



# Assicurazioni Generali

MANAGEMENT REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS

CORPORATE GOVERNANCE AND  
SHARE OWNERSHIP REPORT

179<sup>th</sup>  
year



2010



MANAGEMENT REPORT AND  
CONSOLIDATED FINANCIAL  
STATEMENTS

CORPORATE GOVERNANCE AND  
SHARE OWNERSHIP REPORT

2010



FTSE4Good



ECPI Ethical Index Euro  
ECPI Ethical Index Global  
FTSE ECPI Italia SRI:  
Leaders Index; Benchmark Index







# GENERALI

Assicurazioni Generali S.p.A.

Registered Office and Central Head Office in Trieste  
Head Office for Italian Operations in Mogliano Veneto  
Capital (fully paid in) Euro 1,556,873,283.00  
Fiscal code and Trieste Companies Register 00079760328  
Company entered in the Register of Italian Insurance  
and Reinsurance Companies under no. 100003  
Parent Company of Generali Group, entered  
in the Register of Insurance Groups under no. 026

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Gabriele Galateri di Genola

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## MANAGING DIRECTOR AND GROUP CEO

(\*) He acts also as General Manager

Giovanni Perissinotto (\*)

## MANAGING DIRECTOR

(\*) He acts also as General Manager

Sergio Balbinot (\*)

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

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Claude Bébéar / Kenneth J. Bialkin / Gerardo Broggin  
Giacomo Costa / Maurizio De Tilla / Enrico Filippi  
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(\*\*\*) Chief Financial Officer and Manager in charge of the preparation of the company's financial reports

Raffaele Agrusti (\*\*\*), Paolo Vagnone

## DEPUTY GENERAL MANAGERS

Attilio Invernizzi / Andrea Mencattini / Aldo Minucci / Valter Trevisani

## SECRETARY OF THE BOARD OF DIRECTORS

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Finmeccanica - 3D air defence radar

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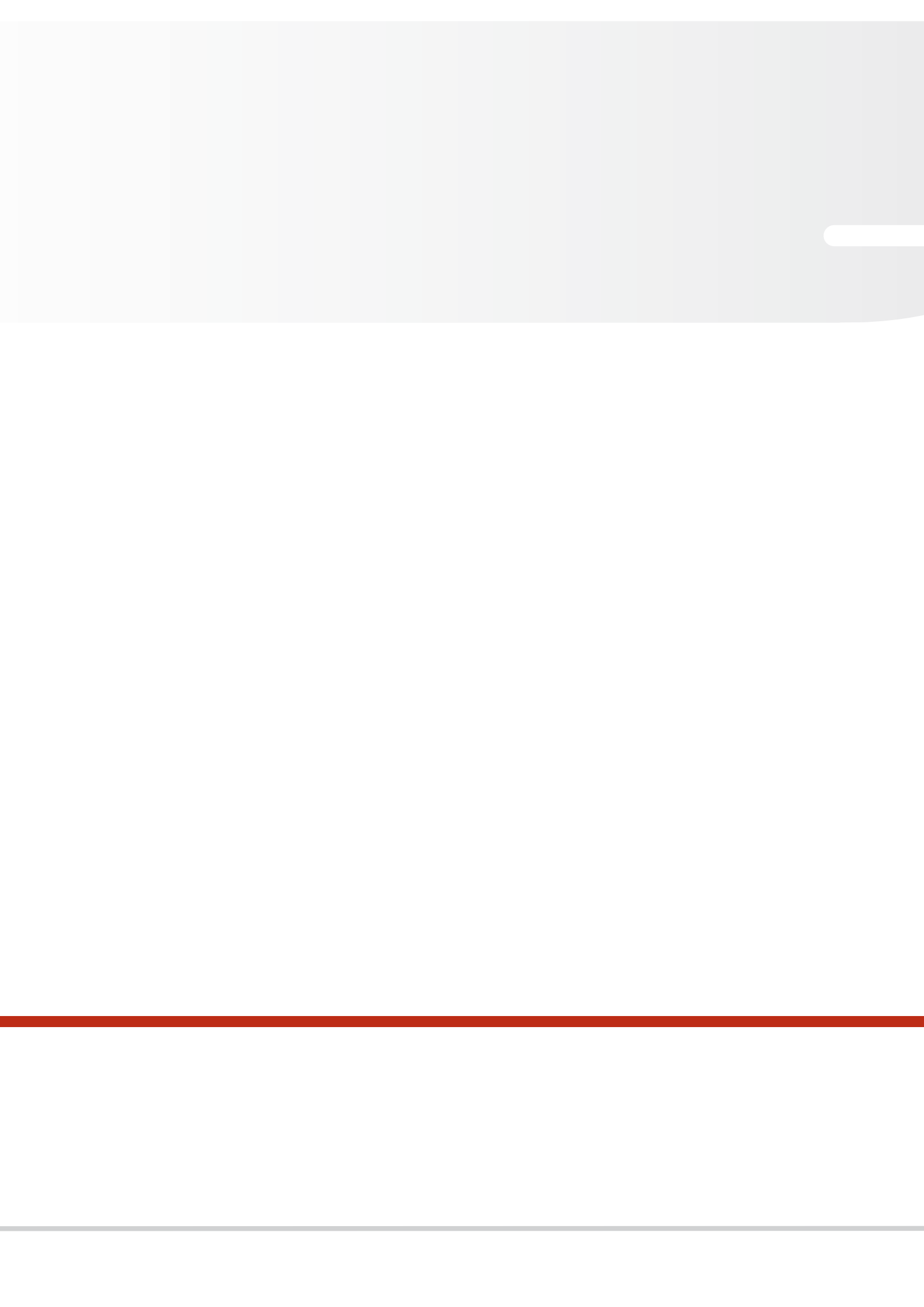
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Genagricola - Farms

## MANAGEMENT REPORT





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## Group highlights

### Economic highlights

(€ million)	31/12/2010	31/12/2009	Change	Change like for like <sup>(*)</sup>
<b>Group</b>				
Gross written premiums <sup>(**)</sup>	73,187.8	70,529.7	3.8%	2.8%
Expense ratio	15.3%	15.4%	-0.1	
<b>Consolidated operating result<sup>(***)</sup></b>	<b>4,076.6</b>	<b>3,649.7</b>	<b>11.7%</b>	
<b>Result of the period</b>	<b>1,701.9</b>	<b>1,309.1</b>	<b>30.0%</b>	
<b>Life segment</b>				
Gross life written premiums <sup>(**)</sup>	51,098.1	48,894.1	4.5%	3.6%
Net cash inflows	16,133.0	16,082.6	0.3%	-0.9%
APE	5,332.6	5,188.3	2.8%	(****) 1.3%
NBV	1,050.2	1,127.7	-6.9%	-8.8%
Expense ratio - life segment	10.4%	10.5%	-0.1	
<b>Operating result - life segment</b>	<b>3,025.9</b>	<b>2,451.0</b>	<b>23.5%</b>	
<b>Non-life segment</b>				
Gross non-life written premiums	22,089.7	21,635.6	2.1%	1.1%
Expense ratio - non-life segment	27.5%	27.2%	0.3	
Loss ratio - non-life segment	71.3%	71.1%	0.2	
Combined ratio - non-life segment	98.8%	98.3%	0.5	
<b>Operating result - non-life segment</b>	<b>1,128.1</b>	<b>1,273.6</b>	<b>-11.4%</b>	
<b>Financial segment</b>				
Asset under management	92,980.1	79,254.1	17.3%	
Cost income ratio	70.5%	63.7%	6.8	
<b>Operating result - financial segment</b>	<b>353.6</b>	<b>432.2</b>	<b>-18.2%</b>	

(\*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year.

(\*\*) Taking into account premiums related to investment contracts.

(\*\*\*) Net of holding expenses and consolidation adjustments.

(\*\*\*\*) On equivalent terms: on equivalent exchange rates, consolidation area and share attributable to the Group.

### Financial highlights

(€ million)	31/12/2010	31/12/2009	Change
Total investments	372,073.5	349,752.0	6.4%
Insurance provisions <sup>(1)</sup>	339,222.2	315,421.1	7.5%
Shareholders' equity attributable to the Group	17,489.8	16,652.3	5.0%
Solvency I ratio	132%	128%	4.0

(1) Taking into account financial liabilities related to policies of the life segment.

### Social and environmental highlights

(€ million)	31/12/2010	31/12/2009	Change
Global Added Value (€ million)	13,632.7	12,635.1	7.9%
Number of employees	85,368	85,322	0.1%
Allocation to community-benefit initiatives (€ million)	45.5	41.2	10.4%
Per capita electrical energy consumption (kWh) <sup>(*)</sup>	5,150.8	4,989.5	3.2%
Paper consumption (quintals) <sup>(*)</sup>	72,267.4	70,321.0	2.8%

(\*) The amount refers to the countries included in the Environmental Management System.





## Shareholders and stock performance

At 31 December 2010, outstanding shares, with a nominal value of € 1 each, were 1,556,873,283, of which 16,132,479 held by the Parent Company and other Group companies. At the same date, the Parent Company's shareholders numbered around 293,000.

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

Shareholders	Number of shares	Percentage of share capital
1 GRUPPO MEDIOBANCA	209,626,651	13.465%
2 BANCA D'ITALIA	69,879,535	4.488%
3 GRUPPO BLACKROCK	43,915,433	2.821%
4 GRUPPO B&D HOLDING	37,895,560	2.434%
5 EFFETI S.p.A.	35,300,587	2.267%
6 GRUPPO CALTAGIRONE	34,290,000	2.202%
7 PETR KELLNER	31,448,841	2.020%

Updated as at 7th December 2010.

The most recent market price quotation available for Generali stock, at 9 March 2011, was € 16.21. Since the beginning of 2010, the stock reached a low of € 13.50 on 30 November 2010 and a high of € 19.19 on 19 January 2010.

Market capitalization at 9 March 2011 was 25,236.9 million, confirming Assicurazioni Generali's position among the major European insurers by market capitalization.

## Rating

The current ratings and outlooks assigned to Assicurazioni Generali by the major agencies are illustrated below. These views confirm the Group's traditional financial solidity and are a distinctive factor in its business success:

Rating agency	Rating	Outlook
A.M.Best	A+	Stable
Standard & Poor's	AA-	Stable
Fitch	AA-	Stable
Moody's	Aa3	Stable

Ratings assigned to Assicurazioni Generali by the various specialised agencies, measuring the quality of a company's environmental and social performance and corporate governance structure, are illustrated below.

Ethic rating agency	Rating
OEKON Research	C "Prime"
Standard Ethics AEI	EE-

## Social and environmental commitment

As a result of its success at the international level, the Generali Group has come to be the focus of the attention of numerous categories of stakeholders with a variety of interests and expectations. Aware of this circumstance, over the past decade the Generali Group has embarked upon a process of reaffirming its commitment in the various spheres of social responsibility. During this process, it was decided to prepare a **Sustainability Report** to accompany traditional financial reporting in order to provide an account of the social and environmental issues associated with operations.

In addition, in 2010 the Group has published the **Ethical Code**, which it was deemed necessary to revise due to the steps taken in the sustainability process and entry into non-Western markets. Alongside the principles that have always informed the Group's ethics, such as transparency, correctness and impartiality, the new document invokes certain fundamental human rights that the Group commits to safeguarding and promoting in all of its spheres of influence. Beginning with the Ethical Code, the Group has launched a process of establishing specific codes setting out the principles and guidelines to be applied in dealings with the various stakeholders.

Once **policies** had been set, the issues relevant to each category of stakeholder were identified and appropriate methods of handling those issues were thus determined. This systematic approach, initially applied in the environmental field, is now gradually being extended to dealings with the other stakeholders as well. The goal is to achieve continual improvement through measures aimed at reaching milestones used to measure and report on the results achieved over time.

The systematic approach to sustainability has led the Group to attribute fundamental importance to **listening** to stakeholders, who are increasingly involved in decision-making processes in order to meet their expectations. The Generali Group is aware that cooperative, appreciative stakeholders are indispensable to maintaining its success over time and contributing to the economic and social growth of the communities in which it operates.

In relations with **employees** and the **sales force**, the Group's social responsibility translates first and foremost into recruiting, compensation, management and career development policies that prohibit all forms of discrimination. Diversity is viewed as an opportunity for enrichment. The Group's competitive advantage is built upon the commitment and competence of individuals, whose personal and professional growth is fostered by intense training activity. All employees are hired under regular employment contracts and all forms of child labour and forced and compulsory labour are prohibited. The Group guarantees working conditions that are respectful of individual dignity in safe, healthful working environments. In addition, the Group is committed to several programmes aimed at striking a balance between professional and family life and ensuring effective communication between employees and their superiors. Awareness of fundamental human rights is pursued through training on the Group's new Ethical Code.

In the area of the **environment**, the Group aims to contribute positively to sustainable development by steering management choices toward a smaller direct and indirect environmental impact of its business. To that end, it considers one of its primary objectives the efficient management of natural resources in such a way as to minimise the environmental consequences of the consumption of energy, paper and water, waste production and greenhouse gas emissions. In addition, numerous initiatives are promoted with the aim of developing and spreading greater environmental responsibility.

Safeguarding the environment and respect for human and labour rights are also issues on which the Group seeks to involve its stakeholders.

The Group aims to forge lasting, mutually satisfactory relationships with its **contractual partners**, whom it accordingly asks to comply with the applicable provisions of its Code of Ethics and Environmental Policy. The Group is currently laying down a specific policy governing relations with suppliers, which envisages evaluation of the latter also according to social and environmental criteria.

The Generali Group attributes fundamental importance to satisfying its **customers** through the high quality of its products and services, which are constantly adapted to suit the new needs detected through the various forms of surveying carried out by Group companies. Customer relationship management is considered a crucial aspect: specific training courses are prepared for the sales force in order to ensure that advisory services always meet expectations. Sales personnel are asked to engage in behaviour that meets standards of correctness, honesty, professionalism and transparency and to cooperate with customers to identify the solutions best suited to their protection needs. The Group is also committed to spreading responsible behaviour among consumers from a social and environmental standpoint, a goal it pursues by living up to its image as an insurer with a commitment in this area that is also able to offer products and services with particular social and environmental value.

Maximum value is consistently added to the investment made by the Group's **shareholders** by maintaining high levels of return on investment in the long term and increasing competitiveness and financial solidity. The ethical suitability of investments is ensured by compliance with specific guidelines that aim to encourage virtuous behaviour by **issuing companies** by participating pro-actively as a shareholder and refusing to invest in financial instruments issued by companies responsible for serious human rights violations, environmental damages and bribery.

The Group contributes to improving society by playing an active role in the communities in which it operates. Its commitment to the **community** takes the form of providing funds or other types of support to a large number of social, cultural, environmental and sports initiatives, in addition to implementing projects of mutual interest with institutions, non-profit associations and research and training centres.

In recent years, the commitment made and the results achieved in the various areas of sustainability have resulted in an improvement of the **ratings and recognition** of Assicurazioni Generali by the various specialised agencies and its inclusion in the following **ethical and responsible investment indices**:

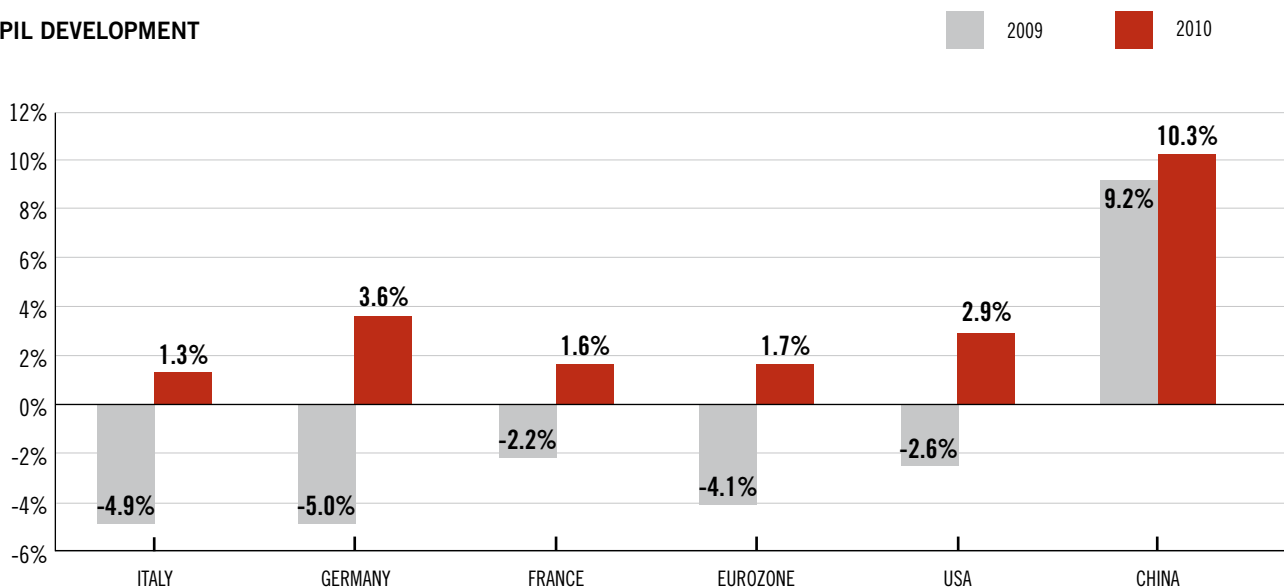
- ASPI (Advanced Sustainable Performance Indices) Eurozone, an index of the top 120 Eurozone companies in the DJ Stoxx600 on the basis of the rating assigned by the VIGEO ethical rating agency and the ASPI Eurozone guidelines;
- ECPI Ethical Index Euro and Global, indices for large-capitalisation companies operating on the European and global markets, respectively;
- FTSE ECPI Italia SRI – Benchmark and Leaders, Italian indices for socially responsible investment created in partnership with FTSE and ECPI;
- FTSE4GOOD Global Index and FTSE4GOOD Europe Index, equity indices created by the FTSE Group to assess the social and environmental performances of companies operating on the global and European markets, respectively.

## Business environment

### Macro-economic scenario

In 2010, global gross domestic product reached pre-crisis levels. Growth is largely attributable to the performance of emerging economies, whereas the western economies generally showed slower growth rates. In particular, the European Union's economy was slowed by severe imbalances in the public finances of several peripheral countries.

#### PIL DEVELOPMENT



In the **United States**, GDP growth, estimated at 2.9%, showed a considerable recovery compared to -2.6% in 2009, owing in part to the continuation of fiscal and monetary stimulus policies. GDP growth was achieved against the backdrop of an increased propensity to save by households, also due to the uncertain economic and employment situation. The recovery has not resulted in significant improvements in the job market yet.

In **China**, the recovery of foreign trade offset the decline that characterized much of 2010. GDP growth amounted to 10.3%. The shift in the composition of exports and domestic demand that has taken place in recent years has given the country a more balanced structure, while also making it an important source of growth for its international commercial partners, first and foremost the United States and Germany. Near the end of the year, there was a significant increase in inflation (up 4.8% on a trend basis in December, compared to a decrease of 0.1% at the end of 2009), which fostered the adoption by monetary authorities of a series of restrictive measures on mandatory reserves and interest rates.

In **Latin America**, 2010 was characterized by a solid economic recovery which allowed the region to emerge from the crisis of the previous year. On a trend basis, Argentina grew by 8.8%, Brazil by 6.8% and Mexico by 5.3%, compared to a 2009 in which the main countries' GDP was in decline. In addition to the uptrend in the prices of commodities, of which the continent is an exporter, the cyclical improvement was due to renewed macro-economic stability and favourable returns on capital markets, which attracted international investors.

Performances were varied in the **European Union**: on the one hand, the largest countries reported an overall positive performance. France showed modest growth, while Germany benefited from the strong performance of exports towards emerging markets. On the other hand, peripheral countries suffered the effect of their severe public debt situations: Spain, Ireland and especially Greece faced recessions, while Portugal achieved moderate growth that was still insufficient to free it of concerns as to the future sustainability of its public finances.

In 2010, Italy reported a recovery in gross domestic product, which rose by 1.3% following on the severe decline of 2009. The cyclical upswing was driven by demand from several important European partners (including Germany, in particular) and emerging economies. This translated into a considerable increase in exports (up 8%). However, consumption and, more generally, domestic demand showed only mild improvements compared to the previous year, due in part to a decrease in the number of employees by approximately 2%. The unemployment rate was 8.6% in 2010 (8.4% in 2009).

The eastern European countries members of the European Union generally reported an improvement in economic conditions following on the severe contraction shown in 2009. Germany's strong cyclical position is reflected in local industrial output, while the cycle of consumption and investment was affected by the credit difficulties inherited from 2009. In particular, Poland and Slovakia reported a positive growth trend, while the rest of the area was characterized by a largely stagnant economy.

The **inflation trend rate** climbed to 2.1% (1% in 2009) in the Eurozone and to 1.5% (-0.3%) in the USA. In this scenario, considering the moderate risk of inflation, the ECB kept **benchmark interest rate** at 1% throughout the year, while the FED also kept its benchmark rate at 0.2%.

On the **job market**, the economic recovery resulted in a slight improvement in the **unemployment rate** in the USA, which fell to 9.4% at the end of December (10% in 2009). Employment also continued to raise concerns in the Eurozone, remaining at the high levels reported in 2009 (10%).

Turning to exchange rates, the euro depreciated against the Group's main currencies of operation.

Currency	Exchange rate at the end of the period (currency/€)	
	31/12/2010	31/12/2009
US dollar	1,3416	1,4348
Swiss franc	1,2505	1,4832
British pound	0,8569	0,8885
Israeli shekel	4,7511	5,4349
Argentine peso	5,3287	5,4535
Czech koruna	25,0900	26,4050

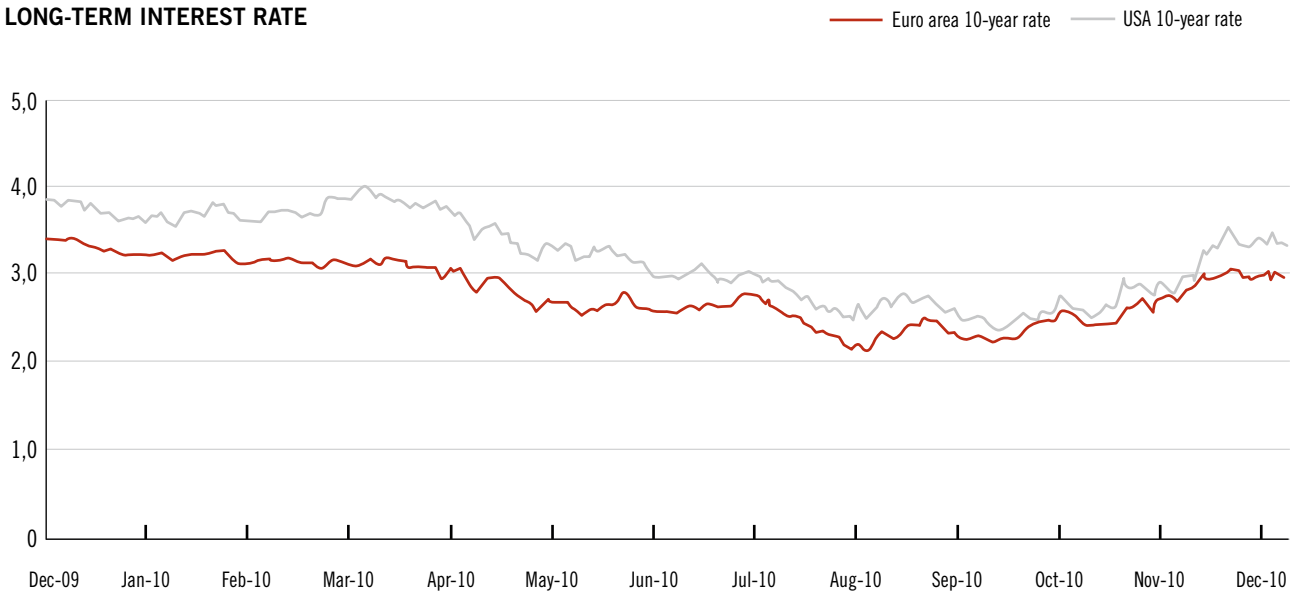
In further detail, the euro began the year at 1.43 to the dollar, close to the all-time high, to then reach a low for the year in June (closing at 1.22 to the dollar), owing in part to the financial crisis experienced by peripheral countries. In the second half of the year, the euro rose back to 1.34 on the strength of a relatively more stable macroeconomic scenario in the European Union.

## Financial markets

On **capital markets**, 2010 was characterized by moments of extreme volatility following the emergence of tensions surrounding eurozone sovereign debt due to the crises experienced by certain peripheral countries such as Portugal, Ireland, Greece and Spain.

In this framework, **bond markets** showed a widening of the spreads between the bonds of peripheral countries and German government ten-year bonds, which represent the European benchmark: Portugal's spread rose from 70 bps at the end of 2009 to 368 bps at 31 December 2010, Ireland's from 145 bps to 608 bps, Greece's from 238 bps to 950 bps and Spain's from 59 bps to 248 bps. Moreover, Italy's spread rose from 75 bps at the end of 2009 to 185 bps at 31 December 2010. The yield on ten-year *Bunds* fell from 3.39% at the end of 2009 to 2.96% at 31 December 2010. The performance of ten-year U.S. government bonds was similar to that of their European counterparts, falling from 3.83% at the end of 2009 to 3.29% at the end of 2010.

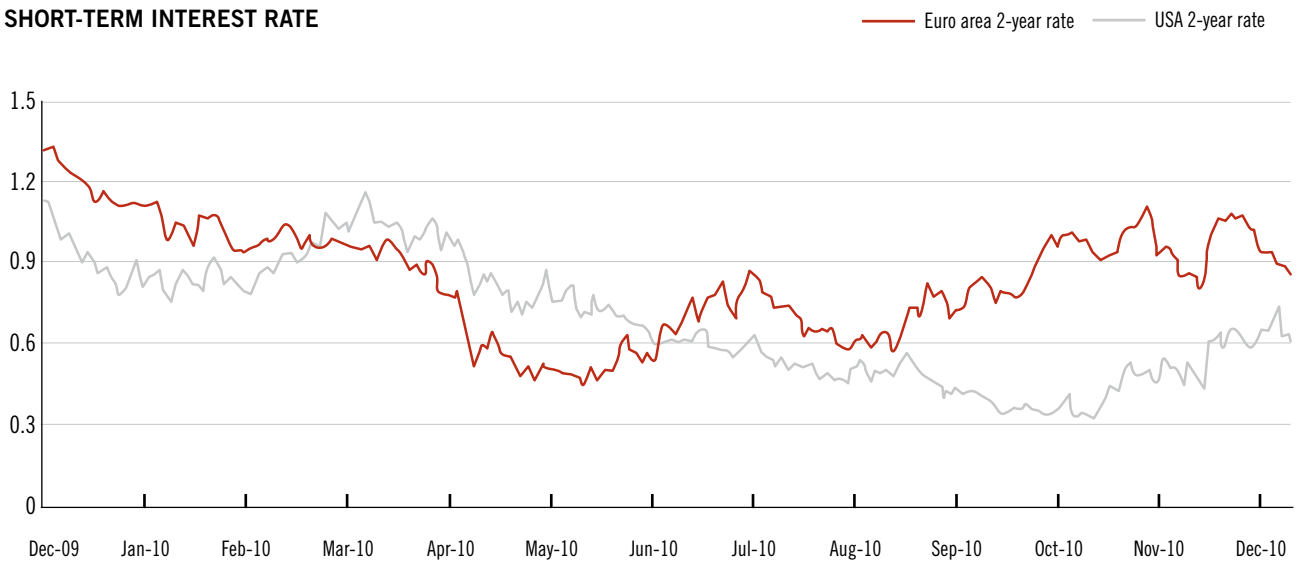
### LONG-TERM INTEREST RATE



Conversely, the European two-year benchmark rate fell from 1.33% at 2009 year-end to 0.86%. The rate curve flattened during the first half of the year, to then deepen again near year-end.

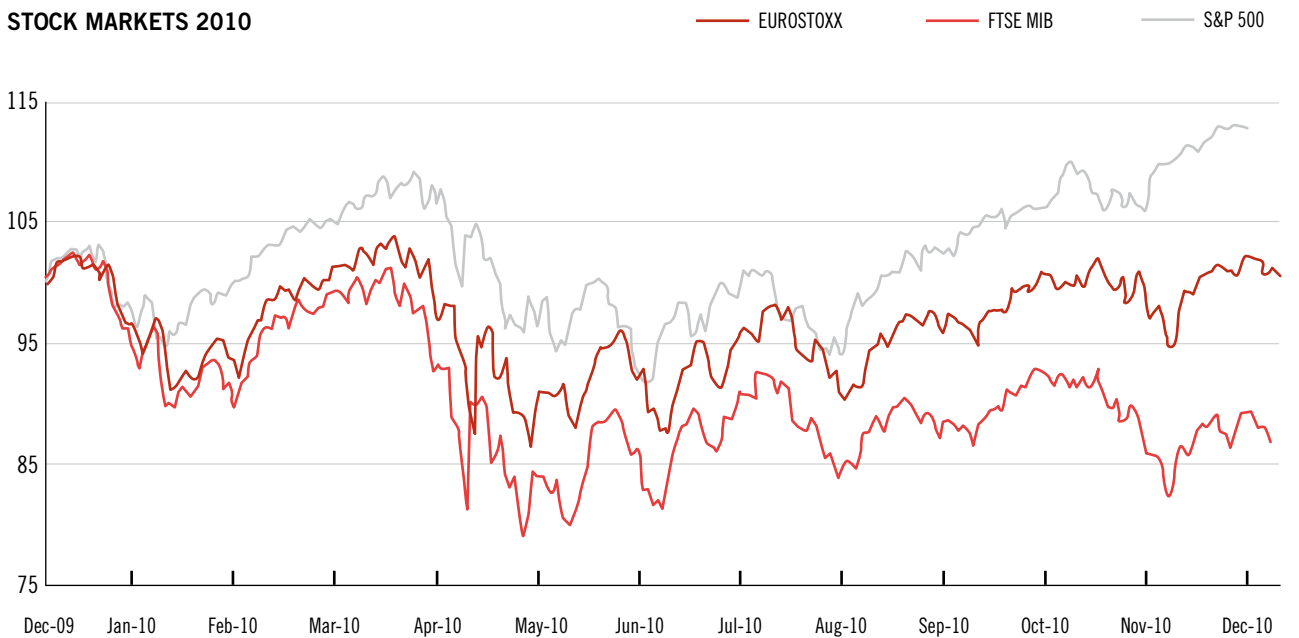
US two-year rates yielded a similar performance, going from 1.13% at 2009 year-end to 0.59% at 31 December 2010.

**SHORT-TERM INTEREST RATE**



Following on an excellent performance in 2009, the eurozone investment-grade corporate bond market slowed a slight turnaround, with spreads rising from 135 bps at the end of 2009 to 144 bps at 31 December 2010. The high-yield segment continued its positive performance with spreads falling further from 618 bps to 494 bps. Lastly, the euro swap rate curve flattened for all maturities beyond one year.

**STOCK MARKETS 2010**



**The stock markets** enjoyed an overall positive year in 2010: the Eurostoxx 50 index rose by 0.32%, yet with different performances in the various countries; the Frankfurt Dax rose 16% and the Amsterdam Aex increased by 6.33%, whereas the Paris Cac fell by 2.15%, the Milan FtseMib by 13.2% and the Madrid Ibex by 17.4%. Performance was also differentiated by business segment: the negative results reported by the financial sector (banks -26.8% and insurers -6.9%) and sectors with the highest debt levels such as utilities (down 14.7%) and telecommunications (down 9.7%) was offset by the highly positive performance of the industrial sector, and of the automobile sector in particular (up 42.8%).



In the United States, the S&P 500 rose by 9.68% and the Nasdaq by 11.67%. With the exception of Brazil, where the index remained essentially unchanged (up 1%), Latin America also reported significant performances, with Argentina up by 51.8% and Mexico by 17.8%.

Among the major countries in Asia, only India reported a positive performance, whereas Shanghai decreased considerably (down 15.4%).

## Insurance markets

Trends in the main **European insurance markets** in which the Group operates are quite diversified both in terms of country and business segment.

The **life segment**, while slowing compared to its performance in 2009, showed a positive growth trend, at least in the three main countries of operation: Italy, France and Germany.

The household savings rate, although in many cases slightly lower than 2009 levels, generally remained relatively high and even increased in some cases (Germany and Eastern Europe).

This performance was borne out by customers' continuing appreciation of insurance products with guarantees in a situation of general economic uncertainty. Signs of a recovery — in some cases, to a considerable extent — were also seen in linked products. Italy and Germany were the most dynamic European life-insurance markets. France also performed well, owing in part to the sector's size in absolute terms and the fact that life insurance remained the preferred form of household investment. In Central and Eastern Europe, following on a negative 2009 (especially in Poland and Hungary), the sector showed signs of an improvement, driven by single premiums, particularly in the Czech Republic and Hungary.

The **non-life segment** showed signs of a recovery in premium income compared to the previous year, with resumed turnover growth, albeit at various levels of intensity, especially in Italy and France and, to a lesser extent, Germany. These trends affected the Motor sector in particular, especially in Italy and France, owing to the achievement of a higher level of efficiency and tariff adjustments.

Non-Motor segments, despite the upswing in the international cycle, showed performance in line with or even slightly down compared to 2009, owing chiefly to the persistently challenging employment conditions and the resulting negative consequences for household disposable income. The segment's overall performance in Central and Eastern Europe was weak, with the exception of Poland.

In 2010, a number of catastrophic events occurred in Europe which had a significant economic impact also on the insurance sector, in particular in France, Germany and Central and Eastern European countries.

## The Generali Group's strategy

In 2010, in a macroeconomic scenario which, although in recovery, still appears to be marked by numerous uncertainties in the main countries in which the Group operates, the Generali Group has continued to operate according to its own strategic lines based on the pursuit of operating efficiency, optimisation of the distribution networks aimed, in particular, at expanding the range of high-yield products offered in the life segment and the development of direct channels.

With reference to the **reorganization and restructuring initiatives**, the merger of Vitalicio Seguros and Estrella Seguros into the newly formed Generali Seguros has been completed. This transaction is to be viewed as a conclusion of the rationalization process of the Group's operations in the country which was started over the past few years by sharing back-office services, unifying the traditional sales networks, the commercial organization and technical platforms, with the aim of increasing commercial efficacy and operational efficiency.

The goals planned for the merger of Alleanza Assicurazioni and Toro Assicurazioni for this year — expanding the products available to the sales network and achieving cost synergies — were reached in 2010. Since October 2009, when the new company Alleanza Toro became effective, the Alleanza network placed over 63 thousand non-life policies, specifically related to accident, health and household covers, and the Toro network recorded a significant increase in the life segment, with high value-added products.

The effective **distribution model** based on diversified proprietary channels and the level of territorial diversification adopted by the Group allowed both countries that are traditionally considered as mature markets, such as Italy, France and Germany, and emerging markets such as China, Argentina and Mexico, to positively contribute to total premium income.

With reference to **innovation**, the Group has pursued its strategy focused on new products and new distribution channels. In detail, new modular insurance products were developed with the aim of best meeting customer needs in the retail, small and medium-sized enterprises and agricultural segments. In addition, the Group extended and strengthened the use of innovative sales channels to provide timely, high-quality service, in part through the use of the Web and new mobile applications.

The Group has continued its **growth strategy** in new countries and market segments. In October, Assicurazioni Generali obtained a preliminary licence from Vietnam's Ministry of Finance for the incorporation of Generali Vietnam Life Insurance Company. The company will become operational in 2011.



Impregilo - Mazar hydroelectric power plant, Ecuador

Information on operations





## Group highlights 2010

- Result of the period: € 1,701.9 million (+30.0%)
- Operating result: € 4,076.6 million (+11.7%)
- Gross written premiums: 73,187.8 million (+3.8%)
- Shareholders' equity: 17,489.8 (+5.0%)

## Business performance of the Group

### Group's result

The **result of the period attributable to the Group** amounted to € 1,701.9 million, up 30.0% compared to € 1,309.1 million at 31 December 2009. This increase can be attributed to the excellent operating performance of the life segment, which exceeded even the results achieved before the financial market crisis. Despite the recovery of written premiums and the stability of administration costs, the non-life segment was affected by the loss ratio due, in particular, to catastrophic events. The contribution of non-operating result improved. Moreover, the result was also affected by the increased fiscal pressure in the main countries where the Group operates.

Taking into account also other net gains and losses recognized directly in shareholders' equity, the **total comprehensive income attributable to the Group** amounted to € 1,452.3 million (€ 2,990.9 million in the previous year).

The decrease was largely attributable to the trend of the change in net gains on available for sale financial assets recognized directly in shareholders' equity. In 2010, in particular, the increase in interest rates and the widening of spreads on peripheral government bonds during the last quarter of the year reduced the value of the bond portfolio, bringing the above-mentioned change to € -913.9 million. In 2009, the same change amounted to € 1,835.3 million thanks to the strong financial market recovery that began in the second quarter.

The decrease was partly offset by the good performance of the reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies, thanks to the appreciation of the main currencies used by the Group in its operations against the euro, especially during the first half of 2010. Finally, the decrease in the net gains on available for sale financial assets were also offset by the higher profit for the year.

### Gross written premiums development

(€ million)	31/12/2010	31/12/2009	Change	Change like for like <sup>(*)</sup>
<b>Gross written premiums <sup>(**)</sup></b>	<b>73,187.8</b>	<b>70,529.7</b>	<b>3.8%</b>	<b>2.8%</b>
Life gross written premiums <sup>(**)</sup>	51,098.1	48,894.1	4.5%	3.6%
Non-life gross written premiums	22,089.7	21,635.6	2.1%	1.1%

(\*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year.

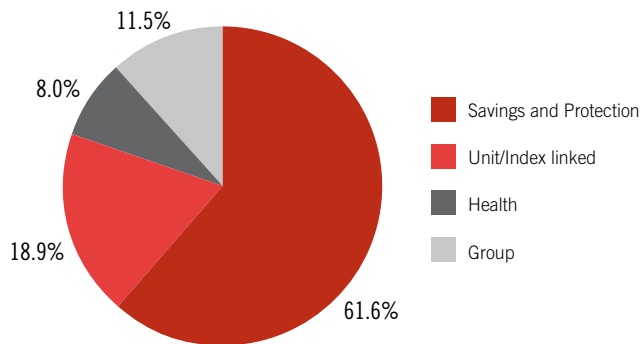
(\*\*) Taking into account premiums related to investment contracts, which amount at € 4,752.4 million (€ 4,017.5 million at 31 December 2009).

**Total written premiums gross of reinsurance** — which also include premiums related to investment contracts — amounted to € 73,187.8 million, up 3.8% (up 2.8% on equivalent terms).

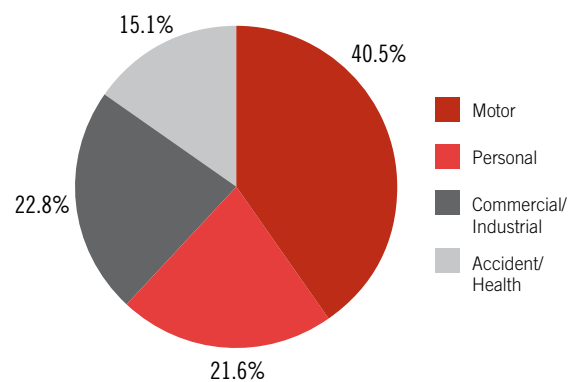
The increase reflects the 4.5% growth (up 3.6% on equivalent terms) of gross life written premiums, which amounted to € 51,098.1 million, regarding all the business lines with the exception of the savings and protection policies that remained stable at Group level compared to 2009.

The non-life segment, whose gross written premiums amounted to € 22,089.7 million, reaffirmed the recovery signals observed as of the second half of 2010, with a 2.1% increase (up 1.1% on equivalent terms), thanks to the development of the Personal and Accident and Health policies. In 2010, the composition of the portfolio in the major countries in which the Group operates shifted towards Non-motor retail lines, which are characterized by a lower loss ratio. Accordingly, the Non-motor line's weight increased from 58.9% of the total non-life portfolio at the end of 2009 to 59.5%. As a consequence, the Motor line decreased to 40.5% of the total 2010 portfolio.

**GROUP LIFE WRITTEN PREMIUMS at 31/12/2010**



**GROUP NON LIFE WRITTEN PREMIUMS at 31/12/2010**



## Operating result

The **operating result of the Group** was € 4,076.6 million compared to € 3,649.7 million at 31 December 2009, up 11.7%. The increase was driven by the improvement of the net investment result in the life segment and the continuation of management efficiency-building processes, which enabled the further reduction of the Group's administration costs, whose ratio to net premiums therefore decreased from 3.3% to 3.2%.

Holding expenses rose slightly as a result of the higher costs linked to the variable part of personnel salaries and new advertising initiatives involving the Group's brand.

(€ million)	31/12/2010	31/12/2009	Change
Group operating result	4,507.6	4,156.8	8.4%
Italy	1,537.3	1,184.2	29.8%
France	754.4	706.0	6.8%
Germany	712.8	549.9	29.6%
Central and Eastern Europe	418.8	639.1	-34.5%
Rest of Europe	692.1	824.3	-16.0%
of which Spain	215.2	241.0	-10.7%
of which Austria	148.6	114.7	29.5%
of which Switzerland	261.8	328.9	-20.4%
Rest of World	392.3	253.4	54.8%
Holding expenses	-288.3	-268.5	7.3%
Consolidation adjustment	-142.7	-238.6	-40.2%
<b>Total Group operating result</b>	<b>4,076.6</b>	<b>3,649.7</b>	<b>11.7%</b>

In detail, **Italy** showed a positive operating result both in the life segment, driven by the net investment result, and in the non-life segment, which was characterized by a recovery of technical profitability. **Germany** also showed a good operating result, especially in the life segment. In **France**, the operating result improved slightly due to the strong performance of the life segment partially offset by a decrease in the non-life technical profitability. The operating result in **Central and Eastern Europe** was significantly influenced in the non-life segment by the effects of catastrophic events, while in the life segment it was most affected by capital market volatility, given the technical characteristics of the products placed by the insurance companies operating in this region.

## Non-operating result

The **non-operating result of the Group** went from € -1,481.3 million at 31 December 2009 to € -1,199.9 million, thanks to the positive non-operating performance of investments, which was partly offset by higher net non-operating expenses.

Non-operating result from investments was characterized by lower expenses associated with the hedging derivatives drawn up in order to hedge the Group's equity from the extraordinary market volatility that occurred in particular in early 2009, by lower impairment losses on equity investments due to the stronger financial market performance during the year and by the greater realized gains in the non-life segment.

The net other non-operating expenses, which include non-recurring incomes and expenses and the amortization of the value of portfolios acquired directly or by obtaining control of insurance or financial companies, amounted to € -479.4 million (€ -244.5 million at 31 December 2009), of which € 195.6 million was associated with the amortization of the value of business acquired (€ 192.3 million at 31 December 2009). In particular, the increase was substantially due to higher net allocations to non-recurring risk provision.

## From operating result to Group result

(€ million)	31/12/2010	31/12/2009	Change
<b>Earnings before taxes</b>	<b>2,876.8</b>	<b>2,168.4</b>	<b>32.7%</b>
Income taxes (*)	-909.2	-498.1	82.6%
<b>Earnings after taxes</b>	<b>1,967.5</b>	<b>1,670.3</b>	<b>17.8%</b>
Profit or loss from discontinued operations	50.8	96.1	-47.2%
<b>Consolidated result of the period</b>	<b>2,018.3</b>	<b>1,766.4</b>	<b>14.3%</b>
<b>Result of the period attributable to the Group</b>	<b>1,701.9</b>	<b>1,309.1</b>	<b>30.0%</b>
<b>Result of the period attributable to the Group</b>	<b>316.4</b>	<b>457.3</b>	<b>-30.8%</b>
<b>Consolidated operating result</b>	<b>4,076.6</b>	<b>3,649.7</b>	<b>11.7%</b>
Net earned premiums	65,726.5	64,036.1	2.6%
Net insurance benefits and claims	-67,720.0	-68,187.5	-0.7%
Acquisition and administration costs	-11,638.3	-11,180.6	4.1%
Net fee and commission income and net income from financial service activities	868.3	782.4	11.0%
Net operating income from financial instruments at fair value through profit or loss	4,832.7	7,967.1	-39.3%
Net operating income from other financial instruments	12,685.1	10,889.2	16.5%
Interest income and other income	12,415.7	11,726.3	5.9%
Interest expense on liabilities linked to operating activities	1,857.7	1,338.9	38.7%
Other expenses from other financial instruments and land and buildings (investment properties)	-400.6	-997.9	-59.9%
Interest expense on liabilities linked to operating activities	-499.7	-518.1	-3.6%
Other expenses from other financial instruments and land and buildings (investment properties)	-688.1	-660.0	4.3%
Operating holding expenses	-288.3	-268.5	7.3%
Net other operating expenses (**)	-389.4	-388.5	0.2%
<b>Consolidated non-operating result</b>	<b>-1,199.9</b>	<b>-1,481.3</b>	<b>-19.0%</b>
Net non-operating income from financial instruments at fair value through profit or loss	37.4	-198.8	-118.8%
Net non-operating income from other financial instruments (**)	-31.8	-301.3	-89.4%
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	479.9	392.4	22.3%
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-511.7	-693.7	-26.2%
Non-operating holding expenses	-726.1	-736.7	-1.4%
Interest expenses on financial debt	-704.5	-706.8	-0.3%
Other non-operating holding expenses	-21.7	-29.9	-27.5%
Net other non-operating expenses (***)	-479.4	-244.5	96.0%

(\*) The amount is net of operating taxes for € 40 million.

(\*\*) The amount is gross of interest expense on liabilities linked to financing activities.

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



## Financial position of the Group

### Investments

(€ million)	31/12/2010		31/12/2009	
	Total book value	% of total	Total book value	% of total
<b>Equity instruments (*)</b>	<b>27,298.3</b>	<b>8.5</b>	<b>27,881.1</b>	<b>9.1</b>
Available for sale financial assets	20,517.8	6.4	22,028.1	7.2
Financial assets at fair value through profit or loss	6,780.5	2.1	5,853.0	1.9
<b>Fixed income instruments (**)</b>	<b>254,835.5</b>	<b>79.2</b>	<b>241,465.0</b>	<b>78.6</b>
Bonds	225,986.3	70.2	212,424.9	69.1
Other fixed income instruments (***)	28,849.2	9.0	29,040.1	9.5
Held to maturity investments	4,544.9	1.4	3,165.7	1.0
Loans	69,706.4	21.7	72,306.5	23.5
Available for sale financial assets	165,721.2	51.5	151,917.9	49.4
Financial assets at fair value through profit or loss	14,863.0	4.6	14,074.9	4.6
<b>Land and buildings (investment properties) (****)</b>	<b>15,645.0</b>	<b>4.9</b>	<b>14,699.6</b>	<b>4.8</b>
<b>Other investments</b>	<b>11,850.4</b>	<b>3.7</b>	<b>11,044.8</b>	<b>3.6</b>
Investments in subsidiaries, associated companies and joint ventures	2,439.2	0.8	1,986.4	0.6
Derivatives (*****)	284.9	0.1	624.2	0.2
Receivables from banks or customers	7,476.4	2.3	6,500.3	2.1
Other investments	1,650.0	0.5	1,933.9	0.6
<b>Cash and cash equivalents (*****)</b>	<b>12,100.2</b>	<b>3.8</b>	<b>12,194.3</b>	<b>4.0</b>
<b>Total (*****)</b>	<b>321,729.4</b>	<b>100.0</b>	<b>307,284.8</b>	<b>100.0</b>
Investments back to unit and index-linked policies	50,344.0		42,467.2	
<b>Total investments</b>	<b>372,073.5</b>		<b>349,752.0</b>	

(\*) Investment fund units amounted to € 4,213.9 million (€ 4,101.6 million at 31 December 2009).

(\*\*) Investment fund units amounted to € 9,439.8 million (€ 8,877.1 million at 31 December 2009).

(\*\*\*) Investment fund units amounted to € 2,412.3 million (€ 1,968 million at 31 December 2009).

(\*\*\*\*) Taking into account derivative instruments booked as liabilities which amount to € 1,712.5 million (€ 1,472.9 million at 31 December 2009).

(\*\*\*\*\*) Taking into account Reverse REPO which amount to € 2,557.5 million (€ 2,482.7 million at 31 December 2009) and REPO which amount to € 1,447.7 million (€ 753.1 million at 31 December 2009).

(\*\*\*\*\*\*) Taking into account derivative instruments booked as liabilities and REPO.

### Return on investments

(€ million)	Current return		Harvesting rate		P&L return		Comprehensive return	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Fixed income instruments	4.3%	4.4%	0.7%	0.9%	5.0%	5.3%	2.8%	6.8%
Equities and equity-like investments	3.2%	3.5%	2.1%	-0.8%	5.3%	2.7%	4.3%	21.4%
Real estate investments	7.8%	7.6%	1.4%	0.5%	6.4%	5.6%	6.4%	5.6%
Other investments	1.8%	2.0%	0.2%	-2.1%	2.0%	-0.1%	2.0%	-0.1%
<b>Total investments</b>	<b>4.2%</b>	<b>4.3%</b>	<b>0.8%</b>	<b>0.5%</b>	<b>4.8%</b>	<b>4.6%</b>	<b>3.0%</b>	<b>7.3%</b>

At 31 December 2010, total investments amounted to € 372,073.5 million (up 6.4%): growth was reported both in investments, which amounted to € 321,729.4 million (up 4.7%), without including investments back to unit and index-linked policies, which amounted to € 50,344.0 million (up 18.5%).

The strategy embraced by the Group has preferred investments to maintain the current return in a market scenario featuring low interest rates especially on the short durations.

The breakdown of investments showed a decrease in the weight of equity instruments from 9.1% at 31 December 2009 to 8.5%, whereas the ratio of fixed income instruments went from 78.6% to 79.2%.

The decrease in **equity instruments** in favour of an increase in fixed-income instruments was primarily due to the start up, in the second half of the year, of a prudent investment strategy aimed at reducing the capital absorption of this asset class in the non- life segment.

In terms of the equity portfolio's contribution to the result of the period, the Group achieved a current return on investment<sup>1</sup>, calculated based to financial statement figures, of 3.2% (3.5% at 31 December 2009), which was affected by a slight decrease in dividends.

The profitability resulting from the realized and unrealized gains or losses through profit or loss (harvesting rate)<sup>2</sup> rose to 2.1% (down 0.8% at 31 December 2009), thanks to higher level of realized gains and to the decrease in impairment losses.

The comprehensive return<sup>3</sup>, which includes value changes of period recognized through profit or loss and equity, amounted to 4.3% compared to a 2009 (21.4%) characterized by a strong financial market recovery, particularly in the second half of the year.

As far as the composition of the **bond portfolio** is concerned, 2010 was characterized by a slight decrease in the corporate component, while reducing the related risk capital. The corresponding weight decreases from 45.3% at 31 December 2009 to 44.1%, offset by the related increase in government bonds, which rose from 54.7% to 55.9%. As part of an investment strategy consistent with the structure of insurance provisions, in the second half of the year in response to expectations of a rise in the rate curve and lower spreads on corporate bonds, investments in government bonds have been favoured and realized gains have been made on corporate bonds, thereby in order to reduce the investment risk level.

The strategy implemented by the Group allowed to support the current return of the fixed-income instruments at 4.3% (4.4% in 2009).

Also the realized and unrealized gains or losses through profit or loss made a positive contribution to the result of the year (harvesting rate), with a return of 0.7% (0.9% at 31 December 2009).

The comprehensive return, which includes changes in value of the period recognized through profit or loss and equity decreased to 2.8% (6.8% in 2009), weighed down by the widening of spreads in the last quarter that was reflected in the value of government bonds issued by peripheral countries mainly recognized through equity.

**Real estate investments** increased, in particular in the life segment. The related weight, calculated on the basis of the financial statement figures, is 4.9%. This category of investment also increased its contribution to the result of the period, showing a rise in current return on investment to 7.8% (7.6% at 31 December 2009). The return from realized gains or losses, net of depreciations and impairment losses (harvesting rate) also increased at 1.4% (0.5% at 31 December 2009).

<sup>1</sup> For details on how to determine this indicator, please refer to the methodological notes attached to this report.

<sup>2</sup> The harvesting rate is calculated on the basis of the realized and unrealized gains or losses through profit or loss different than current income. Further information is given in the appendix to this report.

<sup>3</sup> Comprehensive return is calculated on the basis of current income plus unrealized gains or losses of the period recognized through profit or loss or equity. Further information is given in the appendix to this report.

(€ million)	31/12/2010	31/12/2009	Change
<b>Total investments</b>	<b>321,729.4</b>	<b>307,284.8</b>	<b>4.7%</b>
Italy	87,631.7	88,534.8	-1.0%
France	72,343.0	68,187.1	6.1%
Germany	82,238.3	79,448.8	3.5%
Central and Eastern Europe	9,441.3	8,628.5	9.4%
Rest of Europe	46,170.5	43,958.1	5.0%
of which Spain	9,430.1	9,783.6	-3.6%
of which Austria	9,814.4	9,649.4	1.7%
of which Switzerland	17,703.4	15,977.6	10.8%
Rest of World	23,904.6	18,527.5	29.0%

## Shareholders' equity

(€ million)	31/12/2010	31/12/2009	Change
<b>Shareholders' equity attributable to the Group</b>	<b>17,489.8</b>	<b>16,652.3</b>	<b>5.0%</b>
Share capital and reserves	15,972.3	14,613.6	9.3%
Reserve for unrealized gains and losses on available for sale financial assets	-184.4	729.6	-125.3%
Result of the period	1,701.9	1,309.1	30.0%
<b>Shareholders' equity attributable to minority interests</b>	<b>2,574.7</b>	<b>3,272.0</b>	<b>-21.3%</b>
<b>Total</b>	<b>20,064.5</b>	<b>19,924.3</b>	<b>0.7%</b>

The shareholders' equity attributable to the Group amounted to € 17,489.8 million (€ 16,652.3 million at 31 December 2009). The 5.0% increase was essentially due to the positive performance of the reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies, thanks to the appreciation of foreign currencies against the euro in 2010 and the greater result for the year than in 2009, partly offset by the decrease in the reserve for unrealized gains and losses on available for sale financial assets.

In detail, the reserve for unrealized gains and losses on available for sale financial assets, i.e., the balance between unrealized gains and losses on financial assets, net of life deferred policyholder liabilities and deferred taxes, went from € 729.6 million at 31 December 2009 to € -184.4 million. The change of the period of € -913.9 million was attributable to the bond portfolio in the amount of € -787.2 million due to the widening of the spreads in peripheral countries, particularly in the last quarter of the year. The equity segment also decreased of € 198.3 million essentially due to the negative performance of the financial sector.

## Group solvency

The Group's solvency I ratio, which represents the ratio of the available margin, net of proposed dividends, and the required margin, confirms the Group's financial solidity. The ratio stood at 132% at the end of the year (128% at 31 December 2009), with an excess capital of € 5.4 billion.

## Insurance provisions

(€ million)	31/12/2010	31/12/2009	Change
<b>Insurance provisions - life segment (*)</b>	<b>308,986.3</b>	<b>285,844.3</b>	<b>8.1%</b>
Net insurance provisions and financial liabilities:	313,347.9	286,403.5	9.4%
traditional	262,892.6	243,812.2	7.8%
linked	50,455.3	42,591.3	18.5%
Deferred policyholders liabilities	-4,361.6	-559.2	n/a
<b>Insurance provisions - non-life segment (*)</b>	<b>30,235.8</b>	<b>29,576.8</b>	<b>2.2%</b>
Provisions for unearned premiums	5,450.4	5,363.2	1.6%
Provisions for outstanding claims	24,413.7	23,864.3	2.3%
Other insurance provisions	371.7	349.4	6.4%
<b>Insurance provisions</b>	<b>339,222.2</b>	<b>315,421.1</b>	<b>7.5%</b>
<b>Reservation ratio - non-life segment</b>	<b>148.8%</b>	<b>149.1%</b>	<b>-0.3</b>

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

Total insurance provisions, including life and non-life insurance provisions as well as financial liabilities related to investment contracts, rose from € 315,421.1 million at 31 December 2009 to € 339,222.2 million (up 7.5%).

Life insurance provisions and financial liabilities related to investment contracts excluding deferred policyholders liabilities went from € 286,403.5 million at 31 December 2009 to € 313,347.9 million (up 9.4%), thanks to the growth in insurance provisions related to both traditional and linked policies, due to the positive increase in net inflows and to the investment result attributable to policyholders.

Moreover, as a result of the interest rates performance in the last quarter, which was reflected in a decrease in the value of bond investments, the deferred policyholders liabilities amounted to € -4,361.6 million (€ -559.2 million at 31 December 2009).

(€ million)	31/12/2010	31/12/2009	Change
<b>Insurance provisions (*)</b>	<b>339,222.2</b>	<b>315,421.1</b>	<b>7.5%</b>
of which Italy	93,769.9	92,670.6	1.2%
of which France	86,753.5	80,491.0	7.8%
of which Germany	87,882.3	83,315.1	5.5%
of which Central and Eastern Europe	8,938.6	8,147.5	9.7%

(\*) After the elimination of intra-group transactions between segments, including financial liabilities related to investment contracts.

## Debt

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

- liabilities linked to consolidated operating activities, which are all financial liabilities related to specific consolidated balance sheet items. This category also includes liabilities related to investment contracts issued by insurance companies;
- liabilities linked to financing activities includes other consolidated financial liabilities, as several subordinated liabilities, bonds issued and loans received. For instance, liabilities arising from transactions carried out to acquire controlling shareholdings belong to this category.

Total liabilities were as follows:

(€ million)	31/12/2010	31/12/2009	Change
<b>Liabilities linked to operating activities</b>	<b>41,631.0</b>	<b>36,099.4</b>	<b>15.3%</b>
<b>Liabilities linked to financing activities</b>	<b>12,272.7</b>	<b>14,287.1</b>	<b>-14.1%</b>
Subordinated liabilities	6,492.9	6,422.3	1.1%
Other non subordinated liabilities linked to financing activities	5,779.8	7,864.8	-26.5%
<b>Total</b>	<b>53,903.8</b>	<b>50,386.5</b>	<b>7.0%</b>

The change in liabilities linked to operating activities is primarily attributable to net inflows related to life investment policies linked, classified among financial liabilities in accordance with international accounting standards.

The change in liabilities linked to financing activities compared to 31 December 2009 was essentially related to the redemption of the senior bond of € 1,750 million in July of this year.

The weighted average rate of liabilities linked to financing activities was 5.36% at 31 December 2010, stable compared to 31 December 2009, with an average duration of 6.87 (7.83% at 31 December 2009).

The related interest expense is broken down as follows:

(€ million)	31/12/2010	31/12/2009	Change
Interest expense on liabilities linked to operating activities	499.7	518.1	-3.6%
Interest expense on liabilities linked to financing activities	704.5	706.8	-0.3%
Interest expense on deposits under reinsurance business accepted (*)	32.9	37.8	-12.8%
<b>Total</b>	<b>1,237.1</b>	<b>1,262.7</b>	<b>-2.0%</b>

(\*) Interest expense on deposits under reinsurance business accepted have been deducted from the related interest income.

## Life segment

- Operating result: € 3,025.9 million (+23.5%)
- Gross written premiums: € 51,098.1 million (+ 4.5%)
- APE: € 5,332.6 million (+2.8%)

### Business performance of the life segment

#### Premiums development

In 2010 premiums deriving from new production shifted towards products requiring less capital absorption and thus offering higher returns in terms of new business value. **Gross written premiums** for the life segment, including premiums related to investment contracts, amounted to € 51,098.1 million (€ 48,894.1 million at 31 December 2009), up 4.5% (up 3.6% on equivalent terms), thanks to the written premiums in the first half of 2010, especially in individual linked policies, partly offset by the decline observed in the second half of the year, which was affected by the significant levels of written premiums in the previous year.

#### Gross written premiums

(€ million)	31/12/2010	31/12/2009	Change	Change like for like <sup>(*)</sup>
<b>Life gross written premiums <sup>(**)</sup></b>	<b>51,098.1</b>	<b>48,894.1</b>	<b>4.5%</b>	<b>3.6%</b>
Italy	13,793.9	12,912.6	6.8%	6.8%
France	11,393.8	12,377.1	-7.9%	-7.9%
Germany <sup>(***)</sup>	13,756.2	12,229.4	12.5%	12.5%
Central and Eastern Europe	1,766.1	1,671.9	5.6%	1.2%
Rest of Europe	6,668.8	6,824.3	-2.3%	-3.5%
of which Spain	920.4	1,127.9	-18.4%	-18.4%
of which Austria	1,165.3	1,115.4	4.5%	4.5%
of which Switzerland	978.4	897.1	9.1%	-0.2%
Rest of World	3,719.1	2,878.7	29.2%	19.4%

(\*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year.

(\*\*) Taking into account premiums related to investment contracts, which amount at € 4,752.4 million (€ 4,017.5 million at 31 December 2009).

(\*\*\*) Gross direct premiums written include premiums drawn from the provision for profit sharing, which amount to € 477.5 million at 31 December 2010 (€ 415.4 million at 31 December 2009).

Gross written premiums of the life segment in **Italy** increased from € 12,912.6 million at 31 December 2009 to € 13,793.9 million. The robust growth of direct written premiums (up 6.4%) may be attributed to the performance of individual savings and protection policies (up 6.0%) and Group policies linked to pension funds, essentially set up through proprietary networks. These performances were only partially offset by the decrease (down 2.5%) in individual linked policies.

Gross written premiums increased also in **Germany**, reaching € 13,756.2 million (€ 12,229.4 million at 31 December 2009), of which € 2,370.5 million associated with the Health line. The growth of 12.5% of direct written premiums was realized across all lines of business, and especially by the individual savings and protection policies (up 12.3%, driven by new non-linked investment products) and Group policies (up 48.1%).

Gross written premiums in **France** went from € 12,377.1 million at 31 December 2009 to € 11,393.8 million. Direct written premiums decreased (down 8.4%): this trend was the result of the decision to increase technical profitability by emphasising the placement of more profitable individual linked policies, which consequently increased by 26.7%, at the expense of individual savings policies (down 14.7%), especially single-premium policies, as well as Group policies (down 8.3%).

Gross written premiums in **Central and Eastern European countries** went from € 1,671.9 million at 31 December 2009 to € 1,766.1 million. The performance of direct written premiums (up 1.2% on equivalent terms) may essentially be attributed to the increase in written premiums for linked individual policies (up 42.2% on equivalent terms), particularly in the Czech Republic and Poland.

Written premiums in the Rest of Europe decreased by 3.5% on equivalent terms. Due to the country's difficult macroeconomic situation, gross written premiums in **Spain** decreased to € 920.4 million (€ 1,127.9 million at 31 December 2009). The decline in direct written premiums (down 18.4%) is due to the decision to reduce individual single-premium short-term savings policies and to progressively reduce Group single-premium annuities.

**Austria** contributed positively, reporting an increase of gross written premiums from € 1,115.4 million at 31 December 2009 to € 1,165.3 million. The 4.6% growth in direct written premiums may essentially be attributed to written premiums on single-premium savings and protection policies, and partially offset by the decline in individual linked products.

Gross written premiums in **Switzerland** increased to € 978.4 million (€ 897.1 million at 31 December 2009). Direct written premiums decreased slightly (down 0.2% on equivalent terms) since the growth of individual savings and protection policies offset the intentional decrease in individual guaranteed single-premium linked policies.

The increase in written premiums in the Rest of World area was concentrated in **Latin America** (up 40.5% on equivalent terms) and the **Far East** (up 27.9% on equivalent terms). In further detail, **Mexico** showed 59.6% growth on equivalent terms thanks to the increase in written premiums for single-premium disability and survivor benefit annuities, which benefited from the entry into force of new regulations. The growth of written premiums in **China** (up 36.6% on equivalent terms) derives in part from premiums associated with the local partner's pension plan and in part from the banking channel's contribution.

#### New annual business premium equivalent (APE)

(€ million)	31/12/2010	31/12/2009	Change	Change like for like <sup>(*)</sup>
<b>New annual business premium equivalent (APE)</b>	<b>5,332.6</b>	<b>5,188.3</b>	<b>2.8%</b>	<b>1.3%</b>
Italy	1,766.1	1,704.0	3.6%	3.6%
France	1,171.5	1,225.4	-4.4%	-4.4%
Germany	975.9	984.3	-0.9%	-0.9%
Central and Eastern Europe	171.7	157.9	8.7%	5.3%
Rest of Europe	792.3	740.0	7.1%	4.0%
of which Spain	118.4	127.7	-7.3%	-7.3%
of which Austria	97.4	83.3	16.9%	8.7%
of which Switzerland	95.5	90.0	6.1%	-10.5%
Rest of World	455.2	376.7	20.8%	7.3%

(\*) On equivalent terms: on equivalent exchange rates, consolidation area and share attributable to the Group.

**New annual business premium equivalent (APE)**, which totalled € 5,332.6 million, increased by 1.3% on equivalent exchange rates and portion attributable to the Group. The production of 2010 was characterized by a slight decline in annual premiums (down 0.7%), representing the majority of APE (57.2%), and a growing contribution of single premiums (up 4.2%).

The growth of new business premiums collected in **Italy** (up 3.6%) was driven by the increase in single premiums (up 12.1%), while the annual premiums, representing more than 61.0% of APE decreased of 1.0%.

The slight decline in new business in **Germany** (down 0.9%) was due to the combined effect of the slowdown in the Health line (down 27.0%, after the extraordinary production of 2009) partially offset by the recovery of the life segment (up 6.2%), driven by the considerable single premium production (+82.5%).

In **France**, the APE declined by 4.4% as a result of the planned reduction in single premium savings policies (less profitable in a scenario of very low interest rates) and the recovery of the unit-linked production (+32.6%).

The new production of the **Central and Eastern European countries** increased (up 5.3%) driven by the unit-linked production which represents 64.0% of the APE.

In the Rest of Europe, the production grew by 4.0%, thanks to the recovery in the unit-linked production in the English-speaking area. The production in **Spain** has decreased by 7.3% as a result of the planned slowdown in sales of investment products with short-term and low profitability, while there was a remarkable development in **Austria** (+8.7%) following a significant increase in the production of single premium (+31.1%). The decline in production in **Switzerland** (-10.5%) was mainly explained by the reduction in unit-linked products with guarantees following the introduction of products with lower capital absorption.

### New business value (NBV)

(€ million)	31/12/2010	31/12/2009	Change	Change like for like <sup>(*)</sup>
<b>New business value</b>	<b>1,050.2</b>	<b>1,127.7</b>	<b>-6.9%</b>	<b>-8.8%</b>
Italy	325.8	486.4	-33.0%	-33.0%
France	146.5	126.8	15.5%	15.5%
Germany	172.6	173.7	-0.7%	-0.7%
Central and Eastern Europe	55.5	61.7	-10.1%	-13.9%
Rest of Europe	197.2	172.6	14.2%	8.6%
of which Spain	27.6	30.4	-9.1%	-9.2%
of which Austria	22.7	22.7	0.2%	-4.9%
of which Switzerland	40.9	40.7	0.4%	-15.4%
Rest of World	152.6	106.4	43.5%	29.3%

(\*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year.

At Group level the **new business value (NBV)** amounted to € 1,050.2 million, showing a decrease of 8.8% on equivalent terms. The reasons behind this trend had to be found in the reduction of the profitability in Italy that had overcome the advantage given by the improved business mix. The internal rate of return, that is the rate which represents the investment yield that the shareholder makes in the new business, remained at good level and it came to 13.9%. With regard to the core business countries of the Group, please note the 33.0% decrease of the new business value in **Italy** caused by the impact of the relevant spread between the Italian government securities curve and the swap curve used in the calculation of the value. Not considering this effect, the profitability in Italy is slightly lower if compared to the same period last year.

In **Germany**, the value of the new business value was essentially stable to € 172.6 million, with increase in the profitability due to both regular and single premiums, but the bigger weight of the single premium products, less profitable, enabled that the overall profitability remains at the same level of 2009.



In **France** the new business value amounted to € 146.5 million, showing an increase of 15.5%. The increase was explained by the enhanced business mix especially by the bigger weight on the APE of the unit-linked production that, in France, had a higher profitability if compared with the one related to the savings and protection products.

In the **Central and Eastern Europe countries** the new business value had a decrease of 13.9% on equivalent terms, due to the profitability in Czech Republic that, though it is on high level, showed a decrease in comparison to the same period last year, mainly attributable to the surrenders.

The new business value of the **Rest of Europe** amounted to € 197.2 million, up by 8.6% on equivalent terms, pulled by the strong increase in the English-speaking countries.

In detail the new business value of **Spain** amounted to € 27.6 million, down by 9.2%, **Austria** showed a stable new business value at € 22.7 million, with a decrease on equivalent terms due to the increase of the Group participation shares, and the new business value of **Switzerland** amounted to € 40.9 million, down by 15.4% on equivalent terms, due to the fact that the Euro had gone down against the Swiss Franc.

### Net cash inflows

(€ million)	31/12/2010	31/12/2009	Change	Change like for like <sup>(*)</sup>
<b>Net cash inflows</b>	<b>16,133.0</b>	<b>16,082.6</b>	<b>0.3%</b>	<b>-0.9%</b>
Italy	1,790.3	1,182.3	51.4%	51.4%
France	4,443.6	5,840.5	-23.9%	-23.9%
Germany <sup>(**)</sup>	4,923.4	4,076.6	20.8%	20.8%
Central and Eastern Europe	533.6	700.1	-23.8%	-26.1%
Rest of Europe	2,822.8	3,188.3	-11.5%	-12.9%
of which Spain	-521.5	-303.1	-72.1%	-72.1%
of which Austria <sup>(**)</sup>	163.1	79.4	105.4%	105.4%
of which Switzerland	544.7	504.1	8.1%	-1.1%
Rest of World	1,619.3	1,094.8	47.9%	35.6%

(\*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year.

(\*\*) Taking into account Health business.

Also this year, the Group's distribution model, which is based on proprietary networks and direct channels, enabled the Group to achieve a high level of **net cash inflows**, equal to the amount of premiums collected net of benefit paid, which amounted to € 16,133.0 million, down slightly (down 0.9% on equivalent terms) compared to the corresponding period of the previous year.

**Italy** provided a positive contribution due to the increase in written premiums, which offset the growth in capital outflows attributable to maturity payments. **Germany** also yielded growth as a result of the increase in direct written premiums seen across all lines of business.

**France** also showed a positive net cash inflows, albeit at a reduced level due to the decrease in written premiums aimed at achieving greater profitability. Net cash inflows also fell in **Central and Eastern Europe**, mainly due to the rise in payments related to investment contracts and maturities on insurance business, which were not offset by premium growth.

The performance of net cash inflows contributed to the increase in insurance provisions and financial liabilities related to policies, which, gross of deferred policyholders liabilities, rose from € 286,403.5 million at 31 December 2009 to € 313,347.9 million.

## Operating result

(€ million)	31/12/2010	31/12/2009	Change
<b>Operating result</b>	<b>3,025.9</b>	<b>2,451.0</b>	<b>23.5%</b>
Technical margin	5,995.7	5,984.1	0.2%
Net investment result	2,381.9	1,626.4	46.5%
Total operating expenses	-5,351.7	-5,159.5	3.7%

**Operating result** of the life segment amounted to € 3,025.9 million, up by 23.5% compared to the same period of 2009, thus showing an operating performance that even exceeded the results achieved prior to the financial market crisis.

The increase was essentially driven by the greater contribution of the net investment result, defined as the difference between the operating income from investments and the related policyholders' interests.

(€ million)	31/12/2010	31/12/2009	Change
<b>Operating result - life segment</b>	<b>3,025.9</b>	<b>2,451.0</b>	<b>23.5%</b>
Italy	1,188.1	1,010.4	17.6%
France	596.1	454.7	31.1%
Germany	354.0	241.0	46.9%
Central and Eastern Europe	177.1	297.2	-40.4%
Rest of Europe	417.3	265.3	57.3%
of which Spain	110.0	89.3	23.1%
of which Austria	64.0	33.6	90.4%
of which Switzerland	127.6	71.4	78.8%
Rest of World	293.4	182.5	60.8%

Breaking the operating result of the life segment down by the Group's main countries of operation, **Italy**, **Germany** and **France** performed well, driven by the net investment result, whereas **Central and Eastern Europe** was more extensively affected by financial market volatility due to the effect of the technical and financial characteristics of the products placed. On the other hand, operating result in **Switzerland** improved as result of the positive performance of the technical margin and the exchange-rate effect. The growth achieved in the **Rest of World** area is essentially due to the operating result in Israel.

### Operating result: Technical margin

(€ million)	31/12/2010	31/12/2009	Change
<b>Technical margin</b>	<b>5,995.7</b>	<b>5,984.1</b>	<b>0.2%</b>
Net earned premiums	45,452.5	44,103.4	3.1%
Fee and commission from financial service activities	222.6	196.6	13.2%
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	-39,706.3	-38,337.5	3.6%
Other insurance items	26.7	21.6	23.9%

The technical margin, which includes loading, risk result and profits on surrenders of the period, remained substantially stable, thanks to the positive written premiums trend and to the good profitability level of the risk lines and the health line of the Group's portfolio. The technical margin does not include insurance operating expenses, which are allocated to the related item.

### Operating result: Net investment result

(€ million)	31/12/2010	31/12/2009	Change
<b>Net investment result</b>	<b>2,381.9</b>	<b>1,626.4</b>	<b>46.5%</b>
Operating income from investments	15,940.6	17,293.5	-7.8%
Net income from investments	12,010.1	10,370.6	15.8%
Current income from investments	11,255.5	10,685.2	5.3%
Net operating realized gains on investments	1,838.5	1,308.0	40.6%
Net operating impairment losses on investments	-365.5	-962.2	-62.0%
Other operating net financial expenses	-718.5	-660.4	8.8%
Net income from financial instruments at fair value through profit or loss	3,930.5	6,922.9	-43.2%
Net income from financial instruments related to unit and index-linked policies	2,902.3	5,150.7	-43.7%
Net other income from financial instruments at fair value through profit or loss	1,028.2	1,772.2	-42.0%
Policyholders' interests on operating income from investments	-13,558.7	-15,667.1	-13.5%

**Net investment result**, which consists of the operating income from investments, net of the related policyholders' interests, showed considerable improvement attributable, on the one hand, to an active management of the investments that allowed current profitability to be maintained and greater realized gains to be achieved, as well as to lower impairment losses than in the previous year, and, on the other hand, the reduction of the policyholders financial profit sharing considered the features of life products sold by the Group.

**Current income from investments** rose from € 10,685.2 million at 31 December 2009 to € 11,255.5 million, with a current return on total investments<sup>4</sup>, calculated on the financial statement figures, of 4.3%, essentially in line with the previous year.

In a scenario of financial markets characterized by low interest rates especially for short durations, this result benefited from the investment strategy adopted by the Group, which aimed to sustain current profitability consistently with the duration of the insurance provisions.

In particular, current income from fixed income instruments amounted to € 9,620.3 million (€ 9,108.0 million at 31 December 2009), with a current return of 4.4% at the end of 2010, driven by selected investments in corporate securities with solid fundamentals and high credit standing, despite the gradual increase in the weight of the government bond component. Current income from the equities portfolio rose from € 602.1 million at 31 December 2009 to € 692.4 million, mainly thanks to investments in high-dividend shares that allowed the associated current return to be kept essentially stable at 3.0%.

Current income from investments properties increased to € 650.3 million (€ 591.8 million at 31 December 2009), with profitability up to € 7.4% (6.9% at 31 December 2009).

<sup>4</sup> For details on how to determine this indicator, see the methodological notes attached to this report.

The increase in **net operating realized gains on investments**, which rose from € 1,308.0 million at 31 December 2009 to € 1,838.5 million, benefited from gains realized on equities as part of a strategy aimed at realizing gains through trading activity closely associated with appropriate hedging transactions.

**Net operating impairment losses on investments** decreased from € -962.2 million in the previous year to € -365.5 million. The decrease in the year was essentially attributable to bear stock market performances in the second quarter of the year.

**Other operating net financial expenses**, which include interest expense associated with operating debt and investment management expenses, went from € -660.4 million at 31 December 2009 to € -718.5 million, essentially due to greater interest expenses on operating liabilities.

The steepening of the interest-rate curve and the widening of spreads for peripheral countries in the last quarter were also reflected in the **net income from financial instruments related to unit and index-linked contract**, which went from € 5,150.7 million at 31 December 2009 to € 2,902.3 million. This decrease was essentially offset by the related change in the policyholders' interests.

Also, **net income from financial instruments at fair value through profit or loss**, which amounted to 1,028.2 million (€ 1,772.2 million at 31 December 2009), suffered from the interest-rate trend and the widening of spreads for peripheral countries. The previous year benefited from the strong stock market recovery that began in the second quarter.

**Policyholders' interests on operating income from investments** decreased from € -15,667.1 at 31 December 2009 to € -13,558.7, essentially affected by the lesser policyholders' interests related to unit and index-linked contracts in accordance with the performance of the associated investment result.

#### Operating result: Total operating expenses

(€ million)	31/12/2010	31/12/2009	Change
<b>Total operating expenses</b>	<b>-5,351.7</b>	<b>-5,159.5</b>	<b>3.7%</b>
Acquisition and administration costs related to insurance business	-5,228.8	-5,043.5	3.7%
Net other operating expenses	-122.9	-116.0	6.0%

**Total operating expenses** increased by 3.7%. In detail, **acquisition and administration costs related to insurance business** amounted to € 5,228.8 million, up by 3.7%. The expense ratio remained essentially stable at 10.4% (10.5% at 31 December 2009) as the management efficiency-building processes continued.

	31/12/2010	31/12/2009	Change
Expense ratio	10.4%	10.5%	-0.1
Acquisition costs / net premiums	8.3%	8.4%	-0.1
Administration costs / net premiums	2.1%	2.1%	0.0

(%)	Expense ratio		Acquisition ratio		Administration ratio	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Italy	8.7	9.2	6.8	7.1	1.9	2.1
France	8.2	6.7	6.9	5.6	1.3	1.2
Germany	12.4	14.3	11.1	12.9	1.3	1.4
Central and Eastern Europe	17.3	18.7	12.4	13.3	4.9	5.3
Rest of Europe	9.8	8.6	7.1	6.0	2.7	2.5
of which Spain	6.7	5.2	5.7	4.3	1.0	0.8
of which Austria	13.4	13.7	9.5	9.3	3.9	4.5
of which Switzerland	19.6	17.4	13.8	11.8	5.8	5.6
Rest of World	15.2	17.0	8.0	9.3	7.1	7.7

Acquisition costs, which amounted to € 4,178.5 million, increased by 3.4% compared to 31 December 2009, particularly in Italy and Central and Eastern Europe as a result of the increase in written premiums. They also increased in France. The ratio of acquisition costs to the associated net premiums remained essentially stable at 8.3% (8.4% at 31 December 2009).

Insurance administration costs amounted to € 1,050.3 million. The increase compared to 31 December 2009 (up 4.7%) was concentrated in Germany and France. The ratio of administration costs to insurance provisions was 0.35%, whereas the ratio to net premiums was 2.1%, both stable compared to 2009.

## Non-operating result

The **non-operating result** of the life segment went from € -236.2 million at 31 December 2009 to € -183.1 million, thanks to the positive non-operating performance of investments, which was partly offset by higher net non-recurring expenses. The non-operating result of investments benefited from lower net impairment losses and greater net realized gains on which the policyholders' profit sharing is not based on.

## Operating result - life segment

(€ million)	31/12/2010	31/12/2009	Change
<b>Operating result - life segment</b>	<b>3,025.9</b>	<b>2,451.0</b>	<b>23.5%</b>
Net premiums	45,452.5	44,103.4	3.1%
Net insurance benefits and claims	-53,265.0	-54,001.4	-1.4%
of which change in the provisions for unit and index-linked policies	-4,667.2	-6,470.5	-27.9%
Acquisition and administration costs	-5,136.6	-4,961.4	3.5%
Acquisition and administration costs related to insurance business <sup>(*)</sup>	-5,115.1	-4,947.1	3.4%
Other acquisition and administration costs	-21.5	-14.2	51.1%
Net fee and commission income and net income from financial service activities	108.9	100.3	8.7%
Net operating income from financial instruments at fair value through profit or loss	4,681.1	7,744.9	-39.6%
of which net income from financial assets and liabilities related to unit and index-linked policies	2,902.3	5,150.7	-43.7%
Net operating income from other financial instruments	11,259.6	9,548.6	17.9%
Interest income and other income	10,505.0	9,863.1	6.5%
Net operating realized gains on other financial instruments and land and buildings (investment properties)	1,838.5	1,308.0	40.6%
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-365.5	-962.2	-62.0%
Interest expense on liabilities linked to operating activities	-209.1	-158.9	31.6%
Other expenses from other financial instruments and land and buildings (investment properties)	-509.4	-501.4	1.6%
Net other operating expenses <sup>(**)</sup>	-74.6	-83.4	-10.6%
<b>Non-operating result - life segment</b>	<b>-183.1</b>	<b>-236.2</b>	<b>-22.5%</b>
Net non-operating income from other financial instruments	-72.8	-188.2	-61.3%
Net non-operating realized gains on other financial instruments and land and buildings (investment properties) <sup>(***)</sup>	57.3	14.2	304.5%
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties) <sup>(****)</sup>	-130.1	-202.3	-35.7%
Net other non-operating expenses <sup>(****)</sup>	-110.3	-48.0	129.6%
<b>Earnings before taxes - life segment</b>	<b>2,842.8</b>	<b>2,214.8</b>	<b>28.4%</b>

(\*) Commissions related to investment contracts, which amounted to € 113.7 million (€ 96.3 million at 31 December 2009), are included in net fee and commission income and net income from financial service activities.

(\*\*) The amount is net of operating taxes for € 40 million.

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

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

## Gross direct premiums by Line of Business- life segment

(€ million)	31/12/2010	Individual savings and protection	Individual unit/index linked	Health	Group	Total
Italy		11,715.1	262.9	0.0	1,490.5	13,468.5
France		7,945.9	1,646.4	864.5	721.1	11,177.9
Germany		6,948.9	3,215.6	2,370.5	1,220.4	13,755.4
Central and Eastern Europe		1,089.1	483.3	174.0	19.8	1,766.1
Rest of Europe		1,874.8	3,783.6	260.7	729.8	6,649.0
of which Spain		566.9	16.7	0.0	336.6	920.1
of which Austria		644.9	289.9	221.6	0.0	1,156.4
of which Switzerland		204.9	762.6	8.7	2.0	978.2
Rest of World		1,107.2	22.6	305.1	1,561.6	2,996.5
<b>Total</b>		<b>30,680.9</b>	<b>9,414.4</b>	<b>3,974.8</b>	<b>5,743.3</b>	<b>49,813.4</b>

(€ million)	31/12/2009	Individual savings and protection	Individual unit/index linked	Health	Group	Total
Italy		11,048.7	269.7	0.0	1,338.0	12,656.4
France		9,318.8	1,299.8	798.8	786.1	12,203.5
Germany		6,186.7	3,184.8	2,033.2	823.8	12,228.4
Central and Eastern Europe		1,170.5	326.6	155.2	19.5	1,671.9
Rest of Europe		2,026.4	3,777.3	250.6	754.7	6,809.0
of which Spain		736.5	20.9	0.0	370.4	1,127.9
of which Austria		563.7	327.7	213.6	0.0	1,105.0
of which Switzerland		185.1	701.5	8.7	1.5	896.8
Rest of World		792.6	35.0	227.1	1,210.3	2,265.0
<b>Total</b>		<b>30,543.7</b>	<b>8,893.2</b>	<b>3,465.0</b>	<b>4,932.4</b>	<b>47,834.3</b>

## Financial position of the life segment

### Investments

(€ million)	31/12/2010		31/12/2009	
	Total book value	% of total	Total book value	% of total
<b>Equity instruments<sup>(*)</sup></b>	<b>22,874.3</b>	<b>8.5</b>	<b>22,948.4</b>	<b>9.0</b>
Available for sale financial assets	16,567.1	6.2	17,620.1	6.9
Financial assets at fair value through profit or loss	6,307.2	2.3	5,328.3	2.1
<b>Fixed income instruments<sup>(**)</sup></b>	<b>222,877.1</b>	<b>82.9</b>	<b>210,444.8</b>	<b>82.5</b>
Bonds	201,331.7	74.9	189,045.1	74.1
Other fixed income instruments <sup>(***)</sup>	21,545.5	8.0	21,399.7	8.4
Held to maturity investments	3,722.7	1.4	2,367.5	0.9
Loans	60,103.7	22.3	62,072.9	24.3
Available for sale financial assets	145,574.5	54.1	133,288.6	52.3
Financial assets at fair value through profit or loss	13,476.2	5.0	12,715.8	5.0
<b>Land and buildings (investment properties)<sup>(****)</sup></b>	<b>9,232.6</b>	<b>3.4</b>	<b>8,703.3</b>	<b>3.4</b>
<b>Other investments</b>	<b>6,979.4</b>	<b>2.6</b>	<b>6,957.3</b>	<b>2.7</b>
Investments in subsidiaries, associated companies and joint ventures	5,121.9	1.9	4,632.7	1.8
Derivatives <sup>(*****)</sup>	345.9	0.1	555.4	0.2
Receivables from banks or customers	0.0	0.0	0.0	0.0
Other investments	1,511.6	0.6	1,769.3	0.7
<b>Cash and cash equivalents<sup>(*****)</sup></b>	<b>6,980.4</b>	<b>2.6</b>	<b>5,938.7</b>	<b>2.3</b>
<b>Total<sup>(*****)</sup></b>	<b>268,943.9</b>	<b>100.0</b>	<b>254,992.5</b>	<b>100.0</b>
Investments back to unit and index-linked policies	50,344.0		42,467.2	
<b>Total investments</b>	<b>319,287.9</b>		<b>297,459.7</b>	

(\*) Investment fund units amounted to € 3,568.1 million (€ 3,556.3 million at 31 December 2009).

(\*\*) Investment fund units amounted to € 8,874.5 million (€ 8,006.2 million at 31 December 2009).

(\*\*\*) Investment fund units amounted to € 2,250.3 million (€ 1,826.8 million at 31 December 2009).

(\*\*\*\*) Taking into account derivative instruments booked as liabilities which amount to € 769.4 million (€ 693.8 million at 31 December 2009).

(\*\*\*\*\*) Taking into account Reverse REPO which amount to € 1,958.7 million (€ 1,421.1 million at 31 December 2009) and REPO which amount to € 589.6 million (€ 301.4 million at 31 December 2009).

(\*\*\*\*\*\*) Taking into account derivative instruments booked as liabilities and REPO.

### Return on investment – life segment

(€ million)	Current return		Harvesting rate		P&L return		Comprehensive return	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Fixed income instruments	4.4%	4.5%	0.8%	1.0%	5.1%	5.5%	2.8%	6.9%
Equities and equity-like investments	3.0%	3.1%	3.0%	0.3%	6.0%	3.4%	4.9%	22.4%
Real estate investments	7.4%	6.9%	0.8%	-0.1%	6.0%	4.7%	6.0%	4.8%
Other investments	2.1%	2.7%	0.6%	-2.0%	2.7%	0.7%	2.7%	0.7%
<b>Total investments</b>	<b>4.3%</b>	<b>4.4%</b>	<b>0.9%</b>	<b>0.7%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>2.9%</b>	<b>7.7%</b>



At 31 December 2010, total investments of the life segment were € 319,287.9 million (up 7.3%), of which € 308,986.3 million related to the insurance provisions. In detail, growth was reported both in total investments, which amounted to € 268,943.9 million (up 5.5%), without including investments back to unit and index-linked policies, which amounted to € 50,344.0 million (up 18.5%).

The Group's investment strategy favoured, in particular in the last quarter, the investment in bonds, the weight of which rose from 82.5% to 82.9%, while prudentially reducing the exposure to equities, which decline from 9.0% to 8.5%, focusing on investments with returns expected to outperform the market and high dividends.

Regarding the **bond portfolio**, the corporate securities exposure decreased from 44.1% at 31 December 2009 to 43.0%, in favour of government bonds, the weight of which rose from 55.9% to 57.0%. In particular, with reference to the government bonds, the exposure in the Greek and Spanish sovereign debt was reduced in 2010.

Starting from the second half of the year, the Group's investment strategy aimed at taking advantage of the expected rise in the rate curve and the reduction of spreads on corporate bonds by privileging investments in government bonds and realizing gains on corporate securities. The strategy enforced allowed to maintain the current return of the bond portfolio<sup>5</sup>, which amounted to 4.4% and, at the same time, to obtain realized gains.

The contribution of the fixed-income instruments to the result of the period, however, has been penalized by the decline of the bond's value recognized through profit or loss, which resulted in a slight decline in the harvesting rate<sup>6</sup>, which was 0.8% (1.0% at 31 December 2009).

The comprehensive return<sup>7</sup>, which includes changes in value of the period recognized through profit or loss and equity decreased to 2.8% (6.9% in 2009), influenced by the decrease in the value of bond portfolios, in particular in the last quarter, as a result of the aforementioned widening of spreads for peripheral countries recognized through equity.

The contribution made by **equity instruments** to the result of the year increased, driven by a good current return, stable at 3.0% despite the general reduction in dividends, in addition to the improved performance of harvesting (3.0% compared to 0.3% at 31 December 2009), which benefited in particular from the higher realized gains and lower impairment losses recognized during the period.

By contrast, the comprehensive return, which includes changes in value of the period recognized through profit or loss and equity, declined at 4.9%, compared to a 2009 (22.4%) that benefited from the strong recovery of equities markets in particular in the second half of that year.

**Real estate investments** also increased, calculated based on the financial statement figures, to 3.4%, and their contribution to the result of the year also improved. In detail, improved both the current return at 7.4% (6.9% at 31 December 2009) and also the return arising from net realized gains, net of depreciations and impairment losses at 0.8% (-0.1% at 31 December 2009).

<sup>5</sup> For details on how to determine this indicator, please refer to the methodological notes attached to this report.

<sup>6</sup> The harvesting rate is calculated on the basis of the realized and unrealized gains or losses through profit or loss different than current income. Further information is given in the appendix to this report.

<sup>7</sup> Comprehensive return is calculated on the basis of current income plus unrealized gains or losses of the period recognized through profit or loss or equity. Further information is given in the appendix to this report.

(€ million)	31/12/2010	31/12/2009	Change
<b>Total investments - life segment</b>	<b>268,943.9</b>	<b>254,992.5</b>	<b>5.5%</b>
Italy	75,230.7	74,899.1	0.4%
France	67,906.0	63,556.7	6.8%
Germany	72,747.6	69,726.3	4.3%
Central and Eastern Europe	6,063.9	5,682.3	6.7%
Rest of Europe	24,715.4	23,866.8	3.6%
of which Spain	7,622.2	8,019.5	-5.0%
of which Austria	6,985.8	6,847.2	2.0%
of which Switzerland	3,125.5	2,414.4	29.5%
Rest of World	22,280.3	17,261.2	29.1%

### Insurance provisions - life segment

(€ million)	31/12/2010	31/12/2009	Change
<b>Insurance provisions - life segment</b>	<b>308,986.3</b>	<b>285,844.3</b>	<b>8.1%</b>
Net insurance provisions and financial liabilities:	313,347.9	286,403.5	9.4%
traditional	262,892.6	243,812.2	7.8%
linked	50,455.3	42,591.3	18.5%
Deferred policyholders liabilities	-4,361.6	-559.2	n/a

Excluding deferred policyholders liabilities, insurance provisions and financial liabilities related to investment contracts increased, rising from € 286,403.5 million at 31 December 2009 to € 313,347.9, thanks to the rise in both traditional portfolio provisions (up 7.8%) and provisions for linked policies (up 18.5%). This growth may be attributed both to the positive performance of written premiums and to the investment result shared with policyholders. In addition, deferred policyholders liabilities amounted to € -4,361.6 million (€ -559.2 million at 31 December 2009) as a result of interest-rate trends, which affected the value of the Group's bond investments.

(€ million)	31/12/2010		31/12/2009	
	Traditional	Linked	Traditional	Linked
<b>Net insurance provisions and financial liabilities</b>	<b>262,892.6</b>	<b>50,455.3</b>	<b>243,812.2</b>	<b>42,591.3</b>
of which Italy	77,088.2	6,282.8	73,115.1	6,880.9
of which France	66,842.7	15,149.9	61,465.4	13,095.8
of which Germany	72,289.3	12,448.8	68,782.8	10,104.9
of which Central and Eastern Europe	5,597.4	1,070.0	353.3	247.8

## Non-life segment

- Gross written premiums: € 22,089.7 million (+2.1%)
- Combined ratio: 98.8%
- Operating result: € 1,128.1 million (-11.4%)

### Business performance of the non-life segment

#### Premiums development

Written premiums in the non-life segment confirmed the initial signals of a recovery that were first seen in the second half of 2010, despite the continuation of the challenging macroeconomic scenario in the Group's main countries of operation. As a matter of fact, **gross written premiums** increased by 2.1% (up 1.1% on equivalent terms), from € 21,635.6 million to € 22,089.7 million.

#### Gross written premiums

(€ million)	31/12/2010	31/12/2009	Change	Change like for like <sup>(*)</sup>
<b>Non-life gross written premiums <sup>(*)</sup></b>	<b>22,089.7</b>	<b>21,635.6</b>	<b>2.1%</b>	<b>1.1%</b>
Italy	7,440.1	7,353.1	1.2%	1.2%
France	3,891.5	3,754.1	3.7%	3.6%
Germany	2,997.5	3,034.3	-1.2%	-1.2%
Central and Eastern Europe	2,245.7	2,203.8	1.9%	-1.7%
Rest of Europe	4,203.2	4,160.2	1.0%	-0.2%
of which Spain	1,371.7	1,441.0	-4.8%	-4.8%
of which Austria	1,349.9	1,345.3	0.3%	0.3%
of which Switzerland	579.9	511.5	13.4%	3.8%
Rest of World	1,311.7	1,129.9	16.1%	8.8%

(\*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year.

In **Italy**, gross written premiums increased to € 7,440.1 million (€ 7,353.1 million at 31 December 2009). The increase by 0.8% of direct written premiums is attributable both to the Non-motor (up 0.9%) and the Motor lines (up 0.6%). In detail, the average premium for the Motor line increased as a result of the portfolio reform policies implemented in the previous year with the aim of recover adequate levels of technical profitability. Non-motor growth was concentrated primarily in the Personal lines, which, after the contraction caused by the economic crisis, retrieved the volumes of 2008.

Gross written premiums also increased in **France** to € 3,891.5 million (€ 3,754.1 million at 31 December 2009). The

3.3% increase in direct written premiums may be attributed to growth in both the Motor (up 2.9%) and Non-motor lines (up 3.5%); in essence, the entire portfolio benefited from the tariff increases applied. Lastly, assistance policies performed well (up 1.7%) compared to the previous year, when written premiums had continued to be influenced by the effects of the economic crisis.

Conversely, gross written premiums declined in **Germany**, from € 3,034.3 million at 31 December 2009 to € 2,997.5 million. Against Non-motor line written premiums on a par with 31 December 2009; the reduction in direct written premiums (down 1.2%) may be attributed to the Motor segment (down 3.2%). The Motor business was affected by the strict tariff policy applied in a market that remains in a period of competitive tension.

Gross written premiums in **Central and Eastern Europe** also decreased, declining to € 2,245.7 million. The reduction in direct written premiums (down 2.1% on equivalent terms) may be attributed to the persistence of the unfavourable situation in the Motor business (down 8.1% on equivalent terms), characterized by strong tariff competition and an increase in commission levels. The favourable performance of the Non-motor segment (up 5.0% on equivalent terms) was driven by the Personal line.

Written premium growth in the Rest of Europe was driven by **Austria**, where gross written premiums amounted to € 1,349.9 million, and **Switzerland**, where gross written premiums amounted to € 579.9 million, in both cases as a result of the performance of Non-motor lines. In further detail, the 0.7% increase in direct written premiums in Austria resulted from the growth of the Personal line (up 2.2%), partly offset by a slight decrease in the Motor business (down 0.2%) due to the reduced indexing of tariffs in the first half of the year and government policies encouraging the purchase of low-displacement cars. The 3.8% on equivalent terms increase in direct written premiums in Switzerland mainly derived from the performance of the Non-motor lines (up 7.5% on equivalent terms). In detail, the Accident and Health lines showed 14.1% on equivalent terms growth following the reaching of important collective contracts with municipal and cantonal entities, as well as the contracting of compulsory policies by businesses.

Lastly, gross written premiums in **Spain**, which amounted to € 1,371.7 million (€ 1,441.0 million at 31 December 2009), continued to be conditioned by the country's difficult economic situation. Direct written premiums declined (down 6.3%), due both to the performance of the Motor business (down 12.8%) and the Commercial/Industrial line (down 10.9%). Corporate risks continue to be negatively influenced by the lack of new industrial business, tariff tensions surrounding existing portfolios and the discontinuation of operation by numerous companies.

Growth in the Rest of World area was driven by the development of direct written premiums in **Latin America** (up 12.8% on equivalent terms), especially thanks to **Argentina** (up 27.1% on equivalent terms), owing to the significant increase in the Motor segment due to the combined effect of higher inflation and tariff policies.

## Operating result

(€ million)	31/12/2010	31/12/2009	Change
<b>Operating result</b>	<b>1,128.1</b>	<b>1,273.6</b>	<b>-11.4%</b>
Technical result	184.3	273.5	-32.6%
Investment result	1,196.1	1,225.9	-2.4%
Other operating items	-252.3	-225.8	11.7%

**Operating result** in the non-life segment was € 1,118.2 million (€ 1,273.6 compared to 31 December 2009). This performance may essentially be ascribed to the decline in the technical result, which represents the difference between premiums and costs of insurance operations (claims, acquisition and administration costs and other net technical income). Despite the aforementioned recovery of premiums, catastrophic events had an overall impact of approximately € 380 million on the operating result. The investment result remained stable, while other operating items were up slightly.

(€ million)	31/12/2010	31/12/2009	Change
<b>Operating result - non-life segment</b>	<b>1,128.1</b>	<b>1,273.6</b>	<b>-11.4%</b>
Italy	205.5	55.3	271.4%
France	149.1	245.7	-39.3%
Germany	307.9	258.4	19.2%
Central and Eastern Europe	218.3	321.9	-32.2%
Rest of Europe	199.1	359.5	-44.6%
of which Spain	105.2	151.7	-30.6%
of which Austria	101.6	91.2	11.4%
of which Switzerland	46.1	50.3	-8.3%
Rest of World	48.3	32.8	47.3%

Breaking the operating result down by the Group's main countries of operation, the negative performance of the technical result, influenced by the impact of catastrophic events and the continuing poor performance of the Motor lines in several regions, resulted in a decline in the non-life operating result in **France, Central and Eastern Europe** and **Spain**.

Operating performance improved in **Italy** thanks to a recovery in technical profitability, as well as in **Germany**, where both the technical and investment result showed an improvement.

#### Operating result: Technical result

(€ million)	31/12/2010	31/12/2009	Change
<b>Technical result</b>	<b>184.3</b>	<b>273.5</b>	<b>-32.6%</b>
Net earned premiums	20,274.0	19,932.7	1.7%
Net insurance benefits and claims	-14,451.4	-14,176.7	1.9%
Net acquisition and administration costs	-5,582.2	-5,415.7	3.1%
Other net technical income	-56.1	-66.7	-16.0%

Although positive, the **technical result** declined from € 273.5 million at 31 December 2009 to € 184.3 million. As anticipated, this year net insurance benefits and claims continued to be affected by several catastrophic events — such as the storm Xynthia and the earthquake in Chile in February, the floods of May and August in Central and Eastern Europe, the flood in France in June and the flood in Australia in December — which had an overall impact of approximately € 380 million.

This performance reflected in the combined ratio, which rose from 98.3% at the end of 2009 to 98.8%, in line with the figure reported in the second half of the year.

	31/12/2010	31/12/2009	Change
Combined ratio	98.8%	98.3%	0.5
Loss ratio	71.3%	71.1%	0.2
Expense ratio	27.5%	27.2%	0.3
Acquisition costs / net premiums	21.5%	21.1%	0.4
Administration costs / net premiums	6.0%	6.1%	-0.1

The loss ratio amounted to 71.3%, worsening slightly (up 0.2 pp), especially due to the performance of the Non-motor business in the foreign countries.

Excluding the impact of the above-mentioned catastrophic events, the loss ratio would amount to 69.4%, compared to 69.8% at the end of 2009, thanks to the improvement of both the Motor and Non-motor lines.

Accordingly, the combined ratio would amount to 96.9% at the end of 2010.

As a result of the increase in net acquisition and administration costs, which amounted to € 5,582.2 million (up 3.1%), the expense ratio rose from 27.2% at 31 December 2009 to 27.5%.

This increase may be attributed in particular to insurance acquisition costs, which rose from € 4,197.2 at the end of 2009 to € 4,366.2 million (up 4.0%), driven by the rises reported in France, Germany, Central and Eastern Europe and Spain, where, in order to benefit from the aforementioned improvement in the loss ratio, written premiums increased in the Non-motor retail segment, characterized by higher commission levels and by greater impact of the fixed component of the acquisition costs included in this item. Accordingly, there was an increase in the ratio of such costs to net earned premiums from 21.1% to 21.5%.

Conversely, the ratio of insurance administration expenses, which amounted to € 1,216.0 million, to net earned premiums remained stable at 6.0%.

(% )	Combined ratio <sup>(*)</sup>		Loss ratio		Expense ratio	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Italy	99.6	102.4	77.5	79.9	22.1	22.5
France	101.3	99.0	73.3	70.8	28.1	28.2
Germany	95.2	95.6	65.1	65.6	30.1	30.0
Central and Eastern Europe	93.2	87.9	60.2	58.1	33.0	29.8
Rest of Europe	99.3	96.8	71.4	69.0	28.0	27.8
of which Spain	98.1	94.6	71.2	69.5	26.8	25.1
of which Austria	95.2	95.9	68.3	68.9	26.9	27.1
of which Switzerland	95.9	94.3	69.0	64.8	26.9	29.5
Rest of World	101.6	102.7	64.3	66.9	37.2	35.8

(\*) CAT claims, net of reinsurance, impact on combined ratio for 0.8 pp in Italy, 2.3 pp in France, 1.6 in Germany, 5.6 pp in Central and Eastern Europe and 0.8 pp in Spain.

Breaking the performance of the combined ratio down by the Group's main countries of operation, the combined ratio improved in **Italy** from 102.4% to 99.6%. The improvement was mainly due to the 2.4 pp decrease in the loss ratio due to the decline in net insurance benefits and claims. The improvement in the loss ratio, which was concentrated in the Motor and in the third-party liability insurance, was achieved independently of the impact of catastrophic events, which were especially significant in 2009 due to claims associated with the earthquake in Abruzzo. The expense ratio also decline (down 0.4 pp).

The combined ratio also declined to 95.2% (down 0.4 pp) in **Germany**, thanks to the favourable trend in net insurance benefits and claims, despite those related to catastrophic events that in 2010 had an impact of 1,6 pp.

In **Austria**, the combined ratio was 95.2%, down by 0.7 pp due to the decrease in net insurance benefits and claims in the Non-motor line. In detail, the loss ratio was positively influenced by the near absence of the catastrophic events that had an impact of 3.1 pp in 2009.

The combined ratio in **France** increased by 2.3 pp to 101.3% due to the performance of the loss ratio (up 2.5 pp). The loss ratio was negatively affected by both the decline of the Motor line and catastrophic events such as hailstorms and floods, which had an impact of 2.3 pp compared to 1.1 p.p. at 31 December 2009, as a result of similar events.

In **Central and Eastern Europe**, the combined ratio was 93.2% (up 5.3 pp). The worsening may be attributed to the rise in both the loss ratio (up 2.1 pp) and the expense ratio (up 3.2 pp), which has been affected by the performance of acquisition costs due to the changed business mix and the greater weight of the fixed component of such costs. The worsening of the loss ratio was entirely due to catastrophic events, which had an impact of 5.6 pp (compared to 0.9 pp at 31 December 2009). As a matter of fact, excluding such catastrophic events, the loss ratio decreased.

In **Spain**, the combined ratio was 98.1%, up by 3.5 pp as a result of the performances of both the expense ratio and loss ratio. In detail, the expense ratio rose by 1.7 pp due to the decline in net earned premiums, the change in the composition of the portfolio to favour Non-motor retail lines, characterized by higher acquisition expenses and the resulting greater weight of the fixed component of such costs. The 1.7 pp increase in the loss ratio was driven not only by the aforementioned decline in net earned premiums, but also by greater catastrophic events, which had an impact of 0.4 pp, and by a higher loss ratio in Non-motor lines, only partially offset by an improvement in the loss ratio for the Motor line.

**Switzerland's** combined ratio increased by 1.6 pp to 95.9%, driven by the 4.2 pp rise in the loss ratio, concentrated in the Motor lines, only partially offset by the positive performance of the expense ratio, which fell by 2.6 pp due to the near stability of acquisition and administration costs as well as an increase in net earned premiums.

### Operating result: Investment result

(€ million)	31/12/2010	31/12/2009	Change
<b>Investment result</b>	<b>1,196.1</b>	<b>1,225.9</b>	<b>-2.4%</b>
Current income from investments	1,678.0	1,689.6	-0.7%
Other operating net financial expenses	-481.9	-463.7	3.9%

The **investment result** in the non-life segment, which consists of current income from investments and other operating net financial expenses, remained essentially stable.

**Current income from investments** went from € 1,689.6 million to € 1,678.0 million, with a current return on total investments<sup>8</sup>, calculated on the financial statement figures, of 4.4%, down slightly compared to the previous year (4.7% at 31 December 2009). The investment policy implemented by the Group in this segment also focused on maintaining current return on investments through measures aimed at achieving moderate extensions of the average maturity of the bond portfolio, in a market scenario featuring especially low interest rates on the short durations typical of this segment, consistent with the structure of insurance provisions.

Income from fixed-income investments amounted to € 846.5 million (€ 861.0 million at 31 December 2009), with the current return declining from 4.0% to 3.8% at the end of 2010. Due to the expectations of a steepening of the rate curve and lower spreads on corporate bonds, in the second half of the year the Group began to privilege investments in government bonds and to realize gains on corporate bonds, reducing thereby the risk level of its investments. Current return was also maintained through selected investments in corporate securities with strong fundamentals and high yield.

<sup>8</sup> For details on how to determine this indicator, please refer to the methodological notes attached to this report.

The return on the equity portfolio decreased compared to the previous year, declining from 3.5% to 2.6% as a result of the decrease in dividends, which totaled € 118.2 million (€ 166.7 million at 31 December 2009).

Current income from investment properties provided a positive contribution, totalling € 533.5 million (€ 527.2 million at 31 December 2009), with a return on investment down slightly to 8.7% (9.0% at 31 December 2009).

**Other operating net financial expenses**, which include the interest expenses on liabilities linked to operating activities and investment management expenses went from € -463.7 million at 31 December 2009 to € -481.9 million, essentially due to a slight increase in investment management expenses.

### Operating result: Other operating items

**Net other operating expenses** in the non-life business, which primarily include non-insurance operating expenses, depreciation on tangible assets and multi-annual costs, provisions for recurring risks and other taxes, confirmed the trend of the first nine months of the year, totalling € -252.3 million (€ -225.8 million at 31 December 2009).

### Non-operating result

The **non-operating result** of the non-life business improved from € -432.7 million at 31 December 2009 to € -238.8 million, thanks to the positive non-operating investment result, partially offset by greater non-recurring costs.

The **non-operating investment result** benefited from the financial market recovery compared to the first half of 2009, which was reflected in lower net impairment losses and lower expenses deriving from financial instruments at fair value through profit or loss. The latter went from € -198.8 million at 31 December 2009 to € 37.4 million, essentially due to the lower expenses associated with the hedging derivatives drawn up in order to hedge the Group's equity from the extraordinary market volatility that occurred in particular in early 2009.

The Group's net impairment losses on investments went from € -491.2 million at 31 December 2009 to € -381.3 million, thanks to the improved performance of equities markets, especially compared to the first half of 2009. Net realized gains on investments also increased, rising from € 382.6 million at 31 December 2009 to € 412.3 million, due in particular to greater net gains realized on equity portfolios as part of a strategy aimed at realizing gains through trading activity on bonds and equities, closely associated with appropriate hedging transactions.

**Net other non-operating expenses** went from € -125.3 million at 31 December 2009 to € -307.2 million, including the amortization of the value of the portfolios acquired directly or by obtaining control of insurers or financial companies of € 77.3 million (€ 74.5 million at 31 December 2009). The increase is essentially attributable to greater net allocations to non-recurring risk provision.



## Operating result – non-life segment

(€ million)	31/12/2010	31/12/2009	Change
<b>Operating result - non-life segment</b>	<b>1,128.1</b>	<b>1,273.6</b>	<b>-11.4%</b>
Net earned premiums	20,274.0	19,932.7	1.7%
Net insurance benefits and claims	-14,451.4	-14,176.7	1.9%
Acquisition and administration costs	-5,601.8	-5,436.4	3.0%
Acquisition and administration costs related to insurance business	-5,582.2	-5,415.7	3.1%
Other acquisition and administration costs	-19.6	-20.7	-5.5%
Fee and commission income and income from financial service activities	0.0	-0.1	-85.3%
Net operating income from financial instruments at fair value through profit or loss	43.8	73.9	-40.8%
Net operating income from other financial instruments	1,152.3	1,152.0	0.0%
Interest income and other income	1,634.2	1,615.7	1.1%
Interest expense on liabilities linked to operating activities	-155.5	-180.6	-13.9%
Other expenses from other financial instruments and land and buildings (investment properties)	-326.4	-283.1	15.3%
Net other operating expenses	-288.7	-271.7	6.3%
<b>Non-operating result - non-life segment</b>	<b>-238.8</b>	<b>-432.7</b>	<b>-44.8%</b>
Net non-operating income from financial instruments at fair value through profit or loss	37.4	-198.8	-118.8%
Net non-operating income from other financial instruments	31.0	-108.6	-128.5%
Net realized gains on other financial instruments and land and buildings (investment properties)	412.3	382.6	7.7%
Net impairment losses on other financial instruments and land and buildings (investment properties)	-381.3	-491.2	-22.4%
Net other non-operating expenses	-307.2	-125.3	145.1%
<b>Earnings before taxes - non-life segment</b>	<b>889.4</b>	<b>840.9</b>	<b>5.8%</b>

## Gross direct premiums by Line of Business – non-life segment

(€ million)	31/12/2010	Non motor			Accident/Health <sup>(*)</sup>	Total
		Motor	Personal	Commercial/Industrial		
Italy		3,155.8	834.0	1,965.8	1,372.4	7,327.9
France		1,088.5	1,352.5	736.6	481.0	3,658.6
Germany <sup>(*)</sup>		1,079.9	1,177.0	278.1	458.5	2,993.6
Central and Eastern Europe		1,128.1	326.3	505.8	251.9	2,212.1
Rest of Europe		1,487.0	903.7	1,054.5	613.2	4,058.3
of which Spain		369.1	359.3	446.0	166.7	1,341.1
of which Austria <sup>(*)</sup>		527.9	273.9	375.7	145.0	1,322.5
of which Switzerland		276.5	163.6	2.9	135.1	578.1
Rest of World		781.0	50.0	363.2	72.1	1,266.3
<b>Total</b>		<b>8,720.3</b>	<b>4,643.5</b>	<b>4,904.0</b>	<b>3,249.1</b>	<b>21,516.8</b>

<sup>(\*)</sup> The life segment takes into account the Accident/Health business with the proper criteria of the segment.

(€ million)	31/12/2009	Non motor			Accident/Health <sup>(*)</sup>	Total
		Motor	Personal	Commercial/Industrial		
Italy		3,137.8	820.4	1,951.3	1,361.9	7,271.3
France		1,057.8	1,367.4	649.9	465.6	3,540.8
Germany <sup>(*)</sup>		1,115.8	1,169.8	285.9	459.5	3,031.1
Central and Eastern Europe		1,190.7	257.5	500.5	233.3	2,182.0
Rest of Europe		1,527.2	861.9	1,104.9	553.1	4,047.0
of which Spain		423.5	348.7	500.5	157.9	1,430.6
of which Austria <sup>(*)</sup>		528.7	267.9	375.9	140.7	1,313.2
of which Switzerland		253.0	145.9	2.5	108.4	509.8
Rest of World		665.4	40.0	329.7	60.8	1,096.0
<b>Total</b>		<b>8,694.6</b>	<b>4,517.0</b>	<b>4,822.2</b>	<b>3,134.3</b>	<b>21,168.2</b>

<sup>(\*)</sup> The life segment takes into account the Accident/Health business with the proper criteria of the segment.

## Financial position of the non-life segment

### Investments

(€ million)	31/12/2010		31/12/2009	
	Total book value	% of total	Total book value	% of total
<b>Equity instruments (*)</b>	<b>4,000.4</b>	<b>11.0</b>	<b>4,598.1</b>	<b>12.7</b>
Available for sale financial assets	3,689.0	10.1	4,211.4	11.6
Financial assets at fair value through profit or loss	311.4	0.9	386.7	1.1
<b>Fixed income instruments (**)</b>	<b>21,876.6</b>	<b>60.1</b>	<b>21,665.2</b>	<b>59.7</b>
Bonds	19,230.4	52.8	18,275.9	50.3
Other fixed income instruments (***)	2,646.2	7.3	3,389.3	9.3
Held to maturity investments	214.0	0.6	132.1	0.4
Loans	4,405.5	12.1	5,570.3	15.3
Available for sale financial assets	16,573.9	45.5	15,429.4	42.5
Financial assets at fair value through profit or loss	683.1	1.9	533.4	1.5
<b>Land and buildings (investment properties) (***)</b>	<b>6,387.8</b>	<b>17.5</b>	<b>5,974.4</b>	<b>16.5</b>
<b>Other investments</b>	<b>960.4</b>	<b>2.6</b>	<b>894.6</b>	<b>2.5</b>
Investments in subsidiaries, associated companies and joint ventures	907.9	2.5	804.3	2.2
Derivatives (****)	15.3	0.0	0.0	0.0
Receivables from banks or customers	0.0	0.0	0.0	0.0
Other investments	37.2	0.1	90.3	0.2
<b>Cash and cash equivalents (*****)</b>	<b>3,183.7</b>	<b>8.7</b>	<b>3,182.6</b>	<b>8.8</b>
<b>Total (*****)</b>	<b>36,408.9</b>	<b>100.0</b>	<b>36,314.9</b>	<b>100.0</b>

(\*) Investment fund units amounted to € 635.6 million (€ 528.8 million at 31 December 2009).

(\*\*) Investment fund units amounted to € 524.3 million (€ 769 million at 31 December 2009).

(\*\*\*) Investment fund units amounted to € 161.6 million (€ 141.2 million at 31 December 2009).

(\*\*\*\*) Taking into account derivative instruments booked as liabilities which amount to € 28.6 million (€ 31.9 million at 31 December 2009).

(\*\*\*\*\*) Taking into account Reverse REPO which amount to € 317.7 million (€ 209.1 million at 31 December 2009) and REPO which amount to € 7.8 million (€ 7.2 million at 31 December 2009).

(\*\*\*\*\*\*) Taking into account derivative instruments booked as liabilities and REPO.

### Return on investments - non-life segment

(€ million)	Current return		Harvesting rate		P&L return		Comprehensive return	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Fixed income instruments	3.8%	4.0%	0.8%	0.9%	4.6%	4.9%	3.1%	6.8%
Equities and equity-like investments	2.6%	3.5%	-0.2%	-6.1%	2.4%	-2.5%	1.6%	15.9%
Real estate investments	8.7%	9.0%	2.3%	1.8%	7.0%	7.2%	7.0%	7.2%
Other investments	2.9%	3.2%	-1.0%	-4.0%	1.9%	-0.7%	1.9%	-0.7%
<b>Total investments</b>	<b>4.4%</b>	<b>4.7%</b>	<b>0.7%</b>	<b>-0.4%</b>	<b>4.4%</b>	<b>3.7%</b>	<b>3.4%</b>	<b>7.2%</b>

Total investments in the non-life segment amounted to € 36,408.9 million, essentially stable compared to the end of 2009.

The composition of investments confirmed also in the non-life segment the implementation of a strategy of gradually reducing the exposure to higher-risk investments by decreasing the weight of **equity instruments**, which fell from 12.7% to 11.0%.

The current return<sup>9</sup> on the equity portfolio decreased during the reporting year, from 3.5% to 2.6% due to the slight decline in dividends. Equally, the contribution to the result of the period increased owing to the decline in impairment losses and the positive level of realized gains, which resulted in an improvement in the harvesting rate<sup>10</sup> (-0.2% compared to -6.1% at 31 December 2009).

By contrast, there was a severe decline in the comprehensive return<sup>11</sup>, which includes in addition to the current return all the changes in value of the period recognized through profit or loss and equity, amounted to 1.6%, compared to a 2009 (15.9%) characterized by a remarkable financial market recovery, especially in the second quarter of the year.

With reference to **investments in fixed-income instruments**, following the flattening of the interest-rate curve in the second half of the year, measures aimed at increasing the duration of the bond portfolio implemented in the first half of 2010 were reduced in order to benefit of the new financial market conditions. In addition, the Group continues to pursue a strategy aimed at reducing the investment risk level by privileging government bonds, the weight of which rose from 46.6% to 49.0%. In parallel, adequate exposure to corporate issuers was maintained in order to support current portfolio returns.

The strategy implemented by the Group allowed it to achieve a good current return, which amounted to 3.8% (4.0% in 2009), despite the especially low interest rates on short durations that characterize the investments in this segment. Accordingly, the bond portfolio's contribution to the result of the period remained essentially stable, also due to a return from realized and unrealized gains or losses through profit or loss (harvesting rate) of 0.8% (0.9% at 31 December 2009).

By contrast, the comprehensive return of bond investments, which includes the current return and the changes in value of the period recognized through profit or loss and equity, decreased to 3.1% (6.8% in 2009), burdened by the widening of spreads that was reflected in a reduction in the value of the government bonds of peripheral countries recognized through equity.

**Real estate investments** weight in the non-life segment, calculated on the basis of the financial statement figures, is equal to 17.5%. The contribution to the result of the period is good thanks to a current return of 8.7% (9.0% at 31 December 2009) and to the return from net realized gains, net of depreciations and impairment losses, equal to 2.3% (1.8% at 31 December 2009).

<sup>9</sup> For details on how to determine this indicator, please refer to the methodological notes attached to this report.

<sup>10</sup> The harvesting rate is calculated on the basis of the realized and unrealized gains or losses through profit or loss different than current income. Further information is given in the appendix to this report.

<sup>11</sup> Comprehensive return is calculated on the basis of current income plus unrealized gains or losses of the period recognized through profit or loss or equity. Further information is given in the appendix to this report.

(€ million)	31/12/2010	31/12/2009	Change
<b>Total investments - non-life segment</b>	<b>36,408.9</b>	<b>36,314.9</b>	<b>0.3%</b>
Italy	12,379.7	12,537.3	-1.3%
France	5,257.5	5,334.6	-1.4%
Germany	5,815.0	6,192.4	-6.1%
Central and Eastern Europe	3,364.9	2,933.3	14.7%
Rest of Europe	8,172.0	8,207.8	-0.4%
of which Spain	1,897.1	1,853.3	2.4%
of which Austria	2,606.3	2,699.0	-3.4%
of which Switzerland	1,257.6	1,174.6	7.1%
Rest of World	1,419.8	1,109.4	28.0%

### Insurance provisions – non-life segment

(€ million)	31/12/2010	31/12/2009	Change
<b>Insurance provisions - non-life segment</b>	<b>30,235.8</b>	<b>29,576.8</b>	<b>2.2%</b>
Provisions for unearned premiums	5,450.4	5,363.2	1.6%
Provisions for outstanding claims	24,413.7	23,864.3	2.3%
Other insurance provisions	371.7	349.4	6.4%
<b>Reservation ratio - non-life segment</b>	<b>148.8%</b>	<b>149.1%</b>	<b>-0.3</b>

(€ million)	31/12/2010		31/12/2009	
	Motor	Non Motor	Motor	Non Motor
<b>Insurance provisions - non-life segment</b>	<b>13,475.3</b>	<b>16,760.5</b>	<b>13,508.1</b>	<b>16,068.8</b>
of which Italy	4,938.8	6,909.6	5,140.9	6,870.8
of which France	2,073.8	3,140.1	1,963.3	3,082.2
of which Germany	1,805.9	2,278.0	1,819.5	2,294.3
of which Central and Eastern Europe	1,219.2	781.5	1,202.2	635.4

## Financial segment

- AUM: € 92,980.1 (+ 17.3%)
- Operating result: € 353.6 million

Asset management accounts for most of the Group's activities in the financial segment and focuses mainly on the management of the Group companies' financial instruments.

At 31 December 2010, assets managed by banks and asset management companies amounted to € 432,043.1 million (up 6.4% compared to 31 December 2009). Of this amount, third-party assets amounted to € 92,980.1 million (up 17.3% compared to 31 December 2009).

### Business performance of the financial segment

#### Operating result

(€ million)	31/12/2010	31/12/2009	Change
<b>Operating result - financial segment</b>	<b>353.6</b>	<b>432.2</b>	<b>-18.2%</b>
Net operating result from financial activities	1,281.5	1,251.8	2.4%
Acquisition and administration costs	-900.0	-782.8	15.0%
Net other operating expenses	-28.0	-36.8	-24.1%

The **operating result** of the financial segment went from € 432.2 million at 31 December 2009 to € 353.6 million (down 18.2%), essentially as a result of the BSI Group's development programs implemented in the Far East in particular, which resulted in an increase in acquisition and administration costs. The intermediation margin, defined as the sum of net fee and commission income and income from financial service activities, net interest income and other financial items, increased. In further detail, the increase in fee and commission income and income from financial service activities offset the lower gains realized on trading activity and the reduction in net interest income due to the general scenario of especially lower interest rates witnessed during the reporting year.

In detail, the Banca Generali Group's performance was very positive, thanks to the improvement in fee and commission income and income from financial service activities, whereas the BSI Group reported a reduction in its operating result due to a contraction of net interest income and higher operating expenses, which, as mentioned above, were aimed at strengthening sales channels, relating in particular to the development of Asian markets. This development required an investment which had an impact on the income statement for an amount of 55.2 million euro at 31 December 2010.

## Non-operating result

The non-operating result of the financial segment improved, going from € -76.2 million at 31 December 2009 to € -59.0 million, as a result of lower non-recurring restructuring costs.

## Operating result – financial segment

(€ million)	31/12/2010	31/12/2009	Change
<b>Operating result - financial segment</b>	<b>353.6</b>	<b>432.2</b>	<b>-18.2%</b>
Net operating result from financial activities	1,281.5	1,251.8	2.4%
Intermediation margin	1,316.6	1,287.5	2.3%
Net interest income	303.0	325.3	-6.9%
Dividends and other income	92.4	93.9	-1.6%
Fee and commission income and income from financial service activities	894.0	792.4	12.8%
Other net income from financial instruments at fair value through profit or loss	8.5	50.5	-83.3%
Net operating gains on other financial instruments	15.2	21.7	-29.8%
Net operating impairment losses on other financial instruments	-35.1	-35.7	-1.6%
Acquisition and administration costs	-900.0	-782.8	15.0%
Net other operating expenses	-28.0	-36.8	-24.1%
<b>Non-operating result - financial segment</b>	<b>-59.0</b>	<b>-76.2</b>	<b>-22.6%</b>
Non-operating income from investments	-2.6	-5.1	-49.3%
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	-2.3	-4.9	-53.5%
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-0.3	-0.1	200.0%
Net other non-operating expenses	-56.5	-71.2	-20.7%
<b>Earnings before taxes - financial segment</b>	<b>294.5</b>	<b>355.9</b>	<b>-17.2%</b>

## Financial position of the financial segment

### Investments

(€ million)	31/12/2010		31/12/2009	
	Total book value	% of total	Total book value	% of total
<b>Equity instruments (*)</b>	<b>423.6</b>	<b>1.9</b>	<b>334.6</b>	<b>1.5</b>
Available for sale financial assets	261.8	1.2	196.6	0.9
Financial assets at fair value through profit or loss	161.9	0.7	138.0	0.6
<b>Fixed income instruments (**)</b>	<b>11,972.2</b>	<b>52.8</b>	<b>11,198.1</b>	<b>51.0</b>
Bonds	5,895.8	26.0	5,611.0	25.5
Other fixed income instruments (**)	6,076.3	26.8	5,587.1	25.4
Held to maturity investments	608.1	2.7	666.1	3.0
Loans	7,087.6	31.3	6,506.4	29.6
Available for sale financial assets	3,572.8	15.8	3,199.9	14.6
Financial assets at fair value through profit or loss	703.6	3.1	825.7	3.8
<b>Land and buildings (investment properties) (***)</b>	<b>24.5</b>	<b>0.1</b>	<b>21.9</b>	<b>0.1</b>
<b>Other investments</b>	<b>7,553.2</b>	<b>33.3</b>	<b>6,683.6</b>	<b>30.4</b>
Investments in subsidiaries, associated companies and joint ventures	41.9	0.2	29.6	0.1
Derivatives (****)	-76.4	-0.3	68.8	0.3
Receivables from banks or customers	7,486.5	33.0	6,510.8	29.6
Other investments	101.2	0.4	74.3	0.3
<b>Cash and cash equivalents (*****)</b>	<b>2,698.7</b>	<b>11.9</b>	<b>3,731.7</b>	<b>17.0</b>
<b>Total (*****)</b>	<b>22,672.2</b>	<b>100.0</b>	<b>21,969.9</b>	<b>100.0</b>

(\*) Investment fund units amounted to € 17.3 million (€ 16.5 million at 31 December 2009).

(\*\*) Investment fund units amounted to € 40 million (€ 101.8 million at 31 December 2009).

(\*\*\*) Taking into account derivative instruments booked as liabilities which amount to € 914.5 million (€ 747.3 million at 31 December 2009).

(\*\*\*\*) Taking into account Reverse REPO which amount to € 281.1 million (€ 852.4 million at 31 December 2009) and REPO which amount to € 850.3 million (€ 444.5 million at 31 December 2009).

(\*\*\*\*\*) Taking into account derivative instruments booked as liabilities and REPO.



## Corporate social responsibility

This year, for the first time, a brief illustration is provided hereinbelow of the results achieved in the various areas of the Group's commitment to social responsibility, measured on the basis of the main indicators to which the fixed objectives refer. The approach adopted is incremental, in that over the coming years plans call for several other especially meaningful social and environmental indicators to be introduced to the annual financial statements with the aim of assessing the Group's progress in the path towards sustainability.

For further information regarding the results achieved, please refer to the Sustainability Report of the Generali Group, which will be published in May and made available in the Sustainability section of the Group's website.

### Global Added Value

Global Added Value (GAV) expresses the wealth that the Group's activities have generated in the year to the benefit of different classes of stakeholders. The indicator is calculated as the difference between total income and total expenses, minus the costs of the remuneration of employees, agents and financial advisors, costs of donations and sponsorships and interest on borrowing.

#### Breakdown of Global Added Value

(€ million)	31/12/2010	31/12/2009	Change
<b>Global Added Value</b>	<b>13,632.7</b>	<b>12,635.1</b>	<b>7.9%</b>
Group	1,003.1	764.2	31.3%
Shareholders	1,015.2	1,002.2	1.3%
Employees	4,144.3	3,930.7	5.4%
Agents and financial advisors	5,318.2	5,136.0	3.5%
State	869.3	498.1	74.5%
Lenders	1,237.1	1,262.7	-2.0%
Community	45.5	41.2	10.4%

In 2010, Global Added Value increased by 7.9% compared to the previous year. Allocations to all stakeholders increased, with the exception of lenders.

The majority was distributed to agents, financial advisors and employees, to whom a total of 69.4% of GAV is allocated. Allocations to communities and taxes also increased considerably, in the case of the latter due to the larger result of the period and to a higher fiscal pressure.

## Social issues

### Employees

	31/12/2010	31/12/2009	Change
<b>Total</b>	<b>85,368</b>	<b>85,322</b>	<b>0.1%</b>
Italy	17,021	17,044	-0.1%
France	8,852	8,848	0.0%
Germany	15,266	15,200	0.4%
Central and Eastern Europe	14,464	14,986	-3.5%
Rest of Europe	15,329	15,646	-2.0%
of which Spain	2,541	2,671	-4.9%
of which Austria	5,052	5,157	-2.0%
of which Switzerland	4,418	4,529	-2.5%
Rest of World	14,436	13,598	6.2%

In 2010, the Group's employees increased in number by 46 overall. This essential stability was the result of diverging trends in the workforce in various countries: while there were no significant changes compared to the end of 2009 in the main European markets, the workforce decreased in Central and Eastern Europe and the Rest of Europe and expanded rapidly in the Rest of world area, and especially in China, Argentina and Israel.

### Per capita training

(h)	31/12/2010	31/12/2009	Change
<b>Total</b>	<b>43.6</b>	<b>35.5</b>	<b>22.9%</b>
Italy	49.5	40.3	22.9%
France	38.0	34.1	11.4%
Germany	39.6	29.9	32.4%
Central and Eastern Europe	21.3	21.5	-0.8%
Rest of Europe	36.9	47.0	-21.5%
of which Spain	42.9	68.7	-37.6%
of which Austria	38.0	34.6	9.8%
of which Switzerland	34.4	34.2	0.4%
Rest of World	50.2	30.4	65.0%

The Group supports the constant development of the skills and professional abilities of its human resources through extensive training programmes.

The average number of per capita training hours provided to employees and non-employee network personnel used by Group companies to distribute their products increased from 35.5 in the previous year to 43.6 in 2010. The increase was especially significant in the Rest of World area, but concerned almost all countries, with the exception of Spain, where an extensive training programme for the non-employee sales force aimed at meeting the requirements set by recent regulations governing insurance brokerage was concluded.

## Allocations to community-benefit initiatives

(€ million)	31/12/2010	31/12/2009	Change
<b>Total</b>	<b>45.5</b>	<b>41.2</b>	<b>10.4%</b>
Italy	16.4	10.1	62.4%
France	2.4	4.4	-46.2%
Germany	9.6	8.6	11.9%
Central and Eastern Europe	5.2	6.8	-23.7%
Rest of Europe	8.7	9.5	-8.2%
of which Spain	0.3	0.1	300.0%
of which Austria	3.6	4.6	-20.2%
of which Switzerland	3.1	3.4	-7.9%
Rest of World	3.2	1.8	71.2%

The Group allocated more than € 45 million to community-benefit initiatives, up 10.4% compared to the previous year. That amount includes both initiatives with philanthropic aims and commercial sponsorships that offered the community the chance to benefit from events and shows of high cultural or sports value. In Italy the increase was related to sports sponsorships of a commercial nature. In the Rest of World area, growth was driven by the donation in China to provide significant insurance cover for a first-aid team operating in Sichuan Province, severely affected by the 2008 earthquake.

The increase in Germany was related to the activity of Generali Zukunftsfonds (Generali's Fund for the Future), which in its third year of operation increased its collaboration with volunteer institutions, organizations and associations.

## Environmental issues

### Group Environmental Management System

In 2009, the Group's commitment to the environment resulted in the launch of a project aimed at introducing a Group Environmental Management System (EMS) compliant with the ISO 14001 standard. The System's primary purpose is to handle the most significant environmental issues, thereby implementing the Environmental Policy of the Generali Group.

At present, six countries are involved in implementing the EMS: Italy, Austria, France, Germany, Spain and Switzerland. In these countries, a set of buildings used as the offices of banks and insurance companies, including the associated service activities, has been identified, for coverage of approximately 35.2% of the Group in terms of workforce.

The following table presents the environmental performances of these buildings measured on the basis of the main indicators for which the Group has set specific objectives and targets for environmental improvement.

## Per capita electrical energy consumption

(kWh)	31/12/2010		31/12/2009		Change
		Renewable sources quota(%)		Renewable sources quota(%)	
<b>Total</b>	<b>5,150.8</b>	<b>47.9</b>	<b>4,989.5</b>	<b>27.3</b>	<b>3.2%</b>
Italy	7,203.9	0.0	6,791.5	0.0	6.1%
France	4,883.7	9.9	4,358.8	9.9	12.0%
Germany	4,744.3	100.0	4,694.5	33.1	1.1%
Spain	6,999.8	27.9	7,078.7	20.7	-1.1%
Austria	2,207.3	83.0	2,159.6	83.0	2.2%
Switzerland	7,434.6	48.0	7,621.5	51.1	-2.5%

In 2010, a total of 155,506,879.0 kWh of electrical energy was consumed (up 1.1% compared to 2009), primarily used for lighting, powering machinery, air conditioning and, in France and Spain, also heating.

In 2010 per capita electrical energy consumption, calculated as the ratio between total consumption and the total number of employees who work in the offices monitored by the Environmental Management System, increased by 3.2% compared to 2009. The high level of consumption observed for Italy was partly due to the presence at the Mogliano Veneto office of a data processing centre that also operates on behalf of Group companies in other countries and agencies. The increase in consumption during the year was partly due to the enhancement of the above-mentioned data processing centre, which allowed the head office to assume responsibility for some activities previously performed by local agencies, whose ensuing reduction in consumption is not monitored by the EMS. In addition, an air-conditioning system powered by natural gas was replaced by one powered by electricity at one of the buildings considered.

In order to reduce its impact on the environment, the Group has also committed to introduce an increasing quota of electrical energy from renewable sources. The Group obtained 47.9% of the electrical energy consumed during the year (27.3% in 2009) from renewable sources, largely from hydroelectric plants. There is a general tendency to increase the use of energy from renewable sources, not yet evident in the 2010 figures for Italy, where it will be introduced in 2011.

## Paper consumption

(quintals)	31/12/2010	31/12/2009	Change
<b>Total</b>	<b>64,736.2</b>	<b>63,571.0</b>	<b>1.8%</b>
Italy	23,814.6	25,537.2	-6.7%
France	10,621.0	8,817.0	20.5%
Germany	15,207.4	14,692.8	3.5%
Spain	5,774.3	5,174.0	11.6%
Austria	3,566.0	3,556.0	0.3%
Switzerland	5,753.0	5,794.0	-0.7%

In 2010, the Group consumed a total of 64,736.2 quintals of paper (up 1.8% compared to 2009), including both white paper and printed paper, i.e., the paper purchased from suppliers for printing the Group's documents and publications, such as policies, financial statements, studies, newsletters, etc..

In general, paper consumption is high, largely as a result of the application of European regulations that require companies to provide all documentation relating to contracts and contractual notices to customers in printed form.

The increase in consumption is mainly attributable to exceptional circumstances, such as a bulk mailing to customers in France and the merger of Estrella Seguros and Vitalicio Seguros into Generali España in Spain, which rendered the previous companies' printed materials obsolete.

The Group also pursues the objective of reducing its environmental impact by increasing the quota of its total consumption represented by environmentally friendly paper, which in 2010 reached 45.0% (34.9% in 2009).

### Per capita water consumption

(m <sup>3</sup> )	31/12/2010	31/12/2009	Change
<b>Total</b>	<b>18.8</b>	<b>18.9</b>	<b>-0.3%</b>
Italy	43.2	43.1	0.3%
France	6.5	8.0	-17.8%
Germany	14.4	13.8	4.3%
Spain	17.3	18.7	-7.1%
Austria	9.2	9.3	-1.0%
Switzerland	28.3	29.7	-4.6%

In 2010, water consumption amounted to 568,415.0 cubic meters, down by 2.3% compared to the previous year. The reduction in per capita water consumption was achieved in almost all countries, with peaks in France, where thorough containment measures were adopted, including the shift to a cafeteria service provider offering greater efficiency in this regard.

During the period considered, waste accounting was expanded in all countries. Waste monitored totalled 74,779.6 quintals compared to 72,790.2 quintals in 2009.

Most importantly, there was an increase in selective waste collection, which reached 57,074.0 quintals (up 12.8% compared to 2009) owing to the extension of collection to new materials. Selective collection applies to paper and cardboard, plastic, glass, aluminium and other metals, wood, wet, sanitary waste, hazardous waste, IT waste and toner, which collectively represent 76.3% of all waste generated, whereas the remaining 23.7% is incinerated or delivered to dumps.

With regard to emissions of carbon dioxide (CO<sub>2</sub>) due to direct or indirect consumption of energy from non-renewable sources, estimates were prepared of emissions deriving from electrical energy purchased, district heating, natural gas and diesel oil for heating and company transport, where the latter is understood to include kilometres travelled by car, train and airplane by employees during business trips.

In 2010 total CO<sub>2</sub> emissions were 67,047.5 tonnes, of which 27.8% derived from electrical energy consumption, 19.8% from thermal energy and 52.4% from company transport<sup>12</sup>.

<sup>12</sup> Emissions were estimated using the methods set out in the Greenhouse Gas Protocol (GHG) prepared by the World Business Council on Sustainable Development (WBCSD) and World Resources Institute (WRI) and the emissions factors specified in the complementary calculation tools. The distance-based methodology was adopted for emissions associated with company transport.

## Significant events after 31 December 2010

No significant events have occurred since the end of the year.

## Outlook for Generali Group

In the coming months is expected a confirmation of the economic scenario that characterized 2010 and the world's most advanced economies are expected to implement further measures aimed at balancing their finances. In this scenario, limited growth of consumption is likely. By contrast, emerging countries seem positioned to continue to achieve marked growth.

For financial markets, 2011 began positively. Market indices were driven upwards by various factors. Monetary and fiscal policies in the United States increased the liquidity on the market and stimulated investments. The increase in mergers and acquisitions and the reduction in the spreads for peripheral countries supported the financial sector's positive performance. In a scenario characterized by a slow economic recovery, total return projections for equities markets remain conservative.

The expectation of renewed concerns of inflation could result in a gradual increase in short-term rates, whereas ten-year rates should not experience significant changes in the coming months.

Based on the macro-economic and financial scenario abovementioned, the life segment is expected to continue to meet the ambitious production levels of 2010, while at the same time privileging products that absorb less capital and offer higher returns in terms of the value of new business, thus maintaining the profitability of the latter, owing in part to the cost containment policy.

The non-life lines are expected to confirm the 2010 growth rates of the Group's written premiums thanks both to the performance of the Non-motor business and the recovery of the Motor line. Assuming catastrophic events at normal levels, overall insurance margins are also expected to improve both as a result of the change in the composition of the portfolio to feature a greater weight of Non-motor retail lines, the maintenance of current levels of operating efficiency and the continuation of the tariff policies implemented by the Group.

Finally, the financial and properties investment policy will continue to be based on prudent asset allocation focused on consolidating current profitability. In detail, the Group's investment strategy will continue to focus on increasing government bond investments and properties investments with the aim of guaranteeing adequate returns in the medium-long term, especially on the life segment, by limiting exposure to market volatility.

On the basis of the scenario described above, the Group's operating margins and net result are expected to increase compared to 2010.

Rome, 16 March 2011

THE BOARD  
OF DIRECTORS



Fincantieri - Shipyard in Monfalcone, Gorizia

## Appendix to the management report







## Information on operations

The Generali Group's consolidated financial statements at 31 December 2010 were prepared taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606/2002, Legislative Decree No. 58/1998 and Legislative Decree No. 209/2005, as amended by Legislative Decree No. 32/2007.

In this yearly report the Generali Group prepared its consolidated financial statements and Notes in accordance with the ISVAP Regulation No. 7 of 13 July 2007, as amended by Measure ISVAP No 2784 of 8 March 2010, and the information of the CONSOB Communication No. 6064293 of 28 July 2006. As allowed by the aforementioned Regulation, the Generali Group believed it appropriate to supplement its consolidated financial statements with detailed items and to provide further details in the Notes in order to meet also the IAS/IFRS requirements.

The Group at 31 December 2010 consists of 528 consolidated line by line and valued at equity (521 at 31 December 2009). In particular, entities consolidated line by line increased from 488 to 490, and those valued at equity from 33 to 38.

Following the favourable opinion on the sale of the investment in Intesa Vita obtained from the Antitrust Regulator in September, the realized gain on the sale was recognized in the profit and loss account in the specific item profit or loss from discontinued operations.

This yearly report was drawn up in euro (the functional currency used by the entity that prepares the financial statement) and the amounts are shown in millions, rounded to the first digit, unless otherwise stated with the consequence that the rounded amounts may not add to the rounded total in all cases.

For a description of alternative performance indicators presented in this report refer to the methodological note attached.

The reconciliation statement between the result of the period and shareholders' equity of the Group and those of the Parent Company is provided in the Notes within the shareholders' equity section.

The description of the main risks and uncertainties is provided in the Risk report.

Concerning the information required by Article 123-*bis* of Testo Unico della Finanza, please refer to the detailed account given in the Corporate Governance and Share Ownership Report, which will be available at the General Shareholders' Meeting.

The consolidated accounts at 31 December 2010 are audited by PricewaterhouseCoopers, appointed independent auditors for 2006-2011. PricewaterhouseCoopers also certify that the information in the report on operations is consistent with the accounts.

## Methodological note on alternative performance measures

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

**New business annual premium equivalent (APE)**, net of minority interests, is equivalent to the sum of new annual premium policies, plus a tenth of premiums in single premium policies.

**New business value (NBV)** is obtained by discounting at the date of the new contracts, the corresponding expected profits net of the cost of capital.

Under CESR Recommendation on alternative performance measures (CESR/05 – 178b), **operating result** cannot replace earnings before taxes calculated in accordance with IAS/ IFRS. In addition, it should be read together with financial information and related notes on the accounts which are included in the audited financial statements.

Operating result was drawn up reclassifying items of earnings before taxes of each segment on the basis of the characteristics of each segment and taking into consideration the recurring holding expenses.

Specifically, operating result represents earnings before taxes, gross of interest expense on liabilities linked to financing activities, specific net income from investments and non-recurring income and expenses.

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

1. realized gains and losses and net impairment losses on investments on which the policyholders' profit sharing is not based,
2. net other non-operating expenses, mainly including results of non-current assets or disposal group classified as held for sale as defined by IFRS 5 and run off business, restructuring charges, the amortization of the value of business acquired directly or by securing control of companies in the insurance and financial segments (*value of business acquired* or VOBA) and other net non recurring expenses.

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

Furthermore, whether a new fiscal law materially affects the operating result of the countries for which the policyholders' profit sharing is based on the net result of the period, the estimated non recurring effect on the income taxes attributable to the policyholders has been accounted for in the consolidation adjustments.

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

1. realized gains and losses, unrealized gains and losses, net impairment losses on investments, included gains and losses on foreign currencies,
2. net other non-operating expenses, mainly including results of non-current assets or disposal group classified as held for sale as defined by IFRS 5 and run off business, impairment losses of land and buildings used for own activities, restructuring charges and the amortization of the value of business acquired directly or by securing control of insurance companies (*value of business acquired* or VOBA) and other net non recurring expenses.

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

1. realized gains and losses and net impairment losses on investments in subsidiaries, associated companies, joint ventures and strategic equities for the Group,

2. other net non-operating expenses, mainly including results of non-current assets or disposal group classified as held for sale as defined by IFRS 5, restructuring charges, the amortization of the value of business acquired directly or by securing control of companies operating in the insurance or financial segment (*value of business acquired* or VOBA) and other net non recurring expenses.

The operating holding expenses mainly includes the expenses sustained by the Parent Company and subholdings for management and coordination activities.

The non operating holding expenses refer to:

1. interest expense on liabilities linked to the Group's financing activities<sup>13</sup>,
2. restructuring charges and other non recurring expenses incurred in the management and coordination activities,
3. costs arising from the assignment of stock options and stock grants under incentive plans approved by the Parent Company.

Operating result and non-operating result of the Generali Group are equivalent to the sum of operating result and non-operating result of the aforesaid segments, the holding expenses classified as previously said, and consolidation adjustments.

Starting from 31 December 2010 also operating results of life and non-life segments are presented in format of result **drivers**, which better describes the changes occurred in each segment performance.

The operating result of the life segment is made up of a technical margin gross of underwriting expenses, a net investment result and acquisition and administration costs related to insurance business and other net operating expenses. In details, the technical margin includes loadings, risk and surrenders results. Net investment result consists of operating income from investments, net of the related policyholders' interests.

The operating result of the non life segment consists of an technical result, an investment result and other operating items.

The technical result is equivalent to the insurance activity result, i.e. the difference between premiums and claims, acquisition and administration costs and other net technical income.

The investment result is made up of current income from investments and other operating net financial expenses, like expenses on investment management and interest expenses on operating debt.

The operating result of the financial segment is split by net operating result from financial activities, acquisition and administration costs and other net operating expenses.

Specifically, the net operating result from financial activities is defined as the intermediation margin, net of net operating impairment losses on other financial instruments. The intermediation margin is equal to all net operating income arising from financial activity. Lastly, the interest margin is equal to interest income, net of interest expenses.

In accordance with the abovedescribed approach, the Generali Group has also presented the life, non-life and group operating result of the main countries where it operates. This performance indicator measures the contribution of each country to the consolidated operating result.

Lastly, within the context of the life and non-life operating result of each country, reinsurance operations between Group companies in different countries are accounted for as transactions concluded with external reinsurers. This representation of the life and non-life operating result by country makes this performance indicator more consistent with the risk management policies implemented by each company and with the other indicators measuring the technical profitability of the Group's companies.

<sup>13</sup> Further details on the definition of liabilities linked to financing activities are included in the paragraph *Debt in Asset and financial management* of the report.

The reconciliation statement of operating result and non-operating result to profit and loss accounts is shown in the table below<sup>14</sup>:

Operating result and non-operating result	Profit and loss account
Net earned premiums	1.1
Net insurance benefits and claims	2.1
Acquisition and administration costs	2.5.1 - 2.5.3
Net fee and commission income and net income from financial service activities	1.2 - 2.2
Net operating income from financial instruments at fair value through profit or loss	
Net operating income from other financial instruments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from financial instruments at fair value through profit or loss	
Net non-operating income from investments	
Net other operating expenses	1.6 - 2.6
Net other non-operating expenses	

Please note the following reclassifications implemented in the operating result calculation compared to the related profit and loss items:

- within the operating result, investment management expenses and investment properties<sup>15</sup> have been reclassified from acquisition and administration costs to net operating income from financial instruments, especially in other expenses from financial instruments and land and buildings (investment properties);
- within the operating income, gains and losses on foreign currencies were reclassified in the life and financial segment from net operating income to net operating income from financial instruments at fair value through profit or loss. In the non-life segment, within the operating income, gains and losses on foreign currencies have been reclassified from net operating income to net non-operating income from financial instruments at fair value through profit or loss. The classification for each segment is consistent with the related classification of the derivative transactions drawn up in order to hedge the Group's equity exposure to the changes of the main currencies of operation. The net operating and non-operating income from other financial instruments are therefore not subject to financial market volatility;
- within net operating income from financial instruments, interest expenses on deposits and current accounts under reinsurance business are deducted from the related interest income. Therefore, they are not accounted for in interest expenses on liabilities linked to operating activities.

<sup>14</sup> As of 30 June 2010, with a view to isolate the income components that are more impacted by financial markets volatility, operating and non-operating income from investments have been replaced respectively by the operating and non-operating breakdown of net income from financial instruments at fair value through profit or loss and net income from other financial instruments. Comparative figures have been coherently restated.

<sup>15</sup> Management expenses on real estate activities have been reclassified in the operating result definition from management expenses to net operating income from financial instruments starting from 31 December 2009.

(€ million)	31/12/2009 previously reported	adjustments	31/12/2009 restated
Operating result - non-life segment	1,299.6	-26.0	1,273.6
Operating result - life segment	2,451.0	0.0	2,451.0
Operating result - financial segment	432.2	0.0	432.2
Operating holding expenses	-268.5	0.0	-268.5
Consolidation adjustments	-238.6	0.0	-238.6
<b>Operating result</b>	<b>3,675.7</b>	<b>-26.0</b>	<b>3,649.7</b>
Non-operating result - non-life segment	-458.7	26.0	-432.7
Non-operating result - life segment	-236.2	0.0	-236.2
Non-operating result - financial segment	-76.4	0.0	-76.4
Non-operating holding expenses	-736.7	0.0	-736.7
Consolidation adjustments	0.7	0.0	0.7
<b>Non-operating result</b>	<b>-1,507.3</b>	<b>26.0</b>	<b>-1,481.3</b>

Specifically, starting from 30 June 2010, with a view to isolate the income components that are more impacted by financial markets volatility, gains and losses on foreign currencies were reclassified in all segments from net operating income to net operating income from financial instruments at fair value through profit or loss. As at 31 December 2010 in the non-life segment gains and losses on foreign currency have been reclassified from net operating income from financial instruments at fair value through profit or loss to the related non operating item. Comparative figures have been coherently restated.

Finally, the Generali Group has presented a performance indicator of investment returns, that are calculated as the ratio:

- for the **current return** between interest and other income, including those arising from financial instruments at fair value through profit and loss,
- for the **harvesting rate** between net realized gains, net impairment losses and unrealized and realized gains and losses from financial instruments at fair value through profit and loss,
- for **comprehensive return** between current income and unrealized income and expenses accounted for both in profit and loss and in shareholders' equity, and
- the average investments (calculated on book value), i.e. land and buildings (investment properties), investments in subsidiaries, associated companies and joint ventures, loans and receivables, available for sale financial assets, financial assets at fair value through profit or loss less financial assets where the risk is borne by the policyholders, derivatives classified in financial liabilities at fair value through profit or loss and cash and cash equivalent. The total investment is adjusted for derivative instruments classified as financial liabilities at fair value through profit of loss an for REPO classified as other liabilities. The average amount is calculated on a quarterly average asset base.

The **profit and loss return** is equal to the current return plus the harvesting return (in case of investment properties also net of management expensive and depreciation of the period).

These investment returns have been presented in the life and non-life segments and for the Group consolidated figures.

As far as the **Group investments** are concerned, starting from 31 December 2010 the following changes compared to the balance sheet have been implemented, in order to be aligned with the calculation of the related returns:

- derivatives are presented net of those classified as liabilities, and
- Cash and cash equivalent<sup>16</sup> are presented net of reverse REPO and REPO classified as liabilities.

Furthermore, within the investment categories the following reclassifications have been made:

- reverse REPO have been reclassified from 'Other fixed income instruments' to 'Cash and cash equivalent', coherently to their short term investment view,
- loans classified as at fair value through profit and loss have been moved from the residual item 'Other investments' to 'Other fixed income instruments'.

Regarding investments of each segment, on the basis of the characteristics of each segment and in line with the approach followed in the returns calculation, further to the abovementioned changes, investments in subsidiaries consolidated line by line and loans and bonds between Group companies have been excluded, except, in the life segment, those on which policyholders' share is based on.

In accordance with the abovedescribed approach, the Generali Group has presented life, non-life and consolidated investments of the main countries where it operates. The indicator measures the contribution of each country to the segment and consolidated investments.

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<sup>16</sup> Cash and cash equivalents are included in the investment structure showed in the financial position of the Management report starting from 31 March 2010.

## Other information

On 28 March 2011, Generali published, in response to a request by Consob, a press release concerning the agreements between the Company, on the one side, and certain members of the group of companies controlled by PPF Group N.V., on the other side, in relation to Generali PPF Holding B.V., with particular respect to the exit right granted to PPF Co1 B.V., a company controlled by PPF Group N.V. which owns a minority shareholding in Generali PPF Holding B.V., upon the fulfilment of certain conditions. A copy of the aforementioned press release is attached below.

In addition to the foregoing, the circumstances in which the agreements in force provide for the power of Generali to cause the exit of the minority shareholder from the joint venture are summarised below. In particular, Generali shall be entitled to exercise such power:

- (a) in the event that PPF Co1 B.V. is in breach of certain obligations of the same under the existing shareholders' agreement. In such circumstance, Generali can cause the exit of the minority shareholder, acquiring all of its shares in Generali PPF Holding B.V., at a price equal to the relevant fair market value;
- (b) in the event that the parties to the joint venture fail to reach an agreement with respect to the decision to be adopted in relation to certain matters, which are deemed of key importance for the management of the joint venture, thus giving rise to a deadlock situation, and the deadlock remains unresolved, notwithstanding its reconsideration through a series of procedures aimed at amicably settling the issue. In such circumstance, Generali can cause the exit of PPF Co1 B.V. by acquiring all the shares held by the latter, at a price equal to the higher of 125% of the fair market value of the shares and 110% of the floor agreed with respect to other cases of exit of PPF Co1 B.V. (for further information, please see the aforementioned press release).



28/03/2011

**PRESS  
RELEASE**

**PRESS RELEASE**

**pursuant to Article 114, paragraph 5, of Legislative Decree no. 58/1998**

In response to a request by Consob, Assicurazioni Generali S.p.A. (**Generali**) represents what follows in connection with the arrangements in place (the **Generali-PPF Arrangements**) relating to Generali PPF Holding B.V. (the **Company**) between Generali, on the one side, and PPF Group N.V. (**PPF NV**) and PPF Co1 B.V. (**PPF BV** or the **Minority Shareholder**), on the other side. PPF NV and PPF BV are members of a group of companies referable to Petr Kellner (the **PPF Group**).

The Generali-PPF Arrangements, approved unanimously by the Board of Directors and the Executive Committee of Generali, regulate a joint venture between Generali and the PPF Group, which Generali consolidates in its accounts as it owns the control of the joint venture. PPF BV indeed owns a minority shareholding in the Company, representing 49% of the share capital of the Company (the **PPF Shareholding**).

The establishment of this joint venture has been carried out through the contribution into the Company of certain corporate interests held by the partners in Central Eastern Europe and the payment by Generali to the PPF Group of a cash adjustment, at market value and without the payment by Generali of a majority premium. The performance of the obligations of the Minority Shareholder under the Generali-PPF Arrangements is guaranteed by the parent-company, PPF NV.

The provisions of the Generali-PPF Arrangements include, *inter alia*, those summarised below.

§ § §

**A)** The Minority Shareholder has a right to exit its investment in the PPF Shareholding, which may be exercised in the cases described under A1, A2 and A3 below:

**A1** in the period between 1 and 10 July 2014, in the event that PPF BV and Generali are unable to agree on an extension of the joint venture and a refinancing of the current financial indebtedness of the PPF Group relating to the transaction cannot be achieved. In this case, the Minority Shareholder will be alternatively entitled to:

**A1.1** request that the Company commences an IPO involving 75% of its shares, subject to Generali's consent; or

**A1.2** dispose of the PPF Shareholding, which can be purchased by either a third party or Generali, at the latter's discretion. If Generali is the purchaser, the purchase price would be equal to the higher of (a) the fair market value of the PPF Shareholding and (b) a floor amount equal to Euro 2.5 billion, decreased by the amount of dividends *medio tempore* paid to PPF BV and increased by (i) the amount of interest paid or accrued on the facility granted to PPF BV by a pool of banks (the **Banking Facility**), (ii) the amount of interest that has been paid or has accrued on the bonds issued by a member of the PPF Group and entirely subscribed by members of the Generali group (the **Bond**), and (iii) the amount of additional capital subscribed or contributed by PPF BV into the Company, excluding those amounts subscribed or contributed to fund the development of the joint venture through certain strategic transactions or to maintain 150% of the group solvency capital, as required by the applicable regulatory provisions;

**A2** before 10 July 2014, and at the same conditions under A1.2, PPF BV will be entitled to dispose of the PPF Shareholding, which can be purchased by either a third party or Generali, at the latter's discretion, in the event that PPF BV is obliged to repay the Banking Facility early, for reasons which are not attributable to the PPF Group. In the event that the obligation to repay the Banking Facility early depends on reasons attributable to Generali, and Generali is the purchaser, the price for the purchase of the PPF Shareholding may be increased by 25%. Otherwise, in the event that after 10 July 2014 PPF BV is obliged to repay the Banking Facility early, for reasons which are not attributable to the PPF Group, the disposal of the PPF Shareholding may be completed for a consideration equal to its fair market value;

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**A3** in any moment, in the event that the third party, or third parties acting in concert, acquire(s) 30% or more of the share capital of Generali or if the events triggering a mandatory public takeover offer of Generali occur. In this case, the PPF Shareholding can be purchased by either a third party or Generali, at the latter's discretion. If Generali is the purchaser, the purchase price would be equal to the fair market value of the PPF Shareholding, increased by 30%.

In the foregoing circumstances (save for the case in which the IPO under paragraph A1.1 is interrupted at the decision of Generali), following the exercise by the Minority Shareholder of its exit right, where Generali elects not to purchase the PPF Shareholding, the PPF Shareholding shall be sold to the third party by way of auction (the so-called "alternative exit"). Depending on the proceeds of the sale of the PPF Shareholding to the third party, Generali may be entitled to receive from PPF BV, or under the obligation to pay to PPF BV, an amount calculated in proportion to the value at which the disposal will be completed.

**B)** The Minority Shareholder will also be entitled to dispose of the PPF Shareholding in the event that Generali is in breach of certain contractual obligations under the Generali-PPF Arrangements. In particular, the exit right of the Minority Shareholder would be triggered in the events described under B1, B2 and B3 below:

**B1** in the event that Generali is in breach of certain obligations under the shareholders' agreement currently in force (such as the non-compete obligation in the territory where the joint venture operates and the obligation to dispose of the shares in the Company only in compliance with the provisions of the shareholders' agreement). In this case, the PPF Shareholding may be sold at a price equal to its fair market value;

**B2** in the event that, following the exercise by the Minority Shareholder of its right to dispose of the PPF Shareholding and pending the determination of the fair market value of the PPF Shareholding, Generali is in breach of its obligation to fund an escrow account with an amount equal to 86% of the value of the PPF Shareholding determined on the terms contractually established (the **Agreed Value**). In this case, the PPF Shareholding may be sold at a price equal to its fair market value, increased by 20%.

**B3** in the event that, following the exercise by the Minority Shareholder of its right to dispose of the PPF Shareholding and the decision of Generali to elect for the "alternative exit", Generali is in breach – pending the organisation of the auction – of its obligation to fund an escrow account with an amount equal to the Agreed Value. In this case, the PPF Shareholding may be sold at a price equal to its fair market value, increased by 20%

If the disposal to the third party as a result of the auction is not completed within six months, Generali may be subrogated in the receivable (secured by a pledge over the PPF Shareholding), which the pool of financing banks has vis-à-vis PPF BV, until completion of the auction and the repayment of the aforesaid receivable.

For the purposes of the cases under B1, B2 and B3 above, until 17 January 2013 the fair market value of the PPF Shareholding shall not be considered lower than the amount of Euro 2.5 billion, increased by interest.

The receivable deriving from the Bond may in any event be used vis-à-vis PPF to offset the performance of the obligations of Generali in the context of the transaction.

§ § §

Generali has not provided, directly or through members of its group, any guarantee for the benefit of Petr Kellner or the PPF Group, in respect of credit lines or advances howsoever connected with the future disposal of the PPF Shareholding.

§ § §

In accordance with the international accounting standards, in relation to the accounting treatment adopted in the 2010 consolidated accounts in respect of the aforementioned exit rights and options of the Minority Shareholder, such rights and options have not been recorded as debt of

Generali, as they do not represent an unconditional obligation by Generali to purchase the PPF Shareholding.

In addition to the potential IPO of the Company, the “alternative exit” provided for by the contractual arrangements entitles Generali to elect not to purchase the PPF Shareholding, as Generali may opt to start an auction to sell the PPF Shareholding to the third party. Consequently, the Generali-PPF Arrangements represent for Generali an investment opportunity, and not an obligation, at predetermined conditions, which Generali will have at the time when the Minority Shareholder elects to exercise its exit right.

There are no circumstances in which the “alternative exit” is not contemplated that are outside the control of Generali.

Furthermore, there is no need to establish a “risk fund”, since as of today no risks of future losses associated with the transaction can be envisaged, considering the current estimate of the floor amount is not higher than the fair market value of the PPF Shareholding.

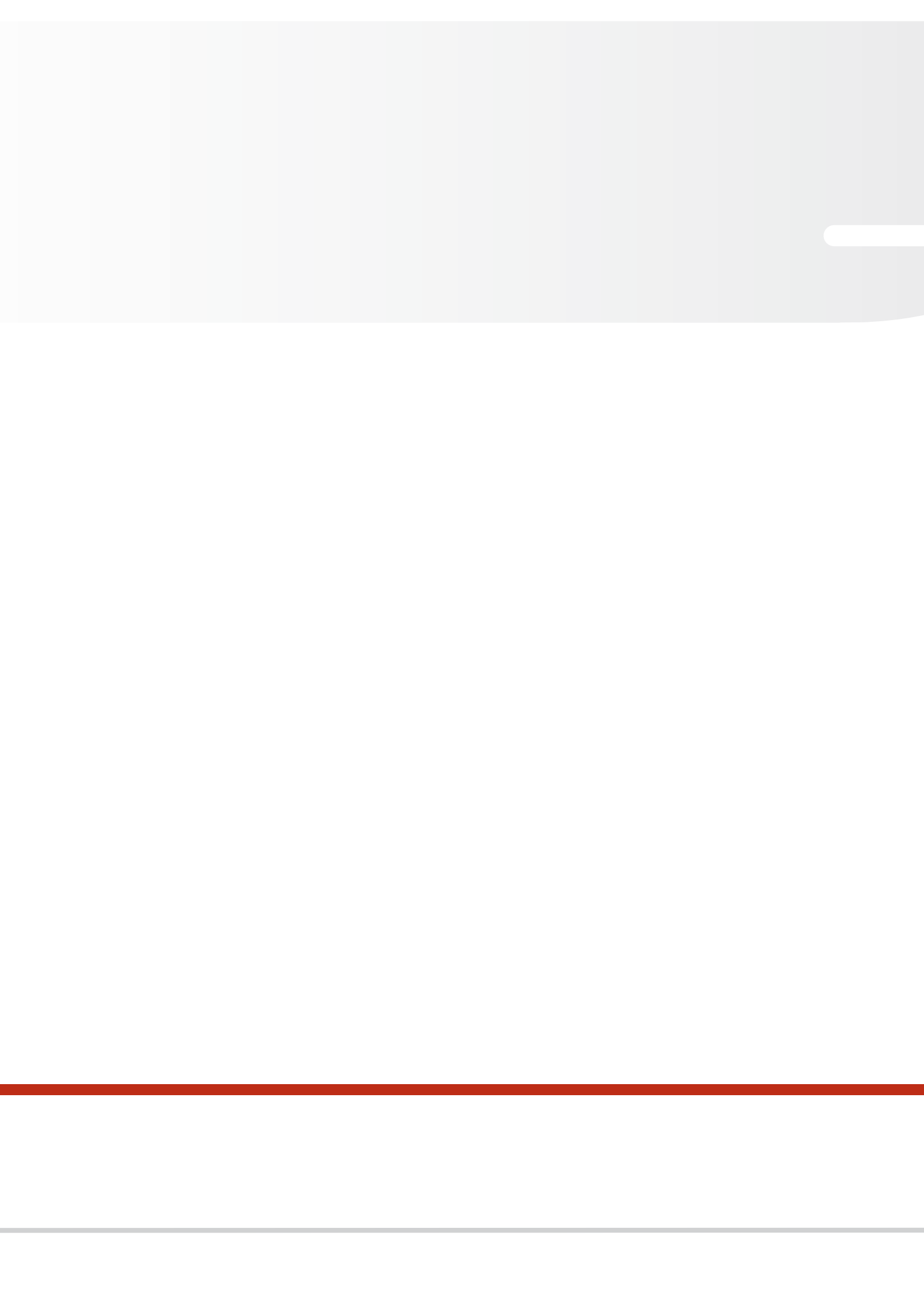
In accordance with domestic accounting standards, the same considerations have been made in relation to the accounting treatment adopted in Generali’s 2010 financial statements. Also in this case, since the contractual arrangements do not provide for an unconditional undertaking by Generali to purchase the PPF Shareholding, no specific item has been recorded in the memorandum accounts.



Alitalia - Airliner A320

## CONSOLIDATED FINANCIAL STATEMENTS





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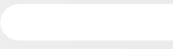
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**Attestation on the consolidated financial statements in accordante with art. 81-ter of  
Consob regulation n. 11971 of 14 May 1999 and following amendments and integrations ... 237**





Mantovani Group – Mose project, Venice

## Consolidated financial statements







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

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## CONSOLIDATED STATEMENTS

### **Consolidated financial statements**

**at 31 December 2010**

(Amounts in € million)

## BALANCE SHEET - ASSETS

		31/12/2010	31/12/2009
<b>1</b>	<b>INTANGIBLE ASSETS</b>	<b>10,670.4</b>	<b>10,445.1</b>
1.1	Goodwill	7,415.4	7,273.5
1.2	Other intangible assets	3,255.1	3,171.6
<b>2</b>	<b>TANGIBLE ASSETS</b>	<b>3,796.2</b>	<b>3,774.9</b>
2.1	Land and buildings (self used)	3,211.7	3,228.4
2.2	Other tangible assets	584.5	546.5
<b>3</b>	<b>AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS</b>	<b>5,765.3</b>	<b>5,576.2</b>
<b>4</b>	<b>INVESTMENTS</b>	<b>364,243.3</b>	<b>341,513.3</b>
4.1	Land and buildings (investment properties)	13,232.7	12,731.6
4.2	Investments in subsidiaries, associated companies and joint ventures	2,439.2	1,986.4
4.3	Held to maturity investments	4,544.9	3,165.7
4.4	Loans and receivables	79,740.4	81,289.4
4.5	Available for sale financial assets	188,928.5	176,414.6
4.6	Financial assets at fair value through profit or loss of which financial assets where the investment risk is borne by the policyholders and related to pension funds	75,357.6	65,925.5
		50,344.0	42,467.2
<b>5</b>	<b>RECEIVABLES</b>	<b>11,468.0</b>	<b>11,327.4</b>
5.1	Receivables arising out of direct insurance operations	8,643.1	8,572.9
5.2	Receivables arising out of reinsurance operations	889.1	951.2
5.3	Other receivables	1,935.9	1,803.3
<b>6</b>	<b>OTHER ASSETS</b>	<b>15,505.8</b>	<b>40,715.2</b>
6.1	Non-current assets or disposal groups classified as held for sale	198.2	26,925.7
6.2	Deferred acquisition costs	1,885.6	1,773.4
6.3	Deferred tax assets	3,596.3	3,674.0
6.4	Tax receivables	2,626.8	2,131.4
6.5	Other assets	7,198.9	6,210.6
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>10,990.3</b>	<b>10,464.8</b>
	<b>TOTAL ASSETS</b>	<b>422,439.4</b>	<b>423,816.9</b>

## BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

		31/12/2010	31/12/2009
<b>1</b>	<b>SHAREHOLDERS' EQUITY</b>	<b>20,064.5</b>	<b>19,924.3</b>
<b>1.1</b>	<b>Shareholders' equity attributable to the Group</b>	<b>17,489.8</b>	<b>16,652.3</b>
1.1.1	Share capital	1,556.9	1,556.9
1.1.2	Other equity instruments	0.0	0.0
1.1.3	Capital reserves	7,098.3	7,090.8
1.1.4	Revenue reserves and other reserves	7,289.1	6,602.4
1.1.5	(Own shares)	-403.3	-403.5
1.1.6	Reserve for currency translation differences	557.2	-109.0
1.1.7	Reserve for unrealized gains and losses on available for sale financial assets	-184.4	729.6
1.1.8	Reserve for other unrealized gains and losses through equity	-125.8	-123.9
1.1.9	Result of the period	1,701.9	1,309.1
<b>1.2</b>	<b>Shareholders' equity attributable to minority interests</b>	<b>2,574.7</b>	<b>3,272.0</b>
1.2.1	Share capital and reserves	2,170.3	2,706.1
1.2.2	Reserve for unrealized gains and losses through equity	88.0	108.6
1.2.3	Result of the period	316.4	457.3
<b>2</b>	<b>OTHER PROVISIONS</b>	<b>1,496.5</b>	<b>1,490.5</b>
<b>3</b>	<b>INSURANCE PROVISIONS</b>	<b>329,616.3</b>	<b>309,593.5</b>
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	38,956.1	34,122.0
<b>4</b>	<b>FINANCIAL LIABILITIES</b>	<b>53,903.8</b>	<b>50,386.5</b>
4.1	Financial liabilities at fair value through profit or loss	13,702.1	10,294.5
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	11,206.1	8,271.9
4.2	Other financial liabilities	40,201.7	40,092.1
	of which subordinated liabilities	6,492.9	6,422.3
<b>5</b>	<b>PAYABLES</b>	<b>7,650.0</b>	<b>7,381.4</b>
5.1	Payables arising out of direct insurance operations	3,917.0	3,602.0
5.2	Payables arising out of reinsurance operations	691.7	763.5
5.3	Other payables	3,041.3	3,015.8
<b>6</b>	<b>OTHER LIABILITIES</b>	<b>9,708.4</b>	<b>35,040.8</b>
6.1	Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0.0	25,307.4
6.2	Deferred tax liabilities	3,753.3	3,908.0
6.3	Tax payables	1,607.1	1,348.6
6.4	Other liabilities	4,348.0	4,476.7
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>422,439.4</b>	<b>423,816.9</b>



## INCOME STATEMENT

		31/12/2010	31/12/2009
1.1	Net earned premiums	65,726.5	64,036.1
1.1.1	Gross earned premiums	68,401.9	66,589.7
1.1.2	Earned premiums ceded	-2,675.4	-2,553.6
1.2	Fee and commission income and income from financial service activities	1,324.2	1,189.1
1.3	Net income from financial instruments at fair value through profit or loss of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	4,781.6	7,497.0
		2,901.8	5,150.7
1.4	Income from subsidiaries, associated companies and joint ventures	110.2	85.1
1.5	Income from other financial instruments and land and buildings (investment properties)	16,204.3	15,477.4
1.5.1	Interest income	10,207.7	9,678.8
1.5.2	Other income	2,141.8	2,046.5
1.5.3	Realized gains	3,647.6	3,567.7
1.5.4	Unrealized gains and reversal of impairment losses	207.3	184.3
1.6	Other income	2,632.3	2,375.0
<b>1</b>	<b>TOTAL INCOME</b>	<b>90,779.2</b>	<b>90,659.7</b>
2.1	Net insurance benefits and claims	-67,720.0	-68,187.5
2.1.1	Claims paid and change in insurance provisions	-69,541.0	-69,945.8
2.1.2	Reinsurers' share	1,821.0	1,758.4
2.2	Fee and commission expenses and expenses from financial service activities	-455.9	-406.7
2.3	Expenses from subsidiaries, associated companies and joint ventures	-23.9	-60.0
2.4	Expenses from other financial instruments and land and buildings (investment properties)	-4,034.7	-5,277.8
2.4.1	Interest expense	-1,237.1	-1,262.7
2.4.2	Other expenses	-382.9	-320.1
2.4.3	Realized losses	-1,305.0	-1,828.3
2.4.4	Unrealized losses and impairment losses	-1,109.8	-1,866.7
2.5	Acquisition and administration costs	-11,892.3	-11,474.5
2.5.1	Commissions and other acquisition costs	-8,423.9	-8,135.8
2.5.2	Investment management expenses	-208.6	-252.5
2.5.3	Other administration costs	-3,259.8	-3,086.2
2.6	Other expenses	-3,815.6	-3,084.9
<b>2</b>	<b>TOTAL EXPENSES</b>	<b>-87,942.4</b>	<b>-88,491.3</b>
	<b>EARNINGS BEFORE TAXES</b>	<b>2,836.8</b>	<b>2,168.4</b>
<b>3</b>	Income taxes	-869.3	-498.1
	<b>EARNINGS AFTER TAXES</b>	<b>1,967.5</b>	<b>1,670.3</b>
<b>4</b>	<b>RESULT OF DISCONTINUED OPERATIONS</b>	<b>50.8</b>	<b>96.1</b>
	<b>CONSOLIDATED RESULT OF THE PERIOD</b>	<b>2,018.3</b>	<b>1,766.4</b>
	<b>Result of the period attributable to the Group</b>	<b>1,701.9</b>	<b>1,309.1</b>
	<b>Result of the period attributable to minority interests</b>	<b>316.4</b>	<b>457.3</b>
	<b>EARNINGS PER SHARE:</b>		
	Earnings per share (in €)	1.10	0.93
	from continuing operation	1.10	0.91
	Diluted earnings per share (in €)	1.10	0.93
	from continuing operation	1.10	0.91



## STATEMENT OF COMPREHENSIVE INCOME

	31/12/2010	31/12/2009
<b>1</b> CONSOLIDATED RESULT OF THE PERIOD	2,018.3	1,766.4
2.1 Foreign currency translation differences	788.9	6.4
2.2 Net unrealized gains and losses on investments available for sale	-938.6	2,072.2
2.3 Net unrealized gains and losses on cash flows hedging derivatives	2.8	-111.6
2.4 Net unrealized gains and losses on hedge of a net investment in foreign operations	-0.7	-45.4
2.5 Share of other comprehensive income of associates	0.0	0.0
2.6 Reserve for revaluation model on intangible assets	0.0	0.0
2.7 Reserve for revaluation model on tangible assets	0.0	0.0
2.8 Result of discontinued operations	0.0	0.0
2.9 Actuarial gains or losses arising from defined benefit plans	0.0	0.0
2.10 Other	0.0	0.0
<b>2</b> OTHER COMPREHENSIVE INCOME	-147.5	1,921.6
<b>3</b> TOTAL COMPREHENSIVE INCOME	1,870.8	3,688.0
attributable to the Group	1,452.3	2,990.9
attributable to minority interests	418.5	697.2

## STATEMENT OF CHANGES IN EQUITY

		Amounts at 31/12/2008	Changes in amounts at 31/12/2008	Allocation	Transfer to profit and loss account
<b>Shareholders' equity attributable to the Group</b>	Share capital	1,410.1	0.0	146.8	
	Other equity instruments	0.0	0.0	0.0	
	Capital reserves	4,567.2	0.0	2,523.6	
	Revenue reserves and other reserves	7,526.5	0.0	-924.1	
	(Own shares)	-1,866.8	0.0	1,463.3	
	Result of the period	860.9	0.0	655.3	
	Other comprehensive income	-1,185.1	0.0	1,309.1	372.7
	<b>Total shareholders' equity attributable to the group</b>	<b>11,312.8</b>	<b>0.0</b>	<b>5,173.7</b>	<b>372.7</b>
<b>Shareholders' equity attributable to minority interests</b>	Share capital and reserves	4,208.5	0.0	-312.1	
	Result of the period	203.1	0.0	499.2	
	Other comprehensive income <sup>(*)</sup>	-251.4	0.0	216.0	23.9
	<b>Total shareholders' equity attributable to minority interests</b>	<b>4,160.3</b>	<b>0.0</b>	<b>403.1</b>	<b>23.9</b>
<b>Total</b>		<b>15,473.1</b>	<b>0.0</b>	<b>5,576.8</b>	<b>396.5</b>

<sup>(\*)</sup> "Other comprehensive income" includes € 2,6 million reported in the Balance Sheet item "1 2 1 Share capital and reserves" (€ -120.2 million at 31/12/2009, and € -127.1 million at 31/12/2008)



Other transfer	Amounts at 31/12/2009	Changes in amounts at 31/12/2009	Allocation	Transfer to profit and loss account	Other transfer	Amounts at 31/12/2010
0.0	1,556.9					1,556.9
0.0	0.0					0.0
0.0	7,090.8		7.5			7,098.3
0.0	6,602.4		686.7			7,289.1
0.0	-403.5		0.2			-403.3
-207.0	1,309.1		936.3		-543.5	1,701.9
0.0	496.6	0.0	-163.2	-86.5	0.0	247.0
<b>-207.0</b>	<b>16,652.3</b>	<b>0.0</b>	<b>1,467.5</b>	<b>-86.5</b>	<b>-543.5</b>	<b>17,489.8</b>
-1,070.2	2,826.2		-658.5			2,167.7
-245.0	457.3		-24.2		-116.7	316.4
0.0	-11.5	0.0	186.5	-84.4	0.0	90.6
<b>-1,315.2</b>	<b>3,272.0</b>	<b>0.0</b>	<b>-496.2</b>	<b>-84.4</b>	<b>-116.7</b>	<b>2,574.7</b>
<b>-1,522.2</b>	<b>19,924.3</b>	<b>0.0</b>	<b>971.4</b>	<b>-170.9</b>	<b>-660.2</b>	<b>20,064.5</b>



## STATEMENT OF CASH FLOW (indirect method)

	31/12/2010	31/12/2009
<b>Earnings before taxes</b>	<b>2,836.8</b>	<b>2,293.2</b>
<b>Changes in non-cash items</b>	<b>17,500.9</b>	<b>20,496.0</b>
Change in the provisions for unearned premiums and for unexpired risks for non-life segment	31.2	52.2
Change in the provisions for outstanding claims and other insurance provisions for non-life segment	236.7	559.1
Change in the mathematical provisions and other insurance provisions for life segment	20,639.8	25,025.2
Change in deferred acquisition costs	-107.1	-61.7
Change in other provisions	-348.9	-423.9
Other non-cash expenses and revenues arising out of financial instruments, investment properties and investments in subsidiaries, associated companies and joint ventures	-2,348.3	-4,541.8
Other changes	-602.4	-113.0
<b>Change in receivables and payables from operating activities</b>	<b>-65.8</b>	<b>332.2</b>
Change in receivables and payables arising out of direct insurance and reinsurance operations	175.8	-199.5
Change in other receivables and payables	-241.6	531.6
<b>Income taxes paid</b>	<b>-743.8</b>	<b>-224.2</b>
<b>Net cash flows from cash items related to investing or financing activities</b>	<b>5,256.2</b>	<b>505.3</b>
Financial liabilities related to investment contracts	2,897.1	273.0
Payables to banks and customers	1,487.0	-9.9
Loans and receivables from banks and customers	-404.6	370.0
Other financial instruments at fair value through profit or loss	1,276.6	-127.8
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>24,784.3</b>	<b>23,402.4</b>
Net cash flows from investment properties	-379.3	-747.4
Net cash flows from investments in subsidiaries, associated companies and joint ventures	-429.5	528.5
Net cash flows from loans and receivables	2,381.0	264.7
Net cash flows from held to maturity investments	-1,130.6	-574.9
Net cash flows from available for sale financial assets	-17,463.9	-23,667.7
Net cash flows from tangible and intangible assets	-456.1	-565.7
Net cash flows from other investing activities	-5,137.5	-965.9
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-22,615.8</b>	<b>-25,728.3</b>
Net cash flows from shareholders' equity attributable to the Group	0.0	0.0
Net cash flows from own shares	0.0	0.0
Dividends payment	-543.1	-202.8
Net cash flows from shareholders' equity attributable to minority interests	-116.7	-245.0
Net cash flows from subordinated liabilities and other similar liabilities	-346.7	398.4
Net cash flows from other financial liabilities	-1,234.0	2,329.6
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-2,240.5</b>	<b>2,280.2</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>602.9</b>	<b>-57.8</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD <sup>(*)</sup>	9,764.8	9,868.2
CHANGES IN CASH AND CASH EQUIVALENTS	530.9	-103.3
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD <sup>(**)</sup>	10,295.7	9,764.8

(\*) Cash and cash equivalents at the beginning of the period include cash and cash equivalents (€ 10,464.8 million), liabilities to banks payables on demand (€ 256.8 million), bank overdrafts (€ 461.2 million) and cash and cash equivalents of non-current assets or disposal groups classified as held for sale (€ 18.1 million)

(\*\*) Cash and cash equivalents at the end of the period include cash and cash equivalents (€ 10,990.3 million), liabilities to banks payables on demand (€ 308.7 million) and bank overdrafts (€ 385.9 million).





Save - Marco Polo airport, Venice

## Notes to the consolidated financial statements





# Basis of presentation and accounting principles

## Basis of presentation

The Generali Group's consolidated financial statements at 31 December 2010 were drawn up taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No 1606 of 19 July 2002 and the Legislative Decree No. 58/1998, as amended by Legislative Decree No 259/2010, as well with the Legislative Decree No 209/2005.

The Legislative Decree No. 209/2005 empowered ISVAP to give further instructions for financial statements in compliance with the international accounting standards.

In this yearly report the Generali Group prepared its consolidated financial statements and Notes in conformity with the ISVAP Regulation No. 7 of 13 July 2007, as amended by Measure ISVAP No. 2784 of 8 March 2010, and information of the Consob Communication No. 6064293 of 28 July 2006.

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

Following the favourable opinion on the sale of the investment in Intesa Vita obtained from the Antitrust Regulator in September, the realized gain on the sale was recognized in the profit and loss account in the specific item profit or loss from discontinued operations.

The consolidated financial statements at 31 December 2010 were audited by Pricewaterhouse Coopers, the appointed audit firm from 2006 to 2011.

## 1 – Consolidated financial statements

The set of the consolidated financial statements is made up of the balance sheet, the profit and loss account, the comprehensive income, the statement showing changes in equity and the cash flow statement, as required by the ISVAP Regulation No. 7 of 13 July 2007, as amended by measure ISVAP No. 2784 of 8 March 2010. The financial statements also include special items that are considered significant for the Group.

The Notes, which are mandatory as minimum content established by ISVAP, are presented in the appendices to the notes to this report.

Comparative figures were restated compared to those presented in the financial statements at 31 December 2009 in order to harmonize them with data in this report.

Reclassifications are explained in the relative part of the notes.

This yearly report was drawn up in euro (the functional currency used by the entity that prepares the financial statement) and the amounts are shown in millions, rounded to the first digit, unless otherwise stated with the consequence that the rounded amounts may not add to the rounded total in all cases.

## 2 – Consolidation area

Based on the IAS 27, the Consolidated financial statements include the figures for both the Parent company and the subsidiaries directly or indirectly controlled.

At 31 December 2010, the consolidation area rose from 521 to 528 companies, of which 490 are subsidiaries consolidated line by line and 38 associated companies valued at equity.

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

### 3 – Consolidation methods

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

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

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

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

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

#### Exchange rates of the balance sheet

Currency	Exchange rate at the end of the period (€)	
	31/12/2010	31/12/2009
US dollar	1.3416	1.4348
Swiss franc	1.2505	1.4832
British pound	0.8569	0.8885
Israeli shekel	4.7511	5.4349
Argentine peso	5.3287	5.4535
Czech koruna	25.0900	26.4050

#### Exchange rates of the income statement

Currency	Average exchange rate (€)	
	31/12/2010	31/12/2009
US dollar	1.3269	1.3933
Swiss franc	1.3822	1.5100
British pound	0.8584	0.8910
Israeli shekel	4.9506	5.4629
Argentine peso	5.1898	5.2024
Czech koruna	25.2926	26.4608



### 3.1 – Line-by-line consolidation method

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

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

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

In preparing the consolidated financial statements:

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

Subsidiaries consolidated line by line are acquired using the purchased method. The acquisition cost is the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree and includes any costs directly attributable to the transaction. The excess of the acquisition cost over the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill. Should the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceed the cost of the business combination, the excess is immediately recognised in the profit and loss account.

Based on the IAS 27 revised, the acquisitions of further minority interests of subsidiaries already consolidated line by line do not imply the booking of additional goodwill and the difference between the purchase price of the abovementioned minorities and the related minority shareholders' interest shall be booked as reduction of the Group equity.

Similarly, in line with what it has been stated above concerning the purchase of further minority shares, the difference between the transaction value and the book value of the ceded share doesn't affect the profit and loss account, but it is recognised in equity since such transactions are managed in the same way of transactions among shareholders.

### 3.2 – Consolidation using the equity method

Investments in associates and joint ventures are consolidated using the equity method.

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

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A *joint venture* is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

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

## Accounting principles

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

## New accounting principles, changes in the accounting rules and in the financial statements

### New accounting principles

Following the endorsement of the European Union, starting from the 1<sup>st</sup> of January 2009 new principles and amendments shall be applied. Following the most relevant changes for the Group are described.

### IFRS 3 – Business combinations, IAS 27 – Consolidated and separate financial statements

On 10 January 2008 the IASB published a revised version of IFRS 3 Business Combinations with EC Regulation 495/2009 and amended IAS 27 Consolidated and Separate approved by EC Regulation 494/2009. In particular the most important amendments regard the method to recognize and measure goodwill in case of acquisitions of control, the recognition of acquisition costs and the treatment of realised gains and losses related to the sale of shares, that do not result in the loss of control.

In particular, in the new version of IFRS 3, goodwill is measured as the difference between the fair value of the acquired company and the net acquisition-date amounts of the identifiable assets acquired.

However, the goodwill measurement could change, whether the Group chooses to measure minority interests using the fair value or the ownership percentage of the business acquired. Such choice can be done case by case. With regard to all acquisition-related costs directly related to a business combination, they are no longer included in the cost of acquisition (e.g. advice), but must be expensed in profit or loss.

According to IAS 27 revised, the difference between the transaction value and the book value of the participation transferred must be accounted for as equity transaction in the controlling entity and not anymore in the profit or loss account.

### Changes in the financial statements

Following a better allocation of the fiscal provisions at the end of 2010, the provisions for taxation have been partially reclassified into the tax payables. This reclassification had an impact on the Balance Sheet and Cash flow statement and the previous periods have been properly adjusted. The Income Statement and the Equity have not been affected by this change, because any adjustment on the measurement criteria of the aforementioned provisions occurred.

Further details of the reclassified amounts are given in the Notes of the balance sheet tables related to the Other Provisions and Other Liabilities.

## Balance sheet - Assets

### 1 – Intangible assets

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

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

#### 1.1 – Goodwill

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

After initial recognition, goodwill is measured at cost less any impairment losses and it is no longer amortised. Realized gains and losses on investments in subsidiaries include the related goodwill. Goodwill is tested at least annually in order to identify any impairment losses.

The purpose of the impairment test on goodwill is to identify the existence of any impairment losses on the carrying amount recognised as intangible asset. In this context, cash-generating units to which the goodwill is allocated are identified and tested for impairment. Cash-generating units (CGU) units usually represent the consolidated units within the same primary segment in each country. The impairment is equal to the difference, if negative, between the carrying amount and the recoverable amount, which is the higher of the fair value of the cash-generating unit and its value in use, i.e. the present value of the future cash flows expected to be derived from the cash-generating units. The fair value of the CGU is determined on the basis of current market quotation or usually adopted valuation techniques (mainly DDM or appraisal value based on EBS). The Dividend Discount Model is an alternative of the Cash flow method. In particular the Dividend Discount Model, in the excess capital methodology, states that the economic value of a financial entity is equal to the discounted dividends flow calculated considering the minimum capital requirements. Such models are based on projections on budgets/forecasts approved by management and covering a maximum period of five years. Cash flow projections for a period longer than five years are extrapolated using estimated growth rate. The discount rates reflect the free risk rate, adjusted to take account for specific risks.

Should any previous impairment losses no longer exist, they cannot be reversed.

#### 1.2 – Other intangible assets

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

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

## 1.2.1 Insurance contracts acquired in a business combination or portfolio transfer

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

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

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

The difference between the fair value of the insurance contracts acquired in a business combination or a portfolio transfer, and the insurance liabilities measured in accordance with the acquirer's accounting policies for the insurance contracts that it issues, is recognised as intangible asset and amortized over the period in which the acquirer recognises the corresponding profits.

The Generali Group applies this accounting treatment to the insurance liabilities assumed in the acquisition of insurance portfolios. Therefore, the assumed insurance liabilities are recognized in the balance sheet according to the acquirer's accounting policies for the insurance contracts that it issues. These intangible assets are not in the scope of IAS 38 and IAS 36.

The future VOBA recoverable amount is nonetheless tested on yearly basis.

As for as the life and non life portfolios, the recoverable amount of the value of the in force business acquired is carried out through the liability adequacy test (LAT) of the insurance provisions — mentioned in the paragraph 3.2 and 3.3 of insurance provisions— taking into account, if any, the deferred acquisition costs recognised in the balance sheet. If any, the impairment losses are recognised in the profit or loss account and cannot be reversed in a subsequent period.

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

## 2 – Tangible assets

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

### 2.1 – Land and buildings (self used)

In conformity with IAS 16, this item includes land and buildings held for use in the production or supply of goods or services or for administrative purposes.

Land and buildings (self used) are measured applying the cost model set out by IAS 16.

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

Land and buildings (self used) are measured at cost less any accumulated depreciation and impairment losses. Land and agricultural properties are not depreciated but periodically tested for impairment losses. Costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner

intended by management are directly charged to the assets to which they refer and depreciated in accordance with the residual value over the assets' useful economic life. Cost of the day-to-day servicing are charged to the profit and loss account.

Finance leases of land and buildings are accounted for in conformity with IAS 17 and require that the overall cost of the leasehold property is recognised as a tangible asset and, as a counter-entry, the present value of the minimum lease payments and the redemption cost of the asset are recognised as a financial liability.

## 2.2 – Other tangible assets

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

## 3 – Amounts ceded to reinsurers from insurance provisions

The item comprises amounts ceded to reinsurers from insurance provisions that fall under IFRS 4 scope. They are accounted for in accordance with the accounting principles applied to direct insurance contracts.

## 4 – Investments

### 4.1 – Land and buildings (investment properties)

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

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

### 4.2 – Investments in subsidiaries, associated companies and joint ventures

This item includes investments in subsidiaries and associated companies valued at equity or at cost. Immaterial investments in subsidiaries and associated companies, as well as investments in associated companies and interests in joint ventures valued using the equity method belong to this category.

A list of such investments is shown in attachment to the Notes.

### 4.3 – Held to maturity investments

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

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

Held to maturity investments are accounted for at settlement date and measured at amortized cost using the effective interest rate method and considering any discounts or premiums obtained at the time of the acquisition which are accounted for over the remaining term to maturity.

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

#### 4.4 – Loans and receivables

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

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

The company's trade receivables are instead classified as receivables in the balance sheet.

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

#### 4.5 – Available for sale financial assets

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

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

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

Interests on financial instruments available for sale are measured using the effective interest rate with impact on profit or loss. Dividends related to equities classified in this category are reported in profit or loss when the shareholder's right to receive payment is established, which usually coincides with the shareholders' resolution.

#### 4.6 – Financial assets at fair value through profit or loss

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

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

Financial assets at fair value through profit or loss take also account of investments back to policies where the in-

vestment risk is borne by the policyholders and back to pension funds in order to significantly reduce the valuation mismatch between assets and related liabilities.

Structured instruments, whose embedded derivatives cannot be separated from the host contracts, are classified as financial assets at fair value through profit or loss.

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

## **5 – Receivables**

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

### **5.1 – 5.2 – Receivables arising out of direct insurance and reinsurance operations**

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

### **5.3 – Other receivables**

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

## **6 – Other assets**

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

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

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

### **6.2 – Deferred acquisition costs**

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

### **6.3 – Deferred tax assets**

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

extent that it is probable that future taxable income will be available, against which the abovementioned unused tax losses or unused tax credits can be utilised.

Deferred tax assets are measured at the tax rates that are expected to be applied in the year when the asset is realized, based on information available at the balance sheet date.

## 6.4 – Tax receivables

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

## 6.5 – Other assets

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

Deferred fee and commission expenses include acquisition commissions related to investment contracts without DPF fair valued as provided for by IAS 39. Acquisition commissions related to these products are accounted for in accordance with the IAS 18 treatment of the investment management service component. They are recognised by reference to the stage of completion of the service rendered. Therefore, acquisition commissions are incremental costs directly attributable to securing and investment management service and are recognised as an asset, which is amortized throughout the whole policy term with a straight line approach, reasonably assuming that the management service is constantly rendered.

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

## 7 – Cash and cash equivalents

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

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



## Balance sheet - Liabilities and equity

### 1 – Shareholders' equity

#### 1.1 – Shareholders' equity attributable to the Group

##### 1.1.1 Share capital

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

##### 1.1.2 Other equity instruments

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

##### 1.1.3 Capital reserve

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

##### 1.1.4 Revenue reserve and other reserves

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

##### 1.1.5 Own shares

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

##### 1.1.6 Reserve for currency translation differences

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

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

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

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

##### 1.1.8 Reserve for other unrealised gains and losses through equity

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

### 1.1.9 Result of the period

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

## 1.2 – Shareholders' equity attributable to minority interests

The item comprises equity instruments of minority interests.

It also includes the reserve for unrealized gains and losses on available for sale investments and the any other gains or losses recognized directly in equity attributable to minority interests.

## 2 – Other provisions

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

## 3 – Insurance provisions

This item comprises amounts, gross of ceded reinsurance, of liabilities related to insurance contracts and investment contracts with discretionary participation features.

### 3.1 – Life insurance policies

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

Classification requires the following steps:

- identification of the characteristics of products (option, discretionary participation feature, etc.) and services rendered;
- determination of the level of insurance risk in the contract; and
- application of the international principle.

#### 3.1.1 Insurance contracts and investment contracts with DPF

Premiums, payments and change in the insurance provision related to products whose insurance risk is considered significant (e.g. term insurance, whole life and endowment with annual premiums, life contingent annuities and contracts containing an option to elect at maturity a life contingent annuity at rates granted at inception, long-term health insurance and unit-linked with sum assured in case of death significantly higher than the value of the fund) or investment contracts with discretionary participation feature –DPF – (e.g. policies linked to segregated funds, contracts with additional benefits that are contractually based on the economic result of the company) are accounted for in accordance with previous local GAAP. Gross premiums are recognised as a revenue, net of cancellations of the period, and ceded premiums are recognised as expenses of the period.

### 3.1.2 Shadow accounting

In order to mitigate the valuation mismatch between financial investments carried at fair value according to IAS 39 and insurance provisions which are accounted for in accordance with previous local GAAP, shadow accounting is applied to insurance contracts and investments contracts with DPF. This accounting practice implies to ideally attribute to the policyholders part of the difference between IAS/IFRS valuation of the basis on which the profit sharing is determined and valuation which is used to determine the profit sharing actually paid.

The policyholders' share is calculated on the average contractual percentage for the policyholder participation, as the local regulation already foresees the protection of guaranteed obligations through the recognition of additional provisions for interest rate risk if future financial returns based on a proper time horizon are not sufficient to cover the financial guarantees included in the contract.

The accounting item arising from the shadow accounting application is included in the carrying amount of insurance liabilities whose adequacy is tested by the liability adequacy test (LAT) according to IFRS 4 (refer to paragraph 3.2 Life insurance provisions), to rectify the IAS/IFRS carrying amount of insurance provisions.

The main accounting effect of the shadow accounting is double fold. On the one hand, the recognition of the policyholders' share of unrealized gains and losses on available for sale financial assets in the deferred policyholders' liabilities; on the other, the insurer's share is recognised in equity. If financial instruments are fair valued through profit or loss or financial investments are impaired, the policyholders' share on the difference between the market value and valuation used to determine the return which the profit sharing is based on (e.g. the carrying amount in segregated fund) is recognised in the profit and loss account.

### 3.1.3 Investment contracts

Investment contracts without DPF and that do not have a significant investment risk, mainly include unit/index-linked policies and pure capitalization contracts. These products are accounted for in accordance with IAS 39 as follows:

- the products are recognised as financial liabilities at fair value or at amortized cost. In detail, linked products are fair valued through profit or loss, while pure capitalization policies are generally valued at amortized cost;
- fee and commission income and expenses are recognised in the profit and loss account. Specifically, IAS 39 and IAS 18 require that they are separately identified and classified in the different components of: (i) origination, to be charged in the profit and loss account at the date of the issue of the product; and (ii) investment management service, to be recognised throughout the whole policy term by reference to the stage of completion of the service rendered;
- fee and commission income and incremental costs of pure capitalization contracts without DPF (other than administration costs and other non-incremental costs) are included in the initial carrying amount of the financial liability and recognised as an adjustment to the effective interest rate;
- the risk component of linked products is unbundled, if possible, and accounted for as insurance contracts.

## 3.2 - Life insurance provisions

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

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

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

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

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

As previously mentioned, insurance provisions include deferred policyholder liabilities related to contracts with DPF. The recognition of the deferred policyholder liabilities is made in accordance to the shadow accounting (as mentioned in the paragraph 3.1.2 of insurance provisions).

### 3.3 – Non-life insurance provisions

The local GAAP for each country is applied to the non-life insurance provisions, since all the existing policies fall under IFRS 4 scope. In conformity with the international standard, no provisions for future claims arising from future contracts are recognised, in line with the derecognition of the equalisation and catastrophe provisions and some additional components of the unearned premiums provisions, carried out on the date of the first-time application.

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

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

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

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

## 4 – Financial liabilities

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

### 4.1 – Financial liabilities at fair value through profit or loss

The item refers to financial liabilities at fair value through profit or loss, as defined and regulated by IAS 39. In detail, it includes the financial liabilities related to investment contracts where the investment risk is borne by the policyholders as well as derivative liabilities arising from derivatives held for trading purposes and even hedging derivatives for which coverage was not applied the complex methodology of hedge accounting.

## 4.2 – Other financial liabilities

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

This item comprises both subordinated liabilities, which, in the case of bankruptcy, are to be repaid only after the claims of all other creditors have been met, and hybrid instruments.

Bond instruments issued are measured at issue price, net of costs directly attributed to the transaction. The difference between the aforesaid price and the reimbursement price is recognised in the profit and loss account.

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

## 5 – Payables

### 5.1 – 5.2 – Payables arising out of insurance and reinsurance operations

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

### 5.3 – Other payables

This item mainly includes provisions for the Italian *Trattamento di fine rapporto* (employee severance pay). These provisions are accounted for in accordance with IAS 19 (see paragraph 6.4 below).

## 6 – Other liabilities

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

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

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

### 6.2 – Deferred tax liabilities

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

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

## 6.3 – Tax payables

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

## 6.4 – Other liabilities

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

Deferred fee and commission income include acquisition loadings related to investment contracts without DPF fair valued as provided for by IAS 39. Acquisition loadings related to these products are accounted for in accordance with the IAS 18 treatment of the investment management service component. They are recognised by reference to the stage of completion of the service rendered.

Thus, the acquisition commissions have been moved in the balance sheet, as liabilities to be released to profit and loss account during the life of the product.

## Profit and loss account

### 1 – Income

#### 1.1 – Earned premiums

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

#### 1.2 – Fee and commission income and income from financial service activities

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

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

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

## 1.4 – Income from subsidiaries, associated companies and joint ventures

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

## 1.5 – Income from financial instruments and other investments

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

## 1.6 – Other income

The item includes revenue arising from sale of goods and rendering of services other than financial services; other insurance income; gains on foreign currency accounted for under IAS 21; realized gains and reversals of impairment on tangible assets and other assets; and any gains recognised on the re-measurement of non-current assets or disposal groups classified as held for sale.

## 2 – Expenses

### 2.1 – Net insurance benefits and claims

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

### 2.2 – Fee and commission expenses and expenses from financial service activities

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

### 2.3 – Expenses from subsidiaries, associated companies and joint ventures

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

### 2.4 – Expenses from financial instruments and other investments

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

## 2.5 – Acquisition and administration costs

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

## 2.6 – Other expenses

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

## 3 – Income taxes

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

## Comprehensive income

The statement of comprehensive income was introduced by the revised IAS 1 issued in September 2007 by the IASB, approved by the EC Regulation No 1274/2008. The statement comprises items of income and expenses different from those included in profit or loss, recognised directly in equity other than those changes resulting from transactions with owners. The Group opted for a net of tax presentation of this items.

The transactions with owners and the result of comprehensive income are presented in the statement of changes in equity.

## Other information

### 1 – Fair value of financial instruments

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

Fair value of financial asset is determined as follows.

In the case of financial assets quoted in active markets, the fair value is their bid price at the end of the trading day at period-end (Mark-to-Market – first level of the fair value hierarchy). A market is considered as active whether the prices are readily and regularly available and represent real market transactions carried out in a normal market environment. If the market of a financial instrument is not active, the fair value should be determined using valuation techniques that enable to state which price the instrument should have had, at valuation date, in a free exchange carried out within normal market conditions.



A non active market is usually characterized by either none or significantly reduced transactions, high price volatility, relevant enlargements of the bid-ask spreads or an atypical liquidity premium implicit in the bid prices.

The valuation techniques should mainly use, if available, prices in recent transactions carried out in a normal market environment, if the market conditions are not significantly changed, or the fair value of instruments with similar characteristics, without considering subjective parameters (Comparable Approach – second level of the fair value hierarchy).

In case no recent transactions and instruments with similar characteristics are observable, discounted cash flow and option pricing models should be applied. The estimate of the fair value makes maximum use of market inputs and relies as little as possible on entity-specific inputs. The valuation technique incorporates all factors that market participants would consider in setting a price, such as yield curve of free-risk interest rates, i.e. parameters able to measure the credit risk, the liquidity risk and other risk factors. When no market inputs are observable or these need to be materially adjusted, the valuation techniques use internal financial models, which are based on internal assumptions and estimates (Mark-to-Model – third level of the fair value hierarchy).

Furthermore IFRS 7 requires to classify the categories of financial instruments measured at fair value - available for sale financial assets and at fair value through profit or loss following - under a fair value hierarchy, which defines three different levels based on the inputs used for pricing instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical financial instruments;

Level 2 - inputs other than those included within level 1, but observable for assets or liabilities, both directly (e.g. quoted prices for similar instruments in active markets) or indirectly (deriving from prices);

Level 3 – inputs concerning assets or liabilities which are not derived from observable market data.

This additional information required by IFRS 7 are given in the other information of the notes.

## 2 – Derivatives' accounting

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

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

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

In relation to emissions of certain subordinated liabilities, the Group has introduced the hedge accounting method, thus accounting for the cash flow hedge on interest expense rates and GBP/EUR exchange rate following the issue of some subordinated liabilities.

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

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

Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges: the effective portion of gain or loss on the hedging instrument is recognized among the components of profit or loss, while the part is not effective be recognized in the separate income statement.

The gain or loss on the hedging instrument relating to the effective portion of the coverage that was recognized in profit or loss shall be reclassified from equity to the separate income statement as an adjustment from reclassification.

### 3 – Impairment losses on financial assets

As for financial assets, except investments at fair value through profit or loss, IAS 39 is applied whether there is any objective evidence that they are impaired.

Evidence of impairment includes, for example, significant financial difficulties of the issuer, its default or delinquency in interest or principal payments, the probability that the borrower will enter bankruptcy or other financial reorganisation and the disappearance of an active market for that financial asset; as far as investments in quoted equity instruments are concerned, a loss of at least 20% for more than 6 months is considered for impairment.

Any impairment loss is recognized only after an articulated analysis of the type of loss has established that there are the conditions to proceed with the corresponding recognition. The analytical level and detail of the analysis varies based on the significance of the latent losses of each investment.

A significant or prolonged decline in the fair value of an investment in an quoted equity instrument below its Group cost is considered as an objective evidence of impairment. In particular, an impairment arises when the fair value has been significantly below the weighted-average cost of Group investments, usually considered to be more than 50% and the Group usually consider prolonged a period over 36 months.

If an investment has been impaired in previous periods, further impairments are automatically charged.

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

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

Any next, reversal of impairment to the value before recording losses are recognized respectively. in the profit or loss in the case of debt instruments, to equity in the case of equity securities including share of mutual funds (IFU).

### 4 – Use of estimates

The preparation of financial statements compliant to IFRS requires the Group to make estimates and assumptions that affect items reported in the consolidations financial balance sheet and income statement and the disclosure of contingent assets and liabilities. The use of estimates mainly refers to as follows:

- insurance provisions for life and non life segment;
- financial instruments measured at fair value;
- the analyzes in order to identify durable impairments on intangible assets (e.g. goodwill) booked in balance sheet (impairment test);
- deferred acquisition costs and value of business acquired;
- deferred taxes;
- defined benefit plan obligation;
- share-base payments.

Estimates are periodically reviewed and are based on key management's best knowledge of current facts and circumstances. However, due to the complexity and uncertainty affecting the above mentioned items, future events and

actions, actual results ultimately may differ from those estimates, possibly significantly.

Further information on process used to determine assumptions affecting the above mentioned items and the main risk factors are included in the paragraphs on accounting principles and in the risk report.

## 5 – Share based payments

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

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

## 6 – Segment reporting

According to IFRS 8, the disclosure about operating segments of the Group is consistent with the evidence reviewed periodically at the highest managerial level for the purpose of making operational decisions about resources to be allocated to the sector and assessment of results:

The Generali Group identifies three main business segments worldwide:

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

Following the revisitation of the segment reporting in order to improve the understanding of the operating performance of activity segments, the three primary business segments do not include the called holding expenses. The holding expenses mainly include the holding and territorial subholding direction expenses in coordination activity, the expenses relating to the parent company of stock option and stock grant plans as well interest expenses on the Group financial debt.

Assets, liabilities, income and expenses of each segment are presented in the appendix to the notes, prepared under the ISVAP Regulation No. 7 of 13 July 2007.

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

In this context, the Generali Group adopts a business approach on segment reporting, characterized by the fact that some transactions between companies belonging to different segments are eliminated within each segment.

In particular, starting from the full year 2010 consolidated financial statements, this aforementioned approach has been adopted also for the balance sheet by segment, enabling consistency of the segment reporting. Comparative figures were restated according to the new approach.

In detail, this approach presents the following main changes. both investments and dividends received by non-life and financial companies and paid by companies of other segments, and realized gains and losses on intra-segment transactions are eliminated within the non-life and financial segments; both investments and dividends received by life holding and paid by companies of other segments, and realized gains and losses on intra-segment transactions are eliminated within the life segment.

Furthermore, loans and interest income and expense on loans between Group companies belonging to different segments are eliminated directly in each segment.

The abovementioned approach reduces consolidation adjustments, that currently include dividends received by life companies and paid by Group companies belonging to other segments, and net commissions for financial services rendered and received by Group companies.

## **7 – Information on financial and insurance risks**

In accordance with IFRS 7 and IFRS 4, the information which enables the users to evaluate the significance of financial instruments on the Group's financial position and performance and the nature and extent of risks arising from financial instruments and insurance contracts to which the entity is exposed and how the entity manages those risks are disclosed in the Risk Report.

In this section the Group provides with qualitative and quantitative information about exposure to credit, liquidity and market risks, arising from financial instruments and insurance contracts, and sensitivity analysis to assess the impact of variation of principal financial and insurance variables on equity, profit and loss or other relevant key indicator.

## Risk report

In the risk report the Group presents further information in order to enable the assessment of the significance of financial instruments and insurance contracts for an entity's financial position and performance.

Furthermore, the Group provides information about its exposure to risks arising from financial instruments and insurance contracts, and it discloses the management's objectives, policies and processes for managing those risks, in accordance with IFRS7, endorsed by Regulation (EC) No.108 of 11 January 2006.

In order to reach an integrated view, the Generali Group has implemented a unique internal control and risk management system which aims at identifying, evaluating and monitoring the most important risks to which the Group is exposed, that means the risks whose consequences could affect the solvency of the Company or the solvency of the single business units, or negatively hamper company goals. The main objectives of the internal control and risk management system of Generali Group is to maintain the identified risks below an acceptable level, to optimize the capital allocation and to improve the risk-adjusted performance of the Group.

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

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

### 1 – Risk Management System

In running the insurance business, the Group is exposed to risks associated with movements of financial markets, negative underwriting risks developments both for Life and Non life segments and, in general, to all other risks any business activity is exposed to.

These risks can be grouped into four major categories of risk: insurance, finance, credit and business. These risk categories are described more extensively below.

Risk management system is based on three main pillars:

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

The model ensures the specific policies adopted by each Italian and foreign business unit are part of a main Group framework. The principles, the targets and the main risk management procedures defined by the Holding are spread and applied across the Group, with the purpose of maintaining a high degree of coherence and integration among the risk management systems of the different business units.

The Group constantly monitors the exposure to different classes of risk through quantitative and qualitative methodologies.

In particular, in addition to measures specifically addressed to individual risk categories provided by the policies of the Group, the Group has adopted a method to quantify exposure to risk (Risk Capital), which allows an integrated perspective allowing aggregation both at different organization levels (Group, country, business unit) and main lines of business (life, property and casualty, and asset management)

The Risk Capital is a risk measure identified with the capital necessary to absorb the maximum loss of available capital, identified according to a 1-year value-at-risk approach, at a specified confidence level consistent with the risk appetite and the target rating.

## 1.1 – Roles and responsibility

The system is based on three different levels of responsibility:

- Group: for every country, the Holding sets the targets in terms of solvency, results and risk exposure, moreover it defines the risk management policy through a list of Guidelines for acceptance of the main risks.
- Country: the Regional Holding defines strategies and objectives for every firm, taking into account the local features and regulations, providing support for the implementation and controls the results. In particular, in order to assure a better solution to the specific features of local risks and changes in local regulation, the risk management responsibility and decisions are delegated to the Country Manager, respecting the Group policy framework. To whom are also assigned performance targets for their respective area.
- Business Unit: every firm defines strategies and targets for the lines of business, in respect of the policy and the guidelines established by the Parent Company. The risk management involves the corporate governance of the Company and the operational and control structure, with defined responsibility levels, and aims to ensure in every moment the adequacy of the entire risk management system.

During 2011, with the upcoming entry into force of Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009 relating to access and perform the activities of insurance and reinsurance (known as Solvency 2), changes to the structure of risk governance have been made according to the process of compliance to the Directive.

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

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

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

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

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

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

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

A dedicated Group Risk Management unit supports the CRO in his duties.

The risk governance has been strengthened by establishing a Control Division, independent from operating functions, that consists of:

- Group Internal Audit Department which has the responsibility to ensure monitoring and evaluating the effectiveness and efficiency of the system of internal controls and the need for improvement, also through support and advice to other business functions;
- Compliance Department which has the responsibility for identifying, evaluating and preventing risks related to failure to comply with laws and regulations.

Both departments report directly to the Board of Directors.

## 2 – The ERM Policy

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

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

The Risk Management Committee is in charge of supporting CEO in periodical reviews of the Company's risk profile relating to the different risk categories, and in developing possible proposals to submit to the Board. Each Italian Company has created an independent risk control department in compliance with Italian regulation.

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

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

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

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

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

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

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

The risk management activities contribute to the goal of managing the business performance on a "risk-adjusted" basis in all operating units of the Group

## 2.1 – Development of the Risk Management System

As previously mentioned, the Group has started the alignment project to the requirements of the Directive 2009/138/EC of the European Parliament and the Council of 25 November 2009 relating to the access and the practice of the insurance and reinsurance operations (Solvency 2).

In this context, at the beginning of 2011 the Group has already made changes to the structure of risk governance, particularly with regards the position of Group Chief Risk Officer (Group CRO), which acts as guarantor for the resilience of the risk management system and reports in hierarchy line to the Managing Director and Group CEO and CEO and functionally to the Board of Directors, as far as his responsibility is concerned.

Additional measures are being defined in line with the regulatory evolutions, which are monitored with particular emphasis on the implementing measures of second and third level.

## 3 - Strategic risk

Strategic risks regard external acts or internal decisions that might compromise the prospective competitive positioning of the Company. In this category are included risks related to profitable growth, capital efficiency, governance alignment, risk appetite and tolerance, external growth, M&A activities and the credit rating of the Company.

The responsibility for strategic risk management is ascribed to the Top Management under the direct control of the Board of Directors and, for what concerns the local markets, to the responsible of each single country where the Group operates. The principal instrument, which directly involves these actors, is represented by strategic planning, arranged with a three year horizon and reviewed annually and based on the definition and allocation of risk-adjusted performance objectives. The control of strategic risks consists of a periodical valuation of the achieved results and of the adopted hypothesis together with the eventual adjustment to new market conditions. The control is carried out directly by the Top Management of the Company.

## 4 - Market risk

Unexpected movements in interest rates, values of equity instruments, real estate and exchange rates might negatively impact the Group's financial position and performance both on values and solvency. Assets subject to changes in value due to market movements are invested to meet the obligation towards both life and non-life policyholders and to earn a return for the capital subscribed by the shareholders. The same changes might affect the present value of the insurance liabilities.

Market risk is expressed in the analysis of the impact of negative financial market movements on Group's economic solvency, taking into account their volatility and correlations and the effects on related insurance liabilities.

At year-end 2010 the investments whose market risk affects the Group were of 309.9 billions euro at market value<sup>1</sup>.

<sup>1</sup> Investments whose market risk affects the Group are total investments excluded investments back to policies where the investment risk is borne by the policyholders, investments in subsidiaries, associated companies and joint ventures, derivatives, mortgage loans, receivables from banks or customers and other residual financial investments different than equities and or loans. Instead, self used properties are included.



(€ million)	31/12/2010		31/12/2009	
	Total fair value	Impact (%)	Total fair value	Impact (%)
Equity instruments (*)	27,298.3	8.8	27,881.1	9.4
Fixed income instruments (**)		83.2	244,452.0	82.6
Bonds	228,507.0		214,886.9	
Other fixed income instruments (***)	29,334.4		29,565.1	
Land and buildings (***)	24,741.5	8.0	23,766.8	8.0
<b>Total</b>	<b>309,881.2</b>	<b>100.0</b>	<b>296,099.9</b>	<b>100.0</b>

(\*) Investment fund units amount to 4.213,9 million (4.101,6 million at 31 December 2009).

(\*\*) Investment fund units amount to 9.439,8 million (8.877,1 million at 31 December 2009).

(\*\*\*) Investment fund units amount to 2.412,3 million (1.968,0 million at 31 December 2009) and it includes also self used properties fair value.

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

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

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

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

During 2010, the Group has implemented strategies to hedge the market risk consequently to the sovereign debt crisis of the peripheral states of the Eurozone and the persistent uncertainty about the stability of economic growth.

The equity portfolio has been hedged through futures and put options on the Eurostoxx 50 index, and put options on specific investments.

As far as the bond portfolio is concerned, in a market scenario characterized by low interest rates, the Group has drawn up IRS contracts to hedge the minimum guaranteed. After subsequent the normalization of the rates, the Group has drawn up options to deal with potential upside.

The Group exposure to risks related to the fluctuation of foreign currencies is not significant thanks to the tactical and selected hedging of the most significant investments through forward contracts.

The currency risk arising from the recent issuance of subordinated debts in British pound sterling has been mitigated with a specific hedging strategy.

## 4.1 – Life Segment

In the Life Segment, the impact of negative changes in the financial market conditions has to be assessed both on assets and liabilities. As allowed by IFRS 4, this impact is here represented as percentage change of Group's Embedded Value<sup>2</sup>.

An Embedded Value is an actuarially determined estimate of the Group value, excluding any value attributable to future new business.

With reference to the covered business, and to the relevant consolidation perimeter (i.e. the operating life, health and pension companies of the group), the EV is equal to the sum of the Adjusted Net Asset Value (ANAV), and the Value In-Force (VIF):

- the Adjusted Net Asset Value which corresponds to the consolidated market value of the assets backing the shareholders' funds, net of taxes and policyholder interests on any unrealized capital gains, after the elimination of goodwill and DAC, net of other adjustments required to maintain consistency with the valuation of the in-force business, and before the payment of dividends from profits in the year;
- the Value In-Force, i.e. the present value of the projected stream of after-tax industrial profits that are expected to be generated by the business in force at the valuation date, assuming assets at local statutory book values equal to the technical reserves, after allowance for the cost of financial guarantees and options granted to policyholders, and less the frictional costs of holding the capital and the cost of non-financial risks.

Regarding the market risk Generali performs the following sensitivities on its Embedded Value:

- Yield curve +1%: sensitivity to an upward parallel shift of 100 basis points in the underlying market risk free rates, accompanied by an upward shift of 100 basis points in all economic assumptions;
- Yield curve -1%: sensitivity to a downward parallel shift of 100 basis points in the underlying market risk free rates, accompanied by a downward shift of 100 basis points in all economic assumptions;
- Equity value -10%: sensitivity to a 10% market value simultaneous reduction at valuation date for equity investments;
- Property value -10%: sensitivity to a 10% market value simultaneous reduction at valuation date for property investments.

The changes in embedded value (%) at 31 December 2009 and 31 December 2008 are reported in the table below.

### Life embedded value sensitivities: Market Risks

(%)	31/12/2010	31/12/2009
Interest rate +1%	4.2	5.1
Interest rate -1%	-8.0	-10.4
Equity price -10%	-4.3	-4.1
Property price -10%	-1.9	-2.1

When analyzing the data from a general point of view, if it is straightforward to observe that the decrease in equity and real estate prices has a negative impact on the shareholders' value, must be noted that a shift in risk free rates might have both positive and negative effects, driven by assets and liabilities mismatch in terms of cash flow and duration.

<sup>2</sup> Generali Group publishes annually also a separate Embedded Value report for life segment available for public.

Similarly to the previous year, data at 31 December 2010 show that the Company suffers the interest rate downward movement. The impact is also higher than the increase corresponding to the opposite risk free variation, due to the presence of financial guarantees and options granted to policyholders, whose costs increase significantly in lower interest rates scenarios generating asymmetries in shareholders' results.

## 4.2 – Non life and financial segment

Market risk refers to the economic impact of interest rates, equity change on a company's financial strength and can be represented by the impact on the result of the period and on the shareholder's equity of the Group.

Market risk evaluation has been performed, for both non-life and financial segments, following a bottom up approach and using a full evaluation model which calculates the change in value of each financial instrument caused by applied stress tests (+/- 100bp yield curve change, +/- 10% change for equity). The market risk evaluation was done on all portfolios at the end of the year.

Valuation of impact on Group's financial statements deriving from possible changes in interest rate was assessed both considering instrument with fixed interest rate (exposing Group to "fair value" risk with impact on equity or result depending on their accounting classification) and with floating interest rate (exposing Group to "cash flow" risk with impact on profit or loss). This impact was assessed considering the 12 month period ending at the reporting date.

The stress test of +/- 100bp on the yield curve implies a potential impact on the result of the period, caused on the one hand by the consequent change in the fair value of bonds and by the re-computation on coupon and accrued interest of floating rate securities.

Changes in interest rates and equity prices may have a potential impact on shareholders' equity. The impact is detailed in the table here below, which shows figures before and after the related deferred taxes. With regard to the sensitivity on the result of the period, it is not material.

### Sensitivity on non life and financial Shareholders' equity

(%)	31/12/2010	31/12/2009
Interest rate +1%	-467.1	-438.6
Interest rate -1%	485.8	440.5
Equity price +10%	272.7	295.8
Property price -10%	-276.5	-292.6

## 5 - Credit risk

### 5.1 – Credit risk on financial investments

Credit risk refers to the economic impact, from downgrades and defaults of fixed income securities or counterparty, on company's financial strength. Furthermore, a general rise in spread level, due to credit crunch or liquidity crisis, impacts the financial strength of a company.

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

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

For the internal rating assessment of an issue or issuer, rating of the main agency ratings are used. In the case of different rating judgements, the second best value available is used. Securities without a rating are given an internal one based on exhaustive economic and financial analysis.

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

The portfolio of fixed income investments of the Group is prudently built. The 53.8% of the securities are government issues or similar with appropriate rating classes.

The distribution by rating class shows that the absolute majority of the fixed income investments is of high rating standing, with more than 88.0% higher or equal to A- rating.

In order to mitigate the counterparty risk, related to market risk hedging strategies, the following measures have been put in place: the counterparty selection, the use of exchange traded instruments and the integration of ISDA Master Agreements with the Credit Support Annex (CSA). CSA requires the counterparty to post collateral when the derivative position is beyond an agreed threshold.

Note that the same considerations on market risk regard the majority of the financial instruments backing contractual obligations arising from life insurance policies, so default, downgrades or changes in spread could affect the financial liabilities values with a mitigation effect.

The table below summarized the fair value of bonds split by rating class.

### Rating of bonds

(€ million)	31/12/2010	Loans	Held to maturity investments	Financial assets at fair value through profit or loss	Available for sale fin. asset	Bonds	Impact (%)
AAA		27,854.6	355.4	2,800.5	49,496.0	80,506.6	35.2
AA		9,155.0	191.8	3,304.0	63,744.6	76,395.4	33.4
A		12,125.4	304.9	3,397.0	28,387.8	44,215.0	19.3
BBB		2,417.0	2,513.2	787.1	13,461.5	19,178.8	8.4
Non investment grade		592.1	58.1	486.7	3,049.1	4,186.0	1.8
Not Rated		1,162.2	1,105.2	426.9	1,330.9	4,025.2	1.8
<b>Totale</b>		<b>53,306.4</b>	<b>4,528.6</b>	<b>11,202.2</b>	<b>159,469.8</b>	<b>228,507.0</b>	<b>100.0</b>

(€ million)	31/12/2009	Loans	Held to maturity investments	Financial assets at fair value through profit or loss	Available for sale fin. asset	Bonds	Impact (%)
AAA		26,466.5	1,132.8	2,759.1	45,699.1	76,057.6	35.4
AA		10,298.2	351.1	2,963.6	64,110.6	77,723.4	36.2
A		14,815.8	449.9	3,757.7	21,967.0	40,990.5	19.1
BBB		2,540.7	290.0	470.7	11,436.6	14,738.0	6.9
Non investment grade		349.7	25.7	317.8	646.1	1,339.3	0.6
Not Rated		495.3	893.4	979.8	1,669.8	4,038.2	1.9
<b>Totale</b>		<b>54,966.2</b>	<b>3,142.9</b>	<b>11,248.7</b>	<b>145,529.2</b>	<b>214,886.9</b>	<b>100.0</b>

With regard to financial assets not impaired, bonds are not past due, instead the major part of the receivables arising from insurance operations are due since around three months.

Amongst the financial assets not impaired, the core part of the bond portfolio is not past due, whereas the main part of the receivables arising from insurance operations are included in the Group assets since three months.

## 5.2 – Reinsurance credit risk

This risk relates to the ability of reinsurance counterparties to fulfil their contractual obligations towards Group companies. The Group centrally sets the main reliability and solvency criteria, which take into account the risk exposure and the probability of default of each reinsurance counterparty.

The main criterion consists in the definition of a maximum exposure transferable to each reinsurer. In principle, the maximum liability transferable to an individual reinsurer for each reinsurance programme should not exceed a given percentage of its shareholder equity. Generally, such exposure is further reduced according to the rating provided by S&P's or equivalent and to the line of business being considered. For long-tail business more restrictive criteria are adopted. Additionally, in order to achieve the best spread of credit risk, a maximum share is generally defined for each reinsurer, per contract.

The Group uses the valuations provided by the main Rating Agencies (S&P's and equivalent) to attribute a rating to each reinsurance counterparty.

### Rating of amounts ceded to reinsurers from insurance provisions

(€ million)	31/12/2010	31/12/2009
AAA	76.4	314.4
AA	2,206.7	2,087.2
A	2,375.4	2,206.0
BBB	62.0	14.6
Non investment grade	3.1	1.6
Not Rated	1,041.7	952.4
<b>Total</b>	<b>5,765.3</b>	<b>5,576.2</b>

The table demonstrates that the careful criteria for the selection of reinsurers adopted by the Group over the past allowed Generali to have a significant concentration of reinsurance credit risk with high rating counterparties. The small percentage of AAA counterparties is due to the limited size of the market with this rating.

As regards "not rated" counterparties, these are often reinsurers that are no longer active in the market and consequently no longer rated by agencies. However, they are not necessarily less strong from a financial perspective. On the contrary, they are often part of important and high rating insurance Groups that decided to stop their reinsurance activity.

Under some circumstances, local regulations, market practice or specific types of business allow the Group to benefit from mitigation of the related reinsurance credit risk through deposits from reinsurers and/or letters of credit as a guarantee on ceded reserves.

## 6 - Liquidity risk

The Group actively manages liquidity risk in order to meet its expected obligations and unexpected demands for cash.

Key points of its strategy is the maintenance of a high financial stability both in short and medium-long term.

The Group, in light of the forthcoming deadlines, considers how to recapitalise itself through the public market.

### 6.1 – Financial liabilities

In order to achieve such results the Group set up a careful analysis of its cash flows both on a short and long run perspective. Its financial liabilities are mainly Euro denominated and fixed-rate exposures. With reference to the foreign currency exposures hedging has been applied to stable cash flows and currency risks.

Liquidity risk is also managed through the placement of different kinds of financial instruments into the market; this strategy allows the Group to diversify its sources of funds.

## Financial liabilities at amortized cost

(€ million)	31/12/2010	31/12/2009
<b>Subordinated liabilities</b>	<b>6,492.9</b>	<b>6,422.3</b>
<b>Loans and bonds</b>	<b>15,202.3</b>	<b>15,480.2</b>
Deposits received from reinsurers	1,070.8	1,084.0
Bonds	4,992.7	6,132.2
Other loans	4,568.2	4,615.3
Financial liabilities related to investment contracts issued by insurance companies	3,871.4	2,934.0
Hedging derivatives	699.2	714.8
<b>Liabilities to banks or customers</b>	<b>18,506.5</b>	<b>18,189.5</b>
Liabilities to banks	421.5	372.2
Liabilities to customers	18,084.9	17,817.3
<b>Total</b>	<b>40,201.7</b>	<b>40,092.1</b>

The main financial liabilities of the Group, Senior Bonds and Subordinated Liabilities, are booked at amortised cost. In the following tables these liabilities are classified by maturity or, by call date. The contractual undiscounted cash flows and the book value are also pointed out.

### Subordinated liabilities

(€ million)	31/12/2010			31/12/2009		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	0.0	0.0	0.0	414.5	0.0	0.0
between 1 and 5 years	1,323.0	963.5	995.5	2,497.2	948.9	1,027.6
between 5 and 10 years	7,172.5	4,540.8	4,196.9	6,040.3	4,518.0	4,415.1
more than 10 years	2,269.5	988.6	816.2	1,610.3	955.4	854.3
<b>Total subordinated liabilities</b>	<b>10,765.0</b>	<b>6,492.9</b>	<b>6,008.6</b>	<b>10,562.2</b>	<b>6,422.3</b>	<b>6,296.9</b>

### Senior bonds

(€ million)	31/12/2010			31/12/2009		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	0.0	0.0	0.0	2,023.8	1,704.3	1,795.8
between 1 and 5 years	3,300.1	2,723.6	2,932.8	3,080.6	2,212.8	2,414.5
between 5 and 10 years	870.1	559.3	559.3	967.3	497.5	523.8
more than 10 years	3,005.6	1,709.9	1,771.1	2,198.4	1,717.6	1,816.5
<b>Total subordinated liabilities</b>	<b>7,175.8</b>	<b>4,992.7</b>	<b>5,263.2</b>	<b>8,270.1</b>	<b>6,132.2</b>	<b>6,550.6</b>

The decrease of bonds issued is due to the reimbursement of a senior bond in July 2010 with a nominal value of € 1,750 million. Furthermore, in May 2010 a Senior bond of € 560 million has been issued in order to finance the advance payment to get the tax exemption of the goodwill coming from the Alleanza Toro merger.

Liabilities towards banks and customers basically refer to Banca Generali and BSI Bank ordinary activity and they are mainly bank deposits.

## 6.2 – Insurance liabilities

The Company takes into adequately account the impact of rational/irrational surrenders on its expected profits, as reported also in the following paragraph 7.1. In addition, in all the valuations, including sensitivities reported on *Market Risk Section*, a dynamic surrender approach is implemented, taking into account the interaction between the return of policyholder funds and the financial market developments.

The liquidity risk arises from a mismatch between liabilities and assets cash flows. The Group manages this risk by mean of mitigation strategies, either embedded in the products and funds structure.

In particular, in the phase of product design, penalties for surrenders are allowed, calculated in order to partially compensate the eventual decrease of expected future profits. At the same time, for a relevant part of the portfolio, financial guarantees are not provided in case of surrender; this has a disincentive effect for policyholders and reduces the cost of this embedded option for the Company. The surrender assumptions used both for the pricing and the valuation, in terms of value and risk, are periodically reviewed and updated.

The table here below shows the amount of the life gross direct insurance provisions broken down by expected contractual residual duration. For annuity in payment or whole life contract the expected residual duration is calculated according to the embedded value valuation.

### Life insurance provisions and financial liabilities related to investment contracts: contractual term to maturity

(€ million)	Gross direct insurance	
	31/12/2010	31/12/2009
Up to 1 year	22,320.8	22,426.1
Between 1 and 5 years	71,935.0	66,785.2
Between 6 and 10 years	64,814.9	59,600.7
Between 11 and 20 years	76,570.8	70,405.7
More than 20 years	63,361.1	54,138.6
<b>Total</b>	<b>299,002.6</b>	<b>273,356.4</b>

The total insurance provisions include the gross direct amount of mathematical provisions, which amount to € 236,342.0 million (2009: € 220,315.4 million), the provisions for policies where the investment risk is borne by the policyholders and for pension fund, which amount to € 38,881.0 million (2009: € 34,055.4 million), the ageing provision for life segment, which amount to € 8,408.4 million (2009: € 7,581.7 million), and financial liabilities related to investment contacts, which amount to € 15,371.2 million (2009: € 11,403.8 million).

Note that the provision for outstanding claims (not included in the table) which at 31 December 2010 amounted to € 4,984.1 million (2009: € 4,225.2 million) matures in first year by definition.

With reference to non life segment, the table here below shows the amount of gross direct claims and unearned premiums reserves split by remaining maturity. The total liability is broken down by remaining duration in proportion to the cash flows expected to arise during each duration band.



## Non life insurance provisions: maturity

(€ million)	Gross direct insurance	
	31/12/2010	31/12/2009
Up to 1 year	13,588.7	13,138.8
Between 1 and 5 years	11,691.3	11,213.6
Between 6 and 10 years	4,212.7	3,871.1
Between 11 and 20 years	3,063.8	3,688.7
More than 20 years	0.0	0.0
<b>Total</b>	<b>32,556.4</b>	<b>31,912.3</b>

## 7 - Insurance risks

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

### 7.1 – Life underwriting risk

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

The risks related to policies with a prevailing saving component and with minimum interest rate guarantee are adequately measured in a prudent way in the pricing process in accordance with the particular situation of the local financial markets, and taking also into account any relevant regulatory constraint. In the recent past a policy of re-definition of the structure of minimum guarantees has been pursued by the Group in order to lower risks and associated cost. In this perspective the structure of the product has been redefined, connecting in many cases the level of guarantees with the length of staying inside the contract.

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

## Life insurance provisions: financial guarantee

(€ million)	Gross direct insurance	
	31/12/2010	31/12/2009
<b>Liabilities with guaranteed interest (*)</b>	<b>228,713.5</b>	<b>212,114.6</b>
between 0% and 1%	40,681.5	33,809.8
between 1% and 3%	88,134.5	76,853.3
between 3% and 4%	57,879.0	58,564.8
between 4% and 5%	39,367.8	40,829.4
more than 5 %	2,650.7	2,057.3
<b>Provisions without guaranteed interest</b>	<b>61,631.6</b>	<b>52,953.1</b>
<b>Provisions matched by specific assets</b>	<b>8,657.5</b>	<b>8,288.6</b>
<b>Total</b>	<b>299,002.6</b>	<b>273,356.4</b>

(\*) The upper bound of each range is excluded.

The total insurance provisions include the gross direct amount of mathematical provisions, provisions for policies where the investment risk is borne by the policyholders and for pension fund, the ageing provision for life segment, which is included in other provisions of life segment and financial liabilities related to investment.

The insurance provisions above are grouped in three macro classes:

- contracts with a minimum guarantee level: this group considers both yearly cliquet and at event (death and maturity) guarantees;
- contracts without interest guarantee: in this category, together with standard unit linked policies are also included contract whose benefits and premiums can be adjusted by Companies in order to mitigate interest rate risk;
- contracts matched by specific assets: this category includes contracts where the liabilities are totally matched by specific assets.

The table above shows a gradual shift of the exposures towards 'less than 3%' guarantee classes, also due to the new business. It also shows a slight increase of 'in addition to 5%' class related to the portfolio management of extra-European Group companies where the nominal rates are higher than those in the Eurozone. Lastly, the liabilities without interest rate guarantee increased from € 52,953.1 million to € 61,631.6 million.

Regarding the life underwriting risk Generali Group performs the following Embedded Value sensitivities:

- maintenance expenses -10%: sensitivity to a 10% decrease of maintenance expenses;
- lapse Rate -10%: sensitivity to a 10% decrease of lapse rates;
- mortality/morbidity for risk business -5%: sensitivity to a 5% decrease of mortality/morbidity for all product lines except annuities (e.g. term assurance, whole life, annuity during the accumulation period);
- mortality for annuity business -5%: sensitivity to a 5% decrease of mortality for annuity business only (e.g. annuities in payment).

#### Life embedded value sensitivities: Underwriting Risks

(%)	31/12/2010	31/12/2009
Expenses -10%	2.5	2.4
Lapse rate -10%	2.8	2.4
Mortality -5%	2.5	2.1
Annuity Mortality -5%	-0.6	-0.7

The table above shows that the reduction of expenses and mortality rates (except for annuities) has a positive effect in the value; on the contrary, as expected, for the annuities, a reduction in mortality rates leads to a corresponding decrease in value.

Regarding lapse, a decrease in surrender assumptions could produce both positive and negative effect in the Embedded Value, depending on the portfolio structure and on the economic contingencies. In particular the magnitude of variances depends on the alignment of some variables such as return of the fund, level of guarantee and structure of surrender penalties. Like the previous year, the offsetting effects of these factors result at Group level in an increase in the Embedded Value when the lapse rates decrease.

In addition with the quantitative analyses above presented, the qualitative aspects relating to underwriting process and operative risk management are carefully assessed.

As far as the demographic risk related to pure risk portfolios is concerned, the mortality tables used in the pricing include prudential margins. The standard approach is to use population or experience tables with adequate safety loadings. For the most important risk portfolios *ad hoc* reviews of mortality experience is performed every year in comparison with the expected mortality of the portfolio, determined according to the most up-to-date mortality tables available in each market. This analysis takes into consideration the mortality by sex, age, policy year, sum assured and other underwriting criteria.

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There is a particular emphasis, both at local and central level, in the underwriting of the new contracts, that considers both the medical and the financial and moral aspects. A Group standard for manuals, forms and medical and financial underwriting requirements has been established, both for death covers and for riders. Underwriting autonomy levels for companies are determined depending on their structure and their portfolio, while above the autonomy each risk is examined also by either the Underwriting Department of Corporate Centre (which is the main reinsurer for many Group companies) or by a local professional reinsurer.

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

The Companies must apply the underwriting guidelines and operating limits defined by the Corporate Centre which also defines the standard process to request dispensations in order to maintain the risk exposure between the set up limits and to ensure a coherent use of the capital.

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

The longevity risk, notwithstanding its minor weight in the life business of the Group, is constantly monitored. For the most important portfolios of annuities in course of payment, there is an annual evaluation for the adequacy of the technical bases, that considers the demographic component but also the financial component related to the minimum interest rate guarantee and any mismatch between the liabilities and the corresponding assets.

As far as new business is concerned, in each country demographic assumptions reflecting future mortality trends are used, while for group contracts, if possible, mortality adjustments clauses are considered. For policies which foresee an accumulation phase and at maturity an annuity conversion option for the lump sum, no guarantee is normally allowed on the technical basis for the determination of the annuity to be paid in the future; if, however, this is guaranteed, particularly in cases of collective agreements, contractual mechanisms for adjusting the basis of mortality compared with some variations in mortality effective population are often introduced.

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

In the annual Embedded Value analysis, both locally and centrally, the coherency of the assumptions with the actual experience is verified for all risk categories.

Aggregate analysis have been made on the best estimate of the risk factors in order to assess the congruence of the assumptions and to update them; at the same time it has been assessed the coherence of the assumptions made and the actual experience of the year valuating the changes in the portfolio values.

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

**Gross direct premiums by line of business and by geographical area**

(€ million)	31/12/2010	Individual Savings & protection	Individual unit/index linked	Health	Group	Total
Italy		11,715.1	262.9	0.0	1,490.5	13,468.5
France		7,945.9	1,646.4	864.5	721.1	11,177.9
Germany		6,948.9	3,215.6	2,370.5	1,220.4	13,755.4
Central and Eastern Europe		1,089.1	483.3	174.0	19.8	1,766.1
Rest of Europe		1,874.8	3,783.6	260.7	729.8	6,649.0
of which Spain		566.9	16.7	0.0	336.6	920.1
of which Austria		644.9	289.9	221.6	0.0	1,156.4
of which Switzerland		204.9	762.6	8.7	2.0	978.2
Rest of World		1,107.2	22.6	305.1	1,561.6	2,996.5
<b>Total</b>		<b>30,680.9</b>	<b>9,414.4</b>	<b>3,974.8</b>	<b>5,743.3</b>	<b>49,813.4</b>

(€ million)	31/12/2009	Individual Savings & protection	Individual unit/index linked	Health	Group	Total
Italy		11,048.7	269.7	0.0	1,338.0	12,656.4
France		9,318.8	1,299.8	798.8	786.1	12,203.5
Germany		6,186.7	3,184.8	2,033.2	823.8	12,228.4
Central and Eastern Europe		1,170.5	326.6	155.2	19.5	1,671.9
Rest of Europe		2,026.4	3,777.3	250.6	754.7	6,809.0
of which Spain		736.5	20.9	0.0	370.4	1,127.9
of which Austria		563.7	327.7	213.6	0.0	1,105.0
of which Switzerland		185.1	701.5	8.7	1.5	896.8
Rest of World		792.6	35.0	227.1	1,210.3	2,265.0
<b>Total</b>		<b>30,543.7</b>	<b>8,893.2</b>	<b>3,465.0</b>	<b>4,932.4</b>	<b>47,834.3</b>

The table above shows the major importance of individual “savings&protection” contracts (61.6% of the total), while the unit/index linked portfolio accounts for 18.9% of the total written premiums. Concerning the health business, the Group has a strong presence in markets such as Germany and Austria where operate companies dedicated to this segment; while in all the other geographical areas the “health” premiums refers to life insurance rider covers.

The presence in the life and health market is well diversified and stable across countries; however it is worth noting that the 94% of the total written life and health premiums refers to the European market.

## 7.2 – Non-life underwriting risk

The risk arising from the underwriting of non-life insurance depends on the type of risks being underwritten and is related to the uncertainty in underwriting results deriving from two main components: pricing risk, including catastrophe risk, and reserving risk.

## 7.2.1 Pricing risk

Pricing risk derives from the possibility that premium charged is insufficient to cover claims and expenses. In order to quantify it, the Generali Group assesses its exposure to attritional claims, large claims and catastrophes, gross and net of reinsurance, for the most relevant part of its portfolio.

Regarding this risk, the Generali Group:

- has developed stochastic or deterministic bottom-up simulation models, which are validated by sensitivity analyses and stress tests;
- determines for frequency risks, large risks and catastrophe risks (such as earthquake, flood, windstorm, etc.) possible loss scenarios and risk capital requirements, also in consideration of reinsurance structures (proportional, excess of loss, etc.), net retention and cover;
- adopts, also for evaluating reinsurance cessions, models that are consistent with Value Based Management principles, which consider value creation estimated from risk capital as the metric to be used to evaluate the efficiency and adequacy of the solutions to be chosen.

Reinsurance structures are based on a detailed risk analysis that allows identifying, for each class of business, the structure type, the retention level and the total amount of cover needed to mitigate exposures from single risks and, for some classes, events that derive from the accumulation of risks existing within a portfolio.

Treaty reinsurance provides a risk transfer mechanism for the greatest portion of each portfolio, while facultative reinsurance is used to cover individual additional exposure peaks.

Regarding treaty reinsurance, the most important lines of business are best covered by excess of loss contracts, which allow setting precise retentions for each class. This makes it possible to retain those risks that are marked by a lower volatility and higher expected returns.

In this field, the Group has adopted a strategy and business model that is based on central coordination and governance, with predominantly local execution. This model envisages placements to be made at the Country level (or regional level for Central and Eastern Europe) for the benefit of all Companies belonging to that territory.

The Corporate Centre validates this process and has a first refusal right in order to capture additional Value for the Group. If selected, reinsurance treaties of Group Companies are totally or partially retained, at external market terms and conditions. This approach makes it possible to manage the reinsurance cycle by retaining more during hard market phases and less during soft ones.

The placement of facultative reinsurance is managed at the local company level, since this kind of protection is strongly linked to the risk evaluation carried out by the individual underwriting departments.

Reinsurance counterparties are chosen in accordance to the criteria defined by the Corporate Centre (as described in paragraph 5.2).

With specific regard to Assicurazioni Generali SpA, the above mentioned principles were approved with a Board resolution on 25 February 2010 and the reinsurance structures in force during the current financial period do not present material changes as far as the retained risk profile is concerned.

## 7.2.2 Reserving risk

Reserving risk relates to the uncertainty in reserve run-off and considers the possibility that reserves are not sufficient to cover all eventual liabilities towards insured and damaged parties.

This assessment is closely related to the estimation of reserve amounts. For this reason, both processes are performed together to ensure consistency, using claim triangles and all other relevant information, which are collected and analysed according to specific guidelines.

The following table shows the cumulative claim payments and the ultimate cost of claims by accident year and their development from 2001 to 2010. The ultimate cost includes paid losses, outstanding reserves on reported losses, estimated reserves for IBNR claims and ULAE. The amounts refer to direct business gross of reinsurance and recoveries (the latter amounting to € 565.3 million in 2010).

The difference between the ultimate cost of claims and the cumulative paid losses for calendar year 2010 constitutes the claim reserve for accident years 2001 to 2010. The reserve reported in the balance sheet also includes a residual claim reserve that is composed almost exclusively by the accident years not reported in the development triangle.

The observed trend in the ultimate cost for generations 2001-2010 indicates the adequate level of prudence adopted by the Generali Group in its reserving policy.

### Claims development

(€ million)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
<b>Cumulative claim payments:</b>											
at the end of accident year	4,676.7	5,137.7	5,003.6	5,011.1	5,324.8	5,542.5	5,948.3	6,235.7	6,444.6	6,276.0	
one year later	8,014.2	8,641.4	8,406.2	8,523.3	8,974.0	9,353.7	10,132.4	10,645.5	10,661.0		
two years later	9,109.4	9,595.7	9,355.3	9,541.1	10,037.4	10,463.1	11,293.4	11,785.1			
three years later	9,625.8	10,054.0	9,867.8	10,059.6	10,545.1	10,969.4	11,870.8				
four years later	9,929.1	10,343.2	10,181.5	10,330.7	10,806.5	11,283.2					
five years later	10,162.6	10,549.1	10,395.6	10,507.9	11,007.1						
six years later	10,334.1	10,728.0	10,539.8	10,679.7							
seven years later	10,476.9	10,854.1	10,674.4								
eight years later	10,565.8	10,934.5									
nine years later	10,583.2										
<b>Estimate of ultimate cumulative claims costs:</b>											
at the end of accident year	11,436.4	12,363.3	12,375.0	12,496.0	12,775.0	13,358.7	14,058.4	14,467.5	14,611.1	14,389.3	132,330.7
one year later	11,544.6	12,041.4	12,032.3	12,258.6	12,683.1	13,224.7	13,906.7	14,334.3	14,459.9		
two years later	11,403.5	11,905.2	11,811.0	11,973.4	12,405.2	12,956.5	13,657.9	14,080.2			
three years later	11,380.2	11,878.8	11,675.2	11,818.0	12,241.6	12,803.5	13,511.7				
four years later	11,363.1	11,784.8	11,650.2	11,714.7	12,157.7	12,714.2					
five years later	11,339.3	11,689.0	11,568.5	11,644.2	12,086.9						
six years later	11,340.0	11,661.9	11,523.3	11,600.8							
seven years later	11,305.7	11,630.0	11,492.7								
eight years later	11,270.1	11,614.5									
nine years later	11,265.1										
<b>Estimate of ultimate cumulative claims costs at reporting date</b>	<b>11,265.1</b>	<b>11,614.5</b>	<b>11,492.7</b>	<b>11,600.8</b>	<b>12,086.9</b>	<b>12,714.2</b>	<b>13,511.7</b>	<b>14,080.2</b>	<b>14,459.9</b>	<b>14,389.3</b>	<b>127,215.2</b>
<b>Cumulative payments to date</b>	<b>-10,583.2</b>	<b>-10,934.5</b>	<b>-10,674.4</b>	<b>-10,679.7</b>	<b>-11,007.1</b>	<b>-11,283.2</b>	<b>-11,870.8</b>	<b>-11,785.1</b>	<b>-10,661.0</b>	<b>-6,276.0</b>	<b>-105,754.9</b>
<b>Provision recognised in the balance sheet</b>	<b>681.9</b>	<b>680.0</b>	<b>818.3</b>	<b>921.1</b>	<b>1,079.7</b>	<b>1,431.1</b>	<b>1,640.8</b>	<b>2,295.2</b>	<b>3,798.9</b>	<b>8,113.3</b>	<b>21,460.3</b>
Provision not included in the claims development table											5,754.6
<b>Total provision included in the balance sheet</b>											<b>27,214.9</b>

The differences with the amounts published in previous reporting periods are mainly due to changes in exchange rates.

## 7.2.3 The underwriting policy

In the non-life branches, the Group underwriting embraces all lines of business, while targeting the development of retail and small/medium enterprise business, both in Property and Casualty.

The focus is mainly on products characterized by low or medium volatility, with only a minor and selective presence in market segments such as, for example, energy and accepted reinsurance.

The underwriting guidelines are particularly prudent with reference to emerging risks (electromagnetic fields, genetically modified organisms, nanotechnologies, etc.), while asbestos related covers are generally excluded.

The underwriting activity is geographically diversified, although mainly concentrated in continental Europe, which accounts for 94% of direct gross written premiums.

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

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

(€ million)	31/12/2010	Motor			Non motor		Total
		Personal	Commercial/ Industrial	Accident/ Health (*)	Commercial/ Industrial	Accident/ Health (*)	
Italy		3,155.8	834.0	1,965.8	1,372.4	7,327.9	
France		1,088.5	1,352.5	736.6	481.0	3,658.6	
Germany		1,079.9	1,177.0	278.1	458.5	2,993.6	
Central and Eastern Europe		1,128.1	326.3	505.8	251.9	2,212.1	
Rest of Europe		1,487.0	903.7	1,054.5	613.2	4,058.3	
of which Spain		369.1	359.3	446.0	166.7	1,341.1	
of which Austria		527.9	273.9	375.7	145.0	1,322.5	
of which Switzerland		276.5	163.6	2.9	135.1	578.1	
Other Europe		313.5	106.9	229.9	166.3	816.6	
Rest of World		781.0	50.0	363.2	72.1	1,266.3	
<b>Total</b>		<b>8,720.3</b>	<b>4,643.5</b>	<b>4,904.0</b>	<b>3,249.1</b>	<b>21,516.8</b>	

(\*) Life segment includes health insurance with life features.

(€ million)	31/12/2009	Motor			Non motor		Total
		Personal	Commercial/ Industrial	Accident/ Health (*)	Commercial/ Industrial	Accident/ Health (*)	
Italy		3,137.8	820.4	1,951.3	1,361.9	7,271.3	
France		1,057.8	1,367.4	649.9	465.6	3,540.8	
Germany		1,115.8	1,169.8	285.9	459.5	3,031.1	
Central and Eastern Europe		1,190.7	305.2	452.8	233.3	2,182.0	
Rest of Europe		1,658.6	757.7	1,077.6	553.1	4,047.0	
of which Spain		482.1	290.1	500.5	157.9	1,430.6	
of which Austria		596.0	223.3	353.2	140.7	1,313.2	
of which Switzerland		258.5	140.3	2.5	108.4	509.8	
Rest of World		665.4	42.4	327.3	60.8	1,096.0	
<b>Total</b>		<b>8,826.1</b>	<b>4,462.9</b>	<b>4,744.8</b>	<b>3,134.3</b>	<b>21,168.2</b>	

(\*) Life segment includes health insurance with life features.

## 8 – Operating risk and other risks

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

- operational risk, defined as the potential losses, including opportunity costs, arising from lacks or underperformance in internal processes, human resources and systems or from other causes which may result from internal and external reasons;
- financial reporting risk, defined as the risk of an error that lead to an unfair and incorrect representation of the financial position and performance in the financial statement and in the consolidated statement, in the financial half-yearly report and in any other financial communication.

The responsibility for the operational risks is assigned to each business unit. Operational plans aligned with risk-adjusted targets are identified and actions are taken in order to mitigate risks which could potentially jeopardise the performance of operating results. The country manager is directly responsible for controlling these risks.

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

- policies and basic requirements to handle specific risk-sources are defined at the Group level;
- a detailed operational risks classification and standard criteria to be applied to the whole Group in order to identify and evaluate operational risks within the company's processes;
- criteria to measure operational risk are defined by the Parent Company;
- Group Internal Audit Department sets common methodologies and principles guiding the internal audit activities in order to identify the most relevant processes to be audited.

A model coherent with international frameworks (Coso, Cobit) has been defined to manage the financial reporting risk. The Chief Financial Reporting Risk Officer (manager in charge of preparing the company's financial reports) of Assicurazioni Generali S.p.A. define the operational and organizational aspects of the financial reporting risk model in respect of the law 28 December 2005, n. 262.

For further information see the Corporate Governance Relation.

To confirm the reliability of the information given to the market, an external organization has assessed the methodology and results of the life Embedded value.

## 9 – Risk monitoring by third parties

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

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

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

The main rating agencies have confirmed their rating judgment on the Group.

In November the rating agency A.M. Best confirmed its A+ rating to Assicurazioni Generali, and its outlook to stable. Also the rating agency Moody's reaffirmed Aa3 rating and its outlook as stable.

At the end of 2010 the financial strength ratings of the Generali Group assessed by four rating agencies were the following:



Rating agency	2010	Rating	Outlook
Standard & Poor's		AA-	Stable
Fitch		AA-	Stable
AM Best		A+	Stable
Moody's		Aa3	Stable

## 10 – Capital management

The objectives of the Group capital management policy are:

- to guarantee the accomplishment of solvency requirements as defined by the specific laws of each sector where the participated companies operate (life segment, non life segment and banking and financial segment);
- to safeguard the going concern and the capacity to develop its activity;
- to continue to guarantee an adequate remuneration of the shareholders' capital;
- to determine adequate pricing policies which are suitable for the risk level of each sectors' activity.

In every country the Group operates, local laws and/or local supervisor authorities require a minimum capital. This minimum capital should be maintained by each subsidiary to face its insurance obligations and operational risks. This minimum level of capital has been continuously maintained during the financial year.

The Group is a financial conglomerate and it is subject to a supplementary supervision about adequacy capital requirements, risk concentration, intra-group transactions and internal control. In 2010, the Group available margin amounts to € 22.3 billion (€ 21.6 billion at 31 December 2009) and the Group required margin to € 16.9 billion (€ 16.9 billion at 31 December 2009). Therefore, the Group solvency I cover ratio (i.e. the ratio of available margin to required margin) is 132% (128% at 31 December 2009).

With reference to the Solvency I cover ratio the following sensitivity analyses to market risks have been performed:

- Equity -30%: a 30% reduction in equity market value at balance sheet date affects the ratio by around 13 percentage points;
- Yield curve +1%: an upward parallel shift of 100 basis points in the underlying market risk free rates at balance sheet date affects the ratio by around 13 percentage points;
- Yield curve -1%: a downward parallel shift of 100 basis points in the underlying market risk free rates at balance sheet date increases the ratio by around 13 percentage points.

The capital management policy is based on a consistent approach for the evaluation of the economic value and its related risks and makes use of proper internal models ("Life Embedded Value", "Economic Balance Sheet" and "Economic Capital").

At this stage of evolution of legal and market references the Capital management system integrates the logic of Group's internal model based on the Risk Capital. It reflects the actual risk profile with the necessary considerations about existing regulatory capital, in particular with reference to the local current solvency requirements, the Group requirements and the requirements currently considered by the rating agencies.

After the issue in 2009 of the Solvency II Directive about the new solvency requirements for the insurance companies, the Group has started a specific program in order to follow the legislative evolution, the implementation of the so called second and third level measures and the update of the internal valuation and risk management systems.

## Notes to the balance sheet

### Balance sheet - Assets

#### 1 – Intangible assets

(€ million)	31/12/2010	31/12/2009
<b>Goodwill</b>	<b>7,415.4</b>	<b>7,273.5</b>
<b>Other intangible assets</b>	<b>3,255.1</b>	<b>3,171.6</b>
Purchased goodwill	60.4	56.1
Software	503.8	433.9
Value of in-force business arising from insurance business combination	1,842.3	1,956.2
Other intangible assets	848.6	725.3
<b>Total</b>	<b>10,670.4</b>	<b>10,445.1</b>

#### 1.1 – Goodwill

(€ million)	31/12/2010	31/12/2009
<b>Carrying amount as at 31 December previous year</b>	<b>7,273.5</b>	<b>5,739.1</b>
Changes in consolidation scope	20.2	1,503.5
Other variations	121.7	30.9
<b>Carrying amount as at the end of the period</b>	<b>7,415.4</b>	<b>7,273.5</b>

At 31 December 2010 Group's goodwill amounts to € 7,415.4 million (+2,0% if compared to the same period last year).

The table below shows the goodwill by relevant companies.

(€ million)	31/12/2010	31/12/2009
Alleanza - Toro Group	2,793.3	2,793.3
Generali Deutschland Holding	2,179.0	2,179.0
Generali PPF Holding Group - Ceska Group	666.3	635.3
BSI - Banca del Gottardo Group (*)	527.2	450.0
Generali France Group	417.1	417.1
Generali Schweiz Holding AG	279.8	235.9
Generali Holding Vienna AG	153.4	153.4
Other	399.3	409.5
<b>Total goodwill</b>	<b>7,415.4</b>	<b>7,273.5</b>

(\*) Amount includes € 408.0 million of goodwill activated on acquisition of Banca del Gottardo and € 30.4 million on BSI. Goodwill activated on Banca del Gottardo Italia (€ 17.6 million net of minorities) is not included, since it was merged with Banca Generali Group and is shown in row "Other".

The change of the period is mainly attributable to the foreign exchange adjustments on the goodwill share calculated on entity that hasn't got euro as reporting currency.

The cash generating units were established in accordance with the Group's participation structure and considering the IFRS 8 requirements about operating segments, which Assicurazioni Generali identified as Life, Non Life and Financial.

Furthermore, they were evaluated in coherence with the principles ratified by IAS 36 and for the determination of the recovery value, as described in the valuation criteria, the Dividend Discount Model (DDM) and the Economic Balance Sheet model were used.

The table below shows the detail of the Group's goodwill by cash generating unit.

(€ million)	Life	Non Life	Financial	Total
Alleanza - Toro Group	1,803.9	989.4		<b>2,793.3</b>
Generali Deutschland Holding	561.6	1,617.4		<b>2,179.0</b>
Generali PPF Holding Group - Ceska Group	248.5	417.6		<b>666.1</b>
BSI - Banca del Gottardo Group			527.2	<b>527.2</b>
Generali France Group	318.8	98.3		<b>417.1</b>
Generali Schweiz Holding AG	78.9	200.8		<b>279.7</b>
Generali Holding Vienna AG	76.5	76.9		<b>153.4</b>

Specifically, the Dividend Discount Model (DDM) was used for the determination of the recovery value for the following cash generating unit (CGU). Generali Deutschland Holding (already AMB Generali Holding AG), Alleanza Toro, Ceska Group, BSI Group, and Generali Schweiz Holding AG.

The Dividend Discount Model is based on the hypothesis that the value of a cash generating unit is equal to the present value of the cash flows available for its shareholders. These cash flows are supposed to be equal to the flows deriving from the distributable dividends, maintaining an adequate capital structure as required by the laws in force and the economic nature, in order to maintain the expected future development.

According to this method the value of the cash generating unit is equal to the sum of the discounted amount of future dividends and the terminal value of the cash generating unit itself.

The application of this criterion entailed in general the following phases:

- explicit forecast of the future cash flows to be distributed to the shareholders in the planned time frame, taking into account the limit due to the necessity of maintaining an adequate capital level;
- calculation of the cash generating unit's terminal value, that was the foreseen value of the cash generating unit at the end of the latest year planned;
- with reference to the forecast of the future cash flows of each cash generating unit, the detailed information included in the last available Rolling Plan 2011–2013 was considered. The main economic-financial data (requested and available solvency margin, net profit) were calculated for two further years (2014 and 2015) on the basis of the growth registered in the last year of the Plan (2013) in order to extend the forecast period, whereas the net result was calculated on the basis of the nominal growth rate (g).

The main valuation parameters used for each CGU are as follows:

A) Nominal growth rate (g):

	<b>g</b>
Generali Deutschland Holding	2.0%
Alleanza Toro	2.5%
Gruppo Ceska	3.0%
Gruppo BSI – Banca del Gottardo	1.5%
Generali Schweiz Holding AG	1.0%

B) Cost of own capital of the company net of taxes (Ke):

	<b>Ke</b>
Generali Deutschland Holding	
- Life	7.7%
- Non Life	7.0%
Alleanza Toro	
- Life	9.5%
- Non Life	8.9%
Gruppo Ceska	
- Life	8.6%
- Non Life	7.9%
Gruppo BSI – Banca del Gottardo	6.8%
Generali Schweiz Holding AG	
- Life	6.4%
- Non Life	5.8%

The cost of own capital of the company (Ke) is based on the *Capital Asset Pricing Model* (CAPM) formula.

All CGU passed the impairment test, being their recoverable amount, specifically in this case market value, higher than the accounting values of each CGU.

Furthermore a sensitivity analysis was performed on the results changing the cost of own capital of the company (Ke) (+/-1%) and the perpetual growth rate of distributable future cash flows (g) (+/-1%) to identify the related variation range.

As a matter of fact, there are no criticalities regarding the recoverable value compared to carrying amount.

For Generali France and Generali Holding Vienna AG Groups the *Economic Balance Sheet* Method was adopted instead.

Such method consists in the revaluation at current values of all the assets and liabilities of the company to determine their future utility as well as the valuation of the insurance portfolio (*Value of in Force Business*) according to actuarial methodology. In other words, the value of the future profits generated by the policies included in the portfolio at valuation date, net of the cost of keeping an adequate solvency level, is determined.

In the valuation standard practice, the sum of the economic values referred to the equity at current values and to the values of life and non-life portfolios existing at valuation date is defined as the embedded value of the CGU.

The assessment of these *cash generating units* with the *Economic Balance Sheet Method* has to be considered pru-

dential, since the future profits linked to new production are not considered when using this method. Also for these CGU passed the impairment test being their recoverable amount, in this case the market value, greater than the carrying amount.

In case particular conditions are met, the same impairment test procedure, in line with the IAS 36, is followed for the other assets falling under the international accounting standard just mentioned.

## 1.2 – Other intangible assets

The value of the insurance portfolio (or “The value in force”) acquired in business combinations according to the IFRS 3 amounts to € 1,842.3 million and it is attributable to:

- the acquisitions which took place in 2006 of the Toro Group (€ 388.5 million net of the amortisation of the period) and in the CEE countries (€ 51.0 million, net of the amortisation of the period),
- the acquisition of Bawag PSK Versicherung in 2007 brought to a further activation/booking of € 53.4 million, net of the amortisation of the period,
- the acquisition of the Ceška group, whose allocation of purchased price was concluded in the second half of 2008, brought to a further activation/booking of € 1,349.5 million, net of the amortisation of the year.

The other intangible assets include the value of the customer portfolio in the asset management business, obtained through the acquisition of control of companies operating in the financial segment. In particular, the acquisition of Banca del Gottardo brought to a further activation/booking of € 201.4 million, net of the amortisation of the year.

Deferred tax liabilities are accounted for with reference to the above mentioned intangible assets. Further information on calculation method is detailed in the paragraph 1.2 of part D.

## 2 – Tangible assets

### 2.1 – Land and buildings (self used)

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

(€ million)	31/12/2010	31/12/2009
<b>Gross bookvalue as at 31 December previous year</b>	<b>4,131.8</b>	<b>4,121.1</b>
<b>Accumulated depreciation and impairment as at 31 December previous year</b>	<b>-903.3</b>	<b>-885.6</b>
<b>Carrying amount as at 31 December previous year</b>	<b>3,228.4</b>	<b>3,235.5</b>
Foreign currency translation effects	81.9	-7.5
Increases	94.2	66.6
Capitalized expenses	13.6	33.7
Changes in consolidation scope	0.2	11.6
Reclassifications	-95.6	4.6
Decreases	-60.0	-54.9
Depreciation of the period	-49.4	-45.8
Net impairment loss of the period	-1.6	-15.3
<b>Carrying amount as at the end of the period</b>	<b>3,211.7</b>	<b>3,228.4</b>
<b>Accumulated depreciation and impairment as at the end of the period</b>	<b>952.5</b>	<b>903.3</b>
<b>Gross bookvalue as at the end of the period</b>	<b>4,164.2</b>	<b>4,131.8</b>
<b>Fair value</b>	<b>3,760.4</b>	<b>3,857.0</b>

The fair value of land and buildings (self used) at the end of the reporting period is mainly based on external appraisals.

## 2.2 – Other tangible assets

The other tangible assets, mainly consisting of furniture, fittings and office equipment, amount to € 584.5 million (€ 496.5 million, net of any depreciation and impairment losses recognised so far).

## 3 – Amounts ceded to reinsurers from insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Non-life amounts ceded to reinsurers from insurance provisions (*)</b>	<b>3,288.5</b>	<b>3,153.3</b>	<b>946.2</b>	<b>926.9</b>	<b>4,234.7</b>	<b>4,080.2</b>
Provisions for unearned premiums	509.2	498.4	93.8	103.0	603.0	601.4
Provisions for outstanding claims	2,774.4	2,648.8	852.0	823.5	3,626.4	3,472.3
Other insurance provisions	5.0	6.1	0.4	0.3	5.3	6.4
<b>Life amounts ceded to reinsurers from insurance provisions (*)</b>	<b>766.8</b>	<b>767.0</b>	<b>763.8</b>	<b>729.1</b>	<b>1,530.6</b>	<b>1,496.0</b>
Provisions for outstanding claims	233.8	233.6	123.3	113.5	357.1	347.1
Mathematical provisions	428.3	444.6	640.4	615.6	1,068.7	1,060.2
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	0.5	0.6	0.0	0.0	0.5	0.6
Other insurance provisions	104.2	88.2	0.1	0.0	104.2	88.2
<b>Total</b>	<b>4,055.3</b>	<b>3,920.2</b>	<b>1,710.0</b>	<b>1,656.0</b>	<b>5,765.3</b>	<b>5,576.2</b>

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

## 4 – Investments<sup>3</sup>

The table shows the division of investments by nature. Comments regarding specific categories are reported in the following paragraphs.

(€ million)	31/12/2010		31/12/2009	
	Total bookvalue	Impact (%)	Total bookvalue	Impact (%)
<b>Equity instruments (*)</b>	<b>27,298.3</b>	<b>8.5</b>	<b>27,881.1</b>	<b>9.1</b>
Available for sale financial assets	20,517.8	6.4	22,028.1	7.2
Financial assets at fair value through profit or loss	6,780.5	2.1	5,853.0	1.9
<b>Fixed income instruments (**)</b>	<b>254,835.5</b>	<b>79.2</b>	<b>241,465.0</b>	<b>78.6</b>
Bonds	225,986.3	70.2	212,424.9	69.1
Other fixed income instruments (**)	28,849.2	9.0	29,040.1	9.5
Held to maturity investments	4,544.9	1.4	3,165.7	1.0
Loans	69,706.4	21.7	72,306.5	23.5
Available for sale financial assets	165,721.2	51.5	151,917.9	49.4
Financial assets at fair value through profit or loss	14,863.0	4.6	14,074.9	4.6
<b>Land and buildings (investment properties) (***)</b>	<b>15,645.0</b>	<b>4.9</b>	<b>14,699.6</b>	<b>4.8</b>
<b>Other investments</b>	<b>11,850.4</b>	<b>3.7</b>	<b>11,044.8</b>	<b>3.6</b>
Investments in subsidiaries, associated companies and joint ventures	2,439.2	0.8	1,986.4	0.6
Derivatives (****)	284.9	0.1	624.2	0.2
Receivables from banks or customers	7,476.4	2.3	6,500.3	2.1
Other investments	1,650.0	0.5	1,933.9	0.6
<b>Cash and cash equivalents (*****)</b>	<b>12,100.2</b>	<b>3.8</b>	<b>12,194.3</b>	<b>4.0</b>
<b>Total (*****)</b>	<b>321,729.4</b>	<b>100.0</b>	<b>307,284.8</b>	<b>100.0</b>
<b>Investments back to unit and index-linked policies</b>	<b>50,344.0</b>		<b>42,467.2</b>	
<b>Total investments</b>	<b>372,073.5</b>		<b>349,752.0</b>	

(\*) Investment fund units amount to 4,213,9 million ( 4,101,6 million at 31 December 2009).

(\*\*) Investment fund units amount to 9,439,8 million ( 8,877,1 million at 31 December 2009).

(\*\*\*) Investment fund units amount to 2,412,3 million ( 1,968,0 million at 31 December 2009).

(\*\*\*\*) Include derivative instruments accounted for as financial liabilities which amount to -1,712,5 million (-1,472,9 million at 31 December 2009).

(\*\*\*\*\* ) Include Reverse REPO which amount to 2,557,5 million (2,482,7 million at 31 December 2009) and REPO which amount to -1,447,7 million (-753,1 million at 31 December 2009).

(\*\*\*\*\* ) Include derivatives accounted for as financial liabilities and REPO.

<sup>3</sup> Cash and cash equivalents have been included in total investments starting from Management Report and Consolidated Statement at 30 June 2010. For a detail of the Investments structure please refer to the Methodological Note of Management Report.

## 4.1 – Land and buildings (investment properties)

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

(€ million)	31/12/2010	31/12/2009
<b>Gross bookvalue as at 31 December previous year</b>	<b>14,345.8</b>	<b>13,947.0</b>
<b>Accumulated depreciation and impairment as at 31 December previous year</b>	<b>-1,614.2</b>	<b>-1,473.7</b>
<b>Carrying amount as at 31 December previous year</b>	<b>12,731.6</b>	<b>12,473.3</b>
Foreign currency translation effects	220.2	-25.6
Increases	1,095.2	1,128.1
Capitalized expenses	55.7	84.4
Changes in consolidation scope	-27.1	319.5
Reclassification	45.0	-227.0
Decreases	-741.0	-700.1
Depreciation of the period	-164.6	-134.8
Net impairment loss of the period	17.6	-186.1
<b>Carrying amount as at the end of the period</b>	<b>13,232.7</b>	<b>12,731.6</b>
<b>Accumulated amortization and impairment as at the end of the period</b>	<b>1,715.9</b>	<b>1,614.2</b>
<b>Gross bookvalue as at the end of the period</b>	<b>14,948.6</b>	<b>14,345.8</b>
<b>Fair value</b>	<b>18,568.8</b>	<b>17,941.8</b>

The fair value of land and buildings (investment properties) at the end of the reporting period is mainly based on external appraisals,

## 4.2 – Investments in subsidiaries, associated companies and joint ventures

(€ million)	31/12/2010	31/12/2009
Investments in non-consolidated subsidiaries	233.4	171.4
Investments in associated companies valued at equity	1,731.2	1,383.0
Investments in joint ventures	134.0	111.9
Investments in other associated companies	340.6	320.1
<b>Total</b>	<b>2,439.2</b>	<b>1,986.4</b>

The change of the investments in subsidiaries, associated companies and joint ventures overall total is mainly due to the increase of the investments in subsidiaries valued with the equity method, partially attributable to the new investment in Guotai Asset Manag.Co and also to the revaluation of the period of the other associated companies and to the re-classification in this category of the investments previously classified as available for sale assets.



### 4.3 – Held to maturity investments

(€ million)	31/12/2010	31/12/2009
Quoted bonds	4,523.4	3,148.4
Other held to maturity investments	21.5	17.3
<b>Total</b>	<b>4,544.9</b>	<b>3,165.7</b>

The Group limits the accounting in this category which contain quoted bonds with high rating that the Group companies are able to hold till maturity. The increase between December 2009 and December 2010 is mainly due to government and corporate bond subscription, in particular the security issue of Telco.

The fair value of the held to maturity investments is € 4,550.1 million, of which € 4,528.6 represented by quoted bonds.

### 4.4 – Loans and receivables

(€ million)	31/12/2010	31/12/2009
<b>Loans</b>	<b>72,264.0</b>	<b>74,789.2</b>
Unquoted bonds	50,790.5	52,498.3
Deposits under reinsurance business accepted	608.5	506.4
Other loans and receivables	20,864.9	21,784.5
Mortgage loans	8,703.4	8,412.0
Policy loans	3,263.8	3,287.2
Term deposits with credit institutions	4,684.3	4,984.5
Other loans	4,213.4	5,100.8
<b>Receivables from banks or customers</b>	<b>7,476.4</b>	<b>6,500.3</b>
Receivables from banks	2,604.2	3,329.4
Receivables from customers	4,872.2	3,170.9
<b>Total</b>	<b>79,740.4</b>	<b>81,289.4</b>

This category accounts for 21.8% of total investments. It mainly consists of unquoted bonds and mortgage loans, which represent 70% and 12% of total loans, respectively. More than 90% of bonds is represented by fixed interest mostly medium or long-term rate bonds.

The fair value of total loans amounts to € 75,264.6 million, of which € 53,306.4 million related to bonds. Receivables from banks or customers are mainly short-term.

## 4.5 – Available for sale financial assets

(€ million)	31/12/2010	31/12/2009
Unquoted equities at cost	454.6	354.0
Equities at fair value	15,182.4	17,524.1
Quoted	14,175.2	16,092.8
Unquoted	1,007.2	1,431.3
Bonds	159,469.8	145,529.2
Quoted	153,290.4	137,913.5
Unquoted	6,179.5	7,615.7
Investment fund units	11,367.4	10,890.3
Other available for sale financial assets	2,454.3	2,116.9
<b>Total</b>	<b>188,928.5</b>	<b>176,414.6</b>

As already mentioned, the available for sale financial assets are measured at fair value and unrealized gains and losses on these assets are accounted for in equity in an appropriate reserve. The amortized cost of the available for sale financial assets amounts to € 191,038.0 million.

(€ million)	31/12/2010	Fair value	Unrealized gains / losses	Amortized cost
Unquoted equities at cost		454.6	0.0	454.6
Equities at fair value		15,182.4	415.9	14,766.5
Bonds		159,469.8	-2,221.8	161,691.6
Investment fund units		11,367.4	62.7	11,304.6
Other available for sale financial assets		2,454.3	-366.4	2,820.7
<b>Total</b>		<b>188,928.5</b>	<b>-2,109.5</b>	<b>191,038.0</b>

(€ million)	31/12/2009	Fair value	Unrealized gains / losses	Amortized cost
Unquoted equities at cost		354.0	0.0	354.0
Equities at fair value		17,524.1	928.6	16,595.5
Bonds		145,529.2	2,996.0	142,533.2
Investment fund units		10,890.3	137.8	10,752.5
Other available for sale financial assets		2,116.9	-90.6	2,207.5
<b>Total</b>		<b>176,414.6</b>	<b>3,971.8</b>	<b>172,442.8</b>

This category accounts for 51.9% of the total investments.

In particular, the available for sale bonds represent 65% of total bonds and they are mainly government bonds, with fixed interest rate and rating higher than A-. The maturity is shown in the table below.

(€ million)	Fair value 31/12/2010	Fair value 31/12/2009
Up to 1 year	9,700.2	7,665.0
Between 1 and 5 years	37,000.0	38,592.9
Between 5 and 10 years	57,517.7	49,154.5
More than 10 years	55,100.0	49,877.9
Perpetual	151.9	238.8
<b>Total</b>	<b>159,469.8</b>	<b>145,529.2</b>

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

(€ million)	31/12/2010	Realized gains	Realized losses	Impairment losses
Equities		1,232.7	-645.8	-503.3
Bonds		1,614.2	-387.5	-0.1
Investment fund units		191.6	-142.2	-44.4
Other available for sale financial assets		37.5	-11.6	-71.8
<b>Total</b>		<b>3,076.0</b>	<b>-1,187.1</b>	<b>-619.6</b>

(€ million)	31/12/2009	Realized gains	Realized losses	Impairment losses
Equities		1,191.9	-1,199.8	-916.2
Bonds		1,589.9	-325.5	-5.9
Investment fund units		128.4	-114.7	-238.7
Other available for sale financial assets		31.8	-19.5	-57.8
<b>Total</b>		<b>2,942.0</b>	<b>-1,659.5</b>	<b>-1,218.6</b>

## 4.6 – Financial assets at fair value through profit or loss

(€ million)	Financial assets held for trading		Financial assets designated as at fair value through profit or loss		Total financial assets at fair value through profit or loss	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Equities	34.3	55.5	3,708.9	3,061.2	3,743.1	3,116.8
Quoted	33.5	51.3	3,271.7	2,651.3	3,305.2	2,702.6
Unquoted	0.8	4.3	437.2	409.9	437.9	414.2
Bonds	683.4	954.3	10,518.8	10,294.4	11,202.2	11,248.7
Quoted	675.1	789.8	8,887.1	8,279.4	9,562.2	9,069.1
Unquoted	8.3	164.5	1,631.7	2,015.0	1,640.0	2,179.5
Investment fund units	23.9	62.3	4,674.7	3,994.0	4,698.6	4,056.3
Derivatives	869.9	1,002.7	1,127.4	1,094.4	1,997.4	2,097.1
Investments back to policies where the investment risk is borne by the policyholders and back to pension funds	0.0	0.0	50,344.0	42,467.2	50,344.0	42,467.2
Other financial investments	202.0	167.9	3,170.3	2,771.6	3,372.3	2,939.5
<b>Total</b>	<b>1,813.5</b>	<b>2,242.7</b>	<b>73,544.2</b>	<b>63,682.8</b>	<b>75,357.6</b>	<b>65,925.5</b>

This category accounts for 20.7% of the total investments. In particular, these investments are mainly allocated in the life segment (€ 72,489.2 million, which accounts for 96.2% of this category) whereas the residual part is in the non life segment (€ 1,064.7 million, which accounts for 1.4% of this category) and in the financial segment (€ 1,803.7 million, which accounts for 2.4% of this category).

Furthermore, this category includes investments back to policies where the risk is borne by the policyholders, which amount to € 50,344.0 million.

(€ million)	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Assets	48,937.9	41,420.6	1,406.2	1,046.6	50,344.0	42,467.2
<b>Total assets</b>	<b>48,937.9</b>	<b>41,420.6</b>	<b>1,406.2</b>	<b>1,046.6</b>	<b>50,344.0</b>	<b>42,467.2</b>
Financial liabilities	10,418.7	7,732.9	787.4	538.9	11,206.1	8,271.9
Insurance provisions (*)	38,644.5	33,825.4	311.1	296.1	38,955.6	34,121.5
<b>Total liabilities</b>	<b>49,063.2</b>	<b>41,558.3</b>	<b>1,098.6</b>	<b>835.0</b>	<b>50,161.8</b>	<b>42,393.3</b>

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

## Further information on reclassified financial instruments

Starting on 1st January 2009 the Group transferred to the financial instruments category € 14,028.0 million of corporate bonds. At the end of 2010, after all the sales and pay backs performed during the years, the coproate bonds just mentioned amount to € 10,983.9.

(€ million)	Book Value reclassified as at 01/01/2009	Book Value at 01/01/2010	Change of the period 2010	Book Value at 31/12/2010	Fair Value as at 31/12/2010
Available for sale financial assets	14,028.0	12,560.5	-2,867.5	9,693.0	10,398.9
Financial assets at fair value through profit or loss	630.2	625.2	-52.7	572.5	584.4
<b>Total reclassified investments</b>	<b>14,658.2</b>	<b>13,185.7</b>	<b>-2,920.2</b>	<b>10,265.5</b>	<b>10,983.3</b>

Following the favorable performance of corporate bonds during the year, the reclassification of the investments previously classified as available for sale financial assets to the loans and receivables category had a gross negative impact on equity reserve of € 705.9 million (Group plus minorities share) compared with the previous classification, and, net of the policyholders share and the deferred taxes, of € 126.3 million.

Furthermore, the reclassification to the loans and receivables category of the investments previously classified at fair value through profit or loss had a gross negative impact on profit or loss amounting to € 11.9 million compared with the previous classification, that, net of the policyholders share and the deferred taxes, amounts to € 1.5 million.

## 5 – Receivables

This category includes receivables arising out of direct insurance and reinsurance operations, and other receivables. Other receivables, which amount to € 633.3 million, refer to the real estate activity.

## 6 – Other assets

(€ million)	31/12/2010	31/12/2009
Non-current assets or disposal groups classified as held for sale	198.2	26,925.7
Deferred acquisition costs	1,885.6	1,773.4
Tax receivables	2,626.8	2,131.4
Deferred tax assets	3,596.3	3,674.0
Other assets	7,198.9	6,210.6
Accrued interest income	4,487.9	4,273.9
Other accrued income	369.5	378.5
Deferred income	361.8	313.8
Deferred commissions for investment management services	79.2	83.5
Other assets	1,900.5	1,160.9
<b>Total</b>	<b>15,505.8</b>	<b>40,715.2</b>

The difference between December 2010 and December 2009 in the non-current assets or disposal groups classified as held for sale category is due to the fact that in such category on 31st December 2009 was included the assets of

Intesa Vita considered as a disposal group held for sale. The sale was completed during the month of September. Non-current assets or disposal groups classified as held for sale at 31 December 2010, which amounts € 198.2 million, include real estates property for which the sale is expected to be completed within one year. In accordance with IFRS 5, such real estates are measured at the lower between their carrying amount and the fair value net of selling costs.

### Deferred acquisition costs

(€ million)	Segment Life		Segment Non Life		Total	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Carrying amount as at 31 December previous year</b>	<b>1,316.4</b>	<b>1,199.3</b>	<b>457.0</b>	<b>513.4</b>	<b>1,773.4</b>	<b>1,712.7</b>
Acquisition costs deferred	454.6	346.1	241.6	125.9	696.2	472.0
Changes in consolidation scope	5.1	0.0	0.0	3.5	5.1	3.5
Amortization of the period	-322.6	-229.5	-253.5	-167.3	-576.1	-396.8
Other movements	0.8	0.5	-13.7	-18.6	-13.0	-18.1
<b>Carrying amount as at 31 December current year</b>	<b>1,454.3</b>	<b>1,316.4</b>	<b>431.3</b>	<b>457.0</b>	<b>1,885.6</b>	<b>1,773.4</b>

The deferred acquisition costs increased from € 1,773.4 million at 31 December 2009 to € 1,885.6 million at 31 December 2010. The increase of the period is due by the increase of the production of the period in both life and non life segment.

## 7 – Cash and cash equivalents

(€ million)	31/12/2010	31/12/2009
Cash and cash equivalents	2,125.9	2,240.3
Cash and balances with central banks	1.0	2.1
Cash at bank	8,863.5	8,222.4
<b>Total</b>	<b>10,990.3</b>	<b>10,464.8</b>

## Equity and liabilities

### 1 – Shareholders' equity

(€ million)	31/12/2010	31/12/2009
<b>Shareholders' equity attributable to the Group</b>	<b>17,489.8</b>	<b>16,652.3</b>
Share capital	1,556.9	1,556.9
Capital reserves	7,098.3	7,090.8
Revenue reserves and other reserves	7,289.1	6,602.4
(Own shares)	-403.3	-403.5
Reserve for currency translation differences	557.2	-109.0
Reserve for unrealized gains and losses on available for sale financial assets	-184.4	729.6
Reserve for other unrealized gains and losses through equity	-125.8	-123.9
Result of the period	1,701.9	1,309.1
<b>Shareholders' equity attributable to minority interests</b>	<b>2,574.7</b>	<b>3,272.0</b>
<b>Total</b>	<b>20,064.5</b>	<b>19,924.3</b>

The share capital is made up of 1,556,873,283 ordinary shares with a par value of € 1 each.

The Group's own shares amount to € 403.3 million (15,999,446 shares) compared to € 403.5 million (16,031,920 shares) on 31st December 2009. The reduction in comparison to 31st December 2009 is mainly driven by the sale of Intesa Vita.

The reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies, amounts to € 557.2 million (€ -109.0 million at 31 December 2009). The increase is due by the appreciation of foreign currencies against the euro in 2010.

The reserve for unrealized gains and losses on available for sale financial assets, i.e. the balance between unrealized gains and losses on financial assets, net of life deferred policyholder liabilities and deferred taxes, amounted to € - 184.4 million (€ 729.6 million on 31 December 2009). The worsening of the just mentioned reserve is due to a decrease in the value of both the government and corporate bonds and equity components.

The reserve for other unrealized gains and losses through equity includes gains and losses on GBP/Euro exchange rate and interest expense rates hedging derivative instruments, classified as cash flow hedge, realized following the issue of some subordinated liabilities. The unrealized gains and losses on hedging derivatives are deferred through this reserve of the shareholders' capital and reversed to profit and loss account when the gains or losses on hedged items are recognized.

This reserve also includes unrealized gains and losses on hedging derivatives of a net investment in a foreign operation underwritten by the Group in the previous reporting periods. In particular, this reserve comprises the fair value change on derivatives hedging the currency risk linked to Czech crown investments held by Generali – PPF Holding, which is controlled by the Parent company, as well.

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

In accordance with the CONSOB Communication No. 6064293 of 28 July 2006, the following table summarizes the reconciliation of the result of the period and shareholders' equity of the Group and the Parent Company.

(€ million)	31/12/2010		31/12/2009	
	Shareholders' equity before the result of the period	Result of the period	Shareholders' equity before the result of the period	Result of the period
<b>Parent Company amounts in conformity with the Italian accounting principles</b>	<b>14,324.8</b>	<b>633.8</b>	<b>13,247.4</b>	<b>555.7</b>
Adjustments to Parent Company for IAS/IFRS application	-2,685.8	-137.6	-1,585.2	7.0
Allocation of differences arising out of consolidation of companies	28.6	-55.2	-317.7	-101.6
Result of the period of entities included in the consolidation area		5,419.9		4,152.3
Consolidation adjustments:				
Dividends	3,575.2	-3,575.2	3,270.8	-3,270.8
Other consolidation adjustments	158.6	-583.8	-84.1	-32.1
Reserve for currency translation differences	558.6		-109.0	
Reserve for unrealized gains and losses on available for sale financial assets	-146.0		1,000.6	
Reserve for other unrealized gains and losses through equity	-26.1		-80.9	
<b>Shareholders' equity attributable to the Group</b>	<b>15,787.9</b>	<b>1,701.9</b>	<b>15,343.2</b>	<b>1,309.1</b>

## 2 – Other provisions

(€ million)	31/12/2010	31/12/2009	31/12/2008
Provisions for taxation	90.1	117.2	142.8
Provisions for commitments	758.2	821.7	936.2
Other provisions	648.2	551.6	602.4
<b>Total</b>	<b>1,496.5</b>	<b>1,490.5</b>	<b>1,681.4</b>

Following a better allocation of fiscal liabilities at the end of the reporting period, provisions for taxation at 31 December 2009 have been reduced by 335.7 million with regard to the amounts published in 2009 (€ 267.0 million at 31 December 2008) and tax payable have been increased.

Consequently the table above shows three reporting periods.



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

(€ million)	31/12/2010	31/12/2009
<b>Carrying amount as at 31 December previous year</b>	<b>1,490.5</b>	<b>1,681.4</b>
Foreign currency translation effects	13.0	0.3
Changes in consolidation scope	3.3	-8.3
Variations	-10.2	-182.9
<b>Carrying amount as at 31 December current year</b>	<b>1,496.5</b>	<b>1,490.5</b>

### 3 – Insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Non-life insurance provisions<sup>(*)</sup></b>	<b>32,928.8</b>	<b>32,264.0</b>	<b>1,541.7</b>	<b>1,393.0</b>	<b>34,470.6</b>	<b>33,657.0</b>
Provisions for unearned premiums	5,906.8	5,848.8	146.7	115.8	6,053.4	5,964.6
Provisions for outstanding claims	26,649.6	26,063.4	1,390.5	1,273.2	28,040.1	27,336.6
Other insurance provisions	372.4	351.7	4.6	4.1	377.0	355.8
of which provisions for liability adequacy test	4.9	4.0	0.0	0.0	4.9	4.0
<b>Life insurance provisions<sup>(*)</sup></b>	<b>293,371.9</b>	<b>274,480.9</b>	<b>1,773.8</b>	<b>1,455.6</b>	<b>295,145.8</b>	<b>275,936.5</b>
Provisions for outstanding claims	4,984.1	4,225.2	668.8	556.3	5,652.8	4,781.5
Mathematical provisions	236,342.0	220,315.4	901.9	706.4	237,243.9	221,021.7
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	38,881.0	34,055.4	75.0	66.5	38,956.1	34,122.0
Other insurance provisions	13,164.8	15,884.9	128.1	126.3	13,292.9	16,011.3
of which provisions for liability adequacy test	1,251.9	1,231.9	34.2	48.2	1,286.1	1,280.1
of which deferred policyholder liabilities	-4,361.6	-559.2	0.0	0.0	-4,361.6	-559.2
<b>Total</b>	<b>326,300.7</b>	<b>306,744.9</b>	<b>3,315.6</b>	<b>2,848.6</b>	<b>329,616.3</b>	<b>309,593.5</b>

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

The increase in the non-life insurance provisions (+2.4% compared to 2009) is attributable to the development of the claims provisions that confirms the prudence on reservation levels defined by the Group.

In the life segment instead the insurance provisions growth by 7.0% and this is determined by the good trend of the net inflow and also by the recovery of the financial markets that increased the market value of the funds linked to *unit/index linked* policies. This developments is partially offset by the decrease of the deferred policyholder liabilities.

The overall total of the other life insurance provisions includes both the provision for profit sharing and premium refunds, which amounts to € 7,793.8 million compared to € 7,538.2 million in 2009, and the ageing provisions for life segment, which amount to € 8,411.8 million compared to € 7,585.3 million in 2009.

### Provisions for outstanding claims

(€ million)	Gross direct insurance	
	31/12/2010	31/12/2009
Motor	11,622.7	11,561.5
Non motor	15,027.7	14,501.9
Personal and commercial lines	12,339.9	11,913.6
Accident/Health (*)	2,687.8	2,588.3
<b>Total</b>	<b>26,649.6</b>	<b>26,063.4</b>

(\*) Life segment includes health insurance with life features

The 43.6% of the gross direct claims provisions is in the motor business that has slightly decreased if compared to same period last year (44.4%). In the non motor business, the personal and commercial lines weight for 82.1%.

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

(€ million)	Net	
	31/12/2010	31/12/2009
Insurance contracts	200,618.7	203,901.7
Investment contracts with discretionary participation feature	82,908.5	57,763.1
<b>Total insurance provisions</b>	<b>283,527.2</b>	<b>261,664.7</b>
Investments contracts fair valued	11,499.7	8,469.8
Investments contracts at amortised cost	3,871.4	2,934.0
<b>Total financial liabilities</b>	<b>15,371.2</b>	<b>11,403.8</b>
<b>Total</b>	<b>298,898.4</b>	<b>273,068.5</b>

The overall total of the insurance provisions includes the following items: the mathematical provisions, and the provisions for policies where the investment risk is borne by the policyholders and for pension fund net of reinsurance, which amount to € 236,175.2 million and € 38,943.6 million, respectively; and net ageing provisions for life segment, which are € 8,408.4 million and accounted for in other insurance provisions of the life segment.

The policies with significant insurance risk account for 67.1% of the total life portfolio (74.7% at 2009), while the investment contracts with discretionary participation feature account for 27.7% (21.2% in 2009).

The investment contracts within the scope of IAS 39 account for 5.1% compared to 4.2% in 2009. They are mainly unit/index linked policies without significant insurance risk.

## Mathematical provisions and ageing for life segment

(€ million)	Gross direct amount	
	31/12/2010	31/12/2009
<b>Carrying amount as at 31 December previous year</b>	<b>227,897.1</b>	<b>225,581.9</b>
Foreign currency translation effects	2,615.0	-337.9
Premiums and payments	5,514.3	5,553.6
Interests and bonuses credited to policyholders	8,789.5	10,234.7
Change of the management component	-9.9	-10.0
Transfer to Non-current assets or disposal groups classified as held for sale	0.0	-12,998.3
Acquisitions, disinvestments and other movements	-55.6	-126.9
<b>Carrying amount as at 31 December current year</b>	<b>244,750.4</b>	<b>227,897.1</b>

Interest and bonuses credited to policyholders include the attribution of financial return.

The increase in premiums and payments is mainly attributable to an increase in net inflows in the traditional business and to the decrease of surrenders.

The impact of transfer to non-current assets or disposal groups classified as held for sale is due to the reclassification of Intesa Vita, ad defined by IFRS 5.

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

(€ million)	Gross direct amount	
	31/12/2010	31/12/2009
<b>Carrying amount as at 31st December previous year</b>	<b>34,055.4</b>	<b>34,865.0</b>
Foreign currency translation effects	649.0	-0.1
Premiums and claims	1,728.3	1,468.9
Interests and bonuses credited to policyholders	2,840.2	5,035.3
Acquisitions, disinvestments and other	-391.9	-133.1
Transfer to Non-current assets or disposal groups classified as held for sale	0.0	-7,180.6
<b>Carrying amount as at 31st December current year</b>	<b>38,881.0</b>	<b>34,055.4</b>

The development of the provisions for policies where the investment risk is borne by the policyholder and for pension funds highlights a good trend of the net inflow and also the increase of the profit shared with policyholders due to the unrealised gains on assets backing unit/index linked policies triggered by the recovery of the financial markets.

### Deferred policyholders liabilities

(€ million)	31/12/2010	31/12/2009
<b>Carrying amount as at 31 December previous year</b>	<b>-559.2</b>	<b>-7,329.9</b>
Foreign currency translation effects	15.8	-2.1
Change of the period	-3,818.1	7,476.3
Acquisitions and disinvestments	0.0	-703.6
<b>Carrying amount as at 31 December current year</b>	<b>-4,361.6</b>	<b>-559.2</b>

The development of the period is mainly due to the trend of the Euro zone interest rates (in particular peripheral countries government bonds yield), that increased in the last part of the year causing further unrealised losses on Available for sale assets.

## 4 – Financial liabilities

### 4.1 – Financial liabilities at fair value through profit or loss

(€ million)	Financial liabilities held for trading		Financial liabilities designated as at fair value through profit or loss		Total	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Financial liabilities related to investment contracts issued by insurance companies	0.0	0.0	11,499.7	8,469.8	11,499.7	8,469.8
where the investment risk is borne by the policyholders	0.0	0.0	10,418.7	7,732.9	10,418.7	7,732.9
pension funds	0.0	0.0	787.4	538.9	787.4	538.9
other financial liabilities related to investment contracts	0.0	0.0	293.6	198.0	293.6	198.0
Derivatives	914.2	816.3	798.3	656.6	1,712.5	1,472.9
Other financial liabilities	0.0	0.0	489.9	351.7	489.9	351.7
<b>Total</b>	<b>914.2</b>	<b>816.3</b>	<b>12,787.8</b>	<b>9,478.2</b>	<b>13,702.1</b>	<b>10,294.5</b>

## 4.2 – Other financial liabilities

(€ million)	31/12/2010	31/12/2009
<b>Subordinated liabilities</b>	<b>6,492.9</b>	<b>6,422.3</b>
<b>Loans and bonds</b>	<b>15,202.3</b>	<b>15,480.2</b>
Deposits received from reinsurers	1,070.8	1,084.0
Bonds	4,992.7	6,132.2
Other loans	4,568.2	4,615.3
Financial liabilities related to investment contracts issued by insurance companies	3,871.4	2,934.0
Hedging derivatives	699.2	714.8
<b>Liabilities to banks or customers</b>	<b>18,506.5</b>	<b>18,189.5</b>
Liabilities to banks	421.5	372.2
Liabilities to customers	18,084.9	17,817.3
<b>Total</b>	<b>40,201.7</b>	<b>40,092.1</b>

Here below a list of the main subordinated issuances in the market and their features:

Issuer	Coupon	Outstanding <sup>(*)</sup>	Currency	Amortised cost <sup>(**)</sup>	Issue date	Call date	Maturity
Assicurazioni Generali	6.90%	750.0	EUR	738.3	20/07/2000	20/07/2012	20/07/2022
Generali Finance B.V.	5.32%	1,275.0	EUR	1,267.5	16/06/2006	16/06/2016	Perp
Generali Finance B.V.	6.21%	700.0	GBP	811.7	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350.0	GBP	406.4	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	1,250.0	EUR	972.5	8/02/2007	8/02/2017	Perp
Assicurazioni Generali	6.42%	495.0	GBP	571.1	8/02/2007	8/02/2022	Perp

(\*) in million, in currency.  
 (\*\*) in million, in euro.

In this category there are also classified the unquoted private placements issued by Assicurazioni Generali S.p.A., which amount to € 1,500 million.

The fair value of subordinated liabilities amounts to € 6,008.6 million.

The amount of bonds issued includes senior issues, whose a list of main quoted ones is shown:

Issuer	Coupon	Outstanding <sup>(*)</sup>	Currency	Amortised cost <sup>(**)</sup>	Issue date	Maturity
Generali Finance B.V.	4.75%	1,500.0	EUR	1,478.1	12/05/1999	12/05/2014
Generali Finance B.V.	3.88%	500.0	EUR	497.8	6/05/2005	06/05/2015
Assicurazioni Generali	4.88%	750.0	EUR	735.3	11/03/2009	11/11/2014
Assicurazioni Generali	5.13%	1,750.0	EUR	1,717.4	16/09/2009	16/09/2024

(\*) in million, in currency.  
 (\*\*) in million, in euro.

The fair value of bonds issued (mainly fixed interest rate bonds) amounts to € 5,263.2 million.

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

## 5 – Payables

(€ million)	31/12/2010	31/12/2009
<b>Payables arising out of direct insurance operations</b>	<b>3,917.0</b>	<b>3,602.0</b>
<b>Payables arising out of reinsurance operations</b>	<b>691.7</b>	<b>763.5</b>
<b>Other payables</b>	<b>3,041.3</b>	<b>3,015.8</b>
Payables to employees	938.2	904.9
Provision for defined benefit plans (employee severance pay)	117.4	128.3
Payables to clients and suppliers	913.6	728.1
Social security	135.8	144.2
Other payables	936.3	1,110.3
<b>Total</b>	<b>7,650.0</b>	<b>7,381.4</b>

The other payables, which amount to € 145.1 million, are related to real estate activities and are mainly due within a year.

## 6 – Other liabilities

(€ million)	31/12/2010	31/12/2009	31/12/2008
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	0.0	25,307.4	0.0
Deferred tax liabilities	3,753.3	3,908.0	5,461.0
Tax payables	1,607.1	1,348.6	1,160.1
Other liabilities	4,348.0	4,476.7	4,491.8
Provision for other defined benefit plans	2,563.4	2,523.3	2,480.8
Termination benefit liabilities	86.8	92.9	101.9
Accrued interest expense	369.1	391.9	365.9
Other accrued expenses	308.4	374.2	303.8
Deferred expenses	100.6	89.9	104.2
Deferred income for investment management services	14.8	18.3	27.8
Other liabilities	905.0	986.2	1,107.5
<b>Total</b>	<b>9,708.4</b>	<b>35,040.8</b>	<b>11,112.9</b>

The movement in the year of the category liabilities directly associated to non-current assets and disposed group classified as held for sale is due to the fact that on 31st December 2009 in such category was included the liabilities of Intesa Vita classified as a disposed group held for sale.

The sale was completed during the month of September of this year.

Following a better allocation of fiscal liabilities at the end of the reporting period, tax payables at 31 December 2009 have been increased by 335.7 million with regard to the amounts published in 2009 (€ 267.0 million at 31 December 2008) and provisions for taxation have been reduced.

Consequently the table above shows three reporting periods.

## Provisions for defined benefit plan

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

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

The main defined benefits plans are concentrated in Germany, Austria and Switzerland; while in Italy the provision for *Trattamento di fine rapporto* (employee severance pay) matured until 1st January 2007 is included in the provisions for defined benefit plan.

(€ million)	31/12/2010	31/12/2009	31/12/2008	31/12/2007	31/12/2006
Present value of defined benefit plan obligation	4,484.0	4,030.2	3,800.4	3,194.4	3,371.7
Fair value of plan assets	-1,613.8	-1,401.0	-1,321.2	-682.2	-675.1
<b>Status funded</b>	<b>2,870.2</b>	<b>2,629.2</b>	<b>2,479.3</b>	<b>2,512.2</b>	<b>2,696.6</b>
Net actuarial gains or (losses) not recognised	-190.6	22.3	145.0	77.8	-172.8
Past service cost not recognised	0.0	0.2	-0.9	-0.3	-12.8
<b>Net liability recognised in the Balance Sheet</b>	<b>2,680.7</b>	<b>2,651.6</b>	<b>2,623.4</b>	<b>2,589.7</b>	<b>2,511.1</b>

The funded status arising from the application of IAS 19 increases from € 2,629.2 as at 31 December 2009 million to € 2,870.2 million as at 31 December 2010.

The increase is mainly due to the increase of the present value of the defined benefit plan obligation, following the reduction of the discount rate applied in the "Project Unit Credit Method"<sup>4</sup> valuation.

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

This is predominantly for Germany and Austria, where the Group retains about the 60% of the present value of defined benefit obligations. Moreover, in these countries, the pension guarantee associations, against yearly contributions paid by the companies, are liable under its articles of association for the fulfilment of the pension commitments granted in case of companies insolvency.

<sup>4</sup> Refer to Assicurazioni Generali, Annual Report 2010, Basis for Presentation and Accounting Principles.

The table below shows the defined benefit obligation and the net liability movements occurred during the financial year 2010:

(€ million)	31/12/2010
<b>Defined benefit obligation as at 31 December previous year</b>	<b>4,030.2</b>
Foreign currency translation effects	203.1
Current service cost	86.0
Past service cost	3.3
Interest expense	185.8
Actuarial (gains) and losses	192.9
Curtailements and settlements effect	-11.0
Contribution by plan participants	18.5
Benefits paid	-226.0
Changes in consolidation scope	1.3
<b>Defined benefit obligation as at 31 December current year</b>	<b>4,484.0</b>

(€ million)	31/12/2010
<b>Fair value of plan assets as at 31 December previous year</b>	<b>1,401.0</b>
Foreign currency translation effects	184.6
Expected return on plan assets	62.4
Actuarial (gains) and losses	-29.3
Curtailements and settlements effect	-6.6
Employer contribution	54.2
Contribution by plan participants	26.7
Benefits paid	-79.4
Changes in consolidation scope	0.3
<b>Net liability as at 31 December current year</b>	<b>1,613.8</b>

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

(€ million)	31/12/2010	31/12/2009
Current service cost	86.0	63.6
Interest expense	185.8	176.3
Expected return on plan assets	-62.4	-43.2
Net actuarial losses recognised in the period	-5.0	2.8
Past service cost	2.7	3.3
Curtailements and settlements effect	-4.3	-5.4
<b>Net expense recognised in the income statement</b>	<b>202.8</b>	<b>197.4</b>



The table below shows the net defined benefit plans liability movements occurred during the financial year 2010:

(€ million)	31/12/2010	31/12/2009
<b>Net liability as at 31 December previous year</b>	<b>2,651.6</b>	<b>2,623.4</b>
Foreign currency translation effects	8.0	0.6
Net expense recognised in the income statement	202.8	197.4
Contributions and benefits paid	-181.5	-169.8
Changes in consolidation scope	-0.2	0.0
<b>Net liability as at 31 December current year</b>	<b>2,680.7</b>	<b>2,651.6</b>

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

	(%) 31/12/2010	(%) 31/12/2009
Bonds	55.9	56.8
Equities	16.5	13.3
Rael estates	11.4	11.1
Investment fund units	5.9	5.0
Other investments	10.3	13.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

The weighted-average principal assumptions used to calculate the Group's defined benefit obligations – except the Italian provisions for *Trattamento di fine rapporto* (employee severance pay) – of the financial year 2010 are as follows:

(%)	Eurozone		Switzerland		United Kingdom		USA	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Discount rate	4.9	5.3	3.0	3.5	5.4	5.5	5.6	6.0
Expected long-term rate of return on plan assets	4.5	4.5	4.0	4.0	6.8	7.6	8.0	8.0
Rate of salary increase	2.9	3.0	2.0	2.0	5.3	5.4	4.0	4.0
Rate of pension increase	2.0	2.0	0.4	0.4	3.9	3.9	0.0	0.0

## Notes to the income statement

### 1 – Income

#### 1.1 – Net earned premiums

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Non-life earned premiums</b>	<b>22,056.2</b>	<b>21,713.3</b>	<b>-1,782.2</b>	<b>-1,780.7</b>	<b>20,274.0</b>	<b>19,932.7</b>
Premiums written	22,089.7	21,635.6	-1,771.2	-1,804.0	20,318.5	19,831.6
Change in the provision for unearned premiums	-33.5	77.7	-11.0	23.4	-44.5	101.1
<b>Life premiums</b>	<b>46,345.7</b>	<b>44,876.4</b>	<b>-893.2</b>	<b>-773.0</b>	<b>45,452.5</b>	<b>44,103.4</b>
<b>Total</b>	<b>68,401.9</b>	<b>66,589.7</b>	<b>-2,675.4</b>	<b>-2,553.6</b>	<b>65,726.5</b>	<b>64,036.1</b>

#### 1.2 – Fee and commissions income and income from financial service activities

(€ million)	31/12/2010	31/12/2009
Fee and commission income from banking activity	182.4	181.5
Fee and commission income from asset management activity	925.7	805.9
Fee and commission income related to investment contracts	156.1	152.2
Fee and commission income related to pension funds management	60.1	49.7
<b>Total</b>	<b>1,324.2</b>	<b>1,189.1</b>

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

(€ million)	Financial investments held for trading		Financial investments back to policies where the investment risk is borne by the policyholders and related to pension funds		Financial investments designated as at fair value through profit or loss		Total financial investments at fair value through profit or loss	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Interest and other income	106.2	120.4	436.3	484.8	787.1	873.2	1,329.6	1,478.4
Realized gains	439.7	968.1	501.2	349.5	1,275.9	1,077.5	2,216.8	2,395.1
Realized losses	-495.5	-1,214.2	-418.9	-336.1	-1,059.1	-1,016.2	-1,973.5	-2,566.5
Unrealized gains	112.2	289.8	4,910.3	8,762.5	3,220.9	4,527.6	8,243.4	13,579.9
Unrealized losses	-66.4	-479.0	-2,527.1	-4,109.9	-2,441.2	-2,800.8	-5,034.7	-7,389.8
<b>Total</b>	<b>96.2</b>	<b>-314.9</b>	<b>2,901.8</b>	<b>5,150.7</b>	<b>1,783.6</b>	<b>2,661.2</b>	<b>4,781.6</b>	<b>7,497.1</b>

Net income from financial assets at fair value through profit or loss mainly refer to the life segment (€ 4,725.5 million). This item is not material for the other segments (€ 18.2 million in the non-life segment and € 37.9 million in the financial segment).

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

(€ million)	31/12/2010	31/12/2009
Dividends and other income	99.2	38.7
Realized gains	11.0	46.3
Reversal of impairment	0.1	0.1
<b>Total</b>	<b>110.2</b>	<b>85.1</b>

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

(€ million)	31/12/2010	31/12/2009
<b>Interest income</b>	<b>10,207.7</b>	<b>9,678.8</b>
Interest income from held to maturity investments	129.5	88.0
Interest income from loans and receivables	3,300.4	3,548.6
Interest income from available for sale financial assets	6,679.1	5,926.0
Interest income from other receivables	11.9	13.3
Interest income from cash and cash equivalents	86.8	102.9
<b>Other income</b>	<b>2,141.8</b>	<b>2,046.5</b>
Income from land and buildings (investment properties)	1,034.2	999.4
Other income from available for sale financial assets	1,107.6	1,047.1
<b>Realized gains</b>	<b>3,647.6</b>	<b>3,567.7</b>
Realized gains on land and buildings (investment properties)	226.5	360.8
Realized gains on held to maturity investments	0.3	0.1
Realized gains on loans and receivables	341.8	263.3
Realized gains on available for sale financial assets	3,076.0	2,942.0
Realized gains on other receivable	0.0	0.8
Realized gains on financial liabilities at amortised cost	3.0	0.7
<b>Reversal of impairment</b>	<b>207.3</b>	<b>184.3</b>
Reversal of impairment of land and buildings (investment properties)	57.2	11.8
Reversal of impairment of loans and receivables	44.6	56.3
Reversal of impairment of available for sale financial assets	2.9	2.9
Reversal of impairment of other receivables	102.5	113.4
<b>Total</b>	<b>16,204.3</b>	<b>15,477.4</b>

## 1.6 – Other income

(€ million)	31/12/2010	31/12/2009
Gains on foreign currencies	1,234.7	784.8
Income from tangible assets	79.8	95.9
Reversal of other provisions	114.7	321.4
Leasing fees	0.7	0.9
Income from service and assistance activities and recovery of charges	539.2	546.2
Income from non-current assets or disposal group classified as held for sale	34.3	14.7
Other technical income	385.0	343.1
Other income	243.9	268.1
<b>Total</b>	<b>2,632.3</b>	<b>2,375.0</b>

## 2 – Expenses

### 2.1 – Net insurance benefits and claims

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Non-life net insurance benefits and claims</b>	<b>15,744.7</b>	<b>15,467.9</b>	<b>-1,293.2</b>	<b>-1,291.2</b>	<b>14,451.4</b>	<b>14,176.7</b>
Claims paid	15,563.4	15,512.0	-1,303.0	-1,330.6	14,260.5	14,181.5
Change in the provisions for outstanding claims	189.6	17.5	5.7	40.4	195.3	57.8
Change in claims paid to be recovered	-16.3	-42.0	0.0	0.6	-16.4	-41.4
Change in other insurance provisions	7.9	-19.6	4.1	-1.5	12.0	-21.1
<b>Life net insurance benefits and claims</b>	<b>53,792.7</b>	<b>54,468.6</b>	<b>-527.8</b>	<b>-467.2</b>	<b>53,264.9</b>	<b>54,001.4</b>
Claims payments	32,593.2	31,871.2	-513.6	-451.8	32,079.6	31,419.4
Change in the provisions for outstanding claims	775.5	103.3	-11.1	19.3	764.4	122.6
Change in the mathematical provisions	13,811.7	15,225.6	15.7	-23.4	13,827.3	15,202.2
Change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	4,667.2	6,470.5	-9.9	-13.7	4,657.3	6,456.8
Change in other insurance provisions	1,945.2	797.9	-8.9	2.4	1,936.4	800.3
<b>Total (*)</b>	<b>69,537.4</b>	<b>69,936.5</b>	<b>-1,821.0</b>	<b>-1,758.4</b>	<b>67,716.4</b>	<b>68,178.1</b>

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

The increase of the payments in the life segment (+2.1%) is mainly attributable to the surrenders (+4.2%) and claims (+7.4%), whereas the maturities decreased (-1.8%).

## 2.2 – Fee and commissions expenses and expenses from financial service activities

(€ million)	31/12/2010	31/12/2009
Fee and commission expenses from banking activity	203.8	183.2
Fee and commission expenses from asset management activity	127.5	105.1
Fee and commission expenses related to investment contracts	113.7	96.3
Fee and commission expenses related to pension funds management	10.9	22.0
<b>Total</b>	<b>455.9</b>	<b>406.7</b>

## 2.3 – Expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2010	31/12/2009
Realized losses	14.0	50.7
Impairment losses	9.9	9.3
<b>Total</b>	<b>23.9</b>	<b>60.0</b>

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

(€ million)	31/12/2010	31/12/2009
<b>Interest expense</b>		<b>1,262.7</b>
Interest expense on subordinated liabilities	411.1	410.8
Interest expense on loans, bonds and other payables	583.4	607.7
Interest expense on deposits received from reinsurers	32.6	35.7
Other interest expense	209.9	208.5
<b>Other expenses</b>	<b>382.9</b>	<b>320.1</b>
Depreciation of land and buildings (investment properties)	162.8	134.8
Expenses from land and buildings (investment properties)	220.1	185.3
<b>Realized losses</b>	<b>1,305.0</b>	<b>1,828.3</b>
Realized losses on land and buildings (investment properties)	3.3	9.1
Realized losses on held to maturity investments	0.3	0.0
Realized losses on loans and receivables	110.3	142.7
Realized losses on available for sale financial assets	1,187.1	1,659.5
Realized losses on other receivables	4.0	11.4
Realized losses on financial liabilities at amortized cost	0.0	5.6
<b>Impairment losses</b>	<b>1,109.8</b>	<b>1,866.7</b>
Impairment of land and buildings (investment properties)	40.6	197.9
Impairment on held to maturity investments	3.5	3.7
Impairment of loans and receivables	409.9	385.1
Impairment of available for sale financial assets	619.6	1,218.6
Impairment of other receivables	36.2	61.4
<b>Total</b>	<b>4,034.7</b>	<b>5,277.8</b>

## 2.5 – Acquisition and administration costs

(€ million)	Non-life segment		Life segment		Financial segment	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Net acquisition costs and other commissions	4,366.2	4,197.2	4,057.7	3,938.5	0.0	0.0
Investment management expenses <sup>(*)</sup>	80.9	73.4	266.6	293.6	-4.5	-4.7
Other administration costs	1,280.9	1,290.8	1,078.9	1,027.3	900.0	768.2
<b>Total</b>	<b>5,728.0</b>	<b>5,561.4</b>	<b>5,403.2</b>	<b>5,259.4</b>	<b>895.5</b>	<b>763.5</b>

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

In other administration costs of the life segment, administration expenses related to investment contracts amount to € 48.8 million compared to € 48.5 million in 2009, while administrative expenses of non-insurance companies amount to € 21.5 million compared to € 8.3 million in 2009. In the non-life segment, administrative expenses of non-insurance companies amount to € 64.9 million, compared to € 72.3 million in 2009, of which € 45.3 million (€ 51.6 million in 2009) refer to the real estate activity.

## 2.6 – Other expenses

(€ million)	31/12/2010	31/12/2009
Amortization and impairment of intangible assets	407.7	353.3
Amortization of tangible assets	110.9	104.7
Expenses from tangible assets	88.2	110.9
Losses on foreign currencies	1,146.1	513.5
Restructuring charges, termination employee benefit expenses and allocation to other provisions	380.1	429.7
Expenses from non-current assets or disposal group classified as held for sale	163.6	147.5
Restructuring charges and termination employee benefit expenses	405.4	446.9
Charges incurred on behalf of third parties	1.6	1.1
Other technical expenses	485.0	441.7
Holding costs	309.9	298.5
Other expenses	316.9	237.1
<b>Total</b>	<b>3,815.6</b>	<b>3,084.9</b>

## 3 – Income taxes

This item shows the income taxes due by the Italian and the foreign consolidated companies by applying the income tax rates and rules in force in each country.

The components of the income tax expense for 2010 and 2009 are as follow.

(€ million)	31/12/2010	31/12/2009
Current income taxes	1,140.4	773.3
Italy	150.8	193.8
Other countries	989.6	579.4
Deferred taxes	-271.1	-275.1
Italy	-171.4	-335.4
Other countries	-99.7	60.3
<b>Total taxes on continued operations</b>	<b>869.3</b>	<b>498.1</b>
Total taxes on discontinued operations	56.4	55.3
<b>Total taxes of the period</b>	<b>925.7</b>	<b>553.4</b>

The Group's parent company, Assicurazioni Generali S.p.A., and its Italian subsidiaries apply the Italian corporate income tax rate of 27.5% for the fiscal year 2010 and 2009. Furthermore, income taxes of Italian companies include the regional tax on productive activities (IRAP), which amounts to 3.9%, plus the surtaxes enacted in each region. Income realised in Germany is subject to the corporate income tax - which is calculated on a rate of 15% plus a solidarity surcharge of 5.5% - and the trade tax (*Gewerbesteuer*). The trade tax varies depending on the municipality in which the company is situated. In 2010 the weighted average tax rate remained substantially unchanged at 16.2%. In France, income taxes are calculated by using the corporate tax rate of 34.43% for both the fiscal years 2010 and 2009. The French corporate tax rate in effect amounts to 33.33%, plus a surcharge of 3.3% (*contribution sociale*). All other foreign subsidiaries apply their national tax rates as well, among others. Austria (25%), Belgium (34%), Bulgaria (10%), China (25%), Czech Republic (19%), Israel (25%), Netherlands (25%), Romania (16%), Spain (30%), Switzerland (22%) and USA (35%).

The following table shows a reconciliation from the theoretical income tax expense, by using the Italian corporate income tax rate of 27.5%, to the effective tax expense.

(€ million)	31/12/2010
<b>Expected income tax rate</b>	<b>27.50%</b>
<b>Earnings before taxes</b>	<b>2,836.8</b>
<b>Expected income tax expense</b>	<b>780.1</b>
Effect of foreign tax rate differential	-93.2
Effect of permanent differences	119.3
Effect of fiscal losses	-8.9
IRAP and other local income taxes	126.9
Foreign withholding taxes not recoverable	39.6
Income taxes for prior years	-36.9
Other	-57.6
<b>Effective tax expenses</b>	<b>869.3</b>
<b>Effective tax rate</b>	<b>30.64%</b>

The effective tax rate in 2010 (30.64%) is higher than the effective tax rate of the previous year (22.97%), mainly due to an increase of non-deductible impairment charges on equity instruments.

The tax benefit of € 93.2 million concerning the foreign tax rate differential corresponds to the difference between the expected income taxes, calculated at each entity level by applying the foreign statutory corporate tax rate, and the expected income taxes, calculated by using the Italian corporate tax rate (27.50%).

Furthermore, the effect of permanent differences equal to € 119.3 million mainly represents the impact of non-deductible financial impairments and realized capital losses on equity instruments, together with non-taxable dividends and realized capital gains on equity instruments.

The item "other" is mainly affected by the application of art. 15, par.10, of the law decree 185/08, which allowed to recognise the goodwill and other intangible assets of Italian subsidiaries for tax purposes by paying a one-off tax of 16% levied on the difference between the carrying value of goodwill and other intangible assets and the related tax bases.

Fiscal losses carried forward are recognised to the extent that future taxable income will be sufficient to offset the amount of the losses before their expiration. Fiscal losses carried forward are scheduled according to their expiry periods as follows.

(€ million)	31/12/2010
2011	3.8
2012	2.9
2013	124.2
2014	222.6
2015	12.5
2016	1.9
2017	7.0
2018	0.0
2019	25.2
2020	0.0
Unlimited	16.5
<b>Fiscal losses carried forward</b>	<b>416.6</b>

Deferred income taxes are calculated on the temporary differences between the carrying amounts of assets and liabilities reported in the financial statements and their tax base, by using the tax rates applicable at the expected time of realisation according to each country's current legislation.

The ultimate realisation of deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible. Furthermore, in making this assessment, the management considers the scheduled reversal of deferred tax liabilities and tax planning strategies.

Assessments show that deferred tax assets will be recovered in the future through either (i) expected taxable income of each consolidated company or (ii) expected taxable income of other companies included in the same tax group (e.g. "Consolidato fiscale" in Italy, "Steuerliche Organschaft" in Germany and "Régime d'intégration fiscale" in France).



Deferred taxes as of 31 December 2010 and 2009 are related to the following assets and liabilities:

(€ million)	31/12/2010	31/12/2009
Intangible assets	162.6	60.8
Tangible assets	47.2	43.8
Land and buildings (investment properties)	623.0	628.0
Available for sale financial assets	526.4	857.1
Other investments	140.5	73.1
Deferred acquisition costs	16.6	24.9
Other assets	365.8	343.4
Fiscal losses carried forward	103.1	163.9
Allocation to other provisions and payables	348.2	326.9
Insurance provisions	347.3	285.5
Financial liabilities and other liabilities	748.0	619.1
Other	167.6	247.5
<b>Total deferred tax assets</b>	<b>3,596.3</b>	<b>3,674.0</b>

(€ million)	31/12/2010	31/12/2009
Intangible assets	475.6	505.4
Tangible assets	136.6	130.7
Land and buildings (investment properties)	325.3	320.9
Available for sale financial assets	905.4	1,160.6
Other investments	199.9	251.7
Deferred acquisition costs	491.3	489.5
Other assets	97.7	93.8
Allocation to other provisions and payables	121.5	102.5
Insurance provisions	571.3	491.1
Financial liabilities and other liabilities	393.9	352.7
Other	34.9	9.0
<b>Total deferred tax liabilities</b>	<b>3,753.3</b>	<b>3,908.0</b>

## Other information

### 1 – Other Comprehensive Income

(€ million)	31/12/2010	31/12/2009
<b>Consolidated result of the period</b>	<b>2,018.3</b>	<b>1,766.4</b>
Unrealized gains and losses on available for sale financial assets	-938.6	2,072.2
Allocation	-807.4	1,564.5
Transfer to profit and loss account	-131.2	507.7
Net unrealized gains and losses on cash flows hedging derivatives	2.8	-111.6
Allocation	23.3	-0.5
Transfer to profit and loss account	-20.5	-111.1
Net unrealized gains and losses on hedge of a net investment in foreign operations	-0.7	-45.4
Allocation	-0.7	-45.4
Transfer to profit and loss account	0.0	0.0
Foreign currency translation differences	788.9	6.4
Allocation	808.2	6.4
Transfer to profit and loss account	-19.2	0.0
<b>Total other comprehensive income</b>	<b>-147.5</b>	<b>1,921.6</b>
<b>Total comprehensive income</b>	<b>1,870.8</b>	<b>3,688.0</b>
attributable to the group	1,452.3	2,990.9
attributable to minority interests	418.5	697.2

(€ million)	31/12/2010	31/12/2009
<b>Income taxes related to other comprehensive income</b>	<b>-13.6</b>	<b>758.4</b>
Unrealized gains and losses on available for sale financial assets	-12.1	796.9
Net unrealized gains and losses on cash flows hedging derivatives	6.5	-58.0
Net unrealized gains and losses on hedge of a net investment in foreign operations	0.0	19.9
Foreign currency translation differences	-8.0	-0.4

### 2 – Fair value hierarchy

The table shows the classification of the financial assets and liabilities at fair value under a fair value hierarchy as defined by the amended IFRS 7 “Operative instruments: Disclosures”.

The three levels of the fair value hierarchy are defined with the inputs used in the price definition.

The amount of financial assets and liabilities in Level 3 is not material regarding the total of investment and represents a little more than 1% of total assets at fair value.

(€ million)	31/12/2010			
	Level 1	Level 2	Level 3	Total
Available for sale financial assets	169,329.0	17,058.4	2,541.2	188,928.5
Equities	14,293.2	659.4	684.4	15,637.0
Bonds	147,208.6	12,158.3	103.0	159,469.8
Investment fund units	7,391.8	2,980.9	994.7	11,367.4
Other assets available for sale	435.4	1,259.8	759.1	2,454.3
Financial assets at fair value through profit or loss	51,688.0	22,695.7	974.0	75,357.6
Equities	3,311.3	263.1	168.7	3,743.1
Bonds	7,372.3	3,805.0	24.9	11,202.2
Investment fund units	4,649.0	46.3	3.4	4,698.6
Derivatives	761.3	1,236.0	0.0	1,997.4
Investments back to policies where the investment risk is borne by the policyholders	35,135.1	14,598.6	610.3	50,344.0
Other assets at fair value through profit or loss	459.0	2,746.7	166.7	3,372.3
<b>Total assets at fair value</b>	<b>221,017.0</b>	<b>39,754.1</b>	<b>3,515.1</b>	<b>264,286.2</b>
Financial liabilities at fair value through profit or loss	10,442.7	3,259.3	0.0	13,702.1
Financial liabilities related to investment contracts issued by insurance companies	9,242.8	2,256.9	0.0	11,499.7
Derivatives	740.6	971.8	0.0	1,712.5
Other financial liabilities	459.3	30.6	0.0	489.9
<b>Total liabilities at fair value</b>	<b>10,442.7</b>	<b>3,259.3</b>	<b>0.0</b>	<b>13,702.1</b>

(€ million)	31/12/2009			
	Level 1	Level 2	Level 3	Total
Available for sale financial assets	155,627.8	19,068.7	1,718.0	176,414.5
Equities	16,187.6	943.3	747.2	17,878.1
Bonds	131,396.7	14,124.8	7.6	145,529.1
Investment fund units	7,453.1	2,893.6	543.7	10,890.3
Other assets available for sale	426.6	1,275.9	414.4	2,116.9
Financial assets at fair value through profit or loss	42,531.8	22,738.2	655.5	65,925.6
Equities	2,706.9	308.6	101.3	3,116.8
Bonds	8,067.1	3,104.7	76.8	11,248.6
Investment fund units	4,004.1	50.3	1.9	4,056.3
Derivatives	318.2	1,775.2	3.7	2,097.1
Investments back to policies where the investment risk is borne by the policyholders	27,069.1	15,043.2	355.0	42,467.3
Other assets at fair value through profit or loss	332.6	2,471.9	135.0	2,939.5
<b>Totale assets at fair value</b>	<b>198,159.6</b>	<b>41,806.8</b>	<b>2,373.6</b>	<b>242,340.0</b>
Financial liabilities at fair value through profit or loss	8,051.1	2,235.5	7.9	10,294.5
Financial liabilities related to investment contracts issued by insurance companies	7,452.4	1,017.5	0.0	8,469.8
Derivatives	270.6	1,194.5	7.9	1,472.9
Other financial liabilities	328.2	23.6	0.0	351.7
<b>Total liabilities at fair value</b>	<b>8,051.1</b>	<b>2,235.5</b>	<b>7.9</b>	<b>10,294.5</b>

### 3 – Information on employees

#### Number of employees

	31/12/2010	31/12/2009
Managers	2,448	2,315
Employees	60,062	59,812
Sales attendants	22,793	23,122
Others	65	73
<b>Total</b>	<b>85,368</b>	<b>85,322</b>

The increase occurred in the number of employees is basically related to the enlargement of the consolidation area.

Personnel expenses incurred in the financial year 2010 amounts to € 4,144 million, compared to € 3,931 million in 2009.

### 4 – Share-based compensation plans

At 31 December 2010 stock options and stock granting issued by Generali Group companies have an impact on P&L of € 39.6 million.

#### 4.1 - Share-based compensation plans granted by the Parent Company

At 31 December 2010, share-based compensation plans on shares granted by the Parent Company are as follows:

- 2001-2003 stock option plan for the executive and non-executive personnel of Generali and companies in the Generali Group;
- 2005 stock option plan for the Company's Chairman and Managing Directors;
- 2005-2007 stock option plan for the executive and non-executive personnel of Generali and companies in the Generali Group;
- 2006-2008 stock option plan for the Company's Chairman and Managing Directors;
- 2008-2010 Stock Option Plan for executive and non-executive personnel of Generali and the companies in the Generali Group;
- 2008-2009 Stock Option Plan for the Company's Chairman and Managing Directors.

The Shareholders' Meeting held on 24 April 2010 approved an incentive plan intended for persons holding positions within the Group that are considered strategic and characterised by elements of particular innovation with respect to the instruments adopted in the past and consistent with the changed frame of reference in which the Group is located and operates.

However, to address the need for an intervention to improve the balance of variable compensation in its two components and the need to ensure full compatibility in legal terms and to provide for and regulate cases not covered by the relevant Regulations, the Board of Directors subsequently decided to terminate the Plan in question and submit a new one for examination and approval by the Shareholders Meeting in April 2011, with the characteristics above.

The Plan is based on the following elements:

- the Plan is rolling, i.e., each year triggers a new cycle lasting six years connected to the strategic plans. This does not prejudice, in any case, the power of the Board of Directors to terminate the renewal cycles of the Plan;
- for the first cycle, there is a direct link with the objectives of the strategic plan and, later, with those of the subsequent strategic plans;
- the concept of joint investments, namely the investment of a part of the net cash component received by the recipients in shares of the Parent Company to the extent of 25% or 50% thereof.

Each cycle of this Plan has an overall reference time frame of six years.

For the first cycle, the duration is divided as follows:

- the first three years 2010/2012. at the end of that period, if it is to the extent that certain absolute performance objectives are achieved, the provision of a monetary incentive (bonus) is involved, with an investment of 25% or 50% of the net thereof in shares of Assicurazioni Generali;
- the second three years 2013/2015. at the end of that period, for each share purchased (by investing 25% or 50% of the net incentive paid), the person has the potential right to receive from the Parent Company a number of shares, free of charge, depending on their position on the Generali list drawn up by the peer group according to their respective Total Shareholders' Return (relative performance).

For more details on the incentive plan, please refer to the 'Corporate governance and share ownership report' in the 'Report on the remuneration policy for the management of the Company and the Group'.

## Stock option plans for Group managers and employees

The 2008-2010 Stock Option Plan for executive and non-executive personnel of Generali and the companies in the Generali Group, approved by the Shareholders' Meeting of 26th April 2008, shall cover the three-year period 2008/2010. This plan shall divide managers into six bands by using criteria considering their different levels of responsibility, their contribution to economic results and the position covered by them within the company. Each band corresponds to a specific number of options.

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

Each option carries the right to subscribe to one share upon payment of the exercise price equal to the arithmetic average price of reference prices of the quotation of shares on the Italian Electronic stock exchange run by Borsa Italiana S.p.A., recorded from the assignment date of option rights back to the same day of the previous calendar month.

The managers may exercise the options, in one or several transactions, within three years (exercise period) and after three, four or five years have elapsed from the options assignment date (vesting period), for the third part of the options assigned to them.

At grant date, the fair value of the option assigned amounts to € 6.28 per option (vesting period equal to three years), € 6.58 (vesting period equal to four years) and € 6.76 (vesting period equal to five years).

The cost related to this plan is equal to the fair value of options on allotment date multiplied by the estimated number of options expected to reach maturity after achievement of maturity conditions. cost pro rata sharing shall be effected throughout vesting period.

The costs arising from this new stock option plan charged in the 2010 profit or loss account of the period amounted to € 7.0 million.

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

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

During 2008, the Parent Company approved, Shareholders' Meeting of 26th April 2008, the stock option plan 2008-2009 for the Chairman and the Managing Directors. This plan shall cover the two-year period 2009/2010.

The Chairman and the Managing Directors may exercise options, in one or more settlements, within a three-year time frame (exercise period), after three or four years of options' allotment date (vesting period), respectively for the first and second half of allotted options thereto.

At grant date, the fair value of the option assigned amounts to € 6.28 per option (vesting period equal to three years) and € 6.58 (vesting period equal to four years).

The cost related to this plan is equal to the fair value of options on allotment date multiplied by the estimated number of options expected to reach maturity after achievement of maturity conditions. cost pro rata sharing shall be effected throughout vesting period.

The costs arising from this new stock option plan charged in the 2010 profit or loss account of the period amounted to € 5.5 million.

At the balance sheet date, the stock options granted to the Parent Company Chairman and Managing Directors related to 2005 plan, the tranche related to the plan 2006-2008, and 2002 and 2003 grants, are still available.

The following table shows the development of the options given by the Parent company to personnel, chairman, managing directors and general managers and their weighted average exercise price.

	Personnel		Chairman, managing directors and general managers	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
<b>Options outstanding as at 31 December previous year</b>	<b>13,651,754</b>	<b>27.6</b>	<b>13,290,000</b>	<b>27.1</b>
granted	-	-	-	-
forfeited	2,282,001	28.8	1,800,000.00	28.84
exercised	8,000	20.2	-	-
expired	1,497,891	19.2	110,000	27.1
<b>Options outstanding as at 31 December current year</b>	<b>9,863,862</b>	<b>28.6</b>	<b>11,380,000</b>	<b>26.9</b>
of which exercisable	5,847,500	28.4	9,550,000	26.5

The options owned at the end of the year take into account also the Stock Option Plans previously assigned to Alleanza managers on Alleanza shares that to date, with the merger of Alleanza in Assicurazioni Generali, have become Stock Option Plans on Assicurazioni Generali shares.

The weighted average expiry date of the stock options granted to managers and employees and outstanding at the balance sheet date is on 29 July 2013. The average expiry date of the stock option granted to the Parent Company Chairman and Managing Directors is on 3 October 2013.

The total 2010 cost arising from share-based compensation plans granted by the Parent Company under the scope of IFRS 2 amounted to € 17.9 million.

## 4.2 - Share-based compensation plans granted by the other Group companies

The main share-based payments granted by the other Group companies are detailed here below.

### Share-based compensation plans granted by Banca Generali

At 31 December 2010, the share-based compensation plans granted by Banca Generali are as follows: two stock option plans, respectively reserved to the financial advisors and some managers of the group and a stock option plan reserved for networks distribution - financial advisors and private bankers - and relationship managers. The stock granting plan reserved to the top management of the Group, instead, as ran out.

At 31 December 2010, the options related to the stock option plan granted to employees of the group companies amounted to 823,500 options.

At the balance sheet date, there are 2.4 million outstanding stock options for the financial advisors, gross of the estimates about the foreseen outflows. The reduction in respect of the previous year is due to the run out of the relationship with some beneficiaries.

	Number of options	Exercise price
<b>Options outstanding as at 31 December previous year</b>	<b>3,758,732</b>	<b>8.0</b>
granted	82,000	9.7
forfeited	93,676	9.0
exercised	439,170	1.0
expired	-	-
<b>Options outstanding as at 31 December current year</b>	<b>3,307,886</b>	<b>9.0</b>

As for the plan granted to the employees, the fair value at measurement date is € 1.9, while the fair value of stock options granted to the financial advisors is between € 1.6 and € 1.7 depending on the exercise date foreseen.

With reference to the stock granting plan reserved to the top management of the group, the fair value is equal to the price related to the public purchase offer on 11 November 2006, € 8.0 per share with a total amount of € 5,343.0 million, gross of tax impact. Through the free allocation of 389,596 Banca Generali ordinary share to the top management the abovementioned ran completely out.

For the stock option plan approved in 2010 for financial advisors, private bankers and managers of Banca Generali the economic effects will accrue from the time of the allocation of options expected by 30 June 2011.

The costs charged in the profit or loss account of the period from stock option plans reserved to the top management and to the financial promoters approved during 2006 amount to € 0.8 million.

## Share-based compensation plans granted by Generali France

At the balance sheet date there are the following share-based compensation plans granted by Generali France to the employees of Generali France group: five stock grant plans approved on 21 December 2006, 20 December 2007, 4 December 2008, 10 December 2009 and 9 December 2010 by the board and a stock granting plan as part of the celebrations for the 175th anniversary of the Parent Company foundation, reserved to the employees of the Generali France group.

At 31 December 2010, the number of shares granted amounted to 7,218,388 ordinary shares, of which 976,560 related to the plan granted for 175th anniversary of foundation of Parent Company.

The total costs arising from share-based compensation plan granted by Generali France under scope of IFRS 2 have been € 21.7 million. The plans are considered as cash-settled and so a € 72 million liability was accounted for them.

## 5 – Earnings per share

	31/12/2010	31/12/2009
Result of the period (€ million)	1,701.9	1,309.1
- from continuing operations	1,693.9	1,280.9
- from discontinued operations	8.0	28.2
Weighted average number of ordinary shares outstanding	1,540,850,443	1,414,072,429
Basic earnings per share (€)	1.10	0.93
- from continuing operations	1.10	0.91
- from discontinued operations	0.01	0.02

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

	31/12/2010	31/12/2009
Result of the period (€ million)	1,701.9	1,309.1
- from continuing operations	1,693.9	1,280.9
- from discontinued operations	8.0	28.2
Weighted average number of ordinary shares outstanding	1,540,850,443	1,414,072,429
Adjustments for stock option	0.0	0.0
Weighted average number of ordinary shares outstanding for diluted earnings per share	1,540,850,443	1,414,072,429
Diluted earnings per share (€)	1.10	0.93
- from continuing operations	1.10	0.91
- from discontinued operations	0.01	0.02

Diluted earnings per share reflect the dilution effect of potential ordinary shares.



## 6 – Related party disclosure

With regard to transactions with related parties, the main intra-group activities, conducted at market prices or at cost, were undertaken through relations of insurance, reinsurance and co-insurance, administration and management of securities and real estate assets, leasing, loans and guarantees, IT and administrative services, personnel secondment, and claim settlement.

These services substantially aim at guaranteeing the streamlining of operational functions, greater economies in overall management, appropriate levels of service and an exploitation of Group-wide synergies.

For further information regarding related parties transactions - and in particular regarding the new procedures adopted by the Group to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness - please refer to the 'Corporate governance and share ownership report' in the paragraph 'Related Party Transaction Procedures' included in Second Part - Corporate governance structure.

The most significant economic and financial transactions with Group companies that are not included in the consolidation area and other related parties are listed below.

As shown in the table below, the impact of such transactions, if compared to the Group extent, is not material.

(€ million)	Subsidiaries with significant control not consolidated	Associated companies	Other related parties	Total	% on balance-sheet item
Loans	52.5	485.0	2.119.2	2.656.8	0.7
Loans issued	-2.0	-5.8	-502.8	-510.6	0.9
Interest income	3.8	15.4	62.3	81.5	0.8
Interest expense	0.0	0.0	-23.7	-23.7	1.9

In further detail, the loans towards associated companies mainly refer to bonds issued by Telco S.p.a..

As far as other related parties are concerned, the most significant transactions are: i) with Mediobanca Group regarding bonds investments for € 822 million and financial liabilities amounting to € 500 million in the form of hybrid instruments; ii) with PPF Group (headed by the director Petr Kellner) with reference to as follows:

- bank deposits and repurchase agreements carried out by Generali PPF Holding, which amount to € 651 million;
- bonds purchased by Generali PPF Holding, which amount to € 230 million;
- bonds purchased by Generali and other subsidiaries, which amount to € 400 million.

Moreover, there are other not significant investments in joint with PPF Group in Central Eastern Europe countries.

Moreover, there are contractual agreements with PPF group concerning Generali PPF Holding, which give rights and exit option to the minority shareholder. These agreements could entail the purchase by the Group of the 49% of Generali PPF Holding in July 2014, with an estimated payment between € 2,500 million and € 3,000 million.

Considering the possibility to raise the necessary funds on the market, any future financial outflow resulting from Generali's decision to increase such ownership has been duly looked upon in the Group's financial forecasts, including the decisions regarding the allocation of the profit for the year and the revenue reserves.

In respect of the aforementioned exit rights and options of the minority shareholder, such rights and options have not been recorded as debt of Generali, as they, according to the paragraph 23 of IAS 32, do not represent an unconditional obligation by Generali to purchase the 49% of Generali PPF holding.

The alternative exit provided for by the contractual agreements entitles Generali to elect not to purchase Generali

PPF holding shareholding, as Generali may opt to start an auction to sell the PPF group shareholding to the third party. Consequently, these agreements represent for Generali an investment opportunity, and not an obligation, at predetermined conditions, which Generali will have at the time when the minority shareholder would elect to exercise its exit right.

There are no circumstances in which the alternative exit is not contemplated that are outside the control of Generali and, furthermore, there is no need to establish a risk fund, since as of today no risks of future losses associated with the transaction can be envisaged, considering the current estimate of the floor amount, i.e. the minimum exit price, is not higher than the fair market value of the shareholding.

With regard to the 2010 emoluments due to board members, auditors and general managers and managers with strategic responsibilities, please refer to the 'Corporate governance and share ownership report' in the 'Fourth part – Report on the remuneration policy for the management of the Company and the Group'.

## 7 – Reinsurance policy of the Group

Information on the reinsurance policy of the Group is provided in the Risk Report of the consolidated annual financial statements. Non significant changes on Group's reinsurance policy occurred during the year 2010.

## 8 – Significant non-recurring events and transactions

The favourable opinion of the Antitrust Authority for the sale of the investment in Intesa Vita obtained in September allowed its completion with the consequent recognition of a realized gain in the specific item of the income statement related to the result of discontinued operations. With regard to the description of the quantitative effects of this transaction, please refer to the section 11 'Discontinued operations and assets held for sale'.

## 9 – Atypical and/or unusual transactions

During the year, there were no atypical and/or unusual transactions, which — because of materiality, nature of counterparties, subject of the transaction, transfer price determination method and occurrence close to the balance sheet date — might give raise to any doubts about the correctness and exhaustiveness of this report, conflict of interests, preservation of equity and protection of minorities.

## 10 – Non-current assets or disposal group classified as held for sale

In September the Antitrust opinion authorized the sale of the stake in Intesa Vita, pointing out that the transaction between Generali Group and Intesa San Paolo didn't entail non-competitive effects.

Following this opinion and the ISVAP positive advice, Intesa Vita assets and liabilities, which were previously classified in the specific item relative to discontinued operations, were deconsolidated from the Generali Group consolidated financial statement.

According to IFRS 5, which defines the accounting rules for non-current assets held for sale and discontinued operations, the profit from discontinued operation, which amounts to € 50.9 million, has been accounted for in the specific item of income statement. This amount includes both Intesa Vita half yearly net result, which amounts to € 16.7 million, and the realized gain related to the sale, which amounts to € 34.2 million.

## 11 – Audit and other service fees for the fiscal year

In table below, filled under the article 149-duodecis of Consob Regulation, are reported the 2010 fees for auditing services from auditing company of Parent company and companies within audit company's network.

(€ thousands)	31/12/2010	
	PwC Italy	PwC Network
<b>Parent Company</b>	<b>1,241.8</b>	<b>272.4</b>
Audit fee	966.0	262.1
Attestation service fees	105.8	10.3
Other service fees	170.0	0.0
<b>Subsidiaries</b>	<b>2,110.5</b>	<b>16,631.5</b>
Audit fee	1,511.6	14,979.4
Attest service fees	594.6	70.1
Other service fees	4.4	1,582.0
of which Tax service fees	4.4	815.4
of which Other services	0.0	766.6
<b>Total</b>	<b>3,352.4</b>	<b>16,903.9</b>



Company

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

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CONSOLIDATED STATEMENTS

**Appendices to the Notes**

**at 31 December 2010**

(Amounts in € million)

## SEGMENT REPORTING - BALANCE SHEET

		NON-LIFE SEGMENT		LIFE SEGMENT	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>1</b>	<b>INTANGIBLE ASSETS</b>	<b>4,372.6</b>	<b>4,364.7</b>	<b>5,167.7</b>	<b>5,187.2</b>
<b>2</b>	<b>TANGIBLE ASSETS</b>	<b>2,211.9</b>	<b>2,071.7</b>	<b>1,243.1</b>	<b>1,407.3</b>
<b>3</b>	<b>AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS</b>	<b>4,234.7</b>	<b>4,080.2</b>	<b>1,530.6</b>	<b>1,496.0</b>
<b>4</b>	<b>INVESTMENTS</b>	<b>33,571.5</b>	<b>33,373.3</b>	<b>315,035.7</b>	<b>293,635.9</b>
4.1	Land and buildings (investment properties)	6,226.2	5,833.2	6,982.0	6,876.5
4.2	Investments in subsidiaries, associated companies and joint ventures	907.9	804.3	5,121.9	4,632.7
4.3	Held to maturity investments	214.0	132.1	3,722.7	2,367.5
4.4	Loans and receivables	4,723.2	5,779.5	62,062.4	63,493.9
4.5	Available for sale financial assets	20,450.5	19,852.9	164,642.3	153,164.8
4.6	Financial assets at fair value through profit or loss	1,049.7	971.3	72,504.3	63,100.4
<b>5</b>	<b>RECEIVABLES</b>	<b>6,596.3</b>	<b>6,712.6</b>	<b>5,100.2</b>	<b>4,566.7</b>
<b>6</b>	<b>OTHER ASSETS</b>	<b>5,673.5</b>	<b>4,738.1</b>	<b>9,384.9</b>	<b>35,641.0</b>
6.1	Deferred acquisition costs	431.3	457.0	1,454.3	1,316.4
6.2	Other assets	5,242.2	4,281.2	7,930.6	34,324.6
<b>7</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>2,873.8</b>	<b>2,980.6</b>	<b>5,611.2</b>	<b>4,819.0</b>
	<b>TOTAL ASSETS</b>	<b>59,534.4</b>	<b>58,321.2</b>	<b>343,073.5</b>	<b>346,753.1</b>
<b>1</b>	<b>SHAREHOLDERS' EQUITY</b>				
<b>2</b>	<b>OTHER PROVISIONS</b>	<b>764.8</b>	<b>686.0</b>	<b>553.7</b>	<b>631.1</b>
<b>3</b>	<b>INSURANCE PROVISIONS</b>	<b>34,470.6</b>	<b>33,657.0</b>	<b>295,145.8</b>	<b>275,936.5</b>
<b>4</b>	<b>FINANCIAL LIABILITIES</b>	<b>10,147.1</b>	<b>11,160.1</b>	<b>22,924.7</b>	<b>19,473.7</b>
4.1	Financial liabilities at fair value through profit or loss	49.7	84.3	12,269.6	9,164.7
4.2	Other financial liabilities	10,097.4	11,075.7	10,655.0	10,309.0
<b>5</b>	<b>PAYABLES</b>	<b>3,822.5</b>	<b>3,417.5</b>	<b>3,951.8</b>	<b>3,849.1</b>
<b>6</b>	<b>OTHER LIABILITIES</b>	<b>4,801.8</b>	<b>5,172.0</b>	<b>4,388.9</b>	<b>29,301.3</b>
	<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>				

## Appendix 1

FINANCIAL SEGMENT		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>1,130.1</b>	<b>893.3</b>	<b>0.0</b>	<b>0.0</b>	<b>10,670.4</b>	<b>10,445.1</b>
<b>341.2</b>	<b>295.9</b>	<b>0.0</b>	<b>0.0</b>	<b>3,796.2</b>	<b>3,774.9</b>
<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5,765.3</b>	<b>5,576.2</b>
<b>21,169.1</b>	<b>19,837.9</b>	<b>-5,533.0</b>	<b>-5,333.8</b>	<b>364,243.3</b>	<b>341,513.3</b>
24.5	21.9	0.0	0.0	13,232.7	12,731.6
41.9	29.6	-3,632.5	-3,480.2	2,439.2	1,986.4
608.1	666.1	0.0	0.0	4,544.9	3,165.7
14,855.2	13,869.7	-1,900.5	-1,853.7	79,740.4	81,289.4
3,835.7	3,396.9	0.0	0.0	188,928.5	176,414.6
1,803.7	1,853.8	0.0	0.0	75,357.6	65,925.5
<b>152.0</b>	<b>149.0</b>	<b>-380.6</b>	<b>-100.8</b>	<b>11,468.0</b>	<b>11,327.4</b>
<b>479.2</b>	<b>393.7</b>	<b>-31.8</b>	<b>-57.7</b>	<b>15,505.8</b>	<b>40,715.2</b>
0.0	0.0	0.0	0.0	1,885.6	1,773.4
479.2	393.7	-31.8	-57.7	13,620.3	38,941.8
<b>3,267.9</b>	<b>3,323.8</b>	<b>-762.6</b>	<b>-658.6</b>	<b>10,990.3</b>	<b>10,464.8</b>
<b>26,539.4</b>	<b>24,893.7</b>	<b>-6,707.9</b>	<b>-6,151.0</b>	<b>422,439.4</b>	<b>423,816.9</b>
				<b>20,064.5</b>	<b>19,924.3</b>
<b>200.5</b>	<b>198.8</b>	<b>-22.5</b>	<b>-25.4</b>	<b>1,496.5</b>	<b>1,490.5</b>
<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>329,616.3</b>	<b>309,593.5</b>
<b>21,788.8</b>	<b>20,571.4</b>	<b>-956.8</b>	<b>-818.7</b>	<b>53,903.8</b>	<b>50,386.5</b>
1,382.7	1,045.4	0.0	0.0	13,702.1	10,294.5
20,406.1	19,526.0	-956.8	-818.7	40,201.7	40,092.1
<b>235.4</b>	<b>236.2</b>	<b>-359.7</b>	<b>-121.4</b>	<b>7,650.0</b>	<b>7,381.4</b>
<b>528.6</b>	<b>569.8</b>	<b>-10.9</b>	<b>-2.3</b>	<b>9,708.4</b>	<b>35,040.8</b>
				<b>422,439.4</b>	<b>423,816.9</b>

## SEGMENT REPORTING - INCOME STATEMENT

		NON-LIFE SEGMENT		LIFE SEGMENT	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
1.1	Net earned premiums	20,274.0	19,932.7	45,452.5	44,103.4
1.1.1	Gross earned premiums	22,056.2	21,713.3	46,345.7	44,876.4
1.1.2	Earned premiums ceded	-1,782.2	-1,780.7	-893.2	-773.0
1.2	Fee and commission income and income from financial service activities	0.0	0.0	233.5	218.6
1.3	Net income from financial instruments at fair value through profit or loss	18.2	-150.9	4,725.5	7,567.7
1.4	Income from subsidiaries, associated companies and joint ventures	60.5	84.2	124.2	162.2
1.5	Income from other financial instruments and land and buildings (investment properties)	2,510.5	2,618.6	13,284.8	12,372.1
1.6	Other income	1,331.1	1,194.0	1,212.4	1,013.8
<b>1</b>	<b>TOTAL INCOME</b>	<b>24,194.3</b>	<b>23,678.6</b>	<b>65,033.0</b>	<b>65,437.8</b>
2.1	Net insurance benefits and claims	-14,451.4	-14,176.7	-53,265.0	-54,001.4
2.1.1	Claims paid and change in the insurance provisions	-15,744.7	-15,467.9	-53,792.7	-54,468.6
2.1.2	Reinsurers' share	1,293.2	1,291.2	527.8	467.2
2.2	Fee and commission expenses	0.0	-0.1	-124.6	-118.4
2.3	Expenses from subsidiaries, associated companies and joint ventures	-21.6	-25.4	-0.3	-45.2
2.4	Expenses from other financial instruments and land and buildings (investment properties)	-1,239.9	-1,508.8	-1,902.0	-2,795.7
2.5	Acquisition and administration costs	-5,728.0	-5,561.4	-5,403.2	-5,259.4
2.6	Other expenses	-1,864.0	-1,565.1	-1,534.9	-1,003.1
<b>2</b>	<b>TOTAL EXPENSES</b>	<b>-23,305.0</b>	<b>-22,837.6</b>	<b>-62,230.1</b>	<b>-63,223.0</b>
	<b>EARNINGS BEFORE TAXES</b>	<b>889.4</b>	<b>840.9</b>	<b>2,802.9</b>	<b>2,214.8</b>



FINANCIAL SEGMENT		HOLDING EXPENSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
0.0	0.0			0.0	0.0	65,726.5	64,036.1
0.0	0.0			0.0	0.0	68,401.9	66,589.7
0.0	0.0			0.0	0.0	-2,675.4	-2,553.6
1,247.9	1,102.1			-157.2	-131.6	1,324.2	1,189.1
37.9	80.2			0.0	0.0	4,781.6	7,497.0
4.9	3.2			-79.4	-164.5	110.2	85.1
475.8	589.0			-66.7	-102.3	16,204.3	15,477.4
198.6	204.9			-109.8	-37.6	2,632.3	2,375.0
<b>1,965.1</b>	<b>1,979.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-413.2</b>	<b>-436.0</b>	<b>90,779.2</b>	<b>90,659.7</b>
0.0	0.0			-3.6	-9.4	-67,720.0	-68,187.5
0.0	0.0			-3.6	-9.4	-69,541.0	-69,945.8
0.0	0.0			0.0	0.0	1,821.0	1,758.4
-353.8	-309.6			22.6	21.4	-455.9	-406.7
-2.0	-0.6			0.0	11.2	-23.9	-60.0
-205.4	-289.9	-704.5	-706.8	17.2	23.4	-4,034.7	-5,277.8
-895.5	-763.5			134.4	109.8	-11,892.3	-11,474.5
-213.8	-259.8	-309.9	-298.5	107.0	41.5	-3,815.6	-3,084.9
<b>-1,670.5</b>	<b>-1,623.3</b>	<b>-1,014.4</b>	<b>-1,005.2</b>	<b>277.6</b>	<b>197.9</b>	<b>-87,942.4</b>	<b>-88,491.3</b>
<b>294.5</b>	<b>355.9</b>	<b>-1,014.4</b>	<b>-1,005.2</b>	<b>-135.6</b>	<b>-238.0</b>	<b>2,836.9</b>	<b>2,168.4</b>

## Tangible and intangible assets

## Appendix 3

	At amortized cost	At revalued amount or at fair value	Total
Land and buildings (investment properties)	13,232.7		13,232.7
Land and buildings (self used)	3,211.7		3,211.7
Other tangible assets	584.5		584.5
Other intangible assets	3,255.1		3,255.1

Amounts ceded to reinsurers from insurance provisions

Appendix 4

	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Non-life amounts ceded to reinsurers from insurance provisions<sup>(*)</sup></b>	<b>3,288.5</b>	<b>3,153.3</b>	<b>946.2</b>	<b>926.9</b>	<b>4,234.7</b>	<b>4,080.2</b>
Provisions for unearned premiums	509.2	498.4	93.8	103.0	603.0	601.4
Provisions for outstanding claims	2,774.3	2,648.8	852.0	823.5	3,626.4	3,472.3
Other insurance provisions	5.0	6.1	0.4	0.3	5.3	6.4
<b>Life amounts ceded to reinsurers from insurance provisions<sup>(*)</sup></b>	<b>766.8</b>	<b>767.0</b>	<b>763.8</b>	<b>729.1</b>	<b>1,530.6</b>	<b>1,496.0</b>
Provisions for outstanding claims	233.8	233.6	123.3	113.5	357.1	347.1
Mathematical provisions	428.3	444.6	640.4	615.6	1,068.7	1,060.2
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	0.5	0.6	0.0	0.0	0.5	0.6
Other insurance provisions	104.2	88.2	0.1	0.0	104.2	88.2
<b>Total</b>	<b>4,055.3</b>	<b>3,920.2</b>	<b>1,710.0</b>	<b>1,656.0</b>	<b>5,765.3</b>	<b>5,576.2</b>

<sup>(\*)</sup> After the elimination of intra-group transactions between segments.

## Detail on financial assets

## Appendix 5

	Held to maturity investments		Loans and receivables		Available for sale financial assets		Financial assets at fair value through profit or loss				Total book value	
							Financial assets held for trading		Financial assets designated as at fair value through profit or loss			
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Equities at cost	0.0	0.0	0.0	0.0	454.6	354.0	0.0	0.0	0.0	0.0	454.6	354.0
Equities at fair value of which quoted equities	0.0	0.0	0.0	0.0	15,182.4	17,524.1	34.3	55.5	6,376.9	5,354.2	21,593.5	22,933.9
Bonds of which quoted bonds	4,523.4	3,148.4	50,790.5	52,498.3	14,175.2	16,092.8	33.5	51.3	5,939.7	4,944.3	20,148.4	21,088.4
Bonds of which quoted bonds	4,523.4	3,148.4	0.0	0.0	153,290.4	137,913.5	675.1	789.8	18,536.6	18,512.2	177,025.5	160,363.9
Investment fund units	0.0	0.0	0.0	0.0	11,367.4	10,890.3	23.9	62.3	40,992.8	32,362.8	52,384.1	43,315.5
Loans and receivables from customers	0.0	0.0	4,872.2	3,170.9	0.0	0.0	0.0	0.0	0.0	0.0	4,872.2	3,170.9
Loans and receivables from banks	0.0	0.0	2,604.2	3,329.4	0.0	0.0	0.0	0.0	0.0	0.0	2,604.2	3,329.4
Deposits under reinsurance business accepted	0.0	0.0	608.5	506.4	0.0	0.0	0.0	0.0	0.0	0.0	608.5	506.4
Deposit components of reinsurance contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other loans and receivables	0.0	0.0	20,864.9	21,784.5	0.0	0.0	0.0	0.0	0.0	0.0	20,864.9	21,784.5
Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	869.9	1,002.7	1,127.4	1,094.4	1,997.4	2,097.1
Hedging derivatives (*)	0.0	0.0	0.0	0.0	2.4	0.7	0.0	0.0	0.0	0.0	2.4	0.7
Other financial investments	21.5	17.3	0.0	0.0	2,451.9	2,116.2	202.0	167.9	4,878.7	4,344.1	7,554.2	6,645.6
<b>Total</b>	<b>4,544.9</b>	<b>3,165.7</b>	<b>79,740.4</b>	<b>81,289.4</b>	<b>188,928.5</b>	<b>176,414.6</b>	<b>1,813.5</b>	<b>2,242.7</b>	<b>73,544.2</b>	<b>63,682.8</b>	<b>348,571.4</b>	<b>326,795.2</b>

(\*) In accordance with Regulamento n°7 of 13 July 2007 hedging derivatives are only derivatives for which hedge accounting is applied

Assets and liabilities related to policies where the investment risk is borne by the policyholders and to pension funds

Appendix 6

	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Assets						
Intra-group assets (*)	48,937.9	41,420.6	1,406.2	1,046.6	50,344.0	42,467.2
	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>48,937.9</b>	<b>41,420.6</b>	<b>1,406.2</b>	<b>1,046.6</b>	<b>50,344.0</b>	<b>42,467.2</b>
Financial liabilities						
	10,418.7	7,732.9	787.4	538.9	11,206.1	8,271.9
Insurance provisions (**)	38,644.5	33,825.4	311.1	296.1	38,955.6	34,121.5
Intra-group liabilities (*)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>49,063.2</b>	<b>41,558.3</b>	<b>1,098.6</b>	<b>835.0</b>	<b>50,161.8</b>	<b>42,393.3</b>

(\*) Intra-group assets and liabilities refer to assets and liabilities which are eliminated in the consolidation process.

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

## Insurance provisions

## Appendix 7

	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Non-life insurance provisions (*)</b>	<b>32,928.8</b>	<b>32,264.0</b>	<b>1,541.7</b>	<b>1,393.0</b>	<b>34,470.6</b>	<b>33,657.0</b>
Provisions for unearned premiums	5,906.8	5,848.8	146.7	115.8	6,053.4	5,964.6
Provisions for outstanding claims	26,649.6	26,063.4	1,390.5	1,273.2	28,040.1	27,336.6
Other insurance provisions	372.4	351.7	4.6	4.1	377.0	355.8
of which provisions for liability adequacy test	4.9	4.0	0.0	0.0	4.9	4.0
<b>Life insurance provisions (*)</b>	<b>293,371.9</b>	<b>274,480.9</b>	<b>1,773.8</b>	<b>1,455.6</b>	<b>295,145.8</b>	<b>275,936.5</b>
Provisions for outstanding claims	4,984.1	4,225.2	668.8	556.3	5,652.8	4,781.5
Mathematical provisions	236,342.0	220,315.4	901.9	706.4	237,243.9	221,021.7
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	38,881.0	34,055.4	75.0	66.5	38,956.1	34,122.0
Other insurance provisions	13,164.8	15,884.9	128.1	126.3	13,292.9	16,011.3
of which provisions for liability adequacy test	1,251.9	1,231.9	34.2	48.2	1,286.1	1,280.1
of which deferred policyholder liabilities	-4,361.6	-559.2	0.0	0.0	-4,361.6	-559.2
<b>Total</b>	<b>326,300.7</b>	<b>306,744.9</b>	<b>3,315.6</b>	<b>2,848.6</b>	<b>329,616.3</b>	<b>309,593.5</b>

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

Appendix 8

	Financial liabilities at fair value through profit or loss						Total book value	
	Financial liabilities held for trading			Financial liabilities designated as at fair value through profit or loss			Other financial liabilities	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Preference shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subordinated liabilities	0.0	0.0	0.0	0.0	6,492.9	6,422.3	6,492.9	6,422.3
Financial liabilities related to investment contracts issued by insurance companies	0.0	0.0	11,499.7	8,469.8	3,871.4	2,934.0	15,371.2	11,403.8
where the investment risk is borne by the policyholders	0.0	0.0	10,418.7	7,732.9	0.0	0.0	10,418.7	7,732.9
pension funds	0.0	0.0	787.4	538.9	0.0	0.0	787.4	538.9
other liabilities related to investment contracts	0.0	0.0	293.6	198.0	3,871.4	2,934.0	4,165.0	3,131.9
Deposits received from reinsurers	0.0	0.0	0.0	0.0	1,070.8	1,084.0	1,070.8	1,084.0
Deposit components of insurance contract	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	0.0	0.0	0.0	0.0	4,992.7	6,132.2	4,992.7	6,132.2
Liabilities to customers	0.0	0.0	0.0	0.0	18,084.9	17,817.3	18,084.9	17,817.3
Liabilities to banks	0.0	0.0	0.0	0.0	421.5	372.2	421.5	372.2
Other loans	0.0	0.0	0.0	0.0	4,568.2	4,615.3	4,568.2	4,615.3
Derivatives	914.2	816.3	798.3	656.6	0.0	0.0	1,712.5	1,472.9
Hedging derivatives (*)	0.0	0.0	0.0	0.0	699.2	714.8	699.2	714.8
Other financial liabilities	0.0	0.0	489.9	351.7	0.0	0.0	489.9	351.7
<b>Total</b>	<b>914.2</b>	<b>816.3</b>	<b>12,787.8</b>	<b>9,478.2</b>	<b>40,201.7</b>	<b>40,092.1</b>	<b>53,903.7</b>	<b>50,386.5</b>

(\*) In accordance with Regolamento n. 7 of 13 July 2007 hedging derivatives are only derivatives for which hedge accounting is applied.

Technical insurance items

Appendix 9

	31/12/2010			31/12/2009		
	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
<b>NON-LIFE SEGMENT</b>						
NET EARNED PREMIUMS	22,056.2	1,782.2	20,274.0	21,713.3	1,780.6	19,932.7
a Premiums written	22,089.7	1,771.2	20,318.5	21,635.6	1,804.0	19,831.6
b Change in the provisions for unearned premiums	-33.5	11.0	-44.5	77.7	-23.4	101.1
NET INSURANCE BENEFITS AND CLAIMS	15,744.7	1,293.2	14,451.4	15,467.9	1,291.2	14,176.7
a Claims paid	15,563.4	1,303.0	14,260.5	15,512.0	1,330.6	14,181.5
b Change in the provisions for outstanding claims	189.6	-5.7	195.3	17.5	-40.4	57.8
c Change in claims to be recovered	-16.3	0.0	-16.4	-42.0	-0.6	-41.4
d Change in other insurance provisions	7.9	-4.1	12.0	-19.6	1.5	-21.1
<b>LIFE SEGMENT</b>						
NET PREMIUMS	46,344.1	891.6	45,452.5	44,876.4	773.0	44,103.4
NET INSURANCE BENEFITS AND CLAIMS	53,792.7	527.8	53,264.9	54,468.6	467.2	54,001.4
a Claims paid	32,593.2	513.6	32,079.6	31,871.2	451.8	31,419.4
b Change in the provisions for outstanding claims	775.5	11.1	764.4	103.3	-19.3	122.6
c Change in the mathematical provisions	13,811.7	-15.7	13,827.3	15,225.6	23.4	15,202.2
d Change in the provisions for policies where the investment risk is borne by the policyholders and the provisions for pension funds	4,667.2	9.9	4,657.3	6,470.5	13.7	6,456.8
e Change in other insurance provisions	1,945.2	8.9	1,936.4	797.9	-2.4	800.3



Income and expenses from investments, receivables and payables

Appendix 10

	Interest	Other income	Other expenses	Realized gains	Realized losses	Total unrealized gains and losses	Unrealized gains and reversal of impairment losses		Unrealized losses and impairment losses		Total unrealized gains and losses	Total income and expenses 31/12/2010	Total income and expenses 31/12/2009
							Unrealized gains	Reversal of impairment losses	Unrealized losses	Impairment losses			
<b>Income and expenses from investments</b>	<b>11,122.7</b>	<b>2,615.8</b>	<b>-382.9</b>	<b>5,649.1</b>	<b>-2,865.9</b>	<b>16,138.9</b>	<b>7,706.2</b>	<b>104.8</b>	<b>-4,359.1</b>	<b>-1,083.5</b>	<b>2,368.5</b>	<b>18,507.4</b>	<b>8,348.3</b>
a from land and buildings (investment properties)		1,034.2	-382.9	226.5	-3.3	874.5		57.2		-40.6	16.7	891.2	845.0
b from investments in subsidiaries, associated companies and joint ventures		99.2	0.0	11.0	-14.0	96.1		0.1		-9.9	-9.8	86.3	25.1
c from held to maturity investments	129.5			0.3	-0.3	129.4		0.0		-3.5	-3.5	126.0	84.3
d from loans and receivables	3,300.4			341.8	-110.3	3,331.8		44.6		-409.9	-365.3	3,166.5	3,340.5
e from available for sale financial assets	6,679.1	1,107.6		3,076.0	-1,187.1	9,675.7		2.9		-619.6	-616.8	9,058.9	7,039.9
f from financial assets held for trading	24.7	89.4		296.0	-239.3	170.9	69.0		-47.2		21.8	192.7	-213.2
g from financial assets designated as at fair value through profit or loss	989.0	285.5		1,697.6	-1,311.6	1,660.4	7,637.2		-4,311.9		3,325.3	4,985.8	10,927.0
<b>Income and expenses from receivables</b>	<b>11.9</b>			<b>0.0</b>	<b>-4.0</b>	<b>7.9</b>		<b>102.5</b>		<b>-36.2</b>	<b>66.4</b>	<b>74.3</b>	<b>54.6</b>
<b>Income and expenses from cash and cash equivalents</b>	<b>86.8</b>					<b>86.8</b>					<b>0.0</b>	<b>86.8</b>	<b>102.9</b>
<b>Income and expenses from financial liabilities</b>	<b>-1,296.1</b>	<b>0.0</b>	<b>0.0</b>	<b>226.2</b>	<b>-422.7</b>	<b>-1,492.5</b>	<b>537.2</b>	<b>0.0</b>	<b>-675.6</b>	<b>0.0</b>	<b>-138.4</b>	<b>-1,630.9</b>	<b>-4,484.3</b>
a from financial liabilities held for trading	-8.0			143.7	-256.3	-120.6	43.2		-19.2		24.0	-96.5	-101.7
b from financial liabilities designated as at fair value through profit or loss	-51.1			79.5	-166.4	-137.9	494.0		-656.4		-162.4	-300.3	-3,115.1
c from other financial liabilities	-1,237.1			3.0	0.0	-1,234.0					0.0	-1,234.0	-1,267.6
<b>Income and expenses from payables</b>						<b>0.0</b>					<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>9,925.4</b>	<b>2,615.8</b>	<b>-382.9</b>	<b>5,875.4</b>	<b>-3,292.6</b>	<b>14,741.1</b>	<b>8,243.4</b>	<b>207.4</b>	<b>-5,034.6</b>	<b>-1,119.7</b>	<b>2,296.5</b>	<b>17,037.6</b>	<b>17,721.7</b>

## Acquisition and administration costs of insurance business

Appendix 11

	Non-life segment		Life segment	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Commissions and other acquisition costs	4,654.5	4,461.7	4,151.0	4,065.5
Acquisition and administration commissions	3,447.1	3,226.4	3,075.9	3,032.4
Other acquisition costs	968.6	950.2	1,113.1	1,044.1
Change in deferred acquisition costs	11.8	46.9	-137.1	-114.8
Collecting commissions	226.9	238.1	99.1	103.8
Commissions and profit commissions from reinsurers	-288.4	-264.5	-93.2	-127.0
Investment management expenses (*)	80.9	73.4	266.6	293.6
Other administration costs	1,280.9	1,290.8	1,078.9	1,027.3
<b>Total</b>	<b>5,728.0</b>	<b>5,561.4</b>	<b>5,403.2</b>	<b>5,259.4</b>

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

Details on other comprehensive income

Appendix 12

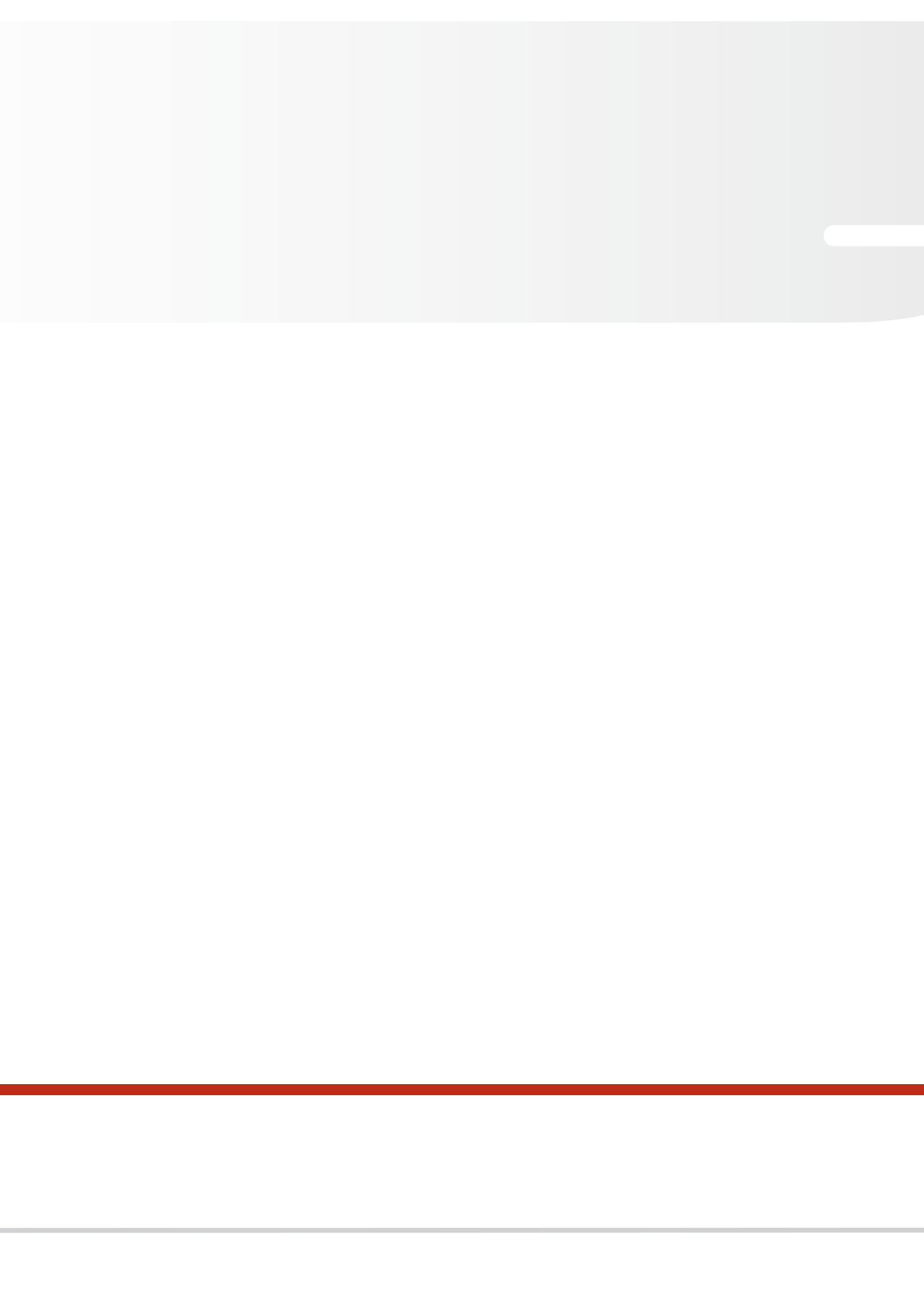
	Allocation		Transfer to profit and loss account		Other transfer		Total variation		Taxes		Amounts	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Reserve for currency translation differences	808.2	6.4	-19.2	0.0			788.9	6.4	-8.0	-0.4	559.8	-229.1
Unrealized gains and losses on available for sale financial assets	-807.4	1,564.5	-131.2	507.7			-938.6	2,072.2	-12.1	796.9	-79.3	859.3
Cash flow hedging derivative reserve	23.3	-0.5	-20.5	-111.1			2.8	-111.6	6.5	-58.0	-96.8	-99.7
Reserve for hedge of a net investment in a foreign operation	-0.7	-45.4	0.0	0.0			-0.7	-45.4	0.0	19.9	-46.1	-45.4
Revenue reserve from valuation of equity	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
Reserve for revaluation model on intangible assets	0.0	0.0					0.0	0.0	0.0	0.0	0.0	0.0
Reserve for revaluation model on tangible assets	0.0	0.0					0.0	0.0	0.0	0.0	0.0	0.0
Result of discontinued operations	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
Actuarial gains or losses arising from defined benefit plans	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>23.4</b>	<b>1,525.1</b>	<b>-170.9</b>	<b>396.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-147.5</b>	<b>1,921.6</b>	<b>-13.6</b>	<b>758.4</b>	<b>337.6</b>	<b>485.1</b>



Fair value hierarchy

Appendix 14

	Level 1		Level 2		Level 3		Total	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Available for sale financial assets	169,329.5	155,627.8	17,058.4	19,068.7	2,541.2	1,718.0	188,929.0	176,414.5
Financial assets at fair value through profit or loss	51,688.0	42,531.8	22,695.7	22,738.2	974.0	655.5	75,357.6	65,925.5
Financial assets held for trading	1,564.2	1,258.0	231.6	961.1	17.7	23.6	1,813.5	2,242.7
Financial assets designated as at fair value through profit or loss	50,123.7	41,273.8	22,464.1	21,777.1	956.3	631.9	73,544.2	63,682.8
Subtotal	221,017.5	198,159.6	39,754.1	41,806.9	3,515.1	2,373.5	264,286.7	242,340.0
Financial liabilities at fair value through profit or loss	10,442.7	8,051.1	3,259.3	2,235.5	0.0	7.9	13,702.1	10,294.5
Financial liabilities held for trading	714.9	236.3	199.3	573.3	0.0	6.8	914.3	816.4
Financial liabilities designated as at fair value through profit or loss	9,727.8	7,814.8	3,060.0	1,662.2	0.0	1.1	12,787.8	9,478.1
<b>Total</b>	<b>231,460.2</b>	<b>206,210.7</b>	<b>43,013.4</b>	<b>44,042.4</b>	<b>3,515.1</b>	<b>2,381.4</b>	<b>277,988.7</b>	<b>252,634.5</b>





Impregilo - High speed rail Turin-Milan

Change in the consolidation area

Subsidiaries consolidated line by line

Non-consolidated subsidiaries  
and associated companies







## Change in the consolidation area<sup>(\*)</sup>

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### Newly consolidated:

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1. Access Health South Africa (Pty) Ltd, Constantia Kloof
2. AMGI-Fonds DLRET, Cologne
3. AMGI-Fonds GDPRET, Aachen
4. AMGI-Fonds GVRET, Hamburg
5. BSI Investment Advisors HK Ltd, Wanchai
6. BSI Wealth & Family SIM S.p.A., Milan
7. City Empiria a.s., Prague
8. CP INVEST Realitní Uzavřený Investiční Fond a.s., Prague
9. DAS Legal Service Srl, Verona
10. EASA Training Academy (Pty) Ltd, Constantia Kloof
11. Europ Assistance Financial Services (Pty) Ltd, Constantia Kloof
12. Fondo Chopin, Milan
13. FT GEN-Fonds, Frankfurt
14. GEII 100 CE Holding SAS, Paris
15. Gen4Dividend, Wien
16. General Securities Corporation of North America, New York
17. Generali European Real Estate Income Investments GmbH & Co. KG, Cologne
18. Generali Financial Asia Limited, Hong Kong
19. Generali Northern America Real Estate Holding 1 LLC, Wilmington
20. Generali Northern America Real Estate Investment 1 LLC, Wilmington
21. Generali Northern America Real Estate Investments GmbH & Co. KG, Cologne
22. Generali PPF Services a.s., Prague
23. Generali Real Estate Investment FCP-FIS, Luxembourg
24. GENTUM Nr. 1. Hamburg
25. GID Fonds AVRET, Cologne
26. Labour Assist (Pty) Ltd, Constantia Kloof
27. Migdal Real Estate Holdings Ltd, Tel Aviv
28. SAS Ocealis, Perols
29. Saxon Land B.V., Amsterdam

## Change in the consolidation area<sup>(\*)</sup>

### Company disposed of/wound up:

1. AM Siebte Immobilien AG & Co. KG (fusa in AachenMünchener Lebensversicherung AG), Aachen
2. Banca BSI Italia S.p.A. (merged in Banca Generali S.p.A.), Trieste
3. Banco Vitalicio de España (merged in La Estrella S.A.), Madrid
4. Bien-Être Assistance S.A., Clichy La Garenne
5. BSI Trust Corp. (Channel Island) Ltd, St. Peter Port
6. Coris Asistencia, S.A. (merged in Europ Assistance Servicios Integrales de Gestion, S.A.), Madrid
7. Europäische Reiseversicherung GVAG, Kiev
8. Europäische Reiseversicherung GVAG, Mosca
9. Foncière Hypersud S.A., Issy les Moulineaux
10. Generali Beleggingen B.V. (merged in Generali Levensverzekering Maatschappij N.V.), Amsterdam
11. Generali Belle Feuille S.a.r.l. (merged in Generali Vie S.A.), Paris
12. Generali Epargne Salaire S.A. (merged in Generali France Assurance S.A.), Paris
13. Generali Garant Life Insur JSC, Kiev
14. Generali Immobilier Conseil S.A. (merged in Generali France Immobilier S.A.), Paris
15. Generali Life - Hellenic Insurance Company A.E. (merged in Generali Hellas - A.E. Asfaliseon Zimion), Athens
16. Genervest S.A., Bruxelles
17. Immobiliare Commerciale XXVI S.r.l., Turin
18. Infoparc S.A., Paris
19. Intesa Vita S.p.A., Milan
20. Mondomix Miteigentumsfonds in Wertpapieren, Wien
21. NABUCO I (Badenia) Verw. CO, Frankfurt
22. SCI du Chateau La France (merged in Generali Vie S.A.), Paris
23. SCI France Mornay Lyon (merged in Generali Vie S.A.), Paris
24. SCI Generali Le Jade (merged in Generali Vie S.A.), Paris
25. SCI Generali Pierre-Grenier (merged in Generali IARD S.A.), Paris
26. SCI Generali Asnieres (merged in Generali IARD S.A.), Paris
27. SCI Lagny 68-70-Generali, Paris

(\*) Consolidation area consists of companies consolidated "line by line".

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %		Total	Group equity ratio % <sup>(3)</sup>
						Direct	Indirect		
Assicurazioni Generali S.p.A.	086	EUR	1,556,873,283	G	1	0.04	Genertellife S.p.A.	0.77	100.00
						0.01	Augusta Assicurazioni S.p.A.		
						0.68	Ina Assitalia S.p.A.		
						0.01	GBS S.c.p.A.		
						0.03	Alleanza Toro S.p.A.		
Genertel S.p.A.	086	EUR	23,000,000	G	1	100.00		100.00	100.00
UMS S.p.A.	086	EUR	15,993,180	G	10	99.90		99.90	99.90
Risparmio Assicurazioni S.p.A.	086	EUR	5,175,152	G	11	100.00		100.00	100.00
Europ Assistance Italia S.p.A.	086	EUR	12,000,000	G	1	26.05		87.08	86.93
						61.03	Europ Assistance Holding S.A.		
Prunus S.p.A.	086	EUR	11,610,000	G	10		100.00	100.00	100.00
Genagricola S.p.A.	086	EUR	176,850,000	G	11	100.00		100.00	100.00
Finagen S.p.A.	086	EUR	6,700,000	G	8	0.10		100.00	100.00
						99.90	Alleanza Toro S.p.A.		
Banca Generali S.p.A.	086	EUR	111,362,750	G	7	48.59		65.73	65.71
						5.01	Generali IARD S.A.		
						5.01	Generali Vie S.A.		
						4.99	Genertellife S.p.A.		
Europ Assistance Service SpA	086	EUR	4,325,000	G	11	100.00	Europ Assistance Italia S.p.A.	100.00	86.93
						8.50	Europ Assistance Service SpA		
Europ Assistance Trade S.p.A.	086	EUR	540,000	G	11	91.50	Europ Assistance Italia S.p.A.	100.00	86.93
Agricola San Giorgio S.p.A.	086	EUR	22,160,000	G	11	100.00	Genagricola S.p.A.	100.00	100.00
Fondi Alleanza SGR S.p.A.	086	EUR	5,200,000	G	8	100.00	Alleanza Toro S.p.A.	100.00	100.00
G.G.I. S.p.A.	086	EUR	780,000	G	11	100.00		100.00	100.00
Genertel Servizi Assicurativi	086	EUR	40,000	G	11	50.00	Genertel S.p.A.	100.00	100.00
						50.00	Genertellife S.p.A.		
Europ Assistance Vai S.p.A.	086	EUR	468,000	G	11	98.89	Europ Assistance Service SpA	98.89	85.97
G.T.I. SGR p.A.	086	EUR	5,200,000	G	8	20.00	BSI S.A.	90.00	88.43
						70.00	Generali SGR S.p.A.		
Genertellife S.p.A.	086	EUR	145,200,000	G	1	100.00		100.00	100.00
Generali SGR S.p.A.	086	EUR	26,250,000	G	8	100.00	Gen Inv S.p.A.	100.00	97.76
Inf - Societa' Agricola S.p.A.	086	EUR	15,480,000	G	11	100.00	Genagricola S.p.A.	100.00	100.00
Generali Horizon S.p.A.	086	EUR	15,520,000	G	9	100.00		100.00	100.00
GenerFid S.p.A.	086	EUR	240,000	G	11	100.00	Banca Generali S.p.A.	100.00	65.71
EOS Servizi Fiduciari SpA	086	EUR	750,000	G	11	100.00	BSI S.A.	100.00	100.00
Assitimm S.r.l.	086	EUR	100,000	G	10	1.00		100.00	100.00
						99.00	ISIM S.p.A.		
SIMGENIA S.p.A. SIM	086	EUR	5,200,000	G	8	25.00		100.00	94.84
						15.00	Banca Generali S.p.A.		
						10.00	Fata Assicurazioni Danni SpA		
						15.00	Ina Assitalia S.p.A.		
Heracles Immobiliare S.r.l.	086	EUR	1,200,000	G	10	100.00	ISIM S.p.A.	100.00	100.00
						35.00	Alleanza Toro S.p.A.		
BG Fiduciaria Sim S.p.A.	086	EUR	5,200,000	G	8	100.00	Banca Generali S.p.A.	100.00	65.71

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through		
BG SGR S.p.A.	086	EUR	8,050,665	G	8		100.00	Banca Generali S.p.A.	100.00	65.71
Gen Inv S.p.A.	086	EUR	39,000,000	G	9	40.00			100.00	97.76
							30.00	Generali Deutschland Holding		
							30.00	Generali France S.A.		
Generali Immobiliare Italia GR	086	EUR	5,000,000	G	8		100.00	Gen Inv S.p.A.	100.00	97.76
Fata Assicurazioni Danni SpA	086	EUR	5,202,079	G	1	99.88			99.88	99.88
Fata Vita S.p.A.	086	EUR	7,096,314	G	1	99.98			99.98	99.98
Augusta Assicurazioni S.p.A.	086	EUR	26,000,000	G	1		100.00	Alleanza Toro S.p.A.	100.00	100.00
CESTAR S.c.r.l.	086	EUR	3,100,000	G	11	98.00			100.00	100.00
							0.25	Fata Assicurazioni Danni SpA		
							0.25	Augusta Assicurazioni S.p.A.		
							0.25	Ina Assitalia S.p.A.		
							1.00	GBS S.c.p.A.		
							0.25	Alleanza Toro S.p.A.		
D.A.S. S.p.A.	086	EUR	2,750,000	G	1	50.01		Alleanza Toro S.p.A.	50.01	50.01
ISIM S.p.A.	086	EUR	203,321,715	G	10		100.00	Alleanza Toro S.p.A.	100.00	100.00
Augusta Vita S.p.A.	086	EUR	39,000,000	G	1		100.00	Augusta Assicurazioni S.p.A.	100.00	100.00
Generali Properties S.p.A.	086	EUR	268,265,145	G	10	100.00			100.00	100.00
Fondo Scariatti	086	EUR	601,213,598	G	10	8.10			66.03	66.03
							1.94	Genertel S.p.A.		
							4.34	Genertellife S.p.A.		
							2.77	Fata Assicurazioni Danni SpA		
							0.37	Fata Vita S.p.A.		
							8.35	ISIM S.p.A.		
							17.81	Ina Assitalia S.p.A.		
							22.36	Alleanza Toro S.p.A.		
Ina Assitalia S.p.A.	086	EUR	618,628,450	G	1	100.00			100.00	100.00
GBS S.c.p.A.	086	EUR	8,010,000	G	11	96.82			100.00	99.79
							0.25	Genertel S.p.A.		
							0.01	Europ Assistance Italia S.p.A.		
							0.30	Banca Generali S.p.A.		
							0.01	Fondi Alleanza SGR S.p.A.		
							0.25	Genertellife S.p.A.		
							0.25	Generali SGR S.p.A.		
							0.25	SIMGENIA S.p.A. SIM		
							0.01	BG Fiduciaria Sim S.p.A.		
							0.25	BG SGR S.p.A.		
							0.01	Generali Immobiliare Italia GR		
							0.25	Fata Assicurazioni Danni SpA		
							0.01	Fata Vita S.p.A.		
							0.25	Augusta Assicurazioni S.p.A.		
							0.25	Augusta Vita S.p.A.		
							0.25	Ina Assitalia S.p.A.		
							0.01	Generali Factoring S.p.A.		
							0.05	G.I.B.S. s.c.a.r.l.		

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Direct	Indirect	Shareholding %		Total	Group equity ratio % <sup>(3)</sup>
									Through		
							0.51	Alleanza Toro S.p.A.			
							0.01	Alleanza Toro Servizi Assicur.			
Generali Factoring S.p.A.	086	EUR	3,000,000	G	11	100.00				100.00	100.00
G.I.B.S. s.c.a.r.l.	086	EUR	27,000	G	11	66.67				100.00	96.32
							18.52	Generali Vie S.A.			
							3.70	Generali Belgium S.A.			
							3.70	Generali Vida de Seguros S.A.			
							3.70	Generali Pojistovna a.s.			
							3.70	Ceska pojistovna, a.s.			
Gotam SGR S.p.A.	086	EUR	2,050,000	G	8	100.00		BSI S.A.		100.00	100.00
Fondo Cimarosa	086	EUR	495,111,111	G	10	12.14				100.00	100.00
							0.71	Genertel S.p.A.			
							6.69	Prunus S.p.A.			
							3.30	Genertellife S.p.A.			
							0.07	Fata Vita S.p.A.			
							45.21	ISIM S.p.A.			
							14.37	Ina Assitalia S.p.A.			
							17.51	Alleanza Toro S.p.A.			
Alleanza Toro S.p.A.	086	EUR	300,000,000	G	1	100.00				100.00	100.00
Fondo Immobiliare Mascagni	086	EUR	343,310,110	G	10	67.35				100.00	100.00
							21.24	Genertellife S.p.A.			
							1.42	Fata Vita S.p.A.			
							9.99	Ina Assitalia S.p.A.			
Fondo Immobiliare Toscanini	086	EUR	93,345,920	G	10	44.19				100.00	100.00
							23.91	Generali Properties S.p.A.			
							31.90	Ina Assitalia S.p.A.			
BSI SIM S.p.A.	086	EUR	5,000,000	G	11	100.00		BSI S.A.		100.00	100.00
Alleanza Toro Servizi Assicur.	086	EUR	20,000	G	11	100.00		Alleanza Toro S.p.A.		100.00	100.00
D.A.S. Legal Services S.r.l.	086	EUR	50,000	G	11	100.00		D.A.S. S.p.A.		100.00	50.01
Fondo Chopin	086	EUR	175,750,000	G	11	15.93				100.00	100.00
							2.42	Genertel S.p.A.			
							24.61	Genertellife S.p.A.			
							2.42	Fata Vita S.p.A.			
							2.70	Augusta Vita S.p.A.			
							26.46	Generali Properties S.p.A.			
							19.20	Ina Assitalia S.p.A.			
							3.56	Fondo Cimarosa			
							2.70	Alleanza Toro S.p.A.			
Dialog Lebensversicherungs AG	094	EUR	2,045,200	G	2	100.00		Generali Beteiligungs AG		100.00	92.83
Generali Deutschland Holding	094	EUR	137,420,785	G	5	80.19		Generali Beteiligungs-GmbH		93.02	92.74
							0.93	Generali España, S.A.			
							0.93	Generali Belgium S.A.			
							0.93	Generali Levensverz. Maatsch.			
							0.93	Generali Assurances Générales			
							2.14	Vitalicio Torre Cerdà S.I.			

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %			Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through	
						5.10	Generali Vermögensverwaltung K		
						1.86	Alleanza Toro S.p.A.		
AachenMünchener Lebensvers.	094	EUR	71,269,998	G	2	100.00	Generali Deutschland Holding	100.00	92.74
AachenMünchener Versicherung	094	EUR	136,463,896	G	2	100.00	Generali Deutschland Holding	100.00	92.74
Generali Lebensversicherung AG	094	EUR	124,053,300	G	2	100.00	Generali Beteiligungs AG	100.00	92.83
Generali Versicherung AG	094	EUR	27,358,000	G	2	100.00	Generali Beteiligungs AG	100.00	92.83
Central Krankenversicherung AG	094	EUR	34,017,984	G	2	100.00	Generali Deutschland Holding	100.00	92.74
Europ Assistance Versicherung	094	EUR	2,800,000	G	2	25.00	Generali Deutschland Holding	100.00	98.01
						75.00	Europ Assistance Holding S.A.		
Cosmos Lebensversicherungs AG	094	EUR	10,739,616	G	2	100.00	Generali Deutschland Holding	100.00	92.74
Cosmos Versicherung AG	094	EUR	9,205,200	G	2	100.00	Generali Deutschland Holding	100.00	92.74
ENIVAS Krankenversicherung AG	094	EUR	1,022,800	G	2	100.00	Generali Deutschland Holding	100.00	92.74
AdvoCard Rechtsschutzvers.	094	EUR	12,920,265	G	2	29.29	AachenMünchener Versicherung	100.00	92.80
						70.71	Generali Versicherung AG		
Generali Beteiligungs-GmbH	094	EUR	1,005,000	G	4	100.00		100.00	100.00
Generali Beteiligungs AG	094	EUR	66,963,298	G	4	98.78	Generali Deutschland Holding	100.00	92.83
						1.22	Transocean Holding Corporation		
ALLWO GmbH	094	EUR	17,895,500	G	10	46.86	AachenMünchener Lebensvers.	100.00	92.79
						53.14	Generali Lebensversicherung AG		
Deutsche Bausparkasse Badenia	094	EUR	40,560,000	G	7	68.70	Generali Deutschland Holding	100.00	92.77
						31.30	Generali Lebensversicherung AG		
Europ Assistance Services GmbH	094	EUR	250,000	G	11	100.00	Europ Assistance Versicherung	100.00	98.01
Generali Deutschland Finanzd.	094	EUR	52,000	G	11	100.00	Generali Deutschland Holding	100.00	92.74
Generali Deutschland Informat.	094	EUR	15,000,000	G	11	100.00	Generali Deutschland Holding	100.00	92.74
ATLAS Dienstleistungen	094	EUR	4,090,335	G	11	74.00	AachenMünchener Lebensvers.	74.00	68.63
AM Ges. betr. Altersversorgung	094	EUR	60,000	G	11	100.00	AachenMünchener Lebensvers.	100.00	92.74
Cosmos Finanzservice GmbH	094	EUR	25,565	G	11	100.00	Cosmos Versicherung AG	100.00	92.74
Generali Deutschland Immobil.	094	EUR	682,655	G	10	100.00	Generali Deutschland Holding	100.00	92.74
Schloss Bensberg Management	094	EUR	250,000	G	10	100.00	AachenMünchener Lebensvers.	100.00	92.74
AM Vertriebservice Ges. Pers.	094	EUR	500,000	G	11	100.00	ATLAS Dienstleistungen	100.00	68.63
Generali Investments Deut. KAG	094	EUR	9,050,000	G	8	100.00	Gen Inv S.p.A.	100.00	97.76
AMCO Beteiligungs-GmbH	094	EUR	500,000	G	4	100.00	Generali Deutschland Holding	100.00	92.74
Volksfürsorge Pensionskasse AG	094	EUR	5,025,000	G	2	100.00	Generali Beteiligungs AG	100.00	92.83
Thuringia Generali 2Immobilien	094	EUR	84,343,265	G	10	100.00	Generali Lebensversicherung AG	100.00	92.83
Thuringia Generali 1Immobilien	094	EUR	21,388,630	G	10	100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge 1Immobilien AGKG	094	EUR	3,583	G	10	100.00	Generali Lebensversicherung AG	100.00	92.83
Central Zweite Immobilien AGKG	094	EUR	12,371,997	G	10	100.00	Central Krankenversicherung AG	100.00	92.74
Central Erste Immobilien AG&KG	094	EUR	4,823,507	G	10	100.00	Central Krankenversicherung AG	100.00	92.74
AM Erste Immobilien AG&Co. KG	094	EUR	81,082,414	G	10	100.00	AachenMünchener Lebensvers.	100.00	92.74
Generali Private Equity Invest	094	EUR	1,000,000	G	9	100.00	Gen Inv S.p.A.	100.00	97.76
Generali Deutschland Pensionsk	094	EUR	7,500,000	G	2	100.00	Generali Deutschland Holding	100.00	92.74
DBB Vermögensverwaltung GmbHKG	094	EUR	21,214,579	G	10	100.00	Deutsche Bausparkasse Badenia	100.00	92.77
AM Vers Erste Immobilien KG	094	EUR	17,847,121	G	10	100.00	AachenMünchener Versicherung	100.00	92.74
GID-Fonds AAREC	094	EUR	2,845,846,298	G	11	0.92	Dialog Lebensversicherungs AG	100.00	92.78
						24.59	AachenMünchener Lebensvers.		

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Direct	Indirect	Shareholding %		Group equity ratio % <sup>(3)</sup>
								Through	Total	
							37.89		Generali Lebensversicherung AG	
							22.76		Central Krankenversicherung AG	
							11.80		Cosmos Lebensversicherungs AG	
							0.51		AdvoCard Rechtsschutzvers.	
							1.53		Generali Deutschland Pensionsk	
GID-Fonds ALAOT	094	EUR	706,279,861	G	11	100.00			AachenMünchener Lebensvers.	92.74
GID-Fonds GDRET	094	EUR	256,790,055	G	11	100.00			Generali Deutschland Holding	92.74
GID-Fonds AMLRET	094	EUR	460,429,372	G	11	100.00			AachenMünchener Lebensvers.	92.74
GID-Fonds AVAOT	094	EUR	86,030,924	G	11	100.00			Generali Versicherung AG	92.83
GID-Fonds CEAOT	094	EUR	350,011,668	G	11	100.00			Central Krankenversicherung AG	92.74
GID-Fonds CLAOT	094	EUR	318,358,550	G	11	100.00			Cosmos Lebensversicherungs AG	92.74
GID-Fonds GLRET 4	094	EUR	396,803,173	G	11	100.00			Generali Lebensversicherung AG	92.83
GID-Fonds GLMET	094	EUR	775,349,362	G	11	100.00			Generali Lebensversicherung AG	92.83
GID-Fonds GVMET	094	EUR	379,107,878	G	11	100.00			Generali Versicherung AG	92.83
GID-Fonds GLLAE	094	EUR	622,534,178	G	11	100.00			Generali Lebensversicherung AG	92.83
Grundstücksges. Stadtlagerhaus	094	EUR	19,560,874	G	10		50.00		Generali Lebensversicherung AG	92.83
							50.00		Generali Versicherung AG	
Generali Deutschland Sicherung	094	EUR	25,000	G	11	100.00			Generali Deutschland Holding	92.74
GID-Fonds VLAOT	094	EUR	1,454,722,424	G	11	100.00			Generali Lebensversicherung AG	92.83
GID-Fonds GLRET 3	094	EUR	775,625,193	G	11	100.00			Generali Lebensversicherung AG	92.83
GID-Fonds GLRET 2	094	EUR	708,107,107	G	11	100.00			Generali Lebensversicherung AG	92.83
Volksfürsorge 2Immobilien AGKG	094	EUR	120,995,519	G	10	100.00			Generali Lebensversicherung AG	92.83
Volksfürsorge 3Immobilien AGKG	094	EUR	157,313,575	G	10	100.00			Generali Lebensversicherung AG	92.83
Volksfürsorge 4Immobilien AGKG	094	EUR	64,117,282	G	10	100.00			Generali Lebensversicherung AG	92.83
Vofü Fonds I Hamburgische KG	094	EUR	14,800,000	G	10		59.29		Generali Beteiligungs AG	55.04
Volksfürsorge 5Immobilien AGKG	094	EUR	128,205,089	G	10	100.00			Generali Lebensversicherung AG	92.83
Volksfürsorge 6Immobilien AGKG	094	EUR	137,258,898	G	10	100.00			Generali Lebensversicherung AG	92.83
Volksfürsorge 7Immobilien AGKG	094	EUR	26,664,877	G	10	100.00			Generali Lebensversicherung AG	92.83
Generali Deutsch. Pens. Pens.	094	EUR	5,100,000	G	2	100.00			Generali Beteiligungs AG	92.83
GID-Fonds GPRET	094	EUR	82,261,341	G	11	100.00			Generali Deutsch. Pens. Pens.	92.83
Generali Deutschland Schadenm.	094	EUR	100,000	G	11	100.00			Generali Deutschland Holding	92.74
Generali Deutschland Services	094	EUR	100,000	G	11	100.00			Generali Deutschland Holding	92.74
AM Sechste Immobilien AG KG	094	EUR	40,025,000	G	10	100.00			AachenMünchener Lebensvers.	92.74
GLL AMB Generali Prop. Fund I	094	EUR	39,664,580	G	11	100.00			GLL AMB Generali Cross-Border	92.78
GLL AMB Generali Prop. Fund II	094	EUR	46,208,608	G	11	100.00			GLL AMB Generali Cross-Border	92.78
Generali 3, Immobilien AG&CoKG	094	EUR	62,667,551	G	10	100.00			Generali Lebensversicherung AG	92.83
VDL US\$ Corporate Bond Fund	094	USD	142,235,694	G	11	100.00			Generali Lebensversicherung AG	92.83
Volksfürsorge AG Vertriebsges.	094	EUR	1,100,000	G	11	100.00			Generali Beteiligungs AG	92.83
Generali Vermögensverwaltung K	094	EUR	258,700,000	G	9		94.90		Generali Beteiligungs-GmbH	94.90
GLL AMB Generali 200 State	094	EUR	2,010,000	G	11	100.00			GLL AMB Generali Cross-Border	92.78
AM Vertriebservice-Ges. Sach.	094	EUR	250,000	G	11	100.00			ATLAS Dienstleistungen	68.63
GID-Fonds AVAOT II	094	EUR	73,489,736	G	11	100.00			AachenMünchener Versicherung	92.74
GID-Fonds AVAOT III	094	EUR	22,080,707	G	11	100.00			AdvoCard Rechtsschutzvers.	92.80
GID-Fonds ALRET	094	EUR	1,399,335,062	G	11	100.00			AachenMünchener Lebensvers.	92.74
GID-Fonds CERET	094	EUR	1,771,130,330	G	11	100.00			Central Krankenversicherung AG	92.74

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %				Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through	Total	
GID-Fonds CLRET	094	EUR	551,810,416	G	11	100.00		Cosmos Lebensversicherungs AG	100.00	92.74
GID-Fonds GLRET	094	EUR	3,377,905,496	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
GID-Fonds DLRET	094	EUR	67,399,907	G	11	100.00		Dialog Lebensversicherungs AG	100.00	92.83
GID-Fonds GDPRET	094	EUR	191,631,513	G	11	100.00		Generali Deutschland Pensionsk	100.00	92.74
GID-Fonds GVRET	094	EUR	660,679,988	G	11	100.00		Generali Versicherung AG	100.00	92.83
GEREII GmbH & Co. KG	094	EUR	910,250	G	10	5.49		Dialog Lebensversicherungs AG	100.00	92.78
						21.97		AachenMünchener Lebensvers.		
						27.46		Generali Lebensversicherung AG		
						21.97		Central Krankenversicherung AG		
						16.48		Cosmos Lebensversicherungs AG		
						5.49		AdvoCard Rechtsschutzvers.		
						1.13		Generali Deutschland Immobil.		
GNVAREI GmbH & Co. KG	094	EUR	1,330,250	G	10	27.75		AachenMünchener Lebensvers.	100.00	92.78
						38.80		Generali Lebensversicherung AG		
						16.76		Central Krankenversicherung AG		
						16.64		Cosmos Lebensversicherungs AG		
						0.05		Generali Deutschland Immobil.		
GENTUM Nr. 1	094	EUR	93,658,028	G	11	2.00		Dialog Lebensversicherungs AG	100.00	92.77
						23.00		AachenMünchener Lebensvers.		
						27.00		Generali Lebensversicherung AG		
						25.00		Central Krankenversicherung AG		
						20.00		Cosmos Lebensversicherungs AG		
						3.00		AdvoCard Rechtsschutzvers.		
GID Fonds AVRET	094	EUR	150,000,000	G	11	100.00		AachenMünchener Versicherung	100.00	92.74
FT GEN-Fonds	094	EUR	50,000,000	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
Generali IARD S.A.	029	EUR	59,493,775	G	2	100.00		Generali France Assurance S.A.	100.00	99.77
Generali Vie S.A.	029	EUR	299,197,104	G	2	100.00		Generali France Assurance S.A.	100.00	99.77
L'Equité IARD S.A.	029	EUR	15,569,320	G	2	99.98		Generali France Assurance S.A.	99.98	99.75
Européenne de Protection Jur.	029	EUR	2,610,000	G	2	0.01		Generali IARD S.A.	100.00	99.77
						0.01		Generali Vie S.A.		
						99.98		Generali France Assurance S.A.		
Europ Assistance Holding S.A.	029	EUR	14,910,000	G	2	51.05		Generali Vie S.A.	99.98	99.77
						43.93		Generali France S.A.		
						5.01		Part. Maat. Graafschap Holland		
Europ Assistance France S.A.	029	EUR	2,464,320	G	11	100.00		Europ Assistance Holding S.A.	100.00	99.77
Generali France S.A.	029	EUR	114,595,548	G	4	67.15			99.77	99.77
						32.62		Part. Maat. Graafschap Holland		
Generali Investments France SA	029	EUR	3,750,000	G	8	0.01		Generali Vie S.A.	100.00	99.77
						50.99		Generali France Assurance S.A.		
						49.00		Gen Inv S.p.A.		
Generali Gestion S.A.	029	EUR	270,000	G	11	0.06		Generali Vie S.A.	99.92	98.70
						0.03		Generali France S.A.		
						99.83		Generali Investments France SA		
Expert & Finance S.A.	029	EUR	3,389,980	G	11	90.30		Generali Vie S.A.	90.30	90.10
Generali France Assurance S.A.	029	EUR	1,038,510,560	G	5	100.00		Generali France S.A.	100.00	99.77



## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Direct	Indirect	Shareholding %		Group equity ratio % <sup>(3)</sup>
								Through	Total	
E-Cie Vie S.A.	029	EUR	69,119,540	G	2	100.00		Generali France Assurance S.A.	100.00	99.77
Generali France Immobilier	029	EUR	1,060,000	G	10	100.00		Generali France Assurance S.A.	100.00	99.77
Suresnes Immobilier S.A.	029	EUR	43,040,000	G	10	100.00		Generali Vie S.A.	100.00	99.77
Europ Assistance S.A.	029	EUR	23,601,857	G	2	100.00		Europ Assistance Holding S.A.	100.00	99.77
Europ Assistance Téléassist.	029	EUR	100,000	G	11	100.00		Europ Assistance France S.A.	100.00	99.77
SCI Generali Camot	029	EUR	10,525,000	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI Le Rivay	029	EUR	7,021,196	G	10	100.00		Generali Vie S.A.	100.00	99.77
Icare S.A.	029	EUR	3,500,010	G	4	100.00		Europ Assistance Holding S.A.	100.00	99.77
Icare Assurance S.A.	029	EUR	1,276,416	G	2	100.00		Icare S.A.	100.00	99.77
SCI du 174 Rue de Rivoli	029	EUR	19,760,152	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI Font Romeu Neige et Soleil	029	EUR	15,200	G	10	100.00		Generali IARD S.A.	100.00	99.77
Generali Habitat SCpl	029	EUR	15,241,905	G	10	85.78		Generali Vie S.A.	85.78	85.59
SC Progador (SCI)	029	EUR	405,000	G	10		0.37	Generali IARD S.A.	100.00	99.77
							99.63	Generali Vie S.A.		
Rocher Pierre SCpl	029	EUR	35,401,086	G	10	48.52		Generali Vie S.A.	48.52	48.41
SCI Generali Reaumur	029	EUR	10,643,469	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI Cogipar	029	EUR	10,000	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI Generali Pierre	029	EUR	10,113,505	G	10		1.11	Generali IARD S.A.	99.90	99.68
							38.15	Generali Vie S.A.		
							60.63	SCI Generali Wagram		
SCI Generali Pyramides	029	EUR	30,160,815	G	10	67.88		Generali IARD S.A.	100.00	99.78
							32.12	SCI Generali Wagram		
SCI Generali Wagram	029	EUR	284,147	G	10	100.00		Generali IARD S.A.	100.00	99.77
SCI Generali Daumesnil	029	EUR	29,324,139	G	10	45.00		Generali IARD S.A.	100.00	99.77
							55.00	SCI GPA Pierre		
SCI des 5 et 7 Rue Drouot	029	EUR	30,553,520	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI du Coq	029	EUR	14,191,727	G	10		0.81	Generali IARD S.A.	100.00	99.77
							99.19	Generali Vie S.A.		
SCI Espace Seine-Generali	029	EUR	153,000	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI GPA Pierre	029	EUR	40,800,000	G	10		1.20	Generali IARD S.A.	100.00	99.77
							98.80	Generali Vie S.A.		
SCI Haussmann 50-Generali	029	EUR	43,450,000	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI du 54 Avenue Hoche	029	EUR	152,400	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI Landy-Novatis	029	EUR	1,000,000	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI Landy-Wilo	029	EUR	1,000,000	G	10		0.10	Generali IARD S.A.	100.00	99.77
							99.90	Generali Vie S.A.		
SCI Generali Le Franklin	029	EUR	5,443,549	G	10	99.57		Generali Vie S.A.	100.00	99.77
							0.43	SCI Le Rivay		
SCI Viroflay 10-12 Libération	029	EUR	3,000	G	10	100.00		Generali Vie S.A.	100.00	99.77
SCI Generali Commerce 1	029	EUR	100,000	G	10	100.00		Generali IARD S.A.	100.00	99.77
SCI Generali Commerce 2	029	EUR	100,000	G	10	100.00		Generali IARD S.A.	100.00	99.77
SCI Generali le Moncey	029	EUR	919,020	G	10	100.00		Generali Vie S.A.	100.00	99.77
BSI Ifabanque S.A.	029	EUR	15,785,200	G	7	51.00		BSI S.A.	51.00	51.00
Parcolog Lille Henin Beaumont1	029	EUR	744,797	G	10	100.00		SC Generali Logistique	100.00	99.77
SCI Beaune Logistique 1	029	EUR	8,001,000	G	10	0.10		Generali Vie S.A.	100.00	99.77

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through		
							99.90	SC Generali Logistique		
SC Generali Logistique	029	EUR	157,600,985	G	10		1.00	Generali IARD S.A.	100.00	99.77
							99.00	Generali Vie S.A.		
Saint Ouen C1 SAS	029	EUR	37,000	G	10		80.00	Tartini S.à.r.l.	80.00	78.48
Saint Ouen C1 SCI	029	EUR	1,000	G	10		0.10	Tartini S.à.r.l.	100.00	78.50
							99.90	Saint Ouen C1 SAS		
Immob.Comm. Indes Orientales	029	EUR	134,543,500	G	10		100.00	Generali Vie S.A.	100.00	99.77
SAS IMMOCIO CBI	029	EUR	68,690,268	G	10		100.00	Immob.Comm. Indes Orientales	100.00	99.77
SCI Iris La Défense	029	EUR	1,350	G	10		44.44	Generali IARD S.A.	100.00	99.77
							55.56	Generali Vie S.A.		
Terra Nova V Montreuil SCI	029	EUR	1,000	G	10		0.10	Tartini S.à.r.l.	100.00	98.10
							99.90	Sammartini S.à.r.l.		
Oudart S.A.	029	EUR	5,500,000	G	11		100.00	BSI S.A.	100.00	100.00
Oudart Gestion S.A.	029	EUR	1,000,000	G	8		100.00	Oudart S.A.	100.00	100.00
Oudart Patrimoine Sarl	029	EUR	38,125	G	8		96.00	Oudart S.A.	100.00	100.00
							4.00	Oudart Gestion S.A.		
Solidia Finance et Patrimoine	029	EUR	305,580	G	8		50.02	Oudart S.A.	50.02	50.02
OPCI Parcolog Invest	029	EUR	120,699,217	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Parc Logistique Maisonn. 1	029	EUR	7,051,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parc Logistique Maisonn. 2	029	EUR	5,104,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parc Logistique Maisonn. 3	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parc Logistique Maisonn. 4	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Isle D'Abeau 1	029	EUR	11,472,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Isle D'Abeau 2	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Isle D'Abeau 3	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Gondr. Fontenoy 2	029	EUR	3,838,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Dagneux	029	EUR	5,501,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Combs La Ville 1	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Mityr Mory	029	EUR	11,320,950	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Bordeaux Cestas	029	EUR	9,508,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Marly	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SC Parcolog Messageries	029	EUR	1,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Orchies	029	EUR	3,501,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Generali Le Dufy	029	EUR	20,319,682	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Commerces Regions	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Eureka Nanterre	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Thiers Lyon	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Iliade Massy	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
GEII 100 CE Holding SAS	029	EUR	1,000	G	10		100.00	Generali Europe Income Holding	100.00	98.10
SAS Oceaïis	029	EUR	300,000	G	11		65.00	Europ Assistance Holding S.A.	65.00	64.85
GFA Caraïbes	213	EUR	5,742,000	G	2		100.00	Generali France Assurance S.A.	100.00	99.77
Prudence Creole	247	EUR	6,164,000	G	2		0.01	Generali France S.A.	93.18	92.97
							93.17	Generali France Assurance S.A.		
Generali Rückversicherung AG	008	EUR	8,833,000	G	5	100.00			100.00	100.00
Generali Holding Vienna AG	008	EUR	63,732,464	G	5		2.66	Generali IARD S.A.	100.00	99.99

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Direct	Indirect	Shareholding %		Group equity ratio % <sup>(3)</sup>
								Through	Total	
							29.32	Generali Rückversicherung AG		
							29.72	Part. Maat. Graafschap Holland		
							0.05	Generali Finance B.V.		
							0.35	Generali Assurances Générales		
							0.08	Generali Worldwide Insurance		
							37.81	Transocean Holding Corporation		
Europäische Reiseversicherungs	008	EUR	730,000	G	2		74.99	Generali Holding Vienna AG	74.99	74.99
Generali Versicherung AG (A)	008	EUR	27,338,520	G	2		7.81	Generali Rückversicherung AG	100.00	99.99
							92.19	Generali Holding Vienna AG		
Europ Assistance Gesellschaft	008	EUR	70,000	G	11		75.00	Europ Assistance Holding S.A.	100.00	99.83
							25.00	Generali Holding Vienna AG		
Allgemeine Immobilien-Verw.	008	EUR	145,346	G	10	37.50			100.00	100.00
							62.50	Generali Holding Vienna AG		
Allgemeine Immobilien Verw. KG	008	EUR	17,441,553	G	10		100.00	Generali Versicherung AG (A)	100.00	99.99
Generali Capital Management	008	EUR	150,000	G	8		24.99	Generali Deutschland Holding	100.00	98.18
							75.01	Generali Holding Vienna AG		
Interunfall/AIV-Leasing Vorar.	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Generali Leasing GmbH	008	EUR	730,000	G	11		75.00	Generali Versicherung AG (A)	75.00	75.00
Care Consult Versicherungsmak.	008	EUR	138,078	G	11		100.00	Europäische Reiseversicherungs	100.00	74.99
Generali/AIV Leasing Vorarlb.	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Generali/AIV Leasing Salzburg	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Generali/AIV Leasing St.Pölten	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Interunfall/AIV-Leasing Salz.	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Generali Sales Promotion GmbH	008	EUR	50,000	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
Generali Bank AG	008	EUR	26,000,000	G	7		78.57	Generali Holding Vienna AG	100.00	99.99
							21.43	Generali Versicherung AG (A)		
Generali IT-Solutions GmbH	008	EUR	17,500	G	11		75.03	Generali Holding Vienna AG	100.00	98.18
							24.97	Generali Deutschland Informat.		
Generali Pensionskasse AG	008	EUR	350,000	G	8		100.00	Generali Holding Vienna AG	100.00	99.99
Generali Immobilien AG	008	EUR	72,673	G	10		100.00	Generali Versicherung AG (A)	100.00	99.99
Generali VIS Informatik GmbH	008	EUR	35,000	G	11		100.00	Generali Holding Vienna AG	100.00	99.99
GLBond Spezialfonds	008	EUR	9,330	G	11		95.78	Generali Versicherung AG (A)	95.78	95.78
GLStock-Fonds	008	EUR	4,040	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
CA Global Property Int. Imm.AG	008	EUR	11,264,315	G	10		67.74	Generali Versicherung AG (A)	67.74	67.74
BAWAG PSK Versicherung AG	008	EUR	12,000,000	G	2		75.00	Generali Holding Vienna AG	75.00	74.99
BAWAG Spezial 6	008	EUR	13,730	G	11		100.00	BAWAG PSK Versicherung AG	100.00	74.99
Akzent	008	EUR	1,228	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
GSBond Spezialfonds	008	EUR	3,650	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
GEN4A Spezialfonds	008	EUR	55,500	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
CEE Liquid	008	EUR	68,250	G	11		92.12	Generali Versicherung AG (A)	96.94	95.73

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through		
							4.82	BAWAG PSK Versicherung AG		
GEN4Dividend Spezialfonds	008	EUR	30,000,000	G	11		10.92	Generali Holding Vienna AG	92.21	90.02
							0.95	Europäische Reiseversicherungs		
							72.54	Generali Versicherung AG (A)		
							7.80	BAWAG PSK Versicherung AG		
Generali España, S.A.	067	EUR	60,925,401	G	2		95.24	Generali España Holding S.A.	99.91	99.91
							4.67	Hermes S.L.		
Europ Assistance España S.A.	067	EUR	3,612,000	G	2		95.00	Europ Assistance Holding S.A.	100.00	99.78
							5.00	Generali España, S.A.		
Generali España Holding S.A.	067	EUR	563,490,658	G	4	100.00			100.00	100.00
Hermes S.L.	067	EUR	24,933,093	G	10		100.00	Generali España, S.A.	100.00	99.91
Gensegur Agencia de Seguros SA	067	EUR	60,101	G	11		100.00	Generali España, S.A.	100.00	99.91
Vitalicio Torre Cerdà S.I.	067	EUR	1,112,880	G	10		90.66	Generali España, S.A.	100.00	99.91
							9.34	Generali España AIE		
Cajamar Vida S.A.	067	EUR	9,015,200	G	2		50.00	Generali España Holding S.A.	50.00	50.00
Europ Assistance SldG, S.A.	067	EUR	400,000	G	11		100.00	Europ Assistance España S.A.	100.00	99.78
Generali España AIE	067	EUR	35,597,000	G	11		99.99	Generali España, S.A.	100.00	99.90
							0.01	Generali España Holding S.A.		
Coris Gestion S.I.	067	EUR	3,008	G	11		100.00	Europ Assistance SldG, S.A.	100.00	99.78
Cafel Inversiones 2008. S.L.	067	EUR	3,006	G	10		100.00	Frescobaldi S.à.r.l.	100.00	98.10
BSI Spain Wealth and A.M.	067	EUR	2,118,701	G	9		100.00	BSI S.A.	100.00	100.00
BSI Spain Asset Management, SA	067	EUR	1,091,250	G	11		100.00	BSI Spain Wealth and A.M.	100.00	100.00
BSI Spain Wealth Management AV	067	EUR	862,250	G	11		100.00	BSI Spain Wealth and A.M.	100.00	100.00
GLL City22 S.L.	067	EUR	10,003,006	G	11		100.00	GLL AMB Generali City22 Sarl	100.00	92.78
Cajamar Seguros Generales S.A.	067	EUR	4,507,600	G	2		50.00	Generali España Holding S.A.	50.00	50.00
Europ Assistance Insurance Ltd	031	GBP	21,000,000	G	2		100.00	Europ Assistance Holdings Ltd	100.00	99.77
Europ Assistance Holdings Ltd	031	GBP	25,200,000	G	4		100.00	Europ Assistance Holding S.A.	100.00	99.77
Europ Assistance Ltd	031	GBP	10,000	G	11		100.00	Europ Assistance Holdings Ltd	100.00	99.77
BSI Generali UK Ltd	031	GBP	250,000	G	8		100.00	Generali Worldwide Insurance	100.00	100.00
Generali Belgium S.A.	009	EUR	40,000,000	G	2		22.52	Flandria Participations Fin.	99.99	99.70
							10.94	Genass-Invest S.A.		
							9.05	Generali Levensverz. Maatsch.		
							24.91	Part. Maat. Graafschap Holland		
							0.28	Generali Finance B.V.		
							32.29	Ina Assitalia S.p.A.		
Europ Assistance Belgium S.A.	009	EUR	6,012,000	G	2		100.00	Europ Assistance Holding S.A.	100.00	99.77
Adriatica S.A.	009	EUR	1,150,000	G	4		100.00	Generali Beteiligungs AG	100.00	92.83
Flandria Participations Fin.	009	EUR	53,158,425	G	4	93.51			100.00	99.99
							6.49	Generali Vie S.A.		
Genass-Invest S.A.	009	EUR	34,235,504	G	4		100.00	Generali Levensverz. Maatsch.	100.00	98.55
Europ Assistance Services S.A.	009	EUR	186,000	G	11		20.00	Generali Belgium S.A.	100.00	99.76
							80.00	Europ Assistance Belgium S.A.		
Generali Belgium Invest S.A.	009	EUR	9,300,000	G	10		100.00	Generali Belgium S.A.	100.00	99.70
IXIA N.V.	009	EUR	62,000	G	11		100.00	Generali Belgium S.A.	100.00	99.70
GLL South Express S.A.	009	EUR	20,000,000	G	11		100.00	GLL AMB Generali South Express	100.00	92.78

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %			Group equity ratio % <sup>(3)</sup>	
						Direct	Indirect	Through		
Generali Levensverz. Maatsch.	050	EUR	16,789,868	G	2	100.00		Generali Verzekeringsgroep NV	100.00	98.55
Generali Schadeverz. Maatsch.	050	EUR	1,361,341	G	2	100.00		Generali Verzekeringsgroep NV	100.00	98.55
Part. Maat. Graafschap Holland	050	EUR	1,562,245,110	G	4	71.20			100.00	100.00
							6.40	Genertellife S.p.A.		
							16.00	Ina Assitalia S.p.A.		
							6.40	Alleanza Toro S.p.A.		
Generali Verzekeringsgroep NV	050	EUR	5,545,103	G	4	12.77		Flandria Participations Fin.	98.55	98.55
							36.46	Part. Maat. Graafschap Holland		
							18.17	BV Algemene Holding en Financ.		
							31.17	Transocean Holding Corporation		
BV Algemene Holding en Financ.	050	EUR	4,696,625	G	4	100.00		Generali Holding Vienna AG	100.00	99.99
Participatie Maat. Transhol	050	EUR	1,633,609	G	4	100.00		Transocean Holding Corporation	100.00	100.00
Generali Finance B.V.	050	EUR	100,000,000	G	4	100.00			100.00	100.00
Redoze Holding N.V.	050	EUR	22,689,011	G	4	6.02			100.00	100.00
							50.01	Generali Worldwide Insurance		
							43.97	Transocean Holding Corporation		
Generali Vastgoed B.V.	050	EUR	18,151	G	10	100.00		Generali Levensverz. Maatsch.	100.00	98.55
NV De Nederlanden van Nu	050	EUR	500,000	G	2	100.00		Generali Schadeverz. Maatsch.	100.00	98.55
Generali Asia N.V.	050	EUR	120,000	G	4	60.00		Part. Maat. Graafschap Holland	60.00	60.00
Generali Turkey Holding B.V.	050	EUR	22,600	G	4	100.00		Part. Maat. Graafschap Holland	100.00	100.00
Generali Real Estate Inv. B.V.	050	EUR	111,870,000	G	10	53.84		Generali Belgium S.A.	100.00	99.19
							1.32	Generali Belgium Invest S.A.		
							0.15	IXIA N.V.		
							44.69	Generali Vastgoed B.V.		
Generali Horizon B.V.	050	EUR	90,760	G	4	100.00		Generali Worldwide Insurance	100.00	100.00
Lion River I N.V.	050	EUR	525,002	G	9	31.17			100.00	97.62
							30.13	Generali Deutschland Holding		
							30.13	Generali Vie S.A.		
							8.57	Lion River II N.V.		
Saxon Land B.V.	050	EUR	17,691	G	10	100.00		Part. Maat. Graafschap Holland	100.00	100.00
Generali Capital Finance B.V.	050	EUR	10,000,000	G	8	25.00			100.00	100.00
							75.00	Generali Finance B.V.		
Generali PPF Holding B.V.	050	EUR	100,000	G	4	51.00			51.00	51.00
Lion River II N.V.	050	EUR	45,500	G	9	100.00		Generali Verzekeringsgroep NV	100.00	98.55
CZI Holdings N.V.	050	EUR	2,662,000,000	G	4	100.00		Generali PPF Holding B.V.	100.00	51.00
CP Strategic Investments B.V.	050	EUR	20,144	G	4	100.00		CZI Holdings N.V.	100.00	51.00
Iberian Structured Investments	050	EUR	90,000	G	4	100.00		Generali PPF Holding B.V.	100.00	51.00
Generali PanEurope Limited	040	EUR	39,134,869	G	2	55.77			100.00	99.48
							7.12	Generali Deutschland Holding		
							0.77	Generali Finance B.V.		
							36.34	Generali Worldwide Insurance		
Daqhill Investments Limited	040	EUR	30,000,000	G	4	100.00			100.00	100.00
Genirland Limited	040	EUR	113,660,000	G	9	100.00		Part. Maat. Graafschap Holland	100.00	100.00
Generali Hellas A.E.A.Z.	032	EUR	34,506,800	G	2	100.00			100.00	100.00
Generali European Retail IH SA	092	EUR	31,050	G	9	24.42			100.00	99.75

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through		
							9.76	Generali Rückversicherung AG		
							56.05	Generali Belgium Invest S.A.		
							9.76	Generali Real Estate Inv. B.V.		
Generali European Real Estate	092	EUR	288,185,270	G	8	25.59			100.00	98.10
							7.81	AachenMünchener Lebensvers.		
							16.60	Generali Lebensversicherung AG		
							24.41	Generali Vie S.A.		
							0.01	Generali Rückversicherung AG		
							4.88	Generali España, S.A.		
							1.17	Generali Vida de Seguros S.A.		
							9.76	Generali Immobilien AG		
							9.77	Generali Real Estate Inv. B.V.		
Tartini S.à.r.l.	092	EUR	25,000	G	9	100.00		Generali European Real Estate	100.00	98.10
Frescobaldi S.à.r.l.	092	EUR	1,000,000	G	9	100.00		Generali European Real Estate	100.00	98.10
GLL AMB Generali Cross-Border	092	EUR	225,000,000	G	9	28.00		AachenMünchener Lebensvers.	100.00	92.78
							48.00	Generali Lebensversicherung AG		
							16.00	Central Krankenversicherung AG		
							8.00	Cosmos Lebensversicherungs AG		
Generali Fund Management S.A.	092	EUR	3,921,900	G	11	51.00		Banca Generali S.p.A.	100.00	81.41
							49.00	Gen Inv S.p.A.		
Corelli S.à.r.l.	092	EUR	12,500	G	9	100.00		Generali European Real Estate	100.00	98.10
Torelli S.à.r.l.	092	EUR	12,500	G	9	100.00		Generali European Real Estate	100.00	98.10
Sammartini S.à.r.l.	092	EUR	12,500	G	9	100.00		Generali European Real Estate	100.00	98.10
Thalia Fund Management	092	EUR	125,000	G	11	99.98		BSI S.A.	100.00	100.00
							0.02	BSI Luxembourg S.A.		
BSI Luxembourg S.A.	092	EUR	23,465,711	G	7	100.00		BSI S.A.	100.00	100.00
GLL AMB Generali City22 Sarl	092	EUR	112,500	G	11	100.00		GLL AMB Generali Cross-Border	100.00	92.78
GLL AMB Generali Bankcenter	092	EUR	12,500	G	11	100.00		GLL AMB Generali Cross-Border	100.00	92.78
GLL AMB Generali South Express	092	EUR	212,500	G	11	100.00		GLL AMB Generali Cross-Border	100.00	92.78
Generali Immobiliare Ass. Man.	092	EUR	250,000	G	8	100.00			100.00	100.00
Generali N. American Holding 1	092	USD	13,246,799	G	11		85.25	Generali Vie S.A.	100.00	99.73
							6.56	E-Cie Vie S.A.		
							8.20	Generali Real Estate Inv. B.V.		
Generali N. American Holding 2	092	USD	5,682,950	G	11	100.00		GNAREI GmbH & Co. KG	100.00	92.78
Generali N. American Holding	092	USD	15,600,800	G	8	100.00		Generali Real Estate Investm.	100.00	100.00
Generali Europe Income Holding	092	EUR	52,848,541	G	8	29.38		Generali Vie S.A.	100.00	98.44
							4.52	Generali Immobilien AG		
							2.26	E-Cie Vie S.A.		
							2.82	Generali Real Estate Inv. B.V.		
							40.68	Generali Real Estate Investm.		
							20.34	GEREII GmbH & Co. KG		
Generali Real Estate Investm.	092	EUR	66,009,620	G	11	46.67			100.00	100.00
							10.00	Genertellife S.p.A.		
							0.56	Fata Vita S.p.A.		
							1.11	Augusta Vita S.p.A.		

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %		Total	Group equity ratio % <sup>(3)</sup>
						Direct	Indirect		
							13.89	Ina Assitalia S.p.A.	
							27.78	Alleanza Toro S.p.A.	
Generali Vida de Seguros S.A.	055	EUR	9,000,000	G	2	99.99			99.99
Europ Assistance Portugal	055	EUR	7,500,000	G	2		53.00	Europ Assistance Holding S.A.	53.00
Europ Assistance Serviços S.A.	055	EUR	250,000	G	11		99.90	Europ Assistance Portugal	99.90
BSI Monaco SAM	091	EUR	10,000,000	G	7		100.00	BSI S.A.	100.00
BSI Asset Managers SAM	091	EUR	2,000,000	G	8		99.96	BSI Monaco SAM	99.96
BSI Trust Corp. (Malta)	105	MTL	50,000	G	11		98.00	BSI S.A.	98.00
Generali-Providencia Biztosító	077	HUF	4,500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00
Europai Utazási Biztosító R.t.	077	HUF	400,000,000	G	2		13.00	Europäische Reiseversicherungs	74.00
							61.00	Generali-Providencia Biztosító	
Generali-Ingatlan Kft	077	HUF	1,250,000,000	G	10		96.00	Generali-Providencia Biztosító	100.00
							4.00	Generali Biztosítási Ügynök	
Generali Építő- és Tervező Kft	077	HUF	4,046,788,000	G	10		99.00	Generali-Providencia Biztosító	100.00
							1.00	Generali-Ingatlan Kft	
Generali Biztosítási Ügynök	077	HUF	5,000,000	G	8		98.34	Generali-Providencia Biztosító	100.00
							1.66	Generali-Ingatlan Kft	
Generali Alapkezelő Zrt.	077	HUF	500,000,000	G	8		74.00	Generali-Providencia Biztosító	100.00
							26.00	Generali PPF Holding B.V.	
Genertel Biztosító Zrt	077	HUF	2,180,000,000	G	2		100.00	Generali-Providencia Biztosító	100.00
Váci utca Center Kft	077	HUF	4,497,120	G	10		100.00	Generali Immobilien AG	100.00
Generali Pojistovna a.s.	275	CZK	500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00
Generali Penzijní Fond a.s.	275	CZK	50,000,000	G	11		100.00	Generali Pojistovna a.s.	100.00
PCS Praha Center Ssro	275	CZK	396,206,000	G	10		100.00	CA Global Property Int. Imm.AG	100.00
Generali Velky Spalicek S.r.o.	275	CZK	1,800,000	G	10		100.00	Generali Immobilien AG	100.00
Generali Development spol sro	275	CZK	200,000	G	10		100.00	Generali Pojistovna a.s.	100.00
Ceska pojistovna, a.s.	275	CZK	4,000,000,000	G	2		100.00	CZI Holdings N.V.	100.00
Penzijní fond CP, a.s.	275	CZK	213,699,560	G	11		100.00	Ceska pojistovna, a.s.	100.00
Ceska pojistovna Zdravi a.s.	275	CZK	100,000,000	G	2		100.00	Ceska pojistovna, a.s.	100.00
Generali PPF Asset Management	275	CZK	52,000,000	G	8		100.00	CZI Holdings N.V.	100.00
CP Invest Invest.spol. a.s.	275	CZK	91,000,000	G	8		100.00	Ceska pojistovna, a.s.	100.00
Univerzální správa majetku as	275	CZK	1,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00
CP Direct, a.s.	275	CZK	20,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00
Generali PPF Services a.s.	275	CZK	3,000,000	G	11		20.00	Generali Pojistovna a.s.	100.00
							80.00	Ceska pojistovna, a.s.	
Pankrac Services, s.r.o.	275	CZK	200,000	G	10		100.00	Ceska pojistovna, a.s.	100.00
CP INVEST R.U.I. Fond a.s.	275	CZK	27,000,000	G	9		7.41	Generali Pojistovna a.s.	100.00
							92.59	Ceska pojistovna, a.s.	
City Empiria a.s.	275	CZK	2,004,000	G	10		100.00	CP INVEST R.U.I. Fond a.s.	100.00
Generali Slovensko Poistovna	276	SKK	25,000,264	G	2		100.00	Generali PPF Holding B.V.	100.00
Generali Towarzystwo Ubezpiec.	054	PLN	190,310,000	G	2		100.00	Generali PPF Holding B.V.	100.00
Generali AutoProgram Spzoo	054	PLN	100,000	G	11		100.00	Generali Finance Sp. z o.o.	100.00
Generali Zycie S.A.	054	PLN	61,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00
Generali PTE S.A.	054	PLN	145,500,000	G	11		100.00	Generali Towarzystwo Ubezpiec.	100.00
Generali Finance Sp. z o.o.	054	PLN	22,050,000	G	8		100.00	Generali PTE S.A.	100.00

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %				Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through	Total	
Generali Zavarovalnica dd	260	EUR	38,020,339	G	2	99.84		Generali PPF Holding B.V.	99.84	50.92
Generali Asigurari S.A.	061	RON	129,450,000	G	2	83.79		Generali Holding Vienna AG	83.79	83.78
S.C. FATA Asigurari S.A.	061	RON	91,080,200	G	2	100.00		Fata Assicurazioni Danni SpA	100.00	99.88
Generali Administrare Pensii	061	RON	89,000,000	G	11	100.00		Ceska pojistovna, a.s.	100.00	51.00
SC Asigurare Reasigurare ARDAF	061	RON	402,913,330	G	2	38.29		Generali PPF Holding B.V.	100.00	51.00
						61.71		Iberian Structured Investments		
Generali Zakrila MDC EOOD	012	BGN	100,000	G	11	100.00		Generali Zakrila Health-Insur.	100.00	49.71
Generali Insurance AD	012	BGN	15,000,000	G	2	99.92		Generali Bulgaria Holding EAD	99.92	50.96
Generali Bulgaria Holding EAD	012	BGN	83,106,000	G	4	100.00		Generali PPF Holding B.V.	100.00	51.00
Generali Zakrila Health-Insur.	012	BGN	2,000,000	G	2	97.47		Generali Bulgaria Holding EAD	97.47	49.71
Generali Insurance Life AD	012	BGN	7,000,000	G	2	99.56		Generali Bulgaria Holding EAD	99.56	50.77
Zad Victoria AD	012	BGN	10,110,000	G	2	67.00		Fata Assicurazioni Danni SpA	67.00	66.92
GP Reinsurance EAD	012	BGN	53,400,000	G	5	100.00		Generali PPF Holding B.V.	100.00	51.00
Generali Osiguranje d.d.	261	HRK	81,000,000	G	3	100.00		Generali PPF Holding B.V.	100.00	51.00
Generali Garant Insurance JSC	263	UAH	86,388,000	G	3	52.39		Generali Holding Vienna AG	52.39	52.38
Generali Life Insurance CJSC	263	UAH	20,050,000	G	3	100.00		CZI Holdings N.V.	100.00	51.00
CZI Ukraine Pension fund	263	UAH	4,090,500	G	11	99.99		CZI Holdings N.V.	99.99	50.99
Generali Assurances Générales	071	CHF	27,342,400	G	3	99.92		Generali (Schweiz) Holding AG	99.92	99.92
Generali Personenversicherung	071	CHF	76,414,750	G	3	78.94		Generali (Schweiz) Holding AG	100.00	99.98
						21.06		Generali Assurances Générales		
Fortuna Rechtsschutz-Vers.	071	CHF	3,000,000	G	3	100.00		Generali (Schweiz) Holding AG	100.00	100.00
Generali (Schweiz) Holding AG	071	CHF	3,053,500	G	4	58.95			100.00	100.00
						41.05		Redoze Holding N.V.		
Fortuna Investment AG	071	CHF	1,000,000	G	8	100.00		Generali (Schweiz) Holding AG	100.00	100.00
BSI S.A.	071	CHF	1,840,000,000	G	7	100.00		Part. Maat. Graafschap Holland	100.00	100.00
Europ Assistance (Suisse) S.A.	071	CHF	200,000	G	11	100.00		Europ Assistance (CH) Holding	100.00	75.83
B-Source S.A.	071	CHF	2,400,000	G	11	100.00		BSI S.A.	100.00	100.00
Europ Assistance (CH) Assur.	071	CHF	3,000,000	G	3	100.00		Europ Assistance (CH) Holding	100.00	75.83
Europ Assistance (CH) Holding	071	CHF	1,400,000	G	4	75.00		Europ Assistance Holding S.A.	76.00	75.83
						1.00		Generali (Schweiz) Holding AG		
Thalia S.A.	071	CHF	1,000,000	G	9	51.00		BSI S.A.	100.00	98.90
						49.00		Generali SGR S.p.A.		
B-Source Outline AG	071	CHF	100,000	G	11	85.00		B-Source S.A.	85.00	85.00
Fortuna Lebens-Versicherung AG	090	CHF	10,000,000	G	3	100.00		Generali (Schweiz) Holding AG	100.00	100.00
Fortuna Investment AG, Vaduz	090	CHF	1,000,000	G	11	100.00		Generali (Schweiz) Holding AG	100.00	100.00
Generali Worldwide Insurance	201	EUR	86,733,397	G	3	100.00		Part. Maat. Graafschap Holland	100.00	100.00
Generali International Ltd	201	EUR	13,938,259	G	3	100.00		Generali Worldwide Insurance	100.00	100.00
A.G. Insurance Managers Ltd	201	GBP	10,000	G	11	99.94			99.94	99.94
BSI Generali Bank (CI) Ltd	201	GBP	1,425,422	G	7	100.00		Generali Worldwide Insurance	100.00	100.00
Generali Portfolio Management	201	USD	194,544	G	4	100.00		Generali Worldwide Insurance	100.00	100.00
Generali Sigorta A.S.	076	TRY	26,300,000	G	3	99.67		Generali Turkey Holding B.V.	99.67	99.67
Generali Foreign Insurance Co	264	BYR	6,907,249,250	G	3	32.50		Generali Slovensko Poistovna	100.00	51.00
						35.00		Ceska pojistovna, a.s.		
						32.50		Ceska pojistovna Zdravi a.s.		
JSC Generali Life	269	KZT	1,000,000,000	G	3	100.00		Ceska pojistovna, a.s.	100.00	51.00



## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Direct	Indirect	Shareholding %		Group equity ratio % <sup>(3)</sup>
								Through	Total	
Delta Generali Holding d.o.o.	290	EUR	5,000,000	G	4		33.00	Delta Generali Osiguranje a.d.	51.00	13.01
							18.00	Delta Generali RE a.d.		
Delta Generali Zivotna Osigur.	290	EUR	1,350,000	G	4		100.00	Delta Generali Holding d.o.o.	100.00	13.01
Delta Generali Osiguranj ad	290	EUR	3,050,000	G	3		100.00	Delta Generali Holding d.o.o.	100.00	13.01
Generali PPF Life Insurance	262	RUB	86,667,900	G	3		100.00	CZI Holdings N.V.	100.00	51.00
Generali PPF General Insurance	262	RUB	100,000,000	G	3		100.00	CZI Holdings N.V.	100.00	51.00
Delta Generali Osiguranje a.d.	289	RSD	2,131,997,310	G	3		50.02	Generali PPF Holding B.V.	50.02	25.51
Delta Generali RE a.d.	289	RSD	545,435,019	G	6		99.99	Delta Generali Osiguranje a.d.	99.99	25.51
Voluntary Pension Fund M.Delta	289	RSD	135,000,000	G	11		100.00	Delta Generali Osiguranje a.d.	100.00	25.51
Migdal Insurance Co. Ltd	182	ILS	174,883,000	G	3		100.00	Migdal Insurance&Fin. Holding	100.00	69.79
Migdal Insurance&Fin. Holding	182	ILS	10,503,000	G	4	0.98			69.79	69.79
							42.85	Part. Maat. Graafschap Holland		
							25.96	Participatie Maat. Transhol		
Migdal Eshkol Finansim B.M.	182	ILS	485,000	G	9		100.00	Migdal Insurance Co. Ltd	100.00	69.79
Generali Realities Ltd	182	ILS	2	G	10	100.00			100.00	100.00
Migdal Hitum ve Kidum Asakim	182	ILS	5,001,053	G	9		100.00	Migdal Capital Markets (1965)	100.00	69.79
Migdal Trust Funds Ltd	182	ILS	259,518,001	G	9		100.00	Migdal Stock Exchange Services	100.00	69.79
Migdal Investment Portfolio M.	182	ILS	50,000	G	8		100.00	Migdal Capital Markets (1965)	100.00	69.79
Migdal Capital Markets (MS)Ltd	182	ILS	50	G	9		100.00	Migdal Capital Markets (1965)	100.00	69.79
Migdal Gemel Platinum Ltd	182	ILS	1,100,000	G	8		100.00	Migdal Capital Markets (1965)	100.00	69.79
Migdal Makefet Pension Provid.	182	ILS	23,397,000	G	8		100.00	Migdal Insurance Co. Ltd	100.00	69.79
New Makefet Providence Fund	182	ILS	1,500,000	G	8		100.00	Migdal Makefet Pension Provid.	100.00	69.79
Migdal Capital Markets (1965)	182	ILS	469,600,000	G	9		100.00	Migdal Investments Management	100.00	69.79
Migdal Investments Management	182	ILS	556,132,000	G	9		100.00	Migdal Insurance&Fin. Holding	100.00	69.79
Migdal Stock Exchange Services	182	ILS	259,506,539	G	11		100.00	Migdal Capital Markets (1965)	100.00	69.79
Migdal Real Estate Holdings	182	ILS	6,166	G	10		100.00	Migdal Insurance Co. Ltd	100.00	69.79
Transocean Holding Corporation	069	USD	194,980,600	G	4	100.00			100.00	100.00
Europ Assistance USA Inc.	069	USD	5,000,000	G	11		100.00	Europ Assistance North America	100.00	99.77
Genamerica Management Corp.	069	USD	100,000	G	11	100.00			100.00	100.00
Generali U.S. Holdings Inc.	069	USD	1,000	G	4	100.00			100.00	100.00
Generali USA Life Reassurance	069	USD	10,000,000	G	6		100.00	Generali U.S. Holdings Inc.	100.00	100.00
Generali Claims Solutions LLC	069	USD	100,000	G	11		100.00	Generali Consulting Solutions	100.00	100.00
Generali Consulting Solutions	069	USD	156,420	G	11	100.00			100.00	100.00
GLL Properties Fund I LP	069	USD	100,908,846	G	10		100.00	GLL AMB Generali Prop. Fund I	100.00	92.78
GLL Properties Fund II LP	069	USD	55,256,056	G	11		100.00	GLL AMB Generali Prop. Fund II	100.00	92.78
GLL Properties 444 NM LP	069	USD	55,256,056	G	10		100.00	GLL Properties Fund II LP	100.00	92.78
Europ Assistance North America	069	USD	34,061,342	G	11		100.00	Europ Assistance Holding S.A.	100.00	99.77
CSA Inc.	069	USD	2,960,842	G	11		100.00	Europ Assistance North America	100.00	99.77
Global Medical Management Inc.	069	USD	400,610	G	11		100.00	Europ Assistance North America	100.00	99.77
General Securities Corp.	069	USD	364,597	G	9		1.00	Generali N. American Holding 1	100.00	98.34
							1.00	Generali N. American Holding 2		
							1.00	Generali N. American Holding		
							97.00	GNAREH 1 Farragut LLC		
GNAREH 1 Farragut LLC	069	USD	34,421,491	G	10		35.73	Generali N. American Holding 1	100.00	98.36
							21.09	Generali N. American Holding 2		

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through		
							42.18	Generali N. American Holding		
							1.00	General Securities Corp.		
GNAREI 1 Farragut LLC	069	USD	10,000	G	10	100.00	GNAREI 1 Farragut LLC		100.00	98.36
Europ Assistance Canada	013	CAD	6,738,011	G	9	100.00	Europ Assistance Holding S.A.		100.00	99.77
Canadian Medical Network Inc.	013	CAD	203	G	11	100.00	Europ Assistance Canada		100.00	99.77
Seguros Banorte Generali SA CV	046	MXN	656,794,722	G	3	21.85	Flandria Participations Fin.		49.00	49.00
							21.85	Part. Maat. Graafschap Holland		
							5.31	Transocean Holding Corporation		
Pensiones Banorte Generali S.A	046	MXN	191,470,260	G	3	24.50	Flandria Participations Fin.		49.00	49.00
							24.50	Part. Maat. Graafschap Holland		
Solida Banorte Generali Afore	046	MXN	543,559,244	G	11	24.50	Flandria Participations Fin.		49.00	49.00
							24.50	Part. Maat. Graafschap Holland		
Comercial Banorte Generali SA	046	MXN	5,800,000	G	11	33.00	Seguros Banorte Generali SA CV		100.00	49.00
							33.00	Pensiones Banorte Generali S.A		
							34.00	Solida Banorte Generali Afore		
Servicios Banorte Generali SA	046	MXN	2,300,000	G	11	33.00	Seguros Banorte Generali SA CV		100.00	49.00
							33.00	Pensiones Banorte Generali S.A		
							34.00	Solida Banorte Generali Afore		
Asistencia Banorte Generali	046	MXN	50,000	G	11	99.00	Seguros Banorte Generali SA CV		100.00	49.00
							1.00	Pensiones Banorte Generali S.A		
Generali Argentina S.A.	006	ARS	32,000,000	G	3	100.00			100.00	100.00
Caja de Seguros S.A.	006	ARS	228,327,700	G	3	99.00	Caja de Ahorro y Seguro S.A.		99.00	89.10
La Caja de Seguros de Retiro	006	ARS	5,020,000	G	3	95.00	Caja de Seguros S.A.		100.00	89.14
							5.00	Caja de Ahorro y Seguro S.A.		
Inst. del Seguro de Misiones	006	ARS	4,530,000	G	3	94.95	Caja de Seguros S.A.		99.95	89.10
							5.00	Caja de Ahorro y Seguro S.A.		
Caja de Ahorro y Seguro S.A.	006	ARS	143,575,000	G	4	62.50			90.00	90.00
							27.50	Genirland Limited		
Ritenero S.A.	006	ARS	12,000	G	11	0.83	Caja de Seguros S.A.		100.00	89.99
							99.17	Caja de Ahorro y Seguro S.A.		
La Estrella Seguros de Retiro	006	ARS	27,256,439	G	3	50.00	Caja de Seguros S.A.		50.00	44.55
BSI Overseas (Bahamas) Ltd	160	USD	10,000,000	G	8	100.00	BSI S.A.		100.00	100.00
BSI Trust Corp. (Bahamas) Ltd	160	USD	1,000,000	G	8	100.00	BSI S.A.		100.00	100.00
Alpine Services Ltd	160	USD	10,000	G	9	100.00	BSI Trust Corp. (Bahamas) Ltd		100.00	100.00
Generali Reassurance (Bermuda)	207	USD	250,000	G	6	100.00	Generali U.S. Holdings Inc.		100.00	100.00
Generali Brasil Seguros S.A.	011	BRL	169,339,165	G	3	74.37			99.98	99.98
							25.61	Transocean Holding Corporation		
Generali Colombia Vida S.A.	017	COP	4,199,989,500	G	3	15.38			99.81	90.44
							16.16	Transocean Holding Corporation		
							68.28	Generali Colombia S.A.		
Generali Colombia S.A.	017	COP	14,700,000,000	G	3	81.83			86.28	86.28
							4.44	Transocean Holding Corporation		
Generali Ecuador S.A.	024	USD	2,130,000	G	3	51.74			51.74	51.74
Aseguradora General S.A.	033	GTQ	72,000,000	G	3	51.00			51.00	51.00
BSI Investment Advisors Panama	051	USD	410,000	G	11	51.00	BSI S.A.		51.00	51.00

## Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method <sup>(1)</sup>	Activity <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>
						Direct	Indirect	Through		
Generali China Life Insurance	016	CNY	2,700,000,000	G	3	50.00			50.00	50.00
BSI Bank Ltd	147	USD	124,000,000	G	7		100.00	BSI S.A.	100.00	100.00
BSI Trust Corp. (Singapore)	147	SGD	1,056,500	G	11		100.00	BSI S.A.	100.00	100.00
BSI-Generali Asia Ltd	103	HKD	10,000,000	G	9	50.00			100.00	100.00
							50.00	BSI S.A.		
BSI Investment Advisors HK Ltd	103	USD	20,000,000	G	11		100.00	BSI S.A.	100.00	100.00
Generali Financial Asia Ltd	103	HKD	67,599,000	G	9	100.00			100.00	100.00
Generali Pilipinas Life Ass.	027	PHP	1,725,049,815	G	3		100.00	Generali Pilipinas Holding	100.00	36.00
Generali Pilipinas Insurance	027	PHP	1,208,860,137	G	3		99.99	Generali Pilipinas Holding	99.99	36.00
Generali Pilipinas Holding	027	PHP	2,389,255,490	G	4		60.00	Generali Asia N.V.	60.00	36.00
PT Asuransi Jiwa Generali Ind.	129	IDR	110,000,000,000	G	3		91.58	Generali Asia N.V.	91.58	54.95
KAG Holding Co. Ltd	072	THB	707,244,200	G	4		100.00	W.F. Holding Co. Ltd	100.00	34.86
Generali Assurance (Thailand)	072	THB	1,000,000,000	G	3		25.00	Generali Asia N.V.	75.00	32.43
							50.00	KAG Holding Co. Ltd		
Generali Insurance (Thailand)	072	THB	300,000,000	G	3		25.00	Generali Asia N.V.	75.00	32.43
							50.00	KAG Holding Co. Ltd		
W.F. Holding Co. Ltd	072	THB	2,100,000	G	4		58.10	Generali Asia N.V.	58.10	34.86
Europ Assistance W.Services	078	ZAR	18,264,900	G	11		61.00	Europ Assistance Holding S.A.	61.00	60.86
Credough Ltd	078	ZAR	100	G	11		100.00	Europ Assistance W.Services	100.00	60.86
24 Fix (Pty) Ltd	078	ZAR	4,249,769	G	11		100.00	Europ Assistance W.Services	100.00	60.86
MRI Criticare Medical Rescue	078	ZAR	200	G	11		100.00	Europ Assistance W.Services	100.00	60.86
Access Health Africa Ltd	078	ZAR	4,000	G	11		100.00	Europ Assistance W.Services	100.00	60.86
Access Health South Africa Ltd	078	ZAR	200	G	11		68.00	Europ Assistance W.Services	68.00	41.38
Labour Assist (Pty) Ltd	078	ZAR	100	G	11		90.00	Europ Assistance W.Services	90.00	54.77
Europ Assistance Financial S.	078	ZAR	100	G	11		58.00	Europ Assistance W.Services	58.00	35.30
EASA Training Academy (Pty)	078	ZAR	1,000	G	11		90.00	Europ Assistance W.Services	90.00	54.77

The percentage of consolidation in each subsidiaries consolidated line by line is 100.00%

(1) Consolidation method : Line-by-line consolidation method=G; Proportionate consolidation method=P; Line-by-line consolidation method arising from joint management=U

(2) 1=Italian insurance companies; 2=EU insurance companies; 3=non EU insurance companies; 4=insurance holding companies; 5=EU reinsurance companies; 6=non EU reinsurance companies; 7=banks; 8=asset management companies; 9=other holding companies; 10=real estate companies; 11=other

(3) Net Group participation percentage

The total percentage of votes exercitable at shareholders' general meeting, which differs from that of direct on indirect shareholding, is a follows:

Generali France 99.98%

Generali Verzekeringsgroep NV 98.56%

W.F. Holding Co. Ltd 100%

## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Shareholding %			Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)	
						Direct	Indirect	Through			
Sementi Dom Dotto S.p.A.	086	EUR	2,959,500	a	11	100.00		Genagricola S.p.A.	100.00	100.00	2.484
Casaletto S.r.l.	086	EUR	1,976,000	a	11	100.00		Genagricola S.p.A.	100.00	100.00	1.976
Solaris S.r.l. (*)	086	EUR	20,000	b	10	40.00		Generali Properties S.p.A.	40.00	40.00	4.450
Intesa Previdenza SIM S.p.A.	086	EUR	15,300,000	b	8	21.47			21.47	21.47	3.947
Servizi Tecnologici Avanzati	086	EUR	102,000	b	11	25.00			25.00	25.00	
Donatello Intermediazione Srl	086	EUR	59,060	a	11	10.87			100.00	100.00	822
						89.13		Ina Assitalia S.p.A.			
Enofila S.r.l.	086	EUR	2,972,000	a	11	100.00			100.00	100.00	2.972
Initium S.r.l. (*)	086	EUR	250,000	b	10	49.00		Generali Properties S.p.A.	49.00	49.00	3.431
Continuum S.r.l. (*)	086	EUR	500,000	b	10	40.00		Generali Properties S.p.A.	40.00	40.00	217
CityLife S.r.l. (*)	086	EUR	344,859	b	10	41.26		Generali Properties S.p.A.	41.26	41.26	123.535
Sementi Ross S.r.l.	086	EUR	102,800	a	11	100.00		Sementi Dom Dotto S.p.A.	100.00	100.00	
Il Pino S.r.l.	086	EUR	1,081,000	a	11	100.00		Genagricola S.p.A.	100.00	100.00	8.266
Natalia S.r.l.	086	EUR	90,000	a	11	100.00		Agricola San Giorgio S.p.A.	100.00	100.00	4.684
Dolphin Investments S.r.l.	086	EUR	30,800	b	9	32.47		Generali Horizon S.p.A.	32.47	32.47	
AEON Trust Soc. Italiana Trust	086	EUR	100,000	a	11	100.00		BSI S.A.	100.00	100.00	132
Jupiter 12 S.r.l.	086	EUR	12,000	a	10	100.00		Fata Assicurazioni Danni SpA	100.00	99.96	11.073
A7 S.r.l. (*)	086	EUR	200,000	c	10	20.50			40.10	40.10	2.458
						19.60		Alleanza Toro S.p.A.			
Tiberina S.r.l.	086	EUR	20,000	a	11	100.00		Ina Assitalia S.p.A.	100.00	100.00	53
Il Gelso - Societa' Agricola	086	EUR	20,000	a	11	100.00		Enofila S.r.l.	100.00	100.00	
Il Tiglio - Societa' Agricola	086	EUR	20,000	a	11	100.00		Enofila S.r.l.	100.00	100.00	
Ippocastano - Societa' Agricola	086	EUR	20,000	a	11	100.00		Enofila S.r.l.	100.00	100.00	
Agenzia la Torre S.r.l.	086	EUR	20,000	a	11	100.00		Sementi Dom Dotto S.p.A.	100.00	100.00	
Telco S.p.A. (*)	086	EUR	3,287,195,390	b	8	12.98			30.58	30.40	874.189
						0.44		AachenMünchener Lebensvers.			
						0.07		AachenMünchener Versicherung			
						1.43		Generali Lebensversicherung AG			
						0.11		Generali Versicherung AG			
						0.18		Central Krankenversicherung AG			
						0.12		Cosmos Lebensversicherungs AG			
						2.27		Generali Vie S.A.			
						6.21		Ina Assitalia S.p.A.			
						6.76		Alleanza Toro S.p.A.			
Consel S.p.A. (*)	086	EUR	22,666,669	b	9	32.50		Alleanza Toro S.p.A.	32.50	32.50	29.289
NEIP II S.p.A.	086	EUR	6,531,000	b	9	47.93			47.93	47.93	12.075
Investimenti Marittimi S.p.A.	086	EUR	103,000,000	b	9	30.00			30.00	30.00	30.900
DOTTO CAP FVG Agenzia	086	EUR	10,000	c	11	50.00		Sementi Dom Dotto S.p.A.	50.00	50.00	
Cross Factor S.p.A. (*)	086	EUR	1,032,000	b	11	20.00		BSI S.A.	20.00	20.00	548
Imprebanca S.p.A.	086	EUR	50,000,000	b	9	20.00		Ina Assitalia S.p.A.	20.00	20.00	10.000
Valore Immobiliare S.r.l. (*)	086	EUR	10,000	c	10	49.00		ISIM S.p.A.	50.00	50.00	7.650
						1.00		Generali Properties S.p.A.			
HSR S.r.l.	086	EUR	10,000	a	10	90.00		Generali Properties S.p.A.	90.00	90.00	18
Fidelis S.r.l.	086	EUR	10,000	a	11	60.00		Sementi Dom Dotto S.p.A.	60.00	60.00	
Art Defender S.p.A.	086	EUR	2,000,000	b	11	20.00		Augusta Assicurazioni S.p.A.	20.00	20.00	1.120

## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Shareholding %		Through	Total	Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)
						Direct	Indirect				
Previra Assicurazioni S.r.l.	086	EUR	100,000	b	11		24.50	Augusta Assicurazioni S.p.A.	24.50	24.50	25
Beta S.r.l.	086	EUR	2,022,000	b	9	49.46			49.46	49.46	1.000
San Giorgio II S.p.A.	086	EUR	120,000	a	11		100.00	Alleanza Toro S.p.A.	100.00	100.00	240
Fondo Sammartini (*)	086	EUR	4,000,000	c	11	33.33			48.00	48.00	15,486
							14.67	Ina Assitalia S.p.A.			
Romagna Assicura S.r.l.	086	EUR	20,000	b	11		36.00	Sementi Dom Dotto S.p.A.	36.00	36.00	
BBG Beteiligungsges.	094	EUR	25,600	a	9		100.00	Generali Beteiligungs AG	100.00	92.83	51
Deutsche Vermögensberatung AG (*)	094	EUR	150,000,000	b	11		40.00	Generali Deutschland Holding	40.00	37.10	236,225
Generali Seminarzentrum GmbH	094	EUR	25,600	a	11		100.00	Generali Versicherung AG	100.00	92.83	
Versicherungs-Planer-Vermittl.	094	EUR	25,600	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	20
Thuringia Vers.svermittlung	094	EUR	25,600	a	11		100.00	Generali Beteiligungs AG	100.00	92.83	26
Deutscher Lloyd GmbH	094	EUR	30,700	a	11		100.00	Generali Beteiligungs AG	100.00	92.83	
MLV Beteiligungsverwaltungsges.	094	EUR	51,129	a	9		100.00	Generali Holding Vienna AG	100.00	99.99	51
Kleylein & Cie Actuarial Serv.	094	EUR	25,750	a	11		60.00	Generali Lebensversicherung AG	60.00	55.70	102
Generali Finanz Service GmbH	094	EUR	26,000	a	11		100.00	Generali Beteiligungs AG	100.00	92.83	
Generali Pensionsmanagement	094	EUR	52,000	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	54
Volksfürsorge Fixed Assets	094	EUR	104,000	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	104
Hotel und Seniorenr. Rosenpark	094	EUR	511,292	b	11		25.00	AachenMünchener Lebensvers.	25.00	23.19	
Versicherungsmakler Beteilig.	094	EUR	1,550,000	b	11		26.00	Generali Versicherung AG	26.00	24.14	2,232
ver.di Service GmbH	094	EUR	75,000	b	11		33.33	Volksfürsorge AG Vertriebsges.	33.33	30.94	48
IG BCE Mitglieder-Service GmbH	094	EUR	50,000	b	11		50.00	Volksfürsorge AG Vertriebsges.	50.00	46.41	32
Dein Plus GmbH	094	EUR	50,000	a	11		60.00	Volksfürsorge AG Vertriebsges.	60.00	55.70	23
VOV GmbH	094	EUR	154,000	b	11		15.00	AachenMünchener Versicherung	30.00	27.84	1,047
							15.00	Generali Versicherung AG			
GLL Real Estate Partners GmbH	094	EUR	1,000,000	b	10		49.50	Flandria Participations Fin.	49.50	49.49	9,008
Generali Partner GmbH	094	EUR	250,000	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	808
Generali Lloyd Vers.smakler	094	EUR	153,388	b	11		50.00	Generali Versicherung AG	50.00	46.41	
AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Lebensvers.	100.00	92.74	25
Central Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Central Krankenversicherung AG	100.00	92.74	25
Cosmos Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Cosmos Lebensversicherungs AG	100.00	92.74	24
Zweite AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Versicherung	100.00	92.74	25
AM Versicherungsvermittlung	094	EUR	25,000	a	11		100.00	AachenMünchener Versicherung	100.00	92.74	25
GLL GmbH & Co. Retail KG	094	EUR	405,010,000	b	10	29.63			49.38	47.95	197,504
							4.94	AachenMünchener Lebensvers.			
							7.41	Generali Lebensversicherung AG			
							7.41	Central Krankenversicherung AG			
Azur Space Solar Power GmbH	094	EUR	100,000	a	11		100.00	Renewable Investment Holding	100.00	100.00	
Einkaufszentrum Louisen-Center (*)	094	EUR	7,600,000	c	10		73.68	Generali Deutschland Immobil.	73.68	68.34	3,597
Louisen-Center Bad Homburg Vr.	094	EUR	25,000	a	10		74.00	Generali Deutschland Immobil.	74.00	68.63	19
Schroder Nordic Property Fund (*)	094	EUR	64,242,388	b	11		30.00	Generali Lebensversicherung AG	30.00	27.85	20,512
Alstercampus Verwaltung. mbH	094	EUR	25,000	a	9		50.00	Generali Deutschland Immobil.	50.00	46.37	13
Generali Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	Generali Beteiligungs-GmbH	100.00	100.00	25
GG Einkaufszentrum Marienplatz (*)	094	EUR	14,810,000	c	10		73.30	AachenMünchener Versicherung	73.30	67.97	9,214
Verwaltungsges. Marienplatz	094	EUR	25,000	a	10		74.00	Generali Deutschland Immobil.	74.00	68.63	19

## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)
						Direct	Indirect	Through			
BA1 Alstercampus Grundstücksg. (*)	094	EUR	9,748,071	c	10	50.00		Generali Lebensversicherung AG	50.00	46.42	4,421
Verwaltungsg. Wohnen Westhafen	094	EUR	25,000	a	10	85.00		Generali Versicherung AG	85.00	78.90	21
Grundstücksg. Wohnen Westhafen (*)	094	EUR	3,001,000	c	10	84.99		Generali Versicherung AG	84.99	78.90	2,476
Fin-Log GmbH	094	EUR	25,000	a	11	100.00		B-Source S.A.	100.00	100.00	29
Generali Deutschland IV GmbH	094	EUR	25,000	a	10	100.00		Generali Deutschland Immobil.	100.00	92.74	25
Coffo S.A.	029	EUR	4,500,000	a	9	100.00		Generali France S.A.	100.00	99.78	5,250
Noreco S.A.	029	EUR	2,000,000	a	11	0.03		Generali IARD S.A.	99.93	99.70	540
						0.05		Generali Vie S.A.			
						0.03		L'Equité IARD S.A.			
						0.03		Européenne de Protection Jur.			
						99.80		Generali France S.A.			
Trieste Courtage S.A.	029	EUR	416,000	a	11	0.02		Generali Vie S.A.	99.98	99.76	39
						99.96		Generali France Assurance S.A.			
Bourbon Courtage S.A.	029	EUR	124,500	a	11	0.12		Generali IARD S.A.	100.00	92.98	127
						0.12		Generali Vie S.A.			
						99.76		Prudence Creole			
Generali Gerance S.A.	029	EUR	228,000	a	11	99.67		Generali Vie S.A.	99.67	99.44	241
SAI Trois Collines de Mougins	029	EUR	184,463	b	10	33.31		Generali IARD S.A.	48.26	48.16	192
						14.96		Generali Vie S.A.			
Generali Reassurance Courtage	029	EUR	3,016,656	a	11	100.00		Generali France Assurance S.A.	100.00	99.78	2,219
Groupement Technique d'Assur.	029	EUR	10,000	b	11	45.00		Generali Vie S.A.	45.00	44.90	726
Sorgho S.A.	029	EUR	10,000,000	b	11	10.00		Generali IARD S.A.	20.00	19.96	
						10.00		Generali Vie S.A.			
Landy Courtage S.A.	029	EUR	39,000	a	11	100.00		Coffo S.A.	100.00	99.78	
Risque et Sérénité S.A.	029	EUR	6,135,300	a	9	47.06		Generali Vie S.A.	59.10	58.97	5,390
						12.04		Generali France Assurance S.A.			
E3 S.a.r.l.	029	EUR	5,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	5
Europ Assistance IHS Services	029	EUR	37,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	1,272
Gestas S.a.r.l.	029	EUR	32,000	a	11	100.00		Icare S.A.	100.00	99.77	152
Réseau Generali France (GIE)	029	EUR	0	a	11	100.00		Generali IARD S.A.	100.00	99.78	
Arche SA	029	EUR	120,975	a	10	79.31		Coffo S.A.	79.31	79.13	
GIE Eur Ass Clearing Center	029	EUR	0	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	
GIE Eur Ass Sys information	029	EUR	0	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	
Generali Gestion Santé (GIE)	029	EUR	0	a	11	100.00		Generali IARD S.A.	100.00	99.78	
SCI Immovie	029	EUR	17,662	a	10	0.02		Generali IARD S.A.	100.00	99.78	800
						99.98		Generali Vie S.A.			
SCI Les 3 Collines Le Ferandou	029	EUR	304,000	b	10	33.30		Generali IARD S.A.	48.30	48.19	142
						15.00		Generali Vie S.A.			
GIE Le Restaurant Haussmann	029	EUR	0	a	11	100.00		Generali France Assurance S.A.	100.00	99.78	
SCI Montrose Parc	029	EUR	3,812,500	a	10	27.50		Generali IARD S.A.	70.00	69.84	2,669
						42.50		Generali Vie S.A.			
GIE Réunion aérienne	029	EUR	10,000	a	11	24.93		Generali IARD S.A.	24.93	24.87	
GIE Réunion spatiale	029	EUR	10,000	a	11	25.17		Generali IARD S.A.	25.17	25.11	
SCI St Marc	029	EUR	50,000	a	10	99.00		Prudence Creole	100.00	92.96	

## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Shareholding %		Through	Total	Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)
						Direct	Indirect				
							1.00	Bourbon Courtage S.A.			
Bien-Être Assistance S.A. (*)	029	EUR	1,000,000	c	11		50.00	Europ Assistance France S.A.	50.00	49.89	598
Afiport S.A.	029	EUR	40,000	a	9		99.76	BSI Ifabanque S.A.	99.76	50.88	
Parcolog Lyon Isle d'Abeau	029	EUR	8,000	a	10		100.00	SC Generali Logistique	100.00	99.78	3
Foncière Hypersud S.A. (*)	029	EUR	50,000,205	b	10		49.00	Generali Vie S.A.	49.00	48.89	13.762
SCI Château La Pointe	029	EUR	1,970,628	a	10		100.00	Generali France S.A.	100.00	99.78	
GE Generali Agences	029	EUR	0	a	10		80.00	Generali IARD S.A.	100.00	99.78	
							20.00	Generali Vie S.A.			
Europ Assistance Océanie SAS	225	XPF	24,000,000	a	11		74.88	Europ Assistance Holding S.A.	74.88	74.70	286
Courtage Inter Caraïbes	213	EUR	38,100	a	11		99.76	GFA Caraïbes	99.76	99.54	38
Drei-Banken Versicherungs-AG (*)	008	EUR	7,500,000	b	7		20.00	Generali Holding Vienna AG	20.00	20.00	6.266
3 Banken-Generali Investment (*)	008	EUR	2,600,000	b	8		48.57	Generali Holding Vienna AG	48.57	48.57	1.881
Generali Betriebsrestaurazion	008	EUR	36,336	a	11		100.00	Generali Versicherung AG (A)	100.00	99.99	484
MAS Versicherungsmakler GmbH	008	EUR	36,336	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	53
PSC Insurance-Consulting GmbH	008	EUR	54,505	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	71
SK Versicherung AG (*)	008	EUR	3,633,500	b	2		20.43	Generali Holding Vienna AG	39.66	39.66	3.633
							19.23	Generali Versicherung AG (A)			
TTC-Training Center Unterem.	008	EUR	35,000	a	11		100.00	Europäische Reiseversicherungs	100.00	74.99	204
Global Private Equity Holding	008	EUR	4,388,000	b	9		11.39	Generali Lebensversicherung AG	23.02	22.20	888
							11.62	Generali Versicherung AG (A)			
Medwell Internet Services GmbH	008	EUR	496,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	258
Car Care Consult Versicherungs	008	EUR	35,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	35
Generali Telefon-Auftragsserv.	008	EUR	35,000	a	11		100.00	Generali Bank AG	100.00	99.99	35
BONUS Vorsorgekasse AG (*)	008	EUR	3,000,000	b	11		50.00	Generali Holding Vienna AG	50.00	50.00	1.365
Risk-Aktiv Versicherungsserv.	008	EUR	35,000	a	11		100.00	Generali Versicherung AG (A)	100.00	99.99	35
AVS Privatkunden Versicherungs	008	EUR	36,000	a	11		90.00	Generali Sales Promotion GmbH	90.00	89.99	540
Generali 3Banken Holding AG (*)	008	EUR	70,000	b	9		49.30	Generali Versicherung AG (A)	49.30	49.30	65.973
Generali FinanzService GmbH	008	EUR	50,000	a	11		100.00	Generali Bank AG	100.00	99.99	50
M.O.F. Immobilien AG	008	EUR	1,000,000	b	10		20.00	Generali Immobilien AG	20.00	20.00	9.406
Triumph Vermögenplanung GmbH	008	EUR	36,336	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	90
Treugeld Vermögensplanung GmbH	008	EUR	145,346	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	160
Versicherungsdienst BAWAG PSK	008	EUR	40,000	b	11		49.99	Generali Holding Vienna AG	49.99	49.99	200
M.O.F. Beta Immobilien AG	008	EUR	1,000	b	10		20.00	Generali Immobilien AG	20.00	20.00	9.267
Generali Verbriefungsspezialg.	008	EUR	35,000	a	11		100.00	Generali Holding Vienna AG	100.00	99.99	40
Generali Beteiligungsverwalt.	008	EUR	35,000	a	4		100.00	Generali Holding Vienna AG	100.00	99.99	17
Generali Vermögensberatung	008	EUR	35,000	a	11		100.00	Generali Versicherung AG (A)	100.00	99.99	35
PCO Immobilien GmbH	008	EUR	35,000	a	10		100.00	Generali Immobilien AG	100.00	99.99	381
Immoeast Projekt Caelum GmbH	008	EUR	35,000	b	10		20.00	Generali Immobilien AG	20.00	20.00	7
Europ Assistance Travel S.A.	067	EUR	60,101	a	11		99.90	Europ Assistance SldG, S.A.	99.90	99.67	219
Robert Malatier	031	GBP	51,258	b	11		33.33	Generali IARD S.A.	33.33	33.26	492
Global Investment Planning Ltd	031	GBP	10,000	a	11		100.00	BSI S.A.	100.00	100.00	18
Tenax Capital Limited	031	GBP	300,000	b	9		49.00	Genirland Limited	49.00	49.00	171
Tishman Speyer Europ Strategic	031	EUR	36,848,362	a	11		25.00	AachenMünchener Lebensvers.	100.00	92.81	28.035
							75.00	Generali Lebensversicherung AG			

## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)
						Direct	Indirect	Through			
BVBA Verzekeringskant. Soenen	009	EUR	18,600	a	11	99.80		Generali Belgium S.A.	99.80	99.50	2,016
Groupe Vervietois d'Assureurs	009	EUR	94,240	a	11	99.95		Generali Belgium S.A.	99.95	99.65	571
Dedale S.A.	009	EUR	1,000,005	a	11	99.97		Generali Belgium S.A.	99.97	99.67	1,000
Bureau d'Assurances et dePrêts	009	EUR	18,600	a	11	98.00		Generali Belgium S.A.	98.00	97.71	412
MRS Bioul SPRL	009	EUR	850,000	a	10	0.13		Generali Belgium S.A.	100.00	99.19	3,267
						99.87		Generali Real Estate Inv. B.V.			
RVT Kortenaken SA	009	EUR	1,800,000	a	10	0.03		Generali Belgium S.A.	100.00	99.19	4,645
						99.97		Generali Real Estate Inv. B.V.			
RVT Zottegem SA	009	EUR	315,000	a	10	0.32		Generali Belgium S.A.	100.00	99.19	6,705
						99.68		Generali Real Estate Inv. B.V.			
Webbroker S.A.	009	EUR	4,300,000	a	11	100.00		Generali Belgium S.A.	100.00	99.70	4,300
CRM.Dev S.A.	009	EUR	50,000	b	11	33.33		Generali Belgium S.A.	33.33	33.23	
RVT Oordegem SA	009	EUR	18,600	a	10	100.00		Generali Belgium S.A.	100.00	99.70	17,916
Nederlands Algemeen Verzek.	050	EUR	18,151	a	11	100.00		Generali Verzekeringsgroep NV	100.00	98.55	18
Lippmann Deelnemingen B.V.	050	EUR	5,445,363	b	11	33.32		Nederlands Algemeen Verzek.	33.32	32.83	
ANAC Verzekeringen B.V.	050	EUR	12,500	a	11	85.00		Nederlands Algemeen Verzek.	85.00	83.77	
Assurantiekantoor Kerkhof B.V.	050	EUR	18,151	a	11	100.00		Nederlands Algemeen Verzek.	100.00	98.55	
Europ Assistance Nederlands BV	050	EUR	363,000	a	11	100.00		Europ Assistance NL Holding BV	100.00	69.65	
Europ Assistance NL Holding BV	050	EUR	1,389,253	a	11	57.17		Europ Assistance Holding S.A.	69.97	69.65	
						12.80		Generali Schadeverz. Maatsch.			
VHD Omnicare BV	050	EUR	18,000	a	11	100.00		Europ Assistance NL Holding BV	100.00	69.65	
Coris the Netherlands BV	050	EUR	18,151	a	11	100.00		Europ Assistance NL Holding BV	100.00	69.65	
Generali PPF Invest PLC	040	EUR	300,000	a	8	100.00		CP Invest Invest.spol. a.s.	100.00	51.00	
Second Pillar S.A. (*)	032	EUR	60,000	b	11	25.00		BSI S.A.	25.00	25.00	21
BSI Art Collection S.A.	092	CHF	1,000,000	a	9	99.00		BSI S.A.	99.00	99.00	758
Nord Est Investment Partners	092	EUR	100,996	b	9	24.26			24.26	24.26	1,462
Renewable Investment Holding	092	EUR	1,000,000	a	8	100.00		BSI S.A.	100.00	100.00	1,304
UBS (Lux) Euro Value Added	092	EUR	282,200,000	b	10	7.09		AachenMünchener Lebensvers.	26.58	24.66	43,043
						1.77		AachenMünchener Versicherung			
						17.72		Generali Lebensversicherung AG			
Holding Klege S.à.r.l. (*)	092	EUR	12,500	c	9	50.00		Torelli S.à.r.l.	50.00	49.05	
Valiance Infrastructure Mgt Co	092	EUR	125,000	b	9	50.00		Flandria Participations Fin.	50.00	49.99	
Spinnaker Venture S.A.	092	EUR	125,000	b	9	20.00		Flandria Participations Fin.	20.00	20.00	
GARBE Logistic Strategic Fund (*)	092	EUR	125,000,000	b	11	8.48		AachenMünchener Lebensvers.	42.37	39.32	42,918
						25.42		Generali Lebensversicherung AG			
						8.48		Central Krankenversicherung AG			
First State European SICAV-SIF	092	EUR	55,000,000	a	11	36.36		AachenMünchener Lebensvers.	100.00	92.74	36,038
						36.36		Central Krankenversicherung AG			
						27.27		Cosmos Lebensversicherungs AG			
Ponte Alta Lda	055	EUR	400,000	a	11	100.00		Europ Assistance Portugal	100.00	52.88	4,400
Primeira Cruz Lda	055	EUR	660,982	a	11	60.00		Ponte Alta Lda	60.00	31.73	
Lordship Consultadoria e Serv.	055	EUR	50,000	a	11	100.00		BSI S.A.	100.00	100.00	66
Bioventure Trading S.A.	055	EUR	50,000	a	11	100.00		BSI S.A.	100.00	100.00	66
Europ Assistance A/S	021	DKK	500,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	



## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Direct	Indirect	Shareholding %		Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)
								Through	Total		
Europ Assistance Claims AB	068	SEK	100,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	
Europ Assistance (Scandinavia)	068	SEK	725,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	
CGPM SAM	091	EUR	500,000	b	11	20.00		BSI Monaco SAM	20.00	20.00	100
Financial Strategy Monaco SAM	091	EUR	750,000	b	11	20.00		BSI Monaco SAM	20.00	20.00	150
Citadel Insurance plc	105	MTL	4,853,247	b	11	20.16		Ina Assitalia S.p.A.	20.16	20.16	978
Europ Assistance Kft	077	HUF	24,000,000	a	11	74.00		Europ Assistance Holding S.A.	100.00	87.09	103
						26.00		Generali-Providencia Biztosító			
GP Consulting Kft	077	HUF	10,000,000	a	11	100.00		Generali-Providencia Biztosító	100.00	51.00	683
Famillio Kft	077	HUF	780,000,000	a	11	98.72		Generali-Providencia Biztosító	98.72	50.35	231
Shaza & Tóptornyó zrt. (*)	077	HUF	84,603,426	c	11	50.00		GLL AMB Generali Bankcenter	50.00	46.39	41,048
AUTOTÁL Biztosítási Szolgáltató	077	HUF	104,000,000	a	11	100.00		Generali-Providencia Biztosító	100.00	51.00	1,150
Generali Servis s.r.o.	275	CZK	100,000	a	11	100.00		Generali Pojistovna a.s.	100.00	51.00	5
Europ Assistance s.r.o.	275	CZK	2,900,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	573
Generali Car Care s.r.o.	275	CZK	1,000,000	a	11	100.00		Generali Pojistovna a.s.	100.00	51.00	31
REFICOR s.r.o.	275	CZK	100,000	a	11	100.00		Ceska pojistovna, a.s.	100.00	51.00	878
Karlův Most	275	CZK	2,987,000	a	11	100.00		Ceska pojistovna, a.s.	100.00	51.00	119
Nadace České pojišťovny	275	CZK	5,000,000	a	11	100.00		Ceska pojistovna, a.s.	100.00	51.00	20
Nadace pojišťovny Generali	275	CZK	500,000	a	11	100.00		Generali Pojistovna a.s.	100.00	51.00	20
AIV Sprava Nemovitosti s.r.o.	275	CZK	200,000	a	10	100.00		Allgemeine Immobilien-Verw.	100.00	100.00	8
Generali IT S.r.o.	276	EUR	5,000,000	a	11	100.00		Generali VIS Informatik GmbH	100.00	99.99	132
VUB Generali d.s.s., a.s. (*)	276	EUR	32,198,126	b	11	50.00		Generali Slovensko Poistovna	50.00	25.50	11,444
MAKB s.r.o.	276	EUR	220,000	a	10	100.00		Generali Immobilien AG	100.00	99.99	6
Selecta CEE s.r.o.	276	EUR	6,639	b	10	26.99		Generali Holding Vienna AG	26.99	26.99	66
GSL Services s.r.o.	276	EUR	6,639	a	11	100.00		Generali Slovensko Poistovna	100.00	51.00	7
Gradua Finance, a.s.	276	EUR	10,000,000	a	11	100.00		CZI Holdings N.V.	100.00	51.00	883
Europ Assistance Polska Spzoo	054	PLN	3,000,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	73
S.C. Genagricola Romania	061	RON	60,882,570	a	11	100.00		Genagricola S.p.A.	100.00	100.00	16,203
S.C. San Pietro Romania	061	RON	15,112,570	a	11	100.00		Agricola San Giorgio S.p.A.	100.00	100.00	3,903
S.C. Aqua Mures	061	RON	4,331,000	a	11	99.00		Genagricola S.p.A.	100.00	100.00	1,000
						1.00		Casaletto S.r.l			
AIV-Adminstrare de Cladiri	061	RON	50,000	a	11	100.00		Allgemeine Immobilien-Verw.	100.00	100.00	14
S.C. La Quercia S.r.l.	061	RON	35,900	a	11	100.00		Inf - Societa' Agricola S.p.A.	100.00	100.00	810
Famillio Pensii Private Srl	061	RON	25,000	a	11	99.60		Famillio Kft	100.00	50.35	
						0.40		Famillio Agent de Asigurare			
Famillio Agent de Asigurare	061	RON	4,500,200	a	11	100.00		Famillio Kft	100.00	50.35	
S.C. Roumanie Assurance	061	RON	8,069,650	a	2	100.00		Iberian Structured Investments	100.00	51.00	9,593
Vignadoro S.r.l.	061	RON	3,819,000	a	11	90.00		Genagricola S.p.A.	100.00	100.00	893
						10.00		Inf - Societa' Agricola S.p.A.			
S.C. Famillio Finance Srl	061	RON	200	a	11	95.00		Famillio Agent de Asigurare	95.00	47.83	
AUTOTÁL Expert Ize Daune Srl	061	RON	10,000	a	11	51.00		AUTOTÁL Biztosítási Szolgáltató	51.00	26.01	
Generali Net Insurance Broker	012	BGN	365,000	a	11	100.00		Generali Bulgaria Holding EAD	100.00	51.00	202
BSI Laran S.A.	071	CHF	100,000	a	9	100.00		BSI S.A.	100.00	100.00	80
Finmo S.A.	071	CHF	50,000	a	11	100.00		BSI S.A.	100.00	100.00	40
Funicolare Lugano-Paradiso	071	CHF	600,000	b	11	31.08		BSI S.A.	31.08	31.08	

## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Shareholding %		Through	Total	Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)
						Direct	Indirect				
Generali Private Equity S.A.	071	CHF	2,100,000	a	11	10.00		BSI S.A.	100.00	97.98	1,606
						90.00		Gen Inv S.p.A.			
Autolinee Regionali Luganesi	071	CHF	653,000	b	11	27.58		BSI S.A.	27.58	27.58	
Generali Group Partner AG	071	CHF	100,000	a	11	100.00		Generali (Schweiz) Holding AG	100.00	100.00	80
BSI Art Collection S.A.	071	CHF	100,000	a	11	100.00		BSI S.A.	100.00	100.00	80
BSI Wertheim Merchant House SA	071	CHF	300,000	b	11	50.00		BSI S.A.	50.00	50.00	120
Finnat Gestioni S.A.	071	CHF	750,000	b	11	30.00		BSI S.A.	30.00	30.00	252
Valiance Capital S.A.	071	CHF	100,000	b	11	30.00		BSI S.A.	30.00	30.00	86
Convivium S.A.	071	CHF	2,000,000	a	10	100.00		BSI S.A.	100.00	100.00	1,519
Livolsi e Associati Private SA (*)	071	CHF	1,000,000	b	11	40.00		BSI S.A.	40.00	40.00	587
GMT Fine Chemical S.A.	071	CHF	2,200,000	b	11	22.73		Alpine Services Ltd	22.73	22.73	
BSI Healthcapital SA	071	CHF	100,000	a	11	100.00		BSI S.A.	100.00	100.00	80
Tecnopolo Lugano S.A.	071	CHF	250,000	a	11	100.00		BSI S.A.	100.00	100.00	200
PPF Partners Limited	201	EUR	40,000	b	11	27.50		Generali Worldwide Insurance	27.50	27.50	55
Europ Assistance A.S.	076	TRY	50,000	a	11	99.20		Europ Assistance Holding S.A.	99.20	98.97	26
CPM Internacional d.o.o.	261	HRK	275,600	a	11	100.00		Sementi Dom Dotto S.p.A.	100.00	100.00	
AIV d.o.o.	261	HRK	20,000	a	10	100.00		Allgemeine Immobilien-Verw.	100.00	100.00	3
EuroAssistance Ltd	263	UAH	1,000,000	a	11	100.00		Generali Garant Insurance JSC	100.00	52.38	3
Eurotransitservice JSC	263	UAH	85,000	a	11	70.29		Generali Garant Insurance JSC	70.29	36.82	
Transinvestservice Ltd	263	UAH	644,000	a	11	90.06		Generali Garant Insurance JSC	90.06	47.18	
Garant-Trast Ltd	263	UAH	9,987,403	a	11	99.96		Generali Garant Insurance JSC	99.96	52.36	
Garant-Consulting Ltd	263	UAH	1,486,267	a	11	99.06		Generali Garant Insurance JSC	99.06	51.89	
Diana Private Enterprise	263	UAH	75,000	a	11	100.00		Generali Garant Insurance JSC	100.00	52.38	
Leasing Company 'Garant' JSC	263	UAH	60,000	b	11	25.00		Generali Garant Insurance JSC	25.00	13.10	
Malvina Ltd	263	UAH	38,200	b	9	40.58		Generali Garant Insurance JSC	40.58	21.25	
Chemigivautotrans JSC	263	UAH	146,020	b	10	48.53		Generali Garant Insurance JSC	48.53	25.42	
Financial Services LLC	263	UAH	250,000	a	11	99.99		CZI Holdings N.V.	99.99	50.99	34
Generali PPF Asset Management	263	UAH	7,772,400	a	8	99.99		CZI Holdings N.V.	99.99	51.00	1,387
DGO Policlinic	289	EUR	1,000,000	a	11	100.00		Delta Generali Osiguranje a.d.	100.00	25.51	1,189
Europ Assistance CEI 000	262	RUB	10,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	300
Generali PPF Fund Management	262	RUB	32,150,000	a	11	100.00		CZI Holdings N.V.	100.00	51.00	6,786
ooo Fynansovj servis	262	RUB	100,000	a	9	100.00		Ceska pojistovna, a.s.	100.00	51.00	
Migdal Holdings & Management	182	ILS	810	a	9	100.00		Migdal Insurance Co. Ltd	100.00	69.79	4,681
Hamagen Properties Ltd	182	ILS	6,090,837	a	10	100.00		Migdal Insurance Co. Ltd	100.00	69.79	
Pel - Hamagen House Ltd	182	ILS	14,066,596	a	10	100.00		Hamagen Properties Ltd	100.00	69.79	
Migdal Credit Services Ltd	182	ILS	100	a	11	100.00		Migdal Eshkol Finansim B.M.	100.00	69.79	2,589
Migdal Financial Services Ltd	182	ILS	320,000	a	11	100.00		Migdal Eshkol Finansim B.M.	100.00	69.79	316
Migdal Leasing Ltd	182	ILS	100	a	11	100.00		Migdal Eshkol Finansim B.M.	100.00	69.79	2,514
Ihud Insurance Agencies Ltd	182	ILS	1,500	a	11	100.00		Migdal Holdings & Management	100.00	69.79	
Peltours Insurance Agencies	182	ILS	256,000	a	11	73.28		Migdal Holdings & Management	73.28	51.14	
Sagi Yogev Life Assur. Agency	182	ILS	3,000	a	11	100.00		Migdal Holdings & Management	100.00	69.79	
Shamgad Claims Management Co.	182	ILS	2	a	11	100.00		Migdal Insurance Co. Ltd	100.00	69.79	
Maestro Ltd	182	ILS	0	a	11	100.00		Migdal Insurance Co. Ltd	100.00	69.79	
Migdal Mngmt & Provident Funds	182	ILS	905,000	a	11	100.00		Migdal Insurance Co. Ltd	100.00	69.79	281

## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Direct	Indirect	Shareholding %		Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)
								Through	Total		
Data Car Israel Ltd	182	ILS	30,000	b	11		50.00	Migdal Insurance Co. Ltd	50.00	34.89	104
Rav Ofek Ltd	182	ILS	10,000	b	11		25.00	Migdal Holdings & Management	25.00	17.45	
Shaham Insurance Agencies Ltd	182	ILS	1,818	a	11		100.00	Migdal Holdings & Management	100.00	69.79	
Ihud-David Berman Ins. Ag.	182	ILS	5	a	11		100.00	Peltours Insurance Agencies	100.00	51.14	
Leibowitz Streichman Consult.	182	ILS	1,000	a	11		100.00	Peltours Insurance Agencies	100.00	51.14	
Mivtach-Simon Insurance Ag.	182	ILS	1	a	9		100.00	Migdal Holdings & Management	100.00	69.79	
Mivtach Rom Insurance Agency	182	ILS	200	a	11		64.00	Mivtach-Simon Insurance Ag.	64.00	44.67	
Mivtach Simon Rubinstein Mor	182	ILS	200	a	11		64.00	Mivtach-Simon Insurance Ag.	64.00	44.67	
Tvuna Life Assurance Agency	182	ILS	30	b	11		33.33	Mivtach-Simon Insurance Ag.	33.33	23.26	
Mivtach-Simon Ag. Management	182	ILS	100	a	9		100.00	Mivtach-Simon Insurance Ag.	100.00	69.79	
Migdal P.E. Ltd	182	ILS	100	a	9		100.00	Migdal Investments Management	100.00	69.79	
Avgad Yahalom Management Ltd	182	ILS	1,100	b	10		47.45	Migdal Real Estate Holdings	47.45	33.12	
Ihud Peltours Diamonds Ins.Ag.	182	ILS	100	a	11		100.00	Peltours Insurance Agencies	100.00	51.14	
Municipalit Insurance Agency	182	ILS	100	b	11		50.00	Peltours Insurance Agencies	50.00	25.57	
Reshef Insurance Agencies Ltd	182	ILS	120	a	11		50.00	Sagi Yogev Life Assur. Agency	50.00	34.89	
Amir Aloni Assurance Ag	182	ILS	400	a	11		75.00	Mivtach-Simon Insurance Ag.	75.00	52.34	
Madanes Financial Services Ltd	182	ILS	10,000	b	11		50.00	Migdal Investment Portfolio M.	50.00	34.89	
Makefet Financial Services	182	ILS	1,000	a	11		55.00	Migdal Makefet Pension Provid.	100.00	55.66	
							45.00	Froline Exclusive Ltd			
Froline Exclusive Ltd	182	ILS	1,000	a	11		55.00	Migdal Makefet Pension Provid.	55.00	38.38	
Shaham Veinstein (Netanya)	182	ILS	200	a	11		100.00	Shaham Insurance Agencies Ltd	100.00	69.79	
Sopher Moshe Insurance Ag	182	ILS	157	b	11		35.03	Shaham Insurance Agencies Ltd	35.03	24.45	
Ashmoret Tihona Ltd	182	ILS	1,000	a	10		100.00	Migdal Insurance Co. Ltd	100.00	69.79	
50 Plus Ltd.	182	ILS	9,080	b	11		50.00	Migdal Investments Management	50.00	34.89	1,474
Ansis Global Wealth Managem.	182	ILS	2,010	a	11		51.00	Mivtach-Simon Insurance Ag.	100.00	69.79	
							49.00	Migdal Capital Markets (1965)			
Pharma TwoB Ltd	182	ILS	13,333	b	11		25.00	Flandria Participations Fin.	25.00	24.99	
Yozma Pension Fund Ltd	182	ILS	1,500,000	a	11		100.00	Migdal Insurance Co. Ltd	100.00	69.79	316
Amot Investments Ltd (*)	182	ILS	1,126,681,000	b	9		15.58	Migdal Insurance Co. Ltd	15.58	10.87	87.610
Ramat Aviv Mall Ltd (*)	182	ILS	29,560,000	b	10		26.60	Migdal Real Estate Holdings	26.60	18.56	34.494
Int'l Inheritance Planning Ltd	049	NZD	5,000	a	9		100.00	BSI S.A.	100.00	100.00	3
BSI Trust Corporation (NZ)	049	NZD	140,000	a	11		100.00	BSI S.A.	100.00	100.00	84
Atacama Investments Ltd (*)	249	USD	49,557,000	b	11		49.79	BSI S.A.	49.79	49.79	23.327
GLL 200 State Street L.P. (*)	069	USD	88,200,000	c	11		49.90	GLL AMB Generali 200 State	49.90	46.30	31.632
Europ Assistance México S.A.	046	MXN	69,799	b	11		49.00	Europ Assistance Holding S.A.	49.00	48.89	
Europ Assistance Argentina S.A	006	ARS	3,285,000	a	11		56.09	Ponte Alta Lda	84.99	55.41	128
							28.90	Caja de Seguros S.A.			
La Caja ART S.A. (*)	006	ARS	70,500,000	b	3		50.00	Caja de Seguros S.A.	50.00	44.55	12.038
Pluria Productores de Seguros	006	ARS	50,000	a	11		96.00	Caja de Ahorro y Seguro S.A.	96.00	86.40	279
BSI Investment Advisory S.A.	006	ARS	12,000	a	11		97.00	BSI S.A.	97.00	97.00	3
Care Management Network Inc.	160	USD	9,000,000	a	11		100.00	Europ Assistance Bahamas Ltd	100.00	99.76	
Europ Assistance Bahamas Ltd	160	USD	10,000	a	11		99.99	Europ Assistance IHS Services	99.99	99.76	
GTC Nominee Ltd	160	USD	10,000	a	11		100.00	BSI Trust Corp. (Bahamas) Ltd	100.00	100.00	13
Europ Assistance Brasil S.A.	011	BRL	2,975,000	c	11		100.00	EABS Serviços Participações SA	100.00	23.69	

## Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity <sup>(1)</sup>	Type <sup>(2)</sup>	Shareholding %			Total	Group equity ratio % <sup>(3)</sup>	Book value (€ thousand)
						Direct	Indirect	Through			
BSI Serviços Ltda	011	BRL	2,111,134	a	11	100.00		BSI S.A.	100.00	100.00	
EABS Serviços Participações SA	011	BRL	46,238,940	c	4	37.00		Ponte Alta Lda	50.00	23.69	
						13.00		Primeira Cruz Lda			
BSI Servicios Internacionales	015	CLP	64,000,000	a	11	100.00		BSI S.A.	100.00	100.00	
Europ Assistance SA (Chile)	015	CLP	335,500,000	a	11	25.50		Europ Assistance Holding S.A.	51.00	38.92	109
						25.50		Ponte Alta Lda			
Europ Servicios S.p.A. Chile	015	CLP	1,000,000	a	11	100.00		Europ Assistance SA (Chile)	100.00	38.92	
La Nacional Cia Inmobiliaria	024	USD	47,647	a	10	100.00		Generali Ecuador S.A.	100.00	51.74	678
BSI (Panama) S.A.	051	USD	10,000	a	11	100.00		BSI S.A.	100.00	100.00	8
BSI Servicios S.A.	080	UYU	1,100,000	a	11	100.00		BSI S.A.	100.00	100.00	
BSI Consultores S.A.	080	UYU	100,000	a	11	100.00		BSI S.A.	100.00	100.00	
EA Travel Assistance Services	016	EUR	1,750,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	
Generali China Insurance (*)	016	CNY	500,000,000	b	3	49.00			49.00	49.00	17,043
Guotai Asset Management Co. (*)	016	CNY	110,000,000	b	8	30.00			30.00	30.00	116,464
Europ Assistance Worldwide Pte	147	SGD	182,102	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	
Future Generali India Life (*)	114	INR	10,520,000,000	c	3	25.50		Part. Maat. Graafschap Holland	25.50	25.50	7,900
Future Generali India Insur. (*)	114	INR	4,400,000,000	c	3	25.50		Part. Maat. Graafschap Holland	25.50	25.50	7,465
Europ Assistance India Private	114	INR	81,536,230	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	2,965
Europ Assistance (Taiwan) Ltd	022	TWD	5,000,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.77	
Europ Assistance IHS (Pty)	078	ZAR	400,000	a	11	15.00		Europ Assistance W.Services	80.00	73.98	7
						65.00		Europ Assistance IHS Services			
Europ Assistance Angola Lda	133	AOA	2,250,000	a	11	90.00		Europ Assistance IHS Services	90.00	89.79	
EA-IHS Services Nigeria Ltd	117	NGN	10,000,000	a	11	100.00		Europ Assistance IHS Services	100.00	99.77	
Assurances Maghreb S.A.	075	TND	10,000,000	b	3	44.17			44.17	44.17	557
Europ Assistance Medical SI SA	075	TND	100,000	b	11	44.00		Europ Assistance Holding S.A.	44.00	43.90	31
Carthage Assistance Services	075	TND	425,000	b	11	48.94		Europ Assistance Holding S.A.	48.94	48.83	271
Assurances Maghreb Vie S.A.	075	TND	5,000,000	b	3	44.17			44.17	44.17	1,446
Europ Assistance-IHS Services	119	XAF	1,000,000	a	11	100.00		Europ Assistance IHS Services	100.00	99.77	

(1) a=non-consolidated subsidiaries (IAS 27); b=associated companies (IAS 28); c=joint ventures (IAS 31)

(2) 1=Italian insurance companies; 2=EU insurance companies; 3=non EU insurance companies; 4=insurance holding companies; 5=EU reinsurance companies; 6=non EU reinsurance companies; 7=banks; 8=asset management companies; 9=other holding companies; 10=real estate companies; 11=other

(3) Net Group participation percentage

(\*) Associated company valued at equity

The total percentage of votes exercisable at shareholders' general meeting, which differs from that of direct or indirect shareholding, is as follows:

GLL Real Estate Partners GmbH 40.00%

NEIP II S.A.- Sicar 48.16%

## List of countries

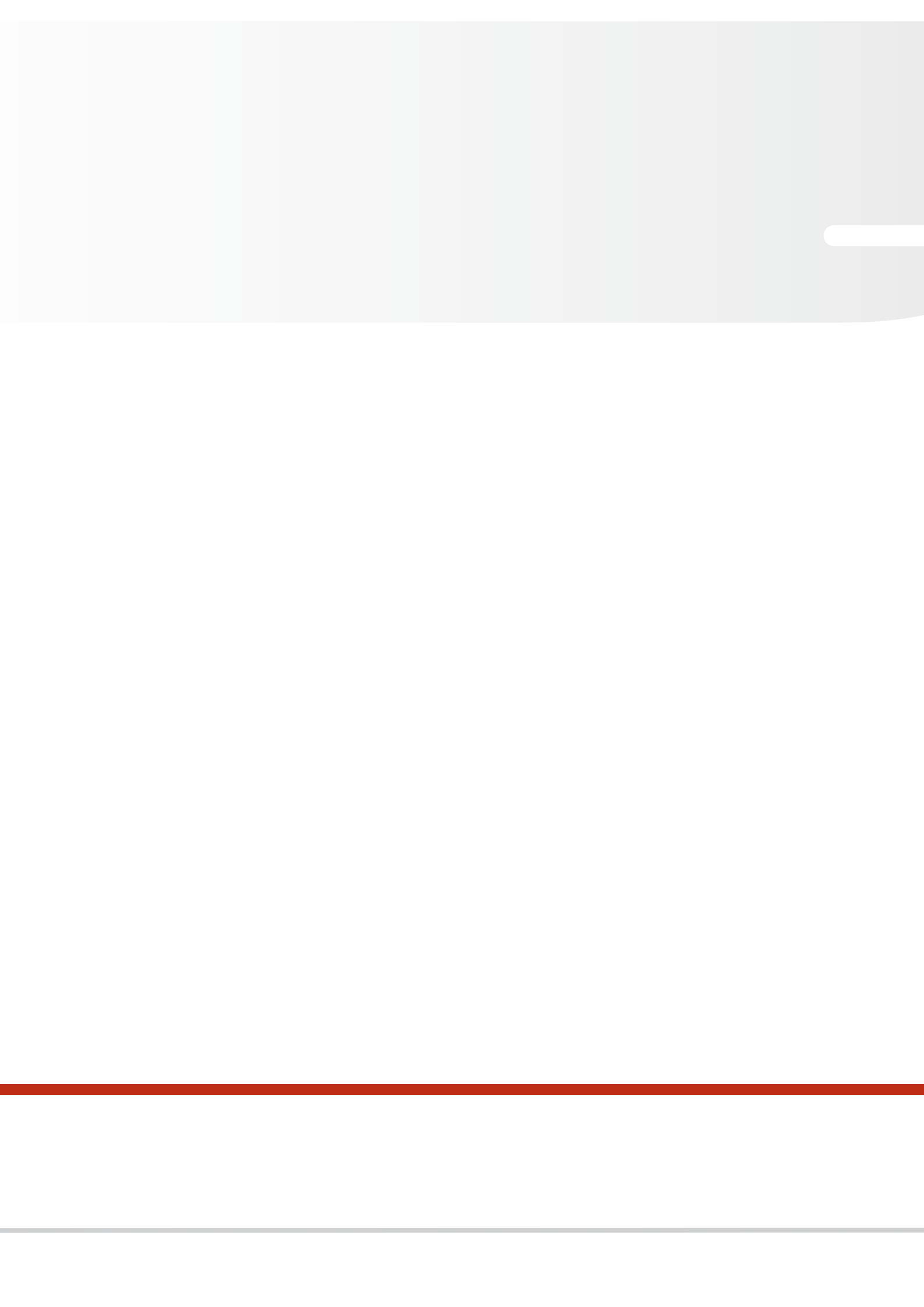
Country	Country code
ANGOLA	133
ARGENTINA	006
AUSTRIA	008
BAHAMAS	160
BELGIUM	009
BERMUDA	207
BRASIL	011
BRITISH VIRGIN ISLANDS	249
BULGARIA	012
BYELORUSSIA	264
CAMERUN	119
CANADA	013
CHILE	015
COLOMBIA	017
CROATIA	261
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FRANCE	029
GERMANY	094
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GUERNSEY	201
HONG KONG	103
HUNGARY	077
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INDONESIA	129
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LIECHTENSTEIN	090
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MEXICO	046
MONACO	091
NETHERLANDS	050
NEW ZEALAND	049
NIGERIA	117
PANAMA	051
PEOPLE'S REPUBLIC OF CHINA	016
PHILIPPINES	027

## List of countries

Country	Country code
POLAND	054
POLYNESIAN FRENCH	225
PORTUGAL	055
REPUBLIC OF MONTENEGRO	290
REPUBLIC OF SERBIA	289
REUNION	247
ROMANIA	061
RUSSIA	262
SINGAPORE	147
SLOVAC REPUBLIC	276
SLOVENIA	260
SOUTH AFRICA REPUBLIC	078
SPAIN	067
SWEDEN	068
SWITZERLAND	071
TAIWAN	022
THAILAND	072
TUNISIA	075
TURKEY	076
U.S.A.	069
UCRAINA	263
UNITED KINGDOM	031
URUGUAY	080

## List of currencies

Currency	Currency code
Angolan Novo Kwanza	AON
Argentine Peso	ARS
Bulgarian Lev	BGN
Brasilian Real (new)	BRL
Belarusian Ruble	BYR
Canadian Dollar	CAD
Swiss Franc	CHF
Chilean Peso	CLP
Chinese Renminbi	CNY
Colombian Peso	COP
Czech Korona	CZK
Danish Krone	DKK
European Euro	EUR
British Pound	GBP
Guatemalan Quetzal	GTQ
Hong Kong Dollar	HKD
Croatian Kuna	HRK
Hungarian Forint	HUF
Indonesian Rupiah	IDR
Israeli Shekel	ILS
Indian Rupee	INR
Kazakhstani tenge	KZT
Maltese Lira	MTL
Mexican Pesos	MXN
Nigerian naira	NGN
New Zealand Dollar	NZD
Philippine Peso	PHP
Polish Zloty	PLN
Romanian Leu	RON
Serbian Dinar	RSD
Russian Ruble	RUB
Swedish Krona	SEK
Singapore Dollar	SGD
Slovakian Krona	SKK
Thai Bhat	THB
Tunisian Dinar	TND
Turkish Lira (new)	TRY
Taiwan Dollar (new)	TWD
Ukrainian hryvnia	UAH
United States Dollar	USD
Uruguayan Peso (new)	UYU
Central African CFA franc	XAF
French Polynesian Franc	XPF
South African Rand	ZAR







Finmeccanica - Combined Cycle Power Plant, Rizziconi, Reggio Calabria

Attestation on the consolidated financial  
statements in accordance with  
Art. 81-*ter* of Consob Regulation  
No. 11971 of 14 May 1999 and following  
amendments and integrations





## Attestation on the consolidated financial statements in accordance with Art. 81-*ter* of Consob Regulation no. 11971 of 14 May 1999 and following amendments and integrations

1. The undersigned, Giovanni Perissinotto, in his capacity as Managing Director, and Raffaele Agrusti, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A., hereby confirm, taking also into account the provisions of Art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 dated 24 February 1998,
  - the adequacy with respect to the Company's structure and
  - the effective applicationof the administrative and accounting procedures in place for preparing the financial statements at 31 December 2010.
2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements at 31 December 2010 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.
3. The undersigned further confirm that:
  - 3.1 the consolidated financial statements at 31 December 2010:
    - a) are prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with the provisions of Legislative Decree No. 38 of 28 February 2005, of the Italian Civil Code, of Legislative Decree No. 209 of 7 September 2005 and with applicable provisions, regulations and circular letters issued by ISVAP;
    - b) correspond to the related books and accounting records;
    - c) provide a true and correct representation of the financial position of the issuer and the group of companies included in the scope of consolidation;
  - 3.2 the directors' report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group companies included in the scope of consolidation and a description of the main risks and uncertain situation to which they are exposed.

Rome, 16 March 2011

Dott. Giovanni Perissinotto  
*Managing Director*

ASSICURAZIONI GENERALI S.p.A.

Dott. Raffaele Agrusti  
*Manager charged with preparing  
the Company's financial reports*

ASSICURAZIONI GENERALI S.p.A.





Finmeccanica - GOCE satellite

Board of Auditors' report





# Report of the Board of Auditors to the Shareholders' Meeting of Assicurazioni Generali S.p.A. called upon to adopt the Financial Statements as at 31 December 2010 pursuant to article 153 of the Legislative Decree 58/98 and article 2429, paragraph 3, of the Italian Civil Code

*Shareholders,*

As required by Legislative Decree no. 58/1998 (Code on Finance or CFA), in particular ss. 149 and 153 thereof, in accordance with the Code of conduct recommended by the National Accountants' and Bookkeepers' Board, the indications contained in CONSOB notice no. 1025564 of 6 April 2001 and subsequent amendments and pursuant to the Legislative Decree no. 39 of the 27 January 2010, the Board of Auditors hereby reports on the supervisory activities performed in 2010.

In 2010, the Board of Auditors acquired the information required to perform the general supervision tasks under its responsibility by regularly attending the meetings of the Board of Directors and the Executive Board and meeting with the heads of the company's various departments and units. In particular, the Board of Auditors obtained information about major economic, financial and capital transactions performed by the Company, including those performed through direct or indirect subsidiaries.

This Board of Auditors has established that the such transactions comply with the legislation, the Articles of Association and the principles of proper administration, that none of them were manifestly imprudent or reckless, potentially in conflict of interest, in breach of resolutions of the Shareholders' Meeting, or such as to jeopardise the integrity of the Company's assets.

With reference to the above CONSOB Notice, the Board of Auditors hereby provides the following information and statements about the activities performed during the year:

- the Board held 22 meetings;
- the Board attended the Shareholders' Meeting held in ordinary session on 24 April 2010;
- the Board attended all 9 meetings of the Board of Directors and all 7 meetings of the Executive Board, ensuring that the matters resolved on and implemented complied with the applicable regulations and with the Articles of Association;
- the Board attended all 7 meetings of the Internal Control Committee;
- the Board, in the person of its Chairman, attended all 8 meetings of the Remuneration Committee;
- the Board exchanged data and information with the External Auditor, PricewaterhouseCoopers S.p.A., which were relevant for the purpose of performing their respective duties. The External Auditor has not notified this Board with any facts, circumstances or irregularities that must brought to its attention pursuant to the applicable regulations. The Board also reports, on the basis of debates held, that the report by the External Auditor, PricewaterhouseCoopers S.p.A., on the Financial Statements of Assicurazioni Generali S.p.A. as at 31 December 2010, currently being issued, will not contain any remark; equally, the External Auditor report on the consolidated accounts of the Generali Group as at 31 December 2010 will not contain any remark;
- the Board has had relations with the Boards of Auditors of the main Italian companies of the Group, in the course of which no noteworthy issues have emerged;
- the Board continued to evaluate and monitor the adequacy of the Company's organisational structure as regards the issues under its responsibility, the internal control system and the administrative/accounting system, and its reliability in correctly disclosing company transactions, by obtaining information from the Manager in charge of preparing the company's Financial Statements and the heads of the various departments, examining corporate

documents and analysing the results of the work done by the External Auditor. As for the implementation of Act n. 262/2005 and the provisions of article 19, section 1, paragraph 1, point a) of the Legislative Decree n. 39/10, the Board of Auditors has monitored the processes and the activities performed by the Company with a view to assessing, on a continuous basis, that the administrative and accounting procedures and the relevant financial reporting are carried out properly. The External Auditor has already anticipated that the report pursuant to article 19, paragraph 3 of the Legislative Decree 39/2010 did not detect any major faults in the internal audit system on financial reporting;

- the Board systematically monitored the activities of the Group Internal Audit Department, the Compliance Department, and the Independent Risk Control Department, attending the meetings of the Internal Control Committee and holding regular meetings with the head of those departments, reporting efficacy on the Internal Audit System;
- the Board has been updated on the activities of the Risk and Investments Committees;
- the Board duly received from the Company its Quarterly Reports on complaints prepared by the Group Internal Audit Manager as required by ISVAP Order no. 24 of 19 May 2008. The reports revealed no particular problems or organisational shortcomings. The Board further established that the Company had sent both the reports and the Board's observations to ISVAP by the prescribed deadlines;
- the Board continued to monitor changes in the organisation of the Company and the Group in Italy;
- the Board established that, as required by s. 114.2 of the CFA, the Company had provided its subsidiaries with adequate instructions in order to obtain, in a timely manner, the information required to fulfil its statutory disclosure obligations;
- the Board declares that numerous intercompany transactions involving the supply of services were carried out in 2010, in addition to the usual financial and business transactions. Such transactions, designed to attain objectives of rationalisation and cost-effectiveness, were governed by formal agreements between the parties. The usual reinsurance and coinsurance business between the companies in the Group continued. Transactions with other related parties also took place. The effects thereof, classified according to the criteria set out in IAS 24 pursuant to CONSOB Notice no. 6064293 of 28 July 2006, are illustrated in detail in Part C para. 6 of the Supplementary Notes;
- Board of Auditors declares that no atypical and/or unusual operations were performed during the year;
- the Board has established, as required by ISVAP Order no. 176 of 27 April 1992 regarding the monitoring of assets held to cover the technical reserves, that the said assets are completely available and free of constraints and encumbrances, and that the Company has met the eligibility requirements and complied with the investment limits prescribed by law;
- the Board declares that the Company has complied with the statutory anti-money laundering obligations, with special reference to Legislative Decree no. 231 of 21 November 2007 and the directives of the Bank of Italy and the Italian Financial Information Unit, which also relate to staff training;
- the Board of Auditors declares that the Company has complied with the privacy obligations set out in Legislative Decree no. 196/2003 regarding the processing of personal data, and has drawn up the Security Planning Document. The Company continued to ensure full compliance with all the obligations imposed on data controllers under such Decree;
- the Board has established, as required by ISVAP Regulation no. 36 of 31 January 2011 on the classification and valuation of securities portfolios, that the allocation of securities to the long-term investment segment as at 31 December 2010, and transactions in those securities, complied with the guidelines laid down in a specific resolution passed by the Company's Board of Directors
- the Board has established that transactions in derivative financial instruments carried out by the Company in 2010, and illustrated in detail in the Supplementary Notes, were performed in compliance with the directives issued by the Board of Directors in its framework resolution of 17 March 2010, and that the Company duly submitted periodic reports to ISVAP;
- the Board has established that the Company has introduced regulations, processes and structures designed to monitor and control the risks connected with the insurance business, as described in the Directors' Report and in the Supplementary Note;
- the Board declares that at the year end, the constituent elements of the solvency margin were adequately covered, as indicated in the Supplementary Notes;



- the Board declares that in accordance with the organisational and operational model designed to prevent the offences, as introduced by Legislative Decree no. 231 of 8 June 2001 regarding the administrative liability of companies for offences committed by their employees and self-employed personnel, the Company has carried out inspections of its processes and procedures, through a Supervision and Control Committee set up for that purpose, to ensure that the crime prevention measures required by the said Legislative Decree were still effective. The Board of Auditors obtained information about the activities of the said Committee by means of notices received from the Board of Directors and by attending the Internal Control Committee meetings;
- The Board of Auditors confirms that the “Procedures on related-parties transactions” have been drawn up and adopted in compliance with the CONSOB regulation no. 17221/2010, as amended by the CONSOB resolution no. 17389/2010, and with the interpretation guidelines dated 24 September 2010;
- the Board declares that since October 1999, the Company has adopted the Self-regulatory Code issued by Borsa Italiana S.p.A and amended on 14 March 2006. The Company also prepared the annual report on its corporate governance system. As required by the Self-regulatory Code, the Board of Statutory Auditors verified the correct application of the criteria and procedures issued by the Board of Directors to evaluate the independence of the directors classed as “independent”; it also established that its own independence continued, as required by such Code;
- Two complaints have been reported under s. 2408 of the Italian Civil Code, in particular:
  - a shareholder has complained that the Notice of the Shareholders’ Meeting of 21 and 24 April, published in the Italian Official Journal n. 33 of 18 March 2010 does not fully comply with the provisions of article 84, paragraph 2 of the Issuers’ Regulation; in the opinion of the complainant shareholder, the number of shares of the share capital and access to the proxy sample have not been disclosed. This has been remedied by publishing comprehensive data on the Shareholders’ Meeting Notice in the Company website;
  - A shareholder has complained that the Chairman of the Board of Directors of the Company, pursuant to article 2382 of the Italian Civil Code, may not hold this office, as he has been allegedly sentenced for bankruptcy, and prevented from holding any corporate office. The Board of Auditors reviewed the documents that were presented to the Company by the Chairman, both when he was appointed and subsequently upon specific request from the Board, and has determined that this complaint is not founded;
- Non legal reports were received;
- the Board reports that additional duties were assigned to External Auditor, PricewaterhouseCoopers S.p.A., and to other companies of the PricewaterhouseCoopers network during the financial year, as described in detail in the Supplementary Notes; relevant cost were judged consistent. In the light of the statutory and professional requirements on auditing, the Board of Auditors confirms that PricewaterhouseCoopers SpA has kept its independent and objective position over the year in relation to Assicurazioni Generali SpA. The External Auditor has reported that there are no causes for incompatibility on the events or individuals listed in article 17 of the Legislative Decree no. 39 of 27 January and the articles of Chapter i-bis of Title VI on accounting auditing – incompatibility of the Issuers’ Regulation adopted with CONSOB regulation no. 11971 of 14 May 1999, as subsequently amended and supplemented;
- the Board issued the opinions required by the applicable legislation, the main ones being as follows:
  - organisational changes;
  - complaints;
  - remuneration of directors holding specific offices, including the opinions on management remuneration policy of the Group companies and the long term incentive plan;
  - some appointments to the External Auditor and the consistency of the relevant fees;
- in 2010, the Board of Auditors has started the process for the appointment of the External Auditor for the years from 2010 until 2012-2020 that the Shareholders’ Meeting is called upon to adopt.

Periodic audits and the audit of the individual and consolidated Financial Statements are all performed by the External Auditor PricewaterhouseCoopers S.p.A.. During the 2010 financial year, the External Auditor checked that the Company’s accounts were properly kept and transactions properly recorded in the books, and checked that the Financial Statements as at 31 December 2010 matched to the entries in the books of account. The Manager in charge of preparing the Company’s Financial Reports and the Managing Director issued the declarations and statements prescribed by law on the subject of financial reporting and Financial Statements.

The Board of Statutory Auditors also supervised the general criteria adopted for the preparation of the Financial Statements, and compliance with the legislative provisions and specific rules governing the drafting of Financial Statements by insurance companies. Supplementary Notes illustrate the valuation criteria adopted, and provide all the information required by the applicable legislation. The Directors' Report describes the business performance, highlighting current trends and the outlook for the future, and the insurance group's development and reorganisation.

The Board of Statutory Auditors declares that the Consolidated Financial Statements of the Assicurazioni Generali Group have been drawn up in accordance with the IAS/IFRS international standards issued by the IASB and ratified by the European Union as stated in Regulation (EC) no. 1606 of 19 July 2002, and Legislative Decrees no. 38/2005 and 209/2005. The Financial Statements and Supplementary Notes have been drawn up in accordance with the layouts required by ISVAP Regulation no. 7 of 13 July 2007, and contain the information required by CONSOB Notice no. 6064293 of 28 July 2006.

In conclusion, the supervisory activities performed by the Board of Auditors, as described above, did not detect any significant reprehensible facts, omissions or irregularities which require a report to the competent supervisory and control bodies or a mention in this Report.

In view of the above, the Board of Auditors considers that the Financial Statements of Assicurazioni Generali S.p.A. as at 31 December 2010, as submitted by the Board of Directors, may be approved by the Shareholders' Meeting, and expresses its favourable opinion of the proposal on the allocation of the profits for the financial year and the distribution of dividends.

On the date of the Shareholders' Meeting on the adoption of the financial statements as at 31 December 2010, the mandate of the Board of Auditors, conferred by the Shareholders' Meeting on 26 April 2008, will expire.

Trieste, 31 March 2011

THE BOARD OF AUDITORS  
OF ASSICURAZIONI GENERALI

Pursuant to article 144 quinquiesdecies of the Issuers' Regulation, adopted by CONSOB with its resolution no. 11971/99, as amended and integrated, the list of appointments of the members of the Board of Auditors in the companies defined in Book 5, Title 5, Chapter 5, 6 and 7 of the Italian Civil Code, has been published on CONSOB web site.



Citylife - Project aiming at the renovation of the former fair area, Milan

## **CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT**





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## Introduction

Since 1999, our company, Assicurazioni Generali (hereinafter called “the **Company**” or “**Generali**”) has adopted the principles expressed in the various versions of the Self-regulatory Code<sup>1</sup> (“the **Code**”). Compliance with those principles formed the subject of the editions of the Annual Report on the Corporate Governance System and Share Ownership (“the **Report**”) published for the financial years 2001 to 2009<sup>2</sup>. The full text of the Code is available in electronic format on the Borsa Italiana website and in the Corporate Governance section of the Generali website.

This Report takes account of the format indicated by Borsa Italiana and the suggestions made by Borsa Italiana S.p.A., Assonime and Emittenti Titoli S.p.A..

This edition of the Report includes a major update to the section devoted to the corporate governance structure established by the Board of Directors elected by the General Meeting on 24 April 2010.

For the first time, Generali’s Board of Directors was elected on the basis of lists: one submitted by shareholder Mediobanca, which received the largest number of votes, and one by some institutional investors under the aegis of Assogestioni which, being the minority list, was able to appoint three directors out of the total of 19, now reduced to 18 following the resignation of Leonardo Del Vecchio on 21 February 2011<sup>3</sup>.

There have been some changes in the Company’s corporate governance compared with the preceding three-year period.

The Chairman, Cesare Geronzi, who does not perform an operational role, was granted power to supervise the implementation of resolutions passed by the Board of Directors and the Executive Committee and of the Company’s strategies; to ensure that the Company’s management corresponds to the strategic guidelines and to examine in advance the reports and/or documentation relating to proposed resolutions of the Board of Directors and the Executive Committee; to supervise relations with national and supranational public institutional bodies, shareholders and representative associations, and the Company’s external relations; and to promote, establish and coordinate the Company’s communication strategies and supervise policies relating to the Group’s image in Italy and abroad. In relation to the said matters, the Chairman’s responsibilities include management of functions dealing with external relations, communication and the Group’s institutional relations.

The powers of Managing Director Giovanni Perissinotto were also increased; he was granted wide powers of ordinary and extraordinary administration (direction and operational management of the Company and the Group, in Italy and abroad, in accordance with the general planning and strategic policies established by the Board of Directors). In view of the said powers, he was also given the title of Group CEO.

Managing Director Sergio Balbinot, in coordination with the Group CEO, was given the operational management of insurance business abroad and reinsurance business in Italy and abroad, and responsibility for technical and actuarial activities in Italy and abroad.

The new Board of Directors granted wide decision-making powers to the Executive Committee, clearly segmenting responsibilities by subject-matter and value from those of the Board of Directors (and those of the new figure of Group CEO, as well as that of Managing Director). The Executive Committee was granted wider and more specific managerial powers, which partly occupy an area previously reserved for the Board of Directors in the case of significant operations and related party transactions.

<sup>1</sup> ie. the Self-regulatory Code approved by the Corporate Governance Committee in October 1999, as amended in July 2002, and the Self-regulatory Code approved by the Corporate Governance Committee in March 2006 (both available on the website [www.borsaitaliana.it](http://www.borsaitaliana.it)).

<sup>2</sup> The reports are available in the “Governance/Corporate Governance Report” section of the company’s website at [www.generali.com](http://www.generali.com)

<sup>3</sup> On 24 April 2010 the General Meeting appointed outgoing Chairman Antoine Bernheim as Honorary Chairman in view of the period of almost forty years he had dedicated to serving the Company, initially as Director and subsequently as Chairman (from 24 June 1995 to 30 April 1999 and from 12 September 2002 to 24 April 2010). The honorary chairmanship does not carry any management or representation powers, and its holder is not a member of the Board of Directors.

As well as confirming the role of the Internal Control Committee, the Remuneration Committee and the Corporate Governance Committee, the Board has instituted the Investment Committee, to which it has given a consultative, proactive, preparatory role regarding investment decisions.

In line with the new corporate governance structure established by the Board of Directors, a process of reorganisation of the structures of the Corporate Centre has been commenced, with a view to making the corporate governance even more efficient and effective not only within the Company, but also through the various organisational units that make up the Group. This structure includes the introduction of the position of Country Manager for Italy, Group Chief Investments Officer and Group Chief Risk Officer; these measures were implemented in late 2010 and early 2011.

At the meeting of the Board of Directors held on 16 December 2010, it was resolved to set up a Committee for the Evaluation of Related Party Transactions, consisting of five Independent Directors.

Also in 2010, arts. 16 and 17 (*right of attendance, voting and representation at the General Meeting*), 21 and 22 (*constitution of General Meeting and validity of its resolutions*), 31 (*procedures and time limits for submission of lists for election of the Board of Directors*) and 40 (*procedures and time limits for submission of lists for election of the Board of Statutory Auditors*) of the Company's Articles of Association were amended in view of the mandatory provisions introduced by Legislative Decree no. 27 of 27 January 2010.

This edition of the Report also takes account of the update to the Group's Ethical Code, the first edition of which was published in 2004. As usual, it also contains updated information about the Company's largest shareholders, attendance by the Directors and Statutory Auditors at meetings of the Company's governing bodies, and anything else which may have changed. Unless otherwise expressly stated, all data are updated to 31 December 2010.



## First Part - Company Introduction

### Objectives

Before defining the functioning of the Company's Corporate Governance and its ownership, we deem it appropriate to explain certain principles which constitute a regular element of the Company's daily actions aimed at achieving its corporate objects.

As illustrated in greater detail in other corporate documents regularly published by our Company, notably the Generali Group Sustainability Report (published annually by the end of May) and the European Social Charter<sup>4</sup>, the Company has for some time pursued the objective of setting corporate activities into a more general framework, one of the key elements of which is social solidarity. Generali has been traditionally characterised by social commitment, which is considered a real investment for all business sectors. Generali believes that economic competitiveness is inextricably linked to ethical aspects, environmental protection, awareness and promotion of social commitment.

In this context, we would also like to stress that the Group considers the environment as a basic asset. That is why the Group's business choices have been aimed at ensuring consistency between business initiatives and environmental needs, in compliance with the existing legislation and always with an eye to the development of scientific research and best experiences in this field.

The measures that demonstrate the Group's growing commitment to Social Solidarity have included, since 2007, the Sustainability Committee, a decision-making body with the task of defining sustainability strategies. The members of the Committee include representatives from all the countries in which the Group operates, who are directly involved in the processes of implementing the Company's Social Solidarity policies and drafting the Sustainability Report. The Company is also a signatory of Global Compact Italia, an international initiative promoted by the United Nations to uphold ten universal principles relating to human rights, working conditions, the environment and the campaign against corruption.

Moreover, the Generali Group's Ethical Code enshrines further principles to which the utmost importance is attached, such as professionalism, the promotion of human resources, health protection, free competition, transparency and correctness of information<sup>5</sup>.

A new version of the Ethical Code was approved by the Board of Directors at its meeting held on 12 May 2010, due to changes in the socio-economic context and the Group's strategies, which evolve accordingly.

<sup>4</sup> The above-mentioned documents are available on Generali's website [www.generali.com](http://www.generali.com), in the "Sustainability" and "Career" sections respectively.

<sup>5</sup> In 2005, the Generali Group also adopted a Code of Ethics, designed to regulate relations with Suppliers. This document, which is a logical and natural extension of the document that broadly regulates the Group's ethics, from which it draws its fundamental principles, has the challenging task of determining the basic rules to follow in relations with Suppliers. The purpose of this initiative is to regulate an activity where the creation of a sound network of business relationships and the utmost behavioural transparency are crucial. In particular, the awareness of being the focus of various kinds of interests and expectations held by various categories of parties able to influence the business and success of the company (personnel shareholders and investors, customers and consumers in general, suppliers, institutions and communities) has led the Group to set as its objective the creation of value not just for shareholders, but for all its stakeholders.

## Share ownership information

### Structure of share capital

Generali's subscribed and paid-up capital amounts to Euro 1,556,873,283.00. This is divided into 1,556,873,283 registered shares, all of which are ordinary shares, each with a par value of Euro 1.00.

	No. of shares	% in respect to share capital	Listed / Unlisted	Rights and obligations (**)
Ordinary shares	1,556,873,283	100.00	FTSE MIB	Refer to note
Restricted voting shares (*)	-	-	-	-
Non-voting shares (*)	-	-	-	-

(\*) There are no restricted voting shares nor non-voting shares.

(\*\*) Each ordinary share holder has rights and obligations in terms of equity and administration. Equity claims include the right to the dividend, the right of option on shares issued on increase for capital payment or reconstitution, proportionately to the number of hitherto owned shares, the right of free allocation of new shares in case of free capital increase, proportionately to the number of hitherto owned shares as well as the right to settlement share after company liquidation. Administrative rights include, inter alia, the right to participate in corporate plenary meetings and vote, the right to withdraw from the company in specific circumstances and the right to information. Finally, as to obligations, each Shareholder is bound to execute subscriptions as necessary elements for the implementation of the objects of the company.

### Significant shareholdings

According to the Register of Shareholders, the notices received pursuant to s. 120 of Legislative Decree no. 58 of 24 February 1998, and other information available to the Company, the parties listed in the table overleaf own shareholdings amounting to over 2% of the Company's share capital either directly or indirectly, through intermediaries, trustees or subsidiaries.

Declarant	Direct Shareholder	% Share on ordinary share capital (*)
MEDIOBANCA Group	Mediobanca	12.239
	Mediobanca (Voting right under contractual relationship)	0.225
	Spafid	0.089
	Compass	0.912
	<b>Total</b>	<b>13.465</b>
BANCA D'ITALIA	Banca d'Italia	4.482
	Bonifica Terreni Ferraresi e Imprese Agricole S.p.A.	0.006
	<b>Total</b>	<b>4.488</b>

(continues)

(continues)

<b>Declarant</b>	<b>Direct Shareholder</b>	<b>% Share on ordinary share capital (*)</b>
BLACKROCK Group	BlackRock Investment Management (UK) Ltd	0.009
	BlackRock (Netherlands) B.V.	0.017
	BlackRock (Luxembourg) S.A.	0.007
	BlackRock Institutional Trust Company N.A.	0.872
	BlackRock Fund Managers Ltd.	0.022
	BlackRock Advisors (UK) Ltd.	1.206
	BlackRock Investment Management (Australia) Ltd.	0.003
	BlackRock Investment Management LLC	0.070
	BlackRock Financial Management Inc.	0.021
	BlackRock Asset Management (Japan) Ltd.	0.194
	BlackRock Asset Management (Australia) Ltd.	0.009
	BlackRock Asset Management (Canada) Ltd.	0.017
	BlackRock Fund Advisors	0.353
	BlackRock Fund Advisors LLC	0.020
	<b>Total</b>	<b>2.820</b>
B&D HOLDING Group	DeA Partecipazioni S.p.A.	2.260
	B&D Finance S.A.	0.174
	<b>Total</b>	<b>2.434</b>
EFFETI	Effeti S.p.A.	2.267
	<b>Total</b>	<b>2.267</b>
CALTAGIRONE Group	CALTAGIRONE EDITORE	0.215
	FGC	0.014
	FINANZIARIA ITALIA 2005	0.170
	Finced	0.151
	Gamma S.r.l.	0.393
	Immobiliare Caltagirone - Ical	0.014
	Mantegna 87	0.058
	Pantheon 2000	0.231
	Porto Torre	0.090
	Quarta Iberica	0.106
	So.co.ge.im	0.006
	Unione Generali Immobiliare	0.100
	Vianini Industria	0.116
	Viapar	0.141
	VM 2006	0.398
	Francesco Gaetano Caltagirone	0.007
	<b>Total</b>	<b>2.209</b>
Petr Kellner	Anthiarose Limited	1.990
	PPF Group N.V.	0.030
	<b>Total</b>	<b>2.020</b>

(\*) Ordinary share capital and voting capital are coincident.

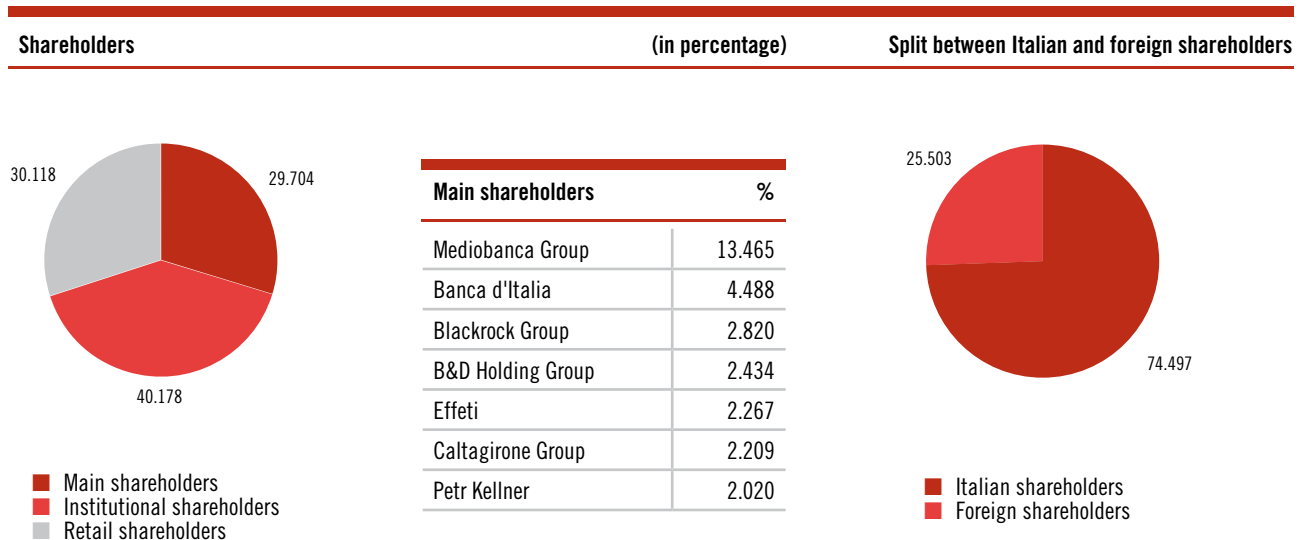
In relation to the terms of s. 123-*bis*.1.h of the CFBA, the Company and its subsidiaries, in the pursuance of its strategic policies, have entered into contractual agreements containing clauses based on the factor of change in the Company's control.

These clauses are not applicable at present, as no legal or natural person directly and/or indirectly, individual or jointly, currently holds enough shares to obtain a controlling interest in the Company. No other significant facts relating to control, required to be reported by s. 93 of the CFBA, relate to any other parties.

As required by current legislation, it is hereby declared that Generali is not subject to management and coordination by any company or organisation in Italy or abroad.

However, the Company itself performs management and coordination activities over all the companies belonging to the Group. Finally, the Annual Report on management performance which accompanies the consolidated financial statements contains detailed information about the relations between Generali and the said companies.

## Shareholder structure



Data updated to 15 March 2011

The registration procedures relating to shareholders who received dividends in 2009 are almost complete; according to the Register of Shareholders and other evidence, the number of shareholders is currently 293,000. Shares corresponding to 99.99% of the share capital are recorded in the central dematerialised securities system at Monte Titoli S.p.A. in Milan.

With regard to the additional information which s. 123-*bis* of the CFBA requires to be given in this report, it is hereby declared that there are no:

- restrictions on the transfer of the shares issued by the Company;
- securities which give special rights of control;
- restrictions on the voting rights carried by the shares issued by the Company;
- agreements between the Issuer and the Directors which involve compensation in the event of resignation, dismissal and/or revocation of office without just cause, or if the employment ceases following a takeover bid.

A system of stock options for employees exists, which provides that voting rights must always be exercised directly by them<sup>6</sup>.

Finally, the information required by s. 123-*bis*.1.l of the CFBA is illustrated in the paragraph of the Report devoted to the Board of Directors.

## Shareholders' Agreements

An extract from a shareholders' agreement entered into on 5 February 2003 by 13 members of the Assets Management Association<sup>7</sup>, which represents a very small proportion of the Company's share capital, was published in *Il Corriere della Sera* on 15 February 2003. By 4 July 2005 the number of members had risen to 18.

\* \* \*

The following pages present Generali's Corporate Governance system, with special focus on the powers and responsibilities of its various bodies, their relations with one another, the ways in which their members are appointed, their terms of office, and rules for reappointment.

The main objective of this Report is to provide only significant information for stakeholders. However, as the Report is also aimed at foreign investors and analysts, we had to bear in mind that the basic operating rules governing Italian companies might not be completely familiar to them. Some readers may consequently find the amount of detail excessive, in which case we apologise for the inconvenience.

## Corporate Organisation

Corporate Governance represents the sum of the methods, models and planning, management and control systems that are required for the operation of the Company's Governing Bodies.

A correct system of Corporate Governance is based on a number of cornerstones, such as the central role played by the Board of Directors, the correct management of situations that present conflicts of interest, transparency in disclosing decisions regarding the management of the Company, and the effectiveness of the internal control system.

<sup>6</sup> The General Meeting held on 29 April 2006 approved a stock grant plan aimed at all employees of Assicurazioni Generali SpA and some of its subsidiaries expressly indicated in the corresponding Regulations. The plan in question implements the terms of the Generali Group's Private Pension Scheme entered into on 3 March 2006, which (*inter alia*) provided that a free allocation of shares should be made pursuant to s. 2349 of the Civil Code in favour of employees of the company and some other Italian companies in the Group, by means of specific resolutions passed by the competent company bodies. In accordance with the terms of the said Trade Union Agreement, the Board of Directors, at the meeting held on 10 May 2006, on the basis of the delegated power granted by the said General Meeting, increased the company's share capital for the purpose of the said stock grant plan, and granted the Chairman of the Board of Directors and the Managing Directors the necessary powers to implement the said resolution. By resolution of 23 June 2006, the company's Managing Directors implemented the said resolution. A certain number of new ordinary shares with a par value of €1.00 each, having the same characteristics as those already in circulation, was allocated to employees of the company and the subsidiary companies expressly identified in the Regulation, as from 10 May 2006, in accordance with the terms and procedures governed by the said Regulation.

The General Meeting held on 28 April 2007 to mark the 175th anniversary of the foundation of the Company, in order to acknowledge the contribution made by the Group's employees to its results, approved a stock grant plan, to be finalised by 31 December 2007 by means of a bonus issue pursuant to s. 2349 of the Civil Code, to all employees who, on 31 December 2006, were employed by a company belonging to the Generali Group on a permanent contract 31 December 2006, and were still working for their respective companies on the date of allocation of the said stocks. In particular, the said Meeting increased the Company's share capital in support of the stock grant plan in question, and granted the Managing Director responsible for human resources the necessary powers to implement the said resolution, including through special attorneys. The Company's Managing Director implemented the said resolution by resolution deed of 13 December 2007. 2,168,559 new ordinary shares with a par value of €1 each, having the same characteristics as those already in circulation, were therefore allocated to employees of the company and the subsidiaries expressly identified in the Regulation as from 13 December 2007, on the terms and conditions set out in the Regulation.

<sup>7</sup> The agreement was set up as an association. None of the signatories holds more than 0.1% of shares. The exact percentages of the company's share capital owned by the signatories cannot be calculated, as they are infinitesimal fractions of it. The agreement states the right to purchase or have the Association purchase or subscribe, on behalf of its members, including through substitutes, financial instruments or stocks within the Generali Group. The agreement also sets a series of limits with regard to the transfer of financial instruments. Its object is the exercise of the right to vote on such instruments. It complies with the provisions laid down in paragraphs 1 and 5, letters b) and c), of article 122 of Legislative Decree no. 58 of 24 February 1998.

Being a joint-stock company governed by Italian law and compliant with the Self-regulatory Code of Conduct for listed companies first published on 30 October 1999, Assicurazioni Generali is characterised by a Corporate Governance that is strongly committed to the Code and is mirrored by the activity of the following main governing bodies:

- General Meeting
- Board of Directors
- Executive Committee
- Board of Statutory Auditors
- Chairman and Vice-Chairmen of the Board of Directors
- Managing Directors
- Internal Control Committee
- Remuneration Committee
- Corporate Governance Committee
- Investment Committee
- Committee for Evaluation of Related Party Transactions
- Supervision and Control Committee

The Company also includes a General Council. Further governing bodies of the Company include the company management and, according to the Company's Articles of Association, company officers acting as authorised representatives.

The Board of Directors ("**Board**") is vested with the broadest management powers for the furtherance of corporate objectives. It is appointed on a three-yearly basis by the General Meeting and appoints a **Chairman**, one or more **Vice-Chairmen**, holding statutory powers, and an Executive Committee. The Board may furthermore appoint one or more **Managing Directors**. The Managing Directors are supported by three committees: the Group Investment Committee, the Group Risk Committee and the Company Risk Committee. The Board determines the powers and remuneration of all these bodies.

The Executive Committee, the Remuneration Committee, the Internal Control Committee, the Corporate Governance Committee, the Investment Committee and the Committee for the Evaluation of Related Party Transactions are bodies established by and composed of members of the Board. However, the Executive Committee is entrusted with important management functions for the Company and the Group, whereas the other Committees are only charged with the task of giving advice and making proposals.

It is the task of the **Remuneration Committee** to express its opinion and make non-binding proposals to the Board of Directors on the determination of the remuneration payable to the Chairman of the Board of Directors, Vice-Chairmen, Managing Directors and General Managers.

Moreover, the Committee periodically assesses the criteria adopted for the remuneration of managers with strategic tasks, monitors the application of the said criteria on the basis of the information gathered, and makes general relevant recommendations to the Board of Directors. The majority of its members are Independent Directors, and it is also the body required to pronounce on Related Party Transactions involving Directors, Permanent Statutory Auditors and Senior Executives of the Company with a grade at least equal to Central Director when their remuneration is established.

The **Internal Control Committee** has the task of assisting the Board of Directors in performing the obligations connected with the internal control and risk management system under the Code. The Committee is also called upon to assess the adequacy of the internal control system and express its opinion on the "Internal Audit Plan" and the "Report on Internal Audit".

The **Corporate Governance Committee**, instituted by Board resolution on 28 April 2007, is responsible for conducting an in-depth examination of the Company's Corporate Governance rules and reporting thereon to the Board of Directors.

The members of the **Investment Committee**, instituted by Board resolution on 24 April 2010, comprise 4 directors and the General Manager and CFO. The Board of Directors has given it responsibility for conducting a periodic analysis of the Group's investment policies, the main operational guidelines and the corresponding results, and prior analysis of some major investment and divestment operations.

The members of the **Committee for the Evaluation of Related Party Transactions**, instituted by Board resolution on 16 December 2010, comprise 5 independent directors. The Board of Directors has given it responsibility for stating its opinion of related party transactions submitted for its attention by the Board of Directors or bodies holding delegated powers, in accordance with the Related Party Transaction Procedures, provided that in the case of operations relating to the remuneration of Directors, Permanent Statutory Auditors and Senior Executives of the Company with a grade at least equal to Central Director, the Committee's functions are to be performed by the Remuneration Committee.

The General Meeting ("**Meeting**"), when duly convened, is the corporate body that expresses the Company's will through its resolutions. Resolutions adopted pursuant to the law and the Articles of Association are binding upon all shareholders, including absent and dissenting ones.

The **Board of Statutory Auditors'** tasks include ensuring that the Articles of Association are complied with and supervising management activities. The Board has no auditing functions; these are ascribed to a chartered **Auditing Firm**, an auditing body external to the Company. The Auditing Firm is responsible for verifying that the Company properly records its financial statements during the year and appropriately reports its operations in its accounting record. The Auditing Firm is also responsible for checking that the company and consolidated financial statements comply with the results recorded in the books and with the audits they carry out, and that the bookkeeping documents comply with the relevant regulations.

The governing bodies of the Company also include the **General Council**, an advisory body which concerns itself with the best attainment of the Company's objects, with particular regard to the territorial expansion of the Company and to international insurance and financial problems.

The powers of the governing bodies and the way they function are governed by law, the Company's Articles of Association and the resolutions passed by the competent bodies. In particular, the Articles of Association are available at Company offices or can be downloaded in Italian, English, French, German and Spanish from the "Governance" section of the Company's website ([www.generali.com](http://www.generali.com)).

Finally, neither the Company nor any of its subsidiaries of strategic importance is subject to non-Italian legislation which would affect the Company's corporate governance structure.

## Sustainability development bodies

Some specific bodies and dedicated departments have been set up in the Group's Corporate Centre to ensure systematic consideration not only of the financial aspects, but also of the social and environmental aspects, connected with the Company's business.

Responsibility for sustainability at Group level is attributed to the General Manager of the Corporate Centre and Chief Financial Officer (CFO), who implements the strategies established by the Board of Directors of the parent company, establishing their fundamental guidelines. He also chairs the Sustainability Committee and the Corporate Social Responsibility (CSR) Committee for Italy, described below.

The **Sustainability Committee** is the decision-making body with responsibilities regarding sustainability at Group level. This Committee is responsible for establishing socio-environmental policies, setting the objectives and the results to be achieved and evaluating the opportunities, risks and areas of improvement connected with the Group's sustainability. It consists of the heads at Group level of the Company's departments most involved in implementing



its socio-environmental policies, and representatives of all the countries in which the Group operates, who are directly involved in the processes of implementing the socio-environmental policies and drafting the Sustainability Report.

In order to improve the organisation and coordination of socio-environmental activities, operational governing bodies called CSR Committees are active at national level. Those Committees interface firstly with the Sustainability Committee, to coordinate initiatives and promote the transfer of local best practices to international level, and secondly with the local companies in the Group, to implement the decisions taken at Corporate Centre level.

The CSR Committees are chaired by a member of the local top management, and their members are the Corporate Social Responsibility Manager and the heads of the company departments most involved in implementing the Group's socio-environmental policies.

The **Environmental Management System (EMS) Committee** is the operational body responsible for achieving the Group's environmental objectives. Its members are the Group EMS representative and EMS representatives from the individual countries involved in the project, which is designed to implement a system of management of the most significant environmental aspects connected with the Group's business.

All sustainability activities, within the Group and on the market, are coordinated by the Group CSR unit, which reports directly to the General Manager and Chief Financial Officer.



## Second Part - Corporate Governance Structure

### Board of Directors

#### Role

The Board is vested with the broadest management powers for the furtherance of the company's objects. The Board is the corporate body designated specifically to ensure that resolutions passed by the General Meetings are correctly and promptly executed.

Among its powers are the statutory powers reserved exclusively to it are concerned with the approval of the Company's strategic, business and financial plans, as well as transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, and significant transactions involving related parties. According to the Company's Articles of Association, it also submits proposals for the allocation of profits.

These powers, which cannot be delegated, also include (pursuant to the Articles of Association):

- distributing interim dividends to shareholders during the current financial year;
- establishing or terminating Head Offices and business establishments outside Italy;
- passing resolutions on mergers, in the cases allowed by the law, on the establishment or termination of secondary head offices, and on the amendment of any provisions enshrined in the Company's Articles of Association which may become incompatible with new mandatory provisions of the law;
- establishing or terminating operations of individual Departments;
- appointing and removing from office one or more General Managers at the Central Head Office and a General Manager at the Head Office for Italy, as well as one or more deputy General Managers and Assistant General Managers at the Central Head office and at the Head Office for Italy, and establishing their authority and functions;
- determining the hierarchical organisation of the Company's managing personnel in Italy and abroad;
- resolving on other matters that cannot be delegated by law<sup>8</sup>.

With reference to accounting documents, pursuant to the law, the Board is also empowered to draw up:

- the draft annual statements, plus a report on Company management performance<sup>9</sup>;
- the Group consolidated financial statements<sup>10</sup>, also including a report on Company management performance;
- the half-year financial report dated 30 June of each year;
- the intermediate management performance reports dated 31 March and 30 September of each year.

In addition to the powers reserved for the Board of Directors by the applicable legislation and regulatory provisions and the Articles of Association, the following powers are always reserved solely for the Board of Directors:

- to examine and approve the budget, the strategic, industrial and financial plans of the Company and the Group, the corporate governance system of the Company and the structure of the Group;
- to evaluate the adequacy of the organisational, administrative and general accounting system of the Company and its subsidiaries with strategic importance prepared by the CEO, with special reference to the internal control and risk management system and the management of conflicts of interest;
- to establish the guidelines of the internal control system with the support of the Internal Control Committee, assessing their adequacy, efficacy and actual operation in relation to the characteristics of the Company and the Group at least once a year;
- to grant and revoke delegated powers to the Executive Committee and the executive directors, establishing their

<sup>8</sup> These are the subjects regulated by articles 2420-ter (Delegation of powers to managing directors), 2423 (Drawing up of financial statements), 2443 (Delegation of powers to managing directors), 2446 (Reduction of capital for losses), 2447 (Reduction of paid-up capital below the legal limit), 2501-ter (Merger project) and 2506-bis (Division project) of the Italian Civil Code.

<sup>9</sup> The annual accounts, consisting of the Statement of Assets and Liabilities, the Profit and Loss Accounts and the Notes on the Accounts, are adopted by the Shareholders' Meeting (generally by the month of April of each year) after the latter has been presented with draft statements approved by the Board of Directors.

<sup>10</sup> The consolidated accounts are definitively approved by the Board of Directors; the Shareholders' Meeting takes them into consideration when called upon to discuss and approve the company's annual accounts.

limits and methods of exercise; further to establish the intervals, not exceeding quarterly, at which the bodies holding delegated powers must report to the Board of Directors on the activities performed in the exercise of the powers delegated to them;

- to examine and approve in advance the operations of the Company and its subsidiaries, if the said operations have significant strategic, economic, capital or financial importance for the Company, paying particular attention to situations in which one or more Directors have an interest on their own account or on behalf of third parties, and to related party transactions in general. The following operations, including those entered into through subsidiaries, shall be deemed to have significant strategic, economic, capital or financial importance:
  - a) the issue of financial instruments with a value exceeding € 500 million;
  - b) the grant of loans and guarantees for amounts exceeding € 500 million;
  - c) operations relating to the performance of work and services, and collaboration agreements for the exercise and development of the Company's business, for amounts exceeding € 500 million;
  - d) costs, even if specified in the budget, of amounts exceeding € 200 million;
  - e) merger or demerger operations in relation to which the value of the total assets of the company taken over (merged) or the assets demerged is equal to or greater than 3% of Assicurazioni Generali's total assets, as shown in the latest consolidated financial statements;
  - f) investment and disinvestment operations (including those relating to real estate), sale and purchase of shareholdings, companies or company divisions, and assets of all kinds, if the price of the company (or business division or assets) bought (or sold) is equal to or greater than 2% of the average capitalisation of the Generali shares in the last six months;
- to establish, on the proposal of the Remuneration Committee, the general policy for the remuneration of executive directors, other directors holding particular offices, and key management personnel;
- after examining the proposals of the Remuneration Committee and consulting the Board of Statutory Auditors, to establish the fees of the Executive Directors and other directors who hold particular offices;
- to evaluate the general business trend, taking account, in particular, of the information received from the bodies holding delegated powers, and periodically comparing the results achieved with the planned results;
- at least once a year, to assess the size, composition and functioning of the Board and its Committees, possibly providing guidance on professionals whose presence on the Board is deemed advisable;
- to provide information, in the corporate governance report, about the methods of application of the Self-regulatory Code;
- after the appointment of a director who claims to be independent, and once a year thereafter, to evaluate (on the basis of the information supplied by the said director or otherwise available to the Company) the independence of its non-executive members, announcing the result of its evaluations (by means of a press release at the time of the appointment, and subsequently in the corporate governance report);
- to express its view on the maximum number of offices as director or statutory auditor held in other companies listed on regulated markets (whether in Italy or abroad), in finance, banking or insurance companies or companies of significant size, which are deemed compatible with the effective performance of the office of director of the Company.

The heads of the Internal Audit, Independent Risk Control and Compliance departments report functionally to the Board of Directors, either directly or through the Internal Control Committee.

After assessing the recommendations of the Remuneration Committee and consulting the Board of Statutory Auditors, the Board shall determine the remuneration of Directors with delegated powers and those holding particular offices.

The Board is empowered to increase the share capital on one or more occasions, by issuing:

until 29<sup>th</sup> April 2011, up to 200,000 new ordinary shares with a par value of € 1.00 each to be assigned severally to employees of the Company or of subsidiary companies in compliance with article 46 of the Company's Articles of Association.

Notwithstanding the above-mentioned limitations and pursuant to the Articles of Association, the Board delegates powers to the Managing Directors and to the Executive Committee, specifying the limits to such powers, the manner for exercising them and the frequency – which may not be less than once every three months – with which such bodies must report to the Board on the activities performed in the exercise of the powers delegated to them.

As required by the Articles of Association, on the occasion of meetings and on at least a quarterly basis, the Board of Directors and the Board of Statutory Auditors shall receive a report, also drafted by delegated bodies, on the development of management issues and on the activities carried out by the Company and its subsidiary companies, on its expected evolution, on the main economic, financial and investment transactions, and especially on those transactions for which the Directors hold a stake – personally or on behalf of third parties – or which are influenced by any person exercising management and coordination activities. The report to the Board of Statutory Auditors can also be made directly or at the meetings of the Executive Committee, if by so doing it is rendered more timely. The Board of Directors will periodically compare the actual results with the planned results.

A Director who, either directly or indirectly, holds an interest in a certain operation to be performed by the company, shall inform the other Directors and the Board of Statutory Auditors and provide details of the type, terms, origin and scope of the said interest; if the Director is a Managing Director, he/she shall refrain from carrying out the operation and delegate it to the Board.

On a yearly basis, the Board of Directors shall draw up a report on the adequacy of the organisational, administrative and accounting structure of the Company and of its subsidiaries having strategic relevance. Within such context, particular attention is devoted to the internal control system and the management of conflicts of interest.

In 2010, the Board of Directors, with the assistance of the Internal Control Committee, also evaluated the suitability of the organisational, administrative and accounting system of the Company and its subsidiaries with strategic importance, having first consulted the Internal Control Committee. In order to identify the subsidiaries with these characteristics, reference was made not only to quantitative criteria based on the parameters set out in article 151 of the Issuers' Regulation<sup>11</sup>, but also to other qualitative parameters such as companies which, though of small size, make an essential contribution to the Group in view of the activities they perform within it<sup>12</sup>.

11 That article establishes that Italian or foreign subsidiaries whose assets amount to under 2% of the consolidated assets and whose revenues are under 5% of the consolidated revenues do not have strategic significance, even if they are included in the consolidated accounts, provided that the sum of the assets and revenues of the said companies does not exceed 10% and 15% of the consolidated assets and revenues respectively. The same article states that the Italian or foreign subsidiaries which are liable to significantly influence the income, assets and financial situation of the group to which they belong in view of the type of business performed or the type of contracts, guarantees, commitments and risks entered into are classed as significant.

12 Such as the supply of essential services to the Group and the coordination and/or development of *core business* activities which cause it to play a leading part in the Group's future growth prospects.

Using those categories of criteria, the following companies were identified (this is the list submitted to the Board of Directors at the meeting held in March. The following list therefore incorporates the subsequent organisational changes):

Area	Quantitative criteria	Qualitative criteria
ITALY	Alleanza Toro S.p.A.	Generali Business Solutions S.C.p.A.
	Ina Assitalia S.p.A	Generali Gestione Immobiliare S.p.A.
		Generali Investments S.p.A.
		Generali Investments Italy SGR
		Banca Generali S.p.A.
		Generali Properties S.p.A.
		Genertellife S.p.A.
ABROAD	Generali Deutschland Holding AG	Generali Deutschland Informatik Services GmbH
	AM Lebensversicherung AG	Generali Deutschland Schadenmanagement GmbH
	Central Krankenversicherung AG	Generali Deutschland Services GmbH
	Generali Lebensversicherung AG	Generali Beteiligungs-GmbH
	Generali Versicherung AG	Generali Invest. Deutschland Kapital MBH
	Generali France Assurance S.A.	AM Versicherung AG
	Generali Vie S.A.	Deutsche Bausparkasse Badenia
	BSI S.A.	Generali Holding Vienna AG
	Migdal Insurance Co. Ltd	Generali VIS Informatik GmbH
		Generali Investments France S.A.
		Generali IARD S.A.
		Generali China Life Insurance
		B Source S. A.
		Cosmos Lebensversicherungs AG
		Generali Schweiz Holding AG
		Grupo Generali Espana A.I.E
		Generali Espana - S.A. de Seguros y Reaseguros
		Generali Espana Holding de Entidades de Seguros S.A.
		Generali PPF Holding B.V.
		Generali Finance B.V.
	PPF Asset Management a.s.	
	Participatie Maatschappij Graafschap Holland N.V.	
	Ceska Pojistovna a.s.	
	Flandria Participations Fin.	

Furthermore, the Board has recently introduced its own Operating Regulation, which complies not only with the provisions of the Code, but also with the relevant international best practices.

The Generali Board meets at regular intervals, at least once every three months, in compliance with legal requirements, according to a calendar which is approved on a yearly basis<sup>13</sup>. The Board adopts an organisation and a modus operandi enabling it to guarantee effective and efficient performance of its functions. The Board met on seven occasions during the 2008 financial year, and nine in 2009 and 2010. The average attendance of members at meetings was 80.71% in 2008, 74.44% in 2009 and 83% in 2010. In the last financial year the average duration of each meeting was approximately 3 hours 5 minutes.

Table 1 attached to this Report shows individual attendance information for each Director; in the case of absence, this was duly justified.

## Number of Directors, appointment and term of office

In conformity with its Articles of Association, the Company is managed by a Board consisting of not less than 11 and not more than 21 members appointed by the General Meeting after deciding upon the number of members.

With the introduction of list voting into the Company's governance from the time of appointment of the Board of Directors which will hold office for the three-year period 2010-2012, the majority list is entitled to appoint the entire Board of Directors except for three directors taken from the list which obtains the second-highest number of votes, as the number of Directors to be elected is over 15<sup>14</sup>.

13 The calendar is usually approved during the last Board meeting of the year. Starting from 2003, the calendar including the most important corporate events is disseminated by the issuers of securities listed on the Italian Stock Exchange (which then publishes it) within 30 days of the end of the financial year. In the current year, one meeting was held on 2 February 2011. Further meetings are scheduled for: 16 March 2011 – Board of Directors Meeting (approval of 2010 draft financial statements and approval of 2010 consolidated financial statements); 30 April 2011 – General Meeting (approval of 2010 financial statements); 12 May 2010 – Board of Directors Meeting – (approval of the quarterly report as at 31 March 2011); 30 June 2011, 3 August 2011 – Board of Directors Meeting (approval of half-yearly report as at 30 June 2011), 9 November 2011 – Board of Directors Meeting (approval of quarterly report as at 30 September 2011), and 16 December 2011.

14 The Articles of Association state that the members of the Board of Directors shall meet the requirements of professionalism, honourableness and independence laid down by current legislation. At least one-third of the Directors shall meet the independence requirements laid down by law for Internal Auditors. If the number of members of the Board of Directors established by the Shareholders' Meeting is not a multiple of three, the number of Independent Directors called on to compose it shall be rounded down to the nearest whole number.

Specifically, the Board of Directors shall be appointed on the basis of lists, in accordance with the following procedure.

The lists shall contain a number of candidates not exceeding the number of members to be elected, listed in accordance with a sequential number. Each candidate may be nominated in only one list, failing which s/he shall be disqualified.

Lists may be submitted by the outgoing Board of Directors and by members who, either alone or jointly with others, represent at least the minimum percentage of the share capital laid down by current legislation. Each shareholder entitled to vote and the companies directly and indirectly controlled by them, and companies directly or indirectly subject to joint control, may only submit one list. No account shall be taken of support given to any of the lists in breach of the terms of this principle.

The Board of Directors' list, if submitted, shall be filed at the Company's premises not later than the thirtieth day before the date of the first convocation of the Shareholders' Meeting; lists submitted by shareholders shall be filed not later than the fifteenth day before the date of first convocation of the Shareholders' Meeting.

By the twenty-first day before the date of the first call of the General Meeting, shareholders who have submitted a list shall file a copy of the brokers' certificates certifying ownership of the percentage of share capital required by current legislation. If this is not done, the list shall be deemed not to have been submitted.

Each shareholder entitled to vote, the companies directly or indirectly controlled by it, and companies directly or indirectly subject to joint control, may only vote for one list. No account shall be taken of votes cast in breach of this provision.

Elections of Directors shall be conducted as follows:

- a) all the Directors to be elected, less those to be taken from the second list in accordance with the terms of paragraph b) below, shall be taken from the list that obtained the largest number of the votes cast by shareholders, in the sequential order with which the candidates are entered in the list;
- b) one, two or three Directors, depending on whether the number of members of the Board of Directors determined by the Shareholders' Meeting is 11, 12-15 or over 15, shall be taken, on the basis of the sequential number with which the candidates are indicated in the list, from the list which obtained the second-largest number of votes (without taking account of the votes cast by shareholders connected directly or indirectly with those who submitted or voted for the list that obtained the largest number of votes); if two lists obtain the same number of votes, the Meeting shall vote again;
- c) the Independent Directors shall be taken from the list that obtained the largest number of votes. If the number of Independent Directors taken from that list is less than the number specified in article 31.2, the elected candidate who has the highest sequential number and does not meet the necessary independence requirements shall be excluded. The excluded candidate shall be replaced by the next candidate who meets the said requirements, taken from the same list as the excluded candidate. If it is impossible to take the required number of Independent Directors from the list that obtained the largest number of votes, the missing directors shall be appointed by the Shareholders' Meeting on a majority vote;
- d) if an elected candidate cannot or does not wish to accept the appointment, s/he shall be replaced by the first of the unelected candidates on the list to which the said candidate belonged;
- e) for the purpose of application of the preceding terms and the allocation of Directors, no account shall be taken of lists that do not obtain a percentage of the votes amounting to at least half the amount required by the Articles of Association for submission of lists;
- f) if only one list is submitted, the Ordinary Shareholders' Meeting shall pass resolutions on first and second convocation by an absolute majority of the share capital represented at the Meeting.

If no list is submitted by the due date, the Shareholders' Meeting shall pass resolutions by a relative majority of the shareholders present.

Elected directors who meet the independence requirement (known as Independent Directors), namely the requirement defined in the current legislation applicable to Statutory Auditors, shall be at least one-third of the total members of the Board of Directors; the positions of independent director and minority director may obviously be held by the same person.

The parties authorised to submit lists are the outgoing Board of Directors and shareholders who, either alone or jointly with others, hold the minimum holding required by the applicable legislation (currently 0.5% of the share capital). Members who are significantly connected to one another may only submit and vote on the same list, failing which no account will be taken of their support for any list.

The deadline for submission of lists is 30 days before the date of the General Meeting in the case of candidates nominated by the outgoing Board of Directors, or 25 days before the date of the General Meeting in the case of candidates nominated by shareholders. The following documents shall be filed with the lists:

- the curriculum vitae of each candidate, containing detailed information about the candidate's personal and professional characteristics and the skills acquired by him/her in the insurance, financial and/or banking field;
- statements in which the candidates accept the nomination, undertake to accept the office if appointed, and further declare, under their own responsibility, that no grounds for incompatibility or disqualification exist, and that they meet the requirements of respectability, professionalism and, if applicable, independence, required by current legislation.

Please, note that this report does not take into consideration the proposal that the Board of Director will present to the Shareholders' Meeting, that has been called on 26<sup>th</sup>, 28<sup>th</sup> and 30<sup>th</sup> April. Pursuant to the draft amendments to the article 31 of the Articles of Association, in line with the corporate best practices, only Shareholders having a qualified shareholding of 0.5% of the share capital only (thus excluding the incumbent members of the Board of Directors) will be entitled to present candidate lists for the appointment of the members of the Board of Directors.

The members of the Board of Directors shall hold office for three financial years; their term of office shall expire on the date of the General Meeting that approves the accounts for the last financial year of their term of office, and they may be re-elected. In the event of appointments during the three-year period, the appointments of the newly-elected directors shall expire at the same times as the appointments of those already holding office.

If a director drawn from the minority list should cease to hold office,

- the Board of Directors shall replace that Director by appointing as Director the first of the unelected candidates in the list to which the outgoing director belonged, provided that the said candidate is still eligible and willing to accept the appointment;
- the General Meeting shall replace the outgoing Director by majority vote, selecting his/her replacement if possible from among the candidates on the same list who previously accepted the replacement.

In all other cases in which a Director ceases to hold office during the three-year period, that Director shall be replaced in accordance with current legislative provisions. If an Independent Director ceases to hold office, his/her replacement, co-opted by the Board of Directors or appointed by the General Meeting, shall meet the independence requirements laid down by law for holding the office of Statutory Auditor.

The Board appoints a Secretary. The Secretary need not be a Board member.

## Requisites for office

The Directors of Generali, as directors of an Italian insurance company, must be selected in accordance with professional and competence criteria from among candidates who have a total of at least three years' experience in the exercise of qualifying professional activities<sup>15</sup>. Directors must also meet specific requirements of "honourableness"<sup>16</sup>. Lack of the professional, honour or independence requisites (the last type only being applicable to Independent Directors) results in forfeiture of office<sup>17</sup>.

Before accepting their appointment, all the Company's Directors shall assess the actual amount of time necessary to carry out properly the crucial tasks they would be entrusted with and the consequences stemming from such duties. Other positions held by a Director and/or an Statutory Auditor shall be taken into account. The said Directors' and/or Auditors' positions may be held within Companies listed on regulated markets, including foreign companies, finance companies, banks, insurance companies and large companies. Other professional activities carried out by the Director and/or Statutory Auditor shall also be taken into account.

With reference to the above-mentioned matter, the Board of Directors records the appointments as Directors and/or Statutory Auditors held by the Directors within the said Companies. The list of such positions is drawn up on a yearly basis on the basis of information received from each Director or other information in its possession, and is included in the Report on Corporate Governance and Share Ownership.

The Company has not authorised, as a general or preventive measure, any exemptions from the prohibition on competition laid down in s. 2390 of the Italian Civil Code.

The chart hereunder lists the maximum number of offices, held by Directors and/or Statutory Auditors within other Companies, deemed consistent with effective performance of the Director's position held within Assicurazioni Generali. The maximum number of offices held as Director and/or Statutory Auditor does not include companies belonging to the Generali Group. Offices held in companies which belong to the same Group shall be deemed to be a single office, and the one requiring the greatest professional commitment shall prevail.

15 Decree No. 186 of 24 April 1997 issued by the Ministry of Industry, Commerce and Trade establishes that at least one of the following qualifying professional activities must have been undertaken to fulfil the criterion of professionalism:

- a) Direction, management or control of insurance, credit or financial industry companies and bodies possessing a share capital of at least 500 million lire;
  - b) Direction, management or control of public sector bodies or public and private companies of a size commensurate with the size of the insurance company at which the office is to be held;
  - c) Professional experience in areas pertaining to the insurance, credit or financial industries, or university-level teaching in legal, economic or actuarial studies.
- Candidates who have been directors, general managers, internal auditors or liquidators of insurance, credit or finance companies that have been subject to extraordinary administration, bankruptcy or compulsory administrative liquidation procedures during the three years prior to adoption of the provisions concerned are prohibited from taking the office of Director in insurance companies, or offices involving the exercise of equivalent functions. This prohibition is in place for the three-year period starting from the adoption of these provisions.

16 The requisite of honourableness is deemed to apply provided that the prospective candidate does not belong to any of the following categories:

- Legal disqualification or temporary debarment from direction functions over legal persons and companies;
- Liability to preventive measures taken by the judicial authorities pursuant to Statute no. 575/31 May 1965 and to Statute no. 646/13 September 1982 and subsequent amendments and additions;
- Unappealable conviction, excepting the effects of discharge and conditional suspension of sentence, with:
  - a) Imprisonment for one of the crimes listed in the special regulations governing the insurance, credit and equity market industries, and in Law Decree no. 143/3 May 1991, converted to Statute no. 197/5 July 1991, and subsequent amendments and additions;
  - b) Imprisonment for one of the crimes described under Section XI, Book V of the Civil Code and in Royal Decree 267/16 March 1942;
  - c) Imprisonment for not less than one year for a crime against government, public trust, property, public order or the public economy or for a crime relating to tax issues;
  - d) Imprisonment for not less than two years for any crime committed without criminal intent.

17 Pursuant to law, except in the event of lack of the requisites of independence, which constitutes grounds for forfeiture *ex nunc*, if Directors should cease to meet the statutory requirements of professionalism or honourableness, forfeiture must be declared by the Board of Directors within 30 days of being informed about the said unsuitability. Should forfeiture not be declared by the Board of Directors within the above-mentioned time, it shall be declared by order of ISVAP.

	Listed Companies			Financial, bank and insurance Companies			Large Companies		
	Executive Director	Non-exec. Director	Auditor	Executive Director	Non-exec. Director	Auditor	Executive Director	Non-exec. Director	Auditor
Executive Directors	0	5	0	0	5	0	0	5	0
Non-executive Directors	2	5	2	2	5	2	2	5	2

## Directors in office

The Board of Directors currently in office was appointed on 24 April 2010, and will remain in office until the approval of the financial statements for the year ending on 31 December 2012.

In accordance with the list voting system adopted by the Company, after the number of its members had been established at 19, 16 members of the Board of Directors were drawn from the majority list submitted by shareholder Mediobanca S.p.A., namely: Cesare Geronzi, Vincent Bolloré, Alberto Nicola Nagel, Giovanni Perissinotto, Sergio Balbinot, Ana Patricia Botin, Francesco Gaetano Caltagirone, Diego Della Valle, Leonardo Del Vecchio, Petr Kellner, Angelo Miglietta, Alessandro Pedersoli, Lorenzo Pelliccioli, Reinfried Pohl, Paolo Scaroni and Francesco Saverio Vinci. Three directors drawn from the minority list submitted by Assogestioni were then elected, namely Cesare Calari, Carlo Carraro and Paola Sapienza.

Leonardo Del Vecchio resigned his directorship on 21 February 2011. With the approval of the Board of Statutory Auditors, the Board of Directors decided, at its meeting held on 23 February 2011, to postpone to a subsequent meeting all resolutions relating to the replacement of outgoing director Leonardo Del Vecchio (including those relating to the positions held by him on the Executive Committee and the Remuneration Committee) or, alternatively, to refer all decisions on the subject to the General Meeting held in April.

In any event, as specified by the Articles of Association, when an Independent Director ceases to hold office, his/her replacement, co-opted by the Board of Directors or appointed by the General Meeting, must meet the statutory independence requirements for Statutory Auditors.

The Board is therefore currently made up of the following 18 members<sup>18</sup>:

### Board of Directors

Office (*)	First name, last name
<ul style="list-style-type: none"> <li>Chairman</li> <li>Executive Director</li> <li>Chairman of Executive Committee</li> <li>Chairman of the Corporate Governance Committee</li> </ul>	Cesare Geronzi
<ul style="list-style-type: none"> <li>Vice-chairman</li> <li>Executive Director</li> <li>Member of the Executive Committee</li> </ul>	Vincent Bolloré
<ul style="list-style-type: none"> <li>Vice-chairman</li> <li>Executive Director</li> <li>Member of the Executive Committee</li> <li>Member of the Investments Committee</li> </ul>	Francesco Gaetano Caltagirone

(continues)

<sup>18</sup> Pursuant to Application Criterion 2.C.1 of the Listed Companies' Self-regulatory Code, executive directors are deemed to be not only those who hold individual delegated powers but also all members of the Executive Board, because of the powers granted to it by the Board of Directors by resolution of 24 April 2010.



(continues)

Office (*)	First name, last name
<ul style="list-style-type: none"> <li>• Executive Director</li> <li>• Member of the Executive Committee</li> <li>• Member of the Corporate Governance Committee</li> </ul>	Alberto Nicola Nagel
<ul style="list-style-type: none"> <li>• Managing Director / Group Chief Executive Officer</li> <li>• Chairman of the Corporate Investments Committee</li> <li>• Executive Director</li> <li>• Member of the Executive Committee</li> <li>• General Manager</li> </ul>	Giovanni Perissinotto
<ul style="list-style-type: none"> <li>• Managing Director</li> <li>• Executive Director</li> <li>• Member of the Executive Committee</li> <li>• General Manager</li> </ul>	Segio Balbinot
<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Member of the Corporate Governance Committee</li> </ul>	Ana Patricia Botin
<ul style="list-style-type: none"> <li>• Non-executive Director</li> <li>• Independent Director</li> <li>• Minority Director</li> </ul>	Cesare Calari
<ul style="list-style-type: none"> <li>• Non-executive Director</li> <li>• Independent Director</li> <li>• Member of the Internal Control Committee</li> <li>• Minority Director</li> </ul>	Carlo Carraro
<ul style="list-style-type: none"> <li>• Non-executive Director</li> <li>• Independent Director</li> </ul>	Diego Della Valle
<ul style="list-style-type: none"> <li>• Executive Director</li> <li>• Independent Director</li> <li>• Member of the Executive Committee</li> <li>• Member of the Remuneration Committee</li> </ul>	Leonardo Del Vecchio (resigned on 21 February 2011)
<ul style="list-style-type: none"> <li>• Non-executive Director</li> <li>• Member of the Investments Committee</li> </ul>	Petr Kellner
<ul style="list-style-type: none"> <li>• Non-executive Director</li> <li>• Independent Director</li> <li>• Member of the Internal Control Committee</li> </ul>	Angelo Miglietta
<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Chairman of the Internal Control Committee</li> </ul>	Alessandro Pedersoli
<ul style="list-style-type: none"> <li>• Executive Director</li> <li>• Independent Director</li> <li>• Member of the Executive Committee</li> <li>• Member of the Remuneration Committee</li> </ul>	Lorenzo Pellicoli
<ul style="list-style-type: none"> <li>• Non-executive Director</li> </ul>	Reinfried Helmut Pohl
<ul style="list-style-type: none"> <li>• Minority Director</li> <li>• Non-executive Director</li> <li>• Independent Director</li> </ul>	Paola Sapienza
<ul style="list-style-type: none"> <li>• Non-executive Director</li> <li>• Independent Director</li> <li>• Member of the Corporate Governance Committee</li> <li>• Chairman of the Remuneration Committee</li> </ul>	Paolo Scaroni
<ul style="list-style-type: none"> <li>• Non-executive Director</li> </ul>	Francesco Saverio Vinci

(\*) As regards the definition of Executive or Non-executive Director and Independent Director we refer to notes 19 and 20.

As previously stated, the Code states the obligation for Directors to accept their appointment, taking account of the number of positions they hold on the Board of Directors or Board of Statutory Auditors of other companies listed on

regulated markets, including foreign markets, finance companies, banks, insurance companies and large companies.

In compliance with the provisions set out in the Code, and article 144-*decies* of the Issuers' Regulation a complete list of the positions held by the Company's Directors in such companies – along with a brief profile of each of them – is provided.

**Cesare GERONZI** was born in Marino (Rome) on 15 February 1935. He was hired by the Bank of Italy after a competitive examination in 1960, and continued to work there until 1980, when he moved to Banco di Napoli. He arranged the first bank merger in Italy, between the Cassa di Risparmio di Roma, Banco di Santo Spirito and Banco di Roma, whose subsequent merger with Mediocredito Centrale, Banco di Sicilia and Bipop-Carire gave rise to the Capitalia banking group. In 2007 he directed the takeover of Capitalia by the Unicredit Group, leaving the Group to take up the position of Chairman of Mediobanca, which he held until April 2010. He has been awarded numerous honours, including the title of High Official of the Order of Merit of the Republic of Italy, Commander of the Holy Order of S. Gregory the Great, Commander's Cross of the Maltese Order of Merit of the Sovereign Military Hospitaller Order of St. John of Jerusalem of Rhodes and of Malta, and an honorary degree in Economics and Business Studies from Bari University. He is a member of the Board of Directors of RCS Quotidiani and a member of the governing bodies of various private law organisations and institutions, including Istituto della Enciclopedia Italiana Treccani, Assonime, Associazione "Guido Carli", Aspen Institute Italia, and Fondazione di Diritto Vaticano dell'Ospedale Bambino Gesù. He has been Chairman of Assicurazioni Generali since April 2010.

**Vincent BOLLORÉ** was born in Boulogne-Billancourt (France) on 1 April 1952. After obtaining his law degree, he worked in banking for ten years and then joined his father's company, where he was appointed Chairman and Managing Director. He is now Chairman and Managing Director of various companies in the Bolloré Group. He is also Chairman of the Board of Directors of Havas and a member of the Boards of Directors of Natixis, Mediobanca and various companies in the Socfinal Group. He has been Vice-Chairman of Assicurazioni Generali since April 2010.

**Francesco Gaetano CALTAGIRONE** was born in Rome on 2 March 1943. After studying engineering he relaunched the family construction business, then extended its activities to the fields of cement and the media, giving rise to one of the largest Italian business groups, which now has five listed companies, major strategic holdings and a growing international presence. He has been a director of Generali since April 2007. He is Chairman of Caltagirone S.p.A., Caltagirone Editore S.p.A., Il Messaggero S.p.A., Il Gazzettino S.p.A. and Eurostazioni S.p.A., and Vice-Chairman of Banca Monte dei Paschi di Siena. He was awarded the title of Cavaliere del Lavoro in 2006.

**Alberto Nicola NAGEL** was born in Milan on 7 June 1965. He graduated in Economics and Commerce from Bocconi University, and is currently on the Register of Auditors. He was hired by Mediobanca in 1991 and carved out his managerial career in that company, until he became General Manager. Since July 2007 he has been Managing Director of the Board of Management and since October 2008 Managing Director. Since July 2000 he has been a Director of Banca Esperia. He was a Statutory Auditor of Assicurazioni Generali from 1996 to 2004, when he resigned to take office as a Director. He is also a member of the Board of Directors and Executive Committee of ABI (the Italian Banking Association).

**Sergio BALBINOT** was born in Tarvisio (Udine) on 8 September 1958. He graduated in Economics and Commerce and entered the Generali Group in 1983. He carved out his career both in Italy and abroad in the companies of the Group, and then returned to Trieste, where he was appointed General Manager of Generali in 2000 and Managing Director in 2002. He is also Director of the Commerzbank AG and Generali Investments S.p.A. Supervisory Boards, Vice-Chairman and Director of several Austrian, Chinese, French, Israeli, Dutch, Spanish, US, and German companies (including Generali España Holding Entidades de Seguros S.A., Generali China Life Insurance Co. Ltd., Generali Holding Vienna AG, Generali France S.A., Generali China Life Insurance Co. Ltd., Graafschap Holland Participatie Maatschappij N.V., Generali Deutschland Holding AG, Generali España – S.A. de Seguros y Reaseguros, Future Generali India Insurance Co. Ltd and Future Generali India Life Insurance Co. Ltd., and is also Chairman of Generali PPF Holding B.V..

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**Giovanni PERISSINOTTO** was born in Conselice (Ravenna) on 6 December 1953. He graduated in Economics and Commerce and entered the Generali Group in 1980. He carved out his career in the foreign companies of the Group, returning to Trieste in 1988. He was appointed General Manager in 1998 and Managing Director in 2001. At present he is Chairman of the Generali Investments S.p.A. Supervisory Board and holds many offices as Director of companies belonging to the Generali Group (including Banca Generali S.p.A., Generali Properties S.p.A. and ISIM S.p.A. – of which he is also the Chairman – BSI S.A., of which he is Vice-Chairman, Participatie Maatschappij Graafschap Holland N.V., Transocean Holding Corporation, Generali France S.A., and companies not belonging to the Groups such as Pirelli & C. S.p.A. and Fiat Industrial S.p.A.; he is also a member of the Board of Directors and Council of Assonime, a Member of the Executive Committee of ANIA, and a member of the Advisory Board of the SDA Bocconi School of Management. In 2007 he was awarded the title of *Cavaliere del Lavoro*.

**Ana Patricia BOTÍN** was born in Santander (Spain) on 4 October 1960. She studied at Harvard University and Bryn Mawr College where she graduated in Economics, and started her professional career at JP Morgan, first in Spain, then in the United States and subsequently in Latin America. After that, her managerial career continued inside the Banco Santander Group, dealing mainly with its activities in Latin America. She is currently CEO of Santander UK as well as a Member of the Board of Directors and Executive Committee of Banco Santander Central Hispano SA. She was appointed Director of the Company in 2004.

**Cesare CALARI** was born in Bologna on 10 May 1954. After obtaining his law degree at Bologna University he continued his studies in the USA, mainly at Johns Hopkins University, and partly at the Harvard Business School. He has held positions of increasing responsibility with the International Finance Corporation, and was subsequently appointed to a top management position with the World Bank in Washington. Having gained wide experience in the private equity, financial services, banking and insurance fields in developing countries, he is now Managing Director of Wolfensohn Fund Management LP, specialising in the management of private equity investments on emerging markets. He is also assistant lecturer in International Finance at Johns Hopkins University in Washington and a member of the Bretton Woods Committee, also based in Washington. He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

**Carlo CARRARO** was born in Camposampiero (PD) on 17 May 1957. After graduating in Economics and Business Studies from the Ca' Foscari University in Venice, he obtained a doctorate from Princeton University, USA. During his academic career he has worked in both Italian and foreign universities, until taking up his present post as Rector of Ca' Foscari University, where he is also Full Professor of Econometrics. He is the author of numerous studies and publications on economic subjects. He has held various prestigious appointments, including that of Vice-Chairman of WG III and member of the Bureau of the Intergovernmental Panel on Climate Change (IPCC) in Geneva, whose work was awarded the Nobel prize in 2007. He is also a member of the governing bodies and scientific committees of various international and national organisations, including Harvard, CESifo in Munich and the Australian National University, which are active in the field of long-term economic trends and environmental sustainability. He holds administrative posts in various agencies, including the Cini Foundation and the Further Studies Foundation in Venice. He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

**Diego DELLA VALLE** was born in S. Elpidio a Mare (Ascoli Piceno) on 30 December 1953. He entered the family business, focusing on marketing. Since October 2000 he has been Chairman and Managing Director of Tod's S.p.A. Today he is also a Director, among others, of Ferrari S.p.A., LVMH, RCS Mediagroup S.p.A., Marcolin S.p.A. and Compagnia Immobiliare Azionaria S.p.A. He was awarded an honorary degree in Economics and Commerce by Ancona University, and in 1996 was awarded the title of Cavaliere del Lavoro. He has been a director of Generali since 2004.

**Petr KELLNER** was born in Ceska Lipa (Czech Republic) on 20 May 1964. He graduated in Industrial Economics from Prague University in 1986. He is the major shareholder in Dutch holding company PPF Group N.V. which controls the PPF Group, founded by him in 1991. The PPF Group is one of the largest financial groups in the Czech Republic, has interests in insurance and consumer finance, and provides complex asset management services. He has been a Director of Generali since April 2007 and Director of Generali PPF Holding B.V. (joint venture between Generali and PPF) since January 2008. He was Chairman of the Board of Directors of PPF a.s. from 1998 until March 2007, and a member of the Supervisory Board of Česká pojišťovna a.s. from 2000 to 2006.

**Angelo MIGLIETTA** was born in Casale Monferrato (Alessandria) on 21 October 1961. After obtaining an honours degree in Business Administration from the Bocconi University, he completed his marketing and strategy studies at Stanford University. He is a chartered accountant and auditor, and Full Professor of Business Administration (Corporate Finance) at the Turin University Law Faculty. He is the Secretary-General of the Cassa di Risparmio di Torino Foundation, and has been appointed to the Boards of Directors and Statutory Auditors of several listed and unlisted companies. He is the author of numerous studies and publications on economics, management and finance. He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

**Alessandro PEDERSOLI** was born in Naples on 24 April 1929. He graduated in Law and practises as a civil lawyer specialising in business and company law in Milan. He was appointed a Member of the Board of Directors of Generali in 2003. Currently, he is also a member of the Supervisory Board of UBI Banca S.c.p.A., and a Director of Effe 2005 Gruppo Feltrinelli S.p.A.

**Lorenzo PELLICOLI** was born in Alzano Lombardo (BG) on 29 July 1951. He began his career in the field of journalism and television, and in 1984 joined the Mondadori Espresso Group, where he was soon appointed to top management positions. He then moved to the Costa Crociere Group, where from 1990 to 1997 he was first Chairman and Managing Director of Costa Cruise Lines and Compagnie Française de Croisières, and then Worldwide General Manager of Costa Crociere S.p.A. After holding the position of Managing Director of SEAT Pagine Gialle S.p.A., he has been Managing Director of De Agostini S.p.A. since 2005: in that Group he is now also Chairman and member of the Executive Committee of Lottomatica S.p.A. and Chairman of the Board of Directors of DeA Capital S.p.A.. He is also Chairman of the Board of Directors of Zodiak Media and a member of the Board of Directors of B&D Holding di Marco Drago & C. S.A.P.A.. In the past he has also been a director of ENEL, INA and Toro Assicurazioni and a member of the Advisory Board of Lehman Brothers Merchant Banking. He has been a Director of Generali since April 2007.

**Reinfried Helmut POHL** was born in Marburg (Germany) on 2 November 1959. After completing his studies in humanities and economics, he embarked on a business career in 1984 in his father's company, Deutsche Vermögensberatung AG, of which he is general power of attorney holder. He is a director of several companies operating in the banking and insurance fields (including subsidiaries Deutsche Bausparkasse Badenia, Generali Holding Vienna AG and AM Lebensversicherung AG) and Advocard Rechtsschutzversicherung AG. He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

**Paola SAPIENZA** was born in Catania on 19 March 1965. After graduating in Political Economics from the Bocconi University in Milan, she continued her studies at Harvard University, obtaining a master's degree and a doctorate in economics. After working in the Studies Department of the Bank of Italy, she pursued an academic career in the USA, culminating in her present post as Full Professor of Finance at the Kellogg School of Management at Northwestern University. Her specialist fields, in which she has written numerous publications, include corporate governance, business finance and banking economics. She has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

**Paolo SCARONI** was born in Vicenza on 28 November 1946. He graduated in Economics and Business from the Bocconi University in Milan, and obtained a Master's Degree in Business Administration from Columbia University in New York. He began his career with business consultants McKinsey, and then joined the Saint Gobain Group, where he held various managerial positions in Italy and abroad. He was Vice-Chairman and Managing Director of Techint until 1996, and the same year was appointed Managing Director of Pilkington, which position he held until 2002. He was Managing Director and General Manager of ENEL from 2002 to 2005, and is now Managing Director of ENI, Director of the Teatro alla Scala Foundation, and a member of the Board of Overseers of the Columbia Business School in New York. He is also a member of the Board of Directors of the London Stock Exchange. He has been a Director of Generali since April 2007. In 2003 he was awarded the title of *Cavaliere del Lavoro* and in November 2007 he was awarded the title of Officer of the Legion of Honour.

**Francesco SAVERIO VINCI** was born in Milan on 10 November 1962. After graduating in Business Administration from Bocconi University, Milan, he joined Mediobanca in 1987, holding positions of increasing responsibility until his

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current appointment as Director and member of the Executive Committee. He is also a member of the Boards of Directors of other companies, including Compagnie Monegasque de Banque, Banca Esperia, Perseo S.p.A., Italmobiliare and Selmabipemme Leasing S.p.A., and Vice-Chairman of Mediobanca Securities USA. He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

The Secretary of the Board of Directors is Mr. Antonio Scala.

In compliance with the provisions of the Code, Directors act and decide independently, having full knowledge of the issues for which they are responsible, and pursue the objective of creating value for shareholders.

Directors accept their appointment when they deem that they can devote the necessary time to diligent performance of their duties.

Directors are required to know the duties and responsibilities associated with their function. The Chairman and the executive directors shall take steps to keep the Board informed of the main statutory and regulatory innovations concerning the company and the governing bodies and events on the international economic scene which may have significant repercussions on the Group's business. To this end, they shall avail themselves of the collaboration of other Directors and of the Secretary to the Board of Directors.

The Directors' knowledge of corporate and group dynamics and situations is promoted by invitations to attend meetings of the governing bodies of the Company and the Group. The management intends to further develop this practice, which has already been in use for some time. Workshops for members of the Board of Directors on specific subjects, such as the new Solvency II Directive and the related parties legislation, were organised in 2010, with the support of the Company's executives working in that field, to provide a more complete picture of the new legislative scenarios

The Company has passed a Regulation on the functioning of its administrative bodies. The said provision regulates the Board of Directors' activities and states, within the framework of an internal legal document, the rights, duties, powers and liabilities of the Company's directors in relation to the actions taken by them within the governing bodies.

Furthermore, this framework regulates the administrative body's make-up, the Directors' appointment, their remuneration, the relevance of their interests within the process of creation of the Company's policies, transactions with related parties, the Independent Directors' role, handling of corporate information, and the creation and functioning of Board Committees and of the internal control system.

At least once a year, usually when the Corporate Governance and Share Ownership Report is approved, the members of the Board of Directors and Board of Statutory Auditors discuss the efficacy of the Regulations governing the operation of the Board of Directors, and the concrete implementation of the corporate governance rules laid down by the Code, passing any necessary resolutions.

Following the adoption of the current edition of the Code, the Board officially launched its self-assessment process.

In particular, on the proposal of the Corporate Governance Committee, the Board of Directors instructed the Internal Control Committee to perform the necessary preparation for a Board evaluation.

A questionnaire, divided into three survey areas (Sub-committees, Organisation and Operation of the Board, Size and Composition of the Board), was drawn up for this purpose in 2010, and sent to all Directors after approval by the Internal Control Committee.

The Committee drew up an executive summary of the results of the study, conducted by means of a questionnaire circulated to Directors, which was submitted to the Board of Directors.

A reasonable level of satisfaction with the self-assessment process thus effected emerged, especially as regards the size and composition of the Board and its efficient operation. The process in question has been reflected and substantiated in a specific report, which concluded with a favourable opinion of the size, composition and functioning of the Board and its Committees, and of the adequacy and efficacy of the Regulations governing the operation of the Board of Directors.

In 2011, the self-assessment process will be conducted by different procedures from those described above which were used in earlier years: the Board of Directors has resolved, on the proposal of the Internal Control Committee, to instruct a leading firm of consultants to assess the size, composition and functioning of the Board and its Committees. The results will be presented to the Board of Directors at a future Board meeting. The results of the assessment will be illustrated in the next update of the Corporate Governance and Share Ownership Report.

## Non-executive and independent directors

The Board is currently made up of eight directors who, according to the terms of the Code, are to be considered executive directors (three of whom are independent), and ten non-executive directors, seven of whom are independent as defined by the Self-Regulatory Code<sup>19</sup>.

At the meeting held on 24 April 2010, on the occasion of the renewal of the Board of Directors, the Company made the latest assessment of the independence of the Members of the Board of Directors, also applying all the criteria laid down by the Code in this case.

The number of non-executive and independent directors is therefore sufficient to ensure that their judgement has a decisive influence on the Board's decision-making.

Non-executive directors bring their specific expertise to the Company's activities and to Board debates, providing their institutionally-required contribution to the drafting and passing of resolutions in line with the Company's interests.

<sup>19</sup> The following are classed as executive directors according to Application Criterion 2.C.1:

- the managing directors of the issuer or a subsidiary with strategic importance, including their Chairmen if individual powers of management are granted to them or they play a specific role in the design of company strategies;
- directors who hold managerial positions in the issuer or in a subsidiary with strategic importance, or in the controlling company if the position also relates to the issuer;
- directors who are members of the issuer's Executive Committee if no Managing Director has been appointed or attendance at meetings of the Executive Committee, in view of the frequency of its meetings and the subject of its resolutions, in practice entails systematic involvement of its members in the issuer's day-to-day management.

The grant of emergency powers only to directors not holding managerial powers does not in itself make them executive directors, unless those powers are used very often in practice.

The Code recommends that an appropriate number of "non-executive" Directors should be "independent", so that they can better guarantee an autonomous judgement and free appraisal of the management's activities, especially in connection with the most delicate issues and situations potentially leading to conflict of interests, with a view to securing the best possible protection of all shareholders.

According to criterion 3.C.1. of the Code of Conduct, a director is not usually classed as independent in the following cases, to be considered merely as an example:

- a) if he/she controls the issuer, directly or indirectly, including through subsidiaries, trustees or a third party, or is able to exercise dominant influence over the issuer, or participates in a shareholders' agreement through which one or more persons may exercise control or considerable influence over the issuer;
- b) if he/she is, or has been in the preceding three financial years, a leading representative of the issuer, of a subsidiary having strategic importance or of a company or entity controlling the issuer or able to exercise considerable influence over it, including jointly with others through a shareholders' agreement;
- c) if he/she has, or had in the preceding financial year, directly or indirectly (e.g. through subsidiaries or companies of which he/she is a leading representative, or in the capacity of partner in a professional firm or a consulting company) a significant commercial, financial or professional relationship:
  - with the issuer, one of its subsidiaries, or any of its leading representatives;
  - with a party who controls the issuer, jointly with others through a shareholders' agreement or, in case of a company or an entity, with any of the leading representatives;or is, or has been in the preceding three financial years, an employee of the above-mentioned parties;
- d) if he/she receives, or has received in the preceding three financial years, from the issuer or a subsidiary or holding company of the issuer, significant additional remuneration compared with the "fixed" remuneration as non-executive director of the issuer, including participation in incentive plans linked to the company's performance, such as stock option plans;
- e) if he/she was a director of the issuer for more than nine of the last twelve years;
- f) if he/she is vested with the office of executive director in another company in which an executive director of the issuer holds the office of director;
- g) if he/she is a shareholder or director of a legal entity belonging to the same network as the company appointed to audit the accounts of the issuer;
- h) if he/she is a close relative of a person who is in any of the positions listed in the above paragraphs.

The presence of non-executive directors is considered crucial for appointments to the Internal Control Committee, the Committee for Evaluation of Relative Party Transactions and the Remuneration Committee, whose members must consist of directors with no delegated operational powers.

A further concept of independent director<sup>20</sup> has been introduced into the legislation amended by the Savings Act. The absence of this requisite (as indicated above) entails forfeiture of the office. A check was made on the basis of this concept to establish that the independence requirement was met. Nearly all directors met the definitions of independence contained in both s. 147-ter of the CFBA and the Self-Regulatory Code. The only exceptions are Vincent Bolloré, who is classed as independent according to the CFBA definition but as non-independent according to the parameters of the Self-Regulatory Code, and Angelo Miglietta, who is in the opposite position, being classed as non-independent according to s. 147-ter of the CFBA but independent on the basis of the Self-Regulatory Code. Angelo Miglietta is a member of the Board of Directors of subsidiary Banca Generali.

The Code of Conduct states that the status of “*independent Director*”, must be assessed by the Board on a regular basis, taking into account the information provided by the individuals concerned, and that the Board of Directors shall evaluate the existence of that requirement “*having regard more to the contents than to the form*”.

The Board of Statutory Auditors must assess the correct application of the criteria adopted by the Board of Directors and of the control procedures used by the said Board to assess the Directors’ independence.

On the occasion of the Board of Directors’ renewal, which took place during the General Meeting held on 24 April 2010, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board of Directors to assess its members’ independence.

A meeting of the Independent Directors was held on 22 February 2011. They discussed a number of topics relating to the operation of the Company’s governing bodies and its organisational and managerial aspects. A detailed report on the outcome of this meeting was provided to the Board of Directors at its next meeting, so that it could perform the necessary evaluations. The possibility of appointing a lead independent director was not discussed at that meeting.

The average attendance of Independent Directors at meetings of the Board was 81.82% in 2008, 79% in 2009 and 77% in 2010. For more details, see Table 1 containing individual attendance information for each Director.

## Remuneration of Directors and executives with strategic responsibilities

In view of the principles and application criteria laid down in art. 7 of the Self-Regulatory Code (in the new text approved by the Corporate Governance Committee in March 2010), as from this year, the general policy for the remuneration of Directors and key management personnel will be illustrated in a specific Report approved by the Board of Directors on the proposal of the Remuneration Committee, which will be presented to Shareholders at the General Meeting held on 30 April 2011. The Report will be published on the Company’s website ([www.generali.com](http://www.generali.com)), in the *Investor Relations – 2011 General Meeting* section.

<sup>20</sup> Pursuant to s. 147-ter. 4 of the CFBA, at least one member of the Board of Directors, or two if the governing body has more than seven members, shall meet the independence requirements established for Internal Auditors by s. 148.3 of the CFBA and, if the Articles of Association so provide, the further requirements laid down in the Codes of Conduct drawn up by the management companies of regulated markets or by trade associations. S. 148.3 of the CFBA states that the following parties may not be elected as Internal Auditors and, if elected, shall be debarred from holding office:

- a) those in the conditions specified in s. 2382 of the Italian Civil Code;
- b) the spouse, relations and in-laws up to the fourth degree of kinship of the company’s directors, and the directors, spouse, relations and in-laws up to the fourth degree of kinship of the companies controlled by it, its controlling companies and companies subject to joint control;
- c) those who are linked to the company or its subsidiaries or controlling companies or companies subject to joint control or to directors of the company and the parties specified in paragraph b) by a relationship of employment or self-employment or other monetary or professional relationship which undermines their independence.

An independent director who loses the independence requirements after appointment shall immediately notify the Board of Directors, and shall in any event be debarred from holding office.



Pending the definition of the legislative scenario associated with the implementation of Legislative Decree no. 259 of 30 December 2010, the said Remuneration Report is annexed as a Schedule to the Corporate Governance and Share Ownership Report, of which it constitutes an integral part.

In view of the factors described above, all the information relating to remuneration required to be set out in the Corporate Governance and Share Ownership Report, including the information specified by s. 123-*bis* of the CFBA, is contained in the said Schedule.

## D&O insurance policy to cover the third-party liability of members of the Company's governing bodies

In line with the best practice on the most progressive financial markets, and having regard to the characteristic features of the business of the Company and the Group, the General Meeting held on 24 April 2010 resolved:

- 1) that the Company should pay any compensation deriving from liability towards third parties for prejudicial acts performed by the Directors and Statutory Auditors in the exercise of their functions, excluding cases of fraud and wilful misconduct, up to the maximum cover limit of € 100 million;
- 2) to authorise the Board of Directors to take out an insurance policy to cover the third-party liability of the Company's Directors and Statutory auditors (Directors' and Officers' Liability Insurance - D&O), broadly on the following terms:
  - a) duration: 12 months, renewable from year to year until revoked by the General Meeting;
  - b) maximum cover: € 100 million per claim, by way of annual aggregate, and per period of cover;
  - c) exclusion of insurance cover for cases of fraud or wilful misconduct;
  - d) annual premium: approximately € 1.5 million.

The widest powers were granted to Managing Director Sergio Balbinot to implement the resolution passed by the General Meeting, including power to renew the said policy on the best market terms on its expiry, provided that the annual premium should not exceed 30% of the last annual premium paid, after the usual revaluations and the necessary updating of the cover.

## Handling of confidential and inside information

Following the adoption of the regulation implementing the new legislation on market abuse, the Board of Directors meeting held on 28 February 2006 updated the contents of the regulation on the handling of confidential and inside information as well as a regulation on keeping the Register of Persons who have access to inside information, in line with the obligations laid down in the CFBA.

The characteristic features of the Regulation on the handling of confidential and inside information, a summary of which can be found in the Governance section of the website [www.generali.com](http://www.generali.com), are:

- definition of the concepts of confidential<sup>21</sup> and inside<sup>22</sup> information;

21 Confidential information means accurate information directly or indirectly concerning the Company or the Subsidiary Companies, which is not in the public domain, and whose dissemination was not allowed by the appropriate administrative body or by the heads of company departments involved in its handling.

22 Inside information means accurate information, which has not been made public, directly concerning the Company or the Subsidiary Companies, and which, if made public, might considerably affect the prices of the financial instruments issued by the Company.

Information is regarded as accurate if:

- It refers to a mix of circumstances which exist or which may reasonably and foreseeably come into existence or to an event which has occurred or which may reasonably and foreseeably occur;
- It is sufficiently specific to allow conclusions to be drawn on the possible impact of that mix of circumstances or of the said event on the prices of the financial instruments issued by the Company.

Information which, if made public, might considerably affect the prices of the financial instruments means information which a sensible investor would presumably use as one of the elements on which his/her investment decisions are based.



- identification of personnel obliged to comply with these regulations;
- definition of procedures for handling confidential and inside information.

The corporate representatives, i.e. directors, Statutory Auditors and employees of the Company and its subsidiary companies as well as those on whom Generali, the Subsidiary Companies or even third parties have conferred professional, service or equivalent responsibilities that have led them to acquire inside information on the Company, shall maintain maximum discretion on the confidential information they acquire in the performance of their corporate or professional duties.

The said parties having access on a regular or occasional basis to inside information are entered in an appropriate register, set up and kept according to the legislation and regulations in force. In order to ensure proper keeping of the register and the information it contains, the Company has adopted internal procedures which, according to specific criteria, are aimed at ensuring efficient, effective management of the information and data contained in the register<sup>23</sup>.

The Regulation in question is aimed at safeguarding the effectiveness of the principle of equal treatment of inside information towards the market and ensuring that its disclosure outside the Company and/or subsidiary companies is handled promptly, completely and adequately, without causing information asymmetries among the public.

To this end, Generali has established its policies on circulating and monitoring inside information<sup>24</sup>. When handling confidential information, corporate representatives are required to use any type of precaution that allows such information to be disclosed within the Company, the subsidiary companies and/or in the relationships between the latter, without prejudice to its own specific nature.

Institutional communications are dealt with by the Chairman, while operational communications are headed by the Managing Director and Group CEO. Relations with financial analysts and institutional investors are coordinated by the Company's Managing Director and Group CEO, through the General Manager and Chief Financial Officer, and conducted through the Investor Relations Department.

## Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, atypical or unusual transactions

The Guidelines adopted by Generali's Board of Directors on 9 November 2006 were updated after the Board of Directors resolved on a new corporate governance structure on 24 April 2010. They continue to formalise some rules designed to ensure compliance by the Company with the principle of substantive and procedural correctness in the performance, by the Company and its subsidiaries, of transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, including atypical or unusual transactions.

<sup>23</sup> In the case of gradually developing company operations (or of other situations, events or circumstances with similar pre-requisites), although the information on them does not yet meet the legal requirements for inside information but may do so in the future, the persons having access to it are promptly entered in the register, so that there is conclusive evidence that such registration was performed before the conditions for becoming inside information applied.

<sup>24</sup> In this area, it has also been established that:

- Inside information can only be accessed by corporate representatives who are obliged to access it in the pursuance of their management or work duties, or in the pursuance of their profession, function or office;
- during their normal working and/or professional activities or their functions or tasks, corporate representatives having inside information and, at any rate, persons acting in the name and on behalf of the Company and/or of subsidiary companies shall adopt appropriate behaviour to safeguard the confidentiality of the information handled by them, according to the procedures laid down by the Company;
- in particular, corporate representatives must not disclose such inside information to other parties who are not, in turn, obliged to comply with the privacy obligation applicable to those who have access to inside information, according to the legislation, regulations, Articles of Association or contractual sources;
- corporate representatives having access to inside information must be fully informed of the ethical and legal obligations binding upon them as well as the criminal, administrative, civil and disciplinary sanctions provided for in case of abuse or unauthorised disclosure of information.

In this context, attention focused on establishing the terms and procedures for management of information flows to the Company's governing bodies (which are necessary to perform the activities falling within their jurisdiction) and to the public (to provide it with a prompt, complete picture of the Company's business trends).

"Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position" include the management operations reserved for the Board of Directors in compliance with the law, the Company's Articles of Association or other resolutions passed by the Board, as well as the further transactions listed hereunder, even if they are carried out through subsidiary companies:

- 1) the issue of financial instruments amounting to a total sum higher than € 500 million;
- 2) the grant of loans and guarantees, also amounting to a total sum higher than € 500 million;
- 3) transactions regarding the provision of activities or services, cooperation agreements for the exercise and development of corporate activities, amounting to a total sum higher than Euro 500 million;
- 4) costs, even if included in the budget, amounting to over € 200 million;
- 5) mergers or demergers whereby the total assets of the incorporated (merged) company or the divided assets amount to or exceed 3% of the total assets recorded by Generali in its latest consolidated financial statement;
- 6) investment and disinvestment transactions, including those regarding real property, operations of purchase and sale of shareholdings, companies or Company branches, or assets of any kind, on the occasion of which the price of the Company (or company branch or assets) bought (or sold) amounts to or exceeds 2% of the average capitalisation recorded over the past six months by Generali shares.

Mergers and takeovers between listed companies, mergers between a listed company and an unlisted company, and takeovers of a listed Company by an unlisted company have also been included in the category of transactions having a significant impact on the Company's profitability, assets and liabilities or financial position.

Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position can bypass the examination of the Board of Directors if they present the following features, even though their subject and value correspond to one of the categories described above:

- they are carried out under market conditions, i.e. under the same conditions as applied to parties other than related parties;
- they are typical or usual, i.e. on the basis of their subject, nature, degree of risk and time of performance are among the ordinary operations of the Company;
- they are carried out by subsidiaries which, directly or indirectly, are entirely controlled by the Company.

In any event, the said transactions must be brought to the notice of the Board of Directors at the meeting immediately following their completion.

"Atypical or unusual transactions" means operations which, in view of their subject and nature, are not included among the ordinary operations of the Company, and those presenting particular elements of criticality connected with their features and inherent risks, the nature of the other party, or the time when they are carried out.

This type of transaction normally falls under the sole jurisdiction of the Board of Directors, apart from those listed hereunder:

- transactions not exceeding a total of € 100 million;
- transactions that merely implement corporate initiatives already included among the resolutions previously passed by the Board;
- the purchase and/or sale of real estate rights involving the use of free assets amounting to under € 50 million.

With a view to allowing the Board of Directors and, under certain circumstances, the Internal Control Committee, to obtain all the information required to make their respective decisions and assessments, the Chairman of the Board of Directors undertakes to illustrate all transactions still awaiting approval and/or examination to Board members and, under certain circumstances, to the members of the Internal Control Committee, through ad-hoc reports, which shall be available in advance to the said members and which will describe the following factors:

- a) the features, terms and conditions of the transaction;

- b) the strategic objectives of the transaction;
- c) the consistency of the objectives with corporate strategies;
- d) the methods, as well as the terms and conditions – including economic ones – of their implementation;
- e) the possible developments of the transactions; any connected risks shall be highlighted;
- f) the possible consequences and implications of the transaction for the activities of Generali Group.

Pursuant to article 150 of Legislative Decree 58, 24 February 1998 and article 35 of the Company's Articles of Association, the Board of Directors shall report promptly and at least every three months to the Board of Statutory Auditors on the activities carried out, in particular:

- on transactions having a significant impact on the Company's profitability, assets and liabilities or financial position;
- on transactions in which Directors have an interest, on their own account or on behalf of a third party.

The said disclosure to the Board of Statutory Auditors is made at the meetings of the Board of Directors or, when necessary, directly or at the meetings of the Executive Committee.

Those reports concern not only the executive activities and the developments of the transactions that have already been approved by the Board of Directors, but also the initiatives taken by the representative bodies – including through subsidiary companies – while exercising the powers assigned to them, together with the decisions taken and projects started.

## Related Party Transaction Procedures

At its meeting held on 11 November 2010, the Board of Directors adopted the new Related Party Transaction Procedures to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness.

The procedures in question were prepared in compliance with the terms of s. 2391-*bis* of the Civil Code and Consob Regulation no. 17221 of 12 March 2010, which implements the statutory provisions.

The Procedures make a distinction between operations of minor and major importance, imposing stricter rules for the latter in terms of the decision-making process as well as transparency towards the market. For both types of operation, the Procedures state that a committee of Independent Directors (the **Committee for Evaluation of Related Party Transactions**) shall assess whether the Company has an interest in performing the operation, and evaluate the benefits and substantive correctness of its terms. The opinion given by the Independent Directors is binding for all operations of major importance, and those of minor importance which exceed given value threshold.

Certain types of operations are specified for which the decision-making process accompanied by the opinion of the Independent Directors need not be activated. These are operations deemed unlikely to prejudice the interests protected by the regulations, which are specifically indicated.

The Procedures apply not only to Related Party Transactions performed directly by Assicurazioni Generali, but also to those performed by its subsidiaries.

The full text of the Procedures can be viewed in the Governance section of the Company's website ([www.generali.com](http://www.generali.com)).

The new Company regulations also meet the requirements laid down in principle 9 of the Self-Regulatory Code.

## Internal dealing regulations

In addition to and by way of completion of the legislation governing this subject, Generali has approved a Regulation<sup>25</sup> on internal dealing, identifying:

1. the relevant subjects (or internal dealers) in the Company;
2. relevant transactions;
3. and the Data Processor.

The internal dealer category includes the following subjects:

- a) Directors of the Company issuing listed securities;
- b) members of the Company's Board of Statutory Auditors;
- c) its General Managers and Deputy General Managers;
- d) its Assistant General Managers.

Relevant transactions are those performed by the internal dealers or by persons closely related to them<sup>26</sup>, concerning the purchase, sale, subscription or exchange of relevant financial instruments, for an amount which may be added to that of other operations performed in the same reference period (i.e. the period of twelve months starting from the performance of one or more non-relevant transactions) and not previously communicated, which is equal to or greater than Euro 5,000.00.

Relevant financial instruments:

- Shares;
- Shares of listed subsidiary companies;
- Financial Instruments linked to Shares;
- Financial Instruments linked to the Shares of listed subsidiary companies.

The Regulation identifies the Data Processor responsible for keeping the Register of persons with access to inside information as the Head of the Group General Secretariat and Corporate Affairs Department, who is the head of the department which manages the receipt of communications by relevant Subjects and their prompt transmission to Consob and the market, with the cooperation of the Head of the Group Communication Department and the Investor Relations Department.

The relevant subjects shall notify the Data Processor of relevant transactions performed by them by the third Stock Exchange trading day after the day on which the operation was performed, by sending the appropriate form prepared by Consob, using suitable electronic methods.

The Data Processor, together with the Head of the Group Communication Department, announces relevant transactions by means of a press release to Consob and the market, through the NIS (Network Information System), and to two news agencies, by the end of the trading day after the date on which they were received. This announcement is also made available to the public on the Company's website, which also contains the full text of the Regulation.

Furthermore, the Regulation provides for a series of blocking periods, during which internal dealers are expressly forbidden to carry out the above operations; these periods are generally close to major corporate events.

<sup>25</sup> This Regulation took effect on 1 April 2006.

<sup>26</sup> They are as follows: spouse, unless legally separated, dependent children, including those of the spouse, and, if cohabiting for at least one year, parents, relatives and in-laws of the relevant Subjects, legal persons, partnerships and trusts in which a relevant Subject or one of the said persons closely related to him/her holds the management function, jointly or severally, legal persons directly or indirectly controlled by a relevant Subject or by one of the said persons closely related to him/her, partnerships whose economic interests basically coincide with those of a relevant Subject or one of the said persons closely related to him/her, and trusts set up for the benefit of a relevant Subject or one of the said persons closely related to him/her.

The following operations are not relevant for the purposes of this Regulation:

- transactions for an overall amount of under Euro 5,000.00 within the reference period;
- transactions between relevant Subjects or persons closely related to them;
- transactions conducted by the Company and its subsidiary companies.

## Chairman and Vice-Chairmen of the Board of Directors

### Chairman

The Board of Directors appoints a Chairman from among its members. The Chairman is selected from candidates who meet the specific professional requirements required of the other Board members<sup>27</sup>.

The Chairman acts as authorised representative of the Company, through joint signature with another authorised representative in the Company's name<sup>28</sup>.

In addition to the functions assigned to him by law, the Chairman chairs the General Meetings, in compliance with the provisions of the specific By-laws. Furthermore, the Chairman convenes and presides over the General Council, the Board of Directors and the Executive Committee; sets the agenda, directs, coordinates and moderates the proceedings and announces the results of their resolutions.

Moreover, with the cooperation of the Secretary of the Board of Directors and in accordance with the Regulation on the operation of the Company's administrative bodies, he ensures that adequate information about the items on the agenda of each meeting is given to all Directors with suitable notice. In particular, if the subjects under discussion relate to ordinary business, the corresponding documents, if available, are normally sent within four working days. If that is impossible for exceptional reasons, the Chairman ensures that Directors are informed as quickly and comprehensively as possible of the contents of any proposals on the Agenda relating to particularly significant operations.

The Board of Directors has granted the following powers to Cesare Geronzi, in his capacity as Chairman of the Board of Directors, in addition to the powers to which he is entitled pursuant to s. 2381 of the Civil Code and the other applicable statutory and regulatory provisions, and in accordance with the terms of art. 32 of the Company's Articles of Association:

- a) to supervise the accurate implementation of the resolutions passed by the Board of Directors and the Executive Committee and the Company's strategies;
- b) to ensure that the management of the Company's business complies with its strategic guidelines;
- c) to examine in advance the report and/or documentation relating to each proposed resolution to be submitted to the Board of Directors and the Executive Committee;
- d) to supervise relations with national or supranational public institutional bodies, shareholders and representative associations, and the Company's external relations;
- e) to promote, establish and coordinate the Company's communication strategies and supervise policies relating to the image of the Group in Italy and abroad.

<sup>27</sup> This entails performing management, direction or control activities in companies or bodies of the insurance, credit or finance sectors having a company share capital of not less than 500 million lire for a period of at least three years, or the performance, for at least the same period, of professional activities relating to the insurance, credit or finance sectors, or university teaching of legal, economic or actuarial subjects.

<sup>28</sup> The Chairman, Vice-Chairmen, Managing Directors, other members of the Board, General Managers and Deputy General Managers appointed to the Central Head Office act as authorised representatives of the Company for all the Company's business.

The General Manager and Deputy General Managers appointed to the Head Office for Italy act as authorised representatives of the Company for the business of the said Head Office.

Lastly, the other managers of the Company act as authorised representatives of the Company, within the province assigned to them.

The legal representation of the Company is expressed by appending the signature of two authorised representatives beneath the Company's name.

The Chairman, the Vice-Chairmen when replacing the Chairman who is absent or prevented from acting, the Managing Directors, the General Managers and the Deputy General Managers appointed to the Central Head Office may sign jointly among themselves or with another Member of the Board, or with the General Manager, or with the Deputy General Managers appointed to the Head Office for Italy, or with one of the other managers of the Company. In this case, the latter also act as authorised representatives of the Company for business not included in the province assigned to them. Managers may sign jointly among themselves, provided that at least one of them is acting within the province assigned to them. The other members of the Board may not sign jointly among themselves, nor with the General Manager and the Deputy General Managers appointed to the Head Office for Italy, nor with any of the other managers of the Company.

The competent governing body can further limit the subject and scope of the power to represent the Company assigned to the managers of the Company. The said body can also assign the power to represent the Company to other employees or third parties, by granting special or general powers of attorney for single actions or types of actions.

The responsibilities of the Chairman of the Board of Directors include the management of functions concerning external relations, Group communications and institutional relations, liaising with the Managing Directors who are responsible for communication as regards operational aspects in the areas for which each one is responsible.

## Vice-Chairmen

The Board of Directors elects one or more Vice-Chairmen from among its Members, who shall replace the Chairman in case of the latter being absent or prevented from performing his office. If there is more than one Vice-Chairman, the one who also holds the office of Managing Director shall act as Deputy Chairman; if none of them holds the office of Managing Director, the oldest one shall replace the Chairman.

Like the Chairman, the Vice-Chairman holds the office of Member of the Executive Committee by right, in accordance with the Articles of Association.

The Board of Directors which met after the General Meeting held on 24 April 2010 resolved to appoint as Vice-Chairmen Francesco Gaetano Caltagirone (who acts as Deputy Chairman pursuant to art. 33.2 of the Company's Articles of Association), Vincent Bolloré and Alberto Nicola Nagel.

## Executive Committee

The Board may appoint from among its members an Executive Committee to which it delegates certain powers in accordance with regulations and the Articles of Association, within the limits of the law. At all events, the said delegations of powers shall never deprive the Board of Directors of its fundamental faculties.

The Executive Committee consists of the Chairman of the Board of Directors, who shall preside over it, the Vice-Chairman or Vice-Chairmen, and not less than 4 or more than 7 Board members, who shall include the Managing Directors should any have been appointed. The Executive Committee, with delegated powers, is currently made up as follows:

### Executive Committee

Office	First name, last name
• Chairman	Cesare Geronzi
• Vice-chairman	Francesco Gaetano Caltagirone
• Vice-chairman	Vincent Bolloré
• Vice-chairman	Alberto Nicola Nagel
• Managing Director and Group Chief Executive Officer	Giovanni Perissinotto
• Managing Director	Sergio Balbinot
• Independent Director	Angelo Miglietta
• Independent Director	Lorenzo Pellicoli

As stated, Leonardo Del Vecchio resigned his directorship on 21 February 2011. With the approval of the Board of Statutory Auditors, the Board of Directors decided, at its meeting held on 23 February 2011, to postpone to a subsequent meeting all resolutions relating to the replacement of outgoing director Leonardo Del Vecchio (including those relating to the position held by him on the Executive Committee) or, alternatively, to refer all decisions on the subject to the General Meeting held in April.

The Board of Directors, in its meeting of 16 March 2011, designated, effective that date, Prof. Miglietta as a member of the Executive Committee. He replaces Mr. Del Vecchio, who had resigned on 21 February 2011.

The Secretary of the Board of Directors, Mr. Antonio Scala, also acts as Secretary of the Executive Committee.

The members of the Executive Committee shall be selected from among candidates meeting the same professional and competency requirements as established for the office of Chairman.

The members of the Executive Committee shall also remain in office for three years. Their mandate will thus last until the date of the meeting held to approve the financial statements for the financial year ending on 31 December 2012.

Notwithstanding the powers assigned exclusively to the Board of Directors and those which the Board has reserved for itself, as listed above, the serving Executive Committee is delegated the power to:

- to examine in advance, on the proposal of the Managing Director and Group CEO, the plans, budgets and strategic operations to be submitted for examination and approval by the Board of Directors;
- to monitor the performance of the plans, budget and strategic operations approved by the Board of Directors;
- to examine and approve, on the proposal of the Managing Director and Group CEO, the general organisation of Assicurazioni Generali and the Group established by the Managing Director and Group CEO;
- to resolve, on the proposal of the Managing Director and Group CEO, on operations and deeds of disposal which exceed the limits of the powers granted to Executive Directors, without prejudice to the powers reserved for the Board of Directors;
- to appoint, on the proposal of the Managing Director and Group CEO, the Chairmen, Executive Directors and General Managers (or members of the top management who hold equivalent positions) of subsidiaries with strategic importance, also formulating proposals relating to the revocation of their office and to their remuneration;
- to approve the signature of shareholders' agreements of particular strategic importance relating to holdings in the capital of listed Italian and/or foreign companies;
- to ratify the decisions taken by the CEO, on the ground of necessity or urgency, insofar as they exceed the limits of the powers delegated to him;
- to pass, on the proposal of the Managing Director and Group CEO, when there is an urgent need to protect the interests of the Company or the Group, any other resolution which would otherwise be the province of the Board of Directors, excluding those referred to in ss. 2420-ter (*Delegation to directors*), 2423 (*Drafting of financial statements*), 2443 (*Delegation to directors*), 2446 (*Reduction of share capital due to losses*), 2447 (*Reduction of share capital below the statutory limit*), 2501-ter (*Merger Plan*) and 2506-bis (*Demerger Plan*) of the Civil Code, in compliance with the provisions governing major economic, financial and capital operations with related, parties, atypical or unusual operations;
- to grant general and special authorisations for the performance of its resolutions.

Significant transactions performed to implement the delegated power shall be reported by the Executive Committee to the Board of Directors at its first meeting after the exercise of the delegated powers, without prejudice to the validity of the actions performed in any event.

Members of the Executive Committee receive an attendance fee of € 4,000 per meeting, a fixed fee (€ 200,000 for the Chairman and a 50% increase on the gross annual salary for directorships held by the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

Average meeting attendance of Executive Committee members was 92.86% at the meetings held in 2009, and 100% at all meetings held in 2010. (See Table 2, containing attendance information for each member of the Executive Committee).

## Managing Directors

The Board may appoint from among its members one or more Managing Directors, defining their powers. Managing Directors must be selected from candidates complying with the same criteria of professionalism and competence as required for the office of Chairman <sup>(29)</sup>.

Starting from 2004, Managing Directors shall remain in office for three years. Their mandate will thus last until the date of the meeting held to approve the financial statements for the financial year ending on 31 December 2012.

The Managing Directors in office are also Members of the Executive Committee by right.

At its meeting on 24 April 2010, the Board of Directors resolved to appoint Managing Director Giovanni Perissinotto as **Group CEO**, having regard to the delegated powers granted to him, which make him the person principally responsible for the management of the Company and the Group.

Giovanni Perissinotto, in his capacity as Managing Director and Group CEO, is responsible for the guidance and operational management of the Company and the Group, in Italy and abroad, with all powers of ordinary and extraordinary administration, in accordance with the general planning and strategic policies established by the Board of Directors and within the value limits specified below, without prejudice to the powers granted by legislation or the Articles of Association exclusively to other governing bodies of the Company or otherwise delegated by the Board of Directors.

Giovanni Perissinotto therefore has the following powers: the operational management of insurance business and the activities relating thereto in Italy, and supervision of insurance business abroad and reinsurance business in Italy and abroad, and the activities relating thereto; responsibility for activities involving strategic planning, management control, enterprise risk management and asset liability management, mergers and acquisitions and management of relevant shareholdings, and activities performed by the Group in the banking, financial and real estate sectors; responsibility for administrative, tax, legal and corporate affairs; responsibility for human resources and the organisation of work, coordination of information technology activities, management and coordination of the companies in the Group, and management of communication regarding operational aspects in the area for which he is responsible.

By way of example but not of limitation, the following powers are granted to Managing Director and Group CEO Giovanni Perissinotto for the purpose of performing the tasks allocated to him, provided that the quantitative and other limitations on the powers granted shall be considered as internal limits between the delegating body and the party to whom the powers are delegated:

- 1) to propose to the Board of Directors and/or the Executive Committee the adoption of measures in the field for which he is responsible;
- 2) to formulate proposals relating to the strategic policies, multi-annual plans and annual budgets of Assicurazioni Generali and the Group, to be submitted for examination and approval by the Board of Directors;
- 3) to issue directives for the drafting of the Company's financial statements; to prepare proposals for submission to the Board of Directors on the draft annual financial statements and consolidated financial statements and on the budget estimates;
- 4) to establish, after consulting Managing Director Sergio Balbinot for the area for which he is responsible, the general organisational system of Assicurazioni Generali and the Group, and submit it to the Executive Committee for examination and approval;
- 5) to ensure that the resolutions passed by the General Meeting, the Board of Directors and the Executive Committee are implemented;
- 6) as regards insurance and reinsurance business:

<sup>29</sup> For the office of General Manager or offices involving the exercise of equivalent functions, specific professional competence is required in the fields of insurance, credit or finance, consisting of experience in positions of appropriate responsibility for a period of no less than five years.



- a) to manage insurance business in Italy and supervise insurance management abroad and reinsurance management in Italy and abroad, and the activities relating thereto, and to take the appropriate decisions with respect thereto;
  - b) to supervise and guide the management of the Group's technical and actuarial activities;
  - c) to draft and approve the statements of the Company's Separate Internal Management Accounts and Internal Insurance funds and establish the proportion of participation in the yield of the Separate Internal Management Accounts, without prejudice to any more favourable contractual terms and/or clauses which provide for a minimum yield to be withheld by the Company;
- 7) as regards human resource management and organisation:
- a) to establish the human resource development and management policies and the associated incentive system, liaising with the Managing Director in the area for which he is responsible; to manage relations with trade unions and employers' associations, with power to sign agreements with them on the Company's behalf; to attempt conciliation, make settlements and sign the minutes relating to settlements;
  - b) with the exception of the powers granted exclusively to the Board of Directors pursuant to art. 35.2 of the Company's Articles of Association, to hire, promote, establish the duties, delegated powers, tasks and economic position of personnel of all grades of the Company in Italy, with the exception of executives with a grade higher than Director. As regards the said personnel: to take the necessary measures, authorise the grant of financial subsidies and leave of absence, arrange transfers and secondments, and take all precautionary and disciplinary measures including dismissal and establishing severance pay;
  - c) to determine, in accordance with the terms of arts. 42 and 43 of the Company's Articles of Association, the scope of the power of representation and company signature of executives with a grade not exceeding that of Director, and to grant the said power continuously to the Company's officers and revoke it;
  - d) to propose to the Executive Committee the appointment of the Chairmen, Managing Directors and General Managers (or members of the top management who hold equivalent positions) of the Company's subsidiaries with strategic importance, also formulating proposals relating to their remuneration; in the case of foreign subsidiaries operating in the insurance and/or reinsurance business, the nomination is made after consultation with Managing Director Sergio Balbinot; to nominate the members of the Boards of Directors and Board of Statutory Auditors of subsidiaries without strategic importance, after consulting Managing Director Sergio Balbinot in the case of those operating in the insurance industry abroad, and/or the reinsurance industry in Italy and abroad;
  - e) to propose to the Executive Committee the signature of shareholders' agreements of particular strategic importance relating to holdings in the capital of listed Italian and/or foreign companies;
  - f) to formulate proposals to the Remuneration Committee relating to the guidelines of the remuneration policy of the Company and the Group;
  - g) to ensure the application of the corporate governance rules of the Company and the Group;
- 8) as regards relevant shareholdings, pursuant to s. 4 of Legislative Decree no. 173 of 26 May 1997:
- a) to acquire and/or increase shareholdings (directly or indirectly and by subscription of rights issues) up to the value of € 100 million, if the Company's free assets are used; to authorise the waiver or assignment of stock options relating to rights issues in invested companies and the waiver of rights of pre-emption;
  - b) to approve rights issues by invested companies; to approve Company operations (such as mergers, demergers, contribution to capital of Company divisions, issue of bonds or subordinate loans, purchase of own shares, etc.) performed by controlled or invested companies with which shareholders' agreements relating to the matters in question have been entered into: all up to € 100 million, if the Company's free assets are used;
  - c) to approve operations involving the total or partial acquisition, increase or assignment of shareholdings (including subscription of rights issues and waiver of stock options on rights issues or rights of pre-emption) proposed by subsidiaries up to the value of € 100 million;
  - d) to approve amendments to the Articles of Association of invested companies;
  - e) to issue voting instructions for the General Meetings of controlled and invested companies;
- 9) as regards other operations:
- a) to approve issues of financial instruments up to a total value of € 100 million;
  - b) to approve the grant of loans and guarantees for amounts of up to € 100 million;
  - c) to approve operations relating to the performance of work and services, and cooperation agreements for the

- exercise and development of the Company's business, for amounts of up to € 100 million if the Company's free assets are used;
- d) to approve merger or demerger operations in relation to which the total assets of the company taken over (merged) or the assets demerged do not exceed € 100 million;
- e) to approve the acquisition and assignment of companies or company divisions and assets of all kinds for amounts of up to € 100 million, if the Company's free assets are used;
- 10) as regards management of real estate:
- a) to authorise the purchase and assignment of rights relating to real estate and grant of licences to use the same;
- b) to grant servient easements on the Company's real estate, with no value limits;
- c) to consent to the cancellation, reduction and restriction of mortgages and/or liens of any kind (with express power to identify the property to be cancelled for Land Registry and mortgage purposes) and deeds of subordination or subrogation; to consent to the cancellation of transcriptions and annotations, exonerating the Land Registrar and registrars of other offices from the responsibility to establish that the extinction has taken place or a corresponding reduction made in the debt claimed and/or that an authorising resolution has been passed by the appropriate body of the Company;
- d) for the operations referred to in the earlier paragraphs, the use of the Company's free assets is allowed for amounts of up to € 50 million;
- 11) as regards expenditure: with reference to the Company, to authorise compulsory expenditure with no limit on the amount, and other costs up to € 50 million per item;
- 12) as regards legal matters:
- a) to file suits and proceedings in courts and administrative tribunals, non-contentious proceedings and arbitration proceedings; to defend proceedings taken against the Company; to represent the Company in legal proceedings, both as Plaintiff and Defendant, before any authority, in any forum and at any level or stage of proceedings, and consequently in interlocutory, enforcement, appeal and cassation proceedings and arbitration proceedings, with all the corresponding powers, including power to conciliate and/or settle disputes, to sign arbitration agreements and compositions, to issue general and special powers of attorney *ad litem* and special powers of attorney pursuant to ss. 183 and 420 of the Civil Procedure Code to represent the Company in legal proceedings, including with power to conciliate or settle disputes, to waive and accept waivers of judicial documents, to issue declarations as garnishee, and to claim damages in criminal proceedings; to file and transfer complaints;
- b) to authorise payments of claims by third parties;
- 13) as regards service activities: to sign and terminate service contracting and/or outsourcing agreements relating to the performance of services for other companies in the Group;
- 14) Group management and coordination activities: to perform, within the guidelines established by the Board of Directors, management and coordination activities for the companies in the Group, with the support of Managing Director Sergio Balbinot, as regards insurance business abroad and reinsurance business in Italy and abroad;
- 15) power of subdelegation: to subdelegate to employees or third parties who are not employees one or more of the powers specified in the preceding paragraphs, with the obligation to predetermine any limitations thereon;
- 16) emergency powers: to exercise any power held by the Board of Directors if, at his sole discretion, the urgency of the matter requires an immediate decision, excluding the powers referred to in ss. 2420-ter (*Delegation to directors*), 2423 (*Drafting of financial statements*), 2443 (*Delegation to directors*), 2446 (*Reduction of share capital due to losses*), 2447 (*Reduction of share capital below the statutory limit*), 2501-ter (*Merger Plan*) and 2506-bis (*Demerger Plan*) of the Civil Code, with the value limit of € 100 million per operation, taking account, in any event, of the terms of the resolution passed by the Board of Directors regarding major economic, financial and capital operations with related parties, atypical or unusual operations. The exercise of emergency powers is conditional on a prior check by the Managing Director and Group CEO, by agreement with the Chairman, that it is impossible to hold a meeting of the Board of Directors or Executive Committee in sufficient time to pass a resolution on a matter falling within their jurisdiction, in compliance with the minimum period of two days specified in the Articles of Association for calls of meetings in the event of urgency. Significant transactions performed to implement the above matters shall be reported to the Board of Directors at its first meeting after the exercise of the delegated powers, without prejudice to the validity of the actions performed in any event.

The power of the Managing Director and Group CEO to supervise the management of the insurance and reinsurance business of the Company and the Group implies (*inter alia*) that he is entitled to make the final decision on operations which may have a significant impact on the Company and/or the Group. This means, by way of example, initiatives relating to reinsurance and company organisation policies, and all those which, directly or indirectly, have a significant economic, financial or capital impact.

For this purpose, the Managing Director and Group CEO Giovanni Perissinotto and the Managing Director Sergio Balbinot shall agree, where appropriate, on criteria of significance and suitable coordination methods, without prejudice to the obligation of both of them to report directly to the Board of Directors on the activities performed and the coordination criteria adopted, which shall comply with any directives issued on the subject by the Board of Directors.

The Board of Directors has also granted to Sergio Balbinot, in his capacity as Managing Director, in addition to his office as General Manager, the operational management of insurance business abroad and reinsurance business in Italy and abroad and of the activities relating thereto, including, by way of example but not of limitation, the activities of joint service companies, and the management and coordination (including as regards human resource management aspects) of insurance companies abroad and reinsurance companies in Italy and abroad; responsibility for the technical and actuarial activities of the Group. The Managing Director is also responsible for research and development activities and management of communication regarding operational aspects in the area for which he is responsible.

The said duties shall be performed consistently with the general planning and strategic policies established by the Board of Directors, within the value limits specified below, without prejudice, in any event, to the sole powers granted by law or the Articles of Association to other bodies of the Company or otherwise delegated by the Board of Directors, and therefore, without prejudice to the power of the Managing Director and Group CEO to supervise insurance business abroad and reinsurance business in Italy and abroad, and activities relating thereto.

By way of example and not of limitation, the following powers relating to the performance of the delegated powers granted to Managing Director Sergio Balbinot are allocated to him, provided that the quantitative and other limitations on the powers granted shall be considered as internal limits between the delegating body and the party to whom powers are delegated:

- 1) within the ambit of his delegated powers,
  - a) to submit to the Managing Director and Group CEO proposals relating to the strategic policies, multi-annual plans and annual budgets of Assicurazioni Generali and the Group for submission to the Board of Directors;
  - b) to submit to the Managing Director and Group CEO proposals relating to the strategic policies of all the organisational units of the Group abroad, and to establish budgets and organise the details thereof;
  - c) to arrange, within the limits of the powers delegated to him, the performance of the resolutions passed by the General Meeting, the Board of Directors and the Executive Committee;
- 2) as regards insurance and reinsurance:
  - a) to manage the Company's insurance business abroad and reinsurance business in Italy and abroad, authorising the taking of insurance and reinsurance risks in the sectors in which the Company is authorised to operate, and the payment of the related compensation;
  - b) within the guidelines established by the Board of Directors and without prejudice to the powers of the Managing Director and Group CEO, to perform management and coordination activities for companies in the Group abroad, relating to their insurance and reinsurance activities;
  - c) to manage the research and development activities and technical and actuarial activities of the Group;
- 3) as regards human resource management and organisation:
  - a) to submit to the Managing Director and Group CEO proposals relating to the personnel policies of the Company and the Group, regarding activities that fall within the sphere of responsibility of the Managing Director;
  - b) with the exception of the powers granted exclusively to the Board of Directors pursuant to art. 35.2 of the Company's Articles of Association, after consulting the Managing Director and Group CEO to hire, promote, and establish the duties, delegated powers, tasks and economic position of personnel of the Company of all grades engaged in insurance business abroad and reinsurance business in Italy and abroad, with the excep-

- tion of executives with a grade higher than Director. As regards the said personnel: to take the necessary measures, authorise the grant of financial subsidies and leave of absence, arrange transfers and secondments, and take all precautionary and disciplinary measures including dismissal and establishing severance pay;
- 4) as regards expenditure: with reference to the Company and in the context of the delegated powers granted, to authorise mandatory expenditure with no value limit and other costs up to the limit of € 50 million per item;
  - 5) power of subdelegation: to subdelegate to employees or third parties who are not employees one or more of the powers specified in the preceding paragraphs, with the obligation to predetermine any limitations thereon.

For all relevant transactions implemented, the Managing Directors shall report to the Board of Directors at the first meeting held after the exercise of their delegated powers, provided that the measures undertaken shall be effective in any event.

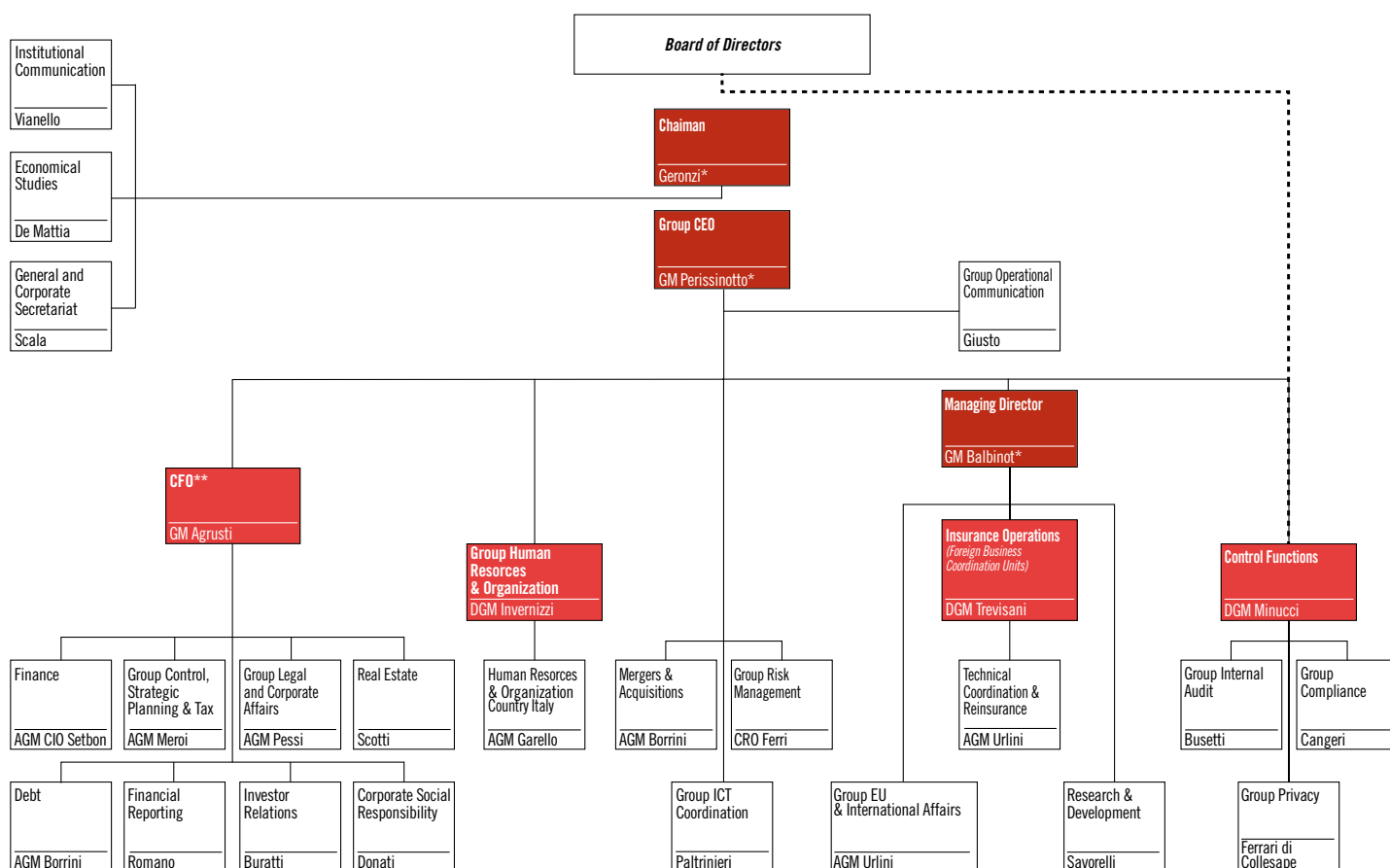
As required by CONSOB notice no. DEM/11012984 of 24 February 2011, containing a request for information pursuant to s. 114.5 of the CFBA sent to Italian Companies listed on the FTSE MIB index, we confirm that the Company does not have a succession plan for Executive Directors or mechanisms for their replacement prior to the normal expiry of their term of office.

## Corporate Centre

The Corporate Centre is the set of departments of the parent company responsible for governing the Group's strategic planning, policy and control processes, which support Managing Director and Group CEO Giovanni Perissinotto and Managing Director Sergio Balbinot in relation to their respective delegated powers.

In line with the new corporate governance structure established by the Board of Directors, a process of reorganisation of the Corporate Centre's structures has been commenced, with a view to making the corporate governance even more efficient and effective.

The Corporate Centre currently has the structure shown in the Table.



GM: General Manager  
 DGM: Deputy General Manager  
 AGM: Assistant General Manager  
 CFO: Chief Financial Officer  
 CRO: Chief Risk Officer  
 CIO: Chief Investment Officer  
 (\*) Are also members of the Board of Directors  
 (\*\*) Manager in charge *ex lege* 262/05.

The Corporate Centre includes the position of Group Chief Financial Officer (Group CFO), held by General Manager Raffaele Agrusti, who reports to the Managing Director and Group CEO. The Group CFO supervises the corporate structures such as the Finance Area, supervised by the newly instituted figure of Group Chief Investment Officer (Group CIO), the Group Control, Strategic Planning & Tax Area, the Group Legal and Corporate Affairs Area, and Generali Immobiliare. The Group CFO has also been appointed as Manager in Charge of Preparation of Assicurazioni Generali's Financial Reports, as regards both statutory and consolidated financial statements.

Direction and coordination activities relating to foreign business are performed through an organisational structure that reports directly to Managing Director Sergio Balbinot. In particular, that structure is headed by Deputy General Manager Valter Trevisani who, reporting directly to the Managing Director, supervises the Technical Insurance Area and foreign operations through specific structures called Business Coordination Units, which in turn are structured on a geographical basis. These structures interface with the Country Managers, who are top management figures in the individual countries in which the Group operates.

General Manager Paolo Vagnone was recently appointed Country Manager for Italy, the Group's most important territory, reporting to the Managing Director and Group CEO.

In the Corporate Centre, the Group Chief Risk Officer (CRO) guarantees the soundness of the risk management system, reporting in terms of seniority to the Managing Director and Group CEO and functionally to the Board of Directors, through the Internal Control Committee, in the fields for which he is responsible. The heads of the *Group Internal Audit Department* and *Group Compliance Department*, located in the Control Area, provide independent monitoring in the areas for which they are responsible, reporting functionally to the Board of Directors through the Internal Control Committee.

The Managing Director and Group CEO and the Managing Director are supported, in their respective fields, by some consultative committees, including the Group Risk Committee, the Company Risk Committee and the Group Investment Committee.

The *Group Risk Committee* has the basic task of supporting the top management by:

- drawing up proposals for the target risk profile of the Group, and the correlated levels of economic capital;
- monitoring the Group's risk profile on the basis of reporting performed by the Group Risk Management department;
- establishing any necessary corrective strategies.

The composition of the Committee is as follows:

### Group Risk Committee

Corporate function	First name, last name
• Managing Director and Group Chief Executive Officer	Giovanni Perissinotto
• Managing Director	Sergio Balbinot
• General Manager and Group Chief Financial Officer	Raffaele Agrusti
• Deputy General Manager Head of Insurance Operations	Valter Trevisani
• Group Chief Risk Officer	Stefano Ferri
• Assistant General Manager and Group Chief Investment Officer	Philippe Setbon
• Assistant General Manager Head of M&A and Debt	Amerigo Borrini

The Company Risk Committee was instituted by the Group Risk Committee at the meeting held on 5 December 2008, and its activities focus on risks relating to the Company's core insurance business.

The composition of the Committee is as follows:

### Company Risk Committee

Corporate function	First name, last name
• Managing Director and Group Chief Executive Officer	Giovanni Perissinotto
• Managing Director	Sergio Balbinot
• General Manager and Group Chief Financial Officer	Raffaele Agrusti
• Deputy General Manager Head of Italian Operations	Andrea Mencattini
• Assistant General Manager Head of Technical Coordination & Reinsurance	Franco Urlini
• Assistant General Manager Head of M&A and Debt	Amerigo Borrini
• Group Chief Risk Officer	Stefano Ferri
• Asset Accounting Manage	Fabio Buttazoni

The Group Investment Committee has the following main responsibilities:

- to validate financial scenarios proposed by the dedicated structures;
- to support the top management in the process of establishing the Group's investment policies (usable asset classes, and the absolute limits thereon);
- to monitor the effective implementation of the investment policies identified, and establish the corrective strategies.

Its composition is as follows:

### Group Investment Committee

Corporate function	First name, last name
• Managing Director / Group Chief Executive Officer	Giovanni Perissinotto
• General Manager and Group Chief Financial Officer	Raffaele Agrusti
• Assistant General Manager and Group Chief Investment Officer	Philippe Setbon
• Assistant General Manager Head of M&A and Debt	Amerigo Borrini
• Operations Manager of Generali Immobiliare	Giancarlo Scotti
• Group Chief Risk Officer	Stefano Ferri

The Group Risk Committee and the Group Investment Committee both met 7 times in 2008 and 2009, and 6 times in 2010. The Company Risk Committee met 6 times in 2009 and 2010. The Secretary of those Committees is Michele Amendolagine, Head of Group General Secretariat and Corporate Affairs.

Finally, in order to reinforce the integrated management of the Group's business, the *Group Management Committee* commenced operations at the beginning of 2011. That Committee has the following composition:

## Group Management Committee

Office	First name, last name
• Managing Director / Group Chief Executive Officer	Giovanni Perissinotto
• Managing Director	Sergio Balbinot
• General Manager and Group Chief Financial Officer	Raffaele Agrusti
• Deputy General Manager Head of Insurance Operations	Valter Trevisani
• Deputy General Manager Head of Human Resources	Attilio Invernizzi
• Assistant General Manager and Group Chief Investment Officer	Philippe Setbon
• Country Manager - Italy	Paolo Vagnone
• Country Manager - Germany	Dieter Meister
• Country Manager - France	Claude Tendil
• Country Manager - East Europe	Ladislav Bartonicek
• Country Manager - Asia	Sergio Di Caro

## Legal representation

The legal representation system of the Company, regulated by articles 42 and 43 of the said Company's Articles of Association, is endowed with a structure which guarantees the best possible operational flexibility and, at the same time, adequate monitoring of corporate documents.

To this end, the said representation is effected by appending beneath the Company's name the joint signatures of the Chairman, the Vice-Chairman of the Board of Directors, the Managing Directors, the General Managers and the Deputy General Managers appointed to the Central Head Office. The said executives may also act jointly with another member of the Board of Directors, the General Manager or the Deputy General Managers at the Head Office for Italy, or with another of the Company's managers.

In the last case, the said managers also represent the Company for business not included in the sphere of jurisdiction assigned to them. If two of the above-mentioned managers act jointly as authorised representatives, at least one of them must be acting within his/her sphere of jurisdiction.

Under the resolution adopted by the Board of Directors, the Managing Directors, by deed filed with the Trieste Companies Registry, shall determine the scope of the power to represent the Company and sign on its behalf granted to executives holding an office not ranking higher than "Assistant General Manager", and define their sphere of jurisdiction.

Moreover, the jurisdiction of each executive of the Company shall coincide with the jurisdiction assigned to the Deputy General Manager or the Assistant General Manager who, directly or indirectly, supervises him/her; in the absence of such a person, it coincides with the jurisdiction assigned to the executive with the highest ranking position reporting to the General Manager or to the competent Director.

Lastly, the competent governing body may also grant power to represent Generali to other employees or third parties, by granting special or general powers of attorney for single actions or types of actions. If power to represent the Company is continuously assigned to Company officers, the said officers shall represent it, solely within their sphere of jurisdiction, through joint signature with an executive holding the said jurisdiction.



## Other sub-committees

The Code, from its outset, has recommended that listed companies should set up a number of committees with responsibility for specific issues with a view to improving the Board's efficiency and effectiveness. These committees should be made up of members of the Board.

These committees have the task of giving advice and making proposals to the Board of Directors. They include the Internal Control Committee, the Committee for the remuneration of Managing Directors and other Directors who hold special positions, as well as assessment of the criteria adopted for the remuneration of executives with strategic responsibilities, and the Corporate Governance Committee, the Investment Committee and the Committee for evaluation of Related Party Transactions.

In compliance with the Code in force, the Board of Directors shall assess the advisability of establishing an appointments committee mainly made up of Independent Directors. For this reason, the Company has, so far, not deemed it necessary to establish an *ad hoc* Committee, since such a body would have a mere contingency function. In any event, the Operating Regulation of the Board of Directors states that the Board must evaluate the advisability of setting up such a consultative body.

## Internal Control Committee

Taking into account the relevant provisions of the Voluntary Self-Regulatory Code, since its first edition, the Board of Directors has resolved to establish an Internal Control Committee with advisory and recommendation functions, within the internal control field, consisting of members chosen from the Board.

The provisions of Article 37 of the Company's Articles of Association, which empower the Board to set up advisory committees composed of members of the Board and to establish their powers, serve as reference for the establishment of these committees.

The present Committee was appointed by the Board of Directors in April 2010, and will be in force until the General Meeting which approves the financial statements for the financial year ending on 31 December 2012.

The said Committee is made up as follows:

### Internal Control Committee

Office	First name, last name
<ul style="list-style-type: none"><li>Chairman</li></ul>	Alessandro Pedersoli
<ul style="list-style-type: none"><li>Non-executive and independent Director</li></ul>	
<ul style="list-style-type: none"><li>Member of the Committee</li></ul>	Cesare Calari
<ul style="list-style-type: none"><li>Non-executive and independent Director</li></ul>	
<ul style="list-style-type: none"><li>Member of the Committee</li></ul>	Carlo Carraro
<ul style="list-style-type: none"><li>Non-executive and independent Director</li></ul>	

The Board of Directors, in its meeting of 16 March 2011, designated, effective that date, Prof. Calari as a member of the Internal Control Committee. He replaces Prof. Miglietta, who on the same date was appointed a member of the Executive Committee to replace Mr. Del Vecchio, who had resigned on 21 February 2011.

Mr. Antonio Scala acts as Secretary of the Internal Control Committee.

In compliance with the best practice incorporated in the Code, the Board of Directors, during its meeting held on 24 April 2010, verified the existence of the independence requirement for all members of the Internal Control Committee, and repeated that verification on the occasion of the annual check performed to establish whether the members of the Board of Directors meet the independence requirements. According to the provisions of article 8.4 of the Code, the Committee members must be non-executive and for the most part independent.

In view of application Criteria no. 1.C.1, 8. C.3 and 9.C.1. of the Code and the terms of ISVAP Regulation no. 20 of 26 March 2008, the Committee holds the following powers and responsibilities:

- to assist the Board of Directors in determining the internal control system and risk management guidelines, assessing its adequacy and actual functioning on a regular basis, identifying and managing the main corporate risks;
- to ensure that the assessments and decisions made by the Board of Directors pertaining to the internal control and risk management system, approval of the annual accounts and the half-year reports as well as the relations between the Company and the External Auditors are supported by an adequate preliminary stage. In this context, it is required:
  - to assist the Board of Directors in performing the tasks it is assigned by the Code on the internal control and risk management system;
  - to express its opinion on the proposed "Audit Plan" and the "Summary Report on Internal Audit Activities", drawn up by the Head of the Internal Control sector, before they are submitted to the Board of Directors for approval;
  - to express its opinion of the draft "*Compliance Plan*" and the "*Report on the adequacy and efficacy of the measures taken by the Company to manage the non-conformity risk*", prepared by the Compliance Manager, with a view to their presentation to the Board of Directors;
  - to obtain information about the adequacy of the expenditure budget and the quantitative and qualitative profiles assigned to the control departments;
  - to assess, together with the managers responsible for drawing up the Company's corporate accounting documents and the external auditors, the correct use of the accounting standards adopted and their uniformity with a view to preparation of the consolidated accounts;
  - to examine the substantiated proposal by the Board of Statutory Auditors regarding the appointment of the external auditors and formulates its comments thereon, reporting to the Board of Directors;
  - to evaluate the results illustrated in the External Auditors' Report and their letter of suggestions, if any;
  - to report to the Board of Directors on its activity and the adequacy of the internal control and risk management system when the draft annual and semi-annual accounts are approved; comments on matters relating to delegated powers;
  - to express its opinion of the draft "*Annual Report on the Internal Control and Risk Management System*" to be submitted for evaluation by the Board of Directors;
  - to express opinions concerning the identification of the main corporate risks and the planning, implementation and management of the internal controls and risk management system, upon request by the Board of Directors;
  - to assist the Board of Directors in assessing its skills in maintaining the Company's risk management system in terms of adequacy of the organisational and process structures relating to the identification and management of the Group's main risks, including quantitative analysis performed, at least once a year, by means of stress tests;
  - to express opinions concerning the approval and execution mechanisms of the operations carried out by the Company or by its subsidiaries with related parties, as well as opinions concerning specific operations with related parties, as envisaged by the relevant resolution of the Board of Directors;
  - to direct, with the support of the Internal Audit function, the process through which the Board of Directors assesses the adequacy of the organisational, administrative and accounting systems of the Company in line with the terms of the Self-Regulatory Code for listed companies, and those of its subsidiaries with strategic relevance;
  - to perform any duties allocated to it in future by the Board of Directors;
  - to implement all the actions related to and stemming from the resolution which set out its responsibilities, as well as all the activities that may be necessary, or at least useful and appropriate, to implement the said resolution.

The Internal Control Committee reports on its activities to the Board at least when the Board is convened to approve the annual and half-year accounts, and expresses its own opinion on matters for which it is responsible.

During 2010, the Committee carried out, among others, the following activities, with the support of the Head of Internal Controls:

- analysis of report on the 2010 Compliance Plan and the corresponding expenditure budget;
- analysis of the update report on the activities performed by the Independent Risk Control department;
- analysis of report on the auditing activities performed in the 2009 financial year;
- analysis of report on the 2010 Activity Plan and expenditure budget;
- drafting of a self-assessment questionnaire for the Board of Directors and sub-committees;
- analysis of report on the presentation of proposed modifications of aspects of the Company's corporate governance, in view of the comments formulated by ISVAP after the inspections conducted in 2008;
- analysis of the report on the progress of the activities for which the Manager in Charge of Preparation of the Company's Financial Reports is responsible;
- preliminary examination of the results of the self-assessment process conducted by the Board of Directors and sub-committees;
- evaluation of the draft report on the organisational, administrative and accounting systems of the Company and its subsidiaries with strategic importance;
- presentation of the report on the activities performed by the Internal Control Committee in the year ending on 31 December 2009;
- analysis of the Information Note regarding the Reports of the External Auditors and the actuary instructed by them on the financial statements as at 31 December 2009;
- analysis of proposals regarding the remuneration of the executive responsible for the Internal Audit department;
- presentation of the activities associated with the "Solvency II" project;
- examination of the draft annual report on the internal control and risk management system, as required by ISVAP Regulation no. 20 of 26 March 2008;
- analysis of periodic report on *Independent Risk Control* (ISVAP Regulation no. 20 of 26 March 2008);
- analysis of quarterly report on operations in Derivative Financial Instruments;
- proposals for submission to the Board of Directors regarding the remuneration of the Senior Executives responsible for the Control Area;
- analysis of report on the process of selection and appointment of the External Auditors;
- presentation of the report by the head of the Group Compliance Department relating to the ISVAP notice of 4 November 2010;
- analysis of Report on auditing activities performed by the Group Internal Audit Department on the subsidiaries;
- analysis of the periodic report on the implementation by the Generali Group of the Organisation and Management Model required by Legislative Decree no. 231 of 8 June 2011;
- analysis of information note on the Half-yearly Report as at 30 June 2010 and the limited review thereof currently being performed by the External Auditors;
- update by the Manager in Charge of Preparation of the Company's Financial Reports regarding his activities.

The Chairman of the Committee ensures that adequate information on the items on the agenda is provided to all committee members well in advance of each meeting, adopting the procedures required to maintain the confidentiality of the data and information supplied, in accordance with the terms of the Regulation on the operation of the Company's administrative bodies.

Committee meetings are attended by Committee members and by the Director responsible for control issues, the Chairman of the Board of Statutory Auditors or any other Statutory Auditor designated by the Chairman of the Board of Statutory Auditors. It is now standard practice to invite all Members of the Board of Statutory Auditors to take part in the Committee's meetings. In relation to the subjects on the agenda in the last financial year, the presence at those meetings of non-members, especially the Company's and/or the Group's executives, and representatives of the External Auditors at regular intervals, was requested; some of them attended the whole meeting, and others were only present during the discussion of certain items on the agenda.

In performing its role, the said body may access the corporate information and functions necessary to carry out the tasks allocated to it, through the Secretary to the Board of Directors.

During the 2010 financial year, the Committee did not call on the assistance of advisors external to the Company.

At Committee meetings, the Head of Internal Control reports on the operation of his/her Department to the Committee and the Board of Statutory Auditors present at its meetings. He has direct access to all information useful for the performance of his duties.

The operation of the Internal Control Committee is guaranteed by specific regulations.

Members of the Internal Control Committee receive an attendance fee of € 2,000 per meeting, a fixed fee (€ 50,000 for the Chairman and € 30,000 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

The above-mentioned governing body has duly performed the recommendation and advisory activities for which it was established; it has kept minutes and produced the reports required by the performance of the Company's business.

Internal Control Committee meetings are usually held at least four times a year, and in time to take decisions on the issues on which the Committee must report to the Board of Directors.

Specifically, the Committee met on eight occasions in 2010, seven in 2009, and eight in 2008. All those meetings were attended by all members (see Table 1, containing attendance information for each member of the Internal Control Committee).

In the 2010 financial year, the financial resources provided to the Committee for activities falling within its remit amounted to a total of € 300,000.00.

On the occasion of the meeting held on 22 February 2011, the Committee passed its 2011 budget, confirmed at € 300,000, then approved by the Board of Directors at the meeting held on 23 February 2011.

## Remuneration Committee

Generali had for a long time had a committee, consisting of members of the Board, in charge of determining the remuneration of Board members holding special positions. Members were elected when the concrete need emerged to establish the remuneration of these Directors.

Approaching this issue in the spirit of the Code, on 20 February 2001 the Board took note of the indisputable existence of the limitation laid down by Article 2389 of the Italian Civil Code, which attributes solely to the Board, upon indications provided by the Board of Statutory Auditors, the power to determine the remuneration of Directors appointed to particular positions as specified in the Articles of Association. In this case, too, the Board took the provisions of Article 37 of the Company's Articles of Association as a point of reference, as it empowers the Board of Directors to set up advisory committees, composed of members of the Board, and to establish their powers.

The Board later deemed it desirable to formally appoint its own body with delegated powers, known as the Remuneration Committee, which assists the Board of Directors on remuneration matters'. The Committee also expresses its opinion of related party transactions regarding the remuneration of key management personnel, in accordance with the terms of art. 6.11 of the Related Party Transaction Procedures approved by the Board of Directors.

The Committee currently holding office was appointed by the Board of Directors on 24 April 2010, and will hold office until the General Meeting which approves the financial statements for the financial year ending on 31 December 2012. The said Committee is made up as follows:

### Remuneration Committee

Office	First name, last name
<ul style="list-style-type: none"> <li>• Chairman</li> </ul>	Paolo Scaroni
<ul style="list-style-type: none"> <li>• Non-executive and independent Director</li> </ul>	
<ul style="list-style-type: none"> <li>• Member of the Committee</li> </ul>	Lorenzo Pellicoli
<ul style="list-style-type: none"> <li>• Executive and independent Director</li> </ul>	
<ul style="list-style-type: none"> <li>• Member of the Committee</li> </ul>	Francesco Saverio Vinci
<ul style="list-style-type: none"> <li>• Non executive Director</li> </ul>	

The Board of Directors, in its meeting of 16 March 2011, designated, effective that date, Mr. Francesco Saverio Vinci as a member of the Remuneration Committee. He replaces Mr. Del Vecchio, who had resigned on 21 February 2011.

Mr. Antonio Scala acts as Secretary to the Remuneration Committee.

Contrary to the suggestion made in the Self-regulatory Code, the Remuneration Committee is not composed of a majority of non-executive directors. Lorenzo Pellicoli is an executive director (as was outgoing director Leonardo Del Vecchio), in view of the delegated powers granted to the Executive Committee by resolution of 24 April 2010.

The main contents of the Self-regulatory Code, which provide that only non-executive directors can sit on the Remuneration Committee, is a basic rule of an adequate system of corporate governance, and is designed to ensure that none of the Directors can influence the determination of their own remuneration or the procedures for its determination.

In the case of Assicurazioni Generali, the remuneration of directors not holding individual delegated powers is established by the General Meeting, on the proposal of the Board of Directors. The Remuneration Committee consequently does not have a decisive influence on the process of determination of the remuneration of Directors other than the Chairman, the Managing Director and Group CEO, and the Managing Director.

Moreover, the Board of Directors, considering it appropriate to appoint Lorenzo Pellicoli and Leonardo Del Vecchio, took account of the significant experience obtained by them in the field of remuneration policies, and the contribution they could consequently offer.

The task of this Committee is to formulate opinions and submit non-binding proposals to the Board on the remuneration of the Chairman of the Board of Directors and Managing Director.

Proposals for determining remuneration are made on the basis of individual discretionary evaluations, taking into account, among other factors, a series of parameters such as the degree of responsibility held by the Director within the corporate organisational structure, his/her influence on Company results, the profit made by the Company and the attainment of specific targets set by the Board.

Consistently with this approach, a resolution was passed regarding the determination of remuneration of members of the Board who hold special offices or have taken on responsibilities in compliance with the Articles of Association, and of General Managers. With regard to the latter, the Remuneration Committee formulates opinions and non-binding proposals to the Board of Directors, on the proposal of the Managing Directors.

Moreover, in the case of related party transactions relating to the remuneration of Directors, Permanent Statutory Auditors and Senior Executives of the Company with a grade at least equal to Central Director, the Remuneration Committee performs the functions attributed to the Committee for Evaluation of Related Party Transactions.

This Committee has no jurisdiction with regard to other fees to which Directors are entitled. In particular, it does not deal with the global remuneration payable to individual members of the Board or the Executive Committee, which is established by the General Meeting<sup>30</sup>.

The Board has approved an ad-hoc set of provisions to regulate the functioning of the Remuneration Committee, whose duties are as follows:

- to express opinions and make non-binding proposals to the Board of Directors on the determination of the remuneration payable to the Chairman of the Board of Directors and the Managing Directors; opinions and proposals are expressed on the basis of a discretionary assessment taking into account the following criteria:
  - relevance of the responsibilities within the corporate organisational structure;
  - impact on the corporate results;
  - economic results achieved;
  - achievement of specific objectives previously set by the Board of Directors;
- to monitor the implementation of the decisions taken by the Board of Directors on the basis of the proposals put forward;
- to express an opinion to the Board of Directors concerning the determination of the remuneration payable to those members of the Board of Directors holding a particular office or having a function in accordance with the Articles of Association;
- to express opinions and make non-binding proposals on the determination of the remuneration payable to the General Managers, on the proposal of the Managing Directors, on the basis of a discretionary assessment adopting the following criteria:
  - the level of responsibility and the risks relating to the functions held;
  - the results achieved with reference to the objectives set out;
  - extra tasks carried out;
- to assess, at regular intervals, the criteria adopted for the remuneration of managers with strategic responsibilities, monitor the application of the said criteria on the basis of the information gathered by the Managing Directors, and make relevant recommendations to the Board of Directors;
- to express opinions and make non-binding proposals concerning the stock option plans and the allocation of shares;
- to report on the activities carried out, disseminate information and formulate tailored proposals and opinions to the Board of Directors in a timely manner, thus ensuring the efficient organisation of Board meetings convened to discuss remuneration;
- to perform any other tasks which the Board of Directors may later allocate to the Committee by specific resolution.

The main activities performed by the Committee in 2010 were:

- presentation of the guidelines of the new long-term incentive plan for Executive Directors and executives of the Group;
- drafting of proposals for the remuneration of the Chairman, Managing Directors and General Manager;
- definition of proposals relating to the items on the agenda of the General Meeting;
- analysis of the expenditure budget for the current financial year;
- analysis of the proposals submitted to the Board of Directors regarding the remuneration of the Chairman, the Executive Directors and the General Manager for the 2010 financial year;

<sup>30</sup> Further details about remuneration can be found in the relevant section of the Notes to the Accounts contained in the Company's annual financial statements.

- analysis of the proposals submitted to the Board of Directors for implementation of the long-term incentive plan as regards the Executive Directors and the General Manager;
- analysis of the update report on the implementation of the long-term incentive plan as regards executives of the companies in the Group;
- analysis of the proposals submitted to the Board of Directors regarding the remuneration of the Chairman, the Executive Directors and the General Manager for the 2010 financial year;
- analysis of the proposals submitted to the Board of Directors for the implementation of the long-term incentive plan as regards the Executive Directors and the General Manager, and report thereon regarding the executives of Generali and the companies in the Group;
- analysis of the proposals submitted to the Board of Directors regarding the remuneration of the Executive Directors and the General Manager for the 2010 financial year;
- analysis of the proposals submitted to the Board of Directors regarding the remuneration of the Executive Directors and the General Manager for the 2011 financial year.

In performing its role, the said body may access the corporate information and functions necessary to carry out the tasks allocated to it, through the Secretary to the Board of Directors.

In the past financial year, meetings of the Committee were attended by non-members, on the Committee's invitation. Some attended the whole meeting, while others were only present during the discussion of certain items on the agenda. The Committee also called on assistance from external consultants.

Members of the Remuneration Committee receive an attendance fee of € 2,000 per meeting, a fixed fee (€ 20,000 for the Chairman and € 15,000 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

The above-mentioned governing body has duly performed the recommendation and advisory activities for which it was established; it has kept minutes and produced the reports required by the performance of the Company's business.

The Remuneration Committee met twice in 2008, four times in 2009 and eight times in 2010. All those meetings were attended by all members. (See Table 2, containing attendance information for each member of the Internal Control Committee.)

At the Committee meeting held on 2 February 2011, the Committee established its spending budget for the 2011 financial year at € 150,000. This budget was approved by the Board of Directors at its meeting on 2 February 2011.

## Corporate Governance Committee

The Board of Directors has set up a consultative committee to establish whether, and to what extent, the corporate governance rules introduced by the Company to date are in line with the best practice, having regard to the fact that there have been a number of major changes in the legislative picture and best practices, and the industrial and financial objectives specified in the Strategic Plan have been updated.

Six members of the Board of Directors were co-opted to the Committee. The presence of the Independent Directors makes a decisive contribution to its composition.

Members of the Corporate Governance Committee receive an attendance fee of € 2,000 per meeting, a fixed fee (€ 50,000 for the Chairman and € 30,000 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

## Corporate Governance Committee

Office	First name, last name
<ul style="list-style-type: none"> <li>Chairman</li> <li>Executive Director</li> </ul>	Cesare Geronzi
<ul style="list-style-type: none"> <li>Member of the Committee</li> <li>Non-executive and independent Director</li> </ul>	Ana Patricia Botin
<ul style="list-style-type: none"> <li>Member of the Committee</li> <li>Non-executive Director</li> </ul>	Nicola Alberto Nagel
<ul style="list-style-type: none"> <li>Member of the Committee</li> <li>Non-executive and independent Director</li> </ul>	Alessandro Pedersoli
<ul style="list-style-type: none"> <li>Member of the Committee</li> <li>Independent Director</li> </ul>	Lorenzo Pellicoli
<ul style="list-style-type: none"> <li>Member of the Committee</li> <li>Non-executive and independent Director</li> </ul>	Paolo Scaroni

The Committee met once in 2010.

Antonio Scala is the Secretary of the Committee.

## Investment Committee

The Board of Directors instituted the Investment Committee on 24 April 2010.

The Committee is required to conduct a periodic analysis of the Group's investment policies, the main operational guidelines and the corresponding results, identifying any proposals for detailed analysis or measures to be submitted for the attention of the Group Investment Committee, in accordance with the Group's risk appetite and risk tolerance; this periodic analysis also relates to the Group's asset allocation (including the main concentrations), strategic shareholdings and investment and divestment operations of particular significance performed during the preceding period.

The Committee also analyses in advance some major investment and divestment operations relating to specific assets which, due to their liquidity and riskiness, require complex evaluations of merit and advisability. Finally, it formulates analyses and proposals regarding plans to buy back the Company's own shares and issue bonds.

The Committee consists of four Directors and the General Manager and CFO. The Group's Real Estate Operations Manager and the Chairman of the Board of Management of subsidiary Generali Investments S.p.A. can be invited to attend meetings.



## Investment Committee

Office	First name, last name
<ul style="list-style-type: none"><li>• Managing Director / Group Chief Executive Officer</li><li>• Executive Director</li><li>• General Manager</li></ul>	Giovanni Perissinotto
<ul style="list-style-type: none"><li>• Executive Director</li><li>• Vice-chairman</li></ul>	Francesco Gaetano Caltagirone
<ul style="list-style-type: none"><li>• Member of the Committee</li></ul>	Petr Kellner
<ul style="list-style-type: none"><li>• Member of the Committee</li></ul>	Francesco Saverio Vinci
<ul style="list-style-type: none"><li>• General Manager and Group Chief Financial Officer</li></ul>	Raffaele Agrusti

Antonio Scala is the Committee Secretary.

Members of the Investment Committee receive an attendance fee of € 2,000 per meeting, a fixed fee (€ 30,000 for all members of the Committee except the Chairman) and reimbursement of expenses incurred to attend meetings.

The Committee met five times in 2010, with 100% attendance at the first four meetings.

## Committee for the Evaluation of Related Party Transactions

The Company's Board of Directors resolved to institute the Committee for the Evaluation of Related Party Transactions at the meeting held on 16 December 2010. The Committee consists of five members appointed by the Board of Directors from among its non-executive members who meet the independence requirements laid down by the Listed Companies' Self-Regulatory Code. Its current members are Alessandro Pedersoli (Chairman), Cesare Calari, Carlo Carraro, Paola Sapienza and Paolo Scaroni.

The Board of Directors, in its meeting of 16 March 2011, designated, effective that date, Prof. Calari as a member of the Committee for the Evaluation of Related Parties Transactions. He replaces Prof. Miglietta, who on the same date was appointed a member of the Executive Committee to replace Mr. Del Vecchio, who had resigned on 21 February 2011.

## Committee for the Evaluation of Related Party Transactions

Office	First name, last name
<ul style="list-style-type: none"><li>• Chairman</li></ul>	Alessandro Pedersoli
<ul style="list-style-type: none"><li>• Non-executive and independent Director</li></ul>	Cesare Calari
<ul style="list-style-type: none"><li>• Non-executive and independent Director</li></ul>	Carlo Carraro
<ul style="list-style-type: none"><li>• Non-executive and independent Director</li></ul>	Paola Sapienza
<ul style="list-style-type: none"><li>• Non-executive and independent Director</li></ul>	Paolo Scaroni

This Committee, which has not yet met, has the task of expressing its opinion of the related party transactions submitted for its attention by the Board of Directors or the bodies holding delegated powers, in accordance with the Related Party Transaction Procedures approved by the Board of Directors by resolution of 11 November 2010, in compliance with the terms of the Regulation governing the operation of the said Committee, which was also approved by the Board of Directors by resolution of 11 November 2010.

For the issue of its opinion, the Committee for Evaluation of Related Party Transactions can call on the assistance of one or more independent experts, preferably experts commissioned specifically for that purpose by the Board of Directors or the body holding delegated powers.

The Committee has no power to express its opinion of transactions relating to the remuneration of Directors, Permanent Statutory Auditors or Senior Executives of the Company with a grade at least equal to Central Director, which are the responsibility of the Remuneration Committee.

The Members of the Committee receive an attendance fee of € 5,000 per meeting, a fixed fee (€ 25,000 for the Chairman and € 20,000 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

Antonio Scala is the Secretary of the Committee

## Internal Control and Risk Management System

ISVAP Regulation no. 20 of 26 March 2008 contains the main regulatory provisions for insurance companies relating to internal controls and risk management<sup>31</sup>.

On the basis of that source, the Company's Board of Directors has established the principles and basic characteristics of its Internal Control and Risk Management System, approving a document entitled *The Internal Control and Risk Management System*, which describes in detail its purposes, principles, structure, roles, responsibilities and main provisions, and arranging for it to be adopted by its subsidiaries, while having regard to the specific legislative provisions in force in each country in which the Group operates.

The publication on 17 December 2009 of Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance, commonly known as the Solvency II Directive, has changed the overall reference scenario, so that it is advisable to perform a complete update to comply with the new provisions by the date on which the Directive comes into force.

The Group has consequently begun to review the organisational structure of its Internal Control and Risk Management System, which is designed to stimulate continual value creation, promoting its values and business culture by means of an integrated, synergic logic between risk management and controls.

This organisational model requires:

- bodies responsible for risk and control policies and monitoring, which include the Company's governing bodies within their respective fields of responsibility;
- operational structures responsible for risk management and control, which include all the Company's organisational units.

In particular, the Internal Control and Risk Management System attributes to the Board of Directors, in the ambit of its tasks and responsibilities, the ultimate responsibility for establishing risk management and internal control strategies and policies and guaranteeing their suitability and maintenance over time, in terms of completeness, functionality and efficacy, in accordance with the Company's size and operational specificity and with the nature and intensity of its corporate risks, including with reference to outsourced company functions. The top management (ie. the Managing Directors and General Managers and all key management personnel)<sup>32</sup> is responsible at different levels for the implementation, maintenance and monitoring of the Internal Control and Risk Management System, in compliance with the directives issued by the Board of Directors.

<sup>31</sup> Regulation 20 supplemented and updated the terms of the earlier ISVAP Circular no. 577/D of 30 December 2005.

<sup>32</sup> Namely, in this context, the Company's executives with a grade at least equal to Central Director.

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In the ambit of the first organisational level of risk management and controls, the parties responsible for the operational areas (Risk Owners) have direct responsibility for undertaking, managing and controlling risks and implementing the necessary control activities. For this purpose, they provide the top management, partly through the *Risk Committee*, with the information required to establish the management and control policies, methods and tools for the risks for which they are responsible at both Group and Company level, coordinate their implementation, and guarantee their adequacy over time. They also ensure compliance with the objectives and policies by the operating units for which they are responsible, and identify and perform corrective measures within the limits of their independent responsibility; outside those limits they produce specific recommendations and suggestions for the top management.

The control activities are therefore deemed to be an integral part of each company process, falling primarily under the responsibility of the Manager of each organisational unit. According to a principle of "self-assessment" of processes, in terms of the risks and controls associated with them, each organisational unit is directly responsible for achieving (and therefore aware of having to achieve) the objectives of efficacy, efficiency and quality of the risk management and control mechanisms relating to their activities.

To guarantee that continuous control of risks will be effective, by implementing suitable control systems, there are also specific company structures which have no operational tasks and are consequently not responsible for decision-making regarding individual risks.

In particular, the activities performed by the operational areas and the line control structures (such as management control, inspectorates, etc.) are complemented by a second organisational level of the risk management and control system represented by the Risk Management, Compliance and Internal Audit departments, which are independent of the operational structures and of functional reporting to the Board of Directors through the *Internal Control Committee*. The Solvency II Directive also attributes a key role in the overall governance to those departments, also specified by the current regulations, and to the actuarial department.

In this scenario, the Risk Management Unit in particular has been reviewed in order to adapt to the new legislative context. This Unit, which is represented in organisational terms by the *Group Risk Management Department*, the head of which has the title of *Group Chief Risk Officer (Group CRO)*, acts as guarantor of the strength of the risk management system.

The Unit supports the Board of Directors and the top management in establishing risk management strategies and risk monitoring and measurement tools and, through a suitable reporting system, supplies the data required to evaluate the strength of the risk management system as a whole. For this purpose it constantly monitors the development of the risk profile of the Company and the Group and compliance with the management policies.

The Unit also supports the Manager in Charge of Preparation of the Company's Financial Reports as regards the activities for which he is responsible, as specified by s. 154-*bis* of the CFBA.

Also in the context of the second organisational level of the risk management and control system, the Compliance Unit represents an additional control, being responsible for evaluating whether the organisation and internal procedures of the insurance company are suitable to prevent the risk of incurring legal or administrative sanctions, pecuniary loss or damage to reputation, as a result of infringement of legislation, regulations or orders issued by the Regulators or the provisions of self-regulatory codes.

This Unit is represented organisationally by the *Group Compliance Department*, instituted by resolution of the Board of Directors pursuant to ISVAP Regulation no. 20 of 26 March 2008.

To allow supervision of the management of the compliance risk at Group level, the Board of Directors, in compliance with the said Italian legislation, and taking account of developments in the European legislation, recently approved the *Group Compliance Policy*. The latter establishes the principles and guidelines for the performance of the com-

pliance activities that each company in the Group is obliged to perform, subject to the necessary adaptations due to specific local legislation and the size and nature of the company.

The *Group Money-laundering Prevention Unit*, which is responsible for providing unified monitoring of the Group with regard to management of the risk of money-laundering and financing of terrorism, was instituted as part of the *Group Compliance Department* at the end of 2010. The institution of the Unit preceded the money-laundering consultation document issued by ISVAP on 15 February 2011.

The Manager of the *Group Compliance Department* reports to the Board of Directors at least once a year, directly or through the Internal Control Committee, drawing up a report on the measures taken by the Company to manage the risk of non-compliance with legislation, and the annual activity plan.

At the second organisational level of controls, the Internal Audit Unit, organisationally represented by the *Group Internal Audit Department*, is responsible for providing an independent evaluation of the efficacy of the internal control system, and consequently of the effective operation of the controls designed to guarantee the correct performance of processes in consideration of the risk propensity levels, operating as a third line of defence.

The internal audit activities take the form of direct audits at operational facilities, established in the ambit of an Audit Plan, where the number of activities planned has grown over the years, and analysis and evaluation of information about the controls introduced to mitigate risks.

The Board of Directors also resolves on the appointment and dismissal of the *Group Internal Audit Manager*, who also has the role of Internal Control Manager, also determining his annual remuneration, on the proposal of the Group CEO and Managing Director responsible for the human resources area, with the approval of the Internal Control Committee, as required by the Code.

The head of the *Group Internal Audit Department* arranges regular functional connections with all the internal audit department heads of the subsidiaries, which comply with precise methodological and procedural instructions to guarantee a standardised approach and rapid detection of any critical factors which may arise locally.

As already mentioned, in order to maintain direct supervision over Internal Control and Risk Management, the Company's Board of Directors has ordered that all control departments should report functionally to it through the Internal Control Committee.

## Main characteristics of the risk management and internal control system in relation to the financial reporting process

The risk management and internal control system in relation to the financial reporting process adopted by Assicurazioni Generali (“the System”) is part of the more general internal control and risk management system.

That System deals with internal control and risk management issues relating to the financial reporting process in an integrated way, with the aim of identifying, evaluating and controlling risks relating to the financial reporting process (the financial reporting risk)<sup>33</sup> to which the Company and the Group are exposed.

The System is therefore designed to guarantee the accuracy, reliability and promptness of financial reporting. In the pursuance of this aim, the Company has established a “financial reporting risk model” consisting of a set of principles and rules which are designed to guarantee a suitable administrative and accounting system, partly by introducing operational procedures and instructions.

The figure of Manager in Charge of Preparation of the Company’s Financial Reports falls into this context; Statute no. 262 of 28 December 2005 (“Statute 262”) gives this Manager a crucial role as regards the reliability of accounting documents and the preparation of suitable administrative and accounting procedures for listed companies whose member state of origin is Italy.

Definition of the methodological and organisational aspects involved in the adoption of the financial reporting risk model by the Company and the Group is delegated to Assicurazioni Generali’s Manager in Charge of Preparation of Financial Reports in the ambit of the powers and resources allocated to him, consistently with the provisions of s. 154-*bis*.4 of the CFBA.

The “financial reporting risk model” adopted is based on a process established by the Company in accordance with the following reference frameworks, generally recognised and accepted at international level:

- (i) CoSO<sup>34</sup> Internal Control – Integrated Framework, issued in 1992, which establishes guidelines for the evaluation and development of an internal control system<sup>35</sup>;
- (ii) CObiT (Control Objective for IT and Related Technology)<sup>36</sup> which provides specific guidelines for the information systems area, supplemented by the ITIL<sup>37</sup> (a framework already adopted by the Group) and ISO/IEC<sup>38</sup> 27001.

Within the Group, the financial reporting risk model extends to companies identified as relevant for those purposes (“Relevant Companies”). In particular, the Relevant Companies adopt a “financial reporting risk model” consistent with the Company’s, in order to create a standardised system within the Group, incorporating the amendments indicated from time to time by Assicurazioni Generali’s Manager in Charge of Preparation of Financial Reports.

A “cascade” system of certificates (known as “Confirmation Letters”) has been instituted, whereby the CEOs and CFOs of all the consolidated subsidiaries guarantee the true and correct representation of the financial data communicated to the Company, and the adoption of a suitable internal control system governing the financial reporting risk. The different stages into which the financial reporting risk model is divided were established by the Company in accordance with its chosen reference framework (CoSO Framework). The financial reporting risk model is divided into the following stages:

- (i) identification and assessment of financial reporting risks;
- (ii) identification and assessment of controls governing the risks identified.

<sup>33</sup> “Financial reporting risk” means the risk of an error which involves an untrue, incorrect representation of the financial, economic and capital situation in the annual, half-yearly abbreviated and consolidated financial statements, and of all other financial information.

<sup>34</sup> Committee of Sponsoring Organisation of the Treadway Commission.

<sup>35</sup> In the ambit of the CoSO Framework, the model refers to the component of the internal control system relating to the processes of obtaining, processing and publishing flows of economic and financial information (financial reporting).

<sup>36</sup> CobiT is connected by the IT Governance Institute to the CoSO Framework.

<sup>37</sup> Information Technology Infrastructure Library.

<sup>38</sup> International Organisation for Standardisation/ Information Electrotechnical Commission.

The Company identifies the relevant companies and significant information (consolidated accounts and company processes), considering both quantitative and qualitative factors.

Relevant Companies are identified as those which, when the ratios between assets, income and profits of the individual companies and the corresponding consolidated totals are applied, exceed given thresholds consistent with the best market practice<sup>39</sup>.

In relation to the consolidated accounts, relevance is determined on the basis of the same criteria as generally used in auditing practice.

As regards processes, those which have a potential accounting impact on the consolidated accounts in question are considered relevant, and consequently analysed. In any event, all processes relating to activities performed at the close of a given period are included in the set of processes to be analysed. An analysis priority is allocated to each process on the basis of quantitative factors.

Finally, the scope of the analysis is integrated, taking account of qualitative factors relating to risk profiles deriving from factors internal and external to the companies.

The scope of the analysis is reviewed at least annually, depending on the changing conditions of the Group's organisation.

Each risk undergoes an assessment process to establish its level of significance, by means of a parameter called "inherent risk" (or "gross risk"), the level of which is independent of the mitigating effect of the control that can be associated with it.

The assessment of the gross risk is determined by the combination of (i) the probability that an event potentially generating an administrative/accounting error will occur in a given interval of time, and (ii) the impact that the said event may have on the accounting/financial data and consequently on the true and correct representation of the financial, economic and assets situation.

The probability is determined on the basis of the frequency of control activity and the corresponding performance methods, while the measurement of the impact takes account of the analysis priority of the process.

The result of the risk assessment process can have one of three conventional configurations: "high", "average" or "low".

Moreover, the risk assessment activities include the definition of control objectives in accordance with the best market practice. In particular, each control objective is associated with a specific relevant financial assertion (existence and occurrence, completeness, evaluation and measurement, presentation and report, rights and obligations).

The first-level controls of the "financial reporting risk model" include the following types:

- (i) controls at company level;
- (ii) controls at process level;
- (iii) controls on information technology.

The configuration of the controls is structured to allow suitable identification and evaluation, and is based on four main characteristics:

- (a) the time profile of the control: controls can be preventive or subsequent;
- (b) the performance method: manual, automatic or semi-automatic;
- (c) nature (ie. structural characteristics): authorisation, reconciliation, management review, etc.;
- (d) frequency (ie. the time elapsing between one control and the next): weekly, monthly, quarterly, etc..

<sup>39</sup> In particular, in 2009, the Relevant companies represented over 80% of the total consolidated assets.

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The analysis of the controls is broken down into stages involving checking on the suitability of the design and its actual application, according to specific methods for each type of control.

If deficiencies in governing the financial reporting risk are found during checks on suitability and actual application, appropriate corrective measures/actions are identified.

The performance of corrective measures/actions is constantly monitored by the Manager in Charge of Preparation of the Company's Financial Reports.

The controls at company level are designed to check on the existence of an organised, formalised corporate context which reduces the risks of improper behaviour, due to factors such as suitable governance systems, behavioural standards based on ethics and integrity, effective organisational structures, clear allocation of delegated powers and responsibilities, suitable risk management policies, personnel disciplinary systems, effective codes of conduct and fraud prevention systems.

The adequacy check focuses mainly on verifying the existence and dissemination of suitable tools (such as policies, codes, regulations, service orders, etc.) designed to identify rules of conduct for company personnel; the subsequent stage of checking on actual application involves ensuring that the said rules are actually applied. Process-level controls operate at a more specific level than company-level controls, and are designed to mitigate the financial reporting risk by means of control activities, including those performed in the company's operational processes.

The stage of checking on the adequacy of the controls is performed by surveying the company's processes, identifying the key controls governing the financial reporting risk, and evaluating the suitability of those controls to mitigate the said risk.

The efficacy checking stage involves establishing the actual correct performance of the controls and the adequacy of the related documentation.

Information Technology Controls focus on processes closely connected with the management and processing of information relating to the systems used to draft the financial statements.

Controls relating to software purchase and maintenance activities, management of safety and security, development and maintenance of applications, completeness and accuracy of the data in the systems, IT risk analysis and government of information systems, are analysed in particular.

In relation to the software used to draft the financial statements, regarding both business processes and account closing processes, analysis of the controls comprises an evaluation of their adequacy in relation to the main best practices and reference frameworks adopted, and a check on the continual operation of the controls using standardised methodologies. The analyses also include a check on the efficacy of the main automatic controls performed by the software in the ambit of the relevant processes.

Consistently with the internal control and risk management system adopted by the Company, the "financial reporting risk model" involves the company's governing bodies and operational and control structures in an integrated management, in accordance with different levels of responsibility, which are designed to guarantee the adequacy of the model at all times.

Within the Group, the activities involved in coordinating the financial reporting risk model are performed by the CEOs of each company through a delegate, usually the CFO, who reports to a permanent operating committee responsible for the activities involved in management of the financial reporting risk; the operating committee also has the task of guaranteeing an appropriate, complete report to the Office of the Manager in Charge of Preparation of the Company's Financial Reports on the activities performed and any critical factors found.

The Manager in Charge of Preparation of the Company's Financial Reports periodically reports to the Board of Directors, either directly or through the Internal Control Committee, on the activities performed in the exercise of his/her functions.

## The organisational and management model

The Company's Board of Directors, and the Boards of its Italian subsidiaries with strategic importance, have adopted an organisational and management model ("the **Model**") aimed at preventing the criminal offences described in the current legislation<sup>40</sup> on the subject of administrative liability of companies for criminal offences perpetrated by their personnel in the Company's interests, which can be found in the Governance section of the website [www.generali.com](http://www.generali.com).

In particular, a Model was formally adopted which, as well as complying with all formal requirements, fulfils all the main purposes that led to its adoption, namely the need to provide the Company with exemption from liability in accordance with the aforementioned decree.

The approach taken is of a substantial nature, since the Model is made up of a set of principles, rules, provisions and organisational schemes relating to the management and control of corporate activities, and consists of an illustrative document containing general rules designed to prevent the commission of offences, except in the case of fraudulent avoidance.

The identification of processes involving the risk of offences and of existing operational structures led to the issue of the "231/01 provisions", namely a series of general or special provisions based on the draft guidelines issued by ANIA (the Italian Association of Insurance Companies) and the Operational Suggestions whereby ANIA specified the procedure to be followed for the adoption of Models and some possible offence detection/prevention methods.

Generali assigned the functions of the Supervisory Body to a corporate body reporting to the Board of Directors.

The fundamental approach is to appoint as members of the said body, as well as the Chairman who is a member of the Board of Directors, persons who, within the corporate organisational structure, hold key functions in relation to the reference framework of the subject in question. Particular preference is also given to those holding an office which, for technical and/or organisational reasons, guarantees the best possible contribution to performance of the functions and attainment of the objectives of the Supervisory Body.

### Members of the Supervisory Body

Corporate function		First name, last name
• Chairman	Chairman of the Internal Control Committee	Alessandro Pedersoli
• Member of the Committee	Head of the Group Internal Audit	Alessandro Busetti
• Member of the Committee	Head of Group Legal and Corporate Affairs	Oliviero Edoardo Pessi

The Head of the Unit responsible for the General Secretariat and Corporate Affairs Department, Michele Amendolagine, acts as Secretary of the Supervisory Body.

This solution is considered suitable in that:

- it ensures the autonomy and independence required for the Supervisory Body;
- it allows a direct connection with the top management, the Board of Statutory Auditors and, both directly and through the Internal Control Committee, the Board of Directors.

<sup>40</sup> The legislation governing the subject is contained in Legislative Decree no. 231 of 8 June 2001, as amended.



In performing its duties, the Supervisory Body can cooperate with the internal audit unit, using its skills and professional know-how for supervision and control activities. This choice enables the Supervisory Body to guarantee a high level of professionalism and continuous action.

The Supervisory Body can also cooperate with other units of the Company or the Group on various specific tasks, such as:

- the legal affairs unit;
- the corporate affairs unit;
- the human resources unit (with regard to training and disciplinary measures, for example);
- the administration unit (with regard to control over financial flows, for example).

The members of the Supervisory Body must have performed, for a reasonable period of time, professional activities in fields relating to insurance, credit or finance and meet the honourableness criteria set out in the current legislation applicable to the directors of insurance companies<sup>41</sup>.

The members of the Supervisory Body can be dismissed at any time by the Board of Directors of Generali for fair and/or justified reasons. In this case, the Board promptly replaces the dismissed member, choosing a new one from among the directors qualifying for the office.

If all the members of the Supervisory Body are dismissed, the Body automatically loses its effectiveness. In such event, the Board of Directors promptly forms a new one with the same criteria.

The Supervisory Body is assigned the following tasks and powers:

- monitoring the functioning of and compliance with the Model;
- verifying that the Model is actually suitable to prevent the performance of the criminal offences described in the applicable legislation;
- analysing the persistence over time of the soundness and functionality of the Model;
- in cooperation with the units involved, devising, developing and promoting any activities required to ensure constant updating of the Model and the system of supervising its implementation, suggesting to the Board of Directors any due amendments and adjustments;
- maintaining regular contact with the External Auditors;
- maintaining relations with and ensuring a flow of information to the Board of Directors, the Internal Control Committee and the Board of Statutory Auditors;
- asking for and obtaining information and documents of any type from any level or sector within Generali;
- carrying out checks and inspections with a view to ascertaining any breaches of the Model;
- devising a supervision programme within the framework of the various activity sectors, in accordance with the principles contained in the Model;
- guaranteeing that the supervision programme is implemented, partly by scheduling activities;
- guaranteeing that reports are drafted on the effects of the measures taken;
- guaranteeing that the identification, mapping and classification system of risk areas is constantly updated, for the supervision purposes falling within the jurisdiction of the Body;
- notwithstanding the terms of the relevant Communication Plan contained in the document illustrating the Model, defining and promoting initiatives aimed at spreading knowledge and understanding of the Model, training personnel and raising their awareness of the need for compliance with the principles outlined in the Model;
- dispelling any doubts on the interpretation and implementation of the provisions enshrined in the Model;
- establishing an effective internal communication system to allow the transmission and collection of relevant news for the purpose of the applicable legislation, while ensuring the protection and privacy of informants;

<sup>41</sup> The Board of Directors verifies that the requirements for membership of the Supervisory Body are met by the persons to be appointed, before the said persons take office within the company (thus becoming members of the Supervisory Body), and thereafter on a suitably regular basis.

Failure to comply with the requirements throughout the mandate results in withdrawal of the office. In this case, the Board of Directors must promptly appoint another member, in full compliance with the principle on which the choice is based, as previously indicated, after verifying that the professionalism and honourableness criteria are fulfilled. The same procedure is followed when assessing any incompatibility and/or lack of professionalism and honourableness before the appointment of a person to an office within the company, involving membership of the Supervisory Body.

- issuing quotes for the performance of its activities, and submitting them to the Board of Directors for approval; any extraordinary expenses not included in the quote shall also be submitted to the Board for approval before being incurred;
- activating disciplinary measures if necessary;
- monitoring compliance with the terms of Legislative Decree 231/07 within its sphere of jurisdiction;
- notifying the appropriate supervisory authorities, without delay, of all actions or facts that come to its knowledge in the exercise of its duties which may constitute a breach of the terms of s. 7.2 of Legislative Decree 231/07;
- notifying the owner of the business, its legally authorised representative or agent, without delay, of breaches of the terms of s. 41 of Legislative Decree 231/07 which come to its knowledge;
- notifying the Economy and Finance Ministry, within thirty days, of breaches of the terms of ss. 49.1, 49.5, 49.6, 49.7, 49.12, 49.13, 49.14 and s. 50 of Legislative Decree 231/07 which come to its knowledge;
- informing the appropriate supervisory authority, within thirty days, of breaches of the terms of s. 36 of Legislative Decree 231/07 which come to its knowledge.

The Board of Directors is called upon to update the Model and adapt it to any changes in the organisational structure, operational processes and the results of checks.

The Supervisory Body retains, in any event, the tasks and powers connected with devising, developing and promoting constant updating of the Model. To that end, it may present recommendations and proposals as to the organisation and the control system to relevant units or, in particularly significant cases, directly to the Board of Directors. The Supervisory Body promptly implements amendments made to the Model and approved by the Board of Directors, and provides for the dissemination of its contents within the Company and outside it, when necessary.

In order to guarantee that the introduction of amendments to the Model is as prompt and streamlined as necessary, partly with a view to minimising misalignment between operational processes and the provisions enshrined in the Model and their dissemination, the Board of Directors has entrusted the Supervisory Body with the task of implementing changes to the Model on a regular basis.

In the report which must be produced by the Supervisory Body on a yearly basis, the latter may notify the Board of Directors of any amendments it plans to introduce into the Model, so that the Board can pass a relevant resolution within its field of sole jurisdiction.

In 2010, the main activities performed by the Supervision and Control Committee were:

- analysis of the periodic report on the implementation and supervision activities performed by the Company regarding the Organisation and Management Model pursuant to Legislative Decree no. 231 of 8 June 2001;
- analysis of the report on legal innovations introduced by Legislative Decree no. 231 of 8 June 2001;
- analysis of the activities performed during the 2009 financial year;
- presentation of the 2010 activity plan and expenditure budget;
- analysis of the report by the Board of Statutory Auditors on the audit activities performed which are relevant for the purpose of the corporate liability legislation.

During the last financial year the Supervision and Control Committee used outside consultants for supervisory activities strictly so called, and for continuous assessment of the Model.

The Supervision and Control Committee has not so far discovered any conduct relevant for the purpose of Legislative Decree no. 231/01, and has already audited all the most significant company areas with supervisory activities conducted by the Internal Audit Department and interviews with the managers of the departments performing the processes analysed. In particular, the supervisory activities have led to continual improvements in the level of prevention of the offences in question, by formulating suggestions to the various Process Owners, who have always formally undertaken to make specific commitments in this respect.

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At the meeting of the Supervisory Body held on 22 February 2011, an expenditure budget of €250,000 was confirmed for the 2011 financial year, which can be increased subject to notification of the Chairman of the Board of Directors. That amount was approved by the Board of Directors at its meeting on 23 February 2011.

## General Meeting

Legislative Decree no. 27 of 27 January 2010, which implements Shareholders' Rights Directive 2007/36/EEC, introduced some major innovations regarding the operation of General Meetings which are designed to strengthen the rights of shareholders and facilitate their participation in the corporate life of listed companies.

At the meetings held on 23 September 2010 and 23 February 2011, Generali's Board of Directors amended the Articles of Association to incorporate the main innovations introduced by the said Legislative Decree, which imposed a legal obligation on listed companies to update their Articles of Association.

The General Meeting is called by publishing a notice on the Company's website at least 30 days prior to the date of the first convocation of the meeting. The said notice shall indicate the date, hour and place of the meeting and the items on the agenda, and the additional information required by the applicable legislation. The notice shall also be published in national newspapers. The said notice is publicised by publication in national newspapers, and by direct notice sent to the shareholders who attended recent meetings. In the case of the General Meeting called to elect the members of the Board of Directors and Board of Statutory Auditors, the deadline for publication of the notice of call has been brought forward to the 40th day before the date of the General Meeting, whereas for the General Meetings specified in ss. 2446 (*Reduction of share capital due to losses*), 2447 (*Reduction of share capital below statutory limit*) and 2487 (*Appointment and revocation of liquidators; criteria for conduct of liquidation*) of the Civil Code, the deadline is postponed to the 21st day before the date of the General Meeting.

The General Meeting is not entitled to make decisions upon items that are not on the agenda.

Shareholders jointly or severally representing at least one-fortieth of the share capital may apply, within ten days of the publication of the notice of call of the Meeting, for additional subjects proposed by them to be added to the agenda.

The Ordinary General Meeting for the approval of the Financial Statements is called within 120 days of the end of the financial year; if the statutory conditions are fulfilled, the said period can be extended to 180 days. The meeting is conducted at the Company's registered offices in Trieste, although it may alternatively be held at other locations in Italy.

Annual General Meetings are one of the major opportunities for dialogue between shareholders and Company management. During the meeting, a presentation concerning management performance is traditionally followed by a question-and-answer session between shareholders and the management.

The General Meeting may be attended by shareholders who are entitled to vote, provided that they prove their entitlement in the statutory 'Entitlement to attend the General Meeting and exercise voting rights is certified by a notice issued to the Company by the intermediary in accordance with its books of account, on the basis of evidence relating to the end of the accounting day on the seventh market trading day before the date set for the first call of the General Meeting.

Debit and credit entries made after that date shall not be taken into account for the purpose of entitlement to vote at the General Meeting.

The notice issued by the intermediary that keeps the accounts relating to the shares must be received by the Company by the end of the third market trading day prior to the date set for the first call of the Meeting, or within such different period as may be indicated in the notice convening the Meeting in compliance with the law, and in any event before the start of the proceedings at each call of the Meeting.

As regards Attendance at General Meetings by parties acting as proxies for other shareholders, according to the legislation, only one proxy can be appointed for each General Meeting, save for the power to indicate substitutes, and a different representative can be appointed for each of the accounts to which the intermediary's notice relates.

For each General Meeting the Company designates a party which shareholders can appoint as proxy with voting instructions on some or all of the items on the agenda; the identity of the said party designated by the Company, and the procedures and time limits for shareholders to appoint a proxy, are indicated in the notice of call of the General Meeting. The proxy can be appointed in writing or in electronic form, in compliance with the current legislation and according to the procedures specified in the applicable regulations. The appointment of the proxy can be notified to the Company in a specific section of the Company's website or by certified e-mail, by the procedures indicated in the notice of call.

Members of the Board of Directors attend these meetings regularly<sup>42</sup>.

Assicurazioni Generali has had a General Meeting Regulation since 1972. That document, which was the prototype by which many listed and unlisted Italian companies were inspired when drafting their own, has not undergone any significant changes in the last 30 years.

## Majorities

With the exception of particular cases provided for by law, the Ordinary and Extraordinary General Meetings are validly constituted and pass resolutions with the majorities illustrated in the following table:

<b>ORDINARY SESSION</b>	<b>First call</b>	<b>Second call</b>	<b>Third call</b>
Constitutive quorum	Presence of as many shareholders as to represent at least a half of the share capital	Regardless of the share capital represented by the shareholders attending the meeting	Does not apply
Deliberative quorum	Absolute majority of the represented capital	Absolute majority of the represented capital	Does not apply

<b>EXTRAORDINARY MEETING</b>	<b>First call</b>	<b>Second call</b>	<b>Third call</b>
Constitutive quorum	Presence of as many shareholders as to represent at least a half of the share capital	Presence of as many shareholders as to represent more than one third of the share capital	Presence of as many shareholders as to represent at least one fifth of the share capital
Deliberative quorum	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital

Under no circumstances does the Company require majorities other than those established by law for passing reso-

<sup>42</sup> The mathematical mean of attendance of Directors at the past three Shareholders' Meetings was 67%.

lutions. The majorities laid down for the Ordinary General Meetings are required to grant it power to:

- a) pass resolutions on Financial Statements;
- b) pass resolutions concerning the allocation of profits;
- c) appoint members of the General Council;
- d) appoint members of the Board of Directors, Permanent and Substitute Auditors and the Chairman of the Board of Statutory Auditors;
- e) establish the Statutory Auditors' fees;
- f) determine the fee payable to members of the Board of Directors; variable remuneration systems tied to the profits and/or other indicators of the business trend of the Company and/or the Group may be used for this purpose;
- g) appoint External Auditors to audit the accounts during the financial year, the financial statements and the consolidated financial statements; establish their fees;
- h) pass any other resolution required by law or submitted to the General Meeting by the Board of Directors.

The majorities established for extraordinary sessions of the General Meetings are required to resolve on amendments to the Company's Articles of Association, the appointment and powers of liquidators in the event of the Company's winding-up, and in other cases provided for by law.

Meeting procedures and those relating to the right of individual shareholders to speak at the meeting<sup>43</sup> are governed by ad hoc By-laws, which are available at the Company's offices and on its website ([www.generalil.com](http://www.generalil.com)), as are the Company's Articles of Association and information on its governing bodies.

## Relations with Institutional Investors and other Shareholders

The Investor Relations Department, which is part of the Central Head Office in Trieste, is responsible for relations with institutional investors. To facilitate relations with this Department, the "Investor Relations" section of the website [www.generalil.com](http://www.generalil.com) includes its telephone numbers and e-mail addresses under "Contacts".

As far as day-to-day relations with shareholders are concerned (intensifying as General Meetings draw near), the Company has set up its own "Share Office", the activity of which falls within the "Group General Secretariat and Corporate Affairs Department", which is also part of the Central Head Office in Trieste.

Assicurazioni Generali complies with the Code of Conduct and the best practices laid down in the Guide to Disclosure of Information to the Market, published by the ref. Forum on corporate disclosure.

The Company encourages and promotes the widest possible attendance of shareholders at General Meetings. Except under exceptional circumstances, calls of meetings take account of the possibility that they may be held on a Saturday.

<sup>43</sup> The Chairman governs the discussion and gives the floor to those requesting it. A request to speak shall be made in writing and indicate the item on the agenda to which it relates; requests may be made after the Chairman has read out the agenda, and until the closure of the discussion on the item to which it refers. The Chairman may authorise the submission of requests to speak by raising the hand. Members of the Board of Directors and Internal Auditors may ask to speak in the discussion. To enable the Chairman and, on his invitation, those assisting him, to respond more exhaustively to the speeches by the authorised parties, they may submit written notes illustrating the subjects on which they wish to speak to the Board of Directors before the constitution of the Meeting. Each person authorised to speak at the General Meeting may speak for no more than 15 minutes on any item on the agenda, making statements and formulating proposals. The speeches shall be clear, concise, and strictly relevant to the subject discussed. The Chairman may establish a longer or shorter length of speeches at any time, according to the importance of the subject under discussion, the number of persons asking to speak and the other items on the agenda still to be discussed, but said length shall not be less than half the maximum length specified.

The Chairman and, on his invitation, those assisting him, shall reply to the speakers after each speech, or after all speeches. Those who speak during the discussion may reply once, for not more than five minutes. The Chairman will ask speakers who fail to comply with the terms of this Regulation to conclude their speech quickly, after which he will withdraw the floor from them.

## Board of Statutory Auditors

The Board of Statutory Auditors consists of three permanent and two substitute Auditors, who may be re-elected. Once elected, Statutory Auditors forfeit their office if situations of incompatibility arise as specified by law or they exceed the limits on simultaneous offices established by the applicable legislation.

All the permanent and substitute statutory auditors must meet the requirements laid down by law.

As regards the requisite of independence of the members of the Board of Statutory Auditors, without prejudice to the statutory provisions the Code states that the Statutory Auditors shall be chosen among people who can be classed as independent, partly on the basis of the criteria applicable to Directors. Furthermore, the Board of Statutory Auditors shall assess compliance with the said criteria after the appointment and subsequently on an annual basis, including the result of such assessment in the corporate governance report. The current Board of Statutory Auditors, appointed by the General Meeting on 26 April 2008 for the 2008, 2009 and 2010 financial years, ie. until the next General Meeting held to approve the financial statements for the 2007 financial year, duly established that its members met the independence requirements according to Application Criterion 10.C.2 of the Code.

Amongst the provisions of the Code pertaining to the Board of Statutory Auditors, attention should be paid to the fact that an Statutory Auditor who holds an interest, either directly or on behalf of third parties, in a certain transaction of the issuer, must promptly and exhaustively inform the other Statutory Auditors and the Chairman of the Board about the nature, terms, origin and extent of his/her interest.

The Board of Statutory Auditors is now required to monitor the independence of the External Auditors, verifying their compliance with the provisions of the applicable legislation and regulations, and the nature and extent of services other than the accounting control provided to the issuer and its subsidiaries by the External Auditors and organisations belonging to its network. This activity was duly performed by the Board of Statutory Auditors in the last financial year.

Moreover, in compliance with the Code, the Statutory Auditors may exercise the aforementioned power to verify the proper application of the criteria and assessment procedures adopted by the Board of Directors to evaluate the independence of its own members.

Among all the various provisions, particular attention should be paid to the one laid down in article 149 of the CFBA which includes, among the other supervisory duties attributed to the Board of Statutory Auditors, supervision of the methods of implementing the corporate governance rules laid down in codes of conduct drawn up by the management companies of regulated markets or by trade associations, which the company, in public disclosures, declares that it complies with.

According to current legislation, the Board of Directors and shareholders who, either alone or jointly with others, represent at least the minimum percentage of the share capital specified in the applicable legislation, shall be entitled to submit a list for the appointment of the Board of Statutory Auditors.

The Board of Directors' list, if submitted, shall be filed at the Company's registered office by the thirtieth day before the date of the first convocation of the General Meeting; in the case of lists submitted by shareholders, the list shall be filed by the twenty-fifth day before the date of the first convocation of the General Meeting.

Please, note that this report does not take into consideration the proposal that the Board of Director will present to the Shareholders' Meeting, that has been called on 26th, 28th and 30th April. Pursuant to the draft amendments to the article 40 of the Articles of Association, in line with the corporate best practices, only Shareholders having a qualified shareholding of 0.5% of the share capital only (thus excluding the incumbent members of the Board of Directors) will be entitled to present candidate lists for the appointment of the members of the Board of Statutory Auditors.

The lists shall be accompanied by information about the shareholders who submit them, with details of the total percentage of the share capital held by them. The following documents shall be filed together with the lists:

- the curriculum vitae of each candidate, containing detailed information about the candidate's personal and professional characteristics and the skills acquired by him/her in the insurance, financial and/or banking field;
- statements in which the candidates accept the nomination, undertake to accept the office if appointed, and further declare, under their own responsibility, that no grounds for incompatibility or disqualification exist, and that they meet the requirements of honourableness, professionalism and, if applicable, independence, required by current legislation;
- a copy of the certificates issued by intermediaries certifying the ownership of the percentage of share capital required for submission of lists.

If the said requirements are not met, the list shall be deemed not to have been submitted.

If only one list has been submitted by the said deadline, or only lists submitted by shareholders connected with one another, lists may be submitted until the third day after the said date. In such case, the thresholds for submission of lists of candidates shall be halved.

The parties entitled to vote, companies directly or indirectly controlled by them, companies directly or indirectly subject to joint control, and shareholders connected by one of the relationships specified in s. 109.1 of the CFBA, relating to the company, may jointly submit and shall only vote for one list; in the event of breach of this provision, no account shall be taken of support given to any of the lists.

The first two candidates in the list that obtained the largest number of votes (the "**Majority List**") and the first candidate in the list which, without taking account of the support given in any way, even indirectly, by shareholders connected with those who submitted or voted for the Majority List, obtained the second-largest number of votes (the "**Minority List**"), shall be elected Permanent Statutory Auditors.

The first candidate on the Majority List which obtained the largest number of votes and the first candidate on the Minority List shall be elected Substitute Statutory Auditors.

If the first two lists obtain the same number of votes, a new vote shall be held. In the event of a tie between two or more lists other than the one which obtained the largest number of votes, the youngest candidates shall be elected Statutory Auditors until all posts have been filled.

If only one list is submitted, all the Statutory Auditors to be elected shall be taken from that list.

The Permanent Statutory Auditor taken from the Minority List shall be appointed Chairman. If all the Statutory Auditors are taken from one list, the first candidate on that list shall be appointed Chairman.

In the event of the death, resignation or debarment of a Permanent Statutory Auditor taken from the Majority List or the only list, s/he shall be replaced by the substitute belonging to the same list or, if none, by the youngest substitute. The General Meeting shall appoint the members required to complete the Board of Statutory Auditors, passing resolutions by the statutory majority.

The Board of Statutory Auditors is currently made up as follows:

### Board of Statutory Auditors

Office	First name, last name
• Chairman	Eugenio Colucci
• Permanent auditor	Giuseppe Alessio Verni
• Permanent auditor	Gaetano Terrin
• Substitute auditor	Maurizio Dattilo
• Substitute auditor	Michele Paolillo

The following is a short presentation of its members:

**Eugenio Colucci** was born in Lucera (Foggia) on 9 January 1946. He graduated in Economics and Business Studies, and is enrolled in the Auditors' Register. He began his career in 1969 with auditing firm Arthur Andersen, where he rose to become a partner. He now provides financial and accountancy consultancy services for private clients. He has been a member of the Executive Committee and subsequently advisor to the Italian Accountancy Association. He is a director and Chairman of the Internal Control Committee of EXOR S.p.A., a permanent statutory auditor of Autogrill S.p.A., and a member of the Audit Committee of Ferrero International S.A..

**Giuseppe Alessio-Verni**, born in Trieste on 5 October 1964, has worked there as a chartered accountant since 1992. A Certified Auditor since 1995, he is registered as an Expert and Technical Consultant to the Courts of Trieste. He is Chairman of the Board of Statutory Auditors of Banca Generali S.p.A., Europ Assistance Italia S.p.A. and Genertellife S.p.A., among others, and Permanent Statutory Auditor of a number of companies belonging to the Generali Group, not only engaged in insurance but also in banking and financial brokerage. He is also a statutory auditor of Premuda S.p.A. and Danieli & C. S.p.A. He has been a Substitute Statutory Auditor of Assicurazioni Generali S.p.A. for three years, since 2005.

**Gaetano Terrin**, born in Padua on 16 July 1960, has been a certified auditor since 1992. In addition to practising as a chartered accountant, he is also an Statutory Auditor of a number of companies operating in the insurance, financial and industrial sectors, including a number of Generali subsidiaries. Engaged as Substitute Statutory Auditor of the Company in 1999, in 2001 he was appointed Permanent Statutory Auditor. Moreover, he holds the office of Permanent Statutory Auditor of Danieli & C. Officine Meccaniche S.p.A..

**Maurizio Dattilo**, born in Milan on 19 March 1963, is a chartered accountant and auditor. He practises as a chartered accountant as a partner in the Milan firm "Dattilo Commercialisti Associati". He is a Permanent Statutory Auditor of a number of industrial companies.

**Michele Paolillo**, born in Milan on 16 May 1953, is a Business Economics graduate, has been a qualified auditor since 1995, and has been registered in the Accountants' Register since 1998. He currently provides legal consultancy services to private clients. He specialises in tax law, and is an statutory auditor of companies operating in the financial and manufacturing sectors, including TLX S.p.A. and Citicorp Financial S.p.A..

The Board of Statutory Auditors has duly undertaken its auditing duties as laid down by law; it has kept minutes and produced the reports required by the performance of the Company's business.

In 2005 the Board of Statutory Auditors convened eleven times, with an average attendance of 99%, twelve in 2006, with an attendance of 100%, and fourteen in 2007, with an average attendance of 99% of the members. Twenty-one meetings were held in 2008, sixteen in 2009 and 22 in 2010, all with 100% attendance. (See Table 3, containing attendance information for each member of the Board of Statutory Auditors).



The average attendance of Statutory Auditors at meetings of the Board of Directors was 100% in 2008, 96% in 2009 and 100% in 2010. The average attendance of Statutory Auditors at Executive Committee meetings was 100% in 2008, 2009 and 2010.

The last ten meetings of the Board of Statutory Auditors also saw full attendance.

## External auditors

The firm of external auditors, which must be registered in a roll kept by CONSOB, is called upon to verify, during the year, that corporate accounts are properly kept and that the financial position and results of the Company's operations are reported correctly. The External Auditors shall promptly inform the Board of Statutory Auditors and CONSOB of any facts which it may deem erroneous. The firm also verifies that the Financial Statements and the Consolidated Statements match the figures in the accounting records and the results of checks, and that those bookkeeping documents comply with the regulations to which they are subject.

The External Auditors are appointed by the General Meeting, on the substantiated proposal of the Board of Statutory Auditors. The General Meeting also decides on the fees of the External Auditors. The legislation has extended their term of office to nine years, and their appointment can be renewed when an interval of at least three years has elapsed since the termination of the last appointment.

If their appointment is renewed, the person in charge of the audits must be replaced after seven years, and cannot hold the same office again, even on behalf of another auditing firm, or with reference to the financial statements of subsidiaries, related companies, companies controlling the issuer or jointly controlled companies, unless an interval of at least three years has elapsed since the termination of the last appointment.

The above-mentioned mandate can be terminated before the due date upon the substantiated proposal of the Board of Statutory Auditors, on reasonable grounds. All resolutions passed by the General Meeting and concerning appointments and terminations are transmitted to CONSOB.

At the end of each financial year, the External Auditors examine the Financial Statements and draft a formal Report. The document is attached to the Financial Statements and deposited at the registered office of the Company for the fifteen days preceding the Meeting called to approve the Financial Statements, and until the statements are finally approved.

The firm of External Auditors currently appointed is PricewaterhouseCoopers S.p.A., which was appointed, after the Board of Statutory Auditors had been consulted, by the General Meeting held on 29 April 2006 for the financial years 2006/2011.

The aforesaid auditing firm, during the 2009 financial year, dedicated 18,734 actual working hours and billed the Company for a total of € 1,108,915.00, broken down as follows:

- € 414,753.00 for the financial statements;
- € 315,698.00 for the consolidated financial statements;
- € 96,692.00 for the half-year report;
- € 92,862.00 for the consolidated half-yearly report;
- € 63,329.00 for the assessment of the regularity and correctness of the company's bookkeeping;
- € 125,581.00 for the Reports on the performance of separate management accounts, internal funds and open-ended pension funds.

The fact that the audit of the financial statements took longer and cost more than stated in the proposal, except as regards separate management accounts and internal funds, is due to the complexity of the matters dealt with during



the audit, mainly relating to analyses conducted in support of the value of the financial statements and the hedging methods used by the company.

The audit fees for the 2009 financial year for the Company's foreign subsidiaries amounted to a total of € 318,898.00 at year-end exchange rates, € 258,620.00 of which was for audit services rendered by auditing firms belonging to the PricewaterhouseCoopers network.

## General Council

The General Council is an advisory body that concerns itself with the best attainment of the Company's objects, with particular regard to the territorial expansion of the Company and to international insurance and financial problems regarding the Company and the Group.

In addition to the members elected by the General Meeting, whose number, according to the Company's Articles of Association, shall be not less than 15 and not more than 35, Board members and General Managers of the Company are included in the General Council as members by right. The Council's term of office is three years. It is chaired by the Chairman of the Board of Directors.

The General Council is currently made up of 41 members, 21 of whom were appointed by the General Meeting held on 24 April 2009 for the 2009, 2010 and 2011 financial years. The members are:

## General Council

Office	First name, last name
• Chairman	Cesare Geronzi
• Vice-chairman	Vincent Bolloré
• Managing Director	Francesco Gaetano Caltagirone
• Managing Director	Alberto Nicola Nagel
• Managing Director	Giovanni Perissinotto
• Managing Director	Sergio Balbinot
• General Councillor	Giorgio Davide Adler
• General Manager (CFO)	Raffaele Agrusti
• General Councillor	José Ramon Alvarez Rendueles
• General Councillor	José Maria Amusategui de la Cierva
• General Councillor	Francesco Maria Attaguile
• General Councillor	Claude Bébéar
• General Councillor	Kenneth J. Bialkin
• Non-executive Director	Ana Patricia Botin
• General Councillor	Gerardo Brogгинi
• Non-executive and independent Director	Cesare Calari
• Non-executive and independent Director	Carlo Carraro
• General Councillor	Giacomo Costa
• General Councillor	Maurizio de Tilla
• Non-executive and independent Director	Diego Della Valle
• General Councillor	Enrico Filippi
• General Councillor	Carlos Fitz-James Stuart y Martinez de Irujo
• General Councillor	Georges Hervet
• General Councillor	Dietrich Karner
• General Councillor	Khoon Chen Kuok
• Non-executive Director	Petr Kellner
• Non-executive and independent Director	Angelo Miglietta
• General Councillor	Stefano Micossi
• General Councillor	Benedetto Orsini
• Non-executive and independent Director	Alessandro Pedersoli
• Non-executive and independent Director	Lorenzo Pellicoli
• Non-executive Director	Reinfried Helmut Pohl
• Non-executive and independent Director	Paola Sapienza
• Non-executive and independent Director	Paolo Scaroni
• General Councillor	Arturo Romanin Jacur
• General Councillor	Guido Schmidt-Chiari
• General Councillor	Alejandro Valenzuela del Rio
• General Manager (Country Manager)	Paolo Vagnone
• Non-executive Director	Francesco Saverio Vinci
• General Councillor	Theo Waigel
• General Councillor	Wilhelm Winterstein

## Website

Legislative Decree no. 27 of 27 January 2010, which implements Shareholders' Rights Directive 2007/36/EEC, introduced some major innovations regarding the role played by the website of a listed company, which has become the most suitable method of ensuring the dissemination of information, including regulated information.

The Company has kept its website ([www.generali.com](http://www.generali.com)) regularly updated, in order to make clear, exhaustive information available to all users.

The website features a presentation of the Group and its history, its objectives, the markets where it operates, press releases describing major events in which the Group has played a part, and opportunities to work with the Company. With an eye on information transparency, great importance is attached to the presentation of the share structure, financial and accounting data on the website. The data are carefully and promptly updated, so that among the documents users will find the latest approved financial statements and an easily accessible archive containing the accounts for several previous financial years.

In order to provide rapid, easy access to Company information, the telephone numbers and e-mail addresses of the Group Communications, Investor Relations, and Group General Secretariat and Corporate Affairs departments are provided in the Press and Communications, Investor Relations and Governance sections.

In the Investor Relations section, the "General Meeting" subsection contains the notice convening the next General Meeting and the Reports on the Agenda, the minutes of meetings, and the speeches by the Chairman and Managing Directors for the last five financial years.

The Governance section makes all major documents available for consultation and downloading, such as the Articles of Association, the By-Laws of the General Meetings, the Ethical Code and this Report on Corporate Governance. At the same time, information is provided on internal dealing regulations, with details of the operations performed by internal dealers, related party transactions, and information about the legal representation system and the organisational and management model. A brief but comprehensive summary of the said documents is also available.

The site also features a subsection called "*Event Calendar*", providing information on the dates of the meetings of the governing bodies, such as the General Meeting and the Board of Directors' Meetings convened to approve the draft annual accounts, the consolidated financial statements, the half-year report and the quarterly reports, as well as events that are strictly financial in nature, such as press conferences and encounters with financial analysts. The website also displays the ratings given to Generali's securities by rating firms. They are updated promptly, even before the said information is transmitted to Borsa Italiana.

All the material that can be consulted without a password is available in both Italian and English. The Articles of Association can also be downloaded in French, German and Spanish versions.

The company King Worldwide Digital (previously called Hallvarsson & Halvarsson), which has rated Italian and European websites for several years, published the results for 2009 last year. Assicurazioni Generali obtained a score of 6.5 out of 7 for its Corporate Governance section (meeting 93% of the assessment criteria), and gained third place in the Italian rankings, thus further improving on the already good position obtained during the preceding year.

These results confirmed the decisions on contents and transparency that the Company has implemented in recent years.

Rome, 16 March 2011

BOARD OF DIRECTORS

## Third part – Annexed tables

### Table 1: Share ownership information

#### Share capital structure

	No. of shares	% in respect to share capital	Listed / Unlisted	Rights and obligations (**)
Ordinary shares	1,556,873,283	100.00	FTSE MIB	Refer to note
Restricted voting shares (*)	-	-		
Non-voting shares (*)	-	-		

(\*) There are no restricted voting shares nor non-voting shares.

(\*\*) Each ordinary share holder has rights and obligations in terms of equity and administration. Equity claims include the right to the dividend, the right of option on shares issued on increase for capital payment or reconstitution, proportionately to the number of hitherto owned shares, the right of free allocation of new shares in case of free capital increase, proportionately to the number of hitherto owned shares as well as the right to settlement share after company liquidation. Administrative rights include, inter alia, the right to participate in corporate plenary meetings and vote, the right to withdraw from the company in specific circumstances and the right to information. Finally, as to obligations, each Shareholder is bound to execute subscriptions as necessary elements for the implementation of the objects of the company.

#### Significant shareholdings

Declarant	Direct Shareholder	% Share on ordinary share capital (*)
MEDIOBANCA Group	Mediobanca	12.239
	Mediobanca (Voting right under contractual relationship)	0.225
	Spafid	0.089
	Compass	0.912
	<b>Total</b>	<b>13.465</b>
BANCA D'ITALIA	Banca d'Italia	4.482
	Bonifica Terreni Ferraresi e Imprese Agricole S.p.A.	0.006
	<b>Total</b>	<b>4.488</b>
BLACKROCK Group	BlackRock Investment Management (UK) Ltd	0.009
	BlackRock (Netherlands) B.V.	0.017
	BlackRock (Luxembourg) S.A.	0.007
	BlackRock Institutional Trust Company N.A.	0.872
	BlackRock Fund Managers Ltd.	0.022
	BlackRock Advisors (UK) Ltd.	1.206
	BlackRock Investment Management (Australia) Ltd.	0.003
	BlackRock Investment Management LLC	0.070
	BlackRock Financial Management Inc.	0.021
	BlackRock Asset Management (Japan) Ltd.	0.194
	BlackRock Asset Management (Australia) Ltd.	0.009
	BlackRock Asset Management (Canada) Ltd.	0.017
	BlackRock Fund Advisors	0.353
	BlackRock Fund Advisors LLC	0.020
	<b>Total</b>	<b>2.820</b>

## Significant shareholdings

Declarant	Direct Shareholder	% Share on ordinary share capital (*)
B&D HOLDING Group	DeA Partecipazioni S.p.A.	2.260
	B&D Finance S.A.	0.174
	<b>Total</b>	<b>2.434</b>
EFFETI	Effeti S.p.A.	2.267
	<b>Total</b>	<b>2.267</b>
CALTAGIRONE Group	CALTAGIRONE EDITORE	0.215
	FGC	0.014
	FINANZIARIA ITALIA 2005	0.170
	Finced	0.151
	Gamma S.r.l.	0.393
	Immobiliare Caltagirone - Ical	0.014
	Mantegna 87	0.058
	Pantheon 2000	0.231
	Porto Torre	0.090
	Quarta Iberica	0.106
	So.co.ge.im	0.006
	Unione Generali Immobiliare	0.100
	Vianini Industria	0.116
	Viapar	0.141
	VM 2006	0.398
	Francesco Gaetano Caltagirone	0.007
	<b>Total</b>	<b>2.209</b>
Petr Kellner	Anthiarose Limited	1.990
	PPF Group N.V.	0.030
	<b>Total</b>	<b>2.020</b>

(\*) Ordinary share capital and voting capital are coincident.

## Table 2: Structure of the Board of Directors and Committees

Board of Directors							Internal Control Committee		Remuneration Committee		Executive Committee	
Office	Members	executive	non-executive	independent	(***)	No. of other offices (*)	(**)	(***)	(**)	(***)	(**)	(***)
Chairman	Cesare Geronzi	X			100%	1					X	100%
Vice-chairman	Francesco Gaetano Caltagirone	X		X	100%	6					X	100%
Vice-chairman	Vincent Bolloré	X			100%	5					X	100%
Vice-chairman	Alberto Nicola Nagel	X			86%	2					X	100%
Managing Director	Giovanni Perissinotto	X			100%	1					X	100%
Managing Director	Sergio Balbinot	X			100%	3						
Director	Ana Patricia Botin		X	X	29%	2						
Director	Cesare Calari		X	X	100%	1						
Director	Carlo Carraro		X	X	86%		X	100%				
Director	Diego Della Valle		X	X	57%	6						
Director	Leonardo Del Vecchio (resigned on 21.02.11)	X		X	86%	6			X	100%	X	100%
Director	Petr Kellner		X		86%							
Director	Angelo Miglietta	X		X	100%	1	X	100%				
Director	Alessandro Pedersoli		X	X	86%	2	X	100%				
Director	Lorenzo Pellicoli	X		X	86%	6			X	100%	X	100%
Director	Reinfried Helmut Pohl		X		57%	1						
Amministratore	Paola Sapienza		X	X	100%							
Director	Paolo Scaroni		X	X	100%	2			X	100%		
Director	Francesco Saverio Vinci		X		100%	4						
Number of meetings held in the reference financial year		Board: 7		Internal Control Committee: 3		Remuneration Committee: 5				Executive Committee: 6		

Reference period 24 April 2010 - 31 December 2010

(\*) This column indicates the number of director or internal auditor offices carried out by the subject in concern in other companies listed on domestic or foreign regulated markets, finance, bank or insurance corporations, or other major companies.

The foregoing report expressly indicates such offices. Chart also indicates missions carried out within companies belonging to the group, although not considering them for the discipline of mission aggregation restrictions.

(\*\*) "X" in this column indicates that the member of the Board belongs to the Committee.

(\*\*\*) This column shows the percentage of meetings of the Board and of the Committees attended by Directors.

**Table 3: Board of Statutory Auditors**

Office	Members	Percentage of meetings of the Board of Statutory Auditors attended	Number of other offices <sup>(*)</sup>
Chairman	Eugenio Colucci	100%	2
Permanent Auditor	Giuseppe Alessio Verni	100%	3
Permanent Auditor	Gaetano Terrin	100%	1
Substitute Auditor	Maurizio Dattilo	-	-
Substitute Auditor	Michele Paolillo	-	-
Number of further meetings attended during the financial year:		10 (1 in Shareholders' Meeting - 9 in the Board of Directors)	
Indicate the quorum required for the submission of lists by minorities for the election of one or more permanent Auditors (pursuant to Art. 148 TUF):		5/1000 of the share capital	

(\*) This column shows the number of Director or Auditor offices held by the person in other firms listed on Italian regulated markets. The report on corporate governance contains a complete list of offices.



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## **Fourth part** – Report on the remuneration policy for the Management of the Company and the Group

### **Introduction**

This report has been drafted due to the current economic and financial climate, which is characterised by a community of stakeholders particularly concerned with remuneration policies, especially with regard to risk management and eventual results. It gives an overview in terms of profitability which is profoundly different with respect to a number of years ago. It was deemed necessary by Generali to perform a detailed analysis of the current remuneration policy with the aim of ascertaining – in light of the changes stated above – that it is in line with the current framework both in terms of regulatory effectiveness and sustainability. This has resulted in the drawing up of this document, in which the subject is dealt with in an organic and thorough manner, referring to the principles and criteria applied in Article 7 of the Code of Corporate Governance (the new version was approved in March 2010 by the Corporate Governance Committee), to which the company adheres.

It states that, pending the definition of the regulatory framework linked to the implementation of Legislative Decree no. 259 of 30 December 2010, this report on the remuneration policy for the management of the company and the Group is an attachment to the report on Corporate Governance and Ownership Structure relating to 2010, and is an integral and substantial part of it.

We believe that the report, which will be examined and approved by the Shareholders' Meeting as well as being in line with the development of the regulatory framework, will facilitate the understanding of the usual remuneration policy adopted by the Group. It will therefore efficiently support the creation of sustainable values in the medium-long-term, guaranteeing correct remuneration with regard to performance, through continual adherence to the Groups' strategies, implementation and constant monitoring.



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# Remuneration policy

## Definition of remuneration policy

### The basics

In determining the payment strategy it is imperative to align with:

- our mission, in particular with regard to the will to generate consistent and excellent results for our stakeholders in the short and medium term;
- our values, and more specifically the responsibility, reliability and commitment to the community, which must be adhered to as much by top management as our employees in achieving the objectives assigned to them;
- our governance, a company/organisation model and set of rules that guide the operations towards:
  - a precise and constant adherence to the rules,
  - compliance with the ways in which relations are managed between the governing bodies and different corporate structures,
  - observance and adequacy of the processes of risk management and control;
- our sustainability policy, where main priorities include the pursuit of sustainable growth over time and valuing people who work within the Group, recognising individual contributions as the success of the organisation and including appropriate remuneration.

The remuneration policy as defined in turn supports the mission, values, governance and sustainability, thus giving rise to a continuous interaction that allows, on the one hand, a steady increase in remuneration practices previously adopted and, on the other hand, the consolidation of the elements considered above, whilst meeting the needs of our stakeholders in a more satisfactory manner.

### The principles

The aim of our remuneration policy is to ensure adequate remuneration with regard to sustainable performance.

With this goal in mind our actions are governed by the following cardinal rules:

- Internal equity: remuneration should be consistent with the role and responsibilities assigned as well as the skills and abilities demonstrated. This is true for the top positions as well as for other bands, with the latter coordinating with the provisions of national contracts and corporate regulations.
- Competitiveness: remuneration must be balanced in relation to that on the reference markets; it is for this reason the monitoring was conceived and regular analyses into remuneration are performed for both professional figures and business type and geographic area. For top positions the Remuneration Committee makes use of an external consultant to identify the direct competitors that make up the panel of peers as a reference for making remuneration benchmarks; for the remainder of the employees, comparisons are made through participation in remuneration surveys, both within the industry and in general.
- Consistency: meaning the ability to agree across the Group remunerations that are likened professionally, taking into account the type of business, geographic area and other factors which could influence the rate of remuneration. At the same time this is consistent with encouraging the growth of resources, through both national and international mobility.
- Meritocracy: meaning a system used to reward consistent results and the behaviour used to achieve them. This should be directed towards constant compliance with procedures in place, a detailed risk assessment and proper resetting of the related actions on the basis of a longer span of time, so as to facilitate the achievement of results in the short, mid and long-term.

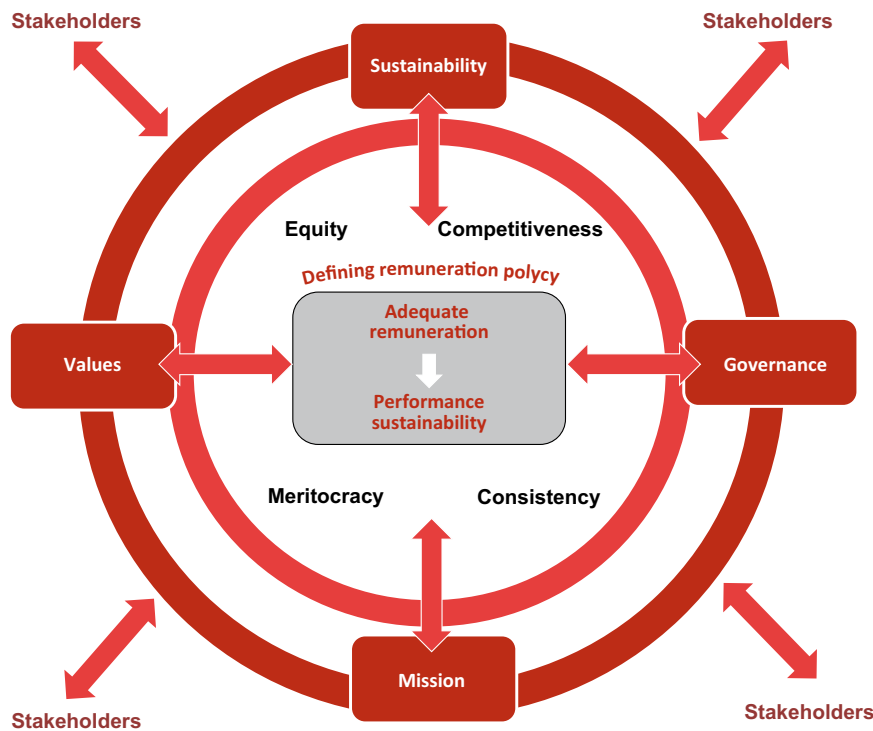
The application of these principles should also strengthen the motivation and loyalty of key employees, particularly those considered strategic or having potential, and, with a view to being the Best Employer, Generali uses the process to establish itself, both in Italy and internationally, as a group capable of attracting the best talent.

## The measures

On the basis of these principles, to establish the policies and remuneration levels we deem essential, the following measures should be put in place:

- Defining a balanced remuneration package. Specifically:
  - Defining a comprehensive remuneration package proportional in its fixed components, variable components and benefits, and guaranteeing a correct balance with regard to the variable remuneration for short-term and medium-long-term contracts, in order to avoid the adoption of behaviour that favours short-term results over medium-long-term goals;
  - Defining a comprehensive remuneration package that is fair and competitive, anticipating the adoption of alternative solutions or additional money to pay the same as the benefits, with a view to optimising the efficiency of interventions in economic terms.
- Guaranteeing a linear connection between remuneration and performance, whilst adopting a flexible and differentiated approach. More specifically, adopting reward procedures that fulfil the requirements/elements listed below:
  - Using measures that incorporate – in determining objectives, target values and parameters in the following report on results and incentives – determination, clarity, uniqueness of interpretation, transparency and that are easy to quantify;
  - Setting limits on bonuses, both maximums, in terms of the amount to be paid, and minimums, in terms of percentage of achievement of the objectives assigned, below which the incentives are not provided;
  - Deferral of a proportion of variable remuneration, whose magnitude and duration must be consistent with the characteristics of our activities and our risk management practices, through the adoption of long-term incentive schemes;
  - Differentiation of the incentives, on the basis of a meritocratic approach that takes into account the band of the industry in which the recipients operate, and other distinguishing factors that may be relevant from time to time;
  - Flexibility, in rewarding individuals yet always considering the overall performance of the framework/company/group and the economic and financial context at that time.
- Aligning performance with stakeholder interest; adopting a multi-annual and multi-dimensional approach. In particular:
  - defining a priori objectives directly related to the creation of shareholder value in the short and medium-long-term;
  - defining short-term annual remuneration objectives, which are consistent with those fixed for medium-long-term;
  - valuing performance, considering annual performance in itself and its impact within a longer time framework and measuring annual performance both in terms of absolute values, in relation to the objectives assigned and – where it is appropriate – in relative terms relating this value to the results of the competitors present on the market;
  - valuing performance on the basis of other factors such as risk management and the cost of company capital;
  - foreseeing, where possible, non-financial or economic objectives in order to guarantee an effective reward system aligned with company results; therefore fixing, where possible, objectives comprising the adoption of sustainable behaviour in favour of the company and in terms of customer satisfaction, an augmentation in internal resources, an improvement in the procedures, and more generally, of our strategies of sustainability, with the aim of constantly improving the quality of our performance.
- Guaranteeing compliance with processes and conformity with regulatory procedures, through:
  - Quick access to data confirming the results for the bodies entrusted with the controls;
  - Independence for the roles involved in the preparation of the incentive schemes and those that perform the necessary checks and eventual controls;
  - Formulation of the plans so as to ensure their effectiveness over time, both for the regulatory aspect and in terms of satisfaction for possible future applications.

## Our approach in determining remuneration policy



## Composition of remuneration package

On the basis of what has been stated above, the remuneration package is structured as follows:

### Fixed pay

Remuneration for a role, and in particular for the responsibilities assigned to the role taking into account – especially for the top positions – experience, quality of the contribution made to the business results and excellence carried out in the assigned functions.

The weighting of the fixed pay must affect the total remuneration, on the one hand, in order to attract and retain resources – both strategic and talented resources – and to reward the role suitably even in the case of failure to meet the incentives and insufficient results, in order to discourage the adoption of behaviour that is not proportional to the degree of risk undertaken by the company in achieving its desired results in both the short and medium-long-term; on the other hand, it should be in accordance with the variable pay guidelines, especially concerning excellence in results.

### Variable pay

Remunerations for the results achieved in the short and medium-long-term.

As cited above, performance is valued with a multi-temporal and multi-dimensional approach, that takes into account – depending on the employees and time frame concerned – results achieved by individuals, results obtained by the framework and structures in operation, and regarding the top positions, results of the company/group as a whole and those of its competitors that constitute the panel of peer reference.

The direct correlation between results and payment of incentives in implementing meritocratic procedures should therefore differentiate the contribution made by each individual and, at the same time, motivate all employees.

Variable pay involves the use, depending on the employees and type of business considered, of various incentive schemes and distinct measures regarding a given time frame for the payment of the incentive and the means of delivery used.

Regarding the Managing Directors and the General Managers of the Group in particular, the measures already in place are the Balanced Scorecard, for remuneration in the short term, and the Long Term Incentive Plan, for remuneration in the long-term.

### *Balanced Scorecard (BSC)*

Adoption of this instrument is intended to translate the strategies of the Business Plan into a set of operational objectives able to have a decisive impact on the total performance of the Group.

Targets are assigned annually, aligned with the strategic Business Plan, quantitatively and otherwise, which are associated both with "weights", which define the importance with respect to all the objectives; and the minimum values, the target and maximums of performance expressed through appropriate parameters. Also defined for each goal is the position of the budget compared to the levels of performance expected, the minimum thresholds for access to the payment of bonuses and the maximum in the case of overperformance, and the cost of the bonus - expressed as a percentage - on a fixed compensation, differentiated according to the role of the *BSC* recipients.

The level of performance achieved is then verified in relation to each objective, which is then weighted by its relative weight; the sum of the performance levels achieved is thus the weighted performance total.

Concerning in particular the Managing Directors and the other Management personnel, both the contents of the scorecards in terms of objectives, weights, levels of performance, maximum and minimum of the potential bonus on fixed compensation and the calculation method, the subsequent results and the corresponding amounts to be paid are reviewed and endorsed by the Remuneration Committee, which in turn shall submit them for assessment and approval of the Board of Directors.

The *BSCs* of upper management are then sent to the other managers of the Parent Company and the top management of the other Group companies in Italy and abroad, so as to involve all the companies that are owned by Generali in achieving their strategic objectives.

### *Long Term Incentive Plan (LTIP)*

The system's total remuneration for the members of the Company's upper management - as well as the managers of the same, is articulated, beyond fixed salary and variable pay, in a Long Term Incentive Plan as well. The use of this instrument is in line with the best and most widespread practices at an international level and it has become appropriate not only given the results, thanks to the valuable contribution made by the Plan identified as the key assets of the Generali Group, but also so as to continue the process of motivation and loyalty to them, aligning their economic interest to that of all the Shareholders.

The Shareholders' Meeting held on 24 April 2010 approved an incentive plan intended for persons holding positions within the Group that are considered strategic and characterised by elements of particular innovation with respect to the instruments adopted in the past and consistent with the changed frame of reference in which the Group is located and operates.

However, to address the need for an intervention to improve the balance of variable compensation in its two components and the need to ensure full compatibility in legal terms and to provide for and regulate cases not covered by the relevant Regulations, the Board of Directors subsequently decided to terminate the Plan in question and submit a new one for examination and approval by the Shareholders Meeting in April 2011, with the characteristics above.

The objective of the Incentive Plan is, first, to strengthen the link between management remuneration and performance defined by the three-year Business Plan (so-called absolute performance) and, second, to maintain and strengthen the link between remuneration and growth in value compared to a peer group (so-called relative performance).

The Plan is based on the following elements:

- the Plan is rolling, i.e., each year triggers a new cycle lasting six years connected to the strategic plans. This does not prejudice, in any case, the power of the Board of Directors to terminate the renewal cycles of the Plan;
- for the first cycle, there is a direct link with the objectives of the strategic plan and, later, with those of the subsequent strategic plans;



- the concept of joint investments, namely the investment of a part of the net cash component received by the recipients in shares of the Parent Company to the extent of 25% or 50% thereof.

Each cycle of this Plan has an overall reference time frame of six years.

For the first cycle, the duration is divided as follows:

- the first three years 2010/2012: at the end of that period, if it is to the extent that certain absolute performance objectives are achieved, the provision of a monetary incentive (bonus) is involved, with an investment of 25% or 50% of the net thereof in shares of Assicurazioni Generali;
- the second three years 2013/2015: at the end of that period, for each share purchased (by investing 25% or 50% of the net incentive paid), the person has the potential right to receive from the Parent Company a number of shares, free of charge, depending on their position on the Generali list drawn up by the peer group according to their respective Total Shareholders' Return (relative performance).

In particular, the cash incentive component (bonus) is determined as a percentage of the Gross Annual Salary (RAL) - with the exception of the variable part - where the recipient is entitled up to 31 December of the last year in the first three years of each cycle of the Plan by virtue of the band they belong to.

There are four membership bands identified and the recipients are distributed therein by virtue of the hierarchical role played and the weight of their position.

The financing of the cash component of the Plan is, as a rule, the sole responsibility and liability of the Company to which each recipient of the Plan belongs.

As stated, on the date the bonus is granted, recipients of Bands 1 and 2 are required to purchase, as a lump sum, shares of the Parent Company to the extent of 25% or 50% of the bonus, net after taxes.

The recipients of Bands 3 and 4 are entitled to purchase shares in the Parent Company, always in a lump sum and to the extent of 25% or 50% of the bonus, net after taxes.

The shares are encumbered by unavailability from the date of their delivery.

At the end of the second three-year period of each cycle of the Plan, those who bought Generali shares acquire the potential right to an allotment of free Generali shares, depending on the position of Assicurazioni Generali in the ranking formed by a peer group drawn up according to the respective Total Shareholders' Returns. This is provided that, at the end of the last year of the second three-year period, they still carry out the related role.

The free shares shall be immediately free from the day of their assignment, without the encumbrance of any constraint.

## Benefit Package

This is a valuable component of the compensation package whether in terms of satisfaction for the recipients - with a view to total compensation - or as an additional element and/or an alternative to the monetary payment, which demonstrates the advantages of setting effective remuneration policies, but likewise attends to the optimisation of economic impacts. This applies in particular and even more so by the fact that all categories of employees are involved in the allocation of non-monetary benefits.

The benefits differ depending on the recipient categories both by total value and type and are implemented mainly in the supplementary pension and health care plans for employees and their families. More favourable contract terms are also provided for subscription to insurance products and banking products. Finally, incentives are granted in access to loans/mortgages for the purchase, renovation and construction of a dwelling or for purchasing a car. Specifically for managers, the benefit package agreed includes a mixed use company car.

## Members assigned/involved in the definition of remuneration policies

The determination of remuneration policies falls under the scope of various bodies and/or functions and requires the involvement and/or support of various parties depending on the band of recipients to whom they are addressed. As for the Chairman and the Managing Directors, given that the compensation policy for these persons is defined by

the Board of Directors, the latter has established internally - on the basis of Article 37.1 of the Articles of Association - an advisory body called the Remuneration Committee with the intent of providing support in this work.

The task of this Committee is to express opinions and make proposals to the Board that are not binding concerning the determination of remuneration payable to the above persons; similarly, they make resolutions with regard to the determination of the remuneration of the General Directors, following proposals from the Managing Directors.

With regard to management personnel with strategic responsibilities, the Committee in question has the task of periodically assessing the criteria used for their remuneration, ensuring their application on the basis of information provided by the Managing Directors and making general recommendations thereupon to the Board of Directors. The Committee also expresses its opinion concerning transactions with related parties that involve the remuneration of management personnel with strategic responsibilities, in accordance with the provisions of Article 11.6 of the Procedures concerning Related Parties, approved by the Board of Directors.

As regards the other bands of employees, managers or otherwise, the determination of the remuneration policy is delegated to the Group CEO, who is supported in his decisions by other departments (Human Resources, Management Control of the Group by the quantitative parameters to be correlated to the variable remuneration) or other individuals (CFO for the expenses budget). In any case, the options for these population bands take into account what has already been defined for the top management with regard to instruments, targets and other parameters, with a view to aligning the entire organisation in achieving business results.

Special attention is paid to the remuneration of the Supervisor of the internal control system. To ensure necessary autonomy and independence, the determination of remuneration is the responsibility of the Board of Directors upon the proposal of the Group CEO, having the favourable opinion of the Committee for Internal Control. Furthermore, for all the roles of control, the definition of incentives is based on qualitative aspects relating to the exercise of their duties, with the exception of targets linked to the business performance.

The functions that are consulted in the determination of remuneration policies are those of control, in particular:

- the Compliance function, which has the task of carrying out continuous monitoring of the compliance of processes with the current legislation to prevent the risk of incurring judicial or administrative sanctions, financial losses and damage to reputation;
- the Internal Audit function, which has the task of making an independent assessment of the actual functioning of the controls. To this end, the function is likewise required to evaluate more complex aspects, such as consistency of business decisions with respect to the objectives assigned by the Board of Directors. In this context, they critically analyse and review the adequacy and consistency of decision-making, concerning not only the objectives of efficiency, but also the effect in terms of efficiency of the choices made;
- the Risk Management function, which verifies the consistency of risk measurement models with the operations carried out by the company.

## Remuneration policy implementation

### Remuneration of the members of the Board of Directors

Article 19 of the Company Articles of Association attributes the power to determine the remuneration of the Members of the Board of Directors to the shareholders.

The shareholders' meeting thereby approved, with regard to the whole three-year term of office of the Board of Directors appointed by the Shareholders Meeting on 24 April 2010 – and therefore effective until the date of approval of the company budget ending on 31 December 2012 – that each member of the Board of Directors who, in addition to the reimbursement of costs encountered for participation in the meetings for expenses, will receive a fee of € 100,000.00 gross per year, with an increase of 50% for those who are members of the Executive Committee; a variable fee equalling 0.01% of the consolidated profit, subject to a maximum total of € 300,000.00, to be divided equally among the members of the Board of Directors; an attendance fee for each meeting of the Board of Directors and the Executive Committee of € 4,000.00.

In connection with the foregoing, the responsible administrative bodies of the Company in 2010 carried out an analysis of the state of the art in the field, further deepening their understanding in terms of benchmarking with respect to a panel of peers. The study carried out has confirmed the continuing adequacy of the remuneration package already in place, with regard to the characteristics and the standing of the Generali Group, as well as the commitment required.

It is also specified that the remuneration of the directors is not related significantly to the Group's results, as the mechanism for calculating the variable component as defined above is such that it affects fixed compensation to a lesser extent and more so the complete package.

Finally, directors without executive powers do not qualify for incentive plans based on financial instruments.

Therefore, for the entire three-year term in office of the Board of Directors appointed by the Shareholders on 24 April 2010, the structure of the remuneration package already provided previously for members of the Board of Directors of the Company is confirmed.

For the business year 2010, the remuneration of the members of the Board of Directors is shown in Table 1.

With regard to the directors who are also members of advisory committees, the Board of Directors, at the beginning of 2010, delegated the task of assessing the state of the art - through comparisons with similar positions in other national and international companies comparable in size and the type of business as the Generali Group - and to put forward any proposals to the Remuneration Committee, since before 2009 the members of the Board of Directors received only attendance fees for participation in the committees concerned.

Based on the findings of the study and the proposals submitted by the Remuneration Committee, the Board of Directors, at its meeting on 12 May 2010, argued for the payment of fees to directors who hold these positions (with the exception of those who are also executives of Generali), also taking into account the commitment required from them. The fees thus determined are shown in Table 2.

The Board of Directors also resolved the remuneration for the newly appointed Committee of Independent Directors to evaluate transactions with related parties, taking into account the number of meetings of the body in question, which is influenced decisively by the occurrence of events subject to legislation concerning related parties. For this reason it was decided to ascribe particular importance to attendance fees rather than fixed remuneration. The breakdown of fees, which will be paid starting in 2011, is shown in Table 2

## Remuneration of the Chairman, Managing Directors and management personnel with strategic responsibilities

Article 39 of the Articles of Association provides that the remuneration of the Directors with special duties is established under Article 2389 of the Italian Civil Code, by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors; in this sense, the supervisory body has expressed a positive opinion, having verified the consistency of the proposals with the general policy on remuneration.

In particular, with regard to the remuneration of the Chairman appointed at the Shareholders' Meeting on 24 April 2010, the Board of Directors on 12 May 2010 determined the fixed annual remuneration for the duration of the term of office on the basis of a comparative analysis with similar national and international figures. As regards the variable remuneration, the Chairman, as well all non-executive directors, does not participate in incentive plans in the short and medium-long term. Also resolved in his favour, if he is not confirmed in the role of Chairman at the end of his first term in office, he will be paid compensation equal to two years of the annual gross remuneration. The details of fees for the financial year 2010 are shown in Table 1.

With regard to the Managing Directors and General Manager/CFO, the Board of Directors, based on proposals submitted by the aforementioned Committee, in 2010 reconfirmed the amounts for this year of the fixed compensation component, set new objectives, parameters and performance target figures for *remuneration* for the short-term and submitted a Long-Term Incentive Plan for approval at the Shareholders' Meeting on 24 April 2010. The details of fees for the financial year 2010 are shown in Table 1.

The Board, however, delegated to the Remuneration Committee the task of reviewing the remuneration packages in place and then to formulate guidelines for 2011 and subsequent years and in particular proposals to rebalance the relationship between fixed and variable components, increasing the incidence of the latter in the value of total remuneration and balancing appropriately the same variable remuneration in its two components in the short and long-term to further promote the creation of shareholder value.

Amendments and/or innovations to the compensation packages within this framework have been introduced starting 2011 and for subsequent years for top management, restated as follows.

*Fixed remuneration:* assuming that this component is adequate to properly compensate top management even in the absence of incentives, the related amounts were reconfirmed except those relating to the Managing Director, in accordance with the different responsibilities assigned to the executive positions in 2010. It was also resolved to repay the Parent Company for remuneration received by directors in subsidiaries and affiliates, unless otherwise authorised by the Board of Directors and without prejudice to the right to receive the fees provided for all Directors of the Company.

*Short-term variable remuneration:* the instrument has been thoroughly revised in all its aspects.

In particular:

- in view of the powers and responsibilities attributed to the Managing Directors and General Managers, differentiated BSCs have been assigned for objectives and bonus percentages on the total compensation package;
- new targets were introduced in the income statement, for equity and risk, performance or related to acts of reorganisation, in order to monitor various aspects of the performance of the company. More specifically, the *RORAC*, because it summarises the attention to the operating profits and the capital required according to the principles of Solvency, the New Business Value which summarises the business development and profitability of the new business Life, the Net Capital Gain, i.e., the absolute value of realised capital gains on investments;
- when considered appropriate, some parameters are adjusted to the effects of financial scenarios;
- the access thresholds have been changed for the provision of incentives, while overperformance cases were reviewed in terms of the maximum amount to be paid, with the aim of bringing consistency to the remuneration levels in the presence of excellent results.

### Variable remuneration in the medium to long-term

#### - *Stock Option Plans*

Prior to the adoption in 2010 of the *Long-Term Incentive Plan* (LTIP), Assicurazioni Generali made use of different Stock Option plans, aimed, on the one hand, at the Chairman and the Managing Directors and, on the other hand, at the managers of the Group.

All the Stock Option Plans shared the same characteristics as shown below:

- the existence of a so-called vesting period, after which the option rights in question could be exercised;
- each option entitles the holder to subscribe or purchase a share, through payment of the strike price;
- the strike price is fixed at an amount equal to the average reference price of the stock price of Generali listed on the Automated Stock Market [MTA] managed by Borsa Italiana SpA, as observed in the period from the date of granting of these rights to the same day of previous calendar month;
- the options can only be considered as definitively granted if the Board of Directors determines whether the conditions attached to the exercise of the rights in question exist from the same administrative body at the time of granting.

The plans being implemented as of 31/12/2010 were:

2001 – 2003 Stock Option Plan limited solely and exclusively to the 2003 *tranche* of stock options granted to the French recipients for whom a year more of vesting is required compared to all other countries (i.e., four years instead of three);

2005 Stock Option Plan for the Chairman and Managing Directors of the Company;

2005 – 2007 Stock Option Plan for the executive and non-executive directors of Assicurazioni Generali and the companies of the Generali Group;

2006 – 2008 Stock Option Plan for the Chairman and Managing Directors of the Company;

2008 Stock Option Plan for the executive and non-executive directors of the Assicurazioni Generali and the companies of the Generali Group;

2008 Stock Option Plan for the Chairman and Managing Directors of the Company.

The need to abandon these Plans and take recourse in a new incentivised instrument for the long-term originated from the change in economic and financial conditions that cancelled out the benefits of adopting plans based solely on financial instruments.

In view of the above, rather than taking actions to change the length of vesting or the year or the strike price, it was decided to use as payment in the medium to long-term a new, more suitable instrument for the current market scenario, called the Long Term Incentive Plan.

#### - *Long Term Incentive Plan*

In 2010, the Shareholders Meeting therefore resolved to adopt a Long Term Incentive Plan in light of the above issues. However, the Board of Directors - to meet the new demands and needs that arose during that year - decided to stop the renewal cycles of this plan and to submit for examination and approval of the Shareholders on April 2011 a new Long Term Incentive Plan (LTIP), in particular to:

- consistently balance the annual components of variable and long term remuneration;
- make the Plan consistent with the rules of certain foreign countries involved, as well as those of certain Italian companies of the Group, in terms of the special features of the activities carried out;
- make provision for and regulate certain cases not covered by the Regulations currently in force.

The new Plan, like the previous one, is based on the following elements:

- it is addressed to the Directors with executive powers, and the employees of the Parent Company and its subsidiaries in Italy and abroad;
- its recipients are distributed in bands based on the role involved and the weight of the position;
- it is a rolling plan linked to the objectives of the Business Plan;
- each year starts a new cycle of the Plan lasting six years divided into two three-year terms;
- the underlying objectives of the Plan are for three years;
- the incentive consists of a cash component, delivered at the end of the first three years, and a component in shares of Assicurazioni Generali;
- it is funded, for the cash component by the Companies where the recipients carry out their business.

In order to achieve the purposes outlined above, the new Plan introduced some changes with respect to the previous Plan which relate mainly to the following subjects:

- definition of targets in more general terms to allow the delegated bodies, from time to time, during the term of the Plan, to determine the parameters and relevant indicators to measure the performance of management; it should be noted, however, that Operating Income will be used if available and significant;
- the access threshold linked to the achievement of 50% of the minimum level of the targets;
- the new system of calculating the achievement of targets, with the aim of providing a greater incentive for recipients for excellent performance.

The structure of the remuneration package of the Managing Directors and the General Manager/CFO related to the year 2010 and the following is shown in Graphs 1 and 2 and Table 3.

It is further specified that, with regard to the Managing Directors, there are no allowances for early retirement or upon non-renewal.

With regard to management personnel with strategic responsibilities, who are currently identified as directors of Assicurazioni Generali having a grade not lower than that of Managing Director, the Remuneration Committee sets the guidelines, assigning - if possible - the remuneration policy adopted for the positions.

In view of this, for the year 2010 - in light of the analysis made by the Remuneration Committee - the remuneration packages in place were reconfirmed. As regards the variable remuneration in the short term, the responsible functions have proceeded to outline the objectives of senior positions by applying the same method of *BSC*, while remuneration in the long term - as provided for the upper management - has provided for their participation in the Incentive Plan which entered into force in 2010.

The fees received by management personnel with strategic responsibilities for financial year 2010 are shown in aggregate form in Table 1.

For the year 2011 the Remuneration Committee was assigned the task of verifying the position of remuneration levels for the management personnel in question as compared to those of upper management and - on the basis of the findings - to formulate guidelines and proposals for the establishment of the remuneration packages in question.

## Remuneration for Statutory Auditors

With regard to the remuneration payable to Statutory Auditors, under Article 19 of the Articles of Association, this determination is the responsibility of the Shareholders.

The General Shareholders' Meeting on 26 April 2008 approved € 100,000 as the gross annual fee for the Auditors for each of the business years 2008, 2009 and 2010, increased by fifty percent for the Chairman of the Board of Statutory Auditors.

The Statutory Auditors are also due, pursuant to Article 40.4 of the Articles of Association, reimbursement for expenses incurred in the performance of their duties.

Given that the Statutory Board of Auditors' term in office coincided with the business year 2010, the Board of Directors delegated to the competent administrative bodies the task of examining the adequacy of the existing fees, the position in relation to those of the supervisory bodies of the major competitors similar in size and complexity to Generali and thus to formulate proposals for the establishment of the three-year remuneration to be submitted for approval at the Shareholders Meeting in 2011.

**Table 1 – fees of the Board of Directors, Statutory Auditors, General Manager and management personnel with strategic responsibilities for the financial year 2010**

			Emoluments in Euro							
			Emoluments for the office held							
Person Name and surname	Office held	Period covered by the mandate	End of mandate	Fixed moluments	Variable moluments <sup>(1)</sup>	Attendance fee	Total emoluments	Non-monetary benefits	Bonuses and incentives	Other emoluments
<b>Cesare GERONZI</b>			<b>Total</b>	<b>2,258,937</b>	<b>8,957</b>	<b>54,000</b>	<b>2,321,894</b>	<b>38,128</b>		
Chairman		24/4-31/12/2010	Approved f.s. 2012	2,121,402			2,121,402	38,128		
Member of the Board of Directors		24/4-31/12/2010	Approved f.s. 2012	68,767	8,957	28,000	105,724			
Member of the Executive Committee		24/4-31/12/2010	Approved f.s. 2012	34,384		24,000	58,384			
Chairman of the Corporate Governance Committee		24/4-31/12/2010	Approved f.s. 2012	34,384		2,000	36,384			
<b>Vincent BOLLORE'</b>			<b>Total</b>	<b>103,151</b>	<b>8,957</b>	<b>52,000</b>	<b>164,108</b>			
Member of the Board of Directors		24/4-31/12/2010	Approved f.s. 2012	68,767	8,957	28,000	105,724			
Member of the Executive Committee		24/4-31/12/2010	Approved f.s. 2012	34,384		24,000	58,384			
<b>Francesco Gaetano CALTAGIRONE</b>			<b>Total</b>	<b>170,630</b>	<b>8,957</b>	<b>74,000</b>	<b>253,587</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	36,000	144,957			
Member of the Executive Committee		1/1-31/12/2010	Approved f.s. 2012	50,000		28,000	78,000			
Member of the Investment Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		10,000	30,630			
<b>Alberto Nicola NAGEL</b>			<b>Total</b>	<b>170,630</b>	<b>8,957</b>	<b>58,000</b>	<sup>(2)</sup> <b>237,587</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	28,000	136,957			
Member of the Executive Committee		1/1-31/12/2010	Approved f.s. 2012	50,000		28,000	78,000			
Member of the Corporate Governance Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		2,000	22,630			
<b>Giovanni PERISSINOTTO</b>			<b>Total</b>	<b>1,750,000</b>	<b>8,957</b>	<b>74,000</b>	<b>1,832,957</b>		<b>1,578,080</b>	
Managing Dir. and Group CEO		1/1-31/12/2010	Approved f.s. 2012	800,000			800,000			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	36,000	144,957			
Member of the Executive Committee		1/1-31/12/2010	Approved f.s. 2012	50,000		28,000	78,000			
Chairman of the Investment Committee		24/4-31/12/2010	Approved f.s. 2012			10,000	10,000			
General Manager		1/1-31/12/2010		800,000			800,000			
<b>Sergio BALBINOT</b>			<b>Total</b>	<b>1,750,000</b>	<b>8,957</b>	<b>64,000</b>	<b>1,822,957</b>		<b>1,578,080</b>	<sup>(3)</sup> <b>156,813</b>
Managing Director		1/1-31/12/2010	Approved f.s. 2012	800,000			800,000			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	36,000	144,957			
Member of the Executive Committee		1/1-31/12/2010	Approved f.s. 2012	50,000		28,000	78,000			
General Manager		1/1-31/12/2010		800,000			800,000			
<b>Ana Patricia BOTIN</b>			<b>Total</b>	<b>120,630</b>	<b>8,957</b>	<b>16,000</b>	<b>145,587</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	16,000	124,957			
Member of the Corporate Governance Committee		1/1-31/12/2010	Approved f.s. 2012	20,630			20,630			

(continues)

(continues)

			Emoluments in Euro							
			Emoluments for the office held							
Person Name and surname	Office held	Period covered by the mandate	End of mandate	Fixed moluments	Variable moluments <sup>(1)</sup>	Attendance fee	Total emoluments	Non-monetary benefits	Bonuses and incentives	Other emoluments
<b>Cesare CALARI</b>			<b>Total</b>	<b>68,767</b>	<b>8,957</b>	<b>28,000</b>	<b>105,724</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	68,767	8,957	28,000	105,724			
<b>Carlo CARRARO</b>			<b>Total</b>	<b>89,397</b>	<b>8,957</b>	<b>32,000</b>	<b>130,354</b>			
Member of the Board of Directors		24/4-31/12/2010	Approved f.s. 2012	68,767	8,957	24,000	101,724			
Member of the Internal Control Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		8,000	28,630			
<b>Diego DELLA VALLE</b>			<b>Total</b>	<b>100,000</b>	<b>8,957</b>	<b>24,000</b>	<b>132,957</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	24,000	132,957			
<b>Leonardo DEL VECCHIO</b>			<b>Total</b>	<b>144,699</b>	<b>8,957</b>	<b>72,000</b>	<b>225,656</b>			
Member of the Board of Directors		1/1-31/12/2010	21.02.2011	100,000	8,957	32,000	140,957			
Member of the Executive Committee		24/4-31/12/2010	21.02.2011	34,384		24,000	58,384			
Member of the Remuneration Committee		1/1-31/12/2010	21.02.2011	10,315		16,000	26,315			
<b>Petr KELLNER</b>			<b>Total</b>	<b>120,630</b>	<b>8,957</b>	<b>36,000</b>	<b>165,587</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	28,000	136,957			
Member of the Investment Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		8,000	28,630			
<b>Angelo MIGLIETTA</b>			<b>Total</b>	<b>89,397</b>	<b>8,957</b>	<b>36,000</b>	<b>134,354</b>			
Member of the Board of Directors		24/4-31/12/2010	Approved f.s. 2012	68,767	8,957	28,000	105,724			
Member of the Internal Control Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		8,000	28,630			
<b>Alessandro PEDERSOLI</b>			<b>Total</b>	<b>155,014</b>	<b>8,957</b>	<b>50,000</b>	<b>213,971</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	32,000	140,957			
Chairman of the Internal Control Committee		1/1-31/12/2010	Approved f.s. 2012	34,384		16,000	50,384			
Member of the Corporate Governance Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		2,000	22,630			
<b>Lorenzo PELLICOLI</b>			<b>Total</b>	<b>180,945</b>	<b>8,957</b>	<b>72,000</b>	<b>261,902</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	32,000	140,957			
Member of the Executive Committee		1/1-31/12/2010	Approved f.s. 2012	50,000		28,000	78,000			
Member of the Remuneration Committee		24/4-31/12/2010	Approved f.s. 2012	10,315		10,000	20,315			
Member of the Corporate Governance Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		2,000	22,630			
<b>Reinfried Helmut POHL</b>			<b>Total</b>	<b>68,767</b>	<b>8,957</b>	<b>16,000</b>	<b>93,724</b>			<sup>(4)</sup> 20,000
Member of the Board of Directors		24/4-31/12/2010	Approved f.s. 2012	68,767	8,957	16,000	93,724			
<b>Paola SAPIENZA</b>			<b>Total</b>	<b>68,767</b>	<b>8,957</b>	<b>28,000</b>	<b>105,724</b>			
Member of the Board of Directors		24/4-31/12/2010	Approved f.s. 2012	68,767	8,957	28,000	105,724			

(continues)



(continues)

			Emoluments in Euro							
			Emoluments for the office held							
Person Name and surname	Office held	Period covered by the mandate	End of mandate	Fixed moluments	Variable moluments <sup>(1)</sup>	Attendance fee	Total emoluments	Non-monetary benefits	Bonuses and incentives	Other emoluments
<b>Paolo SCARONI</b>			<b>Total</b>	<b>134,383</b>	<b>8,957</b>	<b>50,000</b>	<b>193,340</b>			
Member of the Board of Directors		1/1-31/12/2010	Approved f.s. 2012	100,000	8,957	32,000	140,957			
Chairman of the Remuneration Committee		1/1-31/12/2010	Approved f.s. 2012	13,753		16,000	29,753			
Member of the Corporate Governance Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		2,000	22,630			
<b>Francesco Saverio VINCI</b>			<b>Total</b>	<b>89,397</b>	<b>8,957</b>	<b>38,000</b>	<sup>(2)</sup> <b>136,354</b>			
Member of the Board of Directors		24/4-31/12/2010	Approved f.s. 2012	68,767	8,957	28,000	105,724			
Member of the Investment Committee		24/4-31/12/2010	Approved f.s. 2012	20,630		10,000	30,630			
<b>Antoine BERNHEIM</b>			<b>Total</b>	<b>733,605</b>		<b>12,000</b>	<b>745,605</b>			<sup>(5)</sup> <b>189,654</b>
Chairman		1/1-24/04/2010	Approved f.s. 2009	687,167			687,167			
Member of the Board of Directors		1/1-24/04/2010	Approved f.s. 2009	30,959		8,000	38,959			
Member of the Executive Committee		1/1-24/04/2010	Approved f.s. 2009	15,479		4,000	19,479			
<b>Gabriele GALATERI DI GENOLA</b>			<b>Total</b>	<b>46,438</b>		<b>14,000</b>	<b>60,438</b>			
Member of the Board of Directors		1/1-24/04/2010	Approved f.s. 2009	30,959		8,000	38,959			
Member of the Executive Committee		1/1-24/04/2010	Approved f.s. 2009	15,479		4,000	19,479			
Member of the Remuneration Committee		1/1-24/04/2010	Approved f.s. 2009			2,000	2,000			
<b>Luigi Arturo BIANCHI</b>			<b>Total</b>	<b>30,959</b>		<b>10,000</b>	<b>40,959</b>			
Member of the Board of Directors		1/1-24/04/2010	Approved f.s. 2009	30,959		8,000	38,959			
Member of the Internal Control Committee		1/1-24/04/2010	Approved f.s. 2009			2,000	2,000			
<b>Loïc HENNEKINNE</b>			<b>Total</b>	<b>30,959</b>		<b>12,000</b>	<b>42,959</b>			
Member of the Board of Directors		1/1-24/04/2010	Approved f.s. 2009	30,959		8,000	38,959			
Member of the Internal Control Committee		1/1-24/04/2010	Approved f.s. 2009			4,000	4,000			
<b>Klaus-Peter MÜLLER</b>			<b>Total</b>	<b>30,959</b>			<b>30,959</b>			
Member of the Board of Directors		1/1-24/04/2010	Approved f.s. 2009	30,959			30,959			
<b>Reinfried POHL</b>			<b>Total</b>	<b>30,959</b>			<b>30,959</b>			<sup>(6)</sup> <b>138,201</b>
Member of the Board of Directors		1/1-24/04/2010	Approved f.s. 2009	30,959			30,959			
<b>Kai-Uwe RICKE</b>			<b>Total</b>	<b>30,959</b>		<b>4,000</b>	<b>34,959</b>			
Member of the Board of Directors		1/1-24/04/2010	Approved f.s. 2009	30,959		4,000	34,959			
<b>Claude TENDIL</b>			<b>Total</b>	<b>30,959</b>		<b>8,000</b>	<b>38,959</b>		<b>204,684</b>	<sup>(7)</sup> <b>1,747,148</b>
Member of the Board of Directors		1/1-24/04/2010	Approved f.s. 2009	30,959		8,000	38,959			

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Emoluments in Euro										
Emoluments for the office held										
Person Name and surname	Office held	Period covered by the mandate	End of mandate	Fixed moluments	Variable moluments <sup>(1)</sup>	Attendance fee	Total emoluments	Non-monetary benefits	Bonuses and incentives	Other emoluments
<b>Eugenio COLUCCI</b>			<b>Total</b>	<b>150,000</b>			<b>150,000</b>			
Chairman of the Statutory Auditors		1/1-31/12/2010	Approved f.s. 2010	150,000			150,000			
<b>Giuseppe Alessio VERNI'</b>			<b>Total</b>	<b>100,000</b>			<b>100,000</b>			<sup>(8)</sup> 111,300
Statutory Auditor		1/1-31/12/2010	Approved f.s. 2010	100,000			100,000			
<b>Gaetano TERRIN</b>			<b>Total</b>	<b>100,000</b>			<b>100,000</b>			<sup>(9)</sup> 6,000
Statutory Auditor		1/1-31/12/2010	Approved f.s. 2010	100,000			100,000			
<b>Raffaele AGRUSTI</b>			<b>Total</b>	<b>1,000,000</b>			<b>1,000,000</b>		<b>704,500</b>	
General Manager		1/1-31/12/2010		1,000,000			1,000,000			
<b>Managers with strategic responsibilities</b>			<b>Total</b>	<b>3,380,000</b>			<b>3,380,000</b>	<b>35,826</b>	<b>1,795,000</b>	<b>20,000</b>

(1) The variable emoluments will be paid after the Financial Statements' approval by the Shareholders' Meeting.

(2) The emolument was paid directly to Mediobanca.

(3) The emoluments indicated include those due for the offices held in 2010 in the following companies:

Generali Deutschland Holding, Aachener u. Muenchener Lebensversicherung AG, Aachener u. Muenchener Versicherung AG, Generali France, Generali Espana Holding Entidades de Seguros, Generali Espana S.A. de Seguros Y Reaseguros, Generali Schweiz Holding AG, Migdal Insurance & Financial Holdings and Europ Assistance Holding. The payments for Generali Holding Vienna will be established by the Company's general shareholders' meeting in the current year. The sums paid to Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.

(4) Emoluments for the offices held in 2010 in Aachener u. Muenchener Versicherung AG. The payments for Generali Holding Vienna will be established by the Company's general shareholders' meeting in the current year.

(5) The emoluments indicated include those due for the offices held in 2010 in the following companies:

Alleanza Toro, Generali Deutschland Holding, Generali Espana Holding, Generali France and BSI. The sum paid by Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.

(6) Emoluments for the offices held in 2010 in the following companies:

Generali Deutschland Holding, Aachener u. Muenchener Versicherung AG Aachener u. Muenchener Lebensversicherung AG. The sum paid by Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.

(7) The emoluments indicated include those due for the offices held in 2010 in the following companies:

Generali France, Europ Assistance Holding, Europ Assistance Italy and Generali Investments.  
The sum paid by Generali France also include the bonus assigned to M. Tendil as Chairman and General Director of the French company.

(8) Emolument for the office of Chairman of the Board of Statutory Auditors of Banca Generali, Europ Assistance Italy, Generali Horizon, Genertellife, Genfid, and Effective Auditor of Europ Assistance Service, Genertel and Ums Immobiliare Genova.

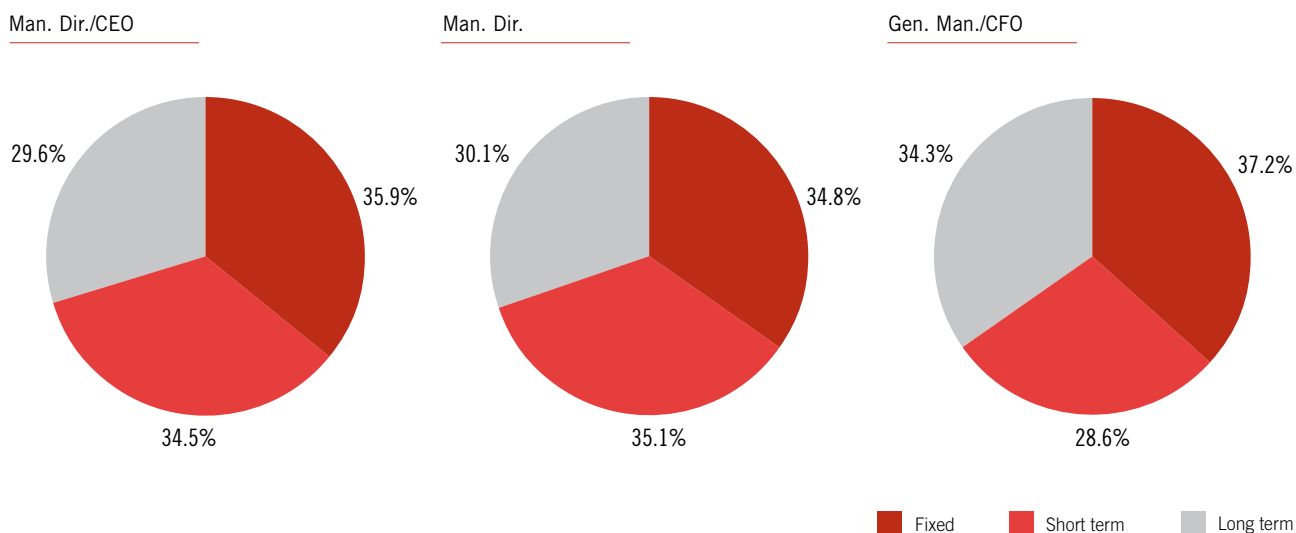
(9) Emolument for the office of Effective Auditor of Generali Immobiliare Italia.

## Tables 2 – fees for the members of Advisory Committees

Role	Gross yearly compensation (euro)	Token payment per session (euro)
Chairman of the Executive Committee	200,000	4,000
Members of the Remuneration Committee	15,000	2,000
Chairman of the Remuneration Committee	20,000	2,000
Members of the Internal Control Committee	30,000	2,000
Chairman of the Internal Control Committee	50,000	2,000
Members of the Corporate Governance Committee	30,000	2,000
Chairman of the Corporate Governance Committee	50,000	2,000
Members of the Investments Committee	30,000	2,000
Chairman of the Investments Committee	-	2,000
Members of the Committee for the evaluation of transactions with related parties	20,000	5,000
Chairman of the Committee for the evaluation of transactions with related parties	25,000	5,000

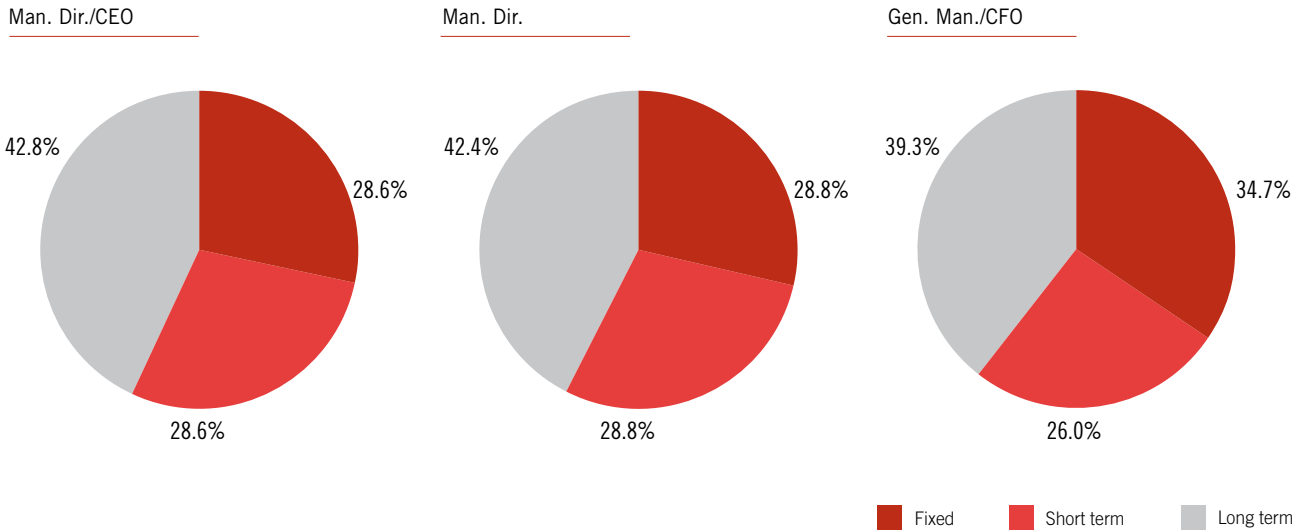
N.B: Members of the Committees who are general managers are not entitled to compensation.

## Graph 1 – payment percentages on 2010 payment totals (pay-mix) Managing Directors and General Manager



The percentages are based on the attainment of the performance target level of both short and mid-long term remuneration.

## Graph 2 – payment percentages on 2011 payment totals (pay-mix) Managing Directors and General Manager



The percentages are based on the attainment of the performance target level of both short and mid-long term remuneration.

## Table 3 – short, medium and long-term percentages on the total of variable pay for the year 2011

Position	Remuneration incidence (%)	
	short term	medium-long term
Chairman / CEO	40.00	60.00
Chairman	40.00	60.00
General Manager / CFO	38.50	61.50

The percentages are based on the attainment of the performance target level of both short and mid-long term remuneration.



Eni - Drilling rigs, Caspian Sea, Kazakhstan

## Independent Auditor's report







**AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LAW DECREE No. 39 DATED 27 JANUARY 2010 AND WITH ARTICLE 102 OF THE LAW DECREE No. 209 DATED 7 SEPTEMBER 2005**

To the Shareholders of  
Assicurazioni Generali SpA

**CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2010**

- 1 We have audited the consolidated financial statements, which comprise the balance sheet, the profit and loss accounts, the statement of comprehensive income, the statement of changes in equity, cash flow statements and the related notes of Assicurazioni Generali SpA and its subsidiaries (the "Generali Group") for the year ended 31 December 2010. Assicurazioni Generali SpA's Directors are responsible for the preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the Regulation issued to implement article 90 of the Law Decree No. 209/2005. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB, the Italian Commission for listed companies and the Stock Exchange. In accordance with those standards and criteria, the audit has been planned and performed to obtain the necessary assurance about whether the consolidated financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the accounting principles used and the reasonableness of estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion.  
  
For the opinion on the consolidated financial statements of the prior period, which are presented for comparative purposes as required by Law, reference is made to our report dated 30 March 2010.
- 3 In our opinion, the consolidated financial statements of Assicurazioni Generali SpA for the year ended 31 December 2010 comply with International Financial Reporting Standards as adopted by the European Union and with Regulation issued to implement article 90 of the Law Decree No. 209/2005; accordingly, they have been prepared clearly and give a true and fair view of the consolidated financial position, the consolidated results of operations, the changes

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**PricewaterhouseCoopers SpA**

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in the consolidated shareholders' equity and the consolidated cash flows of Generali Group for the year then ended.

- 4 The Directors of Assicurazioni Generali SpA are responsible for the preparation of the Board of Directors' Report and the Corporate Governance and Share Ownership Report in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the Boards of Directors' Report and of the information required by comma 1, letters c), d), f), l), m) and by comma 2, letter b) of article 123-bis of the Law Decree 58/98, disclosed in the Corporate Governance and Share Ownership Report, with the financial statements as required by law. For this purpose, we have performed the procedures required under Auditing Standard No. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Board's of Directors' Report and the information required by comma 1, letters c), d), f), l), m) and by comma 2, letter b) of article 123-bis of the Law Decree 58/98, disclosed in the Corporate Governance and Share Ownership Report are consistent with the consolidated financial statements of Assicurazioni Generali SpA as of 31 December 2010.

Milan, 4 April 2011

PricewaterhouseCoopers SpA

Signed by

Angelo Giudici  
(Partner)

**This report has been translated from the original which was issued in accordance with Italian legislation**





Editing:

Group General Secretariat and Corporate Affairs Department/  
Financial Reporting - Consolidated Statements Group

Co-ordination:

Group Operational Communications/  
Human Resources Department - General Services

Graphic design:

Sintesi - Trieste

Photos:

The images published in these books refer to major Companies and works insured by Assicurazioni Generali.  
Thanks to Alitalia, Citylife, Enel, Eni, Fincantieri, Finmeccanica, Genagricola, Impregilo, Mantovani Group, Premuda  
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Mantovani Group - Mose Project - Archive of the Italian Ministry for Infrastructure and Transport - Magistrato alle Acque  
di Venezia provided by Consorzio Venezia Nuova

Printed by:

Sa.Ge.Print spa

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