



**ASSICURAZIONI GENERALI**

**OUTLINE OF  
GENERALI  
GROUP  
OPERATIONS**

**1999**

**168<sup>th</sup> YEAR**

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# GENERALI

Assicurazioni Generali S.p.A.

Registered Office and Central Head Office in Trieste  
Head Office for Italian Operations in Mogliano Veneto  
Capital (fully paid in) Lire 2,505,995,990,000  
Trieste Companies Register: 98 Trieste Law Court - Trieste C.C.: 6204  
Authorized to transact insurance business  
per Article 65 of RDL April, 29, 1923 No. 966

CHAIRMAN	Alfonso Desiata
VICE-CHAIRMAN MANAGING DIRECTOR	Gianfranco Guty
VICE-CHAIRMAN	Francesco Cingano
MANAGING DIRECTOR	Fabio Cerchiai
<b>DIRECTORS</b> <i>An asterisk marks the names of those Directors who, together with the Chairman, Vice-Chairmen and Managing Directors, form the Executive Committee</i>	Raymond Barre / Tito Bastianello* / Antoine Bernheim* Paolo Biasi / Gerardo Brogгинi* Eugenio Coppola di Canzano* / Emilio Dusi Giuseppe Gazzoni-Frascara / Georges Hervet Martin Kohlhaussen / Luigi Lucchini Piergaetano Marchetti* / Alberto Pecci Arturo Romanin Jacur / Wilhelm Winterstein / Massimo Zanzi
<b>GENERAL COUNCIL</b> <i>Comprising - besides the below listed Members appointed by the General Meeting - the Members of the Board of Directors and the General Managers</i>	Giorgio Davide Adler / José Ramón Álvarez Rendueles José Maria Amusátegui de la Cierva / Claude Bébéar Kenneth J. Bialkin / Sabino Cassese / Onorato Castellino Giacomo Costa / Maurizio de Tilla / Dieter Farny Enrico Filippi / Carlos Fitz-James Stuart y Martínez de Irujo Albert Frère / Roberto Gonzales Barrera / Khoon Chen Kuok Stefano Micossi / Franca Orsini Bonacossi / Paolo Pedrazzoli Reinfried Pohl / Eitan Raff / Renato Ruggiero / Sandro Salvati Guido Schmidt-Chiari
AUDITORS	Gianfranco Barbato, Presidente / Paolo Agostoni Alberto Nicola Nagel / Paolo D'Agnolo (deputy) Gaetano Terrin (deputy)
GENERAL MANAGERS	Sergio Balbinot / Giampaolo Brugnoli / Giovanni Perissinotto
DEPUTY GENERAL MANAGERS	Luigi Boglioni / Aldo Minucci Benito Pagnanelli / Guido Pastori
SECRETARY	Guido Pastori

THE STATUTORY BODIES ARE  
UPDATED TO APRIL 29, 2000

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**T**he annual report of a company is not only an accounting document whose aim is to determine the profit for the year, but it is also the picture of the work carried out by those who operate in and for the firm as well as the most important means of communication with shareholders, clients and market operators.

The annual report is comparable to a complex architectural work and its numbers reflect the history of the Company. Our history is based on solid assets due to the fact that for over one hundred years, thanks to the foresight of our predecessors, we have found a “home” in the central squares of major cities both in Italy and Europe.

The images of the Central Head Office in Trieste, of the Procuratie Vecchie (the building in Venice’s piazza San Marco that for over 160 years hosted the Head Office for Italian Operations), of Palazzo Generali in Rome (the building in central Rome that is the Company’s representative and institutional office and was for many years Generali registered office) illustrated the last three annual reports. The 1999 annual report features suggestive images coming from the palazzo located in Milan’s piazza Cordusio, built exactly one hundred years ago under the supervision of architect Luca Beltrami.



When the building was inaugurated it was hailed as “one of the most interesting buildings” in Milan at the end of the 19th century. Its slightly curved façade, which contours the elliptical shape of piazza Cordusio, was much admired.

For over half a century, the building hosted the affiliated companies Anonima Infortuni and Anonima Grandine that in 1947 were merged into the Parent Company to establish Generali’s Milan Head Office. The Company’s offices, located in this very building, played a crucial role in the initial phase of the car boom of the sixties. In 1961, the Milan Head Office moved to a modern building in via Tiziano, near the Trade Fair. Following the unification of Italian operations in the Head Office at Mogliano Veneto and the recent restoration, the building in piazza Cordusio has once again, become the heart of the Company in Milan.

Deservedly, the images of this building are included in the Parent Company accounts and the Group consolidated statements at a time of significant growth for Assicurazioni Generali. As in previous years, the evocative images of the architecture of the past are combined with images of the Company’s modern building at Mogliano Veneto, the Head Office for Italian Operations as well as the symbol of Generali’s ability to look far ahead into the future while conserving a living memory of its traditions.



**GENERALI  
GROUP**

**1999**



## Highlights of the Consolidated Statements

(in million Euro)	1999	1998	1997
Gross premiums	73,216,155	62,753,756	40,744,956
increase	16.7%	54.0%	16.1%
Acquisition and general expenses	13,220,368	11,701,058	8,002,403
increase	13.0%	46.2%	15.3%
Investments	276,253,914 <sup>(1)</sup>	245,657,620	142,138,531
increase	12.5% <sup>(1)</sup>	72.8%	23.1%
Investment income	22,926,053	20,010,561	12,307,609
increase	14.6%	62.6%	24.1%
Technical provision	260,334,924	233,614,440	134,672,300
Technical provision / net premiums (non-life)	168.6%	166.7%	155.0%
Loss ratio (non-life)	81.4%	80.7%	77.7%
Capital and reserves	12,260,634	11,390,118	10,208,988
Net profit	1,584,693	1,281,948 <sup>(2)</sup>	1,030,826
Net profit / capital and reserves	12.9%	11.3% <sup>(2)</sup>	10.1%
Staff	56,593	54,598	41,417

(1) taking into account the investments for the benefit of life-assurance policyholders who bear the investments risk and relating to the administration of pension funds, the total investments amounted to Euro 154,899,666 up 16.4% over 1998

(2) net of extraordinary gain of Euro 232,234 from the sale of Royal Nederland



## The Group

The Generali Group's consolidated profit for 1999 amounted to 818.4m Euro.

Premium income, net of reinsurance, was 37,813m (+16.7% with respect to 1998), 23,692.5m (+24.2%) from life business and 14,120.5m (+5.9%) from non-life.

The consolidated statements incorporated the accounts of 175 companies: 118 insurance companies, 50 holding and financial companies and 7 real estate companies.

With respect to the previous year, the area of consolidation remained unchanged, with the entry of 14 companies (9 insurance and 5 holding companies). Most of the companies that are no longer in the area of consolidation were merged into other Group entities.

The changes in the area of consolidation are listed in the Notes on the Accounts. The consolidated statements do not include the INA group, as the acquisition

was finalised in the early part of 2000. In 1999, INA produced a premium income of 5,901.8m, recording a net consolidated profit of 316.3m.

On the basis of the principle of homogeneity and materiality, 320 companies were not included in the consolidation area. These have also been listed in the specific tables in the Notes on the Accounts.

Shares held in associated companies and in non-consolidated affiliated companies - with the exception in both instances of non-relevant cases - were reported at their net asset value, including the year's profit. This valuation was applied to investments in 23 companies.

A number of important operations were concluded during 1999. These have significantly changed the structure of the Group.



### Consolidated companies

**118**

Insurance companies

**50**

Holding and financial companies

**7**

Real estate companies

### Non-consolidated companies

**326**

Other companies

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### **Acquisition of Caja de Ahorro y Seguro**

In Argentina, Generali acquired a stake of 32.5% in Holding Caja de Ahorro y Seguro, which corresponds to approximately 54% of the shares that entitle voting rights for the nomination of Board of Directors members. The Caja group controls four insurance companies (two life and two non-life) and holds a significant minority stake in an industrial accidents specialist.

With a premium income of 671.4m Euro, corresponding to a 10% share of the market, Generali became in 1999 the leading insurer in a market that has shown interesting prospects.

With the acquisition, a major restructuring process was launched in Argentina in order to achieve synergies also with Sudameris, Generali's banking partner in the area of private pensions.

### **Acquisition of Secura Allgemeine and Secura Leben**

In the early part of 1999, Generali signed an agreement with Migros, Switzerland's leading consumer retailing group.

According to the terms of the agreement, Generali acquired two insurance companies, Secura Allgemeine and Secura Leben, which were respectively merged, towards the end of the year, into Generali Assurances Générales and into Fortuna Leben.

Following the acquisition, Generali's premium income in Switzerland rose to approximately 1,218.8m, corresponding to a market share of 4.2%.

### **Ownership transfers**

As part of its strategy aimed at concentrating activities in companies that have the right size to ensure growth and

profitability, Generali sold in 1999 Northern Star and DBI-Insurance Co. in UK and Covadonga de Seguros y Reaseguros (controlled by Alleanza) in Spain. It also finalised in 1999 the sale of the South African company Standard General, which had already been excluded from the consolidation area in 1998.

In addition, Federation Insurance Company of Canada and Friuli-Venezia Giulia Assicurazioni "La Carnica" were not included in the consolidation as they are to be sold during 2000.

The companies that are no longer in the area of consolidation, generated in 1999 an aggregate premium income of approximately 258.2m Euro.

In 1999, restructuring of Group operations in various markets was further pursued.

The action taken included mergers of companies, the setting-up of local holding entities with the task of co-ordinating and merging activities in the areas of administration, IT and investment in common services centres. These initiatives aim at improving profitability and growth, at containing costs and at optimising underwriting and financial policies.

### **Group restructuring process in Germany**

In Germany, the reorganisation process, which began in 1998 with the merger of the structures of Generali and Deutscher Lloyd, is coming to a close with the transfer - due in mid-2000 - of the majority shareholding in Generali Lloyd to AMB. Thus, Generali in Germany will exclusively rely on AMB, which through the insurance poles of Aachen, Munich and Hamburg, will operate in various insurance sectors with distinct trademarks and retailing policies. IT services will be concentrated

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in AM-Informatik, while AM Finanzanlagen-Management and AM Immobilien will handle the German group's investment policy. As to the Munich pole, a single company will be established to take up the administrative activity of Generali Lloyd and Thuringia.

### **Group restructuring process in France**

Restructuring in France continued with the merger of the portfolio of the Paris Branch and successively that of Generali France Participations into Generali France Holding. Other than providing common services for the other companies, Generali France Holding will also coordinate Group activity in the country. Operations in France are to be organised into three insurance poles, each specialized according to different retailing channels. As part of the process of concentration underway, Generali completed in October the merger of Lutèce and Compagnie Continentale d'Assurances into Generali France Assurances, and in December of Proxima into Fédération Continentale.

### **Group restructuring process in Austria**

During 1999, Generali pressed ahead with the restructuring of operations in Austria by initiating the second phase of the process that is bringing Generali Versicherung and Interunfall closer together. Following the merger of administration and finance, Generali expects to unify by 2000 claims settlement, insurance policy issuing procedures and underwriting management in the regional head offices of the two companies in order to further cut costs. Generali Versicherung and Interunfall will continue to maintain their respective

trademarks and retailing networks.

### **Group restructuring process in Hungary**

In May 1999, Generali-Providencia Bistosító, the company arising from the merger of Generali Budapest with Providencia, began operating. The new company - 86.7% controlled by Generali Holding Vienna, 10% by Magyar Posta Rt and 3.3% by PostaBank - has consolidated its position in Hungary, where it now ranks second in terms of premium income with a 17% share of the market.

### **Group restructuring process in Israel**

As part of the Group reorganisation underway in Israel, since January 1 1999, three companies of the Migdal group (Samson, Maoz and Sela) have been merged into a single company, which, pending the required authorisation, will in turn be merged into Migdal. The Group will thus operate in the domestic market through Migdal and Hamagen, which are to rely on a series of common services.

In order to develop business in emerging markets, Generali signed strategic agreements with premier local partners.

### **Agreement with the Kuok Group**

To stimulate growth in Southeast Asia and above all in China (where the two representative offices, in Beijing and Shanghai are already operating), the Group finalised in April a partnership with the Kuok group, a large economic conglomerate with interests in various industrial and services sectors. As a first step, Generali Asia was set up, a holding

company 60% owned by Generali and 40% by the Kuok group. The latter also took part in the setting up of two insurance companies, Generali Philipinas Life Assurance and Generali Philipinas Assurance, operating respectively in the life and non-life sectors. A stake in the two companies is also held by Sy, a Filipino group that operates in the banking, retailing and industrial sectors.

### The consolidated statements

The consolidated statements showed, for the Parent Company's share, a profit of 818.4m Euro, up from 894.3m in 1998. The 1998 result benefited from the sale by AMB of Royal Nederland for 232.3m. Not considering the impact of this non-recurring operation, the consolidated profit was 156,4m Euro, up 23.6%.

### Agreement with the Süzer Group

In May, Generali signed an agreement in Turkey with the Süzer group, one of the top-four business concerns in the country with interests in various industrial and services sectors. In the banking sector, Süzer owns Kent Bank with which bancassurance initiatives are to be carried out. The partnership with the Turkish group will be developed through two jointly-owned insurance companies: in the non-life branch, Generali Sigorta - already operating in the country - will be strengthened and renamed Kent Generali Sigorta A.S., while in the life branch a new company will be set-up.

### Underwriting activity

Consolidated premium income, net of reinsurance, amounted to 37,813m Euro, up 16.7% (+16.7% over 1998: +12.6% on equivalent terms, i.e. before exchange differences and without considering the new acquisitions).

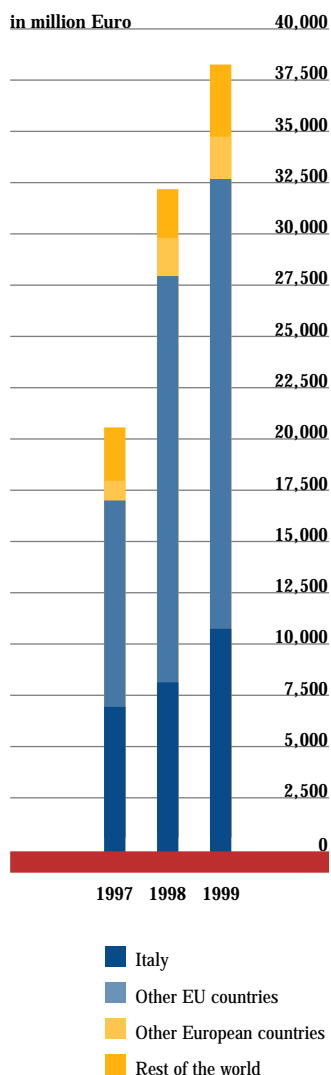
86.3% of premiums came from EU members (28.3% from Italy), 4.5% from other non-EU countries and 9.2% from the rest of the world. The geographical distribution of premiums is shown in the relevant graph.

Life premium income amounted to 23,692.5m, i.e. 62.6% of total premium income, rising 22.7% before exchange differences. Non-life premiums amounted to 14,120.5m, up 4.4%.

Direct premiums rose 15.5% to 36,504.3m, out of which 23,385.9m (+22.9%) from the life branch and 13,118.3m (+4.3%) from the non-life.

In **Italy**, the growth in real terms of GDP (+1.4%) was affected by the negative performance of the exports sector, which bore the impact of the slowing down of world economy. Consumption progressed at a slower pace (up 1.7% compared to 2.3% in the previous year), while investment performed better (+4.4%). Inflation rate increased due to rising oil and raw material prices, averaging at

### Gross Premiums



1.7% in the year. Unemployment slipped back slightly thanks above all to the adoption of more flexible forms of work.

The insurance industry maintained in 1999 a high growth rate, up 21% compared to 23% in 1998.

The life sector was once again the most dynamic component of the market, recording a 34% rise in premiums as households are increasingly interested in purchasing individual pension schemes and high-financial content insurance policies. In the retailing sector, bancassurance continued to perform well. Though in 1999 the number of subscribers to contractual and non-contractual pension funds increased, the business generated by these funds continues to be but a small part of the portfolio of insurers.

The Group's nine life insurance companies produced a premium income of 8,067.7m Euro (i.e. 34.5% of consolidated life premiums), up 36.4%. The result meant that the Group's share of the market rose to 22.5%.

55% of the premium income was generated by agents and by the direct salesforce, 39% came from the banking channel (up from 29% in the previous year) and the remaining 6% from the network of financial operators. Alleanza confirmed its position as Italy's top life operator recording a premium income of 2,561.1m Euro, up 16.7%. Particularly significant was Generali's growth, up 23.9%, in the traditional retailing sector.

In 1999, the new products linked to the internal funds managed by Group companies were much appreciated by clients for their excellent performance. The Generali Group also actively took part in initiatives aimed at boosting the sale of contractual and non-contractual funds.

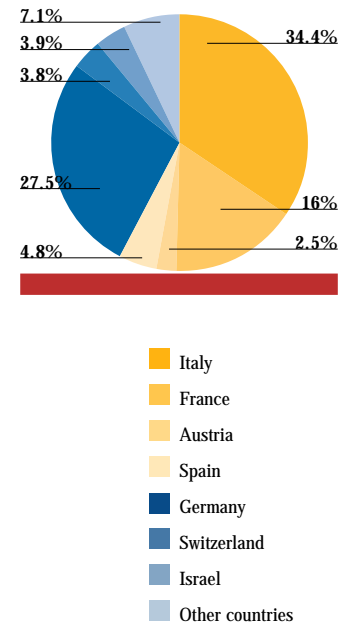
The positive underwriting result recorded in the past improved further.

The non-life sector grew by 7% in 1999, a growth rate that was in line with previous years. Motor insurance continued to record negative underwriting results in the TPL segment, while the other branches were affected by the weakness of the economy and by tougher competition. The retailing network was boosted by the development of innovative channels, including e-commerce. Premium income in the non-life business - where the Group operates with ten insurance companies - rose by 6.2% to 2,561m Euro, i.e. a 9.7% share of the market. In 1999, a careful risk selection policy was implemented in order to improve worsening underwriting results. As to retailing, Generali has combined its traditional sales networks with innovative channels. In this light, Genertel, the country's leading long-distance insurer, recorded a life premium income of 82.6m; out of this sum, some 5m came from GenerWeb, a channel that during the year has performed well. Though recording a loss, underwriting result improved significantly.

In **Germany**, GDP growth in real terms was 1.5%, lower than that recorded by Euro partners (2.2%), due to the negative trade balance. Improved business confidence towards the end of the year prompted a recovery in the area of investments. Inflation was kept under check (0.6%), while the unemployment rate decreased to below 9%.

The insurance market recorded an overall premium income growth of 3.7%. Against this background, the Generali Group consolidated its position as the country's third largest insurer with a 8.3% share of the market. The life sector progressed satisfactorily (+7.9%) thanks also to the early renewal of insurance contracts triggered by expectations of a less favourable tax reform. The single premium sector surged and currently

### Life business direct premiums



makes up 10% of overall turnover. Operating in the life branch with six companies, the Group's premium income rose by 7.8% to 6,448.3m Euro (10.7% share of the market).

The companies of the AMB group focused on annual premium policies in order to achieve increased portfolio stability in future years. Thanks to the sale of the products of the affiliate Volksfürsorge through the 950 Commerzbank outlets, business is expected to improve further. During the year, the range of products was widened. A factor of success for the Group was the partnership with DVAG, one of the country's largest retailers. Underwriting result, which produced a profit, recorded a significant improvement.

For the fourth year running, non-life business grew modestly (0.4%) as a consequence of the weakness of the economy and an increasingly crowded marketplace which is exerting a downward push on rates in the motor and industrial risk sectors.

The Group's 14 non-life insurers produced a premium income of 4,321.2m, up 1.9%, corresponding to a 6.3% share of the market. The premium income increase, which was higher than the growth rate recorded by the market as whole, was mainly due to the implementation of a commercial strategy that combined high growth rates with a careful selection of the risks aimed at improving portfolio profitability.

Though still negative, this policy has led to a significant improvement of the underwriting result.

1999 GDP in **France**, which grew 2.7%, was pushed up by investments (+7%) and to a lesser extent by the exports sector (+3.6%), which reacted well to improving international demand in the later part of the year. Consumption, on the other and, was slower, down to 2.3%

from 3.6% in the previous year. Though inflation continued to be among the lowest in Europe (0.6%), unemployment remained high at 11.2%.

The insurance market as a whole improved significantly (+9.8%) following the major slump recorded in the previous year when it fell 10.1%. The growth was mostly due to the performance of the life sector, which went up 15%. Life business was buoyed above all by the sale of pension products, which alone made up 80% of total turnover, and by the excellent performance of the bancassurance sector.

The Generali Group operated in the life insurance sector with five companies, which together recorded a premium income of 3,707.3m Euro, up 22.4%, corresponding to a market share of 5%. Generali is thus the sixth largest insurer in France, particularly distinguishing itself in the group pension segment of the market (11% share). The good performance was mainly due to the competitiveness of the products offered by Group companies.

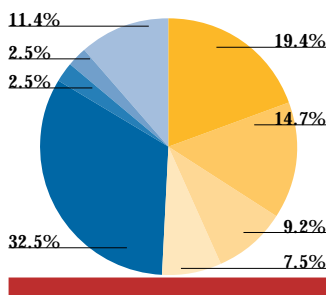
Underwriting result, though still negative, recorded an improvement.

Non-life business confirmed the market stagnation underway since 1997, growing a mere 1%. Premium income at traditional companies decreased slightly, while there was marginal improvement in the performance of mutual companies and of the banking channels.

In this sector, the Group's seven companies recorded a premium income of 1,922.1m Euro, up 0.9%, corresponding to a 4.9% share of the market.

Two storms that struck France and neighbouring countries in the last days of the year caused widespread destruction. According to market estimates, insured damages amounted to approximately 4,648.1m Euro. Net losses covered by Group companies amounted to some 56.8m.

### Non-life business direct premiums



As to new initiatives introduced in the market in the year under examination, sales programmes through the Internet were being studied.

Currently, Equité has already launched a website and is taking part in an initiative launched by brokers for the distribution of motor and homes insurance policies. The website recorded a significant volume of contacts and the first policies have been sold. The underwriting result, which was negative, worsened slightly.

In **Austria**, GDP in 1999 worsened slightly, down to 2.1% from 2.9% in the previous year. Consumers price index at 0.6% decreased slightly. Unemployment rate, which was already very low, decreased further: at 4.3% Austria is among the first in Europe in terms of ability to create new jobs.

The overall premium income of the insurance market grew by 6.6%. The most significant improvement came in life business (+17.9%), which benefited from the success of bancassurance and from the growing interest showed by the younger segment of the population for additional pension schemes. Performing particularly well was the high-financial content single premium sector, namely the unit-linked policies.

Premium income of the Group's two life companies rose by 11.7% to 588.7m (12.2% share of the market).

During the year, an agreement was signed with a prominent retailer. Thanks to the latter's widespread network, the partnership is proving to be very successful. For its diverse selling channels, the Group has drawn-up a flexible rate programme aimed at creating a new line of products especially designed for specific client segments.

Underwriting result improved and was back in black.

Non-life business in 1999 remained substantially unchanged with respect to the previous year. A modest growth (+1.6%) was recorded also in the health sector. The market stagnation is mainly due to increased competition, which exerted a downward thrust on rates especially in the car insurance sector where premiums fell by 5.6%.

The Group's three non-life companies produced a premium income of 1,190.7m Euro (-0.7%), corresponding to a 15.6% share of the market. Generali was the first insurer to have abandoned the dangerous policy of providing discounted motor t.p.l. rates in order to contain the losses borne by the sector. In Industrial + commercial risks there is a reform aimed at improving profitability.

The underwriting result recorded a loss that was substantially unchanged with respect to the previous year.

The economy in **Spain** recorded the highest real-term growth in the Euro area with a 3.7% improvement of GDP arising from increased consumption and investment. The consumer price index rose to 2.3% due to higher oil prices. Unemployment rate, though still very high at 15.7%, fell back three per centage points over 1998.

The insurance industry in 1999 recorded an overall growth of 26.6%.

The improvement was sustained by the life sector, where premium income soared 41%, one of the highest growth rates ever. The positive trend was determined by the great interest showed by households for life policies and by the massive emission in the market of unit-linked products, which are subject to favourable taxation. The best performing retailing channel in 1999 was once again bancassurance.

The premium income produced in the life sector by the Group's three companies - among which a bancassurance

specialist - rose by 36.4% to 1,125.6m Euro (6.3% share of the market). In the year under examination, a number of significant contracts were recorded in the area of pensions, and unit-linked products performed well. Generali's strategy focused on strengthening its role within the savings management sector which it plans to achieve by developing specific sales channels to reach the widest range of client segments possible. A training programme was also launched to enhance skills in the area of financial and insurance intermediation.

Generali concentrated its attention in the pension sector. In this sector, Group companies in Spain relied on specialised units in order to seize the opportunities arising from the new regulations governing pensions. The pension legislation in fact sets down that by 2000 insurance companies that have set up internal funds must insure them with a collective policy or transfer their management to a specialised pension fund.

Underwriting result was slightly negative.

Non-life business confirmed the positive turnaround of the previous year, with a growth of 10.8%. The car insurance sector, though performing well in terms of premium income (+13.3%), recorded a high loss ratio.

Non-life premiums at the Group's four companies rose by 11.9% to 973.2m Euro. Market share was 6.2%.

Underwriting results of Group companies were affected by the significant worsening of loss ratio in the car insurance business. To offset the difficult situation, Generali has taken action aimed at refocusing both its risk selection and claim settlement strategies.

The underwriting result recorded a

significant loss that reflected the slump in the market.

The merger of IT facilities at the Madrid and Barcelona poles was finalised. Action is now being taken to revise the Group's external organisation in order to fully exploit available potential and enhance market penetration.

1999 GDP in **Switzerland** slowed down compared to the previous year. Growth (+1.7%) was affected by lower consumption and a negative trade balance. Inflation was up due also to increased indirect taxation. The country's low unemployment rate went further down to 2.8%.

After a positive spell lasting for many years, premium income in the Swiss insurance industry fell by 4.8% over the previous year.

Life business - down 6.9% - was affected by the introduction of a revenue stamp in the single premium sector that strongly curtailed demand. The market as a whole improved thanks to leaner operating costs and better financial income.

Despite a slower market, the Group's two life insurers confirmed the growth recorded in the previous years. In 1999, premium income amounted to 876.7m Euro (+38.8%; +17.1% without taking into account the newly acquired Secura Leben), mostly due to the decision to strengthen the annual premium unit-linked sector which was not subject to taxation. Market share was 4.3%. The underwriting result was positive.

The non-life sector recorded a modest growth (0.7%) following tougher competition in the marketplace. Loss ratio worsened as a consequence of damages caused by catastrophes.

In the non-life business, premium income



at the Group's two companies improved considerably, rising to 329.2m Euro (+7% not considering Secura). Market share was 3.9%. The improved performance was due to the introduction on the part of Generali Allgemeine of new and competitive products.

The underwriting result, which was negative, worsened slightly.

In **Israel**, GDP in real term, with a growth of 1.7%, was lower than the previous year's. The downturn was confirmed by rising inflation (5.2%) and unemployment (9.3%).

Turnover in the insurance industry increased by 3.5%, with a better performance of the life branch (+6.3%) compared to the non-life (0.9%).

Generali operates with three companies that carried out both life and non-life business.

Group premium income in 1999 rose by 3.8% to 907.7m Euro, corresponding to a market share of some 32%. In the second part of the year, Generali launched new high financial content products aimed at encouraging policyholders to renew expiring contracts.

The underwriting result, which was positive, improved significantly.

Non-life premiums amounted to 313.3m Euro (-10.9%), corresponding to a market share of 10%.

In a highly competitive market, the Group adopted a very cautious underwriting policy in the car and damage to property sectors. Toward the end of the year, long-distance selling of car insurance policies was initiated. Currently limited to telephone selling, the initiative is to be extended to the Internet at a later stage.

The portfolio risk selection policies adopted have produced an improved industrial result in the elementary

branches and, above all, in the kasko segment.

The underwriting result improved and was back in black.

In **Latin America**, real growth in 1999 was practically non-existent as a consequent of the financial crisis triggered earlier in the year by the devaluation of the Brazilian currency, whose economy, in turn, shrunk 1%. GDP in Argentina fell by 3%, also following the adoption of a fixed parity with the Dollar. Growth in Mexico, on the other hand, was brisk (+3.7% in 1999) thanks to rising exports to the US where the economy is running. The Latin American insurance market is highly diversified and continues to be affected by specific local conditions. However, the market continues to attract a significant number of foreign investors thanks to the opportunities, especially in the life segment, that have been created following market reforms and the deregulation of the pension sector. In terms of premiums, some 80% of the market's turnover is produced in Brazil, Argentina and Mexico. In Latin America, Generali can boast a long and consolidated presence with significant market shares. The Group's position here has been strengthened.

Against a background of recession, the insurance industry in **Argentina** confirmed the string of good performances recorded over the past years with a premium income increase of 9%. The industry was sustained by the life branch (+15%), which currently makes up 35% of total premium income, up from 8% ten years ago. Growth in the non-life sector (+6%) was mainly due to the good performance of the car insurance business (+8%). According to

the terms of the agreement signed at the end of 1998, Generali finalised in March the acquisition of a majority shareholding in Caja de Ahorro y Seguro, the holding that controls the country's largest insurance pole. Following this operation, Generali has emerged as Argentina's leading insurer with a market share of around 10%.

Overall premium income at the Group's eight companies amounted to 662.8m Euro: 316.4m in the life branch and 346.4m in the non-life.

The underwriting result in both branches was substantially balanced.

In **Mexico**, the policy pursued by the Group together with the Banorte financial group - a co-operation that led to the establishment of two companies operating respectively in the private pension and bancassurance sectors - brought about a trebling of premium income in 1999.

To boost operations, the Group is studying further initiatives also in the traditional insurance sector.

Overall premium income amounted to 232.8m Euro: 152.4m in the life branch and 80.4m in the non-life.

The underwriting result worsened slightly

both in the life and non-life branches and in relative terms.

In **Brazil**, the Group focused on improving profitability rather than increasing business. Premium income, amounting to 132,518.7m Euro, recorded a fall (-19.6%) that was due to changes in the non-life underwriting policy. The underwriting result improved significantly in both branches.

In the other markets - namely United States, United Kingdom, Belgium, Netherlands and Hungary - Group premium income amounted to 827.9m (-2%) in the life branch, while non-life premiums amounted to 739.2m (-24.9%). The result was the outcome of a number of significant changes in the Group's underwriting policy, namely the decision to no longer subscribe certain lines of business. In the second part of 1999, the sale of the New York's Branch portfolio began.

Life **reinsurance** premiums amounted to 306.5m Euro, up 16.9%, while non-life premium income was 1,002.2m, up 13%. The underwriting result of non-life reinsurance business continued to be negative.

## Financial Operations

In the second part of the year, financial markets were conditioned by the US Federal Bank's decision to bring up interest rates to offset rising inflation. Monetary policy in Europe aligned itself to the US but interest rate hikes were more contained in order not to compromise the economic recovery underway. These policies affected the bonds market. Equity markets in 1999 were generally bullish, pushed up, in the second half of the year, by the growth of TLC and IT companies, which outperformed traditional firms. In this context, Generali's financial strategy was characterised by higher investments in equities and a more resolute shifting towards non-government securities. Trading activity generated significant gains. Investments at year's end amounted to 154,899.7m, rising by 21,867.8m Euro (+16.4%) over the previous year. Bonds represented 46.5% of total investments (50.5% in 1998), equities and shares in common investment funds

16.7% (compared to 12.9% in 1998), debenture loans 15.1%, real estate 6.3%, investments in affiliated companies and other shareholdings 4.3% and other investments 3.2%.

Investment for the benefit of life-assurance policyholders who bear the investment risk have been shown separately and amounted to 12,226.4m, 7.9% of total investments (4.6% in 1998).

Income from investment rose by 9.1% to 8,885.4m .

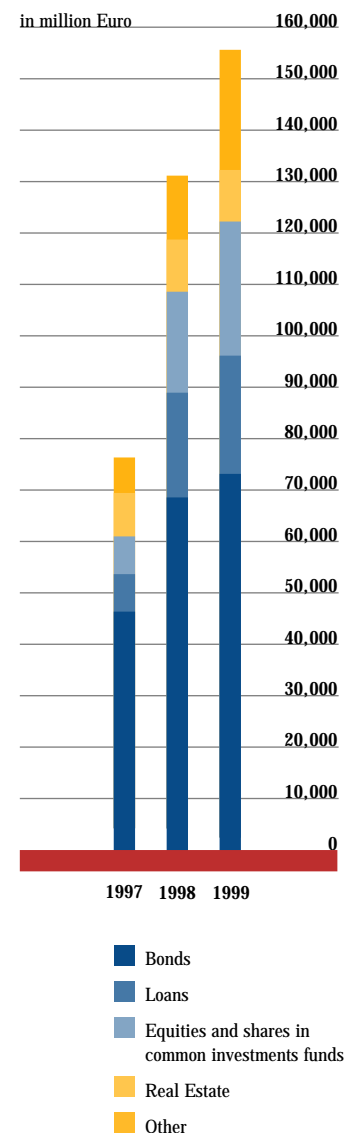
Average investment yield was 6.7% for bonds, 5.1% for shares and 5.3% for real estate.

In 1999, gains from the sale of assets amounted to 2,835.9m: 2,471m from shares, 150m from bonds and 196.8m from real estate.

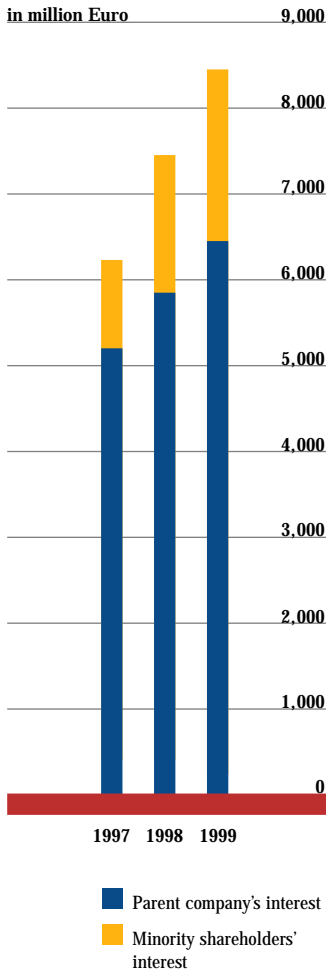
Net unrealised losses amounted to 200.3m (420m in 1998) and were charged to the profit and loss account.

Unrealised gains on listed securities rose by 1.9% to 11,177.4m: 9,342.4m from shares and 1,835m from bonds.

### Investments



## Shareholders' Funds (profit not included)



## Information relating to Group operations according to activity and geographical areas

In compliance with the CONSOB Ruling of October 27, 1998, and taking into account IAS 14 as revised in 1997, the following required information has been provided.

### a) Sectors of activity

(in million Euro)	Life	Non-life	Total
Gross premiums	23,692.5	14,120.5	37,813.0
Net premiums	23,313.2	12,456.3	35,769.5
Other income	12,282.7	3,669.6	15,952.3
Total income	35,595.9	16,126.0	51,721.9
Total costs	34,304.0	15,587.4	49,891.4
Result before taxes	1,291.9	538.6	1,830.5
Income tax for the year	416.6	345.4	762.0
Group profit	875.2	193.2	1,068.4
Assets	136,388.6	33,583.6	169,972.2
Liabilities, not including shareholders' funds	133,373.9	27,054.4	160,428.3
Acquisition costs for shares and interests in Group companies or in companies where a significant interest is held	1,069.8	1,715.7	2,785.5
Consolidation adjustment on investment, net of revaluations	175.3	25.0	200.3
Result of the valuation of participating interests according to the shareholders' funds method	85.1	183.0	268.1
Investments valued according to the shareholders' funds method	500.6	1,243.4	1,744.0

## b) Geographical areas

(in million Euro)	Italy	Germany	France	Austria	Other countries	Total
Gross premiums	10,689.1	10,974.4	5,841.1	1,868.8	8,439.6	37,813.0
Net premiums	10,491.0	10,483.4	5,128.3	1,767.8	7,899.0	35,769.5
Other income	3,790.7	5,389.4	3,192.7	634.1	2,945.4	15,952.3
Total income	14,281.7	15,872.9	8,321.0	2,401.8	10,844.5	51,721.9
Assets	36,962.2	58,669.7	26,683.2	8,907.3	38,749.8	169,972.2
Acquisition costs for shares and interests in Group companies or in companies where a significant interest is held	1,266.6	342.0	170.8	51.2	954.9	2,785.5

In addition, and in compliance with the above mentioned CONSOB Ruling, the Group informs that it has but a marginal exposure in the areas that have been recently affected by the economic crisis.

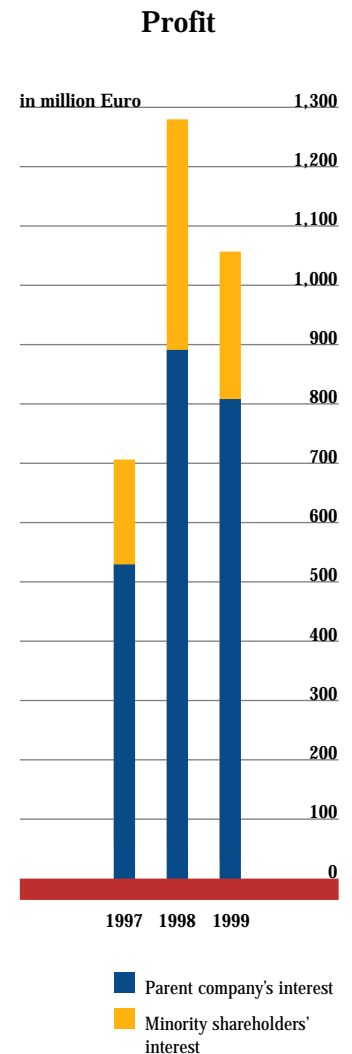
### Shareholders' funds

The Parent Company's interest in consolidated net assets amounted to 7,150.5m Euro (6,776.8m Euro in 1998). Minority shareholders' interest on capital and reserves amounted to 2,143.2m Euro and on profit to 250m Euro.

The shareholders' funds included an overall amount of 684.2m Euro (320.3m Euro in 1998) covering the items "consolidation reserve", "reserve for valuation differences on non-consolidated shareholdings", and "reserve for exchange differences".

Changes in the Parent Company's interest in the shareholders' funds have been indicated in the Notes on the Accounts. Shares of the Parent Company, held by it or by other Group companies, amounted to 405,542 corresponding to a nominal value of euro 420,430 and representing 0.04% of the company capital. The 1999 consolidated profit amounted to 818.4m Euro, and was as follows:

(in million Euro)	
Profit of the Parent Company and of other consolidated companies	2,056.9
Consolidation adjustments, of which:	
- for intra Group dividends	-715.4
- for realised profits from intra Group transfers and reinsurance	-62.6
- for amortisation of the consolidation difference	-124.0
- for other items	-86.4
	1,068.4
Minority shareholders' interest in the profits of consolidated companies and consolidation adjustments	-250.0
Profit for the year (as at 31.12.1999)	818.4



## The year 2000

In 1999, Generali completed, both at the Parent Company and at Group companies, the programmes designed to achieve millennium compatibility in the areas of IT, accounting and insurance policy conditions. Consequently, the millennium passed smoothly without recording any significant technical hitches. No claim was received for accidents caused by the millennium change.

## 2000 and foreseeable business development

In the first months of 2000, the insurance activity of the Generali Group recorded a significant improvement in terms of both new business and profitability.

As to operations in the principal markets, in Italy Group companies in the early part of the year produced an increased volume of new life business, thanks, above all, to the good performance of unit-linked policies.

In the damages to property sector, growth was mainly due to a significant recovery of the non-motor segments. As far as the motor insurance sector is concerned, it is difficult to predict the legislative developments of the price freeze decided by the government.

Meanwhile, to improve profitability, Group companies are adopting a prudent risk selection policy.

In Germany, indications are that Group premium income in the first months of the year is progressing well, and is in line with the objective of achieving a growth rate that is higher than the market average. In non-life business, Generali continued to pursue a careful portfolio risk selection policy, which, combined with an increase in car tariffs (in line with what the industry as a whole is doing), should

allow for an improvement in profitability and in premium income.

Monetary and financial markets in the first part of 2000 were sustained by the economic recovery and by growing consumer and corporate confidence. Strong growth in the US, rising inflation as well as exchange rate volatility could lead to a more restrictive approach on the part of monetary authorities.

Stock exchanges, though volatile, have been bullish, while rates in the bonds sector have remained substantially unchanged with respect to the end of 1999.

Against this background, the Group's trading policy was mainly carried out in European markets. New unit-linked policies in both the shares and bonds sectors issued by Group companies have been well appreciated by clients. Meanwhile, for traditional products, the Asset Liability Management system, as set down by supervisory authorities, has been further improved.

A number of important operations were carried out this year. These will significantly change the structure of the Group in 2000.

On February 17, 2000, Generali finalised the cash-and-bid offer on INA, one of Italy's largest insurance groups, which had been launched in September 1999. With the operation, Generali acquired 80.99% of INA; considering the shares it previously held and the Generali shares held by INA, Generali's shareholding in INA now amounts to 85.013%.

The acquisition of INA has strengthened Generali leading position in Italy, in both life and non-life operations, and constitutes the basis for a further expansion in Europe, where the Group on the other hand already holds a prominent position. With this operation, Generali has become Europe's leading operator in terms of life premium income, with a market share of 6%, and second in the non-life sector with a 5.4% share of the market. The operation will also allow

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it to increase capitalisation and assets under management in a market where critical mass is a factor of success. The EU Commission gave the green light to the operation in January, subordinating it, however, to the sale of a number of participating interests held in banks and insurance companies (Banco di Napoli Holding, BNL Vita, Casse e Generali Vita, Prime Augusta Vita, Aurora Assicurazioni and the participating interest in Fondiaria). As from April, Texeurop began operating in France. 60% of the newly established company is controlled by Europ Assistance, while 40% by Texa, a firm of insurance experts who provide assessment of damage on the phone. The task of Texeurop is to provide insurance companies, including Generali Group companies, a claim management service in the housing sector which ranges from

the simple assessment of the damage occurred to its material repair carried out by a pool of repairers with which there is an agreement.

On April 1, as well, AM Generali Invest, a fund manager, started to operate in Germany. It will rely on the retailing channels of the Generali Group. Following the agreement signed in December, and pending the authorisation of local supervisory bodies, the 60% stake held in Federation Insurance Company of Canada is to be sold. The share is held by Generali's Swiss affiliate Generali Assurances Générales.

In February, Generali also sold its controlling stake (62.1%) in Friuli-Venezia Giulia Assicurazioni "La Carnica" S.p.A. in an operation that was carried out as part of the Group's restructuring process in Italy.

## THE BOARD OF DIRECTORS







**BALANCE SHEET  
PROFIT AND LOSS ACCOUNT**





Company

**ASSICURAZIONI GENERALI S.p.A.**

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## CONSOLIDATED FINANCIAL STATEMENTS

### **Balance sheet**

Year 1999

(Amounts in thousands euro)

CONSOLIDATED BALANCE SHEET  
ASSETS

Current year

<p>A. SUBSCRIBED CAPITAL UNPAID</p> <p style="padding-left: 20px;">of which called-up capital</p>	2	0		1	0
<p>B. INTANGIBLE ASSETS</p> <p style="padding-left: 20px;">1. Acquisition commissions to be amortised</p> <p style="padding-left: 20px;">2. Other acquisition costs</p> <p style="padding-left: 20px;">3. Goodwill</p> <p style="padding-left: 20px;">4. Other intangible assets</p> <p style="padding-left: 20px;">5. Goodwill arising on the consolidation of affiliated companies</p>	3	0	4	5	6
		41.730			254.300
		2.444.195			2.740.225
<p>C. INVESTMENTS</p> <p style="padding-left: 20px;">I - Lands and buildings</p> <p style="padding-left: 20px;">II - Investments in affiliated companies and other shareholdings</p> <p style="padding-left: 40px;">1. Interests in</p> <p style="padding-left: 60px;">a) parent companies</p> <p style="padding-left: 60px;">b) affiliated companies</p> <p style="padding-left: 60px;">c) affiliates of parent companies</p> <p style="padding-left: 60px;">d) associated companies</p> <p style="padding-left: 60px;">e) other</p> <p style="padding-left: 20px;">2. Debt securities</p> <p style="padding-left: 20px;">3. Loans</p> <p style="padding-left: 20px;">III - Other financial investments</p> <p style="padding-left: 40px;">1. Equities</p> <p style="padding-left: 40px;">2. Shares in common investment funds</p> <p style="padding-left: 40px;">3. Debt securities and other fixed-income securities</p> <p style="padding-left: 40px;">4. Loans</p> <p style="padding-left: 40px;">5. Participation in investment pools</p> <p style="padding-left: 40px;">6. Deposits with credit institutions</p> <p style="padding-left: 40px;">7. Other</p> <p style="padding-left: 20px;">IV - Deposits with ceding companies</p>	10	0	11	12	13
		1.463.045			0
		1.133.381			1.133.381
		2.261.561			2.261.561
		4.857.987			4.857.987
		524.415			524.415
		1.242.907			1.242.907
		13.573.338			13.573.338
		12.269.364			12.269.364
		71.987.339			71.987.339
		23.387.011			23.387.011
		10.209			10.209
		3.834.361			3.834.361
		710.279			710.279
		125.771.901			125.771.901
		405.620			405.620
		142.673.240			142.673.240
<p>D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</p> <p style="text-align: right; padding-right: 20px;">carried forward</p>					29
					12.226.427
					157.639.892

Previous year			
			101 0
	102 0		
	103 0		
	104 0		
	105 0		
	106 291.134		
	107 2.364.106		108 2.655.240
		109 9.481.153	
110 0			
111 1.237.837			
112 0			
113 938.144			
114 2.283.347	115 4.459.328		
	116 622.660		
	117 861.369	118 5.943.357	
	119 9.429.270		
	120 7.770.640		
	121 67.192.734		
	122 21.799.906		
	123 10.021		
	124 3.706.064		
	125 658.599	126 110.567.234	
		127 879.828	128 126.871.572
			129 6.160.290
	carried forward		135.687.102

CONSOLIDATED BALANCE SHEET  
ASSETS

Current year

	brought forward			157.639.892
D.bis REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS				
I NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums	30	437.335		
2. Provision for claims outstanding	31	3.034.267		
3. Other provisions	32	14.376	33	3.485.978
II - LIFE INSURANCE BUSINESS				
1. Provision for policy liabilities	34	1.740.712		
2. Provision for claims outstanding	35	217.852		
3. Other provisions	36	18.459		
4. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds	37	82.676	38	2.059.699
			39	5.545.677
E. DEBTORS				
I - Debtors arising out of direct insurance operations			40	3.222.825
II - Debtor arising out of reinsurance operations			41	1.048.154
III - Other debtors			42	1.717.261
			43	5.988.240
F. OTHER ASSETS				
I - Tangible assets and stocks			44	310.959
II - Cash at bank and in hand			45	2.656.701
III - Own shares			46	6.174
IV - Other			47	557.126
			48	3.530.960
G. PREPAYMENTS AND ACCRUED INCOME			49	2.813.058
			50	175.517.827
<b>TOTAL ASSETS</b>				

Previous year		
brought forward		135.687.102
130	518.725	
131	2.746.050	
132	4.339	133 3.269.114
134	1.053.546	
135	149.877	
136	21.147	
137	322.472	138 1.547.042 139 4.816.156
		140 3.208.606
		141 898.797
		142 1.121.936 143 5.229.339
		144 295.075
		145 2.285.290
		146 5.801
		147 525.240 148 3.111.406
		149 2.809.088
		150 151.653.091

CONSOLIDATED BALANCE SHEET  
LIABILITIES AND SHAREHOLDERS' FUNDS

Current year

A. SHAREHOLDERS' FUNDS				
I Parent company's interest				
1. Subscribed capital	51	1.059.766		
2. Reserves	52	4.581.603		
3. Consolidation reserve	53	433.581		
4. Reserve for valuation differences in non-consolidated shareholdings	54	20.131		
5. Reserve for exchange differences	55	230.418		
6. Reserve for own shares	56	6.591		
7. Profit (loss) for the year	57	818.426	58	7.150.516
II Minority shareholders' interest				
1. Capital and reserves	59	2.143.261		
2. Profit (loss) for the year	60	250.016	61	2.393.277
				62
				9.543.793
B. SUBORDINATES LIABILITIES				63
				499.999
C. TECHNICAL PROVISIONS				
I - NON-LIFE INSURANCE BUSINESS				
1. Provision for unearned premiums	64	3.346.975		
2. Provision for claims outstanding	65	19.602.810		
3. Equalisation provision	66	997.415		
4. Other provisions	67	536.293	68	24.483.493
II - LIFE INSURANCE BUSINESS				
1. Provision for policy liabilities	69	107.432.251		
2. Provision for claims outstanding	70	1.359.873		
3. Other provisions	71	6.639.151	72	115.431.275
				73
				139.914.768
D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS				74
				12.222.281
E. PROVISIONS FOR OTHER RISKS AND CHARGES				
1. Provisions for pensions and similar obligations			75	1.046.050
2. Provision for taxation			76	606.467
3. Provision for future liabilities and charges from consolidation			77	0
4. Other provisions			78	787.602
				79
				2.440.119
carried forward				164.620.960



Previous year		
151	1.059.639	
152	4.497.133	
153	95.961	
154	65.694	
155	158.590	
156	5.488	
157	894.305	158 6.776.810
159	1.711.014	
160	379.783	161 2.090.797 162 8.867.607
		163 0
164	3.278.954	
165	17.738.869	
166	897.503	
167	524.589	168 22.439.915
169	96.113.937	
170	1.036.937	
171	5.877.156	172 103.028.030 173 125.467.945
		174 6.134.649
		175 1.013.614
		176 499.618
		177 0
		178 707.499 179 2.220.731
carried forward		142.690.932

CONSOLIDATED BALANCE SHEET  
LIABILITIES AND SHAREHOLDERS' FUNDS

Current year

	brought forward		164.620.960
F. DEPOSITS RECEIVED FROM REINSURERS		80	848.018
G. CREDITORS			
I - Creditors arising out of direct insurance operations	81	2.150.147	
II - Creditors arising out of reinsurance operations	82	623.450	
III - Debenture loans	83	1.921.381	
IV - Amounts owed to credit institutions	84	1.546.439	
V - Loans guaranteed by mortgages	85	262.462	
VI - Other financial liabilities	86	208.821	
VII - Provision for severance pay	87	197.782	
VIII - Other creditors	88	2.338.166	
IX - Other liabilities	89	657.880	9.906.528
H. ACCRUALS AND DEFERRED INCOME			142.321
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		92	<b>175.517.827</b>

CONSOLIDATED BALANCE SHEET  
GUARANTEES, COMMITMENTS AND OTHER EVIDENCE ACCOUNTS

Current year

GUARANTEES, COMMITMENTS AND OTHER EVIDENCE ACCOUNTS			
I - Guarantees issued		93	1.372.456
II - Guarantees received		94	1.273.651
III - Guarantees issued by third parties in the interest of consolidated companies		95	277.468
IV - Commitments		96	3.098.889
V - Assets deposited with the company		97	401.808
VI - Assets relating to pensions funds managed in the name and for account of third parties		98	48.959
VII - Securities deposited with third parties		99	28.730.748
VIII - Other evidence accounts		100	589.506

Previous year

brought forward		142.690.932
		180 642.588
	181	1.635.053
	182	515.015
	183	1.250.385
	184	1.894.623
	185	207.669
	186	59.998
	187	199.951
	188	2.184.247
	189	322.343
		190 8.269.284
		191 50.287
		192 151.653.091

Previous year

	193 1.679.159
	194 1.084.635
	195 475
	196 1.241.257
	197 615.016
	198 0
	199 2.200.593
	200 677.770

The undersigned declare that the present accounts are reflecting the truth.

The legal representatives of the Company(\*)

..... (\*\*)  
..... (\*\*)  
..... (\*\*)

The Auditors

.....  
.....  
.....

Reserved to Register of Companies approval on deposit.

- (\*) For foreign companies the general representative for Italy must sign
- (\*\*) Indicate signatory company position

Company

**ASSICURAZIONI GENERALI S.p.A.**

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## CONSOLIDATED FINANCIAL STATEMENTS

### **Profit and loss accounts**

Year 1999

(Amounts in thousands euro)

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Current Year

<b>I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS</b>					
1.	EARNED PREMIUMS, NET OF REINSURANCE:				
a)	Gross premiums written	1	14.120.543		
b)	(-) Outward reinsurance premiums	2	1.664.145		
c)	Change in the gross provision for unearned premiums	3	-6.774		
d)	Change in the provision for unearned premiums, reinsurers' share	4	-48.279	5	12.414.893
2.	OTHER TECHNICAL INCOME, NET OF REINSURANCE			7	63.682
3.	CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE				
a)	Claims paid				
aa)	Gross amount	8	10.640.826		
bb)	(-) Reinsurers' share	9	1.654.516		
cc)	Recoveries net of reinsurance	10	266.334	11	8.719.976
c)	Change in the provision for claims outstanding				
aa)	Gross amount	12	1.440.577		
bb)	(-) Reinsurers' share	13	252.789	14	1.187.788
15					9.907.764
4.	CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			16	4.755
5.	PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE			17	191.464
6.	OPERATING EXPENSES				
a)	Acquisition commissions	18	1.539.075		
b)	Other acquisition costs	19	824.617		
c)	Change in commissions and other acquisition costs to be amortised	20	0		
d)	Collecting commissions	21	206.454		
e)	Other administrative expenses	22	1.420.653		
f)	(-) Reinsurance commissions and profit sharing	23	402.560	24	3.588.239
7.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE			25	183.807
8.	CHANGE IN THE EQUALISATION PROVISION			26	-29.802
9.	BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS			27	-1.367.652



CONSOLIDATED PROFIT AND LOSS ACCOUNT

Current Year

<b>II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS</b>						
1.	PREMIUMS WRITTEN, NET OF REINSURANCE					
a)	Gross premiums written	28	23.692.445			
b)	(-) Outward reinsurance premiums	29	379.298			30 23.313.147
2.	(+ ) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (Item III.5)					40 7.222.382
3.	INCOME AND UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS					41 1.771.210
4.	OTHER TECHNICAL INCOME, NET OF REINSURANCE					42 117.010
5.	CLAIMS INCURRED, NET OF REINSURANCE					
a)	Claims paid					
aa)	gross amount	43	11.412.530			
bb)	(-) reinsurers' share	44	322.814	45	11.089.716	
b)	Change in the provision for claims outstanding					
aa)	gross amount	46	118.912			
bb)	(-) reinsurers' share	47	6.587	48	112.325	49 11.202.041
6.	CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE					
a)	Provisions for policy liabilities					
aa)	gross amount	50	9.771.958			
bb)	(-) reinsurers' share	51	67.272	52	9.704.686	
b)	Other provisions					
aa)	gross amount	56	18.071			
bb)	(-) reinsurers' share	57	-4.462	58	22.533	
c)	Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds					
aa)	gross amount	59	4.648.599			
bb)	(-) reinsurers' share	60	23.124	61	4.625.475	62 14.352.694
7.	PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE					63 3.221.002
8.	OPERATING EXPENSES					
a)	Acquisition commissions	64	1.666.535			
b)	Other acquisition costs	65	825.339			
c)	Change in commissions and other acquisition costs to be amortised	66	0			
d)	Collecting commissions	67	97.573			
e)	Other administrative expenses	68	745.399			
f)	(-) Reinsurance commissions and profit sharing	69	95.335			70 3.239.511
9.	EXPENSES AND UNREALISED LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS					75 121.863
10.	OTHER TECHNICAL CHARGES, NET OF REINSURANCE					76 112.217
11.	BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item III.2)					78 174.421



Previous Year

		<u>138</u>	19.075.251		
		<u>139</u>	328.018		<u>140</u> 18.747.233
					<u>150</u> 6.426.662
					<u>151</u> 622.915
					<u>152</u> 79.063
		<u>153</u>	9.513.205		
		<u>154</u>	259.736	<u>155</u>	9.253.469
		<u>156</u>	101.703		
		<u>157</u>	5.701	<u>158</u>	96.002
					<u>159</u> 9.349.471
		<u>160</u>	9.259.998		
		<u>161</u>	-184.149	<u>162</u>	9.444.147
		<u>166</u>	22.301		
		<u>167</u>	-9.865	<u>168</u>	32.166
		<u>169</u>	1.652.530		
		<u>170</u>	116.812	<u>171</u>	1.535.718
					<u>172</u> 11.012.031
					<u>173</u> 2.581.487
				<u>174</u>	1.225.848
				<u>175</u>	761.735
				<u>176</u>	0
				<u>177</u>	87.342
				<u>178</u>	668.567
				<u>179</u>	102.414
					<u>180</u> 2.641.078
					<u>185</u> 132.564
					<u>186</u> 77.369
					<u>188</u> 81.873

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Current Year

<b>III. NON TECHNICAL ACCOUNT</b>					
1. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.9)				79	-1.367.652
2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item I.11)				80	174.421
3. INVESTMENT INCOME					
a) Income from participating interests					
aa) Income from participations valued according to equity method	81	268.129			
bb) Other income from participating interests	82	628.832	83	896.961	
b) Income from other investments					
aa) Income from land and buildings	84	744.386			
bb) Income from other investments	85	7.244.081	86	7.988.467	
c) Value re-adjustments on investments			87	422.549	
d) Gains on the realisation of investments			88	2.532.342	89
					11.840.319
4. INVESTMENT CHARGES					
a) Investment administration charges, including interest			90	506.587	
b) Value adjustments on investments			91	622.854	
c) Losses on the realisation of investments			92	457.541	93
					1.586.982
5. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE LIFE TECHNICAL ACCOUNT (item II. 2)				94	7.222.382
6. OTHER INCOME				95	971.163
7. OTHER CHARGES					
a) Interest on financial liabilities			96	187.033	
b) Sundry charges			97	1.001.991	98
					1.189.024
8. RESULT FROM ORDINARY ACTIVITY				99	1.619.863
9. EXTRAORDINARY INCOME				100	1.188.956
10. EXTRAORDINARY CHARGES				101	978.316
11. EXTRAORDINARY PROFIT OR LOSS				102	210.640
12. RESULT BEFORE TAXATION				103	1.830.503
13. INCOME TAXES				104	762.061
14. CONSOLIDATED RESULT				105	1.068.442
15. MINORITY SHAREHOLDERS' INTEREST IN PROFIT (LOSS) FOR THE YEAR				106	250.016
16. PROFIT (LOSS) OF THE GROUP				107	818.426



The undersigned declare that the present accounts are reflecting the truth.

The legal representatives of the Company(\*)

..... (\*\*)  
..... (\*\*)  
..... (\*\*)

The Auditors

.....  
.....  
.....

Reserved to Register of Companies approval on deposit.

- (\*) For foreign companies the general representative for Italy must sign
- (\*\*) Indicate signatory company position

# NOTES ON THE ACCOUNTS





## Part A - General accounting and consolidation principles

This annual report - which includes the summarised balance sheet and the profit and loss account, the Notes on the Accounts and the Report of the Board of Directors - was drawn up in conformity with the Legislative Decree n. 173 of May 26, 1997, and with the I.S.V.A.P. ruling n. 735 of December 1, 1997.

### 1. Consolidation area

The principles applied to define the area of consolidation have not changed with respect to the previous year. These are:

**Control.** The area of consolidation includes those companies in which Generali, either directly or through its subsidiaries, controls the majority of the votes in the shareholders' general meeting, or enough votes to exercise a decisive influence on management (de facto control).

**Continuity of investment and exercise of control.** An underlying condition concerning the above mentioned shareholdings sets down that they be of long-term duration and that exercise of control remain unimpeded. On the basis of this principle, no company has been excluded from the area of consolidation.

**Homogeneity.** In order to preserve the insurance nature of the consolidated statements, non-insurance companies have been included in the area of consolidation only if their activities come within the scope of an insurance company's institutional investment policies. On the basis of this principle, 268 companies have not been included in the area of consolidation.

**Materiality.** 52 small-sized companies were similarly excluded from the area of consolidation, in consideration of their non-significance with respect to the entity of the consolidated figures.

The companies included in the consolidation area with the full consolidation method are listed at the end of the Notes on the Accounts.

The particular instance of joint-control, as set down by art. 70 of the Legislative Decree No. 173/97, did not apply.

Similarly, there were no cases of prejudice which would allow for the omission of companies from the above mentioned list.

The Notes on the Accounts are followed by a detailed outline of the changes occurred in the area of consolidation with respect to last year's.

### 2. Consolidation Criteria

The criteria adopted to prepare these accounts have not changed with respect to 1998. They are as follows:

- 1)** The accounts of all consolidated companies have been included in the statements by utilising the full consolidation method.
- 2)** The minority shareholders' interests in net assets and profits of subsidiaries have been shown as separate items.
- 3)** Figures shown in the consolidated statements have been taken from the individual companies' accounts, after having been reclassified in order to enhance clarity and uniformity of lay-out. Modifications have been carried out solely to homogenise accounting principles.

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- 4)** The closing date of the consolidated statements (December 31, 1999) applies to all the individual accounts included in consolidation. Interim accounts at December 31, 1999, have been utilised for thirteen companies which close their accounts on different dates.
- 5)** The statements of foreign subsidiaries have been translated into Italian Liras at year end rates of exchange. The comparison with previous year figures, therefore, is affected by exchange rate fluctuations.
- 6)** In order to provide separate profit and loss accounts for the life and non-life sections, those elements, which in a number of foreign subsidiaries accounts relate cumulatively to both, have been adequately split.
- 7)** The book value of Parent Company shares held by consolidated affiliates was detracted from their relating net assets thereby increasing the reserve for own shares for an amount equal to that entered in assets of the Balance Sheet.
- 8)** Net assets of consolidated companies have been eliminated against the elimination of the relevant shares recorded in the balance sheets of the companies holding them. The differences emerging from these operations have been entered in the shareholders' surplus distinguishing the interests of the Parent Company and of the minority shareholders. Intra-Group dividends, as well as sums arising from reinsurance or other operations between Group companies, have been eliminated. The resulting differences have rectified, depending on their nature, either the shareholders' surplus or the year's profit. Profits generated by the transfer of assets between Group companies, and not followed by cessions to third parties, have been excluded from the consolidated result. The same applies to losses, if these do not reflect a permanent reduction in the intrinsic value of the transferred assets.
- 9)** The consolidation differences emerging from a number of recently acquired shareholdings have been capitalised, net of the amounts allocated to the investments of the companies concerned on the basis of the valuation carried out at the time of the acquisition. The amount shown as Goodwill arising on the consolidation of affiliated companies is the residual intangible value of the shareholdings, net of the amortisation applied up to the present year.
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## **Part B - Valuation criteria**

### **SECTION 1 Outline of the valuation criteria**

As set down by law (D. Lgs. May 26, 1997, no.173), the valuation principles utilised for the consolidated statements are homogeneous with those adopted by the Parent Company for the setting up of its annual accounts, apart from departures based on applicable regulations and stated below. Uniformity was achieved by adjusting the figures shown in the original accounts of subsidiaries, except when the difference was insignificant.

The accounting principles applied for the drawing-up of the consolidated statements, which closed on December 31, 1999, have not changed with respect to the previous year.

#### **Intangible assets**

Commissions and other acquisition costs were entirely charged to the profit and loss account. The practice of some Italian companies to defer multi-annual commissions was reversed; the outcome affected the consolidated result.

For the other intangible assets, the depreciation criteria utilised by the single companies were maintained.

Goodwill generated prior to 1998 is subject to a yearly amortisation, on a straight line basis, over a maximum of 10 years. For goodwill relating to companies acquired in 1998 and in 1999, the duration of amortisation was set at 30 years, as assessed by the management and by art. 16, comma 12 of D. Lgs. 173/97. The recoverability of the non-amortised quota is periodically revised.

#### **Land and buildings**

Property is entered at purchase or construction cost plus incremental costs

and revaluations net of depreciation. In compliance with the accounting principles adopted, depreciation on property was not incorporated in the consolidated statements when the relevant sums were recorded in the individual accounts solely for tax purposes.

Figures relating to the real estate of a number of recently acquired companies include the allocation of part of the goodwill, which originated at the time of acquisition, in the proportion in which goodwill referred to the surplus value of real estate, which was reflected in the acquisition costs of the shareholdings. As in the past years, these surplus values were limited to those sums that still existed at the end of 1999.

#### **Investments in affiliated companies and other shareholdings**

Interests in non-consolidated affiliated companies and in associated companies were accounted for on the basis of net assets reported in their accounts, except for less important shareholdings, which were maintained at cost as shown in the balance sheets of the companies holding them.

Similarly, other significant shareholdings as well as debt securities and loans are entered at cost.

#### **Equities**

##### **Shares in common investment funds Debt securities and other fixed-income securities**

Equities considered as durable investments were recorded at cost less permanent reductions in value. For fixed-income securities being durable assets, the acquisition cost was adjusted to account for the accrued difference over redemption value and for permanent reductions in value.

Current assets were recorded at the

lesser between costs and realisable value as inferred from market trends. For bonds, the cost was adjusted to take into account the difference over redemption value.

Write-downs made in past years were not maintained if and to the extent of the reasons that had caused them no longer existed.

A predetermined split of the securities portfolio between durable investments and current investments was implemented only by Italian companies. As to foreign companies, securities were classified in the two categories according to whether the valuation criteria adopted locally were considered as being in line with those adopted by the Parent Company for the one or the other category.

#### **Loans and other investments**

These were entered at their face value, net of depreciation on specific elements.

#### **Investments for the benefit of life- insurance policyholders who bear the investment risk and relating to the administration of pension funds**

In conformity with the allocation of these investments, securities were entered at their market value and other assets and cash in hand at their face value.

#### **Debtors**

These were entered at their face value, net of depreciation on specific assets. In particular, amounts receivable from policyholders for premiums were entered net of provisions for insolvency.

#### **Other assets**

Tangible fixed assets were entered at cost less depreciation. The other items were entered at their face value, except when depreciated.

#### **Technical provisions**

##### **Non-life:**

For the Parent Company and for the other Italian companies, the unearned premium provision is made up by two components: “provision for unearned premiums” calculated according to a daily pro-rata basis having regard to the specific regulations set down by law on the specific peculiarities of certain risks, and the “provision for unexpired risks,” set aside to cover the risk to be borne after the end of the financial year, and assessed - utilising the simplified method set down by ISVAP - where the estimated evaluation of indemnities and costs deriving from contracts in force up to 31 December exceeds the unearned premium provision and the premium instalments receivable in the following year.

The provision for claims outstanding is determined by a prudent assessment of the ultimate cost of settlement and related expenses, taking also into account incurred but not reported losses.

The equalisation provision (including the specific provision for the credit business and the provision for catastrophic risks) is calculated according to the specific regulations set down by law.

##### **Life:**

The provisions for policy liabilities of the Parent Company and the other Italian companies are determined analytically for each contract according to the law and pursuant to actuarial assumptions as applicable to the date the contracts were subscribed. They are integrated by unearned premiums, by the provision for medical overrating premiums, by the longevity risk provision and by the unearned premium provision for supplementary coverage.

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The provision for claims outstanding is made up by an amount that is sufficient to cover capitals, annuities, surrenders and losses incurred that have not been paid at the end of the year.

Other technical provisions include the provision for future charges and the provision for bonuses and profit-sharing attributable to the beneficiaries of contracts.

Technical provisions when the investment risk is borne by policyholders and the provisions deriving from the management of pension funds are calculated on the basis of the value of the fund quotas to which they are linked, taking into account minimum guarantees if any. The provisions for inward reinsurance have been calculated on the basis of the information provided by the ceding companies, which were integrated, whenever necessary, by allocations determined on the basis of objective factors.

The reinsurance amounts of technical provision are determined with the same methods used for gross provisions.

The technical provisions relating to the Parent Company branches located outside the European Union were determined according to the applicable law in force in the countries where those branches operate. Similarly, as foreseen by art. 72 No. 3 of D.Lgs. No. 173/97, the technical provisions of foreign companies included in the consolidation

were incorporated with the same figures reported in their financial statements.

### **Tax provision**

It includes both the income taxes for the year, whenever the amount or the due date are unspecified, and deferred taxes calculated according to the balance sheet liability method. Starting from this year, and in compliance to Accounting Principle 25 that is not unlike IAS 12, the calculation of deferred taxes has been extended to all temporary differences of significant amounts. Assets arising from early taxes and accountable losses have been reported, according to the principle of prudence, only when there is the reasonable certainty of the future existence of taxable income that is higher than the amount of the differences that will get cancelled.

In order to homogenise the way deferred taxes are calculated at consolidated companies, integrations have been carried out when differences arise with respect to the Parent Company. For calculation purposes, the tax rates in the various tax legislations were applied. The deferred tax fund has been entered net of the credits, if any, for early payments whenever this compensation is admitted in the tax legislation.

The extension of the calculation of deferred taxes accounted for the entering in the Profit and Loss Account of an extraordinary income of 175.1m Euro, of extraordinary charges amounting to 204.7m Euro and of lower income taxes for the year amounting to 89.7m Euro.

## Currency translation

Foreign companies' accounts were translated into Italian Lira at year end's exchange rates.

### Exchange rates with Euro currencies

	Euro parity	Exchange in Lire
Euro	1	1,936,27
Dutch Guilder	2.20371	878.641
Belgian Franc	40.3399	47.999
French Franc	6.55957	295.182
German Mark	1.95583	989.999
Spanish Peseta	166.386	11.637
Austrian Schilling	13.7603	140.714

### Exchange rates with other currencies

	Exchange rate in Lire		Change %
	Statements 1999	Statements 1998	
US Dollar	1,927.40	1,653.10	16.6%
Swiss Franc	1,206.32	1,208.41	-0.2%
Israeli Shekel	463.56	396.85	16.8%
Argentine Peso	1,930.48	1,654.62	16.7%

The exchange differences arising from the translation at year end's rates of the consolidation reserve and of the reserve for valuation differences in non-consolidated shareholdings as compared to previous year's rates are taken to the reserve for exchange differences. This method was applied for all currencies.

### SECTION 2 Amounts for tax purposes

The following amounts included in the original statements solely for tax purposes were subject to adjustment in the consolidated accounts. In the consolidated statements depreciation on property was reversed in

those cases when it is reported in the individual accounts only for tax purposes. The reversal concerned the commercial property of the Parent Company and of the other Italian companies. This had an impact of 257.4m Euro on the consolidation reserve, as regard previous years, and of 78.2m Euro on the profit for the year, arising from the reversal of depreciation recorded in the year by companies and from the calculation of deferred taxes on adjustments carried out.

Allocations to and withdrawals from the Parent Company's provision for currency fluctuations, which is only foreseen by tax legislation, were reversed. This produced a negative effect of 8.7m Euro on the profit for the year, of which 4.9m Euro due to deferred taxes.

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The write-downs on real estate recorded by a number of German companies for tax purposes were reversed. The adjustment reflected on the consolidation reserve for an amount of

40.8m Euro and entailed the setting up of a deferred tax provision of 10.3m Euro, while no amount influenced the profit for the year because the write-downs were made in previous fiscal years.

## Part C - Comments on the Balance Sheet and on the Profit and Loss Account

### Balance Sheet - Assets

#### SECTION 1 Intangible assets (Item B)

##### 1.1 Acquisition commissions to be amortised (Item B.1)

The amortisable commissions appearing in the accounts of a number of Italian companies, Euro 22,170,000

for Life business and Euro 8,381,000 for Non-Life) were written off against the profit.

##### 1.2 Goodwill (Item B.2)

The sum of Euro 41,730,000 referred to the goodwill charged to the Argentinian holding Caja de Ahorro y Seguros

following the acquisition of Banco Mercantil Argentino, which was merged in 1999 into Banco Caja de Ahorro.

##### 1.3 Other intangible assets (Item B.4)

(in thousand Euro)	1999
Cost of purchased portfolios	70,365
Formation and development expenses	10,462
Research and advertising expenses	6,984
EDP software	99,921
Sundry amortisable expenses	66,568
<b>Total</b>	<b>254,300</b>

##### 1.4 Goodwill arising on the consolidation of affiliated companies (Item B. 5)

Goodwill, net of amortisation, was Euro 2,444,195,000. Out of this sum, Euro 237,980,000 referred to acquisitions prior to 1998, and, more precisely: Euro 131,005,000 to 1997 acquisitions (including Euro 121,808,000 for Leumi Insurance Holding and Euro 9,198,000 for Generali International); Euro 82,568,000 to 1996 acquisitions (including Euro 65,559,000 for Prime S.p.A. and Euro 17,008,000 for Prime Augusta Vita); Euro 22,760,000 to 1992 acquisitions (including Euro 9,005,000 for Banco Vitalicio de España and Euro 13,755,000 for La Estrella); and Euro 1,647,000 to the 1991 acquisition of BMA. The above mentioned goodwill is amortised on a straight line basis over 10 years.

In 1998, Euro 2,008,906,000 were capitalised for the acquisitions of Aachener und Münchener Beteiligungs-AG in Germany and of the French companies GPA Vie and GPA IARD, which were concluded during the year. As to AMB, the capitalised goodwill was Euro 1,661,849,000 which will be amortised in 30 years as assessed by the management and permitted by national law (art. 16, comma 12 of D. Lgs. 173/97). The sum for GPA Vie and GPA IARD was Euro 347,057,000: it will be amortised, as for AMB, in 30 years. In 1999, Euro 204,113,000 was capitalised; it referred to the acquisition of a controlling stake in the Argentinian group Caja de Ahorro y Seguro, of which the capitalised goodwill was Euro 197,309,000.

## SECTION 2 Investments (Item C)

### 2.1 Land and buildings (Item C. I)

(in thousand Euro)	1999
Property used for own activities	1,105,056
Property used by third parties	6,100,569
Land (unbuilt)	25,816
Agricultural property	192
Other realty rights	50
Real estate companies	997,692
Assets in progress and payments on account	179,047
Total shown in the balance sheets of the consolidated companies	8,408,421
Consolidation adjustments:	
Goodwill taken to property used for own activities	445,795
Goodwill taken to property used by third parties	552,866
Reversal of depreciation carried out solely for tax purposes, property used for own activities	21,151
Reversal of depreciation carried out solely for tax purposes, property used by third parties	385,955
Reversal of write-downs for tax purposes on property used by third parties	56,221
Total	9,870,410

The value of the property of companies that have entered the area of consolidation in 1999 was Euro 144,847,000.

For other companies, the change with

respect to 1999 was Euro 244,410,000, a sum that included acquisition for the year which amounted to Euro 697,217,000.

### 2.2 Investments in affiliated companies and other shareholdings (Item C. II)

#### 2.2.1 Interests (Item C. II. 1)

(in thousand Euro)	1999
Interests in affiliated companies not included in the consolidation	1,463,045
Interests in associated companies	1,133,381
Other significant shareholdings	2,261,561
Total	4,857,987

The interests valued on the basis of net assets, as well as the other interests, are

listed at the end of these Notes.

#### 2.2.2 Breakdown of debt securities by reference to the relationship existing with the company (Item C. II. 2)

(in million Euro)	1999
Securities issued by affiliated companies	7,850
Securities issued by associated companies	318,962
Securities issued by companies in which a significant interest is held	197,603
Total	524,415

As to debt securities issued by associated companies, Euro 314,784,000 refer to securities issued by Banca Intesa and owned by Alleanza.

Among the debt securities issued by companies in which a significant interest is held, Euro 144,960,000 refer to Mediobanca bonds owned by Generali.

### 2.2.3 Breakdown of loans by reference to the relationship existing with the company (Item C. II. 3)

(in thousand Euro)	1999
Loans to affiliated companies	574,086
Loans to associated companies	206,726
Loans to companies in which a significant interest is held	462,095
<b>Total</b>	<b>1,242,907</b>

As far as loans to affiliated undertakings are concerned, the following should be noted: Euro 142,981,000 refer to the Generali (Schweiz) Holding loan to Fortuna Versicherungsberatung und Services AG; Euro 223,152,000 to that of Generali Leven to Generali Hypotheken B.V.

Among the loans to associated companies, Euro 155,041,000 was granted by the

AMB group company Volksfürsorge Deutsche Lebensversicherung to BfG Bank AG.

Among the loans to companies in which a significant interest is held, Euro 340,551,000 and Euro 115,113,000 was granted respectively by Volksfürsorge Deutsche Leben and by Aachener und Münchener Lebensversicherung to Commerzbank.

## 2.3 Other financial investments (Item C. III)

### 2.3.1 Equities; shares in common investments funds (Items C. III. 1, 2)

For companies that have entered the area of consolidation in 1999, an amount of Euro 298,836,000 is comprised in this item.

For the other companies the increase in 1998 was Euro 8,343,957,000. In this context, acquisitions of equities and units amounted to over Euro 23,757,017,000.

### 2.3.2 Debt securities and other fixed-income securities (Item C. III. 3)

Securities of those companies that entered the area of consolidation totaled Euro 1,016,505,000. As to other companies the change with respect to 1998 amounted to Euro 3,778,099,000. The investment

activity involved acquisitions totaling Euro 86,248,302,000.

Convertible bonds - only for Italy - amounted to Euro 60,541,000.



### 2.3.3 Breakdown of loans (Item C. III. 4)

(in thousand Euro)	1999
Mortgage loans	14,452,432
Loans on insurance premiums	2,798,705
Other loans	28,032,431
Total	45,283,568

“Other loans” included special policies mostly registered in the accounts of German and Austrian companies.

Previous loans are payable for 12,410m Euro within the next year and the following five, while 29,678m Euro after five years.

### 2.3.4 Breakdown of other financial investments (Item C. III. 7)

(in thousand Euro)	1999
REPO	567,483
Premium options	589
Other	142,207
Total	710,279

## SECTION 3 Other assets (Items D - Dbis - E - F - G)

### 3.1 Separate indication of investments for the benefit of life assurance policy holders who bear the investment risk and arising from the management of pension funds (Item D)

#### Breakdown of investments for the benefit of life-assurance policyholders who bear the investment risk and relating to the management of pension funds (Item D)

(in thousand Euro)	1999
Land and buildings	7,668
Investments in Group companies and in companies where a significant interest is held	7,891
Other financial investments:	
Equities	1,925,028
Shares in common investment funds	8,085,459
Debt securities and other fixed-income securities	1,915,602
Loans	86,196
Deposits with credit institutions	74,529
Other	120,094
Total	12,206,909
Total	12,222,467

### Breakdown of activity relating to the management of pension funds

(in thousand Euro)	1999
Land and buildings	
Investments in Group companies and in companies where a significant interest is held	242
Other financial investments:	
Equities	704
Shares in common investment funds	-
Debt securities and other fixed-income securities	906
Loans	-
Deposits with credit institutions	2,093
Other	14
Total	3,717
Total	3,959

### 3.2 Breakdown of other debtors (Item E. III)

(in thousand Euro)	1999
Tax authorities	433,037
Early tax payments and accountables losses	355,078
Real estate administration	156,716
Receivable amount from dividend and sale of securities	126,834
Personnel	40,729
Cautions	56,978
Affiliated and associated companies	140,838
Sundry debtors	407,051
Total	1,717,261

### 3.3 Breakdown of prepayments and accrued income (Item G)

(in thousand Euro)	1999
Accrued income on fixed-income securities	2,093,094
Accrued income on loans	571,909
Prepaid interest	44,469
Prepaid charges	76,141
Other accruals	27,257
Other deferrals	189
Total	2,813,058

### Subordinated assets

Assets with subordination clauses are included in the Item C. III. 3. These debt securities, issued by large financial institutions, are not a relevant part of the Group's investments.

## Balance Sheet - Liabilities

### SECTION 4 Shareholders' funds and subordinated liabilities (Items A - B)

#### 4.1 Summary of changes in consolidated shareholders' funds (Parent company's interest)

(in thousand Euro)	Capital and reserves	Profit for the year	Total
Shareholders' funds at 31.12.98	5,882,505	894,305	6,776,810
Allocation of Parent Company's profit	87,006	-312,174	-225,168
Increase in consolidation reserve on account of profits for the year	486,793	-486,793	-
Other changes in the consolidation reserve	-151,582	-65,725	-217,308
Change in the reserve for valuation differences on non-consolidated shareholdings	-45,563	-29,612	-75,175
Change in the reserve for exchange differences	71,828	-	71,828
Change in the reserve for own shares	1,102	-	1,102
Profit for 1999	-	818,426	818,426
Shareholders' funds at 31 December 1999	6,332,089	818,426	7,150,515

#### 4.2 Reconciliation between the Parent Company's statements and the consolidation statements

(in thousand Euro)	Capital and reserves before profit	Profit for the year
<b>Parent Company's interest</b>		
Figures as from the Parent Company's accounts	5,641,369	341,324
Profit disclosed by other consolidated companies	-	1,254,296
Allocation of differences arising out of the first-time consolidation of affiliated companies:		
· Differences allocated to assets of the acquired companies	418,995	-
· Remaining difference between acquisition cost and reported net assets of the companies	-4,060,685	-
· Goodwill capitalised and relevant amortisation	2,226,191	-122,003
Current changes in the bookvalues and the shareholders' funds of the companies included in consolidation	766,545	
Alignment of accounting principles	371,681	-192,157
Equity based valuation of non-consolidated companies	20,131	110,182

(in thousand Euro)	Capital and reserves before profit	Profit for the year
Elimination of intercompany operations:		
· Dividends	592,267	-592,267
· Result arising out of cessions of shareholdings and other assets	81,638	-81,638
· Result arising out of reinsurance operations	36,949	30,654
Reserve for exchange difference	230,418	-
Reserve for own shares	6,591	-
Net tax impact on consolidation adjustments	-	70,033
<b>Consolidated shareholders' funds</b>		
<b>(Parent Company's interest)</b>	<b>6,332,089</b>	<b>818,426</b>
<b>Minority shareholders' interests</b>		
in the consolidated companies' accounts	1,689,179	461,263
in consolidation adjustments	454,082	-211,247
<b>Total minority shareholders' interest</b>	<b>2,143,261</b>	<b>250,016</b>
<b>Group risk capital, including minority shareholders' contribution</b>	<b>8,475,350</b>	<b>1,068,441</b>

#### 4.3 Subordinated liabilities (Item B)

The sum included in the item "Subordinated Liabilities", amounting to Euro 500,000,000, refers to the debenture loan of Euro 500m issued by Generali

Finance B.V., which was placed through the consortium Mediobanca/Warburg Dillon Read/Commerzbank (due date May 28, 2019).



## SECTION 5 Technical provisions and other provisions (Items C - D -E)

### 5.1 Breakdown of provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds (Item D)

Provisions for policies where the investment risk is borne by the policyholders:

(in thousand Euro)	Gross amount	Reinsurers' share	Net amount
Mathematical provisions	12,211,580	-82,676	12,128,904
Provision for policy liabilities	6,787	-	6,787
Total	12,218,367	-82,676	12,135,690

Provision relating to the administration of pension funds:

(in thousand Euro)	Gross amount	Reinsurers' share	Net amount
Mathematical provisions	3,914	-	3,914

### 5.2 Provision for taxation (Item E.2)

(in thousand Euro)	1999
Tax provisions	33,695
Deferred tax provision	572,772
Total	606,468

As of this year, tax provisions no longer include income tax credits arising from the tax returns for the year, which have instead been classified in the item tax debits.

The difference in the deferred tax provisions is due to the extension of the calculation to deferred taxes to all “temporary differences” of significant amounts, as outlined in the chapter dedicated to the valuation criteria.

### 5.4 Other provisions (Item E.4)

(in thousand Euro)	1999
Bad debt provisions	5,371
Provisions for fluctuation of exchange rates and values	158,236
Provisions for commitments and expected charges	623,995
Total	787,602

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## SECTION 6 Creditors and other liabilities (Items F - G - H)

### 6.1 Debenture loans (Item G. III)

Debenture loans amounted to Euro 1,921,381,000 (Euro 1,250,107,000 in 1998): the issuing of a debenture loan in Euros on the part of Generali Finance B.V. (Euro 1,495,089,000 due in May 12, 2014), issued in 1999 for the refinancing of acquisitions carried out in 1998 (AMB, GPA Vie, GPA Iard, Proxima and BSI) and in the early part of 1999 (Caja de Ahorro y Seguro). Substantially unchanged with respect to 1998 were the following loans:

Mediobanca-Flandria (Euro 161,912,000, due on July 1, 2002); Generali Schweiz Holding (Euro 72,235,000, of which Euro 4,343,000 is due on March 9, 2001, and Euro 4,968,000 on September 30, 2002); Euro 235,897.71 due on April 30, 2003) and Generali Holding Vienna (Euro 38,146,000, due on December 31, 2001). The item also includes the residual part of the Société Générale-Generali France Holding loan (Euro 153,999,000 due on September 15, 2002).

### 6.2. Amounts owed to credit institutions (Item G. IV )

Amounts owed to credit institutions amounted to a total of Euro 1,546,439,000 (Euro 1,894,623,000 in 1998). The item includes the following:  
Euro 569,361,000 (due on July 3, 2006) owed to Mediobanca for the acquisition of Banca della Svizzera Italiana by Generali Asset Management;

Euro 287,500,000 refer to two REPO “reverse” contracts stipulated by the Parent Company in 1999. The sum owed by the German holding Generali Asset Management oHG for the acquisition of AMB was paid.

### 6.2 Loans guaranteed by mortgages (Item G. V )

These amount to Euro 262,462,000 of which Euro 259,757,000 are the mortgages of the AMB company ALLWO. Out of this latter amount, Euro

39.736,000 are due within the year, Euro 99,428,000 between one and five years, and 120.593m Euro after five years.

### 6.2 Other financial liabilities (Item G. VI )

These amount to Euro 208,821,000. The most significant sum refers to the operations of Alleanza Investments in the

area of financial instruments (Euro 179,618,000).

### 6.3 Other creditors (Item G. VIII)

(in thousand Euro)	1999
Taxation	682,608
Social security	90,064
Premium taxes	122,592
Creditors relating to the administration of real estate	122,543
Creditors relating to the administration of securities and loans	297,428
Staff	136,761
Suppliers	146,255
Affiliated and associated companies	301,558
Sundry creditors	438,359
<b>Total</b>	<b>2,338,167</b>

No significant amounts are due after the next financial year.

### 6.3 Other liabilities (Item G. IX)

(in thousand Euro)	1999
Commission on premiums in course of collection	156,543
Reinsurance	249,476
Derivatives	97,863
Other liabilities	153,998
<b>Total</b>	<b>657,880</b>

### 6.4 Accruals and deferred income (Item H)

(in thousand Euro)	1999
Accrued interest	83,282
Deferred interest	2,562
Other deferred income	39,297
Other accruals	12,662
Other deferrals	4,517
<b>Total</b>	<b>142,321</b>

## SECTION 7 Guarantees, commitments and other evidence accounts

(in thousand Euro)	1999
Guarantees issued	1,372,456
Guarantees received	1,273,651
Guarantees issued by third parties in the interest of consolidated companies	277,468
Commitments	3,098,889
Securities deposited with third parties	28,730,748
Assets of third parties	401,808
Assets of pension funds managed for third parties	48,959
Other evidence accounts	589,506
<b>Total</b>	<b>35,793,483</b>





## Profit and Loss Account

### SECTION 8 Information on technical accounts

#### 8.1 Breakdown of gross premiums written

##### Life business

(in thousand Euro)	Direct ins.
I. Life assurance	17,547,303
II. Marriage and birth assurance	21,247
III. Assurances as referred to under I. and II. linked to investments funds	4,481,613
IV. Permanent health insurance in the meaning of Art. 1, no. 1 (d) of the EEC Directive No. 79/267	102,189
V. Capital redemption operations	716,504
VI. Management of group pension funds established for the payment of benefits in case of death, in case of life, or in case of total or partial disablement	517,096
<b>Total</b>	<b>23,385,952</b>

##### Non-Life business

(in thousand Euro)	Direct ins.
Accident and health (classes 1 e 2)	3,141,807
Motor, third-party liability (class 10)	3,509,596
Motor, other classes (class 3)	1,488,760
Marine, aviation and transport (classes 4, 5, 6, 7, 11 e 12)	530,150
Fire and other damage to property (classes 8 e 9)	2,746,969
Third-party liability (class 13)	1,040,177
Credit and suretyship (classes 14 e 15)	53,055
Sundry pecuniary losses (class 16)	104,325
Legal expenses (class 17)	240,743
Assistance (class 18)	262,722
<b>Total</b>	<b>13,118,303</b>

Premium income from reinsurance business amounted to Euro 1,308,733,000, that is 3.5% of consolidated gross premiums.

(in thousand Euro)	Reinsurance
Life business	306,493
Non-Life business	1,002,240
<b>Total</b>	<b>1,308,733</b>

In calculating these amounts, intra-group premiums, amounting to Euro 4,171,213,000 (Euro 2,215,060,000 in

Life business and Euro 1,956,153,000 in the Non-Life), were eliminated.

Premiums produced by companies of the Caja group and of the Swiss companies of Secura - consolidated in 1999 - amounted to Euro 908,600 (Euro 416,900 in the life branch and Euro 491,700 in the non-life).

## 8.2 Geographical breakdown of gross premiums written according to countries

The breakdown is set out in the table added to these Notes.

## 8.3 Statement concerning the transfer of allocated investment return from the non-technical account

The investment return allocated to the technical account was determined on the basis of the actual technical interest applied to policy reserves, adding the financial profits attributed to policyholders for the year.

## 8.4 Breakdown of other technical income and other technical charges

Other technical income, net of reinsurance:

(in thousand Euro)	Life	Non-Life	Total
Contingent income on credits from devalued premiums	3,272	508	3,780
Cancellation of reinsurance premiums	-	1,371	1,371
Reversal of commissions on cancelled premiums	1,685	5,325	7,010
Income relating to settlement of claims	19	1,357	1,376
Sundry income	112,033	55,120	167,153
Total	117,010	63,681	180,691

Other technical charges, net of reinsurance:

(in thousand Euro)	Life	Non-Life	Total
Cancellation of premiums written in previous years	5,292	53,097	58,389
Bad debt allowance for premiums due from the insured	942	41,074	42,016
Reversal of commissions on cancelled reinsurance premiums	431	-	431
Charges relating to settlement of claims	-	1,954	1,954
Sundry charges	105,552	87,680	193,233
Total	112,217	183,806	296,023

## SECTION 9 Information on non-technical account

### 9.1 Income from other investments (Item III.3.b.bb.)

(in thousand Euro)	1999
Income from shares in common investments funds	562,345
Income from debt securities and other fixed-income securities	4,691,575
Income from loans	1,651,462
Income from participation in investment pools	618
Income from deposits with credit institutions	198,208
Income from other financial investments	117,877
Income from deposits with ceding companies	21,996
<b>Total</b>	<b>7,244,081</b>

### 9.2 Value re-adjustments on investments (Item III.3.c)

(in thousand Euro)	1999
Land and buildings	45,472
Investments in affiliated companies and other shareholdings	72,373
Other shares and bonds	178,984
Debt securities and other fixed-income securities	102,191
Equities and shares in common investments funds	23,247
Other financial investments	283
<b>Total</b>	<b>422,549</b>

### 9.2 Gains on the realisation of investments (Item III.3.d)

(in thousand Euro)	1999
Land and buildings	36
Investments in affiliated companies and other shareholdings	1,228
Other shares and bonds	2,020,609
Debt securities and other fixed-income securities	413,982
Equities and shares in common investments funds	61,289
Other financial investments	35,197
<b>Total</b>	<b>2,532,342</b>

### 9.3 Investment administration charges, including interest (Item III.4.a)

(in thousand Euro)	1999
Real estate administration expenses	229,821
Interest paid on deposits received from reinsurers	11,197
Investment administration expenses	265,570
<b>Total</b>	<b>506,587</b>

#### 9.4 Value adjustments on investments (Item III.4.b)

(in thousand Euro)	1999
Land and buildings	25,523
Investments in affiliated companies and other shareholdings	18,732
Equities and shares in common investments funds	246,633
Debt securities and other fixed-income securities	187,529
Other financial investments	51,280
Total of value adjustments	529,697
Depreciation on real estate	93,157
Total	622,854

#### 9.4 Losses on the realisation of investments (Item III.4.c)

(in thousand Euro)	1999
Land and buildings	-
Investments in affiliated companies and other shareholdings	9,285
Equities and shares in common investments funds	153,117
Debt securities and other fixed-income securities	274,421
Other financial investments	20,718
Total	457,541

#### 9.5 Other income (Item III.6)

(in thousand Euro)	1999
Interest on bank deposits on demand	22,894
Interest on deposits with ceding companies	7,438
Other interest	54,524
Sundry income	430,399
Exchange differences	395,824
Withdrawals from provisions for risks and charges	60,084
Total	971,163

#### 9.6 Interest on financial liabilities (Item III.7.a)

(in thousand Euro)	1999
Interest on subordinated liabilities	34,383
Interest on bank loans	72,509
Interest on debenture loans	54,550
Interest on other loans	25,591
Total	187,033

The most significant interest referred to the two loans to Generali Finance amounting to a total of Euro 61,406,000.

## 9.6 Sundry charges (Item III.7.b)

(in thousand Euro)	1999
Charges sustained on behalf of third parties	183,118
Exchange differences	170,328
Allocation to provisions for risks and charges	141,071
Other interest	117,057
Sundry taxes	52,725
Amortisation of intangible assets	20,323
Interest on reinsurance current accounts	7,735
Interest on bank accounts	3,308
Sundry charges	306,327
<b>Total</b>	<b>1,001,991</b>

## 9.7 Extraordinary income (Item III.9)

(in thousand Euro)	1999
Gains on the realisation of durable investments:	
Land and buildings	163,909
Investments in affiliated companies and other shareholdings	102,449
Other equities and shares	512,510
Debt securities and other fixed-income securities	163,216
Other financial investments	3,532
<b>Total realised gains</b>	<b>945,616</b>
Earnings from early tax payments in previous years	206,110
Revaluation of investments (foreign companies)	8,659
Other extraordinary income	28,571
<b>Total extraordinary income</b>	<b>1,188,956</b>

## 9.7 Extraordinary charges (Item III.10)

(in thousand Euro)	1999
Losses on the realisation of durable investments:	
Land and buildings	13,928
Investments in affiliated companies and other shareholdings	49,016
Other shares and bonds	14,330
Debt securities and other fixed-income securities	105,979
Other financial investments	1,301
<b>Total realised losses</b>	<b>184,553</b>
Taxes relating to previous years	41,942
Deferred taxes	204,708
Allocation to asset provisions	191,572
Amortisation of goodwill arising on the consolidation of affiliated companies	124,022
Allocation to provisions for risks and charges	30,123
Other extraordinary charges	201,395
<b>Total</b>	<b>978,316</b>

The allocation to asset provisions mainly refer to non-recurrent operations of German companies and consists in the

entering of readjustments carried out on their security portfolios.

## Part D - Other information

### Number of employees of the companies included in consolidation

	Number
Managers	1,802
Employees	39,615
Concierges	210
Others	14,966
Total	56,593

### Emoluments received by the Members of the Board of Directors and of the Board of Auditors of the Parent Company for their appointments in the Parent Company and in other consolidated companies

(in thousand Euro)	1999
Board of Directors	6,386
Board of Auditors	271
Total	6,657

### Information regarding the size and contents of the activity of both consolidated and non-consolidated affiliates which manage financial resources of third parties, acting as trustees, intermediaries or common fund managers

Affiliated companies that manage financial resources for third parties are Prime SpA (Italy), BSI-Banca della Svizzera Italiana (Switzerland) and Jones & Babson (USA).

Prime SpA, a consolidated company, is based in Milan and operates in Italy through two common fund managers, two brokers and an insurer, and abroad through a further two fund managers, a Sicav and a holding. Prime SpA operates in the fund management business by managing common funds, through its fund management

companies, and providing asset management services. As of December 31, 1999, the overall sum managed by Prime amounted to Euro 9,094,290,000, comprising Euro 3,926,105,000 in common investment funds, Euro 2,656,138,000 of asset administration, Euro 2,066,000 in non-contractual funds and Euro 2,509,981,000 of investment advisories for mutual funds and insurance assets. BSI-Banca della Svizzera Italiana, an affiliate that has been accounted for by the equity method, is based in Lugano

and operates in Switzerland through six branches and abroad through four branches, six representative offices and four affiliated banks. BSI's principal activity is asset management and directly related business. At December 31, 1999, BSI's assets amounted to SF8.8bn, and its shareholders' funds to SF726m. At the end of the year, the overall assets under management were

SF38.7bn, while the aggregate net assets of the investment funds reached SF6bn. Jones & Babson, a non-consolidated affiliate, is based in Kansas City (USA) and manages assets for a total of US\$3.9bn. At December 31, 1999, the company's consolidated assets amounted to US\$8.9m and its stockholders' equity totalled US\$6.7m.

**CHANGES IN THE CONSOLIDATION AREA WITH RESPECT TO 1998  
COMPANIES INCLUDED IN CONSOLIDATION  
COMPANIES ACCOUNTED FOR ON EQUITY BASIS  
OTHER AFFILIATED AND ASSOCIATED COMPANIES  
OTHER SIGNIFICANT SHAREHOLDINGS**





## CHANGE IN THE AREA OF CONSOLIDATION WITH RESPECT TO THE PREVIOUS YEAR

Companies included following the acquisition of the Caja de Ahorro y Seguro Group

1. Caja de Seguros de Vida S.A., Buenos Aires
2. Caja de Seguros S.A., Buenos Aires
3. Caja de Seguros de Retiro S.A., Buenos Aires
4. Caja de Ahorro y Seguro S.A., Buenos Aires
5. Instituto De Seguro De Misiones S. A., Posadas - Misiones

Other companies included

*Newly set-up:*

1. Generali Asia N.V., Amsterdam
2. Generali Kent B.V., Amsterdam
3. Alleanza Investments Public Limited Company, Dublino
4. Generali Zycie Towarzystwo Ubezpieczen S.A., Varsavia
5. Generali Towarzystwo Ubezpieczen S.A., Varsavia
6. Generali Pilipinas Life Assurance Co. Inc., Makati City
7. Generali Pilipinas Assurance Co. Inc., Makati City
8. Generali Pilipinas Holding Co. Inc., Makati City

*Started operations:*

1. BCH Seguros Generales S.A., Madrid

Companies merged into other companies

1. Compagnie Continentale d'Assurances S.A. (in Generali France Assurance S.A.), Lione
2. La Lutèce Compagnie d'Assurances contre les risques de toute nature S.A. (in Generali France Assurance S.A.), Lione
3. Proxima S.A. (in La Fédération Continentale), Parigi
4. Compagnie Dakar Saint-Louis S.A. (in GPA-IARD S.A.), Parigi
5. Generali France Participations S.A. (in Generali France Holding S.A.), Eragny sur Oise
6. Generali Köln Holding GmbH (in Generali Asset Management), Colonia
7. Providencia Osztrák-Magyar Biztosító Rt. (in Generali Providencia Biztosító Rt.), Budapest
8. Maoz Insurance Company Ltd. (in Samson Insurance Company Ltd.), Tel Aviv
9. Sela Insurance Company Ltd. (in Samson Insurance Company Ltd.), Tel Aviv

Companies sold

1. DBI Insurance Company Ltd., Bournemouth
2. Northern Star Insurance Company Ltd., Gloucester
3. Covadonga S.A. de Seguros y Reaseguros, Madrid

Companies in course of sale

1. Friuli-Venezia Giulia Assicurazioni "La Carnica" S.p.A., Udine
2. Federation Insurance Company of Canada, Montreal

## COMPANIES INCLUDED IN CONSOLIDATION

- Insurance
- Holding and/or Financial
- Ⓢ Real estate

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %
<b>EUROPEAN UNION</b>						
<b>Italy</b>						
○ Assicurazioni Generali S.p.A.	Trieste	Italian Lira	2,051,747,000,000.00			
○ Aurora Assicurazioni S.p.A.	Milan	Italian Lira	90,500,000,000.00	99.97%		99.97%
○ Alleanza Assicurazioni S.p.A.	Milan	Euro	423,137,762.50	43.61%	assiBa 0.02% Flandria 1.53% Generali España Holding 0.78% Adriavita 0.01% GPA Vie 0.01% AM Leben 0.02% Vofu Leben 0.03% Central Krank. 0.01% Ums Generali Marine 0.01% Navale 0.13% GEFINA - Generali Partecipazioni Finanziarie e Assicurative S.p.A. 0.17%	46.33% (1)
○ Agricoltura Assicurazioni Società Mutua	Milan	Italian Lira	1,500,000,000.00	49.00%	Aurora 51.00%	100.00%
○ Navale Assicurazioni S.p.A.	Ferrara	Italian Lira	21,000,000,000.00	98.17%		98.17%
○ Trieste e Venezia Assicurazioni - Genertel S.p.A.	Trieste	Italian Lira	24,000,000,000.00	100.00%		100.00%
○ La Venezia Assicurazioni S.p.A.	Mogliano Veneto (TV)	Italian Lira	21,937,500,000.00		Alleanza 100.00%	100.00%
○ UMS Generali Marine S.p.A.	Genoa	Italian Lira	22,847,400,000.00	60.16%	Aurora 12.23% GEFINA - Generali Partecipazioni Finanziarie e Assicurative S.p.A. 24.29% Prime 40.00%	96.68%
○ Prime Augusta Vita S.p.A.	Turin	Italian Lira	75,000,000,000.00			40.00%
○ AdriaVita S.p.A.	Trieste	Italian Lira	15,000,000,000.00	51.00%		51.00%
○ assiBa Società di Assicurazioni S.p.A.	Milan	Italian Lira	100,000,000,000.00	50.00%		50.00%
○ Risparmio Assicurazioni S.p.A.	Turin	Italian Lira	10,350,303,600.00	76.92%		76.92%
○ Risparmio Vita Assicurazioni S.p.A.	Turin	Italian Lira	43,000,000,000.00	50.00%		50.00%
○ Casse e Generali Vita S.p.A.	Verona	Italian Lira	30,000,000,000.00	50.00%		50.00%
○ Europ Assistance Italia S.p.A.	Milan	Italian Lira	20,000,000,000.00	26.05%	Europ Assistance Holding S.A. 56.43%	82.48%
□ GEFINA - Generali Partecipazioni Finanziarie e Assicurative S.p.A.	Trieste	Italian Lira	75,000,000,000.00	100.00%		100.00%
□ Prime S.p.A.	Milan	Euro	21,872,500.00	100.00%		100.00%
□ Generali Asset Management S.p.A.	Trieste	Italian Lira	1,000,000,000.00	99.00%	Gefina 1.00%	100.00%
Ⓢ Genimmobil S.p.A.	Trieste	Italian Lira	40,000,000,000.00	100.00%		100.00%
Ⓢ Prunus S.p.A.	Trieste	Italian Lira	22,500,000,000.00	100.00%		100.00%
Ⓢ Immobiliare Diciannove S.p.A.	Trieste	Italian Lira	10,000,000,000.00	100.00%		100.00%
<b>Germany</b>						
○ Generali Lloyd AG (formerly Deutscher Lloyd Lebensversicherung AG)	Munich	German Mark	62,465,225.00	10.46%	AM Epic 12.58% Generali Holding Vienna AG 49.15% Genervest S.A. 5.66% Transocean Holding Corporation 5.70% Redoze Holding N.V. 3.49%	87.04%
○ Dialog Lebensversicherungs-AG	Augsburg	German Mark	4,000,000.00		Generali Lloyd AG 100.00%	100.00%
○ Dialog Versicherungs-AG	Hamburg	German Mark	4,000,000.00		Generali Lloyd AG 100.00%	100.00%
○ Generali Rechtsschutzversicherungs-AG	Munich	German Mark	4,000,000.00		Generali Lloyd AG 100.00%	100.00%
○ Generali Lloyd Versicherungs-AG (formerly Generali Versicherungs-AG)	Munich	German Mark	46,070,000.00		Generali Lloyd AG 96.35% ABG Beteiligungsgesellschaft mbH 3.65%	100.00%
○ Generali Krankenversicherung AG	Munich	German Mark	6,000,000.00	10.00%	Generali Lloyd AG 90.00%	100.00%
○ Generali Lloyd Lebensversicherung AG (formerly Generali Münchener Lebensversicherung AG)	Munich	German Mark	31,284,000.00		Generali Lloyd AG 93.79%	

(1) percentage of votes exercisable at shareholder's general meeting: 54.37

- Insurance
- Holding and/or Financial
- Ⓛ Real estate

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding		Total shareholding %	
					Through	%		
<b>Germany (cont.)</b>						Generali Asset Management	1.42%	
						Adriatica Participations Financières	4.79%	100.00%
○ Futura Lebensversicherung AG	Frankfurt/Main	German Mark	9,000,000.00			Generali Lloyd Versicherungs-AG	100.00%	100.00%
○ AMB Aachener und Münchener Beteiligungs-AG	Aachen	Euro	136,837,004.80	0.63%		Generali Worldwide Insurance	0.93%	
						Generali España Holding	0.40%	
						Fortuna Lebens-Versich.-Gesellschaft	0.75%	
						Generali Belgium S.A.	0.93%	
						Generali Lloyd Lebensversicherung	2.34%	
						La Estrella S.A. de Seg. y Reaseg.	0.93%	
						Generali Beteiligungs-Aktiengesellschaft	0.05%	
						Generali Asset Management-Verbund der Generali	55.48%	
						Generali Verzekeringsgroep N.V.	0.94%	
						Banco Vitalicio de España	1.40%	
						Alleanza	1.87%	
						Generali Asset Management S.p.A.	0.58%	
						Generali Assurances Générales	0.19%	67.42%
○ Aachener und Münchener Lebensversicherung AG	Aachen	Euro	64,790,907.03			Central Krankenversicherung AG	1.02%	
						Volksfürsorge Deutsche Lebensver.	10.07%	
						AMB	85.92%	97.01%
○ Aachener und Münchener Versicherung AG	Aachen	Euro	103,348,859.32			AMB	96.91%	
						Central Krankenversicherung AG	1.40%	98.31%
○ Volksfürsorge Deutsche Lebensversicherung AG	Hamburg	Euro	112,484,214.00			Volksfürsorge Holding AG	100.00%	100.00%
○ Volksfürsorge Deutsche Sachversicherung AG	Hamburg	Euro	78,738,949.70			Volksfürsorge Holding AG	99.90%	99.90%
○ Volksfürsorge Krankenversicherung AG	Hamburg	Euro	1,022,583.76			Central Krankenversicherung AG	50.00%	
						Volksfürsorge Deutsche Sachversich.	50.00%	100.00%
○ Thuringia Versicherungs AG	Munich	German Mark	53,894,254.49			AMB	99.07%	99.07%
○ Central Krankenversicherung AG	Cologne	Euro	28,346,021.83			Aach.und Münch.Lebensversicherung	22.66%	
						AMB	17.76%	
						Volksfürsorge Deutsche Lebensver.	45.90%	
						Carl L. Hildebrand GmbH	13.07%	99.40%
○ Europ Assistance Versicherungs-AG	Munich	German Mark	2,000,000.00			Europ Assistance Holding S.A.	74.90%	
						Generali Lloyd AG	25.00%	99.90%
○ Cosmos Lebensversicherungs-AG	Saarbrücken	Euro	9,203,253.86			AMB	100.00%	100.00%
○ Cosmos Versicherung AG	Saarbrücken	Euro	9,203,253.86			AMB	100.00%	100.00%
○ Cosmos Krankenversicherung AG	Saarbrücken	Euro	1,022,583.76			AMB	100.00%	100.00%
○ SAVAG Saarbrücker Versicherungs-AG	Saarbrücken	German Mark	6,100,000.00			Thuringia Versicherungs AG	100.00%	100.00%
○ AdvoCard Rechtsschutzversicherung AG	Hamburg	Euro	11,248,421.39			Aach.und Münch. Versicherung	33.64%	
						Volksfürsorge Deutsche Sachversich.	50.00%	
						Thuringia Versicherungs AG	16.36%	100.00%
□ BBG Beteiligungsgesellschaft mbH	Munich	German Mark	50,000.00			Generali Lloyd AG	100.00%	100.00%
□ Generali Asset Management Verbund der Generali Beteiligungs- Aktiengesellschaft und weiterer Service-und Management- Gesellschaften mbH für Generali Beteiligungen offene Handelsgesellschaft	Cologne	German Mark	3,778,997,740.00			Generali Group Services & Support GmbH	0.01%	
						Generali Asset Management Support GmbH	0.01%	
						Generali Beteiligungs-AG	99.97%	100.00%
□ ABG Beteiligungsgesellschaft mbH	Munich	German Mark	50,000.00			Interunfall Versicherung AG	100.00%	100.00%
□ Generali Asset Management Support GmbH	Cologne	German Mark	50,000.00	100.00%				100.00%
□ Generali Group Services & Support GmbH	Cologne	German Mark	50,000.00	100.00%				100.00%
□ Generali Beteiligungs-AG	Munich	German Mark	2,390,000,000.00	75.00%		Flandria Participations Financières	25.00%	100.00%
□ AM EPIC GmbH	Aachen	Euro	600,000.00			AMB	100.00%	100.00%
□ Aachener und Münchener Vermögensanlagen und Vermögensverwaltung GmbH	Aachen	German Mark	2,100,000.00			Central Krankenversicherung AG	12.33%	
						Thuringia Versicherungs AG	12.33%	

- Insurance
- Holding and/or Financial
- Ⓛ Real estate

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %
<b>Germany (cont.)</b>						
					Aach.und Münch. Versicherung	28.69%
					Aach.und Münch.Lebensversicherung	32.31%
					AMB	14.34%
					Carl L. Hildebrand GmbH	10.00%
					Aach.und Münch.Lebensversicherung	10.82%
					AMB	79.18%
						100.00%
□	AMFO Verwaltungs- und Beteiligungs-GmbH	Aachen	German Mark	650,000,000.00		
					AdvoCard Rechtsschutzversicherung	10.00%
					Aach.und Münch. Versicherung	16.00%
					Aach.und Münch.Lebensversicherung	30.00%
					Volksfürsorge Deutsche Sachversich.	12.00%
					Central Krankenversicherung AG	10.00%
					Badenia Bausparkasse AG	10.00%
					Thuringia Versicherungs AG	12.00%
					Thuringia Versicherungs AG	26.19%
					AMB	26.19%
					Aach.und Münch. Versicherung	47.62%
					AMB	36.96%
					Central Krankenversicherung AG	1.31%
					AM Vermögen	25.45%
					AMFO Verwaltungs- und Beteiligungs	25.00%
					Aach.und Münch.Lebensversicherung	10.03%
					Volksfürsorge Deutsche Lebensver.	40.00%
					Badenia Bausparkasse AG	12.86%
					Aach.und Münch.Lebensversicherung	46.86%
					Volksfürsorge Holding AG	100.00%
					IRIS Bau	0.02%
					Volksfürsorge Deutsche Lebensver.	99.98%
						100.00%
Ⓛ	ALLWO Allgemeine Wohnungsvermögens-AG	Hannover	German Mark	35,000,000.00		
					Volksfürsorge Deutsche Lebensver.	40.00%
					Badenia Bausparkasse AG	12.86%
					Aach.und Münch.Lebensversicherung	46.86%
					Volksfürsorge Holding AG	100.00%
					IRIS Bau	0.02%
					Volksfürsorge Deutsche Lebensver.	99.98%
						100.00%
Ⓛ	IRIS Bau- und Grundstücksverwaltungs-GmbH	Hamburg	German Mark	1,000,000.00		
Ⓛ	Volksfürsorge Immobilien GmbH & Co. KG	Hamburg	German Mark	220,023,439.00		
					IRIS Bau	0.02%
					Volksfürsorge Deutsche Lebensver.	99.98%
						100.00%
<b>France</b>						
Ⓛ	Generali France Assurances S.A.	Paris	French Franc	257,339,520.00		
					Generali Vie (France) S.A.	19.96%
					Generali France Holding	68.96%
						88.92%
○	La Fédération Continentale Compagnie d'Assurances sur la Vie S.A.	Paris	French Franc	242,690,000.00		
					Generali France Assurances	35.70%
					GPA-Vie	11.41%
					Generali France Holding	52.79%
						99.90%
○	L'Equité Compagnie d'Assurances et de Réassurances contre les risques de toute nature S.A.	Paris	French Franc	64,871,400.00		
					Generali France Holding	49.72%
					Generali France Assurances	50.11%
						99.83%
○	Européenne de Protection Juridique S.A.	Paris	French Franc	14,500,000.00		
					Generali France Holding	99.98%
						99.98%
○	La France Vie Compagnie d'Assurances sur la Vie S.A.	Paris	French Franc	273,650,000.00		
					Generali France Holding	99.99%
						99.99%
○	Generali Vie (France) S.A.	Paris	French Franc	771,390,400.00		
					Generali France Holding	100.00%
						100.00%
○	AM Prudence S.A.	Neuilly-sur-Seine	French Franc	363,864,000.00		
					AMB	100.00%
						100.00%
○	Prudence Vie S.A.	Villepinte	French Franc	37,380,000.00		
					AM Prudence S.A.	99.98%
						99.98%
○	GFA Caraïbes S.A.	Fort-de-France	French Franc	35,887,500.00		
					Generali France Assurances	100.00%
						100.00%
○	Prudence Créole S.A.	Saint-Denis	French Franc	40,200,000.00		
					Generali France Assurances	86.24%
					Generali France Holding	0.01%
						86.25%
○	GPA-Vie S.A.	Paris	French Franc	240,000,000.00		
					Generali France Holding	99.99%
						99.99%
○	GPA-IARD S.A.	Paris	French Franc	84,000,000.00		
					Generali France Holding	99.99%
						99.99%
○	Europ Assistance Holding S.A.	Gennevilliers	French Franc	84,000,000.00		
					Generali France Holding	6.94%
					Generali France Assurances	23.78%
					Generali Vie (France) S.A.	26.92%
						57.64%
○	Europ Assistance France S.A.	Gennevilliers	French Franc	92,250,000.00		
					Europ Assistance Holding S.A.	99.99%
						99.99%
□	Generali France Holding S.A.	Paris	French Franc	661,303,650.00	75.58%	
					Belgica Insurance Holding	24.39%
						99.97%
Ⓛ	La Bêchevillose S.A.	Paris	French Franc	52,930,000.00		
					Generali France Assurances S.A.	22.11%

- Insurance
- Holding and/or Financial
- Ⓛ Real estate

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %		
<b>France (cont.)</b>					La France Vie Comp. d'Assur. sur la Vie	77.88%	99.99%	
<b>Austria</b>	○ Generali Rückversicherung AG	Vienna	Austrian Schilling	121,000,000.00	99.99%		99.99%	
	○ Generali Holding Vienna AG	Vienna	Euro	55,958,242.19	0.84%	Generali France Assurances S.A.	2.65%	
					Generali Finance B.V.	11.78%		
					Belgica Insurance Holding	10.74%		
					Generali Assurances Générales	0.36%		
					Generali Rückversicherung AG	26.44%		
					Gefina International Ltd.	0.08%		
					Gefina	0.03%		
					Transocean Holding Corporation	35.29%	88.22%	
	○ Europäische Reiseversicherungs-AG	Vienna	Austrian Schilling	10,000,000.00		Generali Holding Vienna AG	74.99%	74.99%
	○ Generali Versicherungs-AG (formerly Erste Allgemeine Versicherungs-AG)	Vienna	Austrian Schilling	341,731,500.00		Generali Rückversicherung AG	12.21%	
					Generali Holding Vienna AG	87.78%	99.99%	
	○ Interunfall Versicherung AG	Vienna	Austrian Schilling	300,000,000.00		Generali Asset Management	2.83%	
					Redoze Holding N.V.	16.03%		
					Belgica Insurance Holding	0.05%		
					Generali Holding Vienna AG	67.48%	86.39%	
<b>Spain</b>	○ Banco Vitalicio de España Compañía Anónima de Seguros y Reaseguros	Barcelona	Peseta	4,348,377,000.00		Generali Finance B.V.	13.42%	
					Generali España Holding	60.15%	73.57%	
	○ La Estrella S.A. de Seguros y Reaseguros	Madrid	Peseta	5,208,761,000.00	41.80%	Generali España Holding	58.01%	99.81%
	○ BCH Vida. S.A. de Seguros y Reaseguros (formerly Central Hispano Vida S.A. de Seguros y Reaseguros)	Madrid	Peseta	1,850,000,000.00		Generali España Holding	49.00%	49.00%
	○ BCH Seguros Generales S.A.	Madrid	Peseta	1,500,000,000.00		Generali España Holding	49.00%	49.00%
	○ Europ Assistance España S.A. de Seguros y Reaseguros	Madrid	Peseta	600,000,000.00		Europ Assistance Holding S.A.	95.00%	
					Banco Vitalicio de España	5.00%	100.00%	
	□ Generali España Holding de Entidades de Seguros S.A.	Madrid	Peseta	93,758,845,000.00	80.86%	Generali Finance B.V.	19.14%	100.00%
<b>United Kingdom</b>	○ Europ Assistance Insurance Ltd.	Haywards Heath	Pound Sterling	1,250,000.00		Europ Assistance Holdings Ltd.	100.00%	100.00%
	□ Europ Assistance Holdings Ltd.	Haywards Heath	Pound Sterling	600,000.00		Europ Assistance Holding S.A.	80.00%	80.00%
<b>Belgium</b>	○ Generali Belgium S.A.	Bruxelles	Belgian Franc	1,599,999,999.92	32.29%	Genass Invest S.A.	5.34%	
					Generali Belgium Holding	31.52%		
					Flandria	3.80%		
					Generali Finance B.V.	25.19%	98.15%	
	○ Europaea-Assurance Protection Juridique S.A.	Bruxelles	Belgian Franc	30,000,000.00		Generali Belgium S.A.	99.97%	
					Generali Belgium Invest S.A.	0.03%	100.00%	
	○ Europ Assistance (Belgium) S.A.	Bruxelles	Belgian Franc	242,500,000.00		Europ Assistance Holding S.A.	99.99%	99.99%
	□ Generali Belgium Holding S.A.	Bruxelles	Belgian Franc	4,250,000,000.00	55.00%	Generali Fianace B.V.	45.00%	100.00%
	□ Belgica Insurance Holding S.A.	Bruxelles	Belgian Franc	300,000,000.00		Participatie Maatschappij Graafschap Holland	100.00%	100.00%
	□ GEPAFI-Generali Participation Financière S.A.	Bruxelles	Belgian Franc	49,500,000.00		Generali Lloyd AG	100.00%	100.00%
	□ Adriatica Participations Financières S.A.	Bruxelles	Belgian Franc	46,000,000.00		GEPAFI-Gen.Partic.Financière	100.00%	100.00%
	□ Flandria Participations Financières S.A.	Bruxelles	Belgian Franc	709,700,000.00	100.00%			100.00%
	□ Genervest S.A.	Bruxelles	Belgian Franc	25,000,000.00	100.00%			100.00%
	□ Genass Invest S.A.	Bruxelles	Belgian Franc	1,904,737,000.00		Generali Levensverz.Maatschappij	26.50%	
					Beleggingsmaatschappij De Grachten B.V.	25.00%		
					BV Beleggingsmaatschappij Nedasinvest	48.50%	100.00%	
<b>Netherlands</b>	○ Generali Levensverzekering Maatschappij NV	Amsterdam	Dutch Guilder	5,000,000.00		Generali Verzekeringsgroep	100.00%	100.00%
	○ NV Schadeverzekering Maatschappij de Nederlanden van 1870	Amsterdam	Dutch Guilder	7,000,000.00		Generali Verzekeringsgroep	100.00%	100.00%
	○ NV Levensverzekering Maatschappij Eerste Hollandsche	Amsterdam	Dutch Guilder	750,000.00		Generali Verzekeringsgroep	100.00%	100.00%

- Insurance
- Holding and/or Financial
- Ⓛ Real estate

		Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding		Total shareholding %	
						Through	%		
<b>Netherlands (cont.)</b>	○	NV Schadeverzekering Maatschappij Eerste Hollandsche	Amsterdam	Dutch Guilder	4,500,000.00		Generali Verzekeringsgroep	100.00%	100.00%
	○	Generali Schadeverzekering Maatschappij NV	Amsterdam	Dutch Guilder	3,000,000.00		Generali Verzekeringsgroep	100.00%	100.00%
	□	Participatie Maatschappij Graafschap Holland N.V.	Amsterdam	Euro	343,811,130.00	74.96%	Gefina	25.04%	100.00%
	□	Generali Verzekeringsgroep N.V.	Amsterdam	Dutch Guilder	12,219,800.00	12.75%	BV Algemene Holding en Financ.Maatschappij	18.17%	
							Generali Finance B.V.	36.46%	
							Transocean Holding Corporation	31.17%	98.54%
	□	BV Algemene Holding en Financierings Maatschappij	Diemen	Dutch Guilder	10,350,000.00		Generali Holding Vienna AG	100.00%	100.00%
	□	Beleggingsmaatschappij De Grachten B.V.	Diemen	Dutch Guilder	6,000,000.00		Generali Verzekeringsgroep	100.00%	100.00%
	□	BV Beleggingsmaatschappij Nedasinvest	Amsterdam	Dutch Guilder	45,000,000.00		Generali Verzekeringsgroep	100.00%	100.00%
	□	Participatie Maatschappij Transhol B.V.	Amsterdam	Dutch Guilder	3,600,000.00		Transocean Holding Corporation	100.00%	100.00%
	□	Generali Finance B.V.	Amsterdam	Dutch Guilder	485,000,000.00		Belgica Insurance Holding	40.00%	
							Participatie Maatschappij Graafschap Holland	60.00%	100.00%
	□	Redoze Holding N.V.	Amsterdam	Dutch Guilder	50,000,000.00	6.02%	Participatie Maatschappij Graafschap Holland	10.57%	
							Transocean Holding Corporation	43.97%	
						Generali Finance B.V.	39.44%	100.00%	
□	Generali Asia N.V.	Amsterdam	Euro	50,000.00		Generali Finance B.V.	60.00%	60.00%	
□	Generali Kent B.V.	Amsterdam	Euro	20,000.00		Participatie Maatschappij Graafschap Holland	50.00%	50.00%	
<b>Eire</b>	○	Volksfürsorge Reinsurance Company Ltd.	Dublin	German Mark	20,000,000.00		Derwenddale	100.00%	100.00%
	○	Cosmos Reinsurance Company Ltd.	Dublin	German Mark	20,000,000.00		AMB	100.00%	100.00%
	□	Derwenddale Company Ltd.	Dublin	Euro	65,200,000.00		Volksfürsorge Holding AG	90.00%	
							Volksfürsorge Deutsche Sachversicherung	10.00%	100.00%
	□	Eaglesdale Company Ltd.	Dublin	Euro	18,000,000.00		Derwenddale	100.00%	100.00%
	□	Diamante Company Ltd.	Dublin	German Mark	23,553,255.00		AMB	100.00%	100.00%
	□	Alleanza Investments Public Limited Company	Dublin	Euro	40,000.00		Alleanza Assicurazioni S.p.A.	99.85%	
							La Venezia Assicurazioni S.p.A.	0.03%	
							Timavo Vita S.p.A.	0.03%	
							Agricola S. Giorio S.p.A.	0.02%	
						Finagen S.p.A.	0.02%		
						Torcello S.r.l.	0.02%	99.97%	
<b>Greece</b>	○	Generali Life - Hellenic Insurance Company A.E.	Atene	Dracme	3,000,000,000.00	99.97%	Generali Hellas A.E. Asfaliseon Zimion	0.03%	100.00%
	○	Generali Hellas A.E. Asfaliseon Zimion	Atene	Dracme	4,609,000,000.00	99.22%	Generali Life - Hellenic Insurance Comp.	0.78%	100.00%
<b>Luxemburg</b>	○	Generali Luxembourg S.A. Compagnie Luxembourgeoise d' Assurances	Luxembourg	Luxembourg Franc	300,000,000.00		Generali Belgium Invest S.A.	1.00%	
						Generali Belgium S.A.	99.00%	100.00%	
	○	Europ Assistance Luxembourg	Luxembourg	Euro	380,000.00		Europ Assistance Holding S.A.	51.00%	51.00%
<b>Portugal</b>	○	Generali Vida Companhia de Seguros S.A.	Lisbon	Escudo	1,800,000,000.00	99.98%			99.98%
	○	Europ Assistance Companhia Portuguesa de Seguros de Assistência. S.A.	Lisbon	Escudo	1,000,000,000.00		Europ Assistance Holding S.A.	52.99%	52.99%
<b>EUROPE OUTSIDE EU</b>									
<b>Switzerland</b>	○	Generali Assurances Generales	Geneva	Swiss Franc	19,500,000.00		Generali (Schweiz) Holding	99.92%	99.92%
	○	Generali Personenversicherungen AG	St. Gallen	Swiss Franc	33,300,000.00		Generali (Schweiz) Holding	38.39%	
						Fortuna Lebens-Versich.-Gesellschaft	16.06%		
						Generali Assurances Generales	44.82%	99.27%	
○	Fortuna Lebens-Versicherungs-Gesellschaft	Adliswil	Swiss Franc	12,350,000.00		Generali (Schweiz) Holding	100.00%	100.00%	
○	Fortuna Rechtsschutz-Versicherungs-Gesellschaft	Adliswil	Swiss Franc	2,000,000.00		Generali (Schweiz) Holding	100.00%	100.00%	
□	Albula Verwaltungs- und Beteiligungs-AG	Chur	Swiss Franc	1,800,000.00	84.03%	Generali Assurances Générales	15.97%	100.00%	
□	Holdux Beteiligungsgesellschaft	Basel	Swiss Franc	39,000,000.00		Generali Holding Vienna AG	100.00%	100.00%	
□	Generali (Schweiz) Holding	Adliswil	Swiss Franc	115,186,700.00	20.75%	Generali Finance B.V.	6.85%		
						Redoze Holding N.V.	28.55%		

- Insurance
- Holding and/or Financial
- ① Real estate

		Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through	%	Total shareholding %
<b>Switzerland (cont.)</b>						Generali Assurances Générales	0.02%	
						Familia Leben	0.05%	
						Fortuna Lebens-Versicherungs-Gesellschaft	3.66%	
						Albula Verwaltungs- und Beteiligungs-AG	7.00%	
						Fortuna Lebens-Versicherung AG	0.01%	66.89% (2)
<b>Guernsey</b>	○	Generali Worldwide Insurance Company Ltd.	St. Peter Port	Euro	13,387,596.00	Participatie Maatschappij Graafschap Holland	100.00%	100.00%
	○	Generali International Ltd.	St. Peter Port	Euro	13,938,210.00	Generali Worldwide Insurance	100.00%	100.00%
	□	Gefina International Ltd.	St. Peter Port	US Dollar	3,000,000.00	Generali Worldwide Insurance	100.00%	100.00%
<b>Liechtenstein</b>	○	Fortuna Lebens-Versicherung AG	Vaduz	Swiss Franc	5,000,000.00	Generali (Schweiz) Holding	100.00%	100.00%
<b>Hungary</b>	○	Generali Providencia Biztosító Rt.	Budapest	Forint	1,500,000,000.00	Generali Holding Vienna AG	86.67%	86.67%
	○	Európai Utazási Biztosító Rt.	Budapest	Forint	400,000,000.00	GEN-EA Befektetési és Tanácsadó Kft.	33.00%	
						Europäische Reiseversicherungs	13.00%	
	□	GEN-EA Befektetési és Tanácsadó Kft.	Budapest	Forint	323,374,765.00	Generali Providencia Biztosító Rt.	28.00%	74.00%
						Generali Holding Vienna AG	100.00%	100.00%
<b>Poland</b>	○	Generali Zycie Tow U	Warsaw	Zloty	20,000,000.00	Generali Holding Vienna AG	100.00%	100.00%
	○	Generali Towarzystwo U	Warsaw	Zloty	20,000,000.00	Generali Holding Vienna AG	100.00%	100.00%
<b>Czech Republic</b>	○	Generali Pojistovna a.s.	Prague	Czech Koruna	410,000,000.00	Generali Holding Vienna AG	100.00%	100.00%
<b>Slovak Republic</b>	○	Generali Poistovna a.s.	Bratislava	Slovak Crown	145,000,000.00	Generali Holding Vienna AG	100.00%	100.00%
<b>Romania</b>	○	Generala Asigurari S.A.	Bucarest	Lei	19,770,660,000.00	Generali Holding Vienna AG	70.13%	70.13%
<b>Slovenia</b>	○	Generali SKB Zavarovalnica d.d.	Ljubljana	Tolar	2,673,036,000.00	Generali Holding Vienna AG	50.00%	
						Interunfall Versicherung AG	25.00%	75.00%
<b>Turkey</b>	○	Generali Sigorta A.S.	Istanbul	Turkish Lira	900,000,000,000.00	Participatie Maatschappij Graafschap Holland	92.58%	92.58%
<b>OTHER COUNTRIES</b>								
<b>U.S.A.</b>	○	Business Men's Assurance Company of America	Kansas City, MO	US Dollar	12,000,000.00	Generali Finance B.V.	100.00%	100.00%
	□	Transocean Holding Corporation	New York	US Dollar	4,980,600.00	Gefina	100.00%	100.00%
<b>Argentina</b>	○	Generali Argentina Compañía de Seguros Patrimoniales S.A.	Buenos Aires	Argentinian Peso	10,000,000.00		100.00%	100.00%
	○	Generar Compañía de Seguro de Retiro S.A. (formerly Providencia Compañía de Seguro de Retiro S.A.)	Buenos Aires	Argentinian Peso	3,300,000.00	Euroholding S.A.	99.97%	99.98%
	○	Generali Argentina Vida Compañía de Seguros de Vida S.A.	Buenos Aires	Argentinian Peso	4,850,000.00		99.99%	99.99%
	○	Providencia Compañía de Seguros de Vida S.A.	Buenos Aires	Argentinian Peso	3,600,000.00	Euroholding S.A.	99.97%	99.98%
	○	Caja Seguros de Vida	Buenos Aires	Argentinian Peso	73,300,000.00	Caja de Ahorro y Seguro S.A.	99.00%	99.00%
	○	Caja Seguros	Buenos Aires	Argentinian Peso	56,000,000.00	Caja de Ahorro y Seguro S.A.	99.00%	99.00%
	○	Caja de Seguro de Retiro	Misiones	Argentinian Peso	2,456,000.00	Caja de Seguros de Vida S.A.	98.34%	
						Banco Caja de Ahorro	1.66%	100.00%
	○	Instituto De Seguro de Misiones S. A.	Buenos Aires	Argentinian Peso	750,000.00	Caja de Seguros de Vida S.A.	89.96%	
						Caja de Seguros S.A.	9.99%	99.95%
	□	Euroholding S.A.	Buenos Aires	Argentinian Peso	23,500,000.00		75.00%	75.00%
	□	Caja de Ahorro y Seguro	Buenos Aires	Argentinian Peso	143,575,000.00	Gefina	32.50%	32.50%
<b>Brazil</b>	○	Generali do Brasil Companhia Nacional de Seguros	Rio de Janeiro	Real	63,997,165.00	Gefina	10.19%	
						Transocean do Brasil Particip.	89.32%	99.51%

(2) percentage of votes exercisable at shareholder's general meeting: 65.60%



- Insurance
- Holding and/or Financial
- Ⓛ Real estate

		Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding		Total shareholding %	
						Through	%		
<b>Brazil (cont.)</b>	□	Transocean do Brasil Participações S.A.	Rio de Janeiro	Real	157,731,022.00		Gefina	99.99%	100.00%
							Transocean Holding Corporation	0.01%	
<b>Colombia</b>	○	Generali Colombia Vida - Compañía de Seguros S.A.	Bogotá	Colombian Peso	1,562,274,000.00		Transocean Holding Corporation	16.16%	99.81%
							Generali Colombia Seguros	68.28%	
	○	Generali Colombia Seguros Generales S.A.	Bogotá	Colombian Peso	8,651,175,750.00	79.50%	Gefina	15.37%	86.26%
							Transocean Holding Corporation	2.32%	
<b>Ecuador</b>	○	La Nacional Compañía de Seguros S.A.	Guayaquil	Sucres	13,200,000,000.00	6.03%	Gefina	45.34%	51.37%
<b>Guatemala</b>	○	Aseguradora General S.A.	Guatemala	Quetzal	10,000,000.00	41.97%	Gefina	9.03%	51.00%
<b>Mexico</b>	○	Generali México Compañía de Seguros S.A.	Mexico	Mexican Peso	87,300,000.00	48.60%	Transocean Holding Corporation	51.24%	99.84%
							Seguros Banorte Generali S.A. de C.V.	24.50%	
	○	Pensiones Banorte Generali S.A. de C.V.	Monterrey	Mexican Peso	45,000,000.00	76,600,000.00	Participatie Maatschappij Graafschap Holland	24.50%	49.00%
							Belgica Insurance Holding	24.50%	
<b>Peru</b>	○	Generali Perú Compañía de Seguros y Reaseguros S.A.	Lima	New sol	84,877,360.00	68.25%	Belgica Insurance Holding	24.50%	49.00%
<b>Israel</b>	○	Migdal Insurance Company Ltd.	Tel Aviv	Shekel	174,094,384.70		Leumi Insurance Holdings	100.00%	100.00%
							Hamagen Insurance Company Ltd.	100.00%	
	○	Samson Insurance Company Ltd.	Tel Aviv	Shekel	86,682,600.00		Migdal Insurance Company	100.00%	100.00%
							Leumi Insurance Holdings Ltd.	36.96%	
	□	Migdal Eshkol Finances Ltd.	Tel Aviv	Shekel	447,518.00		Participatie Maatschappij Graafschap Holland	26.11%	64.06%
							Migdal Insurance Company	100.00%	
<b>Filippine</b>		Generali Pilipinas Life.	Makati City	Peso	250,000,000.00		Generali Pilipinas Holding Co. Inc.	99.99%	99.99%
		Generali Pilipinas Ins. Co. Inc.	Makati City	Peso	250,000,000.00		Generali Pilipinas Holding Co. Inc.	99.99%	99.99%
		Generali Pilipinas Holding Co. Inc.	Makati City	Peso	100,000,000.00		Generali Asia	59.99%	59.99%

## COMPANIES ACCOUNTED FOR ON EQUITY BASIS

### A) AFFILIATED COMPANIES

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %
<b>EUROPEAN UNION</b>						
<b>Italy</b>	GENAGRICOLA Generali Agricoltura S.p.A.	Trieste	Italian Lira	123,000,000,000.00	100.00%	100.00%
	Finagen S.p.A.	Venice	Italian Lira	53,766,850,000.00		100.00%
	Banca Generali S.p.A.	Trieste	Italian Lira	80,000,000,000.00	90.00%	90.00%
	Primegest S.p.A.	Milan	Euro	8,840,000.00	Prime	100.00%
	Prime Consult S.I.M. S.p.A.	Milan	Euro	13,000,000.00	Prime	80.00%
	Prime Investment Management S.I.M. S.p.A.	Milan	Euro	10,400,000.00	Prime	100.00%
<b>Germany</b>	DBS Deutsche Bausparkasse AG	Darmstadt	German Mark	9,700,000.00	Badenia Bausparkasse AG	91.18%
	Badenia Bausparkasse AG	Karlsruhe	Euro	39,880,766.64	Volksfürsorge Deutsche Lebensver.	31.75%
					AMB	68.24%
						99.99%
<b>EUROPE OUTSIDE EU</b>						
<b>Switzerland</b>	Fortuna Investment AG	Adliswil	Swiss Franc	1,000,000.00	Generali (Schweiz) Holding	100.00%
	BSI-Banca della Svizzera Italiana	Lugano	Swiss Franc	290,000,000.00	Generali Asset Management S.p.A.	100.00%
	Fortuna Versicherungsberatung und Services AG	Adliswil	Swiss Franc	25,000,000.00	Generali (Schweiz) Holding	100.00%
<b>OTHER COUNTRIES</b>						
<b>Argentina</b>	GENERAR Administradora de Fondos de Jubilaciones y Pensiones S.A.	Buenos Aires	Argentinian Peso	12,000,000.00	Euroholding S.A.	99.99%
	Banco Caja Ahorro	Buenos Aires	Argentinian Peso	60,000,000.00	Caja de Ahorro y Seguro S.A.	99.74%
						99.74%
<b>Mexico</b>	Sólida Banorte Generali S.A. de C.V. Administradora de Fondos Para el Retiro	Monterrey	Mexican Peso	535,000,000.00	Belgica Insurance Holding Participatie Maatschappij Graafschap Holland	24.50%
						24.50%
						49.00%

## B) ASSOCIATED COMPANIES

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %
<b>EUROPEAN UNION</b>						
<b>Italy</b>	Banca Intesa S.p.A.	Milan	Italian Lira	5,405,738,610,000.00	1.18%	Alleanza 3.16%
						Aurora 0.02%
						Prime Augusta Vita S.p.A. 0.03%
						Generali France Assurances 0.65%
						Aachener und Münchener Lebenver. 0.01%
						Volksfürsorge Deutsche Lebensver. 0.02%
						Generali Versicherungs-AG 0.03%
						Interunfall Versicherung AG 0.01%
						5.11% (4)
	Premuda S.p.A.	Trieste	Italian Lira	87,226,998,300.00	12.89%	12.89% (5)
	Telit Mobile Terminals S.p.A.	Trieste	Italian Lira	177,284,000,000.00	2.19%	Belgica Insurance Holding 19.77%
						21.96% (6)
<b>Germany</b>	Deutsche Vermögensberatung AG DVAG	Frankfurt/Main	German Mark	150,000,000.00		AMB 49.99%
						49.99%
<b>Austria</b>	Drei-Banken Versicherungs-AG	Linz	Austrian Schilling	100,000,000.00		Generali Holding Vienna AG 20.00%
	3 Banken-Generali Investment GmbH	Vienna	Austrian Schilling	35,000,000.00		Generali Holding Vienna AG 48.57%
	Bank für Tirol und Voralberg AG	Innsbruck	Austrian Schilling	470,000,000.00		Generali Versicherungs-AG 13.60%
	Bank für Kärnten und Steiermark AG	Klagenfurt	Austrian Schilling	450,000,000.00		Generali Versicherungs-AG 7.44%
						7.44% (8)
<b>Spain</b>	BCH Pensiones. S.A.. Entidad Gestora de Fondos de Pensiones	Madrid	Peseta	936,000,000.00		Generali España Holding 49.00%
						49.00%

(4) percentage of votes exercisable at shareholder's general meeting: 7.48

(5) percentage of votes exercisable at shareholder's general meeting: 12.95

(6) percentage of votes exercisable at shareholder's general meeting: 22.21

(7) percentage of votes exercisable at shareholder's general meeting: 15.22

(8) percentage of votes exercisable at shareholder's general meeting: 7.98

## OTHER AFFILIATED AND ASSOCIATED COMPANIES

### A) AFFILIATED COMPANIES

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Through	Indirect shareholding %	Total shareholding %
<b>EUROPEAN UNION</b>							
<b>Italy</b>							
	Friuli-Venezia Giulia Assicurazioni "La Carnica" S.p.A.	Udine	Italian Lira	10,000,000,000.00	62.15%		62.15%
	Timavo Vita S.p.A.	Trieste	Italian Lira	250,000,000.00	40.00%	Alleanza	100.00%
	Europ Assistance Service S.p.A.	Milan	Italian Lira	5,250,000,000.00		Gefina	0.02%
						Europ Assistance Italy	99.98%
	Europ Assistance Trade S.p.A.	Milan	Italian Lira	230,000,000.00		Europ Assistance Italy	91.56%
						Europ Assistance Service	8.44%
							100.00%
	Medital Assistance S.p.A.	Rome	Italian Lira	2,500,000,000.00		Europ Assistance Trade	67.00%
	Medital Service S.r.l.	Rome	Italian Lira	350,000,000.00		Medital Assistance	100.00%
							100.00%
	Immobiliare Timavo S.p.A. (formerly Timavo Assicurazioni S.p.A.)	Trieste	Italian Lira	250,000,000.00	90.00%	Gefina	10.00%
	Agricola San Giorgio S.p.A.	Trieste	Italian Lira	33,000,000,000.00		Alleanza	100.00%
	Agrozooferma S.p.A.	Mortegliano (UD)	Italian Lira	510,000,000.00		Genagricola	100.00%
	Sementi Dotto S.p.A.	Mortegliano (UD)	Italian Lira	3,500,000,000.00		Genagricola	100.00%
	Dom Sementi S.r.l.	Verona	Italian Lira	200,000,000.00		Genagricola	100.00%
	Casaleto S.r.l.	Trieste	Italian Lira	3,800,000,000.00		Genagricola	100.00%
	Fondi Alleanza S.p.A.	Milan	Italian Lira	10,000,000,000.00		Alleanza	100.00%
	G.G.I. - Gruppo Generali Immobiliare S.p.A.	Trieste	Italian Lira	1,500,000,000.00	60.00%	Aurora	5.00%
						Alleanza	35.00%
							100.00%
	Sogeda Finanziaria S.r.l.	Padua	Italian Lira	50,000,000.00		Gefina	100.00%
	Sodiges S.r.l.	Milan	Italian Lira	90,000,000.00	100.00%		100.00%
	Altinia S.p.A. - S.I.M.	Mogliano Veneto (TV)	Italian Lira	8,000,000,000.00		La Venezia Assicurazioni	100.00%
	Assiba Distribuzione S.r.l.	Milan	Italian Lira	20,000,000.00		assiBa	100.00%
	Iriana S.p.A.	Milan	Italian Lira	200,000,000.00	50.00%	Gefina	50.00%
	Torcello S.r.l.	Mogliano Veneto (TV)	Italian Lira	20,000,000.00		La Venezia Assicurazioni	100.00%
	Generali Servizi S.r.l.	Mogliano Veneto (TV)	Italian Lira	20,000,000.00	100.00%		100.00%
	BSI Finanziaria S.p.A.	Milan	Italian Lira	20,000,000,000.00		BSI-Banca della Svizzera Italiana	100.00%
	BSI S.I.M. S.p.A.	Milan	Italian Lira	10,000,000,000.00		BSI Finanziaria S.p.A.	100.00%
	Fidar S.I.M. S.p.A.	Milan	Italian Lira	2,000,000,000.00		BSI Finanziaria S.p.A.	100.00%
	Capitol Fashion Center S.r.l.	Milan	Italian Lira	20,000,000.00	100.00%		100.00%
	GENAM Società di Gestione del Risparmio	Trieste	Euro	5,200,000.00	99.00%	Generali Asset Management S.p.A.	1.00%
	Miramar Vita S.p.A.	Trieste	Euro	104,000.00	99.00%	Gefina	1.00%
	Rivo Alto Vita S.p.A.	Trieste	Euro	104,000.00	99.00%	Gefina	1.00%
	San Martino S.p.A.	Trieste	Italian Lira	200,000,000.00	90.00%	Gefina	10.00%
							100.00%
<b>Germany</b>							
	EA Einsatzbetreuungs- und Auslandsdienste GmbH	Munich	German Mark	50,000.00		Europ Assistance Versicherungs	100.00%
	BGV Beteiligungsgesellschaft für Versicherungsagenturen mbH	Munich	German Mark	1,000,000.00		Generali Lloyd AG	100.00%
	Lloyd-Immobilien GmbH	Munich	German Mark	400,000.00		Generali Lloyd AG	100.00%
	DBS-Eigenheimbau GmbH	Darmstadt	German Mark	500,000.00		DBS Deutsche Bausparkasse AG	100.00%
	Immobilien GmbH	Frankfurt	Euro	2,100,000.00		AMB	100.00%
	DELOS Deutscher Lloyd Schulungszentrum GmbH	Munich	German Mark	50,000.00		Generali Lloyd AG	100.00%
	General Global Risk Consulting München GmbH (ex Ingenieur Beratungsgesellschaft zur Risiko- und Schadensminderung mbH)	Munich	German Mark	120,000.00		Generali Lloyd AG	100.00%
	Versicherungs-Planer-Vermittlungs-GmbH	Munich	German Mark	50,000.00		BGV Beteiligungsgesellschaft für Versicherungsagenturen	100.00%
							100.00%
	IV Verwaltungsgesellschaft für Versicherungen mbH	Munich	German Mark	50,000.00		BGV Beteiligungsgesellschaft für Versicherungsagenturen	100.00%
							100.00%
	Walter Sohn GmbH	Munich	German Mark	50,000.00		BGV Beteiligungsgesellschaft für Versicherungsagenturen	100.00%
							100.00%
	Otto Jass Versicherungen GmbH	Berlin	German Mark	60,000.00		BGV Beteiligungsgesellschaft für Versicherungsagenturen	100.00%
							100.00%
	MLV Münchener Leben Vermögensanlage- und Vermittlungs-GmbH	Munich	German Mark	100,000.00		Generali Versicherungs-AG	100.00%
	EA-Generali Management-Consulting AG	Munich	German Mark	100,000.00		Generali Holding Vienna AG	100.00%

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding		Total shareholding %
					Through	%	
<b>Germany (cont.)</b>							
Futura Service Gesellschaft für Versicherungs-Marketing und Versicherungs-Dienstleistungen mbH	Frankfurt/Main	German Mark	50,000.00		Generali Lloyd Versicherungs-AG	100.00%	100.00%
Futura Informatik Gesellschaft für EDV-Dienstleistungen mbH	Frankfurt/Main	German Mark	50,000.00		Generali Lloyd Versicherungs-AG	100.00%	100.00%
SAI Group International Deutschland GmbH	Frankfurt/Main	German Mark	50,000.00		Fortuna Versicherungsberatung und Services	100.00%	100.00%
Generali Finanz Service GmbH	Unterföhring	German Mark	50,000.00		BGV Beteiligungsgesellschaft für Versicherungsagenturen	70.00%	70.00%
Generali Vermögens- und Immobilienverwaltungs-AG	Munich	German Mark	1,000,000.00		Generali Lloyd AG	100.00%	100.00%
Generali Verwaltungs-Service AG	Munich	German Mark	1,000,000.00		Generali Lloyd AG	100.00%	100.00%
Süddeutscher-Finanzservice Management mbH	Unterföhring	German Mark	50,000.00		BGV Beteiligungsgesellschaft für Versicherungsagenturen	50.40%	50.40%
Axel Peter Reinold GmbH	Heidelberg	German Mark	50,000.00		BGV Beteiligungsgesellschaft für Versicherungsagenturen	100.00%	100.00%
APPI Gesellschaft für die Vermittlung von möblierten Appartements Geschäftsführungs GmbH	Frankfurt/Main	German Mark	50,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%
Blumenauer Beteiligungen SN Geschäftsführungs GmbH	Schwerin	German Mark	50,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%
TIVO Taunusbau und Immobilien Vermittlungsorganisation GmbH	Kronberg/Taunus	German Mark	50,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%
Blumenauer Beteiligungen Verwaltungsgesellschaft mbH	Frankfurt	German Mark	50,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%
Blumenauer L GmbH	Leipzig		50,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%
Blumenauer GmbH & Co.	Berlin	German Mark	20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	75.00%	75.00%
Blumenauer GmbH & Co.	Dresde	German Mark	20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	75.00%	75.00%
Blumenauer GmbH & Co.	Düsseldorf	German Mark	30,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	75.00%	75.00%
Blumenauer GmbH & Co.	Erfurt	German Mark	20,000.00		Blumenauer Gründungs- und Betreuungs	75.00%	75.00%
Blumenauer GmbH & Co.	Hamburg	German Mark	20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	87.50%	87.50%
Blumenauer GmbH & Co.	Hannover	Euro	20,000.00		Blumenauer Gründungs- und Betreuungs	75.00%	75.00%
Blumenauer GmbH & Co.	Cologne	German Mark	20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	75.00%	75.00%
Blumenauer GmbH & Co.	Leipzig		20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	75.00%	75.00%
Blumenauer GmbH & Co.	Mannheim	German Mark	20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	95.00%	95.00%
Blumenauer GmbH & Co.	Nuremberg	German Mark	20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	90.00%	90.00%
Blumenauer GmbH & Co.	Stuttgard	German Mark	20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	88.50%	88.50%
Blumenauer GmbH & Co.	Wiesbaden	German Mark	20,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	75.00%	75.00%
Blumenauer Gründungs- und Betreuungs-GmbH	Frankfurt	German Mark	66,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%
Blumenauer Immobilien Bewirtschaftung GmbH & Co.	Wiesbaden	German Mark	20,000.00		Blumenauer Gründungs- und Betreuungs	100.00%	100.00%
Blumenauer Immobilien Bewirtschaftung Geschäftsführungs GmbH	Wiesbaden	German Mark	50,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%
Blumenauer Verwaltungs-GmbH	Munich	German Mark	50,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%
H.J. Blumenauer B Geschäftsführungs GmbH	Berlin	German Mark	50,000.00		Holding der Firmengruppe H.J.Blumenhauer Immobilien	100.00%	100.00%

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %
<b>Germany (cont.)</b>	H.J. Blumenauer DD Geschäftsführungs GmbH	Dresde	German Mark	50,000.00	100.00%	100.00%
	H.J. Blumenauer EF Geschäftsführungs GmbH	Erfurt	German Mark	50,000.00	100.00%	100.00%
	H.J. Blumenauer HH Geschäftsführungs GmbH	Hamburg	German Mark	50,000.00	100.00%	100.00%
	H.J. Blumenauer H Geschäftsführungs GmbH	Hannover	German Mark	50,000.00	100.00%	100.00%
	H.J. Blumenauer K Geschäftsführungs GmbH	Cologne	German Mark	50,000.00	100.00%	100.00%
	H.J. Blumenauer MA Geschäftsführungs GmbH	Mannheim	German Mark	50,000.00	100.00%	100.00%
	H.J. Blumenauer N Geschäftsführungs GmbH	Nuremberg	German Mark	50,000.00	100.00%	100.00%
	H.J. Blumenauer Geschäftsführungs GmbH Stuttgart	Stuttgard	German Mark	50,000.00	100.00%	100.00%
	H.J. Blumenauer WI Geschäftsführungs GmbH	Wiesbaden	German Mark	50,000.00	100.00%	100.00%
	HJB Grundstücksvermittlungs- und Handelsgesellschaft mbH	Düsseldorf	German Mark	50,000.00	100.00%	100.00%
	Aachener und Münchener Finanzdienstleistungen GmbH	Aachen	German Mark	100,000.00	100.00%	100.00%
	AKH Abrechnungskasse der Heilberufe und Ärzteservice GmbH	Hagen	German Mark	410,000.00	51.22%	51.22%
	ALSTER FINANZ - Beratung für betriebliche Altersversorgung GmbH	Hamburg	German Mark	100,000.00	100.00%	100.00%
	AM Finanzanlagen - Management GmbH	Cologne	German Mark	7,500,000.00	100.00%	100.00%
	AM Informatik GmbH	Aachen	German Mark	19,000,000.00	100.00%	100.00%
	AMPAS Aachener und Münchener Partner-Service GmbH	Aachen	German Mark	400,000.00	100.00%	100.00%
	ATLAS Dienstleistungen für Vermögensberatung GmbH	Frankfurt/Main	German Mark	8,000,000.00	74.00%	74.00%
	ARCADIUM Konzeption & Management für aktives Wohnen GmbH	Aachen	German Mark	5,075,000.00	100.00%	100.00%
	BBG Verwaltungsgesellschaft mbH	Hamburg	German Mark	50,000.00	100.00%	100.00%
	BEMA Management- und Beratungsgesellschaft für betriebliche Altersversorgung GmbH	Cologne	German Mark	100,000.00	100.00%	100.00%
	Cosmos Finanzservice GmbH	Saarbrücken	Euro	25,564.60	100.00%	100.00%
	Erste VBG Vertriebsbeteiligungsgesellschaft mbH	Hamburg	German Mark	200,000.00	100.00%	100.00%
	Süddeutscher-Finanzservice Management Gesellschaft für Finanz und Investitionsdienstleistungen mbH	Aachen	German Mark	50,000.00	100.00%	100.00%
	MIB Mietservice und Immobilienbetreuungsgesellschaft mbH	Hamburg	German Mark	500,000.00	100.00%	100.00%
	Pflegehaus Schloßpark Rahe Betriebsgesellschaft mbH	Aachen	German Mark	50,000.00	55.00%	55.00%
	SAVAG-BBA Beratungsgesellschaft für betriebliche Altersversorgung mbH	Saarbrücken	German Mark	60,000.00	100.00%	100.00%
	Seniorenresidenz Schloßpark Rahe Betriebsgesellschaft mbH	Aachen	German Mark	500,000.00	55.00%	55.00%
	ServiceResidenz Am Starnberger See GmbH	Seeshaupt	German Mark	750,000.00	100.00%	100.00%
	ServiceResidenz Schloßpark Sanssouci Hegelallee GmbH	Potsdam	German Mark	700,000.00	100.00%	100.00%
	VFS Versicherungs- und Finanzservicegesellschaft mbH	Saarbrücken	German Mark	50,000.00	100.00%	100.00%
	Volksfürsorge Deutsche Finanz-Partner Assekuranz-Vermittlungs GmbH	Hamburg	German Mark	50,000.00	100.00%	100.00%
	Volksfürsorge Deutsche Versicherungsvertretung GmbH	Dresde	German Mark	2,000,000.00	100.00%	100.00%
	Volksfürsorge Immobilien Verwaltungsgesellschaft mbH	Hamburg	German Mark	51,000.00	100.00%	100.00%
	VSI Verwaltungs-Service für Immobilien GmbH	Hannover	German Mark	500,000.00	100.00%	100.00%
	VTG Grundstücksgesellschaft Halle-Neustadt Zentrum mbH	Halle	German Mark	500,000.00	60.00%	60.00%

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %	
<b>Germany (cont.)</b>	VGI Vertriebsgesellschaft für Immobilien mbH	Hannover	Euro	100,000.00	ALLWO Allgemeine Wohnungsvermögens	51.00%	51.00%
	AMA Aachener und Münchener Leasing GmbH	Aachen	German Mark	85,000.00	Aach.und Münch.Lebensversicherung	49.06%	
					Aachener und Münchener Versicherung	50.94%	100.00%
	Aachener und Münchener Immobilien GmbH	Aachen	German Mark	5,000,000.00	AMB	99.98%	
					Aach.und Münch.Lebensversicherung	0.02%	100.00%
	SFZ Assekuranz- und Finanzservice - Vermittlungsgesellschaft mbH	Cologne	German Mark	50,000.00	BBG Verwaltungsgesellschaft mbH	100.00%	100.00%
	Schloss Bensberg Management GmbH	Bensberg	Euro	250,000.00	ARCADIUM Konzeption & Manag. für aktives Wohnen	100.00%	100.00%
	Main Plaza Management GmbH	Frankfurt	Euro	500,000.00	ARCADIUM Konzeption & Manag. für aktives Wohnen	100.00%	100.00%
	Euro-Assecura AG	Munich	German Mark	400,000.00	Generali IT Informatikservice G.m.b.H.	75.00%	75.00%
	AM Gesellschaft für Verkaufsförderung	Frankfurt	Euro	500,000.00	Atlas Dienstleistungen für Vermögensbe	100.00%	100.00%
	AM Generali Invest Kapitalanlagegesellschaft	Cologne	Euro	5,200,000.00	Generali Lloyd AG	25.00%	
					AMB	75.00%	100.00%
					Europ Assistance France S.A.	99.99%	99.99%
	<b>France</b>	Europ Télésécurité S.A.S.	Paris	French Franc	4,000,000.00	Generali France Holding	99.99%
Generali Finances S.A.		Paris	French Franc	25,000,000.00	GPA-Vie S.A.	99.98%	
COFIFO S.A.		Paris	French Franc	30,000,000.00	GPA-IARD S.A.	0.02%	100.00%
					GPA-IARD S.A.		
S.N.C. Generali France. Trieste et Venise et Cie.		Paris	French Franc	10,000.00	La Fédération Cont. Comp. d'Assur. sur la Vie	20.00%	
					Generali Vie (France) S.A.	80.00%	100.00%
S.A.Immobilière des 154/156 Bd. de la Gare		Paris	French Franc	300,000.00	GPA-Vie S.A.	39.00%	
					GPA-IARD S.A.	60.20%	99.20%
Société de Transactions Immobilières de la Rue de Londres "Sotrimlo" S.A.		Paris	French Franc	250,000.00	Generali France Assurances	79.84%	
					Européenne de Protection Juridique	10.00%	
					GPA-IARD S.A.	10.00%	99.84%
IMMO 9 S.r.l.		Paris	French Franc	160,050,000.00	GPA-IARD S.A.	10.00%	
					GPA-Vie S.A.	60.00%	70.00%
Generali Immobilier Conseil S.A.		Paris	French Franc	250,000.00	Generali France Holding	99.76%	
					GPA-Vie S.A.	0.04%	
					La France Vie Comp. d'Assur. sur la Vie	0.04%	
					Generali France Assurances-Vie S.A.	0.04%	
					Generali France Assurances S.A.	0.04%	99.92%
France Mornay Pensions S.A.		Paris	French Franc	5,000,000.00	Generali Vie (France) S.A.	4.00%	
					La France Vie Comp. d'Assur. sur la Vie	47.98%	
					La Fédération Cont. Comp. d'Assur. sur la Vie	4.00%	55.98%
France Elan		Villepinte	French Franc	2,700,000.00	Prudence Vie	99.93%	99.93%
Expert & Finance S.A.	Lyon	French Franc	12,790,400.00	La Fédération Cont. Comp. d'Assur. sur la Vie	70.61%		
				La France Vie Comp. d'Assur. sur la Vie	12.99%	83.60%	
Moral Caraïbes S.A.	Baie Mahault	French Franc	250,000.00	L'Equité Comp. d'Assur. et de Réassur.	66.72%	66.72%	
Moral Réunion S.A.	Le Port	French Franc	250,000.00	L'Equité Comp. d'Assur. et de Réassur.	66.72%	66.72%	
Cosmos Direct France S.A.	Villepinte	French Franc	20,150,000.00	Prudence Vie S.A.	99.97%	99.97%	
Generali Reassurance Gestion S.A.	Paris	French Franc	500,000.00	Generali France Assurances S.A.	99.30%		
				Generali Vie (France) S.A.	0.10%		
				Generali France Holding	0.10%	99.50%	
Société Générale d'Entreposage et de Manutentions S.r.l.	Paris	French Franc	50,000.00	Européenne de Protection Juridique	87.20%	87.20%	
NORECO Société Nouvelle de Recouvrements et de Contentieux S.A.	Paris	French Franc	2,000,000.00	L'Equité Comp. d'Assur. et de Réassur.	4.40%		
				Generali France Assurances S.A.	37.45%		
				Generali Vie (France) S.A.	5.44%		
				Européenne de Protection Juridique	51.20%		
				La Fédération Cont. Comp. d'Assur. sur la Vie	0.50%	98.99%	
Diffusion Assurance Conseil S.r.l.	Paris	French Franc	110,000.00	L'Equité Comp. d'Assur. et de Réassur.	99.91%	99.91%	

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					Through	%	
Compagnie de Courtage et de Gestion (CCAG)	Paris	French Franc	615,600.00		GPA-IARD S.A.	99.43%	
Bourbon Courtage	Sainte-Clotilde	French Franc	830,100.00		GPA-Vie S.A.	0.08%	99.51%
					Prudence Créole S.A.	99.74%	
					Generali France Assurances	0.12%	
					GPA-Vie S.A.	0.12%	99.98%
Courtage Inter Caraïbes	Fort-de-France	French Franc	250,000.00		GFA Caraïbes S.A.	99.84%	99.84%
Generali Informatique S.A.	Paris	French Franc	15,000,000.00		Generali Vie (France) S.A.	40.76%	
					L'Equité Comp. d'Assur. et de Réassur.	0.33%	
					Generali France Assurances S.A.	41.10%	
					Europ Assistance France S.A.	17.80%	100.00%
Generali Gestion S.A.	Paris	French Franc	500,000.00		Generali Vie (France) S.A.	0.10%	
					Generali Finances	99.30%	
					Generali France Holding	0.10%	99.50%
Settler International S.A.	Gennevilliers	French Franc	1,200,000.00		Generali France Holding	1.66%	
					Europ Assistance Holding S.A.	87.29%	88.95%
Parlook S.A.	Nevers	French Franc	250,000.00		BSI-Banca della Svizzera Italiana	100.00%	100.00%
Société d'Assistance et de Défense S.r.l.	Paris	French Franc	100,000.00		La France Vie Comp. d'Assur. sur la Vie	50.00%	
					Generali France Assurances S.A.	50.00%	100.00%
Twiner S.A.	Gennevilliers	French Franc	2,500,000.00		Europ Assistance France S.A.	99.90%	
					Europ Assistance Holding S.A.	0.02%	99.92%
Caraïbe Assurances S.A.	Fort-de-France	French Franc	250,700.00		Generali France Assurances S.A.	99.08%	99.08%
Generali Gérance S.A.	Paris	French Franc	1,500,000.00		La Fédération Cont. Comp. d'Assur. sur la Vie	66.47%	
					Generali Vie (France) S.A.	33.20%	99.67%
Lyonnaise de Gestion et de Courtage S.r.l. - Lygeco	Lyon	French Franc	200,000.00		Generali France Assurances S.A.	100.00%	100.00%
Concorde Réunion S.A.	Saint Denis	French Franc	250,000.00		Generali France Assurances S.A.	50.40%	50.40%
<b>Austria</b>							
Europ Assistance GmbH	Vienna	Austrian Schilling	5,700,000.00		Generali Holding Vienna AG	25.00%	
					Europ Assistance Holding S.A.	75.00%	100.00%
Interunfall Beteiligungsverwaltung	Vienna	Euro	35,000.00		Interunfall Versicherung AG	100.00%	100.00%
Allgemeine Immobilien-Verwaltungs-Gesellschaft mbH	Vienna	Austrian Schilling	2,000,000.00	37.50%	Generali Holding Vienna AG	62.50%	100.00%
Allgemeine Immobilien-Verwaltungs-Gesellschaft mbH & Co. KG	Vienna	Austrian Schilling	240,000,000.00		Generali Versicherungs-AG	100.00%	100.00%
Generali Immobilien AG	Vienna	Austrian Schilling	1,000,000.00		Generali Vermögens- und Immobilienverwaltungs	100.00%	100.00%
Brewo Grundstücksverwaltungs-Gesellschaft mbH	Vienna	Austrian Schilling	500,000.00		Generali Holding Vienna AG	75.00%	75.00%
"Erstallges" Betriebsküche Landskronergasse GmbH	Vienna	Austrian Schilling	500,000.00		Generali Office-Service und Consulting AG	100.00%	100.00%
Interunfall/AIV Leasing Voralberg GmbH	Vienna	Austrian Schilling	500,000.00		Allgemeine Immobilien- Verwaltungs-Gesellschaft KG	90.00%	
					Interunfall Versicherung AG	10.00%	100.00%
IU Interunfall Leasing GmbH	Vienna	Austrian Schilling	10,000,000.00		Interunfall Versicherung AG	75.00%	75.00%
Generali Marketing-Services GmbH	Vienna	Austrian Schilling	500,000.00		Generali Holding Vienna AG	100.00%	100.00%
Generali Vermögens- und Immobilienverwaltungs-AG	Vienna	Austrian Schilling	10,000,000.00		Generali Holding Vienna AG	100.00%	100.00%
Generali Office-Service und Consulting AG	Vienna	Austrian Schilling	100,000,000.00		Generali Versicherungs-AG	20.00%	
					Generali Holding Vienna AG	60.00%	
					Interunfall Versicherung AG	20.00%	100.00%
Point Franchise Dienstleistungsgesellschaft mbH	Vienna	Austrian Schilling	500,000.00		RISK-AKTIV Sicherheits- und Riskmanagementberatungs	50.20%	50.20%
Generali Capital Vermögensberatungs-GmbH	Vienna	Euro	50,000.00		Generali Versicherungs-AG	100.00%	100.00%
RISK-AKTIV Sicherheits- und Riskmanagementberatungs-GmbH	Vienna	Austrian Schilling	500,000.00		Generali Holding Vienna AG	100.00%	100.00%
Care Consult Versicherungsmakler GmbH (formerly Touristik Assekuranz Service GmbH)	Vienna	Austrian Schilling	1,900,000.00		Europäische Reiseversicherungs	100.00%	100.00%
Generali IT Informatikservice GmbH	Vienna	Austrian Schilling	750,000.00		Generali Office-Service und Consulting AG	66.67%	66.67%
Erste Allgemeine Landesdirektion Voralberg Leasing GmbH	Vienna	Austrian Schilling	500,000.00		Allgemeine Immobilien- Verwaltungs-Gesellschaft KG	90.00%	
					Generali Versicherungs-AG	10.00%	100.00%



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						Through	%
<b>Austria (cont.)</b>	EA-Generali/AIV Leasing Salzburg Gmbh	Vienna	Austrian Schilling	500,000.00		Generali Versicherungs-AG	10.00%
						Allgemeine Immobilien- Verwaltungs-Gesellschaft KG	90.00%
						Generali Versicherungs-AG	10.00%
	EA-Generali/AIV Leasing St. Pölten Gmbh	Vienna	Austrian Schilling	500,000.00		Allgemeine Immobilien- Verwaltungs-Gesellschaft KG	90.00%
						Allgemeine Immobilien- Verwaltungs-Gesellschaft KG	90.00%
	Interunfall/AIV Leasing Salzburg GmbH	Vienna	Austrian Schilling	500,000.00		Interunfall Versicherung AG	10.00%
							100.00%
<b>Spain</b>	Europ Assistance Servicios S.A.	Madrid	Peseta	50,000,000.00		Europ Assistance España S.A. de Seg. y Reaseg.	100.00%
							100.00%
	Europ Assistance Travel S.A.	Madrid	Peseta	10,000,000.00		Europ Assistance Servicios S.A.	54.90%
	Geninver S.A.	Madrid	Peseta	10,000,000.00		La Estrella S.A. de Seg. y Reaseg.	99.50%
	HERMES. Sociedad Anónima de Servicios Inmobiliarios y Generales	Madrid	Peseta	589,906,625.00		La Estrella S.A. de Seg. y Reaseg.	100.00%
	Gensegur. Agencia de Seguros Grupo Generali. S.A.	Madrid	Peseta	10,000,000.00		Geninver S.A.	0.50%
						La Estrella S.A. de Seg. y Reaseg.	99.00%
	Servicios y Suministros. S.A.	Barcelona	Peseta	10,000,000.00		Banco Vitalicio de España	100.00%
	Consultores de Pensiones. S.r.l.	Madrid	Peseta	1,350,000.00		La Estrella S.A. de Seg. y Reaseg.	100.00%
							100.00%
<b>United Kingdom</b>	London & Aachen Munich Marine Insurance Company Ltd.	London	Pound Sterling	5,000,000.00		Aachener und Münchener Versicherung	100.00%
	Europ Assistance Ltd.	Haywards Heath	Pound Sterling	10,000.00		Europ Assistance Holdings Ltd.	100.00%
	Harris & Dixon Insurance Holdings Ltd.	London	Pound Sterling	3,157,890.00	100.00%		100.00%
	Generali Portfolio Management (UK) Ltd.	London	Pound Sterling	2.00		Generali Worldwide Insurance Company Ltd.	50.00%
						Generali International Ltd.	50.00%
	Harris & Dixon Reinsurance Brokers Ltd.	London	Pound Sterling	10,000.00		Harris & Dixon Insurance Holdings Ltd.	100.00%
	Leumi Insurance Services (U.K.) Ltd.	London	Pound Sterling	1,296,000.00		Ihud Insurance Agencies Ltd.	49.00%
						Binyan Insurance Agencies Ltd.	51.00%
	BSI Securities Ltd.	London	Pound Sterling	100.00		BSI Service Holding S.A.	100.00%
							100.00%
<b>Belgium</b>	Europ Assistance Services S.A.	Bruxelles	Belgian Franc	7,500,000.00		Europ Assistance (Belgium) S.A.	79.95%
						Generali Belgium S.A.	20.00%
							99.95%
	Europ Assistance Partners S.A.	Malonne	Belgian Franc	2,500,000.00		Europ Assistance (Belgium) S.A.	99.92%
	Generali Belgium Invest S.A.	Bruxelles	Belgian Franc	374,999,713.76		Generali Belgium S.A.	99.98%
						Europaea-Assurance Protection Juridique	0.02%
	Centre International de Paiements Europ Assistance S.C.	Bruxelles	Belgian Franc	21,000,000.00		Europ Assistance Worldwide Services (South Africa)	2.33%
						Europ Assistance Companhia Portuguesa	3.33%
						Europ Assistance GmbH	0.71%
						Worldwide Ass.Serviços de Assistência Personalizados	0.67%
						Europ Assistance Service	26.86%
						Europ Assistance Versicherungs	4.57%
						Europ Assistance France S.A.	27.76%
						Worldwide Assistance Services	2.19%
						Europ Assistance Holding S.A.	5.71%
						Europ Assistance España S.A. de Seg. y Reaseg.	5.10%
						Europ Assistance Holdings Ltd.	11.24%
						Europ Assistance (Belgium) S.A.	9.52%
	NV Beleggings- en Kredietkantoor van Poperinge	Brugge	Belgian Franc	2,500,000.00		Generali Belgium Invest S.A.	0.04%
						Generali Belgium S.A.	99.96%
							100.00%
	BVBA Verzekeringskantoor Soenen	Poperinge	Belgian Franc	750,000.00		Generali Belgium S.A.	99.80%
							99.80%

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<b>Belgium (cont.)</b>	Ixia N.V.	Herent	Belgian Franc	2,500,000.00	Generali Belgium S.A.	96.00%	
					Generali Belgium Invest S.A.	4.00%	100.00%
	Groupe Verviétois d'Assureurs S.A.	Verviers	Belgian Franc	1,500,000.00	Generali Belgium S.A.	99.93%	
					Generali Belgium Invest S.A.	0.07%	100.00%
<b>Netherlands</b>	Generali Monumenten B.V.	Amsterdam	Dutch Guilder	102,000.00	Generali Levensverz.Maatschappij	100.00%	100.00%
	Generali Vastgoed B.V.	Utrecht	Dutch Guilder	40,000.00	Generali Levensverz.Maatschappij	100.00%	100.00%
	Generali Vermogensbeheer B.V.	Amsterdam	Dutch Guilder	40,000.00	Generali Verzekeringsgroep	100.00%	100.00%
	Generali Hypotheken B.V.	Amsterdam	Dutch Guilder	40,000.00	Generali Verzekeringsgroep	100.00%	100.00%
	Nederlands Algemeen Verzekeringskantoor B.V.	Amsterdam	Dutch Guilder	40,000.00	Generali Verzekeringsgroep	100.00%	100.00%
	A.P. de Assurantie Partners Amsterdam B.V.	Haarlem	Dutch Guilder	40,000.00	Generali Hypotheken B.V.	1.25%	
					Nederlands Algemeen Verzekeringskantoor B.V.	98.75%	100.00%
	Generali Ontwikkelings I B.V.	Amsterdam	Dutch Guilder	1,800,000.00	Generali Verzekeringsgroep	100.00%	100.00%
<b>Eire</b>	Europ Assistance (Ireland) Ltd.	Dublin	Irish Pound	100.00	Europ Assistance Holdings Ltd.	100.00%	100.00%
<b>Luxemburg</b>	Europ Assistance Services (Luxembourg) S.A.	Luxembourg	Euro	125,000.00	Europ Assistance Société d'Assistance S.A.	99.96%	99.96%
	Prime Luxembourg Investment Management S.A.	Luxembourg	Euro	125,000.00	Prime Investment Management S.I.M.	1.00%	
					Prime	99.00%	100.00%
	Multigold Advisory Company S.A.	Luxembourg	US Dollar	100,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Selestia S.A.	Luxembourg	Luxembourg Franc	5,000,000.00	Boss Lab S.A.	99.00%	99.00%
<b>Portugal</b>	Europ Assistance Serviços de Assistência Personalizados. S.A.	Lisbon	Escudo	5,000,000.00	Europ Assistance Companhia Portuguesa	99.90%	99.90%
	Ponte Alta - Comércio e Consultoria. Lda	Funchal	Escudo	80,000,000.00	Europ Assistance Companhia Portuguesa	100.00%	100.00%
	Primeira Cruz - Comércio e Consultoria. Lda	Funchal	Escudo	132,515,000.00	Ponte Alta - Comércio e Consultoria	60.00%	60.00%
<b>EUROPE OUTSIDE EU</b>							
<b>Munich</b>	BSI 1873 Gérance Internationale S.A.M.	Monte Carlo	French Franc	35,000,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
<b>Switzerland</b>	Europ Assistance (Suisse) S.A.	Geneva	Swiss Franc	200,000.00	Generali (Schweiz) Holding	10.00%	
					Europ Assistance Holding S.A.	75.00%	85.00%
	BSI Service Holding S.A.	Lugano	Swiss Franc	1,000,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	HPI Holding di Partecipazioni e Investimenti S.A.	Lugano	Swiss Franc	1,000,000.00	BSI-Banca della Svizzera Italiana	80.00%	80.00%
	S.I. Le Chardon Bleu "A" S.A.	Lausanne	Swiss Franc	50,000.00	Fortuna Lebens-Versich.-Gesellschaft	100.00%	100.00%
	Gecovim S.A.	Lugano	Swiss Franc	100,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Generali Investment Consulting AG	Adliswil	Swiss Franc	100,000.00	Generali (Schweiz) Holding	100.00%	100.00%
	GHF Goldhandel und Finanzgesellschaft	Lugano	Swiss Franc	150,000.00	Praval Finance Inc.	100.00%	100.00%
	Aldon AG	Zug	Swiss Franc	100,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Calas S.A.	Zug	Swiss Franc	100,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Laran S.A.	Zug	Swiss Franc	100,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Finmo S.A.	Zug	Swiss Franc	50,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Boss Lab S.A.	Manno	Swiss Franc	2,400,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Société de Promotion et d'Etudes	Geneva	Swiss Franc	50,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Ganos S.A.	Zug	Swiss Franc	100,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
	BSI Online S.A.	Pregassona	Swiss Franc	30,000,000.00	BSI-Banca della Svizzera Italiana	100.00%	100.00%
<b>Liechtenstein</b>	Timdas Establishment	Vaduz	Swiss Franc	4,500.00	Praval Finance Inc.	100.00%	100.00%
	Fortuna Investment	Vaduz	Swiss Franc	1,000,000.00	Generali (Schweiz) Holding	100.00%	100.00%
<b>Guernsey</b>	BSI (Channel Islands) Ltd.	St. Peter Port	US Dollar	800,000.00	BSI Overseas (Bahamas)	100.00%	100.00%
	BSI Trust Corporation (Channel Islands) Ltd.	St. Peter Port	US Dollar	200,000.00	BSI Overseas (Bahamas)	100.00%	100.00%
	Generali Portfolio Management Ltd.	St. Peter Port	Pound Sterling	2.00	Generali Worldwide Insurance Company Ltd	50.00%	
					Generali International Ltd	50.00%	100.00%

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %	
<b>Guernsey (cont.)</b>	Assicurazioni Generali (Insurance Managers) Ltd.	St. Peter Port	Pound Sterling	10,000.00	99.94%		99.94%
	BSI Services (Guernsey) Ltd.	St. Peter Port	Pound Sterling	100.00		BSI Service Holding S.A. 100.00%	100.00%
<b>Isle of Man</b>	BSI Advertising & Research Ltd.	Douglas	Swiss Franc	4,000.00		BSI Services (Guernsey) Ltd. 100.00%	100.00%
<b>Hungary</b>	Europ Assistance Kft	Budapest	Forint	24,000,000.00		Europ Assistance Holding S.A. 100.00%	100.00%
	Pro-Immo Vagyonkezelő és Szolgáltató Kft.	Budapest	Forint	450,000,000.00		Generali Providencia Biztosító Rt. 100.00%	100.00%
	EA-Generali Építő és Tervező Kft.	Budapest	Forint	4,046,788,000.00		Generali Versicherungs-AG 100.00%	100.00%
	OTEK-Gordius Kft.	Budapest	Forint	603,000,000.00		Generali Providencia Biztosító Rt. 100.00%	100.00%
	DOTTO MAG Mezőgazdasági és Kereskedelmi Kft.	Mezőkovácsháza	Forint	1,000,000.00		Sementi Dotto S.p.A. 51.00%	51.00%
	Európai Utazásbiztosítás-közvetítői Kft.	Budapest	Forint	2,000,000.00		Pro-Immo Vagyonkezelő és Szolgáltató Kft. 1.67%	
						Generali Providencia Biztosító Rt. 98.33%	100.00%
	EA-Generali Management-Consult Kft.	Budapest	Forint	1,000,000.00		Generali Holding Vienna AG 100.00%	100.00%
<b>Poland</b>	Europ Assistance Polska Sp. z o.o.	Warsaw	Zloty	40.00		Europ Assistance Holding S.A. 100.00%	100.00%
	Generali Risk Consulting Spzoo	Warsaw	Zloty	4,000.00		Generali Holding Vienna AG 100.00%	100.00%
<b>Czech Republic</b>	Anglická Business Center spol. s.r.o.	Prague	Czech Koruna	264,064,522.40		Generali Versicherungs-AG 100.00%	100.00%
	Generali-Creditanstalt penzijní fond. a.s.	Prague	Czech Koruna	20,000,000.00		Generali Holding Vienna AG 100.00%	100.00%
	EA Generali správa nemovitostí spol.s.r.o.	Prague	Czech Koruna	100,000.00		Allgemeine Immobilien-Verwaltungs-Gesellschaft mbH 100.00%	100.00%
<b>OTHER COUNTRIES</b>							
<b>U.S.A.</b>	Worldwide Assistance Services. Inc.	Washington	US Dollar	5,000,000.00		Europ Assistance U.S. Holdings 100.00%	100.00%
	General Securities Corporation of North America	New York	US Dollar	5,000.00		Transocean Holding Corporation 100.00%	100.00%
	Europ Assistance U.S. Holdings. Inc.	Wilmington. DE	US Dollar	3,989,000.00		Europ Assistance Holding S.A. 100.00%	100.00%
	Jones & Babson Inc.	Kansas City. MO	US Dollar	500.00		Business Men's Assurance Company of America 100.00%	100.00%
	Prime USA Inc.	New York	US Dollar	875,000.00		Prime 100.00%	100.00%
	Genamerica Management Corporation	New York	US Dollar	50,000.00	100.00%		100.00%
	Generali Underwriters. Inc.	New York	US Dollar	200,000.00	100.00%		100.00%
	BMA Financial Services. Inc.	Westwood. KS	US Dollar	1,000.00		Business Men's Assurance Company of America 100.00%	100.00%
	Europ Assistance International Inc.	Los Angeles	US Dollar	700,000.00		Europ Assistance U.S. Holdings 80.00%	80.00%
	Euro Global Travel	Los Angeles	US Dollar	5,000.00		Europ Assistance International 100.00%	100.00%
<b>Canada</b>	Federation Insurance Company of Canada	Montreal	Canadian Dollar	18,700,000.00		Generali Assurances Générales 60.00%	60.00%
	E.A. Voyage Assistance International. Inc.	Montreal	Canadian Dollar	1,500.00		Worldwide Assistance Services 100.00%	100.00%
<b>Argentina</b>	Europ Assistance Argentina S.A.	Buenos Aires	Argentinian Peso	1,000,000.00		Ponte Alta - Comércio e Consultoria 66.00%	66.00%
	La Caja Valores	Buenos Aires	Argentinian Peso	3,619,500.00		Banco Caja de Ahorro S.A. 99.99%	99.99%
<b>Brazil</b>	Worldwide Assistance Serviços de Assistência Personalizados. S.A.	Rio de Janeiro	Real	2,975,000.00		Primeira Cruz - Comércio e Consultoria 83.50%	83.50%
	Genpar Empreendimentos e Participações S.A.	Rio de Janeiro	Real	8,090,412.00		Transocean Holding Corporation 99.99%	
						Transocean do Brasil Particip. 0.01%	100.00%
	Atlas Sul Americana de Fomento Comercial Ltda.	Rio de Janeiro	Real	5.00		São Marcos Empreendimentos e Participações 50.00%	
						Transocean do Brasil Particip. 50.00%	100.00%
	BSI Serviços Ltda.	São Paulo	Real	445,466.00		BSI-Banca della Svizzera Italiana 100.00%	100.00%
<b>Chile</b>	BSI Servicios Internacionales S.A.	Santiago	Chilean Peso	64,000,000.00		BSI-Banca della Svizzera Italiana 100.00%	100.00%
<b>Ecuador</b>	"La Nacional" Compañía Inmobiliaria (Lancia) C.A.	Guayaquil	Sucres	89,000,000.00		La Nacional Compañía de Seguros 100.00%	100.00%

		Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding		Total shareholding %
						Through	%	
<b>Panama</b>	Praval Finance Inc.	Panama	US Dollar	5,000.00		BSI Overseas (Bahamas)	100.00%	100.00%
	Lob-Star Management Inc.	Panama	US Dollar	10,000.00		Praval Finance Inc.	100.00%	100.00%
	Toortle Corporation	Panama	US Dollar	10,000.00		BSI Overseas (Bahamas)	100.00%	100.00%
	Ellison Development Inc.	Panama	US Dollar	10,000.00		BSI Overseas (Bahamas)	100.00%	100.00%
	Poliarco S.A.	Panama	US Dollar	12,000.00		BSI Overseas (Bahamas)	99.54%	99.54%
	Russel Canal Investment Corporation S.A.	Panama	US Dollar	3,225,000.00		BSI-Banca della Svizzera Italiana	100.00%	100.00%
<b>Uruguay</b>	BSI Servicios S.A.	Montevideo	Uruguayan Peso	50.00		BSI-Banca della Svizzera Italiana	100.00%	100.00%
<b>Venezuela</b>	Adfinain	Caracas	Bolivar	19,000,000.00		BSI-Banca della Svizzera Italiana	100.00%	100.00%
	Nalamca S.A.	Caracas	Bolivar	200,000.00		BSI Service Holding S.A.	100.00%	100.00%
<b>Netherlands Antilles</b>	Gefina International N.V.	Curaçao	US Dollar	40,000.00		Gefina	40.00%	
	Holdux Curaçao N.V.	Curaçao	Dutch Guilder	650,000.00		Gefina International Ltd. Holdux Beteiligungsgesellschaft	60.00% 100.00%	100.00% 100.00%
<b>Bahamas</b>	Pinestone Investments Ltd.	Nassau	US Dollar	2.00		Praval Finance Inc.	100.00%	100.00%
	BSI Overseas (Bahamas) Ltd.	Nassau	US Dollar	10,000,000.00		BSI-Banca della Svizzera Italiana	100.00%	100.00%
	BSI Trust Corporation Ltd.	Nassau	US Dollar	1,000,000.00		BSI Overseas (Bahamas)	100.00%	100.00%
	BSI Investment Corporation Ltd.	Nassau	US Dollar	1,000.00		BSI Overseas (Bahamas)	100.00%	100.00%
<b>British Virgin Island</b>	Worldwide Assistance (BVI) Ltd.	Road Town	US Dollar	100.00		Europ Assistance Worldwide Serv. Pte	100.00%	100.00%
	Finance & Capital Co. Ltd	Road Town	US Dollar	50,000.00		Praval Finance Inc.	100.00%	100.00%
<b>South Africa</b>	Europ Assistance Worldwide Services (South Africa) Ltd.	Johannesburg	Rand	9,037,619.00		Europ Assistance Holding S.A.	77.00%	77.00%
	Net Online Services (Pty) Ltd. (formerly Europ Assistance On-line (Proprietary) Ltd.)	Braamfontein	Rand	100.00		Europ Assistance Worldwide Services (South Africa)	100.00%	100.00%
	Worldwide Assistance Service (South Africa) (Pty) Ltd.	Braamfontein	Rand	100.00		Europ Assistance Worldwide Services (South Africa)	100.00%	100.00%
<b>Israel</b>	Europ Assistance Israel	Tel Aviv	Shekel	100,000.00		Europ Assistance Holding S.A. Migdal Insurance Company	50.00% 50.00%	100.00%
	Ellern-Migdal Investment Corporation Ltd.	Tel Aviv	Shekel	2,157,671.00		Migdal Eshkol Finances Elgar-Migdal Investments	57.66% 3.94%	61.60%
	Elgar-Migdal Investment Ltd	Tel Aviv	Shekel	592,485.00		Ellern-Migdal Investment Corporation Migdal Eshkol Finances	78.67% 3.06%	81.73%
	Elfinest Management and Investment Ltd.	Tel Aviv	Shekel	1,500.00		Elgar-Migdal Investments Ellern-Migdal Investment Corporation	99.93% 0.07%	100.00%
	Binyan Insurance Agencies Ltd.	Tel Aviv	Shekel	810.00		Migdal Insurance Company	100.00%	100.00%
	Generali Properties (1977) Ltd.	Tel Aviv	Shekel	200.00		Gefina	100.00%	100.00%
	Zozeleth Ltd.	Tel Aviv	Shekel	2,900.01		Migdal Insurance Company	100.00%	100.00%
	Nichsei Carmel B.M.	Tel Aviv	Shekel	0.01		Migdal Insurance Company Ellern-Migdal Investment Corporation	15.30% 70.00%	85.30%
	Hamagen Properties Ltd.	Tel Aviv	Shekel	6,090,837.00		Hamagen Insurance Company	100.00%	100.00%
	Pel-South Africa House (Israel) Ltd.	Tel Aviv	Shekel	14,066,596.00		Hamagen Properties Ltd.	100.00%	100.00%
	Migdal Credit Services Ltd.	Tel Aviv	Shekel	100.00		Migdal Eshkol Finances	100.00%	100.00%
	Migdal Financial Services Ltd.	Tel Aviv	Shekel	320,000.00		Migdal Eshkol Finances	100.00%	100.00%
	Migdal Leasing Ltd.	Tel Aviv	Shekel	100.00		Migdal Eshkol Finances	100.00%	100.00%
	Migdal Portfolio Management Ltd.	Tel Aviv	Shekel	100.00		Migdal Eshkol Finances	100.00%	100.00%
	Ellern-Migdal Management and Holding (1995) Ltd.	Tel Aviv	Shekel	1,000.00		Ellern-Migdal Investment Corporation	99.90%	99.90%
	Ihud Insurance Agencies Ltd.	Tel Aviv	Shekel	1,500.00		Binyan Insurance Agencies Ltd.	100.00%	100.00%
Peltours Insurance Agencies Ltd.	Tel Aviv	Shekel	256,000.00		Binyan Insurance Agencies Ltd.	56.25%	56.25%	
Sagi Yogev Life Assurance Agency (1988) Ltd.	Tel Aviv	Shekel	3,000.00		Binyan Insurance Agencies Ltd.	48.66%	48.66%	

		Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding		Total shareholding %
						Through	%	
<b>Israel (cont.)</b>	Einat Life Assurance Agencies (1993) Ltd.	Tel Aviv	Shekel	409.00		Binyan Insurance Agencies Ltd.	51.10%	51.10%
	Shamgad Surveyors Ltd.	Tel Aviv	Shekel	20.00		Migdal Insurance Company	100.00%	100.00%
	Maestro Ltd.	Tel Aviv	Shekel	0.10		Migdal Insurance Company	100.00%	100.00%
	Migdal Management of Provident Funds Ltd.	Tel Aviv	Shekel	905,000.00		Migdal Insurance Company	100.00%	100.00%
	Bechora Insurance Agency (1996) Ltd.	Tel Aviv	Shekel	225.00		Einat Life Assurance Agencies	77.33%	77.33%
<b>Singapore</b>	Europ Assistance Worldwide Services Pte Ltd.	Singapore	Singapore Dollar	182,102.00		Worldwide Assistance (S) Pte Ltd.	80.00%	80.00%
	Worldwide Assistance (S) Pte Ltd.	Singapore	Singapore Dollar	500,000.00		Europ Assistance Holding S.A.	100.00%	100.00%

## B) ASSOCIATED COMPANIES

	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %	
<b>EUROPEAN UNION</b>							
<b>Italy</b>	Europ Assistance Vai s.r.l.	Milan	Italian Lira	900,000,000.00		Europ Assistance Trade 49.00%	49.00%
	GE.I.P.A.S.S. Gestione Integrata Procedure Amministrative e Servizi Sinergici di Intermediazione S.p.A.	Milan	Italian Lira	500,000,000.00		Europ Assistance Trade 49.00%	49.00%
	Targa Assistance S.r.l.	Turin	Italian Lira	500,000,000.00		Europ Assistance Trade 40.00%	40.00%
	Ditta Ferrarese Aldo S.r.l.	Bovolone (VR)	Italian Lira	30,000,000.00		Genagricola 20.00%	20.00%
	SIM Co.Ge.F. S.p.A.	Milan	Italian Lira	8,000,000,000.00	40.00%		40.00%
	C.G.M. International - Società di Consulenza ed Assistenza per Scambi Commerciali S.p.A.	Milan	Italian Lira	5,000,000,000.00		Gefina 20.00%	20.00%
	Servizi Tecnologici Avanzati S.p.A.	Bologna	Italian Lira	200,000,000.00	25.00%		25.00%
	Security Monitoring Centre S.p.A.	Milan	Italian Lira	1,500,000,000.00		Europ Assistance Trade 30.00%	30.00%
	PROTOS - Società di Controlli Tecnici e Finanziari S.p.A.	Rome	Italian Lira	628,946,000.00		Gefina 24.09%	24.09%
	Previnet S.p.A - Servizi per la previdenza	Mogliano Veneto (TV)	Italian Lira	10,000,000,000.00	47.50%		47.50%
	POLIS Progetti Operativi di Localizzazione di Investimento per lo Sviluppo S.p.A.	Trieste	Italian Lira	2,000,000,000.00	38.09%		38.09%
	Panditalia S.p.A.	Genoa	Italian Lira	300,000,000.00	10.20%	Ums Generali Marine 30.00%	40.20%
	RITA Cons. per la Rete Italiana Assicurativa di Telecomunicaz. S.c.r.l.	Milan	Italian Lira	11,000,000,000.00	12.42%	La Venezia Assicurazioni 0.02%	
						Ums Generali Marine 0.33%	
						Alleanza 2.82%	
						Trieste e Venezia Assicurazioni - Genertel 0.04%	
						Navale 0.24%	
						Friuli-Venezia Giulia Assicurazioni "La Carnica" 0.11%	
						Aurora 1.66%	17.64%
	Prime Merrill Funds S.p.A.	Milan	Euro	2,080,000.00		Prime 50.00%	50.00%
	Sistema Trieste S.r.l.	Trieste	Italian Lira	2,573,619,000.00		Genimmobil S.p.A. 16.52%	
						Gefina 30.68%	47.20%
	ITAL-TBS	Trieste	Italian Lira	2,000,000,000.00		Belgica 20.00%	20.00%
<b>Germany</b>	BfG Bank AG	Frankfurt/Main	German Mark	1,516,071,600.00		Volksfürsorge Deutsche Lebensver. 10.00%	
						AMHB Holding 15.00%	25.00%
	GFB - Gesellschaft für Finanz-Beratung und Vermittlung mbH	Asbach	Euro	1,500,000.00		BGV Beteiligungsgesellschaft für Versicherungsagenturen 44.00%	44.00%
	Mercur Assistance AG Holding	Munich	German Mark	12,000,000.00		Volksfürsorge Deutsche Sachversicherung 5.00%	
						Aachener und Münchener Versicherung 15.00%	
						Cosmos Versicherung AG 4.00%	24.00%
	PART Beteiligungs-GmbH	Frankfurt	German Mark	100,000.00		Volksfürsorge Deutsche Lebensver. 31.60%	31.60%
	Treuhandgesellschaft des deutschen Wertpapierbesitzes mbH	Düsseldorf	German Mark	50,000.00		AMB 20.00%	20.00%
	SKG Bank GmbH	Saarbrücken	German Mark	12,785,000.00		Cosmos Versicherung AG 29.99%	29.99%
	Beteiligungsgesellschaft für die deutsche Wirtschaft mbH	Frankfurt	German Mark	1,000,000.00		AMB 22.50%	22.50%
	Domus-Verlag GmbH	Bonn	German Mark	115,000.00		Badenia Bausparkasse AG 30.87%	30.87%
	Hotel und Seniorenresidenz Rosenpark GmbH	Marburg/Lahn	German Mark	1,000,000.00		Aach.und Münch.Lebensversicherung 25.00%	25.00%
	VBV Vermittlungs-Büro für Versicherungen GmbH	Hamburg	German Mark	3,000,000.00		Volksfürsorge Deutsche Sachversicherung 26.00%	26.00%
	OTV Service GmbH für Dienstleistungen	Stuttgard	Euro	75,000.00		Volksfürsorge Deutsche Lebensver. 33.33%	33.33%
	IG BCE Mitglieder-Service GmbH	Hannover	Euro	75,000.00		Volksfürsorge Deutsche Lebensver. 33.33%	33.33%
	IG BAU Mitglieder-Service GmbH	Frankfurt	Euro	75,000.00		Volksfürsorge Deutsche Lebensver. 33.33%	33.33%
	Eichin & de Laporte Consulting GmbH	Hamburg	Euro	25,000.00		Volksfürsorge Deutsche Lebensver. 20.00%	20.00%
	VOV Verwaltungsg für Vermögens	Cologne	German Mark	300,000.00		Generali Lloyd Versicherungs-AG 15.00%	
						Aachener und Münchener Versicherung 15.00%	30.00%
<b>France</b>	S.A.I. des Trois Collines de Mougins	Nice	French Franc	1,210,000.00		Generali France Assurances 31.65%	
						La France Vie Comp. d'Assur. sur la Vie 10.00%	
						GPA-IARD S.A. 1.65%	
						Generali Vie (France) S.A. 4.96%	48.26%

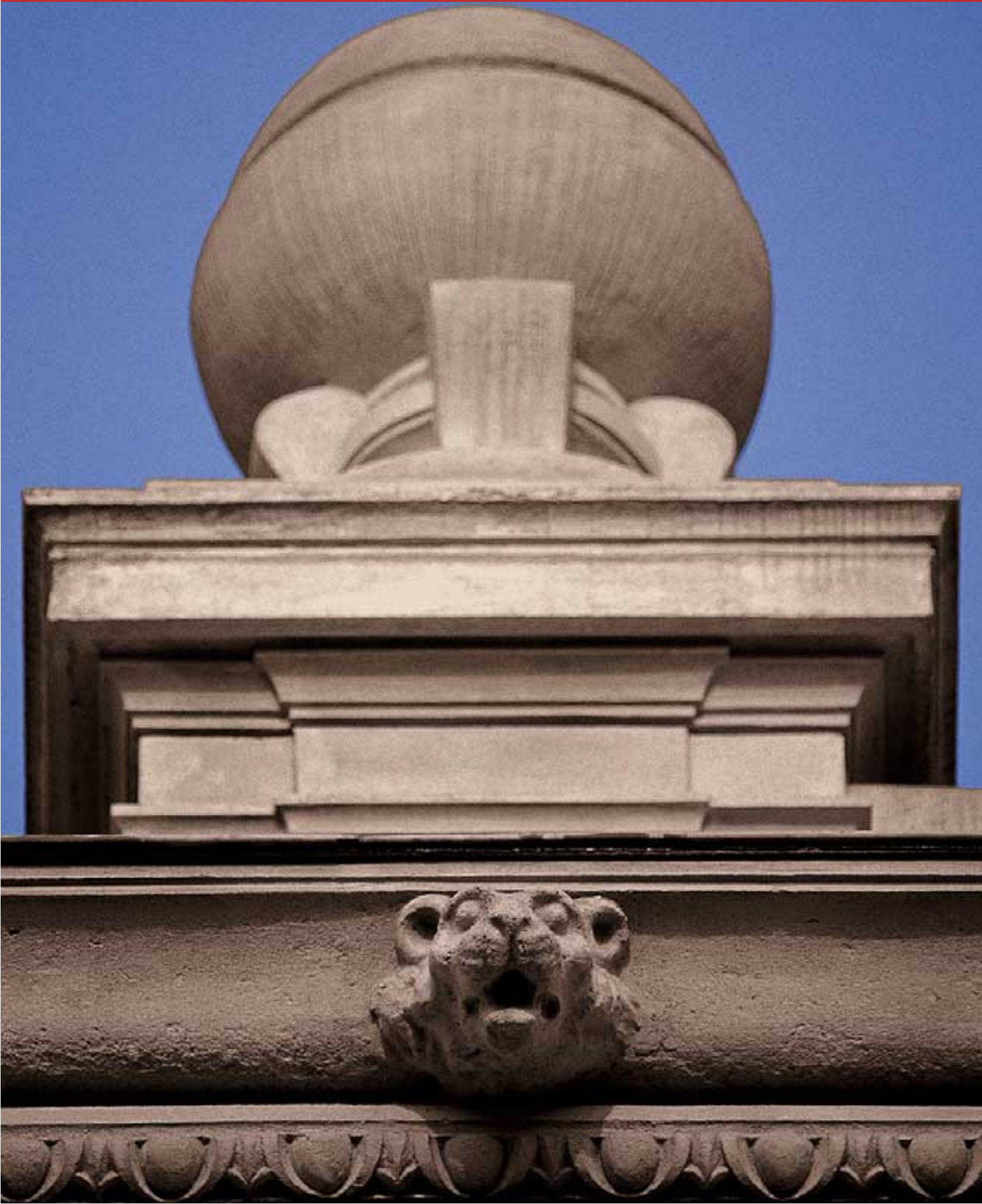
	Head office	Currency	Share capital in original currency	Direct shareholding of Generali %	Indirect shareholding Through %	Total shareholding %
<b>France (cont.)</b>	Saint Christoly Bordeaux S.A.	Paris	French Franc	2,000,000.00	Generali France Assurances	48.80%
					GPA-IARD S.A.	1.20%
	Maintenance Assistance Immobilier Domicile S.A.	Sarcelles	French Franc	250,000.00	Europ Assistance France S.A.	39.92%
	EFIDIS	Cachan	French Franc	75,400,700.00	AMB	39.06%
	Société Immobilière Portugaise	Paris	French Franc	270,050.00	GPA-Vie S.A.	44.44%
	Foncière Franco Suisse	Paris	French Franc	13,050,000.00	GPA-Vie S.A.	33.32%
	Bourbon Gestion S.A.	Sainte-Clotilde	French Franc	250,000.00	Bourbon Courtage	29.80%
<b>Austria</b>	SK Versicherung AG	Vienna	Austrian Schilling	50,000,000.00	Generali Rückversicherung AG	19.23%
					Generali Holding Vienna AG	20.43%
	LHS Leasing- und Handelsgesellschaft mbH	Vienna	Austrian Schilling	10,000,000.00	Interunfall Versicherung AG	20.00%
	Interunfall Leasing & Management GmbH	Vienna	Austrian Schilling	500,000.00	Interunfall Versicherung AG	50.00%
<b>Spain</b>	Desarrollos Sanitarios Integrales. S.A.	Madrid	Peseta	20,000,000.00	La Estrella S.A. de Seg. y Reaseg.	25.00%
<b>United Kingdom</b>	Robert Malatier Ltd.	London	Pound Sterling	51,258.00	Generali France	24.62%
<b>Netherlands</b>	Lippmann Deelnemingen B.V.	Rotterdam	Dutch Guilder	12,000,000.00	A.P. de Assurantie Partners Amsterdam B.V.	33.32%
	Innova Verzekeringen B.V.	Nieuw-Vennep	Dutch Guilder	400,000.00	Generali Verzekeringsgroep	50.00%
	ANAC. All-finance Nederland Advies Combinatie B.V.	Eindhoven	Dutch Guilder	100,000.00	A.P. de Assurantie Partners Amsterdam B.V.	50.00%
<b>Luxemburg</b>	HPI Holding de Participations Internationales S.A.	Luxembourg	Luxembourg Franc	18,000,000.00	HPI Holding di Partecipazioni e Investimenti	30.00%
					Praval Finance Inc.	20.00%
	GENSEB Generali & SEB Risk Service S.A.	Luxembourg	Luxembourg Franc	10,000,000.00	Belgica Insurance Holding	50.00%
<b>EUROPE OUTSIDE EU</b>						
<b>Munich</b>	Compagnie Maritime et Financière S.A.M. - COMARFIN	Monte Carlo	French Franc	2,000,000.00	Ums Generali Marine	25.00%
<b>Switzerland</b>	Fidinam Servizi Fiduciari Holding S.A.	Lugano	Swiss Franc	5,120,000.00	BSI Service Holding S.A.	34.62%
	SIL Società Immobiliare Lugano S.A.	Lugano	Swiss Franc	15,200,000.00	BSI-Banca della Svizzera Italiana	44.20%
	Funicolare Lugano-Paradiso-S.Salvatore S.A.	Lugano	Belgian Franc	600,000.00	BSI-Banca della Svizzera Italiana	31.08%
<b>Hungary</b>	Lakáskassa Első Aktakános Lakástakékpéntár Rt.	Budapest	Forint	1,600,000,000.00	Generali Providencia Biztosító Rt.	27.00%
					Generali Holding Vienna AG	10.00%
<b>OTHER COUNTRIES</b>						
<b>Argentina</b>	Caja Aseguradora Art	Buenos Aires	Argentinian Peso	48,500,000.00	Caja de Seguros de Vida	30.00%
<b>Brazil</b>	Sudameris-Generali Companhia Nacional de Seguros e Previdencia Privada S.A.	São Paulo	Real	3,900,000.00	Generali do Brasil	
					Companhia Nacional de Seguros	50.00%
<b>Mexico</b>	Europ Assistance de México S.A.	Mexico	Mexican Peso	69,799.10	Europ Assistance Holding S.A.	49.00%
<b>South Africa</b>	Traumalink (Pty) Ltd.	Braamfontein	Rand	200.00	Europ Assistance	
					Worldwide Services (South Africa)	50.00%
<b>Tunisia</b>	Société d'Assistance et de Transport Médical S.A. "Tunisie Assistance"	Tunis	Tunisian Dinar	1,000,000.00	Europ Assistance Holding S.A.	33.00%
<b>Israel</b>	Anglo Saxon Real Estate Agency Israel (1992) Ltd.	Tel Aviv	Shekel	20,000.00	Binyan Insurance Agencies Ltd.	49.00%
	Data Car Israel Ltd.	Tel Aviv	Shekel	30,000.00	Migdal Insurance Company	50.00%
	Gilat D.B.S. Ltd.	Rannana	Shekel	10,000.00	Migdal Insurance Company	36.22%
	Mivtah Shamir Insurance Agency (1998) Ltd.	Tel Aviv	Shekel	10,000.00	Binyan Insurance Agencies Ltd.	25.00%
	Shaham Insurance Agencies (1997) Ltd.	Tel Aviv	Shekel	1,818.00	Binyan Insurance Agencies Ltd.	40.04%
	Fredi and Eilan Bek Insurance Agency Ltd.	Haifa	Shekel	100.00	Binyan Insurance Agencies Ltd.	30.00%

## OTHER SIGNIFICANT SHAREHOLDINGS

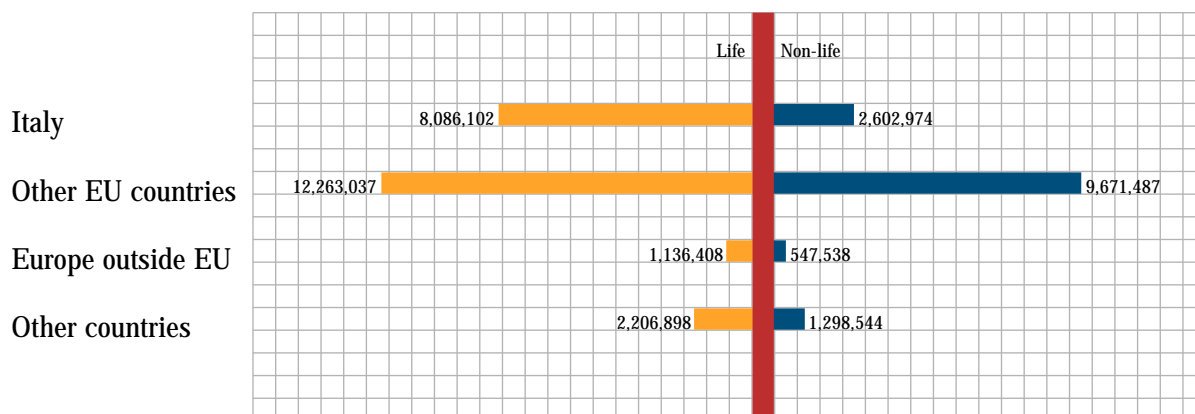
<b>Italy</b>	1	Agorà Investimenti S.p.A., Conegliano (TV)
	2	CEOR - Soc. Coop. a r.l., Ravenna
	3	Cooperativa La Selva - Viticoltori dei Colli Lanuvini S.r.l., Rome
	4	Emittenti Titoli S.p.A., Milan
	5	FIDA Finanziaria d'Affari S.I.M. S.p.A., Turin
	6	FIAT S.p.A., Turin
	7	Finlombarda S.p.A., Milan
	8	FIN. PRIV. S.r.l., Milan
	9	Frifly S.p.A., Ronchi dei Leg. (GO)
	10	Gemina - Generale Mobiliare Interessenze Azionarie S.p.A., Milan
	11	HPI Holding di Partecipazioni Industriali S.p.A., Milan
	12	Istituto Europeo di Oncologia S.r.l., Milan
	13	Mediobanca - Banca di Credito Finanziario S.p.A., Milan
	14	Pirelli & Co. S.A.p.A., Milan
	15	Relectronic Italiana s.r.l., Bologna
	16	Sinter & Net S.r.l., Milan
	17	Soc. Sportiva del Carso e dei Campi da Golf S.p.A., Trieste
	18	So.fi.bar. - Società Finanziaria di Banche Romagnole S.p.A., Ravenna
	19	Sogeda Società Gestione Dati S.p.A., Padua
	20	Telecom Italia S.p.A., Rome
	21	Teleporto Adriatico S.r.l., Venice
<b>France</b>	22	Leadair Unijet S.A., Le Bourget
	23	Placement Bail S.A., Marseille
	24	France Elevage S.A., Paris
	25	Banque Cantonale de Genève, Lyon
	26	Baron Philippe de Rothschild, Pauillac
<b>Germany</b>	27	Artus Beteiligungsverwaltungsgesellschaft mbH, Munich
	28	BVMW-Versorgungswerk, Versicherungs- und Finanzdienste Beratungs-, und Vermittlungsgesellschaft mbH, Bonn
	29	FGF Frankfurter Gesellschaft für Finanzwerte mbH, Frankfurt
	30	Commerzbank AG, Frankfurt
	31	GEGRA Gewerbegründstücksgesellschaft mbH, Aachen
	32	Ökologik AG, Erlangen
<b>Spain</b>	33	Vereins- und Westbank AG, Hamburg
	34	Augusta S.A., Madrid
	35	Banco Santander Central Hispano S.A., Santander
	36	Editorial Española de Seguros S.A., Madrid
	37	Renta Link S.A., Bilbao
	38	Servi-Vision S.A., Madrid
	39	Hispana de Titulización, S.A., Sociedad Gestora de Fondos, de Titulización Hipotecaria, Madrid
<b>Luxemburg</b>	40	Euralux, Lussemburgo
<b>Switzerland</b>	41	Allianz Versicherung (Schweiz) AG, Zurich
	42	Coop Rechsschutz, Aarau
	43	Autolinee Regionali Luganesi S.A., Tesserete
<b>Czech Republic</b>	44	Evropska Cestovni Pojistovna a.s., Prague
<b>Slovak Republic</b>	45	Európska Cestovná Poistovna a.s., Bratislava
<b>U.S.A.</b>	46	The Evergreen Group L.C., Des Moines
<b>Ecuador</b>	47	CONFIANZA Compañía de Seguros y Reaseguros S.A., Guayaquil
<b>Guatemala</b>	48	Afianzadora General S.A., Guatemala
<b>Panama</b>	49	IHF International Holding & Finance Co Ltd., Panama
<b>Peru</b>	50	Servicios Grupales Unidos de Salud S.A. "SEGUS", Lima
<b>Nigeria</b>	51	African Development Insurance Co., Lagos
<b>Israel</b>	52	Gilat Communication Engineering Ltd., Petah Tiqwa
	53	Givat Savyon Ltd., Tel Aviv
	54	Meqarqee Merkaz Ltd., Tel Aviv



# GEOGRAPHICAL DISTRIBUTION

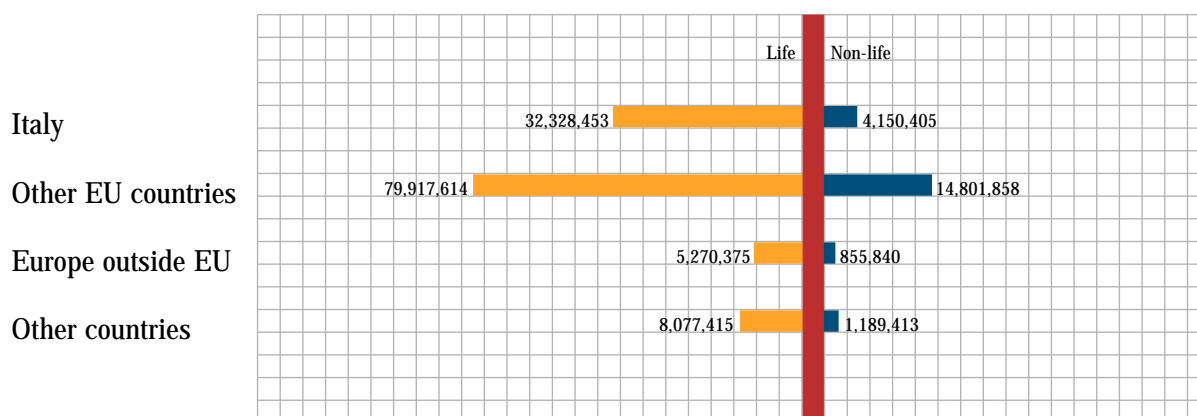


## GROSS PREMIUMS WRITTEN



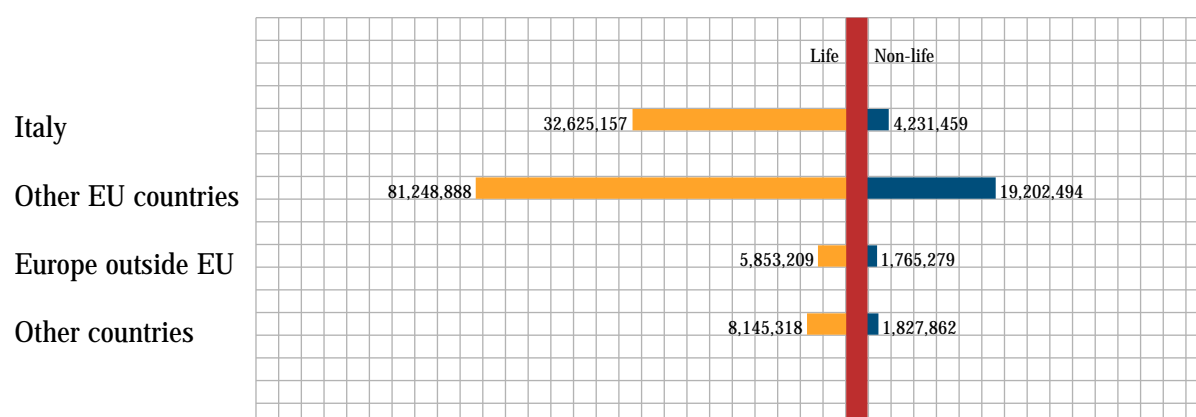
(in thousand Euro)		Life	%	Non-life	%	Total	%
<b>ITALY</b>	<b>Total</b>	8,086,102	21.4	2,602,974	6.9	10,689,076	28.3
<b>OTHER EU COUNTRIES</b>	Germany	6,462,102	17.1	4,512,284	11.9	10,974,386	29.0
	France	3,738,697	9.9	2,102,389	5.6	5,841,086	15.5
	Austria	593,589	1.6	1,275,212	3.4	1,868,801	5.0
	Spain	1,128,358	3.0	985,380	2.6	2,113,738	5.6
	United Kingdom	46,669	0.1	371,967	1.0	418,636	1.1
	Belgium	92,776	0.2	207,513	0.5	300,289	0.7
	Netherlands	144,174	0.4	96,043	0.3	240,216	0.7
	Other countries	56,671	0.1	120,700	0.3	177,371	0.4
	<b>Total</b>	12,263,037	32.4	9,671,487	25.6	21,934,524	58.0
<b>EUROPE OUTSIDE EU</b>	Switzerland	880,782	2.3	339,403	0.9	1,220,185	3.2
	Other countries	255,626	0.7	208,135	0.6	463,761	1.3
	<b>Total</b>	1,136,408	3.0	547,538	1.5	1,683,946	4.5
<b>OTHER COUNTRIES</b>	U.S.A., Canada	687,900	1.8	250,882	0.7	938,782	2.5
	Latin America	572,481	1.5	593,728	1.6	1,166,208	3.1
	Africa	13,670	-	14,987	-	28,656	-
	Israel	912,998	2.4	320,755	0.8	1,233,753	3.2
	Other countries	19,850	0.1	118,193	0.3	138,043	0.4
	<b>Total</b>	2,206,898	5.8	1,298,544	3.5	3,505,442	9.2
<b>Grand Total</b>		23,692,445	62.6	14,120,543	37.4	37,812,988	100.0

## TECHNICAL PROVISIONS



(in thousand Euro)		Life	%	Non-life	%	Total	%
<b>ITALY</b>	<b>Total</b>	32,328,453	22.1	4,150,405	2.8	36,478,858	24.9
<b>OTHER EU COUNTRIES</b>	Germany	45,131,804	30.8	7,199,996	4.9	52,331,801	35.7
	France	21,028,999	14.3	3,350,013	2.3	24,379,012	16.6
	Austria	4,946,684	3.4	1,727,464	1.2	6,674,147	4.6
	Spain	5,276,402	3.6	985,635	0.7	6,262,037	4.3
	United Kingdom	1,220,433	0.8	886,944	0.6	2,107,377	1.4
	Belgium	703,397	0.5	376,122	0.2	1,079,519	0.7
	Netherlands	1,393,871	1.0	142,882	0.1	1,536,753	1.0
	Other countries	216,025	0.1	132,801	0.1	348,825	0.2
	<b>Total</b>	79,917,614	54.5	14,801,858	10.1	94,719,472	64.6
<b>EUROPE OUTSIDE EU</b>	Switzerland	3,810,503	2.6	630,766	0.4	4,441,270	3.0
	Other countries	1,459,872	1.0	225,073	0.2	1,684,945	1.2
	<b>Total</b>	5,270,375	3.6	855,840	0.6	6,126,215	4.2
<b>OTHER COUNTRIES</b>	U.S.A., Canada	2,477,710	1.7	305,904	0.2	2,783,613	1.9
	Latin America	390,372	0.2	393,849	0.3	784,221	0.5
	Africa	17,792	-	21,380	-	39,172	-
	Israel	5,181,565	3.6	354,161	0.2	5,535,726	3.8
	Other countries	9,975	-	114,119	0.1	124,095	0.1
	<b>Total</b>	8,077,415	5.5	1,189,413	0.8	9,266,827	6.3
<b>Grand Total</b>		125,593,857	85.7	20,997,515	14.3	146,591,372	100.0

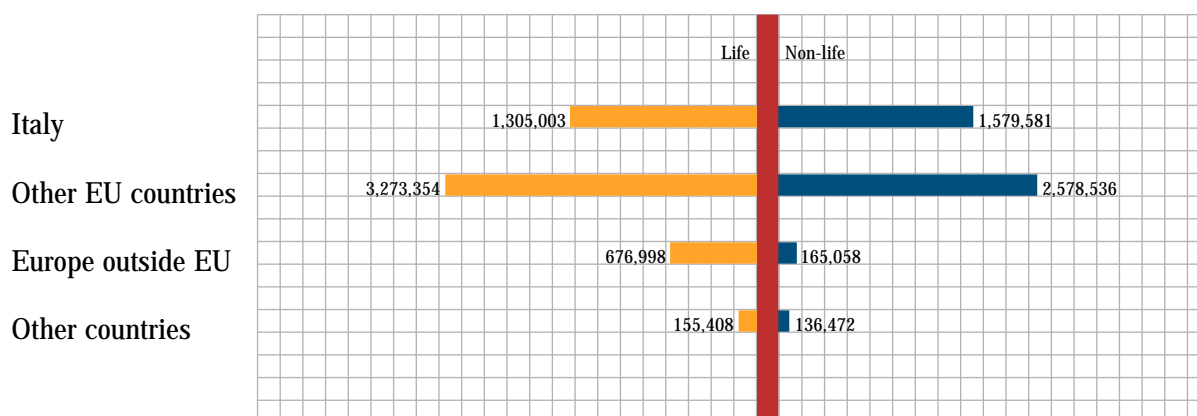
## TOTAL INVESTMENTS



(in thousand Euro)		Life	%	Non-life	%	Total	%
<b>ITALY</b>	<b>Total</b>	32,625,157	21.1	4,231,459	2.7	36,856,616	23.8
<b>OTHER EU COUNTRIES</b>	Germany	44,973,633	29.0	9,709,165	6.3	54,682,798	35.3
	France	21,121,688	13.6	3,788,176	2.4	24,909,863	16.0
	Austria	5,001,672	3.2	2,152,426	1.4	7,154,098	4.6
	Spain	5,422,514	3.5	897,227	0.6	6,319,741	4.1
	United Kingdom	1,341,596	0.8	709,030	0.5	2,050,626	1.3
	Belgium	747,617	0.5	1,183,753	0.8	1,931,370	1.3
	Netherlands	1,766,165	1.2	377,354	0.2	2,143,519	1.4
	Other countries	874,003	0.6	385,364	0.2	1,259,367	0.8
	<b>Total</b>	81,248,888	52.4	19,202,494	12.4	100,451,382	64.8
<b>EUROPE OUTSIDE EU</b>	Switzerland	4,147,600	2.7	1,644,470	1.0	5,792,069	3.7
	Other countries	1,705,609	1.1	120,810	0.1	1,826,419	1.2
	<b>Total</b>	5,853,209	3.8	1,765,279	1.1	7,618,488	4.9
<b>OTHER COUNTRIES</b>	U.S.A., Canada	2,581,482	1.7	584,105	0.4	3,165,587	2.1
	Latin America	472,795	0.3	643,468	0.4	1,116,263	0.7
	Africa	37	-	9,629	-	9,665	-
	Israel	5,083,770	3.3	516,982	0.4	5,600,752	3.7
	Other countries	7,234	-	73,679	-	80,913	-
	<b>Total</b>	8,145,318	5.3	1,827,862	1.2	9,973,180	6.5
<b>Grand Total</b>		127,872,572	82.6	27,027,094	17.4	154,899,666	100.0

## INVESTMENT SPECIFICATION

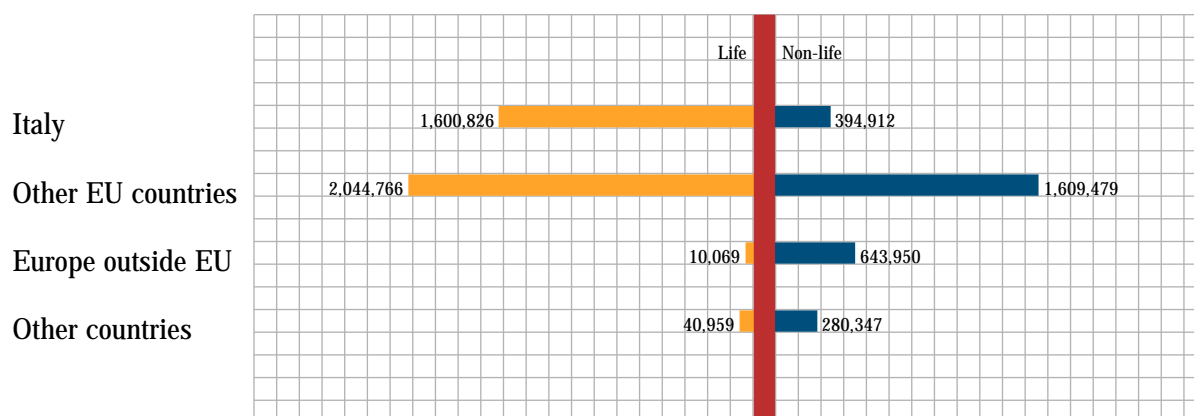
### 1. LAND AND BUILDINGS



(in thousand Euro)		Life	%	Non-life	%	Total	%
<b>ITALY</b>	<b>Total</b>	1,305,003	13.3	1,579,581	16.1	2,884,584	29.4
<b>OTHER EU COUNTRIES</b>	Germany	1,359,636	13.8	1,353,589	13.7	2,713,225	27.5
	France	1,252,841	12.7	415,452	4.2	1,668,294	16.9
	Austria	351,665	3.6	361,972	3.6	713,638	7.2
	Spain	52,688	0.5	381,738	3.9	434,426	4.4
	United Kingdom	-	-	42,675	0.4	42,675	0.4
	Belgium	105,703	1.2	5,113	-	110,817	1.2
	Netherlands	140,682	1.4	8,032	0.1	148,714	1.5
	Other countries	10,138	0.1	9,964	0.1	20,102	0.2
	<b>Total</b>	3,273,354	33.2	2,578,536	26.1	5,851,890	59.3
<b>EUROPE OUTSIDE EU</b>	Switzerland	674,297	6.8	162,182	1.6	836,480	8.4
	Other countries	2,701	-	2,875	-	5,576	-
	<b>Total</b>	676,998	6.8	165,058	1.6	842,056	8.4
<b>OTHER COUNTRIES</b>	U.S.A., Canada	9,678	0.1	-	-	9,678	0.1
	Latin America	53,782	0.5	85,218	0.9	139,001	1.4
	Africa	-	-	602	-	602	-
	Israel	91,947	0.9	46,046	0.5	137,994	1.4
	Other countries	-	-	4,605	-	4,605	-
	<b>Total</b>	155,408	1.5	136,472	1.4	291,880	2.9
<b>Grand Total</b>		5,410,763	54.8	4,459,647	45.2	9,870,410	100.0

## INVESTMENT SPECIFICATION

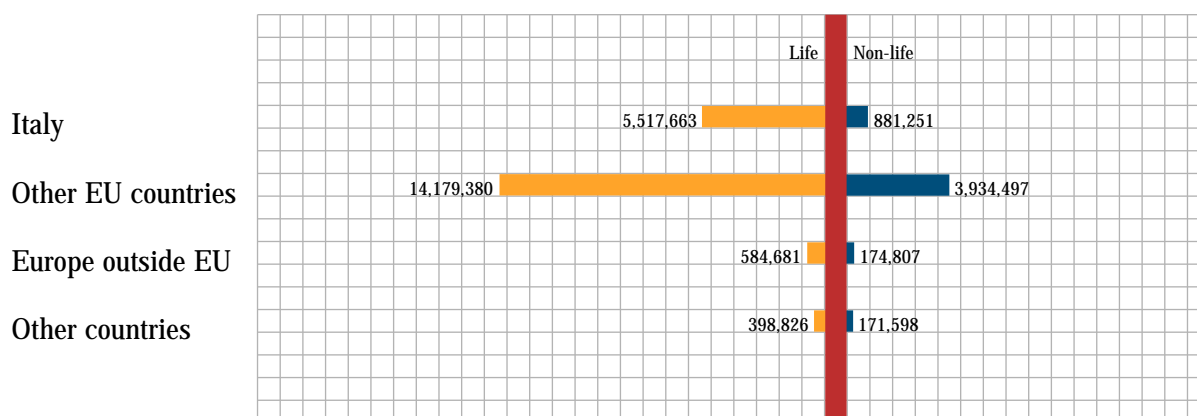
### 2. INVESTMENTS IN AFFILIATED COMPANIES AND OTHER SHAREHOLDINGS



(in thousand Euro)		Life	%	Non-life	%	Total	%
<b>ITALY</b>	<b>Total</b>	1,600,826	24.3	394,912	6.0	1,995,738	30.3
<b>OTHER EU COUNTRIES</b>	Germany	1,597,211	24.1	201,038	3.0	1,798,249	27.1
	France	123,840	1.9	112,354	1.7	236,194	3.6
	Austria	62,188	0.9	211,039	3.2	273,227	4.1
	Spain	236	-	50,721	0.8	50,956	0.8
	United Kingdom	-	-	115,689	1.7	115,689	1.7
	Belgium	28,146	0.4	775,270	11.7	803,416	12.1
	Netherlands	233,146	3.5	72,340	1.1	305,486	4.6
	Other countries	-	-	71,027	1.1	71,027	1.1
	<b>Total</b>	2,044,766	30.8	1,609,479	24.3	3,654,245	55.1
<b>EUROPE OUTSIDE EU</b>	Switzerland	1,202	-	636,446	9.6	637,648	9.6
	Other countries	8,868	0.1	7,505	0.1	16,372	0.2
	<b>Total</b>	10,069	0.1	643,950	9.7	654,020	9.8
<b>OTHER COUNTRIES</b>	U.S.A., Canada	7,718	0.1	1,578	0.0	9,296	0.1
	Latin America	33,241	0.5	192,532	2.9	225,772	3.4
	Africa	-	-	-	-	-	-
	Israel	-	-	86,238	1.3	86,238	1.3
	Other countries	-	-	-	-	-	-
	<b>Total</b>	40,959	0.6	280,347	4.2	321,306	4.8
<b>Grand Total</b>		3,696,621	55.8	2,928,688	44.2	6,625,309	100.0

## INVESTMENT SPECIFICATION

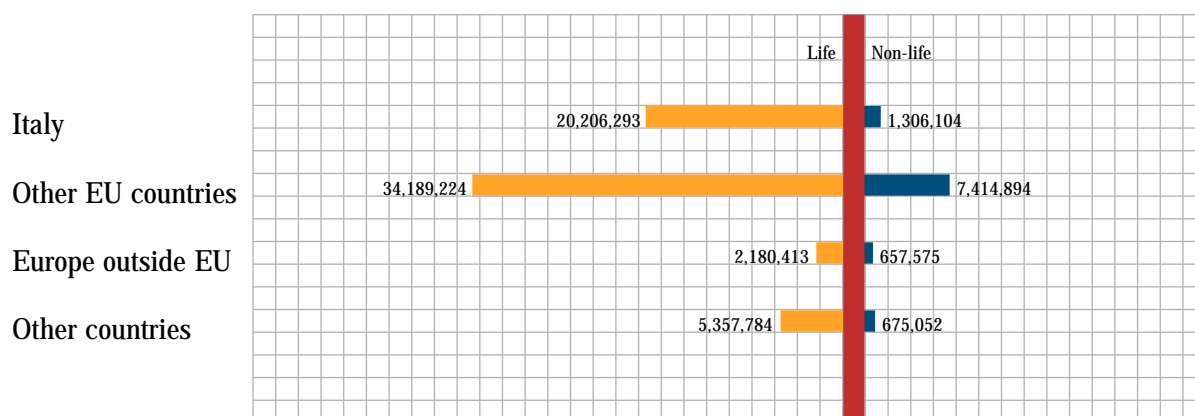
### 3. EQUITIES AND SHARES IN COMMON INVESTMENTS FUNDS



(in thousand Euro)		Life	%	Non-life	%	Total	%
<b>ITALY</b>	<b>Total</b>	5,517,663	21.4	881,251	3.4	6,398,914	24.8
<b>OTHER EU COUNTRIES</b>	Germany	9,325,305	36.0	1,963,121	7.6	11,288,426	43.6
	France	3,682,896	14.3	1,143,815	4.4	4,826,711	18.7
	Austria	590,027	2.3	283,489	1.1	873,516	3.4
	Spain	9,923	-	82,360	0.3	92,283	0.3
	United Kingdom	27,269	0.1	314,103	1.2	341,372	1.3
	Belgium	130,584	0.5	42,672	0.2	173,255	0.7
	Netherlands	389,567	1.5	83,546	0.3	473,112	1.8
	Other countries	23,810	0.1	21,392	0.1	45,202	0.2
	<b>Total</b>	14,179,380	54.8	3,934,497	15.2	18,113,877	70.0
<b>EUROPE OUTSIDE EU</b>	Switzerland	490,682	1.9	166,868	0.6	657,549	2.5
	Other countries	93,999	0.4	7,939	0.0	101,938	0.4
	<b>Total</b>	584,681	2.3	174,807	0.6	759,488	2.9
<b>OTHER COUNTRIES</b>	U.S.A., Canada	90,582	0.4	40,173	0.2	130,755	0.6
	Latin America	10,699	-	38,440	0.1	49,139	0.1
	Africa	37	-	265	-	302	-
	Israel	297,507	1.2	92,415	0.4	389,921	1.6
	Other countries	2	-	305	-	307	-
	<b>Total</b>	398,826	1.6	171,598	0.7	570,424	2.3
<b>Grand Total</b>		20,680,550	80.1	5,162,152	19.9	25,842,703	100.0

## INVESTMENT SPECIFICATION

### 4. DEBT SECURITIES AND OTHER FIXED-INCOME SECURITIES



(in thousand Euro)		Life	%	Non-life	%	Total	%
<b>ITALY</b>	<b>Total</b>	20,206,293	28.0	1,306,104	1.8	21,512,397	29.8
<b>OTHER EU COUNTRIES</b>	Germany	14,917,044	20.6	3,610,463	5.0	18,527,506	25.6
	France	11,907,071	16.5	2,023,469	2.8	13,930,540	19.3
	Austria	2,079,030	2.9	620,517	0.9	2,699,547	3.8
	Spain	2,562,492	3.6	198,837	0.3	2,761,330	3.9
	United Kingdom	1,074,411	1.5	179,879	0.2	1,254,290	1.7
	Belgium	398,434	0.6	351,324	0.5	749,758	1.1
	Netherlands	476,404	0.7	161,883	0.2	638,287	0.9
	Other countries	774,339	1.1	268,521	0.4	1,042,860	1.5
	<b>Total</b>	34,189,224	47.5	7,414,894	10.3	41,604,117	57.8
<b>EUROPE OUTSIDE EU</b>	Switzerland	1,435,551	2.0	587,129	0.8	2,022,680	2.8
	Other countries	744,862	1.0	70,446	0.1	815,308	1.1
	<b>Total</b>	2,180,413	3.0	657,575	0.9	2,837,989	3.9
<b>OTHER COUNTRIES</b>	U.S.A., Canada	1,141,602	1.6	370,907	0.5	1,512,509	2.1
	Latin America	282,853	0.4	125,760	0.2	408,613	0.6
	Africa	-	-	-	-	-	-
	Israel	3,929,192	5.5	124,992	0.2	4,054,184	5.7
	Other countries	4,137	-	53,393	0.1	57,530	0.1
	<b>Total</b>	5,357,784	7.5	675,052	1.0	6,032,836	8.5
<b>Grand Total</b>		61,933,714	86.0	10,053,624	14.0	71,987,339	100.0



**INDIPENDENT AUDITOR'S REPORT**





**AUDITORS' REPORT pursuant to  
article 156 of Legislative Decree of February 24, 1998, n. 58  
and article 75 of Legislative Decree of May 26, 1997, n. 173**

(Translation from the original Italian text)

To the Shareholders of  
**GENERALI**  
Assicurazioni Generali S.p.A.

1. We have audited the consolidated financial statements of GENERALI - Assicurazioni Generali S.p.A. as of and for the year ended December 31, 1999. These financial statements are the responsibility of the GENERALI - Assicurazioni Generali S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.
  
2. Our audit was made in accordance with auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency)<sup>(\*)</sup> amended, where necessary, on the basis of generally accepted auditing standards for the audit of insurance companies. In accordance with such standards and procedures we planned and performed our audit to obtain such information necessary in order to determine whether the consolidated financial statements are materially misstated or if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.  
The financial statements of certain subsidiaries and associated companies, which represent approximately 49,5% of consolidated assets and the financial statements of certain subsidiaries which represent approximately 45% of consolidated turnover, have been examined by other auditors, whose reports have been supplied to us. Our opinion, as expressed in this report insofar as it relates to the amounts included for those companies, is also based upon the reports of other auditors.  
For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes as required by the law, reference should be made to our report dated April 12, 1999.
  
3. In our opinion, the consolidated financial statements of GENERALI - Assicurazioni Generali S.p.A. comply with the Italian<sup>(\*)</sup> regulations governing consolidated financial statements; accordingly, they clearly present and give a true and fair view of the consolidated financial position of GENERALI -

Assicurazioni Generali S.p.A. as of December 31, 1999, and the consolidated results of its operations for the year then ended.

4. As described in the Directors' report, subsequent to the year-end, the Parent Company successfully completed its bid to acquire the Istituto Nazionale delle Assicurazioni - INA S.p.A.. The acquisition was concluded with the purchase of over 85% of the outstanding shares.

Udine, 10 April 2000

RECONTA ERNST & YOUNG S.P.A.  
(signed)  
Giorgio Trombetta  
(Partner)

(\*) Words added in translation from original Italian text



**PARENT  
COMPANY**

**1999**





## Highlights of the Parent Company's accounts

(in million Euro)	1999	1998	1997
Gross premiums	6,510.4	6,500.0	6,418.8
increase	7.6%	7.2%	6.4%
Operating expenses	1,305.8	1,356.1	1,324.6
increase	1.4%	5.0%	4.2%
Investments	28,235.5	25,818.5	24,358.4
increase	8.5%	9.7%	14.0%
Investment income	1,968.5	2,083.2	1,888.7
increase	3.0%	10.3%	9.5%
Technical provisions	23,948.0	21,245.4	21,579.1
increase	12.7%	12.8%	15.3%
Technical provisions/net premiums (non-life)	197.2%	195.2%	194.6%
Loss ratio (non-life)	83.0%	84.8%	83.9%
Capital and free reserves	5,642.6	5,556.8	3,388.7
Net profit	341.3	312.2	289.6
Overall dividend distributed	297.7	225.2	203.9
increase	32.2%	10.4%	19.4%
Staff on December 31, 1999	5,032	5,278	6,203

Considering that the comparison with the previous statement was conditioned by a number of important operations involving our branches, all indexes were uniformised to provide a clearer picture of the 1999 financial year.

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*Shareholders,*

## **The background**

In 1999, world economy recovered recording a 3% growth rate in real terms. The good performance, up from 2.5% in the previous year, was in many ways unexpected, for it came in the wake of the recession that affected various areas in 1998.

In the US GDP continued to perform well (+4%), further consolidating the expansion of the economy that has been growing for almost a decade. On the other hand, the Japanese economy grew slowly (+0.3%) despite a more accommodating budget and a recovery in exports in the country's traditional eastern markets. In Latin America GDP variation was insignificant but showed an upturn, towards the end of the year.

The economy in Europe grew by 2.2%, a rate that was lower than the previous year's. Differences among member countries were significant. Spain (+3.5%) and France (+2.8%) proved to be very dynamic while in Germany and Italy the changeover to the single currency coincided with a slower growth (+1.4%).

1999 was the Euro's debut year: its value compared to the US Dollar decreased by 20% due to the growth differential of European economies with respect to the US economy and the differences in legislation, especially tax rules, that represent an obstacle to under the convergence EU economies. The consequence has been a net outflow of capitals toward the Dollar in international transactions (over Euro150bn in 1999).

Although there are no longer any barriers against the free movement of capitals and goods, full economic integration remains a distant goal. Against this background it is imperative to eliminate the inflexibility

and burdens that in different ways shackle the economies of member countries, which prevent them to grow steadily and virtuously, as in the US.

In a number of EU countries, courageous reforms have been carried out to stimulate the economy. Germany, for example, has cut corporate taxes in order to boost production and encourage investment. In Italy, the structural problems that affect the areas of taxation, pensions and the labour market continue to undermine the economic system as a whole, considerably blunting the country's competitive edge in international markets.

The indications coming from the area of public finance - where in 1999 the deficit-on-GDP ratio fell to 1.9% (lower than the ceiling set at Maastricht) - are only apparently positive. In fact the improvement was obtained by an increase in tax revenue and was not a consequence of lower spending, despite the strong recommendations voiced by prominent national and international economic and financial institutions.

In 1999, the net current spending-on-GDP ratio increased, mainly because of a higher social bill. Spending remained under control only as a consequence of a significant fall in interests paid for the government debt.

The government policies in the area of social security did not tackle the structural shortcomings of a system that remains very generous. The full implementation of the Dini reform is no longer deferrable, and a new equilibrium must be found between the public and private sectors in order to reduce the compulsory contributions that continue to overburden both employers and workers. The increase in retirement age and the adoption of fairer criteria in determining pensions - by extending the contribution for the related method of



calculation of pension benefits - would allow an immediate and significant reduction of spending.

As to the supplementary pension sector, pension funds should benefit from the government's decision - effective as from January 1, 2001 - to grant further tax breaks and introduce individual pension schemes.

The NHS, too, underwent further reforms aimed at curbing health costs and stimulating health and assistance funds. These funds are unlikely to encourage the development in Italy of a second health pillar because their services are limited to providing additional benefits with respect to the essential levels of assistance or to the reimbursement of the quota of spending sustained by citizens, and they are not allowed to select risks.

### **The insurance market**

In 1999 world premium income grew by 4% compared to the previous year when growth rate was 3%. Turnover increased more rapidly in Europe (10%) with respect to the US (+3%) and, especially, to Japan (-1.5%).

World premium income in the life branch grew by 6%. In the US growth was slower (+5%), while in Japan life premiums decreased (-1%) as a consequence of the critical conditions of the local financial system. Latin America, showed a dynamic market thanks to the privatisation process of the pension sector underway in most countries.

On the one hand, the positive performance of life business in Europe (+15%) was due to the opportunities that have been created in the supplementary pension sector following the ongoing reforms in the welfare state, and, on the other hand, to the increasingly crucial role played by insurers in the global

management of households savings as a consequence of the elimination of barriers that distinguished financial operators.

The development of the non-life insurance sector (+1%) was affected by a saturation of demand in certain sectors and by the downward pressure on rates due to tough competition and excess reinsurance capacity.

These factors explain why in the US, despite a positive overall economic picture, the volume of premiums remained substantially unchanged. Japanese non-life business felt the brunt of the economic downturn and decreased by 3%. The market performed well in Latin America, with peaks in Argentina and Mexico.

The non-life market in Europe also grew slowly (+3%). Premium income in France and Germany were substantially stable, unlike in Italy and Spain where its growth was higher.

In the most advanced markets, the trend towards diversification of distribution channels is strengthened. E-commerce initiatives provided excellent opportunities in the mass risks sector. The traditional networks of agents and brokers remains the most important vehicle for insurance products retailing. Bancassurance emerged forcefully in a number of insurance markets, namely in France, Spain and Italy.

The common denominator in insurance markets, despite their wide differences in terms of activity or geographical distribution, is the increasingly fiercer competition combined with extremely aggressive strategies.

In this light, the big players have aimed at achieving size in order to generate economies of scale, reduce costs and thus strengthen their position in the market.



The process that is bringing the insurance and banking sectors closer also led to the establishment of increasingly larger financial conglomerates.

This development is behind the strong growth that over the last few years has characterised the M&A market. According to some estimates, the world M&A market in 1999 was worth over 51.6bn Euro, changing consolidated equilibrium in various international markets. Concentration levels have rapidly increased: in Europe, approximately a quarter of the market is held by the top five insurance groups.

In an insurance scenario where conditions within each country differ widely, premium income in Italy recorded an impressive 21% growth rate, confirming that the country's insurance industry is one of the most dynamic in Europe.

In the life branch, premiums rose by 34% thanks to the outstanding performance of individual and unit-linked policies. While supplementary pension schemes, did not take off. Over the past five years, the life premium-to-GDP ratio has trebled.

In the non-life business growth (+7%) has remained substantially unchanged with respect to 1998. There has been an acceleration in the motor segment where, however, higher tariffs have not been sufficient to reduce underwriting losses caused by the significant increase in the cost of accidents involving bodily injuries.

Despite this situation, the government froze motor insurance tariffs as a measure against rising inflation. The action taken does appear to be ineffective also considering that motor insurance makes up but 0.22% of the basket of index-linked goods.

The action taken by the government is in contrast with market freedom and with the

tariffs liberalisation applied in the EU as a pre-requisite of the economic integration process in Europe.

In addition, the economic impact of the measure is very serious also in terms of jobs, considering that in 1998 the motor insurance segment recorded losses amounting to nearly 1,550m Euro.

As to how the government intends to tackle the issue of raising rates remains unclear. The reasons behind rising tariffs are mainly related to the lack of uniformity in the norms regulating the evaluation of "biological damage" which has led to an abnormal and unjustifiable growth in the settlement costs of accidents involving bodily injuries, a cost that since 1994 has risen by 60%, with an average annual growth of approximately 12%.

### **The Company and the Group**

Against a background of continuous changes, Generali's strategy focused on enlarging and restructuring operations in the main markets so as to improve the Group's overall profitability and consolidate its role as a world insurance and financial operator.

It is in this light that the INA acquisition should be seen. This operation started on September 14, 1999, with a cash-and-bid offer involving the issuing of 227,001,495 new Generali shares and the payment of approximately 2.69bn Euro. It was concluded on February 17 of this year, with the acquisition of an 85% stake in the Rome-based company.

Following the acquisition, Generali launched an industrial reorganisation programme of the Italian group as a whole and initiated the integration of Generali and INA/Assitalia aiming at achieving synergies in terms of costs and of optimising overall insurance and financial policy.



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The plan set down the establishment of two poles - life and non-life - with the unification of the insurance activities of the above mentioned companies, the sharing for the entire Group in Italy of IT and administration services and the setting up of an asset management company.

Generali and INA's retailing networks and trademarks will maintain their specific identity, within a coordinated commercial policy in order to maximise the marketing strategy through insurance, banking and the financial services of the Group.

With the acquisition of INA, Generali has become Europe's leading insurer in terms of life premium income, while ranking second in non-life business. It has strengthened its position in Italy, thanks to a retailing network that includes 35,000 agents and subagents, 2,000 financial promoters and 3,000 bancassurance counters and covers a client-base of some 12 million clients.

Other operations in 1999 included the acquisition in Argentina of a significant shareholding in Caja de Ahorro y Seguro, which allowed Generali to become the top-insurer in a market characterised by high growth potential. In Switzerland, Generali acquired two insurance companies, Secura Leben and Secura Allgemeine, from the Migros Group with which an important selling agreement was signed.

With a view to boosting operations in Southeast Asia and in China, Generali signed a strategic co-operation agreement with the Kuok group, a prominent economic conglomerate operating both in the industrial and services sectors. The first step of this agreement is the creation of two insurance companies in the Philippines. In Turkey, Generali reached an

agreement to develop insurance business with the Süzer group, one of the country's largest business concerns.

Within the framework of the restructuring of Group operations in various markets two companies were sold in the UK and three in Spain, Canada and Italy respectively. These were not considered as being sufficiently large or in a position to produce significant profits. (Together, the four companies produced in 1998 a premium income of 258m Euro).

In addition, Generali further streamlined organisation within Group companies by concentrating administration, finance and data processing activities in common structures in order to reduce operational costs and optimise corporate processes. Lower operating costs will allow Group companies to improve market positions, while maintaining their specific identities.

In particular, the Group focused on technological innovation. Following the success of telephone selling specialists Genertel in Italy and Cosmos in Germany, Internet selling initiatives were also launched in the framework of a comprehensive marketing policy aimed at developing, starting with the Italian market, the electronic sale of insurance, financial and banking products. In this respect Banca Generali, has launched its trading on line service.

The concentration of IT facilities in common services centres underway in various markets will lay the foundations for a uniform technological development both in terms of corporate and retailing processes.

The action taken so far has allowed Generali to consolidate its role as one of the world's top players, by streamlining

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its organisation and restructuring operations. In 1999 the Generali Group premium income rose by 16.7% reaching 37,805m Euro over the previous year. Growth over the past three years has doubled. With INA - which will enter the consolidation area only next year - premium income would amount to 43,714.5m Euro.

However, strategy, no matter how effective, may not be enough in itself to determine the success of a business

enterprise: strategy must be carried out with determination and conviction by skilled operators who are dedicated to providing quality service to clients.

These are the guidelines Assicurazioni Generali intends to pursue, by seizing opportunities that may arise in Italy and abroad so as to further strengthen its position in the market, improve overall profitability and create added value for shareholders.



## Profit for the year

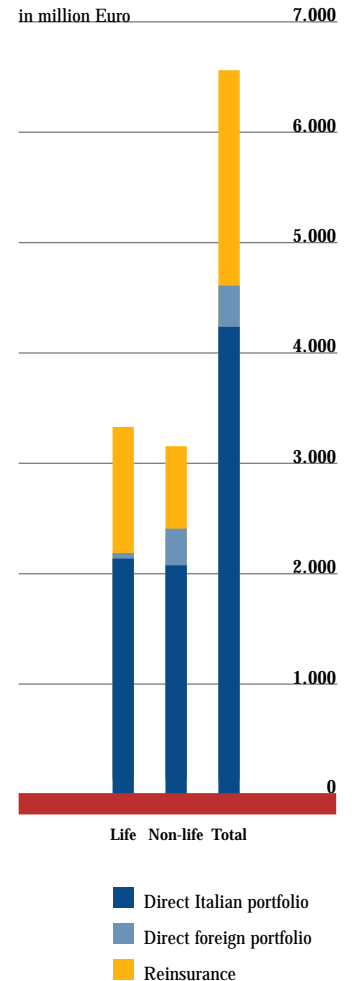
Profit for the year was as follows:

(in million Euro)	1999		1998	
	Life	Non-life	Life	Non-life
Gross premiums	3,329.0	3,181.3	3,423.3	3,076.7
Net premiums	3,292.9	2,796.0	3,377.6	2,737.6
Claims, maturities and surrenders	-1,702.5	-2,180.3	-1,659.7	-2,040.0
Change in technical provisions	-2,293.7	-137.7	-2,500.8	-326.9
Net operating expenses	-499.8	-805.9	-539.7	-816.4
Altri proventi e oneri tecnici	-3.8	-45.5	-3.0	-31.0
Investment return allocated to technical account	1,330.6	335.6	1,473.3	338.6
Net technical balance	123.6	-37.7	147.8	-137.9
Net investment return	1,619.0		1,729.2	
Profit and loss from sale of non-durable assets and assets relating to Special Life Management	334.0		337.5	
Net income relating to class "D" investments	172.0	381.8	114.7	328.0
Value adjustments on non-durable investments (net of re-adjustments)	-77.1		-41.4	
minus income allocated to technical accounts	-1,666.2		-1,812.0	
Other ordinary income and charges		-35.0		-59.5
Operating result		432.8		278.3
Profit and loss from sale of other durable assets		139.0		237.3
Value adjustments on durable securities (net of re-adjustments)		-26.1		-35.4
Other extraordinary income and charges		-33.0		-30.5
<b>Result before taxation</b>		<b>512.7</b>		<b>449.7</b>
Taxes on profit		-171.4		-137.5
<b>Profit for the year</b>		<b>341.3</b>		<b>312.2</b>

Profit for the year increased by 29.1m Euro (+9.3%) up to 341.3m Euro. Profit before taxes rose by 14% to 512.7m Euro, while current operating profit by 55%. So as to allow a clearer comparison with the previous year's data, figures have been calculated on equal terms. It is in fact necessary to stress that the merger in 1998 of the Spanish and French branches respectively into the affiliates Estrella Seguros and Generali France Participations as well as the deferral of income and expenses from facultative and non-proportional reinsurance to next year's profit and loss accounts have altered the comparison with the previous year. The impact of exchange rate variations has been eliminated, too. Underwriting activity recorded an overall profit that was higher than the previous year's, thanks to the improved performance of non-life business. On the other hand, profit in the life business was just lower than in 1998. Gross premium income was 6,510.4m Euro, a 7.6% increase arising from a 10.2% and 2.1% increment in direct business and reinsurance respectively. Direct business in Italy rose by 14%, i.g. 23.9% in the life and 4.8% in the non-life business. Direct business abroad, on the other hand, fell by 19.3%. Reinsurance activity progressed 2.1%, down 5.3% in the non-life sector and up 8.3% in the life. Overall retention ratio was 93.5% (92.1% in 1998). Non-life loss ratio, net of reinsurance, was 83% (84.8% in 1998). It was 78.4%

(81.5%) in the Italian direct business. Overall technical provisions amounted to 23,948m Euro (18,434.6 in the life branch and 5,513.4m Euro in the non-life). The non-life premiums-to-provisions ratio rose from 195.2% to 197.2% and, as far as business written in Italy is concerned, from 182.5% to 185.4%. Net operating expenses rose by 1.4%, lower than the premiums growth rate. Thus the overall expenses ratio went further down from 23% to 21.4%. Net income amounted to 1,619m Euro (+4.6%) recording an average income yield of 5.8% (6.7% in 1998). Income from trading was some 334.1m Euro (337.2m Euro in 1998). Profits from the realisation of other durable assets amounted to 139.4m Euro (237.6m Euro in 1998). The result was affected by the decrease in value adjustments on securities which amounted to 111.6m Euro (90.9m Euro in 1998). Net profits from investments relating to internal funds reached 172m Euro, up by 50% from 114.7m Euro in the previous year. The adjustment of exchange rates for assets and liabilities held in foreign currency, including the profits deriving from the translation of currencies, almost reached 32.5m Euro (23.1m Euro in 1998). Profit to be distributed amounted to 297.7m Euro, up 32.2% The 1999 dividend for each of the 1,252,943,669 shares in issue - including those issued for the INA shares received in exchange - was 0.2376 Euro (+8.2%).

## Premium income



## Underwriting activity

Overall premium income in 1998 was 6,510.4m Euro, up 7.6%. Turnover of direct business amounted to 4,471.6m Euro out of this sum, 4,058.4m Euro (+14%) was written in

the domestic market, while 413.2m Euro (-19.3%) abroad.

Reinsurance premium income reached 2,038.8m Euro, of which 826.7m Euro (+5.5%) from the Italian market and 1,212.1m Euro (-0.2%) from foreign markets.

## Gross premium income

(in million Euro)	1999	1998	Reported	Change On equivalent terms
<b>Direct Business</b>				
Life	2,181.7	1,820.3	19.8%	21.4%
Non-Life	2,289.9	2,328.7	-1.7%	1.2%
Total	4,471.6	4,149.1	7.8%	10.2%
<b>Reinsurance</b>				
Life	1,147.3	1,602.9	-28.4%	8.3%
Non-Life	891.5	748.1	19.2%	-5.3%
Total	2,038.8	2,351.0	-13.3%	2.1%
<b>Overall business</b>				
Life	3,329.0	3,423.2	-2.8%	16.5%
Non-Life	3,181.4	3,076.8	3.4%	-0.6%
Total	6,510.4	6,500.0	0.2%	7.6%



## Life branch

Gross premiums in the life sector grew by 16.5% to 3,329m Euro. Retention

ratio was 98.9% compared to 98.4% in the previous year.

## Life branch - Gross premiums

(in million Euro)	Premiums	Reported	Change On equivalent terms	Incidence
Italy	2,116.1	23.9%	23.9%	63.6%
UK Branch	45.0	-32.4%	-40.0%	1.4%
Italian direct portfolio	2,161.1	19.9%	21.5%	65.0%
Foreign direct portfolio	20.6	18.6%	7.2%	0.6%
Reinsurance	1,147.3	-28.4%	8.3%	34.4%
Total	3,329.0	-2.8%	16.5%	100.0%



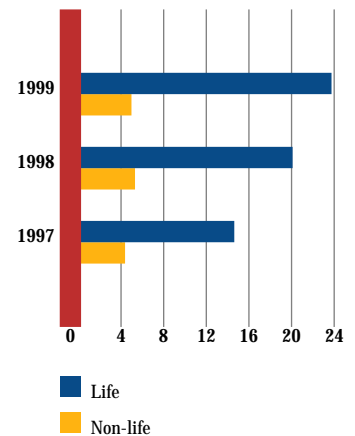
Insured capitals at December 31, 1999, increased by 16.9% to 126,521.1m Euro. In Italy, premiums in the life branch

amounted to 2,116.1m Euro, up 23.9% (+21.1% in the previous year).

### Life branch - direct business written in Italy

(in million Euro)	Premiums	Change	Incidence
Life insurance	1,609.0	11.4%	76.0%
Internal funds	472.4	127.3%	22.3%
Capitalisation	31.5	-43.3%	1.5%
Pension funds	3.2	-	0.2%
<b>Total</b>	<b>2,116.1</b>	<b>23.9%</b>	<b>100.0%</b>

### Increase of Italian direct business (%)



Premium income in the **individual policies** sector rose 26.6% to 1,820.5m Euro, a growth rate that was achieved despite a slowing down of the market. The result was mainly due to the good performance of the separate life management and of the internal funds. The result also benefited from the action taken to diversify products, which allowed clients to choose the combination of insurance and pension services that best suited them, from cross-selling initiatives and from an effective marketing communication strategy.

New business amounted to 891m Euro (571.4m Euro in 1998) and came from the subscription of over 172,000 new policies (+23.4%).

Single premiums amounted to 751.5m Euro (467.3m Euro) mostly as a consequence of the significant rise in the premium income of unit-linked policies, which rose from 207.8 to 472.4m Euro.

Annual premiums amounted to 139.5m Euro, a significant improvement with respect to 104.1m Euro recorded the previous year, thanks above all to the commercial success of unit-linked policies. The average gross premium for new long-term policies rose from 1,291 to 1,549 Euro. The action taken to encourage policyholders to defer contracts or to transform the capitals that have matured into new premiums has borne good results. In fact, 56.5% of the sums due for payment have been reinvested. As to early discharges, the incidence on premiums of lapses, surrenders and paid-up policies compared with the initial portfolio was 4.2%, down from 4.9% in 1998. The life portfolio was made up at year's end by 1,179,000 policies (including unit-linked contracts), compared to 1,099,000 in 1998. Insured capitals amounted to 21,326.1m Euro, mathematical reserves to 8,809.2m Euro, while sums at risk to 9,712.5m Euro.

### Yield of segregated life funds

	December 1999	December 1998
GESAV	7.83%	7.96%
PREVIR	6.35%	7.18%
GEVAL EURO	6.42%	7.90%
GEVAL US Dollar	6.06%	6.39%
GEVAL German Mark	5.52%	6.34%
GEVAL Swiss Franc	4.58%	6.40%
GEVAL Yen	4.38%	2.99%



The segregated life funds remained in most cases at good levels thanks to a financial policy aimed at maintaining yield and security of investments in a market where interest rates have tended to fall.

Within the framework of high financial content products, the Company's range of offer was widened with the introduction of new share, bond and balanced internal funds designed to allow clients to choose the combination of risk and yield which best suits their requirements. At year's end "Euro Blue Chips", the first fund to be launched in the market, managed assets amounting to 261.8m Euro, recording an increase of 40% in the course of the year.

**Group policies** premiums rose by 9.7% to 295.6m Euro. Premium income in the additional pension sector improved significantly thanks to the growing number of new subscriptions, to the increase of contributions set down following the renewal of working contracts and to the higher quotas of severance pay reserved to the funds. Direct business written in Italy recorded a higher profit than in the previous year. In 1999, **pension funds** received the first significant adhesions collecting premiums for 3.2m Euro. Pension funds

are distributed by Company agents and financial promoters, by Banca Generali and by a number of credit institutes with which retailing agreements were signed. As to new contractual funds, Generali holds a quota in the management of Fonchim and of other smaller funds; and, beginning this year, of Cometa, the fund reserved for metal workers. At year's end, total savings managed amounted to 49m Euro.

As far as pension funds are concerned, Generali is currently involved in a number of talks with other operators while lawmakers are drawing up the definitive legal framework governing non-contractual funds.

Overall **direct life business abroad** amounted to 65.6m Euro, down 30.2%. Premium income in the UK was 40% lower as the UK Branch pulled out from a number of business lines it no longer considered strategic. Focus is now on the middle-high segment of group policies. Underwriting result continued to be negative.

### **Non-life business**

Gross non-life premium income, amounting to 3,181.3m Euro, remained substantially unchanged with respect to the previous year due to the slowing down of reinsurance (-5.3%) and of direct business written abroad (-16.8%). The result was affected by the adoption of a risk selection policy that focused on improving profitability and by a downturn in a number of markets. Retention ratio was 87.9%, compared to 86.3%, on equivalent terms, recorded the previous year.



## Non-life branch - Gross premiums

(in million Euro)	Premiums	Reported	Change On equivalent terms	Incidence
Italy	1,942.3	5.1%	4.8%	61.1%
UK Branch	106.3	-14.7%	-25.1%	3.3%
Other EU branches	69.2	-60.8%	6.8%	2.2%
Italian direct portfolio	2,117.8	-1.4%	3.0%	66.6%
US Branch	107.8	5.4%	-9.6%	3.4%
Japan Branch	38.5	-11.5%	-32.5%	1.2%
Other non-EU branches	25.8	-25.1%	-32.5%	0.8%
Foreign direct portfolio	172.1	-4.5%	-19.5%	5.4%
Reinsurance	891.4	19.2%	-5.3%	28.0%
Total	3,181.3	3.4%	-0.6%	100.0%

Direct **premium income in Italy** rose by 4.8% to 1,942.3m Euro. Loss ratio was substantially unchanged with respect to the previous year (80.4% compared to 80.5% in 1998) despite the impact of a number of significant claims,

which were, however, almost entirely reinsured. Net loss ratio went down from 81.5% to 78.4%. Including attributed income, underwriting result in Italy produced a profit, and was back in black.

## Non-life branch – direct business written in Italy

(in million Euro)	Premiums	Change	Incidence	Gross loss ratio		
				1999	1998 Reported	1998 On equal terms
Accident	233.1	0.5%	12.0%	62.9%	64.8%	61.6%
Health	138.5	10.1%	7.1%	81.6%	91.6%	88.6%
Motor, other classes	105.9	-	5.5%	35.3%	34.6%	35.2%
Marine, aviation and transport (*)	87.8	-0.6%	4.5%	75.6%	101.4%	97.5%
Fire and natural elements	195.0	4.6%	10.0%	53.7%	52.7%	49.0%
Other damage to property	234.6	0.6%	12.1%	84.7%	81.5%	78.1%
Motor TPL	680.2	8.9%	35.0%	96.2%	98.6%	99.8%
General liability	210.6	9.4%	10.8%	95.6%	103.3%	98.7%
Credit and suretyship	34.8	-16.4%	1.8%	19.9%	25.5%	25.7%
Miscellaneous (**)	21.8	-6.4%	1.2%	153.5%	63.9%	62.4%
Total	1,942.3	4.8%	100.0%	80.4%	82.4%	80.5%

(\*) Includes trains, air, sea, lake and river crafts, cargo, t.p.l. for air, sea, lake and river crafts  
 (\*\*) Includes loss of income, legal protection and assistance

The **personal and small businesses lines** recovered significantly, growing by 7.1% despite a slow market. In 1999, the market was affected by the dearth of available income and the slump in certain businesses, namely retailing and crafts. The policy of the Company focused on diversifying products for different client segments, by implementing lower loadings so as to offset increasing competition. During the

year, Generali marketed modular schemes in Euro which combined various guarantees, while the range of covers offered by traditional policies were widened.

In those segments of the portfolio which showed underwriting losses, a prudent underwriting policy was implemented in order to provide more security to policyholders. Loss ratio improved going down from 78.3% to 77%.

### Non-life branch – business written in Italy in the personal lines

(in million Euro)	Premiums	Change	Gross loss ratio		
			1999	1998	
			Reported	On equal terms	
Accident	135.4	3.9%	58.1%	61.8%	58.4%
Health	56.4	7.3%	54.2%	59.7%	56.9%
Motor, other classes	105.9	-	35.3%	34.6%	35.2%
Fire and natural elements	89.6	4.2%	40.2%	42.8%	38.1%
Other damage to property	82.5	9.2%	59.7%	68.3%	63.8%
Motor TPL	680.2	8.9%	96.2%	98.6%	99.8%
General liability	63.0	10.4%	86.5%	87.1%	81.2%
Miscellaneous	12.3	4.3%	31.3%	49.1%	48.1%
<b>Total</b>	<b>1,225.3</b>	<b>7.1%</b>	<b>77.0%</b>	<b>79.6%</b>	<b>78.3%</b>



Growth in the personal **accident** business was conditioned by a lower premium income in the motor segment. The “Valore sicurezza” product was integrated by additional guarantees to cover serious bodily injuries. The range of “Nova - Familia”, an insurance policy in Euro, was widened with the inclusion of a clause that established, in case no claims occurred, the allocation of the premiums paid in a unit-linked policy.

The **health** insurance sector was characterised by a growing demand, coming from wide segments of the population, for additional schemes to top-up the services offered by the National Health Service. Generali introduced a competitive policy that sets down an annuity in the case of a serious invalidity arising from a sickness to be paid for the duration of the contract. Loss ratio improved despite a significant rise of health costs.

Premium income in **motor other classes** remained stationary as a consequence of the reduction of the number of insured vehicles in the portfolio. The reduction was determined by the reform carried out in the motor tpl portfolio and by the entry in the marketplace of players who rely on new retailing channels. In order to boost income, the Company focused on widening the offer by providing additional covers. Loss ratio trend gave positive indications.

The **fire and natural elements** business showed a good progression in the household segment while the industrial and commercial small businesses segment slowed down. Loss ratio remained satisfactory.

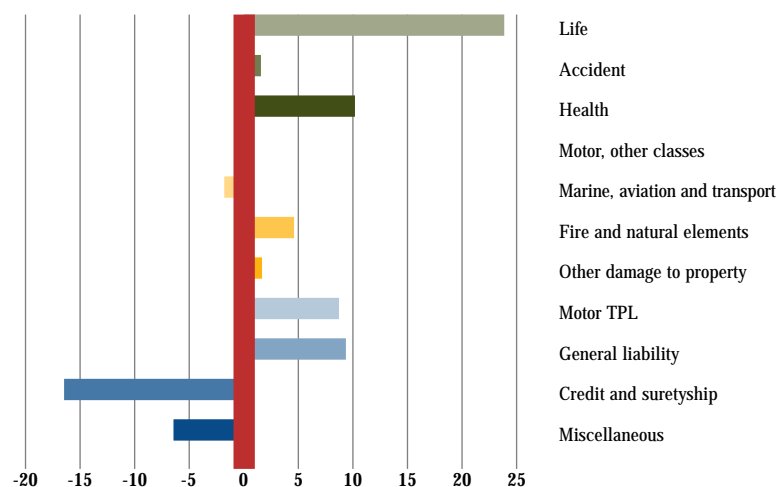
After a lean spell that had lasted a number of years, **motor TPL** showed signs of recovery following the action taken to reform the portfolio. The pricing policy focused on providing a wider differentiation of premiums, which were therefore adjusted to the specific characteristics of customer segments. Generali also initiated the gradual shifting to a new bonus/malus system characterised by stricter rules. For motorcycles and mopeds, premiums will increasingly depend on the policyholder's degree of risk.

Though loss ratio improved (96.2% compared to 99.8% in 1998), it still continued to be very high. Consequently, a prudent reserve allocation policy was adopted in order to take into account the

difficulty in evaluating bodily injuries. The structural changes carried out have significantly shortened the time necessary to settle claims. The average cost of claims rose by 7% - which was higher than the rate of inflation - mostly due to the soaring costs of accidents involving bodily injuries.

At year's end, the number of vehicles in the portfolio was 1,875,295.

**Premium increase  
Italian direct business (%)**





As to **general liability** the demand from families, shops, craftsmen and small-sized firms continued to be high.

Unimproved performance was due in particular to the professional risks classes, which are, however, being revised.

An increasingly crowded market affected premium income in the **commercial lines**. The Company has intensified its

commercial policies, focusing on those segments that offered good profit prospects and relying on reinsurance treaties to offset catastrophic risks. In this light, the action taken has led to a slight improvement of the sector's premium income (+1.9% compared to 3.2% in 1998). The worsening loss ratio (from 84.1% to 86.1%) was due to an increased frequency of serious losses.

### Non-life branch – business written in Italy in the commercial lines

(in million Euro)	Premiums	Change	1999	Gross loss ratio 1998	
				Reported	On equal terms
Accident	97.7	-3.9%	69.4%	68.5%	65.7%
Health	82.0	12.2%	99.8%	114.3%	111.7%
Marine, aviation and transport	87.8	-0.6%	75.6%	101.4%	97.5%
Fire and natural elements	105.3	4.9%	65.1%	61.4%	59.3%
Other damage to property	152.1	-3.1%	97.7%	87.4%	84.8%
General liability	147.7	9.3%	99.5%	109.6%	105.8%
Credit and suretyship	34.8	-16.4%	19.9%	25.5%	25.7%
Miscellaneous	9.6	-17.1%	297.9%	78.4%	76.4%
<b>Total</b>	<b>717.0</b>	<b>1.9%</b>	<b>86.1%</b>	<b>86.9%</b>	<b>84.1%</b>

The group **accident** portfolio remained substantially unchanged. Lower premiums were due to falling demand from those firms that are undergoing restructuring or mergers. Though rates have gone down, loss ratio continued to be satisfactory.

The group **health** sector was affected by the revision of policy conditions, which also led to an increase in the levels of deductibles. As legislation governing health funds is being drawn-up, Generali's performance in this sector in 1999 was in line with the growth recorded by the

market. Loss ratio improved despite a significant rise in health costs.

**Aviation and marine** insurance with respect to 1998 recorded a slightly lower turnover as a consequence of falling premium rates. Loss ratio improved significantly, going down from 97.5% to 75.6%, due to the less relevant impact of serious claims. In 1999, however, a serious claim occurred (31m Euro which was almost entirely recovered through reinsurance) in the space sector following the failed launch of a satellite.

Premium income in the **fire and natural risk** sector, after the slump recorded in 1998, improved thanks to increased underwriting. Generali further relied on reinsurance to offset catastrophes. In addition, premiums from the public sector have also increased. Loss ratio, though satisfactory, was affected by a number of large claims.

In the **other damage to property** sector, the hail insurance segment was characterised by a more prudent underwriting policy, which in 1998 was behind the fall in premium income. Other segments, however, recorded improved performance. Two large claims in the technological segment affected the loss ratio.

As to **general liability**, growth of premium income was mainly due to the good performance of the product liability sector, which recorded the sector's best underwriting result. The action taken in the hospital liability sector produced higher quotations without affecting the portfolio. This strategy was behind the improvement of the loss ratio after a negative spell that had lasted for a number of years.

The significant fall of premium income in the **credit and suretyship** sector was due to the reforms carried out in the VAT system which strongly curtailed the demand for insurance. Loss ratio was very satisfactory.

**Direct premiums from abroad** fell by 16.8% to 347.5m Euro mostly due to performance of the London and New York Branches.

The London portfolio recorded a 25.1% fall as the policy aimed at improving underwriting was further pursued. The 9.6% fall recorded in New York arose

from the decision to cease underwriting activity in the branch, which is not sufficiently large to enable it to operate adequately in the US market. With a decision taken last autumn, the portfolio is to be sold.

The worsening loss ratio at the New York Branch (from 98.9% to 75.2%) was due to the impact of a large claim. Though gross loss ratio at the London Branch also slightly worsened, net loss ratio improved over the previous year following reinsurance cessions.

Although negative, the overall result recorded a significant improvement.





## Reinsurance

**Life** reinsurance premiums rose by 8.3% to 1,147.3m Euro (755.1m Euro in Italy and 392.2m Euro abroad). The bulk of business derived from reinsurance treaties subscribed with affiliates at normal market conditions. The underwriting result - though worsening slightly compared to the previous year - was positive. The main contribution came from Italian business.

The international **non-life** reinsurance market was characterised by falling rates, which was not justified by stricter contractual conditions. The slump was due also to an underwriting capacity which was higher than the demand. Results over the past two years have worsened following a string of natural catastrophes, among which the recent wave of storms that struck France and a number of neighbouring countries. Generali's policy in 1999 focused on improving portfolio equilibrium and on more cautious assumptions, limiting the exposure to catastrophic risks.

Overall premium income amounted to 891.5m Euro, down 5.3% (-10.7% in Italian business and -4.8% in foreign business) due to a careful risk selection policy in a market characterised by a progressive worsening of loss ratios. The volume of business from affiliates and associates, arising from reinsurance treaties subscribed at normal market conditions, amounted to 377.8m Euro, i.e. 42.4% of the total.

Inwards reinsurance from other companies amounted to 513.6m Euro, down 0.6%. Gross loss ratio worsened significantly (from 91.3% to 100%) due also to the effects of the catastrophes mentioned above. These events produced a negative balance of 39.8m Euro. Loss for the year was higher than in 1998.

As to **outwards reinsurance**, cessions mostly concerned non-life operations which amounted to 385.3m Euro, compared to 339.2m Euro in the previous year. In the life branch, cessions amounted to 36.1m Euro (45.7m Euro in 1998). Overall retention ratio in both branches was 93.5%, compared to 92.1% the previous year.

## Non-Life direct and reinsurance net loss ratio

(in million Euro)	1999	1998 Reported	1998 On equal terms
Business written in Italy	78.4%	83.2%	81.5%
Business written in EU countries	93.3%	91.9%	93.3%
Italian direct portfolio	79.6%	84.3%	82.6%
Foreign direct business	67.8%	67.9%	67.9%
Reinsurance	93.3%	93.8%	93.1%
Total	83.0%	86.1%	84.8%

## Staff count and operating expenses

At year's end, workforce was made up of 5,032 people down 246 (-4.7%) over 1998. Staff in Italy was (4,451), and 714 (827) abroad. Workforce in Italy was made up of 80 managers, 498 officers, 2,233 employees, 1,396 underwriters and 111 concierges working in Company buildings. The reorganisation of operative structures led to the decrement of administrative staff (185 persons left while 52 were hired). The number of independent underwriters remained substantially constant. Staff abroad was reduced by 113 mostly as a consequence of the restructuring underway in the London office.

The yearly average gross salary of administrative staff in Italy was 42,143 Euro, up 4.5% over 1998 as a consequence of the arrears set down in the new collective contract. Average cost sustained by the Company - including social contributions and severance pay - was 58,153 Euro (54,796 in 1998).

In December 1999 the new collective contract for employees was signed. It contains a number of innovative elements. The contract sets down forms of flexibility in terms of organisation and functions especially in the call centre activity, salary hikes that are in line with the increase of the cost of life and the possibility to set up a labour fund to sustain corporate restructuring.

Employee benefits further improved during 1998. Financial schemes for the purchase of the first house and to provide easy terms for the purchase of additional pension, insurance and health schemes were offered by the Company.

Managers received, as an acknowledgement of the results achieved in 1998 and 1999 and as set down by Article 2349 of the Civil Code, 123,000 newly issued shares amounting to a sum of 127,047 Euro.

A continuing training and retraining programme was organised for staff, both at the Parent Company and at Group companies, to improve managerial skills and thus improve the service provided to clients. A total of 31,200 working days was dedicated for training: an average of over six days per person.





**Underwriting and administrative costs**, net of reinsurance, amounted to 1,305.8m Euro, up 1.4% over 1998, with an improved ratio, down from 23% to 21.4%. Underwriting costs reached 880.7m Euro, up 4.1%, with a ratio of 14.5% (15.1% in 1998). The improvement was due to lower costs in the non-life branch and especially in the life business. Administrative costs, amounting to 425m Euro, decreased 3.7%, with a ratio of 6.9% (7.9% in 1998). The decrease was due to lower non-recurring costs, which

had affected previous year's results. As far as direct business in Italy is concerned, costs amounted to 654m Euro, up 0.4%; cost-to-premium ratio went down to 16.8% from 19.3%. Cost ratio of business abroad and of reinsurance remained unchanged. The sums received from Group companies for commitments and services provided amounted to 13.4m Euro and the cost for services obtained to 15.2m Euro. Leasing contracts were signed with Finagen Spa, an Alleanza subsidiary, for a total amount of 10.2m Euro.

### Operating expenses (life and non-life)

(in million Euro)	Sum	Change		Incidence on premiums		
		Reported	On equal terms	1999	1998	Reported On equal terms
Business written in Italy	654.0	0.4%	0.4%	16.8%	19.3%	19.3%
Business written in EU countries	56.6	-44.7%	-20.0%	31.3%	31.6%	32.9%
Italian direct portfolio	710.5	-5.7%	-1.5%	17.5%	20.3%	20.0%
Foreign direct business	53.5	17.4%	-0.7%	39.7%	38.7%	38.7%
Reinsurance	541.8	-2.7%	5.8%	28.6%	24.3%	28.0%
Total	1,305.8	-3.7%	1.4%	21.4%	22.2%	23.0%
of which:						
Underwriting costs	880.7	-3.0%	4.1%	14.5%	14.8%	15.1%
Administration expenses	425.1	-5.1%	-3.7%	6.9%	7.4%	7.9%

We would like to thank all those - both internal staff and external operators - who worked for us during the year. Without their dedication and loyalty the excellent results achieved would not have been possible.



## Litigation

Generali's policy is aimed at encouraging the amicable resolution of disputes, limiting litigation as much as possible. With regard to business in Italy, as of 31.12.1999, the Company was involved in about 21,454 court cases most of which were related to the insurance business. Motor TPL insurance generated 10,277 passive suits and 708 active suits, for an overall value of 230.9m Euro. The general liability sector generated more than 7,300 passive suits, for an overall value of 715.8m Euro. As to labour disputes, the Company was involved in 104 cases for an amount of 4,1m Euro.

Generali was also involved in about 330 proceedings relating to its real estate assets (out of which 313 involving the non-payment of rents).

Abroad, litigation was less with respect to the previous year.

As to the litigation generated by the issuing of policies by branches in Central and Eastern European countries before World War II to Jewish policyholders who successively died under the Nazi persecution, Generali is involved in two class actions and two individual suits in the US.

Generali has always claimed that it is under no obligation to pay the policies issued by its branches that after the war were nationalised in favour of government-owned companies or bodies, which also took over the assets set aside to back the commitments towards policyholders.

While maintaining its exemption from liability under law, Generali decided, also in virtue of its presence in the US and in Israel and the sensitiveness of the Holocaust tragedy, to take part in an international commission - which

included supervisory bodies, Jewish organisations, the state of Israel and major European insurance companies facing the same predicament - in order to reach a global solution to this grievous suit.

In the area of taxation, the Company received notice that investigations have been opened concerning the 1988, 1989 and 1990 financial years, since the Revenue Office of Trieste has contested the tax deductibility of certain cost items. The Company's recourses have been accepted by the Provincial Revenue Commission of Trieste. The Revenue Office has now lodged an appeal with the Regional Revenue Commission.



## Financial operations

In 1999, Assicurazioni Generali's **security trading activity** amounted to 9,194.5m Euro and its sales to 7,434.2m Euro.

In the second part of the year, the bonds market was conditioned in the US by the Federal Bank's decision to bring up interest rates following the adoption of stricter monetary policies to offset rising inflation. Monetary policy in Europe aligned itself to the US but with less intensity in order not to compromise the economic recovery underway.

International financial markets in 1999 were bullish, pushed up, in the second half of the year, by the growth of TLC and IT companies, which outperformed traditional firms.

In this context, Generali's financial strategy focused, in particular, in seizing the opportunities arising from the significant rise in the value of stocks in the innovative sectors. As to bonds, Generali focused on short-term investments, while there was a more resolute shifting toward non-government securities.

Total investment in securities increased by 2,356.7m Euro, out of which 151.2 in bonds and 2,200.2 in shares.

Trading in what has been a highly volatile market generated gains amounting to 334m Euro, a sum that was in line with the previous year's. Out of this, 301.6m Euro came from shares, 25.7m Euro from bonds and 6.8m Euro from other financial investments.

In conformity with the CONSOB ruling n. 98084143 of October 27, 1998, Generali announced that it had only a marginal exposure in those areas that have been affected by the economic crisis.

In the **real estate** sector, Generali's new investments amounted to 49.4m Euro, compared to 43.1m Euro in 1998. Operations in Italy, which mostly focused on the restructuring and refurbishment of existing assets, totalled 44.7m Euro. Real estate investments abroad amounted to 4.7m Euro and mostly involved the restructuring of the London office (3.7m Euro) and of a building in Beirut (0.8m Euro).

Details of the sales carried out in the real estate sector both in Italy and abroad are provided in the chapter dealing with non-recurring operations.



## Investment income (not including “class D” investments)

(in million Euro)	1999	A.i.y.	1998	A.i.y.	Change	
					On equal terms	Reported
Real property	98.8	7.5%	103.3	7.4%	2.5%	-4.3%
Fixed-income securities	781.6	7.2%	783.2	7.4%	-0.6%	-0.2%
Equities	297.8	2.7%	235.9	3.4%	38.3%	26.2%
Other financial investments	12.9	n.s.	20.6	n.s.	-38.7%	-37.6%
Mortgages and loans	11.2	6.3%	17.7	6.3%	-36.1%	-36.7%
Bank deposits	6.0	7.2%	4.7	5.9%	494.4%	27.5%
Deposits with ceding companies	426.2	7.3%	580.3	7.9%	3.2%	-26.6%
<b>Total investment income</b>	<b>1,634.5</b>	<b>5.8%</b>	<b>1,745.7</b>	<b>6.7%</b>	<b>4.5%</b>	<b>-6.4%</b>
Indirect taxes on investment income	-15.4		-16.5		-6.9%	-6.9%
<b>Total net income</b>	<b>1,619.1</b>		<b>1,729.2</b>		<b>4.6%</b>	<b>-6.4%</b>

A.i.y. - average income yield  
n.s. not significant

Investment income – net of charges and taxes – reached 1,634.5m Euro recording an increase of 4.5% on equivalent terms. The bulk of the income came from fixed interest securities (781.6m Euro compared to 783.2m Euro in 1998). Average income yield - calculated on the basis of the investment mean, excluding distorting factors - was 5.8% (6.7% in 1998). The credit and debit items as well as items in the profit and loss accounts arising from business carried out with Group companies are included in the Notes on the Accounts and related annexes.

The securities portfolio, not including class D items, produced net unrealised losses amounting to 111.6m Euro (90.8m Euro in 1998) - 83.1m Euro from the equities portfolio, 28m Euro from the bonds portfolio and 0.5m Euro from other

financial investments - which, as in previous years, affected the profit and loss account.

Out of the net unrealised losses in the equities portfolio, 26.1m Euro (42.7m Euro in 1998) referred to durable assets which have been devalued on the basis of losses regarded to be permanent.

In compliance with Art. 2426 of the Civil Code, Generali carried out re-adjustments on previously devalued securities for 8.5m Euro (14.1m Euro in 1998).

As a result of the exchange rate adjustment, the profit and loss account in foreign currency recorded a balance of 16.2m Euro. Considering that with regard to assets held by Branches abroad a negative balance of 3.7m Euro emerged, which was charged to the specific fund, the impact on the profit and loss account amounted to 19.9m Euro.

## Net profit from “class D” financial investments

(in million Euro)	1999	1998	Change
Ordinary net income	15.9	8.8	7.1
Realised gains and losses	33.4	12.6	20.8
Unrealised gains and losses	122.7	93.3	29.4
<b>Total</b>	<b>172.0</b>	<b>114.7</b>	<b>57.3</b>

### Extraordinary income and charges

Profits realised from the sale of other durable investments decreased considerably, reaching 139m Euro (237.3m Euro in 1998). Profits mostly came from the sale of securities, which amounted to 102.7m compared to 229.9m Euro in 1998.

Other cessions of securities - under normal market conditions - concerned subsidiaries involved in the Group restructuring underway in various markets. These have produced gains amounting to 3.2m Euro (10.1m Euro in 1998) and losses to 40.7m Euro arising from the cession of Transocean do Brasil to Gefina S.p.A.

As to real estate, sales - worth 67.1 m Euro, up from 16.9m Euro in 1998 - produced gains of 36.4m Euro compared to 7.3m Euro in the previous year. In Italy, a building in Milan was sold for 64.6m Euro, producing a gain of 35.4m Euro. In the course of the year, the sale in Rome of property owned by an affiliate went ahead.

### Taxes

Overall taxes, charged to the profit and loss account, amounted to 251.6m Euro compared to 218.7m Euro in 1998. Income tax amounted to 171.4m Euro, VAT to 31.5 m Euro while local taxes on property (ICI) to 10.5m Euro.



## Assets and liabilities

In 1999, total investments reached 29,019m Euro against net underwriting liabilities amounting to 23,125.9m Euro. Out of total investments,

79.7% covered these liabilities (78.8% in 1998), while 20.3% the shareholders' surplus and remaining items (21.2% in 1998).

## Balance Sheet

(in million Euro)	1999	1998
<b>Investments</b>	29,019.0	26,056.5
<b>Net technical liabilities</b>		
Net technical provisions	-23,948.0	-21,245.4
Balance of technical receivables and payables	822.1	704.1
Total	-23,125.9	-20,541.3
Excess of investments over technical liabilities	5,893.1	5,515.2
<b>Other items</b>		
Provisions for other risks and charges	-194.5	-191.0
Other assets and liabilities	285.4	544.8
<b>Shareholders' funds</b>	5,983.9	5,869.0
break-down:		
Net assets covering solvency margin requirements	1,408.2	1,349.3
Net assets exceeding margins required	4,272.5	4,285.9
Net assets unavailable to cover margins	4.1	7.4
Proposed distribution (dividend and statutory allocations)	299.0	226.4

## Investments (not including class D)

(in million Euro)	1999	1998	Change		Incidence	
			Reported	On equal terms	1999	1998
Real estate	1,322.8	1,311.3	0.9%	0.5%	4.7%	5.1%
Fixed-income securities	10,854.5	10,746.0	1.0%	-1.1%	38.4%	41.6%
Participating interests	6,419.2	6,745.5	-4.8%	-4.3%	22.7%	26.1%
Equities	3,132.2	1,241.9	152.2%	151.3%	11.1%	4.8%
Other financial investments	62.6	42.9	46.0%	41.2%	0.2%	0.2%
Mortgages and loans	169.6	183.7	-7.7%	-7.9%	0.6%	0.7%
Bank deposits	151.5	12.7	1,097.1%	987.5%	0.5%	0.1%
Deposits with ceding companies	6,123.1	5,534.5	10.6%	10.0%	21.7%	21.4%
<b>Total</b>	<b>28,235.5</b>	<b>25,818.5</b>	<b>9.4%</b>	<b>8.5%</b>	<b>100.0%</b>	<b>100.0%</b>
Real estate depreciation	-231.3	-203.1	-	-	-	-
<b>Total</b>	<b>28,004.2</b>	<b>25,615.4</b>	<b>9.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>



Investments rose by 2,417m Euro (+9.4%; 8.5% on equivalent terms).

Out of the total value of real estate, 12.2%, corresponding to 132.7m Euro, referred to lands and buildings occupied by the Company and 25.3% to residential buildings and 60.8% to buildings for commercial purposes, while 1.7% referred to assets in progress. Altogether, Generali buildings both in Italy and abroad measured 7.1 million cubic meters (7.4 million in 1998).

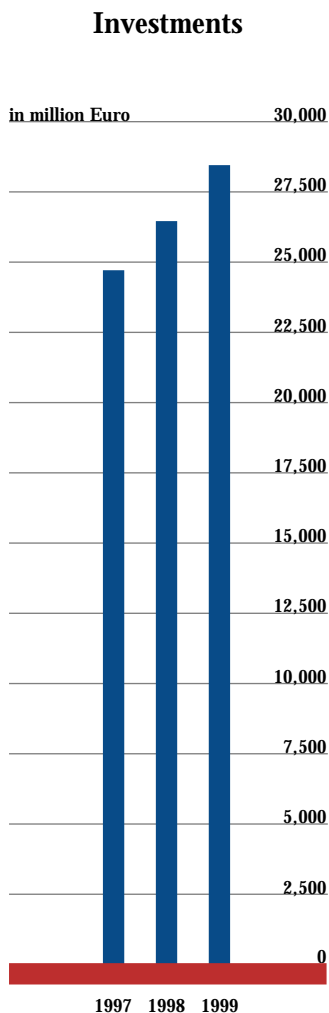
As to the overall bond portfolio, amounting to 11,121.1m Euro (10,970m Euro in 1998), 8,707.5m Euro referred to bonds in the Euro area and 2,413.6m Euro to bonds issued in other currencies.

Fixed rate securities represented 84.6% (91.9% in 1998) of the total and variable rate securities to 15.4% (8.1% in 1998). Portfolio average duration remained unchanged at 9 years.

Unrealised gains at the end of the year amounted to 7,028.9m Euro (7,584.4m Euro in 1998), out of which 4,298.6m Euro referred to stocks held in affiliates or associates. In order to guarantee the required financial resources to sustain operations in various markets, the Parent Company took part in capital increase operations, launched by Group companies, for an overall amount of 127,1m Euro, of which 6.2m Euro in Italy and 120.9m Euro abroad.

### Class D investments

(in million Euro)	1999	1998	Change	Incidence	
				1999	1998
Fixed-income securities	266.6	223.9	42.7	26.3%	50.8%
Participating interests	2.4	5.1	-2.7	0.2%	1.2%
Equities	705.7	192.8	512.9	69.5%	43.6%
Other financial investments	112.5	6.2	106.3	11.1%	1.4%
Cash at hand	6.0	7.3	-1.3	0.6%	1.7%
Other assets	-78.4	5.7	-84.1	-7.7%	1.3%
<b>Total</b>	<b>1,014.8</b>	<b>441.1</b>	<b>573.7</b>	<b>100.0%</b>	<b>100.0%</b>



Life and non-life **technical provisions** amounted to 23,948m Euro, up 12.7%, out of which 18,434.6m Euro (+15%) in the life branch and 5,513.4m Euro (+5.6%) in the non-life.

**Shareholders' funds**, including profit for the year, amounted to 5,983.9m Euro, up by 115m Euro.

**Non-life minimum solvency margin**, obtained by calculating the average cost of each claim during the past three years, was 510.6m Euro: the surplus of assets which was eligible to cover the solvency margin was 2,338.2m Euro (2,284.3m Euro in 1998). **Life minimum solvency**

**margin** amounted to 897.6m Euro and the surplus to 1,934.3m Euro (2,001.6m Euro in 1998).

Total **cash flow** in 1999 was 9,769m Euro, 1,415.1m Euro from current operations, 8,066.4m Euro from the sale of assets and 287.5m Euro from non-recurring loans.

Out of the total cash flow, 49.4m Euro was allocated to real property, 5,048.1m Euro to bonds, 4,117.3m Euro to equities and participating interests, 225.2m Euro to the 1998 dividends paid to shareholders and 329m Euro to other assets.

Further details are provided in Part C of the Notes on the Accounts.

Also included in the Report - as set down by Art. 10 of Law n.72 of March 19, 1983 - is the list of securities and real estate which have been re-valued.

### Generali shares

At the end of the year, the Company's capital was 1,059,765,942 Euro, divided into 1,025,996,500 shares (1.0329 Euro per share). In addition, there were still 25,226,231 warrants that had been issued following the capital increase approved at the Extraordinary Meeting of July 1, 1991. These warrants entitle holders to buy Generali shares by March 31, 2001. On October 30, 1999, shareholders approved a capital increase operation for the cash-and-bid offer on Istituto

Nazionale delle Assicurazioni (INA). With the allotment of INA shares - starting February 17, 2000, when the operation was finalised - the Company's capital rose from 1,059,765,942 to 1,294,238,918 Euro, following the issue of 227,001,495 new ordinary shares, at the nominal value of 1.0329 Euro each with an overprice of 2.2982 Euro.

As an acknowledgement of the results achieved in 1998 and 1999, Generali awarded its top managers - in conformity with Art. 2349 of the Civil Code - newly issued shares, 52,000 in April and 71,000 in December. Conditions, terms and modality of these operations were decided by the Board of Directors during its meetings.

At year's end, shareholders were over two-hundred thousand, of which only six owned a stake of over 2% of the company capital. These were :

Shareholder	Number of shares	Percentage of company capital
1 MEDIOBANCA	60,172,332	5.87%
2 SPAFID	57,209,285	5.58%
3 BANCA D'ITALIA	49,868,289	4.86%
4 EURALUX	48,785,334	4.76%
5 THE CHASE MANHATTAN BANK on its own and/or as agent for 408 shareholders	31,438,346	3.06%
6 LEHMAN BROTHERS INT. (EUROPE)	20,609,986	2.01%

As from April 30, 1999, the Company was authorised to buy own shares, which can be invested in non-contractual, internal and separate funds.

At year's end, the stock portfolio included 54,326 shares, at a nominal value of 56,100 Euro, of which 16,636 were reserved to London employees, as approved at the 1985 meeting, 23,000 to internal funds and 15,000 to segregated funds.

60,000 shares were acquired in 1999 and 31,770 sold, producing an overall variation of 28,177.9 Euro.

Trading within the framework of the segregated funds and the internal funds led to an efficient financial management, in compliance with the limitations set down at the AGM. Specifically, in the segregated funds, the acquisition was the outcome of the negotiation of an option. The Shareholders' Meeting of October 30, 1999, renewed the proxy granted to the Board of Directors to carry out capital increase operations in compliance to Art. 2441, comma 8, of the Civil Code.

In virtue of this proxy, which expires on October 30, 2004, the Board of Directors



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may increase company capital - in one or more times - by a maximum value corresponding to 250 million new shares, out of which a maximum of 5 million may be reserved to Generali employees according to terms and conditions that will be decided by the Board.

In addition the Board of Directors also has the faculty - up to April 30, 2004 - to increase, at one or more times, company capital by the extraordinary issuing of a maximum of 337,000 new shares to be assigned to employees also on an individual basis.

During 1999, the price of the Generali

share fluctuated from a minimum of Euro 27,88 to a maximum of Euro 40,47, while that of the Generali warrant from a maximum of Euro 46,48 to a minimum of Euro 32,30. At year's end the Generali share was quoted at Euro 33,54.

The volume of Generali shares, traded at the Milan stock exchange in 1999, corresponded to 6.1% of all transactions.

On March 17, 2000, the Generali share was quoted at 30.03 Euro, down 10.5% with respect to the value recorded at year's end. Stock exchange capitalisation amounted to 37,627m Euro, one of the largest in Italy.



## The result and the proposed resolution of the shareholders' meeting

*Shareholders,*

The following distribution of the profits for the financial year has been put forward:

(in thousand Euro)

to the legal reserve	17,066,427
first dividend (5% of paid-up capital)	52,988,298
to statutory provisions (article 39)	1,356,345
second dividend	244,673,748
to the extraordinary reserve	25,238,990
<b>Profit for the year</b>	<b>341,323,808</b>

**Net profit** for the year amounted to 341.3m Euro, up from 312.2m Euro in 1998: life business closed with a profit of 245.1m Euro (205.2m Euro in 1998), while non-life with 96.2m Euro (107m Euro in 1998).

On this basis, the 1999 **dividend** for each of the 1,252,943,669 shares in issue - including the quota due to own shares as set down in Art. 2357 ter of the Civil Code - is Euro 0.2376. Thus total amount payable is Euro 297,662,045. The sum will be paid, net of taxes, as from May 25, by brokers that have been authorised by

Sistema di Gestione Accentrata Monte Titoli S.p.A.

The dividend this year showed an overall increase of 32.2% over the previous year's. Following the enforcement of the Legislative Decree n. 467 of December 18, 1997, it should be noted that a tax credit of 58.73% is due on the above dividend, as set down by Art. 14 of D.P.R. 917/86.

In line with the traditional policy aimed at strengthening our financial position, a sum of 25.3m Euro is to be allocated to the extraordinary reserve.





**BALANCE SHEET  
PROFIT AND LOSS ACCOUNT**





Company ASSICURAZIONI GENERALI S.p.A.

Subscribed capital L. 2.505.995.990.000 Paid up L. 2.505.995.990.000

Registered in Trieste

Court 91

## FINANCIAL STATEMENTS

### Balance sheet

Year 1999

(Amounts in euro)

**BALANCE SHEET**  
**ASSETS**

Current year

<p><b>A. SUBSCRIBED CAPITAL UNPAID</b></p> <p style="padding-left: 20px;">of which called-up capital</p>	2	0		1	0
<p><b>B. INTANGIBLE ASSETS</b></p> <p style="padding-left: 20px;">1. Acquisition commissions to be amortised</p> <p style="padding-left: 40px;">a) life business</p> <p style="padding-left: 40px;">b) non-life business</p> <p style="padding-left: 20px;">2. Other acquisition costs</p> <p style="padding-left: 20px;">3. Formation and development expenses</p> <p style="padding-left: 20px;">4. Goodwill</p> <p style="padding-left: 20px;">5. Other intangible assets</p>	3	0	4	5	6
		0			0
		0			0
		0			0
		0			0
		3.673.036			3.673.036
<p><b>C. INVESTMENTS</b></p> <p><b>I Lands and Buildings</b></p> <p style="padding-left: 20px;">1. Property used for own activities</p> <p style="padding-left: 20px;">2. Property used by third parties</p> <p style="padding-left: 20px;">3. Other properties</p> <p style="padding-left: 20px;">4. Other realty rights</p> <p style="padding-left: 20px;">5. Assets in progress and payments on account</p> <p><b>II Investments in affiliated companies and other shareholdings</b></p> <p style="padding-left: 20px;">1. Interests in</p> <p style="padding-left: 40px;">a) parent companies</p> <p style="padding-left: 40px;">b) affiliated companies</p> <p style="padding-left: 40px;">c) affiliates of parent companies</p> <p style="padding-left: 40px;">d) associated companies</p> <p style="padding-left: 40px;">e) other</p> <p style="padding-left: 20px;">2. Debt securities issued by</p> <p style="padding-left: 40px;">a) parent companies</p> <p style="padding-left: 40px;">b) affiliated companies</p> <p style="padding-left: 40px;">c) affiliates of parent companies</p> <p style="padding-left: 40px;">d) associated companies</p> <p style="padding-left: 40px;">e) other</p> <p style="padding-left: 20px;">3. Loans to</p> <p style="padding-left: 40px;">a) parent companies</p> <p style="padding-left: 40px;">b) affiliated companies</p> <p style="padding-left: 40px;">c) affiliates of parent companies</p> <p style="padding-left: 40px;">d) associated companies</p> <p style="padding-left: 40px;">e) other</p>	11	132.683.821	12	13	14
		939.759.759			0
		0			0
		0			0
		19.065.805			1.091.509.385
		0			
		5.906.117.043			
		0			
		11.285.763			
		501.774.064			6.419.176.870
		0			
		0			
		0			
		0			
		163.048.357			163.048.357
		0			
		27.699.213			
		0			
		0			
		0			
		27.699.213			6.609.924.440
carried forward					3.673.036

Previous year			
			181 0
	182 0		
183 0			
184 0	185 0		
	186 0		
	187 0		
	188 0		
	189 7.342.424		190 7.342.424
	191 135.017.211		
	192 959.984.794		
	193 0		
	194 0		
	195 13.264.797	196 1.108.266.802	
197 0			
198 5.876.313.822			
199 0			
200 18.229.438			
201 850.991.414	202 6.745.534.674		
203 0			
204 0			
205 0			
206 0			
207 192.448.371	208 192.448.371		
209 0			
210 47.935.335			
211 0			
212 34.861			
213 0	214 47.970.196	215 6.985.953.241	
	carried forward		7.342.424

**BALANCE SHEET**  
**ASSETS**

Current year

		brought forward		3.673.036
<b>C. INVESTMENTS (follows)</b>				
<b>III Other financial investments</b>				
<b>1. Equities</b>				
a) quoted shares	36	3.014.360.348		
b) unquoted shares	37	108.312.268		
c) other interests	38	9.473.525	39	3.132.146.141
2. Shares in common investment funds			40	18.512.605
<b>3. Debt securities and other fixed-income securities</b>				
a) quoted	41	9.938.993.443		
b) unquoted	42	731.855.281		
c) convertible bonds	43	20.578.976	44	10.691.427.700
<b>4. Loans</b>				
a) mortgage loans	45	17.477.999		
b) loans on policies	46	118.640.042		
c) other loans	47	5.772.661	48	141.890.702
5. Participation in investment pools			49	0
6. Deposits with credit institution			50	151.471.415
7. Other			51	44.152.328
<b>IV Deposits with ceding companies</b>			52	14.179.600.891
			53	6.123.130.158
			54	28.004.164.874
<b>D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>				
<b>I - Provisions relating to contracts linked to investments funds and market index</b>			55	1.011.399.923
<b>II - Provisions relating to the administration of pension funds</b>			56	3.405.680
			57	1.014.805.603
<b>D.bis REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS</b>				
<b>I NON-LIFE INSURANCE BUSINESS</b>				
1. Provision for unearned premiums	58	142.556.984		
2. Provision for claims outstanding	59	743.719.117		
3. Provision for profit sharing and premium refunds	60	0		
4. Other technical provisions	61	0	62	886.276.101
<b>II - LIFE INSURANCE BUSINESS</b>				
1. Mathematical provision	63	348.827.615		
2. Unearned premium provision for supplementary coverage	64	6.603.742		
3. Provision for claims outstanding	65	18.980.449		
4. Provision for profit sharing and premium refunds	66	150.593		
5. Other provisions	67	0		
6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds	68	0	69	374.562.399
			70	1.260.838.500
		carried forward		30.283.482.013



		Previous year			
		brought forward		7.342.424	
216	1.202.991.989				
217	30.007.294				
218	8.944.853	219	1.241.944.136		
		220	18.807.653		
221	9.668.272.091				
222	868.418.823				
223	16.824.750	224	10.553.515.664		
225	19.500.605				
226	114.211.348				
227	2.030.072	228	135.742.025		
		229	0		
		230	12.631.376		
		231	24.130.799	232	11.986.771.653
				233	5.534.451.416
				234	25.615.443.112
				235	440.998.298
				236	73.153
				237	441.071.451
238	175.225.711				
239	609.949.488				
240	0				
241	0	242	785.175.199		
243	372.352.246				
244	4.492.790				
245	7.801.723				
246	880.428				
247	0				
248	0	249	385.527.187	250	1.170.702.386
carried forward				27.234.559.373	

**BALANCE SHEET**  
**ASSETS**

Current year

	brought forward				
					30.283.482.013
<b>E. DEBTORS</b>					
<b>I Debtors arising out of direct insurance operations</b>					
<b>1. Policyholders</b>					
a) for premiums - current year	71	466.307.637			
b) for premiums - previous years	72	22.879.651	73	489.187.288	
<b>2. Insurance intermediaries</b>			74	73.911.980	
<b>3. Current accounts with insurance companies</b>			75	191.599.629	
<b>4. Policyholders and third parties for recoveries</b>			76	8.606.116	77
					763.305.013
<b>II Debtor arising out of reinsurance operations</b>					
<b>1. Reinsurance companies</b>			78	409.773.089	
<b>2. Reinsurance intermediaries</b>			79	37.587.553	80
					447.360.642
<b>III - Other debtors</b>					81
					165.309.986
					82
					1.375.975.641
<b>F. OTHER ASSETS</b>					
<b>I - Tangible assets and stocks</b>					
<b>1. Furniture, office equipment, internal transport vehicles</b>			83	12.326.630	
<b>2. Vehicles listed in public registers</b>			84	0	
<b>3. Equipment and appliances</b>			85	0	
<b>4. Stocks and other goods</b>			86	198.382	87
					12.525.012
<b>II - Cash at bank and in hand</b>					
<b>1. Bank and postal deposits</b>			88	521.968.018	
<b>2. Cheques and cash in hand</b>			89	11.431.486	90
					533.399.504
<b>III - Own shares</b>					91
					476.841
<b>IV - Other</b>					
<b>1. Deferred reinsurance items</b>			92	262.146.028	
<b>2. Miscellaneous assets</b>			93	89.507.606	94
					351.653.634
					95
					898.054.991
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>					96
					287.074.159
<b>1. Interests</b>					97
					851.126
<b>2. Rents</b>					98
					2.049.064
<b>3. Other prepayments and accrued income</b>					99
					289.974.349
<b>TOTAL ASSETS</b>					100
					32.847.486.994

Previous year

brought forward			27.234.559.373
251	428.659.842		
252	46.325.236	253	474.985.078
		254	49.695.127
		255	150.988.944
		256	5.609.042
		257	681.278.191
		258	337.468.557
		259	19.315.594
		260	356.784.151
		261	184.471.126
		262	1.222.533.468
		263	7.814.767
		264	0
		265	0
		266	154.658
		267	7.969.425
		268	457.849.218
		269	7.586.845
		270	465.436.063
		271	65.322
		272	228.475.686
		273	85.625.596
		274	314.101.282
		275	787.572.092
		276	299.787.115
		277	534.742
		278	13.855.961
		279	314.177.818
		280	29.558.842.751

**BALANCE SHEET**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

<b>A. SHAREHOLDERS' FUNDS</b>			
I	- Subscribed capital or equivalent funds	101	1.059.765.942
II	- Share premium account	102	3.088.253.009
III	- Revaluation reserve	103	351.018.061
IV	- Legal reserve	104	211.931.108
V	- Statutory reserve	105	0
VI	- Reserve for own shares	106	1.212.467
VII	- Other reserve	107	930.400.957
VIII	- Profit or loss brought forward	108	0
IX	- Profit or loss for the financial year	109	341.323.808
		110	5.983.905.352
<b>B. SUBORDINATES LIABILITIES</b>			111
			0
<b>C. TECHNICAL PROVISIONS</b>			
<b>I - NON-LIFE INSURANCE BUSINESS</b>			
1.	Provision for unearned premiums	112	1.194.625.070
2.	Provision for claims outstanding	113	5.206.325.093
3.	Provision for profit sharing and premium refunds	114	0
4.	Other provisions	115	4.512.330
5.	Equalisation provision	116	2.956.146
		117	6.408.418.639
<b>II - LIFE INSURANCE BUSINESS</b>			
1.	Mathematical provision	118	17.421.942.139
2.	Unearned premium provision for supplementary coverage	119	13.038.597
3.	Provision for claims outstanding	120	205.114.663
4.	Provision for profit sharing and premium refunds	121	70.266.062
5.	Other provisions	122	113.419.192
		123	17.823.780.653
		124	24.232.199.292
<b>D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>			
I	- Provisions relating to contracts linked to investments funds and market index	125	981.975.514
II	- Provisions relating to the administration of pension funds	126	3.401.744
		127	985.377.258
	carried forward		31.201.481.902

Previous year

	281	1.059.638.893	
	282	3.088.253.009	
	283	351.018.061	
	284	196.322.227	
	285	0	
	286	8.452	
	287	861.551.984	
	288	0	
	289	312.174.371	290 5.868.966.997
			291 0
292		1.230.420.005	
293		4.772.614.482	
294		47.163	
295		4.215.758	
296		2.443.337	297 6.009.740.745
298		15.623.373.943	
299		24.333.818	
300		153.445.433	
301		82.585.259	
302		99.864.309	303 15.983.602.762 304 21.993.343.507
	305	428.291.962	
	306	73.153	307 428.365.115
carried forward			28.290.675.619

**BALANCE SHEET**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

brought forward				31.201.481.902
<b>E. PROVISIONS FOR OTHER RISKS AND CHARGES</b>				
1.	Provision for pensions and similar obligations	128	268.593	
2.	Provisions for taxation	129	102.406.039	
3.	Other provisions	130	13.383.246	131 116.057.878
<b>F. DEPOSITS RECEIVED FROM REINSURERS</b>				
				132 51.285.138
<b>G. CREDITORS</b>				
<b>I - Creditors arising out of direct insurance operations</b>				
1.	Insurance intermediaries	133	8.930.865	
2.	Current accounts with insurance companies	134	16.171.087	
3.	Premium deposits and premiums due to policyholders	135	20.414.184	
4.	Guarantee funds in favour of policyholders	136	3.352.348	137 48.868.484
<b>II - Creditors arising out of reinsurance operations</b>				
1.	Reinsurance companies	138	200.032.121	
2.	Reinsurance intermediaries	139	55.783.006	140 255.815.127
<b>III - Debenture loans</b>				
		141	0	
<b>IV - Amounts owed to credit institutions</b>				
		142	287.500.114	
<b>V - Loans guaranteed by mortgages</b>				
		143	11.170	
<b>VI - Other financial liabilities</b>				
		144	6.291.934	
<b>VII - Provisions for severance pay</b>				
		145	23.861.349	
<b>VIII - Other creditors</b>				
1.	Premium taxes	146	39.286.713	
2.	Other tax liabilities	147	150.486.285	
3.	Social security	148	15.701.258	
4.	Sundry creditors	149	216.578.072	150 422.052.328
<b>IX - Other liabilities</b>				
1.	Deferred reinsurance items	151	240.207.409	
2.	Commissions for premiums in course of collection	152	58.524.075	
3.	Miscellaneous liabilities	153	131.780.937	154 430.512.421 155 1.474.912.927
carried forward				32.843.737.845

Previous year		
brought forward		28.290.675.619
	308 208.578	
	309 151.063.127	
	310 17.085.716	311 168.357.421
		312 54.751.494
313 6.958.142		
314 21.552.560		
315 22.908.794		
316 2.223.964	317 53.643.460	
318 154.220.800		
319 45.982.084	320 200.202.884	
	321 0	
	322 0	
	323 13.838	
	324 530.404	
	325 22.677.497	
326 33.010.671		
327 174.878.441		
328 13.456.646		
329 204.717.948	330 426.063.706	
331 226.900.689		
332 52.861.607		
333 59.162.045	334 338.924.341	335 1.042.056.130
carried forward		29.555.840.664

**BALANCE SHEET**  
**LIABILITIES AND SHAREHOLDERS' FUNDS**

Current year

	brought forward			32.843.737.845
<b>H. ACCRUALS AND DEFERRED INCOME</b>				
1. Interests		156 2.670.154		
2. Rents		157 609.908		
3. Other accruals and deferred income		158 469.087	159	3.749.149
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>				160 32.847.486.994

**BALANCE SHEET**  
**GUARANTEES, COMMITMENTS AND OTHER EVIDENCE ACCOUNTS**

Current year

<b>GUARANTEES, COMMITMENTS AND OTHER EVIDENCE ACCOUNTS</b>				
I - Guarantees issued				
1. Fidejussions			161	3.391.203.879
2. Endorsements			162	0
3. Other personal guarantees			163	612.097
4. Guarantees secured by mortgages			164	64.890.343
II - Guarantees received				
1. Fidejussions			165	996.054.062
2. Endorsements			166	0
3. Other personal guarantees			167	914.001
4. Guarantees secured by mortgages			168	12.770.357
III - Guarantees issued by third parties in the interest of the Company			169	0
IV - Commitments			170	2.264.750.044
V - Assets deposited with the Company			171	15.564.894
VI - Assets belonging to pension funds managed in the name and in the interest of third parties			172	48.958.377
VII - Securities deposited with third parties			173	20.832.510.027
VIII - Other evidence accounts			174	573.145.263



Previous year

brought forward		29.555.840.664
	336	2.876.310
	337	0
	338	125.777
	339	3.002.087
		340
		29.558.842.751

Previous year

		341
		1.183.634.047
		342
		0
		343
		550.662
		344
		43.075.845
		345
		867.125.705
		346
		0
		347
		7.583
		348
		11.744.162
		349
		0
		350
		788.512.414
		351
		19.349.690
		352
		0
		353
		0
		354
		675.413.136

The undersigned declare that the present accounts are reflecting the truth.

The legal representatives of the Company(\*)

..... (\*\*)

..... (\*\*)

..... (\*\*)

The Auditors

.....

.....

.....

Reserved to Register of Companies approval on deposit.

(\*) For foreign companies the general representative for Italy must sign

(\*\*) Indicate signatory company position

Company ASSICURAZIONI GENERALI S.p.A.

Subscribed capital L. 2.505.995.990.000 Paid up L. 2.505.995.990.000

Registered in Trieste  
Court 91

## FINANCIAL STATEMENTS

### Profit and loss accounts

Year 1999

(Amounts in euro)

PROFIT AND LOSS ACCOUNT

Current Year

I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS					
1. EARNED PREMIUMS, NET OF REINSURANCE:					
a) Gross premiums written			1	3.181.319.757	
b) (-) Outward reinsurance premiums			2	385.288.728	
c) Change in the gross provision for unearned premiums			3	-59.064.964	
d) Change in the provision for unearned premiums, reinsurers' share			4	-49.115.986	5
					2.805.980.007
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM III. 6)					
					6
					311.899.695
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE					
					7
					16.875.380
4. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE					
a) Claims paid					
aa) Gross amount		8	2.590.854.724		
bb) (-) Reinsurers' share		9	379.092.012	10	2.211.762.712
b) Recoveries net of reinsurance					
aa) Gross amount		11	39.964.747		
bb) (-) Reinsurers' share		12	4.842.475	13	35.122.272
c) Change in the provision for claims outstanding					
aa) Gross amount		14	217.868.929		
bb) (-) Reinsurers' share		15	67.898.337	16	149.970.592
					17
					2.326.611.032
5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE					
					18
					296.572
6. PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE					
					19
					494.660
7. OPERATING EXPENSES					
a) Acquisition commissions			20	501.410.721	
b) Other acquisition costs			21	53.994.364	
c) Change in commissions and other acquisition costs to be amortised			22	0	
d) Collecting commissions			23	90.138.318	
e) Other administrative expenses			24	229.547.811	
f) (-) Reinsurance commissions and profit sharing			25	69.141.847	26
					805.949.367
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE					
					27
					62.360.188
9. CHANGE IN THE EQUALISATION PROVISION					
					28
					512.809
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS					
					29
					-61.469.546



PROFIT AND LOSS ACCOUNT

Current Year

<b>II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS</b>								
<b>1. PREMIUMS WRITTEN, NET OF REINSURANCE</b>								
a)	Gross premiums written			30	3.329.056.426			
b)	(-) Outward reinsurance premiums			31	36.110.856	32	3.292.945.570	
<b>2. INVESTMENT INCOME:</b>								
a)	From equities			33	175.866.199			
	(of which, income from Group companies			34	114.907.377	)		
b)	From other investments							
aa)	income from land and buildings	35	0					
bb)	from other investments	36	1.125.676.961	37	1.125.676.961			
	(of which, income from Group companies			38	410.856.962	)		
c)	Value re-adjustments on investment			39	957.010			
d)	Gains on the realisation of investments			40	78.368.880			
	(of which, income from Group companies			41	0	)	42	1.380.869.050
<b>3. INCOME AND UNREALISED GAINS ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>								
							43	226.827.402
<b>4. OTHER TECHNICAL INCOME, NET OF REINSURANCE</b>								
							44	1.397.929
<b>5. CLAIMS INCURRED, NET OF REINSURANCE</b>								
a)	Claims paid							
aa)	gross amount	45	1.735.872.308					
bb)	(-) reinsurers' share	46	63.255.338	47	1.672.616.970			
b)	Change in the provision for claims outstanding							
aa)	gross amount	48	35.080.047					
bb)	(-) reinsurers' share	4	49	9.950.276	50	25.129.771	51	1.697.746.741
<b>6. CHANGE IN THE PROVISION FOR POLICY LIABILITIES AND IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE</b>								
a)	Provisions for policy liabilities							
aa)	gross amount	52	1.723.821.477					
bb)	(-) reinsurers' share	53	-28.800.259	54	1.752.621.736			
b)	Change in the provision for claims outstanding							
aa)	gross amount	55	-12.099.056					
bb)	(-) reinsurers' share	56	1.520.078	57	-13.619.134			
c)	Other provisions							
aa)	gross amount	58	13.492.391					
bb)	(-) reinsurers' share	59	0	60	13.492.391			
d)	Provisions for policies where the investment risk is borne by the shareholders and relating to the administration of pension funds							
aa)	gross amount	61	528.430.104					
bb)	(-) reinsurers' share	62	0	63	528.430.104	64	2.280.925.097	

Previous Year			
	<u>140</u>	<u>3.423.279.713</u>	
	<u>141</u>	<u>45.650.383</u>	<u>142</u> 3.377.629.330
	<u>143</u>	<u>147.377.567</u>	
(of which, income from Group companies	<u>144</u>	<u>106.220.054</u> )	
	<u>145</u>	<u>463.865</u>	
	<u>146</u>	<u>1.247.519.780</u>	<u>147</u> 1.247.983.645
(of which, income from Group companies	<u>148</u>	<u>562.544.838</u> )	
	<u>149</u>	<u>1.018.357</u>	
	<u>150</u>	<u>51.634.597</u>	
(of which, income from Group companies	<u>151</u>	<u>0</u> )	<u>152</u> 1.448.014.166
			<u>153</u> 144.971.768
			<u>154</u> 1.676.501
	<u>155</u>	<u>1.679.118.910</u>	
	<u>156</u>	<u>72.027.934</u>	<u>157</u> 1.607.090.976
	<u>158</u>	<u>19.001.305</u>	
	<u>159</u>	<u>-669.233</u>	<u>160</u> 19.670.538
	<u>161</u>		<u>161</u> 1.626.761.514
	<u>162</u>	<u>2.177.951.505</u>	
	<u>163</u>	<u>-16.287.199</u>	<u>164</u> 2.194.238.704
	<u>165</u>	<u>2.384.609</u>	
	<u>166</u>	<u>1.741.150</u>	<u>167</u> 643.459
	<u>168</u>	<u>16.695.247</u>	
	<u>169</u>	<u>0</u>	<u>170</u> 16.695.247
	<u>171</u>	<u>287.181.578</u>	
	<u>172</u>	<u>0</u>	<u>173</u> 287.181.578
			<u>174</u> 2.498.758.988

PROFIT AND LOSS ACCOUNT

Current Year

7. PREMIUM REFUNDS AND PROFIT-SHARING, NET OF REINSURANCE			65	17.573.036
8. OPERATING EXPENSES				
a) Acquisition commissions	66	353.770.250		
b) Other acquisition costs	67	46.125.376		
c) Change in commissions and other acquisition costs to be amortised	68	0		
d) Collecting commissions	69	34.758.238		
e) Other administrative expenses	70	70.590.588		
f) (-) Reinsurance commissions and profit sharing	71	5.421.607	72	499.822.845
9. INVESTMENT CHARGES				
a) Investment management charges, including interest	73	38.272.759		
b) Value adjustments on investments	74	58.656.901		
c) Losses on the realisation of investments	75	60.475.054	76	157.404.714
10. EXPENSES AND UNREALISED LOSSES ON INVESTMENTS FOR THE BENEFIT OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND ON INVESTMENT RELATING TO THE ADMINISTRATION OF PENSION FUNDS			77	54.841.337
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			78	5.199.769
12. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4)			79	64.870.372
13. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item III.2)			80	123.656.040
 <b>III. NON TECHNICAL ACCOUNT</b>				
1. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10)			81	-61.469.546
2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item I.13)			82	123.656.040
3. NON-LIFE INVESTMENT INCOME				
a) From equities	83	128.368.265		
(of which, income from Group companies	84	68.407.527 )		
b) From other investments				
aa) income from land and buildings	85	136.604.363		
bb) from other investments	86	155.603.257	87	292.207.620
(of which, income from Group companies	88	11.004.892 )		
c) Value re-adjustments on investment	89	7.515.212		
d) Gains on the realisation of investments	90	228.183.645		
(of which, income from Group companies	91	0 )	92	656.274.742



## Previous Year

			175	34.926.824
		176	380.413.001	
		177	45.480.145	
		178	0	
		179	33.799.265	
		180	84.359.793	
		181	4.336.611	182
				539.715.593
		183	26.372.189	
		184	41.192.564	
		185	872.148	186
				68.436.901
				187
				30.311.734
				188
				4.657.069
				189
				20.889.463
				190
				147.833.679
				191
				-163.546.711
				192
				147.833.679
		193	94.873.121	
(of which, income from Group companies		194	45.721.882 )	
		195	148.462.596	
		196	186.943.671	197
				335.406.267
(of which, income from Group companies		198	19.267.847 )	
		199	13.083.304	
		200	185.169.488	
(of which, income from Group companies		201	0 )	202
				628.532.180

PROFIT AND LOSS ACCOUNT

Current Year

4. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (item il. 2)			93	64.870.372
5. INVESTMENT CHARGES FOR NON-LIFE BUSINESS				
a) Investment expenses and interests paid	94	64.731.317		
b) Changes on value of investments	95	83.708.145		
c) Losses on realisation of investments	96	27.228.017	97	175.667.479
6. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I. 2)			98	311.899.695
7. OTHER INCOME			99	208.616.935
8. OTHER CHARGES			100	212.818.997
9. RESULT FROM ORDINARY ACTIVITY			101	291.562.372
10. EXTRAORDINARY INCOME			102	352.654.662
11. EXTRAORDINARY CHARGES			103	131.515.198
12. EXTRAORDINARY PROFIT OR LOSS			104	221.139.464
13. RESULT BEFORE TAXATION			105	512.701.836
14. INCOME TAXES			106	171.378.028
15. PROFIT (LOSS) FOR THE YEAR			107	341.323.808

Previous Year

		203	20.889.463
	<u>204</u>		<u>70.055.244</u>
	<u>205</u>		<u>80.292.169</u>
	<u>206</u>		<u>25.633.161</u>
		207	175.980.574
		208	313.018.097
		209	196.174.223
		210	225.195.791
		211	115.688.372
		212	410.616.472
		213	76.659.929
		214	333.956.543
		215	449.644.915
		216	137.470.543
		217	312.174.372

The undersigned declare that the present accounts are reflecting the truth.

The legal representatives of the Company(\*)

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The Auditors

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Reserved to Register of Companies approval on deposit.

(\*) For foreign companies the general representative for Italy must sign

(\*\*) Indicate signatory company position

# REPORT OF THE BOARD OF AUDITORS





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## ARTICLE 153 OF LEGISLATIVE DECREE N. 58 OF FEBRUARY 24, 1998

With the enforcement in 1999 of the Legislative Decree 58/1998 (“T.U.F.”), the tasks of the Board of Auditors within companies that list stocks in regulated markets have substantially changed. The task of auditing corporate accounts has now been transferred to external auditors.

In compliance with the new regulations, namely Article 149 of the T.U.F. and the recommendations of the National Councils of Auditors, in the year under examination the Board of Auditors:

- attended General, Board and Executive Committee meetings, ensuring that what was decided and enacted in those venues was pursuant to the law and the Company’s Articles of Association, was not imprudent and did not give rise to conflict of interests;
- requested to and obtained from the Board of Directors - at least every three months - information on the main operations carried out by the Company and its affiliates;
- assessed and verified the adequacy of the internal auditing system (for which action has been taken to ensure the full implementation of Art. 150 n. 3 of T.U.F. and of ISVAP rulings) and of the administrative system as well as the reliability of the latter in reporting corporate initiatives by obtaining information from officers, examining corporate documents and analysing the audits carried out by auditing firms;
- constantly monitored the action taken by the Company to ensure Millennium compatibility (in this light, the efforts carried out by the specific services set up have been impeccable and the passage into the new year passed off smoothly without any technical hitch);
- verified the compliance with accounting and valuation principles envisaged

in current legislation and in the Company’s Articles of Association;

- verified that the Company - as set down in Art. 114, comma 2 of T.U.F. – provided indications to its affiliates to obtain, well in time, the information it requires to be in a position to meet its obligations in the area of official reporting;
- verified – in compliance with the ISVAP ruling n. 176 of April 27, 1992 concerning the control of the assets covering technical provisions – the full availability of these assets, and ensured the respect, on the part of the Company, the admissibility and limitations of the investments set down by the law.

The Board of Auditors also confirms that the Company met the obligations established in the Law 197/91 governing money laundering; the Board of Auditors:

- verified - in compliance with Art. 5 of the ISVAP Ruling n. 893 of June 16, 1998 concerning the classification and valuation of the securities portfolio - that the charging of the securities in the long-term investment sector, as from December 31, 1999, and the operations carried out on these securities, took place according to the decision taken by the Board of Directors;
- verified that the operations in the area of derivatives in the year under examination (reported in detail in the Notes on the Accounts) were carried out in conformity with the directives issued by the Board of Directors on 5/5/1998 (of which we were regularly informed as set down in Art. 3, comma 2, of the IVAP Ruling of July 19, 1996), and that the Company regularly informed ISVAP;
- confirms that in 1999 the Company carried out a number of intra-group

financial and marketing operations and provided services to Group companies, which have been outlined by the Board of Directors in the Notes on the Accounts. These initiatives - part of the traditional policy aimed at restructuring and reorganising Group operations - were carried out in the interest of the Company and did not generate conflict of interest.

Reinsurance operations were carried out with Group companies at market conditions.

In the course of our work, we did not encounter any significant fact that deserved to be reported to the competent supervisory body or mentioned in this report.

Bearing in mind what has been mentioned above, the Board of Auditors holds that the 1999 accounts, as presented by the Board of Directors, may be approved by Shareholders, and expresses a favourable opinion with regard to the profit for the year, amounting to Euro 34,135,243.9, put forward by the Board of Directors.

As to the consolidated statements, the Board of Auditors verified:

- the organisational adequacy of the Parent Company as far as the flow of information and the consolidation procedures are concerned;
- the observance of the consolidation criteria and other provisions of law regarding, in particular, the definition of the consolidation area and the closing dates of the statements;
- the compliance to accounting and valuation principles envisaged in current legislation;

- that the Company met the requirements put forward by Consob concerning to the reporting of activities in various branches and geographical areas.

The Board of Auditors declares that the certification of affiliated companies is in line with the T.U.F. and the Consob Ruling no. 11971 of May 14, 1999.

In particular the Board of Auditors, confirms that the voluntary certification carried out by affiliated companies is also in line with the above regulations.

Milan, April 10, 2000

THE BOARD OF AUDITORS