



# Investor's Info

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## Consolidated results at 30 September: Strong growth in Non-Life operating result (+36.4%)

*Despite the worsening of the crisis, the Group continues to demonstrate good progress in its industrial performance*

In a macroeconomic context affected by an exceptional crisis in the financial markets and sovereign debts, which worsened in the third quarter, the Group closed the first nine months of the year with improved technical results in both Life and Non-Life segments. The strong growth in the Non-Life operating result and the steady performance in the financial segment allowed the Group to counterbalance the impact of the financial markets on the Life sector and maintain an overall stable operating result.

In the first nine months **Net profit** was € 825 million (€ 1,313 million for 9 Months 2010), reflecting the impact of overall net impairment losses of € 824 million, of which € 329 million on Greek government securities – as a consequence of the new bail-out plan for the country debated at European level at the end of October – and € 495 million mainly on equities. The overall **operating result** remained steady at € 3,100 million with strong growth (+36.4%) in the Non-Life segment to € 1,204 million, the best performance of the last three years. The key driver behind the Non-Life result was excellent technical profitability, with a 2.2 percentage point improvement in the combined ratio to 96.6% (98.8% 9 Months 2010) and a positive development in all main operating countries, especially in Italy, France



Chairman, Group CEO and Managing director

and CEE. The result in the Life segment was € 1,978 million (-14.1%) with good technical margins – net of expenses, which showed a further improvement – whereas financial margins were affected by impairment losses, especially in the third quarter. The contribution of the financial segment was stable (+0.7%, thanks to positive performance of BSI and Banca Generali). On the **production** front, overall gross premiums maintained the upward trend since the beginning of the year reaching € 51,327 million. The growth in all Non-Life business lines contributed to this result with premiums totalling € 16,942 million (+2.3%). In the Life segment, the Group continued to guide production towards products with larger margins and a higher return on invested capital; Premiums amounted to € 34,385 million (-7.7%) with growth in annual premiums (+5%) with a fall in single premiums (-21.2%) as a result of eurozone market trends. The quality of

the Group portfolio and the effectiveness of its proprietary networks enabled it to maintain high Life net inflows of € 6.5 billion, despite the macroeconomic crisis.

The Group's **investment strategy** maintained an asset allocation policy designed to consolidate current margins and reduce capital absorption. The Group continued its portfolio

de-risking strategy, reducing the proportion of equities to 5.8% (7.5% at the end of 2010), and exploiting the healthy market performance of the first half of the year. Fixed-income instruments were substantially stable, at 79.5% (80% at the end of 2010), as were real estate investments. The proportion of cash and cash equivalents rose as a result of the Group decision to work towards a prudent increase in the proportion of investments in liquidity instruments, given the current financial context. Overall current profitability for the first nine months was high, at 3.2%. Generali Group CEO **Giovanni Perissinotto** said: *“Despite the difficult financial and economic environment the Group continues to demonstrate good progress in its operating performance, particularly in the Non-Life business. This performance supports the strength of our business model which is based on a diversification across markets, geographies and the Group's wide range of distribution channels.”*

### Financial statements online

The half-year Consolidated Report as well as further information about the **result at 30 September 2011** are available at [www.generali.com](http://www.generali.com) under the “Investor Relations” section. The above documentation may also be requested by sending an email to: [shareholders@generali.com](mailto:shareholders@generali.com) or by calling +39 - 040.671.621. The **2010 consolidated statement in a fully**

**html browsable version** is now available under the same section of the website.

This dedicated mini website, designed with the international best practice, offers useful functions such as the possibility to download single chapters, dynamic tooltip notes and the integrated interactive report. The latter, in fact, allows users to graphically visualize the

reports' main figures, while comparing or aggregating specific data. The on line report reflects “the snapshot” of a year of business, split by the three main operational segments: life, non life and financial. It's the starting point of a long term plan to basically integrate this tool with quarterly interim reporting, as well as including other institutional key documents.

## Sergio Balbinot head of CEA

The appointment of Managing director Sergio Balbinot as President of the Comité Européen des Assurances, the major European insurers and reinsurers representative body, was held during the CEA General Assembly held in Athens on 15 June.

He will serve for the next three years, a term that will be full of challenges and opportunities for the insurance sector, as Sergio Balbinot outlined in his interview for *Il Bollettino*, the Corporate Magazine of the Generali Group. Sergio Balbinot stated that he is honoured and grateful for his election as President of the CEA, which has always been promoting – professionally and authoritatively – the distinctive characteristics of the insurance sector, and expressed the necessity to support with determination the function of this sector. He is therefore committed to do his best to increasingly strengthen the Federation in Europe and all over the world. Primary aim is to create the best possible environment for the European insurance business. This means first of



*Handover between former President Tommy Persson and Sergio Balbinot*

all promoting quality regulation: the market does not need ineffective rules, useless administrative burdens or high compliance costs. Simplification and efficiency must be encouraged at all levels to help companies fight against the cri-

sis and foster innovation, another topic of primary concern. These are some of the messages that Balbinot, as President of the CEA, is committed to convey on all appropriate occasions. In his interview, it is underlined that the insurance industry is too often associated with other financial sectors that have triggered the global financial and economic crisis. He is therefore determined to continue to explain the specific features of our business to legislators, investors, the media and the general public. Further information about this topic can be found in **Sergio Balbinot's interview in *Il Bollettino* n. 9**, available at [www.generali.com](http://www.generali.com) in the "Latest Publications" section. In this latest issue, a focus on **ePolizza** deals with the new mobile services offered by this product enabling users to submit domestic and health claims and access to interesting tools such as the possibility to estimate responsibility in case of accident and the insurance check-up.

## The environmental commitment of the Generali Group

In the latest issue of Investor's info, readers were informed that this publication would be sent in paper format only upon a specific request at the Ufficio Azioni of Generali Group. Nonetheless, it was our decision to continue to deliver the current issue of this publication in paper format to all usual receivers, in order to respect the Corporate commitment to distribute as widely as possible a brochure about the socio-environmental commitment of the Generali Group. This leaflet, delivered in every agency of the Italian companies of the Group in Italy (Assicurazioni Generali, Alleanza Toro, Fata and Ina Assitalia), and

available online, was designed to inform our stakeholders about the Company's initiatives in a number of fields for sustainability issues, to lay out the results in figures, future commitments, values, competencies and goals.

Those whose curiosity has been aroused by this brochure and would like to find out more about our activities in this area, can access the Sustainability Report on the website [www.generali.com](http://www.generali.com), and get detailed information in English on the many Generali Group initiatives and the results that attest to its commitment.



## Young generations and welfare services: a dedicated offer for people under 40



Welfare services: an extremely topical issue nowadays, with particular reference to the new generations, is focus of the new Generali offer targeting people under 40: no premium loadings for the product "Valore Pensione" for the first two years since its underwriting. The initiative was supported by an ad-hoc advertising campaign through press, radio and web media to draw public attention on the risks brought about by a future scenario where our welfare expectations might not be matched because of the lack of available resources. Meanwhile, a series of refreshment meetings were organized in order to inform sale network members on the latest trends in the welfare services sector in Italy. Moreover, this communication campaign contains an

open invitation to estimate a possible retirement scheme through a specific tool available online at [www.generali.it](http://www.generali.it). Getting an idea on their future economic treatment, users become aware of the urgent necessity to act independently in order to fill the gap between their last loan and their pension bill. Current reduction trends in pension amounts are signs of a future where welfare services will be increasingly provided by supplementary social plans, to be underwritten on a voluntary basis but basically essential.

Therefore, future is at the core of the new campaign. In this concern, Generali aims at becoming a first player among insurers in the Italian market, offering its long experience to meet the expectations of the client – primarily transparency and effectiveness. As the headline of this communication campaign reminds, "your future needs more space".

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