



Generali Group


“Colours in the dark”


Giovanni Perissinotto – CEO



-  **I. The crisis we are facing**

-  **II. Our sound financial position**

-  **III. 9M 2008 results at a glance**

-  **IV. CEO final remarks**

■ I. The crisis we are facing



Financial system: revolution or evolution?

„These are exceptional times..“

(Dominique Strauss Kahn, *IMF Managing Director*)

- The end of high leverage, excesses & short termism in finance
- Lack of confidence in financial markets
- Need for tighter & better coordinated regulation
- Globally defined actions are needed
- State intervention is changing the competitive landscape



Has the crisis reached its bottom?

- Real economy: prolonged slowdown with some positive macro signs (lower commodity prices, lower inflation)
- Financial crisis still developing after more than one year
- Insurance industry – generally a sound business model, after the experience of 2002-2003:
 - ✓ Sounder risk culture, better ALM
 - ✓ Thus: no rationing of insurance coverage, unlike credit
 - ✓ Provider of protection, secure products
 - ✓ Shock Absorber
 - ✓ Growth Enhancer



What about Generali?

Our position

- A clear vision: align interests & maximize **long term value creation** of all our stakeholders
- Solvency and financial resiliency are confirmed
- Exposure to toxic assets is minimal
- Consistent industrial model: retail oriented, multi channel, key role of proprietary channels, more than 50 m clients

Our geographical strategy: mature vs. emerging markets

Mature core markets

Emerging markets



We want to export
our best practices
in fast growing countries



Focus mainly on

Profitability

- Enhance efficiency & reduce cost
- Enhance distribution efficiency
- Improve quality of customer service
- Expand direct sales
- Launch innovative products
- Invest in additional sales channels (e.g. Bawag in Austria)

Growth

- Pursue acquisitions in high-growth markets (e.g. CEE countries)
- Start greenfield business operations in some areas (e.g. India)
- Establish partnerships / joint ventures with local partners (Kuok Group, CNPC, Future Group, PPF)
- Establish / strengthen new distribution channels (e.g. India)
- Explore / launch direct business



Initiatives in the third age segment

Retirement products	<i>Individual pension plans (PIPs) and pension funds</i>	<ul style="list-style-type: none"> ▪ Generali strategy involves all segments: PIPs, open funds, closed funds ▪ Good growth rate achieved in all segments
Third Age	<i>Savings, health and long term care</i> <i>“Vivifuturo”</i>	<ul style="list-style-type: none"> ▪ First initiative launched in Italy in April 2008 ▪ A complete and highly flexible offer for both savings management and health protection ▪ Dedicated consultants provide customers with services modelled on Third Age needs
Multinational Corporate Pensions	<i>GEB (Generali Employee Benefits)</i>	<ul style="list-style-type: none"> ▪ European Corporate Pension plans represent a growing market ▪ The GEB network offers risk, medical & pension solutions to over 1,000 clients in over 70 countries



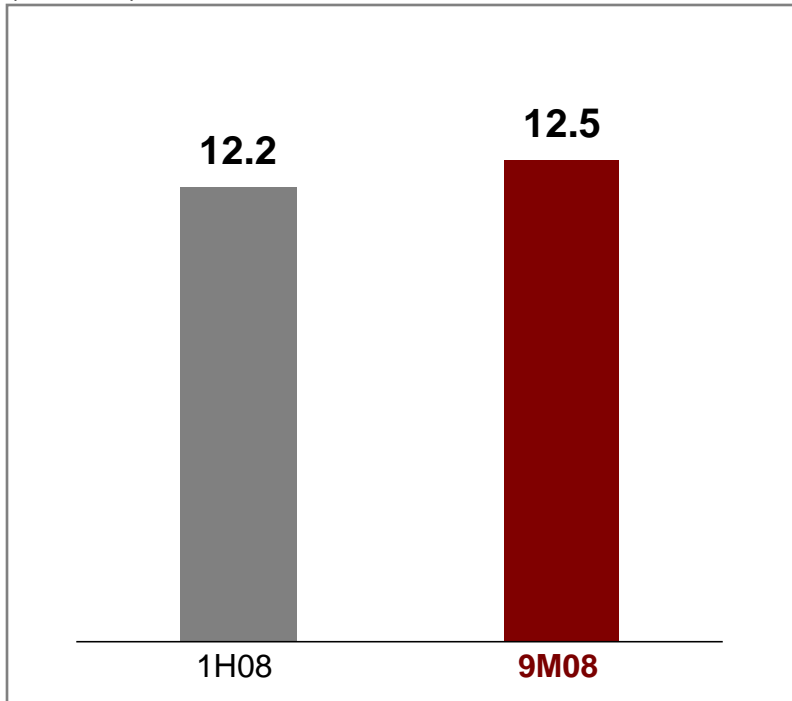
■ II. Our sound financial position

Our financial position remains strong...

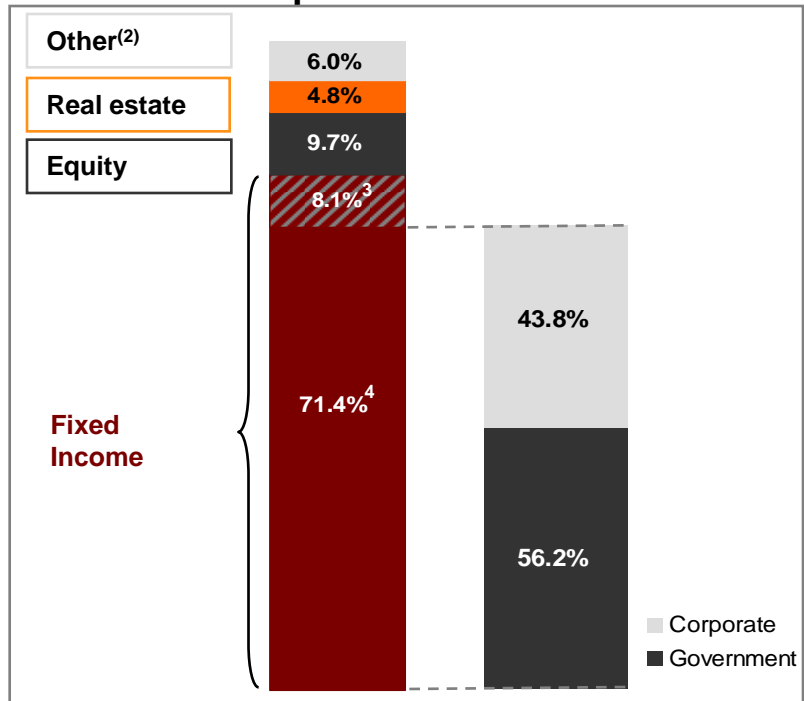
- Resilient shareholders equity thanks to a high quality & diversified investment portfolio
- Further equity markets drop and widening of credit spreads during the 3rd quarter have been partially offset by positive dynamics of Government bonds
- Our **solvency** position remains strong (>200% on Economic basis)

Resilient IFRS Shareholder's Equity

(Euro bn)



“Own Investments”⁽¹⁾ (Euro 293 bn): a well diversified portfolio



(1) Own investments relates only to own capital and insurance funds (i.e. unit linked excluded)

(2) Including investments in subsidiaries, associated companies and JVs, derivatives, receivables from banks or customers

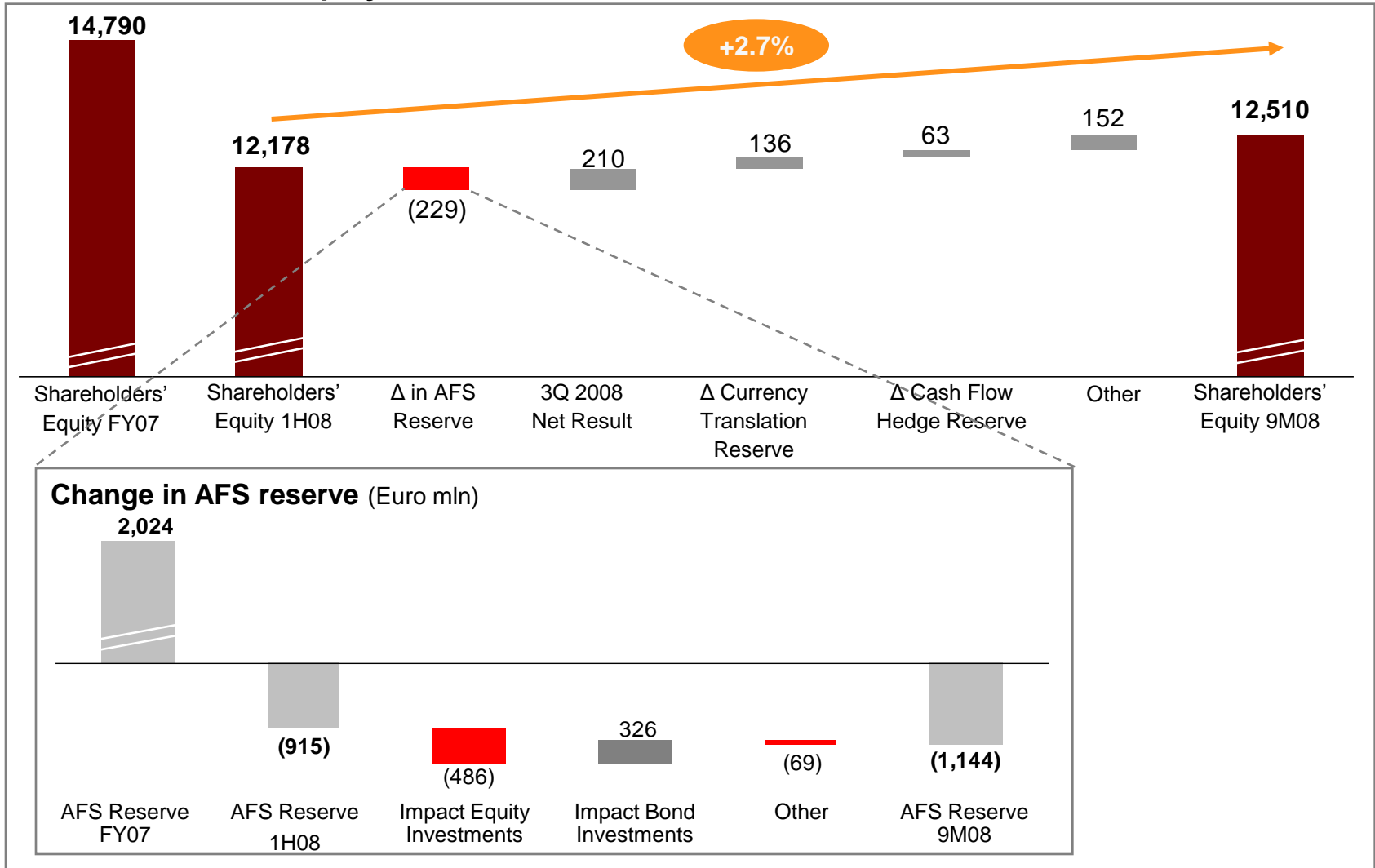
(3) Including mortgage loans, policy loans, deposits under reinsurance business accepted, term deposits with credit institutions and other financial investments, other loans

(4) Debt securities

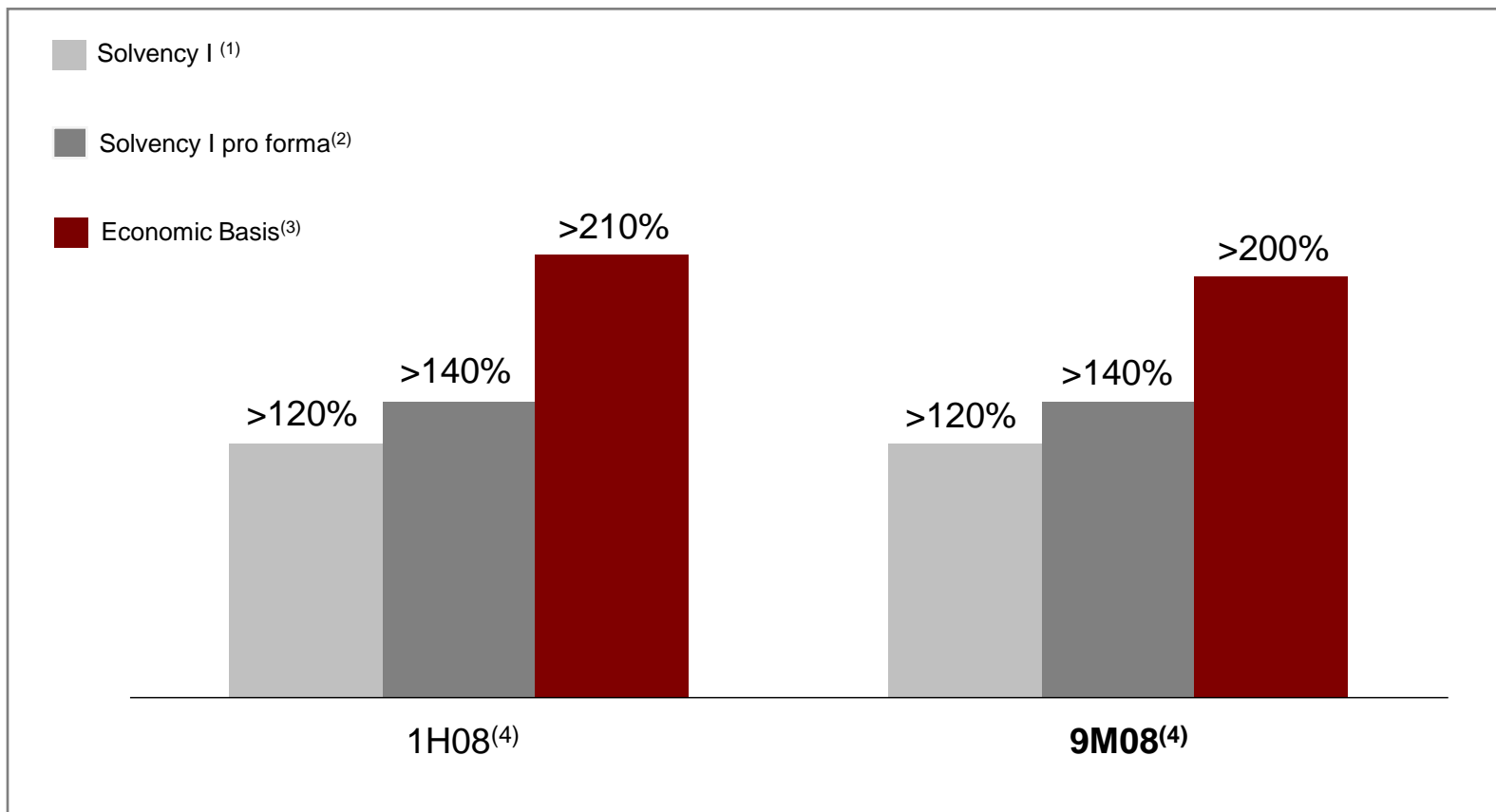


...thanks to our resilient shareholders' equity...

IFRS Shareholders' equity roll forward (Euro mln)



....as well as our solvency



(1) Available capital / required capital – according to Italian Supervisor’s regulation

(2) Solvency I adjusted for the recognition of off balance sheet unrealised capital gains on real estates and the effect of equalization provision

(3) Available Capital / Risk Capital - according to our internal model aligned to Solvency II framework

(4) Already allowing for taking out, through hybrid, of Euro 1 bn bridge loan financing acquisition of Banca del Gottardo



■ III. 9M 2008 results at a glance



Revenues development by segment

(Euro m)	9M 2007	9M 2008	Δ historical (%)	Δ like for like ⁽¹⁾ (%)
Gross written premiums	48,446.9	51,660.6	+6.6	+4.4
Life ⁽²⁾	32,791.9	35,235.1	+7.5	+5.1
P&C	15,655.0	16,425.5	+4.9	+2.7

**We outperformed
the market...**

(1) Calculated considering equivalent exchange rates and scope of consolidation (divestiture of Nuova Tirrena in Italy and Generali-PPF deal in CEE)

(2) Including investment contracts for Euro 3,156.6 m in 9M 2008 and Euro 1,006.4 m in 9M 2007

(Euro m)	9M 2007	9M 2008	Δ historical (%)	Δ like for like ⁽³⁾ (%)
Life Annual Premium Equivalent	3,107.8	3,589.8	+15.5	+10.5

(3) Neutralizing impacts of variations in exchange rates and scope of consolidation (inclusion of Central Kranken, divestiture of Nuova Tirrena, effects of Generali-PPF deal)

**...increasing
value creation**



9 months 2008 results⁽¹⁾ at a glance

(Euro m)

Growth continues...

	9M 2007	9M 2008	Δ historical (%)
Gross written premiums	48,447	51,661	+6.6
Life and health APE	3,108	3,590	+15.5

...keeping technical profitability...

P&C CoR (%)	95.4	95.1	-0.3% pts
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...but results are hit by financial markets

Operating Result	4,110	3,471	-15.6
Net Result	2,364	1,670	-29.4

Impairments: about Euro 2.2 bn

(1) Generali Group has elected not to apply the new reclassifications of financial instruments introduced by the amendments to IAS 39 and IFRS 7 by the IASB, endorsed by the European Commission on October 15th in European Regulation n. 1004/2008. At year-end Generali Group is going to apply those amendments, considering also the incoming legislative evolution.



■ IV. CEO final remarks

Final remarks

Insurers are different from banks -
we are much less exposed to both liquidity and asset problems

Our solvency remains strong

Revenue growth continues

We remain committed to efficiency improvement

Generali: a safe harbour for all stakeholders

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