



ASSICURAZIONI GENERALI

CONSOLIDATED STATEMENTS

2006
175TH year



175 years





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CONSOLIDATED STATEMENTS

2006
175TH year





The pictures contained in this issue
refer to offices of Generali Group
companies in Eastern Europe



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) Euro 1,277,997,026.00
Fiscal code and Trieste Companies Register 00079760328
Authorized to transact insurance business
Per Article 65 of RDL April 29, 1923 No. 966

CHAIRMAN

Antoine Bernheim

VICE- CHAIRMAN

Gabriele Galateri di Genola

MANAGING DIRECTORS

(*) He acts also as General Manager

Sergio Balbinot (*) / Giovanni Perissinotto (*)

DIRECTORS

(**) Directors who, together with the Chairman, Vice-Chairman and Managing Directors, form the Executive Committee

Luigi Arturo Bianchi / Ana Patricia Botin
Francesco Gaetano Caltagirone / Diego Della Valle
Leonardo Del Vecchio / Loïc Hennekinne / Petr Kellner
Klaus-Peter Müller / Alberto Nicola Nagel (**) / Alessandro Pedersoli
Lorenzo Pelliccioli (**) / Reinfried Pohl / Kai Uwe Ricke
Vittorio Ripa di Meana (**) / Paolo Scaroni / Claude Tendil

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José Maria Amusátegui de la Cierva / Francesco Maria Attaguile
Raymond Barre / Claude Bébéar / Kenneth J. Bialkin / Giacomo Costa
Maurizio De Tilla / Enrico Filippi / Carlos Fitz-James Stuart y Martínez de Irujo
Albert Frère / Roberto Gonzales Barrera / Georges Hervet
Dietrich Kerner / Khoon Chen Kuok / Stefano Micossi
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Guido Schmidt-Chiari / Theo Waigel / Wilhelm Winterstein

BOARD OF AUDITORS

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Paolo D'Agnolo / Gaetano Terrin
Giuseppe Alessio Vernì (substitute) / Paolo Bruno (substitute)

GENERAL MANAGER

Raffaele Agrusti

DEPUTY GENERAL MANAGERS

(***) Secretary of the Board of Directors

Mel Carvill / Claudio Cominelli / Lodovico Floriani / Aldo Minucci
Vittorio Rispoli (***)

CORPORATE BODIES
AS OF 28 APRIL 2007



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TABLE OF CONTENTS

Group highlights	10
Economic and insurance market developments	11
The Generali Group's identity	14
The Group's strategy for growth	15
Part A – Information on operations	19
The Generali Group	20
Business performance	21
Asset and financial management	25
Business segments	30
Life segment	30
Non-life segment	41
Financial segment	51
Significant events after 31 December 2006	54
Conclusions and outlook for operations	55
Appendix to the report	59
Part B – Consolidated financial statements	
Balance sheet	66
Profit and loss account	69
Statement of changes in equity	70
Cash flow statement	73
Part C – General criteria for drawing up the financial statements and the consolidation area	77
Part D – Valuation criteria	81
Part E – Risk report	104
Part F – Notes on the balance sheet	120
Part G – Notes on the profit and loss account	142
Part H – Other information	151
Appendices to the notes	
Parte I – Appendices to the notes	167
Change in the area of consolidation with respect to 2005	184
Subsidiaries consolidated line by line	186
Non-consolidated subsidiaries and associated companies	196
Board of Auditor's report	213
Independent Auditor's report	217



GENERALI



REPORT



Group highlights

(€ million)	31/12/2006	31/12/2005
Result of the period	2,404.8	1,918.6
Operating result	3,969.2	3,282.9
Net earned premiums	60,383.3	60,082.4
Premiums related to investment contracts	1,117.5	897.9
Net earned premiums including premiums related to investment contracts	61,500.8	60,980.3
Gross premiums written	64,525.8	63,732.6
Change on equivalent terms ^(*)	2.3%	9.8%
Acquisition and administration costs related to insurance business	8,991.8	8,440.8
Expense ratio ^(*)	14.6%	14.3%
Operating result - life segment	2,326.6	2,081.0
Net life premiums	44,068.8	44,903.5
Premiums related to investment contracts	1,117.5	897.9
Net life premiums including premiums related to investment contracts	45,186.3	45,801.4
Gross life premiums written	46,080.9	46,632.7
Change on equivalent terms ^(*)	2.0%	13.0%
Acquisition and administration costs - life segment	4,602.7	4,298.2
Expense ratio - life segment ^(*)	10.2%	9.8%
Operating result - non-life segment	1,348.7	933.4
Net non-life earned premiums	16,314.5	15,178.8
Gross non-life premiums written	18,444.9	17,099.9
Change on equivalent terms ^(*)	3.1%	1.8%
Acquisition and administration costs - non-life segment	4,389.2	4,142.6
Expense ratio - non-life segment	26.9%	27.3%
Loss ratio - non-life segment	69.4%	70.6%
Combined ratio - non-life segment	96.3%	97.9%
Operating result - financial segment	367.3	309.0

(€ million)	31/12/2006	31/12/2005
Investments	333,744.0	307,417.4
Net insurance provisions ⁽¹⁾	299,835.5	275,141.5
Net insurance provisions - life segment ⁽¹⁾	270,856.0	250,976.2
Net insurance provisions - non-life segment ⁽¹⁾	28,979.5	24,165.3
Shareholders' equity attributable to the Group ⁽²⁾	15,206.5	13,947.2

^(*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year, without considering the one-off single premium underwritten by Generali China Life in the first half of 2005 and taking into account the investment contracts

⁽¹⁾ The amounts are calculated net of consolidation adjustments

⁽²⁾ The result of the period is included in shareholders' equity attributable to the Group

Economic and insurance market developments

The world **economy** continued along its expansionary path in 2006 (up 5.2% compared to 4.7% in 2005).

In the United States, growth continued at a healthy pace, growing 3.3%, despite a slight slowdown starting from the second quarter. Private consumption showed no signs of cooling off; although households were burdened by heavy borrowing, whose charge increased due to repeated rises in interest rates, they benefited from stable employment and a slightly lower inflation rate (3.2%). The public-sector deficit decreased further, while imbalances in the balance of payments remained high.

Asia was the region with the highest growth rates, with China growing 10.7%, compared to 10.2% in 2005; following a new rise in interest rates by monetary authorities the weight of consumption component of domestic demand increased and the weight of the investment component decreased. While India's growth rate was similar to China's; the former recorded higher inflation (7% higher than China's 1.4%) and a trade deficit.

Latin America's economy picked up pace, showing a 4.9% increase in GDP compared to 4.3% in 2005. The trend was similar for all countries in the area, with Argentina recording the most significant change (up 8%). The region's growth was driven by the considerable rise in prices of raw materials other than oil due to strong demand in the Far East and steady demand in the United States. Latin America also recorded lower inflation (5.6% compared to 6.8% in 2005).

The economy of the euro area improved 2.7% in 2006 (compared to 1.3% in 2005), supported by strong domestic demand. The continued strength of the euro did not prevent exports from increasing, an indication that the area has regained its industrial competitiveness – mainly Germany, where after years of stagnation the GDP increased 2.7%. In France and Spain, where growth rates were 2% and 3.8%, respectively, strong domestic demand offset the negative trade balance. In Italy too, where, after years of stagnation or feeble growth, the economy began to regain strength (up 1.9%), recovery was driven primarily by domestic demand. Contributors to the growth included household consumption (up 1.5%), which was boosted by increases in employment (up 2%) and salaries (up 4.5%), and fixed capital investments (up 2.3%). Despite a decrease in competitiveness due to structural issues, Italian exports posted a solid increase of 5.3%, although the strong performance of imports (up 4.3%) led to a negative balance of trade.

In the States that joined the European Union in 2004, growth rates regained momentum (up 5.5%) following the slight decrease recorded in 2005. Growth was mainly fuelled by a strong increase in domestic demand; however exports also increased due to improvement in the economies of the end markets located in Western Europe. Inflation, which was 3.4%, was not far from the euro area standards.

The unemployment rate in the European Union dropped from 8.5% to 7.6%, with Germany recording a particularly significant decrease (8.4% compared to 9.5% in 2005). The improvement in Italy's economy led to a decrease in unemployment from 7.7% to 7%.

Inflation in the euro area was 1.9%, down from the 2.2% level of 2005. The increase in the prices of raw materials other than oil was offset by a decrease in the price of crude oil. After a first half of the year that saw the continuance of a strong upward trend that began over four years ago and culminated with an all-time high of \$78.30, the price per barrel decreased significantly in the second half, nearing end-2005 levels by the end of December (\$60.86 compared to \$58.98 dollars in 2005). The price decrease was caused in part by lower demand due to an exceptionally mild winter. In Italy, inflation was 2.1%, a slight increase compared to 2005.

After a moderate decrease in 2005, the **euro/dollar exchange rate** increased in 2006, mainly in the first half of the year, reaching 1.32 by year-end (1.18 in December 2005).

In 2006, **interest rates** continued to climb in almost all of the leading economies. The Federal Reserve made multiple 0.25-percentage-point adjustments to the funds rate during the first six months of the year, increasing it from 4.25% to 5.25%; no further increases were made, in part due to the slowdown in economic growth. In Europe, on the other hand, the good performance of the economy allowed the European Central Bank to raise the rate from 2.25% to 3.5% through a series of 0.25-percentage-point increases spread across the entire year, with the aim of controlling any pressure on prices and maintaining external balance in light of US rates.

As for **bond markets**, yields on 10-year US government bonds increased gradually in the first half of the year, peaking at 5.24% before falling to start-of-year levels by the end of December (4.42% compared to 4.39%). The European bond market performed similarly to the US market, recording an increase in 10-year government bond yields in the first six months and a decrease in the third quarter. In the last part of the year, however, the strengthening of the economic recovery led to an increase in yields on euro securities, which reached 3.94% at the end of 2006 compared to 3.31% at the beginning of the year. In 2006, the average yield differential between bonds issued by European companies and government bonds increased from the extremely low level of December 2005 (0.50) to a maximum of 0.593 points, before falling to 0.565 points at year-end.

On the **stock market** front, 2006 was the fourth year in a row to record exceptional performance. In the United States, the S&P500 index grew 13.62% from December 2005, NASDAQ grew 9.52% and the Dow Jones grew 16.29%. Europe's stock markets recorded even better results, with the Eurostoxx and the insurance-industry index growing 17.81% and 17.2%, respectively. Italy's stock market index, S&P MIB, increased 16% in 2006, driven by a number of



industrial, utilities and bank stocks. Some of the emerging markets recorded exceptional performance as well, including China (up 130%), India (up 43%) and Brazil (up 27%).

As for the **insurance industry**, in 2006 premiums in the main European countries in which the Group operates increased overall, albeit at a slower rate than last year.

In the life segment, premium income was strongly influenced by the regulatory and fiscal changes introduced in some countries and the performance of the bond and stock markets. In the main countries premiums grew at a slower pace than in 2005, and in some decreased, except in France, where significant growth was recorded mainly in the bancassurance segment, whose performance improved as a result of the elimination of tax benefits on income from home-savings plans offered by banks, which led to a transfer of related accumulated sums to life insurance contracts. Business also grew in Germany, mainly due to the good performance of state-supported pension policies, and in Spain, where increases in premium volumes benefited from large, non-recurring transactions in the bancassurance channel. Premium income decreased in Italy, Austria and Switzerland. In Italy, the decrease was mainly due to a fall in sales through banks and post offices as a result of higher interest rates, which caused customers to shift from asset management products to direct investments. The good performance of the stock markets led to a robust increase in linked products in France, Italy, Germany and Switzerland.

In the non-life segment, the favourable economy caused an overall increase in premiums, though less pronounced than the previous year, mainly due to continuing competition in some areas (primarily the motor business). Despite the competitive pressure, the motor segment recorded a slight acceleration in Italy and Spain and was the best performer in Switzerland. In Germany, on the other hand, the negative performance of the motor and industrial risk business lines led to an overall decrease in non-life premiums (except the health business line, which improved compared to 2005). In Italy, non-life premiums increased moderately by 2.5%, in line with 2005. The increase was mainly attributable to the non-motor lines, which grew 4.2% (5.5% in 2005).

In the other regions in which the Group operates – Eastern Europe and Asia –, solid economic growth led to healthy increases for both the life and non-life segments. In Latin America, premiums increased for all the main business lines, especially the life segment.

Unlike 2005, no catastrophic events occurred in 2006.

The Generali Group's identity

Assicurazioni Generali, one of the leading insurance and financial companies in the world, has always been characterised by a strong international orientation. Present in 40 countries, the Generali Group has strengthened its position as one of the leading insurance groups in Europe and the world, by increasing its importance in Western Europe, rebuilding a significant presence in Central and Eastern Europe and beginning to expand in the main markets of the Far East.

Generali's goal is to secure its position as one of the most profitable providers of direct life and non-life insurance by focusing on both continental Europe and international markets with strong growth potential and serving mostly individual customers and small and medium enterprises through a multi-channel and multi-brand distribution strategy. The direction, coordination and control of operations in the various countries is entrusted to the Corporate Centre, although local management has a high level of responsibility in this regard.

In pursuing these important objectives, Generali remains faithful to the values that have defined the Company since its inception and that, in 2004, were articulated in the Group's Ethical Code. The Generali Ethical Code contains the fundamental principles and rules of conduct that govern the Group's relations with the various parties with which it interacts in conducting its business. Such principles and rules are aimed at protecting the interests of the individual parties and the parties as a whole and constitute an integral part of the Group's strategies.

The Generali Group companies recognize that they have a substantial responsibility towards the communities in which they operate. They therefore support numerous initiatives of local institutions and associations in the areas of assistance, culture and sports by providing funding and collaborating in their implementation. The Group is aware of the role it can play in minimising the direct impact of corporate management practices on the surrounding environment, and thus recently became active in the environmental area as well. One of the Group's efforts in this area has been the discontinuation of investments in companies that do not respect fundamental human rights or cause serious environmental damage.

The Group's efforts in the social and environmental areas are thoroughly described in the Sustainability Report, a tool for initiating dialogue that provides information on the results achieved and, based on the requests and suggestions of the various categories of stakeholders, the new objectives that will be pursued the following year.

The Group's strategy for growth

The year 2006 was characterized by important initiatives aimed at expansion in Italy and countries with high growth potential and significant reorganization efforts to increase managerial efficiency in accordance with the guidelines set forth in the **2006-2008 Business Plan**, which was approved by the company's Board of Directors on 5 March 2006. The projects included in the Plan were started in all of the main countries in which the Group operates. The projects, which continue and complete the organizational and business changes initiated with the previous plan, are based on specific growth objectives and the achievement of important synergies. The new Plan is based on three principles: growth and innovation, a unique Country organizational model and important transnational structures, optimization of capital. Among the most important transnational projects, the one involving the concentration of asset management activities was nearly completed, and the one regarding IT platforms was begun.

As for external-growth transactions completed during the year, the Toro Group was acquired in **Italy**. This transaction made the Generali Group the leader in Italy's non-life segment as well, increasing its market share from 15.6% to 22.2% in the area and rebalancing the composition of its portfolio by increasing its retail customers. With the conclusion of the mandatory takeover bid for all ordinary shares of Toro Assicurazioni, which led to the delisting from Italy's stock exchange of the Turin-based company on 20 December, the Generali Group's stake in the company reached 98.44%. In accordance with laws on equity investments exceeding 98.0% of share capital, Generali will exercise its right to acquire the remaining outstanding shares of Toro. The transaction was authorized by the antitrust authority; however, the authority imposed the sale of Toro's subsidiary Nuova Tirrena, which has an overall market share of 0.7% (2.6% in the motor business). The company does not agree with the assumptions on which such decision was based, and therefore has decided to file an appeal with the competent authorities.

In 2006, the reorganization process involving the Group's Italian companies was continued. The objectives of the reorganization include simplifying the organizational structure, increasing operating efficiency and improving the quality of the services offered to customers. In an effort to streamline the Group's structure, Generali Vita was merged into Assicurazioni Generali with effect from the end of 2006. Following the merger, the company began operating under a single brand, "Assicurazioni Generali", both in the life and non-life segments. Also at the end of the year, INA and Assitalia were merged into a single company called INA ASSITALIA. SIA, a company specialising in damage prevention and risk analysis for the Group's corporate customers in Italy, was also merged into the Parent Company. During the year, in Italy work continued on integrating and centralizing claim settlement departments, call center management and administrative services. Lastly, a new supplementary group-level labour contract was signed to standardize the economic and regulatory treatment of the

employees of the Group's Italian companies. The agreement favours internal mobility and thus the efficiency-raising process.

As part of the implementation of asset management strategies, Generali Property Investments Sgr was set up. The objective was to establish real estate funds with a view to optimizing the investments of the Group's insurance companies in the real estate sector. In December, the Scarlatti Fund was launched, the first closed-end real estate investment fund for qualified investors.

At the end of the year, a project was initiated to integrate the Toro Group into the organizational model of the Generali Group, which is based on shared functions such as administration, IT, asset management, purchasing and human resources.

As for initiatives carried out through foreign subsidiaries, in **France**, the process of Group rationalization was completed at the end of the year; the Group is now substantially formed by two companies – Generali Iard (under which the non-life lines of Generali Iard and GPA Iard are combined) and Generali Vie (under which the businesses of Generali Vie, La Fédération Continentale, GPA Vie and Guardian Vie are combined). The new organization contains four operational areas divided on the basis of business, customer target and distribution channel, and functional areas divided on the basis of specific crossover activities such as IT, human resources and management planning and control.

The Generali Group further strengthened its presence in the countries of Central and Eastern Europe by acquiring controlling interests in leading companies in various markets. Specifically, in **Serbia**, Generali acquired from the Delta Group a majority holding in the capital of Delta Osiguranje, the insurance company ranked third in the Serbian market, operating in both the life and non-life segments. The company took on the name Delta Generali Osiguranje.

In **Croatia**, a 100% stake was acquired in Libertas Osiguranje, a company operating in the life segment, and also authorized to operate in the accident and health segments. At the end of 2006, the other two Croatian companies in the Group – Generali Osiguranje and Generali Zivotno Osiguranje – were merged into Libertas Osiguranje, which, following the merger, changed its name to Generali Osiguranje.

In **Ukraine**, the Group acquired 51% of the capital of Garant Auto, the country's second-ranked company in the non-life segment, and of Garant Life, third-ranked company in the life segment. The names of the companies were changed to Generali Garant Insurance and Generali Garant Life Insurance, respectively.

In **Bulgaria**, 86.41% of the Orel-G group was acquired. The group is present on the Bulgarian market with three separate companies: Orel operating in the non-life segment, Orel Life operating in the life segment and Zakrila, the country's health insurance leading company. In addition to the traditional sales channels,



the Orel-G group also uses bancassurance agreements above all for the distribution of life products. The holding company was named Generali Bulgaria Holding, and the operating companies were renamed Generali Insurance, Generali Life Insurance and Generali Zakrila Health-Insurance.

As concerns the development of the agricultural insurance business in Central and Eastern Europe, in order to disseminate the experience gained in Italy in this sector, in **Romania**, Fata Assicurazioni Danni acquired S.C. Asigurari Global, a company authorised to operate in the non-life segment (excluding motor third-party liability insurance); the company was renamed Fata Asigurari Agricole. In February of 2007, the purchase agreement for the acquisition of 67% of the Bulgarian company Zad Victoria by Fata Assicurazioni Danni was also finalised.

In Asia – particularly in the rapidly developing market of **India** – the Generali Group entered into an agreement for the creation of a life and non-life joint venture with the leading Indian retail distribution group. The joint venture will take on the name Future Generali and Generali will hold a stake of 26%, within the limits laid down by current Indian legislation on foreign investments in the capital of companies headquartered in India. Once the necessary authorizations are obtained, Future Generali will be able to operate throughout the Indian territory through two distinct life and non-life companies using its partner's extensive network of sales outlets, together with agents and banks.

In **China**, the Group has obtained from the competent regulatory body authorization to form a company to operate in the non-life lines. After fulfilling its obligations under law, Generali will be able to provide both life and non-life insurance in the country.

In **Switzerland**, the BSI bank acquired the Banca Unione di Credito (BUC) from the Fiat Group in June. The transaction forms part of BSI's plans for expansion into the private banking sector.

In **Austria**, Generali is part of the consortium that won the tender for acquiring the bank BAWAG. Following the acquisition, Generali will be able to sell its products also through Austrian post offices, with which BAWAG has a close working relationship.

In **Israel**, in an effort to reinforce its position in the assets under management area, Migdal Capital Markets, the financial company of the Migdal Group – operating in joint venture with the American investment bank Bear Stearns – acquired several fund investment companies. In addition, the merger of all the pension funds has been concluded with a view to optimizing the management process.

Finally, the transactions stated in the Business Plan were completed, with the aim of increasing the efficiency of capital used while maintaining the Group's solid asset base and credit rating. Specifically, in **Germany** a voluntary public offering

was concluded in April, concerning the shares held by minority shareholders of AMB Generali Holding; the subscriptions received took the Group's share of capital in AMB Generali to 85.05%, exceeding the threshold of 75% which allows full control of the shareholders' meeting. In **Austria** (July) and **Switzerland** (August), similar procedures were concluded with the aim of acquiring all the capital of Generali Holding Vienna and Generali (Schweiz) Holding. Finally, in **Israel** the acquisition of 10% of Migdal by Bank Leumi was finalized, with the consequent increase in the Group's controlling stake to 69.79%.



Part A - Information on operations

The Generali Group's consolidated financial statements at 31 December 2006 was drawn up taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606/2002 and the Legislative Decrees No. 38/2005 and No. 209/2005.

In this yearly report the Generali Group prepared its consolidated financial statements and Notes in conformity with the ISVAP Provision No. 2404 of 22 December 2005 and the information of the Consob Communication No. 6064/293 of 28 July 2006. As allowed by the aforementioned Provision, the Generali Group believed it appropriate to supplement its consolidated financial statements with detailed items and to provide further details in the Notes in order to meet also the IAS/IFRS requirements.

As from 2006, the Generali Group has decided to introduce a new business approach on the profit and loss account segment reporting, that is consistent with IAS/IFRS requirements. In detail, this approach presents the following main changes: dividends received by non-life and financial companies and paid by companies of other segments are eliminated within the non-life and financial segments; and dividends received by life holding and paid by companies of other segments are eliminated within the life segment. The new approach has led to a reduction of consolidation adjustments.

Comparative figures were restated in accordance to the abovementioned approach, as well.

In order to assess the quality and the sustainability of its earnings in each segment and country, as from 2006, Generali has presented in this report three new performance indicators, i.e. operating result, new business annual premium equivalent (APE) and new business value (NBV).

Specifically, **operating result**⁽¹⁾ represents earnings before taxes, interest expense on liabilities linked to financing activities, specific net income from investments and non-recurring income and expenses. The breakdown of operating result is detailed in this report. Principles and procedures used for the operating result definition, along with the reconciliation of operating result and non-operating result to financial statements, are analyzed by the Auditors, who will issue a specific report. Further information on operating result is described in the appendix to the report.

New business annual premium equivalent is equivalent to the sum of new annual premium policies, plus a tenth of premiums in single premium policies.

New business value is the present value of future cash flows from new policies at issue, net of cost of required capital.

(1) Under CESR Recommendation on alternative performance measures (CESR/05 – 178b), earnings before taxes calculated in accordance with IAS/IFRS cannot be replaced by operating result. In addition, the latter should be read together with full-audited measures.

The Generali Group

At 31 December 2006, subsidiaries consolidated line by line and associated companies valued at equity were 325, compared to 306 at 31 December 2005. Specifically, the former went from 297 to 315, whereas the latter from 9 to 10. The increase in the consolidation area is mainly attributable to new subsidiaries acquired by the Group in Italy, in Central and Eastern Europe and in Switzerland, as already explained in this report.

The table listing subsidiaries consolidated line by line and associated companies valued at equity is attached to the Notes, together with the list of non-consolidated subsidiaries and other associated companies, which are considered immaterial.

Compared to year-end 2005, total staff of consolidated Group companies increased 4,442 to 66,003, based on the aforementioned consolidation area. A total of 14,473 employees worked in Italy and 51,260 abroad.



Business performance

The **result of the period attributable to the Group** amounted to € 2.404,8 million, compared to € 1.918,6 million at 31 December 2005 (up 25,3%).

(€ million)	31/12/2006	31/12/2005
Earnings before taxes	3,918.8	3,547.1
Income taxes	-1,056.4	-1,136.9
Income taxes attributable to the policyholders (*)	-75.9	-204.6
Income taxes attributable to the shareholders	-980.5	-932.3
Consolidated result of the period	2,862.3	2,410.3
Result of the period attributable to the Group	2,404.8	1,918.6
Result of the period attributable to minority interests	457.5	491.7
Operating result	3,969.2	3,282.9
Net earned premiums	60,383.3	60,082.4
Net insurance benefits and claims	-61,981.4	-63,563.4
Acquisition and administration costs	-9,874.7	-9,441.0
Net fee and commission income and net income from financial service activities	522.7	434.0
Operating income from investments	15,752.1	16,648.9
Net other operating expenses	-756.9	-673.3
Income taxes attributable to the policyholders (*)	-75.9	-204.6
Non-operating result	-126.3	59.7
Non-operating income from investments	-9.4	191.3
Net other non-operating expenses (**)	-116.9	-131.6
Income taxes attributable to the policyholders (*)	75.9	204.6

(*) The amount represents the share attributable to the policyholders in Germany and Austria

(**) The amount is net of the share attributable to the policyholders in Germany and Austria

(€ million)	31/12/2006	31/12/2005
Expense ratio	14.6%	14.3%
Combined ratio	96.3%	97.9%

Operating result amounted to € 3.969,2 million compared to € 3.282,9 million at 31 December 2005 (up 20,9%). All three segments contributed to this increase. However, the main contribution came from the non-life segment thanks to its good underwriting performance.

Net earned premiums totalled € 60.383,3 million compared to € 60.082,4 million at 31 December 2005. Taking into account also premiums related to investment contracts – not accounted for as premiums –, **gross premiums written** were € 64.525,8 million (up 2,3% on equivalent terms), of which gross life premiums written reached € 46.080,9 million (up 2,0%) and gross non-life ones amounted to € 18.444,9 million (up 3,1%).

Net insurance benefits and claims decreased from € 63.563,4 million to € 61.981,4 million. Specifically, net insurance benefits and claims of the life segment decreased from € 52.848,6 million to € 50.656,4 million. This decrease is mainly attributable to changes in life insurance provisions, which were reduced as a consequence of the reduction in assets backing life insurance provisions caused by the increase in interest rates. Net insurance benefits and claims of the non-life segment rose from € 10.714,8 million to € 11.325,1 million, showing an increase less than proportional compared to that in net earned premiums, thus improving the loss ratio. On equivalent terms, the loss ratio decreased from 70,6% to 69,4%.

Acquisition and administration costs totalled € 9.874,7 million (up 4,6%), of which € 8.991,8 million acquisition and administration costs related to insurance business (up 6,5%). Specifically, acquisition costs, and administration expenses amounted to € 7.028,1 million (up 9,0%) and € 1.963,7 million (down 1,5%), respectively. On equivalent terms, the ratio of underwriting expenses to net earned premiums increased to 14,6% (14,3% at 31 December 2005). In detail, the ratio of acquisition costs to net earned premiums rose from 10,9% to 11,4%, and that of administration costs decreased from 3,4% to 3,2%.

In the life segment, the loss ratio increased to 10,2% (9,8% at 31 December 2005) whereas, in the non-life segment, it decreased to 26,9% (27,3%).

The non-life combined ratio improved to 96,3% (97,9% at 31 December 2005).

Net fee and commission income and net income from financial service activities – mainly attributable to the financial segment – amounted to € 522,7 million compared to € 434,0 million at 31 December 2005.

Operating income from investments totalled € 15.752,1 million (down 5,4%). This decrease is a consequence of the reduction in **net operating income from financial instruments at fair value through profit or loss**, which went from € 5.839,9 million to € 4.067,3 million (of which € 2.890,8 million represented net income from financial assets and liabilities where the risk is borne by the policyholders) due to unrealized losses on bonds caused by the increase in interest rates. This decrease was mostly offset by a similar drop in changes in life insurance provisions.

(€ million)	31/12/2006	31/12/2005
Interest income and other income	11,349.2	10,312.3
Net operating income from financial instruments at fair value through profit or loss	4,067.3	5,839.9
Net realized gains on other financial instruments and land and buildings (investment properties)	1,366.3	1,373.7
Net unrealized losses on other financial instruments and land and buildings (investment properties)	-138.4	-187.6
Interest expense on liabilities linked to operating activities	-582.7	-393.9
Interest expense on liabilities linked to financing activities attributable to the policyholders (*)	-4.7	-4.8
Other expenses from other financial instruments and land and buildings (investment properties)	-305.0	-290.9
Operating income from investments	15,752.1	16,648.9

(*) The amount represents the share attributable to the policyholders in Germany and Austria

Interest income and other income totalled € 11,349,2 million (up 10,1%), of which € 9,151,9 million interest income (up 9,5%). The increase is attributable to the raise in both interest rates and bonds.

Net realized gains and net unrealized losses on other financial instruments and land and buildings (investment properties) remained almost stable. In accordance with the Generali Group's definition of operating result, these amounts refer to life and financial segments.

Interest expense on liabilities linked to operating activities amounted to € 582,7 million (€ 393,9 million at 31 December 2005). The increase is mostly due to higher interest expense on liabilities to banks or customers.

Net other operating expenses – including, among other things, unallocated holding expenses – went up to € 756,9 million from € 673,3 million. The increase is mainly attributable to higher net losses on foreign currencies and lower net income from service activities.

Non-operating result went to € -126,3 million from € 59,7 million at the end of 2005.

Non-operating income from investments amounted to € -9,4 million, detailed as follows.

(€ million)	31/12/2006	31/12/2005
Net non-operating income from financial instruments at fair value through profit or loss	6.5	63.4
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	575.3	695.8
Net non-operating unrealized losses on other financial instruments and land and buildings (investment properties)	-125.0	-198.8
Interest expense on liabilities linked to financing activities (**)	-466.2	-369.1
Non-operating income from investments	-9.4	191.3

(**) The amount is net of the share attributable to the policyholders in Germany and Austria

Interest expense on liabilities linked to financing activities amounted to € 466,2 million (up 26,3%). Taking into account also the amount attributable to the policyholders in Germany and Austria, interest expense on liabilities linked to financing activities reached € 470,9 million (up 25,9%). The increase is mainly due to new subordinated liabilities issued during the year, as mentioned in *The Group's strategy for growth*.

Net other non-operating expenses – representing non-recurring income and expenses – amounted to € 116,9 million (€ 131,6 million at 31 December 2005). The significant improvement is mainly attributable to a reduction in restructuring charges and lower impairment losses of non-life land and buildings used for own activities.

Asset and financial management

Investments

(€ million)	31/12/2006		31/12/2005	
	Total book value	Impact (%)	Total book value	Impact (%)
Land and buildings (investment properties) (*)	11,365.3	4.0	10,235.6	3.8
Investments in subsidiaries, associated companies and joint ventures	1,029.6	0.4	802.9	0.3
Held to maturity investments	1,125.8	0.4	993.0	0.4
Loans and receivables	51,676.8	18.1	41,173.9	15.5
Available for sale financial assets	192,874.7	67.5	189,008.7	71.0
Financial assets at fair value through profit or loss	27,782.9	9.7	24,015.8	9.0
Total	285,855.1	100.0	266,229.9	100.0
Investments back to policies where the investment risk is borne by the policyholders	47,888.9		41,187.5	
Total investments	333,744.0		307,417.4	

(*) In accordance with the international accounting standards, € 3,014.0 million land and buildings used for own activities (€ 2,889.3 million at 31 December 2005) are classified as tangible assets

Breakdown of investments by asset classes

(€ million)	31/12/2006		31/12/2005	
	Total book value	Impact (%)	Total book value	Impact (%)
Equities (*)	36,466.2	10.9	31,287.5	10.2
Available for sale financial assets	31,639.3		27,501.8	
Financial assets at fair value through profit or loss	4,826.9		3,785.7	
Bonds (**)	204,277.4	61.2	193,628.8	63.0
Held to maturity investments	1,108.2		966.5	
Loans	26,188.5		16,884.0	
Available for sale financial assets	158,266.5		159,325.1	
Financial assets at fair value through profit or loss	18,714.3		16,453.2	
Investments back to policies where the investment risk is borne by the policyholders	47,888.9	14.3	41,187.5	13.4
Other investments (***)	45,111.5	13.5	41,313.6	13.4
Land and buildings (investment properties)	12,403.4		11,071.3	
Investments in subsidiaries, associated companies and joint ventures	1,029.6		802.9	
Derivatives	1,619.9		1,788.0	
Mortgage loans	7,707.7		8,573.8	

(continues)

(continues)

(€ million)	31/12/2006		31/12/2005	
	Total book value	Impact (%)	Total book value	Impact (%)
Receivables from banks or customers	5,654.9		4,363.0	
Other investments	16,696.0		14,714.6	
Total investments	333,744.0	100.0	307,417.4	100.0

(*) Investment fund units amounted to € 5,205.6 million (€ 4,412.9 million at 31 December 2005)

(**) Investment fund units amounted to € 6,637.8 million (€ 7,300.7 million at 31 December 2005)

(***) Investment fund units amounted to € 2,339.2 million (€ 1,504.7 million at 31 December 2005)

Investments went up to € 333.744,0 million from € 307.417,4 million (up 8,6%). This increase is also affected by the acquisition of Toro Group.

Net insurance provisions

(€ million)	31/12/2006	31/12/2005
Non-life insurance provisions	28,979.5	24,165.3
Provisions for unearned premiums	4,988.7	4,046.1
Provisions for outstanding claims	23,688.7	19,817.6
Other insurance provisions	302.1	301.5
Life insurance provisions	270,856.0	250,976.2
Mathematical provisions	203,220.0	188,130.1
Provisions for outstanding claims	3,905.9	3,689.8
Provisions for policies where the investment risk is borne by the policyholders	41,498.8	35,468.6
Other insurance provisions	14,286.9	12,714.5
Deferred policyholder liabilities	7,944.5	10,973.2
Total	299,835.5	275,141.5

Net non-life insurance provisions increased by 19,9% as a result of the acquisition of Toro Group, as previously mentioned.

Debt

In accordance with the IAS/IFRS managerial model adopted by the Generali Group, the consolidated debt was split into two categories:

- liabilities linked to operating activities, which are all financial liabilities with a relationship to specific consolidated balance sheet items. For instance, the operating liabilities are included in this category;

- liabilities linked to financing activities, which include the remaining subordinated liabilities, bonds and other loans. For instance, debts issued as part of the acquisition transaction of companies belong to this category.

Total debt was as follows:

(€ million)	31/12/2006	31/12/2005
Liabilities linked to operating activities	24,048.0	21,062.9
Liabilities linked to financing activities	11,819.9	7,584.9
Total	35,867.9	28,647.8

In detail, liabilities linked to operating activities amounted to € 24.048,0 million (up 14,2% compared to 31 December 2005). The increase is attributable to higher liabilities to banks and customers.

Liabilities linked to financing activities rose from € 7.584,9 million to € 11.819,9 million. This increase is mainly due to subordinated liabilities issued during the year in order to finance the expansion through acquisitions and to increase the efficiency of capital used.

Shareholders' equity

(€ million)	31/12/2006	31/12/2005
Shareholders' equity attributable to the Group	15,206.5	13,947.2
Share capital and reserves	9,748.9	8,881.7
Reserve for unrealized gains and losses on available for sale financial assets	3,052.9	3,146.9
Result of the period	2,404.8	1,918.6
Shareholders' equity attributable to minority interests	3,525.9	3,607.0
Total	18,732.4	17,554.2

Shareholders' equity attributable to the Group amounted to € 15.206,5 million (€ 13.947,2 million at 31 December 2005). The reserve for unrealized gains and losses on available for sale financial assets, i.e. the balance between unrealized gains and losses on financial assets, net of life deferred policyholder liabilities and deferred taxes, reached € 3.052,9 million (€ 3.146,9 million at 31 December 2005). The decrease was mainly attributable to a reduction in net unrealized gains on bonds caused by the increase in interest rates.

The cost of shares of the Parent Company held by the Parent Company or by other Group companies amounted to € 391,1 million (€ 167,1 million at 31 December 2005). These shares were carried in reduction of the share capital and reserves attributable to the Group.

Reconciliation statement of the result of the period and shareholders' equity of the Group and the Parent Company

(€ million)	31/12/2006	
	Shareholders' equity before the result of the period	Result of the period
Parent Company amounts in conformity with the Italian accounting principles	9,221.8	1,213.6
Adjustments to Parent Company for IAS/IFRS application	56.5	-34.4
Allocation of differences arising out of consolidation of companies	-1,144.7	-33.1
Result of the period of entities included in the consolidation area		3,971.3
Consolidation adjustments:		
Dividends	2,163.4	-2,163.4
Other consolidation adjustments	-30.4	-549.2
Reserve for currency translation differences	-35.9	
Reserve for unrealized gains and losses on available for sale financial assets	2,528.3	
Reserve for other unrealized gains and losses through equity	42.7	
Shareholders' equity attributable to the Group	12,801.7	2,404.8

Shareholders and stock performance

At the end of the financial year, outstanding shares, with a nominal value of € 1 each, were 1,277,997,026. At the same date, the Company's shareholders numbered 262,547.

According to the latest available data, the following held equity interests of more than 2% in the Company directly or indirectly through nominees, trust companies and subsidiary companies:

	Number of shares	Percentage of company capital
1 MEDIOBANCA	180,153,072	14.096%
2 BANCA D'ITALIA	57,071,429	4.466%
3 GRUPPO UNICREDIT	47,332,246	3.704%
4 GRUPPO CAPITALIA	36,010,449	2.818%
5 GRUPPO PREMAFIN	30,959,607	2.422%
6 GRUPPO INTESA SANPAOLO	29,227,566	2.287%
7 GRUPPO CARLO TASSARA	29,039,049	2.272%
8 GRUPPO B&D HOLDING	25,558,323	2.000%

Updated as of 8 January 2007

In 2006, the Company's share price fluctuated between a low of € 27.20 (8 June) and a high of € 34.97 (11 December). At the close of the financial year, the quotation of the Generali stock was € 33.34, up by 13.055% for the year.



Generali shares accounted for 5.38% of the total volume of trading on the Milan Stock Exchange in 2006. The Company's market value at the end of 2006 was € 42,608 million, placing Generali fourth among European insurers by market capitalization.

The dividend proposed for each share is € 0.75, for a total maximum payout of € 958,714,028.

The dividend per share and the total dividend respectively increased by 38.9% and by 39.1% compared to last year.



Business segments

Life segment

Business performance of the life segment

(€ million)	31/12/2006	31/12/2005
Operating result - life segment	2,326.6	2,081.0
Net premiums	44,068.8	44,903.5
Net insurance benefits and claims	-50,656.4	-52,848.6
Acquisition and administration costs	-4,925.5	-4,712.2
Acquisition and administration costs related to insurance business	-4,602.7	-4,298.2
Other acquisition and administration costs	-322.8	-414.0
Net fee and commission income and net income from financial service activities	50.1	36.0
Operating income from investments	14,058.2	14,998.6
Interest income and other income	9,316.5	8,457.8
Net income from financial instruments at fair value through profit or loss	3,890.1	5,655.5
Net operating realized gains on other financial instruments and land and buildings (investment properties)	1,328.1	1,342.5
Net operating unrealized losses on other financial instruments and land and buildings (investment properties)	-118.1	-173.0
Interest expense on liabilities linked to operating activities	-191.4	-145.8
Interest expense on liabilities linked to financing activities attributable to the policyholders (*)	-4.7	-4.8
Other expenses from other financial instruments and land and buildings (investment properties)	-162.3	-133.6
Net other operating expenses	-192.7	-91.9
Income taxes attributable to the policyholders (*)	-75.9	-204.6
Non-operating result - life segment	-130.0	-12.3
Non-operating income from investments	-125.3	-17.1
Net non-operating realized gains on other financial instruments and land and buildings (investment properties) (**)	7.3	83.9
Net non-operating unrealized losses on other financial instruments and land and buildings (investment properties) (**)	-2.7	0.1
Interest expense on liabilities linked to financing activities (***)	-129.9	-101.1
Net other non-operating expenses	-4.7	4.8
Income taxes attributable to the policyholders (*)	75.9	204.6
Earnings before taxes - life segment	2,272.5	2,273.3

(*) The amount represents the share attributable to the policyholders in Germany and Austria

(**) The amount is net of the share attributable to the policyholders

(***) The amount is net of the share attributable to the policyholders in Germany and Austria

(€ million)	31/12/2006	31/12/2005
Expense ratio	10.2%	9.8%
Acquisition costs / net premiums	8.1%	7.8%
Administration costs / net premiums	2.1%	2.0%

Operating result of the life segment totalled € 2.326,6 million (up 11,8%).

Net life premiums amounted to € 44.068,8 million. In detail, gross premiums, and reinsurance premiums ceded were € 44.874,9 million and € 806,1million, respectively. Taking into account also premiums related to investment contracts – not accounted for as premiums –, gross life premiums written reached € 46.080,9 million (up 2,0% compared to 31 December 2005).

Premiums related to investment contracts amounted to € 1.117,5 million, compared to € 897,9 million at the end of 2005 (up 24,5%).

New business annual premium equivalent⁽²⁾ totalled € 4,178.3 million (up 11.8%). This increase is attributable to both a significant increase in annual premiums and the enlargement of the consolidation area.

New business value⁽²⁾ were € 925.0 million (up 19.3%). The increase is due to both higher new business profitability and an increase in premiums and in enlargement of the consolidation area.

Acquisition and administration costs of the life segment amounted to € 4.925,5 million (up 4,5%), of which € 4.602,7 million acquisition and administration costs related to insurance business (up 7,1%). Specifically, acquisition costs, and administration expenses increased to € 3.667,9 million (€ 3.420,7 million at 31 December 2005) and to € 934,8 million (€ 877,5 million at the end of 2005), respectively. The increase in the latter is mainly attributable to restructuring charges incurred in France.

The expense ratio⁽³⁾ went to 10,2% from 9,8% at 31 December 2005. Specifically, the ratio of acquisition costs to net premiums⁽³⁾ was 8,1% (7,8% in the same period of 2005), and that of administration costs⁽³⁾ was 2,1% (2,0%).

Life operating income from investments amounted to € 14.058,2 million (down 6,3%). The reduction is mainly attributable to lower net income from financial instruments at fair value through profit or loss, which decreased from € 5.655,5 million to € 3.890,1 million as a consequence of net unrealized losses on investments backing life insurance provisions. This amount was offset by a reduction in changes in life insurance provisions.

⁽²⁾ APE and NBV are net of minority interests.

⁽³⁾ The ratios were calculated net of consolidation adjustments.

Net other operating expenses of the life segment – including, among other things, the unallocated holding expenses attributable to this segment – increased from € 91,9 million to € 192,7 million.

Life non-operating result amounted to € -130,0 million as a consequence of lower net non-operating realized gains on other financial instruments and land and buildings (investment properties), calculated net of the share attributable to the policyholders.

Insurance business trends in the main countries of the life segment⁴

Italy

(€ million)	31/12/2006	31/12/2005
Gross direct premiums written	17,512.0	19,170.4
of which premiums related to investment contracts	298.3	398.8
New business annual premium equivalent	1,352.9	1,309.0
New business value	434.4	390.7
Expense ratio (%)	7.4	6.4
Operating result	1,247.2	1,230.3

In **Italy**, the **life insurance market** decreased 4.3%. New business from individual policies decreased 8.2%, while an even stronger reduction was recorded in sales through banks and post offices (down 10.6%). Traditional channels also declined slightly (-1.7%), driven by the adverse impact of the strong decrease in large-amount single-premium pure capitalisation policies, while premiums generated through financial advisers began growing again (up 3.3%) after a particularly negative two-year period.

Against this backdrop, **Group total premiums underwritten** in the country decreased 9.2% on equivalent terms. This was due to the 13.5% fall in **new business**, mainly as a result of the decision to limit capitalisation policies with large single-premium payments due to their declining profitability and the decrease in premiums generated through the bank channel (-22.2%). Premiums generated through proprietary networks, on the other hand, improved significantly, with agencies posting a 13.8% increase and financial advisers posting a 19.9% increase. As for contract types, recurring premiums increased overall, and mainly annual premiums (up 4.4%), which are the dominant type. Individual Retirement Policies also performed well (up 19.8%), as did group policies and pension funds (up 10.9%).

New business **annual premium equivalent (APE)** of the Group increased by 3.4%, compared to the downward trend seen on a national level. Specifically, APE

⁴ The expense ratio was calculated taking into consideration premiums related to investment contracts.



distribution by the Group's proprietary networks grew sharply by 8.2%, while new business APE distribution through the bank channel – which accounted for only 3.6% of total new business APE for the year – decreased by 24.2%.

New business value (NBV) amounted to € 434.4 million (up 11.2%).

The expense ratio increased mainly due to the increase in acquisition costs because of the changes in the product mix, whereas administration costs were mostly unchanged.

Operating result – including, among other things, unallocated Corporate Centre expenses attributable to this segment – amounted to € 1,247.2 million, showing an increase of 1.4% compared to 31 December 2005.

Germany

(€ million)	31/12/2006	31/12/2005
Gross direct premiums written (*)	10,786.8	10,251.3
of which premiums related to investment contracts	44.0	0.0
New business annual premium equivalent	787.1	598.0
New business value	115.4	76.2
Expense ratio (%)	15.0	15.4
Operating result	193.9	179.9

(*) Gross direct premiums written include premiums drawn from the provision for profit sharing, which amount to € 390.5 million at 31 December 2006 (€ 437.9 million at 31 December 2005)

Growth continued in the **life insurance market in Germany**, which increased 4.1%, although at a slower pace than in 2005 (up 6.8%). The growth was mainly attributable to the performance of state-supported pension policies, which benefited from both an increase in new contracts and an increase in the number of policyholders who elected to increase their premium to maximise the state's contribution. The health insurance business line grew 4.2% mainly as a result of rate increases, while new business felt the impact of the uncertainty surrounding the public health reform currently being approved by Parliament.

Against this backdrop, **Group gross direct premiums written** including the health line of business grew 4.6% on equivalent terms. The life line of business grew 5.1% on equivalent terms mainly due to the contribution of state-supported pension policies, both in terms of an increase in new contracts as well as the large number of customers (over 80%) who elected the aforementioned option to increase their premiums. **New business** increased by 25.2%, mainly due to single-premium contracts, which performed exceptionally well due to an effective marketing strategy that leveraged on the tax benefits available for these products and their competitiveness with alternative investments. Other contributors included risk policies and unit-linked products, areas in which the Group maintained its market leading position.

The Group is also the market leader in terms of **new business annual premium equivalent** (€ 787.1 million; up 31.6% over 2005), and has a strong presence in state-supported pension policies, life insurance and unit-linked contracts. The growth of the Group was also attributable to an increase in the number of consolidated companies.

New business value amounted to € 115.4 million (up 51.6%).

The health insurance line grew 2.3% (up 4.6% without taking into consideration premiums drawn from the provision from profit sharing, as for the market) due to the good underwriting capacity and to the favourable results of the Group's collaboration with one of the main German public health funds. The Group was one of the first to collaborate with it in order to provide supplementary policies to their approximately 4 million customers.

Operating result amounted to € 193.9 million (up 7.8%).

France

(€ million)	31/12/2006	31/12/2005
Gross direct premiums written	10,229.7	9,395.1
of which premiums related to investment contracts	43.5	43.4
New business annual premium equivalent	1,052.0	965.8
New business value	148.0	128.6
Expense ratio (%)	7.2	7.0
Operating result	348.1	291.2

In France, the **life insurance market** grew sharply by 17%, mainly due to the elimination of tax benefits on income from home-savings plans offered by banks; in the first part of the year, the amounts accumulated in such accounts were transferred to life insurance contracts placed by the same banks. Not considering this factor, the increase would have been approximately 8%. Linked products grew at a strong pace, supported by the healthy performance of stock markets, while sales of supplementary pension plans introduced with the 2004 reform continued to increase.

Group gross direct premiums written increased by 8.9%, primarily due to unit-linked contracts (up 39.0%), which currently account for 30% of savings policies, and so-called pension policies (death, disability, accident and health). The number of policies issued over the Internet remained high, reaching € 800 million (up 63.0%) and thus allowed the Group to confirm its number-one ranking in this market segment.

New business annual premium equivalent increased 8.9% to € 1,052.0 million.

New business value amounted to € 148.0 million (up 15.1%).

Operating result amounted to € 348.1 million (up 19.5%).

Spain

(€ million)	31/12/2006	31/12/2005
Gross direct premiums written	1,173.3	837.8
New business annual premium equivalent	146.5	115.2
New business value	30.4	25.5
Expense ratio (%)	4.0	5.0
Operating result	70.9	40.7

In **Spain**, the **life insurance market** grew significantly 9.8%, mainly due to non-recurring transactions involving large sums of money relating to the bancassurance channel.

Group gross direct premiums written increased considerably (up 40.1%), mainly due to the acquisition of the collective pension policies (including a “pure risk” component) from a number of large local enterprises. Excluding the effect of this transaction, which included the collection of a single premium of € 287.4 million, the increase would have been 5.8%. Particularly significant growth was recorded for individual policies due to the favourable performance of risk and unit-linked contracts. In the area of collective policies, risk contracts (even without considering the non-recurring amount mentioned above) and single-premium savings contracts performed well.

New business annual premium equivalent reached € 146.5 million (up 27.2%).

New business value amounted to € 30.4 million (up 19.1%).

The expense ratio decreased as a result of the significant increase in premiums.

Operating result went from € 40.7 million to € 70.9 million. The significant increase is mainly due to an improvement in technical and financial margin compared to 2005.

Austria

(€ million)	31/12/2006	31/12/2005
Gross direct premiums written	869.2	805.4
of which premiums related to investment contracts	0.0	37.5
New business annual premium equivalent	86.6	81.4
New business value	14.2	9.5
Expense ratio (%)	20.0	21.2
Operating result	36.9	11.7

In **Austria**, the **life insurance market** showed a stagnation, mainly due to a decline in sales of single-premium products. Recurring-premium products, on the other hand, continued to rise, although at a slower pace than last year.

Group gross direct premiums written increased 7.9% benefiting from a good growth in new business. New business single-premiums contracts showed a sharp rise (up 25.0%) – in detail, an index-linked product with guarantee introduced by the Group at the end of 2005 – and so did recurring-premium policies due to the sales of unit-linked products and of state-supported pension products.

New business annual premium equivalent amounted to € 86.6 million (up 6.4%).

New business value amounted to € 14.2 million, showing an increase of 49.8%.

The expense ratio decreased as a result of the increase in premiums with stable underwriting expenses.

Operating result amounted to € 36.9 million from € 11.7 million.

Switzerland

(€ million)	31/12/2006	31/12/2005
Gross direct premiums written	849.7	856.9
of which premiums related to investment contracts	73.3	54.3
New business annual premium equivalent	76.5	57.9
New business value	46.6	29.6
Expense ratio (%)	17.2	20.0
Operating result	111.6	45.8

In **Switzerland**, the **life insurance market** is expected to decrease 1.8%, showing a performance similar to that of last year. Individual policies, which have been negatively impacted by persistently low interest rates and competition from banking products, should decrease the most, only partially offset by the good performance of both single- and recurring-premium linked products. Collective policies are expected to decrease less than individual contracts and less than in previous years.

Contrary to the market trend, **Group gross direct premiums written** increased 0.7%, due to the concentration of business in individual unit-linked contracts with recurring premiums (up 6.8%), an area in which the Group is the market leader. This type of policy comprises the main part of the insurance portfolio, while the run-off of collective policies decided in 2002 continued at a high level (down 21.1%).

New business annual premium equivalent amounted to € 76.5 million (up 32.0%).

New business value increased 57.2% to € 46.6 million.

The expense ratio decreased about three percentage points as a result of a decrease in both acquisition and administration costs.

Operating result went from € 45.8 million to € 111.6 million due to the significant reduction in underwriting expenses and in net insurance benefits and claims compared to 2005, when insurance provisions were aligned to updates on mortality tables.

Central and Eastern Europe

(€ million)	31/12/2006	31/12/2005
Gross direct premiums written	442.2	347.4
of which premiums related to investment contracts	92.0	97.6
New business annual premium equivalent	121.5	74.2
New business value	28.9	17.4
Expense ratio (%)	26.3	22.5
Operating result	9.2	8.7

In **Central and Eastern Europe**, the **life insurance market** performed well, driven by good economic growth.

Group gross direct premiums written recorded a 29.9% increase, attributable also to new acquisitions in the consolidation area; on equivalent terms, premiums grew 25.6%. The increase was mainly due to the good results of sales of unit-linked products. In Hungary (up 34.8%), new business levels remained high mainly for linked products. August saw a drastic increase due to the September introduction of a tax on financial income from products issued after that date. The 26.3% increase posted by the Czech Republic was attributable to the sale of unit-linked contracts mainly through the networks of financial-service companies with which the Group has agreements for the sale of its policies. In Poland (up 11.7%), the distribution of single-premium contracts was mainly driven by the Group own distribution channel. In Slovakia, the decrease in premiums (-2.4%) was attributable to a slowdown in sales of single-premium contracts through the banking channel compared to the exceptional results achieved last year. The channel showed a recovery at the end of the year following specific actions on the sale networks.

New business annual premium equivalent amounted to € 121.5 million (up 63.8%).

New business value went from € 17.4 million to € 28.9 million (up 66.4%).

The expense ratio increased as a result of an increase in both acquisition and administration costs.

Operating result went from € 8.7 million to € 9.2 million.

In **Latin America**, where premiums recorded an overall positive trend in the **life**

market, Group gross direct premiums written amounted to € 546.8 million (up 49.7% on equivalent terms). In Mexico, the 87.8% growth was attributable to sales of new products – mainly savings-related – through the bank channel. In the disability annuities sector, the Group maintained its number-two position in the Mexican market and its number-four position in the pension fund segment, which became less profitable following a decrease in commissions on funds under management due to increased competition. In Argentina, having completed the restructuring of the portfolio, a process that involved the cancellation over the last few years of major collective risk contracts, premiums grew 7.1% on equivalent terms.

In **Asia**, total Group premiums amounted to € 585.1 million. Of this amount, € 538.0 million were attributable to China, placing Generali China Life second among foreign joint ventures operating in the country.

Asset and financial management of the life segment

Investments of the life segment

(€ million)	31/12/2006		31/12/2005	
	Total book value	Impact (%)	Total book value	Impact (%)
Land and buildings (investment properties) (*)	5,455.3	2.2	4,239.3	1.8
Investments in subsidiaries, associated companies and joint ventures	11,109.7	4.5	11,103.4	4.8
Held to maturity investments	923.5	0.4	890.1	0.4
Loans and receivables	37,318.2	15.1	28,927.9	12.5
Available for sale financial assets	170,206.7	68.9	166,976.7	72.0
Financial assets at fair value through profit or loss	21,867.9	8.9	19,736.5	8.5
Total	246,881.4	100.0	231,873.8	100.0
Investments back to policies where the investment risk is borne by the policyholders	47,888.9		41,187.5	
Total investments - life segment	294,770.3		273,061.4	

(*) In accordance with the international accounting standards, € 1,096.8 million land and buildings used for own activities (€ 1,129.2 million at 31 December 2005) are classified as tangible assets

Breakdown of investments by asset classes of the life segment

(€ million)		31/12/2006		31/12/2005	
		Total book value	Impact (%)	Total book value	Impact (%)
Equities (*)		29,266.5	9.9	24,449.7	9.0
Available for sale financial assets		24,891.1		21,020.4	
Financial assets at fair value through profit or loss		4,375.4		3,429.3	
Bonds (**)		181,300.6	61.5	174,152.1	63.8
Held to maturity investments		923.5		880.5	
Loans and receivables		23,555.5		15,164.1	
Available for sale financial assets		142,938.7		144,391.0	
Financial assets at fair value through profit or loss		13,882.8		13,716.6	
Investments back to policies where the investment risk is borne by the policyholders		47,888.9	16.2	41,187.5	15.1
Other financial investments (***)		36,314.2	12.3	33,272.0	12.2
Land and buildings (investment properties)		6,193.3		4,811.8	
Investments in subsidiaries, associated companies and joint ventures		11,109.7		11,103.4	
Derivatives		1,220.2		899.3	
Mortgage loans		4,222.0		4,860.4	
Other investments		13,569.0		11,597.1	
Total investments - life segment		294,770.3	100.0	273,061.4	100.0

(*) Investment fund units amounted to € 4,547.0 million (€ 3,857.7 million at 31 December 2005)

(**) Investment fund units amounted to € 6,076.8 million (€ 6,549.7 million at 31 December 2005)

(***) Investment fund units amounted to € 1,942.3 million (€ 979.9 million at 31 December 2005)

In the life segment, the Group's investment policy focused on maintaining the equity component constant, with a preference towards companies that guarantee an adequate dividend distribution policy, such as energy stocks. The Group gradually shifted investments from short-term government bonds to agency and covered-bonds in order to benefit from the more favourable yield differentials. Lastly, investments in corporate bonds remained mostly unchanged, with a preference towards subscribing to primary market issues with high ratings.

At 31 December 2006, investments of the life segment amounted to € 246.881,4 million, showing an increase of 6,5% compared to 31 December 2005.

Investments back to policies where the risk is borne by the policyholders were € 47.888,9 million (€ 41.187,5 million at 31 December 2005), bringing total investments to € 294.770,3 million (€ 273.061,4 million at 31 December 2005).

Net insurance provisions of the life segment

(€ million)	31/12/2006	31/12/2005
Mathematical provisions	203,237.0	188,134.2
Provisions for outstanding claims	3,799.0	3,591.8
Provisions for policies where the investment risk is borne by the policyholders	41,498.8	35,468.6
Other insurance provisions	14,283.7	12,712.3
Deferred policyholder liabilities	7,973.2	11,028.3
Total insurance provisions - life segment	270,791.7	250,935.1



Non-life segment

Business performance of the non-life segment

(€ million)	31/12/2006	31/12/2005
Operating result - non-life segment	1,348.7	933.4
Net earned premiums	16,314.5	15,178.8
Net insurance benefits and claims	-11,325.1	-10,714.8
Acquisition and administration costs	-4,536.7	-4,302.3
Acquisition and administration costs related to insurance business	-4,389.2	-4,142.6
Other acquisition and administration costs	-147.5	-159.7
Fee and commission income and income from financial service activities	0.0	0.0
Operating income from investments	1,438.8	1,378.3
Interest income and other income	1,586.0	1,494.4
Interest income and dividends from financial instruments at fair value through profit or loss	64.9	75.2
Interest expense on liabilities linked to operating activities	-67.2	-28.8
Other expenses from other financial instruments and land and buildings (investment properties)	-144.9	-162.5
Net other operating expenses	-542.8	-606.6
Non-operating result - non-life segment	-57.3	77.7
Non-operating income from investments	51.9	212.8
Other income and expenses from financial instruments at fair value through profit or loss	6.5	63.4
Net realized gains on other financial instruments and land and buildings (investment properties)	498.1	610.9
Net unrealized gains on other financial instruments and land and buildings (investment properties)	-122.3	-198.8
Interest expense on liabilities linked to financing activities	-330.5	-262.8
Net other non-operating expenses	-109.1	-135.0
Earnings before taxes - non-life segment	1,291.5	1,011.1

(€ million)	31/12/2006	31/12/2005
Loss ratio	69.4%	70.6%
Expense ratio	26.9%	27.3%
Acquisition costs / net premiums	20.6%	19.9%
Administration costs / net premiums	6.3%	7.4%
Combined ratio	96.3%	97.9%

Operating result of the non-life segment totalled € 1,348,7 million (up 44,5%).

Net non-life earned premiums amounted to € 16,314,5 million, of which € 18,444,9 million were gross non-life premiums written (up 3,1% compared to 31 December 2005).

Gross earned premiums, and reinsurance premiums ceded totalled € 18.277,1 million and € 1.962,5 million, respectively.

Net insurance benefits and claims went from € 10.714,8 million to € 11.325,1 million, showing an increase less than proportional compared to that in net earned premiums, thus improving the loss ratio. The loss ratio⁽⁵⁾ – net of ceded reinsurance – decreased to 69,4% (70,6% at 31 December 2005).

Acquisition and administration costs of the non-life segment amounted to € 4.536,7 million (up 5,4%), of which € 4.389,2 million acquisition and administration costs related to insurance business (up 6,0%). Specifically, acquisition costs increased to € 3.360,3 million (€ 3.026,9 million at 31 December 2005) whereas administration expenses decreased to € 1.028,9 million (€ 1.115,7 million at the end of the previous year). Therefore, the expense ratio⁽⁵⁾ was 26,9% (27,3% at 31 December 2005). In detail, the ratio of acquisition costs to net earned premiums⁽⁵⁾ increased from 19,9% to 20,6%, whereas that of administration costs⁽⁵⁾ decreased from 7,4% to 6,3%.

The combined ratio⁽⁵⁾ improved to 96,3% from 97,9% at 31 December 2005.

Non-life operating income from investments amounted to € 1.438,8 million (up 4,4%). This increase is mainly due to the increase in interest income and other income.

Net other operating expenses of the non-life segment – including, among other things, the unallocated holding expenses attributable to this segment – decreased from € 606,6 million to € 542,8 million.

Non-operating result of the non-life segment amounted to € -57,3 million as a consequence of lower net realized gains on other financial instruments and land and buildings (investment properties).

(5) The ratios were calculated net of consolidation adjustments.

Insurance business trends in the main countries of the non-life segment

Italy

(€ million)	31/12/2006	21/12/2005
Net earned premiums	5,495.0	4,986.7
Gross direct premiums written	6,227.2	5,337.7
of which motor premiums	2,688.9	2,240.2
Market share (%)	17.6	15.6
Loss ratio (%)	74.5	74.5
Expense ratio (%)	22.7	23.2
Combined ratio (%)	97.2	97.7
Operating result	259.6	86.2

In **Italy**, the expected growth rate of the **non-life insurance market** (up 2.5%) is in line with last year's and is the result of a 1.3% increase for the motor line (which was stifled by continued strong competition that, despite good technical performance, caused a fall in rates) and more accentuated growth in the other lines of business (up 4.2%).

Group gross direct premiums written in the country posted an increase of 16.7%, due in part to the consolidation of the Toro Group in the last quarter; on equivalent terms, premiums would have increased by 3.4%, outperforming that of other major Italian groups. The increase in accident and health insurance (up 5.8%) was due to new policies written in the small- and medium-sized health business segment and policy renewals in the corporate segment. Increases were also recorded for the non-motor lines of business, mainly property other than fire, fire and general third-party liability. The motor line of business growth on equivalent terms (up 2.1%) outperformed the market's growth, despite the 1.7% decrease in premiums reported by Assitalia. Although the Assitalia situation showed signs of improvement, it was still negatively affected by the restructuring of the motor TPL portfolio.

Operating result — including, among other things, unallocated Corporate Centre expenses of this segment — went from _ 86.2 million to _ 259.6 million. The significant increase is due to both the acquisition of Toro Group in the consolidation area and improvements in underwriting results in the other Italian companies, mostly attributable to the reduction in acquisition and administration costs. Operating income from investments also contributed to this increase, thanks to the raise in interest rates.

France

(€ million)	31/12/2006	31/12/2005
Net earned premiums	3,308.7	3,182.6
Gross direct premiums written	3,280.5	3,237.1
of which motor premiums	1,068.3	1,080.0
Market share (%)	6.3	6.4
Loss ratio (%)	70.1	72.3
Expense ratio (%)	27.6	26.6
Combined ratio (%)	97.7	98.9
Operating result	296.6	210.8

In **France**, the slowdown that began in 2005 in the **non-life insurance market** (up 2.2%) continued due to strong rate competition, mainly in the corporate and motor business lines. The motor line was also adversely affected by a fall in new car registrations. The growth of the individual risk line was headed by multi-risk home insurance. As for the corporate risk line, while lower premium rates caused an overall reduction, increases were recorded for building guarantees, which benefited from the strong performance of the building industry, and professional liability insurance.

The 1.3% rise in **Group gross direct premiums written** was due to increases in the accident and health insurance (up 13.9%) and assistance lines, as well as solid performance by the other areas of the retail line. Premiums in the commercial and industrial, and transport segments decreased, in a market characterized by strong rate competition.

The combined ratio improved due to a reduction in the loss ratio, which more than offset the increase in the expense ratio due to higher acquisition costs.

Operating result amounted to € 296.6 million (up 40.8% compared to the previous year). The boost is mainly attributable to both the increase in premiums and the good performance of the loss ratio, along with an increase in current income from investments, mostly due to the raise in interest rates.

Germany

(€ million)	31/12/2006	31/12/2005
Net earned premiums	2,910.1	2,887.5
Gross direct premiums written	2,989.5	2,986.5
of which motor premiums	1,188.6	1,222.2
Market share (%)	5.5	5.4
Loss ratio (%)	65.3	65.0
Expense ratio (%)	30.5	32.0
Combined ratio (%)	95.8	97.0
Operating result	219.3	177.1

In **Germany**, the decline in **non-life insurance market** (-0.9%) was primarily attributable to the unfavourable performance of the motor line (-3.8%) due to continued rate competition, and the industrial risk line. The non-motor lines of the retail segment continued to grow at a moderate but steady pace.

Group gross direct premiums written increased 0.1%, outperforming the market trend both in the motor and the non-motor business lines. The latter rose 2.1%.

With the loss ratio remaining mostly stable, the combined ratio decreased due to the improvement in the expense ratio resulting from measures aimed at achieving economies of scale.

Operating result went from € 177.1 million to € 219.3 million, showing an increase of 23.9%. Growth was driven by an improvement in the underwriting result, attributable to the decrease in underwriting expenses, specifically in administration costs.

Spain

(€ million)	31/12/2006	31/12/2005
Net earned premiums	1,123.8	1,056.4
Gross direct premiums written	1,416.9	1,340.3
of which motor premiums	536.8	524.0
Market share (%)	4.7	4.7
Loss ratio (%)	64.5	65.2
Expense ratio (%)	24.0	24.9
Combined ratio (%)	88.4	90.1
Operating result	221.0	177.6

In **Spain**, the **non-life insurance market** grew by 6.5%, with the highest growth rates being recorded for the health and multi-risk business lines. Despite continuing pressure on rates from intense competition, an increase was recorded

for motor premiums as a result of a significant increase in the number of cars insured.

Group gross direct premiums written increased 5.7% due to the performance of both individual risk insurance and the corporate lines, despite intense rate competition in both areas. Individual multi-risk premiums increased 8.4% – the Group enjoys an excellent market position in this sector. The accident and health lines (up 7.1%) and the small and medium-sized business (up 10.4%) showed a significant increase, as well. The other industrial lines grew well (up 7.1%).

The combined ratio decreased due to a lower loss ratio in the non-motor lines of business – the loss ratio in the motor lines remained on good levels – and a decrease in the expense ratio.

Operating result went from € 177.6 million to € 221.0 million, showing an increase of 24.4%. The good performance was driven by the improvement in the underwriting result, mostly attributable to both the increase in premiums and the decrease in loss ratio.

Austria

(€ million)	31/12/2006	31/12/2005
Net earned premiums	1,260.7	1,299.3
Gross direct premiums written	1,254.6	1,219.0
of which motor premiums	624.5	613.8
Market share (%)	18.0	18.0
Loss ratio (%)	67.8	69.3
Expense ratio (%)	29.7	28.7
Combined ratio (%)	97.5	98.1
Operating result	32.1	34.0

In **Austria**, the **non-life insurance market** is expected to continue growing, although at a slower pace, a trend that should be seen in the motor, health and accident business lines.

Against this backdrop, **Group gross direct premiums written** increased 2.9%, mainly due to the good performance of the personal (up 3.1%) and accident and health (up 5.6%) lines. The motor segment saw an upturn (up 1.7%), following a two-year period of significant restructuring.

A decrease in the loss ratio caused an improvement in the combined ratio despite a higher expense ratio.

Operating result reached € 32.1 million (€ 34.0 million at 31 December 2005).

Central and Eastern Europe

(€ million)	31/12/2006	31/12/2005
Net earned premiums	452.3	311.3
Gross direct premiums written	714.6	581.5
of which motor premiums	377.2	291.2
Loss ratio (%)	64.3	65.6
Expense ratio (%)	28.5	29.9
Combined ratio (%)	92.8	95.6
Operating result	59.8	45.0

In the **Central and Eastern European** countries, the **non-life insurance market** grew as well, driven by the economic growth of the region.

Group gross direct premiums written increased 21.5% also as a result of new acquisitions in the consolidation area; on equivalent terms, premiums grew 13.9%. The results are mainly due to the performance of the motor and corporate business lines. Of particular importance was the drastic increase recorded in Romania (up 134.9%), due to the exceptional results achieved by the Group's sales network, the strengthening of brokerage activities and an agreement that was entered into with a major automobile manufacturer. In Slovakia (up 24.0%), the increase in the average premium amount more than offset the decrease in the number of cars insured; the considerable amount of business generated by the distribution networks of financial services companies in the personal insurance line should also be noted. In the Czech Republic (up 10.6%) and Hungary (up 7.4%), the increase in premiums was mainly attributable to the good level of business in the motor segment. In Hungary, the property line also performed well. In Poland (down 12.9%), premiums were again negatively affected by the restructuring of the motor portfolio that began the previous year, leading to an improvement in the loss ratio.

The improvement in both loss ratio (down 1.3%) and expense ratio (down 1.4%) led to a significant increase in **operating result**, which amounted to € 59.8 million (up 32.9%). Higher income from bonds contributed to this increase, as well.

Switzerland

(€ million)	31/12/2006	31/12/2005
Net earned premiums	431.6	422.3
Gross direct premiums written	466.0	455.1
of which motor premiums	241.6	237.5
Market share (%)	4.7	4.6
Loss ratio (%)	68.9	71.2
Expense ratio (%)	27.2	28.1
Combined ratio (%)	96.1	99.3
Operating result	43.0	30.2

In **Switzerland**, the **non-life insurance market** is expected to grow 1.8%, mainly due to the performance of the motor business line (up 2.8%), which was the best performer despite increased competition.

Group gross direct premiums written increased 4.0% on equivalent terms, outpacing the market both in the motor line (up 3.3%) and in the other business lines (up 4.8%). The increase was partially attributable to the introduction of innovative and effective solutions relating to products and services offered to customers. Particularly good performance was recorded by the accident and health insurance business lines (up 6.8%).

The solid improvement in the combined ratio was due to a reduction in both the loss and expense ratios.

Operating result increased 42.6% to € 43.0 million (€ 30.2 million at the end of 2005). Growth is attributable to the good underwriting performance in all main lines of business, driven by improvements in both loss ratio and expense ratio.

In **Latin America**, which also recorded an increase in **non-life insurance premiums** across the market, **Group gross direct premiums written** amounted to € 553.6 million (up 25.5% on equivalent terms). In Mexico, the 38.8% increase in premium income was mainly attributable to the signing of a contract of significant size. In the motor segment, premiums increased as a result of significant portfolio growth that was able to offset the decrease in rates due to continuing intense competition. In Argentina, the 18.8% increase, which was attributable almost entirely to the motor business line, confirmed the effectiveness of the marketing strategies implemented several years ago with the aim of gradually increasing the portfolio while at the same time increasing the average premium amount.

Asset and financial management of the non-life segment

Investments of the non-life segment

(€ million)	31/12/2006		31/12/2005	
	Total book value	Impact (%)	Total book value	Impact (%)
Land and buildings (investment properties) (*)	5,892.4	12.1	5,979.3	14.2
Investments in subsidiaries, associated companies and joint ventures	10,767.6	22.2	8,313.3	19.8
Held to maturity investments	94.8	0.2	83.9	0.2
Loans and receivables	7,609.1	15.7	6,243.1	14.9
Available for sale financial assets	21,524.3	44.3	20,131.4	48.0
Financial assets at fair value through profit or loss	2,704.5	5.6	1,229.6	2.9
Total investments - non-life segment	48,592.8	100.0	41,980.6	100.0

(*) In accordance with the international accounting standards, € 1,816.9 million land and buildings used for own activities (€ 1,664.9 million at 31 December 2005) are classified as tangible assets

Breakdown of investments by asset classes of the non-life segment

(€ million)	31/12/2006		31/12/2005	
	Total book value	Impact (%)	Total book value	Impact (%)
Equities (*)	6,974.0	14.4	6,570.2	15.7
Available for sale financial assets	6,623.2		6,276.3	
Financial assets at fair value through profit or loss	350.8		293.9	
Bonds (**)	18,407.1	37.9	15,875.9	37.8
Held to maturity investments	77.2		67.0	
Loans and receivables	1,768.0		1,690.0	
Available for sale financial assets	14,309.6		13,380.7	
Financial assets at fair value through profit or loss	2,252.3		738.1	
Other financial investments (***)	23,211.7	47.8	19,534.6	46.5
Land and buildings (investment properties)	6,192.6		6,242.6	
Investments in subsidiaries, associated companies and joint ventures	10,767.6		8,313.3	
Derivatives	69.7		157.4	
Term deposits with credit institution	1,849.2		1,093.7	
Other investments	4,332.6		3,727.5	
Total investments - non-life segment	48,592.8	100.0	41,980.6	100.0

(*) Investment fund units amounted to € 656.4 million (€ 552.6 million at 31 December 2005)

(**) Investment fund units amounted to € 477.6 million (€ 496.6 million at 31 December 2005)

(***) Investment fund units amounted to € 381.5 million (€ 369.2 million at 31 December 2005)

In the non-life segment, the Group's investment policy focused on maintaining equities constant, with a preference towards the utilities and energy sectors.

On the other hand, the Group decreased bonds, mainly government bonds, thus reducing overall interest rate risk. The policy of reducing volatility regarded the corporate bond sector, as well. In this sector, the Group invested in securities with high ratings and short-medium duration.

At 31 December 2006, investments of the non-life segment amounted to € 48,592,8 million (up 15,8% at 31 December 2005).

Net insurance provisions of the non-life segment

(€ million)	31/12/2006	31/12/2005
Provisions for unearned premiums	4,993.9	4,050.7
Provisions for outstanding claims	23,784.3	19,915.2
Other insurance provisions	302.6	301.8
Total insurance provisions - non-life segment	29,080.9	24,267.6

As previously mentioned, the increase in net non-life insurance provisions – provisions for unearned premiums and provisions for outstanding claims – is mainly attributable to the acquisition of Toro Group in the consolidation area.

Financial segment

Business performance of the financial segment

(€ million)	31/12/2006	31/12/2005
Operating result - financial segment	367.3	309.0
Fee and commission income and income from financial service activities	546.0	467.8
Acquisition and administration costs	-462.5	-460.8
Operating income from investments	319.2	310.3
Interest income and other income	556.0	440.8
Net income from financial instruments at fair value through profit or loss	112.3	109.2
Net operating realized gains on other financial instruments and land and buildings (investment properties)	41.1	20.8
Net operating unrealized losses on other financial instruments and land and buildings (investment properties)	-20.3	-14.5
Interest expense on liabilities linked to operating activities	-369.9	-245.4
Other expenses from other financial instruments and land and buildings (investment properties)	0.0	-0.5
Net other operating expenses	-35.3	-8.3
Non-operating result - financial segment	60.0	4.7
Non-operating income from investments	63.1	6.1
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	69.0	11.4
Net non-operating unrealized losses on other financial instruments and land and buildings (investment properties)	-0.1	-0.2
Interest expense on liabilities linked to financing activities	-5.8	-5.2
Net other non-operating expenses	-3.1	-1.4
Earnings before taxes - financial segment	427.3	313.7

Operating result of the financial segment amounted to € 367,3 million (up 18,9%). This increase is mainly attributable to the increase in net commissions, which were € 546,0 million (up 16,7%).

Financial operating income from investments remained almost stable. The increase in interest income and other income, which went from € 440,8 million to € 556,0 million, was offset by an increase in interest expense on liabilities linked to operating activities, which went from € 245,4 million to € 369,9 million.

Non-operating result of the financial segment increased to _ 60,0 million, as a result of an increase in net non-operating realized gains on other financial instruments.

Business trends in the main countries of the financial segment

At 31 December 2006, assets managed by Group banks and asset management companies totalled € 339,812.4 million (up 21.7% compared to 31 December 2005).

Asset management accounts for most of the Group's financial activity and concentrates on the management of the Group companies' financial instruments. The largest units in this field are the Swiss BSI group and the Banca Generali group.

In **Switzerland**, income of the BSI group reached € 417.1 million (up 22.4% compared to the previous year), of which € 220.7 million represented commissions. Operating expenses amounted to € 278.1 million or 66.7% of income, decreasing compared to 73.3% in 2005. The result of the period came to € 86.1 million, increasing by 22.5% compared to year-end 2005. At 31 December 2006, assets under management amounted to € 37,190.1 million, with an increase of 14.8% compared to 31 December 2005.

In June, BSI acquired Banca Unione di Credito (BUC) from the Fiat group, thus carrying on its plan for expansion into the asset management sector. The two banks merged their business, generating synergy as to create value in both private banking and lending activity. Thanks to this transaction, BSI enhances its position in its main reference market, thus reinforcing its presence in Canton Ticino and in the most important Elvetic financial markets, specifically in Zurich and Ginevre. The merge of BUC in BSI was finalized during early January 2007.

In **Italy**, in 2006 net inflow of the Banca Generali group rose to € 2,372.3 million, with an increase of 2.7% compared to the previous year. Income reached € 192.8 million (up 57.1%), of which € 271.2 million represented commissions (up 41.7%). Operating expenses amounted to € 131.3 million (up 37.9%) or 68.1% of income (77.6% in 2005). Intermediation margin expanded by 57.9% to € 183.6 million. The ratio of administration expenses to intermediation margin was 67.0%, sharply decreasing compared to 75.7% in the previous year. Interest margin increased 41.6% to € 27.3 million compared to year-end 2005. Assets under management totalled € 34,204.0 million, with an increase of 31.3% compared to 31 December 2005. The result of the period amounted to € 14.0 million (€ 1.7 million in 2005). At 31 December 2006, Banca Generali group's distribution network consisted of 4,606 financial advisors, of whom 2,722 also belonged to the networks of agencies of the group's Italian companies.

As from the beginning of the year, BG Sgr became fully operational. This company, i.e. the new asset management company controlled by Banca Generali, was set up as a consequence of the concentration of the Generali Group's Italian asset management for retail customers in Banca Generali. It incorporated the Generali Asset Management business unit responsible for running investment funds and asset management.



Banca Generali asked to Consob and Italian Stock Exchange to be listed on the Mercato Telematico Azionario (MTA - Electronic Share Market) in July and was authorized in October. Assicurazioni Generali S.p.A. still controls 59.78% of the bank.

In **Germany**, the Badenia Bausparkasse group operates in the banking industry and is the fourth-largest German building society, providing mortgage loans to home buyers, with about 1.5 million clients. Badenia offers mortgage loans, typical of the German market, and supported by tax incentives, which entail an initial investment plan followed by the granting of a loan for the purchase of real estate at pre-established terms and conditions. In 2006, the result of the period of Badenia amounted to € 25.2 million and the company acquired over 136,000 new contracts. Term deposits in the company rose to over € 4.1 billion.

Asset and financial management of the financial segment

Investments of the financial segment

(€ million)	31/12/2006		31/12/2005	
	Total book value	Impact (%)	Total book value	Impact (%)
Land and buildings (investment properties) ^(*)	17.6	0.1	16.9	0.1
Investments in subsidiaries, associated companies and joint ventures	74.8	0.5	88.4	0.6
Held to maturity investments	107.5	0.7	19.0	0.1
Loans and receivables	10,997.5	70.5	9,636.4	64.5
Available for sale financial assets	1,193.0	7.6	2,128.8	14.2
Financial assets at fair value through profit or loss	3,210.5	20.6	3,049.7	20.4
Total investments - financial segment	15,600.9	100.0	14,939.2	100.0

(*) In accordance with the international accounting standards, € 100.3 million land and buildings used for own activities (€ 95.2 million at 31 December 2005) are classified as tangible assets

Breakdown of investments by asset classes of the financial segment

(€ million)	31/12/2006		31/12/2005	
	Total book value	Impact (%)	Total book value	Impact (%)
Equities (*)	225.7	1.4	267.5	1.8
Available for sale financial assets	125.1		205.1	
Financial assets at fair value through profit or loss	100.6		62.5	
Bonds (**)	4,619.1	29.6	3,829.0	25.6
Held to maturity investments	107.5		19.0	
Loans and receivables	864.9		29.9	
Available for sale financial assets	1,067.5		1,781.5	
Financial assets at fair value through profit or loss	2,579.2		1,998.6	
Other financial investments (***)	10,756.1	68.9	10,842.7	72.6
Land and buildings (investment properties)	17.6		16.9	
Investments in subsidiaries, associated companies and joint ventures	74.8		88.4	
Derivatives	330.0		731.3	
Receivables from banks or customers	5,672.9		4,379.1	
Mortgage loans and other investments	4,660.8		5,627.0	
Total investments - financial segment	15,600.9	100.0	14,939.2	100.0

(*) Investment fund units amounted to € 2.2 million (€ 2.7 million at 31 December 2005)

(**) Investment fund units amounted to € 83.4 million (€ 254.4 million at 31 December 2005)

(***) Investment fund units amounted to € 15.3 million (€ 155.6 million at 31 December 2005)

Significant events after 31 December 2006

On 30 January 2007, Assicurazioni Generali and Generali Finance successfully placed a hybrid bond of 2 billion euros in two issues to institutional investors. The bond issues concluded the funding programme relating to the acquisition of the Toro Group.



Conclusions and outlook for operations

In the first months of 2007, Europe's economy continued its strong growth trend, mainly in Germany (where, however, it is difficult to predict future performance due to the uncertainty of the impact that the 3% VAT increase that became effective in January may have on consumption). A good level of growth is expected for the euro-zone countries, although below 2006 levels.

Growth of the Italian economy is also expected to continue, although at a slightly slower pace than in 2006 due to the need to rebalance public accounts.

In the first months of the year, the euro/dollar exchange rate hovered around 1.30 and is expected to stay at that level for the rest of the year. The euro may strengthen even further against the dollar due to the large US current account deficit and the trend of European interest rates to reduce their spread with the US ones. On 8 March, the European Central Bank increased its rate by 0.25 points to 3.75%, and further increases are possible during the year. Forecasts for the United States, on the other hand, indicate that interest rates will remain stable or decrease.

The year 2007 began on a positive note for the world's stock markets, with index increases both in the United States and in Europe, mainly in Germany, but also in Italy. Since then, however, the indexes have returned to end-2006 levels.

In a highly competitive market scenario, the Group is focusing on achieving growth mainly in the retail segment while maintaining a careful risk selection so to allow a further improvement in the loss ratio. The reduction in costs, that should result from the implementation of the projects included in the 2006-2008 Business Plan, should lead to a further improvement in the underwriting result. An improvement in the financial management should be obtained through optimizing investment allocation and intensifying trading activities.

In light of these factors and barring exceptional events, the Group expects that its results will further improve in 2007.

Venice, 20 March 2007

THE BOARD OF DIRECTORS



APPENDIX TO THE REPORT



Methodological note on operating result

As already mentioned in this report, as from 2006 the Generali Group has introduced a new alternative performance indicator, i.e. **operating result**. Under CESR Recommendation on alternative performance measures (CESR/05 – 178b), earnings before taxes calculated in accordance with IAS/IFRS cannot be replaced by operating result. In addition, the latter should be read together with full-audited measures.

This performance indicator assesses the quality and the sustainability of the earnings of the Generali Group in each segment and country.

Operating result was drawn up reclassifying items of earnings before taxes of each segment and taking into account the characteristics of each segment. The reconciliation statement of operating result and non-operating result to profit and loss accounts and segment reporting is shown in the table below.

Operating result and non-operating result	Profit and loss account and segment reporting
Net earned premiums	1.1
Net insurance benefits and claims	2.1
Acquisition and administration costs	2.5
Net fee and commission income and net income from financial service activities	1.2 - 2.2
Operating income from investments	1.3 - 1.4 - 1.5 - 2.3 - 2.4
Non-operating income from investments	
Net other operating expenses	1.6 - 2.6
Net other non-operating expenses	

Specifically, in the **life and financial segments**, all profit and loss accounts are considered as operating items, except those representing the non-operating result, i.e.:

1. interest expense on liabilities linked to financing activities⁽⁶⁾
2. realized gains and losses, unrealized gains and losses, and impairment losses and reversal of impairment of investments in subsidiaries, associated companies and joint ventures, and strategic investments for the Group, net of the share attributable to the policyholders in the life segment
3. net other non-operating expenses, mainly including results of non-current assets or disposal group classified as held for sale as defined by IFRS 5, and restructuring charges.

⁽⁶⁾ Further details on the definition of liabilities linked to financing activities are included in paragraph *Debt in Asset and financial management* of the report.

As to consider the calculation method of the policyholders' profit sharing based on the result of the period, life non-operating result in Germany and Austria was calculated net of the estimated amount attributable to the policyholders.

That is why operating result of the abovementioned countries was adjusted for estimated income taxes attributable to the policyholders, as well.

In the **non-life segment**, all profit and loss accounts are considered as operating items, except those which represent the non-operating result, i.e.:

1. interest expense on liabilities linked to financing activities⁽⁶⁾
2. realized gains and losses, unrealized gains and losses, and impairment losses and reversal of impairment of investments
3. net other non-operating expenses, mainly including results of non-current assets or disposal group classified as held for sale as defined by IFRS 5, impairment losses of land and buildings used for own activities, and restructuring charges.

Operating result and non-operating result of the Generali Group are equivalent to the sum of operating result and non-operating result of the aforesaid segments, and consolidation adjustments.

Lastly, in accordance with the abovedescribed approach, the Generali Group has presented the life and non-life operating result of the main countries. This performance indicator measures the contribution of each country to the consolidated operating result.



GENERALI Pojišťovna



CONSOLIDATED FINANCIAL STATEMENTS



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

CONSOLIDATED STATEMENTS

Consolidated financial statements

Year **2006**

(Amounts in €million)

BALANCE SHEET - ASSETS

	31/12/2006	31/12/2005
1 TANGIBLE ASSETS	6,616.1	2,909.4
1.1 Goodwill	4,760.5	2,085.2
1.2 Other intangible assets	1,855.6	824.3
2 TANGIBLE ASSETS	3,542.4	3,425.3
2.1 Land and buildings (self used)	3,014.0	2,889.3
2.2 Other tangible assets	528.4	536.0
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	5,605.3	5,249.0
4 INVESTMENTS	333,744.0	307,417.4
4.1 Land and buildings (investment properties)	11,365.3	10,235.6
4.2 Investments in subsidiaries, associated companies and joint ventures	1,029.6	802.9
4.3 Held to maturity investments	1,125.8	993.0
4.4 Loans and receivables	51,676.8	41,173.9
4.5 Available for sale financial assets	192,874.7	189,008.7
4.6 Financial assets at fair value through profit or loss of which financial assets where the investment risk is borne by the policyholders and related to pension funds	75,671.8 47,888.9	65,203.3 41,187.5
5 RECEIVABLES	9,268.7	8,475.6
5.1 Receivables arising out of direct insurance operations	6,871.3	6,022.9
5.2 Receivables arising out of reinsurance operations	1,017.0	959.8
5.3 Other receivables	1,380.4	1,492.9
6 OTHER ASSETS	12,743.6	12,346.1
6.1 Non-current assets or disposal groups classified as held for sale	179.7	186.6
6.2 Deferred acquisition costs	1,359.1	1,000.5
6.3 Deferred tax assets	3,321.4	3,483.1
6.4 Tax receivables	2,477.0	1,922.9
6.5 Other assets	5,406.5	5,753.1
7 CASH AND CASH EQUIVALENTS	6,120.4	5,730.7
TOTAL ASSETS	377,640.5	345,553.6

BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

		31/12/2006	31/12/2005
1	SHAREHOLDERS' EQUITY	18,732.4	17,554.2
1.1	Shareholders' equity attributable to the Group	15,206.5	13,947.2
1.1.1	Share capital	1,277.8	1,276.0
1.1.2	Other equity instruments	0.0	0.0
1.1.3	Capital reserves	4,597.6	4,562.7
1.1.4	Revenue reserves and other reserves	4,257.9	3,115.9
1.1.5	(Own shares)	-391.1	-167.1
1.1.6	Reserve for currency translation differences	-35.9	94.2
1.1.7	Reserve for unrealized gains and losses on available for sale financial assets	3,052.9	3,146.9
1.1.8	Reserve for other unrealized gains and losses through equity	42.7	0.0
1.1.9	Result of the period	2,404.8	1,918.6
1.2	Shareholders' equity attributable to minority interests	3,525.9	3,607.0
1.2.1	Share capital and reserves	2,646.5	2,623.5
1.2.2	Reserve for unrealized gains and losses through equity	421.9	491.8
1.2.3	Result of the period	457.5	491.7
2	OTHER PROVISIONS	1,672.1	1,610.6
3	INSURANCE PROVISIONS	305,440.8	280,390.5
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	41,500.3	35,481.2
4	FINANCIAL LIABILITIES	35,867.9	28,647.8
4.1	Financial liabilities at fair value through profit or loss	7,642.7	7,155.7
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	6,654.2	5,932.2
4.2	Other financial liabilities	28,225.3	21,492.1
	of which subordinated liabilities	4,400.7	1,407.4
5	PAYABLES	6,263.9	6,571.8
5.1	Payables arising out of direct insurance operations	3,136.6	3,736.1
5.2	Payables arising out of reinsurance operations	667.5	688.0
5.3	Other payables	2,459.8	2,147.7
6	OTHER LIABILITIES	9,663.3	10,778.8
6.1	Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0.0	0.0
6.2	Deferred tax liabilities	4,317.6	4,806.2
6.3	Tax payables	1,063.9	1,264.8
6.4	Other liabilities	4,281.8	4,707.8
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	377,640.5	345,553.6

PROFIT AND LOSS ACCOUNT

	31/12/2006	31/12/2005
1.1 Net earned premiums	60,383.3	60,082.4
1.1.1 Gross earned premiums	63,152.0	62,678.3
1.1.2 Earned premiums ceded	-2,768.7	-2,595.9
1.2 Fee and commission income and income from financial service activities	906.2	753.6
1.3 Net income from financial instruments at fair value through profit or loss	4,073.8	5,903.4
of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	2,890.8	3,998.0
1.4 Income from subsidiaries, associated companies and joint ventures	164.9	88.8
1.5 Income from other financial instruments and land and buildings (investment properties)	14,219.9	13,262.3
1.5.1 Interest income	9,151.9	8,359.6
1.5.2 Other income	2,133.2	1,898.3
1.5.3 Realized gains	2,818.7	2,893.7
1.5.4 Unrealized gains and reversal of impairment losses	116.2	110.7
1.6 Other income	1,514.7	1,628.8
1 TOTAL INCOME	81,262.8	81,719.2
2.1 Net insurance benefits and claims	61,981.4	63,563.4
2.1.1 Claims paid and change in insurance provisions	63,513.9	65,281.7
2.1.2 Reinsurers' share	-1,532.4	-1,718.4
2.2 Fee and commission expenses and expenses from financial service activities	383.5	319.6
2.3 Expenses from subsidiaries, associated companies and joint ventures	46.9	169.0
2.4 Expenses from other financial instruments and land and buildings (investment properties)	2,669.1	2,245.3
2.4.1 Interest expense	1,053.5	767.8
2.4.2 Other expenses	305.0	290.9
2.4.3 Realized losses	946.1	715.2
2.4.4 Unrealized losses and impairment losses	364.4	471.4
2.5 Acquisition and administration costs	9,874.7	9,441.0
2.5.1 Commissions and other acquisition costs	6,950.8	6,379.5
2.5.2 Investment management expenses	395.3	458.5
2.5.3 Other administration costs	2,528.5	2,603.0
2.6 Other expenses	2,388.5	2,433.8
2 TOTAL EXPENSES	77,344.0	78,172.1
EARNINGS BEFORE TAXES	3,918.8	3,547.1
3 Income taxes	1,056.4	1,136.9
EARNINGS AFTER TAXES	2,862.3	2,410.3
4 RESULT OF DISCONTINUED OPERATIONS	0.0	0.0
CONSOLIDATED RESULT OF THE PERIOD	2,862.3	2,410.3
Result of the period attributable to the Group	2,404.8	1,918.6
Result of the period attributable to minority interests	457.5	491.7
EARNINGS PER SHARE:		
Earnings per share (in €)	1.90	1.51
Diluted earnings per share (in €)	1.89	1.51

STATEMENT OF CHANGES IN EQUITY

	Amounts at 31/12/2004	Changes in amounts at 31/12/2004	Allocation
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP			
Share capital	1,276.0		0.0
Other equity instruments			
Capital reserves	4,562.3		0.4
Revenue reserves and other reserves	2,078.2		1,037.7
(Own shares)	-295.0		130.8
Reserve for currency translation differences	-40.3		134.5
Reserve for unrealized gains and losses on available for sale financial assets	2,138.0		5,132.8
Reserve for other unrealized gains and losses through equity			
Cash flow hedging derivative reserve			
Reserve for hedge of a net investment in a foreign operation			
Revenue reserve from valuation of equity			
Reserve for revaluation model on intangible assets			
Reserve for revaluation model on tangible assets			
Result of discontinued operations			
Other reserves			
Result of the period	1,665.8		802.4
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	11,385.0		7,238.6
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS			
Share capital and reserves	2,340.1		283.4
Reserve for unrealized gains and losses through equity	405.5		987.3
Result of the period	444.8		366.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	3,190.4		1,637.5

1) Allocations related to:

- a) "Revenue reserve and other reserves" mainly include the carried forward of the consolidated result of the previous year.
- b) "Gains and losses on available for sale financial assets" mainly include €-1,172.0 million unrealized gains and losses recognized in shareholders' equity (of which €-801.4 million related to shareholders' equity attributable to the Group and €-370.6 million related to shareholders' equity attributable to minority interests). They amounted to €+6,120.1 million at 31 December 2005 (of which €5,132.8 million related to shareholders' equity attributable to the Group and €987.3 million related to shareholders' equity attributable to minority interests).
- c) "Result of the period" includes the result of the period at 31 December 2006, which amounts to €2,862.3 million (of which €2,404.8 million related to shareholders' equity attributable to the Group and €457.5 million related to shareholders' equity attributable to minority interests). It was €2,410.3 million at 31 December 2005 (of which €1,918.6 million related to shareholders' equity attributable to the Group and €491.7 million related to shareholders' equity attributable to minority interests).

2) Transfer to profit and loss account related to "Gains and losses on available for sale financial assets" refers mainly to net realized gains from available for sale financial assets' transfer.

3) Other changes related to:

- a) "Gains and losses on available for sale financial assets" mainly refer to the share of unrealized gains and losses on available for sale financial assets attributable to policyholders, which amounts to €3,099.8 million at 31 December 2006 (of which €2,477.7 million related to shareholders' equity attributable to the Group and €622.1 million shareholders' equity attributable to minority interests) and €-3,833.8 million at 31 December 2005 (of which €-3,132.2 million related to shareholders' equity attributable to the Group and €-701.6 million shareholders' equity attributable to minority interests).
- b) "Result of the period" refer to dividends paid by the Parent Company, which amount to €689.0 million at 31 December 2006 and to €549.6 million at the 31 December 2005. Dividends paid to third parties amount €276.0 million at 31 December 2006 compared to €319.9 million at 31 December 2005.

Transfer to profit and loss account	Other transfer	Amounts at 31/12/2005	Changes in amounts at 31/12/2005	Allocation	Transfer to profit and loss account	Other transfer	Amounts at 31/12/2006
		0.0		1.8			1.8
		0.0		34.9			34.9
		0.0		1,142.0			1,142.0
	-2.9	-2.9				-224.0	-226.9
		0.0		-130.1			-130.1
-991.7	-3,132.2	-4,123.9		-801.4	-1,770.3	2,477.7	-4,217.9
				46.3	-3.6		42.7
				46.3	-3.6		42.7
	-549.6	-549.6		1,175.2		-689.0	-63.4
-991.7	-3,684.7	-4,676.4		1,468.7	-1,773.9	1,564.7	-3,416.9
		0.0		393.0		-370.0	23.0
-199.4	-701.6	-901.0		-370.6	-321.4	622.1	-970.9
	-319.9	-319.9		241.8		-276.0	-354.1
-199.4	-1,021.5	-1,220.9		264.2	-321.4	-23.9	-1,302.0

CASH FLOW STATEMENT (indirect method)

	31/12/2006	31/12/2005
Earnings before taxes	3,918.8	3,547.1
Changes in non-cash items	23,126.1	23,981.0
Change in the provisions for unearned premiums and for unexpired risks for non-life segment	942.6	178.3
Change in the provisions for outstanding claims and other insurance provisions for non-life segment	3,871.9	826.0
Change in the mathematical provisions and other insurance provisions for life segment	19,861.5	25,798.8
Change in deferred acquisition costs	-358.6	-248.8
Change in other provisions	103.0	138.7
Other non-cash expenses and revenues arising out of financial instruments, investment properties and investments in subsidiaries, associated companies and joint ventures	-1,609.5	-2,731.5
Other changes	315.3	19.5
Change in receivables and payables from operating activities	-996.4	-287.9
Change in receivables and payables arising out of direct insurance and reinsurance operations	-1,469.0	-392.8
Change in other receivables and payables	472.6	104.9
Income taxes paid	-1,502.3	-845.7
Net cash flows from cash items related to investing or financing activities	353.6	1,561.9
Financial liabilities related to investment contracts	442.0	-941.7
Payables to banks and customers	2,035.9	1,343.7
Loans and receivables from banks and customers	-1,572.9	427.6
Other financial instruments at fair value through profit or loss	-551.4	732.3
CASH FLOW FROM OPERATING ACTIVITIES	24,899.7	27,956.4
Net cash flows from investment properties	-1,291.7	-183.0
Net cash flows from investments in subsidiaries, associated companies and joint ventures	-217.6	217.8
Net cash flows from loans and receivables	-9,011.0	-3,614.5
Net cash flows from held to maturity investments	-216.2	-264.9
Net cash flows from available for sale financial assets	-6,730.6	-16,204.5
Net cash flows from tangible and intangible assets	-3,566.3	-196.7
Net cash flows from other investing activities	-7,064.8	-7,943.0
CASH FLOW FROM INVESTING ACTIVITIES	-28,098.1	-28,188.9
Net cash flows from shareholders' equity attributable to the Group	0.0	0.0
Net cash flows from own shares	-224.0	127.9
Dividends payment	-689.0	-549.6
Net cash flows from shareholders' equity attributable to minority interests	-666.4	-380.8
Net cash flows from subordinated liabilities and other similar liabilities	2,993.6	-23.1
Net cash flows from other financial liabilities	2,050.1	-78.9
CASH FLOW FROM FINANCING ACTIVITIES	3,464.4	-904.5
Effect of exchange rate changes on cash and cash equivalents	-60.4	251.2
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (*)	5,382.7	6,268.6
CHANGES IN CASH AND CASH EQUIVALENTS (**)	205.5	-885.9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (***)	5,588.2	5,382.7

Comparative figures were restated compared to those presented in the financial statements at 31 December 2005 in order to harmonize them with data in this report.

(*) Cash and cash equivalents at the beginning of the period include cash and cash equivalents (€5,730.7 million), liabilities to banks payables on demand (€78.4 million) and bank overdrafts (€269.6 million).

(**) New acquisitions led to the following changes: Toro group + €229,8 million, BUC group + €147,5 million, new CEE companies + €14,5 million. Other information is detailed in the paragraph 6 in part H of the Notes.

(***) Cash and cash equivalents at the end of the period include cash and cash equivalents (€6,120.4 million), liabilities to banks payables on demand (€288.5 million) and bank overdrafts (€243.8 million).



NOTES



Part C - General criteria for drawing up the financial statements and the consolidation area

The Generali Group's consolidated financial statements at 31 December 2006 was drawn up taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606 of 19 July 2002 and the Legislative Decrees No. 38/2005 and No. 209/2005.

The Legislative Decree No. 38/2005 also empowered ISVAP to give further instructions for financial statements in compliance with the international accounting standards.

In this yearly report the Generali Group prepared its consolidated financial statements and Notes in conformity with the ISVAP Provision No. 2404 of 22 December 2005 and information of the Consob Communication No. 6064293 of 28 July 2006.

As allowed by the aforementioned Provision, the Generali Group believed it appropriate to supplement its consolidated financial statements with detailed items and to provide further details in the Notes in order to meet also the IAS/IFRS requirements.

1 – Consolidated financial statements

The set of the consolidated financial statements is made up of the balance sheet, the profit and loss account, the statement showing changes in equity and the cash flow statement, as required by the ISVAP Provision No. 2404 of 22 December 2005. The financial statements also include special items that are considered significant for the Group.

The Notes, which are mandatory as established by the Italian Regulator, are presented in the part I of this report.

Comparative figures were restated compared to those presented in the financial statements at 31 December 2005 in order to harmonize them with data in this report. Reclassifications are in line with those explained in part D about valuation criteria.

This yearly report was drawn up in euros (the functional currency used by the Group) and the amounts are shown in millions, rounded to the first digit.

2 – Consolidation area

The consolidated financial statements are made up of data of the Parent Company and of its directly or indirectly controlled subsidiaries. Based on the IAS 27 definition of control, both companies operating in sectors dissimilar to that of the

Parent Company and the special purpose entities satisfying the requisites of effective control are included in the consolidation area.

At 31 December 2006, the consolidation area rose from 306 to 325 companies, of which 315 are subsidiaries consolidated line by line and 10 associated companies valued at equity. In detail, there were 42 Italian subsidiaries consolidated line by line and 4 Italian associated companies valued at equity.

The consolidation scope includes all subsidiaries and associated companies, except for the not material ones.

Changes in the consolidation area compared to the previous year and the table listing companies included in the new consolidation area are attached to these Notes.

3 – Consolidation methods

Investments in subsidiaries are consolidated line by line, whereas investments in associated companies and interests in joint ventures are accounted for using the equity method.

The balance sheet items of financial statements denominated in foreign currencies were translated into euro based on the exchange rates at the end of the year.

The profit and loss account items were instead translated based on the average exchange rates of the year. They reasonably approximate the exchange rates at the dates of the transactions.

The exchange rate differences arising from the translation were accounted for in equity in an appropriate reserve and recognised in the profit and loss account only at the time of the disposal of the investments.

The exchange rates used for the translation of the main foreign currencies for the Generali Group into euro are shown below.

Exchange rates

Currency	Exchange rate at the end of the period (€)	
	31/12/2006	31/12/2005
US dollar	1.3187	1.1796
Swiss franc	1.6097	1.5546
Israeli shekel	5.5595	5.4304
Argentine peso	4.0433	3.5696

Currency	Average exchange rate (€)	
	31/12/2006	31/12/2005
US dollar	1.2558	1.2450
Swiss franc	1.5733	1.5485
Israeli shekel	5.5921	5.5804
Argentine peso	3.8598	3.6387

3.1 Line-by-line consolidation method

The subsidiaries as well as the special purpose entities where the requisites of effective control are applicable are consolidated line by line.

Control is presumed to exist when the Parent Company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity or, in any event, when it has the power to govern the financial and operating policies of an investee. In the assessment of the control potential voting rights are also considered.

The consolidation of a subsidiary ceases commencing from the date when the Parent Company loses control.

In preparing the consolidated financial statements:

- the financial statements of the Parent Company and its subsidiaries are consolidated line by line. For consolidation purposes, if the financial year-end date of a company differs from that of the Parent Company, the former prepares interim financial statements at 31 December of each financial year;
- the carrying amount of the Parent Company's investment in each subsidiary and the Parent Company's portion of equity of each subsidiary are eliminated at the date of acquisition;
- minority shareholders' interests are shown as separate items; and
- intra-group balances are eliminated in full.

Subsidiaries consolidated line by line are acquired using the purchased method. The acquisition cost is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in

exchange for control of the acquiree and includes any costs directly attributable to the transaction. The excess of the acquisition cost over the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill. Should the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceed the cost of the business combination, the excess is immediately recognised in the profit and loss account.

Acquisitions of further minority interests of subsidiaries already consolidated line by line are accounted for as goodwill, i.e. the difference between the acquisition cost, including any costs directly attributable to these transactions, and the related minority shareholders' interests.

3.2 Consolidation using the equity method

IAS 28 defines an associate as an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. If an investor holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee, it is presumed that the investor has significant influence.

Under the equity method, the investment in an associate is initially recognised at cost (including goodwill) and the carrying amount is increased or reduced to recognise the change in the investor's share of the equity of the investee after the date of acquisition. The investor's share of the profit or loss of the investee, net of dividends, is recognised in its profit and loss account.

Part D - Valuation criteria

The accounting standards adopted in preparing the consolidated financial statements, and the contents of the items in the financial statements are presented in this section.

New accounting principles

Following the endorsement by the European Union, at 1 January 2006 some amendments would be applicable.

IAS 19 – Employee benefits

Changes introduced are as follows: actuarial gains and losses can be accounted for in accordance with a different accounting approach; new criteria in accounting multi-employer plans can be introduced, when all information to account in conformity with the defined benefit plans' rules is not available; and new criteria in preparing disclosure about plans in force can be adopted. The Group believed not appropriate to change its accounting principles for actuarial gains and losses and it does not take part to any multi-employer plans. Therefore, changes in IAS 19 affect only some disclosure features.

IAS 39 – Fair value option

The amendment limits the possibility to designate at fair value through profit or loss financial instruments different than instruments held for trading and derivatives.

After the endorsement of the amendment, the designation of financial instruments at fair value through profit or loss is permitted only where the designation eliminates or significantly reduces an accounting mismatch in the measurement or presentation, when the financial instruments are held for trading and their performance is evaluated on a fair value basis. The Group, satisfying the new criteria of the amended principle, has maintained the classification of financial instruments previously adopted.

During the year other new principles and interpretations have been introduced, not applicable to the Group business.

Lastly, the Group does not apply early IFRS 7 endorsed by the Regulation EC No. 108 of 11 January 2006, which introduced further disclosures on financial instruments.

Balance sheet - Assets

1 – Intangible assets

In accordance with IAS 38, an intangible asset is recognised if, and only if, it is identifiable and controllable, it is probable that the expected future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

This category includes goodwill and other intangible assets, such as goodwill recognised in the separate financial statements of the consolidated companies, software and purchased insurance portfolio.

1.1 Goodwill

Goodwill is the excess of the cost of the business combination over the acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill existing at the date of transition to IAS/IFRS is no longer amortised from 1 January 2004. Realized gains and losses on investments in subsidiaries include the related goodwill. Goodwill is tested at least annually in order to identify any impairment losses.

The purpose of the impairment test on goodwill is to identify the existence of any impairment losses on the carrying amount recognised as intangible asset. In this context, cash-generating units to which the goodwill is allocated are identified and tested for impairment. Cash-generating units usually represent the consolidated units within the same primary segment in each country. The impairment loss is equal to the difference, if negative, between the carrying amount and the recoverable amount. The latter is the higher of the fair value of the cash-generating unit and its value in use, i.e. the present value of the future cash flows expected to be derived from the cash-generating units. Should any previous impairment losses no longer exist, they cannot be reversed.

1.2 Other intangible assets

Intangible assets with finite useful life are measured at cost less any accumulated amortisation and impairment losses. The amortisation is based on the useful life and begins when the asset is available for use. Specifically, the purchased software expenses are capitalised on the basis of the cost for purchase and usage. The costs related to their development and maintenance are charged to the profit and loss account of the period in which they are incurred.

Other intangible assets with indefinite useful life are not amortised. They are periodically tested for impairment.

1.2.1 Insurance contracts acquired in a business combination or portfolio transfer

In case of acquisition of non-life insurance contracts in a business combination or portfolio transfer, the Group recognises an intangible asset, i.e. the value of the acquired contractual relationships (Value Of Business Acquired).

The VOBA is the present value of the pre-tax future profit arising from the contracts in force at the purchase date, taking into account the probability of renewals of the one year contracts. The related deferred taxes are accounted for as liabilities in the consolidated balance sheet.

The VOBA is amortized over the effective life of the contracts acquired, by using an amortization pattern reflecting the expected future profit recognition. Assumptions used in the development of the VOBA amortization pattern are consistent with the ones applied in its initial measurement. The amortization pattern is reviewed on yearly basis to assess its reliability and to verify the consistency with the assumptions used in the valuation of the corresponding insurance provisions.

The difference between the fair value of the insurance contracts acquired in a business combination or a portfolio transfer, and the insurance liabilities measured in accordance with the acquirer's accounting policies for the insurance contracts that it issues, is recognised as intangible asset and amortized over the period in which the acquirer recognises the corresponding profits. The Generali Group applies this accounting treatment to the insurance liabilities assumed in the acquisition of insurance portfolios. Therefore, the assumed insurance liabilities are recognized in the balance sheet according to the acquirer's accounting policies for the insurance contracts that it issues. These intangible assets are not in the scope of IAS 38 and IAS 36.

The future VOBA recoverable amount is tested on yearly basis.

As for as the life portfolio, the recoverable amount of the value of the in force business acquired is carried out through the liability adequacy test (LAT) of the insurance provisions — mentioned in the paragraph 3.2 — taking into account, if any, the deferred acquisition costs recognised in the balance sheet. If any, the impairment losses are recognised in the profit or loss account and cannot be reversed in a subsequent period.

Similar criteria are applied for the initial recognition, the amortization and the impairment test of other contractual relationships arising from customer lists of asset management sector, acquired in a business combination where the acquiree belongs to the financial segment.

2 – Tangible assets

This item comprises land and buildings used for own activities and other tangible assets.

2.1 Land and buildings (self used)

In conformity with IAS 16, this item includes land and buildings held for use in the production or supply of goods or services or for administrative purposes. Land and buildings (self used) are measured applying the cost model set out by IAS 16.

The cost of the self used property comprises purchase price and any directly attributable expenditure. The depreciation is systematically calculated applying specific economic/technical rates which are determined locally in accordance with the residual value over the useful economic life of each individual component of the property.

Land and buildings (self used) are measured at cost less any accumulated depreciation and impairment losses. Land and agricultural properties are not depreciated but periodically tested for impairment losses. Costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are directly charged to the assets to which they refer and depreciated in accordance with the residual value over the assets' useful economic life. Cost of the day-to-day servicing are charged to the profit and loss account.

Finance leases of land and buildings are accounted for in conformity with IAS 17. The standard provides for lease transactions to be presented in accordance with their economic substance. It also requires that the overall cost of the leasehold property is recognised as a tangible asset, and, as a counter-entry, the present value of the minimum lease payments and the redemption cost of the asset are recognised as a financial liability.

2.2 Other tangible assets

Property, plant, equipment and furniture are classified in this item. They are initially measured at cost and subsequently recognised net of any accumulated depreciation and impairment losses. They are systematically depreciated on the basis of economic/technical rates determined in accordance with their residual value over their useful economic life.

3 – Amounts ceded to reinsurers from insurance provisions

The item comprises amounts ceded to reinsurers from insurance provisions that

fall under IFRS 4 scope. They are accounted for in accordance with the accounting principles applied to direct insurance contracts.

4 – Investments

4.1 Land and buildings (investment properties)

In accordance with IAS 40, this item includes land and buildings held to earn rentals or for capital appreciation or both. Land and buildings for own activities and property inventories are instead classified as tangible assets. Furthermore, assets for which the sale is expected to be completed within one year are classified as non-current assets or disposal groups classified as held for sale.

To measure the value of land and buildings (investment properties), the Generali Group applies the cost model set out by IAS 40, and adopts the depreciation criteria defined by IAS 16. Please refer to the paragraph on land and buildings (self used) for information about criteria used by the Group and finance leases of land and buildings.

4.2 Investments in subsidiaries, associated companies and joint ventures

This item includes investments in subsidiaries and associated companies valued at equity or at cost. Immaterial investments in subsidiaries and associated companies, as well as investments in associated companies and interests in joint ventures valued using the equity method belong to this category. A list of such investments is shown in attachment to the Notes.

4.3 Held to maturity investments

The category comprises the non-derivative financial assets with fixed or determinable payments and fixed maturity that a company has the positive intention and ability to hold to maturity, other than loans and receivables and those initially designated as at fair value through profit or loss or as available for sale. The intent and ability to hold investments to maturity must be demonstrated when initially acquired and at each balance sheet date.

In the case of an early disposal (significant and not due to particular events) of said investments, any remaining investments must be reclassified as available for sale.

Held to maturity investments are measured at amortized cost.

The Generali Group limits the accounting of investments in this category.

4.4 Loans and receivables

This category comprises non-derivative financial assets with fixed or determinable payments, not quoted in an active market. It does not include financial assets held for trading and those designated as at fair value through profit or loss or as available for sale upon initial recognition.

In detail, the Generali Group includes in this category some unquoted bonds, mortgage loans, policy loans, term deposits with credit institutions, deposits under reinsurance business accepted, repurchase agreements, receivables from banks or customers accounted for by companies of the financial segment, and the mandatory deposit reserve with the central bank. The company's trade receivables are instead classified as receivables in the balance sheet.

Loans and receivables are measured at amortized cost using the effective interest rate method and considering any discounts or premiums obtained at the time of the acquisition which are accounted for over the remaining term to maturity. Gains or losses are recognised in the profit and loss account when the financial assets are derecognised or impaired as well as through the normal amortization process envisaged by the amortized cost principle.

4.5 Available for sale financial assets

Available for sale financial assets are accounted for at the settlement date at their cost plus the transaction costs directly attributable to the acquisition.

The unrealized gains and losses on available for sale financial assets arising out of subsequent changes in value are recognised in equity in a specific reserve until they are sold or determined to be impaired. At this time the cumulative gains or losses previously recognised in equity are accounted for in the profit and loss account.

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Therefore, it is presumed that the company is a going concern without any need to liquidate and undertake transactions on adverse terms.

In the case of financial assets traded in a regulated market, the fair value is their bid price at the end of the trading day at period-end. When a bid price for the financial assets is not available, the fair value is determined either on the basis of the current market value of other financial instruments that are substantially the same or applying appropriate financial techniques (DCF – discounted cash flows analysis). When the fair value cannot be reliably determined, the financial assets are measured at cost.

This category includes quoted and unquoted equities, investment fund units not held for trading, nor designated as financial assets at fair value through profit or loss, and bonds, mainly quoted, designated as available for sale.

4.6 Financial assets at fair value through profit or loss

This category comprises financial assets held for trading, i.e. acquired mainly to be sold in a short term, and financial assets that upon initial recognition are designated as at fair value through profit or loss.

Both bonds and equities, mainly quoted, and all derivatives, unless designated as hedging instruments, are included in this category.

Financial assets at fair value through profit or loss take also account of investments back to policies where the investment risk is borne by the policyholders and back to pension funds.

Hybrid instruments, whose embedded derivatives cannot be separated from the host contracts, are classified as financial assets at fair value through profit or loss, as well (e.g. some structured financial instruments).

The financial assets at fair value through profit or loss are measured at fair value and their unrealized gains and losses at the end of the period are immediately accounted for in the profit and loss account.

5 – Receivables

This item includes receivables arising out of direct insurance and reinsurance operations, and other receivables.

5.1 - 5.2 Receivables arising out of direct insurance and reinsurance operations

Receivables on premiums written in course of collection and receivables from intermediates, co-insurers and reinsurers are included in this item. They are accounted for at their carrying amounts and then at their presumed recoverable amounts.

5.3 Other receivables

This item includes all other receivables not of an insurance or tax nature. They are accounted for at their carrying amounts and then at their presumed recoverable amounts.

6 – Other assets

Non-current assets or disposal groups classified as held for sale, deferred acquisition costs, tax receivables, deferred tax assets, and other assets are classified in this item.

6.1 Non-current assets or disposal groups classified as held for sale

This item comprises non-current assets or disposal groups classified as held for sale under IFRS 5. They are measured at the lower of their carrying amount and fair value less costs to sell.

6.2 Deferred acquisition costs

In accordance with IFRS 4, deferred acquisition costs are accounted for in line with local GAAP. This item includes acquisition commissions and other expenses directly or indirectly attributable to the acquisition or renewal contracts and deferrable over the term of the contracts.

6.3 Deferred tax assets

Deferred tax assets are recognised _ except the cases provided in paragraph 24 of IAS 12 _ for all deductible temporary differences between the carrying amount of assets or liabilities and their tax base to the extent that it is probable that taxable income will be available, against which the deductible temporary differences can be utilised.

In the case of carryforward of unused tax losses and unused tax credits, deferred tax assets are recognised to the extent that it is probable that future taxable income will be available, against which the abovementioned unused tax losses or unused tax credits can be utilised.

Deferred tax assets are measured at the tax rates that are expected to be applied in the year when the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

6.4 Tax receivables

Receivables related to current income taxes as defined and regulated by IAS 12 are classified in this item. They are accounted for based on the tax laws in force in the countries where the consolidated subsidiaries have their registered offices.

6.5 Other assets

The item mainly includes accrued income and prepayments, specifically accrued interest from bonds. It also comprises deferred commissions for investment management service related to investment contracts.

Deferred fee and commission income and expenses respectively include acquisition loadings and commissions related to investment contracts without

DPF fair valued as provided for by IAS 39. Acquisition loadings and commissions related to these products are accounted for in accordance with the IAS 18 treatment of the investment management service component. They are recognised by reference to the stage of completion of the service rendered. Therefore, acquisition commissions are incremental costs directly attributable to securing and investment management service and are recognised as an asset, which is amortized throughout the whole policy term. Both deferred fee and commission income and expenses are amortized with a straight line approach, reasonably assuming that the management service is constantly rendered.

Similarly, acquisition loadings are deferred and accounted for as liabilities (among other liabilities under deferred income for investment management services).

Deferred commissions for investment management services are amortized, after assessing their recoverability in accordance with IAS 36.

7 – Cash and cash equivalents

Cash in hand and equivalent assets, cash and balances with banks payable on demand and with central banks are accounted for in this item at their carrying amounts.

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value are included in this item. Investments are qualified as cash equivalents only when they have a short maturity of 3 months or less from the date of the acquisition.



Balance sheet - Liabilities and equity

1 – Shareholders' equity

1.1 Shareholders' equity attributable to the Group

1.1.1 Share capital

Ordinary shares are recognised as share capital and their value equals the nominal value.

1.1.2 Other equity instruments

The item includes preference shares and equity components of compound financial instruments.

1.1.3 Capital reserve

The item includes the share premium account of the Parent Company.

1.1.4 Revenue reserve and other reserves

The item comprises retained earnings or losses adjusted for the effect due to changes arising from the first-time application of IAS/IFRS, reserves for share-based payments, equalisation and catastrophe provisions not recognised as insurance provisions according to IFRS 4, legal reserves envisaged by the Italian Civil Code and special laws before the adoption of IAS, as well as reserves from consolidation process.

1.1.5 Own shares

As provided for by IAS 32, the item includes equity instruments held by the company which issues consolidated financial statements or by its consolidated subsidiaries.

1.1.6 Reserve for currency translation differences

The item comprises the exchange differences to be recognised in equity in accordance with IAS 21, which derive from accounting for transactions in foreign currencies and from translating the financial statements of foreign companies.

1.1.7 Reserve for unrealised gains and losses on available for sale financial assets

The item includes gains or losses arising from changes in the fair value of available for sale financial assets, as previously described in the corresponding item of financial investments.



The amounts are accounted for net of the related deferred taxes and deferred policyholder liabilities.

1.1.8 Reserve for other unrealised gains and losses through equity

The item includes the cash flow hedging derivatives reserve, the reserve for hedge of a net investment in a foreign operation and the reserve for revaluation model on tangible and intangible assets that is not adopted by the Group.

1.1.9 Result of the period

The item refers to the Group consolidated result of the period. Dividend payments are accounted for after the approval of the shareholders' general meeting.

1.2 Shareholders' equity attributable to minority interests

The item comprises equity instruments of minority interests.

In detail, it includes the reserve for unrealized gains and losses on available for sale investments attributable to minority interests.

2 – Other provisions

In compliance with IAS 37, the allocations to other provisions are recognised only when the company has a present obligation (legal or constructive) as a result of a past event and it is probable that the resources will be required to settle the obligation and their amount can be reliably estimated.

3 – Insurance provisions

This item comprises amounts, gross of ceded reinsurance, of liabilities related to insurance contracts and investment contracts with discretionary participation features that fall under IFRS 4 scope.

3.1 Life insurance policies

In accordance with IFRS 4, policies of the life segment are classified as insurance contracts or investment contracts based on the significance of the underlying insurance risk.

Classification requires the following steps:

- identification of the characteristics of products (option, discretionary participation feature, etc.) and services rendered;

- determination of the level of insurance risk in the contract; and
- application of the international principle.

3.1.1 Insurance contracts

Premiums, payments and change in the insurance provision related to products whose insurance risk is considered significant (e.g. term insurance, whole life and endowment with annual premiums, life contingent annuities and contracts containing an option to elect at maturity a life contingent annuity at rates granted at inception, long-term health insurance and unit-linked with sum assured in case of death significantly higher than the value of the fund) are accounted for in accordance with previous local GAAP. Gross premiums are recognised as a revenue, net of cancellations of the period, and ceded premiums are recognised as expenses of the period.

Shadow accounting is applied to insurance contracts with DPF.

3.1.2 Investment contracts with DPF

Investment contracts with DPF (e.g. policies linked to segregated funds, contracts with additional benefits that are contractually based on the result of the company) are accounted for as follows:

- in keeping with local GAAP, premiums, payments and change in the insurance provision are booked like insurance contracts;
- shadow accounting is applied. It implies to ideally attribute to the policyholders part of the difference between IAS/IFRS valuation of the basis on which the profit sharing is determined and valuation which is used to determine the profit sharing actually paid. In detail, the main economic effect of the shadow accounting is doublefold: on the one hand, the recognition of the policyholders' share of unrealized gains and losses on available for sale financial assets in the deferred policyholder liabilities; on the other, the insurer's share is recognised in equity. If financial instruments are fair valued through profit or loss, the difference between market value and valuation used to determine the return which the profit sharing is based on is recognised in the profit and loss account together with a change in the deferred policyholder liabilities.

3.1.3 Investment contracts

Investment contracts without DPF mainly include unit/index-linked policies and pure capitalization contracts. These products are accounted for in accordance with IAS 39 as follows:

- the products are recognised as financial liabilities at fair value or at amortized cost. In detail, linked products are fair valued through profit or loss, while pure capitalization policies are generally valued at amortized cost;
- fee and commission income and expenses are recognised in the profit and loss account. Specifically, IAS 39 and IAS 18 require that they are separately identified and classified in the different components of: (i) origination, to be

- charged in the profit and loss account at the date of the issue of the product; and
- (ii) investment management service, to be recognised throughout the whole policy term by reference to the stage of completion of the service rendered;
- fee and commission income and incremental costs of pure capitalization contracts without DPF (other than administration costs and other non-incremental costs) are included in the initial carrying amount of the financial liability and recognised as an adjustment to the effective interest rate;
- the risk component of linked products is unbundled, if possible, and accounted for as insurance contracts.

3.2 Life insurance provisions

Life insurance provisions are related to insurance contracts and investment contracts with discretionary participation features. Said provisions are accounted for based on local GAAP, in compliance with IFRS 4.

Liabilities related to insurance contracts and investment contracts with discretionary participation features are determined analytically for each kind of contract on the basis of appropriate actuarial assumptions. They meet all the existing commitments based on best estimates.

These actuarial assumptions take into consideration the most recent demographic tables of each country where the risk is underwritten, aspects of mortality, morbidity, determination of risk-free rates, expenses and inflation. The tax charge is based on laws in force.

Among life insurance provisions, the additional provisions to the mathematical ones, already envisaged by the local regulations in case of adverse changes in the interest rates or mortality, are classified as provisions for liability adequacy test.

The liability adequacy test envisaged by IFRS 4 is applied to verify that the insurance provisions are adequate to cover the future cash flows coming from the abovementioned insurance contracts, based on current best estimates. Each inadequacy is charged to profit and loss account, initially reducing deferred acquisition costs and value of business acquired, and subsequently accounting for a provision.

As previously mentioned, insurance provisions include deferred policyholder liabilities related to contracts with DPF, in accordance with the shadow accounting.

3.3 Non-life insurance provisions

The local GAAP for each country is applied to the non-life insurance provisions, since all the existing policies fall under IFRS 4 scope. In conformity with the international standard, no provisions for future claims arising from future contracts are recognised, in line with the derecognition of the equalisation and

catastrophe provisions and some additional components of the unearned premiums provisions, carried out on the date of the first-time application.

The provisions for unearned premiums includes the pro-rata temporis provision, which is the amounts of gross premiums written allocated to following financial periods, and the provision for unexpired risks, which provides for claims and expenses in excess of the related unearned premiums.

The provisions for outstanding claims are determined by a prudent assessment by a prudent assessment of damages, based on objective and prospective considerations of all predictable charges. Provisions are deemed adequate to cover payments of damages and the cost of settlement of claims related to accident occurred during the year but not yet reported.

The non-life insurance provisions meets the requirements of the liability adequacy test according to IFRS 4.

Amounts ceded to reinsurers from insurance provisions are determined in accordance with the criteria applied for the direct insurance and accepted reinsurance.

4 – Financial liabilities

Financial liabilities at fair value through profit or loss and financial liabilities at amortized cost are included in this item.

4.1 Financial liabilities at fair value through profit or loss

The item refers to financial liabilities at fair value through profit or loss, as defined and regulated by IAS 39. In detail, it includes the financial liabilities related to investment contracts where the investment risk is borne by the policyholders as well as derivative liabilities.

4.2 Other financial liabilities

The item includes financial liabilities within the scope of IAS 39 that are not classified as at fair value through profit or loss and are instead measured at amortized cost.

This item comprises both subordinated liabilities, which, in the case of bankruptcy, are to be repaid only after the claims of all other creditors have been met, and hybrid instruments, issued in accordance with March 2006 IFRIC requirements. Hybrid instruments issued are measured at issue price, net of costs directly attributed to the transaction. The difference between the aforesaid price and the reimbursement price is recognised in the profit and loss account.

Furthermore, it includes liabilities to banks or customers, deposits received from reinsurers, bonds issued, other loans and financial liabilities at amortized cost related to investment contracts that do not fall under IFRS 4 scope.

5 – Payables

5.1 - 5.2 Payables arising out of insurance and reinsurance operations

The item includes payables arising out of insurance and reinsurance operations.

5.3 Other payables

This item mainly includes provisions for the Italian *Trattamento di fine rapporto* (employee severance pay).

These provisions are accounted for in accordance with IAS 19 (see paragraph 6.4 below).

6 – Other liabilities

The item comprises liabilities not elsewhere accounted for. In detail, it includes liabilities directly associated with non-current assets and disposal groups classified as held for sale, tax payables and deferred tax liabilities.

6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale

The item includes liabilities directly associated with non-current assets and disposal groups classified as held for sale, as defined by IFRS 5.

6.2 Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amount of assets and liabilities and their tax base, except the cases provided for in paragraph 15 of IAS 12.

Deferred tax liabilities are measured at the tax rates that are expected to be applied in the period when the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

6.3 Tax payables

The item includes payables due to tax authorities for current taxes.

6.4 Other liabilities

This item includes provisions for defined benefit plans, such as termination

benefit liabilities and other long-term employee benefits (the Italian provision for *Trattamento di fine rapporto* is excluded and classified as other payables). In compliance with IAS 19, these provisions are measured according to the project unit credit method. This method implies that the defined benefit liability is influenced by many variables, such as mortality, employee turnover, salary trends, expected inflation, expected rate of return on investments, etc. The liability recognised in the balance sheet represents the net total of the present value of the defined benefit obligation less the fair value of plan assets (if any), adjusted for any actuarial gains and losses and any past service costs not recognised. The rate used to discount future cash flows is determined by reference to market yields at the balance sheet date on high-quality corporate bonds. The actuarial assumptions are periodically tested to confirm their consistency. The actuarial gains and losses arising from subsequent changes in variables used to make estimates are recognised as income or expense to the extent that exceeds the greater of 10% of the present value of the defined benefit obligation at the end of the previous reporting period, and 10% of any plan assets at that date. The portion of actuarial gains and losses are amortized over the expected average remaining working lives of the employees participating in the plan.



Profit and loss account

1 – Income

1.1 Earned premiums

The item includes gross earned premiums on insurance contracts and investment contracts with discretionary participation features, net of earned premiums ceded.

1.2 Fee and commission income and income from financial service activities

The item includes fee and commission income for financial services rendered by companies belonging to the financial segment and fee and commission income related to investment contracts.

1.3 Net income from financial instruments at fair value through profit or loss

The item comprises realized gains and losses, interests, dividends and unrealized gains and losses on financial assets and liabilities at fair value through profit or loss.

1.4 Income from subsidiaries, associated companies and joint ventures

The item comprises income from investments in subsidiaries, associated companies and joint ventures, which are accounted for in the corresponding asset items of the balance sheet.

1.5 Income from financial instruments and other investments

The item includes income from financial instruments not at fair value through profit or loss and from land and buildings (investment properties). In detail, it includes mainly interests from financial instruments measured using the effective interest method, other income from investments, including dividends recognised when the right arises, income from properties used by third parties, realized gains from financial assets, financial liabilities and investment properties and reversals of impairment.

1.6 Other income

The item includes: revenue arising from sale of goods and rendering of services other than financial services; other insurance income; gains on foreign currency accounted for under IAS 21; realized gains and reversals of impairment on tangible

assets and other assets; and any gains recognised on the remeasurement of non-current assets or disposal groups classified as held for sale.

2 – Expenses

2.1 Net insurance benefits and claims

The item includes the amounts paid in respect of claims occurred during the period, maturities and surrenders, as well as the amounts of changes in insurance provisions that fall under IFRS 4 scope, net of recoveries and reinsurance. It also comprises changes in provision for deferred policyholders liabilities with impact on profit and loss account.

2.2 Fee and commission expenses and expenses from financial service activities

The item includes fee and commission expenses for financial services received by companies belonging to the financial segment and fee and commission expenses related to investment contracts.

2.3 Expenses from subsidiaries, associated companies and joint ventures

The item includes expenses from investments in subsidiaries, associated companies and joint ventures, which are accounted for in the corresponding asset items of the balance sheet.

2.4 Expenses from financial instruments and other investments

The item comprises expenses from land and buildings (investment properties) and from financial instruments not at fair value through profit or loss. It includes: interest expense; expenses on land and buildings (investment properties), such as general property expenses and maintenance and repair expenses not recognised in the carrying amount of investment properties; realized losses from financial assets, financial liabilities and land and buildings (investment properties); depreciations and impairment of such investments.

2.5 Acquisition and administration costs

The item comprises acquisition commissions, other acquisition costs and administration costs related to contracts that fall under IFRS 4 scope. Other acquisition costs and administration costs related to investment contracts without discretionary participation features are also included, as well as overheads and personnel expenses for investment management, and administration expenses of non-insurance companies.

2.6 Other expenses

The item includes: other insurance expenses; allocation to provisions; losses on foreign currency accounted for under IAS 21; realized losses, impairment and depreciation of tangible assets not elsewhere allocated; and amortization of intangible assets. It also comprises any loss on the remeasurement of non-current assets or disposal groups classified as held for sale, other than discontinued operations.

3 – Income taxes

The item includes income taxes for the period and for previous years, deferred taxes and tax losses carried back.



Other information

1 – Share based payments

The stock option plans granted by the Board are share based payments to compensate officers and employees. The fair value of the share options granted is estimated at the grant date. It is based on the option pricing model that takes into account, at the grant date, factors such as the exercise price and the life of the options, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares and the risk-free interest rate as well as the specific characteristics of the plan itself. Another factor common to share options is the possibility of early exercise of them. The binomial pricing model takes into account the possibility of early exercise of the options. If present, the pricing model estimates separately the option value and the probability that the market conditions are satisfied. Therefore, the fair value of equity instruments granted reflects market conditions.

The cost is charged to the profit and loss account and, as a counter-entry, to equity during the vesting period, by taking into account, if possible, the possibility of satisfaction of the vesting condition related to the options granted.

2 – Derivatives' accounting

Derivatives are financial instruments or other contracts with the following characteristics:

1. their value changes in response to the change in an interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or other pre-defined underlying variables;
2. they require no initial net investment or, if necessary, an initial net investment that is smaller than one which would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
3. they are settled at a future date.

Adopting the international accounting standards, the Generali Group has decided to account for all derivatives at fair value through profit or loss.

The Group has introduced the hedge accounting method, thus accounting for the cash flow hedge on interest expense rates and GBP/EUR exchange rate following the issue of new subordinated liabilities during the year and of those forecasted at the beginning of 2007.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in an appropriate shareholders' equity reserve and reversed to profit and loss account when the gain or loss on hedged items is recognized. The ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss.

When the hedging instrument expires or is sold, or the hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instruments, that remains recognized directly in equity from the period when the hedge was effective, remains separately recognized in equity until the forecast transaction occurs. However, if the forecasted transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognized directly in equity from the period when the hedge was effective is immediately recognized in profit or loss.

3 – Impairment losses

Whether there is any indication that an asset may be impaired, tangible and intangible assets are subject to impairment test according to IAS 36 requirements.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The latter is the higher of its fair value less costs to sell (i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and its value in use (i.e. the present value of the future cash flows expected to be derived from the permanent use and disposal of the asset at the end of its useful life).

The impairment loss is charged to the profit and loss account and it is taken into consideration for the definition of the new base for the calculation of future depreciation/amortization.

Whether there is any indication that an impairment loss recognised for an asset in prior years may no longer exist, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount of the asset due to the reversal of impairment loss cannot exceed the carrying amount that would be determined if no impairment loss had been recognised for the asset in prior years.

As far as the financial assets (except investments at fair value through profit or loss) are concerned, IAS 39 is applied whether there is any objective evidence that they are impaired.

Evidence of impairment includes, for example, significant financial difficulties of the issuer, default or delinquency in interest or principal payments, the probability that the borrower will enter bankruptcy or other financial reorganisation and the disappearance of an active market for that financial asset.

A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost is also considered as an objective evidence of impairment.

If there is objective evidence of impairment the loss is measured as follows:

- on financial assets at amortized cost, as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate;
- on available for sale financial assets, as the difference between the amount of the

loss is measured as the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related to events occurring after the impairment was recognised, the previously recognised impairment loss can be reversed.

In any case, the reversal of impairment on equities and investment fund units is not allowed by IAS 39.

4 – Segment reporting

At 31 December 2006 the Generali Group identifies three main business segments worldwide:

1. non-life segment, which includes non-life insurance activities;
2. life segment, which includes life insurance activities;
3. financial segment, which includes banking and asset management activities.

Assets, liabilities, income and expenses of each segment are presented in the financial statements in the section I according to the ISVAP Provision No. 2404 of 22 December 2005.

Segment data come from a separate consolidation of the figures of subsidiaries and associated companies in each business segment, eliminating of the effects of the transactions between companies belonging to the same segment and, the carrying amount of the investments in subsidiaries and the related portion of equity. The reporting and control process implemented by the Generali Group implies that assets, liabilities, income and expenses of companies operating in different business segments are allocated to each segment through a specific segment reporting. Intra-group balances between companies belonging to different business segments are accounted for in the consolidation adjustments column in order to reconcile the segment information with the consolidated one. The segment financial statements are consistent with the consolidated ones.

In this context, the Generali Group has decided to introduce a new business approach on the profit and loss account segment reporting, characterized by the fact that some transactions between companies belonging to different segments are eliminated within each segment in conformity with IAS 14 and IFRS 8 requirements.

In detail, this approach presents the following main changes: both dividends received by non-life and financial companies and paid by companies of other segments, and realized gains and losses on intra-segment transactions are eliminated within the non-life and financial segments; both dividends received by life holding and paid by companies of other segments, and realized gains and losses on intra-segment transactions are eliminated within the life segment; and interest income and expense on loans between Group companies belonging to different segments are eliminated within the life segment.

The abovementioned approach has led to a reduction of consolidation adjustments, that currently include dividends received by life companies and paid by Group companies belonging to other segments, and net commissions for financial services rendered and received by Group companies. Comparative figures were restated in accordance to the abovementioned segment approach, as to harmonize data.

5 – Reinsurance business alignment

The Parent Company has decided not to differ accepted and retroceded business to the next period, thus charging the balance of reinsurance deferrals at 31 December 2005 to profit and loss accounts. Therefore, the financial statements at 31 December 2006 reflects the estimates of acceptances and retrocessions of the year. However, there is no material impact on the consolidated financial statements due to a limited extra-Group accepted and retroceded business.



Part E - Risk report

The risk management system of Assicurazioni Generali aims at identifying, evaluating and monitoring the most important risks to which the Group is exposed, that means the risks whose consequences could affect the solvency of the Company or the solvency of the single business units, or negatively hamper company goals.

The main objectives of the risk management processes of Generali Group is to maintain the identified risks below an acceptable level, to optimize the capital allocation and to improve the risk-adjusted performance of the Group.

The risk management processes apply to the whole Group, all the countries where it operates and each business unit. However, the degree of integration and depth varies with the complexity of the underlying risks. Integration of processes within the Group is fundamental to assure an efficient system of risk management and capital allocation for every business unit.

In 2006 many actions have been taken to improve the methodology, to optimise the risk management processes and to spread across the business units the culture of making decisions aimed at optimising the risk adjusted performance.

1 – Risk Management System

Risk management system is based on three main pillars:

- process of risk measurement, aimed at assessing the solvency of the Company,
- process of risk governance, aimed at defining and controlling the managerial decisions in relation with relevant risks,
- risk management culture, aimed at increasing the value creation.

The model, has a decentralized approach and is based on a bottom up logic; the specific policies adopted by each Italian and foreign business unit are part of a main framework: the principles, the targets and the main risk management procedures defined by the Holding are spread and applied across the Group, with the purpose of maintaining a high degree of coherence and integration among the risk management systems of the different business units.

1.1 Roles and responsibility

The system is based on three different levels of responsibility:

- Group: for every country, the Holding sets the targets in terms of solvency, results and risk exposure, moreover it defines the risk management policy through a list of Guidelines for acceptance of the main risks.
- Country: the Regional Holding defines strategies and objectives for every firm, taking into account the local features and regulations, providing support for the

implementation and controls the results. In particular, in order to assure a better solution to the specific features of local risks and changes in local regulation, the risk management responsibility and decisions are delegated to the Country Manager, respecting the Group policy framework. To whom are also assigned performance targets for their respective area.

- Business Unit: every firm defines strategies and targets for the lines of business, in respect of the policy and the guidelines established by the Parent Company. The risk management involves the corporate governance of the Company and the operational and control structure, with defined responsibility levels, and aims to ensure in every moment the adequacy of the entire risk management system.

At Group level, the Parent Company Board of Directors approves the risk management policies and the strategies, as well as the risk tolerance level, defining performance targets coherent with the level of capital adequacy.

The Board of Directors is moreover committed to the creation of an organisational culture aimed at giving a high level of priority to the effective risk management and to the respect of strict controls on the operations.

The Board is constantly informed by the CEOs and also by the independent control department about the risk assessment of the Company and the Group, through periodical reports on results and the risk profile, or when it is necessary to intervene adopting corrective actions.

The Parent Company Top Management (composed by CEOs for the respective competence areas and by the General Manager) is responsible for the implementation of the risk management policy of the Company and the Group. In this role, the Top Management assigns the targets and the capital allocation to the Italian and foreign companies. Through Guidelines, it assures the implementation of operational limits by every single company and guarantees the prompt control and the constant monitoring of risk exposure.

The CEOs propose improvements to the risk management policy to the Board of Directors, or require specific actions to be taken by the country managers.

To this end, the Top Management is supported by the Group Risk Committee, composed by the heads of the main business areas (and also accountable for the related risks) and the Chief Risk Officer (CRO). The Committee ensures a fully integrated risk perspective (i.e. Enterprise Risk Management – ERM) across risk categories and countries, it evaluates the overall Group risk-exposure, it identifies risk-management opportunities and then recommends initiatives to the Top Management.

The CRO is responsible for monitoring and coordinating the overall ERM process, in particular, he provides information and suggestions to the Group Risk Committee and has strong relationship with Heads of the business areas. Moreover the CRO monitors ERM processes in the different Countries, supporting the CEOs in evaluating the effectiveness of the proposed plans developed and controlling the risk adjusted results.

A dedicated Enterprise Risk Management Department supports the CRO in his duties.

In 2006 the risk governance has been strengthened by establishing a Risk Management function within Group Internal Audit Department. The Risk Management function reports to the Chairman and ensures a control activity, independent from operating functions, as provided in ISVAP provision n° 577/D.

Independent control activities are also performed by the Group Control Department, with regard to an analysis of the performance of the different countries.

2 – The ERM Policy

The Generali Group has developed the Enterprise Risk Management Policy, to align the risk measurement methodology, the governance and the reporting of each company of the Group.

The governance of the Parent Company has been adopted, in its essential aspects, by each country and each company of the Group, considering their own features and regulations. A Risk Management Committee has been established in each company, made up of Chief Executive Officer (or General Manager), Heads of technical areas and, where present, Head of the local ERM.

The Risk Management Committee is in charge of supporting CEO in periodical reviews of the Company's risk profile relating to the different risk categories, and in developing possible proposals to submit to the Board.

Each Italian Company has created an independent risk control department in compliance with Italian regulation.

A set of Guidelines has been prepared by the technical departments of the Corporate Centre of the Parent Company, to align the risk underwriting methods and to define the operating limits on insurance and financial risks.

Each Company implements these guidelines by preparing and updating an Operating Limits Handbook, that is submitted to the Risk Management Committee and approved by Company Top Management..

The ERM Policy defines the most suitable standard that each Company should adopt for both qualitative and quantitative evaluation of the risks and the reporting. The reports are submitted to the Risk Management Committee and sent to the Parent Company.

The deepest level of integration in the risk management processes across the Group is defined, in cooperation with each Country, in function of the risks arising in local activities and from the expected “added value” generated by reinsurance, asset allocation and capital allocation optimization.

Minimum requirements in the risk integrated approach have to be met within the Group, in particular:

- implementation of Group Projects for the vertical integration (ALM, asset allocation);
- setting-up of local ERM functions in order to ensure an integrated view of the risks at Country level and a strong relationship with the ERM of the Parent Company.

Moreover integration relates to principles, methodology and tools used for measuring and aggregating risks at different levels of responsibility. In order to align and optimise the whole process, a shared IT system for the aggregation of Economic Capital, common rules related to support Group programs; common principles and sharing of best practices for the quantitative evaluation of each risk class are used.

2.1 Development of the Risk Management System

Risk management activities contribute to the goal of managing the enterprise performance on a risk-adjusted basis in all Group business units.

In 2006 the internal models of risk measurement have been improved, in particular those relating to calculation of the Economic Capital and ALM approaches have been harmonized at all different organizational levels within the Group.

In the next months activities should be targeted to strengthen the results and to improve some organizational issues, in particular relating to:

- standardization of the information flow within the Group Companies;
- improvement of the methodologies for the identification, measurement and evaluation of the risks and related management processes.

3 – Risk capital

Through its insurance activity the Group is naturally exposed to several types of risks, which are related to movements of financial markets, to adverse development of insurance related risks, both in life and non life business, and generally to all the risks that affect ongoing organized economic operations.

These risks can be grouped in the following four main categories which will be later detailed: market risk, credit risk, insurance risk and operational risk.

Along with the specific measures for the risk categories considered by the Group, the calculation of the Economic Capital represents a comprehensive measure of risk that can be aggregated at the different organizational levels (Group, country and operative entity) and at the main business lines (life, non-life and asset management). The Economic Capital is a risk measure, that corresponds to the amount of capital sufficient to cover at a defined probability of 99.75%, the possible losses generated over one year.

4 – Market risk

Unexpected movements in prices of equities, real estate, currencies and risk free rates might negatively impact the market value of the investments of the Group. These assets are invested to meet the obligation towards both life and non-life policyholders and to earn a return for the capital subscribed by the shareholders. The same changes might affect the present value of the insurance liabilities.

Market risk refers to the impact on solvency associated with the different sensitivity of both assets and liabilities to movements in interest rates and other market prices taking into account their volatility and correlation risk.

At year-end 2006 the investments whose market risk affects the Group were of 262.2 billions euro at market value*.

(€ million)	31/12/2006	
	Total fair value	Impact (%)
Equities (*)	36,466.2	13.9
Bonds (**)	204,466.2	78.0
Land and buildings (***)	21,282.5	8.1
Total	262,215.0	100.0

(*) Investment fund units amount to 5,205.6 million euro

(**) Investment fund units amount to 6,637.8 million euro

(***) Investment fund units amount to 1,038.1 million euro, it includes also self used properties fair value

As mentioned above, the economic impact for the shareholder of changes in interest rate, equity and property values will depend not only on the sensitivity of the assets to these shifts but also on how the same movements effect the present values of its insurance liabilities.

This effect is particularly significant for the life business because of minimum guaranteed rates of return and profit sharing arrangements. The impact of the minimum guaranteed rates of return on solvency, both on the short and long terms, is assessed through deterministic and stochastic analysis. These analyses are performed at company and single portfolio level and take into account the interaction between assets and liabilities helping to develop the product strategies and the strategic asset allocations with the aim at optimising the risk and return characteristics of the portfolios.

* Investments whose market risk affects the Group are total investments excluded investments back to policies where the investment risk is borne by the policyholders, investments in subsidiaries, associated companies and joint ventures, derivatives, mortgage loans, receivables from banks or customers and other financial investments different than equities and bonds. While, self used properties are included.

The following procedures and management actions are adopted on the single portfolios in order to control the Group exposure towards the financial markets:

- the credit and tactical asset allocation guidelines are being updated to the changing market conditions and to the changing ability of the Company to assume financial risks;
- cash flow or duration matching strategies;
- use of derivatives instruments as option, swap, swap options, interest rate forwards, interest and currency swaps, futures, caps and floors;
- portfolio and pricing management rules, coherent with sustainable guarantee level

4.1 Interest rate risk

At year-end 2006 the total investments in fixed income amounted to 204.5 billions euro, that is 78% of the total investments.

The following table reports the impact of parallel shifts of the yield curve on the value of the fixed income investments of the Group.

(€ million)	Total fair value bonds
Increase of 150 PB	-15,430.6
Increase of 50 PB	-5,539.2
Decrease of 50 PB	5,737.0
Decrease of 150 PB	18,595.9

Note that a significant amount of bonds owned by the Group is back to contractual obligation arising from insurance policies. That means that future fluctuations on the market value of investments might cause changes in the insurance provisions.

4.2 Equity and real estate risk

At year-end 2006 the total exposure of the Group towards the equity markets amounted to 36.5 billions euro, that is 13.9% of the total investments. At the same date the property portfolio held by the Group amounted to 21.3 billions euro, that is 8.1% of the total investments. The property investments of the Group are mainly allocated in Italy, France and Germany.

Risk mitigation on shifts of equity prices comes not only from the partial risk transfer to the life policyholders and from the consequential change of the economic value of the liabilities but also from the diversification of the portfolio in different sectors and countries.

4.3 Exchange risk

The Group's exposure to exchange risk is not relevant. The risk on the recent issue of subordinated debt in sterling has been neutralised by specific hedging derivatives operations.

5 – Credit risk

5.1 Credit risk on financial investments

The Group has adopted some guidelines to limit the credit risk of the investments. These favour the purchase of investment grade securities and encourage the diversification and dispersion of the portfolio.

The Group uses a system to collect and consolidate the financial investments, which guarantees a homogeneous, time effective and high quality analysis of the financial risks.

The central financial risk control department reports monthly to the Group Risk Committee on the Groups' exposure to the components of the credit risk.

The portfolio of fixed income investments of the Group is prudently built. 64% of the securities are government issues or similar.

The distribution by rating class shows that the absolute majority of the fixed income investments is of high rating standing, with more than 95% higher or equal to A- rating.

Note that the majority of the credit risk bearing financial instruments is backing contractual obligations arising from life insurance policies, and that policyholders share part of the related risks.

(€ million)	31/12/2006	Loans	Held to maturity investments	Fin. assets at fair value through profit or loss (***)	Available for sale fin. assets (**)	Bonds (*)	Impact (%)
AAA		18,432.0	653.1	3,779.0	65,500.8	88,364.9	44.7
AA		3,327.7	103.7	6,214.0	19,665.3	29,310.7	14.8
A		4,091.7	8.6	5,859.7	61,148.3	71,108.3	35.9
BBB		98.0	188.6	623.6	4,860.1	5,770.3	2.9
Non investment grade		34.1	1.8	65.1	422.3	523.4	0.3
Not Rated		325.8	220.4	698.1	1,506.7	2,750.9	1.4
Total (*)		26,309.3	1,176.2	17,239.4	153,103.6	197,828.5	100.0

(*) Investment fund units amount to 6,637.87 million euro and are excluded from the detail

(**) Investment fund units amount to 5,162.9 million euro and are excluded from the detail

(***) Investment fund units amount to 1,474.9 million euro and are excluded from the detail

5.2 Reinsurance credit risk

This risk relates to the ability of the reinsurance counterparties to fulfil their contractual obligations. The Group set centrally the main reliability and solvency

criteria to take account of the risk exposure and the probability of default of each counterparty:

The main criteria refers to maximum exposure transferable to each counterpart. In principle, the maximum liability transferable to an individual reinsurer for each reinsurance programme should not exceed a given percentage of its shareholders' equity. Such exposure is generally further on reduced by applying a factor in accordance with the rating provided by S&P's or other rating agencies and with the type of business; for long-tail business more restrictive criteria are adopted. Additionally, in order to achieve the best spread of credit risk, for each contract a maximum share of participation from each reinsurer is generally defined.

6 - Insurance risks

The insurance risk is being analyzed on both the life and the non-life businesses.

6.1 Life underwriting risk

In Group companies life portfolios there is a prevailing component of saving contracts, but there are also pure risk covers (death plus riders, such as accident, disability, dread disease, etc.) and some annuity portfolios, with the presence of the longevity risk.

The risks related to policies with prevailing saving component and with minimum interest rate guarantee are considered in a prudential way when pricing the guarantees, in line with the particular situation of the local financial markets, and taking also into account any relevant regulatory constraint. In the recent past a policy of re-definition of the structure of minimum guarantees has been pursued in order to lower their risk impact and their cost.

As far as the demographic risk related to pure risk portfolios is concerned, the mortality tables used in the pricing are prudent. The standard approach is to use population or experience tables with adequate safety loadings.

For the most important risk portfolios a detailed analysis of mortality experience is carried out every year in comparison with the expected mortality of the portfolio, determined according to the most up-to-date mortality tables available in each market. This analysis takes into consideration the mortality by sex, age, policy year, sum assured and other underwriting criteria. For all Group life companies there is anyway an aggregate valuation, developed inside the annual Embedded Value analysis, that examines the general mortality result comparing it with previous assumptions.

There is a particular emphasis, both at local and central level, in the underwriting of the new contracts, that considers both the medical and the financial and moral

aspects. A Group standard for manuals, forms and medical and financial underwriting requirements has been established, both for death covers and for riders. Underwriting autonomy levels for companies are determined depending on their structure and their portfolio, while above the autonomy each risk is examined also by either the Underwriting Department of the Head Office (which is the main reinsurer for many Group companies) or by a local professional reinsurer.

As far as riders are concerned, which are mostly exposed to moral risks, maximum insurability levels by country and company are set, lower than those applied for death covers; at the same time, in order to mitigate those risks, consistent policy conditions are established, especially for what refers to policy exclusions.

In order to mitigate mortality and morbidity risk, another feature is reinsurance. As far as the surplus (proportional) reinsurance is concerned, Head Office acts very often as the main reinsurer for its subsidiaries, then retroceding to the reinsurance market the portions of individual risks exceeding its own retention. Sometimes reinsurance is made directly by the company to the local reinsurance market, with Head Office's support and agreement. As far as the catastrophe risk is concerned, it is related to geographical concentrations, which are typical of group insurance, and it is covered acquiring, at a central or local level, ad hoc non proportional covers, and sometimes diversifying the risk, for instance adopting adequate underwriting policies.

As refers to longevity risk, which is not very significant in the life business of the Group; for the most important portfolios of annuities in course of payment, there is a annual evaluation for the adequacy of the technical bases, that considers also those risks related to any mismatch between the liabilities and the corresponding assets. As far as new business is concerned, in each country demographic assumptions reflecting future mortality trends are used, while for group contracts, if possible, mortality adjustments clauses are considered. For policies which foresee an accumulation phase and at maturity an annuity conversion option for the lump sum, no guarantee is normally allowed on the technical basis for the determination of the annuity to be paid in the future.

As far as lapse risk (risks related to voluntary withdrawal from the contract) and expense risk (risks related to inadequacy of charges and loadings in the premiums in order to cover future expenses) are concerned, they are evaluated in a prudential manner in the pricing of new products, considering in the construction and the profit testing of a new tariff assumptions derived from the experience of the company, or if it is not sufficiently reliable or suitable, the experience of the other Group entities of the same country or the general experience of the local market. In order to mitigate lapse risk, surrender penalties are generally considered in the tariff and are determined in such a way to compensate, at least partially, the loss of future profits. In the annual Embedded Value analysis, both locally and centrally, the coherency of the assumptions with the actual experience is verified.

The table below shows the concentration of gross direct premiums of life segment by line of business and by geographical area.

Gross direct premiums by line of business and by geographical area

(€ million)		Individual traditional	Individual unit/index linked	Health	Group	Investment contracts	Total
Italy		13,215.6	3,126.3	0.0	871.8	298.3	17,512.0
Germany		5,738.8	2,504.2	1,842.5	657.4	44.0	10,786.8
France		6,304.5	2,590.0	695.5	596.3	43.5	10,229.7
Spain		357.5	34.0	0.0	781.8	0.0	1,173.3
Austria		434.2	249.8	185.3	0.0	0.0	869.2
Switzerland		199.9	543.4	10.8	22.3	73.3	849.7
Central and Eastern Europe		176.2	148.4	16.6	9.0	92.0	442.2
Rest of Europe		254.3	87.5	30.2	332.3	566.5	1,270.7
Rest of World		479.5	43.3	149.8	1,334.8	0.0	2,007.5
Total		27,160.6	9,326.8	2,930.6	4,605.6	1,117.5	45,141.1

The table below shows the concentration of insurance provisions of life gross direct business by level of financial guarantee.

Life insurance provisions: financial guarantee

(€ million)	Gross direct insurance 31/12/2006
Liabilities with guaranteed interest (*)	196,437.3
between 0% and 1%	27,687.6
between 1% and 3%	54,672.9
between 3% and 4%	67,865.8
between 4% and 5%	44,212.3
more than 5 %	1,998.7
Provisions without guaranteed interest	48,645.0
Provisions matched by specific assets	12,931.6
Total	258,013.9

(*) The upper bound of each range is excluded

The total insurance provisions include the gross direct amount of mathematical provisions (203,813.4 million), provisions for policies where the investment risk is borne by the policyholders and for pension fund (41,405.5 million), the 5,541.4 million euro ageing provision for life segment, which is included in other provisions of life segment and financial liabilities related to investment contracts (7,253.5 million).

6.2 Non-life underwriting risk

The risk arising from the underwriting of non-life insurance contracts derives from both the perils covered and the processes used in the conduct of business. It takes account of the uncertainty in the insurance results related to these two components: the pricing risk and the reserving risk.

6.2.1 Pricing risk

The pricing risk covers the risk that the premium charged is insufficient to cover actual future claims and expenses. In its calculation, for the most relevant parts of its portfolio, the Generali Group assess the exposure to attritional claims, large claims and natural catastrophes, gross and net of reinsurance.

The Group constantly monitors the possibility that, in an extreme scenario such as in a large catastrophic loss, the total amount of claims remains within an acceptable threshold.

In particular, the Generali Group:

- develops, stochastic simulation models or alternatively deterministic models, conveniently validated with sensitivity analysis and stress tests;
- determines – both for frequency risks and for catastrophic risks, such as earthquake, flood, windstorm, etc. – possible loss scenarios and capital requirements due to the variation of the reinsurance structure (proportional, excess of loss, etc.), net retention and the reinsurance cover extension;
- evaluates the reinsurance cessions by means of Value Based Management processes which considers risk capital as the metric to evaluate the efficiency and adequacy of the solutions adopted.

In case of natural events exposures originated by specific geographical accumulations, the Generali Group purchases suitable reinsurance protections whose levels and economic convenience is determined by specific criteria.

The Generali Group has adopted a Non-Life reinsurance strategy and a business model founded on a central coordination and governance but partially decentralized in the execution. The reinsurance model is based on a detailed bottom-up analysis of the risk of each individual portfolio.

Each company defines the most suitable treaty reinsurance protection that includes for every class of business the type of structure, the level of retention and the protection to be purchased. The Corporate Center validates the process while each single company (or the country holding) is responsible for the placement of the contracts. In some cases programmes are placed in the market on a regional basis.

The placement of facultative reinsurance is managed by the Group companies as

this kind of protection heavily relies on the individual risk evaluation carried out in the underwriting departments.

Reinsurance counterparts are chosen in accordance with the criteria defined by the Corporate Center (as described in paragraph 5.2).

6.2.2 The reserving risk

The reserving risk relates to the uncertainty of the run-off of reserves around its expected value, that is the risk that the actuarial reserve is not sufficient to cover all liabilities of claims incurred.

Its assessment is closely related to the estimation of reserves and both processes are performed together for consistency reasons using claim triangles and all other relevant information collected and analysed according specific guidelines.

The claim development table below reported shows the cumulative claim payments and the ultimate cost of claims by accident year and their development from 2001 to 2006. The ultimate cost includes the paid losses, the outstanding reserves of reported losses and the estimated reserves for IBNR claims. The amounts are reported gross of reinsurance, ULAE and recoveries (the latter amount to 447.9 million euro in 2006).

The difference between the ultimate cost of claims and the cumulative paid losses related to the calendar year 2006 determines the claims reserve related to the accident years from 2001 to 2006.

The total reserve in the balance sheet could be obtained adding to the above reserve a residual claim reserve that includes almost exclusively the accident years not reported in the development triangle.

The ultimate cost development observed in the generations 2001-2006 shows the adequate level of prudence adopted by the Generali Group in the reserving policy.

Claims development

(€ million)	2001	2002	2003	2004	2005	2006	Totale
Cumulative claim payments							
at the end of accident year	4,503.5	4,835.4	4,664.0	4,582.1	5,078.9	5,484.0	
one year later	7,727.0	8,134.1	7,879.6	7,863.7	8,716.6		
two years later	8,709.9	9,056.5	8,715.9	8,876.5			
threes years later	9,209.8	9,522.7	9,253.1				
four years later	9,522.6	9,820.7					
five years later	9,771.2						
Estimate of ultimate cumulative claims costs:							
at the end of accident year	11,295.6	11,970.6	11,885.3	11,902.9	12,341.9	13,427.5	72,823.9
one year later	11,250.5	11,578.3	11,530.6	11,614.1	12,294.8		
two years later	11,047.9	11,422.3	11,220.5	11,322.1			
threes years later	10,987.9	11,369.6	11,082.2				
four years later	10,978.3	11,299.7					
five years later	10,963.5						
Estimate of ultimate cumulative claims costs at reporting date	10,963.5	11,299.7	11,082.2	11,322.1	12,294.8	13,427.5	70,389.9
Cumulative payments to date	-9,771.2	-9,820.7	-9,253.1	-8,876.5	-8,716.6	-5,484.0	-51,922.1
Provision recognised in the balance sheet	1,192.4	1,478.9	1,829.2	2,445.5	3,578.3	7,943.5	18,467.8
Provision non included in the claims development table							7,555.0
Total provision included in the balance sheet							26,022.8

6.2.3 The underwriting policy

The Group underwriting policy embraces all lines of business with a special focus to develop the retail and small/medium industrial and commercial lines in the non-life segment.

The focus is mainly on products characterized by low/medium volatility with a very selected presence in market segments, such as energy and accepted reinsurance.

The underwriting guidelines are featured by particular prudence related to emerging risks (electromagnetic fields, genetically modified organism, nanotechnology, etc.), with systematic exclusion of guarantees concerning asbestos.

The underwriting activity is geographically diversified with a particularly high concentration in continental Europe that accounts for 94,9% of total gross direct premiums written.

The table below shows the concentration of non-life gross premiums written of direct insurance by line of business and by geographical area.

Gross written premiums (direct insurance) by line of business and by geographical area

(€ million)	Motor	Personal	Non motor Commercial/ Industrial	Accident/ Health (*)	Total
Italy	2,688.9	687.1	1,653.0	1,198.2	6,227.2
Germany	1,188.6	1,096.7	269.1	435.1	2,989.5
France	1,068.3	1,043.6	698.1	470.5	3,280.5
Spain	536.8	244.9	491.4	143.8	1,416.9
Austria	624.5	330.5	177.1	122.5	1,254.6
Switzerland	241.6	115.0	15.2	94.1	466.0
Central and Eastern Europe	377.2	123.9	167.6	46.0	714.6
Rest of Europe	294.3	94.4	246.9	67.4	703.0
Rest of World	480.7	39.3	300.3	81.7	901.9
Total	7,500.8	3,775.4	4,018.7	2,659.2	17,954.1

(*) Life segment includes health insurance with life features

7 – Operating risk and other risks

In order to grant a whole analysis of company risk, the Generali Group has identified and monitored three further classes of risk:

- strategic risks, coming from long-term value planning and management;
- operational risk, defined as the potential losses, including opportunity costs, arising from lacks or underperformance in internal processes, human resources and systems or from other causes which may result from internal and external reasons.
- disclosure risks, arising from the capability of information systems to support internal decisions and to facilitate a proper communication to external stakeholders.

The Top management of the Parent Company is responsible for strategic risks, while country managers deal with them only for changes driven by local markets. The strategic planning process is the main tool to manage this type of risks; the process is based on a three years horizon and is aligned every year, ending with the assignment of risk-adjusted performance targets. Control consists of a systematic evaluation of the actual performance and underlying business assumptions, eventually adjusting the portfolio of actions to the new environment.

The above mentioned owners of the strategic risks are also directly involved in these control processes.

The responsibility for the operational risks is assigned to each business unit. Operational plans aligned with risk-adjusted targets, are identified and actions are taken in order to mitigate risks which could potentially jeopardise the performance in term of capital consumption and volatility of operating results.

The country manager is directly responsible for controlling these risks.

The Parent Company has set some common principles for these kind of risks:

- policies and basic requirements to handle specific risk-sources are defined at the Group level;
- criteria to measure operational risk are defined by the Parent Company. Moreover, a specific word wide task force has been settled to define a common methodology in order to identify, measure and monitor operational risks;
- Group Internal Audit sets common methodologies and principles guiding the internal audit activities in order to identify the most relevant processes to be audited.

Disclosure risks management is also delegated to each business unit , as they are close to risk-sources and information users. The Parent Company identifies policies, methods and tools to manage internal and external information flows, affecting the whole Group.

Assicurazioni Generali has adopted rules and best practices recommended by “Guida per l’Informazione al mercato”, settled by Forum ref. on disclosure of corporate information.

The attention paid by the Group to information disclosure to the market reliability is confirmed by the certification of the European Embedded Value methodology and results for the Life business, assigned by an external and independent actuarial consultancy.

8 – Risk monitoring by third parties

The risk of the Generali Group is also monitored by third parties such as the insurance regulators of the countries where the Group is active.

The leading rating agencies periodically assess the financial strength of the Group expressing a judgment on the ability to meet the ongoing obligations assumed toward policyholders.

This assessment is performed taking into account several factors such as, as financial and economic data, the positioning of the Group within its markets, and the strategies developed and implemented by the management.

The main rating agencies in 2006 have confirmed their rating judgment. Moody’s confirmed the Aa3rating but reviewed the outlook from stable to negative, due primarily to the Group’s higher leverage.

At the end of 2006 the financial strength ratings of the Generali Group produced by four rating agencies were the following:

Rating agency	Rating	Outlook
Standard & Poor's	AA	Stable
AM Best	A+	Stable
Fitch	AA	Stable
Moody's	Aa3	Negative



Part F - Notes on the balance sheet

Balance sheet - Assets

1 – Intangible assets

(€ million)	31/12/2006	31/12/2005
Goodwill	4,760.5	2,085.2
Other intangible assets	1,855.6	824.3
Purchased goodwill	438.2	438.3
Software	266.1	223.7
Purchased insurance portfolios	10.6	14.5
Value in force acquired in a business combination	878.7	0.0
Other intangible assets	261.8	147.8
Total	6,616.1	2,909.4

1.1 Goodwill

(€ million)	31/12/2006
Carrying amount as at 31 December previous year	2,085.2
Changes in consolidation scope	2,675.3
Carrying amount as at 31 December current year	4,760.5

Goodwill amounts to € 2,085.2 million at the beginning of the year. It mainly refers to business combinations occurred in 1997 (of which € 52.2 million related to Leumi Insurance Holdings, currently denominated Migdal Insurance and Financial Holdings), in 1998 (of which € 1,489.8 million related to AMB Generali Holding, which includes a further share bought in 2002, and € 297.5 million related to French companies GPA Vie and GPA IARD), in 2002 (€ 81.7 million related to a further acquisition of Europe Assistance Holding), and in 2003 (€ 155.7 million, of which € 36.9 million related to Generali Assurance IARD, € 80.6 million related to Le Continent Group, and € 38.2 million related to a further acquisition of Banco Vitalicio d'Espana).

The activation of goodwill in the year amounts to € 2,675.3 million, of which € 831.0 million related to acquisitions of minority interests and € 1,844.3 million related to acquisitions of new subsidiaries.



Specifically, acquisitions of minority interests refer to AMB Generali Holding AG (€ 377.1 million), Generali Schweiz Holding AG (€ 217.4 million), Generali Holding Vienna AG (€ 153.4 million), and Migdal Insurance Holding (€ 83.2 million).

Goodwill on new acquisitions mainly refer to Toro Group (€ 1,722.8 million), Central and Eastern Europe companies (€ 87.6 million, of which € 52.1 million related to Ukrainian companies, € 19.5 million related to Bulgarian companies, € 12.5 million related to Serbian companies, and € 3.5 million related to Croatian companies), Banca Unione del Credito in Lugano (€ 27.9 million).

1.2 Other intangible assets

Purchased goodwill mainly refers to Intesa Vita S.p.A., into which bancassurance operations from the Generali Group and Banca Intesa S.p.A. were concentrated in 2003.

Purchased insurance portfolio regulated by IFRS 3 amounts to € 878.7, mainly attributable to the € 832.3 million acquisition of Toro Group (€ 842.7 million gross of amortization) and to the € 46.4 million acquisitions in Central and Eastern Europe (€ 47.8 million gross of amortization).

Among other intangible assets, € 65.5 million (€ 68.9 million gross of amortisation) are attributable to the acquisition of Banca Unione del Credito. They mainly refer to its assets under management.

Deferred tax liabilities are accounted for with reference to the abovementioned intangible assets.

Further information on calculation method is detailed in the paragraph 1.2 of part D.

2 – Tangible assets

2.1 Land and buildings (self used)

The main changes occurred in the period and the fair value of the properties used for own activity by the Parent Companies and its subsidiaries are shown in the table below.

(€ million)	31/12/2006
Gross bookvalue as at 31 December previous year	3,638.4
Accumulated depreciation and impairment as at 31 December previous year	-749.1
Carrying amount as at 31 December previous year	2,889.3
Foreign currency translation effects	-15.2
Increases	96.7
Capitalized expenses	68.2
Changes in consolidation scope	265.7
Reclassifications	-15.9
Decreases	-199.0
Depreciation of the period	-40.6
Net impairment loss of the period	-35.1
Carrying amount as at 31 December current year	3,014.0
Accumulated depreciation and impairment as at 31 December current year	796.3
Gross bookvalue as at 31 December current year	3,810.3
Fair value	3,654.4

The fair value of land and buildings (self used) is mainly based on external appraisals.

2.2 Other tangible assets

The € 528.4 million other tangible assets mainly consist of furniture, fittings and office equipment, which amount to € 456.3 million, net of any accumulated depreciation and impairment losses.

3 – Amounts ceded to reinsurers from insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-life amounts ceded to reinsurers from insurance provisions (*)	2,963.2	2,735.9	1,109.2	1,100.4	4,072.4	3,836.3
Provisions for unearned premiums	472.5	378.8	134.4	124.8	606.8	503.5
Provisions for outstanding claims	2,478.6	2,351.5	974.5	975.0	3,453.1	3,326.5
Other insurance provisions	12.1	5.7	0.4	0.6	12.5	6.2
Life amounts ceded to reinsurers from insurance provisions (*)	717.6	672.3	815.3	740.4	1,532.9	1,412.7
Provisions for outstanding claims	236.7	231.2	107.8	77.2	344.6	308.4
Mathematical provisions	456.1	416.6	704.3	652.8	1,160.4	1,069.4
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	1.5	12.6	0.0	0.0	1.5	12.6
Other insurance provisions	23.2	11.9	3.2	10.5	26.4	22.4
Total	3,680.8	3,408.2	1,924.5	1,840.8	5,605.3	5,249.0

(*) After the elimination of intra-group transactions between segments

4 – Investments

(€ million)	31/12/2006		31/12/2005	
	Total bookvalue	Impact (%)	Total bookvalue	Impact (%)
Equities (*)	36,466.2	10.9	31,287.5	10.2
Available for sale financial assets	31,639.3		27,501.8	
Financial assets at fair value through profit or loss	4,826.9		3,785.7	
Bonds (**)	204,277.4	61.2	193,628.8	63.0
Loans	26,188.5		16,884.0	
Held to maturity investments	1,108.2		966.5	
Available for sale financial assets	158,266.5		159,325.1	
Financial assets at fair value through profit or loss	18,714.3		16,453.2	
Investments back to policies where the investment risk is borne by the policyholders	47,888.9	14.3	41,187.5	13.4
Other investments (***)	45,111.5	13.5	41,313.6	13.4
Land and buildings (investment properties)	12,403.4		11,071.3	
Investments in subsidiaries, associated companies and joint ventures	1,029.6		802.9	

(continues)

(continues)

(€ million)	31/12/2006 Total bookvalue	Impact (%)	31/12/2005 Total bookvalue	Impact (%)
Derivatives	1,619.9		1,788.0	
Mortgage loans	7,707.7		8,573.8	
Receivables from banks or customers	5,654.9		4,363.0	
Other investments (***)	16,696.0		14,714.6	
Total	333,744.0	100.0	307,417.4	100.0

(*) Investment fund units amount to 5,205.6 million (4,412.9 million at 31 December 2005)

(**) Investment fund units amount to 6,637.8 million (7,300.7 million at 31 December 2005)

(***) Investment fund units amount to 2,339.2 million (1,504.7 million at 31 December 2005)

(****) Policy loans, deposits under reinsurance business accepted, term deposits with credit institutions and other financial investments

4.1 – Land and buildings (investment properties)

The table below reports the main changes in land and buildings (investment properties), i.e. those held to earn rentals or capital appreciation or both, and their fair value.

(€ million)	31/12/2006
Gross bookvalue as at 31 December previous year	11,537.6
Accumulated depreciation and impairment as at 31 December previous year	-1,302.1
Carrying amount as at 31 December previous year	10,235.6
Foreign currency translation effects	-32.6
Increases	1,137.5
Capitalized expenses	131.3
Changes in consolidation scope	877.4
Reclassification	-170.3
Decreases	-718.3
Depreciation of the period	-111.9
Net impairment loss of the period	16.5
Carrying amount as at 31 December current year	11,365.3
Accumulated amortization and impairment as at 31 December current year	1,441.9
Gross bookvalue as at 31 December current year	12,807.2
Fair value	16,590.0

The fair value of land and buildings (investment properties) is mainly based on external appraisals.

4.2 Investments in subsidiaries, associated companies and joint ventures

(€ million)	31/12/2006	31/12/2005
Investments in non-consolidated subsidiaries	414.9	383.4
Investments in associated companies valued at equity	360.8	319.3
Investments in joint ventures	5.0	0.0
Investments in other associated companies	249.0	100.2
Total	1,029.6	802.9

The increase in investments in associated companies valued at cost is mostly attributable to higher book values in City Life S.r.l. and Perseo S.p.A. caused by € 63.7 million capital increases and € 68.2 million acquisition of some Austrian, German and French companies in the consolidation area.

4.3 Held to maturity investments

(€ million)	31/12/2006	31/12/2005
Quoted bonds	1,108.2	966.5
Other held to maturity investments	17.6	26.5
Total	1,125.8	993.0

The Group limits the accounting of investments that companies have the positive intention to hold to maturity. Therefore, these account for only 0.3% of total investments.

The amount basically represents quoted bonds, mainly medium-long term government bonds with high rating classes and fixed interest rate.

The fair value of held to maturity investments is € 1,193.9 million, of which € 1,176.2 represented quoted bonds.

4.4 Loans and Receivables

(€ million)	31/12/2006	31/12/2005
Loans	46,021.9	36,810.9
Unquoted bonds	26,188.5	16,884.0
Deposits under reinsurance business accepted	349.6	333.3
Other loans and receivables	19,483.8	19,593.6
Mortgage loans	7,707.7	8,573.8
Policy loans	3,139.6	2,899.5
Term deposits with credit institutions	4,460.7	2,843.6
Other loans	4,175.9	5,276.7
Receivables from banks or customers	5,654.9	4,363.0
Receivables from banks	4,583.2	3,505.0
Receivables from customers	1,071.7	858.0
Total	51,676.8	41,173.9

This category accounts for 15.5% of total investments. It mainly consists of unquoted bonds and mortgage loans, which are 56.9% and 16.7% of total loans, respectively.

The rating of bonds is higher than A-. Over than 90% of bonds represent fixed interest rate bonds, mostly medium- or long-term governments bonds. Receivables from banks and customers are basically short-term receivables.

The fair value of total loans amounts to € 46,069.0 million, of which € 26,309.3 represent bonds.

4.5 Available for sale financial assets

(€ million)	31/12/2006	31/12/2005
Unquoted equities at cost	318.3	282.2
Equities at fair value	28,439.3	24,636.2
Quoted	26,757.3	23,232.6
Unquoted	1,681.9	1,403.6
Bonds	153,103.6	154,005.5
Quoted	137,435.3	134,942.5
Unquoted	15,668.4	19,063.0
Investment fund units	9,706.0	9,270.5
Other available for sale financial assets	1,307.5	814.4
Total	192,874.7	189,008.7

As already mentioned, available for sale financial assets are measured at fair value and unrealized gains and losses on these assets are accounted for in equity in an appropriate reserve. The amortized cost of available for sale financial assets amounts to € 181,310.2 million.

(€ million)	31/12/2006	Fair value	Unrealized gains / losses	Amortized cost
Unquoted equities at cost		318.3	0.0	318.3
Equities at fair value		28,439.3	7,495.0	20,944.3
Bonds		153,103.6	2,935.4	150,168.2
Investment fund units		9,706.0	1,070.1	8,635.9
Other available for sale financial assets		1,307.5	63.9	1,243.6
Total		192,874.7	11,564.4	181,310.2

This category accounts for 57.8% of total investments.

In detail, available for sale bonds are 77.5% of total bonds and they are mainly government bonds, with fixed interest rate and rating higher than A-. The table below shows their maturity.

(€ million)	Fair value 31/12/2006
Up to 1 year	12,338.5
Between 1 and 5 years	49,404.8
Between 5 and 10 years	36,915.7
More than 10 years	53,999.7
Perpetual	445.0
Total	153,103.6

Realized gains and losses, and unrealized losses on available for sale financial assets are shown in the table below.

(€ million)	31/12/2006	Realized gains	Realized losses	Impairment losses
Equities		1,732.7	-395.9	-134.8
Bonds		583.1	-410.7	-0.9
Investment fund units		288.5	-69.5	-20.5
Other available for sale financial assets		38.4	-3.5	0.0
Total		2,642.6	-879.6	-156.2

4.6 Financial assets at fair value through profit or loss

(€ million)	Financial assets held for trading		Financial assets designated as at fair value through profit or loss		Total financial assets at fair value through profit or loss	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Equities	835.6	686.9	1,667.4	1,269.3	2,503.0	1,956.2
Quoted	835.6	686.9	1,602.1	1,253.3	2,437.7	1,940.2
Unquoted	0.0	0.0	65.3	16.0	65.3	16.0
Bonds	4,615.4	3,482.1	12,623.9	10,990.0	17,239.4	14,472.1
Quoted	4,615.4	3,482.1	9,166.7	7,755.1	13,782.1	11,237.2
Unquoted	0.0	0.0	3,457.2	3,234.9	3,457.2	3,234.9
Investment fund units	62.2	101.8	4,414.3	3,846.1	4,476.6	3,947.9
Derivatives	363.6	597.1	1,256.3	1,190.8	1,619.9	1,788.0
Investments back to policies where the investment risk is borne by the policyholders and back to pension funds	0.0	0.0	47,888.9	41,187.5	47,888.9	41,187.5
Other financial investments	189.1	605.1	1,754.9	1,246.5	1,944.0	1,851.6
Total	6,066.0	5,473.1	69,605.8	59,730.2	75,671.8	65,203.3

This category accounts for 22.7% of total investments.

It includes also investments back to policies where the risk is borne by the policyholders, which amount to € 47,889.9 million.

(€ million)	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Assets	47,393.4	40,769.1	495.5	418.4	47,888.9	41,187.5
Total	47,393.4	40,769.1	495.5	418.4	47,888.9	41,187.5
Financial liabilities	6,427.8	5,753.5	226.5	178.7	6,654.2	5,932.2
Insurance provisions (*)	41,498.8	35,438.1	0.0	30.5	41,498.8	35,468.6
Total	47,926.6	41,191.6	226.5	209.2	48,153.0	41,400.8

(*) Insurance provisions are net of amounts ceded to reinsurers from insurance provisions

5 – Receivables

This category includes receivables arising out of direct insurance and reinsurance operations, and other receivables. The € 474.5 million of other receivables refer to the real estate activity.

6 – Other assets

(€ million)	31/12/2006	31/12/2005
Non-current assets or disposal groups classified as held for sale	179.7	186.6
Deferred acquisition costs	1,359.1	1,000.5
Tax receivables	2,477.0	1,922.9
Deferred tax assets	3,321.4	3,483.1
Other assets	5,406.5	5,753.1
Accrued interest income	3,733.4	3,546.2
Other accrued income	327.0	276.7
Deferred income	130.5	148.4
Deferred commissions for investment management services	73.4	77.7
Other assets	1,142.3	1,704.2
Total	12,743.6	12,346.1

Real estates for which the sale is expected to be completed within one year are classified as non-current assets or disposal groups classified as held for sale. In accordance with IFRS 5, such real estates are accounted for in a separate item and are measured at the lower of their carrying amount and fair value less of cost to sell.

The increase in tax receivables is mainly attributable to the recognition of the present value of tax credit in the Group German companies, as a result of a law, recently issued in Germany. Further information is detailed in the paragraph 3 of the part G.

Deferred acquisition costs

(€ million)	31/12/2006	Life segment	Non Life segment	Total
Carrying amount as at 31 December previous year		711.5	289.0	1,000.5
Acquisition costs deferred		383.7	118.6	502.3
Changes in consolidation scope		12.9	125.6	138.5
Amortization of the period		-221.4	-60.8	-282.2
Carrying amount as at 31 December current year		886.7	472.4	1,359.1

The increase in deferred acquisition costs caused by the changes in the consolidation area is mostly attributable to the acquisition of Toro Group in the non-life segment.

7 – Cash and cash equivalents

(€ million)	31/12/2006	31/12/2005
Cash and cash equivalents	1,159.3	1,049.2
Cash and balances with central banks	69.4	44.0
Cash at bank	4,891.7	4,637.5
Total	6,120.4	5,730.7

Balance Sheet - Equity and liabilities

1 – Shareholders' equity

(€ million)	31/12/2006	31/12/2005
Shareholders' equity attributable to the Group	15,206.5	13,947.2
Share capital	1,277.8	1,276.0
Capital reserves	4,597.6	4,562.7
Revenue reserves and other reserves	4,257.9	3,115.9
(Own shares)	-391.1	-167.1
Reserve for currency translation differences	-35.9	94.2
Reserve for unrealized gains and losses on available for sale financial assets	3,052.9	3,146.9
Reserve for other unrealized gains and losses through equity	42.7	0.0
Result of the period	2,404.8	1,918.6
Shareholders' equity attributable to minority interests	3,525.9	3,607.0
Total	18,732.4	17,554.2

Share capital is made up of 1,277,764,376 ordinary shares with a par value of € 1. The increase is attributable to both 1,492,556 shares issued in the stock option plan and 254,512 shares issued in the stock granting plan for employees of the Parent Company and Group companies.

Own shares amount to € 391.1 million, or 13,481,549 shares, compared to € 167.1 million at 31 December 2005. The increase is mainly due to the purchase of own shares by the Parent Company (€ 118.1 million) and the acquisition of Toro Group in the consolidation area (€ 103.3 million).

Reserve for other unrealized gains and losses includes cash flow hedge on interest expense rates and GBP/EUR exchange rate following the issue of new subordinated liabilities. Therefore, unrealized gains and losses on hedging derivatives are recognized in this reserve in shareholders' capital and reversed to profit and loss account when the gains or losses on hedged items are recognized.

2 – Other provisions

(€ million)	31/12/2006	31/12/2005
Provisions for taxation	591.0	536.6
Provisions for commitments	686.0	777.2
Other provisions	395.1	296.8
Total	1,672.1	1,610.6

The main changes occurred in the period are shown in the table below.

(€ million)	31/12/2006
Carrying amount as at 31 December previous year	1,610.6
Foreign currency translation effects	-43.5
Changes in consolidation scope	69.8
Increases	233.2
Decreases	-197.9
Carrying amount as at 31 December current year	1,672.1

3 – Insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-life insurance provisions (*)	31,346.7	26,313.6	1,705.2	1,688.0	33,051.9	28,001.6
Provisions for unearned premiums	5,461.0	4,419.5	134.6	130.2	5,595.5	4,549.6
Provisions for outstanding claims	25,575.0	21,590.1	1,566.8	1,554.1	27,141.8	23,144.2
Other insurance provisions	310.8	304.0	3.8	3.7	314.6	307.8
of which provisions for liability adequacy test	2.1	0.3	0.0	0.0	2.1	0.3
Life insurance provisions (*)	271,220.5	251,360.0	1,168.4	1,028.9	272,388.9	252,388.9
Provisions for outstanding claims	3,762.2	3,561.1	488.3	437.1	4,250.5	3,998.1
Mathematical provisions	203,813.4	188,686.9	566.9	512.6	204,380.3	189,199.5
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	41,405.5	35,409.3	94.8	71.9	41,500.3	35,481.2

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(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Other insurance provisions	22,239.3	23,702.7	18.4	7.3	22,257.8	23,710.1
of which provisions for liability adequacy test	833.1	475.8	4.1	0.0	837.2	475.8
of which deferred policyholder liabilities	7,944.5	10,973.2	0.0	0.0	7,944.5	10,973.2
Total	302,567.2	277,673.5	2,873.6	2,716.9	305,440.8	280,390.5

(*) After the elimination of intra-group transactions between segments

The increase in the non-life insurance provisions (up 18.0%) is mainly attributable to the acquisition of Toro Group in the consolidation area.

Total of other life insurance provisions includes both provisions for profit sharing and premium refunds, which amount to € 7,729.1 million compared to € 7,108.5 million in 2005, and ageing provisions for life segment, which amount to € 5,541.4 million compared to € 4,933.9 million in 2005.

Provisions for outstanding claims

(€ million)	Gross direct insurance 31/12/2006
Auto	11,816.1
Non motor	13,758.9
Personal	3,594.7
Commercial/Industrial	7,971.4
Accident/Health (*)	2,192.8
Total	25,575.0

(*)Life segment includes health insurance with life features

The 46.2% of net claims provisions is concentrated in motor line of business. Among non motor lines of business, the commercial and industrial ones account for 57.9%.

Insurance provisions and financial liabilities related to policies of the life segment

(€ million)	Net	
	31/12/2006	31/12/2005
insurance contracts	176,805.5	168,926.6
investment contracts with discretionary participation feature	73,444.5	59,606.1
Total insurance provisions	250,250.1	228,532.7
investments contracts fair valued	6,885.9	6,174.5
investments contracts at amortised cost	367.6	535.4
Total financial liabilities	7,253.5	6,709.8
Total	257,503.6	235,242.5

Total insurance provisions includes the following items: mathematical provisions, and provisions for policies where the investment risk is borne by the policyholders and for pension fund net of reinsurance, which amount to € 203,220.0 million and € 41,498.8 million, respectively; and net ageing provisions for life segment, which are € 5,531.3 million and accounted for in other insurance provisions of the life segment.

Policies with significant insurance risk account for 68.7% of total life portfolio compared to 71.8% in 2005, while investment contracts without discretionary participation feature account for 28.5% compared to 25.3% in 2005.

Investment contracts within the scope of IAS 39 account for 2.8% compared to 2.9% in 2005. They are mainly unit/index linked policies without significant insurance risk.

The table below shows insurance provisions and financial liabilities related to policies of the life segment by maturity.

(€ million)	Net	
	31/12/2006	
Up to 1 year	19,627.1	
Between 1 and 5 years	44,252.6	
Between 6 and 10 years	55,695.2	
Between 11 and 20 years	48,485.9	
More than 20 years	89,442.8	
Total	257,503.6	

Mathematical provisions and ageing for life segment

(€ million)	Gross direct amount 31/12/2006
Carrying amount as at 31 December previous year	193,620.8
Foreign currency translation effects	-491.5
Premiums and claims	4,700.0
Interests and bonuses credited to policyholders	8,162.9
Change of the management component	9.0
Acquisitions and disinvestments	3,353.7
Carrying amount as at 31 December current year	209,354.9

Interest and bonuses credited to the policyholders include the attribution of financial return and the transfer of technical margins to the policyholders, mainly in Germany.

The increase is due to new acquisitions and disinvestments and mainly attributable to the acquisition of Toro Group in the consolidation area.

Provisions for policies where the investment risk is borne by the policyholders and for pension funds

(€ million)	Gross direct amount 31/12/2006
Carrying amount as at 31st December previous year	35,409.3
Foreign currency translation effects	-75.8
Premiums and claims	2,712.6
Interests and bonuses credited to policyholders	2,851.2
Acquisitions, disinvestments and other	508.2
Carrying amount as at 31st December current year	41,405.5

Deferred policyholders liabilities

(€ million)	31/12/2006
Carrying amount as at 31 December previous year	10,973.2
Foreign currency translation effects	0.8
Change of the period	-3,070.7
Acquisitions and disinvestments	41.2
Carrying amount as at 31 December current year	7,944.5

The decrease is mainly due to the attribution to the policyholders of a share of the net unrealized gains on available for sale financial assets and financial instruments fair valued through profit or loss in the portfolio of companies operating in the life segment.

4 – Financial liabilities

4.1 Financial liabilities at fair value through profit or loss

(€ million)	Financial liabilities held for trading		Financial liabilities designated as at fair value through profit or loss		Total	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Financial liabilities related to investment contracts issued by insurance companies	0.0	0.0	6,885.9	6,174.5	6,885.9	6,174.5
where the investment risk is borne by the policyholders	0.0	0.0	6,427.8	5,753.5	6,427.8	5,753.5
pension funds	0.0	0.0	226.5	178.7	226.5	178.7
other financial liabilities related to investment contracts	0.0	0.0	231.7	242.3	231.7	242.3
Derivatives	102.7	106.7	653.0	874.0	755.7	980.7
Other financial liabilities	0.0	0.0	1.0	0.6	1.0	0.6
Total	102.7	106.7	7,540.0	7,049.1	7,642.7	7,155.7

4.2 Other financial liabilities

(€ million)	31/12/2006	31/12/2005
Subordinated liabilities	4,400.7	1,407.4
Loans and bonds	10,594.2	8,750.6
Deposits received from reinsurers	1,205.6	1,055.3
Bonds	4,813.2	5,015.9
Other loans	4,183.9	2,144.0
Financial liabilities related to investment contracts issued by insurance companies	367.6	535.4
Hedging derivatives	23.9	0.0
Liabilities to banks or customers	13,230.3	11,334.1
Liabilities to banks	642.1	572.5
Liabilities to customers	12,588.2	10,761.6
Total	28,225.3	21,492.1

Subordinated liabilities include € 750 million related to the nominal value of bonds issued by the Parent Company, which are due on 20 July 2022, callable

from 2012, with a fixed interest rate of 6.9% for the first twelve years. This item also includes € 500 million related to the nominal value of bonds issued by Generali Finance B.V., which are due on 28 May 2019, callable from 2009, fully guaranteed by Assicurazioni Generali S.p.A., which will accrue interests over the first ten year at a 5.06% fixed interest rate.

On 16 June 2006, Generali Finance B.V. and Assicurazioni Generali S.p.A. issued a three - tranche hybrid bond. Specifically, Generali Finance B.V. issued two tranches, fully guaranteed by Assicurazioni Generali S.p.A., with final maturity linked to the company's duration. Their nominal value amount to € 1,275 million and £ 700 million, both callable from 16 June 2016, with a 5.317% and 6.214% fixed interest rate, respectively, for the first ten years. Assicurazioni Generali S.p.A. issued a bond with a nominal value of £ 350 million, final maturity as of company's duration, callable from 16 June 2016, at a 6.269% fixed interest rate for the first twenty years.

The fair value of subordinated liabilities amounts to € 4,688.2 million.

The table below shows the subordinated liabilities by maturity referring to the callable date.

(€ million)	31/12/2006	Book value	Fair value
Up to 1 year		20.0	20.0
Between 1 and 5 years		612.9	640.2
Between 5 and 10 years		3,232.9	3,466.1
More than 10 years		535.0	561.9
Total subordinated liabilities		4,400.7	4,688.2

Bonds issued include € 1,750 million related to the nominal value of a senior bond issued by the Parent Company, which is due on 20 July 2010 at a 6.15% fixed interest rate, and € 750 million related to a further bond issued by the Parent Company, which is due on 28 May 2009 at a 4.5% annual fixed interest rate. The item also comprises € 1,500 million related to the nominal value of a bond issued by Generali Finance B.V., which is due on 12 May 2014 at a 4.75% fixed interest rate, and € 500 million related to the nominal value of a senior bond issued within the EMTN program, which is due on May 2015 at a 3.875% interest rate.

The fair value of bonds issued, which are mainly bonds with a fixed interest rate, amounts to € 5,098.9 million.

The table below shows bonds by maturity.

(€ million)	31/12/2006	Book value	Fair value
Up to 1 year		0.0	0.0
Between 1 and 5 years		2,490.1	2,669.3
Between 5 and 10 years		1,917.3	2,023.7
More than 10 years		405.8	405.8
Total bonds		4,813.2	5,098.9

The increase in other loans is affected by the € 2,021.0 million bridge loan granted by a pool of five banks to finance the acquisition of the Toro Group.

Liabilities to banks and customers are mainly payables on demand or short term liabilities.

5 – Payables

(€ million)	31/12/2006	31/12/2005
Payables arising out of direct insurance operations	3,136.6	3,736.1
Payables arising out of reinsurance operations	667.5	688.0
Other payables	2,459.8	2,147.7
Payables to employees	634.8	510.0
Provision for defined benefit plans (employee severance pay)	200.8	159.5
Payables to clients and suppliers	554.6	441.3
Social security	117.7	136.9
Other payables	951.9	899.9
Total	6,263.9	6,571.8

Other payables include € 195.5 million related to real estate activities. They are mainly due within a year.

6 – Other liabilities

(€ million)	31/12/2006	31/12/2005
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	0.0	0.0
Deferred tax liabilities	4,317.6	4,806.2
Tax payables	1,063.9	1,264.8
Other liabilities	4,281.8	4,707.8
Provision for other defined benefit plans	2,310.3	2,388.7
Termination benefit liabilities	117.0	101.1
Accrued interest expense	280.2	195.4
Other accrued expenses	224.1	237.1
Deferred expenses	133.3	144.2
Deferred income for investment management services	47.0	56.1
Other liabilities	1,170.0	1,585.2
Total	9,663.3	10,778.8

Provisions for defined benefit plan

The pension benefits of Generali Group's employees are mainly in form of defined benefit plans and defined contribution plans.

As for defined benefit plans, participants are granted a defined pension benefits by the employers or via external entities.

The main defined benefits plans are concentrated in Germany, Austria and Switzerland; while in Italy the provision for *Trattamento di fine rapporto* (employee severance pay) is principally included.

(€ million)	31/12/2006	31/12/2005
Present value of defined benefit plan obligation	3,371.7	3,496.4
Fair value of plan assets	-675.1	-657.4
Status funded	2,696.6	2,838.9
Net actuarial losses not recognised	-172.8	-277.3
Past service cost not recognised	-12.8	-13.4
Net liability recognised in the Balance Sheet	2,511.1	2,548.2

The funded status arising from the application of IAS 19 decreases from _ 2,838.9 million to _ 2,696.6 million. For many of the Group's defined benefit plans there are assets that are designated, but not legally segregated, to meet the pension defined benefit obligations. These are investments related to insurance policies issued by Generali Group insurers, or other investments owned by the Group entities. Consequently, in accordance with IAS 19 these are not recognised as plan assets and so cannot be deducted from the defined benefit obligations. However, to obtain the economic net liability for defined benefit plans these assets would have to be netted against the present value of the related pension obligations.

This is predominantly for Germany and Austria, where the Group retains the 76.7% of the present value of defined benefit obligations. Moreover, in these countries, the pension guarantee associations, against yearly contributions paid by the companies, are liable under its articles of association for the fulfilment of the pension commitments granted in case of companies insolvency.

The net defined benefit plans expense of the year recognised in the profit or loss account arises from the following items:

(€ million)	31/12/2006
Current service cost	80.6
Interest expense	125.5
Expected return on plan assets	-26.8
Net actuarial losses recognised in the period	11.0
Past service cost	3.0
Curtailments and settlements effect	-0.9
Net expense recognised in the income statement	192.5

The table below shows the net defined benefit plans liability movements occurred during the financial year 2006:

(€ million)	31/12/2006
Net liability as at 31 December previous year	2,548.2
Foreign currency translation effects	-1.2
Net expense recognised in the income statement	192.5
Contributions and benefits paid	-291.9
Changes in consolidation scope	63.5
Net liability as at 31 December current year	2,511.1

The defined benefit plans' weighted-average asset allocation by asset category is as follows:

(€ million)	(%) 31/12/2006
Bonds	67.9
Equities	12.3
Rael estates	10.9
Investment fund units	3.8
Other investments	5.1
Total	100.0

The assumptions used in the actuarial calculation of the defined benefit obligations and the related periodic pension cost are based on the best estimates of each companies granting defined benefit plans.

The weighted-average principal assumptions used to calculate the Group's defined benefit obligations – except the Italian provisions for *Trattamento di fine rapporto* (employee severance pay) – and the pension expense of the financial year 2006 are as follows:

(€ million)	(%) 31/12/2006
Discount rate	4.1
Expected long-term rate of return on plan assets	3.9
Rate of salary increase	2.7
Rate of pension increase	1.6

Part G - Notes on the profit and loss account

1 – Income

1.1 Net earned premiums

(€ million)	Gross amount		Reinsurers share		Net amount	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Net non-life earned premiums	18,189.8	16,945.6	-1,875.3	-1,766.7	16,314.5	15,178.8
Premiums written	18,444.9	17,099.9	-1,893.8	-1,747.1	16,551.1	15,352.8
Change in the provision for unearned premiums	-255.0	-154.3	18.4	-19.7	-236.6	-174.0
Net life premiums	44,962.1	45,732.7	-893.3	-829.1	44,068.8	44,903.5
Total	63,152.0	62,678.3	-2,768.7	-2,595.9	60,383.3	60,082.4

1.2 Fee and commissions income and income from financial service activities

(€ million)	31/12/2006	31/12/2005
Fee and commission income from banking activity	374.4	317.7
Fee and commission income from asset management activity	411.9	336.6
Fee and commission income related to investment contracts	119.9	99.3
Total	906.2	753.6

1.3 Net income from financial assets at fair value through profit or loss

(€ million)	Financial investments held for trading		Financial investments back to policies where the investment risk is borne by the policyholders and related to pension funds		Financial investments designated as at fair value through profit or loss		Total financial investments at fair value through profit or loss	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Interest and other income	279.8	342.9	759.6	603.4	829.4	595.9	1,868.8	1,542.2
Realized gains	306.5	379.0	298.2	370.0	275.1	253.5	879.7	1,002.5
Realized losses	-178.3	-320.1	-247.7	-74.0	-216.1	-142.5	-642.1	-536.6
Unrealized gains	240.7	698.6	3,562.3	3,807.1	753.0	621.6	4,556.0	5,127.3
Unrealized losses	-264.8	-340.6	-1,481.5	-708.6	-842.3	-182.9	-2,588.6	-1,232.0
Total	383.9	759.8	2,890.8	3,998.0	799.1	1,145.6	4,073.8	5,903.4

1.4 Income and expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2006	31/12/2005
Dividends and other income	64.1	54.4
Realized gains	100.5	33.1
Reversal of impairment	0.2	1.3
Total	164.9	88.8

1.5 Income from other financial instruments and land and buildings (investment properties)

(€ million)	31/12/2006	31/12/2005
Interest income	9,151.9	8,359.6
Interest income from held to maturity investments	79.0	36.7
Interest income from loans and receivables	2,206.3	1,844.8
Interest income from available for sale financial assets	6,708.5	6,360.7
Interest income from other receivables	19.1	25.1
Interest income from cash and cash equivalents	138.9	92.2
Other income	2,133.2	1,898.3
Income from land and buildings (investment properties)	826.8	799.8
Other income from available for sale financial assets	1,306.4	1,098.6
Realized gains	2,818.7	2,893.7
Realized gains on land and buildings (investment properties)	141.2	500.3
Realized gains on held to maturity investments	0.1	1.3
Realized gains on loans and receivables	34.5	76.2
Realized gains on available for sale financial assets	2,642.6	2,311.3
Realized gains on financial liabilities at amortised cost	0.2	4.6
Reversal of impairment	116.2	110.7
Reversal of impairment of land and buildings (investment properties)	41.9	30.5
Reversal of impairment of loans and receivables	29.7	54.1
Reversal of impairment of available for sale financial assets	0.2	0.0
Reversal of impairment of other receivables	44.5	26.1
Total	14,219.9	13,262.3

1.6 Other income

(€ million)	31/12/2006	31/12/2005
Gains on foreign currencies	314.4	294.3
Income from tangible assets	117.8	152.1
Reversal of other provisions	135.0	75.3
Recovery of charges	106.4	66.8
Leasing fees	10.6	67.3
Income from service and assistance activities	143.1	192.4
Income from non-current assets or disposal group classified as held for sale	59.2	0.0
Other technical income	289.5	297.0
Other income	338.6	483.5
Total	1,514.7	1,628.8

2 – Expenses

2.1 Net insurance benefits and claims

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-life net insurance benefits and claims	12,318.1	11,721.2	-993.1	-1,006.4	11,325.1	10,714.8
Claims paid	11,921.0	11,031.0	-1,010.0	-1,177.5	10,911.0	9,853.4
Change in the provisions for outstanding claims	425.4	669.0	21.4	162.2	446.8	831.2
Change in claims paid to be recovered	-50.8	11.5	-3.0	2.3	-53.8	13.8
Change in other insurance provisions	22.5	9.8	-1.4	6.6	21.1	16.4
Life net insurance benefits and claims	51,195.7	53,560.5	-539.4	-712.0	50,656.4	52,848.6
Claims paid	31,700.6	26,783.6	-480.1	-568.0	31,220.5	26,215.6
Change in the provisions for outstanding claims	240.8	451.9	-11.1	-29.5	229.7	422.4
Change in the mathematical provisions	12,351.3	17,547.4	-51.4	-67.5	12,299.9	17,479.9
Change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	5,586.7	6,441.7	0.5	-5.7	5,587.2	6,436.0
Change in other insurance provisions	1,316.4	2,335.8	2.7	-41.2	1,319.1	2,294.7
Total	63,513.9	65,281.7	-1,532.4	-1,718.4	61,981.4	63,563.4

2.2 Fee and commissions expenses and expenses from financial service activities

(€ million)	31/12/2006	31/12/2005
Fee and commission expenses from banking activity	193.9	162.2
Fee and commission expenses from asset management activity	119.8	94.2
Fee and commission expenses related to investment contracts	69.8	63.3
Total	383.5	319.6

2.3 Expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2006	31/12/2005
Realized losses	31.4	142.0
Impairment losses	15.4	27.0
Total	46.9	169.0

2.4 Expenses from other financial instruments and land and buildings (investment properties)

(€ million)	31/12/2006	31/12/2005
Interest expense	1,053.5	767.8
Interest expense on subordinated liabilities	172.7	59.0
Interest expense on loans, bonds and other payables	688.6	573.1
Interest expense on deposits received from reinsurers	39.8	33.4
Other interest expense	152.3	102.3
Other expenses	305.0	290.9
Depreciation of land and buildings (investment properties)	111.9	112.0
Expenses from land and buildings (investment properties)	193.1	178.6
Realized losses	946.1	715.2
Realized losses on land and buildings (investment properties)	23.5	61.6
Realized losses on held to maturity investments	0.0	0.8
Realized losses on loans and receivables	42.4	167.1
Realized losses on available for sale financial assets	879.6	485.1
Realized losses on other receivables	0.5	0.6
Realized losses on financial liabilities at amortized cost	0.0	0.1

(continues)

(continues)

(€ million)	31/12/2006	31/12/2005
Impairment losses	364.4	471.4
Impairment of land and buildings (investment properties)	25.3	155.0
Impairment of loans and receivables	135.6	200.1
Impairment of available for sale financial assets	156.2	95.7
Impairment of other receivables	47.3	20.7
Total	2,669.1	2,245.3

2.5 Acquisition and administration costs

(€ million)	Non-life segment		Life segment		Financial segment	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Net acquisition costs and other commissions	3,360.3	3,026.9	3,590.6	3,352.6	0.0	0.0
Gross acquisition costs and other commissions	3,662.7	3,330.0	3,700.4	3,450.1	0.0	0.0
Acquisition commissions on insurance contracts	2,674.8	2,358.1	2,506.2	2,407.3	0.0	0.0
Other acquisition costs on insurance contracts	844.3	856.2	1,235.4	1,102.4	0.0	0.0
Change in deferred acquisition costs	-57.8	-58.7	-162.3	-190.1	0.0	0.0
Collecting commissions	201.3	174.3	121.1	130.6	0.0	0.0
Commissions and profit commissions from reinsurers	-302.4	-303.1	-109.8	-97.5	0.0	0.0
Investment management expenses (*)	59.5	72.3	384.4	408.2	1.3	12.2
Other administration costs	1,116.9	1,203.0	950.5	951.4	461.2	448.6
Total	4,536.7	4,302.3	4,925.5	4,712.2	462.5	460.8

(*) Before the elimination of intra-group transactions between segments

In other administration costs of the life segment, administration expenses related to investment contracts amount to € 38.0 million, while administrative expenses of non-insurance companies amount to € 8.1 million. In the non-life segment, administrative expenses of non-insurance companies amount to € 88.0 million.

2.6 Other expenses

(€ million)	31/12/2006	31/12/2005
Amortization and impairment of intangible assets	144.9	167.3
Amortization of tangible assets	95.3	94.9
Expenses from tangible assets	80.1	275.0
Losses on foreign currencies	339.5	240.7
Allocation to other provisions	238.0	223.7
Other taxes	138.4	95.4
Expenses from service and assistance activities	91.4	87.4
Expenses from non-current assets or disposal group classified as held for sale	17.5	49.7
Restructuring charges	216.5	159.7
Charges incurred on behalf of third parties	196.1	124.7
Other technical expenses	372.4	492.6
Other expenses	458.3	422.8
Total	2,388.5	2,433.8

3 – Income taxes

(€ million)	31/12/2006	31/12/2005
Income taxes	1,257.2	1,445.9
Italy	470.0	752.5
Other countries	787.2	693.5
Deferred taxes	-200.8	-309.1
Italy	-109.5	-355.3
Other countries	-91.3	46.2
Total	1,056.4	1,136.9

The € 80.5 million decrease of total income taxes – leading to a tax rate reduction of 5.1% – is mainly due to following non-recurring events:

- the decision taken by Group Italian companies to benefit from a provision of L. 266/05, which allows to remove the difference between the tax base and the book value of the real estates, leads to a net reduction of income taxes of 182.1 million euro, because of the release of deferred tax liabilities recorded on this difference in previous years;
- as a result of a law recently issued in Germany, which provides for the automatic recognition in ten yearly instalments of the tax credits related to profit realised before 2001 and not yet distributed, Group German companies have recorded in P&L, in accordance with IAS 12, a tax benefit of 115 million euro, corresponding to the present value of such credits. The impact on the earnings before minorities, net of policyholders' benefits, amounts to € 105 million.

The decrease in current income taxes in Italy is basically due to the fact that in the year-end 2005 the current income taxes include the payment of € 304.2 million “imposta sostitutiva” on the revaluation of real estate in accordance with L.266/05. The same effect explains the change in deferred taxes in Italy.

The table below shows the reconciliation between expected and effective tax rate, which is based on tax rates currently in force in each country for each consolidated subsidiary and takes into consideration the impact of the intra-group operations.

(€ million)	31/12/2006	31/12/2005
Expected income tax rate	30.46%	32.72%
Earnings before taxes	3,918.8	3,547.1
Expected income tax expense	1,193.8	1,160.6
Net tax exempt income	-115.5	-126.4
Effect of tax losses	-34.5	-11.4
IRAP and other local income taxes	237.6	149.3
Other adjustments	-335.0	-35.3
Tax expenses	1,056.4	1,136.9
Effective tax rate	26.96%	32.05%

The expected income tax rate is calculated on the basis of the weighted average of the tax rates currently in force in each country for each consolidated subsidiary. Such tax rate is applied to the consolidated earnings before taxes in order to calculate the expected tax expense.

The table below shows the expiry date of recognised fiscal losses carried forward. Fiscal losses carried forward are recognised to the extent that it is probable that taxable income will be sufficient to offset the amount of the losses before their expiration

(€ million)	31/12/2006	31/12/2005
2007	2.2	2.9
2008	0.3	0.0
2009	0.7	0.0
2010	0.3	0.0
2011	10.5	13.5
2012	0.0	0.0
2013	0.0	0.3
2014	0.0	0.0
2015	0.0	0.0
2016	0.0	0.0
2017	15.9	1.7
Unlimited	14.8	6.3
Fiscal losses carried forward	44.8	24.7

Deferred tax assets and liabilities are detailed in the tables below according to the nature of the temporary differences which have originated such deferred taxes.

(€ million)	31/12/2006	31/12/2005
Intangible assets	86.6	156.4
Tangible assets	84.9	97.2
Land and buildings (investment properties)	575.4	623.7
Available for sale financial assets	671.5	754.6
Other investments	141.6	144.5
Deferred acquisition costs	151.6	150.9
Other assets	244.2	267.1
Fiscal losses carried forward	44.8	24.7
Allocation to other provisions and payables	332.2	227.0
Insurance provisions	284.8	458.2
Financial liabilities and other liabilities	497.7	468.8
Other	206.1	110.0
Total deferred tax assets	3,321.4	3,483.1

(€ million)	31/12/2006	31/12/2005
Intangible assets	392.8	74.8
Tangible assets	158.9	181.7
Land and buildings (investment properties)	348.5	659.9
Available for sale financial assets	1,013.3	1,578.5
Other investments	638.2	512.8
Deferred acquisition costs	559.2	480.0
Other assets	128.8	134.5
Allocation to other provisions and payables	163.7	182.2
Insurance provisions	574.3	739.6
Financial liabilities and other liabilities	162.4	134.3
Other	177.5	127.9
Total deferred tax liabilities	4,317.6	4,806.2



Part H - Other information

1 – Information on employees

Number of employees

	31/12/2006
Managers	2,233
Employees	44,608
Sales attendants	19,153
Others	9
Total	66,003

Personnel expenses incurred in the financial year 2006 total € 3,165 million, of which € 192,5 million represent expenses recognised for defined contribution plans. Expenses arising from equity instruments granted to the Group personnel amount to € 19.5 million.

2 – Share-based compensation plans

2.1 Share-based compensation plans granted by the Parent Company

At 31 December 2006, share-based compensation plans on shares granted by the Parent Company are as follows:

- the stock option plan 2005-2007 granted to managers and employees of the Parent Company and the other Group companies;
- the stock option plan 2006-2008 granted to the Chairman and the Managing Directors of Assicurazioni Generali;
- a stock option plan granted to the Chairman and the Managing Directors of Assicurazioni Generali in 2005;
- two different stock option plans respectively granted to the Managing Directors of the Parent Company, and to managers and employees of the Parent Company and the other Group companies, during 2001, 2002 and 2003;
- a stock granting plan granted to managers and employees of the Parent Company and the other Group companies.

Stock option plans for Group managers and employees

Under the stock option plan 2005-2007 granted to managers and employees of Assicurazioni Generali and the other Group companies, the beneficiaries are divided into three categories based on criteria taking account for the level of responsibility, the contribution to business results and the position within company structure.

The number of options due to each beneficiary results from the number of options associated to the belonging category times an individual multiplier assigned to each beneficiary according to the importance of the individual's role, achieved goals, skills, performance, age, experience and potential.

The option exercise is conditional on the employee remaining in the Group during the vesting period and on the business performances objectives, whose achievement is verified by the board of directors at the meeting convened for the approval of the Generali consolidated financial statements relating to each reference financial year. The options gives the right to subscribe the Parent's ordinary shares upon payment of the exercise price equal to the arithmetic average price at the closure of the quotation of the Assicurazioni Generali S.p.A. ordinary shares on the Telematic Stock Exchange run by Italian Stock Exchange, surveyed during the period from the options grant date to the same day of the previous solar month. The options cannot be exercised before a three years period starting from the respective grant date (vesting period), then they shall be exercised within a three years period from the exercise date.

During 2006, the Parent Company granted the second stock option *tranche* of the 2005-2007 plan for the Group managers and employees. At grant date, the fair value of the option assigned amounts to € 8.27 per option. The stock options could be exercised for a three years period starting from 23 March 2009 to 22 March 2012. Moreover for this *tranche*, a close obliging the re-purchase of a number Assicurazioni Generali shares equal to the 50% of the gain earned by the disposal of the underlying shares has been introduced.

At the balance sheet date, both stock options granted to the Group managers and employees related to the first *tranche* of the 2005-2007 plan, and the 2001, 2002 and 2003 grants, are still available.

Stock option plans for the Chairman and the Managing Directors of the Parent Company

On 10 May 2006, the Parent Company granted the first *stock option* *tranche* related to the plan 2006-2008 for the Chairman and the Managing Directors. The stock options granted, whose fair at grant date amounted to € 6.37 per option, gives the right to subscribe the Parent's shares upon payment of the exercise price equal to the arithmetic average price at the closure of the quotation of the Assicurazioni Generali S.p.A. ordinary shares on the Telematic Stock Exchange run by Italian Stock Exchange, surveyed during the period from the options grant date to the same day of the previous solar month. The beneficiaries may exercise the options assigned from 1 January 2008 to 1 January 2011. Also for this stock option *tranche*, a close obliging the re-purchase of a number Assicurazioni Generali shares equal to the 50% of the gain earned by the disposal of the underlying shares has been introduced. The repurchased shares are restricted on transfer for one year period.

At the balance sheet date, both stock options granted to the Parent Company Chairman and Managing Directors related to 2005 plan, and 2001, 2002 and 2003 grants, are still available.

A summary of number of options and their weighted average exercise price is shown in the table below:

	Personnel		Chairman, managing directors and general managers	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding as at 31 December previous year	11,107,570	25.9	6,530,800	24.8
granted	2,147,000	31.4	1,800,000	30.3
forfeited	373,150	24.5	0	-
exercised	1,721,575	24.4	0	-
expired	0	-	0	-
Options outstanding as at 31 December current year	11,159,845	27.9	8,330,800	26.0
of which exercisable	6,265,845	32.2	3,331,800	25.1

The weighted average expiry date of the stock options granted to managers and employees and outstanding at the balance sheet date is on 18 December 2009. The average expiry date of the stock option granted to the Parent Company Chairman and Managing Directors is on 7 August 2009.

On 10 May 2006, the Parent Company board of directors approved a stock granting plan of 254,512 Assicurazioni Generali ordinary shares for the Parent Company and the Italian subsidiaries. Since the stock granting was assigned without vesting condition, the fair value (€ 30.1 per share) has been entirely charged in the profit or loss account of the period.

The total cost arising from share-based compensation plans granted by the Parent Company under the scope of IFRS 2 total € 24.1 million.

2.2 Share-based compensation plans granted by the other Group companies

Share-based compensation plans granted by Banca Generali

At 31 December 2006, the share-based compensation plans granted by Banca Generali are as follows: two stock option plans, respectively reserved to the financial advisors and some managers of the group; two stock granting plans for the top management of the group; and a previous stock granting plan assigned to the financial advisors of the Prime Consult network.

On 15 December 2006, 4,452,530 stock options were granted to the financial advisors, and 818,500 to the group managers, with a weighted average exercise price of € 9.1 per option.

	Number of options	Weighted average exercise price
Options outstanding as at 31 December previous year	-	-
granted	5,271,030	9.1
forfeited	0	-
exercised	0	-
expired	0	-
Options outstanding as at 31 December current year	5,271,030	9.1
of which exercisable	0	-

As for the plan granted to the managers, the fair value at measurement date is € 1.94 per option, while the fair value of the stock options granted to the financial advisors is between € 1.59 and € 1.73 depending on the exercise date foreseen. At the balance sheet date, the weighted average life of the outstanding stock options is 4.59 years.

The cost arising from share-based compensation plans granted by Banca Generali totals € 5.5 million.

Share-based compensation plans granted by Alleanza Assicurazioni

At the balance sheet date, there are 1,536,818 outstanding stock options for the employees and the Managing Directors of Alleanza Assicurazioni.

The number of options and their weighted average exercise price are summarized in the table below:

	Number of options	Weighted average exercise price
Options outstanding as at 31 December previous year	2,002,462	10.5
granted	0	
forfeited	306,300	
exercised	159,344	
expired	0	
Options outstanding as at 31 December current year	1,536,818	10.8
of which exercisable	1,020,587	11.0

The weighted average expiry date is on 24 June 2010.

During 2006, a stock granting plan for Managing Directors, general managers and other managers of Alleanza Assicurazioni was approved.

The grant is conditional on the achievement of performance objectives fixed by the board and verified during the meeting convened for the approval of the Alleanza consolidated financial statements or in a subsequent period.

The duration of the plan is 3 years with reference to the financial years 2006, 2007 and 2008. If the vesting conditions are satisfied, at most 430,000 ordinary treasury shares of Alleanza are granted in 2007, 2008 and 2009.

3 – Earnings per share

	31/12/2006	31/12/2005
Result of the period (€ million)	2,404.8	1,918.6
Weighted average number of ordinary shares outstanding	1,267,437,278	1,268,687,038
Basic earnings per share (€)	1.90	1.51

Basic earnings per share are calculated by dividing the result of the period by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding is adjusted for the Parent Company's average number of shares owned by itself or by other Group companies during the period.

	31/12/2006	31/12/2005
Result of the period (€ million)	2,404.8	1,918.6
Weighted average number of ordinary shares outstanding	1,267,437,278	1,268,687,038
Adjustments for stock option	2,563,527	879,198
Weighted average number of ordinary shares outstanding for diluted earnings per share	1,270,000,805	1,269,566,236
Diluted earnings per share (€)	1.89	1.51

Diluted earnings per share reflect the dilution effect of potential ordinary shares. To calculate them, in 2006 the weighted average number of outstanding shares includes 2,563,327 dilutive potential ordinary shares (879,198 in 2005), of which 1,217,912 arise from the 2001-2003 stock option plan for managers and employees of the Parent Company and the other Group companies, and 1,066,318 from the 2005 stock option grant for the Chairman and the Managing Directors.

4 – Related party disclosure

With regard to transactions with related parties, the main intra-group activities, conducted at market prices or at cost, were undertaken through relations of reinsurance and co-insurance, administration and management of securities and real estate assets, leasing, loans and guarantees, IT and administrative services, personnel secondment, and claim settlement.

These services substantially aim at guaranteeing the streamlining of operational functions, greater economies in overall management, appropriate levels of service and an exploitation of Group-wide synergies.

The most significant economic and financial transactions with Group companies that are not included in the consolidation area are listed below.

(€ million)	31/12/2006	Subsidiaries	Associated companies	Other related parties (*)
Loans	250.4	59.0	1116.9	
Loans issued	64.9	-	766.1	
Interest income	7.2	3.7	39.8	
Interest expense	0.8	-	20.1	

(*) Other related parties refers to the transactions between the Group and Mediobanca

The 2006 emoluments due to board members, statutory auditors and general managers, including those of subsidiary companies, are indicated in the following table.



Person Name and Surname	Carica Office held	Office held Period covered by the mandate	End of mandate	Emoluments (in euro)			
				Emoluments for appointment	Non-monetary benefits	Bonuses and incentives	Other emoluments
Antoine BERNHEIM ^(*)	Chairman	1.1-31.12.06	28.04.07	2,643,429	⁽¹¹⁾	2,170,000	99,458 ⁽¹⁾
Gabriele GALATERI DI GENOLA ^(*)	Vice Chairman	1.1-31.12.06	28.04.07	478,527			⁽²⁾
Sergio BALBINOT ^(*)	Managing Dir.	1.1-31.12.06	28.04.07	1,273,429	⁽¹²⁾	1,250,000	116,758 ⁽³⁾
Giovanni PERISSINOTTO ^(*)	Managing Dir.	1.1-31.12.06	28.04.07	1,273,429	⁽¹²⁾	1,250,000	
Luigi Arturo BIANCHI	Director	1.1-31.12.06	28.04.07	248,714			
Ana Patricia BOTIN	Director	1.1-31.12.06	28.04.07	236,714			
Gerardo BROGGINI ^(*)	Director	1.1-31.12.06	28.04.07	491,429			61,621 ⁽⁴⁾
Claudio CONSOLO	Director	1.1-31.12.06	28.04.07	236,714			
Laurent DASSAULT	Director	1.1-31.12.06	28.04.07	236,714			18,750 ⁽⁵⁾
Diego DELLA VALLE	Director	1.1-31.12.06	28.04.07	238,714			
Enzo GRILLI	Director	1.1-29.10.06		195,857			
Piergaetano MARCHETTI ^(*)	Director	1.1-31.12.06	28.04.07	473,429			
Klaus-Peter MUELLER	Director	1.1-31.12.06	28.04.07	236,714			
Alberto Nicola NAGEL ^(*)	Director	1.1-31.12.06	28.04.07	473,429			⁽⁶⁾
Alessandro OVI	Director	1.1-31.12.06	28.04.07	248,714			
Alessandro PEDERSOLI	Director	1.1-31.12.06	28.04.07	248,714			
Reinfried POHL	Director	1.1-31.12.06	28.04.07	236,714			43,535 ⁽⁷⁾
Vittorio RIPA DI MEANA	Director	1.1-31.12.06	28.04.07	236,714			
Gianfranco BARBATO	Chairman of the Board of Auditors	1.1-31.12.06	30.04.08	75,000			199,971 ⁽⁸⁾
Paolo D'AGNOLO	Eff. Auditor	1.1-31.12.06	30.04.08	50,000			96,378 ⁽⁹⁾
Gaetano TERRIN	Eff. Auditor	1.1-31.12.06	30.04.08	50,000			148,562 ⁽¹⁰⁾
Raffaele AGRUSTI	Gen. Manager	1.1-31.12.06		750,000	⁽¹³⁾	350,000	
Sergio BALBINOT	Gen. Manager	1.1-31.12.06		800,000	⁽¹²⁾	350,000	
Fabio BUSCARINI	Gen. Manager	1.1-30.06.06		283,334		250,000	
Giovanni PERISSINOTTO	Gen. Manager	1.1-31.12.06		800,000	⁽¹²⁾	350,000	
Managers with strategic responsibilities				3,019,560	⁽¹³⁾	1,388,000	127,700

(*) Board members who are also members of the Executive Committee are marked with an asterisk.

(1) The emoluments indicated include those due for the offices held in 2006 in the following companies: Alleanza Assicurazioni, AMB Generali Holding, Generali España Holding, Generali France and BSI. The payments for Generali Holding Vienna will be established by the Company's General Assembly this year. The sums paid for AMB Generali Holding only regard the attendance fees; the part inherent to the profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.

(2) The payment was made directly to Mediobanca.

(3) The emoluments indicated include those due for the offices held in 2006 in the following companies: AMB Generali Holding, Aachener u. Muenchener Lebensversicherung AG, Aachener u. Muenchener Versicherung AG, Generali France, Banco Vitalicio, La Estrella, Generali España Holding, Generali Schweiz Holding AG, Migdal Insurance & Financial Holdings and Europ Assistance Holding. The payments for Generali Holding Vienna will be established by the Company's General Assembly this year. The emoluments from AMB Generali Holding and from Banco Vitalicio only regard the attending fees; those relative to the profit sharing will be determined from the shareholders' meeting during the first half of the current year.

(4) The emoluments indicated are inclusive of those due to the offices of INA Assitalia Vice Chairman and Board Member, and for members of the AMB Generali Holding Surveillance Council. The sums paid for AMB Generali Holding only regard the attendance fees; the part inherent to the profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.

(5) Emolument due for the office of Director held, throughout 2006, at Generali France.

(6) The payment was made directly to Mediobanca.

(7) Payments due for the office of Surveillance Committee Member for AMB Generali Holding and Aachener u. Muenchener Lebensversicherung. The sums paid to AMB Generali Holding only regard the attendance fees; the part inherent to the profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.

(8) Payments for the offices of Chairman of the Board of Auditors for Generali Vita (merged in Generali with effect 31 December 2006) and INA Vita and Permanent auditor for Assitalia. Ina Vita and Assitalia merged since 31 December 2006 in a unique company (InaAssitalia).

(9) Payments due for the offices of Permanent auditor for Generali Properties Asset Management, GSI, Generali Properties, Sementi Dom Dotto, Genagricola, Enofila, Casaletto, and Banca Generali.

(10) Payments due for the offices of Chairman of the Board of Auditors for Alleanza Assicurazioni, GSI, Intesa Vita and Fondi Alleanza Sgr and Permanent Auditor for Generali Property Investments SGR and Finagen.

(11) The non monetary benefits include the insurance policy for life insurance / total permanent disability due to accident, professional and extraprofessional.

(12) Non monetary benefits.

Insurance policies

- life insurance / total permanent disability due to health or accident, professional and extraprofessional

- total permanent disability due to accident;
- total permanent disability due to health.

Pension funds

Assicurazioni Generali provides to set aside annually 16.5% or 13% of the annual gross wage respectively if the nomination to Manager was made before or after 31 December 2000

Assistance

The one in compliance with the National Normative and Economic Contract for Managers of the Insurance Companies with integrations and improvements.

(13) Non monetary benefits.

All those indicated in note 12

Corporate car

Assignment by leasing stipulated for 70,000 km and of the duration of 4 years; possibility of choice of one of the segment E models.

5 – Significant non-recurring events and transactions

As already explained in the report, during the year two public purchase offerings were launched to acquire minority interests of AMB Generali Holding and Generali (Schweiz) Holding. Through the acquisition of AMB Generali Holding, for a total amount of € 747.4 million, the Group share increased from 70.88% to 85.05%. The goodwill arising out from this transaction was € 377.0 million. Through the acquisition of Generali (Schweiz) Holding, for a total amount of € 192.6 million, the Group share increased from 65.78% to 94.91%. Later, the Group acquired the remaining outstanding shares, for a further amount of € 30.2 million, thus bringing the Group share to 100%. The goodwill arising from this transaction totalled € 217.3 million.

In December, a € 3,839.0 million compulsory public purchase offering was launched to acquire the Toro Group, thus bringing the Group share to 98.44%. The goodwill arising from this transaction amounted to € 1,722.8 million. In addition, in 2007 Generali exercised its right to purchase the remaining outstanding ordinary shares of Toro. The transaction was authorized by anti-trust authority, that imposed the disposal of Toro's subsidiary Nuova Tirrena. The Parent Company does not agree with the assumptions on which such decision was based, and therefore has decided to file an appeal with the competent authorities.

6 – Related party disclosure

During the year, there were no atypical and/or unusual transactions, which – because of materiality, nature of counterparties, subject of the transaction, transfer price determination method and occurrence close to the balance sheet date – might give raise to any doubts about the correctness and exhaustiveness of this report, conflict of interests, preservation of equity and protection of minorities.

7 – Additional disclosures on business combinations

The main acquisitions occurred during the year 2006, i.e. Toro, Banca Unione del Credito (BUC) and some Central and Eastern European companies, are disclosed based on IFRS 3.

General statements are as follows:

- acquiree's assets and liabilities were measured at fair value at the acquisition date.
The excess of the cost of the business combination over the acquirer's interest in the

- fair value of the net acquiree's assets, including intangible assets, was recognised as goodwill;
- the result of the acquired entities was recognised in the consolidated financial statements since the acquisition date;
 - in accordance with IFRS 3, the measurement of the acquiree's assets and liabilities can be finalized within twelve months of the acquisition date.

7.1 Acquisition of Toro Assicurazioni

On 17 July 2006, the purchase agreement of Toro's control ownership was issued at a price of € 21.20 per share. After the conclusion of this transaction, a voluntary public offering for the remaining Toro Assicurazioni shares was launched at the same price.

Toro Group, that is authorized to operate in both the life and non-life businesses, mostly operates in the non-life segment. Its activity is concentrated mainly in Italy.

The first stage of the acquisition was finalized on 4 October 2006. A 66.524% ownership stake of Toro Assicurazioni share capital (equivalent to 120,967,880 shares) was reached, considering the 1,862,000 shares already owned by the Group or 1.024% of share capital. At the end of the second stage, a 98.437% share or 181,295,262 shares was reached (the period of compulsory voluntary public offering is from 13 November to 12 December).

The total acquisition price amounted to € 3,839.0 million – including € 7.7 million costs directly attributable to the transaction. Of this amount, € 2,534.1 million and € 1,304.9 million were paid for the first and the second *tranche*, respectively.

At year-end 2006, the consolidated result of Toro Group amounts to € 236.2 million. Non-life and life gross direct premiums (including investment contracts) total € 2,436.6 million and € 543.7 million, respectively.

Considering only the period from the acquisition date until year-end 2006, the contribution of Toro Group has been € 758.8 million in terms of net earned premiums and € 56.4 million in terms of net result, without considering the amortization of the recognized intangible assets.

For further details on the accounting of shares acquired through the voluntary public offering, please refer to the Part D of the Notes.

The table below shows the fair value of acquiree's assets and liabilities.

(€ million)	Book value	Fair value adjustments and accounting standards harmonization	Intangible assets	Total fair value
Assets	10,473.1	76.4	842.7	11,392.2
Intangible assets	45.0	-9.8	842.7	877.9
Investments	8,889.9	59.6		8,944.4
Amounts ceded to reinsurers from insurance provisions	430.1			430.1
Deferred tax assets	94.8	3.8		98.6
Cash and cash equivalent	229.8			229.8
Other assets	788.6	22.8		811.4
Liabilities	8,888.9	30.7	322.3	9,242.9
Provisions	44.9	0.4		45.3
Liabilities to banks or customers	7,527.5			7,527.5
Deferred tax liabilities	186.8	30.3	322.3	539.4
Other liabilities	1,130.7			1,130.7
Net assets acquired	1,583.2	45.7	520.4	2,149.3
(Minority interests)				33.1
Goodwill				1,722.8
Acquisition price				3,839.0

The activation of goodwill amounted to € 1,133.2 million, as a result of the initial 65.5% purchase, and to € 589.6 million, as a result of further share purchase. Goodwill totalled € 1,722.8 million, of which € 758.5 million attributable to the life segment and € 964.3 million attributable to the non-life segment.

The € 842.7 million intangible assets recognized at the acquisition date have been identified and measured using the cash flows discount method. Of this amount, € 261.0 million are attributable to the life segment and € 581.7 million to the non-life segment. These intangible assets correspond to the value of in force business. The estimated useful life of non-life portfolio and life portfolio is supposed to be 20 years and 35 years, respectively. Deferred tax liabilities recognised amounted to € 322.3 million.

7.2 Acquisition of Banca Unione del Credito

On 31 August 2006, Banca Svizzera Italiana (BSI) acquired Banca Unione del Credito (BUC), in Lugano. The transaction forms part of the plan for expansion into the private banking sector, where BUC group operates.

Taking also into consideration assets under management of the BUC group, the acquisition price amounted nearly to € 257.0 million.

At year-end 2006, the consolidated result of BUC, and net commissions, amount to € 11.9 million and € 25.4 million, respectively.

Considering only the period from the acquisition date until year-end 2006, the contribution of BUC group has been € 11.4 million in terms of net commissions and € 3.9 million in terms of net result, without considering the amortization of the recognized intangible asset.

The table below shows the fair value of acquiree's assets and liabilities.

(€ million)	Book value	Fair value adjustments and accounting standards harmonization	Intangible assets	Total fair value
Assets	1,341.2	9.6	68.9	1,419.7
Intangible assets	0.0		68.9	68.9
Receivables from banks or customers	781.7			781.7
Other investments	369.4			369.4
Cash and cash equivalents	147.5			147.5
Other assets	42.6	9.6		52.2
Liabilities	1,178.2	0.0	12.4	1,190.6
Liabilities to banks or customers	1,149.0			1,149.0
Deferred tax liabilities	0.0		12.4	12.4
Other liabilities	29.2			29.2
Net assets acquired	163.0	9.6	56.5	229.1
(Minority interests)				0.0
Goodwill				27.9
Acquisition price				257.0

The activation of goodwill totalled € 27.9 million.

The € 68.9 million intangible assets recognized at the acquisition date have been identified (10 years useful life and € 12.4 million deferred tax liabilities). This amount has been determined considering assets under management of BUC group.

7.3 Acquisitions in Central and Eastern Europe

During 2006, the Generali Group strengthened its presence in the Central and Eastern European countries by acquiring controlling interests in some companies through its subsidiary Generali Holding Vienna. The main information on the most significant acquisitions are stated as follows:

- in **Serbia**, an agreement to acquire a majority holding in the capital of Delta Osiguranje, operating in both the life and non-life segments, was underwritten in March;
- in **Bulgaria**, the control shareholding of Orel-G group, through the acquisition of 86.41% of Orel-G Holding AD, was obtained in July. The group is present on the Bulgarian market with three separate companies: Orel operating in the non-life segment, Orel Life operating in the life segment and Zakrila, the country's health insurance leading company;
- in **Croatia**, a 100% stake was acquired in Libertas Osiguranje, a company operating in the life segment and also authorized to operate in the accident and health segments;
- in **Ukraine**, an agreement for the acquisition of 51% of the capital of Garant Auto e Garant Life, insurance companies respectively operating in the non-life and in the life segment, was signed in June.

The total acquisition price amounted to € 165.2 million.

Net acquired assets' fair value and goodwill calculation are as follows:

Acquisition price	€ 165.2 million
Net assets' fair value	€ 90.7 million
- minority interests	€ 13.1 million
Net acquired assets' fair value	€ 77.6 million
Residual goodwill	€ 87.6 million

The € 47.8 million intangible assets recognized at the acquisition date have been identified. These intangible assets incorporate both the value of in force business and the value attributed to the distribution networks, trademarks and licences (the useful life is supposed to be 3, 5 or 10 years, depending on each intangible asset category).





APPENDICES TO THE NOTES



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

CONSOLIDATED STATEMENTS

Appendices to the Notes

Year **2006**

(Amounts in €million)

SEGMENT REPORTING - BALANCE SHEET

		NON-LIFE SEGMENT		LIFE SEGMENT	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
1	INTANGIBLE ASSETS	3,987.9	1,884.8	2,484.5	970.5
2	TANGIBLE ASSETS	2,174.5	1,993.4	1,212.5	1,275.4
3	AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	4,103.8	3,875.4	1,660.6	1,551.8
4	INVESTMENTS	48,592.8	41,980.6	294,770.3	273,061.4
4.1	Land and buildings (investment properties)	5,892.4	5,979.3	5,455.3	4,239.3
4.2	Investments in subsidiaries, associated companies and joint ventures	10,767.6	8,313.3	11,109.7	11,103.4
4.3	Held to maturity investments	94.8	83.9	923.5	890.1
4.4	Loans and receivables	7,609.1	6,243.1	37,318.2	28,927.9
4.5	Available for sale financial assets	21,524.3	20,131.4	170,206.7	166,976.7
4.6	Financial assets at fair value through profit or loss	2,704.5	1,229.6	69,756.8	60,924.1
5	RECEIVABLES	6,455.4	5,868.8	4,135.0	3,521.8
6	OTHER ASSETS	3,934.6	3,777.3	8,138.7	8,064.0
6.1	Deferred acquisition costs	472.4	289.0	886.7	711.5
6.2	Other assets	3,462.2	3,488.3	7,252.0	7,352.5
7	CASH AND CASH EQUIVALENTS	1,883.1	1,388.9	3,576.8	3,974.2
	TOTAL ASSETS	71,132.0	60,769.1	315,978.2	292,419.2
1	SHAREHOLDERS' EQUITY	0.0	0.0	0.0	0.0
2	OTHER PROVISIONS	935.3	783.8	581.7	648.7
3	INSURANCE PROVISIONS	33,184.7	28,143.0	272,452.2	252,486.9
4	FINANCIAL LIABILITIES	10,809.6	7,073.8	15,030.5	12,353.2
4.1	Financial liabilities at fair value through profit or loss	56.0	22.3	7,264.2	6,395.3
4.2	Other financial liabilities	10,753.6	7,051.5	7,766.3	5,957.9
5	PAYABLES	3,168.7	2,725.3	4,366.5	4,691.6
6	OTHER LIABILITIES	5,521.3	5,480.3	3,364.9	4,766.3
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

FINANCIAL SEGMENT		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
143.7	54.2	0.0	0.0	6,616.1	2,909.4
155.4	156.4	0.0	0.0	3,542.4	3,425.3
0.0	0.0	-159.0	-178.2	5,605.3	5,249.0
15,600.9	14,939.2	-25,220.0	-22,563.8	333,744.0	307,417.4
17.6	16.9	0.0	0.0	11,365.3	10,235.6
74.8	88.4	-20,922.5	-18,702.2	1,029.6	802.9
107.5	19.0	0.0	0.0	1,125.8	993.0
10,997.5	9,636.4	-4,248.1	-3,633.4	51,676.8	41,173.9
1,193.0	2,128.8	-49.4	-228.1	192,874.7	189,008.7
3,210.5	3,049.7	0.0	0.0	75,671.8	65,203.3
176.2	254.1	-1,497.8	-1,169.0	9,268.7	8,475.6
722.0	612.8	-51.7	-108.0	12,743.6	12,346.1
0.0	0.0	0.0	0.0	1,359.1	1,000.5
722.0	612.8	-51.7	-108.0	11,384.6	11,345.6
1,293.4	984.0	-632.9	-616.4	6,120.4	5,730.7
18,091.7	17,000.7	-27,561.4	-24,635.3	377,640.5	345,553.6
0.0	0.0	0.0	0.0	18,732.4	17,554.2
181.6	178.0	-26.4	0.0	1,672.1	1,610.6
0.0	0.0	-196.1	-239.5	305,440.8	280,390.5
14,971.3	13,694.0	-4,943.4	-4,473.2	35,867.9	28,647.8
322.5	738.1	0.0	0.0	7,642.7	7,155.7
14,648.7	12,955.9	-4,943.4	-4,473.2	28,225.3	21,492.1
186.4	255.8	-1,457.7	-1,100.9	6,263.9	6,571.8
832.0	647.0	-54.9	-114.8	9,663.3	10,778.8
				377,640.5	345,553.6

SEGMENT REPORTING - PROFIT AND LOSS ACCOUNT

		NON-LIFE SEGMENT		LIFE SEGMENT	
		31/12/2006	31/12/2005	31/12/2006	31/12/2005
1.1	Net earned premiums	16,314.5	15,178.8	44,068.8	44,903.5
1.1.1	Gross earned premiums	18,189.8	16,945.6	44,962.1	45,732.7
1.1.2	Earned premiums ceded	-1,875.3	-1,766.7	-893.3	-829.1
1.2	Fee and commission income and income from financial service activities	0.0	0.0	119.9	99.3
1.3	Net income from financial instruments at fair value through profit or loss	71.4	138.6	3,890.1	5,655.5
1.4	Income from subsidiaries, associated companies and joint ventures	19.9	70.0	123.1	52.7
1.5	Income from other financial instruments and land and buildings (investment properties)	2,268.3	2,192.6	11,384.7	10,600.2
1.6	Other income	820.2	829.4	629.8	697.7
1	TOTAL INCOME	19,494.3	18,409.5	60,216.4	62,008.9
2.1	Net insurance benefits and claims	11,325.1	10,714.8	50,656.4	52,848.6
2.1.1	Claims paid and change in the insurance provisions	12,318.1	11,721.2	51,195.7	53,560.5
2.1.2	Reinsurers' share	-993.1	-1,006.4	-539.4	-712.0
2.2	Fee and commission expenses	0.0	0.0	69.8	63.3
2.3	Expenses from subsidiaries, associated companies and joint ventures	25.6	44.7	18.0	123.9
2.4	Expenses from other financial instruments and land and buildings (investment properties)	843.4	765.5	1,447.0	1,202.9
2.5	Acquisition and administration costs	4,536.7	4,302.3	4,925.5	4,712.2
2.6	Other expenses	1,472.2	1,571.1	827.2	784.8
2	TOTAL EXPENSES	18,202.9	17,398.3	57,943.9	59,735.6
	EARNINGS BEFORE TAXES	1,291.5	1,011.1	2,272.5	2,273.3

FINANCIAL SEGMENT		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
0.0	0.0	0.0	0.0	60,383.3	60,082.4
0.0	0.0	0.0	0.0	63,152.0	62,678.3
0.0	0.0	0.0	0.0	-2,768.7	-2,595.9
863.7	733.3	-77.4	-79.0	906.2	753.6
112.3	109.2	0.0	0.0	4,073.8	5,903.4
84.9	12.9	-63.0	-46.8	164.9	88.8
615.0	503.3	-48.1	-33.7	14,219.9	13,262.3
106.1	148.5	-41.5	-46.8	1,514.7	1,628.8
1,782.1	1,507.2	-230.0	-206.4	81,262.8	81,719.2
0.0	0.0	0.0	0.0	61,981.4	63,563.4
0.0	0.0	0.0	0.0	63,513.9	65,281.7
0.0	0.0	0.0	0.0	-1,532.4	-1,718.4
317.7	265.5	-4.0	-9.1	383.5	319.6
3.3	0.4	0.0	0.0	46.9	169.0
426.7	308.6	-48.1	-31.8	2,669.1	2,245.3
462.5	460.8	-49.9	-34.2	9,874.7	9,441.0
144.5	158.2	-55.4	-80.3	2,388.5	2,433.8
1,354.7	1,193.5	-157.4	-155.4	77,344.0	78,172.1
427.3	313.7	-72.6	-51.0	3,918.8	3,547.1

Tangible and intangible assets

Appendix 3

	At amortized cost	At revalued amount or at fair value	Total
Land and buildings (investment properties)	11,365.3		11,365.3
Land and buildings (self used)	3,014.0		3,014.0
Other tangible assets	528.4		528.4
Other intangible assets	1,855.6		1,855.6

Amounts ceded to reinsurers from insurance provisions

Appendix 4

	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-life amounts ceded to reinsurers from insurance provisions^(*)	2,963.2	2,735.9	1,109.2	1,100.4	4,072.4	3,836.3
Provisions for unearned premiums	472.5	378.8	134.4	124.8	606.8	503.5
Provisions for outstanding claims	2,478.6	2,351.5	974.5	975.0	3,453.1	3,326.5
Other insurance provisions	12.1	5.7	0.4	0.6	12.5	6.2
Life amounts ceded to reinsurers from insurance provisions^(*)	717.6	672.3	815.3	740.4	1,532.9	1,412.7
Provisions for outstanding claims	236.7	231.2	107.8	77.2	344.6	308.4
Mathematical provisions	456.1	416.6	704.3	652.8	1,160.4	1,069.4
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	1.5	12.6	0.0	0.0	1.5	12.6
Other insurance provisions	23.2	11.9	3.2	10.5	26.4	22.4
Total	3,680.8	3,408.2	1,924.5	1,840.8	5,605.3	5,249.0

(*) After the elimination of intra-group transactions between segments

Financial assets

Appendix 5

	Held to maturity investments		Loans and receivables		Available for sale financial assets		Financial assets at fair value through profit or loss				Total book value	
							Financial assets held for trading		Financial assets designated as at fair value through profit or loss			
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Equities at cost	0.0	0.0	0.0	0.0	318.3	282.2	0.0	0.0	0.0	0.0	318.3	282.2
Equities at fair value	0.0	0.0	0.0	0.0	28,439.3	24,636.2	835.6	686.9	3,149.4	2,558.0	32,424.2	27,881.1
of which quoted equities	0.0	0.0	0.0	0.0	26,757.3	23,232.6	835.6	686.9	3,084.2	2,542.0	30,677.1	26,461.5
Bonds	1,108.2	966.5	26,188.5	16,884.0	153,103.6	154,005.5	4,615.4	3,482.1	28,845.1	26,275.5	213,860.8	201,613.6
of which quoted bonds	1,108.2	966.5	0.0	0.0	137,435.3	134,942.5	4,615.4	3,482.1	25,387.8	23,040.6	168,546.7	162,431.7
Investment fund units	0.0	0.0	0.0	0.0	9,706.0	9,270.5	62.2	101.8	33,225.0	27,083.8	42,993.3	36,456.1
Loans and receivables from customers	0.0	0.0	1,071.7	858.0	0.0	0.0	0.0	0.0	0.0	0.0	1,071.7	858.0
Loans and receivables from banks	0.0	0.0	4,583.2	3,505.0	0.0	0.0	0.0	0.0	0.0	0.0	4,583.2	3,505.0
Deposits under reinsurance business accepted	0.0	0.0	349.6	333.3	0.0	0.0	0.0	0.0	0.0	0.0	349.6	333.3
Deposit components of reinsurance contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other loans and receivables	0.0	0.0	19,483.8	19,593.6	0.0	0.0	0.0	0.0	0.0	0.0	19,483.8	19,593.6
Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	363.6	597.1	1,256.3	1,190.8	1,619.9	1,788.0
Hedging derivatives ^(*)	0.0	0.0	0.0	0.0	30.9	0.0	0.0	0.0	0.0	0.0	30.9	0.0
Other financial investments	17.6	26.5	0.0	0.0	1,276.6	814.4	189.1	605.1	3,130.0	2,622.2	4,613.4	4,068.2
Total	1,125.8	993.0	51,676.8	41,173.9	192,874.7	189,008.7	6,066.0	5,473.1	69,605.8	59,730.2	321,349.1	296,379.0

(*) In accordance with Provision No. 2404 of 22 December 2005, hedging derivatives include only derivatives for which the *hedge accounting* is applied

Assets and liabilities related to policies where the investment risk is borne by the policyholders and to pension funds

Appendix 6

	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Assets						
Intra-group assets ^(*)	47,393.4	40,769.1	495.5	418.4	47,888.9	41,187.5
	0.0	0.0	0.0	0.0	0.0	0.0
Total	47,393.4	40,769.1	495.5	418.4	47,888.9	41,187.5
Financial liabilities	6,427.8	5,753.5	226.5	178.7	6,654.2	5,932.2
Insurance provisions ^(**)	41,498.8	35,438.1	0.0	30.5	41,498.8	35,468.6
Intra-group liabilities ^(*)	0.0	0.0	0.0	0.0	0.0	0.0
Total	47,926.6	41,191.6	226.5	209.2	48,153.0	41,400.8

(*) Intra-group assets and liabilities refer to assets and liabilities which are eliminated in the consolidation process

(**) Insurance provisions are net of amounts ceded to reinsurers from insurance provisions

	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Non-life insurance provisions ^(*)	31,346.7	26,313.6	1,705.2	1,688.0	33,051.9	28,001.6
Provisions for unearned premiums	5,461.0	4,419.5	134.6	130.2	5,595.5	4,549.6
Provisions for outstanding claims	25,575.0	21,590.1	1,566.8	1,554.1	27,141.8	23,144.2
Other insurance provisions	310.8	304.0	3.8	3.7	314.6	307.8
of which provisions for liability adequacy test	2.1	0.3	0.0	0.0	2.1	0.3
Life insurance provisions ^(*)	271,220.5	251,360.0	1,168.4	1,028.9	272,388.9	252,388.9
Provisions for outstanding claims	3,762.2	3,561.1	488.3	437.1	4,250.5	3,998.1
Mathematical provisions	203,813.4	188,686.9	566.9	512.6	204,380.3	189,199.5
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	41,405.5	35,409.3	94.8	71.9	41,500.3	35,481.2
Other insurance provisions	22,239.3	23,702.7	18.4	7.3	22,257.8	23,710.1
of which provisions for liability adequacy test	833.1	475.8	4.1	0.0	837.2	475.8
of which deferred policyholder liabilities	7,944.5	10,973.2	0.0	0.0	7,944.5	10,973.2
Total	302,567.2	277,673.5	2,873.6	2,716.9	305,440.8	280,390.5

(*) After the elimination of intra-group transactions between segments

Financial liabilities

Appendix 8

	Financial liabilities at fair value through profit or loss				Other financial liabilities		Total book value	
	Financial liabilities held for trading		Financial liabilities designated as at fair value through profit or loss					
	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Preference shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subordinated liabilities	0.0	0.0	0.0	0.0	4,400.7	1,407.4	4,400.7	1,407.4
Financial liabilities related to investment contracts issued by insurance companies	0.0	0.0	6,885.9	6,174.5	367.6	535.4	7,253.5	6,709.8
where the investment risk is borne by the policyholders	0.0	0.0	6,427.8	5,753.5	0.0	0.0	6,427.8	5,753.5
pension funds	0.0	0.0	226.5	178.7	0.0	0.0	226.5	178.7
other liabilities related to investment contracts	0.0	0.0	231.7	242.3	367.6	535.4	599.3	777.6
Deposits received from reinsurers	0.0	0.0	0.0	0.0	1,205.6	1,055.3	1,205.6	1,055.3
Deposit components of insurance contract	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	0.0	0.0	0.0	0.0	4,813.2	5,015.9	4,813.2	5,015.9
Liabilities to customers	0.0	0.0	0.0	0.0	12,588.2	10,761.6	12,588.2	10,761.6
Liabilities to banks	0.0	0.0	0.0	0.0	642.1	572.5	642.1	572.5
Other loans	0.0	0.0	0.0	0.0	4,183.9	2,144.0	4,183.9	2,144.0
Derivatives	102.7	106.7	653.1	874.0	0.0	0.0	755.8	980.7
Hedging derivatives ^(*)	0.0	0.0	0.0	0.0	23.9	0.0	23.9	0.0
Other financial liabilities	0.0	0.0	1.0	0.6	0.0	0.0	1.0	0.6
Total	102.7	106.7	7,540.1	7,049.1	28,225.3	21,492.1	35,868.0	28,647.8

(*) In accordance with Provision No. 2404 of 22 December 2005 hedging derivatives are only derivatives for which *hedge accounting* is applied

Technical insurance items

Appendix 9

	31/12/2006			31/12/2005		
	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
NON-LIFE SEGMENT						
NET EARNED PREMIUMS	18,189.8	1,875.3	16,314.5	16,945.6	1,766.7	15,178.8
a Premiums written	18,444.9	1,893.8	16,551.1	17,099.9	1,747.1	15,352.8
b Change in the provisions for unearned premiums	-255.0	-18.4	-236.6	-154.3	19.7	-174.0
NET INSURANCE BENEFITS AND CLAIMS	12,318.1	993.1	11,325.1	11,721.2	1,006.4	10,714.8
a Claims paid	11,921.0	1,010.0	10,911.0	11,031.0	1,177.5	9,853.4
b Change in the provisions for outstanding claims	425.4	-21.4	446.8	669.0	-162.2	831.2
c Change in claims to be recovered	-50.8	3.0	-53.8	11.5	-2.3	13.8
d Change in other insurance provisions	22.5	1.4	21.1	9.8	-6.6	16.4
LIFE SEGMENT						
NET PREMIUMS	44,962.1	893.3	44,068.8	45,732.7	829.1	44,903.5
NET INSURANCE BENEFITS AND CLAIMS	51,195.7	539.4	50,656.4	53,560.5	712.0	52,848.6
a Claims paid	31,700.6	480.1	31,220.5	26,783.6	568.0	26,215.6
b Change in the provisions for outstanding claims	240.8	11.1	229.7	451.9	29.5	422.4
c Change in the mathematical provisions	12,351.3	51.4	12,299.9	17,547.4	67.5	17,479.9
d Change in the provisions for policies where the investment risk is borne by the policyholders and the provisions for pension funds	5,586.7	-0.5	5,587.2	6,441.7	5.7	6,436.0
e Change in other insurance provisions	1,316.4	-2.7	1,319.1	2,335.8	41.2	2,294.7

Income and expenses from investments, receivables and payables

Appendix 10

	Interest	Other income	Other expenses	Realized gains	Realized losses	Total unrealized gains and losses	Unrealized gains and reversal of impairment losses		Unrealized losses and impairment losses		Total unrealized gains and losses	Total income and expenses 31/12/2006	Total income and expenses 31/12/2005
							Unrealized gains	Reversal of impairment losses	Unrealized losses	Impairment losses			
Income and expenses from investments	10,542.3	2,537.9	304.8	3,677.9	1,550.1	14,903.1	4,388.8	71.9	2,244.7	332.5	1,883.5	16,786.6	18,161.4
a from land and buildings (investment properties)	0.0	826.8	304.8	141.2	23.5	639.6	0.0	41.9	0.0	25.3	16.5	656.2	823.4
b from investments in subsidiaries, associated companies and joint ventures	0.0	64.1	0.0	100.5	31.4	133.2	0.0	0.2	0.0	15.4	-15.2	118.0	-80.2
c from held to maturity investments	79.0	0.0	0.0	0.1	0.0	79.1	0.0	0.0	0.0	0.0	0.0	79.1	37.2
d from loans and receivables	2,206.3	0.0	0.0	34.5	42.4	2,198.4	0.0	29.7	0.0	135.6	-105.9	2,092.5	1,608.0
e from available for sale financial assets	6,708.5	1,306.4	0.0	2,642.6	879.6	9,778.0	0.0	0.2	0.0	156.2	-156.0	9,622.0	9,189.8
f from financial assets held for trading	249.1	35.4	0.0	259.8	161.4	382.9	214.2	0.0	197.6	0.0	16.6	399.5	1,033.9
g from financial assets designated as at fair value through profit or loss	1,299.4	305.1	0.0	499.2	411.8	1,691.9	4,174.6	0.0	2,047.0	0.0	2,127.5	3,819.4	5,549.3
Income and expenses from receivables	19.1	0.0	0.0	0.0	0.5	18.6	0.0	44.5	0.0	47.3	-2.9	15.7	29.9
Income and expenses from cash and cash equivalents	138.9	0.0	0.0	0.0	0.0	138.9	0.0	0.0	0.0	0.0	0.0	138.9	92.2
Income and expenses from financial liabilities	1,073.8	0.0	-0.2	-121.0	-68.9	1,021.9	-167.2	0.0	-343.9	0.0	176.7	1,198.6	1,443.3
a from financial liabilities held for trading	4.7	0.0	0.0	-46.7	-16.9	-25.0	-26.5	0.0	-67.1	0.0	40.6	15.6	274.1
b from financial liabilities designated as at fair value through profit or loss	15.5	0.0	0.0	-74.1	-52.0	-6.6	-140.7	0.0	-276.8	0.0	136.1	129.5	405.7
c from other financial liabilities	1,053.5	0.0	-0.2	-0.2	0.0	1,053.5	0.0	0.0	0.0	0.0	0.0	1,053.5	763.5
Income and expenses from payables	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	9,626.6	2,537.9	305.0	3,798.9	1,619.6	14,038.7	4,556.0	116.4	2,588.6	379.9	1,703.9	15,742.7	16,840.3

Acquisition and administration costs of insurance business

Appendix 11

	Non-life segment		Life segment	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Gross commissions and other acquisition costs	3,662.7	3,330.0	3,700.4	3,450.1
a Acquisition and administration commissions	2,674.8	2,358.1	2,506.2	2,407.3
b Other acquisition costs	844.3	856.2	1,235.4	1,102.4
c Change in deferred acquisition costs	-57.8	-58.7	-162.3	-190.1
d Collecting commissions	201.3	174.3	121.1	130.6
Commissions and profit commissions from reinsurers	-302.4	-303.1	-109.8	-97.5
Investment management expenses (+)	59.5	72.3	384.4	408.2
Other administration costs	1,116.9	1,203.0	950.5	951.4
Total	4,536.7	4,302.3	4,925.5	4,712.2

(*) Before the elimination of intra-group transactions between segments



CHANGE IN THE CONSOLIDATION AREA
COMPARED TO 2005

SUBSIDIARIES CONSOLIDATED
LINE BY LINE

NON-CONSOLIDATED SUBSIDIARIES
AND ASSOCIATED COMPANIES



Change in the area of consolidation with respect to 2005

Newly consolidated

1. AM Sechste Immobilien AG & Co. KG, Aachen
2. AMB Generali Aktien Deutschland, Cologne
3. Augusta Assicurazioni S.p.A., Turin
4. Augusta Vita S.p.A., Turin
5. Banca Unione di Credito (Cayman) Ltd., Grand Cayman
6. BG Società di Gestione del Risparmio S.p.A., Trieste
7. C.S.T. Centro Servizi Toro S.p.A., Turin
8. D.A.S.-Difesa Automobilistica Sinistri S.p.A., Verona
9. Delta Generali Osiguranje a.d., Belgrade
10. Delta Generali Reosiguranje a.d.o., Belgrade
11. Erste Wiener Hotel AG, Vienna
12. Fata Assicurazioni Danni S.p.A., Rome
13. Fata Vita S.p.A., Rome
14. Fondo Scarlatti, Trieste
15. Generali Bulgaria Holding AD, Sofia
16. Generali Garant Insurance JSC, Kiev
17. Generali Garant Life Insurance JSC, Kiev
18. Generali Insurance AD, Sofia
19. Generali Life Insurance AD, Sofia
20. Generali Osiguranje d.d., Zagreb
21. Generali Zakrila Health-Insurance AD, Sofia
22. GLL AMB Generali Properties Fund I GmbH & Co. KG, Munich
23. GLL AMB Generali Properties Fund II GmbH & Co. KG, Munich
24. GLL Prop. 444 North Michig. LP (Immob. Ges.) 7170, Aachen
25. GLL Prop. Fund I LP (Immob. Ges.) 7168, Aachen
26. GLL Prop. Fund II LP (Zw. Hold.) 7169, Aachen
27. Ifabanque S.A., Paris
28. Immobiliare Commerciale XX S.r.l., Turin
29. Immobiliare Commerciale XXII S.r.l., Turin
30. Immobiliare Commerciale XXVI S.r.l., Turin
31. Iniziative Sviluppo Immobiliare ISIM S.p.A., Turin
32. La Estrella Seguros de Retiro S.A., Buenos Aires
33. Luganova SA, Lugano
34. Nuova Tirrena S.p.A., Rome
35. PENSOR Cofonds, Aachen
36. PENSOR Pensionsfonds AG, Hamburg
37. Sarl Parcolog Lille Henin Beaumont 1, Paris
38. SC Generali Logistique (Generali logistique), Paris
39. SCI Parcolog Lille Henin Beaumont 2, Paris
40. Toro Assicurazioni S.p.A., Turin
41. Toro Targa Assicurazioni S.p.A., Turin
42. Volksfürsorge 3.Immobilien AG & Co. KG, Hamburg
43. Volksfürsorge 4.Immobilien AG & Co. KG, Hamburg

Change in the area of consolidation with respect to 2005

Company disposed of/wound up

1. ADMET/AC (AdvoCard) Verw.: AMGI, Aachen
2. AMB Beteiligungs-GmbH (incorporata in AMB Generali Holding AG), Aachen
3. Assitalia - Le Assicurazioni d'Italia S.p.A. (incorporata in Fata-Fondo Assicurativo tra Agricoltori S.p.A. che cambia nome in INA Assitalia S.p.A.), Rome
4. Foncière Burho S.A. (incorporata in La Fédération Continentale Vie S.A. che cambia nome in Generali Vie S.A.), Paris
5. Generali (Schweiz) Holding AG (incorporata in Albulu Verwaltungs- und Beteiligungs-AG che cambia nome in Generali (Schweiz) Holding AG), Adliswil
6. Generali Asset Management OHG (incorporata in Generali Beteiligungs-GmbH), Aachen
7. Generali Asset Management Support GmbH (incorporata in Generali Beteiligungs-GmbH), Aachen
8. Generali Assurances Vie S.A. (incorporata in La Fédération Continentale Vie S.A. che cambia nome in Generali Vie S.A.), Paris
9. Generali Group Services & Support GmbH (incorporata in Generali Beteiligungs-GmbH), Aachen
10. Generali Hypotheken B.V. (incorporata in Generali Levensverzekering Maatschappij N.V.), Amsterdam
11. Generali Osiguranje d.d. (incorporata in Libertas Osiguranje d.d. che cambia nome in Generali Osiguranje d.d.), Zagreb
12. Generali Vita S.p.A. (incorporata in Assicurazioni Generali S.p.A.), Trieste
13. Generali Zivotno Osiguranje d.d. (incorporata in Libertas Osiguranje d.d. che cambia nome in Generali Osiguranje d.d.), Zagreb
14. GLHMO (GenLoy) Verw.:AMGI, Aachen
15. GLL-Cofonds (GEL) Verw: CO, Aachen
16. GLVMO (GEV) Verw.:AMGI, Aachen
17. GPA-IARD S.A. (incorporata in Generali Assurance Iard S.A. che cambia nome in Generali Iard S.A.), Paris
18. GPA-Vie S.A. (incorporata in La Fédération Continentale Vie S.A. che cambia nome in Generali Vie S.A.), Paris
19. Guardian Vie S.A. (incorporata in La Fédération Continentale Vie S.A. che cambia nome in Generali Vie S.A.), Paris
20. Icare Services S.A. (incorporata in Icare S.A.), Boulogne Billancourt
21. INA Vita S.p.A. (incorporata in Fata-Fondo Assicurativo tra Agricoltori S.p.A. che cambia nome in INA Assitalia S.p.A.), Rome
22. Palinuro Consultadoria e Marketing Lda, Funchal
23. VOCO-Fonds II (VDL) Verw: CO, Aachen
24. Volksfürsorge Beteiligungen KG (incorporata in Volksfürsorge Deutsche Lebensversicherung AG), Hamburg
25. Volksfürsorge Pensionsfonds AG (incorporata in PENSOR Pensionsfonds AG), Hamburg

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
Assicurazioni Generali S.p.A.	086	EUR	1,277,764,376	G	1		0.02	Toro Targa Assicurazioni S.p.A.	0.69	100.00
							0.24	Toro Assicurazioni S.p.A.		
							0.01	Nuova Tirrena S.p.A.		
							0.01	Augusta Assicurazioni S.p.A.		
							0.41	Ina Assitalia S.p.A.		
Alleanza Assicurazioni S.p.A.	086	EUR	423,189,694	G	1	47.54			50.36	50.34
							1.65	Ina Assitalia S.p.A.		
							0.01	Flandria Participations Fin.		
							0.02	AachenMünchener Lebensvers.		
							0.78	Generali España Holding S.A.		
							0.01	Central Krankenversicherung AG		
							0.19	La Venezia Assicurazioni		
							0.12	Toro Assicurazioni S.p.A.		
							0.01	Intesa Vita S.p.A.		
							0.03	Volksfürsorge Deutsche Lebens.		
Genertel S.p.A.	086	EUR	23,000,000	G	1	100.00			100.00	100.00
UMS S.p.A.	086	EUR	15,993,180	G	1	99.90			99.90	99.90
Intesa Vita S.p.A.	086	EUR	394,226,300	G	1		50.00	Alleanza Assicurazioni S.p.A.	50.00	25.17
Risparmio Assicurazioni S.p.A.	086	EUR	5,175,152	G	1	100.00			100.00	100.00
Europ Assistance Italia S.p.A.	086	EUR	12,000,000	G	1	26.05			87.08	87.04
							61.03	Europ Assistance Holding S.A.		
Europ Assistance Service SpA	086	EUR	4,324,620	G	11		100.00	Europ Assistance Italia S.p.A.	100.00	87.04
Europ Assistance Trade S.p.A.	086	EUR	540,000	G	11		91.56	Europ Assistance Italia S.p.A.	100.00	87.04
							8.44	Europ Assistance Service SpA		
Europ Assistance Warranty SpA	086	EUR	2,590,000	G	1		100.00	Europ Assistance Trade S.p.A.	100.00	87.04
Generali Properties S.p.A.	086	EUR	357,686,860	G	10	52.07			100.00	76.20
							47.93	Alleanza Assicurazioni S.p.A.		
Prunus S.p.A.	086	EUR	11,610,000	G	10		100.00	Generali Properties S.p.A.	100.00	76.20
Immobiliare Diciannove S.p.A.	086	EUR	5,160,000	G	10		100.00	Generali Properties S.p.A.	100.00	76.20
Genagricola S.p.A.	086	EUR	108,350,000	G	11	100.00			100.00	100.00
Agricola San Giorgio S.p.A.	086	EUR	22,160,000	G	11		100.00	Alleanza Assicurazioni S.p.A.	100.00	50.34
Finagen S.p.A.	086	EUR	25,200,000	G	8		98.00	Alleanza Assicurazioni S.p.A.	100.00	50.39
							1.90	Alleanza Investment Public Ltd		
							0.10	Generali Investments Limited		
Banca Generali S.p.A.	086	EUR	111,313,176	G	7	60.39			60.39	60.39
Fondi Alleanza SGR S.p.A.	086	EUR	5,200,000	G	8		100.00	Alleanza Assicurazioni S.p.A.	100.00	50.34
Fondo Scarlatti	086	EUR	315,000,000	G	10		38.10	Generali Properties S.p.A.	100.00	76.20
							61.90	Prunus S.p.A.		
Generali Properties AM S.p.A.	086	EUR	780,000	G	11	100.00			100.00	100.00
GSI S.r.l.	086	EUR	13,600,000	G	11	34.00			100.00	83.61
							33.00	Ina Assitalia S.p.A.		
							33.00	Alleanza Assicurazioni S.p.A.		
Gruppo Generali Liquid. Danni	086	EUR	2,580,000	G	11				100.00	100.00
GSA S.r.l.	086	EUR	8,194,180	G	11				100.00	100.00
Toro Assicurazioni S.p.A.	086	EUR	184,173,606	G	1	98.44			98.44	98.44
Augusta Assicurazioni S.p.A.	086	EUR	26,000,000	G	1		100.00	Toro Assicurazioni S.p.A.	100.00	98.44
Augusta Vita S.p.A.	086	EUR	39,000,000	G	1		100.00	Augusta Assicurazioni S.p.A.	100.00	98.44
Nuova Tirrena S.p.A.	086	EUR	142,570,800	G	1	3.92			100.00	98.56
							3.96	Ina Assitalia S.p.A.		
							92.13	Toro Assicurazioni S.p.A.		
Toro Targa Assicurazioni S.p.A	086	EUR	31,452,000	G	1		99.11	Toro Assicurazioni S.p.A.	100.00	98.44

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
							0.89	Augusta Assicurazioni S.p.A.		
ISIM S.p.A.	086	EUR	113,900,000	G	10	100.00		Toro Assicurazioni S.p.A.	100.00	98.44
D.A.S. S.p.A.	086	EUR	2,800,000	G	1	50.01		Toro Assicurazioni S.p.A.	50.01	49.23
Immobiliare Commerciale XX	086	EUR	1,500,000	G	10	100.00		ISIM S.p.A.	100.00	98.44
Immobiliare Commerciale XXII	086	EUR	1,500,000	G	10	100.00		ISIM S.p.A.	100.00	98.44
Immobiliare Commerciale XXVI	086	EUR	1,500,000	G	10	100.00		ISIM S.p.A.	100.00	98.44
CST - Centro Servizi Toro Srl	086	EUR	8,010,000	G	11	99.99		Toro Assicurazioni S.p.A.	100.00	98.44
							0.01	Augusta Assicurazioni S.p.A.		
Banca BSI Italia S.p.A.	086	EUR	9,288,000	G	7	100.00		Banca Generali S.p.A.	100.00	60.39
BG SGR S.p.A.	086	EUR	6,475,000	G	8	100.00		Banca Generali S.p.A.	100.00	60.39
La Venezia Assicurazioni	086	EUR	95,200,000	G	1	100.00			100.00	100.00
Ina Assitalia	086	EUR	91,000,000	G	1	100.00			100.00	100.00
Fata Vita S.p.A.	086	EUR	5,200,000	a	1	100.00			100.00	100.00
Fata Assicurazioni Danni SpA	086	EUR	5,200,000	a	1	100.00			100.00	100.00
Inf - Società Agricola S.p.A.	086	EUR	15,480,000	G	11		100.00	Genagricola S.p.A.	100.00	100.00
Generali SGR S.p.A.	086	EUR	26,250,000	G	8	100.00			100.00	100.00
Generali Lloyd AG	094	EUR	30,190,195	G	4		85.15	AMB Generali Lloyd GmbH	100.00	88.01
							5.66	Genervest S.A.		
							5.70	Transocean Holding Corporation		
							3.49	Redoze Holding N.V.		
Dialog Lebensversicherungs AG	094	EUR	2,045,200	G	2	100.00		Generali Lloyd AG	100.00	88.01
Generali Lebensversicherung AG	094	EUR	15,995,509	G	2	93.79		Generali Lloyd AG	100.00	88.18
							1.42	Generali Beteiligungs-GmbH		
							4.79	Adriatica S.A.		
AMB Generali Holding AG	094	EUR	137,420,785	G	5	0.59	1.86	Alleanza Assicurazioni S.p.A.	85.05	84.11
							76.73	Generali Beteiligungs-GmbH		
							0.93	Generali Levensverz. Maatsch.		
							0.75	Generali Personenversicherung		
							0.93	La Estrella S.A.		
							0.93	Generali Belgium S.A.		
							0.19	Generali Assurances Générales		
							2.14	Vitalicio Torre Cerdà S.I.		
AachenMünchener Lebensvers.	094	EUR	71,269,998	G	2	100.00		AMB Generali Holding AG	100.00	84.11
AachenMünchener Versicherung	094	EUR	136,463,896	G	2	100.00		AMB Generali Holding AG	100.00	84.11
Volksfürsorge Deutsche Lebens.	094	EUR	124,053,300	G	2	100.00		Volksfürsorge Holding AG	100.00	84.11
Volksfürsorge Deutsche Sachv.	094	EUR	86,640,400	G	2	100.00		Volksfürsorge Holding AG	100.00	84.11
Volksfürsorge Krankenvers.	094	EUR	1,022,584	G	2	100.00		Central Krankenversicherung AG	100.00	84.11
Generali Versicherung AG (D)	094	EUR	86,190,241	G	2	75.70		AMB Generali Holding AG	100.00	85.06
							24.30	Generali Lloyd AG		
Central Krankenversicherung AG	094	EUR	34,017,984	G	2	100.00		AMB Generali Holding AG	100.00	84.11
Europ Assistance Versicherung	094	EUR	2,800,000	G	2	25.00		AMB Generali Holding AG	100.00	95.99
							75.00	Europ Assistance Holding S.A.		
Cosmos Lebensversicherungs AG	094	EUR	11,762,200	G	2	100.00		AMB Generali Holding AG	100.00	84.11
Cosmos Versicherung AG	094	EUR	9,205,200	G	2	100.00		AMB Generali Holding AG	100.00	84.11
ENVIAS Krankenversicherung AG	094	EUR	1,022,800	G	2	100.00		AMB Generali Holding AG	100.00	84.11
AdvoCard Rechtsschutzvers.	094	EUR	12,920,265	G	2	29.29		AachenMünchener Versicherung	100.00	84.75
							12.92	Generali Lloyd AG		
							43.54	Volksfürsorge Deutsche Sachv.		
							14.25	Generali Versicherung AG (D)		
Volksfürsorge Pensionskasse AG	094	EUR	50,000	G	2	100.00		Volksfürsorge Holding AG	100.00	84.11
AMB Generali Pensionskasse AG	094	EUR	7,500,000	G	2	100.00		AMB Generali Holding AG	100.00	84.11

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
Generali Beteiligungs-GmbH	094	EUR	1,005,000	G	4	100.00			100.00	100.00
ALLWO Allgemeine Wohnungsverm.	094	EUR	17,895,500	G	10		46.86	AachenMünchener Lebensvers.	100.00	84.11
							53.14	Volksfürsorge Deutsche Lebens.		
AMB Generali Private Equity	094	EUR	1,000,000	G	9		45.00	Volksfürsorge Deutsche Lebens.	100.00	84.76
							34.00	AachenMünchener Lebensvers.		
							5.00	AachenMünchener Versicherung		
							16.00	Generali Lebensversicherung AG		
AMB Generali Asset Manager KAG	094	EUR	9,050,000	G	8	100.00		AMB Generali Holding AG	100.00	84.11
PENSOR Pensionsfonds AG	094	EUR	5,100,000	G	2	100.00		Volksfürsorge Holding AG	100.00	84.11
Volksfürsorge Holding AG	094	EUR	136,149,200	G	4		100.00	AMB Generali Holding AG	100.00	84.11
AMB Generali Lloyd GmbH	094	EUR	754,000	G	4	11.41			100.00	85.92
							88.59	AMB Generali Holding AG		
AMCO Beteiligungs-GmbH	094	EUR	500,000	G	4	100.00		AMB Generali Holding AG	100.00	84.11
AM Erste Immobilien AG&Co. KG	094	EUR	97,162,805	G	10	100.00		AachenMünchener Lebensvers.	100.00	84.11
Central Erste Immobilien AG&KG	094	EUR	4,823,507	G	10	100.00		Central Krankenversicherung AG	100.00	84.11
Central Zweite Immobilien AGKG	094	EUR	12,371,997	G	10	100.00		Central Krankenversicherung AG	100.00	84.11
Deutsche Bausparkasse Badenia	094	EUR	40,560,000	G	7		68.70	AMB Generali Holding AG	100.00	84.11
							31.30	Volksfürsorge Deutsche Lebens.		
Volksfürsorge 1Immobilien AGKG	094	EUR	30,527,777	G	10	100.00		Volksfürsorge Deutsche Lebens.	100.00	84.11
Thuringia Generali 1Immobilien	094	EUR	25,276,756	G	10	100.00		Generali Lebensversicherung AG	100.00	88.18
Thuringia Generali 2Immobilien	094	EUR	29,158,271	G	10	100.00		Generali Lebensversicherung AG	100.00	88.18
AM Vers Erste Immobilien KG	094	EUR	31,691,486	G	10	100.00		AachenMünchener Versicherung	100.00	84.11
AM Sechste Immobilien AG KG	094	EUR	17,525,000	G	10	100.00		AachenMünchener Lebensvers.	100.00	84.11
DBB Vermögensverwaltung GmbHKG	094	EUR	100,000	G	10	100.00		Deutsche Bausparkasse Badenia	100.00	84.11
AMB Generali Informatik Serv.	094	EUR	15,000,000	G	11	100.00		AMB Generali Holding AG	100.00	84.11
Volksfürsorge 2Immobilien AGKG	094	EUR	25,457,503	G	10	100.00		Volksfürsorge Deutsche Lebens.	100.00	84.11
Volksfürsorge 3Immobilien AGKG	094	EUR	133,115,346	G	10	100.00		Volksfürsorge Deutsche Lebens.	100.00	84.11
Volksfürsorge 4Immobilien AGKG	094	EUR	43,688,798	G	10	100.00		Volksfürsorge Deutsche Lebens.	100.00	84.11
AAREC (Diverse) Verw.:AMGI	094	EUR	10,789,882	G	11		38.10	Volksfürsorge Deutsche Lebens.	100.00	84.81
							25.26	AachenMünchener Lebensvers.		
							9.13	Central Krankenversicherung AG		
							10.36	Cosmos Lebensversicherungs AG		
							17.15	Generali Lebensversicherung AG		
ALAO (AML) Verw.:AMGI	094	EUR	6,147,350	G	11	100.00		AachenMünchener Lebensvers.	100.00	84.11
CLAOT (CL) Verw.: AMGI	094	EUR	3,856,105	G	11	100.00		Cosmos Lebensversicherungs AG	100.00	84.11
GLLAOT(GEL) Verw.:AMGI	094	EUR	3,784,000	G	11	100.00		Generali Lebensversicherung AG	100.00	88.18
BARET (Badenia) Verw.: AMGI	094	EUR	227,894	G	11	100.00		Deutsche Bausparkasse Badenia	100.00	84.11
AVAOT (AMV) Verw.: AMGI	094	EUR	3,387,442	G	11		42.91	AachenMünchener Versicherung	100.00	84.43
							14.45	AdvoCard Rechtsschutzvers.		
							18.77	Volksfürsorge Deutsche Sachv.		
							23.86	Generali Versicherung AG (D)		
CEAOT/CWF (Central) Verw.:AMGI	094	EUR	3,964,125	G	11	100.00		Central Krankenversicherung AG	100.00	84.11
VLAOT (VDL) Verw.:AMGI	094	EUR	31,011,748	G	11	100.00		Volksfürsorge Deutsche Lebens.	100.00	84.11
GLLAE (GEL) Verw.:AMGI	094	EUR	4,494,263	G	11	100.00		Generali Lebensversicherung AG	100.00	88.18
AMEP-Cofonds (AMB) Verw: CO	094	EUR	3,171,316	G	11	100.00		AMB Generali Holding AG	100.00	84.11
AMLE-Cofonds (AML) Verw: CO	094	EUR	6,182,236	G	11	100.00		AachenMünchener Lebensvers.	100.00	84.11
GESACO (GEV) Verw.: CO	094	EUR	782,621	G	11	100.00		Generali Versicherung AG (D)	100.00	85.06
GELECO (GEL) Verw.: CO	094	EUR	5,395,036	G	11	100.00		Generali Lebensversicherung AG	100.00	88.18
VOCO-Fonds I (VDL) Verw: CO	094	EUR	9,084,649	G	11	100.00		Volksfürsorge Deutsche Lebens.	100.00	84.11
VOCO-Fonds III (VDL) Verw: CO	094	EUR	9,548,472	G	11	100.00		Volksfürsorge Deutsche Lebens.	100.00	84.11
NABUCO I (Badenia) Verw: CO	094	EUR	4,580,851	G	11	100.00		Deutsche Bausparkasse Badenia	100.00	84.11

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
ELCOFONDS (GEL) Verw: CO	094	EUR	4,375,616	G	11	100.00		Generali Lebensversicherung AG	100.00	88.18
AMB Generali Bond Europa Plus	094	EUR	2,358,507	G	11	0.07		AM Ges. betr. Altersversorgung	89.26	75.03
							0.20	ATLAS Dienstleistungen		
							0.90	AachenMünchener Versicherung		
							68.47	AachenMünchener Lebensvers.		
							8.06	Central Krankenversicherung AG		
							11.56	Volksfürsorge Deutsche Lebens.		
AMB Generali Bond Global	094	EUR	2,393,150	G	11	83.16		Volksfürsorge Deutsche Lebens.	97.95	82.38
						14.79		Cosmos Lebensversicherungs AG		
AMB Generali Aktien Global	094	EUR	714,271	G	11	29.50		Cosmos Lebensversicherungs AG	73.50	61.82
						44.00		Volksfürsorge Deutsche Lebens.		
GLI-Fonds OIK	094	EUR	2,801,690	G	11	16.17		Generali Versicherung AG (D)	100.00	91.81
							6.32	Dialog Lebensversicherungs AG		
							35.04	Generali Versicherung AG (A)		
							42.47	Generali Lebensversicherung AG		
Generali Grundstücksverwaltung	094	EUR	15,708,606	G	10	5.10		Generali Lebensversicherung AG	100.00	85.22
						94.90		Generali Versicherung AG (D)		
Vofü Fonds I Hamburgische KG	094	EUR	14,800,000	G	10	59.29		Volksfürsorge Holding AG	59.29	49.87
Grundstücksges. Stadtlagerhaus	094	EUR	38,960,874	G	10	50.00		Volksfürsorge Deutsche Sachv.	100.00	84.11
						50.00		Volksfürsorge Deutsche Lebens.		
Grdst.Einkaufsz.Schloss-Str.KG	094	EUR	18,800,000	G	10	85.11		Generali Lebensversicherung AG	85.11	75.05
AMB Generali Aktien Euroland	094	EUR	795,672	G	11	20.37		AachenMünchener Lebensvers.	60.86	51.19
						40.50		Volksfürsorge Deutsche Lebens.		
AM Life II USD Corp. Bond Fund	094	USD	1,046,720	G	11	100.00		Volksfürsorge Deutsche Lebens.	100.00	84.11
PENSOR Cofonds	094	EUR	40,076,568	G	11	100.00		PENSOR Pensionsfonds AG	100.00	84.11
AMB Generali Aktien Deutsch.	094	EUR	2,206,265	G	11	0.46		PENSOR Pensionsfonds AG	79.57	66.93
							79.07	Volksfürsorge Deutsche Lebens.		
							0.04	Generali Lebensversicherung AG		
GLL AMB Generali Prop. Fund I	094	EUR	41,800,000	G	11	19.11		Generali Lebensversicherung AG	100.00	84.89
							39.86	AachenMünchener Lebensvers.		
							41.03	Volksfürsorge Deutsche Lebens.		
GLL AMB Generali Prop. Fund II	094	EUR	45,800,000	G	11	39.06		Volksfürsorge Deutsche Lebens.	100.00	85.06
							37.64	AachenMünchener Lebensvers.		
							23.30	Generali Lebensversicherung AG		
GLL Properties Fund I LP	094	EUR	96,016,271	G	10	100.00		GLL AMB Generali Prop. Fund I	100.00	84.89
GLL Properties Fund II LP	094	EUR	33,365,800	G	11	100.00		GLL AMB Generali Prop. Fund II	100.00	85.06
GLL Properties 444 NM LP	094	EUR	41,841,970	G	10	100.00		GLL Properties Fund II LP	100.00	85.06
Icare S.A.	029	EUR	3,500,010	G	4	100.00		Europ Assistance Holding S.A.	100.00	99.95
Generali IARD S.A.	029	EUR	59,493,775	G	2	13.49		Generali Vie S.A.	100.00	99.97
							86.51	Assurance France Generali SA		
Generali Vie S.A.	029	EUR	285,863,360	G	2	98.47		Assurance France Generali SA	99.99	99.97
							1.52	Generali IARD S.A.		
L'Equité IARD S.A.	029	EUR	15,569,320	G	2	50.07		Generali IARD S.A.	99.98	99.95
							49.90	Assurance France Generali SA		
Européenne de Protection Jur.	029	EUR	2,610,000	G	2	99.99		Assurance France Generali SA	100.00	99.98
							0.01	Generali Vie S.A.		
							0.01	Generali IARD S.A.		
AM Prudence S.A.	029	EUR	6,342,777	G	2	100.00		Generali France S.A.	100.00	99.98
Prudence Vie	029	EUR	8,321,500	G	2	99.99		Generali Vie S.A.	99.99	99.96
GFA Caraïbes	029	EUR	5,742,000	G	2	100.00		Generali IARD S.A.	100.00	99.97
Prudence Creole	029	EUR	6,164,000	G	2	93.06		Generali IARD S.A.	93.08	93.06

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
							0.01	Generali France S.A.		
Europ Assistance France S.A.	029	EUR	2,464,320	G	2		100.00	Europ Assistance Holding S.A.	100.00	99.95
France Assurances S.A.	029	EUR	8,040,000	G	11		100.00	Generali Vie S.A.	100.00	99.97
Generali Finances S.A.	029	EUR	3,750,000	G	8		0.01	Generali Vie S.A.	100.00	99.97
							99.99	Assurance France Generali SA		
Generali France S.A.	029	EUR	113,897,495	G	4	67.29			99.98	99.98
							32.69	Part. Maat. Graafschap Holland		
Europ Assistance Holding S.A.	029	EUR	14,910,000	G	2		5.01	Part. Maat. Graafschap Holland	99.97	99.95
							9.36	Assurance France Generali SA		
							10.75	Generali Vie S.A.		
							53.73	Generali France S.A.		
							21.13	Generali IARD S.A.		
Suresnes Immobilier S.A.	029	EUR	40,000	G	10		100.00	Generali Vie S.A.	100.00	99.97
Generali Immobilier Conseil	029	EUR	250,000	G	10		0.16	Generali Vie S.A.	99.96	99.94
							99.76	Assurance France Generali SA		
							0.04	Generali IARD S.A.		
Assurance France Generali SA	029	EUR	1,038,510,560	G	5		100.00	Generali France S.A.	100.00	99.98
BSI Ifabanque S.A.	029	EUR	15,785,200	G	7		51.00	BSI S.A.	51.00	51.00
Expert & Finance S.A.	029	EUR	3,425,940	G	11		88.83	Generali Vie S.A.	88.83	88.80
OJH S.A.	029	EUR	13,774,974	G	11		100.00	Generali Vie S.A.	100.00	99.97
Generali Gestion S.A.	029	EUR	274,320	G	11		0.03	Generali France S.A.	99.92	99.89
							99.83	Generali Finances S.A.		
							0.06	Generali Vie S.A.		
Europ Assistance S.A.	029	EUR	23,601,857	G	2		100.00	Europ Assistance Holding S.A.	100.00	99.95
Foncière Hypersud S.A.	029	EUR	110,000,000	G	10		49.00	Generali Vie S.A.	49.00	48.99
Icare Assurance S.A.	029	EUR	1,276,416	G	2		100.00	Icare S.A.	100.00	99.95
Generali Reaumur S.A.	029	EUR	12,790,055	G	10		99.31	Generali Vie S.A.	99.31	99.31
Immob. St-Honoré les Feuillans	029	EUR	412,500	G	10		99.98	SCI du Coq	99.99	99.96
							0.01	Generali Vie S.A.		
SCI du 174 Rue de Rivoli	029	EUR	130,001	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI du 26/28 Rue Jacques Dulud	029	EUR	38,001,520	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI du 54 Avenue Hoche	029	EUR	100	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI des 5 et 7 Rue Drouot	029	EUR	201,010	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI des 52&52 bd St. Jacques	029	EUR	164,001	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI Continent Pierre	029	EUR	103,173	G	10		38.15	Generali Vie S.A.	99.90	99.88
							60.63	SCI Continent Wagram		
							1.11	Generali IARD S.A.		
SCI Continent Pyramides	029	EUR	603,600	G	10		67.88	Generali IARD S.A.	100.00	99.98
							32.12	SCI Continent Wagram		
SCI Continent Wagram	029	EUR	284,147	G	10		100.00	Generali IARD S.A.	100.00	99.97
SCI des 48et50 BD Batignolles	029	EUR	15,200,000	G	10		100.00	Generali IARD S.A.	100.00	99.98
SCI du 24 Rue de Mogador	029	EUR	539,700	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI du 29 Rue de Poissonniers	029	EUR	13,500	G	10		0.01	Generali Vie S.A.	100.00	99.97
							99.99	SCI du Coq		
SCI du Coq	029	EUR	5,256,195	G	10		99.19	Generali Vie S.A.	100.00	99.97
							0.81	Generali IARD S.A.		
SCI Espace Seine-Generali	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI GPA Pierre	029	EUR	5,100,000	G	10		98.80	Generali Vie S.A.	100.00	99.97
							1.20	Generali IARD S.A.		
SCI Haussmann 50-Generali	029	EUR	43,450	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI Lagny Cuvier-Generali	029	EUR	1,000	G	10		99.90	Generali Vie S.A.	100.00	99.97

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
							0.10	Generali IARD S.A.		
SCI Landy-Novatis	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.97
Generali Habitat SCpl	029	EUR	15,241,905	G	10		81.96	Generali Vie S.A.	81.96	81.94
Rocher Pierre SCpl	029	EUR	35,401,086	G	10		48.52	Generali Vie S.A.	48.52	48.51
SCI Lagny 68-70-Generali	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI Landy-Wilo	029	EUR	1,000	G	10		99.90	Generali Vie S.A.	100.00	99.97
							0.10	Generali IARD S.A.		
SCI Generali Le Jade	029	EUR	100	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI du 2/4 BD Haussmann	029	EUR	2,000	G	10		99.95	Generali Vie S.A.	100.00	99.97
							0.05	Generali IARD S.A.		
GIE Achat Logistique	029	EUR	n.a.	G	11		100.00	Assurance France Generali SA	100.00	99.98
Generali Belle Feuille	029	EUR	593,332	G	10		100.00	Generali Vie S.A.	100.00	99.97
Generali Optima Sarl	029	EUR	2,233,605	G	10		100.00	Generali Vie S.A.	100.00	99.97
Mt Musala SAS	029	EUR	1,405,890	G	10		100.00	Generali Vie S.A.	100.00	99.97
Mt Tenibre SAS	029	EUR	1,154,896	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI Generali Le Mondial	029	EUR	10,658,167	G	10		100.00	Generali Vie S.A.	100.00	99.97
SCI Generali Daumesnil	029	EUR	33,722,760	G	10		55.00	SCI GPA Pierre	100.00	99.97
							45.00	Generali IARD S.A.		
SCI Generali Le Franklin	029	EUR	5,443,548	G	10		0.43	Mt Musala SAS	100.00	99.97
							99.57	Generali Vie S.A.		
SCI GPA Commerce 1	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00	99.98
SCI GPA Commerce 2	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00	99.98
SC Generali Logistique	029	EUR	1,000	G	10		99.00	Generali Vie S.A.	100.00	99.97
							1.00	Prudence Vie		
Parcolog Lille Henin Beaumont1	029	EUR	1,130,000	G	10		100.00	SC Generali Logistique	100.00	99.97
Parcolog Lille Henin Beaumont2	029	EUR	1,930,000	G	10		0.01	SC Generali Logistique	100.00	99.97
							99.99	Parcolog Lille Henin Beaumont1		
Generali Rückversicherung AG	008	EUR	8,833,000	G	5	100.00			100.00	100.00
Generali Holding Vienna AG	008	EUR	63,732,464	G	5		0.08	Generali Worldwide Insurance	100.00	100.00
							29.32	Generali Rückversicherung AG		
							2.66	Generali IARD S.A.		
							29.77	Part. Maat. Graafschap Holland		
							37.81	Transocean Holding Corporation		
							0.35	Generali Assurances Générales		
Europäische Reiseversicherungs	008	EUR	730,000	G	2		74.99	Generali Holding Vienna AG	74.99	74.99
Generali Versicherung AG (A)	008	EUR	27,338,520	G	2		92.19	Generali Holding Vienna AG	100.00	100.00
							7.81	Generali Rückversicherung AG		
Allgemeine Immobilien Verw. KG	008	EUR	17,441,480	G	10		100.00	Generali Versicherung AG (A)	100.00	100.00
Generali Capital Management	008	EUR	150,000	G	8		75.01	Generali Holding Vienna AG	100.00	96.03
							24.99	AMB Generali Holding AG		
Generali IT-Solutions GmbH	008	EUR	35,000	G	11		24.97	AMB Generali Informatik Serv.	100.00	96.03
							75.03	Generali Holding Vienna AG		
Generali Immobilien AG	008	EUR	72,673	G	10		100.00	Generali Versicherung AG (A)	100.00	100.00
CA Global Property Int. Imm.AG	008	EUR	155,000,000	G	10		67.74	Generali Versicherung AG (A)	67.74	67.74
Erste Wiener Hotel AG	008	EUR	3,633,500	G	10		99.94	Generali Versicherung AG (A)	99.94	99.94
Generali VIS Informatik GmbH	008	EUR	35,000	G	11		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Pensionskasse AG	008	EUR	300,000	G	2		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Bank AG	008	EUR	18,000,000	G	7		21.43	Generali Versicherung AG (A)	100.00	100.00
							78.57	Generali Holding Vienna AG		
Generali Leasing GmbH	008	EUR	730,000	G	11		75.00	Generali Bank AG	75.00	75.00
Mondomix	008	EUR	396,296	G	11		0.71	Generali Pensionskasse AG	98.11	98.11

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
Akzent	008	EUR	1,228	G	11		97.40	Generali Versicherung AG (A)		
							80.05	Generali Versicherung AG (A)	100.00	100.00
							1.63	Generali Pensionskasse AG		
							18.32	Generali Holding Vienna AG		
GLStock-Fonds	008	EUR	4,040	G	11		100.00	Generali Versicherung AG (A)	100.00	100.00
GSStock-Fonds	008	EUR	1,682	G	11		100.00	Generali Versicherung AG (A)	100.00	100.00
GLBond Spezialfonds	008	EUR	9,330	G	11		97.86	Generali Versicherung AG (A)	100.00	100.00
							2.14	Generali Pensionskasse AG		
GSBond Spezialfonds	008	EUR	3,650	G	11		100.00	Generali Versicherung AG (A)	100.00	100.00
GEN4A Spezialfonds	008	EUR	55,500	G	11		100.00	Generali Versicherung AG (A)	100.00	100.00
CEE Liquid	008	EUR	73,861	G	11		89.36	Generali Versicherung AG (A)	100.00	100.00
							3.05	Generali Pensionskasse AG		
							7.60	Generali Pojistovna a.s.		
Banco Vitalicio de España	067	EUR	26,090,262	G	2		9.61	Hermes S.L.	99.93	99.92
							90.32	Generali España Holding S.A.		
La Estrella S.A.	067	EUR	31,356,741	G	2		99.83	Generali España Holding S.A.	99.83	99.83
Cajamar Vida S.A.	067	EUR	9,015,200	G	2		50.00	Generali España Holding S.A.	50.00	50.00
Europ Assistance España S.A.	067	EUR	3,612,000	G	2		5.00	Banco Vitalicio de España	100.00	99.95
							95.00	Europ Assistance Holding S.A.		
Generali España Holding S.A.	067	EUR	563,490,658	G	4	100.00			100.00	100.00
Hermes S.L.	067	EUR	24,933,093	G	10		100.00	La Estrella S.A.	100.00	99.83
Vitalicio Torre Cerdà S.I.	067	EUR	1,112,880	G	10		9.34	Generali España AIE	100.00	99.91
							90.66	Banco Vitalicio de España		
Generali España AIE	067	EUR	214	G	11		68.19	Banco Vitalicio de España	100.00	99.89
							0.01	Generali España Holding S.A.		
							31.80	La Estrella S.A.		
Europ Assistance Insurance Ltd	031	GBP	21,000,000	G	2		100.00	Europ Assistance Holdings Ltd	100.00	99.95
Europ Assistance Holdings Ltd	031	GBP	19,600,000	G	4		100.00	Europ Assistance Holding S.A.	100.00	99.95
Generali Belgium S.A.	009	EUR	40,000,000	G	2	32.29			99.99	99.92
							3.80	Flandria Participations Fin.		
							25.19	Part. Maat. Graafschap Holland		
							5.34	Genass-Invest S.A.		
							33.37	Genervest S.A.		
Europ Assistance Belgium S.A.	009	EUR	6,012,000	G	2		100.00	Europ Assistance Holding S.A.	100.00	99.95
GEPAFI - Generali Part. Fin.	009	EUR	1,230,000	G	4		100.00	Generali Lloyd AG	100.00	88.01
Adriatica S.A.	009	EUR	1,150,000	G	4		100.00	GEPAFI - Generali Part. Fin.	100.00	88.01
Flandria Participations Fin.	009	EUR	49,710,000	G	4	100.00			100.00	100.00
Genervest S.A.	009	EUR	2,810,000	G	4	64.96			100.00	100.00
							35.04	Part. Maat. Graafschap Holland		
Genass-Invest S.A.	009	EUR	34,235,504	G	4		26.50	Generali Levensverz. Maatsch.	100.00	98.55
							25.00	Beleggingsmaat. de Grachten		
							48.50	Beleggingsmaat. Nedasinvest BV		
Generali Belgium Invest S.A.	009	EUR	9,300,000	G	10		100.00	Generali Belgium S.A.	100.00	99.91
Generali Levensverz. Maatsch.	050	EUR	2,268,901	G	2		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Generali Schadeverz. Maatsch.	050	EUR	1,361,341	G	2		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Part. Maat. Graafschap Holland	050	EUR	612,182,110	G	4	100.00			100.00	100.00
Generali Verzekeringsgroep NV	050	EUR	5,545,103	G	4	12.77			98.55	98.55
							18.17	BV Algemene Holding en Financ.		
							36.46	Part. Maat. Graafschap Holland		
							31.17	Transocean Holding Corporation		
BV Algemene Holding en Financ.	050	EUR	4,696,625	G	4		100.00	Generali Holding Vienna AG	100.00	100.00

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
Beleggingsmaat. de Grachten	050	EUR	2,722,681	G	4		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Beleggingsmaat. Nedasinvest BV	050	EUR	14,520,967	G	4		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Participatie Maat. Transhol	050	EUR	1,633,609	G	4		100.00	Transocean Holding Corporation	100.00	100.00
Generali Finance B.V.	050	EUR	100,000,000	G	4	100.00			100.00	100.00
Redoze Holding N.V.	050	EUR	22,689,011	G	4	6.02			100.00	100.00
							50.01	Generali Worldwide Insurance		
							43.97	Transocean Holding Corporation		
Generali Asia N.V.	050	EUR	110,000	G	4		60.00	Part. Maat. Graafschap Holland	60.00	60.00
Generali Kent B.V.	050	EUR	21,000	G	4		80.00	Part. Maat. Graafschap Holland	80.00	80.00
Generali Vastgoed B.V.	050	EUR	18,151	G	10		100.00	Generali Levensverz. Maatsch.	100.00	98.55
Generali Real Estate Inv. B.V.	050	EUR	50,000,000	G	10		100.00	Generali Vastgoed B.V.	100.00	98.55
Generali Beleggingsfondsen N.V.	050	EUR	495,010	G	9		100.00	Generali Levensverz. Maatsch.	100.00	98.55
Generali PanEurope Limited	040	EUR	634,500	G	2		100.00	Generali Worldwide Insurance	100.00	100.00
Alleanza Investment Public Ltd	040	EUR	40,000	G	8		0.03	Finagen S.p.A.	99.98	50.35
							0.03	Agricola San Giorgio S.p.A.		
							99.85	Alleanza Assicurazioni S.p.A.		
							0.03	La Venezia Assicurazioni		
							0.03	Intesa Vita S.p.A.		
							0.03	Generali Investments Limited		
Generali Investments Limited	040	EUR	30,000,000	G	4	100.00			100.00	100.00
Genirland Limited	040	EUR	6,660,000	G	9		100.00	Part. Maat. Graafschap Holland	100.00	100.00
Generali Life A.E.	032	EUR	8,790,000	G	2	99.97			100.00	100.00
							0.03	Generali Hellas A.E.A.Z.		
Generali Hellas A.E.A.Z.	032	EUR	13,527,415	G	2	99.22			100.00	100.00
							0.78	Generali Life A.E.		
Generali Luxembourg S.A.	092	EUR	7,500,000	G	2		99.00	Generali Belgium S.A.	100.00	99.92
							1.00	Generali Belgium Invest S.A.		
Europ Assistance (Luxembourg)	092	EUR	380,000	G	2		51.00	Europ Assistance Holding S.A.	51.00	50.97
Generali Vida de Seguros S.A.	055	EUR	9,000,000	G	2	99.99			99.99	99.99
Europ Assistance Portugal	055	EUR	5,000,000	G	2		53.00	Europ Assistance Holding S.A.	53.00	52.97
Generali-Providencia Biztosító	077	HUF	4,500,000,000	G	2		100.00	Generali Holding Vienna AG	100.00	100.00
Europai Utazasi Biztosító R.t.	077	HUF	400,000,000	G	2		13.00	Europäische Reiseversicherungs	74.00	70.75
							33.00	Generali Befektetési és Tanács.		
							28.00	Generali-Providencia Biztosító		
Generali Befektetési és Tanács.	077	HUF	323,374,765	G	4		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Eпитö-és Tervező	077	HUF	4,046,788,320	G	10		99.00	Generali-Providencia Biztosító	100.00	100.00
							1.00	Generali Ingatlan Kft		
Generali Towarzystwo Ubezpiec.	054	PLN	190,210,000	G	2		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Zycie S.A.	054	PLN	61,000,000	G	2		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Finance Sp. z o.o.	054	PLN	22,050,000	G	8		100.00	Generali PTE S.A.	100.00	100.00
Generali PTE S.A.	054	PLN	145,500,000	G	2		3.44	Generali Holding Vienna AG	100.00	100.00
							96.56	Generali Towarzystwo Ubezpiec.		
Generali Pojistovna a.s.	275	CZK	500,000,000	G	2		100.00	Generali Holding Vienna AG	100.00	100.00
PCS Praha Center Ssro	275	CZK	396,206,000	G	10		100.00	CA Global Property Int. Imm.AG	100.00	67.74
Generali Poistovna a.s.	276	SKK	566,000,000	G	2		100.00	Generali Holding Vienna AG	100.00	100.00
Generali Zavarovalnica dd	260	SIT	7,613,440,000	G	2		52.85	Generali Holding Vienna AG	99.84	99.84
							46.98	Generali Versicherung AG (A)		
Generali Garant Life Ins. JSC	263	UAH	10,200,000	G	3		15.15	Generali Garant Insurance JSC	51.00	43.58
							35.85	Generali Holding Vienna AG		
Generali Garant Insurance JSC	263	UAH	30,172,020	G	3		51.00	Generali Holding Vienna AG	51.00	51.00
Delta Generali Osiguranje a.d.	265	CSD	805,857,400	G	3		50.02	Generali Holding Vienna AG	50.02	50.02

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
Delta Generali RE a.d.	265	CSD	439,157,720	G	6		99.99	Delta Generali Osiguranje a.d.	99.99	50.02
Generali Bulgaria Holding AD	012	BGN	32,000,000	G	4		86.41	Generali Holding Vienna AG	86.41	86.40
Generali Insurance AD	012	BGN	15,000,000	G	2		99.87	Generali Bulgaria Holding AD	99.87	86.29
Generali Insurance Life AD	012	BGN	6,000,000	G	2		99.49	Generali Bulgaria Holding AD	99.49	85.96
Generali Zakrila Health-Insur.	012	BGN	4,000,000	G	2		88.68	Generali Bulgaria Holding AD	88.68	76.62
BSI SAM Internat. Private Bank	091	EUR	10,000,000	G	7		100.00	BSI S.A.	100.00	100.00
Generali Assurances Générales	071	CHF	27,342,400	G	3		99.92	Generali (Schweiz) Holding AG	99.92	99.92
Generali Personenversicherung	071	CHF	65,845,870	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Fortuna Rechtsschutz-Vers.	071	CHF	2,000,000	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Europ Assistance (CH) Assur.	071	CHF	1,200,000	G	3		100.00	Europ Assistance (CH) Holding	100.00	75.96
Europ Assistance (CH) Holding	071	CHF	1,400,000	G	4		75.00	Europ Assistance Holding S.A.	76.00	75.96
							1.00	Generali (Schweiz) Holding AG		
Generali (Schweiz) Holding AG	071	CHF	3,053,500	G	4	58.95			100.00	100.00
							41.05	Redoze Holding N.V.		
Fortuna Investment AG	071	CHF	1,000,000	G	8		100.00	Generali (Schweiz) Holding AG	100.00	100.00
BSI S.A.	071	CHF	440,000,000	G	7		100.00	Part. Maat. Graafschap Holland	100.00	100.00
Luganova SA	071	CHF	3,000,000	G	10		100.00	BSI S.A.	100.00	100.00
Generali Investment Consulting	071	CHF	100,000	G	11		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Banca Unione di Credito Cayman	211	CHF	10,000,000	G	7		100.00	BSI S.A.	100.00	100.00
Generali Worldwide Insurance	201	EUR	86,733,396	G	3		100.00	Part. Maat. Graafschap Holland	100.00	100.00
Generali International Ltd	201	EUR	13,938,000	G	3		100.00	Generali Worldwide Insurance	100.00	100.00
BSI Generali Bank (C) Ltd	201	GBP	17,000,000	G	7		10.00	Generali Worldwide Insurance	100.00	100.00
							90.00	BSI S.A.		
Fortuna Lebens-Versicherung AG	090	CHF	10,000,000	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Fortuna Investment AG, Vaduz	090	CHF	1,000,000	G	11		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Generali Asigurari S.A.	061	RON	50,000,000	G	3		83.57	Generali Holding Vienna AG	83.57	83.56
Generali Sigorta A.S.	076	TRY	2,300,000	G	3		97.37	Generali Kent B.V.	97.37	77.89
Generali Osiguranje d.d.	261	HRK	81,000,000	G	3		100.00	Generali Holding Vienna AG	100.00	100.00
Generali USA Life Reassurance	069	USD	10,000,000	G	6		100.00	Generali U.S. Holdings Inc.	100.00	100.00
Transocean Holding Corporation	069	USD	53,000,000	G	4	100.00			100.00	100.00
Generali U.S. Holdings Inc.	069	USD	750,100	G	4	100.00			100.00	100.00
Generali Corporate S.A.	006	ARS	5,700,000	G	3	100.00			100.00	100.00
Caja de Seguros S.A.	006	ARS	129,300,000	G	3		99.00	Caja de Ahorro y Seguro S.A.	99.00	47.02
La Caja de Seguros de Retiro	006	ARS	2,656,000	G	3		5.00	Caja de Ahorro y Seguro S.A.	100.00	47.05
							95.00	Caja de Seguros S.A.		
La Estrella Seguros de Retiro	006	ARS	29,236,316	G	3		50.00	Caja de Seguros S.A.	50.00	23.51
Caja de Ahorro y Seguro S.A.	006	ARS	143,575,000	G	4	47.50			47.50	47.50
Generali do Brasil	011	BRL	119,930,843	G	3	1.82			99.98	99.98
							72.58	Transocean do Brasil Part.		
							25.57	GENPAR Emprend. e Partec. S.A.		
Transocean do Brasil Part.	011	BRL	54,307,416	G	4	99.99			100.00	100.00
							0.01	Transocean Holding Corporation		
GENPAR Emprend. e Partec. S.A.	011	BRL	19,233,335	G	4		99.99	Transocean Holding Corporation	100.00	100.00
							0.01	Transocean do Brasil Part.		
Generali Colombia Vida S.A.	017	COP	4,199,989,500	G	3	15.38			99.81	90.44
							68.28	Generali Colombia S.A.		
							16.16	Transocean Holding Corporation		
Generali Colombia S.A.	017	COP	14,699,945,400	G	3	81.83			86.28	86.28
							4.44	Transocean Holding Corporation		
Generali Ecuador S.A.	024	USD	2,130,000	G	3	51.74			51.74	51.74
Migdal Insurance Co. Ltd	182	ILS	174,094,385	G	3		100.00	Migdal Insurance&Fin. Holding	100.00	69.79

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding %				Group equity ratio % (3)
						Direct	Indirect	Through	Total	
Hamagen Insurance Co. Ltd	182	ILS	80,936,000	G	3		100.00	Migdal Insurance Co. Ltd	100.00	69.79
Migdal Insurance&Fin. Holding	182	ILS	10,417,884	G	4	0.98			69.79	69.79
							25.96	Participatie Maat. Transhol		
							42.85	Part. Maat. Graafschap Holland		
Migdal Eshkol Finansim B.M.	182	ILS	485,057	G	9		100.00	Migdal Insurance Co. Ltd	100.00	69.79
Aseguradora General S.A.	033	GTQ	72,000,000	G	3	51.00			51.00	51.00
Seguros Banorte Generali SA CV	046	MXN	381,314,200	G	3		21.85	Flandria Participations Fin.	49.00	49.00
							5.31	Transocean Holding Corporation		
							21.85	Part. Maat. Graafschap Holland		
Pensiones Banorte Generali S.A	046	MXN	112,400,000	G	3		24.50	Part. Maat. Graafschap Holland	49.00	49.00
							24.50	Flandria Participations Fin.		
Solida Banorte Generali Afore	046	MXN	297,000,000	G	3		24.50	Flandria Participations Fin.	49.00	49.00
							24.50	Part. Maat. Graafschap Holland		
BSI Overseas (Bahamas) Ltd	271	USD	10,000,000	G	8		100.00	BSI S.A.	100.00	100.00
Generali Pilipinas Life Ass.	027	PHP	250,000,000	G	3		100.00	Generali Pilipinas Holding	100.00	36.00
Generali Pilipinas Insurance	027	PHP	250,000,000	G	3		100.00	Generali Pilipinas Holding	100.00	36.00
Generali Pilipinas Holding	027	PHP	100,000,000	G	4		60.00	Generali Asia N.V.	60.00	36.00
Generali Assurance (Thailand)	072	THB	1,000,000,000	G	3		25.00	Generali Asia N.V.	75.00	32.43
							50.00	KAG Holding Co. Ltd		
Generali Insurance (Thailand)	072	THB	600,000,000	G	3		50.00	KAG Holding Co. Ltd	75.00	32.43
							25.00	Generali Asia N.V.		
IWF Holding Co. Ltd	072	THB	2,100,000	G	4		58.10	Generali Asia N.V.	58.10	34.86
KAG Holding Co. Ltd	072	THB	800,000,000	G	4		100.00	IWF Holding Co. Ltd	100.00	34.86
Generali China Life Insurance	016	CNY	1,300,000,000	G	3	50.00			50.00	50.00
Generali Reassurance (Bermuda)	207	USD	250,000	G	6		100.00	Generali U.S. Holdings Inc.	100.00	100.00

The percentage of consolidation in each subsidiaries consolidated line by line is 100,00%

n.a.: not applicable

(1) Consolidation method: Line-by-line consolidation method=G; Proportionate consolidation method=P; Line-by-line consolidation method arising from joint management=U

(2) 1=Italian insurance companies; 2=EU insurance companies; 3=non EU insurance companies; 4=insurance holding companies; 5=EU reinsurance companies; 6=non EU reinsurance companies; 7=banks; 8=asset management companies; 10=real estate companies; 11=other

(3) Net Group participation percentage

The total percentage of votes exercitable at shareholders' general meeting, which differs from that of direct or indirect shareholding, is as follows:

Intesa Vita 55.56%

Generali Verzekeringsgroep NV 98.56%

IWF Holding Co. Ltd 100.00%

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
Icare Servizi S.p.A.	086	EUR	10,500	a	11		100.00	Icare S.A.	100.00	99.94	32
Europ Assistance Vai S.r.l.	086	EUR	464,400	a	11		49.89	Europ Assistance Service SpA	99.78	86.85	1,593
							49.89	Europ Assistance Trade S.p.A.			
Phone Business Service S.r.l.	086	EUR	10,000	a	11		100.00	Europ Assistance Service SpA	100.00	87.05	10
Generali Horizon S.p.A.	086	EUR	15,520,000	a	9	100.00			100.00	100.00	15,520
Perseo S.p.A.	086	EUR	122,000,000	b	9	24.60			24.60	24.60	30,012
A7 S.r.l.(**)	086	EUR	200,000	c	10	20.50			40.10	30.37	2,364
							19.60	Alleanza Assicurazioni S.p.A.			
Dolphin Investments S.A.p.A.	086	EUR	428,500	b	9		23.34	Generali Horizon S.p.A.	23.34	23.34	0
EU-RA Europe Rating S.p.A.	086	EUR	200,000	b	9		20.00	Banca Generali S.p.A.	20.00	12.11	34
Assittim S.r.l.	086	EUR	10,000	a	10	1.00			100.00	76.43	10
							99.00	Generali Properties S.p.A.			
Initium S.r.l. (**)	086	EUR	250,000	b	10		49.00	Generali Properties S.p.A.	49.00	37.34	6,772
Heracles Immobiliare S.r.l.	086	EUR	1,200,000	a	10		100.00	Generali Properties S.p.A.	100.00	76.20	22,219
CityLife S.r.l.	086	EUR	3,010,000	b	10		26.67	Generali Properties S.p.A.	26.67	20.32	35,254
Continuum S.r.l. (**)	086	EUR	9,263,466	b	10		40.00	Generali Properties S.p.A.	40.00	30.48	3,857
Sementi Ross S.r.l.	086	EUR	102,800	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	0
Il Pino S.r.l.	086	EUR	15,000	a	11		100.00	Genagricola S.p.A.	100.00	100.00	7,266
Sementi Dom Dotto S.p.A.	086	EUR	683,076	a	11		100.00	Genagricola S.p.A.	100.00	100.00	1,460
Enofila S.r.l.	086	EUR	2,972,000	a	11	100.00			100.00	100.00	2,972
Il Gelso - Società Agricola	086	EUR	20,000	a	11		100.00	Enofila S.r.l.	100.00	100.00	0
Casaleto S.r.l.	086	EUR	1,976,000	a	11		100.00	Genagricola S.p.A.	100.00	100.00	1,976
Il Tiglio - Società Agricola	086	EUR	20,000	a	11		100.00	Enofila S.r.l.	100.00	100.00	0
S. Alessandro Fiduciaria SpA	086	EUR	100,000	a	11		100.00	Banca Generali S.p.A.	100.00	60.55	105
Ippocastano - Società Agricola	086	EUR	20,000	a	11		100.00	Enofila S.r.l.	100.00	100.00	0
Natalia S.r.l.	086	EUR	90,000	a	11		100.00	Agricola San Giorgio S.p.A.	100.00	50.34	4,684
Intesa Previdenza SIM S.p.A.	086	EUR	15,300,000	b	8	21.47			21.47	21.47	3,947
Servizi Tecnologici Avanzati	086	EUR	102,000	b	11	25.00			25.00	25.00	0
EOS Servizi Fiduciari SpA	086	EUR	400,000	a	11		100.00	BSI S.A.	100.00	100.00	526
Torcello S.r.l.	086	EUR	10,400	a	11		100.00	La Venezia Assicurazioni	100.00	100.00	12
Tiberina S.r.l.	086	EUR	20,000	a	11		100.00	Ina Assitalia S.p.A.	100.00	100.00	20
Jupiter 12 S.r.l.	086	EUR	12,000	a	10		100.00	Fata Assicurazioni Danni SpA	100.00	100.00	3,716
T Assicura S.p.A.	086	EUR	20,000,000	a	1		100.00	Toro Assicurazioni S.p.A.	100.00	98.44	23,580
AEON Trust Soc. Italiana Trust	086	EUR	100,000	a	11		100.00	BSI S.A.	100.00	100.00	0
BG Fiduciaria Sim S.p.A.	086	EUR	5,200,000	a	8		100.00	Banca Generali S.p.A.	100.00	60.39	12,357
CGM Italia SIM S.p.A.	086	EUR	500,000	b	11		20.00	BSI S.A.	20.00	20.00	0
Generali Property Invest. SGR	086	EUR	5,000,000	a	8		100.00	Gen Inv S.p.A.	100.00	100.00	0
Gen Inv S.p.A.	086	EUR	7,000,000	a	9	100.00			100.00	100.00	7,000
Solaris S.r.l. (**)	086	EUR	20,000	b	10		40.00	Generali Properties S.p.A.	40.00	30.48	4,613
SIMGENIA S.p.A. SIM	086	EUR	5,200,000	a	8		100.00	Banca Generali S.p.A.	100.00	60.55	5,350
G.I.A. SGR p.A.	086	EUR	5,200,000	a	8		20.00	BSI S.A.	90.00	90.00	5,399
							70.00	Generali SGR S.p.A.			
Intouch S.r.l.	086	EUR	10,200	a	11		55.00	Europ Assistance Service SpA	55.00	47.88	1,561
Agorà Investimenti S.p.A.	086	EUR	109,200	b	9	50.00			50.00	50.00	14,252
Cestar S.r.l.	086	EUR	2,040,000	b	11	6.76			21.33	21.22	155
							0.07	Risparmio Assicurazioni S.p.A.			
							4.04	Nuova Tirrena S.p.A.			
							3.48	Toro Assicurazioni S.p.A.			
							6.24	Ina Assitalia S.p.A.			
							0.73	Fata Assicurazioni Danni SpA			
Consorzio Ag.Gen.Ina-Assitalia	086	EUR	52,122	a	11		99.00	Ina Assitalia S.p.A.	100.00	100.00	1

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
1.00 Gruppo Generali Liquid. Danni											
GEA-Gestioni Assicurative Srl	086	EUR	59,060	a	11	10.87			100.00	100.00	76
89.13 Ina Assitalia S.p.A.											
Ente Teatrale Italiano	086	EUR	61,975	b	11	33.33			33.33	33.33	0
Schloss-Strassen-Center Berlin	094	EUR	25,000	a	10		85.20	AMB Generali Immobilien GmbH	85.20	71.66	
EA Service GmbH	094	EUR	25,565	a	11		100.00	Europ Assistance Versicherung	100.00	95.99	250
BBG Beteiligungsges.	094	EUR	25,600	a	9		100.00	Generali Lloyd AG	100.00	88.01	51
Lloyd Immobilien GmbH	094	EUR	204,600	a	10		100.00	Generali Lloyd AG	100.00	88.01	1,059
DBS Eigenheimbau GmbH	094	EUR	255,646	a	10		100.00	Deutsche Bausparkasse Badenia	100.00	84.11	0
COMMERZ PARTNER GmbH	094	EUR	250,000	b	11		9.40	Deutsche Bausparkasse Badenia	50.00	42.05	1,925
40.60 Volksfürsorge Deutsche Lebens.											
GLL GmbH & Co. Retail KG	094	EUR	350,000,000	b	11	6.00			28.86	25.34	12,100
5.71 Volksfürsorge Deutsche Lebens.											
5.71 AachenMünchener Lebensvers.											
8.57 Central Krankenversicherung AG											
2.86 Generali Lebensversicherung AG											
GLL Real Estate Partners GmbH	094	EUR	1,000,000	b	10		49.50	Flandria Participations Fin.	49.50	49.50	9,008
Zweite AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Versicherung	100.00	84.11	25
G.&G. Lüder Versicherungsmakl.	094	EUR	153,388	b	11		50.00	Generali Versicherung AG (D)	50.00	42.53	0
Generali Seminarzentrum GmbH	094	EUR	25,600	a	11		100.00	Generali Versicherung AG (D)	100.00	85.06	0
Generali Employee Benefits	094	EUR	61,400	a	11		100.00	AMB Generali Holding AG	100.00	84.11	308
Versicherungs-Planer-Vermittl.	094	EUR	25,600	a	11		100.00	Generali Lebensversicherung AG	100.00	88.18	20
IV Verwaltungsges.für Vers.	094	EUR	25,600	a	11		100.00	Generali Lloyd AG	100.00	88.01	26
Walter Sohn GmbH	094	EUR	25,600	a	11		100.00	Generali Lloyd AG	100.00	88.01	205
Deutscher Lloyd GmbH	094	EUR	30,700	a	11		100.00	Generali Lloyd AG	100.00	88.01	133
MLV Beteiligungsverwaltungsges.	094	EUR	51,129	a	9		100.00	Generali Holding Vienna AG	100.00	100.00	51
AMB Generali Pensionsfonds AG	094	EUR	3,000,000	a	2		100.00	Generali Lloyd AG	100.00	88.01	4,035
Walter Sohn GmbH & Co. KG	094	EUR	199,404	a	11		7.69	Generali Lloyd AG	100.00	88.01	0
92.31 Walter Sohn GmbH											
Kleylein & Cie Actuarial Serv.	094	EUR	25,750	a	11		60.00	Generali Lebensversicherung AG	60.00	52.91	102
Generali Finanz Service GmbH	094	EUR	26,000	a	11		100.00	Generali Lloyd AG	100.00	88.01	0
Deutsche Vermögensberatung AG (**)	094	EUR	120,000,000	b	11		50.00	AMB Generali Holding AG	50.00	42.05	41,988
Thuringia Versicherungsvermit.	094	EUR	61,355	a	11		16.67	IV Verwaltungsges.für Vers.	16.67	14.67	0
AMB Generali Services GmbH	094	EUR	100,000	a	11		100.00	AMB Generali Holding AG	100.00	84.11	100
AMB Generali Schadenmanag.	094	EUR	100,000	a	11		100.00	AMB Generali Holding AG	100.00	84.11	100
AMB Generali Finanzdienstleis.	094	EUR	52,000	a	11		100.00	AMB Generali Holding AG	100.00	84.11	54
Volksfürsorge Pensionsmanagem.	094	EUR	52,000	a	11		100.00	Volksfürsorge Deutsche Lebens.	100.00	84.11	54
AMPAS AM Partner-Service GmbH	094	EUR	205,000	a	11		100.00	AachenMünchener Versicherung	100.00	84.11	1,265
ATLAS Dienstleistungen	094	EUR	4,090,335	a	11		74.00	AachenMünchener Lebensvers.	74.00	62.24	3,502
AM Ges. betr. Altersversorgung	094	EUR	60,000	a	11		100.00	AachenMünchener Lebensvers.	100.00	84.11	60
Cosmos Finanzservice GmbH	094	EUR	25,565	a	11		100.00	Cosmos Versicherung AG	100.00	84.11	779
Volksfürsorge Fixed Assets	094	EUR	104,000	a	11		100.00	Volksfürsorge Deutsche Lebens.	100.00	84.11	104
FVD Finanzplanung Vorsorgeman.	094	EUR	250,000	a	11		100.00	AachenMünchener Lebensvers.	100.00	84.11	1,014
Treuhandges.des Deutsche Wert.	094	EUR	25,565	b	11		20.00	AMB Generali Holding AG	20.00	16.82	9
Cosmos Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Cosmos Lebensversicherungs AG	100.00	84.11	24
ID Innovative Datenverarbeit.	094	EUR	260,000	b	11		30.00	PSC Insurance-Consulting GmbH	30.00	30.00	0
Central Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Central Krankenversicherung AG	100.00	84.11	25
Hotel und Seniorenr. Rosenpark	094	EUR	511,292	b	11		25.00	AachenMünchener Lebensvers.	25.00	21.03	128
Versicherungsmakler Beteilig.	094	EUR	1,550,000	b	11		26.00	Volksfürsorge Deutsche Sachv.	26.00	21.87	4,930
VGI-Vertriebsgesellschaft	094	EUR	100,000	a	11		51.00	ALLWO Allgemeine Wohnungsverm.	51.00	42.90	0
AMB Generali Immobilien GmbH	094	EUR	2,600,000	a	11		100.00	AMB Generali Holding AG	100.00	84.11	640

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Lebensvers.	100.00	84.11	25
AM Versicherungsvermittlung	094	EUR	25,000	a	11		100.00	AachenMünchener Versicherung	100.00	84.11	25
ver.di Service GmbH	094	EUR	75,000	b	11		33.33	Volksfürsorge Deutsche Lebens.	33.33	28.04	35
Schloss Bensberg Management	094	EUR	250,000	a	10		100.00	AachenMünchener Lebensvers.	100.00	84.11	1,700
AM Ges. für Verkaufsförderung	094	EUR	500,000	a	11		100.00	ATLAS Dienstleistungen	100.00	62.24	0
Icare Allemagne S.A.	094	EUR	25,000	a	11		100.00	Icare S.A.	100.00	99.94	25
IG BCE Mitglieder-Service GmbH	094	EUR	75,000	b	11		33.33	Volksfürsorge Deutsche Lebens.	33.33	28.04	32
IG BAU Mitglieder-Service GmbH	094	EUR	75,000	b	11		33.33	Volksfürsorge Deutsche Lebens.	33.33	28.04	14
VOV GmbH	094	EUR	154,000	b	11		15.00	Generali Versicherung AG (D)	30.00	25.37	673
							15.00	AachenMünchener Versicherung			
AMB Generali Sicherungs GmbH	094	EUR	25,000	a	11		100.00	AMB Generali Holding AG	100.00	84.11	3,310
Volksfürsorge 5Immobilien AGKG	094	EUR	25,000	a	10		100.00	Volksfürsorge Deutsche Lebens.	100.00	84.11	25
Volksfürsorge 6Immobilien AGKG	094	EUR	25,000	a	10		100.00	Volksfürsorge Deutsche Lebens.	100.00	84.11	25
Volksfürsorge 7Immobilien AGKG	094	EUR	25,000	a	10		100.00	Volksfürsorge Deutsche Lebens.	100.00	84.11	25
DCM GmbH & Co. Renditefonds KG	094	EUR	12,026,500	a	10		50.84	Generali Lebensversicherung AG	50.84	44.83	0
Groupement Technique d'Assur.	029	EUR	10,000	b	11		45.00	Generali Vie S.A.	45.00	44.99	726
OFIBA S.A.	029	EUR	38,113	a	11		99.92	Generali IARD S.A.	99.92	99.90	0
Global Car Services S.A.	029	EUR	10,000	b	11		50.00	Europ Assistance France S.A.	50.00	49.97	0
Team Trakers S.A.	029	EUR	1,000,000	a	11		51.00	Europ Assistance Holding S.A.	51.00	50.97	510
Cofifo S.A.	029	EUR	4,500,000	a	9		100.00	Generali Vie S.A.	100.00	99.97	4,681
Generali France et Cie	029	EUR	1,500	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SAI des 154-156 Bd de la Gare	029	EUR	48,000	a	10		100.00	Generali Vie S.A.	100.00	99.97	4,964
Sotrimlo S.A.	029	EUR	40,000	a	10		10.04	Generali Vie S.A.	99.92	99.90	0
							0.04	Generali France S.A.			
							89.84	Generali IARD S.A.			
SAI Trois Collines de Mougins	029	EUR	184,463	b	10		33.31	Generali IARD S.A.	48.26	48.25	154
							14.96	Generali Vie S.A.			
Saint Christoly Bordeaux	029	EUR	304,898	b	10		50.00	Generali IARD S.A.	50.00	49.99	154
Generali Immobilier Gestion	029	EUR	3,810,000	a	10		100.00	Assurance France Generali SA	100.00	99.98	3,750
Generali Challenges S.A.	029	EUR	39,000	a	11		100.00	Generali France S.A.	100.00	99.98	39
Generali 3 S.A.	029	EUR	39,000	a	11		100.00	Generali IARD S.A.	100.00	99.98	39
Generali 4 S.A.	029	EUR	39,000	a	11		99.87	Generali IARD S.A.	99.97	99.95	39
							0.03	Generali France S.A.			
							0.08	Generali Vie S.A.			
OGEPA S.A.	029	EUR	38,113	a	11		99.96	Generali IARD S.A.	99.96	99.94	0
Generali Strategie France SAS	029	EUR	2,000,000	a	11	49.00			100.00	99.99	2,000
							51.00	Generali France S.A.			
Sorgho S.A.	029	FRF	10,000,000	b	11		10.00	Generali IARD S.A.	20.00	19.99	0
							10.00	Generali Vie S.A.			
Efidis S.A.	029	EUR	12,064,112	b	11		39.06	AMB Generali Holding AG	39.06	32.85	4,850
Generali Reassurance Courtage	029	EUR	3,016,656	a	11		99.99	Generali IARD S.A.	99.99	99.97	2,219
Noreco S.A.	029	FRF	2,000,000	a	11		0.05	Generali Vie S.A.	99.93	99.90	638
							0.03	L'Equité IARD S.A.			
							0.03	Generali IARD S.A.			
							99.80	Generali France S.A.			
							0.03	Européenne de Protection Jur.			
Diffusion Assurance Conseil	029	EUR	16,500	a	11		99.91	L'Equité IARD S.A.	99.91	99.86	0
Trieste Courtage S.A.	029	EUR	416,000	a	11		99.96	Assurance France Generali SA	99.98	99.96	0
							0.02	Generali Vie S.A.			
Bourbon Courtage S.A.	029	EUR	124,500	a	11		0.12	Generali Vie S.A.	100.00	93.07	127
							99.76	Prudence Creole			

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
							0.12	Generali IARD S.A.			
Courtage Inter Caraïbes	029	EUR	38,100	a	11		99.76	GFA Caraïbes	99.76	99.74	38
Generali Informatique S.A.	029	EUR	2,250,000	a	11		0.33	L'Équité IARD S.A.	100.00	99.97	2,287
							40.76	Generali Vie S.A.			
							41.10	Generali IARD S.A.			
							17.80	Europ Assistance France S.A.			
Generali Gerance S.A.	029	EUR	228,000	a	11		99.67	Generali Vie S.A.	99.67	99.64	241
Europ Assistance IHS Services	029	EUR	37,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	37
E3 S.A.	029	EUR	5,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	5
Risque et Sérénité S.A.	029	EUR	2,654,410	b	9		16.36	Generali Vie S.A.	46.98	46.96	2,335
							30.62	Assurance France Generali SA			
Arche SA	029	EUR	120,975	a	10		79.31	Coffio S.A.	79.31	79.28	0
GIE Réunion aérienne	029	EUR	10,000	a	11		24.93	Generali IARD S.A.	24.93	24.92	0
GIE Réunion spatiale	029	EUR	10,000	a	11		25.17	Generali IARD S.A.	25.17	25.16	0
E4 S.A.	029	EUR	37,000	a	11		100.00	Europ Assistance IHS Services	100.00	99.94	0
Infoparc S.A.	029	EUR	160,000	a	11		100.00	Icare S.A.	100.00	99.94	1,677
Gestas S.A.	029	EUR	32,000	a	11		100.00	Icare S.A.	100.00	99.94	152
Coffitem Cofimur	029	EUR	43,609,710	b	11		0.34	L'Équité IARD S.A.	21.50	21.49	31,095
							20.64	Generali Vie S.A.			
							0.52	Generali IARD S.A.			
SCI Avenue de France Generali	029	EUR	153,000	a	10		0.10	Generali IARD S.A.	100.00	99.97	0
							99.90	Generali Vie S.A.			
SCI du 130 BD Bineau	029	EUR	7,220,000	a	10		0.50	Generali Vie S.A.	100.00	99.98	0
							99.50	Generali IARD S.A.			
SCI France Mornay Toulouse	029	EUR	9,148,464	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SCI Res Bois des Roches	029	EUR	38,000,152	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SAS 2 ISO	029	EUR	4,000,000	a	10		100.00	Generali Vie S.A.	100.00	99.97	19,562
SCEA de Foncaude	029	EUR	1,910,690	a	10		100.00	Generali Vie S.A.	100.00	99.97	1,841
SCI Generali Asnieres	029	EUR	4,116,123	a	10		100.00	Generali IARD S.A.	100.00	99.98	4,116
SCI du Chateau La France	029	EUR	5,485,987	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SCI France Mornay Lyon	029	EUR	6,645,000	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SCI Les 3 Collines Le Ferandou	029	EUR	304,000	b	10		15.00	Generali Vie S.A.	48.30	48.29	142
							33.30	Generali IARD S.A.			
SCI Generali Pierre-Grenier	029	EUR	5,335,715	a	10		100.00	Generali IARD S.A.	100.00	99.98	5,336
SC Progador (SCI)	029	EUR	405,000	a	10		99.63	Generali Vie S.A.	100.00	99.97	0
							0.37	Generali IARD S.A.			
SCI 3 Londres-70 St Lazare	029	EUR	152,000	a	10		100.00	Generali IARD S.A.	100.00	99.98	0
SCI Cogipar	029	EUR	10,000	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SCI du 13 Rue de Londres	029	EUR	152,000	a	10		100.00	Generali IARD S.A.	100.00	99.98	0
SCI Font Romeu Neige et Soleil	029	EUR	15,200	a	10		100.00	Generali IARD S.A.	100.00	99.98	0
SCI Immove	029	EUR	17,662	a	10		0.02	Generali IARD S.A.	100.00	99.97	823
							99.98	Generali Vie S.A.			
SCI Viroflay 10-12 Libération	029	EUR	3,000	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SCI Les Serres Le Touquet	029	EUR	1,500	a	10		24.00	Generali Vie S.A.	100.00	99.97	0
							76.00	Generali IARD S.A.			
SCI Montrose Parc	029	EUR	3,812,500	a	10		27.50	Generali IARD S.A.	70.00	69.98	2,669
							42.50	Generali Vie S.A.			
SNC Domaine Pont de L'Arche	029	EUR	152,500	a	10		35.00	Generali Vie S.A.	70.00	69.98	107
							35.00	Generali IARD S.A.			
GIE Eur Ass Clearing Center	029	EUR	n.a.	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	0
GIE Eur Ass Sys information	029	EUR	n.a.	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	0

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
Generali Gestion Santé (GlE)	029	EUR	n.a.	a	11		100.00	Generali IARD S.A.	100.00	99.98	0
GlE Grope Zurich Agencies	029	EUR	n.a.	a	11		100.00	Generali IARD S.A.	100.00	100.00	0
GlE Le Restaurant Haussmann	029	EUR	n.a.	a	11		100.00	Assurance France Generali SA	100.00	99.98	0
Réseau Generali France (GlE)	029	EUR	n.a.	a	11		100.00	Generali IARD S.A.	100.00	99.98	0
Generali Carnot	029	EUR	783,705	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SCI St Marc	029	EUR	50,000	a	10		99.00	Prudence Creole	100.00	93.06	0
							1.00	Bourbon Courtage S.A.			
Generali le Moncey Sarl	029	EUR	919,020	a	10		100.00	Generali Vie S.A.	100.00	99.97	0
SCI Beaune Logistique 1	029	EUR	1,000	a	10		100.00	SC Generali Logistique	100.00	99.97	3,562
SK Versicherung AG	008	EUR	3,633,500	b	2		19.23	Generali Versicherung AG (A)	39.66	39.66	2,354
							20.43	Generali Holding Vienna AG			
Drei-Banken Versicherungs-AG (**)	008	ATS	100,000,000	b	2		20.00	Generali Holding Vienna AG	20.00	20.00	3,634
Europ Assistance Gesellschaft	008	EUR	70,000	a	11		25.00	Generali Holding Vienna AG	100.00	99.96	420
							75.00	Europ Assistance Holding S.A.			
Risk-Aktiv Consulting GmbH	008	EUR	50,000	a	11		100.00	Generali Versicherung AG (A)	100.00	100.00	8,770
Generali 3Banken Holding AG (**)	008	EUR	70,000	b	9		49.30	Generali Versicherung AG (A)	49.30	49.30	30,073
Hypo Holding GmbH (**)	008	EUR	50,000	b	9		25.00	Generali Holding Vienna AG	25.00	25.00	84,271
Allgemeine Immobilien-Verw.	008	EUR	145,346	a	10	37.50			100.00	100.00	2,090
							62.50	Generali Holding Vienna AG			
Lead Equities Mittelstandsf. in.	008	EUR	32,461,268	b	11		14.29	Generali Versicherung AG (A)	14.29	14.29	1,283
Ringstrassen-Galerien-Bet.m.bH	008	EUR	37,000	a	10		50.00	Erste Wiener Hotel AG	50.00	49.99	18
EKZ Mariahilfer Strasse 77	008	EUR	35,000	a	11		100.00	Generali Versicherung AG (A)	100.00	100.00	35
M.O.F. Immobilien AG	008	EUR	1,000,000	b	10		20.00	Generali Immobilien AG	20.00	20.00	1,778
Aviso Beta Veranlagung GmbH	008	EUR	125,000,000	b	10		20.00	Generali Versicherung AG (A)	20.00	20.00	25,000
EWV Vermögensverwaltung AG	008	EUR	70,000	a	10		93.02	Generali Immobilien AG	93.02	93.02	66
GHV-Split Vermögensverwaltung	008	EUR	3,956,477	a	11		67.23	Generali Rückversicherung AG	67.23	67.23	3,523
Generali FinanzService GmbH	008	EUR	50,000	a	11		100.00	Generali Bank AG	100.00	100.00	50
AVS Privatkunden Versicherungs	008	EUR	36,000	b	11		49.00	Care Consult Versicherungsmak.	49.00	36.74	0
3 Banken-Generali Investment (**)	008	EUR	2,600,000	b	11		48.57	Generali Holding Vienna AG	48.57	48.57	1,403
Risk-Aktiv Versicherungsserv.	008	EUR	35,000	a	11		100.00	Risk-Aktiv Consulting GmbH	100.00	100.00	0
BONUS-Mitarbeitervorsorgekass.	008	EUR	1,500,000	b	11		50.00	Generali Holding Vienna AG	50.00	50.00	1,500
Generali Telefon-Auftragsserv.	008	EUR	35,000	a	11		100.00	Generali Bank AG	100.00	100.00	35
Car Care Consult Versicherungs	008	EUR	35,000	a	11		100.00	Risk-Aktiv Consulting GmbH	100.00	100.00	0
Medwell Internet Services GmbH	008	EUR	496,000	a	11		100.00	Risk-Aktiv Consulting GmbH	100.00	100.00	0
Generali Betriebsrestauration	008	EUR	36,336	a	11		100.00	Generali Versicherung AG (A)	100.00	100.00	484
Interunfall/AVV-Leasing Vorar.	008	EUR	36,336	a	11		10.00	Generali Versicherung AG (A)	100.00	100.00	2,751
							90.00	Allgemeine Immobilien Verw. KG			
Partner Service Consulting	008	EUR	35,000	a	11		100.00	Risk-Aktiv Consulting GmbH	100.00	100.00	0
MAS Versicherungsmakler GmbH	008	EUR	36,336	a	11		100.00	Risk-Aktiv Consulting GmbH	100.00	100.00	0
TTC-Training Center Unterem.	008	EUR	35,000	a	11		100.00	Europäische Reiseversicherungs	100.00	74.99	204
Global Private Equity Holding	008	EUR	4,388,000	b	9		11.62	Generali Versicherung AG (A)	23.02	21.67	888
							11.39	Generali Lebensversicherung AG			
Care Consult Versicherungsmak.	008	EUR	138,078	a	11		100.00	Europäische Reiseversicherungs	100.00	74.99	2,535
PSC Insurance-Consulting GmbH	008	EUR	54,504	a	11		100.00	Risk-Aktiv Consulting GmbH	100.00	100.00	0
Generali/AVV Leasing Vorarl.	008	EUR	36,336	a	11		10.00	Generali Versicherung AG (A)	100.00	100.00	3,020
							90.00	Allgemeine Immobilien Verw. KG			
Generali/AVV Leasing Salzburg	008	EUR	36,336	a	11		90.00	Allgemeine Immobilien Verw. KG	100.00	100.00	2,184
							10.00	Generali Versicherung AG (A)			
Generali/AVV Leasing St.Pölten	008	EUR	36,336	a	11		10.00	Generali Versicherung AG (A)	100.00	100.00	2,351
							90.00	Allgemeine Immobilien Verw. KG			
Interunfall/AVV-Leasing Salz.	008	EUR	36,336	a	11		90.00	Allgemeine Immobilien Verw. KG	100.00	100.00	3,385

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
3-BG Cash	008	EUR	2,732	b	11		10.00	Generali Versicherung AG (A)			
						29.28		Generali Versicherung AG (A)	35.69	35.69	3,003
						6.41		Generali Pensionskasse AG			
3 Banken Nachhaltigkeitsfonds	008	EUR	3,756,000	b	11		6.66	Generali Pensionskasse AG	22.63	22.63	5,974
							15.97	Generali Versicherung AG (A)			
3 Banken Inflationsschutzfonds	008	EUR	4,238,700	b	11		35.39	Generali Versicherung AG (A)	41.29	41.29	15,059
							5.90	Generali Pensionskasse AG			
Europ Assistance Servicios SA	067	EUR	300,506	a	11	100.00		Europ Assistance España S.A.	100.00	99.94	301
Europ Assistance Travel S.A.	067	EUR	60,101	a	11	99.90		Europ Assistance Servicios SA	99.90	99.84	0
Gestion de Equipajes S.A.	067	EUR	100,000	a	11	100.00		Europ Assistance Servicios SA	100.00	99.94	0
Legal Assistance Multiauto S.A.	067	EUR	400,000	a	11	100.00		Europ Assistance España S.A.	100.00	99.94	4,410
Icare Servicios S.A.	067	EUR	10,500	a	11	100.00		Icare S.A.	100.00	99.94	13
Gensegur Agencia de Seguros SA	067	EUR	60,101	a	11	100.00		La Estrella S.A.	100.00	99.83	60
Robert Malatier	031	GBP	51,258	b	11	24.93		Generali IARD S.A.	24.93	24.92	380
Europ Assistance Ltd	031	GBP	10,000	a	11	100.00		Europ Assistance Holdings Ltd	100.00	99.94	15
Tenax Capital Limited	031	GBP	600,000	b	9	74.50		Genirland Limited	74.50	74.50	666
Generali Portfolio Management	031	GBP	250,000	a	8	100.00		BSI S.A.	100.00	100.00	889
Global Investment Planning Ltd	031	GBP	10,000	a	11	100.00		BSI S.A.	100.00	100.00	0
Leumi Insurance Services (UK)	031	GBP	1,296,000	a	11	51.00		Migdal Holdings & Management	100.00	69.79	0
							49.00	Ihud Insurance Agencies Ltd			
Dedale S.A.	009	EUR	1,000,005	a	5	0.03		Generali Belgium Invest S.A.	100.00	99.92	1,000
							99.97	Generali Belgium S.A.			
Europ Assistance Services S.A.	009	EUR	186,000	a	11	20.00		Generali Belgium S.A.	100.00	99.94	344
							80.00	Europ Assistance Belgium S.A.			
Icare Belgique S.A.	009	EUR	6,250	a	11	100.00		Icare S.A.	100.00	99.94	0
BVBA Verzekeringskant. Soenen	009	EUR	18,600	a	11	99.80		Generali Belgium S.A.	99.80	99.72	2,016
IXIA N.V.	009	EUR	62,000	a	11	96.00		Generali Belgium S.A.	100.00	99.92	575
							4.00	Generali Belgium Invest S.A.			
Groupe Vervietois d'Assureurs	009	EUR	62,000	a	11	0.08		Generali Belgium Invest S.A.	100.00	99.92	571
							99.92	Generali Belgium S.A.			
Generali Capital Finance B.V.	050	EUR	10,000,000	a	8	25.00			100.00	100.00	10,000
							75.00	Generali Finance B.V.			
Europ Assistance Nederland BV	050	EUR	363,000	a	11	30.00		Generali Schadeverz. Maatsch.	100.00	99.53	2,536
							70.00	Europ Assistance Holding S.A.			
Generali Monumenten B.V.	050	EUR	46,286	a	10	100.00		Generali Real Estate Inv. B.V.	100.00	98.55	46
Saxon Land B.V.	050	EUR	18,200	b	10	50.00		Part. Maat. Graafschap Holland	50.00	50.00	5,286
Famfox Amsterdam Investments	050	EUR	240,000	a	4	100.00		Generali Worldwide Insurance	100.00	100.00	17,808
Generali Vermogensbeheer B.V.	050	EUR	18,151	a	11	100.00		Generali Verzekeringsgroep NV	100.00	98.55	18
Nederlands Algemeen Verzek.	050	EUR	18,151	a	11	100.00		Generali Verzekeringsgroep NV	100.00	98.55	18
A.P. de Assurantiepartners	050	EUR	18,151	a	11	1.25		Generali Levensverz. Maatsch.	100.00	98.55	0
							98.75	Nederlands Algemeen Verzek.			
Lippmann Deelnemingen B.V.	050	EUR	5,445,363	b	11	33.32		A.P. de Assurantiepartners	33.32	32.84	0
NV De Nederlanden van Nu	050	EUR	181,512	a	11	100.00		Generali Verzekeringsgroep NV	100.00	98.55	8,153
ANAC Verzekeringen B.V.	050	EUR	12,500	a	11	100.00		A.P. de Assurantiepartners	100.00	98.55	0
Nederlandse Assuradeuren Groep	050	EUR	317,646	a	11	100.00		Generali Verzekeringsgroep NV	100.00	98.55	1,974
Assurantiekantoor Kerkhof B.V.	050	EUR	18,151	a	11	100.00		A.P. de Assurantiepartners	100.00	98.55	0
Intesa Life Limited	040	EUR	1	a	2	100.00		Intesa Vita S.p.A.	100.00	25.17	1,000
Europ Assistance (Ireland) Ltd	040	EUR	127	a	11	100.00		Europ Assistance Holdings Ltd	100.00	99.94	0
Alcmena Sàrl	092	EUR	34,000	b	9	20.00		BSI S.A.	20.00	20.00	0
Nord Est Investment Partners	092	EUR	380,983	b	9	32.15			32.15	32.15	10,660
Prime Luxembourg Invest. Mngt	092	EUR	125,000	a	11	1.00			100.00	100.00	165

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
							99.00	Generali SGR S.p.A.			
Generali Investment Luxembourg	092	EUR	1,288,125	a	11	40.00			100.00	93.64	197
							20.00	Generali France S.A.			
							40.00	AMB Generali Holding AG			
BSI Art Collection S.A.	092	CHF	1,000,000	a	9		99.00	BSI S.A.	99.00	99.00	589
Generali Real Estate Fund Sicv	092	EUR	1,250,000	a	8	25.59			100.00	96.23	320
							2.44	Banco Vitalicio de España			
							7.81	AachenMünchener Lebensvers.			
							4.88	Generali Lebensversicherung AG			
							4.88	Generali Belgium S.A.			
							1.17	Generali Vida de Seguros S.A.			
							4.88	Generali Levensverz. Maatsch.			
							2.44	La Estrella S.A.			
							24.41	Generali Vie S.A.			
							9.77	Generali Immobilien AG			
							11.72	Volksfürsorge Deutsche Lebens.			
Tartini S.à.r.l.	092	EUR	25,000	a	9		100.00	Generali Real Estate Fund Sicv	100.00	96.23	0
Europ Assistance Serviços S.A.	055	EUR	250,000	a	11		99.90	Europ Assistance Portugal	99.90	52.92	250
Bioventure Trading S.A.	055	EUR	50,000	a	11		100.00	BSI S.A.	100.00	100.00	0
Ponte Alta Lda	055	EUR	400,000	a	11		100.00	Europ Assistance Portugal	100.00	52.97	399
Primeira Cruz Lda	055	EUR	660,982	a	11		60.00	Ponte Alta Lda	60.00	31.78	0
Lordship Consultadoria e Serv.	055	EUR	50,000	a	11		100.00	BSI S.A.	100.00	100.00	49
Nordic Assistance A/S	021	DKK	500,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	836
Europ Assistance Kft	077	HUF	24,000,000	a	11		74.00	Europ Assistance Holding S.A.	100.00	99.96	89
							26.00	Generali-Providencia Biztosító			
Generali Ingatlan Kft	077	HUF	1,250,000,000	a	10		96.00	Generali-Providencia Biztosító	100.00	100.00	4,773
							4.00	Generali Biztosítási Ügyn. Kft			
Generali Biztosítási Ügyn. Kft	077	HUF	603,000,000	a	8		1.66	Generali Ingatlan Kft	100.00	100.00	2,359
							98.34	Generali-Providencia Biztosító			
Első Hazai Pénztárszervező Rt.	077	HUF	90,000,000	a	8		74.00	Generali-Providencia Biztosító	100.00	100.00	559
							26.00	Generali Biztosítási Ügyn. Kft			
Generali Alapkezelő Rt.	077	HUF	500,000,000	a	8		74.00	Generali-Providencia Biztosító	100.00	100.00	2,015
							26.00	Generali Holding Vienna AG			
Európai Utazásbiztosítás-közv.	077	HUF	3,000,000	a	11		100.00	Európai Utazási Biztosító Rt.	100.00	70.75	16
Europ Assistance Polska Spzoo	054	PLN	250,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	73
Generali-Risk Consulting spzoo	054	PLN	4,000	a	11		100.00	Generali Towarzystwo Ubezpiec.	100.00	100.00	957
Europ Assistance s.r.o.	275	CZK	2,900,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	189
Team Trackers s.r.o.	275	CZK	17,500,000	a	11		100.00	Team Trakers S.A.	100.00	50.97	0
Intercom a.s.	275	CZK	32,000,000	a	10		100.00	Generali Immobilien AG	100.00	100.00	13,578
Tarabulus s.r.o.	275	CZK	200,000	a	10		100.00	Generali Immobilien AG	100.00	100.00	1,483
Do Liegenschaftsverwaltung spol. s.r.o.	275	CZK	35,000,000	a	11		100.00	Generali Immobilien AG	100.00	100.00	1,392
Anglicka Business Center Ssro	275	CZK	264,064,522	a	10		100.00	Generali Pojistovna a.s.	100.00	100.00	9,407
Generali Car Care s.r.o.	275	CZK	1,000,000	a	11		100.00	Generali Pojistovna a.s.	100.00	100.00	36
Generali Penzijní Fond a.s.	275	CZK	50,000,000	a	11		100.00	Generali Pojistovna a.s.	100.00	100.00	1,825
Generali Servis s.r.o.	275	CZK	100,000	a	11		100.00	Generali Pojistovna a.s.	100.00	100.00	4
Medical Dental Centre Zakrila	012	BGN	100,000	a	11		100.00	Generali Zakrila Health-Insur.	100.00	76.62	51
Nordic Assistance AB	068	SEK	725,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	0
Nordic Claims Handling AB	068	SEK	100,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	0
MAKB s.r.o.	276	SKK	220,000	a	10		100.00	Generali Immobilien AG	100.00	100.00	6
Outputcenter s.r.o.	276	SKK	200,000	a	10		100.00	Generali Immobilien AG	100.00	100.00	40
VUB Generali d.s.s., a.s.	276	SKK	304,000,000	b	11		50.00	Generali Poistovna a.s.	50.00	50.00	14,507

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
Generali Consulting s.r.o.	276	SKK	210,000	a	11		100.00	Generali Poistovna a.s.	100.00	100.00	6
Generali IT S.s.r.o.	276	SKK	5,000,000	a	11		100.00	Generali VIS Informatik GmbH	100.00	100.00	132
Europäische Reiseversicherung	263	UAH	8,960,000	a	3		69.90	Europäische Reiseversicherungs	100.00	79.06	977
							25.10	Europ Assistance Versicherung			
							5.00	Generali Garant Insurance JSC			
CPM Internacional d.o.o.	261	HRK	275,600	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	0
Voluntary Pension Fund M.Delta	265	CSD	135,000	a	11		100.00	Delta Generali Osiguranje	100.00	50.02	1,703
Financial Strategy Monaco SAM	091	EUR	750,000	b	11		20.00	BSI SAM Internat. Private Bank	20.00	20.00	0
CGPM SAM	091	EUR	500,000	b	11		20.00	BSI SAM Internat. Private Bank	20.00	20.00	0
Europ Assistance (Suisse) S.A.	071	CHF	200,000	a	11		100.00	Europ Assistance (CH) Holding	100.00	75.96	124
BSI Laran S.A.	071	CHF	1,000,000	a	9		100.00	BSI S.A.	100.00	100.00	62
SIL Soc. Immobiliare Lugano	071	CHF	15,200,000	b	10		18.12	BSI S.A.	18.12	18.12	0
Immobilière Odeon S.A.	071	CHF	510,000	a	10		100.00	Generali Assurances Générales	100.00	99.92	3,603
BSI Wertheim Merchant House SA	071	CHF	300,000	b	11		50.00	BSI S.A.	50.00	50.00	93
BSI Art Collection S.A.	071	CHF	100,000	a	11		100.00	BSI S.A.	100.00	100.00	62
BUC Financial Products SA	071	CHF	100,000	a	9		100.00	BSI S.A.	100.00	100.00	0
Thalia S.A.	071	CHF	1,000,000	a	9		51.00	BSI S.A.	100.00	100.00	4,956
							49.00	Generali SGR S.p.A.			
Aldon AG	071	CHF	100,000	a	11		100.00	BSI S.A.	100.00	100.00	62
Calas S.A.	071	CHF	100,000	a	11		100.00	BSI S.A.	100.00	100.00	62
Finmo S.A.	071	CHF	50,000	a	11		100.00	BSI S.A.	100.00	100.00	31
B-Source S.A.	071	CHF	2,400,000	a	11		63.00	BSI S.A.	63.00	63.00	6,267
Funicolare Lugano-Paradiso	071	CHF	600,000	b	11		31.08	BSI S.A.	31.08	31.08	0
Iavipe S.A.	071	CHF	1,200,000	a	10		100.00	BSI S.A.	100.00	100.00	746
Autolinee Regionali Luganesi	071	CHF	653,000	b	11		27.58	BSI S.A.	27.58	27.58	0
Ganos S.A.	071	CHF	100,000	a	11		100.00	BSI S.A.	100.00	100.00	62
Generali Group Partner AG	071	CHF	100,000	a	11		100.00	Generali (Schweiz) Holding AG	100.00	100.00	62
Foot.Pro S.A.	071	CHF	250,000	a	11		100.00	BSI S.A.	100.00	100.00	0
Europ Assistance Océanie S.A.	225	XPF	24,000,000	a	11		99.88	Europ Assistance Holding S.A.	99.88	99.82	286
Citadel Ins. Co. PLC	105	MTL	2,000,000	b	11		21.00	Ina Assitalia S.p.A.	21.00	21.00	978
Lombard Bank Malta plc (**)	105	MTL	2,133,586	b	7		26.57	BSI S.A.	26.57	26.57	9,095
BSI Generali Capital Markets	201	USD	20,000	a	4		100.00	BSI Generali Bank (C) Ltd	100.00	100.00	0
BSI Trust Corp. (Channel Isl.)	201	USD	200,000	a	11		100.00	BSI S.A.	100.00	100.00	1,302
BSI Administrators Ltd	201	USD	10,000	a	11		100.00	BSI Generali Bank (C) Ltd	100.00	100.00	0
A.G. Insurance Managers Ltd	201	GBP	10,000	a	11	99.94			99.94	99.94	30
Europäische Reiseversicherung	262	RUB	7,000,000,000	a	3		100.00	Europäische Reiseversicherungs	100.00	74.99	2,046
Europ Assistance CEI 000	262	RUB	10,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	0
Europ Assistance Vostok 000	262	RUB	10,000	a	11		60.00	Europ Assistance CEI 000	60.00	59.97	0
FATA Asigurari Agricole S.A.	061	RON	8,000,000	a	2		100.00	Fata Assicurazioni Danni SpA	100.00	100.00	3,452
AIV-Administrare de Cladiri	061	ROL	50,000	a	11		100.00	Allgemeine Immobilien-Verw.	100.00	100.00	0
S.C. Genagricola Romania	061	ROL	7,482,570	a	11		100.00	Genagricola S.p.A.	100.00	100.00	8,103
S.C. San Pietro Romania	061	ROL	4,225,600,000	a	11		100.00	Agricola San Giorgio S.p.A.	100.00	50.34	103
S.C. Aqua Mures	061	ROL	410,000,000	a	11		1.00	Casaletto S.r.l	100.00	100.00	10
							99.00	Genagricola S.p.A.			
S.C. La Quercia S.r.l.	061	RON	35,900	a	11		100.00	Inf - Societa' Agricola S.p.A.	100.00	100.00	0
Worldwide Assistance Services	069	USD	5,000,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	1,949
General Securities Corp.	069	USD	5,000	a	9		100.00	Transocean Holding Corporation	100.00	100.00	1,356
Prime USA Inc.	069	USD	875,000	a	11		100.00	Generali SGR S.p.A.	100.00	100.00	1,170
Genamerica Management Corp.	069	USD	50,000	a	11	100.00			100.00	100.00	7
Generali Consulting Solutions	069	USD	156,420	a	11	100.00			100.00	100.00	119
Generali Claims Solutions LLC	069	USD	100,000	a	11		100.00	Generali Consulting Solutions	100.00	100.00	0

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
Worldwide Assistance Canada Inc.	013	CAD	4,725,608	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	4,726
CMN Inc.	013	CAD	6,000,000	a	11		100.00	Worldwide Assistance Canada Inc.	100.00	99.94	0
La Caja ART S.A.	006	ARS	48,500,000	b	3		50.00	Caja de Seguros S.A.	50.00	23.51	5,870
Inst. del Seguro de Misiones	006	ARS	750,000	a	3		94.95	Caja de Seguros S.A.	99.95	47.03	1,292
							5.00	Caja de Ahorro y Seguro S.A.			
Tradición Seguros S.A.	006	ARS	22,200,000	a	3		96.90	Caja de Ahorro y Seguro S.A.	100.00	47.49	13
							3.10	Caja de Seguros S.A.			
Europ Assistance Argentina S.A	006	ARS	2,000,000	a	11		34.00	Caja de Seguros S.A.	100.00	50.95	168
							66.00	Ponte Alta Lda			
Ritenere S.A.	006	ARS	12,000	a	11		0.83	Caja de Seguros S.A.	100.00	47.50	3
							99.17	Caja de Ahorro y Seguro S.A.			
Care Management Network Inc.	118	BBD	9,000,000	a	11		100.00	EA Bahamas Ltd	100.00	99.94	0
Worldwide Assistance Brasil	011	BRL	2,975,000	a	11		100.00	Primeira Cruz Lda	100.00	31.78	0
BSI Serviços Ltda	011	BRL	2,111,134	a	11		100.00	BSI S.A.	100.00	100.00	0
BSI Servicios Internacionales	015	CLP	64,000,000	a	11		100.00	BSI S.A.	100.00	100.00	0
Europ Assistance SA (Chile)	015	CLP	335,500,000	a	11		25.50	Europ Assistance Holding S.A.	51.00	38.99	109
							25.50	Ponte Alta Lda			
La Nacional Cia Inmobiliaria	024	USD	47,647	a	10		100.00	Generali Ecuador S.A.	100.00	51.74	280
Europ Assistance México S.A.	046	MXN	69,799	b	11		49.00	Europ Assistance Holding S.A.	49.00	48.97	0
Asistencia Banorte Generali	046	MXN	50,000	a	11		1.00	Pensiones Banorte Generali S.A	100.00	49.00	4
							99.00	Seguros Banorte Generali SA CV			
Comercial Banorte Generali SA	046	MXN	5,800,000	a	11		33.00	Seguros Banorte Generali SA CV	100.00	49.00	406
							33.00	Pensiones Banorte Generali S.A			
							34.00	Solida Banorte Generali Afore			
Servicios Banorte Generali SA	046	MXN	2,300,000	a	11		34.00	Solida Banorte Generali Afore	100.00	49.00	161
							33.00	Pensiones Banorte Generali S.A			
							33.00	Seguros Banorte Generali SA CV			
BSI Servicios S.A.	080	UYU	1,100,000	a	11		100.00	BSI S.A.	100.00	100.00	0
BSI Trust Corp. (Bahamas) Ltd	271	USD	1,000,000	a	8		100.00	BSI S.A.	100.00	100.00	1,031
EA Bahamas Ltd	271	BSD	5,000	a	11		100.00	Europ Assistance IHS Services	100.00	99.94	0
Europ Assistance WS (S.Africa)	078	ZAR	1,000,000	a	11		57.00	Europ Assistance Holding S.A.	57.00	56.97	240
LawCall Marketing Pty Ltd	078	ZAR	100	a	11		100.00	Europ Assistance WS (S.Africa)	100.00	56.97	0
Care Assist Pty Ltd	078	ZAR	4,249,769	a	11		100.00	Europ Assistance WS (S.Africa)	100.00	56.97	0
Access Health Africa (Pty) Ltd	078	ZAR	4,000	a	11		100.00	Europ Assistance WS (S.Africa)	100.00	56.97	0
MRI Criticare Medical Rescue	078	ZAR	200	a	11		100.00	Europ Assistance WS (S.Africa)	100.00	56.97	0
Europ Assistance Israel Ltd	182	ILS	100,000	a	11		50.00	Migdal Insurance Co. Ltd	100.00	84.87	347
							50.00	Europ Assistance Holding S.A.			
Migdal Holdings & Management	182	ILS	810	a	4		100.00	Migdal Insurance Co. Ltd	100.00	69.79	2,079
Mivtach-Simon Insurance Ag.	182	ILS	1	a	9		100.00	Migdal Holdings & Management	100.00	69.79	0
Migdal Underwriting Promotion	182	ILS	1,053	a	9		100.00	Migdal Capital Markets (1965)	100.00	34.89	0
Migdal P.E. Ltd	182	ILS	100	a	9		100.00	Migdal Investments Management	100.00	69.79	0
Pension Fund Management Co.	182	ILS	100	a	11		70.00	Migdal Insurance Co. Ltd	70.00	48.85	0
Generali Realities Ltd	182	ILS	2	a	10	99.95			99.95	99.95	0
Migdal Real Estate Holdings	182	ILS	2,900	a	10		100.00	Migdal Insurance Co. Ltd	100.00	69.79	0
Hamagen Properties Ltd	182	ILS	6,090,837	a	10		100.00	Hamagen Insurance Co. Ltd	100.00	69.79	0
Pel - Hamagen House Ltd	182	ILS	14,066,596	a	10		100.00	Hamagen Properties Ltd	100.00	69.79	0
Migdal Alumim Investment House	182	ILS	50,000	a	8		100.00	The Central Stock Exchange S.	100.00	34.89	0
Migdal Forex Matach Services	182	ILS	10,100	a	8		8.91	The Central Stock Exchange S.	58.92	20.56	0
							50.01	Migdal Capital Markets (1965)			
Reshev Insurance Agencies Ltd	182	ILS	120	a	11		50.00	Sagi Yogev Life Assur. Agency	50.00	34.89	0
Migdal Platinum Provident Ltd	182	ILS	1,100,000	a	8		100.00	Migdal Capital Markets (1965)	100.00	34.89	0

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type (2)	Activity (1)	Shareholding %				Group equity ratio % (3)	Book value (€ thousand)
						Direct	Indirect	Through	Total		
Migdal Credit Services Ltd	182	ILS	100	a	11		100.00	Migdal Eshkol Finansim B.M.	100.00	69.79	2,213
Migdal Financial Services Ltd	182	ILS	320,000	a	11		100.00	Migdal Eshkol Finansim B.M.	100.00	69.79	270
Migdal Leasing Ltd	182	ILS	100	a	11		100.00	Migdal Eshkol Finansim B.M.	100.00	69.79	2,149
The Central Stock Exchange S.	182	ILS	4,374	a	8		100.00	Migdal Capital Markets (1965)	100.00	34.89	0
Migdal (Merkazit) Trust FM Ltd	182	ILS	90,001	a	9		100.00	Migdal Capital Markets (1965)	100.00	34.89	0
Te'utza Tsua Ve Sherut Ltd	182	ILS	5,500,000	a	11		100.00	Migdal Insurance Co. Ltd	100.00	69.79	0
Municipalit Insurance Agency	182	ILS	100	b	11		50.00	Peltours Insurance Agencies	50.00	25.57	0
Ihud Insurance Agencies Ltd	182	ILS	1,500	a	11		100.00	Migdal Holdings & Management	100.00	69.79	0
Peltours Insurance Agencies	182	ILS	256,000	a	11		73.27	Migdal Holdings & Management	73.27	51.13	0
Sagi Yogev Life Assur. Agency	182	ILS	3,000	a	11		100.00	Migdal Holdings & Management	100.00	69.79	0
Shamgad Claims Management Co.	182	ILS	2	a	11		100.00	Migdal Insurance Co. Ltd	100.00	69.79	0
Maestro Ltd	182	ILS	n.a.	a	11		100.00	Migdal Insurance Co. Ltd	100.00	69.79	0
Anglo-Saxon Real Estate Agency	182	ILS	20,000	b	11		49.00	Migdal Holdings & Management	49.00	34.20	0
Data Car Israel Ltd	182	ILS	30,000	b	11		50.00	Migdal Insurance Co. Ltd	50.00	34.89	43
Migdal Mngmt & Provident Funds	182	ILS	905,000	a	11		100.00	Migdal Insurance Co. Ltd	100.00	69.79	240
Gilat D.B.S. Ltd	182	ILS	21,231	b	11		27.16	Migdal Insurance Co. Ltd	27.16	18.95	0
Rav Ofek Ltd	182	ILS	10,000	b	11		25.00	Migdal Holdings & Management	25.00	17.45	0
Shaham Insurance Agencies Ltd	182	ILS	1,818	a	11		100.00	Migdal Holdings & Management	100.00	69.79	0
Fredi & Ilan Bek Ins. Agency	182	ILS	100	b	11		30.00	Migdal Holdings & Management	30.00	20.94	0
Leibowitz Streichman Consult.	182	ILS	1,000	a	11		100.00	Peltours Insurance Agencies	100.00	51.13	0
Ihud-David Berman Ins. Ag.	182	ILS	5	a	11		100.00	Ihud Insurance Agencies Ltd	100.00	69.79	0
Mivtach Gonen Pension Ins. LAA	182	ILS	100	a	11		75.00	Mivtach-Simon Insurance Ag.	75.00	52.34	0
Migdal Capital Markets (1965)	182	ILS	8,551,676	a	8		50.00	Migdal Investments Management	50.00	34.89	0
Migdal Investments Management	182	ILS	100	a	9		100.00	Migdal Insurance&Fin. Holding	100.00	69.79	20,595
Migdal Asset Securities Mngmnt	182	ILS	50,000	a	8		100.00	Migdal Capital Markets (1965)	100.00	34.89	0
CSC Management and Trusteeship	182	ILS	50	a	9		100.00	Migdal Capital Markets (1965)	100.00	34.89	0
Avgad Yahalom Management Ltd	182	ILS	1,100	b	10		47.45	Migdal Real Estate Holdings	47.45	33.12	0
Migdal Global Asset Management	182	ILS	100	a	9		100.00	Migdal Capital Markets (1965)	100.00	34.89	0
Karden Financial Instruments	182	ILS	200	a	9		100.00	Migdal Capital Markets (1965)	100.00	34.89	0
Mivtach Granot Assurance Ag.	182	ILS	100	b	11		40.00	Mivtach-Simon Insurance Ag.	40.00	27.92	0
Mivtach Rom Insurance Agency	182	ILS	200	a	11		64.00	Mivtach-Simon Insurance Ag.	64.00	44.67	0
Mivtach Simon Rubinstein Mor	182	ILS	200	a	11		64.00	Mivtach-Simon Insurance Ag.	64.00	44.67	0
TIP-Planning and Pension Cons.	182	ILS	100	a	11		100.00	Mivtach-Simon Insurance Ag.	100.00	69.79	0
Tvuna Life Assurance Agency	182	ILS	30	b	11		33.33	Mivtach-Simon Insurance Ag.	33.33	23.26	0
Yeud Life Assurance Agency Ltd	182	ILS	100	a	11		75.00	Mivtach-Simon Insurance Ag.	75.00	52.34	0
Yosef Fridman Insurance Agency	182	ILS	300	b	11		33.33	Mivtach-Simon Insurance Ag.	33.33	23.26	0
Mivtach-Peltours Insurance Ag.	182	ILS	100	a	11		50.00	Mivtach-Simon Insurance Ag.	100.00	60.46	0
							50.00	Peltours Insurance Agencies			
Ihud Peltours Diamonds Ins.Ag.	182	ILS	100	a	11		50.00	Peltours Insurance Agencies	100.00	60.46	0
							50.00	Ihud Insurance Agencies Ltd			
Mivtach-Simon Ag. Management	182	ILS	100	a	9		100.00	Mivtach-Simon Insurance Ag.	100.00	69.79	0
Tunisie Assistance S.A.	075	TND	1,000,000	b	11		33.00	Europ Assistance Holding S.A.	33.00	32.98	268
Europ Assistance Medical SI SA	075	TND	100,000	b	11		44.00	Europ Assistance Holding S.A.	44.00	43.98	31
Carthage Assistance Services	075	TND	425,000	b	11		49.01	Europ Assistance Holding S.A.	49.01	48.98	271
Maghrebria S.A.	075	TND	10,000,000	b	3		44.17	Ina Assitalia S.p.A.	44.17	44.17	2,462
GFA Haiti S.A.	034	HTG	1,250,000	b	3		15.00	Courtage Inter Caraibes	30.00	29.96	4
							15.00	GFA Caraibes			
Europ Assistance (Taiwan) Ltd	022	TWD	5,000,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	0
Europ Assistance W Service Pte	147	SGD	182,102	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.94	112
Worldwide Assistance Singapore	147	SGD	500,000	a	11		100.00	Europ Assistance W Service Pte	100.00	99.94	0
BSI Bank Ltd	147	USD	6,000,000	a	7		100.00	BSI S.A.	100.00	100.00	4,547

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Type		Activity		Shareholding %			Group equity ratio % (3)	Book value (€ thousand)
				(2)	(1)	Direct	Indirect	Through	Total			
Intl Inheritance Planning Ltd	049	NZD	5,000	a	9		100.00	BSI S.A.		100.00	100.00	0
BSI-Generali Asia Ltd	103	HKD	500,000	a	9	10.00				100.00	100.00	49
							90.00	BSI S.A.				
Generali China Insurance	016	CNY	500,000,000	a	3	50.00				50.00	50.00	24,290
BSI Investment Advisors Panama	051	USD	10,000	a	11		100.00	BSI Overseas (Bahamas) Ltd		100.00	100.00	0

n.a.: not applicable

(1) 1=Italian insurance companies; 2=EU insurance companies; 3=non EU insurance companies; 4=insurance holding companies; 5=EU reinsurance companies; 6=non EU reinsurance companies; 7=banks; 8=asset management companies; 10=real estate companies; 11=other

(2) a=non-consolidated subsidiaries (IAS 27); b=associated companies (IAS 28); c=joint ventures (IAS 31)

(3) Net Group participation percentage

(**) Associated company valued at equity

The total percentage of votes exercitable at shareholders' general meeting, which differs from that of direct or indirect shareholding, is as follows:

GLL Real Estate Partners GmbH 40.00%

SIL Soc. Immobiliare Lugano 27.55%

Avgad Yahalom Management Ltd 47.00%

Tenax Capital Limited 49.00%

Thuringia Versicherungsvermit. 80.00%

List of countries

Country	Country code
ARGENTINA	006
AUSTRIA	008
BAHAMAS	271
BARBADOS	118
BELGIUM	009
BERMUDA	207
BRAZIL	011
BULGARIA	012
CANADA	013
CAYMAN (B.W.I.)	211
CHILE	015
COLOMBIA	017
CROATIA	261
CZECH REPUBLIC	275
DENMARK	021
ECUADOR	024
EIRE	040
FRANCE	029
GERMANY	094
GREECE	032
GUATEMALA	033
GUERNSEY	201
HAITI	034
HONG KONG	103
HUNGARY	077
ISRAEL	182
ITALY	086
LIECHTENSTEIN	090
LUXEMBOURG	092
MALTA	105
MARTINICA	213
MEXICO	046
MONACO	091
NETHERLANDS	050
NEW ZELAND	049
PANAMA	051
PEOPLE'S REPUBLIC OF CHINA	016
PHILIPPINES	027
POLAND	054
POLYNESIAN FRENCH	225
PORTUGAL	055
REUNION	247
ROMANIA	061
RUSSIA	262
SERBIA	265
SINGAPORE	147
SLOVAK REPUBLIC	276
SLOVENIA	260
SOUTH AFRICA	078
SPAIN	067

List of countries

Country	Country code
SWEDEN	068
SWITZERLAND	071
TAIWAN	022
THAILAND	072
TUNISIA	075
TURKEY	076
U.S.A.	069
UKRAINE	263
UNITED KINGDOM	031
URUGUAY	080

List of currencies

Currency	Currency code
Argentine Peso	ARS
Austrian Schilling	ATS
Dollar (Barbados)	BBD
Lev (Bulgaria)	BGN
Brazilian Real	BRL
Dollaro(Bahamas)	BSD
Dollaro (Canada)	CAD
Swiss Franc	CHF
Chilean Peso	CLP
Chinese Renminbi	CNY
Colombian Peso	COP
Dinar (Serbia)	CSD
Czech Krona	CZK
Danish Krone	DKK
Euro	EUR
French Franc	FRF
British Pound	GBP
Guatemalan Quetzal	GTQ
Hong Kong Dollar	HKD
Croatian Kuna	HRK
Haitian Gourde	HTG
Hungarian Forint	HUF
Israeli Sheckel	ILS
Maltese Lira	MTL
Mexican Pesos	MXN
New Zealand Dollars	NZD
Philippine Peso	PHP
Polish Zloty (new)	PLN
Romanian Leu	ROL
Russian Ruble	RUB
Swedish Krona	SEK
Singapore Dollar	SGD
Slovenian Tolar	SIT
Slovakian Krona	SKK
Thailand Baht	THB
Tunisian Dinar	TND
New Turkish Lira	TRY
New Taiwan Dollar	TWD
Grivna (Ukraine)	UAH
United States Dollar	USD
Uruguayan Peso (new)	UYU
CFP Franc	XPF
South African Rand	ZAR



BOARD OF AUDITORS' REPORT





Report of the Board of Auditors on the consolidated accounts for the year ended 2006

Dear Shareholders:

The consolidated financial statements of the Generali Group were prepared in accordance with the IAS/IFRS issued by the IASB as approved by the European Union, under Community Regulation 1606 of 19 July 2002 and Italian Legislative Decrees 38/2005 and 209/2005.

The Financial Statements and the Notes were prepared using the layouts required by ISVAP provision No. 2404 of 22 December 2005. The Generali Group elected to supplement the accounts with specific additional items without prejudice to the clarity of the same, providing greater detail in the Notes, in accordance with the aforementioned international accounting standards.

The Board ascertained:

- the adequacy of the Parent Company organisation as regards the inflow of information and the consolidation procedures;
- compliance with the consolidation principles and other provisions of the Law, specifically the consolidation area and the reference date for the accounts items;
- compliance of the measurement criteria adopted with current laws and regulations;

The Board also attests that the auditing of the accounts of the Group's subsidiaries is consistent with the provisions of the above-mentioned Legislative Decree 58/1998 and CONSOB Resolution 11971 of 14 May 1999. Specifically it attests that also the voluntary accounts auditing of the subsidiaries that are not subject to compulsory auditing under local applicable laws is also consistent with the above provisions.

Trieste, 21 March 2007

THE BOARD OF AUDITORS
OF ASSICURAZIONI GENERALI



INDEPENDENT AUDITOR'S REPORT



**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW
DECREE N° 58 DATED 24 FEBRUARY 1998 AND WITH ARTICLE 102 OF THE
LAW DECREE N° 209 DATED 7 SEPTEMBER 2005**

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

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2006

- 1 We have audited the consolidated financial statements, which comprise the balance sheet, the income statement, the statement of changes in shareholders' equity, the cash flow statement and the related notes of Assicurazioni Generali S.p.A. and its subsidiaries (the "Generali Group") as of 31 December 2006. These consolidated financial statements are the responsibility of Assicurazioni Generali S.p.A.'s directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB, the Italian Commission for listed companies and the Stock Exchange. In accordance with those standards and criteria, the audit has been planned and performed to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the accounting principles used and the reasonableness of estimates made by the directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 4 April 2006.

- 3 In our opinion, the consolidated financial statements of Assicurazioni Generali S.p.A. as of 31 December 2006 comply with the International Financial Reporting Standards as adopted by the European Union and with the regulation promulgated to give effect to article 9 of the Law Decree N. 38/2005; accordingly, they give a true and fair view of the consolidated financial position, the consolidated results of operations, the changes in the consolidated shareholders' equity and the consolidated cash flows of Generali Group for the year then ended.

Milan, 4 April 2007

(This report has been translated from the original which was issued in accordance with Italian legislation)

PricewaterhouseCoopers SpA

Ezio Bassi
(Partner)

Editing:
Consolidation and Controlling/
Corporate Social Responsibility

Co-ordination:
Group Communication and Corporate Affairs Dept./
Human Resources Dept. – General Services

Graphic design:
Sintesi in Comunicazione

Photos:
Crozzoli Gabriele/
BBDO Werbeagentur GmbH & Co.

Printed by:
Sa.Ge.Print spa

