Palazzo del Congresso, Brasilia - Brasile

Assicurazioni Generali

CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

MANAGEMENT REPORT AND CONSOLIDATED STATEMENTS

GENERALI GROUP

178th year

2009

CORPORATE GOVERNANCE AND
SHARE OWNERSHIP REPORT

MANAGEMENT REPORT AND
CONSOLIDATED STATEMENTS

2009

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 1,556,864,483.00
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	Cesare Geronzi
VICE-CHAIRMEN	Vincent Bolloré, Francesco Gaetano Caltagirone, Alberto Nicola Nagel
MANAGING DIRECTORS 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	Ana Patricia Botìn / Cesare Calari / Carlo Carraro Diego Della Valle / Leonardo Del Vecchio (**) / Petr Kellner Angelo Miglietta / Alessandro Pedersoli / Lorenzo Pellicioli (**) Reinfried Pohl / Paola Sapienza / Paolo Scaroni / Francesco Saverio Vinci
GENERAL COUNCIL Comprising, besides the below listed elective Members, the Members of the Board of Directors and the General Managers	Giorgio Davide Adler / José Ramón Álvarez Rendueles José Maria Amusátegui de la Cierva / Francesco Maria Attaguile Claude Bébéar / Kenneth J. Bialkin / Gerardo Broggini Giacomo Costa / Maurizio De Tilla / Enrico Filippi Carlos Fitz-James Stuart y Martínez de Irujo / Georges Hervet Dietrich Karner / Khoon Chen Kuok / Stefano Micossi Benedetto Orsini / Arturo Romanin Jacur / Guido Schmidt-Chiari Alejandro Valenzuela Del Río / Theo Waigel / Wilhelm Winterstein
BOARD OF AUDITORS	Eugenio Colucci, Chairman Giuseppe Alessio Vernì / Gaetano Terrin Maurizio Dattilo (substitute) / Michele Paolillo (substitute)
GENERAL MANAGER (***) Chief Financial Officer and Manager in charge of the preparation of the company's financial reports	Raffaele Agrusti (***)
DEPUTY GENERAL MANAGERS	Lodovico Floriani / Andrea Mencattini / Aldo Minucci / Valter Trevisani
SECRETARY OF THE BOARD OF DIRECTORS	Antonio Scala

CORPORATE BODIES
AS OF 24 APRIL 2010

As a result of the appointment of the new Board of Directors and of the tasks given to delegate bodies

Cathedral San Jose, Antigua - Guatemala

A marked presence across the world

The pictures featured in this volume are of landmarks of cities in Latin America where Assicurazioni Generali is present.

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Town Hall, Mexico city - Mexico

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Introduction

Since 1999, Assicurazioni Generali has adopted the principles expressed in the various versions of the Self-regulatory Code ([1]). Compliance with those principles formed the subject of the Annual Reports on the Corporate Governance System published for the financial years 2001 to 2008 ([2]). The full text of the Self-regulatory Code is available in electronic format on the Borsa Italiana website and in the Corporate Governance section of the Generali website.

This version of the Report uses the experimental format introduced by Borsa Italiana in February 2008, taking account of the update to that format published by Borsa Italiana in February 2010. It also takes account of the suggestions made by Borsa Italiana S.p.A., Assonime and Emittenti Titoli S.p.A..

This version of the Report includes a new section devoted to presentation of the risk management and internal control system in relation to the financial reporting process, as required by s. 123-*bis*.2.B) of the Consolidated Finance Broking Act. The Directors' Report drawn up by the Company refers to the details contained in the said section of this Report.

This Report, unless otherwise expressly stated, refers to the financial year ending on 31 December 2009.

(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 (both available on the website www.borsaitaliana.it).

(2) The reports are available in the "Governance/Corporate Governance Report" section of the company's website at www.generali.com

FIRST PART - COMPANY INTRODUCTION

Objectives

Before defining the functioning of the Company's Corporate Governance, 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 published by our Company, notably the Generali Group Sustainability Report and the European Social Chart ([3]), Generali 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. The Company has been traditionally characterised by social commitment, which is considered a real investment for all business sectors. Generali believes that economic competitiveness is inextricably linked to ethical aspects, environmental protection, awareness and promotion of social commitment.

In this context, we would also like to stress that the Group considers the environment as a basic asset. That is why the Group's business choices have been aimed at ensuring consistency between business initiatives and environmental needs, in compliance with the existing legislation and always with an eye to the development of scientific research and best experiences in this field.

The measures that demonstrate the Group's growing commitment to Social Solidarity have included, since 2007, the Sustainability Committee, a decision-making body with the task of defining sustainability strategies. The members of the Committee include representatives from all the countries in which the Group operates, who are directly involved in the processes of implementing the Company's Social Solidarity policies and drafting the Sustainability Report. The Company is also a signatory of Global Compact Italia, an international initiative promoted by the United Nations to uphold ten universal principles relating to human rights, working conditions, the environment and the campaign against corruption.

Moreover, the Generali Group's Ethical Code enshrines further principles to which the utmost importance is attached, such as professionalism, the promotion of human resources, health protection, free competition, transparency and correctness of information ([4]).

(3) The above-mentioned documents are available on Generali's website www.generali.com, in the "sustainability" and "career" sections respectively

(4) In 2005, the Generali Group also adopted a Code of Ethics, designed to regulate relations with Suppliers.
This document, which is a logical and natural extension of the document that broadly regulates the Group's ethics, from which it draws its fundamental principles, has the challenging task of determining the basic rules to follow in relations with Suppliers.
The purpose of this initiative is to regulate an activity where the creation of a sound network of business relationships and the utmost behavioural transparency are crucial.

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.

Following the merger of subsidiaries Toro Assicurazioni and Alleanza Assicurazioni by Assicurazioni Generali, which took effect on 1 October 2009, new Generali shares were issued to Alleanza shareholders other than the parent company. The merger of Toro did not require a share exchange, because that company was already a wholly-owned subsidiary of Generali.

Approximately 146.7 million new Generali shares were issued.

The merger therefore diluted the total shareholdings by just over 10%.

	No. of shares	No. of shares 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 following parties 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	11.186
	Mediobanca (cash provider or lender)	1.285
	Mediobanca (cash receiver or borrower)	1.285
	Mediobanca (Voting right under contractual relationship)	1.484
	Spafid	0.089
	Compass	0.912
	Total	**14.756**
BANCA D'ITALIA	Banca d'Italia	4.482
	Bonifica Terreni Ferraresi e Imprese Agricole S.p.A.	0.007
	Total	**4.488**
BLACKROCK Group	BlackrRock Investment Management (UK) Ltd	2.948
	Total	**2.948**
B&D HOLDING Group	DeA Partecipazioni S.p.A.	2.350
	B&D Finance S.A.	0.174
	Total	**2.524**
EFFETI	Effeti S.p.A.	2.267
	Total	**2.267**
CALTAGIRONE Group	Caltagirone S.p.A.	0.071
	Caltagirone Editore	0.202
	FGC	0.014
	Finanziaria Italia 2005	0.170
	Finced	0.151
	Gamma S.r.l.	0.190
	Immobiliare Caltagirone - Ical	0.014
	Pantheon 2000	0.225
	Porto Torre	0.090
	Quarta Iberica	0.106
	So.co.ge.im	0.006
	Unione Generali Immobiliare	0.100
	Viafin S.r.l.	0.103
	Vianini Industria	0.116
	Viapar	0.039
	VM 2006	0.398
	Francesco Gaetano Caltagirone	0.007
	Total	**2.000**

(*) Ordinary share capital and voting capital are coincident.

(**) On December 22nd of 2006 Mediobanca S.p.A. and MPS Finance Banca Mobiliare S.p.A. the latter having been taken over by MPS Capital Services Banca per le Imprese S.p.A as of September 9th of 2007, clinched a deferred delivery sales agreement due for June 30th of 2010, for a number of shares nowadays equal to 1.484%. In the case of Public Take-over Bid on Generali shares, Mediobanca has the right to request advanced delivery of securities. Therefore, on 23,108,800 shares, Mediobanca has no right to vote.

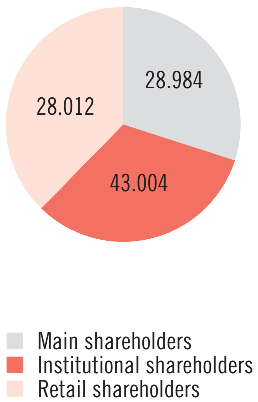
In relation to the terms of s. 123-*bis*.1.h of the CFBA, the Company and its subsidiaries, in the pursuance of its strategic policies, have entered into contractual agreements containing clauses based on the factor of change in the Company's control.
These clauses are not applicable at present, as no 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.

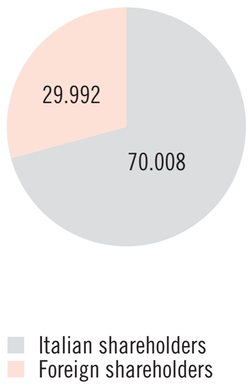
However, the Company itself performs management and coordination activities over all the companies belonging to the Group. Finally, the Annual Report on management performance which accompanies the financial statements contains detailed information about the relations between Generali and the said companies.

Shareholder structure

Shareholders **(in percentage)** **Split between Italian and foreign shareholders**



Main shareholders	%
Mediobanca Group	14.755
Banca d'Italia	4.488
BlackRock Group	2.948
B&D Holding Group	2.524
Effeti	2.267
Caltagirone Group	2.000



The registration procedures relating to shareholders who received dividends in 2008 are still being concluded, but according to the Register of Shareholders and other evidence, the number of shareholders is currently 237,000. 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 Consolidated Finance Act requires to be given in this report, it is hereby declared that there are no:

- restrictions on the transfer of the shares issued by the Company;
- securities which give special rights of control;
- restrictions on the voting rights carried by the shares issued by the Company;
- agreements between the Issuer and the Directors which involve compensation in the event of resignation, dismissal and/or revocation of office without just cause, or if the employment ceases following a takeover bid.

A system of stock options for employees exists, which provides that voting rights must always exercised directly by them [5].
Finally, the information required by s. 123-*bis*.1.l of the Consolidated Finance Act is illustrated in the paragraph of the Report devoted to the Board of Directors.

Shareholders' Agreements

An extract from a shareholders' agreement entered into on 5 February 2003 by 13 members of the Assets Management Association [6], which represents a very small proportion of the Company's share capital, was published in *Il Corriere della Sera* on 15 February 2003. By 4 July 2005 the number of members had risen to 18.

* * *

The following pages present Generali's Corporate Governance system, with special focus on the powers and responsibilities of its various bodies, their relations with one another, the ways in which their members are appointed, their terms of office, and rules for reappointment.
The main objective of this Report is to provide only significant information for stakeholders. However, as the Report is also aimed at foreign investors and analysts, we had to bear in mind that the basic operating rules governing Italian companies might not be completely familiar to them. Some readers may consequently find the amount of detail excessive, in which case we apologise for the inconvenience.

Corporate Organisation

Corporate Governance represents the sum of the methods, models and planning, management and control systems that are required for the operation of the Company's Governing Bodies. A correct system of Corporate Governance is based on a number of cornerstones, such as the central role played by the Board of Directors, the correct management of situations that present conflicts of interest, transparency in disclosing decisions regarding the management of the Company, and the effectiveness of the internal control system.

(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.

Being a joint-stock company governed by Italian law and compliant with the self-regulatory Code of Conduct ("the Code"), 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:

A. Board of Directors
B. Chairman and Vice-Chairmen of the Board of Directors
C. Executive Committee
D. Managing Directors
E. Internal Control Committee
F. Remuneration Committee
G. Shareholders' Meeting
H. Board of Statutory Auditors

The Company also includes a General Council. Further governing bodies of the Company include the company management and, according to the Company's Articles of Association, company officers acting as authorised representatives.

The **Board of Directors** ("Board") is vested with the broadest management powers for the furtherance of corporate objectives. It is appointed on a three-yearly basis by the Shareholders' Meeting and appoints a Chairman, one or more Vice-Chairmen, holding statutory powers, and an Executive Committee. The Board may furthermore appoint one or more **Managing Directors**. The Board determines the powers and remuneration of all these bodies.

The **Executive Committee**, the Remuneration Committee and the Internal Control Committee are bodies established by and composed of members of the Board. The Executive Committee is entrusted with important management functions for the Company and the Group, whereas the other Committees are only charged with the task of giving advice and making proposals.

It is the task of the **Remuneration Committee** to express its opinion and make non-binding proposals to the Board of Directors on the determination of the remuneration payable to the Chairman of the Board of Directors, Vice-Chairmen, Managing Directors and General Managers.
Moreover, the Committee periodically assesses the criteria adopted for the remuneration of managers with strategic tasks, monitors the application of the said criteria on the basis of the information gathered, and makes general relevant recommendations to the Board of Directors.

The **Internal Control Committee** has the task of assisting the Board of Directors in performing the obligations connected with the internal control and risk management system under the Code. The Committee is also called upon to assess the adequacy of the internal control system and express its opinion on the "Internal Audit Plan" and the "Report on Internal Audit".

The **Shareholders' Meeting** ("Meeting"), when duly convened, is the corporate body that expresses the Company's will through its resolutions. Resolutions adopted pursuant to the law and the Articles of Association are binding upon all shareholders, including absent and dissenting ones.

The **Board of Statutory Auditors'** tasks include ensuring that the Articles of Association are complied with and supervising management activities. The Board has no auditing functions; these are ascribed to a chartered **Auditing Firm**, an auditing body external to the Company. The Auditing Firm is responsible for verifying that the Company properly records its financial statements during the year and appropriately reports its operations in its accounting record. The Auditing Firm is also responsible for checking that the company and consolidated financial statements comply with the results recorded in the books and with the audits they carry out, and that the bookkeeping documents comply with the relevant regulations.

The governing bodies of the Company also include the **General Council**, an advisory body which concerns itself with the best attainment of the Company's objects, with particular regard to the territorial expansion of the Company and to international insurance and financial problems.

The powers of the governing bodies and the way they function are governed by law, the Company's Articles of Association and the resolutions passed by the competent bodies. In particular, the Articles of Association are available at Company offices or can be downloaded in Italian, English, French, German and Spanish from the "Governance" section of the Company's website (www.generali.com).

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.

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 Shareholders' Meetings are correctly and promptly executed.

Among the powers pertaining to the Board of Directors, 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, with special reference to transactions involving related parties. According to the Company's Articles of Association, it also submits proposals for the allocation of profits.

These powers, which cannot be delegated, also include (pursuant to the Articles of Association):

- distributing interim dividends to shareholders during the current financial year;
- establishing or terminating Head Offices and business establishments outside Italy;
- passing resolutions on mergers, in the cases allowed by the law, on the establishment or termination of secondary head offices, and on the amendment of any provisions enshrined in the Company's Articles of Association which may become incompatible with new mandatory provisions of the law;
- establishing or terminating operations of individual Departments;
- appointing and removing from office one or more General Managers at the Central Head Office and a General Manager at the Head Office for Italy, as well as one or more deputy General Managers and Assistant General Managers at the Central Head office and at the Head Office for Italy, and establishing their authority and functions;
- determining the hierarchical organisation of the Company's managing personnel in Italy and abroad;
- resolving on other matters that cannot be delegated by law ([7]).

With reference to accounting documents, pursuant to the law, the Board is also empowered to draw up:

- the draft annual statements, plus a report on Company management performance ([8]);
- the Group consolidated financial statements (9), also including a report on Company management performance;
- the half-year financial report dated 30 June of each year;
- the intermediate management performance reports dated 31 March and 30 September of each year.

The Board further reserved the following powers to its own exclusive jurisdiction, except in the cases contemplated by provisions regulating urgency and/or necessity:

- defining strategic guidelines for the Company and the Group, as well as the Group's corporate structure;
- delegating powers to the Executive Committee and the Managing Directors and revoking them, specifying their contents, the limits on such powers and the methods of exercising them;

(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.

(8) The annual accounts, consisting of the Statement of Assets and Liabilities, the Profit and Loss Accounts and the Notes on the Accounts, are adopted by the Shareholders' Meeting (generally by the month of April of each year) after the latter has been presented with draft statements approved by the Board of Directors.

(9) The consolidated accounts are definitively approved by the Board of Directors; the Shareholders' Meeting takes them into consideration when called upon to discuss and approve the company's annual accounts.

- assessing the general trend of management and the adequacy of the Company's organisational, administrative and accounting structure on the basis of reports received from the competent governing bodies;
- approving national and international agreements involving non-standard operations.

After assessing the recommendations of the relevant Committee and consulting the Board of Statutory Auditors, the Board shall determine the remuneration of Directors with delegated powers and persons holding particular offices.

The Board is empowered to increase the share capital on one or more occasions, by issuing:

until 29th April 2011, up to 200,000 new ordinary shares with a par value of € 1.00 each to be assigned severally to employees of the Company or of subsidiary companies in compliance with article 46 of the Company's Articles of Association.

Notwithstanding the above-mentioned limitations and pursuant to the Articles of Association, the Board delegates powers to the Managing Directors and to the Executive Committee, specifying the limits to such powers, the manner for exercising them and the frequency – which may not be less than once every three months – with which such bodies must report to the Board on the activities performed in the exercise of the powers delegated to them.

As required by the Articles of Association, on the occasion of meetings and on at least a quarterly basis, the Board of Directors and the Board of Statutory Auditors shall receive a report, also drafted by delegated bodies, on the development of management issues and on the activities carried out by the Company and its subsidiary companies, on its expected evolution, on the main economic, financial and investment transactions, and especially on those transactions for which the Directors hold a stake – personally or on behalf of third parties – or which are influenced by any person exercising management and coordination activities. The report to the Board of Statutory Auditors can also be made directly or at the meetings of the Executive Committee, if by so doing it is rendered more timely. The Board of Directors will periodically compare the actual results with the planned results.

A Director who, either directly or indirectly, holds an interest in a certain operation to be performed by the company, shall inform the other Directors and the Board of Statutory Auditors and provide details of the type, terms, origin and scope of the said interest; if the Director is a Managing Director, he/she shall refrain from carrying out the operation and delegate it to the Board.

On a yearly basis, the Board of Directors shall draw up a report on the adequacy of the organisational, administrative and accounting structure of the Company and of its subsidiaries having strategic relevance. Within such context, particular attention is devoted to the internal control system and the management of conflicts of interest.

In 2009, the Board of Directors, with the assistance of the Internal Control Committee, also evaluated the suitability of the organisational, administrative and accounting system of the Company and its subsidiaries with strategic importance, having first consulted the Internal Control Committee. In order to identify the subsidiaries with these characteristics, reference was made not only to quantitative criteria based on the parameters set out in article 151 of the Issuers' Regulation [10], but also to other qualitative parameters such as companies which, though of small size, make an essential contribution to the Group in view of the activities they perform within it [11].

(10) Which 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.

(11) 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.
		Generali Investments S.p.A.
		Generali Investments Italy SGR
		Banca Generali S.p.A.
		Generali Properties S.p.A.
		Genertellife S.p.A.
ABROAD	Generali Deutschland Holding AG	Generali Deutschland Informatik Services GmbH
	AM Lebensversicherung AG	Generali Deutschland Schadenmanagement GmbH
	Central Krankenversicherung AG	Generali Deutschland Services GmbH
	Generali Lebensversicherung AG	Generali Beteiligungs-GmbH
	Generali Versicherung AG	Generali Invest. Deutschland Kapital MBH
	Generali France S.A.	AM Versicherung AG
	Generali Vie S.A.	Deutsche Bausparkasse Badenia
	BSI S.A.	Generali Holding Vienna AG
	Migdal Insurance Co. Ltd	Generali VIS Informatik GmbH
		Generali Investments France S.A.
		Generali IARD S.A.
		Generali China Life Insurance
		B Source S.A.
		Cosmos Lebensversicherungs AG
		Generali Schweiz Holding AG
		Grupo Generali Espana A.I.E
		La Estrella S.A.
		Banco Vitalicio de Espana - Compania Anonima de S.
		Generali Espana Holding de Entidades de Seguros S.A.
		Generali PPF Holding B.V.
		Generali Finance B.V.
		PPF Asset Management a.s.
		Participatie Maatschappij Graafschap Holland N.V.
		Ceska Poijstovna a.s.
		Flandria Partecipations Fin.

Furthermore, the Board has recently introduced its own Operating Regulation, which complies not only with the provisions of the Code, but also with the relevant international best practices.
The Generali Board meets at regular intervals, at least once every three months, in compliance with legal re-

quirements, according to a calendar which is approved on a yearly basis ([12]). The Board adopts an organisation and a modus operandi enabling it to guarantee effective and efficient performance of its functions. The Board met on six occasions during the 2005 financial year, nine occasions during 2006, ten occasions in the 2007 financial year, seven in 2008 and nine in 2009. The average attendance of members at meetings was 80.3% in 2005, 82.3% in 2006, 79.1% in 2007, 80.71% in 2008 and 74.44% in 2009. In the last financial year the average duration of each meeting was approximately 2½ hours.
Table 1 attached to this Report shows individual attendance information for each Director; in the case of absence, this was duly justified.

Number of Directors, appointment and term of office

In conformity with its Articles of Association, the Company is managed by a Board consisting of not less than 11 and not more than 21 members appointed by the Shareholders' 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 office for the three-year period 2010-2012, the majority list is entitled to appoint the entire Board of Directors except for 1, 2 or 3 directors taken from the list which obtains the second-highest number of votes, having regard to whether the number of Directors to be elected is 11, between 12 and 15, or over 15 ([13]).

(12) 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, only one meeting has been held so far (on 25 February 2010). Further meetings are scheduled for: Wednesday 17 March 2010 – Board of Directors Meeting (approval of 2009 draft financial statements and approval of 2009 consolidated financial statements); Saturday 24 April 2010 – General Meeting (approval of 2009 financial statements); Wednesday 12 May 2010 - Board of Directors Meeting - (approval of the quarterly report as at 31 March 2010); Thursday 5 August 2010 - Board of Directors Meeting (approval of half-yearly report as at 30 June 2010) and Thursday 11 November 2010 - Board of Directors Meeting (approval of quarterly report as at 30 September 2010).

(13) The Articles of Association state that the members of the Board of Directors shall meet the requirements of professionalism, honourableness and independence laid down by current legislation. At least one-third of the Directors shall meet the independence requirements laid down by law for Internal Auditors. If the number of members of the Board of Directors established by the Shareholders' Meeting is not a multiple of three, the number of Independent Directors called on to compose it shall be rounded down to the nearest whole number.

Specifically, the Board of Directors shall be appointed on the basis of lists, in accordance with the following procedure.

The lists shall contain a number of candidates not exceeding the number of members to be elected, listed in accordance with a sequential number. Each candidate may be nominated in only one list, failing which s/he shall be disqualified.

Lists may be submitted by the outgoing Board of Directors and by members who, either alone or jointly with others, represent at least the minimum percentage of the share capital laid down by current legislation. Each shareholder entitled to vote and the companies directly and indirectly controlled by them, and companies directly or indirectly subject to joint control, may only submit one list. No account shall be taken of support given to any of the lists in breach of the terms of this principle.

The Board of Directors' list, if submitted, shall be filed at the Company's premises not later than the twentieth day before the date of the first convocation of the Shareholders' Meeting; lists submitted by shareholders shall be filed not later than the fifteenth day before the date of first convocation of the Shareholders' Meeting.

By the fifth day after the expiry of the 15-day period, shareholders who have submitted a list shall file a copy of the brokers' certificates certifying ownership of the percentage of share capital required by current legislation. If this is not done, the list shall be deemed not to have been submitted.

Each shareholder entitled to vote, the companies directly or indirectly controlled by it, and companies directly or indirectly subject to joint control, may only vote for one list. No account shall be taken of votes cast in breach of this provision.

Elections of Directors shall be conducted as follows:
a) all the Directors to be elected, less those to be taken from the second list in accordance with the terms of paragraph b) below, shall be taken from the list that obtained the largest number of the votes cast by shareholders, in the sequential order with which the candidates are entered in the list;
b) one, two or three Directors, depending on whether the number of members of the Board of Directors determined by the Shareholders' Meeting is 11, 12-15 or over 15, shall be taken, on the basis of the sequential number with which the candidates are indicated in the list, from the list which obtained the second-largest number of votes (without taking account of the votes cast by shareholders connected directly or indirectly with those who submitted or voted for the list that obtained the largest number of votes);if two lists obtain the same number of votes, the Meeting shall vote again;
c) the Independent Directors shall be taken from the list that obtained the largest number of votes. If the number of Independent Directors taken from that list is less than the number specified in article 31.2, the elected candidate who has the highest sequential number and does not meet the necessary independence requirements shall be excluded. The excluded candidate shall be replaced by the next candidate who meets the said requirements, taken from the same list as the excluded candidate. If it is impossible to take the required number of Independent Directors from the list that obtained the largest number of votes, the missing directors shall be appointed by the Shareholders' Meeting on a majority vote;
d) if an elected candidate cannot or does not wish to accept the appointment, s/he shall be replaced by the first of the unelected candidates on the list

Elected directors who meet the independence requirement (known as Independent Directors), namely the requirement defined in the current legislation applicable to Statutory Auditors, shall be at least one-third of the total members of the Board of Directors; the positions of independent director and minority director may obviously be held by the same person.

The parties authorised to submit lists are the outgoing Board of Directors and shareholders who, either alone or jointly with others, hold the minimum holding required by the applicable legislation (currently 0.5% of the share capital). Members who are significantly connected to one another may only submit and vote on the same list, failing which no account will be taken of their support for any list.

The deadline for submission of lists is 20 days before the date of the Shareholders' Meeting in the case of candidates nominated by the outgoing Board of Directors, or 15 days before the date of the Shareholders' Meeting in the case of candidates nominated by shareholders. The following documents shall be filed with the lists:

- the curriculum vitae of each candidate, containing detailed information about the candidate's personal and professional characteristics and the skills acquired by him/her in the insurance, financial and/or banking field;
- statements in which the candidates accept the nomination, undertake to accept the office if appointed, and further declare, under their own responsibility, that no grounds for incompatibility or disqualification exist, and that they meet the requirements of respectability, professionalism and, if applicable, independence, required by current legislation.

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 Shareholders' 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 Shareholders' Meeting shall replace the outgoing Director by majority vote, selecting his/her replacement if possible from among the candidates on the same list who previously accepted the replacement.

In all other cases in which a Director ceases to hold office during the three-year period, that Director shall be replaced in accordance with current legislative provisions. If an Independent Director ceases to hold office, his/her replacement, co-opted by the Board of Directors or appointed by the Shareholders' Meeting, shall meet the independence requirements laid down by law for holding the office of Statutory Auditor.
The Board appoints a Secretary. The Secretary need not be a Board member.

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to which the said candidate belonged;

e) for the purpose of application of the preceding terms and the allocation of Directors, no account shall be taken of lists that do not obtain a percentage of the votes amounting to at least half the amount required by the Articles of Association for submission of lists;

f) if only one list is submitted, the Ordinary Shareholders' Meeting shall pass resolutions on first and second convocation by an absolute majority of the share capital represented at the Meeting.

If no list is submitted by the due date, the Shareholders' Meeting shall pass resolutions by a relative majority of the shareholders present.

Requisites for office

The Directors of Generali, as directors of an Italian insurance company, must be selected in accordance with professional and competence criteria from among candidates who have a total of at least three years' experience in the exercise of qualifying professional activities ([14]). Directors must also meet specific requirements of "honourableness" ([15]). Lack of the professional, honour or independence requisites (the last type only being applicable to Independent Directors) results in forfeiture of office ([16]).

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 present document.

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.

(14) Decree No. 186 of 24 April 1997 issued by the Ministry of Industry, Commerce and Trade establishes that at least one of the following qualifying professional activities must have been undertaken to fulfil the criterion of professionalism:
a) Direction, management or control of insurance, credit or financial industry companies and bodies possessing a share capital of at least 500 million lire;
b) Direction, management or control of public sector bodies or public and private companies of a size commensurate with the size of the insurance company at which the office is to be held;
c) Professional experience in areas pertaining to the insurance, credit or financial industries, or university-level teaching in legal, economic or actuarial studies.
Candidates who have been directors, general managers, internal auditors or liquidators of insurance, credit or finance companies that have been subject to extraordinary administration, bankruptcy or compulsory administrative liquidation procedures during the three years prior to adoption of the provisions concerned are prohibited from taking the office of Director in insurance companies, or offices involving the exercise of equivalent functions. This prohibition is in place for the three-year period starting from the adoption of these provisions.

(15) The requisite of honourableness is deemed to apply provided that the prospective candidate does not belong to any of the following categories:
- Legal disqualification or temporary debarment from direction functions over legal persons and companies;
- Liability to preventive measures taken by the judicial authorities pursuant to Statute no. 575/31 May 1965 and to Statute no. 646/13 September 1982 and subsequent amendments and additions;
- Unappealable conviction, excepting the effects of discharge and conditional suspension of sentence, with:
  a) Imprisonment for one of the crimes listed in the special regulations governing the insurance, credit and equity market industries, and in Law Decree no. 143/3 May 1991, converted to Statute no. 197/5 July 1991, and subsequent amendments and additions;
  b) Imprisonment for one of the crimes described under Section XI, Book V of the Civil Code and in Royal Decree 267/16 March 1942;
  c) Imprisonment for not less than one year for a crime against government, public trust, property, public order or the public economy or for a crime relating to tax issues;
  d) Imprisonment for not less than two years for any crime committed without criminal intent.

(16) Pursuant to law, except in the event of lack of the requisites of independence, which constitutes grounds for forfeiture *ex nunc*, if Directors should cease to meet the statutory requirements of professionalism or honourableness, forfeiture must be declared by the Board of Directors within 30 days of being informed about the said unsuitability. Should forfeiture not be declared by the Board of Directors within the above-mentioned time, it shall be declared by order of ISVAP.

	Listed Companies			Financial, bank and insurance Companies			Large Companies		
	Executive Director	Non-exec. Director	Auditor	Executive Director	Non-exec. Director	Auditor	Executive Director	Non-exec. Director	Auditor
Executive Directors	0	5	0	0	5	0	0	5	0
Non-executive Directors	2	5	2	2	5	2	2	5	2

Directors in office

The Board is currently made up of the following 19 members:

Board of Directors

Office (*)	First name, last name
• Chairman • Executive Director • Member of the Executive Committee	Antoine Bernheim
• Vice-chairman • Non-executive Director • Member of the Executive Committee • Member of the Remuneration Committee	Gabriele Galateri di Genola
• Managing Director • Executive Director • Member of the Executive Committee • General Manager	Sergio Balbinot
• Managing Director • Executive Director • Member of the Executive Committee • General Manager	Giovanni Perissinotto
• Non-executive Director • Independent Director • Member of the Internal Control Committee	Luigi Arturo Bianchi
• Non-executive Director	Ana Patricia Botìn
• Non-executive Director • Independent Director • Member of the Executive Committee	Francesco Gaetano Caltagirone
• Non-executive Director • Independent Director	Diego Della Valle
• Non-executive Director • Independent Director • Member of the Remuneration Committee	Leonardo Del Vecchio

(continues)

(continues)

Office (*)	First name, last name
• Non-executive Director • Independent Director • Member of the Internal Control Committee	Loïc Hennekinne
• Non-executive Director	Petr Kellner
• Non-executive Director • Independent Director	Klaus-Peter Müller
• Member of the Executive Committee • Non-executive Director	Alberto Nicola Nagel
• Non-executive Director • Independent Director • Chairman of the Internal Control Committee	Alessandro Pedersoli
• Non-executive Director • Independent Director • Member of the Executive Committee	Lorenzo Pellicioli
• Non-executive Director	Reinfried Pohl
• Non-executive Director • Independent Director	Kai-Uwe Ricke
• Non-executive Director • Independent Director • Chairman of the Remuneration Committee	Paolo Scaroni
• Executive Director	Claude Tendil

(*) As regards the definition of Executive or Non-executive Director and Independent Director we refer to notes 17 and 18.

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 [17] 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.

Antoine BERNHEIM was born in Paris on 4 September 1924. He graduated in Law and Science, and pursued most of his professional career at Maison Lazard. He was the Chairman and General Manager of the insurance companies belonging to the La France group for over 25 years. He has been on the Board of Generali since 1973, chairing it from 1995 to 1999 and then from September 2002 until today. In France he has been awarded the highest honour, the Grand Croix, having previously received the prestigious distinction of the Legion of Honour, and in Italy he was made a Grande Ufficiale dell'Ordine al Merito della Repubblica Italiana. He is also Vice-Chairman of the Supervisory Board of Intesa Sanpaolo S.p.A., Vice-Chairman of the Group's subsidiary Alleanza Toro S.p.A., a director of Mediobanca, and Vice Chairman of LVMH and Bolloré Investissement. He

(17) Mentioned here although the present Boards of Directors and Internal Auditors were not appointed by the list voting system.

is a Director of Generali France, Generali Deutschland Holding AG, Generali España Holding Entidades de Seguros S.A., BSI S.A., Generali Holding Vienna and Christian Dior S.A. Finally, he is a member of the Supervisory Board of Eurazeo.

Gabriele GALATERI di GENOLA was born in Rome on 11 January 1947. He graduated in Law and obtained a Master's Degree in Business Administration at Columbia University. He embarked on his professional career in 1971, at Banco di Roma. In 1993 he was appointed Managing Director and General Manager of IFIL and subsequently, in 2002, he became the Managing Director of Fiat. In 2003 he was appointed Vice Chairman and Member of the Board of Directors of Generali. He is currently Chairman of the Board of Directors of Telecom Italia S.p.A. He is also a Director of Banca Carige, Banca Esperia S.p.A., Banca CRS S.p.A., Italmobiliare S.p.A. and Accor S.A. He has been awarded the title of *Cavaliere del Lavoro*.

Sergio BALBINOT was born in Tarvisio (Udine) on 8 September 1958. He graduated in Economics and Commerce and entered the Generali Group in 1983. He carved out his career both in Italy and abroad in the companies of the Group, and then returned to Trieste, where he was appointed General Manager of Generali in 2000 and Managing Director in 2002. He is also Director of the Commerzbank AG and Generali Investments S.p.A. Supervisory Boards, Vice-Chairman and Director of several Austrian, Chinese, French, Israeli, Dutch, Spanish, US, and German companies (including Generali España Holding Entidades de Seguros S.A., Generali China Life Insurance Co. Ltd., Generali Holding Vienna AG, Generali France S.A., Generali China Life Insurance Co. Ltd., Graafschap Holland Participatie Maatschappij N.V., Generali Deutschland Holding AG, Banco Vitalicio de España, La Estrella, Future Generali India Insurance Co. Ltd and Future Generali India Life Insurance Co. Ltd., and is also Chairman of Generali PPF Holding B.V..

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, Member of the Intesa Sanpaolo S.p.A. Management 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. – of which he is also the Chairman – BSI S.A., of which he is Vice-Chairman, as well as Alleanza Toro S.p.A., INA Assitalia S.p.A., Participatie Maatschappij Graafschap Holland N.V., Transocean Holding Corporation, Generali France S.A. and Generali España Holding Entidades de Seguros S.A., and companies not belonging to the Groups such as Pirelli & C. 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*.

Luigi Arturo BIANCHI was born in Milan on 3 June 1958. He graduated in Law and is currently full professor of business law at Bocconi University, Milan, where he previously lectured in accountancy law. He is a lawyer and consultant of the Milan-based law firm Bonelli Erede Pappalardo, permanent advisor to the Italian Accountancy Organisation (OIC). He was appointed a Member of the Board of Directors of Generali in 2003, and currently holds the office of Director of Benetton Group, Anima SGR S.p.A. and UBS Fiduciaria S.p.A.. He is Chairman of the Supervisory Body pursuant to Legislative Decree 231/2003 of Benetton Group S.p.A., Intesa Private Banking S.p.A., and Intesa Mediofactoring S.p.A., and a member of the Supervisory Body pursuant to Legislative Decree 231/2003 of Banca IMI S.p.A.. He is also a member of the Banca d'Italia's Council of Experts on issues related to corporate governance.

Ana Patricia BOTÍN was born in Santander (Spain) on 4 October 1960. She studied at Harvard University and Bryn Mawr College where she graduated in Economics, and started her professional career at JP Morgan, first in Spain, then in the United States and subsequently in Latin America. After that, her managerial career continued inside the Banco Santander Group, dealing mainly with its activities in Latin America. She is currently Chairman of Banesto as well as a Member of the Board of Directors of Banco Santander Central Hispano SA. She was appointed Director of the Company in 2004.

Francesco Gaetano CALTAGIRONE was born in Rome on 2 March 1943. After studying engineering he relaunched the family construction business, then extended its activities to the fields of cement and the media, giving rise to one of the largest Italian business groups, which now has five listed companies, major strategic holdings and a growing international presence. He has been a director of Generali since April 2007. He is Chairman of Caltagirone S.p.A., Caltagirone Editore S.p.A., Il Messaggero S.p.A., Il Gazzettino S.p.A. and Eurostazioni S.p.A., and Vice-Chairman of Banca Monte dei Paschi di Siena. He was awarded the title of *Cavaliere del Lavoro* in 2006.

Diego DELLA VALLE was born in S. Elpidio a Mare (Ascoli Piceno) on 30 December 1953. He entered the family business, focusing on marketing. Since October 2000 he has been Chairman and Managing Director of Tod's S.p.A. Today he is also a Director, among others, of Ferrari S.p.A., LVMH, RCS Mediagroup S.p.A., Marcolin S.p.A. and Compagnia Immobiliare Azionaria S.p.A. He was awarded an honorary degree in Economics and Commerce by Ancona University, and in 1996 was awarded the title of Cavaliere del Lavoro. He has been a Director of the Company since 2004.

Leonardo DEL VECCHIO was born in Milan on 22 May 1935. In 1961 he founded Luxottica, the world's leading eyewear manufacturer, of which he is Chairman. The company's international growth followed its listing first on Wall Street (1990) and then on the Milan Stock Exchange (2000). He has been a Director of Generali since April 2007. He is a member of the Board of Directors of Gianni Versace S.p.A. and GIVI Holding S.p.A., Beni Stabili S.p.A. and Delfin S.a.r.l.. He is also Vice-Chairman of the Supervisory Board of Foncière des Regions. He has received numerous awards for his activities, including honorary degrees in business studies from Ca' Foscari University, Venice (1995), management engineering from Udine University (2002) and in materials engineering from Milan Polytechnic (2006), and an honorary master's degree in international economics from the MIB School of Management in Trieste (1999). He was awarded the title of *Cavaliere del Lavoro* in 1986.

Loïc HENNEKINNE was born in Cauderan (France) on 20 September 1940. After completing his studies he rose through the ranks of the diplomatic service to the position of Secretary-General of the French Foreign Ministry. After leaving that post he was appointed Ambassador Extraordinary and Plenipotentiary of France in Rome for the 3-year period 2002-2005. He has been a director of Generali since 2007. He is also a director of Iride S.p.A., an Italian company listed on the Milan Stock Exchange.

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.

Klaus-Peter MÜLLER was born in Duppach (Germany) on 16 September 1944. In 1966 he was hired by Commerzbank, where he pursued his career until he became Chairman of its Supervisory Board, which post he still holds. He was also appointed a Member of the Board of Directors of Generali in 2001, and is currently a Director of Parker Hannifin Co, and as a member of the Supervisory Board of Fraport AG, Fresenius SE and Linde AG.

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 of the Board of Directors. Since July 2000 he has been a Director of Banca Esperia. He was an 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.

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 Finanziaria Feltrinelli S.p.A.

Lorenzo PELLICIOLI 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. and Chairman of the Board of Directors of DeA Capital S.p.A.. He is also Chairman of the Board of Directors of Magnolia S.p.A. and a member of the Board of Directors of B&D Holding di Marco Drago & C. S.A.P.A.. In the past he has also been a director of ENEL, INA and Toro Assicurazioni and a member of the Advisory Board of Lehman Brothers Merchant Banking. He has been a Director of Generali since April 2007.

Reinfried POHL was born in Zwickau (Czech Republic) on 26 April 1928. He graduated in Law and is the CEO of Deutsche Vermögensberatung AG and a member of the Supervisory Boards of Deutsche Vermögensberatung Bank AG Wien, Generali Holding Deutschland AG, AachenMünchener Lebensversicherung AG, AachenMünchener Versicherung AG. and DWS Investment GmbH. He has been a Director of Generali since 2001.

Kai-Uwe RICKE was born in Oberhausen, Germany, on 29 October 1961. After studying Business Economics abroad, he became a mobile communications pioneer on the European market. He joined Deutsche Telekom AG in 1998, first as Managing Director of German subsidiary T-Mobile Deutschland GmbH, and later as Managing Director of T-Mobile International AG. Three years later he was appointed as a member of the Board of Directors of Deutsche Telekom AG and COO of DT's internet and mobile phone division. He was appointed Managing Director of Deutsche Telekom AG in 2002, resigning at the end of 2006.
He is currently Chairman and shareholder of Delta Partners Group, a Dubai-based investment and consultancy company specialising in the telecommunications industry, which operates solely on emerging markets. Kai-Uwe Ricke is also a director of Saudi Oger Telecom Ltd., UAE, a joint venture between the Hariri family (Lebanon), Saudi Telecom (Saudi Arabia) and United Internet AG (Germany). Kai-Uwe Ricke invests in telecommunications companies in the capacity of co-investor in risk capital, as in the case of Kabel Baden-Wuerttemberg (Germany), where he operated with EQT (Sweden), either on his own account or with partners in different companies operating in the telecommunications industry. He is a member of the Clinton Global Initiative. He was appointed Director of Assicurazioni Generali in 2007.

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.

Claude TENDIL was born in Le Bourg d'Oisans (France) on 25 July 1945. After graduating in Political Science from the IEP in Paris he continued his studies, obtaining a specialist diploma in insurance. His career began with UAP in 1972; then, after working for the Drouot Group from 1980 to 1989, becoming its Chairman and General Manager, he joined the Axa Group. He worked there until 2002, holding important positions in the field of international affairs (Southern Europe, Latin America and Africa), played a key role in the merger with UAP, and finally, held the position of Vice-Chairman of the Board of Directors. He has been Chairman and General Manager of Generali France since 2002, and since 2003 of the Europ Assistance Group, in which he also holds the position of Chairman of the Italian subsidiary. He is also a member of the Board of Scor S.E.. He has been awarded the Legion of Honour and is also a member of the French National Order of Merit. He has been a Director of Generali since April 2007.

The currently serving Board of Directors was appointed on 28 April 2007, and will remain in office until approval of the financial statements for the year ending on 31 December 2009.

The Secretary of the Board of Directors is Mr. Vittorio Rispoli, Deputy General Manager of the Company.

In compliance with the provisions of the Code, Directors act and decide independently, having full knowledge of the issues for which they are responsible, and pursue the objective of creating value for shareholders.

Directors accept their appointment when they deem that they can devote the necessary time to diligent performance of their duties.

Directors are required to know the duties and responsibilities associated with their function. The Chairman and the executive directors shall take steps to keep the Board informed of the main statutory and regulatory innovations concerning the company and the governing bodies and events on the international economic scene which may have significant repercussions on the Group's business. To this end, they shall avail themselves of the collaboration of other Directors and of the Secretary to the Board of Directors.

The Directors' knowledge of corporate and group dynamics and situations is promoted by invitations to attend meetings of the governing bodies of the Company and the Group. The management intends to further develop this practice, which has already been in use for some time.

The Company has passed a Regulation on the functioning of its administrative bodies. The said provision regulates the Board of Directors' activities and states, within the framework of an internal legal document, the rights, duties, powers and liabilities of the Company's directors in relation to the actions taken by them within the governing bodies.

Furthermore, this framework regulates the administrative body's make-up, the Directors' appointment, their remuneration, the relevance of their interests within the process of creation of the Company's policies, transactions with related parties, the Independent Directors' role, handling of corporate information, and the creation and functioning of Board Committees and of the internal control system.
Following the adoption of the current edition of the Code, the Board officially launched its self-assessment process. The said process was thoroughly analysed and commented on in an ad-hoc report. The conclusion of the above-mentioned report entails general considerations on the dimensions, make-up and functioning

of the Board, the Board Committees, and the adequacy and effectiveness of the provisions laid down in the Board of Directors' Operating Regulation.

At least once a year, usually on the occasion of the adoption of the Corporate Governance Report, the members of the Board of Directors and the Control Committee meet to discuss the effectiveness of the Board of Directors' Operating Regulation, as well as the actual implementation of the corporate governance rules outlined by the Code, and subsequently adopt the consequent resolutions.

Subsequently, on the proposal of the Corporate Governance Committee, the Board of Directors instructed the Internal Control Committee to perform the necessary preparation for a Board evaluation.

A questionnaire, divided into three survey areas (Sub-committees, Organisation and Operation of the Board, Size and Composition of the Board), was again drawn up for this purpose this year, and sent to all Directors after approval by the Internal Control Committee.

The Committee again drew up an executive summary of the results of the study this year, conducted by means of a questionnaire circulated to Directors, which was submitted to the Board of Directors at its meeting held on 20 March.

A reasonable level of satisfaction with the self-assessment process thus effected emerged, especially as regards the size and composition of the Board.

Non-executive and independent directors

The Board is made up of four directors who, according to the terms of the Code, are to be considered executive directors(18), and fifteen non-executive directors, ten of whom are independent (19).

(18) According to the definition laid down in the Code (see Application Criterion 2.C.1, second paragraph), Claude Tendil must also be considered an executive director of the Company in view of his managerial duties as Chairman and General Manager of Generali France S.A., a controlled company with strategic importance.

(19) **Non-executive Directors** means directors that are not individually vested with operational powers. The legal structure of the administrative bodies of companies established under Italian law enables Directors to be classed as non-executive and independent even if they are members of the Executive Committee; membership of the latter, which is a collective body, does not imply or determine the assignment of powers to individual members. However, the following are classed as **executive directors** according to Application Criterion 2.C.1:

- the managing directors of the issuer or a subsidiary with strategic importance, including their Chairmen if individual powers of management are granted to them or they play a specific role in the design of company strategies;
- directors who hold managerial positions in the issuer or in a subsidiary with strategic importance, or in the controlling company if the position also relates to the issuer;
- directors who are members of the issuer's Executive Committee if no Managing Director has been appointed or attendance at meetings of the Executive Committee, in view of the frequency of its meetings and the subject of its resolutions, in practice entails systematic involvement of its members in the issuer's day-to-day management.

The grant of emergency powers only to directors not holding managerial powers does not in itself make them executive directors, unless those powers are used very often in practice.

The Code recommends that an appropriate number of "non-executive" Directors should be "independent", so that they can better guarantee an autonomous judgement and free appraisal of the management's activities, especially in connection with the most delicate issues and situations potentially leading to conflict of interests, with a view to securing the best possible protection of all shareholders.

According to criterion 3.C.1. of the Code of Conduct, a director is not usually classed as independent in the following cases, to be considered merely as an example:

a) if he/she controls the issuer, directly or indirectly, including through subsidiaries, trustees or a third party, or is able to exercise dominant influence over the issuer, or participates in a shareholders' agreement through which one or more persons may exercise control or considerable influence over the issuer;
b) if he/she is, or has been in the preceding three financial years, a leading representative of the issuer, of a subsidiary having strategic importance or of a company or entity controlling the issuer or able to exercise considerable influence over it, including jointly with others through a shareholders' agreement;
c) if he/she has, or had in the preceding financial year, directly or indirectly (e.g. through subsidiaries or companies of which he/she is a leading representative, or in the capacity of partner in a professional firm or a consulting company) a significant commercial, financial or professional relationship:
   - with the issuer, one of its subsidiaries, or any of its leading representatives;
   - with a party who controls the issuer, jointly with others through a shareholders' agreement or, in case of a company or an entity, with any of the

At the meeting held on 17 March 2010, the Company made the latest assessment of the independence of the Members of the Board of Directors, also applying all the criteria laid down by the Code in this case.

The number of non-executive and independent directors is therefore sufficient to ensure that their judgement has a decisive influence on the Board's decision-making.

Non-executive directors bring their specific expertise to the Company's activities and to Board debates, providing their institutionally-required contribution to the drafting and passing of resolutions in line with the Company's interests.

The presence of non-executive directors is considered crucial for appointments to the Internal Control Committee and Remuneration Committee, whose members must consist of directors with no delegated operational powers.

A further concept of independent director ([20]) has been introduced into the legislation amended by the Savings Act. The absence of this requisite (as indicated above) entails forfeiture of the office. A check was made on the basis of this concept to establish that the independence requirement was met.

The Code of Conduct states that the status of "*independent Director*", must be assessed by the Board on a regular basis, taking into account the information provided by the individuals concerned, and that the Board of Directors shall evaluate the existence of that requirement "*having regard more to the contents than to the form*".

The Board of Statutory Auditors must assess the correct application of the criteria adopted by the Board of Directors and of the control procedures used by the said Board to assess the Directors' independence.

On the occasion of the Board of Directors' renewal, which took place during the Shareholders' Meeting held on 28 April 2007, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board of Directors to asses its members' independence.

As regards the provision of the Code (not yet adopted) relating to annual meetings of independent directors only, the Company is aware of the subject and is conducting a study of the possibility of instituting the figure of lead independent director. 'As regards independent directors, the Board of Directors' Operating Regulation now states that the role of Chairman during the meeting shall be attributed to the Chairman of the Board,

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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.

(20) 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.

if the latter is an independent Director. If such circumstance does not occur, the office of Chairman will be attributed to the Director who meets the necessary requirement, by means of a decision jointly taken by the independent directors. The Secretary to the Board of Directors' is appointed secretary of the meeting.

The average attendance of Independent Directors at meetings of the Board was 85% in 2003, 80% in 2004, 75% in 2005, 80% in 2006, 76.9% in 2007, 81.82% in 2008 and 79% in 2009. For more details, see Table 1 containing individual attendance information for each Director.

Remuneration of Directors and executives with strategic responsibilities

Article 19 of the Articles of Association, as amended by resolution passed by the Shareholders' Meeting held on 20 June 2007, attributes to the Shareholders' Meeting power to determine the Directors' fees.

At the same time, the Shareholders' Meeting resolved that each member of the Board of Directors should receive the following amounts, in addition to reimbursement of expenses for attendance at meetings, for the entire three-year mandate of the Board of Directors appointed by the Shareholders' Meeting on 27 April 2007, namely until the date on which the accounts for the financial year ending on 31 December 2009 are approved:

- a gross annual fee of € 100,000.00, increased by 50% for those who are members of the Executive Committee;
- a variable fee amounting to 0.01% of the consolidated profit, subject to a total maximum limit of € 300,000.00, to be divided equally between the Directors;
- an attendance fee of € 4,000.00 for each meeting of the Board of Directors and the Executive Committee.

Article 39 of the Articles of Association, also amended by resolution passed at the same Shareholders' Meeting, states that the fees of directors holding particular offices shall be established by the Board of Directors pursuant to s. 2389 of the Italian Civil Code, after consulting the Board of Statutory Auditors.

The remuneration model in question has so far had a tripartite structure. The first element is a fixed fee, the second a variable fee, based on the Group's management and/or profit indicators, and the third is represented by a long-term incentive consisting of a stock option plan, the implementation of which is subject to conditions precedent linked to further Group management and/or profit indicators.

In Assicurazioni Generali S.p.A., this system applies firstly to the Chairman, the Managing Directors and the General Manager and secondly to executives with strategic responsibilities, namely those with a grade at least equal to that of Assistant General Manager and key managerial positions.

Directors with strategic responsibilities

Office	First name, last name
• Deputy General Manager	Lodovico Floriani
• Deputy General Manager	Andrea Mencattini
• Deputy General Manager	Aldo Minucci
• Deputy General Manager	Valter Trevisani
• Assistant General Manager	Amerigo Borrini
• Assistant General Manager	Danilo Ignazzi
• Assistant General Manager	Attilio Invernizzi
• Assistant General Manager	Manlio Lostuzzi
• Assistant General Manager	Stefano Meroi
• Assistant General Manager	Oliviero Edoardo Pessi
• Assistant General Manager	Franco Urlini
• Assistant General Manager	Antonio Dinia

During the past financial year, the Board of Directors has determined the remuneration of the Chairman, Managing Directors and Directors with strategic responsibilities after examining proposals by the Remuneration Committee and consulting the Board of Statutory Auditors.

The details of the remuneration payable to the Directors, the General Manager and, on aggregate, to Managers with strategic responsibilities, for the 2009 financial year, are shown in the table below.

Person	Office held			Emoluments (in euro)			
Name and Surname	Office held	Period covered by the mandate	End of mandate	Emoluments for mandate	Non-monetary benefits	Bonuses and incentives	Other emoluments
Antoine BERNHEIM [21]	Chairman	1/1-31/12/09	24/04/2010	2,170,000		2,575,616	115,591 [22]
	Director	1/1-31/12/09	24/04/2010	223,390			
Gabriele GALATERI DI GENOLA [21]	Vice Chairman	1/1-31/12/09	24/04/2010	216,890			
Sergio BALBINOT [21]	Director	1/1-31/12/09	24/04/2010	223,390			
	Managing Dir.	1/1-31/12/09	24/04/2010	800,000		[23]	158,997 [24]
	Gen.Manager	1/1-31/12/09	-	800,000		949,536	
Giovanni PERISSINOTTO [21]	Director	1/1-31/12/09	24/04/2010	223,390			
	Managing Dir.	1/1-31/12/09	24/04/2010	800,000		949,536	
	Gen.Manager	1/1-31/12/09	-	800,000		949,536	
Luigi Arturo BIANCHI	Director	1/1-31/12/09	24/04/2010	156,890			
Ana Patricia BOTIN	Director	1/1-31/12/09	24/04/2010	130,890			
Francesco Gaetano CALTAGIRONE [21]	Director	1/1-31/12/09	24/04/2010	212,890			
Diego DELLA VALLE	Director	1/1-31/12/09	24/04/2010	126,890			
Leonardo DEL VECCHIO	Director	1/1-31/12/09	24/04/2010	146,890			
Loïc HENNEKINNE	Director	1/1-31/12/09	24/04/2010	159,390			
Petr KELLNER	Director	1/1-31/12/09	24/04/2010	118,890			
Klaus-Peter MUELLER	Director	1/1-31/12/09	24/04/2010	118,890			
Alberto Nicola NAGEL [21]	Director	1/1-31/12/09	24/04/2010	216,890 [25]			
Alessandro PEDERSOLI	Director	1/1-31/12/09	24/04/2010	152,890			
Lorenzo PELLICIOLI [21]	Director	1/1-31/12/09	24/04/2010	220,890			
Reinfried POHL	Director	1/1-31/12/09	24/04/2010	114,890			102,501 [26]
Kai-Uwe RICKE	Director	1/1-31/12/09	24/04/2010	138,890			
Paolo SCARONI	Director	1/1-31/12/09	24/04/2010	134,890			
Claude TENDIL	Director	1/1-31/12/09	24/04/2010	145,390			1,704,750 [27]
Eugenio COLUCCI	Chairman of the Board of Auditors	1/1-31/12/09	30/04/2011	150,000			
Giuseppe ALESSIO VERNI'	Eff. Auditor	1/1-31/12/09	30/04/2011	100,000			121,708 [28]
Gaetano TERRIN	Eff. Auditor	1/1-31/12/09	30/04/2011	100,000			56,121 [29]
Raffaele AGRUSTI	Gen.Manager	1/1-31/12/09	-	1,000,000		847,800	
Managers with strategic responsibilities				3,684,912	43,063	1,841,517	317,496

(21) It refers to Members of the Board of Directors who served on the Executive Committee.

(22) The emoluments indicated include those due for the offices held in 2009 in the following companies:
Alleanza Assicurazioni (from 1st January 2009 to 30 September 2009), Alleanza Toro (from 15 September 2009 to 31 December 2009), Generali Deutschland Holding, Generali España Holding, Generali France and BSI. The payments for Generali Holding Vienna will be established by the Company's general shareholders' meeting this year. The sums paid to Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.

(23) On dr. Balbinot's request and agreed with the Company, the amount of 949,536 euro relative to the office of Managing Director will not be paid. The Company may use such amount for charity.

Stock Option Plans

As stated, the overall remuneration system for the Company's top management and executives is based not only on a fixed fee and a variable fee but also on a long-term incentive plan, represented by the allocation to them of options to subscribe or purchase Generali shares.

In recent years the Company has issued separate stock option plans for the Chairman and Managing Directors and for the Group's executives.

The following plans were still current on the date of presentation of the Report to the Board:

a) 2001-2003 stock option plan for the executive and non-executive personnel of Generali and companies in the Generali Group;
b) 2005 stock option plan for the Company's Chairman and Managing Directors;
c) 2005-2007 stock option plan for the executive and non-executive personnel of Generali and companies in the Generali Group;
d) 2006-2008 stock option plan for the Company's Chairman and Managing Directors;
e) 2008-2010 Stock Option Plan for executive and non-executive personnel of Generali and the companies in the Generali Group;
f) 2008-2009 Stock Option Plan for the Company's Chairman and Managing Directors.

The Plans referred to in paragraphs e) and f) of the above list and the 2006-2008 Plan for the Chairman provide that the beneficiaries shall receive a number of options to purchase Generali shares, while in all the other cases, the beneficiaries of the plans in question receive a number of options to subscribe the Company's shares.
In the first case, the governing bodies of the Company resolved, in the years covered by the Plans, to authorise the purchase of its own shares for the purpose of the Plans, while in the other cases, the Company has performed separate increases in share capital to implement the Plans.

(24) The emoluments indicated include those due for the offices held in 2009 in the following companies:
Generali Deutschland Holding, Aachener u. Muenchener Lebensversicherung AG, Aachener u. Muenchener Versicherung AG, Generali France, Banco Vitalicio, La Estrella, Generali Espana Holding, Generali Schweiz Holding AG, Migdal Insurance & Financial Holdings and Europ Assistance Holding. The emoluments for Generali Holding Vienna will be established by the Company's general shareholders' meeting this year. The amounts paid by Generali Deutschland Holding and Banco Vitalicio only regard the attending fees; those relative to the profit sharing will be determinated from the shareholders' meeting during the first half of the current year.

(25) The emolument was paid directly to Mediobanca

(26) Emoluments for the offices held in 2009 in the following companies:
Generali Deutschland Holding, Aachener u. Muenchener Versicherung AG and Aachener u. Muenchener Lebensverischerung. The sums paid to Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.

(27) The emoluments indicated include those due for the offices held in 2009 in the following companies:
Generali France, Europ Assistance Holding, Europ Assistance Italia and Generali Investments. The sum paid by Generali France also include the bonus assigned to M. Tendil as Chairman and General Director of the French company.

(28) Emolument for the office of Chairman of the Board of Statutory Auditors of Banca BSI Italia, Banca Generali, Europ Assistance Italia, Generali Horizon, Genertellife, S.Alessandro Fiduciaria, and Effective Auditor of Europ Assistance Service, Genertel, Intouch, Simgenia, Ums Immobiliare Genova.

(29) Emolument for the office of Chairman of the Board of Statutory Auditors of Alleanza Assicurazioni (from 1st January 2009 to 30 September 2009) and Alleanza Toro (from 15 September 2009 to 31 December 2009), as well as Effective Auditor of Generali Immobiliare Italia.

The main features of the Plans are as follows:

- all Plans provide for a vesting period, after which the options can be exercised;
- each option entitles the holder to subscribe or buy one share on payment of the exercise price [30];
- the exercise price is fixed at an amount equal to the arithmetical mean of the benchmark prices of Generali shares on the Screen-based Stock Market managed by Borsa Italiana S.p.A., recorded in the period between the date of allocation of the options and the same day in the preceding calendar month;
- the options can only be deemed to be permanently allocated if the Board of Directors establishes that the conditions laid down by the Board for the exercise of the options have been fulfilled at the time of allocation;

The table below summarises the basic characteristics of the stock option plans involving the allocation to beneficiaries of a given number of options to subscribe Generali shares.

(30) The General Meeting held on 20 June 2007, and the Board of Directors meeting called on the same date to implement the resolutions passed by the said General Meeting, passed resolutions designed to "neutralise" the repercussions on the current Stock Option Plans of a diluting effect on the Generali shares deriving from the adoption by the General Meeting on 28 April 2007 of the resolution to issue a bonus issue pursuant to s. 2442 of the Civil Code. In particular it was established that each option already allocated and still exercisable entitled the holder to subscribe or purchase (depending on the Plan concerned) 1.1 Generali shares. That aim was pursued by means of three separate legal technicalities, described in detail in the minutes of the said General Meeting, which are published on the company's website.

Plan	Decisions	Amount (in euro)	Execution time frame
Plan 2001-2003 for Group Managers			
First cycle	BOD 26/03/2001 and 20/06/2007	2,506,030.00	between 26/03/2004 and 26/03/2010
Second cycle	BOD 26/03/2001 and 20/06/2007	4,019,635.00	between 14/05/2005 and 14/05/2011
Third cycle	BOD 14/05/2002 and 20/06/2007	4,805,335.00	between 13/05/2006 and 13/05/2012
Plan 2005 for Company's Chairman and Managing Directors			
Cycle	Shareholders' Meeting 30/04/2005 and 20/06/2007	6,600,000.00	between 30/04/2008 and 30/04/2011
Plan 2005-2007 for Group Managers			
First cycle	BOD 13/05/2005 and 20/06/2007	2,190,300.00	between 13/05/2008 and 13/05/2011
Second cycle	BOD 23/03/2006 and 20/06/2007	2,842,700.00	between 23/03/2009 and 23/03/2012
Third cycle	BOD 02/08/2007	2,297,000.00	between 02/08/2010 and 02/08/2013
Plan 2006-2008 for Company's Managing Directors			
First cycle	BOD 10/05/2006 and 20/06/2007	1,100,000.00	between 10/05/2009 and 10/05/2012
Second cycle	BOD 02/08/2007	1,000,000.00	between 02/08/2010 and 02/08/2013

As regards the second and third cycle of the 2001-2003 plan for executives, share capital amounting to € 2,203,019.00 has so far been subscribed, and € 1,639,356.00 paid up. As regards the first cycle of the 2005-2007 plan for executives, € 33,000.00 has been subscribed.

The ratio between the number of stock options allocated during the 2001-2003 period and the total number of shares of the Company circulating during the corresponding period was 0.20% in 2001, 0.32% in 2002 and 0.33% in 2003, 1.48% in 2005 ,1.79.% in 2006, 1.87% in 2007 and 2.66% in 2008. The last figure is due to the fact that the Plans referred to in paragraphs e) and f) of the above list involved a single allocation of option rights on 26 April 2008, with regard to all the financial years covered by the Plans in question. The said ratio stood at 2.40% in 2009.
The table below and the corresponding footnotes show the number of shares which can be purchased or subscribed by the top management of the parent company, including (collectively) executives with strategic responsibilities, the price per share for exercise of the options, the period of exercise and the number of stock grants already allocated to the General Managers, updated to 31 December 2009.

Stock Options

		Options held at the beginning of the year			Options assigned during the year			Options exercised during the year			Options expired during the year	Options held at the end of the year		
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11) = 1+ 4-7-10	(12)	(13)
Name and surname	Office held	Number of options	Average exercise price	Average due date	Number of options	Average exercise price	Average due date	Number of options	Average exercise price	Average market price at exercise	Number of options	Number of options	Average exercise price	Average due date
Antoine Bernheim	Chairman	4,000,000	26.94	01/09/2011	0	0	-	0	0	0	0	4,000,000	26.94	31/01/2012
Giovanni Perissinotto [31]	Managing Director/ General Manager	4,110,000	27.25	18/08/2011	0	0	-	0	0	0	0	4,110,000	27.25	14/01/2012
Sergio Balbinot [32]	Managing Director/ General Manager	4,025,000	27.31	26/08/2011	0	0	-	0	0	0	25,000	4,000,000	27.31	31/01/2012
Raffaele Agrusti [33]	General Manager	1,494,850	29.15	20/11/2011	0	0	-	0	0	0	29,850	1,465,000	29.15	03/10/2012
Managers employees with strategic responsabilities (*)		3,046,470	28.59	29/11/2013	0	0	-	0	0	0	152,120	2,074,850	28.53	04/12/2013

The table below shows the number of shares which can be purchased or subscribed by the executive and non-executive personnel of the Group, the price per share for exercise of the options, and the period of exercise, updated to 31 December 2009.

Executive and non-executive personnel

		Options held at the beginning of the year			Options assigned during the year			Options exercised during the year			Options expired during the year	Options held at the end of the year		
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11) = 1+ 4-7-10	(12)	(13)
Name and surname	Office held	Number of options	Average exercise price	Average due date	Number of options	Average exercise price	Average due date	Number of options	Average exercise price	Average market price at exercise	Number of options	Number of options	Average exercise price	Average due date
Managing and non managing Group staff		12,967,510	27.26	09/05/2012	0	0	-	3,540	20.24	19.11	2,407,887	11,576,904	27.44	29/08/2012
of which	in Italy	6,077,036	26.73	01/03/2012	0	0	-	3,540	20.24	19.11	1,255,115	5,401,702	26.93	26/08/2012
of which	abroad	6,890,474	27.73	10/07/2012	0	0	-	0	0	0	1,152,772	6,175,202	27.89	31/08/2012

(31) A total of 303 stock grants were also assigned to Mr. Perissinotto, in his capacity as General Manager, in 2002, 2003, 2006 and 2007.

(32) A total of 297 stock grants were also assigned to Mr. Balbinot, in his capacity as General Manager, in 2002, 2003, 2006 and 2007.

(33) A total of 297 stock grants were also assigned to Mr. Agrusti in 2002, 2003, 2006 and 2007.

(*) The options held at year end take into account the plans of the Stock Option previously granted to management of Alleanza on shares of Alleanza that now with the merger of the Alleanza in Assicurazioni Generali became the Stock Option Plans in shares of Assicurazioni Generali. Furthermore, options held at year-end options transpose the handling of incoming and outgoing leaders from the role of top managers

The next General Meeting will be asked to approve a new Incentive Plan. This is based on the criteria listed below:

a) it is a rolling plan; in other words, a new six-year cycle linked to the strategic plans begins every year: in any event, the Board of Directors can always interrupt the renewal of the cycles of the Plan;
b) the first cycle is directly linked to the targets of the next Three-Year Strategic Plan, set out below, and thereafter to the targets of the subsequent strategic plans;
c) the concept of coinvestment, namely investment in the parent company's shares of 25% or 50% of the net cash component received by beneficiaries.

Each cycle of the Plan covers a total period of six years. The duration of the first cycle is broken down as follows:

- first three-year period 2010/2012: at the end of that period, if and insofar as some absolute performance targets are achieved, a monetary incentive will be awarded, with investment of 25% or 50% of the net amount in Generali shares;
- second three-year period 2013/2015: at the end of that period, by investing 25% or 50% of the net incentive obtained, beneficiaries will have the potential right to receive, for each share purchased, a number of free shares in the Parent Company based on Generali's position in a peer group ranking based on the Total Shareholders' Return (relative performance).

In particular, the cash component of the incentive ("Bonus") is determined as a percentage of the Gross Annual Salary (GAS) to which the beneficiary was entitled on 31 December of the last year of the first three-year period of each cycle of the Plan, excluding the variable part of the remuneration, and depending on the Class to which the beneficiary belongs.

The beneficiaries are divided between four classes according to their Role and the importance of their position, assessed by the Hay method.

The cash component of the Plan will be normally financed solely by the Company employing each beneficiary.

On the date of allocation of the Bonus, beneficiaries belonging to Classes 1 and 2 must use 25% or 50% of the Bonus, net of tax, to purchase the parent company's shares in a single tranche. Beneficiaries belonging to classes 3 and 4 can use 25% or 50% of the bonus, net of tax, to purchase the parent company's shares, again in a single tranche.

The shares are subject to a non-transferability clause which remains in force from their delivery date to the end of the second three-year period, and will be deposited with Banca Generali for safe keeping.

At the end of the second three-year period in each cycle of Plan, beneficiaries who have acquired Generali shares acquire the potential right to free allocation of Generali shares, depending on Generali's position in a peer group ranking based on Total Shareholders' Return (relative performance) provided that they still hold the same Role at the end of the second three-year period. The free shares are free of encumbrances from the date of allocation.

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 Shareholders' Meeting held on 20 June 2007 resolved:

1) that the Company should pay any compensation deriving from liability towards third parties for prejudicial acts performed by the Directors and Statutory Auditors in the exercise of their functions, excluding cases of fraud and wilful misconduct, up to the maximum cover limit of € 100 million;
2) to authorise the Board of Directors to take out an insurance policy to cover the third-party liability of the Company's Directors and Statutory auditors (Directors' and Officers' Liability Insurance - D&O), broadly on the following terms:
   - duration: 12 months, renewable from year to year until the Shareholders' Meeting called to approve the accounts for the financial year ending on 31 December 2009;
   - maximum cover: € 100 million per claim, by way of annual aggregate, and per period of cover;
   - annual premium: approximately € 1 million.

In accordance with the delegated power granted by the Company's Board of Directors at its meeting held on 20 June 2007, the said D&O policy was taken out on the terms broadly illustrated above.

Handling of confidential and inside information

Following the adoption of the regulation implementing the new legislation on market abuse, the Board of Directors meeting held on 28 February 2006 updated the contents of the regulation on the handling of confidential and inside information as well as a regulation on keeping the Register of Persons who have access to inside information, in line with the obligations laid down in the Consolidated Finance Broking Act ([34]).

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 confidential ([35]) and inside ([36]) 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 the Company, the Subsidiary Companies or even third parties have conferred professional, service or equivalent responsibilities that have led them to acquire inside information

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(34) In compliance with the provisions of the Consob Regulation, the register shall be operative as of 1 April 2006.

(35) 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.

(36) 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.

on the Company, shall maintain maximum discretion on the confidential information they acquire in the performance of their corporate or professional duties.

The said parties having access on a regular or occasional basis to inside information are entered in an appropriate register, set up and kept according to the legislation and regulations in force. In order to ensure proper keeping of the register and the information it contains, the Company has adopted internal procedures which, according to specific criteria, are aimed at ensuring efficient, effective management of the information and data contained in the register ([37]).

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, the Company has established its policies on circulating and monitoring inside information ([38]).

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.

Notwithstanding the functions of the Media Relations Director and the other Directors granted delegated powers by the Board of Directors, all relations with the press and other media are directed and coordinated by the Financial Affairs Director and conducted by the Director of the corporate function responsible for relations with the media.
Relations with financial analysts and institutional investors are coordinated by the Company's Financial Affairs Director, and conducted through the Investor Relations Department ([39]).

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(37) 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.

(38) 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.

(39) As far as the handling of inside information is concerned, management of the communication procedure relating to that information is the task of the corporate departments responsible for relations with the media, with the help of the investor relations department and the department managing relations with the representatives of corporate bodies and with the authorities responsible for public control of the correctness of the corporate information document, as well as the corporate departments responsible for handling the said information. The above-mentioned departments prepare the text of the press release which, subject to prior approval of the Director of the Company entrusted with financial affairs, is disclosed to the public, the Stock Exchange and CONSOB in compliance with the law in force.

If the text of the press release concerns matters which also fall within the jurisdiction of other Directors to whom management responsibilities are assigned by the Board of Directors, the press release is made public after its delivery to the said Directors.

In view of the Company's obligations resulting from the issue of financial instruments listed on Italian regulated markets, inside information on matters directly concerning the Subsidiary companies may only be disclosed to one or more persons outside those companies by agreement with the Company Director responsible for financial affairs.

Before the said press releases are published, the handling of inside information is aimed at drawing up a suitable press release to be promptly released, with a view to its disclosure outside the Company.

Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, transactions with related parties, atypical or unusual transactions

In the light of criterion 9.C.1., the Board of Directors has redefined the guidelines concerning transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, transactions with related parties, atypical and unusual transactions, which can be found in the *Governance* section of the website www.generali.com. "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 Euro 300 million;
2) the grant of loans and guarantees, also amounting to a total sum higher than Euro 300 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 100 million;
4) 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;
5) 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 1.3% 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 with related parties" means those operations carried out by the Company, including through subsidiary companies, with parties identified in compliance with the definition given by the International Accounting Standard (IAS 24) on Related Party Disclosures, adopted in compliance with art. 9 of EC Regulation no. 2238/2004.

As a result, this category also includes intra-Group transactions, i.e. those operations carried out by the Company, including through subsidiary companies, with other Companies belonging to the Group.

The types of transaction with related parties listed below, including transactions carried out through subsidiary companies, fall under the exclusive jurisdiction of the Board of Directors:

1) the grant of loans and guarantees, amounting to a total sum higher than Euro 150 million;
2) transactions regarding the provision of activities or services, cooperation agreements for the exercise and development of corporate activities, amounting to a total sum exceeding Euro 50 million;
3) mergers or demergers whereby the total assets of the taken over (merged) company or the assets that are being divided equal or exceed 1.5% of the total assets recorded by Generali in its latest consolidated financial statement;
4) investment and disinvestment transactions, including those regarding real property, purchase and sale of shareholdings, companies or Company branches, or of assets of any kind, on the occasion of which the price of the Company (or company branch or assets) bought (or sold) equals or exceeds 0.65% of the average capitalisation recorded over the past six months by Generali shares.

Transactions with related parties, including those carried out through subsidiary companies, may, due to their purpose, consideration, procedures or timing, have consequences on the protection of the company's net worth or on the completeness and correctness of items of information, including accounting information, relating to the issuer. The said transactions shall be approved by the Board of Directors, after the Internal Control Committee has expressed its opinion and/or with the support of independent experts, following the Chairman's or the competent Managing Director's suggestion.

Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position or operations with related parties can bypass the examination of the Board of Directors if they present the following features, even though their subject and value correspond to one of the categories described above:

- they are carried out under market conditions, i.e. under the same conditions as applied to parties other than related parties;
- they are typical or usual, i.e. on the basis of their subject, nature, degree of risk and time of performance are among the ordinary operations of the Company;
- they are carried out by subsidiaries which, directly or indirectly, are entirely controlled by the Company.

In any event, the said transactions must be brought to the notice of the Board of Directors at the meeting immediately following their completion.

Atypical or unusual transactions" means operations which, in view of their subject and nature, are not included among the ordinary operations of the Company, and those presenting particular elements of criticality connected with their features and inherent risks, the nature of the other party, or the time when they are carried out.

This type of transaction normally falls under the sole jurisdiction of the Board of Directors, apart from those listed hereunder:

- transactions not exceeding a total of Euro 50 million;
- transactions that merely implement corporate initiatives already included among the resolutions previously passed by the Board.

With a view to allowing the Board of Directors and, under certain circumstances, the Internal Control Committee, to obtain all the information required to make their respective decisions and assessments, the Chairman of the Board of Directors undertakes to illustrate all transactions still awaiting approval and/or examination to Board members and, under certain circumstances, to the members of the Internal Control Committee, through ad-hoc reports, which shall be available in advance to the said members and which will describe the following factors:

a) the features, terms and conditions of the transaction;
b) the strategic objectives of the transaction;
c) the consistency of the objectives with corporate strategies;
d) the methods, as well as the terms and conditions – including economic ones – of their implementation;
e) the possible developments of the transactions; any connected risks shall be highlighted;
f) the possible consequences and implications of the transaction for the activities of Generali Group.

In the case of transactions with related parties – including those occurring within the Group – that are not presented to the Board of Directors because they are typical or usual and/or meet standard conditions ([40]), the Managing Directors or the managers responsible for the transaction gather and record adequate infor-

(40) Operations meeting standard conditions are those carried out on the same terms as applied by the Company to any party whatsoever.

mation, subject to the relevant procedure defined by article 150, paragraph 1, of Legislative Decree 58/24 of February 1998. The information may be subdivided into types or groups of transactions, and must specify the nature of the correlation, the ways in which the transaction will be carried out, the conditions for its implementation (including economic conditions), the assessment procedure followed, the underlying interest and motivations and any possible risks for the Company. Here again, one or more experts may be appointed on the basis of the above-mentioned procedures.

If the related party is a Director, or

- someone living with him/her or his/her children,
- the children of the person he/she is living with,
- the dependants of the Director or of the person he/she is living with,
- a firm in which the Director holds – directly or indirectly or through a third party – at least 20% of the voting rights, or 10% if the company is listed,
- a firm in which the Director, can appoint the majority of the Directors, including through shareholders' agreements,

the said Director shall promptly inform the Board of Directors and the Board of Statutory Auditors in detail of the existence of such conditions.

This procedure also concerns transactions which, though individually below the amounts listed above with reference to each single category of operations, are connected, within each category, in the same strategic or executive structure, and therefore exceed the amounts established when considered jointly.

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.

Internal dealing regulations

In addition to and by way of completion of the legislation governing this subject, the Company has approved a Regulation ([41]) on internal dealing, identifying:

1. the relevant subjects (or internal dealers) in the Company;
2. relevant transactions;
3. and the Data Processor.

(41) This Regulation took effect on 1 April 2006.

The internal dealer category includes the following subjects:

a) Directors of the Company issuing listed securities;
b) members of the Company's Board of Statutory Auditors;
c) its General Managers and Deputy General Managers;
d) its Assistant General Managers.

Relevant transactions are those performed by the internal dealers or by persons closely related to them ([42]), 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:

a) Shares;
b) Shares of listed subsidiary companies;
c) Financial Instruments linked to Shares;
d) Financial Instruments linked to the Shares of listed subsidiary companies.

The Regulation identifies the Data Processor responsible for keeping the Register of persons with access to inside information as the Head of the Group General Secretariat and Corporate Affairs Department, who is the head of the department which manages the receipt of communications by relevant Subjects and their prompt transmission to Consob and the market, with the cooperation of the Head of the Group Communication Department and the Investor Relations Department.

The relevant subjects shall notify the Data Processor of relevant transactions performed by them by the third Stock Exchange trading day after the day on which the operation was performed, by sending the appropriate form prepared by Consob, using suitable electronic methods.

The Data Processor, together with the Head of the Group Communication Department, announces relevant transactions by means of a press release to Consob and the market, through the NIS (Network Information System), and to two news agencies, by the end of the trading day after the date on which they were received. This announcement is also made available to the public on the Company's website, which also contains the full text of the Regulation.

Furthermore, the Regulation provides for a series of blocking periods, during which internal dealers are expressly forbidden to carry out the above operations; these periods are generally close to major corporate events.

(42) They are as follows: spouse, unless legally separated, dependent children, including those of the spouse, and, if cohabiting for at least one year, parents, relatives and in-laws of the relevant Subjects, legal persons, partnerships and trusts in which a relevant Subject or one of the said persons closely related to him/her holds the management function, jointly or severally, legal persons directly or indirectly controlled by a relevant Subject or by one of the said persons closely related to him/her, partnerships whose economic interests basically coincide with those of a relevant Subject or one of the said persons closely related to him/her, and trusts set up for the benefit of a relevant Subject or one of the said persons closely related to him/her.

The following operations are not relevant for the purposes of this Regulation:
- transactions for an overall amount of under Euro 5,000.00 within the reference period;
- transactions between relevant Subjects or persons closely related to them;
- transactions conducted by the Company and its subsidiary companies.

Chairman and Vice-Chairmen of the Board of Directors

Chairman

The Board of Directors appoints a Chairman from among its members. The Chairman is selected from candidates who meet the specific professional requirements required of the other Board members [43].

The Chairman acts as authorised representative of the Company, through joint signature with another authorised representative [44].
In addition to the functions assigned to him by law, the Chairman chairs the Shareholders' Meetings, in compliance with the provisions of the specific By-laws [45]. Furthermore, the Chairman convenes and presides over the General Council, the Board of Directors and the Executive Committee; directs, coordinates and moderates their debates and announces the results of their resolutions. The Chairman coordinates the circulation of information flows with other Board members, to ensure that Board members are informed of how the Company is performing and are able to make an effective and informed contribution to Board and Council business.

Moreover, with the cooperation of the Secretary of the Board of Directors and in accordance with the Regulation on the operation of the Company's administrative bodies, at least two days prior to the date set for the Board meeting, the Chairman provides the Directors with the accounting documents which will be discussed during the above-mentioned Board meeting and with the minutes of the previous meeting. Furthermore, prior to each meeting, the Board is provided with all the documents currently available, unless a preliminary dissemination of information is deemed inappropriate for confidentiality reasons. In the case of extraordinary projects, the evaluation will be referred to the Chairman of the Board of Directors case by case.

In addition to the mandate of Chairman of the Executive Committee conferred upon the Chairman in accordance with the Company's Articles of Association, operational powers are delegated to him to optimise the coordination and management of the distribution of tasks between the top management bodies. The Company's Articles of Association, in any event, attach to this office a series of institutional functions connected with the management, coordination, supervision and control of the activity of the Company [46]. In this context,

(43) This entails performing management, direction or control activities in companies or bodies of the insurance, credit or finance sectors having a company share capital of not less than 500 million lire for a period of at least three years, or the performance, for at least the same period, of professional activities relating to the insurance, credit or finance sectors, or university teaching of legal, economic or actuarial subjects.

(44) 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.

(45) For further information on the By-laws governing the Shareholders' Meetings and the role of the Chairman at Meetings, are available on the relevant section of the Report.

(46) Art. 32.4 of the Company's Articles of Association states that: "*The Chairman co-ordinates the activities of the corporate bodies, controls the implementation of the resolutions of the General Shareholders' meeting, the Board of Directors and the Executive Committee, and supervises the Company's business and its compliance with the Company's strategy*".

the Board of Directors has appointed M. Antoine Bernheim to supervise the functions connected with external relations, Group communication, institutional relations, the Group's Internal Audit and risk management.

Within the above-mentioned area of competence, the functions of the Chairman are as follows:

a) within the context of his/her functional competencies, implementing the resolutions passed by the Board of Directors and the Executive Committee and ensuring their correct implementation, as well as the implementation of corporate strategies, the business plan and the budget;
b) in agreement with the Managing Directors, providing guidelines for the corporate strategy;
c) examining reports and/or documents on proposed resolutions to be submitted to the Board of Directors and the Executive Committee;
d) supervising relations with public national or supranational institutional organisations, Shareholders and their representative Associations, as well as the Company's external relations;
e) promoting, defining and coordinating the communication strategies of the Company and supervising the policies for the Group's image in Italy and abroad;
f) establishing general guidelines for handling company business transferred to Head Offices or to other Company establishments;
g) dealing with the management of company business that does not pertain to Head Offices or other establishments;
h) resolving on ordinary business issues submitted to Head Offices or to other Company establishments;
i) providing guidance for recruitment and deployment of the Company's personnel, although responsibility for appointing and dismissing managing personnel with an office ranking higher than "Manager" rests with the Board of Directors;
j) providing guidance on administration costs;
k) taking any measure which may be deemed appropriate, useful and/or necessary for the management of the Company and the implementation of this resolution, performing all administration operations both in Italy and abroad, with authorisation to draw up, amend and terminate contracts and agreements relating to the corporate objectives and assets, with any terms, including an arbitration clause, also jointly with other companies and through calls for tender. The Chairman may also compound any dispute, appointing and removing from office arbitrators and amicable settlers, up to a maximum amount of 60 million Euro.

Finally, the Chairman of the Board of Directors is granted, within his/her sphere of operation, any power whatsoever held by the Board of Directors, should the urgency of the issue require immediate decision, in his/her final judgement or the joint or several judgement of the Managing Directors, with the exclusion of the powers referred to in 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, if the value of single operations does not exceed 100 million Euro and the total value does not exceed 300 million Euro, taking into account the Board's resolution on transactions having a significant impact on the Company's profitability, assets and liabilities or financial position or operations with related parties, or atypical or unusual transactions. The said maximum value limits may be exceeded in cases of exceptional urgency, at the sole discretion of the Managing Directors, acting joint or severally, subject to adoption of a resolution by the Chairman of the Board of Directors taken jointly with at least one of the Managing Directors.

For all relevant transactions implemented, the Chairman shall report to the Board of Directors at the first meeting held after the exercise of delegated powers, provided that the measures undertaken shall be effective in any event.

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 more than one Vice-Chairman is also a Managing Director, or if none of them holds that office, the oldest one shall replace the Chairman.

Like the Chairman, the Vice-Chairman holds the office of Member of the Executive Committee by right, in accordance with the Articles of Association.

Executive Committee

The Board may appoint from among its members an Executive Committee to which it delegates certain powers in accordance with regulations and the Articles of Association, within the limits of the law. At all events, the said delegations of powers shall never deprive the Board of Directors of its fundamental faculties.
The Executive Committee consists of the Chairman of the Board of Directors, who shall preside over it, the Vice-Chairman or Vice-Chairmen, and not less than 4 or more than 7 Board members, who shall include the Managing Directors should any have been appointed. The Executive Committee, with delegated powers, is currently made up as follows:

Executive Committee

Office	First name, last name
• Chairman	Antoine Bernheim
• Vice-chairman	Gabriele Galateri di Genola
• Managing Director	Sergio Balbinot
• Managing Director	Giovanni Perissinotto
• Non-executive Director • Independent Director	Francesco Gaetano Caltagirone
• Non-executive Director	Alberto Nicola Nagel
• Non-executive Director • Independent Director	Lorenzo Pellicioli

The Secretary of the Board of Directors, Mr. Vittorio Rispoli, 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 ([47]).

As an implementation of the principles expressed by the Company Law Reform, starting from 2004 the members of the Executive Committee shall also remain in office for three years. Their mandate will thus last until the date of the meeting held to approve the financial statements for the financial fiscal year ending on 31 December 2006.

(47) See footnote 45.

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:

- pass resolutions on general activities not falling under the jurisdiction of Head Offices or other establishments of the Company;
- pass resolutions regarding the purchase, sale and exchange of movable and immovable property and, generally, the performance of acts of disposal concerning personal and/or property rights as well as the use of company funds, provided that the said powers do not pertain to the field of activity of Head Offices, or their jurisdiction and/or value exceed the limits of the powers delegated to the Chairman and Managing Directors;
- sign Shareholders' Agreements of special strategic importance relating to shareholdings in listed companies established under Italian and/or foreign law;
- appoint Board Members and/or Statutory Auditors of Companies in which a significant shareholding is held, but which is not controlled by the Company;
- convene corporate meetings;
- issue general or special powers of attorney for activities falling under its jurisdiction;
- acknowledge, confirm and ratify any decisions taken by the Chairman and/or the Managing Directors when necessary or urgent conditions arise, which are beyond the value limit assigned and/or *ultra vires*;
- adopt, when protection of the interests of the Company or the Group calls for urgency, any other resolutions which would otherwise pertain to the Board of Directors, excluding those enshrined in 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. Account should be taken of the provisions of the resolution adopted by the Board of Directors regarding transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, transactions with related parties, atypical or unusual transactions.

For all relevant transactions implemented under delegated powers, the Executive Committee shall report to the Board of Directors at the first meeting held after the exercise of delegated powers, provided that the measures undertaken shall be effective in any event.

Average meeting attendance of Executive Committee members was 92.8% at the meetings held in 2005, 93% in 2006, 100% at the single meeting held in 2007, 92.86% in 2008 and 94% in 2009. (See Table 2, containing attendance information for each member of the Executive Committee).

Managing Directors

The Board may appoint from among its members one or more Managing Directors, defining their powers. Managing Directors must be selected from candidates complying with the same criteria of professionalism and competence as required for the office of Chairman ([48]).

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 2006.
The Managing Directors in office, who are also Members of the Executive Committee by right, have power to:

(48) See footnote 49. For the office of General Manager or offices involving the exercise of equivalent functions, specific professional competence is required in the fields of insurance, credit or finance, consisting of experience in positions of appropriate responsibility for a period of no less than five years.

- implement resolutions taken by the Board of Directors and the Executive Committee;
- establish general guidelines for handling company business whose responsibility has been transferred to Head Offices or other establishments;
- undertake management of company business that does not pertain to Head Offices or other Company establishments;
- pass resolutions on ordinary business which is submitted to Head Offices or to other Company establishments;
- provide guidance on the hiring and deployment of personnel by the Company, although the Board of Directors retains the functions of appointment and dismissal of personnel with an office ranking higher than "Manager";
- provide guidance on administration expenses;
- hire and appoint, in line with the relevant corporate programme and in agreement with the Managing Director in charge of human resource management, members of staff of any level and rank, with the exception of personnel with an office ranking higher than "Manager", and suspend and dismiss members of staff when the Directors deem such actions necessary to safeguard corporate interests;
- determine, in compliance with the provisions of articles 42 and 43 of the Articles of Association, the scope of the power to represent the Company and sign on its behalf of personnel with an office not ranking higher than "Manager", as well as to extend and cancel the said authorisation for employees of the Company;
- take any measure which may be deemed appropriate, useful and/or necessary for the management of the Company and the implementation of this resolution, performing all administration operations both in Italy and abroad, with authorisation to draw up, amend and terminate contracts and agreements relating to the corporate objectives and assets with any terms, including an arbitration clause, also jointly with other companies and through calls for tenders. The Chairman may also compound any dispute, appointing and removing from office arbitrators and amicable settlers, up to a maximum amount of 60 million Euro;
- file, defend and settle litigation of any value whatsoever, at whatever level and in whatever forum before ordinary courts, administrative and tax tribunals in Italy, the European Union or abroad;
- bring actions before competent courts in the name and on behalf of the Company;
- issue powers of attorney to employees of the Companies and/or third parties, within the ambit of their powers.

Notwithstanding the obligation to have a joint signature as the expression of the legal representation of the Company, as provided for in article 43 of the Company's Articles of Association, the above-mentioned powers and responsibilities are conferred and performed in the context of the functions pertaining respectively to the two Managing Directors.

In particular, Giovanni Perissinotto is responsible for the corporate and legal areas, financial and administrative aspects, affecting both movable and immovable property, in Italy and abroad, the general coordination of the activities of the IT sector, insurance business in Italy in all of its organisational and technical aspects, including the management of services shared by the Group companies in Italy in the IT and claim settlement sectors, human resources and work-flow organisation, planning and management control.

Sergio Balbinot is given management responsibility for insurance business abroad and re-insurance business in Italy and abroad, in all of its technical and management aspects, including management of services shared by the Group companies abroad in the IT and claim settlement sectors.

Managing Directors may additionally exercise, within their sphere of jurisdiction, any power whatsoever that falls within the jurisdiction of the Board of Directors should the urgency of the issue, in the joint or several final judgement of the Managing Directors or the Chairman of the Board of Directors, require immediate decision, with the exclusion of the powers referred to in 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, provided that the value of single operations does not exceed 100 million Euro and the total value does not exceed 300 million Euro, taking into account the Board's resolutions on transactions having a significant impact on the Company's profitability, assets and liabilities or financial position or transactions with related parties, atypical or unusual transactions. The said maximum value limits may be exceeded in cases of exceptional urgency, as designated in the joint or several final judgement of the Managing Directors, subject to adoption of a resolution by the Chairman of the Board of Directors taken jointly with at least one of the two Managing Directors.

For all relevant transactions implemented, the Managing Directors shall report to the Board of Directors at the first meeting held after the exercise of their delegated powers, provided that the measures undertaken shall be effective in any event.

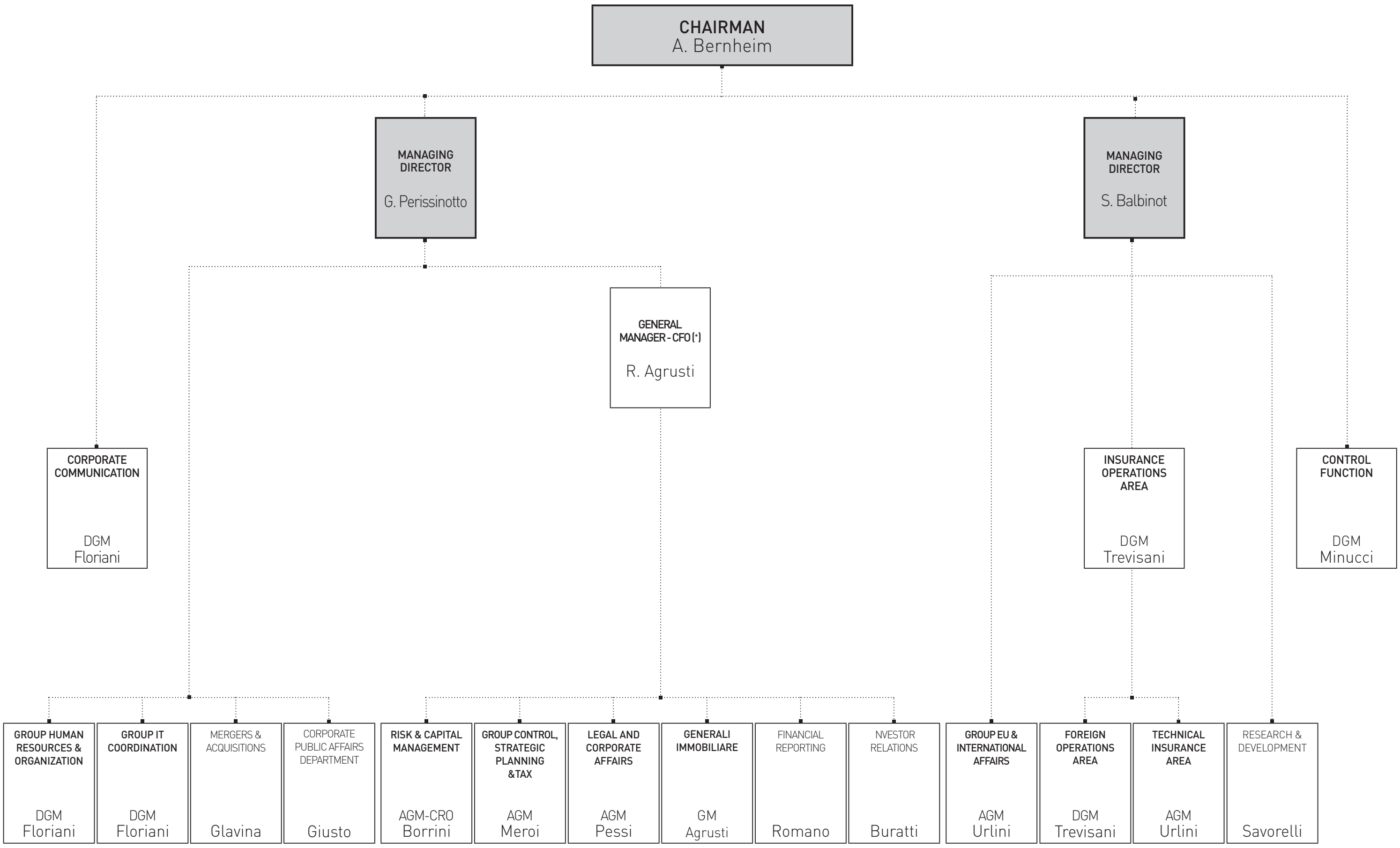
Corporate Centre

The Corporate Centre, which supports the Managing Directors in their respective powers and areas of activity, is a tool used to attain the objectives of the industrial plan which governs the processes of strategic organisation, strategic planning, policy and control of the Company and the Group.

The role of Group Chief Financial Officer (CFO) is held by the Company's General Manager Raffaele Agrusti, with the duty to report to Managing Director Giovanni Perissinotto.

The CFO is the chief supervisor of the following sectors of the Company: Group Risk & Capital Management Area, Group Control, Strategic Planning & Tax Area, Group Legal and Corporate Affairs Department, Generali Immobiliare, and Financial Reporting and Investor Relations activities.
Deputy General Manager Valter Trevisani, who supervises the Technical Insurance Area and foreign insurance operations, reports to Managing Director Sergio Balbinot.
The Corporate Centre now has the structure shown in the Table below.

Corporate Centre



GM: General Manager
DGM: Deputy General Manager
AGM: Assistant General Manager
CFO: Chief Financial Officer
CRO: Chief Risk Officer
(*) Manager in charge *ex lege* 262/05

According to the governance system of the Corporate Centre, three committees support the Managing Directors, within the scope of their respective mandates.

The first of these is called the Group Risk Committee, and has the following primary tasks:

- to support the Managing Directors in establishing the Group risk profile and correlated levels of business capital;
- to monitor the risk profile on the basis of reporting carried out by the Risk Management Department;
- to support the Managing Directors in establishing any corrective strategies.

The role of Chief Risk Officer is attributed to Central Director Amerigo Borrino, supervisor of the Risk & Capital Management Area, who reports to the General Manager and CFO.

The Chief Risk Officer is responsible for coordinating and monitoring the functioning of the entire Enterprise Risk Management model and guaranteeing, at Group level, monitoring of market risk exposure and asset liability management. To this end, the fields of activity include:

- transmission of information and suggestions relating to risk and capital management to the Risk Group Committee;
- continuous exchange of ideas with the Group managers responsible for areas of activity/risk;
- monitoring of the Enterprise Risk Management activities taking place in the various countries.

The above-mentioned activities are carried out by the Chief Risk Officer with the support of a dedicated structure, namely the Risk Management Department.

The Group Risk Committee is made up as follows:

Group Risk Committee

Corporate function	First name, last name
• Managing Director	Sergio Balbinot
• Managing Director	Giovanni Perissinotto
• General Manager and Chief Financial Officer	Raffaele Agrusti
• Deputy General Manager	Valter Trevisani
• Assistant General Manager and Chief Risk Officer	Amerigo Borrini

The second Committee is the Company Risk Committee, set up by the Group Risk Committee at its meeting on 5 December 2008. Its main tasks involve risks relating to the company's core insurance business.

The Committee has the following composition:

Company Risk Committee

Corporate function	First name, last name
• Managing Director	Sergio Balbinot
• Managing Director	Giovanni Perissinotto
• General Manager and Chief Financial Officer	Raffaele Agrusti
• Deputy General Manager	Amerigo Borrini
• Assistant General Manager	Franco Urlini

The third Committee is the Group Investment Committee, whose main tasks involve:

- validating the hypotheses for future financial scenarios put forward by the dedicated structures;
- establishing Group investment policies (the asset classes that can be used and maximum limits);
- monitoring that the identified investment policies are actually implemented and, if required, defining corrective strategies.

The Committee has the following composition:

Group Investment Committee

Corporate function	First name, last name
• Managing Director	Giovanni Perissinotto
• General Manager and Chief Financial Officer	Raffaele Agrusti
• Assistant General Manager and Chief Risk Officer	Amerigo Borrini
• Chief operations officer of Generali Immobiliare	Giancarlo Scotti
• Chairman of the Managing Board of Generali Investments S.p.A.	Philippe Setbon

The Secretary of the Group Risk Committee and the Group Investment Committee, which both met 8 times in 2007 and 7 times in 2008 and 2009, and of the new Company Risk Committee, which met 6 times in 2009, is Michele Amendolagine, *Head of the Group General Secretariat and Corporate Affairs Department*.

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 the Company to other employees or third parties, by granting special or general powers of attorney for single actions or types of actions. If power to represent the Company is continuously assigned to Company officers, the said officers shall represent it, solely within their sphere of jurisdiction, through joint signature with an executive holding the said jurisdiction.

Other sub-committees

The Code, from its outset, has recommended that listed companies should set up a number of committees with responsibility for specific issues with a view to improving the Board's efficiency and effectiveness. These committees should be made up of members of the Board.

These committees have the task of giving advice and making proposals to the Board of Directors. They include the Internal Control Committee, the Committee for the remuneration of Managing Directors and other Directors who hold special positions, as well as assessment of the criteria adopted for the remuneration of executives with strategic responsibilities, and the Corporate Governance Committee.

In compliance with the Code in force, the Board of Directors shall assess the advisability of establishing an appointments committee mainly made up of Independent Directors. For this reason, the Company has, so far, not deemed it necessary to establish an *ad hoc* Committee, since such a body would have a mere contingency function. In any event, the Operating Regulation of the Board of Directors states that the Board must evaluate the advisability of setting up such a consultative body.
Before providing information about the sub-committees, in order to clarify their role we will illustrate the internal control and risk management system and the organisation and management model.

Internal Control Committee

Taking into account the relevant provisions of the Voluntary Self-Regulatory Code, since its first edition, the Board of Directors has resolved to establish an Internal Control Committee with advisory and recommendation functions, within the internal control field, consisting of members chosen from the Board.

The provisions of Article 37 of the Company's Articles of Association, which empower the Board to set up advisory committees composed of members of the Board and to establish their powers, serve as reference for the establishment of these committees.

The present Committee was appointed by the Board of Directors last April, and will be in force until the Shareholders' Meeting which approves the financial statements for the financial year ending on 31 December 2009.

The said Committee is made up as follows:

Internal Control Committee

Office	First name, last name
• Chairman • Non-executive and independent Director	Alessandro Pedersoli
• Member of the Committee • Non-executive and independent Director	Luigi Arturo Bianchi
• Member of the Committee • Non-executive and independent Director	Loïc Hennekinne

Mr. Vittorio Rispoli 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 28 April 2007, verified the existence of the independence requirement for all members of the Internal Control Committee, and repeated that verification on the occasion of the annual check performed to establish whether the members of the Board of Directors meet the independence requirements. According to the provisions of article 8.4 of the Code, the Committee members must be non-executive and for the most part independent. Furthermore, at least one member of the Committee has developed adequate experience in the accounting and financial fields, namely Prof. Luigi Arturo Bianchi.

In view of application Criteria no. 1.C.1, 8. C.3 and 9.C.1. of the Code and the terms of ISVAP Regulation no. 20 of 26 March 2008, the Committee holds the following powers and responsibilities:

- to assist the Board of Directors in determining the internal control system and risk management guidelines, assessing its adequacy and actual functioning on a regular basis, identifying and managing the main corporate risks, giving advice and making proposals to the Board concerning internal controls;
- to ensure that the assessments and decisions made by the Board of Directors pertaining to the internal control and risk management system, approval of the annual accounts and the half-year reports as well as the relations between the Company and the External Auditors are supported by an adequate preliminary stage. In this context, the said Internal Control Committee:
  - assists the Board of Directors in performing the tasks it is assigned by the Code on the internal control and risk management system;
  - expresses its opinion on the proposed "Audit Plan" and the "Summary Report on Internal Audit Activities", drawn up by the Head of the Internal Control sector, before they are submitted to the Board of Directors for approval;
  - assesses, together with the managers responsible for drawing up the Company's corporate accounting documents and the external auditors, the correct use of the accounting standards adopted and their uniformity with a view to preparation of the consolidated accounts;
  - examines 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;
  - reports 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;
  - expresses 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 competent Director;

- assists the Board of Directors in assessing its skills in maintaining the Company's risk management system in terms of adequacy of the organisational and process structures relating to the identification and management of the Group's main risks, including quantitative analysis performed, at least once a year, by means of stress tests;
- expresses opinions concerning the approval and execution mechanisms of the operations carried out by the Company or by its subsidiaries with related parties, as well as opinions concerning specific operations with related parties, as envisaged by the relevant resolution of the Board of Directors;
- directs, 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 and its subsidiaries with strategic relevance, present on a list updated at regular intervals by the said Committee;
- performs any duties allocated to it in future by the Board of Directors;
- implements all the actions related to and stemming from the resolution which set out its responsibilities, as well as all the activities that may be necessary, or at least useful and appropriate, to implement the said resolution.

The Internal Control Committee reports on its activities to the Board at least when the Board is convened to approve the annual and half-year accounts, and expresses its own opinion on matters for which it is responsible.

During 2009, the Committee carried out, among others, the following activities, with the support of the Head of Internal Controls:

- analysis of the update report by the Compliance Officer on the start-up of the new Compliance Department;
- analysis of the update report on the development of the structure of the Group Internal Audit and Independent Risk Controlling departments;
- examination of the work plan drawn up by the External Auditors;
- evaluation of the draft Report on the organisational, administrative and accounting systems of the Company and its controlled companies with strategic importance;
- drafting of a self-assessment questionnaire for the Board of Directors and sub-committees;
- analysis of the report on the progress of the activities for which the Manager in charge of the preparation of the Company's financial reports is responsible;
- preliminary examination of the results of the self-assessment process conducted by the Board of Directors and sub-committees;
- the Internal Audit Plan and associated expenditure budget for 2009;
- the 2009 Compliance Plan and associated expenditure budget for 2009;
- presentation of the report on the activities performed by the Internal Control Committee in the year ending on 31 December 2008;
- analysis of note regarding the Reports on the financial statements as at 31 December 2008 by the External Auditors and the actuary appointed by them;
- analysis of update reports on the appeal against the assessment inspections conducted by ISVAP in 2007;
- analysis of proposals regarding the remuneration of executives with Internal *Audit and Risk Management* responsibilities;
- examination of the draft annual report on the internal control and risk management system, as required by ISVAP Regulation no. 20 of 26 March 2008;
- analysis of periodic report on *Independent Risk Control* (ISVAP Regulation no. 20 of 26 March 2008);
- analysis of note on Half-yearly Report as at 30 June 2009 and the limited review of that Report currently being performed by the External Auditors;

- update by the Manager in charge of preparation of the company's financial reports regarding his activities;
- analysis of report on the capital sufficiency of the conglomerate headed by Assicurazioni Generali S.p.A. as required by the ISVAP notice of 9 June 2009;
- analysis of update report on internal audit activities;
- presentation of report on tax on third-party vehicle insurance policies required by ISVAP;
- analysis of report on the results of the stress tests performed in accordance with the requirements specified by ISVAP in its circular of 1 July 2009;
- analysis of periodic report on the implementation by the Generali Group of the Organisation and Management Model required by Legislative Decree no. 231 of 8 June 2001;
- analysis of update report on variations in the organisational structure of the Group Internal Audit department;
- illustration of the follow-up process in the internal audit field;
- analysis of report on the result of the evaluation conducted by Group internal audit on the internal auditing structures of the foreign insurance companies belonging to the Group.

The Chairman of the Committee ensures that adequate information on the items on the agenda is provided to all committee members well in advance of each meeting, adopting the procedures required to maintain the confidentiality of the data and information supplied, . in accordance with the terms of the Regulation on the operation of the Company's administrative bodies.

Committee meetings are attended by Committee members and by the Director responsible for control issues, the Chairman of the Board of Statutory Auditors or any other Statutory Auditor designated by the Chairman of the Board of Statutory Auditors. It is now standard practice to invite all Members of the Board of Statutory Auditors to take part in the Committee's meetings. In relation to the subjects on the agenda in the last financial year, the presence at those meetings of non-members, especially the Company's and/or the Group's executives, and representatives of the External Auditors at regular intervals, was requested; some of them attended the whole meeting, and others were only present during the discussion of certain items on the agenda.

In performing its role, the said body may access the corporate information and functions necessary to carry out the tasks allocated to it, through the Secretary to the Board of Directors.
During the last financial year, the Committee did not call on the assistance of advisors external to the Company.

At Committee meetings, the Head of Internal Control reports on the operation of his/her Department to the Committee and the Board of Statutory Auditors present at its meetings. He has direct access to all information useful for the performance of his duties.

The operation of the Internal Control Committee is guaranteed by specific regulations.

Its members receive an attendance fee.

The above-mentioned governing body has duly performed the recommendation and advisory activities for which it was established; it has kept minutes and produced the reports required by the performance of the Company's business.

Internal Control Committee meetings are usually held at least four times a year, and in time to take decisions on the issues on which the Committee must report to the Board of Directors.

Specifically, the Committee met on seven occasions in 2009, eight in 2008, six in 2007 and 2006, and five during 2005. All those meetings were attended by all members (see Table 1, containing attendance information for each member of the Internal Control Committee).

In the 2009 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 16 March 2010, the Committee passed its 2010 budget, confirmed at € 300,000, then approved by the Board of Directors at the meeting held on 17 March 2010.

Remuneration Committee

Generali had for a long time had a committee, consisting of members of the Board, in charge of determining the remuneration of Board members holding special positions. Members were elected when the concrete need emerged to establish the remuneration of these Directors.

Approaching this issue in the spirit of the Code, on 20 February 2001 the Board took note of the indisputable existence of the limitation laid down by Article 2389 of the Italian Civil Code, which attributes solely to the Board, upon indications provided by the Board of Statutory Auditors, the power to determine the remuneration of Directors appointed to particular positions as specified in the Articles of Association. In this case, too, the Board took the provisions of Article 37 of the Company's Articles of Association as a point of reference, as it empowers the Board of Directors to set up advisory committees, composed of members of the Board, and to establish their powers.

The Board later deemed it desirable to formally appoint its own body with delegated powers, known as the *Remuneration Committee*, which assists the Board of Directors in taking decisions concerning the determination of top managers' remuneration.

The above-mentioned corporate body is exclusively made up of non-executive directors, the majority of whom are independent, in accordance with the requirement laid down by the Code. This complies with the rule underlying a good Corporate Governance system, namely that no director may influence the setting of his/her own remuneration and the conditions under which it is set.

The Committee currently in force was appointed by the Board of Directors in April 2007, and will hold office until the Shareholders' Meeting which approves the financial statements for the financial year ending on 31 December 2006.
The said Committee is made up as follows:

Remuneration Committee

Office	First name, last name
• Chairman • Non-executive and independent Director	Paolo Scaroni
• Member of the Committee • Non-executive and independent Director	Leonardo Del Vecchio
• Member of the Committee • Non-executive Director	Gabriele Galateri di Genola

Mr. Vittorio Rispoli 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.
The opinions expressed and the proposals made by the Remuneration Committee may concern the allocation of stock options.

Proposals for determining remuneration are made on the basis of individual discretionary evaluations, taking into account, among other factors, a series of parameters such as the degree of responsibility held by the Director within the corporate organisational structure, his/her influence on Company results, the profit made by the Company and the attainment of specific targets set by the Board.

Consistently with this approach, a resolution was passed regarding the determination of remuneration of members of the Board who hold special offices or have taken on responsibilities in compliance with the Articles of Association, and of General Managers. With regard to the latter, the Remuneration Committee formulates opinions and non-binding proposals to the Board of Directors, on the proposal of the Managing Directors.

This Committee has no jurisdiction with regard to other fees to which Directors are entitled. In particular, it does not deal with the global remuneration payable to individual members of the Board or the Executive Committee, which ʻis established by the General Meeting ([49]).

The Board has approved an ad-hoc set of provisions to regulate the functioning of the Remuneration Committee, whose duties are as follows:

- to express opinions and make non-binding proposals to the Board of Directors on the determination of the remuneration payable to the Chairman of the Board of Directors and the Managing Directors; opinions and proposals are expressed on the basis of a discretionary assessment taking into account the following criteria:
  - relevance of the responsibilities within the corporate organisational structure;
  - impact on the corporate results;
  - economic results achieved;
  - achievement of specific objectives previously set by the Board of Directors;
- to monitor the implementation of the decisions taken by the Board of Directors on the basis of the proposals put forward;
- to express an opinion to the Board of Directors concerning the determination of the remuneration payable to those members of the Board of Directors holding a particular office or having a function in accordance with the Articles of Association;

(49) Further details about remuneration can be found in the relevant section of the Notes to the Accounts contained in the Company's annual financial statements.

- to express opinions and make non-binding proposals on the determination of the remuneration payable to the General Managers, on the proposal of the Managing Directors, on the basis of a discretionary assessment adopting the following criteria:
  - the level of responsibility and the risks relating to the functions held;
  - the results achieved with reference to the objectives set out;
  - extra tasks carried out;
- to assess, at regular intervals, the criteria adopted for the remuneration of managers with strategic responsibilities, monitor the application of the said criteria on the basis of the information gathered by the Managing Directors, and make relevant recommendations to the Board of Directors;
- to express opinions and make non-binding proposals concerning the stock option plans and the allocation of shares;
- to report on the activities carried out, disseminate information and formulate tailored proposals and opinions to the Board of Directors in a timely manner, thus ensuring the efficient organisation of Board meetings convened to discuss remuneration;
- to perform any other tasks which the Board of Directors may later allocate to the Committee by specific resolution.

The main activities performed by the Committee in 2009 were:

- evaluations regarding the overall remuneration policy for members of the top management and key management personnel;
- drafting of proposals for the remuneration of the Chairman, Managing Directors and General Manager;
- the Long-term Incentive Plan for Executive Directors and key management personnel of the Group: examination of the progress of the current plan, and adoption of resolutions in the fields for which the Committee is responsible;
- the 2009 expenditure budget.
- examination of the guidelines of the new long-term incentive plan for executive directors and key management personnel of the group.

In performing its role, the said body may access the corporate information and functions necessary to carry out the tasks allocated to it, through the Secretary to the Board of Directors.

In the past financial year, meetings of the Committee were attended by non-members, on the Committee's invitation. Some attended the whole meeting, while others were only present during the discussion of certain items on the agenda. The Committee also called on assistance from external consultants.

The operation of the Remuneration Committee is regulated by an ad-hoc set of rules.
Its members receive an attendance fee.

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.

In 2003 only one meeting was convened, which was attended by all members of the Committee. In its current composition, the Committee met only once in 2004, twice in 2005, once in 2006, three times in 2007, twice in 2008, and four times in 2009. All those meetings were attended by all members. (See Table 2, containing attendance information for each member of the Internal Control Committee.)

At the Committee meeting held on 17 March 2010, the Committee established its spending budget for the 2010 financial year at € 150,000. This budget was submitted for the approval of the Board of Directors at its meeting on 17 March 2010.

Corporate Governance Committee

The Board of Directors has set up a consultative committee to establish whether, and to what extent, the corporate governance rules introduced by the Company to date are in line with the best practice, having regard to the fact that there have been a number of major changes in the legislative picture and best practices, and the industrial and financial objectives specified in the Strategic Plan have been updated.

Seven 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.

Corporate Governance Committee

Office	First name, last name
• Chairman • Executive Director	Antoine Bernheim
• Member of the Committee • Non-executive Director	Ana Patricia Botìn
• Member of the Committee • Non-executive Director	Gabriele Galateri di Genola
• Member of the Committee • Non-executive and independent Director	Alessandro Pedersoli
• Member of the Committee • Non-executive and independent Director	Lorenzo Pellicioli
• Member of the Committee • Non-executive and independent Director	Paolo Scaroni

Vittorio Rispoli was appointed Secretary of the Committee.

Two meetings of the Committee were held in 2007, after which the Committee expressed the opinion that the Company's corporate governance system complies with the current legislative and regulatory framework and with the best practice adopted by the Code. Consequently, having regard to the good results achieved to date and the challenging targets set in the Group's strategic plan, the Board of Directors decided to maintain the Company's present corporate governance structure unchanged.

Internal Control and Risk Management System

ISVAP Regulation no. 20 of 26 March 2008 issues insurance companies with a series of measures relating to internal controls and risk management, which update and supplement the terms of ISVAP Circular 577/D of 30 December 2005 ([50]).

(50) Briefly, the main innovations contained in Regulation 20, in a context of general consolidation of the principles and requirements of ISVAP Circular no. 577/D, are as follows:
- the compulsory institution of a compliance department by 1 January 2009, and a specific reference to the adoption of non-conformity risk management policies;
- the elimination of the requirement to define the frequency of the measures specified in the audit plans; however, they must be drawn up in accordance with a risk-based logic;
- the interval (at least annual) at which the Board of Directors must review the directives regarding controls, hiring strategy, evaluation and management of company risks, so that they can be aligned with changing business and risk exposure needs if necessary

The Company's Board of Directors therefore updated the principles and basic characteristics of its Internal Control and Risk Management System by resolution of 8 May 2008, approving a document entitled "The Internal Control and Risk Management System", which describes in detail the purposes, principles, structure, roles, responsibilities and main provisions.

This business operation format is supported by an approach commonly described as Enterprise Risk Management, based on a company culture which involves structuring suitable internal control and risk management systems, where the concept of system involves a complex set of tools, devices, organisational solutions and human resources.

The Group has identified the best internal control and risk management organisation, which is suitable to stimulate the creation of value, preserving its values and business culture by means of an integrated, synergic logic between risk management and controls.

By analysing and highlighting the interactions between risks and controls, it maintains and bases its activities on prompt identification of the responsibilities of the various players involved, and above all the implementation of suitable structured mechanisms that guarantee compliance with the strategies established by the Board of Directors.

This organisational model involves:

- the bodies responsible for risk and control policies and monitoring, which include the Company's governing bodies within their respective fields of responsibility;
- the operational structures responsible for risk management and control, which include all the Company's organisational units, at the different levels of responsibility already described.

In particular, the Internal Control and Risk Management System attributes to the Board of Directors, in the ambit of its tasks and responsibilities, the ultimate responsibility for establishing risk management and internal control strategies and policies and guaranteeing their suitability and maintenance over time, in terms of completeness, functionality and efficacy, in accordance with the Company's size and operational specificity and with the nature and intensity of its corporate risks, also with reference to outsourced company functions. The top management (ie. the Managing Directors and General Manager and all the executives who perform supervisory activities over large company areas) are responsible at different levels for the implementation, maintenance and monitoring of the Internal Control and Risk Management System, in accordance with the present directives of the Board of Directors.

In the ambit of the first organisational level of risk management and controls, the parties responsible for the operational areas (Risk Owners) have direct responsibility for undertaking, managing and controlling risks and consequently implementing the necessary control activities. For this purpose, they provide the top management, partly through the Group Risks Committee, with the information required to establish the management and control policies, methods and tools for the risks for which they are responsible, coordinate their implementation, and guarantee their adequacy over time. They also ensure compliance with the objectives and policies by the operating units for which they are responsible, and identify and perform corrective measures within the limits of their independent responsibility; outside those limits they produce specific recommendations and suggestions for the top management.

Control activities are therefore considered to be an integral part of each company process, falling within the

- the introduction of new provisions governing outsourcing of activities;
- the provision, coordinated with the existing ISVAP Regulation no. 15 (Insurance Groups), of specific obligations regarding the subjects covered by this document in the conduct of an insurance group.

responsibility of the Manager of each Organisational Unit. In this way the principle of "self-assessment" is concretely applied to the processes performed by each Organisational Unit in terms of the associated risks and controls; the said Units are consequently directly responsible for achieving, and aware that they must achieve, the efficacy, efficiency and quality targets relating to the risk management and control mechanisms of their Units.

The Manager's self-assessment process is supported by a specific professional figure, the Analyst, recruited from the relevant company areas for the purpose of managing the main business risks, and suitably and uniformly trained in the risk detection and analysis procedures and controls designed to mitigate their effects. To ensure that this self-assessment process by the Managers of the operational areas is effective and correctly designed, periodic meetings have commenced with all the departments responsible for risks, including those which, at the first organisational level, only perform activities involving the control and monitoring of the trend of risks considered significant (such as market, insurance and operational risks).

The Chief Risk Officer (CRO) reports to the General Manager and the Chief Financial Officer (CFO), who is responsible for implementing the risk management process. He is responsible for implementing and guaranteeing the effectiveness of the risk management system set up by the parent company, and coordinating it with those of its subsidiaries according to the organisational models established.
At the second organisational level, the Internal Audit department is responsible for providing an independent evaluation of the efficacy of the internal control system, and consequently the effective operation of the controls designed to guarantee the correct performance of the processes in consideration of the risk propensity levels.

The internal audit activities take the form of direct audits at the operational facilities, established in the ambit of an Audit Plan, and analysis and evaluation of information about the controls introduced to mitigate risks, which is continuously produced by the Managers of the various areas of activity.

Finally, the Independent Risk Controlling department is responsible for all control activities relating to risk identification and assessment, for which it is considered that the department needs to be independent of the operational structures.

The Company's Board of Directors, when evaluating the adequacy, efficacy and actual operation of the internal control system, resolved to confirm the Chairman's responsibilities in the field of internal control and risk management and the appointment of Group Internal Audit Manager Alessandro Busetti as Internal Control Officer, further determining their annual remuneration, on the proposal of the Managing Director responsible for the human resources area, with the approval of the Internal Control Committee, as required by the Code.

In its subsequent resolution of 30 October 2008 the Board of Directors gave direct responsibility for the Independent Risk Controlling department to Annalisa di Cave, having first established that she met the requirements of professionalism and experience, and ordering that she should report directly to the Board of Directors, and to the Internal Control Committee acting on its behalf.
The Board of Directors, again at the meeting held on 30 October 2008, resolved to institute a Compliance Department as required by ISVAP Regulation no. 20 of 26 March 2008.

In particular, the said Regulation states that the Compliance Department is responsible for assessing whether the organisation and internal procedures of the insurance company are suitable to prevent the risk of court-imposed or administrative sanctions, financial losses or damage to reputation, as a result of infringement of legislation, regulations or orders of the Supervisory Authorities or self-regulatory codes.

The said regulation also provides for the obligation to identify a manager of the said Department, establishing that the manager should meet suitable requirements of professionalism, independence and authoritativeness.

The Generali Group, consistently with its management policy for shared services, has decided to institute a Group Department located at the premises of parent company Assicurazioni Generali S.p.A. This solution allows the compliance activities already implemented to be integrated in accordance with the joint Bank of Italy/CONSOB Regulation.

Compliance activities are performed in the ambit of the Group's Compliance model, which provides for:

- first-level controls, performed for each operating unit; in particular, Business Unit Compliance Officers are appointed for the main functional macro-areas (Non-Life, Life, Finance, etc.) to ensure suitable supervision of the non-compliance risk in the areas under their responsibility;
- the Department constitutes an additional section independent of the overall Internal Controls and Risk Management System, focusing on the risk of non-compliance.

As a result of the decision to centralise compliance activities by setting up a specialised unit of the parent company, pursuant to art. 25 of the Regulation, a Company Compliance Coordinator will be appointed by every insurance company in the Group that outsources compliance activities, to liaise with the Department Manager.

In the ambit of the organisation established in accordance with the applicable legislation, the Department is responsible for:

- continuously identifying the legislation applicable to the Company and evaluating its impact on the Company's processes and procedures;
- evaluating the adequacy and efficacy of the organisational measures adopted to prevent the risk of non-compliance with legislation;
- proposing organisational and procedural changes designed to ensure adequate supervision of the risk of non-compliance with legislation;
- evaluating the efficacy of the organisational and procedural changes resulting from the modifications proposed;
- sending suitable information flows to the Company's governing bodies and the other structures involved.
- performing the compliance checks required by the said joint Bank of Italy/CONSOB Regulation.

The Department's Manager reports to the Board of Directors at least once a year, directly or through the Internal Control Committee, drawing up a report on the measures taken by the Company to manage the risk of non-compliance with legislation. In particular, the report illustrates the evaluations performed in the areas of non-compliance risk and the measures taken to remedy any deficiencies found.

The Department's evaluations are performed in pre-selected areas of non-compliance risk, usually in relation to reference legislation identified on the basis of a series of drivers (priorities, frequency, etc.) and current legislative developments.

In this context, the Department also prepares the compliance plan for the activities planned, in accordance with the provisions of the said joint Regulation, presents it to the Chairman of the Internal Control Committee, and then submits it for examination and approval by the Board of Directors.

The Department has access to all activities and all information relevant to the non-compliance risk for Assicurazioni Generali and those of its controlled companies which decide to outsource compliance activities to the parent company.

The Manager of the Group Compliance Department is Antonio Cangeri.

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 (hereinafter called "**the System**") is part of the more general internal control and risk management system described in the chapter entitled "Internal Control and Risk Management System".

That System deals with internal control and risk management issues relating to the financial reporting process in an integrated way, with the aim of identifying, evaluating and controlling risks relating to the financial reporting process (the financial reporting risk)[51] to which the Company and the Group are exposed.

The System is therefore designed to guarantee the reliability, accuracy and promptness of financial reporting. In the pursuance of this aim, the Company has established a "*financial reporting risk model*" consisting of a set of principles and rules which are designed to guarantee a suitable administrative and accounting system, partly by introducing operational procedures and instructions.

The figure of Manager in charge of preparation of the company's financial reports falls into this context; Statute no. 262 of 28 December 2005 (hereinafter called "**Statute 262**") gives this Manager a crucial role as regards the reliability of accounting documents and the preparation of suitable administrative and accounting procedures for listed issuers whose member state of origin is Italy.

Definition of the methodological and organisational aspects involved in the adoption of the financial reporting risk model by the Company and the Group is delegated to Assicurazioni Generali's Manager in charge of preparation of financial reports in the ambit of the powers and resources allocated to him, consistently with the provisions of s. 154*bis*.4 of the CFBA.

The "financial reporting risk model" adopted is based on a process established by the Company in accordance with the following reference framework, generally recognised and accepted at international level:

(i) *CoSO* ([52]) *Internal Control – Integrated Framework*, issued in 1992, which establishes guidelines for the evaluation and development of an internal control system ([53]);
(ii) *CObIT* (*Control Objective for IT and Related Technology*), ([54]) which provides specific guidelines for the information systems area, supplemented by ITIL ([55]) (a framework already adopted by the Group) and ISO/IEC ([56]) 27001.

Within the Group, the financial reporting risk model extends to companies identified as relevant for those purposes ("Included Companies"). In particular, the Included Companies adopt a financial reporting risk model consistent with the Company's, in order to create a standardised system within the Group, incorporating the amendments indicated from time to time by Assicurazioni Generali's Manager in charge of preparation of financial reports.

(51) "*Financial reporting*' risk" means the risk of an error leading to an untrue or incorrect representation of the economic, financial and assets situation in the annual, abbreviated half-yearly or consolidated financial statements, or in any other financial communication.

(52) *Committee of Sponsoring Organisation of the Treadway Commission*.

(53) In the *CoSO Framework*, the model refers to the component of the internal control system relating to the processes of collection, processing and publication of economic/financial information flows (*financial reporting*).

(54) *CobIT* is connected by the *IT Governance Institute* to the *CoSO Framework*.

(55) *Information Technology Infrastructure Library.*

(56) *International Organization for Standardization/ Information Electrotechnical Commission.*

A "cascade" system of certificates (known as "*Confirmation Letters*") has been instituted, whereby the CEOs and CFOs of all the consolidated subsidiaries guarantee the true and correct representation of the financial data communicated to the Company, and the adoption of a suitable internal control system governing the financial reporting risk.
The different stages into which the financial reporting risk model is divided were established by the Company in accordance with 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

The Company identifies the relevant companies and significant information (consolidated accounts and company processes), considering both quantitative and qualitative factors.
Included 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 ([57]).
In relation to the consolidated accounts, relevance is determined on the basis of the same criteria as generally used in auditing practice.

As regards processes, those which have a potential accounting impact on the consolidated accounts in question are considered relevant, and consequently analysed. In any event, all processes relating to activities performed at the close of a given period are included in the set of processes to be analysed. An analysis priority is allocated to each process on the basis of quantitative factors.

Finally, the analysis inclusion area is integrated, taking account of qualitative factors relating to risk profiles deriving from factors internal and external to the companies.
The analysis inclusion area is reviewed at least annually, depending on the changing conditions of the Group's organisation.

Each risk undergoes an assessment process to establish its level of significance, by means of a parameter called "inherent risk" (or "gross risk"), the level of which is independent of the mitigating effect of the control that can be associated with it.

The assessment of the gross risk is determined by the combination of (i) the probability that an event potentially generating an administrative/accounting error will occur in a given interval of time, and (ii) the impact that the said event may have on the accounting/financial data and consequently on the true and correct representation of the financial, economic and assets situation.

The probability is determined on the basis of the frequency of control activity and the corresponding performance methods, while the measurement of the impact takes account of the analysis priority of the process.

The result of the risk assessment process can have one of three conventional configurations: "high", "average" or "low".

Moreover, the risk assessment activities include the definition of control objectives in accordance with the best market practice. In particular, each control objective is associated with a specific relevant financial assertion (existence and occurrence, completeness, evaluation and measurement, presentation and report, rights and obligations).

(57) In particular, with reference to the 2009 financial year, the Included Companies represent approximately 80% of the total consolidated assets.

The first-level controls of the "financial reporting risk model" include the following types:

(i) controls at company level;
(ii) controls at process level;
(iii) controls on information technology.

The configuration of the controls is structured to allow suitable identification and evaluation, and is based on four main characteristics:

(a) the time profile of the control: controls can be preventive or subsequent;
(b) the performance method: manual, automatic or semi-automatic
(c) nature (ie. structural characteristics): authorisation, reconciliation, management review, etc.;
(d) frequency (ie. the time elapsing between one control and the next): weekly, monthly, quarterly, etc..

The analysis of the controls is broken down into stages involving checking on the suitability of the design and checking on its actual application, according to specific methods for each type of control.
If deficiencies in governing the financial reporting risk are found during checks on suitability and actual application, appropriate corrective measures/actions are identified.

The performance of corrective measures/actions is constantly monitored by the Manager in charge of preparation of the company's financial reports.

The controls at company level are designed to check on the existence of an organised, formalised corporate context which reduces the risks of improper behaviour, due to factors such as suitable governance systems, behavioural standards based on ethics and integrity, effective organisational structures, clear allocation of delegated powers and responsibilities, suitable risk management policies, personnel disciplinary systems, effective codes of conduct and fraud prevention systems.

The adequacy check focuses mainly on verifying the existence and dissemination of suitable tools (such as policies, codes, regulations, service orders, etc.) designed to identify rules of conduct for company personnel; the subsequent stage of checking on actual application involves ensuring that the said rules are actually applied.
The process-level controls operate at a more specific level than the company-level controls, and are designed to mitigate the financial reporting risk by means of control activities, including those performed in the company's operational processes.

The stage of checking on the adequacy of the controls is performed by surveying the company's processes, identifying the key controls governing the financial reporting risk, and evaluating the suitability of those controls to mitigate the said risk.

The efficacy checking stage involves establishing that the controls are actually and correctly performed, and that the related documentation is adequate.

Controls on Information Technology focus on processes closely connected with the management and processing of information relating to the systems used to draft the financial statements.

Controls relating to software purchase and maintenance activities, management of safety and security, development and maintenance of applications, completeness and accuracy of the data in the systems, IT risk analysis and government of information systems, are analysed in particular.

In relation to the software used to draft the financial statements, regarding both business processes and

account closing process, the analysis of the controls comprises an evaluation of their adequacy in relation to the main best practices and reference frameworks adopted, and a check on the continual operation of the controls using standardised methodologies.
The analyses also include a check on the efficacy of the main automatic controls performed by the software in the ambit of the relevant processes.
Consistently with the internal control and risk management system adopted by the Company, the "financial reporting risk model" involves the company's governing bodies and operational and control structures in an integrated management, in accordance with different levels of responsibility, which are designed to guarantee the adequacy of the model at all times.

Consequently, by analogy with the rules applicable to all other types of risk, the **Board of Directors**, supported by the **Internal Control Committee**, ensures that the internal control and management system allows the identification, evaluation and control of the most significant risks relating to the financial reporting process.

Moreover the Board of Directors, in compliance with the applicable legislation, guarantees to provide the Manager in charge of preparation of the company's financial reports with the resources and powers required to perform the tasks assigned to him by Statute 262.

The **top management**, with the assistance of the **Group Risks Committee**, is responsible for the implementation, maintenance and monitoring of the financial reporting risk model, in accordance with strategies established by the Board of Directors.

The **Manager in charge of preparation of the company's financial reports**, acting in the capacity of owner of the financial reporting risk, is responsible for evaluating the adequacy and actual application of the administrative and accounting procedures and their suitability to provide a true and correct representation of the financial, economic and assets situation of the Company and the Group.

For this purpose the Manager in charge of preparation of the company's financial reports is supported by a specific department (**Office of the Manager in charge of preparation of the company's financial reports**) which is responsible for coordinating all the activities required for the correct performance of the tasks assigned to him.

The **Managers** of the Organisational Units of the Company and the Group, in accordance with the responsibilities assigned to them, have the task of surveying the administrative and accounting procedures, ensuring that they are regularly updated, and identifying and implementing corrective measures required as a result of any deficiencies found.

The Company has also established a system designed to ensure that all the governing bodies and departments to which specific tasks are attributed in the internal control and risk management system collaborate with each other, exchanging all information useful for the performance of their respective tasks.

In particular, regular collaboration is required between the Manager in charge of preparation of the company's financial reports and the Internal Control Committee, the Board of Statutory auditors, the Group Risk Committee, the Supervisory Body, the Internal Audit Department, the Compliance Department, the Independent Risk Control Department, the Enterprise Risk Management Department, the Managers in charge of preparation of the financial reports of other listed companies in the Group and the CEOs of the other companies in the Group responsible for implementing the financial reporting risk model, partly by holding periodic meetings and establishing specific information flows.

The activities, information and documents relating to the financial reporting risk model are managed by me-

ans of a specific software tool shared with the other control departments.
Within the Group, the activities involved in coordinating the financial reporting risk model are performed by the CEOs of each company through an agent, usually the CFO, who reports to a permanent operating committee responsible for the activities involved in management of the financial reporting risk; the operating committee also has the task of guaranteeing an appropriate, complete report to the Office of the Manager in charge of preparation of the company's financial reports on the activities performed and any critical factors found.

The Manager in charge of preparation of the company's financial reports is required to report periodically to the Board of Directors, either directly or through the Internal Control Committee, on the activities performed in the exercise of his functions.

The organisational and management model

The Company's Board of Directors, and the Boards of its subsidiaries with strategic importance, have adopted an organisational and management model aimed at preventing the criminal offences described in the current legislation ([58]) on the subject of administrative liability of companies for criminal offences perpetrated by their employees, which can be found in the Governance section of the website www.generali.com.

In particular, a Model was formally adopted which, as well as complying with all formal requirements, fulfils all the main purposes that led to its adoption, namely the need to provide the Company with exemption from liability in accordance with the aforementioned decree.
The approach taken is of a substantial nature, since the Model is made up of a set of principles, rules, provisions and organisational schemes relating to the management and control of corporate activities, and consists of an illustrative document containing general rules designed to prevent the commission of offences, except in the case of fraudulent avoidance.

The identification of processes involving the risk of offences and of existing operational structures led to the issue of the "231/01 provisions", namely a series of general or special provisions based on the draft guidelines issued by ANIA (the Italian Association of Insurance Companies) and the Operational Suggestions whereby ANIA specified the procedure to be followed for the adoption of Models and some possible offence detection/prevention methods.

Generali assigned the functions of the Supervisory Body to a corporate body reporting to the Board of Directors.

The fundamental approach is to appoint as members of the said body 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.

(58) The legislation governing the subject is contained in Legislative Decree no. 231 of 8 June 2001, Statute no. 146 of 16 March 2006, Legislative Decree no. 152 of 3 April 2006, and Legislative Decree no. 231 of 21 November 2007.

Members of the Supervisory Body

Corporate function		First name, last name
• Chairman	Chairman of the Internal Control Committee	Alessandro Pedersoli
• Member of the Committee	Head of the Group Internal Audit	Alessandro Busetti
• Member of the Committee	Head of Group Legal and Corporate Affairs	Oliviero Edoardo Pessi

The Head of the Unit responsible for the General Secretariat and Corporate Affairs Department, Michele Amendolagine, acts as Secretary of the Supervisory Body.

This solution is considered suitable in that:

- it ensures the autonomy and independence required for the Supervisory Body;
- it allows a direct connection with the top management, the Board of Statutory Auditors and, both directly and through the Internal Control Committee, the Board of Directors.

In performing its duties, the Supervisory Body can cooperate with the internal audit unit, using its skills and professional know-how for supervision and control activities. This choice enables the Supervisory Body to guarantee a high level of professionalism and continuous action.

The Supervisory Body can also cooperate with other units of the Company or the Group on various specific tasks, such as:

- the legal affairs unit;
- the corporate affairs unit;
- the human resources unit (with regard to training and disciplinary measures, for example);
- the administration unit (with regard to control over financial flows, for example).

The members of the Supervisory Body must have performed, for a reasonable period of time, professional activities in fields relating to insurance, credit or finance and meet the honourableness criteria set out in the current legislation applicable to the directors of insurance companies ([59]).
The members of the Supervisory Body can be dismissed at any time by the Board of Directors of Generali for fair and/or justified reasons. In this case, the Board promptly replaces the dismissed member, choosing a new one from among the directors qualifying for the office.

If all the members of the Supervisory Body are dismissed, the Body automatically loses its effectiveness. In such event, the Board of Directors promptly forms a new one with the same criteria.

The Supervisory Body is assigned the following tasks and powers:

- monitoring the functioning of and compliance with the Model;
- verifying that the Model is actually suitable to prevent the performance of the criminal offences described in the applicable legislation;

(59) 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.

- analysing the persistence over time of the soundness and functionality of the Model;
- in cooperation with the units involved, devising, developing and promoting any activities required to ensure constant updating of the Model and the system of supervising its implementation, suggesting to the Board of Directors any due amendments and adjustments;
- maintaining regular contact with the External Auditors;
- maintaining relations with and ensuring a flow of information to the Board of Directors, the Internal Control Committee and the Board of Statutory Auditors;
- asking for and obtaining information and documents of any type from any level or sector within Generali;
- carrying out checks and inspections with a view to ascertaining any breaches of the Model;
- devising a supervision programme within the framework of the various activity sectors, in accordance with the principles contained in the Model;
- guaranteeing that the supervision programme is implemented, partly by scheduling activities;
- guaranteeing that reports are drafted on the effects of the measures taken;
- guaranteeing that the identification, mapping and classification system of risk areas is constantly updated, for the supervision purposes falling within the jurisdiction of the Body;
- notwithstanding the terms of the relevant Communication Plan contained in the document illustrating the Model, defining and promoting initiatives aimed at spreading knowledge and understanding of the Model, training personnel and raising their awareness of the need for compliance with the principles outlined in the Model;
- dispelling any doubts on the interpretation and implementation of the provisions enshrined in the Model;
- establishing an effective internal communication system to allow the transmission and collection of relevant news for the purpose of the applicable legislation, while ensuring the protection and privacy of informants;
- 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 Supervisory Body shall also notify the owner of the business or its authorised representative or agent of breaches of the terms of s. 41 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.

During the last financial year, Supervisory Body called on the assistance of advisors external to the Company.

At the meeting of the Supervisory Body held on 16 March 2010, an expenditure budget of € 250,000 was decided on for the 2010 financial year. That amount was approved by the Board of Directors at its meeting on 17 March 2010.

Shareholders' Meeting

The Shareholders' Meeting is called by publishing a notice in the Official Journal of the Italian Republic at least 30 days prior to the date of the first convocation of the meeting. The said notice shall indicate the date, hour and place of the meeting and the items on the agenda. The notice shall also be published in national newspapers and on the Company website (www.generali.com), and directly communicated to shareholders attending the latest meetings.

The Shareholders' 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 five 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 Shareholders' Meeting for the approval of the Financial Statements is called within 120 days of the end of the financial year; if the statutory conditions are fulfilled, the said period can be extended to 180 days. The meeting is conducted at the Company's registered offices in Trieste, although it may alternatively be held at other locations in Italy.
Annual Shareholders' 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 Shareholders' Meeting may be attended by shareholders who are entitled to vote, provided that they prove their entitlement in the statutory forms and that the notice by the intermediary who keeps accounts of the shares, which replaces the deposit authorising attendance at the Shareholders' Meeting, is received by the Company at the registered office at least two days prior to the date set for the first convocation of the Meeting, or such other period as may be indicated in the notice of call of the Meeting in compliance with the law. In any event, shareholders attending the Meeting shall remain free to dispose of their shares as they wish.

As specified by law, the following parties may not be appointed as proxies by other shareholders to attend the Meeting on their behalf:

a) the Company's Directors, Statutory Auditors and employees;
b) the Company's subsidiaries and their Directors, Statutory Auditors and employees;

c) the Company's External Auditor and its partners, Directors, Statutory Auditors and employees;
d) the centralised financial instrument management company.

Members of the Board of Directors attend these meetings regularly ([60]).

Majorities

With the exception of particular cases provided for by law, the Ordinary and Extraordinary Shareholders' Meetings are validly constituted and pass resolutions with the majorities illustrated in the following table:

ORDINARY SESSION	First call	Second call	Third 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 sharholders attending the meeting	Does not apply
Deliberative quorum	Absolute majority of the represented capital	Absolute majority of the represented capital	Does not apply

EXTRAORDINARY SESSION	First call	Second call	Third call
Constitutive quorum	Presence of as many shareholders as to represent atleast a half of the share capital	Presence of as many shareholders as to represent more than one third of the share capital	Presence of as many shareholders as to represent at least one fifth of the share capital
Deliberative quorum	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital

Under no circumstances does the Company require majorities other than those established by law for passing resolutions. The majorities laid down for the Ordinary Shareholders' Meetings are required to grant it power to:

a) pass resolutions on Financial Statements;
b) pass resolutions concerning the allocation of profits;
c) appoint members of the General Council;
d) appoint members of the Board of Directors, Permanent and Substitute Auditors and the Chairman of the Board of Statutory Auditors;
e) establish the Statutory Auditors' fees;
f) determine the fee payable to members of the Board of Directors; variable remuneration systems tied to the profits and/or other indicators of the business trend of the Company and/or the Group may be used for this purpose;
g) appoint External Auditors to audit the accounts during the financial year, the financial statements and the consolidated financial statements; establish their fees;
h) pass any other resolution required by law or submitted to the Shareholders' Meeting by the Board of Directors.

(60) The mathematical mean of attendance of Directors at the past five Shareholders' Meetings was 57%.

The majorities established for extraordinary sessions of the Shareholders' Meetings are required to resolve on amendments to the Company's Articles of Association, the appointment and powers of liquidators in the event of the Company's winding-up, and in other cases provided for by law.
Meeting procedures and those relating to the right of individual shareholders to speak at the meeting ([61]) are governed by ad hoc By-laws, which are available at the Company's offices and on its website (www.generali.com), as are the Company's Articles of Association and information on its governing bodies.

By-laws governing Shareholders'Meetings

The conduct of the Shareholders' Meetings of Assicurazioni Generali has been governed by specific By-laws since 1972. Used as a basis for many of Italy's listed and unlisted companies, these By-laws have not undergone any significant changes over the last 30 years.

Nevertheless, the Shareholders' Meeting of 28 April 2001 resolved to amend the By-laws in order to bring them in line with the most modern principles of Corporate Governance and with the provisions contained in the Code. The main amendments relate to:

1. definition of the legal effectiveness of the provisions of the By-laws within the general framework of the law and the Company's Articles of Association;
2. admission to the proceedings;
3. powers vested in the Chairman of the Meeting ([62]).

Relations with Institutional Investors and other Shareholders

Responsibility for relations with institutional investors and with other shareholders falls under the powers of the Chairman, Mr. Antoine Bernheim.

The *Investor Relations Department*, which is part of the Central Head Office in Trieste, is responsible for this function. 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 Shareholders' Meetings draw

(61) 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.

(62) With reference to this last point and to the provisions contained in the Company's Articles of Association regarding the By-laws and regulations concerning this issue, it has been deemed appropriate – as noted above – to revise the dogmatic framework provided for in Article 13 of the Company's Articles of Association.
The starting point was to confirm the provisions of the Articles of Association requiring the existence of By-laws regulating the Shareholders' Meeting. It was decided not to give the provisions of the By-laws a legal force equivalent to the provisions contained in the Company's Articles of Association. As a consequence, a provision was added whereby the By-laws are adopted by a Shareholders' Meeting duly convened for this specific item on the agenda, with power to pass resolutions by the majority required for approval of resolutions at Ordinary Shareholders' Meetings. Underlying this approach was the wish to ensure that the Meeting does not adopt working terms and practices from time to time which differ from those provided for in the By-laws, except in those specific cases where the By-laws themselves allow for alternatives. At the same time, there was a desire to avoid extending the regulatory provisions and in consequence, to all effects, equating them with the provisions in the Company's Articles of Association and the statutory provisions.

near), the Company has set up its own "*Share Office*", the activity of which falls within the "*Group Legal 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 Shareholders' Meetings. Except under exceptional circumstances, calls of meetings take account of the possibility that they may be held on a Saturday.

In order to accommodate all participants, the preliminary activities required to establish their eligibility to attend are performed in the days leading up to the Meeting.

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 Shareholders' Meeting on 26 April 2008 for the 2008, 2009 and 2010 financial years, ie. until the next General Meeting held to approve the financial statements for the 2007 financial year, duly established that its members met the independence requirements according to application criterion 10.C.2 of the Code.

Amongst the new provisions of the Code pertaining to the Board of Statutory Auditors, attention should be first 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 new 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 new provisions, particular attention should be paid to the one laid down in article 149 of the Consolidated Finance Act 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.

The said Shareholders' Meeting held on 20 June 2007 adopted the new provisions contained in s. 148.2 of the Consolidated Finance Act, and passed the following resolutions:

- meetings of the Board of Directors and the Executive Committee may be called by one or more members of the Board of Statutory Auditors;
- the existing provision which specified a quorum for the submission of lists by minority shareholders amounting to 3% of the share capital was revoked, and a threshold of entitlement to submit lists equal to that laid down for appointment of the Board of Directors (currently 0.5% of the share capital) was established;
- the Permanent Statutory Auditor taken from the minority list shall be appointed Chairman of the Board of Statutory Auditors;
- in the event of the death, resignation or debarment of the minority Statutory Auditor, s/he shall be replaced, also as Chairman, by the substitute Statutory Auditor taken from the same list, provided that this substitution shall comply with the principle of the necessary representation of minority shareholders in any event.

According to current legislation, the Board of Directors and shareholders who, either alone or jointly with others, represent at least the minimum percentage of the share capital specified in the applicable legislation, shall be entitled to submit a list for the appointment of the Board of Statutory Auditors.

The Board of Directors' list, if submitted, shall be filed at the Company's registered office by the twentieth day before the date of the first convocation of the Shareholders' Meeting; in the case of lists submitted by shareholders, the list shall be filed by the fifteenth day before the date of the first convocation of the Shareholders' 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 end of the 15-day period, or only lists submitted by shareholders connected with one another, lists may be submitted until the fifth 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 Legislative Decree no. 58 of 24 February 1998, 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 Shareholders' 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-Vernì
• Permanent auditor	Gaetano Terrin
• Substitute auditor	Maurizio Dattilo
• Substitute auditor	Michele Paolillo

The following is a short presentation of its members

Eugenio Colucci was born in Lucera (Foggia) on 9 January 1946. He graduated in Economics and Business Studies, and is enrolled in the Auditors' Register. He began his career in 1969 with auditing firm Arthur Andersen, where he rose to become a partner. He now provides financial and accountancy consultancy services for private clients. He has been a member of the Executive Committee and subsequently advisor to the Italian Accountancy Association. He is a director and Chairman of the Internal Control Committee of EXOR S.p.A., a permanent statutory auditor of Autogrill S.p.A., and a member of the Audit Committee of Ferrero International S.A..

Giuseppe Alessio-Vernì, born in Trieste on 5 October 1964, has worked there as a chartered accountant since 1992. A Certified Auditor since 1995, he is registered as an Expert and Technical Consultant to the Courts of Trieste. He is Chairman of the Board of Statutory Auditors of Banca Generali S.p.A., Europ Assistance Italia S.p.A. and Genertellife S.p.A., among others, and Permanent Statutory Auditor of a number of companies belonging to the Generali Group, not only engaged in insurance but also in banking and financial brokerage. He is also a statutory auditor of Premuda S.p.A. and Danieli & C. S.p.A. He has been a Substitute Statutory Auditor of Assicurazioni Generali S.p.A. for three years, since 2005.

Gaetano Terrin, born in Padua on 16 July 1960, has been a certified auditor since 1992. In addition to practising as a chartered accountant, he is also an Statutory Auditor of a number of companies operating in the insurance, financial and industrial sectors, including a number of Generali subsidiaries. Engaged as Substitute

Statutory Auditor of the Company in 1999, in 2001 he was appointed Permanent Statutory Auditor. Moreover, he holds the office of Permanent Statutory Auditor of Danieli & C. Officine Meccaniche S.p.A..

Maurizio Dattilo, born in Milan on 19 March 1963, is a chartered accountant and auditor. He practises as a chartered accountant as a partner in the Milan firm "Dattilo Commercialisti Associati". He is a Permanent Statutory Auditor of a number of industrial companies.

Michele Paolillo, born in Milan on 16 May 1953, is a Business Economics graduate, has been a qualified auditor since 1995, and has been registered in the Accountants' Register since 1998. He currently provides legal consultancy services to private clients. He specialises in tax law, and is an statutory auditor of companies operating in the financial and manufacturing sectors, including TLX S.p.A. and Citicorp Financial S.p.A..

The Board of Statutory Auditors has duly undertaken its auditing duties as laid down by law; it has kept minutes and produced the reports required by the performance of the Company's business.

In 2005 the Board of Statutory Auditors convened eleven times, with an average attendance of 99%, twelve in 2006, with an attendance of 100%, and fourteen in 2007, with an average attendance of 99% of the members. Twenty-one meetings were held in 2008, and sixteen in 2009, both with 100% attendance. (See Table 2, containing attendance information for each member of the Board of Statutory Auditors.)

The average attendance of Statutory Auditors at meetings of the Board of Directors was 100% in 2005, 95.2% in 2006, 99% in 2007, 100% in 2008 and 96% in 2009. The average attendance of Statutory Auditors at Executive Committee meetings was 100% in 2005, 96.2% in 2006, and 100% in 2007, 2008 and 2009.

The last ten meetings of the Board of Statutory Auditors also saw full attendance.

External auditors

The firm of external auditors, which must be registered in a roll kept by CONSOB, is called upon to verify, during the year, that corporate accounts are properly kept and that the financial position and results of the Company's operations are reported correctly. The External Auditors shall promptly inform the Board of Statutory Auditors and CONSOB of any facts which it may deem erroneous. The firm also verifies that the Financial Statements and the Consolidated Statements match the figures in the accounting records and the results of checks, and that those bookkeeping documents comply with the regulations to which they are subject.

The External Auditors are appointed by the Shareholders' Meeting, on the substantiated proposal of the Board of Statutory Auditors. The Shareholders' 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 six 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 Shareholders' Meeting and concerning appointments and terminations are transmitted to CONSOB.

At the end of each financial year, the External Auditors examine the Financial Statements and draft a formal Report. The document is attached to the Financial Statements and deposited at the registered office of the

Company for the fifteen days preceding the Meeting called to approve the Financial Statements, and until the statements are finally approved.
The firm of External Auditors currently appointed is PricewaterhouseCoopers S.p.A., which was appointed, after the Board of Statutory Auditors had been consulted, by the Shareholders' Meeting held on 29 April 2006 for the financial years 2006/2011.

The aforesaid auditing firm, during the 2008 financial year, dedicated 18,930 actual working hours and billed the Company for a total of € 1,073,298.00, broken down as follows:

- € 413,225.00 for the financial statements;
- € 284,645.00 for the consolidated financial statements;
- € 96,336.00 for the half-year report as at 30 June 2006;
- € 92,520.00 for the consolidated half-yearly report as at 30 June 2006;
- € 63,095.00 for the assessment of the regularity and correctness of the company's bookkeeping:
- € 123,477.00 for the Reports on the performance of separate management accounts, internal funds and open-ended pension funds.

The fact that the audit of the financial statements took longer and cost more than stated in the proposal, except as regards separate management accounts and internal funds, is due to the additional work required, mainly for examination of the value of the securities owned, in view of the general economic trend, and in particular the crisis affecting the financial sector. These additional activities had to be performed by the external auditors during the year.

The audit fees for the 2008 financial year for the Company's foreign subsidiaries amounted to a total of € 340,280.00 at year-end exchange rates, € 256,036.00 of which was for audit services rendered by auditing firms belonging to the PricewaterhouseCoopers network.

General Council

The General Council is an advisory body that concerns itself with the best attainment of the Company's objects, with particular regard to the territorial expansion of the Company and to international insurance and financial problems regarding the Company and the Group.

In addition to the members elected by the Shareholders' 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 42 members, 22 of whom were appointed by the Shareholders' 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	Antoine Bernheim
• Vice-chairman	Gabriele Galateri di Genola
• Managing Director	Sergio Balbinot

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Office	First name, last name
• Managing Director	Giovanni Perissinotto
• General Manager (CFO)	Raffaele Agrusti
• General Councillor	Giorgio Davide Adler
• General Councillor	José Ramon Alvarez Rendueles
• General Councillor	José Maria Amusategui de la Cierva
• General Councillor	Francesco Maria Attaguile
• General Councillor	Claude Bébéar
• General Councillor	Kenneth J. Bialkin
• Non-executive and independent Director	Luigi Arturo Bianchi
• Non-executive Director	Ana Patricia Botìn
• General Councillor	Gerardo Broggini
• Non-executive and independent Director	Francesco Gaetano Caltagirone
• 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	Albert Frère
• General Councillor	Georges Hervet
• General Councillor	Dietrich Karner
• General Councillor	Khoon Chen Kuok
• Non-executive and independent Director	Leonardo Del Vecchio
• Non-executive and independent Director	Loïc Hennekinne
• Non-executive Director	Petr Kellner
• General Councillor	Stefano Micossi
• Non-executive Director	Alberto Nicola Nagel
• Non-executive and independent Director	Klaus-Peter Mueller
• General Councillor	Benedetto Orsini
• Non-executive and independent Director	Alessandro Pedersoli
• Non-executive and independent Director	Lorenzo Pellicioli
• Non-executive Director	Reinfried Pohl
• Non-executive and independent Director	Kai-Uwe Ricke
• Non-executive and independent Director	Paolo Scaroni
• Executive Director	Claude Tendil
• General Councillor	Arturo Romanin Jacur
• General Councillor	Guido Schmidt-Chiari
• General Councillor	Alejandro Valenzuela del Rio
• General Councillor	Theo Waigel
• General Councillor	Wilhelm Winterstein

Website

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 General Secretariat and Corporate Affairs departments are provided in the Press and Communications, Investor Relations and Governance sections.

In the *Investor Relations* section, the "Shareholders' Meeting" subsection contains the notice convening the next Shareholders' 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 Shareholders' 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 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 Shareholders' 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 Hallvarsson & Halvarsson, which has rated Italian and European websites for several years, published the results for 2009 on 23 November last. Assicurazioni Generali obtained a score of 6.5 out of 7 for its Corporate Governance section (meeting 93% of the assessment criteria), and gained third place in the Italian rankings, thus further improving on the already good position obtained during the preceding year.

These results confirmed the decisions on contents and transparency that the Company has implemented in recent years.

Milan, 17 March 2010

BOARD OF
DIRECTORS

Table 1: Information on share ownership

Share capital structure

	No. of shares	No. of shares 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	11.186
	Mediobanca (cash provider or lender)	1.285
	Mediobanca (cash receiver or borrower)	1.285
	Mediobanca (Voting right under contractual relationship)	1.484
	Spafid	0.089
	Compass	0.912
	Total	**14.756**
BANCA D'ITALIA	Banca d'Italia	4.482
	Bonifica Terreni Ferraresi e Imprese Agricole S.p.A.	0.007
	Total	**4.488**
BLACKROCK Group	BlackrRock Investment Management (UK) Ltd	2.948
	Total	**2.948**
B&D HOLDING Group	DeA Partecipazioni S.p.A.	2.350
	B&D Finance S.A.	0.174
	Total	**2.524**
EFFETI	Effeti S.p.A.	2.267
	Total	**2.267**

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Declarant	Direct Shareholder	% Share on ordinary share capital (*)
CALTAGIRONE Group	Caltagirone S.p.A.	0.071
	Caltagirone Editore	0.202
	FGC	0.014
	Finanziaria Italia 2005	0.170
	Finced	0.151
	Gamma S.r.l.	0.190
	Immobiliare Caltagirone - Ical	0.014
	Pantheon 2000	0.225
	Porto Torre	0.090
	Quarta Iberica	0.106
	So.co.ge.im	0.006
	Unione Generali Immobiliare	0.100
	Viafin S.r.l.	0.103
	Vianini Industria	0.116
	Viapar	0.039
	VM 2006	0.398
	Francesco Gaetano Caltagirone	0.007
	Total	**2.000**

(*) Ordinary share capital and voting capital are coincident.

(**) On December 22nd of 2006 Mediobanca S.p.A. and MPS Finance Banca Mobiliare S.p.A. the latter having been taken over by MPS Capital Services Banca per le Imprese S.p.A as of September 9th of 2007, clinched a deferred delivery sales agreement due for June 30th of 2010, for a number of shares nowadays equal to 1.484%. In the case of Public Take-over Bid on Generali shares, Mediobanca has the right to request advanced delivery of securities. Therefore, on 23,108,800 shares, Mediobanca has no right to vote.

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	Antoine Bernheim	X			100%	12					X	100%
Vice-chairman	Gabriele Galateri di Genola		X		89%	6			X	100%	X	71%
Managing Director	Sergio Balbinot	X			100%	13					X	100%
Managing Directo	Giovanni Perissinotto	X			100%	12					X	100%
Director	Luigi Arturo Bianchi		X	X	100%	3	X	100%				
Director	Ana Patricia Botin		X		67%	2						
Director	Francesco Gaetano Caltagirone		X	X	100%	6					X	83%
Director	Diego Della Valle		X	X	55%	7						
Director	Leonardo Del Vecchio		X	X	89%	6			X	100%		
Director	Loïc Hennekinne		X	X	100%	1	X	100%				
Director	Petr Kellner		X		33%	1						
Director	Klaus-Peter Müller		X	X	33%	6						
Director	Alberto Nicola Nagel		X		89%	2					X	100%
Director	Alessandro Pedersoli		X	X	67%	2	X	83%				
Director	Lorenzo Pellicioli		X	X	100%	6					X	100%
Director	Reinfried Pohl		X		22%	4						
Director	Kai Uwe Ricke		X	X	89%	2						
Director	Paolo Scaroni		X	X	55%	2			X	100%		
Director	Claude Tendil	X			100%	5						
Number of meetings held in the reference financial year		Board: 9	Internal Control Committee: 6			Remuneration Committee: 4			Executive Committee: 7			

(*) This column indicates the number of director or internal auditor offices carried out by the subject in concern in other companies listed on domestic or foreign regulated markets, finance, bank or insurance corporations, or other major companies
The foregoing report expressly indicates such offices. Chart also indicates missions carried out within companies belonging to the group, although not considering them for the discipline of mission aggregation restrictions.
(**) "X" in this column indicates that the member of the Board belongs to the Committee.
(***) This column shows the percentage of meetings of the Board and of the Committees attended by Directors.

Table 3: Board of Statutory Auditors

Office	Members	Percentage of meetings of the Board of Auditors attended	Number of other offices (*)
Chairman	Eugenio Colucci	89%	2
Permanent Auditor	Giuseppe Alessio-Vernì	100%	3
Permanent Auditor	Gaetano Terrin	100%	1
Substitute Auditor	Maurizio Dattilo	–	–
Substitute Auditor	Michele Paolillo	–	–
Number of further meetings attended during the financial year:		11 (2 in Shareholders' Meeting - 9 in the Board of Directors)	
Indicate the quorum required for the submission of lists by minorities for the election of one or more permanent Auditors (pursuant to Art. 148 TUF):		5/1000 of the share capital	

(*) This column shows the number of Director or Auditor offices held by the person in other firms listed on Italian regulated markets. The report on corporate governance contains a complete list of offices.

Bridge Octavio Frias de Oliveira, Saint Paul - Brazil

MANAGEMENT REPORT

INDEX

Group highlights

(€ million)	31/12/2009	31/12/2008
Result of the period	**1,309.1**	**860.9**
Consolidated operating result	**3,675.7**	**3,932.0**
Net earned premiums	64,036.1	61,982.2
Premiums related to investment contracts	4,017.5	3,998.7
Net earned premiums including premiums related to investment contracts	68,053.6	65,980.9
Gross premiums written	70,529.7	68,805.1
Change on equivalent terms (*)	6.2%	1.3%
Acquisition and administration costs related to insurance business	10,459.2	10,591.2
Expense ratio	15.4%	16.1%
Operating result - life segment (**)	**2,451.0**	**1,979.7**
Net life premiums	44,103.4	42,034.6
Premiums related to investment contracts	4,017.5	3,998.7
Net life premiums including premiums related to investment contracts	48,121.0	46,033.3
Gross life premiums written	48,894.1	46,815.4
Change on equivalent terms (*)	9.5%	0.8%
Acquisition and administration costs - life segment	5,043.5	5,158.5
Expense ratio - life segment	10.5%	11.2%
NBV	1,127.7	971.1
Change on equivalent terms (***)	-0.5%	3.3%
APE	5,188.3	4,798.3
Change on equivalent terms (***)	3.8%	3.3%
Operating result - non-life segment (**)	**1,299.6**	**2,117.6**
Net non-life earned premiums	19,932.7	19,947.6
Gross non-life premiums written	21,635.6	21,989.7
Change on equivalent terms (*)	-0.5%	2.4%
Acquisition and administration costs - non-life segment	5,415.7	5,432.7
Expense ratio - non-life segment	27.2%	27.2%
Loss ratio - non-life segment	71.1%	69.2%
Combined ratio - non-life segment	98.3%	96.4%
Operating result - financial segment (**)	**432.2**	**331.6**
Total income - financial segment	1,872.6	2,215.5
Total expenses - financial segment	1,596.0	1,972.3
Operating holding expenses	**268.5**	**290.8**

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(€ million)	31/12/2009	31/12/2008
Investments	341,513.3	327,134.9
Net insurance provisions (1)	304,017.3	295,755.3
Net insurance provisions - life segment (1)	274,440.5	266,509.3
Net insurance provisions - non-life segment (1)	29,576.8	29,246.0
Provisions for outstanding claims and other insurance provisions	24,213.7	23,925.8
Provisions for unearned premiums	5,363.2	5,320.2
Shareholders' equity attributable to the Group (2)	16,652.3	11,312.8

(*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year, and taking into account premiums related to investment contracts.
(**) The amounts are calculated gross of consolidation adjustments.
(***) On equivalent terms: on equivalent exchange rates, consolidation area and share attributable to the Group.
(1) The amounts are calculated net of consolidation adjustments.
(2) The result of the period is included in shareholders' equity attributable to the Group.

Business environment

The reporting year was affected by the economic and financial crisis that had begun to require considerable efforts in terms of economic policy intervention on a global scale as early as late 2008. In the third quarter of 2009, the international economic scenario began to show the first signs of recovery, which were especially robust for the economies of Southeast Asia, but less so for developed nations, where unemployment and government debt remained high.

In the **United States**, GDP is estimated to have fallen by 2.4% (up 0.4% in 2008). This contraction, especially in the first half of the year, was due to the drop in residential property prices and household spending, accompanied by rising job losses and a high level of unemployment. The government bail-out focused on financial institutions and industry stemmed the tide of the crisis, leading the economy to show the first signs of stabilisation under the influence of expansionary monetary policies in the third quarter of the year. Real-estate markets stabilised and capital markets displayed renewed vigour. Nonetheless, the signs of improvement in the North American economy in the second half of 2009 were not enough to alleviate the employment situation, and there was also slight deflation (down 0.4% in 2009, compared to inflation of 3.8% in 2008).

In **China**, the decline in international trade led to a slowdown in economic growth and also had negative consequences for employment. However, domestic demand (long the target of fiscal stimulus measures) and an extensive government spending programme focused on infrastructure partially offset the decrease in exports, resulting in a rise of gross domestic product estimated to come to 8.7%, compared to 9.6% in 2008. Prices are estimated to have remained at the previous year's levels (-0.1% compared to +5.9% in 2008).

In **Latin America**, the economy contracted by 2.3% (up 4.2% in 2008) due to the decline in demand from around the world, and from the U.S. market in particular. However, the recovery of commodities prices provided some relief to exporting countries, while the region's largest economy, Brazil (GDP: -0.4% in 2009 compared to +5.1% in 2008), benefited from the resumption of exports to the Far East, which represents one of its main trading partners. Although Mexico's situation gradually improved in the second half of the year, tracking the progress of the U.S. market, 2009 remains a year of severe recession (down 6.8%).

In the **European Union**, the first part of the year witnessed a decline in exports accompanied by falling domestic demand both in terms of consumption and investments. The second part of the year witnessed the stabilisation of the economy with signs of recovery, albeit modest in extent. Overall, the recession was severe, with a drop in GDP of 4.0% compared to slight growth (up 0.6%) in 2008. Germany (down 5.0%) was the first to benefit from the positive effects that occurred mid-year, while France (down 2.2%) was most successful at limiting the crisis from the beginning of the year on due to extensive government intervention. Italy, already in recession in 2008 (down 1%), suffered under economic policy constraints due to high government debt, resulting in a 5.0% drop in GDP.

The European Union Member States of Eastern Europe suffered the effects of the crisis to an especially acute degree due to their heavy debt exposure in foreign currencies, which increased as local currencies depreciated. After strong growth in 2008 (up 3.1%), 2009 witnessed a severe recession (down 4.3%), which had the worst effects on Hungary, Bulgaria and Romania (more than six points of GDP loss in real terms). Poland represented an exception, posting 1% growth. On the other hand, the consumer price situation, which had aroused concern recently, especially in Hungary, returned to normal levels due to the drop in demand.

The **inflation trend rate** for the euro area was 1% in December (1.6% in December 2008). Price trends returned slightly positive in most Member States, following on the general deflation that occurred early in the year.

On the **job market**, the economic recovery has yet to yield an improvement in the **unemployment rate**, which remains at 10% in the U.S. following on the loss of seven million jobs since the onset of the crisis. The unemployment rate also reached 10% in the Eurozone.

The price situation allowed the ECB to pursue a policy of aggressively cutting its **reference interest rate**, which it has lowered on three occasions from 2.5% in late 2008 to its current level of 1%, in order to stimulate the market and reduce credit risk. The Fed's target rate remained near zero, where it had been set since late 2008, throughout the year.

On **currency markets**, the euro/dollar exchange rate rose from 1.40 at the end of 2008 to 1.44 at the end of 2009 after hitting an all-time low of 1.51 in December.
The sterling appreciated against the euro, bringing the exchange rate from 0.95 at the end of 2008 to 0.89 at the end of 2009.

Turning to **bond markets**, U.S. government bonds showed both a significant turnaround and a correction on the longest maturities. The yield on ten-year U.S. treasuries rose from 2.21% to 3.84%, whereas the shortest maturities remained substantially on a par with the quarterly yield, which fell from 0.08% to 0.05%. Accordingly, the interest-rate curve steepened. The Eurozone registered a similar performance, where ten-year yields rose from 2.95% to 3.38% and quarterly yields fell from 1.66% to 0.36%. At the same time, however, there was a widening gap between the rates of various euro-area nations, where countries with the greatest public debt such as Greece, Portugal, Ireland, Spain and Italy witnessed increasing yield spreads.
The corporate bond market performed very well. The spread on Eurozone investment-grade bonds fell from 3.24% to 1.35%. This trend was also mirrored by the performance of riskier high-yield bonds, the spread on which fell from 13.55 percentage points at the end of 2008 to 6.18 at the end of 2009.

The recovery of **stock markets** that began in March, owing in part to the first signs of the attenuation of economic decline, rewarded the riskiest stocks. Accordingly, emerging markets, which had been most severely affected by the losses in late 2008, gave the strongest performances: Shanghai +78.00%, India +78.50%, Indonesia +86.98%, Brazil +82.66%, Russia +120.45%. In the USA the Dow Jones rose by 21.69%, the S&P500 by 26.47% and the Nasdaq by 47.76%.

In Europe the Eurostoxx rose by 28.57%, while in the Eurozone the increase was limited to 23.37%. The industries that showed the greatest gains within the Eurostoxx were commodities (up 101.4%) and banks (up 46.92%).

The insurance industry, which had been less severely affected by the declines in 2008 than other segments (down 47.14%), grew by 12.92% (if only Eurozone insurers are considered, growth amounted to 8.56%).
The Italian market expanded by 19.47%, and the strongest performances were shown by asset management, automotive and banking stocks.

As for the major **European insurance markets**, in which the Generali Group operates, the **life segment** showed signs of recovery after a year affected by the financial crisis. This recovery was matched by the positive performance of traditional policies, which clients especially appreciated owing to their ability to combine attractive returns with a low level of financial risk. These products were also driven by historically low short-term interest rates that favoured investment in medium-/long-term instruments such as life insurance products.
Italy and France registered the strongest recovery premium income, which was driven by traditional products. In Italy, direct premiums are estimated to have risen by 45% in 2009, buoyed by the bank branch channel, whose performance, however, should also be viewed in the light of the severe decline registered in the previous three years.
In France, life premiums written rose 12% (down 10.6% in 2008), whereas Germany showed growth of 6.3% compared to 1.3% in 2008. In the countries of Central Eastern Europe, which suffered especially acutely from the financial crisis in 2009, the life insurance segment declined by an estimated 15% following on the considerable growth reported in 2008 (up 27.7%), relating, in particular, to the contraction of the Polish market. In all such countries, demand for unit-linked products remained weak and significantly lower than in 2008, despite some signs of recovery in late 2009.

In the Group's main areas of operation, premiums written in the **non-life segment** declined due to the international recession and severe competitive pressure, especially in the auto segment. The countries most affected by this situation were Spain (down 2.6%) and Italy (down 2.5%), while Germany remained substantially stable. France showed growth (up 1.6%), albeit at a slower pace than in 2008, buoyed by the non-motor segment and the relative stability of the national economy. Central and Eastern European countries recorded sales substantially in line with those of the previous year.
The performance of the **health segment**, particularly in Germany and France, where it plays a complementary role to the public healthcare system, exceeded the levels previously achieved by the non-life segment, while in other countries it generally tracked the industry's growth issues.

The Generali Group's strategy for growth

Confronted with the economic scenario characterized by recession in its main markets and low interest rates, the Generali Group accelerated its efforts to improve operating efficiency in 2009, benefiting from the level of geographical diversification and distribution channels reached.

In terms of its main **reorganization and restructuring** initiatives, in *Germany*, the merger between Generali Versicherung and Volksfürsorge aimed at concentrating the life and non life insurance activities of the two companies under one structure by favouring the integration of the different distribution networks (agents and brokers) became effective on 1st January.
In *Italy*, on 14 July, the Extraordinary General Meeting of Assicurazioni Generali approved the merger of Alleanza Assicurazioni and Toro Assicurazioni into Assicurazioni Generali following the transfer of the two companies' insurance activities into a new company called Alleanza Toro, which is wholly owned by the Parent Company. The transaction, which was approved on 23 February by the Boards of Directors of the three companies involved, became fully operational on 1st October 2009. The merger aims to create additional cost synergies in Italy while broadening the range of products offered by Alleanza's distribution networks to include the non-life retail segment and accelerate the Toro's group development strategy in the life segment.
In Spain on 28 September the merger of Estrella Seguros and Vitalicio Seguros into Generali España, a new company operating in the life and non-life segment wholly owned by the Generali Group, was approved. The merger, which is subject to authorisation by the competent authorities, will become operative at the end of June 2010.

On 31 July 2009, the Generali Group entered into an agreement to sell a 50% equity investment in Intesa Vita; pending the satisfaction of the conditions precedent for the transfer of antitrust authorization, Intesa Vita was classified as a disposal group held for sale in the accounts. The sale was decided following antitrust measures taken in conjunction with the Intesa San Paolo merger that reduced by nearly one thousand the number of branches available to Intesa Vita for the distribution of its products, and as a result of the change in economic and financial conditions that, generally speaking, no longer allow insurance partners to achieve the return on their capital expected with this type of joint venture.

Furthermore, in the middle of June, a part of the Group's strategy of making its entire product range available to many of its distribution channels, Generali expanded the range of insurance **products** offered through its direct Genertel channel and Genertel*life* (which previously offered only non-life policies) to include life and pension policies, focusing on products tailored primarily to the retirement needs of young workers. The initiative has created Italy's first direct insurance company that is able to supply, both online and via telephone, all life, non-life and pension insurance services.

As for the Group's transnational structures, with particular reference to asset management, the Group implemented a new, more product-oriented organizational model. Three business areas were defined: one for managing the financial assets of the insurance sector, a second for private equity and a third for managing mark-to-market assets (investment funds, SICAVs, etc.). The structure is expected to improve the profitability of the Group's insurance products and, more generally speaking, the financial performance of its companies, while maintaining the synergies among the various sectors in terms of back office and research.

As for the Group's strategy aimed at **growth** in high-growth-potential markets, the Generali Group obtained on 26 August a license to open a representative office from the Ministry of Economy of Vietnam. Vietnam life insurance business has the highest growth rates in Asian countries.

Turning to **real-estate sector**, in September Assicurazioni Generali set up Generali Immobiliare Asset Management in Luxembourg. The aim of the company is to enhance the Group's investments in the real-estate sector in Eastern Europe, Asia and North America.

The Generali Group's profile

The Generali Group is a leading global insurance and financial services provider characterised from the outset by a strong international outlook. The Group's total gross premium income amounted to € 70,529.7 million, 71.3% of which was generated abroad. Currently operating in 68 countries, the Group has consolidated its position by assuming increasing relevance on the European market, its primary area of operation, and intends to establish itself further on international markets with strong growth potential.

In pursuing its objectives, the Generali Group remains faithful to the fundamental values that have distinguished it since its inception and that form part of the Group's ethics. The guidelines that govern the relationships with its stakeholders and encourage entrepreneurial conduct among all parties operating within the framework of the Group were formalised in a Code of Ethics. This document, which is subject to approval by the Parent Company's Board of Directors, is produced in the various languages of the countries in which the Group operates and is then distributed to all stakeholders. The Code of Ethics is published on the Group's website (www.generali.com) and the websites of its main subsidiaries and is delivered to all staff.

In conducting its business, the Group also promotes the culture of sustainability. The Sustainability Committee was established for the purpose of defining common sustainability strategies among all Group companies. Chaired by the General Director of the Corporate Centre, its members include representatives from the divisions most involved in the implementation of social and environmental policies. Members also include representatives from all countries in which the Group operates who are directly involved in implementing sustainability policies.

The Generali Group

Consolidated entities were 521 at 31 December 2009 compared to 476 at 31 December 2008. In detail, entities consolidated line by line increased from 449 to 488, and those valued at equity from 27 to 33.
The change is mainly due to the inclusion of several Group companies in the scope of consolidation. Their inclusion had a minimal impact on the consolidated accounts and does not affect their comparability with the figures for 2008.

The table listing subsidiaries consolidated line by line and associated companies valued at equity is attached to the Notes, together with the list of non-consolidated subsidiaries and other associated companies, which are not considered material.

Human resources

At 31 December 2009, the Group's consolidated companies had a staff of 85,322 — 15,956 in Italy and 69,366 abroad — an increase of 1,259 employees compared to the end of 2008, mainly as a result of the above-mentioned broadened consolidation area.

As explained in the Group's Code of Ethics, human resources are central to the strategic vision of the Generali Group. In fact, the Group bases its competitive edge on the professional skills and commitment of its employees. Human resources are selected from candidates whose academic backgrounds and foreign-language skills rendered them especially highly qualified. The Group guarantees equal treatment of men and women and outlaws any form of discrimination against its workers, either during the recruitment phase, during training, or in terms of career development and salary.

Staff are granted the right to belong to trade unions, form workers' associations and exercise their duties according to the principle of freedom of association.

These policies are described in the Group's European Social Charter, drawn up in collaboration with the European Works Council. The Charter outlines the fundamental rights of workers and the objectives connected to developing human resources issues and workers' representation.

As far as salary policies are concerned, the Group's general aim is to standardise salary levels for the same duties and responsibilities, in line with the local employment market. The base salary for non-executive positions is determined according to the national and supplementary collective bargaining agreements in force in each country. The Group also employs a performance-based bonus system. For executive and management positions, points are assigned based on the Hay method, allowing wages to be set on the basis of responsibilities assigned, internal equity as well as competitiveness with the external market. The Group also adopts a bonus system whereby the executives are set personal targets on the basis of a balanced scorecard system. Employees' salary packages also include special forms of supplementary pensions and healthcare.

The Group believes in the value of its human capital and is committed to developing its staff, partly through paying special attention to individual training needs. *Generali Group Innovation Academy*, the Group's corporate university, was founded in 2004. It manages all the training operations for all the Group companies operating in Italy, organises international training courses for all Group employees and provides support to the training centres based in nine countries including Europe, Israel and China. The initiatives implemented by Generali Group Innovation Academy are organised according to a Training and Development Framework, a tool aimed at planning and directing the Group's training investment based on Group objectives and strategies. Numerous initiatives are also planned to target the specific technical needs of the various Group companies in Italy and abroad.

To ensure that individual dignity is respected, and create a safe, salubrious working environment, the Group companies have set up specific units to handle issues relating to risk prevention and the protection of employees' health and safety at work. Employees are informed of pertinent regulations and safety and health initiatives using various types of informational materials (brochures, pamphlets, notice boards, e-learning courses and Intranet publications). Specific training and refresher courses are also organised for personnel responsible for specific duties in the event of medical emergencies or fires. Thanks to regular property maintenance, for which the services of ergonomics experts can be called on if necessary, the working areas have been organised in such a way as to protect employees' safety, make working conditions more comfortable, and develop the efficiency and reliability of interactions between man and machine.

Social and environmental commitment

The Group's social commitment is a fundamental part of its business activity. The Group has long strived to develop productive relationships with the local and national communities in which it operates. Consistent with its belief that social commitment is an investment that the entire entrepreneurial world must bear, the Group's companies support — both financially and otherwise — numerous social, cultural, environmental, and sports-related initiatives. The Group focuses its support on the following areas: safeguarding and enhancing Italy's cultural, artistic and architectural heritage; social awareness, especially topics related to the insurance business (road traffic, healthy lifestyles, etc.); scientific research; integration and equal opportunity; environment and climate change. Particular attention is placed on initiatives targeting children and young people.

Protecting the environment as a primary asset is another of the Generali Group's guiding values. As explained in the Code of Ethics, the Group strives to direct its decisions towards ensuring compatibility between economic initiatives and environmental needs. In this regard, we report that in April 2009 the Group embarked upon an important international project — currently involving Austria, France, Germany, Spain and Switzerland, as well as Italy — aimed at introducing an Environmental Management System (EMS) compliant with the most shared European standards and certain ethical requirements.

The work done during the year has already allowed the Group to identify the relevant impact of its activity on the environment and determine the most significant environmental performance indicators. A Group Environmental Policy has also been defined. This document, approved by the Parent Company's Board of Directors in July 2009, sets the goals that the Group intends to pursue in order to safeguard the environment, as well as its concrete commitments in this area. For each of the goals identified, specific targets to be achieved by 2012 have been set with a view to the constant improvement of the Group's environmental performance. In early 2010, the Group also defined environmental programmes that specify each country's contributions to achieving the Group's goals and targets.

A crucial component of this system is the monitoring of key performance indicators on a half-yearly basis. This process allows an objective survey of the progress achieved, which in turn permits the Group to implement any corrective measures required to achieve the expected results in a timely manner. Internal audits are also conducted in order to arrive at a periodic determination of the efficiency and efficacy of the environmental management system implemented.

The goals and targets set by the Group refer both to the direct and indirect impact of its activity on the environment, where the latter consists of the possibility of encouraging its stakeholders to engage in environmentally sustainable behaviour.

In the area of indirect impact, the Group has set specific targets for reduced consumption of electrical power, water, paper and carbon dioxide emissions. In order to achieve these targets, the Group's companies endeavour to adopt the sustainable practices and conduct that best enable them to reduce the direct environmental impact of their operations. In this regard, reliance upon environmentally sustainable principles in managing buildings, structures and company mobility is of particular importance.

In the belief that environmental education is fundamental to the dissemination of environmentally sustainable behaviour, the Group engages in a number of measures aimed at sensitising and training its staff, clients and the general public on environmental issues.

As stated above, the Group has also set itself goals for the indirect impact of its activity, undertaking in various ways to sensitise and involve its suppliers, clients, consumers in general and policy-writing companies in adopting environmentally responsible behaviour.

The Sustainability Report, a vehicle for dialogue and direct discussion with various categories of stakeholders, provides a thorough account of the Group's social and environmental commitment. The Sustainability Report monitors, reports and discloses the process of responsible management undertaken by the Group and provides visibility into its environmental, social and financial performance. The document also identifies any weaknesses in operations and indicates areas of improvement where changes in management processes must be made.

Plaza del Congreso, Buenos Aires - Argentina

Information on operations

INFORMATION ON OPERATIONS

The Generali Group's consolidated financial statements at 31 December 2009 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 and the Legislative Decrees No. 58/1998 and No. 209/2005, as amended by Legislative Decree No. 32/2008 and No. 38/2005.

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.

Following the finalization of an agreement to purchase a 50% equity investment in Intesa Vita, and still pending the satisfaction of the conditions precedent for the transfer of antitrust authorization, Intesa Vita was classified as a disposal group held for sale in the accounts. The company has not been excluded from the consolidated accounts, but its assets and liabilities have been recorded in two separate lines in the balance sheet, and its result has been recognized as a separate item in the profit and loss account.

The changes shown on equivalent terms in this report reflect this accounting treatment, and Intesa Vita figures are excluded from the comparison period.

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

The description of the main risks and uncertainties is provided in the Part E of this document.

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 2009 is audited by PricewaterhouseCoopers, appointed independent auditors for 2006-2011. PricewaterhouseCoopers also certify that the information in the report on operations is consistent with the accounts.

Business performance

The **result of the period attributable to the Group** amounted to € 1,309.1 million, compared to € 860.9 million at 31 December 2008 (up 52.1%). The improvement is attributable to the increase of operating results of the life and financial segments and, more generally, to the reduction in expenses of all the Group's operating segments. On the contrary, the operating result of the non-life segment decreased, as it was affected by the decrease in current financial income. The contribution of the non-operating result improved thanks to the significant reduction in net impairment on the valuation of financial instruments. Over the last quarter of the year, the earnings result continued to grow compared to the same period of the previous year, also thanks to the significant improvement in the operating performance of the life segment.

If other net gains and losses recognized directly in shareholders' equity (particularly gains and losses on financial assets available for sale) are considered, the **total comprehensive income attributable to the Group** amounted to € 2,990.9 million compared to € -2,364.6 million for the same period of the previous year, up by € 5,355.5 million, due to the improvement of net profits recognized directly in shareholders' equity, which were boosted by the recovery of stock and bond markets, as well to the greatest growth of the result of the period occurred during 2009 compared to the same change occurred in the previous year.

(€ million)	31/12/2009	31/12/2008
Earnings after taxes	**2,168.4**	**1,536.5**
Income taxes	-498.1	-472.5
Earnings after taxes	**1,670.3**	**1,064.0**
Profit or loss from discontinued operations	96.1	0.0
Consolidated result of the period	**1,766.4**	**1,064.0**
Result of the period attributable to the Group	**1,309.1**	**860.9**
Result of the period attributable to minority interests	**457.3**	**203.1**
Consolidated operating result	**3,675.7**	**3,932.0**
Net earned premiums	64,036.1	61,982.2
Net insurance benefits and claims	-68,187.5	-44,540.3
Acquisition and administration costs	-11,166.0	-11,182.7
Net fee and commission income and net income from financial service activities	790.8	694.9
Operating income from investments	18,873.8	-2,394.7
Operating holding expenses	-268.5	-290.8
Net other operating expenses	-403.1	-336.6
Consolidated non-operating result	**-1,507.3**	**-2,395.5**
Non-operating income from investments (*)	-526.1	-1,204.1
Non-operating holding expenses	-736.7	-700.8
Interest expense on liabilities linked to financing activities	-706.8	-667.9
Other non-operating holding expenses	-29.9	-32.9
Net other non-operating expenses (**)	-244.5	-490.5

(*) 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.

	31/12/2009	31/12/2008
Expense ratio	15.4%	16.1%
Acquisition costs / net premiums	12.1%	12.5%
Administration costs / net premiums	3.3%	3.5%
Combined ratio	98.3%	96.4%

Consolidated operating result was € 3,675.7 million compared to € 3,932.0 million at 31 December 2008, down 6.5% (down 2.7% on equivalent consolidation area). The decline was mainly due to the operating result of the non-life segment, which reflects both the reduction of technical margins due to an increase in the loss ratio, and a drop in current financial profitability. Both life and the financial segments grew thanks particularly to the recovery of the stock markets. At last, the reduction of operating expenses gave also a significant contribution to the result.

Net earned premiums totalled € 64,036.1 million compared to € 61,982.2 million at 31 December 2008. Taking into account also premiums related to investment contracts, which are not considered premiums for financial reporting purposes, ***gross premiums written net of reinsurance*** increased by 2.5% to € 70,529.7 million (up 6.2% on equivalent terms). Life premiums amounted to € 48,894.1 million, up 4.4% (up 9.5% on equivalent terms) and non-life premiums amounted to € 21,635.6 million, down 1.6% (essentially stable on equivalent terms).
Net insurance benefits and claims went from € 44,540.3 million to € 68,187.5 million, mainly due to an increase in life insurance provisions where the investment risk is borne by the policyholders amounting to € 16,202.6 million.
In the **life segment**, net insurance benefits and claims increased from € 30,787.6 million to € 54,001.4 million. In detail, net amounts paid decreased by € 6,874.1 million, whereas the change in net insurance expenses increased by € 30,151.1 million, attributable for € 16,202.6 million to higher life insurance provisions where the investment risk is borne by the policyholders, due to the improvement in the market value of assets linked to this category in 2009, compared to the sharp reduction in the previous year.
Also claims in the **non-life segment** increased, from € 13,806.5 million to € 14,176.7 million. This performance was impacted for about € 270 million by several catastropyhic events, such as the earthquake in Central Italy, the storms in France, Italy, Spain and Austria, as well as floods in central and eastern European countries.
Hence the loss ratio went from 69.2% of 31 December 2008 to 71.1%. The worsening in the loss ratio, equal to 1.9 pp, can be substantially attributed to the current loss ratio (up by 1.8 pp compared to 2008) due to the increase (up 0.7 pp) of catastrophic events impact and the rest (1.1 pp) is basically due to the continuation of the Motor segment's unfavourable cycle, already noted in the first 9 months of the year. Reserve run off remained substantially stable at 3.5%.

Acquisition and administration costs totalled € 11,166.0 million, decreasing compared to 31 December 2008.
Underwriting expenses amounted to € 10,459.2 million, decreasing by 1.2% compared to the same period of the previous year (-0.7% on equivalent consolidation area). In detail, administration costs of insurance activities decreased to € 2,221.2 million (-3.4% on equivalent consolidation area). Acquisition costs remained largely stable at € 8,238.0 million.
The ratio of acquisition and administration costs to net earned premiums was 15.4%, thus decreasing (down 0.7 pp), mainly in the life segment.

The non-life combined ratio was 98.3% (96.4% at 31 December 2008).

Net fee and commission income amounted to € 790.8 million, an increase compared to the same period of the previous year (€ 694.9 million).

Operating income from investments totalled € 18,873.8 million with an increase of € 21,268.5 million compared to the same period of the previous year. This result benefitted from the significant improvement in ***net operating income from financial instruments at fair value through profit or loss***, which increased by € 19,631.7 million, from -11,910.0 million to € 7,721.8 million. The increase is attributable for € 15,015.8 million to assets and liabilities where the risk is borne by the policyholders (which went from € -9,865.1 million

at 31 December 2008 to € 5,150.7 million), due to the improvement in the market value of assets linked to this category during the year compared to significant reduction of the previous year.
As previously mentioned, this improvement was largely offset by the increase in the correspondent change in the related provision, included in net insurance benefits and claims of the life segment.

(€ million)	31/12/2009	31/12/2008
Interest income and other income	11,726.3	13,227.9
Net operating income from financial instruments at fair value through profit or loss	7,721.8	-11,910.0
of which net income from financial assets and liabilities where the risk is borne by the policyholders	5,150.7	-9,865.1
Net operating realized gains on other financial instruments and land and buildings (investment properties)	1,342.6	574.2
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-997.9	-3,131.7
Interest expense on liabilities linked to operating activities	-518.1	-825.9
Other expenses from other financial instruments and land and buildings (investment properties)	-400.8	-329.1
Operating income from investments	**18,873.8**	**-2,394.7**

Interest income and other income amounted to € 11,726.3 million, down 11.4% compared to the previous year (down 7.1% on equivalent consolidation area), mainly due to the non-life segment where investments have an average low duration and were therefore affected by the current steep interest rate curve.
The interest component alone amounted to € 9,641.0 million (down 4.5% compared to 31 December 2008, on equivalent consolidation area), whereas the dividend component was € 1,085.8 million (down 32.2% on equivalent consolidation area). Current returns on property investments increased to € 999.4 million (up 6.8%).

Net operating realized gains on other financial instruments and land and buildings (investment properties) increased from € 574.2 million to € 1,342.6 million, mainly thanks to signficant gains on government bonds realized in the life segment, partially offset by losses on equities.

Net impairment losses on other financial instruments and land and buildings (investment properties) fell from € 3,131.7 million to € 997.9 million. The sharp reduction was due to the improvement in stock markets during 2009, compared to previus year, caracterized by the peak of the crisis especially towards the end of 2008. Moreover, the net impairment losses of the year are affected by the fact that, under the current IAS/IFRS, the recovery showed in the second half of the year by equities available for sale, which had been impaired to profit or loss during the first half of the year, was not reflected on the profit and loss account, but rather on the unrealized gains of assets recognized in shareholders' equity in the *reserve for unrealized gains and losses on available for sale financial assets*.

Interest expense on liabilities linked to operating activities amounted to € 518.1 million (€ 825.9 million at 31 December 2008). In detail operating interest expense of the financial segment decreased but were mostly offset by the correspondent reduction in interest income.

Other expenses from financial instruments and land and buildings (investment properties), which also include investment management expenses and net gains and losses on foreign currencies, went from € -329.1 million to € -400.8 million. The increase was mainly due to the lower gains on foreign currencies.

Operating holding expenses, which include expenses borne by the Parent Company and the local subholdings in their management and coordination activities, went from € 290.8 million at 31 December 2008 to € 268.5 million, down 7.7%, mainly in Italy.

Other operating income and expenses – which mainly include depreciation of assets and multi-annual costs, provisions for risks, other taxes and other insurance expenses – rose from € 336.6 million to € 403.1 million (up 7.5% on equivalent consolidation area).

Consolidated non-operating result went from € -2,395.5 million at 31 December 2008 to € -1,507.3 million.

Non-operating income from investments hence improved from € -1,204.1 million at 31 December 2008 to € -526.1 million, mainly due to the sharp decrease in non-operating impairment losses.

(€ million)	31/12/2009	31/12/2008
Net non-operating income from financial instruments at fair value through profit or loss	-224.8	-85.5
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	392.4	791.0
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-693.7	-1,909.7
Non-operating income from investments (*)	**-526.1**	**-1,204.1**

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

Net operating income from financial instruments at fair value through profit or loss which include realized and unrealized gains and losess on financial instruments classified in this category in the non-life segment went from € -85.5 million to € -224.8 million due among other to the derivatives policy implemented in 2009 to protect the Group's equity from the exceptional volatility of financial markets. This charge was mainly offset by the unrealized gains on hedged financial investments, which were recognized in shareholders' equity in the reserve for unrealized gains and losses on available for sale financial assets.

Net non-operating realized gains on other financial instruments and land and buildings (investment properties) went from € 791.0 million (€ 459.2 million without the profit realized in 2008 from the transfer of the Group's insurance activities in central and eastern Europe to Generali PPF Holding) to € 392.4 million. Realized gains on equities and on real estate activities decreased.

Net impairment losses on other financial instruments and land and buildings (investment properties) decreased from € 1,909.7 million at 31 December 2008 to the current € 693.7 million, for the most part involving impairment recognized to profit or loss in the first half of the year. In fact, under the current IAS/IFRS the recovery showed in the second half of the year by equities available for sale, which had been impaired to profit or loss during the first half of the year, was not reflected on the profit and loss account, but rather on the unrealized gains of assets recognized in shareholders' equity in the *reserve for unrealized gains and losses on available for sale financial assets*.

Non-operating holding expenses amounted to € 736.7 million (€ 700.8 million at 31 December 2008). Specifically, ***interest expense on liabilities linked to financing activities*** amounted to € 706.8 million (€ 667.9 million at 31 December 2008).

Net other non-operating expenses, which include non-recurring income and expenses and the amortization of the value of the portfolios acquired directly or through the acquisition of control of insurance or financial companies, went from € -490.5 million at 31 December 2008 to € -244.5 million. This improvement is mainly due to lower net allocation to provision and the decreasing amortisation expenses on the value of the portfolio associated with the insurance companies transferred by the PPF Group to Generali PPF Holding and with the companies acquired by the Banca del Gottardo Group.

Park Central, Antigua - Guatemala

Consolidated business trends in the main countries

Consolidated operating result of the business segments[1]

(€ million)	31/12/2009	31/12/2008
Italy	1,126.4	1,664.1 (*)
France	609.8	649.1
Germany	497.7	456.3
Central and Eastern Europe	653.5	590.8
Spain	238.8	270.5
Austria	103.2	113.8
Switzerland	338.8	293.7

(*) Historical amounts not on equivalent terms. At 31 December 2008 operating result of Intesa Vita amounted to € 152.7 million.

Financial position

Investments by IAS/IFRS categories

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Total at amortised cost (*)	**99,173.2**	**33.2**	**86,032.1**	**30.1**
Land and buildings (investment properties) (**)	12,731.6	4.3	12,473.3	4.4
Investments in subsidiaries, associated companies and joint ventures	1,986.4	0.7	2,568.4	0.9
Held to maturity investments	3,165.7	1.1	1,798.0	0.6
Loans and receivables	81,289.4	27.2	69,192.5	24.2
Total at fair value	**199,872.8**	**66.8**	**199,751.4**	**69.9**
Available for sale financial assets	176,414.6	59.0	173,701.1	60.8
Financial assets at fair value through profit or loss	23,458.3	7.8	26,050.3	9.1
Total	**299,046.0**	**100.0**	**285,783.5**	**100.0**
Investments back to policies where the investment risk is borne by the policyholders	42,467.2		41,351.4	
Total investments	**341,513.3**		**327,134.9**	

(*) Partecipations in subsidiaries, associated companies and joint ventures are measured at cost.
(**) In accordance with the international accounting standards, € 3,228.4 milion land and buildings used for own activities (€ 3,235.5 milion at 31 December 2008) are classified as tangible assets.

1 Calculated as the sum of the operating result of the life, non-life and financial segments, gross of operating holding expenses and net of the consolidation adjustments.

Breakdown of investments by asset classes[2]

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Equity instruments (*)	**27,881.1**	**9.3**	**23,805.2**	**8.3**
Available for sale financial assets	22,028.1	7.4	19,609.6	6.9
Financial assets at fair value through profit or loss	5,853.0	2.0	4,195.6	1.5
Fixed income instruments (**)	**243,609.8**	**81.5**	**232,486.4**	**81.4**
Bonds	212,424.5	71.0	200,201.4	70.1
Other fixed income instruments (**)	31,185.2	10.4	32,285.0	11.3
Held to maturity investments	3,165.7	1.1	1,798.0	0.6
Loans	74,789.2	25.0	62,192.7	21.8
Available for sale financial assets	151,917.9	50.8	151,355.6	53.0
Financial assets at fair value through profit or loss	13,737.0	4.6	17,140.1	6.0
Land and buildings (investment properties) (***)	**14,699.6**	**4.9**	**14,624.7**	**5.1**
Other investments	**12,855.6**	**4.3**	**14,867.2**	**5.2**
Investments in subsidiaries, associated companies and joint ventures	1,986.4	0.7	2,568.4	0.9
Derivatives	2,097.1	0.7	3,012.6	1.1
Receivables from banks or customers	6,500.3	2.2	6,999.7	2.4
Other investments	2,271.8	0.8	2,286.5	0.8
Total	**299,046.0**	**100.0**	**285,783.5**	**100.0**
Investments back to policies where the investment risk is borne by the policyholders	42,467.2		41,351.4	
Total investments	**341,513.3**		**327,134.9**	

(*) Investment fund units amounted to € 4,101.6 million (€ 3,854.6 milion at 31 December 2008).
(**) Investment fund units amounted to € 8,877.1 million (€ 8,961.5 milion at 31 December 2008).
(***) Investment fund units amounted to € 1,967 million (€ 2,151.4 milion at 31 December 2008).

At 31 December 2009, Group investments amounted to € 341,513.3 million, up 4.4% compared to 31 December 2008, mainly thanks to the recovery of stock markets and the performance of net premiums written.

The breakdown of **investments by IAS/IFRS** categories compared to 31 December 2008 shows a decrease in the weight of investments valued at amortized cost, from 30.1% to 33.2%, mainly as a result of the transfer of the loans and receivables category — which went from 24.2% at the end of 2008 to 27.2% at 31 December 2009 — of corporate bonds traded at the date of transfer to markets not considered active, and which the Group had the intention and ability to hold for the foreseeable future.

2 In order to provide a better representation of investments by asset classes, some assets previously classified under Other investments have been reclassified in Equity securities and Fixed-income instruments. The comparative figures at 31 December 2008 was consequently restated for harmonization purposes.

The breakdown of **investments by asset classes** shows that the weight of equities at the end of 2009 was 9.3%, mainly thanks to the strong recovery of stock prices.

In the fixed-income instruments segment (81.4%), the Group increased its exposure to corporate bonds, mainly investing in a selective way on the primary market so as to benefit from the premium on new issues and improve current profitability levels. Moreover, the Group also implemented a strategy of diversification by segment in order to decrease the exposure to the financials segment while maintaining a high credit standing. The corporate component of the Group's bond investment was 45.3% (43.7% at 31 December 2008).

In particular, in the life segment, a neutral-duration strategy was used, coherent with the related obligations towards policyholders. The investment strategy in the life segment favoured corporate securities issues, so as to increase coupon yields and further diversify the bond investment without reducing the creditworthiness of the portfolio. In the equity segment, on the other hand, an neutral strategy was implemented to increase the current return on the portfolio.

In the non-life segment, considering the duration of insurance provisions on ongoing portfolio, a policy aimed at gradually lengthening the duration of the portfolios was implemented to reduce the impact of the current steepening of the interest rate curve. In the bond segment, corporate issuers with high creditworthiness were favoured. As for equity investments, securities with adequate valuations in the utilities and energy sectors were favoured.

The total annual return on investments[3], computed on the basis of the related profits and losses recognised in the profit and loss account, rose from 2.4% to 4.6%. Current return fell from 4.8% to 4.3%, due to the previously mentioned decrease in the dividend component and the lowering of the rate curve, which caused a fall in coupon income.

Net insurance provisions

(€ million)	31/12/2009	31/12/2008
Non-life insurance provisions (*)	**29,576.8**	**29,246.0**
Provisions for unearned premiums	5,363.2	5,320.2
Provisions for outstanding claims	23,864.3	23,514.4
Other insurance provisions	349.4	411.4
Life insurance provisions (*)	**274,440.5**	**266,509.3**
Mathematical provisions	219,961.6	218,306.6
Provisions for outstanding claims	4,434.4	4,391.7
Provisions for policies where the investment risk is borne by the policyholders	34,121.4	34,964.4
Other insurance provisions	16,482.3	16,176.5
Deferred policyholder liabilities	-559.2	-7,329.9
Total	**304,017.3**	**295,755.3**

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

3 Further information on the principles and procedures used to calculate return on investment is provided in the appendix to this report.

Net insurance provisions amounted to € 304,017.3 million, compared to € 295,755.3 million at 31 December 2008. On equivalent consolidation area, without considering the contribution of Intesa Vita at 31 December 2008, this item increased by 10.1%.
Excluding deferred policyholders liabilities, life insurance provisions increased by 8.5%, from 253,400.5 million at 31 December 2008 to € 274,999.7 million, on equivalent consolidation area. This performance reflects the increase in reserves for the traditional portfolio (up 6.7% on equivalent consolidation area), especially due to the increase in net premium income. Provisions for policies where the investment risk is borne by the policyholders also increased on equivalent consolidation area (up 22.8%).
Deferred policyholders liabilities decreased significantly on equivalent consolidation area from € -6,626.3 at 31 December 2008 to € -559.2 million at 31 December 2009. This performance reflects the significant increase in the market value of financial investments due to the market recovery that begun in March, following on the bear market that had characterised 2008 and the first months of 2009.

Debt

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

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

Total debt was as follows:

(€ million)	31/12/2009	31/12/2008
Liabilities linked to operating activities	**36,099.4**	**34,400.5**
Liabilities linked to financing activities	**14,287.1**	**12,329.9**
Subordinated liabilities	6,422.3	6,041.0
Other non subordinated liabilities linked to financing activities	7,864.8	6,288.9
Total	**50,386.5**	**46,730.5**

Liabilities linked to financing activities increased due to the issue of a senior bond of € 1,750 million in the third quarter, as part of the debt refinancing plan for the same amount maturing in 2010. The actual return at the moment of the issue was 5.267% maturing in 2024. Therefore, the Group's net financial debt remained substantially unaltered.

The weighted average cost of liabilities linked to financing activities was 5.35% at 31 December 2009 (5.36% at 31 December 2008), with the average duration of the debt from 5.84 at the end of 2008 to 7.83.

The related interest expense is broken down as follows:

(€ million)	31/12/2009	31/12/2008
Interest expense on liabilities linked to operating activities	518.1	825.9
Interest expense on liabilities linked to financing activities	706.8	667.9
Interest expense on deposits under reinsurance business accepted (*)	37.8	37.6
Total	**1,262.7**	**1,531.4**

(*) As from the half-yearly report 2008 interest expense on deposits under reinsurance business accepted have been deducted from the related interest income.

The rating assigned to Assicurazioni Generali and recently confirmed by the main rating agencies is shown in the table below:

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

Shareholders' equity

(€ million)	31/12/2009	31/12/2008
Shareholders' equity attributable to the Group	**16,652.3**	**11,312.8**
Share capital and reserves	14,613.6	11,557.7
Reserve for unrealized gains and losses on available for sale financial assets	729.6	-1,105.7
Result of the period	1,309.1	860.9
Shareholders' equity attributable to minority interests	**3,272.0**	**4,160.3**
Total	**19,924.3**	**15,473.1**

Shareholders' equity attributable to the Group amounted to € 16,652.3 million (€ 11,312.8 million at 31 December 2008).

The Group's share capital and reserves increased in particular following the previously mentioned merger of Alleanza Assicurazioni and Toro Assicurazioni into Assicurazioni Generali by € 2,677.6 million, due to the issue of 146,836,083 new shares at € 1 per share. Shareholders' equity attributable to minority interests decreased by € 1,069.0 million due to the elimination of the carrying amount of the minority interests in Alleanza acquired.

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 € -1,105.7 million at 31 December 2008 to € 729.6 million. The € 1,835.3 million increase in the reserve is substantially due to a rise in the value of the corporate bond and equity components (€ 723.3 million and € 1,282.7 million, respectively) due to the recovery of stock markets in 2009.

The cost of shares of the Parent Company held by the Parent Company or other Group companies amounted to € 403.5 million (€ 1,866.8 million at 31 December 2008), with a mean unit price of € 25.23. The decrease compared to the beginning of the year is mainly due to the payment of a dividend through the issue of one bonus share for every 25 shares held, as approved by the Parent Company at its General Shareholders' Meeting on 24 April 2009.

The Group's Solvency I cover ratio, which shows the ratio of the available margin less the proposed dividend to the required margin, improved from 123% at 31 December 2008 to 128% at year-end.

The available margin increased 11.4%, on nearly € 21.6 billion (€ 19.4 billion in 2008), due to an increase in shareholders' equity, while the required margin increased from € 15.8 billion in 2008 to € 16.9 billion in 2009 (up 6.8%), due to a sharp rise in net cash inflows, mainly in the life segment. Therefore, the difference between the available margin and the required one is about 4.9 billion.

Reconciliation statement of the result of the period and shareholders' equity of the Group and the Parent Company

(€ million)	31/12/2009 Shareholders' equity before the result of the period	31/12/2009 Result of the period	31/12/2008 Shareholders' equity before the result of the period	31/12/2008 Result of the period
Parent Company amounts in conformity with the Italian accounting principles	**13,247.4**	**555.7**	**9,798.9**	**828.3**
Adjustments to Parent Company for IAS/IFRS application	-1,583.9	5.6	-1,941.2	338.9
Allocation of differences arising out of consolidation of companies	-317.7	-101.6	-560.4	-107.9
Result of the period of entities included in the consolidation area		4,152.3		3,839.0
Consolidation adjustments:				
Dividends	3,270.8	-3,270.8	4,116.6	-4,116.6
Other consolidation adjustments	-84.1	-32.1	-163.3	79.2
Reserve for currency translation differences	-109.0		-108.5	
Reserve for unrealized gains and losses on available for sale financial assets	1,000.6		-691.3	
Reserve for other unrealized gains and losses through equity	-80.9		1.1	
Shareholders' equity attributable to the Group	**15,343.2**	**1,309.1**	**10,451.9**	**860.9**

Shareholders and stock performance

At 31 December 2009, outstanding shares, with a nominal value of € 1 each, were 1,556,864,483, of which € 16,031,920 held by the Parent Company and other Group companies. The latter decreased as a result of the free assignement as payment of dividends approved by the General Shareholders' Meeting. At the same date, the Parent Company's shareholders numbered 237,000.

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

Shareholders	Number of shares	Percentage of share capital
1 GRUPPO MEDIOBANCA	229,723,151	14.756%
2 GRUPPO BANCA D'ITALIA	69,879,247	4.488%
3 GRUPPO UNICREDIT	46,324,651	2.976%
4 GRUPPO BLACKROCK	45,902,352	2.948%
5 GRUPPO DE AGOSTINI - B&D HOLDING	39,294,481	2.524%

Updated as of 1st December 2009.

At 30 December 2009, the price the Generali share was € 18.82, marking a decline of 3.4% compared to the end of 2008. In 2009, the Company's share price fluctuated between a low of € 9.99 (9 March 2009) and a high of € 19.81 (8 January 2009).

Market capitalization at 31 December 2009 was € 29,300.1 million, confirming Assicurazioni Generali's position among the major European insurers by market capitalization.

Business segments

Life segment

Business performance of the life segment

(€ million)	31/12/2009	31/12/2008
Operating result - life segment	**2,451.0**	**1,979.7**
Net premiums	44,103.4	42,034.6
Net insurance benefits and claims	-54,001.4	-30,787.6
Acquisition and administration costs	-4,961.4	-5,032.1
Acquisition and administration costs related to insurance business (*)	-4,947.1	-5,023.0
Other acquisition and administration costs	-14.2	-9.0
Net fee and commission income and net income from financial service activities	108.7	90.1
Operating income from investments	17,285.1	-4,242.6
Interest income and other income	9,863.1	10,687.9
Net income from financial instruments at fair value through profit or loss	7,567.7	-12,056.7
of which net income from financial assets and liabilities where the risk is borne by the policyholders	5,150.7	-9,865.1
Net operating realized gains on other financial instruments and land and buildings (investment properties)	1,311.6	670.7
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-962.2	-3,090.2
Interest expense on liabilities linked to operating activities	-158.9	-139.1
Other expenses from other financial instruments and land and buildings (investment properties)	-336.2	-315.2
Net other operating expenses	-83.4	-82.6
Non-operating result - life segment	**-236.2**	**-1,015.6**
Non-operating income from investments	-188.2	-800.4
Net non-operating realized gains on other financial instruments and land and buildings (investment properties) (**)	14.2	43.6
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties) (**)	-202.3	-844.0
Net other non-operating expenses (***)	-48.0	-215.1
Earnings before taxes - life segment	**2,214.8**	**964.2**

(*) Commissions related to investment contracts, which amounted to € 96.3 million (€ 135 million at 31 December 2008), are included in net fee and commission income and net income from financial service activities.
(**) 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.

	31/12/2009	31/12/2008
Expense ratio	10.5%	11.2%
Acquisition costs / net premiums	8.4%	8.8%
Administration costs / net premiums	2.1%	2.4%

Operating result of the life segment amounted to € 2,451.0 million, up by 23.8% compared to 31 December 2008 (up 34.2% on equivalent consolidation area). The increase in the fourth quarter was a continuation of the upward trend that started in the second half of the year thanks to a reduction in operating costs and favourable market conditions, which brought good returns and a significant reduction in net impairment losses. An improvement in the net cash inflows contributed to increasing the operating margin.

Net premiums of the life segment amounted to € 44,103.4 million. Gross premiums written for the life segment, including premiums related to investment contracts, amounted to € 48,894.1 million (€ 46,815.4 million at 31 December 2008), up 4.4% (9.5% on equivalent terms), thanks to the sharp growth reported for the fourth quarter of the year (up 30.9%).
Contributors to the increase in gross direct premiums included **France** (up 16.6%), where fourth-quarter results showed a continuation of the growth trend for single-premium savings products observed in the first nine months of the year, thanks mainly to sales of products through banks and brokers, **central and eastern European countries** (up 4.7% on equivalent terms) and **Germany** (up 4.3%), owing to an increase in sales of single-premium policies (mainly traditional policies). The Far East continued to perform well (up 98.4% on equivalent terms) owing to premiums written in **China**, mainly associated with sales of traditional single-premium individual policies sold primarily through the bank channel.
Premiums written in **Italy** by the Group were stable (up 0.1% on equivalent terms). Italy witnessed a sharp fall in large-amount, single-premium pure capitalization policies due to the volatile state of stock markets, which reduced the cost effectiveness of this type of product. The decrease was offset by the favourable performance of traditional policies sold through proprietary networks, particularly those of agencies (up 2.1%), and financial advisors, who almost reached the high volumes recorded in 2008. Worthy of note is the strong recovery in the fourth quarter of the year, which ended with a 24.5% increase compared to the last quarter of 2008 on equivalent terms.
Lastly, **Spain** recorded a decrease (down 7.4%), mainly in single-premium products (both collective and traditional individual policies, mainly those geared towards pension savings). **Mexico** also recorded a decrease (down 23.7% on equivalent terms), due to a fall in single-premium products sold through banks. These, more than other types, were negatively impacted by the volatile state of financial markets.

Premiums related to investment contracts – not accounted for as premiums – amounted to € 4,017.5 million. The increase compared to € 3,998.7 million at 31 December 2008 (€ +1,369.1 million excluding Intesa Vita) is attributable to the premium income levels in **Ireland**, **Germany**, **France** and **central and eastern European countries**.

New business value amounted to € 1,127.7 million, up by 16.1% (-0.5% on equivalent terms, i.e., on equivalent exchange rates and share attributable to the Group).

New annual business premium equivalent, which amounted to € 5,188.3 million, increased by 3.8% on equivalent exchange rates and Group share, increasing sharply compared to the first nine months of the year, thanks to the significant recovery achieved in the fourth quarter.

Net cash inflows, i.e., premiums collected less outflows during the period, increased significantly as well, reaching € 16,081.2 million, a confirmation of the quality of the Group's portfolios and the effectiveness of its proprietary distribution networks. The € 7,311.6 million increase compared to last year was mainly attributable to the last quarter (up € 5,213.8 million), which benefited from a further decline in surrenders and an increase in the net cash inflows compared to the same period of 2008 (which recorded a negative balance).

Acquisition and administration costs of the life segment amounted to € 4,961.4 million (down 1.4%). Considering also fees and commissions on investment contracts, which amounted to € 96.3 million, insurance acquisition and administration costs decreased 2.2% to € 5,043.5 million (down 1.1% on equivalent consolidation area).

This trend was mainly due to a reduction in insurance administration costs, which stood at € 1,002.7 million (-4.3% based on equivalent consolidation area), mainly in Italy, France and Germany, as a result of programmes implemented by the Group to improve efficiency.
At € 4,040.8 million, acquisition costs for the insurance business also decreased, falling 0.8% compared to 31 December 2008 (down 0.3% on equivalent consolidation area).

Accordingly, costs fell as a percentage of net premiums from 11.2% at 31 December 2008 to 10.5%. In detail, acquisition costs amounted to 8.4% and administration costs to 2.1%.
Lastly, the ratio of administration costs to the average value of net insurance provisions and financial liabilities related to investment contracts was 0.35%, compared to 0.39% for last year.

Operating income from investments of the life segment increased from € -4,242.6 million at 31 December 2008 to € 17,285.1 million. This result benefitted from the significant improvement in ***net income from financial instruments at fair value through profit or loss***, which went from € -12,056.7 million to € 7,567.7 million. Specifically, ***net income from financial assets and liabilities where the investment risk is borne by the policyholders*** went from € -9,865.1 million at 31 December 2008 to € 5,150.7 million, due to the increase in the market value of assets linked to this category during 2009 compared to the significant reduction in 2008. This trend was largely offset by the increase in the correspondent change in the related provision, included in **net insurance benefits and claims**.

Interest income and other income decreased from € 10,687.9 million to € 9,863.1 million (down 2.2% on equivalent consolidation area), mainly due to the decline in dividends (down 23.8% on equivalent consolidation area), already shown in the first nine months of the year.
The interest component went from € 8,823.0 million at 31 December 2008 to € 8,346.2 million (up 0.8% on equivalent consolidation area compared to 31 December 2008). Current income from investment properties also increased to € 0.5 million (up 4.7%).

Net operating realised gains on other financial instruments and land and buildings (investment properties) increased from € 670.7 million to € 1,311.6 million, owing to gains realized on bonds (mainly government bonds), which were partially offset by losses recorded on equity instruments.

Net impairment losses on other financial instruments and land and buildings (investment properties) fell sharply from € 3,090.2 million to € 962.2 million. The balance at 31 December 2009 was largely due to impairment losses recognized to profit or loss in the first half of the year. Infact, under the current IAS/IFRS, the recovery showed in the second half of the year by equities available for sale, which had been impaired to profit or loss during the first half of the year, was not reflected on the profit and loss account, but rather on the unrealized gains of assets recognized in shareholders' equity in the *reserve for unrealized gains and losses on available for sale financial assets*. This change was largely offset by a similar increase in insurance provisions, included in net insurance benefits and claims.

Other expenses from financial instruments and land and buildings (investment properties), which also include investment management expenses and net gains and losses on foreign currencies, amounted to € 336.2 million (€315.2 million at 31 December 2008).

Other operating income and expense of the life segment amounted to € -83.4 million (-€ 82.6 million at 31 December 2008).

Non-operating result of the life segment amounted to € -236.2 million (€ -1,015.6 million in the previous year), as a result of the decrease in ***net impairment losses on other financial instruments and land and buildings (investment properties)*** and the reduction in ***other non-operating income and costs***, mainly attributable to lower net allocation to provision and the decreasing amortisation expenses on the value of the portfolio associated with the insurance companies transferred by the PPF Group to Generali PPF Holding .

Square Bolívar, Panama City - Panama

Insurance business trends in the main countries of the life segment

Gross direct premiums written

(€ million)	31/12/2009	like for like (%)	31/12/2008	like for like (%)
Italy	**12,656.4**	**0.1**	**14,679.6**	**-1.9** (*)
of which premiums related to investment contracts	431.1		2,327.6	(*)
Change in market gross direct premiums written		44.8		-11.2
France	**12,203.5**	**16.6**	**10,462.6**	**-7.3**
of which premiums related to investment contracts	68.2		46.6	
Change in market gross direct premiums written		12.0		-10.0
Germany (**)	**12,228.4**	**4.3**	**11,720.9**	**5.0**
of which premiums related to investment contracts	177.0		16.0	
Change in market gross direct premiums written		6.3		1.3
Central and Eastern Europe	**1,671.9**	**4.7**	**1,746.3**	**11.5**
of which premiums related to investment contracts	627.2		590.4	
Change in market gross direct premiums written		-14.0		27.7
Spain	**1,127.9**	**-7.4**	**1,217.7**	**23.8**
Change in market gross direct premiums written		5.8		15.3
Austria	**1,105.0**	**-2.2**	**1,129.7**	**8.5**
Change in market gross direct premiums written		-1.5		2.4
Switzerland	**896.8**	**-0.7**	**859.4**	**-0.3**
of which premiums related to investment contracts	66.6		78.2	
Change in market gross direct premiums written		-2.6		3.1

(*) Historical amounts not on equivalent terms. At 31 December 2008 gross written premiums of Intesa Vita amounted to € 2,033.8 million. Premiums related to investment contracts amounted to € 1,350.2 million.
(**) Gross direct premiums written include premiums drawn from the provision for profit sharing, which amount to € 415.1 million at 31 December 2009 (€ 549.6 million at 31 December 2008).

New annual business premium equivalent

(€ million)	31/12/2009	31/12/2008
Italy	1,704.0	1,533.8
France	1,225.4	1,056.2
Germany	984.3	1,090.9
Central and Eastern Europe	157.9	166.3
Spain	127.7	138.3
Austria	83.3	81.7
Switzerland	90.0	84.8

New business value

(€ million)	31/12/2009	31/12/2008
Italy	486.4	360.0
France	126.8	124.7
Germany	173.7	184.1
Central and Eastern Europe	61.7	57.4
Spain	30.4	18.8
Austria	22.7	18.7
Switzerland	40.7	34.0

Expense ratio

	Adm. costs on average IP		Expense ratio		Acquisition ratio		Administration ratio	
(%)	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Italy	0.3	0.3	9.2	8.1	7.1	6.0	2.1	2.1
France	0.2	0.3	6.7	8.1	5.6	6.4	1.2	1.6
Germany	0.2	0.3	14.3	15.4	12.9	13.7	1.4	1.7
Central and Eastern Europe	1.5	2.6	18.7	20.4	13.3	15.2	5.3	5.2
Spain	0.1	0.1	5.2	4.9	4.3	4.1	0.8	0.7
Austria	0.6	0.6	13.7	14.7	9.3	10.5	4.5	4.2
Switzerland	0.8	0.8	17.4	20.1	11.8	14.8	5.6	5.3

Operating result of the life segment

(€ million)	31/12/2009	31/12/2008
Italy	1,010.4	1,207.0 (*)
France	454.7	345.5
Germany	241.0	140.4
Central and Eastern Europe	297.2	125.1
Spain	89.3	100.2
Austria	33.6	15.0
Switzerland	71.4	56.8

(*) Historical amounts not on equivalent terms. At 31 December 2008 operating result of Intesa Vita amounted to € 152.7 million.

Financial position of the life segment

Investments by IAS/IFRS categories of the life segment

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Total at amortised cost (*)	**86,744.1**	**33.3**	**73,730.4**	**28.3**
Land and buildings (investment properties) (**)	6,876.5	2.6	6,959.3	2.8
Investments in subsidiaries, associated companies and joint ventures	13,443.9	5.2	13,666.3	5.5
Held to maturity investments	2,367.5	0.9	1,069.0	0.4
Loans and receivables	64,056.1	24.6	52,035.8	21.0
Total at fair value	**173,798.0**	**66.7**	**174,220.1**	**66.9**
Available for sale financial assets	153,164.8	58.8	152,904.3	61.7
Financial assets at fair value through profit or loss	20,633.2	7.9	21,315.9	8.6
Total	**260,542.0**	**100.0**	**247,950.5**	**100.0**
Investments back to policies where the investment risk is borne by the policyholders	42,467.2		41,351.4	
Total investments - life segment	**303,009.2**		**289,301.9**	

(*) Partecipations in subsidiaries, associated companies and joint ventures are measured at cost.
(**) In accordance with the international accounting standards, € 1,290.7 milion land and buildings used for own activities (€1,278.9 milion at 31 December 2008) are classified as tangible assets.

Breakdown of investments by asset classes of the life segment[4]

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Equity instruments (*)	**22,948.4**	**8.8**	**18,592.5**	**7.5**
Available for sale financial assets	17,620.1	6.8	15,245.6	6.1
Financial assets at fair value through profit or loss	5,328.3	2.0	3,346.9	1.3
Fixed income instruments (**)	**212,093.6**	**81.4**	**203,569.6**	**82.1**
Bonds	188,537.9	72.4	179,190.5	72.3
Other fixed income instruments (**)	23,555.7	9.0	24,379.1	9.8
Held to maturity investments	2,367.5	0.9	1,069.0	0.4
Loans	64,056.1	24.6	52,035.8	21.0
Available for sale financial assets	133,288.6	51.2	135,447.9	54.6
Financial assets at fair value through profit or loss	12,381.4	4.8	15,016.9	6.1
Land and buildings (investment properties) (***)	**8,703.3**	**3.3**	**8,755.5**	**3.5**

(continues)

4 In order to provide a better representation of investments by asset classes, some assets previously classified under Other investments have been reclassified in Equity securities and Fixed-income instruments. The comparative figures at 31 December 2008 was consequently restated for harmonization purposes.

(continues)

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Other investments	**16,796.7**	**6.4**	**17,032.9**	**6.9**
Investments in subsidiaries, associated companies and joint ventures	13,443.9	5.2	13,666.3	5.5
Derivatives	1,249.1	0.5	1,271.9	0.5
Other investments	2,103.7	0.8	2,094.8	0.8
Total	**260,542.0**	**100.0**	**247,950.5**	**100.0**
Investments back to policies where the investment risk is borne by the policyholders	42,467.2		41,351.4	
Total investments	**303,009.2**		**289,301.9**	

(*) Investment fund units amounted to € 3,556.3 million (€ 3,327.2 milion at 31 December 2008).
(**) Investment fund units amounted to € 8,006.2 million (€ 7,791.9 milion at 31 December 2008).
(***) Investment fund units amounted to € 1,826.8 million (€ 1,796.2 milion at 31 December 2008).

Investments in the life segment amounted to € 260,466.6 million at 31 December 2009, marking a 5.0% increase compared to 31 December 2008, especially due to the above-mentioned market recovery beginning in the second quarter of the year and the performance of the net cash inflows.

Investments back to policies where the risk is borne by the policyholders amounted to € 42,467.2 million (€ 41,351.4 million at 31 December 2008).
Including this category, total investments in the life segment, which do not include cash and cash equivalents for balance sheet purposes, increased from € 289,301.9 million to € 303,009.2 million. The related movement amounted to € 35,716.6 million (up 13.4%), on equivalent consolidation area.

Investments by IAS/IFRS categories valued at amortised cost as a percentage of total life segment investments rose from 28.3% to 33.3% due to the higher percentage of loans and receivables, up from 21.0% at 31 December 2008 to the current 24.6% as a result of the transfer of corporate bonds already mentioned, having characteristics consistent with those required for the loan category.

Regarding the breakdown of **investments by asset classes**, during 2009, which was marked by a particularly uncertain economic-financial scenario, the Group confirmed a neutral duration strategy in the life segment bond sector, of about 7 years, consistent with that of the insurance provisions.
In order to compensate for the reduction in current profitability, investment strategies were implemented aimed, on the one hand, at optimizing the average duration and, on the other, increasing the weighting of corporate bonds with a high credit standing.
The management of equity investments at the beginning of the year was based on protecting existing stock, through suitable hedging transactions, whilst the second half of the year reaped the benefits of a rising market following the improvement in growth prospects.

Net insurance provisions of the life segment

(€ million)	31/12/2009	31/12/2008
Mathematical provisions	219,961.6	218,306.6
Provisions for outstanding claims	4,434.4	4,391.7
Provisions for policies where the investment risk is borne by the policyholders	34,121.4	34,964.4
Other insurance provisions	16,482.3	16,176.5
Deferred policyholder liabilities	-559.2	-7,329.9
Total insurance provisions - life segment (*)	**274,440.5**	**266,509.3**

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

Excluding deferred policyholders liabilities, net life insurance provisions increased from 253,400.5 million at 31 December 2008 to € 274,999.7 million at 31 December 2009, on equivalent consolidation area. More specifically, on equivalent consolidation area, an increase was recorded in both the traditional portfolio provisions (up 6.7%) due to the increase recorded in premiums written and the provisions for policies where the investment risk is borne by the policyholders (up 22,8%).

The downturn continued in *Deferred policyholders liabilities*, which started in the second half of the year following the recovery in the stock markets, going, on equivalent consolidation area, from € -6,626.3 million at 31 December 2008 to € -559.2 million at 31 December 2009.

Independence Square, Quito - Ecuador

Non-life segment

Business performance of the non-life segment

(€ million)	31/12/2009	31/12/2008
Operating result - non-life segment	**1,299.6**	**2,117.6**
Net earned premiums	19,932.7	19,947.6
Net insurance benefits and claims	-14,176.7	-13,806.5
Acquisition and administration costs	-5,436.4	-5,458.2
Acquisition and administration costs related to insurance business	-5,415.7	-5,432.7
Other acquisition and administration costs	-20.7	-25.5
Fee and commission income and income from financial service activities	-0.1	-0.1
Operating income from investments	1,251.9	1,702.2
Interest income and other income	1,615.7	1,933.4
Interest income and dividends from financial instruments at fair value through profit or loss	73.9	74.9
Interest expense on liabilities linked to operating activities	-180.6	-169.3
Other expenses from other financial instruments and land and buildings (investment properties)	-257.1	-136.7
Net other operating expenses	-271.7	-267.4
Non-operating result - non-life segment	**-458.7**	**-586.2**
Non-operating income from investments	-333.4	-415.3
Other income and expenses from financial instruments at fair value through profit or loss	-224.8	-85.5
Net realized gains on other financial instruments and land and buildings (investment properties)	382.6	735.8
Net impairment losses on other financial instruments and land and buildings (investment properties)	-491.2	-1,065.6
Net other non-operating expenses	-125.3	-170.9
Earnings before taxes - non-life segment	**840.9**	**1,531.4**

	31/12/2009	31/12/2008
Loss ratio	71.1%	69.2%
Expense ratio	27.2%	27.2%
Acquisition costs / net premiums	21.1%	21.0%
Administration costs / net premiums	6.1%	6.3%
Combined ratio	98.3%	96.4%

Operating result in the non-life segment was € 1,299.6 million (down 38.6% compared to 31 December 2008). The performance was affected by the increase in the loss ratio (up 2 pp) and the fall in current financial profitability. Acquisition and administration costs, on the other hand, fell. Combined with the continuation of the Motor business line's unfavourable cycle, the loss ratio was affected by a number of catastrophic events which impacted for about € 270 million, such as the earthquake in central Italy, the storms in France, Italy, Spain and Austria and the floods in central-eastern Europe.

In a macro-economic context of serious recession suffered by the countries in which the Group operates, premiums written remained basically stable benefiting from the level of diversification in geographical terms and within the distribution channels owned achieved by the Group.

Net earned premiums amounted to € 19,932.7 million (down 0.5% on equivalent terms). Gross non-life premiums written of the non-life segment showed a decrease of 1.6%, going from € 21,989.7 million to € 21,635.6 million.
Gross direct premiums written decreased by 1.7% (down 0.7% on equivalent terms area).
In **Italy**, a 2.3% downturn was recorded, due to the contraction in the Motor business line (-3.7%) where the performance of premiums written was affected by the reduction in the average premium due to the full effects of recent regulatory changes in the sector and the stagnant performance of new vehicle registrations which are unchanged compared to last year's minimum values; in addition, the continuing reform and non-renewal of the fleet policy portfolio further reduced premium development. The non-motor segment felt the effect, for the commercial risks, of the economic situation and rigorous underwriting policies focused on recovering profitability with the disposal of unprofitable risks that had a negative effect on premium performance. The Accident and Health lines were also down by 1.6% although this represented an improvement compared to the 3.8% drop in the first nine months and the 7.2% reduction reported for the six months. These had felt the effects of the reform and proposal policy implemented during the year for unprofitable collective policies and the reduction in the commercial risks segment which had been affected not only by the economic situation but also by the rigorous underwriting policy implemented during the year. Other retail risks, by contrast, performed well.
Also in **Spain** premium income decreased (down 6.6%), as a result of the drop posted in the motor line (down 10.7%) and the corporate segment (down 10%).
Premiums written in **France** increased (up 0.9%), most notably the Personal Assistance (up 1.7% on equivalent terms) and Accident and Health lines (up 6.1%) due to the combined effect of the charging policy and the rise in the premium linked to the higher social contributions payable by companies in the Health line. The Corporate segment, by contrast, suffered a reversal in the positive trend recorded in the first few months of 2009 reporting a 4.9% fall at 31 December 2009. **Switzerland** recorded 2.6% growth driven by the non-motor sector (up 5.1%), particularly the Accident and Health lines with a rise of 8.2% resulting from a number of major collective Health contracts and the obligatory Accident policies for businesses. Finally, premiums written performed positively also in **Holland** (up 13%), thanks to the continuation of the positive trend in Accident and Health premiums and **Argentina** (up 34.6% on equivalent terms) thanks to the contribution of the Motor line.

Net insurance benefits and claims went from € 13,806.5 million to € 14,176.7 million. This increase, which was more than proportional compared to that in net earned premiums, affected the loss ratio — net of ceded reinsurance — that was 71.1% (69.2% at 31 December 2008). The worsening in the loss ratio, equal to 1.9 pp, can be substantially attributed to the current loss ratio (up by 1.8 pp compared to 2008) due to the increase (up 0.7 pp) of catastrophic events impact and the rest (1.1 pp) is basically due to the continuation of the Motor segment's unfavourable cycle, already noted in the first 9 months of the year. Reserve run off remained substantially stable at 3.5%.

Non-life **acquisition and administration costs** amounted to € 5,436.4 million, with a decrease of 0.4%; also underwriting costs decreased to € 5,415.7 (down 0.3%).
This reduction was due to insurance administration costs, which amounted to € 1,218.5 million, down 2.6% due to the sharp contraction in Italy and central-eastern European countries. France, on the other hand, recorded an increase, due particularly to the increase in social contributions due on the Health line.

Insurance acquisition costs rose marginally, amounting to € 4,197.2 million (up 0.4%), as a result of the increase in France and in central-eastern European countries, due particularly to distribution network incentivization schemes.
Other acqusition and administration costs, amounting to € 20.7 million, refer primarily to administration costs relating to service companies and other companies not operating in the non-life insurance segment.
Thanks to cost control measures, the expense ratio remained stable at 27.2%.

The ***combined ratio*** went from 96.4% at 31 December 2008 to 98.3%.

In detail, with reference to **Italy**, a 4.1 pp increase was recorded in the loss ratio compared to 31 December 2008 due to a number of catastrophic events (representing 2.2 pp), such as the earthquake in central Italy and the storms in Northern Italy, and the performance of the loss ratio in the Motor TPL line, due in particular to the decrease in the average premium following the measures introduced relating to the family bonus-malus. Administration costs fell sharply bringing their percentage down by 0.5 pp. These events produced a rise in the combined ratio from 98.9% to 102.4%.
In **France**, the increase in the combined ratio of 1.2 percentage points (equal to 99.0%) may be attributed to both the deterioration of the loss ratio (up 0.2 pp), owing to the increase of 1.2 percentage points caused by the storms that struck early in the year, and to the rise in the expense ratio (up 0.9 pp), resulting in particular from the social contributions due from enterprises in the Health segment.
With reference to **central-eastern European countries**, whose combined ratio was 87.9%, the 3.3 percentage point deterioration can be attributed to the combined effect of the contraction in net earned premiums and the increase in the loss ratio and acquisition and administration costs. In detail, the deterioration in the current loss ratio was caused by the occurrence of flooding and storms which caused huge losses and represented 2.4 pp overall. The expense ratio worsened by 0.7 pp, due to the increase in the percentage of acquisition costs, whereas administration costs fell.
In **Spain** the 1.1 percentage point rise in the combined ratio (94.6%) derives from the worsening expense ratio (up 1.4 p.) caused by the fall in net premiums written and a slight increase in acquisition costs. The loss ratio remained mostly stable (down 0.2%).
The combined ratio in **Germany**, on the other hand, improved slightly, to 95.6% (down 0.3 pp) whilst in **Austria** it worsened by just 0.4 pp in the light of atmospheric events that represented 3.1 pp of the loss ratio. **Switzerland'**s contribution was also positive, with a combined ratio of 94.3% (-0.2 pp) thanks also to the last quarter's excellent results.

Non-life **operating income from investments** amounted to € 1,251.9 million, compared to € 1,702.2 million in the same period of the previous year.

Interest income and other income went from € 1,933.4 million to € 1,615.7 million (down 16.4%). The interest-only component amounted to € 861.1 million (down 21.7% compared to 31 December 2008), in respect of investments with a relatively low average duration, which feel the greatest impact of the lowering of the interest rate curve.
As already illustrated in the first nine months of the year, the dividend component, amounting to € 246.2 million also decreased (down 33.3% compared to 31 December 2008). Current income from investment properties, on the other hand, increased to € 508.4 million (up 9.4% compared to 31 December 2008).

Other expenses from other financial instruments and land and buildings (investment properties) amounted to € 257.1 million (€ 136.7 million at December 31, 2008), mainly as a result of the lower gains on foreign currencies.

Other operating income and expenses in the non-life segment amounted to € -271,7 million (€ -267.4 million at 31 December 2008).

Non-operating result of the non-life segment went from € -586.2 million to € -458.7 million. This improvement can be attributed to the sharp fall in ***net impairment losses from other financial instruments and land and buildings (investment properties)***, which decreased from € -1,065.6 million at 31 December 2008 to € -491.2 million reflecting the recovery in the markets. The balance at 31 December 2009 for the most part reflects impairment recognized to profit or loss in the first half of the year. Infact, under the current IAS/IFRS, the recovery showed in the second half of the year by equities available for sale, which had been impaired to profit or loss during the first half of the year, was not reflected on the profit and loss account, but rather on the unrealized gains of assets recognized in shareholders' equity in the *reserve for unrealized gains and losses on available for sale financial assets*.
Net non-operating realized gains on other financial instruments and land and buildings (investment properties) went from € 735.8 million (€ 459.2 million without the profit realized in 2008 from the transfer of the Group's insurance activities in central and eastern Europe to Generali PPF Holding) to € 382.6 million, especially due to lower returns on share certificates and property.

Net operating income from financial instruments at fair value through profit or loss, which includes realized profits and losses and profits and losses on the measurement of financial instruments classified to this category, fell from € -85.5 million to € -224.8 million mainly due to the aforementioned effect of the derivatives policy implemented in the first months of the year in order to protect the Group's equity from the extreme volatility of financial markets.

Other non-operating income and expenses decreased from € -170.9 million at 31 December 2008 to € -125.3 million, an improvement due to lower allocation to non-recurring expenses and the decreasing amortisation expenses on the value of the portfolio associated with the insurance companies transferred by the PPF Group to Generali PPF Holding.

Casa Rosada, Buenos Aires - Argentina

Insurance business trends in the main countries of the non-life segment

Non-life premiums

(€ million)	31/12/2009	like for like (%)	31/12/2008	like for like (%)
Italy				
Gross direct premiums written	7,271.3	-2.3	7,441.3	-0.4
of which motor premiums	3,139.6		3,259.1	
Net earned premiums	6,729.6		6,760.1	
Change in market gross direct premiums written		-2.5		-0.5
France				
Gross direct premiums written	3,540.8	0.9	3,511.5	3.9
of which motor premiums	1,057.8		1,073.2	
Net earned premiums	3,592.7		3,533.2	
Change in market gross direct premiums written		1.6		3.4
Germany				
Gross direct premiums written	3,031.1	-0.8	3,056.8	0.8
of which motor premiums	1,115.8		1,168.5	
Net earned premiums	2,962.3		2,992.0	
Change in market gross direct premiums written		0.0		0.2
Central and Eastern Europe				
Gross direct premiums written	2,182.0	-1.1	2,402.8	11.3
of which motor premiums	1,190.7		1,310.9	
Net earned premiums	2,092.2		2,096.8	
Variazione premi diretti lordi di mercato		2.0		18.1
Spain				
Gross direct premiums written	1,430.6	-6.6	1,532.2	1.4
of which motor premiums	482.1		539.7	
Net earned premiums	1,170.7		1,220.3	
Change in market gross direct premiums written		-2.6		2.3
Austria				
Gross direct premiums written	1,313.2	0.3	1,310.2	1.3
of which motor premiums	596.0		612.6	
Net earned premiums	1,264.4		1,266.6	
Change in market gross direct premiums written		1.2		1.8
Switzerland				
Gross direct premiums written	509.8	2.6	472.8	1.4
of which motor premiums	258.5		245.2	
Net earned premiums	472.9		439.3	
Change in market gross direct premiums written		-0.1		0.3

Combined ratio

(%)	Combined ratio (*) 31/12/2009	Combined ratio (*) 31/12/2008	Loss ratio 31/12/2009	Loss ratio 31/12/2008	Expense ratio 31/12/2009	Expense ratio 31/12/2008
Italy	102.4	98.9	79.9	75.8	22.5	23.1
France	99.0	97.9	70.8	70.5	28.2	27.3
Germany	95.6	95.9	65.6	65.1	30.0	30.9
Central and Eastern Europe	87.9	84.6	58.1	55.5	29.8	29.1
Spain	94.6	93.5	69.5	69.8	25.1	23.7
Austria	95.9	96.1	68.9	68.5	27.1	27.6
Switzerland	94.3	94.5	64.8	65.1	29.5	29.3

(*) CAT claims, net of reinsurance, impact on combined ratio for 2.2 pp on Italy, 1.2 pp in France, 0.9 p.p in Central and Eastern Europe, 0.5 pp in Switzerland, 0.4 pp in Spain, 0.4 pp in Germany and 3.1 pp in Austria.

Operating result of the non-life segment

(€ million)	31/12/2009	31/12/2008
Italy	59.6	493.1
France	243.4	332.4
Germany	259.2	317.2
Central and Eastern Europe	336.3	449.6
Spain	151.3	172.1
Austria	92.2	105.6
Switzerland	48.6	60.5

Financial position of the non-life segment

Investments by IAS/IFRS categories of the non-life segment

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Total at amortised cost (*)	**28,991.7**	**58.2**	**28,447.6**	**57.1**
Land and buildings (investment properties) (**)	6,012.1	12.1	5,629.6	11.5
Investments in subsidiaries, associated companies and joint ventures	13,148.8	26.4	12,950.5	26.4
Held to maturity investments	132.1	0.3	122.6	0.2
Loans and receivables	9,698.6	19.5	9,744.9	19.8
Total at fair value	**20,824.2**	**41.8**	**20,678.2**	**41.5**
Available for sale financial assets	19,852.9	39.9	18,856.7	38.4
Financial assets at fair value through profit or loss	971.3	1.9	1,821.5	3.7
Total investments - life segment	**49,815.9**	**100.0**	**49,125.9**	**100.0**

(*) Partecipations in subsidiaries, associated companies and joint ventures are measured at cost.
(**) In accordance with the international accounting standards, € 3,228.4 milion land and buildings used for own activities (€ 3,235.5 milion at 31 December 2008) are classified as tangible assets.

Breakdown of investments by asset classes of the non-life segment[5]

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Equity instruments (*)	**4,598.1**	**9.2**	**4,892.7**	**10.0**
Available for sale financial assets	4,211.4	8.5	4,192.3	8.5
Financial assets at fair value through profit or loss	386.7	0.8	700.3	1.4
Fixed income instruments (**)	**25,790.0**	**51.8**	**24,889.1**	**50.7**
Bonds	18,275.6	36.7	16,474.7	33.5
Other fixed income instruments (**)	7,514.4	15.1	8,414.4	17.1
Held to maturity investments	132.1	0.3	122.6	0.2
Loans	9,698.6	19.5	9,744.9	19.8
Available for sale financial assets	15,429.4	31.0	14,139.4	28.8
Financial assets at fair value through profit or loss	529.9	1.1	882.2	1.8
Land and buildings (investment properties) (***)	**6,153.3**	**12.4**	**5,984.9**	**12.2**
Other investments	**13,274.5**	**26.6**	**13,359.3**	**27.2**
Investments in subsidiaries, associated companies and joint ventures	13,148.8	26.4	12,950.5	26.4
Derivatives	31.9	0.1	230.2	0.5
Other investments	93.8	0.2	178.6	0.4
Total investments	**49,815.9**	**100.0**	**49,125.9**	**100.0**

(*) Investment fund units amounted to € 528.8 million (€ 525.9 milion at 31 December 2008).
(**) Investment fund units amounted to € 769 million (€ 1,016.6 milion at 31 December 2008).
(***) Investment fund units amounted to € 141.2 million (€ 355.2 milion at 31 December 2008).

At 31 December 2009, investments of the non-life segment amounted to € 49,803.4 million (up 1.4%).

Breaking down the **investments by asset classes**, in the bond segment, in line with the duration of insurance provisions on ongoing portfolio, a policy aimed at gradually lengthening the duration of the portfolios (from 3.08 at 31 December 2008 to 3.97) was implemented to reduce the impact of the current steepening of the interest rate curve. Corporate issuers with high creditworthiness were favoured.

The percentage of investments in equities was reduced from 10.0% at 31 December 2008 to 9.2% at the end of 2009, although it benefited from the favourable performance of the markets in 2009.

5 In order to provide a better representation of investments by asset classes, some assets previously classified under Other investments have been reclassified in Equity securities and Fixed-income instruments. The comparative figures at 31 December 2008 was consequently restated for harmonization purposes.

Net insurance provisions of the non-life segment

(€ million)	31/12/2009	31/12/2008
Provisions for unearned premiums	5,363.2	5,320.2
Provisions for outstanding claims	23,864.3	23,514.4
Other insurance provisions	349.4	411.4
Total insurance provisions - non-life segment (*)	**29,576.8**	**29,246.0**

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

The net reservation ratio, which is the ratio of net provisions to net earned premiums, was 147.9%, up from 2008.

Pelourinho, Salvador - Brasil

Financial segment

Business performance of the financial segment

(€ million)	31/12/2009	31/12/2008
Operating result - financial segment	**432.2**	**331.6**
Net operating result from financial activities	1,252.8	1,062.4
Intermediation margin	1,288.5	1,103.9
Net interest income	327.1	341.6
Dividends and other income	92.1	72.1
Fee and commission income and income from financial service activities	792.4	703.5
Other net income from financial instruments at fair value through profit or loss	-17.5	-81.6
Net operating gains on other financial instruments	94.4	68.3
Net operating impairment losses on other financial instruments	-35.7	-41.5
Acquisition and administration costs	-768.2	-692.4
Net other operating expenses	-52.4	-38.4
Non-operating result - financial segment	**-76.4**	**-91.4**
Non-operating income from investments	-5.2	13.1
Net other non-operating expenses	-71.2	-104.5
Earnings before taxes - financial segment	**355.8**	**240.2**

Asset management accounts for most of the Group's financial activity and focuses mainly on the management of the Group companies' financial instruments.
At 31 December 2009, assets managed by banks and asset management companies amounted to € 406,186.0 million (up 14.9% compared to 31 December 2008). Of this amount, third-party assets amounted to € 79,254.1 million (up 17.2%).

Operating result of the financial segment went from € 331.6 million to € 432.2 million (up 30.3%), influenced by the improved stock performance trend.

In particular, in **Italy** the Banca Generali group reported growth in its operating result due to the improvement of performance fees, linked to the value recovery of managed assets, whereas in **Switzerland** the BSI group reported an increase in its operating result due both to the larger contribution of trading activity and the reduction of operating costs. Lastly, in **Germany**, the Badenia Bausparkasse Group, which specialises in lending for residential construction, recorded an increase in operating income mainly due to higher returns on bonds.

Intermediation margin increased from € 1,103.9 million to € 1,288.5 million (up 16.7%), mainly due to an increase in net commissions and the recovery of the markets, which had a favourable impact on ***other operating income or charges from financial instruments at fair value through profit or loss***.

The **non-operating result** of the financial segment increased from € -91.4 to € -76.4 million due to a drop in ***other non-operating income and expenses*** as a result of a decrease in restructuring expenses associated with the BSI and Banca del Gottardo merger compared to last year and lower allocation to provisions for non-recurring expenses.

Financial position of the financial segment

Investments by IAS/IFRS categories in the financial segment

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Total at amortised cost (*)	**14,652.8**	**73.6**	**15,170.9**	**75.7**
Land and buildings (investment properties) (**)	21.9	0.1	22.9	0.1
Investments in subsidiaries, associated companies and joint ventures	52.4	0.3	58.1	0.3
Held to maturity investments	666.1	3.3	606.4	3.0
Loans and receivables	13,912.4	69.9	14,483.6	72.3
Total at fair value	**5,250.7**	**26.4**	**4,863.9**	**24.3**
Available for sale financial assets	3,396.9	17.1	1,940.2	9.7
Financial assets at fair value through profit or loss	1,853.8	9.3	2,923.7	14.6
Total investments - financial segment	**19,903.4**	**100.0**	**20,034.8**	**100.0**

(*) Partecipations in subsidiaries, associated companies and joint ventures are measured at cost .
(**) In accordance with the international accounting standards, € 198.9 milion land and buildings used for own activities (€ 202.4 milion at 31 December 2008) are classified as tangible assets.

Breakdown of investments by asset classes of the financial segment[6]

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Equity instruments (*)	**334.6**	**1.7**	**320.0**	**1.6**
Available for sale financial assets	196.6	1.0	171.6	0.9
Financial assets at fair value through profit or loss	138.0	0.7	148.4	0.7
Fixed income instruments (**)	**12,093.3**	**60.8**	**11,090.7**	**55.4**
Bonds	5,611.0	28.2	4,536.2	22.6
Other fixed income instruments (**)	6,482.3	32.6	6,554.5	32.7
Held to maturity investments	666.1	3.3	606.4	3.0
Loans	7,401.6	37.2	7,475.0	37.3
Available for sale financial assets	3,199.9	16.1	1,768.3	8.8
Financial assets at fair value through profit or loss	825.7	4.1	1,241.0	6.2
Land and buildings (investment properties) (***)	**21.9**	**0.1**	**22.9**	**0.1**

(continues)

6 In order to provide a better representation of investments by asset classes, some assets previously classified under Other investments have been reclassified in Equity securities and Fixed-income instruments. The comparative figures at 31 December 2008 was consequently restated for harmonization purposes.

(continues)

(€ million)	31/12/2009 Total book value	Impact (%)	31/12/2008 Total book value	Impact (%)
Other investments	**7,453.7**	**37.4**	**8,601.2**	**42.9**
Investments in subsidiaries, associated companies and joint ventures	52.4	0.3	58.1	0.3
Derivatives	816.1	4.1	1,521.4	7.6
Receivables from banks or customers	6,510.8	32.7	7,008.6	35.0
Other investments	74.3	0.4	13.1	0.1
Total investments	**19,903.4**	**100.0**	**20,034.8**	**100.0**

(*) Investment fund units amounted to € 16.5 million (€ 1.5 milion at 31 December 2008).
(**) Investment fund units amounted to € 101.8 million (€ 153.0 milion at 31 December 2008).
(***) Investment fund units amounted to € 0 million (€ 0 milion at 31 December 2008).

At 31 December 2009, investments in the financial segment amounted to € 19,903.4 million, substantially stable in comparison to the previous year. Regarding the breakdown of **investments by asset classes**, in particular, the increased incidence of fixed-income securities rose from 55.4% to 60.8% due to higher bond investments made in particular in the last quarter.

Malecón 2000, Guayaquil - Ecuador

Significant events after 31 December 2009

On 17 February, Assicurazioni Generali and *Crédit Agricole* finalised the mutual termination of a consultation agreement signed on 25 June 2009 concerning the stakes the two companies hold in Intesa San Paolo S.p.A.

Outlook for Generali Group

In Europe, and especially in Italy, the economic recovery appears to be moderate. Despite recent suggestions of a comeback, prospects for 2010 remain below historical averages. Unemployment continued to rise in 2010.

Following an improvement in macroeconomic indicators in 2009, in the beginning of 2010, an increase in market volatility caused a decrease in investors' risk propensity. This led to a fall in consumption and, in many sectors, excess production capacity.

Stock markets and raw materials markets fell, while the dollar continued to strengthen. Government securities performed well, except those of European nations with higher public debt.

Analysts predict that global economies will grow in 2010, although growth forecasts are prudent: near 3% for European countries, +2.7% for the USA, +1.7% for Japan, +8.6% for China, +3.3% for the average of other developed countries and 1% for the eurozone. The credit cycle has yet to turn, and an improvement in the labour market is expected only towards the end of the year.

As for plans for macroeconomic intervention, although Central Banks have already initiated their exit strategy by pulling back on the liquidity injections made during the period of emergency, they are not expected to raise key rates before the end of the year.

In this scenario, it's expected a total premiums growth and an improvement in the non-life segment of insurance margins to be reached thanks to further operational efficiencies, as well appropriate action on tariffs. In the life segment it's expected a positive net cash inflows together with an additional improvement in its quality.
Within the current macroeconomic situation, the investment policy will continue to be based on prudent asset allocation and focussed on the strengthen of current profitability levels.

In light of this scenario and barring exceptional events, it's expected an improvement in net result compared to 2009.

Milan, 17 March 2010

THE BOARD
OF DIRECTORS

Reloj Municipal, Guayaquil - Ecuador

Appendix to the management report

METHODOLOGICAL NOTE ON ALTERNATIVE PERFORMANCE MEASURES

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

New business annual premium equivalent, 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 is the present value of future cash flows from new policies at issue, net of cost of required capital.

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

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

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

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

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

As to consider the calculation method of the policyholders' profit sharing based on the 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, and impairment losses and reversal of impairment of investments,
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 uff 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 (VOBA).

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. 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, restructuring charges, the amortization of the value of business acquired directly or by securing control of companies in the insurance and financial segments (VOBA) and net other non recurring expenses.

Furthermore, the operating result of the financial segment was drawn up reclassifying items according to a layout based on operating margins, which better describes the asset management business.
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.

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

The non operating holding expenses refers to:

1. interest expense on liabilities linked to the Group's financing activities[7],
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.

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.

7 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
Operating income from investments Non-operating income from investments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net other operating expenses Net other non-operating expenses	1.6 - 2.6

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

- within the operating result, investment management expenses and on real estate activities[8] and gains and losses on foreign currencies are reclassified for all segments from management expenses and other net operating expenses, respectively, to the investment operating income,
- within the operating income from investments, the interest expenses on deposits and current accounts under reinsurance business accepted are deducted from the related interest income. Therefore, they are nomore accounted for in interest expenses on liabilities linked to operating activities.

Finally, the Generali Group has presented a performance indicator, i.e. **return on investments** on a yearly basis, that is calculated as the ratio of:

- operating and non-operating income from investments, less interest expense on liabilities linked to financing activities and net income from financial instruments at fair value through profit or loss where the risk is borne by the policyholders, for **total return on investments**, or
- interests and other income, including those arising from financial instruments at fair value through profit and loss, for **current return on investments**, to
- the average investments, i.e. land and buildings (investment properties), investments in subsidiaries, associated companies and joint ventures, loans and receivables, available for sale financial assets, financial assets at fair value through profit or loss less financial assets where the risk is borne by the policyholders, derivatives classified in financial liabilities at fair value through profit or loss and cash and cash equivalent. The average amount is calculated on a quarterly average asset base.

8 Management expenses on real estate activities have been reclassified in the operating result definition from management expenses to the operating result on investments starting from 31 December 2009. Comparative figures at 31 December 2008 have been coherently restated.

President's Residence, Bogota - Colombia

CONSOLIDATED STATEMENTS

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Consolidated financial statements

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

CONSOLIDATED STATEMENTS

Consolidated financial statements

at **31 December 2009**

(Amounts in € million)

BALANCE SHEET - ASSETS

		31/12/2009	31/12/2008
1	**INTANGIBLE ASSETS**	**10,445.1**	**9,293.0**
1.1	Goodwill	7,273.5	5,739.1
1.2	Other intangible assets	3,171.6	3,553.9
2	**TANGIBLE ASSETS**	**3,774.9**	**3,792.7**
2.1	Land and buildings (self used)	3,228.4	3,235.5
2.2	Other tangible assets	546.5	557.2
3	**AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**5,576.2**	**6,005.5**
4	**INVESTMENTS**	**341,513.3**	**327,134.9**
4.1	Land and buildings (investment properties)	12,731.6	12,473.3
4.2	Investments in subsidiaries, associated companies and joint ventures	1,986.4	2,568.4
4.3	Held to maturity investments	3,165.7	1,798.0
4.4	Loans and receivables	81,289.4	69,192.5
4.5	Available for sale financial assets	176,414.6	173,701.1
4.6	Financial assets at fair value through profit or loss	65,925.5	67,401.7
	of which financial assets where the investment risk is borne by the policyholders and related to pension funds	42,467.2	41,351.4
5	**RECEIVABLES**	**11,327.4**	**11,454.9**
5.1	Receivables arising out of direct insurance operations	8,572.9	8,507.4
5.2	Receivables arising out of reinsurance operations	951.2	945.0
5.3	Other receivables	1,803.3	2,002.6
6	**OTHER ASSETS**	**40,715.2**	**15,720.3**
6.1	Non-current assets or disposal groups classified as held for sale	26,925.7	41.1
6.2	Deferred acquisition costs	1,773.4	1,712.7
6.3	Deferred tax assets	3,674.0	5,011.5
6.4	Tax receivables	2,131.4	2,615.6
6.5	Other assets	6,210.6	6,339.4
7	**CASH AND CASH EQUIVALENTS**	**10,464.8**	**10,537.2**
	TOTAL ASSETS	**423,816.9**	**383,938.4**

BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

		31/12/2009	31/12/2008
1	**SHAREHOLDERS' EQUITY**	**19,924.3**	**15,473.1**
1.1	**Shareholders' equity attributable to the Group**	**16,652.3**	**11,312.8**
1.1.1	Share capital	1,556.9	1,410.1
1.1.2	Other equity instruments	0.0	0.0
1.1.3	Capital reserves	7,090.8	4,567.2
1.1.4	Revenue reserves and other reserves	6,602.4	7,526.5
1.1.5	(Own shares)	-403.5	-1,866.8
1.1.6	Reserve for currency translation differences	-109.0	-108.5
1.1.7	Reserve for unrealized gains and losses on available for sale financial assets	729.6	-1,105.7
1.1.8	Reserve for other unrealized gains and losses through equity	-123.9	29.1
1.1.9	Result of the period	1,309.1	860.9
1.2	**Shareholders' equity attributable to minority interests**	**3,272.0**	**4,160.3**
1.2.1	Share capital and reserves	2,706.1	4,081.5
1.2.2	Reserve for unrealized gains and losses through equity	108.6	-124.3
1.2.3	Result of the period	457.3	203.1
2	**OTHER PROVISIONS**	**1,826.2**	**1,948.3**
3	**INSURANCE PROVISIONS**	**309,593.5**	**301,760.7**
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	34,122.0	34,965.2
4	**FINANCIAL LIABILITIES**	**50,386.5**	**46,730.5**
4.1	Financial liabilities at fair value through profit or loss	10,294.5	9,773.3
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	8,271.9	6,547.5
4.2	Other financial liabilities	40,092.1	36,957.2
	of which subordinated liabilities	6,422.3	6,041.0
5	**PAYABLES**	**7,381.4**	**7,179.9**
5.1	Payables arising out of direct insurance operations	3,602.0	3,601.4
5.2	Payables arising out of reinsurance operations	763.5	893.6
5.3	Other payables	3,015.8	2,684.8
6	**OTHER LIABILITIES**	**34,705.1**	**10,845.9**
6.1	Liabilities directly associated with non-current assets and disposal groups classified as held for sale	25,307.4	0.0
6.2	Deferred tax liabilities	3,908.0	5,461.0
6.3	Tax payables	1,012.9	893.1
6.4	Other liabilities	4,476.7	4,491.8
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**423,816.9**	**383,938.4**

PROFIT AND LOSS ACCOUNT

			31/12/2009	31/12/2008
1.1		Net earned premiums	64,036.1	61,982.2
	1.1.1	Gross earned premiums	66,589.7	64,616.2
	1.1.2	Earned premiums ceded	-2,553.6	-2,634.0
1.2		Fee and commission income and income from financial service activities	1,189.1	1,139.9
1.3		Net income from financial instruments at fair value through profit or loss	7,497.0	-11,995.5
		of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	5,150.7	-9,865.1
1.4		Income from subsidiaries, associated companies and joint ventures	85.1	482.7
1.5		Income from other financial instruments and land and buildings (investment properties)	15,477.4	16,124.8
	1.5.1	Interest income	9,678.8	10,719.9
	1.5.2	Other income	2,046.5	2,465.1
	1.5.3	Realized gains	3,567.7	2,825.8
	1.5.4	Unrealized gains and reversal of impairment losses	184.3	113.9
1.6		Other income	2,375.0	2,820.5
1		**TOTAL INCOME**	**90,659.7**	**70,554.6**
2.1		Net insurance benefits and claims	68,187.5	44,540.3
	2.1.1	Claims paid and change in insurance provisions	69,945.8	46,541.7
	2.1.2	Reinsurers' share	-1,758.4	-2,001.4
2.2		Fee and commission expenses and expenses from financial service activities	406.7	445.0
2.3		Expenses from subsidiaries, associated companies and joint ventures	60.0	464.2
2.4		Expenses from other financial instruments and land and buildings (investment properties)	5,277.8	8,433.9
	2.4.1	Interest expense	1,262.7	1,531.4
	2.4.2	Other expenses	320.1	348.4
	2.4.3	Realized losses	1,828.3	1,851.5
	2.4.4	Unrealized losses and impairment losses	1,866.7	4,702.6
2.5		Acquisition and administration costs	11,474.5	11,610.1
	2.5.1	Commissions and other acquisition costs	8,135.8	8,101.2
	2.5.2	Investment management expenses	252.5	384.2
	2.5.3	Other administration costs	3,086.2	3,124.7
2.6		Other expenses	3,084.9	3,524.6
2		**TOTAL EXPENSES**	**88,491.3**	**69,018.1**
		EARNINGS BEFORE TAXES	**2,168.4**	**1,536.5**
3		Income taxes	498.1	472.5
		EARNINGS AFTER TAXES	**1,670.3**	**1,064.0**
4		**RESULT OF DISCONTINUED OPERATIONS**	**96.1**	**0.0**
		CONSOLIDATED RESULT OF THE PERIOD	**1,766.4**	**1,064.0**
		Result of the period attributable to the Group	**1,309.1**	**860.9**
		Result of the period attributable to minority interests	**457.3**	**203.1**
		EARNINGS PER SHARE:		**0.0**
		Earnings per share (in €)	0.93	0.64
		from continuing operation	0.91	0.64
		Diluted earnings per share (in €)	0.93	0.64
		from continuing operation	0.91	0.64

STATEMENT OF COMPREHENSIVE INCOME

		31/12/2009	31/12/2008
1	CONSOLIDATED RESULT OF THE PERIOD	1,766.4	1,064.0
2.1	Foreign currency translation differences	6.4	-112.3
2.2	Net unrealized gains and losses on investments available for sale	2,072.2	-3,537.9
2.3	Net unrealized gains and losses on cash flows hedging derivatives	-111.6	-101.4
2.4	Net unrealized gains and losses on hedge of a net investment in foreign operations	-45.4	0.0
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
4	OTHER COMPREHENSIVE INCOME	1,921.6	-3,751.5
5	TOTAL COMPREHENSIVE INCOME	3,688.0	-2,687.5
	attributable to the Group	2,990.9	-2,364.6
	attributable to minority interests	697.2	-323.0

STATEMENT OF CHANGES IN EQUITY

		Amounts at 31/12/2007	Changes in amounts at 31/12/2007	Allocation	Transfer to profit and loss account
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	Share capital	1,409.5	0.0	0.6	
	Other equity instruments	0.0	0.0	0.0	
	Capital reserves	4,554.0	0.0	13.2	
	Revenue reserves and other reserves	5,745.5	0.0	1,781.0	
	(Own shares)	-1,875.4	0.0	8.6	
	Result of the period	2,915.6	0.0	-834.6	
	Other comprehensive income	2,040.3	0.0	-4,637.0	1,411.6
	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**14,789.6**	**0.0**	**-3,668.2**	**1,411.6**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	Share capital and reserves	2,827.2	0.0	1,598.0	
	Result of the period	459.0	0.0	35.4	
	Other comprehensive income (*)	274.7	0.0	-616.2	90.2
	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MINORITY INTERESTS	**3,560.9**	**0.0**	**1,017.2**	**90.2**
TOTAL		**18,350.6**	**0.0**	**-2,651.0**	**1,501.7**

(*) "Other comprehensive income" includes € -120.2 million reported in the Balance Sheet item "1.2.1 Share capital and reserves" (€ -127.1 million at 31/12/2008 and € -27.6 million at 31/12/2007)

Other transfer	Amounts at 31/12/2008	Changes in amounts at 31/12/2007	Allocation	Transfer to profit and loss account	Other transfer	Amounts at 31/12/2009
0.0	1,410.1	0.0	146.8		0.0	1,556.9
0.0	0.0	0.0	0.0		0.0	0.0
0.0	4,567.2	0.0	2,523.6		0.0	7,090.8
0.0	7,526.5	0.0	-924.1		0.0	6,602.4
0.0	-1,866.8	0.0	1,463.3		0.0	-403.5
-1,220.1	860.9	0.0	655.3		-207.0	1,309.1
0.0	-1,185.1	0.0	1,309.1	372.7	0.0	496.6
-1,220.1	**11,312.8**	**0.0**	**5,173.7**	**372.7**	**-207.0**	**16,652.3**
-216.7	4,208.5	0.0	-312.1		-1,070.2	2,826.2
-291.3	203.1	0.0	499.2		-245.0	457.3
0.0	-251.4	0.0	216.0	23.9	0.0	-11.5
-508.0	**4,160.3**	**0.0**	**403.1**	**23.9**	**-1,315.2**	**3,272.0**
-1,728.1	**15,473.1**	**0.0**	**5,576.8**	**396.5**	**-1,522.2**	**19,924.3**

STATEMENT OF CASH FLOW (indirect method)

	31/12/2009	31/12/2008
Earnings before taxes (*)	**2,293.2**	**1,536.5**
Changes in non-cash items	**20,831.7**	**12,658.5**
Change in the provisions for unearned premiums and for unexpired risks for non-life segment	52.2	381.1
Change in the provisions for outstanding claims and other insurance provisions for non-life segment	559.1	536.3
Change in the mathematical provisions and other insurance provisions for life segment	25,025.2	-4,947.5
Change in deferred acquisition costs	-61.7	-181.1
Change in other provisions	-88.2	212.7
Other non-cash expenses and revenues arising out of financial instruments, investment properties and investments in subsidiaries, associated companies and joint ventures	-4,541.8	17,064.7
Other changes	-113.0	-407.6
Change in receivables and payables from operating activities	**332.2**	**-525.3**
Change in receivables and payables arising out of direct insurance and reinsurance operations	-199.5	-362.6
Change in other receivables and payables	531.6	-162.7
Income taxes paid	**-559.9**	**-904.5**
Net cash flows from cash items related to investing or financing activities	**505.3**	**6,307.7**
Financial liabilities related to investment contracts	273.0	3,652.2
Payables to banks and customers	-9.9	4,976.0
Loans and receivables from banks and customers	370.0	-1,506.0
Other financial instruments at fair value through profit or loss	-127.8	-814.5
CASH FLOW FROM OPERATING ACTIVITIES	**23,402.4**	**19,072.9**
Net cash flows from investment properties	-747.4	-567.9
Net cash flows from investments in subsidiaries, associated companies and joint ventures	528.5	-278.1
Net cash flows from loans and receivables	264.7	-6,928.4
Net cash flows from held to maturity investments	-574.9	-776.8
Net cash flows from available for sale financial assets	-23,667.7	-5,515.2
Net cash flows from tangible and intangible assets	-565.7	-4,603.6
Net cash flows from other investing activities	-965.9	970.4
CASH FLOW FROM INVESTING ACTIVITIES	**-25,728.3**	**-17,699.6**
Net cash flows from shareholders' equity attributable to the Group	0.0	0.0
Net cash flows from own shares	0.0	9.0
Dividends payment	-202.8	-1,220.1
Net cash flows from shareholders' equity attributable to minority interests	-245.0	922.0
Net cash flows from subordinated liabilities and other similar liabilities	398.4	692.4
Net cash flows from other financial liabilities	2,329.6	802.3
CASH FLOW FROM FINANCING ACTIVITIES	**2,280.2**	**1,205.6**
Effect of exchange rate changes on cash and cash equivalents	**-57.8**	**143.3**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (**)	9,868.2	7,146.0
CHANGES IN CASH AND CASH EQUIVALENTS	-103.3	2,722.2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (***)	9,764.8	9,868.2

(*) Earning before taxes include earning before taxes of non-current assets or disposal groups classified as held for sale (€ 124.8 million).

(**) Cash and cash equivalents at the beginning of the period include cash and cash equivalents € 10,537.2 million), liabilities to banks payables on demand (€ 254.2 million) and bank overdrafts (€ 414.8 million).

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

The Cathedral, Zacatecas - Mexico

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 2009 were drawn up taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606 of 19 July 2002 and the Legislative Decree No. 209/2005.

The Legislative Decree No. 209/2005 also 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 belivied it approriate 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.

Against a market characterized by significant price volatility not caused by proportional reductions in income performance of the issuer, the Group decided to transfer to the category of loans, with effect from 1 January 2009, corporate bonds, amounting to 14,658.2 million euros, mainly previously classified as financial assets available for sale. On the date of transfer, such obligations were traded in markets considered non active and the Group had the intention and ability to hold them for a foreseeable future period of time, being these obbligations related to the corresponding technical provisions. The new value is equal to the fair value at the date of the reclassification. Any additional information required by IFRS 7 are given in Section F of the notes.

As already mentioned, in late March, the Group has decided to exercise its right to sell its share in Intesa Vita. Following that decision and waiting for the completion of the suspensive conditions to the sale of the equity investment Intesa Vita was classified as a disposal goup held for sale in the financial statement. Consequently, the participation has not been excluded from consolidation but the total of its assets and liabilities has been entered into two separate individual items of the balance sheet and its result was recognized in a specific item in the income statement. Any additional information required by IFRS 5 are given in Section F of the notes.

The consolidated financial statements at 31 December 2009 were audited by Pricewaterhouse Coopers, the appointed audit firm from 2006 to 2011.

1 – Consolidated financial statements

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

The Notes, which are mandatory as established by ISVAP, are presented in the part I of this report.

Comparative figures were restated compared to those presented in the financial statements at 31 December 2008 in order to harmonize them with data in this report. Reclassifications are in line with those explained in part D about valuation criteria.

This yearly report was drawn up in euros (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

The consolidated financial statements are made up of data of the Parent Company and of its directly or indirectly controlled subsidiaries. Based on the IAS 27 definition of control, both companies operating in sectors dissimilar to that of the Parent Company and the special purpose entities satisfying the requisites of effective control are included in the consolidation area.

At 31 December 2009, the consolidation area rose from 476 to 521 companies, of which 488 are subsidiaries consolidated line by line and 33 associated companies valued at equity.

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

3 – Consolidation methods

Investments in subsidiaries are consolidated line by line, whereas investments in associated companies and interests in joint ventures are accounted for using the equity method.
The balance sheet items of financial statements denominated in foreign currencies were translated into euro based on the exchange rates at the end of the year.
Instead the profit and loss account items were translated based on the average exchange rates of the year. They reasonably approximate the exchange rates at the dates of the transactions.
The exchange rate differences arising from the translation of the statements expressed in foreign currencies were accounted for in equity in an appropriate reserve and recognised in the profit and loss account only at the time of the disposal of the investments.

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

Exchange rates

Currency	Exchange rate at the end of the period (€) 31/12/2009	31/12/2008
US dollar	1.4348	1.3901
Swiss franc	1.4832	1.4796
British pound	0.8885	0.9669
Israeli shekel	5.4349	5.2502
Argentine peso	5.4535	4.8002
Czech koruna	26.4050	26.8450

Currency	Average exchange rate (€) 31/12/2009	31/12/2008
US dollar	1.3933	1.4705
Swiss franc	1.5100	1.5865
British pound	0.8910	0.7967
Israeli shekel	5.4629	5.2551
Argentine peso	5.2024	4.6422
Czech koruna	26.4608	24.9649

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

Acquisitions of further minority interests of subsidiaries already consolidated line by line are accounted for as goodwill, i.e. the difference between the acquisition cost, including any costs directly attributable to these transactions, and the related minority shareholders' interests.

3.2 Consolidation using the equity method

IAS 28 defines an associate as 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.

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

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

IAS 1 – Presentation of financial statements

In September 2007 the IASB issued the revised IAS 1 Presentation of Financial Statements, approved by the EC Regulation No 1274/2008. The main change in respect of the previous version is the introduction of the statement of comprehensive income. In particular, the option is granted to those reporting to present the items composing the profit or loss and the other comprehensive income recognized directly in equity for transactions other than those with owners, in a single income statement or in two separate statements. Transactions with owners, together with the result of comprehensive income, are presented in the statement of changes in equity. With reference to the statement of comprehensive income, the Group decided to opt for the presentation of two separate statements. Each of the other income components has been presented net of related tax effects and reclassifications to the profit or loss of values previously recorded in equity.
At 8 March 2010 ISVAP issued the Measure No. 2784, which modified Regulation 7/2007. This Measure requires the presentation of two separate statements: profit or loss and comprehensive income.
Regarding to the comprehensive income, Generali Group has decided to present other comprehensive income net of related fiscal effects.

IFRS 7 – Financial instruments: disclosures

In March 2009 the IASB amended IFRS 7 Financial instruments: Disclosures, approved by the EC Regulation No.2265/2009. These changes require that the categories of financial instruments measured at fair value would be classified 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 Section H of the notes.

IFRS 8 – Operating segments

In November 2006, the IASB published IFRS 8 Operating Segments (endorsed by EC Regulation No. 1358/2007), which effectively replaces IAS 14 Segment Reporting. This principle requires disclosure about operating segments of the Group 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, and replace the requirement to establish a primary segment reporting (business) and the secondary segment reporting (geographical) of the Group. The adoption of this amendment has no impact on the financial position or performance of the Group. The Group in this consolidated financial statement, as in half-yearly report to 30 June 2009 believed that the operating segments are the same than those already established before, such as primary segment reporting in accordance with IAS 14 Segment Reporting.

IFRS 9 – Financial Instruments

The IASB published on November 12th, the new IFRS 9 on the first phase of three planned under the project to replace IAS 39. This phase is related to the classification and measurement of financial assets and would allow early application since 2009. EFRAG didn't finalized the process of endorsement of this principle, postponing the completion of the process of amendment to IAS 39, which will include the other two phases of the methodology for impairment and hedge accounting. Given the considerable changes in question, companies operating in the insurance industry are expected to have significant impacts in the future, not yet predictable, both on the financial position or overall performance of the Group.

Puerto Madero, Buenos Aires - Argentina

Balance sheet – Assets

1 – Intangible assets

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

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

1.1 - Goodwill

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

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

The purpose of the impairment test on goodwill is to identify the existence of any impairment losses on the carrying amount recognised as intangible asset. In this context, cash-generating units to which the goodwill is allocated are identified and tested for impairment. Cash-generating units (CGU) units usually represent the consolidated units within the same primary segment in each country. The impairment loss is equal to the difference, if negative, between the carrying amount and the recoverable amount. The latter is the higher of the fair value of the cash-generating unit and its value in use, i.e. the present value of the future cash flows expected to be derived from the cash-generating units. The fair value of the cash generating unit (CGU) is determined on the basis of current market quotation or valuation techniques usually adopted (mainly DDM or Enterprise value). The value in use is based on the present value of future cash inflows and outflows, considering projections on budgets/forecasts approved by management and covering a maximum period of five years. Cash flow projections for a period longer than five years are extrapolated using estimated growth rate. The discount rates reflect the free risk rate, adjusted to take account for specific risks.

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

1.2 - Other intangible assets

Intangible assets with finite useful life are measured at cost less any accumulated amortisation and impairment losses. The amortisation is based on the useful life and begins when the asset is available for use. Specifically, the purchased software expenses are capitalised on the basis of the cost for purchase and usage. The costs related to their development and maintenance are charged to the profit and loss account of the period in which they are incurred.
Other intangible assets with indefinite useful life are not amortised. They are periodically tested for impairment.

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

In case of acquisition of life and non-life insurance contracts in a business combination or portfolio transfer, the Group recognises an intangible asset, i.e. the value of the acquired contractual relationships (Value Of Business Acquired).
The VOBA is the present value of the pre-tax future profit arising from the contracts in force at the purchase date, taking into account the probability of renewals of the one year contracts in the non-life segment. The related deferred taxes are accounted for as liabilities in the consolidated balance sheet.

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

The difference between the fair value of the insurance contracts acquired in a business combination or a portfolio transfer, and the insurance liabilities measured in accordance with the acquirer's accounting policies for the insurance contracts that it issues, is recognised as intangible asset and amortized over the period in which the acquirer recognises the corresponding profits.
The Generali Group applies this accounting treatment to the insurance liabilities assumed in the acquisition of insurance portfolios. Therefore, the assumed insurance liabilities are recognized in the balance sheet according to the acquirer's accounting policies for the insurance contracts that it issues. These intangible assets are not in the scope of IAS 38 and IAS 36.
The future VOBA recoverable amount is tested on yearly basis.
As for as the life portfolio, 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 – taking into account, if any, the deferred acquisition costs recognised in the balance sheet. If any, the impairment losses are recognised in the profit or loss account and cannot be reversed in a subsequent period.

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

2 – Tangible assets

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

2.1 – Land and buildings (self used)

In conformity with IAS 16, this item includes land and buildings held for use in the production or supply of goods or services or for administrative purposes.
Land and buildings (self used) are measured applying the cost model set out by IAS 16.
The cost of the self used property comprises purchase price and any directly attributable expenditure. The depreciation is systematically calculated applying specific economic/technical rates which are determined locally in accordance with the residual value over the useful economic life of each individual component of the property.
Land and buildings (self used) are measured at cost less any accumulated depreciation and impairment

losses. Land and agricultural properties are not depreciated but periodically tested for impairment losses. Costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are directly charged to the assets to which they refer and depreciated in accordance with the residual value over the assets' useful economic life. Cost of the day-to-day servicing are charged to the profit and loss account.

Finance leases of land and buildings are accounted for in conformity with IAS 17. The standard provides for lease transactions to be presented in accordance with their economic substance. It also requires that the overall cost of the leasehold property is recognised as a tangible asset and, as a counter-entry, the present value of the minimum lease payments and the redemption cost of the asset are recognised as a financial liability.

2.2 – Other tangible assets

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

3 – Amounts ceded to reinsurers from insurance provisions

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

4 – Investments

4.1 – Land and buildings (investment properties)

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

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

4.2 – Investments in subsidiaries, associated companies and joint ventures

This item includes investments in subsidiaries and associated companies valued at equity or at cost. Immaterial investments in subsidiaries and associated companies, as well as investments in associated companies and interests in joint ventures valued using the equity method belong to this category.
A list of such investments is shown in attachment to the Notes.

4.3 – Held to maturity investments

The category comprises the non-derivative financial assets with fixed or determinable payments and fixed maturity that a company has the positive intention and ability to hold to maturity, other than loans and receivables and those initially designated as at fair value through profit or loss or as available for sale. The intent and ability to hold investments to maturity must be demonstrated when initially acquired and at each balance sheet date.
In the case of an early disposal (significant and not due to particular events) of said investments, any remaining investments must be reclassified as available for sale.
Held to maturity investments are accounted for at settlement date and measured at amortized cost.

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

4.4 – Loans and receivables

This category comprises non-derivative financial assets with fixed or determinable payments, not quoted in an active market. It does not include financial assets held for trading and those designated as at fair value through profit or loss or as available for sale upon initial recognition.
In detail, the Generali Group includes in this category some unquoted bonds, mortgage loans, policy loans, term deposits with credit institutions, deposits under reinsurance business accepted, repurchase agreements, receivables from banks or customers accounted for by companies of the financial segment, and the mandatory deposit reserve with the central bank.
The company's trade receivables are instead classified as receivables in the balance sheet.
Loans and receivables are accounted for at settlement date and measured at amortized cost using the effective interest rate method and considering any discounts or premiums obtained at the time of the acquisition which are accounted for over the remaining term to maturity. Gains or losses are recognised in the profit and loss account when the financial assets are derecognised or impaired as well as through the normal amortization process envisaged by the amortized cost principle.

4.5 – Available for sale financial assets

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

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

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.

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 atipical 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).

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

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

4.6 – Financial assets at fair value through profit or loss

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

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

Financial assets at fair value through profit or loss take also account of investments back to policies where the 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.
Hybrid instruments, whose embedded derivatives cannot be separated from the host contracts, are classified as financial assets at fair value through profit or loss, as well (e.g. some structured financial instruments).

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

5 – Receivables

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

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

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

5.3 – Other receivables

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

6 – Other assets

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

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

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

6.2 – Deferred acquisition costs

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

6.3 – Deferred tax assets

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

In the case of carryforward of unused tax losses and unused tax credits, deferred tax assets are recognised to the extent that it is probable that future taxable income will be available, against which the abovementioned unused tax losses or unused tax credits can be utilised.

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

6.4 – Tax receivables

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

6.5 – Other assets

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

Deferred fee and commission income and expenses respectively include acquisition loadings and commissions related to investment contracts without DPF fair valued as provided for by IAS 39. Acquisition loadings and commissions related to these products are accounted for in accordance with the IAS 18 treatment of the investment management service component. They are recognised by reference to the stage of completion of the service rendered. Therefore, acquisition commissions are incremental costs directly attributable to securing and investment management service and are recognised as an asset, which is amortized throughout the whole policy term. Both deferred fee and commission income and expenses are amortized with a straight line approach, reasonably assuming that the management service is constantly rendered.
Similarly, acquisition loadings are deferred and accounted for as liabilities (among other liabilities under deferred income for investment management services).
Deferred commissions for investment management services are amortized, after assessing their recoverability in accordance with IAS 36.

7 – Cash and cash equivalents

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

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

Balance sheet - Liabilities and equity

1 – Shareholders' equity

1.1 - Shareholders' equity attributable to the Group

1.1.1 Share capital

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

1.1.2 Other equity instruments

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

1.1.3 Capital reserve

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

1.1.4 Revenue reserve and other reserves

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

1.1.5 Own shares

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

1.1.6 Reserve for currency translation differences

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

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

The item includes gains or losses arising from changes in the fair value of available for sale financial assets, as previously described in the corresponding item of financial investments.
The amounts are accounted for net of the related deferred taxes and deferred policyholder liabilities.

1.1.8 Reserve for other unrealised gains and losses through equity

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

1.1.9 Result of the period

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

1.2 - Shareholders' equity attributable to minority interests

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

2 – Other provisions

In compliance with IAS 37, the allocations to other provisions are recognised only when the company has a present obligation (legal or constructive) 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;
- 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 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 guaranties 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 (eg the carrying amount in segregated fund) is recognised in the profit and loss account.

3.1.3 - Investment contracts

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

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

3.2 - Life insurance provisions

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

Liabilities related to insurance contracts and investment contracts with discretionary participation features are determined analytically for each kind of contract on the basis of appropriate actuarial assumptions. They meet all the existing commitments based on best estimates.
These actuarial assumptions take into consideration the most recent demographic tables of each country where the risk is underwritten, aspects of mortality, morbidity, determination of risk-free rates, expenses and inflation. The tax charge is based on laws in force.
Among life insurance provisions, the additional provisions to the mathematical ones, already envisaged by the local regulations in case of adverse changes in the interest rates or mortality, are classified as provisions for liability adequacy test.

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

3.3 – Non-life insurance provisions

The local GAAP for each country is applied to the non-life insurance provisions, since all the existing policies fall under IFRS 4 scope. In conformity with the international standard, no provisions for future claims arising from future contracts are recognised, in line with the derecognition of the equalisation and catastrophe provisions and some additional components of the unearned premiums provisions, carried out on the date of the first-time application.
The provisions for unearned premiums includes the pro-rata temporis provision, which is the amounts of gross premiums written allocated to following financial periods, and the provision for unexpired risks, which provides for claims and expenses in excess of the related unearned premiums.
The provisions for outstanding claims are determined by a prudent assessment of damages, based on objective and prospective considerations of all predictable charges. Provisions are deemed adequate to cover payments of damages and the cost of settlement of claims related to accident occurred during the year but not yet reported.
The non-life insurance provisions meets the requirements of the liability adequacy test according to IFRS 4.
Amounts ceded to reinsurers from insurance provisions are determined in accordance with the criteria applied for the direct insurance and accepted reinsurance.

4 – Financial liabilities

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

4.1 – Financial liabilities at fair value through profit or loss

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

4.2 – Other financial liabilities

The item includes financial liabilities within the scope of IAS 39 that are not classified as at fair value through profit or loss and are instead measured at amortized cost.
This item comprises both subordinated liabilities, which, in the case of bankruptcy, are to be repaid only after the claims of all other creditors have been met, and hybrid instruments.
Bond instruments issued are measured at issue price, net of costs directly attributed to the transaction. The difference between the aforesaid price and the reimbursement price is recognised in the profit and loss account .

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

5 – Payables

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

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

5.3 –Other payables

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

The Low No. 296 of 27 December 2006 (Financial Low 2007) provides these rules for the Italian *Trattamento di fine rapporto* falling due from the 1 January 2007.
According to the new regulation:

- the TFR fund fallen due till 31 December 2006 is maintained in the company;
- as concerns the amounts falling due staring from the 1 January 2007, the employee shall elect as follows:
  i) transfer to voluntary pension contribution;
  ii) maintenance of the amounts in the company, that shall transfer them to the *Fondo Tesoreria* of INPS (the Italian public social security institute).

Following the new regulation, starting from year 2007, TFR obligation fallen due before the 1 January 2007 is still classified as a defined benefit plan according to IAS 19. However, the amount has been restated without considering the assumptions related to the salary increase.
In particular, with reference to the TFR obligation fallen due before the 1st January 2007 the related amount is determined at that date, except for the discount effect, that shall be measured each period. As a consequence the "projected unit credit method"(please refer to paragraph '6.4 - Other liabilities') is no longer applied to the TFR valuation and so there is no current service cost, which becomes the periodic contribution to voluntary pension contribution or to the *Fondo Tesoreria* of INPS.

The periodic contribution to a separate entity (both in case of voluntary pension contribution and transfer to the *Fondo Tesoreria*) related to amounts falling due staring from the 1 January 2007 are classified as defined contribution plans and accounted for in the profit or loss account.

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.

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

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

6.2 – Deferred tax liabilities

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

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

6.3 – Tax payables

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

6.4 – Other liabilities

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

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.

Other information

1 – Use of estimates

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

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

Estimates are periodically reviewed and are based on key management's best knowledge of current facts and circumstances. However, due to the complexity and uncertainty affecting the above mentioned items, future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

Further information on process used to determine assumptions affecting the above mentioned items and the main risk factors are included in the paragraphs on accounting principles and section E related to financial and insurance risk disclosure.

2 – 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.

3 – Derivatives' accounting

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

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

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

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

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

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

Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges: the effective portion of gain or loss on the hedging instrument is recognized among the components of profit or loss, while the part is not effective be recognized in the separate income statement.
The gain or loss on the hedging instrument relating to the effective portion of the coverage that was recognized in profit or loss shall be reclassified from equity to the separate income statement as an adjustment from reclassification.

4 – Impairment losses

4.1 – Impairment losses on tangible and intangible assets

Whether there is any indication that an asset under IAS 36 scope may be impaired, tangible and intangible assets are subject to impairment test.
An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The latter is the higher of its fair value (i.e. the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and its value in use (i.e. the present value of the future cash flows expected to be derived from the permanent use and disposal of the asset at the end of its useful life).
The impairment loss is charged to the profit and loss account and it is taken into consideration for the definition of the new base for the calculation of future depreciation/amortization.
Whether there is any indication that an impairment loss recognised for an asset in prior years may no longer exist, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount of the asset due to the reversal of impairment loss cannot exceed the carrying amount that would be determined if no impairment loss had been recognised for the asset in prior years, net of any amortisation accounted for in the meantime.

4.2 – Impairment losses on financial assets

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

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

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

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

If an investment has been impaired in previous periods, further impairments are automatically charged.
If there is objective evidence of impairment the loss is measured as follows:

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

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

5 – Segment reporting

At 31 December 2009 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 financial statements in the

section I according to 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. The segment financial statements are consistent with the consolidated ones.

In this context, the Generali Group adopts a business approach on the profit and loss account segment reporting, characterized by the fact that some transactions between companies belonging to different segments are eliminated within each segment in conformity with IAS 14 requirements.

In detail, this approach presents the following main changes: both 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 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; and interest income and expense on loans between Group companies belonging to different segments are eliminated within the life segment.

The abovementioned approach allows to reduce 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.

6 – Information on financial and insurance risks

In accordance with IFRS7, 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 to which the entity is exposed and how the entity manages those risks are disclosed in the part E of this financial statement.
In this section the Group provides with qualitative and quantitative information about exposure to credit, liquidity and market risks, arising from financial instruments and sensitivity analysis to assess the impact of variation of principal financial and insurance variables on equity, profit and loss or other relevant key indicator.

RISK REPORT

In the risk report the Group presents further information in order to enable the assessment of the significance of financial instruments and insurance contracts for an entity's financial position and performance. Furthermore, the Group provides information about its exposure to risks arising from financial instruments and insurance contracts, and it discloses the management's objectives, policies and processes for managing those risks, in accordance with IFRS7, endorsed by Regulation (EC) No.108 of 11 January 2006.

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

The risk management processes apply to the whole Group, all the countries where it operates and each business unit. However, the degree of integration and depth varies with the complexity of the underlying risks. Integration of processes within the Group is fundamental to assure an efficient system of risk management and capital allocation for every business unit.
During the year many actions have been taken to further improve the methodology, to optimise the risk management processes and to spread across the business units the culture of making decisions aimed at optimising the risk adjusted performance.

1 – Risk Management System

Risk management system is based on three main pillars:

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

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

1.1 Roles and responsibility

The system is based on three different levels of responsibility:

- Group: for every country, the Holding sets the targets in terms of solvency, results and risk exposure, moreover it defines the risk management policy through a list of Guidelines for acceptance of the main risks;
- Country: the Regional Holding defines strategies and objectives for every firm, taking into account the local features and regulations, providing support for the implementation and controls the results. In particular, in order to assure a better solution to the specific features of local risks and changes in local regulation, the risk management responsibility and decisions are delegated to the Country Manager, respecting the Group policy framework. To whom are also assigned performance targets for their respective area;

- Business Unit: every firm defines strategies and targets for the lines of business, in respect of the policy and the guidelines established by the Parent Company. The risk management involves the corporate governance of the Company and the operational and control structure, with defined responsibility levels, and aims to ensure in every moment the adequacy of the entire risk management system.

At Group level, the Parent Company Board of Directors approves the risk management policies and the strategies, as well as the risk tolerance level, defining performance targets coherent with the level of capital adequacy.
The Board of Directors is moreover committed to the creation of an organisational culture aimed at giving a high level of priority to the effective risk management and to the respect of strict controls on the operations. The Board is constantly informed by the CEOs and also by the independent control department about the risk assessment of the Company and the Group, through periodical reports on results and the risk profile, or when it is necessary to intervene adopting corrective actions.

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

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

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

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

A dedicated Risk Management and ALM Department supports the CRO in his duties.

The risk governance has been strengthen by establishing a Control Division, independent from operating functions. Within the Control Division, there are specific risk control Departments that, together with the Group Internal Audit Department, report to the Board of Directors:

- Compliance Department: responsible for identifying, evaluating and preventing risks related to failure to comply with lows and regulations;
- Independent Risk Control Department: responsible for ensuring solidity of the whole risk management system also incompliance with ISVAP Regulation N°20.

Independent control activities are also performed by the Group Control Department, with regard to an analysis of the performance of the different countries.

2 – The ERM Policy

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

The governance of the Parent Company has been adopted, in its essential aspects, by each country and each company of the Group, considering their own features and regulations. A Risk Management Committee has been established in each company, made up of Chief Executive Officer (or General Manager), Heads of technical areas and, where present, Head of the local ERM.
The Risk Management Committee is in charge of supporting CEO in periodical reviews of the Company's risk profile relating to the different risk categories, and in developing possible proposals to submit to the Board. Each Italian Company has created an independent risk control department in compliance with Italian regulation.
A set of Guidelines has been prepared by the technical departments of the Corporate Centre of the Parent Company to align the risk underwriting methods and to define the operating limits on insurance and financial risks.
Each Company implements these guidelines by preparing and updating an Operating Limits Handbook, that is submitted to the Risk Management Committee and approved by Company Top Management.

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

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

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

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

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

2.1 Development of the Risk Management System

Through its insurance activity the Group is naturally exposed to several types of risks, which are related to movements of financial markets, to adverse development of insurance related risks, both in life and non life business, and generally to all the risks that affect ongoing organized economic operations.

These risks can be grouped in the following four main categories which will be later detailed: market risk, credit risk, insurance risk and operational risk.

Along with the specific measures for the risk categories considered by the Group, the calculation of the Risk Capital represents a comprehensive measure of risk that can be aggregated at the different organizational

levels (Group, country and operative entity) and at the main business lines (life, non-life and asset management).
The Risk Capital is a risk measure that corresponds to the amount of capital to be held so that the market value of assets is greater than the market value of liabilities in twelve months' time, with a confidence level consistent with the target rating.

Risk management activities contribute to the goal of managing the enterprise performance on a risk-adjusted basis in all Group business units. The internal models of Risk Capital have been improved to maintain a state of the art approach to calculation.
In 2009 the ERM model scope has been enlarged involving also the minor Countries and achieving a satisfying level of coverage and homogenization of risk governance model within the Group. For the current it is planned to further finalize and optimize the model.

3 – Strategic risk

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

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

4 – Market risk

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

At year-end 2009 the investments whose market risk affects the Group were of 298.2 billions euro at market value[1].

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

(€ million)	31/12/2009 Total fair value	Impact (%)	31/12/2008 Total fair value	Impact (%)
Equity instruments (*)	27,881.1	9.3	23,805.2	8.4
Equity instruments (**)	246,561.9	82.7	233,712.4	82.9
Bonds	214,886.9		201,013.2	
Other fixed income instruments (**)	31,674.9		32,699.2	
Land and buildings (***)	23,766.8	8.0	24,304.4	8.6
Total	**298,209.8**	**100.0**	**281,822.0**	**100.0**

(*) Investment fund units amount to 4,101.6 million (3,854.6 million at 31 December 2008).
(**) Investment fund units amount to 7,637.7 million (7,641.0 million at 31 December 2008).
(***) Investment fund units amount to 1,968.0 million (2,151.4 million at 31 December 2008) and it includes also self used properties fair value.

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

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

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

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

During the first half of 2009, given the high volatility of financial markets, the Group has continued in performing market risk hedging strategies to face the global drop of financial activities. During the second half of the year, hedging strategies have been focused mainly on bond investments reducing also the total hedged notional.

The adopted strategies have a macro scope and involve the main countries in term of business of the Group.

Futures and put options on the Eurostoxx 50 index, also funded with short call options, have been used to hedge equity risk.

Bond hedging activities have been implemented through floors, partially funded with short caps, and IRS contracts to hedge the reinvestment risk.

The Group exposure to currency risk is not material as its foreign currency stakes are hedged with forward contracts.

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

4.1 – Life Segment

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

An Embedded Value is an actuarially determined estimate of the Group value, excluding any value attributable to future new business.
With reference to the covered business, and to the relevant consolidation perimeter (i.e. the operating life, health and pension companies of the group), the EV is equal to the sum of the Adjusted Net Asset Value (ANAV), and the Value In-Force (VIF):

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

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

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

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

Life embedded value sensitivities: Market Risks

(%)	31/12/2009	31/12/2008
Interest rate +1%	5.07	5.33
Interest rate -1%	-10.40	-10.59
Equity price -10%	-4.09	-4.01
Property price -10%	-2.10	-2.17

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

When analyzing the data from a general point of view, if it is straightforward to observe that the decrease in equity and real estate prices has a negative impact on the shareholders' value, must be noted that a shift in risk free rates might have both positive and negative effects, driven by assets and liabilities mismatch in terms of cash flow and duration.
Similarly to the previous year, data at 31 December 2009 show that the Company suffers the interest rate downward movement. The impact is also higher than the increase corresponding to the opposite risk free variation, due to the presence of financial guarantees and options granted to policyholders, whose costs increase significantly in lower interest rates scenarios generating asymmetries in shareholders' results.

4.2 – Non life and financial segment

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

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

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

The stress test of +/- 100bp on the yield curve implies a potential impact on the result of the period, caused on the one hand by the consequent change in the fair value of bonds and by the re-computation on coupon and accrued interest of floating rate securities.
Changes in interest rates and equity prices may have a potential impact on shareholders' equity. The impact is detailed in the table here below, which shows figures before and after the related deferred taxes.

Sensitivity on non life and financial Shareholders'equity

(%)	31/12/2009	31/12/2008
Interest rate +1%	-438.6	-304.6
Interest rate -1%	440.5	309.1
Equity price +10%	295.8	321.0
Equity price -10%	-292.6	-317.6

5 – Credit risk

5.1 Credit risk on financial investments

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

The Group has adopted some guidelines to limit the credit risk of the investments. These favour the purchase of investment grade securities and encourage the diversification and dispersion of the portfolio.
The Group uses a data warehouse to collect and consolidate the financial investments, which guarantees a homogeneous, time effective and high quality analysis of the financial risks.

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

The central financial risk control department reports monthly to the Group Risk Committee on the Groups' exposure to the components of the credit risk.
The portfolio of fixed income investments of the Group is prudently built. The 53.8% of the securities are government issues or similar with appropriate rating classes.
The distribution by rating class shows that the absolute majority of the fixed income investments is of high rating standing, with more than 90.6% higher or equal to A- rating.

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

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

Rating of bonds

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

5.2 Reinsurance credit risk

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

The main criterion consists in the 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 by according to the rating provided by S&P's or equivalent and to the type of business; 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 evaluation provided by the main Rating Agencies (Standard & Poor's and equivalents) to attribute a rating to each reinsurance counterparty

Rating of amounts ceded to reinsurers from insurance provisions

(€ million)	31/12/2009	31/12/2008
AAA	314.4	340.8
AA	2,087.2	3,324.5
A	2,206.0	1,175.5
BBB	14.6	19.7
Non investment grade	1.6	0.8
Not Rated	952.4	1,144.3
Totale	**5,576.2**	**6,005.5**

The table above demonstrates that the careful criteria for the selection of reinsurers adopted by the Group over the past allows Generali to have a significant concentration of the 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 financial crisis has indirectly affected the distribution of reinsurer ratings, mainly between AA and A classes, to the detriment of the former. This is mainly due to the downgrading of some major reinsurance companies.
As regards "not rated" counterparties, these are often reinsurers that are no longer active in the market and consequently no longer rated by agencies. However they are not necessarily less strong from the financial perspective. On the contrary, they are often part of important and high rating insurance Groups that decided to stop their reinsurance activity.
Under some circumstances, local regulations, market practice or specific types of business allow the Group to benefit from mitigation of the related reinsurance credit risk through deposits from reinsurers and/or letter of credits as a guarantee on the ceded reserves.

6 – Liquidity risk

The Group faces appropriately and actively manages liquidity risk to meet its expected obligations and unexpected demands for cash.
Key points of its strategy is the maintenance of a high financial stability in both the short and medium-long term.

6.1 Financial liabilities

In order to achieve such remarkable results the Group set up a scrupulous analysis of its cash flows both on a short run outlook and on a long run perspective. Its financial liabilities are mainly fixed-rate exposures and Euro denominated. With reference to the foreign currency exposures a hedging approach has been taken for stabilizing cash flows and currency risks.
In order to reduce the cost of the debt, some swaps have been opened on a part of the existing debt, subsequently closed.

Liquidity risk is finally managed through the issuances of different kinds of financial instruments into the market; this strategy allows the Group to diversify its sources of funds touching the appetite of different investors.

Financial liabilities at amortized cost

(€ million)	31/12/2009	31/12/2008
Subordinated liabilities	**6,422.3**	**6,041.0**
Loans and bonds	**15,480.2**	**12,732.7**
Deposits received from reinsurers	1,084.0	996.0
Bonds	6,132.2	4,536.3
Other loans	4,615.3	3,936.0
Financial liabilities related to investment contracts issued by insurance companies	2,934.0	2,558.5
Hedging derivatives	714.8	705.9
Liabilities to banks or customers	**18,189.5**	**18,183.5**
Liabilities to banks	372.2	511.7
Liabilities to customers	17,817.3	17,671.8
Total	**40,092.1**	**36,957.2**

The main financial liabilities at amortized cost of the Group are Senior Bonds and Subordinated Liabilities. In the following tables these liabilities are staggered by maturity or, if existent, by call date. The contractual undiscounted cash flows generated and the book value of financial liabilities are also pointed out.

Subordinated liabilities

	31/12/2009			31/12/2008		
(€ million)	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	414.5		0.0	871.0	474.7	500.5
between 1 and 5 years	2,497.2	948.9	1,027.6	2,402.5	981.1	1,007.4
between 5 and 10 years	6,040.3	4,518.0	4,415.1	5,250.5	3,721.1	2,636.5
more than 10 years	1,610.3	955.4	854.3	1,673.9	864.1	552.5
Total subordinated liabilities	**10,562.2**	**6,422.3**	**6,296.9**	**10,198.0**	**6,041.0**	**4,696.9**

Senior bonds

	31/12/2009			31/12/2008		
(€ million)	Undiscounted cash flow	Book value	Fair value	Undiscounted cash flow	Book value	Fair value
Up to 1 year	2,023.8	1,704.3	1,795.8	1,076.7	844.8	870.3
between 1 and 5 years	3,080.6	2,212.8	2,414.5	2,200.1	1,737.8	1,843.5
between 5 and 10 years	967.3	497.5	523.8	2,070.4	1,953.7	2,047.4
more than 10 years	2,198.4	1,717.6	1,816.5	0.0	0.0	0.0
Total bond issued	**8,270.1**	**6,132.2**	**6,550.6**	**5,347.2**	**4,536.3**	**4,761.1**

An hybrid bonds/private placements of € 750 million have been issued in 2009. This issue has been used to refund the Generali Finance bond and the BV bond which amount to € 500 million, settled at the call date of May 2009, and to reimburse an Assicurazioni Generali loans drowned up to buy Banca del Gottardo.
With reference to the Assicurazioni Generali bond of € 750 million expired and settled in May, it has been refunded by a new senior tranche in March 2009. Finally, by another senior tranche issue of € 1,750 million in September has yet been refunded a bond that will expire in July 2010.

Among other financial liabilities, the liabilities to banks and customers basically refer to ordinary activity of Banca Generali and BSI and they are mainly on hand or on short term.

6.2 Insurance liabilities

The Company takes into adequately account the impact of rational/irrational surrenders on its expected profits, as reported also in the following paragraph 7.1. In addition, in all the valuations, including sensitivities reported on *Market Risk Section*, a dynamic surrender approach is implemented, taking into account the interaction between the return of policyholder funds and the financial market developments.
The liquidity risk arises from a mismatch between liabilities and assets cash flows. The Group manages this risk by mean of mitigation strategies, either embedded in the products and funds structure.
In particular, in the phase of product design, penalties for surrenders are allowed, calculated in order to partially compensate the eventual decrease of expected future profits. At the same time, for a relevant part of the portfolio, financial guarantees are not provided in case of surrender; this has a disincentive effect for policyholders and reduces the cost of this embedded option for the Company. The surrender assumptions used both for the pricing and the valuation, in terms of value and risk, are periodically reviewed and updated.

The table here below shows the amount of the life gross direct insurance provisions broken down by expected contractual residual duration. For annuity in payment or whole life contract the expected residual duration is calculated according to the embedded value valuation.

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

	Gross direct insurance	
(€ million)	31/12/2009	31/12/2008
Up to 1 year	22,426.1	18,851.6
Between 1 and 5 years	66,785.2	66,153.3
Between 6 and 10 years	59,600.7	57,939.5
Between 11 and 20 years	70,405.7	65,659.2
More than 20 years	54,138.6	61,309.3
Total	**273,356.4**	**269,913.0**

The total insurance provisions include the gross direct amount of mathematical provisions, which amount to € 220,315.4 million (2008: € 218,687.9 million), the provisions for policies where the investment risk is borne by the policyholders and for pension fund, which amount to € 34,055.4 million (2008: € 34,865.0 million), the ageing provision for life segment, which amount to € 7,581.7 million (2008: € 6,894.0 million), and financial liabilities related to investment contacts, which amount to € 11,403.8 million (2008: € 9,466.0 million).
Note that the provision for outstanding claims (not included in the table) which at 31 December 2009 amounted to € 4,225.2 million (2008: € 4,086.9 million) matures in first year by definition.

With reference to non life segment, the table here below shows the amount of gross direct claims and unearned premiums reserves split by remaining maturity. The total liability is broken down by remaining duration in proportion to the cash flows expected to arise during each duration band.

Non life insurance provisions: maturity

	Gross direct amount	
(€ million)	31/12/2009	31/12/2008
Up to 1 year	13,138.8	13,165.0
Between 1 and 5 years	11,213.6	11,506.3
Between 6 and 10 years	3,871.1	4,141.5
Between 11 and 20 years	3,688.7	3,161.3
More than 20 years	0.0	0.0
Total	**31,912.3**	**31,974.1**

7 – Insurance risks

The insurance risk is being analyzed on both the life and the non-life businesses.

7.1 Life underwriting risk

The Group companies life portfolios have a prevailing component of saving contracts, but there are also pure risk covers (death plus riders, such as accident, disability, dread disease, etc.) and some annuity portfolios, with the presence of the longevity risk.

The risks related to policies with a prevailing saving component and with minimum interest rate guarantee are adequately measured in a prudent way in the pricing process in accordance with the particular situation of the local financial markets, and taking also into account any relevant regulatory constraint. In the recent past a policy of re-definition of the structure of minimum guarantees has been pursued by the Group in order to lower risks and associated cost. In this perspective the structure of the product has been redefined, connecting in many cases the level of guarantees with the length of staying inside the contract.

The table below shows the distribution of insurance provisions of life gross direct business by level of financial guarantee.

Life insurance provisions: financial guarantee

	Gross direct insurance	
(€ million)	**31/12/2009**	**31/12/2008**
Liabilities with guaranteed interest (*)	**212,114.6**	**213,702.8**
between 0% and 1%	33,809.8	29,435.4
between 1% and 3%	76,853.3	69,190.6
between 3% and 4%	58,564.8	67,380.6
between 4% and 5%	40,829.4	45,056.4
more than 5 %	2,057.3	2,639.8
Provisions without guaranteed interest	**52,953.1**	**48,223.0**
Provisions matched by specific assets	**8,288.6**	**7,987.1**
Total	**273,356.4**	**269,913.0**

(*) The upper bound of each range is excluded.

The total insurance provisions include the gross direct amount of mathematical provisions, provisions for policies where the investment risk is borne by the policyholders and for pension fund, the ageing provision for life segment, which is included in other provisions of life segment and financial liabilities related to investment.

The insurance provisions above are grouped in three macro classes:

- contracts with a minimum guarantee level: this group considers both yearly cliquet and at event (death and maturity) guarantees;
- contracts without interest guarantee: in this category, together with standard unit linked policies are also included contract whose benefits and premiums can be adjusted by Companies in order to mitigate interest rate risk;
- contracts matched by specific assets: this category includes contracts where the liabilities are totally matched by specific assets.

Regarding the life underwriting risk Generali Group performs the following Embedded Value sensitivities:

- maintenance expenses -10%: sensitivity to a 10% decrease of maintenance expenses;
- lapse Rate -10%: sensitivity to a 10% decrease of lapse rates;
- mortality/morbidity for risk business -5%: sensitivity to a 5% decrease of mortality/morbidity for all product lines except annuities (e.g. term assurance, whole life, annuity during the accumulation period);

– mortality for annuity business -5%: sensitivity to a 5% decrease of mortality for annuity business only (e.g. annuities in payment).

Life embedded value sensitivities: Underwriting Risks

(%)	31/12/2009	31/12/2008
Expenses -10%	2.40	2.67
Lapse rate -10%	2.37	2.23
Mortality -5%	2.06	2.68
Annuity Mortality -5%	-0.74	-0.78

The table above shows that the reduction of expenses and mortality rates (except for annuities) has a positive effect in the value; on the contrary, as expected, for the annuities, a reduction in mortality rates leads to a corresponding decrease in value.
Regarding lapse, a decrease in surrender assumptions could produce both positive and negative effect in the Embedded Value, depending on the portfolio structure and on the economic contingencies. In particular the magnitude of variances depends on the alignment of some variables such as return of the fund, level of guarantee and structure of surrender penalties. Like the previous year, the offsetting effects of these factors result at Group level in an increase in the Embedded Value when the lapse rates decrease.

In addition with the quantitative analyses above presented, the qualitative aspects relating to underwriting process and operative risk management are carefully assessed.
As far as the demographic risk related to pure risk portfolios is concerned, the mortality tables used in the pricing include prudential margins. The standard approach is to use population or experience tables with adequate safety loadings. For the most important risk portfolios *ad hoc* reviews of mortality experience is performed every year in comparison with the expected mortality of the portfolio, determined according to the most up-to-date mortality tables available in each market. This analysis takes into consideration the mortality by sex, age, policy year, sum assured and other underwriting criteria.
There is a particular emphasis, both at local and central level, in the underwriting of the new contracts, that considers both the medical and the financial and moral aspects. A Group standard for manuals, forms and medical and financial underwriting requirements has been established, both for death covers and for riders. Underwriting autonomy levels for companies are determined depending on their structure and their portfolio, while above the autonomy each risk is examined also by either the Underwriting Department of Corporate Centre (which is the main reinsurer for many Group companies) or by a local professional reinsurer.

As far as riders are concerned, which are mostly exposed to moral risks, maximum insurability levels by country and company are set, lower than those applied for death covers; at the same time, in order to mitigate these risks, consistent policy conditions are established, especially for what refers to policy exclusions.
The Companies must apply the underwriting guidelines and operating limits defined by the Corporate Centre which also defines the standard process to request dispensations in order to maintain the risk exposure between the set up limits and to ensure a coherent use of the capital.

In order to mitigate mortality and morbidity risk, another feature is reinsurance. As far as the surplus (proportional) reinsurance is concerned, Head Office acts very often as the main reinsurer for its subsidiaries, then ceding to the reinsurance market the portions of individual risks exceeding its own retention. Sometimes reinsurance is made directly by the company to the local reinsurance market, with Corporate Centre's support and agreement. As far as the catastrophe risk is concerned, it is related to geographical concentrations, which are typical of group insurance, and it is covered acquiring, at a central or local level, *ad hoc* non proportional covers, and sometimes diversifying the risk, for instance adopting adequate underwriting policies.

The longevity risk, notwithstanding its minor weight in the life business of the Group, is constantly monitored. For the most important portfolios of annuities in course of payment, there is an annual evaluation for the adequacy of the technical bases, that considers the demographic component but also the financial component related to the minimum interest rate guarantee and any mismatch between the liabilities and the corresponding assets.
As far as new business is concerned, in each country demographic assumptions reflecting future mortality trends are used, while for group contracts, if possible, mortality adjustments clauses are considered. For policies which foresee an accumulation phase and at maturity an annuity conversion option for the lump sum, no guarantee is normally allowed on the technical basis for the determination of the annuity to be paid in the future; if, however, this is guaranteed, particularly in cases of collective agreements, contractual mechanisms for adjusting the basis of mortality compared with some variations in mortality effective population are often introduced.

As far as lapse risk (risks related to voluntary withdrawal from the contract) and expense risk (risks related to inadequacy of charges and loadings in the premiums in order to cover future expenses) are concerned, they are evaluated in a prudential manner in the pricing of new products, considering in the construction and the profit testing of a new tariff assumptions derived from the experience of the company. Should this not be sufficiently reliable or suitable, the experience of the other Group entities of the same country or the general experiences of the local market are applied. In order to mitigate lapse risk, surrender penalties are generally considered in the tariff and are determined in such a way to compensate, at least partially, the loss of future profits.

In the annual Embedded Value analysis, both locally and centrally, the coherency of the assumptions with the actual experience is verified for all risk categories.
Aggregate analysis have been made on the best estimate of the risk factors in order to assess the congruence of the assumptions and to update them; at the same time it has been assessed the coherence of the assumptions made and the actual experience of the year valuating the changes in the portfolio values.

The tables below show the concentration of gross direct premiums of life segment by line of business and by geographical area.

Gross direct premiums by line of business and by geographical area

(€ million) 31/12/2009	Individual traditional	Individual unit/index linked	Health	Group	Total
Italy	11,048.7	269.7	0.0	1,338.0	12,656.4
Germany	6,186.7	3,184.8	2,033.2	823.8	12,228.4
France	9,318.8	1,299.8	798.8	786.1	12,203.5
Spain	736.5	20.9	0.0	370.4	1,127.9
Austria	563.7	327.7	213.6	0.0	1,105.0
Switzerland	185.1	701.5	8.7	1.5	896.8
Central and Eastern Europe	1,170.5	326.6	155.2	19.5	1,671.9
Rest of Europe	541.1	2,727.2	28.3	382.8	3,679.3
Rest of World	792.6	35.0	227.1	1,210.3	2,265.0
Total	**30,543.7**	**8,893.2**	**3,465.0**	**4,932.4**	**47,834.3**

(€ million)	31/12/2008	Individual traditional	Individual unit/index linked	Health	Group	Total
Italy		11,693.4	1,650.1	0.0	1,336.1	14,679.6
Germany		5,741.3	3,249.3	2,018.7	711.5	11,720.9
France		7,372.5	1,422.1	840.4	827.6	10,462.6
Spain		801.0	20.9	0.0	395.8	1,217.7
Austria		506.6	419.9	203.2	0.0	1,129.7
Switzerland		188.3	658.9	8.9	3.2	859.4
Central and Eastern Europe		1,090.8	450.9	167.6	37.1	1,746.3
Rest of Europe		503.2	1,001.7	23.3	440.0	1,968.1
Rest of World		673.6	114.8	211.8	1,146.8	2,147.0
Total		**28,570.6**	**8,988.7**	**3,473.9**	**4,898.2**	**45,931.3**

The table above shows the major importance of "traditional" contracts (74% of the total), while the unit/index linked portfolio accounts for 19% of the total written premiums. Concerning the health business, the Group has a strong presence in markets such as Germany and Austria where operate companies dedicated to this segment; while in all the other geographical areas the "health" premiums refers to life insurance rider covers.

The presence in the life and health market is well diversified and stable across countries; however it is worth noting that the 95% of the total written life and health premiums refers to the European market.

7.2 Non-life underwriting risk

The risk arising from the underwriting of non-life insurance depends on the type of risks being underwritten and is related to the uncertainty in underwriting results deriving from two main components: pricing risk, including catastrophe risk, and reserving risk.

7.2.1 Pricing risk

Pricing risk derives from the possibility that premium charged is insufficient to cover claims and expenses. In order to quantify it, the Generali Group assesses its exposure to attritional claims, large claims and catastrophes, gross and net of reinsurance, for the most relevant part of its portfolio.

Regarding this risk, the Generali Group:

- has developed stochastic or deterministic bottom-up simulation models, which are validated by sensitivity analyses and stress tests;
- determines for frequency risks, large risks and catastrophe risks (such as earthquake, flood, windstorm, etc.) possible loss scenarios and risk capital requirements, also in consideration of reinsurance structure (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 bu-

siness, the structure type, the retention level and the total amount of cover needed to mitigate exposures from single risks and, for some classes, events that derive from the accumulation of risks existing within a portfolio.
Treaty reinsurance provides a risk transfer mechanism for the greatest portion of each portfolio, while facultative reinsurance is used to cover individual additional exposure peaks.

Regarding treaty reinsurance, the most important lines of business are best covered by excess of loss contracts, which allow setting precise retentions for each class. This makes it possible to retain those risks that are marked by a lower volatility and higher expected returns.
In this field, the Group has adopted a strategy and business model that is based on central coordination and governance with predominantly local execution. This model envisages placements to be made at the Country level (or regional level for CEE) for the benefit of all Companies belonging to that territory.
The Corporate Centre validates this process and has a first refusal right in order to capture additional Vale for the Group. If selected, reinsurance treaties of Group Companies are totally or partially retained at external market terms and conditions. This approach makes it possible to manage the reinsurance cycle by retaining more during hard market phases and less during soft ones.

The placement of facultative reinsurance is managed at company level, since this kind of protection is strongly linked to the risk evaluation carried out by the underwriting departments.

Reinsurance counterparts are chosen in accordance to the criteria defined by the Corporate Centre (as described in paragraph 5.2).

With specific regard to Assicurazioni Generali SpA, the above mentioned principles were approved with a Board resolution on 4 February 2009 and the reinsurance structures currently in force do not present material changes as far as reinsurance types, retentions and definitions are concerned.

7.2.2 Reserving risk

Reserving risk relates to the uncertainty in reserve run-off and considers the possibility that reserves are not sufficient to cover all eventual liabilities towards insured and damaged parties.
This assessment is closely related to the estimation of reserve amounts. For this reason, both processes are performed together to ensure consistency, using claim triangles and all other relevant information, which are collected and analysed according to specific guidelines.

The following table shows the cumulative claim payments and the ultimate cost of claims by accident year and their development from 2001 to 2009. 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 € 554.4 million in 2009).

The difference between the ultimate cost of claims and the cumulative paid losses for calendar year 2009 constitutes the claim reserve for accident years 2001 to 2009. The reserve reported in the balance sheet also includes a residual claim reserve that is composed almost exclusively by the accident years not reported in the development triangle.

The observed trend in the ultimate cost for generations 2001-2009 indicates the adequate level of prudence adopted by the Generali Group in its reserving policy

Claims development

(€ million)	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Cumulative claim payments										
at the end of accident year	4,661.5	5,116.3	4,954.4	4,954.5	5,267.7	5,444.7	5,897.1	6,179.1	6,334.6	
one year later	7,993.3	8,622.7	8,390.2	8,424.3	8,850.2	9,232.6	10,045.0	10,557.5		
two years later	9,084.8	9,573.2	9,269.5	9,428.2	9,900.2	10,341.2	11,192.8			
threes years later	9,600.7	10,029.8	9,777.6	9,937.7	10,417.1	10,835.2				
four years later	9,902.1	10,315.9	10,087.7	10,217.8	10,668.8					
five years later	10,131.9	10,519.7	10,307.8	10,385.2						
six years later	10,303.2	10,696.8	10,450.2							
seven years later	10,445.0	10,821.1								
eight years later	10,533.1									
Estimate of ultimate cumulative claims costs										
at the end of accident year	11,388.9	12,334.9	12,281.8	12,358.7	12,658.3	13,206.7	13,944.5	14,372.6	14,437.2	116,983.7
one year later	11,499.4	12,007.1	11,987.5	12,124.2	12,538.1	13,071.9	13,798.2	14,225.2		
two years later	11,364.1	11,866.8	11,707.4	11,837.0	12,254.5	12,815.6	13,545.8			
threes years later	11,337.2	11,843.0	11,567.4	11,681.3	12,101.1	12,658.2				
four years later	11,325.3	11,745.8	11,542.5	11,590.4	12,012.8					
five years later	11,298.9	11,649.1	11,468.8	11,514.7						
six years later	11,300.9	11,623.0	11,424.6							
seven years later	11,266.7	11,592.1								
eight years later	11,237.9									
Estimate of ultimate cumulative claims costs at reporting date	**11,237.9**	**11,592.1**	**11,424.6**	**11,514.7**	**12,012.8**	**12,658.2**	**13,545.8**	**14,225.2**	**14,437.2**	**112,648.5**
Cumulative payments to date	**-10,533.1**	**-10,821.1**	**-10,450.2**	**-10,385.2**	**-10,668.8**	**-10,835.2**	**-11,192.8**	**-10,557.5**	**-6,334.6**	**-91,778.5**
Provision recognised in the balance sheet	**704.8**	**771.0**	**974.5**	**1,129.6**	**1,344.0**	**1,823.0**	**2,353.0**	**3,667.7**	**8,102.6**	**20,870.0**
Provision not included in the claims development table										5,747.8
Total provision included in the balance sheet										**26,617.8**

7.2.3 The underwriting policy

In the non-life branches, the Group underwriting policy embraces all lines of business, while targeting the development of retail and small/medium enterprise business.
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 95% 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) 31/12/2009	Motor	Non motor Personal	Non motor Commercial/ Industrial	Non motor Accident/ Health (*)	Total
Italy	3,137.8	820.4	1,951.3	1,361.9	7,271.3
Germany	1,115.8	1,169.8	285.9	459.5	3,031.1
France	1,057.8	1,367.4	649.9	465.6	3,540.8
Spain	482.1	290.1	500.5	157.9	1,430.6
Austria	596.0	223.3	353.2	140.7	1,313.2
Switzerland	258.5	140.3	2.5	108.4	509.8
Central and Eastern Europe	1,190.7	305.2	452.8	233.3	2,182.0
Rest of Europe	322.0	103.9	221.5	146.0	793.4
Rest of World	665.4	42.4	327.3	60.8	1,096.0
Total	**8,826.1**	**4,462.9**	**4,744.8**	**3,134.3**	**21,168.2**

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

(€ million) 31/12/2008	Motor	Non motor Personal	Non motor Commercial/ Industrial	Non motor Accident/ Health (*)	Total
Italy	3,259.1	840.3	1,957.4	1,384.4	7,441.3
Germany	1,168.5	1,151.9	282.0	454.4	3,056.8
France	1,073.2	1,316.0	683.4	438.9	3,511.5
Spain	539.7	279.9	556.0	156.6	1,532.2
Austria	612.6	367.0	193.7	136.9	1,310.2
Switzerland	245.2	129.8	2.4	95.4	472.8
Central and Eastern Europe	1,310.9	328.6	498.6	264.7	2,402.8
Rest of Europe	330.4	100.7	225.0	102.4	758.5
Rest of World	620.4	42.9	319.4	75.1	1,057.9
Total	**9,160.1**	**4,557.2**	**4,717.8**	**3,108.8**	**21,543.9**

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

8 – Operating risk and other risks

In order to grant a whole analysis of company risk, the Generali Group has identified and monitored two further classes of risk:

- operational risk, defined as the potential losses, including opportunity costs, arising from lacks or under-performance in internal processes, human resources and systems or from other causes which may result from internal and external reasons;
- financial reporting risk, defined as the risk of an error that lead to an unfair and incorrect representation of the financial position and performance in the financial statement and in the consolidated statement, in the financial half-yearly report and in any other financial communication.

The responsibility for the operational risks is assigned to each business unit. Operational plans aligned with risk-adjusted targets, are identified and actions are taken in order to mitigate risks which could potentially jeopardise the performance in term of capital consumption and volatility of operating results. The country manager is directly responsible for controlling these risks.

A model coherent with international frameworks (Coso, Cobit) has been defined to manage the financial reporting risk. The Chief Financial Reporting Risk Officer (manager in charge of preparing the company's financial reports) of Assicurazioni Generali S.p.A. define the operational and organizational aspects of the financial reporting risk model in respect of the law 28 December 2005, n. 262.
For further information see the Corporate Governance Relation.

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

- policies and basic requirements to handle specific risk-sources are defined at the Group level;
- a detailed operational risks classification and standard criteria to be applied to the whole Group in order to identify and evaluate operational risks within the company's processes;
- specific meetings (Risk Meeting) have been set up in order to identify and evaluate main risks related to processes, controls associated to risks, and possible mitigation actions to be implemented;
- criteria to measure operational risk are defined by the Parent Company;
- Group Internal Audit Department sets common methodologies and principles guiding the internal audit activities in order to identify the most relevant processes to be audited.

9 – Risk monitoring by third parties

The risk of the Generali Group is also monitored by third parties such as the insurance regulators of the countries where the Group is active.

The leading rating agencies periodically assess the financial strength of the Group expressing a judgment on the ability to meet the ongoing obligations assumed toward policyholders.

This assessment is performed taking into account several factors such as, as financial and economic data, the positioning of the Group within its markets, and the strategies developed and implemented by the management.

The main rating agencies have confirmed their rating judgment on the Group.

In December the rating agency A.M. Best confirmed its A+ rating to Assicurazioni Generali, and its outlook to stable.

Also the rating agency Moody's reaffirmed Aa3 rating and its outlook as stable.

At the end of 2009 the financial strength ratings of the Generali Group assessed by four rating agencies were the following:

Rating agency	2009	Rating	Outlook
Standard & Poor's		AA-	Stable
Fitch		AA-	Negative
AM Best		A+	Stable
Moody's		Aa3	Stable

10 – Capital management

The objectives of the Group capital management policy are:

- to guarantee the accomplishment of solvency requirements as defined by the specific laws of each sector where the participated companies operate (insurance sector; banking and financial sector);
- to safeguard the going concern and the capacity to develop its activity;
- to continue to guarantee an adequate remuneration of the shareholders' capital;
- to determine adequate pricing policies which are suitable for the risk level of each sectors' activity.

In every country the Group operates, local laws and/or local supervisor authorities require a minimum capital. This minimum capital should be maintained by each subsidiary to face its insurance obligations and operational risks. This minimum level of capital has been 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 2009, the preliminary Group available margin amounts to € 21.6 billion (€ 19.4 billion at 31 December 2008) and the preliminary Group required margin to € 16.9 billion (€ 15.8 billion at 31 December 2008). Therefore, the preliminary Group solvency I cover ratio (i.e. the ratio of available margin to required margin) is 128% (123% at 31 December 2008). The change is mainly attributable to the result of the period (net of proposed dividend), to the trend of the financial markets and to the growth in the life segment, which determined an increase in the required margin.

With reference to the Solvency I cover ratio the following sensitivity analyses to market risks have been performed:

- Equity -30%: a 30% reduction in equity market value at balance sheet date affects the ratio by around 14 percentage points;
- Yield curve +1%: an upward parallel shift of 100 basis points in the underlying market risk free rates at balance sheet date affects the ratio by around 11 percentage points;
- Yield curve -1%: a downward parallel shift of 100 basis points in the underlying market risk free rates at balance sheet date increases the ratio by around 11 percentage points.

The capital management policy is based on a consistent approach for the evaluation of the economic value and its related risks and makes use of proper internal models ("Life Embedded Value", "Economic Balance Sheet" and "Economic Capital").

At this stage of evolution of legal and market references the Capital management system integrates the logic of Group's internal model based on the Risk Capital. It reflects the actual risk profile with the necessary considerations about existing regulatory capital, in particular with reference to the local current solvency requirements, the Group requirements and the requirements currently considered by the rating agencies.

After the issue in 2009 of the Solvency II Directive about the new solvency requirements for the insurance companies, the Group has started a specific program in order to follow the legislative evolution, the implementation of the so called second and third level measures and the update of the internal valuation and risk management systems.

Independence Square, Quito - Ecuador

NOTES TO THE BALANCE SHEET

Assets

1 – Intangible assets

(€ million)	31/12/2009	31/12/2008
Goodwill	**7,273.5**	**5,739.1**
Other intangible assets	**3,171.6**	**3,553.9**
Purchased goodwill	56.1	411.8
Software	433.9	409.7
Value of in-force business arising from insurance business combination	1,956.2	2,108.4
Other intangible assets	725.3	624.0
Total	**10,445.1**	**9,293.0**

1.1 – Goodwill

(€ million)	31/12/2009	31/12/2008
Carrying amount as at 31 December previous year	**5,739.1**	**4,385.1**
Changes in consolidation scope	1,503.5	1,354.0
Other variations	30.9	0.0
Carrying amount as at 31 December current year	**7,273.5**	**5,739.1**

At 31 December 2009 Group's goodwill amounts to € 7,273.5 million with an increase of 26.7% compared to 2008.

The table below shows the goodwill by relevant companies.

(€ million)	31/12/2009	31/12/2008
Generali Deutschland Holding	2,179.0	2,179.0
Alleanza - Toro Group	2,793.3	1,332.4
Ceska Group	635.3	589.8
BSI - Banca del Gottardo Group (*)	450.0	414.6
Generali France Group	417.1	417.1
Generali Schweiz Holding AG	235.9	236.5
Generali Holding Vienna AG	153.4	153.4
Other	409.5	416.3
Total goodwill	**7,273.5**	**5,739.1**

(*) Amount includes € 384.2 million of goodwill activated on acquisition of Banca del Gottardo and € 30.4 million on BSI. Goodwill activated on Banca del Gottardo Italia (€ 11.1 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 Alleanza merger in Assicurazioni Generali S.p.A. (€ +1,460.9 milion), which took place during the fourth quarter. In particular Parent company issued new shares for Alleanza minority shareholders and the difference between the purchase price and the carrying amount of Alleanza minorities was recognized as goodwill.

The cash generating units were established in accordance with the Group's partecipation structure and considering the IFRS 8 requirements about operating segments, which Assicurazioni Generali identified as Life, Non Life and Financial.
Furthermore, they were evaluated in coherence with the principles ratified by IAS 36 and for the determination of the recovery value, as described in the valuation criteria, the Dividend Discount Model (DDM) and the Economic Balance Sheet model were used.

(€ million)	Life	Non Life	Financial	Total
Generali Deutschland Holding	561.6	1,617.4		2,179.0
Alleanza Toro	1,803.9	989.4		2,793.3
Ceska Group	203.3	432.0		635.3
BSI - Banca del Gottardo Group			450.0	450.0
Generali France Group	318.8	98.3		417.1
Generali Schweiz Holding AG	66.5	169.4		235.9
Generali Holding Vienna AG	76.5	76.9		153.4

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

The Dividend Discount Model is based on the hypothesis that the value of a cash generating unit is equal to the present value of the cash flows available for its shareholders. These cash flows are supposed to be equal to the flows deriving from the distributable dividends, maintaining an adequate capital structure as required by the laws in force and the economic nature, in order to maintain the expected future development.

According to this method the value of the cash generating unit is equal to the sum of the discounted amount of future dividends and the terminal value of the cash generating unit itself.

The application of this criterion entailed in general the following phases:

- explicit forecast of the future cash flows to be distributed to the shareholders in the planned time frame, taking into account the limit due to the necessity of maintaining an adequate capital level;
- calculation of the cash generating unit's terminal value, that was the foreseen value of the cash generating unit at the end of the latest year planned;
- with reference to the forecast of the future cash flows of each cash generating unit, the detailed information included in the last available Rolling Plan 2010–2012 was considered. The main economic-financial data (requested and available solvency margin, net profit) were calculated for two further years (2013 and 2014) on the basis of the growth registered in the last year of the Plan (2012) in order to extend the forecast period; whence net income was estimated applying nominal growth rate (g).

The main valuation parameters used for each CGU are as follows:

A) Nominal growth rate (g):

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

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

	Ke
Generali Deutschland Holding	
- Life	8.9%
- Non Life	7.1%
Alleanza Toro	
- Life	9.8%
- Non Life	8.0%
Ceska Group	
- Life	9.8%
- Non Life	8.0%
BSI – Banca del Gottardo Group	7.25%
Generali Schweiz Holding AG	
- Life	7.7%
- Non Life	5.9%

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

All CGU passed the impairment test , being their recoverable amount, specifically in this case market value, higher than the accounting values of each CGU.

Furthermore a sensitivity analysis was performed on the results changing the cost of own capital of the company (Ke) (+/-1%) and the perpetual growth rate of distributable future cash flows (g) (+/-1%) to identify the related variation range.
As a mattere of fact, there are no criticalities regarding the recoverable value compared to carrying amount.

For Generali France and Generali Holding Vienna AG Groups the *Economic Balance Sheet* Method was adopted instead.
Such method consists in the revaluation at current values of all the assets and liabilities of the company to determine their future utility as well as the valuation of the insurance portfolio (*Value of in Force Business*) according to actuarial methodology. In other words, the value of the future profits generated by the policies included in the portfolio at valuation date, net of the cost of keeping an adequate solvency level, is determined. In the valuation standard practice, the sum of the economic values referred to the equity at current values and to the values of life and non-life portfolios existing at valuation date is defined as the embedded value of the CGU.
The assessment of these *cash generating units* with the *Economic Balance Sheet Method* has to be considered prudential, since the future profits linked to new production are not considered when using this method.
Also for these CGU passed the impairment test being their recoverable amount, in this case the market value, greater than the carrying amount.

1.2 – Other intangible assets

Value in force acquired in business combinations in appliance with IFRS 3 amounts to € 1,956.2 million, is attributable to:

- the acquisitions which took place in 2006 of Toro Group (€ 442.7 million net of amortisation of the period) and in the CEE countries (€ 61.6 million, net of amortisation of the period),
- the acquisition of Bawag PSK Versicherung in 2007 brought to a further activation of € 58.3 million, net of amortisation of the period,
- the acquisitions of Česka group, whose allocation of purchased price was concluded in the second half of 2008, brought to a further activation of € 1,393.6 million, net of amortisation of the year.

The other intangible assets include the value of the customers 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 € 186.5 million, net of amortisation of the year.

Deferred tax liabilities are accounted for with reference to the above mentioned intangible assets.
Further information on calculation method is detailed in the paragraph 1.2 of part D.

2 – Tangible assets

2.1 – Land and buildings (self used)

The main changes occurred in the period and the fair value of the properties used for own activity by the Parent Company and its subsidiaries are shown in the table below.

(€ million)	31/12/2009	31/12/2008
Gross bookvalue as at 31 December previous year	**4,121.1**	**3,687.9**
Accumulated depreciation and impairment as at 31 December previous year	**-885.6**	**-858.8**
Carrying amount as at 31 December previous year	**3,235.5**	**2,829.1**
Foreign currency translation effects	-7.5	26.0
Increases	66.6	502.1
Capitalized expenses	33.7	181.8
Changes in consolidation scope	11.6	170.9
Reclassifications	4.6	-41.9
Decreases	-54.9	-384.1
Depreciation of the period	-45.8	-48.0
Net impairment loss of the period	-15.3	-0.4
Carrying amount as at 31 December current year	**3,228.4**	**3,235.5**
Accumulated depreciation and impairment as at 31 December current year	**903.3**	**885.6**
Gross bookvalue as at 31 December current year	**4,131.8**	**4,121.1**
Fair value	**3,857.0**	**4,022.9**

The fair value of land and buildings (self used) is mainly based on external appraisals.

2.2 – Other tangible assets

The other tangible assets, mainly consisting of furniture, fittings and office equipment, amount to € 546.5 million (€ 460.6 million, net of any accumulated depreciation and impairment losses).

3 – Amounts ceded to reinsurers from insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Non-life amounts ceded to reinsurers from insurance provisions (*)	**3,153.3**	**3,564.1**	**926.9**	**953.9**	**4,080.2**	**4,518.0**
Provisions for unearned premiums	498.4	581.2	103.0	112.9	601.4	694.1
Provisions for outstanding claims	2,648.8	2,976.7	823.5	840.6	3,472.3	3,817.3
Other insurance provisions	6.1	6.3	0.3	0.4	6.4	6.6
Life amounts ceded to reinsurers from insurance provisions (*)	**767.0**	**779.7**	**729.1**	**707.7**	**1,496.0**	**1,487.4**
Provisions for outstanding claims	233.6	264.3	113.5	116.3	347.1	380.6
Mathematical provisions	444.6	454.6	615.6	591.3	1,060.2	1,046.0
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	0.6	0.8	0.0	0.0	0.6	0.8
Other insurance provisions	88.2	60.0	0.0	0.0	88.2	60.0
Total	**3,920.2**	**4,343.8**	**1,656.0**	**1,661.6**	**5,576.2**	**6,005.5**

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

4 – Investments

(€ million)	31/12/2009		31/12/2008	
	Total bookvalue	Impact (%)	Total bookvalue	Impact (%)
Equity instruments (*)	**27,881.1**	**9.3**	**23,805.2**	**8.3**
Available for sale financial assets	22,028.1		19,609.6	
Financial assets at fair value through profit or loss	5,853.0		4,195.6	
Fixed income instruments (**)	**243,609.8**	**81.5**	**232,486.4**	**81.4**
Bonds	212,424.5		200,201.4	
Other fixed income instruments (**)	31,185.2		32,285.0	
Loans	74,789.2		62,192.7	
Held to maturity investments	3,165.7		1,798.0	
Available for sale financial assets	151,917.9		151,355.6	
Financial assets at fair value through profit or loss	13,737.0		17,140.1	
Land and buildings (investment properties) (***)	**14,699.6**	**4.9**	**14,624.7**	**5.1**
Other investments	**12,855.6**	**4.3**	**14,867.2**	**5.2**
Investments in subsidiaries, associated companies and joint ventures	1,986.4		2,568.4	
Derivatives	2,097.1		3,012.6	
Receivables from banks or customers	6,500.3		6,999.7	
Other investments	2,271.8		2,286.5	

(continues)

(continues)

(€ million)	31/12/2009 Total bookvalue	31/12/2009 Impact (%)	31/12/2008 Total bookvalue	31/12/2008 Impact (%)
Total	**299,046.0**	**100.0**	**285,783.5**	**100.0**
Investments back to policies where the investment risk is borne by the policyholders	**42,467.2**		**41,351.4**	
Total investments	**341,513.3**		**327,134.9**	

(*) Investment fund units amount to 4,101.6 million (3,854.6 million at 31 December 2008).
(**) Investment fund units amount to 8,877.1 million (8,961.5 million at 31 December 2008).
(***) Investment fund units amount to 1,968.0 million (2,151.4 million at 31 December 2008).

4.1 – Land and buildings (investment properties)

The table below reports the main changes in land and buildings (investment properties), i.e. those held to earn rentals or capital appreciation or both, and their fair value.

(€ million)	31/12/2009	31/12/2008
Gross bookvalue as at 31 December previous year	**13,947.0**	**13,418.3**
Accumulated depreciation and impairment as at 31 December previous year	**-1,473.7**	**-1,511.8**
Carrying amount as at 31 December previous year	**12,473.3**	**11,906.5**
Foreign currency translation effects	-25.6	96.8
Increases	1,128.1	2,161.5
Capitalized expenses	84.4	55.7
Changes in consolidation scope	319.5	139.6
Reclassification	-227.0	30.4
Decreases	-700.1	-1,733.2
Depreciation of the period	-134.8	-130.5
Net impairment loss of the period	-186.1	-53.5
Carrying amount as at 31 December current year	**12,731.6**	**12,473.3**
Accumulated amortization and impairment as at 31 December current year	**1,614.2**	**1,473.7**
Gross bookvalue as at 31 December current year	**14,345.8**	**13,947.0**
Fair value	**17,941.8**	**18,130.1**

The fair value of land and buildings (investment properties) is mainly based on external appraisals.

4.2 – Investments in subsidiaries, associated companies and joint ventures

(€ million)	31/12/2009	31/12/2008
Investments in non-consolidated subsidiaries	171.4	732.3
Investments in associated companies valued at equity	1,383.0	1,376.7
Investments in joint ventures	111.9	98.6
Investments in other associated companies	320.1	360.7
Total	**1,986.4**	**2,568.4**

The decrease of investments in non-consolidated subsidiaries (€ 560.9 million) is mainly due to the corporate merger of Generali Partecipazioni S.p.A. in Assicurazioni Generali S.p.A.

4.3 – Held to maturity investments

(€ million)	31/12/2009	31/12/2008
Quoted bonds	3,148.4	1,778.7
Other held to maturity investments	17.3	19.3
Total	**3,165.7**	**1,798.0**

The Group limits the accounting in this category to investments that companies have the positive intention to hold to maturity. Therefore, these account for only 1% of total investments.
The amount basically represents quoted bonds, mainly medium-long term with high rating classes and fixed interest rate. The increase of this category is mainly due to the reclassification of bonds by Chinese companies and by group Banca Generali.
The fair value of held to maturity investments is € 3,160.2 million, of which € 3,142.9 represented by quoted bonds.

4.4 – Loans and receivables

(€ million)	31/12/2009	31/12/2008
Loans	**74,789.2**	**62,192.7**
Unquoted bonds	52,498.3	38,888.5
Deposits under reinsurance business accepted	506.4	429.9
Other loans and receivables	21,784.5	22,874.4
Mortgage loans	8,412.0	8,835.2
Policy loans	3,287.2	3,324.5
Term deposits with credit institutions	4,984.5	6,275.0
Other loans	5,100.8	4,439.7
Receivables from banks or customers	**6,500.3**	**6,999.7**
Receivables from banks	3,329.4	3,909.7
Receivables from customers	3,170.9	3,090.0
Total	**81,289.4**	**69,192.5**

This category accounts for 23.8% of total investments. It mainly consists of unquoted bonds and mortgage loans, which represent 70.2% and 11.2% of total loans, respectively. More than 90% of bonds is represented by fixed interest mostly medium- or long-term rate bonds.

As already mentioned in the Report the category shows an increase following the transfer of € 14,658.2 million corporate bonds previously classified mainly as available for sale financial assets, effective from 1 January 2009.

The fair value of total loans amounts to € 77,746.7 million, of which € 54,966.2 million related to bonds.

Receivables from banks or customers are mainly short-term.

4.5 – Available for sale financial assets

(€ million)	31/12/2009	31/12/2008
Unquoted equities at cost	354.0	364.7
Equities at fair value	17,524.1	15,926.5
Quoted	16,092.8	14,382.7
Unquoted	1,431.3	1,543.8
Bonds	145,529.2	144,707.7
Quoted	137,913.5	133,767.7
Unquoted	7,615.7	10,940.0
Investment fund units	10,890.3	11,216.7
Other available for sale financial assets	2,116.9	1,485.6
Total	**176,414.6**	**173,701.1**

As already mentioned, 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 available for sale financial assets amounts to € 172,442.8 million.

As permitted by the IAS 39 amendment € 14,028.0 million corporate bonds have been transferred to the loans category, effective from 1 January 2009; net of sells and repayments, they amount to € 12,560.5 million.

(€ million) 31/12/2009	Fair value	Unrealized gains / losses	Amortized cost
Unquoted equities at cost	354.0	0.0	354.0
Equities at fair value	17,524.1	928.6	16,595.5
Bonds	145,529.2	2,996.0	142,533.2
Investment fund units	10,890.3	137.8	10,752.5
Other available for sale financial assets	2,116.9	-90.6	2,207.5
Total	**176,414.6**	**3,971.8**	**172,442.8**

(€ million) 31/12/2008	Fair value	Unrealized gains / losses	Amortized cost
Unquoted equities at cost	364.7	0.0	364.7
Equities at fair value	15,926.5	-3,270.6	19,197.1
Bonds	144,707.7	-2,193.5	146,901.3
Investment fund units	11,216.7	-775.7	11,992.4
Other available for sale financial assets	1,485.6	10.8	1,474.7
Total	**173,701.1**	**-6,229.0**	**179,930.1**

This category accounts for 51.7% of total investments.
In particular, available for sale bonds represent 68.5% of total bonds and they are mainly government bonds, with fixed interest rate and rating higher than A-. The maturity is shown in the table below.

(€ million)	Fair value 31/12/2009	Fair value 31/12/2008
Up to 1 year	7,665.0	12,348.4
Between 1 and 5 years	38,592.9	39,987.1
Between 5 and 10 years	49,154.5	42,931.8
More than 10 years	49,877.9	49,254.7
Perpetual	238.8	185.8
Total	**145,529.2**	**144,707.8**

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

(€ million) 31/12/2009	Realized gains	Realized losses	Impairment losses
Equities	1,191.9	-1,199.8	-916.2
Bonds	1,589.9	-325.5	-5.9
Investment fund units	128.4	-114.7	-238.7
Other available for sale financial assets	31.8	-19.5	-57.8
Total	**2,942.0**	**-1,659.5**	**-1,218.6**

(€ million) 31/12/2008	Realized gains	Realized losses	Impairment losses
Equities	1,247.3	-1,074.7	-3,533.5
Bonds	626.7	-488.9	-227.0
Investment fund units	251.6	-232.1	-258.0
Other available for sale financial assets	45.9	-42.0	-33.6
Total	**2,171.5**	**-1,837.7**	**-4,052.1**

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	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Equities	55.5	362.5	3,061.2	1,716.3	3,116.8	2,078.8
Quoted	51.3	362.5	2,651.3	1,046.7	2,702.6	1,409.2
Unquoted	4.3	0.0	409.9	669.6	414.2	669.6
Bonds	954.3	1,485.6	10,294.4	13,340.9	11,248.7	14,826.5
Quoted	789.8	1,236.1	8,279.4	10,291.5	9,069.1	11,527.6
Unquoted	164.5	249.5	2,015.0	3,049.4	2,179.5	3,298.8
Investment fund units	62.3	563.3	3,994.0	3,187.5	4,056.3	3,750.8
Derivatives	1,002.7	2,177.4	1,094.4	835.2	2,097.1	3,012.6
Investments back to policies where the investment risk is borne by the policyholders and back to pension funds	0.0	0.0	42,467.2	41,351.4	42,467.2	41,351.4
Other financial investments	167.9	13.0	2,771.6	2,368.6	2,939.5	2,381.6
Total	**2,242.7**	**4,601.8**	**63,682.8**	**62,799.9**	**65,925.5**	**67,401.7**

This category accounts for 19.3% of total investments. In particular, these investments are concentrated in life segment (€ 63,100.4 million, which accounts for 95.7% of this category). The weight of non-life segment (€ 971.3 million) and financial segment (€ 1,853.8 million) on this item is 1.5% and 2.8% respectively.

As already mentioned, € 630,2 million bonds held for trading have been transferred in the loans category, effective from 1 January 2009; net of sells and repayments, they amount to € 625.2 million.

This category includes also investments back to policies where the risk is borne by the policyholders, which amount to € 42,467.2 million.

(€ million)	Policies where the investment risk is borne by the policyholders 31/12/2009	31/12/2008	Pension funds 31/12/2009	31/12/2008	Total 31/12/2009	31/12/2008
Assets	41,420.6	40,619.3	1,046.6	732.1	42,467.2	41,351.4
Total	**41,420.6**	**40,619.3**	**1,046.6**	**732.1**	**42,467.2**	**41,351.4**
Financial liabilities	7,732.9	6,261.8	538.9	285.7	8,271.9	6,547.5
Insurance provisions (*)	33,825.4	34,661.5	296.1	302.9	34,121.5	34,964.4
Total	**41,558.3**	**40,923.4**	**835.0**	**588.6**	**42,393.3**	**41,511.9**

(*) Insurance provisions are net of amounts ceded to reinsurers from insurance provisions.

Further information on reclassified financial instruments

(€ million)	Book Value reclassified as at 01/01/2009	Sales and pay-backs of the year	Difference	Fair Value as at 31/12/2009
Available for sale financial assets	14,028.0	-1,467.5	12,560.5	13,235.3
Financial assets at fair value through profit or loss	630.2	-5.0	625.2	640.6
Total reclassified investments	**14,658.2**	**-1,472.5**	**13,185.7**	**13,875.8**

Following the favorable performance of corporate bonds during the year, the reclassification of investments previously classified as available for sale financial assets, had a gross negative impact on equity reserve of € 674.8 million (group share plus minorities) compared with previous classification, and, net of policyholders share and deferred taxes, of € 129,3 million.
Furthermore, the reclassification of investments previously classified at fair value through profit or loss had a gross negative impact on profit or loss (€ -15.4 million) compared with previous classification, and, net of policyholders share and deferred taxes, of € 2,8 million.

5 – Receivables

This category includes receivables arising out of direct insurance and reinsurance operations, and other receivables. Other receivables, which amount to € 653.1 million, refer to the real estate activity.

6 – Other assets

(€ million)	31/12/2009	31/12/2008
Non-current assets or disposal groups classified as held for sale	26,925.7	41.1
Deferred acquisition costs	1,773.4	1,712.7
Tax receivables	2,131.4	2,615.6
Deferred tax assets	3,674.0	5,011.5
Other assets	6,210.6	6,339.4
Accrued interest income	4,273.9	4,186.3
Other accrued income	378.5	340.5
Deferred income	313.8	332.5
Deferred commissions for investment management services	83.5	107.0
Other assets	1,160.9	1,373.1
Total	**40,715.2**	**15,720.3**

Intesa Vita assets are classified as Non-current assets or disposal groups classified as held for sale, as already mentioned in the Part C of this Report. For further detail about Non-current assets or disposal groups classified as held for sale refer to the Part H of this Report.

Non- current assets or disposal groups classified as held for sale also include real estates property for which the sale is expected to be completed within one year. In accordance with IFRS 5, such real estates are accounted for in a separate item and are measured at the lower between their carrying amount and the fair value net of selling costs.

Deferred acquistion costs

	Segment Life		Segment Non Life		Total	
(€ million)	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Carrying amount as at 31 December previous year	**1,199.3**	**1,048.1**	**513.4**	**483.6**	**1,712.7**	**1,531.7**
Acquisition costs deferred	346.1	344.0	125.9	88.0	472.0	432.0
Changes in consolidation scope	0.0	0.2	3.5	50.1	3.5	50.4
Amortization of the period	-229.5	-193.0	-167.3	-105.7	-396.8	-298.8
Other movements	0.5	0.0	-18.6	-2.6	-18.1	-2.6
Carrying amount as at 31 December current year	**1,316.4**	**1,199.3**	**457.0**	**513.4**	**1,773.4**	**1,712.7**

The deferred acquisition costs increased from € 1,712.7 million at 31 December 2008 to € 1,773.4 million at 31 December 2009. The decrease is mainly due to the slowing down of production in the Motor-business.

7 – Cash and cash equivalents

(€ million)	31/12/2009	31/12/2008
Cash and cash equivalents	2,240.3	3,365.4
Cash and balances with central banks	2.1	3.4
Cash at bank	8,222.4	7,168.3
Total	**10,464.8**	**10,537.2**

Casa Rosada, Buenos Aires - Argentina

Equity and Liabilities

1 – Shareholders' equity

(€ million)	31/12/2009	31/12/2008
Shareholders' equity attributable to the Group	**16,652.3**	**11,312.8**
Share capital	1,556.9	1,410.1
Capital reserves	7,090.8	4,567.2
Revenue reserves and other reserves	6,602.4	7,526.5
(Own shares)	-403.5	-1,866.8
Reserve for currency translation differences	-109.0	-108.5
Reserve for unrealized gains and losses on available for sale financial assets	729.6	-1,105.7
Reserve for other unrealized gains and losses through equity	-123.9	29.1
Result of the period	1,309.1	860.9
Shareholders' equity attributable to minority interests	**3,272.0**	**4,160.3**
Total	**19,924.3**	**15,473.1**

Share capital is made up of 1,556,873,283 ordinary shares with a par value of € 1.
Own shares amount to € 403.5 million, or 16,031,920 shares, compared to € 1,866.8 million at 31 December 2008. The decrease compared to the beginning of the year is mainly due to the payment of a dividend through the issue of one bonus share for every 25 shares held, as approved by the Parent Company at its General Shareholders' Meeting on 24 April 2009.

The Group's share capital and reserves increased by € 2,677.6 million following the previously mentioned merger of Alleanza Assicurazioni and Toro Assicurazioni into Assicurazioni Generali. Shareholders' equity attributable to minority interests decreased by € 1,069.0 million due to the elimination of the carrying amount of the minority interests in Alleanza acquired.

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 € -1,105.7 million at 31 December 2008 to € 729.6 million. The increase in this reserve is due to a rise in the value of the corporate bond and equity components due to the recovery of stock markets in 2009.

The reserve for other unrealized gains and losses through equity includes gains and losses on GBP/Euro exchange rate and interest expense rates hedging derivative instruments, classified as cash flow hedge, realized following the issue of some subordinated liabilities. The unrealized gains and losses on hedging derivatives are deferred through this reserve of the shareholders' capital and reversed to profit and loss account when the gains or losses on hedged items are recognized.
This reserve also includes unrealized gains and losses on hedging derivatives of a net investment in a foreign operation. In particular, this reserve comprises the fair value change on derivatives hedging the currency risk linked to Czech crown investments held by Generali – PPF Holding, which is controlled by the Parent company, as well.

2 – Other provisions

(€ million)	31/12/2009	31/12/2008
Provisions for taxation	452.9	409.8
Provisions for commitments	821.7	936.2
Other provisions	551.6	602.4
Total	**1,826.2**	**1,948.3**

The main changes occurred in the period are shown in the table below.

(€ million)	31/12/2009	31/12/2008
Carrying amount as at 31 December previous year	**1,948.3**	**1,735.4**
Foreign currency translation effects	0.3	3.0
Changes in consolidation scope	-8.3	113.2
Variations	-114.2	96.7
Carrying amount as at 31 December current year	**1,826.2**	**1,948.3**

3 – Insurance provisions

	Direct insurance		Accepted reinsurance		Total	
(€ million)	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Non-life insurance provisions (*)	**32,264.0**	**32,387.3**	**1,393.0**	**1,376.7**	**33,657.0**	**33,764.0**
Provisions for unearned premiums	5,848.8	5,907.2	115.8	107.1	5,964.6	6,014.2
Provisions for outstanding claims	26,063.4	26,066.9	1,273.2	1,264.8	27,336.6	27,331.7
Other insurance provisions	351.7	413.2	4.1	4.8	355.8	418.0
of which provisions for liability adequacy test	4.0	5.9	0.0	0.0	4.0	5.9
Life insurance provisions (*)	**274,480.9**	**266,455.9**	**1,455.6**	**1,540.9**	**275,936.5**	**267,996.8**
Provisions for outstanding claims	4,225.2	4,086.9	556.3	685.5	4,781.5	4,772.3
Mathematical provisions	220,315.4	218,687.9	706.4	664.6	221,021.7	219,352.5
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	34,055.4	34,865.0	66.5	100.2	34,122.0	34,965.2
Other insurance provisions	15,884.9	8,816.1	126.3	90.6	16,011.3	8,906.7
of which provisions for liability adequacy test	1,231.9	1,120.0	48.2	17.4	1,280.1	1,137.4
of which deferred policyholder liabilities	-559.2	-7,329.9	0.0	0.0	-559.2	-7,329.9
Total	**306,744.9**	**298,843.1**	**2,848.6**	**2,917.6**	**309,593.5**	**301,760.7**

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

The decrease in the non-life insurance provisions (-0.4% compared to 2008) is mainly attributable to the reduction in premiums provisions, which reflects the slowing down in production, whereas the stable amount of outstanding claims provisions confirms the prudence on reservation levels defined by the Group.
In the life segment, in spite of the reclassification of Intesa Vita provisions, there is an increase of 3%. On a like for like basis there is an increase of 11.1%; both the traditional portfolio provisions (due to the development of net cash flow) and provisions for policies where the risk is borne by policyholders (following the recovery of financial markets in the first half of the year) contribute to this trend.
The deferred policyholder liabilities show a turnaround, due to the abovementioned recovery of financial markets.
Total of other life insurance provisions includes both provisions for profit sharing and premium refunds, which amount to € 7,538.2 million compared to € 8,056.8 million in 2008, and ageing provisions for life segment, which amount to € 7,585.3 million compared to € 6,898.7 million in 2008.

Provisions for outstanding claims

	Gross direct insurance	
(€ million)	**31/12/2009**	**31/12/2008**
Motor	11,561.5	11,618.1
Non motor	14,501.9	14,448.8
Personal and commercial lines	11,913.6	12,038.3
Accident/Health (*)	2,588.3	2,410.5
Total	**26,063.4**	**26,066.9**

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

The weight of motor line of business provision on net claims provisions has slightly decreased at 44.4% compared to 44.6% in 2008. Among non motor lines of business, the personal and commercial ones weight for 82.2%.

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

	Net	
(€ million)	**31/12/2009**	**31/12/2008**
Insurance contracts	203,901.7	190,584.8
Investment contracts with discretionary participation feature	57,763.1	69,571.9
Total insurance provisions	**261,664.7**	**260,156.6**
Investments contracts fair valued	8,469.8	6,907.5
Investments contracts at amortised cost	2,934.0	2,558.5
Total financial liabilities	**11,403.8**	**9,466.0**
Total	**273,068.5**	**269,622.6**

Total insurance provisions includes the following items: mathematical provisions, and provisions for policies where the investment risk is borne by the policyholders and for pension fund net of reinsurance, which

amount to € 219,961.6 million and € 34,121.4 million, respectively; and net ageing provisions for life segment, which are € 7,581.7 million and accounted for in other insurance provisions of the life segment.
Policies with significant insurance risk account for 74.7% of total life portfolio (70.7% at 2008), while investment contracts with discretionary participation feature account for 21.2% (25.8% in 2008).
Investment contracts within the scope of IAS 39 account for 4.2% compared to 3.5% in 2008. They are mainly unit/index linked policies without significant insurance risk.

Mathematical provisions and ageing for life segment

(€ million)	Gross direct amount 31/12/2009	31/12/2008
Carrying amount as at 31 December previous year	**225,581.9**	**216,742.6**
Foreign currency translation effects	-337.9	769.2
Premiums and payments	5,553.6	-1,726.4
Interests and bonuses credited to policyholders	10,234.7	7,618.8
Change of the management component	-10.0	-25.8
Transfer to Non-current assets or disposal groups classified as held for sale	-12,998.3	0.0
Acquisitions, disinvestments and other movements	-126.9	2,203.5
Carrying amount as at 31 December current year	**227,897.1**	**225,581,9**

Interest and bonuses credited to policyholders include the attribution of financial return and the transfer of technical margins to the policyholders, mainly in Germany.
The increase in premiums and payments is mainly attributable to an increase in net inflows in the traditional business and to the decrease of surrenders.
The impact of transfer to non-current assets or disposal groups classified as held for sale is due to the reclassification of Intesa Vita, ad defined by IFRS 5.

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

(€ million)	Gross direct amount 31/12/2009	31/12/2008
Carrying amount as at 31st December previous year	**34,865.0**	**44,250.4**
Foreign currency translation effects	-0.1	333.0
Premiums and claims	1,468.9	-147.5
Interests and bonuses credited to policyholders	5,035.3	-9,577.6
Acquisitions, disinvestments and other	-133.1	6.8
Transfer to Non-current assets or disposal groups classified as held for sale	-7,180.6	0.0
Carrying amount as at 31st December current year	**34,055.4**	**34,865.0**

The development of provisions for policies where the investment risk is borne by the policyholder and for pension funds reflects the increase in both the net inflows and policyholder partecipation on unrealised gains

on assets backing unit/index linked policies, following the recovery of financial markets.
The impact of transfer to non-current assets or disposal groups classified as held for sale is due to the re-classification of Intesa Vita, as defined by IFRS 5.

Deferred policyholders liabilities

(€ million)	31/12/2009	31/12/2008
Carrying amount as at 31 December previous year	**-7,329.9**	**2,652.9**
Foreign currency translation effects	-2.1	4.2
Change of the period	7,476.3	-9,965.1
Acquisitions and disinvestments	-703.6	-21.9
Carrying amount as at 31 December current year	**-559.2**	**-7,329.9**

The decrease is manly due to the attribution to the policyholders of a share of the net unrealized gains on available for sale financial assets and financial instruments fair valued through profit or loss in the portfolio of companies operating in the life segment, due to the recovery of financial markets during the second half of 2009.

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	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Financial liabilities related to investment contracts issued by insurance companies	0.0	0.0	8,469.8	6,907.5	8,469.8	6,907.5
where the investment risk is borne by the policyholders	0.0	0.0	7,732.9	6,261.8	7,732.9	6,261.8
pension funds	0.0	0.0	538.9	285.7	538.9	285.7
other financial liabilities related to investment contracts	0.0	0.0	198.0	360.0	198.0	360.0
Derivatives	816.3	1,784.2	656.6	621.3	1,472.9	2,405.5
Other financial liabilities	0.0	0.0	351.7	460.4	351.7	460.4
Total	**816.3**	**1,784.2**	**9,478.2**	**7,989.1**	**10,294.5**	**9,773.3**

4.2 – Other financial liabilities

(€ million)	31/12/2009	31/12/2008
Subordinated liabilities	**6,422.3**	**6,041.0**
Loans and bonds	**15,480.2**	**12,732.7**
Deposits received from reinsurers	1,084.0	996.0
Bonds	6,132.2	4,536.3
Other loans	4,615.3	3,936.0
Financial liabilities related to investment contracts issued by insurance companies	2,934.0	2,558.5
Hedging derivatives	714.8	705.9
Liabilities to banks or customers	**18,189.5**	**18,183.5**
Liabilities to banks	372.2	511.7
Liabilities to customers	17,817.3	17,671.8
Total	**40,092.1**	**36,957.2**

Other loans includes € 706.4 million, which refers to the amount collected from Intesa San Paolo for the sale of Intesa Vita.

Here below a list of the main subordinated issuances in the market and their features:

Issuer	Coupon	Outstanding (*)	Currency	Issue date	Call date	Maturity
Assicurazioni Generali	6.90%	750.0	EUR	20/07/2000	20/07/2012	20/07/2022
Generali Finance B.V.	5.32%	1,275.0	EUR	16/06/2006	16/06/2016	Perp
Generali Finance B.V.	6.21%	700.0	GBP	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350.0	GBP	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	1,250.0	EUR	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	6.42%	495.0	GBP	08/02/2007	08/02/2022	Perp

(*) in million.

In this category there are unquoted private placements issued by Assicurazioni Generali S.p.A., which amount to € 1,500 million.
The fair value of subordinated liabilities amounts to € 6,296.9 million.

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

Issuer	Coupon	Outstanding (*)	Valuta	Issue date	Maturity
Assicurazioni Generali	6.15%	1,750.0	EUR	20/07/2000	20/07/2010
Generali Finance B.V.	4.75%	1,500.0	EUR	12/05/1999	12/05/2014
Generali Finance B.V.	3.88%	500.0	EUR	06/05/2005	06/05/2015
Assicurazioni Generali	4.87%	750.0	EUR	11/03/2009	11/11/2014
Assicurazioni Generali	5.12%	1,750.0	EUR	16/09/2009	16/09/2024

(*) in million.

The fair value of bonds issued (mainly fixed interest rate bonds) amounts to € 6.550,6 million.

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

5 – Payables

(€ million)	31/12/2009	31/12/2008
Payables arising out of direct insurance operations	**3,602.0**	**3,601.4**
Payables arising out of reinsurance operations	**763.5**	**893.6**
Other payables	**3,015.8**	**2,684.8**
Payables to employees	904.9	760.7
Provision for defined benefit plans (employee severance pay)	128.3	142.7
Payables to clients and suppliers	728.1	740.1
Social security	144.2	143.5
Other payables	1,110.3	897.9
Total	**7,381.4**	**7,179.9**

Other payables include € 143.2 million related to real estate activities. They are mainly due within a year.

6 – Other liabilities

(€ million)	31/12/2009	31/12/2008
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	25,307.4	0.0
Deferred tax liabilities	3,908.0	5,461.0
Tax payables	1,012.9	893.1
Other liabilities	4,476.7	4,491.8
Provision for other defined benefit plans	2,523.3	2,480.8
Termination benefit liabilities	92.9	101.9
Accrued interest expense	391.9	365.9
Other accrued expenses	374.2	303.8
Deferred expenses	89.9	104.2
Deferred income for investment management services	18.3	27.8
Other liabilities	986.2	1,107.5
Total	**34,705.1**	**10,845.9**

The category Liabilities directly associated to non-current assets and disposed group classified as held for sale includes Intesa Vita liabilities. For further detail about Liabilities directly associated to non-current assets and disposal groups classified as held for sale refer to the Part H of this Report.

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)	31/12/2009	31/12/2008	31/12/2007	31/12/2006	31/12/2005
Present value of defined benefit plan obligation	4,030.2	3,800.4	3,194.4	3,371.7	3,496.4
Fair value of plan assets	-1,401.0	-1,321.2	-682.2	-675.1	-657.4
Status funded	**2,629.2**	**2,479.3**	**2,512.2**	**2,696.6**	**2,838.9**
Net actuarial gains or (losses) not recognised	22.3	145.0	77.8	-172.8	-277.3
Past service cost not recognised	0.2	-0.9	-0.3	-12.8	-13.4
Net liability recognised in the Balance Sheet	**2,651.6**	**2,623.4**	**2,589.7**	**2,511.1**	**2,548.2**

The funded status arising from the application of IAS 19 increases from € 2,479.3 as at 31 December 2008 million to € 2,629.2 million as at 31 December 2009.

The increase is mainly due to the increase of the present value of the defined benefit plan obligation, following the reduction of the discount rate applied in the "Project Unit Credit Method"[3] 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 the 60% of the present value of defined benefit obligations. Moreover, in these countries, the pension guarantee associations, against yearly contributions paid by the companies, are liable under its articles of association for the fulfilment of the pension commitments granted in case of companies insolvency.

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

(€ million)	31/12/2009	31/12/2008
Current service cost	63.6	87.9
Interest expense	176.3	167.1
Expected return on plan assets	-43.2	-53.4
Net actuarial losses recognised in the period	2.8	13.8
Past service cost	3.3	3.3
Curtailments and settlements effect	-5.4	-6.5
Net expense recognised in the income statement	**197.4**	**212.2**

The table below shows the net defined benefit plans liability movements occurred during the financial year 2009:

(€ million)	31/12/2009	31/12/2008
Net liability as at 31 December previous year	**2,623.4**	**2,589.7**
Foreign currency translation effects	0.6	2.4
Net expense recognised in the income statement	197.0	211.9
Contributions and benefits payed	-158.2	-212.6
Changes in consolidation scope	0.0	53.4
Net liability as at 31 December current year	**2,651.6**	**2,623.4**

3 Refer to Assicurazioni Generali, Annual Report 2009, Basis for Presentation and Accounting Principles.

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

	(%) 31/12/2009	(%) 31/12/2008
Bonds	56.8	55.6
Equities	13.3	15.5
Real estates	11.1	15.6
Investment fund units	5.0	1.9
Other investments	13.8	11.4
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 2008 are as follows:

	(%) 31/12/2009	(%) 31/12/2008
Discount rate	4.7	5.2
Expected long-term rate of return on plan assets	4.1	4.1
Rate of salary increase	2.9	3.1
Rate of pension increase	1.5	1.6

NOTES TO THE INCOME STATEMENT

1 – Income

1.1 – Net earned premiums

(€ million)	Gross amount 31/12/2009	Gross amount 31/12/2008	Reinsurers' share 31/12/2009	Reinsurers' share 31/12/2008	Net amount 31/12/2009	Net amount 31/12/2008
Non-life earned premiums	**21,713.3**	**21,800.0**	**-1,780.7**	**-1,852.4**	**19,932.7**	**19,947.6**
Premiums written	21,635.6	21,989.7	-1,804.0	-1,889.2	19,831.6	20,100.5
Change in the provision for unearned premiums	77.7	-189.7	23.4	36.8	101.1	-152.9
Life premiums	**44,876.4**	**42,816.1**	**-773.0**	**-781.5**	**44,103.4**	**42,034.6**
Total	**66,589.7**	**64,616.2**	**-2,553.6**	**-2,634.0**	**64,036.1**	**61,982.2**

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

(€ million)	31/12/2009	31/12/2008
Fee and commission income from banking activity	181.5	183.4
Fee and commission income from asset management activity	805.9	751.7
Fee and commission income related to investment contracts	152.2	204.8
Fee and commission income related to pension funds management	49.7	0.0
Total	**1,189.1**	**1,139.9**

Commission income related to pension funds management, which amount to € 49.7 million, refer to the characteristic activity of companies, which are included for the first time in consolidation scope in 2009.

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

(€ million)	Financial investments held for trading 31/12/2009	Financial investments held for trading 31/12/2008	Financial investments back to policies where the investment risk is borne by the policyholders and related to pension funds 31/12/2009	Financial investments back to policies where the investment risk is borne by the policyholders and related to pension funds 31/12/2008	Financial investments designated as at fair value through profit or loss 31/12/2009	Financial investments designated as at fair value through profit or loss 31/12/2008	Total financial investments at fair value through profit or loss 31/12/2009	Total financial investments at fair value through profit or loss 31/12/2008
Interest and other income	120.4	208.8	484.8	725.2	873.2	856.9	1,478.4	1,790.9
Realized gains	968.1	887.8	349.5	206.4	1,077.5	1,016.5	2,395.1	2,110.7
Realized losses	-1,214.2	-644.0	-336.1	-1,157.3	-1,016.2	-1,638.1	-2,566.5	-3,439.5
Unrealized gains	289.8	428.1	8,762.5	2,761.3	4,527.6	845.2	13,579.9	4,034.6
Unrealized losses	-479.0	-560.5	-4,109.9	-12,400.7	-2,800.8	-3,531.0	-7,389.8	-16,492.1
Total	**-314.9**	**320.2**	**5,150.7**	**-9,865.1**	**2,661.2**	**-2,450.5**	**7,497.1**	**-11,995.5**

Net income from financial assets at fair value through profit or loss mainly refer to the life segment (€ -7,567.7 million). This item is not material for the other segments (€ 150.9 million in the non-life segment and € -80.2 million in the financial one).

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

(€ million)	31/12/2009	31/12/2008
Dividends and other income	38.7	80.4
Realized gains	46.3	402.2
Reversal of impairment	0.1	0.0
Total	**85.1**	**482.7**

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

(€ million)	31/12/2009	31/12/2008
Interest income	**9,678.8**	**10,719.9**
Interest income from held to maturity investments	88.0	65.6
Interest income from loans and receivables	3,548.6	3,239.0
Interest income from available for sale financial assets	5,926.0	7,191.2
Interest income from other receivables	13.3	28.0
Interest income from cash and cash equivalents	102.9	196.0
Other income	**2,046.5**	**2,465.1**
Income from land and buildings (investment properties)	999.4	935.8
Other income from available for sale financial assets	1,047.1	1,529.3
Realized gains	**3,567.7**	**2,825.8**
Realized gains on land and buildings (investment properties)	360.8	632.2
Realized gains on held to maturity investments	0.1	2.9
Realized gains on loans and receivables	263.3	0.6
Realized gains on available for sale financial assets	2,942.0	2,171.5
Realized gains on other receivable	0.8	0.0
Realized gains on financial liabilities at amortised cost	0.7	18.7
Reversal of impairment	**184.3**	**113.9**
Reversal of impairment of land and buildings (investment properties)	11.8	18.3
Reversal of impairment of loans and receivables	56.3	42.8
Reversal of impairment of available for sale financial assets	2.9	0.3
Reversal of impairment of other receivables	113.4	52.6
Total	**15,477.4**	**16,124.8**

1.6 – Other income

(€ million)	31/12/2009	31/12/2008
Gains on foreign currencies	784.8	1,395.0
Income from tangible assets	95.9	172.1
Reversal of other provisions	321.4	133.9
Leasing fees	0.9	3.4
Income from service and assistance activities and recovery of charges	546.2	464.0
Income from non-current assets or disposal group classified as held for sale	14.7	61.2
Other technical income	343.1	309.0
Other income	268.1	281.8
Total	**2,375.0**	**2,820.5**

2 – Expenses

2.1 – Net insurance benefits and claims

(€ million)	Gross amount		Reinsurers' share		Net amount	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Non-life net insurance benefits and claims	**15,467.9**	**15,328.9**	**-1,291.2**	**-1,522.4**	**14,176.7**	**13,806.5**
Claims paid	15,512.0	14,679.3	-1,330.6	-1,157.1	14,181.5	13,522.2
Change in the provisions for outstanding claims	17.5	541.7	40.4	-367.3	57.8	174.4
Change in claims paid to be recovered	-42.0	44.0	0.6	0.3	-41.4	44.3
Change in other insurance provisions	-19.6	64.0	-1.5	1.7	-21.1	65.7
Life net insurance benefits and claims	**54,468.6**	**31,266.6**	**-467.2**	**-479.0**	**54,001.4**	**30,787.6**
Claims payments	31,871.2	38,752.6	-451.8	-459.0	31,419.4	38,293.5
Change in the provisions for outstanding claims	103.3	-9.9	19.3	-4.1	122.6	-14.0
Change in the mathematical provisions	15,225.6	5,073.0	-23.4	-23.4	15,202.2	5,049.6
Change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	6,470.5	-9,732.1	-13.7	-11.8	6,456.8	-9,743.9
Change in other insurance provisions	797.9	-2,816.9	2.4	19.3	800.3	-2,797.6
Total (*)	**69,936.5**	**46,595.5**	**-1,758.4**	**-2,001.4**	**68,178.1**	**44,594.1**

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

The decrease of payments in the life segment (-17.8%) is mainly attributable the surrenders decreasing trend (down 33%).

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

(€ million)	31/12/2009	31/12/2008
Fee and commission expenses from banking activity	183.2	208.8
Fee and commission expenses from asset management activity	105.1	100.7
Fee and commission expenses related to investment contracts	96.3	135.5
Fee and commission expenses related to pension funds management	22.0	0.0
Total	**406.7**	**445.0**

Commission expenses related to pension funds management, which amount to € 22.0 million, refer to the characteristic activity of companies, which are included for the first time in consolidation scope in 2009.

2.3 – Expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2009	31/12/2008
Realized losses	50.7	11.4
Impairment losses	9.3	452.8
Total	**60.0**	**464.2**

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

(€ million)	31/12/2009	31/12/2008
Interest expense	**1,262.7**	**1,531.4**
Interest expense on subordinated liabilities	410.8	360.1
Interest expense on loans, bonds and other payables	607.7	940.0
Interest expense on deposits received from reinsurers	35.7	37.3
Other interest expense	208.5	194.0
Other expenses	**320.1**	**348.4**
Depreciation of land and buildings (investment properties)	134.8	130.5
Expenses from land and buildings (investment properties)	185.3	217.9
Realized losses	**1,828.3**	**1,851.5**
Realized losses on land and buildings (investment properties)	9.1	5.6
Realized losses on held to maturity investments	0.0	0.0
Realized losses on loans and receivables	142.7	6.1
Realized losses on available for sale financial assets	1,659.5	1,837.7
Realized losses on other receivables	11.4	2.0
Realized losses on financial liabilities at amortized cost	5.6	0.0

(continues)

(continues)

(€ million)	31/12/2009	31/12/2008
Impairment losses	**1,866.7**	**4,702.6**
Impairment of land and buildings (investment properties)	197.9	71.8
Impairment of loans on hold to maturity investments	3.7	0.0
Impairment of loans and receivables	385.1	534.6
Impairment of available for sale financial assets	1,218.6	4,052.1
Impairment of other receivables	61.4	44.0
Total	**5,277.8**	**8,433.9**

Impairments on financial assets available for sale mainly refer to quoted equity.

2.5 – Acquisition and administration costs

	Non-life segment		Life segment		Financial segment	
(€ million)	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Net acquisition costs and other commissions	4,197.2	4,181.5	3,938.5	3,919.8	0.0	0.0
Investment management expenses (*)	73.4	80.6	293.6	343.8	-4.7	1.6
Other administration costs	1,290.8	1,318.2	1,027.3	1,114.0	768.2	692.4
Total	**5,561.4**	**5,580.3**	**5,259.4**	**5,377.6**	**763.5**	**694.0**

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

In other administration costs of the life segment, administration expenses related to investment contracts amount to € 48.5 million compared to € 70.2 million in 2008, while administrative expenses of non-insurance companies amount to € 8.3 million compared to € 10.7 million in 2008. In the non-life segment, administrative expenses of non-insurance companies amount to € 72.3 million, compared to € 67.0 million in 2008, of which € 51.6 million (€ 43.2 million in 2008) refer to the real estate activity.

2.6 – Other expenses

(€ million)	31/12/2009	31/12/2008
Amortization and impairment of intangible assets	353.3	364.1
Amortization of tangible assets	104.7	106.7
Expenses from tangible assets	110.9	161.8
Losses on foreign currencies	513.5	948.3
Restructuring charges, termination employee benefit expenses and allocation to other provisions	429.7	396.1
Other taxes	147.5	138.2
Expenses from service and assistance activities and charges incurred on behalf of third parties	446.9	325.4
Expenses from non-current assets or disposal group classified as held for sale	1.1	0.6
Other technical expenses	441.7	451.7
Holding costs	298.5	323.7
Other expenses	237.1	308.1
Total	**3,084.9**	**3,524.6**

3 – Income taxes

(€ million)	31/12/2009	31/12/2008
Income taxes	773.3	556.7
Italy	193.8	90.8
Other countries	579.4	465.9
Deferred taxes	-275.1	-84.2
Italy	-335.4	161.0
Other countries	60.3	-245.2
Total	**498.1**	**472.5**

Over the 2009 year, income taxes increased by € 25.6 million, whereas the tax rate decreased from 30.8% to 23.0%, with a reduction of 7.8 percentage points compared to the previous year.
The 2009 tax rate was positively affected by a decreased amount of non-deductible impairment losses on equity securities and by a substantially different geographical distribution of earnings realized by Group companies. In fact, the 2009 year is characterised by a significant incidence of earnings located in low-taxed countries.
The table below shows the reconciliation between expected and effective tax rate, which is based on tax rates currently in force in each country for each consolidated subsidiary and takes into consideration the impact of the intra-group operations.

(€ million)	31/12/2009	31/12/2008
Expected income tax rate	**25.79%**	**27.24%**
Earnings before taxes	**2,168.4**	**1,536.5**
Expected income tax expense	**559.3**	**418.5**
Net tax exempt income	56.0	68.4
Effect of tax losses	-4.3	-4.0
IRAP and other local income taxes	28.0	51.5
Other adjustments	-140.8	-61.8
Tax expenses	**498.1**	**472.5**
Effective tax rate	**22.97%**	**30.75%**

The expected income tax rate is calculated on the basis of the weighted average of the tax rates currently in force in each country for each consolidated subsidiary. Such tax rate is applied to the consolidated earnings before taxes in order to calculate the expected tax expense.
The table below shows the expiry date of deferred tax assets recognised on fiscal losses carried forward. Fiscal losses carried forward are recognised to the extent that is probable that income will be sufficient to offset the amount of the losses before their expiration.

(€ million)	31/12/2009	31/12/2008
2009	0.0	2.0
2010	1.0	0.0
2011	1.9	0.0
2012	0.1	0.2
2013	50.2	46.2
2014	58.9	0.0
2015	9.8	3.5
2016	1.3	0.0
2017	13.1	35.1
2018	0.0	0.0
2019	5.3	0.0
2020	0.0	-
Unlimited	22.3	41.1
Fiscal losses carried forward	**163.9**	**128.1**

Deferred tax assets and liabilities are detailed in the tables below according to the nature of the temporary differences which have originated such deferred taxes.

(€ million)	31/12/2009	31/12/2008
Intangible assets	60.8	64.5
Tangible assets	43.8	67.1
Land and buildings (investment properties)	628.0	421.4
Available for sale financial assets	857.1	2,224.2
Other investments	73.1	77.8
Deferred acquisition costs	24.9	144.3
Other assets	343.4	280.7
Fiscal losses carried forward	163.9	128.1
Allocation to other provisions and payables	326.9	227.1
Insurance provisions	285.5	345.8
Financial liabilities and other liabilities	619.1	430.7
Other	247.5	599.8
Total deferred tax assets	**3,674.0**	**5,011.5**

(€ million)	31/12/2009	31/12/2008
Intangible assets	505.4	574.3
Tangible assets	130.7	116.8
Land and buildings (investment properties)	320.9	324.2
Available for sale financial assets	1,160.6	2,424.4
Other investments	251.7	298.8
Deferred acquisition costs	489.5	583.1
Other assets	93.8	75.9
Allocation to other provisions and payables	102.5	117.4
Insurance provisions	491.1	610.7
Financial liabilities and other liabilities	352.7	212.8
Other	9.0	122.5
Total deferred tax liabilities	**3,908.0**	**5,461.0**

OTHER INFORMATION

1 – Other Comprehensive Income

(€ million)	31/12/2009	31/12/2008
Unrealized gains and losses on available for sale financial assets	2,072.2	-3,537.9
Allocation	1,564.5	-4,659.4
Transfer to profit and loss account	507.7	1,121.5
Net unrealized gains and losses on cash flows hedging derivatives	-111.6	-101.4
Allocation	-0.5	-481.6
Transfer to profit and loss account	-111.1	380.2
Net unrealized gains and losses on hedge of a net investment in foreign operations	-45.4	0.0
Allocation	-45.4	0.0
Transfer to profit and loss account	0.0	0.0
Foreign currency translation differences	6.4	-112.3
Allocation	6.4	-112.2
Transfer to profit and loss account	0.0	0.0
Total other comprehensive income	**1,921.6**	**-3,751.5**

(€ million)	31/12/2009	31/12/2008
Income taxes related to other comprehensive income	**758.4**	**-201.6**
Unrealized gains and losses on available for sale financial assets	796.9	-171.9
Net unrealized gains and losses on cash flows hedging derivatives	-58.0	-27.5
Net unrealized gains and losses on hedge of a net investment in foreign operations	19.9	0.0
Foreign currency translation differences	-0.4	-2.2

2 – Fair value hierarchy

(€ million)	31/12/2009 Level 1	Level 2	Level 3	Total
Available for sale financial assets	155,627.8	19,068.7	1,718.0	176,414.5
Equities	16,187.6	943.3	747.2	17,878.1
Bonds	131,396.7	14,124.8	7.6	145,529.1
Investment fund units	7,453.1	2,893.6	543.7	10,890.3
Other assets available for sale	426.6	1,275.9	414.4	2,116.9
Financial assets at fair value through profit or loss	42,531.8	22,738.2	655.5	65,925.6
Equities	2,706.9	308.6	101.3	3,116.8
Bonds	8,067.1	3,104.7	76.8	11,248.6
Investment fund units	4,004.1	50.3	1.9	4,056.3
Derivatives	318.2	1,775.2	3.7	2,097.1
Investments back to policies where the investment risk is borne by the policyholders	27,069.1	15,043.2	355.0	42,467.3
Other assets at fair value through profit or loss	332.6	2,471.9	135.0	2,939.5
Totale assets at fair value	**198,159.6**	**41,806.8**	**2,373.6**	**242,340.0**
Financial liabilities at fair value through profit or loss	8,051.1	2,235.5	7.9	10,294.5
Financial liabilities related to investment contracts issued by insurance companies	7,452.4	1,017.5	0.0	8,469.8
Derivatives	270.6	1,194.5	7.9	1,472.9
Other financial liabilities	328.2	23.6	0.0	351.7
Totale liabilities at fair value	**8,051.1**	**2,235.5**	**7.9**	**10,294.5**

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".

As already mentioned in section "Basis for presentation and accounting principles" D of this Report, the three levels of the fair value hierarchy are defined with reference to the input used in the fair value measurement.

The amount of financial assets and liabilities in Level 3 is not material regarding the total of investment and represents less than 1% of total assets at fair value.

3 – Information on employees

Number of employee

(€ million)	31/12/2009	31/12/2008
Managers	2,315	2,338
Employees	59,812	58,229
Sales attendants	23,122	23,422
Others	73	74
Total	**85,322**	**84,063**

The increase occurred in the number of employees is basically related to the enlargement of the consolidation area.

Personnel expenses incurred in the financial year 2009 amounts to € 3,931 million, compared to € 3,890 million in 2008.

4 – Share-based compensation plans

At 31 December 2009 stock options issued by Generali Group companies amount to 36,807,731; related costs accounted in the period amount to € 46.1 million.

4.1 – Share-based compensation plans granted by the Parent Company

At 31 December 2009, share-based compensation plans on shares granted by the Parent Company are as follows:

- 2001-2003 stock option plan for the executive and non-executive personnel of Generali and companies in the Generali Group;
- 2005 stock option plan for the Company's Chairman and Managing Directors;
- 2005-2007 stock option plan for the executive and non-executive personnel of Generali and companies in the Generali Group;
- 2006-2008 stock option plan for the Company's Chairman and Managing Directors;
- 2008-2010 Stock Option Plan for executive and non-executive personnel of Generali and the companies in the Generali Group;
- 2008-2009 Stock Option Plan for the Company's Chairman and Managing Directors.

Stock option plans for Group managers and employees

The 2008-2010 Stock Option Plan for executive and non-executive personnel of Generali and the companies in the Generali Group, approved by the Shareholders' Meeting of 26th April 2008, shall cover the three-year period 2008/2010. This plan shall divide managers into six bands by using criteria considering their different levels of responsibility, their contribution to economic results and the position covered by them within the company. Each band corresponds to a specific number of options.
The number of options due to each beneficiary results from the number of options associated to the belonging category times an individual multiplier assigned to each beneficiary according to the importance of the individual's role, achieved goals, skills, performance, age, experience and potential.
Each option carries the right to subscribe to one share upon payment of the exercise price equal to the arithmetic average price of reference prices of the quotation of shares on the Italian Electronic stock exchange run by Borsa Italiana S.p.A., recorded from the assignment date of option rights back to the same day of the previous calendar month.
The managers may exercise the options, in one or several transactions, within three years (exercise period) and after three, four or five years have elapsed from the options assignment date (vesting period), for the third part of the options assigned to them.

At grant date, the fair value of the option assigned amounts to € 6.28 per option (vesting period equal to three years), € 6.58 (vesting period equal to four years) and € 6.76 (vesting period equal to five years).
The cost related to this plan is equal to the fair value of options on allotment date multiplied by the estimated number of options expected to reach maturity after achievement of maturity conditions. cost pro rata sharing shall be effected throughout vesting period.
The costs arising from this new stock option plan charged in the 2009 profit or loss account of the period amounted to € 6.7 million.

At the balance sheet date, both stock options granted to the Group managers and employees related to the tranche of the 2005-2007 plan, and the tranche of the 2001-2003 plan, are still available.

Stock option plans for the Chairman and the Managing Directors of the Parent Company

During 2008, the Parent Company approved, Shareholders' Meeting of 26th April 2008, the stock option plan 2008-2009 for the Chairman and the Managing Directors. This plan shall cover the two-year period 2009/2010.
The Chairman and the Managing Directors may exercise options, in one or more settlements, within a three-year time frame (exercise period), after three or four years of options' allotment date (vesting period), respectively for the first and second half of allotted options thereto.

At grant date, the fair value of the option assigned amounts to € 6.28 per option (vesting period equal to three years) and € 6.58 (vesting period equal to four years).
The cost related to this plan is equal to the fair value of options on allotment date multiplied by the estimated number of options expected to reach maturity after achievement of maturity conditions. cost pro rata sharing shall be effected throughout vesting period.
The costs arising from this new stock option plan charged in the 2009 profit or loss account of the period amounted to € 3.4 million.
At the balance sheet date, the stock options granted to the Parent Company Chairman and Managing Directors related to 2005 plan, the tranche related to the plan 2006-2008, and 2002 and 2003 grants, are still available.

A summary of number of options and their weighted average exercise price is shown in the table below:

	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	**16,103,980**	**27.5**	**13,629,850**	**27.4**
granted	-	-	-	-
forfeited	784,887	28.9	-	-
exercised	3,540	20.2	-	-
expired	1,775,120	24.6	54,850	25.2
Options outstanding as at 31 December current year	**13,651,754**	**27.6**	**13,575,000**	**27.2**
of which exercisable	5,115,391	25.0	7,815,000	25.8

The options owned at the end of the year take into account also the Stock Option Plans previously assigned to Alleanza managers on Alleanza shares that to date, with the merger of Allenaza in Assicurazioni Generali, have become Stock Option Plans on Assicurazioni Generali shares.
The weighted average expiry date of the stock options granted to managers and employees and outstanding at the balance sheet date is on 3 July 2013. The average expiry date of the stock option granted to the Parent Company Chairman and Managing Directors is on 3 September 2011.

The total 2009 cost arising from share-based compensation plans granted by the Parent Company under the scope of IFRS 2 amounted to € 20.1 million.

4.2 – Share-based compensation plans granted by the other Group companies

The main share-based payments granted by the other Group companies are detailed here below.

Share-based compensation plans granted by Banca Generali

At 31 December 2009, the share-based compensation plans granted by Banca Generali are as follows: two stock option plans, respectively reserved to the financial advisors and some managers of the group and a stock granting plan for the top management of the Group. With regard to the stock granting plan assigned to the financial advisors of the Prime Consult network, it can be regarded as runned out.

At 31 December 2009, the options related to the stock option plan granted to employees of the group companies amounted to 829,000 options. During 2009 55,000 rights related to former managers were cancelled.

At the balance sheet date, there are 2,540,136 outstanding stock options for the financial advisors.

	Number of options	Exercise price
Options outstanding as at 31 December previous year	**4,229,820**	**7.5**
granted	-	-
forfeited	132,804	9.0
exercised	278,284	-
expired	-	-
Options outstanding as at 31 December current year	**3,818,732**	**8.0**

As for the plan granted to the employees, the fair value at measurement date is € 1.9, while the fair value of stock options granted to the financial advisory is between € 1.6 and € 1.7 depending on the exercise date foreseen.
The fair value related to the new options granted during the first months of 2008 is between € 0.8 and € 1.5 depending on the marked market volatility.

With reference to the stock granting plan reserved to the top management of the group, the fair value is equal to the price related to the public purchase offer on 11 November 2006, € 8.0 per share with a total amount of € 5,343.0 million, gross of tax impact.

With reference to the stock granting plan assigned to the financial advisors of the Prime Consult network, 19,195 ordinary shares were granted during 2009.

The costs charged in the profit or loss account of the period from new stock option plans approved during 2006 amount to € 4.2 million, of which € 3 million related to plans granted to financial advisors and € 1.1 related to the managers of the group.
The costs related to the stock option plan granted by the subsidiary Banca BSI Italia SpA charged on profit or loss amounted to € 56 thousands.

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: four stock grant plans approved on 21 December 2006, 20 December 2007, 4 December 2008 and 10 December 2009 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 2009, the number of shares granted amounted to 5,762,242 ordinary shares, of which 977,080 related to the plan granted for 175th anniversary of foundation of Parent Company.
The total costs arising from share-based compensation plan granted by Generali France under scope of IFRS 2 have been € 21.8 million. The plans are considered as cash-settled and so a € 51 million liability was accounted for them.

5 – Earnings per share

	31/12/2009	31/12/2008
Result of the period (€ million)	1,309.1	860.9
- from continuing operations	1,280.9	0.0
- from discontinued operations	28.2	0.0
Weighted average number of ordinary shares outstanding	1,414,072,429	1,348,892,498
Basic earnings per share (€)	0.93	0.64
- from continuing operations	0.91	0.64
- from discontinued operations	0.02	0.00

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.

	31/12/2009	31/12/2008
Result of the period (€ million)	1,309.1	860.9
- from continuing operations	1,280.9	0.0
- from discontinued operations	28.2	0.0
Weighted average number of ordinary shares outstanding	1,414,072,429	1,348,892,498
Adjustments for stock option	0	458,194
Weighted average number of ordinary shares outstanding for diluted earnings per share	1,414,072,429	1,349,350,692
Diluted earnings per share (€)	0.93	0.64
- from continuing operations	0.91	0.64
- from discontinued operations	0.02	0.00

Diluted earnings per share reflect the dilution effect of potential ordinary shares.

6 – Related party disclosure

With regard to transactions with related parties, the main intra-group activities, conducted at market prices or at cost, were undertaken through relations of 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.
The most significant economic and financial transactions with Group companies that are not included in the consolidation area are listed below.

(€ million) 31/12/2009	Subsidiaries with significant control not consolidated	Associated companies	Other related parties (*)
Loans	67.7	23.8	1,776.8
Loans issued	-1.8	-0.7	-503.8
Interest income	3.1	3.8	47.8
Interest expense	-0.0	0.0	-32.3

(*) Other related parties mainly refer to transaction between the Group and Mediobanca and PPF Group.

As part of the growth of the insurance activities in Eastern Europe, in particular in Romania, it has to be highlighted that during the year the Generali Group finalised the acquisition of two companies, S.C. Asigurare Reasigurare ARDAF S.A. and S.C. Roumanie Assurance International S.A., from PPF Group which is controlled by Petr Kellner, member of the Group Board of Directors, thus strengthening the Group position in the country, already ensured by Generali Asigurari S.A.

As far as the financial liabilities are concerned, we highlight the hybrid loan amounting to € 500 million grants by Meediobanca to Generali during the 2008.

The 2009 emoluments due to board members, auditors and general managers and managers with strategic responsibilities of any type also including those of subsidiary companies, are indicated in the following table. The list also includes those who did not work in this office for a full year. As set down by CONSOB, non monetary benefits reported in the table were identified on the basis of fiscal criteria in case they are subject to taxation.

Person		Office held		Emoluments (in euro)			
Name and Surname	Office held	Period covered by the mandate	End of mandate	Emoluments for mandate	Non-monetary benefits	Bonuses and incentives	Other emoluments
Antoine BERNHEIM [1]	Chairman	1/1-31/12/09	24/04/2010	2,170,000		2,575,616	115,591 [2]
	Director	1/1-31/12/09	24/04/2010	223,390			
Gabriele GALATERI DI GENOLA [1]	Vice	1/1-31/12/09	24/04/2010	216,890			
Sergio BALBINOT [1]	Director	1/1-31/12/09	24/04/2010	223,390			
	Managing Dir.	1/1-31/12/09	24/04/2010	800,000		[3]	158,997 [4]
	Gen.Manager	1/1-31/12/09	-	800,000		949,536	
Giovanni PERISSINOTTO [1]	Director	1/1-31/12/09	24/04/2010	223,390			
	Managing Dir.	1/1-31/12/09	24/04/2010	800,000		949,536	
	Gen.Manager	1/1-31/12/09	-	800,000		949,536	
Luigi Arturo BIANCHI	Director	1/1-31/12/09	24/04/2010	156,890			
Ana Patricia BOTIN	Director	1/1-31/12/09	24/04/2010	130,890			
Francesco Gaetano CALTAGIRONE [1]	Director	1/1-31/12/09	24/04/2010	212,890			
Diego DELLA VALLE	Director	1/1-31/12/09	24/04/2010	126,890			
Leonardo DEL VECCHIO	Director	1/1-31/12/09	24/04/2010	146,890			
Loïc HENNEKINNE	Director	1/1-31/12/09	24/04/2010	159,390			
Petr KELLNER	Director	1/1-31/12/09	24/04/2010	118,890			
Klaus-Peter MUELLER	Director	1/1-31/12/09	24/04/2010	118,890			
Alberto Nicola NAGEL [1]	Director	1/1-31/12/09	24/04/2010	216,890 [5]			
Alessandro PEDERSOLI	Director	1/1-31/12/09	24/04/2010	152,890			
Lorenzo PELLICIOLI [1]	Director	1/1-31/12/09	24/04/2010	220,890			
Reinfried POHL	Director	1/1-31/12/09	24/04/2010	114,890			102,501 [6]
Kai-Uwe RICKE	Director	1/1-31/12/09	24/04/2010	138,890			
Paolo SCARONI	Director	1/1-31/12/09	24/04/2010	134,890			
Claude TENDIL	Director	1/1-31/12/09	24/04/2010	145,390			1,704,750 [7]
Eugenio COLUCCI	Chairman of the Board of Auditors	1/1-31/12/09	30/04/2011	150,000			
Giuseppe ALESSIO VERNI'	Eff. Auditor	1/1-31/12/09	30/04/2011	100,000			121,708 [8]
Gaetano TERRIN	Eff. Auditor	1/1-31/12/09	30/04/2011	100,000			56,121 [9]
Raffaele AGRUSTI	Gen.Manager	1/1-31/12/09	-	1,000,000		847,800	
Managers with Strategic Responsability				3,684,912	43,063	1,841,517	317,496

(1) It refers to Members of the Board of Directors who served on the Executive Committee.
(2) The emoluments indicated include those due for the offices held in 2009 in the following companies:
Alleanza Assicurazioni (from 1st January 2009 to 30 September 2009), Alleanza Toro (from 15 September 2009 to 31 December 2009), Generali Deutschland Holding, Generali España Holding, Generali France and BSI. The payments for Generali Holding Vienna will be established by the Company's general shareholders' meeting this year. The sums paid to Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.
(3) On dr. Balbinot's request and agreed with the Company, the amount of 949,536 euro relative to the office of Managing Director will not be paid. The Company may use such amount for charity.
(4) The emoluments indicated include those due for the offices held in 2009 in the following companies:
Generali Deutschland Holding, Aachener u. Muenchener Lebensversicherung AG, Aachener u. Muenchener Versicherung AG, Generali France, Banco Vitalicio, La Estrella, Generali Espana Holding, Generali Schweiz Holding AG, Migdal Insurance & Financial Holdings and Europ Assistance Holding. The emoluments for Generali Holding Vienna will be established by the Company's general shareholders' meeting this year. The amounts paid by Generali Deutschland Holding and Banco Vitalicio only regard the attending fees; those relative to the profit sharing will be determinated from the shareholders' meeting during the first half of the current year.
(5) The emolument was paid directly to Mediobanca.

(6) Emoluments for the offices held in 2009 in the following companies:
Generali Deutschland Holding, Aachener u. Muenchener Versicherung AG and Aachener u. Muenchener Lebensverischerung. The sums paid to Generali Deutschland Holding only regard the attendance fees; the portion inherent to profit-sharing will be established by the shareholders' meeting scheduled in the first half of the current financial year.
(7) The emoluments indicated include those due for the offices held in 2009 in the following companies:
Generali France, Europ Assistance Holding, Europ Assistance Italia and Generali Investments. The sum paid by Generali France also include the bonus assigned to M. Tendil as Chairman and General Director of the French company.
(8) Emolument for the office of Chairman of the Board of Statutory Auditors of Banca BSI Italia, Banca Generali, Europ Assistance Italia, Generali Horizon, Genertellife, S.Alessandro Fiduciaria, and Effective Auditor of Europ Assistance Service, Genertel, Intouch, Simgenia, Ums Immobiliare Genova.
(9) Emolument for the office of Chairman of the Board of Statutory Auditors of Alleanza Assicurazioni (from 1st January 2009 to 30 September 2009) and Alleanza Toro (from 15 September 2009 to 31 December 2009), as well as Effective Auditor of Generali Immobiliare Italia.

7 – Reinsurance policy of the Group

Information on the reinsurance policy of the Group is provided in the Part E of the consolidated annual financial statements. Non significant changes on Group's reinsurance policy occurred during the year 2009.

8 – Significant non-recurring events and transactions

As previously mentioned in this document, on October 1st 2009, the combination of Alleanza and Toro insurance activities has been finalised into a new company called Alleanza Toro S.p.A. with concurrent merger by incorporation of Alleanza and Toro in Assicurazioni Generali S.p.A.. As a result, the company Alleanza Toro results completely owned by Assicurazioni Generali S.p.A..

9 – Atypical and/or unusual transactions

During the year, there were no atypical and/or unusual transactions, which — because of materiality, nature of counterparties, subject of the transaction, transfer price determination method and occurrence close to the balance sheet date — might give raise to any doubts about the correctness and exhaustiveness of this report, conflict of interests, preservation of equity and protection of minorities.

10 – Non-current assets or disposal group classified as held for sale

As mentioned above, at the end of March, the General Group decided to exercise its right to sell its interest in Intesa Vita. As a result, Intesa Vita has been classified as a non-current asset held for sale and its result has been recognized (net of related fiscal effects) as a separate line in the profit and loss account.
The following table shows Intesa Vita assets and liabilities classified as held for sale.

(€ million)	31/12/2009
Intangible assets	343.2
Tangible assets	0.6
Amounts ceded to reinsurers from insurance provisions	0.0
Investments	25,833.2
Loans and receivables	6.1
Available for sale financial assets	14,794.1
Financial assets at fair value through profit or loss	11,033.1
of which financial assets where the investments risk is borne by the policyholders and related to pension funds	9,187.8
Other receivables	16.0
Other assets	680.5
Cash and cash equivalents	18.1
Total non current assets or discontinued operations	**26,891.4**

(€ million)	31/12/2009
Other provisions	2.2
Insurance provisions	22,417.3
of which insurance provisions for policies where the investments risk is born by the policyholders and related to pension funds	6,914.9
Financial liabilities	2,466.3
Financial liabilities at fair value through profit or loss	2,264.3
of which financial liabilities for policies where the investments risk is born by the policyholders and related to pension funds	2,264.3
Other financial liabilities	202.0
of which subordinated liabilities	31.5
Paybles	72.9
Other liabilities	348.6
Total liabilities associated with non-current assets and disposal gruop classified as held for sale	**25,307.4**

Here below, the detail of the result of discontinued operations of Intesa Vita at 31 December 2009 is provided, together with the comparative amounts.

(€ million)	31/12/2009	31/12/2008
Net earned premiums	3,577.1	683.3
Fee and commission income and income from financial service activities	27.5	12.1
Net income from financial instruments at fair value through profit or loss	629.3	-519.0
of which net income from financial instruments where the investments risk is born by the policyholders and related to pension funds	418.4	-471.7
Income from other financial instruments and land and buildings (investment properties)	583.6	638.6
Other income	37.9	41.3
Total revenue and income from discontinued operations	**4,855.5**	**856.3**
Net insurance benefits and claims	4,404.3	364.2
Fee and commission expenses and expenses from financial service activities	15.8	6.3
Expenses from subsidiaries, associated companies and joint venture	0.3	0.0
Expenses from other financial instruments and land and buildings (investment properties)	108.9	244.5
Acquisition and administration costs	110.5	127.1
Other expenses	64.2	3.1
Total costs and expenses from discontinued operations	**4,704.0**	**745.3**
Earnings before taxes	151.5	111.1
Income taxes	55.3	34.7
Result of discontinued operations	**96.1**	**76.3**

11 – Audit and other service fees for the fiscal year

In table below, filled under the article 149-*duodecis* of Consob Regulation, are reported the 2009 fees for auditing services from auditing company of Parent company and companies within audit company's network.

	31/12/2009	
(€ thousands)	PwC Italy	PwC Network
Parent Company	**2,066.6**	**293.4**
Audit fee	983.3	272.0
Attestation service fees	367.3	18.5
Other service fees	716.0	3.0
Subsidiaries	**1,898.2**	**17,434.1**
Audit fee	1,137.4	15,767.6
Attest service fees	361.3	318.1
Other service fees	399.6	1,348.3
of which Tax service fees	4.6	684.8
of which Other services	395.0	663.5
Total	**3,964.9**	**17,727.5**

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

CONSOLIDATED STATEMENTS

Appendices to the Notes

at **31 December 2009**

(Amounts in € million)

SEGMENT REPORTING - BALANCE SHEET

		NON-LIFE SEGMENT		LIFE SEGMENT	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
1	**INTANGIBLE ASSETS**	**4,324.9**	**4,344.4**	**5,189.7**	**4,187.9**
2	**TANGIBLE ASSETS**	**2,073.0**	**2,108.7**	**1,407.3**	**1,398.8**
3	**AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**4,086.2**	**4,525.8**	**1,498.7**	**1,523.3**
4	**INVESTMENTS**	**49,815.9**	**49,125.9**	**303,009.2**	**289,301.9**
4.1	Land and buildings (investment properties)	6,012.1	5,629.6	6,876.5	6,959.3
4.2	Investments in subsidiaries, associated companies and joint ventures	13,148.8	12,950.5	13,443.9	13,666.3
4.3	Held to maturity investments	132.1	122.6	2,367.5	1,069.0
4.4	Loans and receivables	9,698.6	9,744.9	64,056.1	52,035.8
4.5	Available for sale financial assets	19,852.9	18,856.7	153,164.8	152,904.3
4.6	Financial assets at fair value through profit or loss	971.3	1,821.5	63,100.4	62,667.3
5	**RECEIVABLES**	**7,587.5**	**7,522.9**	**5,024.6**	**5,267.3**
6	**OTHER ASSETS**	**4,623.5**	**5,124.6**	**35,212.3**	**10,384.1**
6.1	Deferred acquisition costs	457.0	513.4	1,316.4	1,199.3
6.2	Other assets	4,166.5	4,611.2	33,895.9	9,184.8
7	**CASH AND CASH EQUIVALENTS**	**2,980.6**	**2,208.4**	**4,819.0**	**5,124.9**
	TOTAL ASSETS	**75,491.7**	**74,960.8**	**356,160.9**	**317,188.3**
1	**SHAREHOLDERS' EQUITY**				
2	**OTHER PROVISIONS**	**888.3**	**850.7**	**748.4**	**876.1**
3	**INSURANCE PROVISIONS**	**33,661.5**	**33,768.0**	**276,011.5**	**268,011.5**
4	**FINANCIAL LIABILITIES**	**13,305.9**	**13,343.6**	**23,224.7**	**19,437.1**
4.1	Financial liabilities at fair value through profit or loss	84.3	181.0	9,164.7	7,710.4
4.2	Other financial liabilities	13,221.5	13,162.5	14,060.0	11,726.7
5	**PAYABLES**	**3,876.5**	**4,013.5**	**4,738.4**	**4,527.0**
6	**OTHER LIABILITIES**	**5,013.4**	**5,125.3**	**29,219.7**	**5,384.2**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

FINANCIAL SEGMENT		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
893.3	**759.9**	**37.3**	**0.7**	**10,445.1**	**9,293.0**
295.9	**285.7**	**-1.3**	**-0.6**	**3,774.9**	**3,792.7**
0.0	**0.0**	**-8.7**	**-43.6**	**5,576.2**	**6,005.5**
19,903.4	**20,034.8**	**-31,215.3**	**-31,327.7**	**341,513.3**	**327,134.9**
21.9	22.9	-178.8	-138.5	12,731.6	12,473.3
52.4	58.1	-24,658.7	-24,106.4	1,986.4	2,568.4
666.1	606.4	0.0	0.0	3,165.7	1,798.0
13,912.4	14,483.6	-6,377.7	-7,071.9	81,289.4	69,192.5
3,396.9	1,940.2	0.0	0.0	176,414.6	173,701.1
1,853.8	2,923.7	0.0	-10.9	65,925.5	67,401.7
213.6	**221.2**	**-1,498.3**	**-1,556.5**	**11,327.4**	**11,454.9**
394.0	**470.6**	**485.4**	**-259.0**	**40,715.2**	**15,720.3**
0.0	0.0	0.0	0.0	1,773.4	1,712.7
394.0	470.6	485.4	-259.0	38,941.8	14,007.6
3,323.8	**4,286.5**	**-658.6**	**-1,082.7**	**10,464.8**	**10,537.2**
25,024.0	**26,058.7**	**-32,859.7**	**-34,269.4**	**423,816.9**	**383,938.4**
				19,924.3	**15,473.1**
214.9	**242.3**	**-25.4**	**-20.8**	**1,826.2**	**1,948.3**
0.0	**0.0**	**-79.5**	**-18.8**	**309,593.5**	**301,760.7**
20,909.9	**22,148.4**	**-7,054.0**	**-8,198.6**	**50,386.5**	**46,730.5**
1,045.4	1,892.8	0.0	-10.9	10,294.5	9,773.3
19,864.5	20,255.7	-7,054.0	-8,187.8	40,092.1	36,957.2
265.9	**177.8**	**-1,499.5**	**-1,538.4**	**7,381.4**	**7,179.9**
557.8	**496.5**	**-85.9**	**-160.1**	**34,705.1**	**10,845.9**
				423,816.9	**383,938.4**

SEGMENT REPORTING - PROFIT AND LOSS ACCOUNT

			NON-LIFE SEGMENT		LIFE SEGMENT	
			31/12/2009	31/12/2008	31/12/2009	31/12/2008
	1.1	Net earned premiums	19,932.7	19,947.6	44,103.4	42,034.6
	1.1.1	Gross earned premiums	21,713.3	21,800.0	44,876.4	42,816.1
	1.1.2	Earned premiums ceded	-1,780.7	-1,852.4	-773.0	-781.5
	1.2	Fee and commission income and income from financial service activities	0.0	0.0	218.6	225.6
	1.3	Net income from financial instruments at fair value through profit or loss	-150.9	-10.6	7,567.7	-12,056.7
	1.4	Income from subsidiaries, associated companies and joint ventures	84.2	432.6	162.2	146.2
	1.5	Income from other financial instruments and land and buildings (investment properties)	2,618.6	2,702.9	12,372.1	12,771.9
	1.6	Other income	1,194.0	1,356.5	1,013.8	1,317.7
1		**TOTAL INCOME**	**23,678.6**	**24,429.0**	**65,437.8**	**44,439.2**
	2.1	Net insurance benefits and claims	14,176.7	13,806.5	54,001.4	30,787.6
	2.1.1	Claims paid and change in the insurance provisions	17,186.4	15,328.9	59,510.7	31,266.6
	2.1.2	Reinsurers' share	-3,009.7	-1,522.4	-5,509.3	-479.0
	2.2	Fee and commission expenses	0.1	0.1	118.4	135.5
	2.3	Expenses from subsidiaries, associated companies and joint ventures	25.4	82.5	45.2	387.3
	2.4	Expenses from other financial instruments and land and buildings (investment properties)	1,508.8	1,784.4	2,795.7	5,398.0
	2.5	Acquisition and administration costs	5,561.4	5,580.3	5,259.4	5,377.6
	2.6	Other expenses	1,565.1	1,643.7	1,003.1	1,389.0
2		**TOTAL EXPENSES**	**22,837.6**	**22,897.6**	**63,223.0**	**43,475.0**
		EARNINGS BEFORE TAXES	**840.9**	**1,531.4**	**2,214.8**	**964.2**

FINANCIAL SEGMENT		HOLDING EXPENSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
0.0	0.0			0.0	0.0	64,036.1	61,982.2
0.0				0.0	0.0	66,589.7	64,616.2
0.0	0.0			0.0	0.0	-2,553.6	-2,634.0
1,102.1	1,036.7			-131.6	-122.4	1,189.1	1,139.9
80.2	71.8			0.0	0.0	7,497.0	-11,995.5
3.2	21.6			-164.5	-117.7	85.1	482.7
589.0	862.5			-102.3	-212.5	15,477.4	16,124.8
204.9	219.8			-37.6	-73.5	2,375.0	2,820.5
1,979.3	**2,212.5**	**0.0**	**0.0**	**-436.0**	**-526.1**	**90,659.7**	**70,554.6**
0.0	0.0			9.4	-53.8	68,187.5	44,540.3
0.0				9.4	-53.8	76,706.5	46,541.7
0.0	0.0			0.0	0.0	-8,519.0	-2,001.4
309.6	333.2			-21.4	-23.7	406.7	445.0
0.6	0.2			-11.2	-5.9	60.0	464.2
289.9	652.1	706.8	667.9	-23.4	-68.6	5,277.8	8,433.9
763.5	694.0			-109.8	-41.8	11,474.5	11,610.1
259.8	292.8	298.5	323.7	-41.5	-124.6	3,084.9	3,524.6
1,623.3	**1,972.3**	**1,005.2**	**991.6**	**-197.9**	**-318.4**	**88,491.3**	**69,018.1**
355.9	**240.2**	**-1,005.2**	**-991.6**	**-238.0**	**-207.7**	**2,168.4**	**1,536.5**

Tangible and intangible assets

	At amortized cost	At revalued amount or at fair value	Total
Land and buildings (investment properties)	12,731.6		12,731.6
Land and buildings (self used)	3,228.4		3,228.4
Other tangible assets	546.5		546.5
Other intangible assets	3,171.6		3,171.6

Amounts ceded to reinsurers from insurance provisions

	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Non-life amounts ceded to reinsurers from insurance provisions(*)	**3,153.3**	**3,564.1**	**926.9**	**953.9**	**4,080.2**	**4,518.0**
Provisions for unearned premiums	498.4	581.2	103.0	112.9	601.4	694.1
Provisions for outstanding claims	2,648.8	2,976.7	823.5	840.6	3,472.3	3,817.3
Other insurance provisions	6.1	6.3	0.3	0.4	6.4	6.6
Life amounts ceded to reinsurers from insurance provisions(*)	**767.0**	**779.7**	**729.1**	**707.7**	**1,496.0**	**1,487.4**
Provisions for outstanding claims	233.6	264.3	113.5	116.3	347.1	380.6
Mathematical provisions	444.6	454.6	615.6	591.3	1,060.2	1,046.0
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	0.6	0.8	0.0	0.0	0.6	0.8
Other insurance provisions	88.2	60.0	0.0	0.0	88.2	60.0
Mathematical and other insurance provisions	766.4	778.9	729.1	707.7	1,495.5	1,486.6
Total	**3,920.2**	**4,343.8**	**1,656.0**	**1,661.6**	**5,576.2**	**6,005.4**

(*) 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			
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Equities at cost	0.0	0.0	0.0	0.0	354.0	364.7	0.0	0.0	0.0	0.0	354.0	364.7
Equities at fair value	0.0	0.0	0.0	0.0	17,524.1	15,926.5	55.5	362.5	5,354.2	2,835.0	22,933.9	19,123.9
of which quoted equities	0.0	0.0	0.0	0.0	16,092.8	14,382.7	51.3	362.5	4,944.3	2,165.4	21,088.4	16,910.6
Bonds	3,148.4	1,778.7	52,498.3	38,888.5	145,529.2	144,707.7	954.3	1,485.6	20,527.2	27,715.3	222,657.4	214,575.8
of which quoted bonds	3,148.4	1,778.7	0.0	0.0	137,913.5	133,767.7	789.8	1,236.1	18,512.2	24,665.9	160,363.9	161,448.5
Investment fund units	0.0	0.0	0.0	0.0	10,890.3	11,216.7	62.3	563.3	32,362.8	27,367.6	43,315.5	39,147.6
Loans and receivables from customers	0.0	0.0	3,170.9	3,090.0	0.0	0.0	0.0	0.0	0.0	0.0	3,170.9	3,090.0
Loans and receivables from banks	0.0	0.0	3,329.4	3,909.7	0.0	0.0	0.0	0.0	0.0	0.0	3,329.4	3,909.7
Deposits under reinsurance business accepted	0.0	0.0	506.4	429.9	0.0	0.0	0.0	0.0	0.0	0.0	506.4	429.9
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	21,784.5	22,874.4	0.0	0.0	0.0	0.0	0.0	0.0	21,784.5	22,874.4
Derivatives	0.0	0.0	0.0	0.0	0.0	0.0	1,002.7	2,177.4	1,094.4	835.2	2,097.1	3,012.6
Hedging derivatives (*)	0.0	0.0	0.0	0.0	0.7	-3.2	0.0	0.0	0.0	0.0	0.7	-3.2
Other financial investments	17.3	19.3	0.0	0.0	2,116.2	1,488.7	167.9	13.0	4,344.1	4,046.8	6,645.6	5,567.8
Total	**3,165.7**	**1,798.0**	**81,289.4**	**69,192.5**	**176,414.6**	**173,701.1**	**2,242.7**	**4,601.8**	**63,682.8**	**62,799.9**	**326,795.2**	**312,093.2**

(*) 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

	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Assets	41,420.6	40,619.3	1,046.6	732.1	42,467.2	41,351.4
Intra-group assets (*)	0.0	0.0	0.0	0.0	0.0	0.0
Total	**41,420.6**	**40,619.3**	**1,046.6**	**732.1**	**42,467.2**	**41,351.4**
Financial liabilities	7,732.9	6,261.8	538.9	285.7	8,271.9	6,547.5
Insurance provisions (**)	33,825.4	34,661.5	296.1	302.9	34,121.5	34,964.4
Intra-group liabilities (*)	0.0	0.0	0.0	0.0	0.0	0.0
Total	**41,558.3**	**40,923.4**	**835.0**	**588.6**	**42,393.3**	**41,511.9**

(*) 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	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Non-life insurance provisions [(*)]	**32,264.0**	**32,387.3**	**1,393.0**	**1,376.7**	**33,657.0**	**33,764.0**
Provisions for unearned premiums	5,848.8	5,907.2	115.8	107.1	5,964.6	6,014.2
Provisions for outstanding claims	26,063.4	26,066.9	1,273.2	1,264.8	27,336.6	27,331.7
Other insurance provisions	351.7	413.2	4.1	4.8	355.8	418.0
of which provisions for liability adequacy test	4.0	5.9	0.0	0.0	4.0	5.9
Life insurance provisions [(*)]	**274,480.9**	**266,455.9**	**1,455.6**	**1,540.9**	**275,936.5**	**267,996.8**
Provisions for outstanding claims	4,225.2	4,086.9	556.3	685.5	4,781.5	4,772.3
Mathematical provisions	220,315.4	218,687.9	706.4	664.6	221,021.7	219,352.5
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	34,055.4	34,865.0	66.5	100.2	34,122.0	34,965.2
Other insurance provisions	15,884.9	8,816.1	126.3	90.6	16,011.3	8,906.7
of which provisions for liability adequacy test	1,231.9	1,120.0	48.2	17.4	1,280.1	1,137.4
of which deferred policyholder liabilities	-559.2	-7,329.9	0.0	0.0	-559.2	-7,329.9
Total	**306,744.9**	**298,843.1**	**2,848.6**	**2,917.6**	**309,593.5**	**301,760.7**

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

Financial liabilities

	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					
	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Preference shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subordinated liabilities	0.0	0.0	0.0	0.0	6,422.3	6,041.0	6,422.3	6,041.0
Financial liabilities related to investment contracts issued by insurance companies	0.0	0.0	8,469.8	6,907.5	2,934.0	2,558.5	11,403.8	9,466.0
where the investment risk is borne by the policyholders	0.0	0.0	7,732.9	6,261.8	0.0	0.0	7,732.9	6,261.8
pension funds	0.0	0.0	538.9	285.7	0.0	0.0	538.9	285.7
other liabilities related to investment contracts	0.0	0.0	198.0	360.0	2,934.0	2,558.5	3,131.9	2,918.5
Deposits received from reinsurers	0.0	0.0	0.0	0.0	1,084.0	996.0	1,084.0	996.0
Deposit components of insurance contract	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	0.0	0.0	0.0	0.0	6,132.2	4,536.3	6,132.2	4,536.3
Liabilities to customers	0.0	0.0	0.0	0.0	17,817.3	17,671.8	17,817.3	17,671.8
Liabilities to banks	0.0	0.0	0.0	0.0	372.2	511.7	372.2	511.7
Other loans	0.0	0.0	0.0	0.0	4,615.3	3,936.0	4,615.3	3,936.0
Derivatives	816.3	1,784.2	656.6	621.3	0.0	0.0	1,472.9	2,405.5
Hedging derivatives (*)	0.0	0.0	0.0	0.0	714.8	705.9	714.8	705.9
Other financial liabilities	0.0	0.0	351.7	460.4	0.0	0.0	351.7	460.4
Total	**816.3**	**1,784.2**	**9,478.2**	**7,989.2**	**40,092.1**	**36,957.2**	**50,386.5**	**46,730.5**

(*) In accordance with Regolamento n°7 of 13 July 2007 hedging derivatives are only derivatives for which hedge accounting is applied.

Technical insurance items

Appendix 9

		31/12/2009			31/12/2008		
		Gross amount	Reinsurers' share	Net amount	Importo lordo	quote a carico dei riassicuratori	Importo netto
	NON-LIFE SEGMENT						
	NET EARNED PREMIUMS	21,713.3	1,780.6	19,932.7	21,800.0	1,852.4	19,947.6
a	Premiums written	21,635.6	1,804.0	19,831.6	21,989.7	1,889.2	20,100.5
b	Change in the provisions for unearned premiums	77.7	-23.4	101.1	-189.7	-36.8	-152.9
	NET INSURANCE BENEFITS AND CLAIMS	15,467.9	1,291.2	14,176.7	15,328.9	1,522.4	13,806.5
a	Claims paid	15,512.0	1,330.6	14,181.5	14,679.3	1,157.1	13,522.2
b	Change in the provisions for outstanding claims	17.5	-40.4	57.8	541.7	367.3	174.4
c	Change in claims to be recovered	-42.0	-0.6	-41.4	44.0	-0.3	44.3
d	Change in other insurance provisions	-19.6	1.5	-21.1	64.0	-1.7	65.7
	LIFE SEGMENT						
	NET PREMIUMS	44,876.4	773.0	44,103.4	42,816.1	781.5	42,034.6
	NET INSURANCE BENEFITS AND CLAIMS	54,468.6	467.2	54,001.4	31,266.6	479.0	30,787.6
a	Claims paid	31,871.2	451.8	31,419.4	38,752.6	459.0	38,293.5
b	Change in the provisions for outstanding claims	103.3	-19.3	122.6	-9.9	4.1	-14.0
c	Change in the mathematical provisions	15,225.6	23.4	15,202.2	5,073.0	23.4	5,049.6
d	Change in the provisions for policies where the investment risk is borne by the policyholders and the provisions for pension funds	6,470.5	13.7	6,456.8	-9,732.1	11.8	-9,743.9
e	Change in other insurance provisions	797.9	-2.4	800.3	-2,816.9	-19.3	-2,797.6

		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 31/12/2009	Total income and expenses 31/12/2008
								Unrealized gains	Reversal of impairment losses	Unrealized losses	Impairment losses			
Income and expenses from investments		**10,611.2**	**2,517.1**	**320.1**	**5,690.4**	**3,710.9**	**14,787.7**	**13,182.5**	**71.0**	**4,178.1**	**1,814.6**	**7,260.8**	**22,048.5**	**-2,928.8**
a	from land and buildings (investment properties)		999.4	320.1	360.8	9.1	1,031.1		11.8		197.9	-186.1	845.0	1,160.3
b	from investments in subsidiaries, associated companies and joint ventures		38.7	0.0	46.3	50.7	34.3		0.1		9.3	-9.2	25.1	18.5
c	from held to maturity investments	88.0			0.1	0.0	88.1		0.0		3.7	-3.7	84.3	68.5
d	from loans and receivables	3,548.6			263.3	142.7	3,669.3		56.3		385.1	-328.8	3,340.5	2,741.7
e	from available for sale financial assets	5,926.0	1,047.1		2,942.0	1,659.5	8,255.7		2.9		1,218.6	-1,215.7	7,039.9	5,002.4
f	from financial assets held for trading	46.1	84.1		719.4	842.9	6.8	203.7		423.7		-220.0	-213.2	476.2
g	from financial assets designated as at fair value through profit or loss	1,002.4	347.7		1,358.5	1,006.0	1,702.6	12,978.8		3,754.4		9,224.4	10,927.0	-12,396.5
Income and expenses from receivables		**13.3**			**0.8**	**11.4**	**2.7**		**113.4**		**61.4**	**52.0**	**54.6**	**34.6**
Income and expenses from cash and cash equivalents		**102.9**					**102.9**					**0.0**	**102.9**	**196.0**
Income and expenses from financial liabilities		**-1,264.7**	**0.0**	**0.0**	**317.9**	**723.2**	**-1,670.0**	**397.4**	**0.0**	**3,211.7**	**0.0**	**-2,814.3**	**-4,484.3**	**-1,587.9**
a	from financial liabilities held for trading	-9.8			248.7	371.3	-132.4	86.1		55.4		30.7	-101.7	-156.0
b	from financial liabilities designated as at fair value through profit or loss	7.8			68.5	346.3	-270.0	311.3		3,156.4		-2,845.1	-3,115.1	80.8
c	from other financial liabilities	-1,262.7			0.7	5.6	-1,267.6					0.0	-1,267.6	-1,512.7
Income and expenses from payables							**0.0**					**0.0**	**0.0**	**0.0**
Total		**9,462.7**	**2,517.1**	**320.1**	**6,009.1**	**4,445.6**	**13,223.3**	**13,579.9**	**184.3**	**7,389.8**	**1,876.0**	**4,498.4**	**17,721.7**	**-4,286.0**

Acquisition and administration costs of insurance business

	Non-life segment		Life segment	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
Commissions and other acquisition costs	4,461.7	4,482.9	4,065.5	4,024.1
Acquisition and administration commissions	3,226.4	3,203.7	3,032.4	2,854.7
Other acquisition costs	950.2	1,015.7	1,044.1	1,204.2
Change in deferred acquisition costs	46.9	23.5	-114.8	-151.0
Collecting commissions	238.1	240.0	103.8	116.2
Commissions and profit commissions from reinsurers	-264.5	-301.4	-127.0	-104.3
Commissions and other acquisition costs net of commissions and profit commissions from reinsurers	4,197.2	4,181.5	3,938.5	3,919.8
Investment management expenses (*)	73.4	80.6	293.6	343.8
Other administration costs	1,290.8	1,318.2	1,027.3	1,114.0
Total	**5,561.4**	**5,580.3**	**5,259.4**	**5,377.6**

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

Details on other comprehensive income

	Allocation		Transfer to profit and loss account		Other transfer		Total variation		Taxes		Amounts	
	Total Year 2009	Total Year 2008	Total Year 2009	Total Year 2008	Total Year 2009	Total Year 2008	Total Year 2009	Total Year 2008	Total Year 2009	Total Year 2008	at 31/12/2009	at 31/12/2008
Reserve for currency translation differences	6.4	-112.2	0.0	0.0			6.4	-112.3	-0.4	-2.2	-229.1	-235.6
Unrealized gains and losses on available for sale financial assets	1,564.5	-4,659.4	507.7	1,121.5			2,072.2	-3,537.9	796.9	-171.9	859.3	-1,212.9
Cash flow hedging derivative reserve	-0.5	-481.6	-111.1	380.2			-111.6	-101.4	-58.0	-27.5	-99.7	11.9
Reserve for hedge of a net investment in a foreign operation	-45.4	0.0	0.0	0.0			-45.4	0.0	19.9	0.0	-45.4	0.0
Revenue reserve from valuation of equity	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
Reserve for revaluation model on intangible assets	0.0	0.0					0.0	0.0	0.0	0.0	0.0	0.0
Reserve for revaluation model on tangible assets	0.0	0.0					0.0	0.0	0.0	0.0	0.0	0.0
Result of discontinued operations	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
Actuarial gains or losses arising from defined benefit plans	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	0.0	0.0	0.0	0.0			0.0	0.0	0.0	0.0	0.0	0.0
Total other comprehensive income	**1,525.1**	**-5,253.2**	**396.5**	**1,501.7**	**0.0**	**0.0**	**1,921.6**	**-3,751.5**	**758.4**	**-201.6**	**485.1**	**-1,436.5**

Details on financial asset reclassified and its effects in Profit and loss account and comprehensive income

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 31.12.2009		Fair value as at 31.12.2009		Financial assets reclassified in 2009		Financial assets reclassified until 2009		Financial assets reclassified in 2009		Financial assets reclassified until 2009	
from	to			Financial assets reclassified in 2009	Financial assets reclassified until 2009	Financial assets reclassified in 2009	Financial assets reclassified until 2009	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	12,560.5		13,235.3		0.0	0.0				-674.8		
Financial assets at fair value through profit or loss	Loans and receivables	Corporate bond	630.2	625.2		640.6		0.0	0.0			-15.4			
Total			**14,658.2**	**13,185.7**		**13,875.8**		**0.0**	**0.0**			**-15.4**	**-674.8**		

Financial assets

Appendix 14

	31.12.2009			
	Level 1	Level 2	Level 3	Total
Available for sale financial assets	155,627.8	19,068.7	1,718.0	176,414.5
Financial assets at fair value through profit or loss	42,531.8	22,738.2	655.5	65,925.5
Financial assets held for trading	1,258.0	961.1	23.6	2,242.7
Financial assets designated as at fair value through profit or loss	41,273.8	21,777.1	631.9	63,682.8
Subtotal	198,159.6	41,806.9	2,373.5	242,340.0
Financial liabilities at fair value through profit or loss	8,051.1	2,235.5	7.9	10,294.5
Financial liabilities held for trading	236.3	573.3	6.8	816.4
Financial liabilities designated as at fair value through profit or loss	7,814.8	1,662.2	1.1	9,478.1
Total	**206,210.7**	**44,042.4**	**2,381.5**	**252,634.5**

Palacio Municipal, Zipaquirá - Colombia

Change in the consolidation area

Subsidiaries consolidated line by line

Non-consolidated subsidiaries and associated companies

Change in the consolidation area(*)

Newly consolidated:	
1.	Alleanza Toro S.p.A., Turin
2.	Alleanza Toro Servizi Assicurativi S.r.l., Milan
3.	AM Vertriebsservice-Gesellschaft Sachversicherungen mbH, Frankfurt
4.	AMGI-Fonds ALRET, Cologne
5.	AMGI-Fonds AVAOT III, Cologne
6.	AMGI-Fonds CERET, Cologne
7.	AMGI-Fonds CLRET, Cologne
8.	AMGI-Fonds GLRET, Cologne
9.	AVAOT II, Cologne
10.	BSI Generali UK Ltd, London
11.	BSI Trust Corporation (Singapore) Ltd., Singapore
12.	B-Source Outline AG, Lucerna
13.	Cajamar Seguros Generales, S.A. de Seguros y Reaseguros, Almeira
14.	Citco Finance (Monaco) SAM, Monte Carlo
15.	Customized Services Adminitrators Inc., San Diego
16.	Delta Generali Holding d.o.o. Podgorica, Podgorica
17.	Delta Generali Osiguranje ad Podgorica, Podgorica
18.	Delta Generali Zivotna Osiguranja ad Podgorica, Podgorica
19.	Europ Assistance North America, Inc., Davie
20.	Europ Teleassistance S.A., Gennevilliers
21.	Fondo Immobiliare Mascagni, Trieste
22.	Fondo Immobiliare Toscanini, Trieste
23.	Generali Carnot S.a.r.l., Paris
24.	Generali Europe Income Holding S.à r.l., Luxembourg
25.	Generali Europe Income Investments SA-SIF, Luxembourg
26.	Generali Immobiliare Asset Management S.à r.l., Luxembourg
27.	Generali Northern America Holding S.à r.l., Luxembourg
28.	Generali Northern America Investments SA-SIF, Luxembourg
29.	Generali PPF General Insurance LLC, Mosca
30.	Global Medical Management Inc., Davie
31.	Iberian Structured Investments I B.V., Amsterdam
32.	Migdal Capital Markets (1965) Ltd, Tel Aviv
33.	Migdal Capital Markets (Management Services) Ltd, Tel Aviv
34.	Migdal Gemel Platinum Ltd, Tel Aviv
35.	Migdal Hitum ve Kidum Asakim Ltd, Tel Aviv
36.	Migdal Investment Portfolio Management (1988) Ltd, Tel Aviv
37.	Migdal Investments Management (2001) Ltd, Tel Aviv
38.	Migdal Makefet Pension and Provident Funds Ltd, Tel Aviv
39.	Migdal Stock Exchange Services (N.E.) Ltd, Tel Aviv
40.	Migdal Trust Funds Ltd, Tel Aviv
41.	New Makefet Providence Fund Ltd, Tel Aviv
42.	OPCI Parcolog Invest, Paris
43.	Pankrac Services, s.r.o., Prague
44.	S.C. Asigurare Reasigurare ARDAF S.A., Bucarest
45.	SC Parcolog Messageries, Paris
46.	SC Progador (SCI), Paris
47.	SCI Cogipar, Paris

Change in the consolidation area(*)

Newly consolidated:	
48.	SCI Commerces Regions, Paris
49.	SCI du Chateau La France, Paris
50.	SCI Eureka Nanterre, Paris
51.	SCI Font Romeu Neige et Soleil, Paris
52.	SCI France Mornay Lyon, Paris
53.	SCI Generali Le Dufy, Paris
54.	SCI Generali le Moncey, Paris
55.	SCI Iliade Massy, Paris
56.	SCI Parc Logistique Maisonneuve 1, Paris
57.	SCI Parc Logistique Maisonneuve 2, Paris
58.	SCI Parc Logistique Maisonneuve 3, Paris
59.	SCI Parc Logistique Maisonneuve 4, Paris
60.	SCI Parcolog Bordeaux Cestas, Paris
61.	SCI Parcolog Combs La Ville 1, Paris
62.	SCI Parcolog Dagneux, Paris
63.	SCI Parcolog Gondreville Fontenoy 2, Paris
64.	SCI Parcolog Isle D'Abeau 1, Paris
65.	SCI Parcolog Isle D'Abeau 2, Paris
66.	SCI Parcolog Isle D'Abeau 3, Paris
67.	SCI Parcolog Marly, Paris
68.	SCI Parcolog Mitry Mory, Paris
69.	SCI Parcolog Orchies, Paris
70.	SCI Thiers Lyon, Paris
71.	SCI Viroflay 10-12 Libération, Paris
72.	Solidia Finance et Patrimonie S.A., Paris
73.	Univerzální správa majetku, a.s., Prague
74.	Vàci utca Center Uzletközpont Kft, Budapest

Change in the consolidation area(*)

Company disposed of/wound up:	
1.	Alleanza Assicurazioni S.p.A. (fusa in Assicurazioni Generali S.p.A.), Trieste
2.	AM Generali Aktien Euroland, Cologne
3.	AM Generali Aktien Global, Cologne
4.	AM Generali Bond Europa Plus, Cologne
5.	AM Generali Bond Global, Cologne
6.	AM Prudence S.A. (fusa in Generali IARD S.A.), Paris
7.	AMB Generali Aktien Deutsch, Cologne
8.	AMB Generali Pensionsfonds AG (fusa in Generali Deutschland Pensionsfonds AG), Frankfurt
9.	Banca del Gottardo Italia S.p.A. (fusa in Banca BSI Italia S.p.A.), Milan
10.	Dreieck Fiduciaria S.A., Lugano
11.	Europ Assistance (Ireland) Ltd, Dublin
12.	Fafid S.p.A. (fusa in EOS Servizi Fiduciari S.p.A.), Milan
13.	General Securities Corporation of North America, New York
14.	Generali China Insurance Co. Ltd, Beijing
15.	Generali Employee Benefits Gesellschaft mbH (fusa in Generali Beteiligungs- und Verwaltungs-AG), Munich
16.	Generali Grundstücksverwaltungs AG & Co. OHG (fusa in Generali Lebensversicherung AG), Hamburg
17.	GENPAR Empreendimentos e Partecipaçoes S.A. (fusa in Generali Brasil Seguros S.A.), Rio de Janeiro
18.	GLI-Fonds OIK, Wiesbaden
19.	Gotam Umbrella Fund (Lux) Advisory Company S.A., Luxembourg
20.	Gottardo Equity Fund (Lux) Management Company S.A., Luxembourg
21.	Gottardo Strategy Fund Mgmt Company, Luxembourg
22.	GSStock-Fonds (fusa in GLStock-Fonds), Vienna
23.	Immobilière St-Honoré les Feuillans (fusa in SCI du Coq), Paris
24.	Intesa Life Limited, Dublin
25.	Lloyd Immobilien GmbH (fusa in Generali Beteiligungs- und Verwaltungs-AG), Munich
26.	Luganova SA, Lugano
27.	SAS 2 ISO (fusa in Generali VIE S.A.), Paris
28.	SCI des 48 et 50 BD des Batignolles (fusa in Generali IARD S.A.), Paris
29.	SCI du 2/4 BD Haussmann (fusa in Generali VIE S.A.), Paris
30.	SCI du 24 Rue de Mogador a Paris (fusa in Generali VIE S.A.), Paris
31.	SCI du 29 Rue de Poissoniers (fusa in SCI du Coq), Paris
32.	SCI Lagny Cuvier-Generali, Paris
33.	Toro Assicurazioni S.p.A. (fusa in Assicurazioni Generali S.p.A.), Trieste
34.	Tradición Seguros S.A. (fusa in Caja de Seguros S.A.), Buenos Aires
35.	Transocean do Brasil Participaçoes S.A. (fusa in Generali Brasil Seguros S.A.), Rio de Janeiro

(*) 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 %				Group equity ratio % [3]
						Direct	Indirect	Through	Total	
Assicurazioni Generali S.p.A.	086	EUR	1,556,864,483	G	1		0.01	GBS S.c.p.A.	0.77	100.00
							0.01	Augusta Assicurazioni S.p.A.		
							0.03	Alleanza Toro S.p.A.		
							0.04	Genertellife S.p.A.		
							0.68	Ina Assitalia S.p.A.		
Genertel S.p.A.	086	EUR	23,000,000	G	1	100.00			100.00	100.00
UMS Immobilare Genova S.p.A.	086	EUR	15,993,180	G	10	99.90			99.90	99.90
Risparmio Assicurazioni S.p.A.	086	EUR	5,175,152	G	11	100.00			100.00	100.00
Europ Assistance Italia S.p.A.	086	EUR	12,000,000	G	1	26.05			87.08	86.93
							61.03	Europ Assistance Holding S.A.		
Prunus S.p.A.	086	EUR	11,610,000	G	10		100.00	ISIM S.p.A.	100.00	100.00
Genagricola S.p.A.	086	EUR	173,850,000	G	11	100.00			100.00	100.00
Finagen S.p.A.	086	EUR	6,700,000	G	8		0.10	Generali Investments Limited	100.00	100.00
							99.90	Alleanza Toro S.p.A.		
Banca Generali S.p.A.	086	EUR	111,313,176	G	7	63.57			65.75	65.73
							2.13	Alleanza Toro S.p.A.		
							0.05	Banca BSI Italia S.p.A.		
Intesa Vita S.p.A.	086	EUR	394,226,300	G	1		50.00	Alleanza Toro S.p.A.	50.00	50.00
Europ Assistance Service SpA	086	EUR	4,325,000	G	11		100.00	Europ Assistance Italia S.p.A.	100.00	86.93
Europ Assistance Trade S.p.A.	086	EUR	540,000	G	11		91.50	Europ Assistance Italia S.p.A.	100.00	86.93
							8.50	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
Fondi Alleanza SGR S.p.A.	086	EUR	5,200,000	G	8		100.00	Alleanza Toro S.p.A.	100.00	100.00
G.G.I. S.p.A.	086	EUR	780,000	G	11	100.00			100.00	100.00
Genertel Servizi Assicurativi	086	EUR	20,000	G	11		50.00	Genertel S.p.A.	100.00	100.00
							50.00	Genertellife S.p.A.		
Banca BSI Italia S.p.A.	086	EUR	80,235,162	G	7		100.00	Banca Generali S.p.A.	100.00	65.73
Europ Assistance Vai S.r.l.	086	EUR	468,000	G	11		98.89	Europ Assistance Service SpA	98.89	85.96
Generali Thalìa Inv IT SGR	086	EUR	5,200,000	G	8		20.00	BSI S.A.	90.00	88.43
							70.00	Generali Investments IT SpA SGR		
Genertellife S.p.A.	086	EUR	145,200,000	G	1	100.00			100.00	100.00
Generali Investments IT SpA SGR	086	EUR	26,250,000	G	8		100.00	Generali Investments S.p.A.	100.00	97.76
Inf - Societa' Agricola S.p.A.	086	EUR	15,480,000	G	11		100.00	Genagricola S.p.A.	100.00	100.00
Generali Horizon S.p.A.	086	EUR	15,520,000	G	9	100.00			100.00	100.00
S. Alessandro Fiduciaria SpA	086	EUR	100,000	G	11		100.00	Banca Generali S.p.A.	100.00	65.73
EOS Servizi Fiduciari S.p.A.	086	EUR	750,000	G	11		100.00	BSI S.A.	100.00	100.00
Assitimm S.r.l.	086	EUR	100,000	G	10	1.00			100.00	100.00
							99.00	ISIM S.p.A.		
SIMGENIA S.p.A. SIM	086	EUR	5,200,000	G	8	25.00			100.00	94.85
							15.00	Banca Generali S.p.A.		
							35.00	Alleanza Toro S.p.A.		
							15.00	Ina Assitalia S.p.A.		
							10.00	Fata Assicurazioni Danni SpA		
Heracles Immobiliare S.r.l.	086	EUR	1,200,000	G	10		100.00	ISIM S.p.A.	100.00	100.00
BG Fiduciaria - SIM S.p.A.	086	EUR	5,200,000	G	8		100.00	Banca Generali S.p.A.	100.00	65.73

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)
BG SGR S.p.A.	086	EUR	6,475,000	G	8		100.00	Banca Generali S.p.A.	100.00	65.73
Generali Investments S.p.A.	086	EUR	39,000,000	G	9	40.00			100.00	97.76
							30.00	Generali DE Holding AG		
							30.00	Generali France S.A.		
Generali Immobiliare IT SGR	086	EUR	5,000,000	G	8		100.00	Generali Investments 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	5,202,079	G	1	99.88			99.88	99.88
Augusta Assicurazioni S.p.A.	086	EUR	26,000,000	G	1		100.00	Alleanza Toro S.p.A.	100.00	100.00
CESTAR S.r.l.	086	EUR	3,100,000	G	11	98.00			100.00	100.00
							1.00	GBS S.c.p.A.		
							0.25	Augusta Assicurazioni S.p.A.		
							0.25	Alleanza Toro S.p.A.		
							0.25	Ina Assitalia S.p.A.		
							0.25	Fata Assicurazioni Danni SpA		
DAS S.p.A.	086	EUR	2,750,000	G	1		50.01	Alleanza Toro S.p.A.	50.01	50.01
Immobiliare Commerciale XXVI	086	EUR	1,500,000	G	10		100.00	ISIM S.p.A.	100.00	100.00
ISIM S.p.A.	086	EUR	203,321,715	G	10		100.00	Alleanza Toro S.p.A.	100.00	100.00
Augusta Vita S.p.A.	086	EUR	39,000,000	G	1		100.00	Augusta Assicurazioni S.p.A.	100.00	100.00
Generali Properties S.p.A.	086	EUR	268,265,145	G	10	100.00			100.00	100.00
Fondo Scarlatti	086	EUR	626,167,695	G	10	6.36			66.03	65.00
							1.78	Genertel S.p.A.		
							2.07	Intesa Vita S.p.A.		
							2.27	Prunus S.p.A.		
							22.36	Alleanza Toro S.p.A.		
							3.55	Genertellife S.p.A.		
							16.53	Ina Assitalia S.p.A.		
							2.77	Fata Assicurazioni Danni SpA		
							8.35	ISIM 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	96.83			100.00	99.79
							0.25	Genertel S.p.A.		
							0.25	Banca Generali S.p.A.		
							0.25	Ina Assitalia S.p.A.		
							0.01	Europ Assistance Italia S.p.A.		
							0.25	BG SGR S.p.A.		
							0.01	Alleanza Toro Servizi Ass. Srl		
							0.25	SIMGENIA S.p.A. SIM		
							0.25	Genertellife S.p.A.		
							0.05	GIBS S.c.a.r.l.		
							0.25	Augusta Assicurazioni S.p.A.		
							0.25	Augusta Vita S.p.A.		
							0.51	Alleanza Toro S.p.A.		
							0.01	Fata Vita S.p.A.		
							0.25	Fata Assicurazioni Danni SpA		
							0.25	Generali Investments IT SpA SGR		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)
							0.05	Banca BSI Italia S.p.A.		
							0.01	BG Fiduciaria - SIM S.p.A.		
							0.01	Generali Immobiliare IT SGR		
							0.01	Generali Factoring S.p.A.		
Generali Factoring S.p.A.	086	EUR	1,500,000	G	11	100.00			100.00	100.00
GIBS S.c.a.r.l.	086	EUR	27,000	G	11	66.67			100.00	99.94
							3.70	Generali Belgium S.A.		
							7.41	Genertellife S.p.A.		
							3.70	Generali Vida S.A.		
							18.52	Generali Vie S.A.		
Gotam SGR S.p.A.	086	EUR	2,050,000	G	8		100.00	BSI S.A.	100.00	100.00
Fondo Cimarosa	086	EUR	495,111,111	G	10	12.14			100.00	100.00
							0.71	Genertel S.p.A.		
							17.51	Alleanza Toro S.p.A.		
							3.30	Genertellife S.p.A.		
							14.37	Ina Assitalia S.p.A.		
							0.07	Fata Vita S.p.A.		
							45.21	ISIM S.p.A.		
							6.69	Prunus 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	141,250,000	G	10	78.76			100.00	100.00
							21.24	Genertellife S.p.A.		
Fondo Immobiliare Toscanini	086	EUR	22,050,000	G	10	58.33			100.00	100.00
							41.67	Ina Assitalia S.p.A.		
Alleanza Toro Servizi Ass. Srl	086	EUR	20,000	G	11		100.00	Alleanza Toro S.p.A.	100.00	100.00
Dialog Lebensversicherungs-AG	094	EUR	2,045,200	G	2		100.00	Generali Beteiligung AG	100.00	92.83
Generali DE Holding AG	094	EUR	137,420,785	G	5		0.93	Generali Assurances Générales	93.02	92.74
							0.93	Generali Belgium S.A.		
							5.10	Generali Vermögensverwalt GmbH		
							0.93	La Estrella S.A.		
							1.86	Alleanza Toro S.p.A.		
							80.19	Generali Beteiligungs-GmbH		
							2.14	Vitalicio Torre Cerdà S.l.		
							0.93	Generali Levensverzekering NV		
AachenMünchener Lebensvers AG	094	EUR	71,269,998	G	2		100.00	Generali DE Holding AG	100.00	92.74
AachenMünchener Versicherung	094	EUR	136,463,896	G	2		100.00	Generali DE Holding AG	100.00	92.74
Generali Lebensversicherung AG	094	EUR	124,053,300	G	2		100.00	Generali Beteiligung AG	100.00	92.83
Generali Versicherung AG (D)	094	EUR	27,358,000	G	2		100.00	Generali Beteiligung AG	100.00	92.83
Central Krankenversicherung AG	094	EUR	34,017,984	G	2		100.00	Generali DE Holding AG	100.00	92.74
Europ Assistance Versicherungs	094	EUR	2,800,000	G	2		25.00	Generali DE Holding AG	100.00	98.01
							75.00	Europ Assistance Holding S.A.		
Cosmos Lebensversicherungs AG	094	EUR	10,739,616	G	2		100.00	Generali DE Holding AG	100.00	92.74
Cosmos Versicherung AG	094	EUR	9,205,200	G	2		100.00	Generali DE Holding AG	100.00	92.74
ENVIVAS Krankenversicherung AG	094	EUR	1,022,800	G	2		100.00	Generali DE Holding AG	100.00	92.74
AdvoCard Rechts AG	094	EUR	12,920,265	G	2		29.29	AachenMünchener Versicherung	100.00	92.80

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method [1]	Activity [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]
							70.71	Generali Versicherung AG (D)		
Generali Beteiligungs-GmbH	094	EUR	1,005,000	G	4	100.00			100.00	100.00
Generali Beteiligung AG	094	EUR	66,963,298	G	4		98.78	Generali DE Holding AG	100.00	92.83
							1.22	Transocean Holding Corporation		
ALLWO GmbH	094	EUR	17,895,500	G	10		53.14	Generali Lebensversicherung AG	100.00	92.79
							46.86	AachenMünchener Lebensvers AG		
Deutsche Bausparkasse Badenia	094	EUR	40,560,000	G	7		68.70	Generali DE Holding AG	100.00	92.77
							31.30	Generali Lebensversicherung AG		
EA Service GmbH	094	EUR	250,000	G	11		100.00	Europ Assistance Versicherungs	100.00	98.01
Generali DE Finanz GmbH	094	EUR	52,000	G	11		100.00	Generali DE Holding AG	100.00	92.74
Generali DE Informatik Serv	094	EUR	15,000,000	G	11		100.00	Generali DE Holding AG	100.00	92.74
ATLAS Dienstleistungen GmbH	094	EUR	4,090,335	G	11		74.00	AachenMünchener Lebensvers AG	74.00	68.63
AM Ges betr Altersversorg mbH	094	EUR	60,000	G	11		100.00	AachenMünchener Lebensvers AG	100.00	92.74
Cosmos Finanzservice GmbH	094	EUR	25,565	G	11		100.00	Cosmos Versicherung AG	100.00	92.74
Generali DE Immobilien GmbH	094	EUR	682,655	G	10		100.00	Generali DE Holding AG	100.00	92.74
Schloss Bensberg Managem GmbH	094	EUR	250,000	G	10		100.00	AachenMünchener Lebensvers AG	100.00	92.74
AM Vertrieb-Gesel Personen mbH	094	EUR	500,000	G	11		100.00	ATLAS Dienstleistungen GmbH	100.00	68.63
Generali Investments DE K mbH	094	EUR	9,050,000	G	8		100.00	Generali Investments S.p.A.	100.00	97.76
AMCO Beteiligungs-GmbH	094	EUR	500,000	G	4		100.00	Generali DE Holding AG	100.00	92.74
Volksfürsorge Pensionskasse AG	094	EUR	5,025,000	G	2		100.00	Generali Beteiligung AG	100.00	92.83
Thuringia Generali 2.Immob	094	EUR	84,343,265	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Thuringia Generali 1.Immob	094	EUR	21,388,630	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge 1.Immob	094	EUR	3,583	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
CENTRAL Zweite Immob	094	EUR	12,371,997	G	10		100.00	Central Krankenversicherung AG	100.00	92.74
CENTRAL Erste Immob	094	EUR	4,823,507	G	10		100.00	Central Krankenversicherung AG	100.00	92.74
AM Erste Immobilien AG & Co.	094	EUR	86,075,556	G	10		100.00	AachenMünchener Lebensvers AG	100.00	92.74
Generali Private Equity Inv	094	EUR	1,000,000	G	9		100.00	Generali Investments S.p.A.	100.00	97.76
Generali DE Pensionskasse AG	094	EUR	7,500,000	G	2		100.00	Generali DE Holding AG	100.00	92.74
DBB Vermögensverwaltung Gmb	094	EUR	21,214,579	G	10		100.00	Deutsche Bausparkasse Badenia	100.00	92.77
AM Vers Erste Immob	094	EUR	17,847,121	G	10		100.00	AachenMünchener Versicherung	100.00	92.74
NABUCO I (Badenia) Verw: CO	094	EUR	152,160,679	G	11		100.00	Deutsche Bausparkasse Badenia	100.00	92.77
AAREC (Diverse) Verw.:AMGI	094	EUR	2,177,422,880	G	11		10.57	Cosmos Lebensversicherungs AG	100.00	92.78
							0.30	AdvoCard Rechts AG		
							21.06	AachenMünchener Lebensvers AG		
							0.72	Dialog Lebensversicherungs-AG		
							1.46	Generali DE Pensionskasse AG		
							42.53	Generali Lebensversicherung AG		
							23.36	Central Krankenversicherung AG		
ALAOT (AML) Verw.:AMGI	094	EUR	639,446,763	G	11		100.00	AachenMünchener Lebensvers AG	100.00	92.74
AMGI-Fonds GDRET	094	EUR	250,517,897	G	11		100.00	Generali DE Holding AG	100.00	92.74
AMGI-Fonds AMLRET	094	EUR	304,424,702	G	11		100.00	AachenMünchener Lebensvers AG	100.00	92.74
AVAOT (AMV) Verw.: AMGI	094	EUR	171,473,707	G	11		13.79	Generali Lebensversicherung AG	100.00	92.83
							86.21	Generali Versicherung AG (D)		
CEAOT/CWF (Central) Verw.:AMGI	094	EUR	290,575,925	G	11		100.00	Central Krankenversicherung AG	100.00	92.74
CLAOT (CL) Verw.: AMGI	094	EUR	270,282,691	G	11		100.00	Cosmos Lebensversicherungs AG	100.00	92.74

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method [1]	Activity [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]
AMGI-Fonds GLRET 4	094	EUR	306,413,736	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
AMGI-Fonds GLMET	094	EUR	706,988,040	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
AMGI-Fonds GVMET	094	EUR	170,638,954	G	11		100.00	Generali Versicherung AG (D)	100.00	92.83
GLLAE (GEL) Verw.:AMGI	094	EUR	607,448,952	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
Grund Stadtlagerhaus Hamburg	094	EUR	25,560,874	G	10		50.00	Generali Lebensversicherung AG	100.00	92.83
							50.00	Generali Versicherung AG (D)		
Generali DE SicherungsMan GmbH	094	EUR	25,000	G	11		100.00	Generali DE Holding AG	100.00	92.74
VLAOT (VDL) Verw.:AMGI	094	EUR	1,366,673,350	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
AMGI-Fonds GLRET 3	094	EUR	673,044,759	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
AMGI-Fonds GLRET 2	094	EUR	540,460,584	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge 2.Immobilien AG	094	EUR	120,995,519	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge 3.Immobilien AG	094	EUR	155,767,170	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge 4.Immobilien AG	094	EUR	63,892,282	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Vofü Fonds I Hamburgische GmbH	094	EUR	14,800,000	G	10		59.29	Generali Beteiligung AG	59.29	55.04
Volksfürsorge 5.Immobilien AG	094	EUR	120,391,065	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge 6.Immobilien AG	094	EUR	68,149,180	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge 7.Immobilien AG	094	EUR	26,664,877	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Generali DE Pensor Pensions AG	094	EUR	5,100,000	G	2		100.00	Generali Beteiligung AG	100.00	92.83
PENSOR Cofonds	094	EUR	74,169,625	G	11		100.00	Generali DE Pensor Pensions AG	100.00	92.83
Generali DE Schadenmanag GmbH	094	EUR	100,000	G	11		100.00	Generali DE Holding AG	100.00	92.74
Generali DE Services GmbH	094	EUR	100,000	G	11		100.00	Generali DE Holding AG	100.00	92.74
AM Sechste Immobilien AG	094	EUR	40,025,000	G	10		100.00	AachenMünchener Lebensvers AG	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	92.78
GLL AMB Generali Prop Fund II	094	EUR	46,208,608	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
Generali 3. Immobilien AG	094	EUR	61,848,615	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
AM Siebte Immobilien AG	094	EUR	25,000	G	10		100.00	AachenMünchener Lebensvers AG	100.00	92.74
VDL US$ Corporate Bond Fund	094	USD	133,492,751	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge AG Vertriebsges	094	EUR	1,100,000	G	11		100.00	Generali Beteiligung AG	100.00	92.83
Generali Vermögensverwalt GmbH	094	EUR	258,700,000	G	9		94.90	Generali Beteiligungs-GmbH	94.90	94.90
GLL AMB Generali 200 SS	094	EUR	2,010,000	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
AM Vertriebs-Gesell Sachvers	094	EUR	250,000	G	11		100.00	ATLAS Dienstleistungen GmbH	100.00	68.63
AVAOT II	094	EUR	71,929,762	G	11		100.00	AachenMünchener Versicherung	100.00	92.74
AMGI-Fonds AVAOT III	094	EUR	21,592,792	G	11		100.00	AdvoCard Rechts AG	100.00	92.80
AMGI-Fonds ALRET	094	EUR	787,614,800	G	11		100.00	AachenMünchener Lebensvers AG	100.00	92.74
AMGI-Fonds CERET	094	EUR	1,106,785,380	G	11		100.00	Central Krankenversicherung AG	100.00	92.74
AMGI-Fonds CLRET	094	EUR	385,569,246	G	11		100.00	Cosmos Lebensversicherungs AG	100.00	92.74
AMGI-Fonds GLRET	094	EUR	2,610,357,859	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	285,863,760	G	2		99.98	Generali France Assurance S.A.	99.98	99.76
L'Equité S.A.	029	EUR	15,569,320	G	2		99.98	Generali France Assurance S.A.	99.98	99.75
EPJ S.A.	029	EUR	2,610,000	G	2		0.01	Generali IARD S.A.	100.00	99.77
							99.99	Generali France Assurance S.A.		
							0.01	Generali Vie S.A.		
Europ Assistance Holding S.A.	029	EUR	14,910,000	G	2		21.13	Generali IARD S.A.	99.98	99.76
							43.92	Generali France S.A.		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method [1]	Activity [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]
							5.01	Part Maa Graafschap Holland NV		
							29.92	Generali Vie S.A.		
Europ Assistance France S.A.	029	EUR	2,464,320	G	11		100.00	Europ Assistance Holding S.A.	100.00	99.76
Generali France S.A.	029	EUR	114,127,887	G	4	67.15			99.77	99.77
							32.62	Part Maa Graafschap Holland NV		
Generali Investments France SA	029	EUR	3,750,000	G	8		50.99	Generali France Assurance S.A.	100.00	98.78
							0.01	Generali Vie S.A.		
							49.00	Generali Investments S.p.A.		
Generali Immobilier Conseil SA	029	EUR	37,500	G	10		100.00	Generali France Assurance S.A.	100.00	99.77
Generali Gestion S.A.	029	EUR	270,000	G	11		99.83	Generali Investments France SA	99.92	98.70
							0.03	Generali France S.A.		
							0.06	Generali Vie S.A.		
Expert & Finance S.A.	029	EUR	3,409,010	G	11		90.30	Generali Vie S.A.	90.30	90.08
Generali Epargne Salariale SA	029	EUR	7,499,121	G	11		100.00	Generali France Assurance S.A.	100.00	99.77
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	62,362,780	G	2		100.00	Generali France Assurance S.A.	100.00	99.77
Generali Immobilier Gestion SA	029	EUR	1,000,000	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	99.76
Foncière Hypersud S.A.	029	EUR	50,000,205	G	10		49.00	Generali Vie S.A.	49.00	48.88
Europ Assistance S.A.	029	EUR	23,601,857	G	2		100.00	Europ Assistance Holding S.A.	100.00	99.76
Europ Teleassistance S.A.	029	EUR	100,000	G	11		100.00	Europ Assistance France S.A.	100.00	99.76
Generali Belle Feuille Sarl	029	EUR	10,596,827	G	10		100.00	Generali Vie S.A.	100.00	99.77
Generali Carnot S.a.r.l.	029	EUR	783,705	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	99.76
Icare Assurance S.A.	029	EUR	1,276,416	G	2		100.00	Icare S.A.	100.00	99.76
Infoparc S.A.	029	EUR	160,000	G	11		100.00	Icare S.A.	100.00	99.76
SCI Generali Le Jade	029	EUR	10,000	G	10		100.00	Generali Vie 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 du Chateau La France	029	EUR	5,485,987	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Generalli Asnieres	029	EUR	27,000	G	10		100.00	Generali IARD S.A.	100.00	99.77
SCI France Mornay Lyon	029	EUR	6,645,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Font Romeu Neige et Soleil	029	EUR	15,200	G	10		100.00	Generali IARD S.A.	100.00	99.77
Generali Habitat SCpl	029	EUR	15,241,905	G	10		85.78	Generali Vie S.A.	85.78	85.57
SCI Generali Pierre-Grenier	029	EUR	35,000	G	10		100.00	Generali IARD S.A.	100.00	99.77
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	48.40
Generali Reaumur S.A.	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	99.67
							60.63	SCI Generali Wagram		
							38.15	Generali Vie S.A.		
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		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method [1]	Activity [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]
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	99.76
							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	36,793,365	G	10		0.81	Generali IARD S.A.	100.00	99.76
							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	99.76
							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 Lagny 68-70-Generali	029	EUR	1,000,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Landy-Novatis	029	EUR	1,000,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Landy-Wilo	029	EUR	1,000,000	G	10		0.10	Generali IARD S.A.	100.00	99.77
							99.90	Generali Vie S.A.		
SCI Generali Le Franklin	029	EUR	5,443,549	G	10		99.57	Generali Vie S.A.	100.00	99.77
							0.43	SCI Le Rivay		
SCI Viroflay 10-12 Libération	029	EUR	3,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Generali Commerce 1	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00	99.77
SCI Generali Commerce 2	029	EUR	100,000	G	10		100.00	Generali IARD S.A.	100.00	99.77
SCI Generali le Moncey	029	EUR	919,020	G	10		100.00	Generali Vie S.A.	100.00	99.77
BSI Ifabanque S.A.	029	EUR	15,785,200	G	7		51.00	BSI S.A.	51.00	51.00
Sarl Parcolog Lille H Beaum 1	029	EUR	744,797	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Beaune Logistique 1	029	EUR	8,001,000	G	10		0.10	Generali Vie S.A.	100.00	99.76
							99.90	SC Generali Logistique		
SC Generali Logistique	029	EUR	160,001,000	G	10		99.00	Generali Vie S.A.	100.00	99.76
							1.00	Generali IARD S.A.		
Bien-Être Assistance S.A.	029	EUR	1,000,000	G	11		50.00	Europ Assistance France S.A.	50.00	49.88
Saint Ouen C1 S.A.S.	029	EUR	37,000	G	10		80.00	Tartini S.à.r.l.	80.00	78.49
Saint Ouen C1	029	EUR	1,000	G	10		99.90	Saint Ouen C1 S.A.S.	100.00	78.51
							0.10	Tartini S.à.r.l.		
Imm Comm des Indes Orientales	029	EUR	134,543,500	G	10	0.83			100.00	99.79
							2.50	Banco Vitalicio de España		
							2.50	La Estrella S.A.		
							20.00	Generali Properties S.p.A.		
							3.33	Generali Real Estate Inv B.V.		
							0.83	Generali Vida S.A.		
							70.00	Generali Vie S.A.		
SAS IMMOCIO CBI	029	EUR	76,322,520	G	10		100.00	SAS IMMOCIO CBI	100.00	99.79
SCI Iris La Défense	029	EUR	1,350	G	10		44.44	Generali IARD S.A.	100.00	99.76
							55.56	Generali Vie S.A.		
Terra Nova V Montreuil SCI	029	EUR	1,000	G	10		99.90	Sammartini S.à.r.l.	100.00	98.11
							0.10	Generali Vie S.A.		
Oudart S.A.	029	EUR	5,500,000	G	11		100.00	BSI S.A.	100.00	100.00
Oudart Gestion S.A.	029	EUR	1,000,000	G	8		100.00	Oudart S.A.	100.00	100.00

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)
Oudart Patrimoine Sarl	029	EUR	38,125	G	8		96.00	Oudart S.A.	100.00	100.00
							4.00	Oudart Gestion S.A.		
Solidia Finance et Patrimonie	029	EUR	305,580	G	8		50.02	Oudart S.A.	50.02	50.02
OPCI Parcolog Invest	029	EUR	63,246,708	G	10		100.00	Generali Vie S.A.	100.00	99.76
SCI Parc Logistique Maisonn 1	029	EUR	7,051,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parc Logistique Maisonn 2	029	EUR	5,104,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parc Logistique Maisonn 3	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parc Logistique Maisonn 4	029	EUR	8,004,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Isle D'Abeau 1	029	EUR	11,472,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Isle D'Abeau 2	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Isle D'Abeau 3	029	EUR	12,476,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Gondr Fontenoy 2	029	EUR	3,838,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Dagneux	029	EUR	5,501,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Combs La Ville 1	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Mitry Mory	029	EUR	11,320,950	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Bordeaux Cestas	029	EUR	9,508,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Marly	029	EUR	7,001,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SC Parcolog Messageries	029	EUR	1,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Parcolog Orchies	029	EUR	3,501,000	G	10		100.00	SC Generali Logistique	100.00	99.77
SCI Generali Le Dufy	029	EUR	20,319,682	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Commerces Regions	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Eureka Nanterre	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Thiers Lyon	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Iliade Massy	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
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.	93.14	92.93
							93.13	Generali France Assurance S.A.		
Generali Rückversicherung AG	008	EUR	8,833,000	G	5	100.00			100.00	100.00
Generali Holding Vienna AG	008	EUR	63,732,464	G	5		37.81	Transocean Holding Corporation	100.00	99.99
							29.72	Part Maa Graafschap Holland NV		
							0.08	Generali Worldwide Ins Ltd		
							2.66	Generali IARD S.A.		
							0.35	Generali Assurances Générales		
							0.05	Generali Finance B.V.		
							29.32	Generali Rückversicherung AG		
Europäische Reiseversicher AG	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		92.19	Generali Holding Vienna AG	100.00	99.99
							7.81	Generali Rückversicherung AG		
Europ Assistance Gesells mbH	008	EUR	70,000	G	11		75.00	Europ Assistance Holding S.A.	100.00	99.82
							25.00	Generali Holding Vienna AG		
Allgemeine Immobilien-Ver GmbH	008	EUR	145,346	G	10	37.50			100.00	100.00
							62.50	Generali Holding Vienna AG		
All Immobilien GmbH & Co. KG	008	EUR	17,441,553	G	10		100.00	Generali Versicherung AG (A)	100.00	99.99
Generali Capital Manag GmbH	008	EUR	150,000	G	8		24.99	Generali DE Holding AG	100.00	98.18
							75.01	Generali Holding Vienna AG		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)
Interunfall/AIV-Leasing Voarlb	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	All Immobilien GmbH & Co. KG		
Generali Leasing GmbH	008	EUR	730,000	G	11		75.00	Generali Versicherung AG (A)	75.00	75.00
Care Consult Versicherung GmbH	008	EUR	138,078	G	11		100.00	Europäische Reiseversicher AG	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	All Immobilien GmbH & Co. KG		
Generali/AIV Leasing Salzb	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	All Immobilien GmbH & Co. KG		
Generali/AIV Leasing St.Pölten	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	All Immobilien GmbH & Co. KG		
Interunfall/AIV-Leasing Salzb	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	All Immobilien GmbH & Co. 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	22,000,000	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		24.97	Generali DE Informatik Serv	100.00	98.18
							75.03	Generali Holding Vienna AG		
Generali Pensionskasse AG	008	EUR	350,000	G	2		100.00	Generali Holding Vienna AG	100.00	99.99
Generali Immobilien AG	008	EUR	72,673	G	10		100.00	Generali Versicherung AG (A)	100.00	99.99
Generali VIS Informatik GmbH	008	EUR	35,000	G	11		100.00	Generali Holding Vienna AG	100.00	99.99
GLBond Spezialfonds	008	EUR	9,330	G	11		95.78	Generali Versicherung AG (A)	95.78	95.78
GLStock-Fonds	008	EUR	4,040	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
CA Global Property Inter Immob	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		50.01	Generali Holding Vienna AG	50.01	50.01
BAWAG Spezialfonds 6	008	EUR	13,730	G	11		100.00	BAWAG PSK Versicherung AG	100.00	50.01
Mondomix	008	EUR	396,296	G	11		89.27	Generali Versicherung AG (A)	89.27	89.27
Akzent	008	EUR	1,228	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
GSBond Spezialfonds	008	EUR	3,650	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
GEN4A Spezialfonds	008	EUR	55,500	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
CEE Liquid	008	EUR	73,861	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
Banco Vitalicio de España	067	EUR	26,090,262	G	2		90.32	Generali España Holding S.A.	99.93	99.92
							9.61	Hermes SL		
La Estrella S.A.	067	EUR	31,356,741	G	2		99.83	Generali España Holding S.A.	99.83	99.83
Europ Assistance España S.A.	067	EUR	3,612,000	G	2		5.00	Banco Vitalicio de España	100.00	99.77
							95.00	Europ Assistance Holding S.A.		
Generali España Holding S.A.	067	EUR	563,490,658	G	4	100.00			100.00	100.00
Hermes SL	067	EUR	24,933,093	G	10		100.00	La Estrella S.A.	100.00	99.83
Gensegur Agencia de Seguros SA	067	EUR	60,101	G	11		100.00	La Estrella S.A.	100.00	99.83
Vitalicio Torre Cerdà S.l.	067	EUR	1,112,880	G	10		90.66	Banco Vitalicio de España	100.00	99.91
							9.34	Grupo 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 Servicios Int	067	EUR	400,000	G	11		100.00	Europ Assistance España S.A.	100.00	99.77
Grupo Generali España AIE	067	EUR	35,597,000	G	11		68.19	Banco Vitalicio de España	100.00	99.89
							31.79	La Estrella S.A.		
							0.01	Generali España Holding S.A.		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)
Coris Asistencia, S.A.	067	EUR	120,200	G	11		100.00	Europ Assistance Servicios Int	100.00	99.77
Coris Gestión de Riesgos, S.L.	067	EUR	3,008	G	11		100.00	Europ Assistance Servicios Int	100.00	99.77
Cafel Inversiones 2008, S.L.	067	EUR	3,006	G	10		100.00	Frescobaldi S.à.r.l.	100.00	98.11
BSI Spain Wealth and AM S.A.	067	EUR	2,068,701	G	9		100.00	BSI S.A.	100.00	100.00
BSI Spain AM SGCIIC, S.A.	067	EUR	1,091,250	G	11		100.00	BSI Spain Wealth and AM S.A.	100.00	100.00
BSI Spain Wealth Manag S.A.	067	EUR	812,250	G	11		100.00	BSI Spain Wealth and AM S.A.	100.00	100.00
GLL City22 S.L.	067	EUR	10,003,006	G	11		100.00	GLL AMB Generali City22 Sàrl	100.00	92.78
Cajamar Seguros Generales S.A	067	EUR	4,507,600	G	2		50.00	Generali España Holding S.A.	50.00	50.00
Europ Assistance Insurance Ltd	031	GBP	21,000,000	G	2		100.00	Europ Assistance Holdings Ltd	100.00	99.76
Europ Assistance Holdings Ltd	031	GBP	23,200,000	G	4		100.00	Europ Assistance Holding S.A.	100.00	99.76
Europ Assistance Limited	031	GBP	10,000	G	11		100.00	Europ Assistance Holdings Ltd	100.00	99.76
BSI Generali UK Ltd	031	GBP	250,000	G	8		100.00	Generali Worldwide Ins Ltd	100.00	100.00
Generali Belgium S.A.	009	EUR	40,000,000	G	2		22.52	Flandria S.A.	99.99	99.70
							32.29	Ina Assitalia S.p.A.		
							24.91	Part Maa Graafschap Holland NV		
							4.78	Generali Beleggingen B.V.		
							0.28	Generali Finance B.V.		
							10.94	Genass-Invest S.A.		
							4.27	Generali Levensverzekering NV		
Europ Assistance Belgium S.A.	009	EUR	6,012,000	G	2		100.00	Europ Assistance Holding S.A.	100.00	99.76
Adriatica S.A.	009	EUR	1,150,000	G	4		100.00	Generali Beteiligung AG	100.00	92.83
Flandria S.A.	009	EUR	53,158,425	G	4	93.51			100.00	99.98
							6.49	Generali Vie S.A.		
Genervest S.A.	009	EUR	2,810,000	G	4	64.96			100.00	100.00
							35.04	Part Maa Graafschap Holland NV		
Genass-Invest S.A.	009	EUR	34,235,504	G	4		73.50	Generali Beleggingen B.V.	100.00	98.55
							26.50	Generali Levensverzekering NV		
Europ Assistance Services S.A.	009	EUR	186,000	G	11		20.00	Generali Belgium S.A.	100.00	99.75
							80.00	Europ Assistance Belgium S.A.		
Generali Belgium Invest S.A.	009	EUR	9,300,000	G	10		100.00	Generali Belgium S.A.	100.00	99.70
IXIA N.V.	009	EUR	62,000	G	11		100.00	Generali Belgium S.A.	100.00	99.70
GLL South Express S.A.	009	EUR	20,000,000	G	11		100.00	GLL AMB Generali South Express	100.00	92.78
Generali Levensverzekering NV	050	EUR	2,268,901	G	2		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Generali Schadeverzekering NV	050	EUR	1,361,341	G	2		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Part Maa Graafschap Holland NV	050	EUR	1,562,245,110	G	4	71.20			100.00	100.00
							6.40	Alleanza Toro S.p.A.		
							6.40	Genertellife S.p.A.		
							16.00	Ina Assitalia S.p.A.		
Generali Verzekeringsgroep NV	050	EUR	5,545,103	G	4	12.77			98.55	98.55
							36.46	Part Maa Graafschap Holland NV		
							18.17	B.V. Algemene Holding en Finan		
							31.17	Transocean Holding Corporation		
B.V. Algemene Holding en Finan	050	EUR	4,696,625	G	4		100.00	Generali Holding Vienna AG	100.00	99.99
Generali Beleggingen B.V.	050	EUR	14,520,967	G	4		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Part Maatschappij Transhol BV,	050	EUR	1,633,609	G	4		100.00	Transocean Holding Corporation	100.00	100.00

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method [1]	Activity [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]
Generali Finance B.V.	050	EUR	100,000,000	G	4	100.00			100.00	100.00
Redoze Holding N.V.	050	EUR	22,689,011	G	4	6.02			100.00	100.00
							50.01	Generali Worldwide Ins Ltd		
							43.97	Transocean Holding Corporation		
Generali Vastgoed B.V.	050	EUR	18,151	G	10		100.00	Generali Levensverzekering NV	100.00	98.55
NV Schadeverzek De Nederlanden	050	EUR	500,000	G	2		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Generali Asia N.V.	050	EUR	120,000	G	4		60.00	Part Maa Graafschap Holland NV	60.00	60.00
Generali Turkey Holding B.V.	050	EUR	22,600	G	4		100.00	Part Maa Graafschap Holland NV	100.00	100.00
Generali Real Estate Inv B.V.	050	EUR	100,000,000	G	10		0.33	IXIA N.V.	100.00	99.13
							46.73	Generali Belgium S.A.		
							50.00	Generali Vastgoed B.V.		
							2.94	Generali Belgium Invest S.A.		
Generali Horizon B.V.	050	EUR	90,760	G	4		100.00	Generali Worldwide Ins Ltd	100.00	100.00
Lion River I N.V.	050	EUR	520,004	G	9	31.15			100.00	97.62
							30.10	Generali DE Holding AG		
							8.66	Lion River II N.V.		
							30.10	Generali Vie S.A.		
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	18,000	G	4	51.00			51.00	51.00
Lion River II N.V.	050	EUR	45,500	G	9		100.00	Generali Verzekeringsgroep NV	100.00	98.55
CZI Holdings N.V.	050	EUR	2,662,000,000	G	4		100.00	Generali PPF Holding B.V.	100.00	51.00
CP Strategic Investments B.V.	050	EUR	25,179,000	G	4		100.00	CZI Holdings N.V.	100.00	51.00
Iberian Structured Invest I BV	050	EUR	90,000	G	4		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali PanEurope Limited	040	EUR	36,134,869	G	2	21.79			100.00	100.00
							39.09	Generali Worldwide Ins Ltd		
							38.46	Generali Investments Limited		
							0.65	Generali Finance B.V.		
Generali Investments Limited	040	EUR	30,000,000	G	4	100.00			100.00	100.00
Genirland Limited	040	EUR	113,660,000	G	9		100.00	Part Maa Graafschap Holland NV	100.00	100.00
Generali Life A.E.	032	EUR	12,290,000	G	2	99.97			100.00	100.00
							0.03	Generali Hellas - A.E.		
Generali Hellas - A.E.	032	EUR	22,396,985	G	2	99.22			100.00	100.00
							0.78	Generali Life A.E.		
Generali Luxembourg S.A.	092	EUR	2,021,065	G	2		100.00	Generali Belgium Invest S.A.	100.00	99.70
Generali European RE Inv S.A.	092	EUR	241,824,540	G	8	25.59			100.00	98.09
							16.60	Generali Lebensversicherung AG		
							2.44	Banco Vitalicio de España		
							1.17	Generali Vida S.A.		
							2.44	La Estrella S.A.		
							9.77	Generali Real Estate Inv B.V.		
							9.76	Generali Immobilien AG		
							7.81	AachenMünchener Lebensvers AG		
							24.41	Generali Vie S.A.		
							0.01	Generali Rückversicherung AG		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)
Tartini S.à.r.l.	092	EUR	25,000	G	9		100.00	Generali European RE Inv S.A.	100.00	98.11
Frescobaldi S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European RE Inv S.A.	100.00	98.11
GLL AMB Generali Cross-Border	092	EUR	223,250,000	G	9		48.00	Generali Lebensversicherung AG	100.00	92.78
							16.00	Central Krankenversicherung AG		
							8.00	Cosmos Lebensversicherungs AG		
							28.00	AachenMünchener Lebensvers AG		
Generali Fund Management S.A.	092	EUR	3,921,900	G	11		51.00	Banca Generali S.p.A.	100.00	81.43
							49.00	Generali Investments S.p.A.		
Corelli S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European RE Inv S.A.	100.00	98.11
Torelli S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European RE Inv S.A.	100.00	98.11
Sammartini S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European RE Inv S.A.	100.00	98.11
Gotam Fund Management C.Lux SA	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	35,000,000	G	7		100.00	BSI S.A.	100.00	100.00
GLL AMB Generali City22 Sàrl	092	EUR	112,500	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
GLL AMB Generali Bank Sàrl	092	EUR	12,500	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
GLL AMB Generali South Express	092	EUR	212,500	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
Generali Immobiliare AM Sàrl	092	EUR	250,000	G	8	100.00			100.00	100.00
Generali Northern America Inv	092	USD	50,000	G	11		100.00	Generali Immobiliare AM Sàrl	100.00	100.00
Generali Europe Income Inv	092	EUR	31,000	G	11		100.00	Generali Immobiliare AM Sàrl	100.00	100.00
Generali North America H Sàrl	092	EUR	12,500	G	8		100.00	Generali Northern America Inv	100.00	100.00
Generali Europe Income Ho Sàrl	092	EUR	12,500	G	8		100.00	Generali Europe Income Inv	100.00	100.00
Generali Vida S.A.	055	EUR	9,000,000	G	2	99.99			99.99	99.99
Europ Assistance Portuguesa SA	055	EUR	7,500,000	G	2		53.00	Europ Assistance Holding S.A.	53.00	52.87
Europ Assist Serv Assi Pers SA	055	EUR	250,000	G	11		99.90	Europ Assistance Portuguesa SA	99.90	52.82
Generali-Providencia Biztos Rt	077	HUF	4,500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Europai Utazasi Biztosito Rt.	077	HUF	400,000,000	G	2		13.00	Europäische Reiseversicher AG	74.00	40.86
							61.00	Generali-Providencia Biztos Rt		
Generali-Ingatlan Vagyo S Kft	077	HUF	1,250,000,000	G	10		96.00	Generali-Providencia Biztos Rt	100.00	51.00
							4.00	Generali Biztosítá Ügynök Mark		
Generali Építo- és Tervezo Kft	077	HUF	4,046,788,000	G	10		99.00	Generali-Providencia Biztos Rt	100.00	51.00
							1.00	Generali-Ingatlan Vagyo S Kft		
Generali Biztosítá Ügynök Mark	077	HUF	5,000,000	G	8		98.34	Generali-Providencia Biztos Rt	100.00	51.00
							1.66	Generali-Ingatlan Vagyo S Kft		
Generali Alapkezelö Rt.	077	HUF	500,000,000	G	8		74.00	Generali-Providencia Biztos Rt	100.00	51.00
							26.00	Generali PPF Holding B.V.		
Genertel Biztosító Zrt	077	HUF	2,160,000,000	G	2		100.00	Generali-Providencia Biztos Rt	100.00	51.00
Vàci utca Center Uzletköz Kft	077	HUF	4,497,120	G	10		100.00	Generali Immobilien AG	100.00	99.99
Generali Towarzystwo Ubezp SA	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 spólka z ogr	100.00	51.00
Generali Zycie Towarzyst Ub SA	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		3.44	Generali PPF Holding B.V.	100.00	51.00
							96.56	Generali Towarzystwo Ubezp SA		
Generali Finance spólka z ogr	054	PLN	22,050,000	G	8		100.00	Generali PTE S.A.	100.00	51.00
Generali Pojistovna a.s.	275	CZK	500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method (1)	Activity (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)
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 Spol.s.r.o.	275	CZK	396,206,000	G	10		100.00	CA Global Property Inter Immob	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
Penzijni fond Ceské poji a.s.	275	CZK	213,699,560	G	11		100.00	Ceska pojistovna, a.s.	100.00	51.00
Ceská pojištovna ZDRAVI a.s.	275	CZK	100,000,000	G	2		100.00	Ceska pojistovna, a.s.	100.00	51.00
Generali PPF AM a.s.	275	CZK	52,000,000	G	8		100.00	CZI Holdings N.V.	100.00	51.00
CP INVEST investicní 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
Pankrac Services, s.r.o.	275	CZK	1,247,372,000	G	10		100.00	Ceska pojistovna, a.s.	100.00	51.00
Generali Zakrila Medic&Dental	012	BGN	100,000	G	11		100.00	Generali Zakrila Health-Ins AD	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	102,600,000	G	4		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali Zakrila Health-Ins AD	012	BGN	2,000,000	G	2		97.47	Generali Bulgaria Holding EAD	97.47	49.71
Generali Insurance Life AD	012	BGN	10,000,000	G	2		99.69	Generali Bulgaria Holding EAD	99.69	50.84
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 Slovensko Poistovn as	276	SKK	24,900,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali Zavarovalnica d.d.	260	EUR	36,020,339	G	2		99.84	Generali PPF Holding B.V.	99.84	50.92
Generali Garant Insurance JSC	263	UAH	86,388,000	G	3		52.39	Generali Holding Vienna AG	52.39	52.38
Generali Garant Life Ins JSC	263	UAH	10,200,000	G	3		35.85	Generali Holding Vienna AG	51.00	43.78
							15.15	Generali Garant Insurance JSC		
Europäische Reisever GVAG (U)	263	UAH	9,473,000	G	3		69.90	Europäische Reiseversicher AG	69.90	52.41
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 admin	263	UAH	4,090,500	G	11		99.99	CZI Holdings N.V.	99.99	50.99
Generali Osiguranje d.d.	261	HRK	81,000,000	G	3		100.00	Generali PPF Holding B.V.	100.00	51.00
BSI Monaco SAM	091	EUR	10,000,000	G	7		100.00	BSI S.A.	100.00	100.00
BSI Asset Managers SAM	091	EUR	1,000,000	G	8		99.96	BSI Monaco SAM	99.96	99.96
Generali Assurances Générales	071	CHF	27,342,400	G	3		99.92	Generali (Schweiz) Holding AG	99.92	99.92
Generali Personenversicher AG	071	CHF	60,320,000	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Fortuna Rechtsschutz-Vers-AG	071	CHF	3,000,000	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Generali (Schweiz) Holding AG	071	CHF	3,053,500	G	4	58.95			100.00	100.00
							41.05	Redoze Holding N.V.		
Fortuna Investment AG	071	CHF	1,000,000	G	8		100.00	Generali (Schweiz) Holding AG	100.00	100.00
BSI S.A.	071	CHF	1,840,000,000	G	7		100.00	Part Maa Graafschap Holland NV	100.00	100.00
Europ Assistance (Suisse) S.A.	071	CHF	200,000	G	11		100.00	Europ Assistance (CH) Hold SA	100.00	75.82
B-Source S.A.	071	CHF	2,400,000	G	11		100.00	BSI S.A.	100.00	100.00
Europ Assistance (CH) Ass S.A.	071	CHF	3,000,000	G	3		100.00	Europ Assistance (CH) Hold SA	100.00	75.82
Europ Assistance (CH) Hold SA	071	CHF	1,400,000	G	4		1.00	Generali (Schweiz) Holding AG	76.00	75.82
							75.00	Europ Assistance Holding S.A.		
Thalìa S.A.	071	CHF	1,000,000	G	9		51.00	BSI S.A.	100.00	98.90
							49.00	Generali Investments IT SpA SGR		
B-Source Outline AG	071	CHF	100,000	G	11		80.00	B-Source S.A.	80.00	80.00

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method [1]	Activity [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]
BSI Trust Corporation (MT) Ltd	105	MTL	50,000	G	11		98.00	BSI S.A.	98.00	98.00
Generali Worldwide Ins Ltd	201	EUR	86,733,397	G	3		100.00	Part Maa Graafschap Holland NV	100.00	100.00
Generali International Ltd	201	EUR	13,938,259	G	3		100.00	Generali Worldwide Ins Ltd	100.00	100.00
BSI Trust Corp. (CI) Ltd	201	USD	200,000	G	11		100.00	BSI S.A.	100.00	100.00
AG (Insurance Managers) Ltd	201	GBP	10,000	G	11	99.94			99.94	99.94
BSI Generali Bank (CI) Limited	201	GBP	1,425,422	G	7		100.00	Generali Worldwide Ins Ltd	100.00	100.00
Generali Portfolio Man CI Ltd	201	USD	194,544	G	4		100.00	Generali Worldwide Ins Ltd	100.00	100.00
Europäische Reisever GVAG (R)	262	RUB	70,000,000	G	3		100.00	Europäische Reiseversicher AG	100.00	74.99
Generali PPF Life Ins LLC	262	RUB	86,667,900	G	3		100.00	Ceska pojistovna, a.s.	100.00	51.00
Generali PPF General Ins LLC	262	RUB	100,000,000	G	3		100.00	CZI Holdings N.V.	100.00	51.00
Fortuna Lebens-Versicherung AG	090	CHF	10,000,000	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Fortuna Investment AG, Vaduz	090	CHF	1,000,000	G	11		100.00	Generali (Schweiz) Holding AG	100.00	100.00
Delta Generali Osiguranje ado	289	RSD	2,072,582,400	G	3		50.02	Generali PPF Holding B.V.	50.02	25.51
Delta Generali Reosiguran ado	289	RSD	476,201,499	G	6		99.99	Delta Generali Osiguranje ado	99.99	25.51
Voluntary Pens Fund Man Co	289	RSD	135,000,000	G	11		100.00	Delta Generali Osiguranje ado	100.00	25.51
Generali Foreign Ins Co Inc	264	BYR	6,907,249,250	G	3		35.00	Ceska pojistovna, a.s.	100.00	51.00
							32.50	Ceská pojišťovna ZDRAVI a.s.		
							32.50	Generali Slovensko Poistovn as		
JSC Generali Life	269	KZT	1,000,000,000	G	3		100.00	Ceska pojistovna, a.s.	100.00	51.00
Delta Generali Hold Podgorica	290	EUR	4,510,000	G	4		36.59	Delta Generali Osiguranje ado	56.54	14.42
							19.96	Delta Generali Reosiguran ado		
Delta Generali Zivotna O ad P	290	EUR	1,300,000	G	3		100.00	Delta Generali Hold Podgorica	100.00	14.42
Delta Generali Osiguranje ado	290	EUR	2,900,000	G	3		100.00	Delta Generali Hold Podgorica	100.00	14.42
Generali Asigurari S.A.	061	RON	129,450,000	G	2		83.79	Generali Holding Vienna AG	83.79	83.78
S.C. FATA Asigurari S.A.	061	RON	80,917,100	G	2		100.00	Fata Assicurazioni Danni SpA	100.00	99.88
Generali Soc de Admin Fond Pen	061	RON	89,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00	51.00
S.C. ARDAF S.A.	061	RON	306,763,330	G	2		18.95	Generali PPF Holding B.V.	99.99	51.00
							81.05	Iberian Structured Invest I BV		
Generali Sigorta A.S.	076	TRY	26,300,000	G	3		99.67	Generali Turkey Holding B.V.	99.67	99.67
Migdal Insurance Company Ltd	182	ILS	174,883,000	G	3		100.00	Migdal Insurance and Fin Hold	100.00	69.79
Migdal Insurance and Fin Hold	182	ILS	10,459,000	G	4	0.98			69.79	69.79
							42.85	Part Maa Graafschap Holland NV		
							25.96	Part Maatschappij Transhol BV,		
Migdal Eshkol Finansim B.M.	182	ILS	485,000	G	9		100.00	Migdal Insurance Company Ltd	100.00	69.79
Generali Realties Ltd	182	ILS	2	G	10	100.00			100.00	100.00
Migdal Hitum ve Kidum Asakim L	182	ILS	5,001,053	G	9		100.00	Migdal Capital Markets 1965Ltd	100.00	69.79
Migdal Trust Funds Ltd	182	ILS	259,518,001	G	9		100.00	Migdal Stock Exc Serv (NE) Ltd	100.00	69.79
Migdal Invest Port Man 1988Ltd	182	ILS	50,000	G	8		100.00	Migdal Capital Markets 1965Ltd	100.00	69.79
Migdal Capital Markets Ltd	182	ILS	50	G	9		100.00	Migdal Capital Markets 1965Ltd	100.00	69.79
Migdal Gemel Platinum Ltd	182	ILS	1,100,000	G	8		100.00	Migdal Capital Markets 1965Ltd	100.00	69.79
Migdal Makefet PensProv Fu Ltd	182	ILS	23,397,000	G	8		100.00	Migdal Insurance Company Ltd	100.00	69.79
New Makefet Prov Fund Ltd	182	ILS	1,500,000	G	8		100.00	Migdal Makefet PensProv Fu Ltd	100.00	69.79
Migdal Capital Markets 1965Ltd	182	ILS	309,208,000	G	9		100.00	Migdal Invest Man (2001) Ltd	100.00	69.79
Migdal Invest Man (2001) Ltd	182	ILS	399,832,000	G	9		100.00	Migdal Insurance and Fin Hold	100.00	69.79
Migdal Stock Exc Serv (NE) Ltd	182	ILS	259,506,539	G	11		100.00	Migdal Capital Markets 1965Ltd	100.00	69.79

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method [1]	Activity [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]
Transocean Holding Corporation	069	USD	4,980,600	G	4	100.00			100.00	100.00
Europ Assistance USA Inc.	069	USD	5,000,000	G	11		100.00	Europ Assistance Holding S.A.	100.00	99.76
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 Solut LLC	100.00	100.00
Generali Consulting Solut LLC	069	USD	156,420	G	11	100.00			100.00	100.00
GLL Properties Fund I LP	069	USD	100,908,846	G	10		100.00	GLL AMB Generali Prop Fund I	100.00	92.78
GLL Properties Fund II LP	069	USD	55,256,056	G	11		100.00	GLL AMB Generali Prop Fund II	100.00	92.78
GLL Properties 444 Noth Mic LP	069	USD	55,256,056	G	10		100.00	GLL Properties Fund II LP	100.00	92.78
Europ Assist North America Inc	069	USD	26,275,000	G	11		100.00	Europ Assistance Holding S.A.	100.00	99.76
Customized Services Admin Inc.	069	USD	3,157,842	G	11		100.00	Europ Assist North America Inc	100.00	99.76
Global Medical Management Inc.	069	USD	400,610	G	11		100.00	Europ Assist North America Inc	100.00	99.76
Europ Assistance Canada Inc.	013	CAD	6,738,011	G	9		100.00	Europ Assistance Holding S.A.	100.00	99.76
Canadian Medical Network Inc.	013	CAD	203	G	11		100.00	Europ Assistance Canada Inc.	100.00	99.76
Generali Corporate S.A.	006	ARS	5,700,000	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	69.30
La Caja de Seguros d Retiro SA	006	ARS	5,020,000	G	3		95.00	Caja de Seguros S.A.	100.00	69.33
							5.00	Caja de Ahorro y Seguro S.A.		
Instituto del Seg de Mision SA	006	ARS	4,530,000	G	3		94.95	Caja de Seguros S.A.	99.95	69.30
							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			70.00	70.00
							7.50	Genirland Limited		
Ritenere S.A.	006	ARS	12,000	G	11		0.83	Caja de Seguros S.A.	100.00	69.99
							99.17	Caja de Ahorro y Seguro S.A.		
La Estrella Seg de Retiro SA	006	ARS	27,256,439	G	3		50.00	Caja de Seguros S.A.	50.00	34.65
Generali Brasil Seguros S.A.	011	BRL	156,943,872	G	3	74.37			99.98	99.98
							25.61	Transocean Holding Corporation		
Generali Ecuador S.A.	024	USD	2,130,000	G	3	51.74			51.74	51.74
Generali Colombia Vida S.A.	017	COP	4,199,990	G	3	15.38			99.81	90.44
							16.16	Transocean Holding Corporation		
							68.28	Generali Colombia S.A.		
Generali Colombia S.A.	017	COP	14,700,000	G	3	81.83			86.28	86.28
							4.44	Transocean Holding Corporation		
Aseguradora General S.A.	033	GTQ	72,000,000	G	3	58.08			58.08	58.08
Seguros Banorte Generali SA	046	MXN	656,794,722	G	3		21.85	Flandria S.A.	49.00	49.00
							21.85	Part Maa Graafschap Holland NV		
							5.31	Transocean Holding Corporation		
Pensiones Banorte Generali SA	046	MXN	191,470,260	G	3		24.50	Flandria S.A.	49.00	49.00
							24.50	Part Maa Graafschap Holland NV		
Solida Banorte Generali SA	046	MXN	543,559,244	G	11		24.50	Flandria S.A.	49.00	49.00
							24.50	Part Maa Graafschap Holland NV		
Comercial Banorte Generali SA	046	MXN	5,800,000	G	11		33.00	Seguros Banorte Generali SA	100.00	49.00
							34.00	Solida Banorte Generali SA		
							33.00	Pensiones Banorte Generali SA		

Subsidiaries consolidated line by line

Company	Country	Currency	Share capital in original currency	Method [1]	Activity [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]
Servicios Banorte Generali SA	046	MXN	2,300,000	G	11		33.00	Seguros Banorte Generali SA	100.00	49.00
							34.00	Solida Banorte Generali SA		
							33.00	Pensiones Banorte Generali SA		
Assistencia Banorte Gener SA	046	MXN	50,000	G	11		99.00	Seguros Banorte Generali SA	100.00	49.00
							1.00	Pensiones Banorte Generali SA		
Generali Pilipinas Life Ass In	027	PHP	1,336,490,229	G	3		100.00	Generali Pilipinas Holding Inc	100.00	36.00
Generali Pilipinas Ins Co Inc	027	PHP	1,093,860,137	G	3		99.99	Generali Pilipinas Holding Inc	99.99	36.00
Generali Pilipinas Holding Inc	027	PHP	2,389,255,490	G	4		60.00	Generali Asia N.V.	60.00	36.00
KAG Holding Company Ltd	072	THB	707,244,200	G	4		100.00	IWF Holding Company Ltd	100.00	34.86
Generali Life Assurance TH Ltd	072	THB	1,000,000,000	G	3		25.00	Generali Asia N.V.	75.00	32.43
							50.00	KAG Holding Company Ltd		
Generali Insurance TH Ltd	072	THB	300,000,000	G	3		25.00	Generali Asia N.V.	75.00	32.43
							50.00	KAG Holding Company Ltd		
IWF Holding Company Ltd	072	THB	2,100,000	G	4		58.10	Generali Asia N.V.	58.10	34.86
Generali China Life Ins Co Ltd	016	CNY	2,700,000,000	G	3	50.00			50.00	50.00
PT As Jiwa Generali Indonesia	129	IDR	65,000,000,000	G	3		87.69	Generali Asia N.V.	87.69	52.62
Generali Reassurance Bermuda	207	USD	250,000	G	6		100.00	Generali U.S. Holdings Inc.	100.00	100.00
BSI Bank Limited	147	USD	74,000,000	G	7		100.00	BSI S.A.	100.00	100.00
BSI Trust Corporation SG Ltd.	147	SGD	367,390	G	11		100.00	BSI S.A.	100.00	100.00
BSI-Generali Asia Limited	103	HKD	10,000,000	G	9	50.00			100.00	100.00
							50.00	BSI S.A.		
BSI Investment Advisors PA Inc	051	USD	410,000	G	11		51.00	BSI S.A.	51.00	51.00
BSI Overseas (Bahamas) Ltd	160	USD	10,000,000	G	8		100.00	BSI S.A.	100.00	100.00
BSI Trust Corp. (Bahamas) Ltd	160	USD	1,000,000	G	8		100.00	BSI S.A.	100.00	100.00
Alpine Services Ltd	160	USD	10,000	G	9		100.00	BSI Trust Corp. (Bahamas) Ltd	100.00	100.00
Europ Assis Worldwide Serv SA	078	ZAR	18,264,900	G	11		61.00	Europ Assistance Holding S.A.	61.00	60.85
LawCall Marketing Pty Ltd	078	ZAR	100	G	11		100.00	Europ Assis Worldwide Serv SA	100.00	60.86
24 Fix (Pty) Ltd	078	ZAR	4,249,769	G	11		100.00	Europ Assis Worldwide Serv SA	100.00	60.86
MRI Criticare Medical Resc Ltd	078	ZAR	200	G	11		100.00	Europ Assis Worldwide Serv SA	100.00	60.86
Access Health South Africa Ltd	078	ZAR	4,000	G	11		100.00	Europ Assis Worldwide Serv SA	100.00	60.86

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; 10 = real estate companies; 11 = other

(3) Net Group partecipation percentage

The total percentage of votes exercitable at shareholders' general meeting, which differs from that of direct on indirect shareholding, is a follows:

Generali France 99.98%

Generali Verzekeringsgroep NV 98.56%

IWF Holding Co. Ltd 100%

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity (1)	Type (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)	Book value (€ thousand)
Sementi Dom Dotto S.p.A.	086	EUR	1,459,500	a	11		100.00	Genagricola S.p.A.	100.00	100.00	2,484
Casaletto S.r.l.	086	EUR	1,976,000	a	11		100.00	Genagricola S.p.A.	100.00	100.00	1,976
Solaris S.r.l. (**)	086	EUR	20,000	b	10		40.00	Generali Properties S.p.A.	40.00	40.00	4,754
Intesa Previdenza SIM S.p.A.	086	EUR	15,300,000	b	8	21.47			21.47	21.47	3,947
Servizi Tecnol Avanzati S.p.A.	086	EUR	102,000	b	11	25.00			25.00	25.00	
Donatello Intermediazione Srl	086	EUR	59,060	a	11	10.87			100.00	100.00	230
							89.13	Ina Assitalia S.p.A.			
Enofila S.r.l.	086	EUR	2,972,000	a	11	100.00			100.00	100.00	2,972
Ente Teatrale Italiano	086	EUR	61,975	b	11	33.33			33.33	33.33	
Initium S.r.l. (**)	086	EUR	250,000	b	10		49.00	Generali Properties S.p.A.	49.00	49.00	4,169
Continuum S.r.l. (**)	086	EUR	9,263,466	b	10		40.00	Generali Properties S.p.A.	40.00	40.00	247
CityLife S.r.l. (**)	086	EUR	208,500,000	b	10		26.67	Generali Properties S.p.A.	26.67	26.67	65,073
Phone Business Service S.r.l.	086	EUR	10,000	a	11		80.00	Europ Assistance Italia S.p.A.	100.00	86.93	10
							20.00	Europ Assistance Service SpA			
Sementi Ross S.r.l.	086	EUR	102,800	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	
Il Pino S.r.l.	086	EUR	15,000	a	11		100.00	Genagricola S.p.A.	100.00	100.00	8,266
Natalia S.r.l.	086	EUR	90,000	a	11		100.00	Agricola San Giorgio S.p.A.	100.00	100.00	4,684
Dolphin Investments S.r.l.	086	EUR	30,800	b	9		32.47	Generali Horizon S.p.A.	32.47	32.47	
AEON Trust	086	EUR	100,000	a	11		100.00	BSI S.A.	100.00	100.00	112
Jupiter 12 S.r.l.	086	EUR	12,000	a	10		100.00	Fata Assicurazioni Danni SpA	100.00	99.96	11,073
A7 S.r.l. (**)	086	EUR	200,000	c	10	20.50			40.10	40.10	2,638
							19.60	Alleanza Toro S.p.A.			
CGM Italia SIM S.p.A.	086	EUR	750,000	b	11		20.00	BSI S.A.	20.00	20.00	167
Tiberina S.r.l. Unipersonale	086	EUR	20,000	a	11		100.00	Ina Assitalia S.p.A.	100.00	100.00	33
Il Gelso S.r.l.	086	EUR	20,000	a	11		100.00	Enofila S.r.l.	100.00	100.00	
Il Tiglio S.r.l.	086	EUR	20,000	a	11		100.00	Enofila S.r.l.	100.00	100.00	
Ippocastano S.r.l.	086	EUR	20,000	a	11		100.00	Enofila S.r.l.	100.00	100.00	
Agenzia la Torre S.r.l.	086	EUR	20,000	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	
Telco S.p.A. (**)	086	EUR	4,442,155,933	b	9	12.98			30.58	30.40	848,731
							0.07	AachenMünchener Versicherung			
							1.43	Generali Lebensversicherung AG			
							0.11	Generali Versicherung AG (D)			
							0.18	Central Krankenversicherung AG			
							0.12	Cosmos Lebensversicherungs AG			
							6.76	Alleanza Toro S.p.A.			
							6.21	Ina Assitalia S.p.A.			
							0.44	AachenMünchener Lebensvers AG			
							2.27	Generali Vie S.A.			
NET Engineering Intern S.p.A.	086	EUR	3,750,000	b	9		20.00	Flandria S.A.	20.00	20.00	12,020
Consel S.p.A. (**)	086	EUR	21,930,002	b	9		30.23	Alleanza Toro S.p.A.	30.23	30.23	28,491
Investimenti Marittimi S.p.A.	086	EUR	103,000,000	b	9	30.00			30.00	30.00	30,900
DOTTO CAP FVG Ag Ass S.r.l.	086	EUR	10,000	c	11		50.00	Sementi Dom Dotto S.p.A.	50.00	50.00	
Cross Factor S.p.A. (**)	086	EUR	1,032,000	b	11		20.00	BSI S.A.	20.00	20.00	383
IMPRE-Finanziaria d'Imp S.p.A.	086	EUR	50,000,000	b	9		20.00	Ina Assitalia S.p.A.	20.00	20.00	3,625
Valore Immobiliare S.r.l. (**)	086	EUR	10,000	c	10		50.00	ISIM S.p.A.	50.00	50.00	13,085

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	Total		
HSR S.r.l.	086	EUR	10,000	a	10		90.00	Generali Properties S.p.A.	90.00	90.00	9
Fidelis S.r.l.	086	EUR	10,000	a	11		60.00	Sementi Dom Dotto S.p.A.	60.00	60.00	
Reali e Associati SIM S.p.A.	086	EUR	5,000,000	a	11		100.00	BSI S.A.	100.00	100.00	
Art Defender S.p.A.	086	EUR	120,000	b	11		20.00	Augusta Assicurazioni S.p.A.	20.00	20.00	405
Previra Assicurazioni S.r.l.	086	EUR	100,000	b	11		24.50	Augusta Assicurazioni S.p.A.	24.50	24.50	25
BBG Beteiligungsgesell m.b.H.	094	EUR	25,600	a	9		100.00	Generali Beteiligung AG	100.00	92.83	51
DVAG (**)	094	EUR	150,000,000	b	11		40.00	Generali DE Holding AG	40.00	37.10	221,502
Generali Seminarzentrum GmbH	094	EUR	25,600	a	11		100.00	Generali Versicherung AG (D)	100.00	92.83	
Versicherungs-Planer-Verm GmbH	094	EUR	25,600	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	20
IV Verwaltungs für Versich mbH	094	EUR	25,600	a	11		100.00	Generali Beteiligung AG	100.00	92.83	26
Walter Sohn GmbH	094	EUR	25,600	a	11		100.00	Generali Beteiligung AG	100.00	92.83	205
Deutscher Lloyd GmbH	094	EUR	30,700	a	11		100.00	Generali Beteiligung AG	100.00	92.83	
MLV Beteiligungverwaltungs mbH	094	EUR	51,129	a	9		100.00	Generali Holding Vienna AG	100.00	99.99	51
Kleylein & Cie Actuari S GmbH	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 Beteiligung AG	100.00	92.83	
Volksfürsorge Pensionsm GmbH	094	EUR	52,000	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	54
Volksfürsorge Fixed Ass GmbH	094	EUR	104,000	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	104
Hotel undSenior Rosenpark GmbH	094	EUR	511,292	b	11		25.00	AachenMünchener Lebensvers AG	25.00	23.19	
Versicherungs un Beteilig GmbH	094	EUR	1,550,000	b	11		26.00	Generali Versicherung AG (D)	26.00	24.14	2,232
ver.di Service GmbH	094	EUR	75,000	b	11		33.33	Generali Lebensversicherung AG	33.33	30.94	48
IG BCE Mitglieder-Service GmbH	094	EUR	50,000	b	11		50.00	Generali Lebensversicherung AG	50.00	46.41	32
IG BAU Mitglieder-Service GmbH	094	EUR	50,000	b	11		50.00	Generali Lebensversicherung AG	50.00	46.41	14
VOV GmbH	094	EUR	154,000	b	11		15.00	AachenMünchener Versicherung	30.00	27.84	599
							15.00	Generali Versicherung AG (D)			
GLL Real Estate Partners GmbH	094	EUR	1,000,000	b	10		49.50	Flandria S.A.	49.50	49.49	9,008
Generali Partner GmbH	094	EUR	250,000	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	808
G. & G. Lüder Versicher GmbH	094	EUR	153,388	b	11		50.00	Generali Versicherung AG (D)	50.00	46.41	
AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Lebensvers AG	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 Versicherungs GmbH	094	EUR	25,000	a	11		100.00	AachenMünchener Versicherung	100.00	92.74	25
Icare Allemagne S.A.	094	EUR	25,000	a	11		100.00	Icare S.A.	100.00	99.77	25
Thuringia Versicherungs-GmbH	094	EUR	61,355	a	11		16.67	IV Verwaltungs für Versich mbH	16.67	15.47	
GLL GmbH & Co. Retail KG	094	EUR	395,810,000	b	10	26.07			46.28	44.82	171,824
							7.58	Generali Lebensversicherung AG			
							7.58	Central Krankenversicherung AG			
							5.05	AachenMünchener Lebensvers AG			
Azur Space Solar Power GmbH	094	EUR	100,000	a	11		100.00	Renewable Investment Holding	100.00	100.00	
Gr Eink Louisen-C Bad Hom (**)	094	EUR	7,600,000	c	10		73.68	Generali DE Immobilien GmbH	73.68	68.34	4,527
Schroder Nordic Pty Fund (**)	094	EUR	1,000,000	b	11		30.00	Generali Lebensversicherung AG	30.00	27.85	20,780
Alstercampus Verwaltungs mbH	094	EUR	25,000	a	9		50.00	Generali DE Immobilien GmbH	50.00	46.37	13
Generali Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	Generali Beteiligungs-GmbH	100.00	100.00	25
Gr Eink Marienplatz KG (**)	094	EUR	14,810,000	c	10		73.30	AachenMünchener Versicherung	73.30	67.97	9,493

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity (1)	Type (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)	Book value (€ thousand)
Verwaltungs Marienplatz-Galeri	094	EUR	25,000	a	10		74.00	Generali DE Immobilien GmbH	74.00	68.63	19
RRP GmbH & Co. KG	094	EUR	106,645,000	a	11		25.00	Generali Lebensversicherung AG	62.49	57.98	12,178
							18.75	Central Krankenversicherung AG			
							18.75	AachenMünchener Lebensvers AG			
BA1 Alstercampus KG (**)	094	EUR	1,000	c	10		50.00	Generali Lebensversicherung AG	50.00	46.41	4,950
Verwaltungs Wohnen West mbH	094	EUR	25,000	a	10		85.00	Generali Versicherung AG (D)	85.00	78.90	21
Gru Wohnen Westh KG (**)	094	EUR	4,731,000	c	10		84.99	Generali Versicherung AG (D)	84.99	78.90	578
Louisen-Center Bad H Verw mbH	094	EUR	25,000	a	10		74.00	Generali DE Immobilien GmbH	74.00	68.63	19
Cofifo S.A.	029	EUR	4,500,000	a	9		100.00	Generali France S.A.	100.00	99.77	5,250
Noreco S.A.	029	EUR	2,000,000	a	11		0.03	Generali IARD S.A.	99.93	99.70	551
							0.03	L'Equité S.A.			
							0.03	EPJ S.A.			
							99.80	Generali France S.A.			
							0.05	Generali Vie S.A.			
Trieste Courtage S.A.	029	EUR	416,000	a	11		99.96	Generali France Assurance S.A.	99.98	99.76	39
							0.02	Generali Vie S.A.			
Bourbon Courtage S.A.	029	EUR	124,500	a	11		0.12	Generali IARD S.A.	100.00	92.89	127
							0.12	Generali Vie S.A.			
							99.76	Prudence Creole			
Generali Gerance S.A.	029	EUR	228,000	a	11		99.67	Generali Vie S.A.	99.67	99.44	241
S.A.I. des Trois Collines	029	EUR	184,463	b	10		33.31	Generali IARD S.A.	48.26	48.16	193
							14.96	Generali Vie S.A.			
Generali Reassurance Court SA	029	EUR	3,016,656	a	11		99.99	Generali France Assurance S.A.	99.99	99.77	2,219
Group Tech d'Assur du Val Oise	029	EUR	10,000	b	11		45.00	Generali Vie S.A.	45.00	44.90	726
Sorgho S.A.	029	FRF	10,000,000	b	11		10.00	Generali IARD S.A.	20.00	19.95	
							10.00	Generali Vie S.A.			
Global Car Services S.A.	029	EUR	10,000	b	11		50.00	Europ Assistance France S.A.	50.00	49.87	
Generali 3 S.A.	029	EUR	39,000	a	11		100.00	Generali IARD S.A.	100.00	99.77	31
Risque et Sérénité S.A.	029	EUR	2,654,410	b	9		30.62	Generali France Assurance S.A.	46.98	46.87	5,244
							16.36	Generali Vie S.A.			
E3 S.A.	029	EUR	5,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	5
Europ Assistance IHS Serv SAS	029	EUR	37,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	1,397
Gestas S.A.	029	EUR	32,000	a	11		100.00	Icare S.A.	100.00	99.77	152
Rèseau Generali France (GIE)	029	EUR	n.a.	a	11		100.00	Generali IARD S.A.	100.00	99.77	
Arche SA	029	EUR	120,975	a	10		79.31	Cofifo S.A.	79.31	79.13	
GIE Eur Ass Clearing Center	029	EUR	n.a.	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
GIE Eur Ass Sys (EASI)	029	EUR	n.a.	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Generali Gestion Santè (GIE)	029	EUR	n.a.	a	11		100.00	Generali IARD S.A.	100.00	99.77	
GIE Groupe Zurich Agencies	029	EUR	100	a	11		80.00	Generali IARD S.A.	100.00	99.77	
							20.00	Generali Vie S.A.			
SCI Immovie	029	EUR	17,662	a	10		0.02	Generali IARD S.A.	100.00	99.77	800
							99.98	Generali Vie S.A.			
SCI Les 3 Collines Le Ferandou	029	EUR	304,000	b	10		33.30	Generali IARD S.A.	48.30	48.19	142
							15.00	Generali Vie S.A.			

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity (1)	Type (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)	Book value (€ thousand)
GIE Le Restaurant Haussmann	029	EUR	n.a.	a	11		100.00	Generali France Assurance S.A.	100.00	99.77	
SCI Montrose Parc	029	EUR	3,812,500	a	10		27.50	Generali IARD S.A.	70.00	69.84	2,669
							42.50	Generali Vie S.A.			
GIE Rèunion aèrienne	029	EUR	10,000	a	11		24.93	Generali IARD S.A.	24.93	24.87	
GIE Rèunion spatiale	029	EUR	10,000	a	11		25.17	Generali IARD S.A.	25.17	25.11	
SCI St Marc	029	EUR	50,000	a	10		1.00	Bourbon Courtage S.A.	100.00	92.87	
							99.00	Prudence Creole			
Generali Thalia Inv SAS	029	EUR	1,000,000	a	8		10.00	Thalia S.A.	100.00	98.43	2,044
							25.00	BSI S.A.			
							65.00	Generali Investments S.p.A.			
Afiport S.A.	029	EUR	40,000	a	9		99.76	BSI Ifabanque S.A.	99.76	50.88	
Sarl Parc Lyon Isle Abeau Gest	029	EUR	8,000	a	10		100.00	SC Generali Logistique	100.00	99.77	
Sarl Parc II Lill H Bea Gest 2	029	EUR	8,000	a	10		100.00	SC Generali Logistique	100.00	99.77	
SCI Chateau La Pointe	029	EUR	30,959,312	a	10		100.00	Generali France S.A.	100.00	99.77	
Drei-Banken Versicher-AG (**)	008	EUR	7,500,000	b	7		20.00	Generali Holding Vienna AG	20.00	20.00	6,028
Drei Bank-Gen Inv.m.b.H. (**)	008	EUR	2,600,000	b	8		48.57	Generali Holding Vienna AG	48.57	48.57	1,718
Generali Betriebsrest Gm.b.H.	008	EUR	36,336	a	11		100.00	Generali Versicherung AG	100.00	99.99	484
MAS Versicherungmakler GmbH	008	EUR	36,336	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	53
PSC Insurance-Consulting GmbH	008	EUR	54,504	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	71
SK Versicherung AG (**)	008	EUR	3,633,500	b	2		20.43	Generali Holding Vienna AG	39.66	39.66	3,157
							19.23	Generali Versicherung AG			
TTC GmbH	008	EUR	35,000	a	11		100.00	Europäische Reiseversicher AG	100.00	74.99	204
Global Private Equity Hold AG	008	EUR	4,388,000	b	9		11.39	Generali Lebensversicherung AG	23.02	22.20	888
							11.62	Generali Versicherung AG			
Medwell Internet Services GmbH	008	EUR	496,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	258
Car Care Consult Vers GmbH	008	EUR	35,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	35
Generali Telefon-Auftrags GmbH	008	EUR	35,000	a	11		100.00	Generali Bank AG	100.00	99.99	35
BONUS-Mitarbeitervor AG (**)	008	EUR	1,500,000	b	11		50.00	Generali Holding Vienna AG	50.00	50.00	1,110
Risk-Aktiv Versicherungs GmbH	008	EUR	35,000	a	11		100.00	Generali Versicherung AG	100.00	99.99	35
AVS Privatkunden Versic GmbH	008	EUR	36,000	a	11		90.00	Generali Sales Promotion GmbH	90.00	89.99	540
Generali 3Banken Hold AG (**)	008	EUR	70,000	b	9		49.30	Generali Versicherung AG	49.30	49.30	65,692
Hypo Holding GmbH (**)	008	EUR	50,000	b	9		25.00	Generali Holding Vienna AG	25.00	25.00	61,208
Generali FinanzService GmbH	008	EUR	50,000	a	11		100.00	Generali Bank AG	100.00	99.99	50
M.O.F. Immobilien AG	008	EUR	1,000,000	b	10		20.00	Generali Immobilien AG	20.00	20.00	9,062
Triumph Vermögenplanung GmbH	008	EUR	36,336	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	90
Treugeld Vermögensplanung GmbH	008	EUR	145,346	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	160
Versicher der BAWAG PSK GmbH	008	EUR	40,000	b	11		49.99	Generali Holding Vienna AG	49.99	49.99	146
M.O.F. Beta Immobilien AG	008	EUR	1,000	b	10		20.00	Generali Immobilien AG	20.00	20.00	9,837
Foundationsquatier GmbH	008	EUR	35,000	a	11		100.00	Generali Holding Vienna AG	100.00	99.99	35
Generali Beteiligungsverw GmbH	008	EUR	35,000	a	4		49.00	Generali Holding Vienna AG	100.00	100.00	17
							51.00	Generali Rückversicherung AG			
Generali Vermögensberat GmbH	008	EUR	35,000	a	11		100.00	Generali Versicherung AG	100.00	99.99	35
PCO Immobilien GmbH	008	EUR	35,000	a	10		100.00	Generali Immobilien AG	100.00	99.99	381
Immoeast Projekt Caelum H GmbH	008	EUR	35,000	b	10		20.00	Generali Immobilien AG	20.00	20.00	

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity (1)	Type (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)	Book value (€ thousand)
Europ Assistance Travel S.A.	067	EUR	60,101	a	11		99.90	Europ Assistance Servicios Int	99.90	99.67	219
Société Robert Malatier Ltd	031	GBP	51,258	b	11		24.93	Generali IARD S.A.	24.93	24.87	361
Global Investment Planning Ltd	031	GBP	10,000	a	11		100.00	BSI S.A.	100.00	100.00	15
Tenax Capital Limited	031	GBP	300,000	b	9		49.00	Genirland Limited	49.00	49.00	166
Leumi Insurance Servic UK Ltd	031	GBP	1,296,000	a	11		51.00	Migdal Holdings & Management	100.00	69.79	
							49.00	Ihud Insurance Agencies Ltd			
Tishman Fund GER Scots Feed LP	031	EUR	36,848,362	a	11		75.00	Generali Lebensversicherung AG	100.00	92.81	28,035
							25.00	AachenMünchener Lebensvers AG			
B.V.B.A. Verzekerings Soenen	009	EUR	18,600	a	11		99.80	Generali Belgium S.A.	99.80	99.50	2,016
Groupe Vervietois d'Assureurs	009	EUR	94,240	a	11		99.95	Generali Belgium S.A.	99.95	99.65	571
Dedale S.A.	009	EUR	1,000,005	a	11		99.97	Generali Belgium S.A.	99.97	99.67	1,000
Bureau d'Ass Prêts Jean-Marie	009	EUR	18,600	a	11		100.00	Generali Belgium S.A.	100.00	99.70	412
MRS Bioul SPRL	009	EUR	850,000	a	10		100.00	Generali Belgium S.A.	100.00	99.70	3,267
RVT Kortenaken SA	009	EUR	1,800,000	a	10		100.00	Generali Belgium S.A.	100.00	99.70	4,645
Nederlands Algemeen Verzek BV	050	EUR	18,151	a	11		100.00	Generali Verzekeringsgroep NV	100.00	98.55	18
Lippmann Deelnemingen B.V.	050	EUR	5,445,363	b	11		33.32	Nederlands Algemeen Verzek BV	33.32	32.83	
ANAC B.V.	050	EUR	12,500	a	11		85.00	Nederlands Algemeen Verzek BV	85.00	83.77	
Assurantiekantoor Kerkhof B.V.	050	EUR	18,151	a	11		100.00	Nederlands Algemeen Verzek BV	100.00	98.55	
Europ Assistance Nederland BV	050	EUR	363,000	a	11		100.00	VHD Holding BV	100.00	57.03	
Saxon Land B.V.	050	EUR	18,200	a	10		100.00	Part Maa Graafschap Holland NV	100.00	100.00	25
VHD Holding BV	050	EUR	1,389,253	a	11		57.17	Europ Assistance Holding S.A.	57.17	57.03	4,881
VHD Europenet BV	050	EUR	20,000	a	11		100.00	VHD Holding BV	100.00	57.03	
VHD Facilitair BV	050	EUR	90,756	a	11		100.00	VHD Holding BV	100.00	57.03	
VHD Car and Service BV	050	EUR	18,151	a	11		100.00	VHD Holding BV	100.00	57.03	
VHD Omnicare BV	050	EUR	18,000	a	11		100.00	VHD Holding BV	100.00	57.03	
CORIS NL BV	050	EUR	18,151	a	11		100.00	VHD Omnicare BV	100.00	57.03	
Ocrapor Beheer B.V.	050	EUR	18,000	b	11		25.00	CZI Holdings N.V.	25.00	12.75	6,859
GPH Invest Public Ltd Company	040	EUR	300,000	a	8		100.00	CP INVEST investicní 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	23
BSI Art Collection S.A.	092	CHF	1,000,000	a	9		99.00	BSI S.A.	99.00	99.00	639
Nord Est Invest Partners SA	092	EUR	100,996	b	9	24.26			24.26	24.26	1,462
Alcmena Sàrl	092	EUR	34,000	b	9		20.00	BSI S.A.	20.00	20.00	
Renewable Investment Holding	092	EUR	1,000,000	a	8		100.00	BSI S.A.	100.00	100.00	1,099
UBS Lux Euro Value Add RE Fund	092	EUR	282,200,000	b	10		1.77	AachenMünchener Versicherung	26.58	24.66	32,618
							17.72	Generali Lebensversicherung AG			
							7.09	AachenMünchener Lebensvers AG			
NEIP II S.A.- Sicar	092	EUR	6,500,000	b	9	48.16			48.16	48.16	12,075
Holding Klege S.à.r.l. (**)	092	EUR	12,500	c	9		50.00	Torelli S.à.r.l.	50.00	49.06	
Ponte Alta Lda	055	EUR	400,000	a	11		100.00	Europ Assistance Portuguesa SA	100.00	52.88	400
Primeira Cruz Lda	055	EUR	660,982	a	11		60.00	Ponte Alta Lda	60.00	31.72	
Lordship Consultad Serv SA	055	EUR	50,000	a	11		100.00	BSI S.A.	100.00	100.00	56
Bioventure Trading S.A.	055	EUR	50,000	a	11		100.00	BSI S.A.	100.00	100.00	56
Europ Assistance A/S	021	DKK	500,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Europ Assistance Magyaror Kft	077	HUF	24,000,000	a	11		74.00	Europ Assistance Holding S.A.	100.00	87.09	103

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity [1]	Type [2]	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % [3]	Book value (€ thousand)
							26.00	Generali-Providencia Biztos Rt			
GP Consulting Pénzügyi Tan Kft	077	HUF	5,000,000	a	11		100.00	Europai Utazasi Biztosito Rt.	100.00	40.86	23
Famillio Befeki és Tanác K Fel	077	HUF	780,000,000	a	11		98.72	Generali-Providencia Biztos Rt	98.72	50.35	259
Shaza & Toptorony zrt (**)	077	HUF	84,603,426	c	11		50.00	GLL AMB Generali Bank Sàrl	50.00	46.39	42,537
Europ Assistance Polska Spzoo	054	PLN	250,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	73
Generali Servis s.r.o.	275	CZK	100,000	a	11		100.00	Generali Pojistovna a.s.	100.00	51.00	4
Europ Assistance s.r.o.	275	CZK	2,900,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	470
Generali Car Care s.r.o.	275	CZK	1,000,000	a	11		100.00	Generali Pojistovna a.s.	100.00	51.00	38
První Callin agentura a.s.	275	CZK	3,000,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	51.00	637
REFICOR s.r.o.	275	CZK	100,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	51.00	835
Karluv Most	275	CZK	2,987,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	51.00	113
Nadace Ceské Pojištovny	275	CZK	500,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	51.00	19
Nadace Pojištovny Generali	275	CZK	500,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	51.00	19
Generali Net Ins Broker EOOD	012	BGN	100,000	a	11		100.00	Generali Bulgaria Holding EAD	100.00	51.00	77
Europ Assistance Claims Han AB	068	SEK	100,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Europ Assistance ScandinaviaAB	068	SEK	725,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Generali IT S.r.o.	276	SKK	5,000,000	a	11		100.00	Generali VIS Informatik GmbH	100.00	99.99	132
VUB Generali d správ a.s. (**)	276	SKK	304,000,000	b	11		50.00	Generali Slovensko Poistovn as	50.00	25.50	10,827
MAKB s.r.o.	276	SKK	220,000	a	10		100.00	Generali Immobilien AG	100.00	99.99	6
Selecta CEE s.r.o.	276	SKK	200,000	a	10		100.00	Generali Immobilien AG	100.00	99.99	66
GSL Services s.r.o.	276	EUR	6,639	a	11		100.00	Generali Slovensko Poistovn as	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	511
S.C. Genagricola Romania Srl	061	RON	37,082,570	a	11		100.00	Genagricola S.p.A.	100.00	100.00	16,203
S.C. San Pietro Romania S.r.l.	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 S.r.l.	061	RON	410,000,000	a	11		99.00	Genagricola S.p.A.	100.00	100.00	1,000
							1.00	Casaletto S.r.l.			
AIV-Administrare Cladiri srl	061	RON	50,000	a	11		100.00	Allgemeine Immobilien-Ver GmbH	100.00	100.00	14
S.C. La Quercia S.r.l.	061	RON	35,900	a	11		100.00	Inf - Societa' Agricola S.p.A.	100.00	100.00	810
Famillio Broker de Pensii Srl	061	RON	25,000	a	11		99.60	Famillio Befeki és Tanác K Fel	100.00	50.35	
							0.40	Famillio Agent de Asigurar Srl			
Famillio Agent de Asigurar Srl	061	RON	4,500,200	a	11		100.00	Famillio Befeki és Tanác K Fel	100.00	50.35	
S.C. RAI S.A.	061	RON	8,069,650	a	2		100.00	Iberian Structured Invest I BV	100.00	51.00	9,593
Vignadoro S.r.l.	061	RON	3,819,000	a	11		90.00	Genagricola S.p.A.	100.00	100.00	893
							10.00	Inf - Societa' Agricola S.p.A.			
EuroAssistance Ltd	263	UAH	1,000,000	a	11		100.00	Generali Garant Insurance JSC	100.00	52.38	87
Eurotransitservice JSC	263	UAH	85,000	a	11		70.29	Generali Garant Insurance JSC	70.29	36.82	
Transinvestservice Ltd	263	UAH	644,000	a	11		90.06	Generali Garant Insurance JSC	90.06	47.18	
Sviko Ltd	263	UAH	4,280,873	a	11		99.92	Generali Garant Insurance JSC	99.92	52.34	
Garant-Trast Ltd	263	UAH	9,987,403	a	11		99.96	Generali Garant Insurance JSC	99.96	52.36	
Garant-Consulting Ltd	263	UAH	1,486,267	a	11		99.06	Generali Garant Insurance JSC	99.06	51.89	
Diana Private Enterprise	263	UAH	75,000	a	11		100.00	Generali Garant Insurance JSC	100.00	52.38	
Leasing Company 'Garant' JSC	263	UAH	60,000	b	11		25.00	Generali Garant Insurance JSC	25.00	13.10	
Malvina Ltd	263	UAH	38,200	b	9		40.58	Generali Garant Insurance JSC	40.58	21.25	
Chernigivautotrans JSC	263	UAH	146,020	b	10		48.53	Generali Garant Insurance JSC	48.53	25.42	

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity (1)	Type (2)	Direct	Indirect	Through	Total	Group equity ratio % (3)	Book value (€ thousand)
						Shareholding %					
Financial Services LLC	263	UAH	250,000	a	11		99.99	CZI Holdings N.V.	99.99	50.99	32
Closed Joint Stock AM Ukraine	263	UAH	7,772,400	a	8		99.99	CZI Holdings N.V.	99.99	51.00	1,318
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. za poslovanje nek	261	HRK	20,000	a	10		100.00	Allgemeine Immobilien-Ver GmbH	100.00	100.00	3
CGPM SAM	091	EUR	500,000	b	11		20.00	BSI Monaco SAM	20.00	20.00	
Financial Strategy Monaco SAM	091	EUR	750,000	b	11		20.00	BSI Monaco SAM	20.00	20.00	150
Podium S.A.M. (**)	091	EUR	150,000	b	11		30.00	BSI S.A.	30.00	30.00	45
BSI Laran S.A.	071	CHF	1,000,000	a	9		100.00	BSI S.A.	100.00	100.00	270
Finmo S.A.	071	CHF	50,000	a	11		100.00	BSI S.A.	100.00	100.00	34
Funicolare Lugano-Paradiso SA	071	CHF	600,000	b	11		31.08	BSI S.A.	31.08	31.08	
Generali Private Equity S.A.	071	CHF	100,000	a	11		49.00	BSI S.A.	100.00	98.79	67
							51.00	Lion River I N.V.			
Autolinee Regionali Lugan S.A.	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	67
BSI Art Collection (CH) S.A.	071	CHF	100,000	a	11		100.00	BSI S.A.	100.00	100.00	67
BSI Werthein Merch House SA	071	CHF	300,000	b	11		50.00	BSI S.A.	50.00	50.00	101
Finnat Gestioni S.A.	071	CHF	500,000	b	11		30.00	BSI S.A.	30.00	30.00	152
Valiance Capital S.A.	071	CHF	100,000	b	11		30.00	BSI S.A.	30.00	30.00	20
Convivium S.A.	071	CHF	2,000,000	a	10		100.00	BSI S.A.	100.00	100.00	1,281
Livolsi e Associati Pr SA (**)	071	CHF	1,000,000	b	11		40.00	BSI S.A.	40.00	40.00	561
GMT Fine Chemical S.A.	071	CHF	2,200,000	b	11		22.73	Alpine Services Ltd	22.73	22.73	
BSI Healthcapital SA	071	CHF	100,000	a	11		100.00	BSI S.A.	100.00	100.00	67
Tecnopolo Lugano S.A.	071	CHF	250,000	a	11		100.00	BSI S.A.	100.00	100.00	169
Citadel Ins. Co. PLC	105	MTL	2,000,000	b	11		21.00	Ina Assitalia S.p.A.	21.00	21.00	978
Europ Assistance Océanie S.A.	225	XPF	24,000,000	a	11		74.88	Europ Assistance Holding S.A.	74.88	74.70	286
PPF Partners Limited	201	EUR	40,000	b	8		27.50	Generali Worldwide Ins Ltd	27.50	27.50	
Europ Assistance CEI OOO	262	RUB	10,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	300
Generali PPF Fund Manag LLC	262	RUB	32,150,000	a	11		100.00	CZI Holdings N.V.	100.00	51.00	5,501
ooo Fynansovyj servis	262	RUB	100,000	a	9		100.00	Ceska pojistovna, a.s.	100.00	51.00	
DGO Policlinic Dom Zdravlja	289	EUR	1,000,000	a	11		100.00	Delta Generali Osiguranje a.d.	100.00	25.51	
GLL 200 State Street L.P. (**)	069	USD	1,000	c	11		49.90	GLL AMB Generali 200 SS	49.90	46.30	27,715
Courtage Inter Caraibes	213	EUR	38,100	a	11		99.76	GFA Caraïbes	99.76	99.53	38
Atacama Investments Ltd (**)	249	USD	29,761,657	b	11		39.71	BSI S.A.	39.71	39.71	11,207
Europ Assistance Argentina SA	006	ARS	2,786,456	a	11		34.00	Caja de Seguros S.A.	100.00	58.46	125
							66.00	Ponte Alta Lda			
La Caja Aseguradora ART SA(**)	006	ARS	70,500,000	b	3		50.00	Caja de Seguros S.A.	50.00	34.65	5,190
Pluria Productores de Seg SA	006	ARS	50,000	a	11		96.00	Caja de Ahorro y Seguro S.A.	96.00	67.20	
BSI Investment Advisory S.A.	006	ARS	12,000	a	11		97.00	BSI S.A.	97.00	97.00	2
Worldwide Ass Serv Person S.A.	011	BRL	2,975,000	c	11		100.00	Primeira Cruz Lda	100.00	31.73	
EABS Serviços d AssPartecip SA	011	BRL	46,247,000	c	4		37.02	Ponte Alta Lda	50.02	23.70	
							13.00	Primeira Cruz Lda			
BSI Serviços Ltda	011	BRL	2,111,134	a	11		100.00	BSI S.A.	100.00	100.00	
BSI Servicios Internation S.A.	015	CLP	64,000,000	a	11		100.00	BSI S.A.	100.00	100.00	
Europ Assistance SA (Chile)	015	CLP	335,500,000	a	11		25.50	Europ Assistance Holding S.A.	51.00	38.92	109

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity (1)	Type (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)	Book value (€ thousand)
							25.50	Ponte Alta Lda			
Europ Servicios S.p.A. (Chile)	015	CLP	1,000,000	a	11		100.00	Europ Assistance SA (Chile)	100.00	38.92	
La Nacional (Lancia) C.A.	024	USD	47,647	a	10		100.00	Generali Ecuador S.A.	100.00	51.74	723
Migdal Hold & Man of InsAg Ltd	182	ILS	810	a	9		100.00	Migdal Insurance Company Ltd	100.00	69.79	4,092
Migdal Real Estate Hold Ltd	182	ILS	6,166	a	10		100.00	Migdal Insurance Company Ltd	100.00	69.79	
Hamagen Properties Ltd	182	ILS	6,090,837	a	10		100.00	Migdal Insurance Company Ltd	100.00	69.79	
Pel - Hamagen House Ltd	182	ILS	14,066,596	a	10		100.00	Hamagen Properties Ltd	100.00	69.79	
Migdal Credit Services Ltd	182	ILS	100	a	11		100.00	Migdal Eshkol Finansim B.M.	100.00	69.79	2,263
Migdal Financial Services Ltd	182	ILS	320,000	a	11		100.00	Migdal Eshkol Finansim B.M.	100.00	69.79	276
Migdal Leasing Ltd	182	ILS	100	a	11		100.00	Migdal Eshkol Finansim B.M.	100.00	69.79	2,198
Ihud Insurance Agencies Ltd	182	ILS	1,500	a	11		100.00	Migdal Hold & Man of InsAg Ltd	100.00	69.79	
Peltours Insurance Ag Ltd	182	ILS	256,000	a	11		73.28	Migdal Hold & Man of InsAg Ltd	73.28	51.14	
Sagi Yogev Life Ass Ag 1988 Lt	182	ILS	3,000	a	11		100.00	Migdal Hold & Man of InsAg Ltd	100.00	69.79	
Shamgad Claims Management Ltd	182	ILS	2	a	11		100.00	Migdal Insurance Company Ltd	100.00	69.79	
Maestro Ltd	182	ILS	0	a	11		100.00	Migdal Insurance Company Ltd	100.00	69.79	
Migdal Manag of Prov Funds Ltd	182	ILS	905,000	a	11		100.00	Migdal Insurance Company Ltd	100.00	69.79	245
Data Car Israel Ltd	182	ILS	30,000	b	11		50.00	Migdal Insurance Company Ltd	50.00	34.89	91
Rav Ofek Ltd	182	ILS	10,000	b	11		25.00	Migdal Hold & Man of InsAg Ltd	25.00	17.45	
Shaham Ins Ag (1997) Ltd	182	ILS	1,818	a	11		100.00	Migdal Hold & Man of InsAg Ltd	100.00	69.79	
Ihud-David Berman Ins Ag Ltd	182	ILS	5	a	11		100.00	Peltours Insurance Ag Ltd	100.00	51.14	
Leibowitz Streich Con 1998 Ltd	182	ILS	1,000	a	11		100.00	Peltours Insurance Ag Ltd	100.00	51.14	
Mivtach-Simon Ins Ag Ltd	182	ILS	1	a	9		100.00	Migdal Hold & Man of InsAg Ltd	100.00	69.79	
Mivtach Rom Ins Ag Ltd Part	182	ILS	200	a	11		64.00	Mivtach-Simon Ins Ag Ltd	64.00	44.67	
Mivtach Simon Rub Mor 2000 Ltd	182	ILS	200	a	11		64.00	Mivtach-Simon Ins Ag Ltd	64.00	44.67	
Tvuna Life Assuran Ag 1988 Ltd	182	ILS	30	b	11		33.33	Mivtach-Simon Ins Ag Ltd	33.33	23.26	
Mivtach-Simon Ag Managem Ltd	182	ILS	100	a	9		100.00	Mivtach-Simon Ins Ag Ltd	100.00	69.79	
Migdal P.E. Ltd	182	ILS	100	a	9		100.00	Migdal Invest Man (2001) Ltd	100.00	69.79	
Avgad Yahalom Manag & Serv Ltd	182	ILS	1,100	b	10		47.45	Migdal Real Estate Hold Ltd	47.45	33.12	
Ihud Pelt Diamonds Ins 2002 Lt	182	ILS	100	a	11		100.00	Peltours Insurance Ag Ltd	100.00	51.14	
Municipalit Ins Ag (2000) Ltd	182	ILS	100	b	11		50.00	Peltours Insurance Ag Ltd	50.00	25.57	
Reshef Ins Ag 2004 Ltd	182	ILS	120	a	11		50.00	Sagi Yogev Life Ass Ag 1988 Lt	50.00	34.89	
Amir Aloni Ass Ag (1994) Ltd	182	ILS	400	a	11		75.00	Mivtach-Simon Ins Ag Ltd	75.00	52.34	
Madanes Financial Services Ltd	182	ILS	10,000	b	11		50.00	Migdal Invest Port Man 1988Ltd	50.00	34.89	
Makefet Financial S (1998) Ltd	182	ILS	1,000	a	11		55.00	Migdal Makefet PensProv Fu Ltd	100.00	55.66	
							45.00	Froline Exclusive Ltd			
Froline Exclusive Ltd	182	ILS	1,000	a	11		55.00	Migdal Makefet PensProv Fu Ltd	55.00	38.38	
Shaham Veinstein Ins Ag Ltd.	182	ILS	200	a	11		100.00	Shaham Ins Ag (1997) Ltd	100.00	69.79	
Sopher Moshe Ins Ag (1997) Ltd	182	ILS	157	b	11		35.03	Shaham Ins Ag (1997) Ltd	35.03	24.45	
Ashmoret Tihona Ltd	182	ILS	1,000	a	10		100.00	Migdal Insurance Company Ltd	100.00	69.79	
50 Plus Ltd.	182	ILS	9,080	b	11		50.00	Migdal Invest Man (2001) Ltd	50.00	34.89	1,289
Arxcis Global Wealth Man Ltd	182	ILS	1,010	a	11		49.00	Migdal Capital Markets 1965Ltd	100.00	69.79	60
							51.00	Mivtach-Simon Ins Ag Ltd			
Yozma Ltd	182	ILS	1,500,000	a	11		100.00	Migdal Insurance Company Ltd	100.00	69.79	276
HG Migdal I, LLC	182	ILS	n.a.	a	10		100.00	Migdal Insurance Co. Ltd	100.00	69.79	

Non-consolidated subsidiaries and associated companies

Company	Country	Currency	Share capital in original currency	Activity (1)	Type (2)	Shareholding % Direct	Indirect	Through	Total	Group equity ratio % (3)	Book value (€ thousand)
HG Migdal II, LLC	182	ILS	n.a.	a	10		100.00	Migdal Insurance Co. Ltd	100.00	69.79	
Tunisie Assistance S.A.	075	TND	1,000,000	b	11		33.00	Europ Assistance Holding S.A.	33.00	32.92	268
Assurances Maghrebia S.A.	075	TND	10,000,000	b	3	44.17			44.17	44.17	2,088
Assurances Maghrebia Vie S.A.	075	TND	5,000,000	b	3	44.17			44.17	44.17	
EA Medical Services Inter S.A.	075	TND	100,000	b	11		44.00	Europ Assistance Holding S.A.	44.00	43.90	31
Carthage Assistance Servic SA	075	TND	425,000	b	11		49.01	Europ Assistance Holding S.A.	49.01	48.90	271
Europ Assistance México S.A.	046	MXN	69,799	b	11		49.00	Europ Assistance Holding S.A.	49.00	48.89	
BSI Servicios S.A.	080	UYU	1,100,000	a	11		100.00	BSI S.A.	100.00	100.00	
EA Travel Assist Services Ltd	016	EUR	1,750,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	1,750
Generali China Ins Ltd (**)	016	CNY	500,000,000	b	3	49.00			49.00	49.00	22,173
Future Generali India Life(**)	114	INR	1,850,000,000	c	3		25.50	Part Maa Graafschap Holland NV	25.50	25.50	2,640
Future Generali India Ins(**)	114	INR	1,500,000,000	c	3		25.50	Part Maa Graafschap Holland NV	25.50	25.50	3,720
Europ Assistance India PrivLtd	114	INR	81,536,230	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	2,765
Europ Assistance (Taiwan) Ltd	022	TWD	5,000,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
EA Worldwide Services Pte Ltd	147	SGD	182,102	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
International Inherit Plan Ltd	049	NZD	5,000	a	9		100.00	BSI S.A.	100.00	100.00	3
BSI Trust Corporation NZ Ltd.	049	NZD	140,000	a	11		100.00	BSI S.A.	100.00	100.00	71
BSI (Panama) S.A.	051	USD	10,000	a	11		100.00	BSI S.A.	100.00	100.00	7
Care Management Network Inc.	118	BBD	9,000,000	a	11		100.00	EA Bahamas Ltd	100.00	99.75	
EA-IHS Services Nigeria Ltd	117	NGN	10,000,000	a	11		100.00	Europ Assistance IHS Serv SAS	100.00	99.73	
EA Bahamas Ltd	160	USD	5,000	a	11		99.98	Europ Assistance IHS Serv SAS	99.98	99.75	
GTC Nominee Ltd	160	USD	10,000	a	11		100.00	BSI Trust Corp. (Bahamas) Ltd	100.00	100.00	12
EA IHS Services Angola Ltd	133	AOA	2,250,000	a	11		90.00	Europ Assistance IHS Serv SAS	90.00	89.79	
Europ Assistance IHS (Pty) Ltd	078	ZAR	400,000	a	11		65.00	Europ Assistance IHS Serv SAS	80.00	73.98	
							15.00	Europ Assis Worldwide Serv SA			

n.a.: not applicable

(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; 10 = real estate companies; 11 = other

(3) Net Group partecipation percentage

(**) Associated company valued at equity

The total percentage of votes exercisable at shareholders' general meeting, which differs from that of direct or indirect shareholding, is as follows:

GLL Real Estate Partners GmbH 40.00%

Thuringia Versicherungsvermit. 80.00%

NEIP II S.A.- Sicar 48.39%

List of countries

Country	Country code
ANGOLA	133
ARGENTINA	006
AUSTRIA	008
BAHAMAS	160
BARBADOS	118
BELGIUM	009
BERMUDA	207
BRASIL	011
BRITISH VIRGIN ISLANDS	249
BULGARIA	012
BYELORUSSIA	264
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 ZEALAND	049
NIGERIA	117
PANAMA	051

List of countries

Country	Country code
PEOPLE'S REPUBLIC OF CHINA	016
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
UCRAINA	263
UNITED KINGDOM	031
URUGUAY	080

List of currencies

Currency	Currency code
Angolan Novo Kwanza	AON
Argentine Peso	ARS
Barbados Dollar	BBD
Lev	BGN
Brasilian Real (new)	BRL
Belarusian Ruble	BYR
Canadian Dollar	CAD
Swiss Franc	CHF
Chilean Peso	CLP
Chinese Renmimbi	CNY
Colombian Peso	COP
Czech Korona	CZK
Danish Krone	DKK
European Euro	EUR
French Franc	FRF
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
Tenge	KZT
Maltese Lira	MTL
Mexican Pesos	MXN
Naira	NGN
New Zealand Dollar	NZD
Philippine Peso	PHP
Polish Zloty (new)	PLN
Romanian Leu	RON
Serbian Dinar	RSD
Russian Ruble	RUB
Swedish Krona	SEK
Singapore Dollar	SGD
Slovakian Krona	SKK
Thailand Bhat	THB
Tunisian Dinar	TND
Turkish Lira (new)	TRY
Taiwan Dollar (new)	TWD
Ucraina Hryvnia	UAH

List of currencies

Currency	Currency code
United States Dollar	USD
Uruguayan Peso (new)	UYU
French Polynesian Franc	XPF
South African Rand	ZAR

The Cathedral, Oaxaca - Mexico

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

GENERALI GROUP

ATTESTATION ON THE CONSOLIDATED STATEMENTS IN ACCORDANCE WITH ART. 81–*TER* OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND FOLLOWING AMENDMENTS AND INTEGRATIONS

1. The undersigned, Giovanni Perissinotto, in his capacity as Managing Director, and Raffaele Agrusti, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A., hereby confirm, taking also into account the provisions of Art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 dated 24 February 1998,
   - the adequacy with respect to the Company's structure and
   - the effective application

   of the administrative and accounting procedures in place for preparing the financial statements at 31 December 2009.

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements at 31 December 2009 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 2009:

   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, 17 March 2010

Giovanni Perissinotto
Managing Director

ASSICURAZIONI GENERALI S.p.A.

Raffaele Agrusti
Manager charged with preparing the Company's financial reports

ASSICURAZIONI GENERALI S.p.A.

Plaza de la Independencia, Quito - Ecuador

Independent Auditor's report

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLE 156 OF LAW DECREE No. 58 DATED 24 FEBRUARY 1998 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 2009

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") as of 31 December 2009. 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.

Regarding the comparative data of the prior year consolidated financial statements, reclassified as a consequence of the financial statements amendments required by IAS 1, reference is made to our report dated 2 April 2009.

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. 3.754.400,00 Euro i.v., C.F. e P. IVA e Reg. Imp. Milano 12979880155 Iscritta al n. 43 dell'Albo Consob – Altri Uffici: **Bari** 70125 Viale della Repubblica 110 Tel. 0805429863 – **Bologna** 40122 Via delle Lame 111 Tel. 051526611 – **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 – **Firenze** 50129 Viale Milton 65 Tel. 055471747 – **Genova** 16121 Piazza Dante 7 Tel. 01029041 – **Napoli** 80121 Piazza dei Martiri 30 Tel. 08136181 – **Padova** 35138 Via Vicenza 4 Tel. 049873481 – **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 – **Parma** 43100 Viale Tanara 20/A Tel. 0521242848 – **Roma** 00154 Largo Fochetti 29 Tel. 06570251 – **Torino** 10129 Corso Montevecchio 37 Tel. 011556771 – **Trento** 38100 Via Grazioli 73 Tel. 0461237004 – **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 – **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 – **Udine** 33100 Via Poscolle 43 Tel. 043225789 – **Verona** 37122 Corso Porta Nuova 125 Tel. 0458002561

PRICEWATERHOUSECOOPERS

3 In our opinion, the consolidated financial statements of Assicurazioni Generali SpA as of 31 December 2009 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's of Directors' Report and the information required by comma 1, letters c), d), f), l), m) and by comma 2, letter b) of article 123-bis of the Law Decree 58/98, disclosed in the Corporate Governance and Share Ownership Report are consistent with the consolidated financial statements of Assicurazioni Generali SpA as of 31 December 2009.

Milan, 30 March 2010

PricewaterhouseCoopers SpA

Signed by

Angelo Giudici
(Partner)

(This report has been translated from the original which was issued in accordance with Italian legislation)

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Group General Secretariat and Corporate Affairs Department/
Financial Reporting - Consolidated Statements Group

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