geographical areas, with some exceptions (Brazil and Russia). Faced with this scenario, central banks generally maintained highly accommodating stances, whereas fiscal policies were restrictive in the United States and Europe.

Interbank market rates in the Euro Area were stable during the quarter. The three-month Euribor fluctuated around the level of 0.2% reached in late 2012, whereas the EONIA rate moved within the range of 0.07%-0.13%, with higher peaks at the end of the months. From the standpoint of liquidity management, during the period there were further decreases in both the volume of ECB refinancing for the banking systems of peripheral countries and loans from the Bundesbank to other central banks, as measured by the Target 2 system, providing a good approximation of capital movements within the Euro Area.

Within this context, equity markets displayed a diverging trend, with those of developed countries outperforming those of emerging countries. During the first nine months of the year, the MSCI World index in euro rose by 12.7%, the S&P500 index by 15.2%, and the Topix index by 19.7%. In Europe, the benchmark index for the entire area (the DJ Stoxx 600) grew by 11%, while the Euro Area benchmark (the DJ Euro Stoxx) climbed 12.3%. During the period, exchanges in emerging markets reported negative performances in euro: -8.6% overall (the MSCI Emerging Markets index), -14.9% in India and -2.5% in China. Overall, the market sectors that performed best in Europe were cars, telecommunications, media and financial services, whereas raw materials, energy, property and food posted below-average performances.

During the period, the trends in bond yields on the markets of reference (Treasuries and Bunds) passed through two distinct phases. Until May, yields fluctuated within a range near the values reached at the end of 2012, with a downtrend in the spring months. In further detail, ten-year Bund yields reached new historical lows at the end of April. Then, when the Federal Reserve began to outline the possibility of tapering government security purchases, yields climbed rapidly, especially those in dollars, which reached the highest levels of approximately two years. In the Euro Area, the two-year rate was positive (0.14%) at the end of September compared to -0.01% at year-end 2012, while the ten-year rate increased to 1.73% from 1.18%. By contrast, in the United States ten-year rates went to 2.62% at the end of September from 1.75% at the end of 2012, with a peak of 3%, whereas two-year rates increased more moderately to 0.32% from 0.25%. Spreads between member states of the European Monetary Union continued to narrow. In particular, Italy's spread fell from 332 points at the beginning of the year to values around 250 during the summer, to then climb back to 270 at the end of September in conjunction with the deterioration of the political scenario.

On currency markets, the Euro/Dollar exchange rate fluctuated in a broad range between 1.28 and 1.37, driven by growth expectations, and closed the period at slightly above 1.35. Confirmation of the expansionary acceleration of Japanese monetary policy stimulated further depreciation of the yen: during the reporting period, the euro-yen exchange rate rose from 113.6 to 131.8.

Finally, oil prices (WTI) fluctuated within a limited range — between 90 and 100 dollars a barrel — until June, to then rise and fluctuate at around 100 dollars a barrel as a result of the heightened political tensions in the Middle East. By contrast, gold prices remained essentially stable until March (between 1,575 and 1,675 dollars an ounce) to then enter a downtrend and end the of the reporting period at around 1325.

Outlook

Forecasts for the coming months and for 2014 by the major international organisations call for a strengthening of the global growth scenario, characterised by some geographical divergence. In developed countries, growth rates are expected to accelerate in the latter part of the year, albeit still remaining below their potential, whereas in emerging countries they will be overall solid, albeit showing a slowdown. Central Banks generally expect that the inflationary scenario will remain under control. In Europe, the results achieved during recent meetings confirm projections by the main research institutions, which foresee a gradual reinforcement of the coordination of economic policy and on the issue of the banking union.

3. Banca Generali's competitive positioning

3.1 The Asset Management market

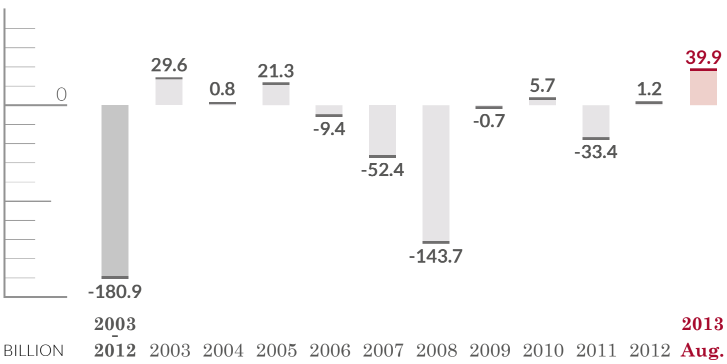
In the first eight months of the year, the Italian asset management market (collective management schemes, open-ended funds and individual portfolio management schemes) registered net inflows of 41.5 billion euros, largely attributable to the placement of UCITSs (39.9 billion euros).

In contrast to recent years, such net inflows were also significantly driven by the contribution provided by the traditional banking industry (25 billion euros, according to the extrapolation of data provided by Assogestioni — a trade association for management companies — performed by Assoreti — a trade association for financial advisor networks), in confirmation of a more general renewal of interest in the asset management sector.

In addition, investors continued to prefer to invest in international UCITSs over Italian funds (net investments of 30.7 billion euros, compared to 9.2 billion euros).

The UCITSs market

August 2013 (€ billion)



Source: Assogestioni.

3.2 The Assoreti market

The net inflows reported by the Assoreti market (measuring total distribution activity through Financial Planners) in the first eight months of 2013 presented values in line with the strong growth discussed above, with an overall increase in inflows of over 50% compared to the same period of 2012. The improved performance of the asset management segment (up by more than 270%) was partly due to a shift in the composition of customers' portfolios out of assets under administration (-5.3 billion euros) and into instruments better suited to interpreting the complexity of the markets and more focused on the medium term (more than 50% of all inflows to UCITSs were into flexible funds), against the backdrop of an economic scenario that proved less negative than in the recent past.

(€ MILLION)	AUGUST 2013	AUGUST 2012	CHANGE
Asset management	9,798	2,621	7,172
Insurance products	5,400	3,254	2,146
Assets under administration and custody	-3,712	1,654	-5,365
Total	**11,487**	**7,529**	**3,957**

3.3 The Banca Generali Group

In this positive scenario, Banca Generali remains among the market leaders by net inflows with a market share of 15% in August and net inflows of 1,724 million euros. In terms of per capita values, Banca Generali, along with Azimut, consolidated its leadership, with levels (1.2 million euros) more than twice the average (0.5 million euros), bearing witness to the quality of its distribution network.

In further detail (September 2013 figures), the Banca Generali Group reported net inflows of 1,295 million euros into asset management products and 781 million euros into insurance products, as well as net outflows from administered products of 230 million euros, with a highly significant growth rate compared to the same period of 2012 (+35.5%).

At the end of June 2013, the Banca Generali Group remained among the top five competitors on the market in terms of assets under management, with a market share exceeding 10%.

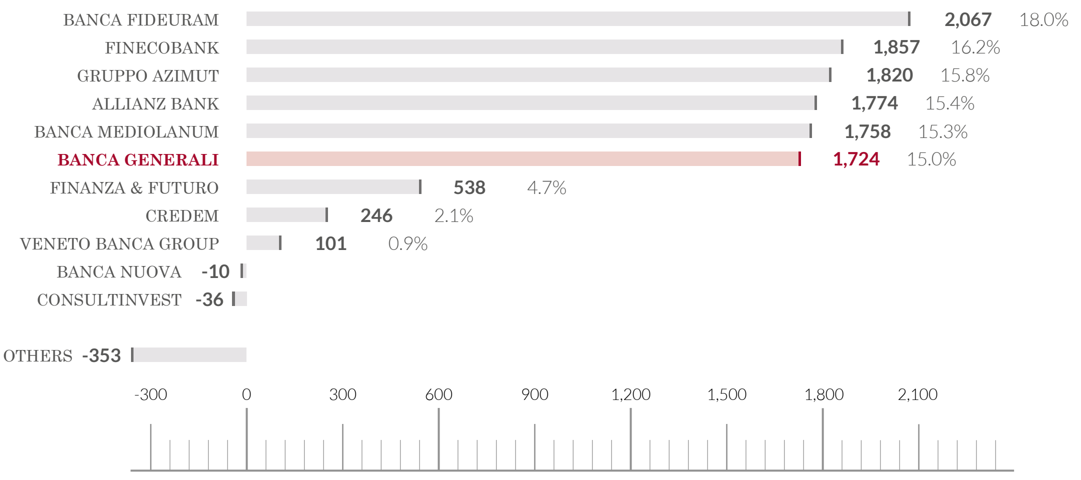
Net inflows of the Banca Generali Group

(€ MILLION)	30.09.2013	30.09.2012	CHANGE	
			AMOUNT	%
Total assets under management	**1,295**	**238**	**1,057**	**n.s.**
Funds and SICAVs	1,222	190	1,032	n.s.
GPF/GPM	73	48	25	52.1%
Total insurance products	**781**	**746**	**35**	**4.7%**
Total assets under administration and custody	**-230**	**378**	**-608**	**-160.8%**
Total assets placed by the network	**1,846**	**1,362**	**484**	**35.5%**

The assets in question refer to the Assoreti market, and therefore to the Financial Planner operating area.

Total net inflows Assoreti – 1.5 billion euros

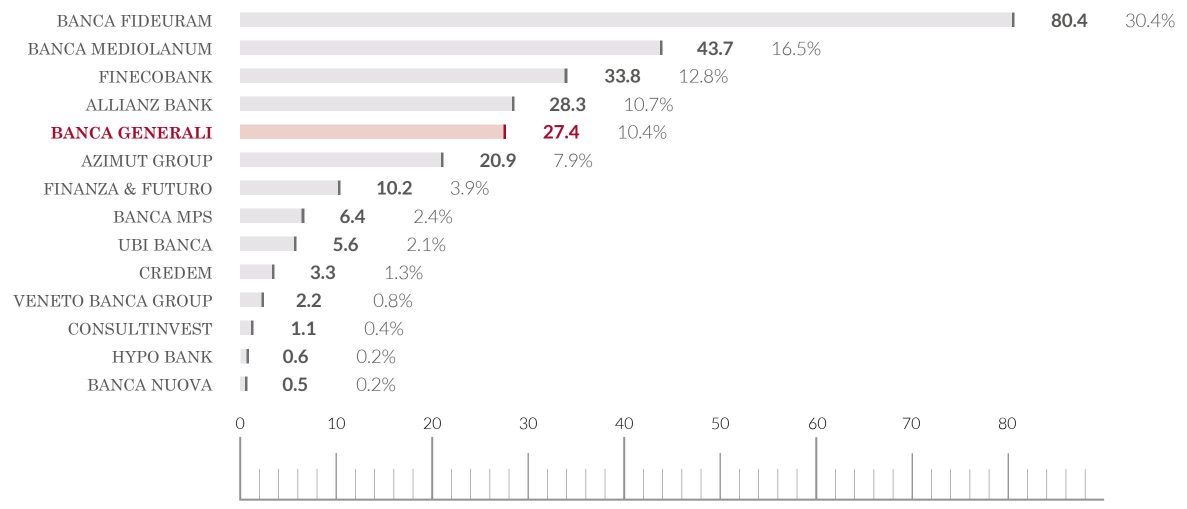
August 2013 (€ million)



Source: Assoreti.

Total assets Assoreti – 264 billion euros

June 2013 (€ billion)



Source: Assoreti.

The following table provides a summary of Group assets, updated through the end of September 2013, illustrating their composition by macro-aggregate and providing a comparison with the figures as of December 2012.

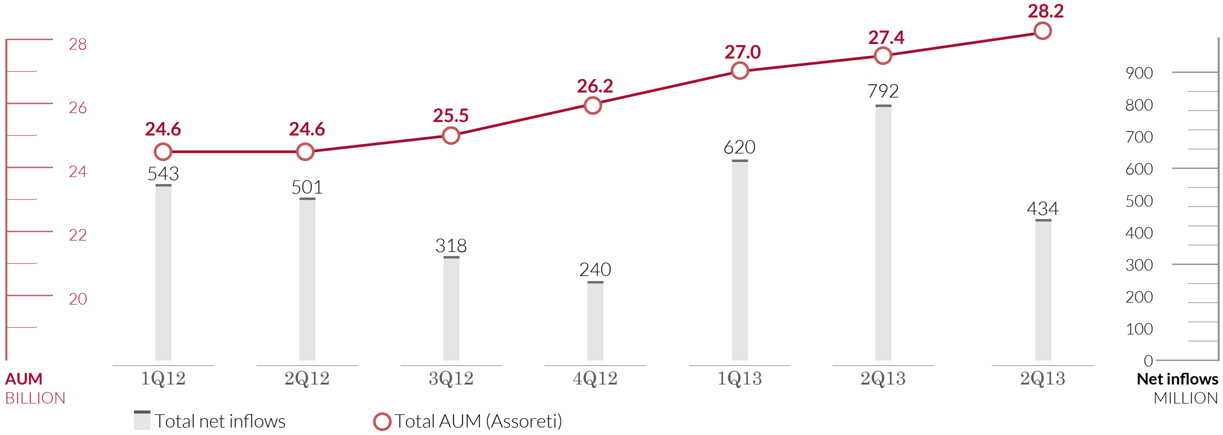
The changes in assets for the first nine months of the year were 7.7% and showed a highly significant growth in the Funds and SICAV business (+19%) and in the insurance business (+9%).

Banca Generali Group total assets

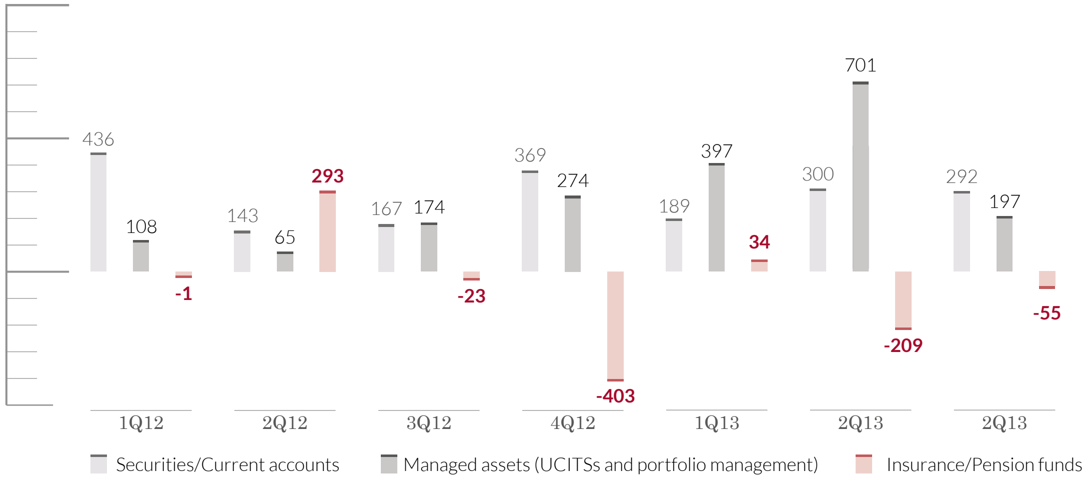
(€ MILLION)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
Total assets under management	**11,177**	**9,897**	**1,280**	**12.9%**
Funds and SICAVs	8,028	6,763	1,265	18.70%
GPF/GPM	3,149	3,134	15	0.48%
Total insurance products	**9,213**	**8,488**	**725**	**8.54%**
Total assets under administration and custody	**7,785**	**7,779**	**6**	**0.08%**
Total assets placed by the network	**28,175**	**26,164**	**2,011**	**7.69%**

The assets in question refer to the Assoreti market, and therefore to the Financial Planner operating area.

Evolution of AUM and net inflows



Breakdown of quarterly net inflows (€ million)



4. Operating result and performance of the main equity aggregates

4.1 Profit and loss results

The Group's net profit at the end of the first nine months of 2013 was 105.1 million euros, marking a further increase by 7.8% over the excellent result reported in the same period of 2012.

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE	
			AMOUNT	%
Net interest	**92,327**	**80,388**	**11,939**	**14.9%**
Net commissions	**171,243**	**167,067**	**4,176**	**2.5%**
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Other operating expense/income	20,417	13,350	7,067	52.9%
Net operating expenses	**-114,299**	**-110,858**	**-3,441**	**3.1%**
Operating profit	**160,554**	**145,678**	**14,876**	**10.2%**
Net adjustments for non-performing loans	-984	-1,294	310	-24.0%
Net adjustments of other assets	-904	-933	29	-3.1%
Net provisions	-18,767	-15,328	-3,439	22.4%
Gain (loss) from equity investments	-4	-2	-2	100.0%
Operating profit before taxation	**139,895**	**128,121**	**11,774**	**9.2%**
Income taxes for the period	-31,527	-28,031	-3,496	12.5%
Gains from non-current assets held for sale	-	318	-318	-100.0%
Profit attributable to minority interests	-3,302	-2,920	-382	13.1%
Net profit	**105,066**	**97,488**	**7,578**	**7.8%**

Net operating income amounted to 274.9 million euros, with an increase of 18.3 million euros (+7.1%) compared to the same period of the previous year, influenced by several factors:

- the increase in net interest (+14.9%), which benefited from both the continuation of a favourable market situation, characterised by the low costs of inflows as well as attractive returns offered by the Italian government security market, and the increase in traded volumes compared to the first nine months of 2012. The aggregate also continued to be driven by the leverage effect of LTROs undertaken with the ECB in the residual amount of 1.1 billion euros;
- the increase in management commissions (+16.6%), which was driven by the significant performance of average AUM compared to the volumes of the same period of the previous year;
- the reduction in non-recurring components of the operating result (-11.3 million euros), which did not replicate the extraordinary results recorded in 2012.
  In detail, despite increasing also in the third quarter up to the level of 29.4 million euros, performance commissions, the accrual of which is strongly influenced by the trend of volatility on the financial markets, continued to decrease compared to 2012 (-31.4%); this was only partially offset by the greater contribution of the net result of banking operations (+2.2 million euros).

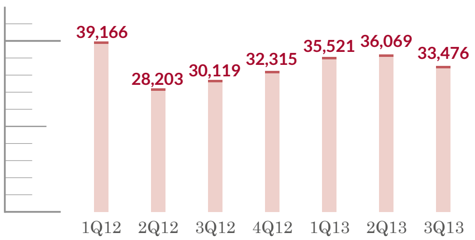
Net operating expenses showed a more modest increase (+3.1%) totalling 114.3 million euros, also thanks to the containment of staff expenses.

The **cost/income ratio**, which measures the ratio of operating costs, gross of value adjustments to tangible and intangible assets, to net operating income, amounted to 40.2%, confirming the positive operating leverage effect, which saw the cost performance outpaced by the revenue performance.

Operating profit thus amounted to 160.6 million euros, whilst **value adjustments and provisions** rose to 20.7 million euros overall (+3.1 million euros), due to the effect of the significant provisions for incentives and recruitment aimed at reinforcing the sales network, as well as prudential provisions for litigation and other operating expenses. Provisions covering credit risks associated with the non-performing and performing loan portfolios were also reinforced.

Operating profit before taxation thus was 139.9 million euros, up significantly by 11.8 million euros compared to the same period of 2012.

Net result for the period (€ thousand)



Quarterly evolution of the Profit & loss account

(€ THOUSAND)	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12
Net interest	**28,695**	**30,151**	**33,481**	**31,164**	**29,123**	**28,121**	**23,144**
Net commissions	**48,199**	**60,547**	**62,497**	**46,998**	**50,678**	**46,000**	**70,389**
Dividends	52	848	8	12	30	652	45
Net result of financial operations	4,991	4,033	1,351	3,261	-437	1,179	7,612
Net operating income	**81,937**	**95,579**	**97,337**	**81,435**	**79,394**	**75,952**	**101,190**
Staff expenses	-17,400	-17,268	-18,159	-14,296	-17,263	-16,758	-18,029
Other general and administrative expense	-25,843	-28,428	-23,929	-23,903	-24,441	-21,256	-23,051
Net adjustments of property, equipment and intangible assets	-1,270	-1,260	-1,159	-1,083	-1,141	-1,090	-1,179
Other operating expense/income	6,062	10,316	4,039	5,789	4,200	5,584	3,566
Net operating expenses	**-38,451**	**-36,640**	**-39,208**	**-33,493**	**-38,645**	**-33,520**	**-38,693**
Operating profit	**43,486**	**58,939**	**58,129**	**47,942**	**40,749**	**42,432**	**62,497**
Net adjustments for non-performing loans	-429	212	-767	-2,278	1,614	147	-3,055
Net adjustments of other assets	-4	-302	-598	221	-128	-429	-376
Net provisions	2,629	-10,642	-10,754	-3,285	-1,022	-2,628	-11,678
Gain (loss) from equity investments	-	-	-4	-2	-	-2	-
Operating profit before taxation	**45,682**	**48,207**	**46,006**	**42,598**	**41,213**	**39,520**	**47,388**
Income taxes for the period	-11,391	-10,614	-9,522	-9,469	-10,154	-10,309	-7,568
Gains from non-current assets held for sale	-	-	-	133	-	159	159
Profit attributable to minority interests	-815	-1,524	-963	-947	-940	-1,167	-813
Net profit	**33,476**	**36,069**	**35,521**	**32,315**	**30,119**	**28,203**	**39,166**

4.1.1 Net interest

Net interest income reached 92,3 million euros, up by 11.9 million euros compared to the first nine months of 2012 (+14.9%), thus decreasing compared to the peak levels reached at the end of the first quarter of 2013.

In the first nine months of 2013, the interest rate evolution continued to be characterised by the following factors:

- extremely low levels of the cost of inflows, with short-term Euribor rates now at levels near 0.12% (one-month Euribor) and 0.22% (three-month Euribor) for more than a year, marking a decline compared to the first nine months of 2012 of approximately 70%;
- average yields of Italian government bonds, which continued to provide the best investment opportunities on International markets, albeit declining by more than 30% compared to the average values recorded in the first nine months of 2012

It should also be noted that the interest rate requested by the ECB for its primary refinancing transactions was reduced from 1% to 0.75% in July 2012 and then further decreased to 0.5% in May 2013.

For Banca Generali, in any event, rate performance had a more marked influence on the cost of inflows than on the profitability of investments, which continued to be supported by the extent of the portfolio of held-to-maturity (HTM) financial assets.

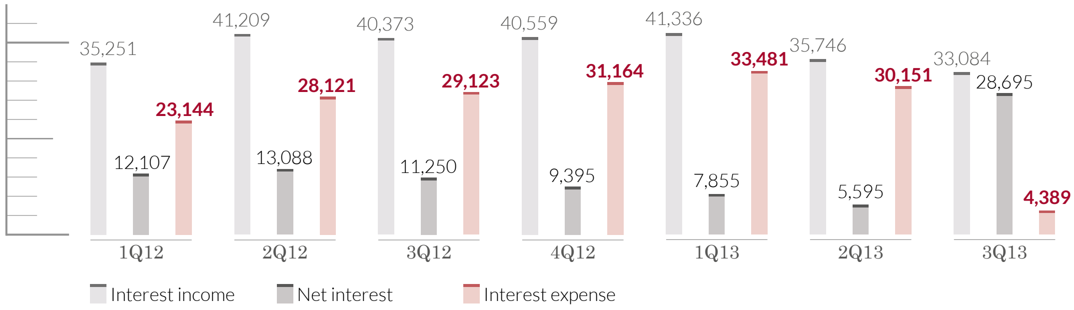
In further detail, in the first nine months of 2013, the average rate of profitability shown by the HTM portfolio, to which the securities purchased following LTROs have been allocated, remained above 3% on an annual basis, whereas the rate of return of the existing portfolio at 30 September 2013 had fallen to 2.67% from the 3.52% reported at the end of September 2012.

Interest income decreased by 6.7 million euros (-5.7%), due to the decline in interest income rates, which was only partly offset by higher average volumes of lending compared to the same period of 2012.
By contrast, the cost of funding decreased by 18.6 million euros (-51.1%) due to a general decline in expenses across all sectors of operation, from ECB deposits (-3.7 million euros) to interbank transactions in the form of repurchase agreements (-4.2 million euros) and inflows from customers, both ordinary (-3.4 million euros) and high-yield (-5.7 million euros).
Finally, with regard to net inflows from high-yield customer (deposit accounts), it may be observed that, the decline in the costs of inflows was mainly due to the significant decrease in this form of funding.

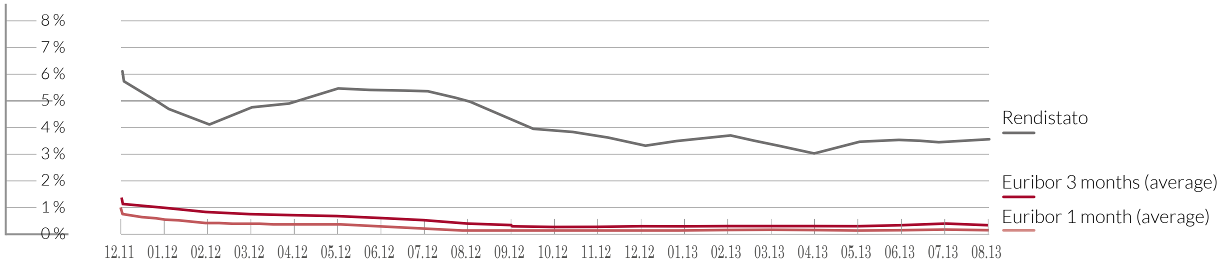
(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE		3Q2013	3Q2012
			AMOUNT	%		
HFT financial assets	8,832	1,075	7,757	721.6%	186	871
AFS financial assets	19,600	25,679	-6,079	-23.7%	7,495	7,381
HTM financial assets	64,273	71,662	-7,389	-10.3%	19,586	26,507
Financial assets classified among loans	2,811	4,010	-1,199	-29.9%	838	1,195
Total financial assets	**95,516**	**102,426**	**-6,910**	**-6.7%**	**28,105**	**35,954**
Loans to banks	522	1,077	-555	-51.5%	79	168
Loans to customers	14,128	12,735	1,393	10.9%	4,900	4,002
Hedging derivatives	-	582	-582	-100.0%	-	243
Other assets	-	13	-13	-100.0%	-	6
Total interest income	**110,166**	**116,833**	**-6,667**	**-5.7%**	**33,084**	**40,373**
Due to ECB	5,760	9,422	-3,662	-38.9%	1,403	3,178
Due to banks	422	471	-49	-10.4%	124	153
Repurchase agreements - banks	2,925	7,108	-4,183	-58.8%	817	2,194
Due to customers	6,686	15,758	-9,072	-57.6%	1,543	4,553
Repurchase agreements - customers	1,461	2,529	-1,068	-42.2%	306	785
Subordinated loan	585	1,152	-567	-49.2%	196	386
Other liabilities	-	5	-5	-100.0%	-	1
Total interest expense	**17,839**	**36,445**	**-18,606**	**-51.1%**	**4,389**	**11,250**
Net interest	**92,327**	**80,388**	**11,939**	**14.9%**	**28,695**	**29,123**

In the first nine months of 2013, the ratio of LTRO operations to net interest is estimated at 25% of the overall result.

Net interest (€ thousand)



Evolution of interest rates (monthly average)

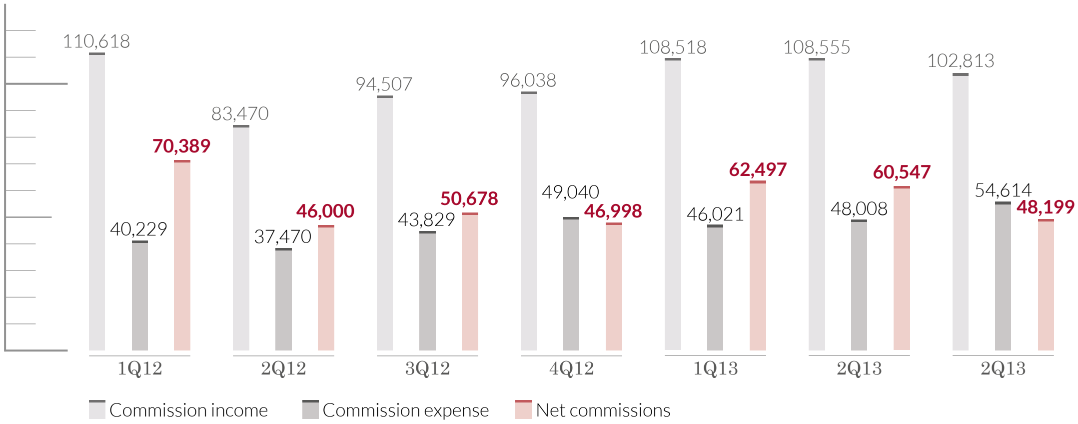


4.1.2 Net commissions

The commissions aggregate amounted to 171.2 million euros, increasing by 2.5% compared to the same period of 2012, and may be broken down as follows.

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE AMOUNT	CHANGE %	3Q2013	3Q2012
Collective and individual portfolio management commissions	196,723	191,598	5,125	2.7%	61,657	60,985
Commissions on the placement of securities and UCITSs	36,903	26,879	10,024	37.3%	13,653	10,217
Commissions on the distribution of third-party financial products	59,919	50,841	9,078	17.9%	20,669	17,216
Commissions on trading and securities custody	19,140	13,584	5,556	40.9%	4,535	4,125
Commissions for other banking services	7,201	5,693	1,508	26.5%	2,299	1,964
Total commission income	**319,886**	**288,595**	**31,291**	**10.8%**	**102,813**	**94,507**
Commissions for external offer	127,290	107,087	20,203	18.9%	48,120	39,310
Dealing in securities and custody	6,295	2,222	4,073	183.3%	1,273	618
Asset management	12,838	10,552	2,286	21.7%	4,457	3,309
Commissions for other banking services	2,220	1,667	553	33.2%	764	592
Total commission expense	**148,643**	**121,528**	**27,115**	**22.3%**	**54,614**	**43,829**
Net commissions	**171,243**	**167,067**	**4,176**	**2.5%**	**48,199**	**50,678**

Net commissions (€ thousand)



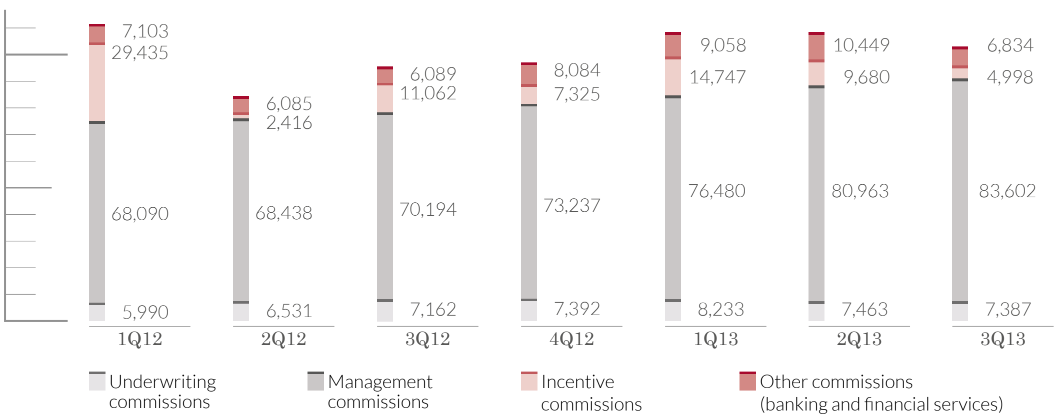
Commission income increased by 31.3 million euros overall (+10.8%), owing primarily to the contribution by management commissions (+34.3 million euros), driven by the significant progress in terms of average AUM compared to the same period of the previous year.

The constant impetus from net inflows and the overall positive financial market performance also fostered a positive performance of underwriting commissions (+17.3%) and commissions relating to other banking services (+36.6%), which significantly influenced trading activities on behalf of customers.

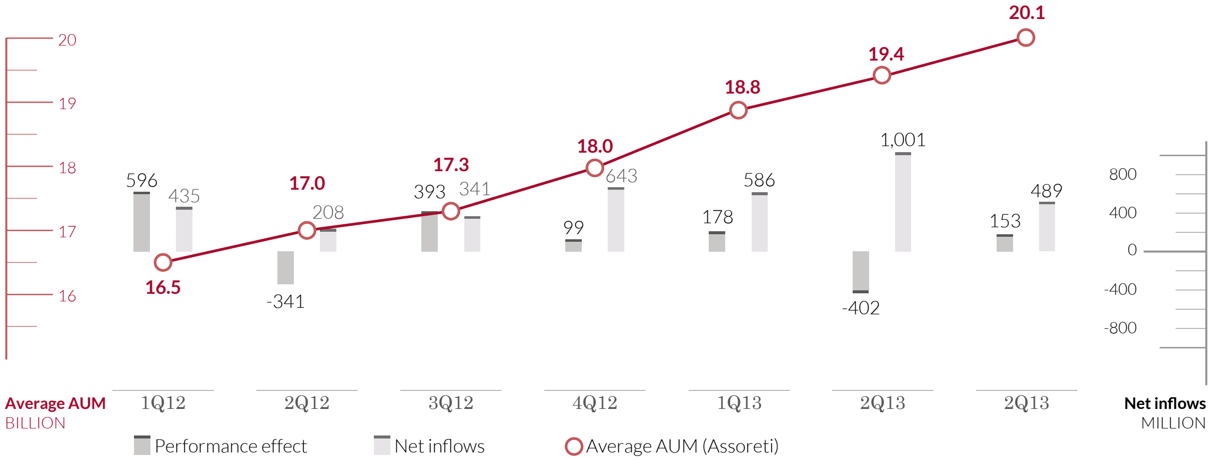
In this context, the contribution provided by performance commissions, which reached 29.4 million euros during the reporting period, may also be regarded as positive, although not up to the record levels reached in the same period of 2012 (-13.5 million euros).

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE		3Q2013	3Q2012
			AMOUNT	%		
Underwriting commissions	23,083	19,683	3,400	17.3%	7,387	7,162
Management commissions	241,045	206,722	34,323	16.6%	83,602	70,194
Incentive commissions	29,417	42,913	-13,496	-31.4%	4,990	11,062
Commissions for other banking and financial services	26,341	19,277	7,064	36.6%	6,834	6,089
Total	**319,886**	**288,595**	**31,291**	**10.8%**	**102,813**	**94,507**

Breakdown of commission income (€ thousand)



Evolution of managed assets and insurance AUM



Commission income from **the solicitation of investment and asset management** of households amounted to 293.5 million euros, with an increase of 24.2 million euros compared to the same period of the previous year, mainly attributable to the placement of third-party services.

In fact, the contribution of the SICAVs promoted by the Banking Group appears essentially stable compared to the same period of the previous year, owing to the structural increase in management commissions (+14.8 million euros), which completely offset the aforementioned downtrend in performance commissions. By contrast, the result of individual asset management schemes appears essentially in line with the increase in the amount of customers' assets under management, despite the application of a more unfavourable VAT regime.
The management of foreign funds of the Generali Group, arising from the operations of the merged Generali Investments Luxembourg (GIL), showed an increase in revenues of 2.7 million euros.

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE AMOUNT	CHANGE %	3Q2013	3Q2012
1. Collective asset management	146,530	145,221	1,309	0.9%	45,729	45,019
2. Collective asset management of the Generali Group (GIL)	23,733	21,006	2,727	13.0%	7,991	7,294
3. Individual asset management	26,460	25,371	1,089	4.3%	7,937	8,672
Commissions on asset management	**196,723**	**191,598**	**5,125**	**2.7%**	**61,657**	**60,985**
1. Placement of UCITSs	29,541	19,453	10,088	51.9%	9,984	6,816
of which: placement of UCITSs promoted by the Group	*5,129*	*2,216*	*2,913*	*131.5%*	*1,976*	*796*
3. Bond placement	7,362	7,426	-64	-0.9%	3,669	3,400
4. Distribution of third-party asset management products (GPM/GPF, pension funds)	304	287	17	5.9%	101	95
5. Distribution of third-party insurance products	59,523	50,328	9,195	18.3%	20,547	17,065
6. Distribution of other third-party financial products	92	226	-134	-59.3%	21	57
Commissions for the placement and distribution of financial services	**96,822**	**77,720**	**19,102**	**24.6%**	**34,322**	**27,433**
Asset management commissions income	**293,545**	**269,318**	**24,227**	**9.0%**	**95,979**	**88,418**

The distribution of third-party financial products and services continued to show an increase in revenues driven by the distribution of the insurance products of Genertellife (+9.2 million euros, or +18.3%).
The reporting period also proved extremely positive in terms of placement of UCITSs, which showed an increase of 51.9% compared to the first nine months of 2012 (+10.1 million euros), owing both to the new agreements reached in the second half of 2012 and the greater contribution of front-end commissions collected in relation to the Group's SICAVs.

Commission expense amounted to 148.6 million euros, with a significant increase by 27.1 million euros compared to the same period of the previous year (+22.3%), and in line with the evolution of recurring components of commission income.
The aggregate includes 19.0 million euros in commissions for the activities carried out by the merged company Generali Investments Luxembourg (GIL), which grew (+2.7 million euros) compared to the same period of 2012.
Net of the result from such non-core activity, the Group's total pay-out ratio, compared to commission income, net of performance commission income, therefore was 48.8%, slightly increasing compared to the figure reported at the end of the same period of 2012 (47%).

Distribution commission expense reached 127.3 million euros and increased by 20.2 million euros compared to the same period of the previous year.
This aggregate was influenced by both the increase in management expenses paid to the sales network, in line with the average AUM growth compared to the same period of the previous year (+16.1%), and the impressive growth of net inflows (+35.5) which drove underwriting commissions (+51.9%) and, albeit to a lesser extent, also incentive commissions (+13.0%).

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE		3Q2013	3Q2012
			AMOUNT	%		
Front-end commissions	13,651	12,082	1,569	13.0%	3,739	4,169
Management commissions	87,292	75,173	12,119	16.1%	30,567	25,716
Incentive commissions	15,024	9,890	5,134	51.9%	10,616	6,786
Other commissions	11,323	9,942	1,381	13.9%	3,198	2,639
Total	**127,290**	**107,087**	**20,203**	**18.9%**	**48,120**	**39,310**

Other net commissions from banking services offered to customers include trading, order collection and custody and administration commissions, in addition to commissions charged to customers for account-keeping expenses and other services. This aggregate amounted to 17.8 million euros, up by 15.8% compared to the same period of 2012, primarily as a result of the increase in securities trading and custody services (+1.4 million euros) and the development of collection activities on behalf of the insurance group's companies (+0.6 million euros).

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE		3Q2013	3Q2012
			AMOUNT	%		
Dealing in securities and currencies	12,551	10,048	2,503	24.9%	3,070	3,810
Order collection and securities custody commissions	6,589	3,536	3,053	86.3%	1,465	315
Collection and payment services	2,889	2,079	810	39.0%	900	705
Commission income and account keeping expenses	2,114	2,044	70	3.4%	726	688
Commissions for other banking services	2,198	1,570	628	40.0%	673	571
Total traditional banking operations	**26,341**	**19,277**	**7,064**	**36.6%**	**6,834**	**6,089**
Commissions for securities trading and custody	-6,295	-2,222	-4,073	183.3%	-1,273	-618
Collection and payment services	-1,119	-764	-355	46.5%	-369	-244
Commissions for other banking services	-1,101	-903	-198	21.9%	-395	-348
Total commission expense	**-8,515**	**-3,889**	**-4,626**	**119.0%**	**-2,037**	**-1,210**
Net commissions	**17,826**	**15,388**	**2,438**	**15.8%**	**4,797**	**4,879**

4.1.3 Net profit from trading and financial operations

The net result of financial operations is composed of the result of financial asset and liability trading, gains and losses from the disposal of financial assets allocated to the AFS portfolio and other portfolios valued at amortised cost (HTM, Loans) of the related dividends and any result of hedging.

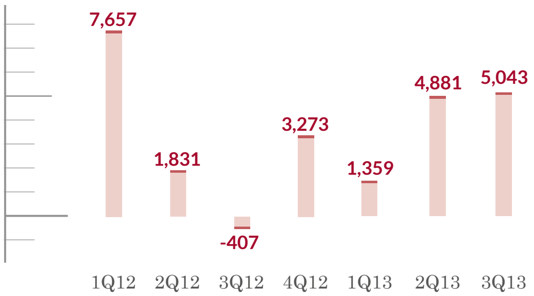
(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE		3Q2013	3Q2012
			AMOUNT	%		
Dividends from trading	79	151	-72	-47.7%	24	22
Trading of financial assets and equity derivatives	-32	107	-139	-129.9%	-16	83
Trading of financial assets and derivatives on debt securities and interest rates	-6,789	6,670	-13,459	-201.8%	3,456	-635
Trading of UCITS units	713	997	-284	-28.5%	318	578
Securities transactions	**-6,029**	**7,925**	**-13,954**	**-176.1%**	**3,782**	**48**
Currency and currency derivative transactions	**1,472**	**1,647**	**-175**	**-10.6%**	**467**	**508**
Net profit (loss) from trading operations	**-4,557**	**9,572**	**-14,129**	**-147.6%**	**4,249**	**556**
Net profit from hedging	-	-280	280	-100.0%	-	-280
Dividends from AFS assets	829	576	253	43.9%	28	8
Gains and losses on equity securities and UCITSs	141	-52	193	n.s.	-	-
Gains and losses on AFS and HTM debt securities and loans	14,870	-735	15,605	n.s.	766	-691
Net profit (loss) of financial operations	**11,283**	**9,081**	**2,202**	**24.2%**	**5,043**	**-407**

At the end of the first nine months of 2013, the aggregate contributed 11.3 million euros, increasing by 2.2 million euros compared to the same period of the previous year.

The negative result of trading activities was largely influenced, for 7.4 million euros, by net losses realised in relation to the trading of a portfolio of government securities, with short-term maturities, acquired in late 2012 and during the first quarter of 2013 and fully redeemed in the current financial year. However, this result should be viewed in connection with 8,6 million euro interest accrued on that same trading portfolio.

During the reporting period, forward purchase agreements were also entered into for government securities to be allocated to AFS and HTM portfolios, resulting in net capital gains of approximately 0.6 million euros at the reporting date.

Result of financial operations (€ thousand)



(€ THOUSAND)	GAINS	CAPITAL GAINS	LOSSES	CAPITAL LOSSES	NET RESULT 30.09.2013	NET RESULT 30.09.2012	CHANGE
1. Financial assets	**532**	**603**	**7,670**	**166**	**-6,701**	**8,127**	**-14,828**
Debt securities	162	39	7,567	16	-7,382	7,023	-14,405
Equity securities	23	101	92	64	-32	107	-139
UCITS units	347	463	11	86	713	997	-284
2. Derivatives	**637**	**280**	**188**	**133**	**596**	**-351**	**947**
Interest rate swaps	49	-	41	-	8	-353	361
Government bonds forwards	458	280	20	133	585	-	585
Currency options and outrights	130	-	127	-	3	2	1
3. Currency transactions	**1,469**	**-**	**-**	**-**	**1,469**	**1,645**	**-176**
Total	**2,638**	**883**	**7,858**	**299**	**-4,636**	**9,421**	**-14,057**

By contrast, the disposal of financial assets classified to portfolios measured at amortised cost generated net gains of 15.0 million euros, primarily arising from the sale of government securities allocated to the AFS portfolio and banking securities allocated to the Loans portfolio.

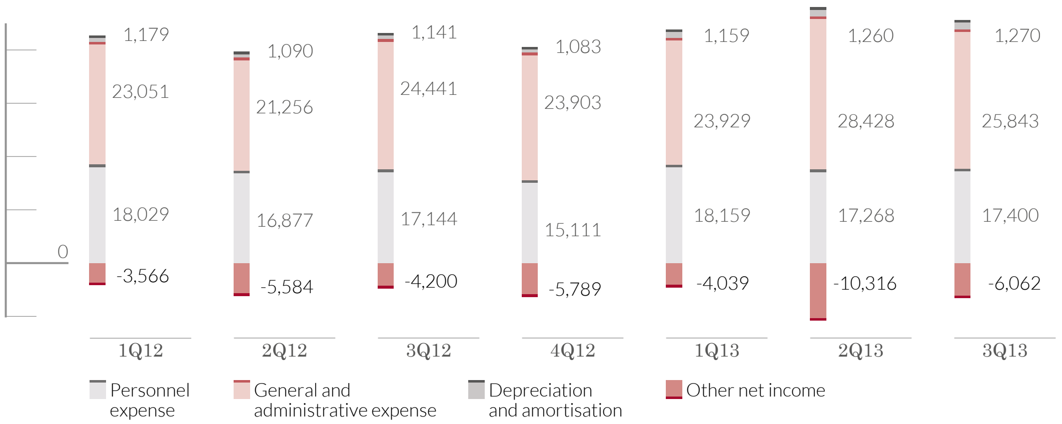
(€ THOUSAND)	GAINS	LOSSES	TRANSFER OF RESERVES	30.09.2013	30.09.2012	CHANGE
AFS financial assets	13,134	-699	431	12,866	1,705	11,161
Debt securities	13,102	-641	264	12,725	1,757	10,968
Equity securities	9	-58	101	52	-52	104
UCITS units	23	-	66	89	-	89
Financial assets classified among loans	2,209	-54	-	2,155	-3,627	5,782
HTM financial assets	-	-10	-	-10	1,135	-1,145
Total	**15,343**	**-763**	**431**	**15,011**	**-787**	**15,798**

4.1.4 Operating expenses

Operating expenses, including staff expenses, other general and administrative expense, amortisation and depreciation and other operating income and expenses, amounted to 114.3 million euros, marking an overall increase of 3.4 million euros compared to the same period of the previous year (+3.1%).

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE AMOUNT	CHANGE %	3Q2013	3Q2012
Staff expenses	52,827	52,050	777	1.5%	17,400	17,263
Other general and administrative expense	78,200	68,748	9,452	13.7%	25,843	24,441
Net adjustments of property, equipment and intangible assets	3,689	3,410	279	8.2%	1,270	1,141
Other income and expenses	-20,417	-13,350	-7,067	52.9%	-6,062	-4,200
Operating expenses	**114,299**	**110,858**	**3,441**	**3.1%**	**38,451**	**38,645**

Breakdown of operating expenses (€ thousand)



Staff expenses, including full-time employees, interim staff and directors, amounted to 52.8 million euros, virtually unchanged (+1.5%) compared to the same period of the previous year.

The Group employees totalled 820 at the end of September, thus recording an increase of 23, both in terms of average and exact figures, compared to the same period of the previous year.

In this context, the slight change in the cost of employees was primarily attributable to the increase in workforce rather than remuneration factors, also considering that incentive components remained largely stable.

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE		3Q2013	3Q2012
			AMOUNT	%		
1) Employees	**51,494**	**50,517**	**977**	**1.9%**	**16,923**	**16,870**
Salaries and social security charges	36,738	35,823	915	2.6%	12,543	12,032
Provision for termination indemnity and supplementary pension funds	3,198	3,222	-24	-0.7%	1,132	1,007
Costs related to payment agreements based on own financial instruments	141	47	94	200.0%	29	10
Short-term productivity bonuses	7,744	7,673	71	0.9%	1,946	2,560
Other long-term incentives	1,823	2,004	-181	-9.0%	673	642
Other employee benefits	1,850	1,748	102	5.8%	600	619
2) Other staff	**224**	**-42**	**266**	**n.s.**	**116**	**6**
3) Directors and Auditors	**1,109**	**1,575**	**-466**	**-29.6%**	**361**	**387**
of which: incentives	*160*	*501*	*-341*	*-68.1%*	*39*	*165*
Total	**52,827**	**52,050**	**777**	**1.5%**	**17,400**	**17,263**

Evolution of staff (quarterly average)

Other general and administrative expense amounted to 78.2 million euros, up by 9.5 million euros, compared to the same period of the previous year (+13.7%).

However, approximately 6.6 million euros of this change may be attributed to the estimated greater stamp duty charges accrued during the first nine months of the year owing to the amendments, effective 2013, to legislation governing stamp duty on financial instruments, which raised the tax rate applied from 0.1% to 0.15% and removed the tax ceiling envisaged in 2012 for individuals.

This increase was nevertheless offset by the corresponding growth in tax recoveries from customers, recognised in the other operating income and expenses aggregate (+6.7 million euros or 52.4%).

The increase in costs for outsourced IT services was mainly due to the extraordinary costs incurred to develop the Group's new digital platform.

Net of such components, the evolution of this aggregate did not change significantly from that of the same period of the previous year.

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE		3Q2013	3Q2012
			AMOUNT	%		
Administration	**9,368**	**8,647**	**721**	**8.3%**	**3,063**	**2,618**
Advertising	2,965	2,687	278	10.3%	1,063	698
Consultancy and professional advice expense	2,901	2,103	798	37.9%	581	463
Auditing	387	445	-58	-13.0%	88	270
Other general costs (insurance; T&E)	3,115	3,412	-297	-8.7%	1,331	1,187
Operations	**23,057**	**23,373**	**-316**	**-1.4%**	**7,476**	**8,033**
Rent and usage of premises	11,556	11,299	257	2.3%	3,741	3,890
Outsourced services	3,115	3,430	-315	-9.2%	1,023	1,303
Post and telephone	2,048	2,141	-93	-4.3%	733	352
Print material and contracts	602	834	-232	-27.8%	191	436
Other indirect staff expenses	2,065	2,206	-141	-6.4%	788	621
Other operating expenses	3,671	3,463	208	6.0%	1,000	1,431
Information system and equipment	**25,572**	**22,734**	**2,838**	**12.5%**	**8,625**	**8,555**
Outsourced IT services	18,377	16,143	2,234	13.8%	6,331	6,385
Fees for financial databases and other IT services	4,588	4,202	386	9.2%	1,470	1,190
Software maintenance and servicing	1,985	1,665	320	19.2%	665	692
Other expenses (equipment rental, maintenance, etc.)	622	724	-102	-14.1%	159	288
Taxes and duties	**20,203**	**13,994**	**6,209**	**44.4%**	**6,679**	**5,235**
Total other general and administrative expense	**78,200**	**68,748**	**9,452**	**13.7%**	**25,843**	**24,441**

4.1.5 Provisions and adjustments

Net provisions amounted to 18.8 million euros, up by 3.4 million euros compared to the same period of 2012 (+22.4%), primarily due to greater provisions for incentives related to the sales network (+4.5 million euros) and prudential provisions for other liabilities and contingencies.

In particular, provisions include 6.8 million euros allocated to incentives set to accrue and 5.8 million euros in allocations for the recruitment plan.

Net provisions for contractual indemnities for Financial Planners include 0.6 million euros allocated for new "social-security bonus" programmes, aimed at ensuring the most deserving employees supplemental pension benefits upon retirement.

In July 2013 the Regional Department for Friuli-Venezia Giulia of the Italian Revenue Service completed a tax audit of the parent company, Banca Generali, pertaining to tax year 2010. The alleged irregularities brought to light do not entail significant risks for the Group. However, in order to account for the possible outcome of the audit, prudential allocations have nonetheless been made to other provisions for liabilities and contingencies.

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE		3Q2013	3Q2012
			AMOUNT	%		
Provision for staff expenses	-81	1,500	-1,581	-105.4%	-81	-262
Provisions for legal disputes	2,144	2,412	-268	-11.1%	296	1,200
Provision for incentive fees	12,623	8,128	4,495	55.3%	-2,925	-1,435
Provisions for termination indemnity and over fees	1,581	2,888	-1,307	-45.3%	41	1,119
Other provisions for liabilities and contingencies	2,500	400	2,100	n.s.	40	400
Total	**18,767**	**15,328**	**3,439**	**22.4%**	**-2,629**	**1,022**

Net adjustments for impairments amounted to 1.9 million euros, of which 0.6 million euros referred to the financial assets segment and 1.3 million euros to loans.
In further detail, the AFS equities portfolio, already subject to impairment in previous years, underwent further impairment losses of 1.0 million euros. However, this change was offset by the partial release of collective reserves for corporate securities (-0.3 million euros) attributable to the disposal of the securities during the reporting period and the reduction of the residual average life of the portfolios covered.

In the loans to customers segment, adjustments were made to impairment losses covering non-performing loans (0.3 million euros), in addition to further prudential changes to the collective reserve covering the performing loans of the banking portfolio (+0.7 million euros) in connection with the significant expansion of that aggregate.

In the area of receivables not arising from lending transactions, there was an increase in provisions for impairment recognised to cover the risks associated with recovery of commission advances provided to former Financial Planners who have left service (0.2 million euros).

(€ THOUSAND)	VALUE ADJUSTMENTS	REVERSAL ADJUSTMENTS	30.09.2013	30.09.2012	CHANGE
Specific adjustments/reversals	**-1,613**	**38**	**-1,575**	**-2,403**	**828**
Debt securities (AFS, HTM, Loans)	-	-	-	-412	412
Equity securities	-988	-	-988	-994	6
Operating loans	-286	33	-253	-525	272
Non-performing loans of the bank portfolio	-339	5	-334	-472	138
Portfolio adjustments/reversals	**-876**	**563**	**-313**	**176**	**-489**
Debt securities (Loans, HTM)	-222	563	341	172	169
Performing loans of the banking portfolio	-654	-	-654	4	-658
Total	**-2,489**	**601**	**-1,888**	**-2,227**	**339**

4.1.6 Net result for the period, taxes and earnings per share

Current and deferred **taxes for the period** are estimated to reach 31.5 million euros, up compared to 3.5 million euros for the same period of the previous year, largely in line with the growth in the Group's net profit.

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE	
			AMOUNT	%
Current taxes for the period	-31,675	-26,785	-4,890	18.3%
Prior period taxes	234	220	14	6.4%
Changes of prepaid taxation (+/-)	-353	-1,416	1,063	-75.1%
Changes of deferred taxation (+/-)	267	-50	317	n.s.
Total	**-31,527**	**-28,031**	**-3,496**	**12.5%**

The increase in the Group's total tax rate from 21.9% in the first nine months of 2012 to the current 22.5% (+0.6%) was primarily associated with the rise in Group's net profit generated in Italy, with a slight decline in the percentage ratio of costs with limited deductibility.

Profit for the period attributable to minority interests amounted to 3.3 million euros and refers to the minority interest in GFM held by the Assicurazioni Generali insurance group.

Therefore, consolidated net profit for the first nine months of 2013 amounted to 105.1 million euros. Net basic earnings per share currently being accrued increased from 0.873 eurocents to 0.922 eurocents.

	30.09.2013	30.09.2012	CHANGE	
			AMOUNT	%
Net profit for the period (€ thousand)	105,066	97,488	7,578	7.8%
Earnings attributable to ordinary shares	105,066	97,488	7,578	7.8%
Average number of outstanding shares	113,937	111,657	2,280	2.0%
EPS - Earnings per share (euro)	**0.922**	**0.873**	**0.049**	**5.6%**
Average number of outstanding shares diluted capital	115,618	114,927	691	0.6%
EPS - Diluted earnings per share (euro)	**0.909**	**0.848**	**0.060**	**7.1%**

4.1.7 Comprehensive income

The Group's comprehensive income consists of the net profit for the period and all components that contribute to company performance without being reflected in the profit and loss account, such as changes in valuation reserves for AFS securities.

At 30 September 2013, the Group's comprehensive income amounted to 104.7 million euros, compared to 136.6 million euros for the same period of the previous year.
However, the first nine months of 2013 are compared with the same period of 2012 which was characterised by a sharp decline in the spreads on Italian government debt, which had allowed significant unrealised capital gains to be recognised among equity reserves in relation to the portfolio of available-for-sale financial assets (39.3 million euros).

In the first nine months of 2013, these reserves reported a slight net decrease of -0.3 million euros, due to the combined effects of:

- the mark to market of the carrying amount of the AFS portfolio (-0.9 million euros), attributable to the higher market volatility regarding the Italian sovereign debt, witnessed after the Italian elections in February 2013;
- the reduction of pre-existing net negative reserves due to reabsorption in the profit and loss account through realisation and impairment (+0.5 million euros);
- the positive tax effect associated with the above changes (+0.1 million euros).

(€ THOUSAND)	30.09.2013	30.09.2012	CHANGE	
			AMOUNT	%
Net profit (loss)	**105,066**	**97,488**	**7,578**	**7.8%**
Other income, net of income taxes:				
AFS assets	-291	39,302	-39,592	-100.7%
Cash-flow hedges	-	-278	278	-100.0%
Actuarial gains (losses) from defined benefit plans	-32	69	-101	-146.4%
Total other income, net of taxes	**-323**	**39,093**	**-39,416**	**-100.8%**
Comprehensive income	**104,743**	**136,581**	**-31,838**	**-23.3%**

4.2 Balance sheet and net equity aggregates

At the end of the first nine months of 2013, total consolidated assets amounted to 6.2 billion euros, marking a decline of 1.1 billion euros compared to the end of 2012 (-15.5%).

The decrease in aggregates was primarily attributable to the downsizing of direct inflows from customers (-25.9% compared to 2012), whose performance in latter part of the previous year had been however considerably influenced by the activity of the Assicurazioni Generali insurance group to which the Bank belongs.

In the first half of 2013, the Group also made an early repayment of a tranche of ECB's financing, for a total amount of 200 million euros, whose effects were however partly offset by the growth in interbank inflows in the form of repurchase agreements.

As a result, the volume of core loans amounted to 6.0 billion euros, down 15.7% compared to the end of 2012.

ASSETS (€ THOUSAND)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
HFT financial assets	30,283	222,548	-192,265	-86.4%
AFS financial assets	1,569,670	1,733,885	-164,215	-9.5%
HTM financial assets	2,516,418	3,000,330	-483,912	-16.1%
Loans to banks	450,267	843,368	-393,101	-46.6%
Loans to customers	1,427,920	1,308,585	119,335	9.1%
Property, equipment and intangible assets	48,848	51,778	-2,930	-5.7%
Tax receivables	40,169	41,276	-1,107	-2.7%
Other assets	102,655	115,608	-12,953	-11.2%
Total assets	**6,186,230**	**7,317,378**	**-1,131,148**	**-15.5%**

NET EQUITY AND LIABILITIES € THOUSAND)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
Due to banks	2,178,825	2,229,896	-51,071	-2.3%
Due to customers	3,327,034	4,491,173	-1,164,139	-25.9%
Financial liabilities held for trading and hedging	393	1,448	-1,055	-72.9%
Tax payables	25,419	36,620	-11,201	-30.6%
Other liabilities	167,828	95,013	72,815	76.6%
Special purpose provisions	72,716	68,405	4,311	6.3%
Valuation reserves	-11,798	-11,475	-323	2.8%
Reserves	164,163	139,841	24,322	17.4%
Additional paid-in capital	34,901	16,591	18,310	110.4%
Share capital	114,668	112,938	1,730	1.5%
Treasury shares (-)	-41	-41	-	0.0%
Minority interests	7,056	7,166	-110	-1.5%
Net profit for the period	105,066	129,803	-24,737	-19.1%
Total net equity and liabilities	**6,186,230**	**7,317,378**	**-1,131,148**	**-15.5%**

Quarterly evolution of consolidated balance sheet

ASSETS (€ THOUSAND)	30.09.2013	30,06,2013	31,03,2013	31.12.2012 RESTATED	30.09.2012 RESTATED	30,06,2012 RESTATED	31,03,2012 RESTATED
HFT financial assets	30,283	431,465	851,223	222,548	200,056	33,676	34,272
AFS financial assets	1,569,670	1,230,402	1,045,546	1,733,885	1,085,941	1,138,390	1,186,802
HTM financial assets	2,516,418	2,631,021	2,913,734	3,000,330	3,019,003	3,045,018	2,937,276
Loans to banks	450,267	268,822	307,513	843,368	398,604	325,737	727,002
Loans to customers	1,427,920	1,379,197	1,359,495	1,308,585	1,152,179	1,091,698	1,035,070
Property, equipment and intangible assets	48,848	49,849	50,901	51,778	49,148	50,115	50,970
Tax receivables	40,169	43,207	43,329	41,276	48,220	61,997	65,697
Other assets	102,655	111,071	175,756	115,608	104,139	92,217	86,072
Financial assets held for sale	-	-	-	-	-	-	468
Total assets	**6,186,230**	**6,145,034**	**6,747,497**	**7,317,378**	**6,057,290**	**5,838,848**	**6,123,629**

NET EQUITY AND LIABILITIES (€ THOUSAND)	30.09.2013	30,06,2013	31,03,2013	31.12.2012 RESTATED	30.09.2012 RESTATED	30,06,2012 RESTATED	31,03,2012 RESTATED
Due to banks	2,178,825	1,930,243	2,398,937	2,229,896	2,337,782	2,328,576	2,327,369
Due to customers	3,327,034	3,617,170	3,583,784	4,491,173	3,132,826	3,016,706	3,249,417
Financial liabilities held for trading and hedging	393	4,011	1,271	1,448	3,359	2,005	2,864
Tax payables	25,419	16,889	29,766	36,620	34,355	28,286	30,699
Other liabilities	167,828	127,573	220,076	95,013	136,158	104,589	106,436
Financial liabilities held for sale	-	-	-	-	-	-	291
Special purpose provisions	72,716	77,494	75,989	68,405	67,704	69,766	73,048
Valuation reserves	-11,798	-14,819	-13,588	-11,475	-17,312	-41,225	-25,645
Reserves	164,163	164,899	267,150	139,841	142,466	142,645	200,143
Additional paid-in capital	34,901	29,611	26,615	16,591	4,494	3,406	3,406
Share capital	114,668	114,173	113,888	112,938	111,792	111,694	111,694
Treasury shares (-)	-41	-41	-41	-41	-41	-248	-248
Minority interests	7,056	6,241	8,129	7,166	6,219	5,279	4,989
Net profit (loss) for the period (+/-)	105,066	71,590	35,521	129,803	97,488	67,369	39,166
Total net equity and liabilities	**6,186,230**	**6,145,034**	**6,747,497**	**7,317,378**	**6,057,290**	**5,838,848**	**6,123,629**

4.2.1 Direct inflows from customers

Total direct inflows from customers amounted to 3,327.0 million euros, down by 1,164.1 million euros compared to 31 December 2012, primarily owing to the re-absorption of term deposits by the Parent Company at the end of the previous year for temporary treasury needs.

Captive inflows from the parent company, Assicurazioni Generali, and the Italian and foreign subsidiaries of Assicurazioni Generali Group, reported an overall decrease of 1,200 million euros to 763 million euros at the end of the period.

Consequently, net inflows from customers not belonging to the insurance group recorded a slight net growth (+1.4%), thanks to the strong performance of traditional current account inflows (+15.9%), which offset the significant decline in inflows in the form of deposit accounts and high-yield repurchase agreements (-68.0%).

(€ THOUSAND)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
1. Current accounts and free deposits	**2,778,977**	**2,632,354**	**146,623**	**5.6%**
2. Term deposits	**390,821**	**1,610,868**	**-1,220,047**	**-75.7%**
3. Financing	**91,052**	**177,593**	**-86,541**	**-48.7%**
Repurchase agreements	66,272	153,397	-87,125	-56.8%
Generali Versicherung subordinated loan	24,780	24,196	584	2.4%
4. Other debts	**66,184**	**70,358**	**-4,174**	**-5.9%**
Operating debts to sales network	40,607	30,401	10,206	33.6%
Other (self-drawn, amounts at the disposal of customers)	25,577	39,957	-14,380	-36.0%
Total due to customers (Item 20)	**3,327,034**	**4,491,173**	**-1,164,139**	**-25.9%**

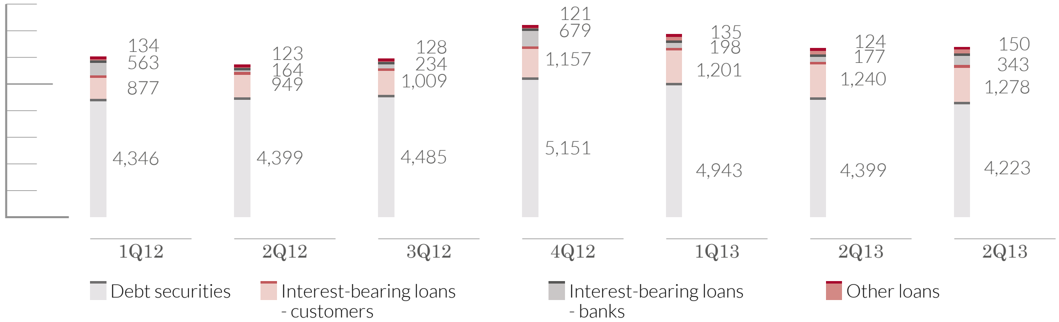
4.2.2 Core loans

Core loans totalled 6.0 billion euros, decreasing by 1.1 billion euros compared to 31 December 2012.

This performance mirrored the decline in total net inflows, entailing a decline in the securities portfolio in the amount of 925.7 million euros (17.8%), due to the partial renewal of part of the bonds reaching maturity and a substantial re-absorption of short-term treasury loans on the interbank market (-336 million euros, equal to 49.4%).

(€ MILLION)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
HFT financial assets	30,283	222,548	-192,265	-86.4%
AFS financial assets	1,569,670	1,733,885	-164,215	-9.5%
HTM financial assets	2,516,418	3,000,330	-483,912	-16.1%
Loans to banks	**450,267**	**843,368**	**-393,101**	**-46.6%**
Financing	343,325	679,064	-335,739	-49.4%
Financial assets classified among loans to banks	106,913	164,190	-57,277	-34.9%
Other operating receivables	29	114	-85	-74.6%
Loans to customers	**1,427,920**	**1,308,585**	**119,335**	**9.1%**
Financing	1,278,124	1,157,008	121,116	10.5%
Financial assets classified among loans to customers	41,933	69,948	-28,015	-40.1%
Other operating receivables	107,863	81,629	26,234	32.1%
Total interest-bearing financial assets and loans	**5,994,558**	**7,108,716**	**-1,114,158**	**-15.7%**

Evolution of loans (€ million)



The Group's financial assets held for treasury and investment needs and allocated to the various IAS portfolios accounted for 71.1% of the aggregate and totalled 4,265 million euros, with a decrease of 925.6 million euros (-17.8%) compared to 31 December 2012, mainly attributable to the redemption of securities allocated to the portfolio of HTM financial assets (-484 million euros).

Also net investments in Italian government securities allocated to the HFT portfolio (190 million euros at 31 December 2012), consisting solely of securities with very near-term maturities were also fully reabsorbed.

Other disposals regarded the portfolio of AFS financial assets (-164.2 million euros) and the loans portfolio (-85.2 million euros).

Overall, the sovereign debt exposure decreased to 3.9 billion euros, although the ratio to the total aggregate increased from 89.5% to 91.64%, whereas the exposure to credit issuers dropped from 7.5% to 5.4%.

Additionally, such exposure consists solely of securities issued by the Italian Government, and may be broken down as follows by portfolio of allocation:

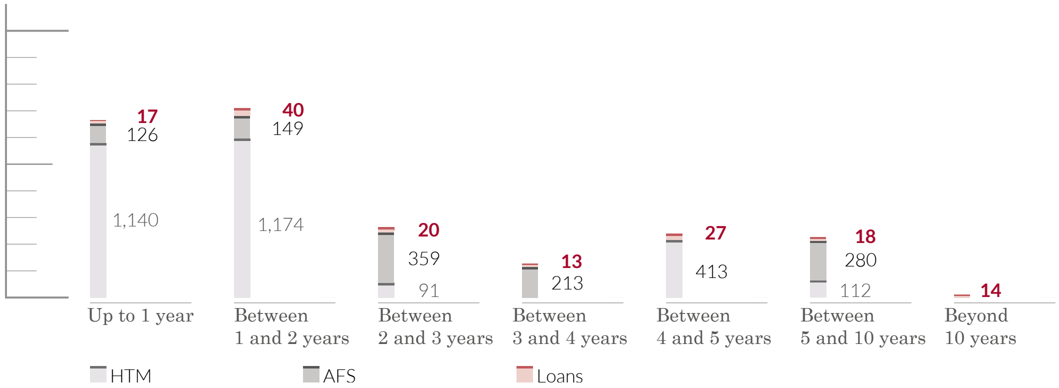
Breakdown of sovereign debt exposure by IAS portfolio

(€ THOUSAND)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
Exposure to the sovereign risk by portfolio:				
HFT financial assets	417	190,073	-189,656	-99.8%
AFS financial assets	1,478,109	1,605,949	-127,840	-8.0%
HTM financial assets	2,429,966	2,849,763	-419,797	-14.7%
Total	**3,908,492**	**4,645,785**	**-737,293**	**-15.9%**

The overall geographical breakdown of the portfolio of debt securities thus shows a high concentration of investments relating to Italian securities (96%).

The portfolio of debt securities had an overall average residual life of about 2.2 years, and 14.2% of it was made up of variable rate issues.

Maturity of the bond portfolio (€ million)



Loans to customers amounted to 1,256 million euros, increasing by 120.5 million euros compared to the previous year (+10.6%).
The increase in loans was mainly driven by the granting of new loans to customers (+21.5%), with new loans amounting to 169 million euros, and current account overdraft facilities (+83.0 million euros).

Customer lending operations are nonetheless guided by criteria of the utmost prudence and control of risk, and are primarily conducted in the segments property mortgage lending and loans secured by financial assets.

(€ THOUSAND)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
Current accounts	712,499	629,453	83,046	13.2%
Personal loans	509,146	418,953	90,193	21.5%
Other financing and loans not in current accounts	34,510	47,226	-12,716	-26.9%
Short-term term deposits on the new MIC	-	40,003	-40,003	-100.0%
Financing	**1,256,155**	**1,135,635**	**120,520**	**10.6%**
GESAV life insurance participating policy	**21,969**	**21,373**	**596**	**2.8%**
Total loans	**1,278,124**	**1,157,008**	**121,116**	**10.47%**
Receivables from product companies	71,371	54,507	16,864	30.9%
Sums advanced to Financial Planners	29,275	22,078	7,197	32.6%
Stock exchange interest-bearing daily margin	1,952	2,167	-215	-9.9%
Changes to be debited and other loans	5,265	2,877	2,388	83.0%
Operating loans and other loans	**107,863**	**81,629**	**26,234**	**32.1%**
Debt securities	**41,933**	**69,948**	**-28,015**	**-40.1%**
Total loans to customers	**1,427,920**	**1,308,585**	**119,335**	**9.1%**

The amount and weight of non-performing loans have not changed significantly, compared to the figure at the end of 2012.
In further detail, non-performing loans guaranteed by BSI S.A. amounted to 33.1 million euros, of which approximately 20.8 million euros is covered by collateral deposits, accounting for 94% of total non-performing financing transactions.
Non-performing loans, net of the impairment losses applied and the aforementioned positions covered by guarantees, thus amounted to 0.16% of loans issued.

(€ THOUSAND)	GROSS EXPOSURE	VALUE ADJUSTMENTS	NET EXPOSURE 2013	NET EXPOSURE 2012	CHANGE AMOUNT	CHANGE %	POS. INDEMNITY GUARANTEED	RESIDUAL GUARANTEED
Bad loans	34,062	-13,096	20,966	23,400	-2,434	-10.4%	20,394	572
Substandard loans	2,770	-773	1,997	2,087	-98	-4.3%	1,437	560
Restructured loans	976	-	97	960	16	1.7%	976	-
Expired loans/outstanding over 90 days	11,310	-238	11,072	885	10,187	n.s.	10,253	819
Total non-performing loans	**49,118**	**-14,107**	**35,011**	**27,332**	**7,679**	**28.1%**	**33,060**	**1,951**
Performing loans	1,223,144	-2,000	1,221,144	1,108,303				
Total loans	**1,272,262**	**-16,107**	**1,256,155**	**1,135,635**				

Operating loans classified among loans to customers consist primarily of trade receivables from product companies in connection with the distribution of financial products and services and advances paid to Financial Planners under incentive plans.

The **interbank position**, net of the securities portfolio and operating loans, showed a loss balance of 1,835.5 million euros at 30 September 2013, growing by 284.7 million euros (+18.4%) compared to the end of the previous year, due to the combined effect of:

- the re-absorption of temporary liquidity investment transactions (deposits and repurchase agreements) for a net amount of 335.7 million euros;
- the 51.1 million euro decline in interbank inflows, as a result of early repayment of a three-year ECB loan, set to mature in January 2015 (200 million euros) and the reduction of deposits on transfer accounts payable on demand, which were largely offset by the increase in the interbank inflows form of repurchase agreements (+240.1 million euros).

(€ THOUSAND)	30.09.2013	31.12.2012	CHANGE AMOUNT	CHANGE %
1. Repayable on demand	**73,065**	**111,936**	**-38,871**	**-34.7%**
Demand deposits with credit institutions	-	65,000	-65,000	-100.0%
Transfer accounts	73,065	46,936	26,129	55.7%
2. Time deposits	**270,260**	**567,128**	**-296,868**	**-52.3%**
Mandatory reserve	249,154	19,519	229,635	n.s.
Term deposits	19,866	147,693	-127,827	-86.5%
Repurchase agreements	-	398,136	-398,136	-100.0%
Collateral margins	1,240	1,780	-540	-30.3%
Total due to banks	**343,325**	**679,064**	**-335,739**	**-49.4%**
1. Due to central banks	**1,113,147**	**1,309,841**	**-196,694**	**-15.0%**
Term deposits with ECB	1,113,147	1,309,841	-196,694	-15.0%
2. Due to banks	**1,065,678**	**920,055**	**145,623**	**15.8%**
Transfer accounts	40	80,217	-80,177	-100.0%
Term deposits	205	8,892	-8,687	-97.7%
Repurchase agreements	1,041,477	801,383	240,094	30.0%
Collateral margins	3,119	9,336	-6,217	-66.6%
Other debts	20,837	20,227	610	3.0%
Total due to banks	**2,178,825**	**2,229,896**	**-51,071**	**-2.3%**
Net interbank position	**-1,835,500**	**-1,550,832**	**-284,668**	**18.4%**
3. Debt securities	**106,913**	**164,190**	**-57,277**	**-34.9%**
4. Other operating receivables	**29**	**114**	**-85**	**-74.6%**
Total interbank position	**-1,728,558**	**-1,386,528**	**-342,030**	**24.7%**

As of the second quarter of 2013, the Group began to take a more active approach to procuring funding on the new Mercato Interbancario Collateralizzato (the "new MIC") managed by Cassa di Compensazione e Garanzia, which acts as a central counterparty to all market operators. However, the transactions undertaken on that market are therefore all technically classified as inflows from customers.

4.2.3 Net equity

At 30 September 2013, consolidated net equity, including net profit for the period amounted to 414.0 million euros compared to 394.8 million euros reported at the end of last year; the changes for the period were as follows.

(€ THOUSAND)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
Share capital	114,668	112,938	1,730	1.5%
Additional paid-in capital	34,901	16,591	18,310	110.4%
Reserves	164,163	139,841	24,322	17.4%
(Treasury shares)	-41	-41	-	0.0%
Valuation reserves	-11,798	-11,475	-323	2.8%
Equity instruments	-	-	-	-
Net profit (loss) for the period	105,066	129,803	-24,737	-19.1%
Group net equity	**406,959**	**387,657**	**19,302**	**5.0%**
Minority interests	7,056	7,166	-110	-1.5%
Consolidated net equity	**414,015**	**394,823**	**19,192**	**4.9%**

	GROUP	THIRD PARTIES	OVERALL
Net equity at period-start	**387,657**	**7,166**	**394,823**
Dividend paid	-102,490	-3,412	-105,902
Stock option plans: issue of new shares	16,624	-	16,624
Stock option plans: charges as per IFRS 2	311	-	311
Other changes	114	-	114
Change in valuation reserves	-323	-	-323
Consolidated net profit	105,066	3,302	108,368
Net equity at period-end	**406,959**	**7,056**	**414,015**
Changes	**19,302**	**-110**	**19,192**

The change in net equity for the first nine months of 2013 was influenced by the distribution of the 2012 dividends amounting to approximately 102.5 million euros, convened upon by the Shareholders' meeting held on 24 April 2013 to approve the financial statements, and the effects generated by previous and new stock option plans, the performance of fair value reserves for the portfolio of AFS financial assets and other reserves which contribute to the comprehensive income.

The fair value reserves for the portfolio of AFS financial assets, which at the end of the reporting period amounted to a negative balance of 10.9 million euros, mainly referred to the portfolio of government bonds.

(€ THOUSAND)	30.09.2013			31.12.2012	
	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGES
1. Debt securities	274	-12,001	-11,727	-11,690	-37
2. Equity securities	843	-	843	1,043	-200
3. UCITS units	103	-97	6	60	-54
AFS reserves	**1,220**	**-12,098**	**-10,878**	**-10,587**	**-291**
Cash-flow hedges	-	-	-	-	-
Actuarial gains (losses) from defined benefit plans	-	-900	-900	-888	-12
Total	**1,220**	**-12,998**	**-11,778**	**-11,475**	**-303**

At 30 September 2013, consolidated capital for regulatory purposes amounted to 308.0 million euros, net of the expected dividend payout, up by 31.5 million euros compared to the end of the previous year.

At the end of the reporting period, the aggregate capital for regulatory purposes recorded 144.4 million euros in excess of the amount required by the Supervisory Authority to cover credit, market, and operating risks. The solvency ratio was 15.06%, compared to the minimum requirement of 8%.

(€ THOUSAND)	30.09.2013	31.12.2012	CHANGE	
			AMOUNT	%
Tier 1 capital	288,125	252,359	35,766	14.17%
Tier 2 capital	19,900	24,164	-4,264	-17.64%
Tier 3 capital	-	-	-	-
Capital for regulatory purposes	**308,025**	**276,523**	**31,503**	**11.39%**
B.1 Credit risk	113,835	122,701	-8,866	-7.23%
B.2 Market risk	8,199	6,446	1,753	27.20%
B.3 Operating risk	41,576	41,576	-	0.00%
B.4 Other capital requirements	-	-	-	-
B.4 Total capital requirements	**163,610**	**170,723**	**-7,113**	**-4.17%**
Excess over prudential requirements	144,415	105,800	38,616	36.50%
Risk-weighted assets	**2,045,125**	**2,134,038**	**-88,913**	**-4.17%**
Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	14.09%	11.83%	2.26%	19.14%
Regulatory capital/Risk-weighted assets (Total capital ratio)	**15.06%**	**12.96%**	**2.10%**	**16.2%**

It should be noted that Banca Generali has exercised the option to neutralise the capital gains and losses deriving from fair-value measurement of AFS financial assets belonging to the Euro Area government bond segment for the purposes of capital for regulatory purposes, as allowed under Bank of Italy Order of 18 May 2010.

5. Performance of Group companies

5.1 Banca Generali performance

Banca Generali, the parent company of the Banking Group of the same name, specialises in the distribution of financial and banking products to affluent customers through Financial Planners, as well as to private customers through both its network of Financial Planners and relationship managers who sell financial products to customers as direct employees of the company.
Following the merger of the subsidiary BG SGR S.p.A. on 1 September 2012, the company also launched a new asset management division aimed at developing the portfolio management schemes inherited from the subsidiary.
Considering that the merger transaction entered into effect for accounting and tax purposes retroactively from 1 January 2012, the profit and loss situation of Banca Generali at 30 September 2012 also includes profit and loss results of the merged company realised before the transaction effective date.

Banca Generali closed the first nine months of 2013 with net profit of 88.7 million euros, largely in line with the net profit reported at the end of the same period of the previous year, due to the lesser contribution of dividends distributed in the year by the Luxembourg subsidiary GFM S.A.

By contrast, net banking income, net of dividends from investee companies, amounted to 182.8 million euros, up considerably from the 159.2 million euros reported at the end of the first nine months of 2012 (+14.8%), owing chiefly to the increase in net interest (+14.9%) and the rise in the commissions aggregate (+9.4 million euros; 13.5%). With reference to the foregoing, operating expenses reached 107.4 million euros, marking a more moderate increase compared to the same period of the previous year (+3.3%), also thanks to the control of staff expenses, stable at 48.0 million euros.
The company also recognised net allocations to provisions for liabilities and contingencies of 18.9 million euros, up from the 15.3 million euros reported at the end of the same period of 2012, primarily relating to incentives set to accrue for the distribution network and prudential provisions for legal disputes and operating risks.

(€ THOUSAND)	3Q2013	3Q2012 RESTATED	CHANGE	
			AMOUNT	%
Interest income	110,160	116,831	-6,671	-5.7%
Interest expense	-17,873	-36,510	18,637	-51.0%
Net interest	**92,287**	**80,321**	**11,966**	**14.9%**
Commission income	195,971	163,516	32,455	19.8%
Commission expense	-116,741	-93,697	-23,044	24.6%
Net commissions	**79,230**	**69,819**	**9,411**	**13.5%**
Dividends	908	727	181	24.9%
Net result from banking operations	10,375	8,354	2,021	24.2%
Net operating income	**182,800**	**159,221**	**23,579**	**14.8%**
Staff expenses	-48,046	-47,300	-746	1.6%
Other general and administrative expense	-75,457	-66,311	-9,146	13.8%
Net adjustments of property, equipment and intangible assets	-3,617	-3,321	-296	8.9%
Other operating expense/income	19,738	12,948	6,790	52.4%
Net operating expenses	**-107,382**	**-103,984**	**-3,398**	**3.3%**
Operating profit	**75,418**	**55,237**	**20,181**	**36.5%**
Net adjustments for non-performing loans	-984	-1,294	310	-24.0%
Net adjustments of other assets	-904	-933	29	-3.1%
Net provisions	-18,848	-15,327	-3,521	23.0%
Dividends and income from equity investments	57,312	69,820	-12,508	-17.9%
Gains (losses) from the disposal of equity investments	-4	-2	-2	100.0%
Operating profit before taxation	**111,990**	**107,501**	**4,489**	**4.2%**
Income taxes for the period on current operations	-23,299	-19,654	-3,645	18.5%
Profit (loss) from non-current assets, net of tax	**-**	**318**	**-318**	**-100.0%**
Net profit	**88,691**	**88,165**	**526**	**0.6%**

Total assets under management placed by Financial Planners in the first nine months of 2013 amounted to about 28.2 billion euros, up compared to 31 December 2012 (26.2 billion euros).

Net inflows amounted to 1,846 million euros, compared to 1,362 million euros at the end of the first nine months of 2012 (+35.5%).

5.2 Performance of Generali Fund Management S.A.

Generali Fund Management S.A. is a Luxembourg company specialised in the administration and management of SICAVs. The Banking Group holds a 51% interest (class-A shares), whereas the residual 49% interest is held by Generali Investments S.p.A., a member of the Generali Group (class-B shares). The two share classes are accorded differing treatment in regards to the allocation of profits inasmuch as the Articles of Association state that the share of the net profit or loss for the year attributable to the assets contributed by each of the two shareholders is to be attributed to each share class.

Generali Fund Management S.A. ended the first nine months of 2013 with net profit of 75.7 million euros, slightly down from the 81.4 million euros reported for the same period of 2012 (-5.7 million euros), primarily due to the trend in performance commissions acquired in connection with the SICAVs promoted and managed by the banking Group. Net banking income thus amounted to 88.6 million euros, down from the 94.1 million euros reported in 2012, whereas total operating expenses grew slightly compared to the same period of the previous year (4.7 million euros) at 5.3 million euros, approximately 3.6 million euros of which consisted of staff expenses.

Net profit attributable to minority shareholders amounted to 3.3 million euros, whereas the company's net equity stood at approximately 74.2 million euros, net of the dividend payout for the period. In fact, GFM paid to the parent company Banca Generali a dividend of 12.3 million euros in April for financial year 2012 and a dividend of 45 million euros at the end of September as a payment in advance on the financial year 2013 net profit.

Overall, assets under management at 30 September 2013 amounted to 12,634 million euros, up compared to 11,122 million euros at 31 December 2012 (+1,512 million euros). This figure also includes assets under management of the merged company Generali Investments Luxembourg amounting to 6,346 million euros at 30 September 2013, compared to 5,900 million euros at the end of the previous year.

5.3 Performance of BG Fiduciaria SIM

BG Fiduciaria, a company specialising in individual GPF and GPM portfolios, mainly in a custodial capacity, closed the first nine months of 2013 with net profit of 1.2 million euros and net equity of 12.4 million euros.
Net banking income amounted to 3.0 million euros, whereas general and operating expenses was 1.3 million euros, including 0.8 million euros for staff expenses.

Total assets under management amounted to 913 million euros, with a slight increase compared to 887 million euros at 31 December 2012.

5.4 Performance of Generfid S.p.A.

Generfid, a company specialising in custodian capacity of assets, closed the first nine months of 2013 with net profit of about 66 thousand euros and net equity amounting to about 0.6 million euros. AUM amounted to 783 million euros.

6. Basis of preparation

The interim report for the third quarter of 2013 was prepared in accordance with Article 154-*ter*, paragraph 5, of Italian Legislative Decree No. 58/98, introduced by Legislative Decree 195/2007, in implementation of Directive 2004/109/CE (so-called Transparency Directive).

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; and
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 and quarterly profit and loss performance:

- the consolidated condensed balance sheet at the end of the quarter compared with the figures at the end of the previous year;
- the consolidated condensed profit and loss account for the period between the beginning of the year and the end of the quarter, compared with data for the same period of the previous year;
- the statement of comprehensive income for the period between the beginning of the year and the end of the quarter, compared with the 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 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.

6.1 Accounting standards

The accounting standards and measurement criteria used are the same as those used to prepare the consolidated Financial Statements at 31 December 2012.
The Financial Statements presented herein must therefore be read together with those documents.

It should also be noted that, following the completion of the endorsement procedure, as of 1 January 2013, several amendments to the IASs/IFRSs entered into force.

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
International Accounting Standards endorsed in 2012 and 2013, and effective as of 2013			
Amendments to IAS 19 – Employee Benefits	475/2012	06.06.2012	01.01.2013
Amendments to IAS 1 Presentation of Items of Other Comprehensive Income	475/2012	06.06.2012	01.01.2013
Amendments to IAS 12 – Income Taxes - Deferred Tax: Recovery of Underlying Assets	1255/2012	29.12.2012	01.01.2013
IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1255/2012	29.12.2012	01.01.2103
Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1255/2012	29.12.2012	01.01.2013
Amendments to IFRS 7 – Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	1256/2012	29.12.2012	01.01.2013
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1256/2012	29.12.2012	01.01.2103
Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)	301/2013	27.03.2013	01.01.2013
Amendments to IFRS 1 - Government Loans	183/2013	04.03.2013	01.01.2013
International Accounting Standards endorsed but not effective yet			
Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)	313/2013	04.04.2013	01.01.2014
IFRS 10 – Consolidated Financial Statements	1254/2012	29.12.2012	01.01.2014
IFRS 11 – Joint Arrangements	1254/2012	29.12.2012	01.01.2014
IFRS 12 – Disclosure of Interests in Other Entities	1254/2012	29.12.2012	01.01.2014
IFRS 13 – Fair Value Measurement	1254/2012	29.12.2012	01.01.2014
IAS 27 – Separate Financial Statements	1254/2012	29.12.2012	01.01.2014
IAS 28 – Investments in Associates and Joint Ventures	1254/2012	29.12.2012	01.01.2014

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 new standards and interpretations that have entered into force do not have a significant impact on Banca Generali's operations, except as specified below with regard to the revision of IAS 19.

Amendments to IAS 19

The amendment to IAS 19 issued by the IASB on 16 June 2011 and endorsed by Regulation (EC) No. 475/2012 of 6 June 2012, which modifies the rules for recognising defined benefit plans and termination benefits, entered into effect on 1 January 2013. In the banking group's case, the new rules apply solely to the accounting treatment of the provision for post-employment benefits.

In detail, the amendment eliminates the option to defer actuarial gains and losses within the scope of the corridor method, without recognising them, and instead requires that they be recognised in full in the statement of comprehensive income, including the share previously recognised in profit or loss (the "overcorridor"). In compliance with IAS 19, the amendments to the accounting standard have retrospective effectiveness as of the opening balance of financial year 2012.

In this regard, if the new standard had been applied to 2012, the balance sheet figures at the end of that year would have shown an increase in liabilities associated with the provision for post-employment benefits of 0.4 million euros, as well as negative reserves from actuarial losses on defined benefit plans of -0.9 million euros, net of fiscal effects. Net profit for the year would also have increased by 0.6 million euros, with an overall negative effect on the balance sheet of 0.3 million euros.

Accordingly, the comparative tables at 31 December 2012 and 30 September 2012, along with the associated details presented in the notes, have been restated in order to account for the aforementioned effects.

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

The main areas for which management is required to use subjective judgements include:
- the quantification of allocations for staff incentives and provisions for liabilities and contingencies;
- the quantification of incentives for the distribution network currently being accrued;
- the determination of the fair value of financial instruments and derivatives used for reporting purposes;
- determining the 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.

6.2 Consolidated companies and business combinations

The consolidation area determined in accordance with IAS 27 includes the parent company, Banca Generali S.p.A., and the following subsidiaries and has not changed compared to year-end 2012:

COMPANY NAME	REGISTERED OFFICE	TYPE OF CONTROL	SHAREHOLDING RELATIONSHIP		% OF VOTES IN ORDINARY SHAREHOLDERS' MEETING
			INVESTOR	% OF OWNERSHIP INTEREST	
Fully consolidated companies					
BG Fiduciaria SIM S.p.A.	Trieste (Italy)	1	Banca Generali	100.00%	100.00%
Generali Fund Management S.A.	Luxembourg	1	Banca Generali	51.00%	51.00%
Generfid S.p.A.	Milan (Italy)	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).

The consolidated accounts include the separate accounts of the Parent Company and its subsidiaries at 30 September 2013, 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.

Trieste, 5 November 2013

THE BOARD OF DIRECTORS

DECLARATION PURSUANT TO ARTICLE 154-*BIS*, PARAGRAPH 2, OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

Declaration pursuant to Article 154-*bis*, Paragraph 2, of Legislative Decree No. 58 of 24 February 1998

The undersigned, Stefano Grassi, Chief Financial Officer and Manager in charge of preparing the financial reports of Banca Generali S.p.A., with registered offices in Trieste, Via Machiavelli 4, registered with the Trieste Company Register under No. 103698 — to the best of his knowledge as Manager in charge of the Company's financial reports — does hereby,

declare that

for the intents and purposes of Article 154-*bis*, paragraph 2, of Legislative Decree No. 58 of 24 February 1998, the Interim Report at 30 September 2013 corresponds to the Company's books, records and accounting documents.

Trieste, 5 November 2013

Stefano Grassi
Manager in charge
of the Company's Financial Reports

BANCA GENERALI S.p.A.

Banca Generali S.p.A.

REGISTERED OFFICE

Via Machiavelli 4 - 34132 Trieste - Italy

SHARE CAPITAL

Authorised 119.378.836 euro

Subscribed and paid-up 113.888.282 euro

TAX CODE, VAT NO. AND TRIESTE REGISTER OF COMPANIES

00833240328

Company managed and coordinated by Assicurazioni Generali S.p.A.

Bank which is a member of the Interbank Deposit protection fund

Registration with the Bank Register of the Bank of Italy under No. 5358

Parent company of the Banca Generali Banking Group registered in the banking group register

ABI code 3075.9

Coordination and design **Sege Srl**
Layout **t&t**

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