



Assicurazioni Generali

MANAGEMENT REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

CORPORATE GOVERNANCE AND
SHARE OWNERSHIP REPORT

REMUNERATION REPORT

180th
year



2011

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REMUNERATION REPORT

2011



FTSE4Good

FTSE4Good
Global and Europe Index



ASPI
(Advanced Sustainable
Performance Indices) Eurozone



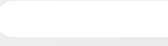
ECPI Ethical Index Global, Euro,
EMU Equity
e Developed Ethical + Equity



FTSE ECPI italia SRI
Benchmark e Leaders



STOXX Europe Sustainability





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

CHAIRMAN

Gabriele Galateri di Genola

VICE - CHAIRMEN

Vincent Bolloré, Francesco Gaetano Caltagirone

MANAGING DIRECTOR AND GROUP CEO

(*) He acts also as General Manager

Giovanni Perissinotto (*)

MANAGING DIRECTOR

(*) He acts also as General Manager

Sergio Balbinot (*)

DIRECTORS

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

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Petr Kellner / Angelo Miglietta (**) / Alessandro Pedersoli
Lorenzo Pellicoli (**) / Reinfried Pohl / Paola Sapienza
Paolo Scaroni

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Eugenio Colucci, Chairman
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Maurizio Dattilo (substitute) / Francesco Fallacara (substitute)

GENERAL MANAGERS

(***) Chief Financial Officer and Manager in charge
of the preparation of the company's financial reports

Raffaele Agrusti (***), Paolo Vagnone

DEPUTY GENERAL MANAGERS

Francesco Garello / Manlio Lostuzzi / Valter Trevisani

SECRETARY OF THE BOARD OF DIRECTORS

Oliviero Edoardo Pessi

CORPORATE BODIES AS OF 28 APRIL 2012



BENETTON – Castrette industrial complex, Villorba, Treviso, Italy

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CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

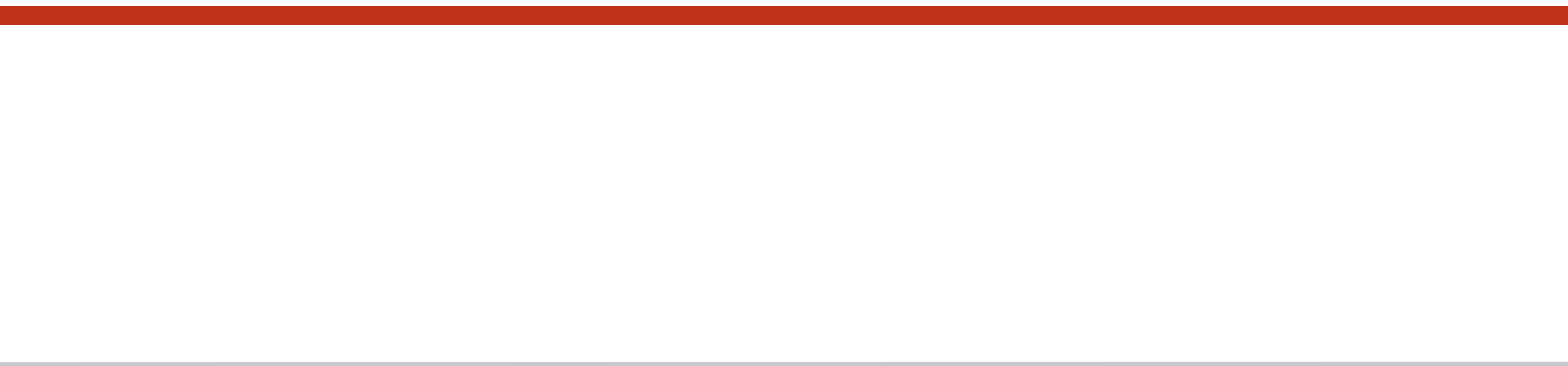
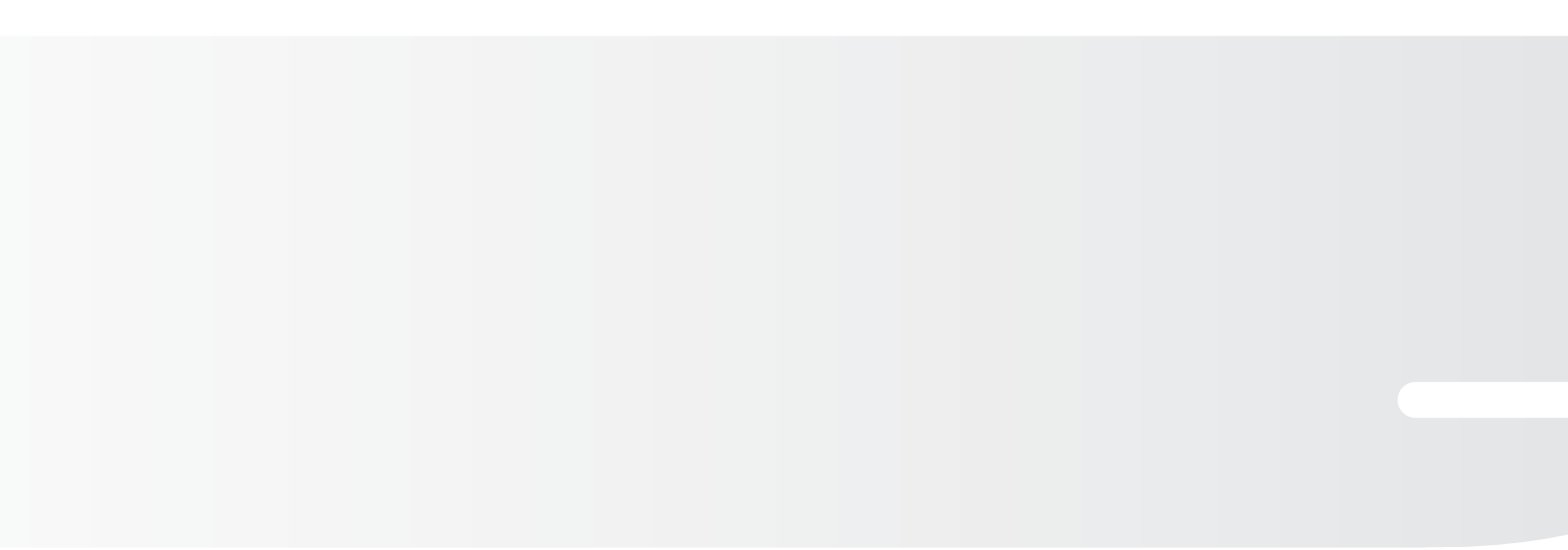
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CEZ GROUP - Tisová power plant and coal-fired power plant in Tušimice, Czech Republic

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Group highlights

Economic highlights

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010	Ch. like for like ^(*) YE2011/YE2010	Ch. like for like ^(*) 4Q2011/4Q2010
Group						
Gross written premiums ^(**)	69,159.2	73,187.8	17,832.3	19,358.5	-5.5%	-7.6%
Expense ratio	16.6%	15.3%	17.7%	15.3%	1.3	2.3
Consolidated operating result^(***)	3,927.6	4,076.6	827.2	943.9	-3.7%	-12.4%
Result of the period	856.1	1,701.9	31.0	389.2	-49.7%	-92.0%
Life segment						
Gross life written premiums ^{(**)(****)}	46,393.8	51,098.1	12,008.9	13,826.1	-9.3%	-13.0%
Net cash inflows	5,845.5	16,133.0	-650.7	3,511.3	-64.0%	-118.3%
APE	4,787.4	5,332.6	1,277.7	1,491.8	-9.0%	-12.8%
NBV	975.7	1,050.1	n.a.	n.a.	-5.6%	n.a.
Expense ratio - life segment	11.6%	10.4%	12.6%	10.4%	1.2	2.1
Operating result - life segment	2,541.7	3,025.9	563.6	724.1	-16.0%	-22.2
Non-life segment						
Gross non-life written premiums ^(****)	22,765.4	22,089.7	5,823.4	5,532.4	3.2%	6.1%
Expense ratio - non-life segment	27.6%	27.5%	28.8%	28.2%	0.1	0.6
Loss ratio - non-life segment	69.0%	71.3%	67.6%	70.8%	-2.3	-3.1
Combined ratio - non-life segment	96.5%	98.8%	96.4%	99.0%	-2.3	-2.5
Operating result - non-life segment	1,560.5	1,128.1	356.6	245.8	38.3%	45.1
Financial segment						
Cost income ratio	73.2%	70.5%	79.9%	74.1%	2.7	0.1
Operating result - financial segment	341.7	353.6	62.8	76.5	-3.3%	-17.9

(*) The change is considered on equivalent terms, on equivalent exchange rates and consolidation area, with respect to written premiums, net cash inflow, APE and NBV.

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

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

(****) In order to ensure a fairer presentation of gross written premiums per line of business, written premiums amounting to €204.2 million (€188.5 million at 31 December 2010) accounted for in the non-life business were reclassified into the life lines of business.

Financial highlights

(€ million)	31/12/2011	30/09/2011	31/12/2010
Total investments	369,126.3	372,273.5	372,155.1
Asset under management	88,207.2	90,262.5	92,980.1
Insurance provisions ⁽¹⁾	347,167.3	346,759.7	343,583.7
Shareholders' equity attributable to the Group	15,485.6	15,846.4	17,489.8
Solvency I ratio	117%	118%	132%

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

Social and environmental highlights

(€ million)	31/12/2011	31/12/2010	Change
Global Added Value (€ million)	12,737.2	13,632.7	-6.6%
Number of employees	81,997	85,368	-3.9%
Allocation to community-benefit initiatives (€ million)	49.1	45.5	7.9%
Per capita electrical energy consumption (kWh) ^(*)	4,830.7	5,191.6	-7.0%
Paper consumption (quintals) ^(*)	71,313.8	71,287.9	0.0%

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

The Generali Group

The Generali Group's profile

The Generali Group is a leading international insurance and investment company led by Assicurazioni Generali S.p.A., founded in Trieste, Italy, in 1831. The Group has always been characterized by a strong international orientation and is now present in 69 countries: the Group's insurance turnover exceeds € 70 billion, 29% of which originates in Italy and 71% abroad.

In its core insurance business, the Generali Group is primarily focused on the **life segment**, in which it remains the European leader. Its product line in the life segment consists mainly of savings and protection policies, which account for the majority of the portfolio, alongside the Health business and the supplementary pension policies.

In the **non-life segment**, the Group is primarily focused on the retail market, on which it provides coverage of the entire insurance portfolio.

In addition, Generali is among the world's major players in the field of **assistance**, through the Europ Assistance Group, which provides worldwide services in the motor, travel, health, home and family segments.

The Group has also expanded its business from insurance to a full line of **asset management, properties and financial services**. In detail, the Banca Generali Group is among the leaders of the Italian personal financial services market, whereas the BSI Swiss Group the oldest bank in the Canton of Ticino, provides a full range of private-banking financial services.

■ Countries where the Generali Group operates

■ Countries where only the Europ Assistance group operates



The Group leads the Italian market and has consolidated its position among the world's foremost insurance groups, achieving increasing importance on the Western European market, its primary area of operation, where it remains among the top operators in Germany, France, Austria, Spain and Switzerland. The Group has an important position also in Argentina.

In addition, the Group has a strong presence on markets with high growth potential. In particular, it is among the leaders in Central and Eastern Europe through Generali PPF Holding. The Group is also present in India and China; in particular in China it is become leader among the insurance companies with foreign equity interests in few years after entering the market.

With particular reference to the **distribution channels**, the Group has developed new distribution solutions additionally to the traditional and financial advisor channels. Attention to changes in the society and in the markets, combined with the consolidated policy of diversification, allowed the company to promote innovative initiatives related to

insurance services as shown, in particular, by the experience in Italy of Genertel, specialized in the phone direct sale. This policy has allowed the Group to become the leader in insurance policies sale also through alternative channels such as internet and phone in France and Germany.

Shareholders and stock performance

At 31 December 2011, outstanding shares, with a nominal value of €1 each, were 1,556,873,283, of which 16,130,503 held by the Parent Company and other Group companies. At the same date, the Parent Company's shareholders numbered around 282,000.

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 MEDIOBANCA GROUP	206,145,114	13.241%
2 BANCA D'ITALIA	69,879,535	4.488%
3 BLACKROCK GROUP	44,225,924	2.841%
4 B&D HOLDING GROUP	37,890,000	2.434%
5 EFFETI	35,300,587	2.267%
6 CALTAGIRONE GROUP	35,300,000	2.267%
7 LEONARDO DEL VECCHIO	31,172,000	2.002%

Updated as of 28 December 2011.

The market price quotation at 31 December 2011, was € 11.63. Since the beginning of 2011, the stock reached a low of € 10.65 at 12 September 2011 and a high of € 16.99 on 8 February 2011.

Market capitalization at 31 December 2011 was 18,106.4 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.

Rating agency	Rating	Outlook
A.M.Best	A	Under review
Standard & Poor's	A	Stable
Fitch	A-	Negative
Moody's	A1	Negative

Updated as of February 2012.

The economic and financial crisis that has characterized some European economies has led to the ratings' cut of different sovereign debt, in particular the creditworthiness of Italy lost the A class. Mainly as a result of this reduction, all major rating agencies lowered the credit rating of Assicurazioni Generali. Nevertheless, the Group has a credit rating two notches higher than that of its main country of operation, thanks also to its ability to generate operating profits, the strong fundamentals of business and the geographical diversification.

Social and environmental commitment

In the Generali Group the long-term business sustainability takes part of the insurance business and this can be confirmed by a development that has lasted 180 years. The enhancement of employees and attention to the expectations of clients, shareholders and communities are deeply rooted in the culture of the Group and inspire the daily behavior.

Over the past decade, however, the commitment to sustainability has gradually strengthened, with the transition to a systematic approach and management. The preparation of some documents that explain the principles and operating methods of the Group in relations with the various stakeholders, and the definition of objectives and targets have increased the transparency and effectiveness of the reporting.

The social and environmental issues associated with operations are reported in detail in the **Sustainability report**, published in May and drawn up in accordance with the guidelines of the Global Reporting Initiative (GRI) used worldwide by organizations of all sizes and sectors. In addition, to provide a more complete view of the activities and achievements of the Group during the year, some non-financial information that integrate financial ones have been anticipated in this document since last year.

With the approval of the **Ethical Code for suppliers of the Generali Group** by the Board of Directors of the Parent Company in December, the Group has continued on the drafting of specific codes to be adopted in order to increase transparency for the various stakeholders and, at the same time, to require them to comply with the Group policies and its voluntary codes.

The systematic approach, initially applied in the environmental field, is now gradually being extended to dealings with the other stakeholders as well. The Group is in fact proceeding to the identification of the **objectives and targets on social issues** most relevant to the various stakeholders, to be pursued with targeted and effective actions and to be used to measure and report in a more timely and transparent way on the results achieved over time, in a perspective of continual improvement.

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. 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 **sales force** on pay-roll, the Group's social responsibility translates first and foremost into recruiting, remuneration, management and career development policies that prohibit all forms of discrimination. Diversity is viewed as an opportunity for enrichment. All employees are hired under regular employment contracts and all forms of child labour and forced and compulsory labour are prohibited. In order to verify compliance with the core international standards of the International Labour Organisation (ILO), the Group annually monitors the situation. As known, the new Ethical Code of the Generali Group, approved in May 2010 and still under implementation during 2011, invokes the fundamental human and labour rights. The Code was translated into the local languages and published on the Group website and on that of each Group company. The correct understanding and dissemination of the contents of the document to all Group employees, and the creation of awareness of fundamental human rights are pursued by means of an e-learning course that was translated into 22 languages. The training program was launched in 2011, when it involved more than 6.000 employees, mainly in Asia. The course will be distributed to South American and European employees as to be ended by 2013. In general, the Group is committed to intense training activities with the aim of fostering personal and professional growth of its employees: the Group's competitive advantage is built upon their commitment and competence. The Group guarantees working conditions that are respectful of individual dignity in safe, healthful working environments. The attention to employees is expressed also in responding to their needs for measures aimed at striking a balance between professional and family life. Since such measures facilitate the management of family duties, they help create a better mood in the company.

The Generali Group has an Environmental Policy invoking what stated in the Ethical Code in the area of the **environment**. The document defines the Group objectives and commitments in this respect. 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. As for the achievement of the objectives, the development and dissemination of a greater environmental responsibility among employees are of fundamental importance. In order to implement the Environmental Policy of the Generali Group, a project was launched in 2009 with the aim of introducing a **Group Environmental Management System (EMS)** compliant with the ISO 14001 standard. During the year the implementation of the System went on defining new procedures, such as the internal audit one that will begin in 2012. The inclusion of new buildings expanded the scope monitored, that represents 38.8% in terms of workforce (36.3% on equivalent terms in 2010). The scope totally includes 78 buildings where Group insurance companies, banks, real estate and services companies are located in six countries, i.e. Italy, Germany, France, Spain, Austria and Switzerland.

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**. The general principles to be placed at the basis of profitable relations with such stakeholders are defined in the Ethical Code for suppliers, which envisages their evaluation also according to social and environmental criteria. In the document the Group ensures to its contractual partners relations inspired by correctness, transparency and confidentiality. It requires them to align with the Group policies while performing business and to ensure compliance also with all the levels of the relevant supply chain. Specifically, suppliers are required to comply with all national and international applicable rules and regulations, including the Fundamental ILO Conventions and the UN Universal Declaration of Human Rights. The Code also introduces suitable monitoring procedures on suppliers to verify compliance with the requirements, and sanctions for non-compliance.

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 designed to eliminate the risk of supporting companies that, directly or through subsidiaries, produce weapons that may violate fundamental humanitarian principles, sell military equipment or weapons to specific countries and/or are involved in serious or systematic violations of human rights, severe environmental damage, serious corruption or other serious violations of fundamental ethical norms. The Group thus aims to influence behaviour of **issuing companies** and to encourage them to responsibly act.

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 force is asked to engage in behaviour that meets standards of correctness, 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. Such products are, for example, products that meet specific needs of disabled, seriously ill people, immigrants, etc., that cover facilities that produce renewable energy, or that reward the virtuous conduct of the policyholders. They represent a very small part of the business: in 2011 the related premiums totally amounted to about € 1,480 million in the main countries where the Group operates. In order to provide the poorest members of society who would otherwise be excluded with insurance products, in the last years the Group has launched microinsurance projects, especially in China, Indonesia, Columbia and India. It is, in particular, to be mentioned the Generali Millennium project in India, described in the context of community initiatives.

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 this context it is to be mentioned the **Generali Millennium** project, carried out by Generali in cooperation with Altis - Alta scuola impresa e società at the Cattolica University of Milan. This initiative, that achieved its first important results in 2011, is of great importance for its connection with the core business. The Group intends in such a way to contribute to the achievement of the UN Millennium Development Goals aiming at improving social and economic conditions in the world's poorest countries. The project consists of two main lines of action: it supports the launch of micro business activities by disadvantaged people, mainly by women, and the development of microinsurance products. The project developed in India, where the Group operates in joint venture with Future Generali, has allowed to get the professional skills and experience of Generali at the service of the specific needs of the poorest members of society who can thus underwrite accident and health policies, from which they were previously excluded.

In 2011 the commitment made and the results achieved in the various areas of sustainability have resulted in the inclusion of Assicurazioni Generali in STOXX Europe Sustainability, STOXX Europe Sustainability ex AGTAF and STOXX Europe Sustainability ex AGTAF, indices for companies selected by the STOXX Europe600 on the basis of the rating assigned by the Sarasin Bank considering environmental, social and governance criteria. Such inclusion is to be added to the confirmation that the Company is in the following **ethical indices**:

- ASPI (Advanced Sustainable Performance Indices) Eurozone, index selecting the top 120 Eurozone companies in the DJ Stoxx600 on the basis of the rating assigned by VIGEO, an ethical rating agency, and the ASPI Eurozone guidelines;
- ECPI Ethical Global Equity, index for the 300 large-capitalisation companies operating on the global markets, ECPI Ethical Euro and ECPI Ethical EMU Equity, indices for the 150 large-capitalisation companies operating on the European and Eurozone markets, respectively, and ECPI Developed Ethical+ Equity, index for the 400 large-capitalisation companies operating on the global developed markets that have passed the SRI (Socially Responsible Investing) screening by ECPI;
- 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 and to facilitate investments in companies that meet globally recognized corporate responsibility standards.

Finally, in the first months of 2012 Assicurazioni Generali have been included in several ESG indices of MSCI and in the new index ASI (Axia Sustainability Index) launched by Axia Financial Research, that had already included Generali in Axia Global Sustainability Index.

The rating assigned by Oekom Research, an important independent German agency focusing on socially responsible investment, is C classified as Prime for bonds and shares of the Company. Ratings are expressed in twelve levels ranging from A+ (highest) to D- (lowest).

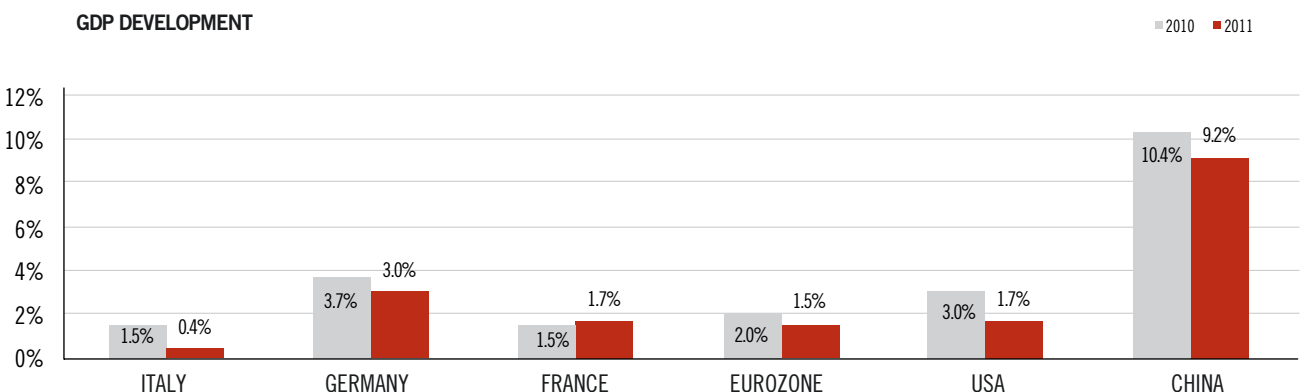
Business environment

Macro-economic scenario

2011 was an especially difficult year for European economies due to the continuation of the financial crisis, which highlights risks relating to the sustainability of the sovereign debt of European countries with a high public sector debt. The scenario described above even called into question the survival of the euro. The crisis most severely affected peripheral countries (Greece, Ireland, Portugal, Spain and Italy), which saw significant increases, to record levels, in the spreads between the yields of their bonds and those of the German *bund*, which has now become the quintessential safe haven investment. This increase in debt financing cost forced most European countries to adopt exceptional fiscal policy and cost containment measures. Those local policies were in addition to the new agreement reached at a European level to encourage a return to greater discipline among European countries in the area of public spending. A new plan, known as the “fiscal compact”, was approved on 30 January 2012 with the aim of reinforcing the stability pact by setting limits for the deficit/GDP ratio (0.5%) and reducing debt to below 60% of GDP. Such disciplined government budget policies will need to be associated, as appropriate, with measures to stimulate economic growth, which remains one of the most critical issues still to be resolved.

The Chinese economy also slowed, owing in part to a decline in foreign demand. A similar trend was also seen in emerging economies.

In contrast, the United States was characterized by a positive development of its economy, which showed clear signs of a recovery.



There was a trend towards an economic slowdown in the **European Union** following the situation of uncertainty in the Euro Area described above. The unemployment rate in the Euro Area also rose to 10.4%, compared to 10% in 2010. The Greek crisis remains one of Europe’s key critical issues, with the country’s public debt equal to nearly 160% of its gross domestic product, a deficit in excess of 10% of GDP, while the latter is expected to decline in GDP by nearly 7% in 2011. Resolution of the problem relating to the restructuring of its debt remains the main ongoing challenge in the Euro Area. The outcome of the agreements will also condition future actions to be taken towards Portugal, which showed a 1.7% decline in GDP through the third quarter and whose public debt could reach 112% in 2012, according to estimates by the IMF. Ireland stood out among the peripheral countries: although its economic recovery slowed considerably in the second half of the year, it reported an estimated GDP growth of 1.1% in 2011 compared to a contraction of 0.4% in 2010.

Italy was among the countries most severely affected by the Euro Area sovereign debt crisis due to its high level of debt. The risk tied to the sustainability of Italy’s public debt was the main issue in the latter part of the year, but the

ECB's intervention in support of the debt on secondary markets and the additional corrective measures subsequently enacted by the new administration calmed financial markets, resulting in a significant decrease in the spread, which fell below 310 basis points in mid March 2012 compared to 528 in December. The Italian economy showed slight growth during the year (GDP increased 0.4% compared to an increase of 1.5% in the previous year), but decreased sharply in the fourth quarter (0.5% of tendential GDP in the fourth quarter), while public debt exceeded 120% of GDP. Due to the weakness of the economy, the difficulty in obtaining credit and a climate of a lack of confidence, companies contained their investment policies. Households were the most severely affected as they saw their disposable incomes in ongoing decline, resulting in a significant decrease in their propensity to save and spend. The measures introduced by the government aim to achieve a balanced budget in 2013. Turning to the job market, the unemployment rate reached 8.9% in December (8.6% in the same period of the previous year). In further detail, the youth unemployment rate climbed to 31% (28.1% at the end of 2010). However, weak domestic demand was partially offset by the export performance, which remained positive in 2011 (up 6.2%), albeit with a slowdown compared the previous year (up 12.0%).

In **France**, the extensive measures aimed at consolidating the public finances were not enough to prevent the downgrading of the country's debt, which lost its triple-A rating for the first time. The economy remained static throughout the year, showing GDP growth of 1.6% (1.5% in 2010).

Germany continued to grow, although at a slower pace of 3.0% (up 3.7% in 2010).

In the European Union Member States of **Central and Eastern Europe**, 2011 was a rather positive year in terms of economic growth (up 3.3% on average compared to 2010, driven by strong domestic demand), although there were differences in performance. Poland was the country least severely affected by the slowdown in the Euro Area, reporting a growth rate of 4.2% due to a lower weight of exports on its GDP (40%). In general, all Central European economies are expected to record a slowdown in proportion to their dependence on exports.

In the **United States**, although economic growth fell short of expectations, there were signs of consolidation of the cyclical recovery. In particular, the decrease in the unemployment rate, which fell to 8.5% in December (9.4% in 2010), contributed to a considerable improvement in the U.S. household confidence index. However, there continue to be factors indicative of prospective weakness. Indeed, both the bear equity market performance and the high number of long-term unemployed (42.5% of the total) have a negative impact on households' disposable income. In addition, the public deficit reached 10.7% in 2011 (8.3% in 2010), and U.S. public debt reached a record level of approximately 100% of GDP.

In **China**, the macroeconomic scenario showed the first signs of weakness after years of rapid expansion, indicating that the country's economic growth is slowing. In fact, GDP growth was 9.2% in 2011, down from 10.4% in 2010. The causes of the slowdown are to be sought in the decline in the growth rate of industrial output, construction activity and exports due to the appreciation of the yuan and to the weak foreign demand.

There was also an economic slowdown in **Latin America** in 2011 due to weak foreign demand (from Europe and the U.S., but also China), on which the region is highly dependant, and a decrease in the inflow of investments from the rest of the world. In addition, commodity prices fell in the second part of the year, following on the increases showed in the first few months of 2011. In contrast, the risk of inflation remains high, especially in Brazil, whose inflation rate is currently 6.5% and which implemented an expansionary monetary policy in the second half of 2011, in contrast to the other countries in the region. The increase in prices further weakened consumers' purchasing power. In addition, high interest rates are unfavourable to investments and render outflows of foreign capital probable. In contrast, Argentina grew rapidly (GDP increased 7.5%), much faster than the average for the other Latin American countries in 2011 (where GDP increased 3.9%).

The **tendential inflation rate** climbed to 2.7% (2.2% in 2010) in the Euro Area, and also rose in the United States to reach 3.0% (2.1% in 2010).

Turning to monetary policy, central banks adopted expansionary policies: the ECB lowered its **benchmark interest rate** to 1%, the level of late 2010; the Federal Reserve committed to keeping the Fed Funds rate at a maximum of 0.25%.

Period-end exchange rates¹ showed a highly volatile performance. In particular, the euro depreciated against the U.S. dollar, British pound and Swiss franc compared to 31 December 2010. In order to limit the strong appreciation of the Swiss franc against the euro, in September the Swiss National Bank decided to implement all measures necessary to ensure a target exchange rate of 1.20 between the Swiss franc and the euro.

Currency	Exchange rate at the end of the period (currency/€)	
	31/12/2011	31/12/2010
US dollar	1.2982	1.3416
Swiss franc	1.2139	1.2505
Czech koruna	25.5030	25.0900
British pound	0.8353	0.8569
Israeli shekel	4.9638	4.7511
Argentine peso	5.5873	5.3287

Also with reference to the **average exchange rates**², trends varied against the Group's major currencies of operation. The euro appreciated against the U.S. dollar and British pound. The euro depreciated against the Czech koruna and the Swiss franc — in the latter case, to a very marked extent.

In contrast, the exchange rate between the euro and Israeli shekel was stable.

Currency	Average exchange rate (currency/€)	
	31/12/2011	31/12/2010
US dollar	1.3922	1.3269
Swiss franc	1.2334	1.3822
Czech koruna	24.5828	25.2926
British pound	0.8678	0.8584
Israeli shekel	4.9770	4.9506
Argentine peso	5.7465	5.1898

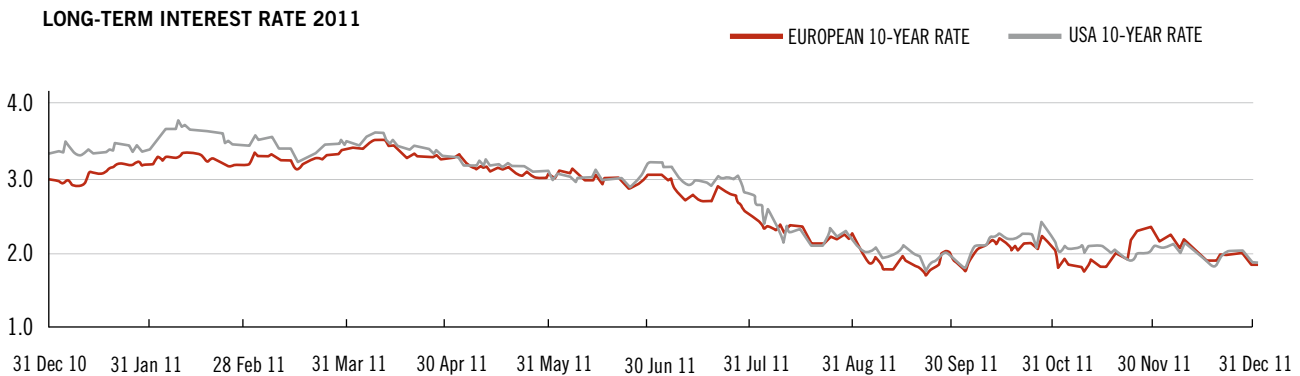
1 Used to convert items of the balance sheet into euro.

2 Used to convert items of the profit and loss account into euro.

Financial markets

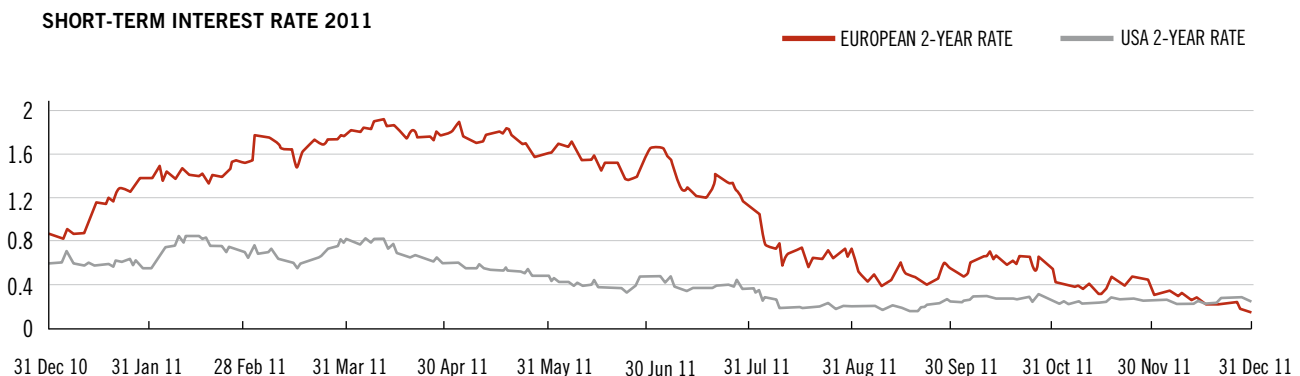
During 2011, and especially in the second half of the year, **financial markets** were characterized by tensions surrounding sovereign debt in the Eurozone. The markets were affected by concerns of a contagion effect of the crisis in Greece, Portugal and Ireland on the entire Euro Area. Italy was also characterized by a situation of great uncertainty caused by the high level of public debt and prospects of low economic growth. The effects of this phenomenon included the downgrading of Italy's public debt by the major ratings agencies. The spread between the yields on ten-year Italian and German government bonds, which stood at 185 basis points at the beginning of the year, climbed above 520 basis points late in the year, to then fall below 310 basis points in mid March 2012.

On **bond markets**, the performance of government bonds reflected the above-mentioned tensions in the Eurozone, with a considerable widening of spreads between German bunds and Portugal, from 368 bps at the end of 2010 to 1,153 bps at 31 December 2011 and between German bunds and Greece, from 950 bps to 3,313 bps. Ireland's spread remained stable, passing from 608 bps to 638 bps. As mentioned above, Italy's spread was also characterized by an extremely volatile performance, rising from 185 bps at 31 December 2010 to 528 bps at the end of December 2011.

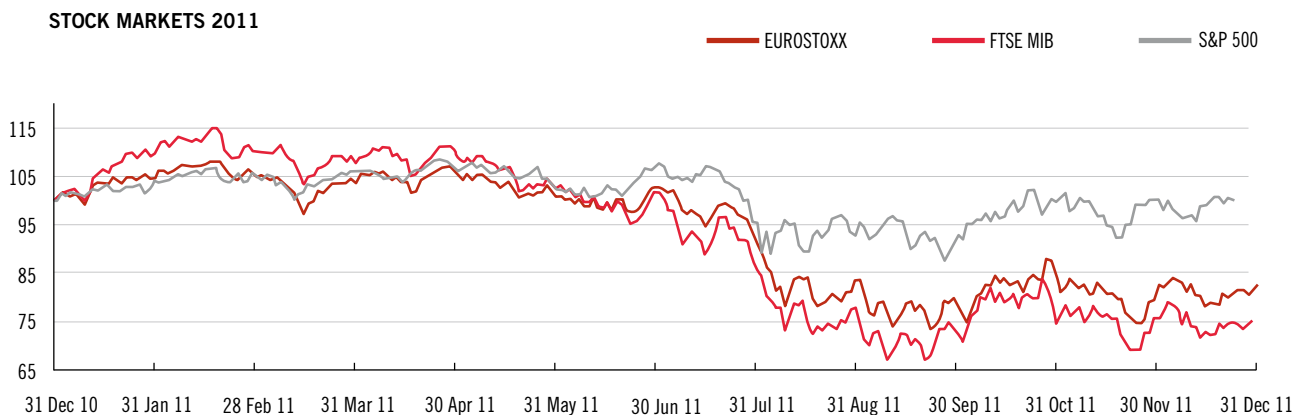


The performance of the government bond market was influenced by the search for security by investors, which resulted in an increase in demand for ten-year German government bonds and thus a decline in the yields on such bonds, which represent the European benchmark rate, and which fell from 2.96% at the end of 2010 to 1.83% at 31 December 2011, reflecting in particular the decline witnessed in the second half of the year (-120 bps). The yield on ten-year U.S. government bonds also declined sharply, falling from 3.29% at the end of 2010 to 1.87% at 31 December 2011.

In contrast, the yield on ten-year Italian government bonds climbed from 4.81% at 31 December 2010 to 7.11% at the end of 2011.



The European two-year benchmark rate decreased sharply, going from 0.86% in 2010 to 0.14%. The U.S. two-year benchmark rate declined from 0.59% to 0.24%, showing a similar trend in the rate curve. Corporate bonds were affected by the performance of government bonds and the economic slowdown, showing an increase in spreads, concentrated entirely in the third quarter. The spread on investment-grade bonds expanded from 144 basis points at the end of 2010 to 255 basis points at 31 December 2011. The increase in the high-yield segment was more extensive, from 494 basis points to 833 basis points.



After a substantially stable trend shown in the first half of the year, **equity markets** recorded a significant drop at 31 December 2011, concentrated in the third quarter of the year. However, they showed a recovery in the fourth quarter. Overall, the Eurostoxx showed a significant decline of 17.7%, especially the banking sector (down 37.6%), whereas the insurance sector remained in line with the market trend (down 18.4%). Frankfurt's Dax fell 14.7% and Paris' Cac 16.9%, while Milan's FtseMib reported the largest drop (25.2%). Madrid's Ibex showed a more limited loss of 13.4%. In the United States, equity indices yielded a stronger performance: the S&P 500 was unchanged and the Dow Jones reported an increase (up 5.5%), owing in particular to the signs of a recovery in the economy, primarily due to the improvement in job market conditions.

Insurance markets

The main European insurance markets on which the Generali Group operates showed performances that differed significantly by business segment and geographical area.

The **life segment** reported a downtrend following on vigorous growth in 2010 due to a combination of factors. Firstly, this segment, in addition to the downturn in the economic scenario of several countries where the Group operates, suffered the higher short-term return rates of the government issues that affected some of the major European countries, which favored short-term banking products to the detriment of single premiums. Moreover, due to the pressing need of governments to significantly reduce the public budget deficit, in some countries tax benefits related to life insurance products have been revised, thus making them less competitive compared to other forms of savings.

In Italy, life insurance declined quite considerably. According to ISVAP figures for the first three quarters of the year, premiums fell by 18.7% compared to the same period of 2010, a year that had been characterized by the achievement of record levels of written premiums. Bancassurance and financial advisors are the distribution channels that reported the greatest declines in written premiums, whereas the traditional channel showed a more moderate decrease. The decline involved single premiums in particular.

The decline in life premiums was also particularly significant in France (down 14% according to initial estimates for 2011) due to uncertainty relating to the possible change in the taxation of savings products, as well as competition

with banking products. In addition, the latter part of the year was affected by customers' mistrust of financial institutions due to their exposure to countries with high levels of public debt. Within this scenario, outflows increased by 25% from the levels reported in 2010.

Germany also showed a marked decline in single premiums (down 17.5%). Combined with stable, yet weak growth in recurring premiums, which remained just below 1% for the entire year, this trend resulted in an overall decline of 4.8% for the segment. An even more severe downtrend was reported in Austria (written premiums decreased 7.6% through the third quarter compared to the same period of 2010).

Spain performed counter to the trend (up 9.4%) after having been the only European market to have reported a negative result in 2010. The main Eastern European EU Member States reported growth (with the exception of Hungary, which remained essentially stable), although at rates much lower than in previous years (approximately 6% in Poland and the Czech Republic through the third quarter).

In contrast, in the **non-life segment**, premiums increased during the year, although the difficult macroeconomic context slowed the segment's growth. This result was driven primarily by the tariff increases observed, despite high levels of competition, including in the Motor line, which resumed growth in many of the major markets after several years of decline.

In Italy, written premiums grew in the non-life segment (up 2.8% through the third quarter). The segment's performance is largely to be attributed to the motor general liability line, which benefited from more rigid tariff and underwriting conditions implemented by various insurers in order to restore their technical accounts, reporting an increase of about 3.5%. The segment remains under severe competitive pressure, increased by the weakness of household spending capacity and the rise in the weight of the direct channel (up 7.2% through the third quarter). Non-motor lines, while affected by the difficult economic phase, and especially the stagnation of domestic demand, should show written premiums essentially in line with the previous year's levels.

The growth in the non-life written premiums in Germany (+2.5% compared to 2010) stood at the same levels of Italy, while showed a more sustained development in France (+4%), thanks to the positive development of all the business lines. There was a slight decline in Spain (down 0.3%), chiefly due to the decrease witnessed in the Motor line, whereas there was a more varied situation in the EU Member States of Eastern Europe. In the latter, the decline in the Czech Republic (down 1.6%) and the even more marked decrease in Hungary (down 5.8% through the third quarter, with a decline of 21% in the Motor line) was in contrast with the strong results in Poland and Slovakia (up 13.6% and 3.1%, respectively, through the third quarter), which can count on stronger, more dynamic domestic markets.

Various catastrophic events of considerable severity occurred in 2011 (earthquakes in Japan and New Zealand, floods in Thailand and Australia, and tornadoes and hurricanes in the U.S.), with a cost for the entire insurance market of over € 100 billion.

The Generali Group's exposure to such events was limited as the Group traditionally does not have a significant presence in the aforementioned countries.

The Generali Group's strategy

During 2011, within an uncertain macro-economic scenario in its main countries of operation, the Generali Group continued to operate according to its strategic guidelines, based on pursuing operating efficiency, optimizing its distribution networks — in particular by seeking to develop its proprietary networks — and achieving innovation of its products and distribution methods, especially via direct channels.

The Group continued its **growth strategy** in new countries and market segments. Generali Vietnam Life Insurance Company, a wholly-owned Generali subsidiary, became fully operational in April 2011, thus expanding the Group's presence in Asia. The Asian activities were further strengthened in October through the obtaining of a licence to provide banking and investment services in Hong Kong by BSI, Group's private-banking division.

With the aim of achieving **innovation** and diversification of its **distribution model**, the Group extended and reinforced its use of innovative sales channels, such as the Web and new mobile applications, in order to provide to its customers and networks a timely and high-quality service.

As part of *cross-country* initiatives, aimed at increasing commercial and operating efficiency by rationalizing the Group's activities in the different countries, it is pursuing **reorganization** and **restructuring** operations.

In this framework, with reference to the asset management and in particular to the **real estate activities** in December, the Group announced the transformation of its division dedicated to the real estate management in the new company General Real Estate (GRE). Assets managed by GRE amounted to approximately € 25 billion, in addition to about € 3 billion managed on behalf of third parties taking into consideration the strategy of GRE to enhance its expertise in this field. Similar process of reorganization has been undertaken with reference to the **management activities of financial instruments**, with the aim of concentrating by the first part of 2012 the asset management activities of the Group's investment in a single management company.

With reference to the management of financial assets, during the year a process of reorganization of the Group's **asset management** activities in Europe was undertaken aiming at concentrate them in one asset management company.

As part of the activities aimed at reducing costs, it is pursuing the rationalization of the **IT sector** through the merging into a single data center of the services functional to the IT activities of all the Group European companies. This objective is also achieved through the extension of IT **procurement** centralization at European level, currently made at a country level.

Moreover, as part of effective capital management, the Group valorized its investment in the banking service company B-Source SA, leader Swiss provider of IT and back office services for banks and financial intermediaries, through the sale of the share of 51% held by the Group.

Finally, always with reference to capital management, the Group sold, taking into consideration the regulatory reorganization of the pension sector in Mexico, its investment in Banorte to the country's main pension group, with which the Group has enhanced its bancassurance agreement, lengthening the term until 2036.

Group highlights 2011

- Result of the period: € 856.1 million (down 49.7%)
- Operating result: € 3,927.6 million (down 3.7%)
- Gross written premiums: € 69,159.2 million (down 5.5%)
- Shareholders' equity: € 15,485.6 million (down 11.5%)

Business performance of the Group

Group's result

The **result of the period attributable to the Group** amounted to € 856.1 million (€ 1,701.9 million at 31 December 2010). Despite the sharp improvement in the Group's operating result in the non-life segment, driven both by the increase in written premiums and the achievement of an excellent technical margin, the result of the period was significantly conditioned by the decrease in the operating result of the life segment and the negative performance of the non-operating result, both influenced by the exceptional financial scenario that had characterized the second part of the year. This scenario in fact resulted in impairment losses on equities and bonds, in particular Greek government bonds, for a gross amount of € 3,657.7 million (€ 503.3 million at 31 December 2010), which had an impact on the result of the period of € 1,017.2 million (€ 224.1 million at 31 December 2010).

In further detail, the result of the period was negatively affected by the impairment of the Greek government bonds held by the Group as a result of the country's economic and financial situation. The Group wrote-down the entire portfolio of Greek government bonds by 76% on average, based on the market prices at 31 December 2011. This impairment loss amounted to € 2,279.0 million, primarily concentrated in the life segment, resulting in an impact on the Group's result of the period of € 471.8 million, net of the releases from surplus funds allowed for these purposes by some local jurisdictions and classified as technical provisions.

The result was also affected for € 1,378.8 million by the impairment of the equity portfolio of which € 628.6 million attributable to the investment in Telco, a holding company which in turn holds 22.4% of Telecom Italia. This impairment loss, made based on an independent valuation, was determined on the basis of an implicit value of Telecom Italia of 1.5 euros per share. The impact of the equities' impairment on the Group's result of the period, including the indirect tax effect, amounted to € 545.4 million.

Finally, the result of the period was affected by the increasing of the tax rate, which went from 31% at 31 December 2010 to 36%, as a result both of the increased fiscal pressure in several important countries of operation for the Group and the increased presence of realized losses on equity instruments generally losses not eligible for tax deductions.

The **result of the period attributable to minority interests** amounted to € 296.6 million (€ 316.4 million at 31 December 2010), also thanks to the financial market trends of the related country of operations less influenced by the above mentioned scenario.

Taking into account also other net gains and losses recognized directly through equity, **total comprehensive income attributable to the Group** amounted to € -1,166.4 million (€ 1,452.3 million in the same period of the previous year). This overall result consists, in addition to result of the period attributable to the Group amounting to € 856.1 million, of the change in net gains and losses recognized directly through equity amounting to € -1,971.1 million (€ -913.9 million at 31 December 2010), the change in net gains and losses on hedging instruments amounting to € -109.0

million (€ -1.8 million at 31 December 2010), and the change in the foreign currency translation differences reserve amounting to € 57.8 million (€ 666.1 million at 31 December 2010).

The decline, which amount to € 2,618.6 million, was attributable for € 1,057.2 million to net gains on available for sale financial assets. At the end of 2010, the negative performance of the equity market was accompanied by the inception of the sovereign debt crisis in the Euro Area countries with a high public sector debt, resulting in a decrease in the corresponding equity reserve of € -913.9 million. During 2011, financial market tensions intensified and the widening of the spread on Euro Area government bonds, and especially Italian government debt, resulted in a severe decline in the value of the bond portfolio, causing a decrease in the aforementioned reserve of € -1,971.1 million. Moreover, the decrease was influenced for € 608.4 million by the lower result deriving from currency translation differences arising from the translation of subsidiaries' financial statements denominated in foreign currencies, due to the appreciation of the main currencies used by the Group in its operation against the euro which had been recorded in 2010.

Finally, the change was due for € 845.8 million to the lower result of the period at 31 December 2011 compared to the same period last year.

Gross written premiums development

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Gross written premiums^(*)	69,159.2	73,187.8	17,832.3	19,358.5
Life gross written premiums ^(*)	46,393.8	51,098.1	12,008.9	13,826.1
Non-life gross written premiums	22,765.4	22,089.7	5,823.4	5,532.4

(*) Taking into account premiums related to investment contracts, which amount at € 3,186.5 million at 31 December 2011 (€ 4,752.4 million at 31 December 2010).

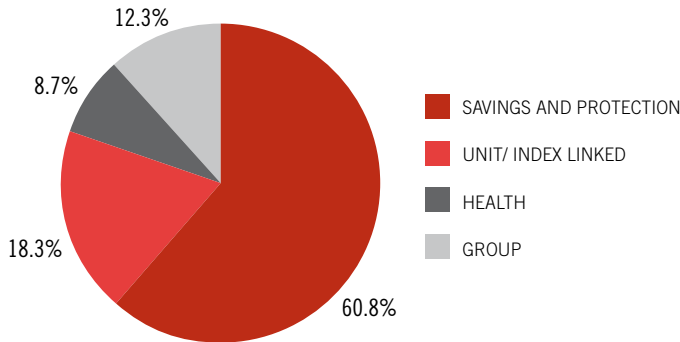
Total written premiums gross of reinsurance — which also include premiums related to investment contracts — amounted to € 69,159.2 million (down 5.5% on equivalent terms compared to 31 December 2010), as a result of the differing performances of the life and non-life segments.

Confirming the trends shown throughout 2011, the decline in written premiums was entirely attributable to the drop in premiums of the life segment (down 9.3% on equivalent terms), which amounted to € 46,393.8 million.

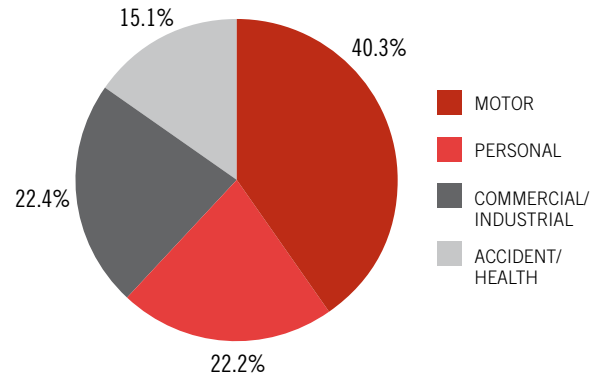
This performance was influenced also by the higher short-term return rates of the government issues that affected some of the major European countries, which favored short-term banking products to the detriment of single premiums. The latter in fact declined 24%. In contrast, written premiums oriented to the accumulation of long-term savings, less influenced by the market rate, typical of the annual premium products recorded a growth (up 3.4% on equivalent terms).

On the other hand, the growth trend was reinforced for the non-life segment, which reported premiums of € 22,765.4 million. The increase of 3.2% on equivalent terms was due both to the increase in the average premium for the Motor line, realized in particular in the three Group's major countries of operation, and the growth of all businesses in the Non-motor line, mostly in France, in Central and Eastern Europe and in Latin America.

GROUP LIFE WRITTEN PREMIUMS at 31/12/2011



GROUP NON LIFE WRITTEN PREMIUMS at 31/12/2011



Operating result

The **operating result of the Group** amounted to € 3,927.6 million (€ 4,076.6 million at 31 December 2010). Considering the performance of the non-life segment operating result, which was the strongest of the past three years owing to the significant recovery of technical margins, the decline reported may be attributed solely to the performance of the operating result of the life segment, in which technical margins improved whereas there was a considerable decline in net investment result, concentrated in the second half of the year. Despite the increase in current income and net realized gains owing to active management of the investments undertaken by the Group, the net investment result was affected by both the greater impairment losses on equity and bond portfolios and the reduction in the value of investments at fair value recognized through profit or loss.

In further detail, the aforementioned financial scenario determined gross impairment losses for € 2,905.2 million, attributable for € 1,970.4 million to the impairment losses recognized on Greek government bonds as of the second quarter and for € 934.8 million to equity investments, of which € 443.2 million referred to the investment in Telco. Such impairments influenced the operating result to the extent the shareholder's fund is ultimately affected, based on the financial losses not attributable to the policyholders according to the contractual and statutory profit sharing mechanisms. The net impact on the operating result thus was € 411.6 million, of which € 377.5 million was due to Greek government bonds and € 34.1 million to the equity portfolios.

Lastly, the contribution of the financial segment was positive, with a slight decline compared to the previous year, also due to the negative market performance.

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Group operating result	4,444.0	4,507.7	983.0	1,046.5
Italy	1,499.5	1,537.3	182.9	232.1
France	557.0	754.4	148.2	243.6
Germany	683.8	712.8	212.9	174.4
Central and Eastern Europe	503.0	418.8	151.8	141.6
Rest of Europe	878.2	697.0	220.1	139.3
of which Spain	252.7	215.2	61.0	48.3
of which Austria	168.2	148.6	41.3	28.3
of which Switzerland	263.7	266.7	31.0	57.8
Rest of World	322.5	387.4	67.1	115.4
Holding expenses	-294.0	-288.3	-80.3	-84.6
Consolidation adjustment	-222.4	-142.7	-75.5	-17.9
Total Group operating result	3,927.6	4,076.7	827.2	944.0

The aforementioned negative financial market performance conditioned the operating results of all of the Group's major countries of operation, and in particular of France, which shows a high concentration of Greek government bonds. In contrast, there were increases in the contributions of **Central Eastern Europe**, owing to the strong performance in both segments, and of the **Rest of Europe**, attributable to Spain in particular, thanks to the non-life segment.

Non-operating result

The above-mentioned performance of financial markets also influenced the **non-operating result of the Group**, which sharply decreased from € -1,199.9 million at 31 December 2010 to € -2,013.1 million.

More specifically, the non-operating result from investments was characterized by lower net realized gains, which went from € 479.9 million at 31 December 2010 to € 180.1 million, as well as by net impairment losses – considered as non-operating as they relate to financial instruments of shareholders' funds or instruments, the impairment of which did not affect the statutory reserves to the extent they were not included in the deferred policyholder liabilities – which went from € -511.7 million at 31 December 2010 to € -1,087.2 million. In detail, the latter were attributable for € 308.6 million to the aforementioned impairment losses on Greek bonds and for € 444.4 million to the impairment of the equity portfolio, of which € 185.5 million refer to the investment in Telco.

Finally, net realized gains included the gain realized on the investment in Banorte for about € 108 million and on the investment in B-Source for about € 41 million.

Lastly, net non-operating income from financial instruments at fair value through profit or loss amounted to € -34.2 million (€ 37.4 million at 31 December 2010), as they were also affected by the volatility of financial markets.

Net other non-operating expenses, which include net non-recurring income and the amortization of the value of portfolios acquired directly or by obtaining control of insurance or financial companies, amounted to € -392.2 million (€ -479.4 million at 31 December 2010), of which € 196.4 million was associated with the amortization of the value of acquired portfolios (€ 195.6 million at 31 December 2010). The decline was largely attributable to the lower non-recurring costs.

Non-operating holding expenses went from € -726.1 million at 31 December 2010 to € -679.6 million, due to the decrease in interest expense on liabilities linked to financing activities, whereas 2010 was marked by higher interest expenses resulting from the early refinancing of a senior bond expiring in July 2010.

From operating result to Group result

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010	Change YE2011/YE2010	Change 4Q2011/4Q2010
Earnings before taxes	1,914.4	2,876.8	277.5	768.9	-33.5%	-63.9%
Income taxes ^(*)	-761.7	-909.2	-178.0	-255.0	-16.2%	-30.2%
Earnings after taxes	1,152.8	1,967.5	99.5	513.9	-41.4%	-80.6%
Profit or loss from discontinued operations	-0.1	50.8	0.2	-0.1	-100.2%	-392.4%
Consolidated result of the period	1,152.7	2,018.3	99.7	513.8	-42.9%	-80.6%
Result of the period attributable to the Group	856.1	1,701.9	31.0	389.2	-49.7%	-92.0%
Result of the period attributable to minority interests	296.6	316.4	68.7	124.6	-6.2%	-44.9%
Consolidated operating result	3,927.6	4,076.6	827.2	943.9	-3.7%	-12.4%
Net earned premiums	62,738.5	65,726.5	16,047.0	17,740.8	-4.5%	-9.5%
Net insurance benefits and claims	-55,036.5	-67,720.0	-15,996.9	-18,922.0	-18.7%	-15.5%
Acquisition and administration costs	-11,807.0	-11,638.3	-3,197.7	-3,084.8	1.4%	3.7%
Net fee and commission income and net income from financial service activities	933.4	868.3	239.9	223.5	7.5%	7.3%
Net operating income from financial instruments at fair value through profit or loss	-2,905.0	4,879.9	1,200.0	1,854.5	-159.5%	-35.3%
Net operating income from other financial instruments	10,658.5	12,637.9	2,765.5	3,338.5	-15.7%	-17.2%
Interest income and other income	12,896.1	12,368.6	3,294.6	3,153.2	4.3%	4.5%
Net operating realized gains on other financial instruments and land and buildings (investment properties)	2,008.8	1,857.7	513.4	577.1	8.1%	-11.0%
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-2,974.6	-400.6	-666.3	-31.1	642.5%	2,044.4%
Interest expense on liabilities linked to operating activities	-614.0	-499.7	-180.6	-128.8	22.9%	40.3%
Other expenses from other financial instruments and land and buildings (investment properties)	-657.8	-688.1	-195.6	-231.9	-4.4%	-15.7%
Operating holding expenses	-294.0	-288.3	-80.3	-84.6	2.0%	-5.0%
Net other operating expenses ^(**)	-360.4	-389.4	-150.3	-122.1	-7.5%	23.1%
Consolidated non-operating result	-2,013.1	-1,199.9	-549.7	-175.0	67.8%	214.1%
Net non-operating income from financial instruments at fair value through profit or loss	-34.2	37.4	-6.0	0.1	-191.3%	-4,283.0%
Net non-operating income from other financial instruments ^(***)	-907.1	-31.8	-193.0	100.6	2753.2%	-291.7%
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	180.1	479.9	99.9	202.0	-62.5%	-50.6%
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-1,087.2	-511.7	-292.8	-101.3	112.5%	189.0%
Non-operating holding expenses	-679.6	-726.1	-183.4	-164.8	-6.4%	11.2%
Interest expenses on financial debt	-645.7	-704.5	-161.5	-164.8	-8.3%	-2.0%
Other non-operating holding expenses	-33.9	-21.7	-21.9	-0.1	56.2%	26,379.7%
Net other non-operating expenses ^(****)	-392.2	-479.4	-167.3	-111.0	-18.2%	50.8%

(*) At 31 December 2011 the amount is net of operating taxes for € 64.1 million (€ 40 million at 31 December 2010) and of non-recurring taxes shared with the policyholders in Germany for € 45.7 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)	31/12/2011		30/09/2011		31/12/2010	
	Total book value	% of total	Total book value	% of total	Total book value	% of total
Equity instruments^(*)	17,098.0	5.5	18,346.9	5.8	23,345.4	7.5
Available for sale financial assets	14,384.1	4.6	15,559.9	4.9	20,517.8	6.6
Financial assets at fair value through profit or loss	2,713.9	0.9	2,787.0	0.9	2,827.6	0.9
Fixed income instruments^(**)	241,277.7	77.6	250,749.3	79.5	249,276.5	80.0
Bonds	211,436.8	68.0	222,975.9	70.7	222,533.0	71.4
Other fixed income instruments ^(***)	29,840.8	9.6	27,773.3	8.8	26,743.5	8.6
Held to maturity investments	5,293.3	1.7	4,264.2	1.4	4,544.9	1.5
Loans	68,029.7	21.9	68,364.9	21.7	69,175.0	22.2
Available for sale financial assets	158,834.6	51.1	168,876.1	53.5	165,721.2	53.2
Financial assets at fair value through profit or loss	9,120.0	2.9	9,244.1	2.9	9,835.4	3.2
Land and buildings (investment properties)^(****)	15,321.8	4.9	15,530.2	4.9	15,026.4	4.8
Other investments	12,457.7	4.0	13,361.1	4.2	11,769.7	3.8
Investments in subsidiaries, associated companies and joint ventures	1,904.8	0.6	2,161.7	0.7	2,439.2	0.8
Derivatives ^(*****)	563.5	0.2	635.1	0.2	204.1	0.1
Receivables from banks or customers	8,847.1	2.8	9,429.2	3.0	7,476.4	2.4
Other investments	1,142.5	0.4	1,135.2	0.4	1,650.0	0.5
Cash and cash equivalents^(*****)	24,659.1	7.9	17,496.0	5.5	12,100.2	3.9
Total^(*****)	310,814.3	100.0	315,483.5	100.0	311,518.1	100.0
Investments back to unit and index-linked policies	58,312.0		56,789.9		60,637.0	
Total investments	369,126.3		372,273.5		372,155.1	

(*) Investment fund units amounted to € 3,638.1 million (€ 3,657.4 million at 30 September 2011 and € 4,213.9 million at 31 December 2010).

(**) Investment fund units amounted to € 8,013.2 million (€ 8,039.5 million at 30 September 2011 and € 8,110.9 million at 31 December 2010).

(***) Investment fund units amounted to € 2,240.1 million (€ 2,415.1 million at 30 September 2011 and € 2,412.3 million at 31 December 2010).

(****) Taking into account derivative instruments booked as liabilities which amount to € 1,974.7 million (€ 2,408.5 million at 30 September 2011 and € 1,703.2 million at 31 December 2010).

(*****) Taking into account Reverse REPO which amount to € 213.6 (€ 827.5 million at 30 September 2011 and € 2,557.5 million at 31 December 2010) and REPO which amount to € 1,114.4 (€ 998.4 million at 30 September 2011 and € 1,447.7 million at 31 December 2010).

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

Return on investments and harvesting rate³

	Current return		Harvesting rate		P&L return		Comprehensive return	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Fixed income instruments	4.4%	4.3%	-0.5%	0.6%	3.9%	4.9%	0.9%	2.6%
Equities and equity-like investments	3.6%	3.0%	-4.3%	1.3%	-0.7%	4.3%	-11.2%	3.2%
Real estate investments	7.7%	7.8%	2.0%	1.5%	9.7%	9.3%	9.5%	9.6%
Other investments	2.0%	1.8%	-1.5%	-0.6%	0.5%	1.2%	0.5%	1.2%
Total investments	4.3%	4.2%	-0.7%	0.6%	3.7%	4.9%	0.6%	3.0%

At 31 December 2011, the value of the total investments decreased due to the effect of the financial markets performance, going from € 372,155.1 million at 31 December 2010 to € 369,126.3 million. In detail, investments other than investments back to linked policies amounted to € 310,814.3 million (€ 311,518.1 million at 31 December 2010), and the latter amounted to € 58,312.0 million (€ 60,637.0 million at 31 December 2010). Effective 30 September 2011, a part of the Israeli insurance portfolio, previously classified in the traditional business, was reclassified among linked portfolios to ensure a placement that better reflects the technical characteristics of the products issued. As a consequence, all investments hedging that portfolio have been reclassified accordingly for the comparative periods as well. For further information please refer to the 'Changes in the presentation of consolidated financial statements' section in the Notes.

Considering the exceptional situation of financial market turbulence characterized by the sovereign debt crisis, which cast doubt on the territorial diversification strategies of the investments in EU government bonds by European companies, the Group has taken various measures within the context of its overall de-risking strategy.

In further detail, within the Euro Area it is pursuing the gradual goal of eliminating cross-border exposure within this area by matching the liabilities of each country with securities from that same country, without prejudice to the principle of matching assets and liabilities by currency. Turning to corporate non-financial securities, portfolio management maintained the overall stability of exposure to the segment, while shortening the term.

Moreover, in last part of the year the Group has prudently increased the liquidity of the portfolio, increasing the weight of cash and cash equivalents from 3.9% at 31 December 2010 to 7.9%. In this context, while the weight of fixed income instruments declined, falling from 80.0% at 31 December 2010 to 77.6%, as did the weight of equity instruments, which decreased from 7.5% at 31 December 2010 to 5.5%. In further detail, with reference to the composition of the bond portfolio, there was an increase in the corporate component, which amounted to 46.2% (44.0% at 31 December 2010), whereas the government bond component fell to 53.8% (56.0% at 31 December 2010). The average duration of bond portfolios remained substantially stable at 5.8 years.

Lastly, real estate investments increased slightly to 4.9% (4.8% at 31 December 2010), characterized by greater weight in the life segment (from 3.3% at 31 December 2010 to 3.9%) and a reduction in exposure in the non-life segment (from 17.5% at 31 December 2010 to 15.7%) consistently with the strategy undertaken by the Group in the segments aimed at optimize capital management.

The current return⁴ of the Group's bond portfolio remained substantially stable at 4.4% (4.3% at 31 December 2010), thanks to the increase in current return of the government component. By contrast, the contribution to the result for the period of the realized and unrealized gains and losses through profit or loss (harvesting rate)⁵, worsened from

³ The return on investments and harvesting rate are calculated on yearly basis and not included the return on and harvesting rate of investments back to linked policies.

⁴ Further information on the principles and procedures used to calculate this indicator is described in the appendix to this report.

⁵ 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.

0.6% at 31 December 2010 to -0.5%. Realized gains raised from € 2,110.3 million at 31 December 2010 to € 2,614.3 million, whereas an increase was recorded both in realized losses, achieved within the reduction of cross-border exposure, which amounted to € -1,127.4 million (€ -627.7 million at 31 December 2010), and impairment losses, which amounted to € -2,359.4 million (€ -64.0 million at 31 December 2010), especially as of the second quarter of the year on Greek bonds.

Comprehensive return⁶, which includes gains and losses during the period recognized through both profit or loss and equity⁷, went from 2.6% at 31 December 2010 to 0.9%, due to the significant decrease in the value of bond portfolios recognized through equity, affected by the intensification in the last quarter of the widening of the spread on government bond in particular of Italy.

The current return on **equities** grew from 3.0% at 31 December 2010 to 3.6%. Overall harvesting rate declined to -4.3% (1.3% at 31 December 2010) due to the negative performance of all its components. In fact, net realized gains decreased and impairment losses recognized through profit or loss increased significantly.

Despite the recovery of the stock markets witnessed in the fourth quarter, the comprehensive return, which includes value changes in the period recognized through profit or loss and equity, declined significantly to -11.2% (3.2% at 31 December 2010), as it was also affected by the sharp decrease in the value of the portfolio recognized through equity, especially in the third quarter.

Current return on **real estate investments** remained stable at 7.7% (7.8% at 31 December 2010). Finally, return from realized gains, net of depreciation and impairment losses for the period (harvesting rate) went from 1.5% at 31 December 2010 to 2.0%, thanks to higher realized gains.

Other investments, which also include investments in subsidiaries, associated companies and joint ventures, amounted to € 11,769.7 million (€ 12,457.7 million at 31 December 2010). The related current return remained largely stable at 2.0% (1.8% at 31 December 2010), whereas the contribution of the return on investment resulting from realized gains and valuations through profit or loss (harvesting rate) amounting to € -1.5% (€ -0.6% at 31 December 2010) was largely affected by the impairment of the investment in Telco, which was partly offset by higher realized gains.

(€ million)	31/12/2011	30/09/2011	31/12/2010
Total investments excluded linked investments	310,814.3	315,483.5	311,518.1
Italy	82,246.6	83,595.0	87,631.7
France	69,928.4	72,849.8	72,343.1
Germany	84,404.4	84,274.1	82,238.3
Central and Eastern Europe	9,184.0	9,436.5	9,441.3
Rest of Europe	50,380.0	51,034.8	46,168.8
of which Spain	9,140.9	9,326.2	9,430.1
of which Austria	9,996.6	9,971.4	9,814.4
of which Switzerland	21,919.4	22,216.7	17,701.8
Rest of World	14,671.0	14,293.3	13,695.0

⁶ 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.

⁷ Included in the Other Comprehensive Income.

Shareholders' equity

(€ million)	31/12/2011	30/09/2011	31/12/2010
Shareholders' equity attributable to the Group	15,485.6	15,846.4	17,489.8
Share capital and reserves	16,785.0	16,857.4	15,972.3
Reserve for unrealized gains and losses on available for sale financial assets	-2,155.5	-1,836.1	-184.4
Result of the period	856.1	825.0	1,701.9
Shareholders' equity attributable to minority interests	2,635.0	2,649.3	2,574.7
Total	18,120.5	18,495.6	20,064.5
Solvency I ratio	117%	118%	132%

The shareholders' equity attributable to the Group amounted to € 15,485.6 million (17,489.8 million at 31 December 2010). The decrease (down 11.5%) was essentially due to the exceptional macroeconomic and financial scenario that has characterized the result of the year and also the performance of the reserve for unrealized gains and losses on available for sale financial assets, which in particular showed a further worsening compared to 30 September 2011.

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 € -184.4 million at 31 December 2010 to € -2,155.5 million. The change of the period of € -1,971.1 million was attributable to the decrease in value of all the Group's investments. In detail, the change for € -1,218.2 was attributable to the negative performance of the bond portfolio both with reference to the government bonds (€ -819.9 million), influenced, in particular in the fourth quarter, by the rise of the interest rates in particular on the Italian bond, and with reference to corporate bonds (€ -398.3 million). Even if the fourth quarter shows a recovery of the equity prices, the change of the period attributable to the equity portfolio was negative (€ -659.4 million).

Group solvency

Despite the exceptional volatility of the markets, the Group's Solvency I ratio, which represents the ratio of the available margin and the required margin, keeps in any way adequate levels, amounting at 117% at the end of the year (132% at 31 December 2010), with an excess capital of € 3.0 billion.

Insurance provisions

(€ million)	31/12/2011	30/09/2011	31/12/2010
Insurance provisions - life segment^(*)	304,378.4	306,558.7	308,986.3
Net insurance provisions and financial liabilities:	316,563.6	315,998.8	313,347.9
traditional	258,310.9	258,714.1	252,387.6
linked	58,252.7	57,284.7	60,960.3
Deferred policyholders liabilities	-12,185.2	-9,440.0	-4,361.6
Insurance provisions - non-life segment^(*)	30,603.7	30,760.9	30,235.8
Provisions for unearned premiums	5,661.0	5,617.3	5,450.4
Provisions for outstanding claims	24,560.3	24,760.1	24,413.7
Other insurance provisions	382.4	383.5	371.7
Insurance provisions	334,982.1	337,319.6	339,222.2
Reservation ratio - non-life segment	146.2%	n.a.	148.8%

(*) 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 € 339,222.2 million at 31 December 2010 to € 334,982.1 million (down 1.2%).

Life insurance provisions and financial liabilities related to investment contracts excluding deferred policyholders liabilities⁸ went from € 313,347.9 million at 31 December 2010 to € 316,563.6 million (up 1.0%).

Moreover, as a result of the significant decrease in value recognized during the year mainly on the Group's bond portfolios, the deferred policyholders liabilities amounted to € -12,185.2 million (€ -4,361.6 million at 31 December 2010).

(€ million)	31/12/2011	30/09/2011	31/12/2010
Insurance provisions^(*)	347,167.3	346,759.7	343,583.7
of which Italy	97,327.6	95,481.0	95,219.5
of which France	84,987.5	88,127.3	87,207.5
of which Germany	91,029.4	90,028.6	88,823.0
of which Central and Eastern Europe	8,805.1	8,984.6	8,916.0

(*) After the elimination of intra-group transactions between segments, excluding deferred policyholders liabilities, 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;

⁸ Effective 30 September 2011, a part of the Israeli insurance portfolio, previously classified to the traditional business, was reclassified among unit and index-linked portfolios to ensure a placement that better reflects the technical characteristics of the products issued. As a consequence, all investments hedging that portfolio have been reclassified accordingly for the comparative periods as well.

- 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)	31/12/2011	30/09/2011	31/12/2010
Liabilities linked to operating activities	46,914.5	46,434.7	41,631.0
Liabilities linked to financing activities	12,218.9	12,369.1	12,272.7
Subordinated liabilities	6,610.9	6,425.1	6,492.9
Other non subordinated liabilities linked to financing activities	5,608.0	5,944.0	5,779.8
Total	59,133.4	58,803.8	53,903.8

The weighted average rate of liabilities linked to financing activities was 5.37% at 31 December 2011, stable compared to 31 December 2010 (5.36%), with an average duration of 5.88 31 December 2011 (6.87 at 31 December 2010). Liabilities linked to operating activities reported a growth due to the increase in liabilities toward the bank customers.

The related interest expense is broken down as follows:

(€ million)	31/12/2011	30/09/2011	31/12/2010
Interest expense on liabilities linked to operating activities	614.0	433.3	499.7
Interest expense on liabilities linked to financing activities	645.7	484.2	704.5
Total^(*)	1,259.7	917.5	1,237.1

(*) Without taking into account the interest expenses on deposits under reinsurance business accepted which have been deducted from the related interest income and are not included in the operating debt.

In detail, as anticipated, interest expense on liabilities linked to financing activities decreased compared to 2010 which was characterized by higher interest expenses resulting from the early refinancing of a senior bond expiring in July 2010.

Life segment

- Operating result: € 2,541.7 million (down 16.0%)
- Gross written premiums: € 46,393.8 million (down 9.3%)
- APE: € 4,787.4 million (down 9.0%)

Business performance of the life segment

Premiums development

Gross written premiums for the life segment, including premiums related to investment contracts, amounted to € 46,393.8 million (€ 51,098.1 million at 31 December 2010). The fourth quarter of the year marked a reversal of the uptrend witnessed in the second and third quarters owing to the macro-economic and financial scenario in some of the Group's major countries of operation, resulting in a 9.3% decline in written premiums for the year on equivalent terms compared to 31 December 2010.

This performance was influenced also by the higher short-term return rates of the government issues that affected some of the major European countries in term of single premiums, as Italy and France. This level of rate in fact favored short-term banking products to the detriment of single premiums, which declined 24%. In contrast, written premiums oriented to the accumulation of long-term savings, less influenced by the market rate, typical of the annual premium products recorded a growth (up 3.4% on equivalent terms).

The decline in single premiums was even more marked in the comparison of the fourth quarter with the total single premiums written during the same period of the previous year (down 32.8%). By contrast, annual written premiums remained at the same levels of the fourth quarter of the previous year.

Gross written premiums

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Life gross written premiums^(*)	46,393.8	51,098.1	12,008.9	13,826.1
Italy	12,710.8	13,793.9	3,823.9	4,280.8
France	9,007.1	11,393.8	1,671.0	2,702.3
Germany ^(**)	13,534.2	13,756.2	3,683.8	3,800.8
Central and Eastern Europe	1,677.5	1,766.1	408.8	540.9
Rest of Europe	5,586.9	6,668.8	1,460.5	1,566.6
of which Spain	1,051.6	920.4	280.4	245.7
of which Austria	1,194.1	1,165.3	268.5	271.6
of which Switzerland	1,101.9	978.4	334.1	296.5
of which Ireland	740.6	1,820.6	176.6	249.8
Rest of World	3,877.4	3,719.1	960.7	934.6

(*) Taking into account premiums related to investment contracts, which amount at € 3,186.5 million at 31 December 2011 (€ 4,752.4 million at 31 December 2010).

(**) Gross direct premiums written include premiums drawn from the provision for profit sharing, which amount to € 407.1 million at 31 December 2011 (€ 477.5 million at 31 December 2010).

Gross written premiums in **Italy** went from € 13,793.9 million at 31 December 2010 to € 12,710.8 million, marking a lesser decline than that shown by the entire insurance market. This reduction (down 7.9%) was due to the aforementioned decrease in single premiums (down 19.9%), which were affected by the unfavourable performance of short-term interest rates, only partially offset by the excellent development of the annual premiums (+4%) and by the positive trend of the collective policies. With reference to the distribution channels, the effect of the managed drop in the financial advisors channel, although confirming good level, resulted however in lower written premiums than that reported in the previous year, whereas written premiums from traditional networks remained essentially in line with the strong levels reported in the previous year.

Gross written premiums in **France** went from € 11,393.8 million at 31 December 2010 to € 9,007.1 million. Written premiums were marked by various factors, such as the uncertain tax treatment applicable to life products, the competition of banking products caused by the performance of short-term rates, and the business reorientation aimed at gradual decrease of the written premiums collected through non-proprietary channels, the margins of which are not in line with those of the Group. Thus, although written premiums declined much less severely in the third quarter than in the first part of the year, the overall decrease reported (down 20.9%) may be attributed to traditional savings policies (down 24.7%) and linked policies (down 23.5%), in particular with reference to single premiums. Written premiums from collective policies decreased, whereas the Health line continued to perform well (up 3.9%).

In contrast, gross written premiums declined moderately in **Germany** to € 13,534.2 million (€ 13,756.2 million at 31 December 2010), becoming the country in which the Group reported the highest level of written premiums. On the one hand, written premiums benefited from the growth witnessed during the year in the Health line, which premiums amounted to € 2,400.7 million (up 1.3%), and the development of linked policies (up 1.1%), in addition to the recovery of written premiums from traditional savings and protection policies (up 0.5%), which had been declining in the first nine months of the year. On the other hand, the 26.5% decline in collective policies resulted in a 1.6% decrease in the country's total written premiums.

Gross written premiums in **Central and Eastern Europe** decreased (down 6.2% on equivalent terms), amounting to € 1,677.5 million (€ 1,766.1 million at 31 December 2010). This performance was especially attributable to the decline in annual premiums (down 32.8%) in the Czech Republic, Poland and Hungary. Finally, the Health line reported an uptrend, especially in Russia and the Czech Republic, as did collective policies.

Written premiums in the **Rest of Europe** decreased (down 18.0% on equivalent terms). The decline may essentially be attributed to the performance of written premiums in **Ireland**, which compared with the same period of the previous year was still affected by the significant written premiums realized as part of the Group's private-banking activity, drawn up in the particular financial scenario that characterized the early months of 2010.

In **Spain**, the uptrend witnessed throughout the year continued, bringing gross written premiums to € 1,051.6 million (€ 920.4 million at 31 December 2010). That increase (up 14.3%) was due in particular to the positive performance of written premiums from traditional savings and protection policies (up 20.4%), especially those deriving from bancassurance business, and the continuing recovery of collective policies (up 5.5%), which had declined in the first six months of the year.

Contrary to the trend in the country's insurance market, gross written premiums in **Austria** increased from € 1,165.3 million at 31 December 2010 to € 1,194.1 million, although a decline was reported in the fourth quarter. Considering the ongoing decline (down 4.8%) in the linked policies, primarily single premium policies, affected by the revision of the expected tax benefits for this type of product, the overall growth reported (up 2.5%) may be attributed to the performance of traditional savings and protection policies (up 3.9%), particularly recurring premium policies, which benefited from the signing of several contracts of especially significant amounts in the corporate pension sector. Lastly, the recurring premium Health business reported a strong performance, benefiting from, among other factors, tariff adjustments to the portfolio.

Owing to the positive performance in the fourth quarter, gross written premiums in **Switzerland** were essentially stable (up 0.5% on equivalent terms) reaching € 1,101.9 million (€ 978.4 million at 31 December 2010). The good performance of traditional savings and protection policies continued (up 18.6% on equivalent terms), only partially offset by the decline in written premiums for single premium linked policies, which reflects the planned decrease in this type of guaranteed policy placed through non-proprietary channels in favour of products with a lower capital absorption placed through the Group's agency networks.

Gross written premiums in the **Rest of the World** continued to increase, although at a slower rate than in the first nine months of the year, driven in particular by the performance of written premiums in **Latin America** (up 24.5% on equivalent terms) and the **Middle East**⁹ (up 9.7% on equivalent terms).

In particular, the development of written premiums in Latin America may be ascribed to the performance of traditional savings and protection policies (up 18.8% on equivalent terms), concentrated in Mexico, as well as that of collective policies (up 32.4% on equivalent terms), especially of the recurring premium policies witnessed in Argentina and Mexico.

With reference to Middle East, there was a significant increase in collective policies (up 8.6% on equivalent terms) and an uptrend in linked policies (up 13% on equivalent terms). By contrast, the downtrend in written premiums continued in **China** (down 30.5% on an equivalent basis), due both to the decline in traditional savings and protection policies (down 17.0% on equivalent terms), especially single premium policies, and the decrease in written premiums in collective policies, for which the comparison with the same period of the previous year continued to be affected by a significant adjustment of premiums issued in the first quarter of 2010 related to the pension plan in favour of the local partner's former employees.

New annual business premium equivalent (APE)

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
New annual business premium equivalent (APE)	4,787.4	5,332.6	1,277.7	1,491.8
Italy	1,715.2	1,766.1	517.7	589.2
France	939.1	1,171.5	201.3	272.3
Germany	907.8	975.9	237.2	247.0
Central and Eastern Europe	146.7	171.7	38.4	50.9
Rest of Europe	657.1	792.3	168	195.0
of which Spain	125.7	118.4	37.0	34.0
of which Austria	104.1	97.4	19.1	23.4
of which Switzerland	85.1	95.5	26.4	30.4
of which Ireland	80.5	190.2	20.0	29.0
Rest of World	421.5	455.2	115.1	137.3

New annual business premium equivalent (APE), which totalled € 4,787.4 million, decreased by 9.0% (on equivalent exchange rates and share attributable to the Group), mainly due to the negative performance of single premium new business (down 24.8% on equivalent terms), primarily in France, Italy and Ireland. By contrast, annual premiums grew (up 2.7% on equivalent terms), representing 64.6% of new business (57.2% at 31 December 2010). Breaking APE down by line of business, there were a decline in the traditional savings business (down 8.6% on equivalent terms) and the linked business (down 16.9% on equivalent terms), for which, however, the comparison was affected by the high levels of written premiums reported in Ireland, especially in the first few months of the previous year. In contrast, the protection business proved resilient (up 2.7% on equivalent terms).

In **Italy**, new business decreased by 2.9% on equivalent terms. Considering the strong performance of the more profitable annual premium business (up 7.7%), the decline may be attributed to the considerable decrease in single premiums (down 20.0%).

New business also fell in **France** (down 19.8%), where APE was affected by the severe contraction of single premiums (down 28.5%). Moreover, unit-linked business also continued to decrease (down 24.1%).

⁹ Effective 30 September 2011, a part of the Israeli insurance portfolio, previously classified to the traditional business, was reclassified among unit- and index-linked portfolios to ensure a placement that better reflects the technical characteristics of the products issued.

The decline in single premiums (down 12.8%) also influenced new business in **Germany**, which thus reported an overall reduction of 7%, attributable both to the decline in the Health line (down 25.1%) and the deterioration of the life business (down 3.6%).

The decrease of APE (down 8.9% on equivalent terms) in **Central and Eastern Europe** was mainly attributable to the drop in Poland due to a change in regulations of the welfare system. In contrast, the uptrend continued in the Czech Republic.

The negative performance by the single premium business also influenced the result for the **Rest of Europe** (down 17.4%), which was affected in particular by the comparison with the extraordinary levels of unit-linked business in the first quarter of 2010 in **Ireland**. The decrease in **Switzerland** (down 13.5% on equivalent terms) may be attributable to the lower attractiveness of the unit-linked products offered by the Group, in relation to which, considering the economic and financial context, the level of minimum guaranteed has been reduced. Positive, in contrast, the trend of traditional business. That overall decline was only partially offset by the positive performances of APE in **Austria** (up 7.0%) and **Spain** (up 6.2%).

Finally, new business continued to develop in the **Rest of World** (up 7.0% on equivalent terms), attributable to the positive contribution by the **Middle East** and **Latin America**, and only partially offset by the decline witnessed in the Far East (down 17.6%), and in **China** in particular, for which the comparison with the same period of the previous year was affected, as mentioned, by the presence of a relevant single premium adjustment recognized in the first quarter of 2010.

New business value (NBV)

(€ million)	31/12/2011	31/12/2010	Change	Change like for like ^(*)
New business value	975.7	1,050.1	-7.1%	-5.6%
Italy	373.6	325.7	14.7%	14.8%
France	128.3	146.5	-12.4%	-12.4%
Germany	165.9	172.6	-3.9%	-3.9%
Central and Eastern Europe	52.5	55.5	-5.5%	0.0%
Rest of Europe	133.9	197.2	-32.1%	-32.5%
of which Spain	20.9	27.6	-24.5%	-24.5%
of which Austria	14.5	22.7	-36.0%	-36.0%
of which Switzerland	16.1	40.9	-60.6%	-61.8%
Rest of World	121.5	152.6	-20.4%	-11.9%

(*) 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 € 975.7 million, showing a decrease of 5.6% on equivalent terms. The reasons behind this reduction had to be found entirely in the reduction of the production only partly offset both by the more favorable product mix and improved profitability. The internal rate of return, i.e. that is the rate which represents the investment yield that the shareholder makes in the new business net of the fiscal effect, remained at good level amounting to 12.6% (13.9% at December 31, 2010).

With regard to the Group's main countries of operation, **Italy** reported a growth of 14.8% of the value of new business owing to the greater weight of the most profitable annual premium products and the improvement of the margin on single premium products, due to the reduction in the guarantee level offered.

In **Germany** the value of new business slightly decreased (down 3.9%), owing to lower volumes only partially offset by higher profitability.

In **France** the value of new business amounted to € 128.3 million, the decrease of 12.4% was attributable to lower volumes whereas the profitability amounted to 13.7%, up 1.2 pp, also due to the higher incidence of the risk products. In the of **Central and Eastern Europe countries** the value of new business remained stable on equivalent terms: the improvement in profitability (up by 3.4 pp due to the greater weight of annual premiums) offset the decline in volume mainly due to the reform of the welfare system in Poland.

The value of new business of the **Rest of Europe** amounted to € 133.9 million, down 32.5% on a equivalent terms, due to lower volumes and the decline of the profitability mainly attributable to the decrease in the interest rates. The value of new business in the Rest of World amounted to € 121 million, down 11.9% on equivalent terms as a result of the decline in profitability in the **Middle East**.

Net cash inflows

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Net cash inflows	5,845.5	16,133.0	-650.7	3,511.3
Italy	1,084.9	1,790.3	541.2	247.8
France	-2,061.0	4,443.6	-2,484.2	925.8
Germany ^(*)	3,433.0	4,923.4	564.6	1,163.8
Central and Eastern Europe	475.0	533.6	111.1	236.4
Rest of Europe	1,472.6	2,822.8	273.6	518.9
of which Spain	-252.5	-521.5	-106.7	-117.7
of which Austria ^(*)	170.9	163.1	-11.8	-0.1
of which Switzerland	548.7	544.7	192.1	170.0
of which Ireland	525.0	1,687.6	118.0	197.9
Rest of World	1,441.0	1,619.3	343.0	418.6

(*) Taking into account Health business.

Net cash inflows, equal to the amount of premiums collected, less outflows attributable to the period, amounted to € 5,845.5 million. Despite the continuation of an operating context of extreme uncertainty and the unfavourable performance of short-term interest rates in its main countries of operation, the Group, thanks to effective diversification of distribution based on proprietary networks and the flexible characteristics of its life insurance products, confirmed its ability to keep its net cash inflows at excellent levels.

This result was achieved despite the significant decline in single premiums, in addition to the greater outflows granted to the customers witnessed in almost all of the Group's countries of operation, particularly in France.

Operating result

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Operating result	2,541.7	3,025.9	563.6	724.1
Technical margin	6,224.6	5,995.7	1,666.3	1,517.5
Net investment result	1,715.0	2,381.9	406.8	647.2
Total operating expenses	-5,397.9	-5,351.7	-1,509.5	-1,440.6

Operating result in the life segment went from € 3,025.9 million at 31 December 2010 to € 2,541.7 million. The decrease (down 16.0%) was entirely attributable to the decline of the net investment result, defined as the difference between operating income from investments and the related policyholders' interests. By contrast, the technical margin continued to develop and, net of total operating expenses, increased by 28.4%.

Net investment result, despite the growth in current return and Group's higher realized gains, was affected by the deterioration of the conditions of financial markets, which worsened as of the second half of the year, resulting in gross impairment losses amounting to € 2,905.2 million.

In further detail, the latter was attributable for € 1,970.4 million to the impairment losses recognized as of the se-

cond quarter on Greek bonds and for € 934.8 million to those on the equity portfolio, of which € 443.2 million referred to the investment in Telco.

Considering the share of financial profits attributable to the policyholders' interests of the life segment, overall the aforementioned impairment losses had an impact on the operating result of € 411.6 million of which € 377.5 attributable to the Greek government bonds and € 34.1 million to the equity portfolio, net of the releases from surplus funds allowed for these purposes by some local jurisdictions and classified as technical provisions. Such impairment losses led to an important reduction in the level of absorption of the technical provisions at local level. Within the exceptional market, as a matter of fact, from a strategic standpoint the Group preferred to favour, taking into account the characteristics of the life product placed, the stability of policyholders' returns by guaranteeing an essentially stable bonus rate.

Furthermore, with reference to the impairment losses on equity investments, their low incidence on the life operating result derive from the fact that the writedown of Telco, whose investment is mainly concentrated in Italy, had no effect on the formation of local technical provisions as not yet realized and, therefore, it mainly affected the non-operating result.

The adverse conditions of the financial markets determined both the decrease of the value of investments at fair value through profit or loss, especially in the second half of the year, with a higher impact on the operating result of about € 100 million compared to 31 December 2010, and a reduction in the market value of linked assets and therefore lower management fees, particularly performance fees, compared to the previous year of about € 80 million. Lastly, the current low interest rate scenario resulted in an increase in technical allocations to the financial risk provision during the year of approximately € 120 million.

Consequently, the overall impact on the operating result of the exceptional economic and financial situation described thus amounted to approximately € 700 million.

Also, the comparison of the operating result for the fourth quarter of the reporting year and previous year, which showed a decline of € 160.5 million, was also affected by the foregoing dynamics. In detail, greater operating impairment losses amounting to about € 650 million had a greater impact on operating result of about € 180 million. The operating return of investments in the life segment¹⁰ amounted to 0.80% of investments in the segment (0.97% at 31 December 2010); without considering the above-mentioned exceptional financial conditions it would have exceeded 1%.

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Operating result - life segment	2,541.7	3,025.9	563.6	724.1
Italy	969.5	1,188.1	36.0	184.0
France	294.8	596.1	86.7	234.1
Germany	378.5	354.0	140.3	92.5
Central and Eastern Europe	195.4	177.1	85.7	40.8
Rest of Europe	444.4	417.3	144.0	82.0
of which Spain	113.8	110.0	33.8	27.5
of which Austria	60.9	64.0	8.5	0.4
of which Switzerland	116.0	127.6	15.0	38.3
Rest of World	259.1	293.4	70.7	91.0

¹⁰ Equal to the ratio between the operating result and the average investments calculated based on the financial statement figures of the life segment, as described in the Methodological Note annexed to this Report.

The operating result of the main countries was affected by the negative trend of the net investment result. In particular, the operating result of **France** was influenced to a greater extent by the mentioned volatility and the impairment losses recorded on Greek government bonds.

Operating result: Technical margin

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Technical margin	6,224.6	5,995.7	1,666.3	1,517.5
Net earned premiums	42,076.0	45,452.5	10,751.9	12,597.7
Fee and commission from financial service activities	303.3	222.6	83.3	50.0
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	-36,157.9	-39,706.3	-9,170.1	-11,144.3
Other insurance items	3.2	26.7	1.2	14.0

Due to a business mix more oriented to protection products and recurring premium, the technical margin, which includes loadings, risk result and profits on surrenders of the period, increased (up 3.8%). In detail, technical profitability increased due to the greater contribution of recurring premiums and to the constant profitability of the risk lines and the Health portfolio, taking however into consideration the decline in written premiums.

The technical margin does not include insurance operating expenses, which are reported in *Total operating expenses and other operating items*.

Operating result: Net investment result

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Net investment result	1,715.0	2,381.9	406.8	647.2
Operating income from investments	6,281.3	15,940.6	3,640.7	4,782.8
Net income from investments	9,841.0	11,749.8	2,654.1	3,138.2
Current income from investments	11,534.6	10,995.2	2,968.0	2,814.4
Net operating realized gains on investments	2,018.5	1,838.5	553.5	572.4
Net operating impairment losses on investments	-2,967.4	-365.5	-666.8	-19.5
Other operating net financial expenses	-744.7	-718.5	-200.6	-229.3
Net income from financial instruments at fair value through profit or loss	-3,559.7	4,190.9	986.7	1,644.7
Net income from financial instruments related to unit and index-linked policies	-3,158.7	3,823.3	988.0	2,046.8
Net other income from financial instruments at fair value through profit or loss	-401.0	367.5	-1.4	-402.2
Policyholders' interests on operating income from investments	-4,566.3	-13,558.7	-3,234.0	-4,135.5

Net investment result, which consists of the operating income from investments, net of the related policyholders' interests, went from € 2,381.9 million at 31 December 2010 to € 1,715.0 million. The decline was due to the aforementioned continuation of negative financial conditions, which had a considerable influence on the value of equity and bond portfolios throughout the current year. Nonetheless, the Group reported resilient current income and higher in realized gains thanks to trading activities, which in particular took advantage from the good performance of financial markets in the first half of the year.

Current income from investments amounted to € 11,534.6 million (€ 10,995.2 million at 31 December 2010), with a current return on total investments, calculated on book value basis, which went from 4.3% at 31 December 2010 to 4.5%.

In detail, current income from fixed income instruments went from € 9,482.8 million at 31 December 2010 to € 9,735.6 million, with current return reaching 4.5% (4.4% at 31 December 2010). Current income from the equities portfolio increased to € 628.2 million (€ 616.7 million at 31 December 2010), with current return reaching 3.8% (3.1% at 31 December 2010). Lastly, current income from investment properties went from € 603.2 million at 31 December 2010 to € 696.4 million, with current return stable at 7.3%.

Net operating realized gains on investments went from € 1,838.5 million at 31 December 2010 to € 2,018.5 million. In further detail, there was an increase in realized gains in particular in Germany and France on domestic government bonds that offset the rise in realized losses on equities. The net realized gains on corporate portfolios also declined. Lastly, realized gains on investment properties increased sharply.

Net operating impairment losses on investments went from € -365.5 million at 31 December 2010 to € -2,967.4 million. In detail, the latter were attributable for € 1,970.4 million to the above-mentioned impairment of Greek government bonds. In addition, equity market performance, especially in the third quarter, resulted in impairment losses on the equities portfolio of € 934.8 million, of which € 443.2 million referred to the investment in Telco.

Other operating net financial expenses, which include interest expenses associated with operating debt and investment management expenses, went from € -718.5 million at 31 December 2010 to € -744.7 million, essentially due to greater interest expenses on operating liabilities, as a result of the trend in interest rates.

Net income from financial instruments related to unit- and index-linked contracts¹¹ went from € 3,823.3 million at 31 December 2010 to € -3,158.7 million. The considerable decline is primarily attributable to the deterioration of the value of the investments classified in this item due to the severe volatility that affected the financial markets as of the second quarter of the reporting year and the ongoing deterioration of bond markets, which continued to show a general widening of spreads on the yields of the bonds of the Euro Area countries with a high public sector debt.

The aforementioned financial market tensions also affected **net income from other financial instruments at fair value through profit or loss**, which declined to € -401.0 million (€ 367.5 million at 31 December 2010). In further detail, the deterioration in terms of value of other investments at fair value through profit or loss was only partially offset by the transactions in derivatives and lesser losses on foreign currencies owing in particular to the depreciation of the euro against the dollar, resulting in an impact on the operating result of approximately € 100 million greater than that reported at 31 December 2010.

Coherently with the significant reduction of the investment result, **policyholders' interests on income from investments** decreased from € 13,558.7 million at 31 December 2010 to € 4,566.3 million, with a total reduction of € 8,994.9 million, of which € 6,916.9 million due to the lower policyholders' interests on operating income from investments related to linked contracts.

¹¹ Effective 30 September 2011, a part of the Israeli insurance portfolio, previously classified in the traditional business, was reclassified among linked portfolios to ensure a placement that better reflects the technical characteristics of the products issued. As a consequence, all investments hedging that portfolio have been reclassified accordingly for the comparative periods as well.

Operating result: Total operating expenses

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Total operating expenses	-5,397.9	-5,351.7	-1,509.5	-1,440.6
Acquisition and administration costs related to insurance business	-5,262.9	-5,228.8	-1,465.2	-1,417.9
Net other operating expenses	-134.9	-122.9	-44.3	-22.7

Total operating expenses increased slightly (up 0.9%) to € 5,397.5 million.

In detail, **acquisition and administration costs related to insurance business** amounted to € 5,258.4 million (up 0.7%). Given the increase in annual premiums, acquisition costs rose (up 0.4%) to € 4,195.1 million. Moreover, administration costs went from € 1,050.3 million at 31 December 2010 to 1,063.3 million (up 1.2%).

	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Expense ratio	11.6%	10.4%	12.6%	10.4%
Acquisition costs / net premiums	9.3%	8.3%	10.2%	8.4%
Administration costs / net premiums	2.3%	2.1%	2.3%	2.0%

The ratio of acquisition and administration costs to net premiums went to 11.6% (10.4% at 31 December 2010), due to the decrease in single premiums which, taking in to consideration the characteristics of the products, have lower commission levels.

The ratio of total administration costs related to insurance business to the average insurance provisions therefore went from 0.35% to 0.34%.

(%)	Administration costs on average ins. provisions		Expense ratio		Acquisition ratio		Administration ratio	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Group total	0.34	0.35	11.6	10.4	9.3	8.3	2.3	2.1
Italy	0.33	0.34	9.7	8.7	7.6	6.8	2.1	1.9
France	0.14	0.19	9.5	8.2	8.2	6.9	1.3	1.3
Germany	0.22	0.22	12.8	12.4	11.4	11.1	1.4	1.3
Central and Eastern Europe	1.25	1.30	19.8	17.3	14.6	12.4	5.2	4.9
Rest of Europe	0.47	0.48	12.1	9.8	8.8	7.1	3.4	2.7
of which Spain	0.11	0.12	4.4	6.7	3.5	5.7	0.8	1.0
of which Austria	0.51	0.53	13.3	13.4	9.7	9.5	3.6	3.9
of which Switzerland	0.74	0.80	18.6	19.6	13.3	13.8	5.3	5.8
Rest of World	1.20	1.21	16.3	15.2	8.4	8.0	7.9	7.1

Non-operating result

The **non-operating result** of the life segment went from € -183.1 million at 31 December 2010 to € -743.6 million. The worsening was attributable both to the higher impairment losses and lower net realized gains on financial instruments. In detail, net impairment losses – considered as non-operating as they relate to financial instruments of shareholders' funds or instruments, the impairment of which did not affect the statutory reserves to the extent they were not included in the deferred policyholder liabilities – amounted to € -435.8 million (€ -130.1 million at 31 December 2010), attributable in particular for € 130.3 million to the impairment of the Greek government bonds, and for € 277.6 million to the impairment losses on equities, of which € 181.6 million related to the investment in Telco.

Operating result - life segment

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Operating result - life segment	2,541.7	3,025.9	563.6	724.1
Net premiums	42,076.0	45,452.5	10,751.9	12,597.7
Net insurance benefits and claims	-40,769.8	-53,265.0	-12,413.1	-15,279.6
of which change in the provisions for unit and index-linked policies	2,131.6	-6,157.8	-865.1	-2,583.6
Acquisition and administration costs	-5,176.3	-5,136.6	-1,444.7	-1,389.4
Acquisition and administration costs related to insurance business ^(*)	-5,137.3	-5,115.1	-1,433.5	-1,384.8
Other acquisition and administration costs	-38.9	-21.5	-11.2	-4.7
Net fee and commission income and net income from financial service activities	177.7	108.9	51.7	16.9
Net operating income from financial instruments at fair value through profit or loss	-3,054.9	4,728.2	1,166.8	1,819.0
of which net income from financial assets and liabilities related to unit and index-linked policies	-3,158.7	3,823.3	988.0	2,046.8
Net operating income from other financial instruments	9,336.2	11,212.4	2,473.9	2,963.8
Interest income and other income	11,029.8	10,457.8	2,787.8	2,640.0
Net operating realized gains on other financial instruments and land and buildings (investment properties)	2,018.5	1,838.5	553.5	572.5
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-2,967.4	-365.5	-666.8	-19.4
Interest expense on liabilities linked to operating activities	-269.0	-209.1	-66.3	-52.0
Other expenses from other financial instruments and land and buildings (investment properties)	-475.8	-509.4	-134.3	-177.2
Net other operating expenses ^(**)	-47.3	-74.6	-23.0	-4.2
Non-operating result - life segment	-743.6	-183.1	-261.7	36.6
Net non-operating income from other financial instruments	-578.7	-72.8	-188.5	14.9
Net non-operating realized gains on other financial instruments and land and buildings (investment properties) ^(***)	-142.9	57.3	-47.9	28.6
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties) ^(***)	-435.8	-130.1	-140.6	-13.7
Net other non-operating expenses ^(****)	-164.9	-110.3	-73.2	21.7
Earnings before taxes - life segment	1,798.1	2,842.8	301.9	760.7

(*) Commissions related to investment contracts, which amounted to € 122.5 million (€ 113.7 million at 31 December 2010), are included in net fee and commission income and net income from financial service activities.

(**) At 31 December 2011 the amount is net of operating taxes for € 64.1 million (€ 40 million at 31 December 2010) and of non-recurring taxes shared with the policyholders in Germany for € 45.7 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)	31/12/2011	Individual savings and protection	Individual unit/index linked	Health	Group	Total
Italy		10,494.7	248.3	0.0	1,580.5	12,323.5
France		5,980.1	1,258.7	898.0	658.2	8,795.0
Germany		6,985.9	3,249.9	2,400.7	896.8	13,533.4
Central and Eastern Europe		1,019.3	447.5	188.2	22.4	1,677.4
Rest of Europe		1,964.8	2,562.3	269.0	761.9	5,558.1
of which Spain		682.7	13.4	0.0	355.0	1,051.1
of which Austria		670.3	276.1	230.3	0.0	1,176.7
of which Switzerland		272.4	818.6	9.0	1.7	1,101.7
Rest of World		896.8	454.8	151.0	1,611.8	3,114.4
Total		27,341.6	8,221.6	3,907.0	5,531.7	45,001.9

(€ 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		865.4	400.6	117.7	1,612.8	2,996.5
Total		30,439.2	9,792.4	3,787.4	5,794.5	49,813.4

Financial position of the life segment

Investments

(€ million)	31/12/2011		30/09/2011		31/12/2010	
	Total book value	% of total	Total book value	% of total	Total book value	% of total
Equity instruments (*)	13,414.7	5.3	14,363.9	5.5	18,921.4	7.3
Available for sale financial assets	11,113.5	4.4	11,998.2	4.6	16,567.1	6.4
Financial assets at fair value through profit or loss	2,301.1	0.9	2,365.7	0.9	2,354.3	0.9
Fixed income instruments (**)	208,088.2	81.7	218,216.1	84.0	217,318.1	84.0
Bonds	186,112.5	73.1	197,261.6	77.5	197,878.3	76.5
Other fixed income instruments (***)	21,975.8	8.6	20,954.5	8.1	19,439.8	7.5
Held to maturity investments	3,706.7	1.5	3,517.4	1.4	3,722.7	1.4
Loans	58,236.2	22.9	59,553.0	22.9	59,572.2	23.0
Available for sale financial assets	138,343.2	54.3	147,242.5	56.7	145,574.5	56.3
Financial assets at fair value through profit or loss	7,802.2	3.1	7,903.1	3.0	8,448.6	3.3
Land and buildings (investment properties) (****)	9,823.6	3.9	9,972.1	3.8	8,614.1	3.3
Other investments	6,017.6	2.4	6,417.4	2.5	6,898.7	2.7
Investments in subsidiaries, associated companies and joint ventures	4,523.6	1.8	4,873.7	1.9	5,121.9	2.0
Derivatives (*****)	543.8	0.2	571.3	0.2	265.2	0.1
Receivables from banks or customers	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	950.2	0.4	972.3	0.4	1,511.6	0.6
Cash and cash equivalents (*****)	17,256.9	6.8	10,678.3	4.1	6,980.4	2.7
Total (*****)	254,601.0	100.0	259,647.8	100.0	258,732.6	100.0
Investments back to unit and index-linked policies	58,312.0		56,789.9		60,637.0	
Total investments	312,913.0		316,437.7		319,369.6	

(*) Investment fund units amounted to € 3,013.6 million (€ 3,034.8 million at 30 September 2011 and € 3,561 million at 31 December 2010).

(**) Investment fund units amounted to € 7,409.7 million (€ 7,432.3 million at 30 September 2011 and € 7,545.6 million at 31 December 2010).

(***) Investment fund units amounted to € 2,079.3 million (€ 2,247.4 million at 30 September 2011 and € 2,250.6 million at 31 December 2010).

(****) Taking into account derivative instruments booked as liabilities which amount to € 845.6 million (€ 886.8 million at 30 September 2011 and € 760.1 million at 31 December 2010).

(*****) Taking into account Reverse REPO which amount to € 71.1 million (€ 594.6 million at 30 September 2011 and € 1,958.7 million at 31 December 2010) and REPO which amount to € 359.1 million (€ 267.3 million at 30 September 2011 and € 589.6 million at 31 December 2010).

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

Return on investment and harvesting rate - life segment¹²

	Current return		Harvesting rate		P&L return		Comprehensive return	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Fixed income instruments	4.5%	4.4%	-0.5%	0.6%	4.0%	5.0%	0.8%	2.6%
Equities and equity-like investments	3.8%	3.1%	-4.2%	1.5%	-0.4%	4.6%	-12.5%	3.7%
Real estate investments	7.3%	7.3%	1.7%	0.8%	9.0%	8.2%	8.7%	8.6%
Other investments	2.8%	2.2%	-3.1%	-0.6%	-0.3%	1.6%	-0.3%	1.6%
Total investments	4.5%	4.3%	-0.8%	0.6%	3.7%	5.0%	0.2%	2.8%

At 31 December 2011, total investments of the life segment¹³ amounted to € 312,913.0 million, of which € 304,378.4 million related to insurance liabilities. The decline compared to 31 December 2010 (down 2.0%) was due in particular to the intensification in the fourth quarter of the sovereign debt crisis in the countries of the Euro Area with a high public sector debt, which resulted in a considerable decrease in the value of these investments.

In detail, total investments other than financial assets backing linked policies amounted to € 254,601.0 million (€ 258,732.6 million at 31 December 2010), and the latter amounted to € 58,312.0 million (€ 60,637.0 million at 31 December 2010).

In the current financial scenario the investment strategy pursued by the Group in the life segment, always with the aim to ensure an asset allocation consistent with the technical reserve profile, is extremely focused to optimize the risk/return profile in accordance with the guarantees present in outstanding portfolios. In further detail, within the Euro Area it is pursuing the gradual goal of eliminating cross-border exposure within this area by matching the liabilities of each country with securities from that same country, without prejudice to the principle of matching assets and liabilities by currency. The investment in corporate securities has been oriented towards bonds of the non-financial sector, with a preference for short- and medium-term maturities, thereby favouring a decrease in the credit risk and thus in the capital absorption of this asset class.

With the same objective, the Group has increased the amount of cash and other cash equivalents, whose weight went from 2.7% at 31 December 2010 to 6.8%. The weight of the bond portfolio fell from 84.1% at 31 December 2010 to 81.7% and the weight of equity instruments declined from 7.3% at 31 December 2010 to 5.3%. Breaking down the portfolio of bond investments, there was a decrease in exposure to government bonds, which decreased from 57.1% at 31 December 2010 to 54.2%, whereas the corporate bonds increased to 45.8% (42.9% at 31 December 2010). The average duration of bond portfolios remained virtually stable at 6.1 years.

Exposure to real estate investments in this segment continued to increase, rising from 3.3% at 31 December 2010 to 3.9%, with the aim of supporting the current return in the context of low interest rates observable in some countries where the Group operates in order to ensure higher inflation indexed income and a limited capital absorption, as well as to realize the increase in value of such assets in the medium-long term.

Despite the difficult financial market situation, the strategy described above implemented by the Group allowed to increase the return on investments, which amounted to 4.5% (4.3% at 31 December 2010). By contrast, the contribution to the result of the period of harvesting operations was negative, falling from 0.6% at 31 December 2010 to -0.8%. In further detail, while the net realized gains recorded by the Group were largely stable, there was both an

¹² The return on investments and harvesting rate are calculated on yearly basis and not included the return on and harvesting rate of investments back to linked policies.

¹³ Effective 30 September 2011, a part of the Israeli insurance portfolio, previously classified in the traditional business, was reclassified among linked portfolios to ensure a placement that better reflects the technical characteristics of the products issued. As a consequence, all investments hedging that portfolio have been reclassified accordingly for the comparative periods as well.

increase in impairment losses as of the second quarter on Greek bonds and a decline in value of bond and equity portfolios through profit or loss, primarily in the third quarter of the reporting year.

Another consequence of the aforementioned decline in the value of equity and bond portfolios, which was reflected in particular in shareholders' equity, was a considerable decline in comprehensive return, which includes both the current return and changes in value of the period through both profit or loss and equity, to 0.2% (2.8% at 31 December 2010).

The actions implemented by the Group in the life segment on the **bond portfolio**, aiming at supporting adequate portfolio liquidity and a accurate selection of government and corporate bonds of issuers with solid valuations able to ensure adequate coupon returns, enabled the Group to sustain the growth of current returns, which amounted to 4.5% (4.4% at 31 December 2010).

By contrast, the contribution to the result for the period of the realized and unrealized gains and losses through profit or loss (harvesting rate), worsened from 0.6% at 31 December 2010 to -0.5%. Realized gains raised from € 1,755.2 million at 31 December 2010 to € 2,458.3 million, whereas an increase was recorded both in realized losses, achieved within the reduction of cross-border exposure, which amounted to € -1,009.4 million (€ -425.7 million at 31 December 2010), and impairment losses, which amounted to € -2,114.6 million (€ -11.5 million at 31 December 2010), especially recognized as of the second quarter of the year on Greek bonds.

The intensification of the sovereign debt crisis in the countries of the Euro Area with a high public sector debt, especially in the fourth quarter of the year, resulted in a significant decrease in the value of bond portfolios recognized through equity, while also negatively affecting the comprehensive return, which also includes the changes in value of the period recognized through both profit or loss and equity, which fell from 2.6% at 31 December 2010 to 0.8%.

Current return on **equities** grew to 3.8% (3.1% at 31 December 2010). In contrast, the overall harvesting rate fell from 1.5% at 31 December 2010 to -4.2%, affected by both the greater losses realized by the Group, especially in the fourth quarter, and the increase in impairment losses recognized through profit or loss due to exceptional equity market volatility, in particular impacting the third quarter of the current year, while nonetheless showing the first signs of a recovery in the fourth quarter.

Comprehensive return, which includes current return and changes in value of the period recognized through profit or loss and equity, was still heavily influenced by the performance of equity markets in the third quarter of the year recognized through equity, decreasing sharply to -12.5% (3.7% at 31 December 2010).

With reference to **real estate investments**, its incidence, calculated on book values increased, to 3.9% (3.3% at 31 December 2010) as a result of the de-risking strategy implemented by the Group, which aims to reduce the exposure to real estate investments within the non-life segment, while instead increasing these investments in the life segment. Finally, the current return on real estate investments was stable at 7.3%, whereas the return on investment resulting from realized gains, net of depreciation and impairment losses for the period (harvesting rate), improved from 0.8% at 31 December 2010 to 1.7%.

(€ million)	31/12/2011	30/09/2011	31/12/2010
Total investments excluded linked investments	254,601.0	259,647.8	258,732.6
Italy	69,743.8	72,095.0	75,230.7
France	65,605.6	68,543.1	67,906.0
Germany	75,128.5	74,921.7	72,747.6
Central and Eastern Europe	5,912.0	6,110.1	6,063.9
Rest of Europe	25,106.0	25,271.4	24,715.4
of which Spain	7,493.0	7,685.9	7,622.2
of which Austria	7,015.5	7,048.5	6,985.8
of which Switzerland	3,529.6	3,411.6	3,125.5
Rest of World	13,105.1	12,706.5	12,069.0

Insurance provisions –life segment

(€ million)	31/12/2011	30/09/2011	31/12/2010
Insurance provisions - life segment	304,378.4	306,558.7	308,986.3
Net insurance provisions and financial liabilities:	316,563.6	315,998.8	313,347.9
traditional	258,310.9	258,714.1	252,387.8
linked	58,252.7	57,284.7	60,960.1
Deferred policyholders liabilities	-12,185.2	-9,440.0	-4,361.6

Excluding deferred policyholders liabilities, insurance provisions and financial liabilities related to investment¹⁴ went from € 313,347.9 million at 31 December 2010 to € 316,563.6 million, thanks to the rise in both traditional portfolio provisions (up 2.3%), reflecting the mentioned contribution of the net cash inflow and the investment result shared with policyholders.

As a result of the significant decrease in value recognized during the year mainly on the Group's bond portfolios, the deferred policyholders liabilities amounted to € -12,185.2 million (€ -4,361.6 million at 31 December 2010).

(€ million)	31/12/2011			31/12/2010		
	Traditional	Linked	Total	Traditional	Linked	Total
Net insurance provisions and financial liabilities	258,310.9	58,252.7	316,563.6	252,387.8	60,960.1	313,347.9
of which Italy	79,863.0	5,692.2	85,555.2	77,088.2	6,282.8	83,371.0
of which France	66,400.5	13,115.2	79,515.7	66,842.7	15,149.9	81,992.6
of which Germany	74,897.3	12,050.5	86,947.8	72,289.3	12,448.8	84,738.1
of which Central and Eastern Europe	5,504.6	1,259.4	6,764.0	5,597.4	1,317.8	6,915.2

¹⁴ Effective 30 September 2011, a part of the Israeli insurance portfolio, previously classified in the traditional business, was reclassified among linked portfolios to ensure a placement that better reflects the technical characteristics of the products issued. As a consequence, all investments hedging that portfolio have been reclassified accordingly for the comparative periods as well.

Non-life segment

- Gross written premiums: € 22,765.4 million (up 3.2%)
- Combined ratio: 96.5% (down 2.3 p.p.)
- Operating result: € 1,560.5 million (up 38.3%)

Business performance of the non-life segment

Premiums development

The fourth quarter witnessed a consolidation of the uptrend in **gross written premiums** in the non-life segment, which amounted to € 22,765.4 million (€ 22,089.7 million at 31 December 2010). The growth of 3.2% on equivalent terms may be ascribed to the development reported both in the Motor lines, due to the increase in the average premium realized in particular in the three Group's major countries of operation, and in all businesses of the Non-motor line, mostly in France, in Central and Eastern Europe and in Latin America. Following the decline witnessed in the first few months of the year, there was a recovery in the Commercial/Industrial lines despite the continuation of the challenging macro-economic scenario in the Group's main countries of operation

Gross written premiums

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Non-life gross written premiums	22,765.4	22,089.7	5,823.4	5,532.5
Italy	7,501.0	7,440.1	2,526.1	2,470.8
France	4,056.5	3,891.5	875.2	814.4
Germany	3,062.4	2,997.5	562.9	529.7
Central and Eastern Europe	2,260.9	2,245.7	532.9	534.0
Rest of Europe	4,329.5	4,203.2	905.0	873.4
of which Spain	1,373.8	1,371.7	323.0	313.6
of which Austria	1,343.5	1,349.9	274.3	268.8
of which Switzerland	657.9	579.9	51.1	53.5
Rest of World	1,555.1	1,311.7	421.3	310.2

Gross written premiums in **Italy** went from € 7,440.1 million at 31 December 2010 to € 7,501.0 million. The increase (up 0.8%) was attributable to the ongoing growth of the Motor line (up 3.4%), which continued to benefit from the growth of the average premium thanks to the portfolio restructuring policies recently adopted — which aim at recovering adequate technical profitability levels — partly offset by written premiums of the Non-motor lines (down 1.9%). The latter were affected by the decline of the Commercial/Industrial line, which was influenced by the economic situation of the country, and by stricter underwriting policy, as well as the decline in the Accident and Health line, in particular as a result of the planned reduction in written premiums from Health collective policies.

The increase in written premiums observed in the first nine months strengthened also in **France**, where gross written premiums amounted to € 4,056.5 million (€ 3,891.5 million at 31 December 2010). In fact, thanks to the positive performance of both the Motor line (up 2.2%), as a result of the tariff increases applied over the past few periods, and the Non-motor line (up 4.0%), mainly attributable to the Personal line (up 6.4%) and Commercial/Industrial lines (up 2.7%), total written premiums grew by 4.2%. In detail, within the Personal line, the Assistance line of the Group, which refers to the French territory, showed a recovery compared to the first nine months of the year to € 639.6 million at 31 December 2011 (up 2.0% on equivalent terms).

Also in **Germany** the 2.2% growth in gross written premiums, which amounted to € 3,062.4 million (€ 2,997.5 million at 31 December 2010), was attributable to both the Motor line (up 1.2%) and all the Non-motor business lines (up 2.7%), especially owing to the development of the Personal line. More specifically, the Motor line, which in 2010 had suffered from severe tariff competition, confirmed the growth rates observed in the first nine months of the year, thanks to the rise in the average premium, both for the new business and the existing portfolio, as well as the expansion of the portfolio.

In a reversal of the trend in the first nine months of the year, gross written premiums in **Central and Eastern Europe** increased by 1.3% on equivalent terms to € 2,260.9 million (€ 2,245.7 million at 31 December 2010). In detail, the Non-motor lines performed well (up 12.0% on equivalent terms) thanks to the positive trend of all business lines and in particular the Accident and Health lines in Russia, the Commercial/Industrial line in Poland, Russia, and Hungary and the Personal line primarily in Romania. This increase was only partly offset by the decline of the Motor line (down 9.6% on equivalent terms), characterized by strong competition due to low loss ratio of that business line in the Czech Republic, Romania and Hungary, whereas the trend was positive in Poland.

Gross written premiums in the **Rest of Europe** showed an overall growth (up 1.6% on equivalent terms).

In detail, though slowing compared to the first nine months of the year, gross written premiums in **Switzerland** increased (up 1.2% on equivalent terms) to € 657.9 million (€ 579.9 million at 31 December 2010). This increase was attributable both to the Motor line (up 1.9% on equivalent terms) and the Non-motor line (up 0.7% on equivalent terms) driven by the Personal lines. The Accident and Health lines, albeit recovering from the decline recorded in the first half of the year, decreased slightly (down 0.8% on equivalent terms) reflecting the non renewal of some collective contracts that did not meet the Group profitability requirements.

Gross written premiums in **Austria** remained substantially unchanged, amounting to € 1,343.5 million (€ 1,349.9 million at 31 December 2010). The Motor line showed a slight decrease (down 0.3% on equivalent terms) reflecting the performance of the Motor general liability line mainly due to the cancellation of some contracts related to corporate customers. This decrease was substantially offset by the growth in Non-motor lines (up 1.2% on equivalent terms). The latter were driven by the development of the Personal line, whose premiums reflect the tariff increases applied, which offset the decline in the Commercial/Industrial lines due to the implementation of a strict underwriting policy. Thanks to the recovery shown in the last quarter of the year, gross written premiums in **Spain** remained stable at € 1,373.8 million (€ 1,371.7 million at 31 December 2010). The premiums of the Motor and Non-motor lines remained thus largely stable, reflecting the positive performance of the Personal line (up 7.7%) and Accident and Health line, which offset the downtrend of the Commercial/Industrial line (down 7.5%), which continued to be affected by the country's difficult economic situation, particularly in the transport and construction sectors.

Positive were also the contribution to the total written premiums of the **Rest of World**, particularly driven by the performance in **Latin America** (up 31.1% on equivalent terms). The latter benefited from the development in the Motor line (up 22.0% on equivalent terms) reported in Mexico and mostly in Argentina, which is still influenced by the combined effect of tariff increases and inflationary adjustments, and from the uptrend of the Non-motor line (up 54.9% on equivalent terms) driven by the Commercial/Industrial lines in Mexico and Argentina and the good performance of the Health line in Mexico.

Finally, written premiums also increased in the **Middle East** (up 3.1% on equivalent terms), thanks to the performance of both the Motor line (up 2.8% on equivalent terms) and Non-Motor line (up 3.3% on equivalent terms) driven by the Personal lines.

Operating result

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Operating result	1,560.5	1,128.1	356.7	245.8
Technical result	669.3	184.3	177.0	31.5
Investment result	1,120.3	1,196.1	272.5	303.0
Other operating items	-229.0	-252.3	-92.9	-88.7

Reinforcing the growth trend seen throughout the year, the **operating result** in the non-life segment stood at € 1,560.5 million, increasing by 38.3% compared to 31 December 2010. In detail, this performance benefited from the significant increase in technical result, which represents the difference between premiums and the costs of insurance operations such as claims, acquisition and administration costs and other technical costs. In addition, the investment result declined slightly owing to active investment management, which in the current market scenario is focused on maintaining the current return, within the Group's overall investment strategy aimed at decreasing the risk level of investments in this segment by reducing real estate and equity exposure.

The improvement in the technical result was due, on the one hand, to the positive effects of the tariff and underwriting policies implemented during the year and on the current loss ratio – not related to catastrophic events – and on the other, to the lesser weight of catastrophic events. These events resulted for the Group in an impact of approximately € 177 million (€ 383 million at 31 December 2010), chiefly attributable to the storms that struck Germany in August and September (for a total of € 57 million) the earthquake in Japan in March (€ 30 million), the flood in Thailand (€ 30 million) and the autumn floods that struck several Italian cities (for a total of € 26 million) and southern France (for a total of € 22 million). Compared to 2010, therefore, the operating result was influenced by lower catastrophic events for approximately € 206 million, including the consequent lower reinsurance recovery taking into accounts the technical characteristics of the Group's reinsurance operations.

As a result of the improvement in the loss ratio, the result of the Group's reinsurance activity had an overall impact on the operating result of € 270 million, increasing from € -392 million in the previous year to € -662 million in 2011. The increase in operating result led to an improvement of almost 30% of operating return in the non-life segment¹⁵, which went from 3.07% at 31 December 2010 to 4.32%.

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Operating result - non-life segment	1,560.5	1,128.1	356.6	245.8
Italy	399.4	205.5	103.6	-1.2
France	252.2	149.1	58.7	7.1
Germany	259.2	307.9	64.8	70.0
Central and Eastern Europe	285.7	218.3	61.9	95.6
Rest of Europe	335.4	199.1	76.7	60.2
of which Spain	138.9	105.2	27.2	20.8
of which Austria	107.2	101.6	33.7	34.7
of which Switzerland	51.3	46.1	16.2	13.8
Rest of World	28.7	48.3	-9.1	14.2

¹⁵ Equal to the ratio between the operating result and the average investments calculated based on the financial statement figures of the non-life segment. Further information is given in the appendix to the report.

Breaking the operating result down by the Group's main countries of operation, is especially worthy of note in particular the strong growth of operating results in **Italy, France and Central and Eastern Europe**, driven by the positive performance of technical margins. The contribution provided by the Rest of Europe, and by **Spain** in particular, was also reinforced, thanks to a further improvement in the loss ratio. In contrast, the operating result of **Germany** declined, influenced by lower dividends. The operating result of the **Rest of World** also decreased, mainly due to the performance witnessed in the **Middle East**, that led to a decrease of the fourth quarter operating result too.

Operating result: Technical result

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Technical result	669.3	184.3	177.0	31.5
Net earned premiums	20,662.5	20,274.0	5,295.1	5,143.1
Net insurance benefits and claims	-14,247.4	-14,451.4	-3,579.7	-3,638.8
Net acquisition and administration costs	-5,699.9	-5,582.2	-1,527.0	-1,450.7
Other net technical income	-45.9	-56.1	-11.4	-22.2

As mentioned above, considerable growth continued to be reported with reference to the **technical result**, which rose from € 184.3 million at 31 December 2010 to € 669.3 million, thanks to the efficacy of tariff, underwriting and claims settlement policies that resulted in a decrease in the average cost paid in the Group's main countries of operation. These trends determined an improvement in the combined ratio, which stood at 96.5% (98.8% at 31 December 2010).

(%)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Combined ratio	96.5	98.8	96.4	99.0
Loss ratio	69.0	71.3	67.6	70.8
Expense ratio	27.6	27.5	28.8	28.2
Acquisition costs / net premiums	21.6	21.5	22.7	22.3
Administration costs / net premiums	6.0	6.0	6.1	5.9

Confirming the trend already seen in the first nine months of the year, the loss ratio declined (down 2.3 pps) to 69.0%. The current loss ratio related to non-catastrophic events continued to decline (down 1.7 pps) owing to the reduction seen in both the Non-motor line, in Italy and in foreign markets, especially in Germany, Central and Eastern Europe and Spain, as well as in the Motor line, especially in Italy, owing in part to the effective claims settlement activities. The above-mentioned improvement in the current loss ratio was partly offset by the lower contribution of previous years run off, which was however obtained in the usual context of prudence in the reservation policy of the Group, as well as by the aforementioned higher reinsurance cost.

As a result of the increase in written premiums, operating expenses increased by 2.1% to € 5,699.9 million. In fact, the growth of 2.2% of the acquisition costs, which stood at € 4,461.9 million, was concentrated in the retail Non-motor line — characterized by higher underwriting costs given the line's lower loss ratio — especially in France, Central and Eastern Europe, Latin America and Switzerland. Lastly, there was also a rise in administration costs (up 1.8%) to € 1,238.0 million, essentially due to increases reported in Latin America, owing also to the dynamics of the inflation rate that characterizes the countries of this area.

The expense ratio remained however substantially stable at 27.6% (27.5% at 31 December 2010).

(%)	Combined ratio ^(*)		Loss ratio		Expense ratio	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Group Total	96.5	98.8	69.0	71.3	27.6	27.5
Italy	96.8	99.6	74.7	77.5	22.0	22.1
France	98.7	101.3	71.2	73.3	27.5	28.1
Germany	94.4	95.2	65.1	65.1	29.4	30.1
Central and Eastern Europe	89.5	93.2	54.5	60.2	35.0	33.0
Rest of Europe	96.4	99.3	68.3	71.4	28.1	28.0
of which Spain	94.8	98.1	68.0	71.2	26.8	26.8
of which Austria	95.3	95.2	68.2	68.3	27.1	26.9
of which Switzerland	95.5	95.9	69.0	69.0	26.5	26.9
Rest of World	104.2	101.6	65.4	64.3	38.8	37.2

(*) CAT claims impact, net of reinsurance, on the Group combined ratio for 0.9 pp, of which 0.4 pp in Italy, 0.6 pp in France, 1.9 pp in Germany and 0.8 pp in Switzerland (at 31 December 2010 the total impact was 1.9 pp of which 0.8 pp in Italy, 2.3 pp in France, 1.6 pp 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 ratio in **Italy** improved by 2.8 pps, reaching 96.8%. Given the stability of the expense ratio, which stood at 22.0% owing to the containment of operating expenses, the improvement in the combined ratio was driven solely by the positive performance of the loss ratio, as a result of an effective underwriting and claims settlement policy. The latter fell by 2.8 pps, reflecting the improvement witnessed in both segments. As mentioned above, the country was affected by severe flooding in October and November, which had an impact of 0.4 pps on the loss ratio (0.8 pps at 31 December 2010). In **France** the combined ratio was 98.7%. The improvement of 2.6 pps may be attributed to the decline in both the loss ratio (2.1 pps), concentrated in the Motor line, and in the expense ratio (0.5 pps), which amounted to 27.5% due to the containment of administration costs. In November, the south of the country was struck by flooding, the effects of which had an impact of 0.6 pps on the loss ratio. In the previous year, similar catastrophic events had had an impact of 2.3 pps.

The combined ratio also improved in **Germany**, falling to 94.4% (down 0.8%). Given that the loss ratio remained stable at 65.1%, the decrease was due to the decline in the expense ratio (down 0.7 pps), which went to 29.4% thanks to the containment of expenses. In August and September, storms struck the country, resulting in an impact of approximately € 57 million (1.9 pps). In 2010, the impact of catastrophic events had been 1.6 pps.

There was a considerable improvement in the combined ratio in **Central and Eastern Europe**, which remained the best at the Group level, amounting to 89.5% (down 3.7 pps). In further detail, the increase in the expense ratio of 2.0 pps, due to the rise in acquisition costs in the Non-motor line, whose weight on the total portfolio increased, was more than offset by the considerable improvement in the loss ratio (down 5.7 pps), which went to 54.5%, thanks to the contraction witnessed in the Non-motor line. That decrease was also positively influenced by the lack of catastrophic events, which had had an impact of 5.6 pps in the same period of the previous year.

The combined ratio in **Austria** was substantially unchanged standing at 95.3%. In further detail, while the loss ratio remained stable, amounting to 68.2%, the expense ratio rose slightly (up 0.2 pps) as a result of the increase in acquisition costs in the Non-motor line.

There was a considerable improvement in the combined ratio in **Spain** (3.3 pps), which amounted to 94.8%, owing to the positive performance of the loss ratio (3.3 pps) in both the Motor line and, more markedly, the Non-motor line. The expense ratio was stable.

The combined ratio in **Switzerland** remained stable at 95.5%. There was no change in the loss ratio, - which amounted to 69.0% - affected by catastrophic events by 0.8 pps, whereas the expense ratio decreased slightly (0.3 pps).

Operating result: Investment result

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Investment result	1,120.3	1,196.1	272.5	303.0
Current income from investments	1,631.0	1,678.0	421.6	437.8
Other operating net financial expenses	-510.7	-481.9	-149.1	-134.8

The **investment result** in the non-life segment, which consists of current income from investments and other operating net financial expenses, went from € 1,196.1 million at 31 December 2010 to € 1,120.3 million. The de-risking strategy pursued by the Group in this segment allowed it to maintain a stable current income on total investments, calculated on book values, of 4.3%, characterized by the increase in income on fixed income securities, which offset the decline in dividends, and the reduction in current income on real estate investments due to the decrease in their weight within this segment.

Current income from investments went from € 1,678.0 million at 31 December 2010 to € 1,631.0 million. As mentioned above, due to the investment strategy adopted by the Group in this segment, income from investments in fixed income securities increased, rising from € 905.5 million at 31 December 2010 to € 927.0 million, with an increase in the related return to 3.9%, whereas there were decreases in both dividends (from € 118.2 million at 31 December 2010 to € 104.5 million), although the related return increased to 2.8%, and current income from real estate investments (from € 533.5 million at 31 December 2010 to € 497.2 million), with the related return virtually stable at 8.6%.

Other operating net financial expenses, which include interest expenses on liabilities linked to operating activities and investment management expenses, amounted to € -510.7 million (€ -481.9 million at 31 December 2010).

Operating result: Other operating items

Other operating items in the non-life segment, which primarily include non-insurance operating expenses, depreciation and multi-annual costs, provisions for recurring risks and other taxes, totalled € -229.0 million (€ -252.3 million at 31 December 2010).

Non-operating result

The **non-operating result** of the non-life segment amounted to € -605.7 million (€ -238.8 million at 31 December 2010), affected by the deterioration of the non-operating investment result caused by the conditions of extreme financial market volatility.

In detail, the **non-operating investment result** reflected both the decline in non-operating net realized gains, which went from € 412.3 million at 31 December 2010 to € 243.8 million and the increase in the impairment losses on Group investments, which amounted to € -652.8 million (€ -381.3 million at 31 December 2010). The latter was attributable, in particular, for € 166.4 million to impairment losses recognized on equities, particularly in the second and third quarters, and for € 178.4 million to impairment losses on Greek government bonds. Finally, net realized gains included the gain realized on the investment in Banorte for about € 108 million.

Lastly, also net non-operating income from financial instruments at fair value through profit or loss decreased to € -34.2 million (€ 37.4 million at 31 December 2010), affected by the volatility of financial markets.

Net other non-operating expenses went from € -307.2 million at 31 December 2010 to € -162.4 million, including € 77.1 million in amortization of the value of the portfolios acquired directly or by obtaining control of insurers or financial companies (€ 77.3 million at 31 December 2010), thanks to lower non-recurring costs.

Operating result – non-life segment

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Operating result - non-life segment	1,560.5	1,128.1	356.6	245.8
Net earned premiums	20,662.5	20,274.0	5,295.1	5,143.1
Net insurance benefits and claims	-14,247.4	-14,451.4	-3,579.7	-3,638.8
Acquisition and administration costs	-5,715.4	-5,601.8	-1,528.7	-1,455.1
Acquisition and administration costs related to insurance business	-5,699.9	-5,582.2	-1,527.0	-1,450.7
Other acquisition and administration costs	-15.5	-19.6	-1.7	-4.3
Fee and commission income and income from financial service activities	-0.2	0.0	-0.2	0.2
Net operating income from financial instruments at fair value through profit or loss	40.7	43.8	16.5	13.4
Net operating income from other financial instruments	1,079.6	1,152.3	256.0	289.6
Interest income and other income	1,590.3	1,634.2	405.1	424.3
Interest expense on liabilities linked to operating activities	-198.4	-155.5	-66.6	-36.2
Other expenses from other financial instruments and land and buildings (investment properties)	-312.3	-326.4	-82.5	-98.5
Net other operating expenses	-259.3	-288.7	-102.5	-106.8
Non-operating result - non-life segment	-605.7	-238.8	-88.6	-38.8
Net non-operating income from financial instruments at fair value through profit or loss	-34.2	37.4	-6.0	0.1
Net non-operating income from other financial instruments	-409.0	31.0	-8.8	78.9
Net realized gains on other financial instruments and land and buildings (investment properties)	243.8	412.3	149.5	166.5
Net impairment losses on other financial instruments and land and buildings (investment properties)	-652.8	-381.3	-158.3	-87.6
Net other non-operating expenses	-162.4	-307.2	-73.8	-117.7
Earnings before taxes - non-life segment	954.9	889.4	268.0	207.0

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

(€ million)	31/12/2011	Non motor			Total	
		Motor	Personal	Commercial/Industrial Accident/Health ^(*)		
Italy		3,264.2	860.6	1,917.2	1,313.4	7,355.5
France		1,112.5	1,439.1	756.7	476.8	3,785.1
Germany ^(*)		1,092.9	1,211.1	282.3	472.2	3,058.5
Central and Eastern Europe		1,010.6	347.8	553.0	309.1	2,220.4
Rest of Europe		1,553.7	992.8	976.8	650.2	4,173.5
of which Spain		367.8	387.2	412.6	170.8	1,338.4
of which Austria ^(*)		526.3	310.9	344.6	143.7	1,325.4
of which Switzerland		315.6	186.7	3.2	150.3	655.8
Rest of World		871.7	56.1	456.9	114.5	1,499.2
Total		8,905.7	4,907.5	4,942.7	3,336.3	22,092.3

(*) The Accident/Health business premiums, managed according to the criteria of the life business, are taken into account in the life segment.

(€ million)	31/12/2010	Non motor			Total	
		Motor	Personal	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	1,053.9	613.2	4,057.7
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
Rest of World		781.0	50.0	363.2	72.1	1,266.3
Total		8,720.3	4,643.5	4,903.3	3,249.1	21,516.2

(*) The Accident/Health business premiums, managed according to the criteria of the life business, are taken into account in the life segment.

Financial position of the non-life segment

Investments

(€ million)	31/12/2011		30/09/2011		31/12/2010	
	Total book value	% of total	Total book value	% of total	Total book value	% of total
Equity instruments^(*)	3,218.2	9.2	3,460.4	9.8	4,000.4	11.0
Available for sale financial assets	2,962.5	8.5	3,203.0	9.1	3,689.0	10.1
Financial assets at fair value through profit or loss	255.7	0.7	257.3	0.7	311.4	0.9
Fixed income instruments^(**)	22,193.6	63.5	23,039.6	65.2	21,876.6	60.1
Bonds	19,193.4	54.9	20,307.7	58.1	19,230.4	52.8
Other fixed income instruments ^(***)	3,000.2	8.6	2,731.8	7.7	2,646.2	7.3
Held to maturity investments	171.0	0.5	200.6	0.6	214.0	0.6
Loans	4,477.4	12.8	4,296.2	12.2	4,405.5	12.1
Available for sale financial assets	17,054.1	48.8	18,060.0	51.1	16,573.9	45.5
Financial assets at fair value through profit or loss	491.1	1.4	482.8	1.4	683.1	1.9
Land and buildings (investment properties)^(****)	5,473.9	15.7	5,533.7	15.7	6,387.8	17.5
Other investments	623.8	1.8	826.6	2.3	960.4	2.6
Investments in subsidiaries, associated companies and joint ventures	580.7	1.7	783.1	2.2	907.9	2.5
Derivatives ^(*****)	1.6	0.0	-15.3	0.0	15.3	0.0
Receivables from banks or customers	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	41.5	0.1	58.7	0.2	37.2	0.1
Cash and cash equivalents^(*****)	3,456.6	9.9	2,469.9	7.0	3,183.7	8.7
Total^(*****)	34,966.0	100.0	35,330.1	100.0	36,408.9	100.0

(*) Investment fund units amounted to € 551.2 million (€ 607.8 million at 30 September 2011 and € 635.6 million at 31 December 2010).

(**) Investment fund units amounted to € 561.5 million (€ 571.3 million at 30 September 2011 and € 524.3 million at 31 December 2010).

(***) Investment fund units amounted to € 160.8 million (€ 167.8 million at 30 September 2011 and € 161.6 million at 31 December 2010).

(****) Taking into account derivative instruments booked as liabilities which amount to € 56.8 million (€ 73.8 million at 30 September 2011 and € 28.6 million at 31 December 2010).

(*****¹) Taking into account Reverse REPO which amount to € 141.3 million (€ 228.7 million at 30 September 2011 and € 317.7 million at 31 December 2010) and REPO which amount to € 0 million (€ 9.0 million at 30 September 2011 and € 7.8 million at 31 December 2010).

(*****²) Taking into account derivative instruments booked as liabilities and REPO.

Return on investments and harvesting rate - non-life segment¹⁶

(%)	Current return		Harvesting rate		P&L return		Comprehensive return	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Fixed income instruments	3.9	3.8	-0.9	0.8	3.0	4.6	1.2	3.2
Equities and equity-like investments	2.8	2.6	-6.0	-0.2	-3.2	2.4	-7.9	0.8
Real estate investments	8.6	8.7	2.5	2.3	11.1	11.0	11.1	11.2
Other investments	1.9	2.9	1.6	-1.0	3.5	1.9	3.5	1.9
Total investments	4.3	4.4	-0.7	0.7	3.8	5.3	2.2	4.3

Total investments in the non-life segment went from € 36,408.9 million at 31 December 2010 to € 34,966.0 million (down 4.0%).

This reduction is conditioned by the financial context which, in particular in the third quarter of the year, was characterized by a sharp decline in the value of the equity investments which, at the end of 2011 amounted to € 3,218.2 million (€ 4,000.4 million at 31 December 2010).

Moreover, the prosecution of the reallocation policy of the real estate investment to the life segment resulted in the reduction of this asset class, which went from € 6,387.8 million at 31 December 2010 to € 5,473.9 million.

Moreover, as part of the bond portfolio investment strategy, taking into consideration the sharp decline in the value of the portfolios determined by the tensions stressed in the last quarter of the year, the Group continued to invest in this asset class, favouring the diversification of risks and issuers, thus maintaining this investments stable at € 22,193.6 million (21,876.6 million at 31 December 2010). Lastly, with reference to the corporate bonds, short deadlines are preferred medium, thus benefiting from a lower capital absorption.

The Group also increased the weight of their investments in liquidity instruments, which increased from € 3,183.7 million to € 3,456.6 million.

The undertaken investment strategy thus determined an increase of the weight of cash and cash equivalents to 9.9% (8.7% at 31 December 2010) and of the fixed-income investments to 63.5% (60.1% at 31 December 2010) whereas the exposure to both equities, which fell from 11.0% at 31 December 2010 to 9.2%, and the real estate, which weight of which declined to 15.7% (17.5% at 31 December 2010).

With reference to the composition of the bond portfolio, the Group continued to invest in government bonds, the exposure to which rose from 49.0% at 31 December 2010 to 50.2%, whereas the weight of the corporate bonds decreased to 49.8% (51.0% at 31 December 2010). Finally, the portfolio's average duration remained virtually stable at 4.4 years at 31 December 2011.

While the current return on total investments in the non-life segment remained substantially stable compared to 31 December 2010 at 4.3%, there was a deterioration in the contribution to the result of the period of harvesting operations, which amounted to -0.7% (0.7% at 31 December 2010) due to the greater impairment losses recognized on Greek bonds and the decrease in net realized gains earned by the Group in this segment.

The comprehensive return, which includes in addition to the current return the changes in value of the period through both profit or loss and equity, amounted to 2.2% (4.3% at 31 December 2010) due to the decline in value of equity and bond portfolios recognized in particular in equity in the second half of the current year.

With reference to the **bond portfolio**, thanks to the investment activity aimed to sustain an adequate level of portfolio liquidity ensuring, at the same time, adequate coupon returns, the current return remained substantially stable at 3.9% (3.8% at 31 December 2010). By contrast, the contribution of the harvesting rate was negative, going from

¹⁶ The return on investments and harvesting rate are calculated on yearly basis.

0.8% at 31 December 2010 to -0.9%, due mostly to the increase in impairment losses, which were mainly related to Greek sovereign bonds and the decline in the Group's net realized gains.

Also the comprehensive return on the bond portfolio, which includes current return and changes in value of the period recognized through profit or loss and equity, declined to 1.2% (3.2% at 31 December 2010). The above performance was affected by the decline in value of the bond portfolio recognized in equity for both corporate bonds, especially in the third quarter due to the widening of spreads, and the government bonds, chiefly in the fourth quarter of the year owing to the intensification of the crisis involving the bonds of the countries of the Euro Area with a high public sector debt, and Italian bonds in particular.

The current return of the **equity portfolio** also increased, rising from 2.6% at 31 December 2010 to 2.8%, whereas there was a decrease in the contribution to the result of the period due to harvesting operations, which amounted to -6.0% (-0.2% at 31 December 2010), owing to the deterioration of all components of the index, and in particular the decline in net realized gains earned due to the bear stock market performance, particularly in the third quarter of the year. There was also a decrease in the comprehensive return, which includes in addition to the current return but also the changes in value of the period recognized through both profit or loss and equity, to -7.9% (0.8% at 31 December 2010), owing to the considerable decline in equity prices in the third quarter, only partially offset by the recovery witnessed in the fourth quarter of 2011.

The contribution of current return of **real estate investments** to the result of the period remained substantially stable at 8.6% (8.7% at 31 December 2010). Finally, the return from realized gains, net of depreciation and impairment losses for the period (harvesting rate), was mainly stable, amounting to 2.5%.

(€ million)	31/12/2011	30/09/2011	31/12/2010
Total investments - non-life segment	34,966.0	35,330.1	36,408.9
Italy	11,464.6	11,480.7	12,379.7
France	5,240.4	5,282.6	5,257.6
Germany	5,417.3	5,655.1	5,815.0
Central and Eastern Europe	3,273.0	3,331.5	3,364.9
Rest of Europe	8,108.7	8,195.3	8,172.0
of which Spain	1,737.0	1,729.5	1,897.1
of which Austria	2,655.7	2,689.7	2,606.3
of which Switzerland	1,297.8	1,262.5	1,257.6
Rest of World	1,462.0	1,384.8	1,419.8

Insurance provisions – non-life segment

(€ million)	31/12/2011	30/09/2011	31/12/2010
Insurance provisions - non-life segment	30,603.5	30,760.9	30,235.8
Provisions for unearned premiums	5,661.0	5,617.3	5,450.4
Provisions for outstanding claims	24,560.3	24,760.1	24,413.7
Other insurance provisions	382.2	383.5	371.7
Reservation ratio - non-life segment	146.4%	n.a.	148.8%

(€ million)	31/12/2011			31/12/2010		
	Motor	Non Motor	Total	Motor	Non Motor	Total
Insurance provisions - non-life segment	13,602.0	17,001.5	30,603.5	13,475.3	16,760.5	30,235.8
of which Italy	4,910.0	6,862.2	11,772.2	4,938.8	6,909.6	11,848.4
of which France	2,165.4	3,306.3	5,471.7	2,073.8	3,140.1	5,213.9
of which Germany	1,796.5	2,285.1	4,081.6	1,805.9	2,278.0	4,083.9
of which Central and Eastern Europe	1,202.7	838.4	2,041.1	1,219.2	781.5	2,000.7

Financial segment

- Third parties AUM: 88,207.2 million (up 3.4% on equivalent terms compared to 31 December 2010)
- Operating result: € 341.7 million (down 3.3%)

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 2011, assets managed by banks and asset management companies amounted to € 424.433,0 million (432,043.1 million at 31 December 2010), of which third-party assets amounted to € 88,207.2 million (92,980.1 million at 31 December 2010). The figure is influenced by the change of the consolidation area that affected mainly the Mexican perimeter. On equivalent consolidation area the assets managed on behalf of third parties increased of 3.4% compared to 31 December 2010.

Business performance of the financial segment

Operating result

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Operating result - financial segment	341.7	353.6	62.8	76.5
Net operating result from financial activities	1,295.5	1,281.5	309.5	329.1
Acquisition and administration costs	-915.3	-900.0	-224.3	-240.4
Net other operating expenses	-38.5	-28.0	-22.4	-12.3

The **operating result** of the financial segment went from € 353.6 million at 31 December 2010 to € 341.7 million, influenced in particular by lower net commissions due to the financial market performance.

A positive performance was also reported by the net investment result, defined as the intermediation margin, net of operating impairment losses on financial instruments, owing in particular to the increase in the intermediation margin, which comprises the sum of net fee and commission income, net interest income and other financial items. Despite the reduction in realized gains and net performance commissions related to the current financial market situation, the development was due to the increase in dividends and net interest income, which benefited from the rise in market rates. The increase in operating expenses was primarily due to the BSI Group's ongoing development programmes in the Far East, the cost of which amounted to € 75.7 million at 31 December 2011 (€ 55.2 million at 31 December 2010), owing to the increase in the asset managed in this area, which amount to € 5,682.8 million at 31 December 2011.

Finally, the cost income ratio went from 70.5% at 31 December 2010 to 73.2% as a result of the asset managed development.

Non-operating result

The **non-operating result** of the financial segment went from € -59.0 million at 31 December 2010 to € 15.7 million. This improvement was essentially attributable to the realized gain on the sale by BSI group of its controlling interest in the service provider B-Source SA, a Swiss company specialized in back-office and IT services to the banking sector.

Operating result – financial segment

(€ million)	31/12/2011	31/12/2010	Fourth quarter 2011	Fourth quarter 2010
Operating result - financial segment	341.7	353.6	62.8	76.5
Net operating result from financial activities	1,295.5	1,281.5	309.5	329.1
Intermediation margin	1,302.7	1,316.6	309.0	340.7
Net interest income	335.0	303.0	87.5	71.8
Dividends and other income	107.7	92.4	14.6	21.5
Fee and commission income and income from financial service activities	859.3	894.0	202.1	243.1
Other net income from financial instruments at fair value through profit or loss	-2.9	8.5	2.7	-0.5
Net operating gains on other financial instruments	3.6	18.7	2.1	4.8
Net operating impairment losses on other financial instruments	-7.2	-35.1	0.5	-11.6
Acquisition and administration costs	-915.3	-900.0	-224.3	-240.4
Net other operating expenses	-38.5	-28.0	-22.4	-12.3
Non-operating result - financial segment	15.7	-59.0	-19.0	-11.1
Non-operating income from investments	80.7	-2.6	4.4	-1.7
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	79.2	-2.3	-1.7	-1.7
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	1.4	-0.3	6.1	0.0
Net other non-operating expenses	-64.9	-56.5	-23.4	-9.5
Earnings before taxes - financial segment	357.5	294.5	43.8	65.3

Financial position of the financial segment

Investments

(€ million)	31/12/2011		30/09/2011		31/12/2010	
	Total book value	% of total	Total book value	% of total	Total book value	% of total
Equity instruments^(*)	465.1	1.7	522.6	2.0	423.6	1.9
Available for sale financial assets	308.0	1.1	358.7	1.3	261.8	1.2
Financial assets at fair value through profit or loss	157.1	0.6	163.9	0.6	161.9	0.7
Fixed income instruments^(**)	13,038.3	48.0	11,976.3	44.9	11,972.2	52.8
Bonds	6,518.4	24.0	5,878.6	22.0	5,895.8	26.0
Other fixed income instruments ^(***)	6,520.0	24.0	6,097.8	22.8	6,076.3	26.8
Held to maturity investments	1,415.7	5.2	546.2	2.0	608.1	2.7
Loans	7,358.6	27.1	6,998.3	26.2	7,087.6	31.3
Available for sale financial assets	3,437.3	12.6	3,573.6	13.4	3,572.8	15.8
Financial assets at fair value through profit or loss	826.6	3.0	858.2	3.2	703.6	3.1
Land and buildings (investment properties)^(****)	24.3	0.1	24.4	0.1	24.5	0.1
Other investments	9,124.6	33.6	9,718.6	36.4	7,553.2	33.3
Investments in subsidiaries, associated companies and joint ventures	97.1	0.4	92.6	0.3	41.9	0.2
Derivatives ^(*****)	18.1	0.1	79.0	0.3	-76.4	-0.3
Receivables from banks or customers	8,858.6	32.6	9,442.8	35.4	7,486.5	33.0
Other investments	150.7	0.6	104.2	0.4	101.2	0.4
Cash and cash equivalents^(*****)	4,538.9	16.7	4,449.3	16.7	2,698.7	11.9
Total^(*****)	27,191.2	100.0	26,691.2	100.0	22,672.2	100.0

(*) Investment fund units amounted to € 73.2 million (€ 14.7 million at 30 September 2011 and € 17.3 million at 31 December 2010).

(**) Investment fund units amounted to € 42.1 million (€ 35.9 million at 30 September 2011 and € 41 million at 31 December 2010).

(***) Taking into account derivative instruments booked as liabilities which amount to € 1,085.1 million (€ 1,447.9 million at 30 September 2011 and € 914.5 million at 31 December 2010).

(****) Taking into account Reverse REPO which amount to € 1.2 million (€ 3.9 million at 30 September 2011 and € 281.1 million at 31 December 2010) and REPO which amount to € 755.3 million (€ 722.1 million at 30 September 2011 and € 850.3 million at 31 December 2010).

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

Corporate social responsibility

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. Data were calculated in accordance with homogeneous criteria for both years reported: 2010 data may sometimes differ from data published last year.

More detailed information will be given in the Sustainability report 2011, which will be published in May 2012.

Global Added Value

In 2011 the Group's activities have generated wealth, expressed by Global Added Value (GAV), 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)	31/12/2011	31/12/2010	Change
Global Added Value	12,737.2	13,632.7	-6.6%
Group	545.5	1,003.1	-45.6%
Shareholders	607.2	1,015.2	-40.2%
Employees	4,264.8	4,144.3	2.9%
Agents and financial advisors	5,365.7	5,318.2	0.9%
State	651.8	869.3	-25.0%
Lenders	1,253.1	1,237.1	1.3%
Community	49.1	45.5	7.9%

In 2011 Global Added Value decreased by 6.6% compared to the previous year. The reduction is mainly due to the reduction in the result of the period that caused lower allocations to the Group, shareholders and the State. The shares distributed to employees, agents and financial advisors continued to be dominant (75.6% of GAV) and slightly increased. Despite a difficult international economic context, allocations to community-benefit initiatives also increased.

Social issues

Employees

(number)	31/12/2011	31/12/2010	Change
Total	81,997	85,368	-3.9%
Italy	16,980	17,021	-0.2%
France	8,866	8,852	0.2%
Germany	15,117	15,266	-1.0%
Central and Eastern Europe	13,545	14,464	-6.4%
Rest of Europe	14,718	15,329	-4.0%
of which Spain	2,558	2,541	0.7%
of which Austria	4,988	5,052	-1.3%
of which Switzerland	3,741	4,418	-15.3%
Rest of World	12,771	14,436	-11.5%

The table includes only the number of employees of the entities consolidated on a line-by-line basis, that decreased by 3.9% in 2011. This reduction derived from a decrease in Central and Eastern Europe and the Rest of the world, caused by the sale of an Ukrainian company and a Mexican one. The decrease in Switzerland is rather due to the exclusion of sale of B-Source from the consolidation scope, following the sale of majority stake during the year. This transaction did not cause job losses in the company, the services of which continue to be used by the Group that keeps a 49% stake.

Per capita training

(hours)	31/12/2011	31/12/2010	Change
Total	40.1	41.1	-2.5%
Italy	41.0	41.0	0.0%
France	32.9	34.3	-4.0%
Germany	40.4	37.9	6.5%
Central and Eastern Europe	19.2	19.3	-0.3%
Rest of Europe	37.8	35.1	7.7%
of which Spain	42.5	42.8	-0.9%
of which Austria	34.9	38.3	-9.1%
of which Switzerland	31.5	28.1	11.9%
Rest of World	49.9	53.3	-6.5%

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

In 2011 the number of per capita training hours provided to employees and non-employee network personnel used

by Group companies to distribute their products totally decreased by 2.5%. The slight decrease, i.e. one per capita training hour, was the result of diverging trends in various countries: while there were no significant changes in Italy, Central and Eastern Europe and Spain, the number of per capita training hours decreased in France, Austria, where an extensive training programme for new managers was concluded, and the Rest of the world and expanded in Germany and Switzerland, where new courses were offered and distributed to employees. The reduction in per capita training hours is mainly due to an increase in the use of e-learning courses that last less than classroom ones.

Allocations to community-benefit initiatives

(€ million)	31/12/2011	31/12/2010	Change
Total	49.1	45.5	7.9%
Italy	19.9	16.4	21.3%
France	1.8	2.4	-23.7%
Germany	8.7	9.6	-9.1%
Central and Eastern Europe	6.0	5.2	15.2%
Rest of Europe	10.1	8.7	16.0%
of which Spain	0.4	0.3	25.0%
of which Austria	5.5	3.6	51.5%
of which Switzerland	3.1	3.1	-1.3%
Rest of World	2.6	3.2	-17.5%

The Group allocated more than € 49 million to community-benefit initiatives, up 7.9% compared to 2010. 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. It is of great importance: despite a difficult international economic context, the amount for initiatives with philanthropic aims, that represents 32.2% of the total (29.7% in 2010), showed a higher increase. Sports commercial sponsorships also increased, mainly in Austria and Italy. After significant donations in recent years following the earthquake that severely hit the Sichuan province in China in 2008, the Rest of the world returned to its normal levels of allocations to community-benefit initiatives, thus showing a decrease.

Environmental issues

Group Environmental Management System

The environmental performances measured on the basis of the Group Environmental Management System are hereinbelow reported. Specifically, the main indicators for which the Group has set specific objectives and targets for environmental improvement in the annual monitoring are presented in the following tables.

Per capita electrical energy consumption

(kWh)	31/12/2011		31/12/2010		Change
		Renewable sources quota(%)		Renewable sources quota(%)	
Total	4,830.7	69.0	5,191.6	56.9	-7.0%
Italy	6,235.1	77.4	6,745.5	35.2	-7.6%
France	4,608.4	12.9	5,123.7	15.0	-10.1%
Germany	4,407.0	100.0	4,867.1	100.0	-9.5%
Spain	6,094.0	34.0	6,999.8	27.9	-12.9%
Austria	2,268.1	83.0	2,098.3	83.0	8.1%
Switzerland	7,572.8	47.2	7,434.6	48.0	1.9%

The Group's objective to limit impacts on the environment from electrical energy consumption is pursued by reducing per capita consumption and by introducing an increasing quota of electrical energy from renewable sources.

The Group obtained 69.0% of the electrical energy consumed during the year (56.9% in 2010) from **renewable sources**. In Germany the TÜV SÜD certification entity attests that all of the electrical energy used comes from a hydroelectric source, whereas in Italy the electrical energy consumption in the premises in Mogliano Veneto and Via Bissolati in Rome, that totalled 26.5 GWh, is offset by the Renewable Energy Certificate System (RECS). Such certificates represent an international voluntary certification system with the aim of promoting and developing a renewable electricity market.

In 2011, a total of 154.4 GWh of electrical energy was consumed (down 4.5% compared to 2010), primarily used for lighting, powering machinery, air conditioning and, in some countries, also heating. 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, decreased in almost all countries, except Austria and Switzerland. Per capita consumption in Italy and Germany was slightly overestimated due to consumption for data processing centres which marginally operate also on behalf of Group companies in other countries. The positive decrease in France and Spain is mainly due to favorable weather conditions, that allowed to reduce the use of electrical energy used also for heating. The reduction in consumption in Italy results also from the Programmable Logic Controller (PLC), a new system installed in Mogliano Veneto that enables to automatically manage heating and lighting. Per capita consumption decreased in Germany, as a consequence of the increase in the number of employees in the buildings monitored. The increase in consumption in Austria is mainly due to the enhancement of the centralized printing centre and to the back-up of information on a new hardware installed in the data centre.

Total paper consumption

(quintals)	31/12/2011	31/12/2010	Change
Total	71,313.8	71,287.9	0.0%
Italy	30,523.9	29,886.4	2.1%
France	10,110.0	10,621.0	-4.8%
Germany	16,246.2	15,098.6	7.6%
Spain	5,741.0	6,362.9	-9.8%
Austria	3,078.6	3,566.0	-13.7%
Switzerland	5,614.0	5,753.0	-2.4%

As for paper, the Group has also two objectives, i.e. a reduction in total paper consumption and an increase in the quota of **environmentally friendly paper** in its total consumption. In 2011 the environmentally friendly paper reached 65.8%, showing a positive increase compared to 47.5% in 2010.

In 2011, the Group consumed a total of 71,313.8 quintals of paper, 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.. Almost all countries, except Germany and Italy, reduced their consumption thanks to specific measures. Specifically, the positive results in Austria and France are due to the reduction in the number of printers and to new initiatives of replacement of paper communications to clients and sales force with electronic ones. After the large increase in 2010 caused by the merger of Estrella Seguros and Vitalicio Seguros into Generali España, Spain returned to its normal levels of consumption, thus showing a decrease; also centralized printers contributed to the curb of consumption. The increase noted in Italy is due to the application of new regulations by national insurance authority that have led to an increase in printed paper, only partially offset by the decrease in consumption of white paper.

Per capita water consumption

(m ³)	31/12/2011	31/12/2010	Change
Total	18.8	20.6	-8.7%
Italy	39.8	45.8	-13.1%
France	10.7	10.8	-1.3%
Germany	12.4	13.4	-8.0%
Spain	17.2	17.3	-0.9%
Austria	9.0	9.2	-2.4%
Switzerland	25.5	24.0	6.1%

In 2011, water consumption amounted to 581,488.2 m³, down by 6.3% compared to the previous year. In general, the reduction was achieved in almost all countries, except Switzerland, where the increase is due to a higher use of water for the cooling system of the data processing centre. Awareness initiatives among employees and favourable weather conditions in Germany, which allowed a lower use of air conditioning systems, contributed to the decrease in consumption. In 2011 the consumption in Italy returned to its normal level after losses in the water mains in certain sites in 2010.

During the period considered, in the countries included in the System **waste** totalled 74,344.1 quintals (down 6.6% compared to 2010), of which 56,061.3 quintals are separately collected and 18,282.8 quintals are incinerated or delivered to dumps.

Selective collection applies to paper and cardboard, plastic, glass, aluminium and other metals, wood, wet, spent oil, sanitary waste, hazardous waste, IT waste and toner, which collectively represent 75.4% of all waste generated, whereas the remaining 24.6% is incinerated or delivered to dumps.

The majority of the waste collected using separate methods consists of paper and cardboard (50.9%), selectively collected in all countries in order to be recycled. In Austria and Germany there is an extremely high level of selective collection of these materials, thanks to the very convincing regulations in effect in these countries, which aim to avoid wasting resources.

With regard to **greenhouse gas emissions** (GHG) due to direct or indirect consumption of energy, estimates were prepared of emissions deriving from natural gas and diesel oil for heating, electrical energy purchased, district heating and corporate mobility, where the latter is understood to include kilometres travelled by car, train and airplane by employees during business trips.

In 2011 total greenhouse gas emissions, i.e. carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄), amounted

to 92,273.3 tonnes of carbon dioxide equivalent (CO₂e), obtained by converting the quantities of N₂O and CH₄ (down 5.6% compared to 2010). Such emissions derive 49.1% from the consumption of electrical energy, 13.3% from thermal energy and 37.6% from corporate mobility.

The GHG emissions are given below, grouped together into three different scopes adopting the Greenhouse Gas Protocol approach.

Scope 1 – It includes direct emissions produced by heating system and corporate fleet of cars, estimated at 18,215.6 tonnes of CO₂e (down 10.5% compared to 2010). Specifically, emissions from energy consumption of natural gas and diesel fuel were estimated at 5,591.0 tonnes of CO₂e, and emissions directly produced by the corporate fleet were estimated at 12,624.6 tonnes of CO₂e.

Scope 2 – Indirect emissions from energy consumption, associated with the use of electrical energy and district heating, were totally estimated at 51,944.4 tonnes of CO₂e (down 5.9% compared to 2010). Specifically, emissions from the consumption of electrical energy purchased by Group companies in 2011, that totally amounted to 154.4 GWh, were estimated at 45,291.9 tonnes of CO₂e. Emissions due to the consumption of 47.8 GWh of energy from district heating were estimated at 6,652.5 tonnes of CO₂e.

Scope 3 – It includes emissions produced during work journeys by employees. They totalled 22,113.3 tonnes of CO₂e (down 0.4% compared to 2010), of which 13,134.6 tonnes of CO₂e from car trips, 8,318.0 tonnes of CO₂e from air trips and 660.7 tonnes of CO₂e from train trips. The low emissions from train trips mainly result from the choice of carbon neutral train trips in Germany¹⁷.

¹⁷ 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 corporate mobility.

Significant events after 31 December 2011

Financial market tensions, and especially low interest rates and the widening of spreads on sovereign debt yields — the consequences of which included downgrades of several important Euro Area countries, including Italy — resulted in a revision of the ratings assigned to Assicurazioni Generali at the beginning of the year. In detail, in January the ratings agency S&P revised its rating, changing it from A+ to A, two notches above that of the Group's main country of operation, and confirmed the stable outlook for the Group, thanks to its ability to generate profits, reflecting solid business fundamentals and geographical diversification. On the same grounds, in February the agency Moody's also changed Assicurazioni Generali's rating from Aa3 to A1, with negative outlook.

Lastly, in the first few months of 2012 there has been a gradual improvement in equity market performances, as well as a considerable reduction in the spread between Italian government bonds and the German Bund, one consequence of which was a significant improvement in the Group's Solvency I ratio, which exceeded 130% at the end of February.

In order to increase the liquidity of the available capital, withdrawing from a market which, in the last few years, is no longer considered core for its development strategy, which focuses on geographical markets with high growth potential and low insurance penetration, such as Eastern Europe, Asia and Brazil, on 7th March 2012 the Generali Group signed an agreement to sell its participation in Migdal Insurance and Financial Holdings. The transaction, which effectiveness is subject to approvals by the competent Israeli authorities, should generate a capital gain of approximately € 103 million on a consolidated basis. As a consequence of the sale, the Solvency I ratio improves by approximately 2.4 percentage points.

On 8th March 2012 the proposal of Greece regarding its debt's restructuring has been successful, achieving the quorum provided for participation of private investors. The Generali Group complied with the plan, which provides, among other things, a write-down of 53.5% of the nominal value of the bonds covered by this restructuring plan.

Outlook for Generali Group

Following the recovery in global gross domestic product to pre-crisis levels reported in 2010, in 2011 the world economy experienced a renewed setback, owing in particular to volatility and uncertainty in financial markets due to the sovereign debt crisis involving several European countries. Expectations for 2012 call for a very gradual and uneven economic recovery in the Euro Area, driven, on the one hand, by severe restrictive fiscal policies and the gradual recapitalization of the banking sector with possible negative repercussions for the availability of credit, and, on the other, by all of the measures adopted to promote the functioning of the financial sector and low short-term interest rates supporting the economy. A contraction is expected in Italy, but even more solid economies such as Germany could be affected by weak internal demand. This trend will result in a significant slowdown in international trade. It will probably be necessary to wait until 2014 to see a return to significant GDP growth by Euro Area economies. An economic slowdown is also probable in the United States, which is affected by the weakness of the job market and difficulty in the real-estate sector, which is struggling to recover.

With reference to the financial markets, thanks to the measures taken by central banks in late 2011 and early 2012, tensions surrounding financing for the banking sector and Italian and Spanish government bonds have shown a decrease. In further detail, in February the European Central Bank completed an important financing operation for Euro Area banks with favourable terms, resulting in a significant increase in the liquidity of the sector. The ten-year spread between BTPs and German Bunds declined from 528 basis points at the end of 2011 to 310 basis points in March and the yield on ten-year BTPs fell back below 5%. Eurozone banking sector equity prices climbed 10% and all exchanges are in positive territory. However, although sovereign debt tensions and concerns regarding a possible abandonment of the euro seem to have relented, it is likely that markets will remain highly volatile due to the development of the situation in the countries of the Euro Area with a high public sector debt, Greece and Portugal in particular.

In the United States, in January the Federal Reserve announced that it intends to hold rates stable until 2014. The inflation target, set at 2%, was also presented.

In 2011 certain catastrophic natural events of considerable intensity took place (earthquakes in Japan and New Zealand, floods in Thailand and Australia and tornadoes and hurricanes in the U.S.), resulting in a decrease in the flexibility of reinsurance cover, with capacity offered selectively, sharp price increases in the areas affected by the aforementioned events and essentially stable prices in regions not affected by these phenomena. Accordingly, the Group, which has not traditionally had a significant presence in the countries directly affected, should not be subject in the near future to significant changes in the pricing of insurance programmes.

Given the financial and macroeconomic scenario described above, the **life segment** is expected to confirm the levels of written premiums of 2011, while preferring products that absorb less capital and with more value in terms of new business, thus resulting in stable technical margins. However, stabilization of the financial markets and a recovery of economic development are in fact an essential condition for the life business to resume a dynamic of growth. On the contrary, the **non-life segment** is expected to confirm the growth rates of the Group's written premiums observed in the year owing to the performance both of the Non-motor business and of the Motor line. If natural catastrophes are confirmed at physiological levels, overall technical margins may be expected to improve due to the maintenance of current levels of operating efficiency and the continuing effects of the tariff and claims management policies implemented by the Group.

The Group's **investment policy** will continue to be based on a prudent asset allocation focused on consolidating current return and reducing the capital absorbed. In the life segment, the investment strategy will be aimed at ensuring an asset allocation consistent with the technical reserve profile, while also pursuing an optimal risk/return profile and a financial return profile appropriate to each individual portfolio. In the non-life segment, the primary goal will remain to favour a reallocation of the risk capital from financial risks towards insurance risks, with the aim of improving the operating result by increasing the return on the invested capital. Lastly, the Group will continue to implement its aforementioned de-risking strategy.

On the basis of the scenario described above, which should result in a significant reduction in the exceptional components that in 2011 affected both the operating and the non-operating result, the life and the non-life segment operating results as well as the Group's net result are expected to increase.

Milan, 20 March 2012

THE BOARD
OF DIRECTORS



ACEA - Tor di Valle thermoelectric power station, Rome, Italy

Appendix to management report



Note on the management report

The Generali Group's consolidated financial statements at 31 December 2011 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, in order to provide the users of the annual report with a more complete financial and economic information, taking also in consideration the turmoil occurred in the last quarter of 2011, in this management report has considered appropriate for comparative purposes to report also the financial data as at 30 September 2011 and the economic data as of the fourth quarter of 2011 and 2010. These data are not audited. For their nature data related to 30 September, fourth quarter 2011 and fourth quarter 2010, are stated by using estimation processes that, even if do not affect their reliability, include an higher proxy level than those as at 30 December.

The Group at 31 December 2011 consists of 523 consolidated line by line and valued at equity entities (528 at 31 December 2010). In particular, entities consolidated line by line went from 490 to 478, and those valued at equity from 38 to 45.

This yearly report was drawn up in euro (the functional currency used by the entity that prepared 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 2011 are audited by PricewaterhouseCoopers, appointed independent auditors for 2006-2011. PricewaterhouseCoopers also certify that the information in the Management report are 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 which did not affect the statutory reserves to the extent they were not included in the deferred policyholders liability and those on shareholders' fund;
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 segment (*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 both the results of non-current assets or disposal group classified as held for sale as defined by IFRS 5 and run off business, the restructuring charges, the amortization of the value of business acquired directly or by securing control of companies operating in the 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 expenses on liabilities linked to the Group's financing activities¹⁸,
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.

Operating results of life and non-life segments are also 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.

¹⁸ 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:

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 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;
- within operating income, net other operating expenses are adjusted for operating taxes and for non-recurring taxes that affect in a relevant manner the operating income of the countries where the policyholders sharing is determined taking into account the taxes for the period. These adjustment are therefore taking part in the calculation of operating income and are excluded from the income taxes.

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 (excluded those from financial instruments related to linked contracts) and the the average investments (calculated on book value);
- 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 (excluded those from financial instruments related to linked contracts) and the the average investments (calculated on book value);
- for **comprehensive return** between current income and unrealized income and expenses accounted for both in profit and loss (excluded those from financial instruments related to linked contracts) and in shareholders' equity and the the average investments (calculated on book value).

The **profit and loss return** is equal to the current return plus the harvesting return gross of expenses on investments.

The **average investments (calculated on book value)** includes 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 and liabilities related to linked contracts, 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 or loss and for REPO classified as other liabilities. The average amount is calculated on the average asset base of each quarter of the reporting 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, the following changes compared to the balance sheet have been implemented, in order to be aligned with the calculation of the related returns:

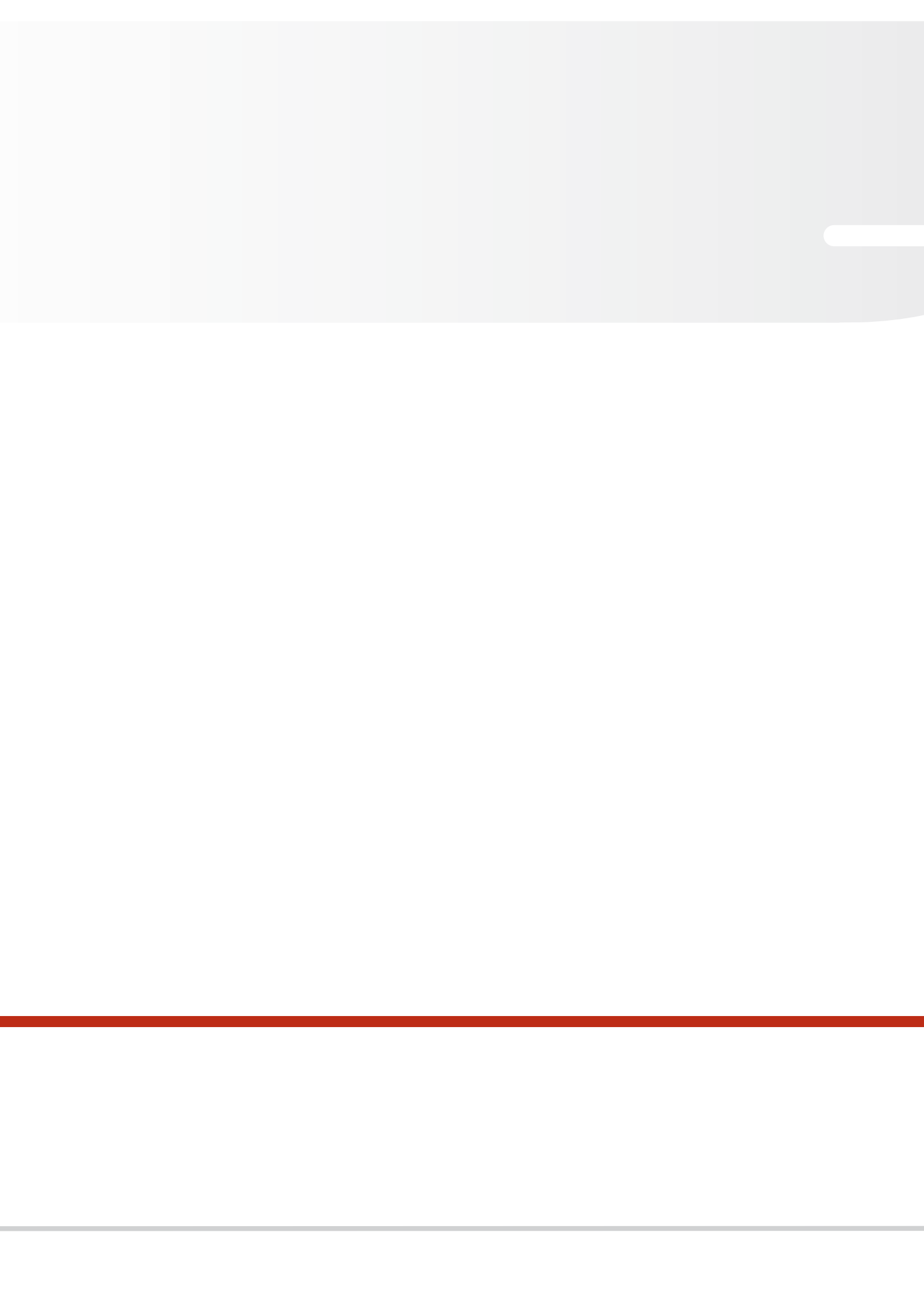
- derivatives are presented net of those classified as liabilities, and
- cash and cash equivalent are presented net of reverse REPO and REPO classified as liabilities.

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.





CITYLIFE – CityLife project, Milan, Italy

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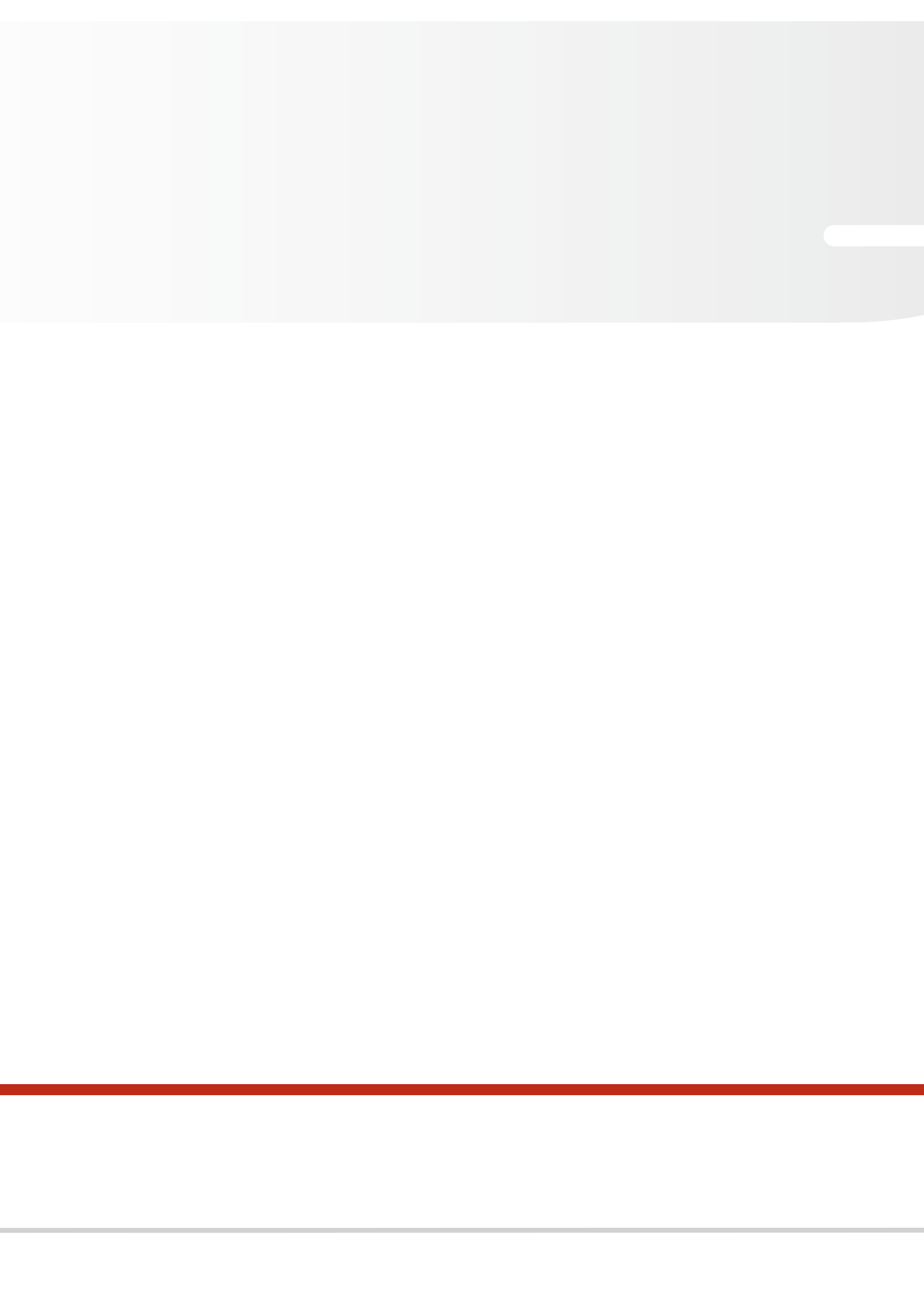
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OHL - Bicentenary viaduct, State of Mexico, Mexico

Consolidated financial statements



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

CONSOLIDATED STATEMENTS

Consolidated financial statements

at 31 December 2011

(Amounts in € million)

BALANCE SHEET - ASSETS

		31/12/2011	31/12/2010
1	INTANGIBLE ASSETS	10,433.8	10,670.4
1.1	Goodwill	7,394.4	7,415.4
1.2	Other intangible assets	3,039.4	3,255.1
2	TANGIBLE ASSETS	4,906.4	3,796.2
2.1	Land and buildings (self used)	3,071.6	3,211.7
2.2	Other tangible assets	1,834.8	584.5
3	AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	5,678.0	5,765.3
4	INVESTMENTS	346,655.5	364,315.6
4.1	Land and buildings (investment properties)	13,081.7	12,614.1
4.2	Investments in subsidiaries, associated companies and joint ventures	1,904.8	2,439.2
4.3	Held to maturity investments	5,293.3	4,544.9
4.4	Loans and receivables	77,090.3	79,208.9
4.5	Available for sale financial assets	175,649.1	188,928.5
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	73,636.2	76,580.0
		58,312.0	60,637.0
5	RECEIVABLES	11,255.1	11,468.0
5.1	Receivables arising out of direct insurance operations	8,196.0	8,643.1
5.2	Receivables arising out of reinsurance operations	1,010.8	889.1
5.3	Other receivables	2,048.2	1,935.9
6	OTHER ASSETS	18,568.5	15,424.2
6.1	Non-current assets or disposal groups classified as held for sale	148.0	198.2
6.2	Deferred acquisition costs	2,013.4	1,885.6
6.3	Deferred tax assets	6,843.1	3,596.3
6.4	Tax receivables	2,736.6	2,626.8
6.5	Other assets	6,827.5	7,117.3
7	CASH AND CASH EQUIVALENTS	25,559.9	10,990.3
	TOTAL ASSETS	423,057.2	422,430.1

BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

		31/12/2011	31/12/2010
1	SHAREHOLDERS' EQUITY	18,120.5	20,064.5
1.1	Shareholders' equity attributable to the Group	15,485.6	17,489.8
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	7,097.9	7,098.3
1.1.4	Revenue reserves and other reserves	8,153.6	7,289.1
1.1.5	(Own shares)	-403.4	-403.3
1.1.6	Reserve for currency translation differences	614.9	557.2
1.1.7	Reserve for unrealized gains and losses on available for sale financial assets	-2,155.5	-184.4
1.1.8	Reserve for other unrealized gains and losses through equity	-234.9	-125.8
1.1.9	Result of the period	856.1	1,701.9
1.2	Shareholders' equity attributable to minority interests	2,635.0	2,574.7
1.2.1	Share capital and reserves	2,404.2	2,170.3
1.2.2	Reserve for unrealized gains and losses through equity	-65.8	88.0
1.2.3	Result of the period	296.6	316.4
2	OTHER PROVISIONS	1,386.2	1,496.5
3	INSURANCE PROVISIONS	324,990.1	329,616.3
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	46,849.8	49,460.9
4	FINANCIAL LIABILITIES	59,133.4	53,894.4
4.1	Financial liabilities at fair value through profit or loss	14,539.3	13,692.7
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	11,340.2	11,206.1
4.2	Other financial liabilities	44,594.1	40,201.7
	of which subordinated liabilities	6,610.9	6,492.9
5	PAYABLES	7,607.0	7,650.0
5.1	Payables arising out of direct insurance operations	3,578.4	3,917.0
5.2	Payables arising out of reinsurance operations	725.3	691.7
5.3	Other payables	3,303.3	3,041.3
6	OTHER LIABILITIES	11,820.0	9,708.4
6.1	Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0.0	0.0
6.2	Deferred tax liabilities	5,949.2	3,753.3
6.3	Tax payables	1,339.1	1,607.1
6.4	Other liabilities	4,531.7	4,348.0
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	423,057.2	422,430.1

INCOME STATEMENT

		31/12/2011	31/12/2010
1.1	Net earned premiums	62,738.5	65,726.5
1.1.1	Gross earned premiums	65,666.2	68,400.3
1.1.2	Earned premiums ceded	-2,927.7	-2,673.8
1.2	Fee and commission income and income from financial service activities	1,414.3	1,324.2
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	-3,276.9	4,631.8
		-3,162.6	3,822.9
1.4	Income from subsidiaries, associated companies and joint ventures	403.8	110.2
1.5	Income from other financial instruments and land and buildings (investment properties)	17,357.5	16,157.2
1.5.1	Interest income	10,607.3	10,207.7
1.5.2	Other income	2,176.3	2,094.6
1.5.3	Realized gains	4,372.6	3,647.6
1.5.4	Unrealized gains and reversal of impairment losses	201.3	207.3
1.6	Other income	2,363.5	2,829.2
1	TOTAL INCOME	81,000.7	90,779.2
2.1	Net insurance benefits and claims	-55,036.5	-67,720.0
2.1.1	Claims paid and change in insurance provisions	-56,828.0	-69,541.0
2.1.2	Reinsurers' share	1,791.5	1,821.0
2.2	Fee and commission expenses and expenses from financial service activities	-480.9	-455.9
2.3	Expenses from subsidiaries, associated companies and joint ventures	-728.4	-23.9
2.4	Expenses from other financial instruments and land and buildings (investment properties)	-7,681.1	-4,034.7
2.4.1	Interest expense	-1,295.0	-1,237.1
2.4.2	Other expenses	-414.0	-382.9
2.4.3	Realized losses	-2,367.1	-1,305.0
2.4.4	Unrealized losses and impairment losses	-3,605.0	-1,109.8
2.5	Acquisition and administration costs	-11,984.0	-11,892.3
2.5.1	Commissions and other acquisition costs	-8,526.0	-8,423.9
2.5.2	Investment management expenses	-127.2	-208.6
2.5.3	Other administration costs	-3,330.8	-3,259.8
2.6	Other expenses	-3,285.2	-3,815.6
2	TOTAL EXPENSES	-79,196.1	-87,942.4
	EARNINGS BEFORE TAXES	1,804.6	2,836.8
3	Income taxes	-651.8	-869.3
	EARNINGS AFTER TAXES	1,152.8	1,967.5
4	RESULT OF DISCONTINUED OPERATIONS	-0.1	50.8
	CONSOLIDATED RESULT OF THE PERIOD	1,152.7	2,018.3
	Result of the period attributable to the Group	856.1	1,701.9
	Result of the period attributable to minority interests	296.6	316.4
	EARNINGS PER SHARE:		
	Earnings per share (in €)	0.56	1.10
	from continuing operation	0.56	1.10
	Diluted earnings per share (in €)	0.56	1.10
	from continuing operation	0.56	1.10

STATEMENT OF COMPREHENSIVE INCOME

	31/12/2011	31/12/2010
1 CONSOLIDATED RESULT OF THE PERIOD	1,152.7	2,018.3
2.1 Foreign currency translation differences	27.6	788.9
2.2 Net unrealized gains and losses on investments available for sale	-2,127.0	-938.6
2.3 Net unrealized gains and losses on cash flows hedging derivatives	-107.5	2.8
2.4 Net unrealized gains and losses on hedge of a net investment in foreign operations	0.5	-0.7
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
2 OTHER COMPREHENSIVE INCOME	-2,206.4	-147.5
3 TOTAL COMPREHENSIVE INCOME	-1,053.7	1,870.8
attributable to the Group	-1,166.4	1,452.3
attributable to minority interests	112.7	418.5

STATEMENT OF CHANGES IN EQUITY

		Amounts at 31/12/2009	Changes in amounts at 31/12/2009	Allocation	Transfer to profit and loss account
Shareholders' equity attributable to the Group	Share capital	1,556.9			
	Other equity instruments	0.0			
	Capital reserves	7,090.8		7.5	
	Revenue reserves and other reserves	6,602.4		686.7	
	(Own shares)	-403.5		0.2	
	Result of the period	1,309.1		936.3	
	Other comprehensive income	496.6	0.0	-163.2	-86.5
	Total shareholders' equity attributable to the group	16,652.3	0.0	1,467.5	-86.5
Shareholders' equity attributable to minority interests	Share capital and reserves	2,826.2		-658.5	
	Result of the period	457.3		-24.2	
	Other comprehensive income ^(*)	-11.5	0.0	186.5	-84.4
	Total shareholders' equity attributable to minority interests	3,272.0	0.0	-496.2	-84.4
Total		19,924.3	0.0	971.4	-170.9

^(*) "Other comprehensive income" includes € -27.6 million reported in the Balance Sheet item "1.2.1 Share capital and reserves" (€ 2.6 million at 31/12/2010, and € -120.2 million at 31/12/2009)

Other transfer	Amounts at 31/12/2010	Changes in amounts at 31/12/2010	Allocation	Transfer to profit and loss account	Other transfer	Amounts at 31/12/2011
	1,556.9		0.0		0.0	1,556.9
	0.0		0.0		0.0	0.0
	7,098.3		0.0		-0.3	7,097.9
	7,289.1		864.5			8,153.6
	-403.3		0.1		-0.2	-403.4
-543.5	1,701.9		-147.0		-698.8	856.1
0.0	247.0		-2,815.8	793.4		-1,775.5
-543.5	17,489.8	0.0	-2,098.2	793.4	-699.3	15,485.6
	2,167.7		264.0			2,431.7
-116.7	316.4		215.6		-235.4	296.6
0.0	90.6	0.0	-201.6	17.6	0.0	-93.4
-116.7	2,574.7	0.0	278.0	17.6	-235.4	2,635.0
-660.2	20,064.5	0.0	-1,820.2	811.0	-934.7	18,120.5

STATEMENT OF CASH FLOW (indirect method)

	31/12/2011	31/12/2010
Earnings before taxes	1,804.6	2,836.8
Changes in non-cash items	11,418.1	17,500.9
Change in the provisions for unearned premiums and for unexpired risks for non-life segment	247.4	31.2
Change in the provisions for outstanding claims and other insurance provisions for non-life segment	829.7	236.7
Change in the mathematical provisions and other insurance provisions for life segment	2,331.6	20,639.8
Change in deferred acquisition costs	-134.3	-107.1
Change in other provisions	70.1	-348.9
Other non-cash expenses and revenues arising out of financial instruments, investment properties and investments in subsidiaries, associated companies and joint ventures	7,896.5	-2,348.3
Other changes	177.0	-602.4
Change in receivables and payables from operating activities	-601.3	-65.8
Change in receivables and payables arising out of direct insurance and reinsurance operations	-745.8	175.8
Change in other receivables and payables	144.5	-241.6
Income taxes paid	-1,702.3	-743.8
Net cash flows from cash items related to investing or financing activities	1,937.8	5,256.2
Financial liabilities related to investment contracts	945.4	2,897.1
Payables to banks and customers	3,515.6	1,487.0
Loans and receivables from banks and customers	-1,161.8	-404.6
Other financial instruments at fair value through profit or loss	-1,361.4	1,276.6
CASH FLOW FROM OPERATING ACTIVITIES	12,856.9	24,784.3
Net cash flows from investment properties	-443.9	-379.3
Net cash flows from investments in subsidiaries, associated companies and joint ventures	26.5	-429.5
Net cash flows from loans and receivables	3,648.0	2,381.0
Net cash flows from held to maturity investments	-772.0	-1,130.6
Net cash flows from available for sale financial assets	1,984.2	-17,463.9
Net cash flows from tangible and intangible assets	-457.9	-456.1
Net cash flows from other investing activities	-797.1	-5,137.5
CASH FLOW FROM INVESTING ACTIVITIES	3,187.7	-22,615.8
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	-698.8	-543.1
Net cash flows from shareholders' equity attributable to minority interests	-235.8	-116.7
Net cash flows from subordinated liabilities and other similar liabilities	77.1	-346.7
Net cash flows from other financial liabilities	-700.9	-1,234.0
CASH FLOW FROM FINANCING ACTIVITIES	-1,558.4	-2,240.5
Effect of exchange rate changes on cash and cash equivalents	67.3	602.9
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD ^(*)	10,295.7	9,764.8
CHANGES IN CASH AND CASH EQUIVALENTS	14,553.5	530.9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD ^(**)	24,849.2	10,295.7

(*) Cash and cash equivalents at the beginning 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).

(**) Cash and cash equivalents at the end of the period include cash and cash equivalents (□25,559.9 million), liabilities to banks payables on demand (□413.7 million), bank overdrafts (□297.0 million).





STRABAG - Construction site of pumped storage hydropower plant, Vianden, Luxemburg

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 2011 is 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.

The consolidated financial statements at 31 December 2011 is 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 are restated compared to those presented in the financial statements at 31 December 2010 in order to harmonize them with data in this report.

Reclassifications are explained in the '*Changes in the presentation of consolidated financial statement*' of the Notes.

This yearly report is 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 2011, the consolidation area decrease from 528 to 523 companies, of which 478 are subsidiaries consolidated line by line and 45 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 is translated into euro based on the exchange rates at the end of the year.

Instead, the profit and loss account items are 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 are 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 (€)	
	31/12/2011	31/12/2010
US dollar	1.2982	1.3416
Swiss franc	1.2139	1.2505
British pound	0.8353	0.8569
Israeli shekel	4.9638	4.7511
Argentine peso	5.5873	5.3287
Czech koruna	25.5030	25.0900

Exchange rates of the income statement

Currency	Average exchange rate (€)	
	31/12/2011	31/12/2010
US dollar	1.3922	1.3269
Swiss franc	1.2334	1.3822
British pound	0.8678	0.8584
Israeli shekel	4.9770	4.9506
Argentine peso	5.7465	5.1898
Czech koruna	24.5828	25.2926

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 31st 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 acquisition method. The acquisition cost is represented by the sum of the price transferred, the fair value of non-controlling interests as well as, in a business combination achieved in stages, the fair value of the acquirer's previously held equity interests in the acquiree. The assets acquired and liabilities assumed in a business combination are initially recognized at acquisition current value. The excess of the acquisition cost over the net value of the identifiable assets acquired and liabilities assumed is accounted for as goodwill. In the case of the acquisition is lower than the net value of assets acquired and liabilities, the difference is recognised in the profit and loss account.

Based on the IAS 27, 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 1st of January 2011 new principles and amendments shall be applied. Following the most relevant changes for the Group are described.

IAS 24 – Related Party Disclosures

On 4 November 2009 the IASB issued a revised version of IAS 24 Related party disclosures, approved by UE Regulation 632/2010.

The revised standard, differing for the previous principle, explicitly states that the subsidiaries of the associates and joint ventures with which there is a relationship of joint control or significant influence are related parties of the parent reporting entity, whether subsidiaries, associates or joint ventures.

The revised standard, differing for the previous principle, explicitly states that the subsidiaries of the associates and joint ventures are related parties of the parent reporting entity.

With reference to persons or close members of their family, in order to prioritize the substance of the relationship over form, the revised definition of related party eliminated the reference to significant voting rights and changed it with concept of significant influence over the reporting entity or over the related party.

Furthermore the IASB amended not relevant part of IFRS 1 First-time adoption of international financial reporting standards, IAS 1 Presentation of financial statements, IAS 34 Interim financial reporting and IFRS 7 Financial instruments: disclosures as part of annual improvements 2010. The annual improvements project provides a vehicle for making non-urgent but necessary amendments to IFRSs, not included in any specific project. These amendments had been endorsed with UE regulation 149/2011.

In addition, starting from 1st January 2011 also the amendments to IFRIC 14 Payment in advance for a minimum funding requirement, approved by the EU Regulation 633/2011 take effect. Although these changes too are not relevant for the Group.

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 and 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 sum of future benefits not separately identifiable in a business combination. At the acquisition date, the goodwill is equal to the excess between the sum of the price transferred and the fair value of non-controlling interests as well as, in a business combination achieved in stages, the fair value of the acquirers' previously held equity instruments by the purchaser and the net value of assets and liabilities acquired separately identifiable.

After initial recognition, goodwill is measured at cost less any impairment losses and it is no longer amortised. According to IAS 36, goodwill is not subject to amortization. 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. Any impairment is equal to the difference, if negative, between the carrying amount and the recoverable amount, which is the higher between 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 a variant of the Cash flow method. In particular the Dividend Discount Model, in the excess capital methodology, states that the economic value of an 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 or conservative or prudential assumptions covering a maximum period of five years. Cash flow projections for a period longer than five years are extrapolated using estimated among others growth rates. The discount rates reflect the free risk rate, adjusted to take into account specific risks.

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

For further details see paragraph 1.1 – *Goodwill* in the section *Notes to the balance sheet*.

1.2 – Other intangible assets

Intangible assets with finite useful life are measured at acquisition or production 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 subject to amortization. They are periodically tested for impairment.

1.2.1 – Contractual relations with customers - insurance contracts acquired in a business combination or portfolio transfer

In case of acquisition of life and non-life insurance contract portfolios 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 a yearly basis to assess its reliability and, if applicable, 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 life and non-life 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 accordance with IAS 16, this item includes land and buildings used for own activities.

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, which determine an increase in value, in the functionality or in the expected useful life of the asset, 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, furniture and property inventories are classified in this item as property inventory. 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 this Consolidated financial statement.

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 reporting 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 other 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 the fair value at the related transaction dates, 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 other comprehensive income in a specific reserve until they are sold or impaired. At this time the cumulative gains or losses previously recognised in other comprehensive income 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 derivative assets, held for both trading and hedging purposes, for which the hedge accounting has not been applied, are included in this category.

Financial assets at fair value through profit or loss take also account of investments back to policies where the investment 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 and realized 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 and brokers, co-insurers and reinsurers are included in this item. They are accounted for at their fair value at acquisition date and subsequently at their presumed recoverable amounts.

5.3 – Other receivables

This item includes all other receivables, which have not an insurance or tax nature. They are accounted for at fair value at recognition and subsequently 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 recognized at cost and 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 paid in advance at the subscription date 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 reporting 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 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 as financial liabilities at fair value through profit or loss. 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 along the product life by reference to the stage of completion of the service rendered. Therefore, acquisition commissions are incremental costs recognised as assets, 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 of the Parent company held by the same company 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 the translation of subsidiaries' financial statements denominated in foreign currencies.

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.

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 classified as investment contracts 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 amortized cost measurement;
- 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.

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).

3.2.1 – Liability adequacy test (LAT)

In accordance with IFRS 4, in order to verify the adequacy of the reserves a Liability Adequacy Test (LAT) is performed. The aim of the test is to verify that the technical provisions - inclusive of deferred policyholders liabilities - are adequate to cover the current value of future cash flows related to insurance contracts.

The liability adequacy test is performed through the comparison of the IFRS reserves (which include the impact of “shadow accounting” and financial liabilities related to investment contracts), net of any deferred acquisition costs or intangible assets related to these contracts, with the current value of future cash flows related to insurance contracts (Best Estimate Liabilities). In order to be consistent with Solvency 2 project a risk margin is added to the Best Estimate; this margin is measured according to the cost of capital approach. The Best Estimate reserve includes also the costs of embedded financial options and guarantees, which are measured with a market-consistent methodology.

The insurance contracts modelling and best estimates assumptions used are consistent with Group Embedded Value methodology and are reviewed by an international actuarial consulting society.

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.

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 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 along the duration of the issuance in the profit and loss account using the effective interest rate method.

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 reporting 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 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 amortized. The rate used to discount future cash flows is determined by reference to market yields 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 only 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 includes acquisition loadings related to investment contracts without DPF, which are classified as financial liabilities at fair value through profit or loss, according to IAS 39. Acquisition loadings related to these products are accounted for in accordance with IAS 18 treatment of the investment management service component during the product life. 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 shareholders. In accordance with the ISVAP Regulation n.7/2007, as modified by the ISVAP requirement n. 2784/2010 items of income and expenses are net of taxes as well as net of gains and losses on available for sale assets attributable to the policyholders according to the deferred policyholders liabilities calculation.

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

Statement of changes in equity

The statement was prepared in accordance with the requirements of the ISVAP. 7 of 13 July 2007 and explains all the variations of equity:

1 – Change of the closing balance

This section comprises changes of the closing balance of the previous financial year determined by the correction of errors or changes in accounting policies (IAS 8) and the recognition of gains or losses arising from the first time application of accounting standards (IFRS 1).

2 – Allocation

This section comprises the allocation of the profit or loss of the year, the allocation of the previous year profit or loss into the capital reserves, increases in capital and other reserves (for the issuance of new shares, equity instruments, stock options or derivatives on own shares, for the sale of shares pursuant to IAS 32.33, for the reclassification to equity instruments previously recognized in liabilities and, in the consolidated financial statements, for changes in scope of consolidation), changes within equity reserves (es. allocation of surplus capital, stock option exercise, transfer of revaluation reserves related to tangible and intangible assets to retained earnings in accordance with IAS 38.87 and IAS 16.41 etc.), the changes in gains and losses recognized directly in equity.

3 – Reclassification adjustments to profit or loss

This section comprises gains or losses previously recognized in equity, that are reclassified to the profit or loss according to IFRSs (e.g. following the transfer of a financial asset available for sale).

4 – Transfers

This section comprises the distribution of ordinary or extraordinary dividends, decreases in capital and other reserves (for redemption of shares, equity instruments and distributable reserves, the purchase of own shares, for the reclassification of liabilities previously recognized in equity instruments and, in the consolidated financial statements, for changes in scope of consolidation) and the attribution of profit or loss recognized directly in equity and in other balance sheet items (i.e. gains or losses on cash flow hedging instruments allocated to the carrying amount of hedged instruments).

5 – Existence

This section comprises the equity components and gains or losses directly recognized in equity at the end of the reporting period.

The statement illustrates all changes net of taxes and gains and losses arising from the valuation of financial assets available for sale, attributable to policyholders and accounted for in the insurance liabilities.

Cash Flows Statement

The report, prepared using the indirect method, is drawn up in accordance with the ISVAP requirements n. 7 of 13 July 2007 and distinguishing its component items among operating, investing and financing activities.

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:

- 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;
- 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;
- they are settled at a future date.

Derivatives, not accounted for as hedging instruments, are classified as at fair value through profit or loss.

In relation to the issue of some subordinated liabilities, the Group hedged the interest expense rates and GBP/EUR exchange rate, recognised as cash flow hedges and accounted for as hedging instruments.

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 item of comprehensive income while the ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss. The amount accumulated in the other components of comprehensive income is reversed to profit and loss account in line with the economic changes of the hedged item.

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 the other components of other comprehensive income from the period when the hedge was effective, remains separately recognized in comprehensive income 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 the other components of comprehensive income from the period when the hedge was effective is immediately recognized in profit or loss.

Further the Group set cash flow hedges on forecast refinancing operations of subordinated liabilities that are accounted for as hedge of a forecast operations, that are highly probable and could affect profit or loss. 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 item of comprehensive income. The ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss. If a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

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.

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.

The recognition of an impairment follows a complex analysis in order to conclude whether there are conditions to effectively recognize the loss. The level of detail and the detail with which testing is being undertaken varies depending on the relevance of the latent losses of each investment. A significant or prolonged decline in the fair value of an investment in a quoted equity instrument below its Group cost is considered as an objective evidence of impairment.

As a result of the particular financial environment observed in the second half of 2011, the Group improved the definition of impairment losses of equity investments classified as Financial assets available for sale. The significant increase in volatility of financial markets, in particular the financial sector, related to the anomalous trend of spreads between government bonds following the tensions on the public debt of some European Countries, determined the presence of “exceptional circumstances” for which it became necessary to review the definition of impairment losses.

In particular, the thresholds of significance used to assess the objective evidence of impairment were determined with reference to the market sector related to equity securities. This methodology, while maintaining the thresholds of significance at 50% as previously used, allows a better diversification, based on the specific risk of the sector of the securities. The different risk profiles were identified on the basis of the volatility of specific areas in which the Group invests more. This analysis will be updated periodically, at least annually, to monitor the sectorial representativity of the thresholds identified above.

The accounting effect of the improvement of methodology described above compared to what would have happened in case of the application of general significance threshold of 50% previously used, is presented in part 4.5 – Available for sale financial assets in the notes.

The definition of “prolonged” impairment has not changed (continuous loss for 36 months).

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

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 fair value at the measurement date.

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 consolidated 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 and anticipated taxes;
- defined benefit plan obligation;
- share-based 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.

8 – Changes in the presentation of consolidated financial statements

In accordance with IAS 1.45A, effective 30 September 2011, a part of the Israeli insurance portfolio, previously classified to the traditional business, was reclassified among unit- and index-linked portfolios to ensure a placement that better reflects the technical characteristics of the products issued. As a consequence, all investments hedging that portfolio were reclassified accordingly for the comparative periods as well.

In accordance with IAS 1.39, the main impacts arising from the reclassification on the comparative periods are listed below:

- the financial assets at fair value through profit or loss, investment properties and bonds and receivables covering the profit-sharing products were reclassified as investments back to policies where the investment risk is borne by the policyholders;
- part of mathematical insurance provisions was reclassified as insurance provisions for policies where the investment risk is borne by the policyholders.

This reclassification didn't have any impact on consolidated net result and total comprehensive income of the period or previous periods, since the measurement of reclassified assets, liabilities and income statement items has not changed.

(€ million)	31/12/2010 as published	Impact of reclassifi- cation	31/12/2010	31/12/2009 as published	Impact of reclassifi- cation	31/12/2009
1 INTANGIBLE ASSETS	10,670.4	0.0	10,670.4	10,445.1	0.0	10,445.1
2 TANGIBLE ASSETS	3,796.2	0.0	3,796.2	3,774.9	0.0	3,774.9
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	5,765.3	0.0	5,765.3	5,576.2	0.0	5,576.2
4 INVESTMENTS	364,243.3	72.3	364,315.6	341,513.3	69.0	341,582.3
4.1 Land and buildings (investment properties)	13,232.7	-618.6	12,614.1	12,731.6	-517.1	12,214.5
4.2 Investments in subsidiaries, associated companies and joint ventures	2,439.2	0.0	2,439.2	1,986.4	0.0	1,986.4
4.3 Held to maturity investments	4,544.9	0.0	4,544.9	3,165.7	0.0	3,165.7
4.4 Loans and receivables	79,740.4	-531.4	79,208.9	81,289.4	-486.8	80,802.6
4.5 Available for sale financial assets	188,928.5	0.0	188,928.5	176,414.6	0.0	176,414.6
4.6 Financial assets at fair value through profit or loss	75,357.6	1,222.3	76,580.0	65,925.5	1,073.0	66,998.5
of which financial assets where the investment risk is borne by the policyholders and related to pension funds	50,344.0	10,292.9	60,637.0	42,467.2	7,696.2	50,163.4
5 RECEIVABLES	11,468.0	0.0	11,468.0	11,327.4	0.0	11,327.4
6 OTHER ASSETS	15,505.8	-81.6	15,424.2	40,715.2	-69.1	40,646.1
7 CASH AND CASH EQUIVALENTS	10,990.3	0.0	10,990.3	10,464.8	0.0	10,464.8
TOTAL ASSETS	422,439.4	-9.4	422,430.1	423,816.9	0.0	423,816.9

(€ million)	31/12/2010 as published	Impact of reclassifi- cation	31/12/2010	31/12/2009 as published	Impact of reclassifi- cation	31/12/2009
1 SHAREHOLDERS' EQUITY	20,064.5	0.0	20,064.5	19,924.3	0.0	19,924.3
2 OTHER PROVISIONS	1,496.5	0.0	1,496.5	1,490.5	0.0	1,490.5
3 INSURANCE PROVISIONS	329,616.3	0.0	329,616.3	309,593.5	0.0	309,593.5
of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	38,956.1	10,504.8	49,460.9	34,122.0	7,871.5	41,993.5
4 FINANCIAL LIABILITIES	53,903.8	-9.4	53,894.4	50,386.5	0.0	50,386.5
4.1 Financial liabilities at fair value through profit or loss	13,702.1	-9.4	13,692.7	10,294.5	0.0	10,294.5
4.2 Other financial liabilities	40,201.7	0.0	40,201.7	40,092.1	0.0	40,092.1
5 PAYABLES	7,650.0	0.0	7,650.0	7,381.4	0.0	7,381.4
6 OTHER LIABILITIES	9,708.4	0.0	9,708.4	35,040.8	0.0	35,040.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	422,439.4	-9.4	422,430.1	423,816.9	0.0	423,816.9

(€ million)	31/12/2010 as published	Impact of reclassification	31/12/2010
1.1 Net earned premiums	65,726.5	0.0	65,726.5
1.2 Fee and commission income and income from financial service activities	1,324.2	0.0	1,324.2
1.3 Net income from financial instruments at fair value through profit or loss	4,781.6	-149.8	4,631.8
of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	2,901.8	921.1	3,822.9
1.4 Income from subsidiaries, associated companies and joint ventures	110.2	0.0	110.2
1.5 Income from other financial instruments and land and buildings (investment properties)	16,204.3	-47.1	16,157.2
1.5.1 Interest income	10,207.7	0.0	10,207.7
1.5.2 Other income	2,141.8	-47.1	2,094.6
1.5.3 Realized gains	3,647.6	0.0	3,647.6
1.5.4 Unrealized gains and reversal of impairment losses	207.3	0.0	207.3
1.6 Other income	2,632.3	196.9	2,829.2
1 TOTAL INCOME	90,779.2	0.0	90,779.2
2.1 Net insurance benefits and claims	-67,720.0	0.0	-67,720.0
of which change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	-4,667.2	-1,500.5	-6,167.7
2.2 Fee and commission expenses and expenses from financial service activities	-455.9	0.0	-455.9
2.3 Expenses from subsidiaries, associated companies and joint ventures	-23.9	0.0	-23.9
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-4,034.7	0.0	-4,034.7
2.5 Acquisition and administration costs	-11,892.3	0.0	-11,892.3
2.6 Other expenses	-3,815.6	0.0	-3,815.6
2 TOTAL EXPENSES	-87,942.4	0.0	-87,942.4
EARNINGS BEFORE TAXES	2,836.8	0.0	2,836.8

The information regarding the comparative period of the Statement of Cash flow were not restated, since the effects of the reclassification were not relevant.

Risk report

The Risk Report aims at providing adequate disclosure of the risks the Group is exposed to and, more generally, of the system of management and supervision of these risks. In particular, the nature and extent of risks arising from financial instruments and insurance contracts, which the Group is exposed to at the reporting date, are indicated, along with related risk management processes, in compliance with the IFRS 7 requirements, introduced by the Regulation (EC) n. 108 of 11 January 2006. In the context of the risk management system, this Report is part of the reporting processes, aimed at a continuous monitoring of risks at various levels of the operational structure.

Generali Group has developed an Internal Control and Risk Management system, approved by the Board of Directors of the Parent company. These principles apply to all Group companies. It defines the objectives, structure, roles and responsibilities aiming at a coherent and rational approach in the context of the Enterprise Risk Management. The ultimate objective of the Internal Control and Risk Management system of Generali Group is the maintenance of acceptable levels of identified risks in order to optimize the available financial resources required for these risks and, to improve the Group profitability in relation to its risks exposure (risk-adjusted performance).

The Risk Management processes affect the Group as a whole in the countries where it operates, and also individual companies, with a varying depth and level of integration depending on the complexity of the underlying risks; the integration of processes within the Group is fundamental to ensure an efficient risk management system and capital allocation to business units.

In this context, in order to better capture its risk profile, Generali Group has developed an internal approach to determine the available financial resources and the capital requirements for risks which it is exposed to, while maintaining consistency with the basic framework of Solvency II, which is still being defined at European level.

During the year, the Risk Management system has been further improved, in accordance with the plan of activities aiming to fulfill the requirements deriving from the system of prudential supervision known as Solvency II. This development has affected issues related to the assessment of available financial resources and the variety of associated risks, consistently with an economic approach. Changes have also affected organizational aspects and processes related to risk management. Finally, activities aimed at a wider and more transparent disclosure on risks have been carried out.

Within the activities aimed at enhancing the management of compliance risks, the Parent Company has established a specific Anti Money-Laundering Function, aimed at management of related risks while the Compliance Function more generally has the supervision of processes related to management of operations with related parties. Moreover, the framework for monitoring and management of operational risks has been further developed.

The following paragraphs detail aspects related to the implementation of the Risk Management System, with particular reference to governance (including indication of roles and responsibilities) along with the Risk Management Policy approved by the Board of Directors of the Parent Company. Hereafter the definition of the main risks and sub-risks which the Group is exposed to, is given, according to the structure of the Group Risk Map, which has been approved in the context of Risk Management Policy. For each category of risk, a brief description of the methodology applied for the management is given. Thereafter, in compliance with the requirements of IFRS 7, the main quantitative evidence is presented.

1 – The Risk Management System

The Generali Group is exposed to the risks to which any enterprise is exposed to and in particular to the typical risks coming from its insurance activities, such as those related to financial markets movements and those coming from negative development of insurance business activities (both non-life and life)

The Board of Directors¹ adopted the “Internal Control and Risk Management System” and the “Risk Management Policy”, documents aimed at ensuring an effective management of the risk coming from the Company own activity and in particular the most significant ones.

The most significant risks are those whose consequences could undermine the solvency at Group and at Company level or those which could represent a serious obstacle to the achievement of the Company objectives.

In order to guarantee an aligned approach to the risk management, the adoption of these documents is required to all Group insurance entities.

The “Internal Control and Risk Management System” defines the roles and the responsibilities of the governance bodies and the functions involved in the risk management process.

The “Risk Management Policy” defines the principles, the strategies and the processes in place to identify, evaluate, monitor and mitigate all risk in a perspective which consider the effect of the controls in an integrated way.

The risk management relies on the following building blocks:

- risks governance: to establish an effective organizational structure based on clear definition of risk roles and responsibilities, and on a set of Policies and Guidelines;
- risk management process, to allow the ongoing management of all risks through the following phases: identification, strategy definition, taking, assessment, monitoring, mitigation and reporting;
- business support: to increase the effectiveness of the risk management system, guaranteeing at the same time value creation for all stakeholders through the spread of a risk management culture based on shared values. All risk factors affecting the ordinary business are taken into consideration in the decision making process: a risk based approach is applied in particular to the processes related to capital management, reinsurance, asset allocation and new products development. This approach is aimed at optimizing, also through risk adjusted metrics, the risk/ return ratio and the capital allocation.

1.1 – Roles and responsibilities

The risk management is put in place through a specific ongoing process which involves, with different roles and responsibilities, the Board², the Top Management and the organizational structures both at Group and Company level, as illustrated in the “Internal Control and Risk Management System”.

The Board of Directors approves the risk management policies and strategies, as well as the risk tolerance levels. The performance targets are defined in coherence with the capital adequacy level.

The Board is moreover committed to the creation of an organizational culture, which ensures a high level of priority to the effectiveness of the risk management and to the compliance with tight controls on operations.

The Board of Directors is informed by the Group CEO, the Managing Director, the Group CRO and, if necessary, also by the other independent control functions, about the group risks exposures, on ongoing basis also through periodical reports concerning the results and the underlying risk profiles. The Board is also informed on extraordinary basis whenever the adoption of mitigation actions is immediately needed.

The Parent Company Top Management (the Group CEO, the Managing Director, the CFO and all officers with strategic responsibilities) is in charge of implementing the risk management policies both at Assicurazioni Generali SpA and at Group level. To this purpose, the Top Management assigns the targets and defines the appropriate capital allocation to all Italian and Foreign Companies. It also ensures the definition of operational limits through guidelines which implementation is under the responsibility of each single Group Company. Moreover the Top Management controls and monitors the risk exposures, including the level of compliance with the assigned tolerance limits, on ongoing basis.

¹ Board of Directors is meant to be the Board of Directors of Assicurazioni Generali SpA (Parent Company).

² Board is meant to be the administrative, supervisory or management body according to the local governance.

The Group CEO and the Managing Director may propose to the Board of Directors changes to the risk management policies or dedicated actions focused on specific Countries.

To this purposes the Top Management is supported by the Group Risk Committee, which involves the responsible of the technical areas (therefore of the related risks) and the Group CRO. The Committee ensures the evaluation of all different risks in an integrated perspective, which considers both the risk category and the geographical distribution. The Committee evaluates the Group risk exposures, identifies the improvement areas and submits suggestions and recommendations to the Top Management.

The functions involved in the risk management process operate according to the Three Line of Defense approach as outlined in the Internal Control and Risk Management System:

- The operational structures (Risk Owner) are the first line of defence. The Risk Owners are the ultimate responsible for risks concerning their area and define and update the actions needed to make their risk management effective and efficient. They control the activity of the Risk Takers, who deal directly with the market and the internal and external parties and who define activities and programs from which risks may arise. All the risk management initiatives defined by the Risk Owners address the way Risk Takers undertake risks. Within the first line of defence, there are some operational units (Risk Observers) in charge of constantly monitoring some specific kind of risks, in order to measure and analyze them and to identity suggestions and recommendations to be presented to the Top Management and to the Risk Owners. The Risk Observers are not directly involved in the decisional process of the risk management. Group Control, as an example, can be considered as a Risk Observer;
- The Group Risk Management and the Group Compliance are the second Line of Defence. The Group Risk Management, whose responsible is the Group Chief Risk Officer, monitors the performance of the risk management system guaranteeing an holistic view of the risks. It also supports the Board of Directors and the Top Management in the definition of the risk management strategy and in the development of the methodologies to identify, evaluate, control, mitigate and report risks. It is in charge of providing the Group Risk Committee, with periodical informative and suggestions. The Group CRO shares the main finding and suggestions with the different Risk Owner at Group level and is in charge of monitoring the risk management activities in all the Countries in which the Group operates. Moreover the Group CRO supports the Group CEO and the Managing Director in the evaluation of the coherence between the developed plans and the adequacy of the achieved results (risk adjusted); The Group Compliance function evaluates the adequacy of the internal processes in place to prevent the compliance risk;
- The Group Internal Audit is the Third Line of Defence. It is in charge of performing the independent evaluation of the effectiveness both of the Internal Control and Risk Management System and of all the controls in place to guarantee the adequate execution of the processes.

The Group CRO guarantees the implementation of the proper risk-management system according to the regulation and the Board's resolutions.

The Parent Company risk governance structure has been adopted, at least concerning its essential points, in all the Group Companies taking into account the local specificities and regulations.

Each Company has its own Risk Committee, composed of the CEO (or the General Manager), the responsible of the Technical areas and, where existing, of the responsible of the local Risk Management.

The Committee supports the CEO in the periodical update of the Company risk profile, in relation to the different risk categories, and, in case, in the definition of the proposals to be submitted to the Board.

2 – The Risk Management Policy

The "Risk Management Policy" is the main reference point for all policies and guidelines related to risks.

It is integrated by a set of policies, submitted as well to the Board of Directors' approval, that guide the management of each single risk.

In this context particular attention has to be paid to the "Life Underwriting Policy", the "Non-Life Underwriting Policy", the "Investment Policy" and the "Operational Risk Management Policy".

These documents have been produced by the Technical structures at Corporate Centre level with the coordination of the Group Risk Management.

These policies have been sent to all the Group Insurance Companies and, keeping into account the local specificities and regulations, have been approved by the Board of each entity.

In order to strengthen the risk taking procedure and the definition of the operational limits, the Parent Company technical structures have prepared a set of Guidelines in order to guide the management of the insurance and investment risks.

These Guidelines require each Group Company to prepare and update on ongoing basis an Operational Limits Handbook (OLH) related to the risk taking activity. The OLH is submitted to the Risk Committee and has to be approved by the Top Management. Moreover each Group Company is required to prepare in accordance with a standard template and send to the Parent Company a reporting, to monitor the level of compliance with the limits and principles.

2.1 – The Risk Management process

The Risk Management process allows the ongoing identification, evaluation and management of all risks, taking into account the changes in the nature and size of the business and in the market environment.

This process is structured into the following phases:

- *Risk identification and evaluation methodology definition*: to define suitable principles and quantitatively or qualitatively methodologies to identify, classify and evaluate risks;
- *Risk Strategy*: to define the Company risk attitude and assign, on consistent and integrated basis risk targets and operating limits to the Operating Units;
- *Risks taking*: to take risks that the Company is willing to accept according to all the Policies and Guidelines which define principles and/ or operating limits that guide the undertaking of risks;
- *Risks assessment*: to assess and adequately measure both the risks the Company is exposed to and their potential impacts on the capital;
- *Risk monitoring*: to monitor and control the risk exposures, the risk profile, and the implementation of Policies and Guidelines for all relevant levels;
- *Risk mitigation*: to identify and implement adequate mitigation initiatives in order to take back the risk profile within the planned one;
- *Risk Reporting*: to develop effective reporting on the Company risk profile and risk exposures, both for internal and external stakeholders and to supervisory authorities.

3 - Financial Risks

The analysis of market risks indicated within the IFRS 7 framework, in relation to price changes of financial instruments, is included in the broader context of financial risks defined in the Group Risk Map.

Financial risks include equity risk, interest rate risk, foreign exchange risk, real estate and concentration risk. Equity risk arises from unexpected movements in stock prices and also includes changes in equity volatility. Interest rate risk derives from unexpected changes in interest rates and also takes in account interest rate volatility. In addition, risks related to changes in property values, exchange rates and finally, concentration risk are considered.

Unexpected movements of interest rates, equities, real estate and exchange rates can negatively impact the economic, financial and capital position of the Group, both in terms of value and solvency.

Assets subject to market movements are invested to profitably employ the capital subscribed by shareholders and to meet contractual obligations to policyholders; consequently, financial market movements imply a change both in the value of investment and insurance liabilities. Therefore, oversight through analysis of the impact of adverse

market movements implies an adequate consideration of volatility, correlations among risks and the effects on the economic value of the related insurance liabilities.

Within the processes of investment management, Group companies are required to apply the Group Risk Guidelines.

At year-end 2011 the investments whose market risk affects the Group were of 284.4 billions euro at market value³.

(€ million)	31/12/2011		31/12/2010	
	Total fair value	Impact (%)	Total fair value	Impact (%)
Equity instruments^(*)	17,098.0	6.0	23,345.4	7.8
Fixed income instruments^(**)	242,984.6	85.4	252,282.5	84.2
Bonds	212,717.8		225,053.8	
Other fixed income instruments ^(***)	30,266.8		27,228.7	
Land and buildings^(***)	24,372.6	8.6	24,122.9	8.0
Total	284,455.2	100.0	299,750.8	100.0

(*) Investment fund units amount to 3,638.1 million (4,213.9 million at 31 December 2010).

(**) Investment fund units amount to 8,013.2 million (8,110.9 million at 31 December 2010).

(***) Investment fund units amount to 2,240.1 million (2,412.3 million at 31 December 2010) and it includes also self used properties fair value.

As mentioned above, the economic impact of changes in interest rate, equity values and the related volatilities for the shareholders will depend not only on the sensitivity of the assets to these shifts but also on how the same movements affect the present values of its insurance liabilities, which may absorb a portion of risk.

In life business this absorption is generally based on the level and structure of minimum return guarantees 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, if necessary, at single portfolio level and take into account the interaction between assets and liabilities helping to develop product strategies and strategic asset allocations aiming at optimising the risk/return profile.

In order to control the Group exposure towards the financial markets, while maintaining a perspective of risk/return, the management adopts procedures and actions are adopted on the single portfolios including:

- credit and tactical asset allocation guidelines are being updated to the changing market conditions and to the changing ability of the Group to assume financial risks;
- matching strategies, at net cash flow lever or duration matching strategies, for the management of the interest rate risk;
- hedging strategies with approaches of dynamic hedging or through the 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.

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.

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

³ 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 as well as land and buildings used by third parties and cash and cash equivalents. Instead, self used properties are included.

3.1 – Life Segment

Taking into consideration the specific characteristics of the Life business, 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 Value⁴.

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

With reference to the covered business at the date of valuation, 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 corresponds to the market value of the consolidated shareholders' funds, net of goodwill and DAC, and before the payment of dividends from profits in the year;
- the Value In-Force corresponds to the present value of the projected stream of after-tax industrial profits generated by the business in force at the valuation date. This value takes into account the cost of financial guarantees related to the options, embedded in insurance contracts, and less the frictional costs of holding the capital and the cost of non-financial risks.

Regarding the market risk the Group performs the following sensitivities on its Embedded Value, according to the parameters indicated by the CFO Forum:

- 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 2011 and 31 December 2010 are reported in the table below.

Life embedded value sensitivities: Market Risks

(%)	31/12/2011	31/12/2010
Interest rate +1%	12.2	4.2
Interest rate -1%	-17.2	-8.0
Equity price -10%	-4.8	-4.3
Property price -10%	-2.8	-1.9

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 the insurance portfolio structure and by the assets and liabilities mismatch in terms of cash flow.

Similarly to the previous year, data at 31 December 2011 show that the Company suffers the interest rate downward

⁴ Generali Group publishes annually also a separate Embedded Value report for life segment.

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, taking into consideration the current level of interest rates, increase significantly in respect of a further reduction.

3.2 – Non-life and financial segment

According to the requirements of IFRS 7, the impact on the non-life and financial segment of possible changes in interest rates and values of the equity instruments is represented by the impact on the result of the period and on the shareholder's equity of the Group, net of the corresponding tax effects.

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 the financial instruments in the portfolios at the end of the year, both from direct and indirect investments held by funds, and derivatives instruments.

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 and of +/-10% of equity value changes shows:

- a potential impact on the Group shareholders' equity attributable to the consequent change in the fair value of bonds and equities classified as available for sale⁵;
- a potential impact on the Group's result of the period attributable to the consequent change in the fair value of debt securities and equities classified as financial assets at fair value through profit or loss;
- a potential impact on the Group's result of the period related to the re-computation on coupon and accrued interest of floating rate securities.

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

Sensitivity on non-life and financial Shareholders' equity

(€ million)	31/12/2011	31/12/2010
Interest rate +1%	-443.6	-467.1
Interest rate -1%	462.1	485.8
Equity price +10%	265.4	272.7
Equity price -10%	-266.0	-276.5

⁵ In the sensitivity analysis is assumed not to reach the defined impairment triggers.

4 - Credit Risk

4.1 – Financial Instruments Credit Risk

Credit risk refers to possible losses arising from a counterparty failing to meet its obligations (*default*) or from a deterioration in its creditworthiness (*downgrade or migration*), respectively, in relation to debt instruments the Group invests in or to a counterparty of a derivative contract. Furthermore, the risk resulting from a generalized increase in the level of spreads in the market is considered, due to events such as a *credit crunch* or a liquidity crisis, having an impact on the economic solvency of the Group.

Within the Group Risk Guidelines, investment in high credit quality securities (*investment grade*) is preferred and the diversification (*or dispersion*) of risk is encouraged.

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 manager of the central financial risk control department reports periodically 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 distribution by rating class shows that the absolute majority of the fixed income investments is of high rating standing.

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 also the financial instruments backing life insurance policies, so default, downgrades or changes in spread could affect the financial liabilities values with a consequent mitigation effect.

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

Rating of bonds

(€ million)	31/12/2011	Loans	Held to maturity investments	Financial assets at fair value through profit or loss	Available for sale fin. assets	Bonds	Impact (%)
AAA		25,778.9	1,052.1	1,042.9	42,631.0	70,504.8	33.1
AA		4,745.9	177.5	2,207.0	25,021.8	32,152.2	15.1
A		12,711.4	1,209.8	2,750.0	64,904.1	81,575.3	38.3
BBB		3,172.7	2,268.0	665.4	15,048.9	21,154.9	9.9
Non investment grade		446.7	542.2	415.5	3,763.8	5,168.1	2.4
Not Rated		652.3	23.2	199.4	1,287.6	2,162.4	1.0
Total		47,507.9	5,272.6	7,280.1	152,657.2	212,717.8	100.0

(€ million)	31/12/2010	Loans	Held to maturity investments	Financial assets at fair value through profit or loss	Available for sale fin. assets	Bonds	Impact (%)
AAA		27,657.6	355.4	1,269.1	49,496.0	78,778.2	35.2
AA		9,155.0	191.8	2,575.6	63,744.6	75,667.0	33.4
A		12,125.4	304.9	2,557.9	28,387.8	43,375.9	19.3
BBB		2,417.0	2,513.2	664.1	13,461.5	19,055.8	8.4
Non investment grade		592.1	58.1	463.4	3,049.1	4,162.7	1.8
Not Rated		1,162.2	1,105.2	415.7	1,330.9	4,014.0	1.8
Total		53,109.4	4,528.6	7,945.8	159,469.8	225,053.6	100.0

During 2011, the composition of debt securities by rating recorded the increase in classes A, BBB and Not Investment Grade, as a consequence of the downgrade of some important countries of the Euro Area, including Italy, Portugal, Greece and Slovenia.

Amongst the financial assets not impaired, there are no significant positions of debt past due, whereas the main part of the receivables arising from insurance operations are included in the Group assets since three months.

4.2 – Reinsurance credit risk

In addition to debt and derivative financial instruments, the Group is exposed to credit risk through the exposure to reinsurance counterparties to which part of the business is ceded. In particular, the ability by reinsurers to fulfill contractual obligations towards the Group is monitored.

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. Based on the features of risk being transferred, a maximum amount threshold has been established. 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)	31/12/2011	31/12/2010
AAA	76.6	76.4
AA	3,382.4	2,206.7
A	1,143.5	2,375.4
BBB	36.3	62.0
Non investment grade	12.5	3.1
Not Rated	1,026.7	1,041.7
Total	5,678.0	5,765.3

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. The changes in rating recorded in the reporting period also explain eventual variations which succeed in the following reporting periods. With regard to "not rated" counterparties, these are often reinsurers that are no longer active in the market and are 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. Furthermore, in some cases they represent mutual companies or captive companies of big industrial groups, which, even if they have a good financial position, are not rated.

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.

5 – Insurance Risk

Insurance risk is analyzed separately for life and non-life businesses. It should be noted that health risks are classified as life or non-life depending on their technical features.

5.1 – Life underwriting risk

Life underwriting risks include biometric risks arising from events related to mortality and mortality trends, to morbidity, disability and longevity, as well as risks related to trends in lapses and expenses related to contracts in place.

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	
	31/12/2011	31/12/2010
Liabilities with guaranteed interest^(*)	234,605.7	228,713.5
between 0% and 1%	43,828.2	40,681.5
between 1% and 3%	94,078.6	88,134.5
between 3% and 4%	56,729.4	57,879.0
between 4% and 5%	36,716.1	39,367.8
more than 5 %	3,253.5	2,650.7
Provisions without guaranteed interest	60,376.6	61,631.6
Provisions matched by specific assets	8,152.2	8,657.5
Total	303,134.5	299,002.6

(*) 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 contracts.

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. With regard to this second class of contracts, comparative information have been consistently restated;
- 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 € 61,631.6 million to € 60,376.6 million.

From a quantitative point of view regarding the life underwriting risk and according to the parameters indicated by the CFO Forum, the 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

(%)	31/12/2011	31/12/2010
Expenses -10%	3.3	2.5
Lapse rate -10%	3.4	2.8
Mortality -5%	3.2	2.5
Annuity Mortality -5%	-1.4	-0.6

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 to 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.

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.

For all risk categories, in the annual Embedded Value analysis, locally and centrally, there are two levels of control, both ex-ante and ex-post.

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, risk by risk, the changes in the portfolio values.

The tables below show the concentration of gross direct premiums of life segment, including investment contracts, by line of business and by geographical area. Effective 30 September 2011, a part of the Israeli insurance portfolio, previously classified in the traditional business, was reclassified among linked portfolios to ensure a placement that better reflects the technical characteristics of the products issued. As a consequence, gross direct premiums by line of business have been reclassified accordingly for the comparative periods as well.

Gross direct premiums by line of business and by geographical area

(€ million)	31/12/2011	Individual Savings & protection	Individual unit/index linked	Health	Group	Total
Italy		10,494.7	248.3	0.0	1,580.5	12,323.5
France		5,980.1	1,258.7	898.0	658.2	8,795.0
Germany		6,985.9	3,249.9	2,400.7	896.8	13,533.4
Central and Eastern Europe		1,019.3	447.5	188.2	22.4	1,677.4
Rest of Europe		1,964.8	2,562.3	269.0	761.9	5,558.1
of which Spain		682.7	13.4	0.0	355.0	1,051.1
of which Austria		670.3	276.1	230.3	0.0	1,176.7
of which Switzerland		272.4	818.6	9.0	1.7	1,101.7
Rest of World		896.8	454.8	151.0	1,611.8	3,114.4
Total		27,341.6	8,221.6	3,907.0	5,531.7	45,001.9

(€ 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		865.4	400.6	117.7	1,612.8	2,996.5
Total		30,439.2	9,792.4	3,787.4	5,794.5	49,813.4

The table above shows the major importance of savings and protection contracts (60.8% of the total), while the unit/index linked portfolio accounts for 18.3% 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 health premiums refers to life insurance rider covers.

With reference to the distribution by geographical area, the Group, in the life and health market, is present in various countries with a relative stability in term of written premiums. However it is worth noting that the 93.1% of the total written life and health premiums refers to the European market.

5.2 – Non-Life underwriting risk

Risks arising from the non-life underwriting are classified as pricing risk (or subscription) and reserve risk. The Group is also exposed to catastrophe risks.

5.2.1 – Pricing risk

The pricing risk derives from the possibility that premiums are not sufficient to cover future claims, contracts expenses and extreme volatility events.

In order to quantify this risk, the 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 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 significantly changed its strategy and business model for the purchase of the contractual reinsurance: coordination and governance of the Parent Company has been strengthened, entrusting to it the role of primary reinsurer of other Italian and foreign companies.

The new model expects that the Parent Company subscribes – at market conditions – a significant part of all major treaties of the subsidiaries, leaving them the responsibility of the local placement of any remaining share. This approach allows to manage the reinsurance cycle more efficiently than in the past because it gives the possibility to adjust the levels of the Parent Company risk retention through its retrocession treaties, retaining more risk in the hard market phases and less risk in the soft market phases.

The placement of facultative reinsurance is instead managed by the individual companies, as it is a type of protection strongly related to individual risk assessment carried out by the underwriting unit.

Reinsurance counterparties are chosen in accordance to the criteria defined by the Corporate Centre (as described in paragraph 4.2).

With specific reference to the Parent Company, these principles have been confirmed by the Board of Directors on 23rd February 2011 and the structures in place during the year in course reflect the new business model for the purchase of the contractual reinsurance described above both in the structures and levels of retention.

5.2.2 – Reserving risk

Reserving risk relates to the uncertainty in reserves run-off and considers the possibility that insurance provisions are not sufficient to meet the final obligations towards policyholders and injured parties.

The assessment is closely related to the valuation of technical provisions, in particular to the uncertainty of the claims provisions in respect to their expected value. Consequently, the risk assessment properly considers the reserving processes, by using claim triangles and all other relevant information collected and analyzed 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 2002 to 2011. 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 € 567.4 million in 2011).

The difference between the ultimate cost of claims and the cumulative paid losses for calendar year 2011 constitutes the claim reserve for accident years 2002 to 2011. 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 2002-2011 indicates the adequate level of prudence adopted by the Generali Group in its reserving policy.

Claims development

(€ million)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Cumulative claim payments:											
at the end of accident year	4,987.0	4,820.3	4,986.3	5,303.1	5,504.4	5,931.6	6,233.1	6,464.5	6,283.8	5,914.9	
one year later	8,353.9	8,066.3	8,472.4	8,930.8	9,302.1	10,091.9	10,622.5	10,658.0	10,445.3		
two years later	9,285.8	8,988.0	9,488.0	9,986.2	10,407.7	11,245.3	11,761.4	11,893.4			
three years later	9,739.2	9,494.0	10,003.0	10,494.3	10,910.3	11,820.1	12,334.2				
four years later	10,026.6	9,804.1	10,273.6	10,755.2	11,221.4	12,171.6					
five years later	10,231.5	10,016.9	10,450.4	10,951.8	11,443.7						
six years later	10,409.1	10,160.3	10,614.4	11,112.6							
seven years later	10,534.7	10,291.0	10,744.6								
eight years later	10,678.1	10,411.7									
nine years later	10,740.9										
Estimate of ultimate cumulative claims costs:											
at the end of accident year	11,984.4	11,935.7	12,407.3	12,695.9	13,261.5	13,954.7	14,432.4	14,577.8	14,377.7	13,831.3	133,458.7
one year later	11,700.9	11,626.9	12,195.3	12,629.5	13,151.7	13,834.8	14,286.4	14,435.1	14,252.6		
two years later	11,575.4	11,416.4	11,913.1	12,350.4	12,884.5	13,601.3	14,053.3	14,313.8			
three years later	11,550.8	11,285.6	11,758.2	12,183.9	12,735.7	13,453.6	13,981.5				
four years later	11,459.3	11,263.3	11,653.4	12,104.0	12,644.1	13,388.8					
five years later	11,364.3	11,182.6	11,586.0	12,028.1	12,573.9						
six years later	11,337.2	11,138.8	11,534.1	11,980.3							
seven years later	11,305.6	11,104.8	11,495.3								
eight years later	11,310.0	11,080.8									
nine years later	11,277.1										
Estimate of ultimate cumulative claims costs at reporting date	11,277.1	11,080.8	11,495.3	11,980.3	12,573.9	13,388.8	13,981.5	14,313.8	14,252.6	13,831.3	128,175.2
Cumulative payments to date	-10,740.9	-10,411.7	-10,744.6	-11,112.6	-11,443.7	-12,171.6	-12,334.2	-11,893.4	-10,445.3	-5,914.9	-107,212.9
Provision recognised in the balance sheet	536.1	669.1	750.6	867.6	1,130.2	1,217.2	1,647.3	2,420.3	3,807.3	7,916.4	20,962.3
Provision not included in the claims development table											6,254.7
Total provision included in the balance sheet											27,217.1

The differences with the amounts published in previous reporting periods are mainly due to changes in exchange rates.

5.2.3 – 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 93.2% 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)	31/12/2011	Motor		Non motor		Total
		Personal	Commercial/ Industrial	Accident/ Health ^(*)		
Italy		3,264.2	860.6	1,917.2	1,313.4	7,355.5
France		1,112.5	1,439.1	756.7	476.8	3,785.1
Germany		1,092.9	1,211.1	282.3	472.2	3,058.5
Central and Eastern Europe		1,010.6	347.8	553.0	309.1	2,220.4
Rest of Europe		1,553.7	992.8	976.8	650.2	4,173.5
of which Spain		367.8	387.2	412.6	170.8	1,338.4
of which Austria		526.3	310.9	344.6	143.7	1,325.4
of which Switzerland		315.6	186.7	3.2	150.3	655.8
Rest of World		871.7	56.1	456.9	114.5	1,499.2
Total		8,905.7	4,907.5	4,942.7	3,336.3	22,092.3

(*) Life segment includes health insurance with life features.

(€ million)	31/12/2010	Motor		Non motor		Total
		Personal	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
Rest of World		781.0	50.0	363.2	72.1	1,266.3
Total		8,720.3	4,643.5	4,904.0	3,249.1	21,516.8

(*) Life segment includes health insurance with life features.

6 – Operational risk

In order to grant a complete analysis of company risks, the Generali Group has defined and monitored the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events.

The management of operational risks is essentially the responsibility of each business unit. These units are asked to draw up operational plans aligned with the targets set by the Parent Company and to identify and implement all actions to mitigate any risk which could potentially jeopardize the performance of operating results. The overall assessment of these risks and the consistency of the various mitigating actions is guaranteed by the Group Risk Management department.

The Parent Company has set some common principles for this kind of risks:

- policies and basic requirements to handle specific risk-sources;
- a detailed operational risk classification and standard criteria to be applied to the whole Group in order to identify and evaluate operational risks within business processes;
- criteria to measure operational risks;
- common methodologies and principles guiding the internal audit activities, set by the Group Internal Audit department, in order to identify the most relevant processes to be audited.

Operational risk also includes the following risks:

- financial reporting risk, defined as the risk of a transaction error which could entail an untrue and incorrect representation of the situation of the assets, liabilities, profit or loss in the company's financial statements, in the yearly and half-yearly consolidated financial statements and in any other financial release.

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 the Parent Company Assicurazioni Generali S.p.A. defines the operational and organizational aspects of the financial reporting risk model in application of powers and means as provided for by Law 262 of 28 December 2005;

- compliance risk, defined as the risk of legal or regulatory sanctions, material financial loss or loss to reputation the company may suffer as a result of not complying with laws, regulations and administrative provisions as well as self-regulation applicable to its activities.

The Group has introduced a "Group Compliance Policy" which sets out principles and provides guidelines for carrying out the compliance activities and provides, as part of the management and coordination activities of the Parent Company, that the compliance functions of the Group companies establish an information flow between them and the Parent Company.

For further information please see the Corporate Governance and Share Ownership Report.

7 – Other risks

Amongst the main risks faced by the Group, additional risks, for which dedicated monitoring, management and mitigation actions are in place within the organization, are also identified. With reference to risks described so far, no specific capital requirement is allocated to face them in the context of the economic solvency.

7.1 – Liquidity risk

The Group manages liquidity risk in order to meet its expected obligations as well as its cash commitments even in the occurrence of unpredictable situations. Issues related to marketability of assets are also adequately considered. By constantly monitoring cash flows, the Group aims at maintaining high financial strength position, in a short and long term horizon.

At Group level the liquidity risk is defined as the risk of not being able to efficiently meet expected and unexpected cash commitments, or rather being able to meet them only through worse credit market access or through the sale of financial assets at heavy discount.

The liquidity risk is primarily monitored and managed at local level by the single business units belonging to the Generali Group. The liquidity risk management is made through the continuous updating of the future cash flows projections and also through the application of the Asset and Liability management guidelines. The ALM guidelines are able to guarantee a direct correlation between payable or potentially payable liabilities in a certain time horizon, and the corresponding assets. All Group companies, in accordance with the guidelines defined by the Head Office, invest their available resources in high quality and marketable financial assets, in order to be able to benefit from a quick and efficient financial market access in case of need.

In addition, with regard to entities operating in Non-life segment, reinsurance treaties towards the Head Office allow each business unit to reduce the exposure to the main risks assumed at local level, in order to mitigate the possible negative consequences of catastrophes events or huge claims which could impact the company's financial stability. At Head Office level, Assicurazioni Generali S.p.A., liquidity is periodically monitored in order to ensure that all short term commitments faced by the company are met. Beyond a careful control on the industrial activity's trend, accurate estimates with regard to the dividends that could be paid by the Group's subsidiaries are made, together with a careful evaluation on possible capital requirements of the Group entities. These evaluations are furthermore stressed using negative macroeconomic and financial market's scenarios, in order to be able to eventually satisfy every liquidity need that may arise from several market conditions.

The Head Office also monitors cash flows generated by the main Group's companies on a quarterly basis, together with a consistency analysis with regard to the forecasts made during the planning period, in order to improve the liquidity management efficiency and to optimize the performance on the short term cash investments.

On a half-yearly basis, with regard to the main Group's companies, the Head Office supervises the adequacy and the congruity of the assets covering technical reserves and the available surplus, in order to evaluate the excess of capital availability for the liquidity risk management. The main sources of liquidity at Head Office level are the dividends paid by the subsidiaries, the intra-group loans and the quick and efficient debt market access, permanently monitored by the relevant offices.

Thanks to a continuous supervising of the overall Group cash flows, the Generali Group is able to maintain a short and long term solid financial stability.

7.1.1 – Financial liabilities

In order to achieve such results the Group set up a careful analysis of its cash flows. Financial liabilities are mainly fixed-rate exposures and denominated in euro. With reference to exposures denominated in currencies other than euro, hedging has put in place in order to pursue goals of cash flows predictability and stability, as well to reduce the 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, drawing from different classes of investors.

Financial liabilities at amortized cost

(€ million)	31/12/2011	31/12/2010
Subordinated liabilities	6,610.9	6,492.9
Loans and bonds	15,698.6	15,202.3
Deposits received from reinsurers	983.5	1,070.8
Bonds	5,021.9	4,992.7
Other loans	4,623.1	4,568.2
Financial liabilities related to investment contracts issued by insurance companies	4,106.8	3,871.4
Hedging derivatives	963.2	699.2
Liabilities to banks or customers	22,284.7	18,506.5
Liabilities to banks	995.3	421.5
Liabilities to customers	21,289.4	18,084.9
Total	44,594.1	40,201.7

The main Group's financial liabilities at amortised cost are represented by senior bonds and subordinated liabilities. In the following tables these liabilities are classified by maturity or, if available, by call date. The contractual undiscounted cash flows and the book value as well as the fair value are also pointed out.

Subordinated liabilities

(€ million)	31/12/2011			31/12/2010		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	1,024.5	746.6	728.0	0.0	0.0	0.0
between 1 and 5 years	3,256.6	2,402.0	1,724.7	1,323.0	963.5	995.5
between 5 and 10 years	4,096.6	2,460.5	1,829.4	7,172.5	4,540.8	4,196.9
more than 10 years	2,186.2	1,001.8	619.9	2,269.5	988.6	816.2
Total subordinated liabilities	10,564.0	6,610.9	4,902.0	10,765.0	6,492.9	6,008.6

Senior bonds

cash flow (€ million)	31/12/2011			31/12/2010		
	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	76.6	19.6	19.6	0.0	0.0	0.0
between 1 and 5 years	3,150.9	2,727.7	2,798.7	3,300.1	2,723.6	2,932.8
between 5 and 10 years	827.3	559.4	559.4	870.1	559.3	559.3
more than 10 years	2,915.9	1,715.2	1,587.4	3,005.6	1,709.9	1,771.1
Total bond issued	6,970.8	5,021.9	4,965.1	7,175.8	4,992.7	5,263.2

The analysed values are substantially in line with previous years as any significant issues or redemptions have occurred. A new issue of a subordinated bond of USD 100 million has been made by BSI SA, Group company of the

financial segment. The change in the fair value of both subordinated liabilities and senior bonds issued is due to the Italian sovereign debt crisis deepened in the last quarter of the year.

Debts to banks or bank customers primarily relate to the ordinary Banca Generali and BSI and are mainly on demand or short-term.

Liabilities towards banks and customers basically refer to Banca Generali and BSI Bank ordinary activity and are mainly bank deposits.

7.1.2 – Insurance liabilities

The Group's Companies take into adequately account the impact on their expected profits of all the exit and entry sources and in particular those related to any rational/irrational surrenders, as reported also in the previous paragraph 5.1 'Life underwriting risk'. In addition, in all the valuations, including sensitivities reported in the paragraph related to the market risk, 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 considering an expected date of conclusion of the contract, according to the embedded value valuation.

Life insurance provisions and financial liabilities related to investment contracts: contractual term to maturity

(€ million)	Gross direct insurance	
	31/12/2011	31/12/2010
Up to 1 year	23,406.8	22,320.8
Between 1 and 5 years	73,790.2	71,935.0
Between 6 and 10 years	67,611.3	64,814.9
Between 11 and 20 years	78,617.1	76,570.8
More than 20 years	59,709.1	63,361.1
Total	303,134.5	299,002.6

The total insurance provisions include the gross direct amount of mathematical provisions, which amount to € 231,587.5 million (€ 236,342.0 million at 31 December 2010), the provisions for policies where the investment risk is borne by the policyholders and for pension fund, which amount to € 46,804.2 million (€ 38,881.0 million at 31 December 2010), the ageing provision for life segment, which amount to € 9,073.0 million (€ 8,408.4 million at 31 December 2010), and financial liabilities related to investment contracts, which amount to € 15,669.8 million (€ 15,371.2 million at 31 December 2010).

Note that the provision for outstanding claims (not included in the table) which at 31 December 2011 amounted to € 4,486.8 million (€4,984.1 million at 31 December 2010) 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 amount	
	31/12/2011	31/12/2010
Up to 1 year	14,063.7	13,588.7
Between 1 and 5 years	11,161.2	11,691.3
Between 6 and 10 years	4,039.2	4,212.7
Between 11 and 20 years	3,539.1	3,063.8
More than 20 years	0.0	0.0
Total	32,803.2	32,556.4

7.2 – Strategic, reputational, contagion and emerging risk

Strategic risk consists in a decline in earnings or capital arising from incorrect business decisions, inadequate implementation of business plans or strategies, incorrect allocation of resources, lack of responsiveness to changes in the business environment that could lead to a fundamental change in the Group's risk profile. Strategic risk management is embedded in the strategic planning process and, consistently with that, it is arranged with a three-year horizon and reviewed annually. In this context the hypothesis made are subject to periodical evaluation and, in case, adapted to new market conditions.

Reputational risk derives from a deterioration of reputation or from a negative perception of the Group image among its customers, counterparties, shareholders or Supervisory Authorities.

Contagion risk follows from being part of the Group and derives from the possibility that problems arising within one of the Group's companies negatively affect the solvency, economic or financial situation of other companies within the Group.

Finally, emerging risks derive from internal or external environment changes, that may bring to increased exposures to risks already included in the Group Risk Map described above or risks that may require the introduction of new categories.

8 – Risk monitoring by third parties

The Generali Group risk profile, considered as a set of assessments regarding the level of overall exposure to various risks, is monitored by the Supervisory Authorities of the countries where the Group operates. The process of complying to the system of prudential supervision Solvency II implies a more significant involvement of the main Supervisory Authorities of the European countries where the Group operates.

The main rating agencies perform periodic assessments of the Group's financial stability by expressing their opinion on its ability to fulfill its obligations.

The evaluation is performed on the basis of several factors including financial and economic data, the Group's competitive position in markets where it operates and the strategies developed and implemented by the management.

Following the actions undertaken on some European sovereigns, including Italy's, main rating agencies have revised the rating assigned to the Group, while confirming its financial stability, which benefits from its competitive position, geographical and distribution diversification as well as flexible life product characteristics, which serve to partially insulate the Group somewhat from stress related to the sovereign debt.

It is worth noting that Generali Group rating is confirmed by two notches higher than that assigned to the Italian sovereign debt.

The current rating and outlook assigned to Assicurazioni Generali by the major agencies are the following:

Rating agency	2011	Rating	Outlook
Standard & Poor's		A	Stable
Fitch		A-	Negative
AM Best		A	Under review
Moody's		A1	Negative

In December 2011 Standard and Poor's placed the rating on General under credit watch, together with other European insurance groups. This condition has been resolved in early 2012, and the ratings of the Group was lowered from AA-to A with stable outlook, confirming the strong fundamentals of the Group's business in terms of competitive position, operating performance and Enterprise Risk Management.

Moody's also reduced its rating from Aa3 to A1 General in February 2012. The outlook (negative) is in line with that of Italy.

9 – Capital management

Generali Group aims at maintaining both a level of capital adequacy consistent to the current requirements of the prudential supervision, and to the coming Solvency II framework. Compared to Solvency I, the framework currently being developed at European level, is characterized by a market consistent valuation of all balance sheet items and by the consideration of all risks the Group is exposed to. Risk calibration is performed according to the Value at Risk approach with a confidence level of 99.5% over a one year period. The risk appetite defined at Group level gives due consideration to that calibration level, even increasing it for internal and ratings purposes.

The use of the Group Internal Model, along with Embedded Value metrics, supports the capital management processes within the strategic planning activities.

The main Group's objectives in capital management are the following:

- to grant that solvency requirements defined by the regulatory frameworks of each operating segment where the Parent Company and participated companies operate (non-life segment, life segment and financial segment) are fulfilled;
- to ensure business continuity and the capacity to develop its activity;
- to continue guaranteeing an adequate remuneration of shareholders' capital;
- to pursue the optimal ratio between equity and debt, by ensuring adequate remuneration of all capital and debt sources; and
- to determine adequate pricing policies which are consistent with risk levels of each activity sector.



In this context, the main evidences related to current capital requirements are then described.

In each 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/or operational risks. This minimum level of capital has been continuatively 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 2011, the Group available margin amounts to € 20.8 billion (€ 22.3 billion at 31 December 2010) and the Group required margin to € 17.8 billion (€ 16.9 billion at 31 December 2010). Therefore, the Group Solvency I cover ratio (i.e. the ratio of available margin to required margin) is 117% (132% at 31 December 2010).

The regulation framework concerning the adjusted solvency regime is currently in evolution. The objective of legislation update is to limit the impact of the financial markets volatility, in particular that related to debt securities issued or guaranteed by countries of the European Union, on the solvency parameters of the Italian insurance companies. In the aforementioned context of particular legislative uncertainty the usual sensitivity analysis to market risk is not provided, as not significant in perspective terms.

Notes to the balance sheet

Balance sheet - Assets

1 – Intangible assets

(€ million)	31/12/2011	31/12/2010
Goodwill	7,394.4	7,415.4
Other intangible assets	3,039.4	3,255.1
Software	515.9	503.8
Value of in-force business arising from insurance business combination	1,628.1	1,842.3
Other intangible assets	895.5	908.9
Total	10,433.8	10,670.4

1.1 – Goodwill

(€ million)	31/12/2011	31/12/2010
Carrying amount as at 31 December previous year	7,415.4	7,273.5
Changes in consolidation scope	-18.7	20.2
Other variations	-2.3	121.7
Carrying amount as at the end of the period	7,394.4	7,415.4

At 31 December 2011 Group's goodwill amounts to € 7,394.4 million (- 0.3% if compared to the same period last year).

The table below shows the goodwill by relevant companies:

(€ million)	31/12/2011	31/12/2010
Alleanza - Toro Group	2,793.3	2,793.3
Generali Deutschland Holding	2,179.0	2,179.0
Generali PPF Holding Grupp	656.4	666.3
BSI - Banca del Gottardo Group ^(*)	549.9	527.2
Generali France Group	417.1	417.1
Generali Schweiz Holding AG	288.0	279.8
Generali Holding Vienna AG	153.4	153.4
Migdal Group	135.4	135.4
Europ Assistance Holding	81.7	81.7
Other	140.2	182.1
Total goodwill	7,394.4	7,415.4

^(*) Amount includes € 420.2 million of goodwill activated on acquisition of Banca del Gottardo and € 31.7 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.

The table below shows the detail of the Group's goodwill by cash generating unit:

(€ million)	Life	Non Life	Financial	Total
Generali Deutschland Holding	561.6	1,617.4		2,179.0
Alleanza Toro Group	2,101.0	692.0		2,793.0
Ceska Group	203.4	452.5		655.9
BSI – Banca del Gottardo Group			550.0	550.0
Generali France Group	318.8	98.3		417.1
Generali Schweiz Holding AG	81.0	207.0		288.0
Generali Holding Vienna AG	76.5	76.9		153.4
Migdal Group	113.0	22.0		135.0
Europ Assistance Group		81.0		81.0
Other				142.0

The cash generating units have been defined consistently with IAS 36; with regard to the measurement of the recovery value, as described in the basis of presentation and accounting principles, the Dividend Discount Model (DDM) and the Embedded Value or Appraisal Value have been used.

Specifically, the Dividend Discount Model (DDM) was used for the determination of the recovery value for the following cash generating unit (CGU): Alleanza Toro, Generali Deutschland Holding, Ceska Group, BSI Group, and Generali Schweiz Holding SA, Migdal Group and Europ Assistance

This method represents a variant of the method of cash flow. In particular, the Excess Capital variant, defines the entity's economic value as the discounted dividend maintaining an appropriate capital structure taking into consideration the capital constraints imposed by the Supervisor as the solvency margin. This method results in the sum of discounted value of future dividends and the cash generating unit terminal value.

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.

The expected cash flows for each CGU used in the analysis were those included in the Strategic Plan 2012-2014, presented to the Board of Directors on 16 December 2011 and subsequent changes, if any, were considered. In order to extend the analysis horizon to a 5 years period, the main economic and financial data were calculated for further two years (2015 and 2016). More in detail, the required and available solvency margin for 2015 and 2016 was determined on the basis of the growth of the last year of plan (2014), whereas the net result for 2015 and 2016 was calculated using a sustainable growth rate for each CGU.

In the analysis of the expected cash flows, in consideration of the particular economic-financial crisis' situation, the guidelines included in the Discussion Paper "Impairment test dell'avviamento nell'attuale contesto di crisi finanziaria reale – linee guida" of the "Organismo Italiano di Valutazione" were considered. More in detail, for the measurement of the recovery value of each CGU, a mean Strategic Plan was considered, which has been calculated on the basis of 3 different scenarios:

- Best estimate (Strategic Plan);
- Projection of the first year Strategic Plan for the whole considered period (Steady state);
- A more prudent scenario, which considered the worsening of the financial assumptions (Worst case).

In order to define the weight related to the alternative scenarios described above, a comparison between actual data and forecasts for the period 2008-2011 has been made. The three abovementioned scenarios were weighted differently for each CGU to take into account the outcome of the analysis, weighing more the alternative scenarios in case of significant deviations from the actual data, compared to what already included in the strategic plans.

The main valuation parameters used for each CGU were the follows:

A) Nominal growth rate (g):

(%)	g
Generali Deutschland Holding	2.0
Alleanza Toro Group	2.5
Ceska Group	3.0
BSI Group – Banca del Gottardo	2.5
Generali Schweiz Holding AG	1.0
Europ Assistance Group	2.0
Migdal Group	2.0

B) Cost of own capital of the company net of taxes (Ke):

(%)	Ke
Generali Deutschland Holding	
- Life	7.9
- Non Life	6.7
Alleanza Toro Group	
- Life	10.6
- Non Life	9.4
Ceska Group	
- Life	9.0
- Non Life	8.9
BSI – Banca del Gottardo Group	
	6.3
Generali Schweiz Holding AG	
- Life	6.7
- Non Life	5.5
Europ Assistance Group	
- Non Life	7.9
Migdal Group	
- Life	10.2
- Non Life	9.1

The cost of own capital of the company (Ke) is based on the *Capital Asset Pricing Model* (CAPM) formula. More in detail:

- the risk free rate was defined as the average 2011 value of the 10-years government bond of the reference country of operation of the CGU, on which the goodwill has been allocated;
- the Beta coefficient was determined based on a homogeneous basket of securities of the non-life and life insurance sector, which was compared to the market indexes. The observation period was 5 years with weekly frequency;
- the market risk premium amounted to 5% for all the Group CGUs.

All CGUs passed the impairment test, being their recoverable amounts higher than their carrying amounts. 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%). This sensitivity highlighted that some negative changes included in the choosed sensitivity's bucket could lead the recoverable value of some Group CGUs under the corresponding carrying amounts.

For the Generali France groups, Generali Holding Vienna AG CGUs and other minor CGU the Embedded value Method and, if necessary, the Appraisal value was adopted. These methodologies are linked to definition logics of fair value net of costs of sale.

The Embedded value method consists in the restatement at current values of all the assets and liabilities of the company as well as the valuation of the value of in force business according to actuarial methodology.

Appraisal value represents the company's economic value determined by the adjusted net asset value and the present value of future profit arising from both the in force business and a fixed generations of new business.

Appraisal value is therefore defined as the sum of the embedded value and the fixed generations of new business, corresponding to the goodwill.

Also these CGUs passed the impairment test being their recoverable amount, calculated on the basis of the Embedded value, greater than the carrying amount.

1.2 – Other intangible assets

According to the IFRS 3, The value of the insurance portfolio (or “The value in force”) acquired in business combinations amounted to € 1,628.1 million and was attributable to:

- the acquisitions which took place in 2006 of the Toro Group (€ 330.4 million net of the amortisation of the period) and in the CEE countries (€ 27.7 million, net of the amortisation of the period);
- the acquisition of Bawag PSK Versicherung in 2007, which brought a further activation of € 48.5 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, which brought a further activation of € 1,221.5 million, net of the amortisation of the year.

The other intangible assets included 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 of € 181.2 million, net of the amortisation of the year.

Deferred tax liabilities were accounted for with reference to the above mentioned intangible assets.

Further information on calculation method are detailed in the paragraph 1.2 of the section Basis of presentation and accounting principles.

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)	31/12/2011	31/12/2010
Gross bookvalue as at 31 December previous year	4,164.2	4,131.8
Accumulated depreciation and impairment as at 31 December previous year	-952.5	-903.3
Carrying amount as at 31 December previous year	3,211.7	3,228.4
Foreign currency translation effects	7.3	81.9
Increases	65.5	94.2
Capitalized expenses	64.9	13.6
Changes in consolidation scope	-7.8	0.2
Reclassifications	-204.2	-95.6
Decreases	-13.7	-60.0
Depreciation of the period	-51.9	-49.4
Net impairment loss of the period	-0.3	-1.6
Carrying amount as at the end of the period	3,071.6	3,211.7
Accumulated depreciation and impairment as at the end of the period	953.7	952.5
Gross bookvalue as at the end of the period	4,025.3	4,164.2
Fair value	3,542.4	3,760.4

The fair value of land and buildings (self used) at the end of the reporting period was mainly based on external appraisals.

2.2 – Other tangible assets

The other tangible assets, mainly consisting of furniture, fittings and office equipment, amounted to € 1,834.8 million (€ 584.5 million at 31 December 2010).

The increase recorded was attributable to the inventory (property inventory), which amounted to € 1,278.4 million, as a result of the entry in the consolidation scope of Citylife effective from 1st July 2011 following the acquisition of the company control.

3 – Amounts ceded to reinsurers from insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Non-life amounts ceded to reinsurers from insurance provisions^(*)	3,030.8	3,288.5	1,015.0	946.2	4,045.8	4,234.7
Provisions for unearned premiums	516.4	509.2	113.3	93.8	629.7	603.0
Provisions for outstanding claims	2,510.5	2,774.4	897.8	852.0	3,408.3	3,626.4
Other insurance provisions	3.9	5.0	3.8	0.4	7.8	5.3
Life amounts ceded to reinsurers from insurance provisions^(*)	826.8	766.8	805.4	763.8	1,632.2	1,530.6
Provisions for outstanding claims	249.9	233.8	140.4	123.3	390.3	357.1
Mathematical provisions	292.7	428.3	664.2	640.4	956.9	1,068.7
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds [†]	160.2	0.5	0.0	0.0	160.2	0.5
Other insurance provisions	124.0	104.2	0.9	0.1	124.9	104.2
Total	3,857.6	4,055.3	1,820.4	1,710.0	5,678.0	5,765.3

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

4 – Investments

The division of investments by nature is summarized in the table below. Comments regarding specific categories are reported in the following paragraphs.

(€ million)	31/12/2011		31/12/2010	
	Total bookvalue	Impact (%)	Total bookvalue	Impact (%)
Equity instruments^(*)	17,098.0	5.5	23,345.4	7.5
Available for sale financial assets	14,384.1	4.6	20,517.8	6.6
Financial assets at fair value through profit or loss	2,713.9	0.9	2,827.6	0.9
Fixed income instruments^(**)	241,277.7	77.6	249,276.5	80.0
Bonds	211,436.8	68.0	222,533.0	71.4
Other fixed income instruments ^(***)	29,840.8	9.6	26,743.5	8.6
Held to maturity investments	5,293.3	1.7	4,544.9	1.5
Loans	68,029.7	21.9	69,175.0	22.2
Available for sale financial assets	158,834.6	51.1	165,721.2	53.2
Financial assets at fair value through profit or loss	9,120.0	2.9	9,835.4	3.2
Land and buildings (investment properties)^(****)	15,321.8	4.9	15,026.4	4.8
Other investments	12,457.7	4.0	11,769.7	3.8
Investments in subsidiaries, associated companies and joint ventures	1,904.8	0.6	2,439.2	0.8
Derivatives ^(*****)	563.5	0.2	204.1	0.1
Receivables from banks or customers	8,847.1	2.8	7,476.4	2.4
Other investments	1,142.5	0.4	1,650.0	0.5
Cash and cash equivalents^(*****)	24,659.1	7.9	12,100.2	3.9
Total^(*****)	310,814.3	100.0	311,518.1	100.0
Investments back to unit and index-linked policies	58,312.0		60,637.0	
Total investments	369,126.3		372,155.1	

(*) Investment fund units amount to 3.638,1 million (4.213,9 million at 31 December 2010).

(**) Investment fund units amount to 8.013,2 million (8.110,9 million at 31 December 2010).

(***) Investment fund units amount to 2.240,1 million (2.412,3 million at 31 December 2010).

(****) Include derivative instruments accounted for as financial liabilities which amount to -1.974,7 million (-1.703,2 million at 31 December 2010).

(*****) Include Reverse REPO which amount to 213,6 million (2.557,5 million at 31 December 2010) and REPO which amount to -1.114,4million (-1.447,7 million at 31 December 2010).

(******) Include derivatives accounted for as financial liabilities and REPO.

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)	31/12/2011	31/12/2010
Gross bookvalue as at 31 December previous year	14,330.0	13,828.7
Accumulated depreciation and impairment as at 31 December previous year	-1,715.9	-1,614.2
Carrying amount as at 31 December previous year	12,614.1	12,214.5
Foreign currency translation effects	22.8	133.0
Increases	1,167.2	1,064.5
Capitalized expenses	65.4	51.3
Changes in consolidation scope	173.2	-27.1
Reclassification	72.3	45.0
Decreases	-843.8	-720.2
Depreciation of the period	-177.6	-164.6
Net impairment loss of the period	-11.9	17.6
Carrying amount as at the end of the period	13,081.7	12,614.1
Accumulated amortization and impairment as at the end of the period	1,797.2	1,715.9
Gross bookvalue as at the end of the period	14,878.9	14,330.0
Fair value	18,590.1	17,950.2

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)	31/12/2011	31/12/2010
Investments in non-consolidated subsidiaries	226.0	233.4
Investments in associated companies valued at equity	1,175.3	1,731.2
Investments in joint ventures	146.6	134.0
Investments in other associated companies	356.8	340.6
Total	1,904.8	2,439.2

The decrease in investments in associated companies valued at equity, amounting to € 555.9 million, was attributable to the decrease of the investment in Telco, which amounted to € 539.8 million, and to the reclassification of the investment in Citylife as it entered into the consolidation line by line perimeter, as a result of the control acquisition in July 2011. The reduction of the investment in Telco was mainly due to the impairment, which amounted to € 628.5 million, net of positive result of the period and other equity movements, which contributed to bring the value of the investment to € 369.8 million, compared to € 909.6 million in 2010.

This impairment was made on the basis of the impairment test at 31 December 2011 as a result of the emergence of some impairment triggers on the Telecom Italia shares held by Telco (22.4% of ordinary shares). Considering that the only asset of Telco is the investment in Telecom Italia, the value of the stake in Telco was broadly defined as the difference between equity value of the investment in Telecom Italia at 31 December 2011 and the Telco net financial debt at the same date, as reported in the reporting package relevant to equity method valuation of the investment.

The Telecom Italia investment recoverable amount was defined according to the value in use. The methodology used to perform the impairment test was the unlevered Discounted Cash Flow method (DCF). This technique required the estimation of future cash flows and terminal value of the appropriately identified cash generating units (CGU), discounted at the valuation date. Then the value of net financial debt at the valuation date was deducted from the value as above defined.

With reference to the evaluation, 3 CGUs were identified: Domestic CGU, CGU Brazil and CGU Argentina. This was consistent with the strategic vision of the Board of Directors of Telecom Italia.

The evaluation was based on the update of the business plan disclosed by Telecom Italia during the preliminary results presentation for 2011 year end closing. More in detail, the Domestic CGU revenues reduction and the increase in Italian interest rates implied a review of the evaluation made at 30 June 2011. The assumptions used were generally consistent with external sources of information and the industrial sector parameters. The value per share of Telecom Italia was defined as the average value between a base scenario and a more conservative scenario.

The terminal value was determined using projected unlevered cash flow for the last year's plan for each CGU.

Furthermore, a sensitivity analysis of WACC rate (with a negative stress up to +1% compared to the base value) and nominal growth factor "g" ($\pm 0.5\%$ compared to the central value) was performed, both for the base and conservative scenario. Based on this analysis, the minimum and maximum value of Telecom Italia ranged from € 1.225 to € 1.672 per share, assuming only a negative stress for WACC.

On the basis of this impairment test, the value per share of Telecom Italia in the Financial Statement of Telco amounted to € 1.50 per share, compared to € 2.18 at 31 December 2010. This decrease was indirectly reflected as an impairment of Telco stake in the Generali Group 2011 Consolidated Financial Statement for € 628.6 million.

4.3 – Held to maturity investments

(€ million)	31/12/2011	31/12/2010
Quoted bonds	5,269.3	4,523.4
Other held to maturity investments	24.0	21.5
Total	5,293.3	4,544.9

The Group limits the use of this category only to high rating quoted bonds, that the Group companies are able to hold till maturity. The increase between December 2010 and December 2011 is mainly due to government bond subscriptions made by the Group companies.

The fair value of the held to maturity investments amounted to € 5,296.6 million, of which € 5,272.6 represented by quoted bonds.

4.4 – Loans and receivables

(€ million)	31/12/2011	31/12/2010
Loans	68,243.3	71,732.5
Unquoted bonds	46,229.8	50,593.6
Deposits under reinsurance business accepted	664.7	608.5
Other loans and receivables	21,348.8	20,530.5
Mortgage loans	8,766.1	8,703.4
Policy loans	3,297.5	3,263.8
Term deposits with credit institutions	7,509.4	4,349.8
Other loans	1,775.7	4,213.4
Receivables from banks or customers	8,847.1	7,476.4
Receivables from banks	2,563.2	2,604.2
Receivables from customers	6,283.9	4,872.2
Total	77,090.3	79,208.9

This category accounts for 22.2% of total investments. It mainly consisted of unquoted bonds and mortgage loans, which represent 60% and 11% of total loans, respectively. More than 90% of bonds category was made up by fixed income long-term bond instruments.

The fair value of total loans amounted to € 69,946.9 million, of which € 47,507.9 million related to bonds. Receivables from banks or customers are mainly short-term.

4.5 – Available for sale financial assets

(€ million)	31/12/2011	31/12/2010
Unquoted equities at cost	317.7	454.6
Equities at fair value	9,803.7	15,182.4
Quoted	8,756.8	14,175.2
Unquoted	1,046.9	1,007.2
Bonds	152,657.2	159,469.8
Quoted	147,575.9	153,290.4
Unquoted	5,081.3	6,179.5
Investment fund units	10,726.1	11,367.4
Other available for sale financial assets	2,144.4	2,454.3
Total	175,649.1	188,928.5

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 amounted to € 186,849.5 million.

(€ million)	31/12/2011	Fair value	Unrealized gains / losses	Amortized cost
Unquoted equities at cost		317.7	0.0	317.7
Equities at fair value		9,803.7	-1,611.9	11,415.7
Bonds		152,657.2	-9,286.5	161,943.7
Investment fund units		10,726.1	-483.6	11,209.7
Other available for sale financial assets		2,144.4	181.6	1,962.8
Total		175,649.1	-11,200.4	186,849.5

This category accounted for 50.7% of the total investments.

In particular, the available for sale bonds represented 71.8% of total bonds and they are mainly fixed interest rate government bonds, with a rating higher than A-. The maturity of this category is shown in the table below

(€ million)	Fair value 31/12/2011	Fair value 31/12/2010
Up to 1 year	9,552.4	9,700.2
Between 1 and 5 years	37,287.6	37,000.0
Between 5 and 10 years	57,454.6	57,517.7
More than 10 years	48,246.9	55,100.0
Perpetual	115.7	151.9
Total	152,657.2	159,469.8

Realized gains and losses and impairment losses on available for sale financial assets are shown in the table below.

(€ million)	31/12/2011	Realized gains	Realized losses	Impairment losses
Equities		1,192.6	-1,084.5	-750.1
Bonds		1,775.1	-916.6	-2,174.5
Investment fund units		204.1	-224.1	-30.7
Other available for sale financial assets		178.9	-21.8	-51.4
Total		3,350.7	-2,247.0	-3,006.6

(€ 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
Total		3,076.0	-1,187.1	-619.6

With reference to the net impairment losses, the impairment loss rerecognized in the profit or loss account on the basis of market prices at 31 December 2011 attributable to the Greek sovereign debt classified as financial assets available for sale amounted to € 2,170.9 million.

As a result of the improvement of methodology in the definition of impairments of equity instruments classified as Financial assets available for sale introduced by the Group following the particular financial environment observed in the second semester of 2011, less impairments were recognised in Profit or Loss, with a positive estimated impact before taxes of about € 251.6 million for the bank sector and a negative impact of about € 24.8 million for the other industry sectors, compared to what would have happened in case of the application of general significance threshold of 50% previously used.

For a detailed explanation of the aforementioned methodological approach, please refer to *Part 3 - "Impairment losses on financial instruments"* of the *Other Information* section in the *Basis of presentation and accounting principles*.

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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Equities	46.5	34.3	263.6	310.4	310.1	344.6
Quoted	46.5	33.5	11.3	41.8	57.8	75.3
Unquoted	0.0	0.8	252.3	268.6	252.3	269.4
Bonds	797.9	683.4	6,482.2	7,262.5	7,280.1	7,945.8
Quoted	779.5	675.1	5,806.6	6,337.8	6,586.1	7,012.9
Unquoted	18.4	8.3	675.6	924.7	694.0	932.9
Investment fund units	27.8	23.9	3,137.6	3,345.8	3,165.3	3,369.7
Derivatives	1,167.1	869.9	1,371.1	1,037.3	2,538.2	1,907.3
Investments back to policies where the investment risk is borne by the policyholders and back to pension funds	0.0	0.0	58,312.0	60,637.0	58,312.0	60,637.0
Other financial investments	250.8	202.0	1,779.8	2,173.5	2,030.6	2,375.6
Total	2,290.0	1,813.5	71,346.2	74,766.4	73,636.2	76,580.0

This category accounted for 21.2% of the total investments. More in detail, these investments were mainly allocated in the life segment (€ 70,570.5 million, which accounted for 95.8% of this category) whereas the residual part referred to the non-life segment (€ 828.9 million, which accounted for 1.1% of this category) and in the financial segment (€ 2,236.8 million, which accounted for 3.0% of this category).

Furthermore, this category includes investments back to policies where the risk is borne by the policyholders, which amount to € 58,312.0 million.

(€ million)	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Assets	56,462.6	59,230.8	1,849.4	1,406.2	58,312.0	60,637.0
Total assets	56,462.6	59,230.8	1,849.4	1,406.2	58,312.0	60,637.0
Financial liabilities	10,260.4	10,418.7	1,079.9	787.4	11,340.2	11,206.1
Insurance provisions ^(*)	46,540.0	49,149.3	149.6	311.1	46,689.6	49,460.4
Total	56,800.4	59,568.0	1,229.5	1,098.5	58,029.9	60,666.5

(*) 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 2011, after all the sales and pay backs performed during the years, the corporate bonds just mentioned amounted to € 8,705.1.

(€ million)	Book Value reclassified as at 01/01/2009	Book Value reclassified as at 01/01/2010	Book Value at 01/01/2011	Change of the period 2011	Book Value at 31/12/2011	Fair Value as at 31/12/2011
Available for sale financial assets	14,028.0	12,560.5	9,693.0	-1,488.9	8,204.1	7,881.0
Financial assets at fair value through profit or loss	630.2	625.2	572.5	-71.6	500.9	477.9
Total reclassified investments	14,658.2	13,185.7	10,265.5	-1,560.4	8,705.1	8,358.9

Following the unfavorable 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 € 323.1 million (Group plus minorities share) compared with the previous classification, and, net of the policyholders share and the deferred taxes, of € 36.3 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 € 23.1 million compared with the previous classification, that, net of the policyholders share and the deferred taxes, amounts to € 2.1 million.

5 – Receivables

This category includes receivables arising out of direct insurance and reinsurance operations, and other receivables. Other receivables, which amounted to € 779.0 million, refer to the real estate activity.

6 – Other assets

(€ million)	31/12/2011	31/12/2010
Non-current assets or disposal groups classified as held for sale	148.0	198.2
Deferred acquisition costs	2,013.4	1,885.6
Tax receivables	2,736.6	2,626.8
Deferred tax assets	6,843.1	3,596.3
Other assets	6,827.5	7,117.3
Accrued interest income	4,164.1	4,406.3
Other accrued income	371.9	369.5
Deferred income	357.2	361.8
Deferred commissions for investment management services	68.9	79.2
Miscellaneous assets	1,865.2	1,900.5
Total	18,568.5	15,424.2

Deferred acquisition costs

(€ million)	Segment Life		Segment Non-Life		Total	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Carrying amount as at 31 December previous year	1,454.3	1,316.4	431.3	457.0	1,885.6	1,773.4
Acquisition costs deferred	498.3	454.6	218.3	241.6	716.6	696.2
Changes in consolidation scope	0.0	5.1	4.2	0.0	4.2	5.1
Amortization of the period	-379.1	-322.6	-188.7	-253.5	-567.8	-576.1
Other movements	-5.2	0.8	-19.9	-13.7	-25.2	-13.0
Carrying amount as at 31 December current year	1,568.2	1,454.3	445.2	431.3	2,013.4	1,885.6

The deferred acquisition costs increased from € 1,885.6 million at 31 December 2010 to € 2,013.4 million at 31 December 2011. The increase of the period was due by the increase of the production of the period in both life and non-life segment.

7 – Cash and cash equivalents

(€ million)	31/12/2011	31/12/2010
Cash and cash equivalents	6,451.6	2,125.9
Cash and balances with central banks	9,485.9	1.0
Cash at bank	9,622.4	8,863.5
Total	25,559.9	10,990.3

The increase in cash and other cash equivalents followed the Group's decision to prudently increase the weight of its investments in liquid assets in consideration to the current financial context, characterized by strong tensions on government bonds.

Equity and liabilities

1 – Shareholders' equity

(€ million)	31/12/2011	31/12/2010
Shareholders' equity attributable to the Group	15,485.6	17,489.8
Share capital	1,556.9	1,556.9
Capital reserves	7,097.9	7,098.3
Revenue reserves and other reserves	8,153.6	7,289.1
(Own shares)	-403.4	-403.3
Reserve for currency translation differences	614.9	557.2
Reserve for unrealized gains and losses on available for sale financial assets	-2,155.5	-184.4
Reserve for other unrealized gains and losses through equity	-234.9	-125.8
Result of the period	856.1	1,701.9
Shareholders' equity attributable to minority interests	2,635.0	2,574.7
Total	18,120.5	20,064.5

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 amounted to € 403.4 million (15,997,470 shares) and were stable compared to € 403.3 million (15,999,446 shares) on 31 December 2010.

The reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies, amounted to € 614.9 million (€ 557.2 million at 31 December 2010). The increase was due by the appreciation of some foreign currencies against the euro in 2011 (Swiss franc, US dollar and British pound), which had more than compensated the depreciation of other foreign currencies (Czech koruna, Israeli shekel and Argentine peso).

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 € - 2,155.5 million (€ - 184.4 million on 31 December 2010). The worsening of the just mentioned reserve was due to a decrease in the value of both the government and corporate bonds as well as to the 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.

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 table below summarizes the reconciliation of the result of the period and shareholders' equity of the Group and the Parent Company.

(€ million)	31/12/2011		31/12/2010	
	Shareholders' equity before the result of the period	Result of the period	Shareholders' equity before the result of the period	Result of the period
Parent Company amounts in conformity with the Italian accounting principles	14,259.5	325.5	14,324.8	633.8
Adjustments to Parent Company for IAS/IFRS application	-3,357.5	518.4	-2,685.8	-137.6
Parent Company amounts in conformity with IAS/IFRS principles	10,902.0	844.0	11,639.0	496.2
Result of the period of entities included in the consolidation area		4,132.7		5,419.9
Dividends	3,535.7	-3,535.7	3,575.2	-3,575.2
Elimination of participations, equity valuation impacts and other consolidation adjustments	1,051.5	-584.9	187.4	-638.9
Reserve for currency translation differences	614.9		558.4	
Reserve for unrealized gains and losses on available for sale financial assets	-1,388.5		-146.0	
Reserve for other unrealized gains and losses through equity	-86.1		-26.1	
Shareholders' equity attributable to the Group	14,629.5	856.1	15,787.9	1,701.9

2 – Other provisions

(€ million)	31/12/2011	31/12/2010
Provisions for taxation	68.8	90.1
Provisions for commitments	745.4	758.2
Other provisions	572.0	648.2
Total	1,386.2	1,496.5

The main changes occurred in the period are summarized in the table below:

(€ million)	31/12/2011	31/12/2010
Carrying amount as at 31 December previous year	1,496.5	1,490.5
Foreign currency translation effects	-0.9	13.0
Changes in consolidation scope	3.4	3.3
Variations	-112.9	-10.2
Carrying amount as at 31 December current year	1,386.2	1,496.5

3 – Insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Non-life insurance provisions^(*)	33,189.3	32,928.8	1,460.0	1,541.7	34,649.3	34,470.6
Provisions for unearned premiums	6,153.5	5,906.8	137.1	146.7	6,290.6	6,053.4
Provisions for outstanding claims	26,649.7	26,649.6	1,318.9	1,390.5	27,968.6	28,040.1
Other insurance provisions	386.1	372.4	4.0	4.6	390.0	377.0
of which provisions for liability adequacy test	7.2	4.9	0.0	0.0	7.2	4.9
Life insurance provisions^(*)	288,208.3	293,371.9	2,132.5	1,773.8	290,340.8	295,145.8
Provisions for outstanding claims	4,486.8	4,984.1	802.8	668.8	5,289.6	5,652.8
Mathematical provisions	231,587.5	225,837.2	1,084.6	901.9	232,672.2	226,739.1
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	46,804.2	49,385.8	45.7	75.0	46,849.8	49,460.9
Other insurance provisions	5,329.8	13,164.8	199.4	128.1	5,529.2	13,292.9
of which provisions for liability adequacy test	1,174.7	1,251.9	92.2	34.2	1,266.8	1,286.1
of which deferred policyholder liabilities	-12,185.2	-4,361.6	0.0	0.0	-12,185.2	-4,361.6
Total	321,397.6	326,300.7	3,592.5	3,315.6	324,990.1	329,616.3

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

The increase in the non-life insurance provisions (+ 0.5% compared to 2010) is attributable to the development of the premium, whereas claims provisions were stable compared to 2010.

In the life segment the insurance provisions decreased by 1.6%; this trend is determined by the worsening of the financial markets, that contributed to the decrease of the market value of the funds linked to *unit/index linked* policies and 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 € 7,213.3 million compared to € 7,793.8 million in 2010, and the ageing provisions for life segment, which amount to € 9,076.8 million compared to € 8,411.8 million in 2010.

Provisions for outstanding claims

(€ million)	Gross direct insurance	
	31/12/2011	31/12/2010
Motor	11,590.4	11,622.7
Non motor	15,059.3	15,027.7
Personal and commercial lines	12,305.0	12,339.9
Accident/Health ^(*)	2,754.3	2,687.8
Total	26,649.7	26,649.6

(*) Life segment includes health insurance with life features.

The 43.5% of the gross direct claims provisions referred to the motor business that was stable compared to last year (43.6%). In the non-motor business, the personal and commercial lines weight for 81.7%.

Insurance provisions and financial liabilities related to policies of the life segment

(€ million)	Net	
	31/12/2011	31/12/2010
Insurance contracts	207,312.5	200,618.7
Investment contracts with discretionary participation feature	80,165.4	82,908.5
Total insurance provisions	287,477.9	283,527.2
Investments contracts fair valued	11,563.0	11,499.7
Investments contracts at amortised cost	4,106.8	3,871.4
Total financial liabilities	15,669.8	15,371.2
Total	303,147.7	298,898.4

Total insurance provisions include 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 amounted to € 231,715.3 million and € 46,689.6 million, respectively; net ageing provisions for life segment, which amounted to € 9,073.0 million and were accounted for in other insurance provisions of the life segment.

The policies with significant insurance risk account for 68.4% of the total life portfolio (67.1% in 2010), while the investment contracts with discretionary participation feature account for 26.4% (27.7% in 2010).

The investment contracts within the scope of IAS 39 accounted for 5.2% compared to 5.1% in 2010. They are mainly unit/index linked policies without significant insurance risk.

Mathematical provisions and ageing for life segment

(€ million)	Gross direct amount	
	31/12/2011	31/12/2010
Carrying amount as at 31 December previous year	234,245.7	220,026.1
Foreign currency translation effects	-34.6	1,436.3
Premiums and payments	-2,593.3	5,146.8
Interests and bonuses credited to policyholders	9,185.7	7,673.1
Change of the management component	-23.2	-9.9
Transfer to Non-current assets or disposal groups classified as held for sale	0.0	0.0
Acquisitions, disinvestments and other movements	-119.7	-26.7
Carrying amount as at 31 December current year	240,660.5	234,245.7

Interest and bonuses credited to policyholders include the attribution of financial return.

The decrease in premiums and payments was mainly attributable to the decline in net inflows in the traditional business recorded in the period.

Provisions for policies where the investment risk is borne by the policyholders and for pension funds

(€ million)	Gross direct amount	
	31/12/2011	31/12/2010
Carrying amount as at 31st December previous year	49,385.8	41,926.4
Foreign currency translation effects	-384.2	1,827.7
Premiums and claims	1,385.2	2,095.8
Interests and bonuses credited to policyholders	-3,159.8	3,956.6
Acquisitions, disinvestments and other	-422.8	-420.7
Transfer to Non-current assets or disposal groups classified as held for sale	0.0	0.0
Carrying amount as at 31st December current year	46,804.2	49,385.8

The development of the provisions for policies where the investment risk is borne by the policyholder and for pension funds highlights the decrease of the profit shared with policyholders due to the unrealised losses on assets backing unit/index linked policies triggered by the financial markets conditions.

Deferred policyholders liabilities

(€ million)	Gross direct amount	
	31/12/2011	31/12/2010
Carrying amount as at 31 December previous year	-4,361.6	-559.2
Foreign currency translation effects	5.3	15.8
Change of the period	-7,828.9	-3,818.1
Acquisitions and disinvestments	0.0	0.0
Carrying amount as at 31 December current year	-12,185.2	-4,361.6

The development of the period was due to the significant decrease in value recorded mainly in the Group bond portfolio classified as available for sale instruments.

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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Financial liabilities related to investment contracts issued by insurance companies	0.0	0.0	11,563.0	11,499.7	11,563.0	11,499.7
where the investment risk is borne by the policyholders	0.0	0.0	10,260.4	10,418.7	10,260.4	10,418.7
pension funds	0.0	0.0	1,079.9	787.4	1,079.9	787.4
other financial liabilities related to investment contracts	0.0	0.0	222.8	293.6	222.8	293.6
Derivatives	1,148.3	914.2	826.4	789.0	1,974.7	1,703.2
Other financial liabilities	0.0	0.0	1,001.5	489.9	1,001.5	489.9
Total	1,148.3	914.2	13,391.0	12,778.5	14,539.3	13,692.7

4.2 – Other financial liabilities

(€ million)	31/12/2011	31/12/2010
Subordinated liabilities	6,610.9	6,492.9
Loans and bonds	15,698.6	15,202.3
Deposits received from reinsurers	983.5	1,070.8
Bonds	5,021.9	4,992.7
Other loans	4,623.1	4,568.2
Financial liabilities related to investment contracts issued by insurance companies	4,106.8	3,871.4
Hedging derivatives	963.2	699.2
Liabilities to banks or customers	22,284.7	18,506.5
Liabilities to banks	995.3	421.5
Liabilities to customers	21,289.4	18,084.9
Total	44,594.1	40,201.7

The table below summarizes the main subordinated issuances in the market and their features:

Issuer	Coupon	Outstanding ^(*)	Currency	Amortised cost ^(**)	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	1,268.5	16/06/2006	16/06/2016	Perp
Generali Finance B.V.	6.21%	700.0	GBP	833.7	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350.0	GBP	415.5	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	1,250.0	EUR	975.2	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	6.42%	495.0	GBP	586.3	08/02/2007	08/02/2022	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 € 5,884.7 million.

The amount of bonds issued includes senior issues, whose a list of main quoted ones is shown:

Issuer	Coupon	Outstanding ^(*)	Currency	Amortised cost ^(**)	Issue date	Maturity
Generali Finance B.V.	4.75%	1,500.0	EUR	1,489.2	12/05/1999	12/05/2014
Generali Finance B.V.	3.88%	500.0	EUR	498.6	06/05/2005	06/05/2015
Assicurazioni Generali	4.88%	750.0	EUR	740.6	11/03/2009	11/11/2014
Assicurazioni Generali	5.13%	1,750.0	EUR	1,715.2	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 € 4,363.9 million.

Liabilities to banks and customers are mainly payable on demand or short term liabilities.

5 – Payables

(€ million)	31/12/2011	31/12/2010
Payables arising out of direct insurance operations	3,578.4	3,917.0
Payables arising out of reinsurance operations	725.3	691.7
Other payables	3,303.3	3,041.3
Payables to employees	953.8	938.2
Provision for defined benefit plans (employee severance pay)	108.4	117.4
Payables to clients and suppliers	1,121.7	913.6
Social security	156.9	135.8
Other payables	962.4	936.3
Total	7,607.0	7,650.0

The other payables, which amounted to € 160.5 million, were related to real estate activities and are mainly due within a year.

6 – Other liabilities

(€ million)	31/12/2011	31/12/2010
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	0.0	0.0
Deferred tax liabilities	5,949.2	3,753.3
Tax payables	1,339.1	1,607.1
Other liabilities	4,531.7	4,348.0
Provision for other defined benefit plans	2,601.6	2,563.4
Termination benefit liabilities	90.2	86.8
Accrued interest expense	373.9	369.1
Other accrued expenses	316.8	308.4
Deferred expenses	99.5	100.6
Deferred income for investment management services	12.3	14.8
Miscellaneous liabilities	1,037.5	905.0
Total	11,820.0	9,708.4

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)	31/12/2011	31/12/2010	31.12.2009	31.12.2008	31.12.2007
Present value of defined benefit plan obligation	4,684.7	4,484.0	4,030.2	3,800.4	3,194.4
Fair value of plan assets	-1,628.0	-1,613.8	-1,401.0	-1,321.2	-682.2
Status funded	3,056.8	2,870.2	2,629.2	2,479.3	2,512.2
Net actuarial gains or (losses) not recognised	-350.3	-190.6	22.3	145.0	77.8
Past service cost not recognised	3.6	1.1	0.2	-0.9	-0.3
Net liability recognised in the Balance Sheet	2,710.1	2,680.7	2,651.6	2,623.4	2,589.7

The funded status arising from the application of IAS 19 increased from € 2,870.2 as at 31 December 2010 million to € 3,056.8 million as at 31 December 2011.

The increase was mainly due to the increase of the present value of the defined benefit plan obligations, following the reduction of the discount rate applied in the "Project Unit Credit Method"⁶ 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, to the extent of the yearly contributions paid by the companies, are liable for the fulfilment of the pension commitments granted in case of companies insolvency.

The table below shows the defined benefit obligation and the net liability movements occurred during the financial year 2011:

(€ million)	31/12/2011	31/12/2010
Defined benefit obligation as at 31 December previous year	4,484.0	4,030.2
Foreign currency translation effects	39.1	203.1
Current service cost	93.0	86.0
Past service cost	4.3	3.3
Interest expense	192.9	185.8
Actuarial (gains) and losses	83.6	192.9
Curtailments and settlements effect	13.8	-11.0
Contribution by plan participants	11.9	18.5
Benefits paid	-237.0	-226.0
Changes in consolidation scope	-1.0	1.3
Defined benefit obligation as at 31 December current year	4,684.7	4,484.0

⁶ Refer to paragraph 6.4 – Other liabilities in Accounting principles section.

(€ million)	31/12/2011	31/12/2010
Fair value of plan assets as at 31 December previous year	1,613.8	1,401.0
Foreign currency translation effects	33.0	184.6
Expected return on plan assets	66.7	62.4
Actuarial (gains) and losses	-52.2	-29.3
Curtailments and settlements effect	0.0	-6.6
Employer contribution	37.4	54.2
Contribution by plan participants	19.5	26.7
Benefits paid	-89.0	-79.4
Changes in consolidation scope	-1.2	0.3
Fair value of plan assets as at 31 December current year	1,628.0	1,613.8

The net defined benefit plans expense of the year recognised in the profit or loss account aroused from the following items:

(€ million)	31/12/2011	31/12/2010
Current service cost	93.0	86.0
Interest expense	192.9	185.8
Expected return on plan assets	-66.7	-62.4
Net actuarial losses recognised in the period	-43.4	-5.0
Past service cost	2.7	2.7
Curtailments and settlements effect	-1.2	-4.3
Net expense recognised in the income statement	177.4	202.8

The table below shows the net defined benefit plans liability movements occurred during the financial year 2011:

(€ million)	31/12/2011	31/12/2010
Net liability as at 31 December previous year	2,680.7	2,651.6
Foreign currency translation effects	1.8	8.0
Net expense recognised in the income statement	181.5	202.8
Contributions and benefits payed	-153.1	-181.5
Changes in consolidation scope	-0.8	-0.2
Net liability as at 31 December current year	2,710.1	2,680.7

The defined benefit plans' weighted-average asset allocation by asset category is as follows:

(%)	31/12/2011	31/12/2010
Bonds	54.6	55.9
Equities	16.9	16.5
Real estates	11.7	11.4
Investment fund units	7.4	5.9
Other investments	9.3	10.3
Total	100.0	100.0

The assumptions used in the actuarial calculation of the defined benefit obligations and the related periodic pension cost are 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 2011 are as follows:

(%)	Eurozone		Switzerland		United Kingdom		USA	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Discount rate	4.9	4.9	2.5	3.0	4.7	5.4	4.4	5.6
Expected long-term rate of return on plan assets	4.4	4.5	3.7	4.0	6.0	6.8	8.0	8.0
Rate of salary increase	3.0	2.9	1.9	2.0	0.0	5.3	3.3	4.0
Rate of pension increase	2.0	2.0	0.0	0.4	3.6	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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Non-life earned premiums	22,676.9	22,244.6	-2,014.4	-1,970.7	20,662.5	20,274.0
Premiums written	22,969.6	22,278.2	-2,032.4	-1,959.7	20,937.2	20,318.5
Change in the provision for unearned premiums	-292.7	-33.5	18.0	-11.0	-274.7	-44.5
Life premiums	42,989.4	46,155.7	-913.3	-703.1	42,076.0	45,452.5
Total	65,666.2	68,400.3	-2,927.7	-2,673.8	62,738.5	65,726.5

1.2 – Fee and commissions income and income from financial service activities

(€ million)	31/12/2011	31/12/2010
Fee and commission income from banking activity	148.3	182.4
Fee and commission income from asset management activity	952.8	925.7
Fee and commission income related to investment contracts	219.2	156.1
Fee and commission income related to pension funds management	93.9	60.1
Total	1,414.3	1,324.2

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

(€ million)	Financial investments held for trading		Financial investments backto 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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Interest and other income	115.6	106.2	670.9	692.3	541.5	573.8	1,327.9	1,372.3
Realized gains	378.9	417.3	849.7	1,306.7	1,998.3	492.9	3,227.0	2,216.9
Realized losses	-566.7	-495.5	-1,376.8	-1,052.9	-1,916.6	-425.1	-3,860.2	-1,973.5
Unrealized gains	90.8	81.9	3,558.1	5,808.8	2,048.8	2,357.1	5,697.7	8,247.8
Unrealized losses	-56.2	-62.4	-6,864.4	-2,883.3	-2,748.6	-2,285.9	-9,669.3	-5,231.6
Total	-37.6	47.5	-3,162.6	3,871.5	-76.7	712.8	-3,276.9	4,631.8

Net income from financial assets at fair value through profit or loss mainly referred to the life segment (€ 3,257.4 million). This item is not material for the other segments (€ - 43.3 million in the non-life segment and € 23.9 million in the financial segment).

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

(€ million)	31/12/2011	31/12/2010
Dividends and other income	147.7	99.2
Realized gains	246.3	11.0
Reversal of impairment	9.8	0.1
Total	403.8	110.2

1.5 – Income from other financial instruments and land and buildings (investment properties)

(€ million)	31/12/2011	31/12/2010
Interest income	10,607.3	10,207.7
Interest income from held to maturity investments	240.2	129.5
Interest income from loans and receivables	3,110.7	3,300.4
Interest income from available for sale financial assets	7,103.0	6,679.1
Interest income from other receivables	34.3	11.9
Interest income from cash and cash equivalents	119.1	86.8
Other income	2,176.3	2,094.6
Income from land and buildings (investment properties)	1,051.5	987.0
Other income from available for sale financial assets	1,124.8	1,107.6
Realized gains	4,372.6	3,647.6
Realized gains on land and buildings (investment properties)	323.5	226.5
Realized gains on held to maturity investments	0.1	0.3
Realized gains on loans and receivables	694.9	341.8
Realized gains on available for sale financial assets	3,350.7	3,076.0
Realized gains on other receivable	3.5	0.0
Realized gains on financial liabilities at amortised cost	0.0	3.0
Reversal of impairment	201.3	207.3
Reversal of impairment of land and buildings (investment properties)	25.8	57.2
Reversal of impairment of held to maturity investments	0.2	0.0
Reversal of impairment of loans and receivables	46.4	44.6
Reversal of impairment of available for sale financial assets	3.2	2.9
Reversal of impairment of other receivables	125.6	102.5
Total	17,357.5	16,157.2

1.6 – Other income

(€ million)	31/12/2011	31/12/2010
Gains on foreign currencies	907.4	1,431.6
Income from tangible assets	159.5	79.8
Reversal of other provisions	125.0	114.7
Leasing fees	0.3	0.7
Income from service and assistance activities and recovery of charges	486.1	539.2
Income from non-current assets or disposal group classified as held for sale	14.3	34.3
Other technical income	380.6	385.0
Other income	290.2	243.9
Total	2,363.5	2,829.2

2 – Expenses

2.1 – Net insurance benefits and claims

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Non-life net insurance benefits and claims	15,294.9	15,744.7	-1,047.5	-1,293.2	14,247.4	14,451.4
Claims paid	15,163.5	15,563.4	-1,192.1	-1,303.0	13,971.4	14,260.5
Change in the provisions for outstanding claims	105.3	189.6	144.1	5.7	249.4	195.3
Change in claims paid to be recovered	-6.6	-16.3	2.5	0.0	-4.2	-16.4
Change in other insurance provisions	32.7	7.9	-1.9	4.1	30.8	12.0
Life net insurance benefits and claims	41,513.8	53,792.7	-744.0	-527.8	40,769.8	53,264.9
Claims payments	38,940.7	32,593.2	-521.6	-513.6	38,419.2	32,079.6
Change in the provisions for outstanding claims	-325.2	775.5	-50.4	-11.1	-375.6	764.4
Change in the mathematical provisions	5,688.3	12,311.2	-231.9	15.7	5,456.4	12,326.8
Change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	-2,133.6	6,167.7	2.0	-9.9	-2,131.6	6,157.8
Change in other insurance provisions	-656.5	1,945.2	57.8	-8.9	-598.6	1,936.4
Total^(*)	56,808.7	69,537.4	-1,791.5	-1,821.0	55,017.2	67,716.4

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

The increase of the payments in the life segment (+ 19.8%) was completely attributable to the surrenders (+ 41.7%); during financial year 2011 there was also a growth of claims (+ 5.4%), whereas the maturities and annuities decreased, - 4.9% and -1.0% respectively.

The decrease in changes in technical provisions for policies where the investment risk is borne by the policyholders and other technical provisions were related to the unfavourable financial market trends, whereas the decrease in change in mathematical provisions reflected the decline of the net inflows.

2.2 – Fee and commissions expenses and expenses from financial service activities

(€ million)	31/12/2011	31/12/2010
Fee and commission expenses from banking activity	191.7	203.8
Fee and commission expenses from asset management activity	153.7	127.5
Fee and commission expenses related to investment contracts	125.6	113.7
Fee and commission expenses related to pension funds management	9.8	10.9
Total	480.9	455.9

2.3 – Expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2011	31/12/2010
Realized losses	60.6	14.0
Impairment losses	667.8	9.9
Total	728.4	23.9

The increase of the impairment losses attributable for € 628.6 million to the write-down of the investment in Telco.

2.4 – Expenses from other financial instruments and land and buildings (investment properties)

(€ million)	31/12/2011	31/12/2010
Interest expense	1,295.0	1,237.1
Interest expense on subordinated liabilities	417.1	411.1
Interest expense on loans, bonds and other payables	599.0	583.4
Interest expense on deposits received from reinsurers	35.3	32.6
Other interest expense	243.5	209.9
Other expenses	414.0	382.9
Depreciation of land and buildings (investment properties)	177.6	162.8
Expenses from land and buildings (investment properties)	236.3	220.1
Realized losses	2,367.1	1,305.0
Realized losses on land and buildings (investment properties)	14.9	3.3
Realized losses on held to maturity investments	0.3	0.3
Realized losses on loans and receivables	87.2	110.3
Realized losses on available for sale financial assets	2,247.0	1,187.1
Realized losses on other receivables	8.4	4.0
Realized losses on financial liabilities at amortized cost	9.4	0.0

(continues)

(continues)

(€ million)	31/12/2011	31/12/2010
Impairment losses	3,605.0	1,109.8
Impairment of land and buildings (investment properties)	37.7	40.6
Impairment on held to maturity investments	4.6	3.5
Impairment of loans and receivables	479.7	409.9
Impairment of available for sale financial assets	3,006.6	619.6
Impairment of other receivables	76.5	36.2
Total	7,681.1	4,034.7

2.5 – Acquisition and administration costs

(€ million)	Non-life segment		Life segment		Financial segment	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net acquisition costs and other commissions	4,461.9	4,366.2	4,064.1	4,057.7	0.0	0.0
Investment management expenses ^(*)	72.0	80.9	176.5	266.6	-0.1	-4.5
Other administration costs	1,297.2	1,280.9	1,118.3	1,078.9	915.3	900.0
Total	5,831.0	5,728.0	5,358.9	5,403.2	915.2	895.5

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

In other administration costs of the life segment, administration expenses related to investment contracts amounted to € 55.0 million compared to € 48.8 million in 2010, while administrative expenses of non-insurance companies amounted to € 38.9 million compared to € 21.5 million in 2010. In the non-life segment, administrative expenses of non-insurance companies amounted to € 65.4 million, compared to € 64.9 million in 2010, of which € 49.8 million (€ 45.3 million in 2010) referred to the real estate activity.

2.6 – Other expenses

(€ million)	31/12/2011	31/12/2010
Amortization and impairment of intangible assets	385.3	407.7
Amortization of tangible assets	111.9	110.9
Expenses from tangible assets	162.1	88.2
Losses on foreign currencies	569.7	1,146.1
Restructuring charges, termination employee benefit expenses and allocation to other provisions	287.2	380.1
Other taxes	126.5	163.6
Expenses from service and assistance activities and charges incurred on behalf of third parties	401.7	405.4
Expenses from non-current assets or disposal group classified as held for sale	1.3	1.6
Other technical expenses	522.8	485.0
Holding costs	327.9	309.9
Other expenses	388.7	316.9
Total	3,285.2	3,815.6

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 2011 and 2010 are as follow.

(€ million)	31/12/2011	31/12/2010
Income taxes	976.9	1,140.4
Italy	211.8	150.8
Other countries	765.1	989.6
Deferred taxes	-325.1	-271.1
Italy	-6.4	-171.4
Other countries	-318.7	-99.7
Total taxes of period	651.8	869.3
Income taxes on discontinued operations	0.0	56.4
Total income taxes	651.8	925.7

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 2011 and 2010. Furthermore, income taxes of Italian companies include the regional tax on productive activities (IRAP). In this latter respect, the Italian Law Decree 98/2011 - converted into Law 111/2011 - increased the IRAP standard rate for banking institutions and insurance companies from 3.9% to 4.65% and 5.9% respectively.

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 2011 the weighted average tax rate remained substantially unchanged at 16.2%. In France, income taxes are calculated by using the corporate tax rate of 36,1% for the fiscal year 2011 and of 34,43% for the fiscal year 2010. The French corporate tax rate in effect amounts to 33,33%, plus a surcharge of 3,3% (*contribution sociale*). Only for the fiscal years 2011 and 2012, the corporate tax includes a temporary 5% surcharge. Both surcharges are calculated on the tax rate of 33,33%.

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 (24%), 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)	31/12/2011	31/12/2010
Expected income tax rate	27.50%	27.50%
Earnings before taxes	1,804.6	2,836.8
Expected income tax expense	496.3	780.1
Effect of foreign tax rate differential	-87.0	-93.2
Effect of permanent differences	186.5	119.3
Effect of fiscal losses	-37.1	-8.9
IRAP, trade tax and other local income taxes	167.6	126.9
Foreign withholding taxes not recoverable	25.1	39.6
Income taxes for prior years	-90.5	-36.9
Other	-9.1	-57.6
Tax expenses	651.8	869.3
Effective tax rate	36.12%	30.64%

The effective tax rate in 2011 (36,12%) is higher than the effective tax rate of the previous year (30,64%), mainly due to the increase of the IRAP standard rate for Italian insurance companies and of non-deductible impairment charges on equity instruments (principally Telco).

The tax benefit of € 87.0 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 € 186.5 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.

Income taxes for prior years refer principally to a tax refund obtained by a German company.

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 as of 31 December 2011 and 2010 are scheduled according to their expiry periods as follows:

(€ million)	31/12/2011	31/12/2010
2011	-	3.8
2012	6.8	2.9
2013	4.3	124.2
2014	22.7	222.6
2015	36.1	12.5
2016	21.6	1.9
2017	0.1	7.0
2018	0.0	0.0
2019	0.0	25.2
2020	0.0	0.0
Unlimited	639.9	16.5
Fiscal losses carried forward	731.5	416.6

The unused fiscal losses carried forward of unlimited duration increased in particular as a result of the above mentioned Italian Law Decree 98/2011, which introduced that fiscal losses can be carried forward with no time limits (as opposed to the current five year limitation). Losses from a given year may, however, only be used to offset up to 80% of the taxable income of any following fiscal year.

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 2011 and 2010 are related to the following assets and liabilities:

(€ million)	31/12/2011	31/12/2010
Intangible assets	166.7	162.6
Tangible assets	47.7	47.2
Land and buildings (investment properties)	758.5	623.0
Available for sale financial assets	3,242.3	526.4
Other investments	213.0	140.5
Deferred acquisition costs	20.2	16.6
Other assets	318.9	365.8
Fiscal losses carried forward	207.9	103.1
Allocation to other provisions and payables	397.5	348.2
Insurance provisions	392.7	347.3
Financial liabilities and other liabilities	895.3	748.0
Other	182.6	167.6
Total deferred tax assets	6,843.1	3,596.3

(€ million)	31/12/2011	31/12/2010
Intangible assets	433.5	475.6
Tangible assets	190.7	136.6
Land and buildings (investment properties)	329.4	325.3
Available for sale financial assets	723.4	905.4
Other investments	243.3	199.9
Deferred acquisition costs	531.9	491.3
Other assets	96.8	97.7
Allocation to other provisions and payables	322.9	121.5
Insurance provisions	2,840.1	571.3
Financial liabilities and other liabilities	164.0	393.9
Other	73.1	34.9
Total deferred tax liabilities	5,949.2	3,753.3

Other information

1 – Exposure to Greece, Ireland, Italy, Portugal and Spain

(€ million)	Amortised cost 31/12/2011	Fair value 31/12/2011
Greece ^(*)	675.4	675.4
Ireland	1,767.6	1,456.8
Italy	52,438.6	44,193.3
Portugal	2,512.1	1,393.2
Spain	5,715.3	5,540.2
Total exposure to government bonds issued by Greece, Ireland, Italy, Portugal and Spain	63,109.0	53,258.9

(*) For Greek government securities the amortised cost includes the effect of the impairment recorded at 31 December 2011.

The Group recorded an impairment on Greek government bonds, based on market prices at 31 December 2011, reflecting a recovery rate of 22.7%. Exposure in terms of nominal value toward Greece is mainly concentrated in France (44%), in Germany (31%) and to a lesser extent in Italy (15%).

The Greek government bonds were mainly classified as investments available for sale and were recorded at the market value at 31 December 2011, which amounted to € 675.4 million.

The impairment based on market values at 31 December 2011 amounted to € 2,279.0 million, resulting in a lower Group net result of € 471.8 million.

2 – Other Comprehensive Income

(€ million)	31/12/2011	31/12/2010
Consolidated result of the period	1,152.7	2,018.3
Unrealized gains and losses on available for sale financial assets	-2,127.0	-938.6
Allocation	-2,913.8	-807.4
Transfer to profit and loss account	786.8	-131.2
Net unrealized gains and losses on cash flows hedging derivatives	-107.5	2.8
Allocation	-104.6	23.3
Transfer to profit and loss account	-2.9	-20.5
Net unrealized gains and losses on hedge of a net investment in foreign operations	0.5	-0.7
Allocation	0.5	-0.7
Transfer to profit and loss account	0.0	0.0
Foreign currency translation differences	27.6	788.9
Allocation	0.5	808.2
Transfer to profit and loss account	27.1	-19.2
Total other comprehensive income	-2,206.4	-147.5
Total comprehensive income	-1,053.7	1,870.8
attributable to the group	-1,166.4	1,452.3
attributable to minority interests	112.7	418.5

The following table shows the change of deferred tax assets and liabilities related to gains or losses recognized in equity or transferred from equity.

(€ million)	31/12/2011	31/12/2010
Income taxes related to other comprehensive income	749.2	13.6
Unrealized gains and losses on available for sale financial assets	690.8	12.1
Net unrealized gains and losses on cash flows hedging derivatives	58.3	-6.5
Net unrealized gains and losses on hedge of a net investment in foreign operations	0.0	0.0
Foreign currency translation differences	0.1	8.0

3 – 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, stable respect of the previous year.

(€ million)	31/12/2011			Total
	Level 1	Level 2	Level 3	
Available for sale financial assets	156,992.7	16,391.8	2,264.7	175,649.1
Equities	8,761.3	487.4	872.7	10,121.4
Bonds	141,008.0	11,548.1	101.2	152,657.2
Investment fund units	6,782.7	3,400.5	542.8	10,726.1
Other assets available for sale	440.7	955.8	748.0	2,144.4
Financial assets at fair value through profit or loss	46,194.1	25,865.9	1,576.2	73,636.2
Equities	62.2	233.8	14.1	310.1
Bonds	4,879.5	2,376.7	23.9	7,280.1
Investment fund units	3,136.0	23.2	6.1	3,165.3
Derivatives	709.6	1,828.6	0.0	2,538.2
Investments back to policies where the investment risk is borne by the policyholders	36,907.5	19,872.3	1,532.2	58,312.0
Other assets at fair value through profit or loss	499.3	1,531.3	0.0	2,030.6
Total assets at fair value	203,186.8	42,257.7	3,841.0	249,285.4
Financial liabilities at fair value through profit or loss	11,921.0	2,618.3	0.0	14,539.3
Financial liabilities related to investment contracts issued by insurance companies	10,281.8	1,281.2	0.0	11,563.0
Derivatives	659.1	1,315.6	0.0	1,974.7
Other financial liabilities	980.1	21.5	0.0	1,001.5
Total liabilities at fair value	11,921.0	2,618.3	0.0	14,539.3

(€ million)	31/12/2010			Total
	Level 1	Level 2	Level 3	
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	52,100.7	22,886.7	1,592.6	76,579.9
Equities	81.5	263.1	0.0	344.6
Bonds	4,823.3	3,097.6	24.9	7,945.8
Investment fund units	3,320.1	46.3	3.4	3,369.7
Derivatives	734.2	1,173.0	0.0	1,907.3
Investments back to policies where the investment risk is borne by the policyholders	42,682.6	16,390.1	1,564.3	60,637.0
Other assets at fair value through profit or loss	459.0	1,916.6	0.0	2,375.5
Total assets at fair value	221,429.7	39,945.1	4,133.7	265,508.5
Financial liabilities at fair value through profit or loss	10,439.4	3,253.3	0.0	13,692.8
Financial liabilities related to investment contracts issued by insurance companies	9,242.8	2,256.9	0.0	11,499.7
Derivatives	737.3	965.8	0.0	1,703.2
Other financial liabilities	459.3	30.6	0.0	489.9
Total liabilities at fair value	10,439.4	3,253.3	0.0	13,692.8

4 – Information on employees

Number of employees

	31/12/2011	31/12/2010
Managers	2,337	2,448
Employees	59,497	60,062
Sales attendants	20,098	22,793
Others	65	65
Total	81,997	85,368

The decrease occurred in the number of employees is basically related to the decrease of the consolidation area.

Personnel expenses incurred in the financial year 2011 amounts to € 4,265 million, compared to € 4,144 million in 2010.

5 – Share-based compensation plans

At 31 December 2011 incentive plans based on equity instruments granted by the Parent Company and other Group companies are outstanding.

5.1 – Share-based compensation plans granted by the Parent Company

The Assicurazioni Generali Shareholders' Meeting held on 30 April 2011, approved a new long term incentive plan (LTIP), in addition to the LTI approved by the Shareholders' Meeting held on 24 April 2010.

The aim of the LTIP is, first, to strengthen the link between remuneration and performance in the framework of the Group strategic plans (so-called absolute performance) and, second, to maintain and strengthen the link between remuneration and growth in value in relation to a peers group (so-called relative performance).

The LTIP is based on fundamental aspects listed below:

- the plan is rolling, in other words each year triggers a new cycle lasting six years. This does prejudice, in any case, the power of the Board of Directors to terminate the renewal cycles of the Plan;
- there is a direct link for each cycle with the objectives of the Generali Group three-year strategic plan;
- it involves the concept of joint investments, in other words the obligation of the recipients of the LTIP to invest part of the gross monetary incentive at the end of the first three-year period in Assicurazioni Generali shares.

Each cycle of the LTIP has an overall reference time frame of six years. Specifically, the duration of the first cycle is divided as follows:

- first three-year period: at the end of this period, if these absolute performance targets are reached and, depending on the extent, a monetary incentive (bonus) will be provided, as well as the duty to invest between 15% and 30% of the gross amount of the actual bonus in Assicurazioni Generali shares;
- second three-year period: at the end of this period, for each Company share bought at the end of the first three-year period to fulfil the obligation set out in the LTIP Regulation, the recipient has the right to receive a free allocation of a certain number of Assicurazioni Generali shares, which do not have time constraints in terms of how long they must be held, subject to both the following conditions precedent being verified:
 - a) reaching of the access threshold represented by a given level of the Group Solvency Ratio, equal to at least 140%;
 - b) positioning of the Generali Group in the peers ranking drawn up on the basis of the respective Total Shareholders' Return (so-called relative performance).

In this regard, the recipients of the LTIP are divided into five bands. The assignment of the recipients to the individual bands is defined, as far as their remit is concerned, by the Board of Directors, following a proposal from the Remuneration Committee, for the band 0, and from the Group CEO (and/or the Group CEO in conjunction with the Managing Director, restricted to the area of responsibility of the latter) for bands 1, 2, 3 and 4, taking into account the hierarchical role and the weight of the position held by the recipients (circumstances, that are, however, in no way, binding). The objectives identified for the first three-year period are linked to the belonging band.

For more details on the incentive plan, please refer to the 'Report on the remuneration'.

The IFRS treatment of the LTIP 2010 and LTIP 2011 is different in relation to the two terms of three years.

In particular, for the first three years the monetary incentive is considered a benefit under the IAS 19 scope and consequently a provision has been recognised.

The second three-year period with reference to the the right to receive a free allocation of a certain number of Assicurazioni Generali shares subject to the abovementioned condition has been treated as an equity settled share-based payments falling under IFRS 2 scope.

A cost equal to market value of the instrument at the grant date multiplied by the number of equity instruments that are expected to vest is recognised with a corresponding increase in equity. This cost is allocated over a period of maturity of 6 years.

The cost of the above mentioned plans recognized in the year was € 6.4 million. The unit market value of the equity instruments granted at the grant date was € 16.72 and € 16.18 respectively for the LTIP 2010 and LTIP 2011.

The granting of LTI has led to the cancellation of previous incentive plans based on equity instruments (*acceleration*). This resulted in the recognition of the remaining cost of the plans not fully vested for an amount of € 8.2 million.

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
Options outstanding as at 31 December previous year	9,863,862	28.6	11,380,000	29.9
granted	-	-	-	-
forfeited	4,418,287	29.0	2,655,000.00	29.20
exercised	0	0.0	-	-
expired	1,580,500	23.6	6,100,000	24.5
Options outstanding as at 31 December current year	3,865,075	30.1	2,625,000	26.9
of which exercisable	3,865,075	30.1	2,625,000	29.9

The weighted average expiry date of the stock options granted to managers and employees and outstanding at the balance sheet date is on 16 January 2013. The average expiry date of the stock option granted to the Parent Company Chairman and Managing Directors is on 23 November 2012.

5.2 - 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 2011, 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 approved in the Shareholders' Meeting of Banca Generali of 18th July 2006;
- two stock option plan reserved for networks distribution - financial advisors and private bankers - and relationship managers approved in the Shareholders' Meeting of Banca Generali of 21st April 2010; and
- one stock option plan, delibered by Banca BSI Italia on 19th January 2007, reserved to the pro-tempore chairman of the company, assumed by the Group as a result of the incorporation of that company.

By contrast, the stock granting option plan reserved to the group top management has to be considered completed.

At 31 December 2011, the options related to the stock option plan granted and exercisable referring to the plans approved in 2006 amounted to 2.9 million, of which 736,500 granted to employees and 2.2 million granted to financial advisor. The reduction in respect of the previous year is mainly due to the exercise carried out by financial advisor and employees in the first half of the year and, to a lesser extent, to the termination of the relationships with some beneficiaries.

Moreover, with reference to the plans approved in 2010, the options granted amounted to 2.5 million, of which 200,000 reserved to relationship managers. The options exercisable at 31 December 2011 amounted to about 417,000 (a sixth of the total).

	Number of options	exercise price
Options outstanding as at 31 December previous year	3,307,886	9.0
granted	2,500,000	10.7
forfeited	42,827	9.0
exercised	353,433	9.1
expired	-	-
Options outstanding as at 31 December current year	5,411,626	9.8

As for the stock option plans approved in 2006, with reference to 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. At 31 December 2011 these plans completed the vesting period, resulting as a consequence in only exercisable stage.

As for the stock option plans approved in 2010, reserved for networks distribution - financial advisors and private bankers - and relationship managers of Banca Generali, the economic effects started since 7th June 2011 – option granting date – and the fair value is between € 1.01 and € 0.65 depending on the exercise date foreseen.

The costs charged in the profit or loss account of the period from stock option plans 2010 approved in 2010, reserved for networks distribution - financial advisors and private bankers - and relationship managers of Banca Generali amount to € 1.0 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 21st December 2006, 20th December 2007, 4th December 2008, 10th December 2009 and 9th 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 2011, the number of shares granted amounted to 8,194,390 ordinary shares, of which 972,465 related to the plan granted for 175th anniversary of foundation of Parent Company.

With reference to the stock granting plans assigned by Generali France within the scope of IFRS 2, the positive effect in profit or loss, amounting to € 4.2 million, was determined by a release of the related provisions as a result of both a decrease in fair value of the company shares and the sales by employees of these shares. The plans are considered as cash-settled and so a € 67 million liability was accounted for them.

6 – Earnings per share

	31/12/2011	31/12/2010
Result of the period (€ million)	856.1	1,701.9
- from continuing operations	856.2	1,693.9
- from discontinued operations	-0.1	8.0
Weighted average number of ordinary shares outstanding	1,540,875,154	1,540,850,443
Basic earnings per share (€)	0.56	1.10
- from continuing operations	0.56	1.10
- from discontinued operations	0.00	0.01

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.

	31/12/2011	31/12/2010
Result of the period (€ million)	856.1	1,701.9
- from continuing operations	856.2	1,693.9
- from discontinued operations	-0.1	8.0
Weighted average number of ordinary shares outstanding	1,540,875,154	1,540,850,443
Adjustments for stock option	0.0	0.0
Weighted average number of ordinary shares outstanding for diluted earnings per share	1,540,875,154	1,540,850,443
Diluted earnings per share (€)	0.56	1.10
- from continuing operations	0.56	1.10
- from discontinued operations	0.00	0.01

Diluted earnings per share reflect the eventual dilution effect of potential ordinary shares.

7 – 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	53.2	479.1	1,646.9	2,179.2	0.6
Loans issued	-4.5	-44.1	-506.8	-555.3	0.9
Interest income	4.1	20.0	74.3	98.4	0.9
Interest expense	0.0	-0.1	-27.9	-28.0	2.2

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 investment bonds for € 624 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 € 409.1 million;
 - bonds purchased by Generali PPF Holding, which amount to € 220.6 million;
 - bonds purchased by Generali and other subsidiaries, which amount to € 371.9 million.

Moreover, there are other not significant investments in joint with PPF Group in Central Eastern Europe countries.

With regard to contractual agreements with PPF group concerning Generali PPF Holding - which give rights and exit option to the minority shareholder that could entail the purchase by the Group of the 49% of Generali PPF Holding in July 2014 with an estimated financial outflow so far between 2,4 and 2.7 billion euro - the following is reported.

The arrangements (the Generali-PPF Arrangements) relating to Generali PPF Holding B.V. have been subscribed 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. These arrangements, approved by a unanimous vote by the Board of Directors and 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. The group of companies referable to Petr Kellner (the PPF Group) through PPF Co1 B.V. (PPF BV or the Minority Shareholder) indeed owns in Generali PPF Holding B.V. (Holding or Company) a minority shareholding representing 49% of its share capital (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;
- 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 2011 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 account for a provision, 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 conformity of IAS/IFRS, in relation to the accounting treatment adopted in the Annual Report 2011 with reference to 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.

Furthermore, there is no need to account for a provision, 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.

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 as well as potential disposal of "non-core" assets.

With reference to the paragraph 18 of Related Party Transactions Procedures adopted by the Board of Directors in November 2010, there were no (i) Operations of major importance concluded during the reporting period (ii) Related Party Transactions, concluded during the reference period, which influenced the Group's financial statements or profit to a significant extent.

Finally, regarding to the 2011 emoluments due to board members, auditors and general managers and managers with strategic responsibilities, please refer to the section *Remuneration Report*.

8 – 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. Not significant changes on Group's reinsurance policy occurred during the year 2011.

9 – Significant non-recurring events and transactions

With reference to non-recurring transactions entered into by the Group during 2011, in August the BSI group sold 51% of the service companies B-Source SA, a Swiss company specialized in providing back-office and IT services to banks and financial intermediaries, to the company Avaloq.

In addition, taking into consideration the regulatory reorganization of the pension sector in Mexico, in December the Group sold its investment in the company Banorte to the country's largest group pension with which the Group has enhanced its bancassurance agreement, lengthening the term until 2036.

These operations have resulted in a net realizable profit of about € 108 million on the investment in Banorte and approximately € 41 million on the investment in B-Source SA.

10 – 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.

11 – Non-current assets or disposal group classified as held for sale

On 7th March 2012 the Generali Group signed with the Israeli financial group Eliahu an agreement, subject to approvals by the competent Israeli authorities, to sell its entire 69.1% holding in Migdal Insurance and Financial Holdings, listed company that operates in both the segments life and non-life as well in the financial services business. This operation allows the Group to withdraw from a market which is no longer considered core for its development strategy and to increase the liquidity of the available capital.

According to IFRS 5, which defines the accounting rules for non-current assets or disposal group classified as held for sale, starting from 1st January 2012 Migdal Insurance and Financial Holdings assets and liabilities will be presented in the items of assets and liabilities of disposal group classified as held for sale and its result, net of related fiscal effects, recognized as a separate line in the consolidated profit or loss account in the item Profit or loss from discontinued operations. As the application conditions of IFRS 5 are met after the reporting date, this principle has not been applied.

12 – Additional disclosures on business combinations

On 23rd March 2011, the Board of Fonsai group approved the exercise of the irrevocable option to sell the entire participation of 27.2% in Citylife, a company involved in the redevelopment of the historic center of the Milan's Fiera area, to Generali Properties. After the ISVAP authorization, on 18th July, Generali Group acquired control of Citylife. Consequently, effective 1st July 2011 the participation in Citylife - previously classified as a company under significant influence, and valued according to equity method - amounted to 68.46% and thus exceeding the control share required by the principles, determined the company entry in the consolidated scope.

The economic impact of this transaction, amounting to € 45.9 million, results from the fair value remeasurement, according to IFRS 3, of the existing participation through profit or loss and is determined as the difference between the carrying amount of the investment at 30 June 2011 and the fair value of the corresponding share of 41.26%.

With reference to the balance sheet effects, assets and liabilities of the acquired company are measured at the fair value at acquisition date. The excess, amounting to € 168.5 million before deferred tax (which amounted to € 52.9 million), between the price paid and the shareholders' equity restated according to IAS/IFRS principles was recognized on the real estate initiative, classified as inventories (property inventory);

Considering the full year 2011, the contribution of Citylife to the Generali Group consolidated result has been estimated at € -8.3 million.

13 – Audit and other service fees for the fiscal year

In table below, filled under the article 149-*duodecis* of Consob Regulation, are reported the 2011 fees for auditing services from auditing company of Parent company and companies within audit company's network.

(€ thousands)	31/12/2011	
	PwC Italy	PwC Network
Parent Company	1,357.9	273.0
Audit fee	992.6	273.0
Attestation service fees	336.3	0.0
Other service fees	29.0	0.0
Subsidiaries	2,326.1	18,095.4
Audit fee	1,641.6	16,223.9
Attest service fees	684.6	41.1
Other service fees	0.0	1,830.4
of which Tax service fees	0.0	1,049.6
of which Other services	0.0	780.9
Total	3,684.0	18,368.4

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

CONSOLIDATED STATEMENTS

Appendices to the Notes

at 31 December 2011

(Amounts in € million)

SEGMENT REPORTING - BALANCE SHEET

		NON-LIFE SEGMENT		LIFE SEGMENT	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
(€ million)					
1	INTANGIBLE ASSETS	4,231.9	4,372.6	5,088.2	5,167.7
2	TANGIBLE ASSETS	3,372.8	2,211.9	1,214.7	1,243.1
3	AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	4,045.8	4,234.7	1,632.2	1,530.6
4	INVESTMENTS	31,707.6	33,571.5	296,560.0	315,108.0
4.1	Land and buildings (investment properties)	5,313.0	6,226.2	7,744.4	6,363.4
4.2	Investments in subsidiaries, associated companies and joint ventures	580.7	907.9	4,523.6	5,121.9
4.3	Held to maturity investments	171.0	214.0	3,706.7	3,722.7
4.4	Loans and receivables	4,618.7	4,723.2	58,307.3	61,531.0
4.5	Available for sale financial assets	20,206.1	20,450.5	151,696.7	164,642.3
4.6	Financial assets at fair value through profit or loss	818.0	1,049.7	70,581.4	73,726.6
5	RECEIVABLES	6,637.7	6,596.3	4,572.7	5,100.2
6	OTHER ASSETS	5,687.9	5,673.5	12,406.6	9,303.3
6.1	Deferred acquisition costs	445.2	431.3	1,568.2	1,454.3
6.2	Other assets	5,242.8	5,242.2	10,838.4	7,849.0
7	CASH AND CASH EQUIVALENTS	3,315.3	2,873.8	17,544.9	5,611.2
	TOTAL ASSETS	58,999.0	59,534.4	339,019.4	343,064.1
1	SHAREHOLDERS' EQUITY				
2	OTHER PROVISIONS	628.0	764.8	566.0	553.7
3	INSURANCE PROVISIONS	34,649.3	34,470.6	290,340.8	295,145.8
4	FINANCIAL LIABILITIES	10,559.1	10,147.1	23,385.4	22,915.3
4.1	Financial liabilities at fair value through profit or loss	77.9	49.7	12,396.2	12,260.2
4.2	Other financial liabilities	10,481.2	10,097.4	10,989.2	10,655.0
5	PAYABLES	3,711.2	3,822.5	3,813.4	3,951.8
6	OTHER LIABILITIES	4,941.4	4,801.8	6,381.1	4,388.9
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

FINANCIAL SEGMENT		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
1,113.7	1,130.1	0.0	0.0	10,433.8	10,670.4
322.0	341.2	-3.0	0.0	4,906.4	3,796.2
0.0	0.0	0.0	0.0	5,678.0	5,765.3
23,738.7	21,169.1	-5,350.7	-5,533.0	346,655.5	364,315.6
24.3	24.5	0.0	0.0	13,081.7	12,614.1
97.1	41.9	-3,296.6	-3,632.5	1,904.8	2,439.2
1,415.7	608.1	0.0	0.0	5,293.3	4,544.9
16,218.4	14,855.2	-2,054.1	-1,900.5	77,090.3	79,208.9
3,746.2	3,835.7	0.0	0.0	175,649.1	188,928.5
2,236.8	1,803.7	0.0	0.0	73,636.2	76,580.0
160.5	152.0	-115.8	-380.6	11,255.1	11,468.0
477.5	479.2	-3.5	-31.8	18,568.5	15,424.2
0.0	0.0	0.0	0.0	2,013.4	1,885.6
477.5	479.2	-3.5	-31.8	16,555.2	13,538.6
5,293.0	3,267.9	-593.3	-762.6	25,559.9	10,990.3
31,105.2	26,539.4	-6,066.3	-6,707.9	423,057.2	422,430.1
				18,120.5	20,064.5
209.9	200.5	-17.7	-22.5	1,386.2	1,496.5
0.0	0.0	0.0	0.0	324,990.1	329,616.3
26,277.7	21,788.8	-1,088.8	-956.8	59,133.4	53,894.4
2,065.2	1,382.7	0.0	0.0	14,539.3	13,692.7
24,212.5	20,406.1	-1,088.8	-956.8	44,594.1	40,201.7
216.6	235.4	-134.2	-359.7	7,607.0	7,650.0
504.9	528.6	-7.4	-10.9	11,820.0	9,708.4
				423,057.2	422,430.1

SEGMENT REPORTING - INCOME STATEMENT

		NON-LIFE SEGMENT		LIFE SEGMENT	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
(€ million)					
1.1	Net earned premiums	20,662.5	20,274.0	42,076.0	45,452.5
1.1.1	Gross earned premiums	22,676.9	22,244.6	42,989.4	46,155.7
1.1.2	Earned premiums ceded	-2,014.4	-1,970.7	-913.3	-703.1
1.2	Fee and commission income and income from financial service activities	0.0	0.0	313.1	233.5
1.3	Net income from financial instruments at fair value through profit or loss	-43.3	18.2	-3,257.4	4,575.7
1.4	Income from subsidiaries, associated companies and joint ventures	171.4	60.5	302.3	124.2
1.5	Income from other financial instruments and land and buildings (investment properties)	2,181.2	2,510.5	14,736.7	13,237.7
1.6	Other income	1,195.9	1,331.1	1,061.6	1,409.3
1	TOTAL INCOME	24,167.6	24,194.3	55,232.4	65,033.0
2.1	Net insurance benefits and claims	-14,247.4	-14,451.4	-40,769.8	-53,265.0
2.1.1	Claims paid and change in the insurance provisions	-15,294.9	-15,744.7	-41,513.8	-53,792.7
2.1.2	Reinsurers' share	1,047.5	1,293.2	744.0	527.8
2.2	Fee and commission expenses	-0.2	0.0	-135.4	-124.6
2.3	Expenses from subsidiaries, associated companies and joint ventures	-93.3	-21.6	-631.9	-0.3
2.4	Expenses from other financial instruments and land and buildings (investment properties)	-1,473.0	-1,239.9	-5,397.9	-1,902.0
2.5	Acquisition and administration costs	-5,831.0	-5,728.0	-5,358.9	-5,403.2
2.6	Other expenses	-1,567.7	-1,864.0	-1,250.2	-1,534.9
2	TOTAL EXPENSES	-23,212.7	-23,305.0	-53,544.2	-62,230.1
	EARNINGS BEFORE TAXES	954.9	889.4	1,688.2	2,802.9

FINANCIAL SEGMENT		HOLDING EXPENSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
0.0	0.0			0.0	0.0	62,738.5	65,726.5
0.0	0.0			0.0	0.0	65,666.2	68,400.3
0.0	0.0			0.0	0.0	-2,927.7	-2,673.8
1,251.7	1,247.9			-150.5	-157.2	1,414.3	1,324.2
23.9	37.9			0.0	0.0	-3,276.9	4,631.8
86.1	4.9			-155.9	-79.4	403.8	110.2
524.0	475.8			-84.4	-66.7	17,357.5	16,157.2
181.7	198.6			-75.7	-109.8	2,363.5	2,829.2
2,067.3	1,965.1	0.0	0.0	-466.5	-413.2	81,000.7	90,779.2
0.0	0.0			-19.3	-3.6	-55,036.5	-67,720.0
0.0	0.0			-19.3	-3.6	-56,828.0	-69,541.0
0.0	0.0			0.0	0.0	1,791.5	1,821.0
-392.4	-353.8			47.1	22.6	-480.9	-455.9
-3.2	-2.0			0.0	0.0	-728.4	-23.9
-198.0	-205.4	-645.7	-704.5	33.5	17.2	-7,681.1	-4,034.7
-915.2	-895.5			121.2	134.4	-11,984.0	-11,892.3
-201.0	-213.8	-327.9	-309.9	61.6	107.0	-3,285.2	-3,815.6
-1,709.8	-1,670.5	-973.6	-1,014.4	244.1	277.6	-79,196.1	-87,942.4
357.5	294.5	-973.6	-1,014.4	-222.4	-135.6	1,804.6	2,836.9

Tangible and intangible assets

Appendix 3

	(€ million)	At amortized cost	At revalued amount or at fair value	Total
Land and buildings (investment properties)		13,081.7		13,081.7
Land and buildings (self used)		3,071.6		3,071.6
Other tangible assets		1,834.8		1,834.8
Other intangible assets		3,039.4		3,039.4

Amounts ceded to reinsurers from insurance provisions

Appendix 4

	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
(€ million)						
Non-life amounts ceded to reinsurers from insurance provisions^(*)	3,030.8	3,288.5	1,015.0	946.2	4,045.8	4,234.7
Provisions for unearned premiums	516.4	509.2	113.3	93.8	629.7	603.0
Provisions for outstanding claims	2,510.5	2,774.4	897.8	852.0	3,408.3	3,626.4
Other insurance provisions	3.9	5.0	3.8	0.4	7.8	5.3
Life amounts ceded to reinsurers from insurance provisions^(*)	826.8	766.8	805.4	763.8	1,632.2	1,530.6
Provisions for outstanding claims	249.9	233.8	140.4	123.3	390.3	357.1
Mathematical provisions	292.7	428.3	664.2	640.4	956.9	1,068.7
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	160.2	0.5	0.0	0.0	160.2	0.5
Other insurance provisions	124.0	104.2	0.9	0.1	124.9	104.2
Total	3,857.6	4,055.3	1,820.4	1,710.0	5,678.0	5,765.3

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

	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					
							31/12/2011	31/12/2010	31/12/2011	31/12/2010				
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010		
	(€ million)													
Equities at cost	0.0	0.0	0.0	0.0	317.7	454.6	0.0	0.0	0.0	0.0	317.7	454.6		
Equities at fair value of which quoted equities	0.0	0.0	0.0	0.0	9,803.7	15,182.4	46.5	34.3	5,651.8	6,376.9	15,502.0	21,593.5		
Bonds of which quoted bonds	5,269.3	4,523.4	46,229.8	50,593.6	152,657.2	14,175.2	46.5	33.5	5,399.5	5,939.7	14,202.8	20,148.4		
Investment fund units	5,269.3	4,523.4	0.0	0.0	147,575.9	153,290.4	779.5	675.1	19,146.6	18,536.6	172,771.4	177,025.5		
Loans and receivables from customers	0.0	0.0	6,283.9	4,872.2	0.0	0.0	0.0	0.0	0.0	0.0	6,283.9	4,872.2		
Loans and receivables from banks	0.0	0.0	2,563.2	2,604.2	0.0	0.0	0.0	0.0	0.0	0.0	2,563.2	2,604.2		
Deposits under reinsurance business accepted	0.0	0.0	664.7	608.5	0.0	0.0	0.0	0.0	0.0	0.0	664.7	608.5		
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	21,348.8	20,530.5	0.0	0.0	0.0	0.0	0.0	0.0	21,348.8	20,530.5		
Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	1,167.1	869.9	1,371.1	1,118.1	2,538.2	1,988.0		
Hedging derivatives(*)	0.0	0.0	0.0	0.0	33.9	2.4	0.0	0.0	0.0	0.0	33.9	2.4		
Other financial investments	24.0	21.5	0.0	0.0	2,110.5	2,451.9	250.8	202.0	5,013.6	5,497.4	7,398.9	8,172.8		
Total	5,293.3	4,544.9	77,090.3	79,208.9	175,649.1	188,928.5	2,290.0	1,813.5	71,346.2	74,766.5	331,669.0	349,262.3		

(*) In accordance with Regolamento 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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
(€ million)						
Assets	56,462.6	59,230.8	1,849.4	1,406.2	58,312.0	60,637.0
Intra-group assets ^(*)	0.0	0.0	0.0	0.0	0.0	0.0
Total	56,462.6	59,230.8	1,849.4	1,406.2	58,312.0	60,637.0
Financial liabilities	10,260.4	10,418.7	1,079.9	787.4	11,340.2	11,206.1
Insurance provisions ^(**)	46,540.0	49,149.3	149.6	311.1	46,689.6	49,460.4
Intra-group liabilities ^(*)	0.0	0.0	0.0	0.0	0.0	0.0
Total	56,800.4	59,568.0	1,229.5	1,098.6	58,029.9	60,666.5

(*) 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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
(€ million)						
Non-life insurance provisions^(*)	33,189.3	32,928.8	1,460.0	1,541.7	34,649.3	34,470.6
Provisions for unearned premiums	6,153.5	5,906.8	137.1	146.7	6,290.6	6,053.4
Provisions for outstanding claims	26,649.7	26,649.6	1,318.9	1,390.5	27,968.6	28,040.1
Other insurance provisions	386.1	372.4	4.0	4.6	390.0	377.0
of which provisions for liability adequacy test	7.2	4.9	0.0	0.0	7.2	4.9
Life insurance provisions^(*)	288,208.3	293,371.9	2,132.5	1,773.8	290,340.8	295,145.8
Provisions for outstanding claims	4,486.8	4,984.1	802.8	668.8	5,289.6	5,652.8
Mathematical provisions	231,587.5	225,837.2	1,084.6	901.9	232,672.2	226,739.1
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	46,804.2	49,385.8	45.7	75.0	46,849.8	49,460.9
Other insurance provisions	5,329.8	13,164.8	199.4	128.1	5,529.2	13,292.9
of which provisions for liability adequacy test	1,174.7	1,251.9	92.2	34.2	1,266.8	1,286.1
of which deferred policyholder liabilities	-12,185.2	-4,361.6	0.0	0.0	-12,185.2	-4,361.6
Total	321,397.6	326,300.7	3,592.5	3,315.6	324,990.1	329,616.3

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

Appendix 8

	(€ million)						Financial liabilities at fair value through profit or loss		Other financial liabilities		Total book value	
	Financial liabilities held for trading		Financial liabilities designated as at fair value through profit or loss		Financial liabilities at fair value through profit or loss		Other financial liabilities		Total book value			
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2010	
Preference shares	0.0	0.0	0.0	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	0.0	0.0	0.0	6,610.9	6,492.9	6,610.9	6,492.9	
Financial liabilities related to investment contracts issued by insurance companies	0.0	0.0	11,563.0	11,499.7	0.0	0.0	4,106.8	3,871.4	15,669.8	15,371.2	15,371.2	
where the investment risk is borne by the policyholders	0.0	0.0	10,260.4	10,418.7	0.0	0.0	0.0	0.0	10,260.4	10,418.7	10,418.7	
pension funds	0.0	0.0	1,079.9	787.4	0.0	0.0	0.0	0.0	1,079.9	787.4	787.4	
other liabilities related to investment contracts	0.0	0.0	222.8	293.6	0.0	0.0	4,106.8	3,871.4	4,329.6	4,165.0	4,165.0	
Deposits received from reinsurers	0.0	0.0	0.0	0.0	0.0	0.0	983.5	1,070.8	983.5	1,070.8	1,070.8	
Deposit components of insurance contract	0.0	0.0	0.0	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	0.0	0.0	5,021.9	4,992.7	5,021.9	4,992.7	4,992.7	
Liabilities to customers	0.0	0.0	0.0	0.0	0.0	0.0	21,289.4	18,084.9	21,289.4	18,084.9	18,084.9	
Liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	995.3	421.5	995.3	421.5	421.5	
Other loans	0.0	0.0	0.0	0.0	0.0	0.0	4,623.1	4,568.2	4,623.1	4,568.2	4,568.2	
Derivatives	1,148.3	914.2	826.4	789.0	0.0	0.0	0.0	0.0	1,974.7	1,703.2	1,703.2	
Hedging derivatives ^(*)	0.0	0.0	0.0	0.0	0.0	0.0	963.2	699.2	963.2	699.2	699.2	
Other financial liabilities	0.0	0.0	1,001.5	489.9	0.0	0.0	0.0	0.0	1,001.5	489.9	489.9	
Total	1,148.3	914.2	13,391.0	12,778.5	13,391.0	12,778.5	44,594.1	40,201.7	59,133.4	53,894.4	53,894.4	

(*) 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

	(€ million)	31/12/2011			31/12/2010		
		Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
NON-LIFE SEGMENT							
NET EARNED PREMIUMS							
a	Premiums written	22,676.9	2,014.4	20,662.5	22,244.6	1,970.7	20,274.0
b	Change in the provisions for unearned premiums	22,969.6	2,032.4	20,937.2	22,278.2	1,959.7	20,318.5
		-292.7	-18.0	-274.7	-33.5	11.0	-44.5
NET INSURANCE BENEFITS AND CLAIMS							
a	Claims paid	15,294.9	1,047.5	14,247.4	15,744.7	1,293.2	14,451.4
b	Change in the provisions for outstanding claims	15,163.5	1,192.1	13,971.4	15,563.4	1,303.0	14,260.5
		105.3	-144.1	249.4	189.6	-5.7	195.3
c	Change in claims to be recovered	-6.6	-2.5	-4.2	-16.3	0.0	-16.4
d	Change in other insurance provisions	32.7	1.9	30.8	7.9	-4.1	12.0
LIFE SEGMENT							
NET PREMIUMS							
		42,989.4	913.3	42,076.0	46,155.7	703.1	45,452.5
NET INSURANCE BENEFITS AND CLAIMS							
a	Claims paid	41,513.8	744.0	40,769.8	53,792.7	527.8	53,264.9
		38,940.7	521.6	38,419.2	32,593.2	513.6	32,079.6
b	Change in the provisions for outstanding claims	-325.2	50.4	-375.6	775.5	11.1	764.4
c	Change in the mathematical provisions	5,688.3	231.9	5,456.4	12,311.2	-15.7	12,326.8
d	Change in the provisions for policies where the investment risk is borne by the policyholders and the provisions for pension funds	-2,133.6	-2.0	-2,131.6	6,167.7	9.9	6,157.8
e	Change in other insurance provisions	-656.5	-57.8	-598.6	1,945.2	8.9	1,936.4

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 31/12/2011	Total income and expenses 31/12/2010
							Unrealized gains	Reversal of impairment losses	Unrealized losses	Impairment losses			
(€ million)													
Income and expenses from investments	11,299.6	2,821.0	-414.0	7,702.7	-5,927.3	15,482.1	5,002.4	85.4	-8,721.2	-4,196.4	-7,829.8	7,652.3	18,333.5
a from land and buildings (investment properties)		1,051.5	-414.0	323.5	-14.9	946.1		25.8		-37.7	-11.9	934.2	844.1
b from investments in subsidiaries, associated companies and joint ventures		147.7	0.0	246.3	-60.6	333.4		9.8		-667.8	-658.0	-324.6	86.3
c from held to maturity investments	240.2			0.1	-0.3	240.0		0.2		-4.6	-4.4	235.6	126.0
d from loans and receivables	3,110.7			694.9	-87.2	3,718.4		46.4		-479.7	-433.3	3,285.1	3,166.5
e from available for sale financial assets	7,103.0	1,124.8		3,350.7	-2,247.0	9,331.5		3.2		-3,006.6	-3,003.3	6,328.2	9,058.9
f from financial assets held for trading	15.5	106.3		286.5	-281.7	126.6	80.5		-45.8		34.7	161.3	192.7
g from financial assets designated as at fair value through profit or loss	830.2	390.7		2,800.8	-3,235.6	786.0	4,921.9		-8,675.3		-3,753.5	-2,967.5	4,859.0
Income and expenses from receivables	34.3			3.5	-8.4	29.4		125.6		-76.5	49.1	78.5	74.3
Income and expenses from cash and cash equivalents	119.1					119.1					0.0	119.1	86.8
Income and expenses from financial liabilities	-1,309.7	0.0	0.0	139.6	-352.2	-1,522.3	695.4	0.0	-948.1	0.0	-252.7	-1,775.0	-1,653.9
a from financial liabilities held for trading	-6.2			92.4	-285.0	-198.8	10.3		-10.4		0.0	-198.9	-145.2
b from financial liabilities designated as at fair value through profit or loss	-8.5			47.2	-57.8	-19.1	685.0		-937.7		-252.7	-271.8	-274.6
c from other financial liabilities	-1,295.0			0.0	-9.4	-1,304.3					0.0	-1,304.3	-1,234.0
Income and expenses from payables						0.0					0.0	0.0	0.0
Total	10,143.2	2,821.0	-414.0	7,845.9	-6,287.9	14,108.2	5,697.7	211.1	-9,669.3	-4,272.9	-8,033.3	6,074.9	16,840.7

Acquisition and administration costs of insurance business

Appendix 11

	Non-life segment		Life segment	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
(€ million)				
Commissions and other acquisition costs net of commissions and profit commissions from reinsurers	4,461.9	4,366.2	4,064.1	4,057.7
Investment management expenses ^(*)	72.0	80.9	176.5	266.6
Other administration costs	1,297.2	1,280.9	1,118.3	1,078.9
Total	5,831.0	5,728.0	5,358.9	5,403.2

(*) 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	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
(€ million)												
Reserve for currency translation differences	0.5	808.2	27.1	-19.2			27.6	788.9	-0.1	8.0	587.4	559.8
Unrealized gains and losses on available for sale financial assets	-2,913.8	-807.4	786.8	-131.2			-2,127.0	-938.6	-690.8	12.1	-2,206.2	-79.3
Cash flow hedging derivative reserve	-104.6	23.3	-2.9	-20.5			-107.5	2.8	-58.3	-6.5	-204.3	-96.8
Reserve for hedge of a net investment in a foreign operation	0.5	-0.7	0.0	0.0			0.5	-0.7	0.0	0.0	-45.6	-46.1
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
Other reserves	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OTHER COMPREHENSIVE INCOME	-3,017.4	23.4	811.0	-170.9	0.0	0.0	-2,206.4	-147.5	-749.2	13.6	-1,868.8	337.6

Details on financial asset reclassified and its effects in Profit and loss account and comprehensive income (€ million)

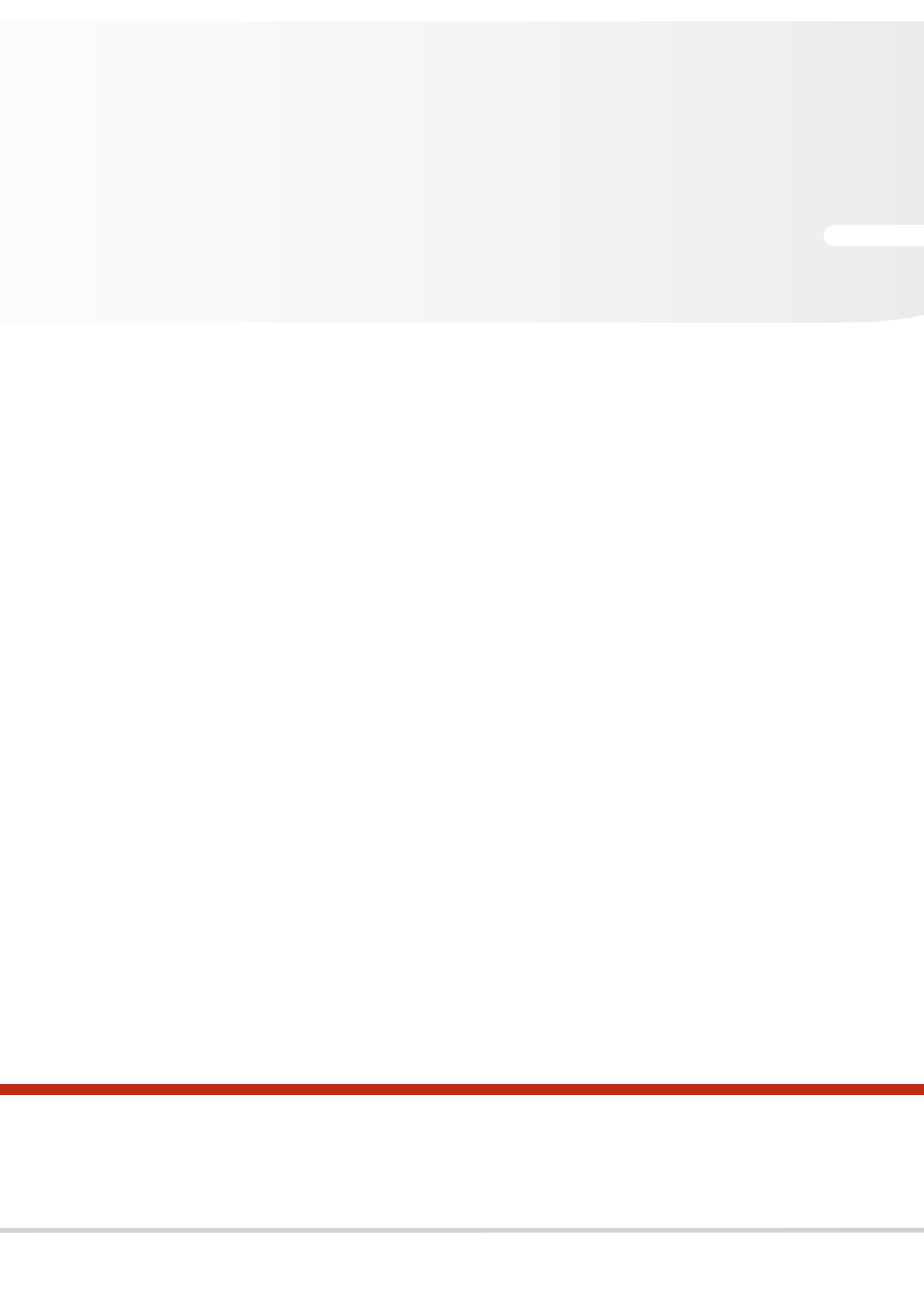
Appendix 13

Financial asset categories affected by the reclassification		Financial asset	Amount of the financial assets reclassified in the year at the reclassification date	Book value reclassified as at 31/12/2011		Fair value as at 31/12/2011		Financial assets reclassified in 2011		Financial assets reclassified until 2011		Financial assets reclassified in 2011		Financial assets reclassified until 2011	
from	to			Financial assets reclassified in 2011	Financial assets reclassified until 2011	Financial assets reclassified in 2011	Financial assets reclassified until 2011	Fair value gains or losses through profit or loss	Fair value gains or losses through equity	Fair value gains or losses through profit or loss	Fair value gains or losses through equity	Fair value gains or losses that would be recognised through profit or loss without reclassification	Fair value gains or losses that would be recognised through equity without reclassification	Fair value gains or losses that would be recognised through profit or loss without reclassification	Fair value gains or losses that would be recognised through equity without reclassification
Available for sale financial assets	Loans and receivables	Corporate bond	14,028.0	8,204.1	7,881.0	0.0	0.0	0.0	0.0					323.1	
Financial assets at fair value through profit or loss	Loans and receivables	Corporate bond	630.2	500.9	477.9	0.0	0.0							23.1	
Total	Total		14,658.2	8,705.1	8,358.9	0.0	0.0	0.0	0.0					323.1	

Fair value hierarchy

Appendix 14

	Level 1		Level 2		Level 3		Total	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	(€ million)							
Available for sale financial assets	156,992.7	169,329.0	16,391.8	17,058.4	2,264.7	2,541.2	175,649.1	188,928.6
Financial assets at fair value through profit or loss	46,194.1	52,100.7	25,865.9	22,886.7	1,576.2	1,592.6	73,636.2	76,579.9
Financial assets held for trading	1,750.2	1,564.2	519.7	231.6	20.2	17.7	2,290.0	1,813.5
Financial assets designated as at fair value through profit or loss	44,443.9	50,536.5	25,346.3	22,655.1	1,556.1	1,574.9	71,346.2	74,766.4
Subtotal	203,186.8	221,429.7	42,257.7	39,945.1	3,841.0	4,133.8	249,285.4	265,508.5
Financial liabilities at fair value through profit or loss	11,921.0	10,439.4	2,618.3	3,253.3	0.0	0.0	14,539.3	13,692.8
Financial liabilities held for trading	645.1	714.9	503.2	199.3	0.0	0.0	1,148.3	914.3
Financial liabilities designated as at fair value through profit or loss	11,275.9	9,724.5	2,115.1	3,054.0	0.0	0.0	13,391.0	12,778.5
Total	215,107.7	231,869.1	44,876.0	43,198.4	3,841.0	4,133.8	263,824.7	279,201.3





FAGIOLI - Transportation of an historic locomotive for the 150th anniversary celebrations, Italy

Change in the consolidation area

Subsidiaries consolidated line by line

Non-consolidated subsidiaries
and associated companies



Change in the consolidation area^(*)

Newly consolidated:

1.	CityLife S.r.l., Milan
2.	DGO Policlinic Dom Zdravlja, Belgrade
3.	GEII Rivoli Holding SAS, Paris
4.	Generali Corporate Services S.c.a.r.l., Trieste
5.	Generali Vietnam Life Insurance LLC, Ho Chi Minh City
6.	MRS Bioul S.A., Bruxelles
7.	OPCI Generali Bureaux, Paris
8.	OPCI Generali Residentiel, Paris
9.	Royal & SunAlliance Pensiones (México), S.A. de C.V., Mexico D.F.
10.	RVT Kortenaken SA, Bruxelles
11.	RVT Oordegem SA, Bruxelles
12.	RVT Zottegem SA, Bruxelles
13.	SAS Parcolog Lille Henin Beaumont 1, Paris

Company disposed of/wound up:

1.	Augusta Assicurazioni S.p.A. (fusa in Alleanza Toro S.p.A.), Turin
2.	Augusta Vita S.p.A. (fusa in Alleanza Toro S.p.A.), Turin
3.	BSI Spain Asset Management SGCIC S.A., Madrid
4.	BSI Spain Wealth and Asset Management S.A., Madrid
5.	BSI Spain Wealth Management A.V. S.A., Madrid
6.	B-Source Outline AG, Lucerne
7.	B-Source S.A., Manno
8.	Daqdill Investments Limited, Navan
9.	EASA Training Academy (Pty) Ltd, Costantia Kloof
10.	Européenne de Protection Juridique S.A. (fusa in L'Equité IARD S.A.), Paris
11.	Fondi Alleanza Società di Gestione Risparmio S.p.A. (fusa in Generali SGR S.p.A.), Trieste
12.	Generali Asigurari S.A. (fusa in S.C. Generali Romania Asigurare Reasigurare S.A.), Bucarest
13.	Generali Garant Insurance JSC, Kiev
14.	Generali Real Estate Investment FCP-FIS, Luxembourg
15.	Generali Vastgoed B.V. (fusa in Generali Levensverzekering Maatschappij N.V.), Amsterdam
16.	Instituto del Seguro de Misiones S.A., Posadas
17.	Migdal Gemel Platinum Ltd (fusa in Migdal Makefet Pension and Provident Funds Ltd), Tel Aviv
18.	New Makefet Providence Fund Ltd (fusa in Migdal Makefet Pension and Provident Funds Ltd), Tel Aviv
19.	Solida Banorte Generali S.A. de C.V. Afore, Monterrey
20.	VDL US\$ Corporate Bond Fund, Aachen
21.	Volksfürsorge 2.Imm AG&Co KG (fusa in Volksfürsorge 5.Immobilien AG & Co. KG), Hamburg
22.	Volksfürsorge 3.Imm AG&Co KG (fusa in Volksfürsorge 5.Immobilien AG & Co. KG), Hamburg
23.	Volksfürsorge 4.Imm AG&Co KG (fusa in Volksfürsorge 5.Immobilien AG & Co. KG), Hamburg
24.	Volksfürsorge 6.Imm AG&Co KG (fusa in Volksfürsorge 5.Immobilien AG & Co. KG), Hamburg
25.	Volksfürsorge 7.Imm AG&Co KG (fusa in Volksfürsorge 5.Immobilien AG & Co. KG), Hamburg

(*) Consolidation area consists of companies consolidated "line by line".

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %			Total	Group equity ratio % ⁽³⁾
						Direct	Indirect	Through		
Assicurazioni Generali S.p.A.	086	EUR	1,556,873,283	G	1	0.04		Genertellife S.p.A.	0.77	100.00
								Ina Assitalia S.p.A.		
								GBS S.c.p.A.		
								Alleanza Toro S.p.A.		
Genertel S.p.A.	086	EUR	23,000,000	G	1	100.00		Genertellife S.p.A.	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	86.94
								Europ Assistance Holding S.A.		
Prunus S.p.A.	086	EUR	11,610,000	G	10	100.00		ISIM S.p.A.	100.00	100.00
Genagricola S.p.A.	086	EUR	187,850,000	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
								Alleanza Toro S.p.A.		
Banca Generali S.p.A.	086	EUR	111,676,183	G	7	46.52			64.75	64.73
								Genertel S.p.A.		
								Generali Vie S.A.		
								Genertellife S.p.A.		
								Fata Vita S.p.A.		
								Alleanza Toro S.p.A.		
Europ Assistance Service SpA	086	EUR	4,325,000	G	11	100.00		Europ Assistance Italia S.p.A.	100.00	86.94
Europ Assistance Trade S.p.A.	086	EUR	540,000	G	11	91.50		Europ Assistance Italia S.p.A.	100.00	86.94
								Europ Assistance Service SpA		
Agricola San Giorgio S.p.A.	086	EUR	22,160,000	G	11	100.00		Genagricola S.p.A.	100.00	100.00
Generali Real Estate S.p.A.	086	EUR	780,000	G	11	100.00			100.00	100.00
Genertel Servizi Assicurativi	086	EUR	80,000	G	11	50.00		Genertel S.p.A.	100.00	100.00
								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.	100.00	98.87
								Generali SGR S.p.A.		
Genertellife S.p.A.	086	EUR	168,200,000	G	1	100.00			100.00	100.00
Generali SGR S.p.A.	086	EUR	26,250,000	G	8	62.88		Gen Inv S.p.A.	100.00	98.59
								Alleanza Toro S.p.A.		
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	64.73
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
								ISIM S.p.A.		
SIMGENIA S.p.A. SIM	086	EUR	5,200,000	G	8	25.00			100.00	94.70
								Banca Generali S.p.A.		
								Fata Assicurazioni Danni SpA		
								Ina Assitalia S.p.A.		
								Alleanza Toro S.p.A.		
CityLife S.r.l.	086	EUR	351,941	G	10	67.00		Generali Properties S.p.A.	67.00	67.00
Heracles Immobiliare S.r.l.	086	EUR	1,200,000	G	10	100.00		ISIM S.p.A.	100.00	100.00

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %		Total	Group equity ratio % ⁽³⁾
						Direct	Indirect		
BG Fiduciaria Sim S.p.A.	086	EUR	5,200,000	G	8	100.00	Banca Generali S.p.A.	100.00	64.73
BG SGR S.p.A.	086	EUR	8,050,665	G	8	100.00	Banca Generali S.p.A.	100.00	64.73
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	99.99		99.99	99.99
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	Ina Assitalia S.p.A.		
						1.00	GBS S.c.p.a.		
						0.50	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
Generali Properties S.p.A.	086	EUR	268,265,145	G	10	100.00		100.00	100.00
Fondo Scarlatti	086	EUR	555,193,352	G	10	27.56		67.31	67.31
						1.94	Genertel S.p.A.		
						2.89	Generali Vie S.A.		
						4.34	Genertellife S.p.A.		
						1.65	Fata Assicurazioni Danni SpA		
						1.53	Fata Vita S.p.A.		
						8.31	ISIM S.p.A.		
						19.09	Ina Assitalia 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	96.80		100.00	99.78
						0.25	Genertel S.p.A.		
						0.01	Europ Assistance Italia S.p.A.		
						0.30	Banca Generali S.p.A.		
						0.01	Genertel Servizi Assicurativi		
						0.25	Genertellife S.p.A.		
						0.26	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	Ina Assitalia S.p.A.		
						0.01	Operazioni Immobiliari 20 SpA		
						0.05	G.I.B.S. s.c.a.r.l.		
						1.01	Alleanza Toro S.p.A.		
						0.01	Alleanza Toro Servizi Assicur.		
						0.01	GCS S.c.a.r.l.		
Operazioni Immobiliari 20 SpA	086	EUR	3,000,000	G	11	100.00		100.00	100.00

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %			Total	Group equity ratio % ⁽³⁾
						Direct	Indirect	Through		
G.I.B.S. s.c.a.r.l.	086	EUR	27,000	G	11	62.96			100.00	96.31
							18.54	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	GBS S.c.p.A.		
							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	23.88			100.00	99.99
							0.71	Genertel S.p.A.		
							6.69	Prunus S.p.A.		
							3.71	Generali Vie S.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.		
							2.06	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	1,130,984,156	G	10	32.37			100.00	100.00
							2.04	Genertel S.p.A.		
							10.25	Prunus S.p.A.		
							2.80	Genertellife S.p.A.		
							1.49	Fata Vita S.p.A.		
							0.84	ISIM S.p.A.		
							16.66	Generali Properties S.p.A.		
							6.93	Ina Assitalia S.p.A.		
							26.62	Alleanza Toro S.p.A.		
Fondo Immobiliare Toscanini	086	EUR	110,700,584	G	10	36.95			100.00	100.00
							16.39	Assitimm S.r.l.		
							19.99	Generali Properties S.p.A.		
							26.67	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	100,000	G	11	100.00		D.A.S. S.p.A.	100.00	50.01
Fondo Chopin	086	EUR	283,596,699	G	11	15.96			100.00	100.00
							2.45	Genertel S.p.A.		
							26.78	Genertellife S.p.A.		
							2.36	Fata Vita S.p.A.		
							27.96	Generali Properties S.p.A.		
							19.17	Ina Assitalia S.p.A.		
							2.11	Fondo Cimarosa		
							3.21	Alleanza Toro S.p.A.		
GCS S.c.a.r.l.	086	EUR	10,000	G	11	88.00			100.00	99.52
							1.00	Genertel S.p.A.		
							1.00	Banca Generali S.p.A.		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %		Through	Total	Group equity ratio % ⁽³⁾
						Direct	Indirect			
							1.00	Generellife S.p.A.		
							1.00	Generali SGR S.p.A.		
							1.00	SIMGENIA S.p.A. SIM		
							1.00	Generali Immobiliare Italia GR		
							1.00	Fata Assicurazioni Danni SpA		
							1.00	Fata Vita S.p.A.		
							1.00	Ina Assitalia S.p.A.		
							1.00	GBS S.c.p.A.		
							1.00	G.I.B.S. s.c.a.r.l.		
							1.00	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.		
							5.11	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
ENVIVAS 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	92.81
							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 Versicherung	100.00	92.79
							53.14	Generali Versicherung AG		
Deutsche Bausparkasse Badenia	094	EUR	40,560,000	G	7	100.00		Generali Deutschland Holding	100.00	92.74
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	4,100,000	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

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %				Group equity ratio % ⁽³⁾
						Direct	Indirect	Through	Total	
AM Vertriebsservice 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	9	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	76,756,931	G	10	100.00		AachenMünchener Lebensvers.	100.00	92.74
Generali Private Equity Invest	094	EUR	500,000	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	92.74
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	2,956,164,852	G	11	0.93		Dialog Lebensversicherungs AG	100.00	92.78
						24.79		AachenMünchener Lebensvers.		
						38.20		Generali Lebensversicherung AG		
						22.94		Central Krankenversicherung AG		
						11.90		Cosmos Lebensversicherungs AG		
						0.51		AdvoCard Rechtsschutzvers.		
						0.73		Generali Deutschland Pensionsk		
GID-Fonds ALAOT	094	EUR	720,017,597	G	11	100.00		AachenMünchener Lebensvers.	100.00	92.74
GID-Fonds GDRET	094	EUR	262,715,651	G	11	100.00		Generali Deutschland Holding	100.00	92.74
GID-Fonds AMLRET	094	EUR	470,058,562	G	11	100.00		AachenMünchener Lebensvers.	100.00	92.74
GID-Fonds AVAOT	094	EUR	88,253,278	G	11	100.00		Generali Versicherung AG	100.00	92.83
GID-Fonds CEAOT	094	EUR	464,150,664	G	11	100.00		Central Krankenversicherung AG	100.00	92.74
GID-Fonds CLAOT	094	EUR	326,573,732	G	11	100.00		Cosmos Lebensversicherungs AG	100.00	92.74
GID-Fonds GLRET 4	094	EUR	456,890,624	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
GID-Fonds GLMET	094	EUR	790,957,940	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
GID-Fonds GVMET	094	EUR	328,066,235	G	11	100.00		Generali Versicherung AG	100.00	92.83
GID-Fonds GLLAE	094	EUR	636,577,464	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
Grundstücksges. Stadtlagerhaus	094	EUR	19,560,874	G	10	50.00		Generali Lebensversicherung AG	100.00	92.83
						50.00		Generali Versicherung AG		
Generali Deutschland Sicherung	094	EUR	25,000	G	11	100.00		Generali Deutschland Holding	100.00	92.74
GID-Fonds VLAOT	094	EUR	1,582,343,316	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
GID-Fonds GLRET 3	094	EUR	841,591,930	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
GID-Fonds GLRET 2	094	EUR	770,713,534	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
Vofü Fonds I Hamburgische KG	094	EUR	14,800,000	G	10	59.29		Generali Beteiligungs AG	59.29	55.04
Volksfürsorge 5Immobilien AGKG	094	EUR	637,238,457	G	10	100.00		Generali Lebensversicherung AG	100.00	92.83
Generali Deutsch. Pensör Pens.	094	EUR	5,100,000	G	2	100.00		Generali Beteiligungs AG	100.00	92.83
GID-Fonds GPRET	094	EUR	89,802,574	G	11	99.48		Generali Deutsch. Pensör Pens.	99.48	92.35
Generali Deutschland Schadenm.	094	EUR	100,000	G	11	100.00		Generali Deutschland Holding	100.00	92.74
Generali Deutschland Services	094	EUR	100,000	G	11	100.00		Generali Deutschland Holding	100.00	92.74
AM Sechste Immobilien AG KG	094	EUR	85,025,000	G	10	100.00		AachenMünchener Lebensvers.	100.00	92.74
GLL AMB Generali Prop. Fund I	094	EUR	39,664,580	G	11	100.00		GLL AMB Generali Cross-Border	100.00	92.79

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Direct	Indirect	Shareholding %		Group equity ratio % ⁽³⁾
								Through	Total	
GLL AMB Generali Prop. Fund II	094	EUR	47,419,470	G	11	100.00		GLL AMB Generali Cross-Border	100.00	92.79
Generali 3. Immobilien AG&CoKG	094	EUR	62,667,551	G	10	100.00		Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge AG Vertriebsges.	094	EUR	1,100,000	G	11	100.00		Generali Beteiligungs AG	100.00	92.83
Generali Vermögensverwaltung K	094	EUR	258,700,000	G	9		94.90	Generali Beteiligungs-GmbH	94.90	94.90
GLL AMB Generali 200 State	094	EUR	3,374,840	G	11	100.00		GLL AMB Generali Cross-Border	100.00	92.79
AM Vertriebservice-Ges. Sach.	094	EUR	250,000	G	11	100.00		ATLAS Dienstleistungen	100.00	68.63
GID-Fonds AVAOT II	094	EUR	75,632,587	G	11	100.00		AachenMünchener Versicherung	100.00	92.74
GID-Fonds AVAOT III	094	EUR	22,336,728	G	11	100.00		AdvoCard Rechtsschutzvers.	100.00	92.81
GID-Fonds ALRET	094	EUR	1,624,188,616	G	11	100.00		AachenMünchener Lebensvers.	100.00	92.74
GID-Fonds CERET	094	EUR	1,964,186,867	G	11	100.00		Central Krankenversicherung AG	100.00	92.74
GID-Fonds CLRET	094	EUR	731,679,467	G	11	100.00		Cosmos Lebensversicherungs AG	100.00	92.74
GID-Fonds GLRET	094	EUR	3,602,877,988	G	11	100.00		Generali Lebensversicherung AG	100.00	92.83
GID-Fonds DLRET	094	EUR	70,573,829	G	11	100.00		Dialog Lebensversicherungs AG	100.00	92.83
GID-Fonds GDPRET	094	EUR	209,732,344	G	11	100.00		Generali Deutschland Pensionsk	100.00	92.74
GID-Fonds GVRET	094	EUR	771,889,500	G	11	100.00		Generali Versicherung AG	100.00	92.83
GEREIL GmbH & Co. KG	094	EUR	33,691,575	G	10		5.49	Dialog Lebensversicherungs AG	100.00	92.78
							21.97	AachenMünchener Lebensvers.		
							27.47	Generali Lebensversicherung AG		
							21.97	Central Krankenversicherung AG		
							16.48	Cosmos Lebensversicherungs AG		
							5.49	AdvoCard Rechtsschutzvers.		
							1.13	Generali Deutschland Immobil.		
GNAREI GmbH & Co. KG	094	EUR	17,560,021	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	103,201,050	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	223,253,803	G	11	100.00		AachenMünchener Versicherung	100.00	92.74
FT GEN-Fonds	094	EUR	50,627,815	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	18,469,320	G	2	99.98		Generali France Assurance S.A.	99.98	99.75
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.	93.28	93.07
							93.27	Generali France Assurance S.A.		
Europ Assistance Holding S.A.	029	EUR	17,316,016	G	2		37.86	Generali Vie S.A.	99.99	99.77
							57.82	Generali France S.A.		
							4.31	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

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %			Total	Group equity ratio % ⁽³⁾
						Direct	Indirect	Through		
Generali France S.A.	029	EUR	114,993,074	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	98.78
							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	99.69
							0.03	Generali France S.A.		
							99.83	Generali France Assurance S.A.		
Expert & Finance S.A.	029	EUR	3,436,250	G	11		87.91	Generali Vie S.A.	87.91	87.71
Generali France Assurance S.A.	029	EUR	1,038,510,560	G	5		100.00	Generali France S.A.	100.00	99.77
E-Cie Vie S.A.	029	EUR	81,281,710	G	2		100.00	Generali France Assurance S.A.	100.00	99.77
Generali France Immobilier SAS	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 Carnot	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		90.84	Generali Vie S.A.	90.84	90.64
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.		
							60.64	SCI Generali Wagram		
SCI Generali Pyramides	029	EUR	30,160,815	G	10		67.88	Generali IARD S.A.	100.00	99.77
							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

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %		Total	Group equity ratio % ⁽³⁾
						Direct	Indirect		
							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
							0.43	SCI Le Rivay	
SCI Viroflay 10-12 Libération	029	EUR	3,000	G	10		100.00	Generali Vie S.A.	100.00
SCI Generali Commerce 1	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00
SCI Generali Commerce 2	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00
SCI Generali le Moncey	029	EUR	919,020	G	10		100.00	Generali Vie S.A.	100.00
BSI Ifabanque S.A.	029	EUR	15,785,200	G	7		51.00	BSI S.A.	51.00
Sarl Parcolog Lille Henin B. 2	029	EUR	744,797	G	10		100.00	SC Generali Logistique	100.00
SCI Beaune Logistique 1	029	EUR	8,001,000	G	10		0.10	Generali Vie S.A.	100.00
							99.90	SC Generali Logistique	
SC Generali Logistique	029	EUR	145,760,911	G	10		1.00	Generali IARD S.A.	100.00
							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
Saint Ouen C1 SCI	029	EUR	1,000	G	10		0.10	Tartini S.à.r.l.	100.00
							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
SAS IMMOGIO CBI	029	EUR	68,690,268	G	10		100.00	Immob.Comm. Indes Orientales	100.00
SCI Iris La Défense	029	EUR	1,350	G	10		44.44	Generali IARD S.A.	100.00
							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
							99.90	Sammartini S.à.r.l.	
Oudart S.A.	029	EUR	5,500,000	G	11		100.00	BSI S.A.	100.00
Oudart Gestion S.A.	029	EUR	1,000,000	G	8		100.00	Oudart S.A.	100.00
Oudart Patrimoine Sarl	029	EUR	38,125	G	8		96.00	Oudart S.A.	100.00
							4.00	Oudart Gestion S.A.	
Solidia Finance et Patrimoine	029	EUR	305,580	G	8		100.00	Oudart S.A.	100.00
OPCI Parcolog Invest	029	EUR	192,821,155	G	10		78.73	Generali Vie S.A.	100.00
							21.27	E-Cie Vie S.A.	
SCI Parc Logistique Maisonn. 1	029	EUR	7,051,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parc Logistique Maisonn. 2	029	EUR	5,104,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parc Logistique Maisonn. 3	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parc Logistique Maisonn. 4	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Isle D'Abeau 1	029	EUR	11,472,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Isle D'Abeau 2	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Isle D'Abeau 3	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Gondr. Fontenoy 2	029	EUR	3,838,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Dagneux	029	EUR	5,501,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Combs La Ville 1	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Mitry Mory	029	EUR	11,320,950	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Bordeaux Cestas	029	EUR	9,508,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Marly	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00
SC Parcolog Messageries	029	EUR	1,000	G	10		100.00	SC Generali Logistique	100.00
SCI Parcolog Orchies	029	EUR	3,501,000	G	10		100.00	SC Generali Logistique	100.00
SCI Generali Le Dufy	029	EUR	20,319,682	G	10		100.00	Generali Vie S.A.	100.00

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %				Group equity ratio % ⁽³⁾
						Direct	Indirect	Through	Total	
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
SAS Ocealis	029	EUR	300,000	G	11	75.00		Europ Assistance Holding S.A.	75.00	74.83
SAS Parcolog Lille Henin B. 1	029	EUR	220,890	G	10	100.00		OPCI Parcolog Invest	100.00	99.77
OPCI Generali Bureaux	029	EUR	59,000,000	G	10	100.00		Generali Vie S.A.	100.00	99.77
OPCI Generali Residentiel	029	EUR	91,300,000	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	98.20
GEII Rivoli Holding SAS	029	EUR	1,000	G	10	100.00		Generali Europe Income Holding	100.00	98.20
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 Vie S.A.	100.00	99.99
							29.67	Generali Rückversicherung AG		
							29.72	Part. Maat. Graafschap Holland		
							0.05	Generali Finance B.V.		
							0.08	Generali Worldwide Insurance		
							37.82	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 Salzbg.	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

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %				Group equity ratio % ⁽³⁾
						Direct	Indirect	Through	Total	
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	100.00		Generali Versicherung AG (A)	100.00	99.99
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	93.33		Generali Versicherung AG (A)	93.33	93.33
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	90.72		Generali Versicherung AG (A)	95.44	94.26
						4.72		BAWAG PSK Versicherung AG		
GEN4Dividend Spezialfonds	008	EUR	30,000,000	G	11	6.11		Generali Holding Vienna AG	94.33	94.21
						0.44		Europäische Reiseversicherungs		
						87.78		Generali Versicherung AG (A)		
Generali España, S.A.	067	EUR	60,925,401	G	2	95.25		Generali España Holding S.A.	99.92	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 SIdG, 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	99.98		Generali España, S.A.	100.00	99.91
						0.02		Generali España Holding S.A.		
Coris Gestion S.I.	067	EUR	3,008	G	11	100.00		Europ Assistance SIdG, 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	97.92
GLL City22 S.L.	067	EUR	10,003,006	G	11	100.00		GLL AMB Generali City22 Sarl	100.00	92.79
Cajamar Seguros Generales S.A.	067	EUR	6,761,400	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	44,779,880	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	9	100.00		Generali Beteiligungs AG	100.00	92.83
Flandria Participations Fin.	009	EUR	48,665,700	G	9	93.50			100.00	99.99

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %			Total	Group equity ratio % ⁽³⁾
						Direct	Indirect	Through		
							6.50	Generali Vie S.A.		
Genass-Invest S.A.	009	EUR	34,235,504	G	9	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
G Gestion Prive N.V.	009	EUR	62,000	G	11	100.00		Generali France S.A.	100.00	99.77
GLL South Express S.A.	009	EUR	20,000,000	G	11	100.00		GLL AMB Generali South Express	100.00	92.79
MRS Bioul S.A.	009	EUR	850,000	G	10	0.13		Generali Belgium S.A.	100.00	99.24
							99.87	Generali Real Estate Inv. B.V.		
RVT Kortenaen SA	009	EUR	1,800,000	G	10	0.03		Generali Belgium S.A.	100.00	99.24
							99.97	Generali Real Estate Inv. B.V.		
RVT Zottegem SA	009	EUR	3,250,000	G	10	0.32		Generali Belgium S.A.	100.00	99.24
							99.68	Generali Real Estate Inv. B.V.		
RVT Oordegem SA	009	EUR	146,382	G	10	0.12		Generali Belgium S.A.	100.00	99.24
							99.88	Generali Real Estate Inv. B.V.		
Generali Levensverz. Maatsch.	050	EUR	2,268,901	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	1,583,299,220	G	4	71.88			100.00	100.00
							6.25	Genertellife S.p.A.		
							15.62	Ina Assitalia S.p.A.		
							6.25	Alleanza Toro S.p.A.		
Generali Verzekeringsgroep NV	050	EUR	5,545,103	G	4	12.77		Flandria Participations Fin.	98.55	98.55
							36.45	Part. Maat. Graafschap Holland		
							18.17	BV Algemene Holding en Financ.		
							31.16	Transocean Holding Corporation		
BV Algemene Holding en Financ.	050	EUR	4,696,625	G	9	100.00		Generali Holding Vienna AG	100.00	99.99
Participatie Maat. Transhol	050	EUR	1,633,609	G	9	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	9	6.02			100.00	100.00
							50.01	Generali Worldwide Insurance		
							43.97	Transocean Holding Corporation		
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	130,000	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	123,955,000	G	10	59.66		Generali Belgium S.A.	100.00	99.24
							40.34	Generali Levensverz. Maatsch.		
Generali Horizon B.V.	050	EUR	90,760	G	9	100.00		Generali Worldwide Insurance	100.00	100.00
Lion River I N.V.	050	EUR	542,996	G	9	31.34			100.00	97.63
							30.05	Generali Deutschland Holding		
							30.32	Generali Vie S.A.		
							8.29	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

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %		Total	Group equity ratio % ⁽³⁾
						Direct	Indirect		
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	9	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		
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	25.59		100.00	99.65
						24.42	Generali Vie S.A.		
						9.76	Generali Rückversicherung AG		
						1.17	Generali Vida de Seguros S.A.		
						39.06	Generali Real Estate Inv. B.V.		
Generali European Real Estate	092	EUR	292,884,591	G	8	25.59		100.00	98.11
						7.81	AachenMünchener Lebensvers.		
						16.60	Generali Lebensversicherung AG		
						24.41	Generali Vie S.A.		
						9.77	Generali Rückversicherung AG		
						4.88	Generali España, S.A.		
						1.17	Generali Vida de Seguros S.A.		
						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	97.92
Frescobaldi S.à.r.l.	092	EUR	1,000,000	G	9	100.00	Generali European Real Estate	100.00	97.92
GLL AMB Generali Cross-Border	092	EUR	225,000,000	G	9	28.00	AachenMünchener Lebensvers.	100.00	92.79
						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	80.91
						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	97.92
Torelli S.à.r.l.	092	EUR	12,500	G	9	100.00	Generali European Real Estate	100.00	97.92
Sammartini S.à.r.l.	092	EUR	12,500	G	9	100.00	Generali European Real Estate	100.00	97.92
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	200,000	G	11	100.00	GLL AMB Generali Cross-Border	100.00	92.79
GLL AMB Generali Bankcenter	092	EUR	175,000	G	11	100.00	GLL AMB Generali Cross-Border	100.00	92.79
GLL AMB Generali South Express	092	EUR	212,500	G	11	100.00	GLL AMB Generali Cross-Border	100.00	92.79
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
						6.55	E-Cie Vie S.A.		
						8.20	Generali Real Estate Inv. B.V.		
Generali N. American Holding 2	092	USD	7,312,384	G	11	100.00	GNAREI GmbH & Co. KG	100.00	92.78

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %			Total	Group equity ratio % ⁽³⁾
						Direct	Indirect	Through		
Generali N. American Holding	092	USD	15,600,800	G	8	46.67			100.00	100.00
							10.00	Genertellife S.p.A.		
							0.55	Fata Vita S.p.A.		
							13.89	Ina Assitalia S.p.A.		
							28.89	Alleanza Toro S.p.A.		
Generali Europe Income Holding	092	EUR	64,848,541	G	8	18.98			100.00	98.44
							29.38	Generali Vie S.A.		
							4.07	Genertellife S.p.A.		
							4.52	Generali Immobilien AG		
							2.26	E-Cie Vie S.A.		
							2.82	Generali Real Estate Inv. B.V.		
							0.23	Fata Vita S.p.A.		
							5.65	Ina Assitalia S.p.A.		
							11.75	Alleanza Toro S.p.A.		
							20.34	GEREII GmbH & Co. KG		
Generali Vida de Seguros S.A.	055	EUR	9,000,000	G	2	99.99			99.99	99.99
Europ Assistance Portugal	055	EUR	7,500,000	G	2		53.00	Europ Assistance Holding S.A.	53.00	52.88
Europ Assistance Serviços S.A.	055	EUR	250,000	G	11		99.90	Europ Assistance Portugal	99.90	52.83
BSI Monaco SAM	091	EUR	15,000,000	G	7		100.00	BSI S.A.	100.00	100.00
BSI Asset Managers SAM	091	EUR	2,000,000	G	8		99.96	BSI Monaco SAM	99.96	99.96
BSI Trust Corp. (Malta)	105	EUR	50,000	G	11		98.00	BSI S.A.	98.00	98.00
Generali-Providencia Biztosító	077	HUF	4,500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Europai Utazási Biztosító R.t.	077	HUF	400,000,000	G	2		13.00	Europäische Reiseversicherungs	74.00	40.86
							61.00	Generali-Providencia Biztosító		
Generali-Ingatlan Kft	077	HUF	1,250,000,000	G	10		100.00	Generali-Providencia Biztosító	100.00	51.00
Generali Építő- és Tervező Kft	077	HUF	4,046,788,000	G	10		100.00	Generali-Providencia Biztosító	100.00	51.00
Generali Biz. Ügynök Marketing	077	HUF	5,000,000	G	8		100.00	Generali-Providencia Biztosító	100.00	51.00
Generali Alapkezelő Zrt.	077	HUF	500,000,000	G	8		74.00	Generali-Providencia Biztosító	100.00	51.00
							26.00	Generali PPF Holding B.V.		
Genertel Biztosító Zrt	077	HUF	2,190,000,000	G	2		100.00	Generali-Providencia Biztosító	100.00	51.00
Váci utca Center Kft	077	HUF	4,497,120	G	10		100.00	Generali Immobilien AG	100.00	99.99
Generali Pojistovna a.s.	275	CZK	500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali Penzijní Fond a.s.	275	CZK	50,000,000	G	11		100.00	Generali Pojistovna a.s.	100.00	51.00
PCS Praha Center Ssro	275	CZK	396,206,000	G	10		100.00	CA Global Property Int. Imm.AG	100.00	67.74
Generali Velky Spalicek S.r.o.	275	CZK	1,800,000	G	10		100.00	Generali Immobilien AG	100.00	99.99
Generali Development spol sro	275	CZK	200,000	G	10		100.00	Generali Pojistovna a.s.	100.00	51.00
Ceska pojistovna, a.s.	275	CZK	4,000,000,000	G	2		100.00	CZI Holdings N.V.	100.00	51.00
Penzijní fond CP, a.s.	275	CZK	213,699,560	G	11		100.00	Ceska pojistovna, a.s.	100.00	51.00
Ceska pojistovna Zdravi a.s.	275	CZK	100,000,000	G	2		100.00	Ceska pojistovna, a.s.	100.00	51.00
Generali PPF Asset Management	275	CZK	52,000,000	G	8		100.00	CZI Holdings N.V.	100.00	51.00
CP Invest Invest spol. a.s.	275	CZK	91,000,000	G	8		100.00	Ceska pojistovna, a.s.	100.00	51.00
Univerzální správa majetku as	275	CZK	1,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00	51.00
CP Direct, a.s.	275	CZK	20,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00	51.00
Generali PPF Services a.s.	275	CZK	3,000,000	G	11		20.00	Generali Pojistovna a.s.	100.00	51.00
							80.00	Ceska pojistovna, a.s.		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %		Through	Total	Group equity ratio % ⁽³⁾
						Direct	Indirect			
Pankrac Services, s.r.o.	275	CZK	200,000	G	10	100.00		Ceska pojistovna, a.s.	100.00	51.00
CP INVEST R.U.I. Fond a.s.	275	CZK	54,000,000	G	9	7.41		Generali Pojistovna a.s.	100.00	51.00
						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	51.00
Generali Slovensko Poistovna	276	SKK	25,000,264	G	2	100.00		Generali PPF Holding B.V.	100.00	51.00
Generali Towarzystwo Ubezpiec.	054	PLN	190,310,000	G	2	100.00		Generali PPF Holding B.V.	100.00	51.00
Generali AutoProgram Spzoo	054	PLN	100,000	G	11	100.00		Generali Finance Sp. z o.o.	100.00	51.00
Generali Zycie S.A.	054	PLN	61,000,000	G	2	100.00		Generali PPF Holding B.V.	100.00	51.00
Generali PTE S.A.	054	PLN	145,500,000	G	11	100.00		Generali Towarzystwo Ubezpiec.	100.00	51.00
Generali Finance Sp. z o.o.	054	PLN	22,050,000	G	8	100.00		Generali PTE S.A.	100.00	51.00
Generali Zavarovalnica dd	260	EUR	38,020,339	G	2	99.84		Generali PPF Holding B.V.	99.84	50.92
S.C. FATA Asigurari S.A.	061	RON	94,818,764	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
S.C. Generali Romania S.A.	061	RON	133,091,909	G	2	55.72		Generali Holding Vienna AG	100.00	78.30
						23.52		Generali PPF Holding B.V.		
						20.76		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 Life Insurance CJSC	263	UAH	20,050,000	G	3	100.00		CZI Holdings N.V.	100.00	51.00
CZI Ukraine Pension fund Adm.	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	106,886,890	G	3	15.06		Generali Assurances Générales	100.00	99.99
						84.94		Generali (Schweiz) Holding AG		
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	3,901,500	G	4	46.16			100.00	100.00
						21.74		Generali Holding Vienna AG		
						32.10		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
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	99.31
						49.00		Generali SGR S.p.A.		
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

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %				Group equity ratio % ⁽³⁾
						Direct	Indirect	Through	Total	
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	9	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
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	1,500,000	G	3	100.00	Delta Generali Holding d.o.o.		100.00	13.01
Delta Generali Osiguranj ad	290	EUR	3,250,000	G	3	100.00	Delta Generali Holding d.o.o.		100.00	13.01
Generali PPF Life Insurance	262	RUB	240,000,000	G	3	100.00	CZI Holdings N.V.		100.00	51.00
Generali PPF General Insurance	262	RUB	120,000,000	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
DGO Policlinic	289	RSD	208,272,616	G	11	100.00	Delta Generali Osiguranje a.d.		100.00	25.51
Migdal Insurance Co. Ltd	182	ILS	181,645,000	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 Real Estate Holdings	182	ILS	6,166	G	10	100.00	Migdal Insurance Co. Ltd		100.00	69.79
Migdal Underwriting Business	182	ILS	5,001,053	G	9	100.00	Migdal Capital Markets (1965)		100.00	69.79
Migdal Mutual 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 Makefet Pension Provid.	182	ILS	23,397,000	G	8	100.00	Migdal Insurance Co. Ltd		100.00	69.79
Migdal Capital Markets (1965)	182	ILS	469,600,000	G	9	100.00	Migdal Insurance&Fin. Holding		100.00	69.79
Migdal Health and Life Quality	182	ILS	12,924,000	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
Transocean Holding Corporation	069	USD	194,980,600	G	9	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	92.79
GLL Properties Fund II LP	069	USD	56,916,056	G	11	100.00	GLL AMB Generali Prop. Fund II		100.00	92.79
GLL Properties 444 NM LP	069	USD	56,916,056	G	10	100.00	GLL Properties Fund II LP		100.00	92.79
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

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %			Group equity ratio % ⁽³⁾	
						Direct	Indirect	Through		
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		
						42.18		Generali N. American Holding		
						1.00		General Securities Corp.		
GNAREI 1 Farragut LLC	069	USD	10,000	G	10	100.00		GNAREH 1 Farragut LLC	100.00	98.11
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		
						5.30		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		
Comercial Banorte Generali SA	046	MXN	5,800,000	G	11	33.00		Seguros Banorte Generali SA CV	66.00	32.34
						33.00		Pensiones Banorte Generali S.A		
Servicios Banorte Generali SA	046	MXN	2,300,000	G	11	33.00		Seguros Banorte Generali SA CV	66.00	32.34
						33.00		Pensiones Banorte Generali S.A		
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		
Royal Sun Alliance Pensiones	046	MXN	126,736,624	G	3	49.00		Seguros Banorte Generali SA CV	100.00	49.00
						51.00		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.		
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	90,255,655	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 Overseas (Bahamas) Ltd	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	198,661,381	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
						16.15		Transocean Holding Corporation		
						68.28		Generali Colombia S.A.		
Generali Colombia S.A.	017	COP	20,999,947,500	G	3	81.83			86.28	86.28
						4.45		Transocean Holding Corporation		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method ⁽¹⁾	Activity ⁽²⁾	Shareholding %				Group equity ratio % ⁽³⁾
						Direct	Indirect	Through	Total	
Generali Ecuador S.A.	024	USD	2,130,000	G	3	51.74			51.74	51.74
Aseguradora General S.A.	033	GTQ	100,000,000	G	3	51.00			51.00	51.00
BSI Investment Advisors Panama	051	USD	410,000	G	11		100.00	BSI S.A.	100.00	100.00
Generali China Life Insurance	016	CNY	3,300,000,000	G	3	50.00			50.00	50.00
BSI Bank Ltd	147	USD	184,000,000	G	7		100.00	BSI S.A.	100.00	100.00
BSI Trust Corp. (Singapore)	147	SGD	1,555,041	G	11		100.00	BSI S.A.	100.00	100.00
BSI-Generali Asia Ltd	103	HKD	10,000,000	G	9		100.00	Gen Inv S.p.A.	100.00	97.76
BSI Investment Advisors HK Ltd	103	USD	43,000,000	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	1,725,050,515	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	3,079,155,100	G	4		60.00	Generali Asia N.V.	60.00	36.00
PT Asuransi Jiwa Generali Ind.	129	IDR	170,000,000,000	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	IWF 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		
IWF Holding Co. Ltd	072	THB	2,100,000	G	4		58.10	Generali Asia N.V.	58.10	34.86
Generali Vietnam Life Ins.	062	VND	632,084,665,210	G	3	100.00			100.00	100.00
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	1,000	G	11		90.00	Europ Assistance W.Services	90.00	54.38
24 Fix (Pty) Ltd	078	ZAR	4,249,769	G	11		100.00	Europ Assistance W.Services	100.00	60.42
MRI Criticare Medical Rescue	078	ZAR	1,000	G	11		100.00	Europ Assistance W.Services	100.00	60.42
Access Health Africa Ltd	078	ZAR	1,000	G	11		100.00	Europ Assistance W.Services	100.00	60.42
Access Health South Africa Ltd	078	ZAR	200	G	11		68.00	Europ Assistance W.Services	68.00	41.09
Labour Assist (Pty) Ltd	078	ZAR	100	G	11		90.00	Europ Assistance W.Services	90.00	54.38
Europ Assistance Financial S.	078	ZAR	100	G	11		58.00	Europ Assistance W.Services	58.00	35.05
MRI Criticare Medical Rescue	078	ZAR	1,000	G	11		100.00	Europ Assistance W.Services	100.00	60.43
Access Health Africa Ltd	078	ZAR	1,000	G	11		100.00	Europ Assistance W.Services	100.00	60.43
Access Health South Africa Ltd	078	ZAR	200	G	11		68.00	Europ Assistance W.Services	68.00	41.09
Labour Assist (Pty) Ltd	078	ZAR	100	G	11		90.00	Europ Assistance W.Services	90.00	54.38
Europ Assistance Financial S.	078	ZAR	100	G	11		58.00	Europ Assistance W.Services	58.00	35.05

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 as follows

Generali France 99.98%

Generali Verzekeringsgroep NV 98.56%

IWF Holding Co. Ltd 100%

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Shareholding %			Group equity ratio % ⁽³⁾	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	4,038
Casaleto S.r.l.	086	EUR	1,976,000	a	11	100.00		Genagricola S.p.A.	100.00	1,976
Solaris S.r.l. (*)	086	EUR	20,000	b	10		40.00	Generali Properties S.p.A.	40.00	2,860
Sanpaolo Previdenza SIM S.p.A.	086	EUR	15,300,000	b	8	21.47			21.47	3,947
Servizi Tecnologici Avanzati	086	EUR	102,000	b	11	25.00			25.00	
Donatello Intermediazione Srl	086	EUR	59,060	a	11	10.87			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	2,972
Initium S.r.l. (*)	086	EUR	250,000	b	10		49.00	Generali Properties S.p.A.	49.00	4,636
Continuum S.r.l. (*)	086	EUR	500,000	b	10		40.00	Generali Properties S.p.A.	40.00	17
Sementi Ross S.r.l.	086	EUR	102,800	a	11	100.00		Sementi Dom Dotto S.p.A.	100.00	
Il Pino S.r.l.	086	EUR	1,081,000	a	11	100.00		Genagricola S.p.A.	100.00	8,266
Natalia S.r.l.	086	EUR	90,000	a	11	100.00		Agricola San Giorgio S.p.A.	100.00	4,684
AEON Trust Soc. Italiana Trust	086	EUR	100,000	a	11	100.00		BSI S.A.	100.00	136
Jupiter 12 S.r.l.	086	EUR	12,000	a	10	100.00		Fata Assicurazioni Danni SpA	100.00	11,073
A7 S.r.l. (*)	086	EUR	200,000	c	10	20.50			40.10	2,303
						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	53
Il Gelso - Societa' Agricola	086	EUR	20,000	a	11	100.00		Enofila S.r.l.	100.00	
Il Tiglio - Societa' Agricola	086	EUR	20,000	a	11	100.00		Enofila S.r.l.	100.00	
Ippocastano - Societa' Agricola	086	EUR	20,000	a	11	100.00		Enofila S.r.l.	100.00	
Agenzia la Torre S.r.l.	086	EUR	20,000	a	11	100.00		Sementi Dom Dotto S.p.A.	100.00	
Telco S.p.A. (*)	086	EUR	2,185,531,062	b	8	12.98			30.58	334,346
						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.		
						6.22		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	30,394
NEIP II S.p.A.	086	EUR	6,500,000	b	9	48.16			48.16	12,075
Investimenti Marittimi S.p.A.	086	EUR	103,000,000	b	9	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	442
Imprebanca S.p.A.	086	EUR	50,000,000	b	9		20.00	Ina Assitalia S.p.A.	20.00	10,000
Valore Immobiliare S.r.l. (*)	086	EUR	10,000	c	10		49.00	ISIM S.p.A.	50.00	5,198
						1.00		Generali Properties S.p.A.		
HSR S.r.l.	086	EUR	20,000	a	10		90.00	Generali Properties S.p.A.	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	5,000,000	b	11		20.00	Alleanza Toro S.p.A.	20.00	1,120
Previra Assicurazioni S.r.l.	086	EUR	100,000	b	11		24.50	Alleanza Toro S.p.A.	24.50	25
Beta S.r.l.	086	EUR	2,022,000	b	9	49.46			49.46	1,000

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Shareholding %			Total	Group equity ratio % ⁽³⁾	Book value (€ thousand)
						Direct	Indirect	Through			
Fondo Sammartini (*)	086	EUR	4,000,000	c	11	33.33			48.00	48.00	14,512
							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	
Cinecittà Parchi S.p.A.	086	EUR	25,005,000	b	10		20.00	Generali Properties S.p.A.	20.00	20.00	25,227
CityLife Sviluppo 1 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 2 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 3 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 4 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 5 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 6 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 7 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 8 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 9 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
CityLife Sviluppo 10 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.r.l.	100.00	66.04	10
NEIP III S.p.A.	086	EUR	2,239,116	b	9	26.53			26.53	26.53	594
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	224,547
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	99.97	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 Senioren. 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	1,049
							15.00	Generali Versicherung AG			
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
							4.93	AachenMünchener Lebensvers.			
							7.41	Generali Lebensversicherung AG			
							7.41	Central Krankenversicherung AG			

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Direct	Indirect	Shareholding %		Group equity ratio % ⁽³⁾	Book value (€ thousand)
								Through	Total		
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		89.45	Generali Deutschland Holding	89.45	82.96	16,580
Louisen-Center Bad Homburg Vr.	094	EUR	25,000	a	10		74.00	Generali Deutschland Holding	74.00	68.63	19
Schroder Nordic Property Fund (*)	094	EUR	1,450,000	b	11		20.69	Generali Lebensversicherung AG	20.69	19.21	25,520
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	67.98	8,952
Verwaltungsges. Marienplatz	094	EUR	25,000	a	10		74.00	Generali Deutschland Immobil.	74.00	68.63	19
BAI Alstercampus Grundstücksg. (*)	094	EUR	1,000	c	10		50.00	Generali Lebensversicherung AG	50.00	46.42	3,806
Verwaltungsg. Wohnen Westhafen	094	EUR	25,000	a	10		85.00	Generali Versicherung AG	85.00	78.90	21
Grundstücksg. Wohnen Westhafen (*)	094	EUR	4,731,000	c	10		84.99	Generali Versicherung AG	84.99	78.90	2,343
Generali Deutschland IV GmbH	094	EUR	25,000	a	10		100.00	Generali Deutschland Immobil.	100.00	92.74	35
Generali European Retail IG KG	094	EUR	20,250	a	10		50.62	Generali Deutschland Immobil.	100.00	92.74	10
							49.38	Generali Deutschland IV GmbH			
Cofifo S.A.	029	EUR	4,500,000	a	9		100.00	Generali France S.A.	100.00	99.03	5,250
Noreco S.A.	029	EUR	2,000,000	a	11		0.03	Generali IARD S.A.	99.93	98.95	537
							0.05	Generali Vie S.A.			
							0.05	L'Equité IARD S.A.			
							99.80	Generali France S.A.			
Trieste Courtage S.A.	029	EUR	416,000	a	11		0.02	Generali Vie S.A.	99.98	99.01	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	92.32	127
							0.12	Generali Vie S.A.			
							99.76	Prudence Creole			
Courtage Inter Caraïbes	213	EUR	38,100	a	11		99.76	GFA Caraïbes	99.76	98.79	38
Generali Gerance S.A.	029	EUR	228,000	a	11		99.67	Generali Vie S.A.	99.67	98.70	241
SAI Trois Collines de Mougins	029	EUR	184,463	b	10		33.31	Generali IARD S.A.	48.26	47.79	198
							14.95	Generali Vie S.A.			
Generali Reassurance Courtage	029	EUR	3,016,656	a	11		100.00	Generali France Assurance S.A.	100.00	99.03	2,219
Europ Assistance Océanie SAS	225	XPF	24,000,000	a	11		99.88	Europ Assistance Holding S.A.	99.88	98.93	286
Landy Courtage S.A.S.	029	EUR	39,000	a	11		100.00	Cofifo S.A.	100.00	99.03	
Risque et Sérénité S.A.	029	EUR	6,135,300	a	9		47.06	Generali Vie S.A.	59.10	58.53	5,465
							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	99.06	5
Europ Assistance IHS Services	029	EUR	7,287,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.06	1,642
Gestas S.a.r.l.	029	EUR	32,000	a	11		100.00	Icare S.A.	100.00	99.06	152
Réseau Generali France (GIE)	029	EUR	0	a	11		100.00	Generali IARD S.A.	100.00	99.03	
Arche SA	029	EUR	120,975	a	10		79.31	Cofifo S.A.	79.31	78.53	
GIE Eur Ass Clearing Center	029	EUR	0	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.06	
GIE Eur Ass Sys information	029	EUR	0	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.06	
SCI Immovie	029	EUR	17,662	a	10		0.02	Generali IARD S.A.	100.00	99.03	1,027
							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	47.83	142
							15.00	Generali Vie S.A.			

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Shareholding %			Group equity ratio % ⁽³⁾	Book value (€ thousand)	
						Direct	Indirect	Through			
GIE Le Restaurant Haussmann	029	EUR	0	a	11	100.00		Generali France Assurance S.A.	100.00	99.03	
SCI Montrose Parc	029	EUR	3,812,500	a	10	27.50		Generali IARD S.A.	70.00	69.32	2,669
						42.50		Generali Vie S.A.			
GIE Réunion aérienne	029	EUR	10,000	a	11	40.00		Generali IARD S.A.	40.00	39.61	
GIE Réunion spatiale	029	EUR	10,000	a	11	31.50		Generali IARD S.A.	31.50	31.19	
Bien-Être Assistance S.A. (*)	029	EUR	1,000,000	c	11	51.00		Europ Assistance France S.A.	51.00	50.88	677
GIE Generali Agences	029	EUR	100	a	10	80.00		Generali IARD S.A.	100.00	99.03	
						20.00		Generali Vie S.A.			
Parcolog Lyon Isle d'Abeau	029	EUR	8,000	a	10	100.00		SC Generali Logistique	100.00	99.03	4
Foncière Hypersud S.A. (*)	029	EUR	72,993,000	b	10	49.00		Generali Vie S.A.	49.00	48.89	10,124
EAP France SAS (*)	029	EUR	738,500	c	11	51.00		Europ Assistance France S.A.	51.00	50.88	2,029
Bois Colombes Europe Avenue SC (*)	029	EUR	1,000	c	10	50.00		Generali Vie S.A.	50.00	49.51	
ASSERCAR SAS	029	EUR	37,000	b	11	15.00		Generali IARD S.A.	30.00	29.71	660
						15.00		L'Equité IARD S.A.			
COSEVD SAS	029	EUR	1,000	a	11	100.00		Generali Vie S.A.	100.00	99.03	1
Generali I S.A.S.	029	EUR	1,000	a	9	100.00		Generali France Assurance S.A.	100.00	99.03	1
SCI 3-5 Malesherbes	029	EUR	1,500	a	10	99.93		Generali Vie S.A.	100.00	99.03	
						0.07		E-Cie Vie S.A.			
Generali Private Equity S.A.S.	029	EUR	1,000	a	11	100.00		Generali France Assurance S.A.	100.00	99.03	0
SCI Château La Pointe	029	EUR	33,659,114	a	10	100.00		Generali France S.A.	100.00	99.03	
Drei-Banken Versicherungs-AG (*)	008	EUR	7,500,000	b	7	20.00		Generali Holding Vienna AG	20.00	20.00	6,103
3 Banken-Generali Investment (*)	008	EUR	2,600,000	b	8	48.57		Generali Holding Vienna AG	48.57	48.57	1,882
Generali Betriebsrestaurazion	008	EUR	36,336	a	11	100.00		Generali Versicherung AG (A)	100.00	99.98	484
MAS Versicherungsmakler GmbH	008	EUR	36,336	a	11	100.00		Generali Sales Promotion GmbH	100.00	99.98	53
PSC Insurance-Consulting GmbH	008	EUR	54,505	a	11	100.00		Generali Sales Promotion GmbH	100.00	99.98	71
SK Versicherung AG (*)	008	EUR	3,633,500	b	2	20.43		Generali Holding Vienna AG	39.66	39.66	3,982
						19.23		Generali Versicherung AG (A)			
TTC-Training Center Unterem.	008	EUR	35,000	a	11	100.00		Europäische Reiseversicherungs	100.00	74.97	204
Global Private Equity Holding	008	EUR	4,388,000	b	9	11.40		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	99.98	258
Car Care Consult Versicherungs	008	EUR	35,000	a	11	100.00		Generali Sales Promotion GmbH	100.00	99.98	35
Generali Telefon-Auftragsserv.	008	EUR	35,000	a	11	100.00		Generali Bank AG	100.00	99.97	35
BONUS Vorsorgekasse AG (*)	008	EUR	1,500,000	b	11	50.00		Generali Holding Vienna AG	50.00	50.00	975
Risk-Aktiv Versicherungsserv.	008	EUR	35,000	a	11	100.00		Generali Versicherung AG (A)	100.00	99.98	35
Generali 3Banken Holding AG (*)	008	EUR	70,000	b	9	49.30		Generali Versicherung AG (A)	49.30	49.30	64,828
Generali FinanzService GmbH	008	EUR	50,000	a	11	100.00		Generali Bank AG	100.00	99.97	50
M.O.F. Immobilien AG	008	EUR	1,000,000	b	10	20.00		Generali Immobilien AG	20.00	19.99	9,145
Generali TVG Vorsorgemanagem.	008	EUR	145,346	a	11	100.00		Generali Sales Promotion GmbH	100.00	99.98	160
Versicherungsdienst BAWAG PSK	008	EUR	40,000	a	11	100.00		BAWAG PSK Versicherung AG	100.00	74.98	200
M.O.F. Beta Immobilien AG	008	EUR	1,000	b	10	20.00		Generali Immobilien AG	20.00	19.99	9,072
GBK Vermögensverwaltung GmbH	008	EUR	35,000	a	11	100.00		Generali Bank AG	100.00	99.97	10,036
Generali Vermögensberatung	008	EUR	35,000	a	11	100.00		Generali Versicherung AG (A)	100.00	99.98	35
PCO Immobilien GmbH	008	EUR	35,000	a	10	100.00		Generali Immobilien AG	100.00	99.97	381

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Shareholding %		Through	Total	Group equity ratio % ⁽³⁾	Book value (€ thousand)
						Direct	Indirect				
Immoeast Projekt Caelum Hold G	008	EUR	35,000	b	10	20.00		Generali Immobilien AG	20.00	19.99	
Europ Assistance Travel S.A.	067	EUR	60,101	a	11	100.00		Europ Assistance SldG, S.A.	100.00	99.10	219
Robert Malatier	031	GBP	51,258	b	11	33.33		Generali IARD S.A.	33.33	33.01	501
Global Investment Planning Ltd	031	GBP	10,000	a	11	100.00		BSI S.A.	100.00	100.00	19
Tenax Capital Limited	031	GBP	300,000	b	9	49.00		Genirland Limited	49.00	49.00	176
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			
Verzekeringskantoor Soenen NV	009	EUR	18,600	a	11	99.80		Generali Belgium S.A.	99.80	99.49	2,016
Groupe Vervietoïis d'Assureurs	009	EUR	94,240	a	11	99.95		Generali Belgium S.A.	99.95	99.64	571
Dedale S.A.	009	EUR	1,000,005	a	11	99.97		Generali Belgium S.A.	99.97	99.66	1,169
Bureau d'Assurances et dePrêts	009	EUR	18,600	a	11	98.00		Generali Belgium S.A.	98.00	97.70	412
Webbroker S.A.	009	EUR	4,300,000	a	11	100.00		Generali Belgium S.A.	100.00	99.69	4,300
CRM.Dev N.V.	009	EUR	50,000	b	11	33.33		Generali Belgium S.A.	33.33	33.23	
Casa-Bouw Sprl	009	EUR	19,831	a	10	100.00		Generali Real Estate Inv. B.V.	100.00	99.17	3,001
Nederlands Algemeen Verzek.	050	EUR	18,151	a	11	100.00		Generali Verzekeringsgroep NV	100.00	98.54	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	83.76	
Assurantiekantoor Stoutenburgh	050	EUR	18,151	a	11	100.00		Nederlands Algemeen Verzek.	100.00	98.54	
Europ Assistance Nederlands BV	050	EUR	363,000	a	11	100.00		Europ Assistance NL Holding BV	100.00	69.24	
Europ Assistance NL Holding BV	050	EUR	1,389,253	a	11	57.17		Europ Assistance Holding S.A.	69.97	69.24	
						12.80		Generali Schadeverz. Maatsch.			
VHD Omnicare BV	050	EUR	18,000	a	11	100.00		Europ Assistance NL Holding BV	100.00	69.24	
Coris the Netherlands BV	050	EUR	18,151	a	11	100.00		Europ Assistance NL Holding BV	100.00	69.24	
Admirant Beheer B.V. (*)	050	EUR	66,400,972	b	10	50.00		Generali Real Estate Inv. B.V.	50.00	49.62	9
C.V. Admirant (*)	050	EUR	18,000	b	10	50.00		Generali Real Estate Inv. B.V.	50.00	49.62	32,205
Beleggingscons. Sloterdijk CV (*)	050	EUR	118,000	b	10	21.38		Generali Real Estate Inv. B.V.	21.38	21.21	27,446
Beleggingscons. Sl. Beheer BV (*)	050	EUR	18,000	b	10	21.38		Generali Real Estate Inv. B.V.	21.38	21.21	5
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	781
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	1,316
UBS (Lux) Euro Value Added	092	EUR	282,200,000	b	10	7.09		AachenMünchener Lebensvers.	26.58	24.66	42,593
						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	48.96	
Valiance Infrastructure Mgt Co	092	EUR	125,000	b	9	50.00		Flandria Participations Fin.	50.00	49.97	
Spinnaker Venture S.A.	092	EUR	125,000	b	9	20.00		Flandria Participations Fin.	20.00	19.99	
GARBE Logistic Strategic Fund (*)	092	EUR	118,000,000	b	11	8.00		AachenMünchener Lebensvers.	40.00	37.12	42,275
						24.00		Generali Lebensversicherung AG			
						8.00		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			
						27.28		Cosmos Lebensversicherungs AG			

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Direct	Indirect	Shareholding %		Group equity ratio % ⁽³⁾	Book value (€ thousand)
								Through	Total		
BSI & Venture Partners S.A.	092	EUR	200,000	a	9	100.00		BSI S.A.	100.00	100.00	199
Generali Luxembourg S.A.	092	EUR	5,000,000	a	2	100.00		Generali France S.A.	100.00	99.03	5,000
Ponte Alta Lda	055	EUR	400,000	a	11	100.00		Europ Assistance Portugal	100.00	52.50	3,400
Primeira Cruz Lda	055	EUR	660,982	a	11	60.02		Ponte Alta Lda	60.02	31.51	
Lordship Consultadoria e Serv.	055	EUR	50,000	a	11	100.00		BSI S.A.	100.00	100.00	68
Europ Assistance A/S	021	DKK	500,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.06	
Europ Assistance Claims AB	068	SEK	100,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.06	
Europ Assistance (Scandinavia)	068	SEK	725,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.06	
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	86.56	99
						26.00		Generali-Providencia Biztosító			
GP Consulting Kft	077	HUF	10,000,000	a	11	100.00		Generali-Providencia Biztosító	100.00	51.00	325
Shaza & Tóptorony zrt (*)	077	HUF	84,603,426	c	11	50.00		GLL AMB Generali Bankcenter	50.00	46.39	39,988
AUTOTÁL BiztosításiSzolgáltató	077	HUF	104,000,000	a	11	100.00		Generali-Providencia Biztosító	100.00	51.00	823
Generali Multiinvest Kft	077	EUR	5,000,000	a	11	100.00		Generali-Providencia Biztosító	100.00	51.00	159
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	99.06	573
Generali Car Care s.r.o.	275	CZK	1,000,000	a	11	100.00		Generali Pojistovna a.s.	100.00	51.00	30
REFICOR s.r.o.	275	CZK	100,000	a	11	100.00		Ceska pojistovna, a.s.	100.00	51.00	864
Karlův Most	275	CZK	2,987,000	a	11	100.00		Ceska pojistovna, a.s.	100.00	51.00	117
AIV Sprava Nemovitosti s.r.o.	275	CZK	200,000	a	10	100.00		Allgemeine Immobilien-Verw.	100.00	99.98	8
Nadace České pojistovny	275	CZK	500,000	a	11	100.00		Ceska pojistovna, a.s.	100.00	51.00	20
Nadace pojistovny Generali	275	CZK	500,000	a	11	100.00		Generali Pojistovna a.s.	100.00	51.00	20
Generali IT S.r.o.	276	SKK	5,000,000	a	11	100.00		Generali VIS Informatik GmbH	100.00	99.97	132
VUB Generali d.s.s., a.s. (*)	276	SKK	304,000,000	b	11	50.00		Generali Slovensko Poistovna	50.00	25.50	12,315
MAKB s.r.o.	276	SKK	220,000	a	10	100.00		Generali Immobilien AG	100.00	99.97	6
Selecta CEE s.r.o.	276	SKK	6,639	b	10	26.99		Generali Holding Vienna AG	26.99	26.98	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	SKK	10,000,000	a	11	100.00		CZI Holdings N.V.	100.00	51.00	869
Europ Assistance Polska Spzoo	054	PLN	3,000,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.06	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-Administrare de Cladiri	061	RON	50,000	a	11	100.00		Allgemeine Immobilien-Verw.	100.00	99.98	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
Vignadoro S.r.l.	061	RON	3,819,000	a	11	90.00		Genagricola S.p.A.	100.00	100.00	3,043
						10.00		Inf - Societa' Agricola S.p.A.			
AUTOTÁL Expert Ize Daune Srl	061	RON	10,000	a	11	51.00		AUTOTÁL BiztosításiSzolgáltató	51.00	26.01	
Generali Profesional Training	061	RON	200	a	11	100.00		SC Asigurare Reasigurare ARDAF	100.00	78.18	
Generali Net Insurance Broker	012	BGN	365,000	a	11	100.00		Generali Bulgaria Holding EAD	100.00	51.00	233
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	99.98	3
Financial Services LLC	263	UAH	250,000	a	11	99.99		CZI Holdings N.V.	99.99	50.99	33

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Shareholding %		Through	Total	Group equity ratio % ⁽³⁾	Book value (€ thousand)
						Direct	Indirect				
Generali PPF Asset Management	263	UAH	7,772,400	a	8	99.99		CZI Holdings N.V.	99.99	51.00	1,364
BSI Laran S.A.	071	CHF	100,000	a	9	100.00		BSI S.A.	100.00	100.00	82
Finmo S.A.	071	CHF	50,000	a	11	100.00		BSI S.A.	100.00	100.00	41
Funicolare Lugano-Paradiso	071	CHF	600,000	b	11	31.00		BSI S.A.	31.00	31.00	
Generali Private Equity S.A.	071	CHF	2,100,000	a	11	10.00		BSI S.A.	100.00	97.78	2,660
						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	82
BSI Art Collection S.A.	071	CHF	100,000	a	11	100.00		BSI S.A.	100.00	100.00	82
B-Source S.A. (*)	071	CHF	2,400,000	b	11	49.00		BSI S.A.	49.00	49.00	47,380
Finnat Gestioni S.A.	071	CHF	750,000	b	11	30.00		BSI S.A.	30.00	30.00	259
Valiance Capital S.A.	071	CHF	100,000	b	11	30.00		BSI S.A.	30.00	30.00	87
Convivium S.A.	071	CHF	2,000,000	a	10	100.00		BSI S.A.	100.00	100.00	1,046
Livolsi e Associati Private SA (*)	071	CHF	1,000,000	b	11	40.00		BSI S.A.	40.00	40.00	569
GMT Fine Chemical S.A.	071	CHF	2,200,000	b	11	22.73		Alpine Services Ltd	22.73	22.73	
Tecnopolo Lugano S.A.	071	CHF	250,000	a	11	100.00		BSI S.A.	100.00	100.00	165
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	98.26	842
Europ Assistance CEI 000	262	RUB	10,000	a	11	100.00		Europ Assistance Holding S.A.	100.00	99.06	0
Generali PPF Fund Management	262	RUB	32,150,000	a	11	100.00		CZI Holdings N.V.	100.00	51.00	7,807
ooo Fynansovjy 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	69.13	4,481
Hamagen Properties Ltd	182	ILS	6,090,837	a	10	100.00		Migdal Insurance Co. Ltd	100.00	69.13	
Pel - Hamagen House Ltd	182	ILS	14,066,596	a	10	100.00		Hamagen Properties Ltd	100.00	69.13	
Migdal Credit Services Ltd	182	ILS	100	a	11	100.00		Migdal Eshkol Finansim B.M.	100.00	69.13	2,478
Migdal Financial Services Ltd	182	ILS	320,000	a	11	100.00		Migdal Eshkol Finansim B.M.	100.00	69.13	302
Migdal Leasing Ltd	182	ILS	100	a	11	100.00		Migdal Eshkol Finansim B.M.	100.00	69.13	2,406
Ihud Insurance Agencies Ltd	182	ILS	1,500	a	11	100.00		Migdal Holdings & Management	100.00	69.13	
Peltours Insurance Agencies	182	ILS	256,000	a	11	73.28		Migdal Holdings & Management	73.28	50.66	
Sagi Yogev Life Assur. Agency	182	ILS	3,000	a	11	100.00		Migdal Holdings & Management	100.00	69.13	
Migdal Managements Ltd	182	ILS	2	a	11	100.00		Migdal Insurance Co. Ltd	100.00	69.13	
Migdal Technologies Ltd	182	ILS	0	a	11	100.00		Migdal Insurance Co. Ltd	100.00	69.13	
Data Car Israel Ltd	182	ILS	30,000	a	11	50.00		Migdal Insurance Co. Ltd	50.00	34.57	100
Shaham Insurance Agencies Ltd	182	ILS	1,818	a	11	100.00		Migdal Holdings & Management	100.00	69.13	
Ihud-David Berman Ins. Ag.	182	ILS	5	a	11	100.00		Peltours Insurance Agencies	100.00	50.66	
Leibowitz Streichman Consult.	182	ILS	1,000	a	11	100.00		Peltours Insurance Agencies	100.00	50.66	
Mivtach-Simon Insurance Ag.	182	ILS	1	a	9	100.00		Migdal Holdings & Management	100.00	69.13	
B-Diyuk Pension Arrangements	182	ILS	200	a	11	64.00		Mivtach-Simon Insurance Ag.	64.00	44.25	
Tvuna Life Assurance Agency	182	ILS	30	b	11	33.33		Mivtach-Simon Insurance Ag.	33.33	23.04	
Mivtach-Simon Ag. Management	182	ILS	100	a	9	100.00		Migdal Insurance&Fin. Holding	100.00	69.13	743
Migdal Insurance Capital R.Ltd	182	ILS	100	a	9	100.00		Migdal Health and Life Quality	100.00	69.13	
Avgad Yahalom Management Ltd	182	ILS	1,100	b	10	47.45		Migdal Real Estate Holdings	47.45	32.81	
Ihud Peltours Diamonds Ins.Ag.	182	ILS	100	a	11	100.00		Peltours Insurance Agencies	100.00	50.66	
Municipalit Insurance Agency	182	ILS	100	b	11	50.00		Peltours Insurance Agencies	50.00	25.33	

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Shareholding %			Total	Group equity ratio % ⁽³⁾	Book value (€ thousand)
						Direct	Indirect	Through			
Reshef Insurance Agencies Ltd	182	ILS	120	a	11	50.00		Sagi Yogev Life Assur. Agency	50.00	34.57	
Amir Aloni Assurance Ag	182	ILS	400	a	11	75.00		Mivtach-Simon Insurance Ag.	75.00	51.85	
Madanes Financial Services Ltd	182	ILS	10,000	b	11	50.00		Migdal Investment Portfolio M.	50.00	34.57	
Makefet Financial Services	182	ILS	1,000	a	11	100.00		Migdal Makefet Pension Provid.	100.00	69.13	
Froline Exclusive Ltd	182	ILS	1,000	a	11	55.00		Migdal Makefet Pension Provid.	55.00	38.02	
Shaham Veinstein (Netanya)	182	ILS	200	a	11	100.00		Shaham Insurance Agencies Ltd	100.00	69.13	
Sopher Moshe Insurance Ag	182	ILS	157	b	11	35.03		Shaham Insurance Agencies Ltd	35.03	24.22	
Ashmoret Tihona Ltd	182	ILS	1,000	a	10	100.00		Migdal Insurance Co. Ltd	100.00	69.13	
50 Plus Ltd.	182	ILS	9,080	b	11	50.00		Migdal Health and Life Quality	50.00	34.57	1,411
Arxis Global Wealth Managem.	182	ILS	2,010	a	11	100.00		Mivtach-Simon Insurance Ag.	100.00	69.13	
Amot Investments Ltd (*)	182	ILS	460,661,792	b	9	15.19		Migdal Insurance Co. Ltd	15.19	10.60	89,129
Ramat Aviv Mall Ltd (*)	182	ILS	363	b	10	26.60		Migdal Insurance Co. Ltd	26.60	18.56	35,444
Migdal Issuers Ltd	182	ILS	100	a	11	100.00		Migdal Capital Markets (1965)	100.00	69.13	
Infomed Medical Sites Ltd	182	ILS	21	a	11	51.00		Migdal Health and Life Quality	51.00	35.26	
Orlan Insurance Agency (1994)	182	ILS	200	b	11	30.00		Migdal Holdings & Management	30.00	20.74	
B-Well Ltd	182	ILS	120	a	11	100.00		Infomed Medical Sites Ltd	100.00	35.26	
MCM - The Finance Academy Ltd.	182	ILS	100	a	11	100.00		Migdal Capital Markets (1965)	100.00	69.13	
Tau Hedge Funds Management Ltd	182	ILS	364,000	a	11	71.00		MCM Alternative Investments Lt	71.00	49.09	
MCM Alternative Investments Lt	182	ILS	100	a	9	100.00		Migdal Capital Markets (1965)	100.00	69.13	
A.I. America Israel Investment	182	ILS	15,429,413	b	11	16.00		Migdal Insurance Co. Ltd	20.00	13.83	
						4.00		Migdal Makefet Pension Provid.			
Sie-el Insurance Agency (1995)	182	ILS	154	a	11	100.00		Shaham Insurance Agencies Ltd	100.00	69.13	
Yefe Nof Haifa Ltd.	182	ILS	102	b	10	21.00		Migdal Real Estate Holdings	21.00	14.52	
Talent H.R. System Ltd	182	ILS	50	b	11	25.00		Mivtach-Simon Ag. Management	25.00	17.28	
Yevulim Financial&Business Con	182	ILS	67	a	11	50.00		Mivtach-Simon Ag. Management	50.00	34.57	
Hi Capital Ltd.	182	ILS	50	a	11	50.00		Mivtach-Simon Ag. Management	50.00	34.57	
Brainspa Ltd	182	ILS	8,138	a	11	50.00		Migdal Health and Life Quality	50.00	34.57	
Yozma Pension Fund Ltd	182	ILS	1,500,000	a	11	100.00		Migdal Insurance Co. Ltd	100.00	69.13	302
Intl 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	86
Generali Pacificque NC	253	XPF	1,000,000	a	11	100.00		Generali France S.A.	100.00	99.03	2,095
Cabinet Richard KOCH	253	XPF	1,000,000	a	11	100.00		Generali France S.A.	100.00	99.03	2,178
Atacama Investments Ltd (*)	249	USD	29,761,657	b	11	49.79		BSI S.A.	49.79	49.79	24,935
GLL 200 State Street L.P. (*)	069	USD	1,000	c	11	49.90		GLL AMB Generali 200 State	49.90	46.30	32,260
Beacon Capital Strategic L.P.	069	USD	100,500,000	a	11	24.88		AachenMünchener Lebensvers.	99.50	92.31	10,223
						39.80		Generali Lebensversicherung AG			
						19.90		Central Krankenversicherung AG			
						14.92		Cosmos Lebensversicherungs AG			
Europ Assistance Argentina SA	006	ARS	3,285,000	a	11	56.09		Ponte Alta Lda	84.99	55.20	122
						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	24,339
Pluria Productores de Seguros	006	ARS	50,000	a	11	96.00		Caja de Ahorro y Seguro S.A.	96.00	86.40	627
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	99.05	

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity ⁽¹⁾	Type ⁽²⁾	Direct	Indirect	Shareholding %		Group equity ratio % ⁽³⁾	Book value (€ thousand)
								Through	Total		
Europ Assistance Bahamas Ltd	160	USD	10,000	a	11		99.99	Europ Assistance IHS Services	99.99	99.05	
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	23.52	
EABS Serviços Participações SA	011	BRL	46,238,940	c	9		37.00	Ponte Alta Lda	50.00	23.52	
							13.00	Primeira Cruz Lda			
CEABS Serviços SA	011	BRL	2,000,000	a	11		50.00	EABS Serviços Participações SA	50.00	11.76	
BSI Servicios Internacionales	015	CLP	64,000,000	a	11		100.00	BSI S.A.	100.00	100.00	0
Europ Assistance SA (Chile)	015	CLP	335,500,000	a	11		25.50	Europ Assistance Holding S.A.	51.00	38.65	128
							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	38.65	
La Nacional Cia Inmobiliaria	024	USD	47,647	a	10		100.00	Generali Ecuador S.A.	100.00	51.74	702
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	99.06	0
Generali China Insurance (*)	016	CNY	500,000,000	b	3	49.00			49.00	49.00	9,154
Guotai Asset Management Co. (*)	016	CNY	110,000,000	b	8	30.00			30.00	30.00	119,439
Europ Assistance Worldwide Pte	147	SGD	182,102	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.06	
Future Generali India Life (*)	114	INR	6,020,000,000	c	3		25.50	Part. Maat. Graafschap Holland	25.50	25.50	8,613
Future Generali India Insur. (*)	114	INR	2,200,000,000	c	3		25.50	Part. Maat. Graafschap Holland	25.50	25.50	9,349
Europ Assistance India Private	114	INR	200,285,580	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.06	1,550
Europ Assistance (Taiwan) Ltd	022	TWD	5,000,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.06	
Europ Assistance Angola Lda	133	AOA	2,250,000	a	11		90.00	Europ Assistance IHS Services	90.00	89.15	
EA-IHS Services Nigeria Ltd	117	NGN	10,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	99.06	
Assurances Maghreb S.A.	075	TND	30,000,000	b	3	44.17			44.17	44.17	1,627
Europ Assistance Medical SI SA	075	TND	100,000	b	11		44.00	Europ Assistance Holding S.A.	44.00	43.58	31
Carthage Assistance Services	075	TND	425,000	b	11		48.94	Europ Assistance Holding S.A.	48.94	48.48	271
Assurances Maghreb S.A. Vie S.A.	075	TND	10,000,000	b	3	22.08			22.08	22.08	1,430
Europ Assistance-IHS Services	119	XAF	1,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	99.06	
Europ Assistance IHS (Pty)	078	ZAR	400,000	a	11		15.00	Europ Assistance W.Services	80.00	73.45	6
							65.00	Europ Assistance IHS Services			
EASA Training Academy (Pty) (*)	078	ZAR	1,000	b	11		49.00	Europ Assistance W.Services	49.00	29.61	
EA-IHS Services Congo Sarl	145	CDF	10,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	99.06	

(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

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
CZECH REPUBLIC	275
DENMARK	021
ECUADOR	024
EIRE	040
FRANCE	029
GERMANY	094
GREECE	032
GUATEMALA	033
GUERNSEY	201
HONG KONG	103
HUNGARY	077
INDIA	114
INDONESIA	129
ISRAEL	182
ITALY	086
KAZAKHSTAN	269
LIECHTENSTEIN	090
LUXEMBOURG	092
MALTA	105
MARTINICA	213
MEXICO	046
MONACO	091
NETHERLANDS	050
NEW CALEDONIA	253
NEW ZEALAND	049
NIGERIA	117
PANAMA	051
PEOPLE'S REPUBLIC OF CHINA	016

List of countries

Country	Country code
PEOPLE'S REPUBLIC OF CONGO	145
PHILIPPINES	027
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
UKRAINE	263
UNITED KINGDOM	031
URUGUAY	080
VIETNAM	062

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
Dong (Vietnam)	VND
Central African CFA franc	XAF
French Polynesian Franc	XPF
South African Rand	ZAR



FIAT S.p.A. – Molding and painting operations, Italy

**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 Group CEO, 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 consolidated financial statements at 31 December 2011.
2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements at 31 December 2011 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 2011:
 - 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.

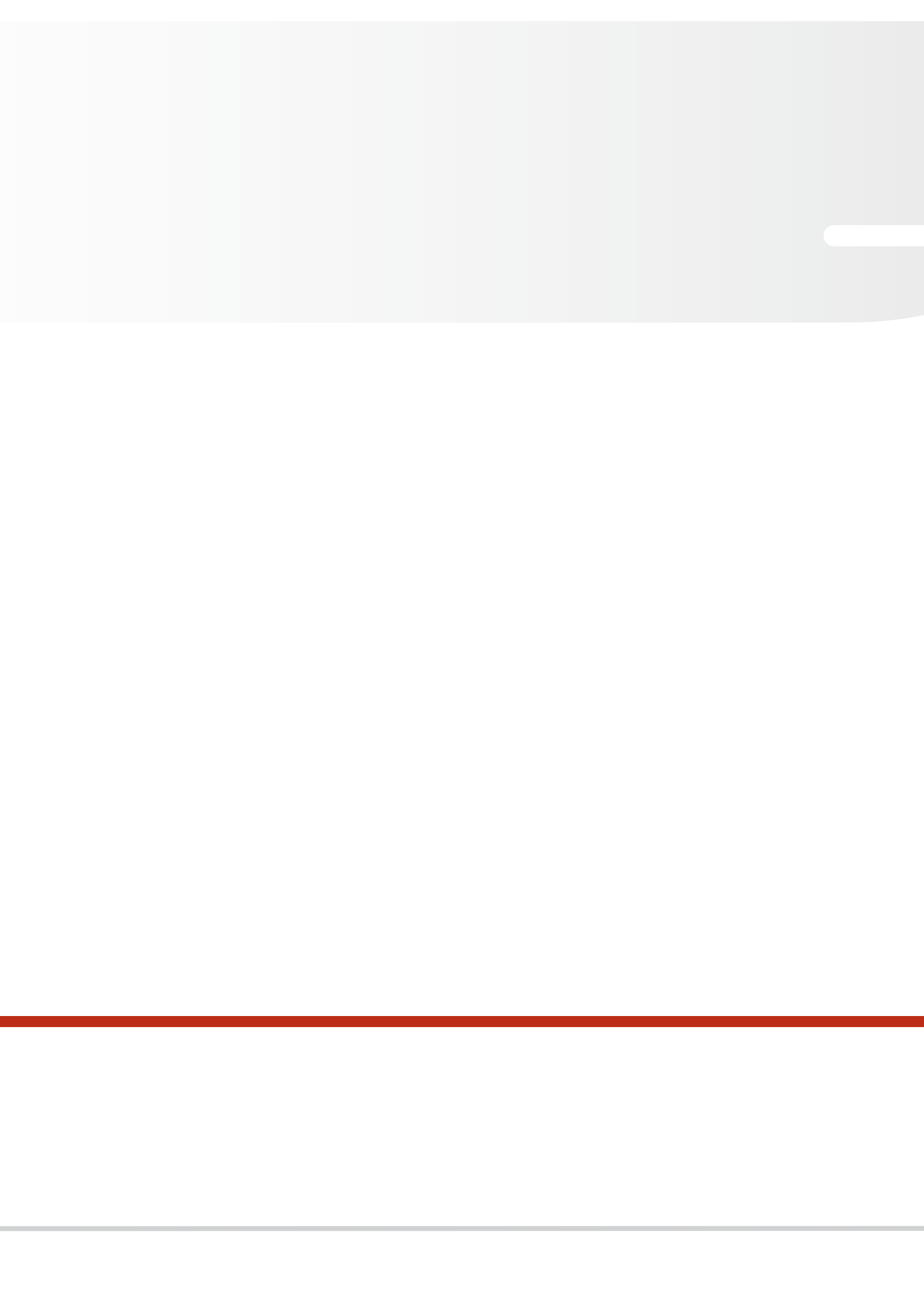
Milan, 20 March 2012

Giovanni Perissinotto
*Managing Director
and Group CEO*

ASSICURAZIONI GENERALI S.p.A.

Raffaele Agrusti
*Manager in charge of preparing
the Company's financial reports*

ASSICURAZIONI GENERALI S.p.A.





ANGELINI - Acraf factory, Ancona, Italy

BOARD OF AUDITORS' REPORT



Report of the Board of Statutory Auditors to the Shareholders' Meeting of Assicurazioni Generali S.p.A. called for the approval of the Financial Statements as at 31 December 2011 pursuant to article 153 of the Legislative Decree no. 58/98 and article 2429, paragraph 3, of the Italian Civil Code

Shareholders,

Pursuant to the Legislative Decree no. 58/1998 (Code on Finance), in particular articles 149 and 153 thereof, the Code of conduct recommended by the National Accountants' Board, the provisions of CONSOB Notice no. 1025564 of 6 April 2001, as amended, and the legislative Decree no. 39 of the 27 January 2010, the Board of Auditors hereby reports on the supervisory activities performed in 2011.

In 2011, 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 its Committees and it also met the heads of the Company departments and units, in particular those in charge of controls.

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. The Board of Auditors has determined that the such transactions are in line with any applicable regulations, the Articles of Association and the principles of sound management, and that none of them were manifestly imprudent or reckless, potentially in conflict of interest, in breach of resolutions of the Corporate bodies, or such as to jeopardise the integrity of the Company assets.

As required in the above CONSOB Notice, the Board of Statutory Auditors reports to you the following on the activities performed during the year:

- the Board of Statutory Auditors had 25 meetings;
- the Board of Statutory Auditors attended the Shareholders' Meeting, held in ordinary and extraordinary session, on 30 April 2011;
- the Board of Statutory Auditors attended all the 12 meetings of the Board of Directors and all the 10 meetings of the Executive Board, ensuring that the matters on which resolutions were passed and implemented were compliant with any applicable regulations and with the Articles of Association;
- the Board of Statutory Auditors attended all the 11 meetings of the Internal Control Committee;
- the Board of Statutory Auditors, represented by its Chairman, attended all the 5 meetings of the Remuneration Committee;
- the Board of Statutory Auditors exchanged data and information with the External Auditor, PricewaterhouseCoopers S.p.A., with a view to performing their respective duties. The External Auditor has not reported to this Board any facts, circumstances or irregularities that must be brought to its attention pursuant to the applicable regulations. The Board of Statutory Auditors points out that, on the basis of information received, the opinion of the External Auditor, PricewaterhouseCoopers S.p.A., on the Financial Statements of Assicurazioni Generali S.p.A. as at 31 December 2011, currently being issued, will be unqualified; equally unqualified will be the opinion on the consolidated accounts of the Generali Group as at 31 December 2011;
- the Board of Statutory Auditors has had relations with the boards of auditors of the major Italian companies of the Group, in the course of which no noteworthy issue has emerged;
- the Board of Statutory Auditors continued to assess and monitor the adequacy of the Company organisational structure, as regards the issues under its responsibility, the internal control system and the administrative/accounting system, and its reliability in correctly recording company transactions, by obtaining information from the Manager in charge of preparing the company Financial Statements and the heads of relevant company departments, examining corporate documents and analysing the results of the work of 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 no. 39/10, the Board of Statutory 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 have been performed properly. The External Auditor has already anticipated that the report pursuant to article 19, paragraph 3 of the Legislative Decree no. 39/2010, will not mention any major faults in the internal control system related to financial reporting;

- the Board of Statutory Auditors monitored the activities of the Group Internal Audit Department, the Group Compliance Service, and the Risk Management Department, also attending the meetings of the Internal Control Committee and holding regular meetings with the heads of those departments, and it has ascertained that they operate effectively in the context of the Company system of internal control;
- the Board of Statutory Auditors duly received from the Company its Quarterly Reports on Complaints, drafted by the Group Internal Audit Manager, as required in ISVAP Order no. 24 of 19 May 2008. Reports detected no particular issues nor organisational shortcomings. The Board of Statutory Auditors further ascertained that the Company had sent both the reports and the Board's reports to ISVAP within the prescribed deadlines;
- the Board of Statutory Auditors kept monitoring any changes that have occurred in the organisation of the Company and the Group in Italy;
- the Board of Statutory Auditors found that, as required by article 114, paragraph 2, of the Code on Finance, the Company has provided its subsidiaries with adequate instructions in order to obtain, in a timely manner, the information required to fulfil any statutory reporting requirements;
- The Board of Statutory Auditors has ascertained that in 2011 the Company complied with the "Procedures on related-party transactions", adopted in line with CONSOB regulation no. 17221/2011, as amended. Any intra-group transactions were performed in line with the relevant annual guidelines adopted by the Board of Directors, pursuant to ISVAP regulation no. 25 of 27 May 2008. Such transactions, aimed at attaining the objectives of streamlining and cost-effectiveness, were put in place at market price or at cost and concerned reinsurance and co-insurance, administration and management of financial assets and real estates, claim management and settlement, IT and administrative services, financing and guarantees as well as staff secondment. The effects thereof, defined under IAS 24 standard, pursuant to CONSOB Notice no. 6064293 of 28 July 2006, have been explained in detail in Part C paragraph 6 of the Notes to Financial Statements;
- Board of Statutory Auditors ascertained that no atypical and/or unusual operations were performed during the year;
- As required by ISVAP regulation no. 36 of 31 January 2011,
 - the Board of Statutory Auditors has ascertained that the guidelines adopted with the resolution of the Board of Directors of 13 May 2011 on durable and non-durable investment policies (article 8, paragraph 1, point i) of the regulation) are consistent with the portfolio management strategy, in line with the overall management framework of the Company and its commitments (article 14 of the regulation) and compatible with its current status and future prospects in terms of economic and financial balance; it has also checked that the management has acted in conformity with the above guidelines adopted by the Board of Directors;
 - the Board of Statutory Auditors has found that transactions in derivative financial instruments (as described in the Notes to Financial Statements) were performed in compliance with the guidelines of the Board of Directors (article 8, paragraph 1, point j) and that the Company duly submitted periodic reports to ISVAP;
 - The Board of Statutory Auditors has audited the administrative procedures adopted for the transfer, custody and accounting of financial instruments, including the instructions to the deposit organisations on the regular notification of statements with the relevant evidence on any pledges;
 - The Board of Statutory Auditors has ascertained that assets assigned to cover technical reserves are free of pledges and encumbrances and fully available, acquiring, on a sample basis, any relevant statements from the deposit organisations;
 - the Board of Statutory Auditors has audited the register of assets covering technical reserves, and obtained specific information from External Auditors on the audit tests performed on the amount of securities;
- the Board of Statutory Auditors ascertained that the Company has complied with the statutory anti-money laundering requirements, pursuant to Legislative Decree no. 231 of 21 November 2007 and the relevant provisions of the Bank of Italy and the Italian Financial Information Unit, which also relate to staff training and updating measures;

- the Board of Statutory Auditors ascertained that the Company has complied with the privacy requirements pursuant to the Legislative Decree no. 196/2003 regarding the processing of personal data, and that it has drafted the Security Plan. The Company has been consistent in ensuring full compliance with all the requirements imposed on personal data controllers by the said Decree;
- the Board of Statutory Auditors ascertained that the Company has introduced regulations, processes and structures designed to monitor and control any risks connected with its activities, such as the insurance, credit and operating risks, as described in the Directors' Report;
- the Board of Statutory Auditors ascertained that at the year end, the constituent elements of the solvency margin were adequately covered, as explained in the Notes to Financial Statements;
- the Board of Statutory Auditors has acknowledged that in accordance with the organisational and operational model designed to prevent the offences listed in the Legislative Decree no. 231 of 8 June 2001 regarding the administrative liability of companies for offences committed by personnel acting on their behalf, the Company has carried out inspections of its processes and procedures, through the Supervision Board set up for that purpose, to ensure that the crime prevention measures pursuant to said Legislative Decree are still effective. The Board of Statutory Auditors obtained information about the activities of such Board by means of notices received by the Board of Directors and by attending the meetings of the Internal Control Committee and Supervision Board;
- the Company complies with the Code of Self-regulatory issued by Borsa Italiana S.p.A.; the Company also prepared the annual report on its Corporate Governance system; as required by the Code, the Board of Statutory Auditors audited the correct application of the criteria and procedures issued by the Board of Directors to evaluate the independence of the directors identified as "independent"; it also ascertained that the independence requirements for the Board of Statutory Auditors itself are still met;
- the Company has drafted the Remuneration Report, that the Shareholders' Meeting is called upon to adopt in line with the ISVAP and CONSOB provisions issued in 2011 and the Code of Corporate Governance of listed companies;
- No complaints have been reported under article 2408 of the Italian Civil Code;
- No legal proceeding notices were received;
- the Board of Statutory Auditors reports that additional engagements were assigned to the External Auditor, PricewaterhouseCoopers S.p.A., and to other companies of the PricewaterhouseCoopers network during the financial year, as described in detail in the Notes to Financial Statements; the relevant fees were deemed adequate. In the light of the statutory and professional requirements on auditing, PricewaterhouseCoopers S.p.A. has maintained its independence and objectivity over the year in relation to Assicurazioni Generali S.p.A. The External Auditor has reported that there are no causes for incompatibility concerning situations or individuals listed in article 17 of the Legislative Decree no. 39/2010 and the provisions of Chapter I-bis of Title VI on Auditors' incompatibility of the Issuers' Regulation adopted with CONSOB regulation no. 11971 of 14 May 1999, as amended;
- the Statutory Board issued the opinions required pursuant to the applicable regulations, mainly on:
 - 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 adequacy of the relevant fees;
- in 2011, the Board of Statutory Auditors has completed the process on the appointment of the External Auditor for the period from 2012 until 2020, as adopted by the Shareholders' Meeting on 30 April 2011.

The regular accounting control and the audit of individual and consolidated Financial Statements have been performed by the External Auditor, PricewaterhouseCoopers S.p.A.. During the 2011 financial year, the External Auditor determined that the Company accounts were properly kept and transactions were properly recorded in the books, and it ascertained that the Financial Statements as at 31 December 2011 were in accordance with the books of accounts. The Manager in charge of preparing the Company Financial Reports and the Managing Director and Group CEO have issued the declarations and statements pursuant to the applicable regulations on financial reporting.



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 of insurance companies. The Notes to Financial Statements explain the valuation criteria adopted and provide all the information required pursuant to the applicable regulations. The Directors' Report describes the business performance, pointing out current trends and the future outlook as well as the insurance group development and reorganisation.

The Board of Statutory Auditors confirms 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 endorsed by the European Union, pursuant to Regulation (EC) no. 1606 of 19 July 2002, and Legislative Decrees no. 38/2005 and 209/2005, as amended. The Financial Statements and Notes have been drawn up in line with the layouts pursuant to ISVAP Regulation no. 7 of 8 March 2012, and they contain the information required in the CONSOB Notice no. 6064293 of 28 July 2006.

Finally, the supervisory activities performed by the Board of Auditors, as described above, did not detect any significant reprehensible facts, omissions or irregularities to be reported to the competent supervisory and control bodies or that had to be included in this Report.

Therefore, the Board of Statutory Auditors has resolved that the Financial Statements of Assicurazioni Generali S.p.A. as at 31 December 2011, as submitted by the Board of Directors, may be approved by the Shareholders, and it expresses its favourable opinion on the proposal concerning the allocation of profits for the financial year and the distribution of dividends.

Milan, 26 March 2012

THE BOARD OF
STATUTORY AUDITORS



SELI - TBM excavation, Los Bronces project, Chile

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 Code¹ (“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 2011². 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 again refers to the corporate governance structure established by the Board of Directors elected by the General Meeting on 24 April 2010.

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 17 following the resignation of Leonardo Del Vecchio on 21 February 2011 and Ana Patricia Botin on 4 April 2011, and the agreed resignation on 6 April 2011 of Cesare Geronzi, who was succeeded as Chairman on 8 April 2011 by Gabriele Galateri di Genola³.

Gabriele Galateri di Genola does not perform an operational role, and no powers other than those specified in the Articles of Association have been delegated to him.

Managing Director Giovanni Perissinotto holds 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 has been appointed Group CEO.

Managing Director Sergio Balbinot, is responsible for 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.

In addition to the Risk and Control Committee, the Remuneration Committee, the Investment Committee and the Committee for Evaluation of Related-Party Transactions, the Board of Directors, at its meeting held on 5 August 2011, resolved to institute a Social and Environmental Sustainability Committee. Finally, on 24 February 2012, as recommended by the Self-regulatory Code, the Board instituted an Appointments Committee, opting to grant wider powers to the Corporate Governance Committee, including those of the Appointments Committee, and consequently changed its name to the Appointments and Corporate Governance Committee.

At the same meeting, the Board of Directors also approved the new Regulation of the Board of Directors and its sub-committees which incorporates the rules governing the operation of those bodies in a single document, and approved the renaming of the Internal Control Committee as the Risk and Control Committee, increasing its responsibilities to comply with the new Self-regulatory Code.

In line with the new corporate governance structure established by the Board of Directors, a process of reorgani-

¹ 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, which was amended as regards art. 7 (Directors’ Fees) on 24 March 2010, and recently revised in December 2011.

² The reports are available in the “Governance/Corporate Governance Report” section of the company’s website at www.generali.com

³ 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.

sation of the structures of the Corporate Centre, commenced in late 2010, has been implemented, 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.

The Articles of Association were amended in 2011 by the General Meeting held on 30 April 2011, in view of the provisions introduced by Legislative Decree no. 27 of 27 January 2010 (transposing the Shareholders' Directive) and CONSOB resolution no. 17592 of 14 December 2010, which transposed the said legislation and partly amended the text of the Issuers' Regulation. The amendments to the text of the Articles of Association relate to:

- the possibility, submitted to the Board of Directors, when drafting the notice of call, of using telecommunication systems to speak at the General Meeting and electronic systems to cast the vote;
- the possibility of calling General Meetings in a single convocation if the Board of Directors thinks fit;
- the power for shareholders only, not the Board of Directors, to submit lists of candidates for appointment as members of the Board of Directors and the Board of Statutory Auditors.

The same General Meeting also further approved the amendment of articles 26 and 27 and revocation of articles 19.1.c), 28, 29 and 30 (General Council) of the Articles of Association.

The Board of Directors, at its meeting held on 11 November 2011, also resolved, in accordance with the terms of ISVAP Regulation no. 39 of 9 June 2011, to amend art. 19 of the Articles of Association so as to add to the sole responsibilities of the Ordinary General Meeting the approval of remuneration policies for members of the corporate bodies appointed by the General Meeting and for the Company's key personnel according to the applicable legislation in the industry, including remuneration plans based on financial instruments.

Finally, the Board of Directors will submit to the Extraordinary General Meeting called on third convocation for 28 April 2012 (*inter alia*) a proposed resolution regarding the amendment of some clauses of the Company's Articles of Association.

In particular, the first ambit of proposed amendments to the Articles of Association is based on the entry into force of Statute no. 120 of 12 July 2011 whereby "gender quotas" for the composition of the Boards of Directors and Boards of Statutory Auditors of listed companies have been introduced into Italy, as in other European legal systems. A further proposed amendment is designed to make the appointment of a General Council by the Board of Directors purely optional.

The last proposed amendment to the Articles of Association relates to the introduction of an age limit for holding directorships and the positions of Chairman and Managing Director.

As usual, this Report 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 2011.

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 Charter⁴, 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, awareness and promotion of social commitment. 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.

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 socio-environmental 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.

A new version of the Ethical Code, published for the first time in 2004, 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.

On 16 December 2011 the Board of Directors approved the Code of Ethics for Suppliers of the Generali Group, which is designed to involve the Group's contractual partners in the fundamental principles by which the Group is inspired in its relations with stakeholders. In particular, it aims to create a network of approved suppliers which are asked to comply with the Group's policies, guaranteeing their application in the various supply chains.

⁴ The above-mentioned documents are available on Generali's website www.generali.com, in the "Sustainability" and "Career" sections respectively.

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	12.240
	Spafid	0.089
	Compass	0.912
	Total	13.241
BANCA D'ITALIA	Banca d'Italia	4.482
	Bonifica Terreni Ferraresi e Imprese Agricole S.p.A.	0.007
	Total	4.488
BLACKROCK Group	BLACKROCK Group	2.840
	Total	2.840
B&D HOLDING Group	DeA Partecipazioni S.p.A.	2.260
	B&D Finance S.A.	0.174
	Total	2.434
EFFETI	Effeti S.p.A.	2.267
	Total	2.267

(continues)

(continues)

Declarant	Direct Shareholder	% Share on ordinary share capital^(*)
CALTAGIRONE Group	CALTAGIRONE EDITORE	0.215
	Echelto Srl	0.019
	FGC	0.052
	FINANZIARIA ITALIA 2005	0.170
	Finced	0.183
	Gamma S.r.l.	0.393
	Immobiliare Caltagirone - Ical	0.013
	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	0.090
	VM 2006	0.418
	Francesco Gaetano Caltagirone	0.007
Total	2.267	
Leonardo Del Vecchio	Delfin Sarl	2.002
	Total	2.002

(*) Ordinary share capital and voting capital are coincident.

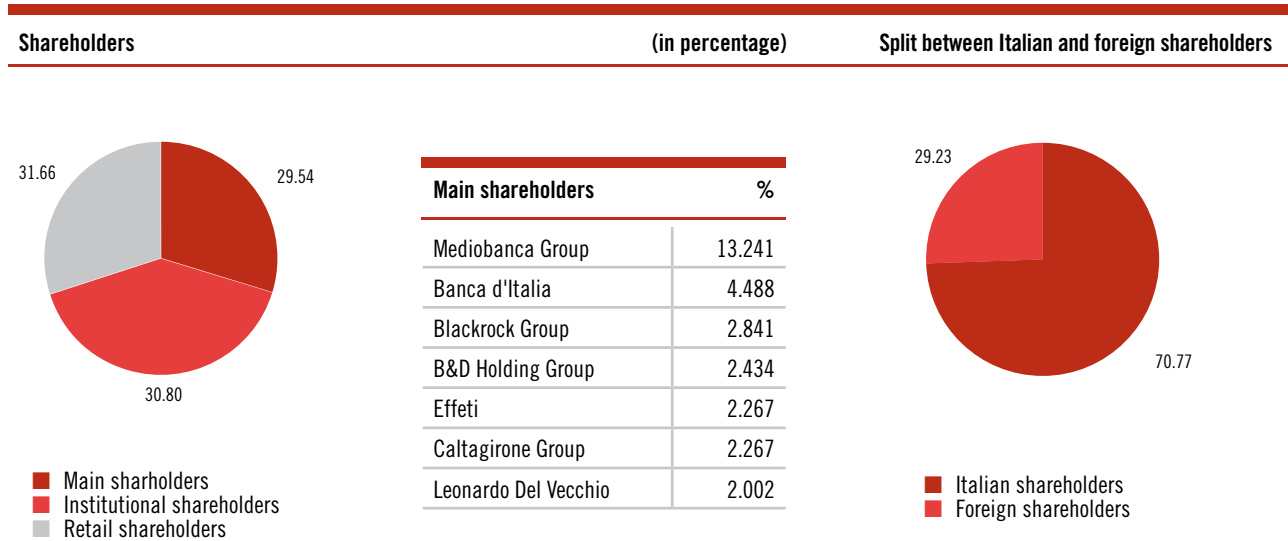
In relation to the terms of s. 123-*bis*.1.h of the CFBA, the Company and its subsidiaries, in the pursuance of its strategic policies, have entered into contractual agreements containing clauses based on the factor of change in the Company's control.

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 financial statements contains detailed information about the relations between Generali and the said companies.

Shareholder structure



Data updated to 20 January 2012

The registration procedures relating to shareholders who received dividends in 2011 are almost complete; according to the Register of Shareholders and other evidence, the number of shareholders is currently 282,000. 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, 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;
- no specific agreements for the payment of severance pay exist between the Issuer and the Directors. In this context, the Company's policy states that:
 - a) in the event of natural expiry of the term of office, no sum shall be payable;
 - b) in the event of early termination of a directorship, compensation may be paid to the director concerned if the statutory pre-requisites apply, provided that it shall not exceed the fee payable for the remainder of the said director's term of office. No amount shall be payable to a director in the event of resignation, revocation of the appointment for just cause, termination of the appointment due to a takeover bid, forfeiture (on any ground, including loss of the requirements of professionalism, respectability and independence, or if any impediment or incompatibility should arise), or any other fact and/or cause not attributable to the fault of the Company.

If the Director also holds the office of General Manager of the Company, the following terms shall apply. In particular, in the event of early termination of the contract of employment of a General Manager or key management personnel, the sum payable to the said person, in accordance with the applicable legislative and contractual provisions, shall be that specified in lieu of notice in the legislation and/or the applicable national collective bargaining agreement, plus an amount equal to twenty-four months recurrent salary, namely the gross annual remuneration plus the average sum actually received by way of short-term component of the variable remuneration (Balanced Scorecard) in the last three-year period.

By accepting the said amount, the employee waives, in general, all rights connected in any way, directly and/or indirectly, with his/her contract of employment with Assicurazioni Generali S.p.A. and the termination thereof, and all rights, claims and/or actions against the other companies belonging to the Group on any ground, which are directly or indirectly connected with the contract of employment and with the final accepted cessation thereof.

The waiver shall extend to the right to damages pursuant to ss. 2043, 2059, 2087 and 2116 of the Civil Code, and to economic rights connected with the contract of employment and the cessation thereof.

For the purpose of calculating the amount that may be payable to the director, account will be taken of the total amount payable by way of gross annual remuneration, directors' fees, and the average sum actually received on the basis of the short-term component of the variable remuneration (Balanced Scorecard) in the last three-year period for each office.

A system of stock options for employees exists, which provides that voting rights must always be exercised directly by them⁵.

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 Association⁶, which represents a very small proportion of the Company's share capital, was published in // *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

⁵ 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 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.

⁶ 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.

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 and risk management system.

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
- Board of Statutory Auditors
- Chairman and Vice-Chairmen of the Board of Directors
- Group CEO and Managing Director
- Risk and Control Committee
- Remuneration Committee
- Appointments and Corporate Governance Committee
- Investment Committee
- Committee for Evaluation of Related Party Transactions
- Social and Environmental Sustainability Committee
- Executive Committee
- Supervision and Control Committee

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 validly constituted General Meeting ("**General Meeting**") is the governing body whose resolutions express the will of the shareholders. Resolutions passed in compliance with the legislation and the Articles of Association are binding on all shareholders, including absent and dissenting shareholders.

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**, and may appoint 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 Risk and Control Committee, the Appointments and Corporate Governance Committee, the Investment Committee, the Committee for the Evaluation of Related Party Transactions and the Social and Environmental Sustainability Committee 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 (*inter alia*) remuneration policies and the determination of the remuneration payable to the Chairman of the Board of Directors, Managing Directors and General Manager.

The **Risk and 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 **Appointments and Corporate Governance Committee** performs consultative, recommendatory and preparatory activities for the Board of Directors on subjects relating to the appointment of directors and the Corporate Governance rules of the Company and the Group.

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 **Social and Environmental Sustainability Committee**, instituted by Board resolution of 5 August 2011, is responsible for performing consultative, recommendatory and preparatory activities for the Board on environmental and social matters involving the Company and the Group. It is composed of three directors. General Manager/CFO Raffaele Agrusti takes part systematically in view of his key responsibilities for sustainability at corporate level.

The **Board of Statutory Auditors’** tasks include ensuring that the Articles of Association are complied with and supervising management activities. The Board has no statutory 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 Supervision and Control Committee is a collective body that reports to the Board of Directors, to which tasks and powers relating to the drafting, development and promotion of constant updates to the Organisation and Management Model are attributed.

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.

In view of the development of the applicable historical and economic scenario, and having regard to the powers and tasks granted in practice to the General Council within the corporate governance structure of the Company and the Group, the General Meeting, held on 30 April 2011, approved a review of the General Council, which will be completed by providing that the appointment of that body is optional.

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).

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 (which for this purpose has set up a Social and Environmental Sustainability Committee with consultative functions), 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;
- formulating proposals for the distribution of the profits;
- establishing or terminating Head Offices and business establishments outside Italy;
- passing resolutions relating to mergers, in the cases allowed by law, opening or closing of secondary premises, and amendments to the terms of the Articles of Association and General Meeting Regulation if they become incompatible with new mandatory legislative provisions;
- establishing or terminating operations of individual Departments;
- appointing one or more General Managers, establishing their powers and duties, and revoking their appointment;
- taking decisions regarding determination of the criteria for coordination and management of the companies in the insurance group and implementation of the instructions issued by ISVAP;
- resolving on other matters that cannot be delegated by law⁷.

With reference to accounting documents, pursuant to the law, the Board is also empowered to draw up:

- the annual financial report, plus 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 Group CEO, with special reference to the internal control and risk management system;
- to pass resolutions on the internal control and risk management of the Company and the Group;
- to grant and revoke delegated powers to the Executive Committee and the executive directors, establishing their limits and methods of exercise in compliance with the legislation and the Articles of Association; 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; the Board of Directors issues a code of conduct with which the Executive Bodies must comply in the exercise of their duties;

⁷ 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.

- 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. 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 and periodically review, on the proposal of the Remuneration Committee, the remuneration policies for the Executive Bodies and the Company's key personnel according to the applicable legislation in the industry, including Remuneration Plans based on financial instruments;
- 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, taking account of factors such as the professional characteristics, experience, including managerial experience, and gender of its members, and their seniority in office, possibly providing guidance on the professional figures whose presence on the Board is deemed advisable;
- to evaluate the adoption of a succession plan for the Executive Directors;
- to provide information, in the corporate governance report, about the methods of application of the Self-regulatory Code;
- 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, taking account of Directors' participation in the Board's Sub-committees;
- to adopt, on the proposal of the Group CEO or the Chairman, a procedure for the internal management and external communication of documents and information relating to the Company, with special reference to privileged information;
- to evaluate, having consulted the Board of Statutory Auditors and the Risk and Control Committee, the results set out by the External Auditors in any letter of suggestion and in the report on the fundamental issues emerging at the time of the statutory audit.

The heads of the Internal Audit, Independent Risk Control and Compliance departments report functionally to the Board of Directors, either directly or through the Risk and 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, those holding particular offices, and the General Managers.

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, the coordinating powers 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 evaluate 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 risk management.

In 2011, 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' Regulation⁸, 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 it⁹.

⁸ 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.

⁹ 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:

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.
	Genertellife S.p.A.	Generali Investments S.p.A.
		Generali Investments Italy SGR
		Banca Generali S.p.A.
		Generali Properties 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
	Cosmos Lebensversicherungs AG	Generali Invest. Deutschland Kapital MBH
	Generali Versicherung AG	AM Versicherung AG
	Generali France Assurance S.A.	Deutsche Bausparkasse Badenia
	Generali Vie S.A.	Generali Holding Vienna AG
	Generali España - S.A. de Seguros y Reaseguros	Generali VIS Informatik GmbH
	BSI S.A.	Generali Investments France S.A.
	Generali Personenversicherung AG	Generali IARD S.A.
	Migdal Insurance Co. Ltd	Generali China Life Insurance Co. Ltd.
		Generali Schweiz Holding AG
		Grupo Generali España A.I.E
		Generali España Holding de Entidades de Seguros S.A.
		Generali PPF Holding B.V.
		Generali PPF Asset Management a.s.
	Ceska Pojistovna a.s.	
	Participatie Maatschappij Graafschap Holland N.V.	
	Generali Finance B.V.	
	Flandria Participations Fin.	

Furthermore, the Board has recently introduced its own Operating Regulation (Regulation governing the operation of the Board of Directors and its Sub-committees), 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 basis¹⁰. The Board adopts an organisation and a modus operandi enabling it to guarantee effective and efficient performance of its functions. The Board met on nine

¹⁰ 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 20 March 2012 – Board of Directors Meeting (approval of 2011 draft financial statements and approval of 2011 consolidated financial statements). Further meetings are scheduled for 28 April 2012 – General Meeting (approval of 2011 financial statements); 11 May 2012 – Board of Directors Meeting – (approval of the quarterly report as at 31 March 2012); 1 August 2012 – Board of Directors Meeting (approval of half-yearly report as at 30 June 2012) and 9 November 2012 – Board of Directors Meeting (approval of quarterly report as at 30 September 2012).

occasions during 2009 and 2010 and twelve in 2011. The average attendance of members at meetings was 74.44% in 2009, 83% in 2010 and 90.2% in 2011. In the last financial year the average duration of each meeting was approximately 3 hours 5 minutes. Minutes of each meeting are taken.

Table 2 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 15¹¹.

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.

Shareholders who, either alone or jointly with others, represent at least the minimum percentage of the Company's share capital specified by current legislation are entitled to submit lists. All those entitled to vote, companies directly or indirectly controlled by them, and companies directly or indirectly subject to joint control, may submit only one list.

The lists must be filed with the Company not later than the twenty-fifth day before the date of the first or only convocation of the General Meeting. 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 independence required by current legislation.

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.

¹¹ 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.

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, on the proposal of the Appointments and Corporate Governance Committee, 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.

In view of the recommendations contained in criterion 5.C.2. of the Self-regulatory Code, the company adopted, at the meeting of the Board of Directors held on 16 December 2011, on the proposal of the Corporate Governance Committee, a policy governing the succession plans for the Managing Directors and the General Manager at the Central Head Office.

The Board of Directors subsequently resolved, at the meeting held on 24 February 2012, after examination by the Corporate Governance Committee, to introduce into the Plan already approved a *temporary replacement* mechanism to be used in the event of urgency regarding the parties to which the policy applies.

The Appointments and Corporate Governance Committee annually examines proposals to amend the Plan, and submits them to the Board of Directors.

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 activities¹². Directors must also meet specific requirements of "honourableness"¹³ and inde-

12 The recent decree no. 220 of the Ministry of Economic Development dated 11 November 2011 (which came into force on 24 January 2012) states, for the purpose of fulfilling the requirement of professionalism, that at least one of the following qualifying professional activities must be exercised:

- administration, management or control of companies and organisations in the insurance, credit or financial sector;
- administration, management and control of companies and organisations in the insurance, financial or credit sector, public agencies or public authorities associated with the said sectors or in different sectors involving the management of economic and financial resources;
- administration, management and control of public and private companies, having dimensions adequate to the those of the insurance or reinsurance company at which the office will be held;
- the Decree also lays down some disqualifying situations: the functions of Director, Statutory Auditor, General Manager or claims adjuster of insurance or reinsurance companies cannot be held by persons who;
- within the preceding three years have been key members of companies subjected to receivership, bankruptcy, compulsory liquidation or similar proceedings. The prohibition remains in force for three years, starting on the date on which the order is made;
- have been deleted from the single national register of stockbrokers, or are stockbrokers excluded from trading on a regulated market.

The new legislation expressly attributes to the Board of Directors power to make such evaluations as it thinks fit, on the basis of evidence and according to criteria of reasonableness and proportionality, as to whether or not disqualifying situations exist.

13 The requisite of honourableness is deemed to apply provided that the prospective candidate does not belong to any of the following categories:

- statutory disqualification or temporary disqualification from holding directorships in legal persons and companies, and all the other situations specified in s. 2382 of the Civil Code;
- being subject to preventive measures ordered by the courts pursuant to Statute no. 1423 of 27 December 1956 or Statute no. 575 of 31 May 1965 (anti-mafia provisions), and Statute no. 646 of 13 September 1982 (financial prevention provisions), as amended, subject to the effects of rehabilitation;
- unappealable conviction, subject to the effects of rehabilitation:
 - a) a sentence of imprisonment for one of the offences specified in the legislation governing the insurance, financial, credit and securities sectors; and by Legislative Decree no. 231 of 21 November 2007 (money-laundering legislation), as amended;
 - b) imprisonment for one of the offences specified in Title XI, Book V of the Civil Code and Royal Decree no. 267 of 16 March 1942 (Bankruptcy Act);
 - c) imprisonment for a period of not less than one year for offences against the public authorities, offences against public trust, property offences, public order offences, offences against the public economy or tax offences;
 - d) imprisonment for a period of not less than two years for any wilfully committed offence.
- unappealable conviction, following a plea bargain, of one of the offences referred to paragraph 3 above, save in the case of extinction of the offence and, in the case of the offences referred to in paras. 3 a) and b) above, provided that the sentence is longer than a year.

pendence¹⁴. Lack of the professional, honour or independence requisites results in forfeiture of office¹⁵.

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.

	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

Moreover, s. 36 of Statute no. 214 of 22/12/2011, converting the "Italy Rescue Decree", which recently came into force, states that in order to protect competition and the independence of members of the top management of companies operating on the credit and financial markets:

- persons holding offices in management, supervision and control bodies and top management executives of companies or groups of companies operating on the credit, insurance and financial markets are prohibited from accepting or exercising similar functions in competing companies or groups of companies;

¹⁴ The said Decree no. 220 of the Ministry of Economic Development dated 11/11/2011 introduced into Italian legislation, for the first time in the insurance industry, independence requirements for Directors, Statutory Auditors and General Managers of insurance and reinsurance companies whose registered office is located in Italy. The Decree imposes:

- the obligation for parties in situations which may adversely affect the requirement of independence to report the matter to the Board of Directors;
- a corresponding obligation for the Board of Directors to perform such evaluations as it thinks fit in relation to the contents of the said reports.

The function of administration, management and control of an insurance company is not compatible with the performance of a similar function, the existence of contracts of employment, quasi-freelance agreements, remunerated agreements for the supply of services, or other financial transactions with insurance or reinsurance companies, their subsidiaries or controlling companies, which may prejudice their independence.

If a party holds positions or contracts as specified above in companies not belonging to the same insurance bank group, they shall not be deemed liable to prejudice the said party's independence.

¹⁵ In the case of parties who perform administration, management and control duties in insurance and reinsurance companies with registered office in Italy, absence of the requirements of professionalism, respectability and independence, and the presence of disqualifications, entails forfeiture of the office, to be declared by resolution of the Board of Directors within 30 days of the date of the appointment or the date when absence of the requirement came to their knowledge.

If the Board of Directors fails to take action with regard to the requirements of professionalism, respectability and independence, the forfeiture will be ordered by ISVAP pursuant to art. 76.2 of the Private Insurance Code.

- for the purpose of the prohibition contained in paragraph 1, “competitors” shall mean companies or groups of companies between which there is no controlling relationship as defined in s. 7 of Statute no. 287 of 10 October 1990, and which operate on the same geographical and product markets;
- the holders of incompatible functions as defined in the said Decree may, within ninety days of the date of appointment, choose which of the offices to which they were appointed by the competent company body they will continue to perform. If no such option is exercised by that date, both functions shall be forfeited, and the forfeiture shall be declared by the competent governing bodies of the organisations concerned within thirty days after the period expires or the breach of the prohibition comes to their knowledge. If no action is taken, the forfeiture shall be declared by the Regulator of the appropriate industry.

At the time of first application, the period for exercise of the said option shall be 120 days, to run from the date on which the Statute converting the present decree comes into force, namely by 26 April 2012.

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 (now 17), 16 members of the Board of Directors (later reduced to 13) were drawn from the majority list submitted by shareholder Mediobanca S.p.A., namely: Vincent Bolloré, Alberto Nicola Nagel, Giovanni Perissinotto, Sergio Balbinot, Francesco Gaetano Caltagirone, Diego Della Valle, 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. Ana Patricia Botin resigned on 4 April 2011, and Cesare Geronzi resigned on 6 April 2011. Gabriele Galateri di Genola was elected Chairman on 8 April 2011 to replace Cesare Geronzi.

As the Board of Directors had decided that seventeen directors is an adequate number for the needs of good operation of the Board, including through its sub-committees, the General Meeting agreed on 30 April 2011 that it is adequate in practice, having regard to the best practice relating to the composition of the Boards of listed companies.

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 17 members:

Board of Directors

Office ^(*)	First name, last name
<ul style="list-style-type: none"> Chairman Non executive Director Chairman of Executive Committee Chairman of the Appointments and Corporate Governance Committee Chairman of the Social and Environmental Committee 	Gabriele Galateri
<ul style="list-style-type: none"> Vice-chairman Non executive Director Member of the Executive Committee 	Vincent Bolloré
<ul style="list-style-type: none"> Vice-chairman Independent Director^(*) Non executive Director Member of the Executive Committee Member of the Investment Committee 	Francesco Gaetano Caltagirone
<ul style="list-style-type: none"> Vice-chairman Non executive Director Member of the Executive Committee Member of the Appointments and Corporate Governance Committee 	Alberto Nicola Nagel
<ul style="list-style-type: none"> Executive Director (Group Chief Executive Officer) Chairman of the Investment Committee Member of the Executive Committee General Manager 	Giovanni Perissinotto
<ul style="list-style-type: none"> Executive Director (Managing Director) Member of the Executive Committee General Manager 	Segio Balbinot
<ul style="list-style-type: none"> Non-executive Director Independent Director^(*) Member of the Risk and Control Committee Member of the Committee for the evaluation of Related Party Transactions Minority Director 	Cesare Calari
<ul style="list-style-type: none"> Non-executive Director Independent Director^(*) Member of the Risk and Control Committee Member of the Committee for the evaluation of Related Party Transactions Member of the Social and Environmental Committee Minority Director 	Carlo Carraro
<ul style="list-style-type: none"> Non-executive Director Independent Director^(*) 	Diego Della Valle
<ul style="list-style-type: none"> Non-executive Director Member of the Investment Committee 	Petr Kellner
<ul style="list-style-type: none"> Non executive Director Independent Director^(*) Member of the Executive Committee Member of the Control and Risk Committee 	Angelo Miglietta
<ul style="list-style-type: none"> Independent Director^(*) Non-executive Director Chairman of the Risk and Control Committee Chairman of the Committee for the evaluation of Related Party Transactions Member of the Appointments and Corporate Governance Committee 	Alessandro Pedersoli

(continues)

(continues)

Office ^(*)	First name, last name
<ul style="list-style-type: none"> • Non executive Director • Independent Director^(*) • Member of the Executive Committee • Member of the Appointments and Corporate Governance Committee • Member of the Remuneration Committee 	Lorenzo Pellicoli
<ul style="list-style-type: none"> • Non-executive Director 	Reinfried Helmut Pohl
<ul style="list-style-type: none"> • Independent Director^(*) • Non-executive Director • Minority Director • Member of the Risk and Control Committee • Member of the Committee for the evaluation of Related Party Transactions 	Paola Sapienza
<ul style="list-style-type: none"> • Non-executive Director • Independent Director^(*) • Member of the Appointments and Corporate Governance Committee • Member of the Committee for the evaluation of Related Party Transactions • Member of the Social and Environmental Committee • Chairman of the Remuneration Committee 	Paolo Scaroni
<ul style="list-style-type: none"> • Non executive Director • Member of the Investment Committee • Member of the Remuneration Committee 	Francesco Saverio Vinci

(*) Independent pursuant to Self regulatory Code.

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.

Gabriele GALATERI di GENOLA was born in Rome on 11 January 1947. After obtaining his law degree, he was awarded a Master of Business Administration degree by Columbia University. He was appointed Managing Director of IFIL in 1986 and Managing Director and General Manager of IFI in 1993, and elected Managing Director of Fiat in 2002. In 2003 he was appointed Chairman of the Board of Directors of Mediobanca, which position he held until June 2007. From 2003 al 2010 he was Vice-Chairman and member of the Board of Directors of Generali.

He is the Chairman of TIM Brasil Serviços and Participações S.A., a member of the Board of Directors of Telecom Italia (Chairman from 2007 to 2011) and a non-executive member of the Board of Directors of TIM Participações S.A, Banca CRS S.p.A., Banca CARIGE, Italmobiliare S.p.A., Azimut-Benetti S.p.A., SAIPEM S.p.A., Lavazza S.p.A., the Accademia Nazionale di Santa Cecilia foundation, the Giorgio Cini charitable foundation, and Edenred S.A. He is Chairman of the Executive Board of the Italian Institute of Technology and a member of the International Advisory Board of Columbia Business School.

He has been Chairman of Assicurazioni Generali since 8 April 2011.

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 Auditorium Musica per Roma. 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., 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.. In 2011 he was elected Chairman of Insurance Europe, the European insurers and reinsurers federation. Among his other offices he is a Board member of the Geneva Association and a member of EFT (European Financial Services Round Table) and PEIF (Pan European Insurance Forum).

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. and Generali Brasil Seguros, of which he is Vice-Chairman, Participatie Maatschappij Graafschap Holland N.V., Transocean Holding Corporation, Generali France S.A., Generali PPF Holding BV, 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*.

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 Rec-

tor 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. and director of other companies in the same group. Today he is also a Director, among others, of Ferrari S.p.A., LVMH, RCS Mediagroup S.p.A., Marcolin S.p.A., Nuovo Trasporto Viaggiatori 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 of Lottomatica S.p.A., Managing Director of De Agostini Editore, member of the Board of Directors of Atlas, Vice-Chairman of the Supervisory Board of Général de Santé 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 e 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 Vermögen-

sberatung 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 current appointment as General Manager, Vice-Chairman of the Executive Committee and member of the Board of Directors. He is also Chairman of Che Banca and a member of the Boards of Directors of other companies, including Compagnie Monegasque de Banque, Banca Esperia, Perseo S.p.A., Italmobiliare S.p.A. 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. Oliviero Edoardo Pessi.

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, which provide detailed information about the items on the agenda. 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 2011, with the support of the Company's executives working in that field, to provide a more complete picture of the new legislative scenarios.

On 24 February 2012, after receiving the favourable opinion of the Corporate Governance Committee, the Board of Directors resolved to adopt a consolidated text of the regulatory provisions governing the operation of the Board of Directors and its sub-committees in order to collate and simplify the provisions governing the activities of those bodies. The said Regulation will formally specify (*inter alia*) the rights, duties, powers and responsibilities of the Company's directors acting in the capacity of members of its collective governing bodies.

The Consolidated Regulation is designed to collate and simplify, in a single document, the provisions governing the activities of the Board of Directors and its sub-committees, which are currently fragmented between a number of regulations.

It has also been decided to regulate the operation of the Executive Committee and its sub-committees, which previously lacked a regulation that formalises the current practices.

Following the adoption of the current edition of the Code, the Board officially launched its self-assessment process.

In previous years, the Board evaluation was conducted through the Company's internal structures by means of a questionnaire divided into three areas, approved in advance by the Internal Control Committee and sent to all Directors; however, in 2011, the self-assessment process was conducted by different procedures from those used in earlier years as described above. The Board of Directors 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 with regard to its activities in 2010. The results of the survey, conducted by means of a questionnaire and an interview held personally with each Director and the Chairman of the Board of Statutory Auditors, were submitted to the Board of Directors at the meeting held on 5 August 2011 in a report highlighting the various strengths that emerged during the interviews, and the possible areas requiring improvement.

As regards activities in 2011, the appointment to evaluate the activities of the Board and its sub-committees was again granted to the firm that dealt with it last year, which submitted the results of its new survey to the Board of Directors on 24 February 2012 by the procedures already adopted for the 2010 survey.

The picture emerging from the self-assessment was favourable on the whole.

In particular, the interviews highlighted some strengths and some points requiring further consideration. It emerged that the majority of directors consider that the Board of Directors consists of members who possess the skills needed to guide the Group, even at times of discontinuity, and that the relationship between the Directors and the management is very good, constructive and cooperative.

Full satisfaction with the quality and promptness of the information received before meetings of the Board of Directors also emerged from the interviews.

As regards the possible areas requiring improvement, some points which need further consideration emerged. The majority of the Directors interviewed would like shareholders to represent gender diversity better, and consider that it would be useful to hold informal meetings of the Independent Directors at least twice a year.

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, and fifteen non-executive directors, nine of whom are independent as defined by the Self-Regulatory Code¹⁶.

¹⁶ 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;

At the meeting held on 27 May 2011, the Company made the usual annual 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.

On that occasion, the Board of Directors also changed its earlier approach and decided not to consider all members of the Executive Committee as “executive directors”, in line with the provisions of the Code, but to limit that title to the two Managing Directors.

According to application criterion 2.C.1 of the Code, the members of the Executive Committee are normally executive directors. However, they are not classed as executive directors if either of the following conditions is fulfilled:

- the Company has Managing Directors;
- in view of the frequency of its meetings and the subject of its resolutions, membership of the Executive Committee does not in practice systematically involve its members in the current management of the issuer.

The decision to consider all members of the Executive Committee as “executive directors” was taken in view of the fact that when the Board of Directors delegated powers to the Executive Committee on 24 April 2010, it granted the Executive Committee wide management powers, as a result of which, when the Annual Corporate Governance Report was approved in March 2011, the Board of Directors considered the members of the Executive Committee as “executive directors” for the purposes of the Code.

That evaluation was conducted in prudent terms, in view of the tasks theoretically given to the Executive Committee, leaving open the possibility of considering its actual operations in future. At the meetings held during its first year of activity, the Executive Committee often took note of reports submitted by the Managing Directors about aspects mainly falling within their wide delegated powers, and to a lesser extent resolutions relating to the current management of the Company; consequently, the members of the Executive Committee cannot be deemed to be systematically involved in the current management of the Company.

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.

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- 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 and independent directors, according to the application criteria laid down in the Self-Regulatory Code, is considered crucial on the Board's sub-committees, whose members must consist of directors with no delegated operational powers.

A further concept of independent director¹⁷ has been introduced into the applicable legislation. The absence of this requisite 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 Gabriele Galateri, Alberto Nicola Nagel, Vincent Bolloré and Francesco Saverio Vinci, who are 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 annual assessment of whether the independence requirement is met, 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.

In any event a lead independent director is not required, as the functions of Chairman and CEO are not held by the same person, nor is the Company Chairman also the person who controls the issuer.

The average attendance of Independent Directors at meetings of the Board was 79% in 2009, 77% in 2010 and 91% in 2011. For more details, see Table 2 containing individual attendance information for each Director.

¹⁷ 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.

Remuneration of Directors and executives with strategic responsibilities

As recommended by the Corporate Governance Committee to Borsa Italiana in March 2010, at the time of approval of the new text of art. 7 of the Listed Companies' Self-regulatory Code, Generali's Board of Directors, on the proposal of the Remuneration Committee, established, at the meeting held on 16 March 2011, the general policy governing the remuneration of the executive directors, other directors holding particular offices, and key management personnel.

This policy was illustrated by the Board of Directors in a report submitted to the General Meeting on 30 April 2011.

Also this year, after the completion of the applicable legislative and regulatory provisions, contained in s. 123-*ter* of the CFBA and ISVAP Regulation no. 39/2011, and in view of the principles and application criteria laid down in art. 6 of the Self-regulatory Code (in the new edition presented to the market by the Corporate Governance Committee in December 2011), the general policy for the remuneration of Directors and key management personnel is illustrated in a specific Report approved by the Board of Directors on the proposal of the Remuneration Committee, which will be submitted to shareholders at the General Meeting held on 28 April 2012. The Report will be published on the Company's website (www.generali.com), in the *Investor Relations – 2012 General Meeting* section.

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 and the General Manager (in view of his position as Chief Financial Officer and Manager in charge of Preparation of the Company's Financial Reports) 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 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, are:

- definition of the concepts of confidential¹⁸ and inside¹⁹ information;
- 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 register²⁰.

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 information²¹.

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.

Management of institutional communications is dealt with 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.

18 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.

19 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.

20 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.

21 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.

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 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.

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.

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 Risk and 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 Risk and 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 thresholds.

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 and associated companies.

The full text of the Procedures can be viewed in the Governance section of the Company's website (www.generali.com).

Internal dealing regulations

In addition to and by way of completion of the legislation governing this subject, Generali has approved a Regulation on internal dealing, identifying the relevant subjects (or internal dealers) in the Company, relevant transactions 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 them²², 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 issued by Assicurazioni Generali;
- 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 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.

²² 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.

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.

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 members²³.

The Chairman acts as authorised representative of the Company, through joint signature with another authorised representative in the Company's name²⁴.

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 new Regulation of the Board of Directors and its Sub-committees, 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. In 2011, the deadlines for sending documentation to Directors were always met.

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.

23 After the entry into force of Ministry of Economic Development Decree no. 220 of 2011, the Chairman of an insurance company must have performed at least one of the following activities for at least a five-year period:

1. administration, management and control of companies and organisations in the insurance, credit or financial sector;
2. administration, management and control of public and private companies having dimensions similar to those of the insurance or reinsurance offices at which the office is to be held;
3. professional activity in subjects associated with the insurance, credit or financial sector or university lectureships in economic, legal or actuarial subjects relevant to the insurance industry.

24 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.

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 not less than 5 and not more than 9 members, including the Chairman of the Board of Directors, who chairs it, the Vice-Chairmen and the Managing Directors, if appointed. The Executive Committee, with delegated powers, is currently made up as follows:

Executive Committee

Office	First name, last name
• Chairman	Gabriele Galateri
• 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 and membership of the Executive Committee on 21 February 2011.

The Board of Directors, in its meeting of 16 March 2011, designated as his replacement, effective that date, Prof. Miglietta as a member of the Executive Committee.

The Secretary of the Board of Directors, Mr. Oliviero Edoardo Pessi, 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. The mandate of the present Executive Committee 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 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 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 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 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 Group 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 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 50% increase on the gross annual salary for their directorship, and reimbursement of expenses incurred to attend meetings.

Average meeting attendance of Executive Committee members was 94% at the meetings held in 2009, 100% at all meetings held in 2010, and 92.5% in 2011. (See Table 2, containing attendance information for each member of the Executive Committee).

The average duration of the ten Committee's meetings held in 2011 was 2½ hours. Eight meetings are scheduled for 2012, two of which have already been held.

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 Chairman²⁵.

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.

²⁵ 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 managerial positions of appropriate responsibility for a period of no less than five years.

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, without prejudice to his position as General Manager, 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 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 the external relations and institutional relations of the Company and the Group.

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:
 - 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 econo-

mic position of personnel of all grades of the Company in Italy, with the exception of executives with a grade higher than Central 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 Central 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 value limit of € 100 million shall also apply to the case of multiple operations of the same type which, though individually falling below the said threshold, collectively fall into the same time, functional or planning scale. 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 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;

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;

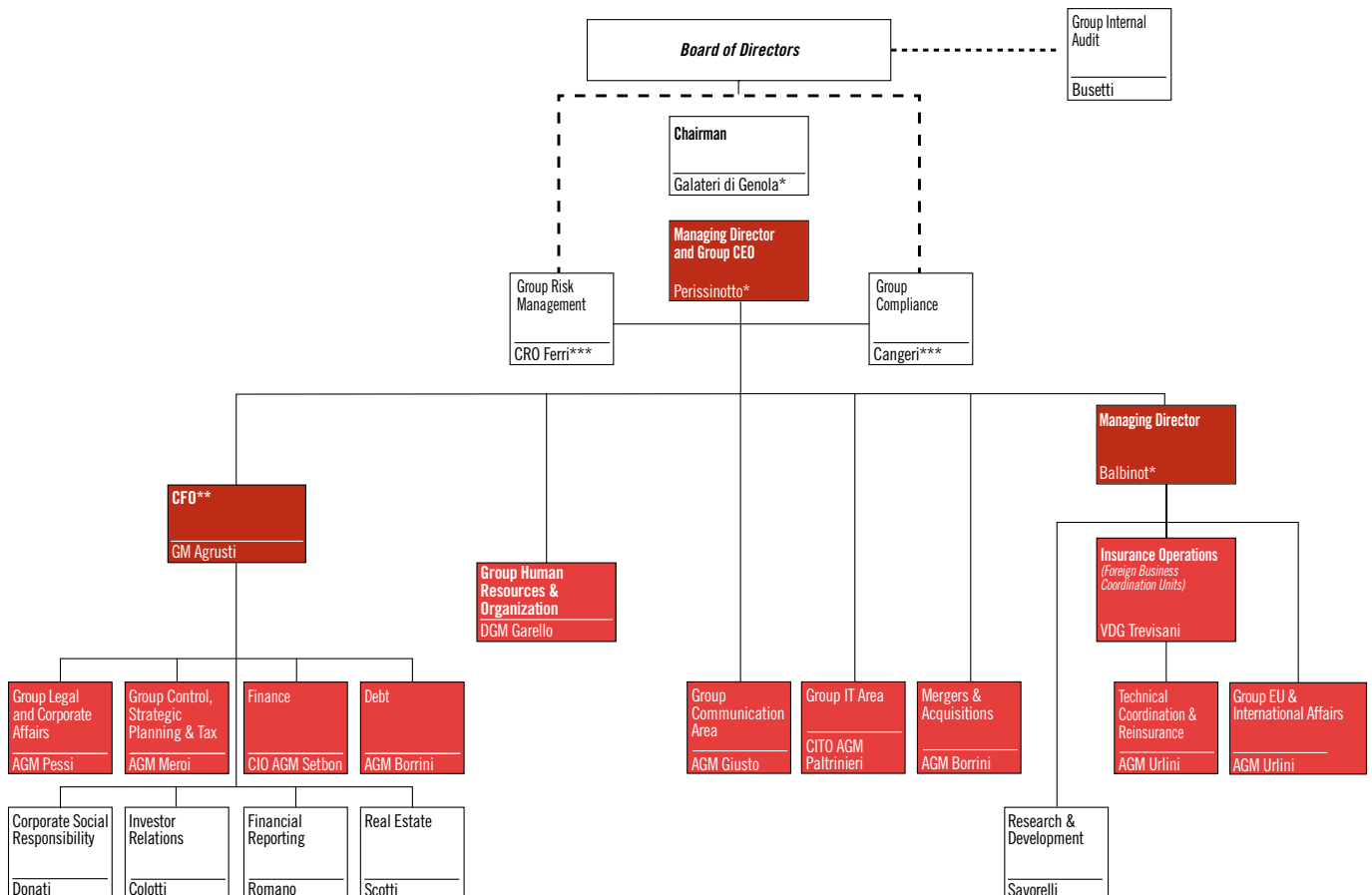
5) power of subdelegation: to subdelegate to employees or third parties who are not employees one or more of the powers specified in the preceding paragraphs, with the obligation to predetermine any limitations thereon.

For any significant transaction that has been performed, Managing Directors are required to report to the Board of Directors in the next meeting following the exercise of their delegation powers, without prejudice for the validity of the adopted measures.

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.

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
 CITO: Chief Information Technology Officer
 (*) Are also members of the Board of Directors
 (**) Manager in charge ex lege 262/05
 (***) Report functionally to the Board of Directors

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 Group Chief Investment Officer (Group CIO), the Group Control, Strategic Planning & Tax Area, the Group Legal and Corporate Affairs Area, and the Real Estate Area. 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.

The Group CEO is responsible for the management and coordination of the Italian and foreign companies in the Group, exercising this power through the dedicated structures of the Corporate Centre.

Management and coordination activities relating to insurance business are performed through an organisational structure that reports directly to Managing Director Sergio Balbinot, under the supervision of the Group CEO. 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.

Management and coordination activities relating to activities other than insurance business, such as strategic planning activities, management control, asset liability management, mergers and acquisitions, activities performed in the banking, financial and real estate sector, administrative, tax, legal and corporate affairs, human resources and organisation, and coordination of information technology activities, are performed by dedicated structures of the Corporate Centre.

Within 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. Further independent controls are represented by the Group Compliance Department and the Group Internal Audit Department, the latter directly reporting to the Board of Directors.

Moreover, in order to reinforce the management and coordination of the Corporate Centre with regard to Group IT activities, a Group IT Area has been created, supervised by the newly-instituted figure of Chief Information Technology Officer (CITO), who reports directly to the Managing Director and Group CEO.

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 Managing Directors by:

- drawing up the 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's 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	Manlio Lostuzzi
• 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 Manager	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

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	Francesco Garelo
• 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.

In accordance with the recommendations of the Self-regulatory Code, Generali has instituted an Internal Control Committee (renamed the "Risk and Control Committee" by resolution of the Board of Directors dated 24 February 2012) and a Remuneration Committee.

The Company has also instituted the Corporate Governance Committee (renamed the "Appointments and Corporate Governance Committee" by resolution of the Board of Directors dated 24 February 2012), the Investment Committee, the Committee for evaluation of Related Party Transactions and the Social and Environmental Sustainability Committee.

Risk and 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 a Risk and 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:

Risk and Control Committee

Office	First name, last name
• Chairman	Alessandro Pedersoli
• Non-executive and independent Director	
• Member of the Committee	Cesare Calari
• Non-executive and independent Director	
• Member of the Committee	Carlo Carraro
• Non-executive and independent Director	
• Member of the Committee	Angelo Miglietta
• Non-executive and independent Director	
• Member of the Committee	Paola Sapienza
• Non-executive and independent Director	

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.

On 16 December 2011 the Board of Directors resolved, on the proposal of the Corporate Governance Committee, to increase the membership of the Committee, appointing Angelo Miglietta and Paola Sapienza as new members.

This decision was based on the best practice, which suggests that the number of members should be more than the original three, to ensure better distribution of the preparatory work for Board meetings.

The appointment of Angelo Miglietta also means that the Committee will have a member who meets the requirement laid down by art. 7.P.4 of the Listed Companies' Self-regulatory Code, as he possesses specific accounting and financial skills and experience.

Mr. Oliviero Edoardo Pessi 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 27 May 2011, verified the existence of the independence requirement for all members of the Internal Control Committee. According to the provisions of article 7.P.4 of the Code, the Committee members must be independent, or alternatively non-executive, and for the most part independent; in such case the Chairman of the Committee is chosen from among the Independent Directors.

In view of application Criteria no. 1.C.1.c and 7.C.2 of the Self-Regulatory Code and the terms of ISVAP Regulation no. 20 of 26 March 2008, the Committee assists 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.

The Committee also ensures 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, the Committee holds the following powers and responsibilities:

- 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 binding opinion on the appointment, revocation and remuneration of the Internal Audit Manager;
- to express its opinion of the draft Audit Plan and the Summary Report on Internal Audit activities prepared by the Internal Audit Manager, with a view to their submission to the Board;
- to express its opinion of the proposed Compliance Plan and the Report on the adequacy and efficacy of the measures taken by the Company to manage the non-compliance risk, prepared by the Compliance Manager, with a view to their presentation to the Board;
- 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 Manager responsible for drawing up the Company's accounting documents and having consulted the representatives of the external auditors and the Board of Statutory 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 risk management system of the Com-

pany and the Group 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 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, and those of its subsidiaries with strategic relevance;
- to request the Internal Audit Department to perform audits on specific operational areas, possibly notifying the Chairman of the Board of Statutory Auditors;
- to monitor the independence, adequacy, efficacy and efficiency of the Internal Audit Department.

In 2011, the activities performed by the Committee included reorganisation of the Risk Management Department, the process of self-assessment by the Board of Directors and its sub-committees, analysis of the report by the Compliance Manager and the associated expenditure budget, analysis of the report on the auditing activities performed in the 2010 financial year and the Activity Plan of the Group Internal Audit Department and its organisational structure, with the corresponding expenditure budget for the 2011 financial year.

The Committee's activities also related to the progress of the matters for which the Manager in Charge of Preparation of the Company's Financial Reports is responsible, analysis of the Group Compliance Manager's report on complaints relating to the distribution of financial/insurance products, analysis of the Internal Audit Manager's quarterly reports on claims management, analysis of the information note on the reports by the External Auditors and the actuary appointed by them on the financial statements as at 31 December 2010, analysis of proposals relating to the remuneration of the internal audit manager, and evaluation of the organisational, administrative and general accounting structure of the issuer and its key subsidiaries, on the basis of application criterion 1.C.1.b) of the Self-Regulatory Code.

The Committee then analysed the reports to be sent to ISVAP pursuant to art. 28.2 of ISVAP Regulation no. 20 of 26 March 2008, the update to the risk management policy, the framework resolution on investment policy, the quarterly reports on operations in derivatives, and the opinion on the Group's policy for management of conflicts of interest.

The Committee also dealt with other minor matters.

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.

Committee meetings are attended by Committee members, 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 the established 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.

During the 2011 financial year, the Committee did not call on the assistance of advisors external to the Company.

At Committee meetings, the Internal Audit Manager reports on the operation of his/her Department to the Committee and the Board of Statutory Auditors present at its meetings. S/he has direct access to all information useful for the performance of his duties.

The operation of the Committee is guaranteed by the new Regulation of the Board of Directors and its Sub-committees.

Members of the Risk and 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.

Risk and 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 eleven occasions in 2011, eight in 2010 and seven in 2009; the meetings lasted an average of two hours, and minutes were always taken. All those meetings were attended by all members (see Table 2, containing attendance information for each member of the Risk and Control Committee).

Seven meetings have been scheduled for 2012, and two have been held to date.

In the 2011 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 23 February 2012, the Committee passed its 2012 budget, confirmed at € 300,000, then approved by the Board of Directors at the meeting held on 24 February 2012.

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. Moreover, pursuant to the new legislation, the Board of Directors must establish the Company's remuneration policies. 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">Chairman	Paolo Scaroni
<ul style="list-style-type: none">Non-executive and independent Director	
<ul style="list-style-type: none">Member of the Committee	Lorenzo Pellicoli
<ul style="list-style-type: none">Non-executive and independent Director	
<ul style="list-style-type: none">Member of the Committee	Francesco Saverio Vinci
<ul style="list-style-type: none">Non-executive Director	

The Board of Directors, in its meeting of 16 March 2011, designated, effective that date, Mr Saverio Vinci as a member of the Remuneration Committee. He replaces Mr. Del Vecchio, who had resigned on 21 February 2011.

The Board of Directors has established that in view of their prior experience, not only in companies in which they hold executive positions, but also due to the role they perform on similar consultative committees, both Lorenzo Pellicoli and Paolo Scaroni possess adequate knowledge in the field of remuneration policies. Paolo Scaroni also held the position of Chairman of that Committee in the preceding three-year period (2007/2010).

Mr. Oliviero Edoardo Pessi acts as Secretary to the Remuneration Committee.

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.

In addition, the Committee formulates non-binding opinions and proposals for the BoD 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, on the proposal of the Managing Directors, of the General Managers.

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.

The new Regulation of the Company's Board of Directors and its sub-committees grants the following powers to the Remuneration Committee:

- to formulate non-binding opinions and proposals to the Board regarding the remuneration to which Directors are entitled;
- 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 on the amount of the remuneration payable to Executive Directors and Directors holding other particular offices or positions in accordance with the Articles of Association, and on the setting of performance targets correlated with the variable component of the said remuneration;
- 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 Directors and managers with strategic responsibilities, using the information gathered by the Managing Directors for this purpose, and make relevant recommendations to the Board of Directors;

- to verify the proportionality of the Executive Directors' remuneration between them and compared with the Company's personnel;
- to formulate opinions and proposals for the definition of the remuneration policies.

The Committee Chairman or another Committee member shall attend the Annual General Meeting to report to the General Meeting on the methods of exercising the Committee's functions.

The main activities performed by the Committee in 2011 involved analysing the Remuneration Committee's expenditure budget for the financial year 2011, submitting the guidelines of the new Long-term Incentive Plan and analysing proposals relating to the Balanced Scorecard 2011 and the Long-Term Incentive Plan 2011/2013 as regards the Managing Directors and General Managers. The Committee also analysed the proposal relating to determination of the remuneration for the members of the Committee of Independent Directors required to evaluate related party transactions, and examined the draft Report to the Board of Directors on the extent to which the current remuneration system complies with the terms of ISVAP regulation no. 39 of 9 June 2011.

In performing its role, the said body may access the corporate information and functions necessary to carry out the tasks allocated to.

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 four times in 2009, eight times in 2010 and five times in 2011. All those meetings were attended by all members. The average duration of the meetings held in 2011 was approximately thirty minutes, and minutes of each meeting were drawn up. (See Table 2, containing attendance information for each member of the Remuneration Committee.) The Chairman of the Remuneration Committee has always attended General Meetings.

Two meetings have been scheduled for 2012 to date, both of which have already been held.

At the Committee meeting held on 24 February 2012, 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 24 February 2012.

Appointments and Corporate Governance Committee

In 2007 the Board of Directors created a consultative committee called the Corporate Governance Committee with the aim of establishing whether, and to what extent, the Company's rules of corporate governance matched the best practice. This was due to some important changes in the applicable legislation and the best practice, and to updating of the industrial and financial objectives specified in the Strategic Plan.

On 24 February 2012, in line with the recommendations of Principle 5.P.1. of the Self-regulatory Code, the Board of Directors created an Appointments Committee, the majority of whose members are Independent Directors.

After consulting the Corporate Governance Committee, the Board of Directors decided that the tasks and functions specified by the Code for the Appointments Committee should be performed by the Governance Committee which, from that date, was renamed the "Appointments and Corporate Governance Committee".

The Appointments and Corporate Governance Committee, specified in and governed by the "Regulation of the Company's Board of Directors and its Sub-committees", performs a consultative, recommendatory and preparatory role in favour of the Board. Its duties are:

- to formulate opinions and proposals on the decisions to be taken regarding the corporate governance of the Company and the Group which fall within the sphere of the Board's sole responsibilities;
- to provide opinions to the Board regarding its size and composition and to make recommendations regarding the professional figures whose presence on the Board is deemed advisable;
- to express its view to the Board on the maximum number of directorships or positions as statutory auditor held in other Italian or foreign companies listed on regulated markets, in finance, banking or insurance companies or companies of significant size, which can be deemed compatible with the effective performance of the office of Director of the Company, taking account of Directors' participation in the Board's Sub-committees;
- to formulate opinions for the Board of Directors on individual matters of particular significance which, in the ambit of the general authorisations issued in advance by the General Meeting regarding exemptions to the prohibition on competition governed by the applicable legislation, are particularly critical;
- to propose to the Board candidates for the position of Director in cases of co-opting, when Independent Directors need to be replaced;
- to prepare for the drafting of the succession plan for Executive Directors, if adopted by the Board.

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 Appointments and Corporate Governance 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.

Appointments and Corporate Governance Committee

Office	First name, last name
<ul style="list-style-type: none"> • Chairman 	Gabriele Galateri
<ul style="list-style-type: none"> • Non-executive Director 	
<ul style="list-style-type: none"> • Member of the Committee 	Nicola Alberto Nagel
<ul style="list-style-type: none"> • Non-executive Director 	
<ul style="list-style-type: none"> • Member of the Committee 	Alessandro Pedersoli
<ul style="list-style-type: none"> • Non-executive and independent Director 	
<ul style="list-style-type: none"> • Member of the Committee 	Lorenzo Pelliccioli
<ul style="list-style-type: none"> • Non-executive and independent Director 	
<ul style="list-style-type: none"> • Member of the Committee 	Paolo Scaroni
<ul style="list-style-type: none"> • Non-executive and independent Director 	

The Committee met five times in 2011, and once in 2010. The average duration of the meetings held in 2011 was approximately one hour. Minutes of each meeting were drawn up.

Two meetings have so far been scheduled in 2012, and both have been held. Oliviero Edoardo Pessi is the Secretary of the Committee.

In 2011, the main activities performed by the Committee related to proposed amendments to the Company's Articles of Association, examination of the Corporate Governance and Share Ownership Report, the proposed institution and appointment of a Sustainability Committee, the succession plan for the executive directors and the results of the self-assessment process by the Board of Directors and its Sub-committees, performed with the aid of an external consultant.

The Committee also analysed the activities performed for the review of the Listed Companies' Self-regulatory Code, and examined the proposals to be submitted to the Board of Directors regarding the variation in the composition and responsibilities of the Risk and Control 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 and Financial Operations Managers can be invited to attend meetings.

Investment Committee

Office	First name, last name
<ul style="list-style-type: none"> • Managing Director / Group Chief Executive Officer • Executive Director • General Manager 	Giovanni Perissinotto
<ul style="list-style-type: none"> • Vice-chairman 	Francesco Gaetano Caltagirone
<ul style="list-style-type: none"> • Member of the Committee 	Petr Kellner
<ul style="list-style-type: none"> • Member of the Committee 	Francesco Saverio Vinci
<ul style="list-style-type: none"> • General Manager and Group Chief Financial Officer 	Raffaele Agrusti

Oliviero Edoardo Pessi 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. Nine meetings were held in 2011, and the average attendance was 91.2%. The average duration of each meeting in 2011 was approximately one hour forty-five minutes. Minutes of each meeting were drawn up.

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
• Chairman	Alessandro Pedersoli
• Non-executive and independent Director	Cesare Calari
• Non-executive and independent Director	Carlo Carraro
• Non-executive and independent Director	Paola Sapienza
• Non-executive and independent Director	Paolo Scaroni

This Committee, which met once in 2011, and has met once so far in 2012, 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.

In 2011 the Committee examined one minor related-party transaction, and expressed a unanimously favourable opinion of it.

Minutes of each meeting are drawn up. The duration of the only meeting held in 2011 was approximately thirty minutes.

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.

Oliviero Edoardo Pessi is the Secretary of the Committee

Social and Environmental Sustainability Committee

The Company's Board of Directors resolved to institute a **Social and Environmental Sustainability Committee** at its meeting held on 5 August 2011. The Committee consists of three directors (its current members being Gabriele Galateri, Carlo Carraro and Paolo Scaroni). General Manager and CFO Raffaele Agrusti is invited to attend meetings of the Committee systematically, in view of his key responsibilities for sustainability at corporate level. The Committee is responsible for performing consultative, recommendatory and preparatory activities for the Board of Directors on environmental and social matters involving the Company and the Group.

Office	First name, last name
<ul style="list-style-type: none">Chairman	Gabriele Galateri
<ul style="list-style-type: none">Non-executive Director	
<ul style="list-style-type: none">Member of the Committee	Carlo Carraro
<ul style="list-style-type: none">Non-executive and independent Director	
<ul style="list-style-type: none">Member of the Committee	Paolo Scaroni
<ul style="list-style-type: none">Non-executive and independent Director	
<ul style="list-style-type: none">General Manager and Group Chief Financial Officer	Raffaele Agrusti

So far the Committee has only met once (for about an hour), and has dealt (*inter alia*) with some matters regarding drafting guidelines for the Group Sustainability Report.

Oliviero Edoardo Pessi is the Secretary of the Committee

Committee members receive an attendance fee of € 2,000 per meeting.

Minutes of each meeting are drawn up.

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.

The Company's Board of Directors has therefore 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 future 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 therefore already introduced adaptations to the organisational structure of its Internal Control and Risk Management System, designed to stimulate continual value creation, promoting its values and business culture which are basically in line with the said future European legislation.

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 size and operational specificity of the Company and the Group 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)²⁶ - 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.

The Internal Control and Risk Management System attributes to all the Company's departments an adequate position in a system with two organisational levels:

- the first level, namely the operational level, whose main organisational interface is the top management and which includes controls focusing on the functionality of specific risk management and control areas;
- the second level, namely the control level, which has a high degree of organisational independence, and is responsible for evaluating the soundness of the system in terms of controls and risk management.

These organisational levels are divided into three lines of defence for risk management and control purposes:

- operational functions (risk owner);
- Risk Management Department and Compliance Department;
- Internal Audit Department.

In the ambit of the "first line of defence", the parties responsible for the operational structures (Risk Owners) have direct responsibility for undertaking and managing risks and implementing the necessary control activities. For this purpose, they provide the top management 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 structures 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, which are defined by policies issued at Group level.

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, to complete the activities performed by the operational structures and line control structures (such as management control, inspectorates, etc.), a specific role is performed by the risk management, compliance and internal audit departments, independent control departments that reinforce the first line of defence in risk management, and report functionally to the Board of Directors, either directly or through the Risks and Control Committee (supplemented, in the case of Internal Audit, by an organisational position with direct reporting to the Board of Directors).

²⁶ Namely, in this context, the Company's executives with a grade at least equal to Central Director.

In this context, 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)*, is one of the pillars of the second line of defence, and 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.

In order to guarantee a consistent approach within the Group, the management policies and risk measurement methods approved by the Board of Directors are adopted by all companies in the Group, with any necessary adaptations due to the legislative context or the specificity of local business.

The Group Risk Management Department constantly monitors the development of the risk profiles of the Company and the Group, and compliance with the management policies established.

In the ambit of the Group Risk Management Department, the Operational Risk Unit, among the activities for which it is responsible, 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 line of defence in risk management, 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.

The Group Compliance Department, in addition to the tasks specified in the said ISVAP Regulation, is also responsible for supervising the correct management of Related-Party Transactions pursuant to Consob Regulation no. 17221 of 12 March 2010.

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 compliance 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 twice a year, directly or through the Risk and 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.

The Internal Audit Unit, organisationally represented by the *Group Internal Audit Department*, is responsible for providing an independent evaluation of the efficacy and efficiency of the internal control system and the need for updating, 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 based on a structured process of analysis and prioritising of the main measures approved by the Board of Directors.

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 organisational instructions to guarantee a standardised approach and rapid detection of any critical factors which may arise locally. The relationships between the various audit departments of the subsidiaries, and the organisational and operational indications, are contained in a dedicated Group policy.

To guarantee the independence of the control departments, the Board of Directors resolves on the appointment and dismissal of the heads of the said departments, and establishes their annual remuneration.

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, designed to guarantee the accuracy, reliability and promptness of financial reporting, deals with internal control and risk management issues in an integrated way with the aim of identifying, evaluating and controlling risks relating to the financial reporting process (the financial reporting risk)²⁷ to which the Company and the Group are exposed.

In the pursuance of this aim, the Company has established a "financial reporting risk model" consisting of a set of principles, rules and procedures which are designed to guarantee a suitable administrative and accounting system.

The figure of Manager in Charge of Preparing the Company's Financial Reports falls into this context.

The "financial reporting risk model" adopted by the Company and extended to companies identified as relevant for those purposes (Relevant Companies)²⁸ is based on a process in accordance with the following reference frameworks, generally recognized and accepted at international level:

- (i) CoSO²⁹ Internal Control – Integrated Framework, issued in 1992, which establishes guidelines for the evaluation and development of an internal control system³⁰;
- (ii) COBIT (Control Objective for IT and Related Technology)³¹ which provides specific guidelines for the information systems area, supplemented by the ITIL³² (a framework already adopted by the Group) and ISO/IEC³³ 27001.

A "cascade" system of certificates (known as "Confirmation letters") has been instituted, whereby the CEOs and/or the 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.

²⁷ Financial reporting risk is defined as the risk of a transaction error which could entail an untrue and incorrect representation of the situation of the assets, liabilities, profit or loss in the company's financial statements, in the yearly and half-yearly consolidated financial statements and in any other financial release.

²⁸ 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. In particular, in 2011 the Relevant companies represented over 80 % of the total consolidated assets.

²⁹ Committee of Sponsoring Organisation of the Treadway Commission.

³⁰ 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).

³¹ The COBIT is connected by the IT Governance Institute to the CoSO Framework.

³² Information Technology Infrastructure Library.

³³ International Organization for Standardization/ Information Electrotechnical Commission.

In accordance with the 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.

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, as well as all processes relating to activities performed at the close of a given period.

Finally, the scope of the analysis is integrated, taking account of qualitative factors relating to risks profiles deriving from factors internal and external to the companies.

The scope of analysis is reviewed at least annually, depending on the changing conditions of the Group's organization.

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.

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 analysis of the controls is broken down into stages involving the assessment of the design and confirmation they are operating effectively, according to specific methods for each type of control.

If deficiencies in governing the financial reporting risks are found during tests of adequacy and operating effectiveness, corrective measures/actions are identified and constantly monitored by the Manager in Charge of Preparing the Company's Financial Reports.

The controls at company level are designed to check on the existence of an organized, formalized 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 organizational structures, clear allocation of delegated powers and responsibilities, suitable risk management policies, personnel disciplinary systems, effective codes of conduct and fraud prevention systems.

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, included those performed in the company's operational processes.

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.

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 Relevant companies, 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 local monitoring unit responsible for the activities involved in management of the financial reporting risk; the local monitoring unit also has the task of guaranteeing an appropriate, complete report to the Operational Risk function on the activities performed and any critical factors found.

The Manager in Charge of Preparing the Company's Financial Reports periodically reports to the Board of Directors, either directly or through the Control and Risks 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 legislation³⁴ on the subject of administrative liability of companies for criminal offences perpetrated by their personnel in the Company's interests or for its benefit, which can be found in the Governance section of the website www.generalil.com.

In particular, a Model was formally adopted which, as well as complying with all formal requirements, fulfils all the main purposes of preventing offences under LD 231/01 (hereinafter called "the offences") that led to its adoption. The adoption of a Model designed to prevent offences, and its effective implementation, exempt the Company from administrative liability pursuant to Legislative Decree no. 231/01, as expressly stated in the applicable legislation.

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. The contents of the Model are illustrated in the Document illustrating the Organisation and Management Model and its schedules.

The activity of identifying "sensitive" or "at-risk" areas, namely company processes and activities in which offences could be committed, has led to the passing of the "231/01 legislation", a series of general and special provisions governing various fields of activity with the main (but not sole) objective of preventing the commission of offences on the basis of the draft ANIA Guidelines for the insurance industry, and the Operating Suggestions by which the said trade association has identified the procedures to be followed for the adoption of the Models and some of the possible methods of detecting and preventing crimes.

An OMM and 231 Procedures Monitoring Unit was activated at subsidiary Generali Corporate Services S.c.a.r.l. on 1 January 2012, with the task of monitoring, in liaison with the other competent structures, the updating of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 and the drafting and updating of the corresponding procedures.

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.

³⁴ The legislation governing the subject is contained in Legislative Decree no. 231 of 8 June 2001, as amended.

Members of the Supervisory Body

Corporate function		First name, last name
• Chairman	Chairman of the Control and Risk 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	Stefania Bergamo

The Head of the Unit responsible for the Group 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 Risk and Control Committee, the Board of Directors.

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 companies³⁵.

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 with another party who meets the necessary requirements.

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;

³⁵ 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.

- maintaining regular contact with the External Auditors;
- maintaining relations with and ensuring a flow of information to the Board of Directors, the Risk and 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;
- 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 2011, 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 activities performed during the 2010 financial year;
- presentation of the 2011 activity plan and expenditure budget;
- examination of the progress of the supervisory activities performed during the period in question;
- opinion of the variation in the organisational structure and grant of powers regarding the protection of health and safety in the workplace.

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.

At the meeting of the Supervisory Body held on 23 February 2012, an expenditure budget of € 308,000 was confirmed for the 2012 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 24 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.

As stated in the introduction, the Company has amended the Articles of Association to incorporate the main innovations introduced by the said Legislative Decree.

In particular the possibility of using telecommunication systems to speak at the General Meeting and electronic systems to cast the vote was introduced, and submitted to the Board of Directors, when drafting the notice of call.

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 or only 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 usually conducted 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 forms. 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 or only 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 or only 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 regularly³⁶.

The operating procedures of the General Meeting and the procedures for individual shareholders to speak during the discussion³⁷ are governed by a specific Regulation. The said Regulation is available at the Company's registered offices and in the section of the website (www.generali.com) containing, as well as the Regulation, the Articles of Association and information about the Company's governing bodies.

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, was amended by the General Meeting on 30 April 2011 to comply with the provisions introduced by Legislative Decree no. 27 of 27 January 2010 entitled "Implementation of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies", and to define the scope of some provisions more clearly.

The Legislative Decree made substantial amendments to a number of matters relating to the operation of the general meetings of companies issuing listed shares, and some amendments consequently need to be made to coordinate the text of the Company's Articles of Association with the Regulation. In particular, the amendments to the General Meeting Regulation related to:

³⁶ The mathematical mean of attendance of Directors at the past three Shareholders' Meetings was 67%.

³⁷ 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.

- revocation of the reference to production of the certificate issued by an intermediary as the pre-requisite for entitlement to speak at the General Meeting;
- introduction of electronic voting;
- introduction of the right to ask questions before General Meetings;
- adjustment of the maximum period for adjournment of the General Meeting to comply with the legislation if the conditions specified in section 2374 of the Italian Civil Code are fulfilled;
- the grant of power to the Board of Directors to resolve on amendments to terms of the Regulations which become incompatible with new, mandatory legislative provisions.

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:

ORDINARY SESSION	first call	second call	third call	one call
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	Regardless of the share capital represented by the shareholders attending the meeting
Deliberative quorum	Absolute majority of the represented capital	Absolute majority of the represented capital	Does not apply	Absolute majority of the represented capital

EXTRAORDINARY SESSION	first call	second call	third call	one call
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	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	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 resolutions. 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 Board of Directors, Permanent and Substitute Auditors and the Chairman of the Board of Statutory Auditors;
- d) approve remuneration policies for members of the governing bodies appointed by the General Meeting and the Company's key personnel in accordance with the applicable legislation in the sector, including remuneration plans based on financial instruments;
- 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.

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.generali.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 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.

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 30 April 2011 for the 2011, 2012 and 2013 financial years, ie. until the next General Meeting held to approve the financial statements for the 2013 financial year, duly established that its members met the independence requirements according to Application Criterion 10.C.2 of the Self-Assessment 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, shareholders who, either alone or jointly with others, own a qualifying holding of 0.5% of the share capital, shall be entitled to submit a list for the appointment of the Board of Statutory Auditors.

Lists submitted by shareholders, consisting of two sections, one for the appointment of the Regular Statutory Auditors and the other for the appointment of the Substitute Statutory auditors, shall be filed by the twenty-fifth day before the date of the first or only convocation of the General Meeting.

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	Francesco Fallacara

(*) Mr. Colucci was elected from the candidates of the minority list presented by Assogestioni.

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. He is also a statutory auditor of Premuda S.p.A. and Danieli & C. S.p.A..

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.

Francesco FALLACARA, born in Bari on 14 June 1964, graduated in Economics and Business, qualified as an accountant in 1990 and enrolled with the Accountants' and Bookkeepers' Roll in Rome in 1991. He currently provides tax and business consultancy services, and has written a number of tax publications.

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.

Twenty-two meetings were held in 2009 and 22 in 2010, both with 100% attendance. 22 meetings were held in 2011, almost 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 96% in 2009, 100% in 2010 and 94% in 2011. The average attendance of Statutory Auditors at Executive Committee meetings was 100% in 2009 and 2010 and 97% in 2011.

The last eleven meetings of the Board of Statutory Auditors always 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, Reconta Ernst & Young S.p.A., was appointed on the proposal of the Board of Statutory Auditors by the General Meeting held on 30 April 2011, for the financial years 2011-2020.

The financial statements as at 31 December 2011 are certified by PricewaterhouseCoopers, which was appointed for the financial years 2006/2011 by the General Meeting held on 29 April 2006.

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 40 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	Gabriele Galateri
• 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 Amusatogui de la Cierva
• General Councillor	Francesco Maria Attaguile
• General Councillor	Claude Bébéar
• General Councillor	Kenneth J. Bialkin
• General Councillor	Gerardo Broggin
• 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) 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 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, which has rated Italian and European websites for several years, has evaluated the Corporate Governance section of Generali's website very well again this year, giving it a score of 6.25 out of 8 for completeness of the information provided.

These results confirmed the decisions on contents and transparency that the Company has implemented in recent years.

Milan, 20 March 2012

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	12.240
	Spafid	0.089
	Compass	0.912
	Total	13.241
BANCA D'ITALIA	Banca d'Italia	4.482
	Bonifica Terreni Ferraresi e Imprese Agricole S.p.A.	0.007
	Total	4.488
BLACKROCK Group	BLACKROCK Group	2.840
	Total	2.840
B&D HOLDING Group	DeA Partecipazioni S.p.A.	2.260
	B&D Finance S.A.	0.174
	Total	2.434
EFFETI	Effeti S.p.A.	2.267
	Total	2.267

(continues)

(continues)

Declarant	Direct Shareholder	Share on ordinary share capital^(*)
CALTAGIRONE Group	CALTAGIRONE EDITORE	0.215
	Echelto Srl	0.019
	FGC	0.052
	FINANZIARIA ITALIA 2005	0.170
	Finced	0.183
	Gamma S.r.l.	0.393
	Immobiliare Caltagirone - Ical	0.013
	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	0.090
	VM 2006	0.418
	Francesco Gaetano Caltagirone	0.007
	Total	2.267
Leonardo Del Vecchio	Delfin Sarl	2.002
	Total	2.002

(*) 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	Gabriele Galateri		X		100%	7					X	100%
Vice-chairman	Francesco Gaetano Caltagirone		X	X	83%	6					X	100%
Vice-chairman	Vincent Bolloré		X		92%	5					X	100%
Vice-chairman	Alberto Nicola Nagel		X		92%	2					X	100%
Managing Director	Giovanni Perissinotto	X			100%	2					X	100%
Managing Director	Sergio Balbinot	X			100%	3					X	100%
Director	Cesare Calari		X	X	100%	1	X	100%				
Director	Carlo Carraro		X	X	92%		X	100%				
Director	Diego Della Valle		X	X	75%	7						
Director	Petr Kellner		X		83%							
Director	Angelo Miglietta		X	X	92%	1	X	n.a.				
Director	Alessandro Pedersoli		X	X	83%	2	X	100%				
Director	Lorenzo Pelliccioli		X	X	92%	2			X	100%	X	100%
Director	Reinfried Helmut Pohl		X		58%	1						
Director	Paola Sapienza		X	X	100%		X	n.a.				
Director	Paolo Scaroni		X	X	92%	2			X	100%		
Director	Francesco Saverio Vinci		X		100%	2			X	100%		
Number of meetings held in the reference financial year		Board: 12		Internal Control Committee: 11		Remuneration Committee: 5		Executive Committee: 10				

Reference period 1st January 2011 - 31 December 2011

(*) 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.

(**) 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.

(***) 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 to BoD	Number of other offices ^(*)
Chairman	Eugenio Colucci	83%	2
Permanent Auditor	Giuseppe Alessio Verni	100%	3
Permanent Auditor	Gaetano Terrin	100%	1
Substitute Auditor	Maurizio Dattilo	-	-
Substitute Auditor	Francesco Fallacara	-	-
Number of further meetings attended during the financial year:		23 (1 in Shareholders' Meeting - 12 in the Board of Directors, 10 in Executive Committee)	
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.



ERG - Troia San Cireo wind farm, Foggia, Italy

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 2011

- 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 2011. 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.

The consolidated financial statements include comparative data in respect of the financial year 2010, together with certain figures relating to the financial year 2009. As explained in the notes to the financial statements, certain comparatives in the income statement for 2009, and in the balance sheets as at 31 December 2010 and 2009, have been reclassified during the year when compared to the data audited by us in respect of 2010 and 2009, which were reported upon in our reports dated 4 April 2011 and 30 March 2010 respectively. The procedures applied to effect the reclassifications in question, and the related disclosures included in the notes to the financial statements, have been examined by us for the purposes of arriving at our opinion on the consolidated financial statements for the year ended 31 December 2011.

PricewaterhouseCoopers SpA

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- 3 In our opinion, the consolidated financial statements of Assicurazioni Generali SpA as of 31 December 2011 comply with the International Financial Reporting Standards as adopted by the European Union and with the Regulation issued to implement article 90 of the Law Decree No. 209/2005; accordingly, they give a true and fair view of the consolidated financial position, the consolidated results of operations, the changes 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 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 2011.

Milan, 2 April 2012

PricewaterhouseCoopers SpA

Signed by

Angelo Giudici
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation



MASSIMO ZANETTI BEVERAGE GROUP - Plantation, Nossa Senhora da Guia in Minas Gerais, Brazil

REMUNERATION REPORT



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Introduction

During the course of 2011, following the financial crisis, ISVAP on the one side and CONSOB and Borsa Italiana on the other issued new requirements or updated and integrated existing ones in the related Regulations and Codes in line with international principles of the subject of remuneration respectively.

Specifically, ISVAP, through Regulation No. 39 of 9 June 2011, requested that insurance and reinsurance firms adopt remuneration policies consistent with the sound and prudent management of the risk, profitability and equilibrium of the business in the long-term, and the development of decision-making processes hallmarked with criteria of transparency, thereby also giving the Shareholders' Meeting an active role in defining the policies in question.

In specifying the standards which insurance and reinsurance firms with registered offices in Italy should comply with when preparing remuneration policies, the Supervisory Authorities also required that when this measure first comes into force, the businesses in question should conduct an evaluation of the extent to which existing remuneration systems comply with the requirements of ISVAP Regulation No. 39/2011 and identify any adjustment measures and time frames.

Specifically, with reference to businesses belonging to insurance groups, the Parent Company has the task of ensuring overall consistency and the appropriate alignment of the remuneration policies within the insurance group, ensuring compliance with ISVAP Regulation No. 39/2011 by all group companies.

In December last year, the Corporate Governance Code for listed companies was also updated. Specifically, the remit for the application of remuneration policies defined by the Board of Directors was extended to all directors, while it was confirmed that the Board of Directors should also define the policy for management personnel with strategic responsibilities.

In addition, CONSOB, through Resolution No. 18049 of 23 December 2011, conducted a full and systematic study at the end of last year on the subject of transparency, as set out in Article 123-*ter* of the Consolidated Finance Act (TUF), simplifying and rationalising the regulations in force. Under its scope companies are required to prepare a detailed report on remuneration, without prejudice to the obligations on the subject of remuneration laid down by the industry regulations applicable to activities carried out by listed companies. This led to the need to coordinate the regulation issued on the subject by the two different Supervisory Authorities.

Taking this into consideration, Assicurazioni Generali conducted a thorough evaluation of the consistency between the remuneration policy approved by the Shareholders' Meeting on 30 April 2011 and the provisions of ISVAP Regulation No. 39/2011. The results were formalised in a Board of Directors resolution on 11 November last, which was later sent to ISVAP (in compliance with the terms set out in the Regulation in question). With regard to this, adjustments were identified, some of which have already been implemented, such as the modification of the Company Bylaws concerning the responsibilities of the Shareholder's Ordinary Meeting on the subject of approval of the remuneration policy, the timely identification of "personnel" as defined by the Supervisory Authorities and the drafting of "*Guidelines for Group companies on the subject of remuneration*"; others, which are described in more detail in this Report, are in the process of being applied or will be adopted during this year.

Compliance with the above-mentioned regulation and the deadlines established therein have required considerable activity beforehand, both in term of time and resources employed, but, at the same time, it has provided an additional opportunity for a critical re-examination of both the existing remuneration policy and decision-making processes.

That having been said, given that for us to comply with the above-mentioned regulation firstly means accommodating the requests of the stakeholders realistically represented here, we believe that this Report, which will be submitted to the Shareholders' Meeting in April for approval, is capable of responding adequately to the regulations on the subject, both from the point of view of compliance, but even more so in substantial terms; we specifically refer to the matters of consistent management of risk, guarantee of profitability in the long-term and transparency, to which the Company has devoted particular effort and on which it will continue to focus its attention in the future.

Section I – Remuneration policy

1 – The basics, the principles, the measures

1.1 – The basics

In determining the payment strategy it is imperative to align with:

- our mission, in particular as far as the will to generate constant and excellent results for our stakeholders in the short and medium to long-term is concerned, at the same time ensuring the sound and prudent management of risk, alignment with strategic targets and equilibrium of the company and Group in the long-term;
- our values, and more specifically the responsibility, reliability and commitment to the community, which must be adhered to both by top management and our employees to achieve 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 various corporate structures,
 - observance and adequacy of the existing risk management and control processes;
- our sustainability policy, where the main priorities include the pursuit of sustainable growth over time and making the most of people who work within the Group, recognising individual contributions to the success of the organisation, including appropriate remuneration, and, at the same time, discouraging conduct which proposes excessive exposure to risk.

The remuneration policy thus defined in turn supports the mission, values, governance and sustainability, giving rise to a continuous interaction that allows, on the one hand, a steady improvement of the remuneration practices 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.

1.2 – The principles

The objective of our remuneration policy is to guarantee adequate remuneration in the light of 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 in effect;
- competitiveness: remuneration must be balanced in relation to that of the reference markets; it is for this reason that monitoring was conceived and regular analyses of remuneration are performed for both professional and/or family staff and business type and geographic area. The Remuneration Committee makes use of an external consultant for top positions to identify the direct competitors that make up the panel of peers as a reference for forming remuneration benchmarks; comparisons are made through participation in remuneration surveys for the remainder of the employees, both within the industry and in general;
- consistency: meaning the ability to agree across the whole Group similar remuneration for professionals, 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 development of human 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 time span, 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.

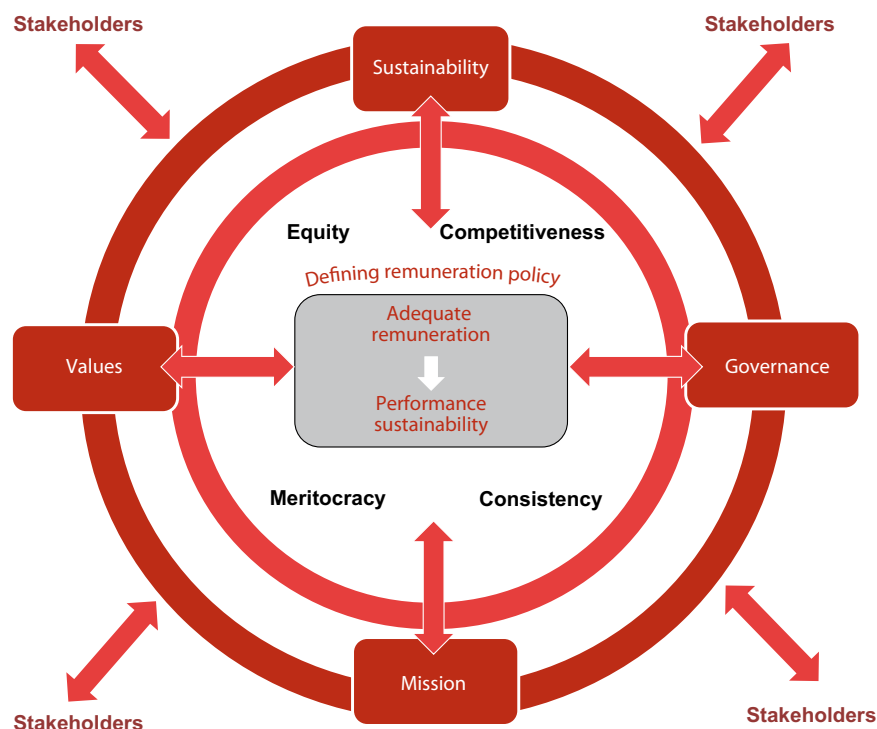
1.3 – The measures

On the basis of these principles, the following measures should be put in place to establish the policies and remuneration levels we deem essential:

- 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 to long-term contracts, in order to avoid adoption of conduct that favours short-term results over medium to long-term goals;
 - defining a comprehensive remuneration package that is fair and competitive, anticipating the adoption of alternative or additional monetary solutions, such as benefits, with a view to optimising the efficiency of interventions in financial terms;
- ensuring 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 for determination of the variable component that incorporate – in setting the objectives, target values and parameters in the following relationship of results and incentives – pre-determination features, clarity, unambiguous interpretation, transparency 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 the performance of the recipients with stakeholder interests, adopting a multi-annual and multi-dimensional approach with regard thereto. Specifically:
 - defining *a priori* objectives directly related to the creation of shareholder value both in the short and medium to long term;
 - defining short term annual remuneration objectives, which are consistent with those fixed for the medium to long term;
 - evaluating performance over time, considering both the annual performance in itself and its impact over the longer-term 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 market competitors;
 - evaluating 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 ensure an effective reward system aligned with company results; therefore setting, where possible, objectives comprising the adoption of sustainable conduct supporting the company in terms of customer satisfaction, the growth of internal resources, improvement in the procedures and, more generally, of our strategies of sustainability, with the aim of constantly improving the quality of our performance;
- acting with regard to processes and in compliance with regulations, also ensuring:
 - quick access to data confirming the results for the bodies entrusted with control;

- independence for the roles involved in the preparation of the incentive schemes and those that perform the necessary evaluations and subsequent checks;
- 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



2 – Recipients of the remuneration policy

Based on what has been explained previously and taking into account, beforehand, the diversity of the roles considered, from time to time, remuneration policies are distinctly developed with a view to remunerating the different contribution made by the recipients, in a differentiated way, optimising the efficiency of interventions in financial terms.

Specifically, the policies illustrated later on in this report refer to members of corporate bodies (the Board of Directors, including the two Managing Directors who also cover the roles of General Manager, and Board of Statutory Auditors), as well as company “personnel” identified on the basis of the criteria indicated in Article 2.1 f) of ISVAP Regulation No. 39/2011¹.

¹ Pursuant to Article 2, paragraph 1, f) of the Regulation ISVAP No. 39/2011, “personnel” refers to “general managers, management personnel with strategic responsibilities, managers and senior personnel of internal control functions and other categories of personnel, whose activity may have a significant impact on the risk profile of the business”.

In detail, the Company has, under the category significant “personnel” for the purposes of ISVAP Regulation No. 39/2011² (hereinafter known as “personnel”), included, in addition to the general managers:

- a) the deputy general managers;
- b) the assistant general managers;
- c) the heads of Compliance, Internal Audit and Risk Management, as well as the managers of these departments.

Therefore, on the basis of the above-mentioned criteria, the following positions were explicitly identified within Assicurazioni Generali in March 2012:

- CFO and Country Manager for Italy³;
- 12 executives who cover the office of Deputy General Manager or Assistant General Manager;
- 3 managers of the internal control functions, respectively the Group Internal Audit Service, the Group Compliance Service and the Group Risk Management Service, and 5 executives operating under the scope of these Services.

3 – Bodies assigned/involved in the definition, approval, implementation and verification of the remuneration policy – Decision-making processes

Determining, approving, implementing and then verifying the remuneration policy falls under the scope of various bodies and/or functions and requires the involvement and/or support of various individuals depending on the recipients to whom they are addressed.

As far as the definition of policies aimed at corporate bodies and “personnel” are concerned, based on the guidelines issued by the Remuneration Committee, the related proposals are drawn up by Human Resources, a Group Remuneration System function, involving, according to the skills required, the Group Internal Audit functions and Compliance and Risk Management departments. During this stage Human Resources can also take advantage of the contribution of other Group functions and structures, such as the Group Legal Department, the Planning & Control Department and the Group Organisation Service, gathering up and coordinating the related contributions. The proposals are then put to the Remuneration Committee for examination and it vets the formulation and any requirements for additions and modifications, and the Chairman then submits them to the Board of Directors. The roles of the various individuals involved in the definition, approval, implementation and subsequent verification of the remuneration policy are illustrated below.

3.1 – Shareholders’ Meeting

Pursuant to the Bylaws, the Shareholders’ Meeting:

- a) approves the remuneration policy for members of the corporate bodies and “personnel”, in addition to remuneration plans based on financial tools (Article 19.1, e), as amended by the Board of Directors at their meeting held on 11 November 2011);
- b) determines the annual gross pay due to members of the Boards of Directors and Statutory Auditors (see Article 19.1, g) and f)).

² This selection is consistent with the criteria defined by the company, under the scope of the Procedure on the subject of transactions with related parties, for identifying management personnel with strategic responsibilities, in other words those individuals whose activity could have a “significant impact” on the risk profile of companies identified through international accounting standard No. 24 (IAS 24 – Disclosures on transactions with related parties). As far as any other categories of personnel whose activity may have a significant impact on the risk profile of the business are concerned, given that the ultimate responsibility for decisions taken after being shared with and endorsed by the top management lies with the latter, other risk takers have not been identified.

³ Because the CFO and Country Manager for Italy cover the position of General Manager; this position is also covered by the Managing Directors who have already been taken into consideration as members of the Board of Directors.

3.2 – Board of Directors

The Board of Directors defines the remuneration policy for members of the corporate bodies and “personnel”⁴.

The Board of Directors decides on the subject of remuneration policies or subsequent revisions, for approval by the ordinary Shareholders’ Meeting. The Board of Directors also ensures that the remuneration policy is regularly reviewed in order to ensure that it is constantly updated and remains consistent with the principles of sound and prudent management as well as in line with the interests of stakeholders.

Assicurazioni Generali has not used independent experts in preparing the remuneration policy, nor has it used those of other companies as a reference.

The Board is also responsible for the correct implementation of the remuneration policy approved by the Shareholders’ Meeting; specifically this body, in compliance with the resolution of the Meeting, having obtained the opinion of the Board of Statutory Auditors, decides the remuneration due to directors invested with specific roles (Article 39.1 of the Bylaws), directors who are also members of advisory committees (Article 37.1 of the Bylaws) and the General Managers.

In addition, it defines the remuneration of the head of the Group Internal Audit function as proposed by the Group CEO, subject to the approval of the Control and Risk Committee and having obtained the opinion of the Board of Statutory Auditors and the heads of the Group Compliance and Group Risk Management functions and subject to the opinion of the Internal Control Committee, having also obtained the opinion of the Board of Statutory Auditors in this case too.

As far as the remuneration of the remaining personnel in control functions is concerned, this is determined by the Group CEO in line with the policies defined by the Board of Directors.

The Board of Directors also submits a report on the application of the remuneration policies to the Shareholders’ Meeting annually, accompanied by quantitative information.

Lastly, under the scope of the activities designed to ensure overall consistency of remuneration policies within the insurance group, the Board of Directors issues appropriate guidelines on the subject of remuneration for the insurance group companies in compliance with the provisions of ISVAP Regulation No. 39/2011, as specified in Chapter 6 below.

3.3 – Remuneration Committee

The Remuneration Committee was set up by the Board of Directors as an advisory body, based on Article 37.1 of the Bylaws.

The Committee currently in office was appointed by the Board of Directors at their meeting on 24 April 2010 and it will remain in office until the Shareholders’ Meeting that will approve the financial statements for the year ending 31 December 2012 and is made up of the following members:

⁴ In line with the provisions of Articles 7 and 24 of Regulation ISVAP No. 39/2011, pursuant to Article 6.P.4 of the Code of Self Governance of listed companies, to which Assicurazioni Generali S.p.A. adheres, the Board defines and implements general policies for the remuneration of directors and management personnel with strategic responsibilities. In addition, following the entry into force of the Regulation ISVAP No. 39/2011, the scope has also been extended to the remuneration of other members of the Board of Directors not invested with executive powers and the Statutory Auditors, in addition to managers and internal control function top level management.

Remuneration Committee

Office	First name, last name
<ul style="list-style-type: none"> Chairman Non-executive and independent Director 	Paolo Scaroni
<ul style="list-style-type: none"> Member of the Committee Non-executive and independent Director 	Lorenzo Pellicoli
<ul style="list-style-type: none"> Member of the Committee Non-executive Director 	Francesco Saverio Vinci

The Board of Directors has ascertained that, in the light of the previous experience that has been gained, not only in businesses where executive roles are covered, but also in the context of the roles that are covered on similar consultation committees, both Mr. Pellicoli and Mr. Scaroni have adequate knowledge on the subject remuneration policies. Mr. Scaroni also held the position of Chairman of this Committee in the previous three-year period (2007-2010).

It is the task of this Committee to give its opinions and formulate proposals to the Board that are not binding on the subject of determining the salary due to those holding the offices of Chairman of the Board of Directors and Managing Director.

The Committee also provides opinions and proposals that are not binding for the Board of Directors for determining the salary of the members of the Board who hold other specific positions or who are also members of advisory committees, and, subject to the proposal of the Managing Directors, the General Managers as well.

In addition, as far as transactions with related parties regarding the payment of Directors, Regular Auditors and Executives of the Company at a level of at least Assistant General Manager are concerned, the Remuneration Committee performs the functions assigned to the Committee for the evaluation of Transactions with Related Parties.

The Remuneration Committee has the following powers:

- providing opinions and proposals, which are not binding, to the Board on the subject of determining the remuneration due to Directors;
- monitoring the application of decisions adopted by the Board of Directors based on the proposals put forward;
- providing its opinion to the Board concerning the amount of pay due to Executive Directors and Directors who hold other specific offices or have responsibilities in compliance with the Bylaws, in addition to establishing performance targets related to the variable component of this remuneration;
- providing opinions and proposals, which are not binding, on the subject of determining the amount of pay due to the General Managers following the proposal of the Managing Directors, in accordance with a discretionary evaluation designed to comply with the following criteria:
 - level of responsibility and risks associated with the functions performed;
 - results achieved in relation to assigned targets;
 - services provided in relation to undertakings of an extraordinary nature;
- regular evaluation of the criteria adopted for the remuneration of Directors and management personnel with strategic responsibilities, making use, in the latter case, of information provided by the Managing Directors and giving general recommendations on the subject to the Board of Directors;
- checking the proportionality of the remuneration for Executive Directors between them and in relation to company personnel;
- providing opinions and proposals for the definition of remuneration policies.

In order to report to the Shareholders' Meeting on the methods of the Committee functions, the Chairman of the Committee or another member of the Committee itself is always present at the annual Meeting.

In performing its duties, this body has the right to access the information and corporate functions necessary to carry out the tasks entrusted to it. The Chairman of the Board of Statutory Auditors routinely attends these meetings.

The above body regularly carries out the proposed and consultation activities under their jurisdiction, and writes the minutes and reports required by the Company.

3.4 – Managing Director and Group CEO

Based on the powers delegated by the Board of Directors on the subject of the management of human resources and organisation, the Group CEO provides proposals for the Remuneration Committee regarding guidelines on the subject of company and Group remuneration policies.

To this effect he supports the Remuneration Committee in formulating proposals regarding remuneration policies for the General Managers and management personnel with strategic responsibilities.

He is also responsible for the definition of the financial position of personnel of every level within the company in Italy, except for management personnel at a higher grade than Assistant General Manager and for the formulation of proposals to the Executive Committee in relation to the top positions in companies of strategic importance in the Generali Group.

3.5 – Board of Statutory Auditors and Control and Risk Committee

The Board of Statutory Auditors has the task, pursuant to Article 39 of the Company Bylaws, of providing opinions on the remuneration of directors invested with special offices; these opinions are also provided on the remuneration of the General Managers.

It also gives its opinion about the remuneration of the head of the Group Internal Audit department, as well as the remuneration of other heads of internal control functions.

On the other hand, as far as the Control and Risk Committee is concerned, this body formulates the proposal relating to determining the remuneration of the head of the Group Internal Audit function, binding in this case, and the other heads of the internal control functions, respectively, which are put to the Board of Directors.

3.6 – Internal control functions and Human Resources

The internal functions which are involved and collaborate in various ways in the definition and/or later verification of the correct implementation of the remuneration policies are:

- the Compliance function, which verifies that the remuneration policies are consistent with the objectives of complying with existing regulations on the subject of remuneration, including the provisions of the Bylaws, Code of Self-governance for listed companies and Code of Ethics, from a standpoint of preventing the risk of incurring judicial or administrative sanctions, capital losses or reputational damage. This function refers proposals to the relevant bodies on the outcome of the checks carried out and indicates any corrective measures;
- the Internal Audit function contributes beforehand to the correct establishment of internal control processes, while afterwards it is called upon to assess the correct application of remuneration policies in relation to the targets assigned by the Board of Directors. In this context it independently analyses and critically reviews the suitability and consistency of decision-making processes, thereby making an evaluation not only in terms of effectiveness but also in terms of efficiency and capital protection. In this case too the function is called upon to report to the Board of Directors and the responsible bodies for the adoption of any corrective measures on the outcome of the checks conducted;
- the Risk Management function, which verifies the suitability of the risk indicators used and, when establishing the objectives, related parameters to correlate to the performance levels, also reports to the responsible bodies on the adoption of corrective measures;

- the Human Resources area provides technical assistance and makes preliminary support material available for the definition of policies; more specifically, the functions involved are the Group Remuneration Systems, for the analysis of remuneration levels in terms of internal equity and compared to the markets selected and, for monitoring the remuneration dynamics, it is the Group Organisation for the evaluation of roles using the Hay method.

Other functions that report to the CFO are involved in the definition of remuneration policies for identifying quantitative parameters relating to strategic targets to link to the variable component and for determining the expenses budget.

4 – Remuneration policies for the members of corporate bodies and “personnel”

4.1 – Remuneration policies for Managing Directors, General Managers and management personnel with strategic responsibilities

The two Company Managing Directors, General Managers and management personnel with strategic responsibilities receive a total remuneration package with the following structure:

4.1.1 – 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 shown in the conduct of the assigned functions.

The weighting of the fixed component must affect the total remuneration to an appropriate extent in order to attract and retain staff and, at the same time, reward the role to a suitable extent, even in the case of failure to meet the incentives and insufficient results, in order to discourage conduct that is not proportional to the degree of risk undertaken by the Company in achieving its desired results in both the short and medium to long-term. Lastly, it should be in accordance with the variable pay guidelines, especially concerning excellence of results.

4.1.2 – Variable pay

This rewards results achieved in the short and the medium to long-term. Performance is evaluated through a multi-temporal and multi-dimensional approach, that, depending on the staff band and the time frame concerned, takes into account results achieved by individuals, results obtained by the framework and the structures in which they operate, and, regarding the top positions, the company/group results as a whole and those of competitors that constitute the reference peer panel.

Variable pay involves the use, depending on the staff band and type of business considered, of both various incentive schemes and distinct measures regarding a given time frame for the incentive and the means of payment used. Specifically, individuals considered here (apart from management) are assigned a variable pay every year, based on the achievement of annual targets (allocated through the Balanced Scorecard illustrated below) and three-yearly targets (allocated through the Long-term Incentive Plan described later).

A. Balanced Scorecard (BSC)

Adoption of this tool 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, in line with the strategic objectives set out in the above-mentioned Business Plan, are assigned annually in scorecards that are given to individual recipients. Each target is associated with both “*weightings*”, which define the importance in relation to the total of the objectives, and performance levels (minimum, target and maximum)

expressed through appropriate parameters. The positioning of the expected results in relation to the expected performance levels, the minimum access level for the payment of the bonus and the maximum level in case of over-performance are defined for each target, as well as the cost of the bonus, expressed as a percentage of the fixed compensation, differentiated according to the role of the BSC recipients.

As far as the criteria for the evaluation of the achievement of the performance targets for the purpose of paying the bonus are concerned, at the end of the reference year the performance level achieved in relation to each target is verified and then the weighting is applied; the sum of the performance levels achieved for each target suitably weighted constitutes the total performance based on which the amount of the bonus is quantified if the conditions that determine the triggering of the right are verified. This ensures a direct correlation between results achieved and payment of the incentive.

Specifically, for the Managing Directors and the General Managers, both the content of the scorecards in terms of targets, weightings, performance levels, maximum and minimum bonus potential cost on fixed compensation and the calculation method of the former, and the verification of the achievement of the related results and corresponding amounts to be paid are examined by and shared with the Company Remuneration Committee. Subsequently they are subject to assessment and approval by the Board of Directors.

The targets assigned are both quantitative – income statement, capital, risk and earnings – and qualitative, and allow many aspects of company performance to be monitored; such objectives are differentiated according to competencies and operating areas of the BSC recipients.

As far as management personnel with strategic responsibilities are concerned, based on the areas for which they are responsible, the majority of the targets allocated to the Managing Directors and the General Managers apply with different weightings.

The BSCs for the Top Management are then sent to the other managers of the Parent Company and other Group companies in Italy and abroad, in order to involve all the structures that pertain to Assicurazioni Generali in achieving their strategic objectives.

B. Long-term Incentive Plan (LTIP)

The Long-term Incentive Plan, whose use is in line with the most widespread practice at international level, pursues the goal of growth in value of company shares, at the same time aligning the financial interest of the recipients of the LTIP with that of the shareholders.

The Assicurazioni Generali Shareholders' Meeting held on 30 April 2011 approved a new long-term incentive plan which, following the entry into force of ISVAP Regulation No. 39/2011, was subject to further additions made by the Delegated Body, which were presented to the Board of Directors at their meeting on 5 August 2011. Specifically, these included the introduction of the Group Solvency Ratio, as defined in the Regulations governing the LTIP, foreseeing that it would act as an indicator contributing to measuring overall performance at the end of the first three-year period and, as a further condition precedent for the granting of free shares, at the end of the second three-year period. In addition, there were express clauses allowing Assicurazioni Generali not to pay the bonus⁵, in full or in part, or grant the free shares if a significant deterioration in the financial situation should occur, as well as requesting the total or partial return of the bonus or free shares if the targets reached do not endure due to the seriously wilful misconduct of the recipients of the LTIP.

The objective of the LTIP is, first, to strengthen the link between remuneration and performance in the framework of the Group strategic plans (so-called absolute performance) and, second, to maintain and strengthen the link between remuneration and growth in value of the share in relation to a peer group (so-called relative performance).

⁵ Recipients of the LTIP can also be management personnel with strategic responsibilities of Group companies, following approval of the incentive plan by the related Board of Directors. In this case, the right not to pay the bonus, in full or in part, in the case of a significant deterioration of the financial situation is up to the individual reference company. In any case, even in such cases the decision on the subject of the granting of free Assicurazioni Generali shares is exclusively down to the latter.

The LTIP is based on fundamental aspects listed below:

- the plan is rolling, in other words each year triggers a new cycle lasting six years. This does not prejudice, in any case, the power of the Board of Directors to terminate the renewal cycles of the Plan;
- there is a direct link between each cycle and the objectives of the Generali Group three-year strategic plan;
- it involves the concept of joint investment, in other words the obligation of the recipients of the LTIP to invest part of the gross monetary incentive at the end of the first three-year period in Assicurazioni Generali shares.

Each cycle of the LTIP has an overall reference time frame of six years. Specifically, the duration of the first cycle is divided as follows:

- first three-year period: at the end of this period, if the absolute performance targets specified later are reached and, depending on the extent, a monetary incentive (bonus) will be paid, as well as the duty to invest between 15% and 30% of the gross amount of the actual bonus in Assicurazioni Generali shares. The shares which have been purchased in this way are burdened by the restriction of their non-availability from the actual delivery date until the end of the second three-year period in the cycle; the length of the period they must be held has been determined based on the adequacy criterion with regard to both market practices and international regulations and is in line with the duration of the strategic plans;
- second three-year period: at the end of this period, for each company share bought at the end of the first three-year period to fulfil the obligation set out in the LTIP Regulation, the recipient has the right to receive a free allocation of a certain number of Assicurazioni Generali shares, which do not have time constraints in terms of how long they must be held, subject to both the following conditions precedent being verified:
 - a) reaching of a certain level of the Group Solvency Ratio, equal to at least 140%;
 - b) positioning of the Generali Group in the peer ranking drawn up on the basis of the respective Total Shareholders' Return (so-called relative performance).

Specifically, the cash component of the incentive (bonus) is determined as a percentage of the average of the Gross Annual Salary (GAS) accrued with reference to the entire duration of the first three-year period of each cycle of the Plan, in the context of the respective band.

In this regard, the recipients of the LTIP are divided into five bands. The assignment of the recipients to the individual bands is defined by the Board of Directors, as far as their remit is concerned, following a proposal from the Remuneration Committee, for band 0⁶, and from the Group CEO (and/or the Group CEO in conjunction with the Managing Director, restricted to the area of responsibility of the latter) and, for bands 1, 2, 3 and 4, taking into account the hierarchical role and the weighting of the position held by the recipients (circumstances, that are, however, no binding). The objectives identified for the first three-year period of the first cycle of the LTIP in question refer to:

- a) for bands 1 to 4:
 - Total Shareholder Return of the Group (TSR), for bands 1 and 2 only;
 - consolidated operating profit for the Generali Group;
 - operating profit of the business unit;
 - individual target based on quantitative elements;
 - Group Solvency Ratio;
- b) for band 0:
 - Total Shareholder Return (TSR);
 - Generali Group adjusted net profit;
 - operating profit relating to the area of responsibility of the recipient of the LTIP.

As far as the 2012 targets for this last band are concerned, the Board of Directors has resolved to keep those used for the previous cycle, and has added the RoRAC.

As far as the connection between the results achieved and the cash component is concerned, in this case too the correlation is direct because the calculation mechanism used is similar to that used in the BSCs.

⁶ The two Managing Directors usually belong to band 0.

The financing of the cash component of the LTIP is, usually, the exclusive responsibility and task of the company to which each recipient belongs.

4.1.3 – Consistency between remuneration policies and the pursuit of the Company's long term interests and the risk management policy

The remuneration policy illustrated above ensures, in its entirety, consistency with the pursuit of the company's and the Group's long-term interests, as well as the Group's risk management policy.

Specifically, as far as the variable component paid to the Managing Directors, General Managers and management personnel with strategic responsibilities is concerned, the combined use of the two tools of the Balanced Scorecard for the short-term component and the Long-term Incentive Plan for the medium to long-term component, is designed to direct the activities of the recipients towards pursuing equilibrium and profitability for the business in the medium to long-term, through a series of *ex-ante* and *ex post* measures – partly described above – which impact on the process of determining and supplying the variable pay component. The measures adopted are summarised below:

A. Balancing remuneration components

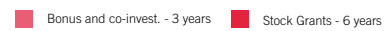
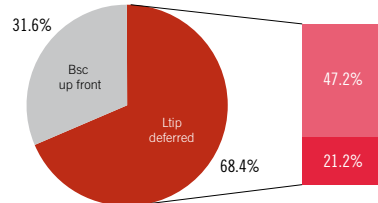
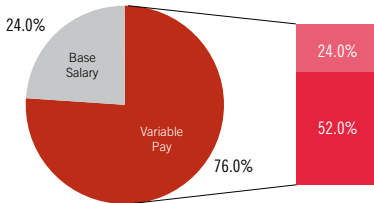
As far as firstly the cost of fixed pay and variable pay on total pay is concerned, as well as secondly the weighting of the short-term and long-term components of the variable remuneration on the latter total, the balancing as set is a determining factor in the pursuit of the interests of the company and the Group in the medium to long-term, while the fixed component is designed to reward the role even in the absence of results.

In effect, in the first case there is a direct correlation between the responsibilities allocated and the impact of the variable pay component, whereby as the former increases there is a corresponding substantial increase in the weighting of the latter. In the second case too, the balancing between the two variable pay components, the cost of the long-term one, broadly speaking, increases as the responsibilities increase.

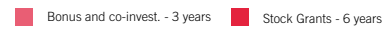
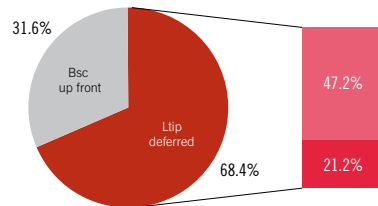
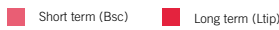
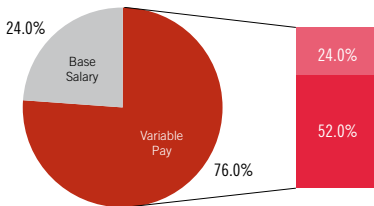
It is specified that the balancing in question has been processed based on the hypotheses given in the methodology note mentioned below and taking into consideration a steady situation (which takes into account the potential effects that the LTIP in question will produce starting from 2014).

Hypothetical incidence of fixed pay and variable pay component on the total, with an indication of the weighting of the short-term and long-term components and the impact on the total variable pay of short-term and long-term components, with an indication of deferral percentages

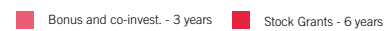
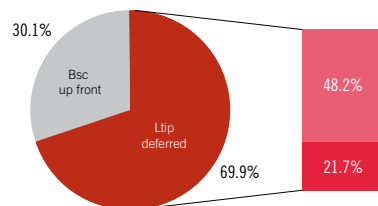
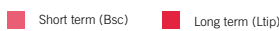
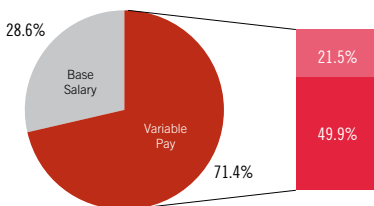
Group Ceo



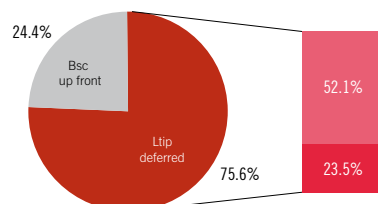
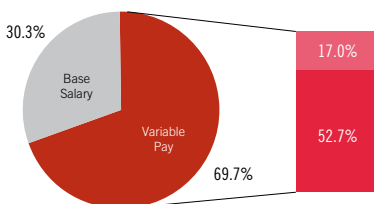
Managing Director



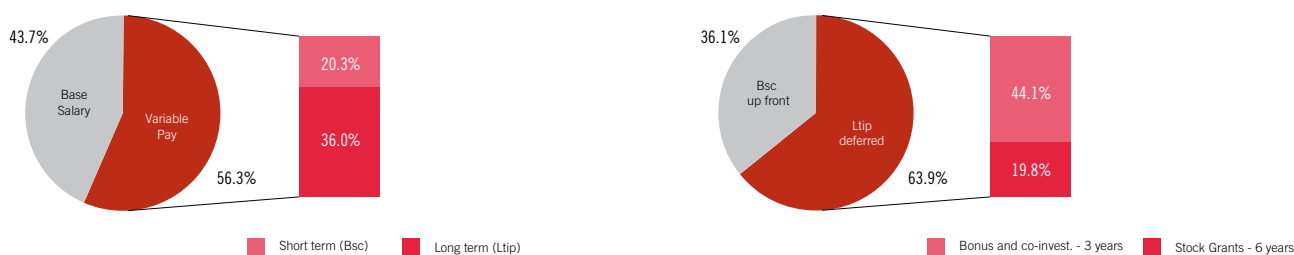
General Manager/CFO



General Manager/Country Manager for Italy



Management personnel with strategic responsibilities



Methodology note: the following are taken into consideration for the purposes of the calculation: the fixed pay component relating to 2011, the estimate of the short-term variable component to be paid in 2012 and the estimate of the long-term variable component to be paid, respectively, in 2014 and 2017 in the form of bonuses and shares based on the 2011 LTIP.

The following theories are put forward for variable pay: (i) reaching of the performance targets; at the end of the first three-year period; (ii) joint investment of 30% of the gross bonus in Assicurazioni Generali shares at the end of the first three-year period; (iii) at the end of the second three-year period a TSR related to the second position (1.5 stock grants for each share purchased at the end of the first three-year period); (iv) a constant value for the shares throughout the period under consideration.

B. Measuring performance – annual and triennial targets

Given that the Company has annual and triennial targets, performance evaluation is based on a multi-year time frame. This ensures a rigorous connection with the expected performance levels for the year in progress and for the next three-year period based on the business plans.

C. Payment of the variable component: minimum access levels, maximum limits, deferment, joint investment and share holding period, *malus* and claw-back clauses, conditions precedent

As far as the payment of the variable component is concerned, minimum access levels and maximum limits in the case of over-performance have been identified, both for the BSCs and for the LTIP and, as already reported, a share of the bonus will be deferred.

In effect, the payment of variable remuneration is diluted over a 6-year period: after the first annual accrual period linked to the targets in the BSC being reached, an initial cash portion is provided. At the same time, under the scope of the LTIP, after the three-year accrual period, a further cash portion of the variable remuneration is paid with the beneficiaries being obliged to invest a portion of between a minimum of 15% and a maximum of 30% of the gross amount in Assicurazioni Generali shares; the shares bought in this way are subject to non-availability constraints until the end of the second three-year period of the cycle. In this regard it should be noted that both the obligation and the extent of the joint investment and the length of the period for which the shares must be held are significant in further ensuring that the assets of the LTIP recipients are directed towards supporting the creation of value for the Company and stakeholders in the medium to long-term. Lastly, after a further three-year period, if the conditions precedent in the LTIP come about, a part of the Assicurazioni Generali shares are granted, in order to ensure that the financial advantages of the incentive plan in question are achieved gradually.

The deferred portion of the variable remuneration resulting from the joint application of the short-term and medium to long-term incentive plans constitutes an important part of the variable component (see above graphs).

In addition, conditions precedent and *malus* and claw-back clauses have been adopted: specifically, for the cash component supplied after the annual accrual period, there is the possibility of not paying the bonus if the minimum level for the targets, deemed by the Board of Directors to be strategic, is not reached at Group level. As far as the cash component paid after the three-year accrual period is concerned, this may not take place in the case of negative business results or results that are significantly lower than the forecasts in the reference business plan. This condition also exists in relation to the granting of the share component after the sixth year.

In that connection, the Board of Directors at the meeting on 24 February 2012 resolved that under the scope of the arrangements governing both the measures for the provision of the variable pay component, this component may not be supplied unless a certain Group Solvency Ratio level is reached (not less than 100%), calculated according to

both the Solvency I and Solvency II criteria. At the same meeting, the Board of Directors also established that, for 2012, the payment of the variable pay rate connected to the BSCs will also be subject to verification of the condition represented by the Group Solvency Ratio level at 31/12/2012 being above 120% in accordance with Solvency I criteria. As far as the LTIP in particular is concerned, further conditions precedent are envisaged for the granting of the share component after the sixth year, represented by the Solvency Ratio level and the positioning of the related TSR, as defined in the related Regulation.

Lastly, still with regard to the LTIP, the company has the right to require the return of the bonus or the free shares if the targets reached turn out not to endure due to seriously wilful misconduct. This forecast, in the part that concerns the return of the bonus, will be included from the current financial year under the scope of the provisions governing the BSC tool.

D. Risk Management

With a view to developing remuneration policies hallmarked with the sound and prudent management of risk, thereby strengthening the existing link between the former and the latter, adjustment measures have also been adopted in this context. They are represented by the extension of the RoRAC as an indicator of short term performance to all "personnel" and by the adoption of the Group Solvency Ratio as a performance target in the medium to long-term, as well as the suspensive condition for the payment of the variable component as illustrated above.

It should be noted that, the provision in Article 12, point 2, a) of ISVAP Regulation No. 39/2011, which includes the adoption of indicators which take into account current or future risks associated with results, was established by a working group made up of the Strategic Planning, Risk Management, Management Control and Remuneration Systems corporate functions with the task of evaluating the effectiveness of the risk indicators currently used and the possibility of using others or identifying others; the results of the activities conducted led to reconfirming the RoRAC as the most suitable indicator in the short term both for correctly representing the requirements of the regulation, because it relates to the recurring results produced with the capital used to deal with the various types of risk to which the business is exposed, and from the point of view of measurability, as it is an objective indicator, based mainly on official data which is therefore easily accessible. As mentioned above, at the meeting on 11 November last, the Board of Directors therefore approved the extension of this objective to all "personnel" from 2012 onwards. Regarding the Group Solvency Ratio, the result was found to be, in relation to risk management, the more appropriate indicator in the medium to long term.

4.1.4 – Further remuneration

As far as remuneration received by Managing Directors and General Managers as directors of subsidiary and associated companies are concerned, they must be repaid to the Parent Company except in exceptional cases for special reasons authorised by the Board.

Similarly, management personnel with strategic responsibilities cannot receive fees for sitting on advisory boards on the instructions of the Parent Company, unless they are granted exemption by the Group CEO.

4.1.5 – Benefit package

This is a valuable component of the remuneration package – with a view to total compensation – or as an additional element and/or an alternative to the monetary payment.

The benefits differ depending on the recipient categories, both in total value and type and are implemented mainly in the supplementary pension and health care plans for employees and their families. Supplementary pension and health care plans for the Managing Directors, General Managers and management personnel with strategic responsibilities are governed by industry contractual regulations and by the regulations for Generali Group directors, which contain several provisions for improvements. At supplementary agreement level, there are also provisions for

additional insurance cover, such as Long-term Care in the case of permanent disability, and guarantees in case of death and permanent total invalidity as a result of an accident or illness, work-related or not, and for the case of partial permanent invalidity as a result of an accident or illness.

More favourable contract terms are also provided for subscription to insurance and banking products. Incentives are granted in access to loans/mortgages for purchasing a home or a car.

Specifically, for General Managers and management personnel with strategic responsibilities, their benefits package includes a mixed use company car and a fuel card.

It should also be noted that there is a D&O policy for the Managing Directors and the General Manager CFO, in his capacity as the Director Responsible for Financial Reporting. Chapter 4.5 contains the details.

Lastly, the remuneration structure for Managing Directors, General Managers and management personnel with strategic responsibilities, because it is centred on the sound and prudent management of risk, as well as the need to guarantee profitability and equilibrium for the business in the long-term, on the whole, conforms to the principles that inspired the regulations and, in the main, complies with the regulations governing the remuneration structure. With regard to the amendments to be made, or that have been made, to the remuneration policies described above and already defined by the Board of Directors, as far as the Managing Directors and the General Managers are concerned, no further changes are expected during the course of this year relating to management personnel with strategic responsibilities, given that in 2011 a compensation analysis conducted by an external firm of consultants was commissioned. Based on the results there are currently no plans for amendments to the existing policies for those individuals other than those already made and reported above.

4.2 – Remuneration policies for directors without executive powers

Remuneration for directors without executive powers, independent directors and the Vice Chairmen of the Board of Directors, comprises a fixed component with a 50% increase for those who are members of the Executive Committee, and a variable component equal, in total, to 0.01% of consolidated profit, up to a maximum limit of Euro 300,000.00 to be distributed equally among the members of the Board of Directors⁷. In addition to the above-mentioned remuneration, an attendance fee is paid for each meeting of the Board of Directors and the Executive Committee as well as payment of documented out-of-pocket expenses incurred for attending meetings.

As far as the variable component is concerned, this represents an insignificant part of total remuneration, given that the related calculation mechanism, as defined above, involves a limited extent of the fixed compensation (8.96% in 2011), and even less if the total package is taken into consideration (including attendance fees and any payments for sitting on advisory committees). There are no incentive plans for directors without executive powers based on financial tools.

Directors who are also members of advisory committees (other than the Executive Committee mentioned above) are paid additional fees with regard to what they already receive as members of the Board of Directors (with the exception of those who are also executives of the Generali Group), according to the roles assigned to these committees and the commitment required for taking part in the tasks in terms of numbers of meetings and preparatory activities.

The remuneration policy regarding the Chairman involves the payment of fees as a member of the Board of Directors and the Executive Committee, as indicated above, and a fixed annual remuneration determined on the basis of comparative analysis with similar national and international positions. As far as variable remuneration is concerned, the Chairman – like all the directors without executive powers – is not part of the short and medium to long-term incentive plans.

The policy for this position also includes several non-monetary benefits, such as insurance cover against professional accident and illness and health care plans.

Given that currently no specific agreement has been reached over the payment of sums by way of termination in-

⁷ For the purpose of determining the fixed part of the remuneration, a state of the art analysis was conducted on the subject in 2010, plus an in-depth look into benchmarking in relation to a peer panel. The study carried out confirmed that the existing remuneration package at the time was suitable with regard to the characteristics and standing of the Generali Group, as well as the commitment required.

demnity or payment for early termination of office for some of the directors mentioned above, including the Chairman of the Board of Directors, the Company has defined a policy on the subject. Details are given in Chapter 4.3. Lastly, it should be noted a D&O policy for individuals has been agreed, as illustrated in Chapter 4.5.

4.3 – Severance pay – Amounts paid in case of early termination of office

There are no specific agreements between the Issuer and the Directors for the payment of sums by way of termination indemnity.

In this context, the Company's policy on the subject makes the following provisions:

- a) if the mandate expires naturally, no sum will be paid;
- b) if the office of a director finishes early, they may receive a payment by way of indemnity, depending on legal requirements, of an amount up to the maximum remuneration due for the remainder of the period of office. No sum will be paid to the director if he/she resigns, is dismissed for just cause, in a situation where the relationship ends following an IPO as well as revocation (for any reason whatsoever, including loss of professional qualifications, good character and independence, or the existence of impediments or incompatible situations) and, any other fact and/or cause that is not attributable to the Company.

If the Director also holds the office of General Manager of the Company, the following arrangements apply. Specifically, if the employment relationship of a General Manager or management personnel with strategic responsibilities is terminated early, the payment they will receive, in line with existing regulatory and contractual provisions, will be equivalent to the notice required by applicable regulatory and/or national collective agreement arrangements, plus an amount equivalent to the twenty fourth monthly recurring payment. This refers to the annual gross payment increased by the average effectively received by way of the short-term component of the variable remuneration (Balanced Scorecard) for the last three-year period.

By accepting this amount the employee, generally speaking, renounces all other rights related, directly and/or indirectly, to the employment relationship with Assicurazioni Generali S.p.A. and to its resolution, as well as any right, pretext and/or action with regard to other Group Companies for any aspect whatsoever directly or indirectly connected with the actual employment relationship and the definitive acceptance that it has ceased.

This waiver extends to rights to damages – Articles 2043, 2059, 2087 and 2116 of the Italian Civil Code as well as rights of a financial nature connected with the employment relationship and its termination.

For the purpose of calculating the amount that could be paid to the individual involved, it is necessary to take into account the total amount due by way of gross annual pay, fee for the office of director and the average of what is actually received by way of the short-term component of variable remuneration (Balanced Scorecard) in the last three-year period relating to each of the offices.

4.4 – Remuneration policies for the members of the control body

The policies for these parties involve the payment of a fixed gross annual sum for the entire duration of the mandate, with a 50% increase for the Chairman of the Board of Statutory Auditors. There are no variable remuneration components.

The individuals in question are also reimbursed for expenses incurred in carrying out their office, pursuant to Article 40.4 of the Bylaws.

The members of the control body also benefit from the D&O policy illustrated in the Chapter 4.5.

4.5 – D&O Policy (Directors' and Officers' Liability Insurance)

In line with best practice in the financial markets and taking into account the nature of the business activity of the company and the Group, the Shareholders' Meeting on 24 April, 2010 passed the following resolutions:

- to keep to the undertaking of compensation from third party liability for damage inflicted by Directors and Statutory Auditors in performing their duties, excluding cases of malice or gross negligence, up to a maximum limit of Euro 100 million;
- to authorise the Board of Directors to sign an insurance policy covering the third party liability of Company Directors and Statutory Auditors (Directors' and Officers' Liability Insurance – D&O) as well as the General Manager/ CFO as the Officer responsible for financial reporting for the Company, in accordance with the following maximum terms:
 - a) Duration: 12 months, renewable annually, until the authorisation from the Shareholders' Meeting is revoked;
 - b) Maximum amount: Euro 100 million per claim, annual aggregate and for the period of cover;
 - c) cases of malice and serious misconduct are excluded from the insurance cover;
 - d) Annual premium: Approximately Euro 1.5 million.

The Managing Director, Sergio Balbinot has also been given the widest possible powers to implement the resolution of the meeting including that of defining the renewal of this policy when it expires naturally in line with the best market conditions, without prejudice to the fact that the annual premium should not, as a result of the usual revaluations and adjustments of said cover that are necessary, exceed an amount equal to 30% of the last yearly payment.

4.6 – Remuneration policies for managers and senior personnel in internal control functions

The remuneration package for the individuals mentioned above comprises a fixed component and a variable component. The fixed portion is adjusted in relation to the level of responsibility and the commitment required, as well as appropriate to guarantee the autonomy and independence required from these positions.

The variable component is short-term and not connected to Company results but to qualitative evaluations based, for example, on the effectiveness of control actions and related reports, on the efficient use of resources available, both financial and human.

Specifically, taking into account the nature of the targets assigned, the fact that the variable component is not linked to financial evaluations and also the actual amount, there are no provisions for deferment. It should also be noted that variable components based on financial tools are not supplied for this category of personnel.

As far as benefit packages are concerned, the same opportunities as those for the top management are guaranteed. They are illustrated in Chapter 4.1.5.

Lastly, no modifications have been made with regard to the policies approved last year for these positions.

5 – Internal communication of remuneration policies and related processes

The general criteria of the remuneration policies and the evaluation processes are appropriately formalised and the related documentation should be sent in advance to the personnel involved, in order to ensure that they have suitable information in compliance with the rights of confidentiality and with the exception of the regulation governing employment relationships.

6 – Remuneration policies of the insurance group

Following the entry into force of ISVAP Regulation No. 39/2011, insurance companies with registered offices in Italy and the main instrumental Italian companies belonging to the Assicurazioni Generali insurance group have adopted all the necessary measures to lead to the approval by the respective shareholders' meetings of the remuneration policies in line with that defined by the Parent Company, in accordance with the instructions provided by the latter under the scope of its management and coordination powers.

As far as determining the remuneration due, in general, to members of the Board of Directors and the control body of Generali Group companies with registered offices in Italy is concerned, each company applies the arrangements established on the subject by the Italian Civil Code and related bylaws, with regard to the instructions provided by the Parent Company.

In addition, the company's Board of Directors determines and approves the fixed component of remuneration due to directors invested with special offices (Chairman, Vice Chairman and Managing Director) and also establishes the variable component under the scope of the Balanced Scorecard for directors with operational responsibilities, in compliance with the agreed methods, objectives and terms established by Assicurazioni Generali.

Lastly, with regard to the variable component connected with the Long-term Incentive Plan, the company's Board of Directors receives and implements the Plan approved by the Assicurazioni Generali Shareholders' Meeting, while the recipients are identified by the Group CEO.

A similar governance arrangement is replicated for Generali Group companies with registered offices abroad, in compliance with the peculiarities of the companies and local jurisdictions.

Specifically, as far as the content of related policies is concerned, the remuneration package for Country Managers and General Managers (or similar roles) for the six main foreign sub-holdings⁸ is made up in a similar way to that of the Managing Directors and General Managers of Assicurazioni Generali, although in some countries, taking local law peculiarities into consideration, there is provision for the adoption of tools that use different criteria for measuring the results and the payment of the variable component.

The targets assigned under the scope of the short and medium to long-term incentive plans, as well as being pre-determined, objective and easy to measure, are both the individual and country type and/or Group type. Compliance and customer care are also usually included among the qualitative objectives, as well as others which respond to a more general aim for the mitigation of operational risks through the pursuit of greater efficiency and effectiveness of specific processes.

Under the scope of activities designed to ensure overall consistency of remuneration policies within the insurance group, pursuant to Article 5 of ISVAP Regulation No. 39/2011, the Board of Directors, at its meeting on 24 February 2012, issued the "Generali Group Guidelines on the subject of remuneration policies" for the insurance group companies.

As mentioned in the introduction, the purpose of these Guidelines is to align these policies to the specific requirements of the Group, applying the proportionality principle and to make sure they also comply with the provisions of ISVAP Regulation No. 39/2011 for companies with registered offices abroad, in compliance with the limits set by local regulations.

⁸ Generali France S.A., Generali Deutschland Holding AG, Generali PPF Holding, Generali España Holding de Entidades de Seguros S.A., Generali Holding Vienna AG, Generali Schweiz Holding.

With the aim of allowing the Parent Company to check the consistency of the remuneration policies at Group level *a posteriori* and ensure they are correctly applied, the above-mentioned companies will make the necessary documentation relating to themselves and subsidiaries available annually to the Parent Company.

7 – Ex-ante checks on the Group’s compliance and risk management functions

The Compliance function has carried out an ex ante evaluation of the remuneration policies in order to check their conformity with the provisions of ISVAP Regulation No. 39/2011, the Bylaws, the Code of Self-governance, and the Code of Ethics of the Generali Group were complied with in order to prevent and contain legal and reputational risks. Specifically, the “*Report to the Board of Directors of 11 November 2011 on the subject of the evaluation of the level of compliance of the existing remuneration systems in relation to the provisions of ISVAP Regulation No. 39 of 9 June 2011*”, approved at the board meeting of 11 November 2011, also includes the results of the checks made by the function in relation to the conformity of existing policies in 2011 with regard to new regulations. In more detail in this connection the function, working in collaboration with Human Resources – Group Remuneration Systems also identified the following areas of intervention: (i) the identification of interpretation criteria aimed at the identification of “personnel” defined by Article 2.f) of ISVAP Regulation No. 39/2011 for the organisational structure of Assicurazioni Generali and subsidiaries; (ii) the need for a better definition of the conditions that allow the company not to pay the bonus in full or in part, or allocate the free shares granted if there is a significant deterioration in the financial situation; (iii) the extension to all personnel of performance targets that take the exposure to risk into account in a more appropriate way; (iv) the introduction of appropriate limits for the amount due for the early termination of the mandate for directors, with a detailed definition for cases in which those sums should not be paid.

The function verified that the remuneration policies developed for 2012 and illustrated at that meeting included the instructions given for work carried out in drafting the above-mentioned Report, deeming it to be essentially in line with the provisions introduced by ISVAP Regulation No. 39/2011.

In addition, in connection with the *ex ante* checks on the remuneration policies, the Risk Management function collaborated on establishing the risk-adjusted Company performance calculation methods in order to evaluate consistency with the risk management strategies established by the Board of Directors.

Pursuant to Article 23 of ISVAP Regulation No. 39/2011, the implementation of the remuneration policy approved by the Shareholders’ Meeting in April 2012 will be verified by the internal control functions during the course of this year, each according to their respective responsibilities.

Section II – Information on the implementation of the remuneration policy

Part One

1 – Remuneration of the members of the Board of Directors

The Shareholders' Meeting resolved that, with reference to the entire three-year period that the Board of Directors appointed by the Shareholders' Meeting of 24 April 2010 is in office, and therefore until the effective date of approval of the financial statements for the year ending on 31 December 2012, each member of the Board of Directors will receive:

- 1) reimbursement of documented out-of-pocket expenses incurred for attending the meetings;
- 2) a payment equal to Euro 100,000.00 gross per year, with an increase of 50% for those who are members of the Executive Committee;
- 3) a variable payment, equal in total to 0.01% of the consolidated profit, up to a maximum total limit of Euro 300,000.00 to be distributed equally among the members of the Board of Directors;
- 4) an attendance fee for each meeting of the Board of Directors and the Executive Committee of Euro 4,000.00.

The fees of the members of the Board of Directors for the financial year 2011 are given in table 1.

As far as directors who are also members of advisory committees are concerned, on 16 March 2011 the Board of Directors approved the annulment of fees payable to members of the Committee for Corporate Governance.

Details of the fees defined for the financial year 2011 for directors who are also members of advisory committees is given in table 2.

2 – Remuneration of the Chairman, Managing Directors, General Managers and management personnel with strategic responsibilities

As far as the Chairman's fees are concerned, Mr. Cesare Geronzi resigned on 6 April 2011, so the Board of Directors appointed a new Chairman on 8 April 2011. This was Mr. Gabriele Galateri di Genola, after he had been co-opted. Specifically, as far as Mr. Geronzi is concerned, the Board of Directors established his annual fixed fees for the entire duration of the mandate at Euro 3,300,000 as total remuneration for the office of Chairman of the Board of Directors, including fees due to the members of the Board of Directors and Executive Committee in addition to compensation for the office of Chairman of the Corporate Governance Committee, as well as certain additional benefits, including accident insurance cover in the case of death or permanent total invalidity. As far as variable remuneration is concerned, Mr. Geronzi – like all the directors without executive powers – is not part of short and medium to long-term incentive plans. It was also resolved that if he is not confirmed in his role as Chairman at the end of the first term, he will receive compensation of two years gross salary.

Following the early departure of Mr. Geronzi from office, the Board of Directors resolved, in addition to the above-mentioned compensation, to make a further one-off payment, in light of that described previously and also taking into account the remuneration for the remaining two-year period of the office, when Mr. Geronzi would have been entitled to receive a total sum of Euro 16,650,000.

The details of fees relating to the financial year 2011 are given in table 1.

As far as Mr. Galateri di Genola is concerned, he received the following salary:

- 1) a fixed payment equal to Euro 100,000.00 gross as a member of the Board of Directors, increased by 50% as a member of the Executive Committee;
- 2) a portion of the variable payment received by the members of the Board of Directors, equal in total to 0.01% of the consolidated profit, up to a maximum total limit of Euro 300,000.00 to be distributed equally among all the Directors;
- 3) an attendance fee for each meeting of the Board of Directors and the Executive Committee of Euro 4,000.00.

With regard to the results of the analysis of fees received by individuals, both Italian and foreign who perform comparable roles in companies similar to Assicurazioni Generali in terms of size and characteristics, the Chairman was awarded a further payment of Euro 550,000 gross per year by reason of the powers assigned to him.

Several benefits, limited to the duration of the office, are added to this amount, namely:

- insurance cover relating to both professional accidents and illness, both in the case of death or total and permanent invalidity;
- supplementary insurance cover for health expenses, with features equivalent to that for Group executives.

The Chairman, as defined in the 2011 policy, did not receive a severance indemnity, nor have any agreements been reached that involve payment of compensation if the office finishes prematurely.

The details of fees relating to the financial year 2011 are given in table 1.

As far as the Managing Directors are concerned, given that the amount of the remuneration package was reviewed in 2010, the Board of Directors has not made any further changes for 2011, limiting their action to verifying the results achieved based on the targets allocated through the BSCs assigned in 2010 and the consequent determination of the variable component to be paid, as well as establishing the targets for 2011 for the purpose of paying the short-term and long-term variable component.

The details of fees relating to the financial year 2011 are given in table 1.

With regard to the General Managers, in February 2011 Mr. Paolo Vagnone took on the role of Country Manager for Italy and, at the same time, was appointed General Manager; therefore the Board of Directors established his total remuneration package based on comparisons with similar roles both within the Group and on the national and international market. As far as the General Manager/CFO is concerned, in relation to the variable remuneration component, the Board of Directors verified the results achieved based on the targets allocated through the 2010 BSC and, as a result, determined the variable component to be paid; the Board of Directors also set the 2011 targets for both General Managers. In relation to management personnel with strategic responsibilities, the existing remuneration packages have been reconfirmed or adapted following changes in role, and the total remuneration of the new Group Chief Investment Officer has been determined.

Lastly, as far as the relationship between the remuneration components of these roles is concerned, in 2010 the Board adopted measures designed to rebalance the relationship between the fixed and variable components, specifically balancing the two short and medium to long-term components of variable remuneration with a view to further promoting the creation of wealth for shareholders; the Board has also continued to operate in 2011, identifying a further adjustment measure in the compulsory joint investment for all bands of potential recipients.

As far as detailed information relating to the long-term variable component is concerned, please refer to the special information document prepared pursuant to Article 114-*bis* of the T.U.F. (Consolidated Finance Act), with amendments made by the Board of Directors on 27 July 2011, which can be found on the Company website under "Governance, Documents".

Details of the remuneration of the Managing Directors, General Managers and management personnel with strategic responsibilities relating to 2011 are given in table 1; tables 3A and 3B refer to the LTIP; table 4 contains the holdings of the Managing Directors, General Managers and management personnel with strategic responsibilities.

3 – Remuneration of the members of the control body

Given that the expiry of the mandate for the Board of Statutory Auditors coincided with the 2010 financial year the Board of Directors, verified the adequacy of the fees paid at that time through the Remuneration Committee and their position in relation to that of the most significant competitors' control bodies, comparable in size and complexity to Assicurazioni Generali, also taking into account further and important tasks that were assigned to the control body through the entry into force of Legislative Decree no. 39 on 27 January 2010 on the subject of auditing annual and consolidated financial statements.

On 30 April 2011, the Shareholders' Meeting reconfirmed the adequacy of the fees paid to the Board of Statutory Auditors, deciding on Euro 100,000 as the gross annual fee due to standing statutory auditors for each of the financial years 2011, 2012 and 2013, with an increase of 50% for the Chairman of the Board of Statutory Auditors.

The details of fees relating to the financial year 2011 are given in table 1.

Part Two

Table 1 - Remuneration paid to members of the management and control bodies, general managers and management personnel with strategic responsibilities

Person Name and surname	Office held	Period covered by the mandate	End of mandate	Emoluments in Euro							Sev. pay or amounts paid in case of early term.
				Emoluments for the office held				Total	Non- monetary	Bonuses and incentives	
				Fixed emoluments	Variable emoluments ⁽¹⁾	Attendance fee	Total emoluments	benefits		emoluments	
Gabriele GALATERI			Total	511,389	5,036	68,000	584,425	2,610			
Chairman		8/4-31/12/2011	Approved f.s. 2011	401,806			401,806	2,610			
Member of the Board of Directors		8/4-31/12/2011	Approved f.s. 2011	73,056	5,036	32,000	110,091				
Member of the Executive Committee		8/4-31/12/2011	Approved f.s. 2011	36,528		36,000	72,528				
Chairman of the Appointments and Corporate Governance Committee		29/4-31/12/2011	Approved f.s. 2011								
Chairman of the Social and Environmental Sustainability Committee		5/8-31/12/2011	Approved f.s. 2011								
Vincent BOLLORE'			Total	150,000	5,036	60,000	215,036				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	44,000	149,036				
Member of the Executive Committee		1/1-31/12/2011	Approved f.s. 2012	50,000		16,000	66,000				
Francesco Gaetano CALTAGIRONE			Total	180,000	5,036	92,000	277,036				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	40,000	145,036				
Member of the Executive Committee		1/1-31/12/2011	Approved f.s. 2012	50,000		36,000	86,000				
Member of the Investment Committee		1/1-31/12/2011	Approved f.s. 2012	30,000		16,000	46,000				
Alberto Nicola NAGEL			Total	156,164	5,036	82,000	⁽²⁾ 243,200				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	44,000	149,036				
Member of the Executive Committee		1/1-31/12/2011	Approved f.s. 2012	50,000		36,000	86,000				
Member of the Appointments and Corporate Governance Committee		1/1-31/12/2011	Approved f.s. 2012	6,164		2,000	8,164				
Giovanni PERISSINOTTO			Total	1,750,000	5,036	116,000	1,871,036		480,000		
Managing Dir. and Group CEO		1/1-31/12/2011	Approved f.s. 2012	800,000			800,000		240,000		
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	48,000	153,036				
Member of the Executive Committee		1/1-31/12/2011	Approved f.s. 2012	50,000		40,000	90,000				
Chairman of the Investment Committee		1/1-31/12/2011	Approved f.s. 2012			28,000	28,000				
General Manager		1/1-31/12/2011		800,000			800,000		240,000		

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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 emoluments	Variable emoluments ⁽¹⁾	Attendance fee	Total emoluments	Non-monetary benefits	Bonuses and incentives	Other emoluments	Sev. pay or amounts paid in case of early term.
Sergio BALBINOT			Total	1,650,000	5,036	88,000	1,743,036		975,000		
Managing Director		1/1-31/12/2011	Approved f.s. 2012	700,000			700,000		455,000		
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	48,000	153,036				
Member of the Executive Committee		1/1-31/12/2011	Approved f.s. 2012	50,000		40,000	90,000				
General Manager		1/1-31/12/2011		800,000			800,000		520,000		
Cesare CALARI			Total	127,535	5,036	71,000	203,571				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	48,000	153,036				
Member of the Risk and Control Committee		16/3-31/12/2011	Approved f.s. 2012	23,836		18,000	41,836				
Member of the Committee for the Evaluation of Transactions with Related Parties		16/3-31/12/2011	Approved f.s. 2012	3,699		5,000	8,699				
Carlo CARRARO			Total	148,192	5,036	71,000	224,228				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	44,000	149,036				
Member of the Risk and Control Committee		1/1-31/12/2011	Approved f.s. 2012	30,000		22,000	52,000				
Member of the Committee for the Evaluation of Transactions with Related Parties		1/1-31/12/2011	Approved f.s. 2012	18,192		5,000	23,192				
Member of the Social and Environmental Sustainability Committee		5/8-31/12/2011	Approved f.s. 2012								
Diego DELLA VALLE			Total	100,000	5,036	36,000	141,036				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	36,000	141,036				
Petr KELLNER			Total	130,000	5,036	52,000	187,036				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	40,000	145,036				
Member of the Investment Committee		1/1-31/12/2011	Approved f.s. 2012	30,000		12,000	42,000				
Angelo MIGLIETTA			Total	144,246	5,036	92,000	241,282				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	48,000	153,036				
Member of the Executive Committee		16/3-31/12/2011	Approved f.s. 2012	38,082		40,000	78,082				
Member of the Risk and Control Committee		1/1-16/3/2011									
		16/12-31/12/2011	Approved f.s. 2012	6,164		4,000	10,164				
Alessandro PEDERSOLI			Total	178,904	5,036	67,000	250,940				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	40,000	145,036				
Chairman of the Risk and Control Committee		1/1-31/12/2011	Approved f.s. 2012	50,000		22,000	72,000				
Chairman of the Committee for the Evaluation of Transactions with Related Parties		1/1-31/12/2011	Approved f.s. 2012	22,740		5,000	27,740				
Member of the Appointments and Corporate Governance Committee		1/1-31/12/2011	Approved f.s. 2012	6,164			6,164				

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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 emoluments	Variable emoluments ⁽¹⁾	Attendance fee	Total emoluments	Non- monetary benefits	Bonuses and incentives	Other emoluments	Sev. pay or amounts paid in case of early term.
Lorenzo PELLICOLI			Total	171,164	5,036	96,000	272,200				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	44,000	149,036				
Member of the Executive Committee		1/1-31/12/2011	Approved f.s. 2012	50,000		40,000	90,000				
Member of the Remuneration Committee		1/1-31/12/2011	Approved f.s. 2012	15,000		10,000	25,000				
Member of the Appointments and Corporate Governance Committee		1/1-31/12/2011	Approved f.s. 2012	6,164		2,000	8,164				
Reinfried Helmut POHL			Total	100,000	5,036	28,000	133,036				⁽³⁾
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	28,000	133,036				
Paola SAPIENZA			Total	119,425	5,036	53,000	177,461				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	48,000	153,036				
Member of the Risk and Control Committee		16/12-31/12/2011	Approved f.s. 2012	1,233			1,233				
Member of the Committee for the Evaluation of Transactions with Related Parties		1/1-31/12/2011	Approved f.s. 2012	18,192		5,000	23,192				
Paolo SCARONI			Total	144,356	5,036	57,000	206,392				
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	40,000	145,036				
Chairman of the Remuneration Committee		1/1-31/12/2011	Approved f.s. 2012	20,000		10,000	30,000				
Member of the Appointments and Corporate Governance Committee		1/1-31/12/2011	Approved f.s. 2012	6,164		2,000	8,164				
Member of the Committee for the Evaluation of Transactions with Related Parties		1/1-31/12/2011	Approved f.s. 2012	18,192		5,000	23,192				
Member of the Social and Environmental Sustainability Committee		5/8-31/12/2011	Approved f.s. 2012								
Francesco Saverio VINCI			Total	141,917	5,036	74,000	220,953	⁽²⁾			
Member of the Board of Directors		1/1-31/12/2011	Approved f.s. 2012	100,000	5,036	48,000	153,036				
Member of the Investment Committee		1/1-31/12/2011	Approved f.s. 2012	30,000		18,000	48,000				
Member of the Remuneration Committee		16/3-31/12/2011	Approved f.s. 2012	11,917		8,000	19,917				
Cesare GERONZI			Total	880,000			880,000	14,348			16,650,000
Chairman		1/1-6/4/2011	6/4/2011	826,667			826,667	14,348			16,650,000
Member of the Board of Directors		1/1-6/4/2011	6/4/2011	26,667			26,667				
Member of the Executive Committee		1/1-6/4/2011	6/4/2011	13,333			13,333				
Chairman of the Corporate Governance Committee		1/1-6/4/2011	6/4/2011	13,333			13,333				

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Person Name and surname		Emoluments in Euro									Sev. pay or amounts paid in case of early term.
		Emoluments for the office held									
Office held	Period covered by the mandate	End of mandate	Fixed emoluments	Variable emoluments ⁽¹⁾	Attendance fee	Total emoluments	Non- monetary benefits	Bonuses and incentives	Other emoluments		
Ana Patricia BOTIN		Total	31,917			31,917					
Member of the Board of Directors	1/1-4/4/2011	4/4/2011	25,753			25,753					
Member of the Corporate Governance Committee	1/1-4/4/2011	4/4/2011	6,164			6,164					
Leonardo DEL VECCHIO		Total	23,507		6,000	29,507					
Member of the Board of Directors	1/1-21/2/2011	21/02/2011	14,247		4,000	18,247					
Member of the Executive Committee	1/1-21/2/2011	21/02/2011	7,123			7,123					
Member of the Remuneration Committee	1/1-21/2/2011	21/02/2011	2,137		2,000	4,137					
Eugenio COLUCCI		Total	150,000			150,000					
Chairman of the Statutory Auditors	1/1-31/12/2011	Approved f.s. 2013	150,000			150,000					
Giuseppe Alessio VERNI'		Total	100,000			100,000			⁽⁴⁾ 111,300		
Chairman of the Statutory Auditors	1/1-31/12/2011	Approved f.s. 2013	100,000			100,000					
Gaetano TERRIN		Total	100,000			100,000			⁽⁵⁾ 6,000		
Statutory Auditor	1/1-31/12/2011	Approved f.s. 2013	100,000			100,000					
Raffaele AGRUSTI		Total	1,000,000			1,000,000	6	570,000			
General Manager	1/1-31/12/2011		1,000,000			1,000,000	6				
Paolo VAGNONE		Total	715,556			715,556		200,000			
General Manager	7/2-31/12/2011		715,556			715,556					
Other managers with strategic responsibilities⁽⁶⁾		Total	3,542,401			3,542,401	33,901	1,690,000	40,000	4,050,000	

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 payments for Generali Holding Vienna AG will be established by the Company's general shareholders' meeting in the current year.

4) Emoluments 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.

5) Emolument for the office of Effective Auditor for Generali Immobiliare Italia.

6) During 2011, the other managers with Strategic Responsibilities were 13.

Please note that the absence of numerics indicates that no amount has been paid to the relevant persons.

Table 2 - Fees for members of advisory committees – financial year 2011

Role	Gross yearly compensation	Token payment per session
Members of the Remuneration Committee	15,000	2,000
Chairman of the Remuneration Committee	20,000	2,000
Members of the Risk and Control Committee	30,000	2,000
Chairman of the Risk and Control Committee	50,000	2,000
Members of the Appointments and Corporate Governance Committee until 15th March 2011	30,000	2,000
Chairman of the Appointments and Corporate Governance Committee until 15th March 2011	50,000	2,000
Members of the Appointments and Corporate Governance Committee from 16th March 2011	no compensation	no compensation
Chairman of the Appointments and Corporate Governance Committee from 16th March 2011	no compensation	no compensation
Members of the Investments Committee	30,000	2,000
Chairman of the Investments Committee	no compensation	2,000
Members of the Committee for the evaluation of transactions with related parties from 2nd February 2011	20,000	5,000
Chairman of the Committee for the evaluation of transactions with related parties from 2nd February 2011	25,000	5,000

Table 3A: Incentive plans based on financial instruments other than stock options for members of the board of directors, general managers and management personnel with strategic responsibilities

A	B	(1)	Financial instruments assigned during previous years and not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and able to be assigned		Financial instruments relevant to the year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on assignment date	Vesting period	Assignment date	Market price upon assignment	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value
(I) Compensation in the company that prepare the financial statement		Plan A (data of the relevant resolution)											
		Plan B (data of the relevant resolution)											
		Plan C (data of the relevant resolution)											
(II) Compensation from subsidiaries and associates		Plan A (data of the relevant resolution)											
		Plan B (data of the relevant resolution)											
(III) Total													

This table has not been completed because the 2010 LTIP will potentially produce effects from 2013 onwards, therefore such effects cannot be quantified *a priori*.

Table 3B: Monetary incentive plans for members of the board of directors, general managers and management personnel with strategic responsibilities

A		B	(1)	(2)			(3)			(4)
Name and surname	Office	Plan	Bonus of the year			Bonus of the previous years			Other bonuses	
			(A)	(B)	(C)	(A)	(B)	(C)		
			Payable/Paid	Deferred	Deferment period	No longer payable	Payable/Paid	Still deferred		
(I) Compensation in the company that prepare the financial statement		Plan A (data of the relevant resolution)								
		Plan B (data of the relevant resolution)								
		Plan C (data of the relevant resolution)								
(II) Compensation from subsidiaries and associates		Plan A (data of the relevant resolution)								
		Plan B (data of the relevant resolution)								
(III) Total										

This table has not been completed because the 2010 LTIP will potentially produce effects from 2013 onwards, therefore such effects cannot be quantified *a priori*.

Table 4: Holdings of members of the management and control bodies, general managers and management personnel with strategic responsibilities

Name and Surname	Companies in which shares are held	Number of shares held at the end of previous year	Number of shares purchased	Number of shares sold	Number of shares held at year-end
Gabriele GALATERI <i>Chairman from 8/4/2011</i>	Generali	-	11,500	-	11,500
Sergio BALBINOT <i>Managing Director General Manager</i>	Generali	12,729	-	-	12,729
Giovanni PERISSINOTTO <i>Managing Director and Group CEO General Manager</i>	Generali	38,922	50,000	-	88,922
	Banca Generali	25,000	-	-	25,000
Vincent BOLLORE'	Generali	2,028,352 ⁽¹⁾	-	-	2,028,352 ⁽¹⁾
Francesco Gaetano CALTAGIRONE	Generali	34,390,000 ⁽²⁾	2,010,000 ⁽¹⁾	1,100,000 ⁽¹⁾	35,300,000 ⁽³⁾
Leonardo DEL VECCHIO <i>Director till 21/2/2011</i>	Generali	29,187,000 ⁽⁴⁾	-	-	29,187,000 ⁽⁴⁾
Petr KELLNER	Generali	31,448,841 ⁽¹⁾	314,700 ⁽¹⁾	14,079,199	17,684,342 ⁽¹⁾
Paolo SCARONI	Generali	9,828	-	-	9,828
Francesco Saverio VINCI	Generali	1,372 ⁽¹⁾	-	-	1,372 ⁽¹⁾
Eugenio COLUCCI <i>Chairman of the Board of Auditors</i>	Generali	1,979	-	-	1,979
Raffaele AGRUSTI <i>General Manager</i>	Generali	18,931	13,491	-	32,422
Paolo VAGNONE <i>General Manager</i>	Generali	2,500	-	-	2,500
Managerial employee with strategic responsibilities	Generali	109,088 ⁽⁵⁾	-	6,766	102,322 ⁽⁵⁾

(1) Shares held through a third juridical person.

(2) Of which 34,275,000 shares held through a third juridical person.

(3) Of which 35,185,000 shares held through a third juridical person.

(4) Of which 29,172,000 shares held through companies directly and indirectly fully owned by life usufruct and 15,000 shares held through a third individual person.

(5) Of which 1,616 shares held through a third individual person.

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