



BANCA GENERALI S.P.A.

INTERIM REPORT

as of 31.03.2014



INTERIM REPORT

as of 31.03.2014

BOARD OF DIRECTORS – 8 MAY 2014

Banca Generali S.p.A.

Administration and control bodies

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

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

JOINT GENERAL MANAGER

Gian Maria Mossa

MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL REPORTS

Stefano Grassi

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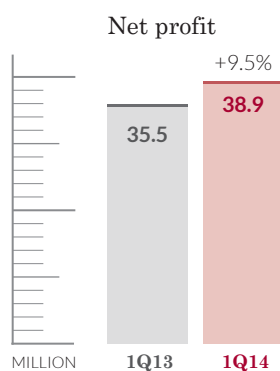


GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS

Group economic and financial highlights

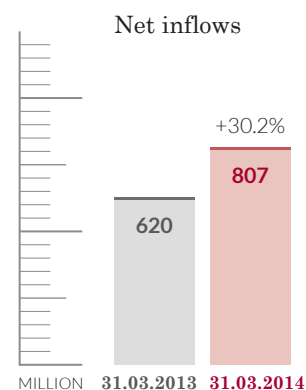
Consolidated figures

(€ MILLION)	1Q2014	1Q2013	CHANGE %
Net interest income	28.7	33.5	-14.4
Net fees	59.8	62.5	-4.3
Dividends and net result of financial operations	18.3	1.4	n.s.
Net banking income	106.8	97.3	9.7
Staff expenses	-18.6	-18.2	2.4
Other general and administrative expense	-30.7	-23.9	28.3
Amortisation and depreciation	-1.0	-1.2	-10.5
Other operating income/expense	10.4	4.0	156.4
Net operating expense	-40.0	-39.2	1.9
Operating profit	66.8	58.1	15.0
Provisions	-10.4	-10.8	-3.4
Adjustments	-0.9	-1.4	-31.6
Profit before taxation	55.5	46.0	20.6
Net profit	38.9	35.5	9.5
Cost/Income ratio	36.5%	39.1%	-6.7
EBITDA	67.9	59.3	14.5
ROE	9.7%	10.9%	-11.2
EPS - Earnings per share (€)	0.338	0.313	8.0



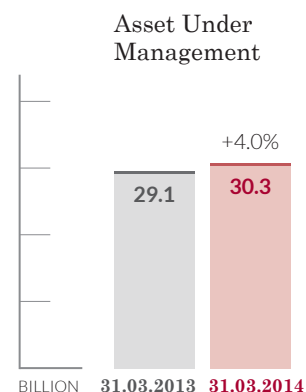
Net inflows

(ASSORETI DATA) (€ MILLION)	31.03.2014	31.03.2013	CHANGE %
Mutual funds and SICAVs	190	390	-51.3
Asset management	-61	7	n.s.
Insurance/Pension funds	549	189	190.5
Securities/Current accounts	129	34	279.4
Total	807	620	30.2



Asset Under Management & Custody (AUM/C)

(ASSORETI FIGURES) (€ BILLION)	31.03.2014	31.12.2013	CHANGE %
Mutual funds and SICAVs	8.7	8.4	3.1
Asset management	3.2	3.2	0.1
Insurance/Pension funds	10.2	9.7	5.8
Securities/Current accounts	8.2	7.9	4.4
Total	30.3	29.1	4.0

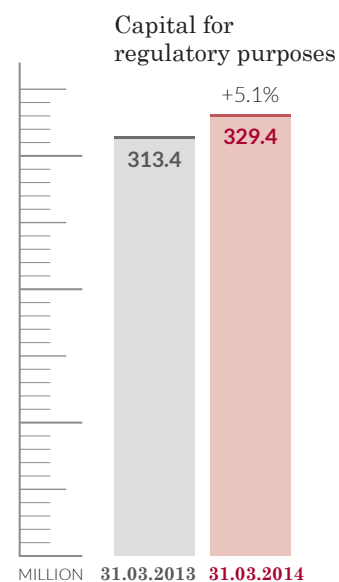


Net equity

(€ MILLION)	31.03.2014	31.12.2013	CHANGE %
Net equity	528.4	469.1	12.6
Capital for regulatory purposes	329.4	313.4 (*)	5.1
Excess capital (**)	153.9	144.3	6.7
Solvency margin (**)	15.02%	14.83%	1.3

(*) Official value as of 31 December 2013 according to the Basel 2 requirements.

(**) Determined in compliance with capital requirements provided for by the Basel 2 requirements.





CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

Assets					
(€ THOUSAND)	31.03.2014	31.12.2013	CHANGE		31.03.2013
			AMOUNT	%	
HFT financial assets	126,970	229,905	-102,935	-44.8%	851,223
AFS financial assets	2,337,695	1,626,121	711,574	43.8%	1,045,546
HTM financial assets	2,541,438	2,652,687	-111,249	-4.2%	2,913,734
Loans to banks	621,749	291,379	330,370	113.4%	307,513
Loans to customers	1,548,682	1,499,771	48,911	3.3%	1,359,495
Equity investments	-	-	-	n.a.	-
Property, equipment and intangible assets	49,165	50,090	-925	-1.8%	50,901
Tax receivables	37,839	38,260	-421	-1.1%	43,329
Other assets	136,417	140,232	-3,815	-2.7%	175,756
Financial assets held for sale	68,002	74,209	-6,207	-8.4%	-
Total assets	7,467,957	6,602,654	865,303	13.1%	6,747,497

Net equity and liabilities					
(€ THOUSAND)	31.03.2014	31.12.2013	CHANGE		31.03.2013
			AMOUNT	%	
Due to banks	1,935,835	2,230,871	-295,036	-13.2%	2,398,937
Due to customers	4,616,227	3,588,700	1,027,527	28.6%	3,583,784
Financial liabilities held for trading and hedging	282	597	-315	-52.8%	1,271
Tax payables	46,727	27,768	18,959	68.3%	29,766
Other liabilities	195,306	142,598	52,708	37.0%	220,076
Financial liabilities held for sale	60,533	66,252	-5,719	-8.6%	-
Special purpose provisions	84,608	76,736	7,872	10.3%	75,989
Valuation reserves	19,600	5,460	14,140	259.0%	-13,588
Reserves	304,572	164,221	140,351	85.5%	267,150
Additional paid-in capital	42,608	37,302	5,306	14.2%	26,615
Share capital	115,403	114,895	508	0.4%	113,888
Treasury shares (-)	-41	-41	-	-	-41
Minority interests	7,409	6,039	1,370	22.7%	8,129
Net profit for the period	38,888	141,256	-102,368	-72.5%	35,521
Total net equity and liabilities	7,467,957	6,602,654	865,303	13.1%	6,747,497

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Items			CHANGE	
(€ THOUSAND)	1Q2014	1Q2013	AMOUNT	%
Net interest	28,675	33,481	-4,806	-14.4%
Net fees	59,801	62,497	-2,696	-4.3%
Dividends	21	8	13	162.5%
Net result of financial operations	18,306	1,351	16,955	n.s.
Net operating income	106,803	97,337	9,466	9.7%
Staff expenses	-18,595	-18,159	-436	2.4%
Other general and administrative expense	-30,695	-23,929	-6,766	28.3%
Net adjustments of property, equipment and intangible assets	-1,037	-1,159	122	-10.5%
Other operating expense/income	10,355	4,039	6,316	156.4%
Net operating expense	-39,972	-39,208	-764	1.9%
Operating profit	66,831	58,129	8,702	15.0%
Net adjustments for non-performing loans	-345	-767	422	-55.0%
Net adjustments of other assets	-589	-598	9	-1.5%
Net provisions	-10,387	-10,754	367	-3.4%
Gain (loss) from equity investments	-10	-4	-6	150.0%
Operating profit before taxation	55,500	46,006	9,494	20.6%
Income taxes for the period	-14,754	-9,522	-5,232	54.9%
Gains from non-current assets held for sale	-488	-	-488	n.a.
Profit attributable to minority interests	-1,370	-963	-407	42.3%
Net profit	38,888	35,521	3,367	9.5%

STATEMENT OF COMPREHENSIVE INCOME

Items			CHANGE	
(€ THOUSAND)	1Q2014	1Q2013	AMOUNT	%
Net profit (loss)	38,888	35,521	3,367	9.5%
Other income, net of income taxes:				
With transfer to profit and loss account				
- AFS assets	14,261	-2,634	16,895	n.s.
Without transfer to profit and loss account				
Actuarial gains (losses) from defined benefit plans	-121	-367	246	-67.0%
Total other income, net of taxes	14,140	-3,001	17,141	n.s.
Comprehensive income	53,028	32,520	20,508	63.1%



INTERIM REPORT

1. Summary of first quarter operations

The Banca Generali Group closed the first three months of 2014 with a net profit of 38.9 million euros, up by 9.5% on the already excellent result achieved in the first quarter of 2013, thus confirming the Group's solid growth trend.

This new milestone reflects the significant increase of both net inflows and AUMs. Banca Generali's total net inflows for the first three months of the year, entirely gathered from retail customers exceeded 800 million euros, marking the best quarterly performance in the bank's history.

Net banking income totalled 106.8 million euros, with a significant improvement of 9.5 million euros compared to the first three months of 2013 (+9.7%), due chiefly to the excellent net income from financial operations (+17.0 million euros), as well as the strong increase of the asset management fee income (+19.7%), which offset the reduction of net interest income (-14.4%) and the remarkable decline of non-recurring performance fees (-7.1 million euros), compared to the very high figures reported in the first quarter of 2013.

Net operating expenses grew slightly (+1.9%) to 40.0 million euros, despite the presence of significant commitments for the implementation of the new service model and the constant updating of the bank's digital platform.

Net provisions and adjustments amounted to 11.3 million euros, down compared to the same period of 2013 (-6.6%), and consisted primarily of accruals relating to incentives and the development of the distribution network, as well as prudential adjustments to provisions to account for the credit risk associated with financial assets and performing loans to customers.

The total value of assets managed by the Group on behalf of customers, considered for Assoreti reporting purposes, amounted to 30.3 billion euros at 31 March 2014, up by 4.0% compared to the figure at the end of 2013, placing the Group at the top of the market of reference.

In addition to this, assets under management also included deposits of assets under administration of companies of the Generali Group amounting to 1.9 billion euros and mutual funds, and discretionary accounts (GPF and GPM) distributed directly by management companies or parties outside the Banking Group amounting to 13.3 billion euros, for an overall total of 45.4 billion euros.

Before analysing the Bank's revenues and financial results for the first three months of 2014, macroeconomic information for the main economic regions of the world is reported below, to provide a better understanding of the factors that influenced the results of the Banking Group.

2. Macroeconomic context

In the first quarter of 2014, general **economic data** outlined a global economy in constant, albeit gradual, improvement: the Euro Area emerged from the stagnation that had characterised it during the previous two years, the United States presented a robust performance of foreign demand components despite a colder-than-normal winter, and China stabilised at its growth rate of late 2013, lower than in the past but still amongst the highest for large economies.

Economic performance was further supported by the stability of the **monetary policies** of the Federal Reserve and ECB: the tapering of government bonds by the Federal Reserve began and — in the words of newly installed Governor Yellen — is proceeding according to a regular schedule, whereas the ECB kept rates unchanged in a scenario of a gradual recovery of Euro Area economies, while nonetheless confirming its willingness to intervene if the situation worsens.

Emerging markets suffered a new wave of instability that primarily affected countries that continue to present structural imbalances. The Russian-Ukrainian crisis, which broke out in late January and culminated in the annexation of the Crimea by Russia, had effects limited to the countries directly involved.

At the end of the reporting quarter, the stability of the global scenario allowed both developed and emerging equity markets to return to their highest levels of the period, an improvement that also extended to emerging bond markets as a whole.

Interbank market rates in the Euro Area were stable during the quarter. The three-month Euribor fluctuated around the level of 0.3% reached in late 2013, whereas the EONIA rate moved within the range of 0.15%-0.20%, with higher peaks during the closing days of each month. During the period there were further decreases in the 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 scenario, the **equity markets** of developed countries once again outperformed those of emerging countries, though with some exceptions.

The MSCI World index rose by 0.8% and the S&P500 by 1.3%, while the Topix decreased by -6.1%. In Europe, the benchmark

index for the entire area (the DJ Stoxx 600) grew by 1.8%, while the Euro Area benchmark (the DJ Euro Stoxx) climbed by 2.9%.

During the period, exchanges in emerging markets reported diverging performance in euro according to the reference area: -0.8% overall (the MSCI Emerging Markets index), 8.2% in India and -5.8% in China.

In general, the market sectors that performed best in Europe were construction, utilities, cars and banks, while retail sales, media, chemicals and telecommunications posted below-average performance.

Bond yields on the markets of reference (Treasury and Bunds) also fluctuated, with low volatility, throughout the period, after initially falling just below the year-end high. The consolidation of the economic scenario and stability of monetary policies also contributed to this performance.

In the Euro Area, the two-year rate remained stable at about 0.2%, while the ten-year rate decreased from 1.94% to 1.57%. The United States reported a similar performance: ten-year rates declined to 2.73% at the end of March from 3.01% at year-end 2013, whereas two-year rates remained essentially unchanged (0.39% from 0.36%).

Spreads between member states of the European Monetary Union continued to narrow, closing the quarter at levels similar to those recorded during spring 2011. In particular, Italy's spread declined from 218 points at year-end 2013 to 172 points.

On **currency markets**, due to the stability of economic policies, the Euro/Dollar exchange rate fluctuated in the upper portion of the range reached at the end of the previous year, around the average level of 1.38. Similarly, the Euro/Yen exchange rate fell from 144.7 to 142.4.

Lastly, **commodities** prices showed an uptrend. Oil prices (WTI) rose from 92 dollars a barrel in early January to approximately 103 at the end of the quarter, slightly below the high for the period. Over the same period, gold increased from 1202 dollars an ounce to a high of slightly above 1400, to then decline to close the period at 1283.

Outlook

Forecasts of the major international organisations for the coming months call for a gradual acceleration of the recovery, led by the United States. In developed countries, growth rates are expected to accelerate throughout 2014. In emer-

ging countries, the pace of expansion will be slower than in previous years, but solid overall. Central banks continue to predict an inflationary environment that will remain under control. In Europe, the reinforcement of economic policy coordination continues.

3. Banca Generali's competitive positioning

Banca Generali is a leading manager, producer and distributor of financial services and products for Affluent and Private customers through Financial Advisors. The Group's markets of refe-

rence are asset management and distribution through Financial Advisor networks.

3.1 The asset management market

In 2013, the retail asset management sector recorded its best inflow figure in 13 years (+50 billion euros) and the largest increase in assets since December 2007, after the gradual decline of the market beginning in 2008, the first year of the recent financial market crisis, in addition to other events.

In the first quarter of 2014, this trend further accelerated, with total net inflows in the retail segment equal to 26.9 billion euros.

The following table shows the evolution of assets under management during the quarter, compared to the whole 2013, in terms of product/service type and the associated net inflows.

Evolution of Net Inflows and Assets under Management

(€ MILLION)	NET INFLOWS		ASSETS	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
Italian funds	6,649	11,387	176,402	167,208
Foreign funds	18,138	37,318	414,958	391,684
Total funds	24,787	48,705	591,360	558,892
GPM	2,063	1,711	100,171	96,963
Total	26,850	50,416	691,531	655,855

Source: Assogestioni.

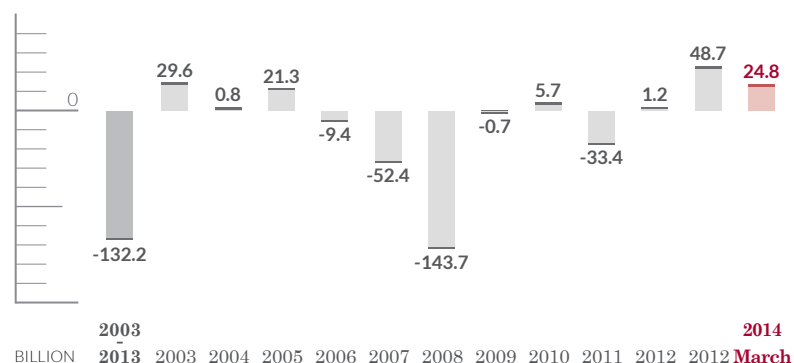
In particular, in the first quarter of 2014 the UCITS market recorded significant net inflows, exceeding 50% of the figure for the whole of 2013. In the reporting period, both Italian and foreign UCITS showed positive results, although, with the dissemination of "open architectures" amongst many distributors (and thus the possibility for customers to enjoy access to the vast international market of asset management products), foreign UCITS now

account for more than twice the assets of their Italian counterparts.

In the first quarter of 2014, net inflows continued to be influenced by the withdrawal of investments in UCITS through bank branches (88% of the total according to an estimate by Assoreti), which for several years had drawn down assets under management to finance other inflows.

The UCITS market in Italy in the past 10 years

March 2014 (€ billion)



Source: Assogestioni figures updated as of 20 February 2013.

3.2 The Assoreti Market

Net inflows on the Assoreti market (total distribution through financial advisors) recorded in the first quarter of 2014 exceeded by 30% those for the same period of 2013 and were equal to

one third of those for the whole 2013, which had proved the best year since 2001 for the industry association.

(€ MILLION)	31.03.2014	31.03.2013	CHANGE
Asset management	2,460,426	3,601,446	-1,141,019
Insurance products	1,507,238	1,958,584	-451,346
Assets under administration and custody	1,483,182	-1,373,414	2,856,596
Total	5,450,846	4,186,615	1,264,231

Source: Assoreti.

In terms of composition, the gradual stabilisation of the financial markets resulted in a quite evenly distributed balance of investment flows between all three segments into which customer

assets are traditionally divided, albeit with a certain degree of prevalence of the asset management category.

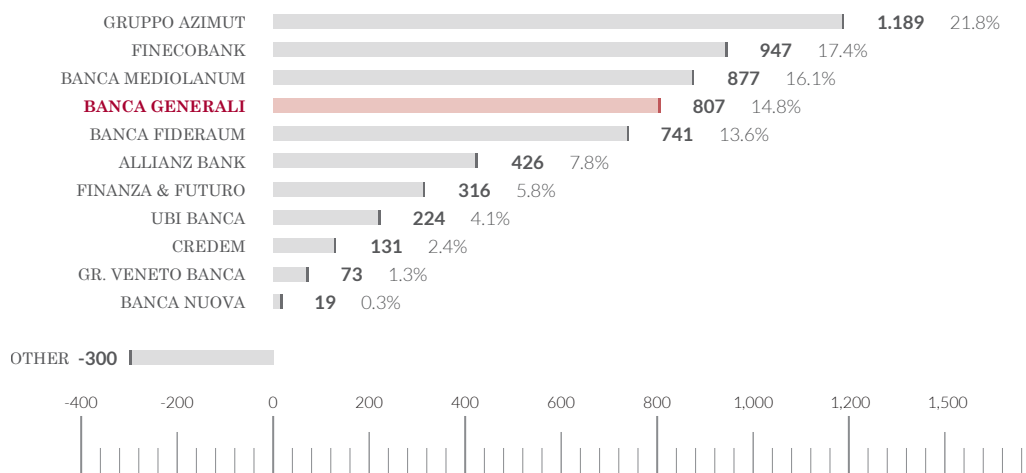
3.3 Banca Generali

Within this highly positive scenario, Banca Generali remained among the market leaders in terms of net inflows through Financial Advisors, with an amount (807 million euros) that also in this case represents more than one third of the result for the whole

2013, a record year for the company, sharply growing compared to the already excellent first quarter of 2013 and with a market share close to 15%.

Total Net Inflows - Assoreti - 5.4 billion euros

March 2014 (€ million)



Source: Assoreti.

In further detail, Banca Generali's net inflows were characterised by an extraordinary performance of insurance products (which accounted for over two-thirds of total inflows), owing to both the revamping of the line of traditional products and the

launch of a new, highly innovative multi-class policy, "BG Stile Libero".

Assets under management and assets under administration and custody accounted for equal shares of the remainder of inflows.

Net inflows of Banca Generali

(€ MILLION)	BG GROUP 31.03.2014	BG GROUP 31.03.2013	CHANGES VS 31.03.2013	
			AMOUNT	%
Total assets under management	129	397	-268	-68%
Funds and SICAVs	190	390	-200	-51%
GPF/GPM	-61	7	-68	n.s.
Total insurance products	549	189	360	190%
Total assets under administration and custody	129	34	95	279%
Total assets placed by the network	807	620	187	30%

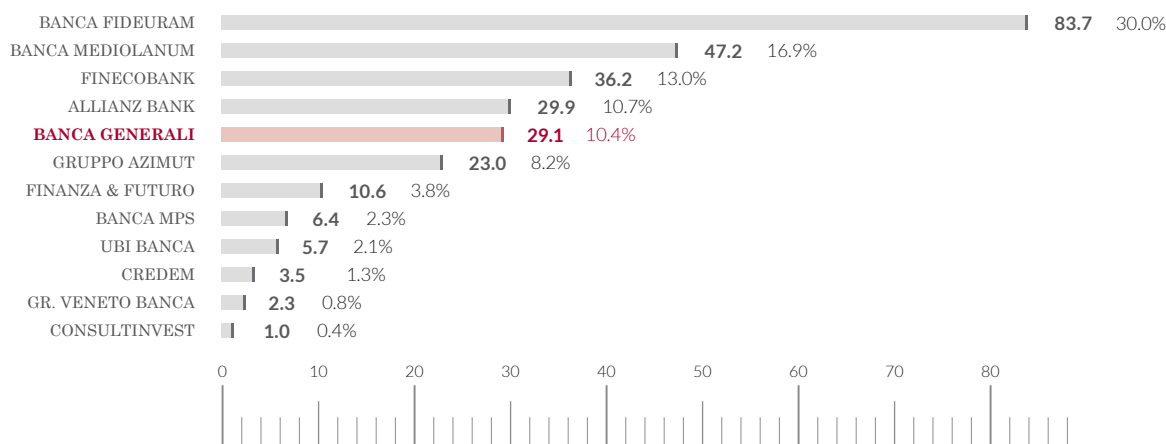
Source: Assoreti.

Banca Generali also ranked among the top five competitors on the market in terms of assets under management at the end of 2013 (latest available data), with a slight increase in market share compared to 2012. In fact, the increase in Banca Generali's AUM

volumes (+11%) exceeded the already significant performance of the market at large of 8.6% compared to December 2012, a new all-time high recorded by the industry association.

Total Assets - Assoreti - 276 billion euros

December 2013 (€ billion)



Source: Assoreti.

The following table provides a summary of Banca Generali's assets, updated through March 2014, illustrating their composition by macro-aggregate and providing a comparison with the figures as of December 2013. Also these assets refer to the Assoreti market, and therefore to the Financial Advisor operating area.

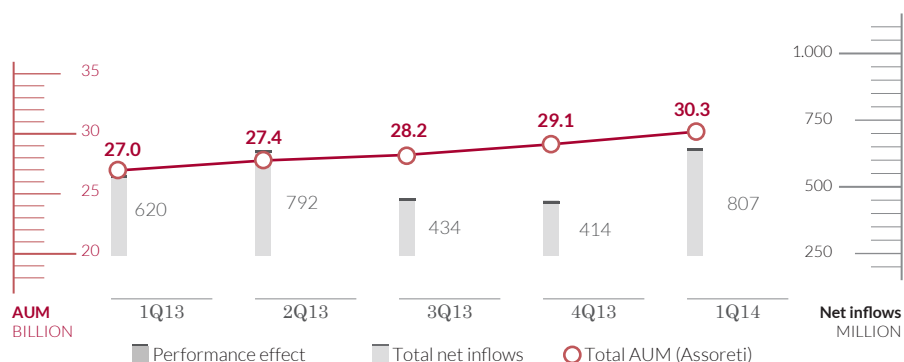
The total value of assets increased significantly during the period (+4%), particularly the insurance products component. This growth is partly attributable to the net inflows reported in the table above, partly to the strong performance of the products in which customers' assets are invested.

Banca Generali's total assets

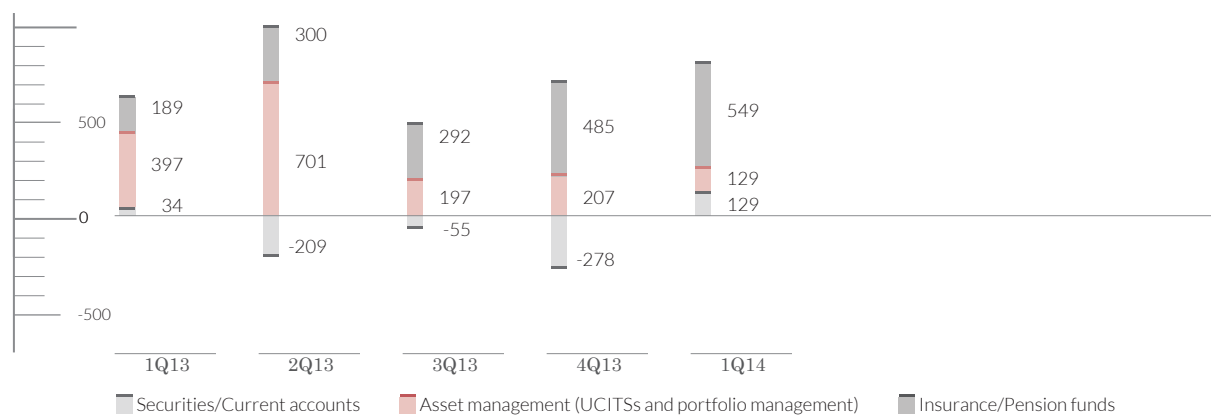
(€ MILLION)	BG GROUP 31.03.2014	BG GROUP 31.12.2013	CHANGES VS 31.12.2013	
			AMOUNT	%
Total assets under management	11,845	11,581	264	2.3%
Funds and SICAVs	8,683	8,423	260	3.1%
GPF/GPM	3,162	3,158	4	0.1%
Total insurance products	10,239	9,676	563	5.8%
Total assets under administration and custody	8,200	7,859	341	4.3%
Total assets placed by the network	30,284	29,116	1,168	4.0%

Source: Assoreti.

AUM evolution and net inflows



Quarterly net inflows



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 quarter of 2014 was 38.9 million euros, up by 9.5% compared to the excellent result reported at the end of the same period of 2013.

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Net interest	28,675	33,481	-4,806	-14.4%
Net fees	59,801	62,497	-2,696	-4.3%
Dividends	21	8	13	162.5%
Net result of financial operations	18,306	1,351	16,955	n.s.
Net operating income	106,803	97,337	9,466	9.7%
Staff expenses	-18,595	-18,159	-436	2.4%
Other general and administrative expense	-30,695	-23,929	-6,766	28.3%
Net adjustments of property, equipment and intangible assets	-1,037	-1,159	122	-10.5%
Other operating expense/income	10,355	4,039	6,316	156.4%
Net operating expense	-39,972	-39,208	-764	1.9%
Operating profit	66,831	58,129	8,702	15.0%
Net adjustments for non-performing loans	-345	-767	422	-55.0%
Net adjustments of other assets	-589	-598	9	-1.5%
Net provisions	-10,387	-10,754	367	-3.4%
Gain (loss) from equity investments	-10	-4	-6	150.0%
Operating profit before taxation	55,500	46,006	9,494	20.6%
Income taxes for the period	-14,754	-9,522	-5,232	54.9%
Gains from non-current assets held for sale	-488	-	-488	n.a.
Profit attributable to minority interests	-1,370	-963	-407	42.3%
Net profit	38,888	35,521	3,367	9.5%

Net operating income amounted to 106.8 million euros, with an increase of 9.5 million euros (+9.7%) compared to the previous year, due to several factors:

- the decline in net interest (-4.8 million euros), affected primarily by the dramatic decline in yields on the Italian government bond market;
- the contribution of non-recurring components of operating profit (+9.9 million euros), due chiefly to the excellent net result of financial operations (+17.0 million euros), despite the significant decline of incentive fees (-7.1 million euros) compared to the very high figures reported in the first quarter of 2013;

- the increase in management fees of over 15 million euros (+19.7%), in line with the significant rise in average AUM compared to the same quarter of the previous year, which allowed the stabilisation of net fees, offsetting the effect of non-recurring performance-related components.

Net operating expense grew slightly (+1.9%) to 40.0 million euros, despite the presence of significant commitments for the implementation of the new service model and the constant updating of the bank's digital platform.

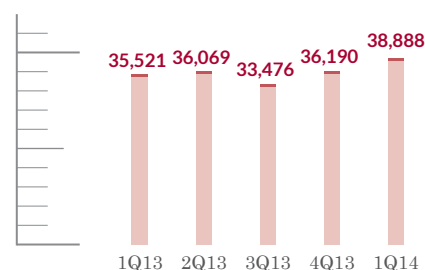
The **cost/income ratio**, which measures the ratio of operating expense, gross of value adjustments to tangible and intangible assets, to net operating income, decreased to 36.45%, confirming the positive operating leverage effect, which saw the cost performance outpaced by the revenue performance.

Operating profit thus stood at 66.8 million euros, whereas **adjustments and provisions**, which decreased slightly compared to the previous year (-0.8 million euros), brought **operating**

profit before taxation to 55.5 million euros, an increase of 20.6% compared to the same period of 2013.

Finally, the net profit for the period was affected by the greater taxes accrued, which, however, were essentially related to the temporary increase during the reporting quarter in the taxable income generated by the Group's Italian companies in relation to consolidated operating profit before taxation.

Quarterly net profit (€ thousand)



Quarterly evolution of the Profit and loss account

(€ THOUSAND)	1Q2014	4Q2013	3Q2013	2Q2013	1Q2013
Net interest	28,675	29,515	28,695	30,151	33,481
Net fees	59,801	63,056	48,199	60,547	62,497
Dividends	21	7	52	848	8
Net result of financial operations	18,306	7,690	4,991	4,033	1,351
Net operating income	106,803	100,268	81,937	95,579	97,337
Staff expenses	-18,595	-18,677	-17,400	-17,268	-18,159
Other general and administrative expense	-30,695	-27,764	-25,843	-28,428	-23,929
Net adjustments of property, equipment and intangible assets	-1,037	-1,382	-1,270	-1,260	-1,159
Other operating expense/income	10,355	10,885	6,062	10,316	4,039
Net operating expense	-39,972	-36,938	-38,451	-36,640	-39,208
Operating profit	66,831	63,330	43,486	58,939	58,129
Net adjustments for non-performing loans	-345	-3,931	-429	212	-767
Net adjustments of other assets	-589	-254	-4	-302	-598
Net provisions	-10,387	-4,132	2,629	-10,642	-10,754
Gain (loss) from equity investments	-10	-	-	-	-4
Operating profit before taxation	55,500	55,013	45,682	48,207	46,006
Income taxes for the period	-14,754	-17,316	-11,391	-10,614	-9,522
Gains from non-current assets held for sale	-488	-124	-	-	-
Profit attributable to minority interests	-1,370	-1,383	-815	-1,524	-963
Net profit	38,888	36,190	33,476	36,069	35,521

4.1.1 Net interest

Net interest income was 28.7 million euros, down by 4.8 million euros compared to the first quarter of 2013 (-14.4%), driven by the significant decline in the profitability of lending (-21.5%), which exceeded the strong decline in the cost of inflows (-52.1%).

In the first quarter of 2014, the interest rate evolution continued to be characterised by the following factors:

- a decrease in the average yields on Italian government bonds which, on maturities of less than 5 year, reported a decline by more than 30% compared to the same period of 2013;
- a reversal of the downtrend in the cost of inflows, with short-term Euribor rates at yet extremely low levels (0.23% for one-month Euribor and 0.30% for three-month Euribor during the quarter), but increasing compared to figures for 2013.

It should also be noted that the interest rate requested by the ECB for its primary refinancing transactions was reduced to 0.75% in July 2012 and then further decreased to 0.5% in May 2013, and lastly to 0.25% on 11 November 2013.

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

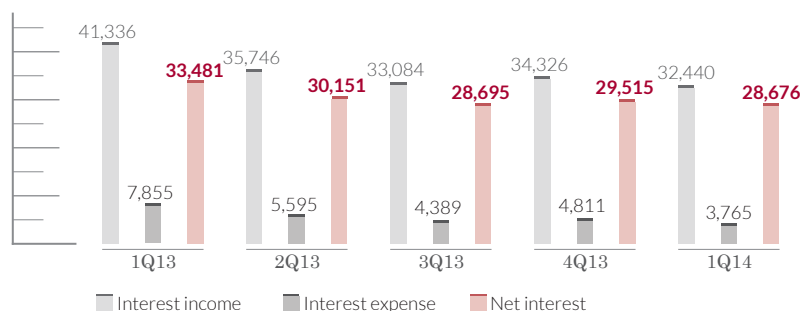
In detail, in 2013 the average rate of profitability shown by the HTM portfolio – to which the securities purchased following the LTROs were allocated – still amounted to over 3% on an annual basis. However, the rate of return of the existing portfolio at 31 December 2013 had fallen to 2.49% from the 3.35% reported at the end of 2012.

Interest income decreased by 8.9 million euros, due to the decline in interest income rates.

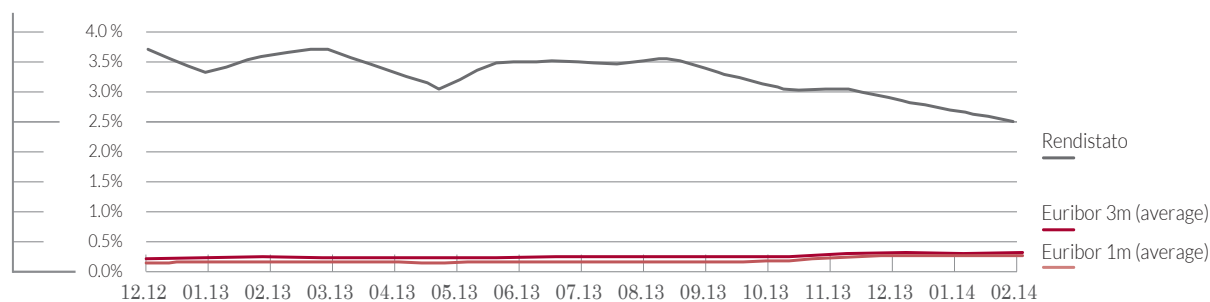
By contrast, the cost of inflows almost halved (-4.0 million euros), due to a general decline in expenses across all sectors of operation, from ECB deposits (-1.7 million euros) to interbank transactions and transactions with customers in the form of repurchase agreements (-1.0 million euros) and ordinary inflows from customers (-1.2 million euros).

(€ THOUSAND)	31.03.2014	31.03.2013	CHANGE	
			AMOUNT	%
HFT financial assets	362	5,134	-4,772	-92.9%
AFS financial assets	8,595	6,332	2,263	35.7%
HTM financial assets	16,301	24,116	-7,815	-32.4%
Financial assets classified among loans	1,108	1,152	-44	-3.8%
Total financial assets	26,366	36,734	-10,368	-28.2%
Loans to banks	269	267	2	0.7%
Loans to customers	5,803	4,335	1,468	33.9%
Hedging derivatives	-	-	-	n.a.
Other assets	2	-	2	n.a.
Total interest income	32,440	41,336	-8,896	-21.5%
Due to ECB	687	2,441	-1,754	-71.9%
Due to banks	127	150	-23	-15.3%
Repurchase agreements - banks	875	1,351	-476	-35.2%
Due to customers	1,868	3,047	-1,179	-38.7%
Repurchase agreements - customers	84	670	-586	-87.5%
Subordinated loan	124	196	-72	-36.7%
Other liabilities	-	-	-	n.a.
Total interest expense	3,765	7,855	-4,090	-52.1%
Net interest	28,675	33,481	-4,806	-14.4%

Net interest (€ thousand)



Interest rate evolution (monthly average)



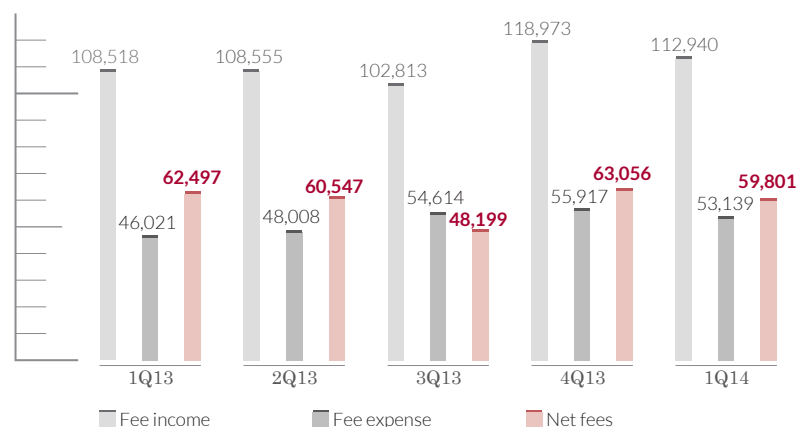
In the first quarter of 2014, the ratio of LTROs to net interest income is estimated at 25% of the overall result.

4.1.2 Net fees

The fees aggregate amounted to 59.8 million euros, decreasing by 4.3% compared to the first quarter of 2013, and was broken down as follows.

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Collective and individual portfolio management fees	69,891	68,491	1,400	2.0%
Fees on the placement of securities and UCITS	11,812	11,722	90	0.8%
Fees on the distribution of third-party financial products	23,174	19,247	3,927	20.4%
Fees on trading and securities custody	6,019	6,864	-845	-12.3%
Other banking services	2,044	2,194	-150	-6.8%
Total fee income	112,940	108,518	4,422	4.1%
Fees for external offer	45,016	39,276	5,740	14.6%
Fees for dealing in securities and custody	1,531	2,012	-481	-23.9%
Fees for asset management	5,735	4,034	1,701	42.2%
Other banking services	857	699	158	22.6%
Total fee expense	53,139	46,021	7,118	15.5%
Net fees	59,801	62,497	-2,696	-4.3%

Net fees (€ thousand)



Fee income increased by 4.4 million euros overall (+4.1%), owing primarily to the contribution by management fees (+15.0 million

euros), driven by the significant progress in terms of average AUM compared to the same period of the previous year.

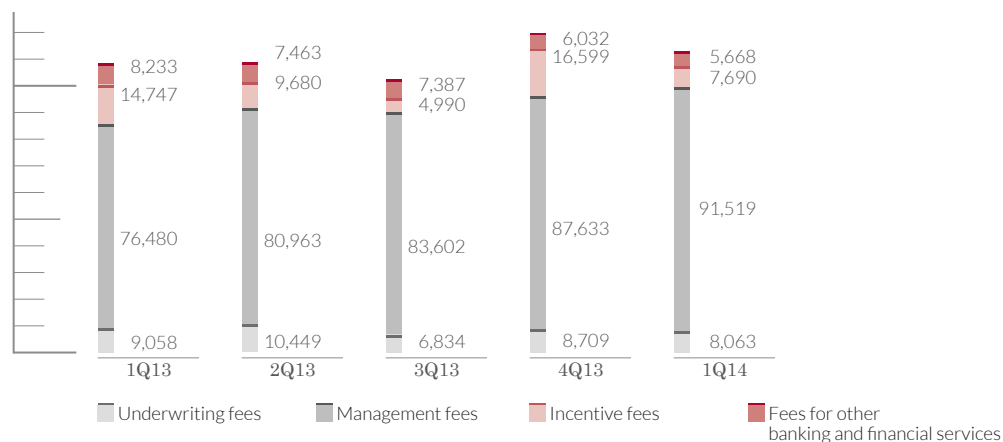
(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Underwriting fees	5,668	8,233	-2,565	-31.2%
Management fees	91,519	76,480	15,039	19.7%
Incentive fees	7,690	14,747	-7,057	-47.9%
Fees for other banking and financial services	8,063	9,058	-995	-11.0%
Total	112,940	108,518	4,422	4.1%

Net of the bond placements component (-2.8 million euros), underwriting fees also showed an increase compared to 2013, owing to the constant impetus from net inflows, whereas the contribution provided by performance fees, which amounted to 7.7 million euros, was essentially half the record level achieved in

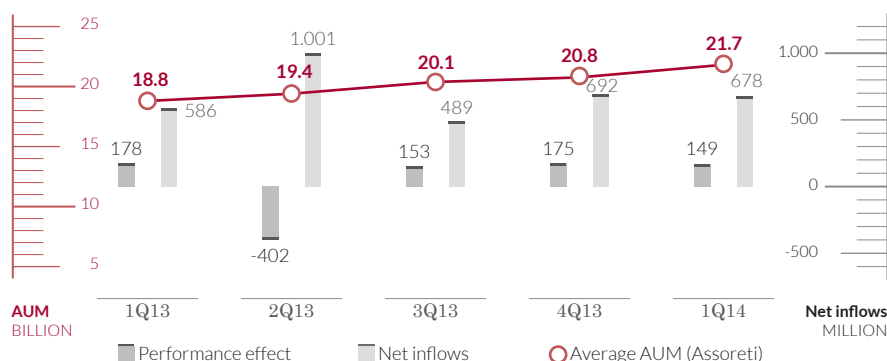
2013 (-7.1 million euros).

Fees for other banking services (down 11%) were significantly influenced by fluctuations in trading activities on behalf of retail and corporate customers.

Fee income structure (€ thousand)



Evolution of managed assets and life insurance AUM



Fee income from the **solicitation of investment and asset management** of households amounted to 104.9 million euros, with an increase of 5.4 million euros compared to the previous year, driven by both the placement and distribution of third-party services (+13.0%).

In the segment of the SICAVs promoted by the Banking Group, there was continuing structural growth of management fees (+6.8 million euros), essentially offset by the above-mentioned

downtrend in performance fees.

The result of individual portfolio management (-5.2%) appears negative overall, due both to the less favourable VAT rules which penalise the product, and to redemptions in the quarter.

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 2.1 million euros, associated with a symmetrical increase of fee expense.

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
1. Collective asset management	51,268	51,493	-225	-0.4%
2. Collective asset management of the Generali Group (ex GIL)	9,770	7,655	2,115	27.6%
3. Individual asset management	8,853	9,343	-490	-5.2%
Fees on asset management	69,891	68,491	1,400	2.0%
1. Placement of UCITS	11,812	8,868	2,944	33.2%
<i>of which: placement of UCITS promoted by the Group</i>	2,080	1,582	498	31.5%
3. Bond placement	-	2,854	-2,854	-100.0%
4. Distribution of third-party asset management products (GPM/GPF, pension funds)	176	104	72	69.2%
5. Distribution of third-party insurance products	22,961	19,117	3,844	20.1%
6. Distribution of other third-party financial products	37	26	11	42.3%
Fees for the placement and distribution of financial services	34,986	30,969	4,017	13.0%
Asset management fee income	104,877	99,460	5,417	5.4%

The placement and 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 (+3.8

million euros, or +20.1%), also thanks to the success of the multi-class policy BG Stile Libero launched in March.

The first quarter of 2014 also proved extremely positive in terms of placement of UCITS, which showed an increase of 33.2% compared to 2013 (+2.9 million euros), owing both to the development of promotional activities of products of foreign principal companies and the contribution of front-end fees collected in relation to the Group's SICAVs.

Fee expense amounted to 53.1 million euros, with an increase by 7.1 million euros compared to previous year (+15.5%), which however is substantially in line with the evolution of recurring components of fee income.

The aggregate includes 7.7 million euros in fees for the activities carried out by the merged company Generali Investments Luxembourg (GIL), which grew (+1.7 million euros) compared to the same period of 2013.

Net of the result from such non-core activity, the Group's total pay-out ratio, compared to recurring fee income, therefore was 47.6%, slightly up compared to the same period of 2013 (46.5%).

Distribution fee expense reached 45.0 million euros, showing an increase of 5.7 million euros compared to the same period of the previous year, primarily owing to the increase of management fees paid back to the sales network (+16.5%) in light of the increase of average AUM compared to the volumes of the previous year.

However, the aggregate was also significantly influenced by the increase in incentive fees (+42.1%), tied to the success of the recruitment plans, as well as by other fees, primarily related to the costs of the sales network.

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Front-end fees	4,319	5,074	-755	-14.9%
Management fees	32,402	27,815	4,587	16.5%
Incentive fees	2,726	1,918	808	42.1%
Other fees	5,569	4,469	1,100	24.6%
Total	45,016	39,276	5,740	14.6%

Other net fees from banking services offered to customers include trading, order collection and custody and administration fees, in addition to fees charged to customers for account keeping expenses and other services.

The aggregate stood at 5.7 million euros, decreasing slightly compared to 2013 (-10.6%), chiefly due to the reduction in net revenues on trading services rendered to the product companies

of the banking and insurance group.

In addition, within this segment the reduction of fee income on order collection and, symmetrically, of trading fee expense appears essentially linked to the strong decline in the operations in some foreign markets characterised by costs associated with the new forms of taxation (Italian and French FTT, stamp duty tax and other similar forms of taxation).

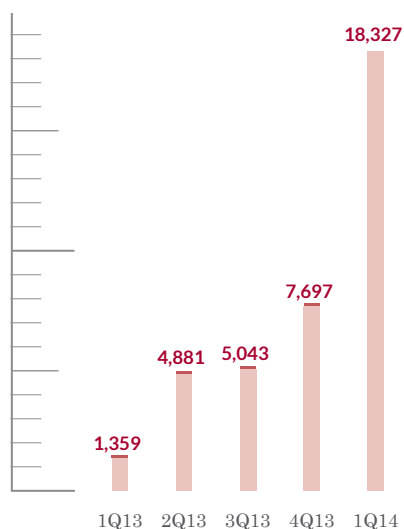
(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Dealing in securities and currencies	4,498	4,721	-223	-4.7%
Order collection and securities custody commissions	1,521	2,143	-622	-29.0%
Collection and payment services	872	999	-127	-12.7%
Fee income and account keeping expenses	812	652	160	24.5%
Consultancy	102	-	102	n.a.
Other services	258	543	-285	-52.5%
Total traditional banking operations	8,063	9,058	-995	-11.0%
Securities trading and custody	-1,531	-2,012	481	-23.9%
Collection and payment services	-799	-615	-184	29.9%
Other services	-58	-84	26	-31.0%
Total fee expense	-2,388	-2,711	323	-11.9%
Net fees	5,675	6,347	-672	-10.6%

4.1.3 Net result from trading and financial operations

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.

Net profit (loss) of financial operations (€ thousand)



At the end of the first quarter of 2014, this aggregate presented a positive contribution of 18.3 million euros, essentially in line

with the already excellent overall result obtained in 2013.

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Dividends from trading	21	8	13	162.5%
Trading of financial assets and equity derivatives	11	-39	50	-128.2%
Trading of financial assets and derivatives on debt securities and interest rates	198	-4,313	4,511	-104.6%
Trading of UCITS units	66	423	-357	-84.4%
Securities transactions	296	-3,921	4,217	-107.5%
Currency and currency derivative transactions	618	386	232	60.1%
Net profit (loss) of trading operations	914	-3,535	4,449	-125.9%
Net profit from hedging	-	-	-	n.a.
Dividends from AFS assets	-	-	-	n.a.
Gains and losses on equity securities and UCITS	52	105	-53	-50.5%
Gains and losses on AFS and HTM debt securities and loans	17,361	4,789	12,572	262.5%
Net profit (loss) of financial operations	18,327	1,359	16,968	n.s.

This result is essentially attributable to the gains realised on government securities allocated to the AFS portfolio (16.0 mil-

lion euros) and, to a lesser extent, corporate securities classified amongst loans.

(€ THOUSAND)	GAINS	LOSSES	TRANSFER OF RESERVES	31.03.2014	31.03.2013	CHANGE
AFS financial assets	10,177	-90	6,003	16,090	3,532	12,558
debt securities	10,176	-74	5,936	16,038	3,337	12,701
equity securities	1	-16	67	52	105	-53
UCITS units	-	-	-	-	90	-90
Financial assets classified among loans	1,323	-	-	1,323	1,362	-39
HTM financial assets	-	-	-	-	-	-
Total	11,500	-90	6,003	17,413	4,894	12,519

The overall result of trading activities was also positive (0.9 million euros), a reversal of the trend witnessed in the first quarter of 2013, which was weighed down by the net losses realised (-4.3 million euros) in relation to a government securities portfolio set

to mature in the near term, acquired inbetween late 2012 and early 2013. It also bears noting that the above losses were accompanied by interest income of 5.1 million euros accrued on that same portfolio.

(€ THOUSAND)	GAINS	CAPITAL GAINS	LOSSES	CAPITAL LOSSES	NET RESULT 31.03.2014	NET RESULT 31.03.2013
1. Financial assets	261	209	297	133	40	-3,953
Debt securities	51	154	169	79	-43	-4,337
Equity securities	128	29	97	43	17	-39
UCITS units	82	26	31	11	66	423
2. Derivatives	315	241	321	-	235	31
Interest rate swaps	-	-	-	-	-	24
Forward contracts	-	241	-	-	241	-
Options on equity securities	1	-	-	-	1	-
Options on currencies and gold	314	-	321	-	-7	7
Asset swaps	-	-	-	-	-	-
Futures	-	-	-	-	-	-
3. Currency transactions	618	-	-	-	618	379
4. Total	1,194	450	618	133	893	-3,543

4.1.4 Operating expense

Operating expense, including staff expenses, other general and administrative expense, amortisation and depreciation and other operating income and expense amounted to 40.0 million

euros, marking a slight overall increase of 0.8 million euros compared to the same period of the previous year (+1.9%).

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Staff expenses	18,595	18,159	436	2.4%
Other general and administrative expense	30,695	23,929	6,766	28.3%
Net adjustments of property, equipment and intangible assets	1,037	1,159	-122	-10.5%
Other income and expense	-10,355	-4,039	-6,316	156.4%
Operating expense	39,972	39,208	764	1.9%

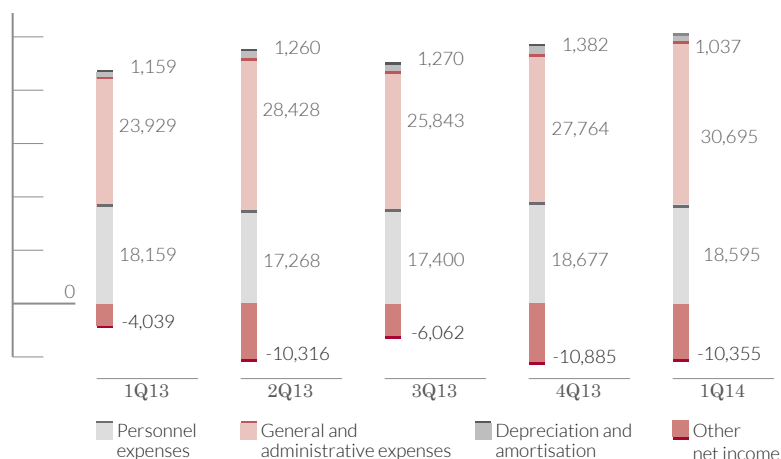
Staff expenses for full-time employees, interim staff and directors reached 18.6 million euros, mainly due both to a slight rise in the compensation component, and, to a more limited extent, the natural increase in staff numbers associated with the expansion of operations.

recording an increase of 31 (+3.9%) compared to the previous year. In detail, an increase was recorded of staff under indefinite-term contracts due to confirmation of staff already working at the company, new positions in departments supporting business development and new staff to replace employees who had previously left the company.

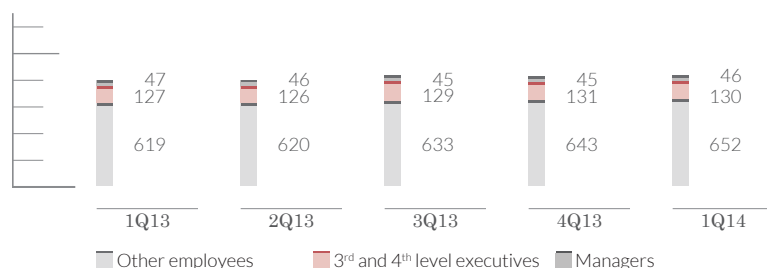
Group employees totalled 834 at the end of the period, thus

	31.03.2014	31.03.2013	CHANGE		AVERAGE 2014 NO.	AVERAGE 2013 NO.
			NO.	%		
Managers	46	46	-	-	46	46
3 rd and 4 th level executives	131	125	6	4.8%	131	126
Other employees	657	626	31	5.0%	645	620
Total	834	797	37	4.6%	822	791

Operating expense (€ thousand)



Evolution of indefinite-term staff (quarterly average)



With regard to remuneration, it should be noted that the recurring component increased (+6.3%), particularly against a reduction of the incentive component (-16.8%), associated with several factors (new LTIP cycle, performance bonus, sales incentives, etc).

Finally, the increase in other employee benefits was mainly due to the extension of the long-term benefits associated with health insurance plans beyond severance of employment (0.7 million euros) and the reclassification of staff training expenses (+0.5 million euros).

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
1) Employees	18,230	17,801	429	2.4%
Salaries and social security charges	13,099	12,325	774	6.3%
Provision for termination indemnity and supplementary pension funds	809	1,061	-252	-23.8%
Costs related to payment agreements based on own financial instruments	141	10	131	n.a.
Short/term productivity bonuses (MBO, suppl. company agreements, including sales personnel)	2,594	3,030	436	-15.3%
Other long-term incentives (LTIP, MBO)	402	730	-328	-42.5%
Other employee benefits (*)	1,185	645	540	83.7%
2) Other staff	62	17	45	264.7%
3) Directors and Auditors	303	341	-38	-11.1%
of which: incentives	24	49	25	14.3%
Total	18,595	18,159	436	2.4%

(*) This item included 163 thousand euros for staff training expenses, recognised as administrative expense in 2013 for an overall amount of 55 thousand euros.

Other general and administrative expense amounted to 30.7 million euros, a 1.6 million euros increase, net of the expense for the stamp duty on current accounts and financial instruments, compared to the same period of the previous year (+8.5%).

With regard to stamp duty on financial instruments, it bears noting that commencing in financial year 2014 the proportional rate has been increased from 0.15% to 0.2%, whereas the minimum tax of 34.20 euros was repealed. The higher stamp duty to be paid compared to the first quarter of 2013 was however offset by the symmetrical increase in taxes recovered from customers, recognised among the other income and expense aggregate for 9.1 million euros.

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Administration	2,797	3,005	-208	-6.9%
Advertising	802	802	-	-
Advisory services and auditing	1,014	1,025	-11	-1.1%
Insurance	665	957	-292	-30.5%
Auditing	54	35	19	54.3%
Other general costs (insurance; T&E)	262	186	76	40.9%
Operations	7,965	8,194	-229	-2.8%
Rent and usage of premises	3,975	3,871	104	2.7%
Outsourced services	1,264	1,060	204	19.2%
Post and telephone	699	730	-31	-4.2%
Print material and contracts	200	171	29	17.0%
Other indirect staff expenses	590	613	-23	-3.8%
Other operating expenses	1,237	1,749	-512	-29.3%
Information system and equipment	10,574	8,447	2,127	25.2%
Outsourced IT services	8,040	6,019	2,021	33.6%
Fees for financial databases and other IT services	1,629	2,082	-453	-21.8%
Software maintenance and servicing	604	176	428	243.2%
Other expenses (equipment rental, maintenance, etc.)	301	170	131	77.1%
Taxes and duties	9,359	4,283	5,076	118.5%
<i>of which: stamp duty on current accounts and financial instruments</i>	<i>9,245</i>	<i>4,167</i>	<i>5,078</i>	<i>121.9%</i>
Total other general and administrative expense	30,695	23,929	6,766	28.3%

4.1.5 Provisions and adjustments

Net provisions amounted to 10.4 million euros and remained substantially in line with the first quarter of 2013 (-3.4%).

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Provision for staff liabilities and contingencies	-	32	-32	-100.0%
Provisions for legal disputes	1,800	2,200	-400	-18.2%
Provision for incentive fees	7,380	7,621	-241	-3.2%
Provisions for termination indemnities and overfees	807	901	-94	-10.4%
Other provisions for liabilities and contingencies	400	-	400	n.a.
Total	10,387	10,754	-367	-3.4%

Allocations to provisions consisted of 5.3 million euros relating to current and deferred incentives set to accrue (-0.3 million euros compared to 2013) and of 2.1 million euros to provisions in service of recruitment plans (+0.1 million euros compared to 2013).

Net provisions for contractual indemnities for Financial Advisors referred chiefly to the expense adjustment for end-of-service

indemnities and, to a lesser extent, to allocations for new “social-security bonus” programmes, aimed at ensuring the most deserving employees supplemental pension benefits upon retirement.

Net adjustments for impairments at the end of the quarter amounted to 0.9 million euros (+41.8%), of which 0.2 million euros referred to the financial assets segment and 0.7 million euros to loans.

(€ THOUSAND)	VALUE ADJUSTMENTS	REVERSAL ADJUSTMENTS	1Q2014	1Q2013	CHANGE
Specific adjustments/reversals	-319	2	-317	-1,230	913
debt securities (AFS, HTM, loans)	-	-	-	-	-
equity securities	-145	-	-145	-598	453
operating loans	-	-	-	-600	600
non-performing loans of the bank portfolio	-174	2	-172	-32	-140
Portfolio adjustments/reversals	-944	327	-617	-135	-482
debt securities (loans, HTM)	-444	327	-117	-	-117
performing loans of the banking portfolio	-500	-	-500	-135	-365
Total	-1,263	329	-934	-1,365	431

Impairment losses on the non-performing loans in the banking portfolio amounted to 0.2 million euros. In addition, changes were prudentially estimated for the collective reserve covering the portfolio of performing loans in the banking portfolio (+0.5 million euros) in connection with the gradual expansion of that aggregate.

The impairment losses on the portfolio of AFS equity securities refer to the write-down adjustment in the subsidiary Simgenia S.p.A., a member of the Generali Group that in late 2013 resolved

to discontinue operations following the negative performance recorded in said year.

Finally, prudential adjustments were made to collective provisions for performing debt securities allocated to the HTM portfolio (+0.4 million euros) in connection with the risk profile of the new investments undertaken, partly offset by the release of provisions for securities classified to the loans portfolio (-0.3 million euro).

4.1.6 Consolidated net result, taxes and earnings per share

Taxes for the period on a current and deferred basis have been estimated at 14.8 million euros, up 5.2 million euros over the

same period of the previous year.

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Current taxes for the period	-16,845	-11,660	-5,185	44.5%
Prior period taxes	-	-	-	n.a.
Changes of prepaid taxation (+/-)	2,037	1968	69	3.5%
Changes of deferred taxation (+/-)	54	170	-116	-68.2%
Total	-14,754	-9,522	-5,232	54.9%

The increase in the Group's total tax rate from 20.6% in the first quarter of 2013 to the current 26.7% was primarily due to the increase in the incidence of the profit before taxation earned in Italy compared to that earned abroad, which is subject to lower

tax rates, as well as to the advance payment (in the first quarter of 2014) of a significant portion of dividend distributed by the subsidiary GFM (39 million euros), with the ensuing impact on IRAP and IRES tax burden for the period.

Profit for the period attributable to minority interests amounted to 1.3 million euros and refers to the minority interest in GFM held by the Assicurazioni Generali insurance group.

The 0.5 million euros **loss of AFS assets** refers to the measurement at its presumed realisable value of the investment in the

SICAV BG Dragon China, owing to the negative performance of the Chinese equity market.

Therefore, consolidated net profit for the first three months of 2014 amounted to 38.8 million euros.

Net basic earnings per share currently being accrued increased from 0.313 eurocents to 0.338 eurocents.

	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Net profit for the period (€ thousand)	38,888	35,521	3,367	9.5%
Earnings attributable to ordinary shares	38,888	35,521	3,367	9.5%
Average number of outstanding shares	115,130	113,558	1,572	1.4%
EPS - Earnings per share (€)	0.338	0.313	0.025	8.0%
Average number of outstanding shares diluted capital	115,773	115,543	230	0.2%
EPS - Diluted earnings per share (€)	0.336	0.307	0.028	9.3%

4.1.7 Statement of comprehensive income

At the end of the first quarter of 2014, the Group's comprehensive income, consisting of the consolidated net profit 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, amounted 53.0 million euros, up compared to 32.5 million euros reported in the same period of the previous year.

In further detail, compared to a decline of 2.6 million euros recorded in the first quarter of 2013, valuation reserves on the AFS

portfolio presented a net revaluation of 14.3 million euros at the end of March 2014 as a result of the following factors:

- an increase in unrealised gains of 26.6 million euros due to the significant rise in the market values of financial assets;
- the reduction of pre-existing net positive reserves due to re-absorption in the profit and loss account through realisation (-6.0 million euros);
- the negative tax effect associated with the above changes (-6.3 million euros).

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Net profit (loss)	38,888	35,521	3,367	9.5%
Other income, net of income taxes:				
With transfer to profit and loss account:				
AFS assets	14,261	-2,634	16,895	n.s.
Without transfer to profit and loss account:				
Actuarial gains (losses) from defined benefit plans	-121	-367	246	-67.0%
Total other income, net of taxes	14,140	-3,001	17,141	n.s.
Comprehensive income	53,028	32,520	20,508	63.1%

4.2 Balance sheet and net equity aggregates

At the end of the first quarter of 2014, total consolidated assets amounted to 7.5 billion euros, marking an increase of 0.9 billion euros compared to the end of 2013 (+13.1%), thus reaching the high levels recorded at year-end 2012.

The increase is essentially attributable to the significant rise in direct inflows from customers (+28.6% compared to 2013), which, however, does not appear attributable to the Generali

Group's operations in this particular case.

In this context, interbank funding decreased by approximately 0.3 billion euros (-13.2%) owing to the partial re-absorption of the funding repurchase agreements undertaken in the previous year.

As a result, the volume of core loans amounted to 7.2 billion euros, up 13.9% compared to the end of 2013.

ASSETS (€ THOUSAND)	31.03.2014	31.12.2013	CHANGE		31.03.2013
			AMOUNT	%	
HFT financial assets	126,970	229,905	-102,935	-44.8%	851,223
AFS financial assets	2,337,695	1,626,121	711,574	43.8%	1,045,546
HTM financial assets	2,541,438	2,652,687	-111,249	-4.2%	2,913,734
Loans to banks	621,749	291,379	330,370	113.4%	307,513
Loans to customers	1,548,682	1,499,771	48,911	3.3%	1,359,495
Investments	-	-	-	n.d.	-
Property, equipment and intangible assets	49,165	50,090	-925	-1.8%	50,901
Tax receivables	37,839	38,260	-421	-1.1%	43,329
Other assets	136,417	140,232	-3,815	-2.7%	175,756
Financial assets held for sale	68,002	74,209	-6,207	-8.4%	-
Total Assets	7,467,957	6,602,654	865,303	13.1%	6,747,497

NET EQUITY AND LIABILITIES (€ THOUSAND)	31.03.2014	31.12.2013	CHANGE		31.03.2013
			AMOUNT	%	
Due to banks	1,935,835	2,230,871	-295,036	-13.2%	2,398,937
Due to customers	4,616,227	3,588,700	1,027,527	28.6%	3,583,784
Financial liabilities held for trading and hedging	282	597	-315	-52.8%	1,271
Tax payables	46,727	27,768	18,959	68.3%	29,766
Other liabilities	195,306	142,598	52,708	37.0%	220,076
Financial liabilities held for sale	60,533	66,252	-5,719	-8.6%	-
Special purpose provisions	84,608	76,736	7,872	10.3%	75,989
Valuation reserves	19,600	5,460	14,140	259.0%	-13,588
Reserves	304,572	164,221	140,351	85.5%	267,150
Additional paid-in capital	42,608	37,302	5,306	14.2%	26,615
Share capital	115,403	114,895	508	0.4%	113,888
Treasury shares (-)	-41	-41	-	-	-41
Minority interests	7,409	6,039	1,370	22.7%	8,129
Net profit for the period	38,888	141,256	-102,368	-72.5%	35,521
Total Net equity and Liabilities	7,467,957	6,602,654	865,303	13.1%	6,747,497

Quarterly evolution of consolidated balance sheet

ASSETS (€ THOUSAND)	31.03.2014	31.12.2013	30.09.2013	30.06.2013	31.03.2013	31.12.2012
HFT financial assets	126,970	229,905	30,283	431,465	851,223	222,548
AFS financial assets	2,337,695	1,626,121	1,569,670	1,230,402	1,045,546	1,733,885
HTM financial assets	2,541,438	2,652,687	2,516,418	2,631,021	2,913,734	3,000,330
Loans to banks	621,749	291,379	450,267	268,822	307,513	843,368
Loans to customers	1,548,682	1,499,771	1,427,920	1,379,197	1,359,495	1,308,585
Property, equipment and intangible assets	49,165	50,090	48,848	49,849	50,901	51,778
Tax receivables	37,839	38,260	40,169	43,207	43,329	41,276
Other assets	136,417	140,232	102,655	111,071	175,756	115,608
Financial assets held for sale	68,002	74,209	-	-	-	-
Total Assets	7,467,957	6,602,654	6,186,230	6,145,034	6,747,497	7,317,378

NET EQUITY AND LIABILITIES (€ THOUSAND)	31.03.2014	31.12.2013	30.09.2013	30.06.2013	31.03.2013	31.12.2012
Due to banks	1,935,835	2,230,871	2,178,825	1,930,243	2,398,937	2,229,896
Due to customers	4,616,227	3,588,700	3,327,034	3,617,170	3,583,784	4,491,173
Financial liabilities held for trading and hedging	282	597	393	4,011	1,271	1,448
Tax payables	46,727	27,768	25,419	16,889	29,766	36,620
Other liabilities	195,306	142,598	167,828	127,573	220,076	95,013
Financial liabilities held for sale	60,533	66,252	-	-	-	-
Special purpose provisions	84,608	76,736	72,716	77,494	75,989	68,405
Valuation reserves	19,600	5,460	-11,798	-14,819	-13,588	-11,475
Reserves	304,572	164,221	164,163	164,899	267,150	139,841
Additional paid-in capital	42,608	37,302	34,901	29,611	26,615	16,591
Share capital	115,403	114,895	114,668	114,173	113,888	112,938
Treasury shares (-)	-41	-41	-41	-41	-41	-41
Minority interests	7,409	6,039	7,056	6,241	8,129	7,166
Net profit (loss) for the period (+/-)	38,888	141,256	105,066	71,590	35,521	129,803
Total Net equity and Liabilities	7,467,957	6,602,654	6,186,230	6,145,034	6,747,497	7,317,378

4.2.1 Direct inflows from customers

Direct inflows from customers amounted to 4,616.2 million euros, with an increase of 1,027.5 million euros compared to the figure at 31 December 2013, due both to the Generali Group's operations and the higher inflows from retail customers.

(€ THOUSAND)	31.03.2014	31.12.2013	CHANGE	
			AMOUNT	%
1. Current accounts and free deposits	3,525,818	2,934,906	590,912	20.1%
2. Term deposits	910,613	428,430	482,183	112.5%
3. Financing	90,386	101,878	-11,492	-11.3%
Repurchase agreements	74,138	85,754	-11,616	-13.5%
Generali Versicherung subordinated loan	16,248	16,124	124	0.8%
Term deposits on the new MIC	-	-	-	-
4. Other debts	89,410	123,486	-34,076	-27.6%
Operating debts to sales network	49,916	49,150	766	1.6%
Other (self-drawn, amounts at the disposal of customers)	39,494	74,336	-34,842	-46.9%
Total due to customers (item 20)	4,616,227	3,588,700	1,027,527	28.6%

Captive inflows from the parent company, Assicurazioni Generali, and the Italian and foreign subsidiaries of Assicurazioni Generali Group, reported an overall increase of 807 million euros to 1,944 million euros at the end of the period. In particular, all term deposits held at 31 March 2014 were attributable to the insurance group.

Inflows from customers outside the insurance group increased by approximately 220 million euros and are entirely attributable to the rise of current account balances.

By contrast, there was a decline in the interest-free debt position (-34.0 million euros) consisting of current accounts payable to the sales network for product placement and financial service activity, as well as by other sums available to customers, prima-

rily relating to claims settlement activity by the Group's insurance companies (money orders).

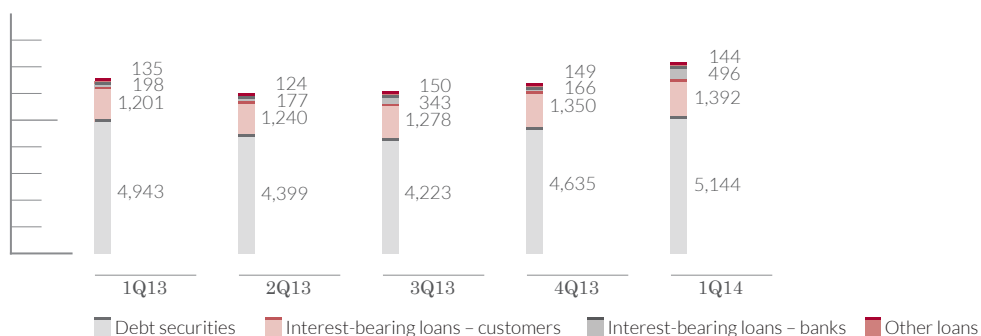
4.2.2 Core loans

Core loans totalled 7.2 billion euros and increased by 0.9 billion euros compared to 31 December 2013.

This performance, which reflects the swift increase in total inflows, entailed a significant rise in short-term treasury loans on the interbank market (+329.7 million euros), as well as in total financial assets allocated to the various IAS accounting portfolios, in the amount of 505.4 million euros (+10.8%).

(€ MILLION)	31.03.2014	31.12.2013	CHANGE	
			AMOUNT	%
HFT financial assets	126,970	229,905	-102,935	-44.8%
AFS financial assets	2,337,695	1,626,121	711,574	43.8%
HTM financial assets	2,541,438	2,652,687	-111,249	-4.2%
Financial assets classified among loans	171,800	163,748	8,052	4.9%
Financial assets	5,177,903	4,672,461	505,442	10.8%
Loans to banks	495,883	166,150	329,733	198.5%
Loans to customers	1,391,953	1,349,613	42,340	3.1%
Operating loans and other loans	110,795	111,639	-844	-0.8%
Total interest-bearing financial assets and loans	7,176,534	6,299,863	876,671	13.9%

Evolution of loans (€ million)



The increase in the Group's financial assets held for treasury and investment needs is largely attributable to net investments in government securities in the AFS portfolio (+711.6 million euros), partially offset by the flow of redemptions in the HTM portfolio (-111.2 million euros) and trading portfolio (-102.9 million euros), to which very short-term money-market government bonds are allocated.

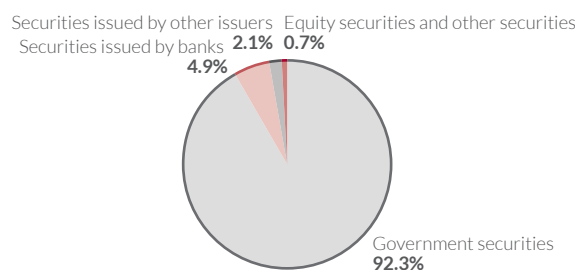
Overall, financial assets accounted for 72.1% of the interest-bearing financial assets and loans aggregate, and consisted of 92.3% sovereign debt exposure.

This exposure, increased by 491.9 million euros and consisted entirely of securities issued by the Italian Republic. It may be broken down by portfolio of allocation as follows.

Breakdown of sovereign debt exposure by IAS portfolio

(€ THOUSAND)	31.03.2014	31.12.2013	CHANGE	
			AMOUNT	%
Exposure to the sovereign risk by portfolio:				
HFT financial assets	100,406	200,245	-99,839	-49.9%
AFS financial assets	2,198,966	1,509,414	689,552	45.7%
HTM financial assets	2,480,216	2,578,064	-97,848	-3.8%
Total	4,779,588	4,287,723	491,865	11.5%

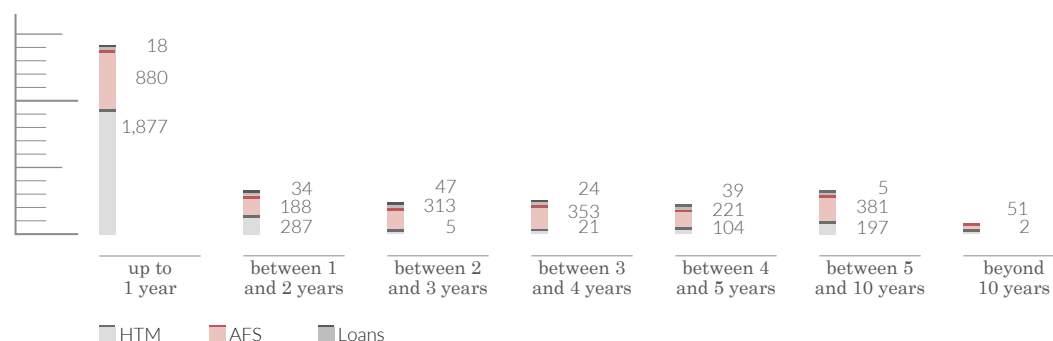
Breakdown of financial assets portfolio at 31.03.2014



The overall geographical breakdown of the portfolio of debt securities thus shows a high concentration of investments relating to Italian securities (99.1%).

The portfolio of debt securities had an overall average residual life of about 2.1 years and 3.6% of it was made up of variable rate coupon issues and, for the remainder, of fixed-rate issues and zero coupon.

Bonds portfolio maturity (€ million)



Loans to customers amounted to 1,392 million euros, increasing by 42 million euros compared to the previous year (+3.14%)

The increase in loans was mainly driven by the granting of new loans to customers (+7.0%).

(€ THOUSAND)	31.03.2014	31.12.2013	CHANGE	
			AMOUNT	%
Current accounts	755,221	752,116	3,105	0.4%
Personal loans	590,118	551,450	38,668	7.0%
Other financing and loans not in current accounts	24,206	23,839	367	1.5%
Short-term term deposits on the new MIC	-	-	-	-
Financing	1,369,545	1,327,405	42,140	3.2%
GESAV life insurance participating policy	22,408	22,208	200	0.9%
Total loans	1,391,953	1,349,613	42,340	3.14%
Operating loans to product companies	71,028	71,574	-546	-0.8%
Sums advanced to Financial Advisors	32,863	27,029	5,834	21.6%
Stock exchange interest-bearing daily margin	2,795	2,237	558	24.9%
Changes to be debited and other loans	3,844	10,735	-6,891	-64.2%
Operating loans and other loans	110,530	111,575	-1,045	-0.9%
Debt securities	46,199	38,583	7,616	19.7%
Total loans to customers	1,548,682	1,499,771	48,911	3.3%

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 Advisors under incentive plans.

del Gottardo Italia, fully covered by the loan guarantee granted by BSI upon the sale of the foregoing company and secured to that end by cash collateral payments by the counterparty. Net of that portfolio, the weight of non-performing exposures declines to 0.68%.

Net non-performing loans were 44.6 million euros (2.9% of the net exposure) and did not show significant changes compared to the figure at 31 December 2013.

However, excluding the above position, non-performing loans consist mainly of positions originating in the portfolio of Banca

(€ THOUSAND)	GROSS EXPOSURE	VALUE ADJUSTMENT	NET EXPOSURE 2014	NET EXPOSURE 2013	CHANGE		INDEMNITY	RESIDUAL AMOUNT NET OF INDEMNITY
					AMOUNT	%		
Bad loans	37,479	-16,305	21,174	20,447	727	3.6%	19,486	1,688
<i>of which:</i>								
<i>financing</i>	30,092	-13,302	16,790	16,083	707	4.4%	16,140	650
<i>debt securities</i>	3,346	-	3,346	3,326	20	0.6%	3,346	-
<i>operating loans</i>	4,041	-3,003	1,038	1,038	-	-	-	1,038
Substandard loans	17,537	-3,516	14,021	15,221	-1,200	-7.9%	5,492	8,529
Restructured loans	981	-	981	981	-	-	981	-
Expired loans/outstanding over 90 days	8,432	-52	8,380	8,743	-363	-4.2%	8,077	303
Total non-performing loans	64,429	-19,873	44,556	45,392	-836	-1.8%	34,036	10,520
Performing loans	1,506,635	-2,509	1,504,126	1,454,379				
Total loans	1,571,064	-22,382	1,548,682	1,499,771				

The **interbank position**, net of the securities portfolio and operating loans, showed a net debt balance of 1,440 million euros at the end of the first quarter of 2014, decreasing by 624.8 million euros (-30.3%) compared to the end of the previous year, due to the combined effect of:

- the expansion of temporary liquidity investment transac-

tions (deposits and repurchase agreements) for a net amount of 329.7 million euros;

- the decline of interbank funding in the form of repurchase agreements (-298.2 million euros), with maturities within 12 months, made during the previous year.

(€ THOUSAND)	31.03.2014	31.12.2013	CHANGE	
			AMOUNT	%
1. Repayable on demand	311,199	92,663	218,536	235.8%
Demand deposits with ECB	-	-	-	n.a.
Demand deposits with credit institutions	213,000	40,000	173,000	432.5%
Transfer accounts	98,199	52,663	45,536	86.5%
2. Time deposits	184,684	73,487	111,197	151.3%
Mandatory reserve	82,908	59,600	23,308	39.1%
Term deposits	2,176	13,887	-11,711	-84.3%
Repurchase agreements	99,600	-	99,600	n.a.
Collateral margins	-	-	-	-
Total due to banks	495,883	166,150	329,733	198.5%
1. Due to central banks	1,114,873	1,114,185	688	0.1%
Term deposits with ECB	1,114,873	1,114,185	688	0.1%
2. Due to banks	820,962	1,116,686	-295,724	-26.5%
Transfer accounts	1,492	397	1,095	275.8%
Term deposits	140	187	-47	-25.1%
Repurchase agreements	793,123	1,091,372	-298,249	-27.3%
Collateral margins	5,050	3,660	1,390	38.0%
Other debts	21,157	21,070	87	0.4%
Total due to banks	1,935,835	2,230,871	-295,036	-13.2%
Net interbank position	-1,439,952	-2,064,721	624,769	-30.3%
3. Debt securities	125,601	125,165	436	0.3%
4. Other operating receivables	265	64	201	314.1%
Total interbank position	-1,314,086	-1,939,492	625,406	-32.2%

4.2.3 Net equity

At 31 March 2014, consolidated net equity, including the net profit for the period, amounted to 528.4 million euros compared to 469.1 million euros at the end of the previous year and underwent the following changes.

(€ THOUSAND)	31.03.2014	31.12.2013	CHANGE	
			AMOUNT	%
Share capital	115,403	114,895	508	0.4%
Additional paid-in capital	42,608	37,302	5,306	14.2%
Reserves	304,572	164,221	140,351	85.5%
(Treasury shares)	-41	-41	-	-
Valuation reserves	19,600	5,460	14,140	259.0%
Equity instruments	-	-	-	-
Net profit (loss) for the period	38,888	141,256	-102,368	-72.5%
Group net equity	521,030	463,093	57,937	12.5%
Minority interests	7,409	6,039	1,370	22.7%
Consolidated net equity	528,439	469,132	59,307	12.6%

	GROUP	THIRD PARTIES	OVERALL
Net equity at period-start	463,093	6,039	469,132
Dividend paid	-	-	-
Stock option plans: issue of new shares	4,700	-	4,700
Stock option plans: charges as per IFRS 2	74	-	74
AG stock granting plans	135	-	135
Change in valuation reserves	14,140	-	14,140
2013 advance dividend	-	-	-
Consolidated net profit	38,888	1,370	40,258
Net equity at period-end	521,030	7,409	528,439
Changes	57,937	1,370	59,307
2012 dividends	-	-	-
2012 capital contributions	4,909	-	4,700

This figure does not take account of the effects arising on the distribution of dividends of approximately 109.6 million euros approved by the Shareholders at the Ordinary Meeting held on 23 April 2014 to approve the Financial Statements for 2013.

The change in net equity for the first quarter of 2014 was influenced by the effects generated by previous and new stock option plans, the performance of fair value reserves for the portfolio

of financial assets available for sale and other reserves which contribute to the comprehensive income.

In this regard, after a substantial trend reversal in the last quarter of 2013, fair value reserves for the portfolio of AFS financial assets recorded a positive balance of 20.8 million euros at the end of the period, an improvement of 14.3 million euros compared to year-end 2013.

(€ THOUSAND)	31.03.2014			31.12.2013	
	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
1. Debt securities	18,602	-205	18,397	5,161	13,236
2. Equity securities	2,503	-	2,503	1,476	1,027
3. UCITS units	60	-128	-68	-66	-2
AFS reserves	21,165	-333	20,832	6,571	14,261
Cash-flow hedges	-	-	-	-	-
Actuarial gains (losses) from defined benefit plans	-	-1,232	-1,232	-1,111	-121
Total	21,165	-1,565	19,600	5,460	14,140

Consolidated capital for regulatory purposes, determined in compliance with the new Basel 3 requirements effective 1 January 2014 and net of the dividend expected to be paid, amounted to 329.4 million euros, with an increase of 15.9 million euros compared to the figure recorded at previous year-end, according to the Basel 2 requirements previously in force, and of 13.5 million euros compared to the aggregate estimate made according to new regulations. Accordingly, the transition to the new regulatory framework did not entail a significant impact on the banking Group's capital at the consolidated level.

The measures required to bring the procedures for determi-

ning capital requirements into line with the new regulatory framework were still ongoing at the reporting date.

In this regard, it bears remarking that the supervisory authority has recently announced an extension of the initial deadline for the new reporting process to 30 June 2014.

Under the previous Basel 2 rules, capital requirements for credit risk, market risk and operational risk would have amounted to 175.6 million euros.

Consequently, at the end of the period the regulatory aggregate would have presented an excess capital of 153.9 million euros and the solvency ratio would have amounted to 15.02%, compared to a minimum requirement of 8%.

(€ THOUSAND)	31.03.2014 BASEL III	31.12.2013 BASEL III	CHANGE		31.12.2013 BASEL II
			AMOUNT	%	
Common equity Tier 1 capital	315,965	298,763	17,202	5.76%	300,674
Additional Tier 1 capital	-	-	-	n.a.	-
Tier 2 capital	13,406	17,061	-3,655	-21.42%	12,753
Capital for regulatory purposes	329,371	315,824	13,547	4.29%	313,427
B.1 Credit risk	121,306	115,319	5,987	5.19%	115,319
B.2 Market risk	6,300	5,950	350	5.88%	5,950
B.3 Operating risk	47,840	47,840	-	-	47,840
B.4 Other capital requirements	-	-	-	n.a.	-
B.4 Total capital requirements	175,446	169,109	6,337	3.75%	169,109
Excess over prudential requirements	153,925	146,715	7,210	4.91%	144,318
Risk-weighted assets	2,193,075	2,113,863	79,213	3.75%	2,113,863
Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	14.41%	14.13%	0.27%	1.94%	14.22%
Regulatory capital/Risk-weighted assets (Total capital ratio)	15.02%	14.94%	0.08%	0.5%	14.83%

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.

This option was renewed also by the new prudential supervisory system of the Basel 3 framework, effective 1 January 2014, as allowed by the Bank of Italy, until the entry into force of the international accounting standard IFRS 9, expected for 2016.

5. Performance of Group companies

5.1 Banca Generali performance

Banca Generali closed the first three months of 2014 with net profit of 55.5 million euros, sharply increasing compared to 7.9 million euros reported at the end of the same period of the previous year, chiefly due to the contribution of dividends (39 million euros) distributed in advance, at the end of February, by the Luxembourg subsidiary GFM S.A.

Net banking income, net of dividends from investee companies, amounted to 77.8 million euros, up considerably from the 63.5 million euros reported at the end of the first three months of 2013 (+22.5%), mainly owing to the excellent income from financial operations (+17.0 million euros) and the increase in fee margin (+7.6 %), which offset the reduction of interest margin (-14.4 %).

Net operating expense showed more moderate growth (+2.0%), amounting to 37.8 million euros, despite the presence of significant commitments for the implementation of the new service model and the constant updating of the bank's digital platform, to be paid entirely by the Parent Company.

Net provisions and adjustments amounted to 11.3 million euros, down compared to the same period of 2013 (-6.3%), and consisted primarily of accruals relating to incentives and the development of the distribution network, as well as prudential adjustments to provisions to account for the credit risk associated with financial assets and performing loans to customers.

(€ THOUSAND)	1Q2014	1Q2013	CHANGE	
			AMOUNT	%
Net interest	28,636	33,469	-4,833	-14.4%
Net fees	30,901	28,712	2,189	7.6%
Dividends	21	8	13	162.5%
Net result from financial operations	18,305	1,352	16,953	n.s.
Net operating income	77,863	63,541	14,322	22.5%
Staff expenses	-16,981	-16,594	-387	2.3%
Other general and administrative expense	-29,819	-23,205	-6,614	28.5%
Net adjustments of property, equipment and intangible assets	-1,022	-1,137	115	-10.1%
Other operating expense/income	10,066	3,924	6,142	156.5%
Net operating expense	-37,756	-37,012	-744	2.0%
Operating profit	40,107	26,529	13,578	51.2%
Net adjustments for non-performing loans	-345	-767	422	-55.0%
Net adjustments of other assets	-589	-598	9	-1.5%
Net provisions	-10,387	-10,721	334	-3.1%
Dividends and income from equity investments	39,000	-	39,000	-
Gains (losses) from the disposal of equity investments	-10	-4	-6	150.0%
Operating profit before taxation	67,776	14,439	53,337	n.s.
Income taxes for the period on current operations	-11,783	-6,529	-5,254	80.5%
Profit (loss) from non-current assets, net of tax	-488	-	-488	-
Net profit	55,505	7,910	47,595	n.s.

The total value of assets managed by the Group on behalf of its customers — which is the figure used for communications to Assoresi — amounted to 30.3 billion euros at 31 March 2014. Net

inflows amounted to 807 million euros, compared to 620 million euros at the end of the first three months of 2013 (+30.2%).

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 three months of 2014 with net profit of 23.5 million euros, slightly down from the 28.2 million euros reported for the same period of 2013 (-4.7 million euros), primarily due to the trend in performance fees acquired in connection with the SICAVs promoted and managed by the banking Group. Net banking income thus amounted to 28.0 million euros, down from the 31.0 million euros reported in 2013, whereas total operating expenses amounting to 1.7 million euros (1.2 million euros of which consisted of staff expense) did not show significant changes compared to the same period of the previous year.

Net profit attributable to minority interests amounted to 1.4 million euros, whereas the company's net equity was approximately 87.6 million euros, net of the dividend payout for the quarter.

In fact, GFM paid to the parent company Banca Generali a dividend of 39 million euros in February, as a further payment in advance on the financial year 2013 net profit.

Overall, assets under management at 31 March 2014 amounted to 19,387 million euros, compared to 14,474 million euros at 31 December 2013 (+4,913 million euros). This figure also includes assets under management of the merged company Generali Investments Luxembourg amounting to 12,521 million euros at 31 March 2014, compared to 7,899 million euros at the end of the previous year (+4,622 million euros).

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 three months of 2014 with net profit of 0.3 million euros and net equity of 12.8 million euros.

Net banking income amounted to 0.9 million euros, whereas ge-

neral and operating expense was 0.5 million euros, including 0.2 million euros for staff expense.

Total assets under management amounted to 851 million euros, down compared to 887 million euros at 31 December 2013.

5.4 Performance of Generfid S.p.A.

Generfid, a company specialising in custodian capacity of assets, closed the first quarter of 2014 with a non-significant performance. AUM amounted to 824 million euros.

6. Basis of preparation

The Interim Report for the first quarter of 2014 has been prepared as per Article 154-ter, paragraph 5, of Italian Legislative Decree No. 58/98, introduced by Legislative Decree No. 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;
- b) an illustration of the significant events and transactions that occurred during the period of reference and their impact on the balance sheet situation of the issuer and its subsidiaries.

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

- the consolidated condensed balance sheet at the end of the quarter 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 IASs/IFRSs 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 2013.

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 2014, several amendments to the IASs/IFRSs entered into force.

International Accounting Standards endorsed in previous years and effective as of 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
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
IFRS 10, IFRS 11 and IFRS 12 amendments: Transition Guidance	313/2013	04.04.2013	01.01.2014
IFRS 10, IFRS 12 and IAS 27 Amendments: Investment Entities	1174/2013	20.11.2013	01.01.2014
IAS 36 - Amendment: Recoverable Amount Disclosures for Non-Financial Assets	1374/2013	19.12.2013	01.01.2014
IAS 39 - Amendment: Novation of Derivatives and Continuation of Hedge Accounting	1375/2013	19.12.2013	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.

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

COMPANY NAME	REGISTERED OFFICE	TYPE OF CONTROL	SHAREHOLDING RELATIONSHIP		% OF VOTES IN ORD. SHAREHOLDERS' MEETING
			INVESTOR	% OF OWNERSHIP INTEREST	
A. Companies in consolidated accounts					
A.1Recognised using the line-by-line method					
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%
BG Dragon China Sicav	Luxembourg	1	Banca Generali	10.74%	94.74%

Legend: type of control:

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

The scope of consolidation included **BG Dragon China Sicav**, a Luxembourg UCITS promoted by the subsidiary GFM S.A. authorised to invest directly in the Chinese equity market. The acquisition was finalised in late September 2013.

In detail, Banca Generali has subscribed all of the class-A shares of the SICAV and holds a 10.74% interest in the capital of the SICAV and 94.74% of the voting rights in its general meeting; consequently, it is in a situation of control as defined in IAS 27.

In this regard, it is believed that a situation of control may also be deemed as existing according to the new criteria established by IFRS 10, effective 1 January 2014.

However, the Bank's investment is temporary in nature, in that it is intended to permit the launch of the SICAV.

Accordingly, the equity investment may be regarded as a purchase of an asset solely in view of subsequent resale in the near term, pursuant to IFRS 5.32.c, and has thus been accounted for according to that Standard as a disposal group.

The consolidated accounts include the separate accounts of the Parent Company and its subsidiaries at 31 March 2014, 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, 8 May 2014

The Board of Directors



FINANCIAL REVIEW

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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 Company's 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 31 March 2014 corresponds to the Company's books, records and accounting documents.

Trieste, 8 May 2014

*Stefano Grassi
Manager in Charge of Preparing
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 115,402,682 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



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