BANCA GENERALI

INTERIM REPORT AS OF 30.09.2014

BANCA GENERALI S.P.A.

INTERIM REPORT

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BOARD OF DIRECTORS – 4 NOVEMBER 2014

Banca Generali S.p.A.

Administration and control bodies

BOARD OF DIRECTORS

Paolo Vagnone	Chairman
Piermario Motta	Chief Executive Officer
Mario Francesco Anaclerio	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 Vernì	Chairman
Alessandro Gambi	Acting Auditor
Angelo Venchiarutti	Acting Auditor
Luca Camerini	Alternate Auditor
Anna Bruno	Alternate Auditor

GENERAL MANAGER
Piermario Motta

MANAGER IN CHARGE OF PREPARING
THE COMPANY'S FINANCIAL REPORTS
Stefano Grassi

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DECLARATION PURSUANT TO ARTICLE 154-*BIS*, PARAGRAPH 2, OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998 61

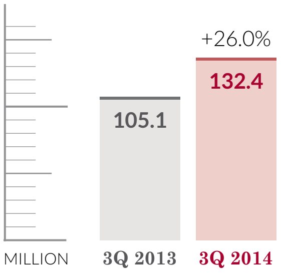
GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS

Group economic and financial highlights

Consolidated figures

(€ MILLION)	9M2014	9M2013	CHANGE %
Net interest income	82.3	92.3	-10.9
Net fees	196.2	165.5	18.6
Dividends and net result of financial operations	52.1	11.3	362.2
Net banking income	**330.6**	**269.1**	**22.9**
Staff expenses	-55.7	-51.3	8.6
Other general and administrative expense	-90.6	-77.6	16.7
Amortisation and depreciation	-3.1	-3.7	-14.8
Other operating income/expense	29.1	20.4	42.4
Net operating expense	**-120.3**	**-112.2**	**7.3**
Operating profit	**210.3**	**156.9**	**34.0**
Provisions	-29.8	-18.8	58.9
Adjustments	-5.3	-1.9	179.4
Profit before taxation	**175.2**	**136.3**	**28.6**
Net profit	**132.4**	**105.1**	**26.0**
Cost/Income ratio	35.4%	40.3%	-12.1
EBITDA	213.4	160.6	32.9
ROE	37.8%	37.5%	0.8
ROA	2.0%	1.6%	25.4
EPS - Earnings per share (€)	1,147	0.922	24.4

Net profit



Net inflows

(ASSORETI DATA) (€ MILLION)	30.09.2014	30.09.2013	CHANGE %
Mutual funds and SICAVs	588	1,222	-51.9
Asset management	158	73	116.4
Insurance/Pension funds	2,168	781	177.6
Securities/Current accounts	171	-230	174.3
Total	**3,085**	**1,846**	**67.1**

Asset Under Management & Custody (AUM/C)

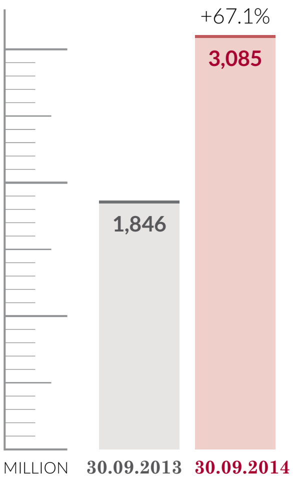
(ASSORETI DATA) (€ BILLION)	30.09.2014	31.12.2013	CHANGE %
Mutual funds and SICAVs	9.5	8.4	12.8
Asset management	3.6	3.2	12.6
Insurance/Pension funds	12.0	9.7	23.9
Securities/Current accounts	8.5	7.9	8.7
Total	**33.6**	**29.1**	**15.4**

Net equity

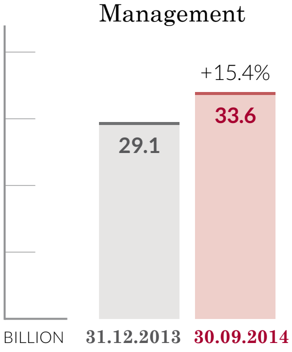
(€ MILLION)	30.09.2014	31.12.2013	CHANGE %
Net equity	510.3	469.1	8.8
Own funds (*)	345.2	313.4	10.1
Excess capital	151.5	144.3	5.0
Total capital ratio (*)	14.26%	14.83%	-3.8

(*) Own funds and solvency ratio at 31 December 2013, determined based on Basel II rules.

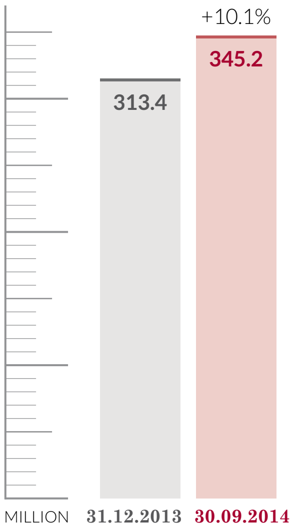
Net inflows



Assets Under Management



Own funds




RMY 18.68 - 0.7%
22%
8 - 0.0%
▼22%
-0.4
-0.44
▼31.26
0.0040
0.0015

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets

(€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
HFT financial assets	29,479	229,905	-200,426	-87.2%
AFS financial assets	1,916,852	1,626,121	290,731	17.9%
HTM financial assets	1,904,529	2,652,687	-748,158	-28.2%
Loans to banks	797,338	291,379	505,959	173.6%
Loans to customers	1,660,183	1,499,771	160,412	10.7%
Equity investments	-	-	-	n.a.
Property, equipment and intangible assets	47,518	50,090	-2,572	-5.1%
Tax receivables	38,086	38,260	-174	-0.5%
Other assets	151,744	140,232	11,512	8.2%
Financial assets held for sale	87,429	74,209	13,220	17.8%
Total assets	**6,633,158**	**6,602,654**	**30,504**	**0.5%**

Net equity and liabilities

(€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
Due to banks	1,387,881	2,230,871	-842,990	-37.8%
Due to customers	4,327,983	3,588,700	739,283	20.6%
Financial liabilities held for trading and hedging	1,448	597	851	142.5%
Tax payables	45,202	27,768	17,434	62.8%
Other liabilities	189,953	142,598	47,355	33.2%
Financial liabilities held for sale	78,757	66,252	12,505	18.9%
Special purpose provisions	91,651	76,736	14,915	19.4%
Valuation reserves	22,111	5,460	16,651	305.0%
Reserves	195,253	164,221	31,032	18.9%
Additional paid-in capital	44,977	37,302	7,675	20.6%
Share capital	115,621	114,895	726	0.6%
Treasury shares (-)	-41	-41	-	-
Minority interests	-	6,039	-6,039	-100.0%
Net profit for the period	132,362	141,256	-8,894	-6.3%
Total net equity and liabilities	**6,633,158**	**6,602,654**	**30,504**	**0.5%**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Items (€ THOUSAND)	9M2014	9M2013 RESTATED (*)	CHANGE AMOUNT	 %
Net interest	**82,268**	**92,327**	**-10,059**	**-10.9%**
Net fees	**196,235**	**165,469**	**30,766**	**18.6%**
Dividends	817	908	-91	-10.0%
Net result of financial operations	51,329	10,375	40,954	394.7%
Net operating income	**330,649**	**269,079**	**61,570**	**22.9%**
Staff expenses	-55,682	-51,291	-4,391	8.6%
Other general and administrative expense	-90,610	-77,624	-12,986	16.7%
Net adjustments of property, equipment and intangible assets	-3,126	-3,669	543	-14.8%
Other operating income and expenses	29,079	20,418	8,661	42.4%
Net operating expense	**-120,339**	**-112,166**	**-8,173**	**7.3%**
Operating profit	**210,310**	**156,913**	**53,397**	**34.0%**
Net adjustments for non-performing loans	-4,578	-984	-3,594	365.2%
Net adjustments of other assets	-697	-904	207	-22.9%
Net provisions	-29,815	-18,767	-11,048	58.9%
Gain (loss) from equity investments	-10	-4	-6	150.0%
Operating profit before taxation	**175,210**	**136,254**	**38,956**	**28.6%**
Income taxes for the period	-43,563	-31,188	-12,375	39.7%
Profit (loss) from AFS assets	715	3,302	-2,587	-78.3%
Profit attributable to minority interests	-	-3,302	3,302	-100.0%
Net profit	**132,362**	**105,066**	**27,296**	**26.0%**

(*) Former GIL business restated pursuant to IFRS5.

STATEMENT OF COMPREHENSIVE INCOME

(€ THOUSAND)	9M2014	9M2013 RESTATED	CHANGE AMOUNT	 %
Net profit (loss)	**132,362**	**105,066**	**27,296**	**26.0%**
Other income, net of income taxes:				
With transfer to profit and loss account				
AFS assets	17,087	-291	17,378	n.s.
Without transfer to profit and loss account				
Actuarial gains (losses) from defined benefit plans	-436	-32	-404	n.s.
Total other income, net of taxes	**16,651**	**-323**	**16,974**	**n.s.**
Comprehensive income	**149,013**	**104,743**	**44,270**	**42.3%**

INTERIM REPORT

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

In 2014, the Banking Group has continued to grow with constantly increasing intensity.
Total net inflows since the beginning of the year reached the new significant peak of 3.1 billion euros, and even the third quarter — which is usually characterised by the summer holidays — closed with a positive balance of 771 million euros, which represents the Group's best-ever performance for the period.
This result allows Banca Generali to consolidate its position at the top of the industry rankings, while gaining market share and increasingly showing its competitive edge, consisting of a specific high-quality set of products, network and service.

Against this background, net profit for the first nine months of 2014 amounted to 132.4 million euros, up 26.0% compared to the already excellent result achieved in the same period of 2013.

Net banking income rose to 330.6 million euros, with a considerable increase of 61.6 million euros compared to the first nine months of 2013 (+22.9%), driven both by the non-recurring components and the solid performance of asset management fee income.
The latter showed an increase of approximately 45 million euros (+20.6%), in line with the growth reported in Banking Group's AUM.
Attention should also be drawn to the excellent net result of financial operations (+52.1 million euros), thanks to the exploitation of the favourable market conditions tied to the reduced spread on Italian government debt and the sharp rise in performance fees, which exceeded the very high values reported for the first nine months of 2013 (+39.9%), second only to the record result posted in the first quarter of 2012.
On the other hand, net interest continued to decline (-10.9%), penalised by the macroeconomic context, which was characterised by deflationary pressure and low interest rates.

Net operating expenses grew slightly to 120.3 million euros (+7.3%), mainly due to the merger costs incurred for the acquisition of Credit Suisse Italia's business line and the significant commitments for the implementation of the new service model, as well as the constant upgrading of the bank's digital platform.

Net provisions and adjustments amounted to 35.1 million euros, up by 14.4 million euros compared to the same period of 2013, and consisted primarily of accruals relating to incentives, development and contractual indemnities of the Financial Planner network, as well as prudential adjustments to non-performing loans to customers.

The total value of assets managed by the Group on behalf of customers, considered for Assoreti reporting purposes, amounted to 33.6 billion euros at 30 September 2014, up by 15.4% 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 1.7 billion euros in deposits of assets under administration of companies of the Generali Group and 0.5 billion euros in mutual funds and discretionary accounts (GPF and GPM) distributed directly by management companies or parties outside the Banking Group, for an overall total of 35.8 billion euros.

In order to increase its market share and enhance its distribution network, the acquisition of the private banking unit of Credit Suisse Italia was approved in early July. This transaction will become effective 1 November, subject to the authorisation of the Supervisory Body. As a result of this deal, the Bank will acquire 51 high-standing professionals managing about 1.9 billion of assets.

In the context of the Generali Group's internal reorganisation process, the partial de-merger of the subsidiary Generali Fund Management became effective on 1 July 2014. The transaction involved the de-merger of the business line managing the funds and SICAVs distributed by the Generali Group's insurance companies, coinciding, from a capital and financial standpoint, with the minority interests recognised in Banca Generali's Financial Statements. Accordingly, following the de-merger, Generali Fund Management, which has since been renamed BG Fund Management and has become a fully-owned subsidiary of Banca Generali, will only manage funds and SICAVs distributed to retail customers, primarily of the Banca Generali Group.

Before analysing the Bank's sales and financial results for the first nine 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 nine months of 2014, general economic data showed a gradual improvement of global economy.
After an especially severe winter season, which interrupted the American recovery, the United States economy returned to an upwards trend, achieving a growth rate which exceeded potential levels, buoyed by a stronger job market and robust private consumption.
Following the peak growth achieved in the first quarter, the **Euro Area** showed further signs of weakness, as observed in the summer months from surveys on businesses and consumers. Negative factors included, on the one hand, the sanctions imposed by the European Union on Russia for its attitude in the Ukraine crisis, but also, on the other hand, the lack of progress in structural reforms in certain countries (France and Italy). However, within this context, the growth gaps among the various countries nonetheless shrank.
After slowing down at the beginning of the period, growth in **China** stabilised in the mid-2014 at a rate slight under that of late 2013. Chinese economic policy authorities could therefore adopt various fiscal and monetary easing measures targeting specific sectors, without changing the overall nature of the country's economic policy.
The global scenario continued to benefit from **monetary policies** that remained highly accommodating. On the one hand, the Federal Reserve proceeded with its tapering of government bond purchases, while keeping liquidity plentiful. On the other, faced with a scenario of lower-than-expected inflation, the ECB responded by rendering its monetary policy more accommodating by cutting interest rates and adopting specific measures aimed at supporting the real economy.
In this context, **equity and bond markets** were strengthened. The prospect of a rate increase in the United States in early 2015 in response to further acceleration of growth drove the dollar to appreciate against all other currencies in the summer months.

In the reporting period, **rates on the Euro Area interbank market** held stable until mid-May, after which they declined rapidly in response to the more accommodating stance taken by the ECB. In fact, during the summer the ECB lowered its benchmark rate range by a total of 20bps on two occasions (early June and early September), bringing its refinancing rate to 0.05% and its deposit rate to negative territory for the first time at -0.20%. In addition, it also introduced, in June, long-term refinancing operations with the specific objective of supporting banking credit for non-financial companies (TLTROs), and, in September, a repurchasing programme for asset-backed securities and covered bonds. The first TLTRO was held in mid-September (for an amount of up to 400 billion euros, maturity in autumn 2018 and a fixed rate equal to the refinancing rate plus 10bps): the auction fell short of expectations, receiving applications for only approximately 83 billion euros, compared to the projected 175 billion euros, half of which was allocated to Italian and Spanish banks. The low level of participation may be attributed, in all likelihood, to the decision by banks to await the end of the bank financial statement evaluation process by the ECB before applying for additional liquidity. In this scenario, the three-month Euribor — which until May had been fluctuating around the level of 0.3% reached at the end of 2013 — closed the period at 0.08%. The period continued to show a decline in the Bundesbank's loans to other Central Banks, as measured by the Target2 system, which provide a good approximation of capital movements within the Euro Area.

The **equity markets** of Developed Countries performed overall better than those of Emerging Countries, though with significant exceptions in specific areas. The MSCI World index rose by 12.1%, the S&P500 by 16.9% and the Topix by 6.7%. In Europe, the benchmark index for the entire area (the DJ Stoxx 600) grew by 4.5%, while the Euro Area benchmark (the DJ Euro Stoxx) climbed 2.4%. During the period, exchanges in emerging markets reported diverging performance in euro according to the reference area: 9.9% overall (the MSCI Emerging Markets index in euro), 36.7% in India and 10.4% in China. Overall, the market sectors that performed best in Europe were health, utilities, real estate and food, whereas retail sales, automotive, industrial and chemical goods and services posted below-average performance.

In the reporting period, there was an overall downtrend in **bond yields** on the market of reference (Treasuries and Bunds), attributable to the inflationary scenario — which remained under control — and the Central Banks' commitment towards a favourable liquidity environment. In Europe, in response to a situation of heightened deflation and stagnating growth, returns in euro on the ten-year maturity declined to reach a historical low at the end of the period of 0.90%, down from 1.94% at the beginning of the year, whereas rates on short-term maturities (two years) returned to negative territory in response to the new accommodating turn of monetary policy stance taken by the ECB. There was a similar, but less marked, decline in U.S. yields, which closed the period at 2.51%, down from 3.01%, on the ten-year maturities. In this context, the trend towards narrower spreads between countries within the European Monetary Union continued, with spreads ending the reporting period at levels similar to those recorded in spring 2011. On the Italian market, the process of falling spreads was more accentuated than elsewhere, extending across the entire curve: at the end of September, yields on two-year securities dropped to 0.40% (-90bps compared to the end of 2013), those on five-year securities to 1% (-170bps), those on ten-year securities to 2.30% (-185bps) and those on 30-year securities to 3.98% (-130bps). The spread between the ten-year BTP and Bund fell to about 140 points from 218 points at the end of 2013.

On **currency markets**, the prospects of a rate increase in 2015 by the Federal Reserve strengthened the dollar against all other currencies. In particular, the temporary divergence of orientation between the monetary polices of the Federal Reserve and ECB significantly weakened the euro, which during the period fell from a level of 1.37 dollars to the euro to 1.26 dollars to the euro at the end of the quarter.

Lastly, **commodities** prices showed a downtrend. Oil prices (WTI) rose from about 97 dollars a barrel in early January to over 105 at the end of June, to then fall below the initial price and close the reporting period at 91 dollars a barrel. Over the same period, gold increased from 1,202 dollars an ounce to a high of slightly above 1,400, to then decline in the summer and close the period at the year-start levels.

Outlook

For the coming months, the major international organisations predict that the recovery will continue at a moderate pace and accelerate in 2015. Overall, emerging countries will grow at faster rates than developed countries, although profiles will differ from one geographical region to the other. Central banks have emphasised that the inflation scenario will generally remain under control, but that, in advanced economies, inflation has proved lower than previously expected. Consequently, the International Monetary Fund has invited economic policy authorities not to scale back the abundant liquidity in an abrupt manner. As for emerging countries, the International Monetary Fund has observed that additional adjustments are necessary, in a selective manner, in the area of current account balances.
At the European summit in September, the European Commission's structure was reinforced through the appointment of seven vice-presidents, one of whom will be responsible for supervising economic policies. The end of October marked the end of the thorough assessment of the financial statements of Euro Area banks, which includes the asset quality review and stress tests, in view of the November deadline, when the ECB will assume responsibility for banking supervision in the Euro Area.

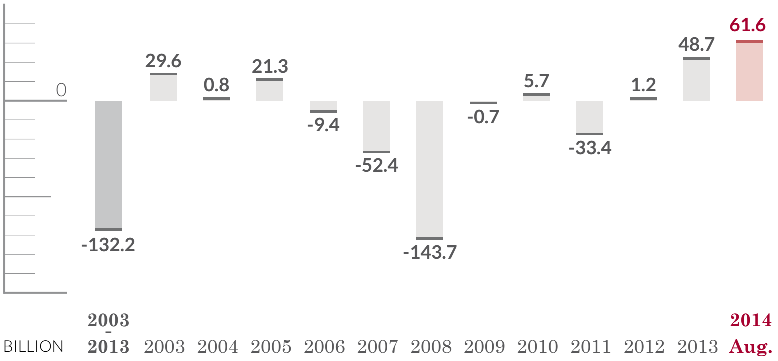
3. Banca Generali's competitive positioning

Banca Generali is a leading manager, producer and distributor of financial products and services for Affluent and Private customers through Financial Advisors. The Group's markets of reference are asset management and distribution through Financial Advisor networks.

3.1 The asset management market

In 2014, the uptrend in the retail asset management industry that began in 2013 was further accentuated: after a long period of crisis, inflows reported the best result of the past 13 years (over 50 billion euros) and assets under management returned at their highest levels. In the first nine months of the year, therefore, net inflows reported by the asset management industry in Italy (the Assogestioni market) totalled approximately 67 billion euros, largely attributable to the UCITS segment.
In particular, in the first eight months of 2014, the UCITS market recorded significant net inflows amounting to 61.6 billion euros, increasing by 26% compared to the figure for the whole 2013.
In the last period, inflows were also driven by renewed interest in investments in UCITSs by investors through bank branches (about 80% of total inflows according to an estimate by Assoreti). In fact, this segment of the market had recorded significant outflows for many years, in clear contrast to the inflows shown by distribution through Financial Advisors.
Until this reheightened attention towards banks in 2013, this had allowed the Financial Advisor sector, which is characterised by an approach with a greater advisory component and is less affected by the funding problems within the banking system, to achieve gradual consolidation of market share now equal to more than one-fifth of the total and constantly increasing over the years.

The UCITS market in Italy since 2003 (€ billion)



Source: Assogestioni data updated August 2014.

3.2 The Assoreti market

In the first eight months of 2014, net inflows reported by the Assoreti market (total distribution activity through Financial Advisors) exceeded by 36% the extremely positive results recorded in 2013.

(€ MILLION)	31.08.2014	31.08.2013	CHANGE
Asset management	8,311	9,798	-1,487
Insurance products	7,225	5,400	1,825
Assets under administration and custody	84	-3,712	3,796
Total	**15,620**	**11,487**	**4,133**

Source: Assoreti data updated August 2014.

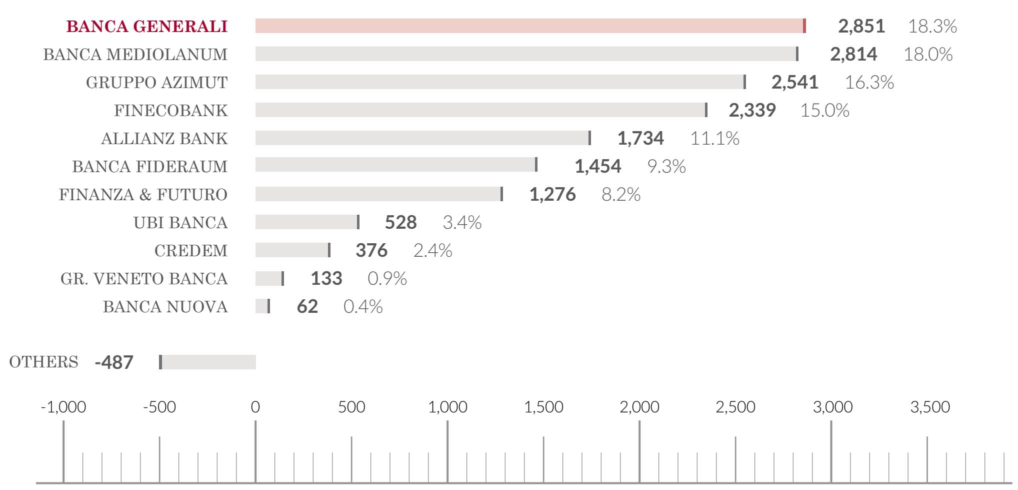
In terms of composition, the growth of asset management and insurance products was balanced, whereas assets under administration and custody were neutral.

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 far exceeding the record levels reported for the entire 2013 and a market share increasing to 18.3% compared to 15% for the first nine months of 2013.
This result was only partly influenced by the recruitment activity yielding over 600 million euros undertaken in the first part of the year, which targeted financial advisors from Simgenia SIM, an Assicurazioni Generali Group company that discontinued its financial service distribution activity in late 2013. Just about 60 of the best advisors of Simgenia SIM, out of its over 1,000 advisors, continue to engage in external offer of products and services under Banca Generali's mandate. Others are now working for other brokerage companies, whereas the majority has returned to insurance roles only.

Total net inflows Assoreti – 15.6 billion euros

August 2014 (€ million)

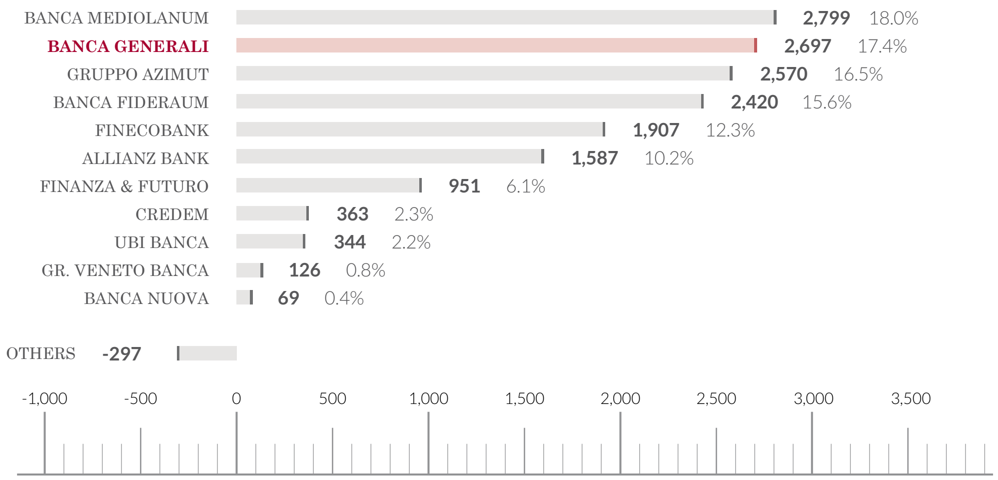


Source: Assoreti.

Considering the asset management and insurance segments together, the figure remains outstanding.

Net AUM and insurance inflows Assoreti – 15.5 billion euros

August 2014 (€ million)



Source: Assoreti.

With exclusive reference to Banca Generali, it should be noted that at 30 September 2014 net inflows exceeded 3 billion euros, with a 67% improvement on the excellent result achieved in 2013 (+32% net of inflows contributed by financial advisors previously working at Simgenia).

In particular, attention should be drawn to the insurance performance, which was influenced by the launch of an innovative multi-line policy that accounted for approximately 50% of inflows. Overall, (financial and insurance) managed assets inflows reached 2.9 billion euros.

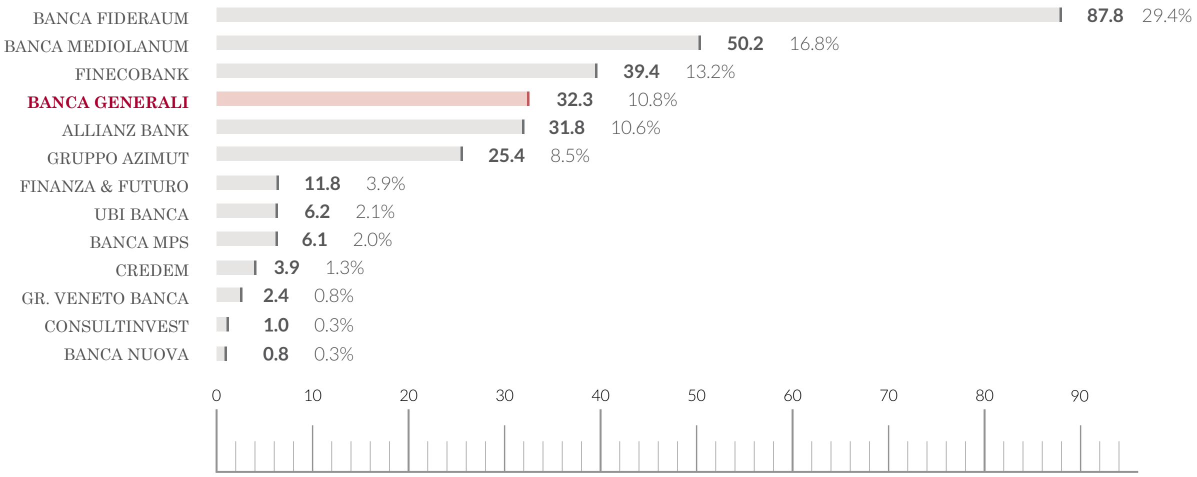
Net inflows of Banca Generali

(€ MILLION)	BG GROUP 30.09.2014	BG GROUP 30.09.2013	CHANGES VS 30.09.2013 AMOUNT	%
Total assets under management	**746**	**1,295**	**-549**	**-42%**
Funds and SICAVs	588	1,222	-634	-52%
GPF/GPM	158	73	85	116%
Total insurance products	**2,168**	**781**	**1,387**	**178%**
Total assets under administration and custody	**171**	**-230**	**401**	**n.s.**
Total assets placed by the network	**3,085**	**1,846**	**1,239**	**67%**

Based on latest data available at June 2014, Banca Generali also confirmed its position among top competitors on the market in terms of AUM, with a further increase in market share to 10.8% compared to year-end 2013.

Assoreti total assets – 299.1 billion euros

June 2014, (€ billion)



Source: Assoreti.

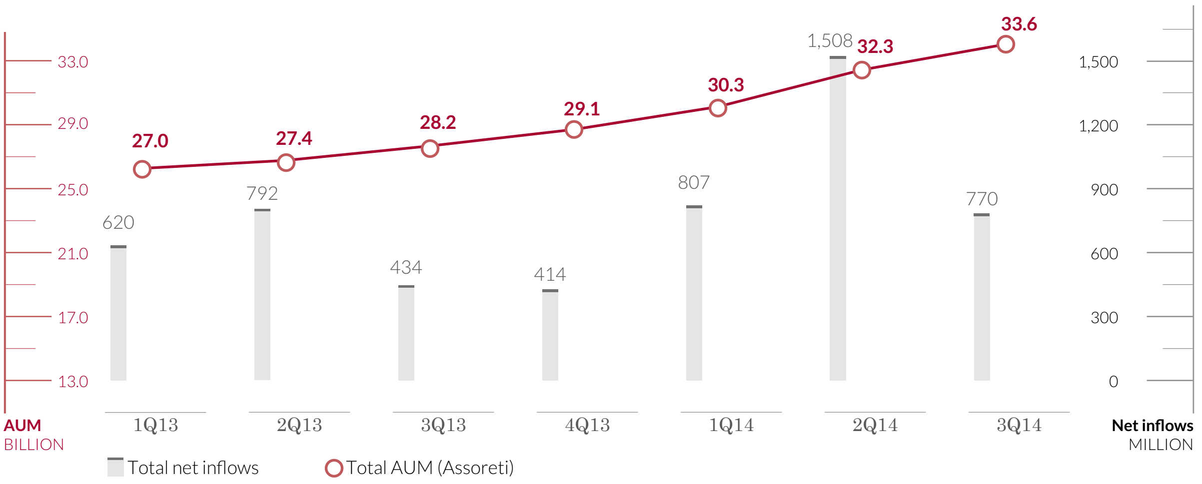
Considering the September AUM figures of Banca Generali only — as illustrated in the summary table containing a breakdown by macro-aggregate — and comparing them with the figures from December 2013, it may be observed that assets under management increased by approximately 15% during the nine months under review. The assets in question refer to the Assoreti market, i.e., the market related to the Financial Advisor operating area.

As for the net inflows, a part of this increase (about 0.65 billion euros) is attributable to the recruitment of former Simgenia SIM financial advisors. Net of this amount, AUM increased nonetheless significantly by 13% in the reporting period, rising sharply in all areas, especially the insurance one. This growth is partly attributable to the net inflows reported above, partly to the strong performance of the products in which customers' assets are invested.

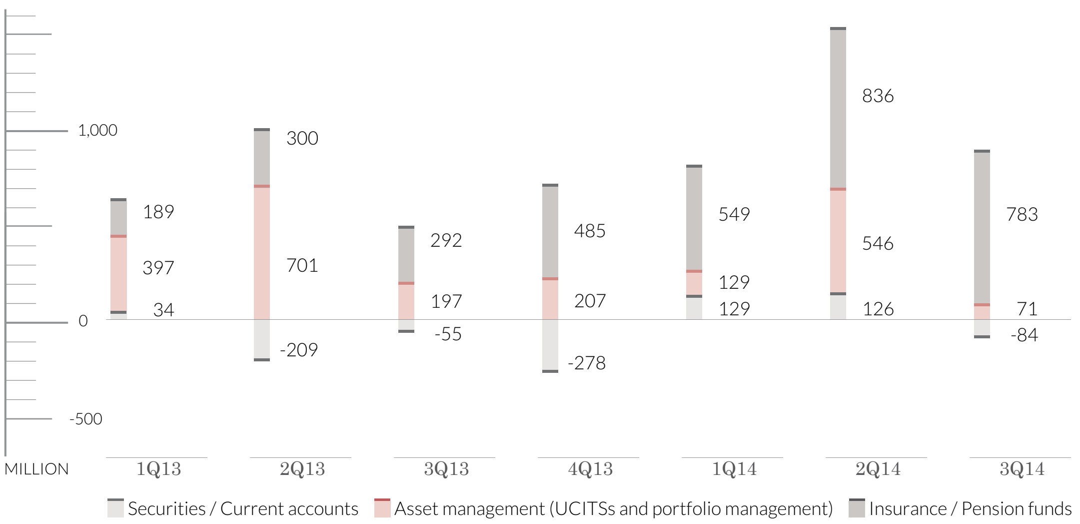
Banca Generali's total assets

(€ MILLION)	BG GROUP 30.09.2014	BG GROUP 31.12.2013	CHANGES VS 31.12.2013 AMOUNT	%
Total assets under management	**13,055**	**11,581**	**1,474**	**13%**
Funds and SICAVs	9,498	8,423	1,075	13%
GPF/GPM	3,557	3,158	399	13%
Total insurance products	**11,993**	**9,676**	**2,318**	**24%**
Total assets under administration and custody	**8,542**	**7,859**	**683**	**9%**
Total assets placed by the network	**33,590**	**29,115**	**4,475**	**15%**

AUM evolution and net inflows



Quarterly net inflows



4. Operating result and performance of the main equity aggregates

On 1 July 2014, the partial de-merger by the Luxembourg subsidiary BGFM SA of the unit responsible for managing funds/SICAVs distributed by the Generali Group's insurance companies (former GIL unit) was finalised; the said unit was therefore excluded from the Banking Group's consolidation area.
Since the transaction was undertaken with retroactive effect for accounting purposes from 1 January 2014, the present accounting situation no longer includes the profit and loss components of the de-merged unit, which, conversely, in the Consolidated Half-yearly Report at 30 June 2014, had been included in a single item relating to profits and losses of disposal groups.
In compliance with the provisions of IFRS 5, profit and loss figures for the same period of 2013 have also been restated in order to provide more comparable data.

4.1 Profit and loss results

The Group's net profit at the end of the first nine months of 2014 was 132.4 million euros, up by 26.0% compared to the excellent result reported at the end of the same period of 2013.

(€ THOUSAND)	9M2014	9M2013 RESTATED (*)	CHANGE AMOUNT	CHANGE %
Net interest	**82,268**	**92,327**	**-10,059**	**-10.9%**
Net fees	**196,235**	**165,469**	**30,766**	**18.6%**
Dividends	817	908	-91	-10.0%
Net result of financial operations	51,329	10,375	40,954	394.7%
Net operating income	**330,649**	**269,079**	**61,570**	**22.9%**
Staff expenses	-55,682	-51,291	-4,391	8.6%
Other general and administrative expense	-90,610	-77,624	-12,986	16.7%
Net adjustments of property, equipment and intangible assets	-3,126	-3,669	543	-14.8%
Other operating expense/income	29,079	20,418	8,661	42.4%
Net operating expense	**-120,339**	**-112,166**	**-8,173**	**7.3%**
Operating profit	**210,310**	**156,913**	**53,397**	**34.0%**
Net adjustments for non-performing loans	-4,578	-984	-3,594	365.2%
Net adjustments of other assets	-697	-904	207	-22.9%
Net provisions	-29,815	-18,767	-11,048	58.9%
Gain (loss) from equity investments	-10	-4	-6	150.0%
Operating profit before taxation	**175,210**	**136,254**	**38,956**	**28.6%**
Income taxes for the period	-43,563	-31,188	-12,375	39.7%
Gains from non-current assets held for sale	715	3,302	-2,587	-78.3%
Profit attributable to minority interests	-	-3,302	3,302	-100.0%
Net profit	**132,362**	**105,066**	**27,296**	**26.0%**

(*) Restated in accordance with IFRS 5.

Net operating income amounted to 330.6 million euros, with an increase of 61.6 million euros (+22.9%) compared to the same period of the previous year, due to several factors:

- the contribution of non-recurring components of operating profit, chiefly attributable to the excellent result of financial operations (+40.9 million euros) achieved by leveraging the positive market conditions arising from the decline in the spreads on Italian government debt and the strong increase in incentive fee income (+11.7 million euros), which exceeded the extremely high levels of the first nine months of 2013 thanks to the results reported in the third quarter of the year;
- the increase in management fees by about 45 million euros (+20.6%) — in line with the significant rise in average AUM compared to the same period of 2013 — which allowed the stabilisation of net fees;
- the decline in net interest (-10.1 million euros), affected primarily by the dramatic decline in yields on the Italian government bond market.

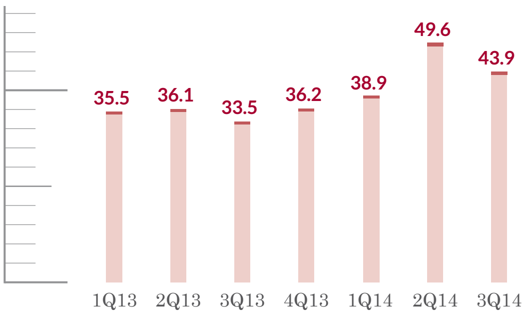
Net **operating expenses** amounted to 120.3 million euros, showing a more modest growth (+7.3%) which reflected the merger costs incurred for the acquisition of Credit Suisse Italia's business unit and the significant commitments for the implementation of the new service model, as well as the constant upgrading of the bank's digital platform.
The **cost/income ratio**, which measures the ratio of operating costs, gross of value adjustments to tangible and intangible assets, to net operating income, decreased to 35.4%, confirming the positive operating leverage effect, which saw the cost performance outpaced by the revenue performance.

Net provisions and adjustments amounted to 35.1 million euros, up by 14.4 million euros compared to the same period of 2013, and consisted primarily of accruals relating to incentives, development and contractual indemnities of the Financial Planner network, as well as prudential adjustments to non-performing loans to customers.

Operating profit before taxation thus was 175.2 million euros, up by 28.6% 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 increase — compared to the same period of 2013 — in the taxable income generated by the Group's Italian companies in relation to consolidated operating profit before taxation.

Quarterly net profit (€ million)



Quarterly evolution of the profit and loss account

(€ THOUSAND)	3Q2014	2Q2014 (**)	1Q2014 (**)	4Q2013 (*)	3Q2013 (*)	2Q2013 (*)	1Q2013 (*)
Net interest	**26,987**	**26,608**	**28,673**	**29,515**	**28,695**	**30,151**	**33,481**
Net fees	**67,956**	**70,677**	**57,602**	**60,919**	**46,544**	**58,152**	**60,773**
Dividends	45	751	21	7	52	848	8
Net result of financial operations	6,335	26,688	18,306	7,690	4,992	4,032	1,351
Net operating income	**101,323**	**124,724**	**104,602**	**98,131**	**80,283**	**93,183**	**95,613**
Staff expenses	-18,310	-19,298	-18,074	-18,192	-16,905	-16,718	-17,668
Other general and administrative expense	-30,630	-29,423	-30,557	-27,603	-25,594	-28,247	-23,783
Net adjustments of property, equipment and intangible assets	-1,052	-1,043	-1,031	-1,377	-1,262	-1,254	-1,153
Other operating expense/income	8,097	10,627	10,355	10,749	6,061	10,317	4,040
Net operating expense	**-41,895**	**-39,137**	**-39,307**	**-36,423**	**-37,700**	**-35,902**	**-38,564**
Operating profit	**59,428**	**85,587**	**65,295**	**61,708**	**42,583**	**57,281**	**57,049**
Net adjustments for non-performing loans	-854	-3,379	-345	-3,931	-429	212	-767
Net adjustments of other assets	70	-178	-589	-254	-4	-302	-598
Net provisions	-4,018	-15,410	-10,387	-4,132	2,629	-10,661	-10,735
Gain (loss) from equity investments	-	-	-10	-	-	-	-4
Operating profit before taxation	**54,626**	**66,620**	**53,964**	**53,391**	**44,779**	**46,530**	**44,945**
Income taxes for the period	-11,682	-17,293	-14,588	-17,077	-11,303	-10,461	-9,424
Gains from non-current assets held for sale	975	228	-488	1,259	815	1,524	963
Profit attributable to minority interests	-	-	-	-1,383	-815	-1,524	-963
Net profit	**43,919**	**49,555**	**38,888**	**36,190**	**33,476**	**36,069**	**35,521**

(*) Restated in accordance with IFRS 5 (restatement of former GIL unit).
(**) Restated in accordance with IFRIC 17 (retroactive disposal of former GIL unit).

4.1.1 Net interest

Net interest income was **82.3 million euros**, down by 10.1 million euros compared to the figure reported in the first nine months of 2013 (-10.9%), driven by the constant decline in the profitability of investments arising on the ongoing downtrend in interest rates.

Indeed, the downtrend in interest rates continued in the third quarter of 2014, driven by the persistent expansionary monetary policies of central banks and expectations of deflation in the Euro Area.
In September, the ECB further reduced the interest rate applied to its primary refinancing transactions by 10bps, bringing it to an historic low of 0.05% compared to the 0.15% set in early June. The rates paid to the banking system on deposit facilities with the ECB continued to descend further into negative territory, falling from -0.10% to -0.20%.

Following a brief recovery during the year, interbank rates then declined once more at the end of September to reach minimum levels (one-month Euribor of 0.02% and three-month Euribor of 0.10% in September). However, the average rates observed in the first nine months of the year grew compared to the same period of 2013.

At the same time, yields on Italian government bonds also continued to decline, with the yield on two-year BTP securities achieving 0.34% in September, down by more than 80% compared to September 2013 and nearly 60% compared to the average for the first nine months of the previous year.

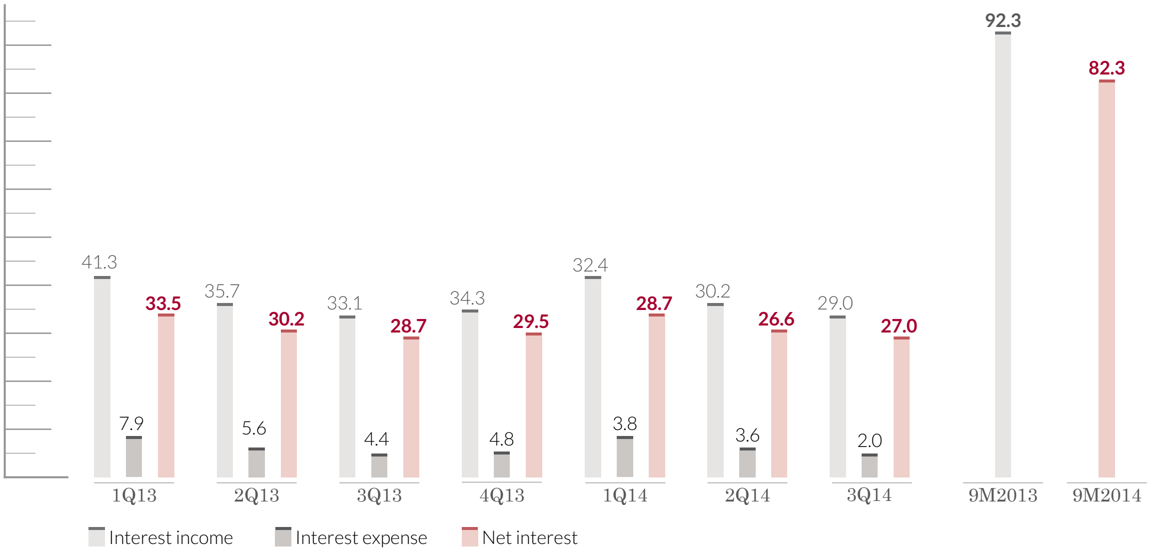
Against this background, in Banca Generali's case interest rate dynamics had a much more pronounced impact on the profitability of loans and investments, closely tied to the performance of Italian government bond yields, than on the cost of funding, which has now reached extremely low levels.

Therefore, interest income decreased by 18.5 million euros, chiefly due to the decline in the return on the government bond portfolio, only partially offset by the increase in loans to customers, which rose by 4.1 million euros (+29.4%) as a result of both the increase in the volume of loans and spreads applied.
By contrast, the cost of inflows almost halved (-8.5 million euros), due to a general decline in expenses across all sectors of operation, from ECB LTRO deposits (-4.1 million euros) to interbank transactions and transactions with customers in the form of repurchase agreements (-2.2 million euros) and ordinary inflows from customers (-1.9 million euros).

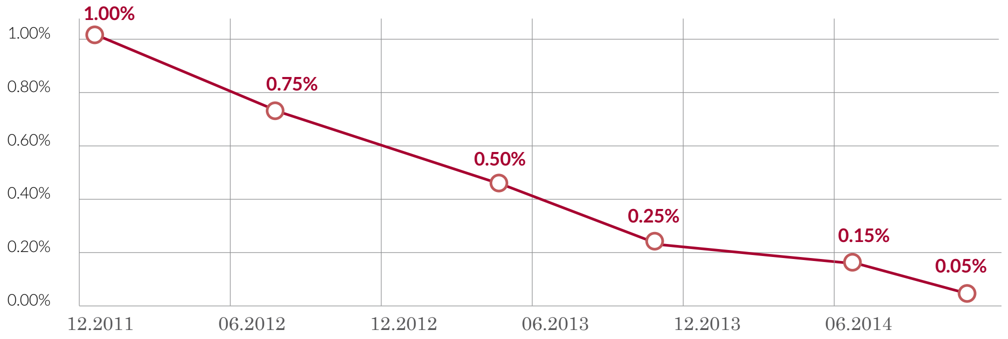
(€ THOUSAND)	30.09.2014	30.09.2013	CHANGE	
		RESTATED	AMOUNT	%
HFT financial assets	498	8,832	-8,334	-94.4%
AFS financial assets	21,581	19,600	1,981	10.1%
HTM financial assets	47,261	64,273	-17,012	-26.5%
Financial assets classified among loans	3,422	2,811	611	21.7%
Total financial assets	**72,762**	**95,516**	**-22,754**	**-23.8%**
Loans to banks	585	522	63	12.1%
Loans to customers	18,276	14,128	4,148	29.4%
Hedging derivatives	-	-	-	n.a.
Other assets	2	-	2	n.a.
Total interest income	**91,625**	**110,166**	**-18,541**	**-16.8%**
Due to ECB	1,685	5,760	-4,075	-70.7%
Due to banks	334	422	-88	-20.9%
Repurchase agreements - banks	1,980	2,925	-945	-32.3%
Due to customers	4,777	6,686	-1,909	-28.6%
Repurchase agreements - customers	211	1,461	-1,250	-85.6%
Subordinated loan	370	585	-215	-36.8%
Other liabilities	-	-	-	n.a.
Total interest expense	**9,357**	**17,839**	**-8,482**	**-47.5%**
Net interest	**82,268**	**92,327**	**-10,059**	**-10.9%**

In the first nine months of 2014, the ratio of LTROs to net interest income is estimated at 32% of the overall net interest income.

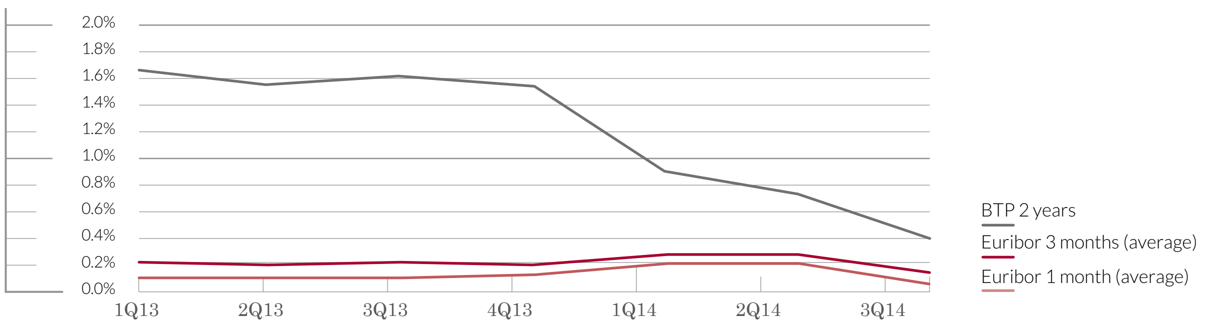
Net interests (€ million)



ECB Primary refinancing operations (LTROs)



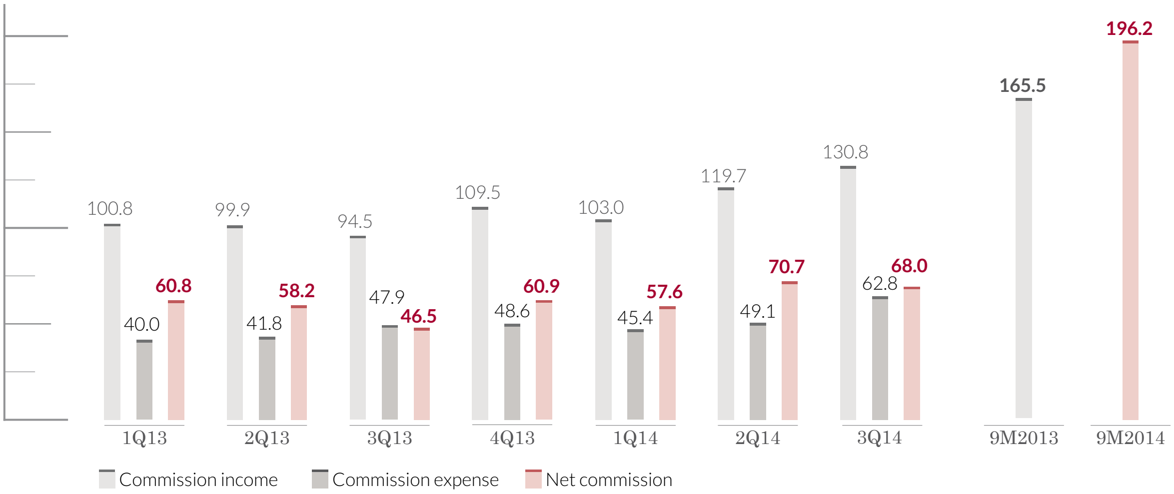
Interest rate evolution (monthly average)



4.1.2 Net fees

The fee aggregate amounted to **196.2 million euros**, increasing by 18.6% compared to the same period of 2013.

Net fees (€ million)



(€ THOUSAND)	9M2014	9M2013 RESTATED	CHANGE AMOUNT	CHANGE %
Collective and individual portfolio management fees	205,721	172,989	32,732	18.9%
Fees on the placement of securities and UCITS	45,237	36,732	8,505	23.2%
Fees on the distribution of third-party financial products	78,912	59,919	18,993	31.7%
Fees on trading and securities custody	16,989	19,141	-2,152	-11.2%
Other banking services	6,697	6,417	280	4.4%
Total fee income	**353,556**	**295,198**	**58,358**	**19.8%**
Fees for external offer	136,072	109,926	26,146	23.8%
Fees for dealing in securities and custody	5,279	6,295	-1,016	-16.1%
Fees for asset management	13,429	11,288	2,141	19.0%
Other banking services	2,541	2,220	321	14.5%
Total fee expense	**157,321**	**129,729**	**27,592**	**21.3%**
Net fees	**196,235**	**165,469**	**30,766**	**18.6%**

Fee income increased by 58.4 million euros overall (+19.8%), owing primarily to the contribution by management fees (+44.8 million euros), driven by the significant progress of average AUM compared to the same period of the previous year.

Attention should be drawn in particular to the acceleration of quarterly growth, which amounted to over 7 million euros in the third quarter of 2014, compared to the average growth of 3-4 million euros in previous periods of reference.

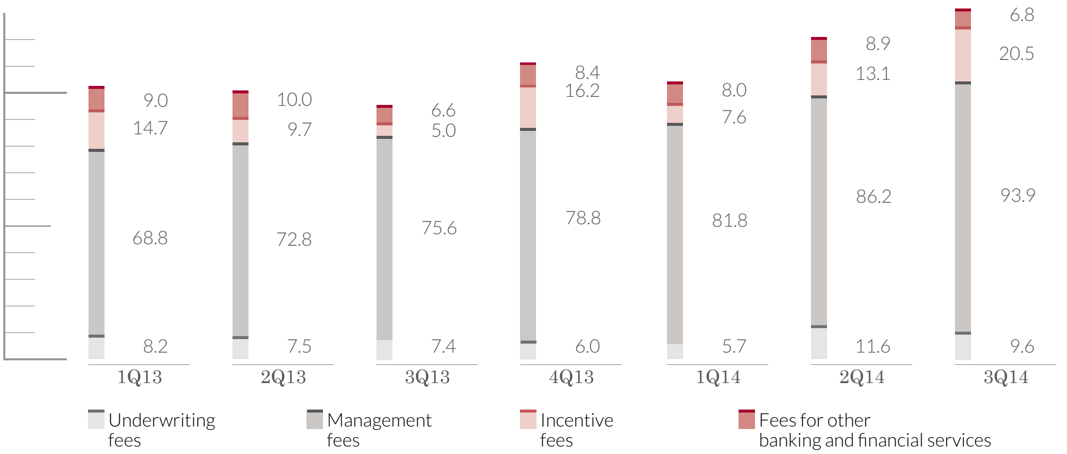
(€ THOUSAND)	9M2014	9M2013	CHANGE	
		RESTATED	AMOUNT	%
Underwriting fees	26,811	23,098	3,713	16.1%
Management fees	261,901	217,126	44,775	20.6%
Incentive fees	41,158	29,416	11,742	39.9%
Fees for other banking and financial services	23,686	25,558	-1,872	-7.3%
Total	**353,556**	**295,198**	**58,358**	**19.8%**

An excellent contribution to growth was also provided by the performance fees earned by the Banking Group's SICAVs which, as a result of the leap witnessed in the third quarter of the year (only lower in absolute terms than the record result for the first quarter of 2012) amounted to 41.2 million euros, thereby far exceeding the already high levels achieved in 2013 (+39.9%).

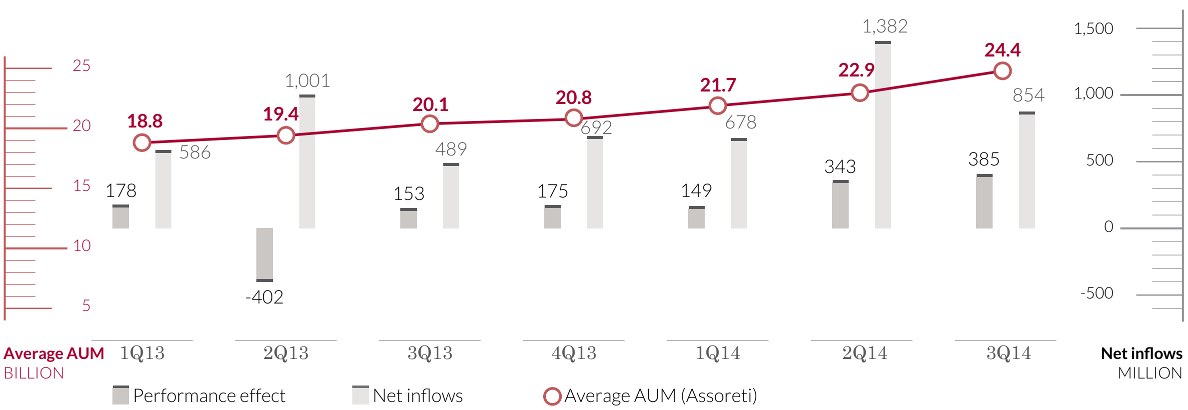
Subscription fees also presented a positive trend compared to 2013, owing primarily to the increased income on the placement of securities and the repositioning of the portfolio management segment.

Fees for other banking services (down 7.3%) were significantly influenced by fluctuations in trading activities on behalf of retail and corporate customers.

Fee income structure (€ million)



Evolution of managed assets and life insurance AUM



Fee income from the solicitation of investment and asset management of households amounted to 329.9 million euros, with a growth of 60.2 million euros compared to the previous year, driven by both the sharp increase in placement and distribution of third-party services (+28.5%), and, in the third quarter, the rise in revenues from assets directly managed by the Group (+18.9%).

Within the first segment, the distribution of the insurance products of Genertellife (+18.8 million euros, or +31.6%) continued to grow, also thanks to the success obtained by the new multi-class policy BG Stile Libero, which reported approximately 1.2 billion euros in net inflows since its launch in March.

The first nine months of 2014 also proved extremely positive in terms of placement of UCITSs, which showed an increase of 26.9% compared to 2013 (+7.9 million euros), owing mainly to the rise in assets managed by foreign principal companies.

In the segment of the SICAVs promoted by the Banking Group, there was continuing structural growth of management fees (+19.1 million euros, or 16.3%), currently backed by the increased contribution by performance fees (+11.7 million euros).
The result of individual portfolio management showed an improvement attributable to the repositioning of customers within new product lines.

(€ THOUSAND)	9M2014	9M2013 RESTATED	CHANGE AMOUNT	CHANGE %
1. Collective asset management	177,385	146,530	30,855	21.1%
2. Individual asset management	28,336	26,460	1,876	7.1%
Fees on asset management	**205,721**	**172,990**	**32,731**	**18.9%**
1. Placement of UCITS	37,282	29,369	7,913	26.9%
of which: placement of UCITS promoted by the Group	*5,304*	*5,129*	*175*	*3.4%*
3. Bond placement	7,955	7,362	593	8.1%
4. Distribution of third-party asset management products (GPM/GPF, pension funds)	525	304	221	72.7%
5. Distribution of third-party insurance products	78,308	59,523	18,785	31.6%
6. Distribution of other third-party financial products	79	92	-13	-14.1%
Fees for the placement and distribution of financial services	**124,149**	**96,650**	**27,499**	**28.5%**
Asset management fee income	**329,870**	**269,640**	**60,230**	**22.3%**

Fee expense amounted to 157.3 million euros, with an increase by 27.6 million euros compared to the previous year (+21.3%), which however is substantially in line with the evolution of recurring components of fee income.
The Group's total pay-out ratio, compared to recurring fee income, was 50.4%, without significant changes compared to the same period of 2013.

Distribution fee expense reached 136.1 million euros, showing an increase of 26.1 million euros compared to the first nine months of 2013, primarily owing to the growth of management fees paid back to the sales network (+20.2%) in light of the increase in the related revenue item, and therefore the rise in average AUM managed by the network compared to the volumes of the previous year.
However, the aggregate was also significantly influenced by the increase in incentive fees (+45.1%), tied to the success of the recruitment plans, as well as by other fees, primarily related to ancillary costs of the sales network (+21.1%).

(€ THOUSAND)	9M2014	9M2013 RESTATED	CHANGE AMOUNT	CHANGE %
Front-end fees	16,476	13,651	2,825	20.7%
Management fees	84,087	69,929	14,158	20.2%
Incentive fees	21,795	15,024	6,771	45.1%
Other fees	13,714	11,322	2,392	21.1%
Total	**136,072**	**109,926**	**26,146**	**23.8%**

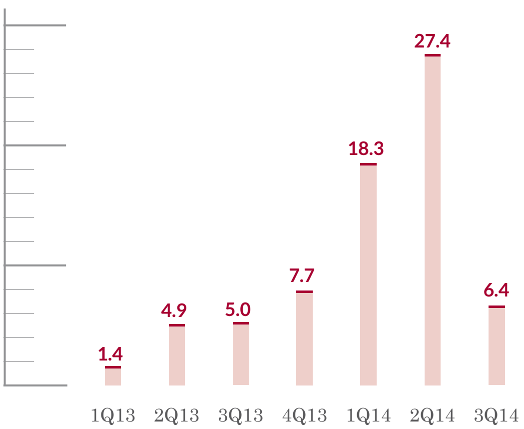
Other net fees from banking services offered to customers include trading, order collection and custody and administration fees, in addition to fees charged to customers for account-keeping expenses and other services.
The aggregate stood at 15.9 million euros, decreasing slightly compared to 2013 (-6.9%), 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)	9M2014	9M2013	CHANGE	
		RESTATED	AMOUNT	%
Dealing in securities and currencies	11,655	12,552	-897	-7.1%
Order collection and securities custody commissions	5,334	6,589	-1,255	-19.0%
Collection and payment services	2,590	2,889	-299	-10.3%
Fee income and account keeping expenses	2,657	2,114	543	25.7%
Consultancy	586	373	213	57.1%
Other services	864	1,041	-177	-17.0%
Total traditional banking operations	**23,686**	**25,558**	**-1,872**	**-7.3%**
Securities trading and custody	-5,279	-6,295	1,016	-16.1%
Collection and payment services	-2,354	-1,119	-1,235	110.4%
Other services	-187	-1,101	914	-83.0%
Total fee expense	**-7,820**	**-8,515**	**695**	**-8.2%**
Net fees	**15,866**	**17,043**	**-1,177**	**-6.9%**

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 (€ million)



At the end of the first nine months of 2014, this aggregate gave a positive contribution of 52.1 million euros, marking an absolutely significant result in relation to the Banca Generali's whole history.

(€ THOUSAND)	9M2014	9M2013	CHANGE	
			AMOUNT	%
Dividends from trading	123	79	44	55.7%
Trading of financial assets and equity derivatives	38	-32	70	-218.8%
Trading of financial assets and derivatives on debt securities and interest rates	1,080	-6,789	7,869	-115.9%
Trading of UCITS units	267	713	-446	-62.6%
Securities transactions	**1,508**	**-6,029**	**7,537**	**-125.0%**
Currency and currency derivative transactions	**2,259**	**1,472**	**787**	**53.5%**
Net profit (loss) of trading operations	**3,767**	**-4,557**	**8,324**	**-182.7%**
Net profit from hedging	-	-	-	n.a.
Dividends from AFS assets	694	829	-135	-16.3%
Gains and losses on equity securities and UCITS	60	141	-81	-57.4%
Gains and losses on AFS and HTM debt securities and loans	47,625	14,870	32,755	220.3%
Net profit (loss) of financial operations	**52,146**	**11,283**	**40,863**	**362.2%**

This result is mainly attributable to the gains realised on the purchase of medium/long-term government bonds allocated to the portfolio of AFS assets (44.5 million euros), and to a lesser extent, corporate securities, primarily classified amongst loans to banks.

(€ THOUSAND)	GAINS	LOSSES	TRANSFER OF RESERVES	9M2014	9M2013	CHANGE
AFS financial assets	37,946	-107	6,727	44,566	12,866	31,700
Debt securities	37,945	-91	6,652	44,506	12,725	31,781
Equity securities	1	-16	75	60	52	8
UCITS units	-	-	-	-	89	-89
Financial assets classified among loans	3,120	-	-	3,120	2,155	965
HTM financial assets	-	-	-	-	-10	10
Total	**41,066**	**-107**	**6,727**	**47,686**	**15,011**	**32,675**

The overall result of trading activities was also positive (3.6 million euros), in clear contrast to the trend witnessed in the same period of 2013, which was weighed down by the net losses realised (-7.4 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 8.8 million euros accrued on that same portfolio.

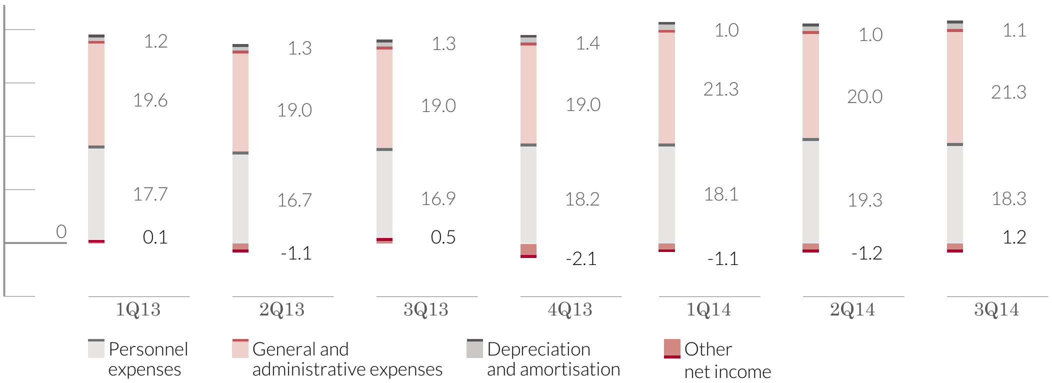
(€ THOUSAND)		GAINS	CAPITAL GAINS	LOSSES	CAPITAL LOSSES	NET RESULT 9M2014	NET RESULT 9M2013	CHANGE
1.	**Financial assets**	**649**	**679**	**322**	**31**	**975**	**-6,701**	**7,676**
	Debt securities	378	476	174	6	674	-7382	8,056
	Equity securities	140	23	115	14	34	-32	66
	UCITS units	131	180	33	11	267	713	-446
2.	**Derivatives**	**1,262**	**-**	**852**	**-**	**410**	**596**	**-186**
	Interest rate swaps	-	-	-	-	-	8	-8
	Forward contracts	406	-	-	-	406	585	-179
	Options on currencies and gold	856	-	852	-	4	3	1
3.	Currency transactions	**2,259**	**-**	**-**	**-**	**2,259**	**1,469**	**790**
4.	**Total**	**4,170**	**679**	**1,174**	**31**	**3,644**	**-4,636**	**8,280**

4.1.4 Operating expense

Operating expense, including staff expenses, other general and administrative expense, amortisation and depreciation and other operating income and expenses amounted to 120.3 million euros, marking an overall increase of 8.2 million euros compared to the same period of the previous year (+7.3%).

(€ THOUSAND)	9M2014	9M2013	CHANGE	
		RESTATED	AMOUNT	%
Staff expenses	55,682	51,291	4,391	8.6%
Other general and administrative expense	90,610	77,624	12,986	16.7%
Net adjustments of property, equipment and intangible assets	3,126	3,669	-543	-14.8%
Other income and expense	-29,079	-20,418	-8,661	42.4%
Operating expense	**120,339**	**112,166**	**8,173**	**7.3%**

Operating expense (€ million)

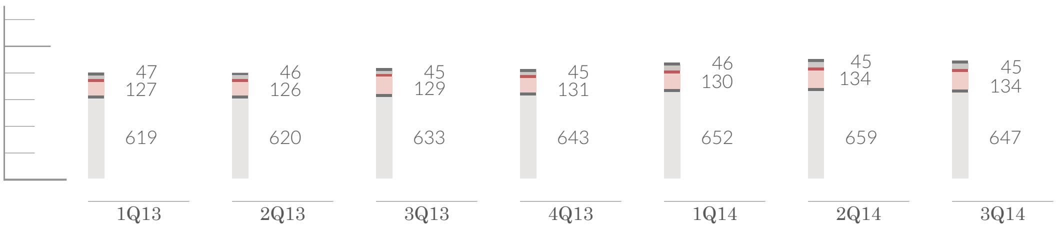


Staff expenses, including full-time employees, interim staff and directors totalled 55.7 million euros (+8.6%), due to both a moderate increase in their remuneration and incentive components. Group's employees totalled 809 at the end of the reporting period, marking a decrease of 5 staff. The average increase compared to figures for the first nine months of 2013 amounted to slightly less than 10 staff (+1.2%) compared to the previous year.

	30.09.2014	30.09.2013 RESTATED (*)	CHANGE AMOUNT	CHANGE %	AVERAGE 2014	AVERAGE 2013
Managers	46	45	1	2.2%	46	46
3rd and 4th level executives	131	127	4	3.1%	130	126
Other employees	632	642	-10	-1.6%	630	626
Total	**809**	**814**	**-5**	**-0.6%**	**806**	**797**

(*) Net of 6 staff of former GIL unit.

Evolution of indefinite-term staff (quarterly average)



With regard to remuneration, it should be noted that the recurring component increased slightly (approximately 5%) against a higher rise (14.7%) in all the items belonging to the incentive component (LTIP, MBO, stock options, performance bonuses, sales incentives, etc.).

(€ THOUSAND)	9M2014	9M2013 RESTATED	CHANGE AMOUNT	CHANGE %
1) Employees	**54,444**	**50,089**	**4,355**	**8.7%**
Salaries and social security charges	38,043	35,760	2,283	6.4%
Provision for termination indemnity and supplementary pension funds	2,850	3,123	-273	-8.7%
Costs related to payment agreements based on own financial instruments	607	141	466	330.5%
Short/term productivity bonuses (MBO, supplem. company agreements, including sales personnel)	8,304	7,382	922	12.5%
Other long-term incentives (LTIP, MBO)	1,534	1,580	-46	-2.9%
Other employee benefits (*)	3,106	2,103	1,003	47.7%
2) Other staff	**104**	**173**	**-69**	**-39.9%**
3) Directors and Auditors	**1,134**	**1,029**	**105**	**10.2%**
of which: incentives	*170*	*159*	*11*	*6.9%*
Total	**55,682**	**51,291**	**4,391**	**8.6%**

(*) This item included 447 thousand euros for staff training expenses, recognised as administrative expense in 2013 for an overall amount of 259 thousand euros.

Finally, the increase in other employee benefits was mainly due to higher expenses associated with supplementary health insurance and the reclassification of staff training expenses.

Other **general and administrative expense** amounted to 90.6 million euros, a 4.9 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 (+8.6%).

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 nine months of 2013 was however offset by the symmetrical increase in taxes recovered from customers, recognised among the other income and expense aggregate for 26.6 million euros.

Net of that effect, the increase in the general and administrative fees aggregate was largely due to non-recurring charges arising from the acquisition of the business unit of Credit Suisse Italia (legal and advisors' fees and merger costs), as well as the significant commitments for the continuous upgrading of the bank's digital platform and the development of the new service model.

(€ THOUSAND)	9M2014	9M2013	CHANGE	
		RESTATED	AMOUNT	%
Administration	**9,939**	**9,135**	**804**	**8.8%**
Advertising	2,498	2,951	-453	-15.4%
Advisory services	4,265	2,785	1,480	53.1%
Insurance	326	326	-	0.0%
Auditing	2,039	2,249	-210	-9.3%
Other general costs (insurance; T&E)	811	824	-13	-1.6%
Operations	**23,699**	**23,017**	**682**	**3.0%**
Rent and usage of premises	12,013	11,442	571	5.0%
Outsourced services	3,300	3,253	47	1.4%
Post and telephone	2,170	2,038	132	6.5%
Print material and contracts	710	599	111	18.5%
Other indirect staff expenses	1,834	2,018	-184	-9.1%
Other operating expenses	3,672	3,667	5	0.1%
Information system and equipment	**28,316**	**25,270**	**3,046**	**12.1%**
Outsourced IT services	20,657	18,206	2,451	13.5%
Fees for financial databases and other IT services	4,313	4,463	-150	-3.4%
Software maintenance and servicing	2,548	1,986	562	28.3%
Other expenses (equipment rental, maintenance, etc.)	798	615	183	29.7%
Taxes and duties	**28,656**	**20,202**	**8,454**	**41.8%**
of which: stamp duty on current accounts and financial instruments	*28,019*	*19,978*	*8,041*	*40.2%*
Total other general and administrative expense	**90,610**	**77,624**	**12,986**	**16.7%**
Administrative expenses net of the stamp duty	**62,591**	**57,646**	**4,945**	**8.6%**

4.1.5 Provisions and adjustments

Net provisions amounted to 29.8 million euros and increased significantly compared to the same period of 2013 (+58.9%).

(€ THOUSAND)	9M2014	9M2013	CHANGE	
			AMOUNT	%
Provision for staff liabilities and contingencies	500	-81	581	-717.3%
Provisions for legal disputes	2,881	2,144	737	34.4%
Provision for incentive fees	17,517	12,623	4,894	38.8%
Provisions for termination indemnities and overfees	4,917	1,581	3,336	211.0%
Other provisions for liabilities and contingencies	4,000	2,500	1,500	60.0%
Total	**29,815**	**18,767**	**11,048**	**58.9%**

Allocations to provisions referred for 10.0 million euros to current and deferred incentives set to accrue (6.8 million euros in 2013) and for 7.6 million euros to provisions in service of recruitment plans (5.8 million euros in 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 to non-performing loans amounted to 5.3 million euros at the end of the reporting period, up by 3.4 million euros compared to the previous year, and referred to value adjustments of cash loans to customers for 4.2 million euros and the portfolio of financial assets for 1.1 million euros.

(€ THOUSAND)	VALUE ADJUSTMENTS	REVERSAL ADJUSTMENTS	9M2014	9M2013	CHANGE
Specific adjustments/reversals	**-4,102**	**21**	**-4,081**	**-1,575**	**-2,506**
Debt securities (AFS, HTM, loans)	-	-	-	-	-
Equity securities	-402	-	-402	-988	586
Operating loans	-91	-	-91	-253	162
Non-performing loans of the bank portfolio	-3,609	21	-3,588	-334	-3,254
Portfolio adjustments/reversals	**-1,194**	**-**	**-1,194**	**-313**	**-881**
Debt securities (loans, HTM)	-684	-	-684	341	-1,025
Performing loans of the banking portfolio	-510	-	-510	-654	144
Total	**-5,296**	**21**	**-5,275**	**-1,888**	**-3,387**

Impairment losses on non-performing loans of the banking portfolio reached 3.6 million euros at the end of the reporting period, primarily as a result of the greater adjustments applied to the loan to Investimenti Marittimi (+1.7 million euros) as a consequence of the persistent situation of difficulty experienced by the Premuda Group and the deterioration of the collateral held by the Bank. Consequently, this position of 10.6 million euros has been written down by approximately 4.3 million euros.

Additional prudential allocations were also recognised on substandard and restructured positions (+1.4 million euros) and, to a lesser extent, bad debt positions (+0.3 million euros).

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 and for securities classified to the loans portfolio (+0.7 million euro) in connection with the risk profile of the new investments undertaken and the collective provisions for loans to customers.

Finally, in July the share of the contribution owed in relation to the bail-out of the Tercas banking group (1.0 million euros) — fully covered by a specific provision for risks recognised at the end of 2013 — was paid to the Interbank Deposit Protection Fund in accordance with consortium obligations.

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 43.6 million euros, up 12.4 million euros over the same period of the previous year.

(€ THOUSAND)	9M2014	9M2013	CHANGE	
			AMOUNT	%
Current taxes for the period	-46,148	-31,335	-14,813	47.3%
Prior period taxes	197	234	-37	-15.8%
Changes of prepaid taxation (+/-)	1,885	-354	2,239	-632.5%
Changes of deferred taxation (+/-)	503	267	236	88.4%
Total	**-43,563**	**-31,188**	**-12,375**	**39.7%**

The increase in the Group's total tax rate from 22.9% at the end of the third quarter of 2013 to the current 24.9% was primarily due to the rise in the ratio of the profit before taxation earned in Italy to that earned abroad, which is subject to lower tax rates, as well as to the advance payment of a significant portion of dividend distributed by the subsidiary BGFM (96 million euros), with the ensuing impact on IRAP and IRES tax burden for the period.

Net profit from AFS assets, amounting to 0.7 million euros, referred to the positive result of the investment in the SICAV BG Dragon China (currently being disposed of) associated with profits generated through the management of its equity portfolio. Therefore, consolidated net profit for the first nine months of 2014 amounted to 132.4 million euros. Net basic earnings per share currently being accrued increased from 0.922 eurocents to 1.147 eurocents.

	9M2014	9M2013	CHANGE	
		RESTATED	AMOUNT	%
Net profit for the period (€ thousand)	132,362	105,066	27,296	26.0%
Earnings attributable to ordinary shares (€ thousand)	132,362	105,066	27,296	26.0%
Average number of outstanding shares	115,358	113,937	1,421	1.2%
EPS - Earnings per share (€)	**1.147**	**0.922**	**0.225**	**24.4%**
Average number of outstanding shares diluted capital	116,051	115,618	433	0.4%
EPS - Diluted earnings per share (€)	**1.141**	**0.909**	**0.232**	**25.5%**

4.1.7 Comprehensive income

At the end of the first nine months 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 to 149.0 million euros, up compared to 104.7 million euros reported in the same period of the previous year.

In detail, valuation reserves on the AFS portfolio presented a net revaluation of 17.1 million euros at the end of September 2014, as a result of the following factors:

- an increase in unrealised gains of 31.4 million euros due to the significant rise in the market values of financial assets;
- the reduction of pre-existing net positive reserves due to reabsorption in the profit and loss account through realisation (-6.7 million euros);
- the negative tax effect associated with the above changes (-7.5 million euros).

(€ THOUSAND)	9M2014	9M2013	CHANGE	
		RESTATED	AMOUNT	%
Net profit (loss)	**132,362**	**105,066**	**27,296**	**26.0%**
Other income, net of income taxes:				
With transfer to profit and loss account:				
AFS assets	17,087	-291	17,378	n.s.
Without transfer to profit and loss account:				
Actuarial gains (losses) from defined benefit plans	-436	-32	-404	n.s.
Total other income, net of taxes	**16,651**	**-323**	**16,974**	**n.s.**
Comprehensive income	**149,013**	**104,743**	**44,270**	**42.3%**

4.2 Balance sheet and net equity aggregates

At the end of the first nine months of 2014, total consolidated assets amounted to 6.6 billion euros, essentially in line with the figure at the end of 2013 (+0.5%), although below the record levels reported at the end of the first quarter of 2014 (7.5 billion euros).

Overall net inflows stood at 5.7 billion euros, marking a slight decline (1.8%) which accounted for a sharp increase in deposits from customers (+20.6%), one-third of which attributable to Generali Group companies, and a significant reduction in interbank inflows (-37.8%).

As a result, the volume of core loans amounted to 6.3 billion euros, in line with figures at the end of 2013.

ASSETS (€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
HFT financial assets	29,479	229,905	-200,426	-87.2%
AFS financial assets	1,916,852	1,626,121	290,731	17.9%
HTM financial assets	1,904,529	2,652,687	-748,158	-28.2%
Loans to banks	797,338	291,379	505,959	173.6%
Loans to customers	1,660,183	1,499,771	160,412	10.7%
Property, equipment and intangible assets	47,518	50,090	-2,572	-5.1%
Tax receivables	38,086	38,260	-174	-0.5%
Other assets	151,744	140,232	11,512	8.2%
Financial assets held for sale	87,429	74,209	13,220	17.8%
Total Assets	**6,633,158**	**6,602,654**	**30,504**	**0.5%**

NET EQUITY AND LIABILITIES (€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
Due to banks	1,387,881	2,230,871	-842,990	-37.8%
Due to customers	4,327,983	3,588,700	739,283	20.6%
Financial liabilities HFT and hedging	1,448	597	851	142.5%
Tax payables	45,202	27,768	17,434	62.8%
Other liabilities	189,953	142,598	47,355	33.2%
Financial liabilities held for sale	78,757	66,252	12,505	18.9%
Special purpose provisions	91,651	76,736	14,915	19.4%
Valuation reserves	22,111	5,460	16,651	305.0%
Reserves	195,253	164,221	31,032	18.9%
Additional paid-in capital	44,977	37,302	7,675	20.6%
Share capital	115,621	114,895	726	0.6%
Treasury shares (-)	-41	-41	-	-
Minority interests	-	6,039	-6,039	-100.0%
Net profit for the period	132,362	141,256	-8,894	-6.3%
Total Net equity and Liabilities	**6,633,158**	**6,602,654**	**30,504**	**0.5%**

Quarterly evolution of consolidated balance sheet

ASSETS (€ THOUSAND)	30.09.2014	30.06.2014 (*)	31.03.2014 (*)	31.12.2013	30.09.2013	30.06.2013	31.03.2013	31.12.2012
HFT financial assets	29,479	28,994	126,970	229,905	30,283	431,465	851,223	222,548
AFS financial assets	1,916,852	1,921,589	2,337,695	1,626,121	1,569,670	1,230,402	1,045,546	1,733,885
HTM financial assets	1,904,529	2,253,150	2,541,438	2,652,687	2,516,418	2,631,021	2,913,734	3,000,330
Loans to banks	797,338	901,152	614,294	291,379	450,267	268,822	307,513	843,368
Loans to customers	1,660,183	1,620,194	1,543,300	1,499,771	1,427,920	1,379,197	1,359,495	1,308,585
Property, equipment and intangible assets	47,518	48,399	49,119	50,090	48,848	49,849	50,901	51,778
Tax receivables	38,086	38,820	37,839	38,260	40,169	43,207	43,329	41,276
Other assets	151,744	198,848	136,209	140,232	102,655	111,071	175,756	115,608
Financial assets held for sale	87,429	69,092	68,002	74,209	-	-	-	-
Total Assets	**6,633,158**	**7,080,238**	**7,454,866**	**6,602,654**	**6,186,230**	**6,145,034**	**6,747,497**	**7,317,378**

NET EQUITY AND LIABILITIES (€ THOUSAND)	30.09.2014	30.06.2014 (*)	31.03.2014 (*)	31.12.2013	30.09.2013	30.06.2013	31.03.2013	31.12.2012
Due to banks	1,387,881	1,716,732	1,935,835	2,230,871	2,178,825	1,930,243	2,398,937	2,229,896
Due to customers	4,327,983	4,502,679	4,612,490	3,588,700	3,327,034	3,617,170	3,583,784	4,491,173
Financial liabilities held for trading and hedging	1,448	188	282	597	393	4,011	1,271	1,448
Tax payables	45,202	36,492	45,746	27,768	25,419	16,889	29,766	36,620
Other liabilities	189,953	211,471	194,473	142,598	167,828	127,573	220,076	95,013
Financial liabilities held for sale	78,757	61,397	60,533	66,252	-	-	-	-
Special purpose provisions	91,651	90,011	84,477	76,736	72,716	77,494	75,989	68,405
Valuation reserves	22,111	19,435	19,600	5,460	-11,798	-14,819	-13,588	-11,475
Reserves	195,253	195,123	304,572	164,221	164,163	164,899	267,150	139,841
Additional paid-in capital	44,977	42,880	42,608	37,302	34,901	29,611	26,615	16,591
Share capital	115,621	115,428	115,403	114,895	114,668	114,173	113,888	112,938
Treasury shares (-)	-41	-41	-41	-41	-41	-41	-41	-41
Minority interests	-	-	-	6,039	7,056	6,241	8,129	7,166
Net profit (loss) for the period (+/-)	132,362	88,443	38,888	141,256	105,066	71,590	35,521	129,803
Total Net equity and Liabilities	**6,633,158**	**7,080,238**	**7,454,866**	**6,602,654**	**6,186,230**	**6,145,034**	**6,747,497**	**7,317,378**

(*) Restated in order to account for the de-merger of GIL.

4.2.1 Direct inflows from customers

Direct inflows from customers amounted to 4,328 million euros, with an increase of 739.3 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)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
1. Current accounts and free deposits	**3,788,541**	**2,934,906**	**853,635**	**29.1%**
2. Term deposits	**381,707**	**428,430**	**-46,723**	**-10.9%**
3. Financing	**68,000**	**101,878**	**-33,878**	**-33.3%**
Repurchase agreements	51,506	85,754	-34,248	-39.9%
Generali Versicherung subordinated loan	16,494	16,124	370	2.3%
4. Other debts	**89,735**	**123,486**	**-33,751**	**-27.3%**
Operating debts to sales network	64,397	49,150	15,247	31.0%
Other (self-drawn, amounts at the disposal of customers)	25,338	74,336	-48,998	-65.9%
Total due to customers (item 20)	**4,327,983**	**3,588,700**	**739,283**	**20.6%**

Captive inflows from the parent company, Assicurazioni Generali, and the Italian and foreign subsidiaries of Assicurazioni Generali Group increased overall by 264 million euros to 1,401 million euros at the end of the period, equal to 32.4% of total net inflows. In particular, all term deposits held at 30 September 2014 were attributable to the insurance group.

Interest-bearing inflows from customers outside the insurance group increased by approximately 509 million euros and were entirely attributable to the increase in current account balances.

By contrast, there was a decline in the non-interest-bearing debt position (-33.7 million euros) consisting of current accounts payable to the sales network for the placement of financial products and services, as well as of other sums available to customers, primarily relating to claims settlement activity by the Group's insurance companies (money orders).

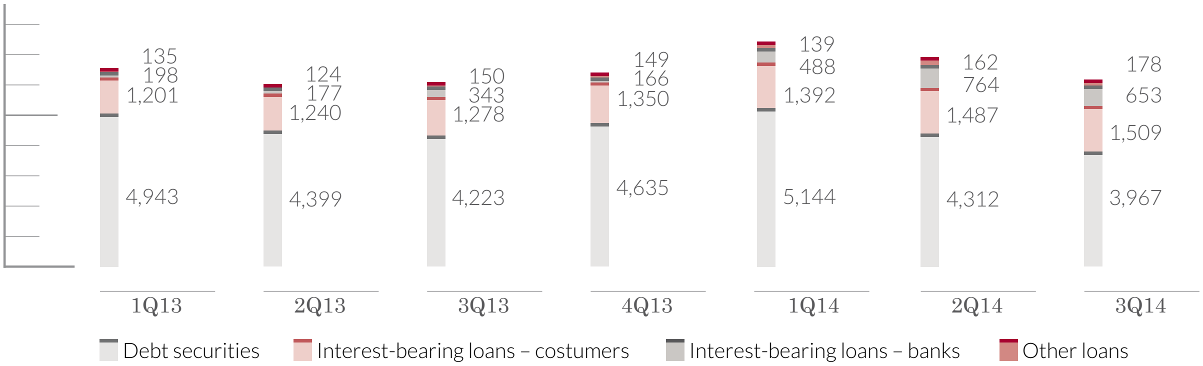
4.2.2 Core loans

Core loans totalled 6.3 billion euros, essentially stable compared to 31 December 2013.

In this context, the share of the assets invested in financial assets declined by 644.3 million euros (-13.8%), primarily due to the flow of redemptions of HTM portfolio's securities reaching maturity, whereas there was a significant increase in short-term treasury loans on the interbank market (+487.3 million euros) and loans to customers (+159.5 million euros).

(€ MILLION)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
HFT financial assets	29,479	229,905	-200,426	-87.2%
AFS financial assets	1,916,852	1,626,121	290,731	17.9%
HTM financial assets	1,904,529	2,652,687	-748,158	-28.2%
Financial assets classified among loans	177,294	163,748	13,546	8.3%
Financial assets	**4,028,154**	**4,672,461**	**-644,307**	**-13.8%**
Loans to banks	653,495	166,150	487,345	293.3%
Loans to customers	1,509,133	1,349,613	159,520	11.8%
Operating loans and other loans	117,599	111,639	5,960	5.3%
Total interest-bearing financial assets and loans	**6,308,381**	**6,299,863**	**8,518**	**0.1%**

Evolution of loans (€ million)



In the context of the Group's financial assets held for treasury and investment needs, the decline in the HTM portfolio, due to the significant amount of debt securities that reached maturity (-748.1 million euros), and in the HFT portfolio, to which money-market government securities with very short-term maturities had been allocated (-200.4 million euros), was only partly offset by the new investments made in the AFS portfolio (+290.7 million euros), which nonetheless continued to be primarily aimed at the government security segment (+186.0 million euros), though with an increase in the weight of bank and corporate bonds.

Overall, financial assets accounted for 63.8% of the interest-bearing financial assets, down compared to 74.2% at the end of 2013.

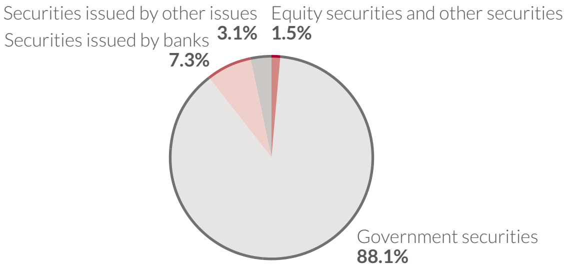
The sovereign debt exposure, consisting solely of bonds issued by the Italian government, declined by 740.1 million, with a ratio of 88.1% to total investments in financial assets, compared to a ratio of 91.8% at the end of 2013.

It may be broken down by portfolio of allocation as follows.

Breakdown of sovereign debt exposure by IAS portfolio

(€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
Exposure to the sovereign risk by portfolio:				
HFT financial assets	396	200,245	-199,849	-99.8%
AFS financial assets	1,695,513	1,509,414	186,099	12.3%
HTM financial assets	1,851,746	2,578,064	-726,318	-28.2%
Total	**3,547,655**	**4,287,723**	**-740,068**	**-17.3%**

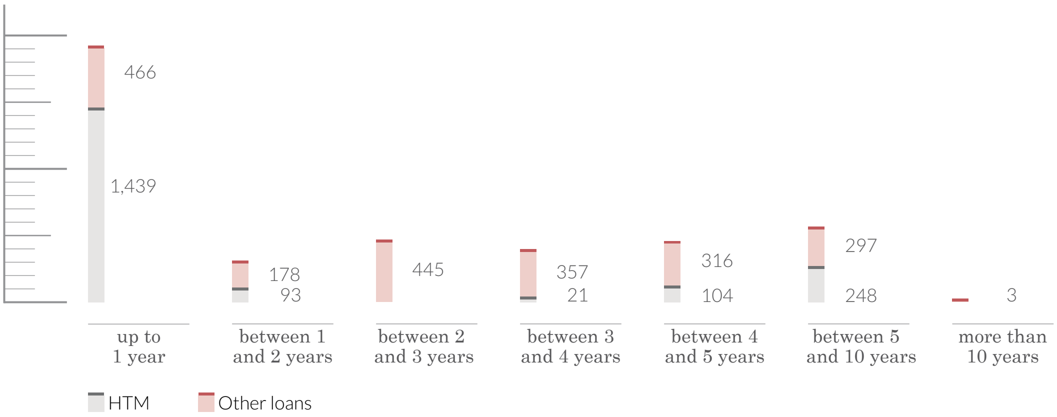
Breakdown of financial assets portfolio at 30.09.2014



The overall geographical breakdown of the portfolio of debt securities as well thus showed a high concentration of investments relating to Italian securities (98.3%).

The portfolio of debt securities had an overall average residual life of about 2.2 years and 8.9% of it was made up of variable rate coupon issues and, for the remainder, of fixed-rate and zero-coupon issues.

Bonds portfolio maturity (€ million)



Loans to customers amounted to 1,509.1 million euros, increasing by 159.5 million euros compared to the previous year (+11.8%)
The increase in loans was mainly driven by the granting of new loans to customers (+19.1%) and the current account overdrafts (+12.0%)
By contrast, the GESAV participating policy was surrendered in full.

(€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
Current accounts	842,498	752,116	90,382	12.0%
Personal loans	656,716	551,450	105,266	19.1%
Other financing and loans not in current accounts	9,919	23,839	-13,920	-58.4%
Financing	**1,509,133**	**1,327,405**	**181,728**	**13.7%**
GESAV life insurance participating policy	**-**	**22,208**	**-22,208**	**-100.0%**
Total loans	**1,509,133**	**1,349,613**	**159,520**	**11.82%**
Operating loans to product companies	81,170	71,574	9,596	13.4%
Sums advanced to Financial Advisors	31,270	27,029	4,241	15.7%
Stock exchange interest-bearing daily margin	2,206	2,237	-31	-1.4%
Changes to be debited and other loans	2,769	10,735	-7,966	-74.2%
Operating loans and other loans	**117,415**	**111,575**	**5,840**	**5.2%**
Debt securities	**33,635**	**38,583**	**-4,948**	**-12.8%**
Total loans to customers	**1,660,183**	**1,499,771**	**160,412**	**10.7%**

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.

Net non-performing loans amounted to 48.8 million euros (2.9% of total loans to customers).
Non-performing loans consist mainly of positions originating in the portfolio of Banca del Gottardo Italia, fully covered by the loan guarantee granted by BSI upon the sale of the foregoing company (indemnity) and chiefly secured to that end by cash collateral payments by the counterparty. Net of that portfolio, the weight of non-performing exposures declined to 1.22%.
There was a decrease in bad debt positions in 2014 as a result of the completion of the execution of the composition with creditors procedure relating to a position (which was incidentally also fully covered by the indemnity granted by BSI SA), following which that position was reclassified out of the non-performing category.
The increase in substandard positions was also essentially attributable to positions covered by the indemnity of approximately 6.8 million euros previously classified as past due.
The most significant position in this category is a loan of 10.5 million euros to Investimenti Marittimi, not covered by indemnity and subject to an impairment loss of 4.3 million euros.
Finally, the growth of the past-due portfolio is essentially attributable to technical reasons relating to the initiation of several significant succession procedures involving loans.

(€ THOUSAND)	GROSS EXPOSURE	VALUE ADJUSTMENT	NET EXPOSURE 2014	NET EXPOSURE 2013	CHANGE		INDEMNITY	RESIDUAL AMOUNT NET OF INDEMNITY
					AMOUNT	%		
Bad loans	28,178	-13,690	14,488	20,381	-5,893	-28.9%	13,787	701
of which:								
financing	*27,715*	*-13,471*	*14,244*	*16,083*	*-1,839*	*-11.4%*	*13,787*	*457*
debt securities	-	-	-	*3,326*	*-3,326*	*-100.0%*	-	-
operating loans	*463*	*-219*	*244*	*972*	*-728*	*-74.9%*	-	*244*
Substandard loans	25,368	-4,955	20,413	15,221	5,192	34.1%	13,742	6,671
Restructured loans	2,925	-624	2,301	981	1,320	134.6%	998	1,303
Expired loans/outstanding over 90 days	12,209	-630	11,579	8,743	2,836	32.4%	-	11,579
Total non-performing loans	**68,680**	**-19,899**	**48,781**	**45,326**	**3,455**	**7.6%**	**28,527**	**20,254**
Performing loans	1,613,921	-2,519	1,611,402	1,454,445				
Total loans	**1,682,601**	**-22,418**	**1,660,183**	**1,499,771**				

The **interbank position**, net of the securities portfolio and operating loans, showed a net loss balance of -734.4 million euros for the first nine months of 2014, decreasing by -1,330.3 million euros (-64.4%) compared to the end of the previous year, due to the combined effect of:

- the expansion of temporary liquidity investment transactions (deposits and repurchase agreements) for a net amount of 487.3 million euros;
- the decline of interbank funding in the form of repurchase agreements (-843.6 million euros), with maturities within 12 months, made during the previous year.

(€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
1. Repayable on demand	**405,152**	**92,663**	**312,489**	**337.2%**
Demand deposits with ECB	-	-	-	n.a.
Demand deposits with credit institutions	219,200	40,000	179,200	448.0%
Transfer accounts	185,952	52,663	133,289	253.1%
2. Time deposits	**248,343**	**73,487**	**174,856**	**237.9%**
Mandatory reserve	21,551	59,600	-38,049	-63.8%
Term deposits	76,932	13,887	63,045	454.0%
Repurchase agreements	149,046	-	149,046	n.a.
Collateral margins	814	-	814	n.a.
Total due to banks	**653,495**	**166,150**	**487,345**	**293.3%**
1. Due to central banks	**1,115,871**	**1,114,185**	**1,686**	**0.2%**
Term deposits with ECB	1,115,871	1,114,185	1,686	0.2%
2. Due to banks	**272,009**	**1,116,686**	**-844,677**	**-75.6%**
Transfer accounts	727	397	330	83.1%
Term deposits	145	187	-42	-22.5%
Repurchase agreements	247,730	1,091,372	-843,642	-77.3%
Collateral margins	2,084	3,660	-1,576	-43.1%
Other debts	21,323	21,070	253	1.2%
Total due to banks	**1,387,880**	**2,230,871**	**-842,991**	**-37.8%**
Net interbank position	**-734,385**	**-2,064,721**	**1,330,336**	**-64.4%**
3. Debt securities	**143,659**	**125,165**	**18,494**	**14.8%**
4. Other operating receivables	**184**	**64**	**120**	**187.5%**
Total interbank position	**-590,542**	**-1,939,492**	**1,348,950**	**-69.6%**

4.2.3 Net equity

At 30 September 2014, consolidated net equity, including the net profit for the period, amounted to 510.3 million euros compared to 469.1 million euros at the end of the previous year and underwent the following changes.

(€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
Share capital	115,621	114,895	726	0.6%
Additional paid-in capital	44,977	37,302	7,675	20.6%
Reserves	195,253	164,221	31,032	18.9%
(Treasury shares)	-41	-41	-	-
Valuation reserves	22,111	5,460	16,651	305.0%
Equity instruments	-	-	-	n.a.
Net profit (loss) for the period	132,362	141,256	-8,894	-6.3%
Group net equity	**510,283**	**463,093**	**47,190**	**10.2%**
Minority interests	-	6,039	-6,039	-100.0%
Consolidated net equity	**510,283**	**469,132**	**41,151**	**8.8%**

	GRUOP	THIRD PARTIES	OVERALL
Net equity at period-start	**463,093**	**6,039**	**469,132**
Dividend paid	-109,623	-	-109,623
Stock option plans: issue of new shares	7,023	-	7,023
Stock option plans: charges as per IFRS 2	186	-	186
AG stock granting plans	591	-	591
De-merger of GIL – distribution of extraordinary profits (IFRIC 17)	-	-6,039	-6,039
Change in variation reserves	16,651	-	16,651
Consolidated net profit	132,362	-	132,362
Net equity at period-end	**510,283**	**-**	**510,283**
Changes	**47,190**	**-6,039**	**41,151**

The change in net equity was attributable to the distribution of the 2013 dividends amounting to approximately 109.6 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 de-merger of the former GIL business unit, effective for accounting purposes retroactively from 1 January 2014, also entailed the distribution in full of minority equity to the minority shareholder, Generali Investments S.p.A.

At the end of the reporting period, fair value reserves for the portfolio of AFS financial assets recorded a positive balance of 23.6 million euros, an improvement of 17.1 million euros compared to year-end 2013. Such reserves mainly refer to the portfolio of government bonds (19.0 million euros).

(€ THOUSAND)	30.09.2014			31.12.2013	
	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
1. Debt securities	22,076	-11	22,065	5,161	16,904
2. Equity securities	2,281	-	2,281	1,476	805
3. UCITS units	144	-832	-688	-66	-622
AFS reserves	**24,501**	**-843**	**23,658**	**6,571**	**17,087**
Cash-flow hedges	-	-	-	-	-
Actuarial gains (losses) from defined benefit plans	-	-1,547	-1,547	-1,111	-436
Total	**24,501**	**-2,390**	**22,111**	**5,460**	**16,651**

Consolidated own funds, calculated in accordance with the new Basel III rules in effect since 1 January 2014, and net of the expected dividend pay-out, amounted to 345.2 million euros, up by 31.7 million euros compared to the end of the previous year, when they were calculated in accordance with the previous Basel II rules, and by 29.3 million euros compared to the estimate of the aggregate calculated in accordance with the new regulatory provisions.

At the end of the reporting period, the aggregate capital for regulatory purposes recorded 151.5 million euros in excess of the amount required by the Supervisory Authority to cover credit, market, and operating risks. The solvency ratio was 14.26%, compared to the minimum requirement of 8%.

(€ THOUSAND)	30.09.2014 BASEL III	31.12.2013 BASEL III (*)	CHANGE		31.12.2013 BASEL II
			AMOUNT	%	
Common equity Tier 1 capital (CET 1)	335,644	298,763	36,881	12.34%	300,674
Additional Tier 1 capital (AT 1)	-	-	-	n.a.	-
Tier 2 capital (Tier2)	9,510	17,061	-7,551	-44.26%	12,753
Total own funds	**345,154**	**315,824**	**29,330**	**9.29%**	**313,427**
Credit and counterparty risk	142,117	115,319	26,798	23.24%	115,319
Market risk	3,706	5,950	-2,244	-37.71%	5,950
Operating risk	47,840	47,840	-	-	47,840
Other specific risk	-	-	-	n.a.	-
Total absorbed capital	**193,663**	**169,109**	**24,554**	**14.52%**	**169,109**
Excess over absorbed capital	151,491	146,715	4,776	3.26%	144,318
Risk-weighted assets	2,420,788	2,113,863	306,926	14.52%	2,113,863
Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)	13.87%	14.13%	-0.27%	-1.90%	14.22%
Total own funds/Risk-weighted assets (Total capital ratio)	**14.26%**	**14.94%**	**-0.68%**	**-4.60%**	**14.83%**

(*) Prudential requirements calculated pursuant to Basel II rules.

It should be noted that Banca Generali 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 own funds, 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 III 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 2018.

5. Performance of Group companies

5.1 Banca Generali performance

Banca Generali closed the first nine months of 2014 with net profit of 142.1 million euros, sharply increasing compared to 88.7 million euros reported at the end of the same period of the previous year, chiefly due to the contribution of dividends for 95.1 million euros (+37.8 million euros) distributed both in advance and at the end of the previous financial year by the Luxembourg subsidiary GFM S.A.

Net banking income, net of dividends from investee companies, amounted to 230.0 million euros, up considerably from the 182.8 million euros reported at the end of the first nine months of 2013 (+25.8%), mainly owing to the excellent result of financial operations (+41.0 million euros) and the increase in fee margin (+20.7%), which offset the reduction of interest margin (-10.9%).

Net operating expense amounted to 115.7 million euros, showing a more modest growth (+7.8%), largely due to non-recurring charges arising from the acquisition of the Credit Suisse Italia business unit (legal and advisors' fees and merger costs), as well as the significant commitments for the continuous upgrading of the bank's digital platform and the development of the new service model.

Net provisions and adjustments amounted to 34.6 million euros, up by 13.9 million euros compared to the same period of 2013, and consisted primarily of accruals relating to incentives, development and contractual indemnities of the Financial Planner network, as well as adjustments to non-performing loans to customers.

(€ THOUSAND)	9M2014	9M2013	CHANGE	
			AMOUNT	%
Interest income	91,613	110,160	-18,547	-16.8%
Interest expense	-9,419	-17,873	8,454	-47.3%
Net interest	**82,194**	**92,287**	**-10,093**	**-10.9%**
Fee income	238,974	195,971	43,003	21.9%
Fee expense	-143,305	-116,741	-26,564	22.8%
Net fees	**95,669**	**79,230**	**16,439**	**20.7%**
Dividends	817	908	-91	-10.0%
Net result of financial operations	51,330	10,375	40,955	394.7%
Net operating income	**230,010**	**182,800**	**47,210**	**25.8%**
Staff expenses	-52,104	-48,046	-4,058	8.4%
Other general and administrative expense	-88,068	-75,457	-12,611	16.7%
Net adjustments of property, equipment and intangible assets	-3,092	-3,617	525	-14.5%
Other operating expense/income	27,537	19,737	7,800	39.5%
Net operating expense	**-115,727**	**-107,383**	**-8,344**	**7.8%**
Operating profit	**114,283**	**75,417**	**38,866**	**51.5%**
Net adjustments for non-performing loans	-4,578	-984	-3,594	365.2%
Net adjustments of other assets	-697	-904	207	-22.9%
Net provisions	-29,381	-18,847	-10,534	55.9%
Dividends and income from equity investments	95,096	57,312	37,784	65.9%
Gains (losses) from the disposal of equity investments	-10	-4	-6	150.0%
Operating profit before taxation	**174,713**	**111,990**	**62,723**	**56.0%**
Income taxes for the period on current operations	-32,773	-23,299	-9,474	40.7%
Profit (loss) from non-current assets, net of taxes	**124**	**-**	**124**	**-**
Net profit	**142,064**	**88,691**	**53,373**	**60.2%**

The total value of assets managed by the Group on behalf of its customers — which is the figure used for communications to Assoreti — amounted to 33.6 billion euros at 30 September 2014.

Net inflows amounted to 3,085 million euros, compared to 1,846 million euros at the end of the same period of 2013 (+67.1%).

5.2 Performance of BG Fund Management Luxembourg S.A.

BG Fund Management Luxembourg S.A. is a company under Luxembourg law specialising in the administration and management of SICAVs promoted by the Banking group (BG Sicav, BG Selection Sicav, BG Dragon China Sicav).

In the first half of 2014, the company started a reorganisation process, whereby the fund and SICAV management business line of the Generali Group's insurance companies, acquired in 2009 through the merger of Generali Investments Luxembourg S.A. (former GIL unit), was de-merged in favour of a newly set-up company.

Prior to the transaction, the Banking Group held a 51% interest

(class-A shares), whereas the residual 49% interest was held by Generali Investments S.p.A., a member of the Generali Group (class-B shares). The two share classes were accorded differing treatment in regards to the allocation of profits inasmuch as the Articles of Association stated that the share of the net profit or loss for the year attributable to the assets contributed by each of the two shareholders was to be attributed to each share class. Given this particular aspect of GFM's corporate structure, in accordance with the laws of Luxembourg, the de-merger transaction resulted in the derecognition of the interest represented by the class-B shares only, in return for which Generali Investments S.p.A. obtained full ownership of the newly incorporated Luxembourg company representing the beneficiary of the de-merger, whereas GFM only derecognised the share of book net equity attributable to the de-merged business line.
As a result of the de-merger, GFM is fully controlled by Banca Generali and has changed its company name from Generali fund Management S.A. (GFM) to BG Fund Management Luxembourg S.A. (BGFM).
The de-merger was finalised on 1 July 2014, with retroactive accounting effects as of 1 January 2014.

Accordingly, the financial statements at 30 September 2014 di not include profit and loss components of the de-merged business unit. In compliance with the provisions of IFRS 5, profit and loss figures for the same period of the previous year have also been restated in the interest of providing more comparable data.

(€ THOUSAND)	9M2014	9M2013 RESTATED (*)	CHANGE	
			AMOUNT	%
Net interest	**54**	**33**	**21**	**63.6%**
Net fees	**97,007**	**82,661**	**14,346**	**17.4%**
Net operating income	**97,061**	**82,694**	**14,367**	**17.4%**
Staff expenses	-2,306	-2,042	-264	12.9%
Other general and administrative expense	-1,169	-918	-251	27.3%
Net adjustments of property, equipment and intangible assets	-29	-40	11	-27.5%
Other operating expense/income	704	5	699	n.s.
Net operating expense	**-2,800**	**-2,995**	**195**	**-6.5%**
Operating profit	**94,261**	**79,699**	**14,562**	**18.3%**
Operating profit before taxation	**94,261**	**79,699**	**14,562**	**18.3%**
Income taxes for the period on current operations	-10,347	-7,276	-3,071	42.2%
Profit (loss) from non-current assets	**-**	**3,302**	**-3,302**	**-100.0%**
Net profit	**83,914**	**75,725**	**8,189**	**10.8%**

(*) Result of the de-merged business unit reclassified pursuant to IFRS5.

BG Fund Management SA closed the first nine months of 2014 with net profit amounting to 83.9 million euros.
Net of the profit from former GIL units' operation (currently being sold), operating profit increased by 14.6 million euros compared to the same period of 2013, largely attributable to the performance fees acquired in relation to the SICAVs promoted and managed by the Banking Group (+11.7 million euros). Net banking income amounted to 97.1 million euros (82.7 million euros at the end of the first nine months of 2013), whereas operating costs — 2.8 million euros overall, 2.3 million euros of which consisted of staff expenses — decreased slightly compared to the same period of the previous year, essentially due to extraordinary items.
The Company's net equity amounted to about 85.9 million euros, net of a dividend payout of 95.1 million euros, as payment in advance and total payment for 2013.
The de-merger of the former GIL business unit, effective for accounting purposes retroactively from 1 January 2014, also entailed the distribution in full of minority equity to the minority shareholder, Generali Investments S.p.A.

Overall, assets under management at 30 September 2014 amounted to 8,110 million euros, compared to 6,575 million euros at 31 December 2013 (+1,535 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 nine months of 2014 with net profit of 0.8 million euros and net equity of 13.3 million euros.

Net banking income amounted to 3.0 million euros, whereas operating expense was 1.4 million euros, including 0.8 million euros for staff expenses.

Total assets under management amounted to 849 million euros, down compared to 891 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 nine months of 2014 with a net profit of approximately 65 thousand euros. AUM amounted to 940 million euros.

6. Basis of preparation

The interim report for the third quarter of 2014 was prepared in accordance with 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 on Operations is subjected to a limited audit by the independent auditing firm for the purposes of determining own funds at the end of the period, as required by the new Basel III rules.

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 2012 and 2013, and effective as of 2014

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
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 IFRS 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

International Accounting Standards endorsed but not yet effective

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
IFRIC 21 Levies	634/2014	14.06.2014	01.01.2015

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 the operations of Banca Generali.

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;
- the determination of 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.1 Recognised using the line-by-line method					
BG Fiduciaria SIM S.p.A.	Trieste (Italy)	1	Banca Generali	100.00%	100.00%
BG Fund Management Luxembourg S.A.	Luxembourg	1	Banca Generali	100.00%	100.00%
Generfid S.p.A.	Milano (Italy)	1	Banca Generali	100.00%	100.00%
BG Dragon China Sicav	Luxembourg	1	Banca Generali	11.16%	94.89%

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 BGFM 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 11.16% interest in the capital of the SICAV and 94.89% 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 30 September 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 in other assets/liabilities and other revenues/expenses, respectively.

6.3 Other information

Partial de-merger of BG Fund Management Luxembourg S.A.

In the first half of 2014, the company underwent a reorganisation whereby the fund and Sicav management business line of the Generali Group, acquired in 2009 through the merger of Generali Investments Luxembourg S.A. (former GIL unit), was de-merged in favour of a newly set-up company.

Prior to the transaction, the Banking Group held a 51% interest (class-A shares), whereas the residual 49% interest was held by Generali Investments S.p.A., a member of the Generali Group (class-B shares). The two share classes were accorded differing treatment in regard to the allocation of profits inasmuch as the Articles of Association envisaged that the share of the net profit or loss for the year attributable to the assets contributed by each of the two shareholders was to be recognised in each share class.

Given this particular aspect of GFM's corporate structure, in accordance with the laws of Luxembourg, the de-merger transaction resulted in the derecognition of the interest represented by the class-B shares only, in return for which Generali Investments S.p.A. obtained full ownership of the newly incorporated Luxembourg company representing the beneficiary of the de-merger, whereas GFM only derecognised the share of book net equity attributable to the business line.
The de-merger was finalised on 1 July 2014 and, from an accounting standpoint, became effective retroactively from 1 January 2014 (the result at 30 June 2014 attributable to the Shareholder B was included in the de-merged business line).

As a result of the de-merger, GFM is fully controlled by Banca Generali and has changed its company name from Generali Fund Management S.A. (GFM) to BG Fund Management Luxembourg S.A. (BGFM).

Accounting Treatment

De-mergers do not fall in the scope of IFRS 3 — *Business Combinations* but are regulated by IFRIC 17 — *Distributions of Non-cash Assets to Owners* issued in November 2008.

This interpretation establishes that the distribution of any assets to owners, and therefore including those arising on de-mergers, are treated as distribution of dividends in kind and accounted for as follows:

- the liability relating to assets to be distributed at fair value is recognised in net equity when the distribution is authorised and remeasured at the end of each reporting period;
- when the entity actually sells the operations, it recognises the difference between the fair value of the liability cancelled and the carrying amount of the same.

This interpretation does not apply to transactions between entities under common control, such as that executed by BGFM and Generali Investments.

For this reason, based on the guidelines set by IAS 8 to select the most appropriate accounting policies when a transaction does not fall in the scope of IFRS, it is more appropriate to recognise the transaction in the Consolidated Financial Statements of Banca Generali using the same accounting values as before, based on the pooling of interests (USGAAP – FAS141) or merger accounting (UK GAAP FAS6) methods, and in accordance with the indications of OIC 4 Mergers and Reverse Mergers in the Consolidated Financial Statements.

Based on these guidelines, the de-merger was accounted for as a distribution of dividends in kind to minority shareholders of the banking group and measured based on the accounting value of assets transferred in the Consolidated Financial Statements of Banca Generali (and in the Consolidated Financial Statements of the insurance Group).
This accounting method does not contrast with the IASs/IFRSs and reflects the economic substance of the transaction.

Following the amendment of IFRIC 17, the new paragraph 5A was added to IFRS 5, establishing that the rules for classification, presentation and measurement applicable to disposal groups classified as held for sale also apply to disposal groups classified for distribution to owners in their capacity as shareholders ("Assets held for distribution to owners").
For this reason, the comparative consolidated profit and loss account for 2013 has been restated and the profit and loss components of the business line were reclassified together in the profit and loss statement item "Income (loss) of disposal groups".
In this regard, it should be noted that an equal amount of the result of the former GIL business line was recognised in profit attributable to minority interests.

Acquisition of Credit Suisse Italia's business line

On 10 July 2014, the Board of Directors of Banca Generali approved the acquisition of the Credit Suisse Italia S.p.A.'s Italian affluent and upper affluent private banking operations.
After obtaining the necessary authorisations from the Bank of Italy, the transaction will become effective 1 November 2014.
The transaction entails the sale of the business line including the agency contracts of 51 financial advisors of Credit Suisse Italia, the agreements with their current clients and the relevant net inflows and lending assets.
Overall AUM attributable to this business line amount to over 1.9 billion euros, whereas the transaction consideration totals 45 million euros, based on AUM recognised at the date on which the transaction will become effective and being currently evaluated.
This acquisition was funded partly through a Tier-2 subordinated loan of 43 million euros issued by the subsidiary Generali Beteiligungs GmbH and the remainder in cash.

6.4 Events occurred after the reporting date

Except for the above-mentioned business combination, no events occurred after 30 September 2014 that would make it necessary to adjust the results presented in this Interim Report.
This Interim Report was approved by the Board of Directors of Banca Generali on 4 November 2014 and its publication was authorised as of the same date.

Trieste, 4 November 2014

The Board of Directors

ANNEX: RECLASSIFIED ACCOUNTING STATEMENTS OF THE PARENT COMPANY BANCA GENERALI S.P.A.

RECLASSIFIED BALANCE SHEET

Assets

(€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
HFT financial assets	29,084	229,509	-200,425	-87.33%
AFS financial assets	1,916,848	1,626,116	290,732	17.88%
HTM financial assets	1,904,528	2,652,686	-748,158	-28.20%
Loans to banks	771,788	279,539	492,249	176.09%
Loans to customers	1,626,407	1,461,098	165,309	11.31%
Equity investments	14,025	14,025	-	-
Property, equipment and intangible assets	43,127	45,669	-2,542	-5.57%
Tax receivables	37,757	38,031	-274	-0.72%
Other assets	147,007	141,957	5,050	3.56%
Financial assets held for sale	8,081	-	8,081	-
Total assets	**6,498,652**	**6,488,630**	**10,022**	**0.15%**

Net equity and liabilities

(€ THOUSAND)	30.09.2014	31.12.2013	CHANGE	
			AMOUNT	%
Due to banks	1,387,862	2,230,833	-842,971	-37.79%
Due to customers	4,376,473	3,665,294	711,179	19.40%
HFT and hedging financial liabilities	1,448	597	851	142.55%
Tax payables	35,279	14,183	21,096	148.74%
Other liabilities	187,713	139,355	48,358	34.70%
Special purpose provisions	90,378	75,788	14,590	19.25%
Valuation reserves	22,180	5,502	16,678	303.13%
Reserves	94,698	110,058	-15,360	-13.96%
Additional paid-in capital	44,977	37,302	7,675	20.58%
Share capital	115,621	114,895	726	0.63%
Treasury shares (-)	-41	-41	-	-
Net profit (loss) for the period (+/-)	142,064	94,864	47,200	49.76%
Total net equity and liabilities	**6,498,652**	**6,488,630**	**10,022**	**0.15%**

RECLASSIFIED PROFIT AND LOSS ACCOUNT

Items (€ THOUSAND)	9M2014	9M2013	CHANGE	
			AMOUNT	%
Interest income	91,613	110,160	-18,547	-16.8%
Interest expense	-9,419	-17,873	8,454	-47.3%
Net interest	**82,194**	**92,287**	**-10,093**	**-10.9%**
Fee income	238,974	195,971	43,003	21.9%
Fee expense	-143,305	-116,741	-26,564	22.8%
Net fees	**95,669**	**79,230**	**16,439**	**20.7%**
Dividends	817	908	-91	-10.0%
Net result of financial operations	51,330	10,375	40,955	394.7%
Net operating income	**230,010**	**182,800**	**47,210**	**25.8%**
Staff expenses	-52,104	-48,046	-4,058	8.4%
Other general and administrative expense	-88,068	-75,457	-12,611	16.7%
Net adjustments of property, equipment and intangible assets	-3,092	-3,617	525	-14.5%
Other operating income and expense	27,537	19,737	7,800	39.5%
Net operating expense	**-115,727**	**-107,383**	**-8,344**	**7.8%**
Operating profit	**114,283**	**75,417**	**38,866**	**51.5%**
Net adjustments for non-performing loans	-4,578	-984	-3,594	365.2%
Net adjustments of other assets	-697	-904	207	-22.9%
Net provisions	-29,381	-18,847	-10,534	55.9%
Dividends and income from equity investments	95,096	57,312	37,784	65.9%
Gains (losses) from the disposal of equity investments	-10	-4	-6	150.0%
Operating profit before taxation	**174,713**	**111,990**	**62,723**	**56.0%**
Income taxes for the period on current operations	-32,773	-23,299	-9,474	40.7%
Profit (loss) from non-current assets, net of taxes	124	-	124	-
Net profit	**142,064**	**88,691**	**53,373**	**60.2%**

STATEMENT OF OTHER COMPREHENSIVE INCOME

Items (€ THOUSAND)	9M2014	9M2013	CHANGE	
			AMOUNT	%
Net profit (loss)				
Other income, net of income taxes:				
With transfer to profit and loss account				
AFS assets	17,087	-291	17,378	n.s.
Without transfer to profit and loss account				
Actuarial gains (losses) from defined benefit plans	408	43	366	n.s.
Total other income, net of taxes	**17,496**	**-248**	**17,743**	**n.s.**
Comprehensive income	**159,560**	**88,443**	**71,116**	**80.4%**

Trieste, 4 November 2014


FINANCIAL REVIEW

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 30 September 2014 corresponds to the Company's books, records and accounting documents.

Trieste, 4 November 2014

Dott. 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

Coordination and design **Sege Srl**

REGISTERED OFFICE
Via Machiavelli, 4
34132 Trieste - Italy

MILAN HEAD OFFICE
Via Ugo Bassi, 6
20159 Milan - Italy
+39 02 6076 5411

TRIESTE HEAD OFFICE
Corso Cavour, 5/a
34132 Trieste - Italy
+39 040 7777 111

CALL CENTER
Toll free number
800 155 155