Consolidated Half-Year Report
30 June 2007

Board of Directors
25 September 2007

Banca Generali S.p.A.
Authorised share capital 116,878,836.00 euros, underwritten and paid-up share capital 111,313,176.00 euros
Registered offices at Trieste, Via Machiavelli 4 - Italy
Trieste Register of Companies, Tax Code and VAT No. 00833240328
Member of the Interbank Deposit Protection Fund
Bank Register No. 5358
Parent Company of the Banca Generali banking group registered in the Banking Group Register
Company managed and coordinated by Assicurazioni Generali S.p.A.

Contents

Highlights

Consolidated figures	30/06/2007	30/06/2006	*Change %*
(€ million)			
Net interest	20.2	10.4	*94.6%*
Net commissions	78.3	64.6	*21.1%*
Dividends and net profit from trading	6.1	4.5	*34.4%*
Net banking income	**104.6**	**79.5**	*31.5%*
Staff expenses	-28.0	-20.9	*34.3%*
Other general and administrative expense	-35.1	-32.2	*8.9%*
Amortisation and depreciation	-3.3	-3.6	*-10.3%*
Other operating profit	3.8	3.8	*1.5%*
Net operating expense	**-62.6**	**-53.0**	*18.1%*
Operating profit	**42.0**	**26.6**	*58.1%*
Provisions	-24.2	-25.1	*-3.9%*
Net adjustments of loans and other assets	0.2	0.0	*712.5%*
Profit before taxation	**18.0**	**1.4**	*1175.5%*
Net profit	**10.1**	**0.3**	*2831.2%*
Cost / profit ratio	56.7%	62.0%	*-8.6%*
EBITDA	45.3	30.2	*49.8%*
ROE, annualised	10.60%	0.36%	
EPS - Earnings per Share (units of euro)	0.092	0.003	

Inflows	30/06/2007	30/06/2006	*Change %*
Net Inflows			
(€ million) (Assoreti data)			
Mutual funds	485	237	*104.6%*
Asset management	-14	461	*-103.0%*
Insurance / Pension funds	104	163	*-36.2%*
Securities / Current accounts	628	524	*19.8%*
Total	**1,203**	**1,385**	***-13.1%***

** Data at 30 June 2006 include pro-forma data of BSI Italia*

Asset Under Management & Custody (AUM/C)

Breakdown by Class of Assets Under Management & Custody

(€ million) (Assoreti data)

	30/06/2007	31/12/2006	*Change %*
Mutual funds	8,735	7,965	*9.7%*
Asset management	5,155	5,143	*0.2%*
Insurance / Pension funds	4,551	4,547	*0.0%*
Securities / Current accounts	6,743	6,050	*11.5%*
Total	**25,184**	**23,705**	***6.2%***

Net Equity	30/06/2007	31/12/2006	*Change %*
Net equity	201.7	205.2	*-1.7*
Total capital for regulatory purposes	182.4	182.3	*0.1*
Excess capital	57.3	65.3	*-12.3*
Solvency margin	11.66%	12.46%	*-6.4*

Consolidated Report on Operations

Summary of Half-Year Operations

The Banca Generali Group closed the first half of 2007 with net profit of 10.1 million euros — an increase of 9.8 million euros compared to the same period of 2006 — and net equity of 201.7 million euros.
As known, as of 1 July 2006 the consolidation area changed, following the entry into the banking group of Banca BSI Italia and Sant'Alessandro Fiduciaria. As a result, the accounting data for the first half of 2007 and 2006 cannot be compared. For comparison purposes, the Report on Operations at 30 June 2007 also presents the changes in the main items of the Profit & Loss Account on a comparable consolidation basis.

EBITDA, which is calculated as profit before taxes, net provisions, adjustments on loans, property, equipment and intangible assets, amounted to 45.3 million euros for the first six months of 2007, up 49.8% compared to 30.2 million euros in the same period of 2006.

Net banking income rose compared to the first half of 2006 by about 25.1 million euros (+31.5%), from 79.5 million at 30 June 2006 to 104.6 million in the first half of 2007.

Total operating expenses at 30 June 2007 amounted to 62.6 million euros, up 18.1% compared to the first half of 2006, with staff expenses increasing from 20.9 million euros in the first six months of 2006 to 28 million euros in the same period of 2007.

Net provisions amounted to 24.2 million euros at 30 June 2007, a 3.9% decrease compared to the first half of 2006, mainly due to higher provisions in connection with the development of the distribution network.

The total value of the assets managed by the Group for its customers amounted to 25.2 billion euros at 30 June 2007, which is the figure used for communications to Assoreti (Italy's National Association of Financial Products and Investment Services Placing Firms). In addition, at 30 June 2007, assets under administration and custody of the Generali Group companies totalled approximately 8.9 billion euros, and 1.1 billion euros were held in mutual funds and discretionary accounts (GPF and GPM) distributed directly by management companies or parties outside the banking group, for an overall total of 35.2 billion euros.

In the market for the distribution of financial products through the financial advisor network, the Banca Generali group continues to be one of the major players, with 25.2 billion euros in assets under management. With 1.2 billion euros for 1 January-30 June 2007 period, the bank is the market leader in terms of net inflows. This position had also been maintained in all of 2006 with 2.4 billion euros in net inflows.

During the first six months of 2007, the banking group continued to focus on developing its organisational structure (completion of the plan aimed at defining channels by customer segment) and expanding its business mainly through recruitment of qualified professionals, advisory training for its financial advisor network, and optimisation of assets in its customer portfolios. In detail, in the first half a project aimed at strengthening the Private Banking channel, which involved recruitment of professionals from some of the top companies in our market, was begun; the costs incurred in connection with the development of the Private channel were accounted for during the period and funded by the Bank's ordinary operations.

Furthermore, to develop financial advisors' skills in playing an active role with customers in terms of assistance and advisory service in the face of growing financial and pension needs among Italian households, the group continued its advisory training program for its advisor network, as well as financial planning tools to support this service.

Finally, with regard to the asset mix, during the first six months of 2007 the group continued to assist customers in optimising their portfolios with the aim of obtaining an asset mix that better responds to financial and pension needs, as well as generating returns that are consistent with a range of risk/return profiles. To this end, the group further expanded the offer of products provided by third-party product companies, consistent with the multibrand concept the group has adopted in parallel with the advisory service program described above, and the development of asset management products based on capital protection mechanisms.

Before analysing the Bank's sales and financial results for the first half of 2007, macroeconomic information for the main economic regions of the world is reported, to provide a better understanding of the factors that influenced the results of the Banking Group.

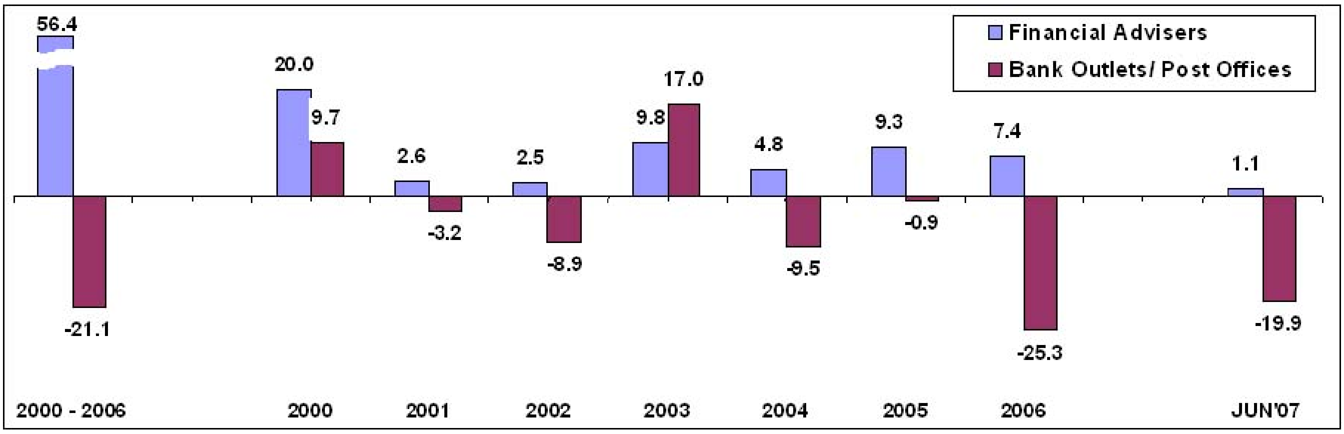
1. Macroeconomic Context

During the first half of the year, the world economy's growth outpaced the rapid rate posted in 2006 (4.7%). Only the US economy went against the general trend, especially in the first quarter, when it showed an annualised growth rate of less than 1%, suffering under the real-estate crisis and undesired inventory build-up. Faced with this slowdown, the Federal Reserve nevertheless kept its benchmark interest rate at 5.25%, justifying its inaction by reference to residual inflationary pressures. The personal consumption deflator fell gradually over the entire first half of the year to reach a tolerable 2%, a figure which was further confirmed by the latest available data (May). The slowdown in the US economy did not, however, exclude revisions of the expectations that a turnaround was on the horizon, as indeed proved to be the case starting in the second quarter, resulting in total long-term rate increases from 4.50% (March) to above 5% at present.
As opposed to the US trend, and contrary to predictions calling for a slowdown due to the increase in VAT in Germany, in the first quarter of 2007 the Euro Zone economy posted a growth rate exceeding the 2006 average. This unexpected outcome led to revaluation of the expected monetary policy of the European Central Bank for the entire first half of the year: since the beginning of 2007 the market's expectations of the targets aimed at by monetary policy rates have gradually increased, rising from 3.5% at the beginning of the year to reach 4.5% at present (implicitly expected rate for December 2007). Simultaneously with the bond market's reaction, which was especially pronounced in the second quarter, triggering long-term rate increases from 3.90% to 4.65% (end of June), European inflation figures continue to indicate an absence of significant upwards pressures. Nonetheless, the trend in monetary aggregates (M3) was still considered excessive by monetary authorities, which partly justified the above-mentioned aggressiveness in monetary policy rates.
As of February news began to spread of bankruptcies of US brokerage and mortgage firms, especially dealing with loans to sub-prime lenders. Increased indebtedness by low-income US consumers raises the issue of the sustainability of this debt, which is in turn linked to the appraisal of the collateral (home prices are falling). Non-performing loans may in turn give rise to credit rationing issues and consequently bring the financing mechanisms for the entire economy to a halt. Although it seems unlikely that the 10% of the mortgage market represented by the sub-prime sector will trigger a crisis in the banking system, it is also true that this risk factor will continue to weigh on the market over the coming months as a potential cause of a system-wide crisis.
In terms of future outlook, it is expected that US industrial production will henceforth re-integrate previously sold inventories leading to an across-the-board increase in growth rates. In order to be sustainable, however, this turnaround must be driven by demand, which in turn requires the continuing growth of real incomes and employment, both of which seem likely at the very least at this mature point in the economic cycle. In short, it is believed that the US economy will resume growth at near potential without fully realising said potential, while continuing to foment the process of dampening price increases.
Turning to the European scenario, due to the unexpected strength of the German economy, the Euro Zone is currently less dependent on US cycles. It remains to be seen whether the latest employment increases will translate into increased consumption or savings: only in the former case would the strength of a scenario currently founded solely on exports and investments be able to be considered sustainable.
Expectations of stable worldwide economic growth have represented and will continue to represent a positive factor for the growth of corporate profits and, consequently, stock markets, which were up over the first quarter (Euro Zone +8%, United States +6%, Japan +5.5%, and Emerging Markets 14.5%). Credit markets, which continued to show narrower spreads over the entire first half of the year, will remain closely tied to stock markets: over the coming months, debt markets, from supra-national (Emerging Markets) to corporate (Investment Grade and High Yield), are projected to show performances mirroring those of stock markets.

2. Net Inflows, Assets Under Management, and Market Positioning in Distribution Through Financial Advisor Networks

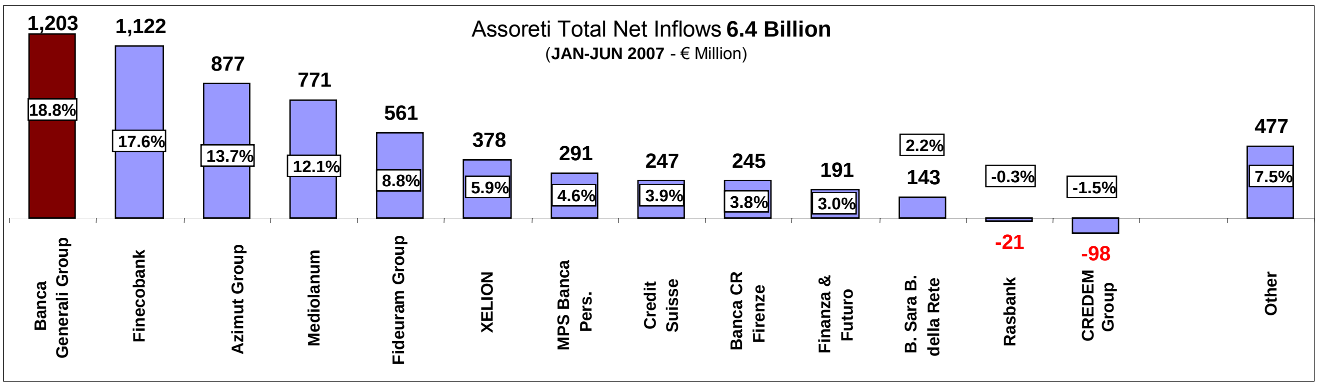
The asset management market is directly influenced by the performance of the financial market as described above. In brief, in Italy the first six months of the year were characterised by high volatility, with alternating increases and decreases and slightly positive overall performances. The foregoing was accompanied by an interest-rate scenario including significant increases leading to a gradual down-trend. This situation derived little benefit from the positive performances of international stock markets, which were partly offset by the considerable drop in the dollar.
A non-linear stock market and a generally weakening bond market (where more than 70% of the assets of Italian mutual funds and investment companies are concentrated) gave rise to disinvestments by UCITs (source: Assogestioni), especially those investing in stocks and bonds, whereas, significantly, flexible funds have long been showing positive performances. The negative balance of Italian products (down €27.9 billion) was only

partially offset by asset inflows of roundtrip and foreign products (up approx. €7.7 billion). At the end of June, the negative balance nonetheless amounted to twice the March figure, totalling the considerable sum of more than €20 billion, as compared with a negative €5.5 billion during the same period of 2006 and a negative €17.9 billion for all of 2006.
It is, however, important to observe that this negative trend was once again fully attributable to the distribution of traditional bank products. In fact, net inflows for UCITs recorded on the Financial Advisor network remained mostly stable (source: Assoreti: UCITs Distribution, comparison of FA networks and bank branches), although down sharply from previous years.
Generally speaking, in terms of the total net inflows achieved by the "Assoreti" market, the first 6 months of 2007 witnessed a decrease of approximately 27% against the same period of 2006.



The Banca Generali Group

Contrary to market trends, at 1.2 billion euros in June, the Banca Generali Group posted the highest net inflows in the Assoreti market for the third year in a row. The decrease compared to June 2006 was only 13%, whereas the market share increased from 15.8% to 18.8%. Of all inflows, the Parent Company accounted for 0.23 billion euros, Banca BSI Italia for 0.63 billion euros and Simgenia for 0.34 billion euros.
Nearly half of the Group's inflows came from asset management and insurance products. The other half came from assets under administration and custody, which was the initial focus of both Financial Advisors as well as new recruits. At least a portion of these inflows will be converted into asset management products in the future, also as a result of the launch of new capital protected investment services, which, from mid-March to the end of June attracted more than 110 million euros in subscriptions.



The following table provides a summary of the assets and their aggregates by product type. The figures refer to the "Assoreti market", which provides data on financial advisor activity that can be compared to similar data reported by other companies competing in the same market.

(€ million)	30/06/2007	31/12/2006	Delta %
Total assets management	**13,890**	**13,108**	**6.0%**
- Funds and SICAVs	*8,735*	*7,965*	*9.7%*

- GPM / GPF	*5,155*	*5,143*	*0.2%*
Total insurance products	**4,551**	**4,547**	**0.0%**
Total assets under administration and custody *(current and securities accounts)*	**6,743**	**6,050**	**11.5%**
Total assets placed by the network	**25,184**	**23,705**	**6.2%**

3. Group Indirect Inflows

The banking group's total indirect inflows (not limited to the "Assoreti market") consist of funds raised through the sale of third-party and group products — asset management, insurance products and assets under administration and custody (securities portfolios) — to retail and corporate customers. In detail:

<u>Asset management and insurance products</u>

Banking Group asset management products

In the asset management sector, the banking group conducts wealth management operations through Bg SGR, Banca BSI Italia and Bg Fiduciaria.
In detail, Bg SGR, which became part of the banking group as of 1 January 2006, manages both mutual funds and SICAVs/third-party funds formed directly or through a third-party mandate, and asset management. BG Fiduciaria and Banca BSI Italia deal with managed securities and/or funds portfolios, in a custodian and/or non-custodian capacity, and managed securities and funds portfolios, respectively.

(€ million)	30/06/2007	31/12/2006	31/12/2006	
			Amount	%
Funds and SICAVs	5,879	5,640	239	4.24%
- attributable to the banking group's GPF	2,019	2,065	-46	-2.23%
GPF/GPM	4,951	5,043	-92	-1.82%
Total assets managed by the banking group, net of managed securities portfolios included in the GPF of the banking group	**8,811**	**8,618**	**193**	**2.24%**

The total assets of mutual funds managed by the banking group at 30 June 2007 amounted to 5,879 million euros, including 2,005 million euros on management mandates received on funds and SICAVs formed by third parties and 2,019 million euros included in banking group's asset management business, up 4.24% compared to year-end 2006.

In the asset management area, the group focused on discretionary accounts (GPF/GPM) of BG SGR, Banca BSI Italia and BG Fiduciaria, and the relevant assets at 30 June 2007 amounted to 4,951 million euros, virtually unaltered compared to 31 December 2006.

Third-party asset management products

As part of its product brokerage and placement operations, the banking group sells third-party products in both the asset management and insurance areas.

The total value of third-party asset management products at the end of the half year was 6,230 million euros, up 11.41% compared to 31 December 2006.

(€ million)	30.06.2007	31.12.2006	31.12.2006	
			Amount	%
Funds and SICAVs	5,962	5,363	599	11.17%
GPF/GPM	268	229	39	17.03%
Total third-party product asset management	**6,230**	**5,592**	**638**	**11.41%**

Third-party insurance products

Investments in insurance products and pension assets mainly came through life products, unit-linked policies, and index-linked policies of La Venezia Assicurazioni. At 30 June 2007, assets amounted to 4,551 million euros, virtually unaltered compared to December 2006.

(€ million)	30.06.2007	31.12.2006	31.12.2006	
			Amount	%
Insurance products (unit linked, policies, etc)	4551	4,547	4	-
Total third-party insurance products	**4,551**	**4,527**	**24**	**0.53%**

Assets under administration and custody

Indirect inflows of assets under administration and custody consist of securities deposited by customers for custody and administration in portfolios opened with the parent company Banca Generali. Banca BSI Italia and, and for a minimum amount with other banks (about 34 million euros at 30 June 2007). At 30 June 2007, the market value of indirect inflows of assets under administration and custody was 12,890 million euros, compared to 12,500 million euros at the end of 2006.
Total indirect inflows were influenced by the portfolio held by the Parent Company Assicurazioni Generali S.p.A., three quarters of which comprise the Alleanza and Toro share packages.
Net of this component, the increase in indirect inflows of assets under administration and custody at market value was 17.03% compared to 31 December 2006.

(€ million)	30/06/2007	31/12/2006	31/12/2006	
			Amount	%
Indirect inflows of assets under administration and custody of the banking group (market value)	**12,890**	**12,500**	**390**	**3.12%**
of which Generali Assicurazioni securities portfolios	8,733	8,948	-215	-2.40%
of which other customer securities portfolios	4,157	3,552	605	17.03%
Indirect inflows of assets under administration and custody (market value)	**34**	**0**	**34**	**n.a.**

4. Performance of Main Financial and Economic Aggregates

At the end of the first half of 2007, total assets had decreased by 9.2% from year-end 2006, falling to 3,253.3 million euros from 3,580.1 million euros at the end of previous year. Total direct inflows, inflows from credit institutions and interest-bearing loans all declined compared to year-end 2006.
In particular, total direct inflows decreased by 315.3 million euros (-10.3%), while total loans fell 320.3 million euros (-9.5%).
The decrease in direct inflows was mainly attributable to inflows generated by Generali Group companies, which fluctuate considerably due to the Group's changing requirements for liquid funds.

Assets *(€ thousand)*	30/06/2007	31/12/2006	Change	Change %
Financial assets held for trading	2,422,486	2,108,052	314,434	14.9%
Financial assets available for sale	32,595	36,998	- 4,403	-11.9%
Loans to banks	283,546	892,471	- 608,925	-68.2%
Loans to customers	328,266	349,713	- 21,447	-6.1%
Equity investments	34	34	-	0.0%
Property, equipment and intangible assets	23,181	23,868	- 687	-2.9%
Tax receivables	39,289	35,704	3,585	10.0%
Other assets	123,918	133,235	- 9,317	-7.0%

Total assets	**3,253,315**	**3,580,075**	**- 326,760**	**-9.1%**

Liabilities and net equity *(€ thousand)*	**30/06/2007**	**31/12/2006**	**Change**	**Change %**
Due to banks	105,505	40,392	65,113	161.2%
Direct inflows	2,738,358	3,053,677	- 315,319	-10.3%
Financial liabilities held for trading	11,316	16,113	- 4,797	-29.8%
Tax payables	8,863	19,593	- 10,730	-54.8%
Other liabilities	119,002	179,857	- 60,855	-33.8%
Special purpose provisions	68,597	65,203	3,394	5.2%
Valuation reserves	1,088	1,065	23	2.2%
Reserves	65,839	61,886	3,953	6.4%
Additional paid-in capital	22,804	22,804	-	0.0%
Share capital	111,313	111,313	-	0.0%
Treasury shares (-)	- 9,512	- 5,851	- 3,661	62.6%
Net profit (loss) for the period (+/-)	10,142	14,023	- 3,881	-27.7%
	3,253,315	**3,580,075**	**- 326,760**	**-9.1%**

4.1 Direct Inflows

Direct inflows from customers amounted to 2,738.4 million euros, falling 315.3 million euros compared to year-end 2006 (-10.3%), mainly due to fluctuations in the captive deposits of the Parent Company, Assicurazioni Generali, and the companies in its group.

(€ thousand)	**30/06/2007**	**31/12/2006**	**Change**	
			Amount	**%**
Transfer accounts	1,800,010	2,248,052	- 448,042	-19.9%
Repurchase agreements	696,841	677,823	19,018	2.8%
AUM current accounts	31,652	60,404	- 28,752	-47.6%
Term deposits	204,257	62,607	141,650	226.3%
Other debts	5,598	4,791	807	16.8%
Total direct inflows	**2,738,358**	**3,053,677**	**- 315,319**	**-10.3%**

Traditional transfer current accounts amounted to 1,800.0 million euros at period-end (65.7%), while inflows from repurchase agreements increased to 696.8 thousand compared to 677.8 thousand euros for the previous year.
Growth in current account term deposits from 62.6 million euros to 204.3 million euros was almost entirely attributable to deposits from Generali Group companies.
At the end of the six-month period, the number of current accounts exceeded 125 thousand.

The portion of direct inflows attributable to the Generali Group, which consisted mainly of demand or short-term deposits subject to fluctuations based on the Group's liquidity-management operations, amounted to 513 million euros, or 19% of total direct inflows (compared to 27% at the end of the previous year). The rates paid on deposits are driven by market conditions.

4.2 Lending and Financial Activities

At the end of the first half of 2007, financial assets and loans, including loans to banks and customers and financial assets held for trading and available for sale amounted to 3,066.9 million euros, down 320.3 million euros from the end of last year (-9.5%). The decrease was due to an overall decline in direct inflows.

(€ thousand)	**30/06/2007**	**31/12/2006**	**Change**	
			Amount	**%**
Loans to banks	283,546	892,471	- 608,925	-68.2%
Loans to customers	328,266	349,713	- 21,447	-6.1%
Trading	2,422,486	2,108,052	314,434	14.9%
Assets available for sale	32,595	36,998	- 4,403	-11.9%

Total interest-bearing financial assets and loans	**3,066,893**	**3,387,234**	**- 320,341**	**-9.5%**

5.2.1 Interbank Position

The decrease in financial assets and loans was reflected in the company's interbank position, which was also negatively impacted by a reallocation of resources to trading activities.
Compared to year-end 2006 figures, loans to banks fell from 892.5 to 283.6 million euros (decreasing 608.6 million euros), while amounts due to banks increased by 65.1 million euros.
At the end of June 2007, Banca Generali's net interbank position remained positive, though it declined to 178 million euros compared to 852.1 million euros at the end of 2006 (a decrease of 674 million euros).

(€ thousand)	30/06/2007	31/12/2006	Change	
			Amount	%
Loans to banks	283,546	892,471	- 608,925	-68.2%
Due to banks	- 105,505	- 40,392	- 65,113	161.2%
Net interbank position	**178,041**	**852,079**	**-674,038**	**-79.1%**

(€ thousand)	30/06/2007	31/12/2006	Changes	
			Amount	%
Repayable on demand	**166,022**	**700,594**	**- 534,572**	**-76.3%**
. Demand deposits	90,011	535,109	- 445,098	-83.2%
. Transfer accounts	76,011	165,485	- 89,474	-54.1%
Time deposits	**117,524**	**191,877**	**- 74,353**	**-38.8%**
. Deposits with central banks	16,218	35,073	- 18,855	-53.8%
. Term deposits	51,973	112,712	- 60,739	-53.9%
. Repurchase agreements	40,739	41,040	- 301	-0.7%
. Other	8,594	3,052	5,542	181.6%
Total due to banks	**283,546**	**892,471**	**- 608,925**	**-68.2%**
. Transfer accounts	21,622	23,790	- 2,168	-9.1%
. Term current accounts	2,482	11,581	- 9,099	-78.6%
. Repurchase agreements	76,230	-	76,230	0.0%
. Subordinated loan	4,650	4,650	-	0.0%
. Other operating debts	521	371	150	40.4%
Total due to banks	**105,505**	**40,392**	**65,113**	**161.2%**
Net interbank position	**178,041**	**852,079**	**- 674,038**	**-79.1%**

4.3.2 Loans to customers

At 328.3 million euros, loans to customers also decreased slightly compared to the year-end 2006 figure, falling 21.5 million euros (-6.1%).
The decrease, which was mainly attributable to the financing area (-18.6 million euros), was due to the repayment of a number of pooled loans and overdraft lines of credit.

(€ thousand)	30/06/2007	31/12/2006	Changes	
			Amount	%
Financing	**234,661**	**253,291**	**- 18,630**	**-7.4%**
Current accounts	133,741	146,774	- 13,033	-8.9%
Mortgage loans	42,763	41,706	1,057	2.5%
Pooled financing	40,928	46,846	- 5,918	-12.6%
Other short-term financing	16,809	17,566	- 757	-4.3%
Personal loans	420	399	21	5.3%
Non-performing loans	**861**	**831**	**30**	**3.6%**
Debt securities	**26,464**	**25,831**	**633**	**2.5%**
Other	**66,280**	**69,760**	**- 3,480**	**-5.0%**
Operating loans	42,764	45,985	- 3,221	-7.0%
Interest-bearing daily margin, Borsa Italiana	22,460	22,664	- 204	-0.9%
Interest-bearing caution deposits	451	441	10	2.3%
Other	605	670	- 65	-9.7%

Total	**328,266**	**349,713**	**- 21,447**	**-6.1%**

Other loans, which includes operating loans to product companies and the interest-bearing daily margins paid to Borsa Italiana in relation to securities and derivative transactions, decreased by 3.5 million euros, entirely due to trade receivables from product companies.
Debt securities relate entirely to the GESAV guaranteed life insurance participating policy.

Net exposure to doubtful loans amounted to 0.9 million euros, corresponding to only 0.3% of loans to customers. The total includes 0.6 million euros in the category of expired loans or outstanding over 180 days.
Net bad loans and substandard loans amounted to 0.3 million euros, net of write-downs for a total of 1.3 million euros; the ratio to total net exposure is negligible. Bad loans mainly originated from current account overdrafts in connection with credit card use.

(€ thousand)	**30/06/2007**	**31/12/2006**	**Changes**	
			Amount	**%**
Bad loans	256	261	- 5	-1.9%
Substandard loans	44	33	11	33.3%
Expired loans/outstanding over 180 days	561	537	24	4.5%
Total non-performing loans	861	831	30	3.6%
Performing loans	327,405	348,882	- 21,477	-6.2%
Loans to customers	**328,266**	**349,713**	**- 21,447**	**-6.1%**

5.2.3 Financial assets and liabilities held for trading

In the first half of 2007, the bank continued to reallocate resources to its portfolio of financial assets held for trading, which increased by 315.2 million euros to 2,422.3 million euros (+15.0%).

The bank's portfolio of financial assets includes 2.299 million euros in debt securities (95% of the total), of which a significant amount relates to repurchase agreements (778 million euros), as well as 918 million euros in government securities and 1,381 million euros in other securities issued by leading international companies.
The bank's corporate bond portfolio contains asset-backed securities amounting to approximately 252 million euros.

Breakdown of trading portfolio

(€ thousand)	**30/06/2007**	**31/12/2006**	**Changes**	
			Amount	**%**
Government securities	332,331	440,459	- 108,128	-24.5%
Other debt securities	1,189,067	916,069	272,998	29.8%
Equity securities	47,639	56,373	- 8,734	-15.5%
OICR units	74,250	52,055	22,195	42.6%
Transferred assets not written off (*)	777,906	641,075	136,831	21.3%
Total cash assets held for trading	**2,421,193**	**2,106,031**	**315,162**	**15.0%**
Trading derivatives – positive fair value	1,293	2,021	- 728	-36.0%
Trading derivatives – negative fair value	- 11,316	- 16,113	4,797	-29.8%
Total assets/liabilities held for trading	**- 10,023**	**- 14,092**	**4,069**	**-28.9%**
Total assets/liabilities held for trading	**2,411,170**	**2,091,939**	**319,231**	**15.3%**

(*) includes 600 million euros in government securities

OICR (collective investment undertakings) units mainly refer to units of the Luxembourg SICAV called *Generali Investments SICAV* (41.1 million euros) and the *GAM Generali Special* fund (5 million euros). The increase in the balance was primarily due to the purchase of units of the *Generali Investments SICAV* for approximately 20.0 million.

The volume of securities and derivatives decreased compared to the end of 2006.

Trading derivatives recorded a net negative value of 10.0 million euros, consisting of contracts on debt securities and interest rates (IRS) for a negative 1.1 million euros, contracts on equity securities and currencies (options) for a net negative 0.1 million euros, and an equity swap contract value of a negative 11.0 million euros.
In this last case, however, the changes in fair value were entirely offset by a similar level of changes in investments made.
The interest rate swap agreements the Parent Company entered into in 2006 have a maturity of one year and were established to replicate the outperformance of insurance products over market interest rates.

4.2.4 Financial assets available for sale

Financial assets available for sale amounted to 32.6 million euros, consisting of equity securities and OICRs not held for trading and securities formerly classified in the investment portfolio based on previous accounting standards.

(€ thousand)	30/06/2007	31/12/2006	Change	
			Amount	%
Equity investments	**1,964**	**2,025**	**- 61**	**-3.0%**
- CSE – 5%	1,930	1,930	-	0.0%
- Caricese – 0.27%	21	21	-	0.0%
- SWIFT	12	12	-	0.0%
- BG Sicav	-	61	- 61	0.0%
- Other	1	1	-	0.0%
Other securities available for sale	**24,788**	**29,335**	**- 4,547**	**-15.5%**
- Assicurazioni Generali	1,311	1,339	- 28	-2.1%
- Fondo Generali Liquidità	-	15,251	- 15,251	0.0%
- BG Sicav Euromoney cat. C	18,711	8,044	10,667	0.0%
- Enel S.p.A	4,766	4,701	65	1.4%
Private-equity investments	**5,843**	**5,638**	**205**	**3.6%**
- Athena Private Equity S.A. - 4,66%	5,843	5,638	205	3.6%
Total	**32,595**	**36,998**	**- 4,403**	**-11.9%**

During the period, Banca Generali's initial contribution to allow BG SICAV to begin operating was entirely reimbursed.
Furthermore, subsidiary BG SGR began reallocating its treasury funds to units of OICRs held as temporary investments of excess liquidity, by subscribing to units of the liquidity fund of the Group's Luxembourg SICAV.

The minority holding in Athena Private Equity is a private equity investment. The company, whose shares are owned by leading Italian investors, is a foreign-law closed-end fund with middle and long-term investment objectives in small and medium-sized enterprises located in southern Europe. The company closed 2006 with a net income of 29.7 million euros and a portfolio of financial investments amounting to 147.5 million euros, with non-monetary gains estimated at approximately 61 million euros.

4.3 Equity Investments

The banking group's shareholding portfolio amounted to 34 thousand euros, consisting of the equity investments in the associate Eu-Ra Srl, held by the Parent Company.

4.4 Property, Equipment and Intangible Assets

Property, equipment and intangible assets amounted to 23.2 million euros, decreasing 0.7 million euros in the year.

(€ thousand)	30/06/2007	31/12/2006	Changes	
			Amount	%
Property and equipment				
- Furniture and fittings	5,090	4,961	129	2.6%
- ADP machines and equipment	401	460	-59	-12.8%
- Miscellaneous machines and equipment	2,285	2,399	-114	-4.8%
Total property and equipment	**7,776**	**7,821**	**-45**	**-0.6%**
Intangible assets				

- Goodwill	7,435	7,435	-	0.0%
- CSE long-term charges	4,787	5,681	- 894	-15.7%
- Software costs	722	579	143	24.7%
- No-load commissions to be amortised	2,456	2,346	110	4.7%
- Trademarks	5	6	- 1	-16.7%
Total Intangible assets	**15,405**	**16,047**	**-642**	**-4.0%**
Total property, equipment and intangible assets	**23,181**	**23,868**	**-686**	**-2.9%**

Net investments, which amounted to 2.6 million euros during the period, consisted of 1.6 million in intangible assets and 1.0 million euros in property and equipment. Depreciation and amortisation expense for the period totalled 3.3 million euros (2.2 million in amortisation).
Depreciation and amortisation decreased by 0.6 million euros during the period, mainly due to a reduction in charges associated with the development of a legacy system (CSE), which have reached an advanced stage of amortisation.

(€ thousand)	**Goodwill**	**Intangible assets**	**Property and equipment**	**Total**
Net amount at period-start	7,435	8,612	7,821	23,868
Increases	-	1,902	984	2,886
Purchases	-	1,902	984	2,886
Other changes		-	-	-
of which business combinations	-	-	-	-
Decreases	-	2,544	1,029	3,573
Sales	-	-	-	-
Adjustments	-	2,243	1,029	3,272
of which: a) depreciation and amortisation	-	2,243	1,029	3,272
of which: b) write-downs	-	-		-
Other changes	-	301	-	301
Amount at period-end	**7,435**	**7,970**	**7,776**	**23,181**

Expenses for leasehold improvements not attributable to specific property and equipment, reclassified pursuant to Bank of Italy instructions under the item "other assets", amounted to 3.1 million euros at the end of the period.

4.5 Special Purpose Provisions

At 30 June 2007, provisions to special purpose funds amounted to 68.6 million euros, including 6.6 million euros for commitments for termination indemnities and 62.0 million euros for provisions for other liabilities and contingencies.

(€ thousand)	**30/06/2007**	**31/12/2006**	**Changes**	
			Amount	**%**
Provision for termination indemnity	6,581	6,524	57	0.9%
Other provisions for liabilities and contingencies	62,016	58,679	3,337	5.7%
- provisions for staff expenses	*3,150*	*5,924*	*- 2,774*	*-46.8%*
- provision for legal disputes	*4,336*	*4,054*	*282*	*7.0%*
- other provisions for liabilities and contingencies	*54,530*	*48,701*	*5,829*	*12.0%*
Total provisions	**68,597**	**65,203**	**3,394**	**5.2%**

These provisions increased slightly compared to 3.3 million euros for the previous year (+5.7%), mainly due to increases in provisions for incentives and indemnities for the FA network (+6.4 million euros), and, to a lesser extent, litigation charges (+0.3 million euros), and a reduction in incentives for employees (-2.8 million).

(€ thousand)	**30/06/2007**	**31/12/2006**	**Changes**	
			Amount	**%**
Provision for staff expenses	**3,150**	**5,924**	**- 2,774**	**-46.8%**
Provisions for legal disputes	**4,336**	**4,054**	**282**	**7.0%**
Provision for risks related to litigations connected with advisors' embezzlements	2,607	1,842	765	41.5%

Provision for risks related to legal disputes with advisors	651	658	- 7	-1.1%
Provision for risks related to legal disputes with employees	554	204	350	171.6%
Provision for other legal disputes	524	1,350	- 826	-61.2%
Provision for termination indemnity of advisors	**5,835**	**4,582**	**1,253**	**27.3%**
Provision for termination indemnity	4,832	3,998	834	20.9%
Provision for portfolio overcommission indemnities	1,003	584	419	71.7%
Provision for customer loyalty programmes	**482**	**482**	**-**	**0.0%**
Provision for loyalty bonuses	482	482	-	0.0%
Provision for commissions to be paid out	**46,352**	**41,230**	**5,122**	**12.4%**
Provision for network development incentives	40,840	36,313	4,527	12.5%
Provision for commissions - travel incentives and tenders	1,647	3,147	- 1,500	-47.7%
Provision for commissions - commission plans	3,865	1,770	2,095	118.4%
Other provisions for liabilities and contingencies	**281**	**370**	**- 89**	**-24.1%**
Provision for staff leaving incentives	-	-	-	0.0%
Provision for stock option scheme (Assicurazioni Gen. securities)	264	340	- 76	-22.4%
Provision for other liabilities and contingencies	17	30	- 13	-43.3%
Provision for stamp and other taxes	**1,580**	**2,037**	**- 457**	**-22.4%**
Total	**62,016**	**58,679**	**3,337**	**5.7%**

4.6 Net Equity

Group net equity at 30 June 2007 amounted to 201.7 million euros, a 3.6 million euro decrease compared to the year-end 2006 figure.
The decrease was mainly due to purchases of treasury shares in connection with stock granting plans for top management approved in 2006.

Pursuant to a resolution passed at the General Shareholders' Meeting held on 24 April 2007 to approve the financial statements for 2006, the Parent Company distributed approximately 11.0 million euros in dividends in the second quarter of this year. The decrease was compensated by profit being made, which accounted for 72% of the result for 2006.

(€ thousand)	30/06/2007	31/12/2006	Changes	
			Amount	%
1. Share capital	111,313	111,313	-	0.0%
2. Additional paid-in capital	22,804	22,804	-	0.0%
3. Reserves	65,839	61,886	3,953	6.4%
4. (Treasury shares)	-9,512	-5,851	- 3,661	62.6%
5. Valuation reserves	1,088	1,065	23	2.2%
6. Equity instruments	-	-	-	0.0%
7. Net profit (loss) for the period	10,142	14,023	- 3,881	-27.7%
Total net equity	**201,674**	**205,240**	**-3,566**	**-1.7%**

In the first half of the year, the Group purchased 361,774 own shares. Of these, 78,000 were purchased by the subsidiary BSI Italia S.p.A. for 3.9 million euros in conjunction with stock granting/stock option plans for top management.
Another 59,644 shares amounting to 0.2 million euros were allocated to the financial advisors who were eligible for the former Prime Consult stock granting plans.
Therefore, Banca Generali has a total of 1,431,660 treasury shares (of which 78,000 through Banca BSI Italia) amounting to 9.5 million euros in relation to stock granting/stock option plans for the former Prime Consult financial advisors and the bank's top management.

At 30 June 2007, **Regulatory Capital** was 182.4 million euros, substantially in line with the situation at the end of 2006.

	30/06/2007	31/12/2006	Changes
Tier 1 capital	177,181	177,110	71
Tier 2 capital	5,214	5,202	12
Deductions	-	-	-
Total capital for regulatory purposes	**182,395**	**182,312**	83
B.1 CREDIT RISK	38,835	50,520	- 11.685
B.2 MARKET RISKS	79,539	59,760	19.779
B.3 OTHER PRUDENTIAL REQUIREMENTS	6,739	6,735	4
B.4 TOTAL PRUDENTIAL REQUIREMENTS (B1+B2+B3)	125,113	117,015	8.098
EXCESS OVER PRUDENTIAL REQUIREMENTS	57,282	65,297	- 8.016
Total used	68.59%	64.18%	
Absorption of credit risk	21.29%	27.71%	- 0
Absorption of market risk	43.61%	32.78%	0
Risk-weighted assets	1,563,913	1,462,688	101.225
Tier 1 capital/Risk-weighted assets	11.33%	12.11%	- 0
(Tier 1 capital ratio)			-
Regulatory capital/Risk-weighted assets	11.66%	12.46%	
Total capital ratio			

There was 57.3 million euros in excess of the amount required by the Oversight Authority to cover credit and market risks. Specifically, 21.3% of regulatory capital is allocated to credit risk and 43.6% is allocated to financial risks, making the remaining 31.4% available for use by the Bank. The solvency ratio was 11.7%, compared to the minimum requirement of 8%.

Reconciliation Statement Between Parent Company Net Equity and Net Profit and the Consolidated Net Equity and Net Profit

(€ thousand)	30 June 2007		
	Capital and reserves	Net profit	Net equity
Banca Generali S.p.A. Financial Statements	**177,834**	**23,752**	**201,586**
Differences between net equity and book value of companies consolidated using the line-by-line method	**1,619**	**-**	**1,619**
- *Income carried forward of subsidiary companies*	*1,682*	-	*1,682*
- *Reserve shared based payments IFRS2*	*25*		*25*
- *Other differences*	- *88*	-	- *88*
Dividends from consolidated companies	**12,669**	- **12,669**	**-**
Consolidated companies result for the period	**-**	- **941**	- **941**
Valuation reserves - consolidated companies	**179**	**-**	**179**
Consolidation adjustments	- **769**	**-**	- **769**
- *treasury shares held by subsidiaries*	- *769*	-	- *769*
Banca Generali Consolidated Financial Statements	**191,532**	**10,142**	**201,674**

4.7 Cash Flows

At the end of the first half of 2007, cash flows from operations amounted to 16.1 million euros.
During the period, cash flows used in investment activities amounted to 2.6 million euros, while cash flows used in financing activities amounted to 14.9 million. Financing activities included dividend distributions (11.0 million) and purchases of treasury shares. The total cash flows used in the first six months of the year amounted to 1.3 million euros.

5. Operating Performance

The following tables and notes provide an analysis of the Group's operating results for the first six months of 2007 compared to those for the same period of 2006.

(€ thousand)	30/06/2007	30/06/2006	Change %
Net interest	**20,185**	**10,372**	**94.6%**
Net commissions	**78,276**	**64,621**	**21.1%**
Dividends	2,620	19,909	-86.8%
Net income from banking operations	3,488	-15,364	-122.7%
Net income from insurance operations			
Net operating profit	**104,569**	**79,538**	**31.5%**
Staff expenses	-28,029	-20,868	34.3%
Other general and administrative expense	-35,072	-32,205	8.9%
Net adjustments of property, equipment and intangible assets	-3,273	-3,648	-10.3%
Other operating expense/income	3,806	3,751	1.5%
Net operating expense	**-62,568**	**-52,970**	**18.1%**
Operating profit	**42,001**	**26,568**	**58.1%**
Net adjustments for non-performing loans	195	24	712.5%
Net adjustments of other assets	-	-66	-100.0%
Net provisions	-24,160	-25,138	-3.9%
Gain (loss) from the disposal of equity investments	-	2	-100.0%
Operating profit before taxation	**18,036**	**1,390**	**1197.6%**
Income taxes for the period on continuing operations	-7,894	-1,044	656.1%
Net profit (loss) from non-current discontinued operations, net of tax	-	-	0.0%
Profit (loss) for the period attributable to minority interests	-	-	0.0%
Net profit	**10,142**	**346**	**2831.2%**

Consolidated operating profit at 30 June 2007 reached 42.0 million euros, increasing 15.4 million euros (+58.1%) compared to the same period of the previous year; the increase was 53.8% on a like-for-like basis (LfL).
The increase in operating profit was mainly attributable to growth in placements and distributions of financial and banking products, as well as the expansion of the banking group as a result of the acquisitions of Banca BSI Italia and Sant'Alessandro Fiduciaria on 1 July 2006.

Consolidated net profit being made reached 10.1 million euros after subtracting net provisions of 24.2 million euros. Net provisions were substantially in line with the same period of 2006 and were made mainly in connection with initiatives to strengthen the sales force.

EBITDA (income before taxes, net provisions, adjustments on loans/other assets, property, equipment and intangible assets) amounted to 45.3 million euros at 30 June 2007, up from 30.2 million euros in the same period of the prior year (31.6 million euros LfL).

5.1 Net Interest

Net interest income amounted to 20.2 million euros, a 9.8 million euro increase (+94.6%), compared to the same period of the prior year; this amounted to a 65.8% growth LfL.

The increase in the cost of inflows from customers (39.7 million euros; +108.4%) was due to the larger volumes traded as well as an increase in average funding rates, which grew at the same pace as market rates.

The increase in costs was offset by a considerable growth in revenues generated by the trading securities portfolio (23.4 million euros; +125.5%), the net interbank segment (4.2 million euros) and, to a lesser extent, loans to customers.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Financial assets held for trading	41,978	18,612	23,366	125.5%
Loans to banks	11,773	6,713	5,060	75.4%
Loans to customers	7,059	4,153	2,906	70.0%
Other assets	44	48	- 4	-8.3%
Total interest income	**60,854**	**29,526**	**31,328**	**106.1%**
Due to banks	924	78	846	1084.6%
Due to customers and securities issued	39,745	19,076	20,669	108.4%
Other liabilities	-	-	-	0.0%
Total interest expense	**40,669**	**19,154**	**21,515**	**112.3%**
Net interest income	**20,185**	**10,372**	**9,813**	**94.6%**

5.2 Net Commissions

Aggregated commissions increased 13.7 million euros (+21.1%) year-on-year. This item increased 8.1% LfL.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Asset management	67,236	53,665	13,571	25.3%
Placement of securities	40,333	36,002	4,331	12.0%
Distribution of third-party financial products	24,845	22,665	2,180	9.6%
Dealing in securities and currencies	2,712	2,030	682	33.6%
Order collection, custody, and securities administration	8,091	4,740	3,351	70.7%
Collection and payment services	1,177	844	333	39.5%
Other services	1,024	1,444	- 420	-29.1%
Total commission income	**145,417**	**121,390**	**24,027**	**19.8%**
Commissions for external offer	63,663	54,252	9,411	17.3%
Collection and payment services	960	466	494	106.0%
Dealing in securities and custody	1,648	1,449	199	13.7%
Asset management	22	-	22	0.0%
Other	849	602	247	41.0%
Total commission expense	**67,141**	**56,769**	**10,372**	**18.3%**
Net commissions	**78,276**	**64,621**	**13,655**	**21.1%**

Commission income increased 24.0 million euros (up +19.8%), largely attributable to the higher 20.0 million euros contribution from the sale of personal financial services to households.

Commission income from other banking services offered to customers increased 4.0 million euros, attributable to the increase in commissions from order collection and custody and administration, driven both by the expansion in operations on foreign markets for Generali group companies and Banca BSI Italia operations.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Asset management, own				
1. Collective asset management (OICR, pension funds)	38,924	32,599	6,325	19.4%
2. Individual asset management	28,312	21,066	7,246	34.4%
Commissions on asset management	67,236	53,665	13,571	25.3%
1. Placement of third-party OICRs	33,700	35,532	- 1,832	-5.2%
2. Bond placement	4,777	431	4,346	1008.4%
3. Other placement operations	1,856	39	1,817	4659.0%
4. Distribution of third-party asset management products (GPM/GPF, pension funds)	1,635	974	661	67.9%
5. Distribution of third-party insurance products	19,896	18,068	1,828	10.1%
6 Distribution of other third-party financial products	3,314	3,623	- 309	-8.5%
Placement and distribution of third-party products	65,178	58,667	6,511	11.1%
Total	**132,414**	**112,332**	**20,082**	**17.9%**

Commissions generated by the Group's individual and collective asset management segments increased by 13.6 million euros (25.3%), with a higher growth recorded in individual asset management.
The 6.5 million euro increase in the placement and distribution of third-party products compared to the first half of 2006 was mainly attributable to bonds placed through the financial advisor network.

The following table provides a breakdown of gross commissions from underwriting, management, incentives, and other bank brokerage services.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Commissions	29,206	24,363	4,843	19.9%
Management commissions	102,370	86,357	16,013	18.5%
Incentive commissions	296	1,275	- 979	-76.8%
Other commissions (other banking and financial services)	13,545	9,395	4,150	44.2%
	145,417	**121,390**	**24,027**	**19.8%**

Net commissions also include 9.4 million euros (+17.4%) in commission expenses for external offer commissions paid to the distribution network, attributable to higher volume traded in the period.

5.3 Dividends

Dividends collected amounted to 2.6 million euros and referred mainly to distributions by investee companies classified as financial assets available for sale.
Specifically, Athena Private Equity, the bank's private equity investment, distributed dividends amounting to 1.0 million euros, while the remainder were distributed by Enel and, to a lesser extent, Assicurazioni Generali.
The significant decrease in this item compared to the same period of 2006 is due to a number of transactions involving Total Return Swaps (TRS) on equity securities in the first half of 2006, which had a negative impact on the results of trading activities.
The decrease should be considered together with the net result of trading activities during the two periods.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Dividends of financial assets available for sale	1,245	579	666	115.0%
Dividends from trading	649	1,188	- 539	-45.4%
Dividends on TRS operations	726	18,142	- 17,416	-96.0%
Total dividends	**2,620**	**19,909**	**- 17,289**	**-87%**

5.4 Net profit from trading and financial operations

Net profit from trading operations includes gains and losses on sales and capital gains/loss on assessments of fair value of financial assets and liabilities held for trading or available for sale, as well as the income and loss from the transfer of financial assets available for sale and the result of hedging operations.

The result at the end of the first half of 2007 was a net income of 3.5 million, compared to a net loss of 15.4 million at the end of the first half of 2006 (+18.9 million euros).

As mentioned in the previous paragraph, the result was strongly influenced by the transactions involving Total Return Swaps on equity securities in 2006 (for an explanation, see the consolidated financial statements at 31 December 2006), which generated a loss from trading activities amounting to 16.2 million and dividends totalling 18.1 million.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Net income (loss) on financial assets	3,248	- 27,253	30,501	-111.9%
Gain (loss) on financial assets	- 6,141	- 2,164	- 3,977	183.8%
Income (loss) on derivatives	668	15,841	- 15,173	-95.8%
Gain (loss) on derivatives	4,511	- 2,122	6,633	-312.6%

Securities transactions	**2,286**	**- 15,698**	**17,984**	**-114.6%**
Currency transactions	**715**	**334**	**381**	**114.1%**
Net profit from trading	**3,001**	**- 15,364**	**18,365**	**-119.5%**
Net profit from hedging	-	-	-	0.0%
Income (loss) from repurchases	487	-	487	0.0%
Income (loss) from financial operations	**3,488**	**- 15,364**	**18,852**	**-122.7%**

Considering the above transactions as a whole, the contribution of trading activities in the first half of 2007 (3.7 million euros) was substantially in line with the figure from the first half of 2006 (2.8 million euros).

(€ thousand)	Net profit and dividends	Loss from trading	Capital gains	Capital loss	30/06/2007	30/06/2006
1.Debt securities transactions	1,163	139	983	4,262	- 2,255	- 1,590
2. Equity securities transactions	4,044	1,799	604	1,680	1,169	1,533
Equity securities	*2,584*	*582*	*331*	*1,451*	*882*	*2,571*
Options on equity securities	*1,460*	*1,217*	*273*	*229*	*287*	*- 1,038*
3. Total return swap (TRS)	977	714	3,961	3,961	263	1,689
Equity securities (TRS transactions)	*-*	*-*	*-*	*3,961*	*- 3,961*	*- 31,750*
Dividends	*726*	*-*	*-*	*-*	*726*	*18,142*
Derivatives	*251*	*714*	*3,961*	*-*	*3,498*	*15,297*
4. OICR quota transactions	221	-	2,218	-	*2,439*	*1,352*
5. Interest rate swaps (IRS)	1,016	113	506	15	*1,394*	*- 540*
6. Currency transactions	1	-	9	8	717	334
Derivatives	*1*	*-*	*9*	*8*	*2*	*-*
Other	*-*	*-*	*-*	*-*	*715*	*334*
Net profit from trading	**7,422**	**2,765**	**8,281**	**9,926**	**3,727**	**2,778**

A loss of 2.3 million euros was recorded for debt securities, mainly due to the fair-value adjustments carried out at period-end, which were impacted by the increase in interest rates in the first half of 2007.

The equity securities component generated net gains of 1.2 million euros, while the OICR component contributed 2.4 million euros (based on the period-end NAV for the *Generali Investment Sicav* sub-funds owned).

As for interest rate trading, the bank entered into one-year interest rate swap contracts to replicate the outperformance of insurance transactions over market rates.

As for Total Return Swaps, the only equity swap contract still outstanding generated a gain of 0.2 million euros, as a combined result of a loss from trading activities of 0.5 million euros and dividends received amounting to 0.7 million.

5.5 Operating Expenses

Total operating expenses, including staff expenses, other general and administrative expense, depreciation, amortisation and other operating income and expense increased by 9.6 million euros (+18.1%) compared to the same period in 2006, due to the expansion of the Group's business and, to a greater extent, the inclusion of Banca BSI Italia in the consolidated accounts. On a like-for-like basis, the total did not change significantly compared to the first half of 2006 (-0.59%).

(€ thousand)	**30/06/2007**	**30/06/2006**	**Change**	
			Amount	**%**
Staff expenses	- 28,029	- 20,868	- 7,161	34.3%
Other general and administrative expense	- 35,072	- 32,205	- 2,867	8.9%
Net adjustments of property, equipment and intangible assets	- 3,273	- 3,648	375	-10.3%
Other income and expenses	3,806	3,751	55	1.5%
Operating expense	**- 62,568**	**- 52,970**	**- 9,598**	**18.1%**

Against this background, staff expenses, including those associated with employees, interim staff and directors, increased by 7.2 million euros compared to the same period of 2006, mainly due to an increase in the Group's workforce, which grew by 97 employees (+15.3%) in the first six months of 2006 to a total of 733 employees. The increase in the number of employees was mainly due to the inclusion of Banca BSI Italia in the consolidation area; the increase in staff expenses was 6.9% LfL.

	30/06/2007	30/06/2006	Change
a) Managers	44	33	11
b) Total executives	165	128	37
c) Employees at other levels	515	468	47
Total	**724**	**629**	**95**
Non-employed staff (collaborators, temporary workers, etc.)	9	8	1
Total	**733**	**637**	**96**

(€ thousand)	30/06/2007	30/06/2006	Change Amount	%
1) Employees	***27,047***	***20,170***	***6,877***	***34.1%***
Wages and salaries	16,839	12,330	4,509	36.6%
Social security charges	4,421	3,355	1,066	31.8%
Termination indemnity	804	756	48	6.3%
Contributions to outside supplemental pension funds	961	374	587	157.0%
Costs related to payment agreements based on own financial instruments	353	-	353	0.0%
Other employee benefits	3,669	3,355	314	9.4%
2) Other staff	***46***	***108***	***- 62***	***-57.4%***
3) Directors	***936***	***590***	***346***	***58.6%***
of which costs related to payment agreements based on own fin. instr.	*25*	-	25	0.0%
Total	**28,029**	**20,868**	**7,161**	**34.3%**

Other general and administrative expense amounted to 35.1 million euros, an increase of approximately 2.9 million euros, compared to the same period of the previous year (+8.9%); this item decreased by approximately 2.9% LfL.

The ratio of operating expenses, before adjustments to property, equipment and intangible assets, to net banking income (cost/income ratio) improved to 56.7% at the end of the six-month period from 62.0% for the same period of 2006 (65.0% LfL).

(€ thousand)	30/06/2007	30/06/2006	Change Amount	%
Administration	**3,207**	**2,870**	**337**	**11.7%**
Advertising	455	192	263	137.0%
Consultancy and professional advice expense	674	1,099	-425	-38.7%
Corporate boards and auditing firms	496	230	266	115.7%
Other general costs (insur. T&E)	1,582	1,349	233	17.3%
Operations	**15,058**	**14,435**	**623**	**4.3%**
Rent and usage of premises	6,330	5,321	1,009	19.0%
Outsourced services	3,987	4,565	-578	-12.7%
Post and telephone	1,726	1,784	-58	-3.3%
Print material and contracts	555	481	74	15.4%
Other operating expenses	2,460	2,284	176	7.7%
Information system and equipment	**12,923**	**11,073**	**1,850**	**16.7%**
Outsourced IT services	8,893	7,743	1,150	14.9%
Fees for financial databases and other IT services	2,120	1,662	458	27.6%
Software maintenance and servicing	856	400	456	114.0%
Other expenses (equipment rental, maintenance, etc.)	1,054	1,268	-214	-16.9%
Taxes and duties	**3,884**	**3,827**	**57**	**1.5%**
Total other general and administrative expense	**35,072**	**32,205**	**2,867**	**8.9%**

Depreciation and amortisation amounted to 3.3 million euros, down 0.4 million compared to the same period of 2006 (-10.3%), mainly due to a decrease in the amortisation expense on no-load commissions.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Adjustments to property and equipment	1,029	844	185	21.9%
Adjustments to intangible assets	2,244	2,804	-560	-20.0%
Total	**3,273**	**3,648**	**- 375**	**-10.3%**

Other net operating income and charges includes items previously classified among extraordinary income and expense components, as well as miscellaneous recurring income and expense. Recurring income mainly includes the reimbursement of expenses from customers for taxes and the management of their current accounts, outsourcing fees and allowances and repayments from financial advisors, and Simgenia's income from training of insurance network operators. Other charges include reclassified depreciation on leasehold improvements that are no longer classified among intangible assets, in accordance with Bank of Italy regulations.

At the end of the six months, this item amounted to 3.8 million euros, substantially stable compared to the previous year.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Recovery of expenses and inflow from customers	1,764	1,337	427	31.9%
Recovery of taxation from customers	3,082	2,865	217	7.6%
Indemnities and recovery of costs from advisors	617	408	209	51.2%
Training of insurance agents	415	639	- 224	-35.1%
Contingent assets and compensation	1,167	670	497	74.2%
Other income and consolidation adjustments	103	46	57	123.9%
Total	**7,148**	**5,965**	**1,183**	**19.8%**
Adjustments of leasehold improvements	653	869	- 216	-24.9%
Charges for staff leaving incentives	198	73	125	171.2%
Contingent liabilities and non-existent assets	1,567	851	716	84.1%
Charges from accounting adjustments with customers	179	210	- 31	-14.8%
Indemnities and compensation	678	197	481	244.2%
Other operating expense and consolidation adjustments	66	14	52	371.4%
Total	**3,341**	**2,214**	**1,127**	**50.9%**
Other net operating income	**3,807**	**3,751**	**56**	**1.5%**

5.6 Operating Profit and Net Profit for the Period

As illustrated in the foreword, at 30 June 2007 **operating profit** amounted to 42.0 million euros, an increase of 15.4 million euros compared the same period of 2006 (+58.1%).

Operating income before taxes amounted to 18.0 million euros, net of provisions amounting to 24.2 million euros, thus sharply increasing 16.6 million euros compared to the first half of 2006.

(€ thousand)	30/06/2007	30/06/2006	Change	
			Amount	%
Net operating profit	104,569	79,538	25,031	31.5%
Net operating expense	- 62,568	- 52,970	- 9,598	18.1%
Operating profit	**42,001**	**26,568**	**15,433**	**58.1%**
Net adjustments for non-performing loans	195	24	171	712.5%
Net adjustments of other assets	-	- 66	66	-100.0%
Net provisions	- 24,160	- 25,138	978	-3.9%
Gain (loss) from the disposal of equity investments	-	2	- 2	-100.0%
Operating profit before taxation	**18,036**	**1,390**	**16,646**	**1197.6%**
Income taxes for the period on continuing operations	- 7,894	- 1,044	-6,850	656.1%
Net profit	**10,142**	**346**	**9,796**	**2831.2%**

Provisions mainly include commission charges related to short- and medium-term incentive programs connected to the expansion of the sales network. Provisions were also made to cover financial advisors' indemnities and legal disputes.

Income taxes, consisting of IRES (Italy's corporate income tax) and IRAP (Italy's regional tax on production activities), were estimated at 7.9 million euros.

Net profit for the period amounted to 10.1 million euros, an increase of 9.8 million euros year on year.

6. Transactions with Related Parties

In compliance with Article 2391-*bis* of the Italian Civil Code, Article 71 of CONSOB (Italy's stock market regulator) Regulation No. 11971/99 (Provisions on Issuers) and the recommendations contained in the Code of Conduct for listed companies, on 18 July 2006, the Banca Generali's Board of Directors approved the *Code of Conduct for Transactions with Related Parties*, with the objective of:
(i) defining the guidelines to be followed by Banca Generali and its subsidiaries in carrying out transactions with related-party in order to guarantee transparency and correctness in terms of substance and procedures, with particular reference to "significant" transactions, i.e. those having a major impact on the bank's profitability, assets and liabilities or financial position ("extraordinary" and "material" transactions);
(ii) establishing the procedures for complying with disclosure requirements, including those required under applicable laws and regulations.

In compliance with CONSOB Resolution No. 15232 of 29 October 2005, "related parties" include parties defined as such by IAS 24, "Related Party Disclosures".

In implementing the principles set out in the aforementioned Code, the banking group follows specific procedures to allow the regular flow of information regarding related-party transactions from subsidiaries to the Parent Company and from the Parent Company to its control boards.
The Group is also planning to build a database containing information on related-party transactions as defined by IAS 24.

Transactions with parties that have powers of management, administration and control over the bank are governed by Article 2391 of the Italian Civil Code and by the rules pertaining to the obligations of banking representatives set out in Article 136 of Italian Legislative Decree No. 385/1993 (Italy's Banking Law) and the Regulatory Instructions, which, in relation to such transactions, require a unanimous resolution by the Board of Directors and the favourable vote of all members of the Board of Statutory Auditors, without prejudice to abstention requirements set forth by law.

Disclosure of Transactions with Related Parties

In compliance with IAS 24, the following are defined as related parties of the banking group:

- the Parent Company, Assicurazioni Generali S.p.A.;
- companies that are either directly or indirectly controlled by Assicurazioni Generali (subsidiaries);
- companies belonging to the banking group (Simgenia, BG Fiduciaria, BG SGR, Banca BSI Italia, Sant'Alessandro Fiduciaria) and associate companies (Eu-ra);

For the purpose of IAS 24, related parties also include executives of the banking Group with strategic responsibilities.

- the members of the Company's Board of Directors and Board of Auditors;
- the Company's General Manager and Managers invested with managerial powers and/or credit-approval powers directly by the Company's Board of Directors;
- executives with strategic responsibilities for the Company's Subsidiary Companies, as identified by the administrative organs of the latter from time to time and notified to the Company;
- executives with strategic responsibilities for the Company's parent company, as identified by the administrative organ of the latter from time to time and notified to the Company.

As part of its normal business operations, the bank has numerous financial and commercial relationships with the companies previously defined as related parties. In the banking area, such relationships include current accounts, the custody and administration of securities, stock brokerage and commercial portfolio collection. As regards the distribution and sale of financial services, a number of agreements were established regarding the placement by the financial advisors of asset-management and insurance products and banking products and services. Finally, as part of its normal operations, the Group also has relationships pertaining to outsourcing, IT and administration, insurance, leasing as well as other minor relationships with Generali Group companies.

No transactions other than those completed as part of normal banking relationships with private and corporate

customers were carried out during the first half of 2007. Specifically, no related-party transactions were carried out that could be defined as atypical or unusual or as having an impact on the safety of the company's assets or the completeness or accuracy of accounting and other information related to the issuer, which would therefore require disclosure to the market pursuant to the above-mentioned Article 71-*bis*.
of CONSOB Regulation 11971/99 (and further amendments).

Additional information on related-party transactions is included in Part H of the Notes.

7. Purchase of Treasury Shares or Shares in the Parent Company

7.1 Treasury shares

At 30 June 2007, Banca Generali had 1,353,660 treasury shares worth a total of 8.7 million euros recognised in liability item 200 in the balance sheet. In connection with this item, a reserve for the purchase of treasury shares was created, in compliance with article 2357-*ter* of the Italian Civil Code. Such reserve has been recognised under the liabilities item 170.
A total of 686,086 shares, amounting to 2.2 million euros, were purchased in 2001 by subsidiary Prime Consult to fulfil its obligations under the stock granting plan offered to its financial advisors (net of the shares already assigned to the advisors), while a total of 667,574 shares, amounting to 6.5 million euros, were purchased on the stock market from 15 November to 30 June 2007 pursuant to a resolution passed by Banca Generali's Board of Directors approving a stock-granting plan for the bank's Managing Director and General Manager.

During the first half of 2007, 283,774 treasury shares were purchased (for 3.1 million euros) for the stock-granting plan offered to top management, while 59,644 shares were allocated to the former Prime Consult financial advisors under the stock-granting plan set up for them.

In the first half of 2007, Banca BSI Italia purchased Banca Generali shares pursuant to a resolution passed by the General Shareholders' Meeting on 29 January 2007 to be offered through the stock-option plan for the company's Chairman.
In particular, BSI purchased a total of 78,000 shares, 60,000 in conjunction with the aforementioned resolution, for a total of 769 thousand euros. The shares were classified as assets available for sale.
Pursuant to Article 2359-*ter* of the Italian Civil Code, a restricted provision was allocated in the same amount in relation to the purchase of Parent Company shares.

7.2 Parent Company's Shares

At 30 June 2007, Banca Generali owned 44,188 shares in its Parent Company, for a total value of 1.3 million euros, before revaluations.
Banca Generali's ownership increased during the period under review as a result of the bonus allocation of 4000 shares following a free share capital increase by Assicurazioni Generali.
Banca Generali began purchasing the Parent Company's shares in 2002 following various resolutions passed by the General Shareholders' Meeting.
In particular, the General Meetings held on 30 September 2003 and 27 May 2005 authorised directors to purchase a maximum of 40,000 common shares of the Parent Company in relation to two stock-option plans offered to the Managing Director for 2004 and 2005. Pursuant to Article 2359-*ter* of the Italian Civil Code, a restricted provision was allocated in the same amount in relation to the ownership of Parent Company shares.

8. Human Resources

8.1 Employees

The total number of Group employees reached 724, an increase of 96 employees compared to the same period of 2006 due in part to acquisition of Banca BSI Italia in the second half of 2006.

	30/06/2007	31/12/2006	30/06/2006
Employees			
a) Managers	44	41	33
b) 3rd and 4th level executives	107	92	71

b) 1st and 2nd level executives	58	71	57
d) Employees at other levels	515	492	468
Total	**724**	**696**	**629**

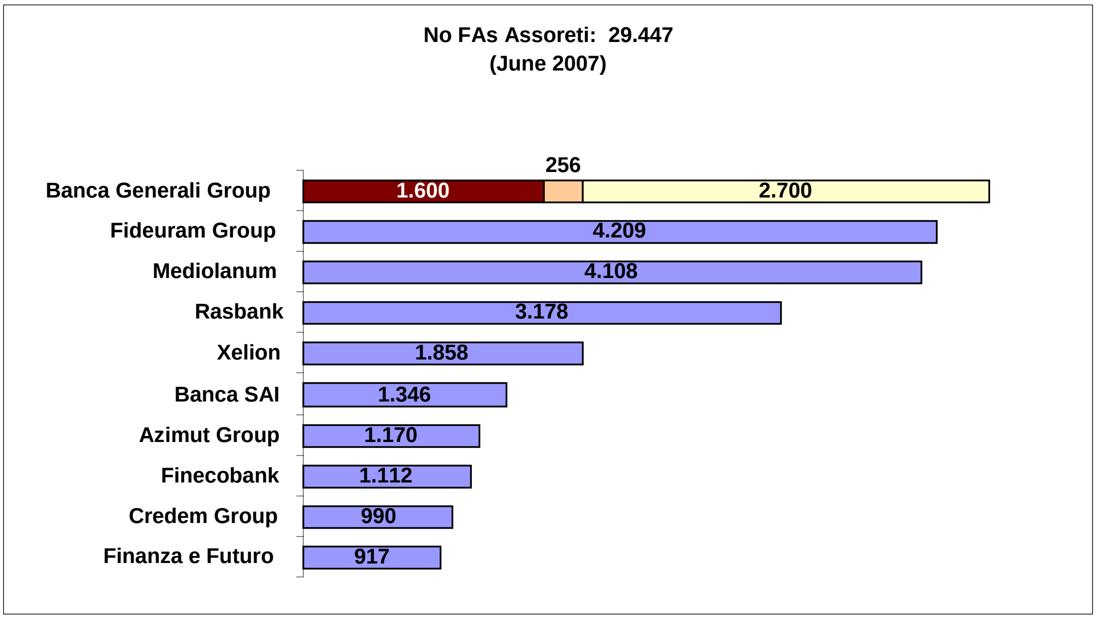
In the first six months of 2007, the Group began an intensive training program that already involved many employees of the Banca Generali banking group. The program involves attendance in organised courses, some for managerial and information system training at Generali Group Innovation Academy, and some for technical training with top external consulting companies expert in the sector.

In particular, after concluding a process started in 2006 that involved the mapping of managerial skills as part of an initiative aimed at the strategic management of human resources, in the first half of 2007, the Group held feedback interviews with its managers and executives aimed at creating targeted development plans.

In March, focus groups consisting of approximately 60 employees from the various company- and territorial-level departments were organised with the specific goal of analysing the communication needs identified in the corporate climate survey conducted in 2006. The focus group results were presented to top management and led to the development of an action plan based on the priorities identified that will be implemented in the second half of 2007.

8.2 Financial Advisors

The Banca Generali Group distribution network has the highest number of financial advisors on the Italian market: 1,600 Banca Generali advisors, 2,700 Simgenia advisors, and 256 Banca BSI Italia advisors, for a total of 4,556 professionals.
It is important to recall that the composition of the network was influenced by the reorganisation efforts completed at the beginning of 2007, which resulted in the transfer of 200 of the Banca Generali's financial advisors to Banca BSI Italia to fill the specific role of providing advisory and consulting services to private customers.



The Banca Generali Group's financial advisors cover an extensive area in Italy and are supported by a total of 198 bank branches and Advisor Offices.

Region	Banca Generali / BSI Italia Branches	Advisor Offices
Abruzzo	1	2
Calabria	1	4
Campania	3	13
Emilia Romagna	5	22

Friuli Venezia Giulia	2	3
Lazio	3	6
Liguria	3	17
Lombardy	7	18
Marche	1	5
Molise	0	0
Piedmont	5	12
Puglia	2	8
Sardinia	0	1
Sicily	1	6
Tuscany	2	16
Trentino Alto Adige	0	2
Umbria	1	2
Valle D'Aosta	0	2
Veneto	5	17
Overall total	**42**	**156**

Initiatives aimed at strengthening the financial advisor networks of **Banca Generali** and **Banca BSI Italia** and improving qualitative selection procedures continued at the beginning of 2007, resulting in the addition of 69 new professionals since the beginning of the year (29 at BSI); at Banca Generali, the new advisors will replace mostly less productive ones.
These efforts led to an increase in average assets per Financial Advisor for the two networks from 11 million euros at the end of 2006 to 12 million in June 2007. The improvement in quality is even more evident when the Financial Advisors are broken down into three clusters based on total assets under management.

	Jun-2007	Dec-2006	Delta %
FAs with AUM >10ml	588	544	8,1%
Standard FAs	804	810	-0,7%
FAs with AUM <4ml	464	530	-12,5%
Total	1,856	1,884	-1,5%

Simgenia's FAs focus mainly on the insurance area, while assets under management are of secondary importance. As such, they are located only where the agencies of the Generali Group companies (Generali Assicurazioni, Alleanza, INA) are located, and their activities are intended to be supplementary to the insurance business. This explains the lower average assets-under-management figure for the Simgenia network (1.2 million euros).

	No. of FAs/ Bank./Rel.Man.	Assets (mln euro)	Assets per Advisor (mln euro)
Banca Generali	1,600	14,636	9.1
Simgenia	2,700	3,345	1.2
BSI Italia	256	7,203	28.1

9. Auditing

Internal audit services for the Banking Group are provided by the independent Internal Audit Service whose mission is to regularly check operations and changes in risk, to assess the overall functioning of the audit control system, and to bring possible improvements in risk management policy to the Board of Directors and top management. Specific activities are carried out to constantly monitor audit risks.

As prescribed by both surveillance regulations and internal regulations, the Internal Audit Service provided advisory support to the various company departments in the setting up of appropriate operating and planning procedures. In particular, during the period, the Internal Controls Service participated in the Generali Group project organised in relation to Italian Law 262/2005 "Provisions for the Protection of Savings and the Regulation of Financial Markets". In the same period, the Service participated in a work group established with the objective of managing the adequacy evaluation process based on Article 29 of CONSOB Regulation 11522.

The Service monitors risk compliance by focusing particular attention on the accuracy of the processes and the appropriateness of the internal procedures. During the first half, the Service implemented planned actions as part of efforts to comply with the personnel data protection code (Italian Legislative Decree 30 June 2003, No. 196) and it constantly monitored money laundering risk both for the parent company Banca Generali and the subsidiaries, focusing on procedures, internal regulations, and employee training.

The Service constantly monitors operating process risk, focusing in particular on remote and on-site inspection of financial advisers' conduct to prevent fraud and ineffective behaviour. During the period, the remote-monitoring software application was upgraded (as indicated by Assoreti's Circular No. 60/04 "Approval of the New Supervisory Code for Financial Advisors"), and new functionality was added to detect inappropriate conduct with regard to banking and securities transactions.
More in detail, the aim of the inspections to distribution networks is to verify that the Financial Advisors comply with obligations in their conduct with investors and to compare the results of remote inspection efforts; in this context, the Service also provided on-site advisory support, network manager training, and sensibility training for all Financial Advisors on issues pertinent to the inspections. The Service also carried out activities aimed specifically at monitoring the network training process.

The Service carried out planned audits on the back office structures, branches and several internal operating processes to ascertain the level of effectiveness and efficiency and to propose improvements, if any. Finally, the Service focused on following up on improvements implemented as a result of previous audits. Other activities were aimed at carrying out the tasks assigned to the Supervisory Bodies formed pursuant to Italian Legislative Decree 231/01 and the fulfilment of the training obligations established by the Organisational Models currently in use.
The purpose of monitoring information system risks is to assess conditions for physical and logical security, risks in and control of the information system environment, to verify regulatory compliance, the vulnerability risks of the internal information system, and measures to be implemented to guarantee an adequate general level of system security.
In the first half of 2007, the Service, which reviews all complaints filed with the Banca Generali Group, received 188 complaints in relation to investment services, down from the 213 complaints submitted in the first half of 2006. In the first half of 2007, some 156 product and banking service claims were filed, down from 166 in the first half of 2006.

10. Events Occurred after the Balance Sheet Date and Outlook

After redesigning the entire banking group structure with the acquisition of Banca BSI Italia, followed by the transfer of the Banca Generali private banking business unit to Banca BSI Italia (effective as of 1 January 2007), in the second half of the year the Group will continue to focus mostly on plans and actions that have already been launched in the first half of the year, with the following objectives:

- Increasing assets
- Optimising customers' portfolio assets
- Increasing the efficiency of production processes and creating synergies within the banking group.

Actions aimed at achieving these objectives will focus in particular on the development of existing customers, both through an increase in the share of wallet and through asset allocation optimisation, and the development of new customers, in part attributable to new professionals working for the Group.

11. Information Document Pursuant to CONSOB Requirement No. 7079556 dated 30 August 2007 (“Disclosures” in Compliance With Article114, Paragraph 5 of Legislative Decree 58/1998)

In its Notice No. 7079556 of 30 August 2007, CONSOB requested that all Italian companies listed on regulated markets and belonging to the credit and insurance sectors provide information on subprime mortgages in the directors' report included in next accounting statements published.

A review carried out indicated that, at 25 September 2007, the Banca Generali Group:

- had no mortgages in its portfolio that could be classified as subprime mortgages;
- had no financial products in its portfolio whose underlying assets are US subprime loans or that refer to US subprime loans;
- had granted no guarantees in relation to such products;
- had no such securities in the funds of the asset-management companies belonging to the Group;
- had no asset management mandates relating to such securities issued from customers to companies belonging to the Group;
- had no financial instruments in the administrated accounts of customers with subprime risks.

The Group is therefore not currently exposed to subprime risks.

Trieste, 25 September 2007

THE BOARD OF DIRECTORS

BANCA GENERALI

Consolidated Half-Year Report
30 June 2007

Accounting statements

Board of Directors
25 September 2007

CONSOLIDATED BALANCE SHEET – ASSETS

Assets (€ thousand)	30/06/2007	31/12/2006
10 Cash and deposits	8.537	9.861
20. Financial assets held for trading	2.422.486	2.108.052
30 Financial assets measured at fair value	-	-
40 Financial assets available for sale	32.595	36.998
50. Held-to-maturity financial assets	-	-
60 Loans to banks	283.546	892.471
70 Loans to customers	328.266	349.713
80 Hedging derivatives	-	-
90 Adjustment of	-	-
financial assets with general hedging (+/-)	-	-
100 Equity investments	34	34
110 Reinsurers' share in technical reserves	-	-
120 Property and equipment	7.776	7.821
130 Intangible assets	15.405	16.047
of which:	-	-
- goodwill	7.435	7.435
140 Tax receivables	39.289	35.704
a) current	1.157	164
b) prepaid	38.132	35.540
150 Non-current assets and groups	-	-
of assets available for sale	-	-
160 Other assets	115.381	123.374
Total assets	**3.253.315**	**3.580.075**

CONSOLIDATED BALANCE SHEET – NET EQUITY AND LIABILITIES

	Net Equity and Liabilities (€ thousand)	**30/06/2007**	**31/12/2006**
10	Due to banks	105.505	40.392
20	Due to customers	2.738.358	3.053.677
30	Securities issued	0	0
40	Financial liabilities held for trading	11.316	16.113
50	Financial liabilities measured at fair value	-	-
60	Hedging derivatives	-	-
70	Adjustment of financial liabilities	-	-
	with general hedging (+/-)	-	-
80	Tax payables	8.863	19.593
	a) current	1.984	12.139
	b) deferred	6.879	7.454
90	Liabilities of groups of assets	0	0
	available for sale	-	-
100	Other liabilities	119.002	179.857
110	Employee termination indemnity	6.581	6.524
120	Provisions for liabilities and contingencies:	62.016	58.679
	a) pensions and similar obligations	-	-
	b) other provisions	62.016	58.679
130	Technical reserves	-	-
140	Valuation reserves	1.088	1.065
150	Redeemable shares	-	-
160	Equity instruments	-	-
170	Reserves	65.839	61.886
180	Additional paid-in capital	22.804	22.804
190	Share capital	111.313	111.313
200	Treasury shares (-)	-9.512	-5.851
210	Minority interests (+/-)	-	-
220	Net profit (loss) for the period (+/-)	10.142	14.023
	Total Net Equity and Liabilities	**3.253.315**	**3.580.075**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	(€ thousand)	30.06.2007	30.06.2006
10	Interest income and similar revenues	60.854	29.526
20	Interest expense and similar charges	- 40.669	- 19.154
30	**Net interest income**	**20.185**	**10.372**
40	Commission income	145.417	121.390
50	Commission expense	- 67.141	- 56.769
60	**Net commissions**	**78.276**	**64.621**
70	Dividends and similar income	2.620	19.909
80	Net profit from trading	3.001	- 15.364
90	Net profit from hedging	-	-
100	Gain (loss) from sales/repurchase of:	487	-
	a) receivables	-	-
	b) financial assets available for sale	487	-
	c) held-to-maturity financial assets	-	-
	d) financial liabilities	-	-
110	*Net financial assets and liabilities measured at fair value*	-	-
120	***Net banking income***	**104.569**	**79.538**
130	*Net adjustments/reversal due to impairement of:*	195	- 42
	a) receivables	195	24
	b) financial assets available for sale	-	-
	c) held-to-maturity financial assets	-	-
	d) other financial transactions	-	- 66
140	***Net income from banking operations***	**104.764**	**79.496**
150	*Net premiums*		
160	*Balance of other income/charges of insurance operations*		
170	***Net income from banking and insurance operations***	**104.764**	**79.496**
180	*General and administrative expense:*	- 63.101	- 53.073
	a) staff expenses	- 28.029	- 20.868
	b) other general and adminstrative expense	- 35.072	- 32.205
190	*Net provisions for liabilities and contingencies*	- 24.160	- 25.138
200	*Net adjustments of property and equipment*	- 1.030	- 844
210	*Net adjustments of intangible assets*	- 2.243	- 2.804
220	*Other operating profit (expense)*	3.806	3.751
230	***Operating expense***	**- 86.728**	**- 78.108**
240	*Gain (loss) on equity investments*	-	-
250	*Net result of measurement at fair value of*	-	-
	property, equipment and intangible assets	-	-
260	*Adjustments of goodwill*	-	-
270	*Gain (loss) from disposal of investments*	-	2
280	***Profit (loss) from operating activities before income taxes***	**18.036**	**1.390**
290	*Income taxes for the period on operating activities*	- 7.894	- 1.044
300	***Profit (loss) from operating activities net of taxes***	**10.142**	**346**
310	*Profit (loss) of groups of discontinued*		-
	operations, net of taxes		
320	***Net profit (loss) for the period***	**10.142**	**346**
330	*Net profit (loss) for the period of Minority Interests*		
340	***Net profit (loss) for the period of the Parent Company***	**10.142**	**346**

STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY

(€ thousand)	Share capital		Additional paid-in	Reserves		Valuation reserves			Equity instruments	Treasury shares	Net profit	Net equity
	a) ord. shares ordinary	b) other	capital	a) income	b) other	a) available for sale	b) coverage of cash flow	c) other			(loss) for the period	
Net equity at 31/12/2006	**111.313**	**-**	**22.804**	**61.886**	**-**	**1.026**	**-**	**39**	**-**	**-5.851**	**14.023**	**205.240**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-
Amounts at 01/01/2007	111.313	-	22.804	61.886	-	1.026	-	39	-	-5.851	14.023	205.240
Allocation of prior year result	-	-		3.028	-	-	-		-	-	-14.023	-10.995
- Reserves	-	-	-	14.023	-	-	-	-	-	-	-14.023	-
- Dividends and other destinations	-	-	-	-10.995	-	-	-	-	-	-	-	-10.995
Change in reserves	-	-	-	-217	-	23	-	-	-	-	-	-194
Transactions on net equity	-	-	-	1.142	-			-	-	-3.661	-	-2.519
- Issue of new shares	-	-	-	-192	-	-			-	192	-	-
- Purchase of treasury shares	-	-	-	-	-	-			-	-3.853	-	-3.853
- Extraordinary dividend pay-out	-	-	-	-	-	-	-		-	-	-	-
- Change in equity instruments	-	-	-	-	-	-			-	-	-	-
- Derivatives on treasury shares	-	-	-	-	-	-			-	-		-
- Stock options	-	-	-	1.334	-				-			1.334
Net profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	10.142	10.142
Net equity at 30/06/2007	**111.313**	**-**	**22.804**	**65.839**	**-**	**1.049**	**-**	**39**	**-**	**-9.512**	**10.142**	**201.674**
	-		-	-		-		-		-	-	-

(€ thousand)	Share capital		Additional paid-in	Reserves		Valuation reserves			Equity instruments	Treasury shares	Profit	Net equity
	a) ord. shares	b) other	capital	a) income	b) other	a) available for sale	b) coverage of cash flows	c) other			(loss) for the period	
Net equity at 31/12/2005	**99.615**	**-**	**21.495**	**93.061**	**-**	**149**	**-**	**39**	**-**	**-3.873**	**1.656**	**212.142**
Change in opening balances				-15								-15
Amounts at 01/01/2006	99.615	-	21.495	93.046	-	149	-	39	-	-3.873	1.656	212.127
Allocation of prior year result	-	-		656	-	-	-		-	-	-1.656	-1.000
- Reserves	-	-	-	656	-	-	-	-	-	-	-656	-
- Dividends and other destinations	-	-	-	-	-	-	-	-	-	-	-1.000	-1.000
Change in reserves						68						68
Transactions on net equity	-	-	-	-35.907	-			-	-	-	-	-35.907
- Issue of new shares	-	-	-	-	-	-			-	-	-	-
- Purchase of treasury shares	-	-	-	-	-	-			-	-	-	-
- Extraordinary dividend pay-out	-	-	-	-35.907	-	-	-		-	-	-	-35.907
- Change in equity instruments	-	-	-	-	-	-			-	-	-	-
- Derivatives on treasury shares	-	-	-	-	-	-			-	-		-
- Stock options	-	-	-	-	-				-			-
Net income (loss) for the period	-	-	-	-	-	-	-	-	-	-	346	346
Net equity at 30/06/2006	**99.615**	**-**	**21.495**	**57.795**	**-**	**217**	**-**	**39**	**-**	**-3.873**	**346**	**175.634**

CONSOLIDATED CASH FLOW STATEMENT

Indirect method *(€ thousand)*	***30/06/2007***	***31/12/2006***
A. OPERATING ACTIVITIES		
1. Operations	**8.098**	**8.595**
- Net income (loss) for the period	10.142	14.023
- Gain/loss on financial assets and liabilities held for trading	1.630	514
- Gain/loss on hedging assets	-	-
- Net adjustments due to impairment	- 195	610
- Net adjustments of property, equipment and intangible assets	3.273	8.291
- Net provisions for liabilities and contingencies and other costs/revenues	3.337	21.496
- Taxes included in taxes not paid	- 14.315	- 3.525
- Adjustments of discontinued operations	-	-
- Other adjustments	4.226	- 32.814
2 Liquidity generated by/used for financial assets (+/-)	**324.376**	**- 918.854**
- Financial assets held for trading	- 317.849	- 712.959
- Financial assets measured at fair value	-	-
- Financial assets available for sale	4.426	- 23.523
- Loans to banks: repayable on demand	536.940	- 175.608
- Loans to banks: other receivables	73.010	- 20.801
- Loans to customers	25.468	15.870
- Other assets	2.381	- 1.833
3. Liquidity generated by/used for financial liabilities (+/-)	**- 316.364**	**972.265**
- Due to banks: repayable on demand	4.930	- 10.878
- Due to banks: other payables	59.882	- 4.234
- Due to customers	- 336.289	949.585
- Securities issued	-	- 40
- Financial liabilities held for trading	- 836	-
- Financial liabilities measured at fair value	-	-
- Other liabilities	- 44.051	37.832
Net liquidity generated by/used for operating activities	**16.110**	**62.006**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**-**	**74**
- Disposal of equity investments	-	-
- Dividends received	-	-
- Disposal of held-to-maturity financial assets	-	-
- Disposal of property and equipment	-	74
- Disposal of intangible assets	-	-
- Disposal of business units	-	-
1. Liquidity used for	**- 2.586**	**- 57.867**
- Purchase of equity investments	-	-
- Purchase of held-to-maturity financial assets	-	-
- Purchase of property and equipment	- 985	- 1.793
- Purchase of intangible assets	- 1.601	- 4.274
- Purchase of business units and equity investments in subsidiaries	-	- 51.800
Liquidity generated by/used for investment activities	**- 2.586**	**- 57.793**
C. FUNDING ACTIVITIES		
- Issue/purchase of treasury shares	- 3.853	- 3.444
- Issue/purchase of equity instruments	-	-
- Distribution of dividends and other	- 10.995	- 1.000
Liquidity generated by/used for funding activities	- 14.848	- 4.444
NET LIQUIDITY GENERATED BY/USED FOR IN THE PERIOD	**- 1.324**	**- 231**

Reconciliation

Cash and cash equivalents at period-start	**9.861**	10.092
Liquidity generated by/used for in the period	- 1.324	- 231
Cash and cash equivalents – effects of exchange rate fluctuations	-	-
Cash and cash equivalents at period-end	8.537	9.861
Legend: *(+) liquidity generated, (-) liquidity used*	0,00	

Consolidated Half-Year Report
30 June 2007

Notes and Comments

Board of Directors
25 September 2007

Part A – Accounting Policies

Part B – Information on the Balance Sheet

Part C – Information on the Profit and Loss Account

Part D – Segment Reporting

Part E – Information on Risks and Risk Hedging Policies

Part F – Information on Net Equity

Part G – Mergers of Companies or Business Units

Part H – Transactions with Related Parties

Part I – Payment Agreements Based on Own Equity Instruments

Part A – Accounting Policies

Part A.1 - General

Section 1 - Declaration of Compliance with International Accounting Standards

This consolidated half-year report has been drawn up in compliance with Italian Legislative Decree 38 of 28 February 2005, based on the International Accounting Standards issued by the International Accounting Standards Board (IASB) and interpretation of the International Financial Reporting Interpretations Committee (IFRIC), and endorsed by the European Commission with Regulation No. 1606 of 19 July 2002.

In preparing the consolidated interim report, Banca Generali adopted the IAS/IFRS in force at the reference date of the report (including SIC and IFRIC interpretations), as endorsed by the European Union.

Section 2 - Preparation Criteria

The consolidated half-year report comprises the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Equity and the Cash Flow Statement and is accompanied by the Report on Operations and these Notes.

With Resolution No. 14990 of 14 April 2005, CONSOB amended its Rules on Issuers to require that the contents of half-year reports conform to the requirements of IAS 34 *Interim Financial Reporting*.
This consolidated half-yearly report was therefore prepared in compliance with IAS 34, using the condensed format instead of the full format used for the annual report.

The financial statements comply with the requirements of Bank of Italy Circular No. 262/2005 and, in addition to the figures at 30 June 2007, and include the following comparative information required by IAS 34:
• Balance Sheet: 31 December 2006;
• Profit and Loss Account 30 June 2006;
• Statement of Changes in Net Equity: 30 June 2006;
• Cash Flow Statement: 30 June 2006.

To ensure consistency in the preparation of the financial statements, the notes to the half-year report were drawn up using the same structure as that used for the notes to the annual report at 31 December 2006 and include certain tables and schedules contained therein as required by the Instructions for Preparing the Financial Statements and Consolidated Financial Statements of Banks and Parent Companies of Banking Groups contained in the Bank of Italy Circular No. 262/05.

The Directors' Report on Operations and the Notes on the Consolidated Accounts include the information required by IAS 34, the law, the Bank of Italy and the Italian National Commission for Listed Companies and the Stock Exchange (CONSOB), as well as any other non-compulsory information that was deemed necessary to provide a true and fair view of the bank's situation.

As required by Article 81 of the aforementioned CONSOB resolution, the half-year report also includes the financial statements of the Parent Company.

Furthermore, in the Report on Operations, the results for the first half are reported in reclassified balance sheet and profit and loss account in which line items have been aggregated and reclassified to provide a clearer understanding of performance, in line with market practice.

In compliance with the requirements of Article 5 of Legislative Decree No. 38/2005, the consolidated half-year report was prepared in euros.
Unless otherwise indicated, the amounts reported in the Financial Statements, the Notes and the Report on Operations are expressed in thousands of euro.

Section 3 – Scope of Consolidation and Consolidation Methods

1. Scope of consolidation

The companies consolidated by the Group in accordance with IAS 27 include the Parent Company, Banca Generali S.p.A. and the following subsidiaries:

Name	Registered office	Type of control	Shareholding relationship		% of votes in
			Investor	% of ownership interest	Abs. Ord.
A. Companies in consolidated accounts					
A.1 recognised using the line-by-line method					
- Simgenia S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- BG Fiduciaria SIM S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- BG SGR S.p.A.	Trieste	1	Banca Generali	100.00%	100.00%
- Banca BSI Italia S.p.A.	Milan	1	Banca Generali	100.00%	100.00%
- Sant'Alessandro Fiduciaria S.p.A.	Milan	1	Banca Generali	100.00%	100.00%

Legend: type of control:
(1) control pursuant to Article 2359, paragraph 1, No. 1 of the Italian Civil Code (majority voting rights at general shareholders' meeting)

At 30 June 2007, the Banca Generali Group's consolidation area did not change compared to 31 December 2006. However, it changed compared to the previous year, due to the acquisition of Banca BSI Italia S.p.A. and Sant'Alessandro Fiduciaria S.p.A, both of which were acquired on 1 July 2006.

Due to their acquisition date, these companies are not included in the consolidated profit and loss account at 30 June 2006; to facilitate comparison, the changes in the main Profit and Loss Account items are also indicated on a like-for-like consolidation area basis.

On 1 January 2007, the Parent company Banca Generali's in-kind contribution of the private banking business unit to its subsidiary Banca BSI Italia S.p.A. became effective.
The transaction, which was carried out by means of a reserved increase of Banca BSI Italia's share capital, involved the issue of 2,327,600 new shares, all of which were fully reserved for the contribution by Banca Generali, for a nominal value of 12,010 thousand euros and a premium of 7,990 thousand euros.
The transaction was accounted for as a combination of entities under common control, which is outside the scope of IFRS 3, and was therefore recorded using the book value of the business unit contributed, or 20,000 thousand euros.

The consolidated accounts include the separate accounts of the Parent Company and the subsidiaries at 30 June 2007, reclassified and adjusted where necessary to take account of consolidation requirements. The most important intra-Group transaction, effecting both the Balance Sheet and Profit and Loss Account, were eliminated. Non-reconciled amounts were recognised respectively in other assets/liabilities and other income/expenses.

2. Other information

Consolidation methods

Subsidiaries are included in the accounts using the full consolidation method, whereby the balance sheet and profit and loss account items are consolidated on a line-by-line basis.
The carrying amount of equity investments in fully consolidated companies is eliminated against the bank's share of net equity in the respective subsidiary.
The resulting differences are allocated to the assets or liabilities of the subsidiary in question and any remaining balances, if positive, are recorded as goodwill under Intangible Assets. Negative differences are charged to the Profit and Loss Account.

The most important intra-Group transaction, effecting both the Balance Sheet and Profit and Loss Account, were eliminated. Non-reconciled amounts were recognised respectively in other assets/liabilities and other income/expenses.
Dividends distributed by subsidiaries were eliminated from the Consolidated Profit and Loss Account, and a corresponding adjustment was made to income reserves.

Business combinations of entities under common control are not included in the scope of IFRS 3 *Business Combinations*, nor are they covered by other IFRS. They are therefore accounted for in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.
The IAS/IFRS provide specific guidelines for transactions not covered by IFRS (included in paragraphs 10-12 of IAS 8); according to these guidelines, management is encouraged to consider the most recent pronouncements of other regulatory bodies that use a similar conceptual framework to define accounting standards.
In fulfilment of this requirement, we observed that the *Financial Accounting Standards Board* (FASB) has published an accounting standard regarding business combinations (FAS 141) that in some respects is similar to IFRS 3. Unlike IFRS 3, however, FAS 141 includes an appendix containing limited accounting guidelines for transactions under common control that were previously included in the Accounting Principles Board's (APB) Opinion 16. According to the pooling of interest method, for this type of transaction, the assets and liabilities of business combinations are stated at historical (book) value instead of fair value, and goodwill is not recognised.

Intragroup combinations or other combinations of entities under common control within the Generali Group are therefore accounted for based on the book value of the entity transferred. Any difference between the consideration paid for the acquisition of the equity interest and the book value of the entity transferred (goodwill) is deducted from the net equity of the acquirer, and the transaction is classified as an extraordinary distribution of reserves.

Section 4 - Events Occurred after the Balance Sheet date

No events occurred after 30 June 2007 that would make it necessary to adjust the results presented in the consolidated half-year report at that date.

Section 5 - Other Information

Measurement

The preparation of the half-year report requires the use of estimates and assumptions that could influence the amounts reported in the balance sheet and profit and loss account and the disclosure of contingent assets and liabilities therein.
The estimates and assumptions used are based on the information available on operations and subjective judgements, which may be based on historical trends.
Given their nature, the estimates and assumptions used may vary from year to year, meaning that reported amounts may differ materially due to changes in the subjective judgements used.
The main areas for which management is required to use subjective judgements include:

- the quantification of personnel-related provisions and provisions for liabilities and contingencies;
- the quantification of the financial advisor network's remuneration (pay out);
- the determination of the fair value of financial instruments and derivatives used for reporting purposes;
- the determination of value adjustments of non-performing loans and the provision for performing loans;
- the evaluation of the appropriateness of the amount of goodwill;
- estimates and assumptions used to determine current and deferred taxation.

Non-recurring Significant Events and Transactions

During the half year, there were no non-recurring transactions or events outside the scope of ordinary operations that had a significant impact on the aggregate items of the balance sheet and profit and loss account (CONSOB Communication No. DEM/6064293 of 28 July 2006).

National Tax Consolidation Option

In 2004, the Parent Company Assicurazioni Generali and the Italian companies belonging to the Assicurazioni Generali Group, including Banca Generali S.p.A., began participating in the National Tax Consolidation scheme governed by Articles 117-129 of the TUIR (Italy's income tax code), which was introduced into Italy's fiscal legislation by Italian Legislative Decree No. 344/2003.
In 2007, Banca BSI Italia S.p.A. and BG SGR S.p.A. also began participating in the tax consolidation scheme.
Under the scheme, the banking group's subsidiaries (Banca Generali, Banca BSI Italia and BG SGR) transfer their taxable profit (or tax losses) to the Parent Company, Assicurazioni Generali S.p.A., which computes a single taxable profit (or tax loss) for the group as the sum of the profit and/or losses of the individual companies, and reports a single tax receivable from or payable to the Tax Authorities.

Accounts Audit

Reconta Ernst & Young carried out a limited audit of the consolidated half-year financial statements.

PART A.2 – Main Items of the Aggregated Items

Accounting Policies

The accounting policies used for preparing the half-year report, with particular reference to the classification, recognition, measurement and derecognition of assets and liabilities as well as the methods used for recognising revenue and expenses, are the same as those adopted for the 2006 consolidated annual report, which can be referred to for additional details.
Such policies must, however, be amended to include the new standards companies are required to use in relation to the termination indemnity (TFR) following the entry into force of Italy's 2007 Finance Law, which brought forward to 1 January 2007 the supplementary pension reform enacted by Italian Legislative Decree No. 252 of 5 December 2005 (as explained in further detail in the next section).

Termination Indemnity

Under IAS 19 *Employee Benefits*, until 31 December 2006 termination indemnity was considered as a "post-employment benefit" classified as a "defined benefit plan". The benefit was therefore reported in the financial statements based on the actuarial value determined using the "Projected Unit Credit Method".

Following the entry into force of Italy's 2007 Finance Law, which brought forward to 1 January 2007 the supplementary pension reform enacted by Italian Legislative Decree No. 252 of 5 December 2005, the portions of employees' termination indemnities accrued starting from 1 January 2007 must — depending on the employees' choice — be allocated to a supplementary pension fund or maintained within the company and transferred to a special fund managed by Italy's national security institute (INPS).

The entry into force of the aforementioned reform led to a change in the accounting treatment of the termination indemnity, in terms of both the amounts accrued until 31 December 2006 as well as the amounts accrued starting on 1 January 2007.
Specifically:

- termination indemnities accrued by personnel starting on 1 January 2007 are considered a defined contribution plan, whether the employee chooses to redirect such amount to a supplementary pension fund or allocate it to the INPS treasury fund. The amounts accrued must, however, be determined based on the contributions owed without applying an actuarial calculation;
- termination indemnities accrued by personnel up to 31 December 2006 are considered a "defined benefit plan", and therefore must be calculated using actuarial methods; however, after 31 December 2006, such methods no longer involve the proportional allocation of the benefit to the period of service worked. This is because the service period in question is considered fully completed as a result of the change in the accounting nature of termination indemnities accruing beginning on 1 January 2007.

As a result of the legislative changes, employees' termination indemnities must be recalculated at 31 December 2006 using the new actuarial method. The difference resulting from the actuarial calculation is deducted from the defined benefit plan, and, in accordance with IAS 19, the related gains or losses are charged to the profit and loss account based on the corridor method used by the group.

For group companies with fewer than 50 employees, the obligation continues to be calculated using the "projected unit credit method" (also known as the accrued benefit method pro-rated on service or as the benefit/years of service method), which considers each period of service rendered by employees as an additional unit of benefit entitlement and measures each unit separately to calculate the final obligation.

Part B – Information on the Balance Sheet

Section 1

Cash and deposits - Item 10

1.1 Breakdown of cash and deposits

Items/Values	30/06/2007	31/12/2006
a) Cash	8.537	9.861
b) Demand deposits with central banks	-	-
Total	**8.537**	**9.861**

Section 2

Financial assets held for trading - Item 20

2.1 Financial assets held for trading: categories

	30/06/2007			31/12/2006		
Items/Values	**Listed**	**Unlisted**	**Total**	**Listed**	**Unlisted**	**Total**
A. Cash						
1. Debt securities	1.521.394	4	1.521.398	1.356.522	7	1.356.529
1.1 Structured securities	-	-	-	5.999	-	5.999
1.2. Other debt securities	1.521.394	4	1.521.398	1.350.523	7	1.350.530
2. Equity securities	47.595	44	47.639	56.372	-	56.372
3. OICR quotas	20.323	53.927	74.250	52.055	-	52.055
3. Loans	-	-	-	-	-	-
1.1. Repurchase agreements	-	-	-	-	-	-
1.2. Other	-	-	-	-	-	-
4. Non-performing assets	-	-	-	-	-	-
5. Transferred assets not written off	777.906	-	777.906	641.076	-	641.076
Total A	**2.367.218**	**53.975**	**2.421.193**	**2.106.025**	**7**	**2.106.032**
B. Derivatives			-			-
1. Financial derivatives	-	1.293	1.293	-	2.020	2.020
2. Credit derivatives	-	-	-	-	-	-
Total B	**-**	**1.293**	**1.293**	**-**	**2.020**	**2.020**
Total (A+B)	**2.367.218**	**55.268**	**2.422.486**	**2.106.025**	**2.027**	**2.108.052**

[(a)] *This item includes OICR quotas*

2.2 Financial assets held for trading: debtors/issuers

Items/Values	30/06/2007	31/12/2006
A. Cash		
1. Debt securities	**1.521.398**	**1.356.529**
a) Governments and central banks	332.331	440.459
b) Other public institutions		-
c) Banks	643.577	472.310
d) Other issuers	545.490	443.760
2. Equity securities	**47.639**	**56.372**
a) Banks	34.891	42.953
b) Other issuers	12.748	13.419
- insurance companies	272	-
- financial companies	2.573	1.490
- non-financial companies	9.903	11.929
- other entities	-	-
3. OICR quotas	**74.250**	**52.055**
4. Loans	-	-
a) Governments and central banks		
b) Other public institutions		
c) Banks		
d) Other issuers		
5. Non-performing assets	-	-
a) Governments and central banks		
b) Other public institutions		
c) Banks		
d) Other issuers		
6. Transferred assets not written off	777.906	641.076
a) Governments and central banks	600.847	509.900
b) Other public institutions	-	-
c) Banks	162.292	122.866
d) Other issuers	14.767	8.310
Total A	**2.421.193**	**2.106.032**
B. Derivatives		
a) Banks	1.087	1.721
b) Customers	206	299
Total B	**1.293**	**2.020**
Total (A+B)	**2.422.486**	**2.108.052**
	-	-

Section 2

Financial assets held for trading - Item 20

2.3 Financial assets held for trading: derivatives

Types of derivatives/Underlying assets	Interest rates	Currencies and gold	Equity securities	Receivables	Other	30/06/2007	31/12/2006
A) LISTED DERIVATIVES							
1) Financial derivatives:	-	-	-	-	-	-	-
with capital swap	-	-	-	-	-	-	-
- options purchased	-	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-	-
without capital swap	-	-	-	-	-	-	-
- options purchased	-	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-	-
2) Credit derivatives:	-	-	-	-	-	-	-
with capital swap	-	-	-	-	-	-	-
without capital swap	-	-	-	-	-	-	-
Total A	-	-	-	-	-	-	-
B) UNLISTED DERIVATIVES							
1) Financial derivatives:	1.086	12	195	-	-	1.293	2.020
with capital swap	-	12	195	-	-	207	299
- options purchased	-	12	195	-	-	207	299
- other derivatives	-	-	-	-	-	-	-
without capital swap	1.086	-	-	-	-	1.086	1.721
- options purchased	-	-	-	-	-	-	-
- other derivatives	1.086	-	-	-	-	1.086	1.721
2) Credit derivatives:	-	-	-	-	-	-	-
with capital swap						-	
without capital swap						-	
Total B	1.086	12	195	-	-	1.293	2.020
Total (A + B)	1.086	12	195	-	-	1.293	2.020

Section 4
Financial assets available for sale – Item 40

4.1 Financial assets available for sale: categories

Items/Values	30/06/2007 Listed	30/06/2007 Unlisted	30/06/2007 Total	31/12/2006 Listed	31/12/2006 Unlisted	31/12/2006 Total
1. Debt securities	-	-	-	-	-	-
2. Equity securities	6.361	26.234	32.595	6.040	30.958	36.998
2.1 Valued at fair value	6.361	24.555	30.916	6.040	28.932	34.972
2.2 Valued at cost		1.679	1.679		2.026	2.026
3. Loans	-	-	-	-	-	-
4. Non-performing assets	-	-	-	-	-	-
5. Transferred assets not written off	-	-	-	-	-	-
Total	**6.361**	**26.234**	**32.595**	**6.040**	**30.958**	**36.998**

4.2 Financial assets available for sale: debtors/issuers

Items/Values	30/06/2007	31/12/2006
1. Debt securities	-	-
a) Governments and central banks	-	-
b) Other public institutions	-	-
c) Banks	-	-
d) Other issuers	-	-
2. Equity securities	13.885	13.703
a) Banks	-	-
b) Other issuers	13.885	13.703
- insurance companies	1.311	1.339
- financial companies	5.844	5.698
- non-financial companies	6.717	6.653
- Other entities	13	13
3. OICR quotas	18.710	23.295
4. Loans	-	-
a) Governments and central banks	-	-
b) Other public institutions	-	-
c) Banks	-	-
d) Other issuers	-	-
5. Non-performing assets	-	-
a) Governments and central banks	-	-
b) Other public institutions	-	-
c) Banks	-	-
d) Other issuers	-	-
6. Transferred assets not written off	-	-
a) Governments and central banks	-	-
b) Other public institutions	-	-
c) Banks	-	-
d) Other issuers	-	-
Total	**32.595**	**36.998**

-

4.5 Financial assets available for sale: year changes

	Debt securities	Equity securities	OICR quotas	Financing	Total
A. Amount at period-start	**-**	**13.703**	**23.295**	**-**	**36.998**
B. Increases	**-**	**932**	**22.710**	**-**	**23.642**
B1. Purchases		542	22.294		22.836
B2. Positive changes in fair value		390	240		630
B3. Reversal value					-
- profit and loss account		X			-
- net equity					-
B4. Transfer from other portfolios					-
B5. Other changes		-	176		**176**
C. Decreases	**-**	**750**	**27.295**	**-**	**28.045**
C1. Sales		30	27.295		27.325
C2. Repayments		370			370
C3. Negative changes in fair value		*350*			350
C4. Write-downs of non-performing loans					-
- profit and loss account		-			-
- net equity					-
C5. Transfer to other portfolios					-
C6. Other changes		0			-
D. Amount at period-end	**-**	**13.885**	**18.710**	**-**	**32.595**

Section 6
Loans to banks — Item 60

6.1 Breakdown of item loans to banks: categories

Type of transaction/Values	30/06/2007	31/12/2006
A. Loans to central banks	**16.218**	**35.073**
1. Term deposits	-	-
2. Compulsory reserve	16.218	35.073
3. Repurchase agreements	-	-
4. Other	-	-
B. Loans to banks	**267.328**	**857.398**
1. Current accounts and free deposits	166.022	700.594
2. Term deposits	51.973	112.712
3. Other:	49.333	44.092
3.1 Repurchase agreements	40.739	41.040
3.2 Finance leasing	-	-
3.3 Other	8.594	3.052
4. Debt securities	-	-
4.1 Structured	-	-
4.2 Other	-	-
5. Non-performing assets	-	-
6. Transferred assets not written off	-	-
Total (book value)	**283.546**	**892.471**
Total (fair value)	**283.546**	**892.471**

The item B.3.3 includes operating receivables and commission income to be collected

Section 7
Loans to customers - Item 70

7.1 Breakdown of loans to customer: categories

Type of transaction/Values	**30/06/2007**	**31/12/2006**
1. Current accounts	133.741	146.774
2. Repurchase agreements	-	-
3. Loans	42.763	41.706
4. Credit cards, personal loans and loans on wages	420	400
5. Leasing	-	-
6. Factoring	-	-
7. Other transactions	124.017	134.171
8. Debt securities	26.464	25.831
8.1 Structured securities	-	-
8.2 Other debt securities	26.464	25.831
9. Non-performing assets	861	831
10. Transferred assets not written off	-	-
Total (book value)	**328.266**	**349.713**
Total (fair value)	**328.266**	**349.713**

Non-performing loans included in item 9 are bad loans, substandard loans and expired loans over 180 days as detailed in Part E - credit risk

Breakdown of item loans to customers - other transactions

Type of transaction/Values	30/06/2007	31/12/2006
Pooled financing	40.928	46.846
Other short term grant in aid receivables	16.809	17.566
Operating receivables	42.764	45.985
Interest-bearing daily margins Italian Stock Exchange	22.460	22.664
Interest-bearing caution deposits	451	441
Amounts to be collected	605	669
Total	**124.017**	**134.171**
	-	**-**

7.2 Loans to customers: debtors/issuers

Items/Values	**30/06/2007**	**31/12/2006**
1. Debt securities	26.464	25.831
a) Governments	-	-
b) Other public institutions	-	-
c) Other issuers		
- non-financial companies	-	-
- financial companies	-	-
- insurance companies	26.464	25.831
- other entities	-	-
2. Loans	300.941	323.051
a) Governments	-	-
b) Other public institutions	-	-
c) Other issuers	-	-
- non-financial companies	112.849	145.092
- financial companies	55.148	53.461
- insurance companies	7.361	10.208
- other entities	125.583	114.290
3. Non-performing assets	861	831
a) Governments	-	-
b) Other public institutions	-	-
c) Other issuers	-	-
- non-financial companies	38	43
- financial companies	67	56
- insurance companies	-	-
- other entities	756	732
4. Transferred assets not written off		
a) Governments	-	-
b) Other public institutions	-	-
c) Other issuers	-	-
- non-financial companies	-	-
- financial companies	**-**	**-**
- insurance companies	-	-
- other entities	-	-
Total	**328.266**	**349.713**

Section 10

Equity investments - Item 100

10.1 Equity investments in subsidiary companies, entities jointly controlled or subject to significant influence: disclosure on type of relations

Name	Registered office	Type of relation	% held	% of voting rights
C. Companies subject to significant influence				
1. Eura - Europa Rating Spa	*Trieste*		*20,00%*	*20,00%*

10.2 Equity investments in subsidiary companies, entities jointly controlled or subject to significant influence: accounting disclosures

Name	Total assets	Revenue	Net profit (Loss)	Net equity	Book value	Fair value
C. Companies subject to significant influence						
1. Eura - Europa Rating Spa (*)	299	331	- 60	170	34	n.a.
Total	299	331	- 60	170	34	-

(*) data as of 31/12/2006

10.3 Equity investments: year changes

	30/06/2007	31/12/2006
A. Amount at period-start	34	100
B. Increases	-	-
B.1 Purchases	-	-
B2. Reversal value	-	-
B3. Revaluations	-	-
B4. Other changes	-	-
C. Decreases	-	66
C1. Sales and repayments	-	-
C2. Adjustments	-	66
of which permanent write-downs	-	-
C3. Other changes	-	-
D. Amount at period-end	34	34
E. Total revaluations	-	-
F. Total adjustments	66	66

Section 12
Property and equipment - Item 120

12.1 Property and equipment: breakdown of assets valued at cost

Assets/Values	30/06/2007	31/12/2006
A. Operating assets		
1.1 Owned assets	7.776	7.821
a) land	-	-
b) buildings	-	-
c) furniture	5.090	4.962
d) electronic equipment	401	460
e) other	2.285	2.399
1.2 Leased assets	-	-
a) land	-	-
b) buildings	-	-
c) furniture	-	-
d) electronic equipment	-	-
e) other	-	-
Total A	**7.776**	**7.821**
B. Assets held as investments		
2.1 Owned assets	**-**	**-**
a) land	-	-
b) buildings	-	-
2.2 Leased assets	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**-**	**-**
Total (A + B)	**7.776**	**7.821**

12.3 Operating assets: year changes

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Gross amount at period-start			**12.178**	**1.833**	**5.086**	**19.097**
A.1 Total net impairment			7.216	1.373	2.687	**11.276**
A.2 Net amount at period-start	-	-	**4.962**	**460**	**2.399**	**7.821**
B. Increases:			**1.993**	**65**	**599**	**2.657**
B.1 Purchases			702	35	250	987
of which business combination transactions			-	-	-	-
B.2 Capitalised improvement costs						-
B.3 Reversal value						-
a) net equity			-	-	-	-
b) profit and loss account			-	-	-	-
B.4 Fair value positive change in						-
a) net equity			-	-	-	-
b) profit and loss account			-	-	-	-
B.5 Exchange gains						-
B.6 Transfer of buildings held as investments						-
B0.7 Other changes			1.291	30	349	**1.670**
C. Decreases:			**1.865**	**124**	**713**	**2.702**
C.1 Sales			-	-	-	-
C.2 Depreciation			573	94	363	**1.030**
C.3 Adjustments for impairment in						-
a) net equity			-	-	-	-
b) profit and loss account			-	-	-	-
C.4 Fair value negative changes in						-
a) net equity			-	-	-	-
b) profit and loss account			-	-	-	-
C.5 Exchange losses						-
C.6 Transfers to:						-
a) property and equipment held as investments			-	-	-	-
b) assets held for sale			-	-	-	-
C0.7 Other changes			1.292	30	350	**1.672**
D. Net amount at period end			**5.090**	**401**	**2.285**	**7.776**
D.1 Total net impairment			8.187	2.098	3.535	**13.820**
D.2 Gross amount at period-end			**13.277**	**2.499**	**5.820**	**21.596**
E. Valued at cost			13.277	2.499	5.820	21.596

Section 13
Intangible assets - Item 130

13.1 Intangible assets: breakdown by type of asset

Assets/Values	30/06/2007			31/12/2006		
	Limited duration	Unlimited duration	Total	Limited duration	Unlimited duration	Total
A.1 Goodwill		7.435	7.435		7.435	7.435
A.2 Other intangible assets	7.970	-	7.970	8.612	-	8.612
A.2.1 Assets valued at cost:	7.970	-	7.970	8.612	-	8.612
a) Internally generated intangible assets			-			-
b) Other assets	7.970	-	7.970	8.612	-	8.612
A.2.2 Assets valued at fair value:	-	-	-	-	-	-
a) Internally generated intangible assets			-			-
b) Other assets	-		-	-		-
Total	7.970	7.435	15.405	8.612	7.435	16.047

13.2 Intangible assets: year changes

	Goodwill	Other intangible assets: internally generated		Other intangible assets Other		Total
		Limited duration	Unlimited duration	Limited duration	Unlimited duration	
A. Amount at period-start	7.435	-	-	36.121	-	43.556
A.1 Total net impairment				27.509		27.509
A.2 Net amount at period-start	**7.435**	**-**	**-**	**8.612**	**-**	**16.047**
B. Increases	**-**	**-**	**-**	**2.101**	**-**	**2.101**
B.1 Purchases	-	-	-	1.891	-	**1.891**
B.2 Increase of internal intangible assets	-	-	-	-	-	**-**
B.3 Reversal value				-		**-**
B.4 Fair value positive changes in	-	-	-	-	-	**-**
- net equity	-	-	-	-	-	**-**
- profit and loss account	-	-	-	-	-	**-**
B.5 Exchange gains	-	-	-	-	-	**-**
B0.6 Other changes	-	-	-	210	-	**210**
C. Decreases	**-**	**-**	**-**	**2.743**	**-**	**2.743**
C.1 Sales	-	-	-		-	**-**
C.2 Adjustments	-	-	-	2.243	-	**2.243**
- Amortisation	-	-	-	2.243	-	**2.243**
- Write-downs	-	-	-	-	-	**-**
- net equity	-	-	-	-	-	**-**
- profit and loss account	-	-	-	-	-	**-**
C.3 Fair value negative changes	-	-	-	-	-	**-**
- net equity	-	-	-	-	-	**-**
- profit and loss account	-	-	-	-	-	**-**
C.4 Transfer to non-current assets held for sale	-	-	-	-	-	**-**
C.5 Exchange losses	-	-	-	-	-	**-**
C.6 Other changes	-	-	-	500	-	**500**
D. Amount at period-end	**7.435**	**-**	**-**	**7.970**	**-**	**15.405**
D.1 Total net adjustments	-	-	-	27.509	-	**27.509**
E Gross amount at period-end	**7.435**			**35.479**		**42.914**
F. Valued at cost						

Details of intangible assets - other assets

	30/06/2007	31/12/2006
Charges associated with the implementation of legacy CSE procedures	4.787	5.681
Commissions to be amortised	2.456	2.346
Other software costs	722	579
Brands	5	6
Total	**7.970**	**8.612**

Section 14
Tax receivables and payables - Item140 (Assets) and Item 80 (Liabilities)

Breakdown of item 140 (Assets): tax receivables

Type of transaction/Values	30/06/2007	31/12/2006
Current taxation	**1.157**	**164**
- *IRES*	*911*	*164*
- *IRAP*	*246*	-
Deferred tax receivables	**38.132**	**35.540**
With impact on profit and loss account	33.013	29.376
- *IRES*	*29.773*	*26.610*
- *IRAP*	*3.240*	*2.766*
With impact on net equity	5.119	6.164
- *IRES*	*4.417*	*5.318*
- *IRAP*	*702*	*846*
Total	**39.289**	**35.704**

Breakdown of item 80 (liabilities): tax payables

Type of transaction/Values	30/06/2007	31/12/2006
Current taxation	**- 1.984**	**- 12.139**
- *IRES*	- *1.505*	- *10.560*
- *IRAP*	- *479*	- *1.579*
Deferred tax payables	**- 6.879**	**- 7.454**
With impact on profit and loss account	- 6.716	- 7.276
- *IRES*	- *6.074*	- *6.533*
- *IRAP*	- *642*	- *743*
With impact on net equity	- 163	- 178
- *IRES*	- *163*	- *178*
- *IRAP*	-	-
Total	**- 8.863**	**- 19.593**

14.1 Breakdown of deferred tax receivables:

	30/06/2007	31/12/2006
With impact on profit and loss account	**33.013**	**29.376**
Previous fiscal losses	2.955	82
Provisions for liabilities and contingencies	22.385	19.933
Write-down of securities	4.838	6.300
Credit devaluation	238	315
Goodwill	503	7
Other operating expenses	2.094	2.739
Index linked bonds		
With impact on net equity	**5.119**	**6.164**
Goodwill	5.114	6.158
	5	6
Measurement at fair value of financial assets available for sale		
Total	**38.132**	**35.540**
	-	-

Section 14

Tax receivables and payables - Item140 (Assets) and Item 80 (Liabilities)

14.3 Change in deferred tax receivables (offsetting entry to the profit and loss account)

	30/06/2007	31/12/2006		
1. Amount at period-start	**29.376**	**16.273**		
2. Increases	15.514	21.860		
2.1 Deferred tax receivables for the period	14.138	20.511		
a) relative to prior years	-	14		
b) change in accounting criteria	-	-		
c) reversal value	-	-		
d) other	14.138	20.497		
2.2 New taxes or increases in tax rates	331	-		
2.3 Other increases	1.045	1.349		
of which business combination transactions	-	764		
of which transfer of taxes to net equity	1.045	585		
3. Decreases	**11.877**	**8.757**		
3.1 Deferred tax receivables eliminated in the period	11.877	8.697		
a) transfers	11.877	8.627		
b) write-downs for non-recoverability	-	-		
c) change in accounting criteria	-	70		
3.2 Decreases in tax rates	-	-		
3.3 Other decreases	-	60		
4. Amount at period-end	**33.013**	**29.376**	-	-
Change in deferred tax receivables (point 2 - point 3)	3.637	13.103		
Effect of business combinations and transfer from net equity	- 1.045	- 1.294		
Deferred tax receivables change in profit and loss account (Section 20.1)	2.592	11.809		

For the first half of 2007, Item 2.3 Other increases refers to the transfer to net equity of taxes on the goodwill of Bg sgr that was transferred to the profit and loss account.
This increase has an offsetting entry in item 3.1 Tranfers
The change in deferred tax assets for the period differs from that reported in the profit and loss account in section 20.1 for the amounts referred to under the previous item.

14.4 Change in deferred taxes (offsetting entry to the profit and loss account)

	30/06/2007	31/12/2006		
1. Amount at period-start	**7.276**	**4.628**		
2. Increases	1.331	4.148		
2.1 Deferred tax payables for the period	1.331	3.786		
a) relative to prior years	-	-		
b) change in accounting criteria	-	-		
c) reversal value	-	-		
d) other	1.331	3.786		
2.2 New taxes or increases in tax rates				
2.3 Other increases	-	362		
of which business combination transactions	-	362		
3. Decreases	1.891	1.500		
3.1 Deferred tax payables eliminated in the period	1.891	1.455		
a) transfers	1.844	1.362		
b) change in accounting criteria	-	-		
c) other	47	93		
3.2 Decreases in tax rates	-	-		
3.3 Other decreases	-	45		
4. Amount at period-end	**6.716**	**7.276**	-	-
Change in deferred tax payables (point 2 - point 3)	- 560	2.648		
Effect of business combinations and transfers from net equity	-	- 321		
Deferred tax receivables change in profit and loss account (Section 20.1)	- 560	2.327		

Section 14

Tax receivables and payables - Item 140 (Assets) and Item 80 (Liabilities)

14.5 Changes in deferred tax receivables (offsetting entry to net equity)

	30/06/2007	31/12/2006
1. Amount at period-start	**6.164**	**-**
2. Increases	-	6.744
2.1 Deferred tax receivables for the period	-	8
a) relative to prior years	-	-
b) change in accounting criteria	-	2
c) other	-	6
2.2 New taxes or increases in tax rates	-	12
2.3 Other increases	-	6.724
of which business combination transactions	-	6.724
3. Decreases	1.045	580
3.1 Deferred tax receivables eliminated in the period	-	-
a) transfers	-	-
b) write-downs for non-recoverability	-	-
c) change in accounting criteria	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases	1.045	580
of which transfer of taxes to net equity	1.045	580
4. Amount at period-end	**5.119**	**6.164**

14.6 Changes in deferred tax payables (offsetting entry to net equity)

	30/06/2007	31/12/2006
1. Amount at period-start	**178**	**61**
2. Increases	82	161
2.1 Deferred tax payables for the period	-	161
a) relative to prior years		
b) change in accounting criteria	-	-
c) other	-	161
2.2 New taxes or increases in tax rates		
2.3 Other increases	82	-
3. Decreases	97	44
3.1 Deferred tax payables eliminated during the period	97	37
a) transfers	88	-
b) change in accounting criteria	-	-
c) other	9	37
3.2 Decreases in tax rates	-	-
3.3 Other decreases	-	7
4. Amount at period-end	**163**	**178**

Section 16
Other assets - Item 160

16.1 Breakdown of other assets

	30/06/2007	31/12/2006
Fiscal items	**13.236**	**13.529**
Sums due from fiscal authorities for taxes to be refunded - principal	3.370	3.370
Sums due from fiscal authorities for taxes to be refunded - interest	1.957	1.912
Advances paid to fiscal authorities	7.566	7.688
Other sums due from fiscal authorities	343	559
Leasehold improvements	**3.193**	**3.032**
Credits and advances to advisors and agents	**28.959**	**26.972**
Sums advanced to financial advisors	25.849	24.069
Amounts receivables from former financial advisors, to be collected	1.677	1.470
Receivables from former BPV network	558	558
Amounts receivable from INA agents' network	875	875
Amounts to be debited under processing	**49.470**	**51.425**
C/a cheques drawn on third parties under processing	9.719	10.892
Our c/a cheques under processing c/o service	2	4.152
Cheques - other amounts under processing	-	102
Amounts to be settled in the clearing house (debits)	9.279	15.249
Other amounts to be debited under processing	30.470	21.030
Amounts receivable for legal disputes related to non-credit transactions	**501**	**502**
Amounts receivable from advisors and former advisors	269	269
Advances on disputed positions	232	233
Sundry advances to suppliers and employees	**6.379**	**3.170**
Other amounts	**13.643**	**24.744**
Adjustments to the acquisition cost of BG fiduciaria (Intesa)	-	8.000
Receivables from shareholders related to listing charges	-	5.725
Bg Security insurance policies as collateral for deferred bonus	5.366	3.899
Amounts to be debited	3.423	4.224
Other accrued income and deferred charges	1.877	719
Idle caution deposits	65	159
Sundry amounts	2.912	1.970
Consolidation adjustments	-	48
Total	**115.381**	**123.374**

Section 1
Due to banks - Item 10
1.1 Due to banks: categories

Type of transaction/Values	30/06/2007	31/12/2006
1. Due to central banks	-	-
2. Due to banks	**105.505**	**40.392**
2.1 Current accounts and demand deposits	21.622	23.790
2.2 Term deposits	2.482	11.581
2.3 Loans	4.650	4.650
2.4 Liabilities for repurchase commitments of own equity instruments		
2.5 Liabilities for transferred assets not written off	76.230	-
2.6 Other debts	-	-
2.7 Operating debts	521	371
Total	**105.505**	**40.392**
Fair value	**105.505**	**40.392**

1.2 Due to banks: subordinated debts

Type of transaction/Values	30/06/2007	31/12/2006
Due to banks: subordinated debts	**4.650**	**4.650**
BSI Sa Lugano subordinated debt	*4.650*	*4.650*

Amounts due to banks for subordinate debts refers to the subordinate loan of 4,650 thousand euros granted by the then shareholder Banca Bsi SA, with an indefinite maturity and with an early notice of 5-year for extinction.

Section 2
Due to customers - Item 20

2.1 Due to customers: categories

Type of transaction/Values	30/06/2007	31/12/2006
1. Current accounts and demand deposits	1.831.662	2.308.540
2. Term deposits	204.257	62.607
3. Third-party funds under administration	-	-
4. Loans	-	-
5. Liabilities for repurchase commitments of own equity instruments	-	-
6. Liabilities for transferred assets not written off	696.841	677.823
6.1 Repurchase agreements	696.841	677.823
6.2 Other	-	-
7. Other debts	-	-
8. Operating debts	5.598	4.707
Total	**2.738.358**	**3.053.677**
Fair value	2.738.358	3.053.677

Section 4
Financial liabilities held for trading — Item 40

4.1 Financial liabilities held for trading: categories

Type of transaction/Values	30/06/2007 Fair Value	31/12/2006 Fair Value
A. Cash liabilities	-	-
1. Due to banks	-	-
2. Due to customers	-	-
3. Debt securities	-	-
3.1 Bonds	-	-
3.2 Other securities	-	-
Total A	-	-
B. Derivatives		
1. Financial	**11.316**	**16.113**
1.1 trading	11.316	16.113
1.2 related to the fair value option	-	-
1.3 other	-	-
2. Credit	-	-
1.1 trading	-	-
1.2 related to the fair value option	-	-
1.3 other	-	-
Total B	**11.316**	**16.113**
Total (A+B)	**11.316**	**16.113**

Section 4
Financial liabilities held for trading — Item 40

4.4 Financial liabilities held for trading: derivatives

Types of derivatives/Underlying assets	Interest rates	Currencies and gold	Capital securities	Receivables	Other	30/06/2007	31/12/2006
A) LISTED DERIVATIVES							
1) Financial derivatives:							
with capital swap	-	-	-	-	-	-	-
- options issued	-	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-	-
without capital swap	-	-	-	-	-	-	-
- options issued	-	-	-	-	-	-	-
- other derivatives	-	-	-	-	-	-	-
2) Credit derivatives:							
with capital swap							
without capital swap							
Total A	-	-	-	-	-	-	-
B) UNLISTED DERIVATIVES							
1) Financial derivatives:	-	11	11.305	-	-	11.316	16.113
with capital swap	-	11	261	-	-	272	409
- options issued	-	11	261	-	-	272	409
- other derivatives	-						
without capital swap	-	-	11.044	-	-	11.044	15.704
- options issued			11.044			11.044	15.255
- other derivatives	-		-		-	-	449
2) Credit derivatives:							
with capital swap					-	-	-
without capital swap					-	-	-
Total B	-	11	11.305	-	-	11.316	16.113
Total (A + B)	**-**	**11**	**11.305**	**-**	**-**	**11.316**	**16.113**

Section 8
Tax payables — Item 80

Breakdown of tax payables - item 80

Type of transaction/Values	30/06/2007	31/12/2006
Current taxation	**1.984**	**12.139**
- *IRES*	*1.505*	*10.560*
- *IRAP*	*479*	*1.579*
Deferred tax payables	**6.879**	**7.454**
With impact on profit and loss account	6.716	7.276
- *IRES*	*6.074*	*6.533*
- *IRAP*	*642*	*743*
With impact on net equity	163	178
- *IRES*	*163*	*178*
- *IRAP*	-	-
Total	**8.863**	**19.593**

Section 10
Other liabilities — Item 100
10.1 Breakdown of other liabilities

	30/06/2007	31/12/2006
Trade payables	**23.441**	**34.422**
Due to suppliers	11.882	18.337
Due to agents and advisors	11.377	15.765
Due to insurance companies for premiums and claims to be settled	182	320
Due to staff and Social Security institutions	**8.506**	**5.958**
Due to staff for accrued holidays etc.	4.332	1.985
Contributions to be paid to social security institutions	2.468	1.919
Contributions to advisors to be paid to Enasarco	1.706	2.054
Tax authorities	**8.670**	**18.716**
Withholdings due to fiscal authorities	7.849	16.341
Notes to be paid in to collection services	705	1.252
VAT payable	116	1.123
Third-party assets available for customers	**4.487**	**4.502**
Sums made available to customers	4.487	4.502
Sums to be paid to La Venezia Assicurazioni	-	-
Amounts to be debited under processing	**69.447**	**114.110**
Bank transfers, cheques and other sums payable	9.280	11.086
Amounts to be settled in the clearing house (credits)	26.664	84.801
Liabilities from reclassification of portfolio subject to collection (SBF)	7.702	5.864
Other amounts to be debited under processing	25.801	12.359
Sundry items	**4.451**	**2.149**
Accrued expenses and deferred income that cannot be traced back to specific items	2.904	313
Sundry items	760	1.293
Amounts to be credited	311	402
Consolidation adjustments	476	141
Total	**119.002**	**179.857**

Section 11
Provisions for termination indemnity — Item 110

11.1 Provisions for termination indemnity: year changes

	30/06/2007	31/12/2006
A. Amount at period-start	6.524	5.729
B. Increases	1.189	3.653
B.1 Provisions for the period	632	1.328
B.2 Other increases	557	2.325
C. Decreases	1.132	2.858
C.1 Amounts paid	576	2.777
C.2 Other decreases	556	81
D. Amount at period-end	**6.581**	**6.524**

Section 12
Provisions for liabilities and contingencies — Item 120

12.1 Breakdown of povisions for liabilities and contingencies

	30/06/2007	31/12/2006
1. Company provisions for pensions	**-**	**-**
2. Provisions for liabilities and contingencies	**62.016**	**58.679**
2.1 litigation	3.150	4.054
2.2 staff	4.336	5.924
2.3 other	54.530	48.701
Total	**62.016**	**58.679**

Breakdown of provisions for liabilities and contingencies

	30/06/2007	31/12/2006
Provision for staff expenses	**3.150**	**5.924**
Provisions for liabilities and contingencies related to legal disputes	**4.336**	**4.054**
Provision for risks related to litigations connected with advisors' embezzlements	2.607	1.842
Provision for risks related to legal disputes with advisors	651	659
Provision for risks related to legal disputes with staff	554	204
Provision for other legal disputes	524	1.349
Provision for termination indemnity of advisors	**5.835**	**4.582**
Provision for termination indemnity	4.832	3.998
Provision for portfolio overcommission indemnities	1.003	584
Provision for customer loyalty programmes	**482**	**482**
Provision for customer loyalty schemes	-	-
Provision for loyalty bonuses	482	482
Provision for commissions to be paid out	**46.352**	**41.230**
Provision for network development incentives	40.840	36.314
Provision for commissions - travel incentives and tenders	1.647	3.147
Provision for commissions - other	3.865	1.769
Other provisions for liabilities and contingencies	**281**	**370**
Provision for staff leaving incentives	-	-
Provision for directors stock option programme	264	340
Provisions for other contingencies and liabilities	17	30
Provision for stamp and other taxes	**1.580**	**2.037**
Total	**62.016**	**58.679**

Section 12
Provisions for liabilities and contingencies — Item 120

12.2 Provisions for liabilities and contingencies: year changes

	Provisions for pensions	Other provisions	Total
A. Amount at period-start	**-**	**58.679**	**58.679**
B. Increases	**-**	**29.088**	**29.088**
B.1 Provisions for the period	-	29.088	29.088
B.2 Other increases	-	-	-
C. Decreases	**-**	**25.751**	**25.751**
C.1 Use in the period	-	24.316	24.316
C.2 Other decreases	-	1.435	1.435
D. Amount at period-end	**-**	**62.016**	**62.016**

Provisions for liabilities and contingencies - details of movements

	31/12/2006 -	Utilisations	Surplus	Other Change	Provisions	30/06/2007
Provision for staff expenses	**5.924**	- 5.172	- 458	-	2.856	3.150
Provisions for liabilities and contingencies related to legal disputes	**4.082**	**- 122**	**- 167**	**-**	**543**	**4.336**
Provision for risks related to litigations connected with advisors' embezzlements	2.544	- 57	- 5		125	2.607
Provision for risks related to legal disputes with advisors	659	-	- 17		9	651
Provision for risks related to legal disputes with staff	319		- 45		280	554
Provision for other legal disputes	560	- 65	- 100		129	524
Provision for termination indemnity of advisors	**4.583**	**- 329**	**-**	**-**	**1.581**	**5.835**
Provision for termination indemnity	3.999	- 131		-	964	4.832
Provision for portfolio overcommission indemnities	584	- 198	-		617	1.003
Provision for customer loyalty programmes	**482**	**-**	**-**	**-**	**-**	**482**
Provision for loyalty bonuses	482	-	-		-	482
Provision for commissions to be paid out	**41.229**	**- 17.142**	**- 734**	**-**	**22.999**	**46.352**
Provision for commissions - travel incentives and tenders	3.147	- 2.946	- 41		1.487	1.647
Provision for risks related to incentive plans	1.769	- 170	- 642		2.908	3.865
Provision for risks related to network development incentives	36.313	- 14.026	- 51		18.604	40.840
Other provisions for liabilities and contingencies	**342**	**-**	**- 76**	**-**	**15**	**281**
Provision for staff leaving incentives	-	-				-
Provision for director stock option programme	340	-	- 76		-	264
Provision for other liabilities	2	-			15	17
Provision for stamp and other taxes	2.037	- 1.551			1.094	1.580
Total	**58.679**	**- 24.316**	**- 1.435**	**-**	**29.088**	**62.016**

12.4 Provisions for liabilities and contingencies — other provisions — details

Provision for staff expenses

The provision for staff expenses is allocated to cover charges for result bonus envisaged by the Group Contratto Integrativo Aziendale (Integrative Corporate Contract) and other bonuses and incentives for network managers and other employees based on their services for the period.

Provisions for litigation

This type of provisions for risks includes provisions earmarked on the basis of pending litigations connected with advisors' embezzlements after insurance coverage, as well as those with disputes currently underway with financial advisors and employees and other legal and extra-legal disputes with customers and other entities.

Provisions for advisors' termination indemnity

This item includes amounts set aside for supplemental sales network customer indemnities, as well as indemnities for portfolio overvaluation, paid out under certain conditions in relation to the size of the portfolio managed at the termination date, in addition to other loyalty bonus indemnities agreed at the time by the merged company INA SIM.

Provisions for commissions to be paid out

These provisions refer mainly to Group commitements related to recruitment plans for middle-term expansion of managed portfolios.

These plans envisage different kinds of incentives (joining bonus, deferred bonus, volume bonus, etc.) related to the achievement of net inflow objectives and the presence in one or more years (up to 5 or 7 years).

This amount includes also allocations for performance-based incentive programmes, including the "BG Premier Club Trip", and for other commission plans (supplementary allowances, stabilisers, objective-achievement bonuses, etc.) that involve the payment of benefits or increases in advances paid when certain conditions are met, such as continuing employment in the network or the achievement of sales objectives.

Other provisions for liabilities and contingencies

Other provisions for liabilities and contincencies includes personnel leaving-incentive agreements already finalised and the allowance for the stock-option plan under which parent company shares are reserved for the Chief Executive Officer.

Section 15
Group net equity — Items 140, 160, 170, 180, 190, 200 and 220

15.1 Breakdown of group net equity attributable to the company

Items/Values	30/06/2007	31/12/2006
1. Capital	111.313	111.313
2. Additional paid-in capital	22.804	22.804
3. Reserves	65.839	61.886
4. (Treasury shares)	- 9.512	- 5.851
5. Valuation reserves	1.088	1.065
6. Equity instruments	-	
7. Net profit (Loss) for the period	10.142	14.023
Total	**201.674**	**205.240**

15.2 Breakdown of capital and treasury shares

	Unit value	Number	Nominal value	Book value (€ thousand)
Capital:				
- ordinary shares	1,00	111.313.176	111.313.176	111.313
Treasury shares				
- ordinary shares	1,00	- 1.431.660	- 1.431.660	- 9.512
		109.881.516	109.881.516	101.801

15.3 Capital - No. of shares: year changes

Items/Type	Ordinary	Other
A. Existing shares at period-start	111.313.176	-
- paid up	111.313.176	-
- partially paid	-	-
A.1 Treasury shares (-)	- 1.129.530	-
B.2 Outstanding shares at period-start	110.183.646	-
B. Increases	59.644	-
B.1 Newly issued shares		
- against payment:	-	-
- business combination transactions	-	-
- bond conversion	-	-
- exercise of warrant	-	-
- other	-	-
- for free:	-	-
- to staff	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	59.644	-
B0.3 Other changes	-	-
C. Decreases	- 361.774	-
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	- 361.774	-
C.3 Disposal of companies	-	-
C0.4 Other changes	-	-
D. Outstanding shares: at period-end	109.881.516	-
D.1 Treasury shares (+)	1.431.660	-
D.2 Existing shares at period-end	111.313.176	-
- paid up	111.313.176	-
- partially paid	-	

Section 15
Group net equity — Items 140, 160, 170, 180, 190 and 200

15.4 Capital: further information

At the reporting date, the share capital of the bank consisted of 111,313,176 ordinary shares of 1 euro each, with regular dividend entitlement, and it was fully paid up.
During the period the company also bought 361,774 shares, for a total book value of 3,853 thousand euros to service the stock granting plan for the Top management, as approved by the Shareholders' Meeting on 26 July 2006.
For taxation purposes, these financial instruments are classified among current securities, as they could be allocated as of the following year.
During the period, the company also allocated further tranches of the shares for the stock granting of financial advisors of the former Prime consult, as approved during 2001, which became effective after the bank's stocks began trading on the stock exchange.
The beneficiaries received a free allotment of 59,664 ordinary shares, with regular dividend entitlement, on a stock of 1,200,000 shares, repurchased in 2001, for a total amount of 192 thousand euros.

15.5 Income reserves: further information

	31/12/2006	Attributable gain	Hedging Loss	Distribution of Dividends	Purchases of treasury shares	Sales of treasury shares	other increase	other decrease	30/06/2007
Legal reserve	15.825	80	-		-	-	-	-	15.905
Unavailable reserve for treasury shares	5.851	-	-		3.853	- 192	-	-	9.512
Unavailable reserve for shares of the parent company	1.339	-	-		-	-	-	-	1.339
		-	-		-	-	-	-	
Available reserve	9.417	-	-	- 6.655	- 2.762	-	-	-	-
Extraordinary reserve	5.368	-	-		- 1.091	-	-	-	4.277
Merger surplus - Prime S.p.A.	10.907	-			-		-	- 217	10.690
Merger surplus - Altinia S.p.A.	65	-	-		-	-	-	-	65
Reserve from provisions for general banking risks	-	-	-		-	-	-	-	-
Reserve for acquisition of BSI	112	-	-		-	-	-	-	112
Reserve shared based payments (IFRS2)	5.459	-	-		-	-	1.334	-	6.793
Reserve from first-time application	2.995	-	-		-	-		-	2.995
Reserve from income (loss) carried forward	4.548	13.943	-	- 4.340	-	-	-	-	14.151
Total	**61.886**	**14.023**	**-**	**- 10.995**	**-**	**- 192**	**1.334**	**- 217**	**65.839**
									-

Section 15

Group net equity — Items 140, 160, 170, 180, 190 and 200

15.6 Valuation reserves:

Items/Type	30/06/2007	31/12/2006
1. Financial assets available for sale	1.049	1.026
2. Property and equipment	-	-
3. Intangible assets	-	-
4. Coverage of investments abroad	-	-
5. Coverage of financial cash flows	-	-
6. Exchange differences	-	-
7. Non-current assets held for sale	-	-
8. Special revaluation laws	39	39
Total	**1.088**	**1.065**

15.7 Valuation reserves: year changes

	30/06/2007			31/12/2006		
	Financial assets available for sale	Law B.S. Rev.	Total	Financial assets available for sale	Law B.S. Rev.	Total
A. Amount at period-start	**1.026**	**39**	**1.065**	**149**	**39**	**188**
B. Increases	**222**	**-**	**222**	**964**	**-**	**964**
B1. Fair value increases	222	-	222	957	-	957
B2. Other changes	-	-	-	7	-	7
C. Decreases	**199**	**-**	**199**	**87**	**-**	**87**
C1. Fair value decreases	199	-	199	75	-	75
C2. Other changes	-	-	-	12	-	12
D. Amount at period-end	**1.049**	**39**	**1.088**	**1.026**	**39**	**1.065**

15.8 Breakdown of reserves from financial assets available for sale

Assets/Values	30/06/2007			31/12/2006
	Positive reserve	Negative reserve	Total	Positive reserve
1. Debt securities	-	-	-	
2. Equity securities	1.049	-	1.049	1.026
3. Loans	-	-	-	-
Total	**1.049**	**-**	**1.049**	**1.026**

15.9 Breakdown of reserves from financial assets available for sale: year changes

	30/06/2007			31/12/2006		
	Securities	OICR units	Total	Securities	OICR units	Total
1. Amount at period-start	**828**	**198**	**1.026**	**149**	**-**	**149**
2. Positive changes	**61**	**161**	**222**	**766**	**198**	**964**
2.1 Fair value increases	61	161	222	759	198	957
2.2 Transfer to profit and loss account of negative reserves	-	-	-	-	-	-
due to impaiment						
due to disposal						
2.3 Other changes	-		-	7		7
3. Decreases	**19**	**180**	**199**	**87**	**-**	**87**
3.1 Fair value decreases	19	-	19	-	-	-
3.2 Transfer to profit and loss account of positive reserves	-	180	180	75	-	75
due to impaiment						
due to disposal	-	180	180	75		75
3.3 Other changes	-		-	12		12
D. Amount at period-end	**870**	**179**	**1.049**	**828**	**198**	**1.026**

Valuation reserves of financial assets available for sale: breakdown of capital securities

Assets/Values	30/06/2007	31/12/2006
1. Assicurazioni Generali.	73	92
2. Enel	797	736
3. OICR quotas	179	198
Total	**1.049**	**1.026**

Further information

1. Guarantees issued and commitments

Transaction	30/06/2007	31/12/2006
1) Financial guarantees issued	**26.866**	**11.756**
a) Banks		
b) Customers	26.866	11.756
2) Commercial guarantees issued	**7.709**	**10.438**
a) Banks		
b) Customers	7.709	10.438
3) Irrevocable commitment to dispense funds	**12.709**	**88.544**
a) Banks	**5.313**	**80.100**
i) of certain use	5.313	80.100
ii) of uncertain use	-	
b) Customers	**7.396**	**8.444**
i) of certain use	2	835
ii) of uncertain use	7.394	7.609
4) Underlying commitments to credit derivatives: hedging sales		
5) Assets pledged as collateral of thirdy-party obligations		
6) Other commitments	**-**	**13.260**
Total	**47.284**	**123.998**

2. Assets pledged as collateral for own liabilities and commitments

Portfolio	30/06/2007	31/12/2006
1. Financial assets held for trading	777.906	641.075
2. Financial assets at fair value		
3. Financial assets available for sale		
4. Held-to-maturity financial assets		
5. Loans to banks		
6. Loans to customers		
7. Property and equipment		
8. Intangible assets		
Total	**777.906**	**641.075**

Further information

4. Management and trading on behalf of third parties

Type of service	30/06/2007	31/12/2006
1. Trading of financial instruments on behalf of third parties		
a) purchases	**1.622.084**	**3.980.319**
1. settled	1.602.123	3.976.521
2. to be settled	19.961	3.798
b) sales	**1.960.992**	**3.119.944**
1. settled	1.954.647	3.115.571
2. to be settled	6.345	4.373
2. Portfolio management	**8.777.492**	**8.552.953**
a) individual	4.917.525	4.980.786
b) collective (*)	3.859.967	3.572.167

(*) This item does not include 2,019,931 thousand euros in funds accounted for in individual discretionary accounts (GPF)

3. Custody and administration of securities	**3.175.799**	**2.716.967**
(excluding asset management)		
a) third-party securities held in deposit:		
related to services provided as depository bank	**-**	**-**
1. issued by the bank that prepares the financial statements	-	-
2. Other	-	-
b) other third-party securities held in deposit: other	**3.175.799**	**2.716.967**
1. issued by the bank that prepares the financial statements	68.041	70.079
2. Other	3.107.758	2.646.888
c) third-party securities deposited with third parties	3.168.458	1.941.210
d) portfolio securities deposited with third parties	2.415.519	2.074.868
4. Other transactions		
1. Order collection activity and brokerage (amounts traded)	7.000.824	5.313.318

Part C – Information on the Profit and Loss Account

Section 1

Interests - Items 10 and 20

1.1 Breakdown of interest income and similar revenues

	Performing financial assets		Non-performing financial assets	Other assets	30/06/2007	30/06/2006
	Debt securities	Financing				
1. Financial assets held for trading	41.979	-	-	-	41.979	18.612
2. Financial assets available for sale	-	-	-	-	-	-
3. Held-to-maturity financial assets	-	-	-	-	-	-
4. Loans to banks	-	11.772	-	-	11.772	6.713
5. Loans to customers	-	7.059	-	-	7.059	4.153
6. Financial assets at fair value	-	-	-	-	-	-
7. Hedging derivatives	-	-	-	-	-	-
8. Transferred financial assets not written off	-	-	-	-	-	-
9. Other assets	-	-	-	44	44	48
Total	**41.979**	**18.831**	**-**	**44**	**60.854**	**29.526**

1.4 Breakdown of interest expense and similar charges

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	Debts	Securities	Other liabilities	30/06/2007	30/06/2006
1. Due to banks	671	-	-	671	78
2. Due to customers	25.608	-	-	25.608	14.542
3.°°°° Securities issued	-	-	-	-	-
4. Financial liabilities from trading	-	-	-	-	-
5. Financial liabilities measured at fair value	-	-	-	-	-
6. Financial liabilities relative to transferred assets not written off	14.390	-	-	14.390	4.534
7. Other liabilities	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-
Total	**40.669**	**-**	**-**	**40.669**	**19.154**

Section 2
Commissions - Items 40 and 50

2.1 Breakdown of commission income

	30/06/2007	30/06/2006
a)°°°° Guarantees issued	70	45
b) Credit derivatives	-	-
c)°°°° Management, brokerage and consultancy services:	143.217	119.102
1.°°°° Trading of financial instruments	2.688	2.027
2.°°°° Currency trading	6	3
3.°°°° Asset management	67.236	53.665
3.1. Individual	*28.312*	*21.066*
3.2. Collective	*38.924*	*32.599*
4.°°°° Custody and administration of securities	344	388
5. Depositary bank	-	-
6.°°°° Placement of securities	40.333	36.002
7. Order collection	7.765	4.352
8. Consultancy activities	-	-
9. Distribution of third-party services	24.845	22.665
9.1.°°°° Asset management	*1.635*	*974*
9.1.1.Individual	*1.533*	*879*
9.1.2 Collective	*102*	*95*
9.2. Insurance products	*19.896*	*18.068*
9.3. Other products	*3.314*	*3.623*
d)°°°Collection and payment services	1.177	844
e) Servicing related to securitisations	2	2
f) Factoring-related services	-	-
g) Tax collection services	-	-
h)°°° Other services	951	1.397
Total	**145.417**	**121.390**

2.2 Commission income: distribution channels of products and services offered

	30/06/2007	30/06/2006
a) Group branches:	**7.534**	**470**
1.°°°° Asset management	5.379	
2.°°°° Placement of securities	2.155	470
3. Third-party products and services	-	
b) External offer:	**124.880**	**111.862**
1.°°°° Asset management	61.857	53.665
2.°°°° Placement of securities	38.178	35.532
3. Third-party products and services	24.845	22.665
c) Other distribution channels:	**-**	**-**
1.°°°° Asset management		
2.°°°° Placement of securities		
3. Third-party products and services		
Total	**132.414**	**112.332**

2.3 Breakdown of commission expense

	30/06/2007	30/06/2006
a)°°°° Guarantees received	-	-
b) Credit derivatives	-	-
c)°°°° Management and brokerage services:	65.334	55.701
1.°°°° Trading of financial instruments	1.324	1.259
2.°°°° Currency trading		
3.°°°° Asset management:	23	-
3.1 Own portfolio	23	-
3.2 Third-party portfolio	-	-
4.°°°° Custody and administration of securities	324	190
5.°°°° Placement of financial instruments	-	-
6. External offer of financial instruments, products, and services	63.663	54.252
d)°°°° Collection and payment services	960	466
e) °°° Other services	847	602
Total	**67.141**	**56.769**

Section 3
Dividends and similar income - Item 70

3.1 Breakdown of dividends and similar income

	30/06/2007	30/06/2006
A. Financial assets held for trading	1.375	19.330
B.°°°°°° Financial assets available for sale	1.245	579
C. °°°°° Financial assets measured at fair value	-	-
D. Shareholdings	-	-
Total	**2.620**	**19.909**

Section 4
Net profit from trading - Item 80

	30/06/2007	30/06/2006
Financial assets	- 2.880	- 29.417
Financial liabilities	-	-
Currency transactions	715	334
Derivatives	5.166	13.719
Total	**3.001**	**- 15.364**

4.1 Breakdown of net profit from trading

	Capital gains	Profit from trading	Capital loss	Loss from trading	Net income 30/06/2007	Net profit 30/06/2006
1. Financial assets	**3.532**	**4.105**	**9.674**	**843**	**- 2.880**	**- 29.417**
1.1 Debt securities	983	1.163	4.262	139	- 2.255	- 1.590
1.2. Equity securities	331	2.584	5.412	582	- 3.079	- 27.827
1.3 OICR units	2.218	221	-	-	2.439	
1.3 Loans	-	-	-	-	-	-
1.4°°°° Other	-	137	-	122	15	-
2. Financial liabilities from trading	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities					-	-
2.2°°°° Other					-	-
3. Currency transactions	**-**	-			**715**	**334**
4. Derivatives	**4.749**	**2.591**	**252**	**1.922**	**5.166**	**13.719**
4.1 Financial derivatives:	4.749	2.591	252	1.922	5.166	13.719
- on debt securities and interest rates	506	1.016	15	113	1.394	- 540
- on equity securities and stock indexes	273	1.323	229	1.095	272	- 1.038
- on currency and gold	9	1	8	-	2	-
- other	3.961	251	-	714	3.498	15.297
4.2 Credit derivatives					-	-
Total	**8.281**	**6.696**	**9.926**	**2.765**	**3.001**	**- 15.364**

Section 6
Gain (loss) from transfer/repurchase - Item 100
6.1 Breakdown of gain (loss) from transfer/repurchase

	30/06/2007			30/06/2006		
	Gain	**Loss**	**Net result**	**Gain**	**Loss**	**Net result**
Financial assets						
2. Loans to customers			-			-
3. Financial assets available for sale	487	-	487	-	-	-
3.1 Debt securities		-	-			-
3.2. Equity securities	-	-	-	-		-
3.3. OICR units	487	-	487			-
3.4 Loans		-	-			-
4. Held-to-maturity financial assets		-	-			-
Total assets	**487**	**-**	**487**	**-**	**-**	**-**
Financial liabilities						
1. Due to banks	-	-	-			-
2. Due to customers	-	-	-			-
3.°°°° Securities issued	-	-	-	-	-	-
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**

Section 8
Net adjustments/reversal value for impairement - Item 130

8.1 Breakdown of net adjustments to non-performing loans

	Adjustments			Reversal value					
	Specific		Portfolio	Specific		Portfolio		30/06/2007	30/06/2006
	Write-offs	Other		from interest	other reversals	from interest	other reversals		
A. Loans to banks								**0**	**0**
B.°°°° Loans to customers	53	51	10	0	54		255	**195**	**24**
C. Total	**53**	**51**	**10**	**-**	**54**	**-**	**255**	**195**	**24**

Section 11
General and administrative expense - Item 180

Breakdown of general and administrative expense

	30/06/2007	30/06/2006
180 a) Staff expense	28.029	20.868
180 b) Other general and administrative expense	35.072	32.205
Total	**63.101**	**53.073**

11.1 Breakdown of staff expenses

	30/06/2007	30/06/2006
1) Employees	**27.047**	**20.170**
a) Wages and salaries	16.839	12.330
b)°° Social security charges	4.421	3.355
c) Termination indemnity	-	-
d) Retirement benefit plans	-	-
e) Provisions for termination indemnity	804	756
f) Provision for pensions and similar costs:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) Amounts paid to supplementary external pension funds:	961	374
- defined contribution	961	374
- defined benefit	-	-
h) Costs related to payment agreements based on own equity instruments	353	-
i) Other employee benefits	3.669	3.355
2) Other staff	**46**	**108**
3) Directors	**936**	**590**
Total	**28.029**	**20.868**

11.2 Average number of employees by category

	30/06/2007	30/06/2006
Employees	**646**	**494**
a) Managers	43	29
b) Executives of 3rd and 4th level	100	86
c) Executives of 1st and 2nd level	65	55
d) Employees at other levels	504	379
Other employees	**28**	2
Total	673	496

Details of headcount

	30/06/2007	31/12/2006	30/06/2006
Employees			
a) Managers	44	41	33
b) Executives of 3rd and 4th level	107	92	71
c) Executives of 1st and 2nd level	58	71	57
d) Employees at other levels	515	492	468
Total	**724**	**696**	**629**
Other employees	**18**	**37**	**8**
of which seconded staff from other companies	2	27	-
Total	**742**	**733**	**637**

9.4 Other employee benefits

	30/06/2007	30/06/2006
Provisions for expenses - yearly bonuses (MBO) and CIA	1.934	1.481
Expenses for missions - expense reimbursement and indemnities, and charges payable by the bank	833	1.006
Amounts replacing cafeteria indemnities, clothes and medical costs	343	268
Charges for staff supplementary pensions	390	520
Training expenses	134	80
Allowances and charitable gifts	21	-
Other expenses	14	-
Total	***3.669***	***3.355***

Section 11
General and administrative expense - Item 180

11.5 Breakdown of other general and administrative expenses

	30/06/2007	30/06/2006
Administration	**3.205**	**2.870**
- Advertising	455	192
- Consultancy and professional advice expense	674	734
- Financial consultancy expenses		365
- Corporate boards and auditing firms	496	230
- Insurance	980	893
- Entertainment expenses	237	171
- Membership contributions	360	282
- Charity	3	3
Operations	**15.058**	**14.435**
- Rent and usage of premises and management of property	6.330	5.321
- Outsourced services (administration, call center)	3.987	4.565
- Post and telephone	1.726	1.784
- Print material	555	481
- Other expenses for sales network management	814	1.071
- Other expenses and purchases	1.646	1.213
Information system and equipment	**12.925**	**11.073**
- Expenses related to outsourced IT services	8.893	7.743
- Fees for IT services and databases	2.120	1.662
- Software maintenance and servicing	856	400
- Fees for equipment hired and software used	819	979
- Other maintenance	237	289
Indirect taxation	**3.884**	**3.827**
Total	**35.072**	**32.205**

Section 12
Net provisions for liabilities and contingencies - Item 190

12.1 Breakdown of net provisions for liabilities and contingencies

	30/06/2007			30/06/2006		
	Provisions	**Reversal**	**Net**	**Provisions**	**Reversal**	**Net**
Provisions for risk related to commissions to be assigned	22.997	- 735	22.262	23.561	-	23.561
			-			-
Provision for risks related to legal disputes with suscribers	125	- 5	120	748	- 192	556
Provision for risks related to legal disputes with advisors	9	- 15	- 6	160	- 1	159
Provision for risks related to legal disputes with staff	280	- 45	235	-		-
Provision for risks related to legal disputes with others	130	- 101	29	170	- 76	94
			-			-
Provisions for termination indemnity	965	-	965	508		508
Provision for overcommission risks	618	-	618	277	- 23	254
Provision for loyalty bonuses	-	-	-	-	-	-
Provisions for risks related to staff leaving incentives	-		-	-		-
Provisions for risks related to stock-option plan for Chief Executive Officer	-	- 76	- 76	-		-
Other provisions for liabilities and contingencies	13	-	13	6	-	6
Provision for prior year taxes	-	-	-	-	-	-
Total	**25.137**	**- 977**	**24.160**	**25.430**	**- 292**	**25.138**

Breakdown of net adjustments/reversal of property and equipment and intangible assets

	30/06/2007	30/06/2006
Adjustments/reversal of property and equipment	1.030	844
Adjustments/reversal of intangible assets	2.243	2.804
Total	**3.273**	**3.648**

Section 13
Net adjustments/reversal of property and equipment - Item 200

13.1 Breakdown of net adjustments of property and equipment

	Amortisation (a)	Adjustments due to impairment (b)	Reversal value (c)	Net result (a + b – c)
A.°° Property and equipment				
A.1 Owned	1.030	-	-	1.030
- operating	1.030			**1.030**
- investment				**-**
A.2 Leased	-	-	-	-
- operating				**-**
- investment				-
Total	**1.030**	**-**	**-**	**1.030**

Section 14
Net adjustments/reversal of intangible assets - Item 210

14.1 Breakdown of net adjustments of intangible assets

	Amortisation (a)	Adjustments due to impairment (b)	Reversal value (c)	Net result (a + b – c)
A. Intangible assets				
A.1 Owned	2.243	-	-	2.243
- internally generated				**-**
- other	2.243	-		**2.243**
A.2 Leased				**-**
Total	**2.243**	**-**	**-**	**2.243**

Section 15
Other operating income and expenses - Item 220

15.1 Breakdown of other operating expenses

	30/06/2007	30/06/2006
Adjustments of leasehold improvements	653	869
Cancellation of intangible assets (leasehold improvements)	-	-
Charges for staff leaving incentives	198	73
Contingent liabilities and non-existent assets	1.567	940
Charges from accounting adjustments with customers	179	210
Indemnities and compensation	678	108
Consolidation adjustments		
Other operating expenses	66	14
Total	**3.341**	**2.214**

15.2 Breakdown of other operating profit

	30/06/2007	30/06/2006
Recovery of expenses and inflow from customers	1.576	1.337
Recovery of taxation from customers	3.082	2.865
Portfolio valuation overcommission	28	59
Indemnities for advisors' notices	64	13
Recovery of costs from advisors	520	336
Training of insurance agents	415	639
Fees for outsourcing services	17	3
Contingent assets and non-existent liabilities	1.167	670
Consolidation adjustments	76	7
Other income	202	36
Total	**7.147**	**5.965**
Total other net profit	**3.806**	**3.751**

Section 20
Income tax for the period for current operations - Item 290

20.1 Breakdown of income tax for the period for current operations

	30/06/2007	30/06/2006
1.° Current taxation (-)	- 11.097	- 7.539
2. Change in prior period current taxes	51	- 44
3. Reduction of current taxes for the period (+)	-	-
4. Changes of prepaid taxation (+/-)	2.592	6.710
5. Changes of deferred taxation (+/-)	560	- 171
6. Taxes for the period (-) (-1+/-2+3+/-4+/-5)	**- 7.894**	**- 1.044**

Current taxation includes IRES, IRAP and foreign taxation on dividends received, as detailed in the following table.

20.2 Reconciliation between theoretical and actual tax expense

	30/06/2007	30/06/2006
Current taxation	- 11.097	- 7.539
IRES	- 9.100	- 5.721
IRAP	- 1.971	- 1.744
Other - foreign taxation	- 26	- 74
Prepaid and deferred taxation	3.152	6.539
IRES	2.703	5.703
IRAP	449	836
Prior period tases	51	- 44
Income taxes	**- 7.894**	**- 1.044**
Theoretical tax rate	33%	33%
Profit (loss) before taxation	18.036	1.391
Theoretical taxation	**- 5.952**	**- 459**
Non-taxable income	821	6.228
Non-deductible costs	- 1.257	- 5.893
Use of fiscal losses carried forward	-	-
IRAP	- 1.392	- 920
Prior period taxes	- 80	- 44
Other - foreign taxation	- 26	- 74
Other adjustments	- 8	118
Actual tax expense	**- 7.894**	**- 1.044**
Actual tax rate	**43,8%**	**75,1%**

Section 24 - Earnings per Share
Earnings per Share

	30/06/2007	30/06/2006
Net profit for the period (€ thousand)	10.142	346
Net profit attributable to ordinary shares	10.142	346
Average number of outstanding shares	110.368.153	98.414.876
EpS - Earnings per share (euro)	**0,0919**	**0,004**
Average number of outstanding shares, diluted capital	110.368.153	98.414.876
EpS - Diluted earnings per share (euro)	**0,0919**	**0,004**

Part D - Consolidated Results by Line of Business

The Group currently operates in two main areas of business:

- Asset management, carried out by the "product" companies BG SGR and BG Fiduciaria SIM S.p.A., as well as the asset management activity carried out by Banca BSI Italia;
- Banking activities and the sale of financial services, carried out through the Parent Company Banca Generali, the network of advisors employed directly by Banca Generali and the wealth managers network of Banca BSI Italia.

The following tables include figures from the consolidated Balance Sheet and Profit and Loss Account for the two different business segments, gross of intersegment items. Intersegment items include commissions charged by each segment for the distribution of their products as well as other operating charges and income. Specific contractual agreements between Group companies govern the transfer prices applied to transactions between "product factories", companies that create asset management products, and companies responsible for customer relationships.

Distribution by Business Segment: Balance Sheet Figures

(€ thousand)	Group total	Banking and distribution	Asset management	Cancellation
Financial assets held for trading	2,422,486	2,415,403	7,083	-
Other financial assets	32,595	13,885	18,710	-
Loans to customers	328,266	327,869	20,993	- 20,596
Due to customers	- 2,738,358	- 2,706,416	- 35,008	3,066
Net interbank position	178,041	177,154	- 16,796	17,682
Equity investments	34	27,706	-	- 27,672
Property, equipment and intangible assets	23,181	18,796	96	4,289

Distribution by Business Segment: Profit and Loss Account Figures

(€ thousand)	Group total	Banking and distribution	Asset management	Cancellation
Interest income	60,855	60,314	691	150
Interest expense	- 40,671	- 40,719	- 3	- 51
Net interest	**20,184**	**19,595**	**688**	**99**
Commission income	145,417	127,294	65,527	47,404
Commission expense	- 67,141	- 64,308	- 50,009	- 47,176
Net commissions	**78,276**	**62,986**	**15,518**	**228**
Dividends	2,620	2,620	-	-
Net result from financial operations	3,488	3,011	477	-
Net operating profit	**104,568**	**88,212**	**16,683**	**327**
Staff expenses	- 28,029	- 25,006	- 2,976	47
Other general and administrative expense	- 35,072	- 31,551	- 4,601	- 1,080
Net adjustments of property, equipment and intangible assets	- 3,272	- 3,238	- 35	- 1
Other operating expense/profit	3,806	4,205	308	707
Net operating expense	**- 62,567**	**- 55,590**	**- 7,304**	**- 327**
Operating profit	**42,001**	**32,622**	**9,379**	**-**
Net adjustments for non-performing loans	195	195	-	-
Net adjustments of other financial assets	-	-	-	-
Net provisions	- 24,160	- 24,160	-	-
Gain (loss) from the disposal of equity investments	-	-	-	-
Operating profit before taxation	**18,036**	**8,657**	**9,379**	**-**
Income taxes for the period on continuing operations	- 7,894	- 4,149	- 3,745	-
Income (loss) from non-current assets	-	-	-	-

Profit (loss) for the period attributable to minority interests	-	-	-	-
Net profit	**10,142**	**4,508**	**5,634**	**-**

Breakdown of net profit by business segment

Net profit	**30/06/2007**	**30/06/2006**	**Change**	
(€ thousand)			**Amount**	**%**
Distribution segment	4,508	- 3,845	8,353	217.2%
Asset management segment	5,634	4,191	1,443	34.4%
Group	**10,142**	**346**	**9,796**	**2831%**

Other Information (Assets under Management)

Asset Management Area

The Financial Asset Management Area includes the assets relating to the asset management and mutual investment funds business, which amounted to 8.8 billion euros.

(€ million)	**30/06/2007**	**31/12/2006**	**Change**	
			Amount	**%**
Funds and SICAVs	5,879	5,640	239	4.24%
- attributable to the banking group's GPF	2,019	2,065	- 46	-2.23%
GPF/GPM	4,951	5,043	- 92	-1.82%
Total assets managed by the banking group (*)	**8,811**	**8,618**	**193**	**2.24%**

**includes discretionary account (GPM) amounts held in current accounts, or 33 million euros.*

In the first six months of 2007, this area generated commissions (net of the commissions remitted to the distribution network) amounting to 15.5 million euros, contributing approximately 5.6 million euros to net profit.

Banking and Distribution Area

This area includes the distribution of asset-management and insurance products through the networks of financial advisors of Banca Generali and Simgenia, through the wealth mangers network of Banca BSI Italia, and traditional banking activities, which include the management of assets under administration and custody (securities accounts and current accounts), stock brokerage, payment services, lending and financing. Total indirect inflows for the segment amounted to approximately 31.5 billion euros, of which about 7.8 billion euros consists of products relating to the wealth management area.

(€ million)	**30/06/2007**	**31/12/2006**	**Change**	
			Amount	**%**
Indirect inflows (under administration and custody)	12,924	12,500	424	3.39%
Indirect inflows (asset management)	13,990	13,045	945	7.24%
Indirect inflows (insurance products)	4,551	4,527	24	0.53%
Total, gross	**31,465**	**30,072**	**1,393**	**4.63%**
- amount already included in asset management segment	*7,760*	*7,453*	307	4.12%
Total, net	**23,705**	**22,619**	**1,086**	**4.80%**

In the first six months of 2007, this area generated net commissions (net of the commissions remitted to financial advisors) amounting to 63.0 million euros, contributing 4.5 million euros to net profit.
This figure was also impacted by additions to net provisions for liabilities and contingencies totalling 24.2 million euros aimed at reinforcing the distribution network.

PART E – Information on Risks and Risk Hedging Policies

Section 1 – Credit Risk

Quantitative Information

1. General Aspects

The Banca Generali Group grants loans to retail customers with high credit ratings (generally secured by collateral) and corporate customers.
Loans to customers continued to account for a small percentage of total lending (slightly over 8%).

2. Credit Risk Management Policies

Customer loans are issued by the Group's two banks (Banca Generali and Banca BSI Italia).
The Group's lending department, which is centralised within Banca Generali, is responsible for lending activities and managing the credit lines granted in accordance with the Lending Rules.
The lending department manages and monitors credit, with a particular focus on doubtful loans.

With reference to the adoption of IAS/IFRS, Banca Generali applied what has been developed in the Basel II framework. In this context, estimates of the PD (Probability of Default) and LGD (Loss Given Default) have been incorporated into the overall measurement process as a basis for segmenting the Group's loans and determining the write-down percentage for the portfolio of performing loans.

The credit risk on the securities portfolio is very low since it predominantly consists of government and bank-issued securities.
The amount of corporate bonds consist of issues with very high credit ratings and in any case not lower than investment grade.

Credit Risk Mitigation Techniques

In order to mitigate credit risk, collateral or personal guarantees are typically required to secure the loans granted.

Collateral can be in the form of real-estate mortgages or liens on securities, including managed funds portfolios. Real-estate mortgages are accepted when higher in value than the obligation being guaranteed. Securities held as guarantees are periodically valued based on market quotations.
After obtaining authorisation from the relevant supervisory authorities, in 2004 Banca BSI Italia signed an agreement with BSI SA called the Risk Participation Agreement. The agreement allows Banca BSI Italia to transfer a portion of the risk associated with certain loans to BSI SA.

As for credit card issuance, the Bank continues to follow a very conservative policy, aimed almost exclusively at households.

Impaired financial assets

Non-performing financial assets are classified into default categories in accordance with the instructions issued by the regulatory authority.
Currently, the Bank uses the following categories:
- Bad loans;
- Substandard loans;
- Expired loans or outstanding over 180 days.

After value adjustments, impaired loans accounted for a negligible percentage of total loans to customers (0.35%).

The process of identifying doubtful loan positions requires constant monitoring of expired positions: after sending an initial request to comply with the commitment, the next step is to turn the matter over to top national credit collection companies. The classification as bad loans occurs when the Bank receives a negative report from the credit collection company.
Total doubtful loans include current account overdrafts due to credit card use.

Losses are estimated for each loan based on factors such as borrowers' net worth, income, estimated repayment date, etc.

Quantitative Information

A. Credit Quality

A.1 Exposure to non-performing and performing loans: balances, adjustments, performance, income and geographical breakdown

A.1.1 Breakdown of financial assets by portfolio and credit quality (balance sheet amounts)

Portfolios/Quality	Bad loans	Substandard loans	Restructured loans	Expired loans	Country risk	Other assets	Total
1. Financial assets held for trading	-	-	-	-	4,719	2,417,767	2,422,486
2. Financial assets available for sale	-	-	-	-	-	32,595	32,595
3. Held-to-maturity financial assets	-	-	-	-	-	-	-
4. Loans to banks	-	-	-	-		283,546	283,546
5. Loans to customers	256	44	-	561		327,405	328,266
6. Financial assets at fair value	-	-	-	-	-	-	-
7. Financial assets held for sale	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	-	-	-
Total at 30 June 2007	256	44		561	4,719	3,061,313	3,066,893
Total at 31 December 2006	261	33	-	537	4,723	3,381,860	3,387,234

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

Portfolios/Quality	Non-performing assets				Other assets			Total (net exposure)
	Gross exposure	Special adjustments	Portfolio adjustments	Net exposure	Gross exposure	Portfolio adjustments	Net exposure	
1. Financial assets held for trading	-			-	X	X	2,422,486	2,422,486
2. Financial assets available for sale				-	32,595	-	32,595	32,595
3. Held-to-maturity financial assets				-	-	-	-	-
4. Loans to banks				-	283,546	-	283,546	283,546
5. Loans to customers	1,936	1,075	-	861	327,512	107	327,405	328,266
6. Financial assets at fair value				-	X	X	-	-
7. Financial assets held for sale				-	-	-	-	-
8. Hedging derivatives				-	X	X	-	-
Total at 31 June 2007	1,936	1,075	-	861	643,653	107	3,066,032	3,066,893
Total at 31 December 2006	2,143	1,312	-	845	1,278,713	362	3,386,403	3,387,234

A.1.3 Cash and off-balance sheet exposure with banks: gross and net amounts

Exposure/Values	Gross exposure	Specific adjustments	Portfolio adjustments	Net exposure
A. CASH EXPOSURE				
a) Bad loans	-	-	-	-
b) Substandard loans	-	-	-	-
c) Restructured loans	-	-	-	-
d) Expired loans	-	-	-	-
e) Country risk	4,719	X	-	4,719
f) Other assets	1,119,587	X	-	1,119,587
TOTAL A	**1,124,306**	**-**	**-**	**1,124,306**
B. OFF-BALANCE SHEET EXPOSURE				
a) Non-performing loans	-	-	-	-
b) Other	4,514	X	-	4,514
TOTAL B	**4,514**	**-**	**-**	**4,514**

A.1.6 Cash and off-balance sheet exposure with customers: gross and net amounts

Exposure/Values	Gross exposure	Specific adjustments	Portfolio adjustments	Net exposure
A. CASH EXPOSURE				
a) Bad loans	1,322	1,067	-	255
b) Substandard loans	52	8	-	44
c) Restructured loans	-	-	-	-
d) Expired loans	561	-	-	561
e) Country risk	-	-	-	-
f) Other assets	1,940,541	-	107	1,940,434
TOTAL A	1,942,476	1,075	107	1,941,294
B. OFF-BALANCE SHEET EXPOSURE				
a) Non-performing loans	-	-	-	-
b) Other	34,783	-	-	34,783
TOTAL B	34,783	-	-	34,783

A.1.7 Cash exposure with customers: changes in gross non-performing loans subject to "country risk"

Causes/Categories	Bad loans	Substandard loans	Restructured loans	Expired loans	Country risk
A. Gross exposure at period-start	1,565	41	-	537	-
- of which: positions transferred but not written off	-	-	-	-	-
B. Increases	11	21	-	316	-
B.1 Inflows from performing loans	-	3	-	185	-
B.2 Transfers from other categories of non-performing loans	4	18	-	-	-
B.3 Other increases	7	-	-	131	-
C. Decreases	254	10	-	293	-
C.1 Outflows to performing loans	-	-	-	245	-
C.2 Write-offs	219	-	-	-	-
C.3 Repayments	35	4	-	28	-

C.4 Gains from disposals	-	4	-	-	-
C.5. Transfer to other categories of non-performing loans	-	-	-	-	-
C.6. Other decreases	-	2	-	20	-
D. Gross exposure at period-end	1,322	52	-	560	-
- of which: positions transferred but not written off	-	-	-	-	-

A.1.8 Cash exposure with customers: change in total adjustments

Causes/Categories	Bad loans	Substandard loans	Restructured loans	Expired loans	Country risk
A. Total adjustments at period-start	1,304	8	-	-	-
- of which: positions transferred but not written off	-	-	-	-	-
B. Increases	4	1	-	-	-
B.1. Adjustments	4	1	-	-	-
B.2. Transfers from other categories of non-performing loans	-	-	-	-	-
B.3. Other increases	-		-	-	-
C. Decreases	242	1	-	-	-
C.1. Reversal of adjustments	38	1	-	-	-
C.2. Reversal of collections	-	-	-	-	-
C.3. Write-offs	204	-	-	-	-
C.4. Transfer to other categories of non-performing loans	-	-	-	-	-
C.5. Other decreases	-	-	-	-	-
D. Total adjustments at period-end	1,066	8	-	-	-
- of which: positions transferred but not written off	-	-	-	-	-

A.2 Classification based on internal and external ratings

Banca Generali does not yet have an internal rating system for evaluating its customers' credit standing.
The bank therefore uses ratings published by the main rating companies (Moody's, S&P and Fitch) in making decisions regarding its trading activities.

Cash exposure	**External rating classes**						**Without rating**	**Total**
	AAA/AA-	A+/A-	BBB+/BBB-	BB+/BB-	B+/B-	< B-		
Financial assets held for trading	1,533,569	645,084	74,052	-	-	-	168,488	2,421,193
Debt securities	*1,533,569*	*645,084*	*74,052*				*46,600*	2,299,305
OICR units							*74,250*	74,250
Equity securities							*47,638*	47,638
Financial assets available for sale	-	-	-	-	-	-	32,595	32,595
Debt securities	-	-	-	-	-	-	-	-
OICR units	-	-	-	-	-	-	*18,710*	18,710
Equity securities	-	-	-	-	-	-	13,885	13,885
Total	1,533,569	645,084	74,052	-	-	-	201,083	2,453,788

A.3 Breakdown of guaranteed loans by type of guarantee

A.3.1 Guaranteed cash exposure with banks and customers

	Loan amount	Collateralised guarantees (1)			Personal guarantees(2)				**Total** (1)+(2)
					Guarantees				
		Buildings	Securities	Other assets	Governments	Other public institutions	Banks	Other entities	
1. Guaranteed loans to banks:	-	-	-	-	-	-	-	-	-
1.1 totally guaranteed	-	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-	-
2. Guaranteed loans to customers:	*146,668*	*79,691*	*378,562*	*38,715*	-	-	*305*	*56,992*	*554,265*
2.1 totally guaranteed	142,508	79,691	376,828	37,718	-	-	305	56,979	551,521
2.2 partially guaranteed	4,160	-	1,734	997	-	-	-	13	2,744

A.3.2 Guaranteed off-balance sheet exposures with banks and customers

	Loan amount	Collateralised guarantees (1)			Personal guarantees (2)				**Total** (1)+(2)
					Guarantees				
		Buildings	Securities	Other assets	Governments	Other public institutions	Banks	Other entities	
1. Guaranteed loans to banks:	-	-	-	-	-	-	-	-	-
1.1 totally guaranteed	-	-	-	-	-	-	-	-	-
1.2 partially guaranteed	-	-	-	-	-	-	-	-	-
2. Guaranteed loans to customers:	*23,647*	-	*32,797*	*19,748*	-	-	*500*	*1,416*	*54,461*
2.1 totally guaranteed	19,647	-	32,797	17,277	-	-	-	1,416	51,490
2.2 partially guaranteed	4,000	-	-	2,471	-	-	500	-	2,971

B. Breakdown and Concentration of Loans

B.1. Sector breakdown of cash and off-balance sheet exposure to customers

	Gross exposure	Specific Adjustments	Port. adjustments	Net exposure
A. Cash exposure		-	-	-
1. Government and central banks	933,889	-	-	933,889
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-
c. Restructured loans	-	-	-	-
d. Expired loans	-	-	-	-
e. Other loans	933,889	-	-	933,889
2. Other public institutions	-	-	-	-
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-
c. Restructured loans	-	-	-	-
d. Expired loans	-	-	-	-
e. Other loans	-	-	-	-
3. Financial companies	642,616	- 49	-	642,567
a. Bad loans	62	- 46	-	16
b. Substandard loans	13	- 3	-	10
c. Restructured loans	-	-	-	-
d. Expired loans	45	-	-	45
e. Other loans	642,497	-	-	642,497
4. Insurance companies	41,873	-	-	41,873
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-
c. Restructured loans	-	-	-	-
d. Expired loans	-	-	-	-
e. Other loans	41,873	-	-	41,873
5. Non-financial companies	196,666	- 38	-	196,628
a. Bad loans	48	- 37	-	11
b. Substandard loans	14	- 1	-	13
c. Restructured loans	-	-	-	-
d. Expired loans	14	-	-	14
e. Other loans	196,590	-	-	196,590
6. Other entities	127,430	- 988	- 107	126,335
a. Bad loans	1,212	- 983	-	229
b. Substandard loans	26	- 5	-	21
c. Restructured loans	-	-	-	-
d. Expired loans	501	-	-	501
e. Other loans	125,692	-	- 107	125,585
TOTAL A	**1,942,476**	**- 1,075**	**- 107**	**1,941,294**
A. Off-balance sheet loans		-	-	-
1. Government and central banks	-	-	-	-
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-
c. Other non-performing loans	-	-	-	-
d. Other loans	-	-	-	-
2. Other public institutions	-	-	-	-
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-
c. Other non-performing loans	-	-	-	-
d. Other loans	-	-	-	-
3. Financial companies	116	-	-	116
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-
c. Other non-performing loans	-	-	-	-
d. Other loans	116	-	-	116
4. Insurance companies	1,900	-	-	1,900
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-
c. Other non-performing loans	-	-	-	-
d. Other loans	1,900	-	-	1,900
5. Non-financial companies	30,201	-	-	30,201
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-
c. Other non-performing loans	-	-	-	-
d. Other loans	30,201	-	-	30,201
6. Other entities	2,567	-	-	2,567
a. Bad loans	-	-	-	-
b. Substandard loans	-	-	-	-

c. Other non-performing loans	224	-	-	224
d. Other loans	2,343	-	-	2,343
TOTAL B	**34,784**	**-**	**-**	**34,784**
Total (A+B)	**1,977,258**	**- 1,075**	**- 107**	**1,976,076**

B.3. Geographical breakdown of cash and off-balance-sheet exposure to customers

Exposure/Geographical area	Italy		Other European countries		America		Asia		Rest of the world	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. Cash exposure										
A.1 Bad loans	1,322	256	-	-	-	-	-	-	-	-
A.2 Substandard loans	52	44	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Expired loans	533	533	26	26	1	1	-	-	-	-
A.5 Other exposure	1,123,723	1,123,615	723,793	723,793	93,026	93,026	-	-	-	-
Total A	1,125,630	1,124,448	723,819	723,819	93,027	93,027	-	-	-	-
B. Off-balance sheet exposure										
B.1 Bad loans	-	-		-	-	-	-	-	-	-
B.2 Substandard loans	-	-		-	-	-	-	-	-	-
B.3 Other non-performing loans	224	224		-	-	-	-	-	-	-
B.4 Other exposure	34,538	34,538	21	21	-	-	-	-	-	-
Total B	34,762	34,762	21	21	-	-	-	-	-	-
Total 30 June2007	1,160,392	1,159,210	723,840	723,840	93,027	93,027	-	-	-	-
Total 31 December 2006	1,857,578	1,837,834	77,302	72,072	-	-	282	282	-	-

B.4 Geographical breakdown of cash and off-balance-sheet exposure to banks

Exposure/Geographical area	Italy		Other European countries		America		Asia		Rest of the world	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. Cash exposure										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
A.3 Restructured loans	-	-	-	-	-	-	-	-	-	-
A.4 Expired loans	-	-	-	-	-	-	-	-	-	-
A.5 Other exposure	560,144	557,013	502,699	502,699	43,410	43,410	18,499	18,499		
Total A	560,144	557,013	502,699	502,699	43,410	43,410	18,499	18,499	-	-
B. Off-balance sheet exposure										
B.1 Bad loans	-	-	-	-	-	-	-	-	-	-
B.2 Substandard loans	-	-	-	-	-	-	-	-	-	-
B.3 Other non-performing loans	-	-	-	-	-	-	-	-	-	-
B.4 Other exposure	3,536	3,536	951	951						
Total B	3,536	3,536	951	951	-	-	-	-	-	-
Total 30 June 2007	563,680	560,549	503,650	503,650	43,410	43,410	18,499	18,499	-	-
Total 31 December 2006	1,515,844,0	1,508,453,0	8,231,0	8,231,0	46,0	46,0	4,112,0	4,112,0	-	-

B.5 Big risks (as per surveillance regulations)

Big Risks	30/06/2007	31/12/2006
a) Weighted amount	212,185	196,405
b) Number	6	6

C. Securitisation and Disposal of Assets

C.1 Securitisation

Banca Generali's trading portfolio includes a number of securities issued in securitisations originated by third-party issuers.
These mainly consist of senior securities with high ratings and represent an alternative way for the bank to diversify its assets and loans.

C.1.1 Exposure resulting from securitisation, broken down by type of underlying assets

Type of underlying assets/Exposure	Cash exposure					
	Senior		Mezzanine		Junior	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. With own underlying assets:	-	-	-	-	-	-
a) Non-performing loans	-	-	-	-	-	-
b) Other	-	-	-	-	-	-
B. With third-party underlying assets:	201,391	201,285	42,055	42,015	9,009	9,012
a) Non-performing loans	-	-	-	-	-	-
b) Other	201,391	201,285	42,055	42,015	9,009	9,012

C.1.4 Exposure to securitisations broken down by financial-asset portfolio and type

Exposure/Portfolio	Type of financial-asset portfolio						
	Financial assets held for trading	Financial assets at fair value	Financial assets available for sale	Held-to-maturity financial assets	Receivables	30/06/2007	31/12/2006
1. Cash exposure	612,312	-	-	-	-	612,312	235,697
- senior	201,285	-	-	-	-	201,285	187,616
- mezzanine	402,015	-	-	-	-	402,015	45,570
- junior	9,012	-	-	-	-	9,012	2,511
2. Off-balance sheet exposure	-	-	-	-	-	-	-
- senior	-	-	-	-	-	-	-
- mezzanine	-	-	-	-	-	-	-
- junior	-	-	-	-	-	-	-

Section 2 – Market Risk

The Banca Generali banking group's exposure to market risks reflects the vulnerability of its **Trading Investment Portfolio** and of the **Banking Portfolio** to adverse market fluctuations in terms of interest rates, equity security prices, stock market indexes and exchange rates.

Market risk is managed centrally by the Parent Company's Finance Department within the limits set out by the Board of Directors.

The **trading investment portfolio** consists of financial instruments held with the objective of attaining short-term benefits due to positive differences between purchase and sale price, which is achieved by implementing absolute-return strategies.
The majority of the Group's trading investment portfolio is held by Banca Generali and Banca BSI, and to a lesser extent by the Group's two SIMs (società di intermediazione mobiliare – investment services companies) and consists entirely of financial assets held for trading and derivative instruments.

The **banking portfolio** consists of all financial instruments not included in the trading investment portfolio as well as available-for-sale financial assets (AFS), loans and receivables and liabilities arising from inflows from banks and customers.

Market risks are determined using the standard method defined by the Bank of Italy, with 43.6% of regulatory capital being allocated to market risk.

2.1 Interest Rate Risk – Regulatory Trading Portfolio

Qualitative Information

A. General

The main activities of the bank that increase its exposure to interest rate risk relating to its trading investment portfolio include:

- management of the government bond portfolio;
- management of the corporate bond and asset-backed-security (ABS) portfolio;
- trading activities in interest rate derivatives, all of which are over-the-counter interest rate swaps.

As the majority of financial products and services are distributed by the sales network, the objectives assigned to the Financial Department in relation to the trading investment portfolio are aimed at the minimisation of risks.

Management of the trading investment portfolio is therefore based on the following strategies:

- supporting the activities of the sales network in relation to placing repurchase agreements for customers;
- supporting secondary market trading for the clientele, with particular reference to Generali Group counterparties (trading for its own account);
- providing medium-term liquidity management by investing in government securities and/or securities of major banks;
- investing with a view to asset allocation in floating- and/or fixed-rate corporate debt securities and asset-backed securities issued by companies with good investment grade, with the objective of improving the risk-return profile.

The trading securities portfolio is mainly invested in Italian government securities, securities issued by eurozone governments, and domestic and international banks with credit ratings from BBB to AAA and asset-backed/mortgage-backed securities with ratings not less than investment grade.
The average remaining duration of the securities portfolio is short as floating rate coupons outweigh fixed rate coupons.
This choice is aimed at reducing risk exposure and thus protecting the portfolio from unexpected changes in value caused by significant changes in interest rates.
The bank's investments in structured securities are negligible.
The banking Group's investment policy is to contain country risk and exchange rate risk to very low levels. Exposure to non-OECD issuers and entities is very limited.

As regards interest rate derivatives, the bank has interest rate swap agreements with major banking institutions that generally expire within one year. The objective of the swaps is to replicate the outperformance of insurance products with respect to market rates.

B. Management Processes and Interest Rate Risk Measurement Techniques

Trading risk is measured through daily VaR (Value at Risk) estimates carried out by Parent Company Banca Generali, which holds the majority of the trading investment portfolio.
VaR describes the maximum potential loss in value of a portfolio in the next ten working days in 99% of the cases. It is calculated based on the volatility of and past correlations among the individual risk factors, including, for each currency, short- and long-term interest rates, exchange rates and share prices.

(€ thousand)	Second quarter 2007	First quarter 2007	Fourth quarter 2006	Third quarter 2006
Average VaR	4,950	5,351	4,884	5,330

2.2 Interest Rate Risk – Banking Portfolio

Qualitative Information

A. General Aspect, Management Processes and Interest Rate Risk Measurement Techniques

The banking portfolio consists of the “loans and receivables” component, which includes interbank loans and receivables and loans to customers. The only debt security included in the banking portfolio is the GESAV guaranteed life insurance participating policy.
The banking portfolio does not include available-for-sale financial assets subject to interest rate risk, as these consist entirely of equity securities and OICR units (discussed in the next section).

Most of the interest rate risk in Banca Generali’s banking portfolio arises from:

- trading on the interbank deposits market and
- customer lending activities,

which can cause a mismatch in the repricing dates and currencies of asset and liability items, with a negative impact on the bank’s objectives in terms of net interest income.

B. Fair Value and Cash Flow Hedging

The bank does not currently engage in fair value or cash flow hedging.

2.3 Price Risk – Regulatory Trading Portfolio

“Price risk” arises mainly in relation to OICR units held in the portfolio and as a result of the trading of shares, stock-index and/or stock futures, stock-index and/or stock options, warrants, covered warrants, option rights, etc.
The regulatory trading portfolio accounts for only 5% of total financial assets held for trading; the bank’s exposure to price risk is therefore minimal.
The trading derivatives component, which consists mainly of the trading of options on behalf of customers with institutional counterparties, accounts for only a marginal portion of trading activities.

1. *Regulatory trading portfolio: cash exposure in capital securities and OICRs*

Type of exposure/Values	Carrying value	
	Listed	Unlisted
A. Capital securities	47,595	44
A.1 Shares	47,595	44
A.2 Innovative capital instruments	-	-
A.3 Other capital securities	-	-
B. OICR	20,323	53,927
B.1 Under Italian law	-	8,955
- open-ended harmonised	-	5,816
- open-ended non-harmonised	-	

- closed-ended	-	
- reserved	-	
- speculative	-	3,139
B.2 of other EU countries	20,323	44,972
- harmonised	20,323	44,972
- open-ended non-harmonised	-	
- closed-ended non-harmonised	-	
B.2 Non-EU countries	-	-
- open-ended	-	
- closed-ended	-	
Total	**67,918**	**53,971**

2.4 Price risk – Banking portfolio

Price risk inherent in the banking portfolio is limited to the former equity investments that are now classified as available-for-sale assets. These account for a minimal part of the bank's financial assets.
The only listed securities consist of shares in Parent Company Assicurazioni Generali and a small number of shares in Enel.
The OICR units classified as available-for-sale held by BG SGR are also part of the available-for-sale portfolio.

2.5 Exchange Rate Risk

The main objective of exchange rate operations is to contain open positions in foreign currencies and limited to currency account currencies.

Breakdown by currency of denomination for assets, liabilities, and derivatives

Items	Currency						Other	Total
	US dollar	Pound sterling	Swiss Franc	Japanese yen	Turkish lira	South African Rand	currencies	currencies
A. Financial assets	19,264	3,226	1,737	1,609	373	-	818	27,027
A.1. Debt securities	39	-	-	-		-	-	39
A.2 Equity securities	361	-	480	-	-	-	283	1,124
A.3 Loans to banks	18,720	3,226	1,117	1,159	373	-	506	25,101
A.4 Loans to customers	144	-	140	450			29	763
A.5 Other financial assets	-	-	-	-		-	-	-
B. Other assets	-	-	-	-		-	-	-
C. Financial liabilities	17,853	3,261	1,179	1,455	461	-	512	24,721
C.1 Due to banks	3,945	-	115	449	420	-	65	4,994
C.2 Due to customers	13,908	3,261	1,064	1,006	41	-	447	19,727
C.3 Debt securities	-	-	-	-			-	-
D. Other liabilities	-	-	-	-			-	-
E. Financial derivatives	-	-	-	-		-	-	-
Options								
- long-term positions	110	-	-	-	-	-	-	110
- short-term positions	109	-	-	-	-	-	-	109
Other derivatives								
- long-term positions	12,884	1	-	5,866	7,842	-	639	27,232
- short-term positions	13,171	110	35	6,038	7,916	-	525	27,795
Total assets	32,258	3,227	1,737	7,475	8,215	-	1,457	54,369
Total liabilities	31,133	3,371	1,214	7,493	8,377	-	1,037	52,625
Excess	1,125	- 144	523	- 18	- 162	-	420	1,744

2.6 Derivative Financial Instruments

A. Financial derivatives

A.1. Regulatory trading portfolio: notional amounts at period-end

Type of transaction/Underlying	Debt securities and interest rates		Equity securities and equity indices		Exchange rates and gold		Other amounts		Total	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
1. Forward rate agreements	-		-	-	-	-	-	-	-	-
2. Interest rate swaps	-	1,236,993	-	-	-	-	-	-	-	1,236,993
3. Domestic currency swaps	-	-	-	-	-	-	-	-	-	-
4. Currency interest rate swaps	-	-	-	-	-	-	-	-	-	-
5. Basis swaps	-	-	-	-	-	-	-	-	-	-
6. Equity index swaps	-	-	-	-	-	-	-	-	-	-
7. Real index swaps	-	-	-	-	-	-	-	-	-	-
8. Futures	-	-	-	-	-	-	-	-	-	-
9. Cap options	-	-	-	-	-	-	-	-	-	-
- Purchased	-	-	-	-	-	-	-	-	-	-
- Issued	-	-	-	-	-	-	-	-	-	-
10. Floor options	-	-	-	-	-	-	-	-	-	-
- Purchased	-	-	-	-	-	-	-	-	-	-
- Issued	-	-	-	-	-	-	-	-	-	-
11. Other options	-	-	-	54,048	-	2,370	-	-	-	56,418
- Purchased	-	-	-	25,324	-	1,185	-	-	-	26,509
° Plain vanilla	-	-	-	25,324	-	1,185	-	-	-	26,509
° Exotic	-	-	-	-	-	-	-	-	-	-
- Issued	-	-	-	28,724	-	1,185	-	-	-	29,909
° Plain vanilla	-	-	-	28,724	-	1,185	-	-	-	29,909
° Exotic	-	-	-		-	-	-	-	-	-
12. Forward contracts	248	-	-	-	19	30,424	-	-	267	30,424
- Purchases	248	-	-	-	19	11,585	-	-	267	11,585
- Sales	-	-	-	-	-	13,108	-	-	-	13,108
- Currencies against currencies	-	-	-	-	-	5,731	-	-	-	5,731
13. Other derivatives	-	-	-	-	-	-	-	-	-	-
Total	248	1,236,993	-	54,048	19	32,794	-	-	267	1,323,835

A.3 Financial derivatives: purchase and sale of underlying

Type of transaction/Underlying	Debt securities and interest rates		Equity securities and equity indices		Exchange rates and gold		Other amounts		Total	
	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted	Listed	Unlisted
A. Regulatory trading portfolio:	5,298	1,312,993	-	54,047	-	32,795	-	-	5,298	1,399,835
1. Transactions with capital swap	5,298	-	-	30,060	-	32,795	-	-	5,298	62,855
- Purchases	5,298	-	-	13,330	-	12,770	-	-	5,298	26,100
- Sales	-	-	-	16,730	-	14,294	-	-	-	31,024
- Currencies against currencies	-	-	-		-	5,731	-	-	-	5,731
2. Transactions without capital swap		1,312,993	-	23,987	-	-	-	-	-	1,336,980
- Purchases	-	351,000	-		-	-	-	-	-	351,000
- Sales	-	961,993	-	23,987	-	-	-	-	-	985,980
- Currencies against currencies	-				-	-	-	-	-	-
B. Banking portfolio:									-	-
B.1 Hedging									-	-

1. Transactions with capital swap	-	-	-	-	-	-	-	-	-	-
- Purchases	-	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	-	-	-	-	-	-	-
- Currencies against currencies	-	-	-	-	-	-	-	-	-	-
2. Transactions without capital swap	-	-	-	-	-	-	-	-	-	-
- Purchases	-	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	-	-	-	-	-	-	-
- Currencies against currencies	-	-	-	-	-	-	-	-	-	-
B.2 Other derivatives									-	-
1. Transactions with capital swap	-	-	-	-	-	-	-	-	-	-
- Purchases	-	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	-	-	-	-	-	-	-
- Currencies against currencies	-	-	-	-	-	-	-	-	-	-
2. Transactions without capital swap	-	-	-	-	-	-	-	-	-	-
- Purchases	-	-	-	-	-	-	-	-	-	-
- Sales	-	-	-	-	-	-	-	-	-	-
- Currencies against currencies	-	-	-	-	-	-	-	-	-	-

A.4 Over-the-Counter financial derivatives: positive fair value - counterparty risk

Counterparty/Underlying	Debt securities and interest rates			Equity securities and equity indices			Exchange rates and gold			Other amounts			Other underlying	
	Gross	Offset	Future exposure	Gross	Offset	Future exposure	Gross	Offset	Future exposure	Gross	Offset	Future exposure	Offset	Future exposure
A. Regulatory trading portfolio														
A. 1 Governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Public institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.3 Banks	1,086	-	-	-	-	-	-	-	-	-	-	-	-	-
A.4 Financial companies	-	-	-	-		-	-	-	-	-	-	-	-	-
A.5 Insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.6 Non-financial companies	-	-	-	195	-	-	-	-	-	-	-	-	-	-
A.7 Other entities	-	-	-	-	-	-	12	-	12	-	-	-	-	-
Total	1,086	-	-	195	-	-	12	-	12	-	-	-	-	-
B. Banking portfolio														
B. 1 Governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B2. Public institutions	-	-	-	-	-	-		-	-	-	-	-	-	-
B.3 Banks	-	-	-	-		-		-	-	-	-	-	-	-
B.4 Financial companies	-	-	-	-	-	-		-	-	-	-	-	-	-
B.5 Insurance companies	-	-	-	-	-	-		-	-	-	-	-	-	-
B.6 Non-financial companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.7 Other entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.5 Over-the-counter financial derivatives: negative fair value – financial risk

Counterparty/Underlying	Debt securities and interest rates			Equity securities and equity indices			Exchange rates and gold			Other amounts			Other underlying	
	Gross	Offset	Future exposure	Gross	Offset	Future exposure	Gross	Offset	Future exposure	Gross	Offset	Future exposure	Offset	Future exposure
A. Regulatory trading portfolio														
A. 1 Governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Public institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.3 Banks	-	-	60	11,109	-	2,123	11	-	12	-	-	-	-	-
A.4 Financial companies	-	-	-	195		727		-	-	-	-	-	-	-
A.5 Insurance companies	-	-	-	-	-	-		-	-	-	-	-	-	-
A.6 Non-financial companies	-	-	-	-	-	-		-	-	-	-	-	-	-
A.7 Other entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	60	11,304	-	2,850	11	-	12	-	-	-	-	-
B. Banking portfolio														
B. 1 Governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B2. Public institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.3 Banks	-	-	-	-	-	-		-	-	-	-	-	-	-
B.4 Financial companies	-	-	-	-		-		-	-	-	-	-	-	-
B.5 Insurance companies	-	-	-	-	-	-		-	-	-	-	-	-	-
B.6 Non-financial companies	-	-	-	-	-	-		-	-	-	-	-	-	-
B.7 Other entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Section 3 Liquidity Risk

Liquidity risk is defined as the likelihood that a company will be unable to fulfil its payment commitments due to its inability to obtain new funds (funding liquidity risk), its inability to sell assets on the market (asset liquidity risk) to fund outflows or the fact that high costs must be incurred to fulfil obligations.

The Financial Department manages liquidity risk within preset operating limits established by the Board of Directors, aimed at optimising cash flows and market interest rates.

Some of the cash has been allocated to interbank deposits and in short-term repurchase agreements to obtain the most efficient results in term of treasury management.

1. Breakdown of assets and liabilities by maturity

Voci / Durate residue	A vista	da oltre 1 giorno a 7 giorni	da oltre 7 giorn a 15 giorni	da oltre 15 giorn a 1 mese	da oltre 1 mese a 3 mesi	da oltre 3 mesi a 6 mesi	da oltre 6 mesi a 1 anno	da oltre 1 anno a 5 anni	oltre 5 anni	durata indet	Totale
attività per cassa											
A.1 titoli di stato	1	-	-	-	84.866	12.357	219.754	471.552	11.266		799.796
A.2 titoli di debito quotati	1.237	3.800	13.342	10.452	22.289	68.798	147.701	742.705	489.177		1.499.501
A.3 altri titoli di debito	4	-	-	-	-	-	-	26.464	-		26.468
A.4 Quote di Oicr	74.250	-	-	-	-	-	-	-	-		74.250
A.5 finanziamenti	-	-	-	-	-	-	-	-	-		-
- a banche	190.987	20.101	4.800	48.839	18.819	-	(2)	-	-		283.544
- a clientela	180.305	209	-	576	40.338	19.546	4.013	18.550	37.993	271	301.801
Totale	446.784	24.110	18.142	59.867	166.312	100.701	371.466	1.259.271	538.436	271	2.985.360
Passività per cassa											
B.1 Depositi	-	-	-	-	-	-	-	-	-		-
- da banche	21.455	-	-	76.351	512	1.850	448	4.650	-	-	105.266
- da clientela	1.830.764	256.276	52.387	205.253	384.773	8.102	613	1	-	-	2.738.169
B.2 titoli di debito	-	-	-	-	-	-	-	-	-	-	-
B.3 Altre passività	240	-	-	-	-	-	-	-	-	-	240
Totale	1.852.459	256.276	52.387	281.604	385.285	9.952	1.061	4.651	-	-	2.843.675
Operazioni fuori bilancio											
C.1 Derivati fin. Con scambio cap.	-	-	-	-	220	219	353	-	-	-	792
- posizioni lunghe	-	-	-	-	220	219	353	-	-	-	792
- posizioni corte	-	-	-	-	-	-	-	-	-	-	-
C.2 Depositi e fin. Da ricevere	-								-		-
- posizioni lunghe	14.064	14.162	-	-	5.729	219	353	-	-	-	34.527
- posizioni corte	14.064	14.060	-	-	5.728	219	353	-	-	-	34.424
C.3 Impegni irrev. A erogare fondi	-	-	-	-	-	-	-	-	-	-	-
- posizioni lunghe	-	-	-	-	-	-	-	-	-	-	-
- posizioni corte	-	-	-	-	-	-	-	-	-	-	-
Totale	28.128	28.222	-	-	11.897	876	1.412	-	-		70.535

2. Business breakdown of financial liabilities

Exposure/counterparty	Government and central banks	Other public institutions	Financial companies	Insurance companies	Non-financial companies	Other entities	Total
1. Due to customers	5	1,376	378,262	214,564	236,572	1,907,575	2,738,354
2. Securities issued	-	-	-	-	-	-	-
3. Financial liabilities held for trading	-	-	195	-	-	11,120	11,315
4. Financial liabilities at fair value	-	-	-	-	-	-	-
Total 30 June 2007	**5**	**1,376**	**378,457**	**214,564**	**236,572**	**1,918,695**	**2,749,669**
Total 31 December 2006	**-**	**824**	**320,740**	**532,461**	**225,008**	**1,990,756**	**3,069,789**

3. Geographical breakdown of financial liabilities

Exposure/counterparty	Italy	Other European countries	America	Asia	Rest of the world	Total
1. Due to customers	2,507,141	201,566	21,922	101	7,624	2,738,354
2. Due to banks	94,192	7,142	4,170	-	-	105,504
3. Securities issued	-	-	-	-	-	-
4. Financial liabilities held for trading	11.238	77	-	-	-	11,315
5. Financial liabilities at fair value	-	-	-	-	-	-
Total 30 June 2007	**2,612,571**	**208,785**	**26,092**	**101**	**7,624**	**2,855,173**
Total 31 December 2006	**2,930,827**	**160,179**	**2,027**	**3**	**17,145**	**3,110,181**

Section 4 Operating Risk

Operating risk, as defined by the Basel Committee, is the risk of direct or indirect loss from dysfunctions at the level of procedures, staff and in-house systems, or exogenous events.
In compliance with the Surveillance Model which acts as a methodological guide for internal control systems, the Banca Generali Group has adopted a qualitative risk assessment approach based on control of risk-based processes (potential loss) and the prevention of compromising events (forms of mitigation).
The internal audit department has the responsibility of monitoring the regular performance of the Bank's operations and processes and of evaluating the effectiveness and efficiency of the overall internal control system put into place to monitor assets exposed to risk. The methodology used calls for:

- the mapping of corporate processes, assigning priority to distribution processes through financial advisers, investment and uses, and legal compliance processes;
- macro analysis of processes through risk assessment;
- the sharing of the risk assessment for each unit with process supervisors.

The evidence obtained was weighted through indicators of the quality of the controls, processed by the audit, and applied to the review and monitoring process to capture the potential remaining risks, and estimated in terms of impact and probability based on actual and potential losses. The loss measurement systems are of an accounting nature and are subject to monitoring by assigned units through information system files.
The audit plan and follow-up checks were determined as a function of assessments of areas most exposed to risks with the objective of providing adequate time coverage for all corporate processes.
Internal audit, whose scope has been outsourced to the banking group companies, periodically notifies top management, the Board of Directors, and the Board of Statutory Auditors of the results of the checks made and provides them with timely reports in case of serious irregularities.
Strengthening the effectiveness of the checks made, and in compliance with the recommendations of the Basel Committee, Banca Generali implemented the Business Continuity Project using the ABI (Italian Banking Association) methodological approach.
Moreover, the Banca Generali group has insurance coverage for operating risks deriving from acts of third parties or caused to third parties and for damages caused by providers of infrastructure and services.

Part F – Information on Net equity

Section 1 – Consolidated Net Equity

A. Qualitative Information

The Group's capital management strategy aims to ensure that the capital and ratios of Banca Generali and the banks and financial companies it controls are consistent with its risk profile and regulatory requirements.
Banca Generali Group and the banks and financial companies belonging to it are subject to the capital adequacy requirements established by the Basel Committee in accordance with the rules defined by Bank of Italy.
Such rules require that banks maintain a certain level of capital for regulatory purposes, which is separate from the net equity stated in the financial statements. Regulatory capital requirements are calculated as the sum of positive and negative items, which are included in the calculation based on the quality of capital attributed to them.
Moreover, the ratio of regulatory capital to consolidated risk-weighted assets must be at least 8%; the Bank of Italy verifies conformity with these requirements every six months.

Compliance with minimum capital requirements is monitored by the Regulatory Reporting function, which is responsible for calculating, disclosing and monitoring regulatory capital and capital requirements on a regular basis as well as safeguarding the related databases of historical information.
The Parent Company's compliance with capital adequacy ratios is monitored throughout the year and on a quarterly basis, and the necessary measures are taken to ensure control over the balance sheet items. Additional analysis and control of the Group's capital adequacy is also carried out any time the Group carries out extraordinary transactions (e.g. acquisitions, transfers, etc.). In these cases, information concerning the transaction is used to estimate its impact on the capital ratios, and any actions that may be necessary to comply with the requirements of the supervisory authorities are planned.

Section 2 – Net Equity and Consolidated Bank Surveillance Coefficients

2.1 Capital for regulatory purposes

A. Qualitative Information

The Group's capital for regulatory purposes and capital ratios were calculated based on the balance sheet and profit and loss account, which were prepared in accordance with IAS/IFRS, and bearing in mind the new rules (previously released in letter No. 1157011 of 1 December 2005) defined in the update to Circular Letter No. 155/91 relating to the "Instructions on Reporting Regulatory Capital and Capital Ratios".
The objective of the new provisions is to ensure consistency between the criteria for determining capital for regulatory purposes and capital ratios and IAS.

Capital for regulatory purposes, as in the previously released rules, is calculated as the sum of positive items, which are included based on certain limitations, and negative items, which are included based on their quality; the positive items must be fully available to the bank in order for them to be used in calculating capital absorption.
Capital for regulatory purposes is made up of core capital (Tier I) and supplementary capital (Tier II) net of certain deductions. In particular:
- Tier 1 capital includes paid-up capital, additional paid-in capital, income reserves and capital reserves and minority interests, less treasury shares or own quotas, intangible assets and losses recorded in previous years and the current year;
- Tier 2 capital includes revaluation reserves, hybrid capital instruments and subordinated liabilities, less allowances for loan losses relating to country risk and other negative elements.
Deductions from Tier 1 and Tier 2 capital include equity investments and other items (innovative capital instruments, hybrid capital instruments and subordinated assets) issued by such entities and the so-called "prudential filters".

The prudential filters, which were specified by the Basel Committee in defining the criteria to be used by national supervisory authorities to ensure consistency among regulations, were introduced to safeguard the quality of regulatory capital and reduce the volatility that could result from the application of the new standards. The prudential filters provide certain adjustments that can be made to accounting entries prior to their use for regulatory purposes. In particular, the aspects of the new provisions that most affect the Banca Generali group include:

- for financial assets held for trading, both unrealised gains and losses are fully recognised;
- for financial assets available for sale, unrealised gains and losses are netted: if the result is a negative balance, it reduces Tier 1 capital; if it is positive, it contributes for 50% to Tier 2 capital. Furthermore, any unrealised gains and losses on loans classified as available-for-sale are sterilised;
- for hedges, unrealised gains and losses on cash-flow hedges, which are recorded in a specific reserve, are sterilised; no filter is applied to fair-value hedges.

Based on the supervisory instructions, the Group's capital for regulatory purposes must amount to at least 8% of its risk-weighted assets (total capital ratio) in relation to credit risk, which is evaluated based on the category of the counterparty, maturity, country risk and guarantees received.

Banks are also required to comply with regulatory capital requirements connected to trading activities. Related market risks are calculated on the entire trading portfolio for each different type of risk: debt securities risk, equity securities risk, settlement risk, counterparty risk and concentration risk. Furthermore, exchange-rate risk and commodity-price risk must be determined for all financial statement items.

Internal models may be used to calculate capital requirements for market risk; however, Banca Generali uses standard methods under all circumstances.

B. Quantitative Information

Items/Values	**30/06/2007**	**31/12/2006**
Tier 1 CAPITAL		
Share capital	111,313	111,313
Additional paid-in capital	22,804	22,804
Reserves	65,839	61,886
Net profit (loss) for the period	10,142	14,023
Dividends for pay-out	- 8,000	- 11,018
Total positive items	202,098	199,008
Treasury shares	- 9,512	- 5,851
Goodwill	- 7,435	- 7,435
Intangible assets	- 7,970	- 8,612
100% negative reserve from valuation of available for sale securities	-	
Total negative items	- 24,917	- 21,898
Total Tier 1 capital	**177,181**	**177,110**
Tier 2 CAPITAL		
Valuation reserves	-	-
- revaluation reserve	39	39
- 50% reserve from valuation of available for sale securities	1,049	1,026
Subordinated loan	4,650	4,650
Total positive items	5,738	5,715
Other	- 525	- 513
Total negative items	- 525	- 513
Total Tier 2 Capital	**5,214**	**5,202**
Total capital for regulatory purposes	**182,395**	**182,312**

<u>Prudential filters</u>

	30/06/2007	**31/12/2006**
A. Tier 1 capital before application of prudential filters	*177,181*	*177,110*
Prudential Tier 1 capital filters:	-	-
- Positive IAS/IFRS prudential filters	-	-

- Negative IAS/IFRS prudential filters	-	-
B. Tier 1 capital after application of prudential filters	*177,181*	*177,110*
C. Tier 2 capital before application of prudential filters	*5,738*	*5,715*
Prudential filters of tier 2 capital:	- *525*	- *513*
- Positive IAS/IFRS prudential filters	-	-
- Negative IAS/IFRS prudential filters	- *525*	- *513*
D.Tier 2 capital after application of prudential filters	*5,214*	*5,202*
E. Total tier 1 capital and tier 2 capital after application of prudential filters	*182,395*	*182,312*
Items to deduct from total tier 1 and tier 2 capital	-	-
F. Capital for regulatory purposes	**182,395**	**182,312**

2.2. Capital Adequacy

A. Qualitative Information

At 30 June 2007, **capital for regulatory purposes** was 182.4 million euros, substantially in line with the situation at the end of 2006.
There were 57.2 million euros in excess of the amount required by the Oversight Authority to cover credit and market risks. Specifically, 21.3% of regulatory capital is allocated to credit risk and 43.61% is allocated to financial risks, making the remaining 31.4% available for use by the Bank. The solvency ratio was 11.7%, compared to the minimum requirement of 8%.

B. Quantitative Information

Categorie/Valori	30.06.2007 Importi Non Ponderati	30.06.2007 Importi Ponderati	31.12.2006 Importi Non Ponderati	31.12.2006 Importi Ponderati
A. ATTIVITA' DI RISCHIO	**955.795**	**485.439**	**1.597.267**	**631.506**
A.1 Rischio di credito				
METODOLOGIA STANDARD				
ATTIVITA' PER CASSA	**814.504**	**469.405**	**1.455.976**	**616.992**
1. Esposizioni verso (o garantite da):	702.542	385.703	1.332.335	521.717
(diverse dai titoli di capitale e da altre attività subordinate)				
1.1 Governi e Banche Centrali	60.878	-	76.026	-
1.2 Enti pubblici	-	-	-	-
1.3 Banche	283.546	56.709	906.887	181.377
1.4 Altri soggetti	358.118	328.994	349.422	340.340
(diversi dai crediti ipotecari su immobili residenziali e non resid.)				
2. Crediti ipotecari su immobili residenziali	38.743	19.372	37.011	18.506
3. Crediti ipotecari su immobili non residenziali	1.197	1.197	1.217	1.217
4. Azioni, partecipazioni e attività subordinate	32.629	32.629	37.032	37.032
5. Altre attività per cassa	39.393	30.504	48.381	38.520
ATTIVITA' FUORI BILANCIO	141.291	16.034	141.291	14.514
1. Garanzie e impegni verso (o garantite da):	**141.291**	**16.034**	**141.291**	**14.514**
1.1 Governi e Banche Centrali				
1.2 Enti pubblici				
1.3 Banche	10.983	-	10.983	98
1.4 Altri soggetti	130.308	16.034	130.308	14.416
2. Contratti derivati verso (o garantiti da):	**-**	**-**	**-**	**-**
2.1 Governi e Banche Centrali	-	-	-	-
2.2 Enti pubblici	-	-	-	-
2.3 Banche	-	-	-	-
2.4 Altri soggetti	-	-	-	-
B. REQUISITI PATRIMONIALI DI VIGILANZA				
B.1 RISCHIO DI CREDITO		**38.835**		**50.520**
B.2 RISCHI DI MERCATO		**79.539**		**59.759**
1. Metodologia standard	X	79.539	X	59.759
di cui:				
+ rischio di posizione su titoli di debito	X	51.518	X	41.890
+ rischio di posizione su titoli di capitale	X	5.654	X	7.845
+ rischio di cambio	X	-	X	553
+ altri rischi	X	22.367	X	9.471
2. Modelli interni	X	-	X	-
di cui:		-		-
+ rischio di posizione su titoli di debito	X	-	X	-
+ rischio di posizione su titoli di capitale	X	-	X	-
+ rischio di cambio	X	-	X	-
B.3 ALTRI REQUISITI PRUDENZIALI	X	**6.739**	X	**6.735**
B.4 TOTALE REQUISITI PRUDENZIALI (B1+B2+B3)	X	**125.113**	X	**117.014**
C. ATTIVITA'DI RISCHIO E COEFFICIENTI DI VIGILANZA				
C.1 Attività di rischio ponderate	X	**1.563.913**	X	**1.462.675**
C.2 Patrimonio di base/Attività di rischio ponderate (Tier 1 capital ratio)	X	**11,33%**	X	**12,11%**
C.3 Patrimonio di vigilanza/Attività di rischio ponderate (Total capital ratio)	X	**11,66%**	X	**12,46%**

Part G - Mergers of Companies or Business Units

Section 1 – Mergers of Companies or Business Units

No business combinations were carried out in the first half of 2007 that were accounted for under IFRS 3 *Business Combinations*.

Part H - Transactions with Related Parties

1. Disclosure of Directors and Executives Compensation

This section contains information on the compensation of key management personnel, as required under IAS 24 (paragraph 16).
Key management personnel comprise directors as well as executives with strategic responsibilities involving the functions of planning, direction and control of the Group's companies. Accordingly, key management personnel include the directors, also those of Group companies, and the Managing Director and General Managers of the Parent Company and other Group companies.

As required by IAS 24, the total compensation recorded in the consolidated half-year profit and loss account for 2006 is disclosed below, broken down by personnel category and type.

(€ thousand)	30/06/2007				30/06/2006
	Directors	Auditors	Other managers with strategic responsibilities	Total	**Total**
Short-term benefits (current comp. and social security charges)	837	108	2,242	3,187	3,678
Post-employment benefits	75	-	226	301	302
Other long-term benefits	-	-	-	-	-
Severance indemnities	-	-	-	-	-
Share-based payments	25	-	-	25	30
Total	**937**	**108**	**2,468**	**3,513**	**4,010**

2. Disclosure of Transactions with Related Parties

Related parties are defined as per IAS 24, concerning related party disclosures in financial statements, adopted in compliance with the procedure established by Art. 6 of EC Regulation No. 1606/2002.

According to this standard, a party is related to an entity if:
a) directly or indirectly, through one or more intermediaries, the party:
(i) controls, is controlled by, or is under common control with the entity (this includes parents, subsidiaries and associates);
(ii) has an interest in the entity that gives it significant influence over the entity; or
(iii) has joint control over the entity;
b) the party is an associate of the entity as defined in IAS 28;
c) the party is a joint-venture in which the entity is a venturer as per IAS 31;
d) the party is a member of the key management staff of the entity or its parent;
e) the party is a close member of the family of any individual referred to in (a) or (d);
f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
g) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

In compliance with IAS 24, the following are defined as related parties of the banking group:

- the Parent Company, Assicurazioni Generali S.p.A.

- companies that are either directly or indirectly controlled by Assicurazioni Generali (subsidiaries)
- companies belonging to the banking group (Simgenia, BG Fiduciaria, BG SGR, Banca BSI Italia, Sant'Alessandro Fiduciaria) and associate companies (Eu-ra).

For the purpose of IAS 24, related parties also include managers of the Group and the parent company Assicurazioni Generali with strategic responsibilities.

Disclosure of Transactions with Related Parties

1. Balance Sheet Data

(migliaia di euro)	Attività finanziarie detenute per la negoziazione	Passività finanziarie detenute per la negoziazione	Attività finanziarie disponibili per la vendita	Crediti clientela	Crediti banche	Debiti clientela	Debiti banche	Garanzie rilasciate
Controllante	-		1.339	27.008		158.111	-	
Altre Consociate appartenenti al gruppo G	71.134	9	18.710	15.313	2.065	363.138	7.140	3.220
Altre entità esercitanti influenza notevole	-	-		-	-		-	
Amministratori	-		-	165	-	2.150	-	-
Dirigenti con responsabilità strategiche	-		-	470	-	1.179	-	-
Altre parti correlate	-		-	-	-	-	-	-
Totale	**71.134**	**9**	**20.049**	**42.956**	**2.065**	**524.578**	**7.140**	**3.220**

2. Profit and Loss Account Data

(€ thousand)	*Parent Company* AG	*Other associates of* *Generali Group*	*Total Group* Generali	*Total* P&L	*%* AG Group
Interest income	643	12	655	60,854	1%
Interest expense	- 5,456	- 5,644	- 11,100	- 40,669	27%
Net interest income	**- 4,813**	**- 5,632**	**- 10,445**	**20,185**	**-52%**
Commission income	49	44,108	44,157	145,417	30%
Commission expense	-	- 3,035	- 3,035	- 67,141	5%
Net commissions	**49**	**41,073**	**41,122**	**78,276**	**53%**
Dividends	30	-	30	2,620	1%
Income (loss) on financial transactions	-	-	-	3,001	0%
Operating profit	**- 4,734**	**35,441**	**30,707**	**104,082**	**2%**
General and administrative expense	- 1,579	- 6,425	- 8,004	- 63,101	13%
Other net operating profit	70	805	875	3,806	23%
Net operating expense	**- 1,509**	**- 5,620**	**- 7,129**	**- 59,295**	**12%**
Operating profit	**- 6,243**	**29,821**	**23,578**	**44,787**	*53%*

Direction and Coordination

Pursuant to Article 2497-*bis* of the Italian Civil Code, Banca Generali is subject to Assicurazioni Generali S.p.A.'s "management and coordination" activities. A summary of the main items of this company's latest Financial Statements is reported hereunder.

Profit and Loss Account (€ million)	31/12/2006
Income	81,262,8
Net earned premiums	60,383,3
Fee and commission income	906,2
Expenses	77,344,0
Net insurance benefits and claims	61,981,4
Fee and commission expenses	383,5
Operating expenses	9,874,7
Earnings before taxes	3,918,8
Consolidated profit	2,862,3

Profit attributable to the Group	2,404,8
Minority interests	457,5
Balance Sheet (millions of euro)	
Assets	**377,640,5**
Intangible assets	6,616,1
Property and equipment	3,542,4
Amounts ceded to reinsurers from insurance provisions	5,605,3
Investments	333,744,0
Investment properties	11,365,3
Equity investments in subsidiaries	1,029,6
Investments held to maturity	1,125,8
Loans and receivables	51,676,8
Financial assets available for sale	192,874,7
Financial assets at fair value through profit and loss	75,671,8
arising from contracts where the investment risk is borne by the policyholder and related to pension funds	47,888,9
Other receivables	6,871,3
Other assets	12,743,6
Cash and cash equivalents	6,120,4
Total assets	377,640,5
Shareholders' equity and liabilities	377,640,5
Shareholders' equity	18,732,4
Shareholders' equity attributable to the Group	15,206,5
Share capital	1,277,8
Other equity instruments	0,0
Capital reserves	4,597,6
Revenue reserves and other reserves	4,257,9
(Own shares)	(391,1)
Reserve for currency translation differences	(35,9)
Net income (loss) on financial assets	3,052,9
Other profit recognised directly in shareholders' equity	42,7
Group profit	2,404,8
Minority interests	3,525,9
Minority interests in capital and reserves	2,646,5
Profit recognised directly in shareholders' equity	421,9
Minority interests (+/-)	457,5
Provisions	1,672,1
Insurance provisions	305,440,8
Financial liabilities	35,867,9
Payables	6,263,9
Other liabilities	9,663,3
Total Shareholders' Equity and Liabilities	377,640,5

The highlights of the Parent Company Assicurazioni Generali S.p.A shown above were taken from the company's financial statements for the year ended 31 December 2006. These are available together with the Independent Auditor's Report as provided for by the law. Consequently, these figures are not subject to audit performed by the auditing firm entrusted by Banca Generali pursuant to Article 156 of Legislative Decree No. 58/98.

Part I – Payment Agreements Based on Own Equity Instruments

A. Qualitative Information

Payment Agreements Based on Own Equity Instruments

At 30 June 2007, Banca Generali activated share-based payment agreements consisting of two stock option plans reserved for financial advisers and some group managers, respectively, two stock-granting plans in favour of top management, and one stock-granting plan reserved for former Prime Consult Network financial advisors.
On 19 January 2007, Banca BSI's Board of Directors approved a stock-option plan for the bank's Chairman.
The main features of the aforementioned plans are detailed below.

1. Stock option plans for employees and financial advisors

On 24 May 2006, Banca Generali's Board of Directors approved two new stock option plans, both of which are conditional on the commencement of the trading of the company's stock on the electronic share market (MTA) organised and managed by Borsa Italiana S.p.A.

- under the first plan, which is available to employees of companies belonging to Banca Generali Group, a maximum of 1,113,300 ordinary shares can be issued;
- under the second plan, which is available to Banca Generali's financial advisors, area managers and business managers and the private bankers in the BSI channel, a maximum of 4,452,530 shares can be issued.

To service these plans, the Banca Generali Extraordinary Shareholders' Meeting passed a resolution for a splittable capital increase, subject to the admission of the company's shares to trading on the electronic share market (MTA) for a maximum notional amount of 5,565,660 euros, through the issuance of a maximum 5,565,660 ordinary shares with a par value of 1.00 euro.
The plans became operative with the Issuer's admission to trading on the electronic share market on 15 November 2006.
Assignment of the options to the recipients took place on 15 December 2006.
In detail, Banca Generali assigned 4,452,530 options to financial advisers and 818,500 to Group executives, both at a strike price of 9 euros.

1.1 Measurement of fair value

Valuation of the stock option plan is based on the fair value of the options assigned, calculated on the options assignment date.
The calculation is based on a model whose inputs include the strike price, time-to-maturity, the exercise period, the shares' spot price, their implied volatility, expected dividends, and the risk free interest rate. Other peculiar features of the plan are considered, such as different dates and exercise conditions.
The binomial pricing model also takes into account the possibility of early exercise.

In consideration of the recent Banca Generali listing and the consequent lack of a significant historical series, the expected volatility was measured based on the prices of the most liquid 3-month options on the shares of listed issuers with similar structural features and 5-year options on the S&P MIB index. Interest rates are calculated using the interbank rate swap curve, and the expected dividend is based on the bank's projections.

Therefore, the calculations for the plan reserved for employees were based on the option's fair value at 1.94 euros, while for the financial advisers' plan the fair value of 1.73 and 1.59 euros was used, based on the expected exercise date.

The impact on the profit and loss account was measured based on the options' maturity period, i.e. the period between assignment and final maturity, likewise taking into account the probability that exercise conditions for all recipients will not be realised.

2. Stock Granting Plan Reserved for the Chief Executive Office and the General Manager

On 24 May 2006, the Board of Directors approved a Stock Granting Plan envisaging the allotment of up to 667,880 Banca Generali ordinary shares, with a nominal value of 1,00 each euro, in favour of Chief Executive Officer Giorgio Girelli and General Manager Piermario Motta.
Specifically:
(i) Chief Executive Officer Giorgio Girelli will be freely assigned up to 389,596 ordinary shares, with a par value of 1.00 euro each, or the least number of shares worth a total of no more than 4,000,000 euros, calculated based on the Offer Price.
(ii) General Manager Piermario Motta will be freely assigned up to 278,284 ordinary shares, with a par value of 1.00 euro each, or the least number of shares worth a total of no more than 3,000,000 euros, calculated based on the offer price.

The Banca Generali Shareholders' Meeting held on 18 July 2006 approved the plan, authorising the Board of Directors to buy back up to 667,880 Banca Generali ordinary shares to service it. The plan became operative with Banca Generali's admission to listing on the electronic share market.

The shares will be assigned within 5 years from the time the company's shares start trading on the electronic share market (MTA), provided that at the time of assignment the beneficiary maintains the mandate or employment with the company (or that the relationship has terminated on the Company's initiative not as the result of the beneficiary's fraud or negligence). There will be a one-year lock-up period from the assignment date on 50% of the shares assigned to each recipient. This period will end before the preset term if the mandate or employment terminates on the Company's initiative and for reasons other than the beneficiary's fraud or negligence.

2.1 Measurement of fair value

The stock granting plan in favour of the Chief Executive Officer and the General Manager changed from its original formulation: now the Chairman of the Board of Directors will assign the shares within a maximum period of five years.
This change is a modification of the vesting conditions that is not beneficial to the employee, which, in accordance with IFRS 2, section B44, requires that the "*entity shall nevertheless continue to account for the services received as consideration of the equity instruments granted as if that modification had not occurred*".
For this reason the charge arising from this stock granting plan was recognised as if the vesting conditions were satisfied at original grant date, coinciding with the suspension condition or the issuer's admission to trading on the electronic share market (MTA) organised and managed by Borsa Italiana S.p.A..

In this regard, on 23 October 2006, Borsa Italiana S.p.A. authorised Banca Generali's listing of its ordinary shares on the Italian electronic share market (MTA), and on 25 October 2006, CONSOB authorised publication of the Listing Prospectus for the Global Public Sale Offer.
For this reason, the fair value of the shares was determined on the basis of the 8.0 euro price set for the public offer on 11 November 2006

3. The stock granting plan for Prime Consult network advisors

The Board of Directors of the subsidiary Prime Consult SIM S.p.A. adopted a resolution on 16 June 2001 for the *stock granting plan for Prima Consult network advisers* and, after the merger on 31 December 2002, the Board of Directors of Banca Generali acknowledged and integrated it on 9 April 2004 and 22 May 2005.

The plan called for the free assignment of Banca Generali shares to network advisers and managers until 31 December 2001 who had achieved at that date specific individual targets and if the further conditions of the Banca Generali listing and the beneficiaries' having maintained the agreed inflow targets had been verified.

Specifically, according to the plan, qualifying advisers were issued a number of Banca Generali shares equal to the ratio between the value of the objective reached and the issue price of Banca Generali's shares on the stock market.
Stock granting was to be carried out in three annual tranches. On 12 October 2004, the bank's Board of Directors extended the time limits of the stock granting programme (conditional on the bank's listing on a regulated market) and established the following schedule for allocating the tranches:

- 1/3 of the shares included in the plan within 30 days of the company's listing on a regulated market, as long as such listing occurs by 31 December 2012;
- 1/3 of the shares included in the plan within 12 months of the first granting;

➢ 1/3 of the shares included in the plan within 24 months of the first granting;

The programme involved 1,200,000 shares that were originally acquired by the merged company in 2001 for an amount totalling 3,873 thousand euros; these are recorded under item 200 “treasury shares” in the liabilities section of the balance sheet.

On 15 December 2006, after the listing, the first instalment of shares was assigned to the recipients whose right to receive them had matured. A total of 454,270 ordinary shares, amounting to a book value of 1,466 thousand euros were allocated.

The allocation of options for stock granting of ordinary shares of the Bank to financial advisers was completed prior to 14 November 2002 — the date established for the application of the new IFRS 2 (*Share-based payments*) — and was modified prior to 1 January 2005, the date the new standard became effective. The transaction was recognised in the profit and loss account by Prima Consult in 2002.

Based on the transitory provisions contained in paragraphs 53 et seq. of IFRS 2, this transaction can therefore be exempted from the application of this standard but it will have an impact exclusively in the balance sheet once the rights mature.

4. Parent Company Banca BSI Italia’s Stock Option Plans

On 19 January 2007, Banca BSI’s Board of Directors approved a stock-option plan for the bank’s Chairman, who is not employed by the bank and was therefore not covered by the stock-option plan for the bank’s managers.

The main aspects of the plan are:

- number of options allocated: **60,000** options on Banca Generali ordinary shares
- allocation date: **19/01/2007** (date of the resolution by the Board of Directors and approval of the Plan Rules)
- strike price: average price of Banca Generali shares on Italy’s stock market between the allocation date and the same day of the previous month (opens at 10.546 euros);
- maturity date of the options: no less than **3 years** from the allocation date, i.e. not before **19/1/2010**
- procedures for exercising: in one or more tranches in the **3 years following** the maturity date, i.e., from **19/01/2010 to 19/01/2013;**
- vesting conditions:
  - performance condition: achievement of 90% of group’s consolidated 2006 budget (condition verified by Banca Generali’s Board Meeting on 14/03/2007)
  - service condition: maintenance of the office of Chairman of the Board, except in the case of dismissal for reasons not depending on and not attributable to the Chairman
- other conditions: reinvestment of at least 50% of the gain realised on the sale of shares obtained through the exercise of options in other Banca Generali shares; obligation of not disposing of such shares in the 12 months following their purchase.

4.2 Measurement of fair value

Valuation of the plan is based on the fair value of the options assigned, calculated on the options assignment date.

The calculation is based on a model whose inputs include the strike price, time-to-maturity, the exercise period, the shares’ spot price, their implied volatility, expected dividends, and the risk free interest rate. Other peculiar features of the plan are considered, such as different dates and exercise conditions.

The binomial pricing model also takes into account the possibility of early exercise.

In consideration of the recent Banca Generali listing and the consequent lack of a significant historical series, the expected volatility was measured based on the prices of the most liquid 3-month options on the shares of listed issuers with similar structural features and 5-year options on the S&P MIB index. Interest rates are calculated using the interbank rate swap curve, and the expected dividend is based on the bank’s projections.

Based on these methods, the fair value of the option was calculated at 2.7848 euros.

The impact on the income statement was measured based on the options’ maturity period, i.e. the period between assignment and final maturity, likewise taking into account the probability that exercise conditions for recipients will not be realised.

B. Quantitative Information

As previously indicated, the charges associated with the stock granting plans reserved for top management, which, based on IFRS 2, were calculated at 5,343 thousand euros (pre-tax), were recognised in the profit and loss account in 2006, with a contra-entry in a separate reserve under net equity for share-based payments.

In the first half of 2007. Banca Generali purchased 283,774 shares on the market for a total of 3.1 million euros in relation to its stock granting plans for top management.
Banca Generali therefore owns a total of 667,574 treasury shares for a value of 6.5 million euros to satisfy its share granting plan obligations.

Another 59,644 shares amounting to 0.2 million euros were allocated to the financial advisors who were eligible for the former Prime Consult stock granting plans.
Banca Generali therefore owns a total of 686,086 treasury shares for a value of 2.2 million euros to satisfy its obligations in relation to the former Prime Consult stock granting plans.
The charges recorded in the profit and loss account in the first half of 2007 in relation to the new stock option plans approved in 2006 for the Group’s executives and financial advisors amounted to 1.3 million euros (1.0 million euros for financial advisor plans and 0.3 million to executive plans).
Based on IFRS 2, these charges were recognised directly in a reserve under net equity, which amounted to 1.5 million euros at 30 June 2007.

Lastly, subsidiary Banca BSI Italia purchased 78,000 Banca Generali shares on the market, 60,000 of which (0.7 million euros) were purchased to satisfy its stock option plan obligations to its Chairman.
The charges recognised in the half-year profit and loss account and in the equity reserve set up under IFRS 2 amounted to 24 thousand euros.

Trieste, 25 September 2007

THE BOARD OF DIRECTORS

Consolidated Half-Year Report
30 June 2007

Accounting Statements
Banca Generali S.p.A.

Board of Directors
25 September 2007

BALANCE SHEET – ASSETS

	Assets (€ thousand)	30/06/2007	31/12/2006
10.	Cash and deposits	7.827.116	9.753.903
20.	Financial assets held for trading	2.247.277.771	2.099.354.876
30.	Financial assets measured at fair value	-	-
40.	Financial assets available for sale	13.600.258	13.382.704
50.	Held-to-maturity financial assets	-	-
60.	Loans to banks	236.635.907	784.322.219
70.	Loans to customers	241.028.093	282.066.331
80.	Hedging derivatives	-	-
90.	Adjustment of	-	-
	financial assets with general hedging (+/-)	-	-
100.	Equity investments	66.062.832	46.062.832
110	Property and equipment	4.649.789	6.574.204
120	Intangible assets	8.304.507	9.616.347
	of which:	-	-
	- goodwill	2.990.625	2.990.625
130	Tax receivables	14.598.403	27.642.823
	a) current	-	164
	b) prepaid	14.598.403	27.642.823
150	Other assets	70.591.910	110.284.869
	Total assets	**2.910.576.586**	**3.389.061.108**

BALANCE SHEET – NET EQUITY AND LIABILITIES

Net Equity and Liabilities (€ thousand)	30/06/2007	31/12/2006
10 Due to banks	541.471.380	152.825.301
20 Due to customers	2.031.555.110	2.795.155.422
30 Securities issued	-	-
40 Financial liabilities held for trading	11.313.474	16.107.348
50 Financial liabilities measured at fair value	-	-
60 Hedging derivatives	-	-
70 Adjustment of financial liabilities	-	-
with general hedging (+/-)	-	-
80 Tax payables	7.950.392	11.960.701
a) current	1.732.145	5.026.382
b) deferred	6.218.247	6.934.319
90 Liabilities of groups of assets	-	-
available for sale	-	-
100 Other liabilities	89.741.914	163.785.313
110 Employee termination indemnity	4.001.615	4.282.431
120 Provisions for liabilities and contingencies:	22.956.799	54.169.379
a) pensions and similar obligations	-	-
b) other provisions	22.956.799	54.169.379
130 Technical reserves	909.177	861.879
140 Valuation reserves	-	-
150 Redeemable shares	-	-
160 Reserves	51.551.111	60.046.472
170 Additional paid-in capital	22.804.232	22.804.232
180 Share capital	111.313.176	111.313.176
190 Treasury shares (-)	8.743.720	5.851.311
200 Net profit (loss) for the period (+/-)	23.751.926	1.600.765
Total Net Equity and Liabilities	**2.910.576.586**	**3.389.061.108**

PROFIT AND LOSS ACCOUNT

	(€ thousand)	30.06.2007	30.06.2006
10	Interest income and similar revenues	54.381.174	29.058.948
20	Interest expense and similar charges	- 39.093.243	- 19.252.667
30	**Net interest income**	**15.287.931**	**9.806.281**
40	Commission income	90.299.271	96.188.700
50	Commission expense	- 46.045.247	- 49.989.008
60	**Net commissions**	**44.254.024**	**46.199.692**
70	Dividends and similar income	15.288.404	20.744.765
80	Net profit from trading	2.921.990	- 15.352.535
90	Net profit from hedging	-	-
100	Gain (loss) from sales/repurchase of:	-	-
	a) receivables	-	-
	b) financial assets available for sale	-	-
	c) held-to-maturity financial assets	-	-
	d) financial liabilities	-	-
110	Net financial assets and liabilities measured at fair value	-	-
120	**Net banking income**	**77.752.349**	**61.398.203**
130	Net adjustments/reversal due to impairement of:	206.702	- 42.200
	a) receivables	206.702	23.888
	b) financial assets available for sale	-	-
	c) held-to-maturity financial assets	-	-
	d) other financial transactions	-	- 66.088
140	**Net income from banking operations**	**77.959.051**	**61.356.003**
150	General and administrative expense:	- 43.119.081	- 42.747.414
	a) staff expenses	- 18.403.575	- 16.228.584
	b) other general and adminstrative expense	- 24.715.506	- 26.518.830
160	Net provisions for liabilities and contingencies	- 7.899.686	- 24.769.037
170	Net adjustments of property and equipment	- 724.072	- 809.718
180	Net adjustments of intangible assets	- 1.672.993	- 2.493.886
190	Other operating profit (expense)	7.139.787	3.430.793
200	**Operating expense**	**- 46.276.045**	**- 67.389.262**
210	Gain (loss) on equity investments	-	-
220	Net result of measurement at fair value of	-	-
	property, equipment and intangible assets	-	-
230	Adjustments of goodwill	-	-
240	Gain (loss) from disposal of investments	-	2.417
	Profit (loss) from operating activities before income taxes	**31.683.006**	**- 6.030.842**
260	Income taxes for the period on operating activities	- 7.931.080	2.311.686
270	**Profit (loss) from operating activities net of taxes**	**23.751.926**	**- 3.719.156**
280	Profit (loss) of groups of discontinued	-	-
	operations, net of taxes		
290	**Net profit (loss) for the period**	**23.751.926**	**- 3.719.156**

STATEMENTS OF CHANGES IN NET EQUITY AS AT 30 JUNE 2007

(€ thousand)	Share capital		Additional paid-in	Reserves		Valuation reserves			Equity instruments	Treasury shares	Net profit	Net equity
	a) ord. shares	b) other	capital	a) income	b) other	a) available	b) coverage of	c) other			(loss)	
	ordinary					for sale	cash flow				for the period	
Net equity at 31/12/2006	**111.313.176**	**-**	**22.804.232**	**60.046.472**	**-**	**823.145**	**-**	**38.734**	**-**	**- 5.851.311**	**1.600.765**	**190.775.213**
Change in opening balances	-	-	-	-	-	-	-	-	-	-	-	-
Amounts at 01/01/2006	##########	-	22.804.232	60.046.472	-	823.145	-	38.734	-	- 5.851.311	1.600.765	##########
Allocation of prior year result	-	-		- 9.394.888	-	-	-		-	-	- 1.600.765	- 10.995.653
- Reserves	-	-	-	1.600.765	-	-	-	-	-	-	- 1.600.765	-
- Dividends and other destinations	-	-	-	- 10.995.653	-	-	-	-	-	-	-	- 10.995.653
Change in reserves	-	-	-	- 217.800	-	47.298	-	-	-	-	-	- 170.502
Transactions on net equity	-	-	-	1.117.327	-			-	-	- 2.892.409	-	- 1.775.082
- Issue of new shares	-	-	-	- 192.516	-	-			-	192.516	-	-
- Purchase of treasury shares	-	-	-	-	-	-			-	- 3.084.925	-	- 3.084.925
- Extraordinary dividend pay-out	-	-	-	-	-	-	-		-	-	-	-
- Change in equity instruments	-	-	-	-	-	-			-	-	-	-
- Derivatives on treasury shares	-	-	-	-	-	-			-	-		-
- Stock options	-	-	-	1.309.843	-				-			1.309.843
Net profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	23.751.926	23.751.926
Net equity at 30/06/2007	**111.313.176**	**-**	**22.804.232**	**51.551.111**	**-**	**870.443**	**-**	**38.734**	**-**	**-8.743.720**	**23.751.926**	**201.585.902**

(€ thousand)	Share capital		Additional paid-in	Reserves		Valuation reserves			Equity instruments	Treasury shares	Profit	Net equity
	a) ord. shares	b) other	capital	a) income	b) other	a) available	b) coverage	c) other			(loss)	
						for sale	of cash flows				for the period	
Net equity at 31/12/2005	**99.614.876**	**-**	**21.495.315**	**93.023.593**	**-**	**149.360**	**-**	**38.734**	**-**	**3.873.427**	**- 48.823**	**210.399.628**
Change in opening balances				-								-
Amounts at 01/01/2006	99.614.876	-	21.495.315	93.023.593	-	149.360	-	38.734	-	3.873.427	- 48.823	##########
Allocation of prior year result	-	-		- 1.048.823	-	-	-		-	-	48.823	- 1.000.000
- Reserves	-	-	-	- 48.823	-	-	-	-	-	-	48.823	-
- Dividends and other destinations	-	-	-	- 1.000.000	-	-	-	-	-	-	-	- 1.000.000
Change in reserves						19.507						19.507
Transactions on net equity	-	-	-	- 35.907.408	-			-	-	-	-	- 35.907.408
- Issue of new shares	-	-	-	-	-	-			-	-	-	-
- Purchase of treasury shares	-	-	-	-	-	-			-	-	-	-
- Extraordinary dividend pay-out	-	-	-	- 35.907.408	-	-	-		-	-	-	- 35.907.408
- Change in equity instruments	-	-	-	-	-	-			-	-	-	-
- Derivatives on treasury shares	-	-	-	-	-	-			-	-		-
- Stock options	-	-	-	-	-				-			-
Net income (loss) for the period	-	-	-	-	-	-	-	-	-	-	3.719.156	3.719.156
Net equity at 30/06/2006	**99.614.876**	**-**	**21.495.315**	**56.067.362**	**-**	**168.867**	**-**	**38.734**	**-**	**3.873.427**	**3.719.156**	**177.230.883**

CONSOLIDATED CASH FLOW STATEMENT

Indirect method (€ thousand)	30/06/2007	31/12/2006
A. OPERATING ACTIVITIES		
1. Operations	**32.210.407**	**- 6.131.500**
- Net income (loss) for the period	23.751.926	3.719.156
- Gain/loss on financial assets and liabilities held for trading	2.538.357	4.274.378
- Gain/loss on hedging assets	-	-
- Net adjustments due to impairment	- 206.702	- 13.854
- Net adjustments of property, equipment and intangible assets	2.397.065	3.303.604
- Net provisions for liabilities and contingencies and other costs/revenues	2.563.188	17.751.085
- Taxes included in taxes not paid	- 3.426.730	- 13.409.990
- Adjustments of discontinued operations	-	-
- Other adjustments	4.593.303	- 14.317.567
2 Liquidity generated by/used for financial assets (+/-)	**- 82.751.513**	**-1.600.800.156**
- Financial assets held for trading	- 360.880.723	- 181.042.097
- Financial assets measured at fair value	-	-
- Financial assets available for sale	- 175.755	- 224.378
- Loans to banks: repayable on demand	157.221.415	512.021.903
- Loans to banks: other receivables	85.306.471	-1.979.303.811
- Loans to customers	19.431.884	29.811.045
- Other assets	16.345.195	17.937.182
3. Liquidity generated by/used for financial liabilities (+/-)	**51.068.555**	**1.659.714.615**
- Due to banks: repayable on demand	79.910.140	- 9.721.351
- Due to banks: other payables	302.406.822	11.529.907
- Due to customers	- 268.829.227	1.635.711.474
- Securities issued	-	- 39.631
- Financial liabilities held for trading	- 626.987	- 150.117
- Financial liabilities measured at fair value	-	-
- Other liabilities	- 61.792.193	22.384.333
Net liquidity generated by/used for operating activities	**527.449**	**52.782.959**
B. INVESTMENT ACTIVITIES		
1. Liquidity generated by	**12.668.131**	**627.031**
- Disposal of equity investments	-	627.031
- Dividends received	12.668.131	-
- Disposal of held-to-maturity financial assets	-	-
- Disposal of property and equipment	-	-
- Disposal of intangible assets	-	-
- Disposal of business units	-	-
1. Liquidity used for	**- 1.041.789**	**- 53.954.627**
- Purchase of equity investments	-	- 51.906.325
- Purchase of held-to-maturity financial assets	-	-
- Purchase of property and equipment	- 470.435	- 794.565
- Purchase of intangible assets	- 571.354	- 1.253.737
- Purchase of business units and equity investments in subsidiaries	-	-
Liquidity generated by/used for investment activities	**11.626.342**	**- 53.327.596**
C. FUNDING ACTIVITIES		
- Issue/purchase of treasury shares	- 3.084.925	-
- Issue/purchase of equity instruments	-	-
- Distribution of dividends and other	- 10.995.653	- 1.000.000
Liquidity generated by/used for funding activities	- 14.080.578	- 1.000.000
NET LIQUIDITY GENERATED BY/USED FOR IN THE PERIOD	**- 1.926.787**	**- 1.544.637**
Reconciliation		
Cash and cash equivalents at period-start	**9.753.903**	10.087.890
Liquidity generated by/used for in the period	- 1.926.787	- 1.544.637
Cash and cash equivalents – effects of exchange rate fluctuations	-	-
Cash and cash equivalents at period-end	7.827.116	8.543.253

Legend: (+) liquidity generated, (-) liquidity used

Dichiarazione ai sensi dell'articolo 154-bis, comma secondo, del decreto legislativo 24 febbraio 1998, n. 58

Il sottoscritto dott. Giancarlo FANCEL, nato a Portogruaro (VE) il 26 Settembre 1961, Vice Direttore Generale nonché Dirigente preposto alla redazione dei documenti contabili societari di BANCA GENERALI S.p.A., con sede legale in Trieste, Via Machiavelli n. 4, capitale sociale di Euro 111.313.176,00 iscritta nel Registro delle Imprese di Trieste al n. 103698, ai sensi dell'articolo 154-*bis*, comma secondo, del decreto legislativo 24 febbraio 1998, n. 58, - a quanto gli consta alla luce della posizione ricoperta, in virtù della deliberazione del Consiglio di Amministrazione della Società del 16 febbraio 2007 -, quale Dirigente preposto alla redazione dei documenti contabili societari,

dichiara

che la Relazione semestrale consolidata al 30 giugno 2007 corrisponde alle risultanze documentali, ai libri ed alle scritture contabili.

Milano, 25 settembre 2007

dott. Giancarlo Fancel
Dirigente preposto alla redazione
dei documenti contabili societari
BANCA GENERALI S.p.A.