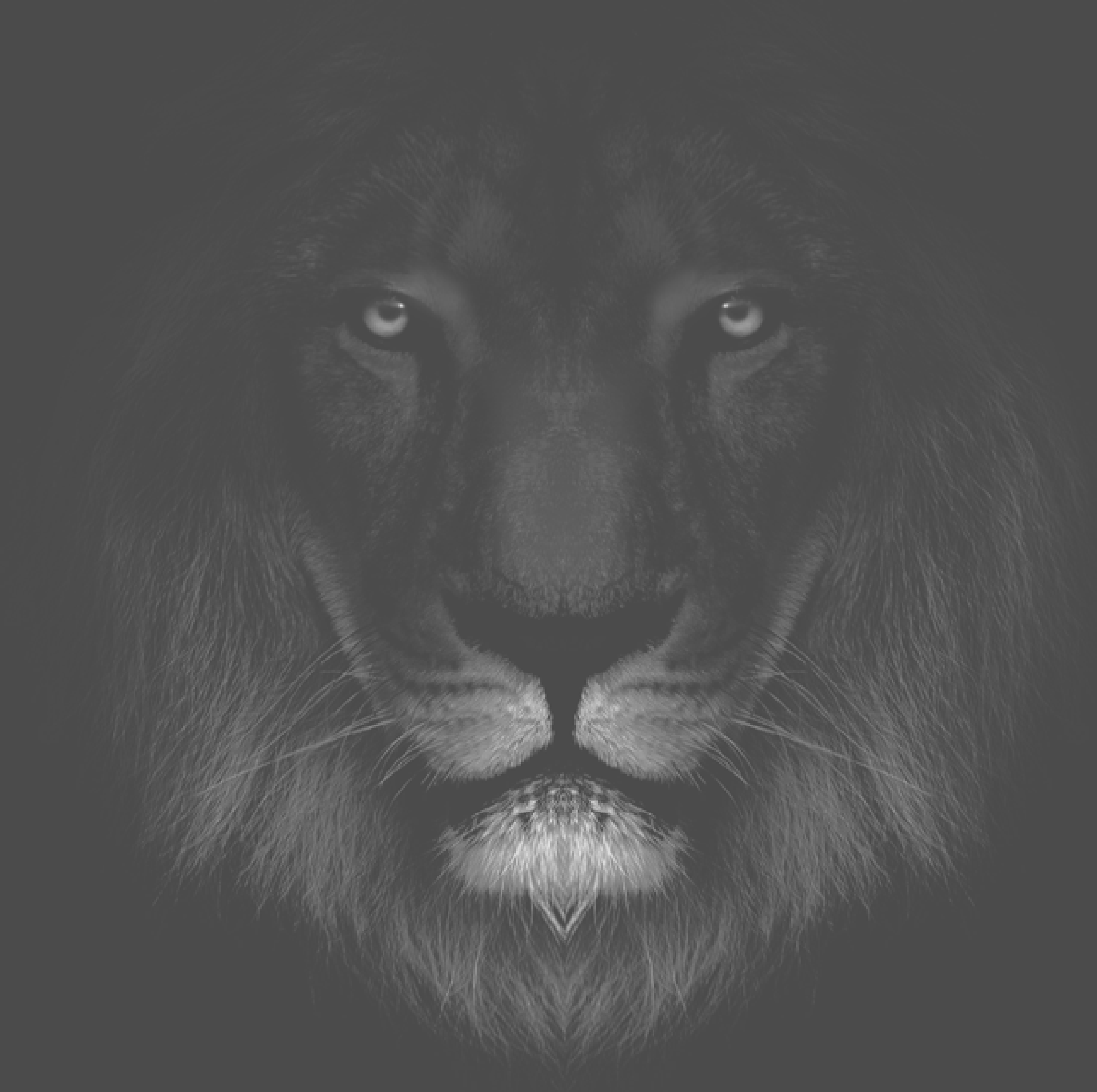


BANCA GENERALI

Annual integrated report

2024

Annual Integrated Report
at 31 December 2024

BOARD OF DIRECTORS
6 MARCH 2025

This document is in addition to the official version pursuant to Commission Delegated Regulation (EU) 2020/815 on the European Single Electronic Format (ESEF Regulation) published on the website: www.bancagenerali.com/en/investors/reports-and-relations.

This Annual Integrated Report has been translated from that issued in Italy, from the Italian into the English language, solely for the convenience of international readers. The Italian version remains the definitive version.

BANCA GENERALI

Banca Generali S.p.A.

Administrative and control bodies

Board of Directors - 6 March 2025

Board of Directors	Antonio Cangeri	Chairman
	Gian Maria Mossa	Chief Executive Officer
	Azzurra Caltagirone	Director
	Lorenzo Caprio	Director
	Paolo Ciocca	Director
	Roberta Cocco	Director
	Alfredo Maria De Falco	Director
	Anna Simioni	Director
	Cristina Zunino	Director
Board of Statutory Auditors	Natale Freddi	Chairman
	Paola Carrara	
	Giovanni Maria Garegnani	
General Manager	Gian Maria Mossa	
Manager in Charge of Preparing the Company's Financial Reports	Tommaso Di Russo	

Contents

Letter to Stakeholders

Antonio Cangeri
Chairman

In 2024, global economy recorded solid growth, with declining inflation and positive equity market performance, especially in the United States. Central banks began to ease their monetary policies: the ECB cut key interest rates four times for a total of 100 basis points, while the Federal Reserve made three cuts. Easing monetary policies and expectations for further interest rate cuts in Europe have led to a **favourable context** for Italian households' demand for financial advisory and asset management products.

Banca Generali was able to promptly seize the opportunities offered by the new market context, focusing on consistent growth and exceeding 6.6 billion euro net inflows, with total client **assets managed and administered** at 103.8 billion euros. The increase in commercial activities was accompanied by profitable growth: the **Bank's net profit** rose by 32% to 431 million euros, setting an all-time high for both the recurring and total components. The Bank's traditional **capital solidity** continued to strengthen as well. Total Capital Ratio was 24.4%, or nearly 12 pps above the specific capital requirement. In light of these results, the Board of Directors proposed to distribute a 327 million euro **cumulative dividend** totally paid in cash.

The satisfaction for the last year's results is compounded by that for the **end of the 2022-2024 Strategic Plan**, which aimed at steering Banca Generali along a path of sustained, sustainable and profitable growth, in line with its history. With regard to the results for the three-year period, the Company recorded cumulated net inflows of 18.2 billion euros, with an average 24% increase in net profit, and is going to distribute total cumulative dividends of 8.5 euros per share[1]. These figures mark the achievement of the Strategic Plan's ambitious targets, confirming the Bank's resilience and its ability to overcome complex and challenging economic periods, as was the case in the 2022-2023 two-year period.

Beside focusing on financial growth, Banca Generali developed multiple strategic initiatives to strengthen its value of service, with particular reference to solutions dedicated to Private and HNW customers and, more generally, to entrepreneurial families. In addition, in the past three years, the Bank has become increasingly data-driven, implementing data-analytics tactics to support its Financial Advisors' development and productivity. The creation of an **advanced data governance, data management and data warehouse** structure puts the Company in an ideal position to exploit the opportunities offered by AI application at times of accelerated technological development.

The year 2024 also marked an important step forward in terms of international expansion. After receiving the Swiss Regulator's authorisation, **BG Suisse** obtained the Bank of Italy's authorisation to operate in Italy under the Free Provision of Services regime which, combined with the investment services provided by Banca Generali in Italy, represents a unique offering in the Italian landscape.

Intermonte, a historical Italian brokerage firm with extensive expertise in advisory for Italian SMEs, was acquired through the voluntary tender offer launched in September 2024 and finalised in just five months with delisting at the beginning of 2025. This acquisition will further catalyse the Bank's growth and profitability in the coming years.

The Annual Integrated Report 2024 includes the Sustainability Statement pursuant to Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD), in its first year of application. One of the main requirements introduced by the new

[1] Total cumulative dividends for the 2022-2025 period (cash view) at the high-end of the range set at 7.5-8.5 euros per share.

Directive is the **double materiality analysis**, which has identified as Banca Generali priorities climate change mitigation, the enhancement of Human Capital, the enhancement of Financial Advisors, cybersecurity and data protection with regard to customers, wealth protection and value of service. Besides being relevant for the purposes of this Report, these topics are especially fundamental for identifying and addressing Banca Generali's strategic topics in the years to come, so as to define its stakeholder commitment in an increasingly thorough manner.

As the administrative, management and supervisory bodies deem sustainability matters central to the definition of the Company's strategy and management, the ESG reporting tools **Sustainability Dashboard** and **Climate Risk Assessment** have been formalised for the Board of Directors and Board Committees to be able to monitor ESG KPIs and assess climate-related and environmental risks. In 2024, the Board of Directors monitored and approved the integration of the **Action Plan**, related to the Bank of Italy's supervisory expectations for climate-related and environmental risks. At the beginning of 2025, the Board also approved the new Climate Transition Plan, which sets new ambitious GHG emission reduction targets for both operational activities and corporate issuers to be reached by 2030, and the Net Zero target by 2040.

As regards the **People Strategy policies**, the Bank focused on consolidating the sense of belonging, promoting constant alignment between project and business activities, and fostering an inclusive work environment that values uniqueness. Its commitment towards all BG People is clearly reflected in the acceleration of training programmes, which despite their already excellent quality improved even further. Specifically, **training programmes** focused on regulatory matters and on cybersecurity, innovation, AI and digital skills — including in particular training on Microsoft Copilot Edge — and the development of behavioural and managerial competencies. Overall, **70,749 training hours were provided in 2024, up by 7% compared to 2023 and by 18% on 2022**. Besides Employees, the focus on training also extends to Financial Advisors, who were involved in managerial and relationship training programmes aimed at strengthening their role and enhancing their technical-commercial skills, so as to better meet customers' needs with an increasingly holistic approach, in line with regulatory developments. Among these programmes, the innovative My Academy project with its strategic training courses, the support for obtaining **EFPA ESG Advisor certification** offered to a cluster of selected Financial Advisors specialised in sustainability matters, and the **BG Lab training platform** with its renewed content and user experience proved particularly effective.

In line with the commitments undertaken at the launch of the 2022-2024 Strategic Plan, at the end of the year 60% of hirings was under 35 years, 95% of people was involved in sustainability-related initiatives and 99% in digital-related initiatives. Hybrid work was fully confirmed for 100% of eligible employees. We are also particularly proud of having obtained Gender Equality Certification, which confirms the Bank's attention to equal opportunities policies and to the creation of a work environment based on respect and continuous skill development to guarantee a work experience that always puts people at the centre.

I would also like to highlight that the 2024 Global Engagement Survey conducted on all the Banca Generali Group employees recorded a **participation rate of 96%** and an **engagement score of 86%**, testifying once again that the Bank's overall goals and values are broadly shared and highlighting a strong sense of belonging and sharing of the corporate culture, which have always been distinctive factors of our organisation.

Among the recognitions that Banca Generali received in 2024, I would like to mention the "**Best Private Bank in Italy**", bestowed at the prestigious Global Private Banking Awards (FT Group's PWM) for the sixth time in the past eight years, and the "**Best Financial Advisor Network for Customer Satisfaction**" award received by Deutsche Institut für Qualität und Finanzen (ITQF) for the eleventh consecutive year. These recognitions confirm the Banking Group's high reputation and our customers' appreciation, and reward our constant commitment to offering an excellent service, as testified by the ratings received and by our undeniable commercial success.

To conclude, I would like to thank all the Financial Advisors, Employees, the Chief Executive Officer and his management team, whose work and dedication led to the successful achievement of all the Strategic Plan's targets. I wish them to forge ahead with this path of sustained, profitable and remunerative growth through 2025 and in the future.

I would also like to sincerely thank my colleagues, the members of the Board of Directors, and the members of the Board of Statutory Auditors for their valuable contribution in terms of experience, expertise and strategic vision that, year after year, support Banca Generali's development towards increasingly significant objectives.

1

DIRECTORS' REPORT ON OPERATIONS

Highlights

TOTAL CLIENT ASSETS **103.8** billion euros	NET INFLOWS **6,648** million euros
OWN FUNDS **1,004.2** million euros	NET EQUITY **1,459.9** million euros
TOTAL CAPITAL RATIO **24.4%**	TIER 1 **24.4%**
NUMBER OF CUSTOMERS **359,000**	ESG AUM **42.6%** on total managed solutions
ABSOLUTE CO_2 EMISSIONS (tCO_2eq - Scope 1: 325.1 and Scope 2: 119.3) **-29%** vs baseline 2019 (market-based)	INVESTMENT CARBON FOOTPRINT **-51%** vs baseline 2019

NET OPERATING INCOME **981.1** million euros	No. OF EMPLOYEES **1,104** of whom 48% female employees
NET OPERATING EXPENSES **294.0** million euros	EMPLOYEE TRAINING HOURS **70,749**
OPERATING RESULT **687.1** million euros	No. OF FINANCIAL ADVISORS (ASSORETI SCOPE) **2,353** of whom 19.7% female of whom non-employees **2,291**
PROFIT BEFORE TAXATION **569.8** million euros	
NET PROFIT **431.2** million euros	BG NETWORK TRAINING HOURS **143,200**
GROSS GLOBAL ADDED VALUE DISTRIBUTED **1,408.3** million euros	HYBRID WORK **100%** of eligible employees (excluding sales and front-office personnel)

History

Banca Generali's history is a history of growth marked by a mix of skills stimulated by internal inno-vation and an ability to incorporate external realities:

Expansion and mergers of several companies and networks of Financial Advisors

Increase in business efficiency, focus on market high-end ...

1998 - 2000 Banca Generali started operations on 1 December 1997, following the acquisition of 90% of the share capital of Cassa di Risparmio di Trieste Specialcredito S.p.A. by Assicurazioni Generali

2000 - 2001 Merger with Prime and creation of the multi-channel bank. Acquisition of Altinia Sim e INA Sim

2003 Acquisition of Banca Primavera's network

2005 Acquisition of Intesa Fiduciaria Sim

2006 Enhancement of wealth management activities and listing on the stock exchange. Acquisition of a management company, BG SGR. Acquisition of the share capital of Banca BSI Italia (the Italian company of BSI S.A.). Acquisition from BSI of a static trust company, S. Alessandro Fiduciaria (now Generfid). Début of Banca Generali shares on the Milan stock exchange on 15 November

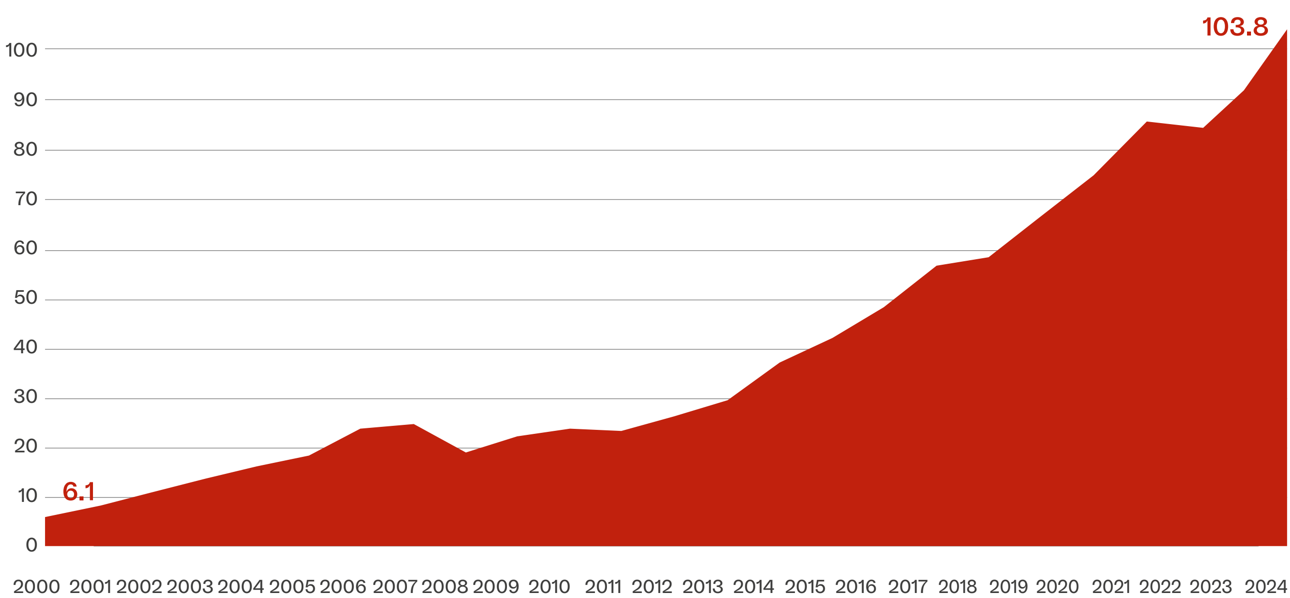
2007 Incorporation of the management company BG Investments Luxembourg

2008 Acquisition of Banca del Gottardo Italia

2009 Creation of Generali Fu Management

2010 Introduction of the Banca Generali Private Banking division

BANCA GENERALI - TOTAL ASSETS: 2000-2024 TREND (€ billion)



... and development of a wealth management hub

New structure thanks to targeted high-end acquisitions

und

2011 Merger of BG SGR into Banca Generali

2014 Acquisition of the Italian private-banking unit of Credit Suisse. Creation of the new BG Fund Management Luxembourg

2016 Tenth anniversary of Banca Generali's listing on the Italian stock exchange

2017 Merger of BG Fiduciaria. Creation of the Banca Generali Private trademark and three network divi-sions: Financial Planner, Private Banking and the new Wealth Management

2018 Definition of the partnership between Banca Generali and Saxo Bank to create BG Saxo. Start of pro-cedures for the acquisition of Nextam Partners and Valeur Fiduciaria S.A.

2019 Acquisition of Nextam Partners and Valeur Fiduciaria S.A., now BG Valeur S.A.

2020 Merger of Nextam Partners SGR and Nextam Partners S.p.A. into Banca Generali

2021 Incorporation of the NewCo BG (Suisse) S.A.

2023 Start of the bank activity (effective 1 December 2023) of BG (Suisse) Private Bank S.A. (formerly BG (Suisse))

2025 Acquisition of Intermonte Sim S.p.A., one of the main independent investment banks in Italy, with thirty years of history

Recognitions Received

- Best Financial Advisor Network for Customer Satisfaction - Deutsche Institut für Qualität und Finanzen (2016, 2017, 2018, 2019, 2020, 2021, 2023, 2024, 2025)
- 2024/2025 Sustainability Champion – Deutsches Institut für Qualität und Finanzen
- Best Distribution Network – Italian Certificate Awards – ICA (2021, 2022, 2023, 2024)
- Gold medal as Italy's Best Asset Manager (2021, 2022, 2023, 2024) – Deutsches Institut für Qualität und Finanzen
- Gold medal as Best Green Asset Manager (2023) – Deutsches Institut für Qualität und Finanzen (2nd place in 2022)
- Best Employer (2021, 2022) – Deutsches Institut für Qualität und Finanzen
- Best Private Bank in Europe for use of Technology – FT Group
- Best Private Bank in Italy (2014, 2016, 2017, 2019, 2020, 2021, 2023, 2024) – FT Group
- 2022 Best Private Bank for Digital Wealth Planning in Europe – FT Group
- 2022 Best Private Bank for Diversity & Inclusion Italy – World Economic Magazine
- 2022 Banking Awards - Best Sustainable Private Bank – Italy 2022 – Capital Finance International
- Italian Top Manager Reputation by Reputation Science – Gian Maria Mossa in 1st place among networks and sole representative of advisory services in the financial top 10 (2018) – Bluerating

Mission, Vision, Values

VISION

To be the No. 1 Private Bank, Unique by Value of Service, Innovation and Sustainability.

MISSION

Trusted professionals always by the customers' side, developing and looking after their life plans.

PURPOSE

PROTECTING AND IMPROVING THE LIVES OF PEOPLE AND BUSINESSES BY ENHANCING THE MANAGEMENT OF THEIR ASSETS AND SAVINGS.

VALUES[1]

The Banca Generali Values are in line with those of Generali Group:

DELIVER ON THE PROMISE

We want to build a long-term relationship of trust with people: employees, customers and stakeholders. The objective of our work is to improve our customers' lives, turning a promise into reality.

LIVE THE COMMUNITY

We are proud to belong to a Group that operates throughout the world with a major focus on social responsibility matters. We feel at home in all markets.

VALUE OUR PEOPLE

We give value to people, promote diversity and invest in encouraging ongoing learning and professional growth to create an environment that is transparent, collaborative and accessible to all.

BE OPEN

We are curious, proactive and dynamic people with open, diverse minds that want to look at the world from another viewpoint.

[1] For further information, see Banca Generali's Internal Code of Conduct, published on the website http://www.bancagenerali.com in its updated version.

The behaviours

Behaviours describe how the Bank wants to go about its activity every day and are what differentiate it from others. They represent the commitment, as a group and as individuals, and how we want to measure how results are achieved.

OWNERSHIP
Working proactively and passionately to achieve an excellent performance

SIMPLIFICATION
Simplifying, adapting quickly and making smart decisions

HUMAN TOUCH
Collaborating with others, showing empathy and team spirit

INNOVATION
Embracing differences to create innovation

Summary of operations

Banca Generali Group closed financial year 2024 with consolidated net profit of 431.2 million euros compared to 326.1 million euros for the previous year (+32.2%), achieving a new all-time high in the Group's history that reflects the successful achievement of the targets set in the 2022-2024 Plan.

This result was driven by both the sharp increase in recurring net profit, which stood at 339.3 million euros (+5.9%), and the surge in non-recurring net profit, which amounted to 92.0 million euros (5.8 million euros in 2023), thanks to the recovery of performance fees. Overall, the growth rate of recurring net profit in the three years was 24%, far above the target set in the 2022-2024 Plan (2021-2024 CAGR at +10%-15%).

Net banking income stood at 981.1 million euros compared to 788.2 million euros for 2023 (+24.5%). The significant increase was driven by the higher net financial income (338.6 million euros; +5.4%), the good performance of net recurring fees (476.1 million euros; +6.4%) and the sharp rise in variable fees, which amounted to 166.4 million euros, thanks to the excellent performance of the UCITS managed by the Banking Group.

Despite the inflationary pressures, operating expenses amounted to 294.0 million euros (+6.2% on an annual basis), including 5.7 million euro one-off charges, thus confirming the Bank's operational efficiency. Core operating expenses[2]' were 264.6 million euros (+7.2%). This aggregate included 12.5 million euros charges generated by the start of operations at the new Swiss banking hub (7.4 million euros in 2023) and 4.0 million euros linked to the renewal of the National Collective Labour Agreement for the Credit Sector, net of which core operating expenses would have increased by 4.3%.
Operating efficiency indicators remained at excellent levels: the ratio of total costs to total assets stood at 28 bps, slightly down also thanks to the performance of total assets; the cost/income ratio, adjusted for non-recurring items, reached 35.4%, with a minor change compared to the previous year (34.9% at year-end 2023).

Provisions, contributions and charges and net adjustments amounted to 117.3 million euros, up compared to 67.6 million euros for 2023, as a result of higher provisions for liabilities and contingencies (+56.0 million euros), partially offset by a decline in adjustments (-2.4 million euros) and in contributions to bank and insurance protection funds (-3.6 million euros). The latter however included an estimate of 2.4 million euros for the contribution due in 2024 to the new Guarantee Fund for the Life Insurance Sector, currently being activated.
The increase in provisions for liabilities and contingencies was attributable for 10.5 million euros to the adjustment of discount rates to market rates, for 31.9 million euros to higher non-recurring provisions to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid assets distributed by the Bank, including 5 million euros allocated to loyalty plans for Financial Advisors.
In addition, 8.8 million euros was allocated in service of the new rejuvenation plan approved at year end, and 2.6 million euros for charges related to the Intermonte voluntary tender offer.

Operating profit before taxation was 569.8 million euros, up 125.9 million euros compared to the previous year (+28.4%).

At the end of 2024, total consolidated assets amounted to 16.8 billion euros, up by over 1.3 billion euros (+8.4%) compared to the end of 2023.
Core loans thus totalled 15.7 billion euros, up by 1.3 billion euros (+9.0%) compared to the end of 2023.

[2] Operating expenses, net of non-recurring items, amounting to 5.7 million euros (8.1 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 23.7 million euros (21.8 million euros in 2023).

Total net inflows from banks and customers amounted to 14.5 billion euros, increasing slightly more than 1.0 billion euros (+7.5%) compared to year-end 2023. In particular, **total direct inflows** from customers reached 14.2 billion euros (+6.7%), mainly as a result of the marked increase in current accounts deposits in the fourth quarter (**12.7 billion euros**), which accounted for 90% of the total.

The **banking book financial assets** amounted to 11.4 billion euros (+6.0% compared to the end of 2023), of which nearly 95% invested in bonds. In this regard, in order to stabilise future yields, the fixed-rate bond component was increased to 54% of the total (49% at the end of 2023) and duration was extended to 1.3 years (1.2 years at year-end 2023), whereas maturity remained stable at 3.6 years. Exposures composed of **loans** to customers reached 2.3 billion euros, in line with the previous year.

Net interbank position, net of the bond component, was positive at 1.4 billion euros, markedly increasing compared to the previous year (+64.9%), mainly as a result of the rebound of deposits with the ECB (+368 million euros).

With reference to **capital requirements**, the Bank confirmed the soundness of its regulatory aggregates. CET1 ratio was **22.0%** and Total Capital Ratio rose to **24.4%, also as a result of the issue of the new AT1 equity instrument**. These ratios were above the specific requirements set by the Bank of Italy for the Group (i.e., CET1 ratio at 8.33% and Total Capital Ratio at 12.63%) for the SREP – Supervisory Review and Evaluation.

Net inflows reached **6.6 billion euros** (+13.5% compared to 2023), thus confirming the gradual improvement in the product mix to the benefit of AUM products. **Net inflows from Assets under Investment** rose to **3.9 billion euros** in the period, more than double the previous year's result. This good performance was chiefly driven by managed solutions (**2.9 billion euros** compared to -0.8 billion euros in 2023). Among these, worth of mention was the contribution of wrappers, which catalysed **2.5 billion euro** net inflows (0.7 billion euros in 2023), and that of in-house funds, amounting to 997 million euros (+150%). The latter benefitted from the recent revision and expansion of the products offered. Net inflows from **Other Assets** amounted to **2.8 billion euros** in 2024, also thanks to an increase in deposits (**1.3 billion euros**) compared to the previous year (1.2 billion euro net outflows) linked to the gradual normalisation of interest rates, an acceleration in the acquisition of new customers and a higher turnover linked to bonds reaching maturity.

At the end of December, **Assets under Advisory** reached **10.8 billion euros**, sharply up (+8.3%) compared to year-end 2023. Their ratio to total assets rose to 10.4% (10.3% at year-end 2023).

The Group's **total client assets** stood at **103.8 billion euros** (+11.8%), including the 1.1 billion euro contribution deriving from the assets managed by BG Valeur S.A. In addition, managed assets also included **1.2 billion euros** in assets under administration of the Generali Group companies and 5.5 billion euros in funds and Sicavs distributed directly by BGFML, for an overall total of **110.4 billion euros**.

Intermonte Voluntary Tender Offer

On 16 September 2024, Banca Generali launched a voluntary tender offer in cash aimed at acquiring all the ordinary shares of Intermonte Partners SIM S.p.A. ("Intermonte"), listed on the Italian Stock Exchange (EuroNext Growth Milan) and parent company of the financial group bearing the same name.
The Offer was launched for a consideration of **3.04 euro per each share** including a premium of 24.0% with respect to the average performance of the previous three months and aimed to collect at least 90% of Intermonte Shares, with the intention to delist the Shares.

After having received the required authorisations from the Supervisory Authorities on 17 and 18 December 2024 (Bank of Italy and Consob), from 23 December 2024 to 24 January 2025, 30,789,819 Shares were tendered to the Offer, equal to approximately 95.332% of the Offer Shares, for a total consideration of 93,601 thousand euros, paid on 31 January 2025.
On 5 February 2025, pursuant to Article 111 of TUF, the remaining 1,339,086 floating Shares (excluding treasury shares) were acquired, accounting for 4.146% of the Issuer's share capital, for a total consideration of 4,071 thousand euros.
Accordingly, Borsa Italiana proceeded with Intermonte's delisting as of the session of Wednesday, 5 February 2025.

With this transaction, Banca Generali aims to integrate Intermonte — a leading independent broker with a leadership position in the Italian market and thirty years of consolidated experience and success — into its Banking Group.
This transaction is part of the plan to strengthen Banca Generali's growth with the objective to create value for all stakeholders by further differentiating its market positioning from that of its peers by developing increasingly distinctive professional skills focused on wealth protection and advisory.
Intermonte stands out for its quality in its areas of activity — Negotiation & Trading, Global Markets, Investment Banking, Digital Division & Advisory and Research — which are complementary and synergistic to Banca Generali's activity and its private banking positioning, in particular with reference to entrepreneurs and small and medium-sized enterprises (SMEs).


ROADSHOW
BG 2024


BANCA GENERALI
UN CAMPIONE PER AMICO
MILANO


sport business forum


GEN AI


DATA 4FUTURE
DATA 4FUTURE

Group Economic and Financial Highlights

GROUP ECONOMIC AND FINANCIAL HIGHLIGHTS

(€ MILLION)	31.12.2024	31.12.2023	CHANGE %
Net interest income	317.1	304.4	4.2
Net financial income	**338.6**	**321.3**	**5.4**
Net fees	642.5	466.8	37.6
Net banking income	**981.1**	**788.2**	**24.5**
Net operating expenses [(d)]	**-294.0**	**-276.7**	**6.2**
of which: Staff expenses	*-135.0*	*-124.4*	*8.5*
Operating result	**687.1**	**511.5**	**34.3**
Provisions and charges related to the banking system [(d)] and other one-off charges	-118.4	-66.0	79.5
Adjustments to non-performing loans	1.8	-0.5	n.a.
Profit before taxation	**569.8**	**443.8**	**28.4**
Net profit	**431.2**	**326.1**	**32.2**

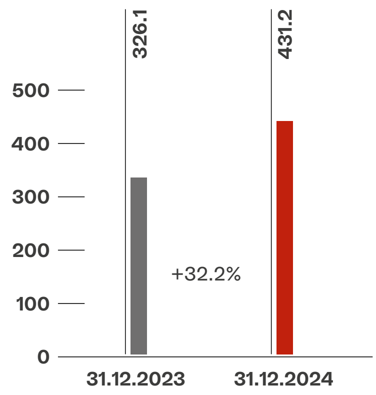
PERFORMANCE INDICATORS

	31.12.2024	31.12.2023	CHANGE %
Cost/income ratio [(d)(f)]	30.0%	35.1%	-14.6
Operating Costs/Total Assets – annualised [(e)]	0.28%	0.30%	-5.0
EBITDA [(d)]	729.3	551.2	32.3
ROE [(a)]	32.3%	28.6%	12.8
ROA [(b)]	0.42%	0.35%	18.2
EPS - Earnings per share (euros)	3.78	2.86	32.3

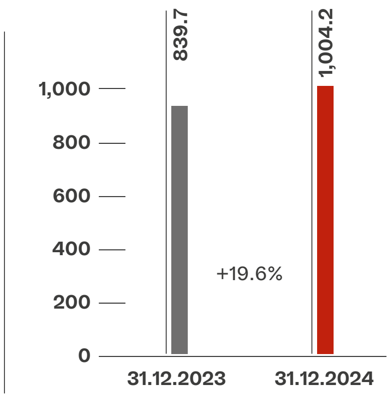
NET EQUITY

	31.12.2024	31.12.2023	CHANGE %
Net equity (€ million)	1,459.9	1,213.3	20.3
Own funds (€ million)	1,004.2	839.7	19.6
Excess capital (€ million)	484.6	294.8	64.4
Total Capital Ratio	24.4%	19.0%	28.6

NET PROFIT (€ million)



OWN FUNDS (€ million)



NET INFLOWS

(€ MILLION)	31.12.2024	31.12.2023	CHANGE %
Assets under Investment	**3,853**	**1,388**	**177.6**
Funds and Sicavs	390	87	348.3
of which: in-house funds	*997*	*399*	*149.9*
Financial wrappers	1,574	699	125.2
Insurance wrappers	891	15	n.a.
Managed solutions	**2,855**	**801**	**256.4**
Traditional life insurance policies	341	-1,167	-129.2
AUC & Banking under Advisory	657	1,754	-62.5
Other Assets	**2,795**	**4,467**	**-37.4**
Assets under Custody	1,523	5,674	-73.2
Liquidity	1,272	-1,207	205.4
Total	**6,648**	**5,855**	**13.5**

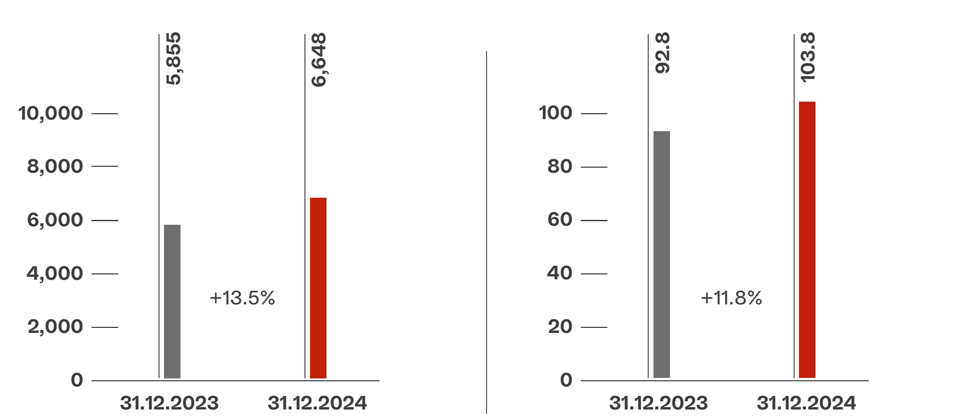
TOTAL CLIENT ASSETS

(€ BILLION)	31.12.2024	31.12.2023	CHANGE %
Assets under Investment (c)	**70.2**	**62.9**	**11.5**
Funds and Sicavs	24.2	22.0	10.0
of which: in-house funds	*11.9*	*10.1*	*18.2*
Financial wrappers	12.7	10.5	20.8
Insurance wrappers	12.0	10.6	13.6
Managed solutions	**49.0**	**43.1**	**13.6**
Traditional life insurance policies	14.9	14.3	4.1
AUC & Banking under Advisory	6.3	5.5	15.2
Other Assets (c)	**33.7**	**29.9**	**12.5**
Assets under Custody	22.4	20.0	11.9
Liquidity	11.2	9.9	13.6
Total (c)	**103.8**	**92.8**	**11.8**

(a) Ratio of net result to the arithmetic average of net equity, including net profit, at the end of the year and at the end of the previous year.
(b) Ratio of net result for the year to year-end exact total client assets within Assoreti's scope and total client assets within the Swiss market, annualised.
(c) Total client assets within Assoreti's scope and total client assets within the Swiss market.
(d) For a greater understanding of operating performance, mandatory contributions (of both an ordinary and extraordinary nature) paid to the banking system (Italian Interbank Deposit Protection Fund, the European Single Resolution Fund and Italian National Resolution Fund) and to the insurance system (Guarantee Fund for the Life Insurance Sector) have been reclassified from the administrative expenses aggregate to a separate item. The restatement better represents the evolution of the costs linked to the Bank's operating structure by separating them from the systemic charges incurred.
(e) Ratio of operating expenses, gross of non-recurring components, to year-end exact total client assets within Assoreti's scope and total client assets of BG Valeur, annualised.
(f) The cost/income ratio measures the ratio of operating expenses to net operating income.

NET INFLOWS
(€ million)

TOTAL CLIENT ASSETS
(€ billion)



Macroeconomic Context and Positioning

Macroeconomic Scenario and Future Prospects

The year 2024 was characterised by a macroeconomic scenario where global economic growth proved more solid than expected, with inflation falling and nearing the central banks' target. This led the main equity indexes to perform positively at around 31% in euros in the United States and at about 6% in Europe. Analysts revised their global gross domestic product estimates upwards several times, however the growth differential remained far more favourable for the United States (approximately +3%) than for the Eurozone (approximately +0.5%). Europe was negatively impacted by the crisis of the German manufacturing industry, and more generally of the automotive industry, as well as political tensions in France.

The year 2024 also saw the US presidential elections, won by Republican candidate Donald Trump in November. Trump's victory helped support the performance of the US stock market in the weeks following the vote, thanks to expectations of greater deregulation and economic policies that may favour US companies over those in the rest of the world.

Against this macroeconomic backdrop, central banks started to cut interest rates in the year. In particular, the European Central Bank began before the Federal Reserve, cutting rates four times for a total of 100 bps, whereas the central bank chaired by Jerome Powell cut 100 bps in three meetings.

As regards the bond market, the government component was highly volatile due to changing expectations in the year about the number and speed of cuts implemented by central banks. In fact, at the beginning of 2024, seven cuts were expected by the Federal Reserve compared to the three actually implemented. The constant change in expectations was due in particular to a more resilient economy and a more solid labour market than initially expected.

In this context, the main government bond curves steepened, with the short end outperforming the long end. In particular, the German and US ten-year yields rose from 2% to 2.36% and from 3.87% to 4.57%, respectively, in the year. On the contrary, the two-year government bond yields fell, with the Bund in particular declining from 2.5% to around 2%. Unlike core bonds, peripheral bonds recorded an excellent performance. For instance, the BTP-Bund spread went from 164 bps to 115 bps. Greek and Spanish bonds also yielded positive returns, outperforming French and German bonds in relative terms.

As regards credit, High Yield and financial issues generated excellent returns in 2024. The former recorded positive returns of about 6% thanks to narrowing spreads and the carry offered by the asset class. Financial issues also achieved positive returns of approximately 8% owing to the all-time high capitalisation levels and to non-performing loans (NPLs) remaining steadily below 2%. It should be noted that credit bonds outperformed government bonds with a lower level of volatility.

With regard to equity markets, the United States outperformed the rest of the world. In particular, the S&P 500 returned 31% in euros compared to about 6% of the Eurostoxx 600 index and to approximately 12% in euros of the emerging countries index. China posted positive returns of nearly 24% in euros, mostly driven by the 40% rally in September following the government's pro-growth policies. The Chinese stock market remained very volatile and linked to possible announcements by the authorities over the coming months.

The US technology sector once again drove indices' performance. The Magnificent Seven stocks accounted for around 30% of the S&P 500 index and the NASDAQ reached new highs, closing the year at about +37% in euros. The banking sector also recorded positive returns of about 35% thanks to the growth in profits of both European and US banks.

With regard to currencies, the year saw a strong appreciation of the dollar against all other major currencies. In detail, the dollar appreciated by about 6% against the euro and by 11.5% against the yen. This movement was mainly attributable to a growth differential markedly in favour of the United States compared to the other countries, and the different monetary policy adopted by the FED and the Bank of Japan (BOJ). In fact, the latter continued to apply a wait-and-see approach to its rate normalisation path, thus weakening its local currency.

With reference to commodities, the commodities general index rose modestly in the year (approximately +12% in USD), with the change concentrated in its cyclical component, and was characterised by high volatility.

The energy sector — for which not even the prudent supply policy enacted by the OPEC Plus oil-producing countries was enough to offset the many signs of a global economic slowdown — and the industrial metals sector underperformed in the year.

By contrast, precious metals performed positively, benefitting from the start of an expansionary monetary cycle by the major western central banks. Agricultural commodities proved weak overall, with the exception of specific sectors such as cocoa and coffee.

Competitive Positioning

Banca Generali is a leading Italian distributor of financial products and services for Affluent, Private and HNW (High Net Worth) customers through Financial Advisors. The Group's markets of reference are asset management and distribution through its networks of Financial Advisors.

The asset management market

The Italian asset management industry closed 2024 with net inflows of 18.6 billion euros, mainly thanks to the contribution of Italian funds.

Assets under management amounted to 1,433 billion euros (net of assets invested in collective management solutions), of which 1,271 billion euros (89%) was invested in Italian and foreign funds and 162 billion euros in retail portfolio management solutions.

Long-term funds accounted for almost all open-ended funds (91% in December 2024). These funds included the following categories:

› bond funds (35.5% of total assets or 451.5 billion euros) with 47.6 billion euro net inflows in the year;
› equity funds (31.5% of total assets or 400.5 billion euros), with net outflows of approximately -17.9 billion euros;
› flexible funds (14.3% of total assets or 181.4 billion euros), with net outflows of -12.7 billion euros;
› balanced funds (10.0% of total assets or 127.7 billion euros), with net outflows of -15.8 billion euros in the year;
› hedge funds (0.1% of total assets or 0.8 billion euros), with net outflows of -0.05 billion euros in the year.

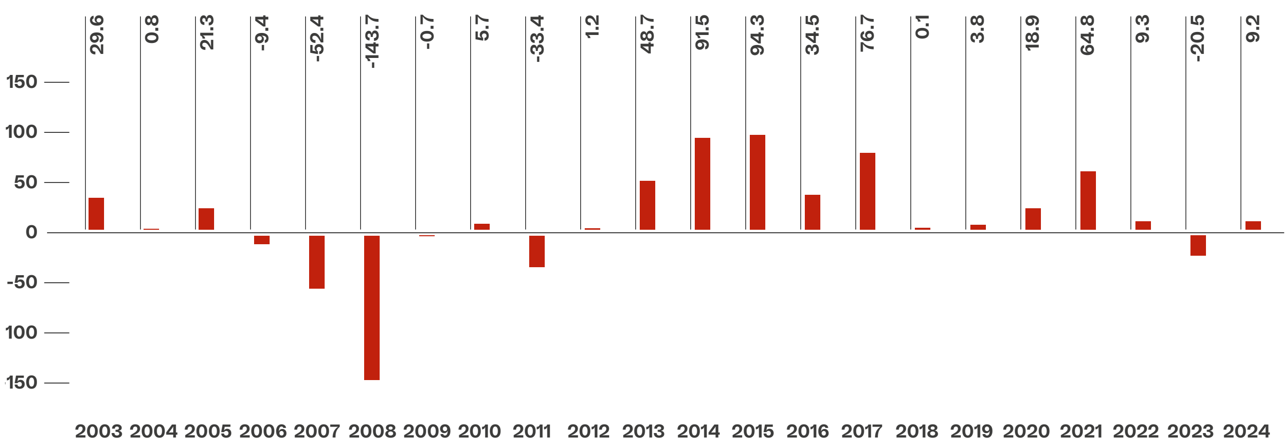
Assets invested in money-market funds amounted to 48.4 billion euros, accounting for 3.8% of total assets, with 4.4 billion euro net inflows in the year.

EVOLUTION OF NET INFLOWS AND ASSETS UNDER MANAGEMENT

	NET INFLOWS					ASSETS				
(€ MILLION)	12.2024	12.2023	12.2022	12.2021	12.2020	12.2024	12.2023	12.2022	12.2021	12.2020
Italian funds	15,927	5,484	66	5,848	-5,618	283,750	250,550	228,259	259,028	241,858
Foreign funds	-6,750	-26,028	9,272	58,921	24,487	986,921	873,469	846,450	1,004,303	874,624
Total funds	**9,177**	**-20,544**	**9,338**	**64,769**	**18,869**	**1,270,671**	**1,124,019**	**1,074,709**	**1,263,331**	**1,116,482**
GP Retail	**9,425**	**2,030**	**7,316**	**12,021**	**3,050**	**162,452**	**156,495**	**144,428**	**164,343**	**136,704**
Total	**18,602**	**-18,514**	**16,654**	**76,790**	**21,919**	**1,433,123**	**1,280,514**	**1,219,137**	**1,427,674**	**1,253,186**

Source: Assogestioni.

THE UCITS[3] MARKET IN ITALY



The Assoreti market

Net inflows of the Assoreti market amounted to 51.6 billion euros in 2024, with a 7.8 billion euro increase (+17.7%) compared to the same period of the previous year.

Net inflows from assets under management stood at 18.0 billion euros, up sharply compared to the same period of the previous year, which was chiefly focused on assets under administration. The contribution of mutual funds and Sicavs was 12.5 billion euros, whereas that of portfolio management was 5.5 billion euros.

Net inflows from insurance products reversed the trend reported in December 2023, reaching 7.4 billion euros compared to approximately -2.6 billion euro net outflows in December 2023 (unit-linked products represented the main component of overall net inflows from insurance products).

Following the gradual interest rate normalisation in 2024, net inflows from assets under administration declined compared to the previous year reaching 26.2 billion euros (down 36% compared to the same period of 2023). With regard to net inflows from assets under administration, liquidity recorded 9.0 billion euro net inflows, whereas assets under custody reached 17.3 billion euros (compared to the previous' year excellent result of 45.9 billion euros).

[3] Undertakings for Collective Investment (source: Assogestioni data).

TOTAL NET INFLOWS (ASSORETI)

(€ MILLION)	31.12.2024	31.12.2023	2024-2023 % CHANGE
Total assets under management	17,980	5,416	232.0%
Total insurance products	7,377	-2,588	n.s.
Total assets under administration	26,250	40,927	-35.9%
Total	**51,608**	**43,754**	**17.9%**

Source: Assoreti.

Banca Generali

In 2024, Banca Generali's net inflows amounted to 6.6 billion euros (+13.5% compared to 2023), with a sharp increase in managed and insurance solutions compared to the previous year, when Customers had preferred assets under administration, particularly securities.

The net inflow quality was also positive: 58% consisted of Assets under Investments, which totalled 3.9 billion euros in the year.

Managed solutions were the highest in demand with 2.9 billion euros, accounting for 43.0% of total net inflows compared to 13.7% for 2023.

As in 2023, in 2024 as well Customers' interest was particularly oriented towards in-house funds and Sicavs, which stood at 997 million euros (399 million euros at December 2023), further confirming the soundness of the initiatives taken to innovate the BGFML S.A. range of products. Among managed solutions, financial wrappers stood out for their result (1,574 million euros), showing a reversal of the market trend and Customers' appreciation for the personalisation options offered. Insurance wrappers (BG Stile Libero, Lux Protection Life, BG Oltre and BG Insieme Progetti di Vita) reported 891 million euro net inflows overall. This very positive result, backed by a recovery in demand for traditional life insurance policies (341 million euros), brought total net inflows from insurance products to 1,232 million euros (compared to -1,152 million euro net outflows for the previous year).

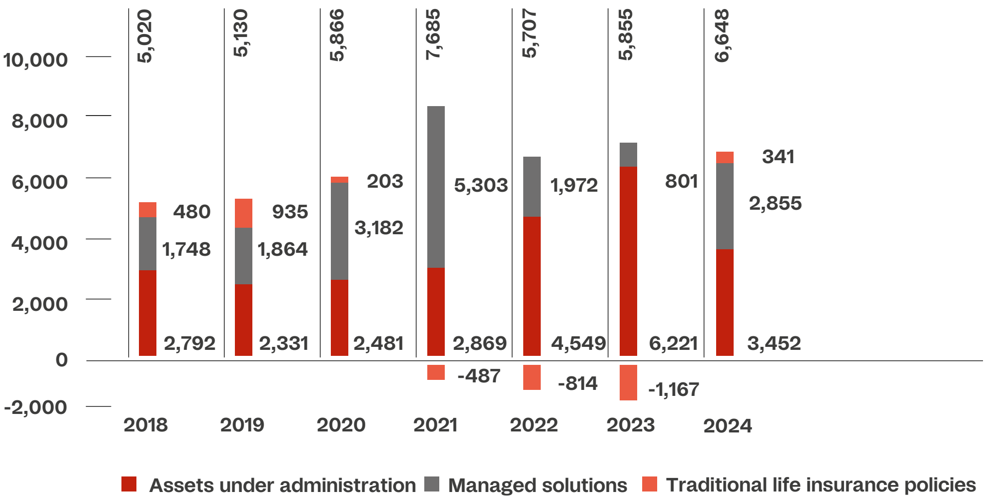
Net inflows from Other Assets amounted to 2,795 million euros, with liquidity recovering sharply. Net inflows from Assets under Custody remained positive at 1,523 million euros, albeit declining markedly compared to the previous year's extraordinary growth, thus confirming that the portfolios' realignment to the new interest rate context has been so far mostly completed.

BANCA GENERALI GROUP'S NET INFLOWS

	BANCA GENERALI GROUP		CHANGES VS 31.12.2023	
(€ MILLION)	31.12.2024	31.12.2023	AMOUNT	%
Assets under Investment	**3,853**	**1,388**	**2,465**	***177.6%***
Managed solutions	**2,855**	**801**	**2,054**	***256.4%***
Funds and Sicavs	390	87	303	*348.3%*
of which: In-house	*997*	*399*	*598*	*149.9%*
of which: Third-party	*-607*	*-312*	*-295*	*-94.6%*
Financial wrappers	1,574	699	875	*125.2%*
Insurance wrappers	891	15	876	*5,840.0%*
Traditional life insurance policies	**341**	**-1,167**	**1,508**	***n.s.***
AUC & Banking under Advisory	**657**	**1,754**	**-1,097**	***-62.5%***
Other assets	**2,795**	**4,467**	**-1,672**	***-37.4%***
Assets under Custody	1,523	5,674	-4,151	*-73.2%*
Liquidity	1,272	-1,207	2,479	*n.s.*
Total	**6,648**	**5,855**	**793**	***13.5%***

The following chart shows how Banca Generali has succeeded in constantly and continuously attracting net inflows, although the market context has profoundly changed in recent years. As already mentioned above, in 2024 there was a marked change in the weight of the different net inflow components, with an increase in the managed component compared to assets under administration.

BANCA GENERALI GROUP'S AUM (TOTAL ASSORETI AUM)

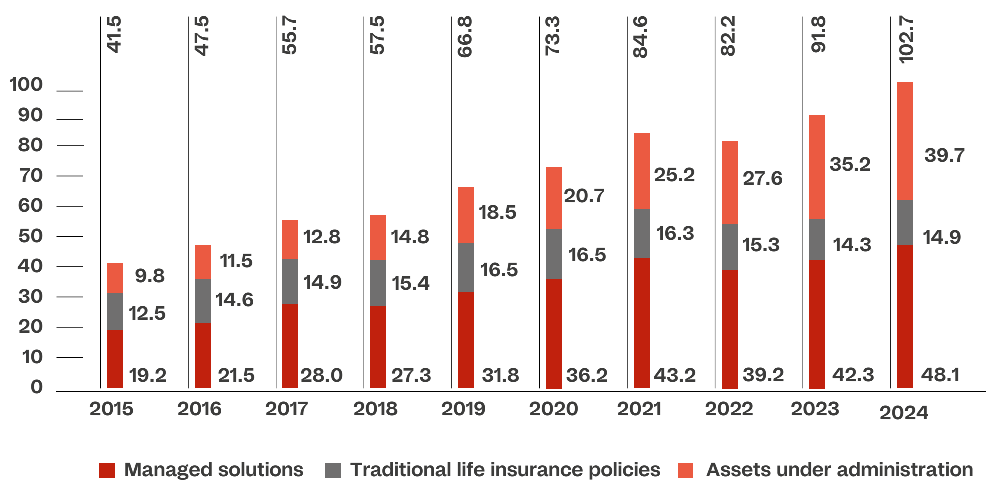


BANCA GENERALI GROUP'S AUM (TOTAL ASSORETI AUM)

	BANCA GENERALI GROUP		CHANGES VS 31.12.2023	
(€ MILLION)	31.12.2024	31.12.2023	AMOUNT	%
Assets under Investment	**69,299**	**62,038**	**7,262**	***11.7%***
Managed solutions	**48,085**	**42,254**	**5,831**	***13.8%***
Funds and Sicavs	24,182	21,975	2,207	***10.0%***
Financial wrappers	11,857	9,676	2,181	***22.5%***
Insurance wrappers	12,046	10,603	1,443	***13.6%***
Traditional life insurance policies	**14,914**	**14,314**	**600**	***4.2%***
AUC & Banking under Advisory	**6,300**	**5,469**	**831**	***15.2%***
Other Assets	**33,420**	**29,762**	**3,657**	***12.3%***
Assets under Custody	**22,177**	**19,865**	**2,311**	***11.6%***
Liquidity	**11,243**	**9,897**	**1,346**	***13.6%***
Total client assets	**102,719**	**91,800**	**10,919**	***11.9%***

At 31 December 2024, Banca Generali's AUM (excluding BG Valeur and BG Suisse) amounted to 102.7 billion euros (+11.9%), with managed solutions remaining the main component of its asset mix, accounting for 46.8% of total manged assets. Traditional life insurance policies accounted for 14.5% of the total, declining compared to 31 December 2023 (15.6%).

BANCA GENERALI GROUP'S TOTAL ASSETS EVOLUTION 2015-2024 (ASSORETI SCOPE) (€ BILLION)



Considering BG Valeur and BG Suisse as well, at 31 December 2024, Banca Generali's AUM amounted to 103.8 billion euros (+11.9%), with managed solutions remaining the main component of its asset mix, accounting for 47.2% of total managed assets. The Assets under Investment component, including managed solutions, insurance products and AUC & Banking under Advisory, stood at 70.2 billion euros (+11.6%), accounting for 67.6% of total assets (assets under advisory amounted to 10.8 billion euros at 31 December 2024).

BANCA GENERALI GROUP'S ASSETS UNDER INVESTMENT

	BANCA GENERALI GROUP		CHANGES VS 31.12.2023	
(€ MILLION)	31.12.2024	31.12.2023	AMOUNT	%
Funds and Sicavs	24,182	21,975	2,207	*10.0%*
Financial wrappers	12,728	10,535	2,193	*20.8%*
Insurance wrappers	12,046	10,603	1,443	*13.6%*
Total managed solutions	**48,956**	**43,113**	**5,843**	***13.6%***
Other life insurance policies	14,914	14,314	600	*4.2%*
Total assets under administration	39,956	35,396	3,729	*12.9%*
Total managed solutions (including BG Suisse and BG Valeur)	**103,826**	**92,823**	**11,003**	***11.9%***
Assets under Investment[4]	**70,170**	**62,896**	**7,274**	***11.6%***

[4] Assets under management and insurance products + AUC under advanced advisory.

Banca Generali S.p.A. Stock Performance

International financial markets — both equities and bonds — recorded a positive performance in 2024. This trend benefited from easing inflationary pressures, which enabled the major central banks of western countries to ease the monetary tightening stance they had begun in 2022.

After a cautious approach in the first half of the year, in June the European Central Bank — given a steadily declining inflation and the need to support the economy — announced its first interest rate cut, followed a few months later by the Federal Reserve, which in September cut its rates for the first time since March 2020.

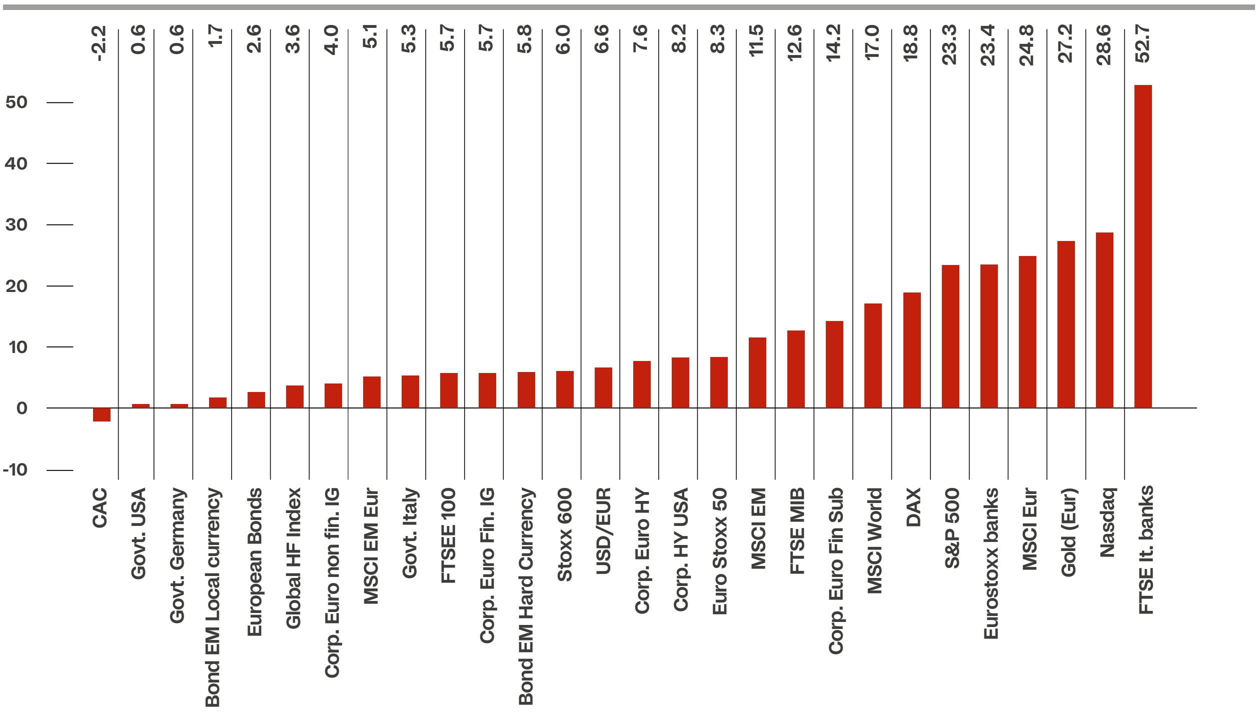
Overall, the ECB cut its key rate four times, bringing it from 4% to 3% at the end of the year, while the Federal Reserve cut the Fed Funds rate by about one percentage point, bringing it to a range of 4.25% to 4.50%.

Interest rate normalisation heightened the confidence of financial markets, favouring further growth in the latter part of the year.

With regard to equity markets, the Morgan Stanley World Index recorded a positive performance of 17.0%[1]. The US equity indices hit records (Nasdaq: +28.6%; S&P500: +23.3%), driven mainly by the world leadership in tech sectors. Albeit more moderate, returns of the European indices were positive (DAX: +18.8%; FTSE MIB: +12.6%), with the sole exception of the French equity index, which was impacted by the recent political turmoil (CAC: -2.2%).

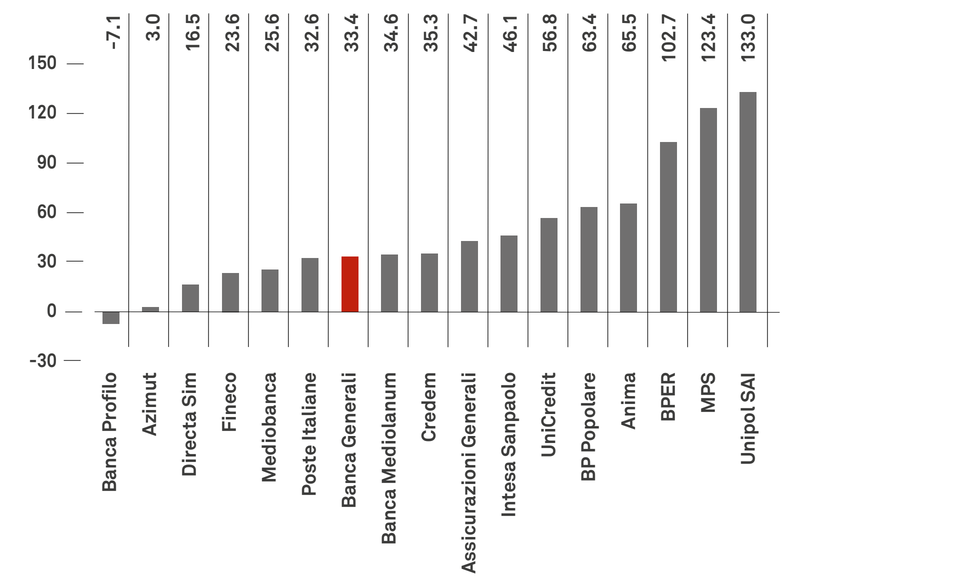
Bond market performance was more volatile, yet positive (Corporate Euro High Yield: +7.6%; Corporate USA High Yield: +8.2%; European bonds: +2.6%), consolidating the previous year's already excellent results.

PERFORMANCE OF THE WORLD'S INDEXES IN 2024[5]



For the second consecutive year, the European banking sector was among those that benefited the most from the financial and monetary context, growing by 23.4% in the year. As regards this sector, Italian banks performed best, up 52.7% in 2024 thanks to their excellent fundamentals, high levels of shareholder remuneration and the speculative appeal linked to several consolidation deals under discussion at the end of the year.

PERFORMANCE OF THE MAIN FINANCIAL STOCKS ON THE ITALIAN MARKET IN 2024 (%)



Source: Bloomberg.

As of the second half of 2024, the beginning of the monetary policy normalisation led to renewed interest in the Italian Asset Gathering sector, which has started the new year with rosier prospects.

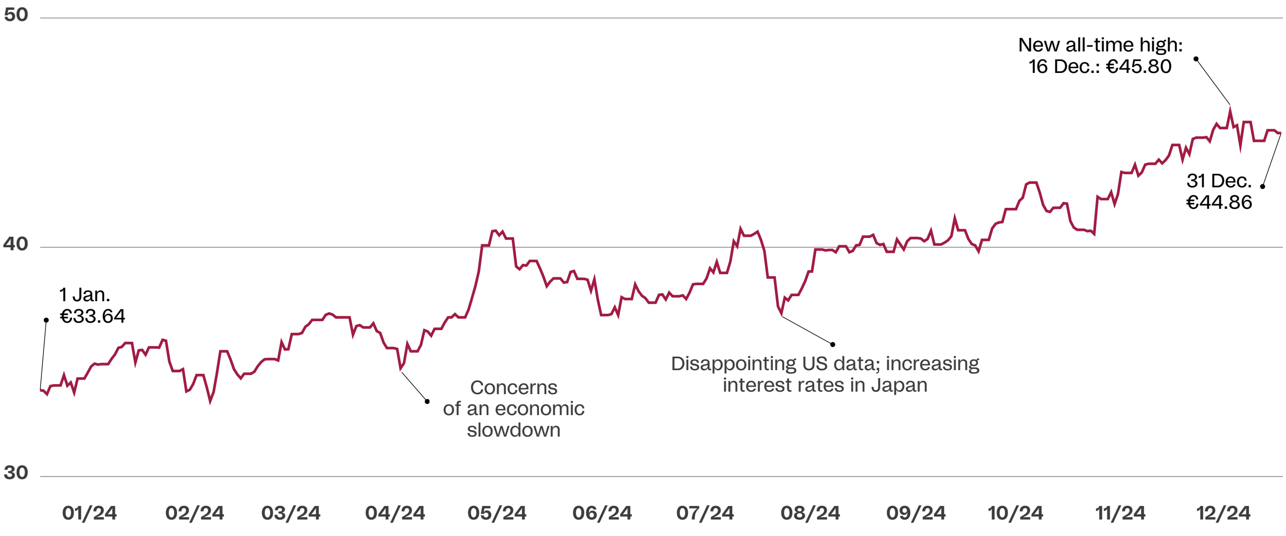
Within this context, Banca Generali stock price rose sharply in the year (+33.4%), ranking second

[5] Performance expressed in local currency (source: Bloomberg).

in the industry by performance, just 1.2 percentage points behind the first. The solid financial and commercial results and the recovery in household's demand for managed solutions markedly accelerated stock performance, which achieved **its new all-time high of 45.8 euros on 16 December 2024**.

On 23 December 2024, Banca Generali was included in the Stoxx 600 Index, which comprises all major European companies.

BANCA GENERALI STOCK PERFORMANCE IN 2024



Source: Bloomberg.

At the end of 2024, the Bank's capitalisation was 5,242 million euros.

MARKET PRICES OF BANCA GENERALI S.P.A. SHARES - SUMMARY

(EUROS)	2020	2021	2022	2023	2024
Maximum	33.00	43.20	38.88	34.59	45.80
Minimum	16.86	25.54	24.01	27.99	33.17
Average	25.90	34.32	30.88	31.99	38.73
Year-end	**27.24**	**38.75**	**32.06**	**33.64**	**44.86**
Capitalisation (€ million)	**3,183**	**4,528**	**3,746**	**3,931**	**5,242**

Banca Generali's shares amounted to 116,851,637, of which 50.2% held by Assicurazioni Generali. At year-end 2024, the number of treasury shares was 2,907,907, accounting for 2.5% of share capital. These shares are intended for the service of long-term remuneration plans for the Bank's Key Personnel, thus strengthening the alignment of remuneration policies with the long-term value creation.

AUTHORISED SHARE CAPITAL

	2020	2021	2022	2023	2024
Number of shares issued	116,851,637	116,851,637	116,851,637	116,851,637	116,851,637
No. of outstanding shares at year-end (*)	115,083,961	114,632,168	114,042,140	113,931,636	113,943,730
Treasury shares	1,767,676	2,219,469	2,809,497	2,920,001	2,907,907

(*) Net of treasury shares.

Business Outlook

In 2025, the macroeconomic scenario will likely be characterised by a stabilisation in the United States' economic growth and weak growth in European Union countries, with central banks, particularly the ECB, targeting an inflation rate of around 2%, thanks to moderately accommodative monetary policy and improved job market conditions. However, there continue to be risks relating to geopolitical tensions (Russia-Ukraine and Israel-Palestine wars) and to more restrictive commercial policies, which could generate adverse effects on the expected scenario, potentially triggering inflationary pressures.

From the standpoint of financial markets, the macroeconomic context expected for 2025 is likely to lead to moderate growth in both bond and equity markets, although risks inherent the geopolitical situation could impact market volatility.

This macroeconomic scenario is overlaid with certain dynamics in the financial intermediation sector that increase its complexity and related risks, possibly impacting results. In particular, several potentially impactful dynamics persist:

- regulations on transparency to protect investors (value for money);
- regulators' recommendation to increase technological investments and need to comply with DORA requirements;
- new Basel IV/CRR framework and potential increases in capital requirements;
- financial markets' focus on ESG matters (CSRD).

In this context — which is certainly complex and marked by uncertainties, with customers demanding advisory services and wealth protection, but not devoid of excellent growth opportunities — choices focusing on service and product innovation, implementation of stronger financial planning and advisory skills, the higher quality and productivity of the BG Network and the emphasis on internationalisation will continue to prove the winning elements for ensuring that Banca Generali enjoys **sustainable growth** and works to gain further market shares in the investment sector.

In light of the above, and in view of the new 2025-2027 Strategic Plan, in 2025, the Banking Group will **focus its attention on consistent growth** aiming at exceeding **6 billion euro net inflows in the year, of which 3.5 billion euro Assets under Investment, in addition to increasing the value of service** bringing the Bank even closer to its **BG Network** and its Customers and increasing its commitment towards **sustainability** matters, while constantly ensuring greater dedication to developing **innovative** solutions for its business model.

In order to reach this objective, the main actions to be taken in 2025 will concern:

- **development of the BG network** in terms of:
  - improved productivity thanks to innovative technological tools and new market targets (new propositions for entrepreneurs and SMEs);
  - quantitative growth focusing on the recruitment of both experienced professionals and talented juniors, with a view to teaming them up with more senior professionals;
  - higher profitability through development of new products and services;
- developing a **range of targeted solutions** that, building on the ecosystem of products, services and platforms already in place in the private banking segment, enables to better meet the needs of a wider customer base — from Affluent customers to High-Net-Worth (HNW) individuals — with a particular focus on asset management and insurance investment solutions, also leveraging on synergies and collaboration with the Group to which it belongs, as for the launch of the innovative hybrid product (BG Stile Esclusivo) with a distinctive investment solution based on the introduction of in-house funds inspired by insurance wrappers and associated with a wide range of ancillary services and an increased focus on aspects linked to personal protection;
- developing **AI** processes to improve the assistance, quality and efficiency of services and activities;
- consolidating its position in terms of **sustainability**, becoming a point of reference on ESG matters for all stakeholders. In particular, the Bank will be mainly committed to expanding the sustainable product range offered to its customers and to improving the advisory service quality, in which the continuous ESG training of Financial Advisors plays a fundamental role. As regard human resources, it will continue its efforts to create a work environment that promotes DEI principles and work-life balance, in addition to the active contribution to climate protection and responsible actions towards communities;

- **internationalising** the Banking Group with the actual start of operations at BG Suisse and an expected contribution in terms of net inflows from the BG International Advisory services, currently a one-of-a-kind on the Italian market;
- the **integration of Intermonte** into Banca Generali Group will be an important lever to further enrich the value proposition offered to its Customers and to strengthen Banca Generali's private banking positioning, ensuring in particular support to entrepreneurs and small and medium-sized enterprises (SMEs).

Operating expenses are expected to increase in 2025 as they did in the past three years, mainly orienting towards digital innovation and the development of useful products and services that help further improve the quality of advice provided to Customers and the BG Network's productivity, as well as to the consolidation of its positioning in terms of sustainability.

Operating Results at Group Level and by Line of Business

Group's Results

Banca Generali Group closed financial year 2024 with **consolidated net profit of 431.2 million euros** compared to 326.1 million euros for the previous year (+32.2%), achieving a new all-time high in the Group's history that reflects the successful achievement of the targets set in the 2022-2024 Plan.

This result was driven by both the sharp increase in **recurring net profit**, which stood at **339.3 million euros** (+5.9%), and the surge in **non-recurring net profit**, which amounted to **92.0 million euros** (5.8 million euros in 2023), thanks to the recovery of performance fees.

PROFIT AND LOSS ACCOUNT

			CHANGE	
(€ THOUSAND)	2024	2023	AMOUNT	%
Net interest income	317,106	304,400	12,706	4.2%
Net income (loss) from trading activities and dividends	21,536	16,943	4,593	27.1%
Net financial income	**338,642**	**321,343**	**17,299**	**5.4%**
Recurring fee income	1,041,172	958,022	83,150	8.7%
Fee expense	-565,069	-510,411	-54,658	10.7%
Net recurring fees	**476,103**	**447,611**	**28,492**	**6.4%**
Variable fee income	166,387	19,225	147,162	n.a.
Net fees	**642,490**	**466,836**	**175,654**	**37.6%**
Net banking income	**981,132**	**788,179**	**192,953**	**24.5%**
Staff expenses	-134,997	-124,371	-10,626	8.5%
Other general and administrative expenses (net of duty recoveries)	-131,802	-122,910	-8,892	7.2%
Net adjustments of property, equipment and intangible assets	-42,143	-39,726	-2,417	6.1%
Other operating expenses/income	14,926	10,284	4,642	45.1%
Net operating expenses	**-294,016**	**-276,723**	**-17,293**	**6.2%**
Operating result	**687,116**	**511,456**	**175,660**	**34.3%**
Net adjustments to non-performing loans	1,837	-528	2,365	n.a.
Net provisions for liabilities and contingencies	-105,830	-49,844	-55,986	112.3%
Contributions and charges related to the banking and insurance system	-12,592	-16,128	3,536	-21.9%
Gains (losses) from equity investments and investments	-758	-1,109	351	-31.7%
Operating profit before taxation	**569,773**	**443,847**	**125,926**	**28.4%**
Income taxes for the year	-138,548	-117,769	-20,779	17.6%
Net profit attributable to minority interests	-	-58	58	-100.0%
Net profit	**431,225**	**326,136**	**105,089**	**32.2%**

Net banking income amounted to 981.1 million di euros, sharply up compared to 788.2 million euros for the previous year (+24.5%) as a result of the following factors:

i) the increase in net financial income (338.6 million euros; +5.4%), which benefitted from the rise in both net interest income (317.1 million euros; +4.2%) and net income from trading activities and dividends (21.5 million euros), following the optimisation of the securities portfolio in the fourth quarter in view to the application of the Interest Rate Risk for the Banking Book (IRRBB) framework;
ii) the good performance of gross recurring fees (1,041.2 million euros; +8.7%), among which:
    a) the rise in investment fees[6] (910.8 million euros; +7.5%), driven by both higher traditional gross management fees (859.8 million euros; +6.8%) and the robust performance of the advisory component (51.0 million euros; +19.9%);
    b) the increase in other recurring fees (130.4 million euros, +17.7%) thanks to the initiatives regarding assets under administration and Customers' renewed interest towards managed products;
iii) the surge in variable fees to 166.4 million euros compared to 19.2 million euros for the previous year thanks to the excellent performance of the UCITS managed by the Banking Group.

Despite inflationary pressures, operating expenses amounted to 294.0 million euros (+6.2% on an annual basis), including 5.7 million euro one-off charges, thus confirming the Bank's operational efficiency. Core operating expenses[7] were 264.6 million euros (+7.2%). This aggregate included 12.5 million euro charges generated by the start of operations at the new Swiss banking hub (7.4 million euros in 2023) and 4.0 million euros linked to the renewal of the National Collective Labour Agreement for the Credit Sector, net of which core operating expenses would have increased by 4.3%.
Operating efficiency indicators remained at excellent levels: the ratio of total costs to total assets stood at 28bps, slightly down also thanks to the performance of total assets; the cost/income ratio, adjusted for non-recurring items, reached 35.4%, with a minor change compared to the previous year (34.9% at year-end 2023).

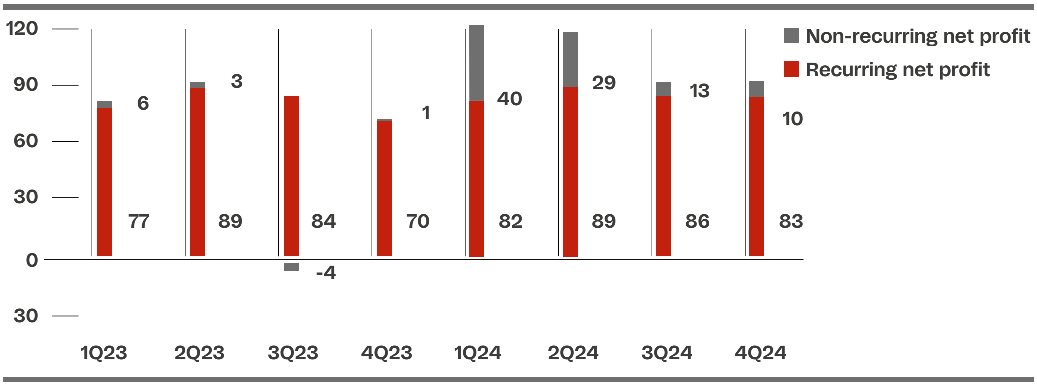
Provisions, contributions and charges related to the banking system and net adjustments amounted to 117.3 million euros, up compared to 67.6 million euros for 2023, as a result of higher provisions for liabilities and contingencies (+56.0 million euros), partially offset by a decline in adjustments (-2.4 million euros) and in contributions to bank rescue and insurance funds (-3.6 million euros). The latter however included an estimate of 2.4 million euros for the contribution due in 2024 to the new Guarantee Fund for the Life Insurance Sector, currently being activated.
The increase in provisions for liabilities and contingencies was attributable for 10.5 million euros to the adjustment of discount rates to market rates, for 31.9 million euros to higher non-recurring provisions to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid assets distributed by the Bank, including 5 million euros allocated to loyalty plans for Financial Advisors.
In addition, 8.8 million euros was allocated in service of the new rejuvenation plan approved at year-end, and 2.6 million euros for charges related to the Intermonte voluntary tender offer.

Operating profit before taxation was 569.8 million euros, up 125.9 million euros compared to the previous year (+28.4%).

The tax burden for the year was 138.5 million euros, with an overall tax rate of 24.3%, down compared to 26.5% in 2023, mainly due to the higher contribution of the foreign entities to the Group's result.

6 The new aggregate of investment fees includes management fees and BG Personal Advisory (BGPA) advisory fees. This definition reflects the new approaches in terms of regulatory provisions.
7 Operating expenses, net of non-recurring items, amounting to 5.7 million euros (8.1 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 23.7 million euros (21.8 million euros in 2023).

QUARTERLY NET PROFIT (€ MILLION)



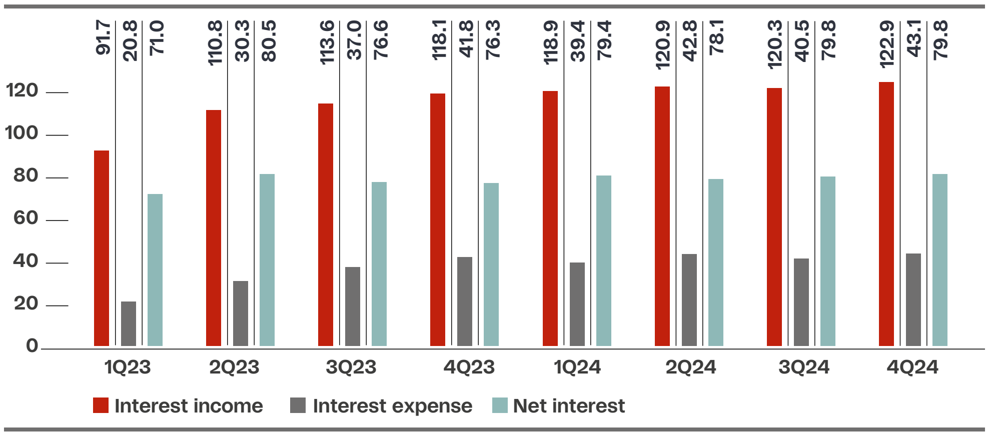
QUARTERLY EVOLUTION OF THE PROFIT AND LOSS ACCOUNT

(€ THOUSAND)	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
Net interest income	79,760	79,807	78,092	79,447	76,320	76,626	80,502	70,952
Net income (loss) from trading activities and dividends	10,996	1,423	4,650	4,467	4,061	3,066	5,860	3,956
Net financial income	**90,756**	**81,230**	**82,742**	**83,914**	**80,381**	**79,692**	**86,362**	**74,908**
Recurring fee income	269,189	257,516	257,638	256,829	241,244	237,997	240,668	238,113
Fee expense	-146,407	-137,848	-142,292	-138,522	-131,303	-123,650	-130,602	-124,856
Net recurring fees	**122,782**	**119,668**	**115,346**	**118,307**	**109,941**	**114,347**	**110,066**	**113,257**
Variable fee income	44,195	28,207	39,561	54,424	8,887	2,773	2,558	5,007
Net fees	**166,977**	**147,875**	**154,907**	**172,731**	**118,828**	**117,120**	**112,624**	**118,264**
Net banking income	**257,733**	**229,105**	**237,649**	**256,645**	**199,209**	**196,812**	**198,986**	**193,172**
Staff expenses	-35,047	-34,714	-33,045	-32,191	-34,065	-30,393	-30,200	-29,713
Other general and administrative expenses	-43,996	-30,444	-28,901	-28,461	-40,856	-27,279	-28,675	-26,100
Net adjustments of property, equipment and intangible assets	-11,669	-10,440	-10,173	-9,861	-10,688	-9,818	-9,820	-9,400
Other operating income/expenses	7,193	1,685	3,792	2,256	2,402	1,250	5,091	1,541
Net operating expenses	**-83,519**	**-73,913**	**-68,327**	**-68,257**	**-83,207**	**-66,240**	**-63,604**	**-63,672**
Operating result	**174,214**	**155,192**	**169,322**	**188,388**	**116,002**	**130,572**	**135,382**	**129,500**
Net adjustments to non-performing loans	913	151	-653	1,426	458	-426	-1,715	1,155
Net provisions	-56,777	-18,847	-11,546	-18,660	-22,525	-8,612	-8,478	-10,229
Contributions and charges related to the banking and insurance system	-525	-1,875	158	-10,350	1,681	-11,964	155	-6,000
Gains (losses) from equity investments and investments	-652	-214	-43	151	-869	-145	-92	-3
Operating profit before taxation	**117,173**	**134,407**	**157,238**	**160,955**	**94,747**	**109,425**	**125,252**	**114,423**
Income taxes for the year	-24,560	-35,354	-39,646	-38,988	-23,727	-29,370	-33,283	-31,389
Net profit attributable to minority interests	-	-	-	-	-15	5	-11	-37
Net profit	**92,613**	**99,053**	**117,592**	**121,967**	**71,035**	**80,050**	**91,980**	**83,071**

Net interest income

At the of 2024, net interest income amounted to 317.1 million euros, up 12.7 million euros (+4.2%) compared to the previous year, benefiting from high market interest rates — which grew slightly compared to 2023 —, yet partly offset by the decline in average loan volume compared to 2023.

NET INTEREST INCOME (€ MILLION)



In particular, interest accrued on the debt securities portfolio rose by 12.2% (+36.3 million euros) against a 5.8% decrease in their average loan volume.
The average yield of the bond portfolio in 2024 stood at around 330 bps, sharply up compared to an average yield of just below 280 bps for 2023.
In light of the interest rate stabilisation and expectations about their gradual reduction, and also thanks to a flexible financial asset structure, a revision of the bond portfolio was launched with a view to increasing exposure to fixed rates (54.0% of the total) and slightly extending its duration (1.3 years).

Interest on loans to customers, most of which are benchmarked on the Euribor, decreased by 2.6% (-2.7 million euros), as they as well were penalised by a 9% decline in the average loan volume, despite an increase in the average rates earned, which went from just above 430 bps in 2023 to nearly 460 bps.

With regard to exposures to banks, interest income increased by 15.6 million euros, mainly as a result of transactions with the ECB, namely overnight deposits[8] (+11.0 million euros).

The cost of funding went from 129.8 million euros at the end of 2023 to 165.8 million euros (+27.7%) as a consequence of the swift surge in interest expense, recognised on net inflows from customers' current account deposits and benchmarked on Euribor (+61.9 million euros; +100%) partly offset by a marked decline in interest on repurchase agreement transactions with banks and customers (-26.5 million euros). The average cost of funding stood at just below 130 bps in 2024, up by 40% compared to the previous year.

At year-end, net inflows from repurchase agreements with customers, mainly composed of very short-term Treasury transactions with Cassa di Compensazione e Garanzia S.p.A., and with banks reached 1.0 billion euros, sharply decreasing compared to the previous year (1.5 billion euros), largely offset by the expansion of net inflows from current account deposits and term deposits.

[8] It should be noted that as of the reserve maintenance period starting in September 2023, the ECB stopped remunerating the deposit of the mandatory reserve.

NET INTEREST

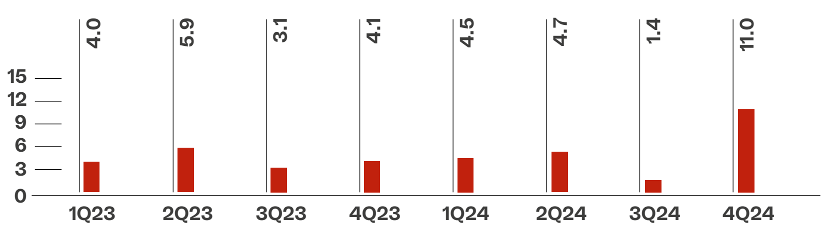
(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Financial assets measured at fair value through profit or loss	175	94	81	86.2%
Financial assets measured at fair value through other comprehensive income (*)	34,504	20,318	14,186	69.8%
Financial assets measured at amortised cost (*)	299,053	277,046	22,007	7.9%
Total financial assets	**333,732**	**297,458**	**36,274**	**12.2%**
Loans to banks	22,171	17,653	4,518	25.6%
Loans to the ECB and the Italian NCB	26,170	15,137	11,033	72.9%
Loans to customers	100,707	103,439	-2,732	-2.6%
Other assets	130	555	-425	-76.6%
Total interest income	**482,910**	**434,242**	**48,668**	**11.2%**
Due to banks	1,134	1,324	-190	-14.4%
Repurchase agreements – banks	8,342	16,867	-8,525	-50.5%
Due to customers	123,918	62,001	61,917	99.9%
Repurchase agreements - customers	28,331	46,315	-17,984	-38.8%
Hedging derivatives (macro FVH)	865	-	865	n.a.
IFRS 16-related financial liabilities	3,214	3,335	-121	-3.6%
Total interest expense	**165,804**	**129,842**	**35,962**	**27.7%**
Net interest income	**317,106**	**304,400**	**12,706**	**4.2%**

(*) Including hedging differentials.

Net income from trading activities and dividends

Net income from trading activities and dividends is composed of the net income on financial assets and liabilities held for trading and other assets measured at fair value through profit or loss, realised gains and losses from the disposal of financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost, dividends and any gain or loss on hedging.

NET RESULT OF FINANCIAL OPERATIONS (€ MILLION)



At the end of 2024, the item was positive for 21.5 million euros, up sharply compared to the previous year (+27.1%).

NET RESULT OF FINANCIAL OPERATIONS

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Dividends and income on UCITS	**1,309**	**1,215**	**94**	**7.7%**
Securities transactions	134	313	-179	-57.2%
Currency and currency derivative transactions	8,016	3,627	4,389	121.0%
Net income (loss) from trading activities	**8,150**	**3,940**	**4,210**	**106.9%**
Equity securities and UCITS	1,942	4,736	-2,794	-59.0%
Debt securities	110	-62	172	-277.4%
Financial Advisors' policies and other financial assets	407	388	19	4.9%
Net income (loss) on assets measured at fair value through profit or loss	**2,459**	**5,062**	**-2,603**	**-51.4%**
Net income (loss) from hedging	**-192**	**1,183**	**-1,375**	**-116.2%**
Gains (losses) on disposal of HTC and HTCS debt securities	**9,810**	**5,543**	**4,267**	**77.0%**
Net result of financial operations	**21,536**	**16,943**	**4,593**	**27.1%**

Net income from **trading activities** amounted to 8.1 million euros, chiefly driven by the contribution of currency transactions.
Net income of assets mandatorily measured at fair value through profit or loss contributed a positive 2.5 million euros, mainly as a result of the 2.3 million euro fair value adjustment of the important investment in the Forward Fund (5.0 million euros in 2023).
The treasury management of debt securities allocated to the HTCS and HTC portfolios recorded 9.8 million euro gains on disposals, mainly in the fourth quarter, as a result of the optimisation of the securities portfolio in view to the application of the Interest Rate Risk for the Banking Book (IRRBB) framework.

Fee income

Fee income totalled **1,207.6 million euros**, markedly up compared to 2023 (+23.6%) owing both to the expansion of **recurring fees** (+8.7%) and the significant leap of **variable fees** (+147.2 million euros).

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Management fees	859,782	804,637	55,145	6.9%
BGPA advisory fees	50,981	42,535	8,446	19.9%
Recurring investment fees	**910,763**	**847,172**	**63,591**	**7.5%**
Underwriting fees	48,457	41,098	7,359	17.9%
Fees for other services	81,952	69,752	12,200	17.5%
Other recurring fees	**130,409**	**110,850**	**19,559**	**17.6%**
Total recurring fees	**1,041,172**	**958,022**	**83,150**	**8.7%**
Performance fees	166,387	19,225	147,162	n.a.
Total fee income	**1,207,559**	**977,247**	**230,312**	**23.6%**

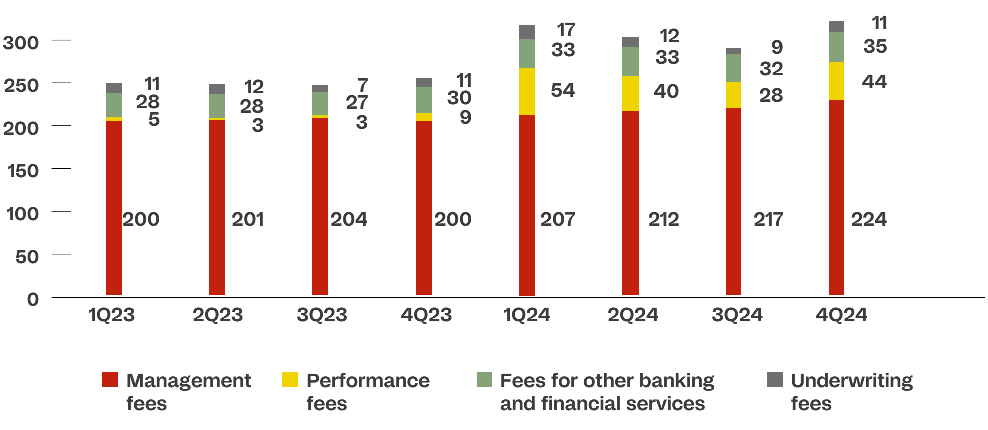
The aggregate of **investment fees** includes both management fees and BG Personal Advisory (BGPA) advisory fees and amounted to **910.8 million euros**, up compared to the previous year (+7.5%). It benefited from the robust growth of the advisory component (+8.4 million euros; +19.9%), in addition to traditional gross management fees.
With regard to recurring fees, **management fees** rose modestly compared to the previous year (+6.9%) thanks to the increase in average assets managed (+8.8%[9]), despite a still subdued performance of the insurance segment.

[9] Data referring to the yearly change in average total client assets related to managed solutions, including BG Valeur, traditional life insurance policies and assets managed directly by BGFML.

Underwriting fees (+17.9%) confirmed the positive trend that had begun in the previous year, thanks to the excellent performance of the **certificate** placement activity (+8.5 million euros; +42.0%) and the sharp recovery in fees for the placement of UCITS (+6.4 million euros; +70.4%), only partly offset by the marked decline in bond placements (-8.0 million euros; -69.7%).

Fees for other services, of a banking and financial nature, net of BGPA advisory fees, grew by 17.5% mainly thanks to the income generated by retail brokerage (+23.5%).

BREAKDOWN OF FEE INCOME (€ MILLION)



Fee income from the solicitation of investment and asset management of households reached 1,074.6 million euros and, net of the aforementioned non-recurring component, reported a good performance compared to the previous year (+7.4%).

ASSET MANAGEMENT FEE INCOME

			CHANGE	
(€ THOUSAND)	2024	2023	AMOUNT	%
1. Collective portfolio management	517,359	339,767	177,592	52.3%
2. Individual portfolio management	131,445	108,880	22,565	20.7%
Fees for portfolio management	**648,804**	**448,647**	**200,157**	**44.6%**
1. Placement of UCITS	148,689	136,861	11,828	8.6%
of which: UCITS promoted by the Group	*8,897*	*5,208*	*3,689*	*70.8%*
2. Placement of bonds and equity securities	33,703	33,162	541	1.6%
of which: certificates	*28,683*	*20,194*	*8,489*	*42.0%*
3. Distribution of third-party asset management products (GPM/GPF, pension funds)	1,704	1,379	325	23.6%
4. Distribution of third-party insurance products	241,286	244,411	-3,125	-1.3%
5. Distribution of other third-party financial products	439	500	-61	-12.2%
Fees for the placement and distribution of financial services	**425,821**	**416,313**	**9,508**	**2.3%**
Asset management fee income	**1,074,625**	**864,960**	**209,665**	**24.2%**

With reference to the **Sicavs** promoted by the Banking Group, **management fees** — net of the effect of non-recurring performance components — grew by 9.6% as a result of the increase in average assets managed compared to 2023 (+12.6%).
Overall, at the end of the year, assets managed by BGFML amounted to 23.3 billion euros, of which 11.4 billion euros referring to placements with retail customers, and increased by 14.1% compared to the end of 2023.

The individual portfolio management aggregate continued to report excellent results in terms of both net inflows and profitability, with income increasing by 20.7% driven by an 18.6% rise in average assets compared to 2023.

The placement of third-party UCITS recovered markedly in 2024 (+8.1 million euros; +6.2%) as a result of the increase in both average assets managed (+3.8%) and underwriting fees (+3.1 million euros).

Fee income from distribution of insurance products (-1.3%) continued to be penalised by traditional life insurance policies, whereas there was a more marked recovery of insurance wrappers, whose average managed assets rose significantly at year-end (+7.8% compared to 2023).

Fee income for other services, of a banking and financial nature, including BGPA advisory fees, stood at 133.0 million euros, up 20.6 million euros (18.4%) driven by advisory fees (+8.4 million euros) and fees for trading (+11.0 million euros).

FEE INCOME FROM OTHER SERVICES

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
BG Personal Advisory fees and other advanced advisory fees (BGIA, etc.)	50,981	42,535	8,446	19.9%
Management fees for Generali Group's unit-linked products	9,676	8,993	683	7.6%
Fees for trading of securities and currencies	*48,939*	*39,321*	*9,618*	*24.5%*
Fees for order collection and securities custody	*8,808*	*7,446*	*1,362*	*18.3%*
Fees for trading and custody	57,747	46,767	10,980	23.5%
of which: BG Saxo	*1,478*	*2,209*	*-731*	*-33.1%*
Fees for collection and payment services	4,015	4,543	-528	-11.6%
Fee income and account-keeping expenses	5,264	4,310	954	22.1%
Fees for other services	5,250	5,139	111	2.2%
Fees for banking services	**132,933**	**112,287**	**20,646**	**18.4%**

With regard to investment advisory, income from BG Personal Advisory (BGPA) and BG International Advisory (BGIA) advisory fees amounted to 51.0 million euros, up 19.9% thanks to the increase in assets under advisory, which totalled 10.8 billion euros overall (+13% compared to 2023), with a ratio to total client assets of 10.6% compared to 9.1% for 2023.
Management fees for insurance portfolios, in service of the Insurance Group's unit-linked policies, stood at 9.7 million euros (+7.6%).

Fee expense

Fee expense, including fee provisions[10], amounted to 565.1 million euros, sharply increasing compared to 2023 (+10.7%).

[10] In order to ensure a better understanding of operating performance, in the reclassified consolidated Profit and Loss Account the provisions for incentives related to sales and recruitment plans have been reclassified within the net fee aggregate. As a result, net provisions were restated net of these items for an amount of 15.7 million euros for 2024 and 14.9 million euros for 2023.

Net of fees paid back on net interest income[11], the Bank's ratio of total payout to total fee income (net of performance fees) was 52.9%, slightly up compared to 52.0% for 2023.

FEE EXPENSE

			CHANGE	
(€ THOUSAND)	2024	2023	AMOUNT	%
Ordinary payout	359,076	314,832	44,244	14.1%
Extraordinary payout	108,410	99,631	8,779	8.8%
Other network maintenance expenses	33,809	37,145	-3,336	-9.0%
Fee expense for off-premises offer	**501,295**	**451,608**	**49,687**	**11.0%**
Fees for portfolio management	39,279	37,530	1,749	4.7%
Other fee expense	24,495	21,273	3,222	15.1%
Total	**565,069**	**510,411**	**54,658**	**10.7%**

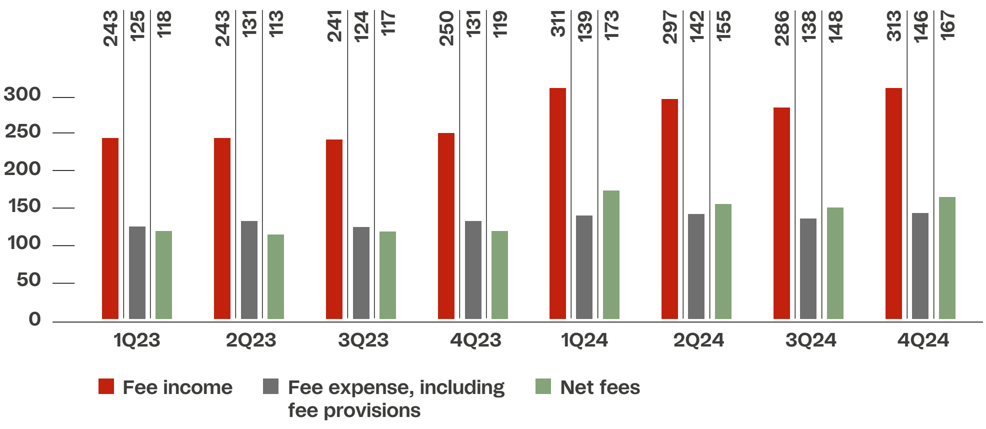
Fee expense for off-premises offer paid to the BG Network amounted to 501.3 million euros (+11.0%) mainly as a result of the increased ordinary payout (+44.2 million euros), driven not only by management fees, but also by underwriting fees (40.5 million euros; +26.9%) and fees for other services (47.6 million euros; +47.2%). With regard to the latter, *inter alia*, fees on net interest income continued to grow (14.8 million euros; 23.6%).

The increase in extraordinary payout (+8.8%) was mainly attributable to the progress in the remuneration of organic growth (64.1 million euros; +11.9%) with respect to the increase in fee expense related to the recruitment activity (44.3 million euros; +4.7%).

Fees for portfolio management stood at 39.3 million euros and mostly referred to administration and third-party management fees incurred by the Group's management company for the management of the Sicavs under administration.

Other **fee expense for other services, of both a banking and financial nature**, totalled 24.5 million euros, mainly including fee expense for custody and trading and fees for collection and payment services.

QUARTERLY NET FEES (€ MILLION)



[11] The numerator of the total payout ratio does not include 14.8 million euro fee expense, which was paid back to the BG Network, calculated on the basis of net interest income (12.0 million euros in 2023). At 31 December 2024, the ratio of said fees to net interest income was 4.7%.

Operating expenses

Despite inflationary pressures, **operating expenses** amounted to **294.0 million euros** (+6.2% on an annual basis), including 5.7 million euro one-off charges, thus confirming the Bank's operational efficiency. **Core operating expenses**[12] were **264.6 million euros** (+7.2%). This aggregate included 12.5 million euros charges generated by the start of operations at the new Swiss banking hub (7.4 million euros in 2023) and 4.0 million euros linked to the renewal of the National Collective Labour Agreement for the Credit Sector, net of which core operating expenses would have increased by 4.3%.

Operating efficiency indicators remained at excellent levels: the ratio of **total costs to total assets** stood at 28 bps, slightly down also thanks to the performance of total assets; the **cost/income ratio**, adjusted for non-recurring items, reached 35.4%, with a minor change compared to the previous year (34.9% at year-end 2023).

OPERATING EXPENSES

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Staff expenses	134,997	124,371	10,626	8.5%
Other general and administrative expenses (net of duty recoveries)	131,802	122,910	8,892	7.2%
Net adjustments of property, equipment and intangible assets	42,143	39,726	2,417	6.1%
Other income and expenses (net of duty recoveries)	-14,926	-10,284	-4,642	45.1%
Operating expenses	**294,016**	**276,723**	**17,293**	**6.2%**

Within this aggregate, **staff expenses**, including employees, interim staff and directors, reached 135 million euros, up 10.6 million euros (+8.5%), mainly due to the rise in ordinary remuneration (+6.6 million euros) — driven by the increase in both the Group's workforce and the average employee cost, the latter also attributable to the renewal of the National Collective Labour Agreement — and in variable remuneration (+1.9 million euros), in addition to redundancy incentives (+1.3 million euros), which were recognised among other employee benefits.

STAFF EXPENSES

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
1) Employees	**132,771**	**122,575**	**10,196**	**8.3%**
Ordinary remuneration	97,303	90,700	6,603	7.3%
Variable remuneration and incentives	25,907	24,030	1,877	7.8%
Other employee benefits	7,933	7,543	390	5.2%
Redundancy incentives	1,628	302	1,326	n.a.
2) Other staff	**25**	**-11**	**36**	**n.a.**
3) Directors and Auditors	**2,201**	**1,807**	**394**	**21.8%**
Total	**134,997**	**124,371**	**10,626**	**8.5%**

The Group's employees totalled 1,104 at the end of the year, 39 more compared to 2023 (+3.7%), whereas the quarterly average headcount rose by 41.

[12] Operating expenses, net of non-recurring items, amounting to 5.7 million euros (8.1 million euros in 2023), and of costs related to sales personnel, including BG Suisse's sales personnel, amounting to 23.7 million euros (21.8 million euros in 2023).

EMPLOYEES

	31.12.2024	31.12.2023	CHANGE NUMBER	CHANGE %	WEIGHTED AVERAGE (*) 2024	WEIGHTED AVERAGE (*) 2023
Managers	78	78	-	-	78	75
Executives	396	371	25	6.7%	381	367
Employees at other levels	630	616	14	2.3%	610	586
Total	**1,104**	**1,065**	**39**	**3.7%**	**1,069**	**1,028**

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

Other general and administrative expenses and other net income totalled 116.9 million euros, with a 4.2 million euro increase compared to the previous year, including the above-mentioned non-recurring components (2.7 million euros), consisting of legal and advisory expenses, and higher costs for the IT infrastructure and logistics (6.6 million euros in 2023).

Net provisions

Net provisions not related to fees[13] totalled 105.8 million euros, up 56.0 million euros compared to the previous year, mainly due to the significant increase in provisions to cover contractual commitments to the BG Network (+11.3 million euros), the launch of the new rejuvenation plan (+7.3 million euros) and to other provisions for liabilities and contingencies.

The increase in provisions for contractual indemnities to the BG Network was mainly due to higher actuarial provisions (+7.7 million euros), which were mainly impacted by the alignment of discount rates used to measure actuarial provisions, with a net impact of 10.5 million euros, calculated as the difference between the higher charge of 5.4 million euros recognised in 2024 against a surplus of 5.1 million euros for the previous year[14].

The aggregate's growth was also triggered by the final acceleration of the tree-year incentive plan, which generated an impact of 8.7 million euros on the Profit and Loss Account, sharply up compared to the previous year (+3.7 million euros) mainly as a result of the BG Network's increased activity in view of the termination of the plan at year-end[15].

The provisions for other liabilities and contingencies grew by 33.3 million euros on the previous year and included an additional 48.0 million euro prudential provision (up compared to 23 million euros for 2023) to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid assets distributed by the Bank that were marked by investment repayment issues and to sustain customer retention. The latter also included provisions to hedge credit risk relating to guarantees issued amounting to 11.7 million euros. To this end, an additional 5.0 million euro provision was also allocated for initiatives in favour of the BG Network.

[13] Fee provisions, which amounted to 15.7 million euros (14.9 million euros in 2023), are recognised under the fee expense aggregate.
[14] The discount rate applied to actuarial provisions is determined on the basis of the annual average EURIRS rates applicable to the average life of the population, increased by the spread between the ten-year BTP and ten-year EURIRS. The decrease in the discount rate used therefore reflected the change in average interest rates and government bond spreads in the period March 2024 – December 2024 (3.69%) compared to the previous measurement for the period March 2023 – December 2023 (4.26%) used for the valuation of actuarial provisions at 31 December 2023.
[15] The fees accruing on the three-year incentive plan are tied to net inflow targets, and therefore qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the BG Network. The provision recognised in the Profit and Loss Account thus represents the portion of the overall incentives assigned to the BG Network accrued in the twelve months of the year.

NET PROVISIONS

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Provision for staff liabilities and contingencies	2,404	1,059	1,345	127.0%
Restructuring provisions – Voluntary redundancy plan	8,800	1,500	7,300	n.a.
Provision for legal disputes	6,111	4,644	1,467	31.6%
Provision for contractual indemnities to the BG Network	31,017	19,693	11,324	57.5%
Provision for tax and contribution disputes	145	-1,145	1,290	-112.7%
Other provisions for liabilities and contingencies	57,353	24,093	33,260	138.0%
of which: provisions for risks relating to guarantees issued and commitments	*11,605*	*9,540*	*2,065*	*21.6%*
Total	**105,830**	**49,844**	**55,986**	**112.3%**

Adjustments

In 2024, **net reversal to non-performing loans** amounted to 1.8 million euros, significantly improving compared to net adjustments of -0.5 million euros at the end of the previous year.

NET ADJUSTMENTS DUE TO CREDIT RISK

(€ THOUSAND)	VALUE ADJUSTMENTS	REVERSALS	2024	2023	CHANGE
Specific adjustments/reversals	**-2,386**	**1,735**	**-651**	**-2,197**	**1,546**
Non-performing loans of the banking book	-1,975	1,590	-385	-1,735	1,350
Operating loans to customers	-411	145	-266	-462	194
Portfolio adjustments/reversals	**-65**	**2,553**	**2,488**	**1,669**	**819**
Performing debt securities	-34	-	-34	2,256	-2,290
Performing loans to customers and banks	-31	2,553	2,522	-587	3,109
Total	**-2,451**	**4,288**	**1,837**	**-528**	**2,365**

Provisions for expected credit losses (ECLs) on non-performing positions (Stages 1 and 2) benefited from significant net reversals mainly regarding loans to customers, amounting to 2.5 million euros, which improved by 3.1 million euros compared to the previous year as a result of the decline of the exposure and, in relative terms, to the improvement in the rating class distribution of the portfolio.

The debt securities portfolio showed a -2.3 million euro reabsorption of the significant reversals recognised in 2023, as the reduction of the portfolio risk profile was fully offset by the expansion of trading volumes, in particular in the fourth quarter of the year.

Net specific adjustments declined to just above 0.7 million euros overall and referred for 0.3 million euros to the write-off of past advances to Financial Advisors and operating loans for services rendered to customers.
As regards the aggregate of non-performing loans of the banking book, net adjustments to past-due positions amounted to 0.9 million euros, partly offset by reversals of bad loans and unlikely-to-pay positions amounting to 0.5 million euros. In 2023, adjustments to non-performing loans of the banking book had increased mainly due to new positions classified as past-due (-2.3 million euros), subsequently reversed.

Contributions and charges related to the banking and insurance system

The initial period for the constitution of the deposit protection funds ended on 31 December 2023 for the Single Resolution Fund (SRF) and on 2 July 2024 for the Italian Interbank Deposit Protection Fund (FITD).

In accordance with Regulation (EU) 806/2014, effective 1 January 2016 all intermediaries falling within the scope of application of the Single Resolution Mechanism (SRM) were required to contribute to the Single Resolution Fund (SRF) though ex-ante annual contributions based on a payment plan spread over eight years (so-called "transitional period", from 2016 to 2023) aimed at reaching 1% of the covered deposits of that fund.

After the aforementioned period, the Single Resolution Board (SRB) exclusively verified that the financial means available to the SRF were in line with the target level, a process that for 2024 gave a negative outcome.

By 3 July 2024, the Italian Interbank Deposit Protection Fund (FITD) was instead required to form a financial endowment, drawing on the contributions paid by member banks, equal to at least 0.8% of covered deposits as at the end of the previous year, i.e., 31 December 2023.

In pursuit of this goal, the FITD amended its Statute to permit the call-in of the last annual contribution, as already provided for in the funding plan and due on 2 July 2024, on the basis of the breakdown of covered deposits as at 31 March 2024, in advance of the previous reference date of 30 September.

The amount of the contribution due was then set by the FITD as equal to the contribution already paid for the previous year.

Accordingly, **expenses related to the contributions to the Italian National Resolution (FRN) and Interbank Deposit Protection Funds (FITD)** included exclusively the ordinary contributions due to the FITD, for an amount of 10.2 million euros.

Guarantee Fund for the Life Insurance Sector

Article 1, paragraphs 112-122, of the 2024 Budget Law provides for the establishment of a new Guarantee Fund for the Life Insurance Sector, with functions and characteristics substantially similar to those of the Interbank Deposit Protection Fund (FITD).
The purpose of the Fund is to intervene in cases of compulsory administrative liquidation of member insurance undertakings, reimbursing the protected transactions up to a maximum amount of 100,000 euros to each entitled party.
The financial endowment will be constituted through contributions by members, so that it is proportionate to the Fund's liabilities and, in any case, equal to at least 0.4% of the amount of technical provisions (target level) to be gradually achieved starting from 1 January 2024 and by 31 December 2035 (12 years), of which four-fifths will be borne by insurance companies and one-fifth by intermediaries belonging to the Single Register of Intermediaries (RUI).

The General Meeting for setting up the Fund was held on 13 December 2024 at IVASS and appointed 3 members of the provisional Executive Committee that will be tasked with drafting the Statute and calling in the ordinary contributions due in 2024. At the time of first application, the contributions due by insurance companies will be equal to 0.4‰ of the life insurance technical provisions, whereas those due by banks, brokerage companies (SIM), other financial intermediaries and Poste Italiane will amount to 0.1‰ of the intermediate life insurance technical provisions.

Based on the foregoing, the Bank's contribution accrued for 2024 could be set at approximately 2.4 million euros.

Income taxes

Income taxes for the year on a current and deferred basis were estimated at 138.6 million euros, up 20.8 million euros compared to estimated taxes at the end of 2023.

The estimated total tax rate was 24.3%, slightly down compared to the previous year (26.5%), mainly due to the higher contribution of the foreign entities to the Group's result.

INCOME TAXES

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Current taxes for the year	-152,955	-121,303	-31,652	26.1%
Prior years' taxes	1,228	1,299	-71	-5.5%
Changes of prepaid taxation (+/-)	15,035	2,822	12,213	n.a.
Changes of deferred taxation (+/-)	-1,856	-587	-1,269	216%
Total	**-138,548**	**-117,769**	**-20,779**	**17.6%**

Earnings per share

At year-end 2024, basic net earnings per share were 3.78 euros.

	2024	2023	CHANGE AMOUNT	CHANGE %
Consolidated net profit (€ thousand)	431,225	326,136	105,089	32.2%
Earnings attributable to ordinary shares (€ thousand)	431,225	326,136	105,089	32.2%
Average number of outstanding shares (thousand)	114,008	114,081	-73	-0.1%
EPS – Earnings per share (euros)	**3.78**	**2.86**	**0.92**	**32.3%**
Average number of outstanding shares with diluted share capital	114,008	114,081	-73	-0.1%
EPS – Diluted earnings per share (euros)	**3.78**	**2.86**	**0.92**	**32.3%**

Comprehensive income

The Banking Group's comprehensive income is determined by the consolidated net profit and all other components that contribute to company performance without being reflected in the Profit and Loss Account, such as changes in valuation reserves for securities measured at fair value through other comprehensive income.

At the end of 2024, the latter component provided a positive overall contribution of 9.0 million euros, against a net positive change of 9.1 million euros recorded at the end of the previous year mainly attributable to the activation of the cash flow hedge reserve (+4.7 million euros) and to the HTCS securities portfolio valuation reserves (+5.6 million euros).

In detail, the HTCS securities portfolio valuation reserves rose as a result of the following factors:
- › an increase in net valuation capital gains totalling 4.3 million euros, net of -0.1 million euros referring to equity securities in foreign currencies, without transfer to the Profit and Loss Account;
- › the reduction of pre-existing net negative reserves on debt securities due to re-absorption through profit or loss upon realisation (3.9 million euros);
- › a negative net tax effect associated with the above changes and mainly resulting from net decreases in DTAs (-2.7 million euros).

The 0.5 million euro decline in translation reserves referred to net foreign investments in CHF and was instead attributable to the depreciation of this currency compared to the all-time highs reached at the end of 2023.

COMPREHENSIVE INCOME ATTRIBUTABLE TO THE GROUP

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Net profit	**431,225**	**326,078**	**105,147**	**32.2%**
Other income, net of taxes:				
with transfer to Profit and Loss Account				
Exchange differences	-526	1,757	-2,283	-129.9%
Financial assets measured at fair value through other comprehensive income	5,658	7,931	-2,273	-28.7%
Cash flow hedges	4,703	-	4,703	n.a.
Without transfer to Profit and Loss Account:				
Financial assets measured at fair value through other comprehensive income	-103	531	-634	-119.3%
Actuarial gains (losses) from defined benefit plans	-776	-1,092	316	-28.9%
Total other income, net of taxes	**8,956**	**9,127**	**-171**	**-1.9%**
Comprehensive income	**440,181**	**335,205**	**104,976**	**31.3%**
Consolidated comprehensive income attributable to minority interests	-213	-106	-107	101.2%
Consolidated comprehensive income attributable to the Group	**440,394**	**335,311**	**105,083**	**31.3%**

Results by line of business

In application of IFRS 8, Banca Generali Group's segment reporting is based on information that management used in the year to make its operating decisions[16].

In January 2024, a reorganisation of the BG Network for commercial purposes was launched entailing:

- the separation of the new Senior Partner Network, consisting of Financial Advisors with assets under management of more than 150 million euros and teams with assets under management of more than 350 million euros;
- the incorporation of the Private Banking and Wealth Management Networks into the new Private & Wealth Network, within the framework of which the organisational structures of the former networks retained their peculiarities, under the supervision of a new top management position, the Network Sales Manager, focused on local coordination and commercial guidance of the various network's Area Managers.

The **Private Banking CGU** (**PB CGU**) consists of the assets attributable to the other networks of Financial Advisors (Private Bankers, Wealth Managers and Financial Planners) and to the network of Relationship Managers and their Customers, in addition to assets held in Switzerland.

The **Senior Partner CGU** (**SP CGU**) consists of the assets attributable to financial advisors of the BG Network managing AUM of more than 150 million euros and teams with assets under management exceeding 350 million euros.

2023 data were restated based on the new organisation of the BG Network, so as to allow a comparison between periods.

In light of the business nature, the Group assessed the performance of its operating segments on the basis of the performance of the net banking income attributable to such segments.

The financial aggregates presented for each segment therefore consist of net interest, net fees and income from trading activities and dividends. They include both components arising from transactions with third parties external to the Group ("external revenues"), and those deriving from transactions with other segments ("internal revenues").

The interest expense incurred by the segments mentioned below was determined on the basis of the actual interest paid on each segment's direct net inflows. Interest income for the segments includes the actual interest accrued on the loans issued to customers in each segment. Both components are recognised net of the share of the "notional interest" calculated on the basis of the LTP (Liquidity Transfer Pricing) and attributed to the Corporate Center segment.

Performance fees have been directly allocated to the business areas which place the products. All the revenue components presented are measured using the same accounting standards adopted to prepare the Group's Consolidated Financial Statements so that segment data can be reconciled more easily with consolidated data.

The following table shows the consolidated profit and loss results of each of the three operating segments, stated net of intra-segment eliminations. For the purpose of a better understanding of the economic data reported below, it is worth recalling that changes also reflect the reallocations among CGUs performed in the year.

[16] Management approach.

BANCA GENERALI GROUP – PROFIT AND LOSS ACCOUNT BY BUSINESS SEGMENT

BANCA GENERALI GROUP PROFIT AND LOSS ACCOUNT BY BUSINESS SEGMENT	31.12.2024				31.12.2023			
	PB CGU	SP CGU	CORPORATE CENTER	TOTAL	PB CGU	SP CGU	CORPORATE CENTER	TOTAL
Net interest income	**268,004**	**34,578**	**14,524**	**317,106**	**274,209**	**38,381**	**-8,190**	**304,400**
Fee income	990,003	154,832	62,724	1,207,559	789,100	124,060	64,087	977,247
of which: underwriting	*44,969*	*7,044*	*-3,557*	*48,457*	*37,125*	*7,346*	*-3,418*	*41,053*
of which: management	*708,581*	*106,555*	*44,646*	*859,782*	*659,824*	*97,689*	*47,148*	*804,660*
of which: performance	*141,343*	*18,299*	*6,745*	*166,387*	*13,419*	*2,738*	*3,068*	*19,225*
of which: other	*95,109*	*22,934*	*14,890*	*132,933*	*78,732*	*16,287*	*17,289*	*112,308*
Fee expense	-461,293	-88,858	-14,918	-565,068	-418,213	-74,498	-17,700	-510,411
of which: incentives	*-12,223*	*-3,492*	*-*	*-15,715*	*-12,225*	*-2,667*	*-*	*-14,892*
Net fees	**528,710**	**65,974**	**47,806**	**642,490**	**370,888**	**49,561**	**46,387**	**466,836**
Net income (loss) from trading activities and dividends	14	-	21,522	21,536	-93	-	17,036	16,943
Net banking income	**796,727**	**100,552**	**83,853**	**981,132**	**645,004**	**87,942**	**55,233**	**788,179**
Staff expenses				-134,997				-124,371
Other general and administrative expenses				-263,435				-240,786
Adjustments of property, equipment and intangible assets				-42,144				-39,726
Other operating expenses/income				133,967				112,032
Net operating expenses				**-306,609**				**-292,851**
Operating result				**674,524**				**495,328**
Adjustments of other assets				1,837				-528
Net provisions				-105,830				-49,844
Gains (losses) from investments and equity investments				-758				-1,109
Operating profit before taxation				**569,774**				**443,847**
Income taxes - operating activities				-138,549				-117,769
Profit (loss) from HFS assets								
Net profit (loss) for the year attributable to minority interests				-				-58
Net profit				**431,225**				**326,136**

Private Banking CGU

PB CGU

	31.12.2024	31.12.2023	CHANGE
Net interest income	268,004	274,209	-2.26%
Net fees	528,710	370,888	42.55%
Net banking income	**796,727**	**645,004**	**23.52%**
AUM	85,504	76,170	12.25%
Net inflows	5,520	4,719	16.96%
Financial Advisors	2,263	2,174	4.09%
AUM/FA	37.78	35.04	7.84%
Net inflows/FA	2.44	2.17	12.36%

At 31 December 2024, this CGU's total assets amounted to 85.5 billion euros, up about 9.3 billion euros (+12.3%) compared to the previous year. This result was attributable to the positive performance of financial markets, which led to an approximately 3.8 billion euro increase in total assets, in addition to positive net inflows of about 5.5 billion euros, up 17% on the previous year. The growth of total assets Private Banking also drove an increase in PB CGU Financial Advisors' average portfolio, which stood at 37.8 million euros (35.0 million euros at 31 December 2023).

In 2024, this CGU's net banking income was 769.7 million euros (645.0 million euros in 2023). This result was attributable to the following factors:

- net interest income declined slightly compared to 31 December 2023 as a result of the higher cost of funding;
- net fees amounted to 528.7 million euros (370.9 million euros at 31 December 2023). This result was mainly attributable to the excellent contribution of performance fees, in addition to the increase in management fees following recovery of investments in managed and insurance solutions. The other fee income components (underwriting and other fees) grew driven by placement fees and fees for advanced advisory services. Compared to 2023, fee expense grew less than proportionally to fee income, chiefly due to the increase in performance fees.

The CGU accounted for 81% of overall net banking income, essentially stable compared to the previous year.

Senior Partner CGU

SP CGU

	31.12.2024	31.12.2023	CHANGE
Net interest income	34,578	38,381	-9.91%
Net fees	65,974	49,561	33.12%
Net banking income	**100,552**	**87,942**	**14.34%**
AUM	17,508	15,514	12.86%
Net inflows	1,128	1,136	-0.71%
Financial Advisors	103	97	6.19%
AUM/FA	169.99	159.93	6.28%
Net inflows/FA	10.95	11.71	-6.50%

At 31 December 2024, total assets of the SP CGU amounted to 17.5 billion euros, up by approximately 2 billion euros compared to 2023 (15.5 billion euros). The SP CGU's increase was driven by the market performance for 0.9 billion euros and by net inflows for about 1.1 billion euros. Thanks to these trends, the average portfolio per Financial Advisor rose to approximately 170.0 million euros (159.9 million euros at year-end 2023).

In 2024, this CGU's net banking income was 100.6 million euros (87.9 million euros in 2023), up by about 14%. Like the PB CGU, this CGU's net interest income declined slightly, whereas net fees grew, with a performance essentially in line with that of the PB CGU: fee income rose driven by performance fees, but also by recurring fees, and fee expense increased in line with higher fee income.

The SP CGU accounted for 10% of overall net banking income, essentially in line with the previous year (11% in 2023).

Corporate Center CGU

CORPORATE CENTER

	31.12.2024	31.12.2023	CHANGE
Net interest income	14,524	-8,190	-277.34%
Net fees	47,806	46,387	3.06%
Net income (loss) from trading activities and dividends	21,522	17,036	26.33%
Net banking income	**83,853**	**55,233**	**51.82%**
AUM	7,426	6,439	15.33%
Net inflows	n.a.	n.a.	n.a.
Financial Advisors	n.a.	n.a.	n.a.

At 31 December 2024, total assets Corporate Center amounted to 7.4 billion euros (6.4 billion euros at 31 December 2023). In 2024, the Corporate channel's net banking income reached 83.9 million euros (55.2 million euros in 2023), significantly increasing as a result of:

- a positive result in terms of net interest income that reversed the 2023 trend, mainly thanks to the increase in yields of the securities portfolio;
- net income (loss) from trading activities and dividends at about 22 million euros, up compared to the previous year due to the interest rate trends;
- net fees essentially stable at 47.8 million euro at 31 December 2024 (46.4 million euros at 31 December 2023), attributable to a slight decline in management fees, offset by a concurrent increase in performance fees.

The CGU's weight on overall net banking income was 8.5% (7.0% in 2023).

Creation and Distribution of Value Added

The creation of value for all its stakeholders is one of Banca Generali's key objectives.

Most of the economic value generated is distributed to the various stakeholders with which Banca Generali comes into contact in the course of its day-to-day operations, including Shareholders, Suppliers, Financial Advisors, Employees, the Government and, finally, the communities and the environment.

The economic value retained, calculated as the difference between the economic value generated and economic value distributed, represents the set of resources intended for productive investments aimed to permit economic growth and financial stability, as well as to ensure the creation of new wealth for the benefit of stakeholders.

The economic value generated and distributed was analysed by determining the value added, calculated by restating the items of the 2024 Consolidated Profit and Loss Account on the basis of the guidelines issued by ABI (Italian Banking Association).

The economic value generated is equal to the difference between total revenues and total costs for the purchase of goods and services, less the portion of costs incurred for the benefit of the various categories of stakeholders.

Therefore, the economic value distributed includes charges in support of the banking system, inclusive of contributions to the Italian National Resolution Fund (FNR) and the Italian Interbank Deposit Protection Fund (FITD) amounting to 12.6 million euros and recognised, upon distribution of value added, according to the view that they are a form of taxation.

During the distribution process, net provisions for incentives and indemnities for the network, recoveries of expenses and indemnities charged to Financial Advisors and net provisions for staff were classified in the respective stakeholder category.

In 2024, the economic value generated by the Group's overall operations reached 1,605.6 million euros, up 19.9% compared to the previous year.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED

			CHANGE	
(€ THOUSAND)	2024	2023	AMOUNT	%
Economic value generated	**1,605,624**	**1,338,621**	**267,003**	**19.9%**
Economic value distributed	**1,408,252**	**1,197,608**	**210,644**	**17.6%**
Employees, collaborators and Financial Advisors	665,905	585,643	80,262	13.7%
Suppliers	125,995	117,316	8,679	7.4%
Shareholders and third parties	327,185	251,175	76,010	30.3%
Government, entities, institutions and communities	289,167	243,474	45,693	18.8%
Economic value retained	**197,372**	**141,013**	**56,359**	**40.0%**

This value was distributed to stakeholders as follows:

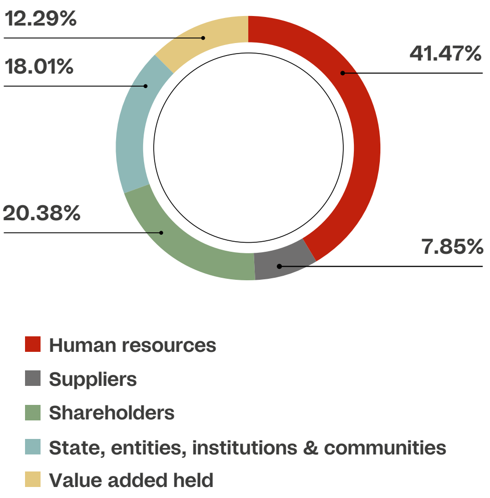
- **Employees and collaborators**, including **Financial Advisors**, benefited from approximately **41.5%** of the economic value generated, in the total amount of about 665.9 million euros (up 13.7% compared to the previous year). In detail human resources benefited from 144.9 million euros (+17.0% on 2023) and Financial Advisors from 521.0 million euros (+12.8% compared to the previous year), inclusive of net provisions for incentives, recruitment plans and other contractual indemnities amounting to 46.7 million euros;
- **Shareholders** received **20.4%** of the economic value generated, due to payment of a dividend of 2.80 euros per share, with a 76.0% payout ratio calculated on 2024 consolidated net profit;
- **Suppliers** benefited from **7.8%** or approximately 126.0 million euros of the economic value generated, down compared to 8.8% in 2023;
- the **Italian Government, institutions and communities** received **18.0%** of the economic value generated, amounting to approximately 289.2 million euros, up compared to the previous year (+18.8%); this aggregate also includes the charges in support of the banking system and the stamp duty on current accounts and financial instruments.

Accordingly, the business system also retained — in the form of retained earnings, depreciation and amortisation, residual provisions for risks and changes in deferred tax assets and liabilities — the total amount of 197.4 million euros, or 12.3% of the economic value generated. The amount is to be regarded as an investment that the other categories of stakeholders make each year in order to keep the Company in efficient condition and foster its development.

DISTRIBUTION OF ECONOMIC VALUE GENERATED

	2024	2023
Employees and collaborators	41.47%	43.75%
Suppliers	7.85%	8.76%
Shareholders	20.38%	18.76%
Government, entities, institutions and communities	18.01%	18.19%
Economic value retained	12.29%	10.53%
Total	**100.00%**	**100.00%**

BREAKDOWN OF VALUE ADDED



The following table shows in particular the process of creation of the Group's economic value and its distribution among the different stakeholders.

STATEMENT OF DETERMINATION OF THE TOTAL ADDED VALUE

	ITEMS (€ THOUSAND)	2024	2023	CHANGE	%
10.	Interest income and similar revenues	482,910	434,242	48,668	11.2%
20.	Interest expense and similar charges	-165,804	-129,842	-35,962	27.7%
40.	Fee income	1,207,559	977,247	230,312	23.6%
50.	Fee expense (net of expenses related to the BG Network) (1)	-63,775	-58,803	-4,972	8.5%
70.	Dividends and similar income	1,309	1,215	94	7.7%
80.	Net income (loss) from trading activities	8,150	3,940	4,210	106.9%
90.	Net income (loss) from hedging	-192	1,183	-1,375	-116.2%
100.	Gains (losses) on disposal or repurchase of:	9,810	5,544	4,266	76.9%
	a) financial assets measured at amortised cost	8,964	5,324	3,640	68.4%
	b) financial assets measured at fair value through other comprehensive income	846	220	626	n.a.
110.	Net income (loss) from other financial assets and liabilities measured at fair value through profit and loss:	2,459	5,061	-2,602	-51.4%
	b) financial assets and liabilities mandatorily measured at fair value	2,459	5,061	-2,602	-51.4%
130.	Net adjustments/reversals due to credit risk relating to:	1,837	-528	2,365	n.a.
	a) financial assets measured at amortised cost	2,030	-692	2,722	n.a.
	b) financial assets measured at fair value through other comprehensive income	-193	164	-357	n.a.
230.	Other operating expenses/income (4)	121,360	99,444	21,916	22.0%
280.	Gains (losses) on disposal of investments	1	-82	83	-101.2%
	A. TOTAL ECONOMIC VALUE GENERATED	**1,605,624**	**1,338,621**	**267,003**	**19.9%**
190.b	Other general and administrative expenses (2)	-125,995	-117,316	-8,679	7.4%
	ECONOMIC VALUE DISTRIBUTED TO SUPPLIERS	**-125,995**	**-117,316**	**-8,679**	**7.4%**
190.a	Staff expenses	-144,892	-123,836	-21,056	17.0%
50.	Fee expense – expenses and advances to external networks (cost of Financial Advisors) (5)	-521,013	-461,807	-59,206	12.8%
	ECONOMIC VALUE DISTRIBUTED TO EMPLOYEES AND COLLABORATORS	**-665,905**	**-585,643**	**-80,262**	**13.7%**
340.	Net profit (loss) for the year attributable to minority interests	-	58	-58	-100.0%
	ECONOMIC VALUE DISTRIBUTED TO THIRD PARTIES	**-**	**58**	**-58**	**-100.0%**
	Profit distributed to shareholders	-327,185	-251,233	-75,952	30.2%
	ECONOMIC VALUE DISTRIBUTED TO SHAREHOLDERS	**-327,185**	**-251,233**	**-75,952**	**30.2%**
190.b	Other general and administrative expenses: indirect and direct taxes (6)	-121,884	-104,334	-17,550	16.8%
190.b	Other general and administrative expenses: contributions to the Italian National Resolution and Interbank Deposit Protection Funds (6)	-12,592	-16,128	3,536	-21.9%
300.	Income taxes for the year on operating activities (portion related to current taxes)	-151,727	-120,004	-31,723	26.4%
	ECONOMIC VALUE DISTRIBUTED TO CENTRAL AND LOCAL GOVERNMENTS	**-286,203**	**-240,466**	**-45,737**	**19.0%**
190.b	Other general and administrative expenses: contributions to communities and the environment and charitable gifts (6)	-2,964	-3,008	44	-1.5%
	ECONOMIC VALUE DISTRIBUTED TO COMMUNITIES AND THE ENVIRONMENT	**-2,964**	**-3,008**	**44**	**-1.5%**
	B. TOTAL ECONOMIC VALUE DISTRIBUTED	**-1,408,252**	**-1,197,608**	**-210,644**	**17.6%**
200.	Net provisions for liabilities and contingencies: (3)	-63,609	-27,592	-36,017	130.5%
	a) commitments and guarantees issued	-11,605	-9,540	-2,065	21.6%
	b) other net provisions (3)	-52,004	-18,052	-33,952	188.1%
210.	Net adjustments/reversals of property and equipment	-24,076	-23,868	-208	0.9%
220.	Net adjustments/reversals of intangible assets	-18,067	-15,858	-2,209	13.9%
250.	Gains (losses) from equity investments (portion of valuation component)	-759	-1,027	268	-26.1%
300.	Income taxes for the year on operating activities (change in deferred tax assets and liabilities)	13,179	2,235	10,944	n.a.
	Profit allocated to reserves	-104,040	-74,903	-29,137	38.9%
	C. TOTAL ECONOMIC VALUE RETAINED	**-197,372**	**-141,013**	**-56,359**	**40.0%**

(1) This figure differs from that included in the Profit and Loss Account in the Financial Statements, as the remuneration for the BG Network has been reclassified to "Staff expenses".
(2) This figure differs from that included in the Profit and Loss Account in the Financial Statements, due to the exclusion of indirect and direct taxes, contributions to the National Resolution and Interbank Deposit Protection Funds and charitable gifts (which have been stated in the related specific items).
(3) This figure differs from that included in the Profit and Loss Account in the Financial Statements, due to the exclusion of net provisions for incentives and indemnities in favour of the BG Network and net provisions for personnel.
(4) This figure differs from that included in the Profit and Loss Account in the Financial Statements, due to the exclusion of expenses recovered from Financial Advisors and staff contingencies (which have been stated in the related specific items).
(5) This figure differs from that included in the Profit and Loss Account in the Financial Statements, as it includes remuneration paid to the BG Network and the related provisions.
(6) This figure is stated as a specific item in the statement of determination of added value.

Group's Capital and Financial Position

At the end of 2024, total consolidated assets amounted to 16.8 billion euros, up 1.3 billion euros (+8.4%) compared to the end of 2023.

Total net inflows stood at 14.5 billion euros, up 1.0 billion euros overall, driven both by the acceleration in customer deposits at year-end (+894 million euros) and the increase in the interbank funding (+125 million euros).

Core loans thus totalled 15.7 billion euros, increasing by 1.3 billion euros (+9.0%) compared to the end of 2023.

CONSOLIDATED BALANCE SHEET

ASSETS (€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial assets at fair value through profit or loss	512,209	509,407	2,802	0.6%
Financial assets at fair value through other comprehensive income	1,521,864	1,000,936	520,928	52.0%
Financial assets measured at amortised cost:	13,678,838	12,905,455	773,383	6.0%
a) loans to banks (*)	3,775,709	2,846,425	929,284	32.6%
b) loans to customers	9,903,129	10,059,030	-155,901	-1.5%
Hedging derivatives	131,221	161,955	-30,734	-19.0%
Equity investments	2,962	1,975	987	50.0%
Property, equipment and intangible assets	284,935	292,054	-7,119	-2.4%
Tax assets	122,889	108,113	14,776	13.7%
Other assets	566,840	537,267	29,573	5.5%
HFS assets	227	-	227	n.a.
Total assets	**16,821,985**	**15,517,162**	**1,304,823**	**8.4%**

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

LIABILITIES AND NET EQUITY (€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial liabilities measured at amortised cost:	14,521,277	13,503,015	1,018,262	7.5%
a) due to banks	356,431	231,684	124,747	53.8%
b) due to customers	14,164,846	13,271,331	893,515	6.7%
Financial liabilities held for trading and hedging	177,054	132,821	44,233	33.3%
Tax liabilities	18,267	46,088	-27,821	-60.4%
Other liabilities	301,085	353,037	-51,952	-14.7%
Special purpose provisions	344,379	268,936	75,443	28.1%
Valuation reserves	8,372	-797	9,169	n.a.
Equity instruments	100,000	50,000	50,000	100.0%
Reserves	838,350	752,749	85,601	11.4%
Share premium reserve	52,392	52,992	-600	-1.1%
Share capital	116,852	116,852	-	-
Treasury shares (-)	-87,268	-85,005	-2,263	2.7%
Net equity attributable to minority interests	-	338	-338	-100.0%
Net profit (loss) for the year (+/-)	431,225	326,136	105,089	32.2%
Total liabilities and net equity	**16,821,985**	**15,517,162**	**1,304,823**	**8.4%**

QUARTERLY EVOLUTION OF CONSOLIDATED BALANCE SHEET

ASSETS (€ THOUSAND)	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
Financial assets at fair value through profit or loss	512,209	509,118	509,549	509,334	509,407	506,691	507,179	504,991	507,346
Financial assets at fair value through other comprehensive income	1,521,864	1,049,938	863,071	1,075,503	1,000,936	991,393	958,875	1,020,267	1,120,101
Financial assets measured at amortised cost:	13,678,838	12,965,478	12,263,218	12,475,402	12,905,455	12,869,116	13,057,631	14,341,714	14,478,596
a) loans to banks	3,775,709	3,382,793	2,796,855	2,665,196	2,846,425	2,665,380	2,463,233	3,239,432	3,284,113
b) loans to customers	9,903,129	9,582,685	9,466,363	9,810,206	10,059,030	10,203,736	10,594,398	11,102,282	11,194,483
Hedging derivatives	131,221	144,462	183,118	178,060	161,955	272,492	232,891	245,363	286,776
Equity investments	2,962	3,842	4,128	2,126	1,975	2,781	2,927	3,008	3,091
Property, equipment and intangible assets	284,935	270,424	279,682	285,549	292,054	283,139	289,474	294,089	295,279
Tax assets	122,889	106,108	101,534	107,003	108,113	99,132	91,429	86,040	72,266
Other assets	566,840	560,237	542,083	556,185	537,267	522,861	536,585	508,377	503,394
HFS assets	227	-	-	-	-	-	-	-	-
Total assets	**16,821,985**	**15,609,607**	**14,746,383**	**15,189,162**	**15,517,162**	**15,547,605**	**15,676,991**	**17,003,849**	**17,266,849**

LIABILITIES AND NET EQUITY (€ THOUSAND)	31.12.2024	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
Financial liabilities measured at amortised cost:	14,521,277	13,390,289	12,743,908	13,061,788	13,503,015	13,682,584	13,783,954	15,205,464	15,503,979
a) due to banks	356,431	333,233	327,398	300,285	231,684	483,931	526,633	821,661	544,531
b) due to customers	14,164,846	13,057,056	12,416,510	12,761,503	13,271,331	13,198,653	13,257,321	14,383,803	14,959,448
Financial liabilities held for trading and hedging	177,054	151,544	122,701	122,340	132,821	98,050	107,757	134,378	123,604
Tax liabilities	18,267	49,850	96,736	74,839	46,088	58,901	33,618	58,487	44,577
Other liabilities	301,085	318,823	304,249	321,516	353,037	318,056	439,338	200,656	281,248
Special purpose provisions	344,379	284,417	266,912	268,571	268,936	255,879	249,588	247,751	244,921
Valuation reserves	8,372	9,263	-272	-303	-797	-5,232	-6,445	-8,292	-9,972
Equity instruments	100,000	150,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Reserves	838,350	834,847	830,717	1,083,262	752,749	749,147	746,862	941,473	724,536
Share premium reserve	52,392	52,392	52,388	52,992	52,992	52,908	52,784	53,767	53,767
Share capital	116,852	116,852	116,852	116,852	116,852	116,852	116,852	116,852	116,852
Treasury shares (-)	-87,268	-87,282	-77,367	-85,005	-85,005	-85,005	-72,745	-80,139	-80,139
Net equity attributable to minority interests	-	-	-	343	338	364	377	381	442
Consolidated net profit	431,225	338,612	239,559	121,967	326,136	255,101	175,051	83,071	213,034
Total liabilities and net equity	**16,821,985**	**15,609,607**	**14,746,383**	**15,189,162**	**15,517,162**	**15,547,605**	**15,676,991**	**17,003,849**	**17,266,849**

Direct inflows from customers

Total direct inflows from customers amounted to 14.2 billion euros, with an increase of slightly more than 893 million euros (+6.7%) compared to 31 December 2023, chiefly attributable to the sharp increase in current accounts deposits and term deposits in the fourth quarter (+1,603 million euros), partly offset by the marked decline in repurchase agreement transactions (-604 million euros), which however recovered compared to the low volumes recorded at the end of the first half of the year, in addition to other debt positions (-106 million euros).

The decline was chiefly attributable to treasury repurchase agreement transactions with very short maturities effected on the MTS Repo market, managed by Cassa di Compensazione e Garanzia, which decreased by 47.7% to 579 million euros, whereas promotional transactions in repurchase agreements with customers stood at approximately 200 million euros (-76 million euros; -27.6%).

It should be noted that in 2024 direct inflows from retail customers within Assoreti scope grew by over 1.4 billion euros overall and liquidity invested in portfolio management solutions rose by slightly less than 300 million euros, whereas net inflows from assets under administration amounted to over 3.1 billion euros.

DUE TO CUSTOMERS

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
1. Current accounts and demand deposits	12,698,080	11,097,187	1,600,893	14.4%
2. Term deposits	244,070	241,730	2,340	1.0%
3. Financing	886,083	1,507,866	-621,783	-41.2%
Repurchase agreements with CC&G (MTS Repo)	579,306	1,106,790	-527,484	-47.7%
Repurchase agreements with customers	199,808	275,859	-76,051	-27.6%
Other (collateral margins)	106,969	125,217	-18,248	-14.6%
4. Other debts	336,613	424,548	-87,935	-20.7%
IFRS 16-related lease liabilities	130,206	141,074	-10,868	-7.7%
Operating debts to the BG Network	185,864	150,157	35,707	23.8%
Other debts (money orders, amounts at the disposal of customers)	20,543	133,317	-112,774	-84.6%
Total due to customers	**14,164,846**	**13,271,331**	**893,515**	**6.7%**

Captive inflows, generated from the treasury management of the companies within Assicurazioni Generali Group, recorded net outflows of approximately 199 million euros, amounting to about 318 million euros at the end of the year and accounting for 2.2% of total inflows, without taking into account 100 million euros relating to AT1 equity instruments.

INFLOWS FROM CUSTOMERS

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Total inflows from Generali Group	317,610	516,911	-199,301	-38.6%
of which: current accounts	*256,332*	*451,146*	*-194,814*	*-43.2%*
of which: IFRS 16-related lease financial liabilities and other debts	*61,278*	*65,765*	*-4,487*	*-6.8%*
Inflows from other parties	13,847,236	12,754,420	1,092,816	8.6%
of which: current accounts	*12,441,748*	*10,646,041*	*1,795,707*	*16.9%*
of which: repurchase agreements and term deposits	*1,023,184*	*1,624,379*	*-601,195*	*-37.0%*
of which: other debts	*382,304*	*484,000*	*-101,696*	*-21.0%*
Total inflows from customers	**14,164,846**	**13,271,331**	**893,515**	**6.7%**

Liabilities relating to daily variation margins received on the Eurex market amounted to approximately 107 million euros, declining compared to the end of 2023 (-14.6%), offset by the performance of hedging derivative transactions.

The non-interest-bearing debt position consisted of accounts payable to the BG Network for the placement of financial products and services, as well as of other sums made available to customers, primarily relating to claims settlement activities by the Group's companies (money orders). This item declined by over 77 million euros, chiefly as a result of the latter component.

Core loans

Core loans totalled 15.7 billion euros overall, with a net increase of 1.3 billion euros compared to 31 December 2023 (+9.0%).

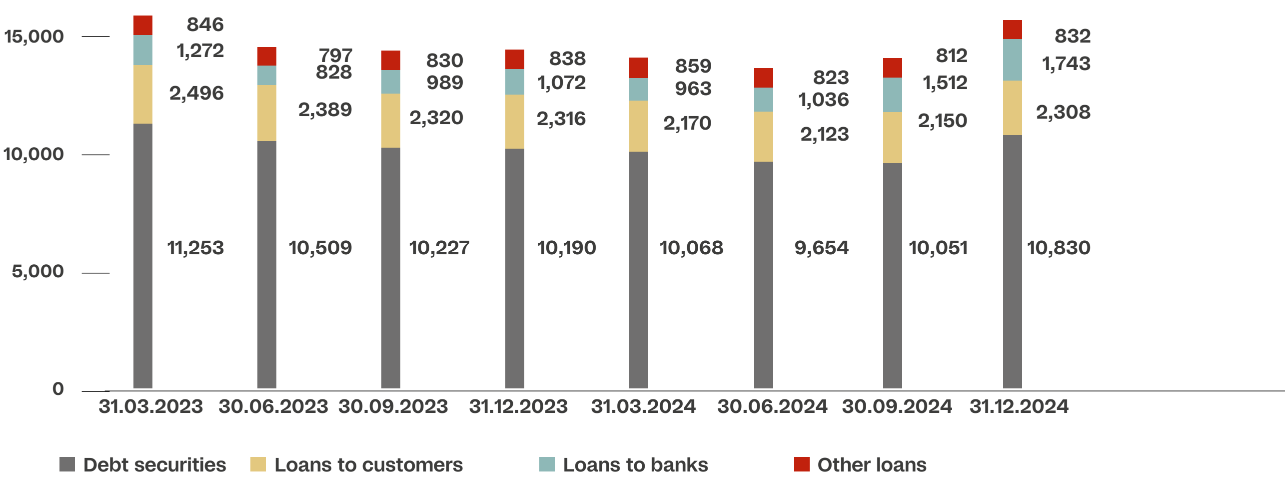
This performance was mainly driven by higher exposures to banks (+670 million euros; +62.5%) and increased investments in the portfolio of financial assets (+640 million euros; +6.0%), offset by essentially stable loans to customers.

CORE LOANS

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial assets measured at fair value through profit or loss	512,209	509,407	2,802	0.6%
Financial assets measured at fair value through other comprehensive income	1,521,864	1,000,936	520,928	52.0%
Financial assets measured at amortised cost	9,328,537	9,211,941	116,596	1.3%
Financial assets	**11,362,610**	**10,722,284**	**640,326**	**6.0%**
Loans to and deposits with banks (*)	1,742,610	1,072,461	670,149	62.5%
Loans to customers	2,307,582	2,316,087	-8,505	-0.4%
Operating loans and other loans	300,109	304,966	-4,857	-1.6%
Total core loans	**15,712,911**	**14,415,798**	**1,297,113**	**9.0%**
Total interest-bearing financial assets and loans	**15,412,802**	**14,110,832**	**1,301,970**	**9.2%**

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

QUARTERLY EVOLUTION OF LOANS (€ million)



Overall, investments in financial instruments accounted for 72.3% of total core loans, slightly down compared to the end of 2023, and continued to focus on the portfolio of securities issued by governments and supranational and other public institutions, accounting for nearly three fourths of the total portfolio. This was supported by a careful diversification process regarding investments in debt securities issued by credit institutions, and particularly multilateral development banks and covered bonds.

The residual component of equity securities, UCITS and other similar securities chiefly referred to the investment, for a total of 485.8 million euros, in the units of the Forward Fund, an Italian fund (AIF) managed by Gardant SGR and specialised in illiquid investments, underwritten in 2021.

FINANCIAL ASSETS

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Government securities	7,631,655	7,253,834	377,821	5.2%
Supranational and other public institutions	888,601	677,558	211,043	31.1%
Securities issued by banks	2,039,506	1,847,782	191,724	10.4%
Securities issued by other issuers	270,666	410,451	-139,785	-34.1%
Equity securities and other financial instruments at fair value	532,182	532,659	-477	-0.1%
Total financial assets	**11,362,610**	**10,722,284**	**640,326**	**6.0%**

The held-to-collect (HTC) portfolio, driven by financial assets measured at amortised cost and held for long-term investment purposes, amounted to over 9.3 billion euros at the end of the year, accounting for 82.1% of total financial asset, increasing moderately compared to the end of 2023 (+1.3%).
The held-to-collect-and-sell (HTCS) portfolio, i.e., financial assets measured at fair value with a balancing entry to net equity without any particular time constraints, amounted to 1.5 billion euros, increasing sharply by 521 million euros (+52%) compared to the end of the previous year.

The overall portfolio remained focused on sovereign and supranational debt, which contributed the most to the growth of the debt securities portfolio at the end of the year (+589 million euros), accounting for 75% of total investments in financial instruments.

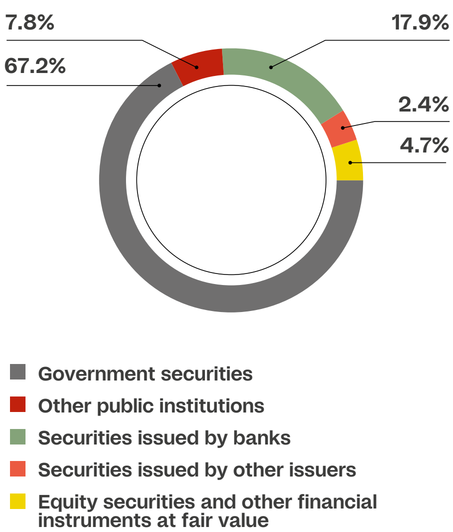
The portion of the portfolio invested in Italian government bonds stood at 5.6 billion euros, with no material changes compared to the previous year and with ratio to total volumes decreasing markedly from 70.6% in the previous year to 65.8%.
The expansion of the government securities portfolio was mainly driven by foreign sovereign debt, which rose significantly (+585 million euros; +25.1%) to 2.9 billion euros, accounting for 34.2% of the total government portfolio.
From a geographical standpoint, investments in foreign government bonds were primarily allocated on EU issues, with a particular focus on the Iberian Peninsula and France.

EXPOSURE TO SOVEREIGN RISK BY PORTFOLIO

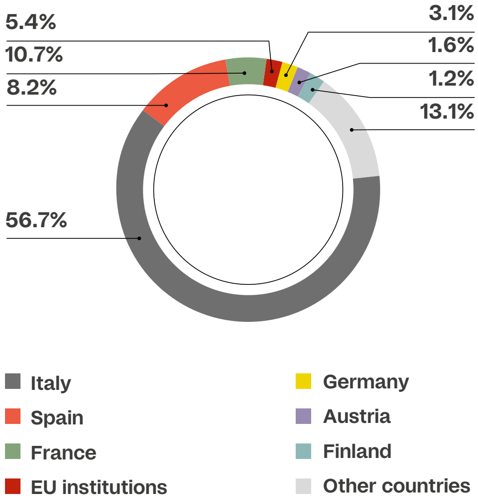
			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Financial assets measured at fair value through other comprehensive income	1,479,087	890,055	589,032	66.2%
Financial assets measured at amortised cost	7,041,169	7,041,337	-168	0.0%
Total	**8,520,256**	**7,931,392**	**588,864**	**7.4%**
Total foreign government bonds	**2,918,009**	**2,333,391**	**584,618**	**25.1%**
Total Italian government bonds	**5,602,247**	**5,598,001**	**4,246**	**0.1%**

The overall geographical breakdown of the debt securities portfolio therefore showed a lower incidence of investments in Italian securities, which stood at 56.7%, followed by the exposure to French issuers (10.7%) and issuers of the Iberian Peninsula (8.2%), primarily represented by government bonds.

BREAKDOWN OF FINANCIAL ASSETS PORTFOLIO



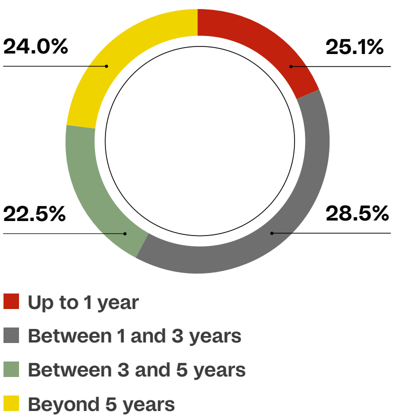
GEOGRAPHICAL BREAKDOWN OF FINANCIAL ASSETS PORTFOLIO



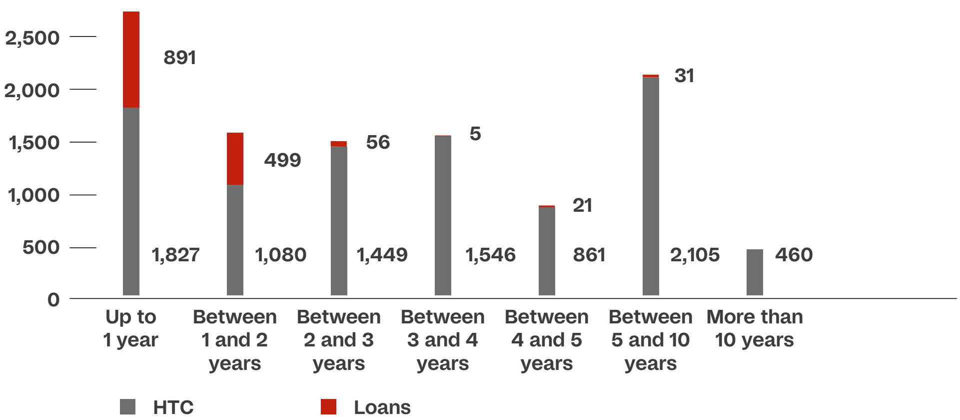
At the end of 2024, the share of financial assets with a maturity of more than 3 years was 46.4%, up slightly compared to the end of 2023 (42.1%).
The portfolio of debt securities had an overall average residual life of about 3.6 years. In particular, the average maturity of the HTC portfolio was 4.2 years, whereas the average maturity of the HTCS portfolio increased to 1.1 years.

45.7% of the portfolio was made up of issues with variable-rate or inflation-linked coupons, including hedged securities, and 54.3% of fixed-rate issues.

BREAKDOWN OF BONDS PORTFOLIO BY MATURITY AT 31.12.2024



BONDS PORTFOLIO MATURITY (€ MILLION)



In the year, the Bank actively continued to operate in asset swap derivatives, trading interest rate swaps to hedge debt securities, mostly Italian and foreign fixed-rate and index-linked government bonds allocated to the HTCS and HTC portfolios.

For each hedging derivative, a specific highly effective fair value hedging relationship is formed.

The specific hedging derivatives portfolio also included some cash flow hedge counter-hedges, activated on certain asset swap positions as of the second quarter of the year, for a total notional amount of 805 million euros, mostly to hedge the HTC portfolio. In particular, these were hedges aimed at stabilising the future cash flows of fixed-rate asset swaps, even limited to a time portion thereof, through trading of forward IRSs.

At the end of 2024, the notional amounts of the specific hedging derivatives outstanding amounted to 5,261 million euros, of which 211 million euros relating to the HTCS portfolio.

The net book value of the asset swap portfolio, including counter-hedges, was 4,605 million euros overall, essentially in line with its fair value.

At the end of the third quarter, a macro hedge was also activated to mitigate the interest-rate risk of stable demand liabilities (core deposits) by entering into IRS contracts, for a notional amount of 1,950 million euros and a net positive fair value of 2.1 million euros.

Loans to customers neared **2,307 million euros**, remaining essentially stable compared to the end of 2023 (-0.4%) as a result of the increase in current accounts exposures (+3.1%) and the decline in transactions regarding mortgages and personal loans (-9.8%).

In particular, Lombard loans, made up of current account exposures fully secured by pledges on financial instruments, totalled **1,374 million euros** (+1.4%).

LOANS, OPERATING LOANS AND OTHER LOANS

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Current accounts	1,747,905	1,694,681	53,224	3.1%
Mortgages and personal loans	550,053	609,918	-59,865	-9.8%
Other financing and loans not in current accounts	9,624	11,489	-1,865	-16.2%
Loans	**2,307,582**	**2,316,088**	**-8,506**	**-0.4%**
Operating loans to management companies	181,904	141,305	40,599	28.7%
Sums advanced to Financial Advisors	55,517	58,452	-2,935	-5.0%
Stock exchange interest-bearing daily margin	27,931	84,001	-56,070	-66.7%
Charges to be debited and other loans	24,674	12,560	12,114	96.4%
of which: rights of recourse and usufruct rights	*15,790*	*2,066*	*13,724*	*n.a.*
Operating loans and other loans	**290,026**	**296,318**	**-6,292**	**-2.1%**

Operating loans and other loans amounted to 290 million euros, down 2.1%.

This item included 15.8 million euros for the Bank's rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (11.0 million euros), as well as amounts receivable as a result of the transfer by Bank's customers of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.8 million euros). Both categories of amounts receivable were recognised among loans to customers measured at amortised cost and classified as purchased or originated credit impaired (POCI).
In the year, the Bank obtained the reimbursement for the rights of recourse on which it had granted guarantees for 5.6 million euros. Net write-downs amounting to 1.3 million euros overall were recognised along with 1.4 million euro losses on usufruct rights that had become uncollectible.

Net non-performing exposures on loans to customers amounted to 18.6 million euros, accounting for 0.8% of total loans reported in the table above.

The aggregate still includes some exposures originating in the portfolio of Banca del Gottardo Italia, fully covered by the loan indemnity granted by BSI S.A. (now EFG Bank AG) upon the sale of the said company and chiefly secured to that end by cash collateral payments by the counterparty.

Net of this aggregate, non-performing exposures to customers amounted to 13.5 million euros and consisted for nearly 82% of credit facilities secured by financial collaterals mainly in the form of pledges on financial instruments and/or similar products, such as mandate to policy redemption.

Unsecured exposures on loans to customers, for which risk is effectively borne by the Bank, amounted to just 2.4 million euros, or around 0.10% of total loans to customers.

The portfolio of non-performing loans, as defined above, dropped by 10.3 million euros as a result of the decline in positions secured by indemnity (-4.5 million euros), in unlikely-to-pay positions and positions past due or expired (-5.3 million euros) and in bad loans not secured by indemnities (-0.6 million euros)

NON-PERFORMING EXPOSURES

	31.12.2024				31.12.2023				CHANGE	
(€ THOUSAND)	BAD LOANS	UNLIKELY TO PAY	PAST-DUE AND/OR EXPIRED EXPOSURES	TOTAL	BAD LOANS	UNLIKELY TO PAY	PAST-DUE AND/OR EXPIRED EXPOSURES	TOTAL	DELTA	CHANGE %
Gross exposure	19,949	3,967	10,392	34,308	24,950	6,284	13,378	44,612	-10,304	-23%
Adjustments	10,270	1,481	3,950	15,701	10,214	2,117	3,357	15,688	13	-
Total net exposure	**9,679**	**2,486**	**6,442**	**18,607**	**14,736**	**4,167**	**10,021**	**28,924**	**-10,317**	**-36%**
Gross exposure	13,216	-	-	13,216	17,746	-	-	17,746	-4,530	-26%
Adjustments	8,060	-	-	8,060	8,140	-	-	8,140	-80	-1%
Exposure guaranteed by net indemnity	**5,156**	**-**	**-**	**5,156**	**9,606**	**-**	**-**	**9,606**	**-4,450**	**-46%**
Gross exposure	6,733	3,967	10,392	21,092	7,204	6,284	13,378	26,866	-5,774	-21%
Adjustments	2,210	1,481	3,950	7,641	2,074	2,117	3,357	7,548	93	1%
Exposure net of indemnity	**4,523**	**2,486**	**6,442**	**13,451**	**5,130**	**4,167**	**10,021**	**19,318**	**-5,867**	**-30%**
Net guaranteed exposure	**4,286**	**2,098**	**4,673**	**11,057**	**5,076**	**3,806**	**8,131**	**17,013**	**-5,956**	**-35%**
Net exposure not guaranteed	**237**	**388**	**1,769**	**2,394**	**54**	**361**	**1,890**	**2,305**	**89**	**4%**

At 31 December 2024, the interbank position, net of the securities portfolio and operating loans, showed a net credit balance of 1,386 million euros, significantly up by 545 million euros compared to a net exposure of 840.8 million euros at the end of the previous year, chiefly due to the combined effect of:

- the increase in the net exposure to central banks in the fourth quarter (+368 million euros), mainly including overnight deposits in service of treasury transactions;
- a higher net exposure to banks as a result of repurchase agreement transactions (+57 million euros), due to the expansion of funding repurchase agreements, which exceeded lending repurchase agreements;
- the rise in other net current account exposures (+120 million euros), including deposits and collateral margins on OTC derivatives and repurchase agreements (+52 million euros).

NET INTERBANK POSITION

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
1. Repayable on demand	**1,026,195**	**589,034**	**437,161**	**74.2%**
Demand deposits with ECB and Bank of Italy (*)	871,310	514,303	357,007	69.4%
Correspondent accounts	154,885	74,731	80,154	107.3%
2. Time deposits	**716,415**	**483,427**	**232,988**	**48.2%**
Minimum reserve	119,013	108,186	10,827	10.0%
Term deposits	44,156	25,566	18,590	72.7%
Repurchase agreements	387,089	229,056	158,033	69.0%
Collateral margins	166,157	120,619	45,538	37.8%
Total loans to banks	**1,742,610**	**1,072,461**	**670,149**	**62.5%**
1. Due to Central Banks	**-**	**-**	**-**	**n.a.**
2. Due to banks	**356,431**	**231,684**	**124,747**	**53.8%**
Correspondent accounts	66,446	35,346	31,100	88.0%
Term deposits	3,001	-	3,001	n.a.
Repurchase agreements	272,338	171,320	101,018	59.0%
Collateral margins	8,932	15,202	-6,270	-41.2%
Other debts	5,714	9,816	-4,102	-41.8%
Total due to banks	**356,431**	**231,684**	**124,747**	**53.8%**
Net interbank position	**1,386,179**	**840,777**	**545,402**	**64.9%**

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

Provisions

Special purpose provisions amounted to 344.4 million euros overall, slightly increasing compared to the previous year (+28.1%) and mainly referring to provisions for contractual indemnities and incentives to the BG Network.

PROVISIONS

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Provision for termination indemnity	3,402	3,772	-370	-9.8%
Provisions for pensions and similar obligations	3,145	2,476	669	27.0%
Other provisions for liabilities and contingencies	**337,832**	**262,688**	**75,144**	**28.6%**
Provisions for staff expenses	8,925	8,640	285	3.3%
Provision for the redundancy incentive plan	8,800	1,500	7,300	n.a.
Provisions for legal disputes	14,229	12,283	1,946	15.8%
Provisions for contractual indemnities to the BG Network	207,988	170,856	37,132	21.7%
Provisions for BG Network incentives	28,940	29,048	-108	-0.4%
Provisions for tax and contributions/pension disputes	144	274	-130	-47.4%
Other provisions for liabilities and contingencies	68,806	40,087	28,719	71.6%
of which: provisions for risks relating to guarantees issued and commitments	*11,796*	*9,591*	*2,205*	*23.0%*
Total provisions	**344,379**	**268,936**	**75,443**	**28.1%**

Contractual indemnities referred to:

- provisions to cover Financial Advisor termination indemnities provided for under Article 1751 of the Italian Civil Code, assessed on an actuarial basis, in the amount of 99.6 million euros;
- other indemnities relating to termination of the agency or management position (management development indemnity, portfolio overfee indemnities, retirement eligibility bonus) for 29.4 million euros;

- the provision in service of the annual cycles of the 2017-2026 Framework Loyalty Programme for the BG Network, in the amount of 35.6 million euros;
- the provision in service of the three-year incentive plan for the BG Network, in the amount of 43.4 million euros.

The Framework Loyalty Programme for the BG Network was suspended at the end of 2021 and therefore no additional annual cycles have been activated since 2022. The provisions relating to the latter programme refer to 50% of the accrued indemnity to be paid in cash, whereas the portion payable in Banca Generali shares has been accounted for pursuant to IFRS 2.
In 2022, a 34.2 million euro financial advance related to the bonuses to be paid in cash was also granted to the beneficiaries of the Loyalty Framework Programme drawing from the provision recognised and valued at 30 June 2022. This advance is subject to the same accrual conditions provided for by the Programme and the beneficiaries will be definitively entitled to it in the first half of 2027.

The 2022-2024 three-year incentive plan, approved by the Board of Directors on 18 March 2022 and further adjusted on 5 March 2024, is in addition to the annual incentives for the BG Network and is tied to the achievement of both several overall objectives set at the Banking Group level in terms of total net inflows and recurring fee income, established in the new Strategic Plan, and individual objectives.
At 31 December 2024, the plan ended with full achievement of the three-year net inflows and cumulated recurring fee income objectives.
The three-year bonus will therefore be paid in 2026, provided that on 31 December 2025 the net inflow targets reached are no less than 90% of net inflows generated at the end of the three-year plan period.
Under the plan, special rules also apply to Financial Advisors eligible to participate in the previous Loyalty Framework Programme, for which a bonus floor applies, to be paid at the end of the three-year period if other conditions are met, provided that beneficiaries have reported no net outflows.

The incentives accruing on a multi-year basis, tied to net inflow targets, qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the BG Network.
In addition, the plan calls for the payment of the cash bonus only, with the sole exception of beneficiaries qualifying as Key Personnel in the three-year period, to whom the specific provisions of the Remuneration Policies (deferral, shared-based payment, etc.) apply.

The 37.1 million euro net change in provisions for contractual indemnity to the BG Network was attributable to the 18.4 million euro increase in actuarial provisions and to new provisions allocated in service of the three-year incentive plan for the BG Network amounting to 18.5 million euros, of which 9.8 million euros set to accrue in subsequent years. At the end of the year, the decline in the discount rates used to measure actuarial provisions led to an increase in the latter for approximately 10.5 million euros.

Other provisions for liabilities and contingencies included a total of 58.2 million euros to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues, and to sustain customer retention. The latter also included provisions to hedge credit risk relating to guarantees issued amounting to 11.7 million euros.
In the reporting period, provisions rose by 48 million euros due to the use of 25.1 million euros mainly attributable to enforcement of guarantees issued to customers (9.4 million euros), settlement fees, other activities in favour of the latter and costs for legal proceedings in progress against issuers of the illiquid instruments.
To this end, an additional 5.0 million euro provision was also allocated at the end of the year for initiatives in favour of the BG Network.

In this regard, it should be noted that the total amount of financial guarantees issued, or being issued, in favour of certain Customers amounted to 52.7 million euros, of which 23.5 million euros not yet enforced at 31 December 2024.
The Bank's rights of recourse related to the enforcement of financial flows regarding the above-mentioned illiquid products, in the net amount of 11.0 million euros, were therefore recognised among loans to customers, classified as purchased or originated credit impaired (POCI) and valued accordingly. With regard to loans to customers arising from the enforcement of the above-mentioned guarantees, in 2024 the Bank obtained reimbursements for 5.7 million euros from the issuer.

Provisions were also used to cover losses on usufruct rights that had become uncollectible, amounting to 1.4 million euros.

In addition, at the end of December, a new Voluntary Redundancy Plan was launched to cover incentives for employees' departure in the 2025-2027 three-year period, for which an 8.8 million euro provision was set aside.
The Plan is reserved for all employees who have already qualified, or will qualify during the plan period, for a pension within 5 years from the date of employment termination, or by 31 December 2032.

Net equity and regulatory aggregates

At 31 December 2024, the Banking Group's consolidated net equity, including net profit for the year, amounted to nearly 1,460 million euros.

CONSOLIDATED NET EQUITY

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Share capital	116,852	116,852	-	-
Share premium reserve	52,392	52,992	-600	-1.1%
Reserves	838,350	752,749	85,601	11.4%
(Treasury shares)	-87,268	-85,005	-2,263	2.7%
Valuation reserves	8,372	-797	9,169	n.a.
Equity instruments	100,000	50,000	50,000	100.0%
Net profit (loss) for the year	431,225	326,136	105,089	32.2%
Banking Group net equity	**1,459,923**	**1,212,927**	**246,996**	**20.4%**
Net equity attributable to minority interests	-	338	-338	-100.0%
Consolidated net equity	**1,459,923**	**1,213,265**	**246,658**	**20.3%**

In 2024, consolidated net equity — net of the 2023 dividend approved by the General Shareholders' Meeting of 18 April 2024 in the amount of 251.2 million euros, partly paid on 24 May 2024 and partly on 24 February 2025 — recorded a 247 million euro change due to the increase in consolidated net profit (431.2 million euros), the issue and redemption of AT1 instruments (+50 million euros) and, to a lower extent, to other components, such as the positive performance of OCI valuation reserves, the change in reserves for share-based payments (IFRS 2) and the buy-back of treasury shares, as shown in the following table.

CHANGE IN CONSOLIDATED NET EQUITY

(€ THOUSAND)	31.12.2024
Net equity at year-start	**1,213,265**
Consolidated net profit	431,225
Reserves for prior year dividends	-251,231
Dividends not paid on treasury shares	6,021
Purchase and sale of treasury shares	-9,939
Change in IFRS 2 reserves	16,823
Change in OCI valuation reserves	8,956
Changes and dividends on AT1 equity instruments	46,413
Changes in ownership interests and net equity attributable to minority interests	-1,414
Other effects	-196
Net equity at year-end	**1,459,923**
Change	**246,658**

On 8 August 2024, the Bank finalised the issue of Additional Tier 1 (AT1) instruments in the aggregate nominal amount of 100 million euros to be fully subscribed by Generali Group companies through a private placement.

The perpetual bond issue envisages a non-cumulative half-yearly coupon that has been set at 6.7% per annum, to be subsequently reset every five years. The issue is perpetual, in accordance with the applicable law and market practices, and the issuer will be entitled to early redemption only starting from the fifth year from the date of issue (8 August 2029), subject to prior authorisation from the supervisory authority and satisfaction of the conditions provided for by applicable legislation.
The issue meets the characteristics required by the current regulatory capital legislation for eligibility as Additional Tier 1 (AT1) securities in the issuer's financial statements.
A portion of the issue is aimed at the redemption at par of the outstanding 50 million euro Additional Tier 1 bond issued on 23 December 2019 and held by Generali Group — which occurred on 26 December 2024 after having received the Supervisory Authority's authorisation —, while the remaining portion aims at achieving more flexible compliance with the higher requirements introduced by Basel IV for the Bank and the whole banking sector effective from 1 January 2025. Notably the issue is eligible for MREL purposes.
In the second quarter of the year, the Bank exercised the call option to purchase the 9.9% minority interest still held by the original shareholders of BG Valeur, provided for in the 2019 purchase agreement and expiring in October. The transaction entailed an outlay of 1.4 million euros and had an impact on the Group's net equity of 1.1 million euros.

Revaluation reserves amounted to 8.4 million euros, with a net increase of 9.2 million euros, mainly due to the activation of the cash flow hedge reserve (+4.7 million euros) and to the increase in the fair value valuation reserves for the portfolio of financial assets measured at fair value through other comprehensive income (+5.6 million euros), partially offset by the reduction in translation reserves referred to net foreign investments in CHF due to the appreciation of this currency.

VALUATION RESERVES

	31.12.2024			31.12.2023	
(€ THOUSAND)	POSITIVE RESERVE	NEGATIVE RESERVE	NET RESERVE	NET RESERVE	CHANGE
Valuation reserves - HTCS debt securities	4,262	-542	3,720	-1,937	5,657
Valuation reserves - OCI equity securities	1,263	-1,547	-284	-182	-102
Cash flow hedges	4,945	-242	4,703	-	4,703
Exchange differences	1,965	-	1,965	2,461	-496
Actuarial gains (losses) from defined benefit plans	495	-2,227	-1,732	-1,139	-593
Total	**12,930**	**-4,558**	**8,372**	**-797**	**9,169**

On 18 April 2024, the General Shareholders' Meeting also authorised the repurchase of a maximum of 251,600 treasury shares, for a maximum amount of 11.4 million euros, in service of remuneration plans for Key Personnel for 2023 and the new Long Term Incentive Plan (LTIP) for the period 2024-2028.
The plan for the buy-back of treasury shares, authorised by the Supervisory Authority on 26 June 2024, terminated on 23 September 2024 and all shares authorised were purchased, for a total value of 9,939 thousand euros.

In 2024, on the basis of the achievement of the performance objectives set out in the Remuneration Policy, 263,694 treasury shares, with a value of 7,677 thousand euros, of which 61,706 shares in service of the first instalment of the 2021-2023 LTIP, were instead allotted to the Banking Group's employees and Financial Advisors qualifying as Key Personnel, as well as to network managers.
At the end of the year, the Parent Company, Banca Generali, thus held 2,907,907 treasury shares, with a value of 87,268 thousand euros, intended solely for the service of remuneration policies for the Banking Group's Key Personnel.

	NO. OF SHARES	VALUE	AVERAGE PRICE	AVERAGE NO. OF SHARES
Amount at year-start 01.01.2024	**2,920,001**	**85,005,212**	**29.11**	**2,920,001**
Allotments	-263,694	-7,676,701	29.11	-165,546
Purchases	251,600	9,939,319	39.50	89,591
Amount at year-end 31.12.2024	**2,907,907**	**87,267,830**	**30.01**	**2,844,046**

Consolidated own funds exceeded 1,004 million euros, up 164.5 million euros compared to the end of the previous year (+19.6%), whereas capital absorption declined by 24.9 million euros (-7.0%), as a result of a significant decrease in capital absorbed to cover credit risks (-16.0%), partially offset by the year-end adjustment of the capital absorbed to cover operational risk.

At the end of the year, CET1 ratio reached 22.0%, compared to a minimum requirement of 8.33%, and Total Capital Ratio (TCR) reached 24.4%, compared to the SREP minimum requirement of 12.63%[17].

OWN FUNDS AND RATIOS

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Common Equity Tier 1 capital (CET1)	904,164	789,702	114,462	14.5%
Additional Tier 1 capital (AT1)	100,000	50,000	50,000	100.0%
Tier 2 capital (T2)	-	-	-	n.a.
Total own funds	**1,004,164**	**839,702**	**164,462**	**19.6%**
Credit and counterparty risk	214,988	256,008	-41,020	-16.0%
Market risk	1	3	-1	-47.3%
Operational risk	114,210	98,042	16,168	16.5%
Total absorbed capital (Pillar I)	**329,199**	**354,053**	**-24,853**	**-7.0%**
Total SREP minimum requirements (Pillar II)	**519,542**	**544,887**	**-25,345**	**-4.7%**
Excess over SREP minimum requirements	484,622	294,815	189,807	64.4%
Risk-weighted assets	4,114,993	4,425,658	-310,665	-7.0%
CET1/Risk-weighted assets	22.0%	17.8%	4.1%	23.1%
Tier 1/Risk-weighted assets	24.4%	19.0%	5.4%	28.6%
Total own funds/Risk-weighted assets (Total Capital Ratio)	**24.4%**	**19.0%**	**5.4%**	**28.6%**

[17] On 23 January 2024, upon conclusion of the SREP – Supervisory Review and Evaluation Process carried out annually by the competent Supervisory Authority, the Bank of Italy confirmed to Banca Generali the following specific capital requirements to be applied to the Banking Group:

a) Common Equity Tier 1 (CET1) ratio of 8%, consisting of an Overall Capital Requirement (OCR) of 5.50% (of which 4.5% as minimum regulatory requirement and 1% as additional requirement following the SREP) and a capital conservation buffer for the remainder (2.5%);
b) Tier 1 ratio (T1 ratio) of 9.90% (previously set at 9.85%), consisting of an Overall Capital Requirement (OCR) of 7.40% (of which 6% as minimum regulatory requirement and 1.40% as additional requirement following the SREP) and a capital conservation buffer for the remainder;
c) Total Capital Ratio (TCR) of 12.30%, consisting of an Overall Capital Requirement (OCR) of 9.80% (of which 8% as minimum regulatory requirement and 1.80% as additional requirement following the SREP) and a capital conservation buffer for the remainder.

The Supervisory Authority however expects that Banca Generali maintains its capital ratios equal to at least 8% for CET1 ratio, to 10.90% for Tier 1 ratio and to 13.30% for Total Capital Ratio.
In addition to these requirements, an obligation was introduced to set up a CET1 buffer against systemic risk (SyRB - Systemic Risk Buffer) equal to 1% of credit and counterparty risk-weighted exposures to Italian residents only, to be achieved gradually by setting aside a reserve of 0.5% by 31 December 2024 and the remaining 0.5% by 30 June 2025. At 31 December 2024, this systemic risk buffer, calculated at consolidated level, led to an increase in the absorption of CET 1 and TCR equal to 0.248%. The Bank is also required to maintain a countercyclical capital buffer, consisting of 0.08% of CET 1, determined on the basis of the weighted average of the countercyclical ratios applied by the respective Supervisory Authorities in the countries where the institution's relevant credit exposures are located (for Italy, the ratio set by the Bank of Italy is zero). These additional requirements are added to those provided for by the SREP, bringing the overall mandatory requirement to 12.63% of Own Funds.

The change in Own Funds was mainly attributable to the inclusion of the portion of retained earnings for the period (+104.0 million euros), net of the 327.2 million euro dividend proposed by the Board of Directors, as well as to the aforementioned change in AT1 equity instruments (+50 million euros), the dividends on treasury shares not paid out (+6.0 million euros), the reserve allocated on share-based payment plans (+16.8 million euros), partly offset by the buy-back of treasury shares in service of remuneration policies (-9.9 million euros) and other net positive capital and prudential effects for 1.2 million euros, as highlighted in the following table.

CHANGE IN OWN FUNDS

(€ THOUDAND)

Own funds at 31.12.2023	**839,702**
Retained earnings	103,991
Purchase and sale of treasury shares	-9,939
Change in IFRS 2 reserves	16,823
Dividend not paid out on treasury shares	6,021
Change in OCI reserves on HTCS	4,847
Change in other OCI reserves	-594
Change in goodwill and intangible assets (net of related DTLs)	-259
DTAs to P&L not arising from temporary differences (tax losses)	-1,035
Negative prudential filters (prudent valuation)	-524
Issue/Redemption of AT1 equity instruments	50,000
Dividends on AT1 equity instruments	-3,587
Other effects	-1,282
Total changes in TIER 1 capital	**164,462**
Own funds at 31.12.2024	**1,004,164**
Change	**164,462**

The 24.9 million euro reduction in capital absorbed was due to a decline in the credit risk requirement, partially offset by the annual adjustment of the capital absorbed to cover operational risk, following the Banking Group's significant business expansion.
In detail, the change in credit risk was mainly attributable to the conclusion of the credit risk mitigation project, which made it possible to integrate into the determination of RWAs of exposures to customers (Lombard loans) collateral in the form of third-party UCITS, for which the eligibility of the financial assets underlying the funds must be analysed. The eligibility of such guarantees, analysed using the look-through procedure, is in addition to that of the guarantees consisting of UCITS managed by the Group, already outstanding for some time, and required the activation of a vast range of agreements with a number of management companies, in order to obtain information streams regarding a large number of UCITS sub-funds.
The change in requirements therefore appears to be attributable solely to exposures to corporate and retail customers (-44.2 million euros), due to the aforementioned reduction in weighting, only marginally offset by an increase in other assets.

The Bank's liquidity ratios maintained excellent levels, with the Liquidity Coverage Ratio (LCR) at 332% and Net Stable Funding Ratio (NSFR) at 233%. The Bank's leverage ratio stood at 5.9%.

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

	31.12.2024		
(€ THOUSAND)	SHARE CAPITAL AND RESERVES	NET PROFIT	NET EQUITY
Net equity of Banca Generali	**937,741**	**413,122**	**1,350,863**
Differences between net equity and book value of companies consolidated using the line-by-line method	65,383	-	65,383
- Profit (loss) carried forward of consolidated companies	58,466	-	58,466
- Goodwill	8,707	-	8,707
- Other changes	-1,790	-	-1,790
Dividends from consolidated companies	31,960	-256,460	-224,500
Consolidated companies' result for the year	-	275,024	275,024
Net profit attributable to minority interests	-	-	-
Result of associates valued at equity	5	-587	-582
Valuation reserves - consolidated companies	495	-	495
Exchange differences	1,965	-	1,965
Goodwill	-8,707	-	-8,707
Consolidation adjustments	-144	126	-18
Net equity of the Banking Group	**1,028,698**	**431,225**	**1,459,923**

Cash flows

At the end of 2024, liquidity generated by operating activities totalled 678 million euros overall, significantly increasing compared to the previous year.

In particular, cash flows generated by operations amounted to 428 million euros (+99 million euros), whereas the increase in net inflows from customers (+848 million euros), combined with a decline in loans to customers (+51 million euros), generated inflows for 899 million euros, which were only partly absorbed by higher investments in the financial asset portfolio (-536 million euros) and, to a lower extent, by the interbank position (-107 million euros) and other net assets totalling 649 million euros.

Cash flows generated from operating activities are therefore reduced by cash outflows generated by financing activities, consisting of dividends paid — represented by the second tranche of the 2022 dividend, the first tranche of the 2023 dividend and the AT1 financial instrument coupon — for an amount of 253 million euros, and to a lesser extent, by the buy-back of treasury share and investing activities. The change in AT1 instruments generated net cash flows amounting to 50 million euros.

Cash and cash equivalents at year-end amounted to 1,056 million euros, increasing sharply by 437 million euros compared to the end of 2023.
This item included demand deposits with central banks totalling 871 million euros, sharply up compared to the previous year (+357 million euros).

CASH FLOWS

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE
Liquidity generated by operations	**427,946**	**328,766**	**99,179**
Financial assets	-536,077	1,392,822	-1,928,899
Loans to banks	-225,976	178,781	-404,757
Loans to customers	51,340	237,528	-186,188
Other operating assets	23,198	-43,289	66,487
Total assets	**-687,515**	**1,765,842**	**-2,453,357**
Amounts due to banks	119,055	-312,892	431,947
Amounts due to customers	847,952	-1,715,593	2,563,545
Other operating liabilities	-29,331	28,807	-58,138
Total liabilities	**937,676**	**-1,999,678**	**2,937,353**
Liquidity generated by/used for operating activities	**678,106**	**94,931**	**583,176**
Investments	-24,340	-27,563	3,223
Acquisition and disposal of business units and equity investments	-3,390	89	-3,479
Liquidity generated by/used for investing activities	**-27,730**	**-27,474**	**-256**
Dividends paid	-253,302	-210,476	-42,826
Issue/purchase of treasury shares and financial instruments	40,061	-12,247	52,308
Liquidity generated by/used for financing activities	**-213,241**	**-222,723**	**9,482**
Net liquidity generated/used	**437,136**	**-155,266**	**592,402**
Cash and cash equivalents	**1,056,109**	**618,973**	**437,136**

Parent Company's Operations and Performance of Subsidiaries

Parent Company's operations

ECONOMIC AND FINANCIAL HIGHLIGHTS

(€ MILLION)	31.12.2024	31.12.2023	CHANGE %
Net interest income	314.6	302.9	3.9
Net financial income	336.1	319.9	5.1
Net fees	292.6	273.0	7.2
Dividends and net income (loss) from trading activities	21.5	17.0	26.3
Net banking income	**628.7**	**592.9**	**6.0**
Staff expenses	-114.8	-105.8	8.5
Other net general and administrative expenses	-119.5	-114.6	4.3
Amortisation and depreciation	-38.4	-37.6	2.1
Other operating income/expenses	14.8	9.6	54.0
Net operating expenses[(c)]	**-257.9**	**-248.5**	**3.8**
of which:			
– *staff expenses*	*-114.8*	*-105.8*	*8.5*
Operating result	**370.8**	**344.4**	**7.7**
Provisions and charges related to the banking system [(c)]	-118.4	-66.0	79.5
Provisions	-105.8	-49.8	112.3
Dividends and income from equity investments	256.5	148.2	73.0
Adjustments to non-performing loans	1.8	-0.5	n.a.
Profit before taxation	**510.5**	**410.9**	**24.3**
Net profit	**413.1**	**314.9**	**31.2**

PERFORMANCE INDICATORS

	31.12.2024	31.12.2023	CHANGE %
Cost income ratio [(c) (d)]	41.0%	41.9%	-2.1
EBTDA [(c)]	409.2	382.0	7.1
ROE [(a)]	33.4%	29.9%	11.8
ROA [(b)]	0.5%	0.5%	17.2
EPS - Earnings per share (euros)	3.62	2.76	31.3

NET INFLOWS

(€ MILLION) (ASSORETI DATA)	31.12.2024	31.12.2023	CHANGE %
Assets under Investment	**3,853**	**1,388**	**177.6**
Funds and Sicavs	390	87	348.3
Financial wrappers	1,574	699	125.2
Insurance wrappers	891	15	n.a.
Managed solutions	**2,855**	**801**	**256.4**
Traditional life insurance policies	341	-1,167	129.2
AUC & Banking under Advisory	657	1,754	-62.5
Other assets	**2,795**	**4,467**	**-37.4**
Assets under Custody	1,523	5,674	-73.2
Liquidity	1,272	-1,207	205.4
Total	**6,648**	**5,855**	**13.5**

TOTAL CLIENT ASSETS

(€ BILLION) (ASSORETI DATA)	31.12.2024	31.12.2023	CHANGE %
Assets under Investment	**69.3**	**62.0**	**11.7**
Funds and Sicavs	24.2	22.0	10.0
Financial wrappers	11.9	9.7	22.5
Insurance wrappers	12.0	10.6	13.9
Managed solutions	**48.1**	**42.2**	**13.9**
Traditional life insurance policies	14.9	14.3	3.9
AUC & Banking under Advisory	6.3	5.5	15.2
Other assets	**33.4**	**29.7**	**25.4**
Assets under Custody	22.2	19.8	11.8
Liquidity	11.2	9.9	13.5
Total	**102.7**	**91.8**	**11.9**

NET EQUITY

(€ MILLION)	31.12.2024	31.12.2023	CHANGE %
Net equity	1,350.9	1,119.5	20.7
Own funds	909.0	758.4	19.9
Excess capital	507.3	335.8	51.1
Total Capital Ratio	**24.6%**	**18.8%**	**30.3**

(a) Ratio of net result to the arithmetic average of net equity, including net profit, at the end of the year and at the end of the previous year.
(b) Ratio of net result for the year to year-end exact total client assets within Assoreti's scope and total client assets within the Swiss market, annualised.
(c) For a greater understanding of operating performance, mandatory contributions (of both an ordinary and extraordinary nature) paid to the banking system (Italian Interbank Deposit Protection Fund, the European Single Resolution Fund and Italian National Resolution Fund) and to the insurance system (Guarantee Fund for the Life Insurance Sector) have been reclassified from the administrative expenses aggregate to a separate item. The restatement better represents the evolution of the costs linked to the Bank's operating structure by separating them from the systemic charges incurred.
(d) The cost/income ratio measures the ratio of operating expenses to net operating income.

Considering Banca Generali Group's operating structure, the report on consolidated figures better meets the needs of valid representation of earnings and financial position performance than an analysis of the Bank's aggregates alone.

Accordingly, these comments complete the consolidated information to which primary reference should be made.

Operating result

Banca Generali closed 2024 with net profit of 413.1 million euros, up compared to 314.9 million euros reported at the end of the previous year, chiefly due to the increase in interim and final dividends distributed by the Luxembourg-based subsidiary BG Fund Management Luxembourg S.A., which grew from 148.2 million euros for 2023 to the current 256.5 million euros.

PROFIT AND LOSS ACCOUNT

			CHANGE	
(€ THOUSAND)	2024	2023	AMOUNT	%
Net interest income	**314,561**	**302,873**	**11,688**	**3.9%**
Net income (loss) from trading activities	20,213	15,821	4,392	27.8%
Dividends	257,769	149,435	108,334	72.5%
of which: dividends from equity investments	*256,460*	*148,220*	*108,240*	*73.0%*
Net financial income	**592,543**	**468,129**	**124,414**	**26.6%**
Fee income	817,167	745,445	71,722	9.6%
Fee expense	-524,544	-472,486	-52,058	11.0%
Net fees	**292,623**	**272,959**	**19,664**	**7.2%**
Net banking income	**885,166**	**741,088**	**144,078**	**19.4%**
Staff expenses	-114,807	-105,835	-8,972	8.5%
Other general and administrative expenses (net of duty recoveries)	-119,536	-114,630	-4,906	4.3%
Net adjustments of property, equipment and intangible assets	-38,392	-37,604	-788	2.1%
Other operating expenses/income	14,811	9,617	5,194	54.0%
Net operating expenses	**-257,924**	**-248,452**	**-9,472**	**3.8%**
Operating result	**627,242**	**492,636**	**134,606**	**27.3%**
Net adjustments to non-performing loans	1,837	-528	2,365	n.a.
Net provisions	-105,829	-49,843	-55,986	112.3%
Contributions and charges related to the banking and insurance system	-12,592	-16,128	3,536	-21.9%
Gains (losses) on disposal of investments	-171	-15,285	15,114	-98.9%
Operating profit before taxation	**510,487**	**410,852**	**99,635**	**24.3%**
Income taxes for the year on operating activities	-97,365	-95,975	-1,390	1.4%
Net profit	**413,122**	**314,877**	**98,245**	**31.2%**

Reclassified net banking income[18], net of the dividends distributed by the Banking Group's investees, rose by approximately 35.8 million euros (+6.0%) compared to the previous year, primarily due to the increase in net interest income (+11.7 million euros) and net fees (+19.7 million euros). Net income from trading activities also grew by 4.5 million euros.

Net interest income amounted to 314.6 million euros, increasing as a result of both positive changes, mainly attributable to the contribution of securities trading (+36.3 million euros), the increase in loans to banks (+14.3 million euros) and the decline in repurchase agreement transactions with banks (-8.5 million euros) and with customers (-18.0 million euros), and negative changes, such as higher interest expense on customers' current accounts (+61.7 million euros). The net contribution of transactions with the ECB and the Bank of Italy stood at +26.2 million euros.

[18] In order to ensure a better understanding of operating performance, in the Profit and Loss Account the provisions for sales incentives and recruitment plans have been reclassified within the net fee aggregate. As a result, net provisions were restated net of these items for an amount of 15.7 million euros for 2024 and 14.9 million euros for 2023.

Net income from trading activities was positive at 21.5 million euros, up 4.5 million euros compared to the previous year, mainly owing to the contribution of currency transactions (+4.3 million euros) and gains on disposal of debt securities allocated to the HTCS and HTC portfolios (+4.2 million euros), although partly offset by the decline in net income of assets mandatorily measured at fair value and hedging.

Net fees totalled 292.6 million euros, up compared to the previous year (+7.2%).

NET FEES

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Fees for portfolio management	122,483	100,932	21,551	21.4%
Fees for placement of securities and UCITS	314,215	286,576	27,639	9.6%
Fees for distribution of third-party financial products	243,439	246,298	-2,859	-1.2%
Fees for trading, receipt of orders, and custody of securities and currencies	56,055	45,882	10,173	22.2%
Advisory fees	67,016	52,629	14,387	27.3%
Fees for collection and payment services	4,016	4,543	-527	-11.6%
Fees for other banking services	9,943	8,585	1,358	15.8%
Total fee income	**817,167**	**745,445**	**71,722**	**9.6%**
Fees for off-premises offer	499,605	450,300	49,305	10.9%
Fees for collection and payment services	3,128	3,880	-752	-19.4%
Fees for trading and securities custody	10,968	9,721	1,247	12.8%
Fees for portfolio management	693	926	-233	-25.2%
Fees for other banking services	10,150	7,659	2,491	32.5%
Total fee expense	**524,544**	**472,486**	**52,058**	**11.0%**
Net fees	**292,623**	**272,959**	**19,664**	**7.2%**

Fee income from the solicitation of investment and asset management of households reached 680.1 million euros, with an increase compared to 2023 (+7.3%).

Within this aggregate, fees for placement of UCITS units grew (+27.1 million euros; +10.7%) as did fee income from discretionary mandates, which stood at 122.5 million euros, up +21.4% compared to the previous year.

Fee income from distribution of insurance products instead declined (-3.1 million euros; -1.3%), mainly due to traditional life insurance policies, offset by a more marked recovery of insurance wrappers, which recorded a significant increase in average managed assets at year-end.

ASSET MANAGEMENT FEE INCOME

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
1. Individual portfolio management	122,483	100,932	21,551	21.4%
Fees for portfolio management	**122,483**	**100,932**	**21,551**	**21.4%**
1. Placement of Banking Group's UCITS units	141,619	123,244	18,375	14.9%
2. Placement of UCITS units	140,434	131,660	8,774	6.7%
3. Bond placement	32,161	31,672	489	1.5%
of which: certificates	*28,683*	*20,194*	*8,489*	*42.0%*
4. Distribution of portfolio management services	1,704	1,379	325	23.6%
5. Distribution of insurance products	241,286	244,411	-3,125	-1.3%
6. Distribution of other third-party financial services	450	508	-58	-11.4%
Fees for the placement and distribution of third-party products	**557,654**	**532,874**	**24,780**	**4.7%**
Total	**680,137**	**633,806**	**46,331**	**7.3%**

Fee expense, including fee provisions, amounted to 524.5 million euros, up 11.0% compared to the previous year, mostly due to the increase in fees paid to the BG Network for off-premises offers (+49.3 million euros; +10.9%).
Net of fees paid back on net interest income[19], the Bank's ratio of total payout to total fee income (net of performance fees) was 62.4%, slightly up compared to 61.8% for 2023.

Other net fees from banking services offered to customers included fees for trading, order collection, custody and administration, advisory fees and fees charged to customers for account-keeping expenses and other services. This aggregate stood at 112.1 million euros, up approximately 22.6 million euros compared to the previous year, thanks to the expansion of advisory services for both retail customers (advanced advisory) and for Generali Group companies and to the increase in financial brokerage activities.

Operating expenses[20], including staff expenses, other general and administrative expenses, amortisation and depreciation and other operating income and expenses, amounted to 257.9 million euros, increasing by 9.5 million euros compared to the previous year (+3.8%).

The **cost/income ratio**, which measures the ratio of operating expenses to net operating income, amounted to 41.0%, in line with 2023 (41.9%).

OPERATING EXPENSES

(€ THOUSAND)	2024	2023	CHANGE AMOUNT	CHANGE %
Staff expenses	114,807	105,835	8,972	8.5%
Other general and administrative expenses (net of duty recoveries)	119,536	114,630	4,906	4.3%
Net adjustments of property, equipment and intangible assets	38,392	37,604	788	2.1%
Other income and expenses (net of duty recoveries)	-14,811	-9,617	-5,194	54.0%
Operating expenses	**257,924**	**248,452**	**9,472**	**3.8%**

[19] The numerator of the total payout ratio does not include 14.8 million euro fee expense, which was paid back to the BG Network, calculated on the basis of net interest income (12.0 million euros in 2023). At 31 December 2024, the ratio of said fees to net interest income was 4.7%.
[20] In order to ensure a better understanding of operating performance, in the Profit and Loss Account taxes recovered from customers have been reclassified to the other general and administrative expenses aggregate. As a result, the other income aggregate was restated net of these items for an amount of 118.9 million euros for 2024 and 101.6 million euros for 2023. In addition, the costs of the mandatory contributions paid by the Bank, pursuant to the DSGD and BRRD, for the protection of the banking system (contributions to the Italian Interbank Deposit Protection Fund, the European Single Resolution Fund and the Italian National Resolution Fund for previous interventions) and to the new Guarantee Fund for the Life Insurance Sector have been separated from the general and administrative expenses aggregate and reclassified to a separate item in order to better represent the performance of the costs most closely connected to the Bank's operating structure.

Staff expenses, including employees, interim staff and directors, reached about 114.8 million euros, up approximately 9.0 million euros (+8.5%) compared to the previous year, driven by the increase in both workforce and the average employee cost, the latter also attributable to the renewal of the National Collective Labour Agreement (CCNL).

Bank employees were 1,015 at year-end, with an increase of 30 compared to 2023.

Other general and administrative expenses, net of recoveries of taxes paid by customers, amounted to 119.5 million euros, up by 4.9 million euros (+4.3%) compared to the previous year, mainly due to higher costs incurred for IT outsourcing and software support and maintenance services.

Provisions, contributions and charges related to the banking system and **net reversals** stood at 116.6 million euros compared to 66.5 million euros for the previous year (+75.3%).

In detail, **net provisions** not related to fees[21] totalled 105.8 million euros, up 56.0 million euros compared to the previous year, mainly due to the significant increase in provisions to cover contractual commitments to the BG Network (+11.3 million euros), the launch of the new rejuvenation plan (+7.3 million euros) and to other provisions for liabilities and contingencies.

The increase in provisions for contractual indemnities to the BG Network was mainly due to higher actuarial provisions (+7.6 million euros), which were mainly impacted by the alignment of discount rates used to measure actuarial provisions, with a net impact of 10.5 million euros, calculated as the difference between the higher charge of 5.4 million euros recognised in 2024 against a surplus of 5.1 million euros for the previous year[22].

The provisions for other liabilities and contingencies grew by 33.3 million euros on the previous year and included an additional 48.0 million euro prudential provision (up compared to 23 million euros for 2023) to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid assets distributed by the Bank that were marked by investment repayment issues and to sustain customer retention. The latter also included provisions to hedge credit risk relating to guarantees issued amounting to 11.7 million euros. To this end, an additional 5.0 million euro provision was also allocated for initiatives dedicated to the BG Network.

Reversals amounted to approximately 1.8 million euros, with a 2.4 million euro increase compared to 2023 primarily attributable to reversals on the debt securities portfolio and on performing loans to customers and banks for a total of +0.8 million euros, and partly to lower net adjustments to non-performing loans.

Contributions and charges related to the banking and insurance system totalled 12.6 million euros (-3.6 million euros; -21.9% compared to 31 December 2023) and included the last annual contribution to the multi-year funding plan to be completed by 3 July 2024 (10.2 million euros), and the estimated contribution due to the new Guarantee Fund for the Life Insurance Sector, amounting to 2.4 million euros.

Income taxes for the year were about 97.4 million euros and increased by 1.4 million euros compared to the tax burden estimated at the end of 2023.

The Bank's overall tax rate was 19.1%, down compared to 2023 (23.4%) as a result of the higher contribution to the result of dividends from equity investments subject to reduced taxation.

[21] Fee provisions, which amounted to 15.7 million euros (14.9 million euros in 2023), are recognised under the fee expense aggregate.

[22] The discount rate applied to actuarial provisions is determined on the basis of the annual average EURIRS rates applicable to the average life of the population, increased by the spread between the ten-year BTP and ten-year EURIRS. The decrease in the discount rate used therefore reflected the decline in interest rates and government bond spreads in the period March 2024 – December 2024 (3.693%) compared to the previous measurement for the period March 2023 – December 2023 (4.256%) used for the valuation of actuarial provisions at 31 December 2023.

Performance of the main balance sheet aggregates

At the end of 2024, total assets amounted to 16.7 billion euros, up by about 1.3 billion euros compared to the end of 2023 (+8.3%).

Total net inflows reached 14.5 billion euros (+7.5%); the most significant increase was reported by loans to customers (+0.9 billion euros), largely attributable to higher current account deposits.

The volume of core loans at the end of the year was 15.6 billion euros (+8.8%).

ASSETS

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Financial assets at fair value through profit or loss	512,209	509,407	2,802	0.6%
Financial assets at fair value through other comprehensive income	1,521,864	1,000,936	520,928	52.0%
Financial assets measured at amortised cost:	13,534,714	12,801,328	733,386	5.7%
a) loans to banks (*)	3,717,817	2,800,892	916,925	32.7%
b) loans to customers	9,816,897	10,000,436	-183,539	-1.8%
Hedging derivatives	131,220	161,955	-30,735	-19.0%
Equity investments	72,264	58,747	13,517	23.0%
Property, equipment and intangible assets	261,300	268,992	-7,692	-2.9%
Tax assets	85,796	70,081	15,715	22.4%
Other assets	562,907	532,914	29,993	5.6%
HFS assets	227	-	227	n.a.
Total assets	**16,682,501**	**15,404,360**	**1,278,141**	**8.3%**

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

LIABILITIES AND NET EQUITY

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Financial liabilities measured at amortised cost:	14,504,824	13,494,806	1,010,018	7.5%
a) due to banks	359,073	231,659	127,414	55.0%
b) due to customers	14,145,751	13,263,147	882,604	6.7%
HFT financial liabilities	109	159	-50	-31.4%
Hedging derivatives	176,947	132,662	44,285	33.4%
Adjustment of financial liabilities subject to macro-hedging (+\-)	2,142	-	2,142	n.a.
Tax liabilities	16,821	44,709	-27,888	-62.4%
Other liabilities	289,741	346,276	-56,535	-16.3%
Special purpose provisions	341,054	266,282	74,772	28.1%
Valuation reserves	5,911	-4,320	10,231	-236.8%
Equity instruments	100,000	50,000	50,000	100.0%
Reserves	749,854	674,070	75,784	11.2%
Share premium reserve	52,392	52,992	-600	-1.1%
Share capital	116,852	116,852	-	-
Treasury shares (-)	-87,268	-85,005	-2,263	2.7%
Net profit (loss) for the year (+/-)	413,122	314,877	98,245	31.2%
Total liabilities and net equity	**16,682,501**	**15,404,360**	**1,278,141**	**8.3%**

Direct Inflows from customers amounted to approximately 14.1 billion euros, up 0.9 billion euros compared to 31 December 2023, chiefly as a result of the aforementioned increase in current account deposits (+1.6 billion euros) and the decline in repurchase agreement transactions (-0.6 billion euros).

DUE TO CUSTOMERS

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
1. Current accounts and demand deposits	12,696,646	11,103,239	1,593,407	14.4%
2. Term deposits	244,069	241,730	2,339	1.0%
3. Financing	886,084	1,507,866	-621,782	-41.2%
Repurchase agreements	779,115	1,382,649	-603,534	-43.7%
Collateral margins	106,969	125,217	-18,248	-14.6%
4. Other debts	318,952	410,312	-91,360	-22.3%
Operating debts to the BG Network	172,532	139,200	33,332	23.9%
IFRS 16-related lease liabilities	125,877	137,795	-11,918	-8.6%
Other (money orders, amounts at the disposal of customers)	20,543	133,317	-112,774	-84.6%
Total due to customers	**14,145,751**	**13,263,147**	**882,604**	**6.7%**

Captive inflows from subsidiaries and the companies within Assicurazioni Generali Group, net of IFRS 16-related financial liabilities (60.4 million euros), decreased by about 193.9 million euros to approximately 327.8 million euros at the year-end, thus accounting for 2.3% of total inflows.

INFLOWS FROM CUSTOMERS

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Inflows from subsidiaries	11,035	6,052	4,983	82.3%
Inflows from Parent Company	78,796	46,738	32,058	68.6%
Inflows from other subsidiaries	177,536	404,408	-226,872	-56.1%
IFRS 16-related lease financial liabilities	60,407	64,504	-4,097	-6.4%
Total inflows from Generali Group	**327,774**	**521,702**	**-193,928**	**-37.2%**
Inflows from other parties	13,817,977	12,741,445	1,076,532	8.4%
of which: current accounts	*12,429,279*	*10,646,041*	*1,783,238*	*16.8%*
Total inflows from customers	**14,145,751**	**13,263,147**	**882,604**	**6.7%**

Inflows from customers external to the Insurance and Banking Group continued to be driven by demand current account deposits, which reported an increase of about 1.8 billion euros and amounted to 12,429 million euros.

The non-interest-bearing debt position consisted of accounts payable to the BG Network for the placement of financial products and services, as well as of other sums made available to customers, primarily relating to claims settlement activities by the Group's companies (money orders). This item declined chiefly as a result of the latter component.

Core loans totalled 15.6 billion euros overall, up approximately 1.3 billion euros (+8.8%) compared to 31 December 2023, as a consequence of the increase in investments in financial asset portfolios, which grew by 0.6 billion euros (+6.0%), and of higher loans to and deposits with banks (+0.7 billion euros; +64.0%).

CORE LOANS

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Financial assets measured at fair value through profit or loss	512,209	509,407	2,802	0.6%
Financial assets measured at fair value through other comprehensive income	1,521,864	1,000,936	520,928	52.0%
Financial assets measured at amortised cost	13,534,714	12,801,328	733,386	5.7%
a) Loans to banks	3,717,817	2,800,892	916,925	32.7%
Deposits and financing (*)	1,684,452	1,026,928	657,524	64.0%
Debt securities	2,023,016	1,765,317	257,699	14.6%
Other operating loans	10,349	8,647	1,702	19.7%
b) Loans to customers	9,816,897	10,000,436	-183,539	-1.8%
Loans	2,307,388	2,316,385	-8,997	-0.4%
Debt securities	7,305,520	7,446,623	-141,103	-1.9%
Other operating loans	203,989	237,428	-33,439	-14.1%
Total core loans	**15,568,787**	**14,311,671**	**1,257,116**	**8.8%**

(*) ECB demand deposits included.

Loans to customers reached 2,307.4 million euros, slightly decreasing compared to year-end 2023 (-0.4%), as a result of the combined effect of the decline in mortgages and personal loans (-60.2 million euros) and the increase in current account overdraft facilities (+53.0 million euros).

LOANS, OPERATING LOANS AND OTHER LOANS

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
Current accounts	1,748,012	1,694,975	53,037	3.1%
Mortgages and personal loans	549,752	609,921	-60,169	-9.9%
Other financing and loans not in current accounts	9,624	11,489	-1,865	-16.2%
Total loans	**2,307,388**	**2,316,385**	**-8,997**	**-0.4%**
Operating loans to management companies	95,880	82,429	13,451	16.3%
Sums advanced to Financial Advisors	55,517	58,452	-2,935	-5.0%
Stock exchange interest-bearing daily margin	27,931	84,001	-56,070	-66.7%
Charges to be debited and other loans	24,661	12,546	12,115	96.6%
of which: rights of recourse and usufruct rights	*15,790*	*2,066*	*13,724*	*n.a.*
Operating loans and other loans	**203,989**	**237,428**	**-33,439**	**-14.1%**
Debt securities	**7,305,520**	**7,446,623**	**-141,103**	**-1.9%**
Total loans to customers	**9,816,897**	**10,000,436**	**-183,539**	**-1.8%**

Operating loans and other loans amounted to 204.0 million euros, down 14.1% mainly due to the decline in daily margins on derivative and repurchase agreement transactions.

This item included a net amount of 15.8 million euros for the Bank's rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (11.0 million euros), as well as amounts receivable as a result of the transfer by Bank's customers of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.8 million euros). A 1.3 million euro write-down provision was created to cover the uncollectibility risk for these. Both categories of amounts receivable were recognised among loans to customers measured at amortised cost and classified as purchased or originated credit impaired (POCI).

Losses amounting to 1.4 million euros were also recognised on usufruct rights that had become uncollectible.

Net non-performing exposures amounted to approximately 18.6 million euros, accounting for 0.8% of total loans to customers, declining slightly compared to the previous year (-10.3 million euros).

However, the aggregate includes 5.2 million euros referring to exposures originating in the portfolio of Banca del Gottardo Italia, fully covered by the loan indemnity granted by BSI S.A. [23] upon the sale of the said company and chiefly secured to that end by cash collateral payments by the counterparty.

Net of this aggregate, non-performing exposures on loans to customers amounted to 13.5 million euros and consisted for 82.2% of credit facilities secured by financial collaterals mainly in the form of pledges on financial instruments and/or similar products, such as mandate to policy redemption.

Unsecured exposures on loans to customers, for which risk is effectively borne by the Bank, amounted to just 2.4 million euros, or around 0.1% of total loans to customers.

At 31 December 2024, the **interbank position**, net of the securities portfolio and operating loans, showed a net credit balance of 1,325.4 million euros, up compared to a net credit imbalance of 795.3 million euros at the end of the previous year.

This result was essentially attributable to:

a) the increase in demand deposits with the ECB (+366.4 million euros);
b) the net positive change in correspondent accounts for lending and funding purposes (+35.0 million euros);
c) the increase in reverse repurchase agreement transactions (+158.0 million euros), although partially offset by the rise in repurchase agreements (+101.0 million euros);
d) the net increase in collateral margins on repurchase agreement and derivative transactions (+39.3 million euros).

NET INTERBANK POSITION

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
1. Repayable on demand	**979,129**	**543,669**	**435,460**	**80.1%**
Demand deposits with ECB and Bank of Italy (*)	843,070	476,709	366,361	76.9%
Correspondent accounts	136,059	66,960	69,099	103.2%
2. Time deposits	**705,323**	**483,259**	**222,064**	**46.0%**
Minimum reserve	119,013	108,186	10,827	10.0%
Term deposits and current accounts	33,064	25,398	7,666	30.2%
Repurchase agreements	387,089	229,056	158,033	69.0%
Collateral margins	166,157	120,619	45,538	37.8%
Total loans to banks	**1,684,452**	**1,026,928**	**657,524**	**64.0%**
1. Due to Central Banks	**-**	**-**	**-**	**n.a.**
2. Due to banks	**359,073**	**231,659**	**127,414**	**55.0%**
Correspondent accounts	69,461	35,346	34,115	96.5%
Term deposits	3,001	-	3,001	n.a.
Repurchase agreements	272,338	171,320	101,018	59.0%
Collateral margins	8,932	15,202	-6,270	-41.2%
Other debts	5,341	9,791	-4,450	-45.4%
Total due to banks	**359,073**	**231,659**	**127,414**	**55.0%**
Net interbank position	**1,325,379**	**795,269**	**530,110**	**66.7%**
3. Debt securities	**2,023,016**	**1,765,317**	**257,699**	**14.6%**
4. Other operating loans	**10,349**	**8,647**	**1,702**	**19.7%**
Total interbank position	**3,358,744**	**2,569,233**	**789,511**	**30.7%**

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

[23] As of 7 April 2017, the Swiss operations of BSI S.A. were totally transferred to EFG Bank AG - Lugano Branch, as per the Swiss law on mergers.

Provisions for liabilities and contingencies rose by +75.1 million euros in the year due to provisions for commitments and financial guarantees issued (+2.2 million euros), higher provisions to cover commercial initiatives in favour of customers and the above-mentioned provisions for contractual indemnities to the BG Network.

Net equity and regulatory aggregates

At 31 December 2024, net equity, including net profit for the year, amounted to 1,350.9 million euros compared to 1,119.5 million euros at the end of the previous year.

NET EQUITY

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Share capital	116,852	116,852	-	-
Share premium reserve	52,392	52,992	-600	-1.1%
Reserves	749,854	674,070	75,784	11.2%
(Treasury shares)	-87,268	-85,005	-2,263	2.7%
Valuation reserves	5,911	-4,320	10,231	-236.8%
Equity instruments	100,000	50,000	50,000	100.0%
Net profit (loss) for the year	413,122	314,877	98,245	31.2%
Total net equity	**1,350,863**	**1,119,466**	**231,397**	**20.7%**

The change in net equity during the reporting period was influenced by the portion of dividends paid, the change in the reserves for share-based payments (IFRS 2), the change in fair value valuation reserves for the portfolio of HTCS financial assets and other reserves included in other comprehensive income, the issue of the new AT1 equity instrument and the subsequent redemption of the pre-existing one, in addition to the net profit for the period.

CHANGE IN NET EQUITY

(€ THOUSAND)	31.12.2024
Net equity at year-start	**1,119,466**
Other changes	1
Dividends approved and distributed	-245,210
Dividend on AT1 equity instruments	-3,588
Buy-back/disposal of treasury shares	-9,777
Matured IFRS 2 reserve for Remuneration Policies	16,618
Change in valuation reserves	10,231
Issue of AT1 equity instruments	50,000
Net profit (loss) for the year	413,122
Net equity at year-end	**1,350,863**
Change	**231,397**

Valuation reserves amounted to 5.9 million euros, with a net increase of 10.2 million euros, mainly due to the activation of the cash flow hedge reserve (+4.7 million euros) and to the increase in the fair value valuation reserves for the portfolio of financial assets measured at fair value through other comprehensive income (+5.6 million euros).

The latter rose mainly driven by the government bonds portfolio, for which net reserves amounted to 3.7 million euros compared to -1.4 million euros at end of the previous year.

Own funds amounted to 909.0 million euros, with an increase of 150.6 million euros compared to 31 December 2023.

	31.12.2024
Own funds at year-start	**758,384**
Change in Tier 1 capital	
Issue of treasury shares	163
Buy-back of treasury shares	-9,939
Reallocation to equity reserve of the previous year's dividend	6,021
Dividends on AT1 equity instruments	-3,588
Retained earnings for the year	85,938
IFRS 2 reserves – Bank's stock option and stock grant plans (LTIPs)	16,617
Change in OCI reserves	5,553
Change in IAS 19 reserves	-26
Change in goodwill and other intangible, net of DTLs	412
Negative prudential filters and other negative items	-523
Issue of AT1 equity instruments	50,000
Total changes in TIER 1 capital	**150,628**
Own funds at year-end	**909,012**
Change	**150,628**

At the end of 2024, the aggregate capital for regulatory purposes recorded 507.3 million euros in excess of the amount required to cover credit, market, and operational risks. Total Capital Ratio (TCR) was 24.6% compared to the minimum requirement of 10.5%.

Capital absorption due to credit risk decreased by 43.3 million euros compared to the previous year.

OWN FUNDS AND RATIO

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
Total Common Equity Tier 1 capital (CET1)	809,012	708,384	100,628	14.2%
Total Additional Tier 1 capital (AT1)	100,000	50,000	50,000	100.00%
Total own funds	**909,012**	**758,384**	**150,628**	**19.86%**
Credit risk	210,007	253,303	-43,296	-17.1%
Market risk	1	3	-2	-66.7%
Operational risk	86,181	68,654	17,527	25.5%
Total own funds absorbed (Pillar I)	**296,189**	**321,960**	**-25,771**	**-8.0%**
Total SREP minimum requirements (Pillar II)	**401,748**	**422,573**	**-20,824**	**-4.9%**
Excess over SREP minimum requirements	507,264	335,812	171,452	51.1%
Risk-weighted assets	3,702,363	4,024,500	-322,138	-8.0%
CET1/Risk-weighted assets	21.9%	17.6%	4.2%	24.1%
Tier 1/Risk-weighted assets	24.6%	18.8%	5.7%	30.3%
Own funds/Risk-weighted assets (Total Capital Ratio)	**24.6%**	**18.8%**	**5.7%**	**30.3%**

Treasury shares

At 31 December 2024, the Parent Company, Banca Generali, held 2,907,907 treasury shares, equal to 2.49% of share capital, with a value of 87,268 thousand euros, intended solely for the service of Remuneration Policies for the Banking Group's Key Personnel.

On 18 April 2024, the General Shareholders' Meeting also authorised the repurchase of a maximum of 251,600 treasury shares, for a maximum amount of 11.4 million euros, in service of remuneration plans for Key Personnel for 2023 and the new Long Term Incentive Plan (LTIP) for the period 2024-2028.
The plan for the buy-back of treasury shares, authorised by the Supervisory Authority on 26 June 2024, terminated on 23 September 2024 and all shares authorised were purchased, for a total value of 9,939 thousand euros.

In 2024, on the basis of the achievement of the performance objectives set out in the Remuneration Policy, 263,694 treasury shares, with a value of 7,677 thousand euros, of which 61,706 shares in service of the first instalment of the 2021-2023 LTIP, were instead allotted to the Banking Group's employees and Financial Advisors qualifying as Key Personnel, as well as to network managers.

At the end of the year, the Parent Company, Banca Generali, thus held 2,907,907 treasury shares, with a value of 87,268 thousand euros, intended solely for the service of remuneration policies for the Banking Group's Key Personnel.

During the year, treasury shares showed the following movements:

CHANGES IN TREASURY SHARES

	NO. OF SHARES	VALUE	AVERAGE PRICE	AVERAGE NO. OF SHARES
Amount at period-start 01.01.2024	**2,920,001**	**85,005,212**	**29.11**	**2,920,001**
Allotments	-263,694	-7,676,701	29.11	-165,546
Purchases	251,600	9,939,319	39.50	89,591
Amount at period-end 31.12.2024	**2,907,907**	**87,267,830**	**30.01**	**2,844,046**

Pursuant to Article 2357-*ter* of the Italian Civil Code, as amended by Legislative Decree No. 139/2015, and without prejudice to Bank of Italy Circular No. 262/2015, the value of treasury shares was recognised in the Financial Statements as a reduction to net equity in Item 200 of Liabilities.

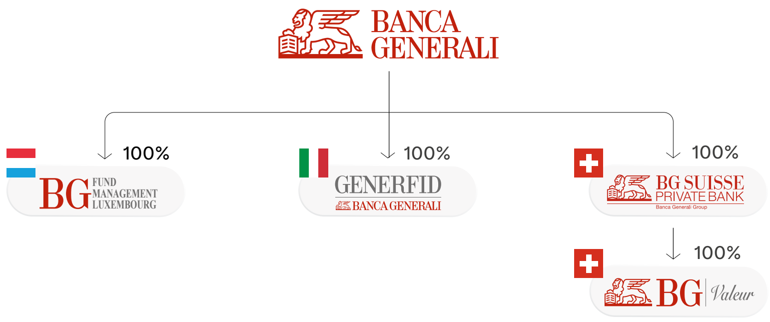
Parent Company shares

At 31 December 2024, Banca Generali held 61,854 shares in the Parent Company, Assicurazioni Generali, broken down as follows:

- 45,955 shares, originally acquired for the service of stock-option plans and with no restrictions;
- 15,899 shares repurchased, in the capacity of fund charged with the repurchase of fractions of Assicurazioni Generali shares from free capital increases and with no restrictions.

In the reporting year, the Parent Company shares remained virtually unchanged. At 31 December 2024, they were measured at fair value in the amount of 1,687 thousand euros. Pursuant to Article 2359-*bis* of the Italian Civil Code, a restricted reserve was allocated in relation to the ownership of Parent Company shares.

Performance of subsidiaries



Performance of BG Fund Management Luxembourg S.A.

BG Fund Management Luxembourg S.A. (hereinafter BGFML) is a company under Luxembourg law specialising in the administration and management of the Sicavs promoted by Banca Generali Group (Lux IM Sicav and BG Collection Investments[24]) and the Sicav BG Private Markets, reserved for institutional investors.

BGFML ended 2024 with a net profit of 288.3 million euros, up compared to 153.4 million euros reported at the end of the previous year (+134.8 million euros).

The increase was mainly driven by performance fees, which rose by 146.7 million euros to 164.8 million euros, and by management fees, which amounted to 352.6 million euros compared to 321.7 million euros for 2023 (+9.6%).

Net banking income amounted to 341.4 million euros (+155.7 million euros compared to 31 December 2023). Operating expenses were 11.9 million euros (+1.5 million euros compared to 2023), of which 6.8 million euro staff expenses.

The company's net equity amounted to 122.9 million euros, net of 256.5 million euros distributed as interim dividend for 2024 and final dividend payout for 2023.

Overall, assets under management at 31 December 2024 amounted to 23,286 million euros, up 2,875 million euros compared to 20,411 million euros at 31 December 2023.

Performance of Generfid S.p.A.

Generfid S.p.A., a company specialising in custodian capacity of assets, ended 2024 with a slight net profit and net equity amounting to about 1.0 million euros.

Net banking income amounted to approximately 1.4 million euros and virtually covered operating expenses.

Total client assets stood at 1,402 million euros (1,370 million euros at 31 December 2023).

Performance of BG Valeur S.A.

BG Valeur S.A., which became part of Banca Generali Group on 15 October 2019, is a private banking and wealth management boutique based in Lugano, Switzerland.
Banca Generali, which had held a 90.1% majority interest in the company since 2019, acquired the remaining 9.9% interest from the minority shareholders in the first half of 2024.
This transaction was aimed at subsequently transferring the 100% interest in the company to BG Suisse Private Bank S.A., finalised in October 2024.

[24] New company name of BG Selection Sicav, effective 22 April 2022.

The company ended 2024 with a net profit of CHF +130.1 thousand (136.6 thousand euros), calculated based on local GAAP.
Revenues generated mainly from asset management and advisory services amounted to approximately CHF 10.3 million, whereas operating expenses totalled CHF 8.5 million (of which CHF 6.8 million staff expenses).
BG Valeur S.A.'s net equity recognised in its statutory financial statements totalled CHF 2.4 million at 31 December 2024.

At 31 December 2024, total client assets amounted to 1,051 million euros (1,024 million euros at 31 December 2023).

Performance of BG (Suisse) Private Bank S.A.

BG (Suisse) Private Bank S.A., a joint-stock company under Swiss law based in Lugano, incorporated by Banca Generali on 8 October 2021 through an initial contribution of CHF 10 million with the aim of creating a new cross-border private service hub able to serve its customers in Switzerland through local bankers, offering, on the one hand, its advisory, planning and wealth protection services through a wide range of investment services and, on the other, new opportunities to Italian customers who have long chosen to keep part of their diversified positions in the Swiss market.

In January 2022, the company filed with the Swiss Financial Market Supervisory Authority (FINMA) an application to obtain the banking licence.
On 5 September 2023, the company finally obtained the FINMA's preliminary authorisation to start the banking activity, subject to compliance with certain requirements, including an adequate level of own funds.
Accordingly, on 14 September 2023, Banca Generali carried out a further capital increase of CHF 40 million aimed at increasing the company's statutory share capital as required by the new Articles of Association.
After satisfaction of the said requirements, the final authorisation was issued on 7 November 2023 and the bank changed its company name; the new bank started operating on 1 December 2023.
In the first half of 2024, the company's share capital was further increased by CHF 10 million, bringing the share capital fully paid-up since incorporation to CHF 70 million.

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

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

It should also be noted that two events, extremely relevant to the company, occurred in May 2024:
- obtaining of the licence from the Bank of Italy to operate under the freedom to provide services for the distribution in Italy of current account and securities deposit banking services (21 May 2024), which will take place through Banca Generali's BG Network;
- official inauguration at its headquarters in Lugano of the first bank branch open to the public (7 May 2024).

At the end of June, Banca Generali formalised the launch of its innovative **BG International** service, which will allow the Bank's Italian Customers to associate their current account and securities deposits held in Switzerland with BG Suisse Private Bank with an investment service provided by the Bank and managed by their trusted Financial Advisor.
The first product in the range is BG Solution International, which will allow customers residing in Italy to benefit from the well-known individual portfolio management service, fully regulated by Italian legislation, on financial assets held in Switzerland.

The company ended 2024 with a net loss of approximately CHF 12.7 million, calculated based on local GAAP.
Operating expenses totalled CHF 13.2 million (of which CHF 5.0 million staff expenses).
BG Suisse's net equity recognised in its statutory financial statements stood at CHF 53.1 million at 31 December 2024.

Related Party Transactions

In accordance with Article 2391-*bis* of the Italian Civil Code, the Consob Regulation containing provisions relating to transactions with related parties[25] (the "**Consob Regulation**") and the provisions of Part III, Chapter 11, of Bank of Italy Circular No. 285, as further extended and amended, Banca Generali S.p.A.'s Board of Directors has adopted the "Policy for Transactions with Related Parties, Connected Parties and Corporate Officers pursuant to Article 136 of TUB"[26] (hereinafter the "**RPT Policy**"). The RPT Policy is intended to implement the aforementioned Consob and Bank of Italy regulations, by adopting, at the Banking Group level, rules on transactions with related parties and connected parties governing the related investigation, approval, reporting and disclosure activities, as well as compliance with the prudential limits on risk assets acquired by the Banking Group in respect of connected parties.

Moreover, since Banca Generali belongs to Generali conglomerate, any and all transactions effected with related parties of the parent company Assicurazioni Generali must be identified and managed in accordance with the provisions of the procedures adopted by Assicurazioni Generali in such regard.

Disclosure on Related Party Transactions

Unusual, atypical or extraordinary transactions

No atypical and/or unusual transactions with related parties or connected parties were completed in 2024 that were likely to have "effects on the safeguarding of the company assets or the completeness and accuracy of information, including accounting information, concerning the issuer."

Transactions of greater importance

In 2024, a transaction of greater importance was carried out that qualified as a "ordinary transaction" in that *(i)* it was carried out during the normal course of operating activities and the related financial activities of Banca Generali S.p.A. and *(ii)* it was concluded at market or standard equivalent conditions pursuant to Consob Regulation.

Pursuant to applicable regulations requiring issuers to report in their interim and annual Directors' Report on Operations information regarding transactions that are likely to significantly impact the Bank's financial position or profit or loss results during the reporting period, clearly indicating which transactions have been concluded in application of the exclusion laid down for ordinary transactions concluded at market or standard equivalent conditions, it should be noted that:

- on 25 July 2024, Banca Generali's Board of Directors resolved upon a transaction with related parties/connected parties qualified as regular transaction of greater importance, concerning: *(i)* the issue, by 31 December 2024, of an own funds instrument to be recognised as Additional Tier 1 capital for an aggregate nominal amount of 100 million euros to be fully subscribed by 3 Generali Group companies (i.e., Generali Deutschland AG for 50 million euros, Generali Deutschland Versicherung AG for 40 million euros and Dialog Versicherung AG for 10 million euros) through a private placement and *(ii)* the early redemption, subject to Bank of Italy's prior authorisation, of the Additional Tier 1 instrument "Euro 50,000,000 4.50% Additional Tier 1 Notes" issued by Banca Generali on 23 December 2019, to be executed on the first available date (i.e., 23 December 2024) or in a subsequent available date, in accordance with the related terms and conditions.

Although Banca Generali S.p.A. availed itself of the derogation from disclosure obligations provided for transactions of greater importance, it has nonetheless reported this transaction to Consob forwarding the specific communication pursuant to and in compliance with Article 13, paragraph 3(c) (i), and Article 5, paragraph 3, of Consob Regulation.

[25] Adopted by Consob through Resolution No. 17221 of 12 March 2010, as further extended and amended.
[26] The Italian acronym "TUB" stands for "Testo Unico Bancario" and refers to the Consolidated Law on Banking (Italian Legislative Decree No. 385 of 1 September 1993).

Other significant transactions

In 2024, Banca Generali S.p.A.'s Board of Directors approved, with a prior non-binding favourable opinion from the competent Board Committee, the following transactions that could be qualified as "transactions of lesser importance" (i.e., transactions of amounts exceeding the significance threshold, but below that of transactions of greater importance, as defined pursuant to the RPT Policy and identified case by case on a quarterly basis):

1. on 8 February 2024, Banca Generali S.p.A. 's Board of Directors approved the revision of the partnership in place between Banca Generali S.p.A. and Saxo Bank S.A., through: *(i)* the signing of a joint venture agreement stating Banca Generali S.p.A.'s commitment to financially supporting BG Saxo SIM S.p.A.; *(ii)* Banca Generali S.p.A.'s acquisition of an additional equity investment in BG Saxo SIM S.p.A., increasing its stake from 19.9% to 49% of the latter's share capital; *(iii)* Banca Generali S.p.A.'s sale en bloc to BG Saxo SIM S.p.A., pursuant to Article 58 of TUB, of relationships involving securities account services offered to BG Saxo SIM S.p.A.'s active Customers, previously provided to such Customers by Banca Generali S.p.A.; *(iv)* the signing of a new commercial partnership between Generali S.p.A. and BG Saxo SIM S.p.A.;
2. on 25 July 2024, Banca Generali Group's Board of Directors approved, as part of the distribution agreement in place between Banca Generali S.p.A. and Generali Italia S.p.A., subsequently joined also by other Generali Group insurance companies, a transaction concerning the continuation — also in light of market conditions substantially in line with those of 2023 — until 31 December 2025, after eliminating the related ceiling, of the so-called retention initiatives concerning traditional life insurance products, as well as the implementation, in the same period, of similar customer retention initiatives for hybrid products. Although the transaction qualified as a transaction of "lesser importance", Banca Generali S.p.A., also following the publication of the 2023 Information Documents concerning transactions of greater importance entailing significant changes to the terms and conditions of the aforementioned distribution agreement, and in line with their contents, published the related Information Document prepared pursuant to Article 5 of Consob Regulation, so as to keep the market informed of the activities concerning the implementation of the distribution agreement, also considering that when this agreement was signed it had been qualified as a transaction of greater importance and had been disclosed to the public through the information document.

Ordinary or recurring transactions

Transactions of an ordinary or recurring nature carried out in 2024 with related parties and connected parties fall within the Bank's ordinary course of business and were carried out at standard conditions and/or at arm's length and were, in any case, based on the evaluation of interests and mutual economic advantage and correctness, in compliance with the above-mentioned internal procedures.

As regards these transactions, there were no changes in the situation of related party transactions described in more detail in the Financial Statements at 31 December 2024 that might have a material effect on the financial situation and the results of the Bank and the Banking Group.

The developments of ordinary transactions with related parties are presented in the specific section of the Notes and Comments to the Separate and Consolidated Financial Statements at 31 December 2024, along with other information on related party transactions.

Intra-group related party transactions are not included in the above-mentioned disclosure, since they are eliminated upon consolidation.

2022-2024 Strategic Plan

The end of the Plan

The 2022-2024 Strategic Plan was developed with the ambitious goal of maintaining Banca Generali on a path of rapid, profitable and remunerative growth for its shareholders, in continuity and improvement compared to the excellent results already achieved.

The three pillars of the strategy

THE THREE PILLARS OF THE STRATEGY

PILLAR 1

VALUE OF SERVICE

1. **Range of targeted solutions:**
   - HNW and Private clients
   - Affluent clients
2. New service models:
   - Enhanced
   - Guided
   - Self
3. Data-driven network management approach:
   - Client
   - Financial Advisor
   - Territory

PILLAR 2

INNOVATION

1. Implementation of a data-driven bank
2. Development of digital platforms
3. Partnership ecosystem

PILLAR 3

SUSTAINABILITY

Towards:
- Clients and Financial Advisors
- Employees
- Shareholders and Authorities
- Communities and Future Generations

COMMERCIAL AND FINANCIAL TARGETS

CONSISTENT GROWTH

The Bank aims to generate total cumulated net inflows in the range of 18.0 billion euros and 22.0 billion euros

PROFITABLE GROWTH

The Bank aims to generate a compound annual growth rate (CAGR) of recurring profit equal to 10-15%

REMUNERATIVE GROWTH

Banca Generali intends to distribute steadily growing dividends (cash view) over the Plan period

The strategy to achieve this ambition revolved around three pillars, deeply rooted in the Bank's vision: **to be the No. 1 Private Bank by value of service, innovation and sustainability**.

The **first pillar** of Banca Generali's strategy aimed to **increase the value of service**, bringing the Bank even closer to its BG Network and its Customers.

The strategic guidelines provided for:

› developing a **range of targeted solutions** that, building on the ecosystem of products, services and platforms already in place in the private banking segment, aimed to best meet the needs of a wider customer base — from Affluent clients to High-Net-Worth Individuals (HNWI). In particular, since 2022, Lux IM, the BGFML Sicav, has evolved into a platform that provides access to the expertise of the world's top asset managers, through strategies capable of covering every asset class and thus making it possible to build asset allocations to suit all Banca Generali's customer segments. In 2023, both the financial range with BG Collection and the insurance range with the BG Oltre Policy, a whole-life hybrid insurance policy that offers the ability to invest in long-term trends relating to sustainability through three internal thematic funds, increasingly focused on Affluent customers. In the three-year period, in addition to traditional solutions, the alternative solution range was also expanded, with a focus on professional HNW customers' needs. In particular, the BG Private Markets - SIF range, a Luxembourg-based vehicle promoted by BGFML, was extended and the distribution of the Generali Europe Income Holding (GEIH) fund, promoted by Generali Investments Luxembourg S.A. and managed by Generali Real Estate, continued. As regards wealth advisory, the ability to personalise services with a view to meeting HNW customers' needs was further strengthened.

› The introduction of **new service models** that, in a context marked by financial advisor-centric model, has allowed to enhance the professionals' actions through a greater support by the Bank in managing their customers. In the 2022-2024 three-year period, the Bank continued to develop the **service model dedicated to its Private and HNWI Customers**, focused on the adoption of the "double-touch" approach, in which Financial Advisors are supported by specialists in managing the need to protect, grow and transfer households' wealth, in all its components.

› Given that a significant portion of HNWI Customers is made up of **entrepreneurial families**, considerable attention has been paid to the provision of specialised services dedicated to them. First of all, a platform has been developed and made available to the BG Network that provides Financial Advisors with insights on business development opportunities suited to their Clients' companies.

  The platform is constantly updated with financial statements data and other public information relating to the family businesses that are present in the Bank's Customer Base, and thanks to the use of advanced analytics (semantic reading, clustering, machine learning, etc.), it offers the Financial Advisors a projection of the business' development potential in various areas, relating both to ordinary business management (such as structural liquidity management, ESG appetite, subsidised finance) and to times of business transformation (extraordinary finance, governance review, generational transfer of the business). Availing of the support of HQ specialists, the BG Network can therefore optimise their activities by prioritising the cases with the greatest development potential.

  Another important initiative to support the Bank's positioning in the HNWI segment was the launch of the **BG Family Office Service**, which targets the most important Customers and applies the Bank's holistic approach to wealth management. The Service, intended to further enhance the privileged relations that often characterise the Financial Advisor-Customer relationship, starts from the precise mapping of the family assets, including not only the assets held within Banca Generali Group, but also the liquidity and financial investments deposited with other intermediaries, as well as real estate assets, any interests in companies, other valuable assets and liabilities. The distinctive value of the BG Family Office Service lays in the modular approach that allows to: i) analyse and share with Customers, and with the family group defined by them, their wealth governance structure, with a holistic perspective and in terms of future inheritance; ii) evaluate the positioning of said family group with respect to its peers at a global level availing of data from international researches; iii) analyse in detail the most relevant evolutionary macro-trends, chosen by the customer from a set of periodically updated contributions. The adoption of this methodological approach aims to encourage the Customers to define the objectives and life projects of their family groups, providing them with a specialised structure that can support them in organising, managing, and preserving their assets, taking into account the needs and expectations of each member of the family. Through personalised projects, this integrated solution is able to design strategies for the continuity and sustainability of significant, diversified, family and multigenerational wealth in its entirety and in its tangible and intangible components.

The Bank also forged ahead with the development of its open architecture model, which involves entering into partnership agreements with service providers in the fields of Corporate, Real Estate, Art Advisory e Family Protection & Planning: in the three-year period, new services and new counterparties that can be activated on services already offered have been made available to Financial Advisors and Customers, following rigorous selection and due diligence activities.

In addition, the desk dedicated to supporting Financial Advisors in providing investment advisory services to UHNW, Institutional and Corporate Customers, was further strengthened through the expansion of the services offered (e.g., corporate liquidity management and the creation of dedicated investment vehicles) and the inclusion in the team of senior professionals specialised in fixed income and private insurance.

› The implementation of a new **data-driven network management approach** that, by enhancing the quantitative tool made available to network managers, aims to estimate the growth potential of Customers.

  The year 2024 also saw the launch of a number of initiatives that, thanks to data support, aimed at strengthening network governance and building up long-term efficiency, such as:
  - enhancement of the excellent professionals of the BG Network in Italy, through the creation of a segment of professionals with a significant portfolio;
  - enhancement of the best Banca Generali managers, through the creation of the so-called "strategic managers" to support long-term projects such as: i) sustainability development; ii) the network rejuvenation process and renewal of the managerial structure (BG People Project); iii) corporate business development through the use of advanced tools and the international business expansion (BG Suisse); and iv) the pursuit of synergies within Assicurazioni Generali Group.

With the strategy's **second pillar**, Banca Generali Group intended to develop an **increasingly innovative model**, building a data-driven, digital and open Bank.

The strategic guidelines provided for:

› **the creation of a data-driven bank**: systemising the Bank's huge amount of data to implement B2C-like data analytics techniques in a financial advisor-centric context.

  Among the main data analytics projects, particular mention should be made of the prototyping of TITAN — a tool for analysing and monitoring Financial Advisors' profitability, productivity and operational components — and of "Potenziale Cliente" (Customer Potential), a tool aimed at giving Financial Advisors insights on the development potential of their customer base. In detail, the TITAN tool has been designed to provide Managers with a precise overview of their collaborators in terms of profitability, productivity and operations, with the aim of providing ad-hoc supporting actions, such as specific training initiatives. The "Potenziale Cliente" tool has instead been conceived to support the entire BG Network, providing its professionals —within the limits imposed by the Data Protection legislation — with an overview of their customer base that takes into account spending behaviour and is not limited to the assets held with Banca Generali;

› **The development of digital platforms** in order to:
  - **increase the commercial process personalisation** through **bespoke platforms** for Financial Advisors, as a support to the different service models.
    In particular, as specifically regards HNW clients, **a new technology platform** was created **to support Financial Advisors and HQ specialist structures**. This new platform can be used to analyse the structure and governance of the total assets of the most important households in various areas according to a complete, aggregate approach typical of family offices, as well as to manage and plan their needs and life projects. The platform also enables to assess the portfolio positioning in terms of asset mix and diversification, in addition to gathering insights on the most significant market macro-trends, taking into account the general and most common economic, geopolitical, social, environmental and regulatory trends.
    In the three-year period, **BG Personal Advisory**, the advisory platform supporting Banca Generali's holistic approach and mainly dedicated to **Private Banking Clients**, was subject to several evolution initiatives to further expand the features and quality of the service offered. In particular, some developments were made to RO4AD — a high-tech wealth management system that monitors advanced advisory portfolios daily and is fully integrated into the BG Personal Advisory platform — with a view to further expanding its features. In addition, new qualitative suggestions were released that make it possible to engage in arbitrage between individual financial instruments and/or advise the investment of liqui-

dity, with the goal of creating new opportunities to meet with Customers and improve the efficiency of portfolio management. The changes made to the single administration module also enabled to optimise and further simplify the operational management of portfolios paired with Banca Generali advisory solutions, thus allowing management of multiple purchase and sale transactions involving such financial instruments through a single module and with a single signature by the Customer (including in fully digital mode), automatically and intelligently orchestrating the execution sequence for individual orders.
As platforms are constantly innovated and upgraded, in the three-year period, BG Personal Portfolio was fully revamped. This tool is dedicated to simulation and analysis of investment solutions capable of supporting traditional valuation metrics of a specific financial nature in the ESG arena, so as to provide Customers with an overview of the impacts of their investments on the 17 United Nations Sustainable Development Goals (SDGs). The new version of BG Personal Portfolio, in addition to aligning the tool to the most innovative user experience trends, also introduced major developments in terms of technology and features, further increasing the performance of the tool, which can be set up and adapted to suit the specific needs of individual Financial Advisors and their Customers.
Moreover, with specific regard to entrepreneur Customers, a business intelligence tool was gradually released to Financial Advisors that uses advanced data analysis techniques (e.g., semantic text analysis, machine and deep learning) for automated processing of commercial inputs for Financial Advisors relating to family companies associated with their customers;

- enhance operating process efficiency and scalability by further developing Business Process Automation, also through Robotic Process Automation (RPA) and new low-code development platforms, so as to fully digitalise all operating processes, thus markedly improving the banker network's productivity and their interactions with the HQ offices. By way of example, among the initiatives aimed at the end-to-end process digitisation in favour of bankers, noteworthy is the management of customer payment tools, changes in personal details, advisory reports, securities transfers, succession procedures and the management of commercial exemptions. A new programme was also launched to rationalise and modernise the digital tools used in the HQ operational processes, which significantly improved the efficiency of activities, reducing the time and effort dedicated to individual operations, especially with regard to Operations and Credit;
- improve the digital customer experience through the integration of new digital services in customer channels.
  Specifically, the range of operational and banking operations that customers can execute on their own via Banca Generali's Home Banking service and the Mobile Banking App was further expanded by introducing, for example: instant bank transfers that allow Customers to move money in real time, changes to the maximum transfer amount, changes to the credit card limit and the updating of ID documents (completely autonomously by the Customers via home banking).
  In light of the increasingly frequent use of mobile phones rather than computers, the scope of the main in-app features was expanded (e.g., simplified F24 tax payment form and special credit transfers for tax relief measures). New digital payment tools were also introduced, such as the payment of a bill or a Public Administration notice by simply framing the QR code with the camera of the smartphone.
  In addition, the Mobile Banking App saw the release of push notifications in various areas, completely customisable by the individual Customer, in order to receive real-time updates on transactions and movements of interest.
  Over the past three years, significant self-trading developments were successfully introduced to the Home Banking service and the Mobile Banking App, in particular with the expansion of the range of tradable financial instruments and the improvement of the Customer user experience.
  The trading service offered by Banca Generali joins the BG Saxo advanced trading platform, the service designed for an increasing demanding clientele, offering an advanced and professional solution with sophisticated tools and a wide range of financial products that meets the needs of customers seeking an even more advanced trading experience.
  Banca Generali's digital platforms have been developed by adopting an open-banking architecture that allows to integrate third-party services, features and data. One example is the partnership with the fintech company Conio, which has led to the development of the BG Conio service, available through a mobile banking App that enables the Customer to open a Conio wallet directly from the Banca Generali Mobile Banking App, and then start trading Bitcoin. This offers Banca Generali Customers a safe and easy access to the cryptocurrency market.
  As part of the open-banking approach, the integration of the Nexi services was completed and new Mobile Banking App features were released, thus further simplifying the management of debit, credit and prepaid cards.

With a view to further improving the digital experience of Banca Generali Customers, over the three-year period, the scope of investment, operational and administrative operations that are prepared by the Financial Advisor and can be confirmed digitally by Customers was expanded and extended;

› **enhancement of the partnership ecosystem**: identifying and coordinating the best partners in specific verticals that allow the Bank to consolidate its position with respect to the main industry trends and benefiting from ongoing innovation flows.
As regards **wealth advisory**, service personalisation capabilities were further enhanced so as to meet the needs of Italian SMEs in an increasingly rapid manner and with a high service level. The service range was expanded to introduce new service domains (e.g., corporate credit and sustainability) and new partners with a view to offering tailor-made, bespoke solutions based on the type of enterprise.
These developments include, for example:
  - the partnership with Banca IFIS, to meet the needs for credit services dedicated to SMEs;
  - the Global Finance service developed with IRTop Consulting and consisting of a mentoring programme conceived for SME's top managers to hone their Finance, Governance and Sustainability skills; it is dedicated to medium-sized companies (EBITDA > 1 million euros) or companies potentially targeted for extraordinary transactions (IRTop partners);
  - the MyGarden service developed with Warrant Hub and which consists of a sustainability programme for small-sized companies or companies potentially targeted for subsidised financing.

Through the **third pillar** of its strategy, Banca Generali aimed to **consolidate its position in terms of sustainability**, becoming **a point of reference on ESG matters for its stakeholders**.

In detail, with regard to **Customers and Financial Advisors**, in the three-year period significant efforts were made to promote the ESG range and to improve Financial Advisors' expertise, so as to provide Customers with quality information and robust sustainable investment opportunities:
› the target to increase **ESG managed solutions** to at least 40% of AUM was achieved as soon as the third quarter of 2024, and the ESG AUM KPI[27] reached 42.6% of managed solutions at year-end. This increase was supported by ongoing efforts to enrich the product and service range with dedicated solutions and the wealth of information provided to Customers and Financial Advisors;
› the Bank also focused on **advanced training** for Financial Advisors: at year-end, over 50% of Financial Advisors completed a specialist course or obtained FPA ESG Advisor certification after attending a course organised in collaboration with MIP - Politecnico di Milano;
› the main initiatives dedicated to the BG Network in the three-year period included: i) the introduction of the **Sustainable Advisor** position, a Financial Advisor focused on ESG matters, at the end of 2023; ii) the Network's reorganisation that led, in 2024, to the introduction of four **strategic managerial functions**, one of whom is dedicated to the support and **dissemination of ESG initiatives** within the Network; iii) the **Inclusive Leadership Programme**, an awareness-raising and training initiative aimed at the BG Network and managers to learn about and analyse the prevailing gender, age and culture mindsets.

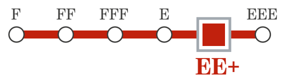
As regards **Shareholders and Authorities**, the initiatives implemented in the three-year period confirmed a strong commitment towards improving governance, transparency, engagement and ESG risk management, while ensuring that Shareholders and Authorities are kept abreast and engaged in the Company's sustainability strategies.

More specifically:
› **ESG governance** was reinforced through the creation, in 2024, of a new Sustainability and Innovation Committee within the Board of Directors that oversees the Company's sustainability and innovation activities; in addition, ESG induction programmes have been provided since 2022 to members of the Board of Directors and Board of Statutory Auditors and the ESG performance reporting and monitoring system for corporate governance bodies was enhanced;

[27] This indicator measures the ratio of Assets Under Management to AUM invested in (i) "eligible" financial and insurance products/services pursuant to Articles 8 or 9 in accordance with the MiFID ESG approach, and (ii) financing that, although included in portfolio management schemes or insurance policies that do not fall under Articles 8 or 9, actually qualify as pursuant to Articles 8 or 9 with an MIFID-ESG score of >3.

› **open, ongoing dialogue with stakeholders** was confirmed and strengthened to meet investors' and authorities' requirements; to this end, the Bank actively participated in working groups and international initiatives, such as ABI and Forum per la Finanza Sostenibile (Italian Sustainable Investment Forum), and ensured constant dialogue with authorities on sustainable finance and with a view to reinforcing the climate and environmental risk management framework. At the same time, signing of two important UN initiatives was formalised, namely the UN PRI (Principles for Responsible Investments) in 2022 and the UN Global Compact in 2024. In addition, climate-related disclosures in the Annual Integrated Report were expanded and enhanced, also in light of the ESRS disclosure requirements, which incorporate and integrate the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD). In the three-year period, the Bank also continued and promoted dialogue with the main rating agencies, that led to a constant rating improvement. The ratings assigned by the main ESG rating agencies in the reporting year are as follows:

standard ethics rating

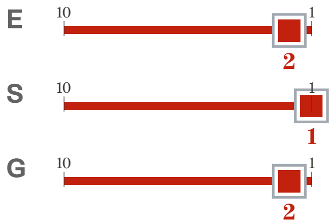


› In 2024, Banca Generali's Corporate Standard Ethics Rating (SER) remained **EE+ Very Strong**, with a 12-month **stable outlook**.

Moody's Analytics

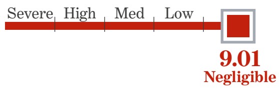
› In 2024, Banca Generali received an ESG Overall Score of **67/100 (Advanced)** in Moody's Analytics ESG Assessment. On the basis of this assessment, Banca Generali is included in the **MIB ESG** index[28].

SOCIAL QUALITYSCORE 1 HIGHEST RANKED BY ISS ESG



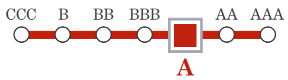
› To date, Banca Generali has been awarded the following ESG ratings:
- a Social Score of **"1"**, on a scale in which 1 is the highest level of disclosure and 10 is the lowest, thus obtaining the "QualityScore Top Badge Social" reserved for highest ranked companies;
- a Governance Score of **"2"**, on a scale in which 1 is the lowest level of risk and 10 is the highest level of risk;
- an Environment Score of **"2"**, on a scale in which 1 is the highest level of disclosure and 10 is the lowest.

MORNINGSTAR | SUSTAINALYTICS



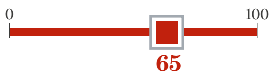
› In 2024, Banca Generali's ESG Risk Rating was 9.01, equal to a **Negligible level** of risk of experiencing material financial impacts from ESG factors[29]. Moreover, in 2025 Banca Generali was recognised by Sustainalytics as a Global 50 ESG Top Rated, an Industry ESG Top Rated and an Region ESG Top Rated company for 2025.

MSCI ESG RATINGS A



› In 2024, the **A** rating (on a scale from AAA to CCC) was confirmed by MSCI ESG Ratings[30].

S&P Global



› Banca Generali scored **65** (out of 100) in the 2024 S&P Global Corporate Sustainability Assessment (CSA Score as of 27 November 2024) and was included in the Sustainability Yearbook 2025.

[28] The methodology underlying the index involves drawing up rankings of the 40 top companies on the basis of ESG criteria, selected from among the 60 most liquid Italian companies, excluding those involved in activities not compatible with ESG investments. The composition of the index is revised with quarterly frequency and the Bank's presence in the index was confirmed in December 2021. It should also be noted that Moody's is the data provider for ESG criteria and is not responsible for the methodology of the Index, which is owned by Euronext.

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- as regards sustainable finance, the regulatory framework was gradually consolidated in the three-year period by adopting the new Sustainability Policy and the Active Ownership Policy, subsequently integrated by the Sustainable Investment Guidelines. This allowed to create a constructive dialogue with investee companies so as to improve their ESG performance, with a particular focus on climate-related and environmental risk management.
  ESG factors have also been integrated into the risk management framework, paying utmost attention to assessing the materiality of (acute and chronic) physic and transition risks in credit processes and in the internal control system.
  The 2022-2024 three-year period saw an increasing importance attached to ESG data, which is essential to developing reporting and monitoring systems. To this end, in 2024, a long-term project was launched to create an ESG data governance framework.

With regard to People, the Bank committed to creating an inclusive and sustainable work environment, while also supporting its employees' professional and personal development. In particular:

- in terms of work-life balance, the Bank ensured the hybrid way of working to 100% of its employees throughout the 2022-2024 period, providing technological and infrastructural support to facilitate remote working and virtual collaboration. As regards Diversity, Equity, and Inclusion (DEI) matters it promoted several initiatives that led, *inter alia*, to the signing, in 2022, of the Charter "Donne in Banca" (Women in Bank), promoted by the Italian Banking Association (ABI), and the achievement of the Winning Women Institute's Gender Equality certification at the end of 2024. Promoting an inclusive and diverse work environment also drew attention to the recruitment of young talents, keeping the target of under-35 recruits above 50% for the whole period;
- as far as sustainability training is concerned, two 2022-2024 three-year programmes were launched: ESG Awareness and Digital Minds. Over 80% of employees attended both programmes with annual training sessions on topics such as sustainable finance, ESG risk and the development of six key competencies, namely AI, blockchain, cybersecurity, advanced analytics, fintech and experience design;
- ESG KPIs were strengthened with regard to policies governing top and middle managers' variable remuneration, through both short-term (STI) and long-term (LTI) incentives.

The last area of action focused on Communities and Future Generations: the Bank successfully launched a process to decarbonise its directly managed financial portfolios and promoted social impact initiatives.

More specifically:

- as regards the carbon footprint of investments in direct issuers (equities and bonds), measured on the banking book scope and on BG Fund Management Luxembourg's portfolios of Discretionary Mandates and Sicavs, the KPI, expressed in tCO_2 per million euros, decreased by -51% compared to 2019, against a pre-set target of -25%;
- the three-year period saw the launch of BG4SDGs – Time to Change, a photographic project based on the 17 UN SDGs, in collaboration with photographer Stefano Guindani. The impact phase was launched in 2023 with meetings, exhibitions and training, and in 2024, thanks to Elis' collaboration, over 1,500 high-school students were involved;
- collaborations with universities were reinforced through the sponsorship of Observatories: the "O-Fire" Observatory with Bicocca University, the Observatory on unlisted companies' governance with SDA Bocconi, CeTIF – Centro di Ricerca su Tecnologie, Innovazione e Servizi Finanziari (Research Center on Technologies, Innovation and Financial Services) with Cattolica University of Milan, and the Fintech & Insurtech Observatory with Politecnico di Milano. In order to closely monitor the business world trends and dynamics, Banca Generali also participated in the '"ECM AI Observatory" in partnership with IRTop Consulting and in the "Observatory on art and cultural initiatives as resources for social sustainability" in partnership with the University of Pavia and in collaboration with Deloitte Private and ARTE Generali. Banca Generali also contributed to the preparation of the white paper "IPO sostenibile" (Sustainable IPO) by the law firm Studio Legale Pavia e Ansaldo and IRTop Consulting. The study aims to share the definition of "Sustainable IPO" at a national and international level, in addition to raising awareness among the competent authorities, and in particular the European Commission, of the opportunity to outline an ESG framework for a specific type of IPO.

EduFin 3.0, an innovative financial education project launched in September 2022 in collaboration with digital influencer Marco Montemagno, was completed.

2022-2024 commercial and financial targets

Despite the turbulence and uncertainly observed in 2022 and in 2023, the Bank's performance remains in line with the targets for the 2022-2024 three-year period announced at the 2022 Investor Day:

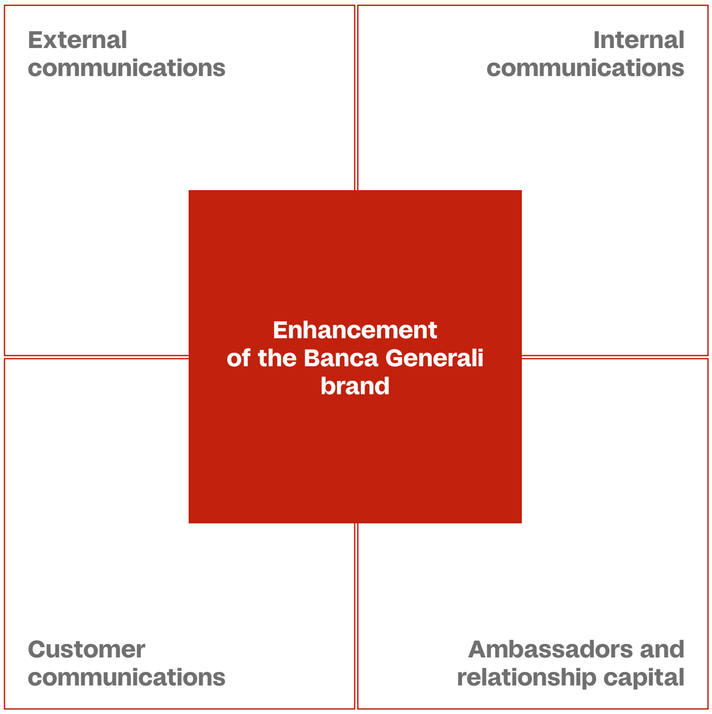
- **Consistent Growth**: in the 2022-2024 three-year period, Banca Generali generated 18.2 billion euro total cumulated net inflows, in the estimated range of 18.0-22.0 billion euros;
- **Profitable Growth**: in the 2022-2024 three-year period, Banca Generali generated a compound annual growth rate (CAGR) of recurring profit equal to 24%, well above the 10-15% target for the 2022-2024 period;
- **Remunerative Growth**: in the 2022-2025 period, Banca Generali expects to distribute cumulative dividends of 8.5 euros (cash view — first tranche of 2.15 euros paid in 2025 on a provisioned dividend of 2.8 euros accrued in 2024), reaching the upper-end of the target of 7.5-8.5 euros per share.

Brand Excellence and Centrality

The Banca Generali **brand** is **one of the Bank's most important intangible assets. Its private banking and wealth management positioning** mainly depends on the enhancement and strengthening of its brand.

The **brand awareness** strategy is based on the **communication pillars** of sustainable growth, innovation, investment planning and protection of Customers' wealth.

Brand Awareness Drivers



External communications

In external communications, Banca Generali's positioning is defined by its **relationship with the media**, which is based on transparency and constant exchange of information and generated over 50 institutional press releases in 2024.

The Chief Executive Officer, the Deputy General Managers and the main top managers made themselves constantly available to the media in order to increase knowledge of the Bank's distinctive features and **help the public understand the main events of general interest**.

Banca Generali also took part in major industry events, from the **Salone del Risparmio** to **ANASF gatherings**, focusing on the subjects of private banking and network banks: crucial opportunities for professional to meet and discuss trends, innovations and future challenges in the private banking and asset management sectors.

Customer communications

Customer communications have been developed with a view to **increasing personalisation**, based on the **needs of the different target groups**. To this end, the **data democratisation** process was strengthened through a **cloud-based data lake** infrastructure. The digitalisation process further evolved with **an approach increasingly focused on centralising customer information**. By leveraging this wealth of information from the customer base, it was possible to adopt an approach aimed at **personalising marketing and communications**.

Moreover, with a view to developing the Bank's internal know-how, several solutions for producing marketing content using generative AI were considered and tools were adopted for internal use to increase individual productivity thanks to Generative AI. **In the near future, AI will lead to an increasingly personalised communication approach**, enabling tailored interactions with each individual Customer.

March 2024 saw the launch of the **online magazine *The State of the Art***, a bimonthly newsletter exclusively dedicated to Banca Generali Customers and sent directly by e-mail to those who have provided their consent for the processing of their personal data for commercial purposes. The magazine features in-depth articles by authoritative voices in the Italian publishing industry and covers public debates, new trends and relevant Italian and international events, with a particular focus on topics of interest to Banca Generali's Customers. In detail, the newsletter includes several interviews to and comments from experts, with articles on culture, architecture & design, luxury, motorsports, art, travel, ESG and much more.

The **editorial activity on the Protezione&Risparmio (Protection&Savings) blog** continued with in-depth analyses of the major issues of markets, savings, changes and trends that will characterise the future, always using simple, clear and direct language. There was also constant updating of the Bank's social media channels (Facebook, LinkedIn, Instagram, Twitter and YouTube), which hosted, among other things, a series of sustainability talks with speeches by various experts, leaders in scientific research and innovative projects focused on planet protection and people enhancement.

Internal communications

The **main objectives** pursued during 2024 by internal communications were the following:
- **consolidating internal engagement and a sense of belonging** to the BG team;
- **informing employees** about the main corporate activities and the progress of the Strategic Plan, which reached its final year, and about the BG People Strategy, also with opportunities for discussion and dialogue with Top Managers;
- **fostering a diverse and inclusive work environment**, maximising knowledge of the initiatives and sharing future development plans, guided by the Bank's mission and vision, **with particular attention to sustainability and innovation**;
- supporting employees in the **digital transformation** process driven by the introduction of **AI** in the work environment and **the strategic use of data**.

The year started with the **Employee Meetings**, where the HQ employees meet with Top Managers. In 2024, these meetings also allowed to take stock of the progress of the 2022-2024 Strategic Plan and to understand the BG Network's new organisation, in addition to being kept abreast of the BG People Strategy projects. Employees Meeting were also followed by opportunities for analysing and discussing DEI matters.

In addition to plenary meetings, the year 2024 was full of events, activities and projects organised in cooperation with the Bank's HR function and internal structures, which were given wide visibility on internal communication channels.

In addition to the activities already described in Section "Enhancement of People - Employees"[31], the activities developed in 2024 included:
- **Data for Future** — a Hackathon that allowed a group of HQ professional and Network Financial Advisors to participate and try to find solutions to the challenges posed by the world of data, thus combining business topics and networking;
- the **communication plan** dedicated to the introduction of **AI** in the Bank, and of Edge Copilot in particular, revolved around some key initiatives complementing ad-hoc training activities, including:
  - the "AI WANTS YOU" Call-to-Action, conceived to create an AI Ambassador team within the Bank;

[31] See Section "S1-2: Processes for engaging with own workers and workers' representatives about impacts".

– “SIAMO BG – pensIAmo in grande con l’intelligenza artificiale” (We are BG – Thinking big thanks to AI), an immersive and educational experience that led participants to discover the main features of Edge Copilot, not only through a dynamic training activity, but also, and above all, by concretely experiencing the tool’s potential first-hand.

In addition to the newsletter dedicated to new recruits, the ***Prima Pagina*** monthly newsletter turned the spotlight on the Bank’s key topics, with the aim of constantly keeping abreast the whole population.

In addition to corporate matters, ample space was constantly dedicated to **Cybersecurity**, so as to inform, train and raise awareness among employees on cybersecurity issues.

Ambassadors and Relationship Capital

In 2024, Banca Generali’s relationship with its ambassadors, champions, masters and talents ranging from the sporting to the culinary field was consolidated, reaffirming **the attention that the Bank has always paid to talent**, the ability to work as a team and its commitment to excellence.

The historic ambassador **Federica Brignone**, an athlete who in women’s skiing — with 31 gold medals — stands out for her **Italian record of victories in the World Cup** — continued to evoke great emotions. In addition to Federica, **Guglielmo Bosca** and the emerging talent **Beatrice Sola** bring the Banca Generali logo to ski slopes around the world.

In 2024, Michelin-starred chef **Davide Oldani** continued to accompany the Bank in numerous initiatives to promote talent and culture, with a particular focus on sustainability.

In 2024, the Bank’s **closeness to local communities** was supported by a series of **initiatives, conferences, exhibitions and events** that strengthened its commitment to and its relationships with them, generating positive experiences and important opportunities for sharing values.

Projects ranged from **financial education to sports, from art to music, from social support to integration and promotion of diversity**, without ever neglecting the importance of sustainability and constant support to the community.

The most important initiatives included:

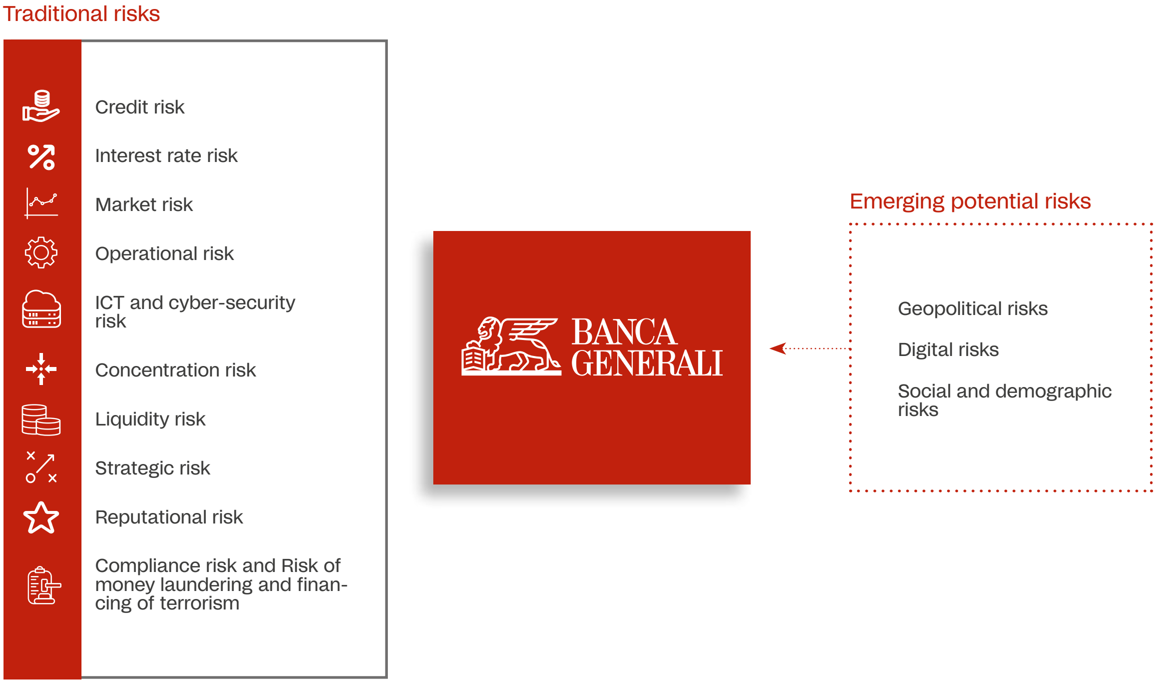
- **meetings organised in collaboration with FEduF and ELIS at primary and secondary schools** to share financial education fundamentals and promote sustainability principles. Over 50 schools participated in the meetings, for a total of more than 7,500 pupils;
- **the impact phase of the BG4SDGs – Time To Change project** to promote the sustainable business model through activities at local level: over 30 meetings and gatherings, 15 exhibitions of the photographic project, and 20 screenings of the docufilm;
- the organisation of conferences and round tables moderated by Banca Generali’s investment partners, to highlight the challenges facing Italian SMEs in the current economic scenario. One was held in Florence, at Villa Bardini, in the presence of entrepreneurs and industry experts;
- the **exclusive evening events** reserved for the Bank’s Customers to **visit art exhibitions of international standing**;
- **important events within Generali Group’s exclusive venues** to delve into economic, financial and sustainability-related topics;
- the **ten stages of “Un Campione per Amico” (A Champion for a Friend)**, which brought inclusion and joyful amusement to the Italian cities of Arezzo, Ravenna, Padua, Lucca, Nocera Inferiore, Savona, Borgomanero, Milan, Galatina and Lecco;
- **the inauguration of four new bank branches opened in 2024** — Piacenza, Varese, Vicenza and Nola — that further expanded the Bank’s local footprint, bringing it ever closer to its Customers;
- the sponsorship of ArtWeek in collaboration with the Municipality of Milan, which organised a week dedicated to art, with a press conference opening a series of initiatives held throughout the event and unveiling a work by Francesco Vezzoli, added to the BGArTalent collection;
- partnerships with **prestigious Italian universities** such as Politecnico di Milano, Milan Bicocca University and LIUC, further developing several **Observatories** and the **“Ricette d’Innovazione” (Recipes for innovation)** projects, which cover topics such as AI, innovation, savings and investments;
- the 2024 Invitational Golf Tour, this year in its sixteenth edition, which was an important opportunity for liaising and dialoguing with Customers, creating opportunities to strengthen relationships and learn more about their financial needs. This year, the tour covered the whole of Italy.

Risks and Uncertainties

While real GDP growth in the Euro Area has started to gradually recover and inflationary pressures have continued to ease, short-term growth forecasts remain modest and quite uncertain. The favourable pricing of risk that has prevailed over the past year in financial markets could give rise to sudden changes in market confidence and to a repricing of assets due to unexpected negative events. The gradual recovery of the economic activity and expectations of looser monetary policies have translated into a greater risk appetite, lower risk premiums and several months of relatively modest stock markets volatility. All this, together with the uncertainty about future growth and inflation prospects in the world's leading economies, could set the stage for abrupt corrections in asset prices and for higher volatility in international financial markets, should the macroeconomic outlook worsen. In addition to the current economic and financial scenario, which heightens traditional risks (credit, interest rate, market, operational and liquidity), Banca Generali Group pays attention to possible scenario developments and **potential emerging risks** capable of adversely affecting the Group's development strategy. Among these risks, the most relevant to the next three-year period are **geopolitical, digital and socio-demographic risks**.

On the geopolitical front, instability in various regions of the world could negatively affect global financial markets. The concrete threats of commercial tensions, economic sanctions and regional conflicts could alter market dynamics and investor confidence.

From a digital perspective, the increase in cyber attacks and data security threats is a growing risk. The focus on innovation, which is essential to maintain a competitive position, requires the adoption of effective ICT and cyber-risk management measures, also introduced through the adoption of AI tools and a context where more and more services are provided by third parties. At the same time, in the event of failed or delayed innovation, strategic risks are unavoidable in terms of competitive delay and obsolescence, up to the risk of market exit due to rising compliance costs that are not offset by growth. Banks must invest in advanced cybersecurity technologies to protect sensitive information and ensure business continuity. Furthermore, the rapid evolution of financial technologies (fintech) and the adoption of new digital platforms require ongoing adaptation to remain competitive and to comply with regulations. From a socio-demographic perspective, population ageing is a significant challenge, as it can influence demand for financial services and credit risk management. Demographics are a driver of structural change in wealth management: there is a growing demand for long-term financial planning and for managing the generational wealth transfer — which also includes insurance and protection needs — and for bespoke solutions that meet the specific requirements of each demographic group at the different stages of life. There is also a need for investing in digitalisation in order to offer an efficient and up-to-date service, incorporating ESG criteria into investment strategies to meet the growing demand in this direction. Social polarisation and growing economic inequalities can lead to social and political instability, with repercussions on financial markets. In addition, problems related to welfare and the sustainability of pension systems could increase pressure on banks to provide innovative and sustainable financial solutions. The regulatory framework also remains very challenging, with an ongoing evolution that is not easy to predict, together with the digital transformation big trends (AI Act, MICAR - Markets In Crypto-Assets Regulation, DORA). The Retail Investment Strategy is changing the context of financial services and their distribution, whereas the Corporate Sustainability Reporting Directive has introduced more stringent sustainability requirements. Furthermore, Banca Generali Group has to prepare for the entry into force of CRR3 (1 January 2025) and the ensuing impacts on capital. In this context, the Group confirms its commitment to risk management, as briefly described here below, as well as to coordinating its capital management with a view to long-term business sustainability.



› **Credit risk**: it is the risk associated with the possibility that a counterparty may become insolvent, or the likelihood that a borrower may fail to fulfil its obligations or fulfil its obligations on a delayed basis with respect to predetermined due dates. In detail, credit risk is the risk that an unexpected change in the creditworthiness of a counterparty, in the value of the guarantees it has provided, or in the margins it has used in the event of default, may generate an unexpected change in the value of the Bank's credit position.

In accordance with Banca Generali Group's business model, this type of risk chiefly arises from liquidity invested in money markets (interbank deposits and repurchase agreements), financial instruments (mainly government bonds) held in portfolios measured at amortised cost or fair value and loans to customers (revocable and/or fixed-term credit). With regard to the latter, in line with the provisions of the Risk Appetite Framework and in accordance with the Business Model and the lending policies adopted, credit activity is an ancillary means of achieving the priority objectives in the private banking sector. In this context, the Group prefers a customer target with a strong capital position, mainly focused on natural persons. In fact, there is a clear prevalence of exposures to the retail segment (made up primarily of private and affiliated Customers), compared to the corporate segment.

As regards the composition of the Group's portfolio, the Held-to-Collect (HTC) component consists mainly of debt security exposures to public administration. With regard to institutional borrowers, credit risk management is based on the allocation of appropriate credit lines, which are monitored by the Risk Management Department and established with the objective of maintaining a portfolio's risk profile that is consistent with the strategies and risk appetite approved by the Board of Directors.
Operational limits on the amounts of credit lines granted to institutional counterparties are governed by Group policies, which set out the maximum credit that may be extended to each counterparty based on its rating class. The overall consistency of ECAI ratings with internal credit assessments is verified by the Risk Management Department at least annually. Credit lines are reviewed at least every year; this involves updating existing credit lines for counterparties that are already borrowing from the Bank or examining new proposals with a view to diversifying the proprietary portfolio and developing new business linked to market opportunities. With a view to further strengthening the management and monitoring of the credit risk profile, Banca Generali Group has adopted a portfolio management policy that, in addition to the aforementioned credit lines, provides, *inter alia*, for minimum and maximum investment limits on specific geographical industry clusters and minimum thresholds for investments in government securities or securities with a high credit standing. This framework also sets specific maximum maturity limits for investments in the proprietary bond portfolio and strict limitations on exposures to complex instruments or hard-to-value assets. Overall, the weight of

non-performing exposures on the customer loan portfolio was modest, lower than that of the Italian banking system.

The portfolio of NPLs to customers is mostly secured by pledges of securities and bank and government guarantees and has a good coverage level in the residual cases in which the collateral is insufficient.

The portfolio of performing loans to customers is approximately 82% composed of exposures to natural persons, whereas the remainder is composed of exposures to companies, in both cases with high creditworthiness. Credit is primarily provided in the form of revocable facilities and Lombard loans, which together account for around 81% of the actually and potentially used exposure. In accordance with the Group's lending policies and risk appetite, credit is mostly secured by pledges of highly liquid financial instruments and products.

› **Interest rate risk**: it arises from changes in the value of assets and liabilities, the valuation of which is sensitive to unfavourable changes in the term structure or volatility of interest rates. This risk arises due to the possibility that an interest rate change will reflect negatively on the reduction in net interest income or in a reduction in economic value.
The Group uses derivatives for hedge accounting purposes (e.g., Interest Rate Swaps and Cross Currency Swaps), both in order to safeguard its banking book against adverse changes in the fair value of loans attributable to movements in rate curves, and to contain duration levels in view of changing trends in the proprietary portfolio, in addition to ensuring compliance with applicable regulations on delta net interest income.

Banca Generali Group measures the rate risk profile of its banking book through the periodic calculation of specific metrics linked to it, such as the shift sensitivity of economic value and the sensitivity of net interest income, compared to the limits established by the Board of Directors when approving the Risk Appetite Framework. Particular attention is also paid to the evolution of the proprietary portfolio's duration, through the monitoring of specific thresholds or through stress tests that aim to detect in advance the significant sources of risk when adverse situations occur. To support management and regulatory monitoring, scenarios are applied with parallel and non-parallel instantaneous rate shocks to the yield curve, in line with the standards of the Basel Committee on Banking Supervision Standards. Regulatory scenarios are also applied that are envisaged in the Supervisory Outlier Test (SOT) and are consistent with the EBA Guidelines. For the purpose of calculating the above metrics, the Group applies behavioural models to represent items contractually classified as on-demand, using a model designed to reflect the characteristics of stability of assets and their stickiness to changes in market rates.

› **Market risk**: it stems mainly from the trading by the Parent Company of financial instruments on its own account; it is currently limited and residual. Market risk is represented by the possibility to suffer losses due to variations in the value of a financial instrument or a portfolio of financial instruments associated with unexpected variations in market conditions (share prices, interest rates, exchange rates, the prices of goods and the volatility of risk factors). Market risks are maintained within appropriate operational limits, which are monitored by the Risk Management Department. Such limits are established with the objective of maintaining a level of risk that is consistent with the strategies and risk appetite defined by the Board of Directors.

› **Operational risk**: the exposure across the various legal entities in the Group is closely linked to the type and volume of activities, as well as the operational procedures adopted. In detail, the operations undertaken (primarily portfolio management and the distribution of the Group's own and third-party investment products), the use of IT systems, the definition of operational procedures, interaction with parties protected by the law, the marketing structure adopted (chiefly Financial Advisors) and the direct involvement of all employees in operations structurally expose the Group to operational risk, which is defined as the possibility of sustaining financial losses deriving from the inadequacy or improper functioning of procedures, employees, internal systems or external events. This type of risk includes, *inter alia*, losses due to fraud, human error, interruptions of operation, unavailability of systems, breach of contract, natural disasters and legal risk. In this area, the Risk Management Department is responsible for:

- identifying and assessing the operational risks inherent in company processes through the Risk Self-Assessment, whose main goals are:
  - identifying/monitoring the risks to which the Banking Group is most exposed and its root causes;

  - responding to the regulatory requirements established by prudential supervisory regulations;
  - facilitating and developing a culture of operational risk at the level of the Group's Top Management and Organisational Structures;
  - identifying and monitoring the actions to mitigate significant operational risk events;
- identifying the operational risk accidents/events through loss data collection and carrying out analyses and monitoring of the same;
- overseeing a dashboard of indicators (known as "KRIs" or "Key Risk Indicators") that it has defined for monitoring the areas of greatest risk so as to report in advance a deterioration of the Group's risk level, thereby enabling the prompt implementation of possible mitigating action.

In particular, the Bank's operational risk management framework allows to:
- constantly pay attention to the control and monitoring of the risk of fraud/conduct, a risk of particular importance to the Group, given its organisational structure;
- identify and manage the risks related to the processes for managing the products/services offered and related development projects.

Moreover, Banca Generali Group has adopted an insurance coverage for operational risks deriving from acts of third parties or caused to third parties, as well as adequate contractual clauses covering damages caused by providers of infrastructure and services; it also approved a Business Continuity Plan.

› **ICT and cyber-security risk**: any event that can be reasonably identified with regard to the use of IT and network systems and that, should it occur, might jeopardise the security of the IT and network systems, any technology-powered tools or processes, operations or processes, or the provision of services, thus causing adverse impacts on the digital or physical environment.

Banca Generali Group has defined an ICT and cyber-security risk assessment and management framework. This framework is a tool aimed at ensuring the effectiveness and efficiency of the measures for protecting ICT resources, allowing the mitigation measures to be adjusted to the various areas according to the risk profile identified. It also outlines the operational model consisting of concepts and definitions relevant to the methodology and process for analysing and managing ICT and cyber-security risk, including ICT third-party and ICT project risk. Assessing and managing IT risk is an ongoing process that allows to: (i) identify threats, vulnerabilities and risk scenarios on an ongoing and proactive basis; (ii) implement adequate internal controls based on the Company's issues and the values of protected assets; (iii) improve decision-making thanks to thorough and prompt access to information.

ICT risk assessment applies to business processes and is carried out using specific risk scenarios that take into account threats and vulnerabilities. Based on this assessment and on the ongoing monitoring of specific Key Risk Indicators, the first-line function is provided with elements to identify areas of action and areas where control measures need to be strengthened to ensure the Group's operational resilience.

Moreover, in light of Banca Generali Group's business model and ICT strategy, characterised by full outsourcing of ICT services, the Group is mostly exposed and pays particular attention to ICT Third Party risks. The Group has therefore adopted appropriate control measures to monitor ICT service providers, aimed at ensuring that application procedures and information systems efficiently support organisational processes. In addition, to address this risk, the Bank extended the number of opportunities for discussion and collaboration between the following structures: Risk Management, BCP Security and Internal Audit.

The 2024 Audit Plan envisaged specific checks on outsourcers, which are selected using a risk-based approach and a prioritisation score model. Among these, ad-hoc activities were carried out on the main IT outsourcer (i.e., CSE), also at consortium level with the support of highly specialised independent firms. The audits carried out identified areas for improvement, assigned to structures of both Banca Generali Group and CSE and controlled by the Internal Audit Function with a view to mitigating the risks of possible cyber attacks. Moreover, given the risk-based approach adopted as required by current legislation, the design and implementation of existing controls on the Group's IT Systems, Processes and Procedures were also audited, in particular, with regard to the control frameworks in the areas of ICT, security, cloud initiatives and incidents.

› **Concentration risk**: it results from the exposure to groups of related counterparties and counterparties operating in the same sector/geographical area. The Group reports a good level of diversification, consistent with its business model and with a lending activity targeted primarily at Italian private customers and well distributed at geographical level. In addition, the Group guarantees ex-ante compliance with the regulatory limits regarding the level of exposure towards connected parties and major risks.

› **Liquidity risk:** it derives from funding and lending transactions in the course of the Group's ordinary business. Such risk takes the form of default of payment obligations, which may be caused by an inability to procure funding (funding liquidity risk) or the existence of limits on the divestment of assets (market liquidity risk). Liquidity risk also includes the risk of fulfilling payment obligations at above-market costs, incurring a high cost of funding or — and, in some occasions, simultaneously — incurring capital losses on the divestment of assets.
In addition to the short-term and intraday dimension, liquidity risk management also takes into account the medium/long-term dimension relating to imbalance between funding sources and lending. The excessive financial leverage risk profile is also specifically monitored within the framework of structural liquidity.
The liquidity risk control and management systems are governed by the Liquidity Management Policy, which, in line with the provisions of the Risk Appetite Framework, identifies the maximum risk tolerance limits and aims to ensure the maintenance of an adequate liquidity position to cope with periods of tension, even prolonged ones, in the funding market, thus ensuring the maintenance of both an adequate buffer consisting of high quality liquid assets that can be easily liquidated or refinanced with the ECB, as well as a high level of stable deposits. With reference to the short-term risk profile, i.e., within 12 months, the Risk Appetite Framework provides for specific thresholds on the Liquidity Coverage Ratio, which are accompanied by thresholds on the Survival Period and the Asset Encumbrance ratio. As regards the monitoring of the structural balance profile, specific thresholds on the Net Stable Funding Ratio promote greater use of stable funding. The Finance Department is responsible for managing treasury and proprietary investment cash flows with the aim of ensuring thorough diversification of financing sources and monitoring cash flows and daily liquidity. Any liquidity needs are primarily managed through recourse to the money market (interbank deposits and repurchase agreements) and, to a secondary degree, where available, through the refinancing transactions promoted by the ECB. The funding structure is mainly focused on net inflows from retail customers that are characterised by a stable performance, and on institutional sources of funding. The Group's Risk Management Department is called upon to perform second-line controls, thus ensuring the measurement, including forward-looking measurement, of the Group's liquidity risk exposure. It also applies stress scenarios and, if the thresholds set by the framework and/or the limits approved by the Board of Directors are exceeded, activates specific reporting and escalation procedures, monitoring the recovery actions approved by the competent Bodies. The Group has a Contingency Funding Plan in order to ensure the orderly management of any systemic and idiosyncratic liquidity crises, the safeguarding of the Group's assets and a guarantee of business continuity. This Plan detects, through early warning monitoring, any signs of liquidity tension and identifies the actions or tools to be activated. On an annual basis, the Group also initiates and prepares a self-assessment on liquidity risk management during the ILAAP process, providing the results to the supervisory authorities.

› **Strategic risk**: the actual or prospective risk of a decrease in profits or capital arising from changes in the operational context or poor company decisions, the inadequate implementation of decisions, or insufficient reaction to changes in the competitive scenario. The first pillar of the framework for strategic risk management is governance, which ensures constant monitoring for the traceability of decisions. The strategic risk is addressed through policies and procedures in which the most important decisions are reported to the Board of Directors and supported by specific preventive impact analyses in terms of capital adequacy and liquidity, consistency with the Risk Appetite Framework and sustainability of the business model. The positioning and strategic risk analysis also takes into account developments in the legislation, especially European legislation, on sustainable finance, the evolution of market and customer preferences with respect to sustainable investment products and solutions, and the potential repercussions that these may have on the Group's competitive positioning. The Board of Directors has approved specific strategic planning guidelines, which regulate the CRO/CFO interaction for the purpose of defining and updating the Strategic Plan and the Risk Appetite Framework, and the ensuing approval of the budget for first year of the Plan.

› **Reputational risk:** the current or prospective risk of a decrease in profits or capital arising from a negative perception of the Bank's corporate image by customers, counterparties, shareholders, investors or supervisory authorities. Banca Generali Group is structurally exposed to reputational risk due to the Group's distinctive operations, which focus on offering and placing financial and insurance products with its customers through the BG Network. To monitor this risk, the Group has adopted specific codes of conduct and codes of ethics that govern its operations and its dealings with its main stakeholders. Banca Generali Group has adopted a dedicated reputational risk management framework, which provides for the identification of risks potentially prejudicial to the corporate image and the assessment of the associated exposure, also through the monitoring of risk indicators by business area, thematic area and type of stakeholder, to which a governance and escalation process is applied for the identification and implementation of measures and controls to mitigate the risk.
Banca Generali Group has launched a process designed to identify in advance possible situations of risk relating to its main business operations, in particular during the new product development or partner selection phase, in which to conduct an analysis of potential reputational risks relating to the specific operations in order to permit the informed assumption and, insofar as possible, mitigation of the type of risk concerned by implementing control measures that minimise their impact on the Group 's image.
In addition, reputational risk is also taken into consideration in the Risk Appetite Framework assessment of Banca Generali Group, confirming its commitment to monitoring and containing this risk. To this end, specific indicators are monitored in order to identify any possible critical events that should occur and that could harm the Group's reputation.
The reputational risk management framework is cross-functionally integrated with sustainability risk considerations (or ESG risks). Starting from an analysis of ESG risk factors deemed most significant due to their potential impact on risk categories already included in the Group's framework, other factors identified as especially material from a reputational standpoint are related to the corporate identity and to the Group's positioning on sustainability matters, including with respect to stakeholders' external perception.. ESG factors that may affect the performance of investments managed as part of Portfolio Management are also considered significant, with ensuing repercussions on the Group's image in the asset management services area. With a view to mitigating reputational and strategic risks, the Banking Group is constantly committed to managing the operational and financial aspects of its business with a focus on social and environmental responsibility and the sustainability for future generations. To this end, the Banking Group aims to:

- pursue sustainable growth in the long term, reducing the risks tied to the volatility of the economic scenario in which the Group operates;
- enhance all the people who work at the Group, by developing their skills and properly recognising the individual contribution to the success of the organisation;
- focus on the social context in which it operates by participating in welfare, cultural and sports initiatives in favour of the community;
- favour the reduction of direct and indirect environmental impacts by taking steps to minimise the consumption of energy, paper and water, and to lower pollutant emissions.

The commitment to preventing and combating fraud is also to be regarded as a factor mitigating operational and reputational risk, thereby ensuring business sustainability.

› **Compliance risk and risk of money laundering and financing of terrorism:** the compliance risk is the risk that Banca Generali Group may incur legal or administrative penalties, significant financial losses or reputational damages as a result of the breach of laws, regulations or voluntary codes of conduct, as well as money laundering and terrorist financing activity (defined as the risk of involvement, also unintentional, of Banca Generali Group in such offences). The efficient management of these risks requires a company culture that promotes integrity, propriety and compliance with the spirit of the law in accordance with the principle of proportionality and the entity's size and specific operational characteristics.

"Compliance" is a process that permeates each Banking Group company's activities and organisation, beginning with the definition of company values and strategies and extending to influencing the definition of policies, internal procedures, operational practices and conduct. Likewise, an effective prevention and management of money laundering and terrorism financing risks necessarily require an adequate definition of internal policies and procedures aimed at combating these events.
Accordingly, the said risk monitoring is most effectively pursued in a company context that shares the principles of honesty and integrity by involving all Corporate Bodies, Committees, the Compliance function, as well as the Anti-Financial Crime function, each to the extent of their respective remit, and, more generally, all Banca Generali Group People in pursuing regulatory compliance to improve operational procedures and company practices, with ensuing positive effects on process efficiency and effectiveness.

ESG risk governance model

In 2021, Banca Generali Group started a path aimed at including the impacts of sustainability drivers on the risk areas identified in its vertical risk policies.

Managing ESG risks requires consideration not only of the impact of these risks on the Bank's organisation, but also of the potential risks to which the Bank exposes its stakeholders and the environment through its operations.

The Banking Group therefore adopts a holistic approach to ESG matters, based on:
› the definition of a Group ESG strategy according to the guidelines provided by the Corporate Bodies and supported by the Internal Governance Structures: Banca Generali wants to be "the No. 1 private bank by service value, innovation and sustainability", aware that innovation, the development of new products and services and the sustainable action of companies can help to reduce the impacts of phenomena such as climate change and social inequalities;
› management of sustainability matters in sensitive sectors through its own regulatory framework also aimed at defining criteria for limiting and excluding lending to or investing in business sectors considered most exposed to ESG risks;
› identification and management of potential direct and indirect impacts related to climate change and the development of metrics for measuring indirect impacts;
› integration of ESG factors into the general risk management framework and, in particular, the provision within the Risk Appetite Framework of a specific section dedicated to ESG and climate change risks that defines specific limits and criteria;
› financial materiality assessment, aimed at identifying risks and opportunities that might influence the Group's financial performance and results, and therefore create or erode the undertaking's corporate value over the short, medium or long term, in addition to the impact materiality assessment[32].

Within the regulatory and prudential supervisory framework, the Bank of Italy considers the process of integrating and managing climate-related and environmental risks as an aspect of fundamental importance. In fact, the path towards the environmental transition entails risks and opportunities for the economy and for financial institutions, whereas the physical risks caused by extreme environmental phenomena, gradual climate changes or environmental deterioration may generate significant impacts on the real economy and the financial sector.

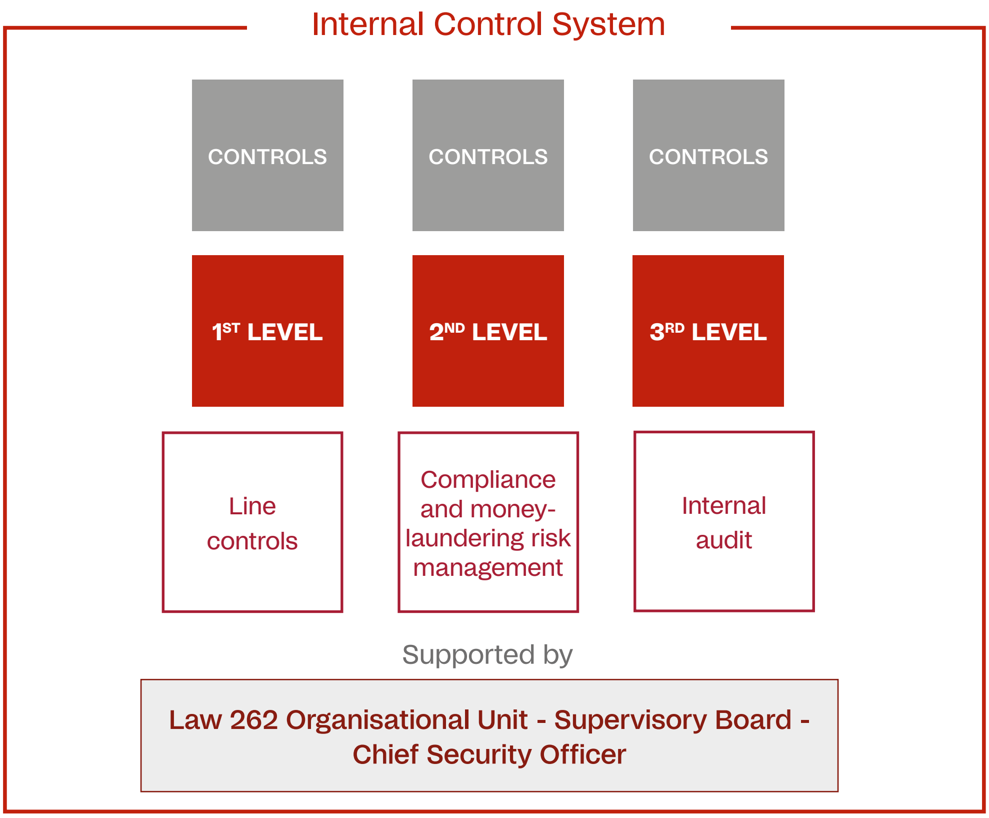
[32] For further details, see Section "E1 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities".

Internal Control System

Banca Generali S.p.A.'s Internal Control System is composed of the set of rules, functions, structures, resources, processes and procedures that aim, through an adequate process of identification, measurement, management and monitoring of the main risks, to ensure that the following aims are achieved, in accordance with sound, prudent management:

- verification of the implementation of company strategies and policies;
- containment of risk within the limits indicated in the framework of reference for determining the Bank's risk appetite (Risk Appetite Framework);
- safeguarding of the value of assets and protection against losses;
- effectiveness and efficiency of corporate processes;
- reliability and security of company information and IT procedures;
- prevention of the risk that the Bank may be involved, voluntarily or involuntarily, in unlawful activities (with particular regard to activities relating to money-laundering, usury and financing of terrorism);
- operational compliance with the law and supervisory provisions, as well as policies, regulations and internal procedures.

The Banking Group has implemented an internal control system in line with best practices at the national and international levels, aimed to reduce the risks of inefficiency, overlapping of roles, sub-optimal system performance and loss of system efficiency. The Internal Control System is defined and regularly updated by Banca Generali S.p.A.'s Board of Directors in accordance with any changes in the law and the Bank's operations.



The Internal Control structure is divided into the following three levels:

- **line controls**, i.e., first-line controls, aimed at ensuring that activities are conducted properly. These are carried out by the operating structures themselves, including through units dedicated solely to control duties that report to the heads of these structures, or by back-office company areas and units; to the extent possible, line controls are incorporated into IT procedures;
- **risks and compliance controls** (so called "second-line controls"), performed by functions not involved in production and broken down as follows:
  - risk management controls: these are part of the process of determining risk measurement methods, with a view to ensuring compliance with the thresholds assigned to the various operating functions, as well as in order to maintain the operations of individual production units in line with the risk/return targets set for each type of risk;
  - compliance controls: these focus on the compliance of operations with laws, measures by supervisory authorities and the Group's self-regulation provisions; controls of the operation of the BG Network fall into this category;
  - anti-money laundering controls: these assess compliance with laws and provisions by supervisory authorities concerning money-laundering and prevention of financing of terrorism, as well as compliance with the related Group's self-regulation provisions governing operations and safeguards aimed at ensuring full knowledge of the customer, the traceability of financial transactions and the identification of suspicious transactions;
- **Internal Audit** (so-called "third-line controls"), entrusted to the Internal Audit function and aimed at identifying violations of procedures and regulations and at periodically assessing the completeness, adequacy, functionality and reliability of the Internal Control System and IT system (ICT audit) according to a pre-established schedule based on the nature and intensity of the risks.

The Internal Control System is completed by:

- the Law 262 Organisational Unit, which acts as a point of reference, orienting and coordinating the management of all the Group's administrative, accounting and sustainability risks, pursuant to Law No. 262/2005 and for the purposes of Italian Legislative Decree No. 125 of 6 September 2024;
- the Supervisory Board, set up pursuant to Italian Legislative Decree No. 231/2001;
- the CSO (Chief Security Officer); th e Security and BCP (Business Continuity Plan) function within the COO & Innovation Area that defines and implements the Group's security strategy, with the mission of protecting all of its physical and IT resources and cultural assets, defining a common approach for managing security elements and promoting a culture of security within the Group.

The structure of Banca Generali's Internal Control System is intended to:

- ensure appropriate control oversight of all of the Group's activities and proper disclosure on this subject, in pursuit of the values of substantive and procedural fairness and transparency;
- ensure the efficiency, traceability and auditability of transactions, and more generally all management activities, the reliability of accounting and management data, compliance with laws and regulations, and the protection of the integrity of the Group's assets, also with a view to prevent fraud against the Bank and the financial markets;
- foster an informed attitude in risk management;
- provide assurance and adequate protection of customer information;
- promote processes of innovation.

The circulation of information amongst and within Corporate Bodies and Control Functions allows to meet the targets of efficient management and effective controls, thus representing a fundamental mechanism for the integrated Internal Control System.

In accordance with the provisions of the Basel Committee and EU regulations, and in compliance with the supervisory instructions issued by the Bank of Italy, the Banking Group has defined an internal process (ICAAP – Internal Capital Adequacy Assessment Process) for independently assessing its capital adequacy, i.e., the adequacy, in current and prospective terms, of the overall capital at its disposal to meet the relevant risks to which it is exposed and support its strategic decisions. That process presupposes a solid corporate governance system, a clear, appropriate organisational structure and the definition and implementation of all processes required for the effective identification, management, monitoring and reporting of risks and the presence of adequate internal control mechanisms.

The Banking Group has formally defined a policy for each of the risks identified that lays down:

- the general principles, roles and responsibilities of the Company Bodies and Functions involved in risk management;
- the guidelines regarding risk management in accordance with the business model, the risk appetite, the Internal Control System, the System of Delegated Powers defined by the Board of Directors and provisions of the Supervisory Authority.

In order to prevent conduct contrary to the principles of propriety, legality and transparency in the handling of operations by personnel, and to avoid the attribution of administrative liability to legal entities for offences committed by personnel in the interest or to the benefit of the legal entities themselves, the Banking Group's Italian companies have adopted and implemented an Organisational and Management Model, pursuant to Italian Legislative Decree No. 231/01, as further amended.

The Model is an integral part of the set of rules, procedures and control systems developed by Banca Generali Group, and contributes to the overall structured and comprehensive organisational framework that is designed to prevent unlawful conducts, and in particular those envisaged by the legislation in question.

The proper understanding and dissemination of the content and underlying principles of that Model are ensured by specific training initiatives provided through e-learning systems targeted at the whole own workforce, so as to ensure that all people are duly trained. The Model is updated whenever there are regulatory and/or organisational changes and is submitted to the Board of Directors for analysis and approval.

Given that Banca Generali promotes and facilitates the spread of a company's rule-of-law culture characterised by proper behaviour and ensures effective and efficient measures to prevent, manage and, where necessary, report any irregularities or breaches of the rules governing the company's activity, the Group has also implemented a whistleblowing system based on secure, confidential channels. In this regard, in 2023 the Group also adopted a new Whistleblowing Policy[33] — most recently updated on 1 November 2024 and publicly available on its corporate website — governing the whistleblowing procedure.

[33] For further details on the Whistleblowing Policy, see Section "G1-1: Business conduct policies and corporate culture".

Internal Audit Activity

The Internal Audit Department, reporting directly to the Board of Directors, is an independent function intended to supervise — through third-line and on-site controls — the regular conduct of operations and the evolution of risks. The Department assesses the completeness, adequacy, functionality and reliability of the organisational structure and the other components of the internal control system, informing the corporate bodies of possible improvements, in particular to the Risk Appetite Framework, the risk management process, and the risk measurement and control instruments.

The Internal Audit Department carries out these activities for Banca Generali and also for the Banking Group's Subsidiaries, through specific outsourcing arrangements governing the provision of internal audit services to Subsidiaries. At an institutional level, the Internal Audit Function conducts controls on the entire Banking Group as the Banking Group Parent Company's Internal Audit function.

In accordance with the applicable standards and regulations, the Internal Audit Function enjoys access to all information and data necessary to fulfil all the responsibilities it has been assigned.

Audit activities are performed on the basis of the methodologies and internal and external standards specified in the Function's Rules and Procedures, including:

- the Bank of Italy's supervisory instructions;
- international professional standards of the Association of Internal Auditors;
- Borsa Italiana's Corporate Governance Code;
- Basel Committee on Banking Supervision, June 2012 and July 2015;
- Consob-Bank of Italy Joint Regulation;
- Evolutions of the new Supervisory Review and Evaluation Process (SREP) and "Guidelines on common procedures and methodologies for the supervisory review and evaluation process", EBA (2014).

In 2024, the Bank had been the object of an ordinary inspection by the Bank of Italy aimed at assessing the adequacy of the governance, organisation and control functions with a view to customer protection. On 25 September, Banca Generali received the final report and the Bank of Italy presented the related outcome to the Board of Directors and the control functions[34].

As part of its functions and in addition to the activities performed, the Internal Audit Function highlighted the remediations necessary to ensure an overall adequate internal control system and monitored their full implementation.

[34] Rating: "partially favourable" (2 on a scale of 4). No non-compliance findings and 6 "management" findings.

Tax Approach

Tax governance, control and risk management

On 27 December 2021, the Italian Tax Authority admitted Banca Generali, with effect from the tax period ended on 31 December 2020, to the **Cooperative Compliance Program** instituted by Italian Legislative Decree No. 128 of 2015. The Program is aimed to establish stronger relations with the tax authorities by transitioning from a relationship based on tax audits subsequent to fulfilment of tax obligations to a system of ongoing exchange, in which the taxpayer and tax authority engage in dialogue to reach, where possible, a prior common assessment of decisions relating to management of the tax variable.

In the review of the application for admission by the Italian Tax Authority in 2021, examination focused on the structure of Banca Generali's internal tax risk control system, the **Tax Control Framework** (TCF), adoption of which is a pre-requisite for admission to the Cooperative Compliance Program.

In line with the instructions from the Organisation for Economic Co-operation and Development (OECD), as transposed by the Italian Tax Authority into the rules governing the Cooperative Compliance Program, Banca Generali's TCF consists of:

a) a **tax strategy**, approved by the Board of Directors on 23 June 2020, setting out the principles for managing the tax variable and the strategic guidelines aimed at ensuring compliance with tax rules. In detail, the tax strategy defines Banca Generali's commitment to operating in accordance with the following principles:
   - compliance with tax laws applicable in the countries in which it operates and responsible tax risk management;
   - prohibition to engaging in conduct and transactions that translate into merely artificial constructions and do not reflect the business or may reasonably be expected to yield undue tax advantages;
   - transparency and propriety in relations with the tax authorities;
   - pricing of intercompany transactions based on the arm's-length principle.

   By approving the tax strategy, Banca Generali's Board of Directors assumed the responsibility for ensuring dissemination and application thereof, while also performing the specific task of spreading the underlying culture and values. The tax strategy entered into force from the day after that of its approval and is published on Banca Generali's corporate website[35];

b) a **governance** model that applies to: (i) roles and responsibilities relating to taxation, and (ii) information flows envisaged for managing tax risk addressed to the administrative body (i.e., annual report); TCF governance is defined by the Tax Compliance Policy, adopted by Banca Generali's Board of Directors on 4 November 2022 and aligned with the tax strategy.
   The implementation of the TCF involved, *inter alia*, the provision of a process control system, which is entrusted to the specifically dedicated position of Tax Risk Officer (TRO). At annual intervals, the TRO prepares, together with the Tax Organisational Unit (OU), the Report on the Tax Control Framework, which is presented to the Internal Audit and Risk Committee by the TRO on the invitation of the Chief Financial Officer and, through the Committee itself, to the Board of Directors. The Tax OU and the TRO provide the Compliance and Anti-Financial Crime Department with all the data necessary for preparation of the relevant report, which is also submitted to the corporate bodies for their evaluation within the broader scope of the management of non-compliance risks to which the Bank is exposed;

c) a system for **mapping**, **controlling**, **measuring** and **managing tax risk** to ensure the accuracy and correctness of the fulfilment of tax obligations (calculation, payment and tax return) and the monitoring of the interpretative choices made.
   The TCF adopted by Banca Generali is designed to mitigate the **tax law compliance risks** contained in the related Risk Map, updated and tested by the TRO to provide assurance regarding the internal control system for tax risk. The Tax OU, together with the TRO, monitors the release of new tax arrangements that could have an impact on the Internal Control System to mitigate tax risks. The TRO assesses any need to update the Risk Map. In the event of regulatory changes, the TRO activates the operational functions responsible for the formalisation/updating of corporate processes. The TRO and the Tax OU support the competent operatio-

[35] Available on the corporate website www.bancagenerali.com/en/.

nal functions in the assessment of compliance with tax legislation of new processes that are introduced or changed from time to time. In particular, it is the responsibility of the business functions and central functions to promptly report to the TRO and the Tax OU the processes within their remit that have been newly introduced or have undergone operational changes. As for risk profiles relating to proper interpretation of tax law (**interpretation risk**), the Rules for Managing Interpretation Risk — appended to the Tax Compliance Policy approved by the Board of Directors — lay down a specific process for identifying risks underlying ongoing interpretative choices and the related quantitative and qualitative measurement, including evaluating the reputational aspects that could damage the Bank if the event associated occurs. The mitigation of interpretation risk is structured as both an internal decision-making escalation process — depending on the scope of the risk — and activation of preliminary discussions with the Italian Tax Authority on tax risks that exceed the materiality threshold, which is still being defined, in agreement with the said Tax Authority.

Banca Generali's TCF was duly introduced and integrated within the Internal Control and Risk Management System (hereinafter "ICRMS") that the Bank adopted, in light of the regulatory framework in which it operates, to improve profitability, protect capital solidity, ensure compliance with external and internal legislation and codes of conduct, promote transparency towards the market through oversight of the risks assumed. In accordance with the prudential supervisory provisions set forth in Bank of Italy Circular No. 285 of 2013 (Part I, Title IV, Chapter 3), the ICRMS oversees, *inter alia*, the risk of non-compliance with tax regulations. In particular, Banca Generali's TCF functions in a manner complementary to the ICRMS by covering tax risk areas not managed by the Bank's other internal control systems and, in particular, by mapping tax compliance risk and managing the tax interpretation risk.

Relations with the Tax Authorities and stakeholder engagement

Banca Generali ensures transparency and propriety in its relations with the Tax Authorities. In order to consolidate a collaborative approach with the tax authorities, the Bank adopts transfer pricing documentation rules, in accordance with the provisions of the OECD Transfer Pricing Guidelines.

The approach of openness and transparency towards the Tax Authorities is designed to ensure accurate, timely communication. If an error is identified, Banca Generali is committed to proactively providing the relevant explanations and reaching an adequate solution. Moreover, in defence of its company interest and that of its shareholders, Banca Generali deems it legitimate to uphold, including in litigation, a reasonable interpretation of the law, should there be differences of interpretation with the competent Tax Authorities.

In addition, Banca Generali pursues an approach based on tax transparency towards all stakeholders, within the framework of broader ESG matters. Within this framework, Banca Generali received excellent ratings from the main ESG ratings agencies, such as MSCI, S&P, Sustainalytics and Moody's, including with regard to tax management parameters.

To further improve tax transparency, Banca Generali draws up a **Tax Transparency Report**.

Country-by-Country Report (CbCR)[36]

Within its tax approach, Banca Generali S.p.A. draws up a Country-by-Country Report to provide a concise and transparent disclosure of key financial, economic and tax information, separately for each tax jurisdiction in which individual Group entities are considered resident.

The purpose of the Report is to present economic and operational figures representative of the volume of the Banking Group's activities within each tax jurisdiction that, taken into account together with the other information contained in this Annual Integrated Report, provide a concise and transparent disclosure of the level of taxes accrued and paid in a jurisdiction.

The data presented below refer to the financial year ended 31 December 2024 and to this Annual Integrated Report, prepared on the basis of the IAS/IFRS applied in preparing this Annual Integrated Report. Therefore, as regard profit and loss and balance sheet aggregates, data may differ from the values recorded by individual entities in each jurisdiction on the basis of the applicable local accounting standards.

With reference to the reporting scope, detailed information on entities included in the Consolidated Financial Statements and their tax jurisdiction is given in the Notes and Comments to the Consolidated Financial Statements, Part A.1 – Section 3.

TAX JURISDICTION

(AMOUNTS IN € THOUSAND, EXCEPT FOR THE NO. OF EMPLOYEES)	2. CORE BUSINESS	3. NO. OF EMPLOYEES	4. INCOME FROM SALES TO THIRD PARTIES	5. INCOME FROM INTRAGROUP TRANSACTIONS WITH OTHER TAX JURISDICTIONS	6. PROFIT (LOSS) BEFORE TAXATION	7. PROPERTY AND EQUIPMENT	8. COMPANIES' INCOME TAXES ACCRUED (CURRENT)	9. COMPANIES' INCOME TAXES PAID ON A CASH BASIS
Italy	Banking activities	851	1,180,965	139,722	254,031	125,918	101,805	134,208
of which: Banca Generali S.p.A.	*Banking activities*	*845*	*1,179,537*	*139,722*	*254,027*	*125,644*	*101,796*	*134,208*
Luxembourg	Asset management	29	519,522	324	329,476	3,844	41,212	40,000
Switzerland	Asset management	36	11,519	28	-13,302	1,286	-	-
Total Report		**916**	**1,712,006**	**140,074**	**570,205**	**131,048**	**143,017**	**174,208**
Reconciliation (consolidation adjustments, intragroup dividends and related taxes)				-140,074	-432	-78	9,938	9,938
Consolidated Financial Statements		**916**	**1,712,006**	**-**	**569,773**	**130,971**	**152,955**	**184,146**

The following definitions should be considered when assessing the figures in the above table:

- **Number of employees**: average number of employees in the year, calculated on a full-time equivalent basis;
- **Income from sales to third parties**: income from transactions with entities not belonging to Banca Generali Group (i.e., entities not included in the Consolidated Financial Statements of Banca Generali S.p.A.). The term "income" is to be construed broadly as corresponding to net banking income gross of interest expense and fee expense. Dividends received from other Group entities are not included;
- **Income from intragroup transactions with other tax jurisdictions**: revenues generated by transactions between Group entities resident in different tax jurisdictions. Dividends received from other Group entities are not included;
- **Profit (Loss) before taxation**: profit gross of taxes. Dividends received from other Group entities are not included;
- **Companies' income taxes paid**: companies' income taxes paid (on a cash basis) in the reporting year, regardless of the year to which the taxes refer. Companies' income taxes paid do not include taxes paid on dividends received from other Group entities (9,938 thousand euros). For completeness purposes, it should be noted that the stated amount includes the reimbursement for higher taxes paid in previous tax periods for 454 thousand euros, recognised by the Tax Authority in relation to the tax settlement agreement finalised in July 2023 and recognised in the previous year's Financial Statements as tax credits;

[36] As highlighted in the chapter "Integrated Reporting" in this Integrated Report, Banca Generali publishes annually, on its corporate website, the specific Country-by-Country Report provided for the banking sector by Article 89 of Directive No. 2013/36/EU (CRD IV), as governed by Bank of Italy Circular No. 285/2013.

- **Companies' income taxes, accrued (current)**: corporate income taxes calculated on the taxable income for the year (current taxes). Prior-year current taxes (a 1,228 thousand euro decrease), deferred tax assets, deferred tax liabilities and any provisions for uncertain tax liabilities (uncertain tax positions) are not included. Taxes accrued on dividends received from other Group entities (9,938 thousand euros) are also not included.
- **Property and equipment** (other than cash and cash equivalents): net carrying amount of property and equipment. Pursuant to IFRS 16, property and equipment include "rights of use" arising from property and other equipment lease transactions. Cash and cash equivalents, intangible assets and financial assets (equity investments) are not included.

As regard the reasons for the difference between (i) the tax burden — expressed in terms of both actual taxes and accrued (current) taxes and (ii) theoretical tax, see Part C – Section 21 "Income tax for the year from operating activities" – Item 300 in the Notes and Comments to the Consolidated Financial Statements as regards the Group as a whole, and to Part C - Section 19 "Income tax for the year from operating activities" – Item 270 in the Notes and Comments to the Separate Financial Statements as regards Banca Generali S.p.A.

In addition, the following table shows the actual tax rate and the cash tax rate of Banca Generali, as reported in the Consolidated and Separate Financial Statements of Banca Generali. For further information, reference should be made to the aforementioned sections in the Consolidated and Separate Financial Statements.

ACCOUNTING STATEMENTS	PROFIT BEFORE TAXATION (A)	INCOME TAXES FOR THE YEAR [1] (B)	INCOME TAXES PAID [2] (C)	ACTUAL TAX RATE (B/A)	CASH TAX RATE (C/A)
Consolidated Financial Statements	569,773	138,548	184,146	24.3%	32.3%
Separate Financial Statements	510,487	97,365	145,264	19.1%	28.5%

Proposal for the Distribution of Profits

Shareholders,

In 2024, Banca Generali S.p.A. reported a net profit amounting to 413,122,382 euros. In submitting the Financial Statements for the year ended 31 December 2024 for your approval, we propose allocating the net profit for the year as follows:

Net profit for the year	**413,122,382**
> allocation to retained earnings	85,937,798
> allocation to each of the 116,851,637 ordinary shares issued of	
– a dividend of 2.15 euros per share, to be paid in May 2025	251,231,020
– a dividend of 0.65 euros per share, to be paid in February 2026	75,953,564
> for a total of	**327,184,584**

The dividend policy for the three years covered by the 2022-2024 Strategic Plan and approved by the Bank's Board of Directors on 14 February 2022 allows for the possibility of proposing to the Shareholders' Meeting that approves the Financial Statements of each year of the Plan the distribution of a portion of the net profit reported in each year of the Plan, identified as the sum of the two following components:

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

To this end, the recurring consolidated net profit component — as it is already determined and reported on the market with quarterly frequency — consists of: *(i)* the consolidated net profit for each year, net of certain variable components such as performance fees and net income from trading of the proprietary portfolio, and *(ii)* negative and/or positive one-off components not included in the 2022-2024 Strategic Plan.

The actual dividend distribution in the amount indicated was in any event conditional on the maintenance over time of a Total Capital Ratio in excess of the tolerance threshold provided for in the Risk Appetite Framework from time to time.

The policy also states that the dividend is to be paid in two coupons with different payment and record dates: the first is to be set by the end of the second quarter of the same year in which the Shareholders' Meeting approves the Financial Statements for each year of the Plan, and the second by the first quarter of the year after that in which the Financial Statements for each year of the Plan are approved.

In this regard, it should be noted that at the end of 2024 the Bank's consolidated net profit amounted to 431.2 million euros, broken down as follows:

- recurring consolidated net profit: 339.2 million euros;
- non-recurring consolidated net profit: 92.0 million euros.

In light of the results reported, it is therefore proposed to the Board of Directors to submit for the approval of the General Shareholders' Meeting the distribution of a dividend equal to the sum of 76% of recurring consolidated net profit, in line with the previous year, and 75% of non-recurring consolidated net profit, for a total amount of 327.2 million euros, equal to a 76% payout, calculated on the total consolidated net profit for financial year 2024.

It should be therefore noted that the Board of Directors will propose to the Shareholders' Meeting to allocate the Bank's statutory net profit for 2024, amounting to 413.1 million euros, as follows:

- 327.2 million euros to dividend distribution, as per the terms specified below;
- the remaining 85.9 million euros to retained earnings.

The proposed dividend provides shareholder remuneration consistent with the Group's sustainable profitability, while also ensuring that the Bank and the Banking Group are adequately capitalised. The above is true both from the perspective of the set of rules known as Basel 3 and the recommendations made by the Bank of Italy and ECB. In fact, the individual and consolidated capital requirements determined on the basis of the content of this proposal are well in excess of the mandatory levels set by EU authorities and the Supervisory Authority.

It should be noted that, if the proposal is approved, consolidated CET1 ratio and TCR at 31 December 2024 will amount to 22.0% and 24.4%, respectively, compared to SREP minimum requirements of 8.33% and 12.63%, respectively.

Based on the provisions of the dividend policy currently in force, if the proposal is approved, shareholders will be paid a dividend of 2.80 euros per share (gross of legal withholdings) for each of the 116,851,637 shares issued by the Bank, as follows:

- 2.15 euros per share, ex-date 19 May 2025; record date 20 May 2025, and payment date 21 May 2025;
- 0.65 euros per share, ex-date 23 February 2026; record date 24 February 2026, and payment date 25 February 2026.

It should also be noted that any treasury shares the Bank may hold at the record date and outstanding shares for which limits on the distribution of dividends apply under the applicable Remuneration Policies will not be subject to any distribution. The portion of dividends associated with such shares will therefore be allocated to retained earnings.

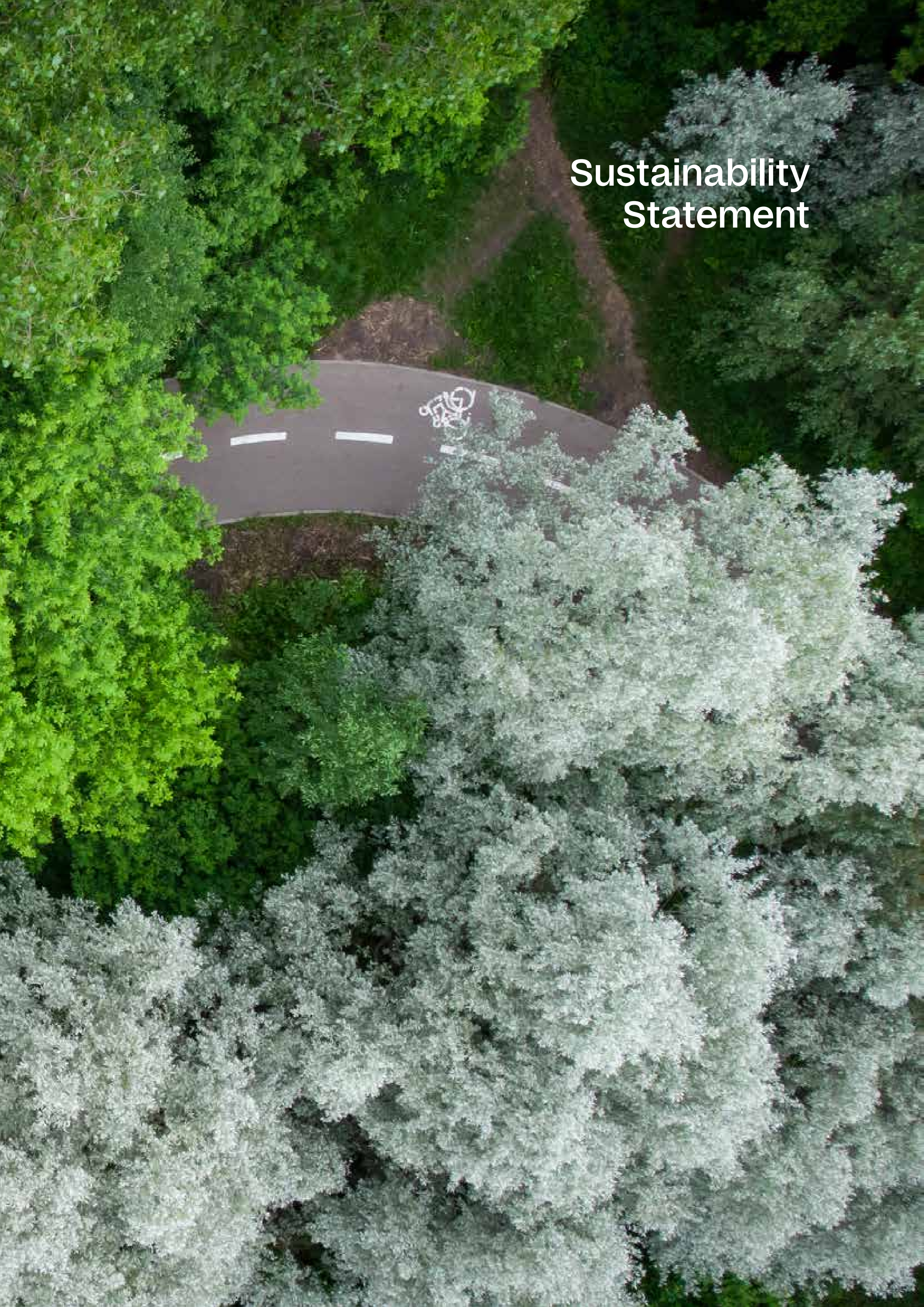
Reserve pursuant to Article 6, paragraph 1(a), of Italian Legislative Decree No. 38/2005

Pursuant to Article 6, paragraph 1(a), of Legislative Decree No. 38/2005 currently in force, a portion of net profit for the year corresponding to the capital gains recognised in the Profit and Loss Account, net of the related tax charges and other than those associated with trading financial instruments and exchange and hedging transactions, based on the application of the fair value criterion, must be allocated to a restricted reserve. This reserve is reduced based on the amount of capital gains realised, also through amortisation, or no longer material due to impairment.

At 31 December 2024, the restricted reserve amounted to 2,755,231 euros and must therefore be increased, with respect to the amount previously allocated, by 958,119 euros to be drawn from the retained earnings reserve, and thus without the need to allocate a portion of the net profit for the year.

Trieste, 6 March 2025

The Board of Directors



Sustainability Statement

ESRS 2 BP-1

ESRS 2 BP-1: General basis for preparation of sustainability statement

Statement of Methods

This document constitutes the Sustainability Statement of Banca Generali Group (also "the Group" or "the Banking Group"), prepared pursuant to Italian Legislative Decree No. 125 of 6 September 2024, implementing Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive - CSRD), and in compliance with the European Sustainability Reporting Standards (ESRS), as issued by the European Financial Reporting Advisory Group (EFRAG) and adopted by the EU, in addition to the disclosure requirements as per Article 8 of the EU Taxonomy and its Delegated Acts.

This document has been prepared with a view to ensuring the understandability of all information regarding the Banking Group's activities, and the other qualitative characteristics included under ESRS 1, Appendix B, of the above-mentioned EU Directive.

This document covers all material sustainability matters with reference to financial year 2024 (1 January - 31 December), in line with the Directors' Report on Operations and the Group's Financial Statements, with which it shares the same consolidation scope..

The reporting scope of the Sustainability Statement includes Banca Generali S.p.A., BG Fund Management Luxembourg S.A., Generfid S.p.A., BG Valeur S.A. and BG (Suisse) Private Bank S.A., and coincides with the scope of equity investments in wholly owned subsidiaries presented in the Consolidated Financial Statements of Banca Generali at 31 December 2024. All changes with respect to this reporting scope and any revisions of information applied in previous reporting periods, including the reasons for the revisions, are duly reported in the document.

With regard to this document, it should also be noted that:
- the term "Banking Group" is used to indicate the entire Banca Generali Group;
- the full company name "Banca Generali S.p.A." is used where it is necessary to refer to Banca Generali individually as the Parent Company;
- the expression "Generali Group" is used to indicate the entire Assicurazioni Generali Group, of which the Banca Generali Group is part.

The information provided in this Sustainability Statement have been extended to include information on the material impacts, risks and opportunities connected with the undertaking through its direct and indirect business relationships in the upstream and/or downstream value chain. In detail, the value chain has been divided so as to include the Banking Group's Upstream Operational Activities, Core Operational Activities and Downstream Business Activities.

The double materiality assessment of the Banking Group[37] has been carried out using the data available at the time of the assessment.

In the coming years, sustainability reporting is expected to be based on greater knowledge and availability of value chain data, driven by a gradual extension in the application of reporting and disclosure requirements.

In addition to the outcome of the Double Materiality analysis, this Sustainability Statement also incorporates information on the G1-2 (Management of relationships with suppliers), G1-5 (Political influence and lobbying activities) and G1-6 (Payment practices) disclosure requirements, which are also deemed relevant to fulfilling Borsa Italiana's requirements specified in its "Format for the preparation of the corporate governance report". Banca Generali Group did not use the options to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation nor the exemption from disclosure of impending developments or matters in the course of negotiation.

This consolidated Sustainability Statement, contained in the Directors' Report on Operations, is subject to limited assurance by KPMG S.p.A.

The Independent Auditor's Report on the Sustainability Statement is appended at the end of the Annexes.

[37] See the Double Materiality analysis section – "IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities" and "SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model".

ESRS 2 BP-2: Disclosures in relation to specific circumstances

ESRS 2 BP-2

As regards medium- or long-term time horizons (up to five years, beyond five years), the undertaking did not deviate from the provisions of the EU regulations governing this document.

In its Sustainability Statement, the Banking Group has disclosed some data and metrics that include estimation factors also taken from recognised frameworks, such as, for instance, information on its value chain.

The values influenced by the use of such estimates concern the disclosure of greenhouse-gas emissions (GHG), the measurement of which is based on conversion and emission factors contained in internationally recognised standards, as well as on some proxies used to define the environmental metrics included in Section E1-6.

The Banking Group has opted to apply the transitional provisions pursuant to Appendix C of ESRS 1 with regard to the following disclosure requirements: SBM-1 (Strategy, business model and value chain), with reference to points 40 (b) and 40 (c); E1-9 (Anticipated financial effects from material physical and transition risks and potential climate-related opportunities); and S1-14 (Health and safety metrics), with reference exclusively to reporting on non-employees.

ESRS 2 GOV-1: The role of the administrative, management and supervisory bodies

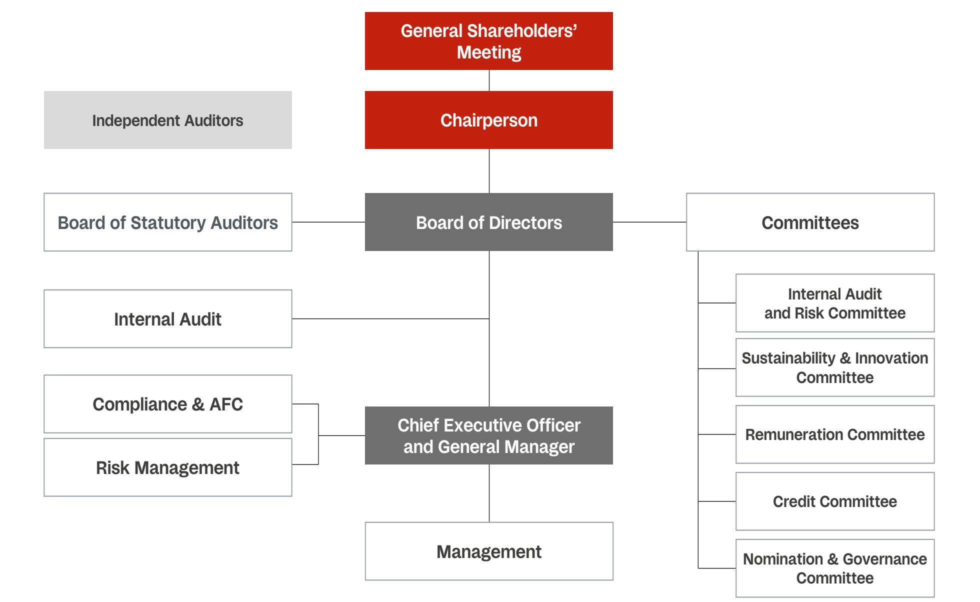
ESRS 2 GOV-1 | G 1 GOV-1

The governance structure of Banca Generali S.p.A. is based on the **traditional model**, which consists of the following corporate bodies: Shareholders' Meeting, Board of Directors and Board of Statutory Auditors.

The **Board of Directors**, appointed by the Shareholders' Meeting on 18 April 2024, is composed of 9 members, of whom 3 Non-Independent Directors (including the Chairperson and the Chief Executive Officer) and 6 Independent Directors, in accordance with laws and regulations currently in force. As the strategic oversight body, the Board of Directors leads the Company pursuing its sustainable success, which consists in creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company, formulating consistent strategies for the Bank and the Banking Group it controls accordingly, in addition to verifying and monitoring their implementation on an ongoing basis. In defining the corporate strategies, the Board of Directors takes into account, *inter alia*, the sustainable finance goals and in particular the integration of environmental, social and governance (ESG) factors into company decision-making processes.

Five Board committees have been set up within the Board of Directors: the Remuneration Committee, the Nomination and Governance Committee, the Sustainability and Innovation Committee, the Internal Audit and Risk Committee and the Credit Committee.

The **Board of Statutory Auditors**, appointed by resolution of the Shareholders' Meeting of 18 April 2024, is made up of three Acting Auditors and two Alternate Auditors and has a control function, in accordance with laws and regulations currently in force.



Composition of Banca Generali's corporate bodies

Administrative and management bodies

Banca Generali S.p.A.'s administrative body is the Board of Directors, which is tasked with strategic oversight and is responsible for resolving upon Banca Generali S.p.A.'s strategic guidelines and for ensuring their implementation over time.

Banca Generali S.p.A.'s Board of Directors in office at 31 December 2024 was appointed through the list voting system by the Shareholders' Meeting held on 18 April 2024 and its term will end on the date of approval of the Financial Statements for the year ended 31 December 2026. In this regard, it should be noted that the proposal for the appointment of the members was submitted to the aforementioned Shareholders' Meeting after determination of their number (set at nine) and definition of their term of office.

At 31 December 2024, the Board of Directors of Banca Generali S.p.A. was made up of nine members. The following table shows in detail the body's composition and diversity, with indication of the individual relevant competencies.

NAME AND SURNAME	GENDER	ROLE	EXEC. DIRECTOR	INDEP. DIRECTOR	APPOINTED BY	LIST (Majority/ minority)	RELEVANT COMPETENCIES (*) 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Antonio Cangeri	M	Chairperson			Shareholders' Meeting 18.04.2024	M	■	■	■	■	■	■	■	■		■			■	■	■	■	
Gian Maria Mossa	F	Director	X		Shareholders' Meeting 18.04.2024	M	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Azzurra Caltagirone	F	Director			Shareholders' Meeting 18.04.2024	M	■		■	■			■			■	■		■	■		■	■
Lorenzo Caprio	M	Director		X	Shareholders' Meeting 18.04.2024	M	■	■	■	■	■	■	■	■		■			■	■	■		■
Paolo Ciocca	M	Director		X	Shareholders' Meeting 18.04.2024	m	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Roberta Cocco	F	Director		X	Shareholders' Meeting 18.04.2024	M	■		■	■		■		■	■	■	■	■	■	■	■	■	■
Alfredo Maria De Falco	M	Director		X	Shareholders' Meeting 18.04.2024	M	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Anna Simioni	F	Director		X	Shareholders' Meeting 18.04.2024	M	■	■	■	■	■	■	■	■						■	■	■	
Cristina Zunino	F	Director		X	Shareholders' Meeting 18.04.2024	M	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

1 Financial markets
2 Banking and financial sector regulations
3 Guidance and strategic planning
4 Organisational structures and corporate governance
5 Risk management
6 Internal control system and other operational mechanisms
7 Banking and financial activities and products
8 Accounting and financial reporting
9 IT
10 Markets of reference in which the Banking Group operates or experience about markets and investments with an international perspective
11 Innovation, fintech and/or alternative investments
12 Digital, ICT and/or cybersecurity
13 Global dynamics of the economic and financial system
14 Business strategy and/or models relevant to the Company
15 ESG
16 Human Capital/Human resources
17 Knowledge in the lending area

(*) The relevant competencies indicated in the table reflect the content of the statements made by each Director during the candidacy process. These competencies meet the criteria pursuant to Article 10 of the MEF Decree, as well as the additional competencies identified by the outgoing Board of Directors whose term expired with the Shareholders' Meeting approving the Financial Statements for the year ended 31 December 2024 in its recommendation on the optimal qualitative-quantitative composition of the Board. In addition, it should be noted that:
› in 2024, following the appointment of the Board of Directors currently in office, induction sessions were held to provide an introductory overview of the Bank, of the Group reporting to it and of the main sectors in which the former operates, including a focus on the wealth management model and the service model with a focus on the BG Network, as well as on the internal control system and on strategy, investments and products. A specific induction session covering ESG matters was organised with a focus on regulatory aspects, market context and risk management.

Independence of members:
• 6 independent members (66.7%)

Gender of members:
• 5 male members (55.6%)
• 4 female members (44.4%)

It should also be noted that Banca Generali S.p.A.'s organisational structure assigns the managing function to the **Chief Executive Officer**, who currently also serves as General Manager.

As the body with managing functions, the Chief Executive Officer is vested with the powers established for this role by the Supervisory Provisions and granted by the Board of Directors. The updated delegated powers are outlined in the Report on Corporate Governance and Company Ownership published every year in the Banca Generali S.p.A.'s website.

The Chief Executive Officer is supported by the Managing Committee — an advisory body set up to assist top managers — in collectively examining and analysing in detail the most significant strategic and managerial aspects. In addition to the Chief Executive Officer who chairs it, this Committee consists of the two Deputy General Managers and the top management functions. It is in charge, *inter alia*, of managing all matters related to social and environmental responsibility and sustainability at the Banking Group level. In this context, the Managing Committee, in accordance with the guidelines and principles set forth by the Sustainability and Innovation Committee, defines sustainability-related opportunities, risks, common objectives, targets, areas for improvement, content and reporting methods, and analyses the results set out in the Annual Integrated Report, discussing the achievement of the targets set, the difficulties faced and the issues still to be solved.

The Italian legislation and Banca Generali S.p.A.'s Articles of Association do not provide for the representation of employees and/or other workers within the administrative and management body.

Supervisory body

Under the traditional governance model adopted by Banca Generali S.p.A., the supervisory function is entrusted to the Board of Statutory Auditors.

At 31 December 2024, Banca Generali S.p.A.'s Board of Statutory Auditors, appointed by resolution of the Shareholders' Meeting of 18 April 2024, is made up of three acting auditors and two alternate auditors. The following table shows in detail the body's composition and diversity, with indication of the individual relevant competencies.

NAME AND SURNAME	GENDER	ROLE	APPOINTED BY	LIST (Majority/ minority)	RELEVANT COMPETENCIES 1	2	3	4	5	6	7	8	9	10	11	12	13
Natale Freddi	M	Chairperson	Shareholders' Meeting 18.04.2024	m	■	■		■	■	■	■	■		■			■
Paola Carrara	F	Acting Auditor	Shareholders' Meeting 18.04.2024	M	■	■	■	■	■	■	■	■		■		■	■
Giovanni Garegnani	M	Acting Auditor	Shareholders' Meeting 18.04.2024	M	■	■	■	■	■	■	■	■		■		■	■
Maria Maddalena Gnudi	F	Alternate Auditor	Shareholders' Meeting 18.04.2024	M	■	■		■	■	■	■	■		■			■
Diana Rizzo	F	Alternate Auditor	Shareholders' Meeting 18.04.2024	m	■	■	■	■	■	■	■	■		■		■	■

1 Financial markets
2 Banking and financial sector regulations
3 Guidance and strategic planning
4 Organisational structures and corporate governance
5 Risk management
6 Internal control system and other operational mechanisms
7 Banking and financial activities and products
8 Accounting and financial reporting
9 IT
10 Markets of reference in which the Banking Group operates or experience about markets and investments with an international perspective
11 Digital, innovation, fintech and/or alternative investments
12 Business strategy and model
13 ESG

Gender of members:
• 2 male members (40%)
• 3 female members (60%)

Sustainability-related expertise of Banca Generali S.p.A.'s corporate bodies

› **Board of Directors**: the strategic oversight body plays an active steering and governing role in the integration of climate-related and environmental risks into the corporate culture and strategy, as well as in the corporate risk appetite framework and in the risk limits of the managed portfolios, incorporating them consistently within the main corporate policies and accordingly

adapting the organisational and management systems. and the organisational and management systems. For this purpose, it also provides a preliminary assessment of the proposals for updating ESG strategic guideline policies and other sustainability-related internal regulations. To this end, the Board of Directors approves an appropriate plan of initiatives. In this regard, it bears noting that, in its meeting of 21 June 2024, the Board of Directors approved an integration to Banca Generali S.p.A.'s Action Plan for achieving alignment with the Bank of Italy's Supervisory expectations for climate-related and environmental risks, most recently approved on 11 May 2023 by the previous Board of Directors.
As regards the Board members' sustainability-related expertise, it should be noted that this body includes specialised professionals who complement its qualitative and quantitative composition with specific ESG skills, however, ongoing training is provided to its members. On 21 June 2024, after having heard the opinion of the Sustainability and Innovation Committee, the Board of Directors also approved the Sustainability Policy, most recently updated on 19 December 2024.

- **Board of Statutory Auditors**: it supervises compliance with regulations governing the Sustainability Statement pursuant to Italian Legislative Decree No. 125/2024.
- **Board Committees**: in defining the corporate strategies, the Board of Directors takes into account the sustainable finance goals and the integration of ESG factors into company decision-making processes. In this specific regard, Board Committees play a fundamental role. In order to allow for a broader analysis and integration of ESG factors at all levels, sustainability profiles and principles are adopted across all the areas within the Board Committees' remit:
  - pursuant to the Rules of the Board of Directors and the Board Committees, the **Sustainability and Innovation Committee** is responsible, *inter alia*, for:
    - supporting the Board with integrating sustainability into the formulation of business strategies, with particular regard to the analysis of matters relevant to ensuring the generation of long-term value for Banca Generali S.p.A. and for the Banking Group, as well as into the definition of material matters;
    - providing a prior assessment of the proposals for updating the Sustainability Policy, of strategic ESG-related policies and of any other sustainability-related internal regulations falling within the remit of the Board of Directors;
    - monitoring on a regular basis, the main sustainability-related KPIs, the implementation of any climate-related or CO_2 reduction strategies, the signing of or participation in major international ESG initiatives and the performance of ESG ratings, also defining any initiative aimed at improving them and regularly reporting any developments or updates to the Board of Directors;
    - examining the general outline of the Sustainability Statement contained in the Annual Integrated Report and its content organisation, as well as the completeness and transparency of the information it provides, expressing its observations in this regard to the Board of Directors called to approve the said Report;
    - supporting the Remuneration Committee in the formulation of proposals regarding company plans, targets, rules and procedures relating to social and environmental matters and, more generally, sustainability, in line with applicable laws and regulations;
  - pursuant to the Rules of the Board of Directors and the Board Committees, the **Internal Audit and Risk Committee** also ensures that, where applicable, risks and aspects relating to ESG factors are taken into due account in the framework of its risk assessments, in line with internal regulations in force and applicable from time to time, so as to foster the Sustainable Success of Banca Generali S.p.A. and of the Banking Group;
  - pursuant to the Rules of the Board of Directors and the Board Committees and in coordination with the Sustainability and Innovation Committee, the **Remuneration Committee** formulates proposals regarding company plans, targets, rules and procedures relating to social and environmental matters and, more generally, sustainability, in line with applicable laws and regulations:
    - promoting the progressive adoption of short- and medium/long-term qualitative and quantitative indicators focused on ESG matters;
    - supporting the identification of performance targets, to which the provision is linked of predetermined, measurable variable components that are tied to a significant extent to a long-term horizon and that are consistent with Banca Generali S.p.A.'s strategic objectives and designed to promote its sustainable success, also including non-financial parameters, where relevant;
    - integrating compliance with laws governing sustainable finance;
    - contributing to the preparation of a remuneration policy consistent with sustainability risk, from the standpoint of both individual performance and of alignment with the interests of shareholders, investors and stakeholders;
  - pursuant to the Rules of the Board of Directors and the Board Committees, the **Credit Committee** supports the Board of Directors to the extent of its remit, and ensures that the Board may adopt all appropriate lending resolutions in accordance with an assessment of

the risks underlying the loans that also takes account of the risks connected to environmental, social and governance (ESG) factors, as laid down in the Sustainability Policy adopted by the Bank and pursuant to the Credit Regulation;
- pursuant to the Rules of the Board of Directors and the Board Committees, the **Nomination and Governance Committee** provides advice and recommendations to the Board of Directors with regard to appointments and governance. In discharging its functions, the Committee must take into account that the members of Banca Generali S.p.A.'s Board of Directors have to represent a balanced composition of theoretical and/or technical experience and knowledge from a managerial and/or entrepreneurial standpoint, including with regard to ESG matters.

Therefore, the Board Committees are involved in processes concerning impacts, risks and opportunities connected with matters falling within their respective remit, supporting the Board of Directors in integrating sustainability also into the formulation of corporate strategies pursuant to the Rules of the Board of Directors and the Board Committees and the Sustainability Policy.

In this regard, it should be noted that the Board of Directors and Board Committees of Banca Generali S.p.A. receive regular updates on **sustainability matters** through specific reports, which include performance analyses and indicators linked to individual impacts, risks and opportunities[38].

Other sustainability-related roles

› **Managing Committee**: this advisory body supports top management by analysing all matters related to social and environmental responsibility and sustainability at the Banking Group level, in compliance with the guidelines and principles defined by the Sustainability and Innovation Committee, so as to define the opportunities, risks, common objectives, targets, areas for improvement and reporting methods for the Sustainability Statement.
› **Chief Executive Officer and General Manager**: on the proposal of the Head of the General Counsel & Sustainability Area and of the Managers in charge of the matter at hand, the CEO and General Manager approves the internal regulations implementing the Sustainability Policy.

In addition, since 2018, the General Counsel & Sustainability Area has been responsible for sustainability matters. Its coordination and guiding role in liaising among the various internal structures and Banking Group's structures is implemented through a "hybrid" organisational model, in light of the Bank of Italy's Supervisory expectations for climate-related and environmental risks[39]. In particular, through the Banking Group Sustainability structure, it is responsible for coordinating the implementation and circulation of the sustainability strategy, through constant dialogue with the various company structures, while ensuring the correct flow of information within the Group and promoting Banca Generali's values and mission.

With regard to the involvement of the administrative, management and supervisory bodies in the double materiality analysis aimed at preparing the Sustainable Statement, Banca Generali S.p.A. duly takes into consideration the opinion of the Bank's Managing Committee, the position of the Subsidiaries' representatives — in order to take account of the specific characteristics of the Banking Group companies —, and Generali Group's double materiality analysis, together with the informed opinion of the Banking Group Sustainability Service, stakeholders and any external experts.

The double materiality analysis is led by the Head of the General Counsel & Sustainability Area, supported by the Banking Group Sustainability Service, with the involvement of the Risk Management Department in order to integrate risk assessment into the definition of materiality.

The analysis results, consisting of the final list of material topics, are **submitted for approval to Banca Generali S.p.A.'s Board of Directors**, after prior **opinion by the Sustainability and Innovation Committee**. To this regard, it bears recalling that on 7 November 2024, after receiving a favourable opinion from the Sustainability and Innovation Committee, the Bank's Board of Directors approved the outcome of the double materiality analysis aimed at identifying the sustainability matters that are material to the Banca Generali Banking Group[40].

[38] For further details, see Section "GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies".
[39] Thematic Survey of the degree of alignment of LSIs with supervisory expectations for climate-related and environmental risks, November 2022.
[40] For further detail on the double materiality analysis process, see Section "IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities".

Procedures for selecting and appointing the members of the Board of Directors and Board Committees

Procedures for appointing the members of the Board of Directors

Pursuant to Article 15 of the Articles of Association, Banca Generali is managed by a Board made up of no less than seven and no more than twelve members, appointed by the Shareholders' Meeting after determination of the number of members. Members of the Board of Directors hold office for a maximum of three financial years. Their term ends on the date of the meeting approving the financial statements of the last financial year of said term and they are eligible for reappointment. If appointments are made during the Board's mandate, the term of the newly elected members comes to an end together with the serving members. Board members must possess the eligibility requirements and criteria for performing their duties (including those referring to time commitment and limits on the number of concurrent positions held) established by applicable legislation and regulations in force from time to time.

Members of the Board of Directors are appointed on the basis of lists of candidates, pursuant to the provisions of Banca Generali's Articles of Association. If during the term of office one or more Board members should leave office for whatever reason, they will be replaced according to the procedures established by law. If the leaving director was taken from the minority list that had obtained the greatest number of votes, replacement will occur with appointment of the first eligible candidate taken from the same list as the outgoing director and willing to accept office or, where this is not possible, with the appointment of the first eligible candidate who is willing to accept office and taken, in serial order, from the list to which the first unappointed candidate belonged. The term of the replacement director shall expire together with the term of the directors in office at the time of the replacement director's appointment to the Board. In the event of termination of office of an independent director, the replacement director must possess the independence requirements provided for by the applicable laws and regulations.

Where it is not possible to proceed as described above, either because of too few candidates being presented on the lists or as a result of non-acceptance of appointments, the Board of Directors shall co-opt, within the meaning of Article 2386 of the Italian Civil Code, a director selected by the Board in accordance with the criteria established under law. In the event of termination of office of an independent director, the replacement director, co-opted by the Board of Directors or appointed by the Shareholders' Meeting, must possess the independence requirements provided for by the applicable laws and regulations. The director thus co-opted shall remain in office through to the next Shareholders' Meeting that shall either confirm or replace him or her following the ordinary procedures and with ordinary majorities, in departure from the list-based voting system mentioned in Article 15 of the Articles of Association.

The Bank's Nomination and Governance Committee is involved in the appointment process described above and, *inter alia*, supports the Board of Directors in activities concerning the appointment or co-option of directors.

In accordance with the Articles of Association, the Chairperson may be elected by the Shareholders' Meeting or, when not appointed by the Shareholders' Meeting, by the Board of Directors. The Chairperson in office was appointed by the General Shareholders' Meeting held on 18 April 2024, as the first candidate on the list who obtained the majority of votes. The Chairperson in office is an Executive of the parent company Assicurazioni Generali S.p.A.

The Board is also required to appoint a Secretary and establish his or her term of office. The Secretary need not necessarily be a Board member.

Procedures for assessing the Board of Directors' performance

In line with the regulatory provisions applicable, the Board of Directors of Banca Generali S.p.A., with at least annual frequency and with support from an external professional, expresses an opinion on the functioning of the Board of Directors and Board Committees (also with regard to the assessment of ESG aspects and impacts on all its main stakeholders). It also expresses an opinion on their size and composition. The procedures for conducting the self-assessment process of the Board of Directors are established in Annex 1 to "Rules of the Board of Directors and the Board Committees" in force from time to time.

The appointment for carrying out activities supporting the self-assessment of the Board of Directors and Board of Statutory Auditors for the 2024-2026 three-year period has been conferred on the firm Spencer Stuart.

The self-assessment process for the financial year 2024 was carried out between November 2024 and February 2025.

Continuing on from previous years, the methodology adopted — in line with Italian and international best practices — provided for both the completion of a personalised self-assessment questionnaire on Banca Generali S.p.A.'s characteristics, and individual and confidential interviews of all the Directors with the Spencer Stuart consultant, to further analyse the issues covered by the self-assessment and collect further contributions and information.

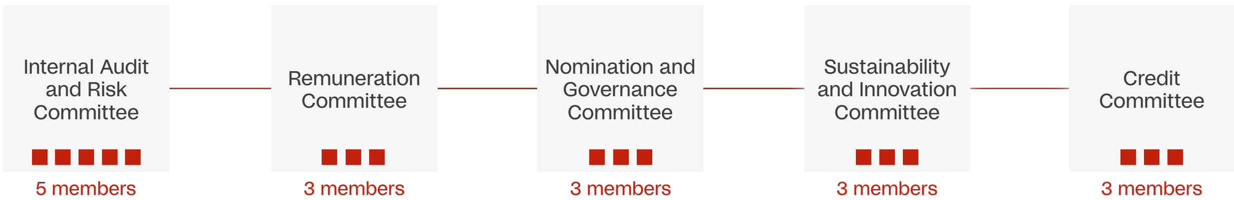
At the end of the activities carried out, a largely positive picture emerged in terms of both functioning and dynamics within the Board of Directors and Board Committees.

Procedures for appointing the members of the Board Committees

In accordance with the provisions set forth in Bank of Italy Circular No. 285 of 17 December 2013 (hereinafter "**Bank of Italy Circular No. 285**") and in the Corporate Governance Code for Listed Companies of Borsa Italiana adopted by the Bank (hereinafter the "**Corporate Governance Code**"), in order to improve its functioning, **the Board of Directors** convened **on 18 April 2024 resolved to set up** the following **Board Committees (vested with preliminary, consultative and advisory functions)**:

- Internal Audit and Risk Committee (made up of 5 members);
- Remuneration Committee (made up of 3 members);
- Nomination and Governance Committee (made up of 3 members);
- Sustainability and Innovation Committee (made up of 3 members);
- Credit Committee (made up of 3 members),

establishing that all the said Committees shall be exclusively made up of Non-executive and Independent Directors.



Following the establishment of the aforementioned Board Committees, as well as the installation of the new Board of Directors, the administrative body approved the *Rules of the Board of Directors and the Board Committees* containing — in addition to a description of each Board Committee's purview and competencies — the rules of operation also of the said Committees, including the procedures for minuting and the procedures for managing information to the directors who compose them, specifying the terms for the prior sending of information and the means of protecting the confidentiality of the data and information provided, so as not to prejudice the timeliness and completeness of information flows. These rules also define the roles and responsibilities of the Board of Directors and Board Committees with regard to sustainability, including Banca Generali's material risks and opportunities.

If one or more members of the Board Committees should leave office for whatever reason, the Board of Directors shall replace them selecting the members from among its own members who meet the requirements for the office in the relevant Board Committee.

The following table shows the composition of the Board Committees of Banca Generali S.p.A. at 31 December 2024. However, it is specified that the Internal Audit and Risk Committee, with the exception of its Chairperson, is made up of the Chairpersons of the other Board Committees.

	INTERNAL AUDIT AND RISK COMMITTEE (ADVISORY AND RECOMMENDATORY FUNCTIONS)	REMUNERATION COMMITTEE (ADVISORY AND RECOMMENDATORY FUNCTIONS)	NOMINATION AND GOVERNANCE COMMITTEE (ADVISORY AND RECOMMENDATORY FUNCTIONS)	SUSTAINABILITY AND INNOVATION COMMITTEE (PRELIMINARY, ADVISORY AND RECOMMENDATORY FUNCTIONS)	CREDIT COMMITTEE (PRELIMINARY, ADVISORY AND RECOMMENDATORY FUNCTIONS)
Lorenzo Caprio	C	X	-	-	X
Paolo Ciocca	X	-	C	X	-
Roberta Cocco	X	X	-	C	
Alfredo Maria De Falco	X	-	-	-	C
Anna Simioni	X	C	X	-	-
Cristina Zunino	-	-	X	X	X

C: Chairperson;
X: member.

Criteria for selecting and appointing the members of the Board of Directors

The appointment of the members of the Board of Directors reflects first and foremost the interests and choices of Banca Generali S.p.A.'s shareholders, who, as previously mentioned, are entitled to present lists of candidates.

In order to serve in their role, the members of Banca Generali S.p.A.'s Board of Directors must possess the requisites provided for in current legislation. In particular, in compliance with the provisions of current applicable legislation[41], as transposed into the Fit & Proper Policy adopted by Banca Generali S.p.A., those who hold positions in administrative and supervisory bodies within Banca Generali S.p.A. must meet the following requirements and eligibility criteria:

integrity	propriety	professionalism
expertise	independence	independence of mind
limit on the number of concurrent positions held	appropriateness of the body's composition	interlocking ban[42]

In addition, upon approval of the Financial Statements for the year ended 31 December 2023, the outgoing Board of Directors, with the advisory support of the Nomination, Governance and Sustainability Committee, defined ex ante the optimal qualitative and quantitative composition of the Board of Directors (hereinafter, the "Qualitative and Quantitative Composition of the BoD").

On 9 May 2024, the newly appointed Board of Directors verified and confirmed that all the Directors met the respective requirements and fulfilled the criteria provided for by the applicable legislation and complied with the optimal qualitative-quantitative composition approved ex-ante on 22 February 2024 by the outgoing administrative body, whose term expired with the Shareholders' Meeting called to approve the Financial Statements for the year ended 31 December 2023.

The principles relating to competencies and training, as well as the professional profile of the members of the corporate bodies, are also regulated by the "Diversity Policy for the Members of the Company Bodies" (hereinafter, the "**Diversity Policy**"). In fact, Banca Generali S.p.A. has always placed great emphasis on diversity and inclusion issues, and this in addition to the obligations imposed by primary legislation. In this regard, it bears recalling that its Board of Directors includes four members of the less represented gender (exceeding the regulatory threshold applicable for the year in which the company bodies in office were renewed).

Within this context, in line with the Diversity Policy and in order to ensure adequate balance of Diversity, Equity & Inclusion aspects, Banca Generali:
- ensures proper turnover of Board members;
- recommends that shareholders take into consideration candidates belonging to different age ranges and that they consider the candidature of a suitable number of directors who are already serving to ensure continuity of Board of Directors and Board Committee operations;
- establishes that — where a different rate is not provided for by law — at least a third of directors must belong to the less represented gender;
- guarantees that the less represented gender will have access to the Board of Directors, establishing that the lists including more than two candidates must contain a sufficient number of candidates to ensure an adequate gender balance.

In addition to ensuring a suitably diversified composition of the corporate bodies, this approach, *inter alia*:
- fosters dialogue and debate within the bodies;
- facilitates the emergence of various approaches and perspectives in analysing issues and in taking decisions;
- effectively support company processes for formulating strategies, managing activities and risks, and monitoring the actions of top managers;

[41] Article 26 of Italian Legislative Decree No. 385 of 1 September 1993 (hereinafter "TUB") and the Decree of the Italian Minister of Economy and Finance No. 169 of 23 November 2020 (hereinafter the "MEF Decree"), in addition to the provisions of the Italian Civil Code, Italian Legislative Decree No. 58 of 24 February 1998 (hereinafter "TUF"), Bank of Italy Circular No. 285 of 17 December 2013, the Corporate Governance Code and Italian Legislative Decree No. 201 of 6 December 2011 concerning "Urgent provisions for growth, equity and the consolidation of the public accounts," converted, with amendments, by Law No. 214 of 22 December 2011 (hereinafter the "Save Italy Decree").

[42] It means the ban on assuming or exercising offices between competing companies or groups of companies operating in the credit, insurance or financial markets (Article 36 of the Save Italy Decree).

- takes account of the diverse interests that contribute to the Bank's sound and prudent management.

In line with Banca Generali S.p.A.'s integrated approach to sustainability, and in accordance with the recommendations of the outgoing Board of Directors, whose term ended with the Shareholders' Meeting that approved the Financial Statements for the year ended 31 December 2020, the Board of Directors — in establishing its Board Committees — identified sustainability profiles and principles transversally to the areas within the purview of all Board Committees for a more in-depth analysis and integration into all discussions.

Procedure adopted by the Board of Directors for managing conflicts of interest

One of the responsibilities of the Bank's Board of Directors is to ensure the prevention of conflicts of interest. In order to facilitate decision-making, especially with regard to the sectors of activity in which the conflict of interest risk is highest, the Board of Directors may avail itself of the Internal Audit and Risk Committee's support when evaluating specific transactions. Within Board meetings, Directors abstain from resolutions in which they have a conflicting interest, on their own behalf or on behalf of third parties, without prejudice to the obligations provided for in Article 2391, paragraph 1, of the Italian Civil Code. In addition, pursuant to Article 136 of TUB, the Director may not undertake obligations of any kind or perform purchase or sale transactions, directly or indirectly, with the Bank without the prior unanimous resolution of the Board of Directors and with the favourable vote of all members of the supervisory body.

With a view to avoiding and mitigating conflict of interest situations, the Bank's Board of Directors has also adopted an internal policy aimed at identifying, preventing, containing and managing conflicts of interest in the provision of investment and/or ancillary services, equity investments and transactions with Connected Parties.

ESRS 2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ESRS 2 GOV-2

The Board of Directors and Board Committees of Banca Generali S.p.A. receive regular updates on sustainability matters through different types of disclosures, which include performance analyses and indicators linked to individual impacts, risks and opportunities.

In particular, in line with the Bank of Italy's Supervisory expectations for climate-related and environmental risks, in 2024 the frequency, content and owners of two ESG-related reports — i.e., the Sustainability Dashboard and the Climate Risk Assessment — were formalised into the *Rules on information flows to Corporate Bodies*, approved by the Board of Directors.

The Sustainability Dashboard is an information tool to the benefit of the Managing Committee, the Sustainability and Innovation Committee and the Board of Directors, aimed at half-year monitoring of ESG KPIs linked to Banca Generali Group's material sustainability matters. The Climate Risk Assessment consists in the annual presentation to the Board of Directors of the outcome of the assessment of the financial materiality of climate-related and environmental risks ("heatmap") and their potential impact on the Bank's traditional risks.

In addition, as regards ESG matters, the Tableau de Bord, presented quarterly by the Chief Risk Officer, is particularly important, as it includes ESG indicators linked to areas that may be relevant to sustainable success, in line with the Banking Group's strategic objectives. This report is provided to the Board of Directors, the Internal Audit and Risk Committee and the Board of Statutory Auditors.

In addition, the double materiality analysis is reviewed annually and updated in line with the evolution of the Banking Group's corporate strategy; it can also be modified following a significant context change, in which case it shall be submitted for approval to the Board of Directors, after reporting thereof to the Managing Committee and the Sustainability and Innovation Committee.

In 2024, the Board of Directors was also called upon to resolve on the Action Plan regarding the Bank of Italy's Supervisory expectations for climate-related and environmental risks and on the update of Banca Generali Group's Sustainability Policy, after reporting thereof to the Sustainability and Innovation Committee. The latter was also informed of additional matters, such as the Bank's signing of the UN Global Compact, the new aspects of the Annual Integrated Report 2023 and the evolution of the ESG ratings received.

With a view to ongoing updating, an **induction** on sustainability matters such as CSRD, Double Materiality, Taxonomy, new developments concerning SFDR, climate transition and ESG risks was carried out in October 2024 for the Board of Directors and the Board of Statutory Auditors.

It should be highlighted that, in **defining and managing the corporate strategy**, the administrative, management and supervisory bodies take into account **sustainability matters**. In detail, the Board of Directors of Banca Generali S.p.A. sets the general management guidelines and defines the corporate strategies with a view to **sustainable development**. This includes, *inter alia*, sustainable finance objectives, the integration of environmental, social and governance factors into corporate processes and the management of legal and reputational risks. To this end, the Board of Directors is supported by the Sustainability and Innovation Committee in integrating sustainability into the definition of corporate strategies, with particular attention to the analysis of **material topics** for the creation of long-term value for the Company and the Banking Group.

SUSTAINABILITY MATTERS ON THE 2024 AGENDA	BOARD OF DIRECTORS	SUSTAINABILITY AND INNOVATION COMMITTEE[43]	INTERNAL AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE
Strategy	X	X	X	
Policies	X	X		X
ESG risk	X		X	
DEI	X	X		
Monitoring	X	X	X	
ESG induction	X	X	X	X
Remuneration	X			X

At Banca Generali **sustainability involves all the Board Committees** and the Committee members participated in an ESG induction program in October 2024. The table highlights the Board Committees that were most involved in sustainability matters in the reporting year. It should also be noted that in the first quarter of 2025, the Credit Committee carried out preliminary activities for updating the ESG section of the Credit Rules.

E1 GOV-3 | ESRS 2 GOV-3

ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes[44]

Sustainability is integrated in the Banking Group's remuneration and incentive strategy, consistently with its vision, values and governance, and requires a remuneration policy that is in line with the market's best practices and legal requirements, and transposed in each Subsidiary taking into account its type of business and the local regulations.

The 2024 Remuneration Policy is closely correlated with the pillars of the 2022-2024 Strategic Plan, which counts among its key objectives sustainability, as defined with reference to its main stakeholders. Starting from transparency, efficiency and service quality, Banca Generali aims to increase its sustainable approach by setting new, ambitious targets, respecting the environment and the individuals and pursuing the objective of creating value for all its stakeholders.

In particular, in order to identify, evaluate and manage ESG factors that may pose risks and opportunities for the achievement of business objectives, the Bank has identified and takes into account the interests of customers and Financial Advisors, employees, shareholders, communities and future generations.

Accordingly, Banca Generali adopts short- and long-term incentive systems, supported by performance management. One of the objectives of the Remuneration and Incentive Policy is to ensure sustainable pay for sustainable performance, maintaining consistency between remuneration and

[43] It should be noted that the Sustainability and Innovation Committee was set up on 18 April 2024 and that, before that date, sustainability matters were the responsibility of the Nomination, Governance and Sustainability Committee. For the purposes of this table, matters shared with the Nomination, Governance and Sustainability Committee are included in the Sustainability and Innovation Committee column.
[44] For further information on remuneration policies, see the Report on Remuneration Policy and Compensations Paid and Section *Remuneration and Incentive Schemes* (S1-1: Policies related to own workforce, Own workforce – Enhancement of Human Capital). It should be noted that this section meets the GOV-3 disclosure requirements included in E1.

performance and between compensation and creation of stakeholder value, while also rewarding both actual results and how such results were achieved. To this end, the Bank has adopted a remuneration structure based on risk-adjusted performance, which at the same time does not encourage excessive risk-taking, including with regard to sustainability risks.

The Balanced Scorecard of the Chief Executive Officer includes both quantitative and qualitative financial and non-financial objectives for short-term variable remuneration. In particular, these include:

› quantitative objectives linked to the Bank's three-year Strategic Plan and business objectives;
› qualitative objectives linked to the strategy (relating to project initiatives associated with implementation of the Banking Group's strategy) and the development and enhancement of human capital, as well as to sustainability initiatives.

In particular, the ESG objectives reported below account for 20% of the overall Balanced Scorecard of the Chief Executive Officer/General Manager:

PEOPLE VALUE

An objective set each year in view of personal development in line with the Group's strategy: recognition and enhancement of diversity, favouring inclusion, showcasing the individual contribution and the success of the organisation, while also discouraging conduct that leads to excessive exposure to risk.

As regards 2024, the following People Strategy initiatives may be included in the objective:

- upskilling training initiatives with focus on technical skills and the Digital Minds Program;
- Diversity, Equity & Inclusion (DEI) supporting initiatives in line with the 2024 DEI Strategy;
- promotion of a high level of participation in the 2024 Global Engagement Survey;
- development and retention initiatives dedicated to key people.

The objective may include a specific reference to individual initiatives involving:

- effective management of the structures coordinated;
- collaboration with other corporate functions.

SUSTAINABILITY COMMITMENT

An objective set annually in line with the priorities of the Strategic Plan, which includes a series of diversified sustainability initiatives, correlated directly and indirectly with all ESG (environmental, social and governance) components, precisely identified in the individual scorecards.

As regards 2024, the objective may include initiatives related to four different pillars:

- sustainable products, with objectives aimed at increasing the penetration of sustainable investments in customer portfolios, with a focus on the selection of UCITS within the retail distribution platform and of and financial and insurance wrappers. Importance is also attached to the environmental impact of the Banking Group's direct financial investments, for which reduction targets were set in the 2022-2024 Strategic Plan;
- sustainable processes, with a focus on strengthening the regulatory and process framework aimed at optimising and increasing ESG data governance and quality and at integrating new environmental and climate KRIs in the Risk Appetite Statement;
- sustainable plans, with a focus on tangible initiatives aimed at strengthening sustainability disclosures so at to confirm a good positioning in terms of main ESG rating;
- sustainable people, with a focus on:
  - advanced ESG training for the BG Network and for employees, also through advanced training sessions for teams involved in strategic sustainability-related projects;
  - support to the development of the Sustainable Advisor role.

With reference to climate change, the Sustainable Processes KPI calls for a focus on strengthening the regulatory and process framework aimed at optimising and increasing ESG data governance and data quality and at integrating new environmental and climate KRIs in the Risk Appetite Statement.

The BSC of the Chief Executive Officer/General Manager is structured as follows:

PERSPECTIVE	KPI	WEIGHT	ASSESSMENT	TARGET REFERENCE (*)
Risk-Adjusted Economic and Financial Performance	Net inflows for commercial activities	10%	Financial	100% budget
	Recurring Net Profit	25%		100% budget
	Structural costs	10%		100% budget
	Return on Risk Adjusted Capital (RoRAC)	15%		100% budget
People Value		10%	Non-financial, qualitative/quantitative assessment based on specific KPIs	
Sustainability Commitment		10%		
Efficiency & Business Transformation		20%		

(*) Two additional performance levels may be applied (under-performance and over-performance).

At the end of the annual performance period, the Board of Directors assesses the level of achievement of the Banking Group access gates.

Once it has been determined that the access gates have been reached, it is then assessed whether the Balance Scorecard objectives have been achieved.

The Long-Term Incentive Plan states that the number of shares actually assigned at the end of the performance period is directly correlated with the achievement of the Banking Group objectives. The following objectives have been identified[45]:

› tROE[46];
› Adjusted EVA[47];
› a sustainability objective consisting of: ESG AUM and average rating.

The performance level is stated as a percentage in terms of achievement of objectives, determined with regard to independent baskets, relating to adjusted EVA, tROE and the sustainability indicator, respectively. The final results of the baskets are calculated using the linear interpolation method. The maximum performance level is 100% overall for Top Managers, and 87.5% overall for the other beneficiaries.

In each year of the Plan, at the end of the three-year performance period, and in any event at the end of the further deferral period, the Board of Directors assesses the level of achievement of the Banking Group access gates.

Once it has been determined that the access gates have been reached, it is then assessed whether the objectives of the Banking Group have been achieved.

Banca Generali Group (100%)

	40%		40%		20%		
					SUSTAINABILITY INDEX		
LTI VESTING	TROE	+	ADJUSTED EVA	+	ESG AUM (15%)	+	AVERAGE RATING (5%)
0%	< 27%		< 870 m€		< 36%		< 3.7
Target vesting	30%		190 m€		40%		4
Maximum vesting	≥ 33%		≥ 200 m€		≥ 42%		≥ 4.3

Values of reference: final calculation based on linear interpolation in line with the method used in the previous year.

Incentive schemes are revised annually as part of the broader revision of the Report on Remuneration Policy and Compensations Paid.

The Banking Group's Remuneration Policy is approved on an annual basis by the General Shareholders' Meeting. In its capacity of body with strategic oversight function, the Board of Directors drafts, resolves upon and submits the Banking Group's Remuneration and Incentive Policy to the Shareholders' Meeting and reviews it at least annually, in addition to being responsible for its proper implementation. Banca Generali has set up a **Remuneration Committee** within the Board of Directors. This Board Committee is tasked with assisting the Board of Directors in laying down corporate policies in respect of the determination of the remuneration of the Company's Key Personnel holding the highest offices and those responsible for control functions.

It should be noted that sustainability-related objectives are not taken directly into account as regards the performance of the Board of Directors and the Board of Statutory Auditors, as their members are not entitled to any variable remuneration linked to the achievement of objectives, but are instead entitled to annual fixed remuneration plus an attendance fee.

[45] Ratios are calculated net of the extraordinary transactions, neutralising all one-off revenues and costs linked to such transactions in the year in which they are performed. Targets are stated net of the one-off component of the contributions to bank rescue funds (FITD/BRRD) and do not include any extraordinary impacts (of a tax nature or otherwise).
[46] Indicator of the ratio of net profit to adjusted net equity.
[47] Indicator that expresses the creation of value through the adjustment of Recurring Net Profit of the cost of capital element.

ESRS 2 GOV-4: Statement on due diligence

ESRS 2 GOV-4

In its Sustainability Policy, Banca Generali Group has formalised the Sustainability Framework aimed at identifying, assessing and managing the impacts, risks and opportunities associated with ESG factors, while also highlighting the related supporting elements, including the governance model, internal regulations and the risk framework, remuneration, monitoring and reporting. In detail, the ESG due diligence activities carried out for the purpose of this Sustainability Statement are illustrated in the following table:

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	• ESRS 2 – GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • ESRS 2 – GOV-3: Integration of sustainability-related performance in incentive schemes • ESRS 2 – SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model See also the Sustainability Policy of the Banca Generali Banking Group
b) Engaging with affected stakeholders in all key steps of the due diligence	• ESRS 2 – GOV-1: The role of the administrative, management and supervisory bodies • ESRS 2 – GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies • ESRS 2 – SBM-2: Interests and views of stakeholders • ESRS 2 – IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities See also the Sustainability Policy of the Banca Generali Banking Group
c) Identifying and assessing adverse impacts	• ESRS 2 – IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities • ESRS 2 – SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model • E1 – IRO 1: Description of the processes to identify and assess material impacts, risks and opportunities • E1 – SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model • S1 – SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model • S4 – SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model • S - Entity-Specific – SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model • G1 – SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model See also the Sustainability Policy of the Banca Generali Banking Group
d) Taking actions to address those adverse impacts	Paragraphs referring to actions related to individual IROs, for each topic (E1, S1, S4, G1 and S - Entity-Specific)
e) Tracking the effectiveness of these efforts and communicating	Paragraphs dedicated to each topic (E1, S1, S4, G1 and S - Entity-Specific)

ESRS 2 GOV-5: Risk management and internal controls over sustainability reporting

ESRS 2 GOV-5

In order to regulate and ensure a more robust non-financial reporting process, from 2019 to 2023, the Parent Company, Banca Generali, in line with existing financial reporting procedures (pur- suant to Italian Law No. 262/2005), managed the quantitative data disclosed by monitoring the activities carried out by the involved structures. Specific Organisational Procedures were introduced, entailing several data control points. The checks were executed in a non-independent manner and consisted of obtaining evidence of the check performed by the structure identified as the data owner.

Since September 2024, following the transposition of the CSRD into Italian law through Legislative Decree No. 125, which assigns specific responsibilities to the Manager in Charge of preparing the Company's financial reports, Banca Generali S.p.A. also initiated a data quality process for the Sustainability Statement. It launched a project to integrate existing Organisational Procedures with the aim of improving the formalisation and flows of the data managed through such procedures. The project primarily aims to incorporate the necessary updates arising from the implementation of regulatory principles. To this end, Banca Generali's Law 262 OU shares the Insurance Parent Company's control framework to be developed.

Each existing Organisational Procedure used for the 2023 reporting was included in the Risk Control Matrix, the official monitoring tool of the Manager in Charge of preparing the Company's financial reports. To date, the Organisational Procedures that are not impacted by regulatory changes regarding the reporting of processed data are included in the scope of testing based on the methodology adopted by the Banking Group.

The Organisational Procedures concerning matters common to the Banking and Insurance Group's reporting were integrated to efficiently address the dual need of monitoring and optimising management to ensure data quality. This integration follows the end-to-end principle regarding data queries from the source.

An independent third party conducted a test to verify the control design and the actual application of these controls, which is formalised in the dedicated application.

In general, the risk assessment approach focuses on ensuring data quality, using the traditional methodology based on the Manager in Charge of preparing the Company's financial reports. This method also includes a specific walk-through analysis carried out by an independent third party after Organisational Procedures have been mapped. The objective is to determine whether the data production and reporting process is comprehensive, with a focus on the presence of the necessary checkpoints for which the structures are responsible.

Sustainability Reporting Risks (SRR) are particularly significant as they are managed similarly to Financial Reporting Risks (FRR), and the Organisational Procedures are included in the process tree at the Financial Statements level.

The risk mitigation strategies focus on compliance with the data quality principles and the adopted control framework. These strategies aim to monitor the various stages of data production and processing for the Sustainability Statement.

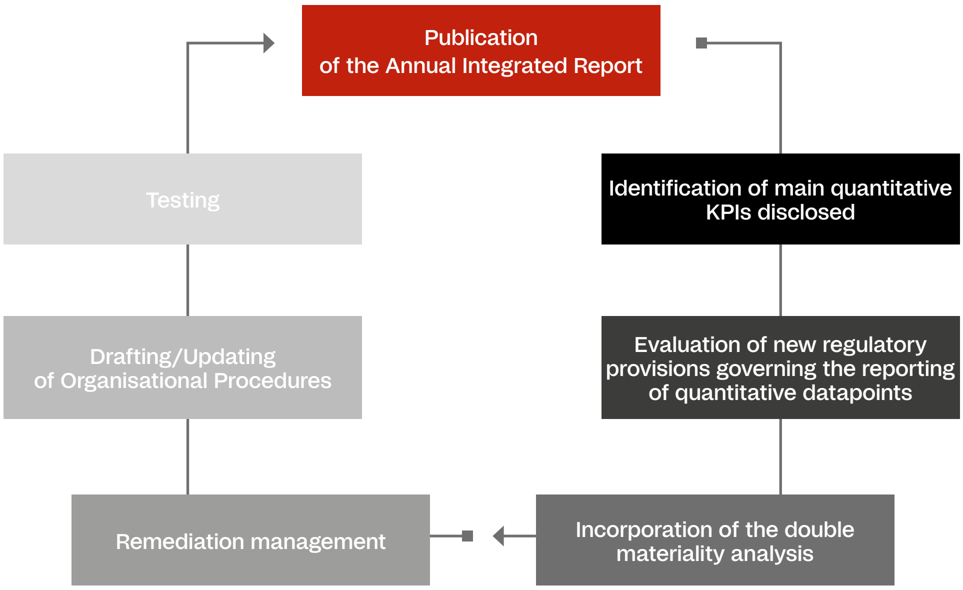
The Banking Group has also started to expand the control management strategy of the Manager in Charge of preparing the Company's financial reports. It considers Sustainability Reporting management to be on par with financial reporting management and monitors the controls performed by the data owner structures, as formalised in the organisational procedures, using the traditional tools of the said Manager. Periodically, at least once a year, upon publication of the Annual Integrated Report, the Manager in Charge of preparing the Company's financial reports, with the support of the Law 262 OU, reports on the progress of activities and controls to the Board of Statutory Auditors. This includes sustainability reporting, with the aim of making integrated reporting transparent and robust, and drawing the attention of the control struc-tures to any gaps that need to be monitored.

Periodically, at least once a year, upon publication of the Annual Integrated Report, the Manager in Charge of preparing the Company's financial reports, with the support of the Law 262 OU, reports on the progress of activities and controls to the Board of Statutory Auditors. This includes sustainability reporting, with the aim of making integrated reporting transparent and robust and drawing the attention of the control structures to any gaps that need to be monitored.

In 2025, all non-financial Organisational Procedures will be revised to incorporate any new regulatory provisions and to embed data quality into the Procedures currently being redesigned.

Each year, following the Double Materiality Analysis, the scope of reporting — and consequently the scope of testing — is updated.

The flow of updating and mapping activities concerning non-financial Organisational Procedures is reported below:



ESRS 2 SBM-1: Strategy, business model and value chain

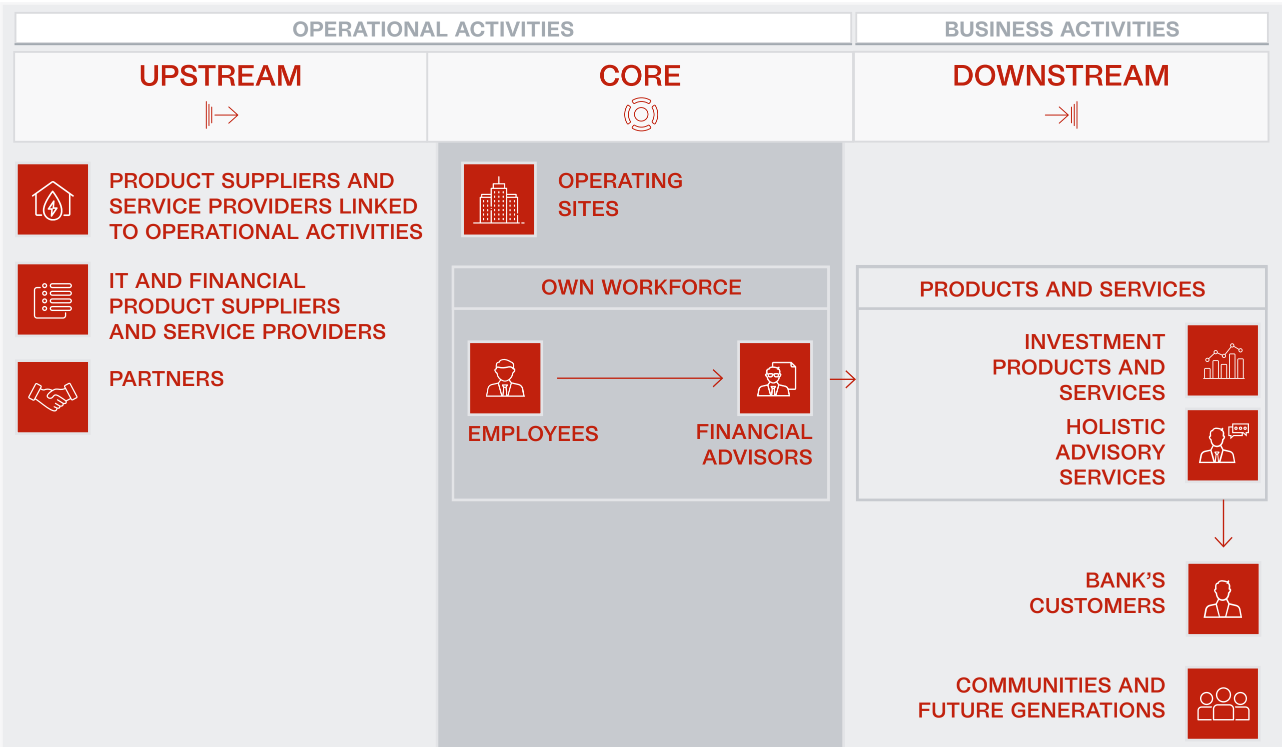
ESRS 2 SBM-1

Banca Generali stands out within the Italian finance industry for the central role of the **investment services — and in particular financial advisory and wealth management services** — it offers to **HNW**, **Private** and **Affluent** customers mainly in Italy through its BG Network, which reached a total of **359,000 Customers** at the end of 2024, and a total of **103.8 billion euros AUM**.

The structure of Banca Generali's Value Chain aims at **maximising operational efficiency, constantly innovating and offering a wide range of high-quality services to its Customers**, fully reflecting its mission and vision statements. Its business model is based on solid partnerships, a highly qualified workforce and a strong commitment towards communities and future generations, all with a focus on **efficient resource management (Upstream)**, **ongoing development of workforce and technological innovation (Core)** and **provision of high-quality services and holistic advisory (Downstream)**. These elements support the Bank's goal of being a trusted partner for its Customers, while also promoting sustainability and innovation.

The Value Chain may be divided in three main parts: "Upstream", "Core", and "Downstream", each with its own distinctive elements, as follows:

- **Upstream Operational Activities:** all the resources and activities that allow the Banking Group to develop its services. This part includes:
  - activities related to product suppliers and service providers instrumental to performing operational activities (e.g., water, electricity and gas supply, purchase of stationary and IT softwarea and equipment);
  - activities related to strategic product suppliers and service providers typical of the Banking Group's business model (e.g., IT services and services required from rating providers);
  - relationships with Partners linked to the provision of financial and non-financial products and services;
- **Core Operational Activities:** all the activities performed internally by the undertaking. This part includes:
  - activities for managing and developing Own Workforce (as defined below), which comprises both Employees and Financial Advisors;
- **Downstream Business Activities:** all the activities that allow to provide all the Bank's products and services to the end costumer. This part includes:
  - investments made by the Bank on its own account and on behalf of its customers, based on the needs expressed;
  - holistic advisory services offered by the BG Network;
  - Banca Generali's customers;
  - Communities and future generations.



In the context of Banca Generali's value chain, it should be noted that, considering the Bank's total Customers, Private Customers account for 73.5 billion euro assets of the Private Banking segment.

With 2,353 professionals ranked at the top of the industry by competency and professionalism, the BG Network includes different types of Financial Advisors (Senior Partners, Wealth Managers, Private Bankers, Financial Planners, Financial Planning Agents (FPA) and 62 Relationship Managers) so as to better meet customers' needs. The model adopted is therefore strongly centred on Financial Advisors and is based on the relationship of trust between them and the customers, enriched by the provision of products, services and supporting models. The Bank's 1,104 employees, who together with the Financial Advisors make up its Own Workforce, contribute to creating this relationship of trust.

In detail, Banca Generali offers:

- banking services: the Bank provides its Customers with a range of current and deposit accounts and other bespoke banking and payment services that make doing day-to-day business simple and efficient, thanks to a range of innovative features that ensure the utmost security in online and mobile banking;
- assets under administration: Banca Generali offers custody and administration services for the financial instruments that make up its Customers' portfolios, providing advice on the purchase and sale of said instruments on the primary and secondary markets. As part of its products and services related to assets under administration, Banca Generali also offers its Customers the possibility to open certificates. It also promotes and distributes the investment and ancillary services of BG Saxo SIM S.p.A., a joint venture between Banca Generali and Saxo Bank S.A.;
- asset management: Banca Generali offers a wide range of mutual investment funds, as part of an open architecture that benefits from expert selection of the best strategies that thousands of national and international asset managers have to offer. This range is rounded out by in-house products (Luxembourg-based Sicavs) and portfolio management solutions. The latter allow to build bespoke solutions to suit customers' different needs;
- insurance investments: Banca Generali relies on the synergies and expertise offered by Generali Group, complemented by its own experience and innovation-oriented approach as regards the distribution of insurance products. Furthermore, in this context, Banca Generali offers its asset management skills for managing the investment component of insurance solutions;
- wealth management and trust services: the Bank offers a wide array of wealth advisory solutions that extend the dialogue with customers beyond investment issues to encompass pension planning, corporate finance, real estate and art advisory, with an eye to potential optimisation of protection for future contingencies and challenges relating to generational transition (family protection).

This offer is managed and proposed to Customers also thanks to:

- Partnerships: in order to increase the quality of the services offered to its Customers, Banca Generali enters into partnership agreements with selected Italian and international operators, choosing top financial partners with the highest standing in economic-financial, reputational and expertise terms.
- Group companies: in order to offer its customers the best solutions in some specific segments, Banca Generali relies on the synergies with the other Banking Group companies. These companies include: BG Fund Management Luxembourg S.A., Luxembourg-based management company specialised in in-house funds; Generfid S.p.A., which offers trust services; BG (Suisse) Private Bank S.A., a Swiss bank established in 2021 that, after having obtained
- the licence to operate under the freedom to provide services in Italy, in 2024 launched a collaboration project with Banca Generali; BG Valeur, a boutique financial advisory and asset management firm based in Switzerland that was transferred to BG Suisse in 2024.

The Banca Generali Banking Group's evolution has led to a significant growth in both the Italian and Swiss markets, optimising the Bank's positioning in the private banking and wealth management market segments, and marked the beginning of operations in an increasingly international context, strengthening its global footprint and its ability to meet Customer needs. In addition, with the acquisition of Intermonte SIM, Banca Generali has strengthened its position in the sector of financial advisory and services to enterprises.

The Banca Generali model is characterised by a holistic advisory service, aimed at supporting Customers in the management and protection of their overall wealth. In this context, utmost importance is attached to transparency and the accuracy of the information provided to Customers regarding the different characteristics of the services and products offered.

With a view to placing the satisfaction of its Customers' needs and preferences and the expansion of its value of service at the centre of its strategy, Banca Generali has further developed its commitment to sustainable and responsible investment, with the adoption in 2024 of its Guidelines on Integrating Sustainability Factors into Investment Services, Collective Asset Management and Active Ownership. The integration of ESG factors in its investment processes, as well as in the products and services it offers, confirms the Banking Group's commitment to promoting and supporting the transition towards a low-carbon economy, taking account of the importance of climate change.

Banca Generali has also adopted specific control measures able to protect the personal data of its Customers and ensure data protection and cybersecurity. Similarly, in light of the importance that it attaches to transparency and professional ethics, the Bank undertakes to adopt good governance practices, in particular governing anti-bribery and corruption and whistleblowing.

Furthermore, as the enhancement of Human Capital plays a fundamental role, utmost attention is devoted to the working conditions and Diversity, Equity & Inclusion of own workforce.

ESRS 2 SBM-2 | S 1 SBM-2 | S 4 SBM-2

ESRS 2 SBM-2: Interests and views of stakeholders[48]

Banca Generali liaises and dialogues with numerous stakeholders, diverse in terms of type and requirements expressed. The Bank recognises as stakeholders all those parties (institutions, organisations, groups or individuals) that can influence or be influenced by its activities, taking into account interests that are shared, yet not always naturally converging.

In accordance with the guidelines defined by the AccountAbility 1000 (AA1000) standard, the Bank's stakeholder prioritisation is carried out taking into consideration the following criteria:

- Responsibility: parties to whom the Banking Group has (legal, financial, operational, and other) responsibilities formalised in contracts, company policies, laws, etc.;
- Influence: parties who, in the current or future context, may influence the Bank's decision-making processes;
- Proximity: parties with whom the Banking Group has established lasting relationships, and parties on which the Organisation depends to ensure its day-to-day operations;
- Representation: parties who, for legal/cultural/other reasons, play a representative role for the benefit of other individuals;
- Strategy: parties with whom the Banking Group establishes relationships in pursuance of its policies or strategic choices.

In line with previous years' activities and with the criteria defined above, Banca Generali Group has identified the following main stakeholders, both internal and external to the Group.

- Banca Generali Group Employees;
- the BG Network;
- National, international and financial-sector institutions (including businesses, professional associations and the third sector);
- Shareholders;
- Supervisory authorities and rating agencies;
- Customers;
- Suppliers;
- Financial and non-financial strategic partners;
- Communities.

The Banking Group carries out activities to engage its stakeholders with a twofold objective, which identifies two types of activities, namely "*active engagement*" and "*stakeholder engagement*".

Stakeholder engagement aims mainly at collecting all the contributions required for the Double Materiality Analysis[49], while the goals of "active engagement" are:

- identifying the needs and expectations of stakeholders of priority interest in the medium to long term to support strategic planning;
- anticipating risks of a different nature (operational, reputational, etc.);
- monitoring the level of satisfaction and checking the extent to which the different stakeholder categories have a positive perception of their relationship with the Bank;
- seizing new opportunities through the joint identification of solutions capable of creating shared value for the Group and its stakeholders.

[48] It should be noted that this section meets the SBM-2 disclosure requirements included in S1 and S4.
[49] For further details on stakeholder engagement in this process, see Section "IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities".

To this end, throughout the year, Banca Generali Group carries out the active engagement activities described below, divided by stakeholder category:

BANCA GENERALI GROUP EMPLOYEES

- Periodic engagement surveys, following the action plan
- Digital communication tools
- Roundtables with unions and workers' representatives
- Annual meetings with all employees
- Special meetings with top managers
- Focus groups (e.g., hackathons, meetings with Top 65, young people), which led to active engagement in defining strategy, such as AI
- Focus groups on ESG matters

FINANCIAL ADVISORS

- Focus groups on ESG matters: Sustainable Advisors, women, young people
- Monthly meetings between the financial advisors' first management line and Banca Generali's management and regular meetings between the Bank's top managers and the financial advisors' second management line
- Dedicated digital communication tools
- Dedicated conventions with feedback opportunities
- Survey on the level of satisfaction

CUSTOMERS

- Surveys on the level of satisfaction
- Market researches
- Dialogue with consumer associations
- Communications channels devoted to Customers (customer care, newsletter, dedicated e-mail account)
- Dedicated events
- Social media

COMMUNITIES

- Partnerships with universities and research centres aimed at developing Observatories on strategic topics
- Website, blog and social media
- Organisation of DEI events and initiatives, financial education, cultural and sports projects
- Social activities in favour of communities (e.g., The Human Safety Net)

NATIONAL, INTERNATIONAL AND FINANCIAL SECTOR INSTITUTIONS

- Financial education meetings
- Press conferences
- Meetings with institutions and participation in roundtables with professional associations

FINANCIAL AND NON-FINANCIAL STRATEGIC PARTNERS

- Engagement with specific focus
- Working groups on common projects
- Local meeting with the BG Network

SUPERVISORY AUTHORITIES AND RATING AGENCIES

- Meetings and interviews with analysts, investors and rating agencies
- Relationships with supervisory authorities

SUPPLIERS

- Working groups on common projects

SHAREHOLDERS

- General Shareholders' Meeting
- Quarterly reports
- Conference calls and/or dedicated meetings with main institutional investors
- Capital Market Days
- International roadshows
- Digital communication tools
- Participation in Sustainability Week
- Regular meetings with the majority shareholder

Given the importance of stakeholders for Banca Generali, the Bank constantly takes into account the results of the active engagement activities in defining its strategy.

Banca Generali focuses on the interests of the different stakeholders and promotes a transparent communication, in particular towards administrative, management and supervisory bodies, by preparing detailed reports and regularly reporting on sustainability matters. In addition to ensuring that stakeholders' opinions are listened to and duly considered, this approach also promotes a culture of responsibility and collaboration within the organisation.

Specific activities for exchanging information are provided for in the event of discussions with and/or requests from shareholders and authorities, as defined in detail in the Policy for Managing Engagement with All Shareholders, published on the Bank's corporate website. Moreover, the Bank regularly collects its employees' opinions through surveys, whose results are shared and analysed with top managers.

ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2
SBM-3

In accordance with the provisions introduced by the CSRD, in 2024 Banca Generali Group conducted a Double Materiality Analysis on all the corporate activities making up its value chain to identify the impacts of its activities on people and the environment (inside-out approach) and the financial materiality of ESG factors (outside-in approach) for each of the ten environmental, social and governance topical standards defined by the regulations.

The double materiality analysis resulted in the identification of 9 material topics (i.e., 2 environmental, 4 social and 3 governance sub-topics); among these, the priority topics are (i) climate change mitigation, (ii) enhancement of Human Capital, (iii) enhancement of Financial Advisors, (iv) cybersecurity and customer data protection, and (v) wealth protection and value of service.

The material IROs (Impacts, Risks and Opportunities) identified with respect to each topic are illustrated in the three environmental, social and governance disclosures reported in the following pages. In general terms, the IROs relating to social matters and to good governance refer mainly to the Core Operational Activities within Banca Generali Group's business model, whereas the IROs related to climate change and value of service are inherent in the Banking Group's Business Activities. IROs are mapped in the table on the following page.

It should be noted that, in the course of its Operational Activities[50], Banca Generali Group ensures full compliance with business conduct regulations, promoting a corporate culture and business model based on transparency, honesty, respect for people and enhancement of resources.

The Group positively contributes to improving the work-life balance of its own workforce, promoting the creation of a healthy, safe and fair work environment and ensuring equal opportunities. This generates positive impacts in terms of satisfaction and productivity of Banca Generali Group's workforce, indirectly benefiting Customers.

(Downstream) Business Activities show a potential negative impact connected with climate change, due to the loss of value of the assets in the portfolios managed by the Banking Group.

Banca Generali Group is committed to understanding the needs of its customers and protecting their wealth, offering dedicated, high-quality services. These values contribute to improving corporate reputation, fostering new growth opportunities.

[50] It is specified that Operational Activities refer to both Upstream and Core Operational Activities.

IMPACTS THROUGHOUT THE VALUE CHAIN

	TOPIC SUB-TOPIC	IMPACTS, RISKS, AND OPPORTUNITIES	ASSESSMENT POSITIVE/NEGATIVE IMPACT, RISK/OPPORTUNITY	TIME HORIZON SHORT/MEDIUM/LONG TERM	VALUE-CHAIN PART (*)
	ESRS E1: CLIMATE CHANGE				
1	Climate change mitigation	Investments in companies operating in high climate impact sectors	negative	short-term, medium-term, long-term	Downstream Business Activities
2	Climate change adaptation				
	ESRS S1: ENHANCEMENT OF HUMAN CAPITAL				
3	Working conditions	Attention to socio-economic conditions and to work-life balance of its own people	positive	short-term, medium-term, long-term	Operational Activities
4	Equal treatment and opportunities for all	Promotion of equal treatment and opportunities for all	positive	short-term, medium-term, long-term	Operational Activities
	ESRS S4: QUALITY OF INFORMATION/CYBERSECURITY AND DATA PROTECTION				
5	Information for consumers/end-users	Potential poor quality of information provided to customers and offer not suitable to customers' ESG preferences	risk	short-term, medium-term, long-term	Downstream Business Activities
		Potential violation of data protection and data breaches that may impact reputation and market positioning	negative risk	short-term, medium-term, long-term short-term	Operational Activities
	ESRS S: WEALTH PROTECTION AND VALUE OF SERVICE				
6	Entity-specific	Attention to the quality and accessibility of the service provided	positive	short-term, medium-term, long-term	Downstream Business Activities
		Protection of customers' wealth	positive	short-term, medium-term, long-term	
		Business opportunities in generational transition	opportunity	short-term, medium-term, long-term	
	ESRS G1: CORPORATE CULTURE				
7	Corruption and bribery	Potential increase in incidents of corruption or bribery due to lack of specific policies and control measures	negative	short-term, medium-term, long-term	Operational Activities
		Potential non-compliance with regulations in force and unlawful conduct	risk	short-term	
8	Business conduct	Increased corporate transparency through adoption of good governance policies and a transparent corporate culture	positive	short-term, medium-term, long-term	Operational Activities
9	Protection of whistleblowers	Promotion of a healthy work environment through initiatives aimed at ensuring the confidentiality of whistleblowers' data	positive	short-term, medium-term, long-term	Operational Activities

(*) It is specified that Operational Activities refer to both Upstream and Core Activities.

Impact: positive, negative

Risks/Opportunities: opportunity, risk

Time horizon: short-term, medium-term, long-term

As a financial institution, Banca Generali Group is exposed to regulatory compliance risks regarding corruption and bribery and, in light of the extensive amount of stakeholders' personal data collected, it is required to duly monitor the processing of such data in order to avoid any data breach. However, Banca Generali Group has adopted robust mitigation measures and actions, including appropriate internal policies, necessary to prevent and address the related risks and the potential negative impacts.

ESRS 2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2 IRO-1 ↙ E 2 IRO-1 ↙ E 3 IRO-1 ↙ E 4 IRO-1 ↙ E 5 IRO-1 ↙

Banca Generali Group has conducted a Double Materiality Analysis to identify material sustainability matters in accordance with the CSRD requirements and the related ESRS, also taking into account the EFRAG implementation guidance.

The materiality analysis was updated compared to the previous years with a view to meeting the new requirements, which provide for:
› **a financial materiality assessment**, aimed at identifying sustainability risks and opportunities that might influence the Group's financial performance and results, and therefore create or erode the undertaking's corporate value over the short-, medium- or long-term;
› **an in-depth assessment of the undertaking's value chain** to understand potential material impacts, risks and opportunities (hereinafter "IROs") in terms of both operational and business activities.

Accordingly, Banca Generali Group analysed its value chain to identify the main activities and the related stakeholders involved in the process.

In light of the characteristics and composition of its value chain, Banca Generali Group adopted a double analysis perspective to identify the impacts generated by the Group's supply chain and operations (**Operational Activities perspective, including both Upstream and Core Activities**) and the effects generated by activities typical of its business (**Business Activities perspective**). In detail, the Business Activities perspective entailed an investment portfolio analysis aimed at highlighting the specific features of the Group's business, where a very significant part of the IROs arises from the products and services offered to customers.

The Double Materiality Analysis process consisted of the following phases:

1. Preliminary analysis to identify IROs

This activity aims to identify potentially material sustainability matters starting from the reference context in which the Group operates, considering in particular the aspects most frequently disclosed by Italian credit institutions and the sustainability regulations applicable to the Group. In addition, the material topics identified in the Annual Integrated Report 2023 were mapped and then cross-referenced to the topics, sub-topics and sub-sub topics provided for by the ESRS.

These assessments were further integrated in consideration of the regulatory attention towards financial institutions (e.g., Bank of Italy's expectations for climate-related and environmental risks, Fit for 55 reform package, EU Action Plan for Sustainable Finance).

With reference to **impact materiality**, in order to understand the Banking Group's peculiarities, both in terms of operational and business activities, and consequently the impacts connected to them, Banca Generali Group has deemed it necessary to adopt a double perspective:
› an "**Operational Activities**" perspective (qualitative and quantitative analysis of the Bank's operational activities), which takes into account the Upstream and Core parts of the value chain, and aims to identify the impacts connected to the operations of the Banking Group and of its main product and service suppliers, also availing of trusted public sources such as internationally recognised reporting standards (GRI Standards, SASB, etc.);
› a "**Business Activities**" perspective (quantitative analysis of the Banking Group's investment portfolio), which examines in detail the Banking Group's role as an asset manager/investor, with the aim of assessing the potential impacts connected to portfolio exposures. Specifically, the composition of the investment portfolio was analysed based on the issuers' business sectors, mapped according to the applicable NACE sector codes. The exposure to the various sectors to which the Group's portfolios are exposed is therefore associated with a series of ESG impacts.

With regard to financial materiality, the identification of risk drivers was carried out taking into account the ESG risk framework assessments, and the cross-referencing of such ESG risks with the related sub-topics. Opportunities were instead identified by considering what was included in the Banking Group's three-year Strategic Plan, as well as any positive impacts mapped within the scope of impact materiality. For information on the detailed analysis of the financial materiality of C&E risks, conducted in compliance with ESRS E1 IRO-1, see Section "ESRS E1 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities".

2. IRO assessment process

The IROs assessment process consisted of several separate assessment and integration phases.

The first phase was a qualitative and quantitative analysis of the IROs identified. The materiality of the impacts identified through the "Operational Activities" and "Business Activities" perspectives was assessed taking into account their severity and likelihood of occurrence. For the purposes of the assessment process, the Group considered the sector-specific evaluations carried out by UNEP FI (UNEP FI Irremediability Map), for both perspectives. With regard to the "Business Activities" perspective, assessments were based on the evidence provided by UNEP documentation. The assessment process provided for the subsequent involvement of internal representatives, selected based on their ESG expertise. The results obtained were then compared with other international frameworks, such as those of the rating agencies MSCI and S&P Global Ratings, in order to validate the portfolio analysis carried out.

The risks and opportunities identified through the adoption of an outside-in perspective were instead evaluated by the Group's Risk Management Function, which considered the exposure materiality or magnitude, i.e., the potential financial effect generated on Banca Generali Group by the risks and opportunities identified and their likelihood of occurrence. This evaluation was carried out using a score, which allowed to prioritise risks, identifying the top risks (i.e., material risks). The same considerations were applied when evaluating opportunities.

It should be noted that this analysis reflects the prudential risk assessment process currently conducted by the Risk Management Function, which cross-references each ESG risk driver to the main traditional risk categories identified in the Risk Appetite Framework.

In the final assessment phase, a stakeholder engagement activity was executed to prioritise the matters, based first and foremost on their actual materiality, and secondly on their strategic importance. This activity was carried out by directly involving top managers and clusters of employees and Financial Advisors selected based on their ESG expertise.

3. Aggregation of final results and final approval

The scores assigned led to the identification of the topics, sub-topics and sub-sub topics that were material to the Group for the purposes of CSRD disclosure. It should be noted that, in line with regulatory provisions, a matter was classified as material if it met the materiality criterion from the impact perspective or the financial perspective, or both. The results obtained were also compared with the main matters emerged from the current regulatory framework. No additional experts were involved. The results were shared with the Sustainability and Innovation Committee and the Board of Statutory Auditors, and then validated and approved by the Board of Directors on 7 November 2024[51].

It is specified that, in accordance with the ESRS 2 IRO-1 disclosure requirements, Banca Generali Group also analysed the impacts, risks and opportunities related to the E2 (Pollution), E3 (Water and marine resources), E4 (Biodiversity and ecosystems) and E5 (Resource use and circular economy) topics, applying the same process as defined in this section; no IROs were however detected that were material to the Group's activities.

[51] For further details, see Section "GOV-1 - The role of the administrative, management and supervisory bodies".

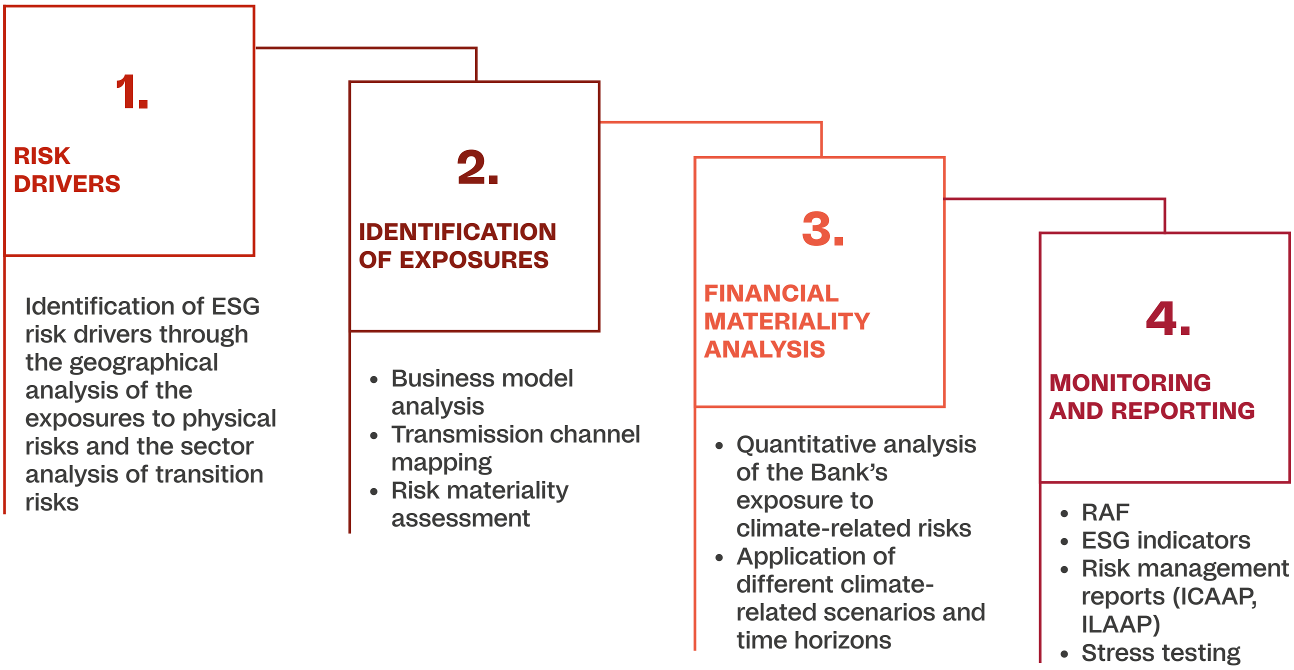
E1–IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

E1
IRO-1

Financial materiality assessment of climate-related and environmental risks

In line with EU regulatory provisions and the prudential supervisory framework, the Banking Group carries out activities of identification, assessment, measurement and monitoring of climate-related and environmental (C&E) risks throughout its value chain, defining the impacts of C&E risks on traditional risk categories such as strategic, credit, market, operational and liquidity risks, and their effects on activities considering multiple time horizons. These analyses are managed by the Risk Management Function, which coordinates the measurement and monitoring of the climate-related risk drivers on the main risks, in accordance with the risk map used in the materiality analysis.

This process, called "financial materiality assessment", is structured in four stages: identification of C&E risk drivers, mapping out of their transmission channels affecting traditional risk categories and financial products, the selection of adequate methodologies to identify them, and the measurement of their impacts.



Phase 1 – Identification of risk drivers

Climate-related risks comprise two concepts, i.e., physical risk and transition risk:

› physical risk: financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation. Physical risk is therefore categorised as "acute" when it arises from extreme events, such as droughts, floods and storms, and "chronic" when it arises from progressive shifts, such as increasing temperatures, sea-level rises, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity;

› transition risk: an institution's financial loss that can result from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

The main result of the phase of identification of risk drivers is a list of potential physical/transition risk drivers that could affect the Group's activity in relation to counterparties and/or guarantees on properties and assets.

A list of the risk drivers identified for the two categories of physical (acute and chronic) and transition risk is given here in the next page:

C&E RISKS	DRIVERS	DESCRIPTION
Acute Physical Risk	Flooding	Pluvial flooding occurs when heavy rainfall exceeds the drainage capacity of the ground or of the urban system, causing water to accumulate on the surface.
	Inundation	Potential impact of an inundation in a specific area. Inundations may be caused by several factors, including coastal storms or obstructions of waterways.
	Landslide	Landslides occur when masses of rocks, soil or debris fall apart and move down a slope. They may be caused by heavy rainfall, earthquakes or human activities, such as deforestation.
	Wildfire	The wildfire risk index is a metric used to evaluate the likelihood and potential severity of fires in a given area.
	Windstorm	Sudden and short increases in wind speed that can cause damage to buildings, trees and infrastructures, and represent a risk for safety during extreme weather events.
	Drought	Impacts deriving from a prolonged period of dry weather, characterised by a significant reduction in rainfall compared to the historical average of a region.
	Heavy precipitation	Potential impacts arising from periods of heavy rainfall, which may cause inundations, soil erosion and damages to infrastructures.
	Heat wave	A heat wave is a prolonged period of unusually high temperatures, often accompanied by high humidity.
	Cold wave	Potential damages deriving from a prolonged period of unusually low temperatures compared to the seasonal average.
Chronic Physical Risk	Average temperatures	Impacts due to temperature increases.
	Sea-level rise	A phenomenon that occurs gradually over time and can have lasting and significant impacts on coastal communities and on the surrounding environment.
	Annual rainfall	Risk deriving from the variations in the quantity, intensity and distribution of rainfall, which may lead to extreme events such as inundations and droughts.
	Coastal erosion	Phenomenon that occurs when the coasts are eroded due to various factors, including sea level rise, storms and human activities, leading to the loss of lands, damages to properties and the need for expensive protection and adaptation measures.
	Water stress and Heat stress	Risk that occurs when the demand for water exceeds supply, often due to prolonged droughts, population increases and inefficient use of water resources, and when extreme temperatures — both hot and cold — can compromise the health and safety of people.
Transition Risk	Regulatory and Policy Framework	Risk linked to the implementation of new climate change regulations and direct responsibilities for violations and/or actions that can hinder thorough management of climate change (e.g., Paris Agreement).
	Technological innovation	Risk linked to the introduction of new technologies that can alter competitiveness, in addition to changes in the price of and demand for commodities, products and services due to climate change.
	Consumers' preferences	Reputational risk linked to a shift in consumers' choices and purchase habits towards more sustainable, environmentally friendly products and services.

Phase 2 – Identification of exposures

In this phase, the Group examines its activities in detail to assess its actual exposure to the potential C&E risk drivers previously identified. Specifically, the process involves analysing the company context, identifying the potential impacts of C&E risks and how they can affect the Group as a whole through the various transmission channels, and assessing the materiality of such risks in the various business lines and product categories to determine their material impact.

The following table summarises the transmission channels through which the C&E risk drivers materialise in the Group's traditional risk categories:

DRIVERS	TYPE OF RISK	TIME HORIZON	TRANSMISSION CHANNEL
Physical risk and Transition risk	Credit Risk	Long term (>7 years)	C&E risk drivers may have impacts on the counterparties' creditworthiness and on collateral valuations, and in particular on the value of real-estate property securing mortgage loans, the performance of securities pledged to secure Lombard loans and the impact on business continuity and financial performance of the corporate customers financed.
	Market Risk	Baseline (Historical)	C&E risks may have adverse repercussions on business continuity and/or the performance of investee companies and entities (loss of value of their equities and bonds).
	Liquidity Risk	Baseline (Historical) Medium term (3-7 years) Long term (>7 years)	C&E risk drivers may affect the liquidity risk in terms of possible impacts on the Bank's liquidity position.
	Operational Risk	Baseline (Historical) Medium term (3-7 years) Long term (>7 years)	C&E risk drivers may give rise to impacts on the Bank's business continuity, as a result of potential damages to owned properties or suppliers' operating facilities (e.g., the fitness for use of buildings, the reliability of supply, etc.). Transition risk includes the potential additional or higher costs of maintenance and renovation of the Group's offices, branches, and other physical assets due to new laws and regulations, such as those regarding emissions and energy efficiency.
	Strategic/ Reputational Risk	Baseline (Historical) Medium term (3-7 years) Long term (>7 years)	C&E risk drivers may jeopardise the economic sustainability of some activities and generate strategic and reputational risks, if products that take into account ESG factors are not developed and distributed, including the management of climate-related risks that may impact performance.

Phase 3 – Financial materiality analysis

To conduct the financial materiality analysis, specific methods are established to measure the materiality of exposure to C&E risk drivers with respect to potentially affected traditional risks.

The materiality analysis is conducted annually applying a structured IPCC (Intergovernmental Panel on Climate Change) approach to assess the materiality of the different risk drivers — both physical and transition risks — based on three drivers: hazard, exposure, and vulnerability. Exposures to physical risk drivers are assessed based on the IPCC's three main climate scenarios (RCP2.6-SSP1-2.6; RCP4.5-SSP2-4.5; RCP8.5-SSP5-8.5)[52] and different time horizons: baseline (historical), medium term (2030) and long term (2050) to assess prudential risks.

The identification of the most significant physical events and transition drivers allows to understand and measure their adverse impacts on the corporate context over the short-, medium- and long-term. This process is essential to steering strategic choices and ensuring the resilience of the business model adopted. The assessment of the level of materiality of physical and transition drivers was carried out on the following traditional banking risks: Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Reputational/Strategic Risk.

The C&E risk drivers with Medium-High and High materiality are classified as "material". The following paragraphs illustrate the methodological principles and tools used by the Bank to conduct the materiality analysis of C&E risk drivers with regard to the Banking Group's traditional risk categories.

The following is a summary of the outcome of the analysis performed to assess the climate-related risk drivers for each category of prudential risk:

› **Credit Risk:** the ESG risk materiality assessment on the portfolio of loans to customers is based on external information regarding acute physical risk and chronic physical risk, measured by specific scores. The analysis was carried out by identifying the relevant portfolios on the basis of Banking Group's business model, and by measuring the acute physical risk and chronic

[52] For further details on the scenarios, visit the website www.ipcc.ch.

physical risk on both the corporate segment and the retail segment for the property component, and the transition risk on the corporate segment.

More in detail:

- **determination of portfolios relevant for purposes of C&E risk Materiality analysis:** the portfolios (corporate, retail or both) relevant to Materiality assessment are determined on the basis of the amount used. In short, the relevant portfolios for the purposes of Materiality analysis are:
  - the retail portfolio, for which only an analysis of the physical risk on the properties securing the loans is conducted;
  - the corporate portfolio, for which an analysis of both the physical risk, regarding the physical location of the legal entity, and of the transition risk, referring to the sectors in which the counterparty operates, is conducted;
  - the Lombard loan portfolio, for which only an analysis of the transition risk on financial collateral is conducted;
- **materiality assessment of Acute and Chronic Physical Risk** on the corporate and retail portfolios (for the part of the properties mortgaged), carried out on the basis of the overall score that expresses the degree of exposure of the undertaking or property to acute/chronic risks, as a function of geographical hazard. This score is estimated on the basis of the RCP 4.5 climate scenario, over a time horizon extending until 2040. For corporate counterparties, sector vulnerability is also relevant, in order to take account of the different way in which hazards may affect the undertaking as the sector in which it operates changes;
- **materiality assessment of Transition Risk** on the corporate scope, conducted using the overall score, supplied by an external provider, which expresses the degree of exposure, determined by observing the impact on financial reporting fundamentals in the net-zero scenario over the time horizon until 2050, as a function of the ATECO (Italian classification of economic activities) sector in which the counterparty operates.

LEVEL OF MATERIALITY

The impact of ESG risk drivers on traditional risk channels can be:

1	Low
2	Medium-low
3	Medium-high
4	High

The following table summarises the materiality assessment of risk drivers and the overall C&E risk score of the entire credit portfolio analysed, which shows an overall low level of materiality.

RISK	C&E RISKS	LEVEL OF MATERIALITY
Credit Risk	Physical Risk (acute and chronic)	1
	Transition Risk	1

- **Market/Strategic/Reputational Risk:** the analyses of the transition risk within direct and indirect investments in Corporate Bonds and Listed Equities were executed using the Paris Agreement Capital Transition Assessment (PACTA) tool. This tool allows investors to obtain a granular view of the alignment of analysed portfolios by climate-relevant sectors and the related technologies, with the aim of identifying exposure to risks associated with a disorderly transition to a low-carbon economy.

To complement the analyses conducted on Corporate Bonds and Listed Equities using PACTA, a further analysis was carried out on direct and indirect investments in government and supranational bonds. This additional analysis availed of the Climate Action Tracker, which allows to measure the alignment of UN countries' mitigation targets, policies and actions to the Paris Agreement objectives.

The analysis shows a low materiality exposure to climate-relevant sectors.

RISK	C&E RISKS	LEVEL OF MATERIALITY
Market/Strategic/ Reputational Risk	Physical Risk (acute and chronic)	1
	Transition Risk	1

- **Operational Risk:** the scope of the materiality analysis considers all the properties used by the Bank and by its suppliers, highlighting suppliers of critical or important functions. As regards physical risk drivers, the scores provided by an external infoprovider are used for analysis purposes.

The analysis shows a low materiality exposure to physical risks.

RISK	C&E RISKS	LEVEL OF MATERIALITY
Operational Risk	Physical Risk (acute and chronic)	1
	Transition Risk	1

- **Liquidity Risk:** the Group quantitatively assessed its exposure to acute physical climate-related drivers with regard to liquidity risk. The results of the analysis did not highlight significant issues with reference to the various risk categories, as the Group's exposures are not excessively concentrated in specific areas with high climatic hazards.

RISK	C&E RISKS	LEVEL OF MATERIALITY
Liquidity Risk	Physical Risk (acute and chronic)	1
	Transition Risk	1

Phase 4 – Measurement and monitoring of C&E risks

The Group periodically monitors the evolution of its exposure to C&E risk drivers. This process aims at identifying potential changes in its risk profile and detecting any issues or anomalous trends.

Through its Risk Appetite Framework, the Group sets its risk appetite and tolerance, also in respect to ESG drivers, including in its assessments all the elements that may be relevant to sustainable success, in line with the Banking Group's strategic targets.

The Bank has also integrated C&E risk drivers into its internal capital adequacy assessment process (ICAAP) and its internal liquidity adequacy assessment process (ILAAP) through dedicated impact measurements (e.g., on assets under management and on the level of liquidity), based on the application of simulation scenarios that take into account the impacts of material physical risks and/or the greenwashing-related impacts. The same analysis is performed as part of the stress scenarios defined upon updating of the Recovery Plan.

C&E risk impact materiality assessment

As part of the double materiality analysis performed for the purposes of this Sustainability Statement, Banca Generali Group also assessed the impact of its Downstream Operational Activities and Downstream Business Activities with regard to climate change.

The analysis of Operational Activities was based on public documents, such as UNEPFI analyses, which assign a low climate impact to the banking and asset management sectors. Thanks to its lean business model and a limited number of offices and branches, Banca Generali was classified as a residual emission source.

With regard to Downstream Business Activities, the analysis covered the exposure to several commodity categories of proprietary portfolios, the portfolios of Discretionary Mandates and the Sicavs managed by the Group, and their relative weight on the overall portfolio. Investment environmental performance was measured using an ESG score that includes climate change mitigation. In light of their materiality, the Banking Group's investments were identified as the main potential channel of negative impact.

ESRS 2 IRO-2: Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS 2
IRO-2

Following the Double Materiality Analysis, Banca Generali has identified the material impacts, risks and/or opportunities for the following topics: climate change (ESRS E1), own workforce (ESRS S1), consumers and end-users (ESRS S4) and business conduct (ESRS G1). In addition, the Bank has identified a material topic that is not currently covered by the sector-agnostic standards defined by the regulations (entity-specific topic).

This process allowed to select the disclosure requirements relevant to Banca Generali Group so as to provide the reader and all of its stakeholders relevant, neutral, comparable, verifiable and easily understandable information, without compromising the usability of the document. Therefore, the Group proceeded with cross-referencing the material topics identified to the disclosure requirements included in the standards, to then exclude the qualitative and quantitative datapoints related to the metrics not applicable and/or not material to the Group.

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OR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	STATUS OF THE DISCLOSURE REQUIREMENT	REFERENCE PAGES
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				Disclosed	119
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				Disclosed	
				Disclosed	127-128
				Disclosed	128-130
X				Disclosed	131
				Disclosed	131-132
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X				Not material	
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R REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	STATUS OF THE DISCLOSURE REQUIREMENT	REFERENCE PAGES
		X		Phase in	-
	X				
	X				
		X			
				Disclosed	140
				At the end of the Double Materiality Analysis, the topic was not classified as material. Accordingly, all disclosure requirements related to this topical standard are not subject to disclosure, except for the DR IRO-1, as provided for by ESRS 2, Appendix C.	-
					140
				At the end of the Double Materiality Analysis, the topic was not classified as material. Accordingly, all disclosure requirements related to this topical standard are not subject to disclosure, except for the DR IRO-1, as provided for by ESRS 2, Appendix C.	-
				Disclosed	140
				At the end of the Double Materiality Analysis, the topic was not classified as material. Accordingly, all disclosure requirements related to this topical standard are not subject to disclosure, except for the DR IRO-1, as provided for by ESRS 2, Appendix C.	-
				Disclosed	140
				At the end of the Double Materiality Analysis, the topic was not classified as material. Accordingly, all disclosure requirements related to this topical standard are not subject to disclosure, except for the DR IRO-1, as provided for by ESRS 2, Appendix C.	-
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G1-2 – Management of relationships with suppliers		
G1-3 – Prevention and detection of corruption and bribery		
G1-4 – Incidents of corruption or bribery	Fines for violation of anti-corruption and anti-bribery laws, para. 24 (a)	
	Para. Standards of anti- corruption and anti- bribery, para. 24 (b)	
G1-5 – Political influence and lobbying activities		
G1-6 – Payment practices		

OR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	STATUS OF THE DISCLOSURE REQUIREMENT	REFERENCE PAGES
				Disclosed	197
				Disclosed	197
				Disclosed	197
				Disclosed	198-202; 210-214
X		X		Disclosed	202-203
X				Disclosed	
				Disclosed	203
X		X		Disclosed	204
X				Disclosed	
X				Disclosed	204
X		X		Not material	
				Not material	-
X				Not material	-
				Not material	-
				Not material	-
				Not material	-
				Not material	-
				Disclosed	135-137
				Disclosed	215; 219
X				Disclosed	215-216; 219-221
X		X		Disclosed	
				Disclosed	216; 221-222
				Disclosed	216-217; 222
X				Disclosed	217-218; 222-224
				Disclosed	218; 224
				Disclosed	225-226
				Disclosed	226-234
				Disclosed	234-235
				Disclosed	119
				Disclosed	236
X				Disclosed	236-237
X				Disclosed	
				Disclosed	238-239
				Disclosed	240-241
X		X		Disclosed	241
X				Disclosed	
				Disclosed	241
				Disclosed	241-242

MDR-P - POLICY OVERVIEW

INTERNAL REGULATIONS	DESCRIPTION OF KEY CONTENTS	SCOPE OF APPLICATION	OWNER
Sustainability Policy	• Definition of the Banking Group's strategic sustainability principles • Identification, assessing and management of ESG-related risks and opportunities • Integration of ESG factors into the company and the business • Commitments undertaken by signing the Principles for Responsible Investments (PRI) and the Principles of the UN Global Compact	Banca Generali and the Subsidiaries of the Banking Group	General Couns Sustainability
Guidelines on Integrating Sustainability Factors into Investment Services, Collective Asset Management and Active Ownership	• Definition of principles and implementing actions for integrating ESG factors into investment decision-making and in advisory processes • Definition of the roles and responsibilities of the corporate functions involved • Responsible investment approach • PAI (Principal Adverse Impacts) management procedures • Policies on exclusion and negative screening • Active Ownership strategy and Voting Policy	Banca Generali and the Subsidiaries of the Banking Group	General Couns Sustainability a General Manag Wealth and Ass
Internal Code of Conduct	• General rules of conduct • Confidentiality obligations, use of confidential and inside information and related handling methods • Market abuse • Personal transactions • Relationships with clients, investors and other external parties	Banca Generali and the Subsidiaries of the Banking Group	Head of the HR Chief Complian
Whistleblowing Policy	• Definition of criteria and rules for managing reports • Bodies and functions involved in the management of reports • Whistleblowing channels • Procedures for managing the report • Protection and anti-retaliation measures	Banca Generali and the Subsidiaries of the Banking Group	Chief Anti-Fina Officer
Anti-Bribery & Corruption Policy	• Definition of principles and guidelines for Anti-Bribery & Corruption (ABC) activities • Description of the ABC risk assessment process • ABC Obligations	Banca Generali and the Subsidiaries of the Banking Group	Chief Anti-Fina Officer
Anti-Money Laundering, Counter-Terrorist Financing, and International Sanction Policy (AML/CTF/IS Policy) of Banca Generali Banking Group	• Governance rules, roles and responsibilities • Group guidelines	Banca Generali and the Subsidiaries of the Banking Group	Chief Anti-Fina Officer
Personal Data Protection Policy	• Lawful, fair and transparent processing of personal data • Consent and circulation of policy statement • Protection by design and by default • Management of third parties • Personal data storage • Personal data breaches	Banca Generali and the Subsidiaries of the Banking Group	Data Protectio (Chief Complia
Policy for Determining the Banking Group's Remuneration and Incentive Policies	• Goals pursued through the Remuneration Policy • Roles and responsibilities of the main Bodies/Functions involved in the Process • Criteria for defining remuneration • Process for identification of Key Personnel	Banca Generali and the Subsidiaries of the Banking Group	Head of the HR
DEI Guidelines	• Roles and Responsibilities • Diversity, equity and inclusion principles • Integration of DEI principles in key HR management processes	Banca Generali	Head of the HR
Ethical Code for Suppliers of the Generali Group	• General principles underpinning fruitful relations with contract partners	Banca Generali and the Subsidiaries of the Banking Group	Procurement

	EXTERNAL REGULATORY FRAMEWORK	AVAILABILITY	ESRS/MATERIAL TOPIC
el &	• UN PRI (Principles for Responsible Investments) • UN Global Compact • SFDR (Sustainable Finance Disclosure Regulation), Regulation (EU) 2019/2088 • Assogestioni's Italian Stewardship Principles	Public website	E1, S1, S4, G1, Entity Specific
el & nd Deputy er Products, set Management	• UN PRI (Principles for Responsible Investments) • UN Global Compact • SFDR (Sustainable Finance Disclosure Regulation), Regulation (EU) 2019/2089	Public website	E1, Entity Specific
Department/ nce Officer	• United Nations Universal Declaration of Human Rights • UN Global Compact • OECD Guidelines • OECD Corporate Governance Principles • International Labour Organization (ILO) principles	Public website	S1, S4, G1, Entity Specific
ncial Crime	• Italian industry regulations • Corporate Governance Code for Listed Companies of Borsa Italiana	Public website	S1, G1
ncial Crime	• Italian and European industry regulations	Public website	G1
ncial Crime	• Italian and European industry regulations • Supervisory Provisions - Bank of Italy Circular No. 285 of 17 December 2013 "Supervisory Provisions for Banks", as subsequently amended • Implementing provisions of the Anti-Money Laundering Decree published from time to time by the Supervisory Authorities of the banking sector (Bank of Italy and IVASS with regard to the intermediation of insurance products) • Consob Resolution No. 18731	Internal website	
n Officer nce Officer)	• General Data Protection Regulation (GDPR)	Internal website	S4
Department	• Italian and European industry regulations • EBA Guidelines on Remuneration Policies and Practices • Guidance on the collection of information regarding high-earners and on remuneration benchmarking pursuant to Article 75 of CRD • Joint Bank of Italy-Consob Communication of 8 March 2011 on the "Segregation of duties between Compliance and Internal Audit in the provision of investment and collective asset management services"	Internal website	S1
Department	• UNI/PDR 125:2022	Internal website	S1
		Public website	G1

INTERNAL REGULATIONS	DESCRIPTION OF KEY CONTENTS	SCOPE OF APPLICATION	OWNER
Security Policy	• Objectives, fundamental principles and security-related responsibilities • IT Security, Cyber Security, Physical Security, Corporate Security, Business Continuity and Fraud Management • Security governance • Security Management Process • Reporting	Banca Generali and the Subsidiaries of the Banking Group	Head of Securi
Business Continuity and Disaster Recovery Policy	• Definition of the business continuity and disaster recovery framework • Roles and responsibilities for managing business continuity • Business Continuity Management procedures • Business Impact Analysis (BIA) and Risk Identification and Assessment (RIA) • Business Continuity Management (BCM) strategies	Banca Generali and the Subsidiaries of the Banking Group	Head of Securi
Policy on the Provision of Investment Advisory Service	• Definition of guideline principles and criteria for providing advisory services • Roles and responsibilities of the corporate structures involved • Service model: "base" and "advanced" advisory • Sources and instruments for providing the service • Methods for providing the service: from conception to advisory proposal • Reports to clients	Banca Generali	Head of the Fir Department/H Platform Depa
Commercial and Product Governance Policy	• General principles and regulatory framework • Roles and responsibilities in the product governance process • Commercial segments: assets under management, insurance products, assets under administration and banking, non-financial services • Definition and development of the commercial offering, product governance and target customers • Process for approving new products and services • Client protection • Monitoring of the range of products and services • Distribution channels • Definition of the commercial budget • Commercial policy and incentive schemes • Information logging and management	Banca Generali	Head of the Pr Department/H Assets Under A Department
Circular on "Management of cybersecurity incidents and threats"	• Definition and classification of cybersecurity events, threats and incidents • Process for managing cybersecurity incidents and threats • Online payment security • Major incident communication activity • Communication channels, protocols and instruments	Banca Generali	Head of the Se and BCP Servi
(continued) Circular on "Management of cybersecurity incidents and threats"	• Definition and classification of cybersecurity events, threats and incidents • Process for managing cybersecurity incidents and threats • Online payment security • Major incident communication activity • Communication channels, protocols and tools	Banca Generali	Head of the Se and BCP Servi

	EXTERNAL REGULATORY FRAMEWORK	AVAILABILITY	ESRS/MATERIAL TOPIC
ty and BCP	• Italian and European industry regulations • National Collective Labour Agreement (CCNL) of credit financial institutions and instrumental companies	Public website	S4
ty and BCP	• ISO 22317:2015 (E) • ISO 22318:2015 (E) • ISO 22313:2020 • ISO 22301:2019 • ISO 27031:2011 • Supervisory Provisions for Banks (Bank of Italy Circular No. 285 of 17 December 2013)	Internal website	S4
nancial Advisory ead of Digital rtment	• Italian and European industry regulations	Internal website	S4, Entity Specific
oducts ead of the Administration	• Italian and European industry regulations • Consob Issuers' Regulation • ESMA "Guidelines on MiFID II product governance requirements" of 2 June 2017 • "Supervisory Provisions for Banks" – Bank of Italy Circular No. 285 of 17 December 2013, as further amended and extended • Bank of Italy order "Provisions on the transparency of banking and financial services and transactions, and the propriety of relationships between intermediaries and customers" of 29 July 2009, as further amended and extended • "Guidelines on product oversight and governance arrangements for retail banking products" – EBA Final Report GL/2015/18 of 15 July 2015	Internal website	S4, Entity Specific
curity ce	• Italian and European industry regulations • Bank of Italy Circular No. 285 of 17 December 2013 on "Supervisory Provisions for Banks", as further amended and extended • "Guidelines on the Security of Internet Payments" of 19 December 2014 issued by the European Banking Authority (EBA) • EBA Guidelines on major incident reporting under PSD2 (EBA/GL/2021/03), issued by EBA on 10 June 2021 • "Guidelines on ICT and security risk management" issued by EBA on 28 November 2019 • Provision of EIOPA Guidelines on information and communication technology security and governance • Corporate Governance Code for Listed Companies of Borsa Italiana – January 2020, as further updated	Internal website	S4
curity ce	• ISO/IEC 27000 • NIST Special Publication (SP) 800 • ITIL 4 Framework of 2019, as further amended and updated, etc.	Internal website	S4

INTERNAL REGULATIONS	DESCRIPTION OF KEY CONTENTS	SCOPE OF APPLICATION	OWNER
Circular on“Guidelines on business trips and travel”	• Guidelines’ objectives and scope of application • Business trip authorisation • Rules for starting and closing business trips • Booking and cancellation • Selection of the means of transport • Overnight stay • Car rental and use of personal car • Other means of transport • Reimbursement of travel expenses • Entertainment expenses • Business trip safety and security	All the Italian Companies of Banca Generali Group	Head of the HR
General Principles of Gender Equality	• Promotion and protection of diversity and equal opportunities • Spread of a gender equality culture • Development of a fair work environment • Promotion of gender equality through corporate policies and initiatives • Ongoing training on DEI matters • Accessibility of information, service and corporate spaces	Banca Generali and its key stakeholders	Head of the HR
Financial Partnership Policy	• Description of parties involved • Process for selecting Financial Partners • Monitoring	Banca Generali and the Subsidiaries of the Banking Group	Head of the Pro Department/He Assets Under A Department
Circular on "Inheritance procedures”	Rules governing the management of inheritance procedures of our clients	Banca Generali	Head of Wealth
Data Governance & Quality Policy	• Definition of the general principles and objectives of data governance • Description of the guidelines for defining an appropriate data quality model	Banca Generali and the Subsidiaries of the Banking Group	Head of the Inn Department
Tax Compliance Policy	• Policy’s objectives • Tax Control Framework	Banca Generali	Head of the Ad Department
Organisational and Management Model	• Contents and recipients of the Model • Disciplinary framework • Supervisory Board • Disciplinary framework	Banca Generali	Chief Complian
ICT Policy	• Definition and application of the ICT strategy • ICT project management • ICT risks	Banca Generali and the Subsidiaries of the Banking Group	Head of IT & O
ICT and Cyber-Security Risk Analysis and Management Policy	• ICT risk management framework • ICT and cyber-security risk analysis and management process	Banca Generali and the Subsidiaries of the Banking Group	Head of the Ch

	EXTERNAL REGULATORY FRAMEWORK	AVAILABILITY	ESRS/MATERIAL TOPIC
R Department	• Italian National Collective Labour Agreement (CCNL) for the Credit Sector	Internal website	E1
R Department	• UNI/PdR 125:2022	Internal website	S1
oducts ead of the Administration	• Italian and European industry regulations • ESMA "Guidelines on MiFID II product governance requirements" of 2 June 2017; • ESMA "Questions and Answers on MiFID II and MiFIR investor protection and intermediaries topics" (most recently updated on 28 May 2021) • "Supervisory Provisions for Banks" – Bank of Italy Circular No. 285 of 17 December 2013, as further amended and extended	Internal website	Entity Specific
n Advisory	• Italian and European industry regulations	Internal website	Entity Specific
novation	• Bank of Italy Circular No. 285 of 17 December 2013 "Supervisory Provisions for Banks", as further amended and extended	Internal website	Entity Specific
lministration	• Italian and European industry regulations	Internal website	G1
nce Officer	• Italian Legislative Decree No. 231/01	Internal website	G1
perations	• Bank of Italy's Supervisory Provisions • Regulation (EU) 2022/2554 – Digital Operational Resilience Act • ISACA (2019). COBIT 2019 Framework: Governance and Management Objectives. Schaumburg (USA): ISACA • Axelos (2019). ITIL Foundation: ITIL 4 Edition. London: TSO (The Stationery Office)	Internal website	S4
ief Risk Office	• Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector (DORA) • Regulatory Technical Standards to further harmonise ICT risk management tools, methods, processes and policies as mandated under Articles 15 and 16(3) of Regulation (EU) 2022/2554 • Regulatory Technical Standards to specify the detailed content of the policy in relation to the contractual arrangements on the use of ICT services supporting critical or important functions provided by ICT third-party service providers as mandated by Regulation (EU) 2022/2554 • Bank of Italy Circular No. 285 of 17 December 2013 "Supervisory Provisions for Banks", as further updated (hereinafter "Supervisory Provisions") • EBA/GL/2017/05 of 11 May 2017 "Guidelines on ICT Risk Assessment under the Supervisory Review and Evaluation process (SREP)" • EBA/GL/2019/04 of 28 November 2019 "EBA Guidelines on ICT and security risk management" • "Principles for operational resilience" issued by the BCBS on 31 March 2021	Internal website	S4

ENVIRONMENTAL DISCLOSURE

ESRS E1

ESRS E1 – Climate change

E1-1

E1-1: Transition plan for climate change mitigation

In the complex context of recent years, marked by a series of new regulations and the emergence of exogenous factors, the transition towards a low-emission economy has required a major cultural change in the business world, and in particular in the financial sector, where the use and management of resources/capital are accelerators of the transition process, both through the financing of technological and infrastructure projects and through financial investments aimed at promoting environmental, social or governance objectives.

For an institution such as Banca Generali, this context has led to strategic considerations and choices linked to various areas, from corporate governance to financing and advisory processes, the integration of sustainability criteria in investment decisions, and the management of financial risks related to climate change.

Banca Generali regards ESG governance as a fundamental climate transition accelerator; the **Board of Directors** plays an active steering and governing role in integrating climate-related and environmental risks into the corporate culture and strategy, as well as in the corporate risk appetite framework and in the risk limits of the managed portfolios.

Within this context, the Board of Directors:

- in its meeting of 21 June 2024, approved an integration to the Action Plan regarding compliance with the Bank of Italy's Supervisory expectations for climate-related and environmental risks and most recently approved on 11 May 2023 by the previous Board of Directors; the integration refers to the **definition of a net-zero climate plan with interim qualitative and quantitative targets to be reached by 2030** and to the formalisation of the process for achieving them;
- in its meeting of 10 February 2025, approved a **Climate Transition Plan** (hereinafter the "Plan"), which identifies the decarbonisation levers and the medium-/long-term targets.

In application of the Climate Transition Plan, the **Sustainability and Innovation Committee** regularly monitors the implementation of CO_2 emission reduction actions and targets.

This Plan is a significant step in the path towards the 2040 net-zero target and allows to measure and build on the efforts already made in the previous three years, setting the future ambition in line with the vision.

By adopting this Plan, the Banking Group sets its **interim and long-term decarbonisation actions and targets to be reached, respectively, by 2030 and by 2040**, in compliance with the regulatory requirements and supported by market-aligned initiatives. It also aims to enable an understanding of its past, current, and future mitigation efforts to ensure that its strategy and business model are compatible with the transition to a sustainable economy, and with the limiting of global warming to 1.5°C in line with the Paris Agreement. The Plan also lays down the commitment to a coal phase-out by 2030.

Although it has yet to implement a science-based emissions reduction trajectory, Banca Generali regularly carries out **initiatives to monitor its GHG emissions**, in line with its commitment to reducing the negative impact linked to climate change, and sets itself the objective to develop, over the next five years, a data framework enabling an effective and science-based definition of its targets.

In order to support its GHG emission reduction targets for both Core Operational Activities (own emissions) and Downstream Business Activities (investment portfolio), Banca Generali has identified some levers supporting transition in the medium (2030) and long term, and in particular:

- **ongoing consolidation of internal regulations**, with a particular focus on sustainable finance;
- **development or placement of new financial and insurance products or services** focused on transition;
- **creation of a monitoring infrastructure** aimed at reinforcing ESG data quality and the ongoing monitoring of CO_2 emissions, that will lead to a more efficient management of both the investment portfolio and the operational activities with a view to setting the subsequent science-based targets;

- **engagement** towards investee companies and towards suppliers, with a focus on climate mitigation;
- ongoing people **training** on climate-related and environmental matters;
- **use of new technologies** supporting operational and investment activities, with a view to improving efficiency and reducing consumption.

The Transition Plan is **embedded in the Company's corporate strategy** and financial planning; the path towards a low-carbon economy — which the Bank had launched as part of its 2022-2024 Strategic Plan by integrating short-term targets in Downstream Business Activities (Investments) — continues with the new Transition Plan, whose levers and actions will be progressively integrated within all parts of the value chain with a medium-/long-term vision.

The Bank also undertakes to regularly review and update its Transition Plan to align it with emerging best practices and to increase and strengthen its commitment towards climate change mitigation.

With regard to the results already achieved at 31 December 2024 compared to the 2019 baseline:
- **own emissions from Operational Activities**: a -29% reduction of absolute Scopes 1 and 2 emissions, expressed in tCO_2eq (market based);
- **Investments**: a 51% reduction of the carbon footprint referring to Scopes 1 and 2 emissions of corporate issuers (direct investments in equity and bonds of the proprietary portfolio managed on behalf of customers), expressed in tCO_2eq per million euros invested.

E1 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

E1 SBM-3

The Double Materiality Analysis[53] concerning climate change has taken into consideration both the **Business** Activities and **Operational Activities**: in general terms, risk management appears to be well established in both cases, with no material risks detected; however, given the strategic impact of the financial sector on climate change and the growing focus by the Supervisory Authorities and European institutions on the management of climate transition, Banca Generali has set climate change (E1) as a potential material topic, **identifying investments in high climate impact sectors as the main potential source of negative impact**.

Elements mitigating climate-related and environmental risks in Business Activities

The Double Materiality Analysis was performed on Own Investments, on the portfolios of Discretionary Mandates and on the Sicavs managed by Banca Generali Group. With reference to risks, the magnitude was evaluated together with the likelihood of occurrence in order to determine which risk drivers may generate material effects. This process consisted in assigning a score that took into account, *inter alia*, environmental performance and also included assessments linked to specific aspects such as climate change mitigation, business model resilience, adaptation to climate change, energy efficiency and the use and spread of renewable energy. In addition, as regards the analysis on Investments, the Banking Group introduced a negative screening of counterparties linked to controversial sectors that aims at containing said investments in light of its commitment to climate change.

Elements mitigating climate-related and environmental risks in Operational Activities

In line with regulatory provisions, Banca Generali has defined a series of actions and control measures aimed at assessing its operational resilience, including considerations linked to climate change and the related physical risks, which are included in the Business Continuity Plan prepared by Banca Generali and its subsidiaries. This Plan, subject to ongoing maintenance, chiefly aims to ensure critical processes continuity and a high level of customer service.

In particular, several risk scenarios based on international best practices and regulators' guidelines have been included, defining appropriate mitigation actions. The business continuity management process also includes awareness-raising initiatives dedicated to process owners aimed at ensuring efficient incident and crisis management procedures. The Business Continuity Plan provides for implementation of the following activities:
- strengthening of Business Impact Analysis (BIA) activities in order to identify, quantify and

[53] For further information on the process and outcome of this analysis, see Sections "IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities" and "SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model".

fully qualify the business impacts of the interruption/loss of activities through training sessions for process owners and specific interviews;
- review of Risk Identification & Assessment (RIA) processes with the aim of achieving a systematic risk assessment through a review of the risk catalogue, risk assessment criteria and associated threats;
- consolidation of the Business Continuity Strategy and the Emergency and Crisis Plan, ensuring consistency with the new methodologies and processes adopted;
- strengthening of the Disaster Recovery (DR) plan currently in use, also setting up semi-automated collection of information useful for structuring the plan;
- consolidation and enrichment of the methods of executing Business Continuity and Disaster Recovery Tests on multi-year plans, through the thorough execution of different scenarios and test methods (e.g., simulations and walkthroughs) that will also include the participation of specific critical functions.

With particular regard to risks connected to climate change, Banca Generali has defined appropriate mitigation actions to ensure business continuity.

E1-2

E1-2: Policies related to climate change mitigation and adaptation

Banca Generali Group has long been focused on climate change and sound environmental management, as confirmed as early as in 2018 by the formal introduction of its Policy for the Environment and Climate, which introduced the guiding principles for managing its environmental impacts. Subsequently, in an increasingly complex context drawing ever more attention from regulators, the Banking Group has strengthened its framework by introducing policies linked to a thorough management of its potential impacts on climate change due to its investment management activity.

In particular, in June 2024 Banca Generali S.p.A.'s Board of Directors approved, within the Sustainability Policy, environmental and climate-related principles consistent with the environmental commitments undertaken by singing the UN Global Compact, and aligned with the Sustainable Development Goals (SDGs) of the United Nations. The Banking Group specifically commits to a sound and thorough management of its operational activities with respect to the environment and to promoting environmental responsibility among different stakeholders, such as employees, Financial Advisors, customers and suppliers.

As regards mobility, although the Group has no specific objectives and/or targets, the Guidelines on Business Trips and Travel adopted by Banca Generali Group encourage the use of public transport, above all the least polluting ones (e.g., trains rather than planes), instead of personal cars.

With regard to investments, the Guidelines on Integrating Sustainability Factors into Investment Services, Collective Asset Management and Active Ownership adopted in July 2024 confirm the Banking Group's commitment to promoting and supporting transition through the integration of ESG criteria into investment policies, as well as into the provision of products and services. The approach adopted uses an ESG score, which takes into account, *inter alia*, the environmental performance of financial instruments in terms of climate change mitigation and adaptation, and provides for specific controls for the selection of counterparties and asset managers, whose own analysis and due diligence processes integrate ESG aspects.

In said Guidelines, the Banking Group has also committed to an active ownership approach to investments: with specific regard to climate change mitigation and adaptation, the Group exercises its voting rights advocating for, and engaging on, corporate and industry actions in favour of a low-carbon transition. In the event of climate-related resolutions proposed by shareholders, the Group's policies require, in principle, to support resolutions requesting the disclosure of a company's GHG emissions levels, as well as the adoption of strategies (including lobbying) aimed at reducing future emissions. In addition, GHG emission performance was also specifically identified as one of the material topic for selecting financial counterparties towards which to carry out engagement activities.

With regard to investments, the Banking Group is also committed to mitigating the principal adverse impacts (PAIs) of investment decisions on sustainability factors, including indicators linked to GHG emissions.

Furthermore, the Banking Group incorporates the ESG factor analysis into the corporate lending process with the objective of identifying and managing any sustainability risks during the credit granting stage. In detail, the due diligence process involves the analysis of the relevant operating sector, as well as of the exposure to the overall ESG risk, with a focus on companies' physical risk and transition risk, using a score provided by an external infoprovider, and the provision of enhanced due diligence and escalation procedures if a company belongs to a controversial sector and/or has high risk indicators (ESG, physical and transition risks).

In recent years, Banca Generali has also embarked upon a path of gradual integration of ESG factors into its risk framework, focusing on climate-related risks.

E1-3: Actions and resources in relation to climate change policies

E1-3

The Climate Transition Plan recently approved has confirmed and strengthened Generali Group's commitment to climate change, defining the main decarbonisation levers and forging ahead with the actions already undertaken in the previous years.

More specifically:

- as regards **internal regulations**, the framework was further strengthened in 2024. The Sustainability Policy, updated in June, aimed at reinforcing environmental and climate-related principles consistent with the environmental commitments undertaken by singing the UN Global Compact, and aligned with the UN Sustainable Development Goals (SDGs); in particular, as regards sustainable finance, it introduced new restrictions towards Oil & Gas companies that use unconventional extraction methods (e.g., tar sands);
- with regard to **development and placement of new financial and insurance products** or services, in 2024 the Bank promoted, and will continue to promote in the forthcoming years, the use of ESG products within its Customers' portfolios, with a focus on transition. At the end of 2024, the Bank reached and exceeded the target set by its 2022-2024 Strategic Plan, namely a 40% ratio of ESG products to total managed solutions;
- the **building of a monitoring infrastructure** to strengthen ESG data quality led, as soon as in 2024, to the launch of a project aimed at mapping key non-financial KPIs. Ongoing monitoring of CO2 emissions will be prioritised in the coming years, with regard to both Investments and Operational Activities;
- **engagement** with investee companies completed its first year of activity in 2024; in the coming years, it will aim at expanding its scope of action with regard to investments and at increasingly raising the awareness of climate mitigation among the main suppliers, giving priority to IT suppliers;
- extensive **ongoing people training** on climate-related and environmental matters was provided in 2024, also covering material topics related to climate change. This action will continue also throughout the Plan;
- as regards the **use of new technologies supporting** operational activities and investments, in 2024 the Digital Awareness Survey and specific programmes dedicated to generative AI were rolled out to improve efficiency;
- **the confirmation of the hybrid way of working** "Next Normal" and the closure of offices on working Fridays and around national holiday breaks are actions that ensure a tangible reduction in consumption inside the buildings and limit people's use of their own vehicles to commute;
- the **sustainable approach in developing the local logistics network** — a process that involves renovating and fitting out the bank branches and Financial Advisors' offices — contributes to drawing attention to the potential material environmental impact: these principles are included in a technical specification document that contains information relating to the materials used to carry out the renovation and/or fitting out.

Banca Generali Group has allocated a multi-year budget for implementing the Transition Plan.

E1-4

E1-4: Targets related to climate change mitigation and adaptation

Banca Generali Group is committed to fostering the transition towards a low-emission future, setting decarbonisation targets in line with the CSRD regulatory requirements and the Bank of Italy's expectations, as well as with the Bank's vision and Assicurazioni Generali Group's ambition. In particular, targets have been set with regard to both Investments and Operational Activities.

With regard to Investments, which represent the main source of emissions, the scope of the identified objectives refers to the financial assets on which the Bank has direct control, including corporate issuers (equities and bonds) within the Proprietary Portfolio, Discretionary Mandates and Funds of BGFML. As regards Investments, the Climate Transition Plan sets the target to reduce by 55% compared to 2019 the investment carbon footprint, measured as Scopes 1 and 2 emissions per million euros invested, to be reached by 2030, and then to reach the net-zero target by 2040. The Plan also provides for a coal phase-out by 2030 for the same reporting scope, thus confirming the two objectives already announced in the 2022-2024 Strategic Plan.

In order to gradually achieve the coal phase-out target, the following actions are planned:

- introducing restrictions on investments in carbon-intensive companies, i.e., companies that derive more than 20% of their revenues from coal or use more than 20% of electricity produced from coal;
- introducing restrictions on Oil & Gas companies that use unconventional extraction methods (e.g., tar sands);
- monitoring the phase-out path of issuers with lower exposure to coal thanks to the implementation of a data infrastructure.

The monitoring KPI selected for Investments refers to the carbon footprint, i.e., tonnes of CO2 emitted per million euros invested. The target of -55% by 2030 — which from a quantitative point of view is in line with that already reached at the end of 2024 — has been set as a precautionary measure, as it is considered necessary to first strengthen the CO_2 database in order to subsequently define more ambitious medium-term targets relying on science-based forecasts. Other levers for supporting the target include increased engagement activities with issuers and the launch of new transition-oriented solutions.

With regard to Operational Activities, which are a residual source of emissions, a medium-term target of -40% has been set for 2030, with the possibility of offsetting residual emissions through the purchase of carbon credits starting from 2030. The target is monitored with reference to Scopes 1 and 2 emissions from Operational Activities and the KPI is represented by the absolute amount of emissions, expressed in tonnes of CO_{2eq}. The actions supporting the achievement of the target include the gradual exclusion of fossil-fuel company cars, the green retrofitting of the Trieste headquarters, the confirmation of the hybrid way of working and the closure of offices on Fridays.

SCOPE[54] AND METRICS[55]

	UOM	BASE YEAR (2019)	PERSPECTIVE 2024	PERSPECTIVE 2030 TARGET	PERSPECTIVE 2040 TARGET
Focus on Investments					
Carbon footprint		100%	-51%	-55%	Net Zero
	tCO_{2eq}/€ million	108	53	48	-
Focus on Operational Activities					
Scope 1 & 2		100%	-29%	-40%	Net Zero
	tCO_{2eq}	628	444	377	-

[54] Banca Generali's banking book, the portfolio management schemes and BGFML's UCITS were included in the scope of these analyses. Assets managed by BG Valeur and BG Suisse Private Bank S.A. were excluded.

[55] To calculate the carbon footprint, the Bank uses the data provided by MainStreet Partners. The KPI measures Scopes 1 and 2 emission per million euros invested. CO_2 emissions data refer to the most recent information provided by the issuer, with a maximum 2-year lookback period in respect of the year of analysis (for the analysis at 31 December 2024, data used have been compared to data at 31 December 2023 or 31 December 2022). The EVIC, used to calculate carbon intensity, refers to the most up-to-date information available on the market at the time of the analysis.

E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6

In disclosing its GHG emissions, Banca Generali considers the principles, requirements and guidance provided by the GHG Protocol Corporate Standard[56]. The disclosure takes into account several GHG — CO_2 (carbon dioxide), CH_4 (methane) and N_2O (nitrous oxide) — all converted into carbon dioxide equivalent (CO_{2eq}) and broken down by type of sources.

Banca Generali Group measures and reports GHG emissions of properties used as headquarters and covered by Generali Group's Environmental Management System. In fact, the Bank has complete financial and operational oversight over these properties, which it exercises also through Generali Group's Facility Management function.

As of 2022, the measurement process is executed by availing of the support of the data collection software Sphera, which is fed by the individual legal entities and allows emissions for each segment to be extracted automatically.

The scope of GHG emission measurement includes the Bank's two main sites, namely the Milan headquarters (Generali Hadid Tower, located in Piazza Tre Torri 1) and the Trieste offices (Corso Cavour 5/a), and does not include the banking branches and the foreign sites with a modest number of employees. Overall, the two facilities are the place of work of most of employees, hosting 73% of the Banking Group's workforce, in line with the previous years. At both head offices, a facility management service is provided by Generali Italia, a Generali Group company responsible for, among other aspects, the operation and scheduled maintenance of technological and special installations and management of utilities and waste.

Consumption information has been surveyed by Generali Italia and then allocated to Banca Generali according to the percent occupation of the buildings (82.86% for the Trieste headquarter and 14.28% for the Hadid Generali Tower). In fact, of the 43 total useable above-ground floors in the Hadid Generali Tower, only 5 are occupied by Banca Generali personnel (in addition to one used as a branch).

It should be noted that, following the alignment to the regulatory standards, the scope used in 2023 to calculate Scope 3 emissions as per the table below has been changed. It now includes Category 15, which refers to Banca Generali S.p.A.'s own investments and accounts for absolute GHG emissions associated with corporate and government investment portfolios. Accordingly, to ensure that changes are correctly and objectively analysed, 2023 data of total gross indirect (Scope 3) GHG emission have been updated.

[56] Version 2004.

	UOM	2023	2024	% CHANGE 2023-2024
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions	tCO_{2eq}	432.6	325.1	-24.86%
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions	tCO_{2eq}	643.2	595.2	-7.47%
Gross market-based Scope 2 GHG emissions	tCO_{2eq}	141.9	119.3	-15.92%
Significant Scope 3 GHG emissions				
Total gross indirect (Scope 3) GHG emissions	tCO_{2eq}	961,716.5	964,243.4	0.26%
1. Purchased goods and services: paper use and water consumption	tCO_{2eq}	10.2	9.9	-3.11%
2. Capital goods	tCO_{2eq}	Not material		
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO_{2eq}	349.1	316.5	-9.35%
4. Upstream transportation and distribution	tCO_{2eq}	Not material		
5. Waste generated in operations	tCO_{2eq}	7.1	9.9	39.90%
6. Business travelling	tCO_{2eq}	96.1	101.1	5.28%
7. Employee commuting	tCO_{2eq}	-	-	-
8. Upstream leased assets	tCO_{2eq}	Not material		
9. Downstream transportation	tCO_{2eq}	Not material		
10. Processing of sold products	tCO_{2eq}	Not material		
11. Use of sold products	tCO_{2eq}	Not material		
12. End-of-life treatment of sold products	tCO_{2eq}	Not material		
13. Downstream leased assets	tCO_{2eq}	Not material		
14. Franchising	tCO_{2eq}	Not material		
15. Investments	tCO_{2eq}	961,254.0	963,806.0	0.27%
Total GHG emissions				
Total GHG emissions (location-based)	tCO_{2eq}	962,792.4	965,163.7	0.25%
Total GHG emissions (market-based)	tCO_{2eq}	962,291.0	964,687.8	0.25%

Scope 1

Scope 1 emissions include direct emissions from sources that are directly owned or controlled by Banca Generali. This category includes emissions generated from heating and refrigerant gases of owned operating sites, and those due to fuel for owned company vehicles. Data relating to the company fleet (excluding pooled cars) are determined in litres of fuel and electricity consumed. This value was converted into Km using an average conversion factor of 18 km per litre (13.5 x 100 per kWh.)

In 2024, performance was in line with the planned strategy, with emissions declining by -24.86% compared to 2023. The consumption analysis highlighted a benefit under Scope 1 attributable to the closure of HQ offices on Fridays and on scheduled periods, which led to a -25.89% decrease in consumption of natural gas at the Trieste office. The mobility (car) segment remained stable, with expectations for a prospective improvement thanks to the new car fleet policies.

Scope 2

Scope 2 emissions include indirect emissions from purchased energy, such as electricity and district heating. These emissions result from the generation of purchased energy, and not directly from the Bank's internal processes.

In 2024, performance was in line with the planned strategy, with emissions declining by -15.92% compared to 2023 (market-based)[57]. The consumption analysis highlighted a benefit under Scope 2

[57] The "market-based" approach requires the GHG emissions resulting from the purchase of electricity and heat to be determined considering the specific emission factors communicated by suppliers. For purchases of electricity from renewable sources, an emission factor of zero is attributed with regard to Scope 2. The "location-based" approach, on the other hand, accounts for emissions from electricity consumption applying national average emission factors.

also attributable to the planned closure of HQ offices, with a -16.23% decline in consumption related to the district-heating of the Milan headquarters Generali Hadid Tower, in addition to a -5.96% decrease in electricity consumption at both head offices.

Scope 3

Scope 3 emissions include all other indirect emissions that occur in the Bank's value chain, both upstream and downstream. The emission categories analysed by the Banking Group include the emissions generated by the investment component (the key emission category of financial institutions – Category 15), by activities linked to fuel and energy not included in Scopes 1 and 2 (Category 3), by business travelling (train, airplane and company fleet vehicles – Category 6), by paper use and water consumption (Category 1) and by waste disposal (Category 5). Scope 3 emissions are generally the most difficult to monitor and will be subject to revision and integration in the coming years.

In 2024, Scope 3 emissions related to Operational Activities (ex. Category 15) declined by -5.42%, with a positive contribution from business travelling, attributable to an increased use of train, partially offset by a higher number of short-distance flights. Overall, including Category 15, the performance was essentially unchanged.

Scope 3 emissions include 15 categories. In 2024, Banca Generali analysed 5 emission categories, whereas the other categories were not deemed material to its business model and corporate activities.

Below are the 5 material emission categories disclosed:

› *Category 1 – Purchased goods and services (paper use and water consumption)*
  The emissions of this category, made up of paper use and water consumption, declined by -3.11% compared to 2023. The reduction was attributable to a -2.32% decrease in total paper consumption, particularly in printed documents (-23.05%). The consumption calculation methodology applies criteria proportional to the total invoice data.
› *Category 3 – Fuel and energy-related activities (not included in Scope 1 or Scope 2)*
  In 2024, emissions decreased by -9.35%, mainly as a result of the purchase of energy from renewable sources (-6%) and of gas for heating, whose emissions declined by -26%.
› *Category 5 – Waste generated in operations (Waste disposal)*
  Emissions disclosed refer to sorted waste destined for recycling, unsorted waste to be disposed of and unsorted waste destined to incineration and energy recovery for Banca Generali Group's own operations. Where possible, data is obtained from measurements and, where they are not available, from estimates. Emissions increased compared to 2023 as a result of a different waste mix, which saw an increase in unsorted waste, offset by a slight decline in total waste.
› *Category 6 – Business travelling*
  Emissions are generated by travelling by airplane, personal cars or short-term rental cars and train. In 2024, emissions rose by +5.28%: the mix saw an increased use of train and short-distance flights, only partly offset by a far lower use of long-distance flights.
› *Category 15 – Investments*
  Category 15 refers exclusively to absolute GHG[58] emissions associated to the Corporate and Government investment portfolios of Banca Generali S.p.A., expressed in tonnes of CO_{2eq}. These investments account for 57.11% of total assess held under Items 20, 30 and 40 of the Consolidated Financial Statements. Although 2024 was the first reporting year, a data was added for 2023 that was determined on the basis of the positions held in portfolio at that date. Emissions were essentially in line with the previous year, with a slight increase in the government com-

[58] As regards Corporate investments, absolute emissions at a point in time (t) correspond to:

$$\sum_i^N \text{counterparty i emissions} \times \frac{\text{BG exposure vs counterparty i}}{\text{Counterparty EVIC i}}$$

Where:
- (t): date of reference (e.g., year-end 2024);
- counterparty i emissions: tonnes of CO_2 equivalent generated by the organisation (Scope 1 and Scope 2);
- BG exposure vs counterparty: total investment in million euros in the organisation, held in the portfolios included in the scope of reference (own direct investments in listed equity and bond securities);
- Counterparty EVIC: the undertaking's Enterprise Value Including Cash in million euros, calculated as market capitalisation + preference shares + minority interests + total debt.

As regards Government investments, the scope exclusively includes sovereign securities and absolute emissions are calculated by applying the PCAF protocol:
Government security's absolute emissions = (a) Scope 1 absolute emissions / (b) GDP (adjusted for purchasing power parity).
Data sources used:
a) UNFCCC (Greenhouse Gas Inventory Data - GHG Profiles - Annex I) data referring to CO_2 emissions excluding LULUCF for the last available year in the inventory, namely 2021.
b) World Bank Open Data: data referring to 2021 in line with data on absolute Scope 1 emissions.

ponent, which accounted for 77% of the total analysed, only partly offset by a decline in the corporate component.

Pursuant to the ESRS 1 provisions as per Appendix E, emissions intensity is not disclosed as it is not deemed representative of performance at the Banking Group level, considering the nature of the business. On the contrary, the emissions intensity is considered strategic for some components of the value chain, particularly investment carbon footprint, as specified in the dedicated sections E1-4 and E1-6.

The Scope 3 categories classified as "not material" are not disclosed as they are not deemed material to the Group in light of its business model and corporate activities. Similarly, emissions due to employee commuting included in Category 7 and emissions generated by equipment and IT services included in Category 1 are not disclosed for 2024, as the related data is not available the current reporting year.

E1-7
E1-8

E1-7, E1-8: Carbon credits and internal carbon pricing

As defined in its Sustainability Policy and confirmed by the adoption of its first Transition Plan, Banca Generali is committed to monitoring its GHG emissions from direct and indirect corporate activities associated with the value chain, so as to contribute to their reduction and foster transition.

With respect to these environmental impacts, the Bank implements specific decarbonisation levers, as well as actions aimed at containing emissions generated by consumption and investment processes, which, as already explained, are the Bank's main emission source.

To date, these actions do not include removal and/or storage of emissions. Similarly, the Bank does not apply internal carbon pricing schemes, as it prioritises other environmental strategies in light of the peculiarities of the sector in which it operates.

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The EU Taxonomy is a cornerstone of the EU's sustainable finance framework. It is governed by Regulation (EU) 2020/852, which aims to direct investments towards economic activities that are sustainable in environmental terms (environmentally sustainable), in line with the objective of the European Green Deal.

In practice, the EU Taxonomy provides at Union level a clear, common language that identifies the economic activities that can be considered **environmentally sustainable**, namely those that comply with specific technical-scientific criteria with respect to six environmental objectives defined in the relevant regulation:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

To classify an economic activity as **environmentally sustainable**, it is necessary to apply the **technical-scientific criteria** (so-called "**technical screening criteria**") regarding the objectives of the Taxonomy governed by the Delegated Acts[59]. The European Taxonomy classifies economic activities as follows[60]:

- ***Taxonomy-non-eligible economic activities***, i.e., activities not described in the Delegated Acts, adopted to define the technical screening criteria that allow to classify an activity as environmentally sustainable;
- ***Taxonomy-eligible economic activities***, i.e., activities described in the Delegated Acts, irrespective of whether those economic activities meet the technical screening criteria;
  - ***Taxonomy-aligned activities***, i.e., activities that, pursuant to Article 3 of Regulation (EU) 2020/852, comply with the following criteria:
    - the activity's significant contribution to at least one of the six aforementioned environmental objectives; the DNSH ("Do Not Significant Harm") principle defined in the Delegated Acts; minimum safeguards, namely compliance with the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the eight ILO (International Labour Organization) fundamental Conventions covered by the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights;
- ***Not Taxonomy-aligned activities***, namely activities that do not comply simultaneously with all the above-mentioned criteria.

Article 8 of Regulation (EU) 2020/852 introduces specific disclosure requirements for financial and non-financial undertakings subject to an obligation to publish non-financial information. In order to facilitate uniform application of the disclosure requirements established by the EU Taxonomy, the European regulator required financial undertakings subject to the CSRD (Corporate Sustainability Reporting Directive, Directive 2022/2464/EU) to report on environmentally sustainable economic activities applying a gradually extended scope.

The Banking Group adopts a holistic approach to sustainability that integrates ESG considerations into its investments, its range of products and services and its customer relationships. In particular, with regard to its commercial approach, the Bank, in addition to collecting its Customers' sustainability preferences in accordance with the procedures set forth by MiFID II, has also collaborated with a company specialised in sustainable investments to provide its Customers, through its Financial Advisors, with a platform that allows, among other things, to estimate the positive contribution of the investment proposals based on specific assets oriented towards achieving the individual 17 Sustainable Development Goals.

[59] Commission Delegated Regulation (EU) 2023/2485 and Commission Delegated Regulation (EU) 2023/2486, published on 21 November 2023, amend and supplement Commission Delegated Regulation (EU) 2021/2139, which establishes the criteria for the first two climate objectives, and determine the technical screening criteria for the other four environmental objectives. Delegated Regulation (EU) 2022/1214, published on 15 July 2022, amends Delegated Regulation (EU) 2021/2139 as regards the economic activities of certain energy sectors (linked to nuclear energy and fossil gas).

[60] Pursuant to Commission Delegated Regulation No. 2020/852.

Similarly, the product development process also takes into account the sustainability objectives starting with an analysis of target customers' sustainability preferences: the gradual development of Taxonomy-oriented products will be possible depending on data availability, quality and breadth.

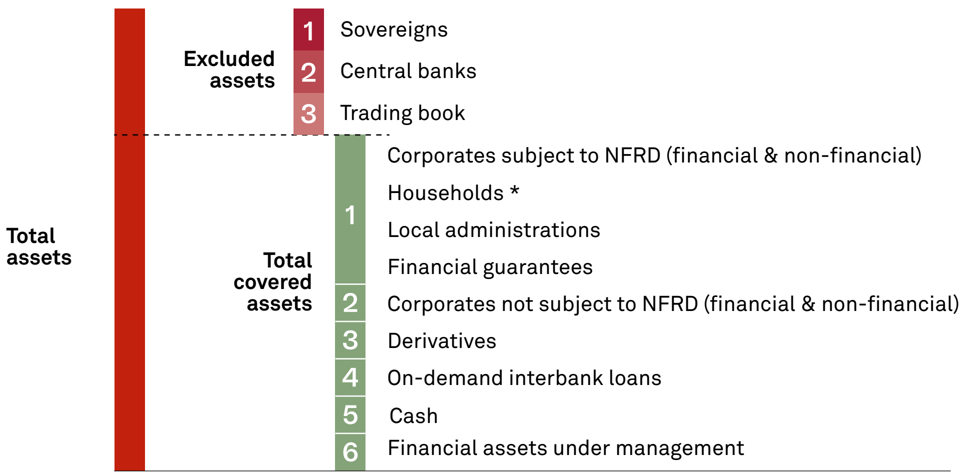
The EU Taxonomy Regulation requires credit institutions to prepare their disclosure using the templates provided for in Annex VI of Regulation (EU) 2021/2178 (as further updated) and the related KPIs, in accordance with the specific provisions of Annex V to the said Regulation. The templates call for disclosure of data on exposures to Taxonomy-eligible and Taxonomy-aligned economic activities, with the related breakdowns by environmental objective and by type of counterparty. More specifically:

- **Template 0 – Summary of KPIs**: it includes all information and main KPIs to be disclosed by credit institutions under Article 8 of the EU Taxonomy Regulation;
- **Template 1 – Assets for the calculation of GAR**: it is the main template for collecting data in million euros on exposures to assets covered for GAR calculation and KPIs regarding off-balance-sheet exposures;
- **Template 2 – GAR sector information**: it includes information in million euros on (total environmentally-sustainable) exposures towards non-financial undertakings, broken down by NACE sectors based on the principal activity of the counterparties;
- **Template 3 – GAR KPI (stock)**: it includes (percentage) data on stock of exposures calculated based on the data disclosed in Template 1;
- **Template 4 – GAR KPI (flow)**: it includes (percentage) data on the flow of new exposures assumed in the current reporting period;
- **Template 5 – KPI (Stock) off-balance sheet exposures**: it includes (percentage) data on the stock and flow of off-balance-sheet exposures (financial guarantees to back loans and advances, as well as other debt instruments and AUM). As regards stock data, (percentage) values are calculated based on the data disclosed in Template 1.

In particular, the European regulator requires to duplicate the above taxonomic templates, using as weighting factor to calculate exposures both the Turnover and CapEx of the financial and non-financial undertakings in portfolio.

In addition, effective 1 January 2024, the European regulator requires to disclose information on the Banking Group's nuclear energy and fossil gas related activities in accordance with the instructions provided for in Annex XII to Commission Delegated Regulation 2022/1214.

The following sample scheme summarises the reporting scope for on- and off-balance sheet assets, taking into account the aforementioned regulatory obligations.



* The EU Taxonomy scope exclusively includes loans collateralised by residential immovable property, building renovation loans and motor vehicle loans.

With regard to on-balance sheet assets, the Banking Group discloses the templates and calculates the **Green Asset Ratio** (**GAR**) KPI based on the following reporting scopes:

- **Total assets**: the scope of the Banking Group's assets, required by regulations;
- **Covered assets**: the reporting scope for calculating the GAR that includes total assets, excluding the trading book and exposures to central governments, supranational issuers and central banks (excluded assets);
- **Excluded assets**: assets referring to the trading book and exposures to central governments,

supranational issuers and central banks. These assets are classified as "excluded" as they are not taken into account in calculating the GAR for the purposes of the EU Taxonomy.

With regard to off-balance sheet assets, the Banking Group discloses the templates and calculates the following KPIs provided for by European Regulations:
- the KPI regarding financial guarantees backing loans and advances and other debt instruments towards undertakings, that is the ratio of financial guarantees backing Taxonomy-aligned economic activities to total financial guarantees;
- the KPI regarding assets under management, including both individual and collective portfolio management, that is the ratio of assets under management invested in Taxonomy-aligned economic activities to total assets under management.

In light of its distinctive characteristics and in line with the previous years, the Banking Group presents its EU Taxonomy disclosure with regard to the scope of prudential consolidation as per Title II, Chapter 2, Section 2, of Regulation (EU) 575/2013.

In developing its EU Taxonomy reporting methodological approach, the Banking Group considered the most recent regulatory developments pursuant to Commission Delegated Regulation (EU) 2021/2178 (as further updated) and the clarifications provided by the European Regulator[61]. In continuation with the activities launched in previous years, for the purposes of reporting on FY 2024 (for which the disclosure is based on the gross carrying amount of on- and off-balance sheet assets at 31 December 2024), the Banking Group carried out analyses aimed at providing a disclosure based on timely and granular data from its accounting systems, integrated, where necessary, with data from its management systems, regarding both on- and off-balance sheet assets, in addition to Taxonomy data made available by infoproviders. With reference to the 2024 financial year, the methodology for calculating all KPIs was carefully revised with a view to continuous improvement. In detail, the main updates made for reporting on FY 2024 refer both to a new methodological approach applied for KPI calculation and to the use of new granular and timely information taken mainly from the Banking Group's accounting systems, appropriately identified and in line with the requirements of the European regulator[62]. Detailed information on the methodology used is appended to this disclosure (Annex 1 – Disclosure pursuant to Annex VI of Commission Delegate Regulation (EU) 2021/2178, as further updated).

The table reported below shows in detail Template 0 (Summary of KPIs), which forms an integral part of Commission Delegated Regulation (EU) 2021/2178 (as further updated), and the main related results with regard to this disclosure. In particular, this template provides a comprehensive summary of the Banking Group's level of alignment to the requirements of the EU Taxonomy, including all KPIs established for credit institutions.

Based on covered assets, which accounted for 43.72% (approximately 7,355 million euros) of the Banking Group's consolidated assets at 31 December 2024, the Green Asset Ratio (GAR) in terms of stock was:
- 3.35% using the portfolio counterparties' Turnover as weighting factor with respect to exposures;
- 3.34% using the portfolio counterparties' CapEx as weighting factor with respect to exposures.

As regards off-balance-sheet exposures, KPIs in terms of stock were:
- for the financial guarantee KPI, 0.01% using the portfolio counterparties' Turnover as weighting factor with respect to exposures, and 0.02% using the portfolio counterparties' CapEx as weighting factor with respect to exposures;
- for the assets under management KPI, 2.07% using the portfolio counterparties' Turnover as weighting factor with respect to exposures, and 2.50% using the portfolio counterparties' CapEx as weighting factor with respect to exposures.

[61] Most recently, the document published on 8 November 2024 and titled "Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice) (C/2024/6691)" and the document published on 29 November 2024 and titled "Draft Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Environmental Delegated Act, the EU Taxonomy Climate Delegated Act and the EU Taxonomy Disclosures Delegated Act".

[62] In particular, the regulatory reporting FINREP (FINancial REPorting) database at the reporting date is the base for processing data related to the EU Taxonomy, also considering FAQ 56 in Commission Notice C/2024/6691.

TEMPLATE 0: SUMMARY OF KPIS

MAIN KPI	GREEN ASSET RATIO (GAR) STOCK	TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS (€ MILLION) TURNOVER	CAPEX	KPI[63]	KPI[64]	% COVERAGE (OVER TOTAL ASSETS)[65]	% OF ASSETS EXCLUDED FROM THE NUMERATOR OF THE GAR (ARTICLE 7 (2) AND (3) AND SECTION 1.1.2 OF ANNEX V)	% OF ASSETS EXCLUDED FROM THE DENOMINATOR OF THE GAR (ARTICLE 7 (1) AND SECTION 1.2.4 OF ANNEX V)
		246	246	3.35%	3.34%	43.72%	33.76%	56.28%

MAIN KPI	GREEN ASSET RATIO (GAR) STOCK	TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS (€ MILLION) TURNOVER	CAPEX	KPI[66]	KPI[67]	% COVERAGE (OVER TOTAL ASSETS)	% OF ASSETS EXCLUDED FROM THE NUMERATOR OF THE GAR (ARTICLE 7 (2) AND (3) AND SECTION 1.1.2 OF ANNEX V)	% OF ASSETS EXCLUDED FROM THE DENOMINATOR OF THE GAR (ARTICLE 7 (1) AND SECTION 1.2.4 OF ANNEX V)
Additional KPIs	GAR (flow)	99	106	1.35%	1.43%	43.72%	38.70%	56.28%
	Trading book[68]							
	Financial guarantees	0	0	0.01%	0.02%			
	Assets under management	745	900	2.07%	2.50%			
	Fees and commissions income[69]							

Detailed information on the other templates used is appended to this disclosure (Annex 1 – Disclosure pursuant to Annex VI of Commission Delegate Regulation (EU) 2021/2178, as further updated). In view of the FY 2024 reporting needs, the methods for presenting data in the templates were also updated. In detail, all data disclosed in the Taxonomy templates included in this document are expressed in million euros and in percentage values (%). If the data for a specific cell of the templates is not available, the corresponding cell in the disclosed templates shows a “zero” value in the case of monetary amounts, and 0.00% in the case of percentage amounts. If the data for a specific cell of the templates, as resulting from the calculations, is greater than 0 but not visible in percentage terms in million euros, the corresponding cell of the templates shows in any case a “zero” value in the case of monetary amounts, and 0.00% in the case of percentage amounts.

63 Based on the Turnover KPI of the counterparty.
64 Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.
65 % of assets covered by the KPI over banks’ total assets.
66 Based on the Turnover KPI of the counterparty.
67 Based on the CapEx KPI of the counterparty.
68 For credit institutions that do not meet the conditions of Article 94(1), of the Capital Requirements Regulation or the conditions set out in Article 325a(1), of the said Regulation.
69 Fees and commissions income from services other than lending and AUM.

ESRS S1 – Own workforce – Enhancement of Human Capital

ESRS S1

SOCIAL DISCLOSURE

S1 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

S1 SBM-3

Banca Generali considers its People to be a fundamental pillar of sustainable growth: as its business model is strongly centred on financial advisory as a growth driver, the Banking Group's "own workforce" includes not only the personnel under an employment contract, but also the network of Financial Advisors authorised to make off-premises offers, who work as freelance professionals.

The Double Materiality Analysis therefore required the active participation of employees and Financial Advisors, identifying them as among the main internal stakeholders, with the aim of highlighting any impacts, risks and opportunities for each of the two clusters.

The outcome of the analysis identified two positive impacts, connected to the **Core Operational Activities** in the value chain and material over the **short-, medium- and long-term**.

For both stakeholder categories, the optimal management of socio-economic conditions and the set of actions aimed at both ensuring a good quality of life and concurrently guaranteeing the protection of and respect for human rights, generate a positive impact. This includes a good work-life balance, adequate wages, stable employment and the promotion of a healthy and safe work environment, in accordance with industry standards.

The analysis also highlighted a second positive impact, generated by the **promotion of equal treatment and opportunities for all**. This is reflected in the level of satisfaction and improved productivity of Banca Generali Group's own workforce, including both employees and Financial Advisors[70].

These positive impacts[71], as indicated in Section "SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model", in the Chapter "General Disclosure", arise from Banca Generali Group's activities aimed at the protection of the wellbeing, diversity and inclusion of its own workforce, in addition to numerous initiatives implemented to engage its Employees and Financial Advisors[72].

With reference to potential negative impacts connected to Core Operational Activities, it should be noted that Banca Generali Group operates in a highly regulated geography and sector; for this reason, no potential specific risks have been identified, such as forced or child labour. As regards Downstream Business Activities in the value chain, the application of criteria for excluding investments in companies involved in one or more controversies pursuant to the United Nations Global Compact (UNGC) allows to avoid exposures to risks or impacts connected with human rights.

[70] For further information on the process and outcome of this analysis, see Sections "IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities" and "SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model".
[71] See Section "SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model", in the Chapter "General Disclosures".
[72] Banca Generali Group's own workforce consists of employees, non-employee workers and the BG Network, who in this Report are classified as "non-employee workers".

ESRS S1

ESRS S1 – Enhancement of Human Capital – Employees*

S1-1

S1-1: Policies related to own workforce

In a competitive context characterised by ongoing deep transformation of business models, increasingly demanding national and international regulatory frameworks and an exponential technological growth that is affecting organisations, Banca Generali Group recognises that change — an essential element for successfully addressing the market challenges —, cannot overlook the enhancement of human capital. It is in fact through the honing of professional skills, the promotion of talent and ongoing support to people development that Banca Generali Group can maintain and increase its competitiveness. This integrated and strategic approach to human resources management is viewed as a fundamental pillar of the long-term success of the Group, which pays the utmost attention to the creation of a stimulating and safe work environment, capable of fostering the wellbeing of its employees.

The BG People Strategy set Banca Generali Group's priorities and initiatives for the 2022-2024 three-year period and supported people in achieving the strategic objectives.

2024 was therefore the third and last year of implementation of the People Strategy.

CULTURE
Promoting a culture based on service quality, innovation, sustainability and meritocracy

DIVERSITY, EQUITY, INCLUSION (DEI)
Enhancing diversity, guaranteeing inclusion and equal opportunities in the work environment

SKILLS
Investing on technical and digital skills to promote the growth of our people

ORGANIZATION
Building an effective organisation that embraces a hybrid work mode, which includes digital and in presence

The definition and implementation of the 2022-2024 People Strategy were extremely important to Banca Generali Group, as they set the course for human resources management alongside the business Strategic Plan.

The 2022-2024 People Strategy focused on the importance of the wellbeing of all employees, promoting work-life balance, ongoing skill development and professional growth opportunities through training and development initiatives open to all employees and the creation of a safe work environment that respects human rights in terms of health and safety, as well as an inclusive environment, where people can be themselves and express themselves openly, bringing value to the organisation. The People Strategy therefore contributed to enhancing employee motivation and engagement, favouring talent attraction and retention and mitigating any reputational and regulatory risks, high workforce turnover and skills mismatch.

* Disclaimer about the term "Employees": in this section, the term 'employees' is capitalised ('Employees') when it refers to members of a specific professional category, so as to distinguish the latter from members of the professional categories of 'Managers' and 'Executives'. The same term is lowercase ('employees') when it refers, more generally, to a portion or all of the Group's employees, regardless of the professional category to which they belong.

In 2024 as well, the People Strategy's central role was reflected in the confirmation of the main initiatives undertaken in the year as assessment areas for managers' annual scorecards, with a view to creating increasingly higher engagement and active participation also in areas that are not strictly linked to the business.

Human rights and DEI

To date, the Banking Group Companies operate in Italy, Luxembourg and Switzerland, where a highly structured regulatory and collective bargaining system has long been in place and has gradually incorporated the fundamental labour principles contained in the UN Universal Declaration of Human Rights, in the ILO Convention and in other main documents on the matter issued by Supranational Organisations.

With specific reference to Italy, the Constitution, the Civil Code, the Penal Code, the Workers' Statute and, more generally, the labour laws — together with the provisions of national and company collective bargaining — govern with mandatory effect the various general and specific aspects of the employment relationship (e.g., the prohibition of discrimination, the prohibition of forced or compulsory labour, the protection of child labour, working hours, holidays, trade union activity and freedom, the protection of parenthood, the protection of disability, the protection of occupational safety and the provision of social protection instruments and procedures, including the so-called "social safety nets").

Even in the backdrop of the above-mentioned labour law framework, the Banking Group has decided to make specific human rights and DEI commitments within the broader scope of ESG matters. This entailed the adoption of important internal regulatory documents, such as the Internal Code of Conduct and the Sustainability Policy. In particular, the latter, under Section "Protection of human rights and DEI", establishes that the Banking Group's actions have to be constantly inspired by the principles and values contained in the United Nations Universal Declaration of Human Rights as regards respect for and protection of human rights, in line with Banca Generali Group's company culture and with a view to concretely contributing to economic and social development in all the areas where it operates.

In addressing these topics, including those relating to occupational health and safety, Banca Generali Group has adopted an approach aimed at eliminating and preventing risks, with the goal of continuously improving the work environment and its performance.

The Banking Group ensures to its employees a work environment free from any kind of harassment, discrimination, bullying, mobbing or retaliation and rejects any form of human rights breach, including any form of irregular work or exploitation, as well as any type of forced or compulsory labour, including child labour, in addition to any other practice that is not in accordance with the principles contained in the Global Compact and ILO standards.

The Banking Group thoroughly observes trade union rights and freedoms, recognising freedom of association and collective bargaining. The fundamental rights of workers are also set forth in the European Social Charter[73], as well as in the Bank's Internal Code of Conduct and Charter of Sustainability Commitments.

Moreover, the Bank has always considered the physical safety of its collaborators to be a priority, constantly guaranteeing the best working conditions in a safe, healthy environment, in accordance with applicable laws on the protection of occupational health and safety. The Bank also protects the wellbeing of its employees in terms of work-life balance; it therefore adopts a hybrid work mode, aimed at promoting the balance between professional and personal commitments (so-called "Smart Working") and at providing for forms of flexible working hours and additional leave with respect to the legal provisions and the national collective labour agreement.

Similarly, the Banking Group considers the Diversity, Equity & Inclusion values an integral part of its corporate culture and key drivers of the Bank's business. In this regard, the Bank implements inclusion initiatives aimed at creating a stimulating and innovative environment, open to debate and to the exchange of expertise, focusing on training, culture and the ecosystem and engaging in particular young people and the female population.

With a view to promoting a culture inspired by equal treatment, each HR process has as its driver the recognition of the value and contribution of each individual, merit, performance and equal opportunities and cannot be influenced by factors such as gender, race, ethnicity, religion/belief, sexual orientation, marital status, abilities or political convictions.

[73] Drawn up in collaboration with the European Works Council (CAE) of Assicurazioni Generali and adopted by the Bank.

A DEI Strategy was defined at the beginning of 2024 that identified and steered the initiatives throughout the year.

The definition of the DEI Strategy laid the foundations for supporting the spread of DEI matters, not only thanks to training and information initiatives, but also through the setting up of a KPI monitoring system within the organisation and the definition of policies.

Specifically, the important Circular **"DEI Guidelines"** was prepared and circulated within Banca Generali Group's organisation.

By implementing this Circular, Banca Generali undertook to spread a diversity and equal opportunity culture among all Banca Generali Group employees, creating a welcoming and inclusive work environment, free from any form of discrimination, guaranteeing fairness in all phases of the employment relationship and supporting the professional development and growth of all people, while also guaranteeing work-life balance.

Banca Generali Group is therefore deeply committed to promoting diversity, fairness and inclusion as fundamental principles in the belief that a diverse, fair and inclusive work environment can broaden perspectives, support innovation, strengthen corporate culture and contribute to the Company's sustainable success and competitiveness. To this end, the Bank also supports constant dialogue between the social partners, promoting a culture aimed at creating the conditions for substantive gender equality at work.

The Circular precisely defines the DEI principle framework for managing the Banking Group's employees and also formalises how these principles are integrated into the key processes of human resources management (recruitment, training and development, assessment, remuneration, appointments and promotions).

The Bank strongly promotes a fair and transparent environment in which everyone is invited and encouraged to speak up and report any concerns or inappropriate behaviour that might emerge.

In fact, Banca Generali Group has **zero tolerance for any form of discrimination and sexual or non-sexual harassment** (including bullying, mobbing or any type of discrimination based on gender, gender identity, sexual orientation, ethnicity, age, mental and physical abilities, culture, beliefs, perspectives or any other category protected by law in local jurisdictions). Employees who detect any form of discrimination or harassment (including retaliation) with regard to DEI matters must report it according to the process defined by the **Whistleblowing Policy** circulated within the organisation[74]. Banca Generali incorporates these principles in all phases of employees' path, from hiring to termination of the employment relationship, in accordance with the provisions set forth internally by the Internal Code of Conduct, the Internal Rules and the Sustainability Policy, as well as with Italian Legislative Decree No. 198/2006 (so-called "National Code of Equal Opportunities"), the UNI/PdR 125:2022 and the gender equality management system applicable to undertakings that have started or completed the certification process.

[74] Reference should also be made to Section "S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns, ESRS S1 – Enhancement of Human Capital – Employees".

Gender Equality Certification

The importance devoted to DEI matters was further highlighted by the conferment of Gender Equality Certification, formalised by the RINA certification body. In 2024, Banca Generali S.p.A. obtained its Gender Equality Certification, in line with the principles of the UNI/PdR 125:2022 guidelines.

This Certification is another important achievement that confirms the fairness and recognises Banca Generali's commitment over the years to offering all its employees an increasingly fair and meritocratic environment.

As required, an Operating DEI Committee was set up, governed by its own rules, which defined a *Three-year Gender Equality Strategic Plan* and the *General Principles for Gender Equality*, circulated within the organisation and publicly published.

Through the General Principles for Gender Equality[75], Banca Generali is committed to:

- promoting the dissemination of tools and processes for the continuous improvement of gender equality within the organisation;
- promoting awareness and sensitization spaces to allow everyone to express their identity without prejudice or discrimination;
- encouraging gender equality through company policies, initiatives, and practices to reduce gender gaps;
- offering continuous training at all levels on diversity, equity, and inclusion topics to enhance all uniqueness;
- allocating specific resources to achieve gender equality goals, with a view to continuous improvement;
- ensuring full accessibility to information, services, tools, and company spaces for a people-centred work experience.

Remuneration and incentive schemes

In defining its **Remuneration Policy**[76], a key tool for the Group's strategy, Banca Generali Group aims at ensuring the best possible alignment of the interests of its shareholders, investors, customers, suppliers, employees and all stakeholders, through careful risk management and the consistent pursuit of long-term strategies.

The annual formulation of adequate remuneration and incentive mechanisms for the Bank's directors and personnel is a tool to promote retention of the best talents and mitigation of non-compliance risk in accordance with the applicable industry legislation.

It also allows Banca Generali Group to foster competitiveness, effective governance of the Banking Group and the achievement of the objectives outlined in the Strategic Plan, with a particular focus on sustainability as an essential element of the pursuit of objectives. In an increasingly complex context and in light of the Banking Group's growing internationalisation, remuneration, especially with regard to Key Personnel, is also useful in terms of attracting and retaining people with the professional profiles and skills best suited to the needs and development of the Company.

[75] These principles are also available at the following link: https://www.bancagenerali.com/en/careers/our-people-strategy/certificazione-parita-di-genere".

[76] For further information on remuneration policies, see the Report on Remuneration Policy and Compensations Paid and Section "GOV-3 – Integration of sustainability-related performance in incentive schemes".

In this regard, the Remuneration Policy for personnel and, in particular, for managers of Banca Generali Group is determined in compliance with the vision illustrated in the following graph.

VALUES OF THE BANKING GROUP

Deliver on the promise
Value our people
Live the community
Be open

VISION

To be the No. 1 Private Bank, Unique
by Value of Service, Innovation and Sustainability

GOVERNANCE OF THE BANKING GROUP

- Timely and constant compliance with standards
- Compliance with the relationship methods between the governing bodies and the various corporate structures
- Compliance with, appropriateness and simplification of existing processes based on the applicable control and risk management system

PRIORITIES OF 2023-2024 STRATEGIC PLAN

- Sustainability: becoming a point of reference for all stakeholders with regard to ESG matters
- Enhancement of Human Capital through DEI policies designed to promote inclusion and give prominence to the individuals' contribution to achievement of plan results, including through suitable remuneration systems that ensure long-term consistency and, at the same time, discourage conduct that could lead to high risk exposure

The resulting Remuneration Policy supports the Banking Group's mission, vision, values, governance and strategy, giving rise to an ongoing interaction that leads to constant fine-tuning of remuneration practices on the one hand, and the consolidation of the above-mentioned elements on the other. The 2024 Remuneration Policy is consistent with the Group's vision and confirms the enhancement of human capital as a fundamental competitive advantage with a view to achieving sustainable long-term results for all of its stakeholders.

The primary objective of the Remuneration Policy is to guarantee fair and adequate remuneration for sustainable performances. Responsible, fair and transparent remuneration mechanisms increase and protect over time reputation, credibility and consensus — prerequisites for business development oriented towards value creation and protection for all stakeholders. Towards such end, any action taken as part of the personnel remuneration policies is informed and shaped by the following principles:

INTERNAL FAIRNESS

The remuneration is similar for comparable levels of job responsibility, taking due account of the industrial sector, the role held, the responsibilities assigned, the competences and skills demonstrated, and geographical area of reference, as well as other factors that could impact remuneration levels from time to time and that are gender-neutral. Our mission is to provide all our people with a fair work environment, based on inclusiveness, meritocracy, the development of new digital skills and the promotion of Diversity, Equity & Inclusion.

COMPETITIVENESS

The remuneration level is balanced with reference to that of the markets of reference, whose practices are constantly monitored.

SUSTAINABILITY

Our Remuneration Policy is an integral part of the Group's strategy, which attributes significant weight to sustainability towards all stakeholders. Sustainability objectives also include that of promoting a sustainable, inclusive work environment and remuneration systems that are able to ensure the sustainability of both the Group's and individual performance.

MERITOCRACY & PERFORMANCE

The systems aimed at rewarding merit and performance are consistent with the results and the behaviour held to attain the same, which must be oriented to unwavering compliance with applicable regulations and procedures, as well as constant and focused risk assessment, enhancing talent and professional and personal growth.

In practical terms, the sustainability of remuneration mechanisms features:

- predetermined governance mechanisms involving a variety of bodies, functions and persons to ensure structured and controlled processes that can be verified ex post;
- overall remuneration based on a balanced fixed and variable pay mix depending on the company role, which does not lead to risky and short-term oriented behaviour, complemented by forms of corporate welfare aimed at the needs and wellbeing of employees and their families;
- an ongoing commitment to providing a fair level of pay that reflects the skills, abilities and professional experience of each employee, thus ensuring application of the equal opportunities principle, with the objective of pursuing equal pay without distinction of age, gender, sexual orientation, marital status, religion, language, ethnic or national origin, physical or mental disability, pregnancy, maternity or paternity status (including adoptive status), personal beliefs, political opinions, membership or trade union activity;
- a structure of short- and long-term incentives based on risk-adjusted indicators aligned with the Risk Appetite Framework, with a view to business continuity and long-term sustainability of results that combine balanced and flexible growth in the belief that ethics and profit should not be in conflict;
- integration of sustainability in the Group's business and financial strategies in the short and long term;
- variable remuneration caps;
- constant benchmarking of the remuneration package positioning with respect to the reference market, also with the support of specialised consultants;
- individual performance assessed in a clear and transparent manner, on a meritocratic basis and according to the equal opportunities principle, enhancing the talent and professional and personal growth of all Group employees;
- deferral and payment of variable remuneration over a long-term horizon, including through share-based payments to link incentives to long-term value creation;
- ex-ante and ex-post risk adjustment, through malus and claw-back remuneration mechanisms;
- predetermined and transparent procedures for severance pay, with predefined caps in terms of maximum monthly payments to be assigned;
- transparent reporting.

The Diversity, Equity & Inclusion values are an integral part of the corporate culture and are considered fundamental drivers of the Bank's business, capacity for innovation and performance growth, and of the development of its people.

The Group's commitment to eliminating the pay gap is reiterated through an integrated approach that also includes actions focused on remuneration policies and broader initiatives to provide effective support to women in accessing professional opportunities and in their career paths.

In this regard, in order to promote a culture based on gender equality and equal pay, the definition of individual remuneration levels is of course gender neutral. To ensure the neutrality of remuneration policies, with the support of the Remuneration Committee, Banca Generali S.p.A.'s Board of Directors analyses the gender-neutrality of remuneration policies and verifies the gender pay gap and its evolution over time.

Banca Generali Group has implemented a systematic process of analysis and measurement of the gender pay gap for the same task or tasks of equal value (Equal Pay Gap) and the gender pay gap throughout the organisation, regardless of roles (Gender Pay Gap), through a methodological approach based on regression.

To facilitate the implementation of gender-neutral policies, assess their efficacy and thoroughly monitor the application of pay equality criteria in accordance with gender neutrality, in 2023 Banca Generali Group was constantly committed to further developing the analyses and methodology used. In line with market best practices, it added a regression analysis model that, in addition to professional family and organisational level, contemplates the objective factors that are most significant in terms of salary gap and that are gender-neutral and representative of local remuneration policies, such as management responsibility and performance assessment.

This analysis was instrumental to the development of specific measures to mitigate any gaps identified. The mitigation actions included initiatives aimed at positively influencing gender balance and equal pay, in line with the objectives defined by the Group's strategy and with the promotion of the diversity and inclusion values. The remedial actions that could be implemented or refined included reviewing recruitment processes, defining programmes to accelerate women's careers, developing mentoring and sponsorship paths and implementing awareness-raising programmes on Diversity issues and unconscious bias.

Benefits & Welfare

All Banca Generali Group employees enjoy a series of benefits, the cost of which is normally fully borne by the Company.

More specifically, the benefits offered to employees based in Italy relate to numerous aspects of welfare and, in light of their completeness and widespread adoption, **make the Group a best practice** both within and outside the financial sector. These benefits refer to:

- **company bonus with welfare option**: thanks to the opportunities offered by tax legislation, since 2016 (for Executives and Employees) it has been possible to "convert" the company cash bonus into welfare, thereby creating the so-called "welfare credit". As of 2019, through the introduction of the STAIBENEFIT Portal by Generali Welion, designed like an e-commerce site, employees enjoy access to an extremely wide range of wellbeing and wellness goods and services (flexible benefits). In 2024, this option was confirmed and presented to employees via several online welfare days sessions designed to inform and raise their awareness of the possible advantages, including in light of the option to carry forward the welfare credit without a pre-set time limit. With regard to DEI matters, it bears recalling that the welfare credit may be used to obtain a refund for children's education expenses (from nursery schools to university master's degrees), babysitting service and summer camps, as well as to pay the assistance for family members with disabilities or aged over 75;
- **"pure" welfare**: employees under permanent contract receive annual one-off amounts (differing for executives and other personnel) to be used through the Welfare Portal for the reimbursement and/or purchase of the services described above. The carry forward principle also applies to these amounts;
- **preferential-rate mortgages and loans**: all employees under permanent contract have also access to preferential-rate mortgages and loans. Since 2022, in light of the sudden, considerable increase in the ECB rates, all affected employees were offered the option of extending their mortgages and, in implementation of the provisions of the 2023 Budget Law, to renegotiate or extend their mortgages applying the fixed IRS rate. In addition, to further mitigate the impact of mortgage costs, Banca Generali has planned to introduce a rate cap of 3.25% on the variable-rate mortgages contracted before 31 December 2023 and future mortgages contracted under the relevant trade union agreements. This measure is effective as of 1 January 2024 and maybe applied to employees who have already benefitted from previous renegotiations.

With the ambition of promoting a meritocratic environment able to encourage alignment with the strategic objectives and the participation of all employees in the value creation process, in 2023 the Bank personnel — as defined by the Board of Directors — (excluding Managers with Strategic Responsibilities and Key Personnel) was also invited to participate in the Share plan for Generali Group employees, which allows employees to purchase Generali shares at favourable conditions, according to the terms indicated in detail in the documentation published by Assicurazioni Generali[77].

In order to enhance employees' knowledge of the benefits due to them, thus creating and strengthening the sense of belonging to and engagement with the Company, the **STAIBENEFIT portal has significantly expanded its functionality**.

Through STAIBENEFIT each employee can view the benefits due, presented in an integrated mode according to the following classification:

- *core benefits*: due under the National Collective Labour Agreement, the company supplementary contract or unilateral company regulations;
- *flexible benefits:* welfare credit deriving from the conversion of the company bonus or available as pure welfare one-off amounts;
- *conventions*: discounts/favourable conditions normally provided for all employees under commercial agreements entered into by Generali Group or by individual companies.

On the occasion of the company bonus payout, which also may entail a welfare option, two **training sessions** were also planned to inform all employees wishing to opt in about the implications of the welfare option choice and to present the portal's potential and functions.

[77] The Share plan for Generali Group employees is available at: www.generali.com/info/download-center/governance/assemblee/2023

With regard to the Banking Group companies, the benefits introduced are in line with local laws and practices, also considering each company's size. More in detail, depending on the legal entity in question and its nationality, benefits may refer to:

- **healthcare:** it provides for reimbursements for various types of health expenses incurred by employees or their family members in specific situations, as well as for the possibility to obtain personal assistance services with costs borne by the company or at favourable conditions;
- **supplementary pensions:** by adding to the contribution provided by the company a personal contribution, employees can create a private pension position designed to supplement their government pension;
- **professional accident policy:** it is designed to cover cases of death or disability regarding employees and their beneficiaries;
- **reimbursement of interest on mortgage loans:** employees under permanent contracts in service for at least one year are entitled to annual reimbursement of interest on mortgage loans for the purchase of their first homes, up to a pre-established annual amount;
- **rail season ticket:** full reimbursement is provided of the cost of rail season tickets for collaborators who commute by train within Italy;
- **training initiatives:** refunds of enrolment expenses incurred by personnel to attend business-related training programmes such as CFA certification and/or courses that issue an attendance certification after passing a final exam, and advanced language courses (English, German and French);
- **flat-rate meal allowance**;
- **contribution to insurance for loss of earnings due to illness**, borne fully by the employer.

Health and Safety in the Workplace

According to the provisions of Italian Legislative Decree No. 81/08, Banca Generali S.p.A. and Generfid S.p.A. adopt all the general measures to protect the occupational health and safety of its workers as per Article 15 of said Decree.

These measures are supplemented and implemented also through the additional actions adopted and implemented by the Company pursuant to Articles 18 and 30, summarised as follows:

- Generali Group's Code of Ethics;
- Generali Group's Code of Conduct;
- Corporate H&S procedures.

Internal circulars[78] also define all the specific procedures to be adopted for managing all aspects envisaged on the matter.

Banca Generali S.p.A. and Generfid S.p.A. provide a structured process to carry out hazard identification and risk assessment. More specifically:

- risk assessment identifies, measures and weights risk;
- risk identification is the phase that looks for, identifies and describes the risk;
- measurement places a value on the extent of the risk;
- weighting compares and measures risk against specific criteria.

The WRS[79] assessment was performed considering 4 homogeneous groups of workers and applying the instructions defined by INAIL (Italian National Institute for Insurance against accidents at work), namely verifying all sentinel events for each group and distributing to a representative sample of each group a qualitative questionnaire on the work context and content.

The approach taken to avoid and mitigate significant negative impacts on occupational health and safety directly related to the operations, products or services of Banca Generali S.p.A. and Generfid S.p.A. through commercial relationships is generally known as Corporate Social Responsibility (CSR). In general, CSR is based on the consideration that Banca Generali S.p.A. has a responsibility towards society and the environment in which it operates, and that it must take this into account in its activities and decisions. In the field of occupational health and safety, this means that the Company must take measures to protect workers and minimise the risks associated with their activities, products or services.

To adopt a CSR approach to occupational health and safety, Banca Generali S.p.A. and Generfid S.p.A. can:

- identify the hazards and risks associated with the activities and assess the impact they may have on the health and safety of workers and the community;
- take preventive measures to protect workers and minimise the risks associated with activities, products or services;

[78] "Management of obligations in the field of health and safety at work".
[79] It refers to "work-related stress".

- communicate workplace health and safety information in a transparent manner, for example, by publishing annual CSR reports or providing information on risks and how risks are managed;
- collaborate with suppliers and business partners to promote occupational health and safety and share best practices;
- provide for the implementation of occupational health and safety management systems to monitor and evaluate the effectiveness of the preventive measures adopted;
- comply with local laws and regulations on occupational health and safety.

By following these steps, Banca Generali S.p.A. and Generfid S.p.A. prove their social responsibility towards the health and safety of workers and the community, and help to create a safer and healthier work environment.

S1-2

S1-2: Processes for engaging with own workforce and workers' representatives about impacts

In 2024, with the end of its 2022-2024 Strategic Plan, Banca Generali Group consolidated and completed the numerous initiatives undertaken in the previous years.

In an increasingly dynamic, excellence-oriented business context, Banca Generali Group believes that listening to employees and employee engagement are crucial drivers of long-term success and sustainability: they are not only a good governance practices, but also fully-fledged strategic tools that can positively influence various aspects of corporate life.

The year 2024 was packed with many noteworthy initiatives that contributed to the increasingly widespread engagement of Banca Generali Group's employees, fostering a sense of belonging and giving everyone the chance to actively participate in corporate life. In detail, the 2024 **Generali Global Engagement Survey** (hereinafter GGES), a tool for listening to people's voice every three years, was conducted in October 2024 in its fifth edition. The GGES is in addition to the annual Generali Global Pulse Survey.

BG OVERALL RESPONSE RATE
96%

BG OVERALL ENGAGEMENT SCORE
86%

At Banca Generali Group level, the Generali Global Engagement Survey reported a response rate of 96% (+2% on to the 2023 Pulse Survey and unchanged compared to the response rate of the 2021 GGES) and an engagement score of 86% (unchanged compared to the 2023 Pulse Survey and +2% on the 2021 GGES), an important figure that testifies to people's very strong sense of belonging.

Surveys allow to constantly measure people engagement and are a valuable tool for active listening and a major source of useful inputs for setting up new improvement plans and practical actions to be carried out starting with the feedback of Banca Generali Group people.

In light of the results of the Survey, Banca Generali Group intends to accelerate towards excellence by leveraging its strengths and promptly addressing the opportunities for improvement that will guide actions in the coming years, also in support of the new People Strategy that will be defined for the new Strategic Plan.

The outcome of the 2024 Survey emphasised how the actions taken in recent years as a result of the previous surveys had a positive impact within the organisation, allowing for the previously emerged priorities to be translated into strengths, thanks to the many initiatives implemented and the attention the organisation has paid to the respondents' indications.

The most important strengths identified in the 2024 Survey include an increasingly fair and transparent organisation, open to discussion and dialogue with top managers, attentive to work-life balance and to the development of skills in line with the new technological and business requirements.

The analysis of the results also highlighted the priorities, among which noteworthy is the request to People Managers to be even more attentive and to provide greater support in people mentoring and growth, without neglecting the importance of training and development of new technical and technological skills, also favouring even greater collaboration among Banca Generali Group teams and continuing the work on Diversity, Equity & Inclusion matters to support wellbeing.

In 2025, cascading will be carried out as usual with all the Banca Generali Group teams in order to present the overall results to the whole population and identify, for each team, the priorities to be developed and implemented with respect to the areas for improvement. In this way, everyone will feel like an active participant with suggestions, new proposals and initiatives to be undertaken.

Banca Generali Group strongly believes that creating a strong sense of belonging and a solid corporate culture is fundamental to the Company's success. Corporate culture is the set of values, beliefs and behaviour that define the way in which employees interact with one another and also with the Company itself. At the same time, this sense of belonging also arises when employees feel like an integral part of the organisation, sharing common objectives and feeling valued for their contribution.

In 2024 as well, numerous opportunities of discussion, exchange, encounter and sharing were created, supporting a close relationship within and among teams:

- "A coffee with ... live!", a new series of meetings between Top Managers and employees to align everyone on key activities in progress and create a direct dialogue between them, with Q&A sessions to explore topics and matters of special interest;
- "Incontri con il nostro AD" (Meetings with our CEO), an initiative that consisted of a series of in-person meetings with the CEO at the main offices in Milan and Trieste to speak about the Bank and its future, the challenges linked to the market context, the growth prospects and the opportunities offered by innovation, with the possibility to directly submit questions or share insights and ideas;
- Business Aperitif, a series of events dedicated to Banca Generali Group's Managers hat was launched in 2024 and aims to create opportunities for discussing current social and market trends. This initiative is designed to foster ongoing strategic alignment and constant dialogue within the Bank, through the involvement of internal and external experts in specific core areas for organisation;
- "NOI facciamo Rete - A tu per tu con i consulenti BG" (We network - Face to face with BG Financial Advisors), a project designed to foster contact and greater closeness between HQ employees and Network Managers/Financial Advisors, as the BG Network is the fundamental asset for growth within Banca Generali;
- Onboarding: the programme was revised and updated in 2024, creating a fully-fledged multi-step project aimed at introducing new recruits into the organisation and ensuring thorough knowledge of the same right from the start.
  Specifically, the programme starts with a welcome e-mail from the HR Director to all newcomers. Immediately afterwards, through the initiative "Benvenuto in BG!" (Welcome to BG!) all new recruits have the opportunity to introduce themselves to all the other employees by making a short video, which is then published on the company Intranet. Subsequently, a live onboarding session is held once every six months: "Benvenuto in BG – Live!" (Welcome in BG - Live!).
  Banca Generali's first live Onboarding meeting, held in July 2024, was a unique opportunity for all new recruits to familiarise themselves with the Company's culture, learn more about its organisational structure and create valuable networks. The meeting was also a good occasion to listen to Top Managers' voice and learn more about the Bank's processes and structures, while getting to know each other better and putting oneself to the test.
  The Onboarding process also entails a second session delving into compliance and anti-financial crime regulations — core aspects of Banca Generali Group's business — so that everyone is immediately aware of the risk-related issues and the control system in place;
- DIRECTIONS, two face-to-face meetings held at the two head offices in Milan and Trieste with the participation of over 130 employees, aimed at supporting a widespread contribution to the definition of the DEI Strategy and the development of initiatives and identification of ideas and topics to be developed with regard to the DEI Strategy;
- in-depth sessions focused on Sustainability, which continued also in 2024 to raise awareness among Banca Generali's population of sustainability-related matters, central to the 2022-2024 Strategic Plan. Specifically, in 2024, in-depth studies were carried out on the topic of Green and Social Washing, involving the entire population and offering the opportunity for discussion and debate with experts on the topic, both inside and outside the Bank;
- team building, with multiple outdoor sessions organised in 2024 to strengthen team building, share ideas on specific projects, or simply to spend time with colleagues. "Closeness" and "Together" were the two important words that supported the activities during the year;
- wellbeing programmes: Banca Generali Group is engaged in many training initiatives, aimed at pursuing the mental and physical wellbeing of the employee, not only as a worker but also as a person. Smart webinars are provided both live and on-demand, as they are available on the internal training platform.
  In detail, in 2024 all employees had the opportunity to take part in a Sleep Coaching programme consisting of three webinars aimed at improving their balance starting from sleep quality. The program aimed to enhance physical and mental wellbeing, as quality sleep is important to ensure optimal performance the following day, in addition to enabling the body to recover, preserve energy, repair and rebuild. In addition, at Generali Group level, all employees can use the company gyms available at the Milan and Trieste offices, both in person and remotely: a platform allows personnel to book the lesson and then enjoy courses and lessons when and how they prefer, both in the gym and from home.

S1-3

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

The Bank had adopted in 2023 and then updated in 2024 a new Whistleblowing Policy — publicly available on its corporate website — governing the whistleblowing procedure.

All reports are processed and classified with the highest level of confidentiality, and the confidentiality and protection of the personal data are always ensured. Whistleblowers acting in good faith are also guaranteed and protected against all forms of retaliation, discrimination or penalisation.

The Bank provides the Whistleblower with formal, well-founded responses, which must be the result of a thorough assessment of the facts. It also provides a feedback to the report within an appropriate timing, as set forth by the Policy and regulations.

Investigations following reports are conducted in a professional manner, in accordance with all applicable rules on the rights of defence of the persons concerned. The corrective measures identified are monitored to ensure they are effectively implemented on the agreed timescales.

Any breaches of high severity, concerning particularly significant unlawful conduct, in view of the underlying conduct and/or the professional concerned, must be immediately reported to Top Managers.

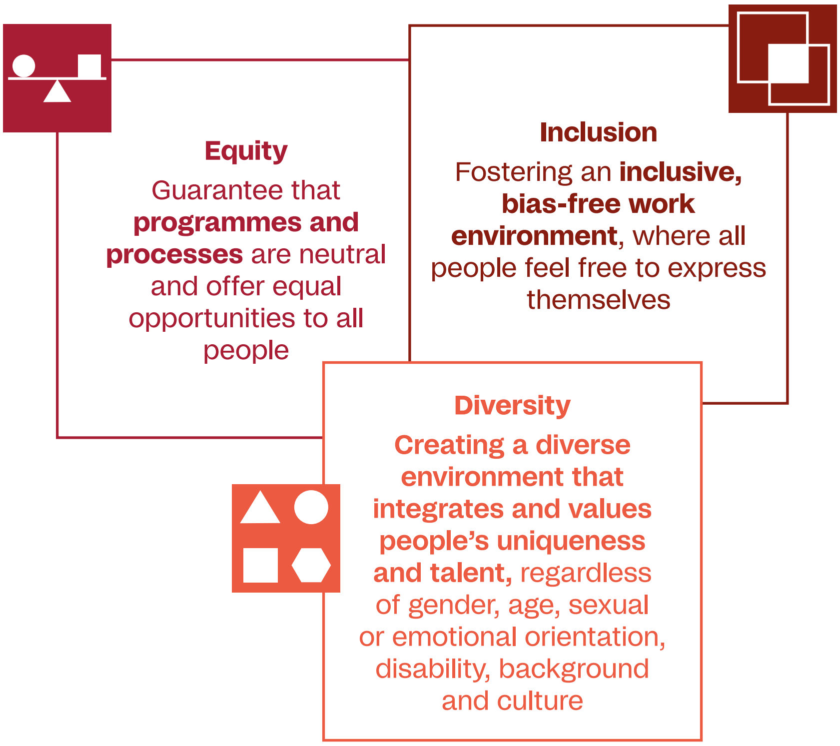
Employees are informed about the available internal whistleblowing channels through communication and training initiatives.

S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

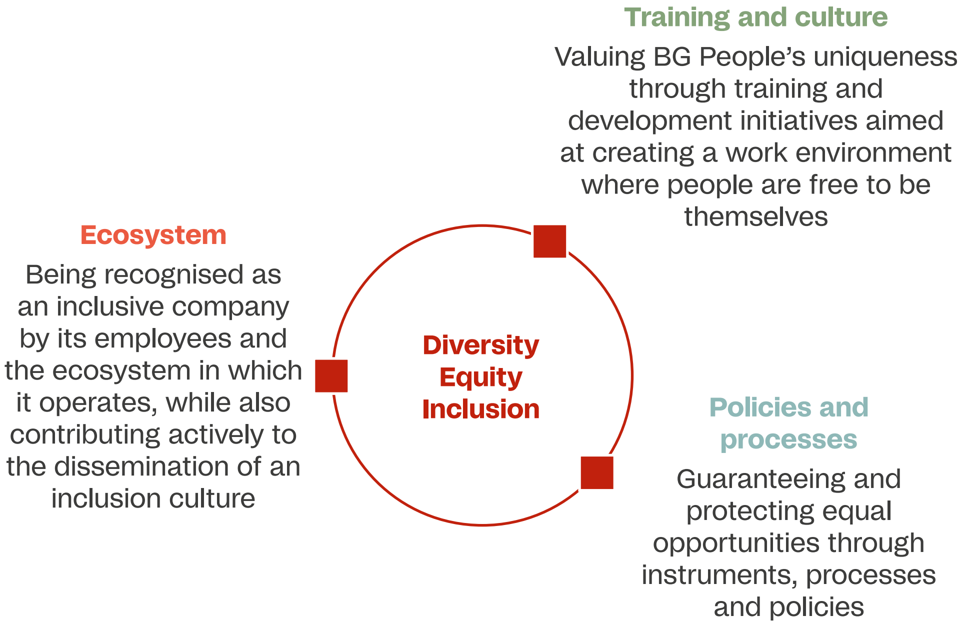
S1-4

Human rights and DEI

Banca Generali Group has the ambition to be recognised, internally and externally, as an inclusive company that promotes the uniqueness of its people, with a view to sustainable growth.



In 2024 as well, the Banking Group reiterated its commitment to **promoting an inclusive culture** through presentation of its 2024 **DEI Strategy**[80] and the implementation of initiatives to support a work environment **based on trust, respect and the value of uniqueness**.



[80] See also Section "S1-1: Policies related to own workforce, ESRS S1 – Enhancement of Human Capital – Employees".

Diversity

One of the Group's main priorities with regard to human resources management is to create a cohesive, open and stimulating work environment. Therefore, the Group is committed to promoting the plurality and diversity of its people, valuing individual backgrounds, opinions and viewpoints to foster the proposition of new ideas and encourage effective and virtuous behaviour.

Initiatives in 2024 mainly focused on two areas: generations (under 35, in line with the KPI defined at the beginning of the Strategic Plan) and gender.

› GENERATIONS

The coexistence of several generations at Banca Generali is considered an asset to be enhanced through mutual collaboration. Older generations can bring experience, more developed skills, and a strong sense of belonging; younger generations can contribute by showing different dynamism and energy, openness to change and sustainability, and strong digital confidence.

For Banca Generali Group, it is important to create a bridge between the different generations to ensure a virtuous co-existence between them, fostering an inclusive culture.

To support this activity, in 2024 an ad-hoc webinar focused on Generations was developed within the "Do You Speak Inclusion?" path (for more details see the section dedicated to Inclusion).

In 2024 as well, the Talent Acquisition processes for under-35 professionals continued to apply several tools to ensure brand visibility and appeal, such as dedicated events specifically developed through collaborations and sponsorships. This was in addition to the social network channels (e.g., LinkedIn) that the Top Managers used to disseminate business content. Initiatives such as those described above allow Banca Generali to be recognised as a dynamic brand, which is digitally oriented and projected into the future, attracting new generations.

In addition, the Bank also attended the Career Days at the main Italian universities in collaboration with the other Generali Group companies so as to maintain a direct dialogue with young talent.

› GENDER

The Company confirms its real, ongoing commitment to ensuring equal opportunities to all employees through the creation of a work environment based on trust, respect and continuous development of competencies, focusing on all HR processes.

Selection and recruitment processes are also based on the diversity and inclusion principles, thus ensuring gender heterogeneity with at least 25% of female short-listed candidates, both internal and external (i.e., the gender least represented in the individual selection), with particular attention also to the under-35 universe (>50% for the KPI of new hires under 35).

In reflecting the diversity of the Company's workforce, **total equality between male and female employees**, is preserved and promoted. The Banking Group guarantees equal treatment also in defining career paths and in terms of remuneration, as defined in the Circular issued in 2024[81].

In order to enhance female talent and foster the creation of inclusive work environments, **development initiatives** to support women's empowerment were implemented in 2024.

Specifically, courses dedicated to talented women in the organisation were provided with the aim of supporting women's empowerment, intended as a process of growth and strengthening aimed at increasing women's sense of power and confidence in their own abilities and resources and in achieving their goals.

To support these talented women, development and mobility initiatives are promoted, along with inclusion in succession plans, monitoring of the Gender & Equal Pay Gap, and the implementation of a series of training activities, such as vertical training to promote gender balance within the organisation.

[81] In this regard, see Section "S1-1 Policies related to own workforce, ESRS S1 – Enhancement of Human Capital – Employees").

The Be Bold for Inclusion events, celebrating International Women's Day, and "Eventi in rosa con la Rete BG", dedicated to employees and women within the Banca Generali S.p.A. Network, are important yearly events where Banca Generali renews its commitment to raising gender awareness among all employees, promoting greater consciousness of the challenges that women have to face. Celebrating these moments strengthens the Company's commitment to inclusion and diversity, creating a more equitable and respectful work environment.

For the first time, Banca Generali Group also focused on gender violence, and on 25 November 2024, upon the *International Day for the Elimination of Violence Against Women*, it organised the webinar "Violence against women and its forms", which was attended by over 370 people. Produced in partnership with the Fondazione Libellula foundation, the webinar was an opportunity to analyse the forms that violence against women can take, how it manifests itself in relationships and what are the power and psychological dynamics that perpetuate it. In addition, the stereotypes with which violence is often narrated were questioned, reflecting on the role that each of us can play in combating it at work, in society and within the family.

In support of gender equality and the enhancement of the role of women in society and in the business world, with particular attention also to new generations, the Bank signed commitments for the promotion and enhancement of female talent:

- Women's Charter - enhancing gender diversity: Banca Generali Group is among the signatories of the Charter "Donne in Banca: valorizzare la diversità di genere" (Women in Bank: enhancing gender diversity) promoted by the Italian Banking Association (ABI). In accordance with the principles promoted by the association, the Bank is committed to enhancing its corporate policies according to the principle of equal opportunities, promoting an inclusive work environment, open to all the values of diversity, strengthening its processes to promote gender equality and full female participation at all levels of the Company;
- Women&Tech – Association for Women and Technology: this is a network of companies and people who pool their skills to realise women's potential in innovation with the goal of promoting projects and actions against gender stereotypes and discrimination. The Bank's support has developed through the availability of some female BG Managers in mentoring activities in favour of young female professionals, organised by the association;
- WEPs (Women's Empowerment Principles): Banca Generali Group is a signatory of the Women's Empowerment Principles[82]. These UN principles set out the business guidelines on which to base tangible actions for gender equality and female empowerment. According to these principles, companies commit themselves to promoting gender equality and to ensuring, with transparency, professional development, safety, wellbeing and health for all women and men workers.

Equity

The Banking Group's ongoing commitment to the elimination of the pay gap is reflected in an integrated approach that includes actions focused on remuneration policies and broader initiatives, which reflect the professional skills, abilities and experience of each employee, thereby ensuring the application of the principle of equal opportunities. The objective is to pursue fair pay without distinction of age, gender, sexual orientation, marital status, religion, language, ethnic or national origin, physical or mental disability, pregnancy, maternity or paternity status (including adoptive parent status), personal beliefs, political opinions, trade union membership or activity.

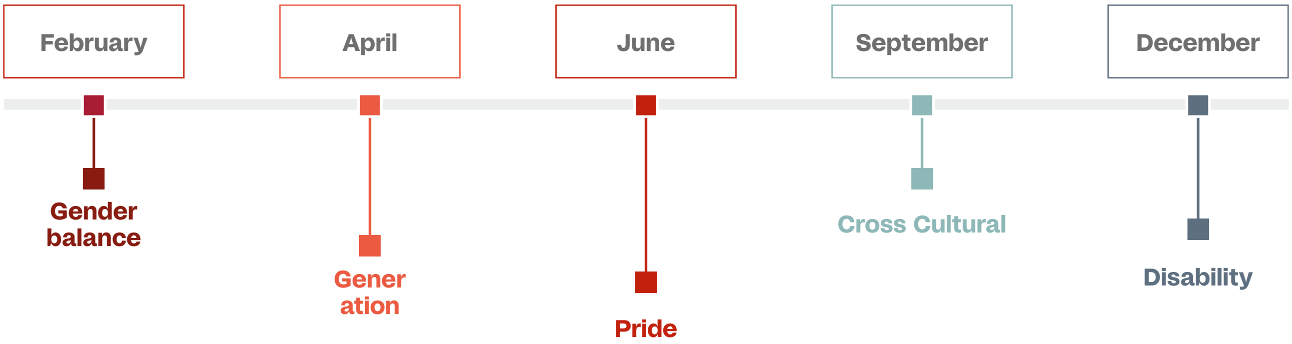
Inclusion

Spreading an inclusive culture is a key element of Banca Generali Group's DEI Strategy and translates into training, communication and awareness-raising initiatives for all people, at all organisational levels.

In 2024, all Banca Generali Group employees were supported by an important programme: "Do You Speak Inclusion?". This path consisted of 5 vertical sessions on 5 topics that employees themselves classified as relevant in a survey conducted on the entire population: Balance, Generation, Pride, Cross Cultural and Disability.

The webinars were held on days or in months marking specific occasions (e.g., the Pride webinar was held in June 2024 during the Pride Month; the webinar raising awareness of Disability was held in December 2024 upon the International Day of Persons with Disabilities).

[82] www.weps.org.



The Group believes that spreading an inclusive language is key to creating a respectful and welcoming work environment for everyone. Using inclusive language means choosing words and expressions that do not exclude or discriminate against anyone on the basis of gender, ethnicity, sexual orientation, age, disability or any other characteristics.

Inclusive language recognises and values the differences between people, helping to create a more equitable and respectful corporate culture. In this way, Banca Generali Group wants all its employees to feel included and respected, fighting stereotypes and prejudices.

A path for new parents was also developed in 2024. New mums and dads had the opportunity to participate in the initiative "**Be Parents: manuale per Neogenitori in Azienda**" (Be Parents: a handbook for new parents in the workplace), an awareness-building path enhancing the active and participatory role of mothers and fathers in the management of their children, also with a view to work-life balance.

In 2024 as well, the many initiatives carried out in the **areas of wellbeing and work-life balance**, starting from the recognition of the needs of different population groups, fostered the consolidation of a highly inclusive work environment.

The commitment to an increasingly inclusive work environment that is ever more attentive to the different needs of each individual was also confirmed by the creation and availability of **Quiet Rooms** — multifunctional spaces for individual use, designed to take care of some essential aspects of one's mental and physical wellbeing. Available from 2024 in the offices in Milan, Mogliano Veneto and Trieste, the Quiet Rooms are conceived to take a break for meditation or prayer, for emotional decompression or, for new mothers who have returned to work, for breast pumping in total privacy. These areas — specifically identified and set up to create the right atmosphere — offer everything one needs to make the most of a moment of tranquillity: from comfortable furniture to a fridge for storing milk, antistress items and relaxation aids.

Group company buildings are subject to constant checks to ensure compliance with **specific architectural constraints** and with the **need to provide all employees with suitable workstations**. For instance, in HQ offices parking spaces are guaranteed in the immediate vicinity reserved for people with disabilities or employees with significantly reduced motor ability[83], in addition to workstations designed for specific needs[84].

Work-life balance initiatives

During 2024, people and their wellbeing continued to be central also in terms of work-life balance. The so-called Smart Working Next Normal was extended until 31 March 2025 with some improvements, such as the increase in days of remote working per month to 12, and continued to be fully recognised as an opportunity for increasing employee satisfaction and improving awareness of the importance of work-life balance. In the year, nearly **all employees falling within the eligible corporate functions** (e.g., all functions in Italy with the exception of front-end functions operating with customers and logistics support functions) **signed the agreement and used this new work model**, in line with the sustainability targets identified in the **2022-2024 Strategic Plan**. Under this approach based on sustainability and CSR, the aforementioned renewal agreement confirmed the use of remote working all Fridays, as well as throughout August and around Christmas and year-end holidays.

[83] Including temporary disability or on the indication of the occupational medicine physician.
[84] 5 For further details, see Section "S1-4: Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches, ESRS S1 - Enhancement of Human Capital - Employees".

The Smart Working Next Normal model is intended as a new approach to the way of working and is based on a **"hybrid" model of work organisation** concept for Employees and Executives, based on the voluntary choice of the employee (formalised by individual agreement) to work remotely[85] up to a maximum of 3 days a week and 12 days a month, according to a planned schedule defined precisely and in a timely manner by the employee's own manager.

Other fundamental aspects of the Next Normal agreement concern:

- **the right to disconnect**, which, for example, is made explicit by restricting meetings to the working hours;
- **the provision of meal vouchers even on remote working days** (this is an improvement on the provisions of the National Collective Labour Agreement for the Credit sector);
- **a one-off bonus of 400 euros gross in 2024**.

In addition, in order to give the utmost importance to work-life balance and in application of the DEI principles, the agreement states that employees may be entitled to an additional number of remote-work days in the following cases:

a) female employees in the three years following the end of the maternity leave set forth by Article 16 of the Unified Text of legislative provisions on protection and support to maternity and paternity as per Italian Legislative Decree No. 151 of 26 March 2001;
b) female and male employees in the three years following the end of the parental leave set forth by Article 32 of the Unified Text of legislative provisions on protection and support to maternity and paternity as per Italian Legislative Decree No. 151 of 26 March 2001;
c) female and male employees with children with disabilities pursuant to Article 3, paragraph 3, of Law No. 104 of 5 February 1992;
d) female and male employees, including sole parents, with a dependent child under 14;
e) female and male employees identified by the occupational medicine physician as "fragile" pursuant to the Decree of the Italian Ministry of Labour and Health of 4 February 2022, as affected by particularly severe chronic diseases with poor recovery after medical treatment;
f) female/male employees with a disability rating above 46%;
g) female/male employees victim of domestic abuse;
h) female/male employees suffering from cancer diseases;
i) female/male employees subject to life-saving treatments;
j) female/male employees certified under Article 3, paragraph 1, of Italian Law No. 104/1992;
k) female/male employees who have requested an assessment for the purpose of certification as per Article 3, paragraph 1, of Italian Law No. 104/1992 and are awaiting for the final official decision;
l) female/male employees who care (caregivers) for a spouse, a relative or a close relative of the first degree who suffer from a certified severe disability pursuant to Article 3, paragraph 1, of Italian Law No. 104/1992.

With regard to other work-life balance developments, the trade union agreement of 27 February 2023, as subsequently partly amended by the trade union agreement of 10 December 2024, expanded the benefits for employees, *in addition to the already wide range of provisions on the matter set forth by the law and the National Collective Labour Agreement for the Credit sector*. In particular, the following measures were implemented with a view to DEI promotion:

- **flexible working hours**: flexible working hours were set up (for non-front office HQ functions and for functions not organised in shifts) to allow full-time Employees to enjoy broad flexibility in the time of starting and ending work, respecting the amount of working hours per day and extending to all site full flexibility in lunch break time;
- **mandatory part-time work** for the following needs:
  - birth/adoption of children (up to 14 years of age), with a duration of up to 8 total years of part-time work;
  - serious health, personal and/or family reasons, with a duration linked to the reasons for the request.

These provisions are applicable — within percent limits — to all company functions, with the exception of those in contact with the public and those with a limited number of personnel.

- **Additional leave or improved economic conditions**, with particular regard to the aspect of parenthood, were established by the following measures:
  a) increase of mandatory (paid) paternity leave from 10 to 12 days;
  b) unlimited unpaid leave for sick children up to 10 years of age or, for children of a spouse, de facto partner or cohabiting partner only, up to 3 years of age;
  c) 5 days of unpaid leave a year for induction of children to a daycare centre/nursery school;
  d) extension of leave (3 days a year) for bereavement/serious illness of a family member, including in cases of de facto couples;

[85] From their own home or from another location agreed with the manager.

e) with respect to parental leave, without prejudice to the legal duration of a maximum of 11 months cumulatively for parents and the possibility of use by hours on the basis of the National Collective Labour Agreement for the Credit sector, an increase, to be borne by the company in the amount of 10% of the INPS social security indemnity for the first month of parental leave, provided that it is used in full immediately after mandatory leave (by law, equal to 5 months for the mother);
f) integration to 100% of the INPS social security indemnity in the case of early maternity (in advance of what was subsequently provided for in the renewal of the National Collective Labour Agreement for the Credit sector).

- Paid leave for medical examinations/diagnostic examinations that cannot be carried out outside of working hours (adequately documented).
- Possibility of providing self-justification for absence due to illness not exceeding 1 day (except for specific situations, such as illness near a holiday).

Banca Generali employees in Italy can also benefit, for the use of childcare facilities both within the Company and private facilities with which the latter entered into special agreements, of the favourable terms applied to Generali Group staff (discounted rates and the payment by the Company of annual subscription fees).

Among the initiatives dedicated to employees, with a view to enhancing generational turnover in favour of the Bank's long-term sustainability, the Company allows workers who are less than 5 years away from retirement and who explicitly request it, the possibility of consensually leaving the company earlier.

Training and Development of Human Capital: Evaluation Procedure

In order to achieve the Plan's goals, in 2024 Banca Generali invested significantly in upskilling and reskilling programmes, developing technical and managerial training courses.

The use of e-learning platforms and the implementation of virtual classroom activities combined with the return to face-to-face activities made it possible to reach all the Banking Group's employees in a widespread and timely manner, confirming the positive trend witnessed also in previous years as regards personnel engagement in training and capacity building activities. In particular, innovation, artificial intelligence (AI) and digital skills were the main topics of learning paths dedicated to the entire population (including part-time personnel), with a view to developing competencies thanks to the involvement of major training firms that support the organisation in achieving this objective, using new skill-building training methodologies and tools.

To support the development of a culture based on meritocracy and the enhancement of in-house talent, the performance management cycle also remained a fundamental pillar. In 2024 as well, it brought about the correct cascading of objectives across the entire company population, further confirming itself as a tool for People Manager-Employee dialogue, with a view to continuous development and feedback. The introduction of the self-evaluation phase certainly propelled the process in this direction[86].

Health and Safety in the Workplace

The Company constantly guarantees the best working conditions ensuring a safe and healthy environment in accordance with occupational health and safety legislation in force, complying with all specific legal requirements applicable to Italian companies and always considering the physical safety of its workers to be a priority.

Group company buildings are subject to constant checks to ensure compliance with specific architectural constraints and with the need to provide all employees with suitable workstations.

For instance, in HQ offices parking spaces are guaranteed in the immediate vicinity reserved for people with disabilities or employees with significantly reduced motor ability[87], in addition to workstations designed for specific needs.

The necessary provisions are constantly applied with the specific support of a team of professionals from a qualified third-party firm — which carries out its activities by collaborating with Generali Group so that procedures, methods and rules are uniformly applied — appointed to the role by Banca Generali S.p.A. and Generfid S.p.A. with the signing of an outsourcing contract for safety issues.

86 For further information on training activities carried out in 2024 and personnel evaluation processes, see Section "S1-13: Training and Skills Development metrics".
87 Including temporary disability or on the indication of the occupational medicine physician.

The activities of the third-party firm appointed to the task by Banca Generali S.p.A. and Generfid S.p.A. are constantly monitored through specific SLAs[88]/KPIs, as part of the duties of the company Head of the Prevention and Protection Service (RSPP), responsible for health surveillance pursuant to Article 26 of Italian Legislative Decree No. 81/2008 at the Trieste office in Corso Cavour 3 and 5. In addition, an Activity Owner belonging to same third-party firm was appointed for the HQ offices and tasked with managing all fire safety obligations (controls pursuant to Italian Presidential Decree No. 151/11, verification of renewals of the Fire Prevention Certificate - CPI).

In terms of the processes available to workers to report any hazards or dangerous situations at work, the Circular "Management of obligations in the field of health and safety at work" specifies that there are personnel responsible for reporting to the employer or delegated managers any hazardous conditions or a failure to apply legislation and, that, if a worker is involved in a near-accident or missed accident, he or she can immediately notify HR, the personnel in charge and the Head of the Prevention and Protection Service (RSPP) in writing, specifying what happened (dynamics of the event, place and time and elements that prevented the event from developing into an injury or incident).

To ensure and define the necessary processes for hazard identification, risk assessment and incident investigation, the **main risks indicated in Italian Legislative Decree No. 81/08 have been defined and evaluated** (as explained in detail below).

In 2024, a new security control framework was introduced at the bank branches. All branches are now protected using the security systems recommended by market best practices and by OSSIF. In areas at risk of attacks, specific crime prevention measures and deterrents were implemented, in addition to access control systems, alarms and video surveillance.

The banking branches have also implemented active and passive security systems, such interblocking entrance doors and cash in-out systems. Organisational measures to protect deposits, safes, keys, systems and security equipment were also implemented, in addition to emergency management systems.

Banca Generali S.p.A. is a member of OSSIF, the Italian Banking Association's centre for developing the Observatory on physical security, whose activities include liaising with the Prefectures to promote useful initiatives to prevent and combat any form of criminal activity against banks and customers. In this regard, Banca Generali S.p.A. has signed specific Protocols of Understanding between the Italian Banking Association and the individual Prefectures in the provinces where the Bank's branches are located.

The main contents of the Protocols provide for Banca Generali S.p.A. to play an active role in reporting the particular risk situations to the competent Police forces, such as serious and unforeseeable shortcomings in the security measures, suspicious movements of people inside and outside bank premises, exceptional aggravations of risk Banca Generali S.p.A. also undertakes to equip each branch with at least five security measures, always including, without exception, video-recording and a delayed-opening safe custody device or timed cash dispensing device, as well as other minimum measures indicated in the Protocols.

In addition, it should be noted that the Security and BCP Service (COO & Innovation Area) ensures the implementation of security policies and collaborates also with other Banca Generali S.p.A. structures to arrange measures aimed at raising awareness of these matters and at developing the corporate culture[89].

In order to always ensure a rapid response, the Employer appoints and sets up the **Emergency Teams**, formed of colleagues with training on first aid and fire safety (training differs on the basis of the type of fire risk of the different company offices), as well as on the use of semi-automatic defibrillator (Milan and Trieste offices).

Furthermore, at HQ offices, emergency management is also entrusted to third-party personnel (maintenance staff, security staff, receptionists), who are always present at each shift, and to the Emergency Management Coordinator.

Personnel working at branches (whether with one or more employees) and private offices nationwide are also emergency-trained (first aid course and fire safety course).

88 Service Level Agreements.
89 For further details on Security, see Section "S4-4: Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions – Cybersecurity and data protection".

In 2024, all personnel eligible for health supervision (i.e., "exposed" personnel, including employees regardless of their professional role, interns and non-employees) was invited to undergo medical health examinations according to the protocol established in current legislation for the associated company risk group. In total, 374 medical examinations were carried out (184 men and 190 women), involving 22 different offices throughout Italy, in addition to the HQ offices in Milan and Trieste: 213 employees in Milan, 108 in Trieste and 53 in other cities were examined. In addition to periodic examinations due in 2024 and first examinations for new recruits, this figure also includes examinations performed by the occupational medicine physician, both when specifically requested by the employee and upon changing assignments, returning from a period of absence for illness or injury of more than 60 days or in case of reasonable adjustment for employees with disabilities, in accordance with the law. In line with previous years, the results showed clearly that most staff was fit to work without any limitations and/or special precautions.

The Company provides **specific workstation safeguards**[90] and ensures that the organisational prescriptions certified by the occupational medicine physician are observed, while raising the related managers' awareness on the health prescriptions.

Personnel at the Trieste, Mogliano Veneto, Milan, Turin, and Rome offices enjoy access (during working hours) to the services in the **multipurpose nursing centres** set up by Generali Group.

Building on the initiatives undertaken in previous years, in 2024 all people were again offered the opportunity to receive a flu shot free of charge at the company offices or in any medical/healthcare centre collaborating with Welion, thus throughout Italy.

Banca Generali Group has always devoted great attention to its people's security, health and safety through the adoption of good practices and ongoing training. Banca Generali Group is constantly committed to updates and new training on issues relating to the protection of health and safety in the workplace in order to keep risk factors to a minimum.

Ongoing training programmes continued throughout 2024 via virtual classrooms and/or in e-learning mode, for the courses available on the online platforms, in accordance with law provisions and recent regulatory improvements.

All employees are regularly trained and kept abreast of risk prevention laws and regulations, and recommended procedures in the case of a fire or other emergency through information materials, made available also on the corporate Intranet.

Specific training is provided on an ongoing basis, at the intervals established by law, for the roles specifically indicated in Italian Legislative Decree No. 81/2008 and identified within the Company (Managers, Safety Supervisors, Emergency Team Members, Members of the Prevention and Protection Service and Workers' Safety Representatives).

[90] Based on prescriptions by the occupational medicine physician following a health check-up.

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5

The 2022-2024 Strategic Plan included employees among the main stakeholders for the first time (along with customers, Financial Advisors, shareholders and authorities, communities and future generations), and set tangible and challenging objectives also in this area.

CLIENTS AND FINANCIAL ADVISORS

>40%
ESG AUM on managed solutions (Articles 8 and 9 of the SFDR) thanks to the launch of solutions in line with the Taxonomy

>50%
FAs with advanced ESG expertise or with EFPA ESG Certification

>90%
FAs taking part in annual training on ESG matters

SHAREHOLDERS AND AUTHORITIES

Increase ESG disclosure through the Reporting Framework

Becoming a signatory of

Signatory of: PRI Principles for Responsible Investment

TCFD

Ongoing stakeholder engagement, keeping communication open to best meet investors' demands

EMPLOYEES

50%
Hires under 35

75%
employees involved in projects on digital transformation and sustainability impact

100%
employees in hybrid work
(excluding front office and sales)

COMMUNITIES AND FUTURE GENERATIONS

By 2025: reduction of carbon footprint by 25% vs 2019 in relation to direct investments managed by BG

By 2030: phase-out of all investments in undertakings linked to fossil fuel

By 2040: net zero emissions

Asset managers' **engagement policies**

Increased **community engagement** and launch of **social impact initiatives**

With regard to employees, during the three years of the Plan, the Bank monitored the 3 KPIs identified, ensuring and guaranteeing their achievement. At the end of 2024:

- 60% of hires was under 35;
- 95% of employees was involved in sustainability-related initiatives and 99% of employees in digital-related initiatives;
- 100% of employees was eligible for hybrid work.

In addition, the efficacy of the activities described in the previous sections is monitored using specific quantitative indicators that measure several aspects linked, for instance, to the participation in training initiatives, people engagement, DEI, the company population's composition, and health and safety. Some of these KPIs are included in the reporting tool "Sustainability Dashboard"[91].

S1-6: Characteristics of the undertaking's employees

S1-6

EMPLOYED PERSONS BROKEN DOWN BY GENDER

	31.12.2024 (YE HC)	31.12.2023 (YE HC)
Male	573	552
Female	531	513
Total employees	**1,104**	**1,065**

[91] For further information on the Sustainability Dashboard, see Section GOV-2.

EMPLOYED PERSONS BROKEN DOWN BY GENDER AND COUNTRY

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Italy	509	511	1,020	493	497	990
Abroad	22	62	84	20	55	75
Total employees	**531**	**573**	**1,104**	**513**	**552**	**1,065**

In 2024, the number of employees recorded a net increase of 39.

92% of the Banking Group's employees worked within the Italian territory (93% in 2023), whilst the remaining 8% was based in Luxembourg and Switzerland[92] (7% in 2023).

Also following the internationalisation projects launched in previous years, the number of employees reported an overall net increase in the 2022-2024 three-year period of 82, confirming the Banking Group's commitment to strengthening and consolidating employees with a permanent contract. The increase also included 91 contracts transformed from fixed to permanent (of which 36 in 2024 and 17 in 2023), in order to both cover new positions and to replace staff who have left previously. Where possible, the Banking Group's policy is geared towards consolidating employment relationships with a view to enhancing the potential of young people and investments in human capital.

In order to enable young people to unlock their potential and quickly acquire more technical skills, they are also supported by individual and collective development paths and high-level training courses implemented by the Bank, in partnership with national and international universities and training institutions, as also described in previous sections.

EMPLOYED PERSONS BY CONTRACT TYPE, BROKEN DOWN BY GENDER AND COUNTRY – YE HC

	31.12.2024 (YE HC)								
	ITALY			ABROAD			TOTAL		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Permanent contract	481	493	974	21	59	80	502	552	1,054
Fixed-term contract	28	18	46	1	3	4	29	21	50
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Total	**509**	**511**	**1,020**	**22**	**62**	**84**	**531**	**573**	**1,104**

	31.12.2023 (YE HC)								
	ITALY			ABROAD			TOTAL		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Permanent contract	465	462	927	20	53	73	485	515	1,000
Fixed-term contract	28	35	63	0	2	2	28	37	65
Non-guaranteed hours	-	-	-	-	-	-	-	-	-
Total	**493**	**497**	**990**	**20**	**55**	**75**	**513**	**552**	**1,065**

The percentage of workforce with a permanent contract was 95% at the end of 2024.

[92] Employees based abroad in 2023 and in 2024 included one employee who was hired in Italy and then seconded to Luxembourg.

	31.12.2024 (YE HC)								
	ITALY			ABROAD			TOTAL		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Full-time	471	510	981	15	59	74	486	569	1,055
Part-time	38	1	39	7	3	10	45	4	49
Total	**509**	**511**	**1,020**	**22**	**62**	**84**	**531**	**573**	**1,104**

	31.12.2023 (YE HC)								
	ITALY			ABROAD			TOTAL		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Full-time	452	496	948	18	54	72	470	550	1,020
Part-time	41	1	42	2	1	3	43	2	45
Total	**493**	**497**	**990**	**20**	**55**	**75**	**513**	**552**	**1,065**

TURNOVER – ITALY

	31.12.2024 (YE HC)				
	No. OF EMPLOYEES	No. OF HIRINGS	No. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
Female	509	51	35	10%	7%
Male	511	53	39	10%	8%
Total	**1,020**	**104**	**74**	**10%**	**7%**

	31.12.2023 (YE HC)				
	No. OF EMPLOYEES	No. OF HIRINGS	No. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
Female	493	41	30	8%	6%
Male	497	58	26	12%	5%
Total	**990**	**99**	**56**	**10%**	**6%**

TURNOVER – ABROAD

	31.12.2024 (YE HC) [93]				
	No. OF EMPLOYEES	No. OF HIRINGS	No. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
Female	22	7	4	32%	18%
Male	62	13	6	21%	10%
Total	**84**	**20**	**10**	**24%**	**12%**

	31.12.2023 (YE HC)				
	No. OF EMPLOYEES	No. OF HIRINGS	No. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
Female	20	3	3	15%	15%
Male	55	10	10	18%	18%
Total	**75**	**13**	**13**	**17%**	**17%**

[93] This data includes one female employee hired at a foreign company.

TURNOVER – ITALY AND ABROAD

	31.12.2024 (YE HC)				
	No. OF EMPLOYEES	No. OF HIRINGS	No. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
Female	531	58	39	11%	7%
Male	573	66	45	12%	8%
Total	**1,104**	**124**	**84**	**11%**	**8%**

	31.12.2023 (YE HC)				
	No. OF EMPLOYEES	No. OF HIRINGS	No. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
Female	513	44	33	9%	6%
Male	552	68	36	12%	7%
Total	**1,065**	**112**	**69**	**11%**	**6%**

It should be noted that turnover figures include not only hirings and terminations for fixed-term contracts (including replacements for maternity leave), but also transfers to and from other companies within the Banking Group and Generali Group.

S1-7

S1-7: Characteristics of non-employee workers in the undertaking's own workforce[94]

NON-EMPLOYEE WORKERS

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Non-employee workers	1	3	4	1	2	3

To carry out its activities, Banca Generali sometimes uses non-employee workers to deal with peak workloads or specific projects.

S1-8

S1-8: Collective bargaining coverage and social dialogue

100% of employees in Italy is subject to social and national legislation and the provisions of the National Collective Labour Agreement (CCNL) for the Credit sector or for credit Managers. Local legislation applies to the employees of BGFML, BG Valeur S.A. and BG Suisse Private Bank S.A.

COLLECTIVE BARGAINING COVERAGE RATE AND SOCIAL DIALOGUE IN ITALY

EMPLOYEES COVERED BY THE CCNL (ITALY)	31.12.2024	31.12.2023
No. of total employees covered by the CCNL	1,021	991
No. of total employees	1,021	991
Percentage of employees covered by the CCNL	**100%**	**100%**

The CCNL for the Credit sector provides a well-structured system of union relations to be activated in the form of information-gathering, consultation or bargaining meetings, in order to allow trade unions to carry out their role in the Company.

It should be noted that, on 23 November 2023, the Italian Banking Association (ABI) and the national trade unions **signed the renewal agreement for the CCNL for the Credit sector**, which will be valid until 31 March 2026.

94 It should be noted that non-employee workers are included in Banca Generali's own workforce, but not among employees.

The renewal in question, which followed on the intense negotiations conducted in the second half of the year, is characterised by the following main aspects:

- sharp increase in contractual minimums (approximately +15% in the 2023-2026 period for the average level of job classification) to recoup inflation and as a function of systemic productivity, with the recovery of 5 months of back pay in 2023 and with restoration from July 2023 of the basis for calculating termination indemnity on all contractual remuneration items (Article 86 of the CCNL for the Credit sector);
- greater synergy between the various sector funds (Solidarity Fund and Credit Fund) dedicated to the aspects of employment and training, to facilitate the various reorganisational dynamics that will characterise the credit sector, particularly as a result of constantly increasing digitalisation and technological innovation;
- reduction of the weekly working week of Employees (37 weekly hours);
- maintenance of full flexibility/fungibility of employment of executives, regardless of the economic level to which they belong.

The new provisions listed above were thoroughly implemented by Banca Generali S.p.A. and Generfid S.p.A., in compliance with the terms and in the manners specified.

Regarding trade union relations at company level, the provisions of the supplementary company bargaining (so-called CIA) are still applied, summarised as follows:

- **Current account at favourable** terms for all employees
- **Employee home mortgage:** subsidised loan for purchase and renovation of one's home
- **Personal loans and overdrafts** at favourable conditions

- **Company bonus for the years 2021-2024**
- **One-off welfare payment 2022-2024**
- **Meal vouchers**

- **Supplementary pensions**
- **Health insurance**
- **Indemnity for death, permanent total disability and dread disease**
- **Accident policy** for occupational risks

These provisions are intended to benefit the employees of Banca Generali S.p.A. and Generfid S.p.A. and may also be extended to employees of other Banca Generali subsidiaries who have employment relationships pursuant to Italian legislation and collective bargaining.

The supplementary company bargaining expired in June 2024 continues to be applied in ultra-activity pending the finalisation of the union negotiations for renewal. To this end, the company union representatives presented a list of demands in mid-August 2024. The Company has then proceeded with a detailed analysis of the list and the finalisation of the internal authorisation procedures in order to begin negotiations, which will get underway at the beginning of 2025.

Since it is the result of collective bargaining, it applies to all employees in the professional area category (Employees) and to Executives. The only exceptions concern employees with fixed-term contracts, who cannot access the benefits regarding first home mortgages, personal loans, as well as one-off welfare payments.

Trade union relations have also developed through the following meetings provided for by law or by the CCNL for the Credit sector:

- **renewal of Smart Working/Next Normal agreements**: in April 2024, agreements were reached on the matter, introducing new provisions governing the maximum monthly days and the cases in which this amount can be increased in application of DEI principles. The new agreements will be effective until 31 March 2025. A specific agreement regarding the Contact Center's distribution of days of remote working was signed in November 2024;
- **annual meeting pursuant to Article 12 of the CCNL for the Credit sector**, relating to strategic perspectives (balance sheet and business data) and the HR structural profile, in which aggregate information on staff, inbound/outbound personnel, professional and career growth and training were shared;
- **meeting on the payout of the company bonus for the 2023 financial year (paid in June 2024)**: on this occasion, the unit amounts by job classification level were precisely identified and the welfare option was confirmed at both the 50% and 100% rates for 2024 as well, ensuring a flexible approach regarding the specific needs of employees;

- reporting provided for by the CCNL for the Credit sector regarding the tender offer on Intermonte's shares;
- 2022-2023 Two-Yearly Equal Opportunities Report (Banca Generali S.p.A. only): the new version of the report was delivered to the company union representatives and the Regional Equal Opportunities Councillors for Lombardy and Friuli-Venezia Giulia;
- discussion on the application of reduced working hours pursuant to the CCNL for the Credit sector (as of July 2024);
- agreement on flexible working hours for the professional areas within the HQ functions;
- 2024 Generali Global Survey: an initial report was delivered in October 2024 and the first results were presented in December 2024, with illustration of the next activities to be implemented;
- voluntary generational turnover plan: since its activation in 2016, timely information was provided regarding the possibility for employees within 5 years of retirement to access an incentive-based voluntary redundancy plan;
- Gender Equality Certification of Banca Generali S.p.A.: after having obtained the certification, trade union representatives were duly informed;
- reporting on insurance products at favourable conditions for employees;
- reporting on fringe benefits provided for by the 2024 Budget Law;
- moreover, in implementation of CCNL, the activity of the Fondazione Prosolidar foundation, which is involved in solidarity projects at an international level, was further promoted registering the membership of over 80% of employees of Banca Generali S.p.A. and Generfid S.p.A.

WORKPLACE REPRESENTATION (EEA ONLY) (ITALY)	YE 2024	YE 31.12.2023
No. of total employees covered by workers' representatives	346	330
No. of total employees	1,021	991
Percentage of employees covered by workers' representatives	**34%**	**33%**

Banca Generali S.p.A. always respects trade union rights and freedom, with regard to both corporate and local unions and the rights of individual employees.

S1-9

S1-9: Diversity metrics

EMPLOYED PERSONS BY PROFESSIONAL POSITION AND GENDER

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Managers	15	63	78	16	62	78
Executives	157	240	397	146	225	371
Employees	359	270	629	351	265	616
Total	**531**	**573**	**1,104**	**513**	**552**	**1,065**
Percentage	***48%***	***52%***	***100%***	***48%***	***52%***	***100%***

36% of positions of responsibility (Managers and Executives) was held by women, essentially in line with previous years (36% in 2023).

EMPLOYED PERSONS BY PROFESSIONAL POSITION AND AGE

	31.12.2024 (YE HC)				31.12.2023 (YE HC)			
	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Managers	-	23	55	78	-	25	53	78
Executives	3	226	168	397	1	213	157	371
Employees	95	382	152	629	93	394	129	616
Total	**98**	**631**	**375**	**1,104**	**94**	**632**	**339**	**1,065**
Percentage	***9%***	***57%***	***34%***	***100%***	***9%***	***59%***	***32%***	***100%***

At year-end, workforce's average age was 45 (Managers' average age was 53, that of Executives was 48, whereas that of Employees was 42).

The 3 Top Managers, namely the Chief Executive Officer/General Manager and 2 Deputy General Managers, are all males (100%).

S1-10: Adequate wages

S1-10

All employees of Banca Generali S.p.A. and Generfid S.p.A. are at least ensured the wages/remuneration provided for by the National Collective Labour Agreement (CCNL) for the Credit sector or for Credit Managers, thereby complying, in accordance with recognised legal interpretation, with the principle of Article 36 of the Constitution of the Italian Republic stating "Workers have the right to a remuneration commensurate to the quantity and quality of their work and in any case such as to ensure them and their families a free and dignified existence."

At the Subsidiaries in Luxembourg and Switzerland, employees earn adequate remuneration benchmarked to the specific legal provisions or collective bargaining agreements in force in those countries (e.g., law of Canton of Ticino in Switzerland).

S1-11: Social protection

S1-11

The legislation of the countries were the Banca Generali Group companies are located provides for mandatory social protection measures in favour of employees in the event of sickness, unemployment, employment injury, parental leave and retirement.

The benefits offered to employees based in Italy (i.e., of Banca Generali S.p.A. and Generfid S.p.A.) also include:

› **healthcare:** this provides reimbursements for various cases of health expenses (e.g., major surgeries, hospitalisation, dental expenses, specialist examinations and treatments, oncology expenses, etc.) incurred by employees or their dependent family members and, in certain situations, by other family members. The employee may also extend these "base" benefits to non-dependants by personally paying the related amount. In this case, maximum coverage is increased.
  The healthcare policy also allows for "personal services" provided either free of charge or at favourable conditions (e.g., babysitting, medical advice, emergency surgery, etc.).
  It should be noted that an "ultra-activity" (extended activity) of the health insurance is envisaged for employees entitled to retirement or for employees above 55 who have terminate their employment relationship consensually;
› **supplementary pension**: by adding to the contribution provided by the Company a personal contribution, including of a minimum amount, employees can create a private pension position (also made possible by Generali Group's Pension Funds), designed to supplement their government pension. This mechanism also makes it possible for employees to meet major personal needs (e.g., purchase of a first home, extraordinary healthcare expenses, etc.), by applying for specific advances, including during the contribution phase;
› **economic indemnity for death, permanent total disability and dread disease**: this is an extremely important social protection mechanism through which the Company, in the most serious cases that may affect its employees and thus their families, provides significant sums calculated according to the employee's age, remuneration (basic pay as per the National Collective Labour Agreement and seniority increases) and family composition;
› **professional accident policy:** this mechanism, which is designed to cover cases of death and permanent total disability, also represents a fundamental tool for protecting both employees and their families;
› **Long-Term Care:** employees who are no longer self-sufficient are entitled to healthcare/social security indemnities and services, the cost of which is born by the Company.

S1-12: Persons with disabilities

S1-12

PERCENTAGE OF EMPLOYEES WITH DISABILITIES ON TOTAL OWN WORKFORCE

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Percentage	**5%**	**4%**	**4%**	**5%**	**4%**	**4%**

S1-13

S1-13: Training and Skills Development metrics

TRAINING
70,749 hours
+9.7% VS 2023

Training and development of human capital

All Banca Generali's employees are supported through training and awareness-raising paths aimed at enhancing and developing diversified professional profiles based on the rapidly changing financial context and at increasing their technical and behavioural skills, while promoting an inclusive, listening-oriented environment.

Training programmes are dedicated and reserved to the entire company population (including part-time employees, employees with fixed-term contracts, interns).

Banca Generali Group pays great attention to its people and has therefore implemented paths to encourage the development of new skills, the evolution of talent, and the enhancement of passions and personal attitudes. Banca Generali Group aims to build and spread an environment of trust and to support the development of skills and competencies, with a view to continuous improvement, across the organisation.

In 2024, a total of 70,749 training hours were attended (65,995 in 2023), of which 1,406 hours provided to young interns.

In line with the previous years' trend, average training hours received by each employee rose to 63 in 2024.

AVERAGE TRAINING HOURS BY GENDER AND PROFESSIONAL POSITION

	31.12.2024	31.12.2023
Average training hours per employee	63	61
Average training hours per female employee	62	60
Average training hours per male employee	64	63
Average training hours per Manager	96	81
Average training hours per Executive	68	67
Average training hours per Employee	55	55

These figures bear witness to the Bank's ongoing focus on development and continuous updating of employees' technical and managerial skills, preserving conviviality and supporting a strong sense of belonging to the Banking Group, stimulating individuals' desire to grow and fostering the creation of a positive work environment marked by high engagement, facilitating relationships of trust and increasing people engagement.

In 2024, numerous training initiatives — essential for the constant growth of the skills of the entire population — were implemented, designed and provided by the Bank in partnership with business schools and industry and specialist training institutions:

- **Regulatory/Safety Training**, to make the Bank sustainable in the long term and protect its employees and the organisation. Training and updating activities on regulatory issues continued throughout 2024. The activities of this cluster included certifications (e.g., annual MiFID II certification) and trainings (initial training or updating), related to both legal and security matters. As a result of the increasingly significant development of new technologies, this cluster also extensively covers training on cyber-security topics, aimed at constantly raising awareness among employees of risks arising from the use of new technologies, promoting the active collaboration of each individual to prevent potential cyber attacks and protect the organisation's data and integrity;
- **Training to develop technical skills**, to continue to ensure a technical leadership that is widespread within the organisation and competitive on the market. The focus of 2024 was on the skills supporting the introduction of technologies, digital tools and AI. In addition to specific certifications granted to selected personnel, the year also saw the continuation of training courses dedicated to the massive introduction of the Power BI tool, linked to data representation and analysis, and training (base and advanced) was provided to all employees on the new Ai-powered Copilot Edge tool, available to all Group personnel. Banca Generali Group refunds the enrolment expenses incurred by its personnel to attend training programmes related to its business such as CFA/ITLT certifications and/or trainings that issue an attendance certification after passing a final exam;

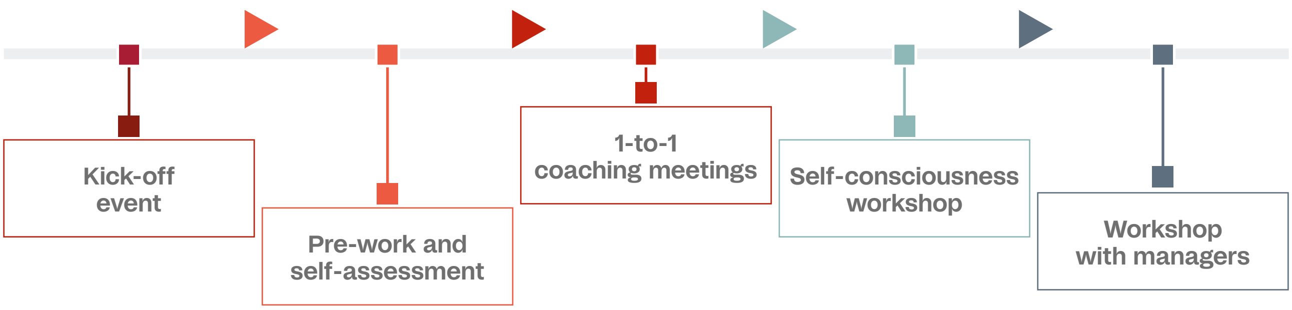
- **Training aimed at developing managerial and behavioural skills**, to support people in the major strategic changes and build a unique managerial style. In 2024 as well, during the performance management process, the entire Banking Group population enjoyed access to the wide dedicated training and development catalogue “Development Linked to Performance”, based on the organisation’s strategic needs and aimed at defining annual individual development plans (IDPs).

With specific regard to training initiatives, worth of mention are several important projects that involved specific, well-defined population categories:

Motivation@Work

A development project dedicated, on the one hand, to an identified talent pool (over 40 personnel under 40) and aimed to increase their ability of thinking about their own development within the organisation, with a greater awareness of the main motivational drivers and how these can influence performance, and on the other hand, to the managers of this talent pool with a view to strengthening specific managerial skills regarding the main motivational drivers that guide their people’s behaviour.

Motivation@Work programme



Managerial Journey

1. Development: a proper IDP as a starting point	2. Inspiring to support motivation	3. DEI daily experience	4. Performance assessment
March-April 2024	May-June 2024	September-October 2024	November 2024
In-depth analysis of the importance of the **development plan for the organisation’s success, the person’s wellbeing** and the identification of the key steps in creating an effective development plan	Module on how to effectively manage and motivate teams characterised by generational diversity, through an analysis of the complex dynamics underlying prospects and different motivations	Focus on the creation of a plan to successfully embedding the DEI Guidelines in people management and development, promoting an inclusive environment that values diversity and fosters equity	Module on an in-depth analysis of the concepts of meritocracy and equity applied to performance and potential assessment, so as to develop a transparent, growth-oriented approach

The development of managerial skills continues to be key within Banca Generali Group. The Managerial Journey programme accompanied all People Managers throughout 2024 with vertical meetings focused on people management to guide and support them in crucial team management steps: evaluation and feedback, development plan building, team diversity and uniqueness management.

Training on digital topics and new technologies

Numerous initiatives were launched in 2024 to support the development and acquisition of digital and AI skills. In detail, the projects undertaken included:

Digital Minds: a three-year training project to develop digital skills, dedicated to the entire Banca Generali Group

Workshops on the use of **EDGE Copilot** with 4 specific verticals dedicated to the whole population that involved over 700 attendees

AI Ambassador Program: a skill-building path dedicated to a select pool who will support the spread of AI across BG

Managerial Acceleration Program - MAP Forward: training to delve into new technologies and their impacts on the business, dedicated to senior managers

Digital Minds

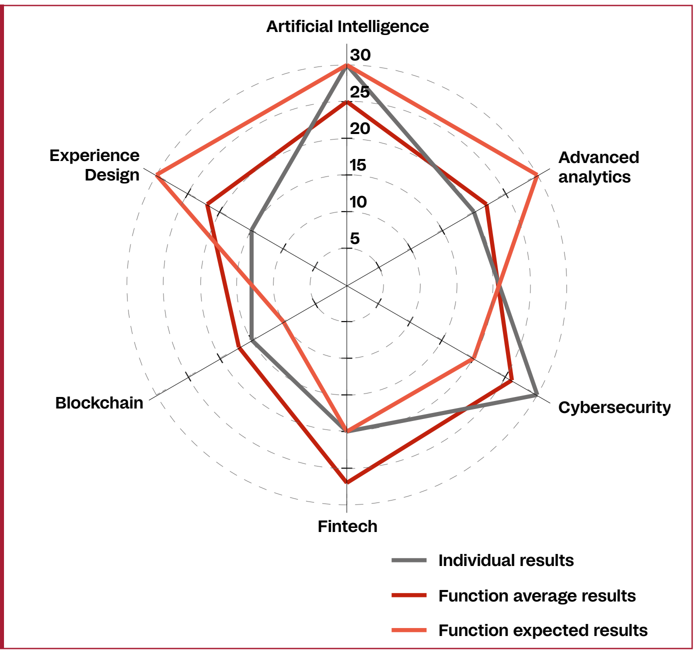
In the 2022-2024 three-year period, through the implementation of the Digital Minds project, Banca Generali provided all its Banca Generali Group people with the knowledge and tools they needed to continue to grow and succeed in the new digital environment, supporting strategic business priorities in a sustainable way, through an upskilling and reskilling path, with a special focus on digital, technical, business and behavioural skills.

Launched in 2022, the project started with the Digital Awareness Survey, a self-assessment of key digital skills, as a result of which employees received a personalised report describing their profile. In 2023, it continued to then come to an end in 2024, with transversal and vertical initiatives on the following six competencies: AI, blockchain, cybersecurity, advanced analytics, fintech, and experience design.

Self-Assessment on 6 key digital skills: AI, blockchain, cybersecurity, advanced analytics, fintech, and experience design.

Personalised report (Investigator, Explorer, Innovator) and representation of one's own profile with respect to the relevant function.

Training on the 6 digital skills, based on the role and profile identified and **Digital Projects**.



In 2024, Artificial Intelligence was central to the initiatives covering digital skills.

- Banca Generali Group's entire population was provided with **base training** on **Edge Copilot** — a new tool available to all employees and integrated into the browser — and four sessions of advanced training to better understand how to use the Edge Copilot tool to query and analyse documents, generate valuable content, support daily creativity and mastering prompting.
- To support the spread of AI within the organisation and its use to optimise activities and processes, a group of AI Ambassadors has also been identified within Banca Generali Group:

31 colleagues — either passionate or curious about Artificial Intelligence, selected from a pool of candidates — were involved in dedicated training and project activities within the two-year **AI Ambassador Program, which will be carried out in partnership with Microsoft**.

- As part of the 2024 activities focused on AI, the first module of the new path **MAP** (Managerial Acceleration Program) **Forward** was released, covering the topics of **new technologies, data and artificial intelligence**, dedicated to the Generali Group senior managers. Map Forward will continue in the 2025-2026 two-year period with additional modules that will extend the programme to all People Managers of Banca Generali Group.
- In addition, with regard to innovation and data, the first **Banca Generali Hackathon** was held in 2024. During these two intense days, **over 120 HQ colleagues and Financial Advisors challenged one another in an intensive Hackathon dedicated to innovation**, exploiting data potential. The diverse background, skills and relational capabilities of each individual generated a significantly valuable contribution and were fundamental in developing creative and disruptive solutions to advance the digital transformation process in an innovative and sustainable manner.

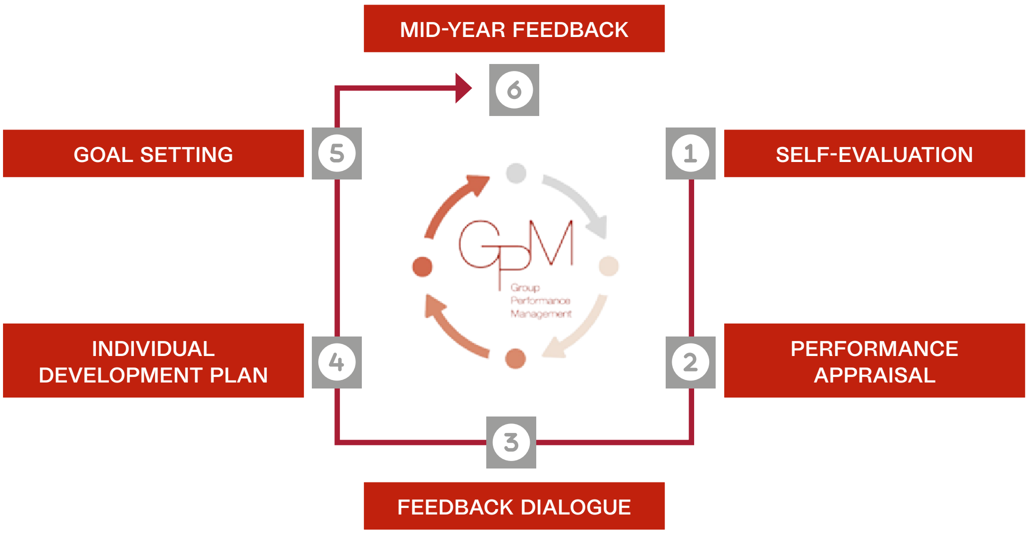
Evaluation procedure

A company's success is based on constant development of the people that comprise it. Banca Generali Group has a long track record of performance management, which has always been a key element of the relationship of trust among staff and their managers.

The Group Performance Management (hereinafter also "GPM") is the process for assigning and assessing objectives that involves all Banca Generali Group People.

The GPM seeks to involve and motivate all Banca Generali People to achieve important objectives, promoting constant professional development and a culture of excellent performance[95].

The initiative also seeks to ensure that all employees receive feedback from important stakeholders with whom work has been carried out throughout the year and structured feedback on their performances by their Manager, in addition to enable them to build individual professional development plans through transparent, open dialogue.



With the introduction of the new context of the Next Normal work model, in the previous years the GPM process was revised and integrated in order to:

- improve the experience of collaborators and People Managers throughout the different phases of the process, thus facilitating greater closeness;
- encourage collaborators' accountability along the entire process, increasing their participation and engagement;
- increase flexibility, equity, development and ease of achievement of planned results;
- facilitate and encourage ongoing feedback within the organisation. To this end, in the past two years the process was extended to include new phases: Self-Evaluation, Multi-Source Feedback and Mid-Year Feedback.

95 In bears noting that the evaluation procedure is reserved for all (full-time or part-time) employees with permanent contract and in services for at least 6 months within the organisation.

This process, already trialled in previous years within the parent company Banca Generali, Generfid S.p.A. and BGFML S.A., in 2024 was also extended to the subsidiaries BG Suisse S.A. and BG Valeur S.A.

Talent development and growth are also promoted and supported through participation in Development Center projects organised locally and at the level of Generali Group, allowing Banca Generali Group's people to become aware of the possibility of holding broader, more international and more complex roles. The Development Center projects are generally followed by growth paths offering training and coaching programmes supporting development.

In order to further accelerate meritocracy, along with a sustainable approach to people development within the Company, the tool is useful in working on the management pipeline, discovering new talent and supporting constant personal growth.

In 2024, all eligible employees therefore received a performance evaluation, confirming the interest of People Managers and all employees in the process, creating greater closeness and trust between them.

% OF EMPLOYEES WHO UNDERWENT A PERFORMANCE ASSESSMENT[96]

	31.12.2024		31.12.2023	
(%)	F	M	F	M
Managers	92%	100%	92%	98%
Executives	99%	100%	98%	100%
Employees	100%	100%	100%	100%
Total	**99%**	**100%**	**99%**	**100%**

S1-14

S1-14: Health and safety metrics

6
ACCIDENTS
5 MALES
1 FEMALE

NUMBER OF WORK DAYS LOST TO WORK-RELATED ACCIDENTS
5

RATE OF RECORDABLE WORK-RELATED ACCIDENTS
0.56
0 IN 2023

In 2024, 6 accidents (of which 5 occurred while commuting that were not work-related) occurred in Italy, involving 1 woman and 5 men.

The number of work days lost to work-related accidents was 5 work days.

The rate of recordable work-related accidents[97] was 0.56 in 2024 (0.00 in 2023).

The Company monitors the accident trend in order to identify possible prevention and protection measures and consequently supplement the risk assessment document. Data have been organised highlighting the two main types of accidents, i.e., those occurring while commuting (home-work travel) and those occurring at the workplace, in order to better describe the specific risk for the different homogeneous and cross-cutting groups.

The annual data collected shows that there were no fatalities or cases of permanent disability or occupational diseases and that almost all accidents did not occur at work or in the workplace but while commuting[98].

According to the provisions of Italian Legislative Decree No. 81/2008, 100% of employees of Banca Generali S.p.A. and Generifd S.p.A. are covered by the related general measures to protect workers' health and safety in the workspace.

[96] In line with the approach taken in 2019, the percentage is calculated on the employees of Banca Generali, Generfid and BGFML actually involved in the skills assessment process: employees with permanent contract as of 31 January each year and employed for at least six months. Maternity leave and long absences are not included. As of 2024, the employees of BG Suisse S.A. and BG Valeur have also been included (first assessments in 2025).

[97] The rate of recordable work-related accidents is calculated as follows: (recordable work-related accidents/ worked hours) x 1,000,000.

[98] The recurrent causes of accidents occurring in the workplace or while commuting are constituted by:
- driving vehicles (car, motorbike, scooter, bicycle);
- slipping to the ground by falling or tripping;
- going up and down stairs;
- other causes not covered by the above.

The Occupational Medicine Medical Coordinator (MCC) and the Occupational Medicine Physicians (MC) aim to protect workers' health and promote a safe work environment. They perform different functions to help identify and eliminate hazards and minimise risks, namely risk assessment, advice, health surveillance and management of work-related ill health cases.

At least once a year, the employer convenes a meeting, which, in accordance with the provisions of Article 35 of Italian Legislative Decree No. 81/08, is attended by the Head of the Prevention and Protection Service (RSPP), the Occupational Medicine Medical Coordinator (MCC), the Workers' Safety Representatives (RLS) and workers, who are consulted and their requests considered with regard to: the Risk Assessment Document (DVR); trends in accidents and occupational diseases and health surveillance; the selection criteria, technical characteristics and effectiveness of individual protection devices, and information and training programmes for managers, health supervisors and workers to protect their health and safety.

On 9 December 2024, the Risk Assessment Document was revised (eighth revision).

This document is currently being examined by the Employer for the purpose of approval and the ensuing signing.

The Risk Assessment Document was revised due to the following "amendments":
- risk matrix updating;
- addition of GT4 (employee handling of loads);
- change in the security vertical organisational chart;
- addition of gender equity assessment.

Furthermore, on 7 November 2024, a document was appended thereto containing the assessment of the "Gender Equality" risk — this annex forms an integral part of the Risk Assessment Document of Banca Generali S.p.A.

No specific training courses on serious diseases have been planned, but the risk assessment regarding workers' exposure to asbestos, biological agents, legionella, radon, atex, electromagnetic fields, physical risks and chemical risks is regularly updated. Data on workers' exposure to health and safety risks are summarised in the Risk Assessment Document. It did not evidence high or very high risk levels (as per the risk matrix identified).

In addition to assessing risks and managing emergencies in the workplace, Banca Generali S.p.A. and Generfid S.p.A. also managed possible risk scenarios at certain external events, attended by company personnel and, in certain cases, guests. For such events, a specific document is drafted and shared with the hosting facility and, where present, with third-party firms, so as to protect workers' health and safety also outside the work environment.

S1-15: Work-life balance metrics

S1-15

FAMILY-RELATED LEAVE

	31.12.2024		
	F	M	TOTAL
Employees entitled to take family-related leave	531	573	1,104
% of employees entitled to take family-related leave	100%	100%	100%
Entitled employees that took family-related leave	85	52	137
% of entitled employees that took family-related leave	16%	9%	12%

All employees are entitled to take family-related leave, provided that the relevant conditions set forth by the specific framework are met[99].

[99] For a comprehensive overview of work-life balance measures, see Section "Welfare and benefits" under Chapter "S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions".

S1-16

S1-16: Remuneration metrics (pay gap and total remuneration)

The Remuneration Policy reflects principles of neutrality to ensure equal treatment regardless of gender, as well as any other form of diversity, basing the evaluation and remuneration criteria exclusively on merit and professional skills[100].

GENDER PAY GAP[101]

	31.12.2024
Gender pay gap	36.64%

TOTAL REMUNERATION RATIO[102]

	31.12.2024
Total remuneration ratio	36.25

S1-17

S1-17: Incidents, complaints and severe human rights impacts

Banca Generali Group continues to focus on the enhancement of human capital, attention and commitment towards collaborators, respect for human dignity, freedom and equality, and equal opportunities in the workplace and on career paths, without any kind of discrimination.

According to this approach, any confirmed episodes of discrimination could give rise to disciplinary measures and penalties. However, in 2024 there were no such events or circumstances to report, nor internal complaints or penalties in this regard.

In addition, in line with the aforementioned principles of inclusion and gender equality, Banca Generali Group ensures full respect for fundamental human rights, in accordance with its internal Policies on this matter. In light of the nature of the Company's business and the location of the operations undertaken, no transactions subject to auditing or human rights impact assessment were performed during the period.

[100] For additional details in this regard, see Section "Remuneration and incentive schemes", under "S1-1: Policies related to own workforce, ESRS S1 – Enhancement of Human Capital – Employees").

[101] To calculate this metric and in accordance with the provisions of the disclosure requirement, the following formula was applied:
Gender pay gap = ((Average gross hourly pay level of male employees - average gross hourly pay level of female employees)/(Average gross hourly pay level of male employees)) X 100.

[102] To calculate this metric and in accordance with the provisions of the disclosure requirement, the following formula was applied:
Total remuneration ratio = (Annual total remuneration for the undertaking's highest paid individual)/(Median employee annual total remuneration (excluding the highest paid individual)). Total remuneration ratio was thus 1:36.25.

ESRS S1 – Enhancement of Human Capital – Financial Advisors

ESRS S1

The BG Network is a key element for Banca Generali S.p.A. Group, as it is the pillar on which the overall customer growth and retention strategy rests, guaranteeing a personalised, high-quality service that meets the specific needs of each customer.

For this reason, the Bank pays the utmost attention to the enhancement of its Financial Advisors, both in terms of selection and personal and professional development processes, supported by the latest technologies and a multi-channel system. Over the years, Banca Generali's Network evolved through the aggregation of various networks and private banks, as well as through the recruitment of highly skilled professionals on the financial services distribution market, attracted by the Bank's unique business model.

The BG Network consists of several types of Financial Advisors (Senior Partners, Wealth Managers, Private Bankers, Financial Planners, Financial Planning Agents (FPAs) and Relationship Managers[103]) and is designed to meet the different needs of Financial Advisors and Customers. The recent reorganisation of the BG Network, aimed at enhancing the different professional skills so as to improve the service offered to customers, entailed:

- the introduction of the Senior Partner network to enhance the Bank's best professional skills;
- the synergistic combination of Wealth Advisors and Private Bankers within a single network, which allows to operate locally in a more efficient manner and with greater attention to customers' needs;
- the appointment of 4 Strategic Sales Managers focused on the development areas of greater interest to Banca Generali Group: People, Sustainability, Corporate Customers, international development (Switzerland) and growth opportunities in synergy with Generali Group.

S1-1: Policies related to own workforce

S1-1

As for employees, Banca Generali has adopted several policies aimed at managing and promoting the wellbeing of its Financial Advisors and an inclusive work environment for them, in addition to ensuring they receive fair, and adequate remuneration.

In particular, the provisions of the Internal Code of Conduct[104] apply also to Financial Advisors.

Like employees, in case of discrimination or harassment, or breaches of the Internal Code of Conduct, Financial Advisors are required to report them using the process laid down by the Whistleblowing Policy, which ensures those involved confidentiality and protection from retaliation.

The principles of the Internal Code of Conduct also include Financial Advisors' training and ongoing development, with the aim of ensuring the smooth functioning of corporate operations and protecting Customers' interests. To this end, the Bank ensures access to adequate professional training programmes, which are part of the broader growth and development system offered to all personnel.

The recognition of individual contributions to the success of the organisation, including through fair, and adequate remuneration, is another fundamental element of solid personnel relations.

The remuneration system of Banca Generali S.p.A.'s Financial Advisors is part of the broader Remuneration Policy of the Banking Group, which is based on solid principles, such as meritocracy, competitiveness, fairness, inclusivity, transparency and sustainability, aimed at strengthening the Bank's credibility, reputation and consensus over time, thereby also allowing to attract, motivate and retain the sector's best talent. This system has been defined with a view to aligning the interests of Financial Advisors with those of Customers and the Bank, promoting sustainable performance and the creation of value for all stakeholders. The Banking Group's Remuneration Policy is approved on an annual basis by the General Shareholders' Meeting, whereas the Board of Directors is responsible for its proper implementation.

The incentive schemes, which in the industry are typically a critical factor, do not make any re-

[103] It should be noted that Relationship Managers are included in the disclosure provided in Chapter "ESRS S1 - Enhancement of Human Capital – Employees".
[104] See also "Human rights and DEI", "S1-1: Policies related to own workforce, ESRS S1 – Enhancement of Human Capital – Employees".

ference to the placement of specific products. Banca Generali rewards the ability of generally increasing the scope of offerings, for example by acquiring new prospects or developing existing customers.

S1-2

S1-2: Processes for engaging with own workers and workers' representatives about impacts

During the year, the Bank continued to enhance the contribution of its Financial Advisors, promoting an environment where one's views can be freely expressed. The valuable feedback collected through a series of engagement channels, dedicated events, focus groups and satisfaction questionnaires helped improve operational activities and make strategic decisions. This approach has allowed to proactively address both the current and potential impacts highlighted by the double materiality analysis, ensuring an increasingly positive work environment geared towards continuous improvement.

Events

In 2024, the Bank continued to organise in-person meetings and conferences with the BG Network, and also took advantage of the benefits of digitalisation, enabling it to combine the opportunities of face-to-face sessions with convenient remote meetings.

The monthly meetings between the first management line and top managers are the main occasions for meeting and dialogue. These meetings are an opportunity to not only provide updates on new products and on the progress of the most important projects, but also to identify and respond to the needs of the BG Network, defining targeted managerial and support actions.

In September 2024, the traditional Premier League event was held, involving the best Financial Advisors of Banca Generali S.p.A.'s Network. The event took place off-site over the course of an entire week and provided numerous opportunities for discussion among Financial Advisors and Top Managers in a less formal setting, aimed at gathering opinions and ideas, as well as further strengthening the Group's spirit of cohesion. Moreover, in July, the Sustainable Advisors — specialised in ESG products, tools and best practices — participated in their first convention: two days of in-depth analysis and networking dedicated to sustainability[105]. In addition, it should be underscored that the *BG Private Monthly News* newsletter dedicated to Financial Advisors was integrated in 2024 by launching the new format "Storie di Successo" (Success Stories): a series of videos recounting Wealth Advisory personnel's most significant experiences.

Focus groups

Banca Generali considers focus groups as one of the main stakeholder engagement methods for engaging the BG Network on projects with significant commercial impact: in this case as well, the organisation methods have evolved in line with technological progress, with meetings that can therefore be held both physically and remotely, so as to gather opinions without geographical limitations and reach a qualified and broad audience of Financial Advisors.

The attention paid by the Bank to Financial Advisors' feedback has led to the creation of "BG in ascolto" (BG's listening project), a project which brings together all the initiatives aimed at creating valuable dialogue opportunities between the Bank and its Financial Advisors. In particular, the 2024 initiatives included "BG incontriamoci in Hub" (BG, let's meet in the Hub), a series of 4 meetings at the Training & Innovation Hub in Milan, where select Financial Advisors had the possibility to discuss the challenges of the present and the future with the Bank's Top Managers, in addition to sharing and addressing in practical terms the core issues to be developed and improved, also with a view to considering any ideas emerging from customer needs.

The first initiatives of this path had already been launched in 2022, including, for instance, a dedicated survey to collect Financial Advisors' ideas and suggestions. In addition, again in this perspective, in 2024 a tour of meetings was organised, involving more than 150 Financial Advisors in 12 Italian cities for discussions with HQ managers and to gather feedback and ideas for improvements regarding aspects related to daily activities.

[105] See also Section "S1-13: Training and skills development metrics, ESRS S1 – Enhancement of Human Capital – Financial Advisors".

Training and satisfaction questionnaires

The training classrooms provided for in the 2024 Training Plan are an additional occasion for discussion: in 2024, they were mainly held in-person, also envisaging, where possible, a parallel use of technology during in-depth webinars created ad-hoc, such as those focused on the launch of new products and new commercial initiatives. This allowed to ensure a high and fruitful level of interaction and engagement, thanks also to the satisfaction questionnaires handed out at the end of the sessions to collect feedback on the training content and on the effectiveness of the speakers, as well as any suggestions for improvement in line with the participants' needs. Between January and February 2024, the entire BG Network was also surveyed to gather insights on the centrality and importance attributed by the Network to some products, services and matters deemed strategic for the Bank, and identify any specific training needs.

In addition, as every year, one of the most prestigious institutions in the sector carried out a survey in which Financial Advisors confirmed the appreciation and excellence of the Bank and the Group.

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3

The channels that allow Financial Advisors to raise concerns are the same as those offered to employees[106].

S1-4: Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S1-4

In order to enhance its BG Network and improve the management of impacts related to it, the Bank has undertaken numerous actions and initiatives revolving around Financial Advisors, aimed at ensuring fair remuneration, a healthy and welcoming work environment, protection from adverse events that may influence their income-generating capacity, preservation of diversity, inclusivity and equal opportunities, generational transition and professional upskilling.

Fair remuneration

Financial Advisors' remuneration package consists of fixed remuneration and a variable component, structured so as to ensure a proper balance between these various components.

Financial Advisors collaborate with the Company as freelance professionals and are appointed permanently (and without representation) to promote and place in Italy, as part of their advisory service, and in an autonomous manner — on the Company's behalf and, on the Company's instructions, also in the interest of third party principal companies — financial instruments and services, banking products and services, insurance products and other products indicated in their contract, and also to provide customer service for customers acquired and/or assigned — with all the due diligence required to achieve company objectives.

Specifically in light of this type of contractual relationship, Financial Advisors' recurring fee-based remuneration — unlike that of employees — is not, by its nature, stable over time and consists of fees of various kinds, which may vary on the basis of the type of activity performed, the range of products placed and the distribution agreements in place with the management companies.

The recurring remuneration system is established at a general level, for all Financial Advisors, and has to combine the need to pay the Financial Advisors a remuneration proportionate to the company's revenues, in line with commonly applied market practices, with the need to avoid situations of potential conflict of interest.

Besides ordinary remuneration, Financial Advisors' contract makes explicit reference to the creation of a meritocratic bonus system capable of rewarding Financial Advisors' professional growth through the recognition of a specific compensation in addition to the ordinary one. This component of the overall remuneration, which is based on a combination of annual and multi-year incentive schemes, aims to encourage the achievement of business objectives by directly linking incentives to the targets achieved.

[106] For further information, see "S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns, ESRS S1 – Enhancement of Human Capital – Employees".

Banca Generali's incentive scheme is based on several fundamental principles:
1. alignment to the corporate strategy: incentives are strictly linked to the Group's strategic and financial objectives, thus ensuring that Financial Advisors work in synergy with Banca Generali's mission and vision;
2. sustainability: variable remuneration is linked to sustainable performance, both at individual and Group levels. This approach encourages Financial Advisors to achieve lasting and responsible results;
3. endorsement of the criteria of diligence, transparency and propriety in relations with customers, customer protection and retention, containment of legal and reputational risks. It does not provide an incentive to offer a specific product, or a specific category or combination of products, inappropriate to the customer's objectives and financial needs;
4. adoption of corrective mechanisms that allow it to be reduced (including to a significant degree) or eliminated, in the event of conduct that has caused, or has contributed to causing, significant damage to Customers;
5. link to quantitative and qualitative criteria and adequate balance with respect to the fixed component of remuneration;
6. inclusivity and meritocracy: it contributes to promoting an inclusive and meritocratic work environment, where Financial Advisors are rewarded for their contribution and skills, regardless of gender, age or other personal characteristics.

Work environment

Banca Generali is committed to promoting a healthy and welcoming work environment for its own workforce, including for its Financial Advisors. It defines internal policies and procedures in this regard: the Internal Code of Conduct, which is based on the principles of propriety, transparency and probity, ensures that Financial Advisors' workplace is safe, healthy and protected, requiring them to refrain from any behaviour that could harm the health or safety of others.

Financial Advisors' failure to comply with the prohibitions and obligations contained in the Internal Code of Conduct and in the internal procedures will result in the application of certain disciplinary measures and internal sanctions against them.

Insurance coverage

Financial Advisors and Network Managers benefit from accident, disease and permanent disability insurance covers and receive the social security and termination benefits provided for by law. This is in addition to a specific insurance policy (Long Term Care) aimed at guaranteeing a minimum income in the event of serious permanent disability. These measures are aimed at ensuring, in addition to ordinary remuneration, a series of protections and insurance covers designed to consolidate the professional relationship with the Bank, whilst also encouraging consistent results over time, in the conviction that these benefits are also conducive to a more effective and relaxed relationship with customers.

Human rights, DEI and Generational transition

Within a broader context, it should be highlighted that the BG Network's new organisation is also aimed at supporting inclusion, generational transition and sustainability, which is becoming increasingly material to the Bank. In fact, the Strategic Sales Managers are responsible for initiatives concerning both commercial development and the professional and personal development of the BG Network itself.

Among the main initiatives engaging Financial Advisors on DEI matters, worth of mention is the **Inclusive Leadership Program**. It is a three-year path consisting of awareness-raising and training initiatives aimed at the BG Network and Network Managers to enhance the prevailing mindsets in terms of gender, age, culture and experience. This programme was developed following a focus group involving all female Financial Advisors. It was aimed at listening to their needs in terms of personal and professional skills so as to enhance development within the role and lay the foundations for an increasingly inclusive culture that values uniqueness in terms of gender, age, culture and skills and gives space to talent and merit[107].

Banca Generali pays great attention to new generations and is aware that they represent the future of Private Banking. For this reason, the Bank is committed not only to attracting new talent, but also to promoting projects and initiatives aimed at enhancing Financial Advisors' skills and at favouring and facilitating their inclusion within the BG Network. These are the reasons that led to the launch of the BG People project in 2024. Within the broad **BG People** project, aimed at enhancing various areas of Diversity within the BG Network, an initiative was launched at the beginning

[107] For further information on this programme, see Section "S1-13: Training and skills development metrics, ESRS S1 – Enhancement of Human Capital – Financial Advisors".

of 2025 to introduce the role of the Trainer, making the most of the experience of senior Financial Advisors thanks to their involvement in the professional growth path of their more junior colleagues. This project will be organised into multi-year training courses for the benefit of both senior and junior Financial Advisors, supplemented by a mentorship and support programme based on shared values, a sense of belonging and team identity.

At the beginning of 2024, there was an acceleration in the area of people enhancement and development, increasingly focusing on the **teamwork** model: this approach allows, on the one hand, to create synergy among the best skills of different professionals and, on the other, to ensures an effective generational turnover, facilitating handover between senior and junior Financial Advisors and guaranteeing high standards for customers, even in light of increasingly significant portfolios. Teams, made up of a minimum of two and a maximum of four managers, involve approximately 400 Banca Generali Financial Advisors managing over 20 billion euro assets.

Training and upskilling

In 2024, Banca Generali continued to invest significantly in training programmes for its BG Network. Most of these initiatives were implemented with a view to upskilling, through a wide range of technical and managerial training courses[108].

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities".

S1-5

Banca Generali S.p.A. believes that Financial Advisors' training is a strategic objective to be pursued on an ongoing basis, as it is fundamental for high-quality advisory.

To this end, it implements a structured monitoring that measures annual average training hours per Financial Advisor, broken down by gender and type, in addition to the percentage of Financial Advisors trained every year.

In the 2022-2024 Strategic Plan, it also set ambitious targets regarding specifically ESG training: the three-year target was achieved at the end of 2024, with over **50% of Financial Advisors** having completed a specialist course or obtained FPA ESG Advisor certification after attending a course organised in collaboration with MIP - Politecnico di Milano.

In addition, specific monitoring indicators referring to Financial Advisors are included in the monitoring tool "Sustainability Dashboard"[109].

S1-7: Characteristics of non-employee workers in the undertaking's own workforce

S1-7

The quality and efficiency of the BG Network determine the level of customer satisfaction. Financial Advisors play a very delicate role, as they work in a sector where reputation is the most valuable asset. The range of products and services, supported by advice from qualified professionals, places Affluent and Private customers at the heart of the Bank's mission.

Over the years, Banca Generali Group's Network evolved through both the aggregation of various networks of financial advisors and private banks, and the progressive recruitment of highly skilled professionals on the financial services distribution market, attracted by the Bank's business model.

Banca Generali's Network is entirely based in Italy and consists of Senior Partners, Wealth Managers, Private Bankers, Financial Planners, Financial Planning Agents (FPA), who collaborate with the Company as freelance professionals, and Relationship Managers, who collaborate with the Bank under an employment contract[110].

[108] For further information, see Section "S1-13: Training and skills development metrics, ESRS S1 – Enhancement of Human Capital – Financial Advisors".
[109] For further information on the Sustainability Dashboard, see Section GOV-2.
[110] It should be noted that, by virtue of their contractual relationship with the Bank, data referring to Relationship Managers is accounted for in the Chapter dedicated to employees (ESRS S1 – Enhancement of Human Capital – Employees).

NUMBER OF NON-EMPLOYEES IN THE BG NETWORK BY GENDER

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Financial Advisors	445	1,846	2,291	427	1,770	2,197

At Assoreti system level, the number of Financial Advisors operating in the main companies surveyed increased by about 3% in 2024, from 21,560 Financial Advisors recorded at the end of 2023 to 22,158 at the end of 2024. In detail, Banca Generali owns one of the most important networks of Financial Advisors in Italy: at 31 December 2024, the BG Network included 2,291 Financial Advisors, with an increase of 94 compared to the same period of 2023 (+4.3%), in addition to 62 Relationship Managers, for a total of **2,353 professionals** within the Banca Generali Network. This improvement was mainly due to the recruiting activity performed in 2024, which led to the hiring of 116 new agents with sound experience in the sector[111]. This increase allowed Banca Generali to confirm its fifth place within the Assoreti market, with a market share of 10.3%.

The increase in the number of Financial Advisors operating within the BG Network and the Bank's leadership within the Assoreti market, both in terms of net inflows and assets per-capita, are also a proof of the improvement in the BG Network quality.

The female presence in Banca Generali's BG Network increased steadily (both in absolute and percentage terms) and accounted for about 19.4% of total. Overall, the number of women choosing financial advisory as a professional field has sharply increased in recent years, with a significant part of them coming from the traditional banking world.

The low turnover rate is the result of the BG Network's high retention level (as confirmed by the average length of service) and Banca Generali's attractive proposal compared to the market.

NUMBER OF NON-EMPLOYEES IN THE BG NETWORK BY AGE BRACKET

	31.12.2024 (YE HC)				31.12.2023 (YE HC)			
	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Financial Advisors	61	553	1,677	2,291	107	490	1,600	2,197
Percentage	3%	24%	73%	100%	5%	22%	73%	100%

Banca Generali's network management structure is one of its main strengths and reflects the merit-based career development offered. Managers narrowly defined (1st, 2nd, 3rd level Managers), accounted for about 4% of the Network total.

Compared to the previous year, in 2024 the number of such managers remained stable over time with respect to the total number of Financial Advisors, which instead increased as a result of the recruitment of professionals exclusively tasked with customers relationships.

However, it should be noted that in 2024 the network structure underwent a deep reorganisation, which makes 2024 data not perfectly comparable with that of previous years.

[111] It should be noted that these new recruits refer to non-employee Financial Advisors; Relationship Managers are excluded.

FINANCIAL ADVISOR NETWORK'S ORGANISATIONAL STRUCTURE

	2024
1st level Managers	16
2nd level Managers	15
3rd level Managers	55
Executive Managers	116
Financial Advisors	2,151

	2023
1st level Managers	23
2nd level Managers	61
Executive Managers	113
Financial Advisors	2,063

S1-13: Training and skills development metrics

S1-13

In 2024, the market context was characterised by great complexity, mainly due to the geopolitical situation and the slow reduction in interest rates. In this scenario, Banca Generali S.p.A. intensified its training programmes, both in-person and online, to provide its Financial Advisors with the necessary skills to respond professionally and promptly to Customers' requests.

As the Bank launched numerous products and services in 2024, training played a strategic role in keeping abreast the entire BG Network in timely manner and with high-quality standards. The innovative **My Academy project**, the Academy **offering Banca Generali's strategic training courses**, continued to play a crucial role thanks to the collaboration with Borsa Italiana Euronext. This project involved the best academic professionals to increase Financial Advisors' skills.

A major new initiative in 2024 was the identification of a cluster of Financial Advisors specialising in sustainability matters. Training played a key role, supporting each Financial Advisor in achieving **EFPA ESG Advisor Certification** and investing in the creation of a dedicated training path, with ad-hoc ambassadors and specialised teachers.

This year as well, the **BG Lab training platform** renewed its content and user experience, responding to the changing training needs. Great attention was paid to **artificial intelligence**, both from a training point of view and to improve the platform, with the aim of making it increasingly future-proof.

In general, the training programmes targeted to the Network are organised based on two main areas:
- **managerial and relationship training**, in support of the role of Financial Advisors and for developing the skills and behaviour that set them apart from the rest of the market;
- **high-profile technical/commercial and institutional training**, which takes account of the customers' evolving needs over time and the regulatory developments.

Relationship and managerial training: it is designed to strengthen the role of the Financial Advisor, improving awareness and mastery of communication techniques and relational methods to be adopted with Customers. Furthermore, it aims to strengthen the team management skills and leading capabilities of the various managerial figures, guiding them through continuous development training courses to foster constant professional growth, aimed at addressing ever new challenges with professionalism and competence.

Training course for new recruits, BG New Generation	In line with the value that Banca Generali attaches to young Financial Advisors and to their professional growth, the BG New Generation training course continued. This course, dedicated to young new recruits, aims at allowing them to understand the main commercial negotiation management techniques and learn more about Banca Generali's tools and services (managed and insurance solutions and advanced advisory solutions). The course, organised in three days in the classroom and an online module with videos dedicated to Banca Generali's tools, continued with an additional follow-up day. This path aims at developing the young Financial Advisors' relational and negotiation skills through ongoing, and active learning.
The role of the Financial Advisor in the current context and follow-up	In line with the previous year, the path dedicated to the role of Financial Advisors and their added value in the current context continued, with a few days of follow-up. These days aimed at further analysing approaches and techniques useful for understanding the different communication and behavioural styles, in order to increasingly refine the relationship with the Customer, the management of customer complaints and, in general, the analysis of individuals' behaviour in response to the external context.

	Leadership Meeting – Dublin 19-22 February 2024	A several-day meeting gathering together WA Managers, Executive Partners and District Managers was organised to underline the importance of bringing out the reasons for change. Moreover, as recruitment is key for the future of the Bank, an Action Plan was defined to make the process more incisive. Furthermore, attention was paid to the business potential of the data project, particularly in relation to prospect Customers, to explore new opportunities and analyse how to best develop them. Part of the meeting was also dedicated to BG Suisse, to update all participants on its Value Proposition and on the most effective way to convey it to Customers and accountants.
	Training Days – Managerial training	With the aim of continuing to further analyse the topic of Leadership and consolidate the role of Manager Coach, new Training Days sessions were organised also in 2024 with twelve days in the classroom, dedicated to all WA Managers, Executive Partners and District Managers in the managerial structure. This training path aims to work on developing the managers' leadership style, build a common language on people management and take care of the development and wellbeing of their teams in achieving goals through plans for developing people and a practical insight on feedback. Particular focus was given to the value of knowing one's own people with a view to personal and professional development. Sleep Coaching was another of the subjects discussed, with the aim of finding and developing physical and mental balance and wellbeing. In addition, participants began to explore the subject of language, with a view to inclusion and attention to people.
	EM Coaching Lab	To enhance the Executive Manager Role and reinforce the People Engagement topics following the 2023 Executive Manager Meeting, several one-day training sessions were organised to acquire a common methodology for coaching activities and managing individual interviews, in order to bolster the performance of their Financial Advisors. An additional in-depth analysis was also conducted, followed by the deployment of the two Coaching BG tools: mapping and skill development plan.
	EM Meeting – Varignana	To further develop the training project dedicated to Executive Managers, an Executive Manager Meeting was organised to provide them with in-depth training and business content and strengthen their commercial and managerial action. Focusing on People Management, this initiative saw the full implementation of the coaching model shared in the classroom to reinforce the Plan for developing Financial Advisors' skills and improve communication effectiveness in 1-to-1 interviews through feedback.
	Team Coaching – Managerial development programmes	As in previous years, to support the increased complexity of the context and above all the emergence of new managerial roles following the BG Network's reorganisation, the management team, consisting of Sales Managers, Area Managers, WA Managers and District Managers and Executive Partners, continued to be strengthened with personalised Team Coaching courses. This tailor-made training helps strengthen the role of coaches in managing the important challenges faced by the Bank and support them in ensuring the development and professional growth of their teams.
	Assessment and Deep Assessment	In order to support managerial development and reorganisation, the Assessment and Deep Assessment courses were also launched for District Managers and Executive Managers, with sessions for online assessment, motivational tests/specific behaviour and the creation of tests/role plays, so that they could acquire greater awareness of their key managerial skills and behaviours and be effective in their Role.
	My Academy	The innovative My Academy project, launched in 2023, continued, involving over 1,400 Financial Advisors in classrooms in 2024: a fully-fledge Academy created in partnership with excellent teachers offering strategic courses on technical and relational topics to accompany each Financial Advisor of the BG Network on a personalised and long-term training pathway. Over the years, My Academy accompanies all Financial Advisors in the development of their professional skills, through a tailor-made and personalised growth path, with a training plan to enhance their knowledge and key competencies so that they can better carry out the Financial Advisor Role in the current reference context. In particular, with regard to training on the relationship with Customers, the main topics analysed were behavioural finance in advisory, so as to strengthen the "Relationship Manager" role and accompany Customers in their life choices, and effective communications and strategic relationships, aimed at creating connections and being recognised as trusted Financial Advisors.
INCLUSIVE LEADERSHIP PROGRAM	Inclusive Leadership Programme	The first three meetings of "Networking al femminile" (Female Networking) were held in 2024, involving about 450 female Financial Advisors with internal and external testimonies. A new selection process called "Donne in Rete" (Women in the Network) was also launched to encourage and support female Financial Advisors' managerial growth[112].

[112] For further information on this project, see Section "Human rights, DEI and Generational Transition", "S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions", ESRS S1 - Enhancement of Human Capital - Financial Advisors.

Commercial training is focused on products and services to reinforce the BG Network's competencies and knowledge and its ability to provide a holistic advisory service to meet customers' needs.

BG International	The first half of 2024 saw the launch of the new BG International project, a training initiative to enable Banca Generali Financial Advisors to manage Italian customers who hold assets in Switzerland. The course involved all Local Areas in 18 classrooms overall, organised thanks to the active participation of the Strategic Sales Manager of reference and the HQ Specialists, who together provided an in-depth analysis of the project's strategic, commercial and operational aspects. An online course was also developed and offered to the whole BG Network to deepen its knowledge on the matter.	
Master AIPB	The training programme developed in collaboration with AIPB is an initiative conceived to enhance the professional skills of 34 under-40 Financial Advisors selected among Sales Managers. The programme included a total of 24 sessions (20 half-day webinars and 4 full-day face-to-face sessions) from March to November, and covered a wide range of topics relevant to the advisory business, offering key tools and knowledge to face advisory challenges.	
Corporate training	To expand the BG Network's technical and relational skills in managing Corporate customers, the new Road To BG4Future programme was launched in the first half of the year. Developed in close collaboration with the Strategic Sales Manager of reference and with HQ and BG Network Corporate customer specialists, the programme included 10 one-day training sessions and involved around 200 Financial Advisors of all the Local Areas. Alongside the relational component dedicated to the role of Financial Advisors, the course included a technical part on the use of advanced data management (ADM) and the operational tools available to Financial Advisors to effectively manage Customers and Corporate prospects.	
Sustainable Advisors	Following the introduction of the new role of Sustainable Advisors and the strategic central role they play in Banca Generali as Specialist Advisors on sustainable investments, 6 full-day in-presence training events and 3 in-depth webinars dedicated to Sustainable Advisors were organised from February to December, in close collaboration with the Strategic Sales Manager of reference and involving outstanding teachers and professors to delve into ESG topics.	
ESG Advanced training: 1) EFPA ESG Advisor certification 2) "Parlare Bene della Sostenibilità" training sessions (speaking well about Sustainability)	The year 2024 was key to advanced ESG training and, thanks to the training initiatives implemented throughout the year, the objective to reach 50% of the BG Network with Advanced ESG training was achieved and exceeded, reaching 53% at year-end. The training programme for obtaining EFPA ESG Advisor Certification was fundamental for achieving the target. Building on the longstanding partnership with PoliMi (Graduate School of Management of Politecnico di Milano), the seventh edition of the initiative was organised in the first half of the year and the eighth in the second half of 2024. In 2024 as well, the pool of Financial Advisors involved engaged with PoliMi teachers in 12 two-hour modules provided through webinars. The ESG investment topic was fully analysed to allow Financial Advisors to increasingly improve their dialogue with customers on ESG matters, incorporating the range of sustainable solutions into their offer. A total of eight editions was completed to date between 2021 and 2024, bringing at over 360 the number of Financial Advisors trained in this initiative. In line with 2023, in collaboration with MainStreet Partners and thanks to constant participation of the Strategic Sales Manager of reference, 28 classrooms were organised in the different Local Areas to consolidate the ESG knowledge and skills of more than 450 selected Financial Advisors. The updated and simplified classroom format led to greater proximity to the BG Network and allowed to hold most of the classroom sessions directly in the Bank's local Agencies.	
My Academy	As regards technical training, the My Academy project provided 60 classroom sessions on four macro-topics (Macroeconomic Analysis, Investment Products, Estate Planning and Non-financial Services) in order to broaden the knowledge and skills of the BG Network professionals involved based on their specific training needs.	
On-demand webinars	In addition to the pre-established training plan, in 2024, in collaboration with the Product Department and the Commercial Department, various on-demand webinars dedicated to key topics, updates and new products and services were held.	

The mandatory institutional training provided in 2024 included professional refresher courses for all Financial Advisors on MiFID II compliance. An online quality course programme was developed on the BG Lab training platform not only to ensure compliance with the provisions of current legislation, but also to enhance Financial Advisors' skills and knowledge.

The training programme, hosted in collaboration with expert teachers and prestigious partners, included a set of e-learning courses lasting a total of 30 hours, with a final test at the end of each training module. In line with the Bank's Strategic Plan, this annual training refresher required all Financial Advisors to complete a course on ESG matters, focusing in particular on how the Financial Advisor may help SME entrepreneurs and managers to improve their sustainability stance.

The annual MiFID II refresher was enhanced by an innovative AI-powered course: guided by an avatar, participants delved into the AI and CHATGPT world to reflect on the future that lies ahead, be it an "enemy" or an "ally".

After successfully attending all MiFID II courses, Financial Advisors received a certification to provide the advisory service in 2025.

In line with the provisions of the Italian Institute for the Supervision of Insurance (IVASS), the professional updating of the entire BG Network was also completed, through the delivery of e-learning courses within the BG Lab digital channel, lasting a total of 30 hours. The course covers interesting topics such as the legal and fiscal framework of insurance policies and the non-financial value proposition.

Another training course provided this year was "Prevenzione frodi persone giuridiche" (Fraud prevention for legal entities), aimed at learning about the anti-money laundering provisions applicable to fraud prevention and at understanding the importance of enhanced prevention upon acquisition and identification of new Customers.

The 2-hour online course on Italian Law No. 231 "La Responsabilità Amministrativa degli enti" (The administrative responsibility of entities) was again made available this year, within the mandatory training plan provided for the newly recruited Financial Advisors.

The Welcome Program project, dedicated to all Financial Advisors joining the Banca Generali world, continued in the year. This project includes two face-to-face days at the Generali Tower in Milan, so that new Financial Advisors can meet the Heads of the main Departments, who speak about the universe of the services, products and solutions offered by the Bank, so as to meet the needs of customers even more effectively.

AVERAGE TRAINING HOURS PROVIDED TO FINANCIAL ADVISORS

AVERAGE TRAINING HOURS (H)	31.12.2024	31.12.2023
Average training hours per FA	63	59
Average training hours per female FA	65	61
Average training hours per male FA	62	58

Total training hours in 2024 amounted to 143,200, up 8% compared to 2023. Average training hours per Financial Advisor were approximately 62, provided both online and through classroom sessions, the latter being predominant thanks to the My Academy project and the numerous face-to-face training projects implemented in the year.

ESRS S4 – Consumers and end-users – Quality of information

ESRS S4

S4 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

S4 SBM-3

Banca Generali has adopted a service model marked by holistic advisory services aimed at supporting Customers in managing their total wealth.

This model is based on two key elements:

- a range of products and services characterised by high levels of diversification and/or risk containment;
- the highly professional provision of investment advisory services by the Financial Advisors of the BG Network, that enables identification, anticipation and monitoring of the Customers' needs and requirements over time.

In this context, a key role is played by Banca Generali's attention and commitment to providing quality information, i.e., accurate, clear and non-misleading information, to its Customers, also through its Financial Advisors' assistance and support in the understanding of the characteristics of the financial services and products offered.

The focus on providing quality information is a prerogative directly linked to Banca Generali Group's business model, which stands out for its range of investment products and services consisting not only of traditional financial instruments, but also of solutions that respond to the growing sustainability-related requirements. In fact, according to the MiFID II Directive, it is essential that Financial Advisors and intermediaries take into account the Customers' investment and sustainability preferences during the advisory process[113]. Considering these preferences, including sustainability preferences, thus becomes crucial not only to meet regulatory requirements, but also to maintain and strengthen customer trust.

The risk of making an offer that does not comply with Customers' ESG preferences has a potential material impact that affects Downstream Business Activities: failure to meet customer expectations can result in the loss of Customers and, consequently, in a potential negative impact on the Bank's reputation and financial results. According to the analyses, this is as a potential risk over the short-, medium- and long-term.

To assess the materiality of the risk identified, Banca Generali Group has taken into account its total Customers, in consideration of the type of Customers to whom the range of investment and advisory products and services is targeted.

In this regard, the Banking Group has been embedding ESG matters into its decision-making and operational processes for several years now, ensuring that the products and services offered are in line with its Customers' values and needs and that transparent and high-quality disclosures are always provided.

S4-1: Policies related to consumers and end-users

S4-1

In general, customer relations are guided by compliance with the following principles, stated in the Internal Code of Conduct of Banca Generali Group:

- conducting business in compliance with the law, internal regulations and professional ethics;
- promoting the culture of sustainability in all of its spheres of influence, contributing to economic and social development based on environmental protection and respect for fundamental human and labour rights;
- processing personal data in a manner respectful of data protection rights, while ensuring it is inaccessible to third parties, except for fully justified reasons or in the presence of a specific external mandate;
- avoiding any conflicts of interest and, where it is not possible to do so, managing them in such a way as not to result in harm to the Bank or its customers;
- guaranteeing free competition — fundamental to the development of company business and results;

[113] From August 2022, the MiFID II Directive has required banks to obtain detailed information regarding Customers' sustainability preferences and to integrate these preferences into investment advisory.

- providing comprehensive and accurate financial disclosures, as well as information on products and services, so that Customers can make informed decisions;
- combating all forms of bribery and corruption;
- opposing any conduct that could be intended as supportive of money laundering and financing of terrorism;
- pursuing customer satisfaction — a key factor to the Bank's strategic vision.

In 2024, Banca Generali S.p.A. (including, where applicable, its subsidiaries) continued to implement strict policies, such as the **Commercial and Product Governance Policy** and the **Policy on the Provision of Investment Advisory Service**, to manage the potential risk that its offering is not aligned with the evolution of the applicable regulatory framework, identified by the double materiality analysis.

The two Policies highlight the approach adopted by the Bank to place the satisfaction of its Customers' needs and preferences at the centre of its strategy, by integrating these aspects, including sustainability preferences, at every stage of the construction of the product range. This is reflected in the selection and monitoring of the products offered, which range from managed and insurance solutions to assets under administration and banking services.

With regard to transparency — a key element of disclosure quality—, the Bank has adopted strict policies and procedures to ensure that all information provided to customers in the provision of investment services complies with the requirements of the relevant regulations; particular attention has been paid to the requirements set out in Regulation (EU) 2019/2088 (SFDR) for ESG products pursuant to Article 8 or Article 9, and to the quality of advertising and promotional communications, to ensure they are accurate, clear and not misleading. In particular, the aforementioned **Sustainability Policy** was adopted, along with other internal regulations, with a view to precisely defining the control measures applicable to the ESG investment framework it defines.

Moreover, with regard to sustainability topics, the integration of the ESG framework in risk governance is aimed at ensuring the Banking Group's business solidity and continuity. The ESG risk management framework, also outlined in the Sustainability Policy, provides for the analysis of ESG risk best practices and regulations, the identification of ESG risks, their integration in the Risk Appetite Framework and reporting.

S4-2 ↘

S4-2: Processes for engaging with consumers and end-users about impacts

The Banca Generali S.p.A. business model is centred on the relationship of trust between the Customer and the Financial Advisor — a key role that is the channel through which it is possible to gather Customers' views on an ongoing basis and represent them within the Company.

In recent years, the Bank was also able to collect indirect feedback from Customers thanks to the use of data analytics processes, aimed at better understanding customer needs.

Furthermore, in accordance with the investment service regulations in force and applicable to Banca Generali, specific products and services are developed at the specific request of the customer. This type of offer is mainly aimed at a select group of customers, namely Institutional Customers and High Net Worth Individuals (HNWI).

S4-3 ↘

S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Banca Generali Group offers its Customers several **channels** to **get in touch with the Bank, request assistance, communicate their needs or lodge a complaint**. These channels are specified in the pre-contractual documentation and on the Bank's website.

Customers may ask for assistance or information from Banca Generali's Network. **Financial Advisors responsible for sales assistance to customers** offer personalised and professional support aimed at responding to the needs of the Customers assisted on an ongoing basis.

Banca Generali has activated a free **Phone Banking and e-mail service** (BG Vale) through which customers may request a wide range of information, including their total asset value, balance, movements and bank details, and make reports on personalised assistance needs.

Another formal channel available to Customers is the **Contact Center**, the Bank's internal structure made up of two operational units: the **Customer Care**, which assists Customer, and the **Network Support**, which assists managers and Financial Advisors. Customers contact the Customer Care service for assistance with Internet browsing, for information and assistance relating to passwords and access codes, for information and/or transactions involving accounts, for support with debit/credit cards and financial investments, and for assistance with the trading platform. Managers and Financial Advisors contact the Network Support service for assistance with platforms and applications reserved to them, for information and assistance on Customers' positions and for operational support on new products.

The Bank devotes particular care to the needs of its Customers. In light of this commitment, **complaints** are considered an important element in identifying issues in the quality of the services offered, and consequently proceeding to improve them in terms of both effectiveness and efficiency.

On its website[114], Banca Generali publishes a specific information notice on the management of complaints relating to any behaviour or omission attributable to the Bank with regard to the services it provides. The information notice provides the links to the service of the dispute resolution bodies (Banking and Financial Ombudsman and Financial Disputes Ombudsman), which customers may, if necessary, resort to. Section "Transparency"[115] provides the practical Guidelines on Banking and Financial Ombudsman (ABF) and the Securities and Financial Ombudsman (ACF).

The contract law also describes in detail how to raise complaints and the related response times, as well as the possibility of filing for arbitration appeals in case of dissatisfaction.

Customers may also lodge complaints in writing by post, fax, telegram, e-mail, certified electronic mail or by hand-delivered letter addressed to the branches, private banking centres, as well as representatives or other offices of the Bank. Banca Generali's **Legal Affairs Network Litigation and Complaints** structure is responsible for verifying complaints and the related responses.

S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

S4-4

To manage the potential risk of Downstream Business Activities, Banca Generali monitors Customers' sustainability preferences, ensuring that the model for collecting such preferences is in line with the indications provided by the regulator and integrating this information into the processes aimed at defining the range of products and services offered (in the broader context of product governance), and at aligning the commercial strategy, thus overseeing the entire value chain.

The **product governance process** adopted by the Bank is essential to controlling that financial products are properly distributed. This process involves an analysis of the customers' needs and characteristics, thus allowing to identify the target market for the financial instruments. The Bank provides for an **ongoing assessment of its products** and service range, monitoring any changes that might affect the target market, also in relation to the sustainability characteristics of the products. In this context, the Bank identifies specific events that may require a review of the target market and that may be both external (such as changes in market conditions) and internal (such as variations in Customers' characteristics). The Bank has also set up blocking controls in the event that the customer is not compatible with the product's target market. The control functions support monitoring, the outcome of which is periodically reported to the Bank's top managers.

With regard to **advertising and promotional communications**, the approval process adopted is aimed at ensuring clarity, accuracy and transparency, with particular attention to communications on the product's sustainability characteristics. All materials created and transmitted by the Bank (brochures, videos, etc.) are shared among the Functions responsible for the products and services advertised and are submitted for verification to the Legal Function, which ascertains their regulatory compliance, and, where necessary, to the Compliance Function for further checks. Regardless of the channel used, the Bank complies with the provisions of the applicable regulations on the matter, ensuring that the information is clear, not misleading and consistent with the available contractual and offer documentation. As a further control measure, the Bank carries out ex-post checks, monitoring the suitability of the practices adopted and the progress of advertising campaigns, in addition to managing the removal of obsolete materials.

114 www.bancageneraliprivate.it/mediaObject/bgit/documents/trasparenza/Reclami-ricorsi-e-conciliazioni/Informativa-sulla-gestione-dei-reclami/original/Informativa+gestione+reclami.pd.
115 www.bancageneraliprivate.it/info/trasparenza?panel=panel-0&filter=filter-2.

As part of the **measures adopted to mitigate greenwashing**, the Bank verifies the ESG information contained in the promotional materials and guarantees that it is consistent with the relevant regulatory documentation. Furthermore, the Bank takes action when specific events occur that may entail potential greenwashing risks — such as market news, changes in products and reports from supervisory authorities — and may initiate a dialogue with the Management Companies or the issuers to clarify any doubts as to the transparency of ESG information.

S4-5

S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Banca Generali Group did not identify any specific targets related to the potential risk linked to quality information, but ensures constant attention to its customers thanks to informative and educational communications and the dedicated training provided to the BG Network.

In addition, the Bank constantly monitors the sustainability preferences that its Customers express in the MiFID questionnaire and provides half-yearly information to the Managing Committee, the Sustainability and Innovation Committee and the Board of Directors using the reporting tool Sustainability Dashboard.

Furthermore, on a quarterly basis, the Board of Directors receives a detailed report on the progress of litigation and complaints, whereas the Sustainability Dashboard includes an indicator regarding the number of complaints and disputes on ESG matters, shared half-yearly with the Board of Directors.

ESRS S4 – Consumers and end-users – Cybersecurity and data protection

ESRS S4

Banca Generali Group believes that properly managing personal data and protecting customers' information assets are essential to safeguarding its business and the relationship of trust with its Customers.

Accordingly, the Bank is committed to adopt specific measures aimed at guaranteeing fair and transparent processing of its Customers' personal data, as well as the compliance of its policies with the regulations in force. At the same time, Banca Generali Group defines specific procedures for managing any events of personal data breach, and provides, where appropriate, for dedicated communication channels with the parties involved.

In addition, growing digitalisation has also resulted in a potential risk of cyber attacks, which could expose the Banking Group to economic and financial losses. For this reason, in order to ensure the utmost attention to cybersecurity and system security, the Banking Group has adopted and ensures specific measures instrumental to responding promptly to potentially damaging cyber events.

S4 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

S4 SBM-3

In light of the importance that Banca Generali Group attaches to measures aimed at protecting its Customers' personal data, the Double Materiality Analysis has identified a material impact and a material risk related to the topic "Cybersecurity and Data Protection". In particular, the analysis highlighted a potential negative impact linked to data protection breaches and the dissemination of confidential information due to ineffective security system management and to improper protection of Customer's data.

For the Bank, this translates into a potential risk linked to leaks or losses of Customers' personal data, with possible repercussions on Banca Generali's reputation and market positioning, compromising the guarantee of customer confidentiality, data protection and cybersecurity. This scenario could lead to a reduction in corporate counterparties' profitability and competitiveness, as well as in a decrease in creditworthiness and an increase in investee companies' probability of default.

In fact, as the BG Network collects sensitive data from Customers as part of the Bank's provision of products and services, an event of data loss or data breach could have a negative effect on Customers and, at the same time, generate a risk for the Bank. It is specified that the impact and risk identified refer to the Core Operational Activities of the Bank's value chain. The potential negative impact is material over both the short-, medium- and long-term, whereas the risk is material in the short term.

To assess the materiality of the above-mentioned impact and risk, Banca Generali has taken into account, where applicable, its total Customers, in consideration of the type of Customers to whom the range of investment and advisory products and services is targeted. The type of Customers served includes:
- Retail Customers: these are retail Customers with more common and standardised investment needs;
- Professional Customers: these are Customers with greater wealth and complexity, who require more personalised services and specific advisory;
- Qualified Counterparties: these are Customers who meet certain criteria of experience and knowledge of the financial sector, and who may access more complex products and services;
- Private and Affluent Customers: these are Customers with significant wealth who require asset management and advisory services, with a focus on bespoke solutions and advanced investment strategies.

S4-1: Policies related to consumers and end-users

S4-1

Data Protection

Banca Generali Group considers safeguarding its information assets as fundamental to protecting its business and its relation of trust with its customers.

Proper management of the privacy of the parties with whom it has relationships (whether Customers, collaborators or third parties) in compliance with external regulations means intending to contribute to ensuring, in the short- and long-term, a high level of data integrity protection, as well as a data processing in line with the data subject's intentions.

With regard to the initiatives suitable for containing potential violations of personal data, Banca Generali has adopted the following main mitigation and prevention control measures:
- adoption of policies on data protection, IT security and strategic direction on the matter of information communication technology (ICT);
- use of specific systems and tools such as firewalls and antimalware and antivirus programmes, etc.;
- provision of specific people training courses[116];
- periodic revision of the control measures adopted in accordance with industry legislation;
- constant assessment of the risks associated with the new personal data processing methods introduced by the Company;
- initiatives to raise the awareness of people and customers on data protection and security to prevent any attempt of fraud by third parties.

Banca Generali Group has adopted the principles defined in the data protection legislation in force, in line with the General Data Protection Regulation (GDPR), integrating the provisions contained therein into its internal regulations.

In addition, with effect from 2019, Banca Generali implemented a framework for constantly monitoring the potential risk of fraud against the Banking Group and its Customers in order to ensure the efficacy of the system for preventing and managing this phenomenon, with a view to protecting the Banking Group's solidity and profitability, as well as its brand reputation.

In its capacity as Controller pursuant to the GDPR, Banca Generali is accountable for the proper implementation of this framework, in line with the provisions contained in the document publicly available from its corporate website.

Cybersecurity

Banca Generali Group has adopted a series of internal policies aimed at guaranteeing continuous improvement in the protection of company resources in terms of ICT and cybersecurity. In further detail:
- **Security Policy**: in the highly competitive context of the financial sector, Banca Generali is primarily responsible for protecting its tangible and intangible assets, preventing any unauthorised access and any possible IT attack. To this end, the Security Policy, which applies to Banca Generali S.p.A. and its subsidiaries, defines the fundamental principles, strategic objectives and main responsibilities regarding security, covering different areas of action:
  - **IT security**, aimed at protecting data and information systems from unauthorised access, improper use, unauthorised disclosure, blocking, modification or deletion, thereby ensuring the confidentiality, integrity, availability and authenticity of information;
  - **Cybersecurity**, aimed at preventing security incidents and vulnerabilities of IT systems and protecting the use of digital networks against potential cyber attacks;
  - **Physical Security**, **Corporate Security, Business Continuity and Fraud Management**, which contribute to the overall protection of company resources and the Bank's business continuity.

  Specifically, in order to guarantee adequate protection of its information system, the Bank establishes specific criteria and objectives regarding information security, defining a security management process compliant with international best practices and the guidelines of the U.S. National Institute of Standards and Technology (NIST) Cybersecurity framework. The process consists of five main phases:
  - **identification**, which involves analysing security risks, assessing exposure to emerging threats and considering the business impacts of potential incidents or breaches;
  - **protection**, aimed at defining and implementing the necessary security measures, with periodic updates to the Operational Security Plan and the Information Security Training and Awareness Plan;
  - **detection**, which guarantees ongoing monitoring of threats, promptly identifying any anomalous activities or any security incidents and evaluating their potential impacts;
  - **response**, through the implementation of adequate strategies and measures aimed at containing the effects of any security incidents and mitigating the related risks;
  - **recovery**, aimed at implementing resilience plans and timely recovering activities and services compromised by a security incident.

[116] Courses will be provided to the Parent Company's Financial Advisors and employees in 2025.

The Policy provides for the role of **Chief Security Officer (CSO)**, responsible for the protection of IT and physical resources and the Company's information assets. The CSO is responsible, *inter alia*, for drawing up an annual report summarising the implementation progress of security initiatives, critical accidents recorded and training activities undertaken.
The most recent update of the Security Policy was approved by the Board of Directors of Banca Generali S.p.A. at the beginning of 2025 and was aimed to align the document to the provision of the **Digital Operational Resilience Act (DORA, Regulation (EU) 2022/2554)**[117];

› **Strategic Guidance Policy on Information and Communications Technology (ICT)**: this Policy defines the main ICT guidelines and strategies adopted by the Banking Group. In particular, it describes:
  – the architectural model of reference for the ICT infrastructure;
  – the outsourcing strategies, with particular attention to management of suppliers and of the technological solutions adopted;
  – the Bank's approach to cyber risk appetite.

  The Group's ICT strategy, set forth by the Policy, is conceived so as to ensure full alignment with the Bank's overall business strategy, supporting its objectives and operational needs. It aims to:
  – provide simple and effective technological tools to customers, the BG Network and HQ structures, to optimise operational processes and improve the user experience;
  – guarantee a solid and efficient ICT infrastructure, compliant with industry best practices and able to support business growth and evolution;
  – ensure high IT security and digital operational resilience standards, in accordance with regulations in force and international best practices.

  In order to constantly support the Company's strategy, the Bank has adopted an IT model based on principles of flexibility and innovation, ensuring its evolution through ongoing monitoring of the relevant context. This includes analysing company strategies and regulatory policies, examining market trends and the choices made by the main industry operators, evaluating the opportunities offered by technological innovation and paying attention to cyber threats relevant to the financial sector.
  In this context, the Bank has adopted a full outsourcing model for managing ICT services[118], entrusting the activities related to the technological infrastructure to specialised suppliers;
› **ICT and Cyber-Security Risk Analysis and Management Policy**[119];
› **Business Continuity Management**: Banca Generali has also adopted a Business Continuity and Disaster Recovery Policy, which was updated at the beginning of 2025, through the Business Continuity Management Policy.
  These documents aim to guarantee the operational resilience and response capacity of the Bank and its subsidiaries in the event of high or very high-impact events (including ICT incidents) that could compromise business continuity.
  To this end, it establishes:
  – a structured framework for identifying, managing and monitoring risks that may affect operational continuity;
  – the Business Continuity Management guiding principles, with particular reference to incidents prevention and response, including ICT incidents;
  – the response and recovery framework, which includes the 2024 Business Continuity Plan (BCP) approved by the Board of Directors, the ICT Response and Recovery Plans and the Disaster Recovery (DR) strategies;
  – the minimum requirements of business continuity to ensure the operation of critical business functions;
  – specific roles and responsibilities for managing business continuity, in line with applicable laws and regulations.
› **Incident management**: 2024 saw the publication of the Circular on "Management of cybersecurity incidents and threats", which defines the process for effectively managing cybersecurity incidents and threats, including incidents associated with the internet payment security, and the alignment with the operating procedures of the main Suppliers/Outsourcers.

S4-2: Processes for engaging with consumers and end-users about impacts

S4-2 ↙

In 2024, raising awareness of cybersecurity among the company's population was a priority to protect the integrity of corporate data and operations. Targeted anti-phishing campaigns were strengthened and intensified. They also provided for the sending of ad-hoc e-mails to raise employee awareness of how to recognise and report phishing attempts. These campaigns were part

117 See Section "G1-2: Management of relationships with suppliers, Quality and compliance".
118 See Section "G1-2: Management of relationships with suppliers, Quality and compliance".
119 See Section "Risks and Uncertainties".

of a broader awareness-raising plan, aimed at increasing alertness and attention to IT security, including the risks associated with ransomware.

In addition to anti-phishing campaigns, e-mails on cybersecurity and fraud were also regularly sent. These communications provided updates on the latest threats and practical advice on how to protect against them. The overall goal was to create a vigilant and proactive corporate culture, where each employee felt responsible for IT security and was able to actively contribute to the protection of the Company.

At the same time, customer communication activities were launched with pop-up messages on the website and ad hoc e-mails to inform and raise awareness among customers about cyber risks. These initiatives aimed to ensure that Customers alike were aware of the threats and knew how to protect their data, thus contributing to a more robust and widespread IT security[120].

S4-3

S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

A Data Protection Officer (DPO) has been appointed within the Company and tasked with overseeing the processing and protection of personal data. In addition, the Compliance Function, which serves as a second-line control, is also involved in monitoring and assessing the risk of non-compliance in this regard.

In 2024, 8 complaints concerning data protection were made with regard to Banca Generali, as a result of which there was no need to compensate the parties involved.

In the same period, a limited case of data breach regarding customer data was recorded. Banca Generali Group activated the appropriate communication channels with the Data Protection Authority and provided appropriate recommendations to customers to keep a keen watch for fraud phenomena.

With a view to avoiding and limiting possible cases of fraud, customers are periodically reminded of good practices for managing access credentials with messages on Banca Generali's website. As regards employee, the Company has long implemented a phishing e-mail alert system that allows a process of checking suspicious e-mails to be activated by simply selecting a button on the control bar.

IT incident reporting and management are formalised in the Business Continuity Management Policy.

S4-4

S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Security and BCP (Business Continuity Plan) Service function has developed various security measures, both in terms of solutions and of awareness and monitoring activities. The main areas of activity aimed at increasing the Bank's security include:

- **Fraud management:** in 2024, the Bank reinforced its antifraud control measures with efforts in different areas. The Bank further strengthened and perfected its antifraud engine (RSA AAoP), an AI-powered application designed to analyse customer transactions on the basis of historical data. In the year, technical improvements were introduced to increase the efficacy and accuracy of control measures through ongoing analysis of results, definition of new rules for identifying fraudulent transactions and fine-tuning of existing rules.
  These measures allowed to optimise results and eliminate a considerable percentage of the false positives identified by the antifraud engine.
  Internal processes were updated and formalised, and analyses aimed at adopting new fraud detection tools were reinforced.
  In addition, the Bank continued to actively participate in the working groups, discussions and refreshers organised by CERTFin for Italian banks and financial institutions.

[120] For further information, see Section "S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions".

- **Security solutions:** in 2024, the Security and BCP Service continued the programme of transforming IT security by adopting additional measures and processes to reinforce the security posture of the Bank and its subsidiaries. These initiatives aimed at:
  - improving the monitoring and management of security events and incidents (SIEM – Security Information and Event Management, SOC – Security Operations Center and IRT – Incident Response Team);
  - reinforcing the security of endpoints (e.g., encryption, EDR, vulnerability assessment);
  - ensuring the highest security levels in the event of remote working (e.g., MFA and cloud proxy);
  - consolidating data management and protection through adoption of advanced policies for document classification and sharing;
  - increasing the awareness of the whole population of the Bank and its subsidiaries through the provision of specific training (e.g., cloud security for technical experts) and thematic workshops (e.g., security workshops) at the premises of the Parent Company and of its subsidiaries;
  - conducting two risk assessment campaigns, namely the Cyber Risk Assessment (CRA) and the IT Risk Assessment (ITRA), aimed at identifying and managing risks associated with the use of critical applications supporting the processes that are essential to the Bank and its subsidiaries;
  - reinforcing the methods of access and authentication to Banca Generali systems;
  - reinforcing the Corporate and Physical Security strategy.

  Specifically, in addition to the initiatives already implemented in recent years (e.g., BitLocker cryptography, external tags for e-mails from outside senders, network access control (NAC), Azure Information Protection (AIP) base policy and multi-factor authentication (MFA) for Office365, for both the network and devices used by Banca Generali employees and/or Financial Advisors), additional technical solutions were implemented, including:
  - advanced policies for document and e-mail classification (Azure Information Protection custom rules);
  - MFA measures for accessing VPNs and internet-exposed critical applications;
  - cloud proxy to ensure higher protection for remote browsing;
  - advanced security measures for mobile device management (MDM);
  - installation of agents for running vulnerability scans on the active directory, on the domain controller authentication traffic and on the endpoints.

  With a view to ensuring constant monitoring of third parties, audits of the current security levels of the backup & restore processes and of the cloud services provided by the key suppliers of the Parent Company (e.g., CSE and Accenture Song) and of its subsidiaries (e.g., TXT and Avaloq in Switzerland and Post in Luxembourg) were carried out. Penetration tests were also planned and conducted on some critical applications, in line with the Group's security expectations.

  In addition, to increase the connection between logical and physical security, third-party suppliers were required to specifically verify the quality of the policies for managing security at the Bank's physical premises.
- **Corporate and Physical Security solutions:** in 2024, in compliance with the Group's recommendations, measures were implemented in the following areas:
  - physical security: following the two assessments concluded in 2023 at the offices in Trieste (Corso Cavour) and Milan (Piazza Sant'Alessandro 6), the minor gaps identified were remedied through targeted actions. In line with the activities planned for the 2023-2026 three-year period, this important activity, aimed at protecting the integrity of Banca Generali's employees and assets, also included, among other things, an assessment of the secondary offices' security, in particular through approval of a specific protocol for bank branches, which by their nature have several typical peculiarities (the main one being cash handling);
  - event security: the event risk and security assessment model was applied. This provides for the application of additional measures for the so-called "major events", i.e., those that due to their characteristics, impact or relevance are marked by higher complexity and risks, and are therefore managed with greater care;
  - travel safety: the collaboration with the supplier that guarantees the safety of Banca Generali's employees engaged in international business trips was renewed for the next three years; it provides for dedicated training and verification of the skills gained. In addition to the use of applications able to communicate directly with travellers to provide them with information or dedicated assistance 24/7 based on the reported emergency, or even geolocation in case of need, the service also includes an alert system that is active nationwide.
- **Business continuity:** in light of growing threats, Regulators have adopted an approach centred on operational resilience, encouraging organisations to strengthen their defences and implement robust measures, also in terms of prevention. In 2024, as already specified, Banca Generali launched a series of projects **focused on DORA**. In detail, activities instrumental to updating the Business Continuity Plan (Business Impact Analysis and Risk Impact Analysis) were redefined, using new methodologies in line with Circular 285, DORA and interna-

tional best practices and standards (e.g., ISO 22301). These methods are useful for effectively identifying critical processes and concretely assessing risks. The scope of the processes to be subjected to Business Impact Analysis activities was also updated, including all processes deriving from the mapping approved by the Board of Directors in July 2024. In addition, the emergency and crisis management model was updated and the crisis communication plan was finalised. More specifically:

- strengthening of Business Impact Analysis (BIA) activities, leveraging on specific information databases (e.g., CMDB and Value Chain) and on the new mapping of AbiLab processes;
- updating of the Risk Identification & Assessment (RIA) scenarios;
- strengthening of business continuity strategies and definition of an ICT response and recovery plan;
- consolidation and further development of the methods of executing tests on multi-year plans;
- updating of the crisis management model through integration of new responsibilities and setting up of two committees in line with the Group Model;
- definition of a crisis communication plan;
- execution of training activities for process owners involved in Business Impact Analysis (BIA) activities;
- introduction of training sessions for employees aimed at raising their awareness of the importance of Business Continuity within the 2024 Awareness Plan.

› **Security Awareness:** to raise the awareness of key security-related matters across the Banking Group's entire population, the Security and BCP Service has developed the 2024 Awareness Plan, in line with Bank of Italy Circular No. 285 and the DORA. This plan was formalised by executing a series of activities for employees, top managers, Board members and Financial Advisors, in line with the specific risk profile defined for their individual function.
In particular, the plan includes the organisation of several anti-phishing campaigns — organised both directly at local level by Banca Generali S.p.A. and at Generali Group level — and the dissemination of periodic cybersecurity content through Cyber Newsletters and Cyber Reels.
In addition, the Security and BCP Service defined, promoted and delivered cybersecurity and BCM workshops, recording excellent participation and very positive feedback.

S4-5

S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Although the Group has not defined specific quantitative objectives on these topics, it ensures ongoing monitoring and structured control measures, guaranteeing that its strategies and initiatives aimed at mitigating threats and protecting sensitive data are constantly advanced.

With particular regard to data protection, the Data Protection Officer (DPO) is responsible for liaising with the Controller, keeping the latter abreast of the activities undertaken to ensure compliance with applicable data protection regulations in force. In accordance with the Data Protection Regulation of Banca Generali Group, the Board of Directors receives on an yearly basis –— at meetings attended also by the Bank's Board of Statutory Auditors — an information report (so-called DPO Report), which illustrates the activities undertaken in the year and those planned for the next one.

Activities referring to cybersecurity are constantly monitored and reported to the Bank's corporate bodies. In detail, the Board of Directors, the Internal Audit and Risk Committee and the Board of Statutory Auditors are informed on an annual basis through a reporting tool called Summary Report on the ICT and Cyber-Security Risk Situation, which illustrates the residual risk level, the state of implementation of risk management measures, the evolution of threats associated with the use of ICT and incidents that occurred during the reporting period.

In addition, the Board of Directors and the Internal Audit and Risk Committee of the Bank receive an Annual Report on the state of implementation of security initiatives, on critical incidents occurred and on the training initiatives implemented.

Moreover, Banca Generali's Risk Appetite Framework contains specific IT security risk indicators that are regularly updated and reported quarterly in the Tableau de Bord.

ESRS S - Entity-specific: Wealth Protection and Value of Service

ESRS S

Entity-specific topic SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3

Banca Generali is an Italian private banking leader that stands out for its excellent investment services, and particularly for its financial advisory and wealth management services targeted to HNW, Private and Affluent customers. In this business model, the highly qualified BG Network plays a pivotal role in identifying customers' needs and in providing them with a wide range of innovative, bespoke and sustainable products and services, thanks to the attention that the Bank devotes to all its products and services.

The Bank is facing — as is the Italian private banking sector — a deep transformation, characterised by the increased longevity of the population, and therefore of its customers, as well as by demographic changes and the rapid evolution of new technologies.

The major challenges for the future are generational wealth transfer management, the attention to and engagement of future generations — who are expressing new needs in terms of innovative offerings and digitalisation — and the support of the entrepreneurial world, where the generational transition represents a time of discontinuity that requires an integrated approach and a strategic partner.

In light of all the above, through the Double Materiality Analysis, Banca Generali has identified positive impacts and material opportunities related to the topic "Wealth Protection and Value of Service" that refer to its Downstream Business Activities in its value chain.[121]. In detail, the positive impacts are linked both to the quality of products, designed also to best manage the generational wealth transfer, and to service innovation, thanks to the development of advanced advisory platforms. In addition to enhancing financial wealth, all the services also aim to protect and progressively grow the value of the corporate, real estate and artistic wealth, resulting in greater customer satisfaction and stronger customer loyalty and, indirectly, also in higher BG Network retention rates, amplifying the positive impact over the short-, medium- and long-term.

Excellence in the products and services offered also generates a business opportunity, as it allows to capture new wealth over the short-, medium- and long-term.

Following the above-mentioned analysis, it was possible to outline two macro-areas, namely "Wealth Protection" for customers, based on the development of a range of dedicated products and services in line with their expectations, and "Value of Service", based on the acceleration of the digitalisation process and a focus on the BG Network engagement.

MDR-P: Policies adopted to manage material sustainability matters

MDR-P

Banca Generali has implemented a well-structured internal regulatory framework with the primary objective of developing products and services aimed, *inter alia*, at improving customer satisfaction levels. This goal may be achieved by providing excellent services that focus on Customers' needs, as well as by offering a wide range of products that — combined with the investment advisory service provided through the BG Network — supports Customers in choosing the solutions that best meet their needs and characteristics.

In this context, all Banca Generali personnel is required to adopt suitable measures to safeguard Customers' rights on their assets held with the Bank and to always pursue high professional standards, with constant attention to customer satisfaction, as required by Banca Generali's Internal Code of Conduct.

[121] For further information on the identification of material IROs, see Section "IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities".

This framework is complemented by the Commercial and Product Governance Policy, through which the Bank establishes and formalises the principles and criteria adopted for defining and managing its commercial and product governance policies. The Policy takes into account the need to balance the Company's long-term profitability with the provision of a professional advisory service to Customers and an operational conduct based on the principles of transparency, propriety and diligence. In fact, it is essential that Customers be able to choose the most suitable options among the various products offered, obtaining adequate information on the nature and risks of the operations they intend to carry out, including information on sustainability risks.

The service model adopted by the Bank aims at enhancing the investment advisory service, which is characterised by a high level of personalisation aimed at strengthening the relationship of trust with the Customer. This model incorporates the so-called "advanced" advisory service, which stands out for the analysis and reporting offered to Customers. In this regard, Financial Advisors play a crucial role in identifying customers' needs and preferences. The principles and criteria that guide this service are defined in the Policy on the Provision of Investment Advisory Service, which states that personalised recommendations can only be provided if they are suitable for customers' financial profiles and for their needs, in line with the provisions of applicable legislation and with the Bank's specific procedures, which also require prior verification of the suitability of customers' investments.

Again with the goal of acting in the Customers' best interest, Banca Generali selects its financial partners from among those with the highest standing and value in economic-financial, reputational and expertise terms, as described in the Financial Partnership Policy. In addition, the Sustainability Policy underscores the existence of specific controls for the selection of counterparties and asset managers, so as to integrate the analysis and due diligence processes of financial and non-financial partners also with specific elements for the analysis of ESG aspects.

With special reference to the topic of generational transition, the Bank has adopted an IT procedure that has significantly reduced the processing time of inheritance cases, so as to allow heirs to take possession of the estate assets as soon as possible.

In addition, the Bank has identified "Data Governance" as key to facilitating convergence between quality, management, policies, business processes and data processing within the Bank. In fact, data quality influences the effectiveness of internal controls, process security, and hence the quality of the service offered to Customers. These concepts are defined in the Data Governance & Quality Policy, which also sets the guidelines for implementing an adequate data quality model, with the aim of strengthening the internal control system, reinforcing process security and defining, for every significant event, a mechanism for escalation to top management.

MDR-A

MDR-A: Actions and resources in relation to material sustainability matters

The multifaceted and diverse needs of Banca Generali's customers, together with changing market conditions, require a continuous effort towards financial innovation, aimed at building a wide and well-diversified range of products and services.

The products and services offered

The assets management product range, referring to shares of the Sicav and units of sub-funds managed by the Banking Group's management company BG Fund Management Luxembourg (BGFML), was further expanded in the year with the addition of new solutions, and in particular:

› in the second half of 2024, four sub-funds with investment strategies diversified by risk profile (i.e., BG Collection Investments Dynamic Allocation 0-100, BG Collection Investments Moderate Global, BG Collection Investments Equity Liquid Alternative and BG Collection Investments Active Equity Trading) were launched within the BG Collection Investments Sicav managed by BGFML to meet, inter alia, market needs identified by the BG Network. At 31 December 2024, BG Collection Investments had 25 sub-funds overall, of which 14 managed by BGFML and 11 with investment management delegated by BGFML to leading international asset managers;
› in 2024, the Sicav managed by BGFML, Lux IM, further evolved into a platform that provides access to the expertise of the world's top asset managers, through building blocks and strategies capable of covering every asset class and thus making it possible to diversify asset allocation, in line with customers' different needs and characteristics.

The whole range is structured into 4 main asset classes, broken down into sub-categories based on the specific features of each type:
- equity strategies, whose goal is to capture growth trends, classified based on investment style, geographical focus and relevant theme;
- bond strategies, whose goal is to seize the yield opportunities offered by this market segment; they are classified based on their duration and on the market segment in which they invest;
- multi-asset strategies, whose goal is to manage phases of uncertainty, also with an opportunistic approach, while maintaining a moderate risk profile; they are divided by equity exposure and geographical focus;
- alternative strategies, whose goal is to improve the portfolio's efficiency and diversification by adding elements of decorrelation.

This range was further expanded with the launch of eleven new sub-funds and refined through restructuring of two existing sub-funds. In detail, the initiatives undertaken were:
- introduction of eight new bond sub-funds (Lux IM M&G Total Return Credit, Lux IM Carmignac Emerging Flexible Bond, Lux IM BlackRock Euro Corporate Investment Grade Bond, Lux IM Candriam Euro Corporate High Yield Bond, Lux IM Candriam Global Corporate High Yield Bond, Lux IM Euro Aggregate Bond, Lux IM Generali Investments Euro Govies and Lux IM Eurizon Global Govies);
- introduction of three new alternative sub-funds (Lux IM LUMYNA Diversified Liquid Alternative, Lux IM Goldman Sachs Commodity Strategy and Lux IM MAN Global Arbitrage);
- restructuring of the Lux IM Pimco Multi Alpha Credit sub-fund into the Lux IM Pimco Income sub-fund, and restructuring of the Lux IM Vontobel New Frontier Debt sub-fund into the Lux IM Vontobel Emerging Markets Debt sub-fund.

At 31 December 2024, Lux IM had 90 sub-funds, of which 24 managed by BGFML and 66 with investment management delegated by BGFML to leading international asset managers.

The assets management products offered also stand out for the constant rationalisation of the open-architecture investable universe. In particular, in 2024 the sub-funds of several funds managed by asset managers were positioned in post-sales to focus on players viewed as more significant in terms of their product quality and the support offered to the Bank in achieving its development goals.

Overall, at 31 December 2024, Banca Generali's the product range targeted to retail customers included over 3,500 UCITS under active management, managed by approximately 30 management companies.

Discretionary Mandates and Alternative Products are the asset management solutions most suited to meet the needs of the most sophisticated customers, in particular:
- Banca Generali offers a range of portfolio management solutions under active management, composed of BG Solution, BG Solution Top Client and BG Next. They cover different investment strategies and stand out for their strong emphasis on personalisation that meets HNW customers' needs, which change based on the diverse economic scenario.
  In 2024 as well, the Bank forged ahead with the process of expanding its portfolio management range. In order to continue to take advantage of the level reached by bond yields, with a gradual investment in equity, five new fund-raising periods were opened throughout the year for the portfolio management solution "Smart Target", designed to protect capital over 10 years through investment in 10-year Italian bonds (BTP), and progressive investment in the Lux IM Sicav's equity sub-funds, until an expected target of equity market exposure of approximately 30% is gradually reached.
  In June 2024, the portfolio management range was further developed with the "Credit Income" line within the BG Solution Top Client mandate that can be subscribed in certain placement periods: in particular, this line invests in a diversified portfolio of bond strategies and instruments strongly focused on the credit market, aiming to protect invested capital and generate income over a time horizon of at least 3-5 years.
- As regards the range of Alternative Products, on 31 July 2024 there was the final closing for all the subfunds of the SIF BG Private Markets Sicav launched in 2023-2024.. They included:
  - BG Private Markets Generali Private Equity Fund I: a Fund of Funds ("FoF"), which replicates the year-on-year allocation by Lion River — a company dedicated to private equity investments that for about 30 years has been investing in this asset class solely on behalf of Generali Group's insurance companies;

- BG Private Markets Generali Real Estate Flagship Fund: an FoF that offers Banca Generali's customers exposure to two of the major flagship funds in the real-estate segment managed in partnership with Generali Real Estate S.G.R.;
- BG Private Markets Carlyle Private Debt Fund: a private credit fund managed in partnership with one of the main players of the global market, namely Carlyle Group's asset manager;
- BG Private Markets MB Fund: a dedicated fund closed to placement as of March 2024;
- BG Private Markets Pro Fund: a dedicated fund closed to placement as of March 2024.

Within the SIF BG Private Markets Sicav, BG Private Markets UBS Real Estate Opportunities, a real-estate FoF with global exposure managed by UBS, is the only sub-fund still open to investors.

Also the Generali Europe Income Holding (GEIH) fund managed by Generali Real Estate continued to be available for placement (accounting for approximately 80% of the BG Private Markets Generali Real Estate Flagship Fund's total exposure). It is offered to Banca Generali's professional customers with a minimum investment ticket set at 10 million euros.

Among Banca Generali's products and services, **insurance products** are the most suitable tool for customers interested in wealth protection, as they combine investment needs with the needs for insurance coverage and generational wealth transfer.

In the first months of 2024, Banca Generali launched a **campaign of commercial initiatives** on **traditional insurance policies** to offer its clients low-risk **investment solutions**. In detail, the BG Custody Futuro Plus 2024 traditional insurance policy was launched as part of an initiative dedicated to Customers bringing new liquidity. It could be subscribed together with the BG Custody 2.0 traditional insurance policy or the BG Stile Libero 50 Plus 2.0 hybrid insurance policy, activating the Ribilancia service, or the BG Oltre hybrid insurance policy. This initiative ended in December 2024.

In April 2024, BG Custody 2.0, the traditional insurance policy that offers a 2% subscription bonus and a 2% return target for the first 2 years, was renewed in its 2024 version, adding the Ri.Attiva general account.

At the same time, several **retention initiatives** were implemented: the application of a lower charge for early redemption of existing policies or the granting of a 0.75% bonus borne for two years by the Company. With regard to hybrid products, a commercial initiative was launched for BG Stile Libero 50 Plus 2.0 that led to the elimination of the fees of the segregated account component and to a cost reduction for the unit-linked component for the first two years, both in its base and private versions.

As of 23 September 2024, the commercial initiative BG Stile Libero Limited Edition was also launched. It offers BG Stile Libero 50 Plus 2.0 Customers an enriched investable universe including 3 new sub-funds of the BG Collection Investments Sicav, marked by competitive management fees and strategies. It also provides free subscription, for Customers who request it, to the insurance policy of Europ Assistance Italia S.p.A. linked to the "MyClinic" health platform.

The product BG Stile Libero 50 Plus 2.0 in its base and private versions was closed to new policyholders on 16 December 2024, whereas additional investments and other post-sales operations (switches, additional service activation, etc.) are still available.

In line with the commercial initiatives launched at the beginning of the year, the second half of 2024 saw the continuation of the cost reduction applied to the first two years of the segregate account of the **BG Oltre** policy and the placement of the recurring-premium hybrid **policy BG Insieme - Progetti di Vita**, whose goal is celebrating the most important milestones in Customers' lives, thus integrating a significant purpose dimension into their investments such as: diploma, degree, first home purchase, marriage, birth of the first child. BG Insieme - Progetti di Vita was also closed to investors at first underwriting on 16 December 2024, with the possibility of managing existing policies in post-sales.

With regard to the **range of products and services for HNW and UHNW customers**, Banca Generali continued to distribute LUX Protection Life, the Generali Luxembourg insurance company's hybrid private insurance policy that combines the need for protection with flexibility and customisation and constitutes an extremely efficient succession-planning instrument.

ESG solutions were offered across all the asset management and insurance products and remained a distinctive feature of the Bank, with **ESG AUM exceeding 20 billion euros, accounting for**

42.61% (up 5.05 percentage points compared to 2023) of total managed solutions. The percentage reached — above the 40% target set in the 2022-2024 Strategic Plan — accounted for a 28.03% of solutions pursuant to Articles 8 and 9 of Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation – **SFDR**), narrowly defined, and for 14.58% of UCITS pursuant to Articles 8 and 9 of the SFDR underlying financial and insurance investment solutions in turn not classified pursuant to Articles 8 or 9 of the SFDR.

In 2024, the products of the Luxembourg-based Sicavs managed by BGFML were developed and revised taking into account the ever-increasing ESG perspectives and attention to ESG product ranges, bringing the total number of sustainable strategies to 48 (45 within Lux IM and 3 within BG Collection Investments).

The placement of **BG Oltre** — the single-premium hybrid insurance policy that invests in long-term trends relating to sustainability and digital transformation through the People, Planet and Digital Transformation internal funds — and of the **7 portfolio management lines** pursuant to Article 8 of SFDR also continued.

To support the central role played by sustainability and the attention to Customers' ESG needs, at the end of November 2023 the Bank presented the new role of **Sustainable Advisor** — by select, highly specialised Financial Advisors, whose commercial activities focus particularly on ESG products and services.

With regard to the **banking services**, in 2024, Banca Generali Group entered into an "**Insure-banking**" agreement with Generali Italia for the distribution of certain Banca Generali banking services as part of the range of products offered by Generali Italia Agencies). Under this agreement, since July 2024, Generali Italia is entitled to promote and distribute a Banca Generali current bank account (inclusive of the home banking service, the international Nexi Debit debit card and the prepaid card) to its underwriters of a Life Insurance Policy through its network of insurance agents (and their collaborators).

With a view to developing its business and taking advantage of the potential **synergies at Generali Group level**, this initiative allows Banca Generali to avail of Generali Italia to offer, through the latter's distribution network, some of its products and services to the customers of Generali Italia. At the same time, this initiative allows Generali Italia to expand the range of products and services offered to its customers to support insurance products, with a view to achieving an increasingly comprehensive development of the activity carried out through its distribution network.

The range of Banca Generali banking products offered through the Generali Agencies network was already further developed during 2024. In fact, after the launch of the current bank account in July 2024, starting in November 2024 agents' Customers were offered the possibility to underwrite the Nexi Classic credit card.

With a view to offering its Customers an ever better service, in December 2024 Banca Generali launched the placement of the new Debit Card Nexi Debit Premium, an exclusive payment method, with very high spending limits and ancillary services for frequent travellers (insurance coverage, fast track at major airports, dedicated concierge service).

The main initiatives launched in 2024 included:
› the promotional activity for new and existing Customers who transfer financial instruments to Banca Generali was extended, confirming the mechanism for determining the bonus amount equal to the stamp duty;
› with regard to the mortgage product, the reporting agreement with Intesa Sanpaolo Group was confirmed;
› several initiatives were promoted for the subscription of repurchase agreements and deposits aimed at supporting the Network in gathering net inflows from customers in a changed scenario of high interest rates.

As regard **assets under administration**, in 2024, the Bank continued to expand its platform of issuers, optimise costs and innovate its products and services. In particular, Banca Generali Group confirmed its focus on improving pre- and post-placement services for its Financial Advisors and Customers. The BG Certificate & Bond Dashboard, which collects all the information on certificates and bonds placed by the Group, was integrated with new features, such as the new AI chatbot, which exploits AI logics to allow users to retrieve data related to certificates in an increasingly fast and efficient way.

In terms of volumes placed on the primary market, 2024 was a record year, with certificates underwritten exceeding 1.290 billion euros. As regards bonds, volumes placed amounted to 5.5 million euros. Banca Generali Group's HNW customers continued to show interest in tailor-made solutions in private placement, with 250 million euros placed, accounting for 20% of total volumes in certificates.

The range of products and services offered on the primary market was able to seize all the opportunities created by the market and meet different Customer needs, ranging from defensive solutions, such as protected-capital products, to conditionally protected capital strategies based on periodic yields and fixed periodic premiums, thus confirming the interest for these solutions by the Bank's Customers.

Financial advisory

BG Personal Advisory (BGPA), the evolution of the advisory model, combines financial, insurance and banking products to manage each customer's total wealth. In this context, the Bank also offers the possibility to expand investment and placement advisory services with specific additional services, providing its Customers with detailed and enhanced reports on the shared investment proposals, in addition to quarterly reports on the financial portfolio mix, based on in-depth analyses and constant monitoring. Moreover, the Bank periodically sends documentation with comments on market strategy and indications on UCITS investments, together with macroeconomic and financial analysis documents. The Bank also provides detailed quarterly reports for specific financial instruments.

Upon or after signing the advanced advisory contract, Customers may request the activation of additional services, such as a check-up of the financial portfolio held with third parties or of their real estate, family and business assets, as well as an integrated analysis of their total wealth. These services include the production of specific and detailed reports for each area analysed.

Moreover, the Robo for Advisor (RO4AD) application, integrated in the BGPA platform, enables Financial Advisors to monitor their Customers' advanced advisory portfolios on a daily basis, also through risk-factor and investment-quality alerts.

Holistic advisory: Wealth Advisory

In line with the philosophy of enhancement, protection and generational transition of the Customers' "global wealth" (corporate, real estate, art, etc.), Banca Generali avails of its Wealth Advisory to respond to the need of providing Customers with a range of products and services that cover all the assets that make up, or can make up, the Customers' wealth. Wealth protection activities remain one of the main objectives of the Bank, which aims to offer dedicated planning and protection solutions for assets other than financial ones.

As part of Wealth Advisory, the various competence centres (Corporate, Real Estate, & Art and Passion Advisory, and Family Protection & Planning) work synergistically, with the objective of understanding Customers' needs — and in some cases anticipating them —, and meeting all those needs through tailor-made solutions.

Services are offered in partnership with highly specialised operators who are leaders in their respective sectors, after a project-specific analysis by the competent HQ structures that support the Financial Advisor and the Customer, allowing constant monitoring in terms of service quality and customer satisfaction.

"Corporate, Real Estate & Art and Passion Advisory" is the Bank's dedicated centre for all matters concerning the Customer's wealth made up of real assets (enterprises, real estate, art and collectibles).

Corporate Advisory supports business growth through a wide range of activities, providing entrepreneur customers with personalised advisory services in various areas:

- assistance in evaluating strategic alternatives and in planning company generational transition, supporting the entrepreneur through: a) M&A, buy-side and sell-side advisory; b) corporate finance strategic and financial advisory; c) valuation of companies, business units and/or equity investments;
- subsidised finance for access to tax incentives and grants;
- access to credit;
- support to start-ups/scale-ups/SMEs in structuring the process of raising capital from institutional investors;

- sustainability, with the possibility of both accessing specific services (e.g., sustainability reports) and embarking on a structured process of business risk management advisory.

Real Estate Advisory provides advice mainly on Customers' real estate assets valuation and management through services able to cover all the needs of the property's entire life cycle. The advisory process consists of Advisory and Agency services including:

- strategic analysis of real estate assets with the aim of optimising, valuing and managing Customers' properties;
- valuation services, technical services, certifications;
- support in sale and purchase activities regarding all types of asset classes, throughout Italy;
- support in the evaluation of offers and requests for both long- and short-term leases, in relation to properties of all types.

Art and Passion Advisory provides Customers with advice on matters related to the art assets they own — works of art and collectibles — through a wide range of services, including:

- assistance with buying and selling through auctions or private negotiations;
- appraisals for financial purposes, succession, accounting and sales purposes;
- storage, logistics and restoration services;
- cataloguing and archiving of collections in paper and/or digital format;
- insurance coverage.

Family Protection & Planning is the competence centre that provides advice on the protection and transfer of wealth in its broadest meaning. It deals with:

- taxation and tools for wealth planning and transfer, both *inter vivos* and *mortis causa*;
- analysis of the family business governance, also benefitting from the experience of the "Business Observatory" developed by Bocconi University's Corporate Governance Lab and promoted by Banca Generali;
- illustrating to the BG Network Generfid's products and services;
- overseeing the process related to customer successions, checking and validating the documentation received both from the heirs and from the Bank's internal functions involved, coordinating the activities and liaising, within the scope of its remit, with managing companies and external interlocutors.

To underline the support that Banca Generali offers its customers, Financial Advisors can avail of the "Family Protection" planning tool within the BGPA platform. This tool allows to map the customer's total wealth of financial, real estate, business or other valuable assets, in order to offer specific, in-depth advice, also with support from the specialist in-house structure for the most complex cases. This platform can be used to analyse customers' portfolio mix, plan allocation and assess tax impact and cost of holding. The procedure also allows to monitor positions with joint holders and to highlight donations made, designations as policy beneficiary and liabilities associated with the inherited estate, in order to simulate the allocations desired by the customer, assessing whether they are compliant in terms of reserved share and the weight of tax liabilities.

Wealth Advisory also supports the training of Financial Advisors on topics within its area of expertise, and collaborates with various universities and research centres to analyse and monitor the reference market.

Innovation and digitalisation to support the Network, the Customers and the business

Technologic innovation is a **fundamental driver** to remain competitive on the market and meet the customers' constantly changing needs in order to create value in the long term.
In this context, in recent years Banca Generali has strongly focused on digitalisation through the creation of a broad, advanced **ecosystem of digital tools** to support its Financial Advisors, on the one hand to make their **activities more effective and efficient** by fully **digitalising** the various phases that make up the Financial Advisor's typical "journey", and on the other hand to further increase the **value and quality of the service** offered to its Customers. It is in fact essential to emphasise how the digital tools available to Financial Advisors directly improve the service offered to Customers, allowing for more proactive and personalised wealth management.

As part of ongoing innovation, the **collaboration with Microsoft**, announced in January 2025, is particularly important. The objective is twofold: on the one hand, it aims to personalise and improve the service for the benefit of the end customer and, on the other hand, it points at transforming and streamlining business processes so as to achieve increased productivity of employees and Financial Advisors. The Bank has already implemented Microsoft 365 Copilot to provide advanced tools to its private bankers and employees, in addition to creating Generative AI solutions for new, targeted and personalised advisory services for its Customers.

Technology at the service of Financial Advisors

With reference to service value and quality, the BG Personal Advisory platform is the distinctive element of Banca Generali's holistic advisory model, which allows for an in-depth analysis of customer wealth that covers all its different components — from the financial portfolio held with Banca Generali to that deposited with Third Party Intermediaries, real estate assets or business assets —, including in a completely integrated and aggregated way at the level of family group and with a view to protection and inheritance planning.

The BG Personal Advisory platform also integrates an innovative business intelligence tool that uses advanced data analysis techniques (e.g., semantic text analysis, machine and deep learning) for automated processing of commercial inputs for Financial Advisors relating to family companies associated with their customers.

To increase the service quality and favour HNW customer segment penetration, additional dedicated features were also released to support Financial Advisors and specialist headquarter structures in the analysis of the total wealth of the most important households, according to a complete, aggregate approach typical of family offices, instrumental to managing and planning their needs and life projects[122]. Launched in the Family & Friends version, through involvement of several selected Financial Advisors, the initiatives will expand the eligible beneficiaries in 2025.

Within the framework of the digital tools supporting advisory activity, Banca Generali's Financial Advisors can also avail of BG Personal Portfolio: this tool is dedicated to simulation and analysis of investment solutions capable of integrating traditional valuation metrics of a typically financial nature with specific ESG metrics, so as to provide customers with an overview of the impacts of their investments on the 17 United Nations Sustainable Development Goals (SDGs).

With a view to the constant evolution and upgrading of digital tools, platform developments continued also in 2024 both on BG Personal Advisory and on BG Personal Portfolio. These included, for example, the integration of a new section with the Customers' tax situation, the creation of a new feature with a record of reserved amounts, the further upgrade of the features for the comparison of financial instruments and the analysis dedicated to the main financial markets.

With reference to digitalisation, the technological tools developed by Banca Generali in recent years allow to provide Financial Advisors with the best possible support in all their daily professional activities: from the more purely operational and administrative activities (such as, for example, execution of investment transactions on financial instruments or onboarding of new Customers) to information activities on markets, products and services, and training activities.

The digitalisation of investment, administrative and operational processes has allowed the Financial Advisors to streamline these activities and make them faster and more immediate, while also reducing possible operational errors, thus allowing them to devote more time to activities with higher added value for their Customers.

The introduction of systems for Customers to digitally confirm operations is another element that simplifies and optimises Financial Advisors' activities, in addition to reducing the number of paper forms to be managed.

In this context, the increasing innovation and digitalisation of the tools supporting the BG Network continued also throughout 2024 with the introduction of additional features, such as: the possibility of opening more securities portfolios on already active current accounts, the extension to proxies of securities order functions, the introduction of new order features to allow the modification and/or revocation of orders on securities, the extension of the transaction features also for switching pledge funds, the creation of new features for managing the transfer of payment services, and the possibility of digitally confirming modifications to fund accumulation plans.

[122] For further information, see Section "The 2022-2024 Strategic Plan".

This context, already characterised by a high level of digitalisation of processes and activities, also includes the BG Home project, a multi-year programme aimed at the technological renewal, simplification and rationalisation of the entire ecosystem of digital applications available to Financial Advisors.

In 2024, the fist element of BG Home, called "Avvio Attività" (Process Launch), was completed and released to the BG Network: it is a day-by-day operational support for Financial Advisors through guided activities that simplify the launch of the various operational processes as part of a single, fully integrated and centralised feature, characterised by simple, intuitive user experience.

At the same time, work on developing the second element of BG Home, "La mia Home Page" (My Home Page), continued in 2024. This element aims at simplifying and rationalising the consultation of the information and content most relevant to the daily activity of Financial Advisors and Network Managers, through a single point of access and a unified overview, fully integrated with the Banca Generali application ecosystem and customisable to meet each Financial Advisor's specific needs.

In the last months of 2024, the Family & Friends initiative was launched involving about 70 Financial Advisors to trial and use daily the first available features, which will be gradually extended and expanded in the subsequent months. After completion of this initiative, 2025 will see the extension of "La mia Home Page" (My Home Page) to the whole BG Network .

Technology at the service of Customers

In recent years, the link between digital innovation and sustainability has become increasingly important in the strategies of financial institutions. In this context, Banca Generali has started a significant process of digital transformation, integrating cutting-edge solutions to meet the needs of its Customers, who are increasingly accustomed to fast, intuitive and secure interactions. Throughout this transformation, the Bank has succeeded in confirming its business strategy, based on a direct and trust-based Financial Advisor-Customer relationship.

In an increasingly digitalised context, the Bank was able to evolve, strengthening this bond thanks to technological tools that facilitate communication and collaboration. The primary objective was to focus on the Customer's needs, offering digital solutions that optimise the experience, making it possible to immediately view banking/financial reports and simplifying banking operations, such as ordering a bank transfer or paying a bill.

The technological innovation process has mainly focused on the evolution of digital platforms, with particular attention to the Home Banking service and the Mobile Banking App, the latter having become the preferred channel for most Customers to access their Reserved Area. The evolution focused on measures aimed at guaranteeing constant upgrading of applications, enhancing and expanding the features, with particular attention to the user experience (UX) and the user interface (UI), in compliance with the standard requirements imposed by the market and by accessibility regulations, so as to allow even Customers with psycho-physical disabilities to autonomously use the digital services offered by the Bank.

In 2024, Banca Generali completed significant upgrades to both the Mobile Banking App and the Home Banking service in order to promote the Bank's digitalisation process, while also simplifying and further expanding the operations that the Customer can carry out completely independently. These upgrades included, among other things, the enhancement of trading features, with the extension of operations to the main foreign stock markets (such as NASDAQ, NYSE, London Stock Exchange, etc.). Digitalisation was further enhanced also by the implementation of new Home Banking features, including the ability to change residential or domicile addresses, increase maximum transfer amounts and update identity documents, with the aim of speeding up operational processes and promoting sustainable dematerialisation, leveraging the advantages of digital channels over traditional ones (e.g., paper-based methods).

To guarantee an increasingly high level of security and communication, the Push Notification service of the Mobile Banking App was also enhanced, with the introduction of new types of operations/events that notify the Customer of the most significant events (e.g., password change, access via a new device or trading operations). The Home Banking "Communications" section has also been further developed, integrating the same Digital Collaboration notifications already present in the Mobile Banking App.

In addition, with the aim of supporting Customers in the use of digital services, in 2024 the new section “Tutorial Servizi Digitali” (Tutorial on Digital Services) was introduced on the website bancageneraliprivate.it, accessible both via the Mobile Banking App and via the Home Banking service. This section is dedicated to those who need assistance in using the Bank’s main digital services and offers constantly updated video tutorials and manuals always available online for all Customers.

MDR-M
MDR-T

MDR-M, MDR-T: Effectiveness of policies and actions and relevant metrics

Banca Generali has identified several metrics in relation to impacts and opportunities connected with **Wealth protection and Value of Service**, which it deems highly strategic topics and regularly monitors and shares with its stakeholders.

These metrics include the performance of **Assets under Advanced Advisory**, an indicator that measures growth in the service offered by the Bank, focused on holistic management of Customers’ wealth. This indicator assesses the mix of assets under advanced advisory and covers assets under management, insurance products and assets under administration. The related results disclosed during quarterly financial presentations to important external stakeholders, such as the market, analysts, investors and the media. **Assets under Advanced Advisory** totalled **10.8 billion euros (+13.2%)** in 2024, accounting for **10.4%** of total assets (10.3% at the end of 2023), testifying to the growing value and ongoing consolidation of this service.

Great importance and **attention are dedicated to in-house product**s, which allow to build bespoke investment solutions and are monitored regularly: total assets of Luxembourg-based Sicavs managed by BG Fund Management Luxembourg grew to **23.3 billion euros (+14.1%)** in 2024, mainly driven by the sharp increase in the retail component (**11.9 billion euros; +18.2%**).

Among Banca Generali’s products and services, **Insurance Products** are the most suitable tool for customers who aim at protecting their wealth, as they combine investment, insurance and generational wealth transfer needs. In this regard, assets underlying **insurance products** and **traditional life insurance products** are constantly monitored: they amounted to 27.0 billion euros at 31 December 2024, increasing by 8.2% on an annual basis.

In addition, as the body with strategic oversight functions, Banca Generali’s Board of Directors receives quarterly reports on the overall performance of assets under administration, assets under management and insurance products, with a specific focus on ESG solutions.

In fact, one of the distinctive features of Banca Generali is represented by **ESG solutions**, i.e., products pursuant to Articles 8 and 9 of the SFDR, both as a direct investment and as underlying of financial and insurance investment solutions, calculated on a quarterly basis. In 2024, **ESG assets** rose to **20.9 billion euros**, accounting for **42.6%** of managed solutions at the end of the year (up 5.0 percentage points since the beginning of the year).

In addition, in order to measure the impact of advisory services and products on non-financial services, a **quarterly monitoring report** is prepared and shared with the Bank’s top managers. This involves mapping different metrics, such as, for example, the number of mandates signed between Banca Generali’s partners and customers.

Regularly monitoring **customer satisfaction** is another key factor in Banca Generali’s strategic vision and is performed using specific indicators, including the **customer retention rate**, the average **duration of contractual relationship** and **cross selling**. These indicators reflect Customers’ trust and loyalty towards the Bank, the quality of the service offered and the Bank’s ability to meet its Customers’ diverse needs through a wide product and service range.

The 2024 retention rate increased slightly compared to the previous years, with the average duration of the contractual relationship reaching 12 years and 1 month. Customers’ perception of the Bank’s services improved: the number of single-product Customers gradually declined, whereas the number of Customers with at least four products increased gradually.

CUSTOMER SATISFACTION

	NO. OF PRODUCTS	2024	2023
Customer retention rate		94.9%	94.7%
Average duration of the contractual relationship (*)		12 years and 1 month	11 years and 8 months
Cross selling	1	34.53%	34.57%
	2-3	41.44%	41.66%
	4+	24.02%	23.77%

(*) The figures refer to persons who have been Banca Generali Customers for at least one year.

Customer confidence is also essential for the Banking Group's long-term success, as it strengthens customer retention and corporate reputation, creating a sustainable competitive advantage over time. In this regard, the average **number of Customers per Financial Advisor** is a key indicator for a private bank, since it enables to offer an exclusive, personalised service. In 2024, the average number of Customers per Financial Advisor declined slightly to 152.6 (-1.5% compared to 2023).

Average assets per Financial Advisor and **average net inflows per Financial Advisor** are indicators that allow the Bank to monitor the value of the service offered.

In 2024, average assets per Financial Advisor increased significantly to 43.7 million euros (+7.5% compared to 2023); at the same time, average net inflows per Financial Advisor grew by 9.9% to 2.8 million euros, highlighting an improvement in the ability to attract new investments.

CUSTOMERS' ASSETS (DATA REFERS TO ASSORETI'S SCOPE, EXCLUDING BG VALEUR AND BG SUISSE)

	2024	2023	% CHANGE 2024-2023
Average No. of Customers per FA	152.6	154.5	-1.5%
Average assets per FA (€ million)	43.7	40.6	+7.5%
Average net inflows per FA (€ million)	2.8	2.5	+9.9%

As regards digitalisation, the Bank conducts an in-depth analysis on the use and **effectiveness of existing digital platforms** supporting Financial Advisors by drawing up a detailed monthly report that is made available to top managers and is a key element for monitoring the adoption and effectiveness of available digital tools.

At the same time, Banca Generali also analyses on a monthly basis its customers' use of digital platforms and services, which, in addition to improving the end user experience, are closely linked to **sustainability**. Process digitalisation has contributed significantly to reducing the environmental impact, eliminating the need for physical documentation, and cutting emissions associated with traditional operations. This is reflected in two digital services that best exemplify Banca Generali' sustainability concept: **Digital Collaboration** and the **Qualified Electronic Signature**. Both services are essential in managing the Financial Advisor-Client relationship, as they allow Customers to confirm orders received by their Financial Advisors remotely and in a fully digital manner. Every year, these services proved to be used extensively thanks to an ever wider range of investment products and transactions that can be confirmed simply and quickly. Thanks to Digital Collaboration and the Qualified Electronic Signature, in 2024 an average of approximately **60,000 investment transactions per month** were dematerialised, for a total amount of around **15.7 billion euros**.

GOVERNANCE DISCLOSURE

ESRS G1

ESRS G1 – Business conduct

G1 IRO-1 G1 SBM-3

G1 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

In light of the importance that Banca Generali attaches to transparency and professional ethics in conducting its business, the following sub-topics were linked to the topic “Business conduct” (G1): Corruption and bribery, Business conduct and Protection of whistleblowers.

In this context, the Double Materiality Analysis performed identified specific impacts, risks and opportunities linked to the above-mentioned governance sub-topics. Such IROs refer to the Core Operational Activities in the value chain[123].

- The analysis revealed in particular a negative impact and a potential risk linked to corruption and bribery. The potential negative impact is associated, with regard to employees, to a possible increase in cases of corruption due to the lack of policies and controls, and, with regard to the Bank, to a potential non-compliance with regulations in force and unlawful conduct in areas such as, *inter alia*, the reuse of profits from illegal activities, cases of bribery, and anti-competitive conduct.
- As regards business conduct, the outcome of the Analysis was a positive impact resulting from increased corporate transparency, as well as from an improvement in business practices as a consequence of the adoption of good governance policies and the promotion of a transparent corporate culture.
- With reference to the protection of whistleblowers, there is a positive impact linked to the creation of healthy work environments through the promotion of communication initiatives and channels that ensure the confidentiality of the personal data of whistleblowers reporting possible breaches of regulations and of Banca Generali’s guidelines.

It is specified that the impacts described above are material over the short-, medium- and long-term, whereas the risk is material in the short-term only.

G1-1

G1-1: Corporate culture and business conduct policies

Banca Generali aims at actively contributing to economic and social development based on respect for human rights, professional ethics and business transparency, both in the short- and long-term, incorporating these goals within its conduct, in compliance with its Internal Code of Conduct. As it operates in the asset management market — a context requiring high ethical and transparency standards in business activities —, Banca Generali constantly acts in accordance with laws, policies, internal regulations and professional ethics.

In order to ensure a highly positive impact arising from regulatory compliance, as already explained, Banca Generali S.p.A. has specifically adopted an Internal Code of Conduct. This Code has been drawn up in accordance with the principles set forth in the Generali Group Code of Conduct and aims at clearly defining rules of conduct which administrative and supervisory bodies and BG People must undertake to comply with.

The Code also pays attention to the fight against corruption and specifically prohibits the offering or acceptance of undue payments, gifts, entertainment or other improper benefits. In addition, it also focuses on guaranteeing full transparency in relations with Customers, the market and suppliers. The values of the rigorous selection approach adopted by the Bank are based on the Internal Code of Conduct and the “relationship value”, as well as on the Ethical Code for Suppliers of the Generali Group[124], which sets out the general principles for managing relations with the contractual partners in a correct and productive manner. The Internal Code of Conduct is an integral part of the 231 Organisational and Management Model, which represents the right tool for ensuring a strong focus on compliance with Italian Legislative Decree No. 231/2001 on vicarious corporate liability.

[123] It is specified that Banca Generali did not adopt any ad-hoc processes for identifying and subsequently assessing the impacts, risks and opportunities linked to the topic “Business conduct”. In addition, as there are no material differences at local level among the Banking Group’s activities, Banca Generali did not deem it necessary to disaggregate impacts, risks and opportunities by geography (G1 IRO-1).

[124] For further details on the specific provisions of the Sustainability Policy with regard to suppliers, see Section “G1-2: Management of relationships with suppliers”.

As a Company whose shares are listed on the market managed and organised by Borsa Italiana S.p.A., Banca Generali S.p.A. has also decided to adhere to **Borsa Italiana's Corporate Governance Code for Listed Companies**. With regard to the aspects able to counter possible cases of corruption, Banca Generali S.p.A. has adopted measures to regulate and monitor the following areas:

- MiFID II Directive;
- Supervisory provisions on banking transparency;
- Insurance Distribution Directive (IDD);
- 5th Anti-Money Laundering Directive;
- tax due diligence;
- whistleblowing;
- Organisational and Management Model;
- anti-bribery and corruption;
- anti-money laundering;
- Tax Compliance Policy.

In fact, in addition to the **Anti-Bribery & Corruption Policy**[125], the Banking Group has also specifically adopted the **Anti-Money Laundering, Counter-Terrorist Financing**, and **International Sanction Policy** (AML/CTF/IS Policy). The Policy falls within the Bank's broader internal control system aimed at ensuring compliance with the legislation in force and is the document of reference for the Banking Group's overall framework of anti-money laundering, counter-terrorist financing and international sanction controls, defined in accordance with the strategic and operational guidelines.

The main objective of the **AML/CTF/IS Policy** is to define:

- the governance rules, roles and responsibilities with regard to money-laundering, terrorist financing and international sanction risks to be adopted within the Banking Group, in compliance with the limits allowed by national legislation with reference to Companies based in a non-EU Country and without prejudice to the application of the more restrictive limits imposed by national legislation;
- the guidelines for combating money-laundering, terrorist financing, and international sanction risks.

As part of the money-laundering and terrorist financing risk management, the Bank prepares the **Annual Anti-Financial Crime Report** to inform the Board of Directors of the activities carried out by the Head of AFC and the controls performed by the relevant functions, as well as the document on the results of the self-assessment on money-laundering risks. With yearly frequency, the Anti-Money Laundering Function submits to the body with strategic oversight functions also a report on the controls conducted on Subsidiaries.

In 2023, Banca Generali also adopted a new Whistleblowing Policy — updated in 2024 — in compliance with EU Directive 2019/193 and Italian Legislative Decree No. 24 of 10 March 2023, and drawing inspiration from Generali Group's Guidelines. Pursuant to this Policy, dedicated electronic whistleblowing channels and relevant information have been made available to all those concerned.

The **Whistleblowing Policy** is publicly available from the corporate website and governs the whistleblowing procedures. Whistleblowing channels are intended for the Bank's employees, self-employed persons/collaborators/freelance professionals/consultants/volunteers/interns working at the Bank and for shareholders/persons with administrative, managing and control functions within the Bank.

The Whistleblowing Policy sets forth the activities to be implemented in managing reports, from initial assessments to communication of the outcome of investigations and the adoption of measures in the event of ascertained violations, in accordance with the applicable regulations on personal data processing and protection against retaliation.

To take stock of its monitoring of whistleblowing reports, the Bank draws up an **annual Report on the proper functioning of the whistleblowing system**, with information on the results of the activities performed following the reports received. The Report is then approved by the corporate bodies and made available to the Bank's personnel.

All the above-mentioned policies and procedures are communicated to all the People and members of the individual Boards of Directors of the Banking Group.

[125] For further information on this Policy, see Section "G1-3: Prevention and detection of corruption and bribery".

G1-2

G1-2: Management of relationships with suppliers

Quality and compliance

Banca Generali develops contractual relationships only with qualified suppliers, i.e., those whose credentials are such as to provide it with a good degree of reliability and efficiency: the creation of a long-lasting and mutually beneficial network of relationships is indeed a strategic objective and a source of competitive success since it allows product and service quality to be kept high at all times.

Regarding IT service providers, Banca Generali prefers those who meet the best international standards. In fact, its main IT service providers, CSE and GOSP, meet the requirements of the ISO 27001:2005 standard to protect information resources.

In 2024, all activities instrumental to aligning Banca Generali Group companies to the EU DORA, effective January 2025, were implemented.

The adjustments required by the EU DORA are fundamental and aim at ensuring that financial institutions are ready to effectively manage ICT and cyber risks in compliance with applicable regulations in force.

In details, they provide for:

- ICT risk management and governance
  - Implementation of a comprehensive ICT risk management system;
  - Definition of ICT security governance policies and procedures.
- Reporting of and response to incidents
  - Development of effective processes for reporting and managing IT incidents;
  - Implementation of incident response protocols to minimise impacts.
- Digital operational resilience testing
  - Regular execution of tests to assess the operational resilience of ICT systems;
  - Identification and resolution of vulnerabilities through stress tests and simulations.
- Third-party risk management
  - Assessment and monitoring of risks associated with third-party ICT service providers;
  - Guarantee that suppliers comply with the same security and resilience standards.

Procurement Process

In line with the criteria defined by Generali Group, the Bank asks its contractual partners to align with its management policies when carrying out their own activity and to ensure that these policies are observed at all levels of the supply chain.

Moreover, in an increasingly complex operational context, Banca Generali constantly forges ahead with the process of improving the efficiency of active suppliers:

- on the one hand, by supporting a network of lasting and mutually satisfactory relationships with qualified contractual partners and promoting dialogue with the latter;
- on the other hand, by developing an increasingly automated supply management process and encouraging the use of digital tools (e.g., favouring the digital archiving of contracts).

With a view to continuously improving activities, outsourced services are also constantly monitored, with particular attention to the maintenance of an adequate service quality: the procurement process is governed by a specific and constantly updated internal regulation, which provides the guidelines for proper procurement management and for supplier selection and supply contract award procedures. A specific procedure is also envisaged not only for related party transactions and transactions involving a potential conflict of interest, but also for supplies qualifying as outsourced activities and services and ICT supplies, pursuant to applicable legislation[126].

During 2024, the control of the internal regulations was further reinforced with regard to the formalisation of contracts with third parties so as to minimise legal and non-compliance risks, which can typically translate into compensation arising from contractual liability and also into sanctions, financial losses and reputational damage resulting from the breach of self-regulatory and external rules. In 2024, a multi-step process was in fact defined within a dedicated IT application with a view to managing, validating and digitally archiving purchase contracts by the competent functions (e.g., Legal, IT, Compliance, Tax, Expenditure Owner, Procurement). The workflow covers all contracts falling within the source-to-pay process and complies with the authorisation process required by internal rules and Generali Group's regulations.

[126] Group Policy on Outsourcing and Management of ICT Third Parties.

For each purchase, Banca Generali requests and compares several quotations through an appropriate evaluation and selection process involving suppliers considered to be suitable (qualified) and using a specific scoring system defined in concert with Generali Group. The qualification system takes into account financial data, the risk assessment and the quality analysis of the goods/services supplied. In order to mitigate risks, regular controls and audits are performed, allowing to record and automatically update any changes that may affect the outcome of the qualification and the evaluation of the supplier concerned. The process of selecting suppliers is based on clear, well-defined and non-discriminatory procedures, through the exclusive use of objective, documentable and transparent parameters tied to the quality of the products and services offered. For purchases over 40,000 euros (excluding VAT), it is provided for that at least three qualified suppliers are generally involved in the selection process and their offers are examined so as to identify the most advantageous source in terms of total purchase cost, quality, delivery times and service performance. In 2024, 37 new relevant suppliers[127] were selected and 13 suppliers, already active in 2023, completed the full qualification procedure and, having met the established criteria, were accordingly included in the “List of Qualified Suppliers”. To ensure that the qualification process was properly completed, relevant suppliers were asked to commit to acting in accordance with Generali Group’s policies on ethics, correctness, fairness, transparency and impartiality, as well as with its environmental and social policies.

In any event, suppliers are excluded and/or suspended if they fall within one of the following categories:

a) bankruptcy, compulsory liquidation, composition with creditors and all procedures aimed at securing an official declaration of such situations;
b) procedures for applying preventive measures or judgements against the supplier’s owners/top managers;
c) cases of serious error or gross negligence, evidenced in any way by Generali Group and committed in the provision of previously awarded services or in the conduct of professional activity;
d) violation of tax obligations according to the laws of the country of residence and/or non-payment of employee salaries and social security charges;
e) failure to honour payment obligations to tax authorities and social security institutions;
f) breach of the principles indicated in the Ethical Code for Suppliers of the Generali Group[128] and/or failure to meet the so-called “minimum obligatory sustainability requirements”;
g) legal actions and/or judicial proceedings brought by the supplier against Generali Group;
h) any other conditions imposed by the Group or Local Compliance office.

In order to mitigate risks, regular controls and checks are in place for all suppliers, even those not included in the full qualification process, which is instead mandatory for relevant suppliers.

Without prejudice to the primary need to meet the requesting office’s requirements, and without running any type of supplier-related risk, the founding principle for selecting and choosing the supplier is to ensure the best economic supply conditions, through competition among several qualified suppliers and in full compliance with the Internal Code of Conduct adopted by the Bank. The Sustainability Policy also sets the objectives and commitments that guide the Group’s choices and actions, including in procurement activities, in order to make a positive contribution to sustainable development. Accordingly, preference is given to suppliers with social responsibility policies that adopt ecological criteria (e.g., use of green technologies and procedures). In line with the Ethical Code for Suppliers of the Generali Group, which states the general principles that must underlie fruitful relationships with contractual partners, the Bank is committed to increasingly embedding ESG matters in the supply process. In collaboration with Generali Group and with support from a third-party infoprovider (IntegrityNext), in 2024, the Bank activated the ESG Assessment Service, involving all suppliers with a turnover in excess of 100,000 euros and covering a total of approximately 84% of the purchase value. This initiative calls for the assignment of an ESG rating to be used for selecting suppliers in the sourcing process and, above all, in the contract award procedure. Based on the answers given, there are four possible evaluations and the classification is based on four pillars, each with a specific series of questions and certifications to be submitted:

1. Human rights and Labour rights;
2. Health and safety;
3. Environmental protection;
4. Responsible supply chain.

The activity of assigning an ESG rating to suppliers will continue in 2025 so as to ensure an increasingly accurate and updated classification[129].

[127] "Relevant supplier" means a supplier whose activities with the Group has an estimated value of over 150,000 euros per year.
[128] The Ethical Code for Suppliers of the Generali Group was endorsed by Banca Generali Group following approval of Banca Generali S.p.A.’s Board of Directors.
[129] For further information on supplier payment practices, see Section “G1-6: Payment practices”.

G1-3

G1-3: Prevention and detection of corruption and bribery

In 2024, Banca Generali S.p.A.'s Board of Directors approved a specific **Anti-Bribery & Corruption Policy** (or "ABC Policy"), in line with the standards of Assicurazioni Generali Group's Parent Company.

The Policy sets forth the framework through which Banca Generali Group manages the anti-bribery and corruption ("ABC") risk so as to prevent cases of corruption and other similar offences and to comply with ABC international regulations. The Policy aims to:

a) prevent the Bank and the Group Subsidiaries from being involved in the most common corrupt practices;
b) protect the Group and its personnel against any vicarious corporate or personal liability arising from ABC laws and regulations;
c) protect the reputation and brand of Banca Generali and the Banking Group, minimising ABC risks.

The ABC Policy has been conveyed to all the People and members of the individual Boards of Directors of the Banking Group. With regard to the new ABC Policy and the related operational and control processes, a **dedicated training programme (Be Aware of Anti-Bribery & Corruption)** was launched at the end of 2024, involving all personnel and organised by the Parent Company Assicurazioni Generali[130].

These initiatives are in addition to those already implemented, as Banca Generali aims at actively contributing to economic and social development based on respect for human rights, professional ethics and business transparency, both in the short and long term, integrating these goals in its conduct, in compliance with the Internal Code of Conduct.

Regarding anti-corruption training, in addition to the above-mentioned initiatives regarding the ABC Policy, a specific course relating to Italian Legislative Decree No. 231/2001 was again organised in 2024. Among other topics, the course also covered the crime corruption.

ANTI-CORRUPTION TRAINING

TRAINING ON ANTI-CORRUPTION AND BRIBERY	2024[131] ALL EMPLOYEES (INCLUDING MANAGERS)	FINANCIAL ADVISOR NETWORK
Training coverage		
Total	1,104	2,349
Total receiving training	1,047	2,301
Delivery method and duration		
Classroom training (hours)	n.a.	n.a.
Computer-based training (hours)	3,091.5[132]	4,602
Voluntary computer-based training (hours)	4.5	-
Frequency		
How often training is required *(No. of times in the reporting period)*	1	1
Topics covered		
Definition of corruption	X	
Policy	X	
Procedures on suspicion/detection	X	X
Other (specify)	The Organisational, Management and Control Model and the Supervisory Board, general principles for preventing offences and crimes	

[130] It should be noted that Banca Generali did not conduct any assessment concerning the functions within the undertaking that are most at risk in respect of corruption and bribery (ESRS G1-1 10.h). Data regarding the percentage of functions-at-risk covered by training programmes and the extent to which training is given to members of the administrative, management and supervisory bodies is not available to date. Banca Generali Group is committed to collecting such data and including it in future Sustainability Statements.

[131] In detail, as regards anti-corruption training, 72 employees and 163 other own workers were trained in 2022, 69 employees and 95 other own workers were trained in 2023, and 109 employees and 151 other own workers were trained in 2024.

[132] Online training courses were: "La responsabilità amministrativa degli enti: profili di rischio per la banca" (The administrative liability of entities: the Bank's risk profiles) for employees of Banca Generali and Generfid; "Anti-Bribery and Corruption (EN-IT)" for BG Suisse, and "Anti-Bribery and Corruption (EN-IT)" and the "Be Aware of Anti-Bribery and Corruption" course (0.5 h) for BGFML. The Financial Advisor Network was instead provided the course "La responsabilità amministrativa degli enti D.lgs. 231/2001" (The administrative liability of entities - Italian Legislative Decree 231/2001).

The administrative, management and supervisory bodies do not receive specific ABC training, but the Board of Directors' members are informed of the related obligations through communication/acknowledgement of the relevant internal regulations. In this regard, it should be noted that at 31 December 2024 all Board members of Banca Generali Group companies were informed of or acknowledged the relevant internal regulations.

G1-4: Confirmed incidents of corruption or bribery

G1-4

No incidents of corruption or bribery and no non-compliance events with respect to applicable laws and regulations were confirmed in 2024.

G1-5: Political influence and lobbying activities

G1-5

Banca Generali Group does not provide disclosure on ESRS G1-5 regarding political influence and lobbying activities, as the Double Materiality Analysis did not identify this topic as material. However, it is worth underlining that the Banking Group is not involved in any activity aimed at exercising political influence, as stated in the Internal Code of Conduct and in the Sustainability Policy.

G1-6: Payment practices

G1-6

Supplier base and payment terms and conditions

In 2024, Banca Generali Group engaged in dealings with 1,660 suppliers, generating a total turnover of 156.618 million euros, broken down as follows:

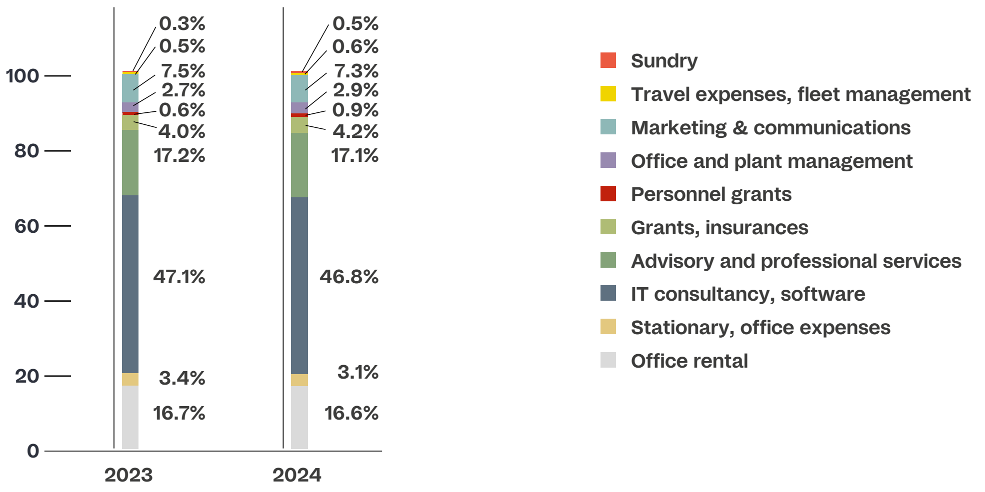
- 129.542 million euros (82.71% of the total) to Italian suppliers;
- 27.076 million euros (17.29% of the total) to foreign suppliers.

BREAKDOWN OF SUPPLIERS BY TYPE AND PERCENTAGE VALUE OF THE SUPPLY

	2024	2023
Number of suppliers	**1,660**	**1,546**
Expenditure/suppliers (€ thousand)	**156,618**	**152,383**
Office rental	16.6%	16.7%
Stationery, office expenses	3.1%	3.4%
IT consultancy, application software	46.8%	47.1%
Advisory and professional services	17.1%	17.2%
Grants, insurance	4.2%	4.0%
Personnel grants	0.9%	0.6%
Office and plant management	2.9%	2.7%
Hardware, infrastructure costs	-	-
Marketing & communications	7.3%	7.5%
Travel expenses, fleet management	0.6%	0.5%
Sundry	0.5%	0.3%

Banca Generali offers its suppliers a standard payment term of 60 days from invoice date, accepting changes should the conditions apply. Special payment terms in line with market conditions are agreed for certain supplies (e.g., rentals).

In accordance with the provisions of the Growth Decree (Italian Law No. 58 of 28 June 2019) and Article 7-*ter* of Italian Legislative Decree No. 231/2002 on combating late payments in commercial transactions, it should be noted that an analysis of transactions carried out by Banca Generali in the reporting year showed that 41 days was the average time for payments to its suppliers (in line with 2023). The few delays recorded were generally limited (5 calendar days, in line with the previous year) and almost exclusively linked to the fact that the Bank prepares payment flows on a weekly basis. Subsidiaries were also committed to meeting payment deadlines. As a further proof of Banca Generali Group's attention to meeting contractual deadlines and ensuring transparent and fair relationships with its commercial partners, it should be noted that in 2024 the Banking Group was not involved in any legal proceedings due to late payment of suppliers.


0.3%
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4.2%
17.1%
46.8%
3.1%
16.6%
100
80
60
40
20
0
2023
2024
Sundry
Travel expenses, fleet management
Marketing & communications
Office and plant management
Personnel grants
Grants, insurances
Advisory and professional services
IT consultancy, software
Stationary, office expenses
Office rental

Annex

Annex 1 - Disclosure pursuant to Annex VI of Commission Delegated Regulation (EU) 2021/2178[133]

To comply with the EU Taxonomy regulatory requirements, cross-cutting analyses were carried out with the aim of identifying and retrieving the required data, analysing the regulations in force and implementing this disclosure. Data was collected also with the support of a specialised info-provider.

A detailed overview of the Banking Group's quantitative templates at 31 December 2024 and the related qualitative disclosures are provided here below, as required by Annex XI of Commission Delegated Regulation (EU) 2021/2178, as further updated. The quantitative disclosure templates reported in this section refer to the 2024 reporting year. Turnover-based and CapEx-based Templates 1 and 3 are also disclosed for the 2023 reporting year, in line with European Regulators' requirements.

Data sources and scope of assets covered by KPIs

In line with the previous reporting years, in 2024 the Banking Group continued to prepare the EU Taxonomy templates that credit institutions must use, as per Annex VI of Commission Delegated Regulation (EU) 2021/2178, as further updated. The analysis was based on timely and granular data from the Banking Group's accounting and/or management systems, regarding both on- and off-balance sheet assets, in addition to Taxonomy data made available by infoproviders. In particular, the regulatory reporting FINREP (FINancial REPorting) database is the base for populating the templates (also in accordance with the indication given in FAQ 56 in Commission Notice C/2024/6691). Specifically, filling in Template 1 is instrumental to preparing all other Taxonomy templates. Template 1 includes information on exposures to assets for calculating KPIs, broken down as follows:

- covered on-balance sheet assets that are used to calculate the GAR numerator and denominator, including loans and advances, debt securities and equity instruments not held for trading towards financial undertakings, non-financial undertakings[134], households and local governments. Residential and non-residential repossessed real estate collateral in exchange for the cancellation of debts;
- covered on-balance sheet assets that are exclusively used to calculate the GAR denominator, including exposures (loans and advances, debt securities and equity instruments) towards financial and non-financial undertakings not subject to the CSRD disclosure requirements. Derivatives, on-demand interbank loans, cash equivalents and other types of assets (e.g., goodwill, goods, etc.) are also included;
- on-balance sheet assets that are excluded from the GAR numerator and denominator, namely exposures towards central governments and supranational issuers, central banks and the trading book;
- covered off-balance-sheet assets that are used to calculate the numerator and denominator of KPIs for off-balance-sheet exposures: considered accounting categories refer to financial guarantees backing loans, advances and corporate debt securities to (financial and non-financial) undertakings and assets under management. The latter include both collective and individual portfolio management;
- off-balance-sheet assets excluded from the numerator and denominator of KPIs for off-balance-sheet exposures: pursuant to Commission Delegated Regulation (EU) 2021/2178 (as further updated), exposures to central governments, central banks and supranational issuers are excluded also from the calculation of KPIs for off-balance-sheet assets.

[133] It is specified that this Annex forms an integral part of the Sustainability Statement's Environmental Disclosures.
[134] According to FAQ 16 of Commission Notice C/2024/6691, only undertakings subject to the CSRD disclosure requirements or for which Taxonomy disclosures are available are included in the KPI numerator.

For the purposes of this disclosure, the Banking Group's assets most used to calculate the KPI numerator are related to the investment portfolio. In fact, lending is ancillary to wealth management, which instead represents the Banking Group's current and prospective core business.

Contextual information on the calculation methodology

As previously explained, the preparatory activities for the 2024 disclosure entailed an overall review and update of the methodology used to calculate all KPIs, with the aim of drafting a transparent disclosure, also considering the updates introduced by the regulations.

In detail, the main updates made for reporting on FY 2024 refer both to a new methodological approach applied for KPI calculation and to the use of new granular and timely information taken from the Banking Group's accounting and/or management systems thoroughly identified. Below is a detailed description of the methodology adopted by the Banking Group for FY 2024, specifying both the main impediments encountered and the methodological changes made with respect to the previous disclosure.

Database of reference

Unlike in previous years, in light of FAQ 56 in Commission Notice C/2024/6691, it was decided to use the regulatory reporting FINREP (FINancial REPorting) database at the disclosure reference date. Such database refers to the scope of prudential consolidation, as it is based on the gross carrying amount of on- and off-balance sheet assets at 31 December 2024 obtained from the regulatory reporting database.

Identification of newly incurred exposures for 2024

As regards 2024, information regarding both stock and flow is disclosed. In order to identify flows (new exposures incurred in 2024), computing has been refined to improve the methodology used, in accordance with the interpretation and application as per FAQ 65 of Commission Notice C/2024/6691. The methodology used for each type of asset used to calculate the Banking Group's KPI numerator is as follows:

- loans and advance and financial guarantees issued: a screening was executed to identify new exposures based on the loan origination date (from 1 January to 31 December 2024), information included in the regulatory reporting FINREP database;
- debt securities and equity instruments and assets under management (individual and collective portfolio management): all purchases made from 1 January to 31 December 2024 (gross flow) were taken into account to identify new exposures.

Calculation of Taxonomy-eligible/aligned exposure

With reference to 2024, the refined methodological criteria allowed to consider also new data and information available in the information systems. For each type of counterparty and each financial instrument falling within the scope of the EU Taxonomy, Taxonomy-eligible exposures were calculated as follows:

- **financial and non-financial undertaking subject to the CSRD:** exposures were weighted based on the proportions of Taxonomy-eligible/aligned Turnover and CapEx specifically disclosed by counterparties for the objectives identified by the EU Taxonomy, using the most recent data available. In order to avoid double counting in computing Taxonomy-eligible/aligned exposures, the proportions of Taxonomy-eligible/aligned economic activities with respect to environmental objectives were calculated based on the data disclosed by counterparties, provided by infoproviders. Where data on a specific environmental objective to which exposures contributed was missing, the total Taxonomy-eligible/aligned exposure was assigned to the climate change mitigation objective, deemed the most relevant.
  As regards debt securities classified as Green Bonds or Sustainability Bonds, for which the use of proceeds is known and specific for environmental topics, the proportion of use of proceeds invested in Taxonomy-eligible/aligned economic activities, based on the data provided by infoproviders, was considered. In all other cases, the proportion of Taxonomy-eligibility/alignment as disclosed by counterparties (unknown use of proceeds) in their last available Sustainability Statement was taken into consideration.

One of the improvements made to the methodology concerns the retrieval of timely information to calculate the proportion of Taxonomy-eligibility/alignment of exposures related to the loan portfolio and exposures to financial counterparties, as they were required to report the proportion of Taxonomy-eligibility only as from 1 January 2024.
Considering the provisions of FAQs 29 and 31 of Commission Notice C/2024/6691, the timely data disclosed by counterparties also for the other 4 environmental objectives[135] were used, with no estimates or approximations in case of missing data.
In addition, in light of FAQ 13 of Commission Notice C/2024/6691, for subsidiaries of corporate groups that disclose Taxonomy KPIs, the proportion of Taxonomy-eligibility/alignment disclosed by their respective parents or ultimate parents were used, where possible.

- **Households – of which loans collateralised by residential immovable property:** they include all loans backed by real estate collateral. Unlike 2023, to calculate Taxonomy-eligibility with regard to the climate change mitigation objective (the most relevant), only loans aimed at the construction or acquisition of buildings were taken into account, as they are reported in Commission Delegated Regulation (EU) 2021/2178 (as further updated) under "7.1 Construction and real estate activities" and "7.7 Acquisition and ownership of buildings". This process was carried out on the basis of the information included in the regulatory reporting database and specifying the economic purpose of the loan in accordance with the applicable industry regulations. As regards the assessment of Taxonomy-alignment, to date the Banking Group does not have the whole information set necessary to identify the buildings that meet the technical screening criteria of the EU Taxonomy (e.g., timely energy class and proof of compliance with the technical screening criteria). As regards the assessment of the Taxonomy-alignment of exposures relating to the portfolio in question, to date, it has not been possible to obtain timely data on the proportion of Taxonomy-alignment (e.g. timely Energy class and proof of compliance with the technical screening criteria); these exposures were therefore considered as non-aligned in the mandatory disclosures (entering a "zero" value), in line with the European Commission indications as per Notice C/2024/6691.

- **Households – of which building renovation loans:** they include loans to the Banking Group's customers for the renovation of buildings. To date, the Banking Group does not have any information in its regulatory reporting systems and procedures that would allow it to identify loans for the renovation of buildings.

- **Households – of which motor vehicle loans:** they include loans to the Banking Group's customers for the acquisition of a motor vehicle. No exposures of this type are disclose in the reporting year.

- **Local governments financing:** they include exposures to local governments. The sole exposures for which the use of proceeds is known and disclosed by the counterparty are used, as specified in FAQs 15 and 47 of Commission Notice C/2024/6691. In the reporting year, no Taxonomy-aligned exposures were reported that fall within this category and refer to debt securities with known use of proceeds issued by local governments;

- **Collateral obtained by taking possession:** they include repossessed real estate collateral in exchange for the cancellation of debts. No exposures of this type are disclosed in the reporting year.

With support from the infoprovider, the portfolio relating to the funds in which the Banking Group invests is analysed using a "look-through" approach, gathering all the information on the underlying securities necessary for the purposes of disclosure, in order to obtain a granular view of the entire portfolio. This approach is in line with the specifications of FAQ 13 published by the European Commission in January 2022.

Nature, objective and evolution of Taxonomy-aligned economic activities

The major updates made to the methodology with a view to continuous improvement and the use of new information taken from accounting and/or management systems are the main reasons for the evolution of the Banking Group's proportion of Taxonomy-alignment.

[135] Sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

Below are the values of the main KPIs disclosed:

- Turnover-based GAR stock at 31 December 2024 equal to 3.35% ;
- CapEx-based GAR stock at 31 December 2024 equal to 3.34% ;
- Turnover-based KPI stock financial guarantees at 31 December 2024 equal to 0.01%;
- Turnover-based KPI stock financial guarantees at 31 December 2024 equal to 0.02%;
- Turnover-based KPI stock assets under management at 31 December 2024 equal to 2.07%;
- CapEx-based KPI stock assets under management at 31 December 2024 equal to 2.50%.

Key performance indicators (KPIs)

The KPIs required under Commission Delegated Regulation (EU) 2021/2178 (as further updated) are summarised in the following tables, as specified in Annex VI to the said Regulation and in Annex XII of Commission Delegated Regulation (EU) 2022/1214.

TEMPLATE 0 – SUMMARY OF KPIs TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION (ANNEX VI REG 2178) (31.12.2024)

		TOTAL ENVIRONMENTALLY SUSTAINABLE ASSETS (€ MILLION)	
		TURNOVER	CAPEX
Main KPI	Green asset ratio (GAR) stock	246	246

		TOTAL EVIRONMENTALLY SUSTAINABLE ACTIVITIES (€ MILLION)	
		TURNOVER	CAPEX
Additional KPI	GAR (flow)	99	106
	Trading book (*)		
	Financial guarantees	-	-
	Asset under management	745	900
	Fees and commissions income (**)		

(*) For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR. The KPIs for fees and commissions income and trading book will only apply as of 2026. The inclusion of SMEs in such KPIs will be contingent on the positive outcome of an impact assessment.
(**) Fees and commissions income from services other than lending and AuM. The KPIs for fees and commissions income and trading book will only apply as of 2026. The inclusion of SMEs in such KPIs will be contingent on the positive outcome of an impact assessment.
Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
(***) % of assets covered by the KPI over banks´ total assets.
(****) Based on the Turnover KPI of the counterparty.
(*****) Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.
Note 1: Across the reporting templates: cells shaded in black should not be reported.
Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment.

KPI (****)	KPI (*****)	COVERAGE OVER TOTAL ASSET % (***)	% OF ASSETS EXCLUDED FROM THE NUMERATOR OF THE GAR (ARTICLE 7 (2) AND (3) AND SECTION 1.1.2 OF ANNEX V)	% OF ASSETS EXCLUDED FROM THE DENOMINATOR OF THE GAR (ARTICLE 7 (1) AND SECTION 1.2.4 OF ANNEX V)
3.35%	3.34%	43.72%	33.76%	56.28%

KPI (****)	KPI (*****)	% COVERAGE (OVER TOTAL ASSETS)	% OF ASSETS EXCLUDED FROM THE NUMERATOR OF THE GAR (ARTICLE 7 (2) AND (3) AND SECTION 1.1.2. OF ANNEX V)	% OF ASSETS EXCLUDED FROM THE DENOMINATOR OF THE GAR (ARTICLE 7 (1) AND SECTION 1.2.4 OF ANNEX V)
1.35%	1.43%	43.72%	38.70%	56.28%
0.01%	0.02%			
2.07%	2.50%			

TEMPLATE 1 – ASSETS FOR THE CALCULATION OF GAR (ANNEX VI REG 2178) - KPI CAPEX (31.12.2024)

		A	B	C	D	E	F	G	H	I	J	K	L	M
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVAN (TAXONOMY-ELIGIBLE		
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY S (TAXONOMY-ALI	
	(€ MILLION)				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**1,676**	**806**	**246**	**213**	**35**	**49**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2	**Financial corporations**	**1,364**	**508**	**190**	**158**	**29**	**18**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
3	**Credit institutions**	**1,347**	**502**	**189**	**158**	**29**	**18**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
4	Loans and advances	287	76	5	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	1,060	426	183	158	29	17	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0	
7	Other financial corporations	17	7	2	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0	
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0	
16	of which insurance undertakings	2	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	2	0	0		0	0	0	0		0	0	0	
20	**Non-financial corporations**	**33**	**28**	**24**	**24**	**0**	**23**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	33	28	24	24	0	23	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0	
24	**Households**	**235**	**231**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**			
25	of which loans collateralised by residential immovable property	235	231	0	0	0	0	0	0	0	0			
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0			
27	of which motor vehicle loans	0	0	0	0	0	0							
28	**Local governments financing**	**44**	**39**	**31**	**31**	**5**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	44	39	31	31	5	9	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**5,679**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
33	**Non-financial corporations**	**2,662**												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,487												
35	Loans and advances	897												
36	of which loans collateralised by commercial immovable property	14												
37	of which building renovation loans	0												
38	Debt securities	1,089												
39	Equity instruments	500												
40	Non-EU country counterparties not subject to NFRD disclosure obligations	175												

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2024																	
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
T SECTORS)	OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
USTAINABLE GNED)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**806**	**246**	**213**	**35**	**49**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**509**	**190**	**158**	**29**	**18**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**502**	**189**	**158**	**29**	**18**
0	0	0	0	0	0	0	0	0	0	0	0	0	76	5	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	427	183	158	29	17
0	0	0		0	0	0		0	0	0		0	0	0		0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	7	2	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0		0	0	0		0	0	0		0	0	0		0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0		0	0	0		0	0	0		0	0	0		0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**28**	**24**	**24**	**0**	**23**
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	28	24	24	0	23
0	0	0		0	0	0		0	0	0		0	0	0		0	0
	0	**0**	**0**	**0**									**231**	**0**	**0**	**0**	**0**
	0	0	0	0									0	0	0	0	0
	0	0	0	0									0	0	0	0	0
													0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**39**	**31**	**31**	**5**	**9**
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	39	31	31	5	9
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

		A	B	C	D	E	F	G	H	I	J	K	L	M
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT (TAXONOMY-ELIGIBLE		
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SU (TAXONOMY-ALI	
	(€ MILLION)				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
41	Loans and advances	46												
42	Debt securities	117												
43	Equity instruments	13												
44	**Derivatives**	**131**												
45	**On demand interbank loans**	**156**												
46	**Cash and cash-related assets**	**30**												
47	**Other assets (e.g. Goodwill, commodities etc.)**	**2,700**												
48	**Total GAR assets**	**7,355**	**806**	**246**	**213**	**35**	**49**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
49	**Other assets not covered for GAR calculation**	**9,468**												
50	**Sovereigns**	**8,478**												
51	**Central banks exposure**	**990**												
52	**Trading book**	**0**												
53	**Total assets**	**16,823**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	OFF-BALANCE SHEET EXPOSURES - UNDERTAKINGS SUBJECT TO NFRD DISCLOSURE OBLIGATIONS													
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0
55	**Assets under management**	**5,252**	**2,207**	**893**	**453**	**89**	**290**	**55**	**5**	**0**	**0**	**1**	**0**	**0**
56	of which debt securities	2,714	1,336	591	425	70	146	23	1	0	0	0	0	0
57	of which equity instruments	2,538	871	302	27	19	144	32	3	0	0	1	0	0

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2024																	
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
T SECTORS)		OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
H USTAINABLE GNED)			OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)		
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**806**	**246**	**213**	**35**	**49**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	**67**	**2**	**0**	**0**	**81**	**1**	**0**	**0**	**1**	**0**	**0**	**0**	**2,414**	**900**	**453**	**89**	**290**
0	6	0	0	0	3	0	0	0	1	0	0	0	1,369	593	425	70	146
0	62	2	0	0	78	0	0	0	1	0	0	0	1,045	307	27	19	144

TEMPLATE 1 - ASSETS FOR THE CALCULATION OF GAR (ANNEX VI REG 2178) - KPI CAPEX T-1 (31.12.2023)

		A	B	C	D	E	F	G	H	I	J	K	L	M
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVAN (TAXONOMY-ELIGIBLE		
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY S (TAXONOMY-ALI	
	(€ MILLION)				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**2,152**	**354**	**6**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**-**		
2	**Financial corporations**	**1,859**	**95**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
3	**Credit institutions**	**1,701**	**92**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
5	Debt securities, including UoP	1,701	92	-	-	-	-	-	-	-	-	-		
6	Equity instruments	-	-	-		-	-	-	-		-	-		
7	Other financial corporations	157	4	-	-	-	-	-	-	-	-	-		
8	of which investment firms	156	4	-	-	-	-	-	-	-	-	-		
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
10	Debt securities, including UoP	156	4	-	-	-	-	-	-	-	-	-		
11	Equity instruments	-	-	-		-	-	-	-		-	-		
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-		
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-		
15	Equity instruments	-	-	-		-	-	-	-		-	-		
16	of which insurance undertakings	1	-	-	-	-	-	-	-	-	-	-		
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-		
19	Equity instruments	1	-	-		-	-	-	-		-	-		
20	**Non-financial corporations**	**43**	**9**	**6**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**-**		
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
22	Debt securities, including UoP	43	9	6	-	-	-	4	-	-	-	-		
23	Equity instruments	-	-	-		-	-	-	-		-	-		
24	**Households**	**250**	**250**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			
25	of which loans collateralised by residential immovable property	248	248	-	-	-	-	-	-	-	-			
26	of which building renovation loans	2	2	-	-	-	-	-	-	-	-			
27	of which motor vehicle loans	-	-	-	-	-	-							
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-		
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-		
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**1,474**	-	-	-	-	-	-	-	-	-	-		
33	**Non-financial corporations**	**1,219**												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,017												
35	Loans and advances	340												
36	of which loans collateralised by commercial immovable property	14												
37	of which building renovation loans	1												
38	Debt securities	176												
39	Equity instruments	501												

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2023																	
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
T SECTORS)	OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
USTAINABLE GNED)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
	24				**-**				**-**				**373**	**6**	**4**	**-**	**-**
	-				**-**				**-**				**95**	**-**	**-**	**-**	**-**
	-				**-**				**-**				**92**	**-**	**-**	**-**	**-**
	-				-				-				-	-	-	-	-
	-				-				-				92	-	-	-	-
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	-				-				-				-	-		-	-
	24				**-**				**-**				**28**	**6**	**4**	**-**	**-**
	-				-				-				-	-	-	-	-
	24				-				-				28	6	4	-	-
	-				-				-				-	-		-	-
	-												**250**	**-**	**-**	**-**	**-**
	-												248	-	-	-	-
	-												2	-	-	-	-
													-	-	-	-	-
	-				**-**				**-**				**-**	**-**	**-**	**-**	**-**
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	-				-				-				-	-	-	-	-

		A	B	C	D	E	F	G	H	I	J	K	L	M
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVAN (TAXONOMY-ELIGIBLE		
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY S (TAXONOMY-ALI	
	(€ MILLION)				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
40	Non-EU country counterparties not subject to NFRD disclosure obligations	202												
41	Loans and advances	-												
42	Debt securities	188												
43	Equity instruments	13												
44	**Derivatives**	**162**												
45	**On demand interbank loans**	**-**												
46	**Cash and cash-related assets**	**67**												
47	**Other assets (e.g. Goodwill, commodities etc.)**	**25**												
48	**Total GAR assets**	**3,625**	**354**	**6**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**-**		
49	**Other assets not covered for GAR calculation**	**8,518**												
50	**Sovereigns**	**7,933**												
51	**Central banks exposure**	**585**												
52	**Trading book**	**0**												
53	**Total assets**	**12,143**	**354**	**6**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**-**		
OFF-BALANCE SHEET EXPOSURES - UNDERTAKINGS SUBJECT TO NFRD DISCLOSURE OBLIGATIONS														
54	Financial guarantees	40	-	-	-	-	-	-	-	-	-	-		
55	**Assets under management**	**28,345**	**7,081**	**542**	**87**	**-**	**-**	**6,404**	**-**	**-**	**-**	**298**		
56	of which debt securities	6,077	2,083	206	87	-	-	1,255	-	-	-	53		
57	of which equity instruments	11,966	4,997	336	-	-	-	5,149	-	-	-	244		

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2023																	
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
T SECTORS)	OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
USTAINABLE GNED)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
	24				**-**				**-**				**373**	**6**	**4**	**-**	**-**
	24				**-**				**-**				**373**	**6**	**4**	**-**	**-**
	-				-				-				-	-	-	-	-
	7,956				**1,020**				**82**				**12,408**	**542**	**87**	**-**	**-**
	1,260				153				26				2,792	206	87	-	-
	6,696				867				56				9,616	336	-	-	-

TEMPLATE 1 – ASSETS FOR THE CALCULATION OF GAR (ANNEX VI REG 2178) - KPI TURNOVER (31.12.2024)

		A	B	C	D	E	F	G	H	I	J	K	L	M
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					DI CUI VERSO SETTORI PERTINENTI PER LA TASSONOMIA (AMMISSIBILE ALLA TASSONOMIA)				OF WHICH TOWARDS TAXONOMY RELEVANT (TAXONOMY-ELIGIBLE)		
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SU (TAXONOMY-ALI	
	(€ MILLION)				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**1,676**	**814**	**246**	**213**	**45**	**42**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2	**Financial corporations**	**1,364**	**517**	**191**	**158**	**40**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
3	**Credit institutions**	**1,347**	**511**	**190**	**158**	**40**	**10**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
4	Loans and advances	287	75	5	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	1,060	436	185	158	40	10	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0	
7	Other financial corporations	17	6	1	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0	
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0	
16	of which insurance undertakings	2	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	2	0	0		0	0	0	0		0	0	0	
20	**Non-financial corporations**	**33**	**28**	**24**	**24**	**0**	**23**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	33	28	24	24	0	23	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0	
24	**Households**	**235**	**231**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**			
25	of which loans collateralised by residential immovable property	235	231	0	0	0	0	0	0	0	0			
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0			
27	of which motor vehicle loans	0	0	0	0	0	0							
28	**Local governments financing**	**44**	**39**	**31**	**31**	**5**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	44	39	31	31	5	9	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	**5,679**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
33	**Non-financial corporations**	**2,662**												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,487												
35	Loans and advances	897												
36	of which loans collateralised by commercial immovable property	14												
37	of which building renovation loans	0												

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2024																	
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
T SECTORS)	OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
USTAINABLE GNED)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**814**	**246**	**213**	**45**	**42**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**517**	**191**	**158**	**40**	**10**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**511**	**190**	**158**	**40**	**10**
0	0	0	0	0	0	0	0	0	0	0	0	0	75	5	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	436	185	158	40	10
0	0	0		0	0	0		0	0	0		0	0	0		0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	6	1	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0		0	0	0		0	0	0		0	0	0		0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0		0	0	0		0	0	0		0	0	0		0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0		0	0	0		0	0	0		0	0	0		0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**28**	**24**	**24**	**0**	**23**
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	28	24	24	0	23
0	0	0		0	0	0		0	0	0		0	0	0		0	0
	0	**0**	**0**	**0**									**231**	**0**	**0**	**0**	**0**
	0	0	0	0									0	0	0	0	0
	0	0	0	0									0	0	0	0	0
													0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**39**	**31**	**31**	**5**	**9**
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0	39	31	31	5	9
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

		A	B	C	D	E	F	G	H	I	J	K	L	M
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					DI CUI VERSO SETTORI PERTINENTI PER LA TASSONOMIA (AMMISSIBILE ALLA TASSONOMIA)				OF WHICH TOWARDS TAXONOMY RELEVAN (TAXONOMY-ELIGIBLE		
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SU (TAXONOMY-ALI	
	(€ MILLION)				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
38	Debt securities	1,089												
39	Equity instruments	500												
40	Non-EU country counterparties not subject to NFRD disclosure obligations	175												
41	Loans and advances	46												
42	Debt securities	117												
43	Equity instruments	13												
44	**Derivatives**	**131**												
45	**On demand interbank loans**	**156**												
46	**Cash and cash-related assets**	**30**												
47	**Other assets (e.g. Goodwill, commodities etc.)**	**2,700**												
48	**Total GAR assets**	**7,355**	**814**	**246**	**213**	**45**	**42**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
49	**Other assets not covered for GAR calculation**	**9,468**												
50	**Sovereigns**	**8,478**												
51	**Central banks exposure**	**990**												
52	**Trading book**	**0**												
53	**Total assets**	**16,823**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
OFF-BALANCE SHEET EXPOSURES - UNDERTAKINGS SUBJECT TO NFRD DISCLOSURE OBLIGATIONS														
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0
55	**Assets under management**	**5,252**	**1,912**	**733**	**453**	**81**	**232**	**52**	**4**	**0**	**0**	**7**	**0**	**0**
56	of which debt securities	2,714	1,300	539	425	71	117	23	1	0	0	4	0	0
57	of which equity instruments	2,538	613	194	27	9	115	29	3	0	0	4	0	0

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2024																	
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
T SECTORS)	OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
H USTAINABLE GNED)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**814**	**246**	**213**	**45**	**42**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
0	**104**	**5**	**0**	**0**	**134**	**2**	**0**	**0**	**7**	**0**	**0**	**0**	**2,217**	**745**	**453**	**81**	**232**
0	8	0	0	0	5	1	0	0	4	0	0	0	1,343	543	425	71	117
0	96	5	0	0	129	1	0	0	3	0	0	0	874	202	27	9	115

TEMPLATE 1 - ASSETS FOR THE CALCULATION OF GAR (ANNEX VI REG 2178) - KPI TURNOVER T-1 (31.12.2023)

	(€ MILLION)	A	B	C	D	E	F	G	H	I	J	K	L	M
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVAN (TAXONOMY-ELIGIBLE		
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY S (TAXONOMY-ALI	
					OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**2,152**	**575**	**148**	**148**	**-**	**-**	**4**	**-**	**-**	**-**	**-**		
2	**Financial corporations**	**1,859**	**306**	**133**	**133**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
3	**Credit institutions**	**1,701**	**294**	**133**	**133**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
5	Debt securities, including UoP	1,701	294	133	133	-	-	-	-	-	-	-		
6	Equity instruments	0	-	-		-	-	-	-		-	-		
7	Other financial corporations	157	12	-	-	-	-	-	-	-	-	-		
8	of which investment firms	156	12	-	-	-	-	-	-	-	-	-		
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
10	Debt securities, including UoP	156	12	-	-	-	-	-	-	-	-	-		
11	Equity instruments	-	-	-		-	-	-	-		-	-		
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-		
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-		
15	Equity instruments	-	-	-		-	-	-	-		-	-		
16	of which insurance undertakings	1	0	-	-	-	-	-	-	-	-	-		
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-		
19	Equity instruments	1	0	-		-	-	-	-		-	-		
20	**Non-financial corporations**	**43**	**18**	**14**	**14**	**-**	**-**	**4**	**-**	**-**	**-**	**-**		
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-		
22	Debt securities, including UoP	43	18	14	14	-	-	4	-	-	-	-		
23	Equity instruments	-	-	-		-	-	-	-		-	-		
24	**Households**	**250**	**250**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-		
25	of which loans collateralised by residential immovable property	248	248	-	-	-	-	-	-	-	-			
26	of which building renovation loans	2	2	-	-	-	-	-	-	-	-			
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-			
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-		
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-		
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**-**	**-**	**-**	**-**	-	-	-	-	-	-	-		
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,474	-	-	-	-	-	-	-	-	-	-		
33	**Non-financial corporations**	1,219												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,017												
35	Loans and advances	340												
36	of which loans collateralised by commercial immovable property	14												
37	of which building renovation loans	1												

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
	DISCLOSURE REFERENCE DATE 31.12.2023																
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
T SECTORS)	OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
USTAINABLE GNED)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
	24				**-**				**-**				**585**	**148**	**148**	**-**	**-**
	-				**-**				**-**				**306**	**133**	**133**	**-**	**-**
	-				**-**				**-**				**294**	**133**	**133**	**-**	**-**
	-				-				-				-	-	-	-	-
	-				-				-				294	133	133	-	-
	-				-				-				-	-	-	-	-
	-				-				-				12	-	-	-	-
	-				-				-				12	-	-	-	-
	-				-				-				-	-	-	-	-
	-				-				-				12	-	-	-	-
	-				-				-				-	-	-	-	-
	-				-				-				-	-	-	-	-
	-				-				-				-	-	-	-	-
	-				-				-				-	-	-	-	-
	-				-				-				-	-	-	-	-
	-				-				-				0	-	-	-	-
	-				-				-				-	-	-	-	-
	-				-				-				-	-	-	-	-
	-				-				-				0	-	-	-	-
	24				**-**				**-**				**28**	**14**	**14**	**-**	**-**
	-				-				-				-	-	-	-	-
	24				-				-				28	14	14	-	-
	-				-				-				-	-	-	-	-
	-				**-**				**-**				**250**	**-**	**-**	**-**	**-**
	-												248	-	-	-	-
	-												2	-	-	-	-
													-	-	-	-	-
	-				**-**				**-**				**-**	**-**	**-**	**-**	**-**
	-				**-**				**-**				**-**	**-**	**-**	**-**	**-**
	-				**-**				**-**				**-**	**-**	**-**	**-**	**-**
	-				-				-				-	-	-	-	-
	-				-				-				-	-	-	-	-

		A	B	C	D	E	F	G	H	I	J	K	L	M
		TOTAL GROSS CARRYING AMOUNT	CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
			OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT (TAXONOMY-ELIGIBLE		
				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)					OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SU (TAXONOMY-ALI	
	(€ MILLION)				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
38	Debt securities	176												
39	Equity instruments	501												
40	Non-EU country counterparties not subject to NFRD disclosure obligations	202												
41	Loans and advances	-												
42	Debt securities	188												
43	Equity instruments	13												
44	**Derivatives**	162												
45	**On demand interbank loans**	-												
46	**Cash and cash-related assets**	67												
47	**Other assets (e.g. Goodwill, commodities etc.)**	**25**												
48	**Total GAR assets**	3,625	575	148	148	-	-	4	-	-	-	-		
49	**Other assets not covered for GAR calculation**	8,518												
50	**Sovereigns**	7,933												
51	**Central banks exposure**	**585**												
52	**Trading book**	0												
53	**Total assets**	12,143	575	148	148	-	-	4	-	-	-	-		
	OFF-BALANCE SHEET EXPOSURES - UNDERTAKINGS SUBJECT TO NFRD DISCLOSURE OBLIGATIONS													
54	Financial guarantees	40	0	-	-	-	-	-	-	-	-	-		
55	**Assets under management**	**28,345**	**7,081**	**762**	**453**	**-**	**-**	**6,404**	**-**	**-**	**-**	**298**		
56	of which debt securities	6,077	2,083	510	453	-	-	1,255	-	-	-	53		
57	of which equity instruments	11,966	4,997	252	-	-	-	5,149	-	-	-	244		

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
	DISCLOSURE REFERENCE DATE 31.12.2023																
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
T SECTORS)	OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				OF WHICH TOWARDS TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
H USTAINABLE GNED)		OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)				OF WHICH ENVIRONMENTALLY SUSTAINABLE (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
	24				-				-				585	148	148	-	-
	24				-				-				585	148	148	-	-
	-				-				-				-	-	-	-	-
	7,956				1,020				82				12,408	762	453	-	-
	1,260				153				26				2,792	510	453	-	-
	6,696				867				56				9,616	252	-	-	-

TEMPLATE 2 – GAR SECTOR INFORMATION - KPI CAPEX (31.12.2024)

	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	A	B	C	D	E	F	G	H	I	J	K	L
		CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD	
		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT	
		€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCM)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCM)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCA)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCA)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (WTR)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (WTR)
1	D.3512 - Transmission of electricity	4	1			4	0			4	0		
2	F.42.11 - Construction of roads and motorways	7	7			7	0			7	0		
3	H.4910 - Passenger rail transport, interurban	16	16			16	0			16	0		
4	H.5310 - Postal activities under universal service obligation	0	0			0	0			0	0		
5	K.6419 - Other monetary intermediation	6	0			6	0			6	0		

TEMPLATE 2 – GAR SECTOR INFORMATION - KPI TURNOVER (31.12.2024)

	BREAKDOWN BY SECTOR - NACE 4 DIGITS LEVEL (CODE AND LABEL)	A	B	C	D	E	F	G	H	I	J	K	L
		CLIMATE CHANGE MITIGATION (CCM)				CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD	
		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT	
		€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCM)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCM)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCA)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCA)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (WTR)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (WTR)
1	D.3512 - Transmission of electricity	4	1			4	0			4	0		
2	F.42.11 - Construction of roads and motorways	7	7			7	0			7	0		
3	H.4910 - Passenger rail transport, interurban	16	16			16	0			16	0		
4	H.5310 - Postal activities under universal service obligation	0	0			0	0			0	0		
5	K.6419 - Other monetary intermediation	6	0			6	0			6	0		

M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD	
GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT	
€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CE)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CE)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (PPC)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (PPC)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (BIO)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (BIO)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCM + CCA + WTR + CE + PPC + BIO)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCM + CCA + WTR + CE + PPC + BIO)
4	0			4	0			4	0			4	1		
7	0			7	0			7	0			7	7		
16	0			16	0			16	0			16	16		
0	0			0	0			0	0			0	0		
6	0			6	0			6	0			6	0		

M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD		NON-FINANCIAL CORPORATES (SUBJECT TO NFRD)		SMES AND OTHER NFC NOT SUBJECT TO NFRD	
GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT		GROSS CARRYNG AMOUNT	
€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CE)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CE)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (PPC)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (PPC)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (BIO)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (BIO)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCM + CCA + WTR + CE + PPC + BIO)	€ MILLION	OF WHICH ENVIRON-MENTALLY SUSTAI-NABLE (CCM + CCA + WTR + CE + PPC + BIO)
4	0			4	0			4	0			4	1		
7	0			7	0			7	0			7	7		
16	0			16	0			16	0			16	16		
0	0			0	0			0	0			0	0		
6	0			6	0			6	0			6	0		

TEMPLATE 3 - KPI GAR (STOCK) (ANNEX VI REG 2178) - KPI CAPEX (31.12.2024)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	A	B	C	D	E	F	G	H	I	J	K	L	M
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**10.95%**	**3.34%**	**2.89%**	**0.48%**	**0.67%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial corporations**	**6.91%**	**2.59%**	**2.14%**	**0.40%**	**0.24%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	6.82%	2.57%	2.14%	0.40%	0.24%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	1.03%	0.07%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	5.80%	2.49%	2.14%	0.40%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.09%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial corporations**	**0.38%**	**0.33%**	**0.33%**	**0.00%**	**0.31%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.38%	0.33%	0.33%	0.00%	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**3.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans collateralised by residential immovable property	3.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	**0.53%**	**0.42%**	**0.42%**	**0.07%**	**0.12%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.53%	0.42%	0.42%	0.07%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**10.95%**	**3.34%**	**2.89%**	**0.48%**	**0.67%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2024																	
CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					PROPORTION OF TOTAL ASSETS COVERED
PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.96%	3.34%	2.89%	0.48%	0.67%	9.96%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.92%	2.59%	2.14%	0.40%	0.24%	8.11%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.83%	2.57%	2.14%	0.40%	0.24%	8.01%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	0.07%	0.00%	0.00%	0.01%	1.71%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.80%	2.49%	2.14%	0.40%	0.23%	6.30%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.02%	0.00%	0.00%	0.00%	0.10%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	0.33%	0.33%	0.00%	0.31%	0.20%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	0.33%	0.33%	0.00%	0.31%	0.20%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%									3.13%	0.00%	0.00%	0.00%	0.00%	1.40%
0.00%	0.00%	0.00%	0.00%									3.13%	0.00%	0.00%	0.00%	0.00%	1.40%
0.00%	0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	0.42%	0.42%	0.07%	0.12%	0.26%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	0.42%	0.42%	0.07%	0.12%	0.26%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.96%	3.34%	2.89%	0.48%	0.67%	43.72%

TEMPLATE 3 - KPI GAR (STOCK) (ANNEX VI REG 2178) - KPI CAPEX T-1 (31.12.2023)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	A	B	C	D	E	F	G	H	I	J	K	L	M
		CLIMATE CHANGE MITIGATION (CCM)					ADATTAMENTO AI CAMBIAMENTI CIMATICI (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**9.77%**	**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.11%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
2	**Financial corporations**	**2.63%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
3	Credit institutions	2.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
5	Debt securities, including UoP	2.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
7	Other financial corporations	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
8	of which investment firms	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
10	Debt securities, including UoP	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
20	**Non-financial corporations**	**0.25%**	**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.11%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
22	Debt securities, including UoP	0.25%	0.16%	0.00%	0.00%	0.00%	0.11%	0.00%	0.00%	0.00%	0.00%			
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%				
24	**Households**	**6.89%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans collateralised by residential immovable property	6.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
32	**Total GAR assets**	**9.77%**	**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.11%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2023																	
CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					PROPORTION OF TOTAL ASSETS COVERED
PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING	
0.67%				**0.00%**				**0.00%**				**10.30%**	**0.16%**	**0.11%**	**0.00%**	**0.00%**	**59.35%**
0.00%				**0.00%**				**0.00%**				**2.63%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**51.28%**
0.00%				0.00%				0.00%				2.53%	0.00%	0.00%	0.00%	0.00%	46.93%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				2.53%	0.00%	0.00%	0.00%	0.00%	46.93%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.10%	0.00%	0.00%	0.00%	0.00%	4.34%
0.00%				0.00%				0.00%				0.10%	0.00%	0.00%	0.00%	0.00%	4.31%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.10%	0.00%	0.00%	0.00%	0.00%	4.31%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.03%
0.67%				**0.00%**				**0.00%**				**0.78%**	**0.16%**	**0.11%**	**0.00%**	**0.00%**	**1.18%**
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.67%				0.00%				0.00%				0.78%	0.16%	0.11%	0.00%	0.00%	1.18%
0.00%												0.00%	0.00%		0.00%	0.00%	0.00%
0.00%												**6.89%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**6.89%**
0.00%												6.84%	0.00%	0.00%	0.00%	0.00%	6.84%
0.00%												0.05%	0.00%	0.00%	0.00%	0.00%	0.05%
												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				**0.00%**				**0.00%**				**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				**0.00%**				**0.00%**				**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
0.67%				**0.00%**				**0.00%**				**10.30%**	**0.16%**	**0.11%**	**0.00%**	**0.00%**	**100.00%**

TEMPLATE 3 - KPI GAR (STOCK) (ANNEX VI REG 2178) - KPI TURNOVER (31.12.2024)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	A	B	C	D	E	F	G	H	I	J	K	L	M
		CLIMATE CHANGE MITIGATION (CCM)					ADATTAMENTO AI CAMBIAMENTI CIMATICI (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**11.06%**	**3.35%**	**2.89%**	**0.62%**	**0.57%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial corporations**	**7.02%**	**2.60%**	**2.14%**	**0.54%**	**0.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	6.95%	2.59%	2.14%	0.54%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	1.02%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	5.93%	2.52%	2.14%	0.54%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.08%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial corporations**	**0.38%**	**0.33%**	**0.33%**	**0.00%**	**0.31%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.38%	0.33%	0.33%	0.00%	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**3.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans collateralised by residential immovable property	3.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	**0.53%**	**0.42%**	**0.42%**	**0.07%**	**0.12%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.53%	0.42%	0.42%	0.07%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**11.06%**	**3.35%**	**2.89%**	**0.62%**	**0.57%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2024																	
CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					PROPORTION OF TOTAL ASSETS COVERED
PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING	
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**11.07%**	**3.35%**	**2.89%**	**0.62%**	**0.57%**	**9.96%**
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**7.03%**	**2.60%**	**2.14%**	**0.54%**	**0.13%**	**8.11%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.95%	2.59%	2.14%	0.54%	0.13%	8.01%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.02%	0.06%	0.00%	0.00%	0.00%	1.71%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.93%	2.52%	2.14%	0.54%	0.13%	6.30%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.01%	0.00%	0.00%	0.00%	0.10%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.38%**	**0.33%**	**0.33%**	**0.00%**	**0.31%**	**0.20%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	0.33%	0.33%	0.00%	0.31%	0.20%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	**0.00%**	**0.00%**	**0.00%**									**3.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1.40%**
0.00%	0.00%	0.00%	0.00%									3.13%	0.00%	0.00%	0.00%	0.00%	1.40%
0.00%	0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.53%**	**0.42%**	**0.42%**	**0.07%**	**0.12%**	**0.26%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	0.42%	0.42%	0.07%	0.12%	0.26%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**11.07%**	**3.35%**	**2.89%**	**0.62%**	**0.57%**	**43.72%**

TEMPLATE 3 - KPI GAR (STOCK) (ANNEX VI REG 2178) - KPI TURNOVER T-1 (31.12.2023)

	% (COMPARED TO TOTAL COVERED ASSETS IN THE DENOMINATOR)	A	B	C	D	E	F	G	H	I	J	K	L	M
		CLIMATE CHANGE MITIGATION (CCM)					ADATTAMENTO AI CAMBIAMENTI CIMATICI (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**15.85%**	**4.08%**	**4.07%**	**0.00%**	**0.00%**	**0.11%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
2	**Financial corporations**	**8.45%**	**3.68%**	**3.68%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
3	Credit institutions	8.12%	3.68%	3.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
5	Debt securities, including UoP	8.12%	3.68%	3.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
7	Other financial corporations	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
8	of which investment firms	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
10	Debt securities, including UoP	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
20	**Non-financial corporations**	**0.50%**	**0.40%**	**0.39%**	**0.00%**	**0.00%**	**0.11%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
22	Debt securities, including UoP	0.50%	0.40%	0.39%	0.00%	0.00%	0.11%	0.00%	0.00%	0.00%	0.00%			
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			
24	**Households**	**6.89%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans collateralised by residential immovable property	6.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			
32	**Total GAR assets**	**15.85%**	**4.08%**	**4.07%**	**0.00%**	**0.00%**	**0.11%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**			

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2023																	
CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					PROPORTION OF TOTAL ASSETS COVERED
PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSITIONAL	OF WHICH ENABLING	
0.67%				**0.00%**				**0.00%**				**16.13%**	**4.08%**	**4.07%**	**0.00%**	**0.00%**	**59.35%**
0.00%				**0.00%**				**0.00%**				**8.45%**	**3.68%**	**3.68%**	**0.00%**	**0.00%**	**51.28%**
0.00%				0.00%				0.00%				8.12%	3.68%	3.68%	0.00%	0.00%	46.93%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				8.12%	3.68%	3.68%	0.00%	0.00%	46.93%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.33%	0.00%	0.00%	0.00%	0.00%	4.34%
0.00%				0.00%				0.00%				0.33%	0.00%	0.00%	0.00%	0.00%	4.31%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.33%	0.00%	0.00%	0.00%	0.00%	4.31%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.03%
0.67%				**0.00%**				**0.00%**				**0.78%**	**0.40%**	**0.39%**	**0.00%**	**0.00%**	**1.18%**
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.67%				0.00%				0.00%				0.78%	0.40%	0.39%	0.00%	0.00%	1.18%
0.00%				0.00%				0.00%				0.00%	0.00%		0.00%	0.00%	0.00%
0.00%												**6.89%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**6.89%**
0.00%												6.84%	0.00%	0.00%	0.00%	0.00%	0.05%
0.00%												0.05%	0.00%	0.00%	0.00%	0.00%	0.00%
												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				**0.00%**				**0.00%**				**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				0.00%				0.00%				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%				**0.00%**				**0.00%**				**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
0.67%				**0.00%**				**0.00%**				**16.13%**	**4.08%**	**4.07%**	**0.00%**	**0.00%**	**100.00%**

TEMPLATE 4 - KPI GAR (FLOW) (ANNEX VI REG 2178) - KPI CAPEX (31.12.2024)

	% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)	A	B	C	D	E	F	G	H	I	J	K	L	M
		CLIMATE CHANGE MITIGATION (CCM)					ADATTAMENTO AI CAMBIAMENTI CIMATICI (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**3.05%**	**1.43%**	**1.08%**	**0.14%**	**0.27%**	**0.01%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial corporations**	**2.43%**	**0.98%**	**0.63%**	**0.10%**	**0.07%**	**0.01%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	2.15%	0.73%	0.63%	0.10%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.68%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	1.48%	0.68%	0.63%	0.10%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.28%	0.25%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.24%	0.24%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.24%	0.24%		0.00%	0.00%	0.01%	0.01%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial corporations**	**0.09%**	**0.08%**	**0.08%**	**0.00%**	**0.08%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.09%	0.08%	0.08%	0.00%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans collateralised by residential immovable property	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	**0.37%**	**0.37%**	**0.37%**	**0.04%**	**0.12%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.37%	0.37%	0.37%	0.04%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**3.05%**	**1.43%**	**1.08%**	**0.14%**	**0.27%**	**0.01%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2024																	
CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					PROPORTION OF TOTAL ASSETS COVERED
PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING	
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**3.06%**	**1.43%**	**1.08%**	**0.14%**	**0.27%**	**5.02%**
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**2.44%**	**0.99%**	**0.63%**	**0.10%**	**0.07%**	**4.73%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.15%	0.74%	0.63%	0.10%	0.07%	2.39%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.68%	0.05%	0.00%	0.00%	0.00%	1.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.48%	0.68%	0.63%	0.10%	0.07%	1.38%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%	0.25%	0.00%	0.00%	0.00%	2.34%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.24%	0.00%	0.00%	0.00%	2.27%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.24%	0.24%		0.00%	0.00%	2.27%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.09%**	**0.08%**	**0.08%**	**0.00%**	**0.08%**	**0.06%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.08%	0.08%	0.00%	0.08%	0.06%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	**0.00%**	**0.00%**	**0.00%**									**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.07%**
0.00%	0.00%	0.00%	0.00%									0.16%	0.00%	0.00%	0.00%	0.00%	0.07%
0.00%	0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.37%**	**0.37%**	**0.37%**	**0.04%**	**0.12%**	**0.16%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.37%	0.37%	0.37%	0.04%	0.12%	0.16%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**3.06%**	**1.43%**	**1.08%**	**0.14%**	**0.27%**	**43.72%**

TEMPLATE 4 - KPI GAR (FLOW) (ANNEX VI REG 2178) - KPI TURNOVER (31.12.2024)

	% (COMPARED TO FLOW OF TOTAL ELIGIBLE ASSETS)	A	B	C	D	E	F	G	H	I	J	K	L	M
		CLIMATE CHANGE MITIGATION (CCM)					ADATTAMENTO AI CAMBIAMENTI CIMATICI (CCA)				WATER AND MARINE RESOURCES (WTR)			
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)			
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)		
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**3.09%**	**1.35%**	**1.08%**	**0.15%**	**0.26%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial corporations**	**2.47%**	**0.91%**	**0.63%**	**0.11%**	**0.05%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	Credit institutions	2.27%	0.72%	0.63%	0.11%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.67%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	1.60%	0.68%	0.63%	0.10%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.20%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.18%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.18%	0.18%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial corporations**	**0.09%**	**0.08%**	**0.08%**	**0.00%**	**0.08%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.09%	0.08%	0.08%	0.00%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	**Households**	**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans collateralised by residential immovable property	0.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	**0.37%**	**0.37%**	**0.37%**	**0.04%**	**0.12%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.37%	0.37%	0.37%	0.04%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**3.09%**	**1.35%**	**1.08%**	**0.15%**	**0.26%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE
DISCLOSURE REFERENCE DATE 31.12.2024																	
CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					PROPORTION OF TOTAL ASSETS COVERED
PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					
	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				
		OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING	
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**3.09%**	**1.35%**	**1.08%**	**0.15%**	**0.26%**	**5.02%**
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**2.47%**	**0.91%**	**0.63%**	**0.11%**	**0.05%**	**4.73%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.27%	0.73%	0.63%	0.11%	0.05%	2.39%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.67%	0.04%	0.00%	0.00%	0.00%	1.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.60%	0.68%	0.63%	0.10%	0.05%	1.38%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.18%	0.00%	0.00%	0.00%	2.34%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.18%	0.00%	0.00%	0.00%	2.27%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.18%	0.18%		0.00%	0.00%	2.27%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.09%**	**0.08%**	**0.08%**	**0.00%**	**0.08%**	**0.06%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.08%	0.08%	0.00%	0.08%	0.06%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	**0.00%**	**0.00%**	**0.00%**									**0.16%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.07%**
0.00%	0.00%	0.00%	0.00%									0.16%	0.00%	0.00%	0.00%	0.00%	0.07%
0.00%	0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.37%**	**0.37%**	**0.37%**	**0.04%**	**0.12%**	**0.16%**
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.37%	0.37%	0.37%	0.04%	0.12%	0.16%
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**3.09%**	**1.35%**	**1.08%**	**0.15%**	**0.26%**	**43.72%**

TEMPLATE 5 – KPI (STOCK) OFF-BALANCE SHEET EXPOSURES - KPI CAPEX (31.12.2024)

	% (COMPARED TO ELIGIBLE OFF-BALANCE SHEET ASSETS)	A	B	C	D	E	F	G	H	I	J	K	L
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERE FUNDING TAXONOMY RELEVANT (TAXONOMY-ELIGIBLE		
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTA ASSETS FUNDING T. RELEVANT SEC (TAXONOMY-ALI	
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
1	Financial guarantees (KPI FinGuar)	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Asset under management (AuM KPI)	6.14%	2.48%	1.26%	0.25%	0.81%	0.15%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%

TEMPLATE 5 – KPI (STOCK) OFF-BALANCE SHEET EXPOSURES - KPI TURNOVER (31.12.2024)

	% (COMPARED TO ELIGIBLE OFF-BALANCE SHEET ASSETS)	A	B	C	D	E	F	G	H	I	J	K	L
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERE FUNDING TAXONOMY RELEVANT (TAXONOMY-ELIGIBLE		
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTA ASSETS FUNDING T. RELEVANT SEC (TAXONOMY-ALI	
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
1	Financial guarantees (KPI FinGuar)	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Asset under management (AuM KPI)	5.32%	2.04%	1.26%	0.22%	0.64%	0.14%	0.01%	0.00%	0.00%	0.02%	0.00%	0.00%

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M	N	O	P	Q	R	S	T	U	V	W	X	Z	AA	AB	AC	AD	AE
T DISCLOSURE REFERENCE DATE																	
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
ED ASSETS T SECTORS)	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
AL COVERED AXONOMY TORS GNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.00%	0.00%	0.00%
0.00%	0.19%	0.01%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.71%	2.50%	1.26%	0.25%	0.81%

M	N	O	P	Q	R	S	T	U	V	W	X	Z	AA	AB	AC	AD	AE
T DISCLOSURE REFERENCE DATE																	
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
ED ASSETS T SECTORS)	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
AL COVERED AXONOMY TORS GNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%
0.00%	0.29%	0.01%	0.00%	0.00%	0.37%	0.01%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	6.17%	2.07%	1.26%	0.22%	0.64%

TEMPLATE 5 – KPI (FLOW) OFF-BALANCE SHEET EXPOSURES - KPI CAPEX (31.12.2024)

	% (COMPARED TO ELIGIBLE OFF-BALANCE SHEET ASSETS)	A	B	C	D	E	F	G	H	I	J	K	L
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERE FUNDING TAXONOMY RELEVANT (TAXONOMY-ELIGIBLE		
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTA ASSETS FUNDING T. RELEVANT SEC (TAXONOMY-ALI	
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
1	Financial guarantees (KPI FinGuar)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Asset under management (AuM KPI)	4.63%	1.82%	0.83%	0.15%	0.66%	0.13%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%

TEMPLATE 5 – KPI (FLOW) OFF-BALANCE SHEET EXPOSURES - KPI TURNOVER (31.12.2024)

	% (COMPARED TO ELIGIBLE OFF-BALANCE SHEET ASSETS)	A	B	C	D	E	F	G	H	I	J	K	L
		CLIMATE CHANGE MITIGATION (CCM)					CLIMATE CHANGE ADAPTATION (CCA)				WATER AND MARINE RESOURC		
		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERE FUNDING TAXONOMY RELEVANT (TAXONOMY-ELIGIBLE		
			PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)					PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTA ASSETS FUNDING T. RELEVANT SEC (TAXONOMY-ALI	
				OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED
1	Financial guarantees (KPI FinGuar)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Asset under management (AuM KPI)	4.01%	1.45%	0.83%	0.13%	0.51%	0.13%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%

M	N	O	P	Q	R	S	T	U	V	W	X	Z	AA	AB	AC	AD	AE
	T DISCLOSURE REFERENCE DATE																
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
ED ASSETS T SECTORS)	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
AL COVERED AXONOMY TORS GNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.12%	0.00%	0.00%	0.00%	0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.04%	1.83%	0.83%	0.15%	0.66%

M	N	O	P	Q	R	S	T	U	V	W	X	Z	AA	AB	AC	AD	AE
	T DISCLOSURE REFERENCE DATE																
ES (WTR)	CIRCULAR ECONOMY (CE)				POLLUTION (PPC)				BIODIVERSITY AND ECOSYSTEMS (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
ED ASSETS T SECTORS)	PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ELIGIBLE)				
AL COVERED AXONOMY TORS GNED)		PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)				PROPORTION OF TOTAL COVERED ASSETS FUNDING TAXONOMY RELEVANT SECTORS (TAXONOMY-ALIGNED)			
OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH ENABLING			OF WHICH USE OF PROCEED	OF WHICH TRANSI-TIONAL	OF WHICH ENABLING
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.20%	0.01%	0.00%	0.00%	0.25%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	4.61%	1.47%	0.83%	0.13%	0.51%

TEMPLATE 1 – NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

ROW		
	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related acrivities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - KPI CAPEX - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**246**	**3.34%**	**246**	**3.34%**	**0**	**0.00%**
8.	**Total applicable KPI**	**7,355**	**100.00%**	**7,355**	**100.00%**	**7,355**	**100.00%**

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - KPI TURNOVER - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**246**	**3.35%**	**246**	**3.35%**	**0**	**0.00%**
8.	**Total applicable KPI**	**7,355**	**100.00%**	**7,355**	**100.00%**	**7,355**	**100.00%**

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - KPI CAPEX - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**246**	**100.00%**	**246**	**99.91%**	**0**	**0.09%**
8.	**Total applicable KPI**	**246**	**100.00%**	**246**	**99.91%**	**0**	**0.09%**

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - KPI TURNOVER - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**246**	**100.00%**	**246**	**99.97%**	**0**	**0.03%**
8.	**Total applicable KPI**	**246**	**100.00%**	**246**	**99.97%**	**0**	**0.03%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - KPI CAPEX - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**560**	**7.62%**	**560**	**7.61%**	**0**	**0.00%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**560**	**7.62%**	**560**	**7.61%**	**0**	**0.00%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - KPI TURNOVER - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.01%	1	0.01%	0	0.00%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.01%	0	0.01%	0	0.00%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**566**	**7.70%**	**566**	**7.69%**	**0**	**0.00%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**568**	**7.72%**	**567**	**7.71%**	**0**	**0.00%**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - KPI CAPEX - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	25	0.34%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	45	0.62%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	43	0.59%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	54	0.74%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	0.20%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6,366**	**86.55%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**6,549**	**89.04%**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - KPI TURNOVER - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	0.14%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	25	0.34%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	55	0.74%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	94	1.28%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	94	1.28%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	15	0.20%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**6,248**	**84.94%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**6,541**	**88.93%**

TEMPLATE 1 – NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - EXPOSURES ON-BALANCE (STOCK) (31.12.2024)

ROW		
	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related acrivities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - KPI CAPEX - EXPOSURES ON-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**105**	**1.43%**	**105**	**1.43%**	**0**	**0.01%**
8.	**Total applicable KPI**	**7,355**	**100.00%**	**7,355**	**100.00%**	**7,355**	**100.00%**

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - KPI TURNOVER - EXPOSURES ON-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**99**	**1.35%**	**99**	**1.35%**	**0**	**0.00%**
8.	**Total applicable KPI**	**7,355**	**100.00%**	**7,355**	**100.00%**	**7,355**	**100.00%**

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - KPI CAPEX - EXPOSURES ON-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**105**	**100.00%**	**105**	**99.60%**	**0**	**0.40%**
8.	**Total applicable KPI**	**106**	**100.00%**	**105**	**99.60%**	**0**	**0.40%**

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - KPI TURNOVER - EXPOSURES ON-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**99**	**100.00%**	**99**	**99.97%**	**0**	**0.03%**
8.	**Total applicable KPI**	**99**	**100.00%**	**99**	**99.97%**	**0**	**0.03%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - KPI CAPEX - EXPOSURES ON-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**119**	**1.62%**	**119**	**1.62%**	**0**	**0.00%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**119**	**1.62%**	**119**	**1.62%**	**0**	**0.00%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - KPI TURNOVER - EXPOSURES ON-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**127**	**1.73%**	**127**	**1.73%**	**0**	**0.00%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**128**	**1.74%**	**128**	**1.74%**	**0**	**0.00%**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - KPI CAPEX - EXPOSURES ON-BALANCE (FLOW) (31.12.2024)

ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.08%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.04%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.05%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.05%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,114**	**96.73%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**7,130**	**96.94%**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - KPI TURNOVER - EXPOSURES ON-BALANCE (FLOW) (31.12.2024)

ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.04%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.08%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.08%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.05%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.05%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,106**	**96.61%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	**7,128**	**96.91%**

TEMPLATE 1 – NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

ROW		
	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related acrivities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - KPI CAPEX - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**897**	**2.49%**	**893**	**2.48%**	**5**	**0.01%**
8.	**Total applicable KPI**	**36,026**	**100.00%**	**36,026**	**100.00%**	**36,026**	**100.00%**

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - KPI TURNOVER - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**737**	**2.05%**	**733**	**2.03%**	**4**	**0.01%**
8.	**Total applicable KPI**	**36,026**	**100.00%**	**36,026**	**100.00%**	**36,026**	**100.00%**

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - KPI CAPEX - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**897**	**99.99%**	**893**	**99.49%**	**5**	**0.50%**
8.	**Total applicable KPI**	**897**	**100.00%**	**893**	**99.50%**	**5**	**0.50%**

TEMPLATE 3 - TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - KPI TURNOVER - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.01%	0	0.01%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**737**	**99.98%**	**733**	**99.44%**	**4**	**0.54%**
8.	**Total applicable KPI**	**737**	**100.00%**	**733**	**99.46%**	**4**	**0.54%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - KPI CAPEX - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%	1	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,365**	**3.79%**	**1,314**	**3.65%**	**51**	**0.14%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**1,365**	**3.79%**	**1,314**	**3.65%**	**51**	**0.14%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - KPI TURNOVER - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.01%	2	0.01%	0	0.00%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,224**	**3.40%**	**1,176**	**3.27%**	**48**	**0.13%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**1,227**	**3.41%**	**1,179**	**3.27%**	**48**	**0.13%**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - KPI CAPEX - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	92	0.26%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	131	0.36%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	159	0.44%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	208	0.58%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	30	0.08%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**33,142**	**92.00%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’**	**33,763**	**93.72%**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - KPI TURNOVER - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10	0.03%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	101	0.28%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	116	0.32%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	264	0.73%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	327	0.91%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	96	0.27%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**33,146**	**92.01%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’**	**34,062**	**94.55%**

TEMPLATE 1 – NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES - EXPOSURES OFF-BALANCE (STOCK) (31.12.2024)

ROW		
	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related acrivities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

TEMPLATE 2 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - KPI CAPEX - EXPOSURES OFF-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**655**	**1.82%**	**653**	**1.81%**	**2**	**0.01%**
8.	**Total applicable KPI**	**36,026**	**100.00%**	**36,026**	**100.00%**	**36,026**	**100.00%**

TEMPLATE 2 - TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) - KPI TURNOVER - EXPOSURES OFF-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**523**	**1.45%**	**521**	**1.45%**	**2**	**0.01%**
8.	**Total applicable KPI**	**36,026**	**100.00%**	**36,026**	**100.00%**	**36,026**	**100.00%**

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - KPI CAPEX - EXPOSURES OFF-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**655**	**99.99%**	**653**	**99.61%**	**2**	**0.38%**
8.	**Total applicable KPI**	**655**	**100.00%**	**653**	**99.62%**	**2**	**0.38%**

TEMPLATE 3 – TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) - KPI TURNOVER - EXPOSURES OFF-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.01%	0	0.01%	0	0.00%
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**523**	**99.98%**	**521**	**99.60%**	**2**	**0.38%**
8.	**Total applicable KPI**	**523**	**100.00%**	**521**	**99.62%**	**2**	**0.38%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - KPI CAPEX - EXPOSURES OFF-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,056**	**2.93%**	**1,011**	**2.81%**	**45**	**0.13%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**1,057**	**2.93%**	**1,011**	**2.81%**	**45**	**0.13%**

TEMPLATE 4 – TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - KPI TURNOVER - EXPOSURES OFF-BALANCE (FLOW) (31.12.2024)

		AMOUNT AND PROPORTION (THE INFORMATION IS TO BE PRESENTED IN MONETARY AMOUNTS AND AS PERCENTAGES)					
		CCM + CCA		CLIMATE CHANGE MITIGATION (CCM)		CLIMATE CHANGE ADAPTATION (CCA)	
ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.00%	2	0.00%	0	0.00%
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**964**	**2.68%**	**917**	**2.55%**	**46**	**0.13%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI**	**966**	**2.68%**	**920**	**2.55%**	**46**	**0.13%**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - KPI CAPEX - EXPOSURES OFF-BALANCE (FLOW) (31.12.2024)

ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	68	0.19%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	103	0.29%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	134	0.37%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	143	0.40%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	21	0.06%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**33,845**	**93.95%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’**	**34,314**	**95.25%**

TEMPLATE 5 – TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES - KPI TURNOVER - EXPOSURES OFF-BALANCE (FLOW) (31.12.2024)

ROW	ECONOMIC ACTIVITIES	AMOUNT IN MILLION EUROS	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7	0.02%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	75	0.21%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	86	0.24%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	195	0.54%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	233	0.65%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	63	0.18%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**33,879**	**94.04%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI’**	**34,537**	**95.87%**

Annex 2 – Information on key intangible resources[136]

In taking into account the provisions laid down by Italian regulations implementing Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting, Banca Generali formulates its considerations on key intangible resources and defines their elements focusing on the value of Banca Generali's brand, to which reference is made for relevant concepts and which is described in the introductory part to the Directors' Report on Operations, in Section "Brand Excellence and Centrality".

In addition, drawing inspiration from the guidelines set forth by the International Integrated Reporting Council (IIRC)[137] to improve corporate reporting, Banca Generali also considers as intangible resources relevant to value creation:

- people's competencies, capabilities and experience, and their motivation to innovate;
- the organisational capital (tacit knowledge, systems, procedures and protocols) and the value of knowledge (intellectual property);
- the set of shared norms, and common values and behaviours, stakeholder relationships, intangibles associated with the brand and reputation that an organisation has developed and an organisation's social licence to operate.

[136] This Annex forms integral part of the Directors' Report on Operations and is in line with Article 15 of Italian Legislative Decree No. 125 of 6 September 2024.
[137] The International Integrated Reporting Council (IIRC) has developed the IR Framework, intended to guide organisations in preparing reports that integrate financial and non-financial information.

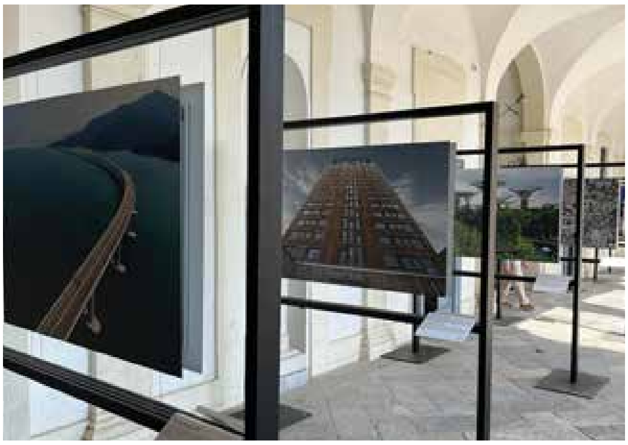

BANCA
GENERALI


BG | arTalent
BG Training&Innovation Hub


BG SUISSE
PRIVATE BANK
BG SUISSE
PRIVATE BANK


2007
2006
2003


TIME TO
CHANGE



Annex 3 – Own Workforce – Enhancement of People – Employees (Banca Generali S.p.A.)

EMPLOYED PERSONS BY TYPE OF CONTRACT AND GENDER: BANCA GENERALI S.P.A.

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Permanent contract	476	493	969	460	462	922
Fixed-term contract	28	18	46	28	35	63
Non-guaranteed hours	-	-	-	-	-	-
Total employees	**504**	**511**	**1,015**	**488**	**497**	**985**

EMPLOYED PERSONS BY TYPE OF EMPLOYMENT AND GENDER: BANCA GENERALI S.P.A.

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Full-time	466	510	976	477	496	943
Part-time	38	1	39	41	1	42
Total employees	**504**	**511**	**1,015**	**488**	**497**	**985**

EMPLOYED PERSONS WITH A ZERO-HOUR CONTRACT BY GENDER: ANCA GENERALI S.P.A.

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
External temporary contracts	-	3	3	-	2	2

EMPLOYED PERSONS BY PROFESSIONAL POSITION AND GENDER: BANCA GENERALI S.P.A.

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Managers	13	52	65	13	52	65
Executives	149	215	364	138	203	341
Employees	342	244	586	337	242	579
Total	**504**	**511**	**1,015**	**488**	**497**	**985**
Percentage	**50%**	**50%**	**100%**	**50%**	**50%**	**100%**

EMPLOYED PERSONS BY PROFESSIONAL POSITION AND AGE: BANCA GENERALI S.P.A.

	31.12.2024 (YE HC)				31.12.2023(YE HC)			
	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Managers	-	19	46	65	-	19	46	65
Executives	3	208	153	364	1	198	142	341
Employees	86	357	143	586	85	370	124	579
Total	**89**	**584**	**342**	**1,015**	**86**	**587**	**312**	**985**
Percentage	**9%**	**57%**	**34%**	**100%**	**9%**	**59%**	**32%**	**100%**

PERCENTAGE OF EMPLOYEES WITH DISABILITIES ON TOTAL OWN WORKFORCE: BANCA GENERALI S.P.A.

	31.12.2024 (YE HC)			31.12.2023 (YE HC)		
	F	M	TOTAL	F	M	TOTAL
Percentage	**5%**	**4%**	**5%**	**6%**	**4%**	**5%**

TURNOVER: BANCA GENERALI S.P.A.

31.12.2024 (YE HC)	HEADCOUNT	NO. OF HIRINGS	NO. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
Female	504	51	35	10%	7%
Male	511	53	39	10%	8%
Total	**1,015**	**104**	**74**	**10%**	**7%**

31.12.2023 (YE HC)	HEADCOUNT	NO. OF HIRINGS	NO. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
Female	488	41	30	8%	6%
Male	497	59	25	12%	5%
Total	**985**	**100**	**55**	**10%**	**6%**

Training and Development of Human Capital: Banca Generali S.p.A.

AVERAGE TRAINING HOURS BY GENDER AND PROFESSIONAL POSITION: BANCA GENERALI S.P.A.

	31.12.2024	31.12.2023
Average training hours per employee	65	63
Average training hours per female employee	63	61
Average training hours per male employee	67	64
Average training hours per Manager	104	87
Average training hours per Executive	72	70
Average training hours per Employee	57	56

Industrial and Trade Union Relations: Banca Generali S.p.A.

In 2024, the rate of trade union membership was 34% for the parent company Banca Generali S.p.A.

Health and Safety in the Workplace: Banca Generali S.p.A.

A work-related accident occurred in 2024 that did not cause death, serious or permanent disability, or occupational diseases.

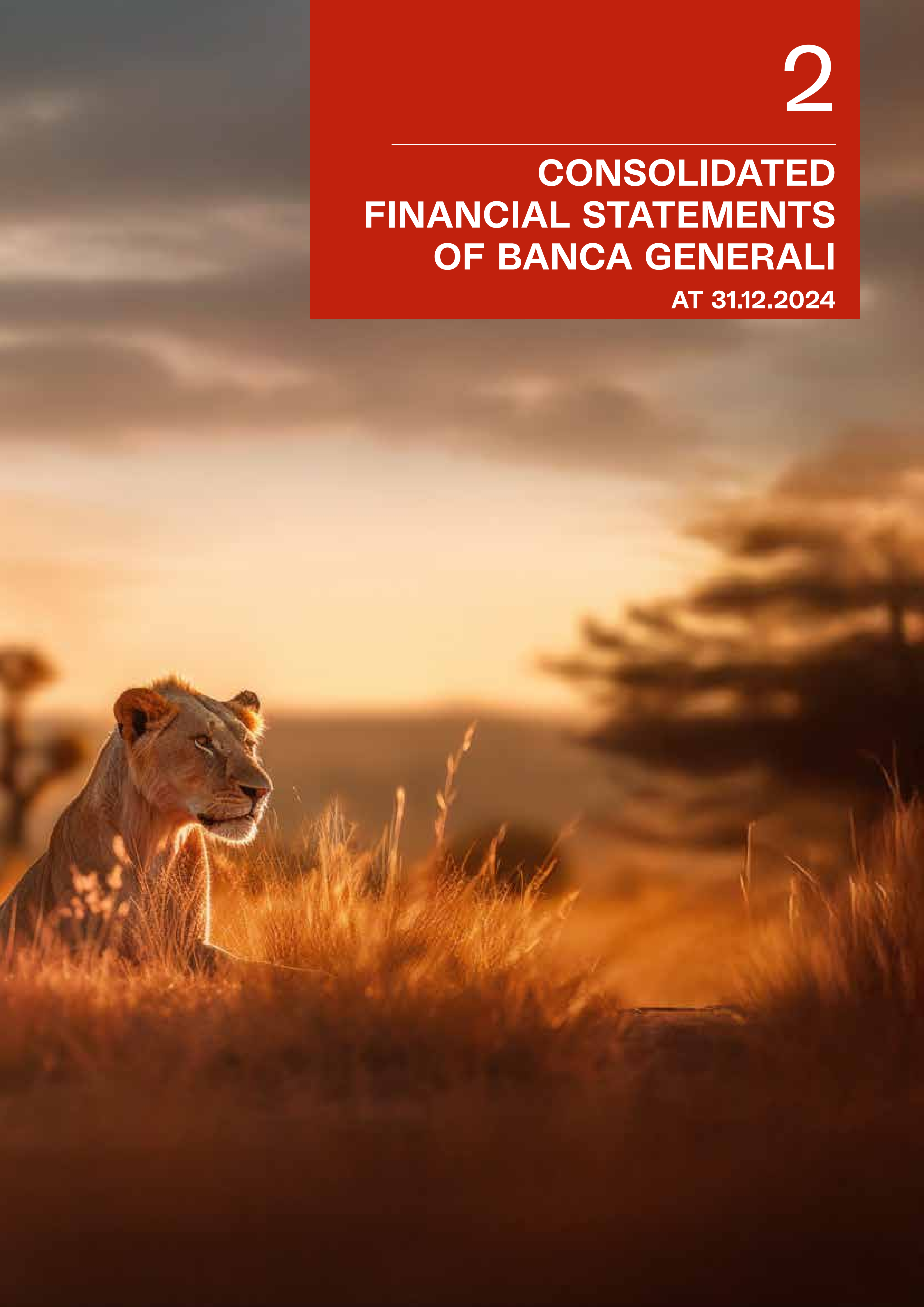
The rate of recordable work-related accidents was 0.61 in 2024 (0.00 in 2023)

Note: This information is provided to offer a specific overview focused solely on the parent company Banca Generali.

2

CONSOLIDATED FINANCIAL STATEMENTS OF BANCA GENERALI

AT 31.12.2024



Accounting Statements

CONSOLIDATED BALANCE SHEET

ASSETS

(€ THOUSAND)	31.12.2024	31.12.2023
10. Cash and deposits	1,056,109	618,973
20. Financial assets measured at fair value through profit or loss:	512,209	509,407
a) HFT financial assets	121	166
c) other financial assets mandatorily measured at fair value	512,088	509,241
30. Financial assets measured at fair value through other comprehensive income	1,521,864	1,000,936
40. Financial assets measured at amortised cost:	12,652,643	12,316,421
a) loans to banks	2,749,514	2,257,391
b) loans to customers	9,903,129	10,059,030
50. Hedging derivatives	131,221	161,955
70. Equity investments	2,962	1,975
90. Property and equipment	130,971	141,433
100. Intangible assets	153,964	150,621
of which:		
- *goodwill*	*88,073*	*88,073*
110. Tax assets:	122,889	108,113
a) current	38,227	37,835
b) prepaid	84,662	70,278
120. Non-current assets held for sale or disposal groups	227	–
130. Other assets	536,926	507,328
Total assets	**16,821,985**	**15,517,162**

LIABILITIES AND NET EQUITY

(€ THOUSAND)	31.12.2024	31.12.2023
10. Financial liabilities measured at amortised cost:	14,521,277	13,503,015
a) due to banks	356,431	231,684
b) due to customers	14,164,846	13,271,331
20. HFT financial liabilities	108	159
40. Hedging derivatives	176,946	132,662
50. Adjustment to macro-hedged financial liabilities (+\-)	2,141	-
60. Tax liabilities:	18,267	46,088
a) current	5,836	39,582
b) deferred	12,431	6,506
80. Other liabilities	298,944	353,037
90. Employee termination indemnities	3,402	3,772
100. Provisions for liabilities and contingencies:	340,977	265,164
a) commitments and guarantees issued	11,796	9,591
b) pensions and similar obligations	3,145	2,476
c) other provisions for liabilities and contingencies	326,036	253,097
120. Valuation reserves	8,372	-797
140. Equity instruments	100,000	50,000
150. Reserves	838,350	752,749
160. Share premium reserve	52,392	52,992
170. Share capital	116,852	116,852
180. Treasury shares (-)	-87,268	-85,005
190. Net equity attributable to minority interests (+/-)	–	338
200. Net profit (loss) for the year (+/-)	431,225	326,136
Total net equity and liabilities	**16,821,985**	**15,517,162**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

ITEMS

(€ THOUSAND)		2024	2023
10.	Interest income and similar revenues	482,910	434,242
20.	Interest expense and similar charges	-165,804	-129,842
30.	**Net interest income**	**317,106**	**304,400**
40.	Fee income	1,207,559	977,247
50.	Fee expense	-549,354	-495,519
60.	**Net fees**	**658,205**	**481,728**
70.	Dividends and similar income	1,309	1,215
80.	Net income (loss) from trading activities	8,150	3,940
90.	Net income (loss) from hedging	-192	1,183
100.	Gain (loss) on disposal or repurchase of:	9,810	5,544
	a) financial assets measured at amortised cost	8,964	5,324
	b) financial assets at fair value through other comprehensive income	846	220
110.	Net income (loss) from financial assets and liabilities measured at fair value through profit and loss:	2,459	5,061
	b) other financial assets mandatorily measured at fair value	2,459	5,061
120.	**Net banking income**	**996,847**	**803,071**
130.	Net adjustments/reversals due to credit risk relating to:	1,837	-528
	a) financial assets measured at amortised cost	2,030	-692
	b) financial assets measured at fair value through other comprehensive income	-193	164
150.	**Net income (loss) from trading activities**	**998,684**	**802,543**
190.	General and administrative expenses:	-398,432	-365,157
	a) staff expenses	-134,997	-124,371
	b) other general and administrative expenses	-263,435	-240,786
200.	Net provisions for liabilities and contingencies:	-121,545	-64,736
	a) commitments and guarantees issued	-11,605	-9,540
	b) other net provisions	-109,940	-55,196
210.	Net adjustments/reversals of property and equipment	-24,076	-23,868
220.	Net adjustments/reversals of intangible assets	-18,067	-15,858
230.	Other operating expenses/income	133,967	112,032
240.	**Operating expenses**	**-428,153**	**-357,587**
250.	Gains (losses) from equity investments	-759	-1,027
280.	Gains (losses) on disposal of equity investments	1	-82
290.	**Net profit before income taxes**	**569,773**	**443,847**
300.	Income taxes for the year on operating activities	-138,548	-117,769
310.	**Net profit after income taxes**	**431,225**	**326,078**
330.	**Net profit for the year**	**431,225**	**326,078**
340.	Net profit (loss) for the year attributable to minority interests	–	-58
350.	**Net profit (loss) for the year attributable to the Parent Company**	**431,225**	**326,136**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ITEMS

(€ THOUSAND)		2024	2023
10.	**Net profit for the year**	**431,225**	**326,078**
	Other income net of income taxes, without transfer to Profit and Loss Account		
20.	Equity securities designated at fair value through other comprehensive income	-103	531
70.	Defined benefit plans	-776	-1,092
	Other income net of income taxes, with transfer to Profit and Loss Account		
120.	Exchange differences	-526	1,757
130	Cash flow hedges	4,703	–
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	5,658	7,931
200.	**Total other income net of income taxes**	**8,956**	**9,127**
210.	**Comprehensive income**	**440,181**	**335,205**
220.	Consolidated comprehensive income attributable to minority interests	-213	-106
230.	**Consolidated comprehensive income attributable to the Parent Company**	**440,394**	**335,311**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ITEMS

(€ THOUSAND)	SHARE CAPITAL A) ORDINARY SHARES	SHARE CAPITAL B) OTHER	SHARE PREMIUM RESERVE	RESERVES A) RETAINED EARNINGS	RESERVES B) OTHER	VALUATION RESERVES	EQUITY INSTRU-MENTS	INTERIM DIVIDENDS	TREASURY SHARES	NET PROFIT (LOSS) FOR THE YEAR	NET EQUITY	GROUP NET EQUITY	NET EQUITY ATTRIBUT-ABLE TO MINORITY INTERESTS
Net equity at 31.12.2023	**117,127**	**-**	**52,992**	**714,393**	**38,264**	**-584**	**50,000**	**-**	**-85,005**	**326,078**	**1,213,265**	**1,212,927**	**338**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount at 01.01.2024	117,127	-	52,992	714,393	38,264	-584	50,000	-	-85,005	326,078	1,213,265	1,212,927	338
Allocation of net profit for the previous year:	-	-	-	71,260	-	-	-	-	-	-326,078	-254,818	-254,818	-
- Reserves	-	-	-	74,847	-	-	-	-	-	-74,847	-	-	-
- Dividends and other allocations	-	-	-	3,587	-	-	-	-	-	-251,231	-254,818	-254,818	-
Change in reserves	-	-	-	-	-196	-	-	-	-1	-	-197	-197	-
Transactions on net equity:	-275	-	-600	6,021	8,608	-	50,000	-	-2,262	-	61,492	61,617	-125
- Issue of new shares	-	-	-600	-	7,076	-	-	-	7,677	-	1	1	-
- Purchase of treasury shares	-	-	-	-	-	-	-	-	-9,939	-	-9,939	-9,939	-
- Interim dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
- Extraordinary dividends	-	-	-	6,021	-	-	-	-	-	-	6,021	6,021	-
- Change in equity instruments	-	-	-	-	-	-	50,000	-	-	-	50,000	50,000	-
- Derivatives on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stock options	-	-	-	-	16,823	-	-	-	-	-	16,823	16,823	-
- Change in ownership interests	-275	-	-	-	-1,139	-	-	-	-	-	-1,414	-1,289	-125
Comprehensive income	-	-	-	-	-	8,956	-	-	-	431,225	440,181	440,394	-213
Net equity at 31.12.2024	**116,852**	**-**	**52,392**	**791,674**	**46,676**	**8,372**	**100,000**	**-**	**-87,268**	**431,225**	**1,459,923**	**1,459,923**	**-**
Group net equity	**116,852**	**-**	**52,392**	**791,674**	**46,676**	**8,372**	**100,000**	**-**	**-87,268**	**431,225**	**1,459,923**		
Net equity attributable to minority interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		

(€ THOUSAND)	SHARE CAPITAL A) ORDINARY SHARES	SHARE CAPITAL B) OTHER	SHARE PREMIUM RESERVE	RESERVES A) RETAINED EARNINGS	RESERVES B) OTHER	VALUATION RESERVES	EQUITY INSTRU-MENTS	INTERIM DIVIDENDS	TREASURY SHARES	NET PROFIT (LOSS) FOR THE YEAR	NET EQUITY	GROUP NET EQUITY	NET EQUITY ATTRIBUT-ABLE TO MINORITY INTERESTS
Net equity at 31.12.2022	**117,127**	**-**	**53,767**	**691,660**	**32,842**	**-9,710**	**50,000**	**-**	**-80,139**	**212,973**	**1,068,520**	**1,068,078**	**442**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount at 01.01.2023	117,127	-	53,767	691,660	32,842	-9,710	50,000	-	-80,139	212,973	1,068,520	1,068,078	442
Allocation of net profit for the previous year:	-	-	-	18,537	-	-	-	-	-	-212,973	-194,436	-194,436	-
- Reserves	-	-	-	20,168	-	-	-	-	-	-20,168	-	-	-
- Dividends and other allocations	-	-	-	-1,631	-	-	-	-	-	-192,805	-194,436	-194,436	-
Change in reserves	-	-	-	-607	-	-1	-	-	-	-	-608	-610	2
Transactions on net equity:	-	-	-775	4,803	5,422	-	-	-	-4,866	-	4,584	4,584	-
- Issue of new shares	-	-	-775	-	-6,606	-	-	-	7,381	-	-	-	-
- Purchase of treasury shares	-	-	-	-	-	-	-	-	-12,247	-	-12,247	-12,247	-
- Interim dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
- Extraordinary dividends	-	-	-	4,803	-	-	-	-	-	-	4,803	4,803	-
- Change in equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
- Derivatives on treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stock options	-	-	-	-	12,028	-	-	-	-	-	12,028	12,028	-
- Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	-	-	-	9,127	-	-	-	326,078	335,205	335,311	-106
Net equity at 31.12.2023	**117,127**	**-**	**52,992**	**714,393**	**38,264**	**-584**	**50,000**	**-**	**-85,005**	**326,078**	**1,213,265**	**1,212,927**	**338**
Group net equity	**116,852**	**-**	**52,992**	**714,492**	**38,257**	**-797**	**50,000**	**-**	**-85,005**	**326,136**	**1,212,927**		
Net equity attributable to minority interests	**275**	**-**	**-**	**-99**	**7**	**213**	**-**	**-**	**-**	**-58**	**338**		

CONSOLIDATED CASH FLOW STATEMENT

INDIRECT METHOD

(€ THOUSAND)	2024	2023
A. OPERATING ACTIVITIES		
1. Operations	**427,946**	**328,766**
Net profit (loss) for the year	431,225	326,078
Gain/loss on HFT financial assets and other assets and liabilities measured at fair value through profit or loss	-3,370	-11,649
Gain/loss on hedging assets	-6,929	6,222
Net adjustments/reversals due to credit risk	-1,837	528
Net adjustments/reversals of property, equipment and intangible assets	42,143	39,726
Net provisions for liabilities and contingencies and other costs/revenues	74,893	23,424
Taxes, duties and tax credits not paid	-45,598	-37,591
Adjustments/Reversals of discontinued operations	–	–
Other adjustments	-62,581	-17,971
2. Liquidity generated by/used for financial assets (+/-)	**-687,515**	**1,765,842**
HFT financial assets	156	1,998
Financial assets designated at fair value	–	–
Other financial assets mandatorily measured at fair value	412	7,744
Financial assets measured at fair value through other comprehensive income	-498,942	133,757
Financial assets measured at amortised cost:	-212,340	1,665,631
Loans to banks	*-473,179*	*339,963*
Loans to customers	*260,839*	*1,325,668*
Other assets	23,198	-43,289
3. Liquidity generated by/used for financial liabilities (+/-)	**937,676**	**-1,999,678**
Financial liabilities measured at amortised cost:	967,007	-2,028,485
Due to banks	*119,055*	*-312,892*
Due to customers	*847,952*	*-1,715,593*
Securities issued	–	–
HFT financial liabilities	-51	3
Financial liabilities designated at fair value	–	–
Other liabilities	-29,280	28,804
Net liquidity generated by/used for operating activities	**678,106**	**94,931**

(€ THOUSAND)	2024	2023
B. INVESTING ACTIVITIES		
1. Liquidity generated by	**72**	**89**
Disposal of equity investments	72	89
Dividends received	–	–
Disposal of property and equipment	–	–
Disposal of intangible assets	–	–
Disposal of subsidiaries and business units	–	–
2. Liquidity used for	**-27,802**	**-27,563**
Purchase of equity investments	-2,045	–
Purchase of property and equipment	-2,930	-1,502
Purchase of intangible assets	-21,410	-26,061
Purchase of subsidiaries and business units	-1,417	–
Net liquidity generated by/used for investing activities	**-27,730**	**-27,474**
C. FUNDING ACTIVITIES		
Issue/purchase of treasury shares	-9,939	-12,247
Issue/purchase of equity instruments	50,000	–
Distribution of dividends and other	-253,302	-210,476
Disposal/Purchase of controlling interests	–	–
Net liquidity generated by/used for funding activities	**-213,241**	**-222,723**
NET LIQUIDITY GENERATED/USED IN THE YEAR	**437,136**	**-155,266**
Reconciliation		
Cash and cash equivalents at year-start	**618,973**	**774,239**
Total liquidity generated/used in the year	437,136	-155,266
Cash and cash equivalents – effects of exchange rate fluctuations	–	–
Cash and cash equivalents at year-end	**1,056,109**	**618,973**

Legend
(+) Liquidity generated
(-) Liquidity used

Notes and Comments

PART A – ACCOUNTING POLICIES

Part A.1 – General

Section 1 – Declaration of Compliance with International Accounting Standards

These Consolidated Financial Statements have been drawn up in compliance with Italian Legislative Decree No. 38 of 28 February 2005, based on the International Accounting Standards issued by the International Accounting Standards Board (IASB) and interpretation of the International Financial Reporting Interpretations Committee (IFRIC), and endorsed by the European Commission with Regulation No. 1606 of 19 July 2002.

In preparing the Consolidated Financial Statements, Banca Generali adopted the IAS/IFRS in force at the reference date of the report (including SIC and IFRIC interpretations), as endorsed by the European Union.

It should be noted that, following the completion of the endorsement procedure, as of 1 January 2024, several amendments to the IAS/IFRS and IFRIC were adopted and new IFRIC were issued.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED IN PREVIOUS YEARS AND EFFECTIVE AS OF 2024

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IFRS 16 – Leases: *Lease Liability in a Sale and Leaseback* (issued on 22 September 2022)	2023/2579	21.11.2023	01.01.2024
Amendments to IAS 1 – *Presentation of Financial Statements*	2023/2822	20.12.2023	01.01.2024
• *Classification of Liabilities as Current or Non-current* (issued on 23 January 2020);	2023/2822	20.12.2023	01.01.2024
• *Classification of Liabilities as Current or Non-current - Deferral of Effective Date* (issued on 15 July 2020); and	2023/2822	20.12.2023	01.01.2024
• *Non-current Liabilities with Covenants* (issued on 31 October 2022)	2023/2822	20.12.2023	01.01.2024

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED IN 2024 AND EFFECTIVE AS OF 2024

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures: Supplier Finance Arrangements* (issued on 25 May 2023)	2024/1317	16.05.2024	01.01.2024

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BUT NOT EFFECTIVE YET

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (issued on 15 August 2023)	2024/2862	13.11.2024	01.01.2025

The date of entry into force of some of the already endorsed standards has been postponed until subsequent years. The early application option has not been exercised for those standards.

The standards and interpretations that entered into force in 2024 did not have a significant impact on the Group’s balance sheet and profit and loss account.

Section 2 – Preparation Criteria

The Consolidated Financial Statements consist of the following documents:
- Balance Sheet;
- Profit and Loss Account;
- Statement of Other Comprehensive Income;
- Statement of Changes in Net equity;
- Cash Flow Statement;
- Notes and Comments.

The accounts are accompanied by a Directors' report on the Banking Group's operations, financial situation, profit and loss and balance sheet results.

In compliance with the requirements of Article 5 of Italian Legislative Decree No. 38/2005, the Consolidated Financial Statements were prepared in euros. All amounts in the Financial Statements and the figures in the Notes and Comments are denominated in thousands of euros. Unless otherwise specified, the figures reported in the Directors' Report on Operations are denominated in thousands of euros.

The Financial Statements and Notes and Comments include figures for the period under review, as well as comparative data at 31 December 2023.

The Financial Statements are prepared by applying the general standards set out in IAS 1 and the specific accounting standards approved by the European Commission, as illustrated in Part A.2 of these Notes and Comments.
International accounting standards have been applied in compliance with the Framework for the Preparation and Presentation of Financial Statements drafted by the IASB.
There were no derogations of the application of IAS/IFRS.

The Directors' Report on Operations and the Notes and Comments include the information required by international accounting standards, the law, the Bank of Italy and the Italian National Commission for Listed Companies and the Stock Exchange (Consob), as well as other non-compulsory information that was deemed necessary to provide an accurate and fair picture of the Banking Group's situation.

The measurement criteria have been adopted on a going-concern basis and are shaped by the principles of accrual-basis accounting and the relevance and meaningfulness of accounting disclosures. Economic substance takes precedence over legal form.
In further detail, the Directors are reasonably certain that the Bank will continue to operate in its current form for the foreseeable future (for at least 12 months) and have prepared the Financial Statements on a going-concern basis. Any uncertainty detected has not been deemed material and does not cast doubt on the Group's ability to operate as a going concern.

Content of the Financial Statements and the Notes and Comments

The Consolidated Financial Statements at 31 December 2024 were prepared based on the "Instructions for Preparing the Financial Statements and Consolidated Financial Statements of Banks and Parent Holding Companies of Banking Groups," which were issued by the Bank of Italy with order dated 22 December 2005 in the exercise of the powers established in Article 43 of Italian Legislative Decree No. 36/2015. Such instructions were issued in Circular No. 262/05, as further updated.
These Instructions set forth binding rules governing the presentation and preparation of financial statements and the minimum content of the Notes and Comments.
In detail, the 8th update to Circular No. 262/2005 was published on 17 November 2022. It governs the effects of the entry into force of IFRS 17 for banking conglomerates with equity interests in insurance companies, effective from financial statements closed on 31 December 2023.

Accounts that do not include items pertaining to the year under review or the previous year are not stated in the Balance Sheet and Profit And Loss Account. Likewise, sections or tables which include no values are not included in the Notes and Comments.

The Statement of Comprehensive Income begins with the net profit (loss) for the year and then presents components of profit and loss recognised through valuation reserves, net of the related tax effect, in accordance with international accounting standards.
Consolidated comprehensive income is presented by providing a separate account of components of profit and loss that will not be reversed to the profit and loss account in the future, and components that may subsequently be reclassified to net profit (loss) for the year under certain conditions.
As for the balance sheet and profit and loss account, items with nil amounts in both the reporting year and previous year are not presented.

The Statement of Changes in Consolidated Net Equity is presented by inverting the rows and columns with respect to the presentation requested by Bank of Italy Circular No. 262/2005.

The statement presents the composition of and changes in net equity accounts during the reporting year and the previous year, broken down into share capital, capital reserves, earnings reserves, asset and liability valuation reserves, and net profit. Treasury shares are recorded as a reduction to net equity.

The Cash Flow Statement was prepared using the indirect method, according to which cash flows from operating activities are derived by adjusting net profit for the effects of non-cash transactions.

Cash flows are broken down into:
- cash flows from operating activities, including cash flows from operations and cash flows from increases and decreases in financial assets and liabilities;
- cash flows generated by (used for) investing activities involving fixed assets;
- cash flows generated by (used for) funding activities linked to the acquisition of own funds and their remuneration.

Specifically, sections 2 and 3 include only cash generated by (used for) the decrease (increase) in financial assets or the increase (decrease) in financial liabilities resulting from new transactions or reimbursements related to existing transactions.

Accordingly, these sections do not include items such as changes in value (value adjustments/reversal), amortisation and depreciation, the net balance of unpaid taxes (current and deferred), interest and unpaid or uncollected fees; these items have been disclosed separately and classified under operating activities.

Moreover, these cash flows also do not include changes in operating assets and liabilities, but include those relating to financing activities, such as changes in operating loans and amounts payable to Financial Advisors and employees and any related advance payments.

Annual Financial Report

The Consolidated Financial Statements are published in accordance with Article 154-*ter* of Italian Legislative Decree No. 58/1998. The statute requires that, within four months of the end of the year, listed issuers incorporated in Italy make an **Annual Financial Report** including the following items available to the public at their registered offices, on their websites and in the other ways specified by Consob in a regulation:
- the Consolidated Financial Statements;
- the Annual Financial Statements of the Company;
- the Report on Operations; and
- the Attestation as per Article 154-*bis*, paragraph 5.

The Independent Auditors' Report and the Board of Statutory Auditors' Report pursuant to Article 153 of the Consolidated Law on Finance (TUF) are published in their entirety with the Annual Financial Report.
In addition, no fewer than 21 days must lapse between the date of publication of the Annual Financial Report and the date of the General Shareholders' Meeting.

According to the provisions of Article 41, paragraph 5-*bis*, of Italian Legislative Decree No. 136/2015 of 18 August 2015, implementing Directive No. 2013/34/EU, the Consolidated Report on Operations and the Separate Report on Operations of the company may be presented as a single document, in which additional attention is dedicated to issues relevant to the entirety of the companies within the scope of consolidation, as appropriate.
Banca Generali elected to exercise this option by presenting a single document. Consequently, the Consolidated Report on Operations also includes the information required for the Separate Report on Operations.

Non-Financial Statement

For the purposes of integrated reporting of financial and non-financial information, Banca Generali prepares an **Annual Integrated Report** that integrates its **Directors' Report on Operations** with the non-financial information pursuant to Italian Legislative Decree No. 125[1] of 6 September 2024, effective in Italy as of 25 September, enacting Directive 2022/2464 (CSRD – Corporate Sustainability Reporting Directive) published in the *Official Journal* of the European Union on 16 December 2022 and effective 5 January 2023.

The CSRD requires European undertakings to disclose detailed information on their environmental, social and governance (ESG) impacts and information necessary to understand how sustainability matters affect their business, with the objective of facilitating the various stakeholders' understanding of ESG impacts.
As a less significant bank, Banca Generali has an obligation to publish the Sustainability Statement.

The Sustainability Statement — included in the Directors' Report on Operations as a specific section thereof — must contain information in compliance with the provisions of European Sustainability Reporting Standards – ESRS (see Commission Delegated Regulation (EU) 2023/2772).

[1] This Decree repealed the pre-existing Italian Legislative Decree 254/2016 implementing Directive 2014/95/EU (NFRD – Non Financial Reporting Directive).

Section 3 – Consolidation Scope and Methods

3.1 Scope of Consolidation

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	OPERATING OFFICE	TYPE OF CONTROL	SHAREHOLDING RELATIONSHIP		% OF VOTE IN ORDINARY SHAREHOLDER'S MEETING
				OWNERSHIP	% OF INTEREST	
Banca Generali S.p.A.	Trieste	Trieste, Milan		Parent company		
BG Fund Management Luxembourg S.A.	Luxembourg	Luxembourg	1	Banca Generali	100.00%	100.00%
Generfid S.p.A.	Milan	Milan	1	Banca Generali	100.00%	100.00%
BG (Suisse) Private Bank S.A.	Lugano	Lugano	1	Banca Generali	100.00%	100.00%
BG Valeur S.A.	Lugano	Lugano	1	Banca Generali	100.00%	100.00%

Legend: type of control:
(1) Control pursuant to Article 2359, paragraph 1(1), of the Italian Civil Code (majority of voting rights at General Shareholders' Meetings).

However, it should be noted that at the end of June 2024, Banca Generali acquired a 9.9% minority interest from the shareholders of BG Valeur S.A., bringing its interest in the company to 100%. On 8 October 2024, the equity investment was then transferred to the subsidiary BG (Suisse) Private Bank S.A.

The consolidated accounts include the separate accounts of the Parent Company and its subsidiaries at 31 December 2024, reclassified and adjusted where necessary to take account of IAS/IFRS adopted by the Parent Company and the consolidation requirements. The most significant intra-Group transactions, influencing both the balance sheet and profit and loss account, were eliminated. Unreconciled amounts were recognised in other assets/liabilities and other revenues/expenses, respectively.

3.2 Significant judgements and assumptions used in determining the scope of consolidation

3.2.1 Subsidiaries

Entities, including structured entities, over which the Group has a direct or indirect control, are subsidiaries.
Control over an entity exists when the Group has the power to influence the variable returns to which the Group is exposed from its involvement with the investee.

To determine that control exists, the Group considers the following factors:

- the investee's purpose and design, to identify the entity's purpose, the activities that determine its returns and how decisions about such activities are made;
- power, to understand whether the Group has contractual rights that give the Group the ability to direct the relevant activities; for this purpose, only substantive rights entailing practical ability to direct the investee are considered;
- exposure in the investee, to establish whether the Group has relations with the investee whose returns can vary based on changes in the investee's performance;
- existence of possible principal/agent relationships.

Where relevant activities are directed through voting rights, the following factors are evidence of control:

- ownership, direct or indirect through subsidiaries, of more than half of the voting rights of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control;
- ownership of half or less of the votes that can be exercised in the General Shareholders' Meeting and the effective power to unilaterally govern significant activities through:
  - control over more than half of the voting rights by virtue of an agreement with other investors;
  - the power to govern the financial and operating policies of the entity under a statute or an agreement;
  - the power to appoint or remove the majority of the members of the board of directors or equivalent governing body, and the entity is managed by that board or body;
  - the power to cast the majority of votes at meetings of the board of directors or equivalent governing body, and the entity is controlled by that board or body.

The existence and effect of potential voting rights, if substantive, are taken into consideration when assessing whether a party has the power to direct the financial and management policies of another entity.

Subsidiaries may also include "structured entities" in which voting rights are not significant in assessing the existence of control, including special purpose entities (SPEs) and investment funds.

Structured entities are considered as subsidiaries when:

- the Group has power arising from contractual rights to direct relevant activities;
- the Group is exposed to variable returns arising from such activities.

For further details on the assessments conducted in respect of the investment in the Forward Fund, a closed-ended, reserved alternative investment fund (AIF), subscribed in 2021 within the framework of a transaction to restructure a portfolio of senior notes arising from the securitisation of health receivables, in which Banca Generali holds an interest equal to 98% of assets, reference should be made to the information provided in "Part E – Information on Risks and Risk Hedging Policies", Section 2 "Prudential consolidation risks", Subsection D "Transfers", paragraph C "Prudential consolidation - transferred financial assets fully derecognised", of these Notes and Comments.

3.2.2 Associate Companies

An associate company is one over which the investor has significant influence and that is neither a subsidiary nor a joint venture.

Significant influence is assumed when the investor:

- holds, directly or indirectly, 20% or more of the share capital in the investee, or
- has significant influence over the investee, also by way of shareholders' agreements, through:
  a) representation on the governing body of the investee;
  b) participation in policy making processes, including with regard to decisions on dividends and other distributions;
  c) material transactions;
  d) interchange of management personnel;
  e) provision of essential technical information.

Equity investments in associates are valued using the equity method.

As of 31 December 2024, the Banking Group's scope of consolidation did not include any equity investment in an associate company.
In fact, in 2024, Banca Generali had first transferred a part of its equity investment in Nextam Partners Sim S.p.A., reducing it interest in the company's share capital from 19.9% to approximately 15.5%, and subsequently, on 9 January 2025, communicated to the company its intention to exercise a put option on the remaining stake, currently being executed.
Accordingly, at 31 December 2024, the equity investment in Nextam Partners Sim S.p.A. was reclassified among Non-current assets held for sale, pursuant to IFRS 5.

3.2.3 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control.
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under IFRS 11, joint arrangements are classified as either a joint operation or a joint venture based on the Group's contractual rights or obligations:

- a joint operation is a joint arrangement whereby the parties have rights to the assets and obligations for the liabilities relating to the arrangement;
- a joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement.

Equity investments in joint arrangements are valued using the equity method.

As at 31 December 2024, the scope of the Banking Group included a single equity investment in a company subject to joint control:

- BG Saxo SIM S.p.A., an investment firm formed as part of the joint venture with Saxo Bank, originally acquired in 2019 and in which Banca Generali currently holds a 49.0% equity interest.

In this regard, it should be noted that in the year Banca Generali finalised the purchase of an additional 29.1% stake in BG Saxo's share capital, thus increasing its interest from 19.9% to 49.0%.

Banca Generali – Saxo Bank A/S joint venture
The process for creating the joint venture began on 9 March 2018, when the Board of Directors of Banca Generali approved the final agreements with Saxo Bank to set up a joint arrangement for the development of online trading market and related digital services in Italy.

The objective of the partnership, which has a duration of eight years and may be renewed upon expiry, is to offer clients, on an exclusive basis for the Italian market, access to an innovative platform for advanced trading based on Saxo Bank's technology.
Banca Generali makes available its banking platform and its leading market position in private banking to foster synergies and develop new opportunities for its Financial Advisors and clients, who will thus enjoy access to one of the most comprehensive suites of global trading tools.
The Bank also provides outsourced services to the new brokerage firm (SIM), specifically various back-office activities relating to customer order receipt and execution services.
Saxo Bank instead provides the new SIM with its multi-assets platform that enhances the range of trading and dynamic hedging services, with a particular expertise in FX.

Under the terms of the agreements, the new venture is to be conducted through a newly formed company, BG Saxo SIM, of which Banca Generali is a co-owner with a 19.9% stake.
After being authorised by Consob and entered into the Register of Securities Brokerage Firms on 28 December 2018, the new brokerage firm became operational in 2019.

After an initial test phase, in June 2019 the Company officially began to operate with Banca Generali's customers who decided to open the new account BG Extra, associated with the contract that such customers had entered into with BG Saxo SIM for own account trading services, execution of orders on account of customers and order receipt and transmission.

The process of establishing the joint venture was concluded on 31 October 2019, when, after having obtained the required authorisations, Banca Generali acquired the aforementioned 19.9% stake from Saxo Bank A/S.

An overall revision of the joint venture agreement with Saxo Bank was completed in the second half of 2024. This process entailed an increase in Banca Generali's equity investment to 49.0% of share capital and the sale en bloc, pursuant to Article 68, paragraph 7, of TUB, of a portfolio of securities account contracts with customers, considered autonomous in functional terms from other relationships between Banca Generali and its customers (online trading customers).

A new unbundled business model was also adopted. Under this model:
› BG Saxo SIM was organised to directly provide its customers who use the online trading platform with securities custody and administration services and may also hold sums belonging to customers;
› Banca Generali waived the exclusive right to market BG Saxo SIM's trading services and, accordingly, both customer onboarding activities and the possibility for the Bank's customers to operate through the Financial Advisors of the same ceased;
› within the framework of the new distribution agreement between BG Saxo SIM and the Bank, in return for the services provided by the latter, and in reference to customers receiving portfolio aggregation and monitoring service, a fee will be paid based on total revenues.

According to the assessment conducted, BG Saxo SIM is deemed to qualify as a joint arrangement, and in particular as a joint venture, pursuant to IFRS 11, and therefore, in accordance with paragraphs 24 and 26 of IFRS 11, it is recognised:
a) in the consolidated financial statements by applying the equity method in accordance with IAS 28;
b) in the separate financial statements, in accordance with IAS 27, paragraph 10, using the cost method.

3.3 Significant non-controlling interests in subsidiaries

At 31 December 2024, all the Group's equity investments were in wholly owned subsidiaries.

3.4 Significant restrictions

At 31 December 2024, there were no significant restrictions of a legal, contractual, or statutory nature on the Parent Company's ability to access the Group's assets or to use them to discharge the Group's liabilities.

3.5 Other information

None of the financial statements of the subsidiaries used in preparing the Consolidated Financial Statements have a different reporting date than the Consolidated Financial Statements.

Consolidation methods

Full consolidation method

Subsidiaries are included in the accounts using the full consolidation method, whereby the balance sheet and profit and loss items are consolidated on a line-by-line basis.
After the attribution to minority interests of any portion of net equity and profit and loss results, the value of the equity investment is cancelled due to the residual value of the subsidiary's net equity.
The resulting differences are allocated to the assets or liabilities — including intangible assets — of the subsidiary in question and any remaining balances, if positive, are recorded as goodwill under Intangible Assets. Any negative differences are charged to the profit and loss account.

The most significant intra-Group transactions, influencing both the balance sheet and profit and loss account, were eliminated. Unreconciled amounts were recognised in other assets/liabilities and other revenues/expenses, respectively.
Dividends distributed by subsidiaries were eliminated from the consolidated profit and loss account and a corresponding adjustment was made to earnings reserves.

Equity method

Associate companies are consolidated according to the concise equity method.
Under the equity method, an equity investment is initially recognised at acquisition cost, inclusive of goodwill, and subsequently adjusted according to the investor's share in the investee's net equity.

Upon acquisition, the difference between the cost of the equity investment and the share of the net fair value of the investee's identifiable assets and liabilities must be determined and recognised as goodwill, if positive, or as income, if negative.

The carrying amount is then increased or decreased to recognise the investor's share of the gains or losses of the investee recorded after the acquisition date under Item 250 – "Gains (losses) from equity investments" of the profit and loss account.

That share is adjusted to reflect:
- gains and losses on transactions with the associate company, in proportion to the percent interest in the associate company;
- depreciation and amortisation of depreciable assets at their respective fair values at the acquisition date and impairment losses on goodwill and any other non-monetary elements.

Dividends received from an investee reduce the carrying amount of the equity investment.

Changes in the valuation reserves of associate companies are presented separately in the statement of comprehensive income.
If the associate company prepares its financial statements in a foreign currency, the translation differences at the reporting date are recognised in a specific valuation reserve for monetary conversion in other comprehensive income.

When there is indication of a possible loss in value of an equity investment, the recoverable amount of the investment is estimated based on the present value of future cash flows that the company could generate, including the final disposal value of the equity investment. If the recoverable amount is less than the carrying amount, the difference is recognised in profit or loss.

Translation of financial statements denominated in currencies other than the euro

The financial statements of companies operating in areas other than the Euro Area are translated into euro by applying the current exchange rates at period-end to assets and liabilities and average exchange rates for the year to items of profit and loss. The foreign exchange differences of the financial statements of such companies on the application of different exchange rates to assets and liabilities and profit and loss are recognised among Valuation reserves in net equity. Foreign exchange differences on investees' net equity are also recognised among Valuation reserves.

Section 4 – Events Occurred After the Consolidated Balance Sheet Date

The draft Consolidated Financial Statements of Banca Generali were approved by the Board of Directors on 6 March 2025, when the Board also authorised its disclosure pursuant to IAS 10.

No events occurred after 31 December 2024 and until 6 March 2025 that would significantly impact the Banking Group's financial performance and financial position reported in these Consolidated Financial Statements.

Intermonte Voluntary Tender Offer

The Tender Offer launched by Banca Generali on 15 September 2024, aimed at acquiring all the ordinary shares of Intermonte Sim S.p.A. (IT0005460016), listed on the Italian Stock Exchange (EuroNext Growth Milan) and parent company of the financial group bearing the same name, was finalised on 31 January 2025.
According to the final results of the Acceptance Period, **30,789,819 shares** were tendered to the Offer, equal to approximately **95.332%** of the Offer Shares.
On 31 January 2025, following the transfer of the share ownership to Banca Generali, the latter paid to each shareholder participating in the Offer a cash consideration of **3.04 euros** (*cum* dividend) for each Share tendered to the Offer, for a total amount of **93,601 thousand euros**.
In light of the final results of the Tender Offer, Banca Generali decided to exercise the Right to Squeeze-Out provided for under Article 111 of TUF (thus concurrently fulfilling the corresponding Obligation to Squeeze-Out as per Article 108, paragraph 2, of TUF) on the remaining **1,339,086** shares (excluding treasury shares), equal to 4.146% of the Issuer's share capital, for a total consideration of **4,070.8 thousand euros** overall.
This process was completed on 5 February 2025.
Accordingly, Borsa Italiana proceeded with Intermonte's delisting as of the session of Wednesday, 5 February 2025.

Section 5 – Other Aspects

Accounting standards that have been endorsed and will enter into effect this year

No new international accounting standards, amendments to existing standards or related interpretations with a material impact on the Banking Group's operations entered into effect in financial year 2024.

Accounting standards endorsed that will enter into effect after 31 December 2024

There are no international accounting standards and related interpretations endorsed but not effective yet as of 31 December 2024 that could have a material impact on the Banking Group's operations.

Start of macro fair value hedging of demand deposits

As of financial year 2024, Banca Generali started to hedge a portfolio of demand deposits against interest rate risk, exercising the option of the macro fair value hedge accounting model provided for by IFRS 9 and governed by IAS 39, applying the carve-out option adopted by the European Union.

This hedge accounting model provides for:
1) identification of a portfolio of items to be hedged against interest rate risk;
2) breakdown of the portfolio to be hedged into time buckets;
3) designation of the amount to be hedged;
4) identification of the interest rate risk to be hedged;
5) designation of the hedging instrument for each time bucket;
6) verification that the hedge is highly effective — effectiveness in the 85%-125% range — at the inception of the hedging relationship and at each reporting date.

The portfolio designated as hedged item was identified as the core part of demand deposits from customers (core demand deposits), i.e., deposits characterised by stable volumes over time and low responsiveness to interest rate fluctuations, according to the results of the behavioural model adopted by the Bank.
Core deposits are thus accounted for as portfolios of fixed-rate deposit liabilities, each characterised by a rate of return equal to the fixed interest rate at its maturity.

This portfolio was therefore divided into time buckets defined on the basis of expected repricing dates, consisting of fixed-rate bullets with different maturities.
The amount to be hedged for each bucket was defined based on capacity analysis, both in terms of nominal amount and interest rate, applying the bottom layer approach.
In this way, any change in the amounts designated for each bucket, following the periodic updating of the estimates, does not result in the ineffectiveness of the relationship until the deposit amount included in the bucket reaches the minimum hedged amount (decrease exceeding the amount of unhedged deposits).
The interest rate risk designated and hedged refers to movements in the benchmark interest rate on deposits (ESTR).
The hedging instruments consist of interest rate swaps that pay this variable benchmark interest rate (ESTR compound) in exchange for a fixed interest rate, representative of the cost of demand deposits, with roll over at maturity date.
The hedged item is instead a term deposit with the same notional value and maturity as those of the hedging derivative and has a fixed interest rate corresponding to that of the derivative's fixed leg net of the mark-up applied, to be discounted on the basis of the ESTR forwarding curve.
The prospective and retrospective hedge effectiveness is determined by comparing the change in fair value of the hedged item with that of the hedging derivative.
In light of the preliminary capacity analysis performed, ineffectiveness is generally only determined by the mark-up applied to the derivative.

With regard to accounting treatment, positive or negative changes in the fair value of hedged demand liabilities, which are recognised in the profit and loss account, do not change the balance sheet balances of the individual hedged items, but are allocated to a separate balance-sheet liability item called "Adjustment to macro-hedged financial liabilities". In the event of discontinuation of the hedging relationship, the accumulated revaluations/write-downs, recognised as liabilities, are taken to the profit and loss account among interest expense over the remaining term of the initial hedging relationships, subject to verification that the relevant conditions are met.

Use of estimates and assumptions in the preparation of the Consolidated Financial Statements

The preparation of the Consolidated Financial Statements requires the use of estimates and assumptions that could influence the amounts reported in the consolidated balance sheet and profit and loss account and the disclosure of contingent assets and liabilities therein.
The estimates and related 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 reported amounts may differ materially due to changes in the subjective judgements used.

The main areas for which management is required to use subjective judgements include:
- determining the amount of provisions for liabilities and contingencies;
- determining the expenses of personnel productivity bonuses;
- determining the amount of incentive fees to be paid to the Financial Advisor Network as an annual incentive and of incentives related to recruitment plans;
- determining the deferred incentives granted to the Financial Advisor Network, when linked to defined net inflow targets;
- determining the fair value of cash financial instruments and derivatives to be used in financial statement, when not based on current prices drawn from active markets;
- determining the analytical and collective impairment of financial instruments;
- determining the value adjustments and reversals of non-performing loans and the collective provision for performing loans;
- preparing estimates and assumptions underlying the determination of current taxes, which may differ from the effective tax liability computed in conjunction with the payment of the balance of taxes for the year and the filing of the income tax return;
- preparing estimates and assumptions on the recoverability of deferred tax assets;
- evaluating the appropriateness of the amounts of goodwill and other intangible assets;
- classifying and evaluating the Forward fund;
- evaluation of financial guarantees issued in favour of several investments made by customers in illiquid assets distributed by the Bank that were marked by investment repayment issues and the associated receivables recognised following their enforcement.

Additional information regarding the estimation procedures used for specific cases is provided in Part A, Section 2, of the Notes and Comments on the Accounting Policies adopted by Banca Generali Group.

Measurement of goodwill

During the preparation of the 2024 Financial Statements, goodwill was tested for impairment and the carrying value was determined to be accurate.

Non-recurring significant events and transactions

During the year, there were no non-recurring transactions or events outside the scope of ordinary transactions that had a significant impact on the aggregate items of the balance sheet and profit and loss account, with the exception of the following:
- **Provisions for commercial initiatives involving illiquid products distributed by the Bank:** during 2024, additional non-recurring provisions were made for an amount of 48 million euros. In addition to fostering customer retention, these provisions to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues — for which civil and criminal litigation is currently ongoing with the party that set up, marketed and managed these transactions — and to sustain customer retention. To this end, an additional 5.0 million euro provision was also allocated for initiatives in favour of the BG Network of Financial Advisors.
  The provision made by the Bank refers in particular to commercial initiatives for customers, including guarantees issued, additional potential customer losses that the Bank might cover in part for the reasons stated above and the legal fees for the litigation with the parties that set up, marketed and managed the financial instruments purchased by customers.
- **BG Saxo Sim:** as already specified with regard to joint arrangements, in 2024 Banca Generali finalised the purchase of an additional 29.1% stake in BG Saxo's share capital, thus increasing its interest from 19.9% to 49.0%.
- **Swiss Project:** in the second quarter of the year, the Bank exercised the call option to purchase the 9.9% minority interest still held by the original shareholders of BG Valeur, provided for in the 2019 purchase agreement and expiring in October 2024. Subsequently, on 8 October 2024, the 100% stake in BG Valeur was transferred by Banca Generali to BG (Suisse) Private Bank S.A., thus creating a Swiss banking group.
- **Nextam Partners Sim:** on 25 July 2024, Banca Generali had first transferred a part of its equity investment in Nextam Partners Sim S.p.A., reducing it interest in the company's share capital from 19.9% to approximately 15.5%, and subsequently, on 9 January 2025, communicated to the company its intention to exercise a put option on the remaining stake, currently being executed. Accordingly, at 31 December 2024, the equity investment was reclassified among Non-current assets held for sale, pursuant to IFRS 5.
- **AT1 issue:** on 8 August 2024, the Bank finalised a new issue of Additional Tier 1 (AT1) instruments in the aggregate amount of 100 million euros to be fully subscribed by Generali Group companies through a private placement. Following this transaction and after having received the Supervisory Authority's authorisation, on 22 December 2024 Banca Generali made an early redemption of the similar AT1 financial instruments issued in 2019, amounting to 50 million euros.

No other atypical and unusual transactions were undertaken, i.e., all transactions that due to their significance/materiality, the nature of the counterparties, the subject matter of the transaction (including in relation to ordinary operations), the transfer pricing method and/or timing of occurrence (near the end of the reporting period) may give rise to doubts as to the accuracy/completeness of the information presented in the financial statements, conflicts of interest, the safeguarding of company assets and the protection of minority shareholders (Consob Communication No. DEM/6064293 of 28 July 2006).

OECD Pillar Two Model Rules

OECD Pillar Two Model Rules[2] have introduced guidelines for national legislation according to which multinational enterprises with revenues above 750 million euros must pay a global minimum level of tax of at least 15% on the income arising in each of the jurisdictions in which they operate.
The OECD Pillar Two rules were converted in Union law by Directive (EU) 2022/2523 of 14 December 2022, with the aim of ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union and were transposed into Italian legislation by Italian Legislative Decree No. 209 of 27 December 2023, which entered into force on 1 January 2024.
The Banca Generali Banking Group falls within the scope of application of this tax system, as it is included in the broader consolidation scope of the multinational Assicurazioni Generali Insurance Group.
Under this system, the Banking Group companies contribute, together with the other Generali Insurance Group companies, to the determination of the taxable income and the average global tax rate calculated based on the jurisdictions in which they operate.

Pursuant to the provision of section 4.A of the Amendments to IAS 12, the Banking Group applies the exception both upon the recognition and upon the disclosure of deferred tax assets and liabilities relating to income taxes arising from the implementation of the Pillar Two Model Rules.
In addition, current taxes were not recognised in connection with income taxes deriving from the application of the Pillar Two Model Rules.

Exposure to the income taxes in question is based on the level of actual taxation generated by all Generali Insurance Group companies and by all jointly controlled entities within each jurisdiction.
In particular, the Insurance Group is required to pay a top-up tax for the difference between its effective GloBE tax rate, as measured in each jurisdiction in which it operates, and the minimum rate of 15%.
This exposure in turn depends on various interconnected factors, foremost among which are the income earned, the nominal tax rate, the tax rules for determining the tax base, the estimated amount, the form and entitlement conditions of tax incentives or other tax benefits.

In addition, in view of the novelty and complexity inherent in determining the level of actual taxation, the Pillar Two Model Rules legislation permits the application, for periods starting before 31 December 2026 and ending on or before 30 June 2028, of a simplified regime (“transitional safe harbours”) based mainly on accounting information available for each relevant jurisdiction that, where at least one of the three tests is passed[3], entails a reduction in compliance burdens and the elimination of taxes arising from the application of the Pillar Two Model Rules.
In this regard, it should be noted that, on the basis of the information that is known or may reasonably be estimated at the end of each quarter and at the reporting date, the Banking Group companies are included among the majority of the Group entities (and of the jointly controlled entities) located in jurisdictions that have passed at least one of the three tests required by the transitional safe harbours and for which the conditions are met to consider the taxes resulting from the application of the Pillar Two Model Rules as nil.

Within the framework of Assicurazioni Generali Insurance Group, the companies of the Banking Group cooperate with the Group tax functions so as to comply with the new obligations imposed by the regulatory framework by implementing adequate systems and procedures.

National Tax Consolidation option

In 2004, the Parent Company, Assicurazioni Generali, and some Italian companies belonging to Assicurazioni Generali Group, including Banca Generali S.p.A., began participating in the National Tax Consolidation governed by Articles 117-129 of TUIR (Italy’s income tax code), which was introduced into Italy’s fiscal legislation by Italian Legislative Decree No. 344/2003.
Under the scheme, Banca Generali transfers its taxable profit (or tax losses) to the parent company, Assicurazioni Generali S.p.A., which computes a single taxable profit (or a single tax loss) for the Group as the sum of the profits and/or losses of the individual companies, and reports a single tax receivable from or payable to the Tax Authorities.

Formation of Assicurazioni Generali VAT Group

On 23 September 2019, as Representative of the Group’s Italian subsidiaries, Assicurazioni Generali exercised the option to adopt the Group’s VAT rules (set out in Articles 70-*bis et seqq*. of Italian Presidential Decree No. 633/72) with effect from 1 January 2020.

Accordingly, with effect from that date all companies included in the VAT Group will use only the VAT registration number assigned by the Italian Tax Authorities to the Group: 01333550323.

[2] OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two Model Rules.
[3] Reference is made in particular to the de minimis test, the effective tax rate test and the routine profits test.

Relations between the individual participants and the Group's Representative (Assicurazioni Generali S.p.A.) are governed by a specific contract. In particular, obligations to document and register VAT input and/or output transactions will continue to be discharged by the individual participants, whereas the additional obligations relating to "management" of the tax will be discharged solely by the Group Representative, in its capacity as single VAT-liable entity.

By express provision of law, the Group VAT Representative will be required to file periodic VAT returns and make the related payments, submit the periodic VAT filings (LIPE), file the annual VAT return and submit the other information required by the relevant legislation (e.g., Esterometro and Intrastat statistics).

Other information

Information on government grants pursuant to Article 1, paragraph 125, of Italian Law No. 124 of 4 August 2017 ("Annual market and competition law")

In compliance with Article 1, paragraph 125-*bis*, of Law No. 124/2017 (Annual market and competition law), as most recently amended by Article 35 of Decree-Law No. 34/2019 (Growth Decree), companies are required to disclose annually, in the Notes and Comments to their financial statements, the amount of government grants received, where grants are understood to refer to "subventions, subsidies, benefits, grants or aid, in cash or in kind, not of a general nature and not of the nature of consideration, remuneration or compensation, actually disbursed to them by public administrations."
The obligation applies solely to grants in excess of the threshold of 10,000 euros per grantor authority, whether of a monetary nature, on a cash basis, or of a non-monetary nature.

Paragraph 125-*quinquies* of the statute also establishes that in the case of State aid and de minimis aid included in the National State Aid Registry the registration and publication of the individual aid in the transparency section must take account of the publication obligations incumbent on the beneficiary companies, provided that the existence of aid subject to mandatory publication in the National State Aid Registry is disclosed in the Notes and Comments to the financial statements.
For further details on the grants received, reference should be made to the website of the National State Aid Registry for companies, which may be consulted at the link www.rna.gov.it/sites/PortaleRNA/it_IT/home.

In light of the foregoing, it should be noted that in 2024 Banca Generali received the following grants:

BENEFICIARY	TYPE OF GRANT	GRANTOR AUTHORITY	AMOUNTS RECEIVED
Banca Generali	Personnel training (*)	FBA Banks and Insurers' Fund (*)	302

(*) This sum refers to aids for personnel training applied for in 2021 and 2022 and paid in January, June and October 2024. It should be noted that for the grant with as grant date 2024, listed in the National State Aid Registry, available for free consultation on the relevant website, no disbursements were made in the year that has just ended.

Audit

The Consolidated Financial Statements are subject to auditing by the firm KPMG S.p.A. in execution of the resolution passed by the Shareholders' Meeting on 22 April 2021.

Part A.2 – Main Financial Statements Aggregates

This section sets out the accounting policies adopted for the preparation of the Consolidated Financial Statements at 31 December 2024, as regards the stages of classification, recognition, measurement and derecognition of the various asset and liability items and the methods of recognition of costs and revenues.

With reference to the foregoing, it should be noted that during the reporting year, the accounting policies adopted by the Banking Group underwent no significant amendments and supplementations.

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

In light of the above, the consolidated accounting policies of Banca Generali Group are reported here below with an analysis of the main financial statements items.

1. Financial assets measured at fair value through profit or loss (FVTPL)

Classification

This category includes all financial assets other than those recognised among Financial assets measured at fair value through other comprehensive income and Financial asset measured at amortised cost.

In particular, the item includes:
› financial assets held for trading, essentially consisting of debt and equity securities and the positive value of derivative contracts held for trading; such assets are included in the regulatory trading book (the “trading book” pursuant to IFRS 9) and are also known as “hold-to-sell” or “HTS” assets;
› financial assets mandatorily measured at fair value, i.e., financial assets that do not meet the requirements for measurement at amortised cost or fair value through other comprehensive income. These are financial assets the contractual terms of which do not provide solely for payments of principal and interest (“SPPI test” not passed) or that are not held within a business model whose objective is to hold the assets to collect the contractual cash flows (a “hold-to-collect” business model) or whose objective is achieved by both collecting the contractual cash flows and selling the financial assets (a “hold-to-collect-and-sell” business model);
› financial assets designated at fair value, i.e., financial assets identified as such upon initial recognition, where the requirements have been met. In cases of this kind, upon recognition an entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, so doing eliminates or significantly reduces a measurement or recognition inconsistency.

Accordingly, the following are included in this item:
› debt securities and loans that are held within an Other/Trading business model (i.e., not a hold-to-collect or hold-to-collect-and-sell business model) or that do not pass the SPPI test;
› equity securities — not qualifying as controlling interests in subsidiaries, associates and joint ventures — that are held for trading or that were not designated at fair value through other comprehensive income upon initial recognition;
› UCITS units.

The item also includes derivatives accounted for among financial assets held for trading, classified as assets if fair value is positive, and as liabilities if fair value is negative.
It is possible to set off current positive and negative values deriving from outstanding transactions with the same counterparty only if there is currently a legal right to set off the recognised amounts and the entity intends to settle the positions subject to offsetting on a net basis.

Derivatives also include those embedded in hybrid financial contracts, in which the host contract is a financial liability, and which have been separately recognised inasmuch as:
› their economic characteristics and risks are not closely related to the characteristics of the underlying contract;
› the embedded instruments considered separately meet the definition of a derivative;
› the hybrid instruments in which they are embedded are not measured at fair value and changes in fair value are recognised in profit or loss.

According to the general rules for the reclassification of financial assets (with the exception of equity securities, which cannot be reclassified) laid down by IFRS 9, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be quite rare, financial assets may be reclassified from measured at fair value through profit or loss to one of the two other categories provided for in IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income). The transfer value is the fair value at the time of reclassification and the effects of reclassification apply prospectively from the reclassification date. In such cases, the effective interest rate of the reclassified financial asset is determined on the basis of its reclassification date fair value, and the reclassification date is taken as the date of initial recognition for allocation to the various credit risk stages (stage assessment) for impairment purposes.

Recognition

Debt and equity securities are initially recognised on the settlement date. Loans are initially recognised on the disbursement date, while derivative contracts on the date the contract is entered into.
Financial assets measured at fair value through profit and loss are initially recognised at fair value, less transaction costs or income directly related to the instrument itself.

Measurement

Subsequent to initial recognition, financial assets held for trading are recognised at fair value. The effects of the application of these measurement criteria are recognised in profit and loss.

The fair value of financial instruments traded in active markets is determined by referring to the appropriate quoted market price of such instruments.
A financial instrument is regarded as listed in an active market if quoted prices represent actual and regularly occurring market transactions on an arm's length basis over a normal reference period and those prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service or authorised entity.

In the absence of an active market, alternative valuation methods based on market data are used, such as quotes drawn from inactive markets, or on markets where similar instruments are traded, the notional value of financial instruments, quotes from brokers or placing agents involved in the issue of financial instruments, quotes from info providers specialised in specific sectors, and values drawn from recent comparable transactions.

The cost criterion is used for equity securities and derivative instruments that have as their underlying equity securities, not listed on an active market, as an estimate of fair value solely to a residual degree and limited to a few cases, such as cases in which all previously discussed measurement methods are not applicable, or where there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within the range.
Further information on the criteria used for determining fair value is given in Section "A.4 Information on fair value" of Part A of these Notes and Comments.

Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from the financial asset expire or when the financial asset, together with substantially all related risks and rewards, is transferred.
Conversely, if a significant share of the risks and rewards relating to the transferred financial assets is retained, these assets will continue to be carried in the financial statements, even though the ownership of said assets has been effectively transferred in legal terms.
In cases where the transfer of substantially all risks and rewards cannot be assessed, derecognition occurs when no control has been retained over such assets. Conversely, if even partial control is retained, the assets continue to be recognised in the financial statements to the extent of residual control, which is measured by the exposure to changes in the value of the transferred assets and related cash flows.
In addition, transferred financial assets are also derecognised from the financial statements if contractual rights to receive the asset's cash flows are retained, but a contractual obligation to pay, without a significant delay, those (and only those) cash flows to a third party is assumed.

2. Financial assets measured at fair value through other comprehensive income (FVOCI)

Classification

This category includes financial assets that satisfy both of the following conditions:
- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets (a "hold-to-collect-and-sell" business model); and
- the contractual terms of the financial asset give rise, on specific dates, to cash flows consisting solely of payments of principal and interest ("SPPI test" passed).

The item also includes equity instruments not held for trading electively designated at fair value through other comprehensive income upon initial recognition.

Specifically, it includes:
- debt securities and loans held within a hold-to-collect-and-sell business model that have passed the SPPI test;
- equity interests, equity investments and capital contributions of various kinds not qualifying as controlling interests in subsidiaries, associates and joint arrangements, not held for trading purposes, designated at fair value through other comprehensive income.

According to the general rules for the reclassification of financial assets (with the exception of equity securities, which cannot be reclassified) laid down by IFRS 9, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets.

In such cases, which are expected to be quite rare, financial assets may be reclassified from measured at fair value through other comprehensive income to one of the two other categories provided for in IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification apply prospectively from the reclassification date. In the event of reclassification from this category to that at amortised cost, the cumulative gain (loss) recognised in the valuation reserve is taken as an adjustment of the financial asset's fair value at the reclassification date. In the event of reclassification to fair value through profit or loss, the cumulative gain (loss) previously recognised in the valuation reserve is reclassified from net equity to net profit (loss) for the year.

Recognition

Debt and equity securities are initially recognised on the settlement date. Loans are initially recognised at the disbursement date. Assets are initially recognised at fair value, including transaction costs or income directly related to the instrument.

Measurement

After initial recognition, assets designated at fair value through other comprehensive income other than equity securities are measured at fair value and the impact of the application of amortised cost, the effects of impairment and any foreign exchange effect are taken to profit or loss, whereas other gains or losses due to changes in fair value are entered to a specific equity reserve until the financial asset is derecognised.
Upon total or partial derecognition, cumulative gains or losses in the valuation reserve are recognised, fully or partially, through profit or loss.

Equity securities that have been classified to this category on an elective basis are measured at fair value through other comprehensive income (net equity) and cannot be transferred to profit and loss thereafter, even in the event of disposal. The only component attributable to the equity instruments in question that may be recognised in profit or loss is the related dividends.
Fair value is determined on the basis of the criteria set out above for financial assets measured at fair value through profit or loss.
In the case of equity securities included in this category not listed on an active market, the cost criterion is only used to estimate fair value on a residual basis, limited to a few circumstances, i.e., where all previously discussed measurement methods do not apply, or where there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within the range.
Further information on the criteria used for determining fair value is given in Section “A.4 Information on fair value” of Part A of these Notes and Comments.

Derecognition

Financial assets are derecognised from the financial statements only if the transfer results in the transfer of substantially all risks and rewards connected to such assets. Conversely, if a significant share of the risks and rewards relating to the transferred financial assets is retained, these assets will continue to be carried in the financial statements, even though the ownership of said assets has been effectively transferred in legal terms.
In cases where the transfer of substantially all risks and rewards cannot be assessed, derecognition occurs when no control has been retained over such assets. Conversely, if even partial control is retained, the assets continue to be recognised in the financial statements to the extent of residual control, which is measured by the exposure to changes in the value of the transferred assets and related cash flows.
In addition, transferred financial assets are also derecognised from the financial statements if contractual rights to receive the asset's cash flows are retained, but a contractual obligation to pay, without a significant delay, those (and only those) cash flows to a third party is assumed.

3. Financial assets measured at amortised cost

Classification

This category includes financial assets (and in particular loans and debt securities) that satisfy both of the following conditions:
- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows (a “hold-to-collect” business model); and
- the contractual terms of the financial asset give rise, on specific dates, to cash flows consisting solely of payments of principal and interest (“SPPI test” passed).

In further detail, the following are classified to this item:
- loans to banks in various forms that meet the requirements set out in the foregoing paragraph;
- loans to customers in various forms that meet the requirements set out in the foregoing paragraph;

- debt securities that meet the requirements set out in the foregoing paragraph.

This category also includes operating loans associated with the provision of financial assets and services, as defined in the Consolidated Law on Banking (TUB) and the Consolidated Law on Finance (TUF) (e.g., the distribution of financial products and servicing activities). This latter category also includes receivables from management companies and receivables from the Financial Advisor Network for advances on fees paid.

According to the general rules for the reclassification of financial assets laid down by IFRS 9, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be quite rare, financial assets may be reclassified from the category measured at amortised cost to one of the two other categories provided for in IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification apply prospectively from the reclassification date. Gains or losses resulting from the difference between the amortised cost and fair value of a financial asset are taken to profit or loss in the event of reclassification to financial assets measured at fair value through profit or loss, and to a specific valuation reserve in net equity in the event of reclassification to financial assets measured at fair value through other comprehensive income.

Eligibility of the sale of financial instruments classified to the HTC portfolio

The accounting standard IFRS 9 recognises the eligibility of the sale of financial instruments classified to the HTC portfolio, assets in which are normally held to collect their contractual cash flows until maturity, as a condition for the ordinary management of such portfolios, without calling the goal of the business model into question.
In particular, sales are deemed fully consistent with the model in the event of a significant increase in credit risk, other negative changes of a regulatory or tax nature, proximity to maturity or, in the absence of such reasons, where the sales are:

- infrequent, even if significant in value;
- not significant in value (whether separately or collectively), although frequent.

Within this framework, in the new business conditions in which Banca Generali finds itself to operate, characterised by a more severe stress situation and a more volatile context, a suitability assessment of the size of current and prospective financial investment portfolios provided for in the Strategic Plan and a comparison with the most common management practices on the market identified the need to proceed with a revision of the thresholds for the eligibility of sales, which for 2024 were as follows:

- extension of the materiality thresholds for sales considered non-significant to 9.91% of the total portfolio (14.5% in 2023) and to 5% of the individual ISIN, and for infrequent sales to 17.25% of the total portfolio;
- adoption of a method for determining limits based not only on historical sales, but also current and future sales;
- identification of specific grounds for eligibility of sales in rare, unexpected and unforeseeable conditions;
- adjustment of the period of eligibility of sales near maturity to 12 months prior to the maturity of the financial instrument.

Recognition

Debt securities are initially recognised on the settlement date, whereas loans are initially recognised on the disbursement date. Assets are initially recognised at fair value, including transaction costs or income directly related to the instrument.
In the case of loans, in particular, the date of disbursement normally coincides with the date of execution of the contract. If the two dates do not coincide, a commitment to disburse funds terminating on the date of disbursement of the loan is added when the contract is executed. A loan is initially recognised on the basis of the fair value of the same, which is equal to the amount disbursed or the subscription price, including costs/income directly attributable to the individual loan that may be determined at the inception of the transaction, even if settled at a later time. Costs with the above-described characteristics are excluded if they are to be repaid by a third-party borrower or can be considered normal, internal, general and administrative expenses.

Measurement

After initial recognition, these financial assets are measured at amortised cost using the effective interest-rate method. Accordingly, such assets are measured at an amount equal to their initial recognition value, minus capital redemptions, plus or minus cumulative amortisation (calculated according to the aforementioned effective interest-rate method) of the difference between that initial amount and its value at maturity (typically derived from the costs/income directly attributable to the individual asset) and adjusted by loss allowance, if any. The effective interest rate is the rate that equates the present value of discounted future cash outflows (for principal and interest payments) with the amount disbursed including the costs and income relating to the said financial asset. This method of recognition allows, by applying a financial logic, the financial effect of the costs and income directly attributable to a financial asset to be distributed across its expected residual life.

The amortised cost method is not used for assets measured at historical cost whose short durations suggest that the effects of discounting would be negligible, nor is it applied to assets without fixed maturities or revocable lines of credit.

The measurement criteria are closely connected to the inclusion of the instruments in question in one of the three stages (credit risk stages) provided for in IFRS 9, the last of which (stage 3) includes non-performing financial assets, and the remainder (stages 1 and 2) performing financial assets.

In terms of the accounting treatment of the above measurement effects, adjustments attributable to this type of asset are taken to profit or loss:

- upon initial recognition, in an amount equal to the expected loss at twelve months;
- upon subsequent measurement of the asset, where credit risk has not increased significantly compared with initial recognition, in respect of changes in the amount of adjustments for expected losses in the following twelve months;
- upon subsequent measurement of the asset, where the credit risk has increased significantly with respect to initial recognition, in respect of the recognition of adjustments for expected credit losses attributable to the asset's entire expected residual contractual life;
- upon subsequent measurement of the asset, where, after a significant increase in credit risk with respect to initial recognition, this increase has ceased to be significant in respect of the adjustment of cumulative impairment losses to account for the transition from an expected loss over the entire residual lifetime of the instrument to the expected loss over a twelve-month period.

Where performing, the financial assets in question are measured with the aim of determining the impairment losses to be recognised at the level of each individual credit relationship (or "tranche" of a security) on the basis of the risk parameters of probability of default (PD), loss given default (LGD) and exposure at default (EAD).

If, in addition to a significant increase in credit risk, there is objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the asset — classified as "non-performing" along with all other relationships with the counterparty in question — and the present value of the estimated future cash flows, discounted at the original effective interest rate.

The amount of the loss, to be recognised in profit or loss, is determined on the basis of a measurement process performed for individual assets or uniform categories of assets, and then allocated to each position.

Non-performing loans include financial instruments classified as follows:

1) bad loans: this category refers to formally non-performing loans, consisting of exposures to customers who are in a state of insolvency, regardless of whether confirmed by a court, or in similar situations;
2) unlikely to pay: these are on- and off-balance sheet exposures for which the conditions have not been met for classification as bad loans and for which it is deemed unlikely that the borrower will be capable of fulfilling all of its debt obligations (in terms of principal and/or interest) in the absence of actions such as the enforcement of guarantees. This assessment is conducted regardless of the presence of any past due and unpaid amounts or instalments.
   Classification as unlikely to pay is not necessarily tied to the explicit presence of anomalies (non-payment), but rather is linked to the existence of elements indicative of a situation of risk of default of the borrower;
3) non-performing overdrawn or past-due exposures: these are on-balance sheet exposures other than those classified as bad debts or unlikely to pay loans that are overdrawn or past due by more than 90 days at the reporting date. Non-performing overdrawn or past-due exposures may be identified in reference to either the individual borrower or individual transaction.

Expected cash flows take account of expected collection times and the presumed realisable value of any underlying guarantees.
The original effective interest rate of each asset remains unchanged over time, even if a renegotiation of the terms results in a change of the contractual rate, including if the contract becomes non-interest-bearing.

If the reasons for impairment cease to exist due to an event occurring after the impairment was recognised, the impairment loss is reversed and the reversal is recognised in profit or loss. The reversal may not exceed the amortised cost that would have been attributable to the asset had the impairment not been recognised. Reversals due to the passage of time are taken in net interest income.

In some cases, over the lifetimes of the financial assets in question, and in particular over those of loans, the original contractual conditions are modified at the will of the parties to the contract.
When contractual terms are modified in the course of an instrument's life, it must be verified whether the original asset is to continue to be recognised in the financial statements or the original instrument is instead to be derecognised and a new financial instrument recognised.
When the modifications of financial assets are "substantial", the original asset is generally derecognised and a new asset is instead recognised. A modification is determined to be "substantial" on the basis of both qualitative and qualitative elements. In some cases, in fact, it may be clear, without the need for complex analyses, that the changes made substantially modify an asset's contractual characteristics and/or cash flows, whereas in other cases additional analyses (including of a quantitative nature) must be conducted to measure the effects of such modifications and verify whether the asset should be derecognised and a new financial instrument recognised.

Accordingly, the qualitative and quantitative analyses, aimed at determining whether contractual modifications of a financial asset are substantial, must be based on:

- the purposes of the modifications: for example, renegotiations for commercial reasons and forbearance measures due to financial difficulties by the counterparty;
  1. the former, aimed at "retaining" the customer, involve a debtor not in a situation of financial difficulty. This category also encompasses all renegotiation transactions aimed at adjusting the cost of debt to market conditions. Such transactions entail a modification of the original terms of the contract, typically at the debtor's request, relating to aspects affecting the cost of the debt, with the resulting economic benefit for the debtor. It is generally held that, whenever the bank renegotiates in order to avoid losing a customer, such renegotiation must be considered substantial inasmuch as, had it not occurred, the customer could have obtained financing from another intermediary and the bank would have incurred a loss of expected future revenues;
  2. the latter, undertaken for "reasons of credit risk" (forbearance measures), are attributable to the bank's attempt to maximise the recovery of the cash flows from the original loan. Substantially all the underlying risks and rewards are typically not transferred as a result of such modifications. Accordingly, the accounting treatment that provides the most relevant information for the readers of the financial statements (without prejudice to the remarks presented below regarding objective elements) is that based on "modification accounting", which entails the recognition in profit or loss of the difference between the carrying amount and the present value of the modified cash flows, discounted at the original interest rate, and not through derecognition;
- the presence of specific objective elements ("triggers") that affect the contractual characteristics and/or cash flows of the financial instrument (including, but not limited to, a change of currency or modification of the type of risk exposure, where correlated with equity and commodity parameters) and that are believed to entail derecognition by virtue of their impact (expected to be significant) on the original contractual cash flows.

Derecognition

Financial assets are derecognised from the financial statements only if the transfer results in the transfer of substantially all risks and rewards connected to such assets. Conversely, if a significant share of the risks and rewards relating to the transferred financial assets is retained, these assets will continue to be carried in the financial statements, even though the ownership of said assets has been effectively transferred in legal terms.
In cases where the transfer of substantially all risks and rewards cannot be assessed, derecognition occurs when no control has been retained over such assets. Conversely, if even partial control is retained, the assets continue to be recognised in the financial statements to the extent of residual control, which is measured by the exposure to changes in the value of the transferred assets and related cash flows.
In addition, transferred financial assets are also derecognised from the financial statements if contractual rights to receive the asset's cash flows are retained, but a contractual obligation to pay, without a significant delay, those (and only those) cash flows to a third party is assumed.

4. Hedging transactions

The Banking Group adopts IFRS 9 for hedging transactions, with the exception of the macro fair value hedging of the asset and liabilities portfolios, for which it has exercised the option to continue using IAS 39 by applying the carve-out approach adopted by the European Union.

Classification and types of hedges

At the annual or interim reporting date, hedging financial derivatives that show a positive or a negative fair value are classified, respectively, under Item "50. Hedging derivatives" among balance-sheet assets or under Item "40. Hedging derivatives" among balance-sheet liabilities.

The objective of hedging is to eliminate possible losses on a specific item or group of items that could be incurred as a result of a certain risk with gains on another item or group of items in cases where that specific risk actually occurs.

Possible types of hedges include:

- **fair value hedges**, intended to hedge exposure to changes in the fair value of a financial statement item attributable to a particular risk; it is also possible to apply macro fair value hedges with the objective of reducing fair value fluctuations due to interest rate risk of a monetary amount deriving from a portfolio of financial assets or liabilities (including core deposits). However, net amounts arising from the imbalance of assets and liabilities are generally excluded from macro hedging;
- **cash-flow hedges**, intended to hedge exposure to changes in future cash flows of financial statement items or of a highly probable forecast transaction attributable to particular risks;
- **hedges of a net investment in a foreign operation**, intended to hedge the foreign currency exposure of an investment in a foreign undertaking, denominated in a currency other than the functional currency of the consolidated financial statements of the Group of which it is part. In the separate financial statements, they are instead recognised as a fair value hedging relationship of the controlling interest.

In the consolidated financial statements, only instruments that involve a counterparty external to the Group can be designated as hedging instruments.
During 2024 macro fair value hedging was applied to hedge a demand deposit portfolio, in addition to cash flow hedges. To date, no hedges of a net investment in a foreign operation have been arranged.

Recognition

As all derivatives, hedging derivatives are initially recognised at fair value at the transaction date.

Derivatives qualify as hedging instruments if the hedging relationship is formally designated and documented at the inception date, specifying:
- the nature of the economic relationship between the hedged item and the hedging derivative;
- risk management objectives;
- the hedging strategy; and
- the methods used to assess effectiveness both at inception and, prospectively, over the term of the hedge.

The assessment of the hedge effectiveness depends on the degree to which changes in the fair value or expected cash flows of the hedged item are offset by changes in the fair value or expected cash flows of the hedging instrument. Effectiveness is thus assessed by comparing these changes in light of the intentions expressed by the enterprise at the hedge's inception.

The assessment must be performed, at least, at each annual or interim reporting date or, where earlier, when a material change in the circumstances that influence the hedge effectiveness requirements occurs.
The assessment is based on expectations regarding hedge effectiveness. It is thus merely indicative of expected developments and is based on an exclusively forward-looking analysis. The method adopted may consist of a qualitative or quantitative assessment.

Measurement

Hedging derivatives are measured at fair value. Specifically:
- **micro fair value hedges:** changes in the fair value of the hedged item, which are attributable to the hedged risk and are recognised as a balancing entry to the carrying amount of the hedged item, are offset against the change in the fair value of the hedging instrument. The offsetting is accounted for by recognising both the change in value of the hedged item and the change in value of the hedging instrument through profit or loss under Item 90. "Net income (loss) from hedging". Any difference between the two represents an element of partial ineffectiveness of the hedge and determines the net effect on net profit or loss;
- **macro fair value hedges:** the positive or negative balance of changes in the fair value of assets or liabilities subject to macro fair value hedging, measured with reference to the hedged risk, is recognised, respectively, among assets under Item "60. Adjustment to macro-hedged financial assets (+\-)" or among liabilities under Item "50. Adjustment to macro-hedged financial liabilities (+\-)". The hedge ineffectiveness is calculated as the difference between the change in the fair value of the hedged monetary amount and the change in the fair value of the hedging instruments, both recognised under Item "90. Net income (loss) from hedging" in the profit and loss account;
- **cash-flow hedges:** the effective portion of change in the fair value of the hedging instrument is recognised in net equity under Item "120. Valuation reserves" (Item "110. Valuation reserves" of the Separate Financial Statements), whereas the ineffective component is recognised through profit or loss under Item "90. "Net income (loss) from hedging". The total amount of gains and losses recognised in net equity is subsequently reversed to the profit and loss account when there is a change in the cash flows of the hedged item or if the hedge becomes ineffective;
- **hedges of a net investment in a foreign operation:** they are accounted for in the consolidated financial statements in a manner similar to cash-flow hedges.

Derecognition

Fair value hedge accounting is no longer applied prospectively in the following cases:
- the hedging instrument expires or is sold, terminated or exercised;
- the hedge no longer meets prospectively the criteria for hedge accounting.

If these assessments do not confirm the hedge effectiveness, the hedge accounting procedures are discontinued and the derivative instrument is reclassified as a trading instrument.
In fair value hedges, the hedged financial instrument is once again applied the measurement criterion corresponding to its balance-sheet classification. If the hedged asset or liability is measured at amortised cost, the higher or lower value resulting from its fair value measurement is recognised through profit or loss using the effective interest rate method.

Upon discontinuation of a macro fair value hedge, the cumulative revaluations/write-downs recognised under "Adjustment to macro-hedged financial assets"' or under "Adjustment to macro-hedged financial liabilities" are taken to the profit and loss account under interest income or interest expense over the residual term of the initial hedging relationships, subject to verification that the conditions are met.

Cash-flow hedge accounting is no longer applied prospectively in the following cases:
- the hedging instrument expires or is sold, terminated or exercised;
- the hedge no longer meets the criteria for hedge accounting;

- the forecast transaction is no longer expected to occur, in which case any related cumulative gain or loss on the hedging instrument recognised directly in net equity shall be taken to profit or loss.

For hedges of a forecast transaction, the cumulative gain or loss on the hedging instrument recognised directly in net equity from the financial year in which the hedge was effective shall remain separately recognised in net equity until the forecast transaction occurs or is no longer expected to occur. In the latter case, any amount recognised directly in net equity is immediately reversed to the profit and loss account.

5. Equity investments

This item includes equity investments in associates and joint ventures.

Entities subject to significant influence (associates) are those entities in which the Bank holds at least 20% or more of the voting rights (including "potential" rights), or in which — although holding a lower voting power, in light of specific legal ties, such as Shareholders' agreements — it has the power to participate in the financial and management policy-making process or can exercise governance rights that are not limited to capital interests.
Companies subject to joint control (joint ventures) are entities over which control is shared, on a contractual basis, by the Bank and another entity or other entities external to the Group, or for which decisions regarding important activities require the unanimous consent of all parties that share control.

Recognition

Equity investments in associates and joint ventures are recognised at the transaction settlement date, i.e., the date the acquisition becomes effective. Equity investments are initially recognised at purchase cost.

Measurement

In the Consolidated Financial Statements, equity investments in joint ventures and associates are valued using the equity method.
When there is indication of a possible loss in value of an equity investment, the recoverable amount of the investment is estimated based on the present value of future cash flows that the company could generate, including the disposal value of the equity investment.
If the recoverable amount is less than the carrying amount, the difference is recognised through profit or loss.

If the reasons for impairment cease to exist due to an event occurring after the impairment was recognised, the impairment loss is reversed and the reversal is recognised in profit or loss.

Derecognition

Equity investments are derecognised when the contractual rights to receive the cash flows from the financial asset expire or when the financial asset, together with substantially all related risks and rewards, is transferred.

6. Property and equipment

Classification

Property and equipment include technical systems, furniture, furnishings and equipment of any type.
They also include assets held exclusively for operating purposes, to be used in the production or provision of goods and services or to be leased to third parties or for administrative purposes and that are expected to be used for more than one year.
Property and equipment also include rights of use ("ROUs") acquired in lease transactions within the scope of application of IFRS 16 and relating to the use, as lessee, of assets in this category (real estate, motor vehicles, equipment, etc.). For a more detailed analysis of the accounting criteria adopted by the Bank in respect of IFRS 16, reference should be made to Section 15 "Other information".

Recognition

Property and equipment are initially recognised at cost, which includes the purchase price, as well as all directly related ancillary costs necessary to purchase the asset and bring it into working condition.

Extraordinary maintenance costs that increase the future economic benefits of the asset are added to the carrying amount of the asset to which they relate, while routine maintenance costs are recognised through profit or loss.

Measurement

Property and equipment, including those not used in production, are measured at cost less depreciation and impairment losses. They are systematically depreciated over their estimated useful life using the straight-line method.

At each annual or interim reporting date, if there is indication that an asset may be impaired, its carrying amount is compared to its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use, i.e., the present value of future cash flows expected to be generated by the asset. Impairment losses are recognised in the profit and loss account.

If the reasons for impairment cease to exist, the impairment loss is reversed; the new amount cannot exceed the carrying amount the asset would have had after depreciation, had no previous impairment loss been recognised.

Derecognition

Property and equipment are removed from the balance sheet upon disposal or when permanently withdrawn from use and no future economic benefits are expected from their disposal.

7. Intangible assets

Classification

An intangible asset is an identifiable non-monetary asset controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity.
In order to be identifiable, an asset must be separable, i.e., capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, or must arise from contractual or other legal rights, regardless of whether those rights are transferrable or separable from the entity or from other rights and obligations.
An entity controls an asset if the entity has the power to obtain the future economic benefits flowing from the underlying resource and simultaneously restrict the access of others to those benefits.
The capacity of an entity to control the future economic benefits from an intangible asset would normally stem from legal rights that are enforceable in a court of law.

The application of IFRS 3 in accounting for acquisition transactions may entail the recognition, in the purchase price allocation (PPA) process of new intangible assets and goodwill.
Goodwill represents the positive difference between the purchase cost and the fair value of the acquiree's assets and liabilities.

Intangible assets with an indefinite useful life also include the value of the trademarks recognised following the acquisition of Nextam Partners Group and BG Valeur S.A.

The other intangible assets also include the value of the contractual relationships with customers identified within the framework of the acquisitions of Banca del Gottardo Italia (2008), the Credit Suisse Italy business unit (2014), Nextam Partners Group and BG Valeur S.A. (both in 2019).

Customer relationships are intangible assets within the scope of application of IAS 38, from which it is probable that future economic benefits will flow to the acquirer. The value of such relationships has been determined, as at the acquisition date, on the basis of an estimate of the profitability of assets under management (AUM) associated with the customers acquired, measured separately for each asset class.

The useful lives of such assets, determined on the basis of the expected decay rates for assets under management (AUM), have been estimated as follows:
- Banca del Gottardo Italia: 10 years;
- Credit Suisse Italy: 15 years;
- Nextam Partners Group: 16 years;
- BG Valeur S.A.: 10 years.

The remaining intangible assets are application software intended for long-term use, including the expenses of modifying the legacy system and the intangible assets in progress at the end of the year.

Software costs recorded as intangible assets refer to application software developed by third parties for company use (software development contracts) or purchased with a multi-year licence for use.
Software costs recognised among intangible assets include, at certain conditions, also charges for the development of the IT system used by the Bank based on the outsourcing contract with CSE (legacy, front-end Financial Advisors and front-end customers, etc.).
Such charges are capitalised when they refer to the development of innovative components of the system that are not part of consortium projects, for which it is possible to identify a control situation, and from which future economic rewards are expected.
Expenses related to corrective maintenance and evolution of IT procedures and the website already in use are usually recognised through profit and loss in the year in which they are borne.

Recognition

Goodwill

An intangible asset can be classified as goodwill when the positive difference between the fair value of the assets and liabilities acquired and the cost of the investment (including ancillary expenses) is representative of the investee company's ability to generate future income (goodwill).
In case of badwill, or if the goodwill is not representative of the investee company's ability to generate future income, the difference is recognised directly through profit and loss.

Other intangible assets

Other intangible assets are recorded at cost less any ancillary expenses when it is probable that the asset will produce future economic benefits and if the cost of the asset can be reliably determined. When this is not the case, the cost of the intangible asset is recognised in the profit and loss account in the period in which it is incurred.

Measurement

Intangible assets are amortised on a straight-line basis over their useful lives.
Software costs are typically amortised over a three-year period.
Other capitalised costs associated with legacy systems are amortised over a three-year period.
With reference to contractual relations with customers, acquired as a result of the above-mentioned business combinations, the useful lives have been estimated at 10 years for Banca del Gottardo Italia and BG Valeur S.A., at 15 years for Credit Suisse Italy and at 16 years for Nextam Partners Group.
Intangible assets with indefinite useful lives are not amortised, but are periodically reviewed to assess the appropriateness of their carrying amount.

Impairment

Goodwill

In accordance with IAS 36, goodwill is no longer amortised, but is tested for impairment at least annually.
For the purposes of impairment testing, goodwill is allocated to cash-generating units (CGUs), which, in accordance with the limitation on the maximum level of aggregation, may be no larger than the segments identified for management reporting.
To determine the amount of impairment, the carrying amount of the CGU is compared with its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.
The impairment test for goodwill is presented in Section "Retrospective Adjustments" in Part G of these Notes and Comments.

Other intangible assets

At each reporting date, if impairment is indicated, the recoverable amount of the asset is estimated. The amount of impairment, which is recognised in the Profit and Loss Account, is the amount by which the asset's carrying amount exceeds its recoverable amount.

Derecognition

Intangible assets are removed from the Balance Sheet on disposal or when no future economic benefits are expected from their use.

8. Non-current assets held for sale or disposal groups

The asset item "Non-current assets held for sale or disposal groups" and liability item "Liabilities associated with assets held for sale or disposal groups" include non-current assets, such as equity investments in associates, or groups of assets/liabilities for which a disposal process has been initiated and the sale of which is deemed highly likely. Such assets/liabilities are measured at the lesser of their carrying value and fair value less costs to sell.
If assets held for sale or disposal groups qualify as discontinued operations and associated liabilities, the net balance of income and expenses (net of tax effect), attributable to them or recognised as such in the year, is recognised in the profit and loss account under the separate item of "Income (Loss) of disposal groups, net of taxes".

9. Current and deferred taxes

Income taxes are recognised in the profit and loss account, with the exception of those relating to items posted directly to net equity.
Provisions for income taxes are made based on a prudential estimate of current taxes, and deferred tax assets and liabilities, which are calculated using prevailing tax rates.

Specifically, deferred tax assets and liabilities are calculated based on the temporary differences — without time limits — between the carrying amount of assets and liabilities and their corresponding values for tax purposes.

Deferred tax assets are recognised to the extent that it is probable that they will be recovered, which is determined based on the ability of the company in question or the parent company Assicurazioni Generali — as a result of its exercise of the option provided by the Italian tax consolidation scheme — to generate ongoing taxable income.

Deferred tax liabilities are recognised in the financial statements, except for the main assets pending taxation, represented by equity investments.
Deferred tax assets and liabilities are shown separately in the balance sheet and are not offset; deferred tax assets are recorded under "Tax assets" and deferred tax liabilities are recorded under "Tax liabilities".

Deferred taxes resulting from consolidation are recognised where it is probable that they will give rise to a tax charge for one of the consolidated enterprises. Such taxes mainly arise when positive differences resulting from consolidation are allocated to the assets of the subsidiary in question.
Deferred tax assets and liabilities are systematically assessed to take account of any changes in tax legislation or rates, as well as changes to the specific situations.
Provisions for taxes also include allocations made to cover charges that could arise from tax assessments already notified or litigation underway with Tax Authorities.

Accounting effects of the redemption of goodwill and other intangible assets pursuant to Italy's tax laws

In recent years, the tax regime applicable to corporate reorganisation transactions has undergone considerable changes aimed at allowing the recognition of surplus amounts (e.g., goodwill) following an extraordinary transaction involving contribution, merger or de-merger to be recognised for income-tax purposes, as well as through the payment of a substitute tax.

Italian Law No. 244 of 24 December 2007 (2008 Finance Law) introduced paragraph 2-*ter* into Article 176 of the Consolidated Income Tax Law (hereinafter TUIR) that allows entities to recognise for income-tax purposes the greater amounts recognised in the accounts following a corporate reorganisation transaction in relation to intangible assets, including goodwill, and property and equipment (so-called "*ordinary redemption*").
That provision requires that the entity pay a substitute tax, determined according to three income brackets, on the basis of the realigned amounts (12% up to 5 million euros, 14% up to 10 million euros and 16% for amounts in excess of the latter bracket, respectively) in lieu of the ordinary rates of IRES and IRAP.
The substitute tax is to be paid in three annual instalments beginning on the term of payment of the balance of income taxes for the year in which the extraordinary transaction is undertaken, whereas the greater amounts are recognised for the purposes of the tax-deductibility of depreciation and amortisation charges beginning in the tax period in progress when the option for payment of substitute tax is exercised on the tax return, that is to say in the year in which the first instalment is paid.

Italian Law Decree No. 185 of 29 November 2008 (Anti-Crisis Decree), converted to Law No. 2 of 28 January 2009 and then further amended, subsequently introduced a new system of optional realignment of tax and carrying values (so-called "special regime"). The provision, set forth in Article 15, paragraph 10, of the cited Decree, states that, in derogation of the substitute-tax regime introduced by the 2008 Finance Law, taxpayers may obtain recognition for tax purposes of the greater amounts attributed to goodwill, trademarks and other intangible assets with finite useful lives in the financial statements by paying a substitute tax in lieu of IRES and IRAP at the fixed rate of 16%, that is to say without any reference to income brackets and the possibility of paying in instalments.
However, the greater amounts attributed to goodwill and trademarks could have been recovered through the off-balance procedure for amortising goodwill in ten annual instalments instead of the 18 ordinary instalments required under Article 103 of TUIR, beginning in the tax period after that in which the tax is paid.
Article 17 of Italian Law Decree No. 83/2015 then precluded the possibility of converting into tax credits the DTAs referring to the value of goodwill and other intangible assets, recognised for the first time in the financial statements for the year ended 27 June 2015, reducing the off-balance amortisation period from ten to five years.

For the special redemption option as well, that statute also requires that the option be exercised by paying the substitute tax by the term of payment for income taxes for the year in which the extraordinary transactions in question are finalised.

In addition, paragraphs 12 to 14 of Article 23 of Italian Law Decree No. 98/2011 (known as the "Summer Manoeuvre") introduced the new paragraphs 10-*bis* and 10-*ter* to Article 10 of Law Decree No. 185/2008, thus allowing an extension of the "special redemption" procedure to goodwill recognised at the consolidated level only, due to not being presented in the carrying amount of the equity investment.
As originally formulated, the statute provided that, for the purposes of redemption of transactions carried out before 31 December 2010, the 16% substitute tax was to be paid by 30 November 2011, whereas the off-balance deduction of goodwill, in ten equal

instalments, was to occur starting in financial year 2013 — a date that was then postponed by Article 1, paragraph 502, of Italian Law No. 228 of 24 December 2012 (2013 Finance Law) to the year after that in progress as at 31 December 2017[4].

Banca Generali has undertaken the following transactions in connection with the aforementioned options afforded by the tax code:

1) redemption of the mismatch between the carrying amounts and book values of goodwill arising from the merger of Banca del Gottardo Italia into Banca BSI S.p.A. (subsequently merged into Banca Generali effective 1 January 2010), closed in 2010 on the basis of the provisions of Article 15, paragraph 10, of Law Decree No. 185/2008;
2) redemption of other intangible assets (client relationships) arising from the above transaction undertaken in 2010 on the basis of the amounts carried in the financial statements of Banca BSI Italia at 31 December 2009 according to the ordinary procedure outlined in Article 176, paragraph 2-*ter*, of TUIR;
3) redemption of goodwill recognised on a consolidated basis in connection with the full equity investment in the subsidiary BG Fiduciaria SIM S.p.A. undertaken in 2011[5].

Most recently, Article 110 of Italian Law Decree no. 104 of 14 August 2020 (the “August Decree”), as amended by the 2021 Budget Law (Article 1, paragraph 83, of Law no. 178 of 30 December 2020), with the aim of facilitating stronger capital positions and mitigating the consequences on financial statements of the economic crisis caused by the Covid-19 pandemic, introduced — including for entities that adopt IAS/IFRS — the possibility of realigning the accounting and tax values of goodwill and other intangible assets recognised in the financial statements for the year in progress at 31 December 2019 (Article 110, paragraph 8-*bis*), to the extent in which they were still present at the closing of the 2020 financial statements.

The option was to be exercised through:

› the payment of a 3% substitute tax, in a maximum of three instalments of equal amounts, by the due date for payment of the balance of the 2020 income tax return and the reporting in the income tax return of incomes relating to financial year 2020;
› the application of a restriction on balance-sheet reserves in an amount corresponding to the greater values subject to realignment, net of the substitute tax, to which the provisions for tax-suspended reserves envisaged for revaluation balances applies.

The effects of the realignment of goodwill and other intangible assets are recognised for tax purposes with effect from financial year 2021 and the off-balance amortisation of goodwill should have been therefore deducted in 18 years (paragraph 3-*bis*).

However, Article 1, paragraphs 622 to 624, of the 2022 Budget Law retroactively amended, in derogation from the taxpayers’ statute, the emergency redemption provisions set out in Article 110 of Law Decree No. 104 of 14 August 2020 (“August Decree”), essentially providing for three options:

a) extension of the amortisation period from 18 to 50 years;
b) “repeat redemption” of goodwill redeemed at 3% by applying an increase on the basis of the rate brackets governed by the ordinary provisions of Article 176 of TUIR;
c) revocation of the redemption transaction, according to the methods to be established by order of the Italian Tax Authorities, applying for a refund for or offsetting the sums already paid.

In 2021, Banca Generali also proceeded to exercise the option to carry out the following realignments of the carrying and tax values of goodwill, trademarks and other intangible assets:

› realignment of misalignments resulting from previous years’ goodwill stated in the Financial Statements at 31 December 2019, pursuant to Article 110 of Law Decree No. 104/2020 (so-called “August Decree”), as amended by the 2021 Budget Law, through payment of a 3% substitute tax, and subsequent right to benefit from the ensuing off-balance sheet amortisation in the ordinary period of 50 years;
› realignment of the carrying values for goodwill, trademarks and intangible assets, resulting from the merger — effective 1 January 2020 for accounting and tax purposes — of the subsidiaries Nextam Partners S.p.A. and Nextam Partners SGR, carried out pursuant to:
  – Article 15 of Law Decree No. 185/2008 (special redemption), by payment of a substitute tax of 16% and subsequent amortisation over 5 years;
  – Article 176, paragraph 2-*ter*, of TUIR (ordinary redemption), limited to intangible assets, with payment of a substitute tax based on related tax brackets (12%-14%) and recognition of amortisation throughout the residual life of the intangible asset.

[4] The following additional legislation was recently passed on this subject:
Article 1, paragraph 1079, of Italian Law No. 145/2018 (2019 Budget Law) introduced a change to the amortisation rates of goodwill and other intangible assets that gave rise to the recognition of deferred tax assets subject to the paragraphs 55, 56-*bis*, 56-*bis*.1 and 56-*ter* of Article 2 of Italian Decree Law No. 225 of 29 December 2010 not yet deducted until the tax period in progress at 31 December 2017 in ten variable annual instalments from 31 December 2019 — from 2019 (5%) to 2020 (3%) — and until 31 December 2029 (10%), without prejudice to previously applicable amortisation, where of a lesser amount.
Article 23 of Italian Decree Law No. 98/2011 (paragraphs 12-14) had introduced the possibility of proceeding with “special” redemption (new paragraph 10-*ter* of Article 15 of Italian Decree Law No. 185/2008) of goodwill and other intangible assets recognised solely at the consolidated level before 31 December 2010, by paying a substitute tax of 16% and deducting the related amortisation in ten annual instalments starting on 1 January 2013. However, Article 1, paragraph 502, of Italian Law No. 228 of 24 December 2012 (2013 Financial Law) then deferred the deductibility of amortisation charges from the tax period after that in progress at 31 December 2017, with a suspension of amortisation of five years, followed by a further change in 2018 (see previous note).
Article 1, paragraph 714, of Italian Law No. 160/2019 (2020 Stability Law) then provided for the deferral of the deduction of the 5% share of the portion of negative components referring to amortisation charges relating to the value of goodwill and other intangible assets, originally provided for 2019, to the tax period in progress at 31 December 2025 and the four following periods.,

[5] The goodwill of BG Fiduciaria was redeemed on 30 November 2011, but effectively became deductible only in financial year 2020, at the rate of 3% instead of the original 10%.

The accounting treatment of the payment of substitute tax on goodwill is susceptible to varying interpretations, given that there is no specific provision of IAS 12 regarding the taxable element of goodwill after initial recognition.
IAS 12 merely prohibits the recognition of deferred tax assets on initial recognition of goodwill from acquisitions not relevant for tax purposes.

The analyses conducted by the OIC (Italian Accounting Standard Setter) — summarised in application document No. 1 of 27 February 2009 entitled *"Accounting treatment of substitute tax on the redemption of goodwill in accordance with Article 15, paragraph 10, of Law Decree No. 185 of 29 November 2008 (converted into Law No. 2 of 28 January 2009) for entities that prepare financial statements in accordance with IAS/IFRS"*, which can however be extended to other special redemption cases envisaged by tax laws — have led to three different accounting treatments being considered compatible with IFRS:
1. recognition through profit and loss of substitute tax only, without recognising deferred tax assets;
2. immediate recognition through profit and loss of both substitute tax and the deferred tax assets representing the future tax benefit; and
3. recognition of substitute tax as a tax credit under assets and subsequent recognition through profit and loss over the years to coincide with the off-balance deduction of the redeemed amortised amounts.

In this regard, it should be noted that the accounting policy adopted by Banca Generali is based on the second method, which allows the attribution of the entire tax benefit, equal to the difference between the substitute tax paid and the deferred tax assets recognised (IRES and IRAP) during the year to which the redemption transaction refers.

During the years in which the redeemed goodwill is deducted on a straight-line basis, the entity releases the previously recognised deferred tax assets to profit and loss on a straight-line basis, in accordance with the specific system adopted (ten or eighteen amortisation instalments), thereby neutralising the decrease in current taxes.

Any impairment losses to the goodwill are not relevant to measuring the recognised deferred tax asset, provided that the value of that asset continues to be believed to be recoverable on the basis of future taxable income.

With regard to the realignment performed pursuant to Article 110 of Italian Law Decree No. 104/2020, DTAs that may be recovered over a longer time horizon than the ordinary off-balance amortisation of 18 years have not been recognised in the financial statements.

10. Provisions for liabilities and contingencies

Provisions for commitments and guarantees issued

The sub-item of provisions for liabilities and contingencies in question includes provisions for credit risk recognised on the basis of loan commitments and guarantees issued that come within the scope of application of impairment rules pursuant to IFRS 9.
Such cases are generally subject to the same methods of allocation to the three credit risk stages and calculation of expected losses presented in regard to financial assets measured at amortised cost or at fair value through other comprehensive income.

Other provisions

Other provisions for liabilities and contingencies include allocations relating to provisions for legal contractual or non-contractual obligations or legal disputes, including tax disputes, arising from a past event where fulfilment of such obligation is likely to require an outflow of financial resources, provided that the amount of the outflow can be reliably estimated.

Therefore, a provision is recognised only when:
- there is a present obligation (legal or constructive) as a result of a past event;
- it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount relating to the fulfilment of the obligation.

The amount recognised as provision corresponds to the best estimate of the expenditure required to settle the obligation existing at the reporting date and accounts for all the risks and uncertainties that are inevitably entailed in certain events and circumstances.
Where the effect of the time value of money is material, provisions are discounted using current market rates. Provisions and increases due to the time value of money are recognised in the profit and loss account.

Provisions are periodically reviewed and, where necessary, adjusted to reflect the best current estimate. If, upon review, it is determined that it is unlikely that a cost will be incurred, the provision is reversed.

Other provisions for liabilities and contingencies include, in particular:
- provisions for contractual indemnities for the Financial Advisor Network (termination indemnity, portfolio overfee indemnity, management development indemnity, and other similar indemnities), measured according to the actuarial of financial method;
- provisions for Financial Advisors and Relationship Managers serving the obligations assumed in relation to the *2017-2026 Framework Loyalty Programme for the sales network*;

- several types of provisions for incentive or recruitment bonuses (recruitment plans) for Financial Advisors;
- provisions for long-term employee benefits;
- provisions for restructuring plans.

In some circumstances, provisions for liabilities and contingencies (e.g., charges relating to staff expenses) have been presented in a separate item of the profit and loss account to best reflect their nature.

Termination indemnity for Financial Advisors

The provision covering the cost of termination indemnities for Financial Advisors is assessed in compliance with IAS 37 according to an actuarial approach, pursuant to the law (Article 1751 of the Italian Civil Code) and the specific disbursement criteria set by the Bank.

In detail, the indemnity to be paid to a Financial Advisor is calculated on the basis of the annual average direct and indirect fees paid to the Financial Advisor during his or her final five years of service (Article 1751 of the Italian Civil Code), net of:
a) the total amount paid to Enasarco's retirement bonus fund (FIRR) each year by the Bank until the date of termination;
b) the contractual lump-sum reduction which gradually declines with the length of service at the date of retirement or termination (with the exception of cases of death and permanent disability).

In cases of withdrawal for cause with service, the indemnity may be further reduced as a function of the decline in AUM during the post-termination observation period.

The assessment is then conducted according to actuarial methods on the basis of demographic parameters, expected turnover rates, with and without the right to service, assumptions regarding the age of entry into the compulsory general insurance (AGO) system and the retirement age.

The procedure also takes account of:
a) the percent fee reduction expected as a function of the estimated period of past service at the date of termination;
b) the prospective termination indemnity fund (FIRR), i.e., the payments that the Bank is to make each year directly to the Enasarco Foundation by way of termination indemnity contributions for the Financial Advisor's entire period of service and that, in the end, are to be deducted from the gross indemnity owed.

Portfolio overfee indemnity

The portfolio overfee scheme calls for Financial Advisors with at least five years of service who leave service permanently due to retirement, serious disability, death or voluntary removal from the Register to be entitled to an indemnity commensurate to the profitability of the portfolio previously managed.
The indemnity, which is governed by an appendix to the agency agreement, is only due on the condition that the outgoing Financial Advisor formally undertakes to conduct a hand-over to an incoming Financial Advisor identified by the Company and discharges the obligation for removal from the Register. Conversely, the incoming Financial Advisor undertakes to pay the Company an indemnity commensurate to that obtained from the outgoing Financial Advisor.
In relation to recent market practices in the area, a thorough contractual revision of the scheme entered into effect on 1 January 2012 was carried out.
The system introduces a rule, namely that the indemnity collected by the outgoing Financial Advisor is to correspond exactly to the indemnity paid by the recipients of the hand-over, thus limiting the principal's role to the service represented by handling the cash flows between the parties.
Therefore, on the basis of the new rules, the outgoing Financial Advisor may only collect the agreed indemnity provided that it has actually been paid to the Bank by the incoming Financial Advisor, thereby fostering greater involvement of the interested parties in the successful completion of the transaction and an appropriate hand-over of customer relationships.

However, the Bank's guarantee is maintained in cases of the reassignment of customer relationships due to the death or permanent disability of the Financial Advisor to whom they had been assigned. In such cases, the Bank will immediately pay out the entire indemnity to the outgoing Financial Advisor's beneficiary or heirs and then recover the amount from the incoming Financial Advisors under an instalment plan, in the reduced amount of 75% in consideration of the increased expense associated with the impossibility of conducting an appropriate hand-over.

The specific provision covering the obligations associated with the scheme is determined through an assessment conducted according to statistical and actuarial methods on the basis of an estimate, carried out through IT procedures, of the development coefficient for the assets managed by the Financial Advisors at the reference date, the historical percentages of indemnity payouts, network turnover rates and other demographic, social security and financial variables.

According to IAS 1, paragraph 234 b), provisions are presented net of contractually established reimbursements to be provided by incoming Financial Advisors.

Framework Loyalty Programme for the Sales Network

The aggregate referring to provisions for long-term contractual indemnities also includes the provision covering the 2017-2026 Framework Loyalty Programme for the Sales Network ("Framework Programme"), approved by the Board of Directors on 21 March 2017 and ratified by the General Shareholders' Meeting on 20 April 2017. Said Programme is aimed at improving the retention of the Network and the customers acquired over time and creating value for the Group by attracting stable, high-quality net inflows.

The Framework Programme originally provided for the possibility to activate during the 2017-2026 period eight individual annual plans set to expire on 31 December 2026 and of decreasing lengths, from a maximum of eight years to a minimum of one year, with the authorisation of Banca Generali Group's corporate bodies and in accordance with its remuneration policies.
However, it should be noted that Banca Generali decided to suspend the implementation of the above Loyalty Framework Programme, for which the sixth 2022-2026 cycle was therefore not activated.

The Framework Programme called for an indemnity to be paid to Financial Advisors and Relationship Managers with a minimum level of seniority of service who met certain AUM and net inflow parameters at the end of the year of activation of the plan in which they participated. The indemnities thus accrued in respect of the individual plans will be disbursed cumulatively to the beneficiaries, in accordance with the Banking Group's current remuneration policies, in the first half of 2027, within 60 days of the approval of the 2026 Financial Statements.
However, departure from the Banking Group's scope entails the loss of entitlement to disbursement of the bonuses accrued, except in the event of death, permanent disability or eligibility to receive a pension. Even in the above circumstances, the indemnity will still be paid at the end of the Programme.

A part of the bonus, up to 50% of its value, for each of the individual plans in the Framework Programme may be paid in Banca Generali shares. In accordance with the Banking Group's Remuneration Policy, the number of shares is determined according to the average price of Banca Generali shares during the 90 days prior to the date of the meeting of the Board of Directors called to approve the draft Financial Statements for the year prior to that of activation of the individual plan. The Banca Generali shares for each individual plan are thus purchased on the market after authorisation is granted, from one year to the next, by the corporate bodies (Board of Directors and General Shareholders' Meeting) and the Regulator, and are cumulatively assigned to beneficiaries.

The amount of the provision for the portion of the indemnity to be paid in cash is measured on the basis of the indemnity accrued as at the reporting date, taking account of the time value of money for the period until the date of disbursement and the forecast rate of turnover, without entitlement to benefits, for the beneficiary population. The portion to be paid in shares is subject to the accounting treatment provided for in IFRS 2 and accrues annually in proportion to the length of the vesting period for the various annual plans activated.

In addition, following the suspension of the Programme, in July 2022 an advance on the bonuses to be paid in cash as provisioned for and revalued as at 30 June 2022 was paid to the beneficiaries of the annual plans already activated, for a total amount of 34.2 million euros. This advance is tied to the right to receive the bonus and will therefore definitively accrue in the first half of 2027 following verification of the vesting conditions established by the Programme.

Three-year Incentive Plan

The 2022-2024 three-year incentive plan, approved by the Board of Directors on 18 March 2022, is in addition to the annual incentives for the Financial Advisor Network and is tied to the achievement of both several overall objectives set at the Banking Group level in terms of total net inflows and recurring fee income, established in the Strategic Plan, and individual objectives.

In particular, at the end of the Plan no incentives may be disbursed without full achievement of the three-year net inflow targets and of at least 90% of the cumulative recurring fee target at the end of 2024.
At the level of the individual beneficiary, accrual of the bonus is tied to individual net inflow and advanced net inflow targets on a three-year basis to be reached collectively, with a floor below which the incentive is not awarded.
Special rules also apply to Financial Advisors eligible to participate in the previous Loyalty Framework Programme, for which a bonus floor applies, to be paid at the end of the three-year period if other conditions are met, but only in the absence of net outflows.

All Financial Advisors, Relationship Managers and Network Managers in service at 31 December 2019 are entitled to the three-year incentives.

The three-year bonus will be paid in 2026, provided that on 31 December 2025 the net inflow targets reached are no less than 90% of net inflows reached at the end of the three-year plan period.

The incentives accruing on a multi-year basis, tied to net inflow targets, qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the Financial Advisor Network.

The accrual of the bonus at the end of the three-year period is contingent on achieving the Banking Group access gates, as defined by the Remuneration Policy.

In addition, the Plan calls for the payment of the cash bonus only, with the sole exception of beneficiaries qualifying as Key Personnel in the three-year period, to whom the specific provisions of the Remuneration Policies (deferral, shared-based payment, etc.) apply.

11. Financial liabilities measured at amortised cost

Classification

Due to banks, Due to customers and Securities issued include the various forms of interbank funding and direct customer inflows, as well as funding through certificates of deposit and the issue of bond securities, net of any amounts repurchased.
Due to banks and Due to customers also include operating debts from financial services.

Recognition

These items are initially recognised when funding is received or the debt securities are issued.
Initial recognition is at the fair value of the liabilities, which is normally the amount received or the issue price plus any costs or income directly attributable to the each funding transaction or issuance and not repaid by the creditor. Internal general and administrative expenses are excluded.
For financial liabilities issued below market value, the fair value is estimated and the difference with respect to the market value is recognised directly in the profit and loss account.

Measurement

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method, with the exception of short-term liabilities where the time value of money is not material. These are measured at the amount received, and any costs incurred are recognised in the profit and loss account on a straight-line basis for the contractual duration of the liability.

Derecognition

Financial liabilities are written off when they mature or are settled, or when previously issued securities are repurchased. The difference between the carrying amount of the liability and the amount paid for repurchase is recognised in the profit and loss account.
Placing securities again on the market after their repurchase is considered a new issue; such securities are therefore measured at the new placement price without any effect on net profit and loss.

12. Financial liabilities held for trading

This item includes the negative value of trading derivative contracts measured at fair value.
If the fair value of a financial asset falls below zero due to trading, it is recorded as a financial liability held for trading.

13. Financial liabilities designated at fair value

There are currently no financial liabilities measured at fair value.

14. Foreign currency transactions

Initial recognition measurement criteria

On initial recognition, foreign currency transactions are recorded in the functional currency using the exchange rate at the date of the transaction.

Subsequent recognition measurement criteria

At each annual or interim reporting date, monetary items denominated in foreign currency are translated using the exchange rate as follows:
- monetary items are translated using the exchange rate at the reporting date;
- non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value are translated using the exchange rate at the reporting date.

Exchange rate differences that result from the settlement of monetary items or the translation of monetary items at a rate that is different from the one used for initial translation or for translating the previous year’s Financial Statements are recognised through profit or loss in the period in which they arise.

15. Other information

Cash and deposits

The portion of the balance of the settlement account held with the Bank of Italy that is not restricted according to the mandatory reserve rules is recognised as demand deposits with the Central Bank and has therefore been reclassified to item 10 of the Balance Sheet, Cash and deposits.

Treasury shares

Treasury shares are recognised at their purchase cost under a specific item as a reduction to net equity and are not subject to measurement. Where subsequently sold, any difference between the purchase cost and sale price is recognised among the components of net equity.

Equity instruments

Equity instruments are instruments that represent an equity interest in the Bank pursuant to IAS 32.
The classification of an instrument issued as an equity investment requires the absence of contractual obligations to make payments in the form of repayment of principal, payment of interest or other forms of return.

In particular, instruments that present the following characteristics are classified as equity investments:
- duration is unlimited or equal to the company's duration;
- the issuer has full discretion over paying coupons or repaying principal, including prematurely.

This category also includes Additional Tier 1 instruments compliant with the provisions of Regulation (EU) No. 575/2013 (CRR) on the prudential requirements for credit institutions and investment firms that, in addition to presenting the characteristics described above, in any event:
- allow the issuer to retain full discretion over whether to recognise a reversal of nominal value (write-up) following a capital event that has resulted in a decline in nominal value (write-down);
- do not incorporate must-pay clauses for the issuer as a result of authentic events within the parties' control.

Equity instruments other than ordinary or savings shares are classified to item "140. Equity instruments" in the amount received, inclusive of the transaction costs that are directly attributable to the transaction concerned.
Any coupons paid and dividend accruals, net of the related taxes, are deducted from item "150. Reserves".
Any differences between the amount paid to discharge or repurchase these instruments and their carrying amount are recognised in item "150. Reserves".

Repurchase agreements

Securities received under a transaction involving a contractual obligation to resell said securities and securities delivered under a transaction involving a contractual obligation to repurchase said securities are not recognised and/or derecognised inasmuch as the associated risks/rewards are not transferred.
Consequently, if securities are purchased under a resale agreement, the amount paid is recognised as a loan to customers or banks. If securities are sold under a repurchase agreement, the liability is recognised as an amount due to banks or customers.
Investment income, in the form of coupons accrued on securities and the difference between the spot and forward price of said securities, is recognised to the profit and loss account items associated with interest on an accrual basis.

Leasehold improvements

Costs associated with refurbishing properties owned by third parties are capitalised due to the fact that, for the duration of the lease, the company using the property has control of the assets and can therefore receive the related future economic benefits.
The above costs, which have been classified among "Other assets", as required by the Bank of Italy's Instructions, are amortised for a period that may not exceed the term of the lease agreement.

Leases (IFRS 16)

As lessee

At the inception of a contract, the Group must assess whether it is, or contains, a lease.
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset in exchange for consideration for a period of time.
In addition to lease contracts, recognised as such, the definition of "lease contract" also includes rental, loans for use and all other contracts that may contain a lease.

For each contract that is, or contains, a lease, the Group allocates the agreed consideration to the following, on the basis of the individual prices of each transaction:
- the lease components (pure lease payment);
- the components relating to other services to be recognised according to other standards (e.g., condominium fees, non-deductible VAT, late payment interest, duty stamps, insurance expenses, vehicle maintenance costs, etc.).

The Group settles the lease components separately from the other service components, unless it is not readily feasible to do so.

The Group recognises a right of use and the related lease liability for all lease contracts in which it is the lessee, except for:
- short-term contracts (i.e., lease contracts with a term of 12 months or less); and
- leases of low-value assets (assets with a value of less than 5,000 euros when new).

The Group accounts for payments relating to the latter as operating expenses on a straight-line basis over the term of the contract, unless another method is more representative.

Lease liabilities
Lease liabilities are initially recognised at the present value of the lease payments that are not paid at the commencement date of the lease, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, at the lessee's incremental borrowing rate.

Since most lease contracts entered into by the Group do not include an implicit interest rate, the discount rate to be applied to future lease payments is generally based on the risk-free rate for the currency in which the contracts are denominated, applicable by maturity, commensurate to the term of the contract concerned, plus a specific credit spread applicable to the lessee.
In particular, the risk-free rate curve (swap curve) is used, with the addition of a spread representative of the Insurance Group's credit risk, calculated periodically on the basis of the quoted prices of credit default swaps (CDSs) referring to the parent company, Assicurazioni Generali.

The lease payments accounted for in the value of the lease liability include:
- fixed payments, including lease payments contractually structured as variable but essentially fixed (in-substance fixed payments), less any incentives received from the lessor;
- variable lease payments that depend on an index or a rate (e.g., inflation), initially measured using the index or rate as at the commencement date of the contract;
- amounts expected to be payable by the lessee under residual value guarantees, where provided for by contract;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease prematurely, if the lease term reflects the lessee exercising an option to terminate the lease, and exercise of the option is deemed reasonably certain.

After initial recognition of the lease liability at amortised cost, the carrying amount of the liability is increased by the interest on the lease (according to the effective interest method) and decreased to reflect the payments made under the lease contract.

The Group remeasures the balance of the lease liability (and applies an adjustment to the corresponding value of the right of use, where significant) if either:
- there is a change in the lease term or there is a change in the assessment of an option right, in which case the lease liability is remeasured by discounting the lease payments at the revised discount rate;
- there is a change in lease payments resulting from a change in an index or a rate or there is a change in the amounts expected to be payable under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments at the initial discount rate (unless the change in lease payments results from a change in floating interest rates, in which case a revised discount rate is used);
- a lease contract has been modified and the modification does not qualify for recognition as a separate contract, in which case the lease liability is remeasured by discounting the revised lease payments at the revised interest rate.

Rights of use
The Group recognises rights of use and the related lease liabilities at the commencement date of the contract.

Right-of-use assets are initially measured at cost, including:
- the initial measurement of the lease liability;
- the lease payments made at or before the commencement date of the contract;
- initial direct costs incurred to obtain the contract (legal, notarial, real-estate agency, etc.).

A provision for risks is recognised and measured according to IAS 37 when the Group is obligated to bear the costs of returning an asset in a condition required by the terms of the contract. This cost is included in the value of the right of use.

The right of use is then recognised net of depreciation and any impairment losses.

The right of use is depreciated on a straight-line basis over the period from the commencement date of the contract to the sooner of the end of the lease term and of the residual useful life of the underlying asset.

If the lease contract transfers ownership of the relevant asset or the cost of the right of use reflects the Group's intention to exercise the purchase option, the right of use is depreciated over the useful life of the asset.

The Group applies IAS 36 – *Impairment of Assets* to identify the presence of any impairment losses.

Variable lease payments that do not depend on an index or a rate are not included in the value of the lease liability or the value of the right of use. The related payments are recognised on an accrual basis and are included in item "Other operating costs" of the Profit and Loss Account.

As lessor

The Group does not act as lessor in lease transactions.

Share-based payments

These are payments to employees or other similar persons, such as Financial Advisors, as consideration for services rendered, based on the equity instruments of the banking or ultimate parent company.

Such plans may provide for either:
› the right to subscribe for rights issues at a pre-determined price (stock-option plans);
› the free assignment of a certain number of shares, generally repurchased (stock-granting plans).

In accordance with IFRS 2 – *Share-Based Payments*, share-based benefit plans for personnel and Financial Advisors are recognised as costs on the Profit and Loss Account based on the fair value of the shares on the assignment date, spreading out the charges over the period covered in the plan.

In light of the difficulty inherent in reliably measuring the fair value of the services received in return for equity instruments, reference is made to the fair value of such instruments measured at the assignment date.

The fair value of options is measured using a model whose inputs are exercise price, time to maturity, the current share price, expected volatility, expected dividend, the risk-free interest rate, and the specific features of the plan in effect. The pricing model measures distinctly the option and the probability that the conditions on which basis the option was assigned will be realised. The combination of the two amounts generates the fair value of the assigned instrument.
In cases of stock-granting plans, the fair value of the shares granted is determined on the basis of market prices on the date of the resolution of the Shareholders' Meeting authorising the plans.
Any reduction in the number of financial instruments assigned is recognised as a cancellation of part of them.

Charges relating to shared-based payment plans are recognised as a cost for the period in the profit and loss account under item 190.a) "General and administrative expenses: staff expenses", where they relate to employment services, and under item 50. "Fee expense", where they relate to contractual relationships with Financial Advisors. In both cases, such charges have their counter-entry in item 150. "Equity reserves"[6].

Employee termination indemnities

Employee termination indemnities, which are governed by Article 2220 of the Italian Civil Code, constitute "**post-employment benefits**" as defined in IAS 19 – Employee Benefits.

Following the entry into force of Italy's 2007 Finance Law, which brought forward to 1 January 2007 the supplementary pension reform enacted by Italian Legislative Decree No. 252 of 5 December 2005, the portions of employees' termination indemnities accrued starting from 1 January 2007 must — depending on the employees' choice — be allocated to a supplementary pension fund or maintained within the company and — in the case of companies with at least 50 employees — transferred to a special fund managed by Italy's national security institute (INPS).

Accordingly, obligations to employees have taken on a twofold nature from an accounting standpoint:
› "a defined contribution plan" for termination indemnities accrued by personnel starting on 1 January 2007 whether the employee chooses to redirect such amount to a supplementary pension fund or allocate it to the INPS treasury fund.
  For such portions, the amount recognised amongst staff expenses is determined on the basis of the contributions owed, without the application of actuarial calculation methods.
  The portions paid to supplementary pension funds are recognised in the specific item, whilst the portions paid to the INPS fund are reclassified to the item "employee termination indemnities" by convention;
› "a defined-benefit plan" for the portion of termination indemnities accrued by personnel through 31 December 2006, which is thus recognised on the basis of the actuarial value of the **expected future benefit**, determined according to the "**projected unit credit method**".

[6] For further information on the accounting treatment and the characteristics of the individual plans, including quantitative information, see Part I - Payment Agreements Based on Own Equity Instruments of these Notes and Comments.

According to this method, the amount already accrued is to be increased by the unit amount accrued annually (current service cost) projected into the future through the date of expected termination of employment then discounted at the reference date. The unit amount accrued is also determined on the basis of the employee's entire expected working life.

In the specific case, however, the past liability is assessed without pro-rating past service because the service cost of the termination indemnity has already fully accrued. Accordingly, the annual accrual consists solely of the interest cost relating to the revaluation of the expected benefit due to the passage of time.

The rate used for discounting is determined by reference to market yields on high quality corporate bonds, taking into account the average time-to-maturity of the liability, and calculated using the percentage paid and advanced for each contractual period compared to the total amount to be paid and paid in advance until the final settlement of the entire obligation.
Considering that IAS 19R requires that the discount rate is to be determined by reference to the yields on "high-quality corporate bonds," it was decided to use the IBOXX EURO CORP index, formed of AA series.
The plan's service costs have been recognised amongst staff expenses under item "provisions for termination indemnity."

Following the entry into force of IAS 19R, from 1 January 2013, with the aim of improving financial statement comparability, it was decided to eliminate the option of adopting different treatments for **actuarial gains and losses** deriving from the assessment of the obligation, i.e., decreases or increases in liabilities deriving from changes in the parameters used for the actuarial assessment (change in the discount rates, estimate of expected staff turnover rates, salary increases, etc.).

In fact, changes in liabilities due to actuarial assessments are now required to be mandatorily recognised in full in the other comprehensive income, and thus with a balancing entry to an equity reserve, net of the associated tax effect.
By contrast, in the previous accounting arrangement adopted by the Bank the above item had been recognised in the profit and loss account according to the corridor method, i.e., the amount of cumulative actuarial gains/losses resulting at the end of the previous year in excess of 10% of the present value of the benefits generated by the plan.

The elimination of this method entailed an impact on the Bank's net equity from the date of first-time adoption of the new Standard due to the recognition of actuarial gains or losses not previously booked in application of the corridor method.
In addition, actuarial assessments of the provision are conducted net of the 11% substitute tax and 0.50% contribution, which are thus reclassified to the profit and loss account during the year of accrual under a specific item.

Productivity bonuses for salaried employees

Productivity bonuses to be paid to salaried employees during the following year are generally to be allocated to the item "Other liabilities."

More specifically, in accordance with IAS 19 – Employee Benefits, the following are allocated to current liabilities:

› the share of variable remuneration to be paid to managers and employees for which there are legal obligations that may be reliably estimated, such as bonuses relating to the supplementary company agreement, managerial bonuses associated with balance scorecards (MBO) and other individual incentive plans of a contractual nature, such as those for sales personnel and managers;
› incentives not subject to contractual agreement for which there is objective evidence of their customary nature, giving rise to a constructive obligation for the Bank.

For these items, a reliable estimate has been prepared of the expense owed to staff under the formal conditions of the individually assigned incentive plans and the probability that the quantitative and qualitative targets set out therein will be met.

Pursuant to IAS 19, the Company also recognises among staff expenses in the Profit and Loss Account the following types of expenses that do not constitute certain short-term liabilities and thus have the item for provisions for liabilities and contingencies as their balancing entry in the balance sheet:

› the share of the variable remuneration of managers of the Banking Group deferred up to five years, and conditional upon the satisfaction of the access gates requirements established in the Banking Group's new remuneration policy.

Expenses functionally related to staff

In accordance with IAS 19, item 190 a) "Staff expenses" only includes costs representing remuneration for professional services rendered, thus excluding those representing pure reimbursement of the expenses incurred by the employee for the benefit of the enterprise in the performance of professional activity.

Accordingly, indirect expenses functionally related to activity performed by staff are recognised under item 190 b) "Other general and administrative expenses". Such expenses also include:

a) documented, specific reimbursements of the costs of room and board incurred by employees during business trips;
b) documented, specific mileage reimbursements, calculated on the basis of rates recognised as valid (e.g., Automobile Club d'Italia) and the mileage actually travelled;
c) costs of check-ups conducted when staff are hired and the costs of compulsory examinations of staff required by law.

By contrast, amongst other items, the costs of professional refresher courses for employees continue to be recognised under staff expenses.

Recognition of revenues and costs

Revenues are recognised when they are realised or when it is probable that the related future benefits will be received and such benefits can be reliably measured. More specifically:
- interest payable is recognised on a pro-rated basis according to contractual interest rate, or the effective interest rate if amortised cost is used;
- default interest accrued on the basis of contractual terms is recognised in the profit and loss account only when received;
- dividends are recognised in the profit and loss account when dividend payout is approved;
- service revenue fees are recognised, on the basis of the existence of contractual agreements, during the period in which the services in question are rendered; in further detail, trading fees on securities trading are recognised when the service is rendered. Portfolio management, advisory and mutual fund management fees are recognised according to the length of the service. Fees considered among amortised cost for the purposes of determining the effective interest rate are excluded and are recognised among interest.

Costs are taken through profit or loss during the periods in which the associated revenues are recognised. If the above matching can only be done generally or indirectly, then the costs are allocated to more than one accounting period according to rational procedures and on a systematic basis. Those costs that cannot be matched with the related revenues are immediately taken through profit and loss.

Recognition of the costs of obtaining and fulfilling a contract

Beginning from the end of 2018, the amortisation period for acquisition and fulfilment costs for contracts with customers was modified from a time horizon based on the payback criterion to a time horizon more consistent with the average duration of contractual relationships with customers, determined to be five years.
These changes, implemented in part owing to the greater flexibility of IFRS 15, made it possible to align the accounting treatment of incremental costs paid to Financial Advisors in relation to the organic growth of assets under management with the treatment of recruitment incentives tied to the acquisition of new customers (amortised over five years), thereby ensuring a more effective correlation between total fee expenses and the fee income generated by customer investments.
In particular, the modification affected the accounting treatment of ordinary sales incentives tied to the net inflow targets paid to the Financial Advisor Network, which had been previously accounted for according to the practical expedient of taking them in full to the profit and loss account for the year.
The modification, which qualifies as a change in accounting estimate in respect of the amortisation period for incentives, was applied prospectively in accordance with IAS 8.

Calculation of impairment losses

Impairment losses of financial assets

At each reporting date, in accordance with IFRS 9, financial assets other than those measured at fair value through profit or loss are tested for evidence that their carrying amounts may not be fully recoverable. Similar tests are also performed for loan commitments and guarantees issued that come within the scope of impairment testing pursuant to IFRS 9.

Where such evidence of impairment exists, the financial assets in question are considered impaired and included in stage 3, along with all remaining assets associated with the same counterparty, if any. Such exposures, represented by financial assets classified, in accordance with Bank of Italy Circular No. 262/2005, as bad loans, unlikely-to-pay loans and exposures past-due by more than 90 days must be accounted for by recognising impairment losses equivalent to the expected losses over their entire residual lifetimes.

Impairment losses of performing financial assets

For financial assets for which there is no evidence of impairment (performing financial instruments), it must be verified whether there are any indicators that the credit risk associated with each transaction has increased significantly with respect to initial recognition. The consequences of this assessment, from the standpoint of classification (or, to be more precise, “staging”) and measurement, are as follows:
- where such indicators exist, the financial asset is classified as stage 2. In such case, in accordance with international accounting standards, and despite the absence of a manifest decline in value, measurement involves recognising impairment losses equal to the expected losses over the financial instrument’s entire residual lifetime;
- where such indicators do not exist, the financial asset is classified as stage 1. In such case, in accordance with international accounting standards, and despite the absence of a manifest decline in value, measurement involves recognising impairment losses equal to the expected losses for the specific financial instrument over the following twelve months.

Such impairment losses are revised on each subsequent reporting date to verify periodically that they are consistent with constantly updated loss estimates and to take account of the changed forecasting period for calculating the expected loss, in the event of changes in indicators signalling a “significantly increased” credit risk.

With regard to the tracking of credit quality, in accordance with the provisions of the Standard and the Supervisory Authority's instructions as to how to apply the Standard in the case of less significant institutions, a detailed analysis was conducted for each relationship, whether in the form of a security or a loan.

To identify whether there has been a "significant deterioration" of credit quality since initial recognition and there is thus a need for classification to stage 2 and, vice versa, whether the conditions have been met for reclassification from stage 2 to stage 1, it has been decided to make a comparison, at each reporting date, between the credit quality of the financial instrument at the time of measurement and at the time of initial disbursement or purchase (stage assignment).

In view of the above, the factors that will be decisive when determining transitions between the various stages are as follows:
› a change in rating class with respect to the moment of initial recognition of the financial asset. In other words, this is an assessment according to a "relative" criterion;
› the presence of a position past-due by at least 30 days. Where such positions exist, in other words, the credit risk of the exposure is presumed to have "significantly increased" and the position is thus reclassified to stage 2;
› the presence of forbearance measures, which entail the classification of the exposure as among those whose credit risk has "significantly increased" with respect to initial recognition.

Some particular considerations apply to the staging of securities. In the case of this type of exposure — as opposed to loans — purchase transactions following an initial purchase of securities with the same ISIN may be a customary part of ordinary management of such positions (resulting in the need to establish an approach to identify sales and redemptions to determine the residual balances of individual transactions with which to associate a credit quality/rating upon origination to be compared with that as at the reporting date). The "first-in-first-out" ("FIFO") method has thus been deemed to contribute to more transparent management of the portfolio, including from the standpoint of front-office personnel, thus also permitting assessments of creditworthiness to be updated constantly on the basis of new purchases.

In addition, Banca Generali has adopted the low credit risk exemption (LCRE) provided for in IFRS 9 for certain financial assets, namely debt instruments issued by governments and public administrations. Accordingly, exposures that are rated investment grade or above as at the reporting date will be deemed low credit risk exposures and thus classified to stage 1.

Once exposures have been allocated to the various credit risk stages, expected credit losses (ECLs) are determined for each transaction or tranche of a security, on the basis of the parameters of probability of default (PD), loss given default (LGD) and exposure at default (EAD).

The measurement of financial assets also reflects the best estimate of the effects of future conditions — above all those of the economic context — with an impact on forward-looking PD and LGD.

Modifications to stage assignment

IFRS 9 requires that the assessment of expected credit losses on financial instruments measured at amortised cost allocated to the HTC and HTCS portfolios be closely connected to their inclusion in one of the three stages (credit risk stages), the last of which (stage 3) includes non-performing financial assets and the remainder of which (stages 1 and 2) include performing financial assets.
In particular, financial instruments are classified to stage 2 if on the reporting date they have undergone a significant increase in risk compared to origination, determined by reaching a rating class deemed excessively risky or by a significant rating notch difference.

In response to the Covid-19 emergency, international organisations and governments implemented extensive support programmes for the banking system and real economy, including, above all, the banking package promoted by the European Union and the public moratoria. The supervisory authorities also requested that financial institutions modify their processes for managing and hence for approving loans, so as to ensure, even in shock conditions, the proper assessment of temporary increases in risk profile, while also decreasing the procyclical effect of assessment models.

In adopting this regulatory framework, which thus views the Covid-19 emergency as a temporary phenomenon not destined to last over time, and in line with industry practices recently established amongst Italian financial institutions, the Banking Group decided to make significant changes to the current stage assignment model for the securities portfolio, as detailed below:
› introduction of a module that formalises the legitimate use of temporary model changes in extraordinary conditions of use until conditions of normality are restored;
› introduction of a rule against downgrading sovereign securities, where justified in terms of temporariness, validity, extraordinariness and severity; with regard to this latter point, a limit was identified in the form of a downgrade not resulting in a rating class lower than credit quality class 4 (equivalent to BB) (ECB Press Release of 22 April 2020);

- replacement of the current rating assignment rule according to a predefined order (1. Moody's, 2. S&P and 3. Fitch) with the ECAI First Best Rating assignment rule, acknowledging that a security downgrade is only admitted if formulated unanimously by all rating agencies: Moody's, S&P, Fitch and DBRS;
- addition of the ratings agency DBRS to the ECAIs Moody's, S&P and Fitch.

These changes are in line with the new regulatory requirement formulated in EBA "Statement on the application of the prudential framework regarding Default, Forbearance and IFRS 9 in light of COVID-19 measures", 25 March 2020, and in EBA "Guidelines EBA/GL/2020/02", 2 April 2020, which requires prudence in assessing the increase in risk profile, where not representative of the counterparty's long-term status.

Impairment losses of non-performing financial assets

Non-performing loans are measured as follows:
- individual measurement of all exposures classified as bad loans;
- individual measurement of all exposures classified as unlikely-to-pay (UTP) and overdrawn/past-due of amounts in excess of 10 thousand euros and secured positions under 10 thousand euros;
- statistical measurement for all positions classified as unlikely-to-pay (UTP) and overdrawn/past-due below the above thresholds.

Individual measurement is performed by managers on individual positions on the basis of a qualitative and quantitative analysis of the debtor's financial performance and position, the risk level of the credit relationship and any mitigating factors (guarantees), while also taking account of the financial effect of the time estimated to be necessary for recovery.

In the case of bad loans in particular, significance is attached to a series of elements — present to varying degrees depending on the characteristics of the positions — to be assessed as thoroughly and prudently as possible, including, but not limited to:
- the nature of the loan, i.e., preferred or unsecured;
- the net assets of the obligors/third-party guarantors;
- the complexity of ongoing or potential litigation and/or the underlying legal matters;
- exposure of obligors to the banking system and other creditors;
- most recent available financial statements;
- legal status of obligors and pending insolvency and/or individual procedures.

Statistical assessments are conducted on the basis of the parameters set out in the ECB guidelines. Residual exposures of amounts beneath a predetermined threshold are fully written off.
The financial effect of time (time value) is not taken into account for exposures classified as overdrawn/past due by more than 90 days due to the high frequency of return to performing status in the short term.

Contributions to deposit guarantee systems and resolution mechanisms

Through Directives 2014/49/EU of 16 April 2014 and 2014/59/EU of 15 May 2014, respectively, the "Deposit Guarantee Schemes Directive (DGSD)" and "Bank Recovery and Resolution Directive (BRRD)", and the institution of the Single Resolution Mechanism (Regulation (EU) No. 806/2014 of 15 July 2014), European lawmakers made significant changes to the rules concerning banking crises with the strategic aim of strengthening the single market and ensuring systemic stability. As illustrated in further detail below, the above legislative changes had a significant impact on financial performance and financial position as a result of the obligation to establish specific funds with financial resources that must be provided by contributions from financial institutions starting in 2015.

Contributions deriving from the Deposit Guarantee Schemes Directive (DGSD)

Directive 2014/49/EU, effective as of 3 July 2015, harmonises the levels of protection offered by national deposit guarantee schemes (DGSs) and their methods of intervention, with the aim of eliminating possible competitive disparities within the European market. To that end, the Directive provides that national DGSs (in Italy, the Interbank Deposit Protection Fund or FITD) must endow themselves with means commensurate to the deposits protected, which must be provided through mandatory contributions from financial institutions. The new element for Italian banks is the new mechanism for financing the fund: the previous after-the-fact contribution system, in which funds had been requested in case of need, was replaced by a mixed system, in which funds must be paid in advance, so as to reach, within ten years of the entry into force of the Directive (3 July 2024), a minimum target level of **0.8% of the deposits guaranteed**.
The contributions from each entity are calculated as a function of the ratio of the amount of own deposits to the total protected deposits in the country.
Article 10 of Directive 2014/49/EU provides that contributions are to be paid by banks with at least annual frequency.
In its extraordinary meeting of 26 November 2015, the FITD then amended its Articles of Association to comply with the new contribution rules and regulatory framework.
The Directive was then transposed into Italian law through Legislative Decree No. 30/2016.

Contribution charges deriving from the Bank Recovery and Resolution Directive (BRRD)

Directive 2014/59/EU establishes the new resolution rules, applicable from 1 January 2015 to all European Union banks in a state of current or prospective default. These rules, which introduce the "bail-in" principle, require, under certain circumstances, that funding for resolution may also be supported by a national resolution fund instituted by each of the 28 European Union Member States and managed by a national resolution authority.

To that end, the Directive provides that the national resolution funds be endowed with financial means provided through mandatory advance contributions from authorised financial institutions.
In particular, the funds are to be paid in advance until reaching a minimum target level, over a period of ten years, i.e., by 31 December 2024, of **1% of guaranteed deposits**[7].

The contributions from each entity are calculated as a function of the ratio of its total eligible liabilities, i.e., net of own funds and the guaranteed deposits, to the total liabilities of all authorised financial institutions in the country.

In this context, on 16 November 2015 Italian Legislative Decrees Nos. 180/2015 and 181/2015 were enacted, introducing the National Resolution Fund into the Italian legal system and assigning the Bank of Italy the role of National Resolution Authority.

In particular, Articles 78 et seqq. of Legislative Decree No. 180/15 provide that such funds are to be financed by, among other sources:

a) ordinary contributions paid on an annual basis in the amount determined by the Bank of Italy in accordance with Directive 2014/59/EU (Article 103) and commensurate for the purposes of reaching the fund's target funding level;
b) extraordinary contributions when ordinary contributions are insufficient to cover losses, costs or other expenses incurred to achieve resolution objectives, up to an amount of three times annual average ordinary contributions.

The European Single Resolution Fund (SRF) managed by the European resolution authority, formed within the ECB (Single Resolution Board – SRB) as part of the Single Resolution Mechanism (SRM), became effective on 1 January 2016.
Regulation (EU) 806/2014 specified that the Fund should reach a target level of means of at least 1% of the amount of the protected deposits of all authorised entities in the Banking Union in a period of eight years, from 1 January 2016 to 31 December 2023.
The contribution rules for the period 2016-2023 were established in Article 8 of Implementing Regulation No. 81 of 2015.
Accordingly, the banks of Member States of the Banking Union (including Italian banks) contributed to the National Resolution Fund in 2015 and to the Single Resolution Fund starting in 2016 (until 2023). During the initial period, when calculating each institution's individual contributions, this transfer was taken into account.

Accounting treatment of contribution charges deriving from the BRRD and DGSD

The accounting and reporting treatment applicable to contributions to resolution funds was the subject of the Bank of Italy's notice dated 20 January 2016, as well as of a notice dated 25 January 2017 specifically relating to "Additional contributions to the national resolution fund".

Similar conclusions were reached by ESMA in its Opinion 2015/ESMA/1462 "Application of the IFRS requirements in relation to the recognition of contributions to Deposit Guarantee Schemes in IFRS accounts" of 25 September 2015 with regard to non-reimbursable cash contributions to be paid in advance into deposit guarantee funds.

For financial reporting purposes, reference should be made to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and the Interpretation IFRIC 21 – Levies, which entered into force on 1 January 2015.
The Interpretation concerns the accounting treatment of a liability for a levy where the liability falls within the scope of application of IAS 37.
As defined in IFRIC 21, "a levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation".
Obligations to contribute to the National Resolution Fund, in both ordinary and extraordinary form, are imposed by legislation, and thus fall within the scope of "levies" as defined in IFRIC 21.

IAS 37 and IFRIC 21 provide that a liability must be recognised when the obligating event that gives rise to a present obligation occurs. Since the Decree does not provide for contributions to be reduced or refunded to intermediaries, in whole or in part, whenever the obligating event occurs the liability relating to the contributions in question must be recognised for the full amount.

Since it is not possible to account for the liability through either an intangible asset pursuant to IAS 38 or a prepayment asset, the contributions must be recognised in profit and loss.

In this regard, the Bank of Italy has clarified that the item to which to classify such contributions, which for accounting purposes may be regarded as levies, is sub-item 160 b "General and administrative expenses – other general and administrative expenses" of the profit and loss account in the separate financial statements, and sub-item 190 b of the consolidated financial statements, which is also used to account for the indirect levies and taxes (paid and unpaid) accrued during the year.

[7] Also in this case, in order to achieve the target level, the financial means provided by the credit institutions may include payment commitments up to a maximum of 30%.

Guarantee Fund for the Life Insurance Sector

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

The General Meeting for setting up the Fund was held on 13 December 2024 at IVASS and appointed 3 members of the Executive Committee that will be tasked with drafting the Statute and calling in the ordinary contributions due in 2024.

With regard to the accounting treatment, on 18 December 2024, IVASS published a letter to the market concerning the methods for recognising in the consolidated financial statements and in the separate financial statements the ordinary and extraordinary contributions that member undertakings are required to pay to the Guarantee Fund for the Life Insurance Sector.
This letter outlined the same guidelines provided for by the Bank of Italy and ESMA in relation to the contributions paid pursuant to the BRRD and the DGSD.

IVASS also clarified that the contributions due in the first year of the Fund shall be already recognised in the 2024 financial statements, even though the cash outflow has not yet materialised.

Business combinations

Business combinations are regulated by the IFRS 3 – *Business Combinations*.
Based on this standard, any acquisition of companies is accounted for using the "purchase method", whereby the assets, liabilities, and contingent liabilities of the acquired company are recognised at fair value on the acquisition date. Any positive difference of the price paid over fair value is recognised as goodwill or other intangible assets; if the price is less, the difference is recognised in the Profit and Loss Account.
The "purchase method" is applied as of the acquisition date, i.e., from the time effective control of the acquired company is obtained. Accordingly, the results of subsidiaries acquired during the year are included in the Consolidated Financial Statements from the date of acquisition. Also the profit and loss results of a subsidiary which has been disposed of are included in the Consolidated Financial Statements, up to the date control is transferred.

Business combinations of entities under common control are not included in the scope of IFRS 3, nor are they covered by other IFRS. They are accounted for in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*.
The IAS/IFRS provide specific guidelines for transactions not covered by IFRS (described in paragraphs 10-12 of IAS 8); according to these guidelines, management is required to consider the most recent pronouncements of other regulatory bodies that use a similar conceptual framework to define accounting standards.
In fulfilment of this requirement, it should be noted that the Financial Accounting Standards Board (FASB) has published an accounting standard regarding business combinations (FAS 141) that in some respects is similar to IFRS 3. Unlike IFRS 3, however, FAS 141 includes an appendix containing limited accounting guidelines for transactions under common control that were previously included in the Accounting Principles Board's (APB) Opinion 16. According to the pooling of interest method, for this type of transaction the assets and liabilities of business combinations are stated at historical (book) value instead of fair value, and goodwill is not recognised.

This solution was essentially adopted at national level by Assirevi, with documents OPI No. 1R on the accounting treatment of business combinations of entities under common control, and OPI No. 2R on the accounting treatment of mergers.

Intra-group combinations or other combinations of entities under common control within Banca Generali Group are therefore accounted for based on the book value of the entity transferred. Any difference between the consideration paid for the acquisition of the equity interest and the book value of the entity transferred (based on the goodwill recognised) is deducted from the net equity of the acquirer, and the transaction is classified as an extraordinary distribution of reserves.
In a similar way, if an entity is disposed of, the amount received is directly recognised in an equity reserve, as it is a capital contribution by other companies of the Group to which it belongs.

Part A.4 – Information on Fair Value

With the introduction of IFRS 13, the definition of **fair value** has been modified with respect to IAS 39, with a view to a more market-based approach.

According to the new standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value is thus not an entity-specific measurement, but rather a market-based measurement.

In detail, measurement at fair value:
- presumes that the asset or liability is exchanged in an orderly transaction between market operators under current market conditions;
- refers to a particular asset or liability and must take account of the characteristics of the asset or liability that market participants take into account when pricing the asset or liability;
- assumes that market participants act in their economic best interest;
- assumes that the sale of the asset or the transfer of the liability takes place:
  a) in the principal market for the asset or liability; or
  b) in the most advantageous market, in the absence of a principal market.

Fair value hierarchy

International accounting standard IFRS 13 requires that financial assets be classified according to a hierarchy of levels (the "fair value hierarchy") that reflects the significance of the inputs used in valuation:
- **Level 1:** quoted prices (unadjusted) in an active market, as defined by IFRS 13;
- **Level 2:** inputs other than the price quotations indicated above, observable on the market either directly (prices) or indirectly (price-derived data);
- **Level 3:** inputs not based on observable market data.

For the purposes of the fair value hierarchy, inputs may thus be classified as:
- **observable**, when the information used in the measurement techniques is based on market data obtained from sources independent of the Bank and available on the market;
- **unobservable**, when they reflect assumptions by the Bank reached by drawing on the best available information in such circumstances.

Valuation criteria of the fair value of financial instruments

In 2010, Banca Generali adopted its Fair Value Policy, which sets out the procedures for measuring the fair value of financial instruments and entrusts responsibility for the measurement process to the Lending Department and review and validation of the data to the Risk Management Department.
The procedure lays down a decision-making process aimed at identifying the best measurement method in the context of the classification of available price sources in the three levels of the fair-value hierarchy.

The fair value of financial instruments is determined through the use of prices obtained from capital markets, if the instruments are quoted on active markets (mark-to-market approach) or through the use of valuation procedures for other financial instruments (mark-to-model approach), based on the analysis of recent transactions involving similar instruments (comparable approach) or, failing the latter, on valuation models.

When determining a financial instrument's fair value, it is thus fundamental to verify whether the market on which that instrument is traded may be considered active, i.e., whether the quoted prices observed represent actual, regular market transactions undertaken during a normal reference period and are promptly and regularly available through exchanges, intermediaries, brokers, industry companies, quotation services and other authorised entities.
Bonds (government bonds and securitisations), equity securities and exchange-traded funds (ETFs) listed on regulated markets and listed financial derivatives are normally considered to be listed on an active market that meets the foregoing requirements.
However, quotation on a regulated or official market does not in itself guarantee the presence of significant prices owing to the limited, sporadic nature of transactions (illiquid securities) on certain securities exchanges, such as that of Luxembourg, whereas there are market types that are unregulated yet show significant daily exchanges in terms of volumes that are suitable to providing prices on an ongoing basis.

Accordingly, most bonds are considered listed on an active market if objective parameters such as the following may be observed:
- an adequate number of counterparties that presents a minimum number of executable ask and bid offers;
- a spread between the ask and bid price that falls within an interval deemed appropriate; and
- continuity of quotations on both sides of the market.

For financial instruments listed on active markets, the current bid price is used for financial assets and the current ask price for financial liabilities.

For equity securities, ETFs and government bonds listed on regulated markets, for which the bid-ask spread is not particularly material, the official closing price for the last trading day is also used.

A.4.1 Fair value Level 2 and Level 3: valuation techniques and inputs used

Financial instruments measured at fair value on a recurring and non-recurring basis

Level 2 of the fair value hierarchy includes all financial instruments whose fair value, despite not being directly observable on the market, may be estimated using valuation models based on:
- inputs directly observable on the market (e.g., executable prices, interest rates or yield curves observable within various buckets, volatilities, credit spreads, etc.);
- inputs indirectly observable on the market or based on observable market data and supported by strong evidence of correlation with observable market data (market-corroborated inputs).

With regard to **bond securities** (including government bonds and securitisations), the price sources to be used, where available, to determine fair value in the absence of an active market are as follows:
- Bloomberg Generic Number (BGN), which represents Bloomberg's market consensus price and is calculated using both executable prices and indicative prices contributed to Bloomberg;
- the Bloomberg Valuation Service (BVAL), which provides a valuation of bonds based on a three-stage pricing process: 1) observation of market data; 2) analysis of observed prices for similar instruments; and 3) valuation based on non-arbitrage models (for comparable yield curve models). The BVAL is considered a Level 2 price source when there is evidence that it is based on directly observable market data. In all other cases, it will be considered a Level 3 price source;
- other consensus prices provided by Bloomberg, Telekurs or other Information Providers;
- contributors' executable prices that do not meet the significance requirements;
- valuation models developed by Banca Generali, implemented on front-office systems or provided by third-party providers, based on observable significant inputs, which have been validated by the Risk Management Department.

UCITS not listed on regulated markets are normally not considered listed on active markets.
UCITS characterised by significant levels of transparency and liquidity are considered Level 2 and valued on the basis of the NAVs provided by the management company/fund administrator.
UCITS relating to private equity, private debt and similar activities are considered Level 3 and measured on the basis of the most recent available NAV, adjusted, where applicable, to take account of events not incorporated into unit value or on the basis of specific valuations, where it is necessary to reflect a different valuation of the fund's underlying assets.

With reference to the valuation method used for the Forward Fund, reference should be made to the information provided in Part E "Information on Risks and Risk Hedging Policies", Section 2 "Prudential consolidation risks", Subsection D "Transfers", paragraph C "Prudential consolidation - transferred financial assets fully derecognised" of these Notes and Comments.

As regard derivative instruments, valuation models are used that have been developed by Banca Generali, implemented on front-office systems or provided by third-party providers, based on observable significant inputs, which have been validated by the Risk Management Department.

Since it is impossible or inappropriate to use the comparable approach for OTC financial derivatives, the Group uses widespread valuation techniques commonly used by financial operators, including:
- the analysis of discounted cash flows;
- option pricing models.

In addition, the class L3 of financial instruments measured according to non-observable market parameters includes securities measured according to prices and market data obtained from brokers.

Level 3 also includes certain financial instruments measured at cost in the absence of reliable estimates of fair value. These consist mainly of "minor equity investments" in companies with which the Group has service relationships, and disposal of which is not conceivable (CSE, GBS, Caricese, SWIFT, etc.).

Other financial assets and liabilities not measured at fair value on a recurring basis

The fair value and hierarchical classification of financial assets other than debt securities, equity securities and units of UCITS, as well as of financial and operating receivables classified amongst loans to banks and customers, are determined as follows.

Demand, uncommitted and short-term loans

The fair value of this class of assets, which essentially consists of uncommitted current account exposures, demand deposits or short-term time deposits, as well as operating receivables, is not believed to differ significantly from its carrying amount. Considering that the measurement process does not contemplate significant unobservable inputs, such instruments are typically classified as L2.

Loans with medium/long-term fixed contractual maturity

This class of assets consists primarily of medium- or long-term mortgages or loans with financial instruments as collateral.

The fair value of loans with amortisation schedules is calculated according to a discounted cash flow model that calls for the cash flows expected on the basis of the contractual amortisation schedule to be discounted at the proper rate for the risks associated with the instrument. This correction consists of a spread to be added to the risk-free discount rate for the cash flows.

The spread in question is to be defined in such a way as to include the following components of risk:

- the cost of credit risk (the cost of covering expected losses in relation to credit risk);
- the cost of funding (the cost of funding positions);
- the cost of capital (the cost of covering unexpected losses in relation to credit risk);
- operating costs (any other costs, specific to the type of loan, that are to be considered in the exit price).

The cost of credit risk is calculated on the basis of multi-period historic PDs related to the rating of the counterparty in the transaction and the LGD specific to the type of instrument.
Loans with a fixed contractual maturity are classified to Level 3 of the fair value hierarchy, in consideration of the significant presence of unobservable inputs (spreads determined on the basis of internal PD and LGD).

Non-performing exposures

When non-performing loans — bad loans, UTP positions and past-due loans — are separately assessed, their book value is believed to be a reasonable approximation of their fair value.
Such loans are classified to Level 3 of the fair value hierarchy.

Other financial liabilities

Financial liabilities classified as amounts due to customers and banks consist mainly of demand deposits, short-term time deposits and operating payables.
Such liabilities also include repurchase agreements that are set to mature within the year and, in the case of interbank funding, fully collateralised, with the determination of daily margins of change.

Such financial liabilities are subject to fair value measurement criteria similar to those applied to other demand or uncommitted financial assets.

A.4.2 Processes and sensitivity of measurements

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, IFRS 13 requires a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.
The unobservable inputs capable of affecting the measurement of instruments categorised within Level 3 consist mainly of estimates and assumptions underlying the models used to measure investments in equities and other UCITS. For such investments, no quantitative analysis has been prepared of the sensitivity of the fair value to changes in unobservable inputs, given that the fair value either has been drawn from third sources without any adjustments or is the result of a model, the inputs to which are specific to the entity subject to measurement (i.e., the company's asset values) and for which the use of alternative values is not reasonably feasible.

The case in question does not apply to Level 3 financial instruments classified as assets measured at OCI and FVOCI. The reader is referred to the detailed analysis of individual positions provided in the subsequent section concerning quantitative information.

A.4.3 Fair value hierarchy

IFRS 13, recalling the contents of IFRS 7, requires that entities that apply IAS/IFRS make adequate disclosure of the fair value measurements used for each class of financial instruments, and in particular:

1. the level in the fair value hierarchy into which the fair value measurements are categorised, segregating instruments belonging to different categories;
2. any significant transfers between Level 1 and Level 2 during the year;
3. for instruments measured in Level 3, a reconciliation from the beginning balances to the ending balances, disclosing separately changes in profit and loss (in the Profit and Loss Account and net equity), purchases and sales, and transfers out of Level 3 due to the use of market data.

In this regard, it should be noted that transfers between levels refer to the end of the accounting period of reference (half-year or annual), in an independent manner, and generally enter into effect from the beginning of the year of reference.
Transfers to and from Level 3 are infrequent and primarily involve the occurrence of situations of default, in which the Bank's subjective assessment of debt recoverability takes pre-eminence.

A.4.4 Other information

No cases envisaged in IFRS 13, paragraphs 48, 93(i) and 96, are reported in these Financial Statements.

Quantitative Information

A.4.5 Fair value hierarchy

A.4.5.1 Breakdown by fair value levels of assets and liabilities measured at fair value on a recurring basis

FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	31.12.2024 L1	31.12.2024 L2	31.12.2024 L3	TOTAL
1. Financial assets measured at fair value through profit or loss:				
a) HFT financial assets	10	111	-	121
b) financial assets designated at fair value	-	-	-	-
c) other financial assets mandatorily measured at fair value	1,687	17,303	493,098	512,088
2. Financial assets measured at fair value through other comprehensive income	1,447,595	48,987	25,282	1,521,864
3. Hedging derivatives	-	131,221	-	131,221
4. Property and equipment	-	-	-	-
5. Intangible assets	-	-	-	-
Total	**1,449,292**	**197,622**	**518,380**	**2,165,294**
1. HFT financial liabilities	-	108	-	108
2. Financial liabilities designated at fair value	-	-	-	-
3. Hedging derivatives	-	176,946	-	176,946
Total	**-**	**177,054**	**-**	**177,054**

FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	31.12.2023 L1	31.12.2023 L2	31.12.2023 L3	TOTAL
1. Financial assets measured at fair value through profit or loss:				
a) HFT financial assets	10	156	–	166
b) financial assets designated at fair value	–	–	–	–
c) other financial assets mandatorily measured at fair value	1,183	17,731	490,327	509,241
2. Financial assets measured at fair value through other comprehensive income	975,538	106	25,292	1,000,936
3. Hedging derivatives	–	161,955	–	161,955
4. Property and equipment	–	–	–	–
5. Intangible assets	–	–	–	–
Total	**976,731**	**179,948**	**515,619**	**1,672,298**
1. HFT financial liabilities	–	159	–	159
2. Financial liabilities designated at fair value	–	–	–	–
3. Hedging derivatives	–	132,662	–	132,662
Total	**-**	**132,821**	**-**	**132,821**

At the reporting date, Banca Generali's portfolios at fair value, i.e., the portfolio of financial assets measured at fair value through profit or loss, the portfolio of financial assets measured at fair value through other comprehensive income (HTCS) and hedging derivatives comprised 66.9% of financial assets allocated to class L1, with a slight decline compared to the previous year (58.4%). This category continued to be concentrated on the sovereign debt, with the highest component made up of bonds issued by Italy and EU countries. It also included other debt securities (15.6 million euros) chiefly referring to the credit sector (14.6 million euros), and listed securities totalling 1.7 million euros.

The financial assets allocated to the L2 class, on the other hand, consist chiefly of hedging derivatives and of unit-linked policies that, due to failing the SPPI Test, have been reclassified among other financial assets mandatorily measured at fair value.

In the reporting year, no significant transfers of financial assets were performed between class L1 and class L2.

A.4.5.2 Year changes in financial assets measured at fair value on a recurring basis (level L3)

	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
	TOTAL	OF WHICH: A) HFT FINANCIAL ASSETS	OF WHICH: B) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	OF WHICH: C) OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
1. Amount at year-start	**490,327**	**–**	**–**	**490,327**	**25,292**
2. Increases	**5,561**	**–**	**–**	**5,561**	**100**
2.1 Purchases	3,000	–	–	3,000	100
2.2 Gains through:	2,401	–	–	2,401	–
2.2.1 Profit or loss	2,401	–	–	2,401	–
of which:					
– *capital gains*	*2,291*	–	–	*2,291*	–
2.2.2 Net equity	–	–	–	X	–
2.3 Transfers from other levels	–	–	–	–	–
2.4 Other increases	160	–	–	160	–
3. Decreases	**2,790**	**–**	**–**	**2,790**	**110**
3.1 Disposals	1,933	-	–	1,933	–
3.2 Redemptions	–	–	–	–	–
3.3 Losses through:	857	-	–	857	110
3.3.1 Profit or loss	857	-	–	857	–
of which:					
- *capital losses*	*179*	-	–	*179*	–
3.3.2 Net equity	–	–	–	X	110
3.4 Transfers to other levels	–	–	–	–	–
3.5 Other decreases	–	–	–	–	–
4. Amount at year-end	**493,098**	**–**	**–**	**493,098**	**25,282**

Other L3 financial assets mandatorily measured at fair value include:
- the investment in the Luxembourg vehicle Algebris of 859 thousand euros, and the units of the MIP I Fund amounting to 1,073 thousand euros;
- the two convertible loans of the company Conio Inc.: the former was acquired in December 2020 and had a value of 2,274 thousand euros; the latter was signed in November 2024 for an amount of 3 million euros;
- the Forward Fund, subscribed in October 2021 for an initial amount of 378 million euros, as part of the restructuring of a portfolio of senior notes issued by several special-purpose vehicles in the securitisation of healthcare receivables. Additional units for 112 million euros were subscribed in 2022. At the end of 2024, the value of the fund was 485,760 thousand euros, with a 2,260 thousand euro capital gain;
- the residual amount resulting from the liquidation of the equity investments in the company TECREF S.àr.l., for a value of 98 thousand euros.

By contrast, L3 financial assets in the portfolio of Financial assets measured at fair value through other comprehensive income, for a total amount of 25,282 thousand euros, consist of:
- the equity investment, in MainStreet Partners, a company specialising in ESG ratings and advisory, that the Bank acquired in the first quarter of 2023 to strengthen its sustainability positioning, for a total consideration of 7,164 thousand euros at 31 December 2024;
- the equity investment in Conio Inc., a company operating in the cryptocurrency industry, acquired in December 2020, and that at 31 December 2024 had a value of 5,860 thousand euros;
- the equity investment in the independent asset management company 8A+ Investimenti SGR, in which the Bank controls 19.5% of share capital for a value of 912 thousand euros at 31 December 2023;
- some equity investments, which continued to be measured at purchase cost, in the absence of reliable estimates of fair value; these are the so-called “minor investments” in companies with which the Bank has long-term strategic service arrangements (CSE, Caricese, SWIFT, etc.) or commercial partnerships (Tosetti Value), for a total of 11.2 million euros;
- the equity investment in Beyond S.p.A., amounting to 110 thousand euros.

A.4.5.4 Breakdown by fair-value levels of assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis

ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	31.12.2024			
	BV	L1	L2	L3
1. Financial assets measured at amortised cost	12,652,642	9,145,994	2,886,945	618,479
2. Property and equipment held as investments	–	–	–	–
3. Non-current assets available for sale and disposal groups	–	–	–	–
Total	**12,652,642**	**9,145,994**	**2,886,945**	**618,479**
1. Financial liabilities measured at amortised cost	14,521,277	–	14,521,277	–
2. Liabilities associated to assets held for sale	–	–	–	–
Total	**14,521,277**	**–**	**14,521,277**	**–**

ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	31.12.2023			
	BV	L1	L2	L3
1. Financial assets measured at amortised cost	12,316,421	8,929,227	2,601,910	703,484
2. Property and equipment held as investments	–	–	–	–
3. Non-current assets available for sale and disposal groups	–	–	–	–
Total	**12,316,421**	**8,929,227**	**2,601,910**	**703,484**
1. Financial liabilities measured at amortised cost	13,503,015	–	13,503,015	–
2. Liabilities associated to assets held for sale	–	–	–	–
Total	**13,503,015**	**–**	**13,503,015**	**–**

Part A.5 – Disclosure about so-called “Day-one profit/loss”

IFRS 7, paragraph 28, governs the specific case in which, following the purchase of a financial instrument measured at fair value but not listed on an active market, the transaction price, which generally represents the best estimate of fair value at initial recognition, differs from the fair value according to the valuation technique used by the entity. In this case, there is a valuation gain/loss upon acquisition of which adequate disclosure must be given by financial instrument class.

It should be noted that no such cases occur in these Financial Statements.

PART B – INFORMATION ON THE CONSOLIDATED BALANCE SHEET - ASSETS[8]

Section 1 – Cash and deposits - Item 10

1.1 Breakdown of cash and deposits

	31.12.2024	31.12.2023
a) Cash	29,914	29,939
b) Current accounts and demand deposits with Central Banks	871,310	514,302
c) Current accounts and demand deposits with banks	154,885	74,732
Total	**1,056,109**	**618,973**

Item b) Current accounts and demand deposits with Central Banks includes the value of the overnight deposit with the ECB, and the deposits of the subsidiary BG Suisse S.A., amounting to 28 million euros.

Section 2 – Financial assets measured at fair value through profit or loss - Item 20

2.1 HFT financial assets: categories

	31.12.2024			31.12.2023		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. Cash assets						
1. Debt securities	2	–	–	2	–	–
1.1 Structured securities	–	–	–	–	–	–
1.2 Other debt securities	2	–	–	2	–	–
2. Equity securities	8	–	–	1	–	–
3. UCITS units	–	–	–	7	–	–
4. Loans	–	–	–	–	–	–
4.1 Repurchase agreements	–	–	–	–	–	–
4.2 Other	–	–	–	–	–	–
Total A	**10**	**–**	**–**	**10**	**–**	**–**
B. Derivatives						
1. Financial	–	111	–	–	156	–
1.1 Trading	–	111	–	–	156	–
1.2 Related to the fair value option	–	–	–	–	–	–
1.3 Other	–	–	–	–	–	–
2. Credit	–	–	–	–	–	–
2.1 Trading	–	–	–	–	–	–
2.2 Related to the fair value option	–	–	–	–	–	–
2.3 Other	–	–	–	–	–	–
Total B	**–**	**111**	**–**	**–**	**156**	**–**
Total (A + B)	**10**	**111**	**–**	**10**	**156**	**–**

[8] A more detailed analysis of the fair value hierarchy of financial instruments (L1, L2, L3) is given in Part A.4 – Information on fair value of these Notes and Comments.

2.2 HFT financial assets: debtors/issuers/counterparties

ITEMS/VALUES	31.12.2024	31.12.2023
A. Cash assets		
1. Debt securities	**2**	**2**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	2	2
2. Equity securities	**8**	**1**
a) Banks	–	–
b) Other financial corporations	8	–
of which:		
- *insurance companies*	–	–
c) Non-financial corporations	–	1
d) Other issuers	–	–
3. UCITS units	**–**	**7**
4. Loans	**–**	**–**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	–	–
f) Households	–	–
Total A	**10**	**10**
B. Derivatives		
a) Central counterparties	–	–
b) Other	111	156
Total B	**111**	**156**
Total (A + B)	**121**	**166**

2.5 Other financial assets mandatorily measured at fair value: categories

	31.12.2024			31.12.2023		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	–	–	5,308	–	–	2,038
1.1 Structured securities	–	–	5,308	–	–	2,038
1.2 Other debt securities	–	–	–	–	–	–
2. Equity securities	1,687	–	98	1,183	–	2,387
3. UCITS units	–	21	487,692	–	187	485,903
4. Loans	–	17,282	–	–	17,543	–
4.1 Repurchase agreements	–	–	–	–	–	–
4.2 Other	–	17,282	–	–	17,543	–
Total	**1,687**	**17,303**	**493,098**	**1,183**	**17,730**	**490,328**

2.6 Other financial assets mandatorily measured at fair value: debtors/issuers

ITEMS/VALUES	31.12.2024	31.12.2023
1. Equity securities	**1,785**	**3,570**
of which:		
- *banks*	–	–
- *other financial corporations*	*1,785*	*3,570*
- *other non-financial corporations*	–	–
2. Debt securities	**5,308**	**2,038**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	5,308	2,038
3. UCITS units	**487,713**	**486,090**
4. Loans	**17,282**	**17,543**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	16,444	16,607
of which:		
- *insurance companies*	*16,444*	*16,607*
e) Non-financial corporations	838	936
f) Households	–	–
Total	**512,088**	**509,241**

The UCITS portfolio includes the Forward Fund, a newly formed Italian AIF managed by Gardant SGR, specialised in illiquid investments. The fund was subscribed in October 2021 in the amount of 378 million euros, as part of the restructuring of a portfolio of senior notes issued by several special-purpose vehicles in the securitisation of healthcare receivables (past-due or related to disputes), which Banca Generali purchased from its customers to protect them against possible losses, and concurrently transferred to the Fund, subscribing 98% of its units. Additional units for 112 million euros were subscribed in 2022. At the end of 2024, the value of the Fund was 485,760 thousand euros. A 2,260 thousand euro capital gain on the Fund was recorded in 2024.

In the first months of 2024, over 90% of the equity investment in TECREF S.àr.l., acquired by Banca Generali in 2021, was liquidated for 1,393 thousand euros. At the end of the year, the residual amount was 98 thousand euros.

Equity investments in shares of the parent company Assicurazioni Generali S.p.A. amounted to 1,687 thousand euros at end of 2024.

Hope Sicaf S.B. S.p.A was liquidated; on the basis of the final distribution plan, the Bank was paid an amount of 184 thousand euros in the first half of 2024, recognising losses on disposal amounting to 205 thousand euros through profit or loss.

Debt securities refer to the two convertible bonds issued by Conio Inc. on 9 December 2020, with maturity set on 31 May 2025, and on 4 November 2024, with maturity set on 4 November 2026, respectively.

Section 3 – Financial assets measured at fair value through other comprehensive income - Item 30

3.1 Financial assets measured at fair value through other comprehensive income: categories

	31.12.2024			31.12.2023		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	1,447,595	48,987	–	975,538	106	–
1.1 Structured securities	–	–	–	–	–	–
1.2 Other debt securities	1,447,595	48,987	–	975,538	106	–
2. Equity securities	–	–	25,282	–	–	25,292
3. Financing	–	–	–	–	–	–
Total	**1,447,595**	**48,987**	**25,282**	**975,538**	**106**	**25,292**

3.2 Financial assets measured at fair value through other comprehensive income: debtors/issuers

ITEMS/VALUES	31.12.2024	31.12.2023
1. Debt securities	**1,496,582**	**975,644**
a) Central Banks	–	–
b) General governments	1,479,087	890,055
c) Banks	16,490	82,465
d) Other financial corporations	–	2,152
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	1,005	972
2. Equity securities	**25,282**	**25,292**
a) Banks	–	–
b) Other issuers	25,282	25,292
- other financial corporations	3,139	3,139
of which:		
- *insurance companies*	–	–
- *non-financial corporations*	22,143	22,153
- *other*	–	–
3. Loans	**–**	**–**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	–	–
f) Households	–	–
Total	**1,521,864**	**1,000,936**

Item "Debt securities" includes assets sold but not written off, which refer to own securities used in repurchase agreements amounting to 59,083 thousand euros.

The equity securities portfolio included 25,282 thousand euros referring to "minor equity investments", which are largely related to service agreements concluded by the Group (CSE, Caricese, SWIFT, etc.) or agreements of a commercial nature (Tosetti Value SIM, 8a+ SGR, Conio Inc., MainStreet Capital Partners Limited), usually not listed and non-negotiable.

These equity investments are measured at purchase cost, recognising any impairment loss.

The interest acquired in Conio falls within the wider corporate and commercial partnership with the Californian fintech company founded in 2015, which has positioned itself as a wallet provider that offers custody, negotiation and reporting services, currently focused on Bitcoins, on the Italian market, thought its investee Conio S.r.l.

During the first quarter of 2023, Banca Generali acquired an equity investment in MainStreet Partners, a company specialising in ESG ratings and advisory, to strengthen its sustainability positioning, for a total value of 7,164 thousand euros at 31 December 2024.

In May, the annual 100 thousand euro outright tranche was paid on the minority interest in Beyond Investment S.p.A., an investment holding company owned by the Bank and a group of leading Italian entrepreneurial families with the aim of undertaking private equity, venture capital and real estate investments. The value of the shares amounted to 110 thousand euros, after recognising approximately 400 thousand euro capital losses.

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total adjustments

	GROSS VALUE					TOTAL ADJUSTMENTS				
	STAGE 1	OF WHICH: LOW CREDIT RISK INSTRUMENTS	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	OVERALL PARTIAL WRITE-OFFS
Debt securities	1,496,833	1,479,334	–	–	–	251	–	–	–	–
Financing	–	–	–	–	–	–	–	–	–	–
Total at 31.12.2024	**1,496,833**	**1,479,334**	**–**	**–**	**–**	**251**	**–**	**–**	**–**	**–**
Total at 31.12.2023	**975,841**	**890,219**	**–**	**–**	**–**	**197**	**–**	**–**	**–**	**–**

In respect of the model for measuring expected credit losses (ECLs) provided for in IFRS 9, as at 31 December 2024 collective reserves of 251 thousand euros were recognised for the debt securities portfolio, of which 247 thousand euros relating to the portfolio of government securities.

Section 4 – Financial assets measured at amortised cost - Item 40

4.1 Financial assets measured at amortised cost: categories of loans to banks

	31.12.2024						31.12.2023					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
TYPE OF TRANSACTIONS/VALUES	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	L1	L2	L3	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	L1	L2	L3
A. Loans to Central Banks	**119,013**	**–**	**–**	**–**	**119,013**	**–**	**108,186**	**–**	**–**	**–**	**108,186**	**–**
1. Term deposits	–	–	–	X	X	X	–	–	–	X	X	X
2. Minimum reserve	119,013	–	–	X	X	X	108,186	–	–	X	X	X
3. Repurchase agreements	–	–	–	X	X	X	–	–	–	X	X	X
4. Other	–	–	–	X	X	X	–	–	–	X	X	X
B. Loans to banks	**2,630,501**	**–**	**–**	**1,923,489**	**694,118**	**2,001**	**2,149,205**	**–**	**–**	**1,665,843**	**451,965**	**2,001**
1. Loans	607,485	–	–	–	607,485	–	383,888	–	–	–	383,888	–
1.1 Current accounts	–	–	–	X	X	X	–	–	–	X	X	X
1.2 Term deposits	44,156	–	–	X	X	X	25,566	–	–	X	X	X
1.3 Other loans:	563,329	–	–	X	X	X	358,322	–	–	X	X	X
- repurchase agreements	387,089	–	–	X	X	X	229,056	–	–	X	X	X
- lease loans	–	–	–	X	X	X	–	–	–	X	X	X
- other	176,240	–	–	X	X	X	129,266	–	–	X	X	X
2. Debt securities	2,023,016	–	–	1,923,489	86,633	2,001	1,765,317	–	–	1,665,843	68,077	2,001
2.1 Structured securities	–	–	–	–	–	–	514	–	–	510	–	–
2.2 Other debt securities	2,023,016	–	–	1,923,489	86,633	2,001	1,764,803	–	–	1,665,333	68,077	2,001
Total	**2,749,514**	**–**	**–**	**1,923,489**	**813,131**	**2,001**	**2,257,391**	**–**	**–**	**1,665,843**	**560,151**	**2,001**

The item “Other loans - other” includes 166,157 thousand euros (120,619 thousand euros at 31 December 2023) relating to guarantee margins paid to banking counterparties for derivatives transactions. The remaining 10 million euros is almost entirely attributable to operating receivables relating to placement and distribution of financial products, collected in the first few months of the following year.

At 31 December 2024, securities issued by multilateral development banks — previously included among “Loans to customers” — were reclassified to “Other debt securities”. They amounted to 93,206 thousand euros at 31 December 2023.

4.2 Financial assets measured at amortised cost: categories of loans to customers

	31.12.2024						31.12.2023					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
TYPE OF TRANSACTIONS/VALUES	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	L1	L2	L3	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	L1	L2	L3
1. Loans	**2,560,645**	**21,173**	**15,790**	**-**	**2,011,447**	**586,713**	**2,581,416**	**28,924**	**2,066**	**-**	**1,971,136**	**648,330**
1. Current accounts	1,739,952	7,953	–	X	X	X	1,679,358	15,319	–	X	X	X
2. Repurchase agreements	–	–	–	X	X	X	–	–	–	X	X	X
3. Mortgages	518,199	9,534	–	X	X	X	585,692	12,330	–	X	X	X
4. Credit cards, personal loans and loans on wages	–	6	–	X	X	X	–	6	–	X	X	X
5. Lease loans	–	–	–	X	X	X	–	–	–	X	X	X
6. Factoring	–	–	–	X	X	X	–	–	–	X	X	X
7. Other loans	302,494	3,680	15,790	X	X	X	316,366	1,269	2,066	X	X	X
2. Debt securities	**7,305,521**	**–**	**–**	**7,222,505**	**62,367**	**29,765**	**7,446,624**	**–**	**–**	**7,263,384**	**70,623**	**53,153**
1. Structured securities	–	–	–	–	–	–	–	–	–	–	-	-
2. Other debt securities	7,305,521	–	–	7,222,505	62,367	29,765	7,446,624	–	–	7,263,384	70,623	53,153
Total	**9,866,166**	**21,173**	**15,790**	**7,222,505**	**2,073,814**	**616,478**	**10,028,040**	**28,924**	**2,066**	**7,263,384**	**2,041,759**	**701,483**

Item 2.2., relating to debt securities, includes 92,474 thousand euros of senior notes issued in securitisation transactions. The ABS component decreased on the previous year (115,752 thousand euros) due to the partial reimbursement of the Credimi and Prado VIII securitisations. Detailed information on the securitised notes is given in Part E of these Notes and Comments.

The item “Debt securities” includes encumbered assets used as collateral for ECB refinancing operations totalling 453,650 thousand euros and securities held in deposit with Cassa di Compensazione e Garanzia amounting to 239,864 thousand euros. This item also includes own securities used in repurchase agreements amounting to 994,324 thousand euros.

Item 1.7 “Other loans” includes operating receivables relating to the placement and distribution of financial and insurance products in the amount of 181,904 thousand euros, consisting solely of short-term receivables from managing companies and insurance companies belonging to Generali Group, collected in the early months of the following year.

Breakdown of loans to customers – other transactions

TYPE OF TRANSACTIONS/VALUES	31.12.2024	31.12.2023
Other grants	23,650	13,288
Loans on promissory notes	8,288	10,093
Stock exchange interest-bearing daily margin	27,931	84,001
Sums advanced to Financial Advisors	55,517	58,452
Operating loans	181,904	141,307
Interest-bearing caution deposits	1,030	1,003
Rights of recourse and usufruct rights	15,790	2,066
Amounts to be collected	7,854	9,491
Total	**321,964**	**319,701**

The item “Rights of recourse and usufruct rights” refers to the Bank’s rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (11.0 million euros), as well as amounts receivable as a result of the transfer by Bank’s clients of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.8 million euros). Both categories of amounts receivable were recognised among loans to customers measured at amortised cost and classified as purchased or originated credit-impaired (POCI).

In the year, the Bank obtained the reimbursement for the rights of recourse on which it had granted guarantees for 5.6 million euros. Net write-downs amounting to 1.3 million euros overall were recognised along with 1.4 million euro losses on usufruct rights that had become uncollectible.

Pursuant to IFRS 15, paragraph 116 a), the previous table includes the opening and closing balances of receivables within the scope of this standard (operating loans and fees receivable).
In reference to paragraph 118 of IFRS 15, the change in receivables during the year was due to the Group's normal operations and therefore is not attributable to contractual amendments or changes in the time required for the right to the consideration to become unconditional.

Sums advanced to Financial Advisors enrolled with the Register of Financial Advisors include non-performing positions for a net amount of 2,547 thousand euros, largely attributable to advances to former Financial Advisors who have left service due to a dispute or pre-dispute.

4.3 Financial assets measured at amortised cost: breakdown of loans to customers by debtors/issuers

	31.12.2024			31.12.2023		
TYPE OF TRANSACTIONS/VALUES	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED
1. Debt securities	**7,305,521**	**-**	**-**	**7,446,624**	**-**	**-**
a) General governments	7,041,169	-	-	7,041,337	-	-
b) Other financial corporations	224,910	-	-	358,300	-	-
of which:						
- *insurance companies*	-	-	-	-	-	-
c) Non-financial corporations	39,442	-	-	46,987	-	-
2. Loans to:	**2,560,645**	**21,173**	**15,790**	**2,581,416**	**28,924**	**2,066**
a) General governments	5	-	-	5	-	-
b) Other financial corporations	306,447	384	15,790	298,386	588	2,066
of which:						
- *insurance companies*	*25,838*	-	-	*23,089*	-	-
c) Non-financial corporations	255,198	10,490	-	275,286	17,649	-
d) Households	1,998,995	10,299	-	2,007,739	10,687	-
Total	**9,866,166**	**21,173**	**15,790**	**10,028,040**	**28,924**	**2,066**

4.4 Financial assets measured at amortised cost: gross value and total adjustments

	GROSS VALUE					TOTAL ADJUSTMENTS				
	STAGE 1	OF WHICH: LOW CREDIT RISK INSTRU-MENTS	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	OVERALL PARTIAL WRITE-OFFS
Debt securities	9,330,396	-	489	2,642	-	2,343	5	2,642	-	-
Loans	3,070,145	-	219,202	38,838	17,066	1,402	802	17,665	1,276	-
Total at 31.12.2024	**12,400,541**	**-**	**219,691**	**41,480**	**17,066**	**3,745**	**807**	**20,307**	**1,276**	**-**
Total at 31.12.2023	**12,036,735**	**-**	**257,215**	**47,253**	**2,069**	**7,169**	**1,350**	**18,329**	**3**	**-**

In respect of the model for assessing expected credit losses (ECLs) provided for in IFRS 9, at 31 December 2024 performing loans measured at amortised cost, classified to Stage 1 and Stage 2, are recognised net of the collective reserves for a total of 4,552 thousand euros, of which:

› 2,348 thousand euros relating to the debt securities portfolio;
› 2,204 thousand euros relating to other loans.

Within this item, total value adjustments of exposures to banks amounted to 1,006 thousand euros, of which 811 thousand euros on debt securities and 195 thousand euros on other loans.

The provision for expected losses on debt securities refers instead to the government bond portfolio in the amount of 1,317 thousand euros.

The item relating to non-performing "Debt securities" (Stage 3) refers to the Alitalia bond. This bond known as "Dolce Vita", amounting to 2,642 thousand euros, was fully written down in the previous years due to the airline's serious state of crisis, which resulted in a court declaration of the company's insolvency and the commencement of the extraordinary administration procedure.

The provision for expected losses on trade receivables, measured in accordance with IFRS 9 5.5.15, was not material in view of the short-term nature of the exposures concerned, all of which were collected in full in the first few months of the following year.

4.4a Loans measured at amortised cost subject to Covid-19 support measures: gross value and total adjustments

	GROSS VALUE					TOTAL ADJUSTMENTS				
	STAGE 1	OF WHICH: LOW CREDIT RISK INSTRU-MENTS	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	OVERALL PARTIAL WRITE-OFFS
4. Newly originated loans	21,378	–	325	1,654	–	6	–	218	–	–
Total at 31.12.2024	**21,378**	**–**	**325**	**1,654**	**–**	**6**	**–**	**218**	**–**	**–**
Total at 31.12.2023	**49,851**	**–**	**232**	**4,309**	**–**	**–**	**–**	**789**	**–**	**–**

Section 5 – Hedging derivatives - Item 50

5.1 Breakdown of hedging derivatives by type of hedge and hierarchy levels

	31.12.2024				31.12.2023			
	FAIR VALUE			NOTIONAL VALUE	FAIR VALUE			NOTIONAL VALUE
TYPE OF TRANSACTIONS/VALUES	L1	L2	L3		L1	L2	L3	
A) Financial derivatives	**–**	**131,221**	**–**	**3,761,400**	**–**	**161,955**	**–**	**1,786,000**
1) Fair value	–	123,862	–	3,156,400	–	161,955	–	1,786,000
2) Cash flows	–	7,359	–	605,000	–	–	–	–
3) Net investment in a foreign operation	–	–	–	–	–	–	–	–
B) Credit derivatives	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1) Fair value	–	–	–	–	–	–	–	–
2) Cash flows	–	–	–	–	–	–	–	–
Total	**–**	**131,221**	**–**	**3,761,400**	**–**	**161,955**	**–**	**1,786,000**

5.2 Breakdown of hedging derivatives by portfolios hedged and type of hedge

	FAIR VALUE							CASH FLOWS		
	MICRO HEDGES									
HEDGING TRANSACTIONS/TYPE	DEBT SECURI-TIES AND INTEREST RATES	EQUITY SECURI-TIES AND EQUITY INDICES	CURREN-CIES AND GOLD	CREDIT	GOODS	OTHER	MACRO HEDGES	MICRO HEDGES	MACRO HEDGES	NET INVEST-MENT IN A FOREIGN OPERATION
1. Financial assets measured at fair value through other comprehensive income	831	–	–	–	X	X	X	152	X	X
2. Financial assets measured at amortised cost	120,625	X	–	–	X	X	X	7,207	X	X
3. Portfolio	X	X	X	X	X	X	–	X	–	X
4. Other transactions	–	–	–	–	–	–	X	–	X	–
Total assets	**121,456**	**–**	**–**	**–**	**–**	**–**	**–**	**7,359**	**–**	**–**
1. Financial liabilities	–	X	–	–	–	–	X	–	X	X
2. Portfolio	X	X	X	X	X	X	2,405	X	–	X
Total liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**2,405**	**–**	**–**	**–**
1. Expected transactions	X	X	X	X	X	X	X	–	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	–	X	–	–

Section 7 – Equity investments - Item 70

7.1 Equity investments: disclosure on type of relations

COMPANY NAME	REGISTERED OFFICE	OPERATING OFFICE	TYPE OF RELATION	SHAREHOLDING		% OF VOTING RIGHTS
				INVESTOR COMPANY	% HELD	
A. Subsidiaries under common control						
1. BG Saxo SIM S.p.A.	Milan	Milan	Associate company	Banca Generali	49.0%	49.0%

Banca Generali's Consolidated Financial Statements at 31 December 2024 include only one equity investment under common control. BG Saxo SIM S.p.A. is an investment firm formed as part of the joint venture with Saxo Bank, in which Banca Generali acquired a 19.9% equity interest on 31 October 2019. Banca Generali and Saxo Bank entered into an agreement to set up an exclusive partnership specialising in online trading and digital services, with the aim of offering Italian customers exclusive access to an innovative advanced trading platform based on Saxo Bank's technology and managed by BG Saxo SIM.

In May, as part of a broad revision of the partnership in place between Banca Generali and Saxo Bank A/S, approved by Banca Generali's Board of Directors on 8 February 2024, the Bank acquired from Saxo Bank an additional 29.1% interest in BG Saxo SIM's share capital, thus bringing its interest in the joint venture to 49%; In light of the relationships existing as part of the joint venture, the acquisition was completed against the payment of a consideration equal to the share of net equity of the company, including net profit for the period, recognised at 31 March 2024, amounting to 2.0 million euros.

At 31 December 2024, the portion of loss attributable to Banca Generali — net of the effects of the higher interest held — amounted to approximately 582 thousand euros.

7.4 Non-significant equity investments: accounting information

COMPANY NAME	BOOK VALUE OF EQUITY INVESTMENTS	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL REVENUES	PROFIT (LOSS) FROM OPERATING ACTIVITIES NET OF TAXES	PROFIT (LOSS) FROM OPERATING ASSETS NET OF TAXES	NET PROFIT (LOSS) FOR THE YEAR (1)	OTHER INCOME COMPONENTS NET OF TAXES (2)	COMPREHENSIVE INCOME (3) = (1) + (2)
A. Subsidiaries under common control									
1. BG Saxo SIM S.p.A.	2,962	13,958	8,567	1,685	-760	–	-760	–	-760
Total	**2,962**	**13,958**	**8,567**	**1,685**	**-760**	**–**	**-760**	**–**	**-760**

7.5 Equity investments: year changes

	31.12.2024	31.12.2023
A. Amount at year-start	**1,975**	**3,091**
B. Increases	**2,044**	**5**
B.1 Purchases	2,044	–
B.2 Reversals	–	–
B.3 Revaluations	–	5
B.4 Other changes	–	–
C. Decreases	**1,057**	**1,121**
C.1 Sales	71	9
C.2 Adjustments	46	271
C.3 Write-downs	712	841
C.4 Other changes	228	–
D. Amount at year-end	**2,962**	**1,975**
E. Total revaluations	**–**	**–**
F. Total adjustments	**2,476**	**1,894**

Impairment tests of equity investments

In accordance with IAS/IFRS, equity investments were tested for impairment in order to verify whether there was objective evidence that the carrying amounts of the assets concerned may not be fully recoverable.
The impairment testing process for equity investments in associates and joint ventures involves verifying whether there are any impairment indicators and determining the amount of the impairment loss, if any.

The impairment indicators used for such unlisted equity investments are:

- qualitative indicators, such as an operating loss or a significant deviation from budget objectives, the announcement of restructuring plans or the commencement of insolvency procedures;
- quantitative indicators represented by a carrying amount of the equity investment in the separate financial statements that is significantly higher, for an extended period, than the carrying amount of the investee's net assets and goodwill in the consolidated financial statements.

Where there are impairment indicators, the recoverable amount is determined as the greater of the fair value net of costs to sell and value in use, and if this is lower than the carrying amount an impairment loss is recognised.

In this regard, the valuation of BG Saxo SIM S.p.A. determined that the carrying values were accurate.

7.7 Commitments attributable to equity investments in joint ventures

In accordance with paragraphs 23 and B18-B20 of IFRS 12, there are no commitments by the Banking Group in the joint venture BG Saxo SIM S.p.A. to be reported in these financial statements, nor are there contingent liabilities relating to its equity investments in the said company.

Section 9 – Property and equipment - Item 90

9.1 Breakdown of operating property and equipment: assets measured at cost

ASSETS/VALUES	31.12.2024	31.12.2023
1. Owned assets	**8,030**	**7,127**
a) Land	–	–
b) Buildings	–	–
c) Furniture	6,911	5,868
d) Electronic equipment	238	241
e) Other	881	1,018
2. Rights of use acquired through leases	**122,941**	**134,306**
a) Land	–	–
b) Buildings	121,760	133,277
c) Furniture	–	–
d) Electronic equipment	–	–
e) Other	1,181	1,029
Total	**130,971**	**141,433**
of which:		
- *obtained through the enforcement of guarantees received*	–	–

9.6 Operating property and equipment: year changes

	RIGHTS OF USE ACQUIRED THROUGH LEASES – BUILDINGS	RIGHTS OF USE ACQUIRED THROUGH LEASES – OTHER	FURNITURE	ELECTRONIC EQUIPMENT	OTHER	TOTAL
A. Gross amount at year-start	**224,243**	**2,339**	**30,070**	**7,446**	**10,658**	**274,756**
A.1 Total net impairment	90,966	1,310	24,202	7,205	9,640	133,323
A.2 Net amount at year-start	**133,277**	**1,029**	**5,868**	**241**	**1,018**	**141,433**
B. Increases	**11,438**	**682**	**2,396**	**124**	**309**	**14,949**
B.1 Purchases	9,552	682	2,396	124	294	13,048
B.2 Capitalised improvement costs	–	–	–	–	–	–
B.3 Reversals	–	–	–	–	–	–
B.4 Fair value positive changes in:	–	–	–	–	–	–
a) Net equity	–	–	–	–	–	–
b) Profit and Loss Account	–	–	–	–	–	–
B.5 Exchange gains	–	–	–	–	–	–
B.6 Transfers from buildings held as investments	–	–	–	–	–	–
B.7 Other changes	1,886	–	–	–	15	1,901
C. Decreases	**22,955**	**530**	**1,353**	**127**	**446**	**25,411**
C.1 Sales	–	–	–	–	–	–
C.2 Depreciation	21,653	505	1,348	125	445	24,076
C.3 Adjustments for impairment in:	–	–	–	–	–	–
a) Net equity	–	–	–	–	–	–
b) Profit and Loss Account	–	–	–	–	–	–
B.4 Fair value negative changes in:	–	–	–	–	–	–
a) Net equity	–	–	–	–	–	–
b) Profit and Loss Account	–	–	–	–	–	–
C.5 Exchange losses	13	–	3	–	1	17
C.6 Transfers to:	–	–	–	–	–	–
a) property and equipment held as investments	–	–	–	–	–	–
b) non-current assets available for sale and disposal groups	–	–	–	–	–	–
C.7 Other changes	1,289	25	2	2	–	1,318
D. Net amount at year-end	**121,760**	**1,181**	**6,911**	**238**	**881**	**130,971**
D.1 Total net impairment	108,175	1,415	25,546	7,326	9,915	152,377
D.2 Gross amount at year-end	**229,935**	**2,596**	**32,457**	**7,564**	**10,796**	**283,348**
E. Measured at cost	121,760	1,181	6,911	238	881	130,971

Section 10 – Intangible assets - Item 100

10.1 Breakdown of intangible assets by categories

ASSETS/VALUES	31.12.2024 DEFINITE LIFE	31.12.2024 INDEFINITE LIFE	31.12.2023 DEFINITE LIFE	31.12.2023 INDEFINITE LIFE
A.1 Goodwill	**X**	**88,073**	**X**	**88,073**
A1.1 Attributable to the Group	X	88,073	X	87,211
A1.2 Attributable to minority interests	X	–	X	862
A.2 Other intangible assets	**65,135**	**756**	**61,788**	**760**
of which:				
- *software*	*32,309*	–	*28,819*	–
A.2.1 Assets measured at cost:	65,135	756	61,788	760
a) internally generated intangible assets	–	–	–	–
b) other assets	65,135	756	61,788	760
A.2.2 Assets measured at fair value:	–	–	–	–
a) internally generated intangible assets	–	–	–	–
b) other assets	–	–	–	–
Total	**65,135**	**88,829**	**61,788**	**88,833**

10.2 Intangible assets: year changes

	GOODWILL	OTHER INTANGIBLE ASSETS INTERNALLY GENERATED		OTHER INTANGIBLE ASSETS OTHER		TOTAL
		DEFINITE LIFE	INDEFINITE LIFE	DEFINITE LIFE	INDEFINITE LIFE	
A. Gross amount at year-start	**88,073**	**–**	**760**	**168,580**	**–**	**257,413**
A.1 Total net impairment	–	–	–	106,792	–	106,792
A.2 Net amount at year-start	**88,073**	**–**	**760**	**61,788**	**–**	**150,621**
B. Increases	**–**	**–**	**–**	**21,516**	**–**	**21,516**
B.1 Purchases	–	–	–	21,516	–	**21,516**
B.2 Increases in internal intangible assets	X	–	–	–	–	**–**
B.3 Reversals	X	–	–	–	–	**–**
B.4 Fair value positive changes		–	–	–	–	**–**
- Net equity	X	–	–	–	–	**–**
- Profit and Loss Account	X	–	–	–	–	**–**
B.5 Exchange gains	–	–	–	–	–	**–**
B.6 Other changes	–	–	–	–	–	**–**
C. Decreases	**–**	**–**	**4**	**18,169**	**–**	**18,173**
C.1 Sales	–	–	–	–	–	**–**
C.2 Adjustments	–	–	–	18,067	–	**18,067**
- Amortisation	X	–	–	18,067	–	**18,067**
- Write-downs	–	–	–	–	–	**–**
+ Net equity	X	–	–	–	–	**–**
+ Profit and Loss Account	–	–	–	–	–	**–**
C.3 Fair value negative changes		–	–	–	–	**–**
- Net equity	X	–	–	–	–	**–**
- Profit and Loss Account	X	–	–	–	–	**–**
C.4 Transfers to non-current assets held for sale	–	–	–	–	–	**–**
C.5 Exchange losses	–	–	4	102	–	**106**
C.6 Other changes	–	–	–	–	–	**–**
D. Net amount at year-end	**88,073**	**–**	**756**	**65,135**	**–**	**153,964**
D.1 Total net adjustments	–	–	–	124,761	–	124,761
E. Gross amount at year-end	**88,073**	**–**	**756**	**189,896**	**–**	**278,725**
F. Measured at cost	88,073	–	756	65,135	–	153,964

10.3 Intangible assets: other information

Breakdown of consolidated goodwill

(€ THOUSAND)	31.12.2024	31.12.2023
Prime Consult SIM and INA SIM	2,991	2,991
BG Fiduciaria SIM S.p.A.	4,289	4,289
Banca del Gottardo	31,352	31,352
Credit Suisse Italy	27,433	27,433
Nextam S.p.A. Group	12,202	12,202
BG Valeur S.A.	8,706	8,706
Binck Bank N.V. Italy business unit	1,100	1,100
Total	**88,073**	**88,073**

Breakdown of intangible assets – other assets

(€ THOUSAND)	31.12.2024	31.12.2023
Charges associated with the implementation of legacy CSE procedures	24,870	20,828
Client relationships (former Credit Suisse Italy)	5,568	6,720
Client relationships (former Nextam S.p.A. Group)	5,892	6,449
Client relationships (former BG Valeur S.A.)	1,739	2,125
Other software costs	7,439	7,992
Advance payments on intangible assets	19,627	17,674
Total	**65,135**	**61,788**

Intangible assets recognised in respect of contractual relationships governing total client assets refer to business combinations undertaken by Banca Generali in the course of the years and represent an economic assessment of the expected cash flows from those relationships on the basis of specific profitability coefficients and appropriate default rates, identified from time to time within the framework of purchase price allocation (PPA) procedures.

In this regard, it should be noted that:

› the consideration paid to acquire in 2014 the former Credit Suisse's business unit amounting to 44,713 thousand euros was initially allocated for 17,280 thousand euros to intangible assets and for 27,433 thousand euros to goodwill;
› the consideration paid to acquire Nextam Partners Group in 2019 was initially recognised for 8.9 million euros to intangible assets, attributable to the contractual relationships with customers of the Nextam Group and amortised over a total period of 16 years, for 0.3 million euros to the value of the Nextam trademark, and for 12.2 million euros to goodwill;
› the consideration paid to acquire BG Valeur S.A. in 2019 was originally allocated for 3.2 million euros to the intangible assets attributable to contractual relationships with customers and amortised over a total period of ten years, for 0.4 million euros to the value of the Valeur trademark, and for approximately 8.7 million euros to goodwill;
› the consideration paid to acquire the retail banking business unit of the Italian branch from Binck Bank N.V., a Danish lending institution owned by Saxo Bank Group, on 16 October 2021, upon completion of PPA, was fully recognised to goodwill.

Impairment testing of goodwill

During the preparation of the 2024 Financial Statements, goodwill was tested for impairment and the carrying amount was determined to be accurate. In this regard, reference should be made to Part G, Section 3, of the Notes and Comments.

Section 11 - Tax assets and liabilities - Item 110 (Assets) and Item 60 (Liabilities)

Breakdown of item 110 (Assets): tax assets

TYPE OF TRANSACTIONS/VALUES	31.12.2024	31.12.2023
Current taxation	**38,227**	**37,835**
Sums due for taxes to be refunded	988	1,103
IRES arising on National Tax Consolidation scheme	1,717	–
IRES and foreign direct taxes	35,165	36,375
IRES surtax	353	353
IRAP	4	4
Deferred tax assets	**84,662**	**70,278**
With impact on Profit and Loss Account	83,402	68,219
IRES	69,391	56,546
IRAP	14,011	11,673
With impact on Net Equity	1,260	2,059
IRES	1,178	1,843
IRAP	82	216
Total	**122,889**	**108,113**

Current tax assets and liabilities represent the positive or negative imbalance between the estimated income taxes due for the year and the associated tax credits due to overpayments in previous tax periods, prepayments made and amounts withheld.

In further detail, for Banca Generali current IRES (corporate income) tax assets and liabilities take the form of account receivable from or payable to, respectively, the consolidating entity, Assicurazioni Generali S.p.A. Due to Banca Generali's participation in Assicurazioni Generali's tax consolidation scheme, the former's taxable profits or losses for IRES purposes, along with the tax credits to which it is entitled and sums withheld from it, are transferred to the consolidating entity, which then figures and pays the tax owed by the Group. The consolidating entity is also responsible for paying the taxes owed by or to the credit of the consolidated entity and requesting the associated prepayments.

Sums due for taxes to be refunded mainly include 910 thousand euros of foreign taxes withheld in the course of ordinary investment in debt securities, for which a full refund was applied under the relevant treaties for the avoidance of double taxation (571 thousand euros in 2023).
Other receivables relating to IRES include excess taxes resulting from the merger of the Nextam Group, irrecoverable within the tax consolidation scheme and previous excess taxes associated with the surtax for banks.

Breakdown of item 60 (Liabilities): tax liabilities

TYPE OF TRANSACTIONS/VALUES	31.12.2024	31.12.2023
Current taxation	**5,836**	**39,582**
IRES arising on National Tax Consolidation scheme	–	28,360
IRES (surtax for banks)	1,167	4,191
IRES and other foreign income taxes	8	–
IRAP	4,661	7,031
Deferred tax liabilities	**12,431**	**6,506**
With impact on Profit and Loss Account	7,595	5,594
IRES deferred tax liabilities and foreign income taxes	5,348	4,179
IRAP	2,247	1,415
With impact on Net Equity	4,836	912
IRES deferred tax liabilities and foreign income taxes	4,142	789
IRAP	694	123
Total	**18,267**	**46,088**

11.1 Breakdown of deferred tax assets

TYPE OF TRANSACTIONS/VALUES	31.12.2024	PURSUANT TO LAW NO. 214/2011	31.12.2023	PURSUANT TO LAW NO. 214/2011
With impact on Profit and Loss Account	**83,402**	**3,535**	**68,219**	**4,658**
Provisions for liabilities and contingencies	73,700	–	56,642	–
Write-downs of loans to customers before 2015	619	619	1,153	1,153
Redeemed goodwill of former Banca del Gottardo (Art. 15, para. 10, of Decree Law 185/08)	1,542	1,542	1,905	1,905
Goodwill of former BG Fiduciaria SIM (Art. 15, para. 10-*ter*)	786	786	924	924
Redeemed goodwill of former BG SGR (Art. 176, para. 2-*ter*, of TUIR)	588	588	676	676
Redeemed goodwill of former Nextam Partners (Art. 15, para. 10, of Law Decree 185/08)	1,569	–	2,311	–
Redeemed goodwill of former Banca del Gottardo (Article 110 of Decree Law 104/21)	1,976	–	2,117	–
Collective write-downs (ECLs) on loans to customers and banks	316	–	347	–
Other	2,055	–	1,129	–
Group companies' tax losses	251	–	275	–
BVG pension funds	–	–	740	–
With impact on Net Equity	**1,260**	**–**	**2,059**	**–**
Measurement at fair value of HTCS financial assets	293	–	1,361	–
Actuarial losses (IAS 19) on termination indemnity	852	–	698	–
Cash flow hedge	115	–	–	–
Total	**84,662**	**3,535**	**70,278**	**4,658**

The DTAs eligible for conversion into tax credits pursuant to Italian Law No. 214/2011 include:

a) assets relating to goodwill and other intangible assets subject to redemption pursuant to Article 10, paragraph 10 and paragraph 10-*ter*, of Law Decree 185/08 and Article 176, paragraph 2-*ter*, of TUIR (Consolidated Income Tax Law), relating to the redemption transactions undertaken before 2015; on the other hand, DTAs accrued in respect of realignment transactions undertaken in financial year 2021 cannot be transformed;
b) assets related to adjustments to loans not deducted from taxes as at 31 December 2015, for which Decree Law No. 83/2015, by introducing a system of full deductibility of value adjustments with effect from that year, had remodulated deductibility percentages according to a thorough ten-year recovery scheme, originally set from 2016 to 2025, based on variable annual quotas[9].

Over time, many law provisions envisaged a longer deferment for the deduction of the goodwill and previous adjustments that had given rise to the recognition of deferred tax assets eligible for conversion into tax credits.

In particular, with regard to goodwill, they provided for:

› the remodulation of the deductibility of part of the goodwill and other intangible assets not deducted as at 31 December 2017 over a ten-year period, from 2019 to 2029, at different tax rates (2019 Budget Law No. 145 of 30 December 2018);
› the deferral until 2025 and the four subsequent years of the amortisation charges referring to the 2019 tax period (tax originally set at 5%) of goodwill and other intangible assets, which gave rise to the recognition of deferred tax assets eligible for conversion into tax credits Accordingly, no DTAs eligible for conversion into tax credits were recovered in 2018 and 2019 (2020 Budget Law No. 160 of 30 December 2019).

With regard to adjustments on loans not deducted as at 30 June 2015:

› the deferral of the deduction of the portion of adjustments that accrued in 2018, set by Law Decree No. 83/2015 at 10% to tax period 2026 (2019 Budget Law, No. 145 of 30 December 2018), subsequently brought forward to 2022 and set at 5.3%;
› the deferral of the deduction of the portion of adjustments that accrued in 2019 (originally set at 12%), on a straight-line basis, to tax periods 2022-2025 (Budget Law No. 160 of 30 December 2019);
› the deferral of the deductibility of 12% of the value adjustments for the tax period in progress on 31 December 2022, on a straight-line basis, to the tax periods 2023-2026 (42 of Decree Law No. 17 of 1 March 2022);
› the deferral of the deduction of the portion of adjustments to loans previously deferred until 2024 (set at 1%) and until 2026 (set at 3%), on a straight-line basis, to tax periods 2027 and 2028 (2024 Budget Law No. 13 of 30 December 2023).

By way of partial derogation from the mechanism of full deduction of adjustments to loans recognised as loans to customers, the 2019 Budget Law and the 2020 Stability Law introduced a mechanism for deferring income components resulting from the application of the expected credit loss (ECL) model recognised upon first-time adoption of IFRS 9. In particular, the 2018 Budget Law had established that such components were deductible in ten straight-line instalments over the tax periods from 2018 to 2027, whereas the 2020 Budget Law provided for the deferral until 2028 of the deduction of the portion accrued in 2019 relating to the first-time adoption of IFRS 9. DTAs relating to the adjustments in question are not among those eligible for conversion into tax credits and amounted to 80 thousand euros at 31 December 2024.

Lastly, the 2025 Budget Law (Law No. 207 of 30 December 2024) provided for a further deferment of the deduction of several temporary differences that would have been recovered in 2026 and 2027. Specifically:

› the deferral of the deduction of the portions relating to 2025 and 2026 of the adjustments to loans not deducted as at 30 June 2015 on a straight-line basis for tax periods 2026-2029 and 2027-2029, respectively;
› the deferral of the deduction of the portions relating to 2025 and 2026 of the adjustments to loans not deducted upon FTA of IFRS 9 in 2018 and previously deductible at 10% for tax periods 2026-2029 and 2027-2029, respectively;
› the deferral of the deduction of off-balance sheet amortisation charges of the goodwill eligible for conversion into tax credits to accrue in 2025 and 2026 for tax periods 2026-2029 and 2027-2029, respectively.

Total temporary differences concerned amounted to 5.8 million euros, of which 3.2 million euros relating to 2025 and 2.7 million euros relating to 2026, that will be recovered on straight-line instalments from 2026 and 2027. The overall impact with regard to the recovery of DTAs (i.e., of tax savings) shall amount to 2.0 million euros, of which 1.0 million euros relating to 2025 and 0.9 million euros relating to 2026.

DTAs relating to goodwill and not eligible for conversion into tax credits include DTAs deriving from the realignment operations carried out in 2021.

9 According to Article 16, paragraph 4, of Italian Law Decree No. 83/2015, impairment losses and losses on loans as per paragraph 1 recognised in the financial statements until the year in progress at 31 December 2014 and not yet deducted pursuant to Article 106, paragraph 3, of TUIR (Italy's income tax code), are deductible at 5% of their amount in the tax period in progress at 31 December 2016, at 8% in the tax period in progress at 31 December 2017, at 10% in the tax period in progress at 31 December 2018, at 12% in the tax period in progress at 31 December 2019 and until the tax period in progress at 31 December 2024, and at 5% in the tax period in progress at 31 December 2025. The same provision was introduced for the IRAP tax.

In 2021, Banca Generali proceeded to exercise the option to carry out the following operations to realign the carrying and tax values of goodwill, trademarks and other intangible assets, through payment of the related substitute taxes by the income tax payment deadline for the 2020 tax period:

› realignment of the carrying values for goodwill, trademarks and intangible assets, resulting from the merger — effective 1 January 2020 for accounting and tax purposes — of the subsidiaries Nextam Partners S.p.A. and Nextam Partners SGR, carried out pursuant to:
  – Article 15 of Law Decree No. 185/2008 (special redemption), by payment of a substitute tax of 16% and subsequent amortisation over 5 years;
  – Article 176, paragraph 2-*ter*, of TUIR (ordinary redemption), limited to intangible assets, with payment of a substitute tax based on related tax brackets (12%-14%) and recognition of amortisation throughout the residual life of the intangible asset;
› realignment of misalignments resulting from previous years' goodwill stated in the Financial Statements at 31 December 2019 and still present at 31 December 2020, pursuant to Article 110 of Decree Law No. 104/2020 (so-called "August Decree"), as amended by the 2021 Budget Law, through payment of a 3% substitute tax, and a subsequent right to benefit from the ensuing off-balance sheet amortisation initially set at 18 years and then subsequently extended to 50 years.

With regard to this special treatment, the 2022 Budget Law (Law No. 234 of 30 December 2021) subsequently extended the deduction period of temporary differences resulting from the above-mentioned realignments from 18 to 50 years, without prejudice to the possibility of maintaining the initial term of 18 years by paying the greater tax due for the ordinary redemption transactions or revoking the transaction in full with a refund of the substitute tax paid.

The Bank decided not to exercise this option and, accordingly, continues to deduct these temporary differences over the longer time horizon introduced by the law. However, as a result of the extremely long tax amortisation period, deemed it prudentially not to recognise DTAs the reversal period of which exceeds the maximum duration of 18 years, without prejudice to the recovery of the portions not recognised in the subsequent years, based on the results of recoverability tests. Upon recognition of the above-mentioned realignments, initial recognition included, based on the method indicated in the OIC document application No. 1 of February 2009, deferred tax assets (DTAs) for an amount of 6.5 million euros against 10.9 million euros overall receivable for the transactions carried out.

DTAs for tax losses carryforward amounted to 251 thousand euros and referred to net losses reported by BG Valeur S.A.

11.2 Breakdown of deferred tax liabilities

TYPE OF TRANSACTIONS/VALUES	31.12.2024	31.12.2023
With impact on Profit and Loss Account	**7,595**	**5,594**
Off-balance sheet goodwill deduction	2,792	2,213
Intangible assets recognised upon PPA (trademarks and client relationships)	400	472
Financial assets mandatorily measured at fair value through profit and loss (equity securities and policies)	721	614
Provision for termination indemnity (IAS 19)	152	152
Other	700	491
Retained earnings of subsidiaries (IAS 12, para. 38 40)	2,830	1,652
With impact on Net Equity	**4,836**	**912**
Measurement at fair value of HTCS financial assets	2,101	495
IAS 19-related actuarial gains on BVG pension funds	392	417
Cash flow hedge	2,343	–
Total	**12,431**	**6,506**

The DTLs relating to goodwill deducted on an off-balance sheet basis referred for 279 thousand euros to goodwill redeemed in accordance with Article 10 of Italian Legislative Decree No. 104/2021, and for 2,513 thousand euros to goodwill recognised following the acquisition of the business units of the former Credit Suisse and Binck Bank.
The DTLs relating to financial assets mandatorily measured at fair value refer to the revaluation of equity instruments and unit-linked policies, the tax relevance of which is deferred until realisation.

11.3 Change in deferred tax assets (offsetting entry to the Profit and Loss Account)

	31.12.2024	31.12.2023
1. Amount at year-start	**68,219**	**64,784**
2. Increases	**36,715**	**21,608**
2.1 Deferred tax assets recognised in the year:	36,715	20,998
a) related to prior years	–	–
b) change in accounting criteria	–	–
c) reversals	–	–
d) other	36,715	20,998
2.2 New taxes or increases in tax rates	–	–
2.3 Other increases	–	610
3. Decreases	**21,532**	**18,173**
3.1 Deferred tax assets eliminated in the year:	21,061	17,780
a) transfers	21,061	17,780
b) write-downs for non-recoverability	–	–
c) change in accounting criteria	–	–
d) other	–	–
3.2 Decreases in tax rates	–	–
3.3 Other decreases:	471	393
a) conversion into tax credits pursuant to Law No. 214/2011	–	–
b) other	471	393
4. Amount at year-end	**83,402**	**68,219**

11.4 Change in deferred tax assets pursuant to Law No. 214/2011

	31.12.2024	31.12.2023
1. Amount at year-start	**4,658**	**5,813**
2. Increases	**–**	**–**
3. Decreases	**1,123**	**1,155**
3.1 Transfers	1,123	1,155
3.2 Conversion into tax credits:	–	–
a) due to losses for the year	–	–
b) due to tax losses	–	–
3.3 Other decreases	–	–
4. Amount at year-end	**3,535**	**4,658**

11.5 Change in deferred tax liabilities (offsetting entry to the Profit and Loss Account)

	31.12.2024	31.12.2023
1. Amount at year-start	**5,594**	**4,424**
2. Increases	**3,514**	**2,452**
2.1 Deferred tax liabilities recognised in the year:	3,514	1,869
a) related to prior years	–	–
b) change in accounting criteria	–	–
c) other	3,514	1,869
2.2 New taxes or increases in tax rates	–	–
2.3 Other increases	–	583
3. Decreases	**1,513**	**1,282**
3.1 Deferred tax liabilities eliminated in the year:	1,513	1,282
a) transfers	321	275
b) change in accounting criteria	–	–
c) other	1,192	1,007
3.2 Decreases in tax rates	–	–
3.3 Other decreases	–	–
4. Amount at year-end	**7,595**	**5,594**

11.6 Changes in deferred tax assets (offsetting entry to Net Equity)

	31.12.2024	31.12.2023
1. Amount at year-start	**2,059**	**5,984**
2. Increases	**691**	**230**
2.1 Deferred tax assets recognised in the year:	691	230
a) related to prior years	–	–
b) change in accounting criteria	–	–
c) other	691	230
2.2 New taxes or increases in tax rates	–	–
2.3 Other increases	–	–
3. Decreases	**1,490**	**4,155**
3.1 Deferred tax assets eliminated in the year:	1,291	1,544
a) transfers	1,291	1,544
b) write-downs for non-recoverability	–	–
c) change in accounting criteria	–	–
d) other	–	–
3.2 Decreases in tax rates	–	–
3.3 Other decreases	199	2,611
4. Amount at year-end	**1,260**	**2,059**

11.7 Changes in deferred tax liabilities (offsetting entry to Net Equity)

	31.12.2024	31.12.2023
1. Amount at year-start	**912**	**1,282**
2. Increases	**4,181**	**2,912**
2.1 Deferred tax liabilities recognised in the year:	4,181	2,912
a) related to prior years	-	-
b) change in accounting criteria	-	-
c) other	4,181	2,912
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**257**	**3,282**
3.1 Deferred tax liabilities eliminated in the year:	55	671
a) transfers	55	671
b) change in accounting criteria	-	-
c) other	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases	202	2,611
4. Amount at year-end	**4,836**	**912**

Section 12 – Non-current assets available for sale and disposal groups and associated liabilities - Item 120 (Assets) and Item 70 (Liabilities)

12.1 Non-current assets held for sale and disposal groups: categories

	31.12.2024	31.12.2023
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Equity investments	227	-
A.3 Property and equipment	-	-
of which:		
- *obtained through the enforcement of guarantees received*	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total (A)	**227**	**-**
of which:		
- *measured at cost*	-	-
- *of which measured at fair value Level 1*	-	-
- *of which measured at fair value Level 2*	-	-
- *of which measured at fair value Level 3*	-	-
B. Discontinued operations		
B.1 Financial assets measured at fair value through profit or loss	-	-
- HFT financial assets	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily measured at fair value	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-
B.3 Financial assets measured at amortised cost	-	-
B.4 Equity investments	-	-

	31.12.2024	31.12.2023
B.5 Property and equipment	–	–
of which:		
- *obtained through the enforcement of guarantees received*	–	–
B.6 Intangible assets	–	–
B.7 Other assets	–	–
Total (B)	**–**	**–**
of which:		
- *measured at cost*	–	–
- *of which measured at fair value Level 1*	–	–
- *of which measured at fair value Level 2*	–	–
- *of which measured at fair value Level 3*	–	–
C. Liabilities associated with assets held for sale		
C.1 Debts	–	–
C.2 Securities	–	–
C.3 Other liabilities	–	–
Total (C)	**–**	**–**
of which:		
- *measured at cost*	–	–
- *of which measured at fair value Level 1*	–	–
- *of which measured at fair value Level 2*	–	–
- *of which measured at fair value Level 3*	–	–
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortised cost	–	–
D.2 Financial liabilities held for trading	–	–
D.3 Financial liabilities designated at fair value	–	–
D.4 Provisions	–	–
D.5 Other liabilities	–	–
Total (D)	**–**	**–**
of which:		
- *measured at cost*	–	–
- *of which measured at fair value Level 1*	–	–
- *of which measured at fair value Level 2*	–	–
- *of which measured at fair value Level 3*	–	–

12.1 Non-current assets held for sale and disposal groups: categories

Pursuant to IFRS 5, following communication to majority shareholders, on 9 January 2025, of the intention to exercise a put option on the interest held in share capital, currently under execution, the minority interest in Nextam Partners SIM S.p.A. was recognised among non-current assets held for sale at 31 December 2024.
The equity investment was recognised at the expected expense value recognising a 130 thousand euro capital loss.

Section 13 – Other assets - Item 130

13.1 Breakdown of other assets

	31.12.2024	31.12.2023
Fiscal items	**144,933**	**130,747**
Advances paid to Tax Authorities – stamp duty	85,647	51,221
Advances of substitute tax on capital gains	33,365	46,604
Other advances paid to and sums due from Tax Authorities	801	948
Tax Authorities/VAT	74	67
Tax Authorities/Superbonus	24,374	30,343
Sums due from Tax Authorities for other taxes to be refunded	672	1,564
Leasehold improvements	**9,700**	**8,927**
Operating loans not related to financial transactions	**829**	**355**
Sundry advances to suppliers and employees	**5,809**	**6,282**
Cheques under processing	**4,221**	**11,496**
Money orders and other amounts receivable	4,221	11,496
Other amounts to be debited under processing	**80,460**	**91,786**
Amounts to be settled in the clearing house (debits)	60	851
Clearing accounts for securities and funds procedure	51,141	51,949
Other amounts to be debited under processing	13,816	15,821
Assets from reclassification of portfolio subject to collection (SBF)	15,443	23,165
Amounts receivable for legal disputes not related to credit transactions	**559**	**344**
Trade receivables from customers and banks that cannot be traced back to specific items	**63,502**	**57,233**
Other amounts	**226,913**	**200,158**
Prepayments for the new supplementary fees for Financial Advisor Network	63,910	65,277
Prepayments for ordinary incentives	117,539	97,476
Prepayments for three-year incentives	26,381	16,593
Other accrued income and deferred charges that cannot be traced back to specific items	18,588	20,439
Sundry amounts	495	373
Total	**536,926**	**507,328**

Receivables from Tax Authorities for withholdings on current accounts represent the positive imbalance between payments on account and the related payable to Tax Authorities.

Other assets include assets associated with the incremental costs incurred to acquire or fulfil contracts with customers set out in IFRS 15, paragraphs 91-104.

Prepayments for the supplementary fees for Financial Advisor Network refer to incremental fee expense of acquiring new customers paid to new Financial Advisors within the framework of recruitment programmes and based on the achievement of specific net inflows targets.

Prepayments for ordinary incentives paid to the Financial Advisor Network qualify instead as incremental costs for obtaining a contract or costs incurred to fulfil a contract and consist of fees paid annually to the existing Financial Advisor Network based on the achievement of net inflow targets, irrespective of whether they have been achieved by acquiring new customers or by strengthening relationships already in place with existing customers.

Costs are systematically amortised over a time horizon corresponding to the transfer to the customer of the goods or services to which the asset refers, estimated to amount to five years.

The changes in the main deferred charges during the year are shown below.

	31.12.2023	AMORTISATION	OF WHICH RELATED TO THE PREVIOUS YEAR	INCREASES	OTHER CHANGES	31.12.2024
Supplementary fees	65,277	-27,837	-23,237	26,470	–	63,910
Ordinary incentives	97,476	-52,279	-37,499	73,901	-1,559	117,539
Three-year incentives	16,593	-8,683	-4,989	18,471	–	26,381
Total network incentives	**179,346**	**-88,799**	**-65,725**	**118,842**	**-1,559**	**207,830**
Entry bonus on BG Solution portfolio management	9,501	-4,164	-3,767	3,612	9	8,958
Bonus on JPM funds	57	-51	-44	36	–	42
Total other acquisition costs	**9,558**	**-4,215**	**-3,811**	**3,648**	**9**	**9,000**
Total	**188,904**	**-93,014**	**-69,536**	**122,490**	**-1,550**	**216,830**

Other deferred charges that cannot be traced back to specific items include for 9,588 thousand euros prepaid expenses not accrued during the year and refer in particular to lease prepayments, insurance premiums and other general and administrative expenses.

PART B – INFORMATION ON THE CONSOLIDATED BALANCE SHEET - LIABILITIES

Section 1 – Financial liabilities measured at amortised cost - Item 10

1.1 Financial liabilities measured at amortised cost: due to banks – categories

	31.12.2024				31.12.2023			
		FV				FV		
TYPE OF TRANSACTIONS/VALUES	BOOK VALUE	L1	L2	L3	BOOK VALUE	L1	L2	L3
1. Due to Central Banks	**-**	X	X	X	**-**	X	X	X
2. Due to banks	**356,431**	X	X	X	**231,684**	X	X	X
2.1 Current accounts and demand deposits	66,446	X	X	X	35,346	X	X	X
2.2 Term deposits	3,001	X	X	X	-	X	X	X
2.3 Loans	281,270	X	X	X	186,522	X	X	X
2.3.1 Repurchase agreements	272,338	X	X	X	171,320	X	X	X
2.3.2 Other	8,932	X	X	X	15,202	X	X	X
2.4 Liabilities for repurchase commitments of own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease debts	-	X	X	X	-	X	X	X
2.6 Other debts	5,714	X	X	X	9,816	X	X	X
Total	**356,431**	**-**	**356,431**	**-**	**231,684**	**-**	**231,684**	**-**

The item “Other debts” almost entirely refers to deposits made by EFG BANK S.A. as a guarantee for some non-performing exposures, arising on the acquisition of Banca del Gottardo Italia (collateral deposits).

1.2 Financial liabilities measured at amortised cost: due to customers – categories

	31.12.2024				31.12.2023			
		FV				FV		
TYPE OF TRANSACTIONS/VALUES	BOOK VALUE	L1	L2	L3	BOOK VALUE	L1	L2	L3
1. Current accounts and demand deposits	12,698,080	X	X	X	11,097,187	X	X	X
2. Term deposits	244,069	X	X	X	241,730	X	X	X
3. Loans	886,084	X	X	X	1,507,866	X	X	X
3.1 Repurchase agreements	779,115	X	X	X	1,382,649	X	X	X
3.2 Other	106,969	X	X	X	125,217	X	X	X
4. Liabilities for repurchase commitments of own equity instruments	-	X	X	X	-	X	X	X
5. Lease debts	130,206	X	X	X	141,074	X	X	X
6. Other debts	206,407	X	X	X	283,474	X	X	X
Total	**14,164,846**	**-**	**14,164,846**	**-**	**13,271,331**	**-**	**13,271,331**	**-**

Item 5 “Lease debts” includes the liability relating to lease payments determined on the basis of the IFRS 16 - *Leases*, which entered into force on 1 January 2019.

Item 6 “Other debts” refers for 163,133 thousand euros to trade payables to the Financial Advisor Network and, for the remaining amount, to the stock of money order issued by the parent company Banca Generali in relation to claims payment of Generali Group insurance companies and other sums made available to customers.

1.6 Lease debts

Lease debts recognised in the Financial Statements at 31 December 2024 amounted to 130,206 thousand euros.

The following table shows the maturity of these lease debts in accordance with paragraphs 53(g) and 58 of IFRS 16 – *Leases*:

RESIDUAL LEASE DEBTS - YEAR	AMOUNT
2025	20,160
2026	19,176
2027	17,406
2028	15,836
2029	13,565
2030	12,046
2031	10,829
2032	10,530
2033	5,879
2034	2,498
2035	1,550
2036	731

Section 2 – Financial liabilities held for trading - Item 20

2.1 HFT financial liabilities: categories

	31.12.2024					31.12.2023				
		FV					FV			
TYPE OF TRANSACTIONS/VALUES	NV	L1	L2	L3	FV (*)	NV	L1	L2	L3	FV (*)
A. Cash liabilities										
1. Due to banks	–	–	–	–	–	–	–	–	–	–
2. Due to customers	–	–	–	–	–	–	–	–	–	–
3. Debt securities	–	–	–	–	–	–	–	–	–	–
3.1 Bonds	–	–	–	–	–	–	–	–	–	–
3.1.1 Structured	–	–	–	–	X	–	–	–	–	X
3.1.2 Other bonds	–	–	–	–	X	–	–	–	–	X
3.2 Other securities	–	–	–	–	–	–	–	–	–	–
3.2.1 Structured	–	–	–	–	X	–	–	–	–	X
3.2.2 Other	–	–	–	–	X	–	–	–	–	X
Total A	**–**	**–**	**–**	**–**		**–**	**–**	**–**	**–**	
B. Derivatives										
1. Financial		**–**	**108**	**–**	**–**		**–**	**159**	**–**	**–**
1.1 Trading	X	–	108	–	X	X	–	159	–	X
1.2 Related to the fair value option	X	–	–	–	X	X	–	–	–	X
1.3 Other	X	–	–	–	X	X	–	–	–	X
2. Credit		–	–	–	–		–	–	–	–
2.1 Trading	X	–	–	–	X	X	–	–	–	X
2.2 Related to the fair value option	X	–	–	–	X	X	–	–	–	X
2.3 Other	X	–	–	–	X	X	–	–	–	X
Total B	**X**	**–**	**108**	**–**	**X**	**X**	**–**	**159**	**–**	**X**
Total (A + B)	**X**	**–**	**108**	**–**	**X**	**X**	**–**	**159**	**–**	**X**

(*) FV measured without taking account of issuer's creditworthiness changes compared to issue date.

HFT financial liabilities consist for 108 thousand euros of hedged trading transactions relating to currency outrights with customers as counterparty, fully offset in Item 20 – Assets.

Section 4 – Hedging derivatives - Item 40

During the year the Bank continued to operate in asset swap derivatives, trading interest rate swaps to hedge debt securities, mostly Italian and foreign fixed-rate and index-linked government bonds allocated to the HTCS and HTC portfolios. For each hedging derivative, a highly effective micro fair value hedging relationship is formed.

The micro hedging derivatives portfolio also includes some cash flow hedge counter-hedges, activated in the second quarter of the year, mostly to hedge the HTC portfolio. In particular, these were hedges aimed at stabilising the future cash flows of fixed-rate asset swaps, even limited to a time portion thereof, through trading of forward IRSs.

At the end of the third quarter, a macro hedge was also activated to mitigate the interest-rate risk of demand liabilities by entering into IRS contracts.

At 31 December 2024, the notional amounts of the hedging derivative liabilities outstanding amounted to approximately 3,449.9 million euros, of which 3,249.3 million euros relating to fair value hedges and 200.7 million euros relating to cash flow hedges.

4.1 Breakdown of hedging derivatives by type of hedge and hierarchy levels

	31.12.2024				31.12.2023			
	FAIR VALUE			NOTIONAL VALUE	FAIR VALUE			NOTIONAL VALUE
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	**–**	**176,946**	**–**	**3,449,915**	**–**	**132,662**	**–**	**1,496,500**
1) Fair value	–	176,552	–	3,249,256	–	132,662	–	1,496,500
2) Cash flows	–	394	–	200,659	–	–	–	–
3) Net investment in a foreign operation	–	–	–	–	–	–	–	–
B. Credit derivatives	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1) Fair value	–	–	–	–	–	–	–	–
2) Cash flows	–	–	–	–	–	–	–	–
Total	**–**	**176,946**	**–**	**3,449,915**	**–**	**132,662**	**–**	**1,496,500**

4.2 Breakdown of hedging derivatives by portfolios hedged and type of hedge

	FAIR VALUE							CASH FLOWS		
	MICRO HEDGES									
HEDGING TRANSACTIONS/TYPE	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND STOCK INDICES	CURREN-CIES AND GOLD	CREDIT	GOODS	OTHER	MACRO HEDGES	MICRO HEDGES	MACRO HEDGES	NET INVEST-MENT IN A FOREIGN OPERATION
1. Financial assets measured at fair value through other comprehensive income	707	–	–	–	X	X	X	–	X	X
2. Financial assets measured at amortised cost	175,564	X	–	–	X	X	X	394	X	X
3. Portfolio	X	X	X	X	X	X	–	X	–	X
4. Other transactions	–	–	–	–	–	–	X	–	X	–
Total assets	**176,271**	**–**	**–**	**–**	**–**	**–**	**–**	**394**	**–**	**–**
1. Financial liabilities	–	X	–	–	–	–	X	–	X	X
2. Portfolio	X	X	X	X	X	X	281	X	–	X
Total liabilities	**–**	**X**	**–**	**–**	**–**	**–**	**281**	**–**	**–**	**X**
1. Expected transactions	X	X	X	X	X	X	X	–	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	–	X	–	–

Section 5 – Adjustment to macro-hedged financial liabilities - Item 50

5.1 Adjustment to hedged financial liabilities

ADJUSTMENT TO HEDGED LIABILITIES/GROUP COMPONENTS	31.12.2024	31.12.2023
1. Positive adjustment to financial liabilities	2,141	–
2. Negative adjustment to financial liabilities	–	–
Total	**2,141**	**–**

The balance of this item represents the valuation effect of demand deposit liabilities macro-hedged against interest rate risk.

Section 6 – Tax liabilities - Item 60

Section 11 (Assets) provides an analysis.

Section 7 – Liabilities associated to assets held for sale - Item 70

Section 12 (Assets) provides an analysis.

Section 8 – Other liabilities - Item 80

8.1 Breakdown of other liabilities

	31.12.2024	31.12.2023
Trade payables	**33,061**	**33,991**
Due to suppliers	32,370	33,618
Due for payments on behalf of third parties	691	373
Due to staff and social security institutions	**33,562**	**29,889**
Due to staff for accrued holidays, etc.	4,974	4,239
Due to staff for productivity bonuses to be paid out	19,204	16,387
Contributions to be paid to social security institutions	3,766	4,065
Contributions to Financial Advisors to be paid to Enasarco	5,618	5,198
Tax Authorities	**63,720**	**42,761**
Withholding taxes to be paid to Tax Authorities on behalf of employees and contract workers	7,197	7,073
Current account withholdings	16,465	12,671
Withholding taxes to be paid to Tax Authorities on behalf of customers	14,011	8,665
Notes to be paid into collection services	22,509	7,834
VAT payables	3,186	6,417
Tax liabilities – other (stamp duty and substitute tax on medium-/long-term loans)	352	101
Amounts to be debited under processing	**83,135**	**158,890**
Bank transfers, cheques and other sums payable	2,814	2,645
Amounts to be settled in the clearing house (credits)	35,597	47,044
Liabilities from reclassification of portfolio subject to collection (SBF)	279	128
Other amounts to be debited under processing	44,445	109,073
Sundry items	**85,466**	**87,506**
Amounts to be credited	8,226	4,881
Sundry items	2,631	2,247
Amounts due as contribution to the Guarantee Fund for the Life Insurance Sector	2,230	–
Amounts due to Shareholders for dividends to be distributed	70,111	75,954
Accrued expenses and deferred income that cannot be traced back to specific items	1,971	3,116
Sums made available to customers	297	1,308
Total	**298,944**	**353,037**

Pursuant to paragraphs 116 a) and 116 b) of IFRS 15, it is reported that the item “deferred income” includes liabilities associated with contracts within the scope of application of IFRS 15 and relating to three-year up-front fees received in connection with the distribution of certain classes of international UCITS.

Opening balance at 01.01.2024	**100**
Increases	43
Decreases due to the transfer to Profit and Loss Account	-86
of which:	
- *relating to prior years*	-79
Closing balance at 31.12.2024	**57**

Section 9 – Provisions for termination indemnity - Item 90

9.1 Provisions for termination indemnity: year changes

	31.12.2024	31.12.2023
A. Amount at year-start	3,772	3,705
B. Increases	149	355
B.1 Provisions for the year	113	131
B.2 Other increases	36	224
C. Decreases	519	288
C.1 Amounts paid	519	288
C.2 Other decreases	–	–
D. Amount at year-end	**3,402**	**3,772**

9.2 Other information

The amount of termination indemnity for employees can be considered as a non-financial defined benefit plan after the termination of the employment, in accordance with IAS 19.

The provision was measured based on the actuarial value using the methods described in Part. A.2 of these Notes and Comments.

The following are the main actuarial assumptions used and the breakdown of the provision for the year and actuarial gains/(losses):

	31.12.2024	31.12.2023
Discount rate (*)	3.14%	3.07%
Annual inflation rate	2.00%	2.00%
Salary increase rate	2.00%	2.00%
Average duration (years)	7	8

(*) Rate applied to Banca Generali.

	31.12.2024	31.12.2023
1. Provisions:	113	131
- current service cost	6	6
- interest cost	107	125
2. Actuarial gains and losses:	36	224
- based on financial assumptions	-26	120
- based on actuarial demographic assumptions	62	104
Total provisions for the year	**149**	**355**
Actuarial value	**3,402**	**3,772**
Value calculated re. Article 2120 of the Italian Civil Code	**3,553**	**3,903**

Section 10 – Provisions for liabilities and contingencies - Item 100

10.1 Breakdown of provisions for liabilities and contingencies

ITEMS/COMPONENTS	31.12.2024	31.12.2023
1. Provisions for credit risk relating to commitments and financial guarantees issued	11,796	9,591
2. Provisions for other commitments and other guarantees issued	–	–
3. Company provisions for pensions	3,145	2,476
4. Other provisions for liabilities and contingencies	326,036	253,097
4.1 Legal and tax disputes	14,373	12,558
4.2 Staff	17,726	10,140
4.3 Other	293,937	230,399
Total	**340,977**	**265,164**

Breakdown of other provisions for liabilities and contingencies

	31.12.2024	31.12.2023
Provisions for staff expenses	**17,726**	**10,140**
Provision for restructuring plan	8,800	1,500
Provision for staff expenses – other	8,926	8,640
Provisions for legal disputes	**14,229**	**12,283**
Provision for risks related to legal disputes connected with Financial Advisor Network's embezzlements	4,694	3,339
Provision for risks related to legal disputes with the Financial Advisor Network	313	1,002
Provision for other legal disputes	9,222	7,942
Provisions for termination indemnity of Financial Advisors	**207,988**	**170,856**
Provision for termination indemnity of the Financial Advisor Network	99,552	83,103
Provision for management development indemnity	13,132	12,419
Provision for portfolio overfee indemnities	7,509	6,666
Provision for pension bonuses	8,799	8,366
Provisions for Framework Loyalty Programme	35,582	35,358
Provision for three-year incentives	43,414	24,944
Provisions for Financial Advisor Network incentives	**28,940**	**29,048**
Provision for Financial Advisor Network development plans	21,263	21,139
Provision for deferred bonus	65	60
Provision for managers' incentives with access gate	–	273
Provision for sales incentives	1,822	2,009
Provision for fees – travel incentives	5,300	5,300
Provision for other fee plans	490	267
Provisions for tax and contributions/pension dispute	**144**	**274**
Other provisions for liabilities and contingencies	**57,009**	**30,496**
Total	**326,036**	**253,097**

10.2 Provisions for liabilities and contingencies: year changes

	PROVISIONS FOR CREDIT RISK RELATING TO COMMITMENTS AND FINANCIAL GUARANTEES ISSUED	PROVISIONS FOR PENSIONS	OTHER PROVISIONS FOR LIABILITIES AND CONTINGENCIES	TOTAL
A. Amount at year-start	**9,591**	**2,476**	**253,097**	**265,164**
B. Increases	**13,518**	**1,481**	**118,162**	**133,161**
B.1 Provisions for the year	11,739	575	118,162	130,476
B.2 Changes due to the passage of time	–	–	–	–
B.3 Changes due to different discount rates	–	–	–	–
B.4 Other increases	1,779	906	–	2,685
C. Decreases	**11,313**	**812**	**45,223**	**57,348**
C.1 Use in the year	11,179	–	40,901	52,080
C.2 Changes due to different discount rates	–	–	–	–
C.3 Other decreases	134	812	4,322	5,268
D. Amount at year-end	**11,796**	**3,145**	**326,036**	**340,977**

Other provisions for liabilities and contingencies – details of movements

	31.12.2023	USES	SURPLUS	OTHER CHANGES	PROVISIONS	31.12.2024
Provision for staff expenses	**10,140**	**-2,206**	**-1,622**	**-2,092**	**13,506**	**17,726**
Provision for restructuring plan	1,500	-41	–	-1,459	8,800	8,800
Provisions for staff expenses – other	8,640	-2,165	-1,622	-633	4,706	8,926
Provisions for legal disputes	**12,283**	**-4,165**	**-1,321**	**–**	**7,432**	**14,229**
Provision for risks related to legal disputes connected with Financial Advisor Network's embezzlements	3,339	-578	-655	–	2,588	4,694
Provision for risks related to legal disputes with the Financial Advisor Network	1,002	-737	-119	–	167	313
Provision for other legal disputes	7,942	-2,850	-547	–	4,677	9,222
Provisions for termination indemnity of Financial Advisors	**170,856**	**-3,673**	**-2,671**	**9,787**	**33,689**	**207,988**
Provision for termination indemnity of the Financial Advisor Network	83,103	-1,658	-2,121	–	20,228	99,552
Provision for portfolio overfee indemnities	6,666	-111	-163	–	1,117	7,509
Provision for management development indemnity	12,419	-1,754	-173	–	2,640	13,132
Provision for pension bonuses	8,366	-150	-214	–	797	8,799
Provision for Framework Loyalty Programme	35,358	–	–	–	224	35,582
Provision for three-year incentives	24,944	–	–	9,787	8,683	43,414
Provisions for Financial Advisor Network incentives	**29,048**	**-15,823**	**-1,927**	**–**	**17,642**	**28,940**
Provision for Financial Advisor Network development plans	21,139	-10,232	-1,552	–	11,908	21,263
Provision for deferred bonus	60	–	–	–	5	65
Provision for managers' incentives with access gate	273	-273	–	–	–	–
Provision for sales incentives	2,009	-187	–	–	–	1,822
Provision for fees – travel incentives	5,300	-4,927	-373	–	5,300	5,300
Provision for fee plans	267	-204	-2	–	429	490
Provisions for tax and contributions/ pension disputes	**274**	**-165**	**–**	**–**	**35**	**144**
Other provisions for liabilities and contingencies	**30,496**	**-14,869**	**–**	**-4,476**	**45,858**	**57,009**
Total	**253,097**	**-40,901**	**-7,541**	**3,219**	**118,162**	**326,036**

10.3 Provisions for credit risk relating to commitments and financial guarantees issued

	PROVISIONS FOR CREDIT RISK RELATING TO COMMITMENTS AND FINANCIAL GUARANTEES ISSUED				
	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	TOTAL
1. Commitments to disburse funds	–	–	–	–	**–**
2. Financial guarantees issued	50	7	24	11,715	**11,796**
Total	**50**	**7**	**24**	**11,715**	**11,796**

The provision for credit risk relating to financial guarantees issued, considered impaired at the acquisition date, refers to several agreements entered into by the Bank to cover possible losses suffered by its customers in relation to the non-repayment of principal, within the contractual terms, of some securitised senior notes for which the Bank had acted as distributor.

Based on the agreements with customers, a portion of the guarantees, amounting to 8,465 thousand euros, came due and were enforced in early 2025.

At 31 December 2024, a provision for expected losses was set aside for the guarantees issued, measured pursuant to IFRS 9, paragraph 5.5.1.

10.5 Defined benefit company pension funds

10.5.1 Characteristics of the funds and related risks

The item "Pension funds" refers to the supplementary pension plan for employees of BG Valeur S.A. and BG Suisse Private Bank S.A., which under local pension legislation (LLP) provides mandatory supplementary benefits upon meeting pension requirements or an adverse event (death or disability).
Pension obligations are covered by segregated assets, managed under a contractual relationship between the company and Swiss Life Collection Foundation BVG.
In turn, the Foundation fully reinsures all disability, death and longevity risks, including investment risk, with the insurer Swiss Life S.A., which invests the capital, guaranteeing the repayment of 100% of capital plus interest at a guaranteed rate.
In 2024, the guaranteed rate was 1.25% for the mandatory cover and 0.50% for the optional cover.

Contributions to the plan are paid by employees and the employer, with regard to both pension entitlement and coverage of the death and disability risk benefits. The cumulative balance of the pension account is based on the pension contributions made by the employee and employer and the interest accrued. The amount of the pension payable upon retirement is calculated by applying an annuity conversion rate established by the law and plan rules to the cumulative balance of each participant's pension account.
Although the Swiss supplementary pension system operates as a defined-contribution plan pursuant to local legislation, under IAS 19 – *Employee Benefits* it is accounted for as a defined benefit pension plan, due to the presence of the guaranteed return on investment, fixed rate of conversion of the pension amount into a life annuity and the obligation for the participants to intervene if the plan is underfunded.

The liability and cost relating to this plan are calculated on the basis of actuarial assumptions applying the Projected Unit Credit Method. This method calls for future outlays to be projected on the basis of historical statistical and demographic curve analyses and discounting of the cash flows in question at a market interest rate. The contributions paid in each year are considered separate units, recognised and measured individually to determine the final obligation.
The rate used for discounting is determined by reference to the yields on "high quality corporate bonds", and in particular yields observed on the Swiss market for maturities between 15 and 20 years.
The present value of the obligation at the reporting date is also stated net of the fair value of the assets in service of the plan.
Actuarial gains and losses on defined benefit plans are taken to the statement of other comprehensive income (OCI).

10.5.2 Year changes in net defined benefit liabilities (assets) and reimbursement rights

The following table shows the changes in liabilities and assets associated with the defined benefit plan in 2024:

	LIABILITIES OF THE DBO PENSION FUND	ASSETS IN SERVICE OF THE PLAN (FAIR VALUE)	PROVISIONS FOR PENSIONS
Amount at year-start	**-19,894**	**17,418**	**-2,476**
Current service cost	-540	–	-540
Interest (expense)/income	-294	259	-35
Return on assets, net of interest	–	-464	-464
Actuarial gains (losses) arising from changes in demographic assumptions	-2	–	-2
Actuarial gains (losses) arising from changes in financial assumptions	-440	–	-440
Employer contributions paid	–	671	671
Employer contributions paid to meet benefits directly	-547	547	–
Plan beneficiaries' contributions	-3,280	3,280	–
Indemnities paid	1,100	-1,100	–
Other decreases	303	-162	141
Amount at year-end	**-23,594**	**20,449**	**-3,145**

10.5.3 Fair value of the assets in service of the plan

The assets in service of the plan consist solely of the value of the insurance policy covering the plan.

10.5.4 Description of the main actuarial assumptions

The following table presents the main actuarial assumptions and reference rates used:

	31.12.2024 BG VALEUR S.A.	31.12.2024 BG SUISSE PRIVATE BANK S.A.
Discount rate	0.95%	0.95%
Salary increase rate	1.20%	1.20%
Men's retirement age	65 years	65 years
Women's retirement age	65 years	65 years
Demographic tables used	BVG 2020 GT	BVG 2020 GT
Average duration (years)	8.3	9.4

10.5.5 Amount, timing and uncertainty of cash flows

The sensitivity analysis was conducted on the DBO value presented in Table 10.5.2 above.

The results presented below express the percent change in the defined benefit obligation resulting from a +/-50 bps change in the discounting rate or the salary increase rate or a change in life expectancy of +/-1 year:

SENSITIVITY ANALYSIS	% CHANGE BG VALEUR S.A.	% CHANGE BG SUISSE PRIVATE BANK S.A.
Sensitivity analysis on discount rate		
Discount rate +0.50%	-7.20%	-7.30%
Discount rate -0.50%	8.20%	8.30%
Sensitivity analysis on salary increase rate		
Salary increase rate +0.50%	0.40%	-0.10%
Salary increase rate -0.50%	-0.40%	0.10%
Sensitivity analysis on mortality assumptions		
Life expectancy +1 year	1.10%	1.30%
Life expectancy -1 year	-1.20%	-1.30%

The average duration of the defined benefit obligation was 9.4 years for BG Suisse Private Bank S.A. and 8.3 years for BG Valeur S.A.

10.6 Provisions for liabilities and contingencies - other provisions

10.6.1 Provisions for staff expenses

Provisions for staff expenses include the following amounts:

- the share of the variable compensation of managers of the Banking Group deferred up to two years and conditional upon continuing satisfaction of the predetermined quantitative levels of asset solidity and liquidity (access gates) established in compliance with the Banking Group's Remuneration Policy;
- allocations to the provision for the recruitment plans regarding new employed Relationship Managers (RMs), valued also based on the specific contractual conditions agreed upon and on the probability to achieve the net inflow targets set;
- allocations for post-employment medical benefits of Group's managers, valued using the actuarial method pursuant to IAS 19;
- the provision related to the performance bonus, if at the reporting date the company supplementary contract (CIA) has expired or has not been renewed yet.

The above-mentioned provisions have as their balancing entries item "Staff expenses".

Provisions for staff expenses also include, to a lesser extent, provisions outside the scope of IAS 19 but for which IAS 37 applies and that have therefore as their balancing entries net provisions for liabilities and contingencies.

10.6.2 Restructuring provisions – Redundancy incentives plan

The voluntary redundancy plan covered by the specific company restructuring provision was launched at the end of 2015 to encourage the rotation of resources through incentives for voluntary departure for groups of employees nearest to retirement age and the filling of the resulting vacant positions with professional and/or managerial profiles more suited to the specific skills now required from a business standpoint.

In December 2024, the Board of Directors extended the voluntary redundancy plan, for a final provision amounting to 8.8 million euros.

10.6.3 Provisions for legal disputes

This type of provisions for risks includes provisions for pending litigations connected with Financial Advisor Network's embezzlements after insurance coverage, as well as those with disputes currently underway with the Financial Advisor Network and employees and other court and out-of-court disputes with customers and other entities.

10.6.4 Provisions for contractual indemnities for the Financial Advisor Network

These include provisions for termination indemnities paid to the Financial Advisor Network, portfolio overfee indemnities, pension bonus, the provisions associated with the Framework Loyalty Programme (approved by the General Shareholders' Meeting on 20 April 2017) and the provisions for management development indemnity, in addition to the provisions for three-year incentives.

Provisions covering the cost of the **termination indemnity** of Financial Advisors with an agency agreement is valued as provided for by the law (Article 1751 of the Italian Civil Code) and the specific disbursement criteria defined by Banca Generali. Further details on the latter are provided in Part A.2 of the Notes and Comments to the Consolidated Financial Statements for the year ended on 31 December 2024.

The expenses associated with obligations extant at year-end relating to Financial Advisors are valued using the statistical-actuarial method, with the advice of independent professionals.

The following are the main actuarial assumptions adopted:

TERMINATION INDEMNITY	31.12.2024	31.12.2023
Discount rate[10]	3.7%	4.3%
Turnover rate (professionals)	1.12%	0.91%
Average duration (years)	11 years	12 years
IAS 37 DBOs/Indemnity provision at the measurement date	60.68%	56.71%

[10] The discount rate was determined on the basis of an average EURIRS curve for the last four quarters, increased linearly by the spread between the EURIRS rate and 10-year BTP.
The rate represented is the rate that corresponds to the average duration of the relevant liabilities, i.e., 11 years.

The ratio of Deferred benefit obligations (DBO) to nominal value of the accrued obligation towards Financial Advisors is given using the value of the provision after one-off deductions related to seniority.

The increase in the provision for termination indemnities accrued to Financial Advisors in the period was due to the effect of the decrease in the discount rates applied and the rise in fee bases.

A specific measurement is made for Financial Advisors who have left service.

The DBO already accrued by Financial Advisors formerly employed by Credit Suisse, totalling 2.3 million euros, is still based on the payment criteria established by the previous employer and was recognised under provisions for risks. Their DBO accrued with Banca Generali will be due only for the amount exceeding that accrued with Credit Suisse, if any.

The **portfolio overfee indemnities** are instead a scheme (further details are provided in Part A.2 of the Notes and Comments to the Consolidated Financial Statements at 31 December 2024) that calls for Financial Advisors with at least five years of seniority who leave service permanently to be entitled to an indemnity commensurate to the profitability of the portfolio previously managed, in case of reassignment of the latter.

The indemnity due to the outgoing FA is entirely borne by the incoming FA identified by the Company, except for a residual guarantee by the Bank — equal to 25% of the total indemnity — in the event of termination for death or permanent disability.

Even in this case, the charge is determined based on the statistical actuarial method, with the support of independent experts and with reference to the percentage of the Bank's residual risk, i.e., 25% of the indemnity due in case of death or permanent disability.

The "**pension bonus**" is a component of the Financial Advisor Network's indemnity plans, which entailed the yearly provision of an amount based on the achievement of pre-set sales objectives and to be paid only upon final termination for retirement or permanent disability. The actuarial method is used also for this type of evaluation. This incentive has been discontinued as of 2016, without prejudice to the rights acquired by the beneficiaries in previous years.

Within the framework of provisions for contractual indemnities, on 21 March 2017 the Board of Directors granted its final approval for a **Framework Loyalty Programme** for the Sales Network aimed at improving the retention of the Network and the customers acquired over time, and creating value for the Group by promoting stable, high-quality net inflows.

The Framework Loyalty Programme was initially divided into eight separate plans, all set to expire on 31 December 2026 and of decreasing lengths, which could be activated from one year to the next, with the authorisation of Banca Generali Group's corporate bodies and in accordance with its remuneration policies.

On 21 April 2022, the General Shareholders' Meeting resolved to suspend the Loyalty Framework Programme for the Financial Advisor network and accordingly the 6th 2022-2026 cycle was not activated.

The individual plans of the Framework Loyalty Programme for the Sales Network already underway will all expire on 31 December 2026, after decreasing lengths, and each will allow part of the bonus to be paid in cash and part in shares of Banca Generali (max 50%), after having assessed their effects at the level of capital ratios and free float. The Banca Generali shares for each of the eight plans will be purchased on the market after authorisation is granted, from one year to the next, by the company bodies (Board of Directors and Shareholders' Meeting) and the Regulator.

Provisions for contractual indemnities refer also to the charge relating to the management development **indemnity mechanism**, approved by the Board of Directors in June 2018 and intended to ensure fair treatment of all network managers in the event of dismissal from their additional roles.

The **2022-2024 three-year incentive plan**, approved by the Board of Directors on 18 March 2022 and further adjusted on 5 March 2024, is in addition to the annual incentives for the Financial Advisor Network and is tied to the achievement of both several overall objectives set at the Banking Group level in terms of total net inflows and recurring fee income, established in the new Strategic Plan, and individual objectives.

All Financial Advisors, Relationship Managers and Network Managers in service at 31 December 2019 are entitled to the three-year incentives.

At 31 December 2024, the plan ended with full achievement of the three-year net inflows and recurring fee income objectives.

The three-year bonus will therefore be paid in 2026, provided that on 31 December 2025 the net inflow targets reached are no less than 90% of net inflows generated at the end of the three-year plan period.

Under the plan, special rules also apply to Financial Advisors eligible to participate in the previous Loyalty Framework Programme, for whom a bonus floor applies, to be paid at the end of the three-year period if other conditions are met, provided that beneficiaries have recorded no net outflows.

The incentives accruing on a multi-year basis, tied to net inflow targets, qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the BG Network.

In addition, the Plan calls for the payment of the cash bonus only, with the sole exception of beneficiaries qualifying as Key Personnel in the three-year period, to whom the specific provisions of the Remuneration Policies (deferral, shared-based payment, etc.) apply.

10.6.5 Provisions for Financial Advisor Network incentives

This aggregate includes:
- the estimated charges accrued in relation with several recruitment plans for middle-term expansion of managed portfolios. These plans envisage different kinds of incentives (entry bonus, deferred bonus, total assets bonus, etc.) related to the achievement of net inflow targets and the presence in the Company for one or more years (up to 5 or 7 years);
- provisions for incentive plans based on the network's performance for the period, including the BG Premier Club trip and other special fee plans (supplementary allowances, stabilisers, target-achievement bonuses, etc.) that involve the payment of benefits or increases in advances paid when certain conditions are met, such as continuous service on the network or the achievement of sales targets.

10.6.6 Tax and social security dispute

This item includes prudential provisions amounting to 144 thousand euros, allocated due to claimed tax assessments and social contributions.

10.6.7 Other provisions for liabilities and contingencies

Other provisions for liabilities and contingencies include provisions for operating risks.
In detail, other provisions for liabilities and contingencies included a total of 58.2 million euros to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues, and to sustain customer retention. The latter also included provisions to hedge credit risk relating to guarantees issued amounting to 11.7 million euros.
In the reporting period, provisions rose by 48 million euros due to the use of 25.1 million euros mainly attributable to enforcement of guarantees issued to customers (9.4 million euros), settlement fees, other activities in favour of customers and costs for legal proceedings in progress against issuers of the illiquid instruments.
For this purpose, an additional 5.0 million euro provision was also allocated at the end of the year for initiatives in favour of the Financial Advisor Network.

Section 13 - Group net equity - Items 120, 130, 140, 150, 160, 170 and 180

13.1 Breakdown of share capital and treasury shares

	UNIT VALUE	NUMBER	BOOK VALUE (€ THOUSAND)
Share capital			
- ordinary shares	1.00	116,851,637	116,852
Treasury shares			
- ordinary shares	1.00	-2,907,907	-87,268
Total		**113,943,730**	**29,584**

13.2 Share capital – Number of shares of the Parent Company: year changes

ITEMS/TYPES	ORDINARY	OTHER
A Existing shares at year-start	**116,851,637**	**–**
- paid up	116,851,637	–
- partially paid	–	–
A.1 Treasury shares (-)	-2,920,001	–
A.2 Outstanding shares: at year-start	**113,931,636**	**–**
B. Increases	263,694	–
B.1 Newly issued shares	–	–
- against payment:	–	–
- business combinations	–	–
- bonds conversion	–	–
- exercise of warrants	–	–
- other	–	–
- for free:	–	–
- to staff	–	–
- to directors	–	–
- other	–	–
B.2 Disposal of treasury shares	263,694	–
B.3 Other decreases	–	–
C. Decreases	-251,600	–
C.1 Cancellation	–	–
C.2 Purchase of treasury shares	-251,600	–
C.3 Disposal of companies	–	–
C.4 Other changes	–	–
D. Outstanding shares: at year-end	**113,943,730**	**–**
D.1 Treasury shares (+)	2,907,907	–
D.2 Existing shares at year-end	**116,851,637**	**–**
- paid up	116,851,637	–
- partially paid	–	–

13.3 Share capital: other information

At the reporting date, the share capital of the Bank consisted of 116,851,637 ordinary shares with no nominal value, with regular dividend entitlement, and it was fully paid up.

13.4 Earnings reserves: other information

	31.12.2023	PROFIT ALLOCATION – DIVIDEND DISTRIBUTION	BUY -BACK/ DISPOSAL OF TREASURY SHARES	STOCK OPTION PLANS AND OTHER IFRS2-RELATED CHARGES	STOCK GRANT PLANS LTIP	OTHER CHANGES	31.12.2024
Legal reserve	23,370	–	–	–	–	–	23,370
Restricted reserve for shares of the Parent Company	1,183	–	–	–	–	504	1,687
Merger surplus reserve – BG SGR	3,853	–	–	–	–	–	3,853
Merger surplus reserve – BG Fiduciaria	10,901	–	–	–	–	–	10,901
Merger deficit reserve – Nextam S.p.A.	-802	–	–	–	–	–	-802
Reserves for IFRS 9 and IFRS 15 FTA	4,768	–	–	–	–	–	4,768
Share-based payments reserve (IFRS 2) – plans ended	507	–	–	–	–	–	507
IFRS 2 reserve – LTIP cycles ended (1)	10,550	–	–	–	–	–	10,550
IFRS 2 reserves – LTI plans based on BG shares	4,373	–	-1,456	2,984	–	–	5,901
IFRS 2 reserve – share-based plan	761	–	–	–	506	–	1,267
IFRS 2 reserve – Key Personnel remuneration	8,497	–	-5,462	10,635	–	–	13,670
IFRS 2 reserve - Framework Loyalty Programme	10,934	–	–	2,547	–	–	13,481
Reserve for AT1 BG Perpetual coupon	-6,525	–	–	–	–	-3,589	-10,114
Reserve from profit (loss) carried forward – Parent Company	596,774	36,733	–	–	–	5,517	639,024
Reserve from profit carried forward – consolidated	79,039	11,388	–	–	–	-1,441	88,986
Equity reserve from the transfer of the funds business unit	3,710	–	–	–	–	–	3,710
Restricted reserve pursuant to Article 6 para. 1(a) of Leg. Decree No. 38/2005	1,490	–	–	–	–	307	1,797
Reserve for issuance of BG Suisse treasury shares	-634	–	–	–	–	-179	-813
Restricted reserve pursuant to Article 26, para. 5-*bis* of Leg. Decree No. 136 of 9 October 2023 (2)	–	–	–	–	–	26,607	26,607
Total	**752,749**	**48,121**	**-6,918**	**16,166**	**506**	**27,726**	**838,350**

(1) This reserve shows the increase in capital ensuing from share-based payments to employees and Directors through assignment of shares of the parent company Assicurazioni Generali S.p.A.

(2) With regard to the so-called Windfall Tax for Banks and, on the basis of the provisions introduced upon conversion into law of Italian Legislative Decree No. 104/2023, the Bank opted to allocate the tax to strengthening the Group's capital. With the approval of the proposal for the distribution of the profit for 2023 by the General Shareholders' Meeting convened in April 2024, a 26.6 million euro non-distributable equity reserve fully computable in CET1 was created.

Reserves subject to a tax restriction imposed on a portion of the reserve from profit carried forward

Item “Reserve from profit carried forward” includes a portion of earnings subject to a tax restriction pursuant to Article 110, paragraph 8, of Italian Decree Law No. 104/2021, amounting to 31,827 thousand euros.

In 2021, Banca Generali had elected to realign the accounting and tax values of goodwill recognised at 31 December 2021, pursuant to Article 110 of Decree Law No. 104/2021.

However, implementing this option required, on pain of inefficacy, that a tax restriction be placed on a portion of reserves in the Financial Statements at 31 December 2020, in an amount corresponding to the higher values subject to realignment, net of the substitute tax (Article 110, paragraph 8).

The rules governing tax-suspended reserves for revaluation balances apply to the portion of the reserve for profit carried forward subject to this restriction. In particular, in the event of distribution of the reserve, the amounts allocated to shareholders form the taxable income of the Company, which is entitled to a tax credit equal to the 3% substitute tax paid, and that of the shareholders.

Furthermore, as indicated by the Italian Tax Authorities in its response No. 539 of 9 August 2021 and Circular No. 6/E of 1 March 2022, since the option was exercised after the date of approval of the Financial Statements for the year ended 31 December 2020, the application of the restriction was approved, at the proposal of the Bank’s Board of Directors, by the Shareholders’ Meeting on 21 April 2022, when approving the Financial Statements for the year ended 31 December 2021.

The restricted reserve amounted to 31,827 thousand euros, taking into account differences subject to realignment of 32,811 thousand euros and tax due of 984 thousand euros.

Tax-suspended reserve pursuant to Art. 110, para. 8, of Decree Law 104/2021	
Accounting differences subject to realignment	32,811,223
Substitute tax due	-984,337
Restricted portion of reserve for profit carried forward	**31,826,886**

13.5 Breakdown of equity instruments: year changes

On 23 December 2019, Banca Generali had finalised the issue of an Additional Tier 1 Perpetual bond of 50 million euros that under IAS 32 was considered an equity instrument and met the requirements under regulatory capital rules in force for being recognised as Additional Tier 1 instrument in the Issuer’s financial statements.

The issue had been fully subscribed in private placement by two German insurance companies of Generali Group. The bonds were perpetual and callable, at the issuer’s sole discretion, from the sixth year from issue, and they yielded — subject to authorisation from the competent supervisory authority and under the conditions established in applicable legislation — a non-cumulative half-yearly coupon at a fixed rate of 4.5% per annum for the first five years.

On 8 August 2024, the Bank finalised a new issue of Additional Tier 1 instruments in the aggregate amount of 100 million euros to be fully subscribed by Generali Group companies through a private placement. Following this transaction and after authorisation by the Supervisory Authority, on 22 December 2024 Banca Generali made an early redemption of the similar AT1 financial instruments issued in 2019 amounting to 50 million euros.

The new issue in the form of perpetual bond envisages a non-cumulative half-yearly coupon that has been set at 6.7% per annum, to be subsequently recalculated every five years. In accordance with the applicable law and market practices, the issue is perpetual and the issuer will be entitled to early redemption only starting from the fifth year from the date of issue (8 August 2029), subject to prior authorisation from the Supervisory Authority and satisfaction of the conditions provided for by applicable legislation.

(€ THOUSAND)	31.12.2024	31.12.2023
Amount at year-start	50,000	50,000
Issue-related increases	100,000	–
Decreases for reimbursements	-50,000	–
Amount at year-end	**100,000**	**50,000**

Section 14 – Net equity attributable to minority interests - Item 190

14.1 Breakdown of Item 190 – Net equity attributable to minority interests

(€ THOUSAND)	31.12.2024	31.12.2023
Other equity investments		
1. BG Valeur S.A.	–	338
Total	**–**	**338**

PART B – INFORMATION ON THE BALANCE SHEET - OTHER INFORMATION

1. Commitments and financial guarantees issued

TRANSACTIONS	NOMINAL VALUE OF COMMITMENTS AND FINANCIAL GUARANTEES ISSUED					
	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	31.12.2024	31.12.2023
1. Commitments to disburse funds	**–**	**–**	**–**	**–**	**–**	**100**
a) Central Banks	–	–	–	–	–	–
b) General governments	–	–	–	–	–	–
c) Banks	–	–	–	–	–	–
d) Other financial corporations	–	–	–	–	–	100
e) Non-financial corporations	–	–	–	–	–	–
f) Households	–	–	–	–	–	–
2. Financial guarantees issued	**93,032**	**2,381**	**47**	**23,484**	**118,944**	**117,110**
a) Central Banks	–	–	–	–	–	–
b) General governments	–	–	–	–	–	–
c) Banks	–	–	–	–	–	–
d) Other financial corporations	10,531	22	–	23,484	34,037	34,567
e) Non-financial corporations	28,483	479	47	–	29,009	31,423
f) Households	54,018	1,880	–	–	55,898	51,120
Total	**93,032**	**2,381**	**47**	**23,484**	**118,944**	**117,210**

Commitments to disburse funds include commitments subject to mandatory and optional use towards customers and refer to irrevocable lines of credit already granted.
At 31 December 2024, financial guarantees issued, considered impaired at the acquisition date, referred to some agreements entered into by the Bank to cover possible losses suffered by its customers in relation to the non-repayment, within the contractual terms, of the principal on senior notes in a securitisation transaction for which the Bank had acted as distributor.

A part of these guarantees, amounting to 8,465 thousand euros, came due and was enforced in early 2025.

2. Other commitments and other guarantees issued

TRANSACTIONS	NOMINAL VALUE	
	31.12.2024	31.12.2023
1. Other guarantees issued	**–**	**–**
of which:		
- *credit exposures to non-performing loans*	–	–
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
e) Non-financial corporations	–	–
f) Households	–	–
2. Other commitments	**1,127,003**	**1,054,149**
of which:		
- *credit exposures to non-performing loans*	*421*	*686*
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	41,454	33,695
e) Non-financial corporations	194,414	161,366
f) Households	891,135	859,088
Total	**1,127,003**	**1,054,149**

3. Assets pledged as collateral for own liabilities and commitments

PORTFOLIOS	31.12.2024 REPURCHASE AGREEMENTS	ECB	CC&G + OTHER	TOTAL	31.12.2023 REPURCHASE AGREEMENTS	ECB	CC&G + OTHER	TOTAL
1. Financial assets measured at fair value through profit or loss	–	–	–	–	–	–	–	–
2. Financial assets measured at fair value through other comprehensive income	59,083	–	–	59,083	44,377	–	–	44,377
3. Financial assets measured at amortised cost	994,324	453,650	239,864	1,687,838	1,544,607	211,328	267,358	2,023,293
4. Property and equipment	–	–	–	–	–	–	–	–
of which:								
- *assets constituting inventories*	–	–	–	–	–	–	–	–
Total	**1,053,407**	**453,650**	**239,864**	**1,746,921**	**1,588,984**	**211,328**	**267,358**	**2,067,670**

Financial assets pledged as collateral for own liabilities and commitments refer to repurchase agreement transactions with a repurchase commitment with customers and banks and to collaterals pledged for refinancing transactions with the ECB. This amount also includes financial instruments pledged with Cassa di Compensazione e Garanzia, Eurex, Euroclear and ETD for ordinary operations.

5. Management and trading of financial instruments on behalf of third parties

TYPE OF SERVICE	31.12.2024	31.12.2023
1. Execution of orders on behalf of customers	**37,882,361**	**35,683,455**
a) Purchases	**23,652,042**	**23,837,971**
1. Settled	23,478,109	23,356,890
2. To be settled	173,933	481,081
b) Sales	14,230,319	11,845,484
1. Settled	14,119,751	11,547,909
2. To be settled	110,568	297,575
2. Portfolio management	**37,490,067**	**29,244,077**
a) Individual	16,332,464	9,714,965
b) Collective	21,157,603	19,529,112
3. Custody and administration of securities	**60,482,956**	**62,845,713**
a) Third-party securities held in deposit: related to services provided as depository bank (excluding portfolio management)	–	–
1. Securities issued by companies included in the consolidation area	–	–
2. Other	–	–
b) Third-party securities held in deposit (excluding portfolio management): other	**24,615,871**	**26,079,887**
1. Securities issued by companies included in the consolidation area	14,665	15,781
2. Other	24,601,206	26,064,106
c) Third-party securities deposited with third parties	24,569,802	26,033,819
d) Own securities deposited with third parties	11,297,283	10,732,007
4. Other transactions	**–**	**–**

Securities under custody and administration are recognised at nominal value.

6. Financial assets offset in the financial statements or falling within the scope of master netting arrangements or similar agreements

TECHNICAL TYPE	GROSS AMOUNT OF FINANCIAL ASSETS (A)	AMOUNT OF FINANCIAL LIABILITIES OFFSET IN THE FINANCIAL STATEMENTS (B)	NET AMOUNT OF FINANCIAL ASSETS RECOGNISED IN THE FINANCIAL STATEMENTS (C = A - B)	CORRELATED AMOUNT NOT OFFSET IN THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS (D)	CORRELATED AMOUNT NOT OFFSET IN THE FINANCIAL STATEMENTS: CASH DEPOSITS AS COLLATERAL (E)	NET AMOUNT AT 31.12.2024 (F = C - D - E)	NET AMOUNT AT 31.12.2023
1. Derivatives	2,983	–	2,983	2,004	240	739	-294
2. Repurchase agreements	387,089	–	387,089	364,857	9,379	12,853	42
3. Securities loans	–	–	–	–	–	–	–
4. Other	–	–	–	–	-	–	–
Total at 31.12.2024	**390,072**	**–**	**390,072**	**366,861**	**9,619**	**13,592**	**X**
Total at 31.12.2023	**242,154**	**–**	**242,154**	**238,808**	**3,598**	**X**	**-252**

7. Financial liabilities offset in the financial statements or falling within the scope of master netting arrangements or similar agreements

TECHNICAL TYPE	GROSS AMOUNT OF FINANCIAL LIABILITIES (A)	AMOUNT OF FINANCIAL ASSETS OFFSET IN THE FINANCIAL STATEMENTS (B)	NET AMOUNT OF FINANCIAL LIABILITIES RECOGNISED IN THE FINANCIAL STATEMENTS (C = A - B)	CORRELATED AMOUNT NOT OFFSET IN THE FINANCIAL STATEMENTS: FINANCIAL INSTRUMENTS (D)	CORRELATED AMOUNT NOT OFFSET IN THE FINANCIAL STATEMENTS: CASH DEPOSITS AS COLLATERAL (E)	NET AMOUNT AT 31.12.2024 (F = C - D - E)	NET AMOUNT AT 31.12.2023
1. Derivatives	123,317	–	123,317	2,004	120,010	1,303	-4,963
2. Repurchase agreements	1,051,452	–	1,051,452	1,051,452	1,275	-1,275	-1,524
3. Securities loans	–	–	–	–	–	–	–
4. Other	–	–	–	–	–	–	–
Total at 31.12.2024	**1,174,769**	**–**	**1,174,769**	**1,053,456**	**121,285**	**28**	**X**
Total at 31.12.2023	**1,679,925**	**–**	**1,679,925**	**1,565,271**	**121,141**	**X**	**-6,487**

IFRS 7 requires a detailed disclosure on financial instruments that have been offset in the Balance Sheet pursuant to IAS 32 or financial instruments that can be potentially set off, under certain conditions, but have been recognised in the Balance Sheet without any offsetting as they fall within the scope of master netting arrangements or similar agreements that do not meet all the requirements under IAS 32, paragraph 42.

In this regard, it should be noted that Banca Generali has not entered into any netting arrangements that meet the requirements of IAS 32.42 on offsetting in the financial statements.

With reference to financial instruments that can be potentially set off under certain conditions, it should be noted that, as far as repurchase agreements (REPOs) are concerned, Banca Generali currently participates in the MTS S.p.A. Repo market through a Clearing Agreement with Cassa Compensazione e Garanzia (CC&G) concerning the centralised management of transaction clearing.

With reference to financial instruments that can be potentially set off under certain conditions, Banca Generali entered into bilateral netting arrangements that enable offsetting of credit and debt positions related to financial and credit derivatives in case of default of the counterparty, as well as into transactions such as Securities Financing Transactions (SFTs). In detail, ISDA (International Swaps and Derivatives Association) agreements and GMRAs (Global Market Purchase Agreements) are in place.

As regard REPOs with banks, Banca Generali has in place master netting arrangements that enable offsetting of credit and debt positions in case of default of the counterparty and compliant with international standards (Global Master Repurchase Agreement – GMRA). Such transactions are also covered by GMRA-compliant financial guarantee agreements, envisaging the bilateral exchange of collaterals in cash and/or government bonds.

These agreements, in the case of repurchase agreements, mitigate the liquidity risk by offsetting the debt to the counterparty up to the fair value of the collateral.

In the table, repurchase agreements are measured at amortised cost, whereas financial instruments used as collateral are measured at fair value up to the amount of the guaranteed liability.

Banca Generali has entered into International Swap and Derivatives Association (ISDA) master netting arrangements as its main technique for mitigating the credit risk and the related impacts on fair value associated with OTC derivatives contracts with institutional counterparties. These arrangements as well envisage the bilateral exchange of cash collateral. These arrangements reduce the capital they absorb, in accordance with the conditions established in supervisory regulations. The ISDA master netting arrangements entered into with the main institutional counterparties to OTC derivatives have been appropriately reported to the Bank of Italy.

Since September 2022, Banca Generali has been subject to initial margin exchange requirements for OTC derivatives as provided for in Commission Delegated Regulation (EU) No. 2016/2251. To fulfil these obligations, the Bank has entered into specific collateral exchange contracts with active institutional counterparties, identifying Euroclear as the main triparty agent responsible for segregation of collateral assets.

PART C – INFORMATION ON THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Section 1 – Interests - Items 10 and 20

1.1 Breakdown of interest income and similar revenues

ITEMS/TECHNICAL TYPES	DEBT SECURITIES	FINANCING	OTHER TRANSACTIONS	2024	2023
1. Financial assets measured at fair value through profit or loss:	**175**	**–**	**–**	**175**	**94**
1.1 HFT financial assets	15	–	–	15	1
1.2 Financial assets designated at fair value	–	–	–	–	–
1.3 Other financial assets mandatorily measured at fair value	160	–	–	160	93
2. Financial assets measured at fair value through other comprehensive income	**33,192**	**–**	**X**	**33,192**	**19,519**
3. Financial assets measured at amortised cost	**214,688**	**149,048**	**X**	**363,736**	**372,284**
3.1 Loans to banks	42,922	48,341	X	91,263	65,525
3.2 Loans to customers	171,766	100,707	X	272,473	306,759
4. Hedging derivatives	X	X	85,677	**85,677**	**41,790**
5. Other assets	X	X	130	**130**	**555**
6. Financial liabilities	X	X	X	**–**	**-**
Total	**248,055**	**149,048**	**85,807**	**482,910**	**434,242**
of which:					
- *interest income on impaired financial assets*	–	*283*	–	*283*	*549*

1.2 Interest income and similar revenues: other information

1.2.1 Interest income on financial assets in foreign currencies

	2024	2023
1.2.1 Interest income on financial assets in foreign currencies	2,426	1,903
Total	**2,426**	**1,903**

1.3 Breakdown of interest expense and similar charges

ITEMS/TECHNICAL TYPES	DEBTS	SECURITIES	OTHER TRANSACTIONS	2024	2023
1. Financial liabilities measured at amortised cost	**164,939**	**–**	**–**	**164,939**	**129,842**
1.1 Due to Central Banks	–	X	X	–	–
1.2 Due to banks	9,476	X	X	9,476	18,191
1.3 Due to customers	155,463	X	X	155,463	111,651
1.4 Securities issued	X	–	**X**	–	–
2. HFT financial liabilities	**–**	**–**	**–**	**–**	**-**
3. Financial liabilities designated at fair value	**–**	**–**	**–**	**–**	**-**
4. Other liabilities and funds	**X**	**X**	**–**	**–**	**-**
5. Hedging derivatives	**X**	**X**	**865**	**865**	**-**
6. Financial assets	**X**	**X**	**X**	**–**	**-**
Total	**164,939**	**–**	**865**	**165,804**	**129,842**
of which:					
- *interest expense relating to lease debts*	*3,341*	–	–	*3,341*	*3,394*

The Item 1.3 “Financial liabilities measured at amortised cost – Due to customers” includes a 3.3 million euro interest accrued on lease payment debts calculated in accordance with the provisions of IFRS 16.

1.4 Interest expense and similar charges: other information

1.4.1 Interest expense on liabilities in foreign currencies

	2024	2023
1.4.1 Interest expense on liabilities in foreign currencies	2,984	2,288
1.4.2 Interest expense on finance lease transactions	–	–
Total	**2,984**	**2,288**

1.5 Hedging differentials

ITEMS	2024	2023
A. Hedging gains	146,777	86,465
B. Hedging losses	61,965	44,675
C. Total (A - B)	**84,812**	**41,790**

Hedging differentials refer almost entirely to interest-rate swaps (IRSs) and inflation IRSs entered into in relation to fair-value hedging transactions for fixed-rate or inflation-linked debt securities and, to a lesser extent, to macro fair value hedges and cash flow hedges.

In detail, the balance of the fair value hedges amounted to 85,727 thousand euros and is attributable, for 84,321 thousand euros, to the hedging of debt securities classified to the portfolio of financial assets measured at amortised cost (40,992 thousand euros in 2023), with the remainder referring to debt securities classified to the portfolio of financial assets measured at fair value through other comprehensive income.

Section 2 – Fees - Items 40 and 50

2.1 Breakdown of fee income

TYPE OF SERVICE/VALUES	2024	2023
a) Financial instruments	**369,311**	**323,042**
1. Placement of securities	**182,393**	**170,022**
1.1 With direct underwriting and/or a firm commitment	–	–
1.2 Without a firm commitment	182,393	170,022
2. Receipt and transmission of orders and execution of orders on customers' behalf	**55,473**	**44,139**
2.1 Receipt and transmission of orders for one or more financial instruments	8,387	7,028
2.2 Execution of orders on customers' behalf	47,086	37,111
3. Other fees related to activities linked to financial instruments	**131,446**	**108,881**
of which:		
- *trading for own account*	–	–
- *individual portfolio management*	*131,446*	*108,881*
b) Corporate finance	–	–
1. Consultancy on mergers and acquisitions	–	–
2. Treasury services	–	–
3. Other fees related to corporate finance services	–	–
c) Investment advisory	**60,657**	**51,528**
d) Offsetting and settlement services	**–**	**–**
e) Collective portfolio management	**517,359**	**339,767**
f) Custody and administration services	**421**	**418**
1. Depository bank	–	–
2. Other fees related to custody and administration services	421	418
g) Centralised administration services for collective portfolio management	–	–
h) Trust services	–	–
i) Payment services	**9,279**	**8,853**
1. Current accounts	5,264	4,310
2. Credit cards	–	–
3. Debit cards and other payment cards	197	285
4. Bank transfers and other payment services	1,483	1,456
5. Other fees linked to payment services	2,335	2,802
j) Distribution of third-party services	**245,282**	**248,499**
1. Collective portfolio management	1,677	1,353
2. Insurance products	241,285	244,411
3. Other products	2,320	2,735
of which:		
- *individual portfolio management*	*27*	*34*
- *BG Saxo services*	*1,853*	*2,209*
k) Structured finance	**–**	**–**
l) Servicing related to securitisations	**–**	**–**
m) Commitments to disburse funds	**–**	**–**
n) Financial guarantees issued	**778**	**671**
of which:		
- *credit derivatives*	–	–
o) Financing transactions	–	–
of which:		
- *factoring-related services*	–	–
p) Currency trading	–	–
q) Goods	–	–
r) Other fee income	**4,472**	**4,468**
of which:		
- *management of multilateral trading facilities*	–	–
- *management of organised trading facilities*	–	–
Total	**1,207,559**	**977,247**

Table 2.1 relating to the breakdown of fee income includes revenues arising from financial services falling within the scope of IFRS 15, broken down by type of service rendered. With reference to the provisions of IFRS 15, paragraph 113, fee income may be further divided into the following four categories:

(€ THOUSAND)	2024	2023
Underwriting fees	48,458	41,098
Management fees	859,782	804,636
Performance fees	166,388	19,226
Fees for other services	132,932	112,287
Total fee income	**1,207,559**	**977,247**

Underwriting, management and performance fees refer, in particular, to individual (discretionary) and collective (Sicavs promoted by the Banking Group) portfolio management, placement of securities and distribution of third-party services.

Fees for BG Saxo services refer to the offering to the Bank's customers of the trading and order collection services rendered by BG Saxo SIM S.p.A. They were classified under banking products.

	UNDERWRITING FEES	MANAGEMENT FEES	PERFORMANCE FEES	OTHER	2024	2023
Individual portfolio management	-2,157	131,971	1,632	–	131,446	108,881
Collective portfolio management	–	352,604	164,756	–	517,360	339,767
Placement of UCITS	15,534	134,698	–	–	150,232	138,350
Placement of securities	32,161	–	–	–	32,161	31,672
Distribution of third-party services	2,920	240,508	–	–	243,428	246,290
Other services and banking products	–	–	–	132,932	132,932	112,286
Total fee income	**48,458**	**859,781**	**166,388**	**132,932**	**1,207,559**	**977,247**

Underwriting fees refer to the support provided by the Bank's Financial Advisor Network to customers for the purchase of financial products and services and their useful lives end when the products and services concerned are subscribed. In particular, the item includes the distribution and private placement of certificates.

Variable performance fees refer mainly to the management of the Sicavs promoted by the Banking Group — they are applied on the basis of the rules set out in the prospectuses for the Sicavs concerned — and, to a lesser extent, to the individual portfolio management of Banca Generali and to advisory services.

Management fees refer to:

- discretionary management of financial assets on behalf of customers according to the conditions specified in individual mandates, accruing on a quarterly basis;
- collective management of the assets of the Sicavs managed by the Banking Group's management company (Lux IM Sicav, BG Selection Sicav and BG Alternative Sicav) on the basis of the conditions established for each sub-fund in the relevant prospectuses, accruing on a monthly basis;
- the ongoing customer support activity carried out by the Financial Advisor Network with regard to the placement of units of third-party UCITS and the distribution of insurance products.

Fees for other services include revenues on traditional banking services (custody and trading of financial instruments, collection and payment services, current account keeping and management services, etc.) and advisory fees, mostly consisting of recurring fees.

Fee income consist solely of short-term items, normally collected on a monthly or quarterly basis and therefore do not include a component of a financial nature relating to the passage of time.

In reference to IFRS 15, paragraph 116 b), fee income on the placement of securities includes revenues of 86 thousand euros on the recycling to the profit and loss account for the year of liabilities included in the opening balance attributable to contracts (deferred income).

2.2 Breakdown of fee expense

TYPE OF SERVICE/VALUES	2024	2023
a) Financial instruments	**7,041**	**6,560**
of which:		
- *trading of financial instruments*	*6,348*	*5,634*
- *placement of financial instruments*	–	–
- *individual portfolio management*	*693*	*926*
Own portfolio	693	926
Third-party portfolio	–	–
b) Offsetting and settlement services	–	–
c) Collective portfolio management	**38,587**	**36,605**
1. Own portfolio	38,587	36,605
2. Third-party portfolio	–	–
d) Custody and administration services	**4,620**	**4,087**
e) Collection and payment services	**3,128**	**3,880**
of which:		
- *credit cards, debit cards and other payment cards*	*497*	*1,038*
f) Servicing related to securitisations	–	–
g) Commitments to receive funds	–	–
h) Financial guarantees received	–	–
of which:		
- *credit derivatives*	–	–
i) Off-premises offer of financial instruments, products and services	**485,580**	**436,715**
j) Currency trading	–	–
k) Other fee expense	**10,398**	**7,672**
Total	**549,354**	**495,519**

Fee expense for off-premises offer includes the costs incurred to obtain or fulfil contracts with customers of 93,014 thousand euros, of which 69,536 thousand euros relating to previous years.

Section 3 – Dividends and similar income - Item 70

3.1 Breakdown of dividends and similar income

	2024		2023	
ITEMS/INCOME	DIVIDENDS	SIMILAR INCOME	DIVIDENDS	SIMILAR INCOME
A. HFT financial assets	–	–	–	–
B. Other financial assets mandatorily measured at fair value	79	–	72	–
C. Financial assets measured at fair value through other comprehensive income	1,230	–	1,143	–
D. Equity investments	–	–	–	–
Total	**1,309**	**–**	**1,215**	**–**

Section 4 – Net income (loss) from trading activities - Item 80

4.1 Breakdown of net income (loss) from trading activities

TRANSACTIONS/INCOME COMPONENTS	CAPITAL GAINS	INCOME FROM TRADING	CAPITAL LOSSES	LOSSES FROM TRADING	NET RESULT 2024
1. HFT financial assets	**–**	**1,161**	**–**	**1,012**	**149**
1.1 Debt securities	–	1,083	–	958	125
1.2 Equity securities	–	74	–	37	37
1.3 UCITS units	–	4	–	17	-13
1.4 Loans	–	–	–	–	–
1.5 Other	–	–	–	–	–
2. HFT financial liabilities	**–**	**–**	**–**	**–**	**–**
2.1 Debt securities	–	–	–	–	–
2.2 Debts	–	–	–	–	–
2.3 Other	–	–	–	–	–
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**8,011**
4. Derivatives	**–**	**4**	**–**	**19**	**-10**
4.1 Financial	**–**	**4**	**–**	**19**	**-10**
- on debt securities and interest rates	–	–	–	–	–
- *interest rate swaps*	–	–	–	–	–
- *government bond forwards*	–	–	–	–	–
- on equity securities and stock indexes	–	4	–	19	-15
- *options*	–	–	–	–	–
- *futures*	–	*4*	–	*19*	*-15*
- on currency and gold [(1)]	X	X	X	X	5
- other	–	–	–	–	–
4.2 Credit	**–**	**–**	**–**	**–**	**–**
of which:					
- *natural hedging related to the fair value option*	*X*	*X*	*X*	*X*	–
Total	**–**	**1,165**	**–**	**1,031**	**8,150**

(1) It includes currency options and currency outrights.

Section 5 – Net income (loss) from hedging - Item 90

5.1 Breakdown of net income (loss) from hedging

INCOME COMPONENTS/VALUES	2024	2023
A. Income from:		
A.1 Fair value hedge derivatives	20,296	102,671
A.2 Hedged financial assets (fair value)	58,743	103,911
A.3 Hedged financial liabilities (fair value)	–	–
A.4 Cash flow hedge derivatives	58	–
A.5 Assets and liabilities denominated in foreign currencies	–	–
Total income from hedging (A)	**79,097**	**206,582**
B. Charges from:		
B.1 Fair value hedge derivatives	59,185	105,306
B.2 Hedged financial assets (fair value)	17,956	100,093
B.3 Hedged financial liabilities (fair value)	2,142	–
B.4 Cash flow hedge derivatives	6	–
B.5 Assets and liabilities denominated in foreign currencies	–	–
Total charges from hedging (B)	**79,289**	**205,399**
C. Net income (loss) from hedging (A – B)	**-192**	**1,183**
of which:		
- *result of hedging of net positions*		

Section 6 – Gains (losses) on disposal/repurchase - Item 100

6.1 Breakdown of gains (losses) on disposal/repurchase

	2024			2023		
ITEMS/INCOME COMPONENTS	GAINS	LOSSES	NET RESULT	GAINS	LOSSES	NET RESULT
A. Financial assets						
1. Financial assets measured at amortised cost	**17,405**	**8,441**	**8,964**	**8,916**	**3,592**	**5,324**
1.1 Loans to banks	2,846	148	2,698	1,222	1,281	-59
1.2 Loans to customers	14,559	8,293	6,266	7,694	2,311	5,383
2. Financial assets measured at fair value through other comprehensive income	**4,932**	**4,086**	**846**	**6,463**	**6,243**	**220**
2.1 Debt securities	4,932	4,086	846	6,463	6,243	220
2.2 Loans	–	–	–	–	–	–
Total assets	**22,337**	**12,527**	**9,810**	**15,379**	**9,835**	**5,544**
B. Financial liabilities measured at amortised cost						
1. Due to banks	–	–	–	–	–	–
2. Due to customers	–	–	–	–	–	–
3. Securities issued	–	–	–	–	–	–
Total liabilities	**–**	**–**	**–**	**–**	**–**	**–**

Equity reserves transferred back to the profit and loss account due to the disposal of pre-existing equity reserves of the HTCS portfolio are illustrated in the following table.

	POSITIVE	NEGATIVE	NET
Debt securities	105	-4,015	-3,910
Total	**105**	**-4,015**	**-3,910**

Section 7 – Net gains (losses) of other financial assets and liabilities measured at fair value through profit and loss - Item 110

7.2 Net change of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

TRANSACTIONS/INCOME COMPONENTS	CAPITAL GAINS	GAINS ON DISPOSAL	CAPITAL LOSSES	LOSSES ON DISPOSAL	NET RESULT
1. Financial assets	**3,300**	**5**	**278**	**678**	**2,349**
1.1 Debt securities	–	–	–	–	–
1.2 Equity securities	504	–	33	678	-207
1.3 UCITS units	2,295	–	146	–	2,149
1.4 Loans	501	5	99	–	407
2. Financial assets in foreign currencies: exchange differences	X	X	X	X	**110**
Total	**3,300**	**5**	**278**	**678**	**2,459**

Section 8 – Net adjustments/reversals for credit risk - Item 130

8.1 Breakdown of net adjustments for credit risk relating to financial assets measured at amortised cost

TRANSACTIONS/INCOME COMPONENTS	ADJUSTMENTS						REVERSALS				2024	2023
			STAGE 3		PURCHASED OR ORIGINATED CREDIT-IMPAIRED							
	STAGE 1	STAGE 2	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		
A. Loans to banks	**125**	**–**	**–**	**–**	**–**	**–**	**232**	**108**	**–**	**–**	**215**	**1,086**
Loans	125	–	–	–	–	–	–	108	–	–	-17	57
Debt securities	–	–	–	–	–	–	232	–	–	–	232	1,029
B. Loans to customers	**72**	**1**	**97**	**2,289**	**–**	**–**	**2,045**	**494**	**1,735**	**–**	**1,815**	**-1,778**
Loans	–	–	97	2,289	–	–	2,045	494	1,735	–	1,888	-2,841
Debt securities	72	1	–	–	–	–	–	–	–	–	-73	1,063
Total	**197**	**1**	**97**	**2,289**	**–**	**–**	**2,277**	**602**	**1,735**	**–**	**2,030**	**-692**

Specific adjustments to loans to customers classified under “Stage 3” amounted to 2,289 thousand euros and included 1,573 thousand euros for positions past-due by more than 90 days, 234 thousand euros for unlikely-to-pay positions, and, for the remainder, other operating loans and loans to the Financial Advisor Network.

These write-downs were partially offset through reversals relating to positions past-due at the end of the previous year (735 thousand euros) and reclassified out of the non-performing category, to bad loans (160 thousand euros) and to unlikely-to-pay exposures (695 thousand euros).

8.1a Breakdown of net adjustments for credit risk relating to loans measured at amortised cost subject to Covid-19 support measures

TRANSACTIONS/INCOME COMPONENTS	NET ADJUSTMENTS							
			STAGE 3		PURCHASED OR ORIGINATED CREDIT-IMPAIRED			
	STAGE 1	STAGE 2	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	2024	2023
4. Newly issued loans	6	–	–	-571	–	–	-565	-297
Total at 31.12.2024	**6**	**–**	**–**	**-571**	**–**	**–**	**-565**	**X**
Total at 31.12.2023	**-12**	**-9**	**–**	**-276**	**–**	**–**	**X**	**-297**

8.2 Breakdown of net adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income

TRANSACTIONS/INCOME COMPONENTS	ADJUSTMENTS						REVERSALS					
			STAGE 3		PURCHASED OR ORIGINATED CREDIT-IMPAIRED							
	STAGE 1	STAGE 2	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	2024	2023
A. Debt securities	193	–	–	–	–	–	–	–	–	–	-193	164
B. Loans	–	–	–	–	–	–	–	–	–	–	–	–
- to customers	–	–	–	–	–	–	–	–	–	–	–	–
- to banks	–	–	–	–	–	–	–	–	–	–	–	–
of which:												
- *purchased or originated credit-impaired*	–	–	–	–	–	–	–	–	–	–	–	–
Total	**193**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-193**	**164**

Section 12 – General and administrative expenses - Item 190

Breakdown of general and administrative expenses

		2024	2023
190 a)	Staff expenses	134,997	124,371
190 b)	Other general and administrative expenses	263,435	240,786
Total		**398,432**	**365,157**

12.1 Breakdown of staff expenses

TYPE OF EXPENSE/SECTORS	2024	2023
1) Employees	**132,771**	**122,575**
a) wages and salaries	71,430	66,803
b) social security charges	17,390	16,200
c) termination indemnity	866	344
d) retirement benefit plans	–	–
e) provision for termination indemnity	126	140
f) provision for pensions and similar obligations:	450	337
- defined contribution	–	–
- defined benefit	450	337
g) amounts paid to supplementary external pension funds:	7,041	6,876
- defined contribution	7,041	6,876
- defined benefit	–	–
h) costs related to payment agreements based on own equity instruments	5,591	4,078
i) other employee benefits	29,877	27,797
2) Other staff	**-114**	**-112**
3) Directors and Auditors	**2,201**	**1,807**
4) Retired personnel	**139**	**101**
Total	**134,997**	**124,371**

12.2 Average number of employees by category (*)

	2024	2023
Employees	**1,069**	**1,036**
a) Managers	78	76
b) Executives	381	369
c) Employees at other levels	610	591
Other personnel	**3**	**3**
Total	**1,072**	**1,039**

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

12.2.1 Breakdown of personnel

	2024	2023
Employees	**1,104**	**1,065**
a) Managers	78	78
b) Total executives	396	371
of which:		
- *3rd and 4th level*	197	185
c) Employees at other levels	630	616
Other personnel	**–**	**-1**
Total	**1,104**	**1,064**

12.3 Defined benefit company pension funds: costs and income

Costs incurred in 2024 for defined benefit company pension funds amounted to 450 thousand euros, broken down as follows:

	2024
Current service cost	531
Past service cost	-116
Interest expense	35
Total	**450**

12.4 Other employee benefits

	2024	2023
Short-term productivity bonuses	**19,445**	**19,430**
Long-term benefits	**1,325**	**547**
Charges for Relationship Manager recruitment plans	282	5
Charges for deferred variable remuneration (managers' MBO)	1,035	518
Charges for post-employment medical care plans	8	24
Other benefits	**9,107**	**7,820**
Charges for staff supplementary pensions	4,876	4,584
Amounts replacing cafeteria indemnities	1,194	1,061
Training expenses	1,190	1,378
Contributions to employees	228	159
Transfer incentives and other indemnities	1,184	302
Other expenses	435	336
Total	**29,877**	**27,797**

Short-term productivity bonuses include the portion of non-deferred variable remuneration payable in cash (MBO) for office and sales managers and portfolio managers, the performance bonus envisaged in company supplementary contracts and allocations in service of the plan for 2024 measures.

12.5 Breakdown of other general and administrative expenses

	2024	2023
Administration	**27,368**	**27,214**
Advertising	4,248	4,063
Audit fees	15,007	15,638
Auditing firms	1,265	1,011
Insurance	4,624	4,339
Entertainment expenses	594	463
Membership contributions	1,394	1,231
Charity	236	469
Operations	**30,182**	**28,692**
Rent and usage of premises and management of property	5,535	5,471
Outsourced administrative services	7,175	6,366
Post and telephone	2,717	2,393
Print material	1,213	1,243
Other expenses for sales network management	5,913	5,983
Other expenses and purchases	5,341	5,101
Other indirect staff expenses	2,288	2,135
Information system and equipment	**71,409**	**64,419**
Expenses related to outsourced IT services	46,041	41,389
Fees for IT services and databases	13,705	12,121
Software maintenance and servicing	10,120	9,305
Fees for equipment hired and software used	404	378
Other maintenance	1,139	1,226
Indirect taxation	**121,884**	**104,333**
Stamp duty on financial instruments	120,157	102,798
Substitute tax on medium/long-term financing	235	325
Other indirect taxes to be paid by the Bank	1,492	1,210
Contributions and charges related to the banking and insurance system	**12,592**	**16,128**
Total	**263,435**	**240,786**

The administrative expenses aggregate includes the costs of short-term leases (less than 12 months), consisting primarily of lease payments for parking spaces and low-value leases (less than 5 thousand euros), consisting of lease payments for photocopiers and faxes, for which the Bank has availed itself of the option not to apply the accounting treatment provided for in IFRS 16, as detailed below. There are no costs for variable payments other than those included in the measurement of lease liabilities.

	2024	2023
Lease costs < 5,000 euros	403	370
Lease costs < 12 months	107	141

The aggregate also includes other costs arising from lease transactions, but attributable to contractual components other than lease payments and not relevant to the valuation of lease liabilities, such as fees for additional services and non-deductible VAT, which amounted to 4,284 thousand euros.

Section 13 – Net provisions for liabilities and contingencies - Item 200

13.1 Breakdown of net provisions for credit risk relating to commitments to disburse funds and financial guarantees issued

	2024			2023		
	PROVISIONS	SURPLUS	NET	PROVISIONS	SURPLUS	NET
Provisions for commitments and financial guarantees issued	11,739	-134	**11,605**	9,540	–	**9,540**
Total	**11,739**	**-134**	**11,605**	**9,540**	**–**	**9,540**

13.3 Breakdown of net provisions to other provisions for liabilities and contingencies

	2024			2023		
	PROVISIONS	SURPLUS	NET	PROVISIONS	SURPLUS	NET
Provisions for staff expenses	**12,306**	**-1,102**	**11,204**	**3,585**	**-1,026**	**2,559**
Provision for restructuring plan	8,800	–	8,800	1,500	–	1,500
Provision for staff expenses – Other (1)	3,506	-1,102	2,404	2,085	-1,026	1,059
Provisions for legal disputes	**7,432**	**-1,321**	**6,111**	**6,226**	**-1,582**	**4,644**
Provision for risks related to legal disputes connected with Financial Advisor Network's embezzlements	2,588	-655	1,933	281	-1,008	-727
Provision for risks related to legal disputes with the Financial Advisor Network	167	-119	48	441	-212	229
Provision for other legal disputes	4,677	-547	4,130	5,504	-362	5,142
Provisions for termination indemnity of Financial Advisors	**33,688**	**-2,671**	**31,017**	**21,273**	**-1,580**	**19,693**
Provision for risks related to termination indemnity of the Financial Advisor Network	20,228	-2,121	18,107	11,568	-1,272	10,296
Provision for management incentive indemnity	2,640	-173	2,467	2,956	-174	2,782
Provision for portfolio overfee indemnities	1,117	-163	954	245	-102	143
Provision for pension bonuses	797	-214	583	461	-32	429
Provision for Framework Loyalty Programme	224	–	224	1,055	–	1,055
Provision for three-year incentive fees	8,682	–	8,682	4,988	–	4,988
Provisions for Financial Advisor Network incentives	**17,642**	**-1,927**	**15,715**	**17,223**	**-2,331**	**14,892**
Provision for Financial Advisor Network development plans	11,908	-1,552	10,356	11,652	-2,246	9,406
Provision for deferred bonus	5	–	5	4	–	4
Provision for incentive travels	5,300	-373	4,927	5,300	–	5,300
Provision for fee plans	429	-2	427	267	-85	182
Provision for tax and contributions disputes	**35**	**–**	**35**	**239**	**-1,384**	**-1,145**
Other provisions for liabilities and contingencies	**45,858**	**–**	**45,858**	**15,388**	**-835**	**14,553**
Total	**116,961**	**-7,021**	**109,940**	**63,934**	**-8,738**	**55,196**

(1) Provisions for staff expenses do not include the items that are classified as "Staff expenses – Other benefits" in accordance with IAS 19.

Section 14 – Net adjustments/reversals of property and equipment - Item 210

14.1 Breakdown of net adjustments of property and equipment

ASSETS/INCOME COMPONENTS	DEPRECIATION (A)	ADJUSTMENTS FOR IMPAIRMENT (B)	REVERSALS (C)	NET RESULT 2024 (A + B - C)
A. Property and equipment	**24,076**	**-**	**-**	**24,076**
1. Operating:	**24,076**	**-**	**-**	**24,076**
- owned	1,918	-	-	1,918
- rights of use acquired through leases	22,158	-	-	22,158
2. Held as investments	**-**	**-**	**-**	**-**
- owned	-	-	-	-
- rights of use acquired through leases	-	-	-	-
3. Inventories	**X**	**-**	**-**	**-**
Total	**24,076**	**-**	**-**	**24,076**

Section 15 – Net adjustments/reversals of intangible assets - Item 220

15.1 Breakdown of net adjustments of intangible assets

ASSETS/INCOME COMPONENTS	AMORTISATION (A)	ADJUSTMENTS FOR IMPAIRMENT (B)	REVERSALS (C)	NET RESULT 2024 (A + B - C)
A. Intangible assets	**18,067**	**-**	**-**	**18,067**
of which:				
- software	15,998	-	-	15,998
A.1 Owned	18,067	-	-	18,067
- Generated in-house	-	-	-	-
- Other	18,067	-	-	18,067
A.2 Rights of use acquired through leases	-	-	-	-
Total	**18,067**	**-**	**-**	**18,067**

Breakdown of adjustments of intangible fixed assets - amortisation

	2024
Charges associated with the implementation of legacy CSE procedures	14,258
Client relationships	2,069
Other intangible fixed assets	1,740
Total	**18,067**

Section 16 – Other operating income and expenses - Item 230

16.1 Breakdown of other operating expenses

	2024	2023
Adjustments of leasehold improvements	3,197	3,039
Write-downs of other assets	162	–
Indemnities and compensation for litigation and claims	492	659
Charges from accounting adjustments with customers	1,978	2,509
Charges for card compensation and guarantees	–	1
Costs associated with tax disputes, penalties and fines	52	123
Other contingent liabilities and non-existent assets	1,652	927
Consolidation adjustments	3	-67
Total	**7,536**	**7,191**

16.2 Breakdown of other operating income

	2024	2023
Recovery of taxes from customers	119,041	101,748
Recovery of expenses from customers	502	554
Fees for outsourced services	142	128
Charge-back of portfolio overfee indemnity to incoming Financial Advisors	5,348	5,024
Indemnities for Financial Advisors' termination without notice	1,212	710
Other recoveries of fees and costs from Financial Advisors	4,738	3,759
Contingent assets related to provisions for staff expenses	817	2,751
Contributions to provision for employment in the banking sector (FOC) and the fund for staff training (FBA)	492	343
Other contingent assets and non-existent liabilities	6,652	3,011
Insurance compensation and indemnities	716	555
Tax credits (film partnership, sanitisation and PPE, investments in new capital goods)	32	296
Other income	1,811	344
Total	**141,503**	**119,223**
Total other net income	**133,967**	**112,032**

Section 17 – Gains (losses) from equity investments - Item 250

17.1 Breakdown of gains (losses) from equity investments

INCOME COMPONENTS/SECTORS	2024	2023
1) Companies subject to joint control		
A. Gains	**–**	**–**
1. Revaluations	–	–
2. Gains on disposal	–	–
3. Reversals	–	–
4. Other gains	–	–
B. Charges	**-582**	**-1,112**
1. Write-downs	–	-271
2. Adjustments to non-performing loans	-582	-841
3. Losses on disposal	–	–
4. Other charges	–	–
Net result	**-582**	**-1,112**
2) Companies subject to significant influence		
A. Gains	**–**	**85**
1. Revaluations	–	5
2. Gains on disposal	–	80
3. Reversals	–	–
4. Other gains	–	–
B. Charges	**-177**	**–**
1. Write-downs	–	–
2. Adjustments to non-performing loans	-136	–
3. Losses on disposal	-41	–
4. Other charges	–	–
Net result	**-177**	**85**
Total	**-759**	**-1,027**

Adjustments to non-performing loans and losses on disposal of equity investments in companies subject to significant influence, amounting to 177 thousand euros, related to Nextam Partners Sim S.p.A., valued using the equity method.

Adjustments to non-performing loans of equity investments in companies subject to joint control, amounting to 582 thousand euros, resulting from the measurement using the equity method of BG Saxo SIM S.p.A.

Section 20 – Gains (losses) on disposal of investments - Item 280

20.1 Breakdown of gains (losses) on disposal of investments

INCOME COMPONENTS/SECTORS	2024	2023
A. Buildings	–	–
- Gains on disposal	–	–
- Losses on disposal	–	–
B. Other assets	1	-82
- Gains on disposal	1	–
- Losses on disposal	–	-82
Net result	**1**	**-82**

Section 21 – Income taxes for the year from operating activities - Item 300

21.1 Breakdown of income taxes for the year from operating activities

INCOME COMPONENTS/SECTORS		2024	2023
1.	Current taxation (-)	-152,955	-121,303
2.	Change in prior years' current taxes (+/-)	1,228	1,299
3.	Reduction of current taxes for the year (+)	–	–
3.*bis*	Reduction of current taxes for the year arising on tax credits, pursuant to Law No. 214/2011 (+)	–	–
4.	Changes of prepaid taxation (+/-)	15,035	2,822
5.	Changes of deferred taxation (+/-)	-1,856	-587
6.	**Taxes for the year (-)**	**-138,548**	**-117,769**

21.2 Reconciliation between theoretical and actual tax expense

The following table reconciles the total amount of taxes due for the year, including both current and deferred taxes, as indicated in Item 300 of the Profit and Loss Account, and the theoretical corporate income tax IRES calculated by applying the 27.5% current applicable tax rate to profit before taxation.
It should be noted that the effects of the reduction of the IRES tax rate from 27.50% to 24% introduced by the 2016 Stability Law with effect from 1 January 2017 for tax periods after that in progress at 31 December 2016 were neutralised for the Bank as a result of the introduction by that same Law of a surtax of 3.5 percentage points on credit and financial institutions in respect of the same tax periods.

The reconciliation statement is therefore expressed based on higher or lower current and deferred taxes debited or credited to the Profit and Loss Account compared to the theoretical taxation.

	2024	2023
Current taxation	-152,955	-121,303
IRES and taxes on foreign companies	-128,313	-100,570
IRAP	-24,642	-20,733
Prepaid and deferred taxation	13,179	2,235
IRES and corporate taxes	11,674	1,691
IRAP	1,505	544
Prior years' taxes	1,228	1,299
Prior years' income taxes	1,228	1,299
Income taxes	**-138,548**	**-117,769**
Theoretical tax rate	**27.5%**	**27.5%**
Profit (loss) before taxation	**569,773**	**443,847**
Theoretical taxation	**-156,688**	**-122,058**
Non-taxable income (+)		
Dividends	342	317
ACE	–	1,494
Capital gains on equity securities and equity investments	172	97
Other decreases	1,069	290
Non-deductible charges (-)		
Double taxation on Group's dividends	-3,526	-2,038
Capital losses on equity securities and equity investments	-336	-231
Other non-deductible costs	-2,804	-1,282
Other effects (+/-)		
IRAP	-23,137	-20,189
Prior years' taxes	1,228	1,299
Rate change of companies under foreign law	49,413	26,246
Non-income deferred tax assets and liabilities on tax losses	-3,621	-2,139
Other adjustments (DTAs/DTLs non-income-based)	-504	501
Other consolidation adjustments	-156	-76
Actual tax expense	**-138,548**	**-117,769**
Total actual tax rate	**24.3%**	**26.5%**
Actual tax rate (IRES only)	**20.5%**	**22.3%**
Actual tax rate (IRAP only)	**4.1%**	**4.5%**

The estimated total tax rate was 24.3%, slightly down compared to the previous year (26.5%), mainly due to the higher contribution of the foreign entities to the Group's result.

Section 23 – Net profit (loss) for the year attributable to minority interests - Item 340

23.1 Breakdown of Item 340 “Net profit (loss) for the year attributable to minority interests”

	2024	2023
Other equity investments		
1. BG Valeur S.A.	–	-58
Total	**–**	**- 58**

Section 25 – Earnings per share

25.1 Average number of ordinary shares with diluted capital

	2024	2023
Net profit for the year (€ thousand)	431,225	326,136
Earnings attributable to ordinary shares (€ thousand)	431,225	326,136
Average number of outstanding shares (thousand)	114,008	114,081
EPS - Earnings per share (euros)	**3.78**	**2.86**
Average number of outstanding shares with diluted capital (thousand)	114,008	114,081
EPS – Diluted earnings per share (euros)	**3.78**	**2.86**

PART D – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Analytical Consolidated Statement of Comprehensive Income

ITEMS		2024	2023
10.	**Net profit (loss) for the year**	**431,225**	**326,078**
	Other income, without transfer to Profit and Loss Account	**-878**	**-561**
20.	**Equity securities designated at fair value through other comprehensive income:**	**-109**	**565**
	a) fair value changes	-109	565
	b) transfers to other net equity components	–	–
30.	**Financial liabilities designated at fair value through profit or loss (change in own creditworthiness):**	**–**	**–**
	a) fair value changes	–	–
	b) transfers to other net equity components	–	–
40.	**Equity security hedges designated at fair value through other comprehensive income:**	**–**	**–**
	a) fair value changes (hedged instrument)	–	–
	b) fair value changes (hedging instrument)	–	–
50.	**Property and equipment**	**–**	**–**
60.	**Intangible assets**	**–**	**–**
70.	**Defined benefit plans**	**-956**	**-1,364**
80.	**Non-current assets available for sale and disposal groups**	**–**	**–**
90.	**Share of valuation reserves of equity investments valued at equity**	**–**	**–**
100.	**Finance income or expenses related to insurance contracts issued**	**–**	**–**
110.	**Income taxes on other income, without transfer to Profit and Loss Account**	**187**	**238**
	Other income, with transfer to Profit and Loss Account	**9,834**	**9,688**
120.	**Hedges of a net investment in a foreign operation:**	**–**	**–**
	a) fair value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–
130.	**Exchange differences:**	**-526**	**1,757**
	a) value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	-526	1,757
140.	**Cash-flow hedges:**	**6,931**	**–**
	a) fair value changes	6,931	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–
	of which:		
	- *result of net positions*	–	–
150.	**Hedging instruments (non-designated items):**	**–**	**–**
	a) value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–
160.	**Financial assets (other than equity securities) measured at fair value through other comprehensive income:**	**8,338**	**11,689**
	a) fair value changes	4,374	8,930
	b) transfer to Profit and Loss Account	3,964	2,759
	1) adjustments due to credit risk	54	-364
	2) gains (losses) on disposal	3,910	3,123
	c) other changes	–	–
170.	**Non-current assets available for sale and disposal groups:**	**–**	**–**
	a) fair value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–

ITEMS	2024	2023
180. Share of valuation reserves of equity investments valued at equity:	**–**	**–**
a) fair value changes	–	–
b) transfer to Profit and Loss Account	–	–
1. adjustments due to impairment	–	–
2. gains (losses) on disposal	–	–
c) other changes	–	–
190. Finance income or expenses related to insurance contracts issued:	**–**	**–**
a) fair value changes	–	–
b) transfer to Profit and Loss Account	–	–
c) other changes	–	–
200. Finance income or expenses related to reinsurance contracts held:	**–**	**–**
a) fair value changes	–	–
b) transfer to Profit and Loss Account	–	–
c) other changes	–	–
210. Income taxes on other income, with transfer to Profit and Loss Account	**-4,909**	**-3,758**
220. Total other income components	**8,956**	**9,127**
230. Comprehensive income (Item 10 + 220)	**440,181**	**335,205**
240. Consolidated comprehensive income attributable to minority interests	**-213**	**-106**
250. Consolidated comprehensive income attributable to the Parent Company	**440,394**	**335,311**

PART E – INFORMATION ON RISKS AND RISK HEDGING POLICIES

Foreword

In 2024, Banca Generali increased its interest in BG Saxo SIM S.p.A.'s share capital, bringing it to 49% thanks to a new joint venture agreement with Saxo Bank. The increase above 20% entails that the Bank of Italy carries out *"supervision on a consolidated basis over the following entities: [...]; b) banking, financial and instrumental companies at least 20% of whose capital is held by companies belonging to a banking group or by an individual bank; [...]"* (Article 65, paragraph 1, of TUB).

The agreement between Banca Generali and Saxo Bank provides for joint control over BG Saxo SIM.
Accordingly, with a 49% equity investment — exceeding 20% — it was necessary to apply the proportionate consolidation of BG Saxo SIM into Banca Generali Group for prudential purposes. This consolidation method was introduced by Article 18, paragraph 4, of CRR, but is no longer applicable under IFRS 11, therefore, in the consolidated financial statements, BG Saxo SIM continues to be valued at equity, resulting in a mismatch at prudential level.

Section 1 – Accounting consolidation risks

See Section 2 – Prudential consolidation risks here below for the qualitative information required by Circular No. 262 of 22 December 2005 (8th update).

Quantitative information

A. Credit quality

A.1 Credit exposures to non-performing and performing loans: balances, adjustments, performance and income breakdown

For the purposes of quantitative information about credit quality, credit exposures include the entire financial asset portfolio, regardless of the portfolio of allocation for accounting purposes, with the exception of equities and units of UCITS.
For further information on credit assets underlying the Forward Fund (mainly non-performing loans to the Italian National Healthcare System), reference should be made to section 2, subsection D.

A.1.1 Breakdown of financial assets by portfolio and credit quality (book value)

PORTFOLIOS/QUALITY	BAD LOANS	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES	PERFORMING PAST-DUE EXPOSURES	OTHER PERFORMING EXPOSURES	TOTAL
1. Financial assets measured at amortised cost	25,469	2,486	9,008	16,750	12,599,490	12,653,203
2. Financial assets measured at fair value through other comprehensive income	–	–	–	–	1,496,582	1,496,582
3. Financial assets designated at fair value	–	–	–	–	–	–
4. Other financial assets mandatorily measured at fair value	–	–	–	–	22,590	22,590
5. HFS financial assets	–	–	–	–	–	–
Total at 31.12.2024	**25,469**	**2,486**	**9,008**	**16,750**	**14,118,662**	**14,172,375**
Total at 31.12.2023	**14,736**	**4,167**	**10,021**	**9,711**	**13,273,012**	**13,311,647**

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

PORTFOLIOS/QUALITY	NON-PERFORMING				PERFORMING			
	GROSS EXPOSURE	TOTAL AD-JUST-MENTS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS	GROSS EXPOSURE	TOTAL AD-JUST-MENTS	NET EXPOSURE	TOTAL (NET EXPOSURE)
1. Financial assets measured at amortised cost	58,546	21,583	36,963	–	12,620,792	4,552	12,616,240	12,653,203
2. Financial assets measured at fair value through other comprehensive income	–	–	–	–	1,496,833	251	1,496,582	1,496,582
3. Financial assets designated at fair value	–	–	–	–	X	X	–	–
4. Other financial assets mandatorily measured at fair value	–	–	–	–	X	X	22,590	22,590
5. HFS financial assets	–	–	–	–	–	–	–	–
Total at 31.12.2024	**58,546**	**21,583**	**36,963**	**–**	**14,117,625**	**4,803**	**14,135,412**	**14,172,375**
Total at 31.12.2023	**47,254**	**18,330**	**28,924**	**–**	**13,271,860**	**8,718**	**13,282,723**	**13,311,647**

PORTFOLIOS/QUALITY	ASSETS WITH CLEARLY POOR CREDIT QUALITY		OTHER ASSETS
	CUMULATIVE CAPITAL LOSSES	NET EXPOSURE	NET EXPOSURE
1. HFT financial assets	–	–	114
2. Hedging derivatives	–	–	131,220
Total at 31.12.2024	**–**	**–**	**131,334**
Total at 31.12.2023	**–**	**–**	**162,113**

B. Information on structured entities (other than securitisation companies)

The consolidation scope of Banca Generali Banking Group does not include structured entities consolidated for accounting or prudential purposes.

B.2.2 Other structured entities

Qualitative information

Pursuant to IFRS 12, other structured entities consist solely of units of Italian and foreign UCITS.

The UCITS portfolio includes the Forward Fund, a closed-ended, reserved alternative investment fund (AIF) managed by Gardant SGR, specialised in illiquid investments. The fund was subscribed in October 2021 in the amount of 378 million euros, as part of the restructuring of a portfolio of senior notes issued by several special-purpose vehicles in the securitisation of healthcare past-due or unpaid receivables, which Banca Generali purchased from its customers to protect them against possible losses, and concurrently transferred to the Fund, subscribing 98% of its units. Additional units for 112 million euros were subscribed in 2022. At the end of 2024, the value of the Fund was 485.8 million euros.
For a detailed analysis of the transaction and the related accounting treatment, reference should be made to the information provided in "Part E – Information on Risks and Risk Hedging Policies", Section 2 "Prudential consolidation risks", Subsection D "Transfers", paragraph C "Prudential consolidation - Transferred financial assets fully derecognised" of the Annual Integrated Report at 31 December 2021 and of these Notes and Comments.

Quantitative information

The following table presents the assets, liabilities and off-balance sheet exposures towards structured entities represented by units of UCITS.

ITEMS/TYPE OF STRUCTURED ENTITY	ACCOUNTING PORTFOLIOS – ASSETS	TOTAL ASSETS (A)	ACCOUNTING PORTFOLIOS – NET EQUITY AND LIABILITIES	TOTAL NET EQUITY AND LIABILITIES (B)	NET BOOK VALUE (C = A – B)	MAXIMUM EXPOSURE TO RISK OF LOSS (D)	DIFFERENCE BETWEEN EXPOSURE TO RISK OF LOSS AND BOOK VALUE (E = D – C)
UCITS	20. a) Financial assets mandatorily held for trading	–	–	–	–	–	–
UCITS	20. c) Financial assets mandatorily measured at fair value through profit or loss	487,713	–	–	487,713	487,713	–
Total		**487,713**	**–**	**–**	**487,713**	**487,713**	**–**

	31.12.2024
Algebris NPL Partnership SCS (AIF)	859
MIP I Fund (FIA) - Milano Investment Partners SGR	1,073
Tenax Italian Credit fund PLC (IE Sicav)	21
Forward Fund CL A	485,760
Total	**487,713**

Section 2 – Prudential consolidation risks

The development of a genuine risk culture within Banca Generali is based upon an understanding of the risks that the Bank assumes and how they are managed, while always taking full account of the risk tolerance threshold defined in the Bank's Risk Appetite Framework (RAF).
In this context, the internal control system plays a key role in the risk management process, as well as in the Bank's corporate governance generally.

The internal control system is a set of organisational rules, procedures and structures aimed at ensuring compliance with company strategies, while also seeking to achieve:
› the efficiency and effectiveness of work processes;
› the maintenance of asset value and protection against losses;
› the reliability and integrity of accounting and operating information;
› operational compliance with the law and supervisory regulations;
› policies, plans, regulations and internal procedures; and
› the dissemination of a culture of control involving training initiatives for the various levels.

Banca Generali Banking Group has designed an internal control model consistent with best practices at the national and international levels and structured on three different organisational levels:
› first-line controls: they are performed by production or back-office company areas and organisational units, with the support of information technology procedures, where envisaged, and take the form of hierarchical or line checks;
› second-line controls: they aim at preventing and mitigating risks of different nature through prior risk assessment of products and business practices, and the development of ex-ante support to operating activities. The aforementioned checks are performed by the following functions:
  – Risk Management Department: it is tasked with identifying, measuring/evaluating and monitoring all types of risks to which the Banking Group is exposed in terms of its own assets (excluding the risks of non-compliance, money laundering and financing of terrorism), providing relevant information and thereby contributing to the definition and implementation of the Risk Appetite Framework, as well as all related risk management policies. The Department acts with a view to maintaining risk levels within the limits and tolerance thresholds indicated in the risk profile and strategies established by the Board of Directors in the Risk Appetite Framework; it assures that risks are fully and transversally analysed, and to this end it applies a strategic, consistent and prospective approach and duly provides periodic reports;
  – Compliance Service: it is tasked with verifying the observance of obligations relating to the provision of services for the Banking Group companies and with preventing and managing the risk of non-compliance with applicable legislation;
  – Anti-Financial Crime Service: it is responsible, within the Banking Group, for preventing and combating transactions involving money laundering and financing of terrorism;
› third-line controls: they are conducted by the Internal Audit Department and are aimed at an independent verification of the operating efficacy and quality of control systems and the verification of any conduct departing from the established rules.

The proper functioning of the risk governance system adopted by Banca Generali Group is ensured by consistency from the standpoint of organisational structure, competencies and a guarantee of the independence of functions.

Within the internal control system, it is possible to identify the second line as the home to an internal risk management culture that then effectively translates into company behaviour and choices.

The following entities operate within the Internal Control System, in addition to the tasks assigned to the Board of Directors, the Control Body and the independent auditors (which are responsible for accounting control):
› the Internal Audit and Risk Committee, which was set up pursuant to the Corporate Governance Code for Listed Companies and supervisory provisions, and is tasked with performing a supporting role, with investigative, propositional and advisory duties in relation to the Board of Directors and the Board of Statutory Auditors, in particular on matters of internal control and risk management, related parties and connected parties, statutory auditing and equity investments. The tasks and functions of the Committee, as well as the frequency of its meetings and the operating procedures to be followed to ensure that its duties are efficiently and effectively performed, shall be regulated pursuant to specific Internal Audit and Risk Committee Rules;
› the Risk Committee, which is charged with ensuring coordinated coverage of the system for managing and controlling the risks assumed by the Group in compliance with the Risk Appetite Framework; it is vested with specific responsibility for monitoring the Group's risks, such as the management of risk mitigation measures, as well as decision-making powers for identifying and implementing said measures;
› the Supervisory Board, which is the corporate body in charge of updating the Organisational and Management Model and monitoring the implementation of and compliance with the said Model;
› the Law 262 Organisational Unit, which acts as a point of reference, orienting and coordinating the management of all the Banking Group's administrative and accounting risks, for the intents and purposes of Italian Law No. 262/2005.

1.1 Credit risk

Qualitative Information

1. General aspects

Credit risk refers to the possibility that a counterparty will become insolvent or a borrower will be unable to meet its obligations or unable to meet them on time. More specifically, credit risk is the possibility that an unexpected change in the creditworthiness of a counterparty, to which an exposure exists, may generate a corresponding unexpected change in the market value of the associated exposure.

As part of its credit risk management process, the Group has established a formal Credit Risk Management Policy and Financial Portfolio Risk Management Policy, which lay down the general principles and the roles of corporate bodies and functions involved in managing risks associated with loans granted to customers and institutional counterparties and deriving from investment in financial instruments. The Policies also include the Group's credit risk management guidelines in accordance with its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

In accordance with Banca Generali Group's business model, this type of risk chiefly arises from liquidity invested in money markets (interbank deposits), financial instruments (mainly government bonds) held in portfolios measured at amortised cost or in FVOCI and loans to customers (uncommitted and/or fixed-term credit). With regard to the latter, in line with the provisions of the Risk Appetite Framework and in accordance with the Business Model and the lending policies adopted, credit activity is an ancillary means of achieving the priority objectives in the private banking sector. In this context, the Bank prefers a customer target with a strong capital position, mainly focused on natural persons. In fact, there is a clear prevalence of exposures to the private segment (made up primarily of private customers and customers subject to special agreements), compared to the corporate segment.
With regard to the composition of Banca Generali's portfolio, the portion classified as HTC consists primarily of debt security exposures towards governments and, to a lesser extent, lines of uncommitted and/or fixed-term credit to retail and corporate clients.

With regard to institutional borrowers, credit risk management is based on the allocation of appropriate credit lines, which are monitored by the Risk Management Department and established with the objective of maintaining a portfolio's risk profile that is consistent with the strategies and risk appetite approved by the Board of Directors.
Operational limits on the amounts of credit lines granted to institutional counterparties are governed by Group policies, which set out the maximum credit that may be extended to a counterparty based on its rating class. The overall consistency of ECAI ratings with internal credit assessments is verified by the Risk Management Department at least annually.
The review of the credit lines is performed at least once a year involves updating existing credit lines for counterparties that are already borrowing from the Bank or examining new credit line proposals with a view to diversifying the proprietary portfolio and developing new business linked to market opportunities.

The credit risk associated with business with customers is primarily managed by monitoring the performance of the overall portfolio and individual positions and by setting operating and process limits defined in the Risk Appetite Framework. More specifically:

- loans to customers: the portfolio in question consists primarily in debt securities measured at amortised cost and loans to private customers, in the form of Lombard loans, uncommitted current accounts, fixed-term loans and mortgage loans (in the latter case, for customers subject unto special agreements). Overall, the weight of non-performing exposures on the portfolio remained low when compared to the banking system;
- non-performing loans: the portfolio of NPLs to customers, which includes lines of non-performing uncommitted and/or fixed-term credit, is mostly secured by pledges of securities and bank and government guarantees and has a good level of provisions in the residual cases in which the collateral is insufficient;
- performing loans: the portfolio of uncommitted and/or fixed-term loans to customers is approximately 85% composed of exposures to natural persons, whereas the remainder is composed of exposures to companies. Credit is primarily provided in the form of uncommitted facilities and Lombard loans, which together account for around 70% of the used exposure. In accordance with the Bank's lending policies and risk appetite, credit is mostly secured by pledges of highly liquid financial instruments and products.

The Credit Department and the Finance Department carry out first-line control activities. The Finance Department is responsible for lending to institutional counterparties (loans to banks) and investment in financial instruments considered in determining the Group's overall credit exposure.
The second-line control activities are the responsibility of the Risk Management Department, which ensures the consistency of the processes, strategies and Risk Appetite Framework (RAF), yearly approved by the Bank's Board of Directors. In the specific case of portfolios of loans to private and corporate investors, the Risk Management Department is tasked with assessing, monitoring and managing credit risk through monitoring of the performance of the overall portfolio, the control of the rules set forth by the Risk Appetite Framework, the drawing up of a prompt and adequate internal report to be submitted to the Bank and its corporate bodies.
Moreover, particular importance is placed on managing the credit risk associated with institutional borrowers. These borrowers are allocated appropriate credit lines, which are monitored by the Risk Management Department and established with the objective of always maintaining a level of risk of the portfolio that is consistent with the strategies and the Risk Appetite Framework.

Third-line controls are conducted by the Internal Audit Service, in accordance with the Internal Rules.

The Risk Committee is a collegial body responsible for a shared vision of the global performance of the credit risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

Loans subject to Covid measures

In response to the pandemic emergency that broke out in 2020, the Group took various initiatives in support of the real economy, to inject liquidity in Italy's businesses, participating in the initiatives launched by the Government in March and April 2020 ("Cure Italy Decree" and "Liquidity Decree"). These initiatives included the issue of loans guaranteed by the Mediocredito Centrale SME Guarantee Fund to obtain the guarantees provided for in the Liquidity Decree for loans to Italian companies according to the definition provided in the Decree (companies with fewer than 500 employees, including microenterprises and independent contractors, artisans and self-employment professionals).
To date, this exposure is being reduced by repayment in the case of performing positions, and under recovery as regards NPLs, given that the disbursement of these credit lines ended in 2021.

2. Credit risk management policies

2.1 Organisational aspects

The Bank's processes provide for the private and corporate customer credit activity to be run by the Credit Department and loans to institutional counterparties and banks to be run by Banca Generali's Finance Department.

The Credit Department is in charge of the processing of loan applications and the management of overdraft facilities granted by the Bank, as established and governed by the specific Credit Regulation, with a view to ensuring compliance with the law and regulations and the quality of approved loans and to maintaining the risk/return targets established by the Board of Directors.

Since 2024, the credit risk of BG (Suisse) Private Bank S.A. has also been monitored, however to date this risk is not material.

2.2 Management, measurement and control systems

In addition to issuing loans, the Credit Department is also charged with credit management and first-line control, with a proactive approach aimed at anticipating and preventing the deterioration of the loan portfolio.
Within the Credit Department, responsibility for monitoring is assigned to specialised individual units on the basis of the supervisory classification of customers (performing and non-performing). The purpose of this is to maximise the efficacy of the actions aimed at monitoring and mitigating credit risk throughout the customer relationship.

The current NPL portfolio stands at moderate values compared to the total exposure, is primarily secured and has been written down for the unsecured portion, resulting in moderate residual risk. Nearly 41% of the NPL portfolio consists of exposures originating in the portfolio (so-called "ex-indemnity") of Banca del Gottardo Italia, fully covered by the loan indemnity granted by BSI SA (now EFG Bank AG) upon the sale of the said company and chiefly secured to that end by cash collateral payments by the counterparty. The NPL portfolio declined compared to the end of 2023, mainly due to the reduction of the stock of bad loans, due partly to the closure of former indemnity positions.

The exposure to credit risk associated with the securities portfolio is mostly originated by investments in government bonds (approximately 80%), investment-grade bank securities and covered bonds. The corporate securities in the portfolio are negligible.

2.3 Expected loss measurement methods

In compliance with IFRS 9, the Bank has adopted an impairment model based on the concept of expected losses, which makes it possible to determine adjustments to loans on the basis of the parameters of PD (probability of default) and LGD (loss given default) in forward-looking and point-in-time terms, conditional upon macroeconomic scenario models. Such value adjustments are determined over a time horizon of one year in the event of positions classified to Stage 1, or on a lifetime horizon, in the event of positions classified to Stage 2.

The stage assignment criteria for the portfolio of loans to customers in the form of uncommitted and fixed-term loans take account of the counterparty's status, any forbearance measures, decline in creditworthiness compared with origination and limits exceeded for more than 30 days.
When calculating impairment, the probability of default is determined on the basis of the counterparty's rating class (the Bank adopts a management rating model developed with the CSE consortium) and the residual term of the loan. The parameter LGD is largely determined on the basis of loan type and counterparty type and whether certain guarantees are present. In addition, the parameter EAD (Exposure At Default) is equal to the accounting balance for demand positions, individual contractual cash flows discounted according to the internal rate of return (IRR) for term positions and the accounting balance adjusted by the regulatory Credit Conversion Factor (CCF) for off-balance sheet exposures.

Within the debt securities portfolio, securities classified to the classified to the Held-To-Collect and the Held-To-Collect-and-Sell portfolios that have passed the SPPI test are tested for impairment.
When calculating impairment, it is fundamental to classify the staging of individual positions in order to identify any decline in creditworthiness (credit quality) between the purchase of the security and the reporting date. This process (stage assignment) determines the residual quantities and the date with which to associate the credit quality/rating upon purchase, to be compared with the credit quality/rating observed at the reporting date for the purposes of identifying any "significant decline" in credit quality.

The impairment of securities subject to the IFRS 9 rules is calculated according to the following variables:

- PD: the model adopted for calculating the probability of default (PD) to be applied to the proprietary portfolio within the impairment scope is based on an estimate of a term structure default probability for each security. The component representing the remuneration for operators' risk aversion is eliminated from default probability measures so as to isolate the credit component (so-called "real world approach");
- LGD: the estimate of the loss given default (LGD) to be applied to the portfolio is calculated according to a deterministic approach in which the LGD parameter is assumed to be constant over the financial asset's entire time horizon as a function of the ranking of the instrument and the classification of the issuer's country;
- EAD: in the case of the proprietary finance portfolio, reference is made to the nominal value, inclusive of the coupon accrued at the measurement date, discounting both values at the security's rate of return.

In the year, the Group benefitted from its improved calculation capabilities and what-if and stress analyses to test portfolio securities for impairment, reducing operational process risks and ensuring an improvement in the methodologies used to calculate the parameters described above.

2.4. Credit risk mitigation techniques

With regard to the portfolio of loans to private and corporate customers, in order to mitigate credit risk toward customers and in line with its lending policies, the Bank mainly acquires collaterals and, only secondarily, personal guarantees provided by natural persons. These are in addition to the personal guarantees provided by the Mediocredito Centrale SME Guarantee Fund to secure credit facilities granted to support the economy in the Covid-19 pandemic scenario (a portfolio currently decreasing).

Collaterals are chiefly in the form of pledges on securities, such as Funds and Sicavs, discretionary mandates, assets under administration and insurance products.

As limited to customers subject to special agreements, the Bank also acquires mortgages, almost exclusively in residential properties used as a primary residence.

Banca Generali also benefits from an additional master guarantee, known as an indemnity, provided by BSI SA, now EFG Bank AG as a result of the merger of the two institutions in 2017, for the entire loan portfolio originating with Banca del Gottardo Italia acquired by BSI Italia S.p.A. on 1 October 2008.

This guarantee, which is similar to a first-demand bank guarantee, covers all loans and any associated losses sustained from acquisition until 31 December 2009. After such date, the indemnity was maintained for those positions managed with the aim of recovery and those positions that showed a default event for which payment of the indemnity was requested from the guarantor, BSI SA, today EFG Bank AG.
At 31 December 2024, indemnity positions amounted to approximately 13,216 thousand euros, which net of adjustment declined to about 5,156 thousand euros (see section 3. Credit exposures to non-performing loans).

3. Credit exposures to non-performing loans

3.1 Management strategies and policies

Non-performing financial assets are classified into several non-performing categories in accordance with the instructions issued by the Supervisory Authority, as provided for in Bank of Italy Circular No. 272 dated 20 July 2008 (as subsequently updated), which refers to the provisions of the European regulation as regards the definition of default.
The process of identifying doubtful positions requires constant monitoring of positions. When limits are exceeded, various debt procedures are triggered to recover the credit. In general, considering that the vast majority of positions are secured by pledges of financial instruments, there are no residual debt exposures once the enforcement procedure has been concluded. If the exposure is unsecured or there is a residual unsecured exposure, the Bank activates the process for recovering it.
Expected losses are formulated specifically for each position on the basis of all relevant valuation elements (debtor's assets, earned income, date of expected recovery, etc.), with the exception of unsecured positions classified as past due and unlikely to pay of amounts less than 10 thousand euros, which are subject to impairment at a standard rate.

Net non-performing cash loans (hereinafter also referred as "NPLs"), net of purchased or originated credit-impaired positions (POCI) for 15,790 thousand euros reclassified to bad loans, totalled 21,173 thousand euros, of which:
› net bad loans amounting to 9,679 thousand euros referring to financing, of which 5,156 thousand euros (53%) covered by indemnities, 4,285 thousand euros (44%) secured by mortgages and similar guarantees (Mediocredito Centrale SME Guarantee Fund) and 238 thousand euros (2%) unsecured;
› net unlikely-to-pay loans of 2,486 thousand euros, of which just 388 thousand euros (15.6%) actually at risk, and the remaining 2,098 thousand euros (84.4%) secured by collateral (pledges or mortgages) or similar guarantees (mandate to policy-related collections or guarantee from the Mediocredito Centrale SME Guarantee Fund);
› net past-due non-performing loans of 9,008 thousand euros, of which 4,755 thousand euros (53%) secured by collateral (mortgage and pledge) or equivalent guarantees (mandate to policy-related collections, guarantee from the Mediocredito Centrale SME Guarantee Fund and SACE policy) and 4,253 thousand euros (47%) unsecured (chiefly operating loans).

Net non-performing loans in the form of financing may be broken down as follows:
› about 24% (5,156 thousand euros) of exposures referring to Banca del Gottardo Italia's customers and guaranteed by indemnity issued by the seller BSI SA, now EFG Bank AG; as described above, these exposures do not entail any risk for the Bank. Therefore, no further adjustments were made to these positions with respect to the impairment already carried out by Banca del Gottardo Italia;
› about 76% (16,017 thousand euros) of exposures for which the Bank is at risk, mostly secured by pledges or mortgages.

Excluding positions covered by indemnities — which, as mentioned above, do not entail any risk for Banca Generali — non-performing cash positions amounted to 16,017 thousand euros. However, considering positions secured by collateral or similar guarantees, which at 11,057 thousand euros make up approximately 52% of total net non-performing loans, a residual total amount of 4,960 thousand euros of net non-performing loans are not secured by collateral, representing 23% of total net non-performing loans and an entirely marginal fraction of total net loans to customers (0.04%).
In 2024, the NPL portfolio declined on 2023 due to the elimination of several positions of significant amount from the bad loans category, as well as due to reclassifications to performing status and repayment of several positions classified as unlikely-to-pay.

3.2 Write-offs

The Banking Group has not adopted any write-off policy.

3.3 Purchased or originated credit-impaired financial assets

At 31 December 2024, the Banking Group's portfolio included purchased or originated credit-impaired financial assets of a residual amount of 15.8 million euros.

This item entirely related to the Bank's rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (11.0 million euros), as well as amounts receivable as a result of the transfer by Bank's customers of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.8 million euros). These exposures have been reclassified as originated impaired since they relate to financial instruments for which, at the date of transfer, the SPV had not complied with the contractual repayment terms.

In the following tables, these exposures have been included in bad loans where the specific "Purchased or originated credit-impaired" column is not present.

4. Financial assets subject to commercial renegotiations and forborne exposures

A forbearance measure is an amendment of the original contractual conditions or refinancing granted to a customer in a situation of financial distress in respect of a credit position, which would not have been granted if the customer had not been in such a situation and/or that, conversely, would have resulted in default by the customer had they not been granted.

The Bank takes an individual measurement approach to each exposure. The Bank considers an exposure forborne when one of the following conditions has been met:

a) the amended contract has been fully or partially past due by more than 30 days at least once in the three months prior to the contractual amendment or would have been fully or partially past due by more than 30 days without the amendment;
b) at or around the same time as an additional loan is granted, the customer repays the principal or pays the interest on another contract fully or partially past due by 30 days at least once in the three months prior to the refinancing;
c) the Bank approves the use of embedded clauses in which the customer is past due by 30 days or the debtor would have been past due by 30 days without the exercise of such clauses.

This assessment is performed by a specific specialised unit of the Credit Department as regards the portfolio portion of loans to customers.

At 31 December 2024, outstanding forborne exposures in the portfolio of loans to customers were mostly classified as performing positions (88%), with the remainder classified as non-performing (12%). Nearly all positions were secured by collateral (primarily pledges and, to a marginal extent, mandate to policy-related collections).
Exposures subject to forbearance measures at 31 December 2024 mostly consisted (approximately 73%) of exposures in amortisation and, to a lesser extent, uncommitted cash exposures. As for the impact on the net present value of the contractual cash flows of the forbearance measures granted over a period of 24 months, given the nature of the renegotiation transactions subject to forbearance measures, represented essentially by the renegotiation of the uncommitted cash exposure in amortising loans with a final variable rate, the impact of such exposures on net present value is believed not to be material.

Quantitative information

A. Credit quality

A.1 Credit exposures to non-performing and performing loans: balances, adjustments, performance and income breakdown

For the purposes of quantitative information about credit quality, credit exposures include the entire financial asset portfolio, regardless of the portfolio of allocation for accounting purposes, with the exception of equities and units of UCITS.

A.1.1 Prudential consolidation - Breakdown of financial assets by maturity brackets (book value)

PORTFOLIOS/ RISK STAGES	STAGE 1			STAGE 2			STAGE 3			PURCHASED OR ORIGINATED CREDIT-IMPAIRED		
	OVER 1 DAY, UP TO 30 DAYS	OVER 30 DAYS, UP TO 90 DAYS	OVER 90 DAYS	OVER 1 DAY, UP TO 30 DAYS	OVER 30 DAYS, UP TO 90 DAYS	OVER 90 DAYS	OVER 1 DAY, UP TO 30 DAYS	OVER 30 DAYS, UP TO 90 DAYS	OVER 90 DAYS	OVER 1 DAY, UP TO 30 DAYS	OVER 30 DAYS, UP TO 90 DAYS	OVER 90 DAYS
1. Financial assets measured at amortised cost	13,287	–	73	1,971	1,362	614	41	117	17,176	–	–	15,790
2. Financial assets measured at fair value through other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–
3. HFS financial assets	–	–	–	–	–	–	–	–	–	–	–	–
Total at 31.12.2024	**13,287**	**–**	**73**	**1,971**	**1,362**	**614**	**41**	**117**	**17,176**	**–**	**–**	**15,790**
Total at 31.12.2023	**3,304**	**–**	**–**	**3,854**	**2,383**	**482**	**247**	**136**	**21,723**	**–**	**–**	**–**

A.1.2 Prudential consolidation: financial assets, commitments to disburse funds and financial guarantees issued - changes in total adjustments and total provisions

	ADJUSTMENTS																							TOTAL PROVISIONS FOR COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES ISSUED				
	ASSETS ALLOCATED TO STAGE 1						ASSETS ALLOCATED TO STAGE 2						ASSETS ALLOCATED TO STAGE 3						PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS									
CAUSES/RISK STAGES	DL	AC	OCI	HFS	IW	CW	DL	AC	OCI	HFS	IW	CW	DL	AC	OCI	HFS	IW	CW	AC	OCI	HFS	IW	CW	S1	S2	S3	C	TOTAL
Total adjustments at year-start	**22**	**7,169**	**197**	**-**	**-**	**7,388**	**91**	**1,353**	**-**	**-**	**-**	**1,444**	**-**	**18,329**	**-**	**-**	**18,329**	**-**	**-**	**-**	**-**	**-**	**-**	**134**	**56**	**-**	**9,401**	**36,752**
Increases from purchased or originated financial assets	81	637	226	-	-	944	-	-	-	-	-	-	-	-	-	-	-	-	X	X	X	X	X	10	2	-	-	956
Cancellations other than write-offs	-9	-1,335	-139	-	-	-1,483	-28	-150	-	-	-	-150	-	67	-	-	67	-	-	-	-	-	-	-26	-39	-	-	-1,659
Net adjustments/ reversals for credit risk (+/-)	-3	-2,726	-33	-	-	-2,762	-55	-397	-	-	-	-452	-	219	-	-	219	-	1,276	-	-	1,276	-	-68	-12	-	11,715	9,916
Contractual changes without cancellations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the assessment methods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not directly recognised through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	1,692	-	-	1,692	-	-	-	-	-	-	-	-	-	-9,400	-7,708
Total adjustments at year-end	**91**	**3,745**	**251**	**-**	**-**	**4,087**	**8**	**806**	**-**	**-**	**-**	**842**	**-**	**20,307**	**-**	**-**	**20,307**	**-**	**1,276**	**-**	**-**	**1,276**	**-**	**50**	**7**	**-**	**11,716**	**38,257**
Recovery from collection of written off financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs directly recognised through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	290	-	-	290	-	-	-	-	-	-	-	-	-	-	290

DL: Demand loans to banks and central banks
AC: Financial assets measured at amortised cost
OCI: Financial assets measured at fair value through other comprehensive income
HFS: HFS financial assets
IW: of which: individual write-downs
CW: of which: collective write-downs
S1: Stage 1
S2: Stage 2
S3: Stage 3
C: Commitments to disburse funds and financial guarantees issued, purchased or originated credit-impaired

Pursuant to IFRS 7, paragraph 35H, letter b) (iii), it is reported that the final total adjustments to Stage 2 trade receivables amounted to approximately 105 thousand euros, slightly up compared to their initial levels.

Total final adjustments on the securities portfolio amounted to 5,243 thousand euros and improved by approximately 1,271 thousand euros, mainly due to the reduced risk profile of the portfolio of government and corporate bonds.

A.1.3 Prudential consolidation: financial assets, commitments to disburse funds and financial guarantees issued – transfers between the different credit risk stages (gross and nominal values)

PORTFOLIOS/RISK STAGES	GROSS AMOUNTS/NOMINAL VALUE					
	TRANSFERS BETWEEN STAGE 1 AND STAGE 2		TRANSFERS BETWEEN STAGE 2 AND STAGE 3		TRANSFERS BETWEEN STAGE 1 AND STAGE 3	
	FROM STAGE 1 TO STAGE 2	FROM STAGE 2 TO STAGE 1	FROM STAGE 2 TO STAGE 3	FROM STAGE 3 TO STAGE 2	FROM STAGE 1 TO STAGE 3	FROM STAGE 3 TO STAGE 1
1. Financial assets measured at amortised cost	124,744	114,285	1,731	137	2,952	–
2. Financial assets measured at fair value through other comprehensive income	–	–	–	–	–	–
3. HFS financial assets	–	–	–	–	–	–
4. Commitments to disburse funds and financial guarantees issued	1,661	1,482	–	–	–	–
Total at 31.12.2024	**126,405**	**115,767**	**1,731**	**137**	**2,952**	**–**
Total at 31.12.2023	**53,628**	**59,541**	**4,511**	**411**	**5,508**	**2,506**

A.1.3a Loans subject to Covid-19 support measures: transfers between the different credit risk stages (gross and nominal values)

Exposures subject to Covid-19 support measures transferred from Stage 1 to Stage 2 amounted to approximately 462 thousand euros and exposures transferred from Stage 1 to Stage 3 amounted to approximately 739 thousand euros. In addition, a 111 thousand euro exposure was transferred from Stage 2 to Stage 3. Exposures related solely to loans to SMEs secured by the Mediocredito Centrale SME Guarantee Fund.

PORTFOLIOS/RISK STAGES	GROSS VALUES					
	TRANSFERS BETWEEN STAGE 1 AND STAGE 2		TRANSFERS BETWEEN STAGE 2 AND STAGE 3		TRANSFERS BETWEEN STAGE 1 AND STAGE 3	
	FROM STAGE 1 TO STAGE 2	FROM STAGE 2 TO STAGE 1	FROM STAGE 2 TO STAGE 3	FROM STAGE 3 TO STAGE 2	FROM STAGE 1 TO STAGE 3	FROM STAGE 3 TO STAGE 1
A. Loans measured at amortised cost	**462**	**–**	**111**	**–**	**739**	**–**
A.1 Subject to forbearance in accordance with the GLs	–	–	–	–	–	–
A.2 Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–
A.3 Subject to other forbearance measures	–	–	–	–	–	–
A.4 Newly issued loans	462	–	111	–	739	–
B. Loans measured at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
B.1 Subject to forbearance in accordance with the GLs	–	–	–	–	–	–
B.2 Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–
B.3 Subject to other forbearance measures	–	–	–	–	–	–
B.4 Newly issued loans	–	–	–	–	–	–
Total at 31.12.2024	**462**	**–**	**111**	**–**	**739**	**–**
Total at 31.12.2023	**160**	**209**	**–**	**–**	**–**	**–**

A.1.4 Prudential consolidation: cash and off-balance sheet credit exposures with banks - gross and net values

TYPES OF EXPOSURES/VALUES	GROSS EXPOSURE					TOTAL ADJUSTMENTS AND TOTAL PROVISIONS						
		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS
A. Cash credit exposures												
A.1 Demand	1,026,295	1,023,516	2,779	–	–	99	91	8	–	–	1,026,196	–
a) Non-performing	–	X	–	–	–	–	X	–	–	–	–	–
b) Performing	1,026,295	1,023,516	2,779	X	–	99	91	8	X	–	1,026,196	–
A.2 Other	2,767,762	2,761,513	6,250	–	–	1,010	991	19	–	–	2,766,752	–
a) Bad loans	–	X	–	–	–	–	X	–	–	–	–	–
of which:												
- *forborne exposures*	–	*X*	–	–	–	–	*X*	–	–	–	–	–
b) Unlikely to pay	–	X	–	–	–	–	X	–	–	–	–	–
of which:												
- *forborne exposures*	–	*X*	–	–	–	–	*X*	–	–	–	–	–
c) Non-performing past-due exposures	–	X	–	–	–	–	X	–	–	–	–	–
of which:												
- *forborne exposures*	–	*X*	–	–	–	–	*X*	–	–	–	–	–
d) Performing past-due exposures	–	–	–	X	–	–	–	–	X	–	–	–
of which:												
- *forborne exposures*	–	–	–	*X*	–	–	–	–	*X*	–	–	–
e) Other performing exposures	2,767,762	2,761,513	6,250	X	–	1,010	991	19	X	–	2,766,752	–
of which:												
- *forborne exposures*	–	–	–	*X*	–	–	–	–	*X*	–	–	–
Total A	**3,794,057**	**3,785,029**	**9,029**	**–**	**–**	**1,109**	**1,082**	**27**	**–**	**–**	**3,792,948**	**–**
B. Off-balance sheet credit exposures												
a) Non-performing	–	X	–	–	–	–	X	–	–	–	–	–
b) Performing	140,151	–	–	X	–	–	–	–	X	–	140,151	–
Total B	**140,151**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**140,151**	**–**
Total (A + B)	**3,794,058**	**3,785,029**	**9,029**	**–**	**–**	**1,109**	**1,082**	**27**	**–**	**–**	**3,933,099**	**–**

Cash exposures with banks include all cash financial assets claimed from banks, regardless of the portfolio of allocation for accounting purposes: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, financial assets designated at fair value and other financial assets mandatorily measured at fair value.
Off-balance sheet exposures include all financial transactions other than cash transactions, such as financial derivatives, guarantees issued and commitments, that entail the assumption of credit risk, determined on the basis of the measurement criteria established by the Bank of Italy.

A.1.5 *Prudential consolidation: cash and off-balance sheet credit exposures with customers - gross and net values*

TYPES OF EXPOSURES/VALUES	GROSS EXPOSURE					TOTAL ADJUSTMENTS AND TOTAL PROVISIONS					NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS
		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		
A. Cash credit exposures												
a) Bad loans	39,657	X	–	22,591	17,066	14,188	X	–	12,912	1,276	25,469	–
of which:												
- forborne exposures	*–*	*X*	*–*	*–*	*–*	*–*	*X*	*–*	*–*	*–*	*–*	*–*
b) Unlikely to pay	3,967	X	–	3,967	–	1,481	X	–	1,481	–	2,486	–
of which:												
- forborne exposures	*587*	*X*	*–*	*587*	*–*	*251*	*X*	*–*	*251*	*–*	*336*	*–*
c) Non-performing past-due exposures	14,922	X	–	14,922	–	5,914	X	–	5,914	–	9,008	–
of which:												
- forborne exposures	*145*	*X*	*–*	*145*	*–*	*35*	*X*	*–*	*35*	*–*	*110*	*–*
d) Performing past-due exposures	16,816	13,315	3,501	X	–	66	28	38	X	–	16,750	–
of which:												
- forborne exposures	*–*	*–*	*–*	*X*	*–*	*–*	*–*	*–*	*X*	*–*	*–*	*–*
e) Other performing exposures	11,355,638	11,123,107	209,939	X	–	3,726	2,977	749	X	–	11,351,912	–
of which:												
- forborne exposures	*4,686*	*–*	*4,686*	*X*	*–*	*7*	*–*	*7*	*X*	*–*	*4,679*	*–*
Total A	**11,431,000**	**11,136,422**	**213,440**	**41,480**	**17,066**	**25,375**	**3,005**	**787**	**20,307**	**1,276**	**11,405,625**	**–**
B. Off-balance sheet credit exposures												
a) Non-performing	23,952	X	–	468	23,484	11,739	X	–	24	11,715	12,213	–
b) Performing	1,224,496	1,216,853	2,380	X	–	57	49	7	X	–	1,224,439	–
Total B	**1,248,448**	**1,216,853**	**2,380**	**468**	**23,484**	**11,795**	**49**	**7**	**24**	**11,715**	**1,236,652**	**–**
Total (A + B)	**12,679,448**	**12,353,275**	**215,820**	**41,948**	**40,550**	**37,170**	**3,054**	**794**	**20,331**	**12,991**	**12,642,277**	**–**

Cash exposures with customers include all cash financial assets claimed from customers, regardless of the portfolio of allocation for accounting purposes: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, financial assets designated at fair value and other financial assets mandatorily measured at fair value.
Off-balance sheet exposures include all financial transactions other than cash transactions, such as financial derivatives, guarantees issued and commitments, that entail the assumption of credit risk, determined on the basis of the measurement criteria established by the Bank of Italy.
All non-performing off-balance sheet exposures refer to positions entirely secured by pledges.

The classification of non-performing loans to customers relating to the HTC accounting portfolio is shown below; loans and debt securities that reached maturity are thus included.

Bad loans
Gross bad loans to customers amounted to 22,591 thousand euros (net of purchased or originated credit-impaired exposures (POCI) for 17,066 thousand euros) and included 12,912 thousand euros of value adjustments; therefore, net bad loans recognised totalled 9,679 thousand euros. Of this amount, 5,156 thousand euros (53% of net bad loans alone) related to positions attributable to former Banca del Gottardo Italia's customers, fully covered by cash collateral deposits granted by BSI SA, now EFG Bank AG, as part of the indemnity guarantee.

Excluding "ex-indemnity" positions, net bad loans to ordinary customers thus amounted to 4,523 thousand euros, equal to about 47% of total net bad loans and 0.04% of total net loans to customers. Considering bad loans secured by guarantees (mortgages of 11 thousand euros, pledges for 94 thousand euros and guarantee provided by the Mediocredito Centrale SME Guarantee Fund of 4,180 thousand euros), residual net bad loans amounted to 238 thousand euros.

The portfolio of bad loans also includes the exposure in debt instruments, amounting to 2,642 thousand euros gross, allocated to the HTC portfolio and deemed almost entirely irrecoverable.

The aggregate (see Table A.1.9) declined by 5,001 thousand euros gross due to the combined effects of: 1) increases due to transfers from other categories of non-performing exposure of 2,146 thousand euros, increases of 515 thousand euros, mainly due to greater draw-downs on positions already classified as bad loans due to the charging of interest and, marginally, reclassifications from other categories of non-performing exposures of 216 thousand euros; 2) decreases attributable for 4,875 thousand euros to "ex-indemnity" positions sold without recourse to EFG Bank S.A., for 2,901 thousand euros to collections and for 102 thousand euros to write-offs.

Purchased or originated credit-impaired (POCI) exposures
Originated credit-impaired exposures, amounting to 17,066 thousand euros gross, referred to the Bank's rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (11.0 million euros), as well as amounts receivable as a result of the transfer by Bank's customers of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.8 million euros). In the year, the Bank obtained the reimbursement for the rights of recourse on which it had granted guarantees for 5.6 million euros. Net write-downs amounting to 1.3 million euros overall were recognised along with 1.4 million euro losses on usufruct rights that had become uncollectible.

Unlikely to pay
At 31 December 2024, the gross amount of the item "Unlikely to pay" was 3,967 thousand euros, of which 2,798 thousand euros (70%) attributable to positions secured by collateral or equivalent guarantees (mandate to policy-related collections or guarantee from the Mediocredito Centrale SME Guarantee Fund), and it included 1,481 thousand euros of adjustments, for a net balance of 2,486 thousand euros.

The aggregate (see Table A.1.9) decreased by 2,317 thousand euros compared to 31 December 2023 as a result of:
› decreases of 4,004 thousand euros, due mostly to transfers to other categories of non-performing exposures (reclassification to bad loans) for 2,146 thousand euros, as well as collections of 1,771 thousand euros, referring to counterparties with exposures secured by collateral and similar guarantees, definitively recovered due to repayment and discharge of the exposure, and, to a marginal extent, to derecognitions and minor draw-downs;
› increases of 1,687 thousand euros, consisting of new positions transferred from other performing categories amounting to 320 thousand euros and relating to originally performing positions that deteriorated during the year and were classified as unlikely to pay, transfers from other categories of non-performing exposures for 1,011 thousand euros relating to positions already past due reclassified as unlikely to pay, and greater draw-downs from positions already classified as UTP of 356 thousand euros.

Non-performing past-due exposures
Non-performing past-due exposures amounted to 14,922 thousand euros, including adjustments of 5,914 thousand euros, yielding a net balance of 9,008 thousand euros. The net aggregate mainly includes: i) exposures mainly secured by collateral (mortgage and pledge) or equivalent guarantees (mandate to policy-related collections, guarantee from the Mediocredito Centrale SME Guarantee Fund and SACE policy) totalling 6,154 thousand euros; ii) other unsecured exposures with an average balance per position of approximately 2.5 thousand euros.

The aggregate (see Table A.1.9) increased by 1,545 thousand euros compared to 31 December 2023 as a result of:
› increases of 11,805 thousand euros, primarily attributable to new reclassifications from performing positions of 4,121 thousand euros and to increases in already non-performing positions of 7,684 thousand euros;
› decreases of 10,260 thousand euros, mainly consisting of collections on past-due positions with full repayment of the exposure of 9,031 thousand euros, transfers to other categories of non-performing exposures of 1,011 thousand euros relating to positions reclassified as unlikely to pay or bad loans, return to performing status of past-due exposures due to repayment for 94 thousand euros, and write-offs with concurrent recognition of a credit loss for a total of 124 thousand euros.

Performing past-due exposures
Performing past-due exposures also include positions overdrawn or past due by more than 90 days, and for which the amount past due does not exceed the significance thresholds set following the entry into force of the new definition of default established by the European Regulation on prudential requirements for credit institutions and investment firms (Article 178 of Regulation No. 575/2013).
In almost all cases, these are positions guaranteed by pledges found to be past due at the reporting date and currently being repaid.

Loans subject to Covid measures
With regard to Covid-19 support measures at 31 December 2024, loans to SMEs secured by the Mediocredito Centrale SME Guarantee Fund and granted until 2021, amounted to 23,132 thousand euros (of which 1,437 thousand euro non-performing loans).

A.1.5a Loans subject to Covid-19 measures: gross and net values

TYPE OF EXPOSURES/VALUES	GROSS EXPOSURE					TOTAL ADJUSTMENTS AND TOTAL PROVISIONS					NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS
		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		
A. Bad loans	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	–	–	–	–	–	–	–	–	–	–	–	–
B. Unlikely to pay	**1,227**	**–**	**–**	**1,227**	**–**	**154**	**–**	**–**	**154**	**–**	**1,073**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	1,227	–	–	1,227	–	154	–	–	154	–	1,073	–
C. Non-performing past-due loans	**428**	**–**	**–**	**428**	**–**	**64**	**–**	**–**	**64**	**–**	**364**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	428	–	–	428	–	64	–	–	64	–	364	–
D. Performing loans	**333**	**8**	**325**	**–**	**–**	**1**	**–**	**–**	**–**	**–**	**332**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	333	8	325	–	–	1	–	–	–	–	332	–
E. Other performing loans	**21,369**	**21,369**	**–**	**–**	**–**	**6**	**6**	**–**	**–**	**–**	**21,363**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	21,369	21,369	–	–	–	6	6	–	–	–	21,363	–
Total (A + B + C + D + E)	**23,357**	**21,377**	**325**	**1,655**	**–**	**225**	**6**	**–**	**218**	**–**	**23,132**	**–**

A.1.7 Prudential consolidation: cash credit exposures with customers - changes in gross non-performing exposures

CAUSES/CATEGORIES	BAD LOANS	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES
A. Gross exposure at year-start	**27,592**	**6,284**	**13,377**
– *of which: exposures transferred but not written off*	–	–	–
B. Increases	**19,943**	**1,687**	**11,805**
B.1 New reclassifications from performing exposures	216	320	4,121
B.2 New reclassifications from purchased or originated credit-impaired financial assets	17,066	–	–
B.3 Transfers from other categories of non-performing exposures	2,146	1,011	–
B.4 Contractual changes without cancellations	–	–	–
B.5 Other increases	515	356	7,684
C. Decreases	**7,878**	**4,004**	**10,260**
C.1 Reclassification to performing exposures	–	1	94
C.2 Write-offs	102	64	124
C.3 Repayments received	2,901	1,771	9,031
C.4 Gains on disposals	4,875	–	–
C.5 Losses on disposals	–	–	–
C.6 Transfers to other categories of non-performing exposures	–	2,146	1,011
C.7 Contractual changes without cancellations	–	–	–
C.8 Other decreases	–	22	–
D. Gross exposure at year-end	**39,657**	**3,967**	**14,922**
– *of which: exposures transferred but not written off*	–	–	–

A.1.7 bis Prudential consolidation: cash credit exposures with customers - changes in gross forborne exposures, broken down by credit quality

CAUSES/QUALITY	NON-PERFORMING FORBORNE EXPOSURES	PERFORMING FORBORNE EXPOSURES
A. Gross exposure at year-start	**983**	**7,130**
– *of which: exposures transferred but not written off*	–	–
B. Increases	**303**	**1,113**
B.1 New reclassifications from performing non-forborne exposures	70	1,090
B.2 New reclassifications from performing forborne exposures	203	X
B.3 New reclassifications from non-performing forborne exposures	X	–
B.4 Other increases	30	23
C. Decreases	**554**	**3,557**
C.1 Reclassifications to performing non-forborne exposures	X	1,862
C.2 Reclassifications to performing forborne exposures	–	X
C.3 Reclassifications to non-performing forborne exposures	X	203
C.4 Write-offs	–	–
C.5 Repayments received	552	1,492
C.6 Gains on disposals	–	–
C.7 Losses on disposals	–	–
C.8 Other decreases	2	–
D. Gross exposure at year-end	**732**	**4,686**
– *of which: exposures transferred but not written off*	–	–

Forborne exposures
Gross forborne exposures, amounting to 5,418 thousand euros, consisted largely of performing positions amounting to 4,686 thousand euros gross (accounting for 86% of total forborne exposures), almost all of which were secured by collateral or similar guarantees; their reduction compared to 2023 (from 8,113 thousand euros) was attributable to decreases totalling 3,557 thousand euros due to: reclassifications to performing non-forborne exposures for 1,862 thousand euros for which the probation period has elapsed, reclassifications to non-performing forborne exposures for 203 thousand euros, and collections of 1,492 thousand euros referring to repayment and write-off of forborne exposures.

Increases, amounting to 1,113 thousand euros, were determined by: i) new reclassifications for 1,090 thousand euros relating to performing positions that had been granted a new forbearance measure (new finance or refinancing of existing debt); ii) increases of 23 thousand euros for reclassifications of performing positions already classified as forborne. The residual share consisted of non-performing forborne exposures of 732 thousand euros gross (accounting for 14% of total forborne exposures).

The non-performing cash forborne positions aggregate declined by 251 thousand euros overall (in gross terms), as a result of:
› decreases of 554 thousand euros due to: collections for 552 thousand euros and other decreases for 2 thousand euros;
› increases of 303 thousand euros due to: new reclassifications from performing non-forborne exposures for 70 thousand euros, new reclassifications from performing forborne exposures for 203 thousand euros and new reclassifications for 30 thousand euros.

A.1.9 Prudential consolidation: non-performing cash credit exposures with customers: changes in total adjustments

	BAD LOANS		UNLIKELY TO PAY		NON-PERFORMING PAST-DUE EXPOSURES	
CAUSES/CATEGORIES	TOTAL	OF WHICH: FORBORNE EXPOSURES	TOTAL	OF WHICH: FORBORNE EXPOSURES	TOTAL	OF WHICH: FORBORNE EXPOSURES
A. Total adjustments at year-start	**12,856**	**-**	**2,117**	**317**	**3,356**	**13**
– *of which: exposures transferred but not written off*	–	–	–	–	–	–
B. Increases	**1,742**	**-**	**405**	**43**	**3,583**	**22**
B.1 Adjustments to purchased or originated credit-impaired financial assets	1,276	X	–	X	–	X
B.2 Other adjustments	238	–	304	43	1,547	22
B.3 Losses on disposals	9	–	3	–	55	–
B.4 Transfers from other categories of non-performing exposures	219	–	98	–	–	–
B.5 Contractual changes without cancellations	–	X	–	X	–	X
B.6 Other increases	–	–	–	–	1,981	–
C. Decreases	**410**	**-**	**1,041**	**109**	**1,025**	**-**
C.1 Reversals of adjustments	23	–	518	9	156	–
C.2 Reversals of collections	285	–	241	92	647	–
C.3 Gains on disposals	–	–	–	–	–	–
C.4 Write-offs	102	–	64	–	124	–
C.5 Transfers to other categories of non-performing exposures	–	–	218	–	98	–
C.6 Contractual changes without cancellations	–	X	–	X	–	X
C.7 Other decreases	–	–	–	8	–	–
D. Total adjustments at year-end	**14,188**	**-**	**1,481**	**251**	**5,914**	**35**
– *of which: exposures transferred but not written off*	–	–	–	–	–	–

The exposures in the previous tables include non-performing positions for a net amount of 2,566 thousand euros, attributable to operating receivables not involving lending transactions, mostly relating to disputes and pre-dispute positions against former Financial Advisors (terminated or expired contracts).

	31.12.2024		
OPERATING RECEIVABLES UNDER DISPUTE	GROSS	WRITE-DOWNS	NET
Receivables related to FA litigation	4,041	1,494	2,547
Advances to FAs	79	79	–
Write-downs of receivables from FAs	**4,120**	**1,573**	**2,547**
Write-downs of operating receivables	410	391	19
Write-downs of operating receivables	**410**	**391**	**19**
Total write-downs	**4,530**	**1,964**	**2,566**

A.2 Classification of exposures based on internal and external ratings

Banca Generali has always regarded lending as ancillary to its ability to attract and manage its customers' assets. Accordingly, the Bank has not traditionally used an internal rating system to assess its customers' creditworthiness. The Bank therefore largely uses external ratings published by the main rating companies (Moody's, S&P and Fitch) in making portfolio decisions regarding its trading activities.

A.2.1 Prudential consolidation - Breakdown of financial assets, commitments to disburse funds and financial guarantees issued by external rating classes (gross values)

	EXTERNAL RATING CLASSES							
EXPOSURES	AAA/AA-	A+/A-	BBB+/BBB-	BB+/BB-	B+/B-	< B-	WITHOUT RATING	TOTAL
A. Financial assets measured at amortised cost	**2,392,622**	**915,280**	**5,903,671**	**83,356**	**–**	**–**	**3,384,409**	**12,679,338**
- Stage 1	2,392,133	915,280	5,903,671	83,356	–	–	3,106,661	12,401,101
- Stage 2	489	–	–	–	–	–	219,202	219,691
- Stage 3	–	–	–	–	–	–	41,480	41,480
- Purchased or originated credit-impaired	–	–	–	–	–	–	17,066	17,066
B. Financial assets measured at fair value through other comprehensive income	**487,359**	**99,835**	**886,882**	**22,757**	**–**	**–**	**–**	**1,496,833**
- Stage 1	487,359	99,835	886,882	22,757	–	–	–	1,496,833
- Stage 2	–	–	–	–	–	–	–	–
- Stage 3	–	–	–	–	–	–	–	–
- Purchased or originated credit-impaired	–	–	–	–	–	–	–	–
C. HFS financial assets	–	–	–	–	–	–	–	**–**
- Stage 1	–	–	–	–	–	–	–	–
- Stage 2	–	–	–	–	–	–	–	–
- Stage 3	–	–	–	–	–	–	–	–
- Purchased or originated credit-impaired	–	–	–	–	–	–	–	–
Total (A + B + C)	**2,879,981**	**1,015,115**	**6,790,553**	**106,113**	**–**	**–**	**3,384,409**	**14,176,171**
D. Commitments to disburse funds and financial guarantees issued	**–**	**–**	**291**	**–**	**–**	**–**	**121,731**	**122,022**
- Stage 1	–	–	291	–	–	–	95,819	96,110
- Stage 2	–	–	–	–	–	–	2,381	2,381
- Stage 3	–	–	–	–	–	–	47	47
- Purchased or originated credit-impaired	–	–	–	–	–	–	23,484	23,484
Total D	**–**	**–**	**291**	**–**	**–**	**–**	**121,731**	**122,022**
Total (A + B + C + D)	**2,879,981**	**1,015,115**	**6,790,844**	**106,113**	**–**	**–**	**3,506,140**	**14,298,193**

Financial assets measured at amortised cost without rating include trade receivables and advances to Financial Advisors totalling 244,897 thousand euros.

A.3 Breakdown of guaranteed credit exposures by type of guarantee

A.3.1 Prudential consolidation - Guaranteed cash and off-balance sheet credit exposures with banks

	EXPOSURE		COLLATERALISED GUARANTEES (1)				PERSONAL GUARANTEES (2)									
							CREDIT DERIVATIVES					SIGNATURE LOANS				
								OTHER DERIVATIVES								
	GROSS	NETT	BUILDINGS – MORTGAGES	BFL	SECURITIES	OTHER COLLATERALISED GUARANTEES	CLNS	CC	BK	OTHER FINANCIAL CORP.	OTHER ENTITIES	GENERAL GOVERNMENTS	BK	OTHER FINANCIAL CORP.	OTHER ENTITIES	TOTAL (1) + (2)
1. Guaranteed cash credit exposures	**486,915**	**486,808**	**–**	**–**	**387,089**	**–**	**–**	**–**	**–**	**–**	**–**	**99,719**	**–**	**–**	**–**	**486,808**
1.1 Totally guaranteed	486,915	486,808	–	–	387,089	–	–	–	–	–	–	99,719	–	–	–	486,808
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1.2 Partially guaranteed	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Guaranteed off-balance sheet credit exposures	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Totally guaranteed	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2.2 Partially guaranteed	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Legend:

BFL: Buildings - Finance leases
CC: Central counterparties
BK: Banks

A.3.2 Prudential consolidation - Guaranteed cash and off-balance sheet credit exposures with customers

	EXPOSURE		COLLATERALISED GUARANTEES (1)				PERSONAL GUARANTEES (2)									
							CREDIT DERIVATIVES					SIGNATURE LOANS				
								OTHER DERIVATIVES								
	GROSS	NETT	BUILDINGS – MORTGAGES	BFL	SECURITIES	OTHER COLLATERALISED GUARANTEES	CLNS	CC	BK	OTHER FINANCIAL CORP.	OTHER ENTITIES	GENERAL GOVERNMENTS	BK	OTHER FINANCIAL CORP.	OTHER ENTITIES	TOTAL (1) + (2)
1. Guaranteed cash credit exposures	**2,294,568**	**2,281,670**	**268,222**	**–**	**1,685,398**	**245,220**	**–**	**–**	**–**	**–**	**–**	**75,550**	**–**	**325**	**1,729**	**2,276,444**
1.1 Totally guaranteed	2,258,658	2,247,122	266,643	–	1,668,783	237,373	–	–	–	–	–	72,760	–	323	1,240	2,247,122
- *of which: non-performing*	*21,718*	*11,885*	*4,117*	–	*1,984*	*2,775*	–	–	–	–	–	*2,999*	–	–	*10*	*11,885*
1.2 Partially guaranteed	35,910	34,548	1,579	–	16,615	7,847	–	–	–	–	–	2,790	–	2	489	29,322
- *of which: non-performing*	*5,108*	*3,789*	–	–	*764*	*44*	–	–	–	–	–	*2,790*	–	–	*139*	*3,737*
2. Guaranteed off-balance sheet credit exposures	**1,033,397**	**1,033,318**	**213**	**–**	**821,876**	**182,260**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**42**	**545**	**1,004,936**
2.1 Totally guaranteed	950,757	950,683	213	–	777,385	172,860	–	–	–	–	–	–	–	42	182	950,682
- *of which: non-performing*	*399*	*375*	–	–	*341*	*35*	–	–	–	–	–	–	–	–	–	*376*
2.2 Partially guaranteed	82,640	82,635	–	–	44,491	9,400	–	–	–	–	–	–	–	–	363	54,254
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Legend:

BFL: Buildings - Finance leases / CC: Central counterparties / BK: Banks

All assets held as guarantee (whether financial or non-financial) may only be liquidated in the event of default by the primary debtor, subject to formal notification to the guarantor. Accordingly, the Bank cannot sell or reuse as guarantee such assets unless the debtor defaults.

B. Breakdown and concentration of credit exposures

B.1 Prudential consolidation - Sector breakdown of cash and off-balance sheet credit exposures with customers

EXPOSURES/COUNTERPARTY	NET EXPOSURE	TOTAL ADJUSTMENTS
A. Cash exposures		
1. General governments	**8,520,259**	**1,564**
A.1 Bad loans	–	–
- *of which: forborne exposures*	–	–
A.2 Unlikely to pay	–	–
- *of which: forborne exposures*	–	–
A.3 Non-performing past-due exposures	–	–
- *of which: forborne exposures*	–	–
A.4 Performing exposures	8,520,259	1,564
- *of which: forborne exposures*	–	–
2. Financial corporations	**564,146**	**2,225**
A.1 Bad loans	15,812	1,327
- *of which: forborne exposures*	–	–
A.2 Unlikely to pay	249	262
- *of which: forborne exposures*	*1*	*1*
A.3 Non-performing past-due exposures	113	129
- *of which: forborne exposures*	–	–
A.4 Performing exposures	547,972	507
- *of which: forborne exposures*	*387*	*1*
3. Financial corporations (of which insurance companies)	**42,282**	**–**
A.1 Bad loans	–	–
- *of which: forborne exposures*	–	–
A.2 Unlikely to pay	–	–
- *of which: forborne exposures*	–	–
A.3 Non-performing past-due exposures	–	–
- *of which: forborne exposures*	–	–
A.4 Performing exposures	42,282	–
- *of which: forborne exposures*	–	–
4. Non-financial corporations	**312,271**	**13,810**
A.1 Bad loans	7,317	12,176
- *of which: forborne exposures*	–	–
A.2 Unlikely to pay	1,341	319
- *of which: forborne exposures*	*175*	*25*
A.3 Non-performing past-due exposures	1,832	618
- *of which: forborne exposures*	*44*	*2*
A.4 Performing exposures	301,781	697
- *of which: forborne exposures*	*1,923*	*3*
5. Households	**2,008,949**	**7,775**
A.1 Bad loans	2,340	685
- *of which: forborne exposures*	–	–
A.2 Unlikely to pay	895	900
- *of which: forborne exposures*	*160*	*225*
A.3 Non-performing past-due exposures	7,064	5,166
- *of which: forborne exposures*	*66*	*33*
A.4 Performing exposures	1,998,650	1,024
- *of which: forborne exposures*	*2,370*	*2*
Total A – Cash exposures	**11,405,625**	**25,374**

EXPOSURES/COUNTERPARTY	NET EXPOSURE	TOTAL ADJUSTMENTS
B. Off-balance sheet exposures		
1. General governments	**–**	**–**
B.1 Non-performing exposures	–	–
B.2 Performing exposures	–	–
2. Financial corporations	**63,790**	**11,723**
B.1 Non-performing exposures	11,769	11,715
B.2 Performing exposures	52,021	8
3. Financial corporations (of which insurance companies)	**291**	**–**
B.1 Non-performing exposures	–	–
B.2 Performing exposures	291	–
4. Non-financial corporations	**223,836**	**40**
B.1 Non-performing exposures	211	10
B.2 Performing exposures	223,625	30
5. Households	**949,026**	**34**
B.1 Non-performing exposures	233	14
B.2 Performing exposures	948,793	20
Total B – Off-balance sheet exposures	**1,236,652**	**11,797**

	NET EXPOSURE	TOTAL ADJUSTMENTS
General governments	8,520,259	1,564
Financial corporations	627,936	13,948
Financial corporations (of which insurance companies)	42,573	-
Non-financial corporations	536,107	13,850
Households	2,957,975	7,809
Overall total (A + B) at 31.12.2024	**12,642,277**	**37,171**
Overall total (A + B) at 31.12.2023	**12,145,681**	**35,055**

B.2 Prudential consolidation - Geographical breakdown of cash and off-balance-sheet credit exposures with customers

EXPOSURES/ GEOGRAPHICAL AREAS	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS
A. Cash credit exposures										
A.1 Bad loans	9,679	12,156	15,790	2,032	–	–	–	–	–	–
A.2 Unlikely to pay	2,486	1,481	–	–	–	–	–	–	–	–
A.3 Non-performing past-due exposures	8,095	5,867	41	46	315	1	–	–	557	–
A.4 Other performing exposures	8,001,576	3,052	864,108	333	56,383	31	47,634	7	2,398,961	369
Total A	**8,021,836**	**22,556**	**879,939**	**2,411**	**56,698**	**32**	**47,634**	**7**	**2,399,518**	**369**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	468	24	11,769	11,715	–	–	–	–	–	–
B.2 Performing exposures	1,190,422	57	29,251	–	1,087	–	556	–	733	–
Total B	**1,190,890**	**81**	**41,020**	**11,715**	**1,087**	**–**	**556**	**–**	**733**	**–**
Total at 31.12.2024	**9,212,726**	**22,637**	**920,959**	**14,126**	**57,785**	**32**	**48,190**	**7**	**2,400,251**	**369**
Total at 31.12.2023	**9,261,262**	**23,815**	**2,266,289**	**11,020**	**55,713**	**89**	**81,319**	**45**	**481,098**	**86**

B.3 Prudential consolidation - Geographical breakdown of cash and off-balance-sheet credit exposures with banks

EXPOSURES/ GEOGRAPHICAL AREAS	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS	NET EXPOSURE	TOTAL VALUE ADJUSTMENTS
A. Cash exposures										
A.1 Bad loans	–	–	–	–	–	–	–	–	–	–
A.2 Unlikely to pay	–	–	–	–	–	–	–	–	–	–
A.3 Non-performing past-due exposures	–	–	–	–	–	–	–	–	–	–
A.4 Other performing exposures	1,638,471	392	2,021,030	688	110,420	2	1,075	–	21,952	27
Total A	**1,638,471**	**392**	**2,021,030**	**688**	**110,420**	**2**	**1,075**	**–**	**21,952**	**27**
B. Off-balance sheet exposures										
B.1 Non-performing exposures	–	–	–	–	–	–	–	–	–	–
B.2 Performing exposures	124,354	–	6,866	–	–	–	–	–	–	–
Total B	**124,354**	**–**	**6,866**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total at 31.12.2024	**1,762,825**	**392**	**2,027,896**	**688**	**110,420**	**2**	**1,075**	**–**	**21,952**	**27**
Total at 31.12.2023	**1,432,145**	**824**	**1,642,433**	**863**	**16,267**	**12**	**–**	**–**	**–**	**28**

B.4 Large exposures

Regulation (EU) No. 575/2013 (CRR) and Directive No. 2013/36/EU (CRD IV), published on the Official Journal of the European Union on 27 June 2013, enacted the new rules defined by the Basel Committee on banking supervision governing “Large Exposures”. On 17 December 2013, the Bank of Italy applied the above provisions by issuing Circular No. 285 “New Prudential Supervisory Provisions Concerning Banks” — further updated in various years (latest update, No. 49, dated 23 July 2024) — and Circular No. 286 of 17 December 2013 “Instructions for the Compilation of Prudential Reports for Banks and Securities Brokerage Companies”. The latter Circular as well was subject to several updates during the years (latest update, No. 17, on 12 March 2024). In detail, according to the aforementioned rules, exposure values of a bank to a counterparty or to a group of connected counterparties must be defined as a “large exposure” if it is equal to or above 10% of the bank’s Tier 1 capital.
Based on CRR 575/2013, “Tier 1 capital” is defined as the sum of Total Common Equity Tier 1 capital and Additional Tier 1 capital of the entity.

The exposure value of an asset item shall be its accounting value and not its weighted value. Therefore, the risk positions that fall within the meaning of “Large Exposure” are recognised at both book value and weighted value.

BIG RISKS	31.12.2024	31.12.2023
a) Amount of the exposure	11,722,317	12,342,298
b) Weighted amount	528,142	587,117
c) Number	17	16

C. Securitisation

Qualitative information

Banca Generali's appetite for investments in securitised instruments is very limited (the exposure is 0.82% of the total banking book bond portfolio). All investments undertaken were directed towards the most senior tranches of the securitised structures.

Quantitative information

C.2 Prudential consolidation - Breakdown of exposures resulting from main third-party securitisations by type of securitised assets and type of exposure

	CASH EXPOSURES						FINANCIAL GUARANTEES ISSUED						LINES OF CREDIT					
	SENIOR		MEZZANINE		JUNIOR		SENIOR		MEZZANINE		JUNIOR		SENIOR		MEZZANINE		JUNIOR	
TYPE OF UNDERLYING ASSETS/EXPOSURES	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR
GIM NL LUX 12.06.2018	20,121	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
PRADO VIII FRN 2055	2,248	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
PRISMA SPV FRN 2039	9,799	60	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
CREDIMI 20.07.2026	11,340	70	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
LANTERNA M FRN 2065	5,496	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
ERIDANO II SPV FRN 3	484	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
PROG QUIN 36 A 1 FR	373	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
CORDATUS VIII FRN 34	7,561	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EURO-GAL VII FRN 35	7,553	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
AQUEDUCT EUROPEAN CL	6,230	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
RRME 2X A1R	6,049	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
AURIUM VIII FRN 2034	7,502	4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
INVESCO VI FRN 2035	7,562	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Legend
BV = book value
AR = Adjustments/Reversals

D. Transfers

D.1 Prudential consolidation - Transferred financial assets fully recognised and related financial liabilities: book value

	TRANSFERRED FINANCIAL ASSETS FULLY RECOGNISED				RELATED FINANCIAL LIABILITIES		
	BOOK VALUE	OF WHICH: SECURITISED	OF WHICH: REVERSE REPURCHASE AGREEMENTS	OF WHICH: NON-PERFORMING	BOOK VALUE	OF WHICH: SECURITISED	OF WHICH: REVERSE REPURCHASE AGREEMENTS
A. HFT financial assets	**–**	**–**	**–**	**X**	**–**	**–**	**–**
1. Debt securities	–	–	–	X	–	–	–
2. Equity securities	–	–	–	X	–	–	–
3. Loans	–	–	–	X	–	–	–
4. Derivatives	–	–	–	X	–	–	–
B. Other financial assets mandatorily measured at fair value							
1. Debt securities	–	–	–	X	–	–	–
2. Equity securities	–	–	–	X	–	–	–
3. Loans	–	–	–	X	–	–	–
C. Financial assets designated at fair value							
1. Debt securities	–	–	–	X	–	–	–
2. Loans	–	–	–	X	–	–	–
D. Financial assets measured at fair value through other comprehensive income	**59,083**	**–**	**59,083**	**–**	**59,030**	**–**	**59,030**
1. Debt securities	59,083	–	59,083	–	59,030	–	59,030
2. Equity securities	–	–	–	X	–	–	–
3. Loans	–	–	–	–	–	–	–
E. Financial assets measured at amortised cost	**994,337**	**–**	**994,337**	**–**	**992,423**	**–**	**992,423**
1. Debt securities	994,337	–	994,337	–	992,423	–	992,423
2. Loans	–	–	–	–	–	–	–
Total at 31.12.2024	**1,053,420**	**–**	**1,053,420**	**–**	**1,051,453**	**–**	**1,051,453**
Total at 31.12.2023	**1,587,984**	**–**	**1,587,984**	**–**	**1,553,969**	**–**	**1,553,969**

C. Prudential consolidation - Transferred financial assets fully derecognised

In accordance with the Bank of Italy Communication of 23 December 2019, this section contains information regarding the restructuring of a portfolio of senior notes issued by SPVs in the securitisation of healthcare receivables by Banca Generali in 2021 as it is considered to constitute a transfer of a loan portfolio to a mutual investment fund with concurrent subscription of the units by the transferring intermediary.

The healthcare receivable restructuring operation

In 2021, Banca Generali had performed an extensive restructuring of a portfolio of senior notes issued by an SPV of securitised healthcare receivables, with a notional value of 478.5 million euros, held by its professional clients. In particular, the restructuring of the portfolio entailed the following:

1. the purchase of the securitised senior notes from the clients for an amount of 457.6 million euros [11 - 12];
2. the simultaneous sale of the notes thus purchased to a newly formed Italian fund (AIF), the “Forward Fund”, managed by Gardant Investor SGR, for 377.7 million euros, with the Bank recognising a trading loss of 79.9 million euros, accounting for approximately 79% of the principal amount outstanding of these notes;

[11] In particular, Banca Generali promoted a purchase offer addressed to all interested customers in reference to the full outstanding amount of the senior notes relating to the Astrea Due, Astrea Tre, Astrea Quattro, Chiron Due and Argo securitisations for a consideration of 95% of the principal amount outstanding (97.5% for Argo).

[12] The total outstanding amount of the securitisations amounted to 542 million euros, inclusive of mezzanine notes not distributed to the Bank’s customers and junior notes held by the arranger of the transaction.

3. the subscription by the Bank of the majority of the shares of the above Fund, with a 98% stake, equal to 490 million euros (A shares), of which 378 million euros already paid at the time of purchase of the notes, whereas the remaining 10 million euros (B shares) were subscribed by Gardant S.p.A., the parent company of the management firm that promoted the formation and assumed full, independent management of the fund.

The strategic goal of the restructuring was thus essentially to protect customers against a potential loss on the investments concerned by transferring the aforementioned notes to a specialised, independent professional operator with specific expertise in managing illiquid portfolios and the servicing of securitisations, capable of optimising the process of recovering the cash flows generated by the notes by restructuring their maturities and ensuring better management of the repayment of the underlying receivables and concurrent reinvestment of the proceeds of such payments.
The securitisations subject to transfer did not refer to underlying transactions originated by Banca Generali and had not been previously held by the Bank. Rather, the Bank only acquired title to them on an entirely temporary basis at the time of the twofold transfer.
In fact, the Bank acted only as Placement Agent in these securitisation transactions, but it has nonetheless decided to undertake the restructuring operation to protect its clients and strengthen its trust-based relationship with them.

The portfolio of transferred receivables

At the end of 2021, the assets underlying the securitisations had amounted to 595.1 million euros and had included 509.1 million euro healthcare receivables from local healthcare authorities, with a residual share consisting of receivables from the Italian general government (e.g., municipalities, regions, ministries, etc.) and 86.0 million euro cash balance.
In particular, exposures to healthcare companies also included types of receivables with a high risk profile, such as "out-of-budget" healthcare receivables (268 million euros) and late payment interest from past-due healthcare receivables (162.5 million euros, of which 62.0 million euros transferred without the originating receivables).
Most of the receivables underlying the securitisations could therefore be deemed to be non-performing as overdrawn or under dispute, with the exception of the liquidity and a minor revolving loans component.

At 31 December 2024, the value of the exposure to healthcare receivables within the Forward Fund thus amounted to 298.8 million euros, divided into receivables from General governments of 173.6 million euros and receivables from transferors[13] of 125.2 million euros.

In 2024, the loans portfolio changed mainly as a result of the reimbursement collected, amounting to approximately to 17.1 million euros.

The portfolio fair value was 246.1 million euros (261.5 million euros at the end of 2023).

The Forward Fund

The Forward Fund is a reserved, closed-end Italian alternative investment fund (AIF), formed by Gardant Investor SGR S.p.A. following the authorisation received on 2 August 2021.

In accordance with the Fund Regulation, approved by the related Board of Directors on 10 September 2021, two classes of units were issued that grant their holders different economic and governance prerogatives:
- 490 class A units, subscribed by Banca Generali, in the total amount of 490 million euros, of which 378 million euros paid in cash upon the purchase of the senior notes by the Fund[14], and the remaining 112 million euros called in 2022 and aimed at constructing an alternative investment portfolio[15];
- 10 class B units, subscribed by Gardant S.p.A., the parent company of the asset management company, in the total amount of 10 million euros.

The A and B units enjoy the same **economic rights**, except for the right of the B investor to an increase in the accrued income, by way of incentive, of 15% of the fund's return in excess of 3%, with effect from the fifth year and solely on the investments undertaken directly by the management company.
With reference to the **governance**, the Fund Rules provide that within the framework of the guidelines established, all powers relating to relevant decisions regarding management of the fund be irrevocably transferred to the management company, which may therefore operate in full autonomy, reserving only rights of a protective nature for the Bank, as the A investor.

Gardant Investor SGR is therefore granted full powers and authority in relation to the Fund's affairs and is responsible for the functions of management and control of the Fund's activities, in accordance with the terms and conditions set out in the Rules.
In particular, the management company may carry out all acts and enter into and perform all contracts and other undertakings that it deems necessary and has full power and discretion to exercise, in the name and on the account of the Fund, all rights and powers necessary or appropriate to achieving its purpose, including the right to bring civil suits connected to title to the Senior Notes.

[13] These are off- or out-of-budget receivables, default interest not recognised by local health authorities that at the end of the debt acknowledgement process with negative outcome will need to be recovered from the transferors. Net of the longer recovery times, according to the inquiries made the transferors are all operational, solvent "entitled entities" with dealings with the General Government.
[14] The Fund's units were subscribed on 30 September 2021. On 1 October 2021, the management company then drew down its commitments for the subscription of the first 378 of the 490 units subscribed by Banca Generali with settlement date on 7 October 2021.
[15] In particular, consideration for the remaining units subscribed were paid up for 17 million euros with value date on 30 March 2022, and for 95 million euros with value date on 5 December 2022.

The management company's Board of Directors, which does not include any representatives appointed by Banca Generali, is responsible for implementing the investment policy.
As a result, having concluded that the Bank's rights are protective in nature, and not being it possible to attribute to the Bank the rights borne by the management company as irrevocably transferred to the latter and not merely delegated, it is believed that Banca Generali does not have the power and, therefore, despite the presence of a significant exposure to the fund's variability, does not exercise control over the Fund.

The fund, which has an initial duration of 15 years[16], pursues the twofold goal of:
- optimising the process of recovering the cash flows generated by the receivables, through the restructuring of maturities and better management of repayment of the underlying receivables and concurrent reinvestment of their proceeds;
- managing a complex portfolio of alternative investments, also including infrastructure and corporate lending investments[17], up to a maximum investment of 550 million euros, in order to achieve an expected total return of between 2% and 4% over the life of the Fund.

At the end of 2024, the Fund's net assets amounted to 495.7 million euros and consisted of four classes of assets:
- healthcare receivables underlying the securitisation vehicles, with nominal value amounting to 400 million euros, a recoverable amount of 298.8 million euros and a fair value of 246.1 million euros;
- investments in units of infrastructure funds with a fair value of 66.1 million euros;
- corporate lending of 72.3 million euros; and
- total cash of 109.2 million euros, of which 78.7 million euros invested in short-term European government bonds.

In view of the current macroeconomic scenario of severe economic and geopolitical uncertainty, the investment continues to be subject to possible revaluation effects due to the increase in interest rates and the ability of the asset management company to recover cash flows from the underlying healthcare receivables, according to the times and amounts (recovery rate) envisaged by the business plan.

With regard to the estimated FV of the notes with underlying healthcare receivables, a DCF model was applied on the basis of the flows estimated by the special servicer/the management company, discounted in light of their risk profile, at an average rate of approximately 5.5% (6.5% in 2023).

In light of the nature of the instrument, i.e., units of a closed-ended, unlisted (illiquid) mutual fund, and the mark-to-model valuation approach for determining fair value (FV), based on inputs that are not fully observable, it was assigned to Level 3 of the FV hierarchy.
Accordingly, a **sensitivity analysis** was conducted exclusively on healthcare receivables, assuming a change in the discount rate of +100 bps and a change in the collection of underlying receivables of -5%.
The analysis identified a decline of approximately 8.5 million euros in relation to the increase in discount rates (+100 bps) and a decrease of approximately 12.1 million euros in relation to a lower recovery of receivables (-5%).

At 31 December 2024, the fair value of the investment in the Forward Fund (490 of 500 total units) was estimated at 485.8 million euros (+2.3 million euros compared to the end of 2023), with a cumulative capital loss that therefore declined to 4.2 million compared to 6.5 million euros recognised at the end of 2023, mainly due to the positive performance of loans, partially offset by the reduction in the discount rates used.

1.2 Market risks

The Bank's exposure to market risk is mainly due to the trading of financial instruments on its own account. Market risk is represented by the possibility to suffer losses due to variations in the value of a financial instrument or a portfolio of financial instruments associated with unexpected variations in market conditions (share prices, interest rates, exchange rates, the prices of goods and the volatility of risk factors).

The Bank monitors market risks with reference both to the banking book and the trading book. Specifically, in order to monitor this risk, the Risk Management Department applies the regulatory method to the trading book, whilst as regards the interest rate risk of the banking book the Bank has adopted an IMS (Internal Measurement System) through full evaluation of all banking book items.

[16] The Fund has an overall duration of 15 years, subject to extension by a maximum of two years, with a first investment period with a duration of 8 years and a management and collection period of 7 years.
[17] In particular, the Fund's investment policy calls for the cash flows from the repayment of the senior notes and the additional share of 120 million euros of the commitments entered into by the subscribers to be invested in:
i) fundamental infrastructure funds and networks; and
ii) lending activities to:
  a) corporate lending with a focus on secured lending to Italian companies with adequate guarantees of cash generation not reclassified as non-performing and, possibly;
  b) performing senior real estate lending with adequate guarantees (i.e., first-degree mortgage with advance level of up to 60% of the market value of the asset).

With regard to market risk management, the Bank has formally defined a Financial Portfolio Risk Management Policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines on its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority. The Finance Department conducts first-line management and monitoring of Banca Generali's exposure to market risk in accordance with predefined operating limits detailed in the Parent Company's Regulation of limits and escalation process.
Second-line controls are a responsibility of the Risk Management Department, as is the monitoring of operating limits aimed at maintaining a level of risk that is consistent with the strategies and risk appetite defined by the Board of Directors.

The Internal Audit Department conducts independent controls (third-line controls) on transactions undertaken by the Departments/Functions involved in the management of market risk in accordance with the Parent Company's Internal Rules.
The Risk Committee is a collegial body responsible for a shared vision of the global performance of the market risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

The proprietary bond portfolio is mainly invested in government securities, securities issued by domestic and international banks and, to only a lesser extent, in securities of corporate issuers and ABSs. With a view to further strengthening the management and monitoring of the credit risk profile, the Bank has adopted a portfolio management policy that, in addition to the above-mentioned credit lines, provides, inter alia, for certain minimum and maximum investment limits on specific geographical-industry and rating clusters and minimum thresholds for investments in government securities or securities with a high credit standing. This framework also sets specific maximum maturity limits for investments in the proprietary bond portfolio and strict limitations on exposures to complex instruments or hard-to-value assets. In addition, to complement its market risk analyses, the Bank performs scenario analyses by both exploiting the macroeconomic forecasts published by institutions and research centres and drawing on internal calculations and management tools.

The portfolio's exposure to the equity market remains modest.
The Group uses derivatives for hedge accounting purposes (e.g., Interest Rate Swaps), both in order to safeguard the banking book against adverse changes in the fair value of loans and interest margin caused by movements in rate curves, and to contain duration levels in view of changing trends in the proprietary portfolio.

The main objective of exchange rate operations is to contain open positions in foreign currencies. Regarding the rate activity, the main objective is to align balance sheet assets and liabilities. Banca Generali holds marginal amounts of securities denominated in foreign currencies.

1.2.1 Interest rate and price risk – Regulatory trading book

Qualitative information

A. General aspects

The exposure of the trading book is residual.

B. Management processes and interest rate and price risk measurement techniques

Market risks are measured for management purposes according to a daily sensitivity analysis, prudentially monitored at the level of the Bank's entire proprietary portfolio with the aim of identifying interest rate and spread risk. These are supplemented by the monitoring of deterministic measurements (level measurements such as the notional and Mark to Market values) defined in the "Regulation of Limits and Escalation Process".

In detail, the model adopted by the Risk Management Department to conduct the sensitivity analysis is based on the Fundamental Review of Trading Book rules and has been developed to calculate sensitivity:
- on interest-rate risk: the possibility of calculating sensitivity according to a full-evaluation approach, based on shocks to the base risk-free curve in foreign currency;
- on country risk: the possibility of calculating sensitivity according to a full-evaluation approach, based on shocks to loan/sector curves.

The sensitivities of the two components described above are calculated as a parallel shock of +100 bps on all nodes of the curve, with regard to both the interest-rate risk and country risk portions.

The following table shows the interest-rate risk sensitivity of the entire trading book (HTS portfolio) at 31 December 2024:

(€ THOUSAND)	HTS
Interest-rate risk sensitivity	0.0

Quantitative information

1. Regulatory trading book: breakdown by time-to-maturity (repricing date) of cash financial assets and liabilities and financial derivatives

TYPE/TIME-TO-MATURITY	DEMAND	UP TO 3 MONTHS	OVER 3 MONTHS, UP TO 6 MONTHS	OVER 6 MONTHS, UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS, UP TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Cash assets	**–**	**–**	**–**	**–**	**2**	**–**	**–**	**–**
1.1 Debt securities	–	–	–	–	2	–	–	–
- with early repayment option	–	–	–	–	–	–	–	–
- other	–	–	–	–	2	–	–	–
1.2 Other assets	–	–	–	–	–	–	–	–
2. Cash liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Repurchase agreements	–	–	–	–	–	–	–	–
2.2 Other liabilities	–	–	–	–	–	–	–	–
3. Financial derivatives	**–**	**20,924**	**–**	**23,566**	**–**	**–**	**–**	**–**
3.1 With underlying security	–	–	–	–	–	–	–	–
- Options		–	–	–	–			
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
- Other derivatives		–	–	–	–			
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
3.2 Without underlying security	–	20,924	–	23,566	–	–	–	–
- Options		–	–	–	–			
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
- Other derivatives		20,924	–	23,566	–			
+ long positions	–	10,462	–	11,783	–	–	–	–
+ short positions	–	10,462	–	11,783	–	–	–	–

2. Regulatory trading book: breakdown of exposures in equity securities and stock indices by main countries on the market of listing

Price risk consists of the risk that the fair value or future cash flows of a given financial instrument may fluctuate as a result of changes in market prices (other than changes triggered by **interest-rate risk** or **exchange-rate risk**), regardless of whether such changes are the result of factors specific to the instrument or issuer in question, or are due to factors that influence all similar financial instruments traded on the market.

Price risk arises mainly as a result of the trading of equity instruments such as shares, stock-index and/or stock futures, stock-index and/or stock options, warrants, covered warrants, option rights, etc. and in relation to UCITS units held in the portfolio.

However, the Group's exposure to this risk is negligible given the limited weight of such securities in its portfolio of HFT financial assets.

TYPE OF TRANSACTION/INDEX	LISTED				NOT LISTED
	ITALY	USA	GERMANY	OTHER	
A. Equity securities	8	–	–	–	–
- long positions	8	–	–	–	–
- short positions	–	–	–	–	–
B. Equity security purchases/sales to be settled	–	–	–	–	–
- long positions	–	–	–	–	–
- short positions	–	–	–	–	–
C. Other derivatives on equity securities	–	–	–	–	–
- long positions	–	–	–	–	–
- short positions	–	–	–	–	–
D. Stock-index derivatives	–	–	–	–	–
- long positions	–	–	–	–	–
- short positions	–	–	–	–	–

3. Regulatory trading book: internal models and other methods of sensitivity analysis

Sensitivity analysis was also employed to assess the market risks originating in the trading book.
This sort of analysis quantifies the change in the value of a financial portfolio as a result of variation in the primarily risk factors, which for Banca Generali Group are interest-rate and price risk.
In calculating interest-rate risk, the analysis assumed a parallel, uniform shift of +100/-100 basis points in the rate curve.
The next stage involves establishing the potential effects on the profit and loss account both in terms of the actual change in the fair value of the portfolio under analysis at the reporting date and the change in the net interest income for the current year.
In calculating the price risk associated with equities, a 10% change in market prices was considered. On this basis, the actual impact of such a change on the current equities portfolio was then determined.

On the whole, a change in market prices of +10%/-10% would result in the recognition through profit or nearly no capital gains/losses on the trading book, consisting mainly of equity securities.

A change in interest rates of +100/-100 basis points would also have an overall zero effect on the fair value of the debt securities trading book.

(€ THOUSAND)	HTS
FV equity delta (+10%)	–
FV equity delta (-10%)	–
FV bonds delta (+1%)	–
FV bonds delta (-1%)	–

1.2.2 Interest rate and price risk – Banking book

Qualitative information

A. General aspects and interest rate and price risk management processes and measurement techniques

The interest rate risk to which the banking book is exposed consists of the risk of incurring losses due to potential fluctuations in interest rates.

This risk is generated by the gaps between the maturities and time required to reset the interest rate on the Bank's assets and liabilities. Where such gaps are present, fluctuations in interest rates result in variations of net income, and therefore projected profit, as well as variations in the market value of the assets and liabilities, and, in turn, the value of net equity.

With regard to the management of the interest rate risk of the banking book, the Bank has formally defined a Policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines on its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

The Finance Department and the Credit Department conduct first-line controls on the management of interest rate risk.
The Risk Management Department is responsible for second-line controls with the aim of conducting specific independent measurement, control and monitoring of the interest rate risk to which the banking book is exposed. It is also responsible for updating the models and metrics, including on the basis of analyses of legal requirements, market best practices and the contributions of the business functions involved (and the Finance Department in particular).
The Internal Audit Department is responsible for third-line controls on lending and funding activities.

The Risk Committee is a collegial body responsible for a shared vision of the global performance of the management and control system for interest rate risk in the banking book and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

During the year, the Bank monitored its interest rate risk profile by applying its control framework, checking the exposure against the limits approved by the Board of Directors upon approval of the Risk Appetite Framework. Containment of the risk to changes in interest rates is also based on monitoring of the duration of the Bank's proprietary portfolio or on stress tests that aim to identify in advance significant sources of risk upon the occurrence of adverse situations.
In line with Supervisory Provisions, the Bank also determines the exposure to interest rate risk of the banking book by reference to net interest income or expected profits.
During the year, the Group adopted advanced tools for monitoring interest rate risk, which increased the efficiency of the processes of risk data processing and reporting, final and forward-looking risk analytics calculation and detailed analysis of specific financial statement items (e.g., current accounts) in support of the business and/or commercial actions.

Most of the interest rate risk in the Bank's banking book arises from:
› trading on the collateralised deposits market (REPOs);
› customer lending activities; and
› investing activities regarding the debt securities portfolio held as treasury investment, which can cause a mismatch in the repricing dates and currencies of assets compared to those of liabilities associated with funding activities, with a negative impact on the Group's objectives in terms of net interest income.

B. Fair value and cash flow hedging

The Bank currently uses fair value hedging strategies to contain the interest rate risk on the banking book. These strategies are formulated according to the Bank's risk appetite and are designed to keep banking book's duration within the established limits by using hedging derivative instruments such as interest rate swaps.
In particular, by establishing hedging relationships, the Bank seeks to stabilise the fair value of the bond in respect of changes in interest rates and to decrease the duration of the hedged bond.
All derivative instruments are designated as hedges against the specific risk hedged, as identified for each hedging relationship and pursuant to IFRS 9.
In addition, cash flow hedging was first applied in 2024 to hedge cash flows generated by variable-rate securities or by ASW packages (FVH).

In addition, as part of its ALM management, the Bank has entered into macro fair value hedges to modelled demand deposit liabilities so as to stabilise their fair value and manage their duration. These hedges were executed to ensure thorough management of the delta EVE and NII limits for calculating the interest rate risk in the banking book (IRRBB).

Quantitative information

1. Banking book: breakdown by time-to-maturity (repricing date) of financial assets and liabilities

TYPE/TIME-TO-MATURITY	DEMAND	UP TO 3 MONTHS	OVER 3 MONTHS, UP TO 6 MONTHS	OVER 6 MONTHS, UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS, UP TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Cash assets	**3,613,050**	**1,312,090**	**3,450,692**	**1,397,651**	**3,798,650**	**1,219,765**	**406,672**	**–**
1.1 Debt securities	**–**	**927,272**	**3,199,629**	**1,295,431**	**3,786,502**	**1,216,975**	**404,616**	**–**
- with early repayment option	–	160,808	24,238	28,329	57,429	72,984	–	–
- other	–	766,464	3,175,391	1,267,102	3,729,073	1,143,991	404,616	–
1.2 Loans to banks	1,202,646	200,868	249,947	99,981	–	–	–	–
1.3 Loans to customers	**2,410,404**	**183,950**	**1,116**	**2,239**	**12,148**	**2,790**	**2,056**	**–**
- current accounts	1,747,372	72	202	137	122	–	–	–
- other loans	663,032	183,878	914	2,102	12,026	2,790	2,056	–
- with early repayment option	535,276	501	162	606	2,669	2,782	2,056	–
- other	127,756	183,377	752	1,496	9,357	8	–	–
2. Cash liabilities	**13,214,738**	**1,110,593**	**186,205**	**–**	**35**	**–**	**–**	**–**
2.1 Due to customers	13,131,955	835,537	186,205	–	35	–	–	–
- current accounts	12,696,631	241,231	1,781	–	35	–	–	–
- other debts	435,324	594,306	184,424	–	–	–	–	–
- with early repayment option	–	–	–	–	–	–	–	–
- other	435,324	594,306	184,424	–	–	–	–	–
2.2 Due to banks	82,783	275,056	–	–	–	–	–	–
- current accounts	66,595	–	–	–	–	–	–	–
- other debts	16,188	275,056	–	–	–	–	–	–
2.3 Debt securities	–	–	–	–	–	–	–	–
- with early repayment option	–	–	–	–	–	–	–	–
- other	–	–	–	–	–	–	–	–
2.4 Other liabilities	–	–	–	–	–	–	–	–
- with early repayment option	–	–	–	–	–	–	–	–
- other	–	–	–	–	–	–	–	–
3. Financial derivatives	**10,000**	**3,720,600**	**4,642,233**	**1,115,400**	**3,598,446**	**929,600**	**424,500**	**–**
3.1 With underlying security	–	–	–	–	–	–	–	–
- Options	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
- Other derivatives	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
3.2 Without underlying security	10,000	3,720,600	4,642,233	1,115,400	3,598,446	929,600	424,500	–
- Options	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
- Other derivatives	10,000	3,720,600	4,642,233	1,115,400	3,598,446	929,600	424,500	–
+ long positions	10,000	1,425,600	2,266,574	920,400	2,597,233	–	–	–
+ short positions	–	2,295,000	2,375,659	195,000	1,001,213	929,600	424,500	–
4. Other off-balance sheet transactions	**651,471**	**651,471**	**–**	**–**	**–**	**–**	**–**	**–**
+ long positions	651,471	–	–	–	–	–	–	–
+ short positions	–	651,471	–	–	–	–	–	–

2. *Banking book: internal models and other methods of sensitivity analysis*

The sensitivity analysis was conducted only for the interest rate risk component also for the banking book, with regard to the portfolio of financial assets measured at fair value through other comprehensive income, the portfolio of financial assets measured at amortised cost, and the portfolio of loans to customers and banks.

As regards the price risk, a shock of +100/-100 basis points would yield a change in the valuation reserves on debt securities in the HTCS category of -10.3/+10.3 million euros, gross of the tax effect.
The fair value delta component associated with the government bonds in the HTCS portfolio would amount to -10.2/+10.2 million euros as a result of the hypothesised shift in the rate curve, or about 99% of the fair value delta of the entire HTCS bond portfolio.

To provide a complete information, the following table shows the effect of a similar price shock in the fair value of portfolios recognised at amortised cost.

(€ THOUSAND)	HTCS	HTC	LOANS (*)	TOTAL
FV bonds delta (+1%)	-10,305	-115,650	-16,268	-142,223
- *of which: government bonds*	*-10,245*	*-85,314*	–	*-95,559*
FV bonds delta (-1%)	10,305	115,650	17,940	143,895
- *of which: government bonds*	*10,245*	*85,314*	–	*95,559*

(*) Loans to banks and Loans to customers.

The same criteria were also applied to a sensitivity analysis of net interest income of the entire banking book. It resulted in a potential impact on the Profit and Loss Account of +31.1 million euros, gross of the tax effect, in case of increase in interest rates by 1%, and -31.2 million euros in case of decrease by the same amount.

(€ THOUSAND)	ASSETS	LIABILITIES	NET
Net interest income delta (+1%) (*)	54,137	-23,000	31,137
Net interest income delta (-1%) (*)	-54,330	23,178	-31,152

(*) Sensitivity analysis calculated using a constant balance sheet, considering current funding pricing conditions.

1.2.3 Exchange rate risk

Qualitative information

A. General aspects and exchange rate risk management processes and measurement techniques

Exchange rate risk is the possibility of incurring losses due to adverse fluctuations in the value of foreign currencies on all positions held by the Bank, regardless of the portfolio to which they have been allocated.
With regard to exchange rate risk management, the Group has formally defined a Financial Portfolio Risk Management Policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines in accordance with its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

The Finance Department performs first-line controls of exchange rate risk management.
The Risk Management Department is responsible for second-line controls with the aim of conducting specific independent measurement, control and monitoring of the exchange rate risk.
The Internal Audit Department is responsible for third-line controls on lending and funding activities in foreign currency.
The Risk Committee is a collegial body responsible for a shared vision of the global performance of the exchange rate risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

Most of the exchange rate risk arises from:
- trading of securities and other financial assets in foreign currency;
- interest to be collected and/or paid, reimbursements, fees or dividends in foreign currency;
- bank transfers in foreign currency to customers (institutional and retail customers);
- currency trading on behalf of customers.

The main objective of exchange rate operations is to contain open positions in foreign currencies, as limited to currency account currencies.
Exchange rate risk is mitigated through funding activities in the same currency as that of lending transactions.

The exchange rate risk associated with BG Valeur and BG Suisse is due to the fact that most of its revenues are in a different currency than its administrative costs (CHF). The subsidiaries' open positions in the Swiss franc account for 0.5% of total consolidated assets, and therefore are not a material exposure at the Group level.

Quantitative information

1. Breakdown by currency of denomination of assets, liabilities and derivatives

	CURRENCIES						
ITEMS	US DOLLAR	POUND STERLING	JAPANESE YEN	CANADIAN DOLLAR	SWISS FRANC	AUSTRALIAN DOLLAR	OTHER CURRENCIES
A. Financial assets	**96,313**	**13,698**	**453**	**4,521**	**68,141**	**1,162**	**1,350**
A.1 Debt securities	49,852	–	–	–	7,455	–	–
A.2 Equity securities	5,860	7,164	–	–	–	–	–
A.3 Loans to banks	40,593	6,533	453	4,521	56,020	1,162	1,350
A.4 Loans to customers	8	1	–	–	4,666	–	–
A.5 Other financial assets	–	–	–	–	–	–	–
B. Other assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**
C. Financial liabilities	**75,640**	**6,622**	**513**	**4,876**	**25,350**	**1,070**	**699**
C.1 Due to banks	–	–	–	–	365	–	6
C.2 Due to customers	75,640	6,622	513	4,876	24,985	1,070	693
C.3 Debt securities	–	–	–	–	–	–	–
C.4 Other financial liabilities	–	–	–	–	–	–	–
D. Other liabilities	**–**	**–**	**–**	**–**			
E. Financial derivatives	**-9,753**	**-7**	**18**	**–**	**-22**	**–**	**-60**
- Options	–	–	–	–	–	–	–
- long positions	–	–	–	–	–	–	–
- short positions	–	–	–	–	–	–	–
- Other derivatives	-9,753	-7	18	–	-22	–	-60
- long positions	10,381	278	28	3	64	–	285
- short positions	20,134	285	10	3	86	–	345
Total assets	**106,694**	**13,976**	**481**	**4,524**	**68,205**	**1,162**	**1,635**
Total liabilities	**95,774**	**6,907**	**523**	**4,879**	**25,436**	**1,070**	**1,044**
Excess	**10,920**	**7,069**	**-42**	**-355**	**42,769**	**92**	**591**

2. Internal models and other methods of sensitivity analysis

The sensitivity analysis discussed in the foregoing section has been also conducted on assets and liabilities denominated in currencies other than the euro, regardless of the portfolio to which they have been allocated.

A shock of +10%/-10% on equity instruments denominated in currencies other than the euro would have an effect on the fair value of approximately +1.2/-1.2 million euros, whereas a shock of +100/-100 bps in rates would have an effect on the fair value of debt securities and assets other than equity instruments in foreign currency of -558/+558 thousand euros, gross of the tax effect.

(€ THOUSAND)	ASSETS
FV equity delta (+10%)	1,201
FV equity delta (-10%)	-1,201
FV non-equity delta (+1%)	-558
FV non-equity delta (-1%)	+558

By contrast, an interest rate movement of +100/-100 bps would have an effect of +1.0/-1.0 thousand euros on the flow of interest on assets and liabilities denominated in currencies other than the euro.

(€ THOUSAND)	TOTAL ITEMS
Net interest income delta (+1%)	+1,040
Net interest income delta (-1%)	-1,049

1.3 Derivatives and Hedging Policies

1.3.1 Trading derivatives

A. Financial derivatives

A.1 HFT financial derivatives: notional values at year-end

	31.12.2024				31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
UNDERLYING ASSETS/ TYPES OF DERIVATIVES	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS
1. Debt securities and interest rates	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and stock indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**5,892**	**5,892**	**-**	**-**	**5,469**	**5,469**	
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	5,892	5,892	-	-	5,469	5,469	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Goods	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**5,892**	**5,892**	**-**	**-**	**5,469**	**5,469**	**-**

A.2 HFT financial derivatives: positive and negative gross fair value – breakdown by products

TYPE OF DERIVATIVES	31.12.2024				31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS
1. Positive fair value								
a) Options	–	–	–	–	–	–	–	–
b) Interest rate swaps	–	–	–	–	–	–	–	–
c) Cross currency swaps	–	–	–	–	–	–	–	–
d) Equity swaps	–	–	–	–	–	–	–	–
e) Forwards	–	–	111	–	–	156	–	–
f) Futures	–	–	–	–	–	–	–	–
g) Other	–	–	–	–	–	–	–	–
Total	**–**	**–**	**111**	**–**	**–**	**156**	**–**	**–**
1. Negative fair value								
a) Options	–	–	–	–	–	–	–	–
b) Interest rate swaps	–	–	–	–	–	–	–	–
c) Cross currency swaps	–	–	–	–	–	–	–	–
d) Equity swaps	–	–	–	–	–	–	–	–
e) Forwards	–	109	–	–	–	–	159	–
f) Futures	–	–	–	–	–	–	–	–
g) Other	–	–	–	–	–	–	–	–
Total	**–**	**109**	**–**	**–**	**–**	**–**	**159**	**–**

A.3 OTC HFT financial derivatives: breakdown of notional values and positive and negative gross fair value by counterparties

UNDERLYING ASSETS	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL CORPORATIONS	OTHER ENTITIES
Contracts other than netting arrangements				
1) Debt securities and interest rates				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
2) Equity securities and stock indices				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
3) Currencies and gold				
- notional value	X	–	–	5,892
- positive fair value	X	–	–	111
- negative fair value	X	–	–	-
4) Goods				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
5) Other values				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
Contracts within the scope of netting arrangements				
1) Debt securities and interest rates				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
2) Equity securities and stock indices				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
3) Currencies and gold				
- notional value	–	5,892	–	–
- positive fair value	–	–	–	–
- negative fair value	–	109	–	–
4) Goods				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
5) Other values				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–

A.4 Time-to-maturity of OTC HFT financial derivatives: notional values

UNDERLYING ASSETS/RESIDUAL LIFE	UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A.1 Financial derivatives on debt securities and interest rates	–	–	–	–
A.2 Financial derivatives on equity securities and stock indices	–	–	–	–
A.3 Financial derivatives on currencies and gold	11,783	–	–	11,783
A.4 Financial derivatives on goods	–	–	–	–
A.5 Other financial derivatives	–	–	–	–
Total at 31.12.2024	**11,783**	**–**	**–**	**11,783**
Total at 31.12.2023	**10,939**	**–**	**–**	**10,939**

1.3.2 Hedging instruments

Qualitative information

A. Fair value hedging

Fair value hedging is aimed at hedging the banking book from changes in fair value of net inflows and loans that is attributable to the fluctuation of the interest rate and exchange rate curve. The Bank adopts both micro fair value hedges and macro fair value hedges.

› **Micro fair value hedge of fixed-rate debt securities:** these securities are allocated to the debt securities portfolios measured at amortised cost and at fair value through other comprehensive income. Hedging is implemented using IRS derivatives.
› **Micro fair value hedges of fixed-rate currency debt securities:** these securities are allocated to the debt securities portfolios measured at amortised cost and at fair value through other comprehensive income. Hedging is implemented using CCS derivatives.
› **Macro fair value hedges:** macro fair value hedge is applied to a portfolio of demand deposit liabilities (core deposits) using IRS contracts. This type of hedge aims to mitigate fair value fluctuations attributable to interest rate risk.

B. Cash flow hedging

Cash flow hedging is intended to hedge the exposure to variability in future cash flows that is attributable to the fluctuation of the interest rate curve. To date, only the following type of hedges is used:

› **Cash flow hedges of variable-rate debt securities:** this type of hedge is applied to variable-rate debt securities arising from pre-existing fair value hedges (asset swaps), using IRS derivatives.

C. Hedging instruments

Hedging against exposure to interest rate risk, whether in the form of fair value hedges and cash flow hedges, mainly uses IRS derivatives (interest rate swap).
Exchange rate risk is hedged using CCS (cross currency swap) derivatives.

The Bank applies the dollar-offset methods to assess hedge effectiveness. This method compares the cumulative changes in the fair value of the hedging instrument with those of the hedged item.

Any failure in the model used by the Bank to assess hedge effectiveness may be mainly attributable to the following phenomena:

› any mismatch between the notional amount of the derivative and the underlying hedged item recognised at the time of the initial designation or generated thereafter;
› application of different curves to the hedging derivative and the hedged item for the purpose of performing the effectiveness test on fair value hedges. Derivatives, which are normally collateralised or centrally-cleared, are discounted using the overnight curve, while hedged items are discounted using the benchmark curve of the hedging instrument;
› with regard to fair value hedges, inclusion in the effectiveness test of the value of the variable interest rate cash flows of the hedging derivative.

D. Hedged items

The main types of hedged items include:
- fixed-rate debt securities allocated to the portfolio of financial assets measured at amortised cost and, to a lesser extent, to the portfolio of financial assets measured at fair value through other comprehensive income (OCI);
- aggregate transactions consisting of variable-rate debt securities resulting from previous fair value hedge transactions (asset swaps);
- modelled stable demand deposits (core deposits).

The proprietary portfolio managed by the Bank includes hedging derivatives entered into both through a central counterparty (CCP) clearing house and on a bilateral basis under a CSA, affected by the benchmark interest rate reform introduced by Regulation (EU) No. 34 of 15 January 2020.
For such contracts, which normally call for the use of Eonia rates, the transition to the new overnight rate, €STR, was therefore completed in 2021.

Since 1 September 2022, concurrently with the parent company, Assicurazioni Generali, the Bank has been subject to an obligation to apply all risk mitigation techniques mandated by the EMIR Regulation in reference to contracts not subject to clearing through central counterparties. Specifically, the Bank entered into contracts for the exchange of collateral to hedge the initial margins in OTC derivatives with each counterparty, indicating Euroclear as the Triparty Agent with which to segregate the securities hedging the exposure. The Bank has also adopted ACADIA software for calculating the initial margins of existing positions, with daily monitoring of both observance of regulatory thresholds and covering margin calls.

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: notional values at year-end

	31.12.2024				31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
TYPE OF DERIVATIVES	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS	CENTRAL COUTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS
1. Debt securities and interest rates	**–**	**7,201,659**	**–**	**–**	**–**	**3,272,500**	**–**	**–**
a) Options	–	–	–	–	–	–	–	–
b) Swaps	–	7,201,659	–	–	–	3,272,500	–	–
c) Forwards	–	–	–	–	–	–	–	–
d) Futures	–	–	–	–	–	–	–	–
e) Other	–	–	–	–	–	–	–	–
2. Equity securities and stock indices	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) Options	–	–	–	–	–	–	–	–
b) Swaps	–	–	–	–	–	–	–	–
c) Forwards	–	–	–	–	–	–	–	–
d) Futures	–	–	–	–	–	–	–	–
e) Other	–	–	–	–	–	–	–	–
3. Currencies and gold	**–**	**9,656**	**–**	**–**	**–**	**9,038**	**–**	**–**
a) Options	–	–	–	–	–	–	–	–
b) Swaps	–	9,656	–	–	–	9,038	–	–
c) Forwards	–	–	–	–	–	–	–	–
d) Futures	–	–	–	–	–	–	–	–
e) Other	–	–	–	–	–	–	–	–
4. Goods	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
5. Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**7,211,315**	**–**	**–**	**–**	**3,281,538**	**–**	**–**

A.2 Hedging financial derivatives: positive and negative gross fair value - breakdown by products

TYPE OF DERIVATIVES	POSITIVE AND NEGATIVE FAIR VALUE								CHANGE IN VALUE USED TO MEASURE THE HEDGE INEFFECTIVENESS	
	31.12.2024				31.12.2023					
	OVER THE COUNTER				OVER THE COUNTER					
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES				
	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS	31.12.2024	31.12.2023
1. Positive fair value										
a) Options	–	–	–	–	–	–	–	–	–	–
b) Interest rate swaps	–	131,221	–	–	–	161,886	–	–	–	–
c) Cross currency swaps	–	–	–	–	–	69	–	–	–	–
d) Equity swaps	–	–	–	–	–	–	–	–	–	–
e) Forwards	–	–	–	–	–	–	–	–	–	–
f) Futures	–	–	–	–	–	–	–	–	–	–
g) Other	–	–	–	–	–	–	–	–	–	–
Total	**–**	**131,221**	**–**	**–**	**–**	**161,955**	**–**	**–**	–	–
2. Negative fair value										
a) Options	–	–	–	–	–	–	–	–	–	–
b) Interest rate swaps	–	176,363	–	–	–	132,662	–	–	–	–
c) Cross currency swaps	–	583	–	–	–	–	–	–	–	–
d) Equity swaps	–	–	–	–	–	–	–	–	–	–
e) Forwards	–	–	–	–	–	–	–	–	–	–
f) Futures	–	–	–	–	–	–	–	–	–	–
g) Other	–	–	–	–	–	–	–	–	–	–
Total	**–**	**176,946**	**–**	**–**	**–**	**132,662**	**–**	**–**	–	–

A.3 OTC financial derivatives: breakdown of notional values and positive and negative gross fair value by counterparties

UNDERLYING ASSETS	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL CORPORATIONS	OTHER ENTITIES
Contracts other than netting arrangements				
1) Debt securities and interest rates				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
2) Equity securities and stock indices				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
3) Currencies and gold				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
4) Goods				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
5) Other				
- notional value	X	–	–	–
- positive fair value	X	–	–	–
- negative fair value	X	–	–	–
Contracts within the scope of netting arrangements				
1) Debt securities and interest rates				
- notional value	–	7,201,659	–	–
- positive fair value	–	131,221	–	–
- negative fair value	–	176,363	–	–
2) Equity securities and stock indices				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
3) Currencies and gold				
- notional value	–	9,656	–	–
- positive fair value	–	–	–	–
- negative fair value	–	583	–	–
4) Goods				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
5) Other				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–

A.4 Time-to-maturity of OTC hedging financial derivatives: notional values

UNDERLYING ASSETS/RESIDUAL LIFE	UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A.1 Financial derivatives on debt securities and interest rates	1,065,000	4,122,559	2,014,100	7,201,659
A.2 Financial derivatives on equity securities and stock indices	–	–	–	–
A.3 Financial derivatives on currencies and gold	–	9,656	–	9,656
A.4 Financial derivatives on goods	–	–	–	–
A.5 Other financial derivatives	–	–	–	–
Total at 31.12.2024	**1,065,000**	**4,132,215**	**2,014,100**	**7,211,315**
Total at 31.12.2023	**65,000**	**1,472,038**	**1,744,500**	**3,281,538**

D. Hedged instruments

D.1 Fair value hedging

			MICRO HEDGES			
	MICRO HEDGES: CARRYING AMOUNT	MICRO HEDGES – NET POSITIONS: CARRYING AMOUNT OF ASSETS OR LIABILITIES (BEFORE NETTING)	CUMULATIVE FAIR VALUE CHANGES OF THE HEDGED INSTRUMENT	TERMINATION OF HEDGING POSITION: RESIDUAL CUMULATIVE FAIR VALUE CHANGES	CHANGE IN VALUE USED TO MEASURE THE HEDGE INEFFECTIVENESS	MACRO HEDGES: CARRYING AMOUNT
A. Assets						
1. Financial assets measured at fair value through other comprehensive income – hedging of:	**212,630**	**–**	**605**	**–**	**–**	**–**
1.1 Debt securities and interest-rates	212,630	–	605	–	–	X
1.2 Equity securities and stock indices	–	–	–	–	–	X
1.3 Currencies and gold	–	–	–	–	–	X
1.4 Loans	–	–	–	–	–	X
1.5 Other	–	–	–	–	–	X
2. Financial assets measured at amortised cost – hedging of:	**4,488,773**	**–**	**-17,752**	**–**	**–**	**–**
1.1 Debt securities and interest-rates	4,479,122	–	-18,277	–	–	X
1.2 Equity securities and stock indices	–	–	–	–	–	X
1.3 Currencies and gold	9,651	–	525	–	–	X
1.4 Loans	–	–	–	–	–	X
1.5 Other	–	–	–	–	–	X
Total 31.12.2024	**4,701,403**	**–**	**-17,147**	**–**	**–**	**–**
Total 31.12.2023	**3,282,790**	**–**	**-85,826**	**–**	**–**	**–**
B. Liabilities						
1. Financial liabilities measured at amortised cost – hedging of:	**–**	**–**	**–**	**–**	**–**	**-2,142**
1.1 Debt securities and interest-rates	–	–	–	–	–	X
1.2 Currencies and gold	–	–	–	–	–	X
1.3 Other	–	–	–	–	–	X
Total 31.12.2024	**–**	**–**	**–**	**–**	**–**	**-2,142**
Total 31.12.2023	**–**	**–**	**–**	**–**	**–**	**–**

D.2 Cash flow hedges and hedges of a net investment in a foreign operation

	CHANGE IN VALUE USED TO MEASURE THE HEDGE INEFFECTIVENESS	HEDGING RESERVE	HEDGE DISCONTINUATION: RESIDUAL VALUE OF HEDGING RESERVE
A. Cash flow hedges			
1. Assets	–	**4,703**	–
1.1 Debt securities and interest rates	–	4,703	–
1.2 Equity securities and stock indices	–	–	–
1.3 Currencies and gold	–	–	–
1.4 Loans	–	–	–
1.5 Other	–	–	–
2. Liabilities	–	–	–
1.1 Debt securities and interest rates	–	–	–
1.2 Currencies and gold	–	–	–
1.3 Other	–	–	–
Total at 31.12.2024	**–**	**4,703**	**–**
Total at 31.12.2023	**–**	**–**	**–**
B. Hedges of a net investment in a foreign operation	X	–	–
Total (A + B) 31.12.2024	**–**	**4,703**	**–**
Total (A + B) 31.12.2023	**–**	**–**	**–**

E. Effects of hedging transactions on net equity

E.1 Reconciliation of net equity components

	CASH-FLOW HEDGE RESERVE					RESERVE OF HEDGES OF A NET INVESTMENT IN A FOREIGN OPERATION				
	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND STOCK INDICES	CURREN-CIES AND GOLD	LOANS	OTHER	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND STOCK INDICES	CURREN-CIES AND GOLD	LOANS	OTHER
Amount at year-start	–	–	–	–	–	–	–	–	–	–
Fair value changes (effective portion)	4,703	–	–	–	–	–	–	–	–	–
Transfer to Profit and Loss Account	–	–	–	–	–	–	–	–	–	–
of which: future transactions no longer expected	–	–	–	*X*	*X*	*X*	*X*	*X*	*X*	*X*
Other changes	–	–	–	–	–	–	–	–	–	–
of which: transfer to the initial carrying amount of the hedged instruments	–	–	–	*X*	*X*	*X*	*X*	*X*	*X*	*X*
Amount at year-end	**4,703**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

1.3.3 Other information on derivatives (held for trading and for hedging)

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: breakdown of net fair value by counterparties

	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL CORPORATIONS	OTHER ENTITIES
A. Financial derivatives				
1) Debt securities and interest rates				
- notional value	–	7,201,659	–	–
- positive fair value	–	131,221	–	–
- negative fair value	–	176,363	–	–
2) Equity securities and stock indices				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
3) Currencies and gold				
- notional value	–	15,548	–	5,892
- positive fair value	–	–	–	111
- negative fair value	–	692	–	-
4) Goods				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
5) Other				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
B. Credit derivatives				
1) Purchase and protection				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–
2) Sale and protection				
- notional value	–	–	–	–
- positive fair value	–	–	–	–
- negative fair value	–	–	–	–

1.4 Liquidity risk

Qualitative information

A. General aspects and liquidity risk management processes and measurement techniques

Exposure to liquidity risk derives from funding and lending transactions in the course of the Bank's ordinary business, as well as from the presence of unlisted financial instruments in its proprietary portfolios. Such risk takes the form of default on payment obligations, which may be caused by an inability to raise funds (funding liquidity risk) or the existence of limits on the divestment of assets (market liquidity risk). Liquidity risk also includes the risk that an entity may be forced to meet its own payment obligations at non-market costs, that is to say while incurring a high cost of funding or (and in some cases concurrently) sustaining capital losses when divesting assets.

The structure of the liquidity risk management system is intended to ensure sound and prudent management of liquidity and liquidity risk and purses the following goals:

› ensuring that the Bank remains solvent in both the ordinary course of business and crisis conditions;
› complying with instructions from the Supervisory Authority and the guidelines on banking supervision issued by the various international authorities, while also taking account of the specificity of the Bank's business;

- maintaining a liquidity profile that is consistent with the risk tolerance statements issued by its administrative bodies;
- ensuring liquidity levels capable of allowing the Group to fulfil its contractual commitments at any times, maximising the cost of funding with respect to current and forecast market conditions.

In particular, the liquidity risk management and monitoring policy implemented by the Group at the consolidated level is in turn divided into:
- managing **operating liquidity** risk, i.e., events that affect the Group's liquidity position on the short-term time horizon, with the primary objective of maintaining the Group's capacity to meet its ordinary and extraordinary payment obligations, while minimising the related costs;
- managing **structural liquidity** risk, i.e., all events that affect the Group's liquidity position, including in the medium/long term, with the primary objective of maintaining an adequate relationship between liabilities and assets on the various time horizons. In particular, the management of structural liquidity allows to avoid pressure on current and prospective sources of liquidity and to optimise the cost of funding.

Both risk profiles are measured on a going concern basis and in stress scenarios and are analysed from a current and a prospective standpoint (forward looking).

With regard to liquidity risk management, the Bank has formally defined a policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines in accordance with its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

The Finance Department is responsible for first-line controls and managing treasury and proprietary investment cash flows with the aim of ensuring thorough diversification of sources of financing and monitoring cash flows and daily liquidity. Liquidity needs are primarily managed through recourse to the money market (interbank deposits and repurchase agreements) and, to a secondary degree, where available, through the measures proposed by the ECB. The funding structure is mainly focused on net inflows from retail customers, which are characterised by a stable performance, and on institutional sources of funding. In addition, the Group maintains a portfolio of listed, highly liquid financial instruments (high quality liquid assets) in order to respond to potential crisis scenarios characterised by a sudden interruption of net inflows.

The Risk Management Department is responsible for second-line controls. Liquidity risk is managed within appropriate short-term and structural (beyond one year) limits, monitored by the Department, assuming that financial markets will either continue to function normally or in conditions of particular stress, so as to ensure that the risk level expressed is consistent with the strategies and risk appetite established by the Board of Directors.

The Internal Audit Department is responsible for third-line controls on lending and funding activities.
The Risk Committee is a collegial body responsible for a shared vision of the global performance of the liquidity risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

Moreover, the Group has a Contingency Funding Plan in order to ensure the orderly management of any systemic and idiosyncratic liquidity crises, the safeguarding of the Bank's assets and a guarantee of business continuity. This Plan detects, through early warning monitoring, any signs of liquidity tension and identifies the actions or tools to be activated. On an annual basis, the Bank also initiates and prepares a self-assessment on liquidity risk management during the ILAAP process, providing the results to the supervisory authorities.
The liquidity risk is also monitored using a maturity ladder designed on the basis of the guidelines set out in the prudential supervisory provisions governing the measurement of net financial position. Through the maturity ladder, the Bank assesses the matching of expected cash flows, by balancing assets and liabilities whose maturity falls within each maturity range; the balances and therefore the mismatches between expected inflows and outflows within each maturity range allow, through the construction of cumulative mismatches, the calculation of the net balance of funding requirement (or surplus) over the holding period considered.

The Bank's LCR at 31 December 2024 amounted to 332%, far in excess of the current mandatory minimum level, thanks to high quality liquid assets (HQLAs) of approximately 9.6 billion euros, primarily Italian government bonds, offsetting the estimated net cash outflows in the following 30 days.
During the year, the structural regulatory indicator (Net Stable Funding Ratio) also remained consistently above the established limits, amounting to 233% as at 31 December 2024, owing to long-term stable funding in excess of the on-balance sheet assets requiring such long-term stable funding.

As a participant in payment, settlement and netting systems, the Group is exposed to intraday liquidity risk due to a mismatch in the timing of daily payment inflows and outflows, which may in turn give rise to potentially large temporary imbalances than expected at the end of the day.

Intraday liquidity management is the responsibility of the Treasury and Portfolio Management Service and seeks to ensure that available liquidity is constantly sufficient to cover cash outflows. The Risk Management Department is responsible for ex-post second-line controls.

Structural liquidity risk is also measured by adopting Additional Liquidity Monitoring Metrics (pursuant to Article 415, paragraph 3(b), of Regulation (EU) No. 575/2013), involving an analysis of the concentration of borrowings by counterparty and product type. These analyses enable a more complete vision of the liquidity risk profile, providing the level of diversification of sources of funding in the wholesale and retail markets in order to emphasise excessive dependency on individual product types, which could be subject to severe outflows during a liquidity crisis.

In the year, the Bank constantly monitored its short- and long-term liquidity profile through the application of its control framework, ensuring prudent and sound management.

Quantitative information

1. Breakdown of financial assets and liabilities by time to contractual maturity

ITEM/TIME-TO-MATURITY	DEMAND	OVER 1 DAY, UP TO 7 DAYS	OVER 7 DAYS, UP TO 15 DAYS	OVER 15 DAYS, UP TO 1 MONTH	OVER 1 MONTH, UP TO 3 MONTHS	OVER 3 MONTHS UP TO 6 MONTHS	OVER 6 MONTHS, UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
A. Cash assets										
A.1 Government securities	–	–	24,298	24,080	210,429	1,018,097	1,218,843	3,688,314	1,498,912	–
A.2 Other debt securities	2,500	352	3,538	10,216	53,619	184,422	163,228	1,710,283	1,098,159	–
A.3 UCITS units	487,713	–	–	–	–	–	–	–	–	–
A.4 Financing	2,213,649	34,486	10,555	189,521	70,210	287,345	166,013	218,754	206,030	119,013
- to banks	331,648	33,098	240	7,336	41,092	250,000	100,000	–	–	119,013
- to customers	1,882,001	1,388	10,315	182,185	29,118	37,345	66,013	218,754	206,030	–
Total	**2,703,862**	**34,838**	**38,391**	**223,817**	**334,258**	**1,489,864**	**1,548,084**	**5,617,351**	**2,803,101**	**119,013**
B. Cash liabilities										
B.1 Deposits and current accounts	12,759,620	3,229	16,809	33,519	194,222	1,806	137	2,097	–	–
- from banks	66,758	–	–	–	3,026	–	–	–	–	–
- from customers	12,692,862	3,229	16,809	33,519	191,196	1,806	137	2,097	–	–
B.2 Debt securities	–	–	–	–	–	–	–	–	–	–
B.3 Other liabilities	459,992	617,267	5,173	143,925	99,998	184,424	–	–	–	–
Total	**13,219,612**	**620,496**	**21,982**	**177,444**	**294,220**	**186,230**	**137**	**2,097**	**–**	**–**
C. Off-balance sheet transactions										
C.1 Financial derivatives with capital swap	–	20,924	–	–	–	278	23,844	18,730	–	–
- long positions	–	10,462	–	–	–	–	11,783	9,074	–	–
- short positions	–	10,462	–	–	–	278	12,061	9,656	–	–
C.2 Financial derivatives without capital swap	–	796	741	2,041	10,814	42,134	48,515	–	–	–
- long positions	–	796	454	1,550	10,353	37,485	40,683	–	–	–
- short positions	–	–	287	491	461	4,649	7,832	–	–	–
C.3 Deposits and loans receivable	651,471	651,471	–	–	–	–	–	–	–	–
- long positions	651,471	–	–	–	–	–	–	–	–	–
- short positions	–	651,471	–	–	–	–	–	–	–	–
C.4 Irrevocable commitments to disburse funds	3,913	–	–	–	–	–	–	–	3,913	–
- long positions	–	–	–	–	–	–	–	–	3,913	–
- short positions	3,913	–	–	–	–	–	–	–	–	–
C.5 Financial guarantees issued	34,210	–	291	80	–	3,098	4,791	26,746	1,335	–
C.6 Financial guarantees received	–	–	–	–	–	–	–	–	–	–
C.7 Credit derivatives with capital swap	–	–	–	–	–	–	–	–	–	–
- long positions	–	–	–	–	–	–	–	–	–	–
- short positions	–	–	–	–	–	–	–	–	–	–
C.8 Credit derivatives without capital swap	–	–	–	–	–	–	–	–	–	–
- long positions	–	–	–	–	–	–	–	–	–	–
- short positions	–	–	–	–	–	–	–	–	–	–
Total	**689,594**	**673,191**	**1,032**	**2,121**	**10,814**	**45,510**	**77,150**	**45,476**	**5,248**	**–**

1.5 Operational risks

Qualitative information

A. General aspects and operational risk management processes and measurement techniques

The exposure to operational risks is closely linked to the type and volume of business conducted, as well as the operating procedures implemented. In detail, the operations undertaken (primarily management of third-party assets and the distribution of the Group's own and third-party investment products), the use of information technology systems, the definition of operating procedures, interaction with parties protected by the law, the commercial structure adopted (chiefly Financial Advisors) and the direct involvement of all employed personnel in operations structurally expose the Group to operational risk, which is defined as the possibility of sustaining financial losses deriving from the inadequacy or improper functioning of procedures, human resources, internal systems or external events. This type of risk includes, inter alia, losses due to fraud, human error, interruptions of operations, unavailability of systems, breach of contract, natural disasters and legal risk.

With regard to operational risk management, the Bank has formally defined an Operational Risk Management Policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines in accordance with its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

The functions dealing with Organisation, IT Management and Security guarantee the efficient functioning of application procedures and information systems that support organisational processes. They also evaluate the physical and logical security conditions within the Bank and, if necessary, implement measures to guarantee a higher general level of security.
The Risk Management Department carries out risk assessment and scoring activities, monitors incidents/operational risk events and the related and loss data collection processes. It also monitors the action plans adopted to mitigate material risks and has defined and controls KRIs (Key Risk Indicators) instrumental to monitoring of the areas of highest risk.
The Internal Audit function supervises the regular conduct of the Bank's operations and processes, and assesses the efficacy and efficiency of the overall internal control system established to monitor activities exposed to risk.

The Risk Committee is a collegial body responsible for a shared vision of the global performance of the operational risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

Moreover, Banca Generali has insurance coverage for operational risks deriving from acts of third parties or caused to third parties and adequate contractual clauses covering damages caused by providers of infrastructure and services and has approved a Business Continuity Plan.

Quantitative information

The impact of operating losses in 2024 is broken down below by business line and by event type (€ thousand):

BUSINESS LINE	ET 01 - INTERNAL FRAUD	ET 02 - EXTERNAL FRAUD	ET 03 - EMPLOYMENT PRACTICES AND WORKPLACE SAFETY	ET 04 - CLIENTS, PRODUCTS AND BUSINESS PRACTICES	ET 05 - DAMAGE TO PHYSICAL ASSETS	ET 06 - BUSINESS DISRUPTION AND SYSTEM FAILURES	ET 07 - EXECUTION, DELIVERY AND PROCESS MANAGE-MENT	TOTAL
Corporate Finance	794	-	-	54,022	-	-	-	**54,816**
Trading and Sales	-	-	-	-	-	6	19	**25**
Retail Brokerage	4,598	-	-	70	-	-	150	**4,818**
Commercial Banking	-	-	-	-	-	-	-	**-**
Retail Banking	-1,298	-	-	2	-	-	60	**-1,236**
Payment and Settlement	72	90	-	16	-	-	-26	**151**
Agency Services	-	-	-	-	-	-	-	**-**
Asset Management	-	-	-	-	-	-	-59	**-59**
Corporate Items	128	53	150	345	71	-	184	**932**
Overall total	**4,295**	**143**	**150**	**54,454**	**71**	**6**	**328**	

Breakdown of frequency ratio by business line and type of event:

BUSINESS LINE	ET 01 – INTERNAL FRAUD	ET 02 – EXTERNAL FRAUD	ET 03 – EMPLOYMENT PRACTICES AND WORKPLACE SAFETY	ET 04 – CLIENTS, PRODUCTS AND BUSINESS PRACTICES	ET 05 – DAMAGE TO PHYSICAL ASSETS	ET 06 – BUSINESS DISRUPTION AND SYSTEM FAILURES	ET 07 – EXECUTION, DELIVERY AND PROCESS MANAGE-MENT	TOTAL
Corporate Finance	3	-	-	16	-	-	-	**19**
Trading and Sales	-	-	-	-	-	1	3	**4**
Retail Brokerage	4	-	-	3	-	-	17	**24**
Commercial Banking	-	-	-	-	-	-	-	**-**
Retail Banking	-	-	-	-	-	-	3	**3**
Payment and Settlement	1	16	-	3	-	-	-	**20**
Agency Services	-	-	-	-	-	-	-	**-**
Asset Management	-	-	-	-	-	-	-	**-**
Corporate Items	-	4	6	-	1	-	11	**22**
Overall total	**8**	**20**	**6**	**22**	**1**	**1**	**34**	

The event type recording the highest impact was the Event Type “ET 04 – Clients, products and business practices”; this category includes losses arising from an unintentional or negligent failure to meet a professional obligation to specific clients by the Bank or its Financial Advisors.

Significant impact is also attributable to “ET 01 – Internal fraud”, which includes losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or company policy by internal staff, including Financial Advisors, in the performance of their duties and which also involves the Bank in that it is liable for the actions of its employees. The Bank carefully examines the individual disputes and complaints and, where necessary, makes an appropriate provision for the risk of legal disputes and continually monitors any developments, adjusting the amount set aside as circumstances change.

All other event types reported minor losses.

The cases reported under “ET 02 – External fraud” include losses due to acts of a type intended to defraud, misappropriate property or circumvent the law by persons outside the Bank and are mostly attributable to counterfeit of payment instruments and cyber risks (e.g., smishing/vishing).

Item “ET 03 – Employment practices and workplace safety” reported losses due to labour disputes.

“ET 07 – Execution, delivery and process management” includes losses from failed transaction processing or process management with regard to the Bank’s operations and losses from relations with commercial counterparties and vendors.

In addition, there were marginal losses on event type “ET 06 – Business disruption and system failures” — a category which includes events resulting from the blockage or malfunction of the IT systems used by the Bank as a consequence of which operating losses and events with damages to property and equipment are recorded — and on event type “ET 05 – Damage due to physical assets”, which includes the events and losses resulting from physical damage to company assets due to external events.

PART F – INFORMATION ON CONSOLIDATED NET EQUITY

Section 1 – Consolidated net equity

A. Qualitative information

Banca Generali Group's capital management strategy mainly aims to ensure that the capital and ratios of Banca Generali and the banks and financial companies it controls are consistent with its risk profile and regulatory requirements.

Banca Generali Group and the financial companies belonging to it are subject to the capital adequacy requirements established by the Basel Committee in accordance with the rules defined by the EU (CRR/CRD IV) and applied by the Bank of Italy.
Such rules envisage the concept of "Own Funds", which is separate from the net equity stated in the financial statements. Own Funds are calculated as the sum of positive and negative items, which are included in the calculation based on the quality of capital attributed to them.

Compliance with minimum capital requirements is monitored by the Risk Management Department, whereas the Regulatory Reporting function is responsible for calculating and disclosing of Own Funds and capital requirements on a regular basis, as well as safeguarding the related databases (historical regulatory archive).

The Parent Company's compliance with capital adequacy ratios is monitored throughout the year and on a quarterly basis, and the necessary measures are taken to ensure control over the balance sheet items.
Additional analyses and control of the capital adequacy is also carried out upon any extraordinary transactions (e.g., acquisitions, transfers, etc.). In these cases, information concerning the transaction is used to estimate its impact on the capital ratios, and any actions that may be necessary to comply with the requirements of the Supervisory Authorities are planned.

Distribution of 2022 and 2023 dividend

In 2024, the second instalment of the 2022 dividend was distributed, for a total amount of 74.1 million euros, net of the portion attributable to treasury shares.
In addition, the first instalment of the 2023 dividend was also distributed, for a total amount of 177.0 million euros, net of the portion to be assigned to treasury shares.
As approved by the Shareholders' Meeting on 18 April 2024, the second instalment of the 2023 dividend will be paid in February 2025, for a total amount of 70.1 million euros.

Scope of regulatory consolidation

In 2024, Banca Generali increased its interest in the BG Saxo SIM S.p.A.'s share capital, bringing it to 49% thanks to a new joint venture agreement with Saxo Bank. The increase above 20% entails that the Bank of Italy carries out "supervision on a consolidated basis over the following entities: [...]; b) banking, financial and instrumental companies at least 20% of whose capital is held by companies belonging to a banking group or by an individual bank; [...]" (Article 65, paragraph 1, of TUB).

The agreement between Banca Generali and Saxo Bank provides for joint control over BG Saxo SIM.
Accordingly, with a 49% equity investment — exceeding 20% — it was necessary to apply the proportionate consolidation of BG Saxo SIM into Banca Generali Group for prudential purposes. This consolidation method was introduced by Article 18, paragraph 4, of CRR, but is no longer applicable under IFRS 11, therefore, in the consolidated financial statements, BG Saxo SIM continues to be valued at equity, resulting in a mismatch at prudential level.

B. Quantitative information

At 31 December 2024, consolidated net equity, including net profit for the year, amounted to 1,459.9 million euros compared to 1,213.3 million euros at the end of the previous year.

(€ THOUSAND)	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %
1. Share capital	116,852	116,852	–	–
2. Share premium reserve	52,392	52,992	-600	-1.1%
3. Reserves	838,350	752,749	85,601	11.4%
4. (Treasury shares)	-87,268	-85,005	-2,263	2.7%
5. Valuation reserves	8,372	-797	9,169	n.a.
6. Equity instruments	100,000	50,000	50,000	100.0%
7. Net equity attributable to minority interests	–	338	-338	-100.0%
8. Net profit (loss) for the year	431,225	326,136	105,089	32.2%
Total net equity	**1,459,923**	**1,213,265**	**246,658**	**20.3%**

In 2024, consolidated net equity — net of the 2023 dividend approved by the General Shareholders' Meeting of 18 April 2024, partly paid on 24 May 2024 and partly on 24 February 2025 — recorded a 246.7 million euro change due to the increase in consolidated net profit (431.2 million euros), the issue and redemption of AT1 capital instruments (+50 million euros) and, to a lower extent, to other components, such as the positive performance of OCI valuation reserves, the change in reserves for share-based payments (IFRS 2) and the buy-back of treasury shares, as shown in the following table.

(€ THOUSAND)	31.12.2024	31.12.2023
Net equity at year-start	**1,213,265**	**1,068,520**
Dividend paid	-245,210	-188,002
Buy-back and disposal of treasury shares	-9,939	-12,247
Matured IFRS 2 reserves (from stock option plans and remuneration policies)	16,823	12,028
Matured IFRS 2 reserves on the AG Group's IFRS 2-related plans	–	–
Change in OCI valuation reserves	8,956	9,127
Dividends on AT1 equity instruments	46,413	-1,631
Consolidated net profit	431,225	326,078
Other effects	-196	-608
Change in ownership interests and net equity attributable to minority interests	-1,414	–
Net equity at year-end	**1,459,923**	**1,213,265**
Change	**246,658**	**144,745**

In 2024, on the basis of the achievement of the performance objectives set out in the Remuneration Policy, 263,694 treasury shares, with a value of 7,677 thousand euros, of which 61,706 shares in service of the first instalment of the 2021-2023 LTIP, were instead allotted to the Banking Group's employees and Financial Advisors qualifying as Key Personnel, as well as to network managers.

On 18 April 2024, the General Shareholders' Meeting also authorised the repurchase of a maximum of 251,600 treasury shares, for a maximum amount of 11.4 million euros, in service of remuneration plans for Key Personnel for 2024 and the new Long Term Incentive Plan (LTIP) for the period 2024-2028.
The plan for the buy-back of treasury shares, authorised by the Supervisory Authority on 26 June 2024, ended on 23 September 2024 and all shares authorised were purchased, for a total value of 9,939 thousand euros.

At 31 December 2024, the Parent Company, Banca Generali, thus held 2,907,907 treasury shares, with a value of 87,268 thousand euros.

On 8 August 2024, the Bank finalised the issue of Additional Tier 1 capital instruments in the aggregate amount of 100 million euros to be fully subscribed by Generali Group companies through a private placement.
The perpetual bond issue envisages a non-cumulative half-yearly coupon that has been set at 6.7% per annum, to be subsequently reset every five years. In accordance with the applicable law and market practices, the issue is perpetual and the issuer will be entitled to early redemption only starting from the fifth year from the date of issue (8 August 2029), subject to prior authorisation from the Supervisory Authority and satisfaction of the conditions provided for by applicable legislation.

The issue meets the characteristics required by the current regulatory capital legislation for eligibility as Additional Tier 1 (AT1) capital in the issuer's financial statements.
A portion of the issue is aimed at the redemption at par of the outstanding 50 million euro Additional Tier 1 bond issued on 23 December 2019 and held by Generali Group — which occurred on 26 December 2024 after receiving the Supervisory Authority's authorisation —, while the remaining portion aims at meeting with broad flexibility compliance with the higher requirements introduced by Basel IV for the Bank and the whole Italian and European banking sector effective from 1 January 2025. It should be noted that the issue is eligible for MREL purposes.

At the end of 2024, revaluation reserves amounted to 8.4 million euros, with an increase of 9.2 million euros compared to the previous year, mainly due to the activation of the cash flow hedge reserve (+4.7 million euros) and to the HTCS securities portfolio valuation reserves (+5.6 million euros), partially offset by the reduction in translation reserves referred to net foreign investments in CHF due to the appreciation of this currency.

B.1 Consolidated net equity: breakdown by type of company

ITEMS OF NET EQUITY (€ THOUSAND)	SCOPE OF REGULATORY CONSOLIDATION	INSURANCE COMPANIES	OTHER COMPANIES	CANCELLATIONS AND ADJUSTMENTS FOR CONSOLIDATION PURPOSES	TOTAL 31.12.2024
1. Share capital	116,852	–	–	–	116,852
2. Share premium reserve	52,392	–	–	–	52,392
3. Reserves	838,340	–	–	10	838,350
4. Equity instruments	100,000	–	–	–	100,000
5. (Treasury shares)	-87,268	–	–	–	-87,268
6. Valuation reserves	8,372	–	–	–	8,372
Equity securities designated at fair value through other comprehensive income	-284	–	–	–	-284
Equity security hedges designated at fair value through other comprehensive income	–	–	–	–	–
Financial assets (other than equity securities) measured at fair value through other comprehensive income	3,720	–	–	–	3,720
Property and equipment	–	–	–	–	–
Intangible assets	–	–	–	–	–
Hedges of a net investment in a foreign operation	–	–	–	–	–
Cash flow hedges	4,703	–	–	–	4,703
Hedging instruments	–	–	–	–	–
Exchange differences	1,965	–	–	–	1,965
Non-current assets available for sale and disposal groups	–	–	–	–	–
Financial liabilities designated at fair value through profit or loss (change in own creditworthiness)	–	–	–	–	–
Actuarial gains (losses) from defined benefit plans	-1,732	–	–	–	-1,732
Share of valuation reserves of equity investments valued at equity	–	–	–	–	–
Finance income or expenses related to insurance contracts issued	–	–	–	–	–
Finance income or expenses related to reinsurance contracts held	–	–	–	–	–
Special revaluation laws	–	–	–	–	–
7. Net profit (loss) for the year (+/-) attributable to the Group and minority interests	431,176	–	–	49	431,225
Total net equity	**1,459,864**	**-**	**-**	**59**	**1,459,923**

B.2 Breakdown of valuation reserves of financial assets measured at fair value through other comprehensive income

Valuation reserves of financial assets measured at fair value through other comprehensive income (OCI) account for the unrealised capital gains and losses, net of the associated tax effect, on the assets allocated to that portfolio and recognised at fair value. The change in these reserves contributes to determining the overall company performance in relation to OCI, without passing through Profit and Loss.
However, when gains or losses are realised or an impairment loss is recognised, the cumulative amount of the reserve is reclassified to the Profit and Loss Account in the year of reference.

Fair value valuation reserves of the portfolio of financial assets measured at fair value through OCI grew compared to the end of the previous year, primarily due to the increase in debt securities reserves.

The aggregate had an overall positive balance of 3.4 million euros, up 5.6 million euros compared to year-end 2023.
This increase was influenced by the portfolio of Italian government bonds, for which net reserves amounted to 3.7 million euros compared to -1.4 million euros at year-end 2023.

	SCOPE OF REGULATORY CONSOLIDATION		INSURANCE COMPANIES		OTHER COMPANIES		CANCELLATIONS AND ADJUSTMENTS FOR CONSOLIDATION PURPOSES		TOTAL	
ASSETS/VALUES	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities	4,262	-542	–	–	–	–	–	–	4,262	-542
2. Equity securities	1,263	-1,547	–	–	–	–	–	–	1,263	-1,547
Total at 31.12.2024	**5,525**	**-2,089**	**–**	**–**	**–**	**–**	**–**	**–**	**5,525**	**-2,089**
Total at 31.12.2023	**1,923**	**-4,042**	**–**	**–**	**–**	**–**	**–**	**–**	**1,923**	**-4,042**

B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: year changes

Valuation reserves on the HTCS portfolio showed a net increase of 5.6 million euros in 2024, as a result of the following factors:
- an increase in net valuation capital gains totalling +4.3 million euros;
- the reduction of pre-existing net negative reserves due to re-absorption through profit or loss upon realisation (3.9 million euros);
- a negative net tax effect associated with the above changes and mainly resulting from net decreases in DTAs (-2.7 million euros).

	31.12.2024				
	DEBT SECURITIES				
(€ THOUSAND)	CORPORATE	GOVERNMENT	EQUITY SECURITIES	FINANCING	TOTAL
1. Amount at year-start	**-488**	**-1,449**	**-182**	**–**	**-2,119**
Adjustment of opening balances	**-14**	**14**	**–**	**–**	**–**
1. Amount at year-start	**-502**	**-1,435**	**-182**	**–**	**-2,119**
2. Increases	**862**	**8,845**	**335**	**–**	**10,042**
2.1 Fair value increases	117	5,483	329	–	5,929
2.2 Adjustments for credit risk	–	83	X	–	83
2.3 Transfer to Profit and Loss Account of negative reserves: due to disposal	736	3,279	X	–	4,015
2.4 Transfer to other net equity components (equity securities)	–	–	–	–	–
2.5 Other changes	9	–	6	–	15
3. Decreases	**313**	**3,737**	**437**	**–**	**4,487**
3.1 Fair value decreases	–	1,226	437	–	1,663
3.2 Reversals for credit risk	29	–	–	–	29
3.3 Transfer to Profit and Loss Account of positive reserves due to disposal	15	90	X	–	105
3.4 Transfer to other net equity components (equity securities)	–	–	–	–	–
3.5 Other changes	269	2,421	–	–	2,690
4. Amount at year-end	**47**	**3,673**	**-284**	**–**	**3,436**

B.4 Valuation reserves relating to defined benefit plans: year changes

	31.12.2024		
	RESERVE	DTAS	NET RESERVE
1. Amount at year-start	**-1,469**	**513**	**-956**
2. Increases	-142	27	-115
Decreases of actuarial losses	-142	27	-115
Other increases	–	–	–
3. Decreases	-815	154	-661
Increases of actuarial losses	-815	154	-661
Other decreases	–	–	–
4. Amount at year-end	**-2,426**	**694**	**-1,732**

Section 2 – Own Funds and Banking Capital Ratios

In accordance with Circular No. 262 of 22 December 2005, 8th update of 17 November 2022, for the details of Own Funds and regulatory capital ratios, reference is made to the information regarding Own Funds and capital adequacy provided in the Pillar 3 Disclosure provided at the consolidated level, available from Banca Generali's corporate website at the address www.bancagenerali.com.

PART G – BUSINESS COMBINATIONS OF COMPANIES OR BUSINESS UNITS

This section includes both transactions within the scope of IFRS 3 and business combinations between entities under common control.

The results of impairment testing of the Banking Group's goodwill are also stated in the interest of consistency of presentation.

Section 1 – Transactions undertaken during the year

In 2024, no new business combination transactions were undertaken.

Section 2 – Transactions after the end of the reporting period

On 16 September 2024, Banca Generali launched a voluntary tender offer in cash aimed at acquiring all the ordinary shares of Intermonte Partners SIM S.p.A. ("Intermonte"), listed on the Italian Stock Exchange (EuroNext Growth Milan) and parent company of the financial group bearing the same name.
The Offer was launched for a consideration of **3.04 euro per each share** including a premium of 24.0% with respect to the average performance of the previous three months and aimed to collect at least 90% of Intermonte Shares, with the intention to delist the Shares.

After having received the required authorisations from the Supervisory Authorities on 17 and 18 December 2024 (Bank of Italy and Consob), from 23 December 2024 to 24 January 2025, 30,789,819 Shares were tendered to the Offer, equal to approximately 95.332% of the Offer Shares, for a total consideration of **93,601 thousand euros**, paid on 31 January 2025.
On 5 February 2025, pursuant to Article 111 of TUF, the remaining 1,339,086 floating Shares (excluding treasury shares) were acquired, accounting for 4.146% of the Issuer's share capital, for a total consideration of **4,071 thousand euros**.
Accordingly, Borsa Italiana proceeded with Intermonte's delisting as of the session of Wednesday, 5 February 2025.

With this transaction, Banca Generali aims to integrate Intermonte — a leading independent broker with a leadership position in the Italian market and thirty years of consolidated experience and success — into its Banking Group.

This transaction is part of the plan to strengthen Banca Generali's growth with the objective to create value for all stakeholders by further differentiating its market positioning from that of its peers by developing increasingly distinctive professional skills focused on wealth protection and advisory.

Intermonte stands out for its quality in its areas of activity — Negotiation & Trading, Global Markets, Investment Banking, Digital Division & Advisory and Research — which are complementary and synergistic to Banca Generali's activity and its private banking positioning, in particular with reference to entrepreneurs and small and medium-sized enterprises (SMEs).

Section 3 – Retrospective adjustments

No retrospective adjustments to business combinations carried out by the Banking Group in previous years were undertaken in 2024 pursuant to paragraphs 61 and B7 of IFRS 3.

The latter provision also requires that the amount of goodwill during the year be reconciled, including an indication of any impairment of goodwill recognised.

Consolidated goodwill has been generated over time after the following business combinations:
- merger of subsidiary investment firms Prime Consult SIM S.p.A. and INA SIM S.p.A. into Banca Generali carried out in 2002;
- acquisition of Banca del Gottardo Italia S.p.A. in 2008, subsequently merged into BSI Italia, and then into the parent company Banca Generali in 2010;
- acquisition of BG Fiduciaria in 2006, subsequently merged into the parent company Banca Generali with effect from 1 January 2018;
- Bank's acquisition at the end of 2014 of the Italian Affluent and Upper Affluent private banking operations of Credit Suisse Italy S.p.A.;
- acquisition of Nextam Partners Group on 25 July 2019;
- acquisition of BG Valeur S.A. on 15 October 2019;
- acquisition of the retail banking business unit of the Italian branch from Binck Bank N.V., a Danish lending institution owned by the Danish Saxo Bank Group, on 16 October 2021.

At 31 December 2024, the Banking Group's goodwill totalled 88.1 million euros, broken down as follows:

(€ THOUSAND)	YEAR OF CONSOLIDATION	31.12.2024	31.12.2023
Merger of Prime Consult and INA SIM	2002	2,991	2,991
Acquisition of BG Fiduciaria SIM S.p.A.	2006	4,289	4,289
Acquisition of Banca del Gottardo Italia	2008	31,352	31,352
Acquisition of Credit Suisse Italy's business unit	2014	27,433	27,433
Acquisition of Nextam Group	2019	12,202	12,202
Acquisition of Binck Bank Italy business unit	2021	1,100	1,100
Total goodwill Italy		**79,367**	**79,367**
Acquisition of BG Valeur S.A.	2019	8,706	8,706
Total goodwill of the Banking Group		**88,073**	**88,073**

Impairment test

In accordance with IAS 36, goodwill is no longer amortised, but is reviewed at least annually for impairment.
For the purposes of impairment testing, goodwill must be allocated to cash-generating units (CGUs), which, in accordance with the limitation on the maximum level of aggregation, may be no larger than the operating segments identified for management reporting purposes, pursuant to IFRS 8.

In this regard, it should be noted that, as of 1 January 2024, a new reorganisation of the Financial Advisor Networks was implemented, which also led to a review of the operating segments identified by the corporate management for purposes of management reporting.

In detail, the new organisation of the BG Network provides for the following:

- the creation of a new **Senior Partner Network** (hereinafter "**SP**"), consisting of Financial Advisors with assets under management of more than 150 million euros and teams with assets under management of more than 350 million euros;
- the incorporation of the Private Banking and Wealth Management Networks into the new **Private & Wealth Network** (hereinafter "**PB**"), within the framework of which, however, the organisational structures of the former networks retained some of their peculiarities, under the supervision of a new top management position, the Network Sales Manager, focused on local coordination and commercial guidance of the various network's Area Managers.

It should be recalled that, following the previous reorganisation implemented as of 1 January 2018, the networks of non-employed Financial Advisors had been revised according to specialisation and reorganised into two macro-divisions on the basis of the total AUM managed by each Financial Advisor:

- the Wealth Management network, which brings together Financial Advisors in the highest asset bracket (i.e., with AUM of more than 50 million euros);
- the Private Banking network, which includes all other Financial Advisors.

The new two sales networks also correspond to the operating segments identified by the company management for management reporting purposes, to which the overall goodwill recognised in Banca Generali's Consolidated Financial Statements had been reallocated, on the basis of the relative economic weight assigned in 2024.

In particular, in line with the evaluations made for the previous 2018 reorganisation, the goodwill relating to Italian assets was reallocated to the new SP and PB operating segments based on their profitability, represented by the banking income generated in 2024. The goodwill attributable to Swiss assets was fully allocated to the PB segment.

(€ THOUSAND)	PRIVATE BANKING SEGMENT	SENIOR PARTNER SEGMENT	TOTAL
Net banking income of the segment	**796,727**	**100,552**	**897,280**
AUM at 31.12.2023	76,169,603	15,513,578	91,683,181
AUM at 31.12.2024	85,504,000	17,508,000	103,012,000
Average AUM 2024	80,643,451	16,558,227	97,201,678
Ratio of net banking income on average AUM	0.99%	0.61%	0.92%
Goodwill Italy	**70,438**	**8,929**	**79,367**
Goodwill Switzerland	**8,707**	**–**	**8,707**
Goodwill allocation	**79,144**	**8,929**	**88,073**
Breakdown of intangible assets	13,955	–	13,955
Total intangible assets allocated to the CGU	**93,100**	**8,929**	**102,029**

Definition and identification of operating segments[18]

The "**Senior Partner**" Operating segment (hereinafter the "**SP**" operating segment) consists of the assets attributable to the specific Financial Advisor Network managing AUM of more than 150 million euros and teams with assets under management exceeding 350 million euros.

At 31 December 2024, this operating segment included 103 Senior Partners managing assets amounting to 17.5 billion euros, with net banking income of nearly 100.5 million euros and an estimated net result of 44 million euros.
The goodwill allocated to the SP CGU amounted to 8.9 million euros, while total carrying amount of the assets relating to the operating segment was equal to 108.2 million euros, including the figurative capital allocated, determined based on the RWAs and the gross amount of prepayments relating to costs for obtaining contracts, recognised pursuant to IFRS 15.

In light of economic-financial forecasts based on the 2025-2027 Economic and Financial Plan, assumptions for the operating segment entail a growth of 6.8% per year in the mean portfolio of assets under management (AUM) at the end of the three-year period (CAGR), with net banking income decreasing slightly by 29% and an estimated mean decline of the CGU's net result of 10.9% per annum, as a result of the gradual reabsorption of the net interest income generated in 2024 following the interest rate stabilisation.

The "**Private Banking**" Operating segment ("**PB**" Operating segment) consists of the assets attributable to the other networks of Financial Advisors (Private Bankers, Wealth Managers and Financial Planning Agents), to the Relationship Manager Network and their clients, in addition to assets held in Switzerland.

At 31 December 2024, it included 2,263 Financial Advisors managing assets amounting to 85.5 billion euros, with net banking income of nearly 797 million euros and an estimated net result of 345 million euros.
The goodwill allocated to the PB CGU amounted to 79.1 million euros, while total carrying amount of the assets relating to the operating segment was equal to 482.2 million euros, including the intangible assets (client relationships) resulting from business combinations[19], figurative capital allocated, determined based on the RWAs and the gross amount of prepayments relating to costs for obtaining contracts, recognised pursuant to IFRS 15.

In light of economic-financial forecasts based on the 2025-2027 Economic and Financial Plan, assumptions for the operating segment entail a growth of 7.2% per year in the mean portfolio of assets under management (AUM) at the end of the three-year period (CAGR), with net banking income slightly down by 4.2% and an estimated mean decrease of the net result of 11.8% per annum due to the expected interest rate reduction and the effect mentioned above.

SEGMENTS' CARRYING AMOUNT	PRIVATE BANKING SEGMENT	SENIOR PARTNER SEGMENT	TOTAL
Goodwill	79,145	8,929	88,073
Intangible assets (client relationships)	13,955	–	13,955
Accrued expenses and deferred income	159,459	48,536	207,995
Figurative capital (RWAs)	217,580	48,706	266,286
Total	**470,139**	**106,171**	**576,310**

Approach to determining the values of the CGUs

To determine the recoverable amount, both market assessments (to calculate fair value) and basic methodologies (to calculate value in use) were considered.

Value in use was calculated by employing an analytical method (used as the main method), whereas fair value was calculated by employing an empirical method (used as the control method).

In detail, the analytical method employed was the Dividend Discount Model (DDM), specifically the Excess Capital variant of said model, on the basis of which the value of an asset is a function of:
a) current value of future cash flows generated within a specific time period and available for distribution to shareholders (dividends);
b) the perpetual capitalisation of the expected normalised dividend from the final year of the financial plan of reference, on the basis of a payout consistent with ordinary profitability.

The control method employed was the comparable market multiples method.

The operating and financial projections for the CGUs were based on the 2025-2027 Plan's forecast data, approved by the Board of Directors of Banca Generali.

The expected long-term growth rate after the explicit forecasting period employed to calculate the terminal value (perpetual

[18] In this regard, see also Part L – Segment Reporting of these Notes and Comments and the corresponding chapter of the Consolidated Annual Integrated Report.
[19] These are in particular client relationships arising from the acquisition of BG Valeur, Nextam Partners and the Credit Suisse Italy business unit.

yield) was set at 2%, in line with the International Monetary Fund's (IMF) last estimates for Italy.

The **cost of capital** used to discount cash flows was **9.3%**, slightly down compared to previous year (10.3%). This ratio was established by applying the Capital Asset Pricing Model (CAPM), on the basis of the following assumptions:

a) risk-free rate of **3.4%**, equivalent to the annual gross return on 10-year BTPs (Italian government bonds) at 31 December 2024 (4.3% in 2023);
b) market risk premium of **5.5%**, established on the basis of the difference in long-term yields between equity securities and bonds on international financial markets;
c) a value of **1.1** assigned to the Beta coefficient measuring the extent to which the performance of any given stock is likely to depart from market trends, and determined on the basis of a sample of comparable companies, duly weighted for their respective market capitalisation values.

The figurative capital allocated to the PB and WM CGUs was calculated by applying the Total Capital Ratio (TCR) to their Risk Weighted Assets (RWAs) with a view to reaching the fully loaded ratio required to Banca Generali by the Supervisory Authority following the SREP, equal to **13.7%**.

The value analyses of the aforementioned CGUs carried out by the Bank as at 31 December 2024, as part of the impairment test, were supported by a fairness opinion issued by a major consulting firm and submitted for approval to Banca Generali's Board of Directors on 10 February 2025.

Outcome of the impairment tests

Impairment tests carried out on the CGUs specified did not indicate any goodwill impairment.
The value according to the analytical method exceeded the carrying amounts of the CGUs, inclusive of intangible assets, goodwill and capital allocated.
The analyses performed for the two operating segments are detailed below.

In particular, the **SP** operating segment's carrying amount was **106.2** million euros, while the value in use obtained by applying the analytical method described above amounted to a minimum of **315** million euros and a maximum of **381** million euros, with an average value of **345** million euros.

The **PB** operating segment's carrying amount was **470.1** million euros, while the value in use obtained by applying the analytical method described above amounted to a minimum of **2,400** million euros and a maximum of **2,917** million euros, with an average value of **2,632** million euros.

Therefore, the tests performed on both the operating segments did not detect any goodwill impairment.

The test performed using the control method based on market multiples also confirmed that the carrying amount remained largely stable in both cases.

	FIGURATIVE CAPITAL	GOODWILL	OTHER INTANGIBLE ASSETS	IFRS 15-RELATED COSTS OF OBTAINING A CONTRACT	CARRYING AMOUNT AT 31.12.2024	RECOVERABLE AMOUNT AT 31.12.2024			EXCESS VS CARRYING AMOUNT
						MIN	MID	MAX	
PB Segment	217.5	79.1	14.0	159.5	470.1	2,400.4	2,632.5	2,916.9	2,162.4
SP Segment	48.7	8.9	0.0	48.6	106.2	315.4	345.0	381.2	238.7
Total	**266.2**	**88.0**	**14.0**	**208.1**	**576.3**	**2,715.8**	**2,977.5**	**3,298.1**	**2,401.1**

In accordance with IAS 36, paragraph 134(f), and in order to capture the heightened uncertainty during the current period and respond to needs arising from the regulatory context, sensitivity analyses were conducted as a function of the change in the parameters cost of capital (Ke), long-term growth rate and CET1 ratio.

- Ke +/-0.5%;
- g +/-0.25%;
- CET1 +/- 1.0%.

In particular, for the sensitivity analysis conducted as a function of the parameters cost of capital (Ke) and long-term growth rate, the ranges of variation used were 8.8%-9.8% and 1.8%-2.3%, respectively, whereas for the sensitivity at the level of CET1 the range of variation identified was between 12.7% and 14.7%.

In addition, it should be noted that the impairment test conducted at the level of the Consolidated Financial Statements also included a test of the value of the goodwill and intangible assets recognised in Banca Generali S.p.A.'s Separate Financial Statements.

PART H – RELATED PARTY TRANSACTIONS

Procedural aspects

In accordance with Article 2391-*bis* of the Italian Civil Code, the Consob Regulation containing provisions relating to transactions with related parties[20] and the provisions of Part III, Chapter 11, of Bank of Italy Circular No. 285, as further amended, Banca Generali's Board of Directors approved its "Policy for Transactions with Related Parties, Connected Parties and Corporate Officers pursuant to Article 136 of TUB", which was lastly updated on 22 June 2023 and entered into effect on 1 July 2023. The policy is intended to implement Consob and Bank of Italy regulations, by adopting, at the Banking Group level, rules on transactions with Banca Generali's related parties and connected parties governing the related investigation, approval, reporting and disclosure activities.
Moreover, since Banca Generali Group belongs to Generali Group, any and all transactions effected with related parties of the parent company Assicurazioni Generali must be identified and managed in accordance with the provisions of the Procedures adopted by Assicurazioni Generali in such regard, with the result that, in certain cases, the said transactions may be subject to prior approval by the Parent Company, where necessary.

The related party perimeter

Based on Consob Regulation, the Provisions issued by the Supervisory Authority, and the aforementioned policy, the following parties are considered as Banca Generali's related parties:

- subsidiaries of the Banking Group;
- the ultimate parent Assicurazioni Generali S.p.A., its subsidiaries (companies subject to common control), including the direct parent Generali Italia S.p.A., and pension funds established for the benefit of Generali Group companies' employees;
- Managers with Strategic Responsibilities of the Bank and the parent company Assicurazioni Generali (Key Managers), close relatives of the said personnel and the related relevant subsidiaries (entities in which one of these persons exercises control, joint control or significant influence or holds, directly or indirectly, a significant shareholding of no less than 20% of the voting rights).

Under IAS 24, whose revised version is in force since 1 January 2011, the associate companies of the Banking Group and Generali Insurance Group are also considered related parties.

With specific regard to **Key Managers**, the following persons have been designated as such:

- the Directors and the members of the Board of Statutory Auditors of the Banking Group's companies;
- the members of the Top Management, as defined in the Remuneration Policies of the Banking Group[21], namely the Chief Executive Officer/General Manager and the two Deputy General Managers[22];
- top managers of the parent company Assicurazioni Generali S.p.A. identified as Managers with Strategic Responsibilities in the corresponding Procedure regarding transactions with related parties adopted by the Insurance Group.

Significance thresholds of Related Party transactions

The Procedure lays down specific provisions on decision-making authority, obligation to provide justification and documentation to be prepared depending on the type of transaction.

More specifically:

- **transactions of greater importance** — i.e., transactions exceeding the threshold of 5% of at least one of the significance indicators of the countervalue of the transaction or of the assets, as provided by Consob Resolution No. 17221, reduced to 2.5% for transactions carried out with the Parent Company that is listed on regulated markets or with undertakings thereto related which are in turn related to the Company — must be approved by the Board of Directors, upon the binding favourable opinion of the Internal Audit and Risk Committee;
- **transactions of Lesser Importance** — i.e., transactions with related parties the amount of which falls between that of Transactions of Small Amount and that of Transactions of Greater Importance — are approved pursuant to the system of delegated powers in force from time to time, only after hearing the non-binding opinion of the Internal Audit and Risk Committee. The aforesaid transactions must be presented with a full and in-depth information about the reasons underlying each and every transaction in question, as well as the advisability of proceeding with the latter in light of the substantive fairness and propriety of the related terms and conditions;
- **transactions of Small Amount** — i.e., transactions whose value, defined pursuant to the Bank of Italy's Provisions, cannot exceed the amount of 250,000 euros for banks with Own Funds below 1 million euros — are excluded from the scope of application of the approval and disclosure transparency rules.

[20] Adopted by Consob Resolution No. 17221 of 12 March 2010, as further amended.
[21] Banking Group's Remuneration and Incentive Policies approved by the General Shareholders' Meeting on 18 April 2024.
[22] Chief Executive Officer/General Manager, Deputy General Manager Wealth Management Markets and Products, Deputy General Manager Commercial Networks, Alternative and Support Channels.

In addition to Transactions of Small Amount, in accordance with Consob Regulation, there are additional circumstances that are not subject to the specific approval procedures:

- **remuneration plans based on financial instruments** approved by the General Shareholders' Meeting within the meaning of Article 114-*bis* of TUF, and related implementing transactions;
- **resolutions on the remuneration of Directors** entrusted with specific tasks other than those determined on an overall basis pursuant to Article 2389, paragraph 3, of the Italian Civil Code, and **resolutions regarding the remuneration of Managers with Strategic Responsibilities**, provided that the Company has adopted a remuneration policy with certain characteristics;
- **ordinary transactions** carried out during the normal course of operating activities and the related financial activities, and that are concluded at market or standard equivalent conditions. Pursuant to the Bank of Italy's provisions, all transactions that exceed the threshold set of Transactions of Greater Importance, even if concluded at market or standard equivalent conditions, should be considered as extraordinary transactions;
- **transactions with or between Subsidiaries and Associates**, provided that none of the Company's other related parties holds any significant interest in the Subsidiaries or Associates in question.

On the basis of the indicator consisting of the consolidated Own Funds, the threshold of Transactions of Greater Importance currently stands at around **50.2 million euros**, reduced to **25.1 million euros** for transactions with the parent company Assicurazioni Generali and the latter's related entities.

Moreover, the provisions issued by the Bank of Italy impose prudential limits, based on Own Funds, on risk assets in relation to Connected Parties. The limits vary according to the different types of Connected Parties, in proportion with the level of involvement in the relationship and the potential impact of the resulting risks on sound and prudent management. In light of the greater risks associated with conflicts of interest in bank-industry relations, more stringent limits are envisaged for risk assets with regard to entities qualifying as non-financial related parties. Exposure in respect of Generali Group's connected parties, on the other hand, is capped at **7.5%** of consolidated Own funds.
Even if the aforesaid consolidated cap is not exceeded, Banca Generali's exposure in respect of any given group of connected parties may in no event exceed **20%** of individual Own Funds.

1. Disclosure of remuneration of Directors and Executives

As required by IAS 24, the total remuneration recorded in the Profit and Loss Account for the year is disclosed below, broken down by personnel category and type.

	31.12.2024					
(€ THOUSAND)	DIRECTORS	STATUTORY AUDITORS	MANAGERS WITH STRATEGIC RESPONSIBILITIES	TOTAL	31.12.2023	CHANGE
Short-term benefits (current remuneration and social security charges) (1)	1,739	283	2,440	4,462	3,701	761
Post-employment benefits (2)	–	–	333	333	291	42
Other long-term benefits (3)	–	–	523	523	259	264
Severance indemnities	–	–	–	–	–	–
Share-based payments (4)	–	–	1,983	1,983	1,600	383
Total	**1,739**	**283**	**5,280**	**7,302**	**5,851**	**1,451**
Total at 31.12.2023	**1,432**	**312**	**4,107**	**5,851**		

(1) Includes current remuneration and the related social security charges payable by the Company and the portion of short-term variable remuneration.
(2) Includes the Company's pension fund contribution and allocation to the provisions for termination indemnity provided for by the law and company regulations.
(3) Includes the deferred portion of variable remuneration for the year and the previous years accrued in the year based on the vesting period.
(4) Includes the estimated cost for share-based payment plans, determined based on IFRS 2 criteria and recognised in the financial statements.

The table presents the total expenses recognised in the Profit and Loss Account presented in the Consolidated Financial Statements on the basis of the application of international accounting standards (IAS/IFRS). It therefore also includes the social security charges for which the Company is liable, the allocation to the provision for post-employment benefits, the expenses associated with share-based payment plan determined in accordance with IFRS 2, and the estimate of the variable remuneration accrued during the year on the basis of the Remuneration and Incentive Policy for the Key Personnel of the Banking Group.
It should also be noted that the amounts are net of recoverable remuneration associated with services rendered to other companies.

In further detail, the item "Other long-term benefits" includes the estimate of the portion of variable remuneration for the year payable on a deferred basis over the following years, contingent upon specific access gate conditions being met, in accordance with the aforementioned Remuneration Policy.
The item "Short-term benefits" includes the fixed remuneration and the portion of variable remuneration accrued in the report-

ing year and payable in the following one.
For detailed information concerning Remuneration Policies, reference is made to the specific document concerning Remuneration Policies prepared as per Consob Resolution No. 18049 of 23 December 2011.
Charges for share-based payments refer to the portion of variable remuneration, both current and deferred, paid in Banca Generali shares. More specific details are provided in Part I to these Notes and Comments.

2. Disclosure on Related Party Transactions

As part of its normal business operations, Banca Generali carries out numerous financial and commercial transactions with related parties included in the scope of consolidation of Generali Group.

Banca Generali is a direct subsidiary of Generali Italia S.p.A., the holding of all the Insurance Group's operations in Italy. However, the company engaging in management and coordination activities pursuant to Article 2497 of the Italian Civil Code continues to be the ultimate Parent Company, Assicurazioni Generali S.p.A. This is the reason why reference is made to the latter when speaking of the "Parent Company" of Banca Generali, in compliance with IAS 24.

In the banking area, such activities include relationships referring to current accounts, the custody and administration of securities, stock brokerage and commercial portfolio collection.

As regard the distribution and offer of investment products, a number of agreements were established regarding the Financial Advisors Network's placement of asset management and insurance products, as well as banking products and services.
To a lesser extent, advisory and wealth management activities are also carried out, with reference to underlying assets of insurance products placed by the companies of the Insurance Group.

In addition, as part of its normal operations, the Bank also maintains relationships pertaining to outsourcing of IT and administrative services, insurance and leasing relationships, as well as other minor relationships with Generali Group companies.
Transactions with related parties outside Generali Group are mostly confined to direct and indirect funding and lending activities to Key Managers (and their relatives) of the Bank and its Parent Company. These transactions are carried out at market conditions. Banca Generali's direct investments in activities on which such related parties exercise significant influence or control are absolutely not material.

2.1 Extraordinary and non-recurring transactions

Unusual, atypical or extraordinary transactions

There were no atypical and/or unusual transactions to be reported in 2024, nor were such transactions undertaken with parties other than related parties such as intra-group entities or third parties.
Pursuant to Consob Notices Nos. 98015375 of 27 February 1998 and 1025564 of 6 April 2001, atypical and unusual transactions are defined as all transactions that due to their significance/materiality, the nature of the counterparties, the subject matter of the transaction (including in relation to ordinary operations), the transfer pricing method and timing of occurrence (near the end of the period) may give rise to doubts as to the accuracy/completeness of the information presented in the financial statements, conflicts of interest, the safeguarding of company assets and the protection of minority shareholders.

Transactions of Greater Importance

In 2024, a transaction qualifying as a transaction of greater importance was effected, for which reference should be made to the Consolidated Report on Operations.

Other significant transactions

In 2024, 2 transactions were approved qualifying as "Transactions of Lesser Importance", which are subject to the prior non-binding opinion of the Internal Audit and Risk Committee; in this regard, reference is made to the dedicated section of the Report on Operations.

2.2 Ordinary or recurring transactions

The developments of ordinary transactions with related parties during 2024 are presented in the following sections.

Transactions with Assicurazioni Generali Group

Balance Sheet data

(€ THOUSAND)	SUBSIDIARIES AND ASSOCIATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	31.12.2024	31.12.2023	% WEIGHT 2024
Financial assets measured at fair value through profit or loss:	1,687	–	1,687	1,183	0.3%
c) other financial assets mandatorily measured at fair value	1,687	–	1,687	1,183	0.3%
Financial assets measured at amortised cost:	28,775	415	29,190	24,507	0.2%
b) loans to customers	28,775	415	29,190	24,507	0.3%
Equity investments	–	2,962	2,962	1,975	100.0%
Property, equipment and intangible assets	56,325	–	56,325	61,439	19.8%
Tax assets (AG tax consolidation)	1,717	–	1,717	–	1.4%
Non-current assets held for sale and disposal groups	–	227	227	–	100.0%
Other assets	337	13	350	335	–
Total assets	**88,841**	**3,390**	**92,231**	**89,439**	0.5%
Financial liabilities measured at amortised cost:	317,611	5,049	322,660	521,949	2.2%
b) due to customers	317,611	5,049	322,660	521,949	2.3%
Tax liabilities (AG tax consolidation)	–	–	–	28,360	–
Other liabilities	2,242	440	2,682	4,604	0.9%
Provisions for liabilities and contingencies	–	–	–	2,097	–
Equity instruments	100,000	–	100,000	50,000	100.0%
Total liabilities	**419,853**	**5,489**	**425,342**	**607,010**	**2.5%**
Guarantees issued	**3,797**	**87**	**3,884**	**4,273**	**4.4%**

The total exposure to the Parent Company, **Assicurazioni Generali**, of companies subject to its control, including the direct parent, Generali Italia S.p.A., and its associate companies, amounted to 88.8 million euros (87.1 million euros at the end of 2023), equal to 0.5% of Banca Generali Group's total balance sheet assets.
The item "Property and equipment" includes the net value of the rights of use (ROUs) of 56.3 million euros (relating primarily to the lease payments for the Milan and Trieste administrative offices and the commercial network offices), following the introduction of IFRS 16 with effect from 1 January 2019.
By contrast, the total debt position reached 419.9 million euros, accounting for 2.5% of total liabilities, down by 180.0 million euros (-30.0%) compared to the end of the previous year, mainly due to the change in temporary liquidity in the Group companies' current accounts.
As a result of the introduction of IFRS 16 with effect from 1 January 2019, amounts due to customers included 60.6 million euros due to the recognition of the corresponding lease liabilities.

As part of assets, **financial assets mandatorily measured at fair value through other comprehensive income (FVOCI)** claimed from the parent company refer to Assicurazioni Generali shares held in the corresponding portfolio of Banca Generali.

The item **"Associates subject to joint control or significant influence"** includes the 19.9% interest in BG Saxo SIM S.p.A. that was acquired on 31 October 2019. On 8 February 2024, Banca Generali's Board of Directors approved the revision of the strategic partnership with Saxo Bank S.A. that led to the acquisition, in May, of an additional 29.1% interest in BG Saxo SIM S.p.A.'s share capital, thus bringing the Bank's interest in the joint venture to 49% of the latter's share capital.
With regard to the equity investment in BG Saxo SIM S.p.A., at 31 December 2024 the share of loss for the year recognised by Banca Generali amounted to approximately 582 thousand euros.

On 25 July 2024, Banca Generali had first transferred a portion of its equity investment in Nextam Partners SIM S.p.A., reducing it interest in the company's share capital from 19.9% to approximately 15.5%, and subsequently, on 9 January 2025, notified the company its intention to exercise a put option on the remaining stake, currently being executed. Accordingly, at 31 December 2024, the equity investment was reclassified among **Non-current assets held for sale**, pursuant to IFRS 5.

Exposures to Generali Group companies recognised as loans to customers amounted to 28.8 million euros and refer to the following transactions:

COMPANY	RELATIONSHIP	TYPE OF TRANSACTION	31.12.2024 AMOUNT	31.12.2024 REVENUES	31.12.2023 AMOUNT	31.12.2023 REVENUES	AMOUNT CHANGE ABSOLUTE	AMOUNT CHANGE %	REVENUE CHANGE ABSOLUTE	REVENUE CHANGE %
Genertellife	Subsidiaries of AG Group	Operating loans	23,349	–	20,204	–	3,145	16%	–	n.a.
Assicurazioni Generali	Parent company	Operating loans	–	–	347	5	-347	-100%	-5	n.a.
Other companies of Generali Group	Subsidiaries of AG Group	Operating loans	5,047	–	3,041	–	2,006	66%	–	n.a.
Other companies of Generali Group	Subsidiaries of AG Group	Medium/Long-term loans	375	91	528	31	-153	n.a.	60	194%
Other exposures with Group companies	Subsidiaries of AG Group	Temporary current account exposures	4	5	5	32	-1	-20%	-27	-84%
Total			**28,775**	**96**	**24,125**	**68**	**4,650**	**19%**	**28**	**41.2%**

Operating loans are comprised of transitional items including fees accrued over the last quarter for the distribution of insurance and financial products of Group companies.

Amounts due to customers attributable to Generali Group's related parties totalled 317.6 million euros at year-end compared to 516.9 million euros for the previous year and included amounts due to the parent company Assicurazioni Generali S.p.A. for current accounts totalling 78.8 million euros, and amounts due to Generali Italia S.p.A. for 60.9 million euros, in addition to lease liabilities arising from the lease contracts for the administrative offices and the commercial network offices for 60.6 million euros.

Amounts receivable from the Parent Company and classified as **tax assets** consisted of Banca Generali S.p.A.'s net tax assets resulting from the balance between tax prepayments, withholdings and credits and the IRES tax calculated at the end of 2024.

Pursuant to IAS 32, the Additional Tier 1 **Perpetual bond**, of which on 23 December 2019 Banca Generali had finalised the issue for an amount of 50 million euros, had been reclassified to Equity instruments. The issue was fully subscribed in private placement by two German insurance companies of Generali Group.
On 8 August 2024, the Bank finalised a new issue of Additional Tier 1 (AT1) equity instruments in the aggregate amount of 100 million euros to be fully subscribed by three Generali Group companies through a private placement.
This issue as well meets the characteristics required by the current regulatory capital legislation for eligibility as Additional Tier 1 (AT1) securities in the issuer's financial statements.
The perpetual bond issue envisages a non-cumulative half-yearly coupon to be paid as of February 2025 and that has been set at 6.7% per annum, to be subsequently reset every five years. In accordance with the applicable law and market practices, the issue is perpetual and the issuer will be entitled to early redemption only starting from the fifth year from the date of issue (8 August 2029), subject to prior authorisation from the Supervisory Authority and satisfaction of the conditions provided for by applicable legislation.
A portion of this new issue is aimed at the redemption at par of the outstanding 50 million euro Additional Tier 1 bond — which occurred on 26 December 2024 after receiving the Supervisory Authority's authorisation —, while the remaining portion aims at achieving more flexible compliance with the higher requirements introduced by Basel IV for the Bank and the whole Italian and European banking sector effective as of 1 January 2025.

On 24 June 2024 and 23 December 2024, the instalments relating to the half-yearly coupons of the bond subscribed in 2019 and amounting to 1,125 thousand euros each were paid, following those already paid in the previous years.

In addition, a total of 3.9 million euro signature loans were issued to Generali Group companies, of which 0.3 million euros to Assicurazioni Generali S.p.A. and 3.5 million euros to Citylife S.p.A.

Profit and Loss Account data

At 31 December 2024, the profit and loss components recognised in the Financial Statements with regard to transactions with Generali Group companies amounted to 210 million euros, or 36.9% of operating profit before taxation.

(€ THOUSAND)	SUBSIDIARIES AND ASSOCI-ATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2024	2023	CHANGE AMOUNT	CHANGE %	% WEIGHT 2024
Interest income	96	7	103	86	17	19.8%	–
Interest expense	-20,633	-150	-20,783	-11,612	-9,171	79.0%	12.5%
Net interest income	**-20,537**	**-143**	**-20,680**	**-11,526**	**-9,154**	**79.4%**	**-6.5%**
Fee income	252,299	1,853	254,152	258,531	-4,379	-1.7%	21.0%
Fee expense	-1,495	-65	-1,560	-951	-609	64.0%	0.3%
Net fees	**250,804**	**1,788**	**252,592**	**257,580**	**-4,988**	**-1.9%**	**38.4%**
Dividends	79	–	79	72	7	9.7%	6.0%
Operating income	**230,346**	**1,645**	**231,991**	**246,126**	**-14,135**	**-5.7%**	**23.3%**
Staff expenses	337	13	350	428	-78	-18.2%	-0.3%
General and administrative expenses	-14,057	-375	-14,432	-14,153	-279	2.0%	5.5%
Net adjustments/reversals of property and equipment	-7,964	–	-7,964	-7,787	-177	2.3%	18.9%
Other net operating income	1,328	92	1,420	143	1,277	893.0%	1.1%
Net operating expenses	**-20,356**	**-270**	**-20,626**	**-21,369**	**743**	**-3.5%**	**6.7%**
Operating result	**209,990**	**1,375**	**211,365**	**224,757**	**-13,392**	**-6.0%**	**30.6%**
Net provisions for liabilities and contingencies	–	–	–	-2,097	2,097	-100.0%	–
Gains (losses) from the disposal of investments and equity investments	–	-171	-171	-1,107	936	-84.6%	22.6%
Operating profit	**209,990**	**1,204**	**211,194**	**221,553**	**-10,359**	**-4.7%**	**37.1%**
Net profit (loss) for the year	**209,990**	**1,204**	**211,194**	**221,553**	**-10,359**	**-4.7%**	**49.0%**
Net profit (loss) for the year attributable to the Parent Company	**209,990**	**1,204**	**211,194**	**221,553**	**-10,359**	**-4.7%**	**49.0%**

Net **interest income** accrued in dealings with companies of the Insurance Group was negative at 20.5 million euros overall, accounting for 6.5% of the total item recognised in the Profit and Loss Account.
Interest expense amounted to 20.6 million euros, equal to 12.4% of the total amount recognised in the Profit and Loss Account, and referred mainly to the interest expense on current accounts (19.2 million euros) and to interests accrued on the IFRS 16-related liability (1.4 million euros).

Fee income paid back by companies of the Insurance Group amounted to 252.3 million euros, equal to 21.0% of the aggregate amount, and was broken down as follows:

	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2024	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2023	CHANGE ABSOLUTE	CHANGE %
Fees for the placement of UCITS	3,705	-	3,705	4,778	-	4,778	-1,073	-22.5%
Fees for distribution of insurance products	237,203	-	237,203	241,156	-	241,156	-3,953	-1.6%
Fees for distribution of discretionary mandates	1,718	-	1,718	1,391	-	1,391	327	23.5%
Advisory fees	9,600	-	9,600	8,919	-	8,919	681	7.6%
Other banking fees	73	1,853	1,926	78	2,209	2,287	-361	-15.8%
Total	**252,299**	**1,853**	**254,152**	**256,322**	**2,209**	**258,531**	**-4,379**	**-1.7%**

The most significant component consists of fees for the distribution of insurance products paid back by Genertellife, reaching 237.2 million euros, down by 1.6% compared to the same period of the previous year.

Fees for the placement of units of UCITS of the Insurance Group were largely related to the income on the distribution of GI Focus funds, promoted by Generali Investments Europe SGR.

Furthermore, Banca Generali advises on, or directly manages through portfolio management, a portion of the underlying assets of the Group's insurance products.

In this regard, in 2024 fee income for advisory services rendered to Alleanza Assicurazioni S.p.A., Generali Italia S.p.A. and GIAM SGR S.p.A. amounted to 9.6 million euros.

Other banking fees referred both to SDD collection activity on behalf of Group companies and current account keeping fees.

It should also be noted that Banca Generali renders trading and order receipt services to Italian and international UCITS administered by management companies that belong to the Banking and Insurance Group. Such fees are generally charged directly against the assets of the UCITS, which are considered entities beyond the scope of IAS 24.

To hedge obligations towards the insured, the insurance wrappers of the Insurance Group companies (BG Stile Libero, Valore Futuro) also invest a portion of the reserves in UCITS units managed by the Banking Group's management company (BGFML), which receives the related management fees.

The Bank also directly collects from customers — through the correspondent bank — underwriting fees for the Sicavs promoted by the Group (Lux IM Sicav, BG Selection Sicav, Generali Investments Sicav).

Net operating expenses recognised in relation to transactions with related parties of Generali Group amounted to 20.4 million euros, accounting for 6.6% of the aggregate total, and referred to outsourced services in the insurance, leasing, administrative and IT areas.

	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2024	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2023	CHANGE ABSOLUTE	CHANGE %
Insurance services	3,091	–	3,091	2,943	–	2,943	148	5.0%
Property services	245	–	245	300	–	300	-55	-18.3%
Administration, IT and logistics services	9,393	283	9,676	10,852	-85	10,767	-1,091	-10.1%
Staff services	-337	-13	-350	-412	-16	-428	78	-18.2%
Depreciation of ROUs (IFRS 16)	7,964	–	7,964	7,787	–	7,787	177	2.3%
Total general and administrative expenses	**20,356**	**270**	**20,626**	**21,470**	**-101**	**21,369**	**-743**	**-3.5%**

Following the introduction of IFRS 16, property services relate solely to additional costs of leases and rentals of motor vehicles and ATMs (former condominium fees, VAT and sundry additional expenses).
Administrative expenses incurred in relation to Generali Italia S.p.A. amounted to 6.9 million euros and refer to insurance services for 2.8 million euros and, for the remainder, to administration and logistics services.

Expenses relating to IT, administration and logistics related chiefly to services rendered by Generali Italia (formerly Generali Business Solution S.c.ar.l.) on the basis of current outsourcing agreements.

The 8 million euro value adjustment of property and equipment refers to the depreciation of the IFRS 16-related right of use.

Transactions with other related parties

Exposure in respect of **Key Managers** of the Bank and its parent company Assicurazioni Generali referred to account overdraft facilities and residential mortgages subject to the same terms and conditions applied to similar mortgages held by other Executives of the Banking and Insurance Group.
Amounts due to such parties consist of the balances of correspondent accounts with Banca Generali and are regulated on the basis of conditions applicable to employees of the Banking and Insurance Group.

(€ THOUSAND)	ASSOCIATES AND MANAGERS WITH STRATEGIC RESPONSIBILITIES
Loans to customers	21,676
Amounts due to customers	18,428
Interest income	859
Interest expense	-416
Fee income	5
Guarantees issued	60

Direction and coordination

Pursuant to Article 2497-*bis* of the Italian Civil Code, Banca Generali is subject to Assicurazioni Generali S.p.A.'s "management and coordination" activities.

2023 highlights of Assicurazioni Generali

The highlights of the Parent Company Assicurazioni Generali S.p.A shown above are taken from the company's Financial Statements for the year ended 31 December 2023. These are available together with the Independent Auditor's Report as provided for by the law. Consequently, these figures of the Parent Company are not subject to audit performed by the auditing firm engaged by Banca Generali.

(€ MILLION)	2023
Net profit	1,446.3
Aggregate dividend	1,987
Increase	11.01%
Total net premiums	4,062
Total gross premiums	5,820.1
Total gross premiums from direct business	1,323.8
Increase on equivalent terms (a)	–
Total gross premiums from indirect business	4,496.3
Increase on equivalent terms (a)	–
Acquisition and administration costs	931.0
Expense ratio (b)	22.90%
Life business	
Life net premiums	1,017.8
Life gross premiums	1,606.4
Increase on equivalent terms (a)	–
Life gross premiums from direct business	172.1
Increase on equivalent terms (a)	–
Life gross premiums from indirect business	1,434.3
Increase on equivalent terms (a)	–
Life acquisition and administration costs	186.5
Expense ratio (b)	18.30%
Non-life business	
Non-life net premiums	3,044.1
Non-life gross premiums	4,213.7
Increase on equivalent terms (a)	–
Non-life gross premiums from direct business	1,151.7
Increase on equivalent terms (a)	–
Non-life gross premiums from indirect business	3,062.0
Increase on equivalent terms (a)	–
Non-life acquisition and administration costs	744.5
Expense ratio (b)	24.50%
Loss ratio (c)	62.8%
Combined ratio (d)	87.3%
Current financial result	2,546.0
Technical provisions	10,183.3
Life segment technical provisions	3,380.5
Non-life segment technical provisions	6,802.8
Investments	47,360.4
Capital and reserves	16,647.5

(a) At constant exchange rates.
(b) Ratio of administration costs to total premiums.
(c) Ratio of accrued claims to accrued premiums.
(d) Total (b) + (c).

PART I – PAYMENT AGREEMENTS BASED ON OWN EQUITY INSTRUMENTS

At 31 December 2024, the following payment agreements based on own equity instruments were in place:
- the plans launched with respect to Banca Generali Group's *Remuneration and Incentive Policy*, in effect from time to time, which calls for a part of the variable remuneration of Key Personnel to be paid by assigning Banca Generali's own financial instruments;
- the plans launched in service of the *Framework Loyalty Programme 2017-2026*, approved by the General Shareholders' Meeting on 20 April 2017 and now in its fifth annual cycle (2021-2026), which calls for a maximum of 50% of the indemnity accrued to be paid using own financial instruments;
- the LTI (Long term Incentive) plans for the Banking Group's top managers, based on Banca Generali shares.

A. Qualitative Information

1. Share-based payment plans linked to the variable component of remuneration based on performance objectives

The *Remuneration and Incentive Policy for the Key Personnel of Banca Generali Group* — adopted in compliance with the Supervisory Provisions[23]currently in force — requires a portion of the variable component of remuneration, both current and deferred, to be paid by assigning Banca Generali's own financial instruments, based on the rules annually submitted for approval to the General Shareholders' Meeting of the Bank.

In addition to Top Managers, who qualify as Managers with Strategic Responsibilities, Key Personnel includes employees with special managerial responsibilities, Financial Advisors who serve as network managers and Financial Advisors whose total remuneration is a particularly high amount.

As of 2022, if the variable component of the Key Personnel's remuneration exceeds 50 thousand euros and one third of ordinary remuneration, at least 40% of it is subject to deferred payment systems for a period of time of no less than four years and will be at least 50% paid in Banca Generali shares according to the following assignment and retention mechanism:
- 60% of the bonus is paid up-front, normally by the first half of the year after that of reference, 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one calendar year;
- 40% of the bonus will be paid according to a linear pro-rated approach and will be further deferred by four years from the payment of the first instalment, 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one calendar year.

For Non-Top Key Personnel whose variable remuneration is a particularly high amount, the portion subject to deferral is increased to 60%, without prejudice to the payment of 50% of it in Banca Generali shares, whereas for Top Key Personnel the deferral period is increased to five years, with a 56% paid in shares.

In calculating the number of shares to be assigned, a method is applied where:
- the numerator is the portion of variable remuneration subject to payment in shares accrued in relation to the achievement of objectives set for the year in question; and
- the denominator is equal to the average price of Banca Generali shares during the three months prior to the meeting of the Board of Directors that approves the draft Separate and Consolidated Financial Statements for the year prior to that in which the cycle in question begins.

The payment in shares is executed after the Board of Directors verifies the earnings results for the year in question and is conditional not only upon the achievement of the pre-set objectives[24], but also to the satisfaction of access gates established from time to time by the Banking Group (CET 1 ratio and LCR – Liquidity Coverage Ratio) for the year in which the remuneration is accrued and, where appropriate, for the following years of deferral.

The Banking Group's Remuneration Policy for the reference year together with the authorisation to buy back treasury shares to be used to service it are submitted annually to the General Shareholders' Meeting that approves the previous year's Financial Statements. The resolution authorising the buy-back of treasury shares is also subject to authorisation by the Bank of Italy.

These plan categories also include any other compensation paid in the form of shares related to:
- ordinary sales incentives and recruitment plans for Financial Advisors other than the main network managers and employed sales personnel;
- agreements entered into in view of or upon the early termination of the employment or agency relationship, with regard to the beneficiaries falling within the category of Key Personnel.

[23] Bank of Italy Circular No. 285/2013, "Supervisory Provisions for Banks", Part I, Title IV, Chapter 2, Compensation and incentive mechanisms, as updated on 24 November 2021 (37th update).
[24] Provided for by the Management by Objectives (MBO) mechanism or by specific incentive/recruitment plans.

1.1 Measurement of fair value and accounting treatment

The mechanisms to recognise variable remuneration — discussed in the previous section — are considered as equity-settled share-based payment transactions, falling within the scope of application of IFRS 2 – *Share-based Payments*.

The accounting treatment set forth for these transactions requires an entity to reflect in its accounts, under the most appropriate items (staff expenses, fee expense), the estimated expense associated with services received, determined on the basis of the fair value of the rights granted (stock options/stock grants), as an offsetting entry to an increase in net equity through allocation to a specific equity reserve.

As the agreements relating to share-based payments based on the above-mentioned plans do not call for an exercise price, they can be considered similar to a stock grant and recognised in compliance with the rules set forth for this category of transactions. The overall expense regarding said agreements is therefore determined based on the number of shares expected to be assigned, multiplied by the fair value of the Banca Generali stock at the date of assignment.

The fair value of Banca Generali stock at the assignment date is measured based on the market price reported at the date of the General Shareholders' Meeting that approves annually the Remuneration Policy for the year of reference, adjusted to account for the estimate of expected dividends that will not be received by the beneficiaries during the deferral period.

The recognition through the equity reserve of the value of the plans — determined as described above — is measured *pro-rata temporis*, based on the vesting conditions, i.e., the period between assignment and final maturity of the right to receive the shares, likewise taking into account the probability that exercise conditions will not be realised for all beneficiaries.
Since the plans are organised into different instalments with differentiated vesting periods, each plan is valued separately.
In detail, the vesting period for the first instalment paid up-front assigned after the approval of the Financial Statements for the year of reference lasts from 1 January to 31 December of the year of reference of the remuneration (12 months). The vesting period of the subsequent instalments, whose payment is conditional upon both the continuation of service and the satisfaction of the access gates established on an annual basis, is further extended to 31 December of the year preceding that in which the shares are actually disbursed, according to a graded vesting criteria[25][26].

The number of shares actually granted to beneficiaries may, in any event, change based on the assessment of satisfaction of the individual objectives.

The IFRS 2 expense relating to any beneficiaries belonging to Banking Group companies other than the parent company Banca Generali is recognised directly by those companies. However, when the treasury shares bought back are actually assigned to them, the Bank charges back to the companies involved an amount corresponding to the fair value of the relevant plans[27].

1.2 Information on the share-based payment plans in connection to the Remuneration Policies

At 31 December 2024, there are three active cycles of share-based plans in connection to the Remuneration Policies relating to 2022, 2023 and 2024, whereas the 2021 cycle ended in the year, with the payment of the second deferred instalment.
Moreover, a limited number of non-standardised entry plans envisaging a longer, multi-year deferment are active.

The main features of the share-based plan, linked to the **2021** Remuneration Policies and approved by the General Shareholders' Meeting on **22 April 2021**, are as follows:

- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 7 December 2020 to 5 March 2021, had been determined to be **27.58 euros**;
- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 22 April 2021 (approximately **30.69 euros**), subsequently adjusted to account for the loss of dividends expected in the deferral period.

In that cycle, total shares to be assigned to Key Personnel had amounted to **191.8 thousand**, for a total fair value of approximately **5.1 million euros**.
In 2024, **40.1 thousand** shares referring to the second deferred instalment were assigned and the plan then ended.

The main features of the share-based plan, linked to the **2022** Remuneration Policies and approved by the General Shareholders' Meeting on **21 April 2022**, are as follows:

- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 9 December 2021 to 9 March 2022, had been determined to be **36.0 euros**;
- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 21 April 2022 (approximately **32.35 euros**), subsequently adjusted to account for the loss of dividends expected in the longer deferral period.

[25] On the basis of the new Remuneration Policy in effect from 2022, the vesting period of portions of deferred variable remuneration may be extended from 24 to 72 months for Top Key Personnel with a particularly high remuneration.
[26] Since 2018, IFRS 2-related charges recognised in the Profit and Loss Account with regard to ordinary incentives accrued by Financial Advisors and linked to objectives of net inflows or acquisition of new customers, where paid in shares, are expensed over the longer time period of 5 years. In addition, share grants relating to various recruitment plans for Financial Advisors who are included among Key Personnel only after the plan is concluded may be covered by other provisions for liabilities and contingencies previously allocated.
[27] The amount includes, in particular, the bonuses paid in shares to Key Personnel and some managers of the subsidiary BGFML and the Key Personnel of BG Valeur and BG Suisse.

In that cycle, total shares to be assigned to Key Personnel had amounted to **249 thousand**, for a total fair value of approximately **7.1 million euros**.
In 2024, **27.3 thousand shares**, referring to the second deferred instalment, were paid to the beneficiaries. Shares still to be assigned amounted to **81.7 thousand** and refer to the deferred instalments that will become payable from 2025 to 2028, respectively.

The main features of the share-based plan, linked to the **2023** Remuneration Policies and approved by the General Shareholders' Meeting on **19 April 2023**, are as follows:
- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 8 December 2022 to 8 March 2023, had been determined to be **33.18 euros**;
- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 19 April 2023 (approximately **30.34 euros**), subsequently adjusted to account for the loss of dividends expected in the longer deferral period.

In that cycle, total shares to be assigned to Key Personnel had amounted to **240 thousand**, for a total fair value of approximately **6.3 million euros**.
In 2024, **129.5 thousand shares**, referring to the up-front portion, were paid to the beneficiaries. Shares still to be assigned amount to **110.7 thousand** and refer to the deferred instalments that will become payable from 2025 to 2029, respectively.

The main features of the share-based plan, linked to the **2024** Remuneration Policies and approved by the General Shareholders' Meeting on **18 April 2024**, are as follows:
- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 5 December 2023 to 5 March 2024, was determined to be **34.26 euros**;
- the fair value of Banca Generali stock at the assignment date was equal to the market price reported on 18 April 2024 (approximately **35.45 euros**), subsequently adjusted to account for the loss of dividends expected in the longer deferral period.

In respect of the assessment of the achievement by Key Personnel of the objectives set for 2024, it was estimated that the portion of variable remuneration subject to share-based payment amounted to approximately **345 thousand shares**, for a total plan fair value of **10.7 million euros**.

The estimate of the shares in the process of accruing referring to the 2022-2024 three-year incentive plan launched by the Bank in 2022 that can be allotted to Key Personnel within Financial Advisors and Relationship Managers amounted to 129 thousand, for a total value of 2.8 million euros.

Other plans
There are other share-based plans, activated within the framework of the Remuneration Policies in force from time to time, which call for longer deferral periods of several years greater than those in effect when the plans were activated or, in any case, for vesting periods not in line with those envisaged in the Remuneration Policies. In 2024, share-based payments in relation to redundancy incentives plans were also recognised.
With regard to such plans, shares still to be assigned to Key Personnel are estimated at a total of 37.2 thousand, corresponding to an equity reserve of 0.9 million euros.

Quantitative information
In the reporting year, on the basis of the achievement of the performance objectives set out in the 2021, 2022 and 2023 Remuneration Policy, **201,988** treasury shares were granted to company managers and network managers, of which **161,657** shares assigned to Area Managers and Financial Advisors, **34,536** shares to employees, and **5,795** shares to other beneficiaries of Banking Group companies.

In detail, the shares allotted related, respectively, to the 2021 second instalment deferred by one year (20%), the 2022 first deferred instalment, the 2023 up-front amount (60%) and, for a residual amount, to shares granted under previous years' plans based on different deferral mechanisms.

	DEFERRAL	DATE OF SHARE-HOLDERS' MEETING	BANK OF ITALY'S AUTHORI-SATION	ASSIGN-MENT PRICE	WEIGHTED AVERAGE FV	TOTAL SHARES (/000)	SHARES ALREADY ASSIGNED (/000)	SHARES ASSIGNED IN 2024	SHARES TO BE ASSIGNED (/000)	FAIR VALUE (€ MILLION)	IFRS 2 RESERVE (€ MILLION)
Year 2021	2022-2024	22.04.2021	01.07.2021	27.58	26.36	192.0	-151.9	-40.1	–	5.1	–
Year 2022	2022-2027	22.04.2022	01.07.2022	36.00	28.27	248.3	-139.3	-27.3	81.7	7.0	1.6
Year 2023	2023-2028	19.04.2023	28.06.2023	33.18	26.33	240.1	–	-129.5	110.6	6.3	1.7
Year 2024	2024-2029	18.04.2024	26.06.2024	34.26	31.02	345.1	–	–	345.1	10.7	8.0
Year 2022 three-year incentives	2022-2028	22.04.2022	28.06.2023	36.00	21.61	129.9	–	–	129.9	2.8	1.4
Other share-based plans for employees (entry plans, redundancy plans, etc.)	–	–	–	–	28.57	67.3	-25.0	-5.1	37.2	1.9	0.9
Total	**–**	**–**	**–**	**–**	**–**	**1,222.6**	**-316.2**	**-202.0**	**704.5**	**33.8**	**13.7**

2. 2017-2026 Framework Loyalty Programme for the Sales Network

The *2017-2026 Framework Loyalty Programme for the Sales Network* was approved by the Board of Directors on 21 March 2017 and ratified by the General Shareholders' Meeting on 20 April 2017.

The Framework Loyalty Programme is divided into eight annual individual plans, all set to expire on 31 December 2026 and of decreasing lengths, to be activated following prior authorisation by the General Shareholders' Meeting of Banca Generali.
The indemnities accrued over the term of the Programme will be, in any event, paid out in one instalment, within 60 days from the General Shareholders' Meeting called to approve the 2026 Financial Statements.

For each plan, a portion of the accrued indemnity may be paid out in Banca Generali shares (up to a maximum of 50%), following an assessment of the potential effects at the level of capital ratios and floating capital by the corporate bodies (Board of Directors and General Shareholders' Meeting).

Participation in each of the plans envisaged by the Programme is reserved for Financial Advisors and Relationship Managers who have at least five years of company seniority by 31 December of the financial year before the reference year for each plan.
To be eligible to access the benefits of the plans activated it is necessary to:
› achieve at the end of the reference year a minimum volume of total AUM and qualified AUM increasing over time and with no net outflows (vesting condition);
› be regularly employed and not in a notice period on the disbursement date, except when the termination of employment is caused by death or permanent incapacity, retirement or withdrawal from the relationship by Banca Generali not for cause (service condition).

In the event of death, the indemnities accrued are understood to be permanently acquired, but are payable to the heirs under the same conditions specified for the other beneficiaries.

In addition, the accrued indemnity is commensurate for each individual plan with a rate for verified AUM and is differentiated according to the type of person (Financial Advisor/Relationship Manager) and service seniority until a cap is reached.
Recognition of the indemnities on the disbursement date is also subject to the Banking Group's access gates being exceeded as defined in the Remuneration Policies applicable from time to time and the rules of propriety.

The number of Banca Generali shares due is determined in the same way as for the share-based payment plans connected with the Remuneration Policies, namely based on the average price of Banca Generali shares during the three months prior to the meeting of the Board of Directors that approves the draft Separate and Consolidated Financial Statements for the year prior to that of the annual plan of reference.

2.1 Measurement of fair value and accounting treatment

Without prejudice to the accounting framework already analysed in point 1.1 above, set out below are the specific details of the share-based payment plans that can be activated as part of the Loyalty Programme.

The fair value of Banca Generali shares for plan valuation purposes is determined based on the market stock price reported on the date of the General Shareholders' Meeting that approves their activation, adjusted to take account of the estimate of expected dividends that the Bank will distribute along all the time horizon, decreasing for each successive plan, running up to the date the shares are actually assigned.

The plans' impact on the profit and loss account is measured *pro-rata temporis* based on the vesting period, which decreases for each successive plan, i.e., the period between the year of reference and final maturity of the right to receive the shares, taking also into account the probability that the vesting conditions for the year will not be realised for all beneficiaries.

2.2 Information on the share-based payment plans linked to the Framework Loyalty Programme

For all the annual plans launched up to the reporting date, 50% of the indemnity accrued can be paid out in shares.
The accrued indemnity value was determined based on the AUM of the plan's potential beneficiaries at end of the year of reference, whilst the number of financial instruments that can be assigned was determined based on the same reference value as the Banca Generali stock applied to the Remuneration Policies in force in the respective years.
Overall, the total number of shares, either assigned or in the process of accruing, in service of the five plans amounted to about 1,415 thousand (1,380 thousand net of the estimated turnover), for a total value of 20.2 million euros, of which 13.5 million euros already recognised through profit and loss.

	MAXIMUM NO. OF SHARES	NO. OF SHARES NET OF THE ESTIMATED TURNOVER	PLAN'S FAIR VALUE	IFRS 2 RESERVE	2024 EXPENSE
	THOUSANDS OF SHARES		€ MILLION		
2017-2026 Plan	204	199	2.4	1.9	0.2
2018-2026 Plan	162	158	2.3	1.7	0.2
2019-2026 Plan	334	325	4.4	3.1	0.5
2020-2026 Plan	278	271	2.7	1.8	0.3
2021-2026 Plan	437	426	8.4	5.1	1.3
Total	**1,415**	**1,380**	**20.2**	**13.5**	**2.5**

3. Long Term Incentive (LTI) plans

The Long Term Incentive (LTI) Plan, based exclusively on Banca Generali S.p.A. shares, is governed by Banca Generali's Remuneration Policies for Key Personnel and is approved annually by the Shareholders' Meeting of the Bank[28].
The plan aims at increasing the value of Banca Generali shares, by further strengthening the link between the remuneration of beneficiaries and the performance of the Banking Group, without prejudice to the consistency required with the expected results set forth in the Insurance Group's strategic plan.

This incentive instrument was introduced in 2018 to replace an incentive of a similar nature activated annually by the parent company Assicurazioni Generali for an extensive group of Key Managers of the Insurance Group and based on the assignment of Assicurazioni Generali shares.

Up to financial year 2023, the performance objectives envisaged by the plans had assigned a weight of 80% to the Banking Group's objectives and 20% to the Insurance Group's objectives. Since 2024, the plan has been exclusively based on the Banking Group's objectives.

The main characteristics of the plans approved as of 2020 are:
› the maximum number of the shares to be granted is determined at the beginning of the period of reference using a multiplier of the beneficiary's current remuneration;
› each year, it is determined that the access gate conditions of the Banking Group and of the Insurance Group have been met with regard to the specific year of the plan and the attainment of the objectives set at the beginning of the three-year period is assessed;
› at the end of the three years, once it has been determined that the access gates have been exceeded, the overall level of achievement of the objectives set at the beginning of the three years is assessed on the basis of the average annual results achieved in order to determine the actual number of shares due;
› the total shares accrued are then disbursed to the plan beneficiaries, provided that there is still a professional relationship between the beneficiary and a Banking Group company (service condition) and that the access gates have been exceeded, through the free granting of ordinary treasury shares bought back on the market (stock granting), in two instalments:
  – 50% of the shares is assigned immediately, subject to a further retention period of one year;
  – the remaining 50% is subject to a deferral of two additional years, without prejudice to a retention period of an additional year;
› the plan does not include dividend equivalent mechanisms, in accordance with the law and common practice in the banking sector;
› the plans envisage the customary malus and claw-back clauses.

[28] For further details on the Plan, reference should be made to the Report on Remuneration Policy and Compensations Paid approved annually by the Shareholders' Meeting and published on the Bank's corporate website.

The level of achievement of objectives, expressed in percent terms, is determined separately for each basket, consisting in an indicator and the weight assigned to it, using the linear interpolation method on the basis of the reference levels set at the outset of the plan (minimum, target and maximum)[29].
Here below is a presentation of the performance indicators defined for the plans activated up to now.

3.1 Measurement of fair value and accounting treatment

Without prejudice to the accounting framework already analysed in point 1.1 above, set out below are the specific details of the share-based payment plans that can be activated as part of the LTI plans launched by Banca Generali.

The number of shares due shall be valued separately for each plan year and for each of the weighted baskets linked to the objectives of the Banking Group and the Insurance Group.

In particular, baskets tied to the performance indicator formed by the Insurance Group's rTSR contain a market condition, whereas the other baskets are based on achievement of performance conditions.

	WEIGHT OF BANKING/ INSURANCE GROUP'S KPIS	BANKING GROUP ACCESS GATES	INSURANCE GROUP ACCESS GATES	BANKING GROUP OBJECTIVES	INSURANCE GROUP OBJECTIVES
2020 LTI	80%-20%	Total Capital Ratio (TCR) Liquidity Coverage Ratio (LCR)	Regulatory Solvency ratio	1. tROE (50%), 2. Adjusted EVA (50%)	1. rTSR (50%), 2. Net Holding cash flow (50%)
2021 LTI	80%-20%			1. tROE (50%), 2. Adjusted EVA (50%), 3. ESG AUM (correction factor from 0.8 to 1.2) [g]	1. rTSR (50%), 2. Net Holding cash flow (50%), 3. ESG indicators (correction factor from 0.8 to 1.2)
2022 LTI	80%-20%			1. tROE (40%), 2. Adjusted EVA (40%), 3. ESG AUM (20%) [h]	1. rTSR (45%), 2. Net Holding cash flow (35%), 3. ESG indicators (20%)
2023 LTI	80%-20%	CET1 Ratio Liquidity Coverage Ratio (LCR)		1. tROE (40%), 2. Adjusted EVA (40%), 3. ESG AUM (20%) [i]	1. rTSR (55%), 2. Net Holding cash flow (25%), 3. ESG indicators (20%)
2024 LTI	100%	CET1 Ratio Liquidity Coverage Ratio (LCR)	n.a.	1. tROE (40%), 2. Adjusted EVA (40%), 3. ESG AUM (15%), average ESG rating (5%) [l]	n.a.

a) tROE (tangible – Return on equity): the ratio of net profit and average net equity, excluding net profit for the year and intangible assets.
b) Recurring income, net profit less the following one-off components: gains/losses on the proprietary securities portfolio, performance fees, one-off component of the contributions to the FITD/BRRD bank rescue funds and the income and costs related to the extraordinary transactions completed during the reference period.
c) Adjusted EVA – Embedded value added: an indicator that expresses the value creation as the difference between recurring net profit (as defined above) and the cost of capital (Ke * average absorbed capital).
d) Net ROE (return on equity): ratio of consolidated net result and IFRS consolidated net equity of Generali Group (excluding item "Other Comprehensive Income").
e) rTSR – relative Total Shareholder Return: the total return on shareholder investment, calculated as the change in the market price of Generali Group shares, in which distributions or dividends reinvested in the shares are included, as compared to a peer group of competitors included in the STOXX Euro Insurance index.
f) Net Holding cash flow (Generali Group): net cash flows available at the level of the parent company in a given period, after holding expenses and interest expense. Its main components, from a cash perspective, are: remittances from subsidiaries; the result of centralised reinsurance; interest on borrowings; and expenses and taxes paid or reimbursed at the level of the Parent Company.
g) 2021 ESG indicators:
   1) Banking Group: Assets Under Management (AUM) of retail funds and insurance and financial underlying with ESG (Environmental, Social e Governance) rating by an external provider. The parameter is applied as a multiplier from 0.8 to 1.2 based on the period-end volume of the ESG component of AUM;
   2) Insurance Group: i) ESG rating assigned by MSCI (Morgan Stanley Capital International) in the multi-line insurance & brokerage sector; ii) positioning of the score assigned by Standard & Poor's Global Corporate Sustainability Assessment for the banking sector. The parameter is applied as a multiplier from 0.8 to 1.2 based on the rating assigned.
h) 2022 ESG indicators:
   1) Banking Group: Assets Under Management (AUM) of retail funds and insurance and financial underlying with ESG (Environmental, Social e Governance) rating by an external provider. The parameter is applied as a multiplier from 0.8 to 1.2 based on the period-end volume of the ESG component of AUM (in a range of 8%-13% of the AUM of reference);
   2) Insurance Group: i) new green and sustainable bond investments (10% weight); ii) % of women managers in management positions on total management positions (10% weight).
i) 2023 ESG indicators:
   1) Banking Group: ESG Assets Under Management (AUM), i.e., the ratio of Assets Under Management to AUM invested in (i) "eligible" financial and insurance products/services pursuant to Articles 8 or 9 in accordance with the MiFID ESG approach, and (ii) financing that, although included in portfolio management schemes or insurance policies that do not fall under Articles 8 or 9, actually qualify as pursuant to Articles 8 or 9 with an MIFID-ESG score of >3;
   2) Insurance Group: i) the CO_2 Emissions Reduction Target for Group Operations, which refers to the percent reduction in CO_2-equivalent emissions generated by the Group's operations, measured comparing the year 2025 with the 2019 baseline; ii) % of women managers in management positions on total management positions.
l) 2024 ESG indicators:
   1) Banking Group: ESG Assets Under Management (AUM), i.e., the ratio of Assets Under Management to AUM invested in (i) "eligible" financial and insurance products/services pursuant to Articles 8 or 9 in accordance with the MiFID ESG approach, and (ii) financing that, although included in portfolio management schemes or insurance policies that do not fall under Articles 8 or 9, actually qualify as pursuant to Articles 8 or 9 with an MIFID-ESG score of >3;
   2) average ESG rating: indicator that measures average ESG ratings assigned to Banca Generali by Sustainalytics, Vigeo/Moody's and MSCI, grouped under 5 grades.

[29] In particular, the maximum performance level is associated with a percentage of 175%.

Market conditions are assessed solely at the assignment date on the basis of a statistical model that estimates the probable future positioning of the rTSR for Generali shares compared to a peer group identified by the STOXX Euro Insurance Index for each plan year. The fair value of the rights associated with this plan component is thus determined by multiplying the fair value of a Banca Generali share at the assignment date by the level of achievement of the objective associated with the resulting positioning.

Baskets associated with the achievement of performance conditions are assessed on the basis of the fair value of a Banca Generali share and the number of shares potentially assignable.

In this case as well, the fair value of the Banca Generali share used for evaluating the plans is determined starting from the market stock price reported on the date of the General Shareholders' Meeting that approves their activation, adjusted to take account of the estimate of expected dividends that the Bank will distribute along all the time horizon, running up to the date the shares are actually assigned.

The total cost of the LTI plans is therefore equal to the sum of the cost calculated for each basket on the basis of the fair value of rights assigned, determined according to the above methods, multiplied by the number of shares that may potentially be granted in respect of the level of achievement of the performance condition, the market condition, the likelihood that the service condition will be met and the achievement of the minimum access gate.

The recognition through the equity reserve of the value of the plans — determined as described above — is measured *pro-rata temporis*, based on the vesting conditions, i.e., the period between assignment and final maturity of the right to receive the shares, likewise taking into account the probability that exercise conditions will not be realised for all beneficiaries.
In particular, for plans activated from 2020 onwards, the vesting period of the first instalment is three years from the year of approval of the plan to the end of the final year of the three years of reference, whereas the vesting period of the second instalment starts at the end of the year before that of the actual assignment of the shares (five years).

3.2 Information on the LTI (Long Term Incentive) share-based payment plans

In 2024, the shares relating to the first instalment of the second 2020-2023 LTI Plan were assigned. In detail, based on the objectives reached, a total of 61,706 shares were assigned out of 123,408 total shares accrued.

Overall, the total number of shares in the process of accruing for the four plans underway amounted to about 426 thousand, for a total value of 11.8 million euros, of which 8.0 million euros already recognised through profit or loss.

	NO. OF SHARES (THOUSANDS OF SHARES)			PLAN'S FAIR VALUE	IFRS 2 RESERVE	2024 EXPENSE
	TOTAL	ALLOTTED	RESIDUAL		(€ MILLION)	
2020-2022 Plan (2023-2025 allotments)	85.6	-42.8	42.8	1.2	0.5	0.1
2021-2023 Plan (2024-2026 allotments)	123.4	-61.7	61.7	2.7	1.0	0.5
2022-2024 Plan (2025-2027 allotments)	105.1	–	105.1	2.5	2.1	0.8
2023-2025 Plan (2026-2028 allotments)	123.7	–	123.7	2.7	1.5	0.9
2024-2026 Plan (2026-2028 allotments)	96.6	–	96.6	2.6	0.7	0.7
Total plans underway	**534.4**	**-104.5**	**429.8**	**11.8**	**5.9**	**3.0**

B. Quantitative Information

The value of treasury shares assigned during the year was 7.7 million euros, against IFRS 2 reserves totalling 7.0 million euros, with a negative net effect on the share premium reserve of about 0.7 million euros.
New provisions were also allocated to the reserve for 16.2 million euros.

At 31 December 2024, total IFRS 2 reserves allocated therefore amounted to 33.1 million euros, of which:
- 13.4 million euros in relation to the Remuneration Policy;
- 13.5 million euros in relation to the Loyalty Programme;
- 5.9 million euros in relation to the Long Term Incentive Plans of Banca Generali;
- 0.3 million euros in relation to foreign subsidiaries.

PART L – SEGMENT REPORTING

In application of IFRS 8, Banca Generali Group's segment reporting is based on information that management uses to make its operating decisions[30].

It should be noted that, in January 2024, a reorganisation of the BG Network for commercial purposes was launched entailing:
› the separation of the new Senior Partner Network, consisting of Financial Advisors with assets under management of more than 150 million euros and teams with assets under management of more than 350 million euros;
› the incorporation of the Private Banking and Wealth Management Networks into the new Private & Wealth Network, within the framework of which the organisational structures of the former networks retained their peculiarities, under the supervision of a new top management position, the Network Sales Manager, focused on local coordination and commercial guidance of the various network's Area Managers.

The **Senior Partner CGU (SP CGU)** consists of the assets attributable to financial advisors of the BG Network managing AUM of more than 150 million euros and teams with assets under management exceeding 350 million euros.

The **Private Banking CGU (PB CGU)** consists of the assets attributable to the other networks of Financial Advisors (Private Bankers, Wealth Managers and Financial Planners) and to the network of Relationship Managers and their Customers, in addition to assets held in Switzerland.

Data for 2023 were restated based on the new organisation of the BG Network, so as to allow a comparison between periods.

The periodical reports analysed by the management requires the Group to assess the performance of its operating segments on the basis of the performance of the net banking income attributable to such segments. The financial aggregates presented for each segment therefore consist of net interest, net fees and the net income (loss) from trading activity including dividends. They include both components arising from transactions with third parties external to the Group ("external revenues"), and those deriving from transactions with other segments ("internal revenues").

In this regard, it should be noted that internal revenues can be identified solely with reference to net interest income; in fact, since net fees are generated directly by volumes of gross net inflows and assets under management relating to the individual segments, they are generated in full as external revenues.

The interest expense incurred by the segments mentioned below was determined on the basis of the actual interest paid on each segment's direct net inflows. The segments' interest income includes the actual interest accrued on the loans issued to customers in each segment. Both components are recognised net of the share of the "notional interest" calculated on the basis of the LTP (Liquidity Transfer Pricing) and attributed to the Corporate Center segment.

Performance fees have been directly allocated to the business areas that place the products. All the revenue components presented are measured using the same accounting standards adopted to prepare the Group's Consolidated Financial Statements so that segment data can be reconciled more easily with consolidated data.

[30] Management approach,

The following table shows the consolidated profit and loss results of each of the three operating segments, stated net of intra-segment eliminations.

BANCA GENERALI GROUP PROFIT AND LOSS ACCOUNT BY BUSINESS SEGMENT	31.12.2024				31.12.2023			
	PB OPERATING SEGMENT	SP OPERATING SEGMENT	CORPORATE CENTER	TOTAL	PB OPERATING SEGMENT	SP OPERATING SEGMENT	CORPORATE CENTER	TOTAL
Net interest income	**268,004**	**34,578**	**14,524**	**317,106**	**274,209**	**38,381**	**-8,190**	**304,400**
Fee income	990,003	154,832	62,724	1,207,559	789,100	124,060	64,087	977,247
of which:								
- *underwriting*	*44,969*	*7,044*	*-3,557*	*48,457*	*37,125*	*7,346*	*-3,418*	*41,053*
- *management*	*708,581*	*106,555*	*44,646*	*859,782*	*659,824*	*97,689*	*47,148*	*804,660*
- *performance*	*141,343*	*18,299*	*6,745*	*166,387*	*13,419*	*2,738*	*3,068*	*19,225*
- *other*	*95,109*	*22,934*	*14,890*	*132,933*	*78,732*	*16,287*	*17,289*	*112,308*
Fee expense	-461,293	-88,858	-14,918	-565,069	-418,213	-74,498	-17,700	-510,411
of which:								
- *incentives*	*-12,223*	*-3,492*	*–*	*-15,715*	*-12,225*	*-2,667*	*–*	*-14,892*
Net fees	**528,710**	**65,974**	**47,806**	**642,490**	**370,888**	**49,561**	**46,387**	**466,836**
Net income (loss) from trading activities and dividends	14	-	21,522	21,536	-93	-	17,036	16,943
Net banking income	**796,727**	**100,552**	**83,853**	**981,132**	**645,004**	**87,942**	**55,233**	**788,179**
Staff expenses	–	–	–	-134,997	–	–	–	-124,371
Other general and administrative expenses	–	–	–	-263,434	–	–	–	-240,786
Adjustments of property, equipment and intangible assets	–	–	–	-42,143	–	–	–	-39,726
Other operating expenses/income	–	–	–	133,966	–	–	–	112,032
Net operating expenses	**–**	**–**	**–**	**-306,608**	**–**	**–**	**–**	**-292,851**
Operating result	**–**	**–**	**–**	**674,524**	**–**	**–**	**–**	**495,328**
Adjustments of other assets	–	–	–	1,837	–	–	–	-528
Net provisions	–	–	–	-105,830	–	–	–	-49,844
Gains (losses) from investments and equity investments	–	–	–	-758	–	–	–	-1,109
Operating profit before taxation	**–**	**–**	**–**	**569,773**	**–**	**–**	**–**	**443,847**
Income taxes – operating activities	–	–	–	-138,548	–	–	–	-117,769
Profit (loss) from assets held for sale	–	–	–	–	–	–	–	–
Net profit (loss) for the year attributable to minority interests	–	–	–	–	–	–	–	-58
Net profit	**–**	**–**	**–**	**431,225**	**–**	**–**	**–**	**326,136**
(€ MILLION)								
Assets Under Management	85,504	17,508	7,426	110,438	76,170	15,514	6,439	98,122
Net inflows	5,520	1,128	n.a.	6,648	4,719	1,136	n.a.	5,855
No. of FAs/RMs	2,263	103	n.a.	2,366	2,174	97	n.a.	2,271

Notes
The financial data in the segment reporting are stated in accordance with the management approach, reclassifying fee provisions to the item Fee expense.

With respect to the information about assets and liabilities required by IFRS 8, it should be noted that the Group's management does not present or analyse the data in question in a format that differs from that as approved in the Consolidated and Separate Financial Statements.

Accordingly, for comments on the Group's balance sheet figures, reference is made to the other sections of these Notes and Comments.

The following table shows the breakdown of the balance of consolidated intangible assets by the two segments, with particular reference to the Goodwill component.

	31.12.2024		
(€ THOUSAND)	PB OPERATING SEGMENT	SP OPERATING SEGMENT	TOTAL
Goodwill	79,145	8,929	88,073
Intangible assets (client relationships and trademarks)	13,955	–	13,955
Total	**93,100**	**8,929**	**102,029**

In accordance with the requirements of IFRS 8.33, it bears recalling that the Group's business is substantially evenly distributed throughout Italy. Management does not receive any reports on performance by geographical area.

In accordance with the requirements indicated in IFRS 8.34, it is specified that the Group has no customers that allow revenues of more than 10% of consolidated revenues to be obtained, the only exception being the product insurance distribution activity of the subsidiary Genertellife, for which reference is made to Part H of these Notes and Comments.

PART M – INFORMATION ON LEASES

Section 1 – Lessee

Qualitative information

With regard to qualitative information required pursuant to paragraphs 59 and 60 of IFRS 16, reference should be made to Part A, namely Part A.2 – Main Financial Statements Aggregates, Point 15 – Other information of these Notes and Comments.

Quantitative information

As regards quantitative information, reference should be made to the details given in these Notes and Comments, and in particular:

› **Rights of use acquired through leases** in Part B, Section 9 – Property and equipment - Item 90, Table 9.1 Breakdown of operating property and equipment: assets measured at cost;
› **Lease debts** in Part B, Section 1 – Financial liabilities measured at amortised cost - Item 10, Table 1.6 Lease debts;
› **Interest expense on lease liabilities/debts** in Part C, Section 1 – Interests – Items 10 and 20, Table 1.3 Breakdown of interest expense and similar charges;
› **Other costs associated with rights of use acquired through leases** in Part C, Section 12 – General and administrative expenses - Item 190, Table 12.5 Breakdown of other general and administrative expenses;
› **Depreciation of rights of use acquired through leases** in Part C, Section 14 – Net adjustments/reversals of property and equipment - Item 210, Table 14.1 Breakdown of net adjustments of property and equipment.

Trieste, 6 March 2025

The Board of Directors

Independent Auditors' Report on the Consolidated Financial Statements

KPMG S.p.A.
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(The accompanying translated consolidated financial statements of the Banca Generali Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Banca Generali S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Banca Generali Group (the "group"), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated profit and loss account, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Banca Generali Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Banca Generali S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the

Banca Generali Group
Independent auditors' report
31 December 2024

context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Classification and measurement of financial assets and liabilities at fair value

Notes to the consolidated financial statements "Part A – Accounting policies": paragraphs A.2.1 "Financial assets measured at fair value through profit or loss (FVTPL)", A.2.2 "Financial assets measured at fair value through other comprehensive income (FVOCI)", A.2.4 "Hedging transactions", A.2.12 "Financial liabilities held for trading" and A.4 "Information on fair value"

Notes to the consolidated financial statements "Part B - Information on the consolidated balance sheet - Assets": sections 2 "Financial assets measured at fair value through profit or loss", 3 "Financial assets measured at fair value through other comprehensive income" and 5 "Hedging derivatives"

Notes to the consolidated financial statements "Part B - Information on the consolidated balance sheet - Liabilities": sections 2 "Financial liabilities held for trading" and 4 "Hedging derivatives"

Notes to the consolidated financial statements "Part C - Information on the consolidated profit and loss account": sections 4 "Net income (loss) from trading activities", 5 "Net income (loss) from hedging" and 7 "Net gains (losses) of other financial assets and liabilities measured at fair value through profit and loss"

Notes to the consolidated financial statements "Part E - Information on risks and risk hedging policies": paragraphs 1.1 "Credit risk - subsection D "Transfers" - paragraphs C "Prudential consolidation - Transferred financial assets fully derecognised", 1.2 "Market risks" and 1.3 "Derivatives and hedging policies"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2024 include financial assets and financial liabilities at fair value totalling €2,165.3 million and €177.1 million, respectively. These financial assets and liabilities comprise assets and liabilities measured at fair value of €716.0 million and €177.1 million, respectively, for which there is no quoted price on an active market and which the directors have classified at levels 2 and 3 of the fair value hierarchy. Classifying and, especially, measuring fair value levels 2 and 3 financial instruments require a high level of judgement given the complexity of the models and parameters used. For the above reasons, we believe that the classification and measurement of financial assets and liabilities at fair value are a key audit matter.	Our audit procedures included: — gaining an understanding of the parent's and group companies' processes and IT environments in relation to the trading, classification and measurement of financial instruments; — assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls, especially in relation to the classification and measurement of financial instruments with fair value levels 2 and 3. We carried out these procedures with the assistance of experts of the KPMG network; — checking, on a sample basis, that the financial instruments had been correctly classified on the basis of their fair value level; — for a sample of financial instruments with fair value levels 2 and 3, assessing the reasonableness of the main parameters used by the directors for their measurement. We carried out this procedure with the assistance of experts of the KPMG network; — analysing the changes in the composition of the financial instrument portfolios compared to the previous year end and discussing the results with the relevant internal departments;

	— assessing the appropriateness of the disclosures about financial instruments and related fair value levels.

Measurement of provisions for liabilities and contingencies

Notes to the consolidated financial statements "Part A - Accounting policies": paragraph A.2.10 "Provisions for liabilities and contingencies"

Notes to the consolidated financial statements "Part B - Information on the consolidated balance sheet - Liabilities": section 10 "Provisions for liabilities and contingencies"

Notes to the consolidated financial statements "Part C - Information on the consolidated profit and loss account": section 13 "Net provisions for liabilities and contingencies"

Key audit matter	Audit procedures addressing the key audit matter
The consolidated financial statements at 31 December 2024 include provisions for liabilities and contingencies of €341.0 million. These include €236.9 million relating to financial advisors' termination indemnities and incentive schemes and €104.1 million mainly relating to legal disputes, personnel-related costs and commercial actions aimed at compensating customers for potential losses arising from investments in illiquid products distributed by the group. Measuring provisions for liabilities and contingencies is a complex activity, with a high degree of uncertainty, and also entails directors' actuarial-based estimates about the probability of payments, the expected payment timing and other historical and statistical parameters. For the above reasons, we believe that measuring provisions for liabilities and contingencies is a key audit matter.	Our audit procedures included: — understanding the process for the measurement of the provisions for liabilities and contingencies, assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls; — analysing the discrepancies between last year's and current year's estimates of the provisions for liabilities and contingencies and discussing the results with the relevant internal departments; — sending written requests for information to the legal advisors assisting the group with pending legal disputes and the quantification of the related liability and checking the consistency of the information obtained with the elements considered by the directors to measure the provisions for liabilities and contingencies; — analysing the reasonableness of the assumptions used to estimate the main accruals to the provisions for liabilities and contingencies through discussions with the relevant internal departments and analysis of the supporting documentation; — analysing the reasonableness of the assumptions, actuarial assumptions and methods used by the directors to estimate the liability for personal financial advisors' termination indemnities. We carried out these procedures with the assistance of experts of the KPMG network; — assessing the appropriateness of the disclosures about the provisions for liabilities and contingencies.

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31 December 2024

Other matters - Management and coordination

The parent's directors disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to the group's consolidated financial statements. Our opinion on the consolidated financial statements of the Banca Generali Group does not extend to such data.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 22 April 2021, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Banca Generali Group
Independent auditors' report
31 December 2024

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the consolidated financial statements;
- express an opinion on the compliance of the report on operations, excluding the section that includes the sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the sustainability statement, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

Banca Generali Group
Independent auditors' report
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With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on the compliance with the applicable law does not extend to the report on operations' section which includes the sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Trieste, 26 March 2025

KPMG S.p.A.

(signed on the original)

Pietro Dalle Vedove
Director of Audit

Independent Auditors' Report on the Sustainability Statement

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' limited assurance report on the sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Banca Generali S.p.A.

Conclusion

Pursuant to articles 8 and 18.1 of Legislative decree no. 125 of 6 September 2024 (the "decree"), we have been engaged to perform a limited assurance engagement on the 2024 sustainability statement of the Banca Generali Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report (the "sustainability statement").

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the group's 2024 sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "*Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (taxonomy regulation)*" section of the sustainability statement has not been prepared, in all material respects, in accordance with article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the "taxonomy regulation").

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under SSAE (Italia) are further described in the "*Auditors' responsibilities for the sustainability assurance engagement*" section of our report.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

Our company applies International Standard on Quality Management (ISQM Italia) 1 and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The 2024 sustainability statement presents the 2023 comparative information, which has not been subjected to an assurance engagement.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Banca Generali S.p.A. (the "parent") for the sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the sustainability statement in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in the "*ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities*" section of the sustainability statement.

The directors are also responsible for the preparation of a sustainability statement in accordance with article 4 of the decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the "*Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (taxonomy regulation)*" section with article 8 of the taxonomy regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a sustainability statement in accordance with article 4 of the decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Inherent limitations in preparing the sustainability statement

For the purpose of disclosing forward-looking information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the sustainability statement, regarding future events and the group's actions that are not necessarily expected to occur. Actual results are likely to be different from the forecast sustainability information since anticipated events frequently do not occur as expected and the variation could be material.

The disclosures provided by the group about Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative Scope 3 emissions information from value chain.

Gruppo Banca Generali
Relazione della società di revisione
31 dicembre 2024

Auditors' responsibilities for the sustainability assurance engagement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the sustainability statement.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures to check disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the sustainability limited assurance engagement and assuming full responsibility for the conclusion on the sustainability statement.

Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- we gained an understanding of the group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the process adopted by the group to identify and assess material sustainability-related impacts, risks and opportunities (IROs), based on the double materiality principle. Moreover, on the basis of the information acquired, we evaluated any emerging inconsistencies that may indicate the presence of sustainability matters not addressed by the group in its materiality assessment process; Specifically, mostly through inquiries, observations and inspections, we gained an understanding of how the group:
  - considered the interests and opinions of the stakeholders involved;
  - identified its sustainability-related IROs, assessing their consistency with our knowledge of the group and its sector;
  - defined and assessed material IROs by analysing the qualitative and quantitative materiality thresholds it determined, checking their consistency with the results of the enterprise risk management (ERM) process;
- we gained an understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the sustainability statement, including of

Gruppo Banca Generali
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the reporting boundary, through interviews and discussions with the group's personnel and selected procedures on documentation;

- we identified the disclosures associated with a risk of material misstatement, whether due to fraud or error;
- we designed and performed procedures at group level, based on our professional judgement, to respond to identified risks of material misstatement, including:
    - with reference to qualitative information and, in particular, the sustainability-related policies, actions and objectives, we held inquiries and performed limited procedures on documentation;
    - with reference to quantitative information, we carried out analytical procedures, inspections, observations and recalculations on a sample basis also through the acquisition of documentary evidence;
- we gained an understanding of the process adopted by the group to determine taxonomy-eligible economic activities and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the sustainability statement;
- we checked the consistency of the disclosures contained in the sustainability statement with those included in the group's financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or management accounts;
- we checked the compliance of the structure and presentation of disclosures included in the sustainability statement with the ESRS;
- we obtained the representation letter.

Trieste, 26 March 2025

KPMG S.p.A.

(signed on the original)

Pietro Dalle Vedove
Director of Audit

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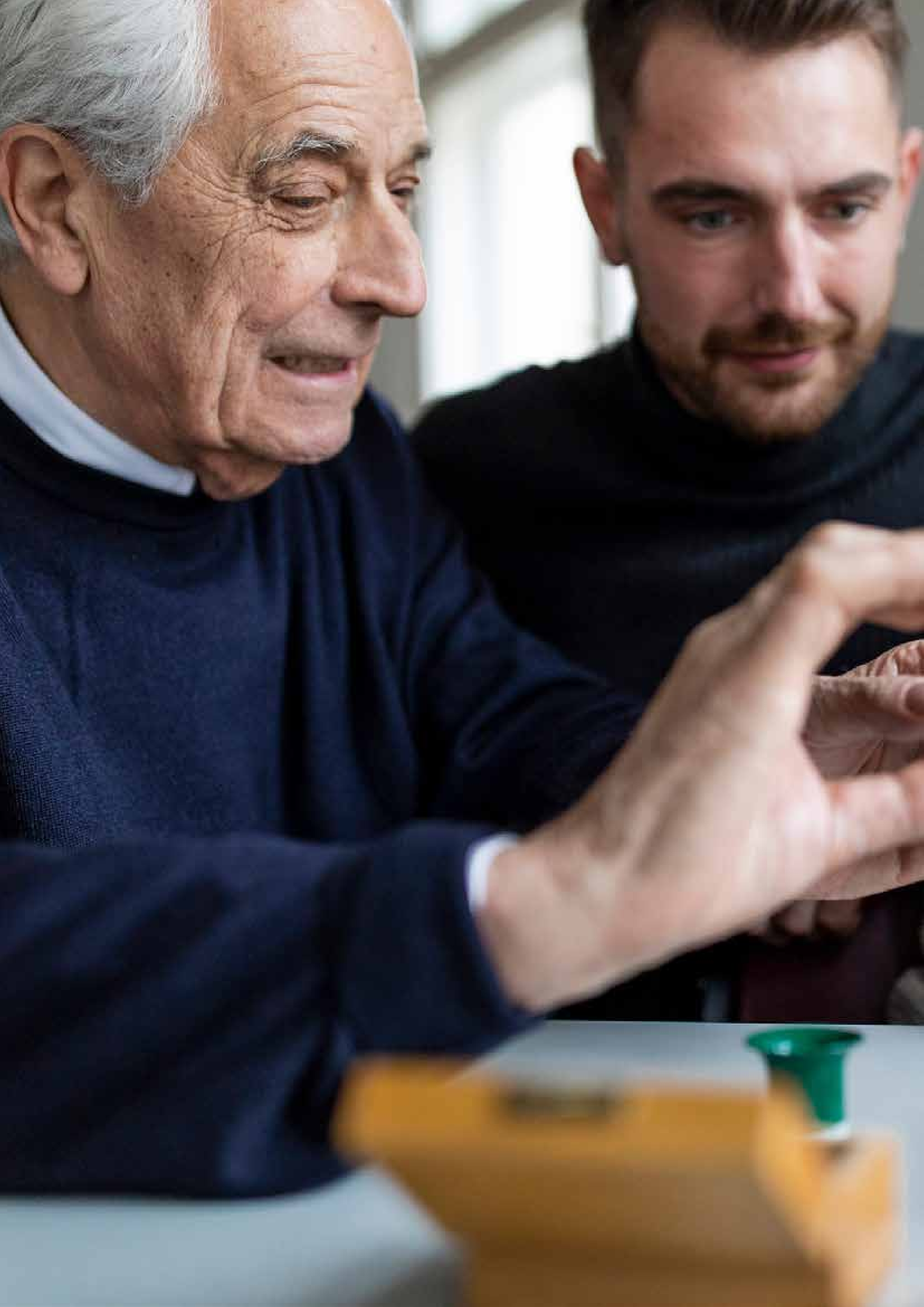
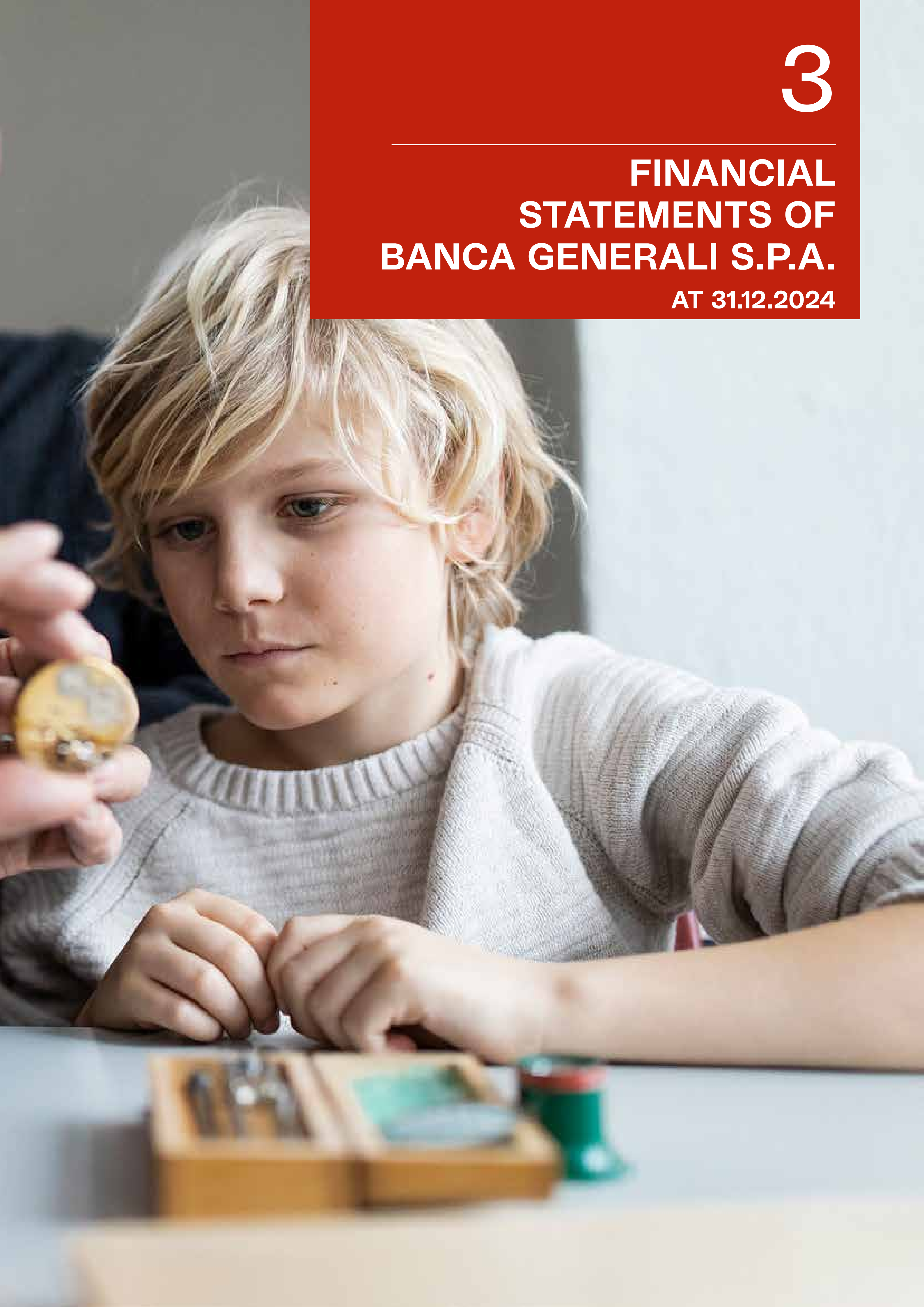


3

FINANCIAL STATEMENTS OF BANCA GENERALI S.P.A.

AT 31.12.2024



Accounting Statements

BALANCE SHEET

ASSETS

(EUROS)	31.12.2024	31.12.2023
10. Cash and deposits	1,008,982,106	573,573,467
20. Financial assets measured at fair value through profit or loss:	512,209,442	509,407,283
a) HFT financial assets	121,599	166,197
c) other financial assets mandatorily measured at fair value	512,087,843	509,241,086
30. Financial assets measured at fair value through other comprehensive income	1,521,863,602	1,000,935,508
40. Financial assets measured at amortised cost:	12,555,585,505	12,257,659,275
a) loans to banks	2,738,688,143	2,257,223,244
b) loans to customers	9,816,897,362	10,000,436,031
50. Hedging derivatives	131,220,486	161,955,281
70. Equity investments	72,263,626	58,746,777
80. Property and equipment	125,643,902	137,616,288
90. Intangible assets	135,655,948	131,375,986
of which:		
- *goodwill*	*79,366,416*	*79,366,416*
100. Tax assets:	85,795,778	70,080,523
a) current	3,055,673	1,454,369
b) prepaid	82,740,105	68,626,154
110. Non-current assets held for sale or disposal groups	227,182	-
120. Other assets	533,053,349	503,009,226
Total assets	**16,682,500,926**	**15,404,359,614**

LIABILITIES AND NET EQUITY

(EUROS)	31.12.2024	31.12.2023
10. Financial liabilities measured at amortised cost:	14,504,824,180	13,494,805,885
a) due to banks	359,072,784	231,658,847
b) due to customers	14,145,751,396	13,263,147,038
20. HFT financial liabilities	108,632	158,659
40. Hedging derivatives	176,946,663	132,661,592
50. Adjustment to macro-hedged financial liabilities (+\-)	2,141,520	-
60. Tax liabilities:	16,820,793	44,709,241
a) current	5,827,010	39,582,955
b) deferred	10,993,783	5,126,286
80. Other liabilities	289,741,218	346,276,597
90. Employee termination indemnities	3,370,323	3,744,002
100. Provisions for liabilities and contingencies:	337,684,316	262,538,207
a) commitments and guarantees issued	11,795,503	9,590,962
c) other provisions for liabilities and contingencies	325,888,813	252,947,245
110. Valuation reserves	5,911,117	-4,320,255
130. Equity instruments	100,000,000	50,000,000
140. Reserves	749,854,036	674,069,558
150. Share premium reserve	52,391,896	52,992,230
160. Share capital	116,851,637	116,851,637
170. Treasury shares (-)	-87,267,787	-85,005,169
180. Net profit (loss) for the year	413,122,382	314,877,430
Total net equity and liabilities	**16,682,500,926**	**15,404,359,614**

PROFIT AND LOSS ACCOUNT

ITEMS

(EUROS)		2024	2023
10.	Interest income and similar revenues	480,582,491	433,137,540
20.	Interest expense and similar charges	-166,021,092	-130,264,834
30.	**Net interest income**	**314,561,399**	**302,872,706**
40.	Fee income	817,167,040	745,445,396
50.	Fee expense	-508,829,447	-457,593,983
60.	**Net fees**	**308,337,593**	**287,851,413**
70.	Dividends and similar income	257,769,098	149,435,295
80.	Net income (loss) from trading activities	8,136,027	4,033,043
90.	Net income (loss) from hedging	-191,525	1,183,449
100.	Gain (loss) on disposal or repurchase of:	9,810,041	5,543,418
	a) financial assets measured at amortised cost	8,964,287	5,323,719
	b) financial assets measured at fair value through other comprehensive income	845,754	219,699
110.	Net income (loss) from financial assets and liabilities measured at fair value through profit and loss:	2,458,823	5,061,327
	b) other financial assets mandatorily measured at fair value	2,458,823	5,061,327
120.	**Net banking income**	**900,881,456**	**755,980,650**
130.	Net adjustments/reversals due to credit risk:	1,837,499	-528,202
	a) financial assets measured at amortised cost	2,030,321	-692,621
	b) financial assets measured at fair value through other comprehensive income	-192,822	164,418
150.	**Net income (loss) from trading activities**	**902,718,955**	**755,452,448**
160.	General and administrative expenses:	-365,839,552	-338,190,019
	a) staff expenses	-114,806,720	-105,834,714
	b) other general and administrative expenses	-251,032,832	-232,355,305
170.	Net provisions for liabilities and contingencies:	-121,544,385	-64,735,577
	a) commitments and guarantees issued	-11,604,729	-9,539,036
	b) other net provisions	-109,939,656	-55,196,541
180.	Net adjustments/reversals of property and equipment	-22,418,563	-22,456,862
190.	Net adjustments/reversals of intangible assets	-15,973,610	-15,146,741
200.	Other operating expenses/income	133,715,613	111,213,928
210.	**Operating expenses**	**-392,060,497**	**-329,315,272**
220.	Gains (losses) from equity investments	-171,267	-15,202,422
250.	Gains (losses) on disposal of equity investments	–	-82,709
260.	**Profit from operating activities before income taxes**	**510,487,191**	**410,852,045**
270.	Income taxes for the year on operating activities	-97,364,809	-95,974,616
280.	**Profit from operating activities after income taxes**	**413,122,382**	**314,877,430**
300.	**Net profit (loss) for the year**	**413,122,382**	**314,877,430**

STATEMENT OF OTHER COMPREHENSIVE INCOME

ITEMS

(EUROS)		2024	2023
10.	**Net profit for the year**	**413,122,382**	**314,877,430**
	Other income net of income taxes, without transfer to Profit and Loss Account		
20.	Equity securities designated at fair value through other comprehensive income	-102,701	530,861
70.	Defined benefit plans	-26,211	-162,496
	Other income net of income taxes, with transfer to Profit and Loss Account		
120.	Cash flow hedges	4,702,757	–
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	5,657,527	7,930,950
170.	**Total other income net of income taxes**	**10,231,372**	**8,299,315**
180.	**Comprehensive income (Items 10 + 170)**	**423,353,754**	**323,176,745**

STATEMENT OF CHANGES IN EQUITY

ITEMS

	SHARE CAPITAL			RESERVES						
(EUROS)	A) ORDINARY SHARES	B) OTHER	SHARE PREMIUM RESERVE	A) RETAINED EARNINGS	B) OTHER	VALUATION RESERVES	EQUITY INSTRUMENTS	TREASURY SHARES	NET PROFIT (LOSS)	NET EQUITY
Net equity at 31.12.2023	**116,851,637**	**–**	**52,992,230**	**635,011,859**	**39,057,699**	**-4,320,255**	**50,000,000**	**-85,005,169**	**314,877,430**	**1,119,465,431**
Change in opening balances	–	–	–	–	–	–	–	–	–	–
Amount at 01.01.2024	116,851,637	–	52,992,230	635,011,859	39,057,699	-4,320,255	50,000,000	-85,005,169	314,877,430	1,119,465,431
Allocation of net profit for the previous year	–	–	–	60,058,668	–	–	–	–	-314,877,430	-254,818,762
– Reserves	–	–	–	63,646,410	–	–	–	–	-63,646,410	–
– Dividends and other allocations	–	–	–	-3,587,742	–	–	–	–	-251,231,020	-254,818,762
Change in reserves	–	–	–	–	–	–	–	–	–	–
Transactions on net equity:	–	–	-600,334	6,021,375	9,704,435	–	50,000,000	-2,262,618	–	62,862,858
– Issue of new shares	–	–	-600,334	–	-6,913,677	–	–	7,676,701	–	162,690
– Purchase of treasury shares	–	–	–	–	–	–	–	-9,939,319	–	-9,939,319
– Extraordinary distribution of dividends	–	–	–	6,021,375	–	–	–	–	–	6,021,375
– Change in equity instruments	–	–	–	–	–	–	50,000,000	–	–	50,000,000
– Derivatives on treasury shares	–	–	–	–	–	–	–	–	–	–
– Stock options	–	–	–	–	16,618,112	–	–	–	–	16,618,112
Comprehensive income	–	–	–	–	–	10,231,372	–	–	413,122,382	423,353,754
Net equity at 31.12.2024	**116,851,637**	**–**	**52,391,896**	**701,091,902**	**48,762,134**	**5,911,117**	**100,000,000**	**-87,267,787**	**413,122,382**	**1,350,863,281**

	SHARE CAPITAL			RESERVES						
(EUROS)	A) ORDINARY SHARES	B) OTHER	SHARE PREMIUM RESERVE	A) RETAINED EARNINGS	B) OTHER	VALUATION RESERVES	EQUITY INSTRUMENTS	TREASURY SHARES	NET PROFIT (LOSS)	NET EQUITY
Net equity at 31.12.2022	**116,851,637**	**–**	**53,767,376**	**598,456,926**	**33,705,951**	**-12,619,570**	**50,000,000**	**-80,139,118**	**226,187,720**	**986,210,922**
Change in opening balances	–	–	–	–	–	–	–	–	–	–
Amount at 01.01.2023	116,851,637	–	53,767,376	598,456,926	33,705,951	-12,619,570	50,000,000	-80,139,118	226,187,720	986,210,922
Allocation of net profit for the previous year	–	–	–	31,751,269	–	–	–	–	-226,187,720	-194,436,451
– Reserves	–	–	–	33,382,519	–	–	–	–	-33,382,519	–
– Dividends and other allocations	–	–	–	-1,631,250	–	–	–	–	-192,805,201	-194,436,451
Change in reserves	–	–	–	–	–	–	–	–	–	–
Transactions on net equity:	–	–	-775,146	4,803,664	5,351,748	–	–	-4,866,051	–	4,514,215
– Issue of new shares	–	–	-775,146	–	-6,420,367	–	–	7,380,978	–	185,465
– Purchase of treasury shares	–	–	–	–	–	–	–	-12,247,029	–	-12,247,029
– Extraordinary distribution of dividends	–	–	–	4,803,664	–	–	–	–	–	4,803,664
– Change in equity instruments	–	–	–	–	–	–	–	–	–	–
– Derivatives on treasury shares	–	–	–	–	–	–	–	–	–	–
– Stock options	–	–	–	–	11,772,115	–	–	–	–	11,772,115
Comprehensive income	–	–	–	–	–	8,299,315	–	–	314,877,430	323,176,745
Net equity at 31.12.2023	**116,851,637**	**–**	**52,992,230**	**635,011,859**	**39,057,699**	**-4,320,255**	**50,000,000**	**-85,005,169**	**314,877,430**	**1,119,465,431**

CASH FLOW STATEMENT

INDIRECT METHOD

(EUROS)	2024	2023
A. OPERATING ACTIVITIES		
1. Operations	**128,231,639**	**244,489,843**
Net profit (loss) for the year	413,122,382	314,877,430
Gain/loss on HFT financial assets and other assets and liabilities measured at fair value through profit or loss	1,259,684	-17,036,384
Gain/loss on hedging assets	-6,927,887	6,220,342
Net adjustments/reversals due to credit risk	-1,837,499	528,202
Net adjustments/reversals of property, equipment and intangible assets	38,392,173	37,603,603
Net provisions for liabilities and contingencies and other costs/revenues	75,146,109	23,650,197
Taxes, duties and tax credits not paid	-46,780,317	10,392,634
Other adjustments	-344,143,007	-131,746,181
2. Liquidity generated by/used for financial assets (+/-)	**-671,253,642**	**1,748,257,711**
HFT financial assets	155,171	1,999,172
Financial assets designated at fair value	–	–
Other financial assets mandatorily measured at fair value	-4,217,603	13,153,001
Financial assets measured at fair value through other comprehensive income	-498,942,337	133,755,197
Financial assets measured at amortised cost:	-200,854,799	1,663,850,303
Loans to banks	*-462,401,634*	*337,394,637*
Loans to customers	*261,546,834*	*1,326,455,666*
Other assets	32,605,926	-64,499,963
3. Liquidity generated by/used for financial liabilities (+/-)	**971,070,744**	**-2,033,129,727**
Financial liabilities measured at amortised cost:	993,484,925	-2,060,626,418
Due to banks	*122,070,519*	*-312,891,834*
Due to customers	*871,414,406*	*-1,747,734,584*
HFT financial liabilities	-50,027	–
Other liabilities	-22,364,154	27,496,692
Net liquidity generated by/used for operating activities	**428,048,740**	**-40,382,173**

(EUROS)	2024	2023
B. INVESTING ACTIVITIES		
1. Liquidity generated by	**256,531,318**	**148,309,347**
Disposal of equity investments	71,318	89,347
Dividends received	256,460,000	148,220,000
2. Liquidity used for	**-36,092,564**	**-65,475,706**
Purchase of equity investments	-13,986,616	-41,880,431
Purchase of property and equipment	-1,852,376	-1,378,345
Purchase of intangible assets	-20,253,572	-22,216,930
Net liquidity generated by/used for investing activities	**220,438,754**	**82,833,641**
C. FUNDING ACTIVITIES		
Issue/purchase of treasury shares	-9,776,629	-12,061,564
Issue/purchase of equity instruments	50,000,000	–
Distribution of dividends and other	-253,302,226	-210,474,574
Net liquidity generated by/used for funding activities	**-213,078,855**	**-222,536,138**
NET LIQUIDITY GENERATED/USED IN THE YEAR	**435,408,639**	**-180,084,669**
Reconciliation		
Cash and deposits at year-start	**573,573,467**	**753,658,136**
Total liquidity generated/used in the year	435,408,639	-180,084,669
Cash and deposits – effects of exchange rate fluctuations	–	–
Cash and deposits at year-end	**1,008,982,106**	**573,573,467**

Legend
(+) Liquidity generated
(-) Liquidity used

Notes and Comments

PART A – ACCOUNTING POLICIES

Part A.1 – General

Section 1 – Declaration of Compliance with International Accounting Standards

These Financial Statements have been drawn up in compliance with Italian Legislative Decree No. 38 of 28 February 2005, based on the International Accounting Standards issued by the International Accounting Standards Board (IASB) and interpretation of the International Financial Reporting Interpretations Committee (IFRIC), and endorsed by the European Commission with Regulation No. 1606 of 19 July 2002.

In preparing these Financial Statements, Banca Generali adopted the IAS/IFRS in force at the reference date of the report (including SIC and IFRIC interpretations), as endorsed by the European Union.

It should be noted that, following the completion of the endorsement procedure, as of 1 January 2024, several amendments to the IAS/IFRS and IFRIC were adopted and new IFRIC were issued.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED IN PREVIOUS YEARS AND EFFECTIVE AS OF 2024

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IFRS 16 – Leases: *Lease Liability in a Sale and Leaseback* (issued on 22 September 2022)	2023/2579	21.11.2023	01.01.2024
Amendments to IAS 1 – *Presentation of Financial Statements*	2023/2822	20.12.2023	01.01.2024
• *Classification of Liabilities as Current or Non-current* (issued on 23 January 2020);	2023/2822	20.12.2023	01.01.2024
• *Classification of Liabilities as Current or Non-current - Deferral of Effective Date* (issued on 15 July 2020); and	2023/2822	20.12.2023	01.01.2024
• *Non-current Liabilities with Covenants* (issued on 31 October 2022)	2023/2822	20.12.2023	01.01.2024

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED IN 2024 AND EFFECTIVE AS OF 2024

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures: Supplier Finance Arrangements* (issued on 25 May 2023)	2024/1317	16.05.2024	01.01.2024

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BUT NOT EFFECTIVE YET

	ENDORSEMENT REGULATIONS	PUBLICATION DATE	EFFECTIVE DATE
Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (issued on 15 August 2023)	2024/2862	13.11.2024	01.01.2025

The date of entry into force of some of the already endorsed standards has been postponed until subsequent years. The early application option has not been exercised for those standards.

The standards and interpretations that entered into force in 2024 did not have a significant impact on the Bank's balance sheet and profit and loss account.

Section 2 – Preparation Criteria

The Consolidated Financial Statements consist of the following documents:
- Balance Sheet;
- Profit and Loss Account;
- Statement of Other Comprehensive Income;
- Statement of Changes in Net equity;
- Cash Flow Statement;
- Notes and Comments.

The accounts are accompanied by a Directors' report on the Banking Group's operations, financial situation, profit and loss and balance sheet results.

According to the provisions of Article 41, paragraph 5, of Legislative Decree No. 136/2015 of 18 August 2015, implementing Directive No. 2013/34/EU, the Consolidated Report on Operations and the Separate Report on Operations of the company may be presented as a single document, in which greater attention, as appropriate, is dedicated to matters relevant to the entirety of the companies within the scope of consolidation.
Banca Generali elected to exercise this option by presenting a single document. Consequently, the Consolidated Report on Operations also includes the information required for the Separate Report on Operations.

In compliance with the requirements of Article 5 of Italian Legislative Decree No. 38/2005, the Financial Statements were prepared in euros. All amounts in the Accounting Statements are expressed in euro units, while the figures in the Notes and Comments and the Directors' Report on Operations, unless otherwise specified, are expressed in thousands of euros.

The Financial Statements and Notes and Comments include figures for the period under review, as well as comparative data at 31 December 2023.

The Financial Statements are prepared by applying the general standards set out in IAS 1 and the specific accounting standards approved by the European Commission, as illustrated in Part A.2 of these Notes and Comments.
International accounting standards have been applied in compliance with the Framework for the Preparation and Presentation of Financial Statements drafted by the IASB.
There were no derogations of the application of IAS/IFRS.

The Directors' Report on Operations and the Notes and Comments include the information required by international accounting standards, the law, the Bank of Italy and the Italian National Commission for Listed Companies and the Stock Exchange (Consob), as well as other non-compulsory information that was deemed necessary to provide an accurate and fair picture of the Bank's situation.

The measurement criteria have been adopted on a going-concern basis and are shaped by the principles of accrual-basis accounting and the relevance and meaningfulness of accounting disclosures. Economic substance takes precedence over legal form.

In further detail, the Directors are reasonably certain that the Bank will continue to operate in its current form for the foreseeable future (for at least 12 months) and have prepared the Financial Statements on a going-concern basis. Any uncertainty detected has not been deemed material and does not cast doubt on the company's ability to operate as a going concern.

Content of the Financial Statements and the Notes and Comments

The Financial Statements at 31 December 2024 were prepared based on the "Instructions for Preparing the Financial Statements and Consolidated Financial Statements of Banks and Parent Holding Companies of Banking Groups," which were issued by the Bank of Italy with order dated 22 December 2005 in the exercise of the powers established in Article 43 of Italian Legislative Decree No. 36/2015. Such instructions were issued in Circular No. 262/05, as further updated.
These Instructions set forth binding rules governing the presentation and preparation of financial statements and the minimum content of the Notes and Comments.
In detail, the 8th update to Circular No. 262/2005 was published on 17 November 2022. It governs the effects of the entry into force of IFRS 17 for banking conglomerates with equity interests in insurance companies, effective from financial statements closed on 31 December 2023.

Accounts that do not include items pertaining to the year under review or the previous year are not stated in the Balance Sheet and Profit And Loss Account. Likewise, sections or tables which include no values are not included in the Notes and Comments.

The Statement of Comprehensive Income begins with the net profit (loss) for the year and then presents components of profit and loss recognised through valuation reserves, net of the related tax effect, in accordance with international accounting standards.

Comprehensive income is presented by providing a separate account of components of profit and loss that will not be reversed to the profit and loss account in the future, and components that may subsequently be reclassified to net profit (loss) for the year under certain conditions.
As for the balance sheet and profit and loss account, items with nil amounts in both the reporting year and previous year are not presented.

The Statement of Changes in Net Equity is presented by inverting the rows and columns with respect to the presentation requested by Bank of Italy Circular No. 262/2005.

The statement presents the composition of and changes in net equity accounts during the reporting year and the previous year, broken down into share capital, capital reserves, earnings reserves, asset and liability valuation reserves, and net profit. Treasury shares are recorded as a reduction to net equity.

The Cash Flow Statement was prepared using the indirect method, according to which cash flows from operating activities are derived by adjusting net profit for the effects of non-cash transactions.

Cash flows are broken down into:
› cash flows from operating activities, including cash flows from operations and cash flows from increases and decreases in financial assets and liabilities;
› cash flows generated by (used for) investing activities involving fixed assets;
› cash flows generated by (used for) funding activities linked to the acquisition of own funds and their remuneration.

Specifically, sections 2 and 3 include only cash generated by (used for) the decrease (increase) in financial assets or the increase (decrease) in financial liabilities resulting from new transactions or reimbursements related to existing transactions.
Accordingly, these sections do not include items such as changes in value (value adjustments/reversal), amortisation and depreciation, the net balance of unpaid taxes (current and deferred), interest and unpaid or uncollected fees; these items have been disclosed separately and classified under operating activities.
Moreover, these cash flows also do not include changes in operating assets and liabilities, but include those relating to financing activities, such as changes in operating loans and amounts payable to Financial Advisors and employees and any related advance payments.

Section 3 – Events Occurred After the Balance Sheet Date

The draft Financial Statements of Banca Generali were approved by the Board of Directors on 6 March 2025, when the Board also authorised its disclosure pursuant to IAS 10.

No events occurred after 31 December 2024 and until 6 March 2025 that would significantly impact the Bank's financial performance and financial position reported in these Financial Statements.

Intermonte Voluntary Tender Offer

The Tender Offer launched by Banca Generali on 15 September 2024, aimed at acquiring all the ordinary shares of Intermonte SIM S.p.A. (IT0005460016), listed on the Italian Stock Exchange (EuroNext Growth Milan) and parent company of the financial group bearing the same name, was finalised on 31 January 2025.
According to the final results of the Acceptance Period, **30,789,819 shares** were tendered to the Offer, equal to approximately **95.332%** of the Offer Shares.
On 31 January 2025, following the transfer of the share ownership to Banca Generali, the latter paid to each shareholder participating in the Offer a cash consideration of **3.04 euros** (*cum* dividend) for each Share tendered to the Offer, for a total amount of **93,601 thousand euros**.
In light of the final results of the Tender Offer, Banca Generali decided to exercise the Right to Squeeze-Out provided for under Article 111 of TUF (thus concurrently fulfilling the corresponding Obligation to Squeeze-Out as per Article 108, paragraph 2, of TUF) on the remaining **1,339,086** shares (excluding treasury shares), equal to 4.146% of the Issuer's share capital, for a total consideration of **4,070.8 thousand euros** overall.
This process was completed on 5 February 2025.
Accordingly, Borsa Italiana proceeded with Intermonte's delisting as of the session of Wednesday, 5 February 2025.

Section 4 – Other Aspects

Accounting standards that have been endorsed and will enter into effect this year

No new international accounting standards, amendments to existing standards or related interpretations with a material impact on the Bank's operations entered into effect in financial year 2024.

Accounting standards endorsed that will enter into effect after 31 December 2024

There are no international accounting standards and related interpretations endorsed but not effective yet as of 31 December 2024 that could have a material impact on the Bank's operations.

Start of macro fair value hedging of demand deposits

As of financial year 2024, Banca Generali started to hedge a portfolio of demand deposits against interest rate risk, exercising the option of the macro fair value hedge accounting model provided for by IFRS 9 and governed by IAS 39, applying the carve-out option adopted by the European Union.

This hedge accounting model provides for:
1) identification of a portfolio of items to be hedged against interest rate risk;
2) breakdown of the portfolio to be hedged into time buckets;
3) designation of the amount to be hedged;
4) identification of the interest rate risk to be hedged;
5) designation of the hedging instrument for each time bucket;
6) verification that the hedge is highly effective — effectiveness in the 85%-125% range — at the inception of the hedging relationship and at each reporting date.

The portfolio designated as hedged item was identified as the core part of demand deposits from customers (core demand deposits), i.e., deposits characterised by stable volumes over time and low responsiveness to interest rate fluctuations, according to the results of the behavioural model adopted by the Bank.
Core deposits are thus accounted for as portfolios of fixed-rate deposit liabilities, each characterised by a rate of return equal to the fixed interest rate at its maturity.

This portfolio was therefore divided into time buckets defined on the basis of expected repricing dates, consisting of fixed-rate bullets with different maturities.
The amount to be hedged for each bucket was defined based on capacity analysis, both in terms of nominal amount and interest rate, applying the bottom layer approach.
In this way, any change in the amounts designated for each bucket, following the periodic updating of the estimates, does not result in the ineffectiveness of the relationship until the deposit amount included in the bucket reaches the minimum hedged amount (decrease exceeding the amount of unhedged deposits).
The interest rate risk designated and hedged refers to movements in the benchmark interest rate on deposits (ESTR).
The hedging instruments consist of interest rate swaps that pay this variable benchmark interest rate (ESTR compound) in exchange for a fixed interest rate, representative of the cost of demand deposits, with roll over at maturity date.
The hedged item is instead a term deposit with the same notional value and maturity as those of the hedging derivative and has a fixed interest rate corresponding to that of the derivative's fixed leg net of the mark-up applied, to be discounted on the basis of the ESTR forwarding curve.
The prospective and retrospective hedge effectiveness is determined by comparing the change in fair value of the hedged item with that of the hedging derivative.
In light of the preliminary capacity analysis performed, ineffectiveness is generally only determined by the mark-up applied to the derivative.

With regard to accounting treatment, positive or negative changes in the fair value of hedged demand liabilities, which are recognised in the profit and loss account, do not change the balance sheet balances of the individual hedged items, but are allocated to a separate balance-sheet liability item called "Adjustment to macro-hedged financial liabilities". In the event of discontinuation of the hedging relationship, the accumulated revaluations/write-downs, recognised as liabilities, are taken to the profit and loss account among interest expense over the remaining term of the initial hedging relationships, subject to verification that the relevant conditions are met.

Use of estimates and assumptions in the preparation of the Financial Statements

The preparation of the Financial Statements 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 related 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 reported amounts may differ materially due to changes in the subjective judgements used.

The main areas for which management is required to use subjective judgements include:
- determining the amount of provisions for liabilities and contingencies;
- determining the expenses of personnel productivity bonuses;
- determining the amount of incentive fees to be paid to the Financial Advisor Network as an annual incentive and of incentives related to recruitment plans;
- determining the deferred incentives granted to the Financial Advisor Network, when linked to defined net inflow targets;
- determining the fair value of cash financial instruments and derivatives to be used in financial statement, when not based on current prices drawn from active markets;
- determining the analytical and collective impairment of financial instruments;
- determining the value adjustments and reversals of non-performing loans and the collective provision for performing loans;
- preparing estimates and assumptions underlying the determination of current taxes, which may differ from the effective tax liability computed in conjunction with the payment of the balance of taxes for the year and the filing of the income tax return;
- preparing estimates and assumptions on the recoverability of deferred tax assets;
- evaluating the appropriateness of the amounts of goodwill and other intangible assets;
- classifying and evaluating the Forward fund;
- evaluation of financial guarantees issued in favour of several investments made by customers in illiquid assets distributed by the Bank that were marked by investment repayment issues and the associated receivables recognised following their enforcement.

Additional information regarding the estimation procedures used for specific cases is provided in Part A, Section 2, of the Notes and Comments on the Accounting Policies adopted by Banca Generali.

Measurement of goodwill

During the preparation of the 2024 Financial Statements, goodwill was tested for impairment and the carrying value was determined to be accurate.

Non-recurring significant events and transactions

During the year, there were no non-recurring transactions or events outside the scope of ordinary transactions that had a significant impact on the aggregate items of the balance sheet and profit and loss account, with the exception of the following:

Provisions for commercial initiatives involving illiquid products distributed by the Bank: during 2024, additional non-recurring provisions were made for an amount of 48 million euros. In addition to fostering customer retention, these provisions to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues — for which civil and criminal litigation is currently ongoing with the party that set up, marketed and managed these transactions — and to sustain customer retention.

To this end, an additional 5.0 million euro provision was also allocated for initiatives in favour of the BG Network.

The provision made by the Bank refers in particular to commercial initiatives for customers, including guarantees issued, additional potential customer losses that the Bank might cover in part for the reasons stated above and the legal fees for the litigation with the parties that set up, marketed and managed the financial instruments purchased by customers.

BG Saxo SIM: in 2024 Banca Generali finalised the purchase of an additional 29.1% stake in BG Saxo's share capital, thus increasing its interest from 19.9% to 49.0%.

Swiss Project: in the second quarter of the year, the Bank exercised the call option to purchase the 9.9% minority interest still held by the original shareholders of BG Valeur, provided for in the 2019 purchase agreement and expiring in October 2024. Subsequently, on 8 October 2024, the 100% stake in BG Valeur was transferred by Banca Generali to BG (Suisse) Private Bank S.A., thus creating a Swiss banking group.

Nextam Partners SIM: on 25 July 2024, Banca Generali had first transferred a part of its equity investment in Nextam Partners SIM S.p.A., reducing it interest in the company's share capital from 19.9% to approximately 15.5%, and subsequently, on 9 January 2025, communicated to the company its intention to exercise a put option on the remaining stake, currently being executed. Accordingly, at 31 December 2024, the equity investment was reclassified among Non-current assets held for sale, pursuant to IFRS 5.

AT1 issue: on 8 August 2024, the Bank finalised a new issue of Additional Tier 1 (AT1) instruments in the aggregate amount of 100 million euros to be fully subscribed by Generali Group companies through a private placement. Following this transaction and after having received the Supervisory Authority's authorisation, on 22 December 2024 Banca Generali made an early redemption of the similar AT1 financial instruments issued in 2019, amounting to 50 million euros.

No other atypical and unusual transactions were undertaken, i.e., all transactions that due to their significance/materiality, the nature of the counterparties, the subject matter of the transaction (including in relation to ordinary operations), the transfer pricing method and/or timing of occurrence (near the end of the reporting period) may give rise to doubts as to the accuracy/completeness of the information presented in the financial statements, conflicts of interest, the safeguarding of company assets and the protection of minority shareholders (Consob Communication No. DEM/6064293 of 28 July 2006).

National Tax Consolidation option

In 2004, the Parent Company, Assicurazioni Generali, and some Italian companies belonging to Assicurazioni Generali Group, including Banca Generali S.p.A., began participating in the National Tax Consolidation governed by Articles 117-129 of TUIR (Italy's income tax code), which was introduced into Italy's fiscal legislation by Italian Legislative Decree No. 344/2003.
Under the scheme, Banca Generali transfers its taxable profit (or tax losses) to the parent company, Assicurazioni Generali S.p.A., which computes a single taxable profit (or a single tax loss) for the Group as the sum of the profits and/or losses of the individual companies, and reports a single tax receivable from or payable to the Tax Authorities.

Formation of Assicurazioni Generali VAT Group

On 23 September 2019, as Representative of the Group's Italian subsidiaries, Assicurazioni Generali exercised the option to adopt the Group's VAT rules (set out in Articles 70-*bis et seqq*. of Italian Presidential Decree No. 633/72) with effect from 1 January 2020.

Accordingly, with effect from that date all companies included in the VAT Group will use only the VAT registration number assigned by the Italian Tax Authorities to the Group: 01333550323.

Relations between the individual participants and the Group's Representative (Assicurazioni Generali S.p.A.) are governed by a specific contract. In particular, obligations to document and register VAT input and/or output transactions will continue to be discharged by the individual participants, whereas the additional obligations relating to "management" of the tax will be discharged solely by the Group Representative, in its capacity as single VAT-liable entity.

By express provision of law, the Group VAT Representative will be required to file periodic VAT returns and make the related payments, submit the periodic VAT filings (LIPE), file the annual VAT return and submit the other information required by the relevant legislation (e.g., Esterometro and Intrastat statistics).

Other information

Information on government grants pursuant to Article 1, paragraph 125, of Italian Law No. 124 of 4 August 2017 ("Annual market and competition law")

In compliance with Article 1, paragraph 125-*bis*, of Law No. 124/2017 (Annual market and competition law), as most recently amended by Article 35 of Decree-Law No. 34/2019 (Growth Decree), companies are required to disclose annually, in the Notes and Comments to their financial statements, the amount of government grants received, where grants are understood to refer to "subventions, subsidies, benefits, grants or aid, in cash or in kind, not of a general nature and not of the nature of consideration, remuneration or compensation, actually disbursed to them by public administrations."
The obligation applies solely to grants in excess of the threshold of 10,000 euros per grantor authority, whether of a monetary nature, on a cash basis, or of a non-monetary nature.

Paragraph 125-*quinquies* of the statute also establishes that in the case of State aid and de minimis aid included in the National State Aid Registry the registration and publication of the individual aid in the transparency section must take account of the publication obligations incumbent on the beneficiary companies, provided that the existence of aid subject to mandatory publication in the National State Aid Registry is disclosed in the Notes and Comments to the financial statements.
For further details on the grants received, reference should be made to the website of the National State Aid Registry for companies, which may be consulted at the link.

In light of the foregoing, it should be noted that in 2024 Banca Generali received the following grants:

BENEFICIARY	TYPE OF GRANT	GRANTOR AUTHORITY	AMOUNTS RECEIVED (€ THOUSAND)
Banca Generali	Personnel training (*)	FBA Banks and Insurers' Fund (*)	302

(*) This sum refers to aids for personnel training applied for in 2021 and 2022 and paid in January, June and October 2024. It should be noted that for the grant with as grant date 2024, listed in the National State Aid Registry, available for free consultation on the relevant website, no disbursements were made in the year that has just ended.

Audit

The Financial Statements are subject to auditing by the firm KPMG S.p.A. in execution of the resolution passed by the Shareholders' Meeting on 22 April 2021.

Part A.2 – Main Financial Statements Aggregates

Part A.2 – Accounting Standards

This section sets out the accounting policies adopted for the preparation of the Financial Statements at 31 December 2024, as regards the stages of classification, recognition, measurement and derecognition of the various asset and liability items and the methods of recognition of costs and revenues.
With reference to the foregoing, it should be noted that during the reporting year, the accounting policies adopted by the Bank underwent no significant amendments and supplementations.
The accounting standards and measurement criteria used are the same as those used to prepare the Financial Statements at 31 December 2023.
In light of the above, the consolidated accounting policies of Banca Generali Group are reported here below with an analysis of the main financial statements items.

1. Financial assets measured at fair value through profit or loss (FVTPL)

Classification

This category includes all financial assets other than those recognised among Financial assets measured at fair value through other comprehensive income and Financial asset measured at amortised cost.

In particular, the item includes:
› financial assets held for trading, essentially consisting of debt and equity securities and the positive value of derivative contracts held for trading; such assets are included in the regulatory trading book (the "trading book" pursuant to IFRS 9) and are also known as "hold-to-sell" or "HTS" assets;
› financial assets mandatorily measured at fair value, i.e., financial assets that do not meet the requirements for measurement at amortised cost or fair value through other comprehensive income. These are financial assets the contractual terms of which do not provide solely for payments of principal and interest ("SPPI test" not passed) or that are not held within a business model whose objective is to hold the assets to collect the contractual cash flows (a "hold-to-collect" business model) or whose objective is achieved by both collecting the contractual cash flows and selling the financial assets (a "hold-to-collect-and-sell" business model);
› financial assets designated at fair value, i.e., financial assets identified as such upon initial recognition, where the requirements have been met. In cases of this kind, upon recognition an entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, so doing eliminates or significantly reduces a measurement or recognition inconsistency.

Accordingly, the following are included in this item:
› debt securities and loans that are held within an Other/Trading business model (i.e., not a hold-to-collect or hold-to-collect-and-sell business model) or that do not pass the SPPI test;
› equity securities — not qualifying as controlling interests in subsidiaries, associates and joint ventures — that are held for trading or that were not designated at fair value through other comprehensive income upon initial recognition;
› UCITS units.

The item also includes derivatives accounted for among financial assets held for trading, classified as assets if fair value is positive, and as liabilities if fair value is negative.
It is possible to set off current positive and negative values deriving from outstanding transactions with the same counterparty only if there is currently a legal right to set off the recognised amounts and the entity intends to settle the positions subject to offsetting on a net basis.

Derivatives also include those embedded in hybrid financial contracts, in which the host contract is a financial liability, and which have been separately recognised inasmuch as:
› their economic characteristics and risks are not closely related to the characteristics of the underlying contract;
› the embedded instruments considered separately meet the definition of a derivative;
› the hybrid instruments in which they are embedded are not measured at fair value and changes in fair value are recognised in profit or loss.

According to the general rules for the reclassification of financial assets (with the exception of equity securities, which cannot be reclassified) laid down by IFRS 9, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be quite rare, financial assets may be reclassified from measured at fair value through profit or loss to one of the two other categories provided for in IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income). The transfer value is the fair value at the time of reclassification and the effects of reclassification apply prospectively from the reclassification date. In such cases, the effective interest rate of the reclassified financial asset is determined on the basis of its reclassification date fair value, and the reclassification date is taken as the date of initial recognition for allocation to the various credit risk stages (stage assessment) for impairment purposes.

Recognition

Debt and equity securities are initially recognised on the settlement date. Loans are initially recognised on the disbursement date, while derivative contracts on the date the contract is entered into.
Financial assets measured at fair value through profit and loss are initially recognised at fair value, less transaction costs or income directly related to the instrument itself.

Measurement

Subsequent to initial recognition, financial assets held for trading are recognised at fair value. The effects of the application of these measurement criteria are recognised in profit and loss.

The fair value of financial instruments traded in active markets is determined by referring to the appropriate quoted market price of such instruments.
A financial instrument is regarded as listed in an active market if quoted prices represent actual and regularly occurring market transactions on an arm's length basis over a normal reference period and those prices are readily and regularly available from an exchange, dealer, broker, industry company, pricing service or authorised entity.

In the absence of an active market, alternative valuation methods based on market data are used, such as quotes drawn from inactive markets, or on markets where similar instruments are traded, the notional value of financial instruments, quotes from brokers or placing agents involved in the issue of financial instruments, quotes from info providers specialised in specific sectors, and values drawn from recent comparable transactions.

The cost criterion is used for equity securities and derivative instruments that have as their underlying equity securities, not listed on an active market, as an estimate of fair value solely to a residual degree and limited to a few cases, such as cases in which all previously discussed measurement methods are not applicable, or where there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within the range.
Further information on the criteria used for determining fair value is given in Section "A.4 Information on fair value" of Part A of these Notes and Comments.

Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from the financial asset expire or when the financial asset, together with substantially all related risks and rewards, is transferred.
Conversely, if a significant share of the risks and rewards relating to the transferred financial assets is retained, these assets will continue to be carried in the financial statements, even though the ownership of said assets has been effectively transferred in legal terms.
In cases where the transfer of substantially all risks and rewards cannot be assessed, derecognition occurs when no control has been retained over such assets. Conversely, if even partial control is retained, the assets continue to be recognised in the financial statements to the extent of residual control, which is measured by the exposure to changes in the value of the transferred assets and related cash flows.
In addition, transferred financial assets are also derecognised from the financial statements if contractual rights to receive the asset's cash flows are retained, but a contractual obligation to pay, without a significant delay, those (and only those) cash flows to a third party is assumed.

2. Financial assets measured at fair value through other comprehensive income (FVOCI)

Classification

This category includes financial assets that satisfy both of the following conditions:
- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets (a "hold-to-collect-and-sell" business model); and
- the contractual terms of the financial asset give rise, on specific dates, to cash flows consisting solely of payments of principal and interest ("SPPI test" passed).

The item also includes equity instruments not held for trading electively designated at fair value through other comprehensive income upon initial recognition.

Specifically, it includes:
- debt securities and loans held within a hold-to-collect-and-sell business model that have passed the SPPI test;
- equity interests, equity investments and capital contributions of various kinds not qualifying as controlling interests in subsidiaries, associates and joint arrangements, not held for trading purposes, designated at fair value through other comprehensive income.

According to the general rules for the reclassification of financial assets (with the exception of equity securities, which cannot be reclassified) laid down by IFRS 9, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets.
In such cases, which are expected to be quite rare, financial assets may be reclassified from measured at fair value through other comprehensive income to one of the two other categories provided for in IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification apply prospectively from the reclassification date. In the event of reclassification from this category to that at amortised cost, the cumulative gain (loss) recognised in the valuation reserve is taken as an adjustment of the financial asset's fair value at the reclassification date. In the event of reclassification to fair value through profit or loss, the cumulative gain (loss) previously recognised in the valuation reserve is reclassified from net equity to net profit (loss) for the year.

Recognition

Debt and equity securities are initially recognised on the settlement date. Loans are initially recognised at the disbursement date. Assets are initially recognised at fair value, including transaction costs or income directly related to the instrument.

Measurement

After initial recognition, assets designated at fair value through other comprehensive income other than equity securities are measured at fair value and the impact of the application of amortised cost, the effects of impairment and any foreign exchange effect are taken to profit or loss, whereas other gains or losses due to changes in fair value are entered to a specific equity reserve until the financial asset is derecognised.
Upon total or partial derecognition, cumulative gains or losses in the valuation reserve are recognised, fully or partially, through profit or loss.

Equity securities that have been classified to this category on an elective basis are measured at fair value through other comprehensive income (net equity) and cannot be transferred to profit and loss thereafter, even in the event of disposal. The only component attributable to the equity instruments in question that may be recognised in profit or loss is the related dividends.
Fair value is determined on the basis of the criteria set out above for financial assets measured at fair value through profit or loss.
In the case of equity securities included in this category not listed on an active market, the cost criterion is only used to estimate fair value on a residual basis, limited to a few circumstances, i.e., where all previously discussed measurement methods do not apply, or where there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within the range.
Further information on the criteria used for determining fair value is given in Section "A.4 Information on fair value" of Part A of these Notes and Comments.

Derecognition

Financial assets are derecognised from the financial statements only if the transfer results in the transfer of substantially all risks and rewards connected to such assets. Conversely, if a significant share of the risks and rewards relating to the transferred financial assets is retained, these assets will continue to be carried in the financial statements, even though the ownership of said assets has been effectively transferred in legal terms.
In cases where the transfer of substantially all risks and rewards cannot be assessed, derecognition occurs when no control has been retained over such assets. Conversely, if even partial control is retained, the assets continue to be recognised in the financial statements to the extent of residual control, which is measured by the exposure to changes in the value of the transferred assets and related cash flows.
In addition, transferred financial assets are also derecognised from the financial statements if contractual rights to receive the asset's cash flows are retained, but a contractual obligation to pay, without a significant delay, those (and only those) cash flows to a third party is assumed.

3. Financial assets measured at amortised cost

Classification

This category includes financial assets (and in particular loans and debt securities) that satisfy both of the following conditions:
- the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows (a "hold-to-collect" business model); and
- the contractual terms of the financial asset give rise, on specific dates, to cash flows consisting solely of payments of principal and interest ("SPPI test" passed).

In further detail, the following are classified to this item:
- loans to banks in various forms that meet the requirements set out in the foregoing paragraph;
- loans to customers in various forms that meet the requirements set out in the foregoing paragraph;
- debt securities that meet the requirements set out in the foregoing paragraph.

This category also includes operating loans associated with the provision of financial assets and services, as defined in the Consolidated Law on Banking (TUB) and the Consolidated Law on Finance (TUF) (e.g., the distribution of financial products and servicing activities). This latter category also includes receivables from management companies and receivables from the Financial Advisor Network for advances on fees paid.

According to the general rules for the reclassification of financial assets laid down by IFRS 9, reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be quite rare, financial assets may be reclassified from the category measured at amortised cost to one of the two other categories provided for in IFRS 9 (Financial assets measured at fair value through other comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification apply prospectively from the reclassification date. Gains or losses resulting from the difference between the amortised cost and fair value of a financial asset are taken to profit or loss in the event of reclassification to financial assets measured at fair value through profit or loss, and to a specific valuation reserve in net equity in the event of reclassification to financial assets measured at fair value through other comprehensive income.

Eligibility of the sale of financial instruments classified to the HTC portfolio

The accounting standard IFRS 9 recognises the eligibility of the sale of financial instruments classified to the HTC portfolio, assets in which are normally held to collect their contractual cash flows until maturity, as a condition for the ordinary management of such portfolios, without calling the goal of the business model into question.

In particular, sales are deemed fully consistent with the model in the event of a significant increase in credit risk, other negative changes of a regulatory or tax nature, proximity to maturity or, in the absence of such reasons, where the sales are:
- infrequent, even if significant in value;
- not significant in value (whether separately or collectively), although frequent.

Within this framework, in the new business conditions in which Banca Generali finds itself to operate, characterised by a more severe stress situation and a more volatile context, a suitability assessment of the size of current and prospective financial investment portfolios provided for in the Strategic Plan and a comparison with the most common management practices on the market identified the need to proceed with a revision of the thresholds for the eligibility of sales, which for 2024 were as follows:
- extension of the materiality thresholds for sales considered non-significant to 9.91% of the total portfolio (14.5% in 2023) and to 5% of the individual ISIN, and for infrequent sales to 17.25% of the total portfolio;
- adoption of a method for determining limits based not only on historical sales, but also current and future sales;
- identification of specific grounds for eligibility of sales in rare, unexpected and unforeseeable conditions;
- adjustment of the period of eligibility of sales near maturity to 12 months prior to the maturity of the financial instrument.

Recognition

Debt securities are initially recognised on the settlement date, whereas loans are initially recognised on the disbursement date. Assets are initially recognised at fair value, including transaction costs or income directly related to the instrument.
In the case of loans, in particular, the date of disbursement normally coincides with the date of execution of the contract. If the two dates do not coincide, a commitment to disburse funds terminating on the date of disbursement of the loan is added when the contract is executed. A loan is initially recognised on the basis of the fair value of the same, which is equal to the amount disbursed or the subscription price, including costs/income directly attributable to the individual loan that may be determined at the inception of the transaction, even if settled at a later time. Costs with the above-described characteristics are excluded if they are to be repaid by a third-party borrower or can be considered normal, internal, general and administrative expenses.

Measurement

After initial recognition, these financial assets are measured at amortised cost using the effective interest-rate method. Accordingly, such assets are measured at an amount equal to their initial recognition value, minus capital redemptions, plus or minus cumulative amortisation (calculated according to the aforementioned effective interest-rate method) of the difference between that initial amount and its value at maturity (typically derived from the costs/income directly attributable to the individual asset) and adjusted by loss allowance, if any. The effective interest rate is the rate that equates the present value of discounted future cash outflows (for principal and interest payments) with the amount disbursed including the costs and income relating to the said financial asset. This method of recognition allows, by applying a financial logic, the financial effect of the costs and income directly attributable to a financial asset to be distributed across its expected residual life.

The amortised cost method is not used for assets measured at historical cost whose short durations suggest that the effects of discounting would be negligible, nor is it applied to assets without fixed maturities or revocable lines of credit.

The measurement criteria are closely connected to the inclusion of the instruments in question in one of the three stages (credit risk stages) provided for in IFRS 9, the last of which (stage 3) includes non-performing financial assets, and the remainder (stages 1 and 2) performing financial assets.

In terms of the accounting treatment of the above measurement effects, adjustments attributable to this type of asset are taken to profit or loss:

› upon initial recognition, in an amount equal to the expected loss at twelve months;
› upon subsequent measurement of the asset, where credit risk has not increased significantly compared with initial recognition, in respect of changes in the amount of adjustments for expected losses in the following twelve months;
› upon subsequent measurement of the asset, where the credit risk has increased significantly with respect to initial recognition, in respect of the recognition of adjustments for expected credit losses attributable to the asset's entire expected residual contractual life;
› upon subsequent measurement of the asset, where, after a significant increase in credit risk with respect to initial recognition, this increase has ceased to be significant in respect of the adjustment of cumulative impairment losses to account for the transition from an expected loss over the entire residual lifetime of the instrument to the expected loss over a twelve-month period.

Where performing, the financial assets in question are measured with the aim of determining the impairment losses to be recognised at the level of each individual credit relationship (or "tranche" of a security) on the basis of the risk parameters of probability of default (PD), loss given default (LGD) and exposure at default (EAD).

If, in addition to a significant increase in credit risk, there is objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the asset — classified as "non-performing" along with all other relationships with the counterparty in question — and the present value of the estimated future cash flows, discounted at the original effective interest rate.
The amount of the loss, to be recognised in profit or loss, is determined on the basis of a measurement process performed for individual assets or uniform categories of assets, and then allocated to each position.

Non-performing loans include financial instruments classified as follows:

1) bad loans: this category refers to formally non-performing loans, consisting of exposures to customers who are in a state of insolvency, regardless of whether confirmed by a court, or in similar situations;
2) unlikely to pay: these are on- and off-balance sheet exposures for which the conditions have not been met for classification as bad loans and for which it is deemed unlikely that the borrower will be capable of fulfilling all of its debt obligations (in terms of principal and/or interest) in the absence of actions such as the enforcement of guarantees. This assessment is conducted regardless of the presence of any past due and unpaid amounts or instalments.
   Classification as unlikely to pay is not necessarily tied to the explicit presence of anomalies (non-payment), but rather is linked to the existence of elements indicative of a situation of risk of default of the borrower;
3) non-performing overdrawn or past-due exposures: these are on-balance sheet exposures other than those classified as bad debts or unlikely to pay loans that are overdrawn or past due by more than 90 days at the reporting date. Non-performing overdrawn or past-due exposures may be identified in reference to either the individual borrower or individual transaction.

Expected cash flows take account of expected collection times and the presumed realisable value of any underlying guarantees.
The original effective interest rate of each asset remains unchanged over time, even if a renegotiation of the terms results in a change of the contractual rate, including if the contract becomes non-interest-bearing.

If the reasons for impairment cease to exist due to an event occurring after the impairment was recognised, the impairment loss is reversed and the reversal is recognised in profit or loss. The reversal may not exceed the amortised cost that would have been attributable to the asset had the impairment not been recognised. Reversals due to the passage of time are taken in net interest income.

In some cases, over the lifetimes of the financial assets in question, and in particular over those of loans, the original contractual conditions are modified at the will of the parties to the contract.
When contractual terms are modified in the course of an instrument's life, it must be verified whether the original asset is to continue to be recognised in the financial statements or the original instrument is instead to be derecognised and a new financial instrument recognised.
When the modifications of financial assets are "substantial", the original asset is generally derecognised and a new asset is instead recognised. A modification is determined to be "substantial" on the basis of both qualitative and qualitative elements. In some cases, in fact, it may be clear, without the need for complex analyses, that the changes made substantially modify an asset's contractual characteristics and/or cash flows, whereas in other cases additional analyses (including of a quantitative nature) must be conducted to measure the effects of such modifications and verify whether the asset should be derecognised and a new financial instrument recognised.

Accordingly, the qualitative and quantitative analyses, aimed at determining whether contractual modifications of a financial asset are substantial, must be based on:

- the purposes of the modifications: for example, renegotiations for commercial reasons and forbearance measures due to financial difficulties by the counterparty;
  1. the former, aimed at “retaining” the customer, involve a debtor not in a situation of financial difficulty. This category also encompasses all renegotiation transactions aimed at adjusting the cost of debt to market conditions. Such transactions entail a modification of the original terms of the contract, typically at the debtor’s request, relating to aspects affecting the cost of the debt, with the resulting economic benefit for the debtor. It is generally held that, whenever the bank renegotiates in order to avoid losing a customer, such renegotiation must be considered substantial inasmuch as, had it not occurred, the customer could have obtained financing from another intermediary and the bank would have incurred a loss of expected future revenues;
  2. the latter, undertaken for “reasons of credit risk” (forbearance measures), are attributable to the bank’s attempt to maximise the recovery of the cash flows from the original loan. Substantially all the underlying risks and rewards are typically not transferred as a result of such modifications. Accordingly, the accounting treatment that provides the most relevant information for the readers of the financial statements (without prejudice to the remarks presented below regarding objective elements) is that based on “modification accounting”, which entails the recognition in profit or loss of the difference between the carrying amount and the present value of the modified cash flows, discounted at the original interest rate, and not through derecognition;
- the presence of specific objective elements (“triggers”) that affect the contractual characteristics and/or cash flows of the financial instrument (including, but not limited to, a change of currency or modification of the type of risk exposure, where correlated with equity and commodity parameters) and that are believed to entail derecognition by virtue of their impact (expected to be significant) on the original contractual cash flows.

Derecognition

Financial assets are derecognised from the financial statements only if the transfer results in the transfer of substantially all risks and rewards connected to such assets. Conversely, if a significant share of the risks and rewards relating to the transferred financial assets is retained, these assets will continue to be carried in the financial statements, even though the ownership of said assets has been effectively transferred in legal terms.
In cases where the transfer of substantially all risks and rewards cannot be assessed, derecognition occurs when no control has been retained over such assets. Conversely, if even partial control is retained, the assets continue to be recognised in the financial statements to the extent of residual control, which is measured by the exposure to changes in the value of the transferred assets and related cash flows.
In addition, transferred financial assets are also derecognised from the financial statements if contractual rights to receive the asset’s cash flows are retained, but a contractual obligation to pay, without a significant delay, those (and only those) cash flows to a third party is assumed.

4. Hedging transactions

The Bank adopts IFRS9 for hedging transactions, with the exception of the macro fair value hedging of the asset and liabilities portfolios, for which it has exercised the option to continue using IAS 39 by applying the carve-out approach adopted by the European Union.

Classification and types of hedges

At the annual or interim reporting date, hedging financial derivatives that show a positive or a negative fair value are classified, respectively, under Item “50. Hedging derivatives” among balance-sheet assets or under Item “40. Hedging derivatives” among balance-sheet liabilities.

The objective of hedging is to eliminate possible losses on a specific item or group of items that could be incurred as a result of a certain risk with gains on another item or group of items in cases where that specific risk actually occurs.

Possible types of hedges include:

- **fair value hedges**, intended to hedge exposure to changes in the fair value of a financial statement item attributable to a particular risk; it is also possible to apply macro fair value hedges with the objective of reducing fair value fluctuations due to interest rate risk of a monetary amount deriving from a portfolio of financial assets or liabilities (including core deposits). However, net amounts arising from the imbalance of assets and liabilities are generally excluded from macro hedging;
- **cash-flow hedges**, intended to hedge exposure to changes in future cash flows of financial statement items or of a highly probable forecast transaction attributable to particular risks;
- **hedges of a net investment in a foreign operation**, intended to hedge the foreign currency exposure of an investment in a foreign undertaking, denominated in a currency other than the functional currency of the consolidated financial statements of the Group of which it is part. In the separate financial statements, they are instead recognised as a fair value hedging relationship of the controlling interest.

In the consolidated financial statements, only instruments that involve a counterparty external to the Group can be designated as hedging instruments.
During 2024 macro fair value hedging was applied to hedge a demand deposit portfolio, in addition to cash flow hedges. To date, no hedges of a net investment in a foreign operation have been arranged.

Recognition

As all derivatives, hedging derivatives are initially recognised at fair value at the transaction date.

Derivatives qualify as hedging instruments if the hedging relationship is formally designated and documented at the inception date, specifying:

- the nature of the economic relationship between the hedged item and the hedging derivative;
- risk management objectives;
- the hedging strategy; and
- the methods used to assess effectiveness both at inception and, prospectively, over the term of the hedge.

The assessment of the hedge effectiveness depends on the degree to which changes in the fair value or expected cash flows of the hedged item are offset by changes in the fair value or expected cash flows of the hedging instrument. Effectiveness is thus assessed by comparing these changes in light of the intentions expressed by the enterprise at the hedge's inception.

The assessment must be performed, at least, at each annual or interim reporting date or, where earlier, when a material change in the circumstances that influence the hedge effectiveness requirements occurs.

The assessment is based on expectations regarding hedge effectiveness. It is thus merely indicative of expected developments and is based on an exclusively forward-looking analysis. The method adopted may consist of a qualitative or quantitative assessment.

Measurement

Hedging derivatives are measured at fair value. Specifically:

- **micro fair value hedges:** changes in the fair value of the hedged item, which are attributable to the hedged risk and are recognised as a balancing entry to the carrying amount of the hedged item, are offset against the change in the fair value of the hedging instrument. The offsetting is accounted for by recognising both the change in value of the hedged item and the change in value of the hedging instrument through profit or loss under Item 90. "Net income (loss) from hedging". Any difference between the two represents an element of partial ineffectiveness of the hedge and determines the net effect on net profit or loss;
- **macro fair value hedges:** the positive or negative balance of changes in the fair value of assets or liabilities subject to macro fair value hedging, measured with reference to the hedged risk, is recognised, respectively, among assets under Item "60. Adjustment to macro-hedged financial assets (+\-)" or among liabilities under Item "50. Adjustment to macro-hedged financial liabilities (+\-)". The hedge ineffectiveness is calculated as the difference between the change in the fair value of the hedged monetary amount and the change in the fair value of the hedging instruments, both recognised under Item "90. Net income (loss) from hedging" in the profit and loss account;
- **cash-flow hedges:** the effective portion of change in the fair value of the hedging instrument is recognised in net equity under Item "120. Valuation reserves" (Item "110. Valuation reserves" of the Separate Financial Statements), whereas the ineffective component is recognised through profit or loss under Item "90. "Net income (loss) from hedging". The total amount of gains and losses recognised in net equity is subsequently reversed to the profit and loss account when there is a change in the cash flows of the hedged item or if the hedge becomes ineffective.

Derecognition

Fair value hedge accounting is no longer applied prospectively in the following cases:

- the hedging instrument expires or is sold, terminated or exercised;
- the hedge no longer meets prospectively the criteria for hedge accounting.

If these assessments do not confirm the hedge effectiveness, the hedge accounting procedures are discontinued and the derivative instrument is reclassified as a trading instrument.
In fair value hedges, the hedged financial instrument is once again applied the measurement criterion corresponding to its balance-sheet classification. If the hedged asset or liability is measured at amortised cost, the higher or lower value resulting from its fair value measurement is recognised through profit or loss using the effective interest rate method.

Upon discontinuation of a macro fair value hedge, the cumulative revaluations/write-downs recognised under "Adjustment to macro-hedged financial assets"' or under "Adjustment to macro-hedged financial liabilities" are taken to the profit and loss account under interest income or interest expense over the residual term of the initial hedging relationships, subject to verification that the conditions are met.

Cash-flow hedge accounting is no longer applied prospectively in the following cases:

- the hedging instrument expires or is sold, terminated or exercised;
- the hedge no longer meets the criteria for hedge accounting;

› the forecast transaction is no longer expected to occur, in which case any related cumulative gain or loss on the hedging instrument recognised directly in net equity shall be taken to profit or loss.

For hedges of a forecast transaction, the cumulative gain or loss on the hedging instrument recognised directly in net equity from the financial year in which the hedge was effective shall remain separately recognised in net equity until the forecast transaction occurs or is no longer expected to occur. In the latter case, any amount recognised directly in net equity is immediately reversed to the profit and loss account.

5. Equity investments

This item includes equity investments in subsidiaries, associates and joint ventures.

Entities subject to significant influence (associates) are those entities in which the Bank holds at least 20% or more of the voting rights (including "potential" rights), or in which — although holding a lower voting power, in light of specific legal ties, such as Shareholders' agreements — it has the power to participate in the financial and management policy-making process or can exercise governance rights that are not limited to capital interests.
Companies subject to joint control (joint ventures) are entities over which control is shared, on a contractual basis, by the Bank and another entity or other entities external to the Group, or for which decisions regarding important activities require the unanimous consent of all parties that share control.

Recognition

Equity investments are recognised at the transaction settlement date, i.e., the date the acquisition becomes effective. Equity investments are initially recognised at purchase cost.

Measurement

Equity investments are measured at cost, adjusted for impairment where applicable when there is indication of a possible loss in value of an equity investment, the recoverable amount of the investment is estimated based on the present value of future cash flows that the company could generate, including the disposal value of the equity investment.
If the recoverable amount is less than the carrying amount, the difference is recognised through profit or loss.

If the reasons for impairment cease to exist due to an event occurring after the impairment was recognised, the impairment loss is reversed and the reversal is recognised in profit or loss.

Derecognition

Equity investments are derecognised when the contractual rights to receive the cash flows from the financial asset expire or when the financial asset, together with substantially all related risks and rewards, is transferred.

6. Property and equipment

Classification

Property and equipment include technical systems, furniture, furnishings and equipment of any type.
They also include assets held exclusively for operating purposes, to be used in the production or provision of goods and services or to be leased to third parties or for administrative purposes and that are expected to be used for more than one year.
Property and equipment also include rights of use ("ROUs") acquired in lease transactions within the scope of application of IFRS 16 and relating to the use, as lessee, of assets in this category (real estate, motor vehicles, equipment, etc.). For a more detailed analysis of the accounting criteria adopted by the Bank in respect of IFRS 16, reference should be made to Section 15 "Other information".

Recognition

Property and equipment are initially recognised at cost, which includes the purchase price, as well as all directly related ancillary costs necessary to purchase the asset and bring it into working condition.

Extraordinary maintenance costs that increase the future economic benefits of the asset are added to the carrying amount of the asset to which they relate, while routine maintenance costs are recognised through profit or loss.

Measurement

Property and equipment, including those not used in production, are measured at cost less depreciation and impairment losses. They are systematically depreciated over their estimated useful life using the straight-line method.

At each annual or interim reporting date, if there is indication that an asset may be impaired, its carrying amount is compared to its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use, i.e., the present value of future cash flows expected to be generated by the asset. Impairment losses are recognised in the profit and loss account.
If the reasons for impairment cease to exist, the impairment loss is reversed; the new amount cannot exceed the carrying amount the asset would have had after depreciation, had no previous impairment loss been recognised.

Derecognition

Property and equipment are removed from the balance sheet upon disposal or when permanently withdrawn from use and no future economic benefits are expected from their disposal.

7. Intangible assets

Classification

An intangible asset is an identifiable non-monetary asset controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity.
In order to be identifiable, an asset must be separable, i.e., capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, or must arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.
An entity controls an asset if the entity has the power to obtain the future economic benefits flowing from the underlying resource and simultaneously restrict the access of others to those benefits.
The capacity of an entity to control the future economic benefits from an intangible asset would normally stem from legal rights that are enforceable in a court of law.

The application of IFRS 3 in accounting for acquisition transactions may entail the recognition, in the purchase price allocation (PPA) process of new intangible assets and goodwill.
Goodwill represents the positive difference between the purchase cost and the fair value of the acquiree's assets and liabilities.

Intangible assets with an indefinite useful life also include the value of the trademarks recognised following the acquisition of Nextam Partners Group.

The other intangible assets also include the value of the contractual relationships with customers identified within the framework of the acquisitions of Banca del Gottardo Italia (2008), the Credit Suisse Italy business unit (2014), Nextam Partners Group in 2019).

Customer relationships are intangible assets within the scope of application of IAS 38, from which it is probable that future economic benefits will flow to the acquirer. The value of such relationships has been determined, as at the acquisition date, on the basis of an estimate of the profitability of assets under management (AUM) associated with the customers acquired, measured separately for each asset class.

The useful lives of such assets, determined on the basis of the expected decay rates for assets under management (AUM), have been estimated as follows:
- Banca del Gottardo Italia: 10 years;
- Credit Suisse Italy: 15 years;
- Nextam Partners Group: 16 years.

The remaining intangible assets are application software intended for long-term use, including the expenses of modifying the legacy system and the intangible assets in progress at the end of the year.

Software costs recorded as intangible assets refer to application software developed by third parties for company use (software development contracts) or purchased with a multi-year licence for use.
Software costs recognised among intangible assets include, at certain conditions, also charges for the development of the IT system used by the Bank based on the outsourcing contract with CSE (legacy, front-end Financial Advisors and front-end customers, etc.).
Such charges are capitalised when they refer to the development of innovative components of the system that are not part of consortium projects, for which it is possible to identify a control situation, and from which future economic rewards are expected.
Expenses related to corrective maintenance and evolution of IT procedures and the website already in use are usually recognised through profit and loss in the year in which they are borne.

Recognition

Goodwill

An intangible asset can be classified as goodwill when the positive difference between the fair value of the assets and liabilities acquired and the cost of the investment (including ancillary expenses) is representative of the investee company's ability to generate future income (goodwill).
In case of badwill, or if the goodwill is not representative of the investee company's ability to generate future income, the difference is recognised directly through profit and loss.

Other intangible assets

Other intangible assets are recorded at cost less any ancillary expenses when it is probable that the asset will produce future economic benefits and if the cost of the asset can be reliably determined. When this is not the case, the cost of the intangible asset is recognised in the profit and loss account in the period in which it is incurred.

Measurement

Intangible assets are amortised on a straight-line basis over their useful lives.
Software costs are typically amortised over a three-year period.
Other capitalised costs associated with legacy systems are amortised over a three-year period.
With reference to contractual relations with customers, acquired as a result of the above-mentioned business combinations, the useful lives have been estimated at 10 years for Banca del Gottardo Italia, at 15 years for Credit Suisse Italy and at 16 years for Nextam Partners Group.
Intangible assets with indefinite useful lives are not amortised, but are periodically reviewed to assess the appropriateness of their carrying amount.

Impairment

Goodwill

In accordance with IAS 36, goodwill is no longer amortised, but is tested for impairment at least annually.
For the purposes of impairment testing, goodwill is allocated to cash-generating units (CGUs), which, in accordance with the limitation on the maximum level of aggregation, may be no larger than the segments identified for management reporting.

To determine the amount of impairment, the carrying amount of the CGU is compared with its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

The impairment test for goodwill is presented in Section "Retrospective Adjustments" in Part G of these Notes and Comments.

Other intangible assets

At each reporting date, if impairment is indicated, the recoverable amount of the asset is estimated. The amount of impairment, which is recognised in the Profit and Loss Account, is the amount by which the asset's carrying amount exceeds its recoverable amount.

Derecognition

Intangible assets are removed from the Balance Sheet on disposal or when no future economic benefits are expected from their use.

8. Non-current assets held for sale or disposal groups

The asset item "Non-current assets held for sale or disposal groups" and liability item "Liabilities associated with assets held for sale or disposal groups" include non-current assets, such as equity investments in associates, or groups of assets/liabilities for which a disposal process has been initiated and the sale of which is deemed highly likely. Such assets/liabilities are measured at the lesser of their carrying value and fair value less costs to sell.

If assets held for sale or disposal groups qualify as discontinued operations and associated liabilities, the net balance of income and expenses (net of tax effect), attributable to them or recognised as such in the year, is recognised in the profit and loss account under the separate item of "Income (Loss) of disposal groups, net of taxes".

9. Current and deferred taxes

Income taxes are recognised in the profit and loss account, with the exception of those relating to items posted directly to net equity.
Provisions for income taxes are made based on a prudential estimate of current taxes, and deferred tax assets and liabilities, which are calculated using prevailing tax rates.
Specifically, deferred tax assets and liabilities are calculated based on the temporary differences — without time limits — between the carrying amount of assets and liabilities and their corresponding values for tax purposes.

Deferred tax assets are recognised to the extent that it is probable that they will be recovered, which is determined based on the ability of the company in question or the parent company Assicurazioni Generali — as a result of its exercise of the option provided by the Italian tax consolidation scheme — to generate ongoing taxable income.

Deferred tax liabilities are recognised in the financial statements, except for the main assets pending taxation, represented by equity investments.
Deferred tax assets and liabilities are shown separately in the balance sheet and are not offset; deferred tax assets are recorded under “Tax assets” and deferred tax liabilities are recorded under “Tax liabilities”.

Deferred taxes resulting from consolidation are recognised where it is probable that they will give rise to a tax charge for one of the consolidated enterprises. Such taxes mainly arise when positive differences resulting from consolidation are allocated to the assets of the subsidiary in question.
Deferred tax assets and liabilities are systematically assessed to take account of any changes in tax legislation or rates, as well as changes to the specific situations.
Provisions for taxes also include allocations made to cover charges that could arise from tax assessments already notified or litigation underway with Tax Authorities.

Accounting effects of the redemption of goodwill and other intangible assets pursuant to Italy’s tax laws

In recent years, the tax regime applicable to corporate reorganisation transactions has undergone considerable changes aimed at allowing the recognition of surplus amounts (e.g., goodwill) following an extraordinary transaction involving contribution, merger or de-merger to be recognised for income-tax purposes, as well as through the payment of a substitute tax.

Italian Law No. 244 of 24 December 2007 (2008 Finance Law) introduced paragraph 2-*ter* into Article 176 of the Consolidated Income Tax Law (hereinafter TUIR) that allows entities to recognise for income-tax purposes the greater amounts recognised in the accounts following a corporate reorganisation transaction in relation to intangible assets, including goodwill, and property and equipment (so-called “ordinary redemption”).
That provision requires that the entity pay a substitute tax, determined according to three income brackets, on the basis of the realigned amounts (12% up to 5 million euros, 14% up to 10 million euros and 16% for amounts in excess of the latter bracket, respectively) in lieu of the ordinary rates of IRES and IRAP.
The substitute tax is to be paid in three annual instalments beginning on the term of payment of the balance of income taxes for the year in which the extraordinary transaction is undertaken, whereas the greater amounts are recognised for the purposes of the tax-deductibility of depreciation and amortisation charges beginning in the tax period in progress when the option for payment of substitute tax is exercised on the tax return, that is to say in the year in which the first instalment is paid.

Italian Law Decree No. 185 of 29 November 2008 (Anti-Crisis Decree), converted to Law No. 2 of 28 January 2009 and then further amended, subsequently introduced a new system of optional realignment of tax and carrying values (so-called “special regime”). The provision, set forth in Article 15, paragraph 10, of the cited Decree, states that, in derogation of the substitute-tax regime introduced by the 2008 Finance Law, taxpayers may obtain recognition for tax purposes of the greater amounts attributed to goodwill, trademarks and other intangible assets with finite useful lives in the financial statements by paying a substitute tax in lieu of IRES and IRAP at the fixed rate of 16%, that is to say without any reference to income brackets and the possibility of paying in instalments.
However, the greater amounts attributed to goodwill and trademarks could have been recovered through the off-balance procedure for amortising goodwill in ten annual instalments instead of the 18 ordinary instalments required under Article 103 of TUIR, beginning in the tax period after that in which the tax is paid.
Article 17 of Italian Law Decree No. 83/2015 then precluded the possibility of converting into tax credits the DTAs referring to the value of goodwill and other intangible assets, recognised for the first time in the financial statements for the year ended 27 June 2015, reducing the off-balance amortisation period from ten to five years.

For the special redemption option as well, that statute also requires that the option be exercised by paying the substitute tax by the term of payment for income taxes for the year in which the extraordinary transactions in question are finalised.

In addition, paragraphs 12 to 14 of Article 23 of Italian Law Decree No. 98/2011 (known as the “Summer Manoeuvre”) introduced the new paragraphs 10-*bis* and 10-*ter* to Article 10 of Law Decree No. 185/2008, thus allowing an extension of the “special redemption” procedure to goodwill recognised at the consolidated level only, due to not being presented in the carrying amount of the equity investment.

As originally formulated, the statute provided that, for the purposes of redemption of transactions carried out before 31 December 2010, the 16% substitute tax was to be paid by 30 November 2011, whereas the off-balance deduction of goodwill, in ten equal instalments, was to occur starting in financial year 2013 — a date that was then postponed by Article 1, paragraph 502, of Italian Law No. 228 of 24 December 2012 (2013 Finance Law) to the year after that in progress as at 31 December 2017[29].

Banca Generali has undertaken the following transactions in connection with the aforementioned options afforded by the tax code:

1) redemption of the mismatch between the carrying amounts and book values of goodwill arising from the merger of Banca del Gottardo Italia into Banca BSI S.p.A. (subsequently merged into Banca Generali effective 1 January 2010), closed in 2010 on the basis of the provisions of Article 15, paragraph 10, of Law Decree No. 185/2008;
2) redemption of other intangible assets (client relationships) arising from the above transaction undertaken in 2010 on the basis of the amounts carried in the financial statements of Banca BSI Italia at 31 December 2009 according to the ordinary procedure outlined in Article 176, paragraph 2-*ter*, of TUIR;
3) redemption of goodwill recognised on a consolidated basis in connection with the full equity investment in the subsidiary BG Fiduciaria SIM S.p.A. undertaken in 2011[30].

Most recently, Article 110 of Italian Law Decree no. 104 of 14 August 2020 (the “August Decree”), as amended by the 2021 Budget Law (Article 1, paragraph 83, of Law no. 178 of 30 December 2020), with the aim of facilitating stronger capital positions and mitigating the consequences on financial statements of the economic crisis caused by the Covid-19 pandemic, introduced — including for entities that adopt IAS/IFRS — the possibility of realigning the accounting and tax values of goodwill and other intangible assets recognised in the financial statements for the year in progress at 31 December 2019 (Article 110, paragraph 8-*bis*), to the extent in which they were still present at the closing of the 2020 financial statements.

The option was to be exercised through:

› the payment of a 3% substitute tax, in a maximum of three instalments of equal amounts, by the due date for payment of the balance of the 2020 income tax return and the reporting in the income tax return of incomes relating to financial year 2020;
› the application of a restriction on balance-sheet reserves in an amount corresponding to the greater values subject to realignment, net of the substitute tax, to which the provisions for tax-suspended reserves envisaged for revaluation balances applies.

The effects of the realignment of goodwill and other intangible assets are recognised for tax purposes with effect from financial year 2021 and the off-balance amortisation of goodwill should have been therefore deducted in 18 years (paragraph 3-*bis*).

However, Article 1, paragraphs 622 to 624, of the 2022 Budget Law retroactively amended, in derogation from the taxpayers’ statute, the emergency redemption provisions set out in Article 110 of Law Decree No. 104 of 14 August 2020 (“August Decree”), essentially providing for three options:

a) extension of the amortisation period from 18 to 50 years;
b) “repeat redemption” of goodwill redeemed at 3% by applying an increase on the basis of the rate brackets governed by the ordinary provisions of Article 176 of TUIR;
c) revocation of the redemption transaction, according to the methods to be established by order of the Italian Tax Authorities, applying for a refund for or offsetting the sums already paid.

In 2021, Banca Generali also proceeded to exercise the option to carry out the following realignments of the carrying and tax values of goodwill, trademarks and other intangible assets:

› realignment of misalignments resulting from previous years’ goodwill stated in the Financial Statements at 31 December 2019, pursuant to Article 110 of Law Decree No. 104/2020 (so-called “August Decree”), as amended by the 2021 Budget Law, through payment of a 3% substitute tax, and subsequent right to benefit from the ensuing off-balance sheet amortisation in the ordinary period of 50 years;
› realignment of the carrying values for goodwill, trademarks and intangible assets, resulting from the merger — effective 1 January 2020 for accounting and tax purposes — of the subsidiaries Nextam Partners S.p.A. and Nextam Partners SGR, carried out pursuant to:
    – Article 15 of Law Decree No. 185/2008 (special redemption), by payment of a substitute tax of 16% and subsequent amortisation over 5 years;

[29] The following additional legislation was recently passed on this subject:
Article 1, paragraph 1079, of Italian Law No. 145/2018 (2019 Budget Law) introduced a change to the amortisation rates of goodwill and other intangible assets that gave rise to the recognition of deferred tax assets subject to the paragraphs 55, 56-*bis*, 56-*bis*.1 and 56-*ter* of Article 2 of Italian Decree Law No. 225 of 29 December 2010 not yet deducted until the tax period in progress at 31 December 2017 in ten variable annual instalments from 31 December 2019 — from 2019 (5%) to 2020 (3%) — and until 31 December 2029 (10%), without prejudice to previously applicable amortisation, where of a lesser amount;
Article 23 of Italian Decree Law No. 98/2011 (paragraphs 12-14) had introduced the possibility of proceeding with “special” redemption (new paragraph 10-*ter* of Article 15 of Italian Decree Law No. 185/2008) of goodwill and other intangible assets recognised solely at the consolidated level before 31 December 2010, by paying a substitute tax of 16% and deducting the related amortisation in ten annual instalments starting on 1 January 2013. However, Article 1, paragraph 502, of Italian Law No. 228 of 24 December 2012 (2013 Financial Law) then deferred the deductibility of amortisation charges from the tax period after that in progress at 31 December 2017, with a suspension of amortisation of five years, followed by a further change in 2018 (previous note);
Article 1, paragraph 714, of Italian Law No. 160/2019 (2020 Stability Law) then provided for the deferral of the deduction of the 5% share of the portion of negative components referring to amortisation charges relating to the value of goodwill and other intangible assets, originally provided for 2019, to the tax period in progress at 31 December 2025 and the four following periods.

[30] The goodwill of BG Fiduciaria was redeemed on 30 November 2011, but effectively became deductible only in financial year 2020, at the rate of 3% instead of the original 10%.

- Article 176, paragraph 2-*ter*, of TUIR (ordinary redemption), limited to intangible assets, with payment of a substitute tax based on related tax brackets (12%-14%) and recognition of amortisation throughout the residual life of the intangible asset.

The accounting treatment of the payment of substitute tax on goodwill is susceptible to varying interpretations, given that there is no specific provision of IAS 12 regarding the taxable element of goodwill after initial recognition.
IAS 12 merely prohibits the recognition of deferred tax assets on initial recognition of goodwill from acquisitions not relevant for tax purposes.

The analyses conducted by the OIC (Italian Accounting Standard Setter) — summarised in application document No. 1 of 27 February 2009 entitled "Accounting treatment of substitute tax on the redemption of goodwill in accordance with Article 15, paragraph 10, of Law Decree No. 185 of 29 November 2008 (converted into Law No. 2 of 28 January 2009) for entities that prepare financial statements in accordance with IAS/IFRS", which can however be extended to other special redemption cases envisaged by tax laws — have led to three different accounting treatments being considered compatible with IFRS:
1. recognition through profit and loss of substitute tax only, without recognising deferred tax assets;
2. immediate recognition through profit and loss of both substitute tax and the deferred tax assets representing the future tax benefit; and
3. recognition of substitute tax as a tax credit under assets and subsequent recognition through profit and loss over the years to coincide with the off-balance deduction of the redeemed amortised amounts.

In this regard, it should be noted that the accounting policy adopted by Banca Generali is based on the second method, which allows the attribution of the entire tax benefit, equal to the difference between the substitute tax paid and the deferred tax assets recognised (IRES and IRAP) during the year to which the redemption transaction refers.

During the years in which the redeemed goodwill is deducted on a straight-line basis, the entity releases the previously recognised deferred tax assets to profit and loss on a straight-line basis, in accordance with the specific system adopted (ten or eighteen amortisation instalments), thereby neutralising the decrease in current taxes.

Any impairment losses to the goodwill are not relevant to measuring the recognised deferred tax asset, provided that the value of that asset continues to be believed to be recoverable on the basis of future taxable income.

With regard to the realignment performed pursuant to Article 110 of Italian Law Decree No. 104/2020, DTAs that may be recovered over a longer time horizon than the ordinary off-balance amortisation of 18 years have not been recognised in the financial statements.

10. Provisions for liabilities and contingencies

Provisions for commitments and guarantees issued

The sub-item of provisions for liabilities and contingencies in question includes provisions for credit risk recognised on the basis of loan commitments and guarantees issued that come within the scope of application of impairment rules pursuant to IFRS 9.
Such cases are generally subject to the same methods of allocation to the three credit risk stages and calculation of expected losses presented in regard to financial assets measured at amortised cost or at fair value through other comprehensive income.

Other provisions

Other provisions for liabilities and contingencies include allocations relating to provisions for legal contractual or non-contractual obligations or legal disputes, including tax disputes, arising from a past event where fulfilment of such obligation is likely to require an outflow of financial resources, provided that the amount of the outflow can be reliably estimated.

Therefore, a provision is recognised only when:
- there is a present obligation (legal or constructive) as a result of a past event;
- it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount relating to the fulfilment of the obligation.

The amount recognised as provision corresponds to the best estimate of the expenditure required to settle the obligation existing at the reporting date and accounts for all the risks and uncertainties that are inevitably entailed in certain events and circumstances.
Where the effect of the time value of money is material, provisions are discounted using current market rates. Provisions and increases due to the time value of money are recognised in the profit and loss account.

Provisions are periodically reviewed and, where necessary, adjusted to reflect the best current estimate. If, upon review, it is determined that it is unlikely that a cost will be incurred, the provision is reversed.

Other provisions for liabilities and contingencies include, in particular:
- provisions for contractual indemnities for the Financial Advisor Network (termination indemnity, portfolio overfee indemnity, management development indemnity, and other similar indemnities), measured according to the actuarial of financial method;
- provisions for Financial Advisors and Relationship Managers serving the obligations assumed in relation to the 2017-2026 Framework Loyalty Programme for the sales network;
- several types of provisions for incentive or recruitment bonuses (recruitment plans) for Financial Advisors;
- provisions for long-term employee benefits;
- provisions for restructuring plans.

In some circumstances, provisions for liabilities and contingencies (e.g., charges relating to staff expenses) have been presented in a separate item of the profit and loss account to best reflect their nature.

Termination indemnity for Financial Advisors

The provision covering the cost of termination indemnities for Financial Advisors is assessed in compliance with IAS 37 according to an actuarial approach, pursuant to the law (Article 1751 of the Italian Civil Code) and the specific disbursement criteria set by the Bank.

In detail, the indemnity to be paid to a Financial Advisor is calculated on the basis of the annual average direct and indirect fees paid to the Financial Advisor during his or her final five years of service (Article 1751 of the Italian Civil Code), net of:
- the total amount paid to Enasarco's retirement bonus fund (FIRR) each year by the Bank until the date of termination;
- the contractual lump-sum reduction which gradually declines with the length of service at the date of retirement or termination (with the exception of cases of death and permanent disability).

In cases of withdrawal for cause with service, the indemnity may be further reduced as a function of the decline in AUM during the post-termination observation period.

The assessment is then conducted according to actuarial methods on the basis of demographic parameters, expected turnover rates, with and without the right to service, assumptions regarding the age of entry into the compulsory general insurance (AGO) system and the retirement age.

The procedure also takes account of:

a) the percent fee reduction expected as a function of the estimated period of past service at the date of termination;
b) the prospective termination indemnity fund (FIRR), i.e., the payments that the Bank is to make each year directly to the Enasarco Foundation by way of termination indemnity contributions for the Financial Advisor's entire period of service and that, in the end, are to be deducted from the gross indemnity owed.

Portfolio overfee indemnity

The portfolio overfee scheme calls for Financial Advisors with at least five years of service who leave service permanently due to retirement, serious disability, death or voluntary removal from the Register to be entitled to an indemnity commensurate to the profitability of the portfolio previously managed.
The indemnity, which is governed by an appendix to the agency agreement, is only due on the condition that the outgoing Financial Advisor formally undertakes to conduct a hand-over to an incoming Financial Advisor identified by the Company and discharges the obligation for removal from the Register. Conversely, the incoming Financial Advisor undertakes to pay the Company an indemnity commensurate to that obtained from the outgoing Financial Advisor.
In relation to recent market practices in the area, a thorough contractual revision of the scheme entered into effect on 1 January 2012 was carried out.

The system introduces a rule, namely that the indemnity collected by the outgoing Financial Advisor is to correspond exactly to the indemnity paid by the recipients of the hand-over, thus limiting the principal's role to the service represented by handling the cash flows between the parties.

Therefore, on the basis of the new rules, the outgoing Financial Advisor may only collect the agreed indemnity provided that it has actually been paid to the Bank by the incoming Financial Advisor, thereby fostering greater involvement of the interested parties in the successful completion of the transaction and an appropriate hand-over of customer relationships.

However, the Bank's guarantee is maintained in cases of the reassignment of customer relationships due to the death or permanent disability of the Financial Advisor to whom they had been assigned. In such cases, the Bank will immediately pay out the entire indemnity to the outgoing Financial Advisor's beneficiary or heirs and then recover the amount from the incoming Financial Advisors under an instalment plan, in the reduced amount of 75% in consideration of the increased expense associated with the impossibility of conducting an appropriate hand-over.

The specific provision covering the obligations associated with the scheme is determined through an assessment conducted according to statistical and actuarial methods on the basis of an estimate, carried out through IT procedures, of the development coefficient for the assets managed by the Financial Advisors at the reference date, the historical percentages of indemnity payouts, network turnover rates and other demographic, social security and financial variables.

According to IAS 1, paragraph 234 b), provisions are presented net of contractually established reimbursements to be provided by incoming Financial Advisors.

Framework Loyalty Programme for the Sales Network

The aggregate referring to provisions for long-term contractual indemnities also includes the provision covering the 2017-2026 Framework Loyalty Programme for the Sales Network (“Framework Programme”), approved by the Board of Directors on 21 March 2017 and ratified by the General Shareholders’ Meeting on 20 April 2017. Said Programme is aimed at improving the retention of the Network and the customers acquired over time and creating value for the Group by attracting stable, high-quality net inflows.

The Framework Programme originally provided for the possibility to activate during the 2017-2026 period eight individual annual plans set to expire on 31 December 2026 and of decreasing lengths, from a maximum of eight years to a minimum of one year, with the authorisation of Banca Generali Group’s corporate bodies and in accordance with its remuneration policies.
However, it should be noted that Banca Generali decided to suspend the implementation of the above Loyalty Framework Programme, for which the sixth 2022-2026 cycle was therefore not activated.

The Framework Programme called for an indemnity to be paid to Financial Advisors and Relationship Managers with a minimum level of seniority of service who met certain AUM and net inflow parameters at the end of the year of activation of the plan in which they participated. The indemnities thus accrued in respect of the individual plans will be disbursed cumulatively to the beneficiaries, in accordance with the Banking Group’s current remuneration policies, in the first half of 2027, within 60 days of the approval of the 2026 Financial Statements.
However, departure from the Banking Group’s scope entails the loss of entitlement to disbursement of the bonuses accrued, except in the event of death, permanent disability or eligibility to receive a pension. Even in the above circumstances, the indemnity will still be paid at the end of the Programme.

A part of the bonus, up to 50% of its value, for each of the individual plans in the Framework Programme may be paid in Banca Generali shares. In accordance with the Banking Group’s Remuneration Policy, the number of shares is determined according to the average price of Banca Generali shares during the 90 days prior to the date of the meeting of the Board of Directors called to approve the draft Financial Statements for the year prior to that of activation of the individual plan. The Banca Generali shares for each individual plan are thus purchased on the market after authorisation is granted, from one year to the next, by the corporate bodies (Board of Directors and General Shareholders’ Meeting) and the Regulator, and are cumulatively assigned to beneficiaries.

The amount of the provision for the portion of the indemnity to be paid in cash is measured on the basis of the indemnity accrued as at the reporting date, taking account of the time value of money for the period until the date of disbursement and the forecast rate of turnover, without entitlement to benefits, for the beneficiary population. The portion to be paid in shares is subject to the accounting treatment provided for in IFRS 2 and accrues annually in proportion to the length of the vesting period for the various annual plans activated.

In addition, following the suspension of the Programme, in July 2022 an advance on the bonuses to be paid in cash as provisioned for and revalued as at 30 June 2022 was paid to the beneficiaries of the annual plans already activated, for a total amount of 34.2 million euros. This advance is tied to the right to receive the bonus and will therefore definitively accrue in the first half of 2027 following verification of the vesting conditions established by the Programme.

Three-year Incentive Plan

The 2022-2024 three-year incentive plan, approved by the Board of Directors on 18 March 2022, is in addition to the annual incentives for the Financial Advisor Network and is tied to the achievement of both several overall objectives set at the Banking Group level in terms of total net inflows and recurring fee income, established in the Strategic Plan, and individual objectives.

In particular, at the end of the Plan no incentives may be disbursed without full achievement of the three-year net inflow targets and of at least 90% of the cumulative recurring fee target at the end of 2024.
At the level of the individual beneficiary, accrual of the bonus is tied to individual net inflow and advanced net inflow targets on a three-year basis to be reached collectively, with a floor below which the incentive is not awarded.
Special rules also apply to Financial Advisors eligible to participate in the previous Loyalty Framework Programme, for which a bonus floor applies, to be paid at the end of the three-year period if other conditions are met, but only in the absence of net outflows.

All Financial Advisors, Relationship Managers and Network Managers in service at 31 December 2019 are entitled to the three-year incentives.

The three-year bonus will be paid in 2026, provided that on 31 December 2025 the net inflow targets reached are no less than 90% of net inflows reached at the end of the three-year plan period.
The incentives accruing on a multi-year basis, tied to net inflow targets, qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the Financial Advisor Network.
The accrual of the bonus at the end of the three-year period is contingent on achieving the Banking Group access gates, as defined by the Remuneration Policy.
In addition, the Plan calls for the payment of the cash bonus only, with the sole exception of beneficiaries qualifying as Key Personnel in the three-year period, to whom the specific provisions of the Remuneration Policies (deferral, shared-based payment, etc.) apply.

11. Financial liabilities measured at amortised cost

Classification

Due to banks, Due to customers and Securities issued include the various forms of interbank funding and direct customer inflows, as well as funding through certificates of deposit and the issue of bond securities, net of any amounts repurchased.
Due to banks and Due to customers also include operating debts from financial services.

Recognition

These items are initially recognised when funding is received or the debt securities are issued.
Initial recognition is at the fair value of the liabilities, which is normally the amount received or the issue price plus any costs or income directly attributable to the each funding transaction or issuance and not repaid by the creditor. Internal general and administrative expenses are excluded.
For financial liabilities issued below market value, the fair value is estimated and the difference with respect to the market value is recognised directly in the profit and loss account.

Measurement

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method, with the exception of short-term liabilities where the time value of money is not material. These are measured at the amount received, and any costs incurred are recognised in the profit and loss account on a straight-line basis for the contractual duration of the liability.

Derecognition

Financial liabilities are written off when they mature or are settled, or when previously issued securities are repurchased. The difference between the carrying amount of the liability and the amount paid for repurchase is recognised in the profit and loss account.
Placing securities again on the market after their repurchase is considered a new issue; such securities are therefore measured at the new placement price without any effect on net profit and loss.

12. Financial liabilities held for trading

This item includes the negative value of trading derivative contracts measured at fair value.
If the fair value of a financial asset falls below zero due to trading, it is recorded as a financial liability held for trading.

13. Financial liabilities designated at fair value

There are currently no financial liabilities measured at fair value.

14. Foreign currency transactions

Initial recognition measurement criteria

On initial recognition, foreign currency transactions are recorded in the functional currency using the exchange rate at the date of the transaction.

Subsequent recognition measurement criteria

At each annual or interim reporting date, monetary items denominated in foreign currency are translated using the exchange rate as follows:

- monetary items are translated using the exchange rate at the reporting date;
- non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value are translated using the exchange rate at the reporting date.

Exchange rate differences that result from the settlement of monetary items or the translation of monetary items at a rate that is different from the one used for initial translation or for translating the previous year's Financial Statements are recognised through profit or loss in the period in which they arise.

15. Other information

Cash and deposits

The portion of the balance of the settlement account held with the Bank of Italy that is not restricted according to the mandatory reserve rules is recognised as demand deposits with the Central Bank and has therefore been reclassified to item 10 of the Balance Sheet, Cash and deposits.

Treasury shares

Treasury shares are recognised at their purchase cost under a specific item as a reduction to net equity and are not subject to measurement. Where subsequently sold, any difference between the purchase cost and sale price is recognised among the components of net equity.

Equity instruments

Equity instruments are instruments that represent an equity interest in the Bank pursuant to IAS 32.
The classification of an instrument issued as an equity investment requires the absence of contractual obligations to make payments in the form of repayment of principal, payment of interest or other forms of return.

In particular, instruments that present the following characteristics are classified as equity investments:

- duration is unlimited or equal to the company's duration;
- the issuer has full discretion over paying coupons or repaying principal, including prematurely.

This category also includes Additional Tier 1 instruments compliant with the provisions of Regulation (EU) No. 575/2013 (CRR) on the prudential requirements for credit institutions and investment firms that, in addition to presenting the characteristics described above, in any event:

- allow the issuer to retain full discretion over whether to recognise a reversal of nominal value (write-up) following a capital event that has resulted in a decline in nominal value (write-down);
- do not incorporate must-pay clauses for the issuer as a result of authentic events within the parties' control.

Equity instruments other than ordinary or savings shares are classified to item "130. Equity instruments" in the amount received, inclusive of the transaction costs that are directly attributable to the transaction concerned.
Any coupons paid and dividend accruals, net of the related taxes, are deducted from item "140. Reserves".
Any differences between the amount paid to discharge or repurchase these instruments and their carrying amount are recognised in item "140. Reserves".

Repurchase agreements

Securities received under a transaction involving a contractual obligation to resell said securities and securities delivered under a transaction involving a contractual obligation to repurchase said securities are not recognised and/or derecognised inasmuch as the associated risks/rewards are not transferred.
Consequently, if securities are purchased under a resale agreement, the amount paid is recognised as a loan to customers or banks. If securities are sold under a repurchase agreement, the liability is recognised as an amount due to banks or customers.

Investment income, in the form of coupons accrued on securities and the difference between the spot and forward price of said securities, is recognised to the profit and loss account items associated with interest on an accrual basis.

Leasehold improvements

Costs associated with refurbishing properties owned by third parties are capitalised due to the fact that, for the duration of the lease, the company using the property has control of the assets and can therefore receive the related future economic benefits.
The above costs, which have been classified among "Other assets", as required by the Bank of Italy's Instructions, are amortised for a period that may not exceed the term of the lease agreement.

Leases (IFRS 16)

As lessee

At the inception of a contract, the Bank must assess whether it is, or contains, a lease.
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset in exchange for consideration for a period of time.
In addition to lease contracts, recognised as such, the definition of "lease contract" also includes rental, loans for use and all other contracts that may contain a lease.

For each contract that is, or contains, a lease, the Bank allocates the agreed consideration to the following, on the basis of the individual prices of each transaction:

- the lease components (pure lease payment);
- the components relating to other services to be recognised according to other standards (e.g., condominium fees, non-deductible VAT, late payment interest, duty stamps, insurance expenses, vehicle maintenance costs, etc.).

The Bank settles the lease components separately from the other service components, unless it is not readily feasible to do so.

The Bank recognises a right of use and the related lease liability for all lease contracts in which it is the lessee, except for:

- short-term contracts (i.e., lease contracts with a term of 12 months or less); and
- leases of low-value assets (assets with a value of less than 5,000 euros when new).

The Bank accounts for payments relating to the latter as operating expenses on a straight-line basis over the term of the contract, unless another method is more representative.

Lease liabilities

Lease liabilities are initially recognised at the present value of the lease payments that are not paid at the commencement date of the lease, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, at the lessee's incremental borrowing rate.

Since most lease contracts entered into by the Bank do not include an implicit interest rate, the discount rate to be applied to future lease payments is generally based on the risk-free rate for the currency in which the contracts are denominated, applicable by maturity, commensurate to the term of the contract concerned, plus a specific credit spread applicable to the lessee.

In particular, the risk-free rate curve (swap curve) is used, with the addition of a spread representative of the Insurance Group's credit risk, calculated periodically on the basis of the quoted prices of credit default swaps (CDSs) referring to the parent company, Assicurazioni Generali.

The lease payments accounted for in the value of the lease liability include:

- fixed payments, including lease payments contractually structured as variable but essentially fixed (in-substance fixed payments), less any incentives received from the lessor;
- variable lease payments that depend on an index or a rate (e.g., inflation), initially measured using the index or rate as at the commencement date of the contract;
- amounts expected to be payable by the lessee under residual value guarantees, where provided for by contract;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease prematurely, if the lease term reflects the lessee exercising an option to terminate the lease, and exercise of the option is deemed reasonably certain.

After initial recognition of the lease liability at amortised cost, the carrying amount of the liability is increased by the interest on the lease (according to the effective interest method) and decreased to reflect the payments made under the lease contract.

The Bank remeasures the balance of the lease liability (and applies an adjustment to the corresponding value of the right of use, where significant) if either:

- there is a change in the lease term or there is a change in the assessment of an option right, in which case the lease liability is remeasured by discounting the lease payments at the revised discount rate;
- there is a change in lease payments resulting from a change in an index or a rate or there is a change in the amounts expected to be payable under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments at the initial discount rate (unless the change in lease payments results from a change in floating interest rates, in which case a revised discount rate is used);
- a lease contract has been modified and the modification does not qualify for recognition as a separate contract, in which case the lease liability is remeasured by discounting the revised lease payments at the revised interest rate.

Rights of use

The Bank recognises rights of use and the related lease liabilities at the commencement date of the contract.

Right-of-use assets are initially measured at cost, including:

- the initial measurement of the lease liability;
- the lease payments made at or before the commencement date of the contract;
- initial direct costs incurred to obtain the contract (legal, notarial, real-estate agency, etc.).

A provision for risks is recognised and measured according to IAS 37 when the Bank is obligated to bear the costs of returning an asset in a condition required by the terms of the contract. This cost is included in the value of the right of use.

The right of use is then recognised net of depreciation and any impairment losses.

The right of use is depreciated on a straight-line basis over the period from the commencement date of the contract to the sooner of the end of the lease term and of the residual useful life of the underlying asset.

If the lease contract transfers ownership of the relevant asset or the cost of the right of use reflects the Bank's intention to exercise the purchase option, the right of use is depreciated over the useful life of the asset.

The Bank applies IAS 36 – *Impairment of Assets* to identify the presence of any impairment losses.

Variable lease payments that do not depend on an index or a rate are not included in the value of the lease liability or the value of the right of use. The related payments are recognised on an accrual basis and are included in item "Other operating costs" of the Profit and Loss Account.

As lessor

The Bank does not act as lessor in lease transactions.

Share-based payments

These are payments to employees or other similar persons, such as Financial Advisors, as consideration for services rendered, based on the equity instruments of the banking or ultimate parent company.

Such plans may provide for either:

- the right to subscribe for rights issues at a pre-determined price (stock-option plans);
- the free assignment of a certain number of shares, generally repurchased (stock-granting plans).

In accordance with IFRS 2 – *Share-Based Payments*, share-based benefit plans for personnel and Financial Advisors are recognised as costs on the Profit and Loss Account based on the fair value of the shares on the assignment date, spreading out the charges over the period covered in the plan.

In light of the difficulty inherent in reliably measuring the fair value of the services received in return for equity instruments, reference is made to the fair value of such instruments measured at the assignment date.

The fair value of options is measured using a model whose inputs are exercise price, time to maturity, the current share price, expected volatility, expected dividend, the risk-free interest rate, and the specific features of the plan in effect. The pricing model measures distinctly the option and the probability that the conditions on which basis the option was assigned will be realised. The combination of the two amounts generates the fair value of the assigned instrument.
In cases of stock-granting plans, the fair value of the shares granted is determined on the basis of market prices on the date of the resolution of the Shareholders' Meeting authorising the plans.
Any reduction in the number of financial instruments assigned is recognised as a cancellation of part of them.

Charges relating to shared-based payment plans are recognised as a cost for the period in the profit and loss account under item 160.a) "General and administrative expenses: staff expenses", where they relate to employment services, and under item 50. "Fee expense", where they relate to contractual relationships with Financial Advisors. In both cases, such charges have their counter-entry in item 140. "Equity reserves"[31].

Employee termination indemnities

Employee termination indemnities, which are governed by Article 2220 of the Italian Civil Code, constitute "**post-employment benefits**" as defined in IAS 19 – *Employee Benefits*.

Following the entry into force of Italy's 2007 Finance Law, which brought forward to 1 January 2007 the supplementary pension reform enacted by Italian Legislative Decree No. 252 of 5 December 2005, the portions of employees' termination indemnities accrued starting from 1 January 2007 must — depending on the employees' choice — be allocated to a supplementary pension fund or maintained within the company and — in the case of companies with at least 50 employees — transferred to a special fund managed by Italy's national security institute (INPS).

Accordingly, obligations to employees have taken on a twofold nature from an accounting standpoint:

- "a defined contribution plan" for termination indemnities accrued by personnel starting on 1 January 2007 whether the employee chooses to redirect such amount to a supplementary pension fund or allocate it to the INPS treasury fund.
  For such portions, the amount recognised amongst staff expenses is determined on the basis of the contributions owed, without the application of actuarial calculation methods.
  The portions paid to supplementary pension funds are recognised in the specific item, whilst the portions paid to the INPS fund are reclassified to the item "employee termination indemnities" by convention;
- "a defined-benefit plan" for the portion of termination indemnities accrued by personnel through 31 December 2006, which is thus recognised on the basis of the actuarial value of the expected future benefit, determined according to the **"projected unit credit method"**.

According to this method, the amount already accrued is to be increased by the unit amount accrued annually (current service cost) projected into the future through the date of expected termination of employment then discounted at the reference date. The unit amount accrued is also determined on the basis of the employee's entire expected working life.

In the specific case, however, the past liability is assessed without pro-rating past service because the service cost of the termination indemnity has already fully accrued. Accordingly, the annual accrual consists solely of the interest cost relating to the revaluation of the expected benefit due to the passage of time.

The rate used for discounting is determined by reference to market yields on high quality corporate bonds, taking into account the average time-to-maturity of the liability, and calculated using the percentage paid and advanced for each contractual period compared to the total amount to be paid and paid in advance until the final settlement of the entire obligation.
Considering that IAS 19R requires that the discount rate is to be determined by reference to the yields on "high-quality corporate bonds," it was decided to use the IBOXX EURO CORP index, formed of AA series.

The plan's service costs have been recognised amongst staff expenses under item "provisions for termination indemnity."

Following the entry into force of IAS 19R, from 1 January 2013, with the aim of improving financial statement comparability, it was decided to eliminate the option of adopting different treatments for **actuarial gains and losses** deriving from the assessment of the obligation, i.e., decreases or increases in liabilities deriving from changes in the parameters used for the actuarial assessment (change in the discount rates, estimate of expected staff turnover rates, salary increases, etc.).

In fact, changes in liabilities due to actuarial assessments are now required to be mandatorily recognised in full in the other comprehensive income, and thus with a balancing entry to an equity reserve, net of the associated tax effect.
By contrast, in the previous accounting arrangement adopted by the Bank the above item had been recognised in the profit and loss account according to the corridor method, i.e., the amount of cumulative actuarial gains/losses resulting at the end of the previous year in excess of 10% of the present value of the benefits generated by the plan.

The elimination of this method entailed an impact on the Bank's net equity from the date of first-time adoption of the new Standard due to the recognition of actuarial gains or losses not previously booked in application of the corridor method.
In addition, actuarial assessments of the provision are conducted net of the 11% substitute tax and 0.50% contribution, which are thus reclassified to the profit and loss account during the year of accrual under a specific item.

[31] For further information on the accounting treatment and the characteristics of the individual plans, including quantitative information, see Part I — Payment Agreements Based on Own Equity Instruments of these Notes and Comments.

Productivity bonuses for salaried employees

Productivity bonuses to be paid to salaried employees during the following year are generally to be allocated to the item "Other liabilities".

More specifically, in accordance with IAS 19 – Employee Benefits, the following are allocated to current liabilities:
- the share of variable remuneration to be paid to managers and employees for which there are legal obligations that may be reliably estimated, such as bonuses relating to the supplementary company agreement, managerial bonuses associated with balance scorecards (MBO) and other individual incentive plans of a contractual nature, such as those for sales personnel and managers;
- incentives not subject to contractual agreement for which there is objective evidence of their customary nature, giving rise to a constructive obligation for the Bank.

For these items, a reliable estimate has been prepared of the expense owed to staff under the formal conditions of the individually assigned incentive plans and the probability that the quantitative and qualitative targets set out therein will be met.

Pursuant to IAS 19, the Company also recognises among staff expenses in the Profit and Loss Account the following types of expenses that do not constitute certain short-term liabilities and thus have the item for provisions for liabilities and contingencies as their balancing entry in the balance sheet:
- the share of the variable remuneration of managers of the Banking Group deferred up to five years, and conditional upon the satisfaction of the access gates requirements established in the Banking Group's new remuneration policy.

Expenses functionally related to staff

In accordance with IAS 19, item 160 a) "Staff expenses" only includes costs representing remuneration for professional services rendered, thus excluding those representing pure reimbursement of the expenses incurred by the employee for the benefit of the enterprise in the performance of professional activity.

Accordingly, indirect expenses functionally related to activity performed by staff are recognised under item 160 b) "Other general and administrative expenses". Such expenses also include:

a) documented, specific reimbursements of the costs of room and board incurred by employees during business trips;
b) documented, specific mileage reimbursements, calculated on the basis of rates recognised as valid (e.g., Automobile Club d'Italia) and the mileage actually travelled;
c) costs of check-ups conducted when staff are hired and the costs of compulsory examinations of staff required by law.

By contrast, amongst other items, the costs of professional refresher courses for employees continue to be recognised under staff expenses.

Recognition of revenues and costs

Revenues are recognised when they are realised or when it is probable that the related future benefits will be received and such benefits can be reliably measured. More specifically:
- interest payable is recognised on a pro-rated basis according to contractual interest rate, or the effective interest rate if amortised cost is used;
- default interest accrued on the basis of contractual terms is recognised in the profit and loss account only when received;
- dividends are recognised in the profit and loss account when dividend payout is approved;
- service revenue fees are recognised, on the basis of the existence of contractual agreements, during the period in which the services in question are rendered; in further detail, trading fees on securities trading are recognised when the service is rendered. Portfolio management, advisory and mutual fund management fees are recognised according to the length of the service. Fees considered among amortised cost for the purposes of determining the effective interest rate are excluded and are recognised among interest.

Costs are taken through profit or loss during the periods in which the associated revenues are recognised. If the above matching can only be done generally or indirectly, then the costs are allocated to more than one accounting period according to rational procedures and on a systematic basis. Those costs that cannot be matched with the related revenues are immediately taken through profit and loss.

Recognition of the costs of obtaining and fulfilling a contract

Beginning from the end of 2018, the amortisation period for acquisition and fulfilment costs for contracts with customers was modified from a time horizon based on the payback criterion to a time horizon more consistent with the average duration of contractual relationships with customers, determined to be five years.
These changes, implemented in part owing to the greater flexibility of IFRS 15, made it possible to align the accounting treatment of incremental costs paid to Financial Advisors in relation to the organic growth of assets under management with the treatment of recruitment incentives tied to the acquisition of new customers (amortised over five years), thereby ensuring a more effective correlation between total fee expenses and the fee income generated by customer investments.

In particular, the modification affected the accounting treatment of ordinary sales incentives tied to the net inflow targets paid to the Financial Advisor Network, which had been previously accounted for according to the practical expedient of taking them in full to the profit and loss account for the year.
The modification, which qualifies as a change in accounting estimate in respect of the amortisation period for incentives, was applied prospectively in accordance with IAS 8.

Calculation of impairment losses

Impairment losses of financial assets

At each reporting date, in accordance with IFRS 9, financial assets other than those measured at fair value through profit or loss are tested for evidence that their carrying amounts may not be fully recoverable. Similar tests are also performed for loan commitments and guarantees issued that come within the scope of impairment testing pursuant to IFRS 9.

Where such evidence of impairment exists, the financial assets in question are considered impaired and included in stage 3, along with all remaining assets associated with the same counterparty, if any. Such exposures, represented by financial assets classified, in accordance with Bank of Italy Circular No. 262/2005, as bad loans, unlikely-to-pay loans and exposures past-due by more than 90 days must be accounted for by recognising impairment losses equivalent to the expected losses over their entire residual lifetimes.

Impairment losses of performing financial assets

For financial assets for which there is no evidence of impairment (performing financial instruments), it must be verified whether there are any indicators that the credit risk associated with each transaction has increased significantly with respect to initial recognition. The consequences of this assessment, from the standpoint of classification (or, to be more precise, “staging”) and measurement, are as follows:

- where such indicators exist, the financial asset is classified as stage 2. In such case, in accordance with international accounting standards, and despite the absence of a manifest decline in value, measurement involves recognising impairment losses equal to the expected losses over the financial instrument’s entire residual lifetime;
- where such indicators do not exist, the financial asset is classified as stage 1. In such case, in accordance with international accounting standards, and despite the absence of a manifest decline in value, measurement involves recognising impairment losses equal to the expected losses for the specific financial instrument over the following twelve months.

Such impairment losses are revised on each subsequent reporting date to verify periodically that they are consistent with constantly updated loss estimates and to take account of the changed forecasting period for calculating the expected loss, in the event of changes in indicators signalling a “significantly increased” credit risk.

With regard to the tracking of credit quality, in accordance with the provisions of the Standard and the Supervisory Authority’s instructions as to how to apply the Standard in the case of less significant institutions, a detailed analysis was conducted for each relationship, whether in the form of a security or a loan.

To identify whether there has been a “significant deterioration” of credit quality since initial recognition and there is thus a need for classification to stage 2 and, vice versa, whether the conditions have been met for reclassification from stage 2 to stage 1, it has been decided to make a comparison, at each reporting date, between the credit quality of the financial instrument at the time of measurement and at the time of initial disbursement or purchase (stage assignment).

In view of the above, the factors that will be decisive when determining transitions between the various stages are as follows:

- a change in rating class with respect to the moment of initial recognition of the financial asset. In other words, this is an assessment according to a “relative” criterion;
- the presence of a position past-due by at least 30 days. Where such positions exist, in other words, the credit risk of the exposure is presumed to have “significantly increased” and the position is thus reclassified to stage 2;
- the presence of forbearance measures, which entail the classification of the exposure as among those whose credit risk has “significantly increased” with respect to initial recognition.

Some particular considerations apply to the staging of securities. In the case of this type of exposure — as opposed to loans — purchase transactions following an initial purchase of securities with the same ISIN may be a customary part of ordinary management of such positions (resulting in the need to establish an approach to identify sales and redemptions to determine the residual balances of individual transactions with which to associate a credit quality/rating upon origination to be compared with that as at the reporting date). The “first-in-first-out” (“FIFO”) method has thus been deemed to contribute to more transparent management of the portfolio, including from the standpoint of front-office personnel, thus also permitting assessments of creditworthiness to be updated constantly on the basis of new purchases.

In addition, Banca Generali has adopted the low credit risk exemption (LCRE) provided for in IFRS 9 for certain financial assets, namely debt instruments issued by governments and public administrations. Accordingly, exposures that are rated investment grade or above as at the reporting date will be deemed low credit risk exposures and thus classified to stage 1.

Once exposures have been allocated to the various credit risk stages, expected credit losses (ECLs) are determined for each transaction or tranche of a security, on the basis of the parameters of probability of default (PD), loss given default (LGD) and exposure at default (EAD).

The measurement of financial assets also reflects the best estimate of the effects of future conditions — above all those of the economic context — with an impact on forward-looking PD and LGD.

Modifications to stage assignment

IFRS 9 requires that the assessment of expected credit losses on financial instruments measured at amortised cost allocated to the HTC and HTCS portfolios be closely connected to their inclusion in one of the three stages (credit risk stages), the last of which (stage 3) includes non-performing financial assets and the remainder of which (stages 1 and 2) include performing financial assets.
In particular, financial instruments are classified to stage 2 if on the reporting date they have undergone a significant increase in risk compared to origination, determined by reaching a rating class deemed excessively risky or by a significant rating notch difference.

In response to the Covid-19 emergency, international organisations and governments implemented extensive support programmes for the banking system and real economy, including, above all, the banking package promoted by the European Union and the public moratoria. The supervisory authorities also requested that financial institutions modify their processes for managing and hence for approving loans, so as to ensure, even in shock conditions, the proper assessment of temporary increases in risk profile, while also decreasing the procyclical effect of assessment models.

In adopting this regulatory framework, which thus views the Covid-19 emergency as a temporary phenomenon not destined to last over time, and in line with industry practices recently established amongst Italian financial institutions, the Banking Group decided to make significant changes to the current stage assignment model for the securities portfolio, as detailed below:

- introduction of a module that formalises the legitimate use of temporary model changes in extraordinary conditions of use until conditions of normality are restored;
- introduction of a rule against downgrading sovereign securities, where justified in terms of temporariness, validity, extraordinariness and severity; with regard to this latter point, a limit was identified in the form of a downgrade not resulting in a rating class lower than credit quality class 4 (equivalent to BB) (ECB Press Release of 22 April 2020);
- replacement of the current rating assignment rule according to a predefined order (1. Moody's, 2. S&P and 3. Fitch) with the ECAI First Best Rating assignment rule, acknowledging that a security downgrade is only admitted if formulated unanimously by all rating agencies: Moody's, S&P, Fitch and DBRS;
- addition of the ratings agency DBRS to the ECAIs Moody's, S&P and Fitch.

These changes are in line with the new regulatory requirement formulated in EBA "Statement on the application of the prudential framework regarding Default, Forbearance and IFRS 9 in light of COVID-19 measures", 25 March 2020, and in EBA "Guidelines EBA/GL/2020/02", 2 April 2020, which requires prudence in assessing the increase in risk profile, where not representative of the counterparty's long-term status.

Impairment losses of non-performing financial assets

Non-performing loans are measured as follows:

- individual measurement of all exposures classified as bad loans;
- individual measurement of all exposures classified as unlikely-to-pay (UTP) and overdrawn/past-due of amounts in excess of 10 thousand euros and secured positions under 10 thousand euros;
- statistical measurement for all positions classified as unlikely-to-pay (UTP) and overdrawn/past-due below the above thresholds.

Individual measurement is performed by managers on individual positions on the basis of a qualitative and quantitative analysis of the debtor's financial performance and position, the risk level of the credit relationship and any mitigating factors (guarantees), while also taking account of the financial effect of the time estimated to be necessary for recovery.

In the case of bad loans in particular, significance is attached to a series of elements — present to varying degrees depending on the characteristics of the positions — to be assessed as thoroughly and prudently as possible, including, but not limited to:

- the nature of the loan, i.e., preferred or unsecured;
- the net assets of the obligors/third-party guarantors;

- the complexity of ongoing or potential litigation and/or the underlying legal matters;
- exposure of obligors to the banking system and other creditors;
- most recent available financial statements;
- legal status of obligors and pending insolvency and/or individual procedures.

Statistical assessments are conducted on the basis of the parameters set out in the ECB guidelines. Residual exposures of amounts beneath a predetermined threshold are fully written off.
The financial effect of time (time value) is not taken into account for exposures classified as overdrawn/past due by more than 90 days due to the high frequency of return to performing status in the short term.

Contributions to deposit guarantee systems and resolution mechanisms

Through Directives 2014/49/EU of 16 April 2014 and 2014/59/EU of 15 May 2014, respectively, the "Deposit Guarantee Schemes Directive (DGSD)" and "Bank Recovery and Resolution Directive (BRRD)", and the institution of the Single Resolution Mechanism (Regulation (EU) No. 806/2014 of 15 July 2014), European lawmakers made significant changes to the rules concerning banking crises with the strategic aim of strengthening the single market and ensuring systemic stability. As illustrated in further detail below, the above legislative changes had a significant impact on financial performance and financial position as a result of the obligation to establish specific funds with financial resources that must be provided by contributions from financial institutions starting in 2015.

Contributions deriving from the Deposit Guarantee Schemes Directive (DGSD)

Directive 2014/49/EU, effective as of 3 July 2015, harmonises the levels of protection offered by national deposit guarantee schemes (DGSs) and their methods of intervention, with the aim of eliminating possible competitive disparities within the European market. To that end, the Directive provides that national DGSs (in Italy, the Interbank Deposit Protection Fund or FITD) must endow themselves with means commensurate to the deposits protected, which must be provided through mandatory contributions from financial institutions. The new element for Italian banks is the new mechanism for financing the fund: the previous after-the-fact contribution system, in which funds had been requested in case of need, was replaced by a mixed system, in which funds must be paid in advance, so as to reach, within ten years of the entry into force of the Directive (3 July 2024), a minimum target level of **0.8% of the deposits guaranteed**.
The contributions from each entity are calculated as a function of the ratio of the amount of own deposits to the total protected deposits in the country.
Article 10 of Directive 2014/49/EU provides that contributions are to be paid by banks with at least annual frequency.
In its extraordinary meeting of 26 November 2015, the FITD then amended its Articles of Association to comply with the new contribution rules and regulatory framework.
The Directive was then transposed into Italian law through Legislative Decree No. 30/2016.

Contribution charges deriving from the Bank Recovery and Resolution Directive (BRRD)

Directive 2014/59/EU establishes the new resolution rules, applicable from 1 January 2015 to all European Union banks in a state of current or prospective default. These rules, which introduce the "bail-in" principle, require, under certain circumstances, that funding for resolution may also be supported by a national resolution fund instituted by each of the 28 European Union Member States and managed by a national resolution authority.

To that end, the Directive provides that the national resolution funds be endowed with financial means provided through mandatory advance contributions from authorised financial institutions.
In particular, the funds are to be paid in advance until reaching a minimum target level, over a period of ten years, i.e., by 31 December 2024, of **1% of guaranteed deposits**[32].

The contributions from each entity are calculated as a function of the ratio of its total eligible liabilities, i.e., net of own funds and the guaranteed deposits, to the total liabilities of all authorised financial institutions in the country.

In this context, on 16 November 2015 Italian Legislative Decrees Nos. 180/2015 and 181/2015 were enacted, introducing the National Resolution Fund into the Italian legal system and assigning the Bank of Italy the role of National Resolution Authority.

In particular, Articles 78 *et seqq.* of Legislative Decree No. 180/15 provide that such funds are to be financed by, among other sources:

a) ordinary contributions paid on an annual basis in the amount determined by the Bank of Italy in accordance with Directive 2014/59/EU (Article 103) and commensurate for the purposes of reaching the fund's target funding level;
b) extraordinary contributions when ordinary contributions are insufficient to cover losses, costs or other expenses incurred to achieve resolution objectives, up to an amount of three times annual average ordinary contributions.

[32] Also in this case, in order to achieve the target level, the financial means provided by the credit institutions may include payment commitments up to a maximum of 30%.

The European Single Resolution Fund (SRF) managed by the European resolution authority, formed within the ECB (Single Resolution Board – SRB) as part of the Single Resolution Mechanism (SRM), became effective on 1 January 2016.
Regulation (EU) 806/2014 specified that the Fund should reach a target level of means of at least 1% of the amount of the protected deposits of all authorised entities in the Banking Union in a period of eight years, from 1 January 2016 to 31 December 2023.
The contribution rules for the period 2016-2023 were established in Article 8 of Implementing Regulation No. 81 of 2015.
Accordingly, the banks of Member States of the Banking Union (including Italian banks) contributed to the National Resolution Fund in 2015 and to the Single Resolution Fund starting in 2016 (until 2023). During the initial period, when calculating each institution's individual contributions, this transfer was taken into account.

Accounting treatment of contribution charges deriving from the BRRD and DGSD

The accounting and reporting treatment applicable to contributions to resolution funds was the subject of the Bank of Italy's notice dated 20 January 2016, as well as of a notice dated 25 January 2017 specifically relating to "Additional contributions to the national resolution fund".
Similar conclusions were reached by ESMA in its Opinion 2015/ESMA/1462 "Application of the IFRS requirements in relation to the recognition of contributions to Deposit Guarantee Schemes in IFRS accounts" of 25 September 2015 with regard to non-reimbursable cash contributions to be paid in advance into deposit guarantee funds.

For financial reporting purposes, reference should be made to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and the Interpretation IFRIC 21 – Levies, which entered into force on 1 January 2015.
The Interpretation concerns the accounting treatment of a liability for a levy where the liability falls within the scope of application of IAS 37.
As defined in IFRIC 21, "a levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation".
Obligations to contribute to the National Resolution Fund, in both ordinary and extraordinary form, are imposed by legislation, and thus fall within the scope of "levies" as defined in IFRIC 21.

IAS 37 and IFRIC 21 provide that a liability must be recognised when the obligating event that gives rise to a present obligation occurs. Since the Decree does not provide for contributions to be reduced or refunded to intermediaries, in whole or in part, whenever the obligating event occurs the liability relating to the contributions in question must be recognised for the full amount.

Since it is not possible to account for the liability through either an intangible asset pursuant to IAS 38 or a prepayment asset, the contributions must be recognised in profit and loss.

In this regard, the Bank of Italy has clarified that the item to which to classify such contributions, which for accounting purposes may be regarded as levies, is sub-item 160 b "General and administrative expenses – other general and administrative expenses" of the profit and loss account in the separate financial statements, and sub-item 190 b of the consolidated financial statements, which is also used to account for the indirect levies and taxes (paid and unpaid) accrued during the year.

Guarantee Fund for the Life Insurance Sector

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

The General Meeting for setting up the Fund was held on 13 December 2024 at IVASS and appointed 3 members of the Executive Committee that will be tasked with drafting the Statute and calling in the ordinary contributions due in 2024.

With regard to the accounting treatment, on 18 December 2024, IVASS published a letter to the market concerning the methods for recognising in the consolidated financial statements and in the separate financial statements the ordinary and extraordinary contributions that member undertakings are required to pay to the Guarantee Fund for the Life Insurance Sector.
This letter outlined the same guidelines provided for by the Bank of Italy and ESMA in relation to the contributions paid pursuant to the BRRD and the DGSD.

IVASS also clarified that the contributions due in the first year of the Fund shall be already recognised in the 2024 financial statements, even though the cash outflow has not yet materialised.

Business combinations

Business combinations are regulated by the IFRS 3 – *Business Combinations*.
Based on this standard, any acquisition of companies is accounted for using the purchase method, whereby the assets, liabilities, and contingent liabilities of the acquired company are recognised at fair value on the acquisition date. Any positive difference of the price paid over fair value is recognised as goodwill or other intangible assets; if the price is less, the difference is recognised in the Profit and Loss Account.
The purchase method is applied as of the acquisition date, i.e., from the time effective control of the acquired company is obtained. Accordingly, the results of subsidiaries acquired during the year are included in the Consolidated Financial Statements from the date of acquisition. Also the profit and loss results of a subsidiary which has been disposed of are included in the Consolidated Financial Statements, up to the date control is transferred.

Business combinations of entities under common control are not included in the scope of IFRS 3, nor are they covered by other IFRS. They are accounted for in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*.
The IAS/IFRS provide specific guidelines for transactions not covered by IFRS (described in paragraphs 10-12 of IAS 8); according to these guidelines, management is required to consider the most recent pronouncements of other regulatory bodies that use a similar conceptual framework to define accounting standards.
In fulfilment of this requirement, it should be noted that the Financial Accounting Standards Board (FASB) has published an accounting standard regarding business combinations (FAS 141) that in some respects is similar to IFRS 3. Unlike IFRS 3, however, FAS 141 includes an appendix containing limited accounting guidelines for transactions under common control that were previously included in the Accounting Principles Board's (APB) Opinion 16. According to the pooling of interest method, for this type of transaction the assets and liabilities of business combinations are stated at historical (book) value instead of fair value, and goodwill is not recognised.

This solution was essentially adopted at national level by Assirevi, with documents OPI No. 1R on the accounting treatment of business combinations of entities under common control, and OPI No. 2R on the accounting treatment of mergers.

Intra-group combinations or other combinations of entities under common control within Banca Generali Group are therefore accounted for based on the book value of the entity transferred. Any difference between the consideration paid for the acquisition of the equity interest and the book value of the entity transferred (based on the goodwill recognised) is deducted from the net equity of the acquirer, and the transaction is classified as an extraordinary distribution of reserves.
In a similar way, if an entity is disposed of, the amount received is directly recognised in an equity reserve, as it is a capital contribution by other companies of the Group to which it belongs.

Part A.4 – Information on fair value

With the introduction of IFRS 13, the definition of **fair value** has been modified with respect to IAS 39, with a view to a more market-based approach.
According to the new standard, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value is thus not an entity-specific measurement, but rather a market-based measurement.
In detail, measurement at fair value:

- presumes that the asset or liability is exchanged in an orderly transaction between market operators under current market conditions;
- refers to a particular asset or liability and must take account of the characteristics of the asset or liability that market participants take into account when pricing the asset or liability;
- assumes that market participants act in their economic best interest;
- assumes that the sale of the asset or the transfer of the liability takes place:
  a) in the principal market for the asset or liability; or
  b) in the most advantageous market, in the absence of a principal market.

Fair value hierarchy

International accounting standard IFRS 13 requires that financial assets be classified according to a hierarchy of levels (the "fair value hierarchy") that reflects the significance of the inputs used in valuation:

- **Level 1**: quoted prices (unadjusted) in an active market, as defined by IFRS 13;
- **Level 2**: inputs other than the price quotations indicated above, observable on the market either directly (prices) or indirectly (price-derived data);
- **Level 3**: inputs not based on observable market data.

For the purposes of the fair value hierarchy, inputs may thus be classified as:

- **observable**, when the information used in the measurement techniques is based on market data obtained from sources independent of the Bank and available on the market;
- **unobservable**, when they reflect assumptions by the Bank reached by drawing on the best available information in such circumstances.

Valuation criteria of the fair value of financial instruments

In 2010, Banca Generali adopted its Fair Value Policy, which sets out the procedures for measuring the fair value of financial instruments and entrusts responsibility for the measurement process to the Lending Department and review and validation of the data to the Risk Management Department.
The procedure lays down a decision-making process aimed at identifying the best measurement method in the context of the classification of available price sources in the three levels of the fair-value hierarchy.

The fair value of financial instruments is determined through the use of prices obtained from capital markets, if the instruments are quoted on active markets (mark-to-market approach) or through the use of valuation procedures for other financial instruments (mark-to-model approach), based on the analysis of recent transactions involving similar instruments (comparable approach) or, failing the latter, on valuation models.
When determining a financial instrument's fair value, it is thus fundamental to verify whether the market on which that instrument is traded may be considered active, i.e., whether the quoted prices observed represent actual, regular market transactions undertaken during a normal reference period and are promptly and regularly available through exchanges, intermediaries, brokers, industry companies, quotation services and other authorised entities.
Bonds (government bonds and securitisations), equity securities and exchange-traded funds (ETFs) listed on regulated markets and listed financial derivatives are normally considered to be listed on an active market that meets the foregoing requirements.

However, quotation on a regulated or official market does not in itself guarantee the presence of significant prices owing to the limited, sporadic nature of transactions (illiquid securities) on certain securities exchanges, such as that of Luxembourg, whereas there are market types that are unregulated yet show significant daily exchanges in terms of volumes that are suitable to providing prices on an ongoing basis.

Accordingly, most bonds are considered listed on an active market if objective parameters such as the following may be observed:

- an adequate number of counterparties that presents a minimum number of executable ask and bid offers;
- a spread between the ask and bid price that falls within an interval deemed appropriate; and
- continuity of quotations on both sides of the market.

For financial instruments listed on active markets, the current bid price is used for financial assets and the current ask price for financial liabilities.
For equity securities, ETFs and government bonds listed on regulated markets, for which the bid-ask spread is not particularly material, the official closing price for the last trading day is also used.

A.4.1 Fair value Level 2 and Level 3: valuation techniques and inputs used

Financial instruments measured at fair value on a recurring and non-recurring basis

Level 2 of the fair value hierarchy includes all financial instruments whose fair value, despite not being directly observable on the market, may be estimated using valuation models based on:
- inputs directly observable on the market (e.g., executable prices, interest rates or yield curves observable within various buckets, volatilities, credit spreads, etc.);
- inputs indirectly observable on the market or based on observable market data and supported by strong evidence of correlation with observable market data (market-corroborated inputs).

With regard to bond securities (including government bonds and securitisations), the price sources to be used, where available, to determine fair value in the absence of an active market are as follows:
- Bloomberg Generic Number (BGN), which represents Bloomberg's market consensus price and is calculated using both executable prices and indicative prices contributed to Bloomberg;
- the Bloomberg Valuation Service (BVAL), which provides a valuation of bonds based on a three-stage pricing process: 1) observation of market data; 2) analysis of observed prices for similar instruments; and 3) valuation based on non-arbitrage models (for comparable yield curve models). The BVAL is considered a Level 2 price source when there is evidence that it is based on directly observable market data. In all other cases, it will be considered a Level 3 price source;
- other consensus prices provided by Bloomberg, Telekurs or other Information Providers;
- contributors' executable prices that do not meet the significance requirements;
- valuation models developed by Banca Generali, implemented on front-office systems or provided by third-party providers, based on observable significant inputs, which have been validated by the Risk Management Department.

UCITS not listed on regulated markets are normally not considered listed on active markets.
UCITS characterised by significant levels of transparency and liquidity are considered Level 2 and valued on the basis of the NAVs provided by the management company/fund administrator.
UCITS relating to private equity, private debt and similar activities are considered Level 3 and measured on the basis of the most recent available NAV, adjusted, where applicable, to take account of events not incorporated into unit value or on the basis of specific valuations, where it is necessary to reflect a different valuation of the fund's underlying assets.
With reference to the valuation method used for the Forward Fund, reference should be made to the information provided in Part E "Information on Risks and Risk Hedging Policies", Section 1 "Credit risks", Subsection E "Transfers", paragraph C "Prudential consolidation - transferred financial assets fully derecognised" of these Notes and Comments.

As regard derivative instruments, valuation models are used that have been developed by Banca Generali, implemented on front-office systems or provided by third-party providers, based on observable significant inputs, which have been validated by the Risk Management Department.

Since it is impossible or inappropriate to use the comparable approach for OTC financial derivatives, the Group uses widespread valuation techniques commonly used by financial operators, including:
- the analysis of discounted cash flows;
- option pricing models.

In addition, the class L3 of financial instruments measured according to non-observable market parameters includes securities measured according to prices and market data obtained from brokers.

Level 3 also includes certain financial instruments measured at cost in the absence of reliable estimates of fair value. These consist mainly of "minor equity investments" in companies with which the Group has service relationships, and disposal of which is not conceivable (CSE, GBS, Caricese, SWIFT, etc.).

Other financial assets and liabilities not measured at fair value on a recurring basis

The fair value and hierarchical classification of financial assets other than debt securities, equity securities and units of UCITS, as well as of financial and operating receivables classified amongst loans to banks and customers, are determined as follows.

Demand, uncommitted and short-term loans

The fair value of this class of assets, which essentially consists of uncommitted current account exposures, demand deposits or short-term time deposits, as well as operating receivables, is not believed to differ significantly from its carrying amount.

Considering that the measurement process does not contemplate significant unobservable inputs, such instruments are typically classified as L2.

Loans with medium/long-term fixed contractual maturity

This class of assets consists primarily of medium- or long-term mortgages or loans with financial instruments as collateral.

The fair value of loans with amortisation schedules is calculated according to a discounted cash flow model that calls for the cash flows expected on the basis of the contractual amortisation schedule to be discounted at the proper rate for the risks associated with the instrument. This correction consists of a spread to be added to the risk-free discount rate for the cash flows.

The spread in question is to be defined in such a way as to include the following components of risk:
- the cost of credit risk (the cost of covering expected losses in relation to credit risk);
- the cost of funding (the cost of funding positions);
- the cost of capital (the cost of covering unexpected losses in relation to credit risk);
- operating costs (any other costs, specific to the type of loan, that are to be considered in the exit price).

The cost of credit risk is calculated on the basis of multi-period historic PDs related to the rating of the counterparty in the transaction and the LGD specific to the type of instrument.
Loans with a fixed contractual maturity are classified to Level 3 of the fair value hierarchy, in consideration of the significant presence of unobservable inputs (spreads determined on the basis of internal PD and LGD).

Non-performing exposures

When non-performing loans — bad loans, UTP positions and past-due loans — are separately assessed, their book value is believed to be a reasonable approximation of their fair value.
Such loans are classified to Level 3 of the fair value hierarchy.

Other financial liabilities

Financial liabilities classified as amounts due to customers and banks consist mainly of demand deposits, short-term time deposits and operating payables.
Such liabilities also include repurchase agreements that are set to mature within the year and, in the case of interbank funding, fully collateralised, with the determination of daily margins of change.

Such financial liabilities are subject to fair value measurement criteria similar to those applied to other demand or uncommitted financial assets.

A.4.2 Processes and sensitivity of measurements

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, IFRS 13 requires a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs to a different amount might result in a significantly higher or lower fair value measurement.
The unobservable inputs capable of affecting the measurement of instruments categorised within Level 3 consist mainly of estimates and assumptions underlying the models used to measure investments in equities and other UCITS. For such investments, no quantitative analysis has been prepared of the sensitivity of the fair value to changes in unobservable inputs, given that the fair value either has been drawn from third sources without any adjustments or is the result of a model, the inputs to which are specific to the entity subject to measurement (i.e., the company's asset values) and for which the use of alternative values is not reasonably feasible.

The case in question does not apply to Level 3 financial instruments classified as assets measured at OCI and FVOCI. The reader is referred to the detailed analysis of individual positions provided in the subsequent section concerning quantitative information.

A.4.3 Fair value hierarchy

IFRS 13, recalling the contents of IFRS 7, requires that entities that apply IAS/IFRS make adequate disclosure of the fair value measurements used for each class of financial instruments, and in particular:
1. the level in the fair value hierarchy into which the fair value measurements are categorised, segregating instruments belonging to different categories;
2. any significant transfers between Level 1 and Level 2 during the year;
3. for instruments measured in Level 3, a reconciliation from the beginning balances to the ending balances, disclosing separately changes in profit and loss (in the Profit and Loss Account and net equity), purchases and sales, and transfers out of Level 3 due to the use of market data.

In this regard, it should be noted that transfers between levels refer to the end of the accounting period of reference (half-year or annual), in an independent manner, and generally enter into effect from the beginning of the year of reference.
Transfers to and from Level 3 are infrequent and primarily involve the occurrence of situations of default, in which the Bank's subjective assessment of debt recoverability takes pre-eminence.

A.4.4 Other information

No cases envisaged in IFRS 13, paragraphs 48, 93(i) and 96, are reported in these Financial Statements.

Quantitative Information

A.4.5 Fair value hierarchy

A.4.5.1 Breakdown by fair value levels of assets and liabilities measured at fair value on a recurring basis

	31.12.2024			
FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	L1	L2	L3	TOTAL
1. Financial assets measured at fair value through profit or loss:				
a) HFT financial assets	10	111	–	121
b) financial assets designated at fair value				
c) other financial assets mandatorily measured at fair value	1,687	17,303	493,098	512,088
2. Financial assets measured at fair value through other comprehensive income	1,447,595	48,987	25,282	1,521,864
3. Hedging derivatives	–	131,220	–	131,220
4. Property and equipment	–	–	–	–
5. Intangible assets	–	–	–	–
Total	**1,449,292**	**197,621**	**518,380**	**2,165,293**
1. HFT financial liabilities	–	109	–	109
2. Financial liabilities designated at fair value	–	–	–	–
3. Hedging derivatives	–	176,947	–	176,947
Total	**–**	**177,056**	**–**	**177,056**

	31.12.2023			
FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	L1	L2	L3	TOTAL
1. Financial assets measured at fair value through profit or loss				
a) HFT financial assets	10	156	–	166
b) financial assets designated at fair value	–	–	–	–
c) other financial assets mandatorily measured at fair value	1,183	17,731	490,327	509,241
2. Financial assets measured at fair value through other comprehensive income	975,538	106	25,292	1,000,936
3. Hedging derivatives	–	161,955	–	161,955
4. Property and equipment	–	–	–	–
5. Intangible assets	–	–	–	–
Total	**976,731**	**179,948**	**515,619**	**1,672,298**
1. HFT financial liabilities	–	159	–	159
2. Financial liabilities designated at fair value	–	–	–	–
3. Hedging derivatives	–	132,662	–	132,662
Total	**–**	**132,821**	**–**	**132,821**

At the reporting date, Banca Generali's portfolios at fair value, i.e., the portfolio of financial assets measured at fair value through profit or loss, the portfolio of financial assets measured at fair value through other comprehensive income (HTCS) and hedging derivatives comprised 66.9% of financial assets allocated to class L1, with a slight decline compared to the previous year (58.4%). This category continued to be concentrated on the sovereign debt, with the highest component made up of bonds issued by Italy and EU countries. It also included other debt securities (15.6 million euros) chiefly referring to the credit sector (14.6 million euros), and listed securities totalling 1.7 million euros.
The financial assets allocated to the L2 class, on the other hand, consist chiefly of hedging derivatives and of unit-linked policies that, due to failing the SPPI Test, have been reclassified among other financial assets mandatorily measured at fair value.

In the reporting year, no significant transfers of financial assets were performed between class L1 and class L2.

A.4.5.2 Year changes in financial assets measured at fair value on a recurring basis (level L3)

	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS							
	TOTAL	OF WHICH: A) HFT FINANCIAL ASSETS	OF WHICH: B) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	OF WHICH: C) OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE	FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	HEDGING DERIVATIVES	PROPERTY AND EQUIPMENT	INTANGIBLE ASSETS
1. Amount at year-start	**490,327**	**–**	**–**	**490,327**	**25,292**	**–**	**–**	**–**
2. Increases	**5,561**	**–**	**–**	**5,561**	**100**	**–**	**–**	**–**
2.1 Purchases	3,000	–	–	3,000	100			
2.2 Gains through:	2,401	–	–	2,401	–	–	–	–
2.2.1 Profit or loss	2,401	–	–	2,401	–	–	–	–
of which:								
– *capital gains*	*2,291*	–	–	*2,291*	–	–	–	–
2.2.2 Net equity	–	X	X	X	–	–	–	–
2.3 Transfers from other levels	–	–	–	–	–	–	–	–
2.4 Other increases	160	–	–	160	–	–	–	–
3. Decreases	**2,790**	**–**	**–**	**2,790**	**110**	**–**	**–**	**–**
3.1 Disposals	1,933	–	–	1,933	–			
3.2 Redemptions	–	–	–	–	–	–	–	–
3.3 Losses through:	857	–	–	857	110	–	–	–
3.3.1 Profit or loss	857	–	–	857	–	–	–	–
of which:								
– *capital losses*	*179*	–	–	*179*	–	–	–	–
3.3.2 Net equity	–	X	X	X	110	–	–	–
3.4 Transfers to other levels	–	–	–	–	–	–	–	–
3.5 Other decreases	–	–	–	–	–	–	–	–
4. Amount at year-end	**493,098**	**–**	**–**	**493,098**	**25,282**	**–**	**–**	**–**

Other L3 financial assets mandatorily measured at fair value include:

- the investment in the Luxembourg vehicle Algebris of 859 thousand euros, and the units of the MIP I Fund amounting to 1,073 thousand euros;
- the two convertible loans of the company Conio Inc.: the former was acquired in December 2020 and had a value of 2,274 thousand euros; the latter was signed in November 2024 for an amount of 3 million euros;
- the Forward Fund, subscribed in October 2021 for an initial amount of 378 million euros, as part of the restructuring of a portfolio of senior notes issued by several special-purpose vehicles in the securitisation of healthcare receivables. Additional units for 112 million euros were subscribed in 2022. At the end of 2024, the value of the fund was 485,760 thousand euros, with a 2,260 thousand euro capital gain;
- the residual amount resulting from the liquidation of the equity investments in the company TECREF S.àr.l., for a value of 98 thousand euros.

By contrast, L3 financial assets in the portfolio of Financial assets measured at fair value through other comprehensive income, for a total amount of 25,282 thousand euros, consist of:

- the equity investment, in MainStreet Partners, a company specialising in ESG ratings and advisory, that the Bank acquired in the first quarter of 2023 to strengthen its sustainability positioning, for a total consideration of 7,164 thousand euros at 31 December 2024;
- the equity investment in Conio Inc., a company operating in the cryptocurrency industry, acquired in December 2020, and that at 31 December 2024 had a value of 5,860 thousand euros;
- the equity investment in the independent asset management company 8A+ Investimenti SGR, in which the Bank controls 19.5% of share capital for a value of 912 thousand euros at 31 December 2024;
- some equity investments, which continued to be measured at purchase cost, in the absence of reliable estimates of fair value; these are the so-called “minor investments” in companies with which the Bank has long-term strategic service arrangements (CSE, Caricese, SWIFT, etc.) or commercial partnerships (Tosetti Value), for a total of 11.2 million euros;
- the equity investment in Beyond S.p.A., amounting to 110 thousand euros.

A.4.5.4 Breakdown by fair-value levels of assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis

ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	31.12.2024			
	BV	L1	L2	L3
1. Financial assets measured at amortised cost	12,555,586	9,145,993	2,790,190	618,178
2. Property and equipment held as investments	–	–	–	–
3. Non-current assets available for sale and disposal groups	–	–	–	–
Total	**12,555,586**	**9,145,993**	**2,790,190**	**618,178**
1. Financial liabilities measured at amortised cost	14,504,824	–	14,504,824	–
2. Liabilities associated to assets held for sale	–	–	–	–
Total	**14,504,824**	**–**	**14,504,824**	**–**

ASSETS/LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	31.12.2023			
	BV	L1	L2	L3
1. Financial assets measured at amortised cost	12,257,659	8,929,226	2,543,149	703,484
2. Property and equipment held as investments	–	–	–	–
3. Non-current assets available for sale and disposal groups	–	–	–	–
Total	**12,257,659**	**8,929,226**	**2,543,149**	**703,484**
1. Financial liabilities measured at amortised cost	13,494,806	–	13,494,806	–
2. Liabilities associated to assets held for sale	–	–	–	–
Total	**13,494,806**	**–**	**13,494,806**	**–**

Part A.5 – Disclosure about so-called "Day-one profit/loss"

IFRS 7, paragraph 28, governs the specific case in which, following the purchase of a financial instrument measured at fair value but not listed on an active market, the transaction price, which generally represents the best estimate of fair value at initial recognition, differs from the fair value according to the valuation technique used by the entity.

In this case, there is a valuation gain/loss upon acquisition of which adequate disclosure must be given by financial instrument class.

It should be noted that no such cases occur in these Financial Statements.

PART B – INFORMATION ON THE BALANCE SHEET - ASSETS[33]

Section 1 – Cash and deposits - Item 10

1.1 Breakdown of cash and deposits

	31.12.2024	31.12.2023
a) Cash	29,853	29,904
b) Current accounts and demand deposits with Central Banks	843,070	476,709
c) Current accounts and demand deposits with banks	136,059	66,960
Total	**1,008,982**	**573,573**

Item b) Current accounts and demand deposits with Central Banks includes the value of the overnight deposit with the ECB.

Section 2 – Financial assets measured at fair value through profit or loss - Item 20

2.1 HFT financial assets: categories

	31.12.2024			31.12.2023		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
A. Cash assets						
1. Debt securities	2	–	–	2	–	–
1.1 Structured securities	–	–	–	–	–	–
1.2 Other debt securities	2	–	–	2	–	–
2. Equity securities	8	–	–	1	–	–
3. UCITS units	–	–	–	7	–	–
4. Loans	–	–	–	–	–	–
4.1 Repurchase agreements	–	–	–	–	–	–
4.2 Other	–	–	–	–	–	–
Total A	**10**	**–**	**–**	**10**	**–**	**–**
B. Derivatives						
1. Financial	–	111	–	–	156	–
1.1 Trading	–	111	–	–	156	–
1.2 Related to the fair value option	–	–	–	–	–	–
1.3 Other	–	–	–	–	–	–
2. Credit	–	–	–	–	–	–
2.1 Trading	–	–	–	–	–	–
2.2 Related to the fair value option	–	–	–	–	–	–
2.3 Other	–	–	–	–	–	–
Total B	**–**	**111**	**–**	**–**	**156**	**–**
Total (A + B)	**10**	**111**	**–**	**10**	**156**	**–**

[33] A more detailed analysis of the fair value hierarchy of financial instruments (L1, L2, L3) is given in Part A.4 – Information on fair value of these Notes and Comments.

2.2 HFT financial assets: debtors/issuers/counterparties

ITEMS/VALUES	31.12.2024	31.12.2023
A. Cash assets		
1. Debt securities	**2**	**2**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	2	2
2. Equity securities	**8**	**1**
a) Banks	–	–
b) Other financial corporations	8	–
of which:		
- *insurance companies*	–	–
c) Non-financial corporations	–	1
d) Other issuers	–	–
3. UCITS units	**–**	**7**
4. Loans	**–**	**–**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	–	–
f) Households	–	–
Total A	**10**	**10**
B. Derivatives		
a) Central counterparties	–	–
b) Other	111	156
Total B	**111**	**156**
Total (A + B)	**121**	**166**

2.5 Other financial assets mandatorily measured at fair value: categories

	31.12.2024			31.12.2023		
ITEMS/VALUES	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	–	–	5,308	–	–	2,038
1.1 Structured securities	–	–	5,308	–	–	2,038
1.2 Other debt securities	–	–	–	–	–	–
2. Equity securities	1,687	–	98	1,183	–	2,387
3. UCITS units	–	21	487,692	–	187	485,903
4. Loans	–	17,282	–	–	17,543	–
4.1 Repurchase agreements	–	–	–	–	–	–
4.2 Other	–	17,282	–	–	17,543	–
Total	**1,687**	**17,303**	**493,098**	**1,183**	**17,730**	**490,328**

2.6 Other financial assets mandatorily measured at fair value: debtors/issuers

ITEMS/VALUES	31.12.2024	31.12.2023
1. Equity securities	**1,785**	**3,570**
of which:		
– *banks*	–	–
– *other financial corporations*	*1,785*	*3,570*
– *non-financial corporations*	–	–
2. Debt securities	**5,308**	**2,038**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
of which:		
– *insurance companies*	–	–
e) Non-financial corporations	5,308	2,038
3. UCITS units	**487,713**	**486,090**
4. Loans	**17,282**	**17,543**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	16,444	16,607
of which:		
– *insurance companies*	*16,444*	*16,607*
e) Non-financial corporations	838	936
f) Households	–	–
Total	**512,088**	**509,241**

The UCITS portfolio includes the Forward Fund, a newly formed Italian AIF managed by Gardant SGR, specialised in illiquid investments. The fund was subscribed in October 2021 in the amount of 378 million euros, as part of the restructuring of a portfolio of senior notes issued by several special-purpose vehicles in the securitisation of healthcare receivables (past-due or related to disputes), which Banca Generali purchased from its customers to protect them against possible losses, and concurrently transferred to the Fund, subscribing 98% of its units. Additional units for 112 million euros were subscribed in 2022. At the end of 2024, the value of the Fund was 485,760 thousand euros. A 2,260 thousand euro capital gain on the Fund was recorded in 2024.

In the first months of 2024, over 90% of the equity investment in TECREF S.àr.l., acquired by Banca Generali in 2021, was liquidated for 1,393 thousand euros. At the end of the year, the residual amount was 98 thousand euros.

Equity investments in shares of the parent company Assicurazioni Generali S.p.A. amounted to 1,687 thousand euros at end of 2024.

Hope Sicaf S.B. S.p.A was liquidated; on the basis of the final distribution plan, the Bank was paid an amount of 184 thousand euros in the first half of 2024, recognising losses on disposal amounting to 205 thousand euros through profit or loss.

Debt securities refer to the two convertible bonds issued by Conio Inc. on 9 December 2020, with maturity set on 31 May 2025, and on 4 November 2024, with maturity set on 4 November 2026, respectively.

Section 3 – Financial assets measured at fair value through other comprehensive income - Item 30

3.1 Financial assets measured at fair value through other comprehensive income: categories

ITEMS/VALUES	31.12.2024			31.12.2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
1. Debt securities	1,447,595	48,987	–	975,538	106	–
1.1 Structured securities	–	–	–	–	–	–
1.2 Other debt securities	1,447,595	48,987	–	975,538	106	–
2. Equity securities	–	–	25,282	–	–	25,292
3. Financing	–	–	–	–	–	–
Total	**1,447,595**	**48,987**	**25,282**	**975,538**	**106**	**25,292**

3.2 Financial assets measured at fair value through other comprehensive income: debtors/issuers

ITEMS/VALUES	31.12.2024	31.12.2023
1. Debt securities	**1,496,582**	**975,644**
a) Central Banks	–	–
b) General governments	1,479,087	890,055
c) Banks	16,490	82,465
d) Other financial corporations	–	2,152
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	1,005	972
2. Equity securities	**25,282**	**25,292**
a) Banks	–	–
b) Other issuers	25,282	25,292
- other financial corporations	3,139	3,139
of which:		
- *insurance companies*	–	–
- *non-financial corporations*	22,143	22,153
- *other*	–	–
3. Loans	**–**	**–**
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
of which:		
- *insurance companies*	–	–
e) Non-financial corporations	–	–
f) Households	–	–
Total	**1,521,864**	**1,000,936**

Item “Debt securities” includes assets sold but not written off, which refer to own securities used in repurchase agreements amounting to 59,083 thousand euros.

The equity securities portfolio included 25,282 thousand euros referring to “minor equity investments”, which are largely related to service agreements concluded by the Group (CSE, Caricese, SWIFT, etc.) or agreements of a commercial nature (Tosetti Value SIM, 8a+ SGR, Conio Inc., MainStreet Capital Partners Limited), usually not listed and non-negotiable.

These equity investments are measured at purchase cost, recognising any impairment loss.

The interest acquired in Conio falls within the wider corporate and commercial partnership with the Californian fintech company founded in 2015, which has positioned itself as a wallet provider that offers custody, negotiation and reporting services, currently focused on Bitcoins, on the Italian market, thought its investee Conio S.r.l.

During the first quarter of 2023, Banca Generali acquired an equity investment in MainStreet Partners, a company specialising in ESG ratings and advisory, to strengthen its sustainability positioning, for a total value of 7,164 thousand euros at 31 December 2024.

In May, the annual 100 thousand euro outright tranche was paid on the minority interest in Beyond Investment S.p.A., an investment holding company owned by the Bank and a group of leading Italian entrepreneurial families with the aim of undertaking private equity, venture capital and real estate investments. The value of the shares amounted to 110 thousand euros, after recognising approximately 400 thousand euro capital losses.

3.3 Financial assets measured at fair value through other comprehensive income: gross value and total adjustments

	GROSS VALUE					TOTAL ADJUSTMENTS				
	STAGE 1	OF WHICH: LOW CREDIT RISK INSTRUMENTS	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	OVERALL PARTIAL WRITE-OFFS
Debt securities	1,496,833	1,479,334	–	–	–	251	–	–	–	–
Financing	–	–	–	–	–	–	–	–	–	–
Total at 31.12.2024	**1,496,833**	**1,479,334**	**–**	**–**	**–**	**251**	**–**	**–**	**–**	**–**
Total at 31.12.2023	**975,841**	**890,219**	**–**	**–**	**–**	**197**	**–**	**–**	**–**	**–**

In respect of the model for measuring expected credit losses (ECLs) provided for in IFRS 9, as at 31 December 2024 collective reserves of 251 thousand euros were recognised for the debt securities portfolio, of which 247 thousand euros relating to the portfolio of government securities.

Section 4 – Financial assets measured at amortised cost - Item 40

4.1 Financial assets measured at amortised cost: categories of loans to banks

	31.12.2024						31.12.2023					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
TYPE OF TRANSACTIONS/VALUES	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	L1	L2	L3	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	L1	L2	L3
A. Loans to Central Banks	**119,013**	**–**	**–**	**–**	**119,013**	**–**	**108,186**	**–**	**–**	**–**	**108,186**	**–**
1. Term deposits	–	–	–	X	X	X	–	–	–	X	X	X
2. Minimum reserve	119,013	–	–	X	X	X	108,186	–	–	X	X	X
3. Repurchase agreements	–	–	–	X	X	X	–	–	–	X	X	X
4. Other	–	–	–	X	X	X	–	–	–	X	X	X
B. Loans to banks	**2,619,675**	**–**	**–**	**1,923,489**	**683,292**	**2,001**	**2,149,037**	**–**	**–**	**1,665,843**	**451,797**	**2,001**
1. Loans	596,659	–	–	–	596,659	–	383,720	–	–	–	383,720	–
1.1 Current accounts	–	–	–	X	X	X	–	–	–	X	X	X
1.2 Term deposits	33,064	–	–	X	X	X	25,398	–	–	X	X	X
1.3 Other loans:	563,595	–	–	X	X	X	358,322	–	–	X	X	X
– repurchase agreements	387,089	–	–	X	X	X	229,056	–	–	X	X	X
– lease loans	–	–	–	X	X	X	–	–	–	X	X	X
– other	176,506	–	–	X	X	X	129,266	–	–	X	X	X
2. Debt securities	2,023,016	–	–	1,923,489	86,633	2,001	1,765,317	–	–	1,665,843	68,077	2,001
2.1 Structured securities	–	–	–	–	–	–	514	–	–	510	–	–
2.2 Other debt securities	2,023,016	–	–	1,923,489	86,633	2,001	1,764,803	–	–	1,665,333	68,077	2,001
Total	**2,738,688**	**–**	**–**	**1,923,489**	**802,305**	**2,001**	**2,257,223**	**–**	**–**	**1,665,843**	**559,983**	**2,001**

The item “Other loans – other” includes 166,157 thousand euros (120,619 thousand euros at 31 December 2023) relating to guarantee margins paid to banking counterparties for derivatives transactions. The remaining 10 million euros is almost entirely attributable to operating receivables relating to placement and distribution of financial products, collected in the first few months of the following year.

At 31 December 2024, securities issued by multilateral development banks — previously included among “Loans to customers” — were reclassified to “Other debt securities”. They amounted to 93,206 thousand euros at 31 December 2023.

4.2 Financial assets measured at amortised cost: categories of loans to customers

TYPE OF TRANSACTIONS/VALUES	31.12.2024						31.12.2023					
	BOOK VALUE			FAIR VALUE			BOOK VALUE			FAIR VALUE		
	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	L1	L2	L3	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	L1	L2	L3
1. Loans	**2,474,414**	**21,173**	**15,790**	**–**	**1,925,517**	**586,412**	**2,522,823**	**28,924**	**2,066**	**–**	**1,912,543**	**648,330**
1.1 Current accounts	1,740,059	7,953	–	X	X	X	1,679,656	15,319	–	X	X	X
1.2 Repurchase agreements	–	–	–	X	X	X	–	–	–	X	X	X
1.3 Mortgages	517,898	9,534	–	X	X	X	585,692	12,330	–	X	X	X
1.4 Credit cards, personal loans and loans on wages	–	6	–	X	X	X	–	6	–	X	X	X
1.5 Lease loans	–	–	–	X	X	X	–	–	–	X	X	X
1.6 Factoring	–	–	–	X	X	X	–	–	–	X	X	X
1.7 Other loans	216,457	3,680	15,790	X	X	X	257,475	1,269	2,066	X	X	X
2. Debt securities	**7,305,520**	**–**	**–**	**7,222,504**	**62,367**	**29,765**	**7,446,623**	**–**	**–**	**7,263,383**	**70,623**	**53,153**
2.1 Structured securities	–	–	–	–	–	–	–	–	–	–	–	–
2.2 Other debt securities	7,305,520	–	–	7,222,504	62,367	29,765	7,446,623	–	–	7,263,383	70,623	53,153
Total	**9,779,934**	**21,173**	**15,790**	**7,222,504**	**1,987,884**	**616,177**	**9,969,446**	**28,924**	**2,066**	**7,263,383**	**1,983,166**	**701,483**

Item 2.2., relating to debt securities, includes 92,474 thousand euros of senior notes issued in securitisation transactions. The ABS component decreased on the previous year (115,752 thousand euros) due to the partial reimbursement of the Credimi and Prado VIII securitisations. Detailed information on the securitised notes is given in Part E of these Notes and Comments.

The item "Debt securities" includes encumbered assets used as collateral for ECB refinancing operations totalling 453,650 thousand euros and securities held in deposit with Cassa di Compensazione e Garanzia amounting to 239,864 thousand euros. This item also includes own securities used in repurchase agreements amounting to 994,324 thousand euros.

Item 1.7 "Other loans" includes operating receivables relating to the placement and distribution of financial and insurance products in the amount of 95,880 thousand euros, consisting solely of short-term receivables from managing companies and insurance companies belonging to Generali Group, collected in the early months of the following year.

Breakdown of loans to customers – other transactions

TYPE OF TRANSACTIONS/VALUES	31.12.2024	31.12.2023
Other grants	23,650	13,288
Loans on promissory notes	8,288	10,093
Stock exchange interest-bearing daily margin	27,931	84,001
Sums advanced to Financial Advisors	55,517	58,452
Operating loans	95,880	82,429
Interest-bearing caution deposits	1,017	990
Rights of recourse and usufruct rights	15,790	2,066
Amounts to be collected and other loans	7,854	9,491
Total	**235,927**	**260,810**

The item "Rights of recourse and usufruct rights" refers to the Bank's rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (11.0 million euros), as well as amounts receivable as a result of the transfer by Bank's clients of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.8 million euros). Both categories of amounts receivable were recognised among loans to customers measured at amortised cost and classified as purchased or originated credit-impaired (POCI).

In the year, the Bank obtained the reimbursement for the rights of recourse on which it had granted guarantees for 5.6 million euros. Net write-downs amounting to 1.3 million euros overall were recognised along with 1.4 million euro losses on usufruct rights that had become uncollectible.

Pursuant to IFRS 15, paragraph 116 a), the previous table includes the opening and closing balances of receivables within the scope of this standard (operating loans and fees receivable). In reference to paragraph 118 of IFRS 15, the change in receivables during the year was due to the Bank's normal operations and therefore is not attributable to changes due to business combinations, contract modifications for changes in the time frame for a right to consideration to become unconditional.

Sums advanced to Financial Advisors enrolled with the Register of Financial Advisors include non-performing positions for a net amount of 2,547 thousand euros, largely attributable to advances to former Financial Advisors who have left service due to a dispute or pre-dispute.

4.3 Financial assets measured at amortised cost: breakdown of loans to customers by debtors/issuers

	31.12.2024			31.12.2023		
TYPE OF TRANSACTIONS/VALUES	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	STAGE 1 AND STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED
1. Debt securities	**7,305,520**	**–**	**–**	**7,446,623**	**–**	**–**
a) General governments	7,041,168	–	–	7,041,336	–	–
b) Other financial corporations	224,910	–	–	358,300	–	–
of which:						
- *insurance companies*	–	–	–	–	–	–
c) Non-financial corporations	39,442	–	–	46,987	–	–
2. Loans to:	**2,474,414**	**21,173**	**15,790**	**2,522,823**	**28,924**	**2,066**
a) General governments	5	–	–	5	–	–
b) Other financial corporations	223,887	384	15,790	242,775	588	2,066
of which:						
- *insurance companies*	*25,813*	–	–	*23,076*	–	–
c) Non-financial corporations	255,185	10,490	–	275,286	17,649	–
d) Households	1,995,337	10,299	–	2,004,757	10,687	–
Total	**9,779,934**	**21,173**	**15,790**	**9,969,446**	**28,924**	**2,066**

4.4 Financial assets measured at amortised cost: gross value and total adjustments

	GROSS VALUE					TOTAL ADJUSTMENTS				
	STAGE 1	OF WHICH: LOW CREDIT RISK INSTRU-MENTS	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	OVERALL PARTIAL WRITE-OFFS
Debt securities	9,330,395	–	489	2,642	–	2,343	5	2,642	–	–
Loans	2,973,088	–	219,202	38,838	17,066	1,402	802	17,665	1,276	–
Total at 31.12.2024	**12,303,483**	**–**	**219,691**	**41,480**	**17,066**	**3,745**	**807**	**20,307**	**1,276**	**–**
Total at 31.12.2023	**11,977,973**	**–**	**257,215**	**47,253**	**2,069**	**7,169**	**1,350**	**18,329**	**3**	**–**

In respect of the model for assessing expected credit losses (ECLs) provided for in IFRS 9, at 31 December 2024 performing loans measured at amortised cost, classified to Stage 1 and Stage 2, are recognised net of the collective reserves for a total of 4,552 thousand euros, of which:
› 2,348 thousand euros relating to the debt securities portfolio;
› 2,204 thousand euros relating to other loans.

Within this item, total value adjustments of exposures to banks amounted to 1,006 thousand euros, of which 811 thousand euros on debt securities and 195 thousand euros on other loans.
The provision for expected losses on debt securities refers instead to the government bond portfolio in the amount of 1,317 thousand euros.

The item relating to non-performing "Debt securities" (Stage 3) refers to the Alitalia bond. This bond known as "Dolce Vita", amounting to 2,642 thousand euros, was fully written down in the previous years due to the airline's serious state of crisis, which resulted in a court declaration of the company's insolvency and the commencement of the extraordinary administration procedure.
The provision for expected losses on trade receivables, measured in accordance with IFRS 9 5.5.15, was not material in view of the short-term nature of the exposures concerned, all of which were collected in full in the first few months of the following year.

4.4a Loans measured at amortised cost subject to Covid-19 support measures: gross value and total adjustments

	GROSS VALUE					TOTAL ADJUSTMENTS				
	STAGE 1	OF WHICH: LOW CREDIT RISK INSTRUMENTS	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	OVERALL PARTIAL WRITE-OFFS
4. Newly originated loans	21,378	–	325	1,654	–	6	–	218	–	–
Total at 31.12.2024	**21,378**	**–**	**325**	**1,654**	**–**	**6**	**–**	**218**	**–**	**–**
Total at 31.12.2023	**49,851**	**–**	**232**	**4,309**	**–**	**–**	**–**	**789**	**–**	**–**

Section 5 – Hedging derivatives - Item 50

5.1 Breakdown of hedging derivatives by type of hedge and hierarchy levels

	31.12.2024				31.12.2023			
	FAIR VALUE			NOTIONAL VALUE	FAIR VALUE			NOTIONAL VALUE
TYPE OF TRANSACTIONS/VALUES	L1	L2	L3		L1	L2	L3	
A) Financial derivatives	**–**	**131,220**	**–**	**3,761,400**	**–**	**161,955**	**–**	**1,786,000**
1) Fair value	–	123,861	–	3,156,400	–	161,955	–	1,786,000
2) Cash flows	–	7,359	–	605,000	–	–	–	–
3) Net investment in a foreign operation	–	–	–	–	–	–	–	–
B) Credit derivatives	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1) Fair value	–	–	–	–	–	–	–	–
2) Cash flows	–	–	–	–	–	–	–	–
Total	**–**	**131,220**	**–**	**3,761,400**	**–**	**161,955**	**–**	**1,786,000**

5.2 Breakdown of hedging derivatives by portfolios hedged and type of hedge

HEDGING TRANSACTIONS/ TYPE	FAIR VALUE								CASH FLOWS	
	MICRO HEDGES									
	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND EQUITY INDICES	CURRENCIES AND GOLD	CREDIT	GOODS	OTHER	MACRO HEDGES	MICRO HEDGES	MACRO HEDGES	NET INVESTMENT IN A FOREIGN OPERATION
1. Financial assets measured at fair value through other comprehensive income	831	–	–	–	X	X	X	152	X	X
2. Financial assets measured at amortised cost	120,625	X	–	–	X	X	X	7,207	X	X
3. Portfolio	X	X	X	X	X	X	–	X	–	X
4. Other transactions	–	–	–	–	–	–	X	–	X	–
Total assets	**121,456**	**–**	**–**	**–**	**–**	**–**	**–**	**7,359**	**–**	**–**
1. Financial liabilities	–	X	–	–	–	–	X	–	X	X
2. Portfolio	X	X	X	X	X	X	2,405	X	–	X
Total liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**2,405**	**–**	**–**	**–**
1. Expected transactions	X	X	X	X	X	X	X	–	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	–	X	–	–

Section 7 – Equity investments - Item 70

7.1 Equity investments: disclosure on type of relations

COMPANY NAME	REGISTERED OFFICE	OPERATING OFFICE	% HELD	AVAILABILITY % OF VOTING RIGHTS
A. Wholly controlled subsidiaries				
1. BG Fund Management Luxembourg S.A.	Luxembourg	Luxembourg	100%	100%
2. Generfid S.p.A.	Milan	Milan	100%	100%
3. BG Suisse Private Bank S.A.	Lugano	Lugano	100%	100%
4. BG Valeur S.A.	Lugano	Lugano	100%	100%
B. Subsidiaries under common control				
1. BG Saxo SIM S.p.A.	Milan	Milan	49.0%	49.0%

Significant equity investments – accounting information

	31.12.2024	31.12.2023	CHANGE
Generfid S.p.A.	245	245	–
BG Fund Management Luxembourg S.A.	2,000	2,000	–
BG Suisse Private Bank S.A.	66,474	43,300	23,174
BG Valeur S.A.	–	11,232	-11,232
Total	**68,719**	**56,777**	**11,942**

On 8 October 2021, BG Suisse S.A., a joint-stock company under Swiss law based in Lugano, had been incorporated by Banca Generali through an initial contribution of CHF 10 million with the aim of creating a new cross-border private service hub able to exploit the Swiss market's discontinuity due to the significant regulatory changes introduced to comply with the European regulations on financial services.

To this end, in January 2022, the company had filed with the Swiss Financial Market Supervisory Authority (FINMA) an application to obtain the banking licence necessary to operate on the Swiss market.
On 5 September 2023, the company obtained the FINMA's preliminary authorisation to start the banking activity, subject to compliance with certain requirements, including an adequate level of own funds. Accordingly, on 14 September 2023, Banca Generali carried out a further capital increase of CHF 40 million aimed at increasing the company's statutory share capital as required by the new Articles of Association.
The final authorisation was issued on 7 November 2023 and the new bank started operating on 1 December 2023.

In June 2024, the company's share capital was further increased by CHF 10 million, bringing the share capital fully paid-up since incorporation to CHF 70 million.

In October 2024, the company acquired, through contribution by Banca Generali, a 100% interest in BG Valeur S.A., thus establishing a Swiss banking group. The transaction was authorised by the General Shareholders' Meeting on 8 October 2024.
Banca Generali, which held a 90.1% majority interest in the company, acquired the remaining 9.9% interest from the minority shareholders in the first half of 2024. This transaction was aimed at subsequently transferring the 100% interest in the company to BG Suisse Private Bank S.A.
BG Suisse, following Banca Generali's transfer of its 100% interest in BG Valeur, consisting of 30,000 registered shares with a nominal value of CHF 100, issued in favour of the latter 12,300 new shares with a nominal value of CHF 1,000, for a total amount of CHF 12.3 million. As a result of the foregoing, the company's share capital is currently made up of 82,300 shares with a nominal value of CHF 1,000, for a total amount of CHF 82.3 million.

Following the impairment tests carried out at the end of the previous year, the equity investment was written down by 13,982 thousand euros at 31 December 2023, in addition to a 3,972 thousand euro write-down recognised in 2022.

Subsidiaries under common control – accounting information

	31.12.2024	31.12.2023	CHANGE
BG Saxo SIM S.p.A.	3,545	1,500	2,045
Total	**3,545**	**1,500**	**2,045**

BG Saxo SIM S.p.A. is an investment firm formed as part of the joint venture with Saxo Bank, in which Banca Generali acquired a 19.9% equity interest on 31 October 2019.
Banca Generali and Saxo Bank entered into an agreement to set up an exclusive partnership specialising in online trading and digital services, with the aim of offering Italian customers exclusive access to an innovative advanced trading platform based on Saxo Bank's technology and managed by BG Saxo SIM.
In May, as part of a broad revision of the partnership in place between Banca Generali and Saxo Bank A/S, approved by Banca Generali's Board of Directors on 8 February 2024, the Bank acquired from Saxo Bank an additional 29.1% interest in BG Saxo SIM's share capital, thus bringing its interest in the joint venture to 49%.
Following the impairment tests carried out at end of the previous year, the equity investment was written down by 1,300 thousand euros at 31 December 2023.

Companies subject to significant influence – accounting information

	31.12.2024	31.12.2023	CHANGE
Nextam Partners SIM S.p.A.	–	470	-470
Total	**–**	**470**	**-470**

On 5 March 2021, Banca Generali's Board of Directors approved the sale of an 80.1% interest in the share capital of Nextam Partners SIM S.p.A. to a new corporate structure led by the main key manager of Nextam Group.
After having received the prior authorisation by the Bank of Italy, the disposal transaction was finalised on 20 January 2022. Banca Generali thus held a 19.9% equity interest in the company, qualifying as an associate.

On 25 July 2024, Banca Generali had first transferred a portion of its equity investment in Nextam Partners SIM S.p.A., reducing it interest in the company's share capital from 19.9% to approximately 15.5%, and subsequently, on 9 January 2025, notified the company its intention to exercise a put option on the remaining stake, currently being executed. Accordingly, at 31 December 2024, the equity investment was reclassified among Non-current assets held for sale, pursuant to IFRS 5.

7.5 Equity investments: year changes

		31.12.2024	31.12.2023
A.	**Amount at year-start**	**58,747**	**32,158**
B.	**Increases**	**26,633**	**41,880**
	B.1 Purchases	13,987	41,880
	B.2 Reversals	–	–
	B.3 Revaluations	–	–
	B.4 Other changes (*)	12,646	–
C.	**Decreases**	**13,116**	**15,291**
	C.1 Sales	71	9
	C.2 Adjustments	41	15,282
	C.3 Write-downs	130	–
	C.4 Other changes (*)	12,874	–
D.	**Amount at year-end**	**72,264**	**58,747**
E.	**Total revaluations**	**–**	**–**
F.	**Total adjustments**	**19,849**	**19,849**

(*) Other changes of items Increases/Decreases (Items B.4 and C.4) referred for 12,646 thousand to Banca Generali's transfer of its 100% interest in BG Valeur S.A. to BG Suisse Private Bank S.A.

Impairment tests of equity investments

In accordance with IAS/IFRS, equity investments were tested for impairment in order to verify whether there was objective evidence that the carrying amounts of the assets concerned may not be fully recoverable.
The impairment testing process for equity investments in associates and joint ventures involves verifying whether there are any impairment indicators and determining the amount of the impairment loss, if any.

The impairment indicators used for such unlisted equity investments are:

- qualitative indicators, such as an operating loss or a significant deviation from budget objectives, the announcement of restructuring plans or the commencement of insolvency procedures;
- quantitative indicators represented by a carrying amount of the equity investment in the separate financial statements that is significantly higher, for an extended period, than the carrying amount of the investee's net assets and goodwill in the consolidated financial statements.

Where there are impairment indicators, the recoverable amount is determined as the greater of the fair value net of costs to sell and value in use, and if this is lower than the carrying amount an impairment loss is recognised.
In this regard, the valuation of BG Saxo SIM S.p.A. determined that the carrying values were accurate.

The controlling interests recognised in the Separate Financial Statements of Banca Generali are tested for impairment, whenever there is an indication that they may be impaired, by adopting uniform assessments at the parent company and consolidated level with regard to the implicit goodwill allocated to the operating segments identified by the Bank.
In fact, controlling interests are normally included in larger operating segments, the scope of which may be transversal to the activities that they perform.
In this regard, it should be noted that, following the reorganisation of the operating segments in 2024, Swiss assets have been generally included in the Private & Wealth operating segment. In this regard, reference should be made to Part G, Section 3, of these Notes and Comments and the Notes and Comments to the Consolidated Financial Statements.

At 31 December 2024, impairment testing was only conducted on the controlling interest in BG Suisse Private Bank S.A.
The equity investment in BG Valeur — no longer recognised in Banca Generali's financial statements, was not tested for impairment, whereas that in Nextam Partners SIM S.p.A. was reclassified among financial assets held for sale, pursuant to IFRS 5. The carrying amount of the equity investment in Nextam, amounting to 357 thousand euros, was therefore adjusted to the fair value at the time of transfer, recognising a 130 thousand euro capital loss.

To determine the recoverable amount of BG Suisse Private Bank S.A, both basic (to determine the value in use) and market methodologies (to determine the fair value) were considered. To assess the value in use, the Bank applied the Dividend Discount Model (DDM), specifically the Excess Capital variant of said model.
Estimates were based on the data of the 2025-2031 plans.
The long-term growth rate used to estimate the terminal value was 1.0%. In addition, the cost of capital used to discount cash flows was 9.3%.
The comparable market multiples method was also employed as the empirical method.

The impairment test carried out on the equity investment did not detect any impairment losses.

The above-mentioned value analyses were supported by a fairness opinion issued by a major consulting firm and submitted for approval to Banca Generali's Board of Directors on 10 February 2025.

Section 8 – Property and equipment - Item 80

8.1 Breakdown of operating property and equipment: assets measured at cost

ASSETS/VALUES	31.12.2024	31.12.2023
1. Owned assets	6,732	6,513
a) Land	–	–
b) Buildings	–	–
c) Furniture	5,835	5,510
d) Electronic equipment	79	74
e) Other	818	929
2. Rights of use acquired through leases	118,912	131,103
a) Land	–	–
b) Buildings	117,829	130,180
c) Furniture	–	–
d) Electronic equipment	–	–
e) Other	1,083	923
Total	**125,644**	**137,616**
of which:		
- *obtained through the enforcement of guarantees received*	–	–

8.6 Operating property and equipment: year changes

	RIGHTS OF USE ACQUIRED THROUGH LEASES – BUILDINGS	RIGHTS OF USE ACQUIRED THROUGH LEASES – OTHER	FURNITURE	ELECTRONIC EQUIPMENT	OTHER	TOTAL
A. Gross amount at year-start	**216,925**	**2,100**	**28,767**	**6,152**	**10,533**	**264,477**
A.1 Total net impairment	86,745	1,177	23,257	6,078	9,604	126,861
A.2 Net amount at year-start	**130,180**	**923**	**5,510**	**74**	**929**	**137,616**
B. Increases:	**7,992**	**622**	**1,518**	**41**	**293**	**10,466**
B.1 Purchases	6,258	622	1,518	41	293	8,732
B.2 Capitalised improvement costs	–	–	–	–	–	–
B.3 Reversals	–	–	–	–	–	–
B.4 Fair value positive changes in:	–	–	–	–	–	–
a) Net equity	–	–	–	–	–	–
b) Profit and Loss Account	–	–	–	–	–	–
B.5 Exchange gains	–	–	–	–	–	–
B.6 Transfers from buildings held as investments	–	–	X	X	X	–
B.7 Other changes	1,734	–	–	–	–	1,734
C. Decreases:	**20,343**	**462**	**1,193**	**36**	**404**	**22,438**
C.1 Sales	–	–	–	–	–	–
C.2 Depreciation	20,343	442	1,193	36	404	**22,418**
C.3 Adjustments for impairment in:	–	–	–	–	–	–
a) Net equity	–	–	–	–	–	–
b) Profit and Loss Account	–	–	–	–	–	–
C.4 Fair value negative changes in:	–	–	–	–	–	–
a) Net equity	–	–	–	–	–	–
b) Profit and Loss Account	–	–	–	–	–	–
C.5 Exchange losses	–	–	–	–	–	–
C.6 Transfers to:	–	–	–	–	–	–
a) property and equipment held as investments	–	–	X	X	X	–
b) non-current assets available for sale and disposal groups	–	–	–	–	–	–
C.7 Other changes	–	20	–	–	–	**20**
D. Net amount at year-end	**117,829**	**1,083**	**5,835**	**79**	**818**	**125,644**
D.1 Total net impairment	104,484	1,246	24,450	6,114	9,854	**146,148**
D.2 Gross amount at year-end	**222,313**	**2,329**	**30,285**	**6,193**	**10,672**	**271,792**
E. Measured at cost	117,829	1,083	5,835	79	818	125,644

Section 9 – Intangible assets - Item 90

9.1 Breakdown of intangible assets by categories

ASSETS/VALUES	31.12.2024 DEFINITE LIFE	31.12.2024 INDEFINITE LIFE	31.12.2023 DEFINITE LIFE	31.12.2023 INDEFINITE LIFE
A.1 Goodwill	**–**	**79,366**	**–**	**79,366**
A.2 Other intangible assets	**55,960**	**330**	**51,680**	**330**
of which:				
- *software*	*24,873*	*–*	*20,837*	*–*
A.2.1 Assets measured at cost:	55,960	330	51,680	330
a) internally generated intangible assets	–	–	–	–
b) other assets	55,960	330	51,680	330
A.2.2 Assets measured at fair value:	–	–	–	–
a) internally generated intangible assets	–	–	–	–
b) other assets	–	–	–	–
Total	**55,960**	**79,696**	**51,680**	**79,696**

9.2 Intangible assets: year changes

		OTHER INTANGIBLE ASSETS				
		INTERNALLY GENERATED		OTHER		
	GOODWILL	DEFINITE LIFE	INDEFINITE LIFE	DEFINITE LIFE	INDEFINITE LIFE	TOTAL
A. Gross amount at year-start	**79,366**	**–**	**330**	**155,976**	**–**	**235,672**
A.1 Total net impairment	–	–	–	104,296	–	104,296
A.2 Net amount at year-start	**79,366**	**–**	**330**	**51,680**	**–**	**131,376**
B. Increases	**–**	**–**	**–**	**20,254**	**–**	**20,254**
B.1 Purchases	–	–	–	20,254	–	**20,254**
B.2 Increases in internal intangible assets	X	–	–	–	–	**–**
B.3 Reversals	X	–	–	–	–	**–**
B.4 Fair value positive changes	–	–	–	–	–	**–**
- Net equity	X	–	–	–	–	**–**
- Profit and Loss Account	X	–	–	–	–	**–**
B.5 Exchange gains	–	–	–	–	–	**–**
B.6 Other changes	–	–	–	–	–	**–**
C. Decreases	**–**	**–**	**–**	**15,974**	**–**	**15,974**
C.1 Sales	–	–	–	–	–	**–**
C.2 Adjustments	–	–	–	15,974	–	**15,974**
- Amortisation	X	–	–	15,974	–	**15,974**
- Write-downs	–	–	–	–	–	**–**
+ Net equity	X	–	–	–	–	**–**
+ Profit and Loss Account	–	–	–	–	–	**–**
C.3 Fair value negative changes	–	–	–	–	–	**–**
- Net equity	X	–	–	–	–	**–**
- Profit and Loss Account	X	–	–	–	–	**–**
C.4 Transfers to non-current assets held for sale	–	–	–	–	–	**–**
C.5 Exchange losses	–	–	–	–	–	**–**
C.6 Other changes	–	–	–	–	–	**–**
D. Net amount at year-end	**79,366**	**–**	**330**	**55,960**	**–**	**135,656**
D.1 Total net adjustments	–	–	–	120,270	–	120,270
E. Gross amount at year-end	**79,366**	**–**	**330**	**176,230**	**–**	**255,926**
F. Measured at cost	79,366	–	330	55,960	–	135,656

9.3 Intangible assets: other information

Breakdown of goodwill

(€ THOUSAND)	31.12.2024	31.12.2023
Merger of Prime Consult SIM and INA SIM	2,991	2,991
Merger of Banca del Gottardo	31,352	31,352
Credit Suisse Italy's business unit	27,433	27,433
Merger of BG Fiduciaria SIM S.p.A.	4,289	4,289
Merger of Nextam SGR and Nextam S.p.A.	12,201	12,201
Binck Bank N.V. Italy business unit	1,100	1,100
Total	**79,366**	**79,366**

Breakdown of intangible assets – other assets

(€ THOUSAND)	31.12.2024	31.12.2023
Charges associated with the implementation of legacy CSE procedures	24,870	20,828
Client relationships (former Credit Suisse Italy)	11,460	13,169
Other software costs	3	9
Advance payments on intangible assets	19,627	17,674
Total	**55,960**	**51,680**

Intangible assets recognised in respect of contractual relationships governing total client assets refer to business combinations undertaken by Banca Generali in the course of the years and represent an economic assessment of the expected cash flows from those relationships on the basis of specific profitability coefficients and appropriate default rates, identified from time to time within the framework of purchase price allocation (PPA) procedures.

In this regard, it should be noted that:
- the consideration paid to acquire in 2014 the former Credit Suisse's business unit amounting to 44,713 thousand euros was initially allocated for 17,280 thousand euros to intangible assets and for 27,433 thousand euros to goodwill;
- the consideration paid to acquire Nextam Partners Group in 2019 was initially recognised for 8.9 million euros to intangible assets, attributable to the contractual relationships with customers of the Nextam Group and amortised over a total period of 16 years, for 0.3 million euros to the value of the Nextam trademark, and for 12.2 million euros to goodwill.

Impairment testing of goodwill

During the preparation of Banca Generali's 2024 Financial Statements, goodwill was tested for impairment and the carrying amount was determined to be accurate. In this regard, reference should be made to Part G, Section 3, of the Notes and Comments to the Consolidated Financial Statements.

Section 10 - Tax assets and liabilities - Item 100 (Assets) and Item 60 (Liabilities)

Breakdown of item 100 (Assets): tax assets

TYPE OF TRANSACTIONS/VALUES	31.12.2024	31.12.2023
Current taxation	**3,056**	**1,454**
Sums due for taxes to be refunded	986	1,101
IRES arising on National Tax Consolidation scheme	1,717	–
IRES in excess and surtax for banks	353	353
Deferred tax assets	**82,740**	**68,626**
With impact on Profit and Loss Account	81,760	66,703
IRES	67,749	55,030
IRAP	14,011	11,673
With impact on Net Equity	980	1,923
IRES	898	1,707
IRAP	82	216
Total	**85,796**	**70,080**

Current tax assets and liabilities represent the positive or negative imbalance between the estimated income taxes due for the year and the associated tax credits due to overpayments in previous tax periods, prepayments made and amounts withheld.

In further detail, for Banca Generali current IRES (corporate income) tax assets and liabilities take the form of account receivable from or payable to, respectively, the consolidating entity, Assicurazioni Generali S.p.A. Due to Banca Generali's participation in Assicurazioni Generali's tax consolidation scheme, the former's taxable profits or losses for IRES purposes, along with the tax credits to which it is entitled and sums withheld from it, are transferred to the consolidating entity, which then figures and pays the tax owed by the Group. The consolidating entity is also responsible for paying the taxes owed by or to the credit of the consolidated entity and requesting the associated prepayments.

Sums due for taxes to be refunded mainly include 910 thousand euros of foreign taxes withheld in the course of ordinary investment in debt securities, for which a full refund was applied under the relevant treaties for the avoidance of double taxation (571 thousand euros in 2023).
Other receivables relating to IRES include excess taxes resulting from the merger of the Nextam Group, irrecoverable within the tax consolidation scheme and previous excess taxes associated with the surtax for banks.

Breakdown of item 60 (Liabilities): tax liabilities

TYPE OF TRANSACTIONS/VALUES	31.12.2024	31.12.2023
Current taxation	**5,827**	**39,583**
IRES arising on National Tax Consolidation scheme	–	28,360
IRES (surtax for banks)	994	4,191
IRAP	4,833	7,032
Deferred tax liabilities	**10,994**	**5,126**
With impact on Profit and Loss Account	6,550	4,631
IRES	4,303	3,217
IRAP	2,247	1,414
With impact on Net Equity	4,444	495
IRES	3,750	372
IRAP	694	123
Total	**16,821**	**44,709**

10.1 Breakdown of deferred tax assets

TYPE OF TRANSACTIONS/VALUES	31.12.2024	PURSUANT TO LAW NO. 214/2011	31.12.2023	PURSUANT TO LAW NO. 214/2011
With impact on Profit and Loss Account	**81,760**	**3,535**	**66,703**	**4,658**
Provisions for liabilities and contingencies	73,700	–	56,606	–
Write-downs of loans to customers before 2015, in instalments	619	619	1,153	1,153
Redeemed goodwill of former Banca del Gottardo (Art. 15, para. 10, of Decree Law 185/08)	1,542	1,542	1,905	1,905
Redeemed goodwill of former BG SGR (Art. 176, para. 2-*ter*, of TUIR)	588	588	676	676
Goodwill of former BG Fiduciaria SIM (Art. 15, para. 10-*ter*, of Decree Law 185/2008)	786	786	924	924
Redeemed goodwill of former Nextam Partners (Art. 15, para. 10, of Law Decree 185/08)	1,569	–	2,311	–
Redeemed goodwill of former Banca del Gottardo (Article 110 of Decree Law 104/21)	1,976	–	2,117	–
Collective write-downs (ECLs) on loans to customers and banks	316	–	347	–
Other	664	–	664	–
With impact on Net Equity	**980**	**–**	**1,923**	**–**
Measurement at fair value of HTCS financial assets	293	–	1,361	–
Actuarial losses (IAS 19) on termination indemnity	572	–	562	–
Cash flow hedge	115	–	–	–
Total	**82,740**	**3,535**	**68,626**	**4,658**

The DTAs eligible for conversion into tax credits pursuant to Italian Law No. 214/2011 include:

a) assets relating to goodwill and other intangible assets subject to redemption pursuant to Article 10, paragraph 10 and paragraph 10-*ter*, of Law Decree 185/08 and Article 176, paragraph 2-*ter*, of TUIR (Consolidated Income Tax Law), relating to the redemption transactions undertaken before 2015; on the other hand, DTAs accrued in respect of realignment transactions undertaken in financial year 2021 cannot be transformed;

b) assets related to adjustments to loans not deducted from taxes as at 31 December 2015, for which Decree Law No. 83/2015, by introducing a system of full deductibility of value adjustments with effect from that year, had remodulated deductibility percentages according to a thorough ten-year recovery scheme, originally set from 2016 to 2025, based on variable annual quotas[34].

Over time, many law provisions envisaged a longer deferment for the deduction of the goodwill and previous adjustments that had given rise to the recognition of deferred tax assets eligible for conversion into tax credits.

In particular, with regard to goodwill, they provided for:

› the remodulation of the deductibility of part of the goodwill and other intangible assets not deducted as at 31 December 2017 over a ten-year period, from 2019 to 2029, at different tax rates (2019 Budget Law No. 145 of 30 December 2018);
› the deferral until 2025 and the four subsequent years of the amortisation charges referring to the 2019 tax period (tax originally set at 5%) of goodwill and other intangible assets, which gave rise to the recognition of deferred tax assets eligible for conversion into tax credits Accordingly, no DTAs eligible for conversion into tax credits were recovered in 2018 and 2019 (2020 Budget Law No. 160 of 30 December 2019).

With regard to adjustments on loans not deducted as at 30 June 2015:

› the deferral of the deduction of the portion of adjustments that accrued in 2018, set by Law Decree No. 83/2015 at 10% to tax period 2026 (2019 Budget Law, No. 145 of 30 December 2018), subsequently brought forward to 2022 and set at 53%;
› the deferral of the deduction of the portion of adjustments that accrued in 2019 (originally set at 12%), on a straight-line basis, to tax periods 2022-2025 (Budget Law No. 160 of 30 December 2019);
› the deferral of the deductibility of 12% of the value adjustments for the tax period in progress on 31 December 2022, on a straight-line basis, to the tax periods 2023-2026 (42 of Decree Law No. 17 of 1 March 2022);
› the deferral of the deduction of the portion of adjustments to loans previously deferred until 2024 (set at 1%) and until 2026 (set at 3%), on a straight-line basis, to tax periods 2027 and 2028 (2024 Budget Law No. 13 of 30 December 2023).

[34] According to Article 16, paragraph 4, of Italian Law Decree No. 83/2015, impairment losses and losses on loans as per paragraph 1 recognised in the financial statements until the year in progress at 31 December 2014 and not yet deducted pursuant to Article 106, paragraph 3, of TUIR (Italy's income tax code), are deductible at 5% of their amount in the tax period in progress at 31 December 2016, at 8% in the tax period in progress at 31 December 2017, at 10% in the tax period in progress at 31 December 2018, at 12% in the tax period in progress at 31 December 2019 and until the tax period in progress at 31 December 2024, and at 5% in the tax period in progress at 31 December 2025. The same provision was introduced for the IRAP tax.

By way of partial derogation from the mechanism of full deduction of adjustments to loans recognised as loans to customers, the 2019 Budget Law and the 2020 Stability Law introduced a mechanism for deferring income components resulting from the application of the expected credit loss (ECL) model recognised upon first-time adoption of IFRS 9. In particular, the 2018 Budget Law had established that such components were deductible in ten straight-line instalments over the tax periods from 2018 to 2027, whereas the 2020 Budget Law provided for the deferral until 2028 of the deduction of the portion accrued in 2019 relating to the first-time adoption of IFRS 9. DTAs relating to the adjustments in question are not among those eligible for conversion into tax credits and amounted to 80 thousand euros at 31 December 2024.

Lastly, the 2025 Budget Law (Law No. 207 of 30 December 2024) provided for a further deferment of the deduction of several temporary differences that would have been recovered in 2026 and 2027. Specifically:
- the deferral of the deduction of the portions relating to 2025 and 2026 of the adjustments to loans not deducted as at 30 June 2025 on a straight-line basis for tax periods 2026-2029 and 2027-2029, respectively;
- the deferral of the deduction of the portions relating to 2025 and 2026 of the adjustments to loans not deducted upon FTA of IFRS 9 in 2018 and previously deductible at 10% for tax periods 2026-2029 and 2027-2029, respectively;
- the deferral of the deduction of off-balance sheet amortisation charges of the goodwill eligible for conversion into tax credits to accrue in 2025 and 2026 for tax periods 2026-2029 and 2027-2029, respectively.

Total temporary differences concerned amounted to 5.8 million euros, of which 3.2 million euros relating to 2025 and 2.7 million euros relating to 2026, that will be recovered on straight-line instalments from 2026 and 2027. The overall impact with regard to the recovery of DTAs (i.e., of tax savings) shall amount to 2.0 million euros, of which 1.0 million euros relating to 2025 and 0.9 million euros relating to 2026.

DTAs relating to goodwill and not eligible for conversion into tax credits include DTAs deriving from the realignment operations carried out in 2021.

In 2021, Banca Generali proceeded to exercise the option to carry out the following operations to realign the carrying and tax values of goodwill, trademarks and other intangible assets, through payment of the related substitute taxes by the income tax payment deadline for the 2020 tax period:
- realignment of the carrying values for goodwill, trademarks and intangible assets, resulting from the merger — effective 1 January 2020 for accounting and tax purposes — of the subsidiaries Nextam Partners S.p.A. and Nextam Partners SGR, carried out pursuant to:
  - Article 15 of Law Decree No. 185/2008 (special redemption), by payment of a substitute tax of 16% and subsequent amortisation over 5 years;
  - Article 176, paragraph 2-*ter*, of TUIR (ordinary redemption), limited to intangible assets, with payment of a substitute tax based on related tax brackets (12%-14%) and recognition of amortisation throughout the residual life of the intangible asset;
- realignment of misalignments resulting from previous years' goodwill stated in the Financial Statements at 31 December 2019 and still present at 31 December 2020, pursuant to Article 110 of Decree Law No. 104/2020 (so-called "August Decree"), as amended by the 2021 Budget Law, through payment of a 3% substitute tax, and a subsequent right to benefit from the ensuing off-balance sheet amortisation initially set at 18 years and then subsequently extended to 50 years.

With regard to this special treatment, the 2022 Budget Law (Law No. 234 of 30 December 2021) subsequently extended the deduction period of temporary differences resulting from the above-mentioned realignments from 18 to 50 years, without prejudice to the possibility of maintaining the initial term of 18 years by paying the greater tax due for the ordinary redemption transactions or revoking the transaction in full with a refund of the substitute tax paid.
The Bank decided not to exercise this option and, accordingly, continues to deduct these temporary differences over the longer time horizon introduced by the law. However, as a result of the extremely long tax amortisation period, deemed it prudentially not to recognise DTAs the reversal period of which exceeds the maximum duration of 18 years, without prejudice to the recovery of the portions not recognised in the subsequent years, based on the results of recoverability tests. Upon recognition of the above-mentioned realignments, initial recognition included, based on the method indicated in the OIC document application No. 1 of 1 February 2009, deferred tax assets (DTAs) for an amount of 6.5 million euros against 10.9 million euros overall receivable for the transactions carried out.

10.2 Breakdown of deferred tax liabilities

TYPE OF TRANSACTIONS/VALUES	31.12.2024	31.12.2023
With impact on Profit and Loss Account	**6,550**	**4,631**
Off-balance sheet goodwill deduction	2,792	2,213
Provision for termination indemnity (IAS 19)	152	152
Financial assets mandatorily measured at fair value through profit or loss	721	614
Retained earnings of subsidiaries (IAS 12, para. 38 40)	2,830	1,652
Nextam trademark (reclassification)	55	–
With impact on Net Equity	**4,444**	**495**
Measurement at fair value of HTCS financial assets	2,101	495
Cash flow hedge	2,343	–
Total	**10,994**	**5,126**

The DTLs relating to goodwill deducted on an off-balance sheet basis referred for 279 thousand euros to goodwill redeemed in accordance with Article 10 of Italian Legislative Decree No. 104/2021, and for 2,513 thousand euros to goodwill recognised following the acquisition of the business units of the former Credit Suisse and Binck Bank.

The DTLs relating to financial assets mandatorily measured at fair value refer to the revaluation of equity instruments and unit-linked policies, the tax relevance of which is deferred until realisation.

10.3 Change in deferred tax assets (offsetting entry to the Profit and Loss Account)

	31.12.2024	31.12.2023
1. Amount at year-start	**66,703**	**63,736**
2. Increases	**36,271**	**20,841**
2.1 Deferred tax assets recognised in the year:	36,271	20,841
a) related to prior years	–	–
b) change in accounting criteria	–	–
c) reversals	–	–
d) other	36,271	20,841
2.2 New taxes or increases in tax rates	–	–
2.3 Other increases	–	–
3. Decreases	**21,214**	**17,874**
3.1 Deferred tax assets eliminated in the year:	21,214	17,874
a) transfers	20,755	17,481
b) write-downs for non-recoverability	–	–
c) change in accounting criteria	–	–
d) other	459	393
3.2 Decreases in tax rates	–	–
3.3 Other decreases:	–	–
a) conversion into tax credits pursuant to Law No. 214/2011	–	–
b) other	–	–
4. Amount at year-end	**81,760**	**66,703**

10.3-*bis* Change in deferred tax assets pursuant to Law No. 214/2011

	31.12.2024	31.12.2023
1. Amount at year-start	**4,658**	**5,813**
2. Increases	**–**	**–**
3. Decreases	**1,123**	**1,155**
3.1 Transfers	1,123	1,155
3.2 Conversion into tax credits:	–	–
a) due to losses for the year	–	–
b) due to tax losses	–	–
3.3 Other decreases	–	–
4. Amount at year-end	**3,535**	**4,658**

10.4 Change in deferred tax liabilities (offsetting entry to the Profit and Loss Account)

	31.12.2024	31.12.2023
1. Amount at year-start	**4,631**	**3,792**
2. Increases	**3,141**	**1,869**
2.1 Deferred tax liabilities recognised in the year:	3,141	1,869
a) related to prior years	–	–
b) change in accounting criteria	–	–
c) other	3,141	1,869
2.2 New taxes or increases in tax rates	–	–
2.3 Other increases	–	–
3. Decreases	**1,222**	**1,030**
3.1 Deferred tax liabilities eliminated in the year:	1,222	1,030
a) transfers	40	23
b) change in accounting criteria	–	–
c) other	1,182	1,007
3.2 Decreases in tax rates	–	–
3.3 Other decreases	–	–
4. Amount at year-end	**6,550**	**4,631**

10.5 Changes in deferred tax assets (offsetting entry to Net Equity)

	31.12.2024	31.12.2023
1. Amount at year-start	**1,923**	**5,891**
2. Increases	**546**	**151**
2.1 Deferred tax assets recognised in the year:	546	151
a) related to prior years	–	–
b) change in accounting criteria	–	–
c) other	546	151
2.2 New taxes or increases in tax rates	–	–
2.3 Other increases	–	–
3. Decreases	**1,489**	**4,119**
3.1 Deferred tax assets eliminated in the year:	1,291	1,508
a) transfers	1,291	1,508
b) write-downs for non-recoverability	–	–
c) change in accounting criteria	–	–
d) other	–	–
3.2 Decreases in tax rates	–	–
3.3 Other decreases	198	2,611
4. Amount at year-end	**980**	**1,923**

10.6 Changes in deferred tax liabilities (offsetting entry to Net Equity)

	31.12.2024	31.12.2023
1. Amount at year-start	**495**	**732**
2. Increases	**4,181**	**2,878**
2.1 Deferred tax liabilities recognised in the year:	4,181	2,878
a) related to prior years	–	–
b) change in accounting criteria	–	–
c) other	4,181	2,878
2.2 New taxes or increases in tax rates	–	–
2.3 Other increases	–	–
3. Decreases	**232**	**3,115**
3.1 Deferred tax liabilities eliminated in the year:	34	504
a) transfers	34	504
b) change in accounting criteria	–	–
c) other	–	–
3.2 Decreases in tax rates	–	–
3.3 Other decreases	198	2,611
4. Amount at year-end	**4,444**	**495**

Section 11 – Non-current assets available for sale and disposal groups and associated liabilities - Item 110 (Assets) and Item 70 (Liabilities)

11.1 Non-current assets held for sale and disposal groups: categories

	31.12.2024	31.12.2023
A. Assets held for sale		
A.1 Financial assets	–	–
A.2 Equity investments	227	–
A.3 Property and equipment	–	–
of which:		
- *obtained through the enforcement of guarantees received*	–	–
A.4 Intangible assets	–	–
A.5 Other non-current assets	–	–
Total A	**227**	**–**
of which:		
- *measured at cost*	–	–
- *of which measured at fair value Level 1*	–	–
- *of which measured at fair value Level 2*	–	–
- *of which measured at fair value Level 3*	–	–
B. Discontinued operations		
B.1 Financial assets measured at fair value through profit or loss	–	–
- HFT financial assets	–	–
- Financial assets designated at fair value	–	–
- Other financial assets mandatorily measured at fair value	–	–
B.2 Financial assets measured at fair value through other comprehensive income	–	–
B.3 Financial assets measured at amortised cost	–	–
B.4 Equity investments	–	–
B.5 Property and equipment	–	–
of which:		
- *obtained through the enforcement of guarantees received*	–	–
B.6 Intangible assets	–	–
B.7 Other assets	–	–
Total B	–	–
of which:		
- *measured at cost*	–	–
- *of which measured at fair value Level 1*	–	–
- *of which measured at fair value Level 2*	–	–
- *of which measured at fair value Level 3*	–	–
C. Liabilities associated with assets held for sale		
C.1 Debts	–	–
C.2 Securities	–	–
C.3 Other liabilities	–	–
Total C	–	–
of which:		
- *measured at cost*	–	–
- *of which measured at fair value Level 1*	–	–
- *of which measured at fair value Level 2*	–	–
- *of which measured at fair value Level 3*	–	–
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortised cost	–	–
D.2 Financial liabilities held for trading	–	–
D.3 Financial liabilities designated at fair value	–	–
D.4 Provisions	–	–
D.5 Other liabilities	–	–
Total D	–	–
of which:		
- *measured at cost*	–	–
- *of which measured at fair value Level 1*	–	–
- *of which measured at fair value Level 2*	–	–
- *of which measured at fair value Level 3*	–	–

11.2 Non-current assets held for sale and disposal groups: other information

Pursuant to IFRS 5, following communication to majority shareholders, on 9 January 2025, of the intention to exercise a put option on the interest held in share capital, currently under execution, the minority interest in Nextam Partners SIM S.p.A. was recognised among non-current assets held for sale at 31 December 2024.
The equity investment was recognised at the expected expense value recognising a 130 thousand euro capital loss.

Section 12 – Other assets - Item 120

12.1 Breakdown of other assets

	31.12.2024	31.12.2023
Fiscal items	**143,748**	**129,494**
Advances paid to Tax Authorities – stamp duty	85,633	51,194
Advances of substitute tax on capital gains	32,231	46,604
Other advances paid to and sums due from Tax Authorities	801	948
Tax Authorities/VAT	67	67
Tax Authorities/Superbonus	24,374	30,343
Sums due from Tax Authorities for other taxes to be refunded	642	338
Leasehold improvements	**9,632**	**8,829**
Operating loans not related to financial transactions	**383**	**342**
Sundry advances to suppliers and employees	**5,206**	**5,636**
Cheques under processing	**4,221**	**11,496**
Money orders and other amounts receivable	4,221	11,496
Other amounts to be debited under processing	**80,460**	**91,786**
Amounts to be settled in the clearing house (debits)	60	851
Clearing accounts for securities and funds procedure	51,141	51,949
Other amounts to be debited under processing	13,816	15,821
Assets from reclassification of portfolio subject to collection (SBF)	15,443	23,165
Amounts receivable for legal disputes not related to credit transactions	**559**	**344**
Trade receivables from customers and banks that cannot be traced back to specific items	**63,502**	**57,233**
Other amounts	**225,342**	**197,849**
Prepayments for the new supplementary fees for Financial Advisor Network	63,910	65,277
Prepayments for ordinary incentives	117,539	97,476
Prepayments for three-year incentives	26,381	16,593
Other accrued income and deferred charges that cannot be traced back to specific items	17,333	18,338
Sundry amounts	179	165
Total	**533,053**	**503,009**

Receivables from Tax Authorities for withholdings on current accounts represent the positive imbalance between payments on account and the related payable to Tax Authorities.

Other assets include assets associated with the incremental costs incurred to acquire or fulfil contracts with customers set out in IFRS 15, paragraphs 91-104.

Prepayments for the supplementary fees for Financial Advisor Network refer to incremental fee expense of acquiring new customers paid to new Financial Advisors within the framework of recruitment programmes and based on the achievement of specific net inflows targets.

Prepayments for ordinary incentives paid to the Financial Advisor Network qualify instead as incremental costs for obtaining a contract or costs incurred to fulfil a contract and consist of fees paid annually to the existing Financial Advisor Network based on the achievement of net inflow targets, irrespective of whether they have been achieved by acquiring new customers or by strengthening relationships already in place with existing customers.

Costs are systematically amortised over a time horizon corresponding to the transfer to the customer of the goods or services to which the asset refers, estimated to amount to five years.

The changes in the main deferred charges during the year are shown below.

	31.12.2023	AMORTISATION	OF WHICH RELATED TO THE PREVIOUS YEAR	INCREASES	OTHER CHANGES	31.12.2024
Supplementary fees	65,277	-27,837	-23,237	26,470	–	63,910
Ordinary incentives	97,476	-52,279	-37,499	73,901	-1,559	117,539
Three-year incentives	16,593	-8,683	-4,989	18,471	–	26,381
Total network incentives	**179,346**	**-88,799**	**-65,725**	**118,842**	**-1,559**	**207,830**
Entry bonus on BG Solution	9,501	-4,164	-3,767	3,612	9	8,958
Bonus on JPM funds	57	-51	-44	36	–	42
Total other acquisition costs	**9,558**	**-4,215**	**-3,811**	**3,648**	**9**	**9,000**
Total	**188,904**	**-93,014**	**-69,536**	**122,490**	**-1,550**	**216,830**

Other deferred charges that cannot be traced back to specific items include for 8,297 thousand euros prepaid expenses not accrued during the year and refer in particular to lease prepayments, insurance premiums and other general and administrative expenses.

PART B – INFORMATION ON THE BALANCE SHEET - LIABILITIES

Section 1 – Financial liabilities measured at amortised cost - Item 10

1.1 Financial liabilities measured at amortised cost: due to banks – categories

	31.12.2024				31.12.2023			
		FV				FV		
TYPE OF TRANSACTIONS/VALUES	BOOK VALUE	L1	L2	L3	BOOK VALUE	L1	L2	L3
1. Due to Central Banks	**–**	X	X	X	**–**	X	X	X
2. Due to banks	**359,073**	X	X	X	**231,659**	X	X	X
2.1 Current accounts and demand deposits	69,461	X	X	X	35,346	X	X	X
2.2 Term deposits	3,001	X	X	X	–	X	X	X
2.3 Loans	281,270	X	X	X	186,522	X	X	X
2.3.1 Repurchase agreements	272,338	X	X	X	171,320	X	X	X
2.3.2 Other	8,932	X	X	X	15,202	X	X	X
2.4 Liabilities for repurchase commitments of own equity instruments	–	X	X	X	–	X	X	X
2.5 Lease debts	–	X	X	X	–	X	X	X
2.6 Other debts	5,341	X	X	X	9,791	X	X	X
Total	**359,073**	**–**	**359,073**	**–**	**231,659**	**–**	**231,659**	**–**

The item "Other debts" entirely refers to deposits made by EFG Bank S.A. as a guarantee for some non-performing exposures, arising on the acquisition of Banca del Gottardo Italia (collateral deposits).

1.2 Financial liabilities measured at amortised cost: due to customers – categories

	31.12.2024				31.12.2023			
		FV				FV		
TYPE OF TRANSACTIONS/VALUES	BOOK VALUE	L1	L2	L3	BOOK VALUE	L1	L2	L3
1. Current accounts and demand deposits	12,696,646	X	X	X	11,103,239	X	X	X
2. Term deposits	244,069	X	X	X	241,730	X	X	X
3. Loans	886,084	X	X	X	1,507,866	X	X	X
3.1 Repurchase agreements	779,115	X	X	X	1,382,649	X	X	X
3.2 Other	106,969	X	X	X	125,217	X	X	X
4. Liabilities for repurchase commitments of own equity instruments	–	X	X	X	–	X	X	X
5. Lease debts	125,877	X	X	X	137,795	X	X	X
6. Other debts	193,075	X	X	X	272,517	X	X	X
Total	**14,145,751**	**–**	**14,145,751**	**–**	**13,263,147**	**–**	**13,263,147**	**–**

Item 5 "Lease debts" includes the liability relating to lease payments determined on the basis of the IFRS 16 – *Leases*, which entered into force on 1 January 2019.

Item 6 "Other debts" refers for 163,133 thousand euros to trade payables to the Financial Advisor Network and, for the remaining amount, to the stock of money order issued by the parent company Banca Generali in relation to claims payment of Generali Group insurance companies and other sums made available to customers.

1.6 Lease debts

Lease debts recognised in the Financial Statements at 31 December 2024 amounted to 125,877 thousand euros.

The following table shows the maturity of these lease debts in accordance with paragraphs 53 g) and 58 of IFRS 16 – *Leases*:

RESIDUAL LEASE DEBTS - YEAR	31.12.2024 AMOUNT
2024	19,238
2025	18,603
2026	16,831
2027	15,397
2028	13,113
2029	11,633
2030	10,415
2031	10,099
2032	5,769
2033	2,498
2034	1,550
2035	712
2036	19

Section 2 – Financial liabilities held for trading - Item 20

2.1 HFT financial liabilities: categories

	31.12.2024					31.12.2023				
		FV					FV			
TYPE OF TRANSACTIONS/VALUES	NV	L1	L2	L3	FV(*)	NV	L1	L2	L3	FV(*)
A. Cash liabilities										
1. Due to banks	–	–	–	–	–	–	–	–	–	–
2. Due to customers	–	–	–	–	–	–	–	–	–	–
3. Debt securities	–	–	–	–	–	–	–	–	–	–
3.1 Bonds	–	–	–	–	–	–	–	–	–	–
3.1.1 Structured	–	–	–	–	X	–	–	–	–	X
3.1.2 Other bonds	–	–	–	–	X	–	–	–	–	X
3.2 Other securities	–	–	–	–	–	–	–	–	–	–
3.2.1 Structured	–	–	–	–	X	–	–	–	–	X
3.2.2 Other	–	–	–	–	X	–	–	–	–	X
Total A	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
B. Derivatives										
1. Financial		**–**	**109**	**–**	**–**		**–**	**159**	**–**	**–**
1.1 Trading	X	–	109	–	X	X	–	159	–	X
1.2 Related to the fair value option	X	–	–	–	X	X	–	–	–	X
1.3 Other	X	–	–	–	X	X	–	–	–	X
2. Credit		–	–	–	–		–	–	–	–
2.1 Trading	X	–	–	–	X	X	–	–	–	X
2.2 Related to the fair value option	X	–	–	–	X	X	–	–	–	X
2.3 Other	X	–	–	–	X	X	–	–	–	X
Total B	**X**	**–**	**109**	**–**	**X**	**X**	**–**	**159**	**–**	**X**
Total (A + B)	**X**	**–**	**109**	**–**	**X**	**X**	**–**	**159**	**–**	**X**

(*) FV measured without taking account of issuer's creditworthiness changes compared to issue date.

HFT financial liabilities consist for 109 thousand euros of hedged trading transactions relating to currency outrights with customers as counterparty, fully offset in Item 20 – Assets.

Section 4 – Hedging derivatives - Item 40

4.1 Breakdown of hedging derivatives by type of hedge and hierarchy levels

During the year the Bank continued to operate in asset swap derivatives, trading interest rate swaps to hedge debt securities, mostly Italian and foreign fixed-rate and index-linked government bonds allocated to the HTCS and HTC portfolios. For each hedging derivative, a highly effective micro fair value hedging relationship is formed.

The micro hedging derivatives portfolio also includes some cash flow hedge counter-hedges, activated in the second quarter of the year, mostly to hedge the HTC portfolio. In particular, these were hedges aimed at stabilising the future cash flows of fixed-rate asset swaps, even limited to a time portion thereof, through trading of forward IRSs.

At the end of the third quarter, a macro hedge was also activated to mitigate the interest-rate risk of demand liabilities by entering into IRS contracts.

At 31 December 2024, the notional amounts of the hedging derivative liabilities outstanding amounted to approximately 3,449.9 million euros, of which 3,249.3 million euros relating to fair value hedges and 200.7 million euros relating to cash flow hedges.

	31.12.2024 – FAIR VALUE			NOTIONAL VALUE	31.12.2023 – FAIR VALUE			NOTIONAL VALUE
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives	**–**	**176,947**	**–**	**3,449,915**	**–**	**132,662**	**–**	**1,496,500**
1) Fair value	–	176,553	–	3,249,256	–	132,662	–	1,496,500
2) Cash flows	–	394	–	200,659	–	–	–	–
3) Net investment in a foreign operation	–	–	–	–	–	–	–	–
B. Credit derivatives	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
1) Fair value	–	–	–	–	–	–	–	–
2) Cash flows	–	–	–	–	–	–	–	–
Total	**–**	**176,947**	**–**	**3,449,915**	**–**	**132,662**	**–**	**1,496,500**

4.2 Breakdown of hedging derivatives by portfolios hedged and type of hedge

	FAIR VALUE							NET INVESTMENT IN A FOREIGN OPERATION		
	MICRO HEDGES									
HEDGING TRANSACTIONS/TYPE	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND EQUITY INDICES	CURRENCIES AND GOLD	CREDIT	GOODS	OTHER	MACRO HEDGES	MICRO HEDGES	MACRO HEDGES	NET INVESTMENT IN A FOREIGN OPERATION
1. Financial assets measured at fair value through other comprehensive income	707	–	–	–	X	X	X	–	X	X
2. Financial assets measured at amortised cost	175,565	X	–	–	X	X	X	394	X	X
3. Portfolio	X	X	X	X	X	X	–	X	–	X
4. Other transactions	–	–	–	–	–	–	X	–	X	–
Total assets	**176,272**	**–**	**–**	**–**	**–**	**–**	**–**	**394**	**–**	**–**
1. Financial liabilities	–	X	–	–	–	–	X	–	X	X
2. Portfolio	X	X	X	X	X	X	281	X	–	X
Total liabilities	**–**	**X**	**–**	**–**	**–**	**–**	**281**	**–**	**–**	**X**
1. Expected transactions	X	X	X	X	X	X	X	–	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	–	X	–	–

Section 5 – Adjustment to macro-hedged financial liabilities - Item 50

5.1 Adjustment to hedged financial liabilities: breakdown by hedged portfolio

ADJUSTMENT TO HEDGED LIABILITIES/VALUES	31.12.2024	31.12.2023
1. Positive adjustment to financial liabilities	2,142	–
2. Negative adjustment to financial liabilities	–	–
Total	**2,142**	**–**

The balance of this item represents the valuation effect of demand deposit liabilities macro-hedged against interest rate risk.

Section 6 – Tax liabilities - Item 60

Section 10 (Assets) provides an analysis.

Section 8 – Other liabilities - Item 80

8.1 Breakdown of other liabilities

	31.12.2024	31.12.2023
Trade payables	**30,231**	**33,082**
Due to suppliers	29,540	32,709
Due for payments on behalf of third parties	691	373
Due to staff and social security institutions	**29,172**	**26,396**
Due to staff for accrued holidays, etc.	4,582	3,900
Due to staff for productivity bonuses	15,609	13,722
Contributions to be paid to social security institutions	3,363	3,576
Contributions to Financial Advisors to be paid to Enasarco	5,618	5,198
Tax Authorities	**62,795**	**42,199**
Withholding taxes to be paid to Tax Authorities on behalf of employees and contract workers	7,075	6,920
Current account withholdings	16,465	12,671
Withholding taxes on investment return to be paid to Tax Authorities	13,985	8,648
Notes to be paid into collection services	22,509	7,834
VAT payables and other tax liabilities	2,761	6,126
Amounts to be debited under processing	**83,135**	**158,890**
Bank transfers, cheques and other sums payable	2,814	2,645
Amounts to be settled in the clearing house (credits)	35,597	47,044
Liabilities from reclassification of portfolio subject to collection (SBF)	279	128
Other amounts to be debited under processing	44,445	109,073
Sundry items	**84,408**	**85,709**
Amounts to be credited	8,226	4,881
Sundry items	2,631	2,224
Amounts due as contribution to the Guarantee Fund for the Life Insurance Sector	2,230	–
Amounts due to Shareholders for dividends to be distributed	70,111	75,954
Accrued expenses and deferred income	1,108	1,342
Sums made available to customers	297	1,308
Total	**289,741**	**346,276**

Pursuant to paragraphs 116 a) and 116 b) of IFRS 15, it is reported that the item “deferred income” includes liabilities associated with contracts within the scope of application of IFRS 15 and relating to three-year up-front fees received in connection with the distribution of certain classes of international UCITS.

Opening balance at 01.01.2024	**100**
Increases	43
Decreases due to the transfer to Profit and Loss Account	-86
of which:	
- *relating to prior years*	-79
Closing balance at 31.12.2024	**57**

Section 9 – Provisions for termination indemnity - Item 90

9.1 Provisions for termination indemnity: year changes

	31.12.2024	31.12.2023
A. Amount at year-start	**3,744**	**3,680**
B. Increases	**143**	**349**
B.1 Provisions for the year	107	125
B.2 Other increases	36	224
C. Decreases	517	285
C.1 Amounts paid	517	285
C.2 Other decreases	–	–
D. Amount at year-end	**3,370**	**3,744**

9.2 Other information

The amount of termination indemnity for employees can be considered as a non-financial defined benefit plan after the termination of the employment, in accordance with IAS 19.

The provision was measured based on the actuarial value using the methods described in Part. A.2 of these Notes and Comments.

The following are the main actuarial assumptions used and the breakdown of the provision for the year and actuarial gains/(losses):

	31.12.2024	31.12.2023
Discount rate	3.14%	3.07%
Annual inflation rate	2.00%	2.00%
Salary increase rate	2.00%	2.00%
Average duration (years)	7	8

	31.12.2024	31.12.2023
1. Provisions:	107	125
- current service cost	–	–
- interest cost	107	125
2. Actuarial gains and losses:	36	224
- based on financial assumptions	-26	120
- based on actuarial demographic assumptions	62	104
Total provisions for the year	**143**	**349**
Actuarial value	**3,370**	**3,744**
Value calculated re. Article 2120 of the Italian Civil Code	**3,521**	**3,875**

Section 10 – Provisions for liabilities and contingencies - Item 100

10.1 Breakdown of provisions for liabilities and contingencies

ITEMS/VALUES	31.12.2024	31.12.2023
1. Provisions for credit risk relating to commitments and financial guarantees issued	11,796	9,591
2. Provisions for other commitments and other guarantees issued	–	–
3. Company provisions for pensions	–	–
4. Other provisions for liabilities and contingencies	325,888	252,947
4.1 Legal and tax disputes	14,373	12,557
4.2 Staff	17,578	9,990
4.3 Other	293,937	230,400
Total	**337,684**	**262,538**

Breakdown of other provisions for liabilities and contingencies

	31.12.2024	31.12.2023
Provisions for staff expenses	**17,578**	**9,990**
Provision for restructuring plan	8,800	1,500
Provision for staff expenses – other	8,778	8,490
Provisions for legal disputes	**14,229**	**12,283**
Provision for risks related to legal disputes connected with the Financial Advisor Network's embezzlements	4,694	3,339
Provision for risks related to legal disputes with the Financial Advisor Network	313	1,002
Provision for other legal disputes	9,222	7,942
Provisions for termination indemnity of Financial Advisors	**207,988**	**170,856**
Provision for termination indemnity of the Financial Advisor Network	99,552	83,103
Provision for management development indemnity	13,132	12,419
Provision for portfolio overfee indemnities	7,509	6,666
Provision for pension bonuses	8,799	8,366
Provision for Framework Loyalty Programme	35,582	35,358
Provision for three-year incentives	43,414	24,944
Provisions for Financial Advisor Network incentives	**28,940**	**29,048**
Provision for Financial Advisor Network development plans	21,263	21,139
Provision for deferred bonus	65	60
Provision for managers' incentives with access gate	–	273
Provision for sales incentives	1,822	2,009
Provision for fees – travel incentives	5,300	5,300
Provision for fee plans	490	267
Provisions for tax and contributions/pension disputes	**144**	**274**
Other provisions for liabilities and contingencies	**57,009**	**30,496**
Total	**325,888**	**252,947**

10.2 Provisions for liabilities and contingencies: year changes

	PROVISIONS FOR CREDIT RISK RELATING TO COMMITMENTS AND FINANCIAL GUARANTEES ISSUED	PROVISIONS FOR PENSIONS	OTHER PROVISIONS FOR LIABILITIES AND CONTINGENCIES	TOTAL
A. Amount at year-start	**9,591**	**–**	**252,947**	**262,538**
B. Increases	**13,518**	**–**	**118,014**	**131,532**
B.1 Provisions for the year	11,739	–	118,014	129,753
B.4 Other increases	1,779	–	–	1,779
C. Decreases	**11,313**	**–**	**45,073**	**56,386**
C.1 Use in the year	11,179	–	40,756	51,935
C.3 Other decreases	134	–	4,317	4,451
D. Amount at year-end	**11,796**	**–**	**325,888**	**337,684**

Other provisions for liabilities and contingencies – details of movements

	31.12.2023	USES	SURPLUS	OTHER CHANGES	PROVISIONS	31.12.2024
Provisions for staff expenses	**9,990**	**-2,061**	**-1,617**	**-2,092**	**13,358**	**17,578**
Provision for restructuring plan	1,500	-41	–	-1,459	8,800	8,800
Provision for staff expenses – other	8,490	-2,020	-1,617	-633	4,558	8,778
Provisions for legal disputes	**12,283**	**-4,165**	**-1,321**	**–**	**7,432**	**14,229**
Provision for risks connected with the Financial Advisor Network's embezzlements	3,339	-578	-655	–	2,588	4,694
Provision for risks related to legal disputes with the Financial Advisor Network	1,002	-737	-119	–	167	313
Provision for other legal disputes	7,942	-2,850	-547	–	4,677	9,222
Provisions for termination indemnity of Financial Advisors	**170,856**	**-3,673**	**-2,671**	**9,787**	**33,689**	**207,988**
Provision for termination indemnity of the Financial Advisor Network	83,103	-1,658	-2,121	–	20,228	99,552
Provision for management development indemnity	12,419	-1,754	-173	–	2,640	13,132
Provision for portfolio overfee indemnities	6,666	-111	-163	–	1,117	7,509
Provision for pension bonuses	8,366	-150	-214	–	797	8,799
Provision for Framework Loyalty Programme	35,358	–	–	–	224	35,582
Provision for three-year incentives	24,944	–	–	9,787	8,683	43,414
Provisions for Financial Advisor Network incentives	**29,048**	**-15,823**	**-1,927**	**–**	**17,642**	**28,940**
Provision for Financial Advisor Network development plans	21,139	-10,232	-1,552	–	11,908	21,263
Provision for deferred bonus	60	–	–	–	5	65
Provision for managers' incentives with access gate	273	-273	–	–	–	–
Provision for sales incentives	2,009	-187	–	–	–	1,822
Provision for travel incentives	5,300	-4,927	-373	–	5,300	5,300
Provision for fee plans	267	-204	-2	–	429	490
Provisions for tax and contributions/ pension disputes	**274**	**-165**	**–**	**–**	**35**	**144**
Other provisions for liabilities and contingencies	**30,496**	**-14,869**	**–**	**-4,476**	**45,858**	**57,009**
Total	**252,947**	**-40,756**	**-7,536**	**3,219**	**118,014**	**325,888**

10.3 Provisions for credit risk relating to commitments and financial guarantees issued

	PROVISIONS FOR CREDIT RISK RELATING TO COMMITMENTS AND FINANCIAL GUARANTEES ISSUED				
	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	TOTAL
Commitments to disburse funds	–	–	–	–	**–**
Financial guarantees issued	50	7	24	11,715	**11,796**
Total	**50**	**7**	**24**	**11,715**	**11,796**

The provision for credit risk relating to financial guarantees issued, considered impaired at the acquisition date, refers to several agreements entered into by the Bank to cover possible losses suffered by its customers in relation to the non-repayment of principal, within the contractual terms, of some securitised senior notes for which the Bank had acted as distributor.
Based on the agreements with customers, a portion of the guarantees, amounting to 8,465 thousand euros, came due and were enforced in early 2025.
At 31 December 2024, a provision for expected losses was set aside for the guarantees issued, measured pursuant to IFRS 9, paragraph 5.5.1.

10.6 Provisions for liabilities and contingencies – other provisions

10.6.1 Provisions for staff expenses

Provisions for staff expenses include the following amounts:

- the share of the variable compensation of managers of the Banking Group deferred up to two years and conditional upon continuing satisfaction of the predetermined quantitative levels of asset solidity and liquidity (access gates) established in compliance with the Banking Group's Remuneration Policy;
- allocations to the provision for the recruitment plans regarding new employed Relationship Managers (RMs), valued also based on the specific contractual conditions agreed upon and on the probability to achieve the net inflow targets set;
- allocations for post-employment medical benefits of Group's managers, valued using the actuarial method pursuant to IAS 19;
- the provision related to the performance bonus, if at the reporting date the company supplementary contract (CIA) has expired or has not been renewed yet.

The above-mentioned provisions have as their balancing entries item "Staff expenses".
Provisions for staff expenses also include, to a lesser extent, provisions outside the scope of IAS 19 but for which IAS 37 applies and that have therefore as their balancing entries net provisions for liabilities and contingencies.

10.6.2 Restructuring provisions – Redundancy incentives plan

The voluntary redundancy plan covered by the specific company restructuring provision was launched at the end of 2015 to encourage the rotation of resources through incentives for voluntary departure for groups of employees nearest to retirement age and the filling of the resulting vacant positions with professional and/or managerial profiles more suited to the specific skills now required from a business standpoint.
In December 2024, the Board of Directors extended the voluntary redundancy plan, for a final provision amounting to 8.8 million euros.

10.6.3 Provisions for legal disputes

This type of provisions for risks includes provisions for pending litigations connected with Financial Advisor Network's embezzlements after insurance coverage, as well as those with disputes currently underway with the Financial Advisor Network and employees and other court and out-of-court disputes with customers and other entities.

10.6.4 Provisions for contractual indemnities for the Financial Advisor Network

These include provisions for termination indemnities paid to the Financial Advisor Network, portfolio overfee indemnities, pension bonus, the provisions associated with the Framework Loyalty Programme (approved by the General Shareholders' Meeting on 20 April 2017) and the provisions for management development indemnity, in addition to the provisions for three-year incentives.

Provisions covering the cost of the termination indemnity of Financial Advisors with an agency agreement is valued as provided for by the law (Article 1751 of the Italian Civil Code) and the specific disbursement criteria defined by Banca Generali. Further details on the latter are provided in Part A.2 of the Notes and Comments to the Separate Financial Statements for the year ended on 31 December 2024.

The expenses associated with obligations extant at year-end relating to Financial Advisors are valued using the statistical-actuarial method, with the advice of independent professionals.

The following are the main actuarial assumptions adopted:

TERMINATION INDEMNITY	31.12.2024	31.12.2023
Discount rate [35]	3.7%	4.3%
Turnover rate (professionals)	1.12%	0.91%
Average duration (years)	11 years	12 years
IAS 37 DBOs/Indemnity provision at the measurement date	60.68%	56.71%

The ratio of Deferred benefit obligations (DBO) to nominal value of the accrued obligation towards Financial Advisors is given using the value of the provision after one-off deductions related to seniority.

The increase in the provision for termination indemnities accrued to Financial Advisors in the period was due to the effect of the decrease in the discount rates applied and the rise in fee bases.

A specific measurement is made for Financial Advisors who have left service.

The DBO already accrued by Financial Advisors formerly employed by Credit Suisse, totalling 2.3 million euros, is still based on the payment criteria established by the previous employer and was recognised under provisions for risks. Their DBO accrued with Banca Generali will be due only for the amount exceeding that accrued with Credit Suisse, if any.

The **portfolio overfee indemnities** are instead a scheme (further details are provided in Part A.2 of the Notes and Comments to the Consolidated Financial Statements at 31 December 2024) that calls for Financial Advisors with at least five years of seniority who leave service permanently to be entitled to an indemnity commensurate to the profitability of the portfolio previously managed, in case of reassignment of the latter.

The indemnity due to the outgoing FA is entirely borne by the incoming FA identified by the Company, except for a residual guarantee by the Bank — equal to 25% of the total indemnity — in the event of termination for death or permanent disability.

Even in this case, the charge is determined based on the statistical actuarial method, with the support of independent experts and with reference to the percentage of the Bank's residual risk, i.e., 25% of the indemnity due in case of death or permanent disability.

The "**pension bonus**" is a component of the Financial Advisor Network's indemnity plans, which entailed the yearly provision of an amount based on the achievement of pre-set sales objectives and to be paid only upon final termination for retirement or permanent disability. The actuarial method is used also for this type of evaluation. This incentive has been discontinued as of 2016, without prejudice to the rights acquired by the beneficiaries in previous years.

Within the framework of provisions for contractual indemnities, on 21 March 2017 the Board of Directors granted its final approval for a **Framework Loyalty Programme for the Sales Network** aimed at improving the retention of the Network and the customers acquired over time, and creating value for the Group by promoting stable, high-quality net inflows.

The Framework Loyalty Programme was initially divided into eight separate plans, all set to expire on 31 December 2026 and of decreasing lengths, which could be activated from one year to the next, with the authorisation of Banca Generali Group's corporate bodies and in accordance with its remuneration policies.

On 21 April 2022, the General Shareholders' Meeting resolved to suspend the Loyalty Framework Programme for the Financial Advisor network and accordingly the 6th 2022-2026 cycle was not activated.

The individual plans of the Framework Loyalty Programme for the Sales Network already underway will all expire on 31 December 2026, after decreasing lengths, and each will allow part of the bonus to be paid in cash and part in shares of Banca Generali (max 50%), after having assessed their effects at the level of capital ratios and free float. The Banca Generali shares for each of the eight plans will be purchased on the market after authorisation is granted, from one year to the next, by the company bodies (Board of Directors and Shareholders' Meeting) and the Regulator.

Provisions for contractual indemnities refer also to the charge relating to the **management development indemnity** mechanism, approved by the Board of Directors in June 2018 and intended to ensure fair treatment of all network managers in the event of dismissal from their additional roles.

[35] The discount rate was determined on the basis of an average EURIRS curve for the last four quarters, increased linearly by the spread between the EURIRS rate and 10-year BTP.
The rate represented is the rate that corresponds to the average duration of the relevant liabilities, i.e., 11 years.

The **2022-2024 three-year incentive plan**, approved by the Board of Directors on 18 March 2022 and further adjusted on 5 March 2024, is in addition to the annual incentives for the Financial Advisor Network and is tied to the achievement of both several overall objectives set at the Banking Group level in terms of total net inflows and recurring fee income, established in the new Strategic Plan, and individual objectives.

All Financial Advisors, Relationship Managers and Network Managers in service at 31 December 2019 are entitled to the three-year incentives.

At 31 December 2024, the plan ended with full achievement of the three-year net inflows and recurring fee income objectives.

The three-year bonus will therefore be paid in 2026, provided that on 31 December 2025 the net inflow targets reached are no less than 90% of net inflows generated at the end of the three-year plan period.

Under the plan, special rules also apply to Financial Advisors eligible to participate in the previous Loyalty Framework Programme, for whom a bonus floor applies, to be paid at the end of the three-year period if other conditions are met, provided that beneficiaries have recorded no net outflows.

The incentives accruing on a multi-year basis, tied to net inflow targets, qualify as costs of obtaining a contract pursuant to IFRS 15 and are expensed over a five-year period, like other similar incentives granted to the BG Network.

In addition, the Plan calls for the payment of the cash bonus only, with the sole exception of beneficiaries qualifying as Key Personnel in the three-year period, to whom the specific provisions of the Remuneration Policies (deferral, shared-based payment, etc.) apply.

10.6.5 Provisions for Financial Advisor Network incentives

This aggregate includes:

- the estimated charges accrued in relation with several recruitment plans for middle-term expansion of managed portfolios. These plans envisage different kinds of incentives (entry bonus, deferred bonus, total assets bonus, etc.) related to the achievement of net inflow targets and the presence in the Company for one or more years (up to 5 or 7 years);
- provisions for incentive plans based on the network's performance for the period, including the BG Premier Club trip and other special fee plans (supplementary allowances, stabilisers, target-achievement bonuses, etc.) that involve the payment of benefits or increases in advances paid when certain conditions are met, such as continuous service on the network or the achievement of sales targets.

10.6.6 Tax and social security dispute

This item includes prudential provisions amounting to 144 thousand euros, allocated due to claimed tax assessments and social contributions.

10.6.7 Other provisions for liabilities and contingencies

Other provisions for liabilities and contingencies include provisions for operating risks.
In detail, other provisions for liabilities and contingencies included a total of 58.2 million euros to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues, and to sustain customer retention. The latter also included provisions to hedge credit risk relating to guarantees issued amounting to 11.7 million euros.
In the reporting period, provisions rose by 48 million euros due to the use of 25.1 million euros mainly attributable to enforcement of guarantees issued to customers (9.4 million euros), settlement fees, other activities in favour of customers and costs for legal proceedings in progress against issuers of the illiquid instruments.
For this purpose, an additional 5.0 million euro provision was also allocated at the end of the year for initiatives in favour of the Financial Advisor Network.

Section 12 – Company net equity - Items 110, 130, 140, 150, 160, 170 and 180

12.1 Breakdown of share capital and treasury shares

	UNIT VALUE	NUMBER	BOOK VALUE (€ THOUSAND)
Share capital			
- ordinary shares	1	116,851,637	116,852
Treasury shares			
- ordinary shares	1	-2,907,907	-87,268
Total		**113,943,730**	**29,584**

12.2 Share capital - Number of shares: year changes

ITEMS/TYPES	ORDINARY	OTHER
A. Existing shares at year-start	**116,851,637**	**–**
– paid up	116,851,637	–
– partially paid	–	–
A.1 Treasury shares (-)	-2,920,001	–
A.2 Outstanding shares: at year-start	**113,931,636**	**–**
B. Increases	263,694	–
B.1 Newly issued shares		
– against payment:	–	–
– business combinations	–	–
– bonds conversion	–	–
– exercise of warrants	–	–
– other	–	–
– for free:	–	–
– to staff	–	–
– to directors	–	–
– other	–	–
B.2 Disposal of treasury shares	263,694	–
B.3 Other decreases	–	–
C. Decreases	-251,600	–
C.1 Cancellation	–	–
C.2 Purchase of treasury shares	-251,600	–
C.3 Disposal of companies	–	–
C.4 Other changes	–	–
D. Outstanding shares: at year-end	**113,943,730**	**–**
D.1 Treasury shares (+)	2,907,907	–
D.2 Existing shares at year-end	**116,851,637**	**–**
- paid up	116,851,637	–
- partially paid	–	–

12.3 Share capital: other information

At the reporting date, the share capital of the Bank consisted of 116,851,637 ordinary shares with no nominal value, with regular dividend entitlement, and it was fully paid up.

12.4 Earnings reserves: other information

	31.12.2023	PROFIT ALLOCATION – DIVIDEND DISTRIBUTION	BUY -BACK/ DISPOSAL OF TREASURY SHARES	STOCK OPTION PLANS AND OTHER IFRS 2 CHARGES	STOCK GRANT PLANS LTIP	OTHER CHANGES	31.12.2024
Legal reserve	23,370	–	–	–	–	–	23,370
Restricted reserve for shares of the Parent Company	1,183	–	–	–	–	504	1,687
Merger surplus reserve – BG SGR	3,853	–	–	–	–	–	3,853
Merger surplus reserve – BG Fiduciaria	10,901	–	–	–	–	–	10,901
Merger deficit reserve – Nextam S.p.A.	-802	–	–	–	–	–	-802
Reserves for IFRS 9 and IFRS 15 FTA	4,768	–	–	–	–	–	4,768
Share-based payments reserve (IFRS 2) – plans ended	507	–	–	–	–	–	507
IFRS 2 reserves – LTI plans based on BG shares	4,373	–	-1,456	2,984	–	–	5,901
IFRS 2 reserves – LTIP cycles ended	10,550	–	–	–	–	–	10,550
IFRS 2 reserve – Key Personnel remuneration	8,253	–	-5,457	10,601	–	–	13,397
IFRS 2 reserve – share-based plan	731	–	–	–	486	–	1,217
IFRS 2 reserve – Framework Loyalty Programme	10,934	–	–	2,547	–	–	13,481
Reserve for AT1 BG Perpetual coupon	-6,525	–	–	–	–	-3,589	-10,114
Restricted reserve pursuant to Article 6 para. 1(a) of Leg. Decree No. 38/2005	1,490	–	–	–	–	307	1,797
Restricted reserve pursuant to Article 26, para. 5-*bis* of Leg. Decree No. 136 of 9 October 2023	–	–	–	–	–	26,607	26,607
Reserve from profit (loss) carried forward	596,774	36,733	–	–	–	5,517	639,024
Equity reserve from the transfer of the funds business unit	3,710	–	–	–	–	–	3,710
Total	**674,070**	**36,733**	**-6,913**	**16,132**	**486**	**29,346**	**749,854**

12.4.1 Disclosure pursuant to Article 2427, paragraph 7-*bis*, of the Italian Civil Code

As required by Article 2427, paragraph 7-*bis*, of the Italian Civil Code, the following table contains an analytical illustration of net equity items, including an indication of their origins, possible draw-downs and distribution, as well as draw-downs made in previous years.

	31.12.2024	POSSIBLE DRAW-DOWNS (1)	RESTRICTED PORTION	UNRESTRICTED PORTION	DISTRIBUTABLE PORTION	DRAW-DOWNS 2024-2022 DIVIDENDS	LOSSES
Share capital	**116,852**	**–**	**116,852**	**–**	**–**	**–**	**–**
Treasury shares	**-87,268**	**–**	**-87,268**	**–**	**–**	**–**	**–**
Share premium reserve	**52,392**	**A, B, C (3)**	**–**	**52,392**	**–**	**–**	**–**
Equity instruments	**100,000**	**–**	**100,000**	**–**	**–**	**–**	**–**
Reserves	**749,854**	**–**	**19,175**	**730,679**	**673,313**	**89,982**	**–**
Legal reserve	23,370	B (4)	–	23,370	–	–	–
Restricted reserve for shares of the Parent Company	1,687	B	1,687	–	–	–	–
Merger surplus reserve – BG SGR	3,853	A, B, C	–	3,853	3,853	–	–
Merger surplus reserve – BG Fiduciaria	10,901	A, B, C	–	10,901	10,901	–	–
Merger deficit reserve – Nextam S.p.A.	-802	–	-802	–	–	–	–
Reserve for AT1 BG Perpetual coupon	-10,114	–	-10,114	–	–	–	–
Share-based payments reserve (IFRS 2) – plans ended	507	A, B, C	–	507	507	–	–
IFRS 2 reserves – LTI cycles based on BG shares	5,901	A (5)	–	5,901	–	–	–
IFRS 2 reserve – LTIP cycles ended (6)	10,550	A, B, C	–	10,550	10,550	–	–
IFRS 2 reserve – Key Personnel remuneration	13,397	A (5)	–	13,397	–	–	–
IFRS 2 reserve – 2019-2022 share-based plan	1,217	A (5)	–	1,217	–	–	–
IFRS 2 reserve - Framework Loyalty Programme	13,481	A (5)	–	13,481	–	–	–
Restricted reserve pursuant to Article 6 para. 1(a) of Leg. Decree No. 38/2005	1,797	–	1,797	–	–	–	–
Restricted reserve pursuant to Article 26, para. 5-*bis* of Leg. Decree No. 136 of 9 October 2023	26,607	– (8)	26,607	–	–	–	–
Reserve from profit (loss) carried forward	639,024	A, B, C (7)	–	639,024	639,024	89,982	–
Equity reserve from the transfer of the funds business unit	3,710	A, B, C	–	3,710	3,710	–	–
FTA reserve	4,768		–	4,768	4,768	–	–
Valuation reserves (2)	**5,911**		**5,911**	**–**	**–**	**–**	**–**
Reserve from valuation of actuarial gains and losses	-2,228		-2,228	–	–	–	–
Reserve from valuation of HTCS financial assets	3,436		3,436	–	–	–	–
Cash-flow hedge valuation reserve	4,703		4,703	–	–	–	–
Net profit (loss) for the year	**413,122**	**A, B, C**	**–**	**413,122**	**413,122**	**X**	**X**
Net equity for accounting purposes	**1,350,863**		**154,670**	**1,196,193**	**1,086,435**	**89,982**	**–**

(1) Availability refers to:
A – capital increase; B – replenishment of losses; C – distribution to shareholders
(2) Restricted reserve pursuant to Article 6 of Legislative Decree No. 38/2005.
(3) May not be distributed until the legal reserve has reached 1/5th of share capital (Article 2431 of Italian Civil Code).
(4) Draw-downs for capital increases and distributions may be effected exclusively for the portion, if any, exceeding 1/5th of share capital (Article 2430 of the Italian Civil Code).
(5) The reserve can only be used for stock option plans.
(6) This reserve shows the increase in capital ensuing from share-based payments to employees and Directors through assignment of shares of the parent company Assicurazioni Generali S.p.A.
(7) With regard to the realignments carried out in 2021 pursuant to Article 110 of Law Decree No. 104/2021, the implementation of this option had required that a tax restriction be placed on a portion of the reserve from profit (loss) carried forward in an amount corresponding to the higher values subject to realignment, net of the substitute tax. The restriction put in place was subsequently ratified by the General Shareholders' Meeting on 21 April 2022.
(8) With regard to the so-called Windfall Tax for Banks and, on the basis of the provisions introduced upon conversion into law of Italian Legislative Decree No. 104/2023, the Bank opted to allocate the tax to strengthening the Group's capital. With the approval of the proposal for the distribution of the profit for 2023 by the General Shareholders' Meeting convened in April 2024, a 26.6 million euro non-distributable equity reserve fully computable in CET1 was created.
Pursuant to Article 2427, paragraphs 1-22-*septies*, 2024 net profit will be allocated as follows:
- 327,184 thousand euros as dividend distributed to Shareholders;
- 85,938 thousand euros to retained earnings.

Reserves subject to a tax restriction imposed on a portion of the reserve from profit carried forward

Item “Reserve from profit carried forward” includes a portion of earnings subject to a tax restriction pursuant to Article 110, paragraph 8, of Italian Decree Law No. 104/2021, amounting to 31,827 thousand euros.
In 2021, Banca Generali had elected to realign the accounting and tax values of goodwill recognised at 31 December 2021, pursuant to Article 110 of Decree Law No. 104/2021.
However, implementing this option required, on pain of inefficacy, that a tax restriction be placed on a portion of reserves in the Financial Statements at 31 December 2020, in an amount corresponding to the higher values subject to realignment, net of the substitute tax (Article 110, paragraph 8).
The rules governing tax-suspended reserves for revaluation balances apply to the portion of the reserve for profit carried forward subject to this restriction. In particular, in the event of distribution of the reserve, the amounts allocated to shareholders form the taxable income of the Company, which is entitled to a tax credit equal to the 3% substitute tax paid, and that of the shareholders.
Furthermore, as indicated by the Italian Tax Authorities in its response No. 539 of 9 August 2021 and Circular No. 6/E of 1 March 2022, since the option was exercised after the date of approval of the Financial Statements for the year ended 31 December 2020, the application of the restriction was approved, at the proposal of the Bank’s Board of Directors, by the Shareholders’ Meeting on 21 April 2022, when approving the Financial Statements for the year ended 31 December 2021.
The restricted reserve amounted to 31,827 thousand euros, taking into account differences subject to realignment of 32,811 thousand euros and tax due of 984 thousand euros.

Tax-suspended reserve pursuant to Art. 110, para. 8, of Decree Law 104/2021	
Accounting differences subject to realignment	32,811,223
Substitute tax due	-984,337
Restricted portion of reserve for profit carried forward	31,826,886

12.5 Breakdown of equity instruments: year changes

On 23 December 2019, Banca Generali had finalised the issue of an Additional Tier 1 Perpetual bond of 50 million euros that under IAS 32 was considered an equity instrument and met the requirements under regulatory capital rules in force for being recognised as Additional Tier 1 instrument in the Issuer’s financial statements.
The issue had been fully subscribed in private placement by two German insurance companies of Generali Group. The bonds were perpetual and callable, at the issuer’s sole discretion, from the sixth year from issue, and they yielded — subject to authorisation from the competent supervisory authority and under the conditions established in applicable legislation — a non-cumulative half-yearly coupon at a fixed rate of 4.5% per annum for the first five years.
On 8 August 2024, the Bank finalised a new issue of Additional Tier 1 instruments in the aggregate amount of 100 million euros to be fully subscribed by Generali Group companies through a private placement. Following this transaction and after authorisation by the Supervisory Authority, on 22 December 2024 Banca Generali made an early redemption of the similar AT1 financial instruments issued in 2019 amounting to 50 million euros.
The new issue in the form of perpetual bond envisages a non-cumulative half-yearly coupon that has been set at 6.7% per annum, to be subsequently recalculated every five years. In accordance with the applicable law and market practices, the issue is perpetual and the issuer will be entitled to early redemption only starting from the fifth year from the date of issue (8 August 2029), subject to prior authorisation from the Supervisory Authority and satisfaction of the conditions provided for by applicable legislation.

(€ THOUSAND)	31.12.2024	31.12.2023
Amount at year-start	**50,000**	**50,000**
Issue-related increases	100,000	–
Decreases for reimbursements	-50,000	–
Amount at year-end	**100,000**	**50,000**

PART B – INFORMATION ON THE BALANCE SHEET - OTHER INFORMATION

1. Commitments and financial guarantees issued (other than those designated at fair value)

TRANSACTIONS	NOMINAL VALUE OF COMMITMENTS AND FINANCIAL GUARANTEES ISSUED					
	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	31.12.2024	31.12.2023
1. Commitments to disburse funds	**–**	**–**	**–**	**–**	**–**	**100**
a) Central Banks	–	–	–	–	–	–
b) General governments	–	–	–	–	–	–
c) Banks	–	–	–	–	–	–
d) Other financial corporations	–	–	–	–	–	100
e) Non-financial corporations	–	–	–	–	–	–
f) Households	–	–	–	–	–	–
2. Financial guarantees issued	**93,032**	**2,381**	**47**	**23,484**	**118,944**	**117,110**
a) Central Banks	–	–	–	–	–	–
b) General governments	–	–	–	–	–	–
c) Banks	–	–	–	–	–	–
d) Other financial corporations	10,531	22	–	23,484	34,037	34,567
e) Non-financial corporations	28,483	479	47	–	29,009	31,423
f) Households	54,018	1,880	–	–	55,898	51,120
Total	**93,032**	**2,381**	**47**	**23,484**	**118,944**	**117,210**

Commitments to disburse funds include commitments subject to mandatory and optional use towards customers and refer to irrevocable lines of credit already granted.

At 31 December 2024, financial guarantees issued, considered impaired at the acquisition date, referred to some agreements entered into by the Bank to cover possible losses suffered by its customers in relation to the non-repayment, within the contractual terms, of the principal on senior notes in a securitisation transaction for which the Bank had acted as distributor.
A part of these guarantees, amounting to 8,465 thousand euros, came due and was enforced in early 2025.

2. Other commitments and other guarantees issued

	NOMINAL VALUE	
	31.12.2024	31.12.2023
1. Other guarantees issued	**–**	**–**
of which:		
- *non-performing*	–	–
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	–	–
e) Non-financial corporations	–	–
f) Households	–	–
2. Other commitments	**1,127,838**	**1,054,149**
of which:		
– *non-performing*	*421*	*686*
a) Central Banks	–	–
b) General governments	–	–
c) Banks	–	–
d) Other financial corporations	42,289	33,695
e) Non-financial corporations	194,414	161,366
f) Households	891,135	859,088
Total	**1,127,838**	**1,054,149**

3. Assets pledged as collateral for own liabilities and commitments

	31.12.2024				31.12.2023			
PORTFOLIOS	REPURCHASE AGREEMENTS	ECB	CC&G + OTHER	TOTAL	REPURCHASE AGREEMENTS	ECB	CC&G + OTHER	TOTAL
1. Financial assets measured at fair value through profit or loss	–	–	–	–	–	–	–	–
2. Financial assets measured at fair value through other comprehensive income	59,083	–	–	59,083	44,377	–	–	44,377
3. Financial assets measured at amortised cost	994,324	453,650	239,864	1,687,838	1,544,607	211,328	267,358	2,023,293
4. Property and equipment	–	–	–	–	–	–	–	–
of which:								
- *assets constituting inventories*	–	–	–	–	–	–	–	–
Total	**1,053,407**	**453,650**	**239,864**	**1,746,921**	**1,588,984**	**211,328**	**267,358**	**2,067,670**

Financial assets pledged as collateral for own liabilities and commitments refer to repurchase agreement transactions with a repurchase commitment with customers and banks and to collaterals pledged for refinancing transactions with the ECB. This amount also includes financial instruments pledged with Cassa di Compensazione e Garanzia, Eurex, Euroclear and ETD for ordinary operations.

4. Management and trading of financial instruments on behalf of third parties

TYPE OF SERVICE	31.12.2024	31.12.2023
1. Execution of orders on behalf of customers	**37,882,361**	**35,683,455**
a) Purchases	**23,652,042**	**23,837,971**
1. Settled	23,478,109	23,356,890
2. To be settled	173,933	481,081
b) Sales	**14,230,319**	**11,845,484**
1. Settled	14,119,751	11,547,909
2. To be settled	110,568	297,575
2. Individual portfolio management	**16,332,464**	**9,714,965**
3. Custody and administration of securities	**60,482,956**	**62,845,713**
a) Third-party securities held in deposit: related to services provided as depository bank (excluding portfolio management)	-	-
1. Securities issued by the bank that prepares the financial statements	-	-
2. Other	-	-
b) Third-party securities held in deposit (excluding portfolio management): other	**24,615,871**	**26,079,887**
1. Securities issued by the bank that prepares the financial statements	14,665	15,781
2. Other	24,601,206	26,064,106
c) Third-party securities deposited with third parties	24,569,802	26,033,819
d) Own securities deposited with third parties	11,297,283	10,732,007
4. Other transactions	**-**	**-**

Securities under custody and administration are recognised at nominal value.

5. Financial assets offset in the financial statements or falling within the scope of master netting arrangements or similar agreements

TECHNICAL TYPE	GROSS AMOUNT OF FINANCIAL ASSETS (A)	AMOUNT OF FINANCIAL LIABILITIES OFFSET IN THE FINANCIAL STATEMENTS (B)	NET AMOUNT OF FINANCIAL ASSETS RECOGNISED IN THE FINANCIAL STATEMENTS (C = A - B)	CORRELATED AMOUNT NOT OFFSET IN THE FINANCIAL STATEMENTS		NET AMOUNT AT 31.12.2024 (F = C - D - E)	NET AMOUNT AT 31.12.2023
				FINANCIAL INSTRUMENTS (D)	CASH DEPOSITS AS COLLATERAL (E)		
1. Derivatives	2,983	-	2,983	2,004	240	739	-294
2. Repurchase agreements	387,089	-	387,089	364,857	9,379	12,853	42
3. Securities loans	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total at 31.12.2024	**390,072**	**-**	**390,072**	**366,861**	**9,619**	**13,592**	**X**
Total at 31.12.2023	**242,154**	**-**	**242,154**	**238,808**	**3,598**	**X**	**-252**

6. Financial liabilities offset in the financial statements or falling within the scope of master netting arrangements or similar agreements

TECHNICAL TYPE	GROSS AMOUNT OF FINANCIAL LIABILITIES (A)	AMOUNT OF FINANCIAL ASSETS OFFSET IN THE FINANCIAL STATEMENTS (B)	NET AMOUNT OF FINANCIAL LIABILITIES RECOGNISED IN THE FINANCIAL STATEMENTS (C = A - B)	CORRELATED AMOUNT NOT OFFSET IN THE FINANCIAL STATEMENTS		NET AMOUNT AT 31.12.2024 (F = C - D - E)	NET AMOUNT AT 31.12.2023
				FINANCIAL INSTRUMENTS (D)	CASH DEPOSITS AS COLLATERAL (E)		
1. Derivatives	123,317	–	123,317	2,004	120,010	1,303	-4,963
2. Repurchase agreements	1,051,452	–	1,051,452	1,051,452	1,275	-1,275	-1,524
3. Securities loans	–	–	–	–	–	–	–
4. Other	–	–	–	–	–	–	–
Total at 31.12.2024	**1,174,769**	**–**	**1,174,769**	**1,053,456**	**121,285**	**28**	**X**
Total at 31.12.2023	**1,679,925**	**–**	**1,679,925**	**1,565,271**	**121,141**	**X**	**-6,487**

IFRS 7 requires a detailed disclosure on financial instruments that have been offset in the Balance Sheet pursuant to IAS 32 or financial instruments that can be potentially set off, under certain conditions, but have been recognised in the Balance Sheet without any offsetting as they fall within the scope of master netting arrangements or similar agreements that do not meet all the requirements under IAS 32, paragraph 42.

In this regard, it should be noted that Banca Generali has not entered into any netting arrangements that meet the requirements of IAS 32.42 on offsetting in the financial statements.

With reference to financial instruments that can be potentially set off under certain conditions, it should be noted that, as far as repurchase agreements (REPOs) are concerned, Banca Generali currently participates in the MTS S.p.A. Repo market through a Clearing Agreement with Cassa Compensazione e Garanzia (CC&G) concerning the centralised management of transaction clearing.

With reference to financial instruments that can be potentially set off under certain conditions, Banca Generali entered into bilateral netting arrangements that enable offsetting of credit and debt positions related to financial and credit derivatives in case of default of the counterparty, as well as into transactions such as Securities Financing Transactions (SFTs). In detail, ISDA (International Swaps and Derivatives Association) agreements and GMRAs (Global Market Purchase Agreements) are in place.

As regard REPOs with banks, Banca Generali has in place master netting arrangements that enable offsetting of credit and debt positions in case of default of the counterparty and compliant with international standards (Global Master Repurchase Agreement – GMRA). Such transactions are also covered by GMRA-compliant financial guarantee agreements, envisaging the bilateral exchange of collaterals in cash and/or government bonds.

These agreements, in the case of repurchase agreements, mitigate the liquidity risk by offsetting the debt to the counterparty up to the fair value of the collateral.

In the table, repurchase agreements are measured at amortised cost, whereas financial instruments used as collateral are measured at fair value up to the amount of the guaranteed liability.

Banca Generali has entered into International Swap and Derivatives Association (ISDA) master netting arrangements as its main technique for mitigating the credit risk and the related impacts on fair value associated with OTC derivatives contracts with institutional counterparties. These arrangements as well envisage the bilateral exchange of cash collateral. These arrangements reduce the capital they absorb, in accordance with the conditions established in supervisory regulations. The ISDA master netting arrangements entered into with the main institutional counterparties to OTC derivatives have been appropriately reported to the Bank of Italy.

Since September 2022, Banca Generali has been subject to initial margin exchange requirements for OTC derivatives as provided for in Commission Delegated Regulation (EU) No. 2016/2251. To fulfil these obligations, the Bank has entered into specific collateral exchange contracts with active institutional counterparties, identifying Euroclear as the main triparty agent responsible for segregation of collateral assets.

PART C – INFORMATION ON THE PROFIT AND LOSS ACCOUNT

Section 1 – Interests - Items 10 and 20

1.1 Breakdown of interest income and similar revenues

ITEMS/TECHNICAL TYPES	DEBT SECURITIES	FINANCING	OTHER TRANSACTIONS	2024	2023
1. Financial assets measured at fair value through profit or loss:	**175**	**–**	**–**	**175**	**94**
1.1 HFT financial assets	15	–	–	15	1
1.2 Financial assets designated at fair value	–	–	–	–	–
1.3 Other financial assets mandatorily measured at fair value	160	–	–	160	93
2. Financial assets measured at fair value through other comprehensive income	**33,192**	**–**	**X**	**33,192**	**19,519**
3. Financial assets measured at amortised cost	**214,688**	**146,720**	**X**	**361,408**	**371,180**
3.1 Loans to banks	42,922	46,010	X	88,932	64,420
3.2 Loans to customers	171,766	100,710	X	272,476	306,760
4. Hedging derivatives	**X**	**X**	**85,677**	**85,677**	**41,790**
5. Other assets	**X**	**X**	**130**	**130**	**555**
6. Financial liabilities	**X**	**X**	**X**	**–**	**–**
Total	**248,055**	**146,720**	**85,807**	**480,582**	**433,138**
of which:					
- *interest income on impaired financial assets*	–	*283*	–	*283*	*549*

1.2 Interest income and similar revenues: other information

1.2.1 Interest income on financial assets in foreign currencies

	2024	2023
Interest income on financial assets in foreign currencies	2,426	1,903
Total	**2,426**	**1,903**

1.3 Breakdown of interest expense and similar charges

ITEMS/TECHNICAL TYPES	DEBTS	SECURITIES	OTHER TRANSACTIONS	2024	2023
1. Financial liabilities measured at amortised cost	**165,156**	**-**	**-**	**165,156**	**130,265**
1.1 Due to Central Banks	-	X	X	-	-
1.2 Due to banks	9,500	X	X	9,500	18,178
1.3 Due to customers	155,656	X	X	155,656	112,087
1.4 Securities issued	X	-	X	-	-
2. HFT financial liabilities	**-**	**-**	**-**	**-**	**-**
3. Financial liabilities designated at fair value	**-**	**-**	**-**	**-**	**-**
4. Other liabilities and funds	**X**	**X**	**-**	**-**	**-**
5. Hedging derivatives	**X**	**X**	**865**	**865**	**-**
6. Financial assets	**X**	**X**	**X**	**-**	**-**
Total	**165,156**	**-**	**865**	**166,021**	**130,265**
of which:					
- *interest expense relating to lease debts*	*3,214*	-	-	*3,214*	*3,334*

The Item 1.3 “Financial liabilities measured at amortised cost – Due to customers” includes a 3.2 million euro interest accrued on lease payment debts calculated in accordance with the provisions of IFRS 16.

1.4 Interest expense and similar charges: other information

1.4.1 Interest expense on liabilities in foreign currencies

	2024	2023
Interest expense on liabilities in foreign currencies	2,984	2,288
Total	**2,984**	**2,288**

1.5 Hedging differentials

ITEMS	2024	2023
A. Hedging gains	146,777	86,465
B. Hedging losses	61,965	44,675
C. Total (A - B)	**84,812**	**41,790**

Hedging differentials refer almost entirely to interest-rate swaps (IRSs) and inflation IRSs entered into in relation to fair-value hedging transactions for fixed-rate or inflation-linked debt securities and, to a lesser extent, to macro fair value hedges and cash flow hedges.

In detail, the balance of the fair value hedges amounted to 85,727 thousand euros and is attributable, for 84,321 thousand euros, to the hedging of debt securities classified to the portfolio of financial assets measured at amortised cost (40,992 thousand euros in 2023), with the remainder referring to debt securities classified to the portfolio of financial assets measured at fair value through other comprehensive income.

Section 2 – Fees - Items 40 and 50

2.1 Breakdown of fee income

TYPE OF SERVICE/VALUES	2024	2023
a) Financial instruments	**490,478**	**430,762**
1. Placement of securities	**314,215**	**286,576**
1.1 With direct underwriting and/or a firm commitment	–	–
1.2 Without a firm commitment	314,215	286,576
2. Receipt and transmission of orders and execution of orders on customers' behalf	**53,780**	**43,254**
2.1 Receipt and transmission of orders for one or more financial instruments	8,387	7,028
2.2 Execution of orders on customers' behalf	45,393	36,226
3. Other fees related to activities linked to financial instruments	**122,483**	**100,932**
of which:		
- *trading for own account*	–	–
- *individual portfolio management*	*122,483*	*100,932*
b) Corporate finance	–	–
1. Consultancy on mergers and acquisitions	–	–
2. Treasury services	–	–
3. Other fees related to corporate finance services	–	–
c) Investment advisory	**67,016**	**52,629**
d) Offsetting and settlement services	**–**	**–**
e) Custody and administration services	**421**	**418**
1. Depository bank	–	–
2. Other fees related to custody and administration services	421	418
f) Centralised administration services for collective portfolio management	–	–
g) Trust services	–	–
h) Payment services	**9,279**	**8,853**
1. Current accounts	5,264	4,310
2. Credit cards	–	–
3. Debit cards and other payment cards	197	285
4. Bank transfers and other payment services	1,483	1,456
5. Other fees linked to payment services	2,335	2,802
i) Distribution of third-party services	**245,293**	**248,508**
1. Collective portfolio management	1,677	1,353
2. Insurance products	241,285	244,411
3. Other products	2,331	2,744
of which:		
- *individual portfolio management*	*38*	*34*
- *BG Saxo services*	*1,853*	*2,209*
j) Structured finance	**–**	**–**
k) Servicing related to securitisations	**–**	**–**
l) Commitments to disburse funds	**–**	**–**
m) Financial guarantees issued	**778**	**671**
of which:		
- *credit derivatives*	–	–
n) Financing transactions	–	–
of which:		
- *factoring-related services*	–	–
o) Currency trading	–	–
p) Goods	–	–
q) Other fee income	**3,902**	**3,604**
of which:		
- *management of multilateral trading facilities*	–	–
- *management of organised trading facilities*	–	–
Total	**817,167**	**745,445**

Table 2.1 relating to the breakdown of fee income includes revenues arising from financial services falling within the scope of IFRS 15, broken down by type of service rendered. With reference to the provisions of IFRS 15, paragraph 113, fee income may be further divided into the following four categories:

(€ THOUSAND)	2024	2023
Underwriting fees	46,920	39,609
Management fees	632,666	593,554
Performance fees	551	644
Other fees for banking and financial services	137,030	111,638
Total fee income	**817,167**	**745,445**

Underwriting, management and performance fees refer, in particular, to individual (discretionary) and collective (Sicavs promoted by the Banking Group) portfolio management, placement of securities and distribution of third-party services.

Fees for BG Saxo services refer to the offering to the Bank's customers of the trading and order collection services rendered by BG Saxo SIM S.p.A. They were classified under banking products.

	UNDERWRITING FEES	MANAGEMENT FEES	PERFORMANCE FEES	OTHER	2024	2023
Individual portfolio management	-2,163	124,095	551	–	122,483	100,932
Placement of Group's UCITS	7,532	134,087	–	–	141,619	123,244
Placement of UCITS	6,461	133,975	–	–	140,436	131,661
Placement of securities	32,161	–	–	–	32,161	31,672
Distribution of third-party services	2,929	240,509	–	–	243,438	246,298
Other services and banking products	–	–	–	137,030	137,030	111,638
Total fee income	**46,920**	**632,666**	**551**	**137,030**	**817,167**	**745,445**

Underwriting fees refer to the support provided by the Bank's Financial Advisor Network to customers for the purchase of financial products and services and their useful lives end when the products and services concerned are subscribed. In particular, the item includes the distribution and private placement of certificates.

Variable performance fees refer to the individual portfolio management of Banca Generali and to advisory services.

Management fees refer to:

› discretionary management of financial assets on behalf of customers according to the conditions specified in individual mandates, accruing on a quarterly basis;
› collective management of the assets of the Sicavs managed by the Banking Group's management company (Lux IM Sicav, BG Selection Sicav and BG Alternative Sicav) on the basis of the conditions established for each sub-fund in the relevant prospectuses, accruing on a monthly basis;
› the ongoing customer support activity carried out by the Financial Advisor Network with regard to the placement of units of third-party UCITS and the distribution of insurance products.

Fees for other services include revenues on traditional banking services (custody and trading of financial instruments, collection and payment services, current account keeping and management services, etc.) and advisory fees, mostly consisting of recurring fees.

Fee income consist solely of short-term items, normally collected on a monthly or quarterly basis and therefore do not include a component of a financial nature relating to the passage of time.

In reference to IFRS 15, paragraph 116 b), fee income on the placement of securities includes revenues of 86 thousand euros on the recycling to the profit and loss account for the year of liabilities included in the opening balance attributable to contracts (deferred income).

2.2 Fee income: distribution channels of products and services

CHANNELS/VALUES	2024	2023
a) Group branches	**3,371**	**4,328**
1. Portfolio management	–	–
2. Placement of securities	3,371	4,328
3. Third-party products and services	–	–
b) Off-premises offer	**678,620**	**631,688**
1. Portfolio management	122,483	100,932
2. Placement of securities	310,844	282,248
3. Third-party products and services	245,293	248,508
c) Other distribution channels	**–**	**–**
1. Portfolio management	–	–
2. Placement of securities	–	–
3. Third-party products and services	–	–
Total	**681,991**	**636,016**

2.3 Breakdown of fee expense

TYPE OF SERVICE/VALUES	2024	2023
a) Financial instruments	**7,041**	**6,560**
of which:		
- *trading of financial instruments*	*6,348*	*5,634*
- *placement of financial instruments*	*–*	*–*
- *individual portfolio management*	*693*	*926*
Own portfolio	693	926
Third-party portfolio	–	–
b) Offsetting and settlement services	**–**	**–**
c) Custody and administration services	**4,620**	**4,087**
d) Collection and payment services	**3,128**	**3,880**
of which:		
- *credit cards, debit cards and other payment cards*	*497*	*1,038*
e) Servicing related to securitisations	**–**	**–**
f) Commitments to receive funds	**–**	**–**
g) Financial guarantees received	**–**	**–**
of which:		
- *credit derivatives*	*–*	*–*
h) Off-premises offer of financial instruments, products and services	**483,889**	**435,408**
i) Currency trading	**–**	**–**
j) Other fee expense	**10,151**	**7,659**
Total	**508,829**	**457,594**

Fee expense for off-premises offer includes the costs incurred to obtain or fulfil contracts with customers of 93,014 thousand euros, of which 69,536 thousand euros relating to previous years.

Section 3 – Dividends and similar income - Item 70

3.1 Breakdown of dividends and similar income

	2024		2023	
ITEMS/INCOME	DIVIDENDS	SIMILAR INCOME	DIVIDENDS	SIMILAR INCOME
A. HFT financial assets	–	–	–	–
B. Other financial assets mandatorily measured at fair value	79	–	72	–
C. Financial assets measured at fair value through other comprehensive income	1,230	–	1,143	–
D. Equity investments	256,460	–	148,220	–
Total	**257,769**	**–**	**149,435**	**–**

Section 4 – Net income (loss) from trading activities - Item 80

4.1 Breakdown of net income (loss) from trading activities

TRANSACTIONS/INCOME COMPONENTS	CAPITAL GAINS	INCOME FROM TRADING	CAPITAL LOSSES	LOSSES FROM TRADING	NET RESULT 2024
1. HFT financial assets	**–**	**1,161**	**–**	**1,012**	**149**
1.1 Debt securities	–	1,083	–	958	125
1.2 Equity securities	–	74	–	37	37
1.3 UCITS units	–	4	–	17	-13
1.4 Loans	–	–	–	–	–
1.5 Other	–	–	–	–	–
2. HFT financial liabilities	**–**	**–**	**–**	**–**	**–**
2.1 Debt securities	–	–	–	–	–
2.2 Debts	–	–	–	–	–
2.3 Other	–	–	–	–	–
3. Financial assets and liabilities: exchange differences	**X**	**X**	**X**	**X**	**7,997**
4. Derivatives	**–**	**4**	**–**	**19**	**-10**
4.1 Financial	**–**	**4**	**–**	**19**	**-10**
– on debt securities and interest rates	–	–	–	–	–
– *interest rate swaps*	–	–	–	–	–
– *government bond forwards*	–	–	–	–	–
– on equity securities and stock indexes	–	4	–	19	-15
– *options*	–	–	–	–	–
– *futures*	–	*4*	–	*19*	*-15*
– on currency and gold [(1)]	X	X	X	X	5
– other	–	–	–	–	–
4.2 Credit	**–**	**–**	**–**	**–**	**–**
of which:					
- *natural hedging related to the fair value option*	*X*	*X*	*X*	*X*	–
Total	**–**	**1,165**	**–**	**1,031**	**8,136**

(1) It includes currency options and currency outrights.

Section 5 – Net income (loss) from hedging - Item 90

5.1 Breakdown of net income (loss) from hedging

INCOME COMPONENTS/VALUES	2024	2023
A. Income from:		
A.1 Fair value hedge derivatives	20,296	102,671
A.2 Hedged financial assets (fair value)	58,743	103,911
A.3 Hedged financial liabilities (fair value)	–	–
A.4 Cash flow hedge derivatives	58	–
A.5 Assets and liabilities denominated in foreign currencies	–	–
Total income from hedging (A)	**79,097**	**206,582**
B. Charges from:		
B.1 Fair value hedge derivatives	59,185	105,306
B.2 Hedged financial assets (fair value)	17,956	100,093
B.3 Hedged financial liabilities (fair value)	2,142	–
B.4 Cash flow hedge derivatives	6	–
B.5 Assets and liabilities denominated in foreign currencies	–	–
Total charges from hedging (B)	**79,289**	**205,399**
C. Net income (loss) from hedging (A – B)	**-192**	**1,183**
of which:		
- *result of hedging of net positions*	–	–

Section 6 – Gains (losses) on disposal/repurchase - Item 100

6.1 Breakdown of gains (losses) on disposal/repurchase

	2024			2023		
ITEMS/INCOME COMPONENTS	GAINS	LOSSES	NET RESULT	GAINS	LOSSES	NET RESULT
A. Financial assets						
1. Financial assets measured at amortised cost	**17,405**	**8,441**	**8,964**	**8,916**	**3,592**	**5,324**
1.1 Loans to banks	2,846	148	2,698	1,222	1,281	-59
1.2 Loans to customers	14,559	8,293	6,266	7,694	2,311	5,383
2. Financial assets measured at fair value through other comprehensive income	**4,932**	**4,086**	**846**	**6,462**	**6,243**	**219**
2.1 Debt securities	4,932	4,086	846	6,462	6,243	219
2.2 Loans	–	–	–	–	–	–
Total assets	**22,337**	**12,527**	**9,810**	**15,378**	**9,835**	**5,543**
B. Financial liabilities measured at amortised cost						
1. Due to banks	–	–	–	–	–	–
2. Due to customers	–	–	–	–	–	–
3. Securities issued	–	–	–	–	–	–
Total liabilities	**–**	**–**	**–**	**–**	**–**	**–**

Equity reserves transferred back to the profit and loss account due to the disposal of pre-existing equity reserves of the HTCS portfolio are illustrated in the following table.

	POSITIVE	NEGATIVE	NET
Debt securities	105	-4,015	-3,910
Total	**105**	**-4,015**	**-3,910**

Section 7 – Net gains (losses) of other financial assets and liabilities measured at fair value through profit and loss - Item 110

7.2 Net change of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

TRANSACTIONS/INCOME COMPONENTS	CAPITAL GAINS	GAINS ON DISPOSAL	CAPITAL LOSSES	LOSSES ON DISPOSAL	NET RESULT
1. Financial assets	**3,300**	**5**	**278**	**678**	**2,349**
1.1 Debt securities	–	–	–	–	–
1.2 Equity securities	504	–	33	678	-207
1.3 UCITS units	2,295	–	146	–	2,149
1.4 Loans	501	5	99	–	407
2. Financial assets in foreign currencies: exchange differences	X	X	X	X	**110**
Total	**3,300**	**5**	**278**	**678**	**2,459**

Section 8 – Net adjustments/reversals for credit risk - Item 130

8.1 Breakdown of net adjustments for credit risk relating to financial assets measured at amortised cost

	ADJUSTMENTS						REVERSALS					
			STAGE 3		PURCHASED OR ORIGINATED CREDIT-IMPAIRED							
TRANSACTIONS/INCOME COMPONENTS	STAGE 1	STAGE 2	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	2024	2023
A. Loans to banks	**125**	**–**	**–**	**–**	**–**	**–**	**232**	**108**	**–**	**–**	**215**	**1,086**
Loans	125	–	–	–	–	–	–	108	–	–	-17	57
Debt securities	–	–	–	–	–	–	232	–	–	–	232	1,029
B. Loans to customers	**72**	**1**	**97**	**2,289**	**–**	**–**	**2,045**	**494**	**1,735**	**–**	**1,815**	**-1,779**
Loans	–	–	97	2,289	–	–	2,045	494	1,735	–	1,888	-2,841
Debt securities	72	1	–	–	–	–	–	–	–	–	-73	1,062
Total	**197**	**1**	**97**	**2,289**	**–**	**–**	**2,277**	**602**	**1,735**	**–**	**2,030**	**-693**

Specific adjustments to loans to customers classified under “Stage 3” amounted to 2,289 thousand euros and included 1,573 thousand euros for positions past-due by more than 90 days, 234 thousand euros for unlikely-to-pay positions, and, for the remainder, other operating loans and loans to the Financial Advisor Network.

These write-downs were partially offset through reversals relating to positions past-due at the end of the previous year (735 thousand euros) and reclassified out of the non-performing category, to bad loans (160 thousand euros) and to unlikely-to-pay exposures (695 thousand euros).

8.1a Breakdown of net adjustments for credit risk relating to loans measured at amortised cost subject to Covid-19 support measures

TRANSACTIONS/INCOME COMPONENTS	NET ADJUSTMENTS							
			STAGE 3		PURCHASED OR ORIGINATED CREDIT-IMPAIRED			
	STAGE 1	STAGE 2	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	2024	2023
4. Newly issued loans	6	–	–	-571	–	–	-565	-297
Total at 31.12.2024	**6**	**–**	**–**	**-571**	**–**	**–**	**-565**	**X**
Total at 31.12.2023	**-12**	**-9**	**–**	**-276**	**–**	**–**	**X**	**-297**

8.2 Breakdown of net adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income

TRANSACTIONS/INCOME COMPONENTS	ADJUSTMENTS						REVERSALS					
			STAGE 3		PURCHASED OR ORIGINATED CREDIT-IMPAIRED							
	STAGE 1	STAGE 2	WRITE-OFFS	OTHER	WRITE-OFFS	OTHER	STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	2024	2023
A. Debt securities	193	–	–	–	–	–	–	–	–	–	-193	164
B. Loans	–	–	–	–	–	–	–	–	–	–	–	–
- to customers	–	–	–	–	–	–	–	–	–	–	–	–
- to banks	–	–	–	–	–	–	–	–	–	–	–	–
Total	**193**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-193**	**164**

Section 10 – General and administrative expenses - Item 160

Breakdown of general and administrative expenses

		2024	2023
160 a)	Staff expenses	114,807	105,835
160 b)	Other general and administrative expenses	251,033	232,355
Total		**365,840**	**338,190**

10.1 Breakdown of staff expenses

TYPE OF EXPENSE/VALUES	2024	2023
1) Employees	114,073	105,324
a) Wages and salaries	60,544	56,347
b) Social security charges	16,008	14,964
c) Termination indemnity	866	800
d) Retirement benefit plans	–	–
e) Provision for termination indemnity	120	135
f) Provision for pensions and similar obligations:	–	–
- defined contribution	–	–
- defined benefit	–	–
g) Amounts paid to supplementary external pension funds:	6,693	6,096
- defined contribution	6,693	6,096
- defined benefit	–	–
h) Costs related to payment agreements based on own equity instruments	5,339	3,851
i) Other employee benefits	24,503	23,131
2) Other staff	**351**	**342**
3) Directors and Auditors	**1,678**	**1,250**
4) Retired personnel	**139**	**101**
5) Recovery of expenses for staff seconded to other companies	**-1,434**	**-1,208**
6) Repayments of expenses for staff seconded to the Company	**–**	**26**
Total	**114,807**	**105,835**

10.2 Average number of employees by category (*)

	2024	2023
Employees	**967**	**969**
a) Managers	65	63
b) Executives	349	338
c) Employees at other levels	553	568
Other personnel	**-8**	**-8**
Total	**959**	**961**

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

Breakdown of personnel

	2024	2023
Employees	**1,015**	**985**
a) Managers	65	65
b) Executives	364	341
of whom:		
– *3rd and 4th level*	165	156
– *1st and 2nd level*	199	185
c) Employees at other levels	586	579
Other personnel	**-7**	**-8**
Contract and temporary workers	3	2
Staff seconded to other companies	-10	-10
Total	**1,008**	**977**

10.4 Other employee benefits

	2024	2023
Short-term productivity bonuses	**15,001**	**15,411**
Long-term benefits	**1,053**	**462**
Charges for Relationship Manager recruitment plans	282	5
Charges for deferred variable remuneration (managers' MBO)	763	433
Charges for post-employment medical care plans	8	24
Other benefits	**8,449**	**7,258**
Charges for staff supplementary pensions	4,781	4,491
Amounts replacing cafeteria indemnities	1,089	942
Training expenses	1,146	1,349
Contributions to employees	228	159
Transfer incentives and other indemnities	1,184	302
Other expenses	21	15
Total	**24,503**	**23,131**

Short-term productivity bonuses include the portion of non-deferred variable remuneration payable in cash (MBO) for office and sales managers and portfolio managers, the performance bonus envisaged in company supplementary contracts and allocations in service of the plan for 2024 measures.

10.5 Breakdown of other general and administrative expenses

	2024	2023
Administration	**23,000**	**22,851**
Advertising	2,889	3,063
Audit fees	13,110	13,062
Auditing firms	611	599
Insurance	4,507	4,292
Entertainment expenses	458	463
Membership contributions	1,214	1,231
Charity	211	141
Operations	**30,541**	**29,061**
Rent and usage of premises and management of property	5,408	5,366
Outsourced administrative services	8,064	7,188
Post and telephone	2,591	2,231
Print material	1,190	1,214
Other expenses for sales network management	5,913	5,983
Other expenses and purchases	5,182	5,004
Other indirect staff expenses	2,193	2,075
Information system and equipment	**63,979**	**60,774**
Expenses related to outsourced IT services	41,108	39,894
Fees for IT services and databases	11,712	10,761
Software maintenance and servicing	9,691	8,566
Fees for equipment hired and software used	380	351
Other maintenance	1,088	1,202
Indirect taxation	**120,921**	**103,541**
Stamp duty on financial instruments	120,021	102,647
Substitute tax on medium/long-term financing	235	325
Other indirect taxes to be paid by the Bank	665	569
Contributions and charges related to the banking and insurance system	**12,592**	**16,128**
Total	**251,033**	**232,355**

The administrative expenses aggregate includes the costs of short-term leases (less than 12 months), consisting primarily of lease payments for parking spaces and low-value leases (less than 5 thousand euros), consisting of lease payments for photocopiers and faxes, for which the Bank has availed itself of the option not to apply the accounting treatment provided for in IFRS 16, as detailed below.
There are no costs for variable payments other than those included in the measurement of lease liabilities.

	2024	2023
Lease costs < 5,000 euros	380	351
Lease costs < 12 months	103	141

The aggregate also includes other costs arising from lease transactions, but attributable to contractual components other than lease payments and not relevant to the valuation of lease liabilities, such as fees for additional services and non-deductible VAT, which amounted to 4,184 thousand euros.

Section 11 – Net provisions for liabilities and contingencies - Item 170

11.1 Breakdown of net provisions for credit risk relating to commitments to disburse funds and financial guarantees issued

	2024			2023		
	PROVISIONS	SURPLUS	NET	PROVISIONS	SURPLUS	NET
Provisions for commitments and financial guarantees issued	11,739	-134	**11,605**	9,539	–	**9,539**
Total	**11,739**	**-134**	**11,605**	**9,539**	**–**	**9,539**

11.3 Breakdown of net provisions to other provisions for liabilities and contingencies

	2024			2023		
	PROVISIONS	SURPLUS	NET	PROVISIONS	SURPLUS	NET
Provisions for staff expenses	**12,306**	**-1,102**	**11,204**	**3,585**	**-1,026**	**2,559**
Provision for restructuring plan	8,800	–	8,800	1,500	–	1,500
Provision for staff expenses – Other [(1)]	3,506	-1,102	2,404	2,085	-1,026	1,059
Provisions for legal disputes	**7,432**	**-1,321**	**6,111**	**6,226**	**-1,582**	**4,644**
Provision for risks related to legal disputes connected with the Financial Advisor Network's embezzlements	2,588	-655	1,933	281	-1,008	-727
Provision for risks related to legal disputes with the Financial Advisor Network	167	-119	48	441	-212	229
Provision for legal disputes – other parties	4,677	-547	4,130	5,504	-362	5,142
Provisions for termination indemnity of Financial Advisors	**33,688**	**-2,671**	**31,017**	**21,273**	**-1,580**	**19,693**
Provision for risks related to termination indemnity of the Financial Advisor Network	20,228	-2,121	18,107	11,568	-1,272	10,296
Provision for management incentive indemnity	2,640	-173	2,467	2,956	-174	2,782
Provision for portfolio overfee indemnities	1,117	-163	954	245	-102	143
Provision for pension bonuses	797	-214	583	461	-32	429
Provision for Framework Loyalty Programme	224	–	224	1,055	–	1,055
Provision for three-year incentive fees	8,682	–	8,682	4,988	–	4,988
Provisions for Financial Advisor Network incentives	**17,642**	**-1,927**	**15,715**	**17,223**	**-2,331**	**14,892**
Provision for Financial Advisor Network development plans	11,908	-1,552	10,356	11,652	-2,246	9,406
Provision for deferred bonus	5	–	5	4	–	4
Provision for incentive travels	5,300	-373	4,927	5,300	–	5,300
Provision for fee plans	429	-2	427	267	-85	182
Provision for tax and contributions disputes	**35**	**–**	**35**	**239**	**-1,384**	**-1,145**
Other provisions for liabilities and contingencies	**45,857**	**–**	**45,857**	**15,388**	**-835**	**14,553**
Total	**116,960**	**-7,021**	**109,939**	**63,934**	**-8,738**	**55,196**

(1) Provisions for staff expenses do not include the items that are classified as "Staff expenses – Other benefits" in accordance with IAS 19.

Section 12 – Net adjustments/reversals of property and equipment - Item 180

12.1 Breakdown of net adjustments of property and equipment

ASSETS/INCOME COMPONENTS	DEPRECIATION (A)	ADJUSTMENTS FOR IMPAIRMENT (B)	REVERSALS (C)	NET RESULT 2024 (A + B - C)
A. Property and equipment	**22,418**	**–**	**–**	**22,418**
1. Operating:	**22,418**	**–**	**–**	**22,418**
- owned	1,633	–	–	1,633
- rights of use acquired through leases	20,785	–	–	20,785
2. Held as investments	**–**	**–**	**–**	**–**
- owned	–	–	–	–
- rights of use acquired through leases	–	–	–	–
3. Inventories	**X**	**–**	**–**	**–**
Total	**22,418**	**–**	**–**	**22,418**

Section 13 – Net adjustments/reversals of intangible assets - Item 190

13.1 Breakdown of net adjustments of intangible assets

ASSETS/INCOME COMPONENTS	AMORTISATION (A)	ADJUSTMENTS FOR IMPAIRMENT (B)	REVERSALS (C)	NET RESULT 2024 (A + B - C)
A. Intangible assets	**15,974**	**–**	**–**	**15,974**
of which:				
– *software*	*14,265*	–	–	*14,265*
A.1 Owned	15,974	–	–	15,974
– generated in-house	–	–	–	–
– other	15,974	–	–	15,974
A.2 Rights of use acquired through leases	–	–	–	–
Total	**15,974**	**–**	**–**	**15,974**

Breakdown of adjustments of intangible fixed assets – amortisation

	2024
Charges associated with the implementation of legacy CSE procedures	14,259
Client relationships	1,709
Other intangible fixed assets	6
Total	**15,974**

Section 14 – Other operating income and expenses - Item 200

14.1 Breakdown of other operating expenses

	2024	2023
Adjustments of leasehold improvements	3,197	3,007
Write-downs of other assets	162	–
Indemnities and compensation for litigation and claims	492	659
Charges from accounting adjustments with customers	1,978	2,509
Charges for card compensation and guarantees	–	1
Costs associated with tax disputes, penalties and fines	52	119
Other contingent liabilities and non-existent assets	1,648	930
Total	**7,529**	**7,225**

14.2 Breakdown of other operating income

	2024	2023
Recovery of taxes from customers	118,905	101,597
Recovery of expenses from customers	502	554
Fees for outsourced services	432	266
Charge-back of portfolio overfee indemnity to incoming Financial Advisors	5,348	5,024
Indemnities for Financial Advisors' termination without notice	1,212	710
Other recoveries of fees and costs from Financial Advisors	4,725	3,755
Contingent assets related to staff expenses	515	2,142
Contributions to provision for employment in the banking sector (FOC) and the fund for staff training (FBA)	492	343
Other contingent assets and non-existent liabilities	6,555	2,883
Insurance compensation and indemnities	716	555
Tax credits (film partnership, sanitisation and PPE, investments in new capital goods)	32	296
Other income	1,811	314
Total	**141,245**	**118,439**
Total other net income	**133,716**	**111,214**

Section 15 – Gains (losses) from equity investments - Item 220

15.1 Breakdown of gains (losses) from equity investments

INCOME COMPONENTS/VALUES	2024	2023
A. Gains	**–**	**80**
1. Revaluations	–	–
2. Gains on disposal	–	80
3. Reversals	–	–
4. Other gains	–	–
B. Charges	**171**	**15,282**
1. Write-downs	130	15,282
2. Adjustments to non-performing loans	–	–
3. Losses on disposal	41	–
4. Other charges	–	–
Net result	**-171**	**-15,202**

Section 18 – Gains (losses) on disposal of investments - Item 250

18.1 Breakdown of gains (losses) on disposal of investments

INCOME COMPONENTS/SECTORS	2024	2023
A. Buildings	–	–
- Gains on disposal	–	–
- Losses on disposal	–	–
B. Other assets	–	-83
- Gains on disposal	–	–
- Losses on disposal	–	-83
Net result	**–**	**-83**

Section 19 – Income taxes for the year from operating activities - Item 270

19.1 Breakdown of income taxes for the year from operating activities

INCOME COMPONENTS/VALUES		2024	2023
1.	Current taxation (-)	-111,734	-99,370
2.	Change in prior years' current taxes (+/-)	1,230	1,269
3.	Reduction of current taxes for the year (+)	–	–
3.*bis*	Reduction of current taxes for the year arising on tax credits, pursuant to Law No. 214/2011 (+)	–	–
4.	Changes of prepaid taxation (+/-)	15,057	2,966
5.	Changes of deferred taxation (+/-)	-1,918	-840
6.	**Taxes for the year (-)**	**-97,365**	**-95,975**

19.2 Reconciliation between theoretical and actual tax expense

The following table reconciles the total amount of taxes due for 2024, including both current and deferred taxes, as indicated in Item 270 of the Profit and Loss Account, and the theoretical corporate income tax IRES calculated by applying the 27.5% current applicable tax rate to profit before taxation.

It should be noted that the effects of the reduction of the IRES tax rate from 27.50% to 24% introduced by the 2016 Stability Law with effect from 1 January 2017 for tax periods after that in progress at 31 December 2016 were neutralised for the Bank as a result of the introduction by that same Law of a surtax of 3.5 percentage points on credit and financial institutions in respect of the same tax periods.

The reconciliation statement is therefore expressed based on higher or lower current and deferred taxes debited or credited to the Profit and Loss Account compared to the theoretical taxation.

	2024	2023
Current taxation	**-111,734**	**-99,370**
IRES	-87,092	-78,637
IRAP	-24,642	-20,733
Prepaid and deferred taxation	**13,139**	**2,126**
IRES	11,634	1,582
IRAP	1,505	544
Prior years' taxes	**1,230**	**1,269**
Prior years' income taxes	1,230	1,269
Income taxes	**-97,365**	**-95,975**
Theoretical tax rate	**27.5%**	**27.5%**
Profit (loss) before taxation	**510,487**	**410,852**
Theoretical taxation	**-140,384**	**-112,984**
Non-taxable income (+)		
Dividends	67,342	39,040
ACE	–	1,491
Capital gains on equity securities and equity investments	172	97
Other decreases (tax credits, PEX revaluation)	1,068	290
Non-deductible charges (-)		
Capital losses on equity securities and equity investments	-336	-4,203
Other non-deductible costs	-2,798	-1,271
Other taxes (+/-)		
IRAP	-23,137	-20,189
Prior years' taxes	1,230	1,269
Other (foreign) taxes	–	-2
Change in deferred taxes without offsetting entry	-522	487
Actual tax expense	**-97,365**	**-95,975**
Total actual tax rate	**19.1%**	**23.4%**
Actual tax rate (IRES only)	**14.8%**	**18.8%**
Actual tax rate (IRAP only)	**4.5%**	**4.9%**

The Bank's total tax rate was 19.1%, slightly down compared to the same figure for 2023 (23.4%), mainly as a result of the higher ratio to result of dividends subject to lower taxation.

Section 22 – Earnings per share

22.1 Average number of ordinary shares with diluted capital

	2024	2023
Net profit for the year (€ thousand)	413,122	314,877
Earnings attributable to ordinary shares (€ thousand)	413,122	314,877
Average number of outstanding shares (thousand)	114,008	114,081
EPS - Earnings per share (euros)	**3.62**	**2.76**
Average number of outstanding shares with diluted capital (thousand)	114,008	114,081
EPS – Diluted earnings per share (euros)	**3.62**	**2.76**

PART D – STATEMENT OF COMPREHENSIVE INCOME

Analytical Statement of Comprehensive Income

ITEMS		2024	2023
10.	**Net profit (loss) for the year**	**413,122**	**314,877**
	Other income, without transfer to Profit and Loss Account	**-128**	**369**
20.	**Equity securities designated at fair value through other comprehensive income:**	**-109**	**565**
	a) fair value changes	-109	565
	b) transfers to other net equity components	–	–
30.	**Financial liabilities designated at fair value through profit or loss (change in own creditworthiness):**	**–**	**–**
	a) fair value changes	–	–
	b) transfers to other net equity components	–	–
40.	**Equity security hedges designated at fair value through other comprehensive income:**	**–**	**–**
	a) fair value changes (hedged instrument)	–	–
	b) fair value changes (hedging instrument)	–	–
50.	**Property and equipment**	**–**	**–**
60.	**Intangible assets**	**–**	**–**
70.	**Defined benefit plans**	**-36**	**-224**
80.	**Non-current assets available for sale and disposal groups**	**–**	**–**
90.	**Share of valuation reserves of equity investments valued at equity**	**–**	**–**
100.	**Income taxes on other income, without transfer to Profit and Loss Account**	**17**	**28**
	Other income, with transfer to Profit and Loss Account	**10,360**	**7,931**
110.	**Hedges of net investment on a foreign operation:**	**–**	**–**
	a) fair value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–
120.	**Exchange differences:**	**–**	**–**
	a) value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–
130.	**Cash-flow hedges:**	**6,931**	**–**
	a) fair value changes	6,931	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–
	of which:		
	- *result of net positions*	–	–
140.	**Hedging instruments (non-designated items):**	**–**	**–**
	a) value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–
150.	**Financial assets (other than equity securities) measured at fair value through other comprehensive income:**	**8,338**	**11,689**
	a) fair value changes	4,374	8,930
	b) transfer to Profit and Loss Account	3,964	2,759
	- adjustments due to credit risk	54	-364
	- gains (losses) on disposal	3,910	3,123
	c) other changes	–	–
160.	**Non-current assets available for sale and disposal groups:**	**–**	**–**
	a) fair value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	c) other changes	–	–
170.	**Share of valuation reserves of equity investments valued at equity:**	**–**	**–**
	a) fair value changes	–	–
	b) transfer to Profit and Loss Account	–	–
	- adjustments due to impairment	–	–
	- gains (losses) on disposal	–	–
	c) other changes	–	–
180.	**Income taxes on other income, with transfer to Profit and Loss Account**	**-4,909**	**-3,758**
190.	**Total other income components**	**10,232**	**8,300**
200.	**Comprehensive income (Item 10 + 190)**	**423,354**	**323,177**

PART E – INFORMATION ON RISKS AND RISK HEDGING POLICIES

Foreword

The development of a genuine risk culture within Banca Generali is based upon an understanding of the risks that the Bank assumes and how they are managed, while always taking full account of the risk tolerance threshold defined in the Bank's Risk Appetite Framework (RAF).
In this context, the internal control system plays a key role in the risk management process, as well as in the Bank's corporate governance generally.

The internal control system is a set of organisational rules, procedures and structures aimed at ensuring compliance with company strategies, while also seeking to achieve:
- the efficiency and effectiveness of work processes;
- the maintenance of asset value and protection against losses;
- the reliability and integrity of accounting and operating information;
- operational compliance with the law and supervisory regulations;
- policies, plans, regulations and internal procedures; and
- the dissemination of a culture of control involving training initiatives for the various levels.

Banca Generali has designed an internal control model consistent with best practices at the national and international levels and structured on three different organisational levels:
- first-line controls: they are performed by production or back-office company areas and organisational units, with the support of information technology procedures, where envisaged, and take the form of hierarchical or line checks;
- second-line controls: they aim at preventing and mitigating risks of different nature through prior risk assessment of products and business practices, and the development of ex-ante support to operating activities. The aforementioned checks are performed by the following functions:
  - Risk Management Department: it is tasked with identifying, measuring/evaluating and monitoring all types of risks to which the Banking Group is exposed in terms of its own assets (excluding the risks of non-compliance, money laundering and financing of terrorism), providing relevant information and thereby contributing to the definition and implementation of the Risk Appetite Framework, as well as all related risk management policies. The Department acts with a view to maintaining risk levels within the limits and tolerance thresholds indicated in the risk profile and strategies established by the Board of Directors in the Risk Appetite Framework. It assures that risks are fully and transversally analysed, and to this end it applies a strategic, consistent and prospective approach and duly provides periodic reports;
  - Compliance Service: it is tasked with verifying the observance of obligations relating to the provision of services for the Banking Group companies and with preventing and managing the risk of non-compliance with applicable legislation;
  - Anti-Financial Crime Service: it is responsible, within the Banking Group, for preventing and combating transactions involving money laundering and financing of terrorism;
- third-line controls: they are conducted by the Internal Audit Department and are aimed at an independent verification of the operating efficacy and quality of control systems and the verification of any conduct departing from the established rules.

The proper functioning of the risk governance system adopted by Banca Generali is ensured by consistency from the standpoint of organisational structure, competencies and a guarantee of the independence of functions.

Within the internal control system, it is possible to identify the second line as the home to an internal risk management culture that then effectively translates into company behaviour and choices.

The following entities operate within the Internal Control System, in addition to the tasks assigned to the Board of Directors, the Control Body and the independent auditors (which are responsible for accounting control):
- the Internal Audit and Risk Committee, which was set up pursuant to the Corporate Governance Code for Listed Companies and supervisory provisions, and is tasked with performing a supporting role, with investigative, propositional and advisory duties in relation to the Board of Directors and the Board of Statutory Auditors, in particular on matters of internal control and risk management, related parties and connected parties, statutory auditing and equity investments. The tasks and functions of the Committee, as well as the frequency of its meetings and the operating procedures to be followed to ensure that its duties are efficiently and effectively performed, shall be regulated pursuant to specific Internal Audit and Risk Committee Rules;
- the Risk Committee, which is charged with ensuring coordinated coverage of the system for managing and controlling the risks assumed by the Group in compliance with the Risk Appetite Framework; it is vested with specific responsibility for monitoring the Group's risks, such as the management of risk mitigation measures, as well as decision-making powers for identifying and implementing said measures;
- the Supervisory Board, which is the corporate body in charge of updating the Organisational and Management Model and monitoring the implementation of and compliance with the said Model;
- the Law 262 Organisational Unit, which acts as a point of reference, orienting and coordinating the management of all the Banking Group's administrative and accounting risks, for the intents and purposes of Italian Law No. 262/2005.

Section 1 – Credit risk

Qualitative Information

1. General aspects

Credit risk refers to the possibility that a counterparty will become insolvent or a borrower will be unable to meet its obligations or unable to meet them on time. More specifically, credit risk is the possibility that an unexpected change in the creditworthiness of a counterparty, to which an exposure exists, may generate a corresponding unexpected change in the market value of the associated exposure.

As part of its credit risk management process, the Group has established a formal Credit Risk Management Policy and Financial Portfolio Risk Management Policy, which lay down the general principles and the roles of corporate bodies and functions involved in managing risks associated with loans granted to customers and institutional counterparties and deriving from investment in financial instruments. The Policies also include the Group's credit risk management guidelines in accordance with its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

In accordance with Banca Generali Group's business model, this type of risk chiefly arises from liquidity invested in money markets (interbank deposits), financial instruments (mainly government bonds) held in portfolios measured at amortised cost or in FVOCI and loans to customers (uncommitted and/or fixed-term credit). With regard to the latter, in line with the provisions of the Risk Appetite Framework and in accordance with the Business Model and the lending policies adopted, credit activity is an ancillary means of achieving the priority objectives in the private banking sector. In this context, the Bank prefers a customer target with a strong capital position, mainly focused on natural persons. In fact, there is a clear prevalence of exposures to the private segment (made up primarily of retail customers and customers subject to special agreements), compared to the corporate segment.

With regard to the composition of Banca Generali's portfolio, the portion classified as HTC consists primarily of debt security exposures towards governments and, to a lesser extent, lines of uncommitted and/or fixed-term credit to retail and corporate clients.

With regard to institutional borrowers, credit risk management is based on the allocation of appropriate credit lines, which are monitored by the Risk Management Department and established with the objective of maintaining a portfolio's risk profile that is consistent with the strategies and risk appetite approved by the Board of Directors.
Operational limits on the amounts of credit lines granted to institutional counterparties are governed by Group policies, which set out the maximum credit that may be extended to a counterparty based on its rating class. The overall consistency of ECAI ratings with internal credit assessments is verified by the Risk Management Department at least annually.
The review of the credit lines is performed at least once a year involves updating existing credit lines for counterparties that are already borrowing from the Bank or examining new credit line proposals with a view to diversifying the proprietary portfolio and developing new business linked to market opportunities.

The credit risk associated with business with customers is primarily managed by monitoring the performance of the overall portfolio and individual positions and by setting operating and process limits defined in the Risk Appetite Framework. More specifically:

- loans to customers: the portfolio in question consists primarily in debt securities measured at amortised cost and loans to private customers, in the form of Lombard loans, uncommitted current accounts, fixed-term loans and mortgage loans (in the latter case, for customers subject unto special agreements). Overall, the weight of non-performing exposures on the portfolio remained low when compared to the banking system;
- non-performing loans: the portfolio of NPLs to customers, which includes lines of non-performing uncommitted and/or fixed-term credit, is mostly secured by pledges of securities and bank and government guarantees and has a good level of provisions in the residual cases in which the collateral is insufficient;
- performing loans: the portfolio of uncommitted and/or fixed-term loans to customers is approximately 81% composed of exposures to natural persons, whereas the remainder is composed of exposures to companies. Credit is primarily provided in the form of uncommitted facilities and Lombard loans, which together account for around 72% of the used exposure. In accordance with the Bank's lending policies and risk appetite, credit is mostly secured by pledges of highly liquid financial instruments and products.

The Credit Department and the Finance Department carry out first-line control activities. The Finance Department is responsible for lending to institutional counterparties (loans to banks) and investment in financial instruments considered in determining the Group's overall credit exposure.
The second-line control activities are the responsibility of the Risk Management Department, which ensures the consistency of the processes, strategies and Risk Appetite Framework (RAF), yearly approved by the Bank's Board of Directors. In the specific case of portfolios of loans to private and corporate investors, the Risk Management Department is tasked with assessing, moni-

toring and managing credit risk through monitoring of the performance of the overall portfolio, the control of the rules set forth by the Risk Appetite Framework, the drawing up of a prompt and adequate internal report to be submitted to the Bank and its corporate bodies.
Moreover, particular importance is placed on managing the credit risk associated with institutional borrowers. These borrowers are allocated appropriate credit lines, which are monitored by the Risk Management Department and established with the objective of always maintaining a level of risk of the portfolio that is consistent with the strategies and the Risk Appetite Framework.

Third-line controls are conducted by the Internal Audit Service, in accordance with the Internal Rules.

The Risk Committee is a collegial body responsible for a shared vision of the global performance of the credit risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

Loans subject to Covid measures

In response to the pandemic emergency that broke out in 2020, the Bank took various initiatives in support of the real economy, to inject liquidity in Italy's businesses, participating in the initiatives launched by the Government in March and April 2020 ("Cure Italy Decree" and "Liquidity Decree"). These initiatives included the issue of loans guaranteed by the Mediocredito Centrale SME Guarantee Fund to obtain the guarantees provided for in the Liquidity Decree for loans to Italian companies according to the definition provided in the Decree (companies with fewer than 500 employees, including microenterprises and independent contractors, artisans and self-employment professionals).
To date, this exposure is being reduced by repayment in the case of performing positions, and under recovery as regards NPLs, given that the disbursement of these credit lines ended in 2021.

2. Credit risk management policies

2.1 Organisational aspects

The Bank's processes provide for the private and corporate customer credit activity to be run by the Credit Department and loans to institutional counterparties and banks to be run by Banca Generali's Finance Department.

The Credit Department is in charge of the processing of loan applications and the management of overdraft facilities granted by the Bank, as established and governed by the specific Credit Regulation, with a view to ensuring compliance with the law and regulations and the quality of approved loans and to maintaining the risk/return targets established by the Board of Directors.

2.2 Management, measurement and control systems

In addition to issuing loans, the Credit Department is also charged with credit management and first-line control, with a proactive approach aimed at anticipating and preventing the deterioration of the loan portfolio.
Within the Credit Department, responsibility for monitoring is assigned to specialised individual units on the basis of the supervisory classification of customers (performing and non-performing). The purpose of this is to maximise the efficacy of the actions aimed at monitoring and mitigating credit risk throughout the customer relationship.
The current NPL portfolio stands at moderate values compared to the total exposure, is primarily secured and has been written down for the unsecured portion, resulting in moderate residual risk. Nearly 39% of the NPL portfolio consists of exposures originating in the portfolio (so-called "ex-indemnity") of Banca del Gottardo Italia, fully covered by the loan indemnity granted by BSI SA (now EFG Bank AG) upon the sale of the said company and chiefly secured to that end by cash collateral payments by the counterparty. The NPL portfolio declined compared to the end of 2023, mainly due to the reduction of the stock of bad loans, due partly to the closure of former indemnity positions.

The exposure to credit risk associated with the securities portfolio is mostly originated by investments in government bonds (approximately 80%), investment-grade bank securities and covered bonds. The corporate securities in the portfolio are negligible.

2.3 Expected loss measurement methods

In compliance with IFRS 9, the Bank has adopted an impairment model based on the concept of expected losses, which makes it possible to determine adjustments to loans on the basis of the parameters of PD (probability of default) and LGD (loss given default) in forward-looking and point-in-time terms, conditional upon macroeconomic scenario models. Such value adjustments are determined over a time horizon of one year in the event of positions classified to Stage 1, or on a lifetime horizon, in the event of positions classified to Stage 2.

The stage assignment criteria for the portfolio of loans to customers in the form of uncommitted and fixed-term loans take account of the counterparty's status, any forbearance measures, decline in creditworthiness compared with origination and limits exceeded for more than 30 days.

When calculating impairment, the probability of default is determined based on the counterparty's rating class and the residual term of the loan. The Bank adopts a management rating model composed by a consortium component, developed with the CSE consortium, and a personalised component suitable to the (Private) Bank's business model, developed with CSI and integrated in the Bank's CSE IT systems.. The parameter LGD is largely determined on the basis of loan type and counterparty type and whether certain guarantees are present. In addition, the parameter EAD (Exposure At Default) is equal to the accounting balance for demand positions, individual contractual cash flows discounted according to the internal rate of return (IRR) for term positions and the accounting balance adjusted by the regulatory Credit Conversion Factor (CCF) for off-balance sheet exposures.

Within the debt securities portfolio, securities classified to the classified to the Held-To-Collect and the Held-To-Collect-and-Sell portfolios that have passed the SPPI test are tested for impairment.

When calculating impairment, it is fundamental to classify the staging of individual positions in order to identify any decline in creditworthiness (credit quality) between the purchase of the security and the reporting date. This process (stage assignment) determines the residual quantities and the date with which to associate the credit quality/rating upon purchase, to be compared with the credit quality/rating observed at the reporting date for the purposes of identifying any "significant decline" in credit quality.

The impairment of securities subject to the IFRS 9 rules is calculated according to the following variables:
- PD: the model adopted for calculating the probability of default (PD) to be applied to the proprietary portfolio within the impairment scope is based on an estimate of a term structure default probability for each security. The component representing the remuneration for operators' risk aversion is eliminated from default probability measures so as to isolate the credit component (so-called "real world approach");
- LGD: the estimate of the loss given default (LGD) to be applied to the portfolio is calculated according to a deterministic approach in which the LGD parameter is assumed to be constant over the financial asset's entire time horizon as a function of the ranking of the instrument and the classification of the issuer's country;
- EAD: in the case of the proprietary finance portfolio, reference is made to the nominal value, inclusive of the coupon accrued at the measurement date, discounting both values at the security's rate of return.

In the year, the Group benefitted from its improved calculation capabilities and what-if and stress analyses to test portfolio securities for impairment, reducing operational process risks and ensuring an improvement in the methodologies used to calculate the parameters described above.

2.4 Credit risk mitigation techniques

With regard to the portfolio of loans to private and corporate customers, in order to mitigate credit risk toward customers and in line with its lending policies, the Bank mainly acquires collaterals and, only secondarily, personal guarantees provided by natural persons. Moreover, in the period of validity of the initiative, the Bank acquired the personal guarantees provided by the Mediocredito Centrale SME Guarantee Fund to secure credit facilities granted to support the economy in the Covid-19 pandemic scenario (a portfolio currently decreasing).

Collaterals are chiefly in the form of pledges on securities, such as Funds and Sicavs, discretionary mandates, assets under administration and insurance products.
As limited to customers subject to special agreements, the Bank also acquires mortgages, almost exclusively in residential properties used as a primary residence.

Banca Generali also benefits from an additional master guarantee, known as an indemnity, provided by BSI SA, now EFG Bank AG as a result of the merger of the two institutions in 2017, for the entire loan portfolio originating with Banca del Gottardo Italia acquired by BSI Italia S.p.A. on 1 October 2008.
This guarantee, which is similar to a first-demand bank guarantee, covers all loans and any associated losses sustained from acquisition until 31 December 2009. After such date, the indemnity was maintained for those positions managed with the aim of recovery and those positions that showed a default event for which payment of the indemnity was requested from the guarantor, BSI SA, today EFG Bank AG.
At 31 December 2024, indemnity positions amounted to approximately 13,216 thousand euros, which net of adjustment declined to about 5,156 thousand euros (see section 3. Credit exposures to non-performing loans)

3. Credit exposures to non-performing loans

3.1 Management strategies and policies

Non-performing financial assets are classified into several non-performing categories in accordance with the instructions issued by the Supervisory Authority, as provided for in Bank of Italy Circular No. 272 dated 20 July 2008 (as subsequently updated), which refers to the provisions of the European regulation as regards the definition of default.

The process of identifying doubtful positions requires constant monitoring of positions. When limits are exceeded, various debt procedures are triggered to recover the credit. In general, considering that the vast majority of positions are secured by pledges of financial instruments, there are no residual debt exposures once the enforcement procedure has been concluded. If the exposure is unsecured or there is a residual unsecured exposure, the Bank activates the process for recovering it.

Expected losses are formulated specifically for each position on the basis of all relevant valuation elements (debtor's assets, earned income, date of expected recovery, etc.), with the exception of unsecured positions classified as past due and unlikely to pay of amounts less than 10 thousand euros, which are subject to impairment at a standard rate.

Net non-performing cash loans (hereinafter also referred as “NPLs”), net of purchased or originated credit-impaired positions (POCI) for 15,790 thousand euros reclassified to bad loans, totalled 21,173 thousand euros, of which:

- net bad loans amounting to 9,679 thousand euros referring to financing, of which 5,156 thousand euros (53%) covered by indemnities, 4,285 thousand euros (44%) secured by mortgages and similar guarantees (Mediocredito Centrale SME Guarantee Fund) and 238 thousand euros (2%) unsecured;
- net unlikely-to-pay loans of 2,486 thousand euros, of which just 388 thousand euros (15.6%) actually at risk, and the remaining 2,098 thousand euros (84.4%) secured by collateral (pledges or mortgages) or similar guarantees (mandate to policy-related collections or guarantee from the Mediocredito Centrale SME Guarantee Fund);
- net past-due non-performing loans of 9,008 thousand euros, of which 4,755 thousand euros (53%) secured by collateral (mortgage and pledge) or equivalent guarantees (mandate to policy-related collections, guarantee from the Mediocredito Centrale SME Guarantee Fund and SACE policy) and 4,253 thousand euros (47%) unsecured (chiefly operating loans).

Net non-performing loans in the form of financing may be broken down as follows:

- about 24% (5,156 thousand euros) of exposures referring to Banca del Gottardo Italia’s customers and guaranteed by indemnity issued by the seller BSI SA, now EFG Bank AG; as described above, these exposures do not entail any risk for the Bank. Therefore, no further adjustments were made to these positions with respect to the impairment already carried out by Banca del Gottardo Italia;
- about 76% (16,017 thousand euros) of exposures for which the Bank is at risk, mostly secured by pledges or mortgages.

Excluding positions covered by indemnities — which, as mentioned above, do not entail any risk for Banca Generali — non-performing cash positions amounted to 16,017 thousand euros. However, considering positions secured by collateral or similar guarantees, which at 11,057 thousand euros make up approximately 52% of total net non-performing loans, a residual total amount of 4,960 thousand euros of net non-performing loans are not secured by collateral, representing 23% of total net non-performing loans and an entirely marginal fraction of total net loans to customers (0.04%).

In 2024, the NPL portfolio declined on 2023 due to the elimination of several positions of significant amount from the bad loans category, as well as due to reclassifications to performing status and repayment of several positions classified as unlikely-to-pay.

3.2 Write-offs

The Banking Group has not adopted any write-off policy.

3.3 Purchased or originated credit-impaired financial assets

At 31 December 2024, the Bank portfolio included purchased or originated credit-impaired financial assets of a residual amount of 15.8 million euros.

This item entirely related to the Bank’s rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (11.0 million euros), as well as amounts receivable as a result of the transfer by Bank’s customers of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.8 million euros). These exposures have been reclassified as originated impaired since they relate to financial instruments for which, at the date of transfer, the SPV had not complied with the contractual repayment terms.

In the following tables, these exposures have been included in bad loans where the specific “Purchased or originated credit-impaired” column is not present.

4. Financial assets subject to commercial renegotiations and forborne exposures

A forbearance measure is an amendment of the original contractual conditions or refinancing granted to a customer in a situation of financial distress in respect of a credit position, which would not have been granted if the customer had not been in such a situation and/or that, conversely, would have resulted in default by the customer had they not been granted.

The Bank takes an individual measurement approach to each exposure. The Bank considers an exposure forborne when one of the following conditions has been met:

a) the amended contract has been fully or partially past due by more than 30 days at least once in the three months prior to the contractual amendment or would have been fully or partially past due by more than 30 days without the amendment;
b) at or around the same time as an additional loan is granted, the customer repays the principal or pays the interest on another contract fully or partially past due by 30 days at least once in the three months prior to the refinancing;
c) the Bank approves the use of embedded clauses in which the customer is past due by 30 days or the debtor would have been past due by 30 days without the exercise of such clauses.

This assessment is performed by a specific specialised unit of the Credit Department as regards the portfolio portion of loans to customers.

At 31 December 2024, outstanding forborne exposures in the portfolio of loans to customers were mostly classified as performing positions (86%), with the remainder classified as non-performing (14%). Nearly all positions were secured by collateral (primarily pledges and, to a marginal extent, mandate to policy-related collections).
Exposures subject to forbearance measures at 31 December 2024 mostly consisted (approximately 67%) of exposures in amortisation and, to a lesser extent, uncommitted cash exposures. As for the impact on the net present value of the contractual cash flows of the forbearance measures granted over a period of 24 months, given the nature of the renegotiation transactions subject to forbearance measures, represented essentially by the renegotiation of the uncommitted cash exposure in amortising loans with a final variable rate, the impact of such exposures on net present value is believed not to be material.

Quantitative information

A. Credit quality

A.1 Credit exposures to non-performing and performing loans: balances, adjustments, performance and income breakdown

For the purposes of quantitative information about credit quality, credit exposures include the entire financial asset portfolio, regardless of the portfolio of allocation for accounting purposes, with the exception of equities and units of UCITS.
For further information on credit assets underlying the Forward Fund (mainly non-performing loans to the Italian National Healthcare System), reference should be made to Section 1, Subsection E.

A.1.1 Breakdown of financial assets by portfolio and credit quality (book value)

PORTFOLIOS/QUALITY	BAD LOANS	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES	PERFORMING PAST-DUE EXPOSURES	OTHER PERFORMING EXPOSURES	TOTAL
1. Financial assets measured at amortised cost	25,469	2,486	9,008	16,750	12,501,872	12,555,585
2. Financial assets measured at fair value through other comprehensive income	–	–	–	–	1,496,582	1,496,582
3. Financial assets designated at fair value	–	–	–	–	–	–
4. Other financial assets mandatorily measured at fair value	–	–	–	–	22,590	22,590
5. HFS financial assets	–	–	–	–	–	–
Total at 31.12.2024	**25,469**	**2,486**	**9,008**	**16,750**	**14,021,044**	**14,074,757**
Total at 31.12.2023	**14,736**	**4,167**	**10,021**	**9,711**	**13,214,249**	**13,252,884**

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

PORTFOLIOS/QUALITY	NON-PERFORMING				PERFORMING			
	GROSS EXPOSURE	TOTAL ADJUSTMENTS	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS (*)	GROSS EXPOSURE	TOTAL ADJUSTMENTS	NET EXPOSURE	TOTAL (NET EXPOSURE)
1. Financial assets measured at amortised cost	58,546	21,583	36,963	–	12,523,174	4,552	12,518,622	12,555,585
2. Financial assets measured at fair value through other comprehensive income	–	–	–	–	1,496,833	251	1,496,582	1,496,582
3. Financial assets designated at fair value	–	–	–	–	X	X	–	–
4. Other financial assets mandatorily measured at fair value	–	–	–	–	X	X	22,590	22,590
5. HFS financial assets	–	–	–	–			–	–
Total at 31.12.2024	**58,546**	**21,583**	**36,963**	**–**	**14,020,007**	**4,803**	**14,037,794**	**14,074,757**
Total at 31.12.2023	**47,253**	**18,329**	**28,924**	**–**	**13,213,098**	**8,719**	**13,223,960**	**13,252,884**

(*) Value to be indicated for disclosure purposes.

PORTFOLIOS/QUALITY	ASSETS WITH CLEARLY POOR CREDIT QUALITY		OTHER ASSETS
	CUMULATIVE CAPITAL LOSSES	NET EXPOSURE	NET EXPOSURE
1. HFT financial assets	–	–	114
2. Hedging derivatives	–	–	131,220
Total at 31.12.2024	**–**	**–**	**131,334**
Total at 31.12.2023	**–**	**–**	**162,113**

A.1.3 Breakdown of financial assets by maturity brackets (book value)

PORTFOLIOS/RISK STAGES	STAGE 1			STAGE 2			STAGE 3			PURCHASED OR ORIGINATED CREDIT-IMPAIRED		
	OVER 1 DAY, UP TO 30 DAYS	OVER 30 DAYS, UP TO 90 DAYS	OVER 90 DAYS	OVER 1 DAY, UP TO 30 DAYS	OVER 30 DAYS, UP TO 90 DAYS	OVER 90 DAYS	OVER 1 DAY, UP TO 30 DAYS	OVER 30 DAYS, UP TO 90 DAYS	OVER 90 DAYS	OVER 1 DAY, UP TO 30 DAYS	OVER 30 DAYS, UP TO 90 DAYS	OVER 90 DAYS
1. Financial assets measured at amortised cost	13,287	–	73	1,971	1,362	614	41	117	17,176	–	–	15,790
2. Financial assets measured at fair value through other comprehensive income	–	–	–	–	–	–	–	–	–	–	–	–
3. HFS financial assets	–	–	–	–	–	–	–	–	–	–	–	–
Total at 31.12.2024	**13,287**	**–**	**73**	**1,971**	**1,362**	**614**	**41**	**117**	**17,176**	**–**	**–**	**15,790**
Total at 31.12.2023	**3,304**	**–**	**–**	**3,854**	**2,383**	**482**	**247**	**136**	**21,723**	**–**	**–**	**–**

A.1.4 Prudential consolidation: financial assets, commitments to disburse funds and financial guarantees issued - changes in total adjustments and total provisions

CAUSES/RISK STAGES	TOTAL ADJUSTMENTS																							TOTAL PROVISIONS FOR COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES ISSUED				TOTAL
	ASSETS ALLOCATED TO STAGE 1						ASSETS ALLOCATED TO STAGE 2						ASSETS ALLOCATED TO STAGE 3						PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS									
	DL	AC	OCI	HFS	IW	CW	DL	AC	OCI	HFS	IW	CW	DL	AC	OCI	HFS	IW	CW	AC	OCI	HFS	IW	CW	S1	S2	S3	C	TOTAL
Total adjustments at year-start	**22**	**7,169**	**197**	**–**	**–**	**7,388**	**91**	**1,353**	**–**	**–**	**–**	**1,444**	**–**	**18,329**	**–**	**–**	**18,329**	**–**	**–**	**–**	**–**	**–**	**–**	**134**	**56**	**–**	**9,401**	**36,752**
Increases from purchased or originated financial assets	81	637	226	–	–	944	–	–	–	–	–	–	–	–	–	–	–	–	X	X	X	X	X	10	2	–	–	956
Cancellations other than write-offs	-9	-1,335	-139	–	–	-1,483	-28	-150	–	–	–	-178	–	67	–	–	67	–	–	–	–	–	–	-26	-39	–	–	-1,659
Net adjustments/ reversals for credit risk (+/-)	-3	-2,726	-33	–	–	-2,762	-55	-397	–	–	–	-452	–	219	–	–	219	–	1,276	–	–	1,276	–	-68	-12	–	11,715	9,916
Contractual changes without cancellations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Changes in the assessment methods	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Write-offs not directly recognised through profit or loss	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other changes	–	–	–	–	–	–	–	–	–	–	–	–	–	1,692	–	–	1,692	–	–	–	–	–	–	–	–	–	-9,400	-7,708
Total adjustments at year-end	**91**	**3,745**	**251**	**–**	**–**	**4,087**	**8**	**806**	**–**	**–**	**–**	**814**	**–**	**20,307**	**–**	**–**	**20,307**	**–**	**1,276**	**–**	**–**	**1,276**	**–**	**50**	**7**	**–**	**11,716**	**38,257**
Recovery from collection of written off financial assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Write-offs directly recognised through profit or loss	–	–	–	–	–	–	–	–	–	–	–	–	–	290	–	–	290	–	–	–	–	–	–	–	–	–	–	290

DL: Demand loans to banks and central banks
AC: Financial assets measured at amortised cost
OCI: Financial assets measured at fair value through other comprehensive income
HFS: HFS financial assets
IW: of which: individual write downs
CW: of which: collective write-downs
S1: Stage 1
S2: Stage 2
S3: Stage 3

Pursuant to IFRS 7, paragraph 35H, letter b) (iii), it is reported that the final total adjustments to Stage 2 trade receivables amounted to approximately 105 thousand euros, slightly up compared to their initial levels.

Total final adjustments on the securities portfolio amounted to 5,243 thousand euros and improved by approximately 1,271 thousand euros, mainly due to the reduced risk profile of the portfolio of government and corporate bonds.

A.1.5 Financial assets, commitments to disburse funds and financial guarantees issued – transfers between the different credit risk stages (gross and nominal values)

	GROSS AMOUNTS/NOMINAL VALUE					
	TRANSFERS BETWEEN STAGE 1 AND STAGE 2		TRANSFERS BETWEEN STAGE 2 AND STAGE 3		TRANSFERS BETWEEN STAGE 1 AND STAGE 3	
PORTFOLIOS/RISK STAGES	FROM STAGE 1 TO STAGE 2	FROM STAGE 2 TO STAGE 1	FROM STAGE 2 TO STAGE 3	FROM STAGE 3 TO STAGE 2	FROM STAGE 1 TO STAGE 3	FROM STAGE 3 TO STAGE 1
1. Financial assets measured at amortised cost	124,744	114,285	1,731	137	2,952	–
2. Financial assets measured at fair value through other comprehensive income	–	–	–	–	–	–
3. HFS financial assets	–	–	–	–	–	–
4. Commitments to disburse funds and financial guarantees issued	1,661	1,482	–	–	–	–
Total at 31.12.2024	**126,405**	**115,767**	**1,731**	**137**	**2,952**	**–**
Total at 31.12.2023	**53,628**	**59,541**	**4,511**	**411**	**5,508**	**2,506**

A.1.5a Loans subject to Covid-19 support measures: transfers between the different credit risk stages (gross and nominal values)

Exposures subject to Covid-19 support measures transferred from Stage 1 to Stage 2 amounted to approximately 462 thousand euros and exposures transferred from Stage 1 to Stage 3 amounted to approximately 739 thousand euros. In addition, a 111 thousand euro exposure was transferred from Stage 2 to Stage 3. Exposures related solely to loans to SMEs secured by the Mediocredito Centrale SME Guarantee Fund.

	GROSS VALUES					
	TRANSFERS BETWEEN STAGE 1 AND STAGE 2		TRANSFERS BETWEEN STAGE 2 AND STAGE 3		TRANSFERS BETWEEN STAGE 1 AND STAGE 3	
PORTFOLIOS/RISK STAGES	FROM STAGE 1 TO STAGE 2	FROM STAGE 2 TO STAGE 1	FROM STAGE 2 TO STAGE 3	FROM STAGE 3 TO STAGE 2	FROM STAGE 1 TO STAGE 3	FROM STAGE 3 TO STAGE 1
A. Loans measured at amortised cost	**462**	**–**	**111**	**–**	**739**	**–**
A.1 Subject to forbearance in accordance with the GLs	–	–	–	–	–	–
A.2 Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–
A.3 Subject to other forbearance measures	–	–	–	–	–	–
A.4 Newly issued loans	462	–	111	–	739	–
B. Loans measured at fair value through other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**
B.1 Subject to forbearance in accordance with the GLs	–	–	–	–	–	–
B.2 Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–
B.3 Subject to other forbearance measures	–	–	–	–	–	–
B.4 Newly issued loans	–	–	–	–	–	–
Total at 31.12.2024	**462**	**–**	**111**	**–**	**739**	**–**
Total at 31.12.2023	**160**	**209**	**–**	**–**	**–**	**–**

A.1.6 Prudential consolidation: cash and off-balance sheet credit exposures with banks - gross and net values

TYPES OF EXPOSURES/ VALUES	GROSS EXPOSURE					TOTAL ADJUSTMENTS AND TOTAL PROVISIONS					NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS (*)
		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		
A. Cash credit exposures												
A.1 Demand	**979,228**	**976,449**	**2,779**	**–**	**–**	**99**	**91**	**8**	**–**	**–**	**979,129**	**–**
a) Non-performing	–	X	–	–	–	–	X	–	–	–	–	–
b) Performing	979,228	976,449	2,779	X	–	99	91	8	X	–	979,129	–
A.2 Other	**2,756,188**	**2,749,939**	**6,250**	**–**	**–**	**1,010**	**991**	**19**	**–**	**–**	**2,755,178**	**–**
a) Bad loans	–	X	–	–	–	–	X	–	–	–	–	–
of which:												
- forborne exposures	–	*X*	–	–	–	–	*X*	–	–	–	–	–
b) Unlikely to pay	–	X	–	–	–	–	X	–	–	–	–	–
of which:												
- forborne exposures	–	*X*	–	–	–	–	*X*	–	–	–	–	–
c) Non-performing past-due exposures	–	X	–	–	–	–	X	–	–	–	–	–
of which:												
- forborne exposures	–	*X*	–	–	–	–	*X*	–	–	–	–	–
d) Performing past-due exposures	–	–	–	X	–	–	–	–	X	–	–	–
of which:												
- forborne exposures	–	–	–	*X*	–	–	–	–	*X*	–	–	–
e) Other performing exposures	2,756,188	2,749,939	6,250	X	–	1,010	991	19	X	–	2,755,178	–
of which:												
- forborne exposures	–	–	–	*X*	–	–	–	–	*X*	–	–	–
Total A	**3,735,416**	**3,726,388**	**9,029**	**–**	**–**	**1,109**	**1,082**	**27**	**–**	**–**	**3,734,307**	**–**
B. Off-balance sheet credit exposures												
a) Non-performing	–	X	–	–	–	–	X	–	–	–	–	–
b) Performing	140,151	–	–	X	–	–	–	–	X	–	140,151	–
Total B	**140,151**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**140,151**	**–**
Total (A + B)	**3,875,567**	**3,726,388**	**9,029**	**–**	**–**	**1,109**	**1,082**	**27**	**–**	**–**	**3,874,458**	**–**

Cash exposures with banks include all cash financial assets claimed from banks, regardless of the portfolio of allocation for accounting purposes: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, financial assets designated at fair value and other financial assets mandatorily measured at fair value.

Off-balance sheet exposures include all financial transactions other than cash transactions, such as financial derivatives, guarantees issued and commitments, that entail the assumption of credit risk, determined on the basis of the measurement criteria established by the Bank of Italy.

A.1.7 Cash and off-balance sheet credit exposures with customers - gross and net values

	GROSS EXPOSURE					TOTAL ADJUSTMENTS AND TOTAL PROVISIONS						
TYPES OF EXPOSURES/VALUES		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS (*)
A. Cash credit exposures												
a) Bad loans	39,657	X	–	22,591	17,066	14,188	X	–	12,912	1,276	25,469	–
of which:												
– forborne exposures	–	*X*	–	–	–	–	*X*	–	–	–	–	–
b) Unlikely to pay	3,967	X	–	3,967	–	1,481	X	–	1,481	–	2,486	–
of which:												
– forborne exposures	*587*	*X*	–	*587*	–	*251*	*X*	–	*251*	–	*336*	–
c) Non-performing past-due exposures	14,922	X	–	14,922	–	5,914	X	–	5,914	–	9,008	–
of which:												
– forborne exposures	*145*	*X*	–	*145*	–	*35*	*X*	–	*35*	–	*110*	–
d) Performing past-due exposures	16,816	13,315	3,501	X	–	66	28	38	X	–	16,750	–
of which:												
– forborne exposures	–	–	–	*X*	–	–	–	–	*X*	–	–	–
e) Other performing exposures	11,269,594	11,037,063	209,939	X	–	3,726	2,977	749	X	–	11,265,868	–
of which:												
– forborne exposures	*4,686*	–	*4,686*	*X*	–	*7*	–	*7*	*X*	–	*4,679*	–
Total A	**11,344,956**	**11,050,378**	**213,440**	**41,480**	**17,066**	**25,375**	**3,005**	**787**	**20,307**	**1,276**	**11,319,581**	**–**
B. Off-balance sheet credit exposures												
a) Non-performing	23,952	X	–	468	23,484	11,739	X	–	24	11,715	12,213	–
b) Performing	1,225,331	1,217,688	2,380	X	–	57	49	7	X	–	1,225,274	–
Total B	**1,249,283**	**1,217,688**	**2,380**	**468**	**23,484**	**11,796**	**49**	**7**	**24**	**11,715**	**1,237,487**	**–**
Total (A + B)	**12,594,239**	**12,268,066**	**215,820**	**41,948**	**40,550**	**37,171**	**3,054**	**794**	**20,331**	**12,991**	**12,557,068**	**–**

Cash exposures with customers include all cash financial assets claimed from customers, regardless of the portfolio of allocation for accounting purposes: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, financial assets designated at fair value and other financial assets mandatorily measured at fair value.
Off-balance sheet exposures include all financial transactions other than cash transactions, such as financial derivatives, guarantees issued and commitments, that entail the assumption of credit risk, determined on the basis of the measurement criteria established by the Bank of Italy.
All non-performing off-balance sheet exposures refer to positions entirely secured by pledges.

The classification of non-performing loans to customers relating to the HTC accounting portfolio is shown below; loans and debt securities that reached maturity are thus included.

Bad loans
Gross bad loans to customers amounted to 22,591 thousand euros (net of purchased or originated credit-impaired (POCI) exposures for 17,066 thousand euros) and included 12,912 thousand euros of value adjustments; therefore, net bad loans recognised totalled 9,679 thousand euros. Of this amount, 5,156 thousand euros (53% of net bad loans alone) related to positions attributable to former Banca del Gottardo Italia's customers, fully covered by cash collateral deposits granted by BSI S.A., now EFG Bank AG, as part of the indemnity guarantee.

Excluding "ex-indemnity" positions, net bad loans to ordinary customers thus amounted to 4,523 thousand euros, equal to about 47% of total net bad loans and 0.04% of total net loans to customers. Considering bad loans secured by guarantees (mortgages of 11 thousand euros, pledges for 94 thousand euros and guarantee provided by the Mediocredito Centrale SME Guarantee Fund of 4,180 thousand euros), residual net bad loans amounted to 238 thousand euros.

The portfolio of bad loans also includes the exposure in debt instruments, amounting to 2,642 thousand euros gross, allocated to the HTC portfolio and deemed almost entirely irrecoverable.

The aggregate (see Table A.1.9) declined by 5,001 thousand euros gross due to the combined effects of: 1) increases due to transfers from other categories of non-performing exposure of 2,146 thousand euros, increases of 515 thousand euros, mainly due to greater draw-downs on positions already classified as bad loans due to the charging of interest and, marginally, reclassifications from other categories of non-performing exposures of 216 thousand euros; 2) decreases attributable for 4,875 thousand euros to "ex-indemnity" positions sold without recourse to EFG Bank S.A., for 2,901 thousand euros to collections and for 102 thousand euros to write-offs.

Purchased or originated credit-impaired (POCI) exposures
Originated credit-impaired exposures, amounting to 17,066 thousand euros gross, referred to the Bank's rights of recourse related to the enforcement of financial guarantees issued to customers for investments made in illiquid products distributed by the Bank that were marked by investment repayment issues (11.0 million euros), as well as amounts receivable as a result of the transfer by Bank's customers of usufruct rights on coupons accruing on the above-mentioned products in 2023 and 2024 (4.8 million euros).
In the year, the Bank obtained the reimbursement for the rights of recourse on which it had granted guarantees for 5.6 million euros. Net write-downs amounting to 1.3 million euros overall were recognised along with 1.4 million euro losses on usufruct rights that had become uncollectible.

Unlikely to pay
At 31 December 2024, the gross amount of the item "Unlikely to pay" was 3,967 thousand euros, of which 2,798 thousand euros (70%) attributable to positions secured by collateral or equivalent guarantees (mandate to policy-related collections or guarantee from the Mediocredito Centrale SME Guarantee Fund), and it included 1,481 thousand euros of adjustments, for a net balance of 2,486 thousand euros.

The aggregate (see Table A.1.9) decreased by 2,317 thousand euros compared to 31 December 2023 as a result of:
- decreases of 4,004 thousand euros, due mostly to transfers to other categories of non-performing exposures (reclassification to bad loans) for 2,146 thousand euros, as well as collections of 1,771 thousand euros, referring to counterparties with exposures secured by collateral and similar guarantees, definitively recovered due to repayment and discharge of the exposure, and, to a marginal extent, to derecognitions and minor draw-downs;
- increases of 1,687 thousand euros, consisting of new positions transferred from other performing categories amounting to 320 thousand euros and relating to originally performing positions that deteriorated during the year and were classified as unlikely to pay, transfers from other categories of non-performing exposures for 1,011 thousand euros relating to positions already past due reclassified as unlikely to pay, and greater draw-downs from positions already classified as UTP of 356 thousand euros.

Non-performing past-due exposures
Non-performing past-due exposures amounted to 14,922 thousand euros, including adjustments of 5,914 thousand euros, yielding a net balance of 9,008 thousand euros. The net aggregate mainly includes: i) exposures mainly secured by collateral (mortgage and pledge) or equivalent guarantees (mandate to policy-related collections, guarantee from the Mediocredito Centrale SME Guarantee Fund and SACE policy) totalling 6,154 thousand euros; ii) other unsecured exposures with an average balance per position of approximately 2 thousand euros.

The aggregate (see Table A.1.9) increased by 1,545 thousand euros compared to 31 December 2023 as a result of:
- increases of 11,805 thousand euros, primarily attributable to new reclassifications from performing positions of 4,121 thousand euros and to increases in already non-performing positions of 7,684 thousand euros;
- decreases of 10,260 thousand euros, mainly consisting of collections on past-due positions with full repayment of the exposure of 9,031 thousand euros, transfers to other categories of non-performing exposures of 1,011 thousand euros relating to positions reclassified as unlikely to pay or bad loans, return to performing status of past-due exposures due to repayment for 94 thousand euros, and write-offs with concurrent recognition of a credit loss for a total of 124 thousand euros.

Performing past-due exposures
Performing past-due exposures also include positions overdrawn or past due by more than 90 days, and for which the amount past due does not exceed the significance thresholds set following the entry into force of the new definition of default established by the European Regulation on prudential requirements for credit institutions and investment firms (Article 178 of Regulation No. 575/2013).
In almost all cases, these are positions guaranteed by pledges found to be past due at the reporting date and currently being repaid.

Loans subject to Covid measures
With regard to Covid-19 support measures at 31 December 2024, loans to SMEs secured by the Mediocredito Centrale SME Guarantee Fund and granted until 2021, amounted to 23,132 thousand euros (of which 1,437 thousand euro non-performing loans).

A.1.7a Loans subject to Covid-19 measures: gross and net values

TYPES OF EXPOSURES/VALUES	GROSS EXPOSURE					TOTAL ADJUSTMENTS AND TOTAL PROVISIONS						
		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED		STAGE 1	STAGE 2	STAGE 3	PURCHASED OR ORIGINATED CREDIT-IMPAIRED	NET EXPOSURE	OVERALL PARTIAL WRITE-OFFS(*)
A. Bad loans	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	–	–	–	–	–	–	–	–	–	–	–	–
B. Unlikely to pay	**1,227**	**–**	**–**	**1,227**	**–**	**154**	**–**	**–**	**154**	**–**	**1,073**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	1,227	–	–	1,227	–	154	–	–	154	–	1,073	–
C. Non-performing past-due loans	**428**	**–**	**–**	**428**	**–**	**64**	**–**	**–**	**64**	**–**	**364**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	428	–	–	428	–	64	–	–	64	–	364	–
D. Performing loans	**333**	**8**	**325**	**–**	**–**	**1**	**–**	**–**	**–**	**–**	**332**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	333	8	325	–	–	1	–	–	–	–	332	–
E. Other performing loans	**21,369**	**21,369**	**–**	**–**	**–**	**6**	**6**	**–**	**–**	**–**	**21,363**	**–**
a) Subject to forbearance measures in accordance with GLs	–	–	–	–	–	–	–	–	–	–	–	–
b) Subject to moratorium no longer in accordance with the GLs and not measured as subject to forbearance	–	–	–	–	–	–	–	–	–	–	–	–
c) Subject to other forbearance measures	–	–	–	–	–	–	–	–	–	–	–	–
d) Newly issued loans	21,369	21,369	–	–	–	6	6	–	–	–	21,363	–
Total (A + B + C + D + E)	**23,357**	**21,377**	**325**	**1,655**	**–**	**225**	**6**	**–**	**218**	**–**	**23,132**	**–**

(*) Value to be indicated for information purposes.

A.1.9 Cash credit exposures with customers - changes in gross non-performing exposures

CAUSES/CATEGORIES	BAD LOANS	UNLIKELY TO PAY	NON-PERFORMING PAST-DUE EXPOSURES
A. Gross exposure at year-start	**27,592**	**6,284**	**13,377**
– *of which: exposures transferred but not written off*	–	–	–
B. Increases	**19,943**	**1,687**	**11,805**
B.1 New reclassifications from performing exposures	216	320	4,121
B.2 New reclassifications from acquired or originated credit-impaired financial assets	17,066	–	–
B.3 Transfers from other categories of non-performing exposures	2,146	1,011	–
B.4 Contractual changes without cancellations	–	–	–
B.5 Other increases	515	356	7,684
C. Decreases	**7,878**	**4,004**	**10,260**
C.1 Reclassification to performing exposures	–	1	94
C.2 Write-offs	102	64	124
C.3 Repayments received	2,901	1,771	9,031
C.4 Gains on disposals	4,875	–	–
C.5 Losses on disposals	–	–	–
C.6 Transfers to other categories of non-performing exposures	–	2,146	1,011
C.7 Contractual changes without cancellations	–	–	–
C.8 Other decreases	–	22	–
D. Gross exposure at year-end	**39,657**	**3,967**	**14,922**
– *of which: exposures transferred but not written off*	–	–	–

A.1.9 bis Cash credit exposures with customers - changes in gross forborne exposures, broken down by credit quality

CAUSES/QUALITY	NON-PERFORMING FORBORNE EXPOSURES	PERFORMING FORBORNE EXPOSURES
A. Gross exposure at year-start	**983**	**7,130**
– *of which: exposures transferred but not written off*	–	–
B. Increases	**303**	**1,113**
B.1 New reclassifications from performing non-forborne exposures	70	1,090
B.2 New reclassifications from performing forborne exposures	203	X
B.3 New reclassifications from non-performing forborne exposures	X	–
B.4 Other increases	30	23
C. Decreases	**554**	**3,557**
C.1 Reclassifications to performing non-forborne exposures	X	1,862
C.2 Reclassifications to performing forborne exposures	–	X
C.3 Reclassifications to non-performing forborne exposures	X	203
C.4 Write-offs	–	–
C.5 Repayments received	552	1,492
C.6 Gains on disposals	–	–
C.7 Losses on disposals	–	–
C.8 Other decreases	2	–
D. Gross exposure at year-end	**732**	**4,686**
– *of which: exposures transferred but not written off*	–	–

Forborne exposures

Gross forborne exposures, amounting to 5,418 thousand euros, consisted largely of performing positions amounting to 4,686 thousand euros gross (accounting for 86% of total forborne exposures), almost all of which were secured by collateral or similar guarantees; their reduction compared to 2023 (from 8,113 thousand euros) was attributable to decreases totalling 3,557 thousand euros due to: reclassifications to performing non-forborne exposures for 1,862 thousand euros for which the probation period has elapsed, reclassifications to non-performing forborne exposures for 203 thousand euros, and collections of 1,492 thousand euros referring to repayment and write-off of forborne exposures.

Increases, amounting to 1,113 thousand euros, were determined by: i) new reclassifications for 1,090 thousand euros relating to performing positions that had been granted a new forbearance measure (new finance or refinancing of existing debt); ii) increases of 23 thousand euros for reclassifications of performing positions already classified as forborne. The residual share consisted of non-performing forborne exposures of 732 thousand euros gross (accounting for 14% of total forborne exposures).

The non-performing cash forborne positions aggregate declined by 251 thousand euros overall (in gross terms), as a result of:

- decreases of 554 thousand euros due to: collections for 552 thousand euros and other decreases for 2 thousand euros;
- increases of 303 thousand euros due to: new reclassifications from performing non-forborne exposures for 70 thousand euros, new reclassifications from performing forborne exposures for 203 thousand euros and new reclassifications for 30 thousand euros.

1.1.11 Prudential consolidation: non-performing cash credit exposures with customers: changes in total adjustments

	BAD LOANS		UNLIKELY TO PAY		NON-PERFORMING PAST-DUE EXPOSURES	
CAUSES/CATEGORIES	TOTAL	OF WHICH: FORBORNE EXPOSURES	TOTAL	OF WHICH: FORBORNE EXPOSURES	TOTAL	OF WHICH: FORBORNE EXPOSURES
A. Total adjustments at year-start	**12,856**	**-**	**2,117**	**317**	**3,356**	**13**
- *of which: exposures transferred but not written off*	-	-	-	-	-	-
B. Increases	**1,742**	**-**	**405**	**43**	**3,583**	**22**
B.1 Adjustments to purchased or originated credit-impaired financial assets	1,276	X	-	X	-	X
B.2 Other adjustments	238	-	304	43	1,547	22
B.3 Losses on disposals	9	-	3	-	55	-
B.4 Transfers from other categories of non-performing exposures	219	-	98	-	-	-
B.5 Contractual changes without cancellations	-	X	-	X	-	X
B.6 Other increases	-	-	-	-	1,981	-
C. Decreases	**410**	**-**	**1,041**	**109**	**1,025**	**-**
C.1 Reversals of adjustments	23	-	518	9	156	-
C.2 Reversals of collections	285	-	241	92	647	-
C.3 Gains on disposals	0	-	-	-	-	-
C.4 Write-offs	102	-	64	-	124	-
C.5 Transfers to other categories of non-performing exposures	-	-	218	-	98	-
C.6 Contractual changes without cancellations	-	X	-	X	-	X
C.7 Other decreases	-	-	-	8	-	-
D. Total adjustments at year-end	**14,188**	**-**	**1,481**	**251**	**5,914**	**35**
- *of which: exposures transferred but not written off*	-	-	-	-	-	-

The exposures in the previous tables include non-performing positions for a net amount of 2,566 thousand euros, attributable to operating receivables not involving lending transactions, mostly relating to disputes and pre-dispute positions against former Financial Advisors (terminated or expired contracts).

OPERATING RECEIVABLES UNDER DISPUTE	31.12.2024		
	GROSS	WRITE-DOWNS	NET
Receivables related to FA litigation	4,041	1,494	2,547
Advances to FAs	79	79	–
Write-downs of receivables from FAs	**4,120**	**1,573**	**2,547**
Write-downs of operating receivables	410	391	19
Write-downs of operating receivables	**410**	**391**	**19**
Total write-downs	**4,530**	**1,964**	**2,566**

A.2 Classification of financial assets, commitments to disburse funds and financial guarantees issued based on external and internal rating

Banca Generali has always regarded lending as ancillary to its ability to attract and manage its customers' assets. Accordingly, the Bank has not traditionally used an internal rating system to assess its customers' creditworthiness. The Bank therefore largely uses external ratings published by the main rating companies (Moody's, S&P and Fitch) in making portfolio decisions regarding its trading activities.

A.2.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees issued by external rating classes (gross values)

EXPOSURES	EXTERNAL RATING CLASSES						WITHOUT RATING	TOTAL
	AAA/AA-	A+/A-	BBB+/BBB-	BB+/BB-	B+/B-	< B-		
A. Financial assets measured at amortised cost	**2,392,622**	**915,280**	**5,903,670**	**83,356**	**–**	**–**	**3,286,792**	**12,581,720**
– Stage 1	2,392,133	915,280	5,903,670	83,356	–	–	3,009,044	12,303,483
– Stage 2	489	–	–	–	–	–	219,202	219,691
– Stage 3	–	–	–	–	–	–	41,480	41,480
– Purchased or originated credit-impaired	–	–	–	–	–	–	17,066	17,066
B. Financial assets measured at fair value through other comprehensive income	**487,359**	**99,835**	**886,882**	**22,757**	**–**	**–**	**–**	**1,496,833**
– Stage 1	487,359	99,835	886,882	22,757	–	–	–	1,496,833
– Stage 2	–	–	–	–	–	–	–	–
– Stage 3	–	–	–	–	–	–	–	–
– Purchased or originated credit-impaired	–	–	–	–	–	–	–	–
C. HFS financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
– Stage 1	–	–	–	–	–	–	–	–
– Stage 2	–	–	–	–	–	–	–	–
– Stage 3	–	–	–	–	–	–	–	–
– Purchased or originated credit-impaired	–	–	–	–	–	–	–	–
Total (A + B + C)	**2,879,981**	**1,015,115**	**6,790,552**	**106,113**	**–**	**–**	**3,286,792**	**14,078,553**
D. Commitments to disburse funds and financial guarantees issued	**–**	**–**	**291**	**–**	**–**	**–**	**122,960**	**123,251**
– Stage 1	–	–	291	–	–	–	96,654	96,945
– Stage 2	–	–	–	–	–	–	2,381	2,381
– Stage 3	–	–	–	–	–	–	441	441
– Purchased or originated credit-impaired	–	–	–	–	–	–	23,484	23,484
Total (A + B + C + D)	**2,879,981**	**1,015,115**	**6,790,843**	**106,113**	**–**	**–**	**3,409,752**	**14,201,804**

Financial assets measured at amortised cost without rating include trade receivables and advances to Financial Advisors totalling 159,285 thousand euros.

A.3 Breakdown of guaranteed credit exposures by type of guarantee

A.3.1 Guaranteed cash and off-balance sheet credit exposures with banks

	EXPOSURE		COLLATERALISED GUARANTEES				PERSONAL GUARANTEES									
							CREDIT DERIVATIVES					SIGNATURE LOANS				
								OTHER DERIVATIVES								
	GROSS	NET	BUILDINGS – MORTGAGES	BFL	SECURITIES	OTHER COLLATERALISED GUARANTEES	CLNS	CC	BK	OTHER FINANCIAL CORP	OTHER ENTITIES	GENERAL GOVERNMENTS	BK	OTHER FINANCIAL CORP.	OTHER ENTITIES	TOTAL (1) + (2)
1. Guaranteed cash credit exposures	**486,915**	**486,808**	**–**	**–**	**387,089**	**–**	**–**	**–**	**–**	**–**	**–**	**99,719**	**–**	**–**	**–**	**486,808**
1.1 Totally guaranteed	486,915	486,808	–	–	387,089	–	–	–	–	–	–	99,719	–	–	–	486,808
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1.2 Partially guaranteed	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2. Guaranteed off-balance sheet credit exposures	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Totally guaranteed	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2.2 Partially guaranteed	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Legend:

BFL: Buildings - Finance leases
CC: Central counterparties
BK: Banks

A.3.2 Guaranteed cash and off-balance sheet credit exposures with customers

All assets held as guarantee (whether financial or non-financial) may only be liquidated in the event of default by the primary debtor, subject to formal notification to the guarantor. Accordingly, the Bank cannot sell or reuse as guarantee such assets unless the debtor defaults.

	EXPOSURE		COLLATERALISED GUARANTEES				PERSONAL GUARANTEES									
							CREDIT DERIVATIVES					SIGNATURE LOANS				
								OTHER DERIVATIVES								
	GROSS	NET	BUILDINGS – MORTGAGES	BFL	SECURITIES	OTHER COLLATERALISED GUARANTEES	CLNS	CC	BK	OTHER FINANCIAL CORP	OTHER ENTITIES	GENERAL GOVERNMENTS	BK	OTHER FINANCIAL CORP.	OTHER ENTITIES	TOTAL (1) + (2)
1. Guaranteed cash credit exposures	**2,294,568**	**2,281,670**	**268,222**	**–**	**1,685,398**	**245,220**	**–**	**–**	**–**	**–**	**–**	**75,550**	**–**	**325**	**1,729**	**2,276,444**
1.1 Totally guaranteed	2,258,658	2,247,122	266,643	–	1,668,783	237,373	–	–	–	–	–	72,760	–	323	1,240	2,247,122
- *of which: non-performing*	*21,718*	*11,885*	*4,117*	–	*1,984*	*2,775*	–	–	–	–	–	*2,999*	–	–	*10*	*11,885*
1.2 Partially guaranteed	35,910	34,548	1,579	–	16,615	7,847	–	–	–	–	–	2,790	–	2	489	29,322
- *of which: non-performing*	*5,108*	*3,789*	–	–	*764*	*44*	–	–	–	–	–	*2,790*	–	–	*139*	*3,737*
2. Guaranteed off-balance sheet credit exposures	**1,033,397**	**1,033,318**	**213**	**–**	**821,876**	**182,260**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**42**	**545**	**1,004,936**
2.1 Totally guaranteed	950,757	950,683	213	–	777,385	172,860	–	–	–	–	–	–	–	42	182	950,682
- *of which: non-performing*	*399*	*375*	–	–	*341*	*35*	–	–	–	–	–	–	–	–	–	*376*
2.2 Partially guaranteed	82,640	82,635	–	–	44,491	9,400	–	–	–	–	–	–	–	–	363	54,254
- *of which: non-performing*	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Legend:

BFL: Buildings - Finance leases
CC: Central counterparties
BK: Banks

B. Breakdown and concentration of credit exposures

B.1 Sector breakdown of cash and off-balance sheet credit exposures with customers

EXPOSURES/COUNTERPARTY	NET EXPOSURE	TOTAL ADJUSTMENTS
A. Cash exposures		
1. General governments	**8,520,259**	**1,564**
A.1 Bad loans	–	–
– *of which: forborne exposures*	–	–
A.2 Unlikely to pay	–	–
– *of which: forborne exposures*	–	–
A.3. Non-performing past-due exposures	–	–
– *of which: forborne exposures*	–	–
A.4 Performing exposures	8,520,259	1,564
– *of which: forborne exposures*	–	–
2. Financial corporations	**481,415**	**2,225**
A.1 Bad loans	15,812	1,327
– *of which: forborne exposures*	–	–
A.2 Unlikely to pay	249	262
– *of which: forborne exposures*	*1*	*1*
A.3 Non-performing past-due exposures	113	129
– *of which: forborne exposures*	–	–
A.4 Performing exposures	465,241	507
– *of which: forborne exposures*	*387*	*1*
3. Financial corporations (of which insurance companies)	**42,257**	**–**
A.1 Bad loans	–	–
– *of which: forborne exposures*	–	–
A.2 Unlikely to pay	–	–
– *of which: forborne exposures*	–	–
A.3 Non-performing past-due exposures	–	–
– *of which: forborne exposures*	–	–
A.4 Performing exposures	42,257	–
– *of which: forborne exposures*	–	–
4. Non-financial corporations	**312,271**	**13,810**
A.1 Bad loans	7,317	12,176
– *of which: forborne exposures*	–	–
A.2 Unlikely to pay	1,341	319
– *of which: forborne exposures*	*175*	*25*
A.3 Non-performing past-due exposures	1,832	618
– *of which: forborne exposures*	*44*	*2*
A.4 Performing exposures	301,781	697
– *of which: forborne exposures*	*1,923*	*3*
5. Households	**2,005,636**	**7,775**
A.1 Bad loans	2,340	685
– *of which: forborne exposures*	–	–
A.2 Unlikely to pay	895	900
– *of which: forborne exposures*	*160*	*225*
A.3 Non-performing past-due exposures	7,064	5,166
– *of which: forborne exposures*	*66*	*33*
A.4 Performing exposures	1,995,337	1,024
– *of which: forborne exposures*	*2,370*	*2*
Total A - Cash exposures	**11,319,581**	**25,374**

EXPOSURES/COUNTERPARTY	NET EXPOSURE	TOTAL ADJUSTMENTS
B. Off-balance sheet exposures		
1. General governments	**–**	**–**
B.1 Non-performing exposures	–	–
B.2 Performing exposures	–	–
2. Financial corporations	**64,625**	**11,723**
B.1 Non-performing exposures	11,769	11,715
B.2 Performing exposures	52,856	8
3. Financial corporations (of which insurance companies)	**291**	**–**
B.1 Non-performing exposures	–	–
B.2 Performing exposures	291	–
4. Non-financial corporations	**223,836**	**40**
B.1 Non-performing exposures	211	10
B.2 Performing exposures	223,625	30
5. Households	**949,026**	**34**
B.1 Non-performing exposures	233	14
B.2 Performing exposures	948,793	20
Total B - Off-balance sheet exposures	**1,237,487**	**11,797**

	NET EXPOSURE	TOTAL ADJUSTMENTS
General governments	8,520,259	1,564
Financial corporations	546,040	13,948
Financial corporations (of which insurance companies)	42,548	–
Non-financial corporations	536,107	13,850
Households	2,954,662	7,809
Overall total (A + B) at 31.12.2024	**12,557,068**	**37,171**
Overall total (A + B) at 31.12.2023	**12,087,089**	**35,054**

B.2 Geographical breakdown of cash and off-balance-sheet credit exposures with customers

	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
EXPOSURES/ GEOGRAPHICAL AREAS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS
A. Cash credit exposures										
A.1 Bad loans	9,679	12,156	15,790	2,032	–	–	–	–	–	–
A.2 Unlikely to pay	2,486	1,481	–	–	–	–	–	–	–	–
A.3 Non-performing past-due exposures	8,095	5,867	41	45	315	1	–	–	555	–
A.4 Other performing exposures	8,001,589	3,052	778,051	333	56,383	31	47,634	7	2,398,963	369
Total A	**8,021,849**	**22,556**	**793,882**	**2,410**	**56,698**	**32**	**47,634**	**7**	**2,399,518**	**369**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	468	24	11,769	11,715	–	–	–	–	–	–
B.2 Performing exposures	1,191,257	57	29,251	–	1,087	–	556	–	733	–
Total B	**1,191,725**	**81**	**41,020**	**11,715**	**1,087**	**–**	**556**	**–**	**733**	**–**
Total at 31.12.2024	**9,213,574**	**22,637**	**834,902**	**14,125**	**57,785**	**32**	**48,190**	**7**	**2,400,251**	**369**
Total at 31.12.2023	**9,260,876**	**23,815**	**2,208,083**	**11,019**	**55,713**	**89**	**81,319**	**45**	**481,098**	**86**

B.3 Geographical breakdown of cash and off-balance-sheet credit exposures with banks

EXPOSURES/ GEOGRAPHICAL AREAS	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS	NET EXPOSURE	TOTAL VALUE ADJUST-MENTS
A. Cash credit exposures										
A.1 Bad loans	–	–	–	–	–	–	–	–	–	–
A.2 Unlikely to pay	–	–	–	–	–	–	–	–	–	–
A.3 Non-performing past-due exposures	–	–	–	–	–	–	–	–	–	–
A.4 Other performing exposures	1,637,724	392	1,963,136	688	110,420	2	1,075	–	21,952	27
Total A	**1,637,724**	**392**	**1,963,136**	**688**	**110,420**	**2**	**1,075**	**–**	**21,952**	**27**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	–	–	–	–	–	–	–	–	–	–
B.2 Performing exposures	124,354	–	6,866	–	–	–	–	–	–	–
Total B	**124,354**	**–**	**6,866**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total at 31.12.2024	**1,762,078**	**392**	**1,970,002**	**688**	**110,420**	**2**	**1,075**	**–**	**21,952**	**27**
Total at 31.12.2023	**1,432,145**	**824**	**1,596,901**	**863**	**16,267**	**12**	**–**	**–**	**–**	**–**

B.4 Large exposures

Regulation (EU) No. 575/2013 (CRR) and Directive No. 2013/36/EU (CRD IV), published on the Official Journal of the European Union on 27 June 2013, enacted the new rules defined by the Basel Committee on banking supervision governing “Large Exposures”. On 17 December 2013, the Bank of Italy applied the above provisions by issuing Circular No. 285 “New Prudential Supervisory Provisions Concerning Banks” — further updated in various years (latest update, No. 49, dated 23 July 2024) — and Circular No. 286 “Instructions for the Compilation of Prudential Reports for Banks and Securities Brokerage Companies”. The latter Circular as well was subject to several updates during the years (latest update, No. 17, on 12 March 2024). In detail, according to the aforementioned rules, exposure values of a bank to a counterparty or to a group of connected counterparties must be defined as a “large exposure” if it is equal to or above 10% of the bank’s Tier 1 capital.

Based on CRR 575/2013, “Tier 1 capital” is defined as the sum of Total Common Equity Tier 1 capital and Additional Tier 1 capital of the entity.

The exposure value of an asset item shall be its accounting value and not its weighted value. Therefore, the risk positions that fall within the meaning of “Large Exposure” are recognised at both book value and weighted value.

BIG RISKS	31.12.2024	31.12.2023
a) Amount of the exposure	11,616,284	12,667,563
b) Weighted amount	580,310	700,637
c) Number	14	20

C. Securitisation

Qualitative information

Banca Generali's appetite for investments in securitised instruments is very limited (the exposure is 0.82% of the total banking book bond portfolio). All investments undertaken were directed towards the most senior tranches of the securitised structures.

Quantitative information

C.2 Breakdown of exposures resulting from main third-party securitisations by type of securitised assets and type of exposure

TYPE OF UNDERLYING ASSETS/EXPOSURES	CASH EXPOSURES						GUARANTEES ISSUED						LINES OF CREDIT					
	SENIOR		MEZZANINE		JUNIOR		SENIOR		MEZZANINE		JUNIOR		SENIOR		MEZZANINE		JUNIOR	
	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR	BV	AR
GIM NL Lux 12/06/18	20,121	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
PRADO VIII FRN 2055	2,248	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
PRISMA SPV FRN 2039	9,799	60	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
CREDIMI 20/07/2026	11,340	70	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
LANTERNA M FRN 2065	5,496	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
ERIDANO II SPV FRN 3	484	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
PROG QUIN 36 A 1 FR	373	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
CORDATUS VIII FRN 34	7,561	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EURO-GAL VII FRN 35	7,553	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
AQUEDUCT EUROPEAN CL	6,230	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
RRME 2X A1R	6,049	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
AURIUM VIII FRN 2034	7,502	4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
INVESCO VI FRN 2035	7,562	3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Legend
BV = book value
AR = Adjustments/Reversals

D. Information on structured entities (other than securitisation vehicle companies) not consolidated for accounting purposes

For further qualitative and quantitative information on other structured entities, reference should be made to Part E, Section 1 – Accounting consolidation risks – B. Information on structured entities (other than securitisation companies) - B.2.2 Other structured entities of the Consolidated Financial Statements.

E. Transfers

E.1 Prudential consolidation - Transferred financial assets fully recognised and related financial liabilities: book value

	TRANSFERRED FINANCIAL ASSETS FULLY RECOGNISED				RELATED FINANCIAL LIABILITIES		
	BOOK VALUE	OF WHICH: SECURITISED	OF WHICH: REVERSE REPURCHASE AGREEMENTS	OF WHICH: NON-PERFORMING	BOOK VALUE	OF WHICH: SECURITISED	OF WHICH: REVERSE REPURCHASE AGREEMENTS
A. HFT financial assets	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**59,083**	**-**	**59,083**	**-**	**59,030**	**-**	**59,030**
1. Debt securities	59,083	-	59,083	-	59,030	-	59,030
2. Equity securities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**994,337**	**-**	**994,337**	**-**	**992,423**	**-**	**992,423**
1. Debt securities	994,337	-	994,337	-	992,423	-	992,423
2. Loans	-	-	-	-	-	-	-
Total at 31.12.2024	**1,053,420**	**-**	**1,053,420**	**-**	**1,051,453**	**-**	**1,051,453**
Total at 31.12.2023	**1,587,984**	**-**	**1,587,984**	**-**	**1,553,969**	**-**	**1,553,969**

C. Prudential consolidation - Transferred financial assets fully derecognised

In accordance with the Bank of Italy Communication of 23 December 2019, this section contains information regarding the restructuring of a portfolio of senior notes issued by SPVs in the securitisation of healthcare receivables by Banca Generali in 2021 as it is considered to constitute a transfer of a loan portfolio to a mutual investment fund with concurrent subscription of the units by the transferring intermediary.

The healthcare receivable restructuring operation

In 2021, Banca Generali had performed an extensive restructuring of a portfolio of senior notes issued by an SPV of securitised healthcare receivables, with a notional value of 478.5 million euros, held by its professional clients. In particular, the restructuring of the portfolio entailed the following:

1. the purchase of the securitised senior notes from the clients for an amount of 457.6 million euros[36 - 37];
2. the simultaneous sale of the notes thus purchased to a newly formed Italian fund (AIF), the "Forward Fund", managed by Gardant Investor SGR, for 377.7 million euros, with the Bank recognising a trading loss of 79.9 million euros, accounting for approximately 79% of the principal amount outstanding of these notes;
3. the subscription by the Bank of the majority of the shares of the above Fund, with a 98% stake, equal to 490 million euros (A shares), of which 378 million euros already paid at the time of purchase of the notes, whereas the remaining 10 million euros (B shares) were subscribed by Gardant S.p.A., the parent company of the management firm that promoted the formation and assumed full, independent management of the fund.

[36] In particular, Banca Generali promoted a purchase offer addressed to all interested clients in reference to the full outstanding amount of the senior notes relating to the Astrea Due, Astrea Tre, Astrea Quattro and Chiron Due and Argo securitisations for a consideration of 95% of the principal amount outstanding (97.5% for Argo).

[37] The total outstanding amount of the securitisations amounted to 542 million euros, inclusive of mezzanine notes not distributed to the Bank's customers and junior notes held by the arranger of the transaction.

The strategic goal of the restructuring was thus essentially to protect customers against a potential loss on the investments concerned by transferring the aforementioned notes to a specialised, independent professional operator with specific expertise in managing illiquid portfolios and the servicing of securitisations, capable of optimising the process of recovering the cash flows generated by the notes by restructuring their maturities and ensuring better management of the repayment of the underlying receivables and concurrent reinvestment of the proceeds of such payments.
The securitisations subject to transfer did not refer to underlying transactions originated by Banca Generali and had not been previously held by the Bank. Rather, the Bank only acquired title to them on an entirely temporary basis at the time of the twofold transfer.
In fact, the Bank acted only as Placement Agent in these securitisation transactions, but it has nonetheless decided to undertake the restructuring operation to protect its clients and strengthen its trust-based relationship with them.

The portfolio of transferred receivables
At the end of 2021, the assets underlying the securitisations had amounted to 595.1 million euros and had included 509.1 million euro healthcare receivables from local healthcare authorities, with a residual share consisting of receivables from the Italian general government (e.g., municipalities, regions, ministries, etc.) and 86.0 million euro cash balance.
In particular, exposures to healthcare companies also included types of receivables with a high risk profile, such as "out-of-budget" healthcare receivables (268 million euros) and late payment interest from past-due healthcare receivables (162.5 million euros, of which 62.0 million euros transferred without the originating receivables).
Most of the receivables underlying the securitisations could therefore be deemed to be non-performing as overdrawn or under dispute, with the exception of the liquidity and a minor revolving loans component.

At 31 December 2024, the value of the exposure to healthcare receivables within the Forward Fund thus amounted to 298.8 million euros, divided into receivables from General governments of 173.6 million euros and receivables from transferors[38] of 125.2 million euros.

In 2024, the loans portfolio changed mainly as a result of the reimbursement collected, amounting to approximately to 17.1 million euros.

The portfolio fair value was 246.1 million euros (261.5 million euros at the end of 2023).

The Forward Fund
The Forward Fund is a reserved, closed-end Italian alternative investment fund (AIF), formed by Gardant Investor SGR S.p.A. following the authorisation received on 2 August 2021.

In accordance with the Fund Regulation, approved by the related Board of Directors on 10 September 2021, two classes of units were issued that grant their holders different economic and governance prerogatives:
- 490 class A units, subscribed by Banca Generali, in the total amount of 490 million euros, of which 378 million euros paid in cash upon the purchase of the senior notes by the Fund[39], and the remaining 112 million euros called in 2022 and aimed at constructing an alternative investment portfolio[40];
- 10 class B units, subscribed by Gardant S.p.A., the parent company of the asset management company, in the total amount of 10 million euros.

The A and B units enjoy the same **economic rights**, except for the right of the B investor to an increase in the accrued income, by way of incentive, of 15% of the fund's return in excess of 3%, with effect from the fifth year and solely on the investments undertaken directly by the management company.
With reference to the **governance**, the Fund Rules provide that within the framework of the guidelines established, all powers relating to relevant decisions regarding management of the fund be irrevocably transferred to the management company, which may therefore operate in full autonomy, reserving only rights of a protective nature for the Bank, as the A investor.

Gardant Investor SGR is therefore granted full powers and authority in relation to the Fund's affairs and is responsible for the functions of management and control of the Fund's activities, in accordance with the terms and conditions set out in the Rules.
In particular, the management company may carry out all acts and enter into and perform all contracts and other undertakings that it deems necessary and has full power and discretion to exercise, in the name and on the account of the Fund, all rights and powers necessary or appropriate to achieving its purpose, including the right to bring civil suits connected to title to the Senior Notes.
The management company's Board of Directors, which does not include any representatives appointed by Banca Generali, is responsible for implementing the investment policy.

[38] These are off- or out-of-budget receivables, default interest not recognised by local health authorities that at the end of the debt acknowledgement process with negative outcome will need to be recovered from the transferors. Net of the longer recovery times, according to the inquiries made the transferors are all operational, solvent "entitled entities" with dealings with the General Government.
[39] The Fund's units were subscribed on 30 September 2021. On 1 October 2021, the management company then drew down its commitments for the subscription of the first 378 of the 490 units subscribed by Banca Generali with settlement date on 7 October 2021.
[40] In particular, consideration for the remaining units subscribed were paid up for 17 million euros with value date on 30 March 2022, and for 95 million euros with value date on 5 December 2022.

As a result, having concluded that the Bank's rights are protective in nature, and not being it possible to attribute to the Bank the rights borne by the management company as irrevocably transferred to the latter and not merely delegated, it is believed that Banca Generali does not have the power and, therefore, despite the presence of a significant exposure to the fund's variability, does not exercise control over the Fund.

The fund, which has an initial duration of 15 years[41], pursues the twofold goal of:
- optimising the process of recovering the cash flows generated by the receivables, through the restructuring of maturities and better management of repayment of the underlying receivables and concurrent reinvestment of their proceeds;
- managing a complex portfolio of alternative investments, also including infrastructure and corporate lending investments[42], up to a maximum investment of 550 million euros, in order to achieve an expected total return of between 2% and 4% over the life of the Fund.

At the end of 2024, the Fund's net assets amounted to 495.7 million euros and consisted of four classes of assets:
- healthcare receivables underlying the securitisation vehicles, with nominal value amounting to 400 million euros, a recoverable amount of 298.8 million euros and a fair value of 246.1 million euros;
- investments in units of infrastructure funds with a fair value of 66.1 million euros;
- corporate lending of 72.3 million euros; and
- total cash of 109.2 million euros, of which 78.7 million euros invested in short-term European government bonds.

In view of the current macroeconomic scenario of severe economic and geopolitical uncertainty, the investment continues to be subject to possible revaluation effects due to the increase in interest rates and the ability of the asset management company to recover cash flows from the underlying healthcare receivables, according to the times and amounts (recovery rate) envisaged by the business plan.
With regard to the estimated FV of the notes with underlying healthcare receivables, a DCF model was applied on the basis of the flows estimated by the special servicer/the management company, discounted in light of their risk profile, at an average rate of approximately 5.5% (6.5% in 2023).
In light of the nature of the instrument, i.e., units of a closed-ended, unlisted (illiquid) mutual fund, and the mark-to-model valuation approach for determining fair value (FV), based on inputs that are not fully observable, it was assigned to Level 3 of the FV hierarchy.
Accordingly, a **sensitivity analysis** was conducted exclusively on healthcare receivables, assuming a change in the discount rate of +100 bps and a change in the collection of underlying receivables of -5%.
The analysis identified a decline of approximately 8.5 million euros in relation to the increase in discount rates (+100 bps) and a decrease of approximately 12.1 million euros in relation to a lower recovery of receivables (-5%).

At 31 December 2024, the fair value of the investment in the Forward Fund (490 of 500 total units) was estimated at 485.8 million euros (+2.3 million euros compared to the end of 2023), with a cumulative capital loss that therefore declined to 4.2 million compared to 6.5 million euros recognised at the end of 2023, mainly due to the positive performance of loans, partially offset by the reduction in the discount rates used.

Section 2 – Market risks

The Bank's exposure to market risk is mainly due to the trading of financial instruments on its own account. Market risk is represented by the possibility to suffer losses due to variations in the value of a financial instrument or a portfolio of financial instruments associated with unexpected variations in market conditions (share prices, interest rates, exchange rates, the prices of goods and the volatility of risk factors).

The Bank monitors market risks with reference both to the banking book and the trading book. Specifically, in order to monitor this risk, the Risk Management Department applies the regulatory method to the trading book, whilst as regards the interest rate risk of the banking book the Bank has adopted an IMS (Internal Measurement System) through full evaluation of all banking book items.
With regard to market risk management, the Bank has formally defined a Financial Portfolio Risk Management Policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines on its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority. The Finance Department conducts first-line management and monitoring of Banca Generali's exposure to market risk in accordance with predefined operating limits detailed in the Parent Company's Regulation of limits and escalation process.

[41] The Fund has an overall duration of 15 years, subject to extension by a maximum of two years, with a first investment period with a duration of 8 years and a management and collection period of 7 years.
[42] In particular, the Fund's investment policy calls for the cash flows from the repayment of the senior notes and the additional share of 120 million euros of the commitments entered into by the subscribers to be invested in:
i) fundamental infrastructure funds and networks; and
ii) lending activities to:
  a) corporate lending with a focus on secured lending to Italian companies with adequate guarantees of cash generation not reclassified as non-performing and, possibly;
  b) performing senior real estate lending with adequate guarantees (i.e., first-degree mortgage with advance level of up to 60% of the market value of the asset).

Second-line controls are a responsibility of the Risk Management Department, as is the monitoring of operating limits aimed at maintaining a level of risk that is consistent with the strategies and risk appetite defined by the Board of Directors.

The Internal Audit Department conducts independent controls (third-line controls) on transactions undertaken by the Departments/Functions involved in the management of market risk in accordance with the Parent Company's Internal Rules.
The Risk Committee is a collegial body responsible for a shared vision of the global performance of the market risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

The proprietary bond portfolio is mainly invested in government securities, securities issued by domestic and international banks and, to only a lesser extent, in securities of corporate issuers and ABSs.
With a view to further strengthening the management and monitoring of the credit risk profile, the Bank has adopted a portfolio management policy that, in addition to the above-mentioned credit lines, provides, inter alia, for certain minimum and maximum investment limits on specific geographical-industry and rating clusters and minimum thresholds for investments in government securities or securities with a high credit standing. This framework also sets specific maximum maturity limits for investments in the proprietary bond portfolio and strict limitations on exposures to complex instruments or hard-to-value assets.
In addition, to complement its market risk analyses, the Bank performs scenario analyses by both exploiting the macroeconomic forecasts published by institutions and research centres and drawing on internal calculations and management tools.
The portfolio's exposure to the equity market remains modest.

The Bank uses derivatives for hedge accounting purposes (e.g., Interest Rate Swaps), both in order to safeguard the banking book against adverse changes in the fair value of loans and interest margin caused by movements in rate curves, and to contain duration levels in view of changing trends in the proprietary portfolio.
The main objective of exchange rate operations is to contain open positions in foreign currencies. Regarding the rate activity, the main objective is to align balance sheet assets and liabilities.
Banca Generali holds marginal amounts of securities denominated in foreign currencies.

2.1 Interest rate and price risk – Regulatory trading book

Qualitative information

A. General aspects

The exposure of the trading book is residual.

B. Management processes and interest rate and price risk measurement techniques

Market risks are measured for management purposes according to a daily sensitivity analysis, prudentially monitored at the level of the Bank's entire proprietary portfolio with the aim of identifying interest rate and spread risk. These are supplemented by the monitoring of deterministic measurements (level measurements such as the notional and Mark to Market values) defined in the "Regulation of Limits and Escalation Process" of the Bank.

In detail, the model adopted by the Risk Management Department to conduct the sensitivity analysis is based on the Fundamental Review of Trading Book rules and has been developed to calculate sensitivity:
- on interest-rate risk: the possibility of calculating sensitivity according to a full-evaluation approach, based on shocks to the base risk-free curve in foreign currency;
- on country risk: the possibility of calculating sensitivity according to a full-evaluation approach, based on shocks to loan/sector curves.

The sensitivities of the two components described above are calculated as a parallel shock of +100 bps on all nodes of the curve, with regard to both the interest-rate risk and country risk portions.

The following table shows the interest-rate risk sensitivity of the entire trading book (proprietary HTS portfolio) at 31 December 2024:

(€ THOUSAND)	HTS
Interest-rate risk sensitivity	0.0

Quantitative information

1. Regulatory trading book: breakdown by time-to-maturity (repricing date) of cash financial assets and liabilities and financial derivatives

TYPE/TIME-TO-MATURITY	DEMAND	UP TO 3 MONTHS	OVER 3 MONTHS, UP TO 6 MONTHS	OVER 6 MONTHS, UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS, UP TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Cash assets	**–**	**–**	**–**	**–**	**2**	**–**	**–**	**–**
1.1 Debt securities	–	–	–	–	2	–	–	–
– with early repayment option	–	–	–	–	–	–	–	–
– other	–	–	–	–	2	–	–	–
1.2 Other assets	–	–	–	–	–	–	–	–
2. Cash liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Repurchase agreements	–	–	–	–	–	–	–	–
2.2 Other liabilities	–	–	–	–	–	–	–	–
3. Financial derivatives	**–**	**20,924**	**–**	**23,566**	**–**	**–**	**–**	**–**
3.1 With underlying security	–	–	–	–	–	–	–	–
– Options	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
– Other derivatives	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
3.2 Without underlying security	–	20,924	–	23,566	–	–	–	–
– Options	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
– Other derivatives	–	20,924	–	23,566	–	–	–	–
+ long positions	–	10,462	–	11,783	–	–	–	–
+ short positions	–	10,462	–	11,783	–	–	–	–

2. Regulatory trading book: breakdown of exposures in equity securities and stock indices by main countries on the market of listing

Price risk consists of the risk that the fair value or future cash flows of a given financial instrument may fluctuate as a result of changes in market prices (other than changes triggered by **interest-rate risk** or **exchange-rate risk**), regardless of whether such changes are the result of factors specific to the instrument or issuer in question, or are due to factors that influence all similar financial instruments traded on the market.

Price risk arises mainly as a result of the trading of equity instruments such as shares, stock-index and/or stock futures, stock-index and/or stock options, warrants, covered warrants, option rights, etc. and in relation to UCITS units held in the portfolio.

However, the Bank's exposure to this risk is negligible given the limited weight of such securities in its portfolio of HFT financial assets.

TYPE OF TRANSACTION/INDEX	LISTED				NOT LISTED
	ITALY	USA	GERMANY	OTHER	
A. Equity securities	8	–	–	–	–
– long positions	8	–	–	–	–
– short positions	–	–	–	–	–
B. Equity security purchases/sales to be settled	–	–	–	–	–
– long positions	–	–	–	–	–
– short positions	–	–	–	–	–
C. Other derivatives on equity securities	–	–	–	–	–
– long positions	–	–	–	–	–
– short positions	–	–	–	–	–
D. Stock-index derivatives	–	–	–	–	–
– long positions	–	–	–	–	–
– short positions	–	–	–	–	–

3. Regulatory trading book: internal models and other methods of sensitivity analysis

Sensitivity analysis was also employed to assess the market risks originating in the trading book.
This sort of analysis quantifies the change in the value of a financial portfolio as a result of variation in the primarily risk factors, which for Banca Generali are interest-rate and price risk.
In calculating interest-rate risk, the analysis assumed a parallel, uniform shift of +100/-100 basis points in the rate curve.
The next stage involves establishing the potential effects on the profit and loss account both in terms of the actual change in the fair value of the portfolio under analysis at the reporting date and the change in the net interest income for the current year.
In calculating the price risk associated with equities, a 10% change in market prices was considered. On this basis, the actual impact of such a change on the current equities portfolio was then determined.

On the whole, a change in market prices of +10%/-10% would result in the recognition through profit or loss of nearly no capital gains/losses on the trading book, consisting mainly of equity securities.
A change in interest rates of +100/-100 basis points would also have an overall zero effect on the fair value of the debt securities trading book.

(€ THOUSAND)	HTS
FV equity delta (+10%)	–
FV equity delta (-10%)	–
FV bonds delta (+1%)	–
FV bonds delta (-1%)	–

2.2 Interest rate and price risk – Banking book

Qualitative information

A. General aspects and interest rate and price risk management processes and measurement techniques

The interest rate risk to which the banking book is exposed consists of the risk of incurring losses due to potential fluctuations in interest rates.

This risk is generated by the gaps between the maturities and time required to reset the interest rate on the Bank's assets and liabilities. Where such gaps are present, fluctuations in interest rates result in variations of net income, and therefore projected profit, as well as variations in the market value of the assets and liabilities, and, in turn, the value of net equity.

With regard to the management of the interest rate risk of the banking book, the Bank has formally defined a Policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines on its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

The Finance Department and the Credit Department conduct first-line controls on the management of interest rate risk.
The Risk Management Department is responsible for second-line controls with the aim of conducting specific independent measurement, control and monitoring of the interest rate risk to which the banking book is exposed. It is also responsible for updating the models and metrics, including on the basis of analyses of legal requirements, market best practices and the contributions of the business functions involved (and the Finance Department in particular).
The Internal Audit Department is responsible for third-line controls on lending and funding activities.

The Risk Committee is a collegial body responsible for a shared vision of the global performance of the management and control system for interest rate risk in the banking book and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

During the year, the Bank monitored its interest rate risk profile by applying its control framework, checking the exposure against the limits approved by the Board of Directors upon approval of the Risk Appetite Framework. Containment of the risk to changes in interest rates is also based on monitoring of the duration of the Bank's proprietary portfolio or on stress tests that aim to identify in advance significant sources of risk upon the occurrence of adverse situations.

In line with Supervisory Provisions, the Bank also determines the exposure to interest rate risk of the banking book by reference to net interest income or expected profits.

During the year, the Group adopted advanced tools for monitoring interest rate risk, which increased the efficiency of the processes of risk data processing and reporting, final and forward-looking risk analytics calculation and detailed analysis of specific financial statement items (e.g., current accounts) in support of the business and/or commercial actions.

Most of the interest rate risk in the Bank's banking book arises from:
- trading on the collateralised deposits market (REPOs);
- customer lending activities; and
- investing activities regarding the debt securities portfolio held as treasury investment, which can cause a mismatch in the repricing dates and currencies of assets compared to those of liabilities associated with funding activities, with a negative impact on the Group's objectives in terms of net interest income.

B. Fair value and cash flow hedging

The Bank currently uses fair value hedging strategies to contain the interest rate risk on the banking book. These strategies are formulated according to the Bank's risk appetite and are designed to keep banking book's duration within the established limits by using hedging derivative instruments such as interest rate swaps.
In particular, by establishing hedging relationships, the Bank seeks to stabilise the fair value of the bond in respect of changes in interest rates and to decrease the duration of the hedged bond.
All derivative instruments are designated as hedges against the specific risk hedged, as identified for each hedging relationship and pursuant to IFRS9.

In addition, cash flow hedging was first applied in 2024 to hedge cash flows generated by variable-rate securities or by ASW packages (FVH).
In addition, as part of its ALM management, the Bank has entered into macro fair value hedges to modelled demand deposit liabilities so as to stabilise their fair value and manage their duration. These hedges were executed to ensure thorough management of the delta EVE and NII limits for calculating the interest rate risk in the banking book (IRRBB).

Quantitative information

1. Banking book: breakdown by time-to-maturity (by repricing date) of financial assets and liabilities

TYPE/TIME-TO-MATURITY	DEMAND	UP TO 3 MONTHS	OVER 3 MONTHS, UP TO 6 MONTHS	OVER 6 MONTHS, UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS, UP TO 10 YEARS	OVER 10 YEARS	UNSPECIFIED MATURITY
1. Cash assets	**3,565,608**	**1,215,149**	**3,450,690**	**1,397,350**	**3,798,650**	**1,219,765**	**406,672**	**–**
1.1 Debt securities	–	927,272	3,199,628	1,295,431	3,786,502	1,216,975	404,616	–
– with early repayment option	–	160,808	24,237	28,329	57,429	72,984	–	–
– other	–	766,464	3,175,391	1,267,102	3,729,073	1,143,991	404,616	–
1.2 Loans to banks	1,155,097	189,776	249,947	99,981	–	–	–	–
1.3 Loans to customers	2,410,511	98,101	1,115	1,938	12,148	2,790	2,056	–
– current accounts	1,747,479	72	202	137	122	–	–	–
– other loans	663,032	98,029	913	1,801	12,026	2,790	2,056	–
– with early repayment option	535,276	501	162	306	2,669	2,782	2,056	–
– other	127,756	97,528	752	1,496	9,357	8	–	–
2. Cash liabilities	**13,199,349**	**1,110,593**	**186,205**	**–**	**35**	**–**	**–**	**–**
2.1 Due to customers	13,115,332	835,537	186,205	–	35	–	–	–
– current accounts	12,697,668	241,231	1,781	–	35	–	–	–
– other debts	417,664	594,306	184,424	–	–	–	–	–
– with early repayment option	–	–	–	–	–	–	–	–
– other	417,664	594,306	184,424	–	–	–	–	–
2.2 Due to banks	84,017	275,056	–	–	–	–	–	–
– current accounts	69,299	–	–	–	–	–	–	–
– other debts	14,718	275,056	–	–	–	–	–	–
2.3 Debt securities	–	–	–	–	–	–	–	–
– with early repayment option	–	–	–	–	–	–	–	–
– other	–	–	–	–	–	–	–	–
2.4 Other liabilities	–	–	–	–	–	–	–	–
– with early repayment option	–	–	–	–	–	–	–	–
– other	–	–	–	–	–	–	–	–
3. Financial derivatives	**10,000**	**3,720,600**	**4,642,233**	**1,115,400**	**3,598,446**	**929,600**	**424,500**	**–**
3.1 With underlying security	–	–	–	–	–	–	–	–
– Options	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
– Other derivatives	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
3.2 Without underlying security	10,000	3,720,600	4,642,233	1,115,400	3,598,446	929,600	424,500	–
– Options	–	–	–	–	–	–	–	–
+ long positions	–	–	–	–	–	–	–	–
+ short positions	–	–	–	–	–	–	–	–
– Other derivatives	10,000	3,720,600	4,642,233	1,115,400	3,598,446	929,600	424,500	–
+ long positions	10,000	1,425,600	2,266,574	920,400	2,597,233	–	–	–
+ short positions	–	2,295,000	2,375,659	195,000	1,001,213	929,600	424,500	–
4. Other off-balance sheet transactions	**651,471**	**651,471**	**–**	**–**	**–**	**–**	**–**	**–**
+ long positions	651,471	–	–	–	–	–	–	–
+ short positions	–	651,471	–	–	–	–	–	–

2. *Banking book: internal models and other methods of sensitivity analysis*

The sensitivity analysis was conducted only for the interest rate risk component also for the banking book, with regard to the portfolio of financial assets measured at fair value through other comprehensive income, the portfolio of financial assets measured at amortised cost, and the portfolio of loans to customers and banks.

As regards the price risk, a shock of +100/-100 basis points would yield a change in the valuation reserves on debt securities in the HTCS category of -10.3/+10.3 million euros, gross of the tax effect.
The fair value delta component associated with the government bonds in the HTCS portfolio would amount to -10.2/+10.2 million euros as a result of the hypothesised shift in the rate curve, or about 99% of the fair value delta of the entire HTCS bond portfolio.

To provide a complete information, the following table shows the effect of a similar price shock in the fair value of portfolios recognised at amortised cost.

(€ THOUSAND)	HTCS	HTC	LOANS (*)	TOTAL
FV bonds delta (+1%)	-10,305	-115,650	-16,258	-142,213
– *of which: government bonds*	*-10,245*	*-85,314*	–	*-95,559*
FV bonds delta (-1%)	10,305	115,650	17,930	143,885
– *of which: government bonds*	*10,245*	*85,314*	–	*95,559*

(*) Loans to banks and Loans to customers.

The same criteria were also applied to a sensitivity analysis of net interest income of the entire banking book. It resulted in a potential impact on the Profit and Loss Account of +31.1 million euros, gross of the tax effect, in case of increase in interest rates by 1%, and -31.2 million euros in case of decrease by the same amount.

(€ THOUSAND)	ASSETS	LIABILITIES	NET
Net interest income delta (+1%) (*)	54,127	-22,993	31,134
Net interest income delta (-1%) (*)	-54,340	23,185	-31,155

(*) Sensitivity analysis calculated using a constant balance sheet, considering current funding pricing conditions.

2.3 Exchange rate risk

Qualitative information

A. *General aspects and exchange rate risk management processes and measurement techniques*

Exchange rate risk is the possibility of incurring losses due to adverse fluctuations in the value of foreign currencies on all positions held by the Bank, regardless of the portfolio to which they have been allocated.
With regard to exchange rate risk management, the Group has formally defined a Financial Portfolio Risk Management Policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines in accordance with its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

The Finance Department performs first-line controls of exchange rate risk management.
The Risk Management Department is responsible for second-line controls with the aim of conducting specific independent measurement, control and monitoring of the exchange rate risk.
The Internal Audit Department is responsible for third-line controls on lending and funding activities in foreign currency.
The Risk Committee is a collegial body responsible for a shared vision of the global performance of the exchange rate risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

Most of the exchange rate risk arises from:
› trading of securities and other financial assets in foreign currency;
› interest to be collected and/or paid, reimbursements, fees or dividends in foreign currency;
› bank transfers in foreign currency to Customers (institutional and retail customers);
› currency trading on behalf of Customers.

The main objective of exchange rate operations is to contain open positions in foreign currencies, as limited to currency account currencies.
Exchange rate risk is mitigated through funding activities in the same currency as that of lending transactions.

Quantitative information

1. Breakdown by currency of denomination of assets, liabilities and derivatives

ITEMS	CURRENCIES						
	US DOLLAR	POUND STERLING	JAPANESE YEN	CANADIAN DOLLAR	SWISS FRANC	AUSTRALIAN DOLLAR	OTHER CURRENCIES
A. Financial assets	**96,290**	**13,698**	**453**	**4,521**	**15,686**	**1,162**	**1,350**
A.1 Debt securities	49,852	–	–	–	7,455	–	–
A.2 Equity securities	5,860	7,164	–	–	–	–	–
A.3 Loans to banks	40,570	6,533	453	4,521	6,895	1,162	1,350
A.4 Loans to customers	8	1	–	–	1,336	–	–
A.5 Other financial assets	–	–	–	–	–	–	–
B. Other assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**
C. Financial liabilities	**75,640**	**6,622**	**513**	**4,876**	**11,709**	**1,070**	**699**
C.1 Due to banks	–	–	–	–	–	–	6
C.2 Due to customers	75,640	6,622	513	4,876	11,709	1,070	693
C.3 Debt securities	–	–	–	–	–	–	–
C.4 Other financial liabilities	–	–	–	–	–	–	–
D. Other liabilities	**–**	**–**	**–**	**–**	**–**		**–**
E. Financial derivatives	**-9,753**	**-7**	**18**	**–**	**-22**	**–**	**-60**
Options	–	–	–	–	–	–	–
– long positions	–	–	–	–	–	–	–
– short positions	–	–	–	–	–	–	–
Other derivatives	-9,753	-7	18	–	-22	–	-60
– long positions	10,381	278	28	3	64	–	285
– short positions	20,134	285	10	3	86	–	345
Total assets	**106,671**	**13,976**	**481**	**4,524**	**15,750**	**1,162**	**1,635**
Total liabilities	**95,774**	**6,907**	**523**	**4,879**	**11,795**	**1,070**	**1,044**
Excess	**10,897**	**7,069**	**-42**	**-355**	**3,955**	**92**	**591**

2. Internal models and other methods of sensitivity analysis

The sensitivity analysis discussed in the foregoing section has been also conducted on assets and liabilities denominated in currencies other than the euro, regardless of the portfolio to which they have been allocated.

A shock of +10%/-10% on equity instruments denominated in currencies other than the euro would have an effect on the fair value of approximately +1.2/-1.2 million euros, whereas a shock of +100/-100 bps in rates would have an effect on the fair value of debt securities and assets other than equity instruments in foreign currency of -558/+558 thousand euros, gross of the tax effect.

(€ THOUSAND)	ASSETS
FV equity delta (+10%)	1,201
FV equity delta (-10%)	-1,201
FV non-equity delta (+1%)	-558
FV non-equity delta (-1%)	+558

By contrast, an interest rate movement of +100/-100 bps would have an effect of +1.0/-1.0 million euros on the flow of interest on assets and liabilities denominated in currencies other than the euro.

(€ THOUSAND)	TOTAL ITEMS
Net interest income delta (+1%)	+1,003
Net interest income delta (-1%)	-1,039

Section 3 – Derivatives and Hedging Policies

3.1 Trading derivatives

A. Financial derivatives

A.1 HFT financial derivatives: notional values at year-end

UNDERLYING ASSETS/ TYPE OF DERIVATIVES	31.12.2024				31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS
1. Debt securities and interest rates	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) Options	–	–	–	–	–	–	–	–
b) Swaps	–	–	–	–	–	–	–	–
c) Forwards	–	–	–	–	–	–	–	–
d) Futures	–	–	–	–	–	–	–	–
e) Other	–	–	–	–	–	–	–	–
2. Equity securities and stock indices	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
a) Options	–	–	–	–	–	–	–	–
b) Swaps	–	–	–	–	–	–	–	–
c) Forwards	–	–	–	–	–	–	–	–
d) Futures	–	–	–	–	–	–	–	–
e) Other	–	–	–	–	–	–	–	–
3. Currencies and gold	**–**	**5,892**	**5,892**	**–**	**–**	**5,469**	**5,469**	**–**
a) Options	–	–	–	–	–	–	–	–
b) Swaps	–	–	–	–	–	–	–	–
c) Forwards	–	5,892	5,892	–	–	5,469	5,469	–
d) Futures	–	–	–	–	–	–	–	–
e) Other	–	–	–	–	–	–	–	–
4. Goods	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
5. Other	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**5,892**	**5,892**	**–**	**–**	**5,469**	**5,469**	**–**

A.2 HFT financial derivatives: positive and negative gross fair value - breakdown by products

	31.12.2024				31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
TYPE OF DERIVATIVES	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS
1. Positive fair value								
a) Options	–	–	–	–	–	–	–	
b) Interest rate swaps	–	–	–	–	–	–	–	–
c) Cross currency swaps	–	–	–	–	–	–	–	–
d) Equity swaps	–	–	–	–	–	–	–	–
e) Forwards	–	–	111	–	–	156	–	–
f) Futures	–	–	–	–	–	–	–	–
g) Other	–	–	–	–	–	–	–	–
Total	**–**	**–**	**111**	**–**	**–**	**156**	**–**	**–**
1. Negative fair value								
a) Options	–	–	–	–	–	–	–	–
b) Interest rate swaps	–	–	–	–	–	–	–	–
c) Cross currency swaps	–	–	–	–	–	–	–	–
d) Equity swaps	–	–	–	–	–	–	–	–
e) Forwards	–	109	–	–	–	–	159	–
f) Futures	–	–	–	–	–	–	–	–
g) Other	–	–	–	–	–	–	–	–
Total	**–**	**109**	**–**	**–**	**–**	**–**	**159**	**–**

A.3 OTC HFT financial derivatives: breakdown of notional values and positive and negative gross fair value by counterparties

UNDERLYING ASSETS	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL CORPORATIONS	OTHER ENTITIES
Contracts other than netting arrangements				
1) Debt securities and interest rates				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
2) Equity securities and stock indices				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
3) Currencies and gold				
– notional value	X	–	–	5,892
– positive fair value	X	–	–	111
– negative fair value	X	–	–	–
4) Goods				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
5) Other				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
Contracts within the scope of netting arrangements				
1) Debt securities and interest rates				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–
2) Equity securities and stock indices				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–
3) Currencies and gold				
– notional value	–	5,892	–	–
– positive fair value	–	–	–	–
– negative fair value	–	109	–	–
4) Goods				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–
5) Other				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–

A.4 Time-to-maturity of OTC HFT financial derivatives: notional values

UNDERLYING ASSETS/RESIDUAL LIFE	UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A.1 Financial derivatives on debt securities and interest rates	–	–	–	–
A.2 Financial derivatives on equity securities and stock indices	–	–	–	–
A.3 Financial derivatives on currencies and gold	11,783	–	–	11,783
A.4 Financial derivatives on goods	–	–	–	–
A.5 Other financial derivatives	–	–	–	–
Total at 31.12.2024	**11,783**	**–**	**–**	**11,783**
Total at 31.12.2023	**10,939**	**–**	**–**	**10,939**

3.2 Hedging instruments

Qualitative information

A. Fair value hedging

Fair value hedging is aimed at hedging the banking book from changes in fair value of net inflows and loans that is attributable to the fluctuation of the interest rate and exchange rate curve. The Bank adopts both micro fair value hedges and macro fair value hedges.

› **Micro fair value hedge of fixed-rate debt securities:** these securities are allocated to the debt securities portfolios measured at amortised cost and at fair value through other comprehensive income. Hedging is implemented using IRS derivatives.
› **Micro fair value hedges of fixed-rate currency debt securities:** these securities are allocated to the debt securities portfolios measured at amortised cost and at fair value through other comprehensive income. Hedging is implemented using CCS derivatives.
› **Macro fair value hedges:** macro fair value hedge is applied to a portfolio of demand deposit liabilities (core deposits) using IRS contracts. This type of hedge aims to mitigate fair value fluctuations attributable to interest rate risk.

B. Cash flow hedging

Cash flow hedging is intended to hedge the exposure to variability in future cash flows that is attributable to the fluctuation of the interest rate curve. To date, only the following type of hedges is used:

› **Cash flow hedges of variable-rate debt securities**: this type of hedge is applied to variable-rate debt securities arising from pre-existing fair value hedges (asset swaps), using IRS derivatives.

C. Hedging instruments

Hedging against exposure to interest rate risk, whether in the form of fair value hedges and cash flow hedges, mainly uses IRS derivatives (interest rate swap).
Exchange rate risk is hedged using CCS (cross currency swap) derivatives.

The Bank applies the dollar-offset methods to assess hedge effectiveness. This method compares the cumulative changes in the fair value of the hedging instrument with those of the hedged item.

Any failure in the model used by the Bank to assess hedge effectiveness may be mainly attributable to the following phenomena:

› any mismatch between the notional amount of the derivative and the underlying hedged item recognised at the time of the initial designation or generated thereafter;
› application of different curves to the hedging derivative and the hedged item for the purpose of performing the effectiveness test on fair value hedges. Derivatives, which are normally collateralised or centrally-cleared, are discounted using the overnight curve, while hedged items are discounted using the benchmark curve of the hedging instrument;
› with regard to fair value hedges, inclusion in the effectiveness test of the value of the variable interest rate cash flows of the hedging derivative.

D. Hedged items

The main types of hedged items include:

› fixed-rate debt securities allocated to the portfolio of financial assets measured at amortised cost and, to a lesser extent, to the portfolio of financial assets measured at fair value through other comprehensive income (OCI);
› aggregate transactions consisting of variable-rate debt securities resulting from previous fair value hedge transactions (asset swaps);
› modelled stable demand deposits (core deposits).

The proprietary portfolio managed by the Bank includes hedging derivatives entered into both through a central counterparty (CCP) clearing house and on a bilateral basis under a CSA, affected by the benchmark interest rate reform introduced by Regulation (EU) No. 34 of 15 January 2020.
For such contracts, which normally call for the use of Eonia rates, the transition to the new overnight rate, €STR, was therefore completed in 2021.

Since 1 September 2022, concurrently with the parent company, Assicurazioni Generali, the Bank has been subject to an obligation to apply all risk mitigation techniques mandated by the EMIR Regulation in reference to contracts not subject to clearing through central counterparties. Specifically, the Bank entered into contracts for the exchange of collateral to hedge the initial margins in OTC derivatives with each counterparty, indicating Euroclear as the “Triparty Agent” with which to segregate the securities hedging the exposure. The Bank has also adopted ACADIA software for calculating the initial margins of existing positions, with daily monitoring of both observance of regulatory thresholds and covering margin calls.

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: notional values at year-end

UNDERLYING ASSETS/ TYPES OF DERIVATIVES	31.12.2024				31.12.2023			
	OVER THE COUNTER				OVER THE COUNTER			
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES		
	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS	CENTRAL COUNTER-PARTIES	WITH NETTING ARRANGE-MENTS	WITHOUT NETTING ARRANGE-MENTS	ORGANISED MARKETS
1. Debt securities and interest rates	**-**	**7,201,659**	**-**	**-**	**-**	**3,272,500**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	7,201,659	-	-	-	3,272,500	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and stock indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**9,656**	**-**	**-**	**-**	**9,038**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	9,656	-	-	-	9,038	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Goods	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**7,211,315**	**-**	**-**	**-**	**3,281,538**	**-**	**-**

A.2 Hedging financial derivatives: positive and negative gross fair value - breakdown by products

TYPE OF DERIVATIVES	POSITIVE AND NEGATIVE FAIR VALUE								CHANGE IN VALUE USED TO MEASURE THE HEDGE INEFFECTIVENESS	
	31.12.2024				31.12.2023					
		WITHOUT CENTRAL COUNTERPARTIES				WITHOUT CENTRAL COUNTERPARTIES				
	CENTRAL COUNTERPARTIES	WITH NETTING ARRANGEMENTS	WITHOUT NETTING ARRANGEMENTS	ORGANISED MARKETS	CENTRAL COUNTERPARTIES	WITH NETTING ARRANGEMENTS	WITHOUT NETTING ARRANGEMENTS	ORGANISED MARKETS	31.12.2024	31.12.2023
1. Positive fair value										
a) Options	–	–	–	–	–	–	–	–	–	–
b) Interest rate swaps	–	131,220	–	–	–	161,886	–	–	–	–
c) Cross currency swaps	–	–	–	–	–	69	–	–	–	–
d) Equity swaps	–	–	–	–	–	–	–	–	–	–
e) Forwards	–	–	–	–	–	–	–	–	–	–
f) Futures	–	–	–	–	–	–	–	–	–	–
g) Other	–	–	–	–	–	–	–	–	–	–
Total	**–**	**131,220**	**–**	**–**	**–**	**161,955**	**–**	**–**	**–**	
2. Negative fair value										
a) Options	–	–	–	–	–	–	–	–	–	–
b) Interest rate swaps	–	176,364	–	–	–	132,662	–	–	–	–
c) Cross currency swaps	–	583	–	–	–	–	–	–	–	–
d) Equity swaps	–	–	–	–	–	–	–	–	–	–
e) Forwards	–	–	–	–	–	–	–	–	–	–
f) Futures	–	–	–	–	–	–	–	–	–	–
g) Other	–	–	–	–	–	–	–	–	–	–
Total	**–**	**176,947**	**–**	**–**	**–**	**132,662**	**–**	**–**	**–**	

A.3 Hedging OTC financial derivatives: breakdown of notional values and positive and negative gross fair value by counterparties

UNDERLYING ASSETS	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL CORPORATIONS	OTHER ENTITIES
Contracts other than netting arrangements				
1) Debt securities and interest rates				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
2) Equity securities and stock indices				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
3) Currencies and gold				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
4) Goods				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
5) Other				
– notional value	X	–	–	–
– positive fair value	X	–	–	–
– negative fair value	X	–	–	–
Contracts within the scope of netting arrangements				
1) Debt securities and interest rates				
– notional value	–	7,201,659	–	–
– positive fair value	–	131,220	–	–
– negative fair value	–	176,364	–	–
2) Equity securities and stock indices				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–
3) Currencies and gold				
– notional value	–	9,656	–	–
– positive fair value	–	–	–	–
– negative fair value	–	583	–	–
4) Goods				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–
5) Other				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–

A.4 Time-to-maturity of OTC hedging financial derivatives: notional values

UNDERLYING ASSETS/RESIDUAL LIFE	UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS	TOTAL
A.1 Financial derivatives on debt securities and interest rates	1,065,000	4,122,559	2,014,100	7,201,659
A.2 Financial derivatives on equity securities and stock indices	–	–	–	–
A.3 Financial derivatives on currencies and gold	–	9,656	–	9,656
A.4 Financial derivatives on goods	–	–	–	–
A.5 Other financial derivatives	–	–	–	–
Total at 31.12.2024	**1,065,000**	**4,132,215**	**2,014,100**	**7,211,315**
Total at 31.12.2023	**65,000**	**1,472,038**	**1,744,500**	**3,281,538**

D. Hedged instruments

D.1 Fair value hedging

	MICRO HEDGES: CARRYING AMOUNT	MICRO HEDGES – NET POSITIONS: CARRYING AMOUNT OF ASSETS OR LIABILITIES (BEFORE NETTING)	MICRO HEDGES			MACRO HEDGES: CARRYING AMOUNT
			CUMULATIVE FAIR VALUE CHANGES OF THE HEDGED INSTRUMENT	TERMINATION OF HEDGING POSITION: RESIDUAL CUMULATIVE FAIR VALUE CHANGES	CHANGE IN VALUE USED TO MEASURE THE HEDGE INEFFECTIVE-NESS	
A. Assets						
1. Financial assets measured at fair value through other comprehensive income – hedging of:	**212,630**	**–**	**605**	**–**	**–**	**–**
1.1 Debt securities and interest rates	212,630	–	605	–	–	X
1.2 Equity securities and stock indices	–	–	–	–	–	X
1.3 Currencies and gold	–	–	–	–	–	X
1.4 Loans	–	–	–	–	–	X
1.5 Other	–	–	–	–	–	X
2. Financial assets measured at amortised cost – hedging of:	**4,488,773**	**–**	**-17,752**	**–**	**–**	**–**
1.1 Debt securities and interest rates	4,479,122	–	-18,277	–	–	X
1.2 Equity securities and stock indices	–	–	–	–	–	X
1.3 Currencies and gold	9,651	–	525	–	–	X
1.4 Loans	–	–	–	–	–	X
1.5 Other	–	–	–	–	–	X
Total at 31.12.2024	**4,701,403**	**–**	**-17,147**	**–**	**–**	**–**
Total at 31.12.2023	**3,282,790**	**–**	**-85,826**	**–**	**–**	**–**
B. Liabilities						
1. Financial liabilities measured at amortised cost – hedging of:	**–**	**–**	**–**	**–**	**–**	**-2,142**
1.1 Debt securities and interest rates	–	–	–	–	–	X
1.2 Currencies and gold	–	–	–	–	–	X
1.3 Other	–	–	–	–	–	X
Total at 31.12.2024	**–**	**–**	**–**	**–**	**–**	**-2,142**
Total at 31.12.2023	**–**	**–**	**–**	**–**	**–**	**–**

D.2 Cash flow hedges and hedges of a net investment in a foreign operation

	CHANGE IN VALUE USED TO MEASURE THE HEDGE INEFFECTIVENESS	HEDGING RESERVE	HEDGE DISCONTINUATION: RESIDUAL VALUE OF HEDGING RESERVE
A. Cash flow hedges			
1. Assets	**–**	**4,703**	**–**
1.1 Debt securities and interest rates	–	4,703	–
1.2 Equity securities and stock indices	–	–	–
1.3 Currencies and gold	–	–	–
1.4 Loans	–	–	–
1.5 Other	–	–	–
2. Liabilities	**–**	**–**	**–**
1.1 Debt securities and interest rates	–	–	–
1.2 Currencies and gold	–	–	–
1.3 Other	–	–	–
Total at 31.12.2024	**–**	**4,703**	**–**
Total at 31.12.2023			
B. Hedges of a net investment in a foreign operation	**X**	**–**	**–**
Total (A + B) 31.12.2024	**–**	**4,703**	**–**
Total (A + B) 31.12.2023	**–**	**–**	**–**

E. Effects of hedging transactions on net equity

E.1 Reconciliation of net equity components

	CASH-FLOW HEDGE RESERVE					RESERVE OF HEDGES OF A NET INVESTMENT IN A FOREIGN OPERATION				
	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND STOCK INDICES	CURRENCIES AND GOLD	LOANS	OTHER	DEBT SECURITIES AND INTEREST RATES	EQUITY SECURITIES AND STOCK INDICES	CURRENCIES AND GOLD	LOANS	OTHER
Amount at year-start	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Fair value changes (effective portion)	4,703	–	–	–	–	–	–	–	–	–
Transfer to Profit and Loss Account	–	–	–	–	–	–	–	–	–	–
of which: future transactions no longer expected	–	–	–	*X*	*X*	*X*	*X*	*X*	*X*	*X*
Other changes										
of which: transfer to the initial carrying amount of the hedged instruments	–	–	–	*X*	*X*	*X*	*X*	*X*	*X*	*X*
Amount at year-end	**4,703**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

3.3 Other information on derivatives (held for trading and for hedging)

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: breakdown of net fair value by counterparties

	CENTRAL COUNTERPARTIES	BANKS	OTHER FINANCIAL CORPORATIONS	OTHER ENTITIES
A. Financial derivatives				
1) Debt securities and interest rates				
– notional value	–	7,201,659	–	–
– positive fair value	–	131,220	–	–
– negative fair value	–	176,364	–	–
2) Equity securities and stock indices				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–
3) Currencies and gold				
– notional value	–	15,548	–	5,892
– positive fair value	–	–	–	111
– negative fair value	–	692	–	–
4) Goods				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–
5) Other				
– notional value	–	–	–	–
– positive fair value	–	–	–	–
– negative fair value	–	–	–	–
B. Credit derivatives				
1) Purchase and protection				
– notional value	–	–	–	–
– net positive fair value	–	–	–	–
– net negative fair value	–	–	–	–
2) Sale and protection				
– notional value	–	–	–	–
– net positive fair value	–	–	–	–
– net negative fair value	–	–	–	–

Section 4 – Liquidity risk

Qualitative information

A. General aspects and liquidity risk management processes and measurement techniques

Exposure to liquidity risk derives from funding and lending transactions in the course of the Bank's ordinary business, as well as from the presence of unlisted financial instruments in its proprietary portfolios. Such risk takes the form of default on payment obligations, which may be caused by an inability to raise funds (funding liquidity risk) or the existence of limits on the divestment of assets (market liquidity risk). Liquidity risk also includes the risk that an entity may be forced to meet its own payment obligations at non-market costs, that is to say while incurring a high cost of funding or (and in some cases concurrently) sustaining capital losses when divesting assets.

The structure of the liquidity risk management system is intended to ensure sound and prudent management of liquidity and liquidity risk and purses the following goals:

› ensuring that the Bank remains solvent in both the ordinary course of business and crisis conditions;
› complying with instructions from the Supervisory Authority and the guidelines on banking supervision issued by the various international authorities, while also taking account of the specificity of the Bank's business;
› maintaining a liquidity profile that is consistent with the risk tolerance statements issued by its administrative bodies;
› ensuring liquidity levels capable of allowing the Group to fulfil its contractual commitments at any times, maximising the cost of funding with respect to current and forecast market conditions.

In particular, the liquidity risk management and monitoring policy implemented by the Group at the consolidated level is in turn divided into:

› managing **operating liquidity** risk, i.e., events that affect the Group's liquidity position on the short-term time horizon, with the primary objective of maintaining the Group's capacity to meet its ordinary and extraordinary payment obligations, while minimising the related costs;
› managing **structural liquidity** risk, i.e., all events that affect the Group's liquidity position, including in the medium/long term, with the primary objective of maintaining an adequate relationship between liabilities and assets on the various time horizons. In particular, the management of structural liquidity allows to avoid pressure on current and prospective sources of liquidity and to optimise the cost of funding.

Both risk profiles are measured on a going concern basis and in stress scenarios and are analysed from a current and a prospective standpoint (forward looking).

With regard to liquidity risk management, the Bank has formally defined a policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines in accordance with its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

The *Finance Department* is responsible for first-line controls and managing treasury and proprietary investment cash flows with the aim of ensuring thorough diversification of sources of financing and monitoring cash flows and daily liquidity. Liquidity needs are primarily managed through recourse to the money market (interbank deposits and repurchase agreements) and, to a secondary degree, where available, through the measures proposed by the ECB. The funding structure is mainly focused on net inflows from retail customers, which are characterised by a stable performance, and on institutional sources of funding. In addition, the Group maintains a portfolio of listed, highly liquid financial instruments (high quality liquid assets) in order to respond to potential crisis scenarios characterised by a sudden interruption of net inflows.

The *Risk Management Department* is responsible for second-line controls. Liquidity risk is managed within appropriate short-term and structural (beyond one year) limits, monitored by the Department, assuming that financial markets will either continue to function normally or in conditions of particular stress, so as to ensure that the risk level expressed is consistent with the strategies and risk appetite established by the Board of Directors.

The *Internal Audit Department* is responsible for third-line controls on lending and funding activities.
The Risk Committee is a collegial body responsible for a shared vision of the global performance of the liquidity risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

Moreover, the Group has a Contingency Funding Plan in order to ensure the orderly management of any systemic and idiosyncratic liquidity crises, the safeguarding of the Bank's assets and a guarantee of business continuity. This Plan detects, through early warning monitoring, any signs of liquidity tension and identifies the actions or tools to be activated. On an annual basis, the Bank also initiates and prepares a self-assessment on liquidity risk management during the ILAAP process, providing the results to the supervisory authorities.
The liquidity risk is also monitored using a maturity ladder designed on the basis of the guidelines set out in the prudential supervisory provisions governing the measurement of net financial position. Through the maturity ladder, the Bank assesses the matching of expected cash flows, by balancing assets and liabilities whose maturity falls within each maturity range; the balances and therefore the mismatches between expected inflows and outflows within each maturity range allow, through the construction of cumulative mismatches, the calculation of the net balance of funding requirement (or surplus) over the holding period considered.

The Bank's LCR at 31 December 2024 amounted to 328%, far in excess of the current mandatory minimum level, thanks to high quality liquid assets (HQLAs) of approximately 9.6 billion euros, primarily Italian government bonds, offsetting the estimated net cash outflows in the following 30 days.
During the year, the structural regulatory indicator (Net Stable Funding Ratio) also remained consistently above the established limits, amounting to 235% as at 31 December 2024, owing to long-term stable funding in excess of the on-balance sheet assets requiring such long-term stable funding.

As a participant in payment, settlement and netting systems, the Group is exposed to intraday liquidity risk due to a mismatch in the timing of daily payment inflows and outflows, which may in turn give rise to potentially large temporary imbalances than expected at the end of the day.
Intraday liquidity management is the responsibility of the Treasury and Portfolio Management Service and seeks to ensure that available liquidity is constantly sufficient to cover cash outflows. The Risk Management Department is responsible for ex-post second-line controls.

Structural liquidity risk is also measured by adopting Additional Liquidity Monitoring Metrics (pursuant to Article 415, paragraph 3(b), of Regulation (EU) No. 575/2013), involving an analysis of the concentration of borrowings by counterparty and product type. These analyses enable a more complete vision of the liquidity risk profile, providing the level of diversification of sources of funding in the wholesale and retail markets in order to emphasise excessive dependency on individual product types, which could be subject to severe outflows during a liquidity crisis.

In the year, the Bank constantly monitored its short- and long-term liquidity profile through the application of its control framework, ensuring prudent and sound management.

Quantitative information

1. Breakdown of financial assets and liabilities by time to contractual maturity

ITEM/TIME-TO-MATURITY	DEMAND	OVER 1 DAY, UP TO 7 DAYS	OVER 7 DAYS, UP TO 15 DAYS	OVER 15 DAYS, UP TO 1 MONTH	OVER 1 MONTH, UP TO 3 MONTHS	OVER 3 MONTHS UP TO 6 MONTHS	OVER 6 MONTHS, UP TO 1 YEAR	OVER 1 YEAR, UP TO 5 YEARS	OVER 5 YEARS	UNSPECIFIED MATURITY
A. Cash assets										
A.1 Government securities	–	–	24,298	24,080	210,429	1,018,096	1,218,843	3,688,314	1,498,912	–
A.2 Other debt securities	2,500	352	3,538	10,216	53,619	184,422	163,228	1,710,283	1,098,159	–
A.3 UCITS units	487,713	–	–	–	–	–	–	–	–	–
A.4 Financing	2,194,296	34,486	10,555	103,822	59,118	287,345	165,712	218,754	206,030	119,013
– to banks	312,188	33,098	240	7,487	30,000	250,000	100,000	–	–	119,013
– to customers	1,882,108	1,388	10,315	96,335	29,118	37,345	65,712	218,754	206,030	–
Total	**2,684,509**	**34,838**	**38,391**	**138,118**	**323,166**	**1,489,863**	**1,547,783**	**5,617,351**	**2,803,101**	**119,013**
A. Cash liabilities										
B.1 Deposits and current accounts	12,763,361	3,229	16,809	33,519	194,222	1,806	137	2,097	–	–
– from banks	69,461	–	–	–	3,026	–	–	–	–	–
– from customers	12,693,900	3,229	16,809	33,519	191,196	1,806	137	2,097	–	–
B.2 Debt securities	–	–	–	–	–	–	–	–	–	–
B.3 Other liabilities	440,861	617,267	5,173	143,925	99,998	184,424	–	–	–	–
Total	**13,204,222**	**620,496**	**21,982**	**177,444**	**294,220**	**186,230**	**137**	**2,097**	**–**	**–**
C. Off-balance sheet transactions										
C.1 Financial derivatives with capital swap	–	20,924	–	–	–	278	23,844	18,730	–	–
– long positions	–	10,462	–	–	–	–	11,783	9,074	–	–
– short positions	–	10,462	–	–	–	278	12,061	9,656	–	–
C.2 Financial derivatives without capital swap	–	796	741	2,041	10,814	42,134	48,515	–	–	–
– long positions	–	796	454	1,550	10,353	37,485	40,683	–	–	–
– short positions	–	–	287	491	461	4,649	7,832	–	–	–
C.3 Deposits and loans receivable	651,471	651,471	–	–	–	–	–	–	–	–
– long positions	651,471	–	–	–	–	–	–	–	–	–
– short positions	–	651,471	–	–	–	–	–	–	–	–
C.4 Irrevocable commitments to disburse funds	3,913	–	–	–	–	–	–	–	3,913	–
– long positions	–	–	–	–	–	–	–	–	3,913	–
– short positions	3,913	–	–	–	–	–	–	–	–	–
C.5 Financial guarantees issued	34,210	–	291	80	–	3,098	4,791	26,746	1,335	–
C.6 Financial guarantees received	–	–	–	–	–	–	–	–	–	–
C.7 Credit derivatives with capital swap	–	–	–	–	–	–	–	–	–	–
– long positions	–	–	–	–	–	–	–	–	–	–
– short positions	–	–	–	–	–	–	–	–	–	–
C.8 Credit derivatives without capital swap	–	–	–	–	–	–	–	–	–	–
– long positions	–	–	–	–	–	–	–	–	–	–
– short positions	–	–	–	–	–	–	–	–	–	–
Total	**689,594**	**673,191**	**1,032**	**2,121**	**10,814**	**45,510**	**77,150**	**45,476**	**5,248**	**–**

Section 5 – Operational risks

Qualitative information

A. General aspects and operational risk management processes and measurement techniques

The exposure to operational risks is closely linked to the type and volume of business conducted, as well as the operating procedures implemented. In detail, the operations undertaken (primarily management of third-party assets and the distribution of the Group's own and third-party investment products), the use of information technology systems, the definition of operating procedures, interaction with parties protected by the law, the commercial structure adopted (chiefly Financial Advisors) and the direct involvement of all employed personnel in operations structurally expose the Group to operational risk, which is defined as the possibility of sustaining financial losses deriving from the inadequacy or improper functioning of procedures, human resources, internal systems or external events. This type of risk includes, inter alia, losses due to fraud, human error, interruptions of operations, unavailability of systems, breach of contract, natural disasters and legal risk.

With regard to operational risk management, the Bank has formally defined an Operational Risk Management Policy, which specifies the general principles, the roles of the corporate bodies and functions involved in risk management, the Group's risk management guidelines in accordance with its business model, the risk appetite, the system of delegated powers established by the Board of Directors, the internal control system in force from time to time, and the instructions of the Supervisory Authority.

The functions dealing with Organisation, IT Management and Security guarantee the efficient functioning of application procedures and information systems that support organisational processes. They also evaluate the physical and logical security conditions within the Bank and, if necessary, implement measures to guarantee a higher general level of security.
The Risk Management Department carries out risk assessment and scoring activities, monitors incidents/operational risk events and the related and loss data collection processes. It also monitors the action plans adopted to mitigate material risks and has defined and controls KRIs (Key Risk Indicators) instrumental to monitoring of the areas of highest risk.
The Internal Audit function supervises the regular conduct of the Bank's operations and processes, and assesses the efficacy and efficiency of the overall internal control system established to monitor activities exposed to risk.

The Risk Committee is a collegial body responsible for a shared vision of the global performance of the operational risk management and control system and for deciding which actions are to be taken in response to any critical situations, deficiencies and/or anomalies that emerge from analyses and/or assessments conducted by the Risk Management Department.

Moreover, Banca Generali has insurance coverage for operational risks deriving from acts of third parties or caused to third parties and adequate contractual clauses covering damages caused by providers of infrastructure and services and has approved a Business Continuity Plan.

Quantitative information

The impact of operating losses in 2024 is broken down below by business line and by event type (€ thousand):

BUSINESS LINE	ET 01 – INTERNAL FRAUD	ET 02 – EXTERNAL FRAUD	ET 03 – EMPLOYMENT PRACTICES AND WORKPLACE SAFETY	ET 04 – CLIENTS, PRODUCTS AND BUSINESS PRACTICES	ET 05 – DAMAGE TO PHYSICAL ASSETS	ET 06 – BUSINESS DISRUPTION AND SYSTEM FAILURES	ET 07 – EXECUTION, DELIVERY AND PROCESS MANAGEMENT	TOTAL
Corporate Finance	794	–	–	54,022	–	–	–	**54,816**
Trading and Sales	–	–	–	–	–	6	11	**17**
Retail Brokerage	4,598	–	–	70	–	–	150	**4,818**
Commercial Banking	–	–	–	–	–	–	–	**-**
Retail Banking	-1,298	–	–	2	–	–	60	**-1,236**
Payment and Settlement	72	90	–	16	–	–	-26	**151**
Agency Services	–	–	–	–	–	–	–	**-**
Asset Management	–	–	–	–	–	–	-59	**-59**
Corporate Items	128	53	111	345	71	–	184	**893**
Overall total	**4,295**	**143**	**111**	**54,454**	**71**	**6**	**320**	

Breakdown of frequency ratio by business line and type of event:

BUSINESS LINE	ET 01 – INTERNAL FRAUD	ET 02 – EXTERNAL FRAUD	ET 03 – EMPLOYMENT PRACTICES AND WORKPLACE SAFETY	ET 04 – CLIENTS, PRODUCTS AND BUSINESS PRACTICES	ET 05 – DAMAGE TO PHYSICAL ASSETS	ET 06 – BUSINESS DISRUPTION AND SYSTEM FAILURES	ET 07 – EXECUTION, DELIVERY AND PROCESS MANAGEMENT	TOTAL
Corporate Finance	3	–	–	16	–	–	–	**19**
Trading and Sales	–	–	–	–	–	1	2	**3**
Retail Brokerage	4	–	–	3	–	–	17	**24**
Commercial Banking	–	–	–	–	–	–	–	**-**
Retail Banking	–	–	–	–	–	–	3	**3**
Payment and Settlement	1	16	–	3	–	–	–	**20**
Agency Services	–	–	–	–	–	–	–	**-**
Asset Management	–	–	–	–	–	–	–	**-**
Corporate Items	–	4	5	–	1	–	11	**21**
Overall total	**8**	**20**	**5**	**22**	**1**	**1**	**33**	

The event type recording the highest impact was the Event Type "ET 04 – Clients, products and business practices"; this category includes losses arising from an unintentional or negligent failure to meet a professional obligation to specific clients by the Bank or its Financial Advisors.

Significant impact is also attributable to "ET 01 – Internal fraud", which includes losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or company policy by internal staff, including Financial Advisors, in the performance of their duties and which also involves the Bank in that it is liable for the actions of its employees. The Bank carefully examines the individual disputes and complaints and, where necessary, makes an appropriate provision for the risk of legal disputes and continually monitors any developments, adjusting the amount set aside as circumstances change.

All other event types reported minor losses.

The cases reported under "ET 02 – External fraud" include losses due to acts of a type intended to defraud, misappropriate property or circumvent the law by persons outside the Bank and are mostly attributable to counterfeit of payment instruments and cyber risks (e.g., smishing/vishing).

Item “ET 03 – Employment practices and workplace safety” reported losses due to labour disputes.

“ET 07 – Execution, delivery and process management” includes losses from failed transaction processing or process management with regard to the Bank’s operations and losses from relations with commercial counterparties and vendors.

In addition, there were marginal losses on event type “ET 06 – Business disruption and system failures” — a category which includes events resulting from the blockage or malfunction of the IT systems used by the Bank as a consequence of which operating losses and events with damages to property and equipment are recorded — and on event type “ET 05 – Damage due to physical assets”, which includes the events and losses resulting from physical damage to company assets due to external events.

PART F – INFORMATION ON NET EQUITY

Section 1 – Net equity

A. Qualitative information

The Bank's capital management strategy mainly aims to ensure that its capital and ratios are consistent with its risk profile and regulatory requirements.
The Bank is subject to the capital adequacy requirements established by the Basel Committee in accordance with the rules defined by the EU and applied by the Bank of Italy.
Such rules envisage the specific concept of "Own Funds", which is separate from the net equity stated in the financial statements. Own Funds are calculated as the sum of positive and negative items, for which commutability is admitted based on the quality of capital attributed to them.
Compliance with minimum capital requirements is monitored by the Risk Management Department, whereas the Regulatory Reporting function is responsible for calculating and disclosing of Own Funds and capital requirements on a regular basis, as well as safeguarding the related databases (historical regulatory archive).

The Parent Company's compliance with capital adequacy ratios is monitored throughout the year and on a quarterly basis, and the necessary measures are taken to ensure control over the balance sheet items.
Additional analyses and control of the capital adequacy is also carried out upon any extraordinary transactions (e.g., acquisitions, transfers, etc.). In these cases, information concerning the transaction is used to estimate its impact on the capital ratios, and any actions that may be necessary to comply with the requirements of the Supervisory Authorities are planned.

Distribution of 2022 and 2023 dividend

In 2024, the second instalment of the 2022 dividend was distributed, for a total amount of 74.1 million euros, net of the portion attributable to treasury shares.
In addition, the first instalment of the 2023 dividend was also distributed, for a total amount of 177.0 million euros, net of the portion to be assigned to treasury shares.
As approved by the Shareholders' Meeting on 18 April 2024, the second instalment of the 2023 dividend will be paid in February 2025, for a total amount of 70.1 million euros.

B. Quantitative information

At 31 December 2024, net equity, including net profit for the year, amounted to 1,350.9 million euros compared to 1,119.5 million euros at the end of the previous year.

			CHANGE	
(€ THOUSAND)	31.12.2024	31.12.2023	AMOUNT	%
1. Share capital	116,852	116,852	–	–
2. Share premium reserve	52,392	52,992	-600	-1.1%
3. Reserves	749,854	674,070	75,784	11.2%
4. (Treasury shares)	-87,268	-85,005	-2,263	2.7%
5. Valuation reserves	5,911	-4,320	10,231	-236.8%
6. Equity instruments	100,000	50,000	50,000	100.0%
7. Net profit (loss) for the year	413,122	314,877	98,245	31.2%
Total net equity	**1,350,863**	**1,119,466**	**231,397**	**20.7%**

In 2024, net equity — net of the 2023 dividend approved by the General Shareholders' Meeting of 18 April 2024, partly paid on 24 May 2024 and partly on 24 February 2025 — recorded a 231.4 million euro change due to the increase in net profit (413.1 million euros), the issue and redemption of AT1 capital instruments (+50 million euros) and, to a lower extent, to other components, such as the positive performance of OCI valuation reserves, the change in reserves for share-based payments (IFRS 2) and the buy-back of treasury shares, as shown in the following table.

	31.12.2024	31.12.2023
Net equity at year-start	**1,119,466**	**986,211**
Other changes	1	–
Dividends approved and distributed	-245,210	-188,001
Dividend on AT1 equity instruments	-3,588	-1,631
Buy-back/disposal of treasury shares	-9,777	-12,061
Matured IFRS 2 reserves (from stock option plans and remuneration policies)	16,618	11,772
Change in OCI valuation reserves	10,231	8,299
Issue of AT1 equity instruments	50,000	–
Net profit (loss) for the year	413,122	314,877
Net equity at year-end	**1,350,863**	**1,119,466**
Change	**231,397**	**133,255**

In 2024, on the basis of the achievement of the performance objectives set out in the Remuneration Policy, 263,694 treasury shares, with a value of 7,677 thousand euros, of which 61,706 shares in service of the first instalment of the 2021-2023 LTIP, were instead allotted to the Banking Group's employees and Financial Advisors qualifying as Key Personnel, as well as to network managers.

On 18 April 2024, the General Shareholders' Meeting also authorised the repurchase of a maximum of 251,600 treasury shares, for a maximum amount of 11.4 million euros, in service of remuneration plans for Key Personnel for 2024 and the new Long Term Incentive Plan (LTIP) for the period 2024-2028.
The plan for the buy-back of treasury shares, authorised by the Supervisory Authority on 26 June 2024, ended on 23 September 2024 and all shares authorised were purchased, for a total value of 9,939 thousand euros.

At 31 December 2024, the Parent Company, Banca Generali, thus held 2,907,907 treasury shares, with a value of 87,268 thousand euros.

On 8 August 2024, the Bank finalised the issue of Additional Tier 1 capital instruments in the aggregate amount of 100 million euros to be fully subscribed by Generali Group companies through a private placement.
The perpetual bond issue envisages a non-cumulative half-yearly coupon that has been set at 6.7% per annum, to be subsequently reset every five years. In accordance with the applicable law and market practices, the issue is perpetual and the issuer will be entitled to early redemption only starting from the fifth year from the date of issue (8 August 2029), subject to prior authorisation from the Supervisory Authority and satisfaction of the conditions provided for by applicable legislation.
The issue meets the characteristics required by the current regulatory capital legislation for eligibility as Additional Tier 1 (AT1) capital in the issuer's financial statements.
A portion of the issue is aimed at the redemption at par of the outstanding 50 million euro Additional Tier 1 bond issued on 23 December 2019 and held by Generali Group — which occurred on 26 December 2024 after receiving the Supervisory Authority's authorisation —, while the remaining portion aims at meeting with broad flexibility compliance with the higher requirements introduced by Basel IV for the Bank and the whole Italian and European banking sector effective from 1 January 2025. It should be noted that the issue is eligible for MREL purposes.

At the end of 2024, revaluation reserves amounted to 5.9 million euros, with an increase of 10.2 million euros compared to the previous year, mainly due to the activation of the cash flow hedge reserve (+4.7 million euros) and to the HTCS securities portfolio valuation reserves (+5.6 million euros).

B.1 Breakdown of net equity

ITEMS/VALUES	31.12.2024	31.12.2023
1. Share capital	116,852	116,852
2. Share premium reserve	52,392	52,992
3. Reserves	749,854	674,070
– retained earnings	701,092	635,012
a) legal reserve	23,370	23,370
b) statutory reserve	–	–
c) treasury shares	–	–
d) other	677,722	611,642
– other	48,762	39,058
4. Equity instruments	100,000	50,000
5. (Treasury shares)	-87,268	-85,005
6. Valuation reserves	5,911	-4,320
Equity securities designated at fair value through other comprehensive income	-284	-182
Equity security hedges designated at fair value through other comprehensive income	–	–
Financial assets (other than equity securities) measured at fair value through other comprehensive income	3,720	-1,937
Property and equipment	–	–
Intangible assets	–	–
Hedges of a net investment in a foreign operation	–	–
Cash flow hedges	4,702	–
Hedging instruments		
Exchange differences	–	–
Non-current assets available for sale and disposal groups	–	–
Financial liabilities designated at fair value through profit or loss (change in own creditworthiness)	–	–
Actuarial gains (losses) from defined benefit plans	-2,227	-2,201
Share of valuation reserves relating to investee companies valued at equity	–	–
Special revaluation laws	–	–
7. Net profit (loss) for the year	413,122	314,877
Total	**1,350,863**	**1,119,466**

B.2 Breakdown of valuation reserves of financial assets measured at fair value through other comprehensive income

Valuation reserves of financial assets measured at fair value through other comprehensive income (OCI) account for the unrealised capital gains and losses, net of the associated tax effect, on the assets allocated to that portfolio and recognised at fair value. The change in these reserves contributes to determining the overall company performance in relation to OCI, without passing through Profit and Loss.
However, when gains or losses are realised or an impairment loss is recognised, the cumulative amount of the reserve is reclassified to the Profit and Loss Account in the year of reference.

Fair value valuation reserves of the portfolio of financial assets measured at fair value through OCI grew compared to the end of the previous year, primarily due to the increase in debt securities reserves.

The aggregate had an overall positive balance of 3.4 million euros, up 5.6 million euros compared to year-end 2023.
This increase was influenced by the portfolio of Italian government bonds, for which net reserves amounted to 3.7 million euros compared to -1.4 million euros at year-end 2023.

	31.12.2024		31.12.2023	
ASSETS/VALUES	POSITIVE RESERVE	NEGATIVE RESERVE	POSITIVE RESERVE	NEGATIVE RESERVE
1. Debt securities	4,262	-542	871	-2,808
2. Equity securities	1,263	-1,547	1,052	-1,234
Total	**5,525**	**-2,089**	**1,923**	**-4,042**

B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: year changes

Valuation reserves on the HTCS portfolio showed a net increase of 5.6 million euros in 2024, as a result of the following factors:

- an increase in net valuation capital gains totalling +4.3 million euros;
- the reduction of pre-existing net negative reserves due to re-absorption through profit or loss upon realisation (3.9 million euros);
- a negative net tax effect associated with the above changes and mainly resulting from net decreases in DTAs (-2.7 million euros).

	31.12.2024				
	DEBT SECURITIES				
	CORPORATE	GOVERNMENT	EQUITY SECURITIES	FINANCING	TOTAL
1. Amount at year-start	**-488**	**-1,449**	**-182**	**-**	**-2,119**
Adjustment of opening balances	**-14**	**14**	**-**	**-**	**-**
1. Amount at year-start	**-502**	**-1,435**	**-182**	**-**	**-2,119**
2. Increases	**862**	**8,845**	**335**	**-**	**10,042**
2.1 Fair value increases	117	5,483	329	-	5,929
2.2 Adjustments for credit risk	-	83	X	-	83
2.3 Transfer to Profit and Loss Account of negative reserves: due to disposal	736	3,279	X	-	4,015
2.4 Transfer to other net equity components (equity securities)	-	-	-	-	-
2.5 Other changes	9	-	6	-	15
3. Decreases	**313**	**3,737**	**437**	**-**	**4,487**
3.1 Fair value decreases	0	1,226	437	-	1,663
3.2 Reversals for credit risk	29	-	-	-	29
3.3 Transfer to Profit and Loss Account of positive reserves: due to disposal	15	90	X	-	105
3.4 Transfer to other net equity components (equity securities)	-	-	-	-	-
3.5 Other changes	269	2,421	-	-	2,690
4. Amount at year-end	**47**	**3,673**	**-284**	**-**	**3,436**

B.4 Valuation reserves relating to defined benefit plans: year changes

	31.12.2024		
	RESERVE	DTAS	NET RESERVE
1. Amount at year-start	**-2,998**	**797**	**-2,201**
2. Increases	**-**	**-**	**-**
Decreases of actuarial losses	-	-	-
Other increases	-	-	-
3. Decreases	**-36**	**10**	**-26**
Increases of actuarial losses	-36	10	-26
Other decreases	-	-	-
4. Amount at year-end	**-3,034**	**807**	**-2,227**

Section 2 – Own Funds and Banking Capital Ratios

In accordance with Circular No. 262 of 22 December 2005, 8th update of 17 November 2022, for the details of Own Funds and regulatory capital ratios, reference is made to the information regarding Own Funds and capital adequacy provided in the Pillar 3 Disclosure provided at the consolidated level, available from Banca Generali's corporate website at the address www.bancagenerali.com.

PART G – BUSINESS COMBINATIONS OF COMPANIES OR BUSINESS UNITS

This section includes both transactions within the scope of IFRS 3 and business combinations between entities under common control.
The results of impairment testing on goodwill recognised in the Financial Statements of Banca Generali S.p.A. are also stated for purposes of consistency of presentation.

Section 1 – Transactions undertaken during the year

In 2024, no new business combination transactions were undertaken.

Section 2 – Transactions after the end of the reporting period

On 16 September 2024, Banca Generali launched a voluntary tender offer in cash aimed at acquiring all the ordinary shares of Intermonte Partners SIM S.p.A. ("Intermonte"), listed on the Italian Stock Exchange (EuroNext Growth Milan) and parent company of the financial group bearing the same name.
The Offer was launched for a consideration of **3.04 euro per each share** including a premium of 24.0% with respect to the average performance of the previous three months and aimed to collect at least 90% of Intermonte Shares, with the intention to delist the Shares.

After having received the required authorisations from the Supervisory Authorities on 17 and 18 December 2024 (Bank of Italy and Consob), from 23 December 2024 to 24 January 2025, 30,789,819 Shares were tendered to the Offer, equal to approximately 95.332% of the Offer Shares, for a total consideration of **93,601 thousand euros**, paid on 31 January 2025.
On 5 February 2025, pursuant to Article 111 of TUF, the remaining 1,339,086 floating Shares (excluding treasury shares) were acquired, accounting for 4.146% of the Issuer's share capital, for a total consideration of **4,071 thousand euros**.
Accordingly, Borsa Italiana proceeded with Intermonte's delisting as of the session of Wednesday, 5 February 2025.

With this transaction, Banca Generali aims to integrate Intermonte — a leading independent broker with a leadership position in the Italian market and thirty years of consolidated experience and success — into its Banking Group.
This transaction is part of the plan to strengthen Banca Generali's growth with the objective to create value for all stakeholders by further differentiating its market positioning from that of its peers by developing increasingly distinctive professional skills focused on wealth protection and advisory.
Intermonte stands out for its quality in its areas of activity — Negotiation & Trading, Global Markets, Investment Banking, Digital Division & Advisory and Research — which are complementary and synergistic to Banca Generali's activity and its private banking positioning, in particular with reference to entrepreneurs and small and medium-sized enterprises (SMEs).

Section 3 – Retrospective adjustments

No retrospective adjustments to business combinations carried out by the Banking Group in previous years were undertaken in 2024 pursuant to paragraphs 61 and B7 of IFRS 3.
The latter provision also requires that the amount of goodwill during the year be reconciled, including an indication of any impairment of goodwill recognised.

At 31 December 2024, Banca Generali's goodwill totalled 79.4 million euros, unchanged compared to the previous year.

(€ THOUSAND)	31.12.2024	31.12.2023
Merger of Prime Consult SIM and INA SIM	2,991	2,991
Merger of Banca del Gottardo	31,352	31,352
Acquisition of Credit Suisse Italy's business unit	27,432	27,432
Merger of BG Fiduciaria SIM S.p.A.	4,290	4,290
Merger of Nextam SGR and Nextam S.p.A.	12,201	12,201
Acquisition of Binck Bank Italy business unit	1,100	1,100
Total	**79,366**	**79,366**

Impairment test

In accordance with IAS 36, goodwill is no longer amortised, but is reviewed at least annually for impairment.
For the purposes of impairment testing, goodwill must be allocated to cash-generating units (CGUs), which, in accordance with the limitation on the maximum level of aggregation, may be no larger than the operating segments identified for management reporting purposes, pursuant to IFRS 8.

The identification of the operating segments must reflect the reporting methods used by the Parent Company's management and their operating characteristics.
In particular, Banca Generali's management has adopted an integrated model that applies without regard to the structure of the individual legal entities and that aggregates into larger operating segments the activities of these entities together with the operating activities carried out directly by the Parent Company.

In this regard, it should be noted that, as of 1 January 2024, a new reorganisation of the Financial Advisor Networks was implemented, which also led to a review of the operating segments identified by the corporate management for purposes of management reporting.

In detail, the new organisation of the BG Network provides for the following:

- the creation of a new **Senior Partner Network** (hereinafter "**SP**"), consisting of Financial Advisors with assets under management of more than 150 million euros and teams with assets under management of more than 350 million euros;
- the incorporation of the Private Banking and Wealth Management Networks into the new **Private & Wealth Network** (hereinafter "**PB**"), within the framework of which, however, the organisational structures of the former networks retained some of their peculiarities, under the supervision of a new top management position, the Network Sales Manager, focused on local coordination and commercial guidance of the various network's Area Managers.

The new two sales networks also correspond to the operating segments identified by the company management for management reporting purposes, to which the overall goodwill recognised in Banca Generali's Financial Statements had been reallocated, on the basis of the relative economic weight assigned at consolidated level in 2024.

The operating sectors identified by the Bank are therefore:

- the "**Private Banking**" Operating segment ("**PB**") consists of the assets attributable to the other networks of Financial Advisors (Private Bankers, Wealth Managers and Financial Planning Agents), to the Relationship Manager Network and their clients;
- the "**Senior Partner**" Operating segment ("**SP**") consists of the assets attributable to the specific Financial Advisor Network managing AUM of more than 150 million euros and teams with assets under management exceeding 350 million euros.

The impairment testing of goodwill at the consolidated level is therefore also relevant at the parent company level.
For information regarding impairment testing of goodwill, see Part G, Section 3, of the Notes and Comments to the Consolidated Financial Statements.

As described in Part G, Section 3, of the Notes and Comments to the Consolidated Financial Statements, there was not found to be any need for impairment at the operating segment level in the Consolidated Financial Statements. Accordingly, on the basis of the results of the impairment testing at the consolidated level, there was not found to be any need for impairment at the parent company level.

PART H – RELATED PARTY TRANSACTIONS

Procedural aspects

In accordance with Article 2391-*bis* of the Italian Civil Code, the Consob Regulation containing provisions relating to transactions with related parties[43] and the provisions of Part III, Chapter 11, of Bank of Italy Circular No. 285, as further amended, Banca Generali's Board of Directors approved its "Policy for Transactions with Related Parties, Connected Parties and Corporate Officers pursuant to Article 136 of TUB", which was lastly updated on 22 June 2023 and entered into effect on 1 July 2023. The Policy is intended to implement Consob and Bank of Italy regulations, by adopting, at the Banking Group level, rules on transactions with Banca Generali's related parties and connected parties governing the related investigation, approval, reporting and disclosure activities.
Moreover, since Banca Generali belongs to Generali Group, any and all transactions effected with related parties of the parent company Assicurazioni Generali must be identified and managed in accordance with the provisions of the Procedures adopted by Assicurazioni Generali in such regard, with the result that, in certain cases, the said transactions may be subject to prior approval by the Parent Company, where necessary.

The related party perimeter

Based on Consob Regulation, the provisions issued by the Supervisory Board, and the aforementioned Procedures, the following parties are considered as Banca Generali's related parties:

- subsidiaries of the Banking Group;
- the ultimate parent Assicurazioni Generali S.p.A., its subsidiaries (companies subject to common control), including the direct parent Generali Italia S.p.A., and pension funds established for the benefit of Generali Group companies' employees;
- Managers with Strategic Responsibilities of the Bank and the parent company Assicurazioni Generali (Key Managers), close relatives of the said personnel and the related relevant subsidiaries (entities in which one of these persons exercises control, joint control or significant influence or holds, directly or indirectly, a significant shareholding of no less than 20% of the voting rights).

Under IAS 24, whose revised version is in force since 1 January 2011, the associate companies of the Banking Group and Generali Insurance Group are also considered related parties.

With specific regard to **Key Managers**, the following persons have been designated as such:

- the Directors and the members of the Board of Statutory Auditors of the Banking Group's companies;
- the members of the Top Management, as defined in the Remuneration Policies of the Banking Group[44], namely the General Manager and the two Deputy General Managers[45];
- top managers of the parent company Assicurazioni Generali S.p.A. identified as Managers with Strategic Responsibilities in the corresponding Procedure regarding transactions with related parties adopted by the Insurance Group.

Significance thresholds of Related Party transactions

The Procedure lays down specific provisions on decision-making authority, obligation to provide justification and documentation to be prepared depending on the type of transaction.

More specifically:

- **transactions of greater importance** — i.e., transactions exceeding the threshold of 5% of at least one of the significance indicators of the countervalue of the transaction, as provided by Consob Resolution No. 17221, reduced to 2.5% for transactions carried out with the Parent Company that is listed on regulated markets or with undertakings thereto related which are in turn related to the Company — must be approved by the Board of Directors, upon the binding favourable opinion of the Internal Audit and Risk Committee;
- **transactions of Lesser Importance** — i.e., transactions with related parties the amount of which falls between that of Transactions of Small Amount and that of Transactions of Greater Importance — are approved pursuant to the system of delegated powers in force from time to time, only after hearing the non-binding opinion of the Internal Audit and Risk Committee. The aforesaid transactions must be presented with a full and in-depth information about the reasons underlying each and every transaction in question, as well as the advisability of proceeding with the latter in light of the substantive fairness and propriety of the related terms and conditions;
- **transactions of Small Amount** — i.e., transactions whose value, defined pursuant to the Bank of Italy's Provisions, cannot exceed the amount of 250,000 euros for banks with Own Funds below 1 million euros — are excluded from the scope of application of the approval and disclosure transparency rules.

[43] Adopted by Consob Resolution No. 17221 of 12 March 2010, as further amended.
[44] Banking Group's Remuneration and Incentive Policies approved by the General Shareholders' Meeting on 18 April 2024.
[45] Chief Executive Officer/General Manager, Deputy General Manager Wealth Management Markets and Products, Deputy General Manager Commercial Networks, Alternative and Support Channels.

In addition to Transactions of Small Amount, in accordance with Consob Regulation, there are additional circumstances that are not subject to the specific approval procedures:

- **remuneration plans based on financial instruments** approved by the General Shareholders' Meeting within the meaning of Article 114-*bis* of TUF, and related implementing transactions;
- **resolutions on the remuneration of Directors entrusted** with specific tasks other than those determined on an overall basis pursuant to Article 2389, paragraph 3, of the Italian Civil Code, and **resolutions regarding the remuneration of Managers with Strategic Responsibilities**, provided that the Company has adopted a remuneration policy with certain characteristics;
- **ordinary transactions** carried out during the normal course of operating activities and the related financial activities, and that are concluded at market or standard equivalent conditions. Pursuant to the Bank of Italy's provisions, all transactions that exceed the threshold set of Transactions of Greater Importance, even if concluded at market or standard equivalent conditions, should be considered as extraordinary transactions;
- **transactions with or between Subsidiaries and Associates**, provided that none of the Company's other related parties holds any significant interest in the Subsidiaries or Associates in question.

On the basis of the indicator consisting of the consolidated Own Funds, the threshold of Transactions of Greater Importance currently stands at around **50.2 million euros**, reduced to **25.1 million euros** for transactions with the parent company Assicurazioni Generali and the latter's related entities.

Moreover, the provisions issued by the Bank of Italy impose prudential limits, based on Own Funds, on risk assets in relation to Connected Parties. The limits vary according to the different types of Connected Parties, in proportion with the level of involvement in the relationship and the potential impact of the resulting risks on sound and prudent management. In light of the greater risks associated with conflicts of interest in bank-industry relations, more stringent limits are envisaged for risk assets with regard to entities qualifying as non-financial related parties. Exposure in respect of the Generali Group's connected parties, on the other hand, is capped at **7.5%** of consolidated Own funds.
Even if the aforesaid consolidated cap is not exceeded, Banca Generali's exposure in respect of any given group of connected parties may in no event exceed **20%** of individual Own Funds.

1. Disclosure of remuneration of Directors and Executives

By IAS 24, the total remuneration recorded in the Profit and Loss Account for the year is disclosed below, broken down by personnel category and type.

	2024					
	DIRECTORS	STATUTORY AUDITOR	MANAGERS WITH STRATEGIC RESPONSIBILITIES	TOTAL	2023	CHANGES
Short-term benefits (current remuneration and social security charges) (1)	1,245	250	2,440	3,935	3,141	794
Post-employment benefits (2)	–	–	333	333	291	42
Other long-term benefits (3)	–	–	523	523	259	264
Share-based payments (4)	–	–	1,983	1,983	1,600	383
Total	**1,245**	**250**	**5,280**	**6,775**	**5,291**	**1,484**
Total at 31.12.2024	**899**	**285**	**4,107**	**5,291**	**–**	**–**

(1) Includes current remuneration and the related social security charges payable by the Company and the portion of short-term variable remuneration.
(2) Includes the Company's pension fund contribution and allocation to the provisions for termination indemnity provided for by the law and company regulations.
(3) Includes the deferred portion of variable remuneration for the year and the previous years accrued in the year based on the vesting period.
(4) Includes the estimated cost for share-based payment plans, determined based on IFRS 2 criteria and recognised in the financial statements.

The table presents the total expenses recognised in the Profit and Loss Account presented in the Consolidated Financial Statements on the basis of the application of international accounting standards (IAS/IFRS). It therefore also includes the social security charges for which the Company is liable, the allocation to the provision for post-employment benefits, the expenses associated with share-based payment plan determined in accordance with IFRS 2, and the estimate of the variable remuneration accrued during the year on the basis of the Remuneration and Incentive Policy for the Key Personnel of the Banking Group.
It should also be noted that the amounts are net of recoverable remuneration associated with services rendered to other companies.

In further detail, the item "Other long-term benefits" includes the estimate of the portion of variable remuneration for the year payable on a deferred basis over the following years, contingent upon specific access gate conditions being met, in accordance with the aforementioned Remuneration Policy.

The item “Short-term benefits” includes the fixed remuneration and the portion of variable remuneration accrued in the reporting year and payable in the following one.
For detailed information concerning Remuneration Policies, reference is made to the specific document concerning Remuneration Policies prepared as per Consob Resolution No. 18049 of 23 December 2011.
Charges for share-based payments refer to the portion of variable remuneration, both current and deferred, paid in Banca Generali shares. More specific details are provided in Part I to these Notes and Comments.

2. Disclosure on Related Party Transactions

As part of its normal business operations, Banca Generali carries out numerous financial and commercial transactions with related parties included in the scope of consolidation of Generali Group.

Banca Generali is a direct subsidiary of Generali Italia S.p.A., the holding of all the Insurance Group’s operations in Italy. However, the company engaging in management and coordination activities pursuant to Article 2497 of the Italian Civil Code continues to be the ultimate Parent Company, Assicurazioni Generali S.p.A. This is the reason why reference is made to the latter when speaking of the “Parent Company” of Banca Generali, in compliance with IAS 24.

In the banking area, such activities include relationships referring to current accounts, the custody and administration of securities, stock brokerage and commercial portfolio collection.

As regard the distribution and offer of investment products, a number of agreements were established regarding the Financial Advisors Network’s placement of asset management and insurance products, as well as banking products and services.
To a lesser extent, advisory and wealth management activities are also carried out, with reference to underlying assets of insurance products placed by the companies of the Insurance Group.

In addition, as part of its normal operations, the Bank also maintains relationships pertaining to outsourcing of IT and administrative services, insurance and leasing relationships, as well as other minor relationships with Generali Group companies.
Transactions with related parties outside Generali Group are mostly confined to direct and indirect funding and lending activities to Key Managers (and their relatives) of the Bank and its Parent Company. These transactions are carried out at market conditions. Banca Generali’s direct investments in activities on which such related parties exercise significant influence or control are absolutely not material.

2.1 Extraordinary and non-recurring transactions

Unusual, atypical or extraordinary transactions

There were no atypical and/or unusual transactions to be reported in 2024, nor were such transactions undertaken with parties other than related parties such as intra-group entities or third parties.
Pursuant to Consob Notices Nos. 98015375 of 27 February 1998 and 1025564 of 6 April 2001, atypical and unusual transactions are defined as all transactions that due to their significance/materiality, the nature of the counterparties, the subject matter of the transaction (including in relation to ordinary operations), the transfer pricing method and timing of occurrence (near the end of the period) may give rise to doubts as to the accuracy/completeness of the information presented in the financial statements, conflicts of interest, the safeguarding of company assets and the protection of minority shareholders.

Transactions of Greater Importance

In 2024, a transaction qualifying as a transaction of greater importance was effected, for which reference should be made to the Consolidated Report on Operations.

Intra-group Transactions of Greater Importance of the Bank

With respect to intra-group Transactions of Greater Importance of the Bank — which, pursuant to the Procedure on Related Party Transactions, are exempt from the escalated decision-making process and from the obligation to publish a market disclosure document, unless there are significant interests in the subsidiary by other related parties —, no transactions were undertaken in the reporting year.

Other significant transactions

In 2024, 2 transactions were approved qualifying as “Transactions of Lesser Importance” (the amount of which exceeded the significance threshold), which are subject to the prior non-binding opinion of the Internal Audit and Risk Committee; in this regard, reference is made to the dedicated section of the Consolidated Report on Operations.

2.2 Ordinary or recurring transactions

The developments of ordinary transactions with related parties during 2024 are presented in the following sections.

Transactions with Assicurazioni Generali Group

Balance Sheet data

(€ THOUSAND)	SUBSIDIARIES OF THE BANKING GROUP	SUBSIDIARIES AND ASSOCIATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	31.12.2024	31.12.2023	CHANGE AMOUNT	CHANGE %	% WEIGHT 2024
Financial assets measured at fair value through profit or loss:	–	1,687	–	1,687	1,183	504	42.6%	0.3%
c) other financial assets mandatorily measured at fair value	–	1,687	–	1,687	1,183	504	42.6%	0.3%
Financial assets measured at amortised cost:	37,781	28,747	415	66,943	55,229	11,714	21.2%	0.5%
a) loans to banks	266	–	–	266	–	266	n.a.	–
b) loans to customers	37,515	28,747	415	66,677	55,229	11,448	20.7%	0.7%
Equity investments	68,719	–	3,545	72,264	58,747	13,517	23.0%	100.0%
Tax assets	–	1,717	–	1,717	–	1,717	n.a.	2.0%
Property, equipment and intangible assets	–	56,044	–	56,044	60,593	-4,549	-7.5%	21.4%
HFS assets	–	–	227	227	–	227	n.a.	100.0%
Other assets	87	166	13	266	469	-203	-43.3%	–
Total assets	**106,587**	**88,361**	**4,200**	**199,148**	**176,221**	**22,927**	**13.0%**	**1.2%**
Financial liabilities measured at amortised cost:	14,049	316,739	5,049	335,837	526,741	-190,904	-36.2%	2.3%
a) due to banks	3,014	–	–	3,014	–	3,014	n.a.	0.8%
b) due to customers	11,035	316,739	5,049	332,823	526,741	-193,918	-36.8%	2.4%
Financial liabilities held for trading and hedging	–	–	–	–	–	–	n.a.	–
Other liabilities	478	2,214	441	3,133	5,650	-2,517	-44.5%	1.1%
Tax liabilities	–	–	–	–	28,360	-28,360	-100.0%	–
Other provisions for liabilities and contingencies	–	–	–	–	2,097	-2,097	-100.0%	–
Equity instruments	–	100,000	–	100,000	50,000	50,000	100.0%	100.0%
Total liabilities	**14,527**	**418,953**	**5,490**	**438,970**	**612,848**	**-173,878**	**-28.4%**	**2.6%**
Guarantees issued	**–**	**3,797**	**87**	**3,884**	**4,273**	**-389**	**-9.1%**	**4.2%**

The total exposure to the Parent Company, **Assicurazioni Generali**, of companies subject to its control, including the direct parent, Generali Italia S.p.A., and its associate companies, amounted to 88.4 million euros compared to 86.2 million euros at the end of 2023, equal to 0.5% of Banca Generali's total balance sheet assets.
This exposure includes 56.0 million euros referring to the net value of the ROU recognised under property and equipment pursuant to IFRS 16 and relating primarily to the lease payments for the Milan and Trieste administrative offices and the commercial network offices.
By contrast, the total debt position reached approximately 419.0 million euros, accounting for 2.5% of total liabilities, down by 179.7 million euros (-30.0%) compared to the end of the previous year, mainly due to the change in temporary liquidity in the Group companies' current accounts.
Following the introduction of IFRS 16 with effect from 1 January 2019, amounts due to customers included lease liabilities for 60.3 million euros.

As part of assets, **financial assets mandatorily measured at fair value through other comprehensive income (FVOCI)** claimed from the parent company refer to Assicurazioni Generali shares held in the corresponding portfolio of Banca Generali.

At 31 December 2024, **equity investments** amounted to 72.3 million euros, up by 13.5 million euros compared to the end of 2023.

This increase was largely due to the CHF 10 million contribution to the Swiss subsidiary BG Suisse S.A. as additional capital increase, which brought the total share capital fully paid up since incorporation to CHF 70 million.

As regards BG Valeur S.A., in the second quarter of the year Banca Generali — which had held a majority interest of 90.1% since 2019 — exercised the call option to purchase the 9.9% minority interest still held by the original shareholders of BG Valeur, provided for in the 2019 purchase agreement and expiring in October 2024.

This transaction was aimed at subsequently transferring the 100% interest in the company to BG Suisse Private Bank S.A., as finalised in October 2024, following resolution of the General Shareholders' Meeting of 8 October 2024.

The item "**Associates subject to joint control or significant influence**" includes the 19.9% interest in BG Saxo SIM S.p.A. that was acquired on 31 October 2019. On 8 February 2024, Banca Generali's Board of Directors approved the revision of the strategic partnership with Saxo Bank S.A. that led to the acquisition, in May, of an additional 29.1% interest in BG Saxo SIM S.p.A.'s share capital, thus bringing the Bank's interest in the joint venture to 49% of the latter's share capital.

On 25 July 2024, Banca Generali had first transferred a portion of its equity investment in Nextam Partners SIM S.p.A., reducing it interest in the company's share capital from 19.9% to approximately 15.5%, and subsequently, on 9 January 2025, notified the company its intention to exercise a put option on the remaining stake, currently being executed. Accordingly, at 31 December 2024, the equity investment was reclassified among **Non-current assets held for sale**, pursuant to IFRS 5.

Exposures to Generali Group companies recognised as **loans to customers** amounted to 28.7 million euros and refer to the following transactions:

COMPANY	TYPE OF RELATIONSHIP	TYPE OF TRANSACTIONS	31.12.2024 AMOUNT	31.12.2024 REVENUES	31.12.2023 AMOUNT	31.12.2023 REVENUES
Genertellife	Subsidiaries of AG Group	Operating loans	23,349	–	20,191	–
Assicurazioni Generali	Parent company	Operating loans	–	–	347	5
Other companies of Generali Group	Subsidiaries of AG Group	Operating loans	5,016	–	3,041	–
Other companies of Generali Group	Subsidiaries of AG Group	Medium/Long-term loans	375	91	528	31
Other exposures with Group companies	Subsidiaries of AG Group	Temporary current account exposures	4	5	5	32
Total			**28,747**	**96**	**24,112**	**68**

Operating loans are comprised of transitional items including fees accrued over the last quarter for the distribution of insurance and financial products of Group companies.

Amounts due to customers attributable to Generali Group's related parties amounted to approximately 316.7 million euros at year-end and included amounts due to the parent company Assicurazioni Generali S.p.A. for 78.8 million euros, and amounts due to Generali Italia S.p.A. for 60.9 million euros, in addition to lease liabilities arising from the lease contracts for the administrative offices and the commercial network offices for 60.3 million euros.

Amounts receivable from the Parent Company and classified as **tax assets** consisted of Banca Generali S.p.A.'s net tax assets resulting from the balance between tax prepayments, withholdings and credits and the IRES tax calculated at the end of 2024.

Pursuant to IAS 32, the Additional Tier 1 Perpetual bond, of which on 23 December 2019 Banca Generali had finalised the issue for an amount of 50 million euros, had been reclassified to **Equity instruments**. The issue was fully subscribed in private placement by two German insurance companies of Generali Group.
On 8 August 2024, the Bank finalised a new issue of Additional Tier 1 equity instruments in the aggregate amount of 100 million euros to be fully subscribed by three Generali Group companies through a private placement.

This issue as well meets the characteristics required by the current regulatory capital legislation for eligibility as Additional Tier 1 (AT1) capital in the issuer's financial statements.
The perpetual bond issue envisages a non-cumulative half-yearly coupon to be paid as of February 2025 and that has been set at 6.7% per annum, to be subsequently reset every five years. In accordance with the applicable law and market practices, the issue is perpetual and the issuer will be entitled to early redemption only starting from the fifth year from the date of issue (8 August 2029), subject to prior authorisation from the Supervisory Authority and satisfaction of the conditions provided for by applicable legislation.
A portion of this new issue is aimed at the redemption at par of the outstanding 50 million euro Additional Tier 1 bond — which occurred on 26 December 2024 after receiving the Supervisory Authority's authorisation —, while the remaining portion aims at achieving more flexible compliance with the higher requirements introduced by Basel IV for the Bank and the whole Italian and European banking sector effective as of 1 January 2025.

On 24 June 2024 and 23 December 2024, the instalments relating to the half-yearly coupons of the bond subscribed in 2019 and amounting to 1,125 thousand euros each were paid, following those already paid in the previous years.

In addition, a total of 3.9 million euro signature loans were issued to Generali Group companies, of which 0.3 million euros to Assicurazioni Generali S.p.A. and 3.5 million euros to Citylife S.p.A.

Profit and Loss Account data
At 31 December 2024, the profit and loss components recognised with regard to transactions with Generali Group companies amounted to 212.1 million euros, or 41.6% of operating profit before taxation.

(€ THOUSAND)	SUBSIDIARIES OF THE BANKING GROUP	SUBSIDIARIES AND ASSOCIATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2024	2023	CHANGE AMOUNT	CHANGE %	% WEIGHT 2024
Interest income	3	96	7	106	87	19	21.8%	–
Interest expense	-380	-20,632	-150	-21,162	-12,104	-9,058	74.8%	12.7%
Net interest income	**-377**	**-20,536**	**-143**	**-21,056**	**-12,017**	**-9,039**	75.2%	**-6.7%**
Fee income	139,733	252,299	1,853	393,885	377,684	16,201	4.3%	48.2%
Fee expense	–	–	-66	-66	–	-66	n.a.	0.0%
Net fees	**139,733**	**252,299**	**1,787**	**393,819**	**377,684**	**16,135**	4.3%	**127.7%**
Dividends	–	79	–	79	72	7	n.a.	6.0%
Operating income	**139,356**	**231,842**	**1,644**	**372,842**	**365,739**	**7,103**	**1.9%**	**57.9%**
Staff expenses	969	337	13	1,319	1,156	163	14.1%	-1.1%
General and administrative expenses	-1,007	-13,916	-375	-15,298	-14,934	-364	2.4%	6.1%
Net adjustments/reversals of property and equipment	–	-7,413	–	-7,413	-7,255	-158	2.2%	19.3%
Other net operating income	341	1,277	92	1,710	245	1,465	n.a.	1.3%
Net operating expenses	**303**	**-19,715**	**-270**	**-19,682**	**-20,788**	**1,106**	**-5.3%**	**7.3%**
Operating result	**139,659**	**212,127**	**1,374**	**353,160**	**344,951**	**8,209**	**2.4%**	**94.5%**
Net provisions for liabilities and contingencies	–	–	–	–	-2,097	2,097	-100.0%	–
Dividends and income from equity investments	256,460	–	–	256,460	148,220	108,240	73.0%	100.0%
Gains (losses) from equity investments	–	–	-171	-171	-15,202	15,031	-98.9%	100.0%
Operating profit	**396,119**	**212,127**	**1,203**	**609,449**	**475,872**	**133,577**	**28.1%**	**119.4%**
Net profit (loss) for the year	**396,119**	**212,127**	**1,203**	**609,449**	**475,872**	**133,577**	**28.1%**	**147.5%**

Net interest income generated with regard to Insurance Group companies was negative overall and amounted to 20.5 million euros, equal to 6.5% of the total amount recognised in the Profit and Loss Account, and referred mainly to the interest expense on current accounts (19.2 million euros) and to interests accrued on the IFRS 16-related liability (1.4 million euros).

Fee income paid back by companies of the Insurance Group amounted to 252.3 million euros, equal to 30.9% of the aggregate amount, and was broken down as follows:

	SUBSIDIARIES OF THE BANKING GROUP	SUBSIDIARIES AND ASSOCIATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2024	SUBSIDIARIES OF THE BANKING GROUP	SUBSIDIARIES AND ASSOCIATES OF THE INSURANCE GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2023	ABSOLUTE CHANGE	%
Fees for the placement of UCITS	133,364	3,705	–	137,069	119,145	4,778	–	123,923	13,146	10.6%
Fees for distribution of insurance products	–	237,203	–	237,203	–	241,156	–	241,156	-3,953	-1.6%
Fees for distribution of discretionary mandates	10	1,718	–	1,728	9	1,391	–	1,400	328	23.4%
Advisory fees	6,359	9,600	–	15,959	–	8,919	–	8,919	7,040	78.9%
Other banking fees	–	73	1,853	1,926	–	77	2,209	2,286	-360	-15.7%
Total	**139,733**	**252,299**	**1,853**	**393,885**	**119,154**	**256,321**	**2,209**	**377,684**	**16,201**	**4.3%**

The most significant component consists of fees for the **distribution of insurance products** paid back by **Genertellife**, reaching 237.2 million euros, down by 1.6% compared to the previous year.

Fees for the placement of units of UCITS of the Insurance Group were largely related to the fee income on the distribution of GI Focus funds, promoted by Generali Insurance Asset Management S.p.A. SGR.

Furthermore, Banca Generali advises on, or directly manages through portfolio management, a portion of the underlying assets of the Group's insurance products. In this regard, in 2024 fee income for advisory services rendered to Alleanza Assicurazioni S.p.A., Generali Italia S.p.A. and GIAM SGR S.p.A. amounted to 9.6 million euros.

Other banking fees referred both to SDD collection activity on behalf of Group companies and current account keeping fees.

It should also be noted that Banca Generali renders trading and order receipt services to Italian and international UCITS administered by management companies that belong to the Banking and Insurance Group. Such fees are generally charged directly against the assets of the UCITS, which are considered entities beyond the scope of IAS 24.
The Bank also directly collects from customers — through the correspondent bank — underwriting fees for the Sicavs promoted by the Group (Lux IM Sicav, BG Selection Sicav, Generali Investments Sicav).

The **net operating expenses** recognised by the Bank in relation to transactions with related parties of Generali Group amounted to 19.7 million euros, accounting for 7.3% of the aggregate total, and referred to outsourced services in the insurance, leasing, administrative and IT areas.

	BANKING GROUP	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2024	BANKING GROUP	GENERALI GROUP	ASSOCIATES SUBJECT TO JOINT CONTROL OR SIGNIFICANT INFLUENCE	2023	CHANGE	
									ABSOLUTE	%
Insurance services	–	2,952	–	2,952	–	2,827	–	2,827	125	4.4%
Property services	–	245	–	245	–	300	–	300	-55	-18.3%
Administration, IT and logistics services	666	9,442	283	10,391	711	10,901	-85	11,527	-1,136	-9.9%
Staff services	-969	-337	-13	-1,319	-693	-412	-16	-1,121	-198	17.7%
Depreciation of ROUs (IFRS 16)	–	7,413	–	7,413	–	7,255	–	7,255	158	2.2%
Total general and administrative expenses	**-303**	**19,715**	**270**	**19,682**	**18**	**20,871**	**-101**	**20,788**	**-1,106**	**-5.3%**

Following the introduction of IFRS 16, property services relate solely to additional costs of leases and rentals of motor vehicles and ATMs (former condominium fees, VAT and sundry additional expenses).

Administrative expenses incurred in relation to Generali Italia S.p.A. amounted to 6.9 million euros and refer to insurance services for 2.8 million euros and, for the remainder, to administration and logistics services.

Expenses relating to IT, administration and logistics related chiefly to services rendered by Generali Italia (formerly Generali Business Solution S.c.ar.l.) on the basis of current outsourcing agreements.

The 7.4 million euro value adjustments of property and equipment refer to the depreciation of the IFRS 16-related right of use.

Transactions with other related parties

Exposure in respect of **Key Managers** of the Bank and its parent company Assicurazioni Generali referred to account overdraft facilities and residential mortgages subject to the same terms and conditions applied to similar mortgages held by other Executives of the Banking and Insurance Group.

Amounts due to such parties consist of the balances of correspondent accounts with Banca Generali and are regulated on the basis of conditions applicable to employees of the Banking and Insurance Group.

(€ THOUSAND)	ASSOCIATES AND MANAGERS WITH STRATEGIC RESPONSIBILITIES
Loans to customers	21,676
Amounts due to customers	18,428
Interest income	859
Interest expense	-415
Fee income	5
Guarantees issued	60

Transactions with the Banking Group's companies

Within the Banking Group, the exposure to subsidiaries amounted to 106.6 million euros compared to 87.7 million euros in 2023, of which 68.7 million euros referred to the Parent Company's equity investments and 37.4 million euros to operating receivables associated with the financial product distribution activity.

Inflows from Group companies amounted to 14.0 million euros and consist of the balances of current account deposits.

The profit and loss components recognised in the Financial Statements with regard to transactions with companies of the Banking Group amounted to approximately 396.1 million euros overall and primarily consist of:

- interest expense applied to the deposits of the Luxembourg-based subsidiary BGFML (324 thousand euros);
- fee income given back to the Group's management companies in connection with the distribution of financial products and services by such companies (139.7 million euros);
- dividends distributed by the Luxembourg-based subsidiary BGFML (256.5 million euros).

With respect to the aggregate of operating expenses, the services rendered by the Parent Company to the companies of the Banking Group are highly limited and essentially refer to the secondment of staff and the outsourcing of key administrative services.

Direction and coordination

Pursuant to Article 2497-*bis* of the Italian Civil Code, Banca Generali is subject to Assicurazioni Generali S.p.A.'s "management and coordination" activities.

2023 highlights of Assicurazioni Generali

The highlights of the Parent Company Assicurazioni Generali S.p.A shown above are taken from the company's Financial Statements for the year ended 31 December 2023. These are available together with the Independent Auditor's Report as provided for by the law. Consequently, these figures of the Parent Company are not subject to audit performed by the auditing firm engaged by Banca Generali.

(€ MILLION)	2023
Net profit	**1,446.3**
Aggregate dividend	1,987
Increase	11.01%
Total net premiums	4,062
Total gross premiums	5,820.1
Total gross premiums from direct business	1,323.8
Increase on equivalent terms (a)	
Total gross premiums from indirect business	4,496.3
Increase on equivalent terms (a)	
Acquisition and administration costs	931.0
Expense ratio (b)	22.90%
Life business	
Life net premiums	1,017.8
Life gross premiums	1,606.4
Increase on equivalent terms (a)	
Life gross premiums from direct business	172.1
Increase on equivalent terms (a)	
Life gross premiums from indirect business	1,434.3
Increase on equivalent terms (a)	
Life acquisition and administration costs	186.5
Expense ratio (b)	18.30%
Non-life business	
Non-life net premiums	3,044.1
Non-life gross premiums	4,213.7
Increase on equivalent terms (a)	
Non-life gross premiums from direct business	1,151.7
Increase on equivalent terms (a)	
Non-life gross premiums from indirect business	3,062.0
Increase on equivalent terms (a)	
Non-life acquisition and administration costs	744.5
Expense ratio (b)	24.50%
Loss ratio (c)	62.8%
Combined ratio (d)	87.3%
Current financial result	**2,546.0**
Technical provisions	10,183.3
Life segment technical provisions	3,380.5
Non-life segment technical provisions	6,802.8
Investments	47,360.4
Capital and reserves	16,647.5

(a) At constant exchange rates.
(b) Ratio of administration costs to total premiums.
(c) Ratio of accrued claims to accrued premiums.
(d) Total (b) + (c).

PART I – PAYMENT AGREEMENTS BASED ON OWN EQUITY INSTRUMENTS

At 31 December 2024, the following payment agreements based on own equity instruments were in place:
- the plans launched with respect to Banca Generali Group's *Remuneration and Incentive Policy*, in effect from time to time, which calls for a part of the variable remuneration of Key Personnel to be paid by assigning Banca Generali's own financial instruments;
- the plans launched in service of the *Framework Loyalty Programme 2017-2026*, approved by the General Shareholders' Meeting on 20 April 2017 and now in its fifth annual cycle (2021-2026), which calls for a maximum of 50% of the indemnity accrued to be paid using own financial instruments;
- the *LTI (Long Term Incentive)* plans for the Banking Group's top managers, based on Banca Generali shares.

A. Qualitative Information

1. Share-based payment plans linked to the variable component of remuneration based on performance objectives

The *Remuneration and Incentive Policy for the Key Personnel of Banca Generali Group* — adopted in compliance with the Supervisory Provisions[46] currently in force — requires a portion of the variable component of remuneration, both current and deferred, to be paid by assigning Banca Generali's own financial instruments, based on the rules annually submitted for approval to the General Shareholders' Meeting of the Bank.

In addition to Top Managers, who qualify as Managers with Strategic Responsibilities, Key Personnel includes employees with special managerial responsibilities, Financial Advisors who serve as network managers and Financial Advisors whose total remuneration is a particularly high amount.

As of 2022, if the variable component of the Key Personnel's remuneration exceeds 50 thousand euros and one third of ordinary remuneration, at least 40% of it is subject to deferred payment systems for a period of time of no less than four years and will be at least 50% paid in Banca Generali shares according to the following assignment and retention mechanism:
- 60% of the bonus is paid up-front, normally by the first half of the year after that of reference, 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one calendar year;
- 40% of the bonus will be paid according to a linear pro-rated approach and will be further deferred by four years from the payment of the first instalment, 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one calendar year.

For Non-Top Key Personnel whose variable remuneration is a particularly high amount, the portion subject to deferral is increased to 60%, without prejudice to the payment of 50% of it in Banca Generali shares, whereas for Top Key Personnel the deferral period is increased to five years, with a 56% paid in shares.

In calculating the number of shares to be assigned, a method is applied where:
- the numerator is the portion of variable remuneration subject to payment in shares accrued in relation to the achievement of objectives set for the year in question; and
- the denominator is equal to the average price of Banca Generali shares during the three months prior to the meeting of the Board of Directors that approves the draft Separate and Consolidated Financial Statements for the year prior to that in which the cycle in question begins.

The payment in shares is executed after the Board of Directors verifies the earnings results for the year in question and is conditional not only upon the achievement of the pre-set objectives[47], but also to the satisfaction of access gates established from time to time by the Banking Group (CET 1 ratio and LCR – Liquidity Coverage Ratio) for the year in which the remuneration is accrued and, where appropriate, for the following years of deferral.

The Banking Group's Remuneration Policy for the reference year together with the authorisation to buy back treasury shares to be used to service it are submitted annually to the General Shareholders' Meeting that approves the previous year's Financial Statements. The resolution authorising the buy-back of treasury shares is also subject to authorisation by the Bank of Italy.

[46] Bank of Italy Circular No. 285/2013, "Supervisory Provisions for Banks", Part I, Title IV, Chapter 2, Compensation and incentive mechanisms, as updated on 24 November 2021 (37th update).
[47] Provided for by the Management by Objectives (MBO) mechanism or by specific incentive/recruitment plans.

These plan categories also include any other compensation paid in the form of shares related to:
- ordinary sales incentives and recruitment plans for Financial Advisors other than the main network managers and employed sales personnel;
- agreements entered into in view of or upon the early termination of the employment or agency relationship, with regard to the beneficiaries falling within the category of Key Personnel.

1.1 Measurement of fair value and accounting treatment

The mechanisms to recognise variable remuneration — discussed in the previous section — are considered as equity-settled share-based payment transactions, falling within the scope of application of IFRS 2 – *Share-based Payments*.

The accounting treatment set forth for these transactions requires an entity to reflect in its accounts, under the most appropriate items (staff expenses, fee expense), the estimated expense associated with services received, determined on the basis of the fair value of the rights granted (stock options/stock grants), as an offsetting entry to an increase in net equity through allocation to a specific equity reserve.

As the agreements relating to share-based payments based on the above-mentioned plans do not call for an exercise price, they can be considered similar to a stock grant and recognised in compliance with the rules set forth for this category of transactions. The overall expense regarding said agreements is therefore determined based on the number of shares expected to be assigned, multiplied by the fair value of the Banca Generali stock at the date of assignment.

The fair value of Banca Generali stock at the assignment date is measured based on the market price reported at the date of the General Shareholders' Meeting that approves annually the Remuneration Policy for the year of reference, adjusted to account for the estimate of expected dividends that will not be received by the beneficiaries during the deferral period.

The recognition through the equity reserve of the value of the plans — determined as described above — is measured *pro-rata temporis*, based on the vesting conditions, i.e., the period between assignment and final maturity of the right to receive the shares, likewise taking into account the probability that exercise conditions will not be realised for all beneficiaries.
Since the plans are organised into different instalments with differentiated vesting periods, each plan is valued separately.
In detail, the vesting period for the first instalment paid up-front assigned after the approval of the Financial Statements for the year of reference lasts from 1 January to 31 December of the year of reference of the remuneration (12 months). The vesting period of the subsequent instalments, whose payment is conditional upon both the continuation of service and the satisfaction of the access gates established on an annual basis, is further extended to 31 December of the year preceding that in which the shares are actually disbursed, according to a graded vesting criteria[48-49].

The number of shares actually granted to beneficiaries may, in any event, change based on the assessment of satisfaction of the individual objectives.

The IFRS 2 expense relating to any beneficiaries belonging to Banking Group companies other than the parent company Banca Generali is recognised directly by those companies. However, when the treasury shares bought back are actually assigned to them, the Bank charges back to the companies involved an amount corresponding to the fair value of the relevant plans[50].

1.2 Information on the share-based payment plans in connection to the Remuneration Policies

At 31 December 2024, there are three active cycles of share-based plans in connection to the Remuneration Policies relating to 2022, 2023 and 2024, whereas the 2021 cycle ended in the year, with the payment of the second deferred instalment.
Moreover, a limited number of non-standardised entry plans envisaging a longer, multi-year deferment are active.

The main features of the share-based plan, linked to the 2021 Remuneration Policies and approved by the General Shareholders' Meeting on 22 April 2021, are as follows:
- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 7 December 2020 to 5 March 2021, had been determined to be 27.58 euros;

[48] On the basis of the new Remuneration Policy in effect from 2022, the vesting period of portions of deferred variable remuneration may be extended from 24 to 72 months for Top Key Personnel with a particularly high remuneration.
[49] Since 2018, IFRS 2-related charges recognised in the Profit and Loss Account with regard to ordinary incentives accrued by Financial Advisors and linked to objectives of net inflows or acquisition of new customers, where paid in shares, are expensed over the longer time period of 5 years. In addition, share grants relating to various recruitment plans for Financial Advisors who are included among Key Personnel only after the plan is concluded may be covered by other provisions for liabilities and contingencies previously allocated.
[50] The amount includes, in particular, the bonuses paid in shares to Key Personnel and some managers of the subsidiary BGFML and the Key Personnel of BG Valeur and BG Suisse.

- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 22 April 2021 (approximately 30.69 euros), subsequently adjusted to account for the loss of dividends expected in the deferral period.

In that cycle, total shares to be assigned to Key Personnel had amounted to 191.8 thousand, for a total fair value of approximately 5.1 million euros.
In 2024, 40.1 thousand shares referring to the second deferred instalment were assigned and the plan then ended.

The main features of the share-based plan, linked to the 2022 Remuneration Policies and approved by the General Shareholders' Meeting on 21 April 2022, are as follows:
- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 9 December 2021 to 9 March 2022, had been determined to be 36.0 euros;
- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 21 April 2022 (approximately 32.35 euros), subsequently adjusted to account for the loss of dividends expected in the longer deferral period.

In that cycle, total shares to be assigned to Key Personnel had amounted to 249 thousand, for a total fair value of approximately 7.1 million euros.
In 2024, 27.3 thousand shares, referring to the second deferred instalment, were paid to the beneficiaries. Shares still to be assigned amounted to 81.7 thousand and refer to the deferred instalments that will become payable from 2025 to 2028, respectively.

The main features of the share-based plan, linked to the 2023 Remuneration Policies and approved by the General Shareholders' Meeting on 19 April 2023, are as follows:
- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 8 December 2022 to 8 March 2023, had been determined to be 33.18 euros;
- the fair value of Banca Generali stock at the assignment date had been equal to the market price reported on 19 April 2023 (approximately 30.34 euros), subsequently adjusted to account for the loss of dividends expected in the longer deferral period.

In that cycle, total shares to be assigned to Key Personnel had amounted to 240 thousand, for a total fair value of approximately 6.3 million euros.
In 2024, 129.5 thousand shares, referring to the up-front portion, were paid to the beneficiaries. Shares still to be assigned amount to 110.7 thousand and refer to the deferred instalments that will become payable from 2025 to 2029, respectively.

The main features of the share-based plan, linked to the 2024 Remuneration Policies and approved by the General Shareholders' Meeting on 18 April 2024, are as follows:
- for the purpose of determining the number of shares to be assigned, the price of reference of Banca Generali shares, calculated as the average official market price during the period 5 December 2023 to 5 March 2024, was determined to be 34.26 euros;
- the fair value of Banca Generali stock at the assignment date was equal to the market price reported on 18 April 2024 (approximately 35.45 euros), subsequently adjusted to account for the loss of dividends expected in the longer deferral period.

In respect of the assessment of the achievement by Key Personnel of the objectives set for 2024, it was estimated that the portion of variable remuneration subject to share-based payment amounted to approximately 345 thousand shares, for a total plan fair value of 10.7 million euros.

The estimate of the shares in the process of accruing referring to the 2022-2024 three-year incentive plan launched by the Bank in 2022 that can be allotted to Key Personnel within Financial Advisors and Relationship Managers amounted to 129 thousand, for a total value of 2.8 million euros.

Other plans

There are other share-based plans, activated within the framework of the Remuneration Policies in force from time to time, which call for longer deferral periods of several years greater than those in effect when the plans were activated or, in any case, for vesting periods not in line with those envisaged in the Remuneration Policies. In 2024, share-based payments in relation to redundancy incentives plans were also recognised.
With regard to such plans, shares still to be assigned to Key Personnel are estimated at a total of 37.2 thousand, corresponding to an equity reserve of 0.9 million euros.

Quantitative information

In the reporting year, on the basis of the achievement of the performance objectives set out in the 2021, 2022 and 2023 Remuneration Policy, **201,988** treasury shares were granted to company managers and network managers, of which **161,657** shares assigned to Area Managers and Financial Advisors, **34,536** shares to employees, and **5,795** shares to other beneficiaries of Banking Group companies.
In detail, the shares allotted related, respectively, to the 2021 second instalment deferred by one year (20%), the 2022 first deferred instalment, the 2023 up-front amount (60%) and, for a residual amount, to shares granted under previous years' plans based on different deferral mechanisms.

	DEFERRAL	DATE OF SHARE-HOLDERS' MEETING	BANK OF ITALY'S AUTHORISA-TION	ASSIGN-MENT PRICE	WEIGHTED AVERAGE FV	TOTAL SHARES (/000)	SHARES ALREADY ASSIGNED (/000)	SHARES ASSIGNED IN 2024	SHARES TO BE ASSIGNED (/000)	FAIR VALUE (€ MILLION)	IFRS 2 RESERVE (€ MILLION)
Year 2021	2022-2024	22.04.2021	01.07.2021	27.58	26.36	192.0	-151.9	-40.1	0.0	5.1	0.0
Year 2022	2022-2027	22.04.2022	01.07.2022	36.00	28.27	248.3	-139.3	-27.3	81.7	7.0	1.6
Year 2023	2023-2028	19.04.2023	28.06.2023	33.18	26.33	240.1	0.0	-129.5	110.6	6.3	1.7
Year 2024	2024-2029	18.04.2024	26.06.2024	34.26	31.02	345.1	0.0	0.0	345.1	10.7	8.0
Year 2022 three-year incentives	2022-2028	22.04.2022	28.06.2023	36.00	21.61	129.9	0.0	0.0	129.9	2.8	1.4
Other share-based plans for employees (entry plans, redundancy plans, etc.)					28.57	67.3	-25.0	-5.1	37.2	1.9	0.9
Total						**1,222.6**	**-316.2**	**-202.0**	**704.5**	**33.8**	**13.7**

2. 2017-2026 Framework Loyalty Programme for the Sales Network

The *2017-2026 Framework Loyalty Programme for the Sales Network* was approved by the Board of Directors on 21 March 2017 and ratified by the General Shareholders' Meeting on 20 April 2017.

The Framework Loyalty Programme is divided into eight annual individual plans, all set to expire on 31 December 2026 and of decreasing lengths, to be activated following prior authorisation by the General Shareholders' Meeting of Banca Generali.
The indemnities accrued over the term of the Programme will be, in any event, paid out in one instalment, within 60 days from the General Shareholders' Meeting called to approve the 2026 Financial Statements.

For each plan, a portion of the accrued indemnity may be paid out in Banca Generali shares (up to a maximum of 50%), following an assessment of the potential effects at the level of capital ratios and floating capital by the corporate bodies (Board of Directors and General Shareholders' Meeting).

Participation in each of the plans envisaged by the Programme is reserved for Financial Advisors and Relationship Managers who have at least five years of company seniority by 31 December of the financial year before the reference year for each plan.
To be eligible to access the benefits of the plans activated it is necessary to:
› achieve at the end of the reference year a minimum volume of total AUM and qualified AUM increasing over time and with no net outflows (vesting condition);
› be regularly employed and not in a notice period on the disbursement date, except when the termination of employment is caused by death or permanent incapacity, retirement or withdrawal from the relationship by Banca Generali not for cause (service condition).

In the event of death, the indemnities accrued are understood to be permanently acquired, but are payable to the heirs under the same conditions specified for the other beneficiaries.

In addition, the accrued indemnity is commensurate for each individual plan with a rate for verified AUM and is differentiated according to the type of person (Financial Advisor/Relationship Manager) and service seniority until a cap is reached.
Recognition of the indemnities on the disbursement date is also subject to the Banking Group's access gates being exceeded as defined in the Remuneration Policies applicable from time to time and the rules of propriety.

The number of Banca Generali shares due is determined in the same way as for the share-based payment plans connected with the Remuneration Policies, namely based on the average price of Banca Generali shares during the three months prior to the meeting of the Board of Directors that approves the draft Separate and Consolidated Financial Statements for the year prior to that of the annual plan of reference.

2.1 Measurement of fair value and accounting treatment

Without prejudice to the accounting framework already analysed in point 1.1 above, set out below are the specific details of the share-based payment plans that can be activated as part of the Loyalty Programme.

The fair value of Banca Generali shares for plan valuation purposes is determined based on the market stock price reported on the date of the General Shareholders' Meeting that approves their activation, adjusted to take account of the estimate of expected dividends that the Bank will distribute along all the time horizon, decreasing for each successive plan, running up to the date the shares are actually assigned.

The plans' impact on the profit and loss account is measured *pro-rata temporis* based on the vesting period, which decreases for each successive plan, i.e., the period between the year of reference and final maturity of the right to receive the shares, taking also into account the probability that the vesting conditions for the year will not be realised for all beneficiaries.

2.2 Information on the share-based payment plans linked to the Framework Loyalty Programme

For all the annual plans launched up to the reporting date, 50% of the indemnity accrued can be paid out in shares.
The accrued indemnity value was determined based on the AUM of the plan's potential beneficiaries at end of the year of reference, whilst the number of financial instruments that can be assigned was determined based on the same reference value as the Banca Generali stock applied to the Remuneration Policies in force in the respective years.
Overall, the total number of shares, either assigned or in the process of accruing, in service of the five plans amounted to about 1,415 thousand (1,380 thousand net of the estimated turnover), for a total value of 20.2 million euros, of which 13.5 million euros already recognised through profit and loss.

	MAXIMUM NO. OF SHARES	NO. OF SHARES NET OF THE ESTIMATED TURNOVER	PLAN'S FAIR VALUE	IFRS 2 RESERVE	2024 EXPENSE
	THOUSANDS OF SHARES		€ MILLION		
2017-2026 Plan	204	199	2.4	1.9	0.2
2018-2026 Plan	162	158	2.3	1.7	0.2
2019-2026 Plan	334	325	4.4	3.1	0.5
2020-2026 Plan	278	271	2.7	1.8	0.3
2021-2026 Plan	437	426	8.4	5.1	1.3
Total	**1,415**	**1,380**	**20.2**	**13.5**	**2.5**

3. Long Term Incentive (LTI) plans

The Long Term Incentive (LTI) Plan, based exclusively on Banca Generali S.p.A. shares, is governed by Banca Generali's Remuneration Policies for Key Personnel and is approved annually by the Shareholders' Meeting of the Bank[51].
The plan aims at increasing the value of Banca Generali shares, by further strengthening the link between the remuneration of beneficiaries and the performance of the Banking Group, without prejudice to the consistency required with the expected results set forth in the Insurance Group's strategic plan.

This incentive instrument was introduced in 2018 to replace an incentive of a similar nature activated annually by the parent company Assicurazioni Generali for an extensive group of Key Managers of the Insurance Group and based on the assignment of Assicurazioni Generali shares.

Up to financial year 2023, the performance objectives envisaged by the plans had assigned a weight of 80% to the Banking Group's objectives and 20% to the Insurance Group's objectives. Since 2024, the plan has been exclusively based on the Banking Group's objectives.

The main characteristics of the plans approved as of 2020 are:

› the maximum number of the shares to be granted is determined at the beginning of the period of reference using a multiplier of the beneficiary's current remuneration;
› each year, it is determined that the access gate conditions of the Banking Group and of the Insurance Group have been met with regard to the specific year of the plan and the attainment of the objectives set at the beginning of the three-year period is assessed;
› at the end of the three years, once it has been determined that the access gates have been exceeded, the overall level of achievement of the objectives set at the beginning of the three years is assessed on the basis of the average annual results achieved in order to determine the actual number of shares due;
› the total shares accrued are then disbursed to the plan beneficiaries, provided that there is still a professional relationship between the beneficiary and a Banking Group company (service condition) and that the access gates have been exceeded, through the free granting of ordinary treasury shares bought back on the market (stock granting), in two instalments:
  – 50% of the shares is assigned immediately, subject to a further retention period of one year;
  – the remaining 50% is subject to a deferral of two additional years, without prejudice to a retention period of an additional year;

[51] For further details on the Plan, reference should be made to the Report on Remuneration Policy and Compensations Paid approved annually by the Shareholders' Meeting and published on the Bank's corporate website.

- the plan does not include dividend equivalent mechanisms, in accordance with the law and common practice in the banking sector;
- the plans envisage the customary malus and claw-back clauses.

The level of achievement of objectives, expressed in percent terms, is determined separately for each basket, consisting in an indicator and the weight assigned to it, using the linear interpolation method on the basis of the reference levels set at the outset of the plan (minimum, target and maximum)[52].
Here below is a presentation of the performance indicators defined for the plans activated up to now.

3.1 Measurement of fair value and accounting treatment

Without prejudice to the accounting framework already analysed in point 1.1 above, set out below are the specific details of the share-based payment plans that can be activated as part of the LTI plans launched by Banca Generali.

The number of shares due shall be valued separately for each plan year and for each of the weighted baskets linked to the objectives of the Banking Group and the Insurance Group.

In particular, baskets tied to the performance indicator formed by the Insurance Group's rTSR contain a market condition, whereas the other baskets are based on achievement of performance conditions.

	WEIGHT OF BANKING/ INSURANCE GROUP'S KPIS	BANKING GROUP ACCESS GATES	INSURANCE GROUP ACCESS GATES	BANKING GROUP OBJECTIVES	INSURANCE GROUP OBJECTIVES
2020 LTI	80%-20%	Total Capital Ratio (TCR) Liquidity Coverage Ratio (LCR)	Regulatory Solvency ratio	1. tROE (50%), 2. Adjusted EVA (50%)	1. rTSR (50%), 2. Net Holding cash flow (50%)
2021 LTI	80%-20%			1. tROE (50%), 2. Adjusted EVA (50%), 3. ESG AUM (correction factor from 0.8 to 1.2) [g]	1. rTSR (50%), 2. Net Holding cash flow (50%), 3. ESG indicators (correction factor from 0.8 to 1.2)
2022 LTI	80%-20%			1. tROE (40%), 2. Adjusted EVA (40%), 3. ESG AUM (20%) [h]	1. rTSR (45%), 2. Net Holding cash flow (35%), 3. ESG indicators (20%)
2023 LTI	80%-20%	CET1 Ratio Liquidity Coverage Ratio (LCR)		1. tROE (40%), 2. Adjusted EVA (40%); 3. ESG AUM (20%) [i]	1. rTSR (55%), 2. Net Holding cash flow (25%), 3. ESG indicators (20%)
2024 LTI	100%	CET1 Ratio Liquidity Coverage Ratio (LCR)	n.a.	1. tROE (40%), 2. Adjusted EVA (40%), 3. ESG AUM (15%), average ESG rating (5%) [l]	n.a.

a) tROE (tangible – Return on equity): the ratio of net profit and average net equity, excluding net profit for the year and intangible assets.
b) Recurring income, net profit less the following one-off components: gains/losses on the proprietary securities portfolio, performance fees, one-off component of the contributions to the FITD/BRRD bank rescue funds and the income and costs related to the extraordinary transactions completed during the reference period.
c) Adjusted EVA – Embedded value added: an indicator that expresses the value creation as the difference between recurring net profit (as defined above) and the cost of capital (Ke * average absorbed capital).
d) Net ROE (return on equity): ratio of consolidated net result and IFRS consolidated net equity of Generali Group (excluding item "Other Comprehensive Income").
e) rTSR – relative Total Shareholder Return: the total return on shareholder investment, calculated as the change in the market price of Generali Group shares, in which distributions or dividends reinvested in the shares are included, as compared to a peer group of competitors included in the sSTOXX Euro Insurance index.
f) Net Holding cash flow (Generali Group): net cash flows available at the level of the parent company in a given period, after holding expenses and interest expense. Its main components, from a cash perspective, are: remittances from subsidiaries; the result of centralised reinsurance; interest on borrowings; and expenses and taxes paid or reimbursed at the level of the Parent Company.
g) 2021 ESG indicators:
   1) Banking Group: Assets Under Management (AUM) of retail funds and insurance and financial underlying with ESG (Environmental, Social e Governance) rating by an external provider. The parameter is applied as a multiplier from 0.8 to 1.2 based on the period-end volume of the ESG component of AUM;
   2) Insurance Group: i) ESG rating assigned by MSCI (Morgan Stanley Capital International) in the multi-line insurance & brokerage sector; ii) positioning of the score assigned by Standard & Poor's Global Corporate Sustainability Assessment for the banking sector. The parameter is applied as a multiplier from 0.8 to 1.2 based on the rating assigned.
h) 2022 ESG indicators:
   1) Banking Group: Assets Under Management (AUM) of retail funds and insurance and financial underlying with ESG (Environmental, Social e Governance) rating by an external provider. The parameter is applied as a multiplier from 0.8 to 1.2 based on the period-end volume of the ESG component of AUM (in a range of 8%-13% of the AUM of reference);
   2) Insurance Group: i) new green and sustainable bond investments (10% weight); ii) % of women managers in management positions on total management positions (10% weight).
i) 2023 ESG indicators:
   1) Banking Group: ESG Assets Under Management (AUM), i.e., the ratio of Assets Under Management to AUM invested in (i) "eligible" financial and insurance products/services pursuant to Articles 8 or 9 in accordance with the MiFID ESG approach, and (ii) financing that, although included in portfolio management schemes or insurance policies that do not fall under Articles 8 or 9, actually qualify as pursuant to Articles 8 or 9 with an MIFID-ESG score of >3;
   2) Insurance Group: i) the CO_2 Emissions Reduction Target for Group Operations, which refers to the percent reduction in CO_2-equivalent emissions generated by the Group's operations, measured comparing the year 2025 with the 2019 baseline; ii) % of women managers in management positions on total management positions.
l) 2024 ESG indicators:
   1) Banking Group: ESG Assets Under Management (AUM), i.e., the ratio of Assets Under Management to AUM invested in (i) "eligible" financial and insurance products/services pursuant to Articles 8 or 9 in accordance with the MiFID ESG approach, and (ii) financing that, although included in portfolio management schemes or insurance policies that do not fall under Articles 8 or 9, actually qualify as pursuant to Articles 8 or 9 with an MIFID-ESG score of >3;
   2) average ESG rating: indicator that measures average ESG ratings assigned to Banca Generali by Sustainalytics, Vigeo/Moody's and MSCI, grouped under 5 grades.

[52] In particular, the maximum performance level is associated with a percentage of 175%.

Market conditions are assessed solely at the assignment date on the basis of a statistical model that estimates the probable future positioning of the rTSR for Generali shares compared to a peer group identified by the STOXX Euro Insurance Index for each plan year. The fair value of the rights associated with this plan component is thus determined by multiplying the fair value of a Banca Generali share at the assignment date by the level of achievement of the objective associated with the resulting positioning.

Baskets associated with the achievement of performance conditions are assessed on the basis of the fair value of a Banca Generali share and the number of shares potentially assignable.

In this case as well, the fair value of the Banca Generali share used for evaluating the plans is determined starting from the market stock price reported on the date of the General Shareholders' Meeting that approves their activation, adjusted to take account of the estimate of expected dividends that the Bank will distribute along all the time horizon, running up to the date the shares are actually assigned.

The total cost of the LTI plans is therefore equal to the sum of the cost calculated for each basket on the basis of the fair value of rights assigned, determined according to the above methods, multiplied by the number of shares that may potentially be granted in respect of the level of achievement of the performance condition, the market condition, the likelihood that the service condition will be met and the achievement of the minimum access gate.

The recognition through the equity reserve of the value of the plans — determined as described above — is measured *pro-rata temporis*, based on the vesting conditions, i.e., the period between assignment and final maturity of the right to receive the shares, likewise taking into account the probability that exercise conditions will not be realised for all beneficiaries.
In particular, for plans activated from 2020 onwards, the vesting period of the first instalment is three years from the year of approval of the plan to the end of the final year of the three years of reference, whereas the vesting period of the second instalment starts at the end of the year before that of the actual assignment of the shares (five years).

3.2 Information on the LTI (Long Term Incentive) share-based payment plans

In 2024, the shares relating to the first instalment of the second 2020-2023 LTI Plan were assigned. In detail, based on the objectives reached, a total of 61,706 shares were assigned out of 123,408 total shares accrued.

Overall, the total number of shares in the process of accruing for the four plans underway amounted to about 426 thousand, for a total value of 11.8 million euros, of which 8.0 million euros already recognised through profit or loss.

	NO. OF SHARES (THOUSANDS OF SHARES)			PLAN'S FAIR VALUE	IFRS 2 RESERVE	2024 EXPENSE
	TOTAL	ALLOTTED	RESIDUAL		(€ MILLION)	
2020-2022 Plan (2023-2025 allotments)	85.6	-42.8	42.8	1.2	0.5	0.1
2021-2023 Plan (2024-2026 allotments)	123.4	-61.7	61.7	2.7	1.0	0.5
2022-2024 Plan (2025-2027 allotments)	105.1	–	105.1	2.5	2.1	0.8
2023-2025 Plan (2026-2028 allotments)	123.7	–	123.7	2.7	1.5	0.9
2024-2026 Plan (2026-2028 allotments)	96.6	–	96.6	2.6	0.7	0.7
Total plans underway	**534.4**	**-104.5**	**429.8**	**11.8**	**5.9**	**3.0**

B. Quantitative Information

The value of treasury shares assigned during the year was 7.7 million euros, against IFRS 2 reserves totalling 7.0 million euros, with a negative net effect on the share premium reserve of about 0.7 million euros.
New provisions were also allocated to the reserve for 16.2 million euros.

At 31 December 2024, total IFRS 2 reserves allocated therefore amounted to 33.1 million euros, of which:

- 13.4 million euros in relation to the Remuneration Policy;
- 13.5 million euros in relation to the Loyalty Programme;
- 5.9 million euros in relation to the Long Term Incentive Plans of Banca Generali.

PART M – INFORMATION ON LEASES

Section 1 – Lessee

Qualitative information

With regard to qualitative information required pursuant to paragraphs 59 and 60 of IFRS 16, reference should be made to Part A, namely Part A.2 – Main Financial Statements Aggregates, Point 15 – Other information of these Notes and Comments.

Quantitative information

As regards quantitative information, reference should be made to the details given in these Notes and Comments, and in particular:

- Rights of use acquired through leases in Part B, Section 8 – Property and equipment – Item 80, Table 8.1 Breakdown of operating property and equipment: assets measured at cost;
- Lease debts in Part B, Section 1 – Financial liabilities measured at amortised cost – Item 10, Table 1.6 Lease debts;
- Interest expense on lease liabilities/debts in Part C, Section 1 – Interests – Items 10 and 20, Table 1.3 Breakdown of interest expense and similar charges;
- Other costs associated with rights of use acquired through leases in Part C, Section 10 – General and administrative expenses – Item 160, Table 10.5 Breakdown of other general and administrative expenses;
- Depreciation of rights of use acquired through leases in Part C, Section 12 – Net adjustments/reversals of property and equipment – Item 180, Table 12.1 Breakdown of net adjustments of property and equipment.

Trieste, 6 March 2025

The Board of Directors

Independent Auditors' Report on the Financial Statements

KPMG S.p.A.
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(The accompanying translated separate financial statements of Banca Generali S.p.A. constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Banca Generali S.p.A.

Report on the audit of the separate financial statements

Opinion

We have audited the separate financial statements of Banca Generali S.p.A. (the "bank"), which comprise the balance sheet as at 31 December 2024, the profit and loss account, the statement of other comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the separate financial statements give a true and fair view of the financial position of Banca Generali S.p.A. as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the separate financial statements*" section of our report. We are independent of the bank in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the separate financial statements of the current year. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Banca Generali S.p.A.
Independent auditors' report
31 December 2024

Classification and measurement of financial assets and liabilities at fair value

Notes to the separate financial statements "Part A – Accounting policies" paragraphs: A.2.1 "Financial assets measured at fair value through profit or loss (FVTPL)", A.2.2 "Financial assets measured at fair value through other comprehensive income (FVOCI)", A.2.4 "Hedging transactions", A.2.12 "Financial liabilities held for trading" and A.4 "Information on fair value"

Notes to the separate financial statements "Part B - Information on the balance sheet - Assets" sections: 2 "Financial assets measured at fair value through profit or loss ", 3 "Financial assets measured at fair value through other comprehensive income" and 5 "Hedging derivatives"

Notes to the separate financial statements "Part B - Information on the balance sheet - Liabilities" sections: 2 "Financial liabilities held for trading" and 4 "Hedging derivatives"

Notes to the separate financial statements "Part C - Information on the profit and loss account" sections: 4 "Net income (loss) from trading activities", 5 "Net income (loss) from hedging" and 7 "Net gains (losses) of other financial assets and liabilities measured at fair value through profit and loss"

Notes to the separate financial statements "Part E - Information on risks and risk hedging policies" sections: 1 "Credit risk - subsection E "Transfers" - paragraph C "Prudential consolidation - Transferred financial assets fully derecognised", 2 "Market risks" and 3 "Derivatives and Hedging Policies"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2024 include financial assets and financial liabilities at fair value totalling €2,165.3 million and €177.1 million, respectively. These financial assets and liabilities comprise assets and liabilities measured at fair value of €716.0 million and €177.1 million, respectively, for which there is no quoted price on an active market and which the bank's directors have classified at levels 2 and 3 of the fair value hierarchy. Classifying and, especially, measuring fair value levels 2 and 3 financial instruments require a high level of judgement given the complexity of the models and parameters used. For the above reasons, we believe that the classification and measurement of financial assets and liabilities at fair value are a key audit matter.	Our audit procedures included: — gaining an understanding of the bank's processes and IT environment in relation to the trading, classification and measurement of financial instruments; — assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls, especially in relation to the classification and measurement of financial instruments with fair value levels 2 and 3. We carried out these procedures with the assistance of experts of the KPMG network; — checking, on a sample basis, that the financial instruments had been correctly classified on the basis of their fair value level; — for a sample of financial instruments with fair value levels 2 and 3, assessing the reasonableness of the main parameters used by the directors for their measurement. We carried out this procedure with the assistance of experts of the KPMG network; — analysing the changes in the composition of the financial instrument portfolios compared to the previous year end and discussing the results with the relevant internal departments; — assessing the appropriateness of the disclosures about financial instruments and related fair value levels.

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Measurement of provisions for liabilities and contingencies

Notes to the separate financial statements "Part A - Accounting policies": section 10 "Provisions for liabilities and contingencies"

Notes to the separate financial statements "Part B - Information on the balance sheet - Liabilities": section 10 "Provisions for liabilities and contingencies"

Notes to the separate financial statements "Part C - Information on the profit and loss account": section 11 "Net provisions for liabilities and contingencies"

Key audit matter	Audit procedures addressing the key audit matter
The separate financial statements at 31 December 2024 include provisions for liabilities and contingencies of €337.7 million. These include €236.9 million relating to financial advisors' termination indemnities and incentive schemes and €100.8 million mainly relating to legal disputes, personnel-related costs and commercial actions aimed at compensating customers for potential losses arising from investments in illiquid products distributed by the bank. Measuring provisions for liabilities and contingencies is a complex activity, with a high degree of uncertainty, and also entails directors' actuarial-based estimates about the probability of payments, the expected payment timing and other historical and statistical parameters. For the above reasons, we believe that measuring provisions for liabilities and contingencies is a key audit matter.	Our audit procedures included: — understanding the process for the measurement of the provisions for liabilities and contingencies, assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls; — analysing the discrepancies between last year's and current year's estimates of the provisions for liabilities and contingencies and discussing the results with the relevant internal departments; — sending written requests for information to the legal advisors assisting the bank with pending legal disputes and the quantification of the related liability and checking the consistency of the information obtained with the elements considered by the directors to measure the provisions for liabilities and contingencies; — analysing the reasonableness of the assumptions used to estimate the main accruals to the provisions for liabilities and contingencies through discussions with the relevant internal departments and analysis of the supporting documentation; — analysing the reasonableness of the assumptions, actuarial assumptions and methods used by the directors to estimate the liability for personal financial advisors' termination indemnities. We carried out these procedures with the assistance of experts of the KPMG network; — assessing the appropriateness of the disclosures about the provisions for liabilities and contingencies.

Other matters - Management and coordination

As required by the law, the banks' directors disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to the bank's separate financial statements. Our opinion on the separate financial statements of Banca Generali S.p.A. does not extend to such data.

Responsibilities of the bank's directors and board of statutory auditors ("Collegio Sindacale") for the separate financial statements

The directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the bank's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the separate financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the bank or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the bank's financial reporting process.

Auditors' responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the bank to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Banca Generali S.p.A.
Independent auditors' report
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We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 22 April 2021, the bank's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2021 to 31 December 2029.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the bank in conducting the statutory audit.

We confirm that the opinion on the separate financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The bank's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the separate financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the separate financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the separate financial statements at 31 December 2024 have been prepared in XHTML format in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The bank's directors are responsible for the preparation of the reports on operations and on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related separate financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the separate financial statements;
- express an opinion on the compliance of the report on operations, excluding the section that includes the sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;

- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the bank's separate financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the sustainability statement, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on the compliance with the applicable law does not extend to the report on operations' section which includes the sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Trieste, 26 March 2025

KPMG S.p.A.

(signed on the original)

Pietro Dalle Vedove
Director of Audit

Report of the Board of Statutory Auditors

pursuant to Article 153 of Legislative Decree No. 58/1998

Shareholders,

The Board of Statutory Auditors (the "**Board**") is required to report to the General Shareholders' Meeting of Banca Generali S.p.A. (hereinafter also "**Banca Generali**", the "**Bank**" or the "**Company**"), convened, *inter alia*, to approve the Financial Statements for the year ended 31 December 2024, on the supervisory activity performed and any omissions and censurable facts identified, pursuant to Article 153 of Legislative Decree No. 58/1998 ("**TUF**"). This activity was carried out in accordance with the code of conduct recommended by the Roll of Certified Public Accountants and Commercial Experts, while also taking account of the provisions issued by Consob and the Bank of Italy, the instructions set out in the Corporate Governance Code and the provisions of Article 19 of Legislative Decree No. 39/10. The following information also takes account of Consob recommendations contained in Communication No. 1025564/2001.

It bears recalling that on 18 April 2024 the General Shareholders' Meeting of Banca Generali had appointed this Board of Statutory Auditors until the approval of the Financial Statements for the year ended 31 December 2026, in the persons of Natale Freddi (Chairman), Paola Carrara and Gianmaria Garegnani (Acting Auditors). On the same date, the Board of Directors also granted the Board of Statutory Auditors the functions attributed to the Supervisory Board pursuant to Article 6 of Legislative Decree No. 231/2001.

During the year, the Board of Statutory Auditors — in its current and previous composition — met 23 times and 4 times in its capacity as Supervisory Body. It also took part in 14 meetings of the Board of Directors, 14 meetings of the Internal Audit and Risk Committee, 11 meetings of the Remuneration Committee, 9 meetings of the Nomination and Governance Committee, 5 meetings of the Sustainability and Innovation Committee and 10 meetings of the Credit Committee. The Board of Statutory Auditors also took part in the induction programme for members of the Bank's corporate bodies.

1. Supervisory activity concerning compliance with the law and Articles of Association

The Board of Statutory Auditors periodically obtained information from the Directors — including by participating in the meetings of the Board of Directors and its Board Committees — regarding the activity carried out and management actions undertaken. On the basis of the information available, it may reasonably confirm that those activities and actions were implemented in compliance with the law and the Articles of Association.

The significant events occurred during the year that the Board of Statutory Auditors deems appropriate for mention in light of their importance include:

- the resilience of the 2022-2024 Strategic Plan, which — despite the turbulence and uncertainties of 2022-2023 — remained in line with the targets disclosed to the market on the 2022 Investor Day;
- the voluntary tender offer in cash aimed at acquiring all the ordinary shares of Intermonte Partners SIM S.p.A. ("Intermonte"), a company listed on the Italian Stock Exchange (EuroNext Growth Milan) and parent company of the financial group bearing the same name, with the aim to collect at least 90% of Intermonte's shares with the intention to delist the company. The offer was completed in just five months, with the delisting of the acquired company in early 2025;
- in the second quarter of the year, the Bank exercised the call option to purchase the 9.9% minority interest still held by the original shareholders of BG Valeur, as provided for in the 2019 purchase agreement and expiring in October 2024. Subsequently, on 8 October 2024, the 100% stake in BG Valeur was transferred by Banca Generali to BG (Suisse) Private Bank S.A., thus creating a Swiss banking group.

It should also be noted that, at 31 December 2024, the consolidated CET1 ratio was 22% and Total Capital Ratio (TCR) was 24.4%, compared to the SREP minimum requirement of 8.33% and 12.63%, respectively. The main information on capital adequacy, risk exposure and the general characteristics of the systems implemented to identify, measure and manage said risks are illustrated in the Pillar 3 disclosures prepared pursuant to Part VIII of Regulation (EU) No. 575/2013.

With regard to relations with the Supervisory Authorities, the Board of Statutory Auditors was updated by the competent company functions regarding the requests and inquiries made and the responses given. In turn, when requested, it provided responses to such Authorities on specific topics relating to the reports received and the audits carried out by the Board of Statutory Auditors.

2. Supervisory activity concerning compliance with the principles of sound management

The Board of Statutory Auditors acknowledged and supervised the compliance with the principles of sound management by obtaining information from the Heads of the competent Control Functions and the Manager in charge of preparing the Company's financial reports, as well as from meetings with the Independent Auditors as part of the mutual exchange of relevant data and information. In the year, it also met several times with the Chief Executive Officer, the Deputy General Managers and other top managers at the Board Committees' meetings or at other ad-hoc meetings, to obtain information regarding operating performance, the internal control system and main company risks. During such meetings, the Board of Statutory Auditors observed the regular, constant flow of information from the main corporate operating functions and, in the case of the Board of Directors, its constant updating.

The Board of Statutory Auditors may therefore reasonably state that the transactions carried out are inspired by the principles of sound management, and that management decisions were made on the basis of adequate flows of information and awareness of their risk level.

In particular, as regards the most significant economic, financial and equity transactions implemented by the Bank, subject to supervisory activity, the Board of Statutory Auditors may reasonably confirm that they were implemented in compliance with the law and the Articles of Association and were not manifestly imprudent, risky, in conflict with the resolutions passed by the Shareholders' Meeting or such as to compromise the integrity of the Company's assets. The transactions in which Directors had an interest were approved in accordance with the law, regulations and Articles of Association. As part of the information provided on the preparation of the annual and half-yearly financial statements, the information pursuant to Article 150 of TUF was provided by the Chief Executive Officer and also by the Manager in charge of preparing the Company's financial reports.

In addition, the Board of Statutory Auditors determined that there had been no atypical and/or unusual transactions with companies of the Banca Generali Banking Group (the "**Group**"), third parties or related parties, i.e., transactions that, in view of their characteristics, may give rise to doubts as to the correctness/completeness of the information in the financial statements, conflicts of interest, integrity of company assets and the protection of minority shareholders.

No issues came to light from the meetings held with the Chairman of the Board of Statutory Auditors of Generfid S.p.A. and the management bodies and the Internal Audit Function of BG Fund Management Luxembourg S.A., BG (Suisse) Private Bank S.A. and BG Valeur S.A. or from the examination of the Directors' reports included in the financial statements. Likewise, at such meetings, no issues were reported relating to the activities carried out, where required, in our capacity as Supervisory Body pursuant to Legislative Decree No. 231/2001.

3. Supervisory activity concerning adequacy of the organisational structure

The Board of Statutory Auditors supervised the adequacy of the Bank's organisational structure by holding meetings with the latter's operating functions, and in particular with the COO & Innovation Area and the Organisation Department, in order to verify the adequacy of the company structure, system of delegated powers, internal control and risk management system and information flows.

The Bank's organisational structure did not change substantially during the year, although the process of rationalising some of its internal structures continued. However, in the first months of 2025, the ongoing expansion of the Bank and its network of financial advisors, the enhancement of the people who succeeded in bringing added value to all the Bank's operations, and the recruitment of specialised professionals, along with a constant drive for utmost efficiency of internal structures, led to several structural and organisational changes with a view to making the organisational structure increasingly efficient and performing, while also aligning it to and ensuring its compliance with the objectives of the Bank's new three-year strategic plan being defined, also in light of the acquisition of Intermonte.

These changes concerned the structures reporting directly to the Chief Executive Officer and mainly consisted in:
› refocusing of the range of financial investment services;
› development of a single system for monitoring the marketing levers for products and services offered to the BG Network and its customers;
› with regard to distribution, greater focus on activities aimed at commercial development and at supporting the network of financial advisors;
› enhancement of digital innovation initiatives and strengthening of both the IT function reporting to COO & Innovation and of the Control Functions.

To this end, the Internal Rules were also revised. The Board of Statutory Auditors found no significant issues, and has no recommendations to submit.

The Board of Statutory Auditors also supervised the proper performance of the management and coordination activities carried out by the Bank as Parent Company and has no observations to make in this regard.

In fact, the Parent Company performs its steering and governance tasks and provides support to its subsidiaries, in accordance with the Consolidated Law on Banking (TUB), supervisory regulations and Group regulations, adopting risk management procedures and internal control mechanisms that ensure coordinated, unified management of the various Group companies in order to:
› ensure satisfaction of the requirements imposed by supervisory regulations at Group level;
› safeguard the profitability and value of the equity investments of the Parent Company and all its subsidiaries;
› avoid any harm to the integrity of the assets of each Group entity by also providing instructions through specific instruments, such as Group regulations and policies on specific subjects.

The Board of Statutory Auditors supervised the adequacy of the instructions provided by the Company to its subsidiaries pursuant to Article 114, paragraph 2, of TUF.

4. Corporate governance

The Board of Statutory Auditors assessed the methods whereby the Borsa Italiana Corporate Governance Code adopted by the Bank was implemented, according to the terms illustrated in the "2024 Report on Corporate Governance and Ownership Structures" (the "**Corporate Governance Report**"). It bears noting that the corporate bodies also acknowledged the latest recommendations formulated in the letter from the Chair of the Corporate Governance Committee of 17 December 2024.

In line with the legislation of reference, Banca Generali's Board of Directors, with support from the external professional Spencer Stuart — appointed as independent expert for the 2024-2026 three-year term — launched the 2024 annual self-assessment on the functioning of the Board and Board Committees, as well as of their size and composition. The Board of Directors' self-assessment involved the participation of all Directors in office and the Chairman of the Board of Statutory Auditors.

The Board of Statutory Auditors as well performed its 2024 annual self-assessment to evaluate its functioning, size and composition. The results of the two self-assessments are reported in detail in the Corporate Governance Report.

Furthermore, during the year the Board of Statutory Auditors verified that the Statutory Auditors met the relevant requirements in accordance with the MEF Decree No. 169 of 23 November 2020, as well as, in general, with the applicable legal, regulatory and self-regulatory provisions in force. In detail, pursuant to Article 23 of the MEF Decree, the Board of Statutory Auditors conducted new specific assessments of the continuing satisfaction of its members' eligibility requirements and criteria, including those of independence and absence of causes of incompatibility, where supervening events might have affected possession of such requisites.

Additionally, during the year the Board of Statutory Auditors verified the proper application of the assessment criteria and procedures adopted by the Board of Directors to assess possession of the fit and proper requirements of its members, pursuant to applicable legislation.

5. Supervisory activity concerning transactions with related and connected parties

The Board of Statutory Auditors supervised the compliance with applicable legislation of the Policy for Transactions with Related Parties, Connected Parties and Corporate Officers pursuant to Article 136 of TUB (the "**Policy**") adopted by the Bank on this matter (as most recently updated on 22 June 2023) and its proper application, participating in all the meetings of the Internal Audit and Risk Committee — which also acts as the Committee for the preliminary review of transactions with related and connected parties and is tasked with issuing the related opinions required by applicable legislation, as established by the relevant Policy — and periodically receiving and analysing information regarding the transactions performed. The Board of Statutory Auditors has no record of related and connected party transactions undertaken in conflict with the Company's interest.

In the year, one "transaction of greater importance" was undertaken with related parties that qualified as a "regular transaction" in that it was carried out during the normal course of operating activities and it was concluded at market conditions. This concerns the issue of an own funds instrument to be recognised as Additional Tier 1 capital for an amount of 100 million euros and the early redemption of the Additional Tier 1 instrument of 50 million euros.

In addition, transactions qualifying as "transactions of lesser importance" were undertaken with related parties, as illustrated in detail in the Directors' Report on Operations, in addition to "ordinary or recurring transactions" effected at arm's length, the effects of which are analysed in the dedicated section of the Notes and Comments.

The Board of Statutory Auditors verified that in the Report on Operations and the Notes and Comments the Board of Directors provided adequate disclosure of transactions with related and connected parties and intragroup transactions in light of applicable legislation.

Following a review of the activity carried out by the various functions covered by the Policy and discussions with the Internal Audit Function, the Board of Statutory Auditors believes that transactions with related and connected parties are adequately supervised and, to the best of its knowledge, that the Policy was properly applied.

6. Supervisory activity concerning the internal control and risk management system

The Board of Statutory Auditors supervised the adequacy of the internal control and risk management system mainly through:

- meetings with the Bank's top managers, the purpose of which included examining the internal control and risk management system;
- periodic meetings with the Heads of the Internal Audit, Compliance and Anti-Money Laundering, and Risk Management Functions (hereinafter the "**Control Functions**") in order to assess the methods of planning of the work, based on identifying and assessing the main risks present in processes and in organisational units;
- examination of the Control Functions' periodic reports (Tableaux de Bord and annual reports) and of periodic reports on the results of monitoring of the implementation of the remediations identified;
- acquisition of information from the Heads of other Corporate Functions;
- meetings with the control bodies of the main subsidiaries pursuant to paragraphs 1 and 2 of Article 151 of TUF during which the Board of Statutory Auditors obtained information on the matters deemed material, affecting Group companies and the internal control system;
- discussion of the results of the Independent Auditors' work;
- participation in the proceedings of the Internal Audit and Risk Committee, acquiring information on the criticalities considered of particular interest to the Board of Statutory Auditors' activity.

Banca Generali has adopted, and constantly updates, the Internal Control System Policy, which identifies the bodies and functions involved in the definition of the internal control system, the methods and tools for identifying and assessing risks, coordination between control functions, the Banking Group's internal control system and reports and flows of information. The system is structured on three levels: the first level performs line controls aimed at ensuring the proper performance of transactions; the second level concerns the monitoring of risks and compliance; and the third is aimed at identifying breaches of procedures and internal regulations.

With reference to the first-line controls, Banca Generali has operational procedures in place (process flows) that relate to all activities carried out and identify the activities, roles, tools and line controls according to the company process tree. These procedures are constantly updated by the Organisation Department to bring them into line with changes in external and internal rules and regulations, the organisational structure and operating methods and to incorporate the suggestions for improvement that emerge from the activities performed by the Control Functions.

With regard to the second- and third-line controls, the Board of Statutory Auditors engaged in constant dialogue with the Control Functions in carrying out its activities. In addition to the Business Functions and Control Functions, the functioning of the control system also involves the Parent Company's Supervisory Board pursuant to Italian Legislative Decree 231/2001, whose activity is described in a subsequent chapter.

The Control Functions submit periodic reports to the Board of Directors and the Board of Statutory Auditors on the activities performed and their main observations. Each quarter, the Tableaux de Bord are presented; these are informational documents that provide an update on the risks and state of progress of the annual plan of each Function. At the end of the year, as required by the law, the Functions submit an annual Report, which, in addition to underscoring the work done during the year, concludes with a concise assessment of the adequacy of the internal control system with regard to matters within their purview.

The Board of Statutory Auditors acknowledges that the annual Reports of the Compliance, AML and Risk Management Control Functions, each for the aspects within their respective remit, conclude with a mostly adequate opinion of the structure of the Company's internal control system. With regard to the Internal Audit Function Report, the assessment of the internal control system takes account not only of the findings of the Function's activity, but also of the outcome of the of second-line Functions' activities. The Internal Audit Function Report thus concludes with an Overall Adequate opinion in terms of the completeness, adequacy, functionality and reliability of the internal control system.

The Board of Statutory Auditors also acknowledged the Board of Director's assessment of the internal control system, which was deemed mostly adequate, also in light of the Internal Audit and Risk Committee's opinion.

The **Group Audit Function** operates based on three-year and annual plans. The Group's three-year plan sets the expected objectives and contains information on risk coverage through audits; the document also provides information at Group level on the three-year and annual plans prepared both by Banca Generali and by each subsidiary. Over the three-year period, assurance is provided on all the risk assessment processes identified and used to prioritise actions. The annual plan defines which activities and processes are to be audited in line with the three-year plan and in a risk-based perspective. The above-mentioned plans are approved annually by the Board of Directors.

The final report on the Internal Audit Function's activity in the year indicates that all activities planned were concluded at the date of this report. No significant issues emerged with regard to this activity. However, the control activities performed (including at Group level) identified a need for the competent Corporate Functions to implement remedial actions to mitigate the risks inherent in some processes and operating practices, typical of all banking businesses, without jeopardising the reliability of the internal control system as a whole, which is thus confirmed to be overall adequate.

Interaction between the Board of Statutory Auditors and the Internal Audit Function was constant over the year, as the Function took part in most meetings of the Board of Statutory Auditors. In any case, the Function informs the Board of Statutory Auditors promptly of any issues or areas of concerns that might emerge from its activities.

Upon definition of the 2025 annual audit plan by the Function, the Board of Statutory Auditors formulated its observations on the most relevant topics, making suggestions with a view to improving both processes and contents.

The **Compliance Function** carries out a preliminary assessment of internal procedures' suitability and provides support and advice with applicable regulations, in addition to verifying ex-post compliance of company processes so as to ensure that operational processes are designed and implemented consistently with the regulatory framework. Audits revealed an overall medium-low exposure to the risk of non-compliance, despite identifying the following areas requiring enhanced oversight: *(i)* securitisations of trade receivables requiring thorough assessment of possible measures to protect customers, including those of informational nature; *(ii)* risks linked to the expansion of the Group's operations in Switzerland; *(iii)* fine-tuning of measures already in place in compliance with regulatory provisions (in particular EMIR Refit); *(iv)* the Bank's projects with impacts on personal data processing, including in light of the external context.

With regard to control activity relating to the distribution network, there continues to be a need to keep high levels of supervision, in addition to further reinforcing them to pursue constant improvement in the efficient monitoring of various risk elements. Within this framework, attention should also be drawn to the constant efforts to raise the awareness of the distribution network of the implementation of the remediations requested by the Network Control Function.

With reference to complaints — relating to both investors and consumers — each quarter the Function presents a report stating the number of complaints, those that resulted in litigation and reimbursements paid by the Bank during the period. Overall, in 2024 the number of complaints received increased compared to the previous year. The factual circumstances that led to the above-mentioned complaints however entailed specific in-depth investigations into the conduct reported by the complainants and the necessary checks on the disputed transactions, so as to ascertain whether or not the customers' claims for compensation were well founded. In light of the limited number of complaints received on banking and financial services and of their nature and diversification, the Function did not detect any new compliance-related issues in relation to the processes concerned.

In the forthcoming year, the Function will continue to monitor the regulatory developments underway (with regard, for example, to the Retail Investment Strategy and Open Finance), and will analyse the necessary risk management measures regarding business projects, with particular regard to Intermonte.

The Compliance Function supported the Data Protection Officer with the activities set out in the GDPR and in data protection regulations. The Annual Report was presented to the Board of Directors on 25 March 2025 and sets out the activities carried out in 2024. The Report identifies particularly important topics such as Artificial Intelligence and data processing by banks, as well as the data breach suffered by the supplier Siaed S.p.A. and the migration of Banca Generali's record of processing activities to the online platform. The Report's conclusions confirm the overall suitability of the said control measures to protect personal data.

The Compliance Function prepared the "Annual Report on the Proper Functioning of the Whistleblowing System" for 2024, in which it is stated that the Policy was updated in October 2024 and that no problems were detected with regard to the functioning of internal whistleblowing systems, including in the tests performed on the systems in question. However, two reports were received that gave rise to the necessary inquiries, resulting in their dismissal.

In its year-end Report, the **Anti-Money Laundering Function** underlines the increasing effort devoted to oversight and control activities, with an impact on its core processes.

In particular, in 2024 the Function supervised the proper fulfilment of the due diligence obligations through ex-post controls on compliance with the requirements, so as to ensure that processes were actually carried out in accordance with applicable regulations. As regards customer profiling, in 2024 the Function continued to use the Gianos GPR profiling system provided by the CSE Consortium, then replaced by the new RIAS system provided by Netech as of 1 March 2025. The Function also conducted specific in-depth analysis upon customer acquisition, with regard to several cases deemed at higher risk of money laundering and terrorist financing.

In terms of "active cooperation", the Anti-Money Laundering Function constantly assesses and analyses in detail the proposed reporting of suspicious operations received from both HQ structures and Branches and from Financial Advisors.

The Function also performs ex-post checks to identify possible anomalous operations performed by customers, with a view to ensuring that processes are not only designed, but also actually implemented and executed in compliance with the regulatory framework. The Function also constantly monitors the progress of remediations required at the end of the periodic checks performed.

The Anti-Money Laundering Function of Banca Generali (Parent Company of the Banca Generali Banking Group), in addition to serving as Anti-Money Laundering Function for the subsidiary Generfid S.p.A., carries out direction and coordination activity for all Banking Group companies that have not outsourced the AML Function.

In light of the auditing activities performed in 2024 and the overall outcome of checks outlined in the annual risk self-assessment, the Function expressed a "mostly adequate" opinion on the AML/CFT control system implemented by the Bank in terms of its completeness, suitability, functionality and reliability, with a LOW exposure to the money-laundering risk, declining compared to the previous year. This opinion is the result of several improvement actions completed during the year and at the beginning of 2025, mainly related to the full adoption of the new Netech suite.

The **Risk Management Function**'s activity is aimed at ensuring that the Banca Generali Group's risk levels are kept consistent with the risk strategies and the risk profile, and in line with the risk limits and tolerance thresholds established by the Board of Directors in the Risk Appetite Framework (RAF) and in the Recovery Plan. No significant issues worthy of attention were brought to light during the work done over the year.

In 2024, controls were strengthened, including: (i) definition of the ICT Third Party and ICT project management framework; ii) strengthening of the credit monitoring process and the related IT developments of supporting software applications; (iii) integration of controls on Lux Protection Life and management proxies of Alleanza/Generali; (iv) strengthening of ICT change management processes (IT Demand and IT change) and the management of ICT and Security incidents, and the definition of specific supporting tools; (v) updating of processes relating to foreign currency operations, particularly with regard to BG Saxo current accounts; and (vi) enhanced monitoring of the risk profile of instruments and of the suitability process.

During the year, the risk management function continuously monitored the remediation identified, ensuring prompt reporting to Top Management and the Board of Directors, in coordination with the other control functions.

The assessment of the risk management process identified the need to continue along the path of digitalisation, so as to strengthen data quality and risk analytics in risk management processes, with a focus on interest rate risk on the banking book (basis risk monitoring) and reputational risk (strengthening risk analysis on distribution risk).

Furthermore, in light of the recent acquisition of Intermonte SIM and the related integration process, the Chief Risk Office aims to strengthen the market risk control framework, in order to allow the Parent Company to effectively coordinate the investment firm's trading activities, also considering possible synergies with regard to certificates.

The Board of Statutory Auditors examined the Internal Capital Adequacy Assessment Process (ICAAP) documents, which quantify the current and prospective internal capital to be held for the risks to which the Group is exposed, as well as those for liquidity (ILAAP), which aim to assess the adequacy of the liquidity held by the Bank. Both documents were approved by the Board of Directors on 9 May 2024. The ICAAP and ILAAP confirm the adequacy of the Bank's capital and liquidity. The Board of Statutory Auditors formulated its observations also on the basis of the Report of the Internal Audit Function, which acknowledges compliance with regulations.

The Board of Statutory Auditors examined the new Risk Appetite Framework (RAF) with effect from 2025, taking account of the recommendations of the Supervisory Authorities and of the regulatory indications. The structure of the primary and complementary indicators has remained unchanged from last year, with the exception of the operational risk indicator relating to the ratio of losses to net banking income, reclassified from relevant to complementary, as well as the gross HTCS reserve indicator, reclassified from complementary to relevant. Some thresholds have been modified in line with the new plan forecasts, as well as, with regard to capital ratios, in consideration of the expected impact of the entry into force of the new prudential treatments provided for by CRR 3 and the main impacts expected from the acquisition of Intermonte, which was completed at the beginning of 2025. The RAF confirms the Bank's solidity, with capital and liquidity ratios above the minimum regulatory requirements.

Adequacy of Control Functions

In order to assess the internal control system, particular importance is attached to the analysis of the operational procedures and methods that the Control Functions adopt to pursue their objectives, as well as the suitability of their staff. The Control Functions operate on the basis of procedures that are approved by the Board of Directors and kept up to date, and analyse in detail the activity to be carried out. At the level of resources, the Board of Statutory Auditors liaised with all Control Functions and expressed its opinion on the appropriateness of resources at the end of 2024 in consideration of the Functions' activity plan for 2025, requesting constant updates on their adequacy.

The Board of Statutory Auditors oversaw the remuneration of the control functions, for purposes of the variable component payment. In concert with the Remuneration Committee and the Internal Audit and Risk Committee, it analysed the scorecards of their qualitative performance in terms of the objectives set for 2024.

Cyber risk and business continuity

In 2024, the Bank launched the activities aimed at achieving compliance with the DORA, an EU regulation fully applicable as of 17 January 2025 that introduces a harmonised cybersecurity and digital operational resilience framework in Member States. The activities to comply with the regulation have been substantially completed as regards the design phase for both the Bank and its subsidiaries. All the structures have defined the scope of activities for continuous management. The implementation of the activities required by the regulatory provisions will require an additional effort on their part, both for the introduction/modification of processes and for the extension of an in-depth monitoring, previously reserved only for outsourcers, to all the IT suppliers included in the DORA scope. In particular, the DORS strategy has been developed, which represents the set of guidelines, processes, procedures and tools used within the Bank to ensure resilience.

In this context, the Summary Report on the ICT and Cyber-Security Risk Situation, prepared using a new methodology that takes into account the DORA-related evolution of processes, procedures and tools, provides information on the main outcomes of the assessments of risk management in compliance with the above-mentioned regulation.

The scope analysed for this assessment session was defined starting from the Bank's process tree structured on a taxonomy of 4 levels, used for identifying the critical processes as defined within the DORA scope. 70 critical processes were identified, to which a total of 96 critical applications pertain. Within the defined perimeter, 26 risk scenarios were evaluated, mapped according to the dimensions of Confidentiality, Integrity/Authenticity and Availability. The aggregate results identified a "high" level of risk. These results were integrated with available contextual information regarding (i) the ICT and Cyber-Security process deficiencies at CSE, the Bank's main supplier to which over 80% of the applications supporting the processes in scope are linked, (ii) the detection of a cluster of IT applications outside of CSE's management for which, in light of the new regulation, it is necessary to strengthen the coordination of technical controls. The completion of the CSE remediation plan and greater technical coordination for applications for which there is a greater dependence on third-party suppliers will make it possible to strengthen the controls on applications and consequently mitigate the identified risks.

With regard to the implementation status of security initiatives, particular attention was paid to strengthening the activities carried out in the Cyber and Information Security areas. Three high or critical incidents within the meaning of Circular No. 285/2013 were detected in 2024. In particular, following the breach to a third party (Siaed), the subsequent incident analysis conducted by the Supplier, excluded the possibility of loss of confidentiality of the Bank's data. For the other two incidents, the suppliers promptly resolved the problem. As far as fraud is concerned, it should be noted that most of the amounts have been recovered and that security incidents are mainly related to scams committed against home banking customers.

As for operational continuity, 16 operational continuity test sessions were conducted in 2024, a significant increase compared to last year, also thanks to the integration of documentary checks of suppliers' disaster recovery plans. The tests were conducted on internal processes, providers and outsourcers. The positive results obtained confirmed the soundness of the strategies and procedures implemented by the Bank.

In 2024, the Bank was the subject of a targeted inspection by the Bank of Italy, in order to assess the suitability of the governance, organisational and control structures with regard to the protection of customers in banking transactions. The judgement, partially favourable, reflects the adequate regulation of internal processes and a generally satisfactory control structure. Some improvements were highlighted, such as the attention of the corporate bodies to customer protection aspects, the practices in place regarding information to the Board of Directors and the supervision of the actions of outsourcers active in areas relevant to the specific matter, for which remediations were partly approved already during the Inspection. For the planned improvements due by April 2025, the Board will pay attention to compliance with the defined deadlines.

Based on the work carried out, the information acquired, the content of the annual reports of the Control Functions, and particularly the overall favourable opinion expressed by the Control Functions regarding the internal control system, the Board of Statutory Auditors considers that there are no significant issues such as to affect the structure of the internal control and risk management system.

7. Supervisory activities regarding the administrative accounting system and the financial reporting process

The Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee pursuant to Article 19, paragraph 2, letter C) of Legislative Decree 39/2010, monitored the process and checked the effectiveness of the internal control and risk management systems with regard to financial reporting, overseeing compliance with the general principles on financial reporting adopted by the Group, based on the provisions of the Group Policy on the subject.

Financial reporting is monitored by the Manager in charge of preparing the Company's financial reports (hereinafter the "**Manager in charge of financial reports**"), adopting models that refer to best market practice and that provide reasonable security on the reliability of financial reporting, on the effectiveness and efficiency of operating activities and on compliance with laws and internal regulations. The processes and controls are reviewed and updated annually.

In 2024, work continued to keep the mapping of processes up to date in line with the project initiatives carried out, the new operating methods and organisational changes.

Control of the proper functioning of the Bank's model is ensured by a series of self-assessment checks carried out by the individual process owners, supplemented by checks implemented both by an audit firm.

The Board of Statutory Auditors met the Manager in Charge of financial reports at regular intervals to exchange information on the reliability of the administrative-accounting system for purposes of representing operating events correctly and verified the Attestation of the Annual Integrated Report pursuant to Article 154-*bis* of TUF, issued by the Chief Executive Officer and the Manager in Charge of financial reports, which certifies the adequacy and effective application of the administrative and accounting procedures for preparing the Annual Integrated Report during the 2024 financial year.

With regard to the preparation of the financial statements and consolidated financial statements, it should be noted that they have been prepared, in accordance with Legislative Decree 38/2005, according to the international IAS/IFRS standards issued by the IASB (International Accounting Standard Board) that have been approved by the European Commission, as established by Community Regulation 1606/2002, and following the indications of Circular No. 262/2005 published by the Bank of Italy. The Board of Statutory Auditors reports the following:

- no new international accounting standards, amendments to existing standards or related interpretations with a material impact on the Banking Group's operations entered into effect in financial year 2024;
- the Bank holds in its UCITS portfolio the Forward Fund, an Italian AIF managed by Gardant SGR. The fund was subscribed in 2021 as part of the restructuring of a portfolio of senior notes issued by several special-purpose vehicles in the securitisation of healthcare receivables (past-due or related to disputes), which Banca Generali purchased from its customers and concurrently transferred to the Fund. At the end of 2024, the value of the Fund was 485.8 million euros. In 2024, a capital gain of 2.3 million euros was recorded on the fund, with a cumulative capital loss that therefore declined to 4.2 million compared to the 6.5 million recognised at the end of 2023;
- during the year, additional non-recurring provisions were made for an amount of 48 million euros. These provisions are aimed to cover commercial activities aimed at restoring customers' potential losses resulting from investments made in illiquid products distributed by the Bank that were marked by investment repayment issues, for which civil and criminal litigation is currently ongoing with the party that set up, marketed and managed these transactions;
- at its meeting on 10 February 2025, the Board of Directors approved the impairment process, as required by the joint Bank of Italy/Consob/ISVAP document of 3 March 2010.

With regard to tax risks, the Board of Statutory Auditors draws attention to the contents of the Notes and Comments to the Consolidated Financial Statements regarding settled and ongoing tax disputes.

The Independent Auditors, in their regular meetings with the Board of Statutory Auditors, did not report elements that could affect the internal control system concerning administrative and accounting procedures.

The Board of Statutory Auditors ascertained that the flows provided by the non-EU subsidiaries of significant importance are adequate to conduct the control of the annual and interim accounts as required by Article 15 of the Market Rules.

Based on the above, no evidence emerged of significant deficiencies that could affect the judgement of the internal control system's adequacy with regard to the financial reporting process and the reliability of administrative-accounting procedures in representing the operating events.

8. Oversight of the statutory audit activity

In accordance with the provisions of Article 19 of Legislative Decree No. 39/2010, the Board of Statutory Auditors (in its capacity as Internal Control and Audit Committee) carried out the prescribed supervisory activities regarding the Independent Auditors' operations.

KPMG S.p.A. ("KPMG" or the "Independent Auditors") is the firm to which the Ordinary Shareholders' Meeting of 22 April 2021 awarded the statutory audit of the financial statements and consolidated financial statements of Banca Generali S.p.A. up to the financial statements for the year ending 31 December 2029. The assignment also includes responsibility for verifying the proper keeping of company accounts, the correct recognition of operating events in the accounting records, the limited review of the half-yearly report and interim reports, the checks related to signing tax returns and the attestations issued to the National Guarantee Fund.

The Board of Statutory Auditors met the Independent Auditors several times also pursuant to Article 150 of TUF in order to exchange information about the Independent Auditors' activity, taking particular account of the Audit Plan, timing of activities and dedicated resources. Particular attention was devoted to the activities carried out on "key audit matters" that, in continuity with the previous year, referred to Classification and measurement of financial assets and liabilities at fair value and Measurement of provisions for liabilities and contingencies, as well as on the risks associated with the goodwill recognised in the consolidated financial statements, the adequacy of the accounting standards applied and possible fraud risks. In these meetings, the Independent Auditors never highlighted events deemed to be censurable or irregularities such as to require reporting pursuant to Article 155, paragraph 2 of TUF.

On 26 March 2025, the Independent Auditors issued, pursuant to article 14 of Legislative Decree No. 39/2010, the Audit Reports on the financial statements and consolidated financial statements for the year ended 31 December 2024. With regard to the opinions and attestations, the Independent Auditors in the Audit Report on the financial statements:

- issued an opinion showing that Banca Generali's financial statements and consolidated financial statements provide a true and fair view of the financial performance and position of Banca Generali and the Group at 31 December 2024, of the operating result and cash flows for the year ended on that date in accordance with the International Financial Reporting Standards adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree No. 38/05 and Article 43 of Legislative Decree 136/15;
- presented the key aspects of the audit that, according to their professional judgement, are most significant and that contribute to the formation of the overall opinion on the financial statements;
- issued a consistency opinion showing that the Reports on Operations accompanying the financial statements and the consolidated financial statements at 31 December 2024 and certain specific information contained in the "Report on Corporate Governance and Ownership Structure" indicated in Article 123-*bis*, paragraph 4, of TUF, responsibility for which lies with the Bank's directors, are prepared in accordance with the law;
- attested that the Group's separate and consolidated financial statements have been prepared in XHTML format and that the consolidated financial statements have been marked up, in all material respects, in compliance with the provisions of the Commission Delegated Regulation (EU) 2019/815;
- declared, with regard to any material errors in the Reports on Operations, based on a knowledge and understanding of the business and the related context acquired during the audit activity, that it has nothing to report.

On 26 March 2025, the Independent Auditors also submitted to the Board of Statutory Auditors the Additional Report provided for in Article 11) of Regulation (EU) No. 537/2014. As an annex to this Report, the Independent Auditors submitted to the Board of Statutory Auditors the independence declaration, as required by Article 6 of Regulation (EU) No. 537/2014, which revealed no situations that could compromise their independence. In addition, the Board of Statutory Auditors acknowledged the Transparency Report dated 30 September 2024, prepared by the Independent Auditors and published on their website pursuant to Article 18 of Legislative Decree No. 39/2010.

Banca Generali has adopted a specific "Procedure for the assignment of non-audit services to the Independent Auditors" which regulates the award to the Independent Auditors and their network of tasks additional to those involved in the statutory audit activities pursuant to Article 14 of Legislative Decree No. 39/2010. For these assignments, which legislation states must be authorised in advance by the Board of Statutory Auditors and — if they are not incompatible with the statutory audit — cannot in any case exceed 70% of the average remuneration for the last 3 financial years for the statutory audit (fee-cap), the aforementioned procedure provides for a prior process of authorisation and monitoring by the Board of Statutory Auditors in order to oversee the independence of the Independent Auditors, consistent with the provisions of Legislative Decree No. 39/2010.

The Manager in Charge of financial reports submits regularly for the attention of the Board of Statutory Auditors a report on the services provided to the Group by the main Independent Auditors and their network, as well as information on the amount of the annual cap used, as defined by the fee-cap rule. The Board of Statutory Auditors complied with the provisions of current legislation on the approval of the services conferred on the main Independent Auditors and other companies belonging to their network. The expenses recognised in the consolidated Profit and Loss Account, also shown in the annex to the Financial Statements, as required by Article 149-*duodecies* of the Issuers' Regulation, are as follows:

TYPE OF SERVICE (EURO/000)	KPMG S.P.A. BANCA GENERALI	KPMG S.P.A. SUBSIDIARIES	OTHER COMPANIES WITHIN THE KPMG NETWORK SUBSIDIARIES
Audit	369	-	239
Attestation services	207	-	185
Other services	39	-	-
Total	**615**	**18**	**424**

The main activities, other than the audit, refer to the balance of the limited assurance of the 2023 Consolidated Non-Financial Statement, to the advance payment for the limited assurance of the 2024 CSRD sustainability statement, to the 2023 annual report on the Descriptive Document as per Part 3 of the MiFID Regulation, to services related to the deposit and sub-deposit of the assets of customers and intermediaries and to other agreed-upon procedures.

The certification services provided to other Group companies refer instead to the reports required by the Luxembourg Supervisory Authority in accordance with CSSF Circulars 21/788 and 21/789, by the Swiss Supervisory Authority (FINMA) for the Regulatory audit, in addition to the reports required by law for the distribution of the interim dividend of BGFML.

Taking into account the non-audit assignments awarded to KPMG and its network by Banca Generali and Group companies, their nature and the total fees paid, as well as, more generally, the procedures adopted by KPMG regarding independence, the Board of Statutory Auditors does not identify any issues regarding the independence of KPMG S.p.A.

The Independent Auditors also confirmed to the Board of Statutory Auditors that during the year they did not issue opinions pursuant to the law, as no conditions occurred as to warrant their issue.

9. Omissions or censurable events, opinions given and initiatives taken

The Board of Statutory Auditors did not receive any reports pursuant to Article 2408 of the Italian Civil Code.

The Board of Statutory Auditors is not aware of any other events or matters to report to the Shareholders' Meeting.

The Board of Statutory Auditors, in addition to the matters already indicated in this Report, issued opinions or expressed observations that current legislation and supervisory provisions for banks state are within its remit. In particular, the Board of Statutory Auditors expressed:

- its opinion on the processes and procedures relating to the remuneration of Directors, when required, in particular on the remuneration of the Chief Executive Officer and of the members of the Board committees;
- its opinion on the 2024 remuneration of the Heads of Control Functions;
- its opinion on the appointment of the new Head of the Compliance Function;
- its opinion on the presentation to the Board of Directors of transactions falling within the scope of Article 136 of TUB;
- considerations on the Annual Report regarding the outsourcing of important operational functions.

In the course of the activity carried out and based on the information obtained, no omissions, censurable matters, irregularities or significant circumstances were found that needed to be reported to the Supervisory Authorities or mentioned in this Report.

10. Sustainability Statement

The Board of Statutory Auditors, in the exercise of its functions, has overseen compliance with the provisions contained in Legislative Decree No. 125 of 6 September 2024, in particular with reference to the drafting process and the contents of the Sustainability Statement drawn up by Banca Generali.

Banca Generali has chosen to entrust the Manager in Charge of financial reports with the management of data monitoring for the purposes of preparing the sustainability statement; in this context, the project aimed at integrating the management and monitoring of financial reporting with that related to the sustainability statement has been launched. The objective is to guarantee, through the traditional tools of the Manager in Charge of financial reports, the accuracy and reliability of the sustainability data disclosed in the Annual Integrated Report. To ensure greater alignment with regulations, with the help of a consulting firm, an integrated Risk Control Matrix was therefore prepared that includes financial procedures and sustainability procedures. In the report issued on 26 March 2025, the Independent Auditors — which have been assigned the task of carrying out the limited assurance of the Sustainability Statement pursuant to Article 14-*bis* of Legislative Decree No. 39 of 27 January 2010 — highlight, based on the work carried out, that they did not identify any elements that have led them to believe that:

- the Sustainability Statement of Banca Generali for the year ended 31 December 2024 was not prepared, in all material respects, in compliance with the reporting principles adopted by the European Commission pursuant to Directive 2013/34/EU;
- the information contained in section "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" has not been prepared, in all material respects, in accordance with Article 8 of EU Regulation No. 852 of 18 June 2020.

The Board of Statutory Auditors did not become aware of any breaches of the relevant regulatory provisions.

11. Supervisory Board

After being assigned the functions attributable to the Supervisory Board ("SB") referred to in Article 6, paragraph 4-*bis* of Legislative Decree No. 231/2001 on the vicarious liability of entities, the Board of Statutory Auditors oversaw the functioning and compliance with Model 231 adopted by the Bank and analysed the periodic information flows received from the Control Functions.

The 231 Model currently in force was adopted by the Board of Directors at its meeting on 25 March 2025 and endorsed, following the periodic updating activity, the new predicated offences introduced by the statutes issued up to that date. In particular, the new offences of "cyber extortion", "misappropriation of money or movable property" and "market abuse offences committed in relation to crypto-assets" were included in the Model. The Model was also updated to include the amendments to the Whistleblowing Policy and the organisational changes made after the previous update.

No reports of breaches of the Organisational and Management Model pursuant to Legislative Decree 231/01 were received through the dedicated e-mail account during the period. Two reports were received through the whistleblowing channels set up pursuant to the Whistleblowing Policy, but no material elements for the purposes of Legislative Decree 231/01 were identified. In this regard, the necessary inquiries were conducted, resulting in dismissal of the reports.

The Board of Statutory Auditors, in its capacity as Supervisory Board, reported on the activities carried out during the year ended 31 December 2024 without pointing out any issues, illustrating an overall satisfactory situation and substantial alignment with the provisions of the 231 Model adopted by the Bank.

12. Conclusions

In view of the Ordinary and Extraordinary Shareholders' Meeting convened, in first call, on 17 April 2025 (as per the notice of calling published on 18 March 2025), the Board of Statutory Auditors, without prejudice to the specific duties and responsibilities of the Independent Auditors in terms of auditing the accounts and verifying the reliability of the financial statements, has no comments to make to the Shareholders' Meeting, pursuant to Article 153 of TUF, regarding the approval of the Financial Statements as at 31 December 2024, accompanied by the Annual Integrated Report, as presented by the Board of Directors and the proposal for the distribution of net profit for the year.

Milan, 26 March 2025

The Board of Statutory Auditors

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ATTESTATION PURSUANT TO ARTICLE 154-*BIS*, PARA. 5, OF ITALIAN LEGISLATIVE DECREE NO. 58/98

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Attestation

pursuant to Article 154-*bis*, paragraph 5, of Italian Legislative Decree No. 58/98

Certification of the Annual Integrated Report pursuant to the provisions of art. 154-*bis*, paragraph 5 and 5-*ter*, of Legislative Decree 58 of 24 February 1998 and art. 81-*ter* of CONSOB Regulation 11971 of 14 May 1999, as amended

1. The undersigned Gian Maria Mossa, in his capacity as Chief Executive Officer, and Tommaso Di Russo, in his capacity as Manager in charge of the Financial Reports of Banca Generali S.p.A., taking into account the provisions set out in article 154-*bis*, paragraphs 3 and 4, of the Legislative Decree dated 24 February 1998, Nr. 58, hereby declare that the administrative and accounting procedures for preparing the Annual Integrated Report for the fiscal year 2024:

   - are appropriate in light of the features of the company, and
   - have been actually applied.

2. The appropriateness of administrative and accounting procedures for preparing the Annual Integrated Report as of 31 December 2024 was assessed using a process established by Banca Generali S.p.A. based on the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, which is generally accepted as a reference framework worldwide.

3. The undersigned further declare that:

3.1 the Annual Integrated Report as of 31 December 2024:

a) was prepared: *(i)* in compliance with the applicable international accounting standards recognized in the European Union pursuant to Regulation (EC) Nr. 1606/2002 of the European Parliament and Council of 19 July 2002, as well as in compliance with the provisions of the Italian Civil Code, and of Legislative Decree Nr. 38 of 28 February 2005, and *(ii)* in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and of Legislative Decree Nr. 125 dated 6 September 2024 implementing Directive 2022/2464/UE (known as *Corporate Sustainability Reporting Directive* or "CSRD"), *(iii)* Legislative Decree No. 125 of 6 September 2024 implementing Directive 2022/2464/EU (also known as the Corporate Sustainability Reporting Directive or 'CSRD'), (iii) with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020[1] and further applicable provisions, regulations and circular letters issued by the Supervisory Board;

b) reflects the accounting books and records;

c) provides a true and fair view of the assets, liabilities, profit or loss and financial position of the issuer and all its consolidated companies.

3.2 the Directors' report on operations includes a reliable analysis of the business trends, operating result and financial situation of the issuer and all the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

Trieste, 06 March 2025

Gian Maria Mossa
Chief Executive Officer

BANCA GENERALI S.p.A.

Tommaso Di Russo
Manager in Charge of
the Company's Financial Reports
BANCA GENERALI S.p.A

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ANNEXES TO THE FINANCIAL STATEMENTS

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Annex 1

Disclosure of compensation for auditing pursuant to Article 149-*duodecies *of Consob Resolution No. 11971/1999

The following table shows a breakdown of the fees paid by Banca Generali Group companies to the independent auditors KPMG S.p.A. engaged to audit the Financial Statements in accordance with Italian Legislative Decree No. 58/98, as well as to the Italian and foreign entities in the network to which the auditing firm belongs.

	KPMG S.P.A.		OTHER COMPANIES WITHIN THE KPMG NETWORK		
	PARENT COMPANY	SUBSIDIARIES	PARENT COMPANY	SUBSIDIARIES	TOTAL
Audit	369	18	–	239	626
Attestation services	207	–	–	185	392
Other services	39	–	–	–	39
Total	615	18	**–**	**424**	**1,057**

The amounts reported in the table above refer to the fees paid for services rendered in the year, recognised in the 2024 Consolidated Financial Statements net of expense reimbursements, non-deductible VAT and Consob contributions, if any.

With regard to the Parent Company Banca Generali, the amount of 615 thousand euros reported in the table above refers to:
› audit for 369 thousand euros, of which 133 thousand euros for the audits carried out in 2024 in relation with the 2023 Financial Statements, 162 thousand euros advance payment for the audits regarding the 2024 Financial Statements, and 74 thousand euros for the limited review of the half-yearly report and the quarterly interim reports for 2024;
› attestation services for 207 thousand euros, of which 158 thousand euros referring to limited assurance of the Consolidated Non-Financial Statement 2023 and to the advance payment for the limited assurance of the Sustainability Statement (CSRD), 2 thousand euros for the aggregates for the Guarantee Fund for the Life Insurance Sector, 12 thousand euros for the compliance certification for the tax returns and 34 thousand euros for the issuance of the ISAE 3000 report on the Description Document as per Part 3 of the MiFID II;
› other services for 39 thousand euros regarding agreed-upon procedures to support Banca Generali's Law 262 Organisational Unit, rendered in 2024 in relation with the 2023 Financial Statements.

Fees for auditing services rendered to Italian and foreign subsidiaries amounted to 257 thousand euros, of which 18 thousand euros referring to Generfid S.p.A., 74 thousand euros to BGFML S.A., 65 thousand euros to BG Valeur S.A., and 100 thousand euros to BG (Suisse) Private Bank S.A.
Attestation services rendered to other Group companies, amounting to 185 thousand euros, refer for 77 thousand euros to BGFML S.A. — consisting of the reports required to the company's independent auditors by local supervisory authorities pursuant to CSSF Circulars Nos. 21/788 and 21/789, in addition to the reports provided for by law for the purposes of interim dividend distribution — and, for 108 thousand euros to Swiss subsidiaries — consisting of the reports required by local supervisory authorities for the purposes of the regulatory audit.

Annex 2

Reconciliation between official and reclassified statements

Reconciliation between the reclassified consolidated balance sheet and the consolidated balance sheet

RECLASSIFIED BALANCE SHEET ITEMS - ASSETS	CONSOLIDATED BALANCE SHEET ITEMS - ASSETS	31.12.2024	31.12.2023
Financial assets at fair value through profit or loss		**512,209**	**509,407**
	Item 20. Financial assets measured at fair value through profit or loss	512,209	509,407
Financial assets at fair value through other comprehensive income		**1,521,864**	**1,000,936**
	Item 30. Financial assets measured at fair value through other comprehensive income	1,521,864	1,000,936
Financial assets measured at amortised cost		**13,678,838**	**12,905,455**
a) Loans to banks		**3,775,709**	**2,846,425**
	Item 40. a) Financial assets measured at amortised cost – loans to banks	2,749,514	2,257,391
	Item 10. (partial) Demand deposits with central banks and banks	1,026,195	589,034
b) Loans to customers		**9,903,129**	**10,059,030**
	Item 40 b) Financial assets measured at amortised cost – loans to customers	9,903,129	10,059,030
Hedging derivatives		**131,221**	**161,955**
	Item 50. Hedging derivatives	131,221	161,955
Equity investments		**2,962**	**1,975**
	Item 70. Equity investments	2,962	1,975
Property, equipment and intangible assets		**284,935**	**292,054**
	Item 90. Property and equipment	130,971	141,433
	Item 100. Intangible assets	153,964	150,621
Tax assets		**122,889**	**108,113**
	Item 110. Tax assets	122,889	108,113
Other assets		**566,840**	**537,267**
	Item 10. Cash and deposits	1,056,109	618,973
	Item 10. (partial) Demand deposits with central banks	-1,026,195	-589,034
	Item 60. Adjustment of macro-hedged financial assets (+\-)	–	–
	Item 130. Other assets	536,926	507,328
HFS assets		**227**	**-**
	Item 120. Non-current assets available for sale and disposal group	227	–
Total assets	**Total assets**	**16,821,985**	**15,517,162**

RECLASSIFIED CONSOLIDATED BALANCE SHEET ITEMS - LIABILITIES AND NET EQUITY	CONSOLIDATED BALANCE SHEET ITEMS - LIABILITIES AND NET EQUITY	31.12.2024	31.12.2023
Financial liabilities measured at amortised cost		**14,521,277**	**13,503,015**
a) Due to banks		**356,431**	**231,684**
	Item 10. a) Financial liabilities measured at amortised cost – due to banks	356,431	231,684
b) Due to customers		**14,164,846**	**13,271,331**
	Item 10. b) Financial liabilities measured at amortised cost – due to customers	14,164,846	13,271,331
Financial liabilities held for trading and hedging		**179,195**	**132,821**
	Item 20. Financial liabilities held for trading	108	159
	Item 40. Hedging derivatives	176,946	132,662
	Item 50. Adjustment of macro-hedged financial liabilities (+\-)	2,141	–
Tax liabilities		**18,267**	**46,088**
	Item 60. Tax liabilities	18,267	46,088
Liabilities associated with disposal groups		**–**	**-**
	Item 70. Liabilities associated with disposal groups	–	–
Other liabilities		**298,944**	**353,037**
	Item 80. Other liabilities	298,944	353,037
Special purpose provisions		**344,379**	**268,936**
	Item 90. Provisions for termination indemnity	3,402	3,772
	Item 100. Provisions for liabilities and contingencies	340,977	265,164
Valuation reserves		**8,372**	**-797**
	Item 120. Valuation reserves	8,372	-797
Equity instruments		**100,000**	**50,000**
	Item 140. Equity instruments	100,000	50,000
Reserves		**838,350**	**752,749**
	Item 150. Reserves	838,350	752,749
Share premium reserve		**52,392**	**52,992**
	Item 160. Share premium reserve	52,392	52,992
Share capital		**116,852**	**116,852**
	Item 170. Share capital	116,852	116,852
Treasury shares (-)		**-87,268**	**-85,005**
	Item 180. Treasury shares (-)	-87,268	-85,005
Net equity attributable to minority interests		**–**	**338**
	Item 190. Net equity attributable to minority interests (+/-)	–	338
Net profit (loss) for the year (+/-)		**431,225**	**326,136**
	Item 200. Net profit (loss) for the year	431,225	326,136
Total liabilities	**Total liabilities and net equity**	**16,821,985**	**15,517,162**

Reconciliation between the reclassified consolidated Profit and Loss Account and the consolidated Profit and Loss Account

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	2024	2023
Net interest		**317,106**	**304,400**
	Item 30. Net interest income	317,106	304,400
Net income (loss) from trading activities and dividends		**21,536**	**16,943**
	Item 70. Dividends and similar income	1,309	1,215
	Item 80. Net income (loss) from trading activities	8,150	3,940
	Item 90. Net income (loss) from hedging	-192	1,183
	Item 100. Gains (losses) on disposal/repurchase of financial assets measured at fair value through other comprehensive income	9,810	5,544
	Item 110. Net gains (losses) of other financial assets and liabilities measured at fair value through profit and loss	2,459	5,061
Net financial income		**338,642**	**321,343**
Recurring fee income		1,041,172	958,022
	Item 40. Fee income	1,207,559	977,247
	(Minus) Item 40. (partial) Variable fee income	-166,387	-19,225
Fee expense		-565,069	-510,411
	Item 50. Fee expense	-549,354	-495,519
	Plus: Item 200. (partial) Provisions for fee plans	-15,715	-14,892
Net recurring fees		**476,103**	**447,611**
Variable fee income		166,387	19,225
	Plus: Item 40. (partial) Variable fee income	166,387	19,225
Net fees		**642,490**	**466,836**
Net banking income		**981,132**	**788,179**
Staff expenses		**-134,997**	**-124,371**
	Item 190. a) Staff expenses	-134,997	-124,371
Other general and administrative expenses		**-131,802**	**-122,910**
	Item 190 b) Other general and administrative expenses	-263,435	-240,786
	(Minus) Item 190. b) (partial) Charges related to the banking system	12,592	16,128
	(Minus) Item 230. (partial) Recovery of indirect and direct taxes	119,041	101,748
Net adjustments of property, equipment and intangible assets		**-42,143**	**-39,726**
	Item 210. Net adjustments/reversals of property and equipment	-24,076	-23,868
	Item 220. Net adjustments/reversals of intangible assets	-18,067	-15,858
Other operating expenses/income		**14,926**	**10,284**
	Item 230. Other operating income and expenses	133,967	112,032
	(Minus) Item 230. (partial) Recovery of indirect and direct taxes	-119,041	-101,748
Net operating expenses		**-294,016**	**-276,723**
Operating result		**687,116**	**511,456**
Net adjustments to non-performing loans		**1,837**	**-528**
	Item 130. Net adjustments/reversals for credit risk	1,837	-528

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	CONSOLIDATED PROFIT AND LOSS ACCOUNT ITEMS	2024	2023
Net provisions		**-105,830**	**-49,844**
	Item 200. Net provisions for liabilities and contingencies	-121,545	-64,736
	(Minus) Item 200. (partial) Provisions for fee plans	15,715	14,892
Contributions and charges related to the banking system		**-12,592**	**-16,128**
	Plus: Item 190. b) (partial) Charges related to the banking system	-12,592	-16,128
Gains (losses) from investments and equity investments		**-758**	**-1,109**
	Item 250. Gains (losses) from equity investments	-759	-1,027
	Item 280. Gains (losses) on disposal of investments	1	-82
Operating profit before taxation		**569,773**	**443,847**
Income taxes for the year on operating activities		-138,548	-117,769
	Item 300. Income taxes for the year from operating activities	-138,548	-117,769
Net profit (loss) for the year		**431,225**	**326,078**
Net profit (loss) attributable to minority interests		**-**	**-58**
	Item 340. Net profit (loss) for the year attributable to minority interests	-	-58
Net profit (loss) for the year attributable to the Parent Company		**431,225**	**326,136**

Banca Generali S.p.A.

Registered office
Via Machiavelli 4 - 34132 Trieste - Italy

Share capital
Authorised 119,378,836 euros
Subscribed and paid 116,851,637 euros

Tax code and Trieste register
of companies: 00833240328
VAT number: 01333550323

Company managed and coordinated
by Assicurazioni Generali S.p.A.
Bank which is a member
of the Interbank Deposit Protection Fund
Registration with the bank register
of the Bank of Italy under No. 5358
Parent Company of the Banca Generali Banking Group
registered in the banking group register
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