

Generali Group

**Banca Leonardo
Italian Banks and
Insurers Conference**

Giovanni Perissinotto – CEO



Rome, November 21st, 2007

 **I. Strategy highlights**

 **II. Focus on Italy**

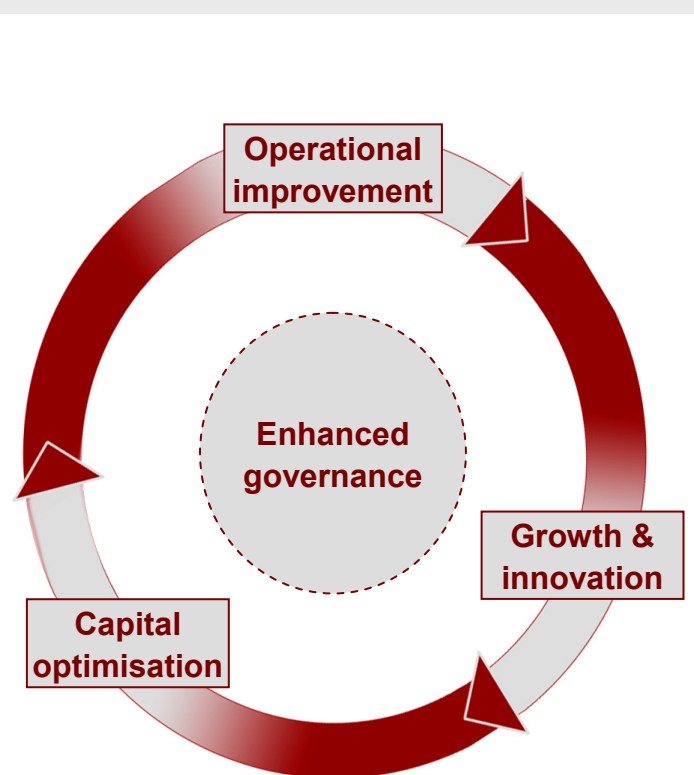
 **III. Conclusions**

■ I. Strategy highlights

Strategy highlights

Strategy confirmed, new and expanded initiatives to support higher aspirations

2006–2008 Plan



2007–2009 Plan¹

- **Restructuring of Group Organization**
 - Enhanced **organization** of the corporate center
 - Step-up of **Italy re-organization** and full leverage of **Toro** acquisition
 - **Restructuring** of operations in **Germany**
- **Expanded and New Group Initiatives**
 - Expanded **Group Programs** (in scope and target)
 - Enlarged portfolio of **Growth and Innovation** initiatives
- Increased effectiveness of **investment strategy**
 - Alternative Investment Platform
 - Global Real Estate Strategy
- **New Capital Management** policy
- **Financial Targets 2009²**
 - **Euro 6.5 bln Operating Result** (vs. 4.0 bln in '06)
 - **Euro 3.8 bln Net Profit** (vs. 2.4 bln in 2006)
 - **16% RoEV**
 - **Total dividend doubled** vs 2006
- Additional mid-term Euro 500 mln pre-tax impact from strategic initiatives beyond 2009

¹ Assuming stable market and regulatory conditions

² Based on a 4.50% 10-year risk free rate

Impact of initiatives on profit before taxes and minorities

Initiatives (Euro mln)	2009 impact ⁽¹⁾	Mid-Term impact ⁽¹⁾
Reorganization of Italy	50	120
Reorganization of Germany	130	190
Investments platforms and Real Estate strategy	220	300
Group Programs	770	910
Product Innovation ⁽²⁾	40	160
Total impact	~1,200	~1,700

(1) Calculated as incremental profit before taxes and minorities vs. FY06 (Euro 40 mln impact achieved in 2006 on existing Group programs)

(2) Third age service model, variable annuity business and multinational corporate pensions

Generali – PPF JV: engine for growth in the CEE region



- Generali's aspirations**
- Be the leading insurer in the CEE region...
 - Expanding footprint in all key markets (>10% market share)
 - With a well diversified portfolio of products and services
 - Combining Generali insurance capabilities with PPF local entrepreneurship
 - ...Doubling the value of our stake in 5 years

- Strategy per country**
- Defend market positions in our primary markets: Czech Republic, Hungary
 - Aggressive market development in high-growth markets: Russia, Romania, Ukraine, Poland, Kazakhstan, Turkey
 - Focus on profit generation in Serbia, Slovenia, Slovakia, Croatia, Bulgaria, Belarus

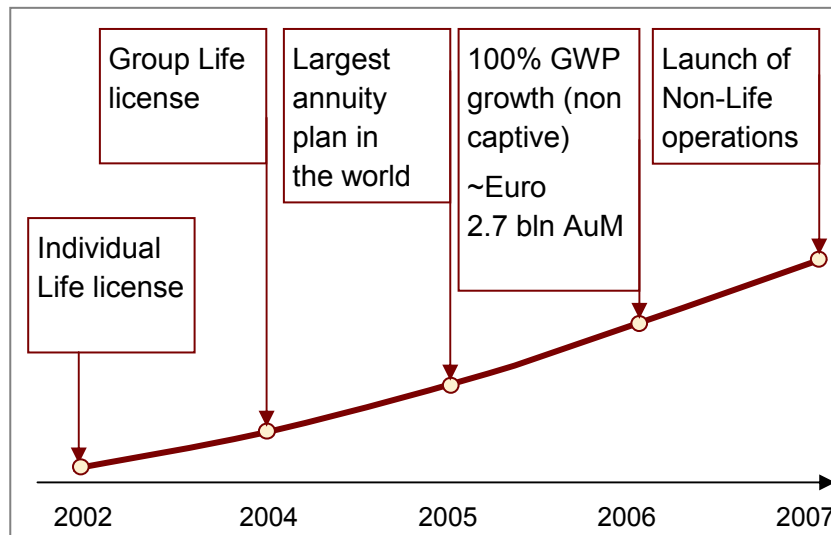


Asian market development: China and India

Current strategic positioning

Future plans

China



- Actively pursuing newly reformed pension market offering Asset Management capabilities
- Expand into asset management also by acquisitions and partnerships
- Strengthening multi-channel distribution and bancassurance platform
- Continue geographical expansion

Current strategic positioning

Future plans

India

- License for Life and Non-Life operations obtained in September 2007
- Partnership with Future Group, country leader in the retail industry (500,000 sqm of shopping malls in 40 cities equivalent to 25% of the whole available commercial space in India)

- Launch of operations leveraging Future Group customer base (est. 200 mln visits in 2007)
- Multi-distribution approach leveraging on "Money Bazaar" concept as a source of competitive advantage
- Target: Euro 500 mln premiums in 5 years (Life and Non-Life)
- Start greenfield asset management operations with local partner



Banca del Gottardo: growing the asset gathering franchise

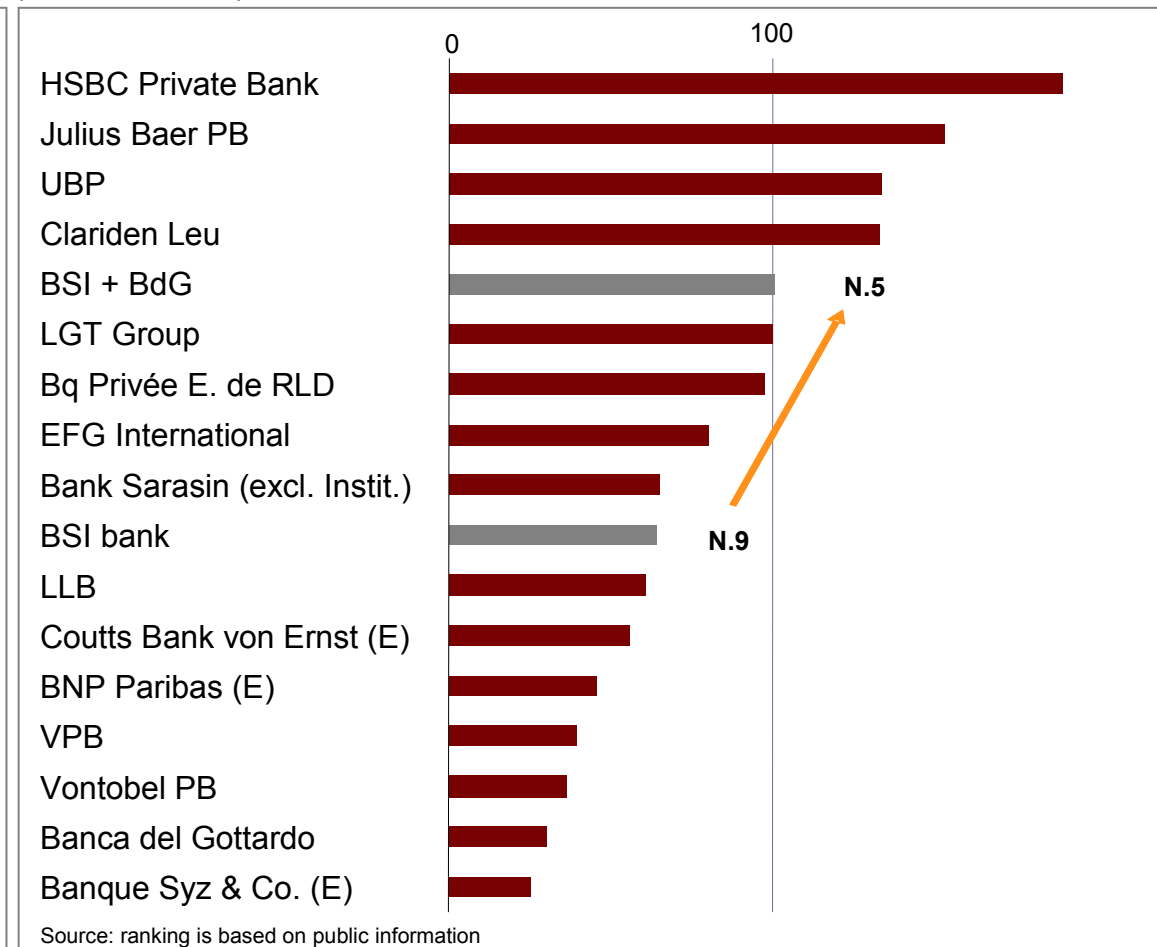
Contract signed with Swiss Life for the acquisition of 100% of Banca del Gottardo at a price of CHF 1,775 mln (Euro 1,069 mln)

Strategic rationale

- Become top 5 pure private bank player in Switzerland
- Reach critical mass with over CHF 100 bln AUM
- Credible platform for further bolt – on acquisitions
- Strong cost synergies (over CHF 120 mln)
- Low execution risk merger
- Accretive deal: +0.20%pts. RoEV in 2009
- Fair price:
 - Goodwill/AuM: 2.5%
 - P/E 2008⁽¹⁾:~14x

(1) Before synergies

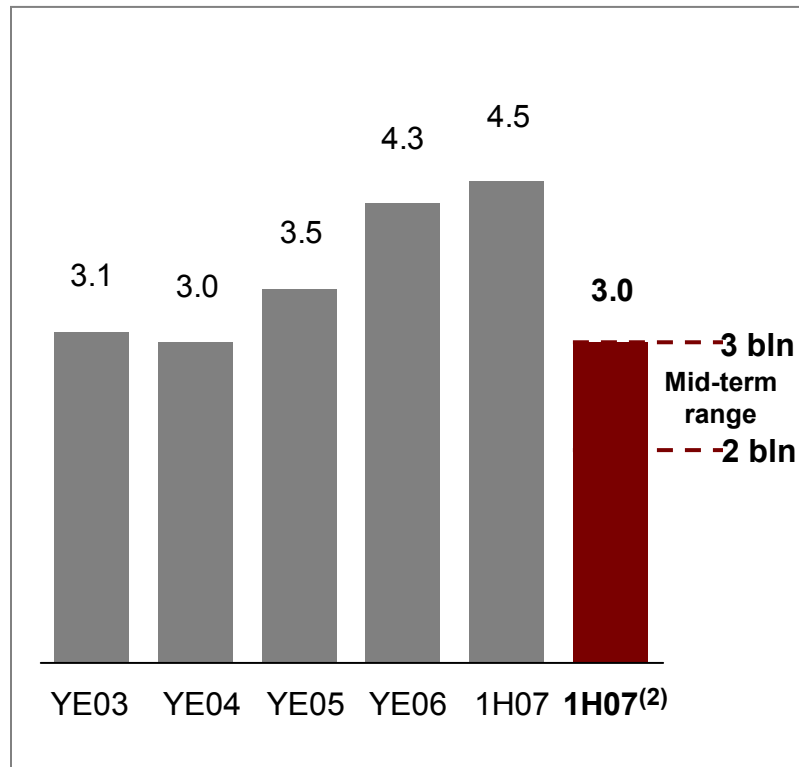
Banks operating in Swiss private banking sector ranked by AuM (1H07, CHF bln)



Management of Capital Buffer

Capital Buffer⁽¹⁾

(Euro bln)



Strategic aspects of Capital Model

- Capital Buffer corridor provides balance between uncertainty and cost of excess capital
- Corridor represents mid-term reference framework for applying free cash flow towards capital action, such as additional dividend or share buy-backs
- 15–20% corridor of Risk Capital⁽³⁾ equates at 1H07 to Euro 2–3 bln

(1) Methodology changed at YE05. Prior to this disclosed Excess Capital did not include the Subordinated Debt. Disclosed Excess Capital at YE03 Euro1.7 bln and YE04 Euro1.6 bln.

(2) After the expected impact of the Ceska JV, the sale of Nuova Tirrena and the announced share buy-back.

(3) Defined as Economic Capital less VIF, calculated according to current model

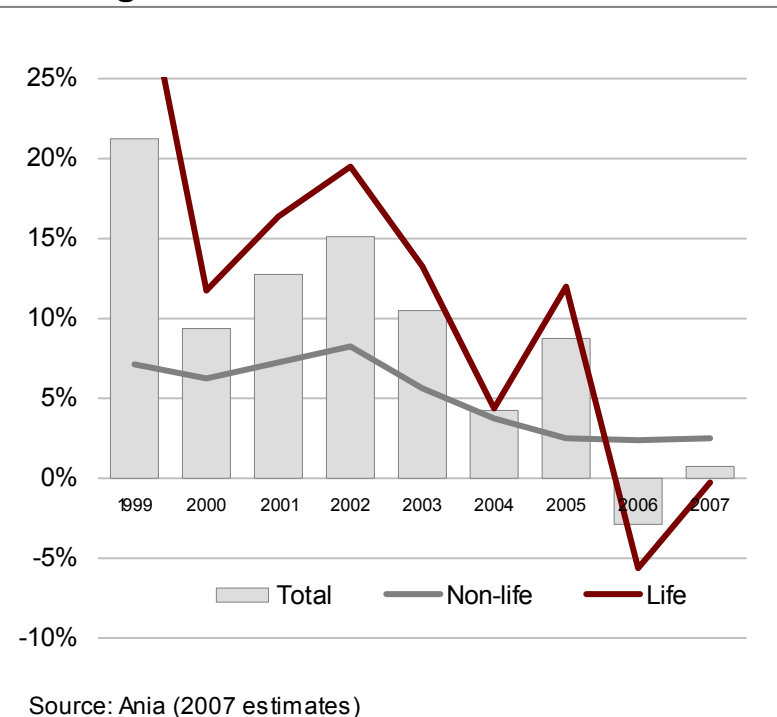
■ II. Focus on Italy

Key trends in the Italian insurance market

A changing environment

- Deceleration of premium growth rates
- TFR reform and private pensions
- New rules:
 - Direct Settlement
 - “Bersani decrees”
 - Mifid / increased transparency

Sector growth rates



Italy – Strategy



GWP weight:
about 35%

- Consolidate Italian business with stronger **country coordination**

- **Merge service companies** to leverage integrated approach to IT and operations, in order to streamline processes and enhance quality of customer service
- Further consolidate product engineering, portfolio administration and actuarial services into Generali Business Solutions

- Complete **Toro integration** with expected synergies of Euro 160 mln by 2009, taking into account announced sale of Nuova Tirrena

- Enhance **distribution effectiveness**
 - Multi-brand strategy with stronger Group identity
 - Align incentive system to product profitability
 - Aggressively tackle the retirement/TFR emerging market
 - Exploit innovative distribution opportunities

- Innovate **product strategy**
 - Invest in new products in Life & Savings (e.g. variable annuities and third age) and Non-Life
 - Review motor offering in light of evolving market conditions (e.g. new “Direct Settlement” law)

- **Targets:**
 - Expected gross impact of reorganization: Euro 120 mln in the mid-term, of which Euro 50 mln by 2009
 - Combined Ratio: 93.5% in 2009 (-3.7 pp vs. 2006)
 - Life NBV growth: 9.6% CAGR 2006-09 (“like for like“)

Italian reorganization: stronger coordination of insurance businesses

Country Manager *Perissinotto*

Chief Operating Officer **Mr. Viezzoli**

- Generali Business Solutions
Single Company managing all operational processes:
 - Claims handling (former GGL)
 - Administration (former GSA)
 - Information technology (former GSI)
- Further consolidation (Life and Non-Life)
 - Product engineering
 - Actuarial Services
 - Portfolio administration

Head of Insurance Development **Mr. Ignazzi**

- Country support functions
 - Planning & Control
 - Strategic Marketing and Advertising
 - Business Development
 - Customer Care
 - Network Coordination
 - Coordination of corporate lines underwriting

Italian Business Units



Other companies



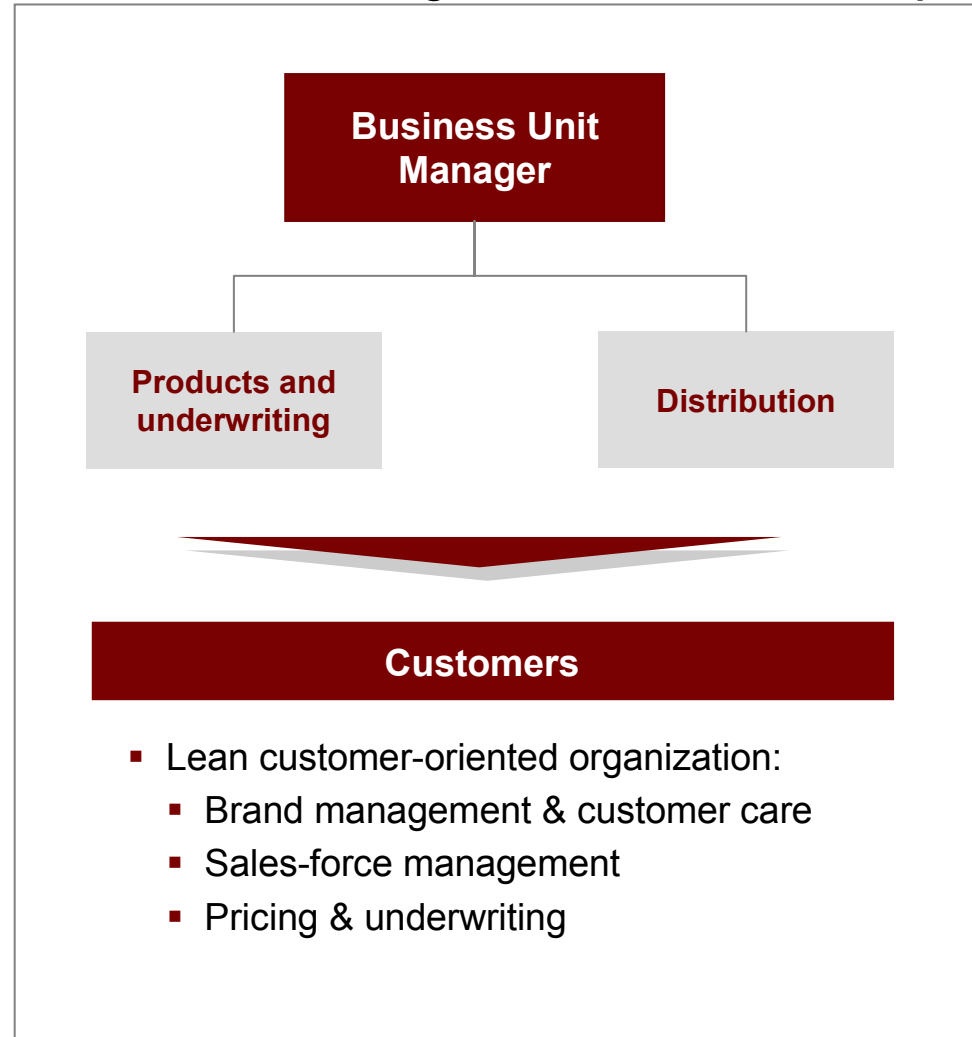
Lean customer-oriented sales organisation

Multi-brand strategy

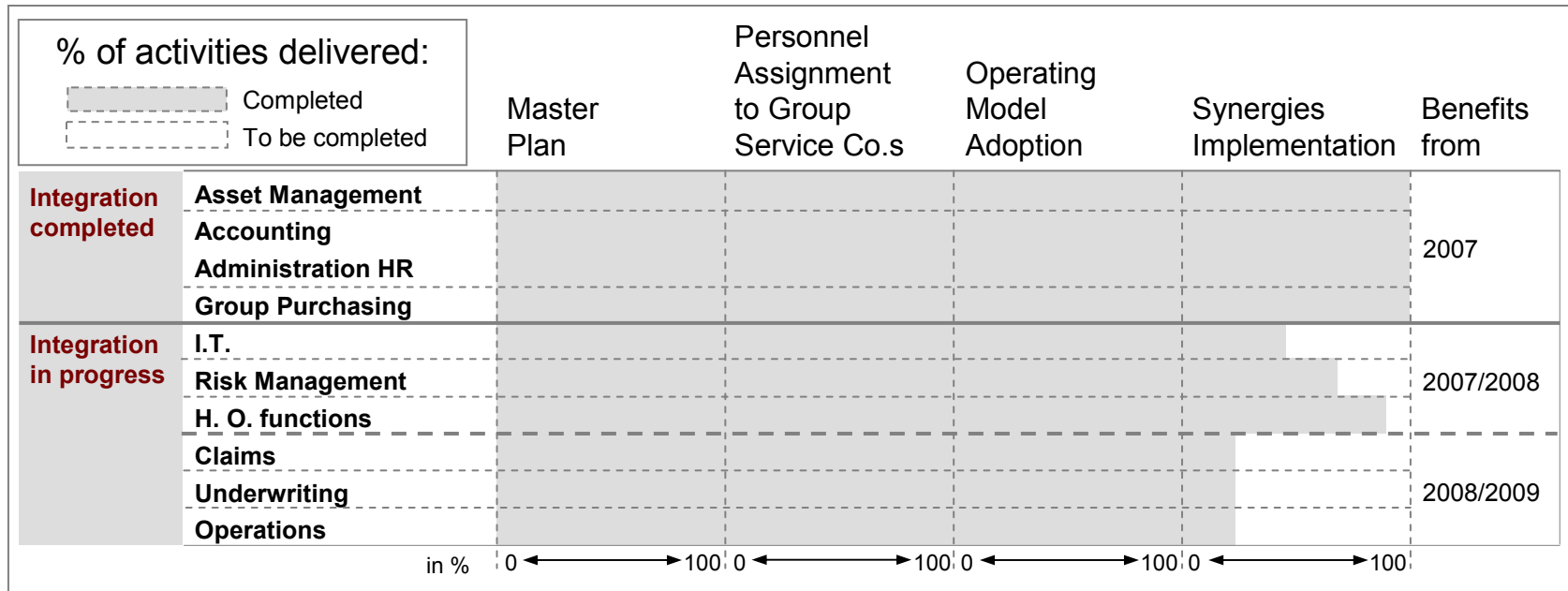
Company	Ranking
	#1
	#3
	#4
	#8

- Distribution networks are strongly related to their brands, offering a distinctive value proposition to clients with specialised organisational model
- New regulatory context (Bersani reform) requires network stability and loyalty actions

Enhanced focus on long-term customer relationships



Toro integration on track and sale of Nuova Tirrena (NT)



Achievement of synergies

- Implementation of synergies for Claims and IT: under review in order to facilitate the separation of already integrated NT activities.
- Revised annual synergies target after sale of NT: Euro 160 mln in 2009
- 33% of synergies expected within 2007
- No change in restructuring costs

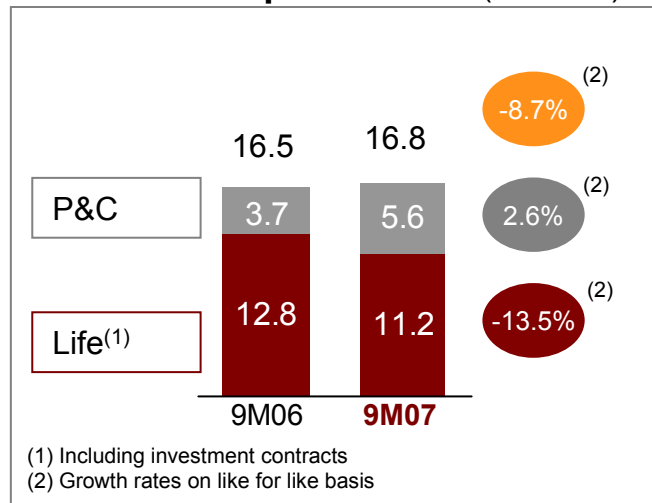
Sale of NT: transaction rationale

- Sale to Groupama completed for Euro 1.25bln
- NT network: strong overlapping with Generali Group sales force in problematic areas of Italy
- Sold at 2.4x EV (Toro acquired at 2.0x EV)
- Proceeds used to finance Assicurazioni Generali share buyback program



9 months 2007 results of our Italian business

Gross written premiums⁽¹⁾ (Euro bln)

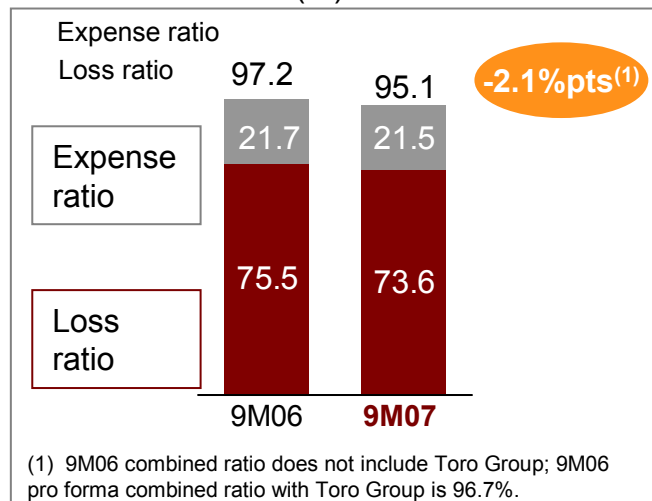


Life APE⁽¹⁾ (Euro mln)

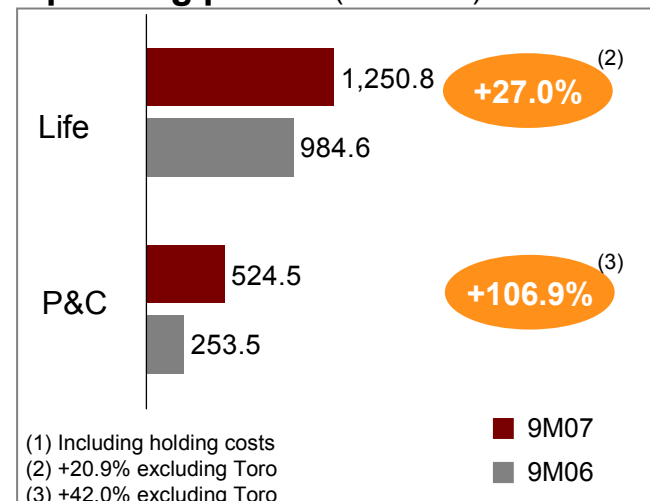
Total APE	+8.1%
Proprietary channels	+21.8%
Bancassurance	-34.8%
Corporate business	-8.6%

(1) Net of minorities

Combined ratio (%)



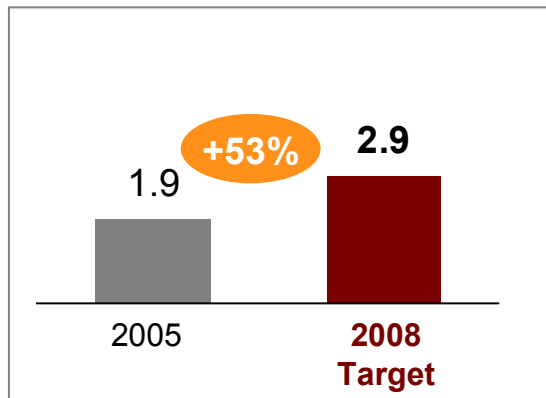
Operating profit⁽¹⁾ (Euro mln)



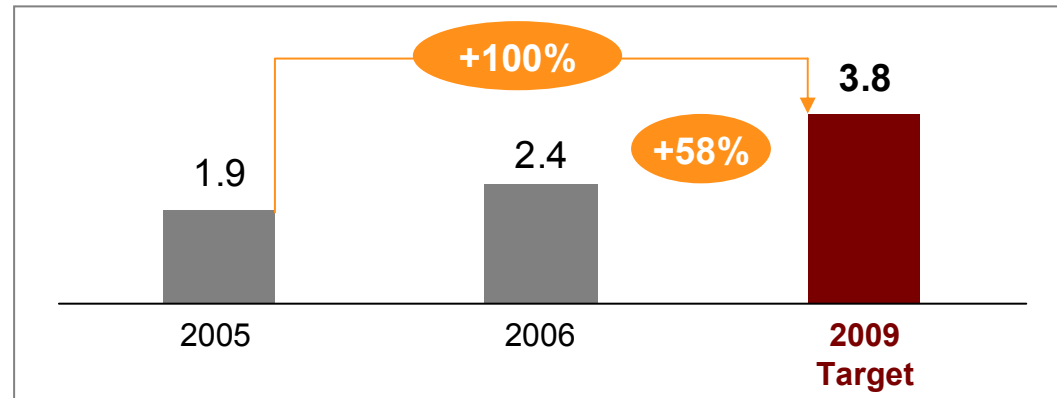
■ III. Conclusions

We have increased significantly our aspirations

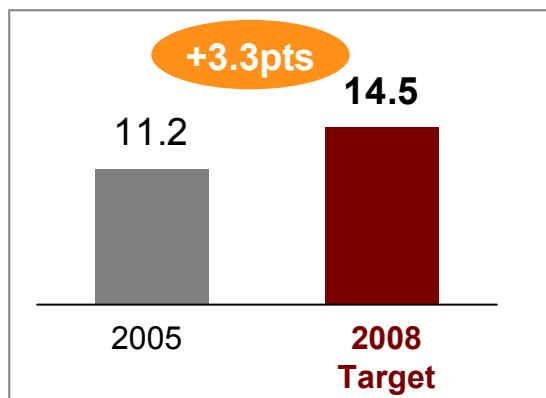
Net Profit (Euro bln)
2006–2008 Plan



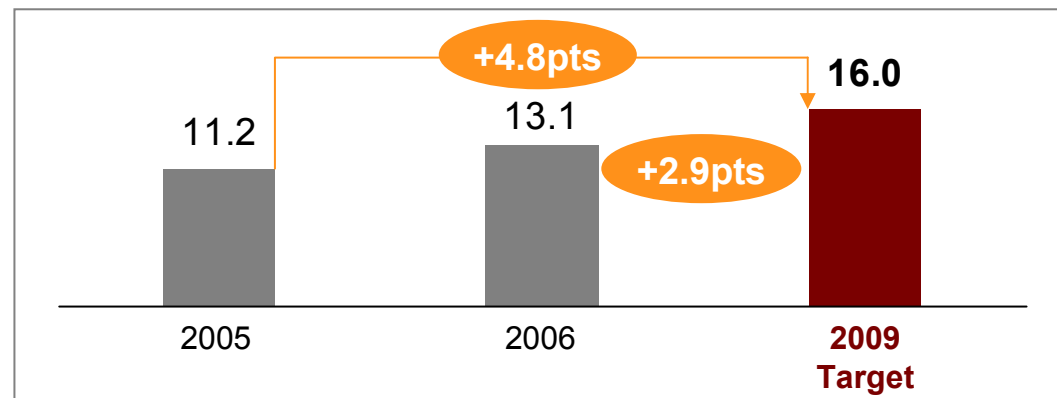
2007–2009 Plan



Normalized RoEV⁽¹⁾ (%)
2006–2008 Plan



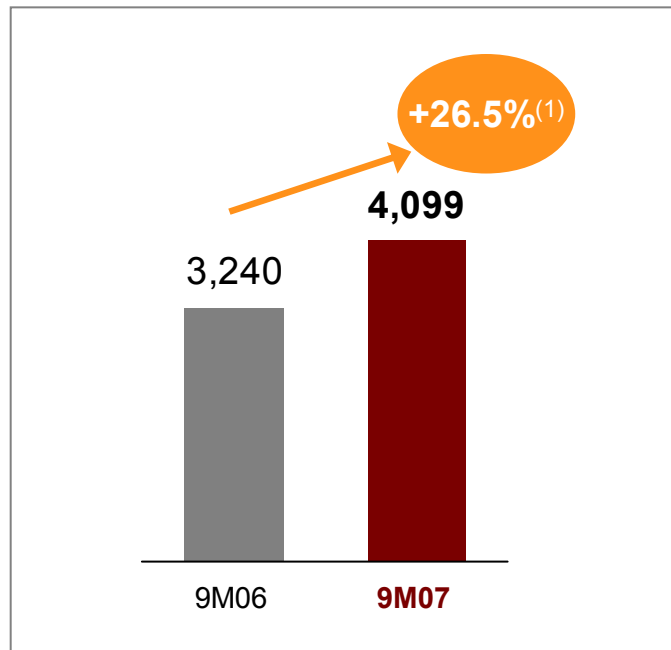
2007–2009 Plan



⁽¹⁾Based on a 10 year risk free rate of 3.70% for 2008 and 4.50% for 2009

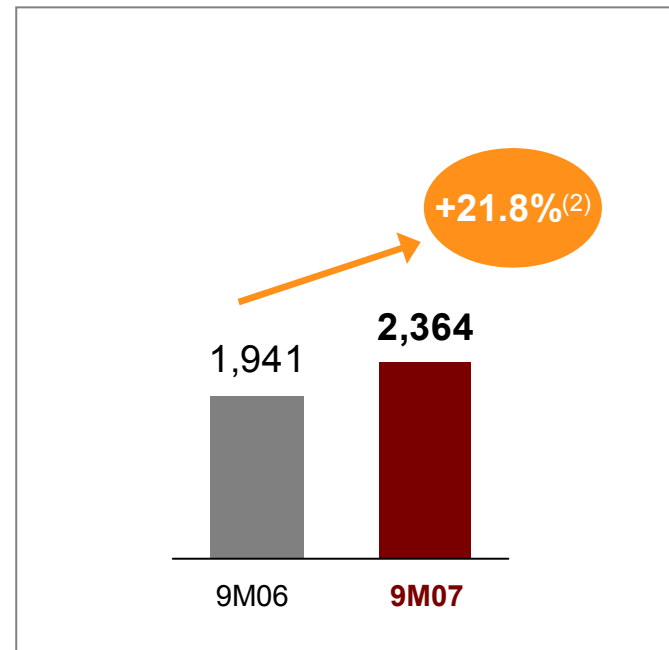
Strong 9 months 2007 results

Operating result (Euro mln)



(1) +19.9% excluding Toro

Net result (Euro mln)



(2) +15.5% excluding Toro

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These expectations are based on management's current views and assumptions and involve known and unknown risks and uncertainties.

The user of such information should recognise that actual results, performance or events may differ materially from such expectations because they relate to future events and circumstances which are beyond our control including, among other things, general economic and sector conditions.

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