International horizons: every destination has its starting point

Management Report and Consolidated Financial Statements 2012
Corporate Governance and Share Ownership Report 2012
Remuneration Report 2012

GENERALI

181st year of activity

A complete vision,

Trieste, Piazza Unità d’Italia. This is where our journey began, a journey that established Assicurazioni Generali as a strong an admired insurer in and outside Italy.
Our all-round vision gives us a global understanding of the world in which we work, but with close attention to details:

Management Report and Parent Company Financial Statements 2012

Management Report and Consolidated Financial Statements 2012
Corporate Governance and Share Ownership Report 2012
Remuneration Report 2012

attention to details

this is how we create synergy between financial and social responsibility, and build value for each individual stakeholder.
This report illustrates the results of our vision for our shareholders, clients, agents, employees, society and the financial community: results that enable us to continue to look far ahead.

Management Report and Consolidated Financial Statements

Corporate Governance and Share Ownership Report

Remuneration Report

2012

GENERALI
Assicurazioni Generali S.p.A.

Registered Office and Central Head Office in Trieste
Head Office for Italian Operations in Mogliano Veneto
Capital (fully paid in) Euro 1,556,873,283.00
Fiscal code and Trieste Companies Register 00079760328
Company entered in the Register of Italian Insurance and Reinsurance Companies under no. 100003
Parent Company of Generali Group, entered in the Register of Insurance Groups under no. 026

CHAIRMAN

Gabriele Galateri di Genola

VICE-CHAIRMEN

Vincent Bolloré,
Francesco Gaetano Caltagirone

GROUP CEO

as General Manager and
Managing Director

Mario Greco

DIRECTORS

Ornella Barra,
Alberta Figari,
Lorenzo Pellicioli,
Sabrina Pucci,
Clemente Rebecchini,
Paola Sapienza,
Paolo Scaroni

BOARD OF AUDITORS

Eugenio Colucci, Chairman
Giuseppe Alessio Vernì,
Gaetano Terrin
Maurizio Dattilo (substitute),
Francesco Fallacara (substitute)

SECRETARY OF THE BOARD OF DIRECTORS

Antonio Cangeri

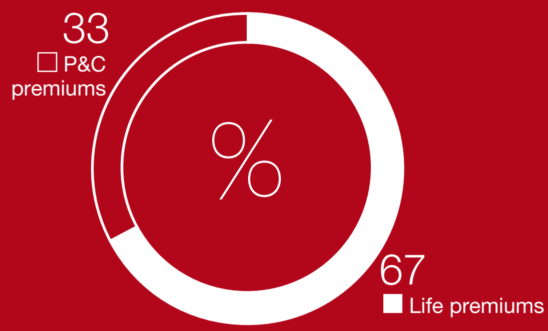
CORPORATE BODIES AS OF 30 APRIL 2013

Group highlights

Written premiums

+3.2%

€ 69,613 mln



Business mix

Group operating result

+10.5%

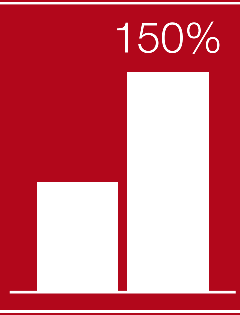
€ 4,219 mln

Total Asset under Management

+11.8%

€ 490,065 mln

Solvency I



Present in more than 60 countries,
with 80,000 employees and over 65 million customers

Generali: key data

ECONOMIC HIGHLIGHTS

(€ million)	31/12/2012	31/12/2011	31/12/2010
Gross written premiums(*)	69,613	69,159	73,188
Consolidated operating result	4,219	3,928	4,077
Operating return on equity	11.9%	10.8%	11.7%
Result of the period	90	856	1,702

(*) 2011 premium income includes also premiums from Migdal Group, whose disposal has been closed in October 2012; excluding those premiums, 2011 premiums income would have amounted to 67,368.

FINANCIAL HIGHLIGHTS

(€ million)	31/12/2012	31/12/2011	31/12/2010
Total investments	392,658	369,126	372,155
Total third parties asset under management	97,406	97,480	98,815
Solvency I ratio	150%	117%	132%

SHARE INFORMATION

(€ million)	31/12/2012	31/12/2011	31/12/2010
Earning per share	0.06	0.56	1.1
Operating earning per share	1.32	1.21	1.27
Dividend per share	0.20	0.20	0.45
Share price	13.74	11.63	14.21
Embedded value per share	15.4	14.6	17.5

Segment Performance

LIFE

GROSS WRITTEN PREMIUMS

€ 46,810 mln

(+3.1%)

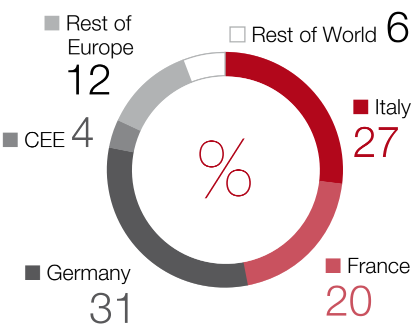
APE

€ 4,508 mln

(-1.4%)

- Premiums rise driven by the sharp increase observed in 4q
- Development of single premium policies and strong recovery in annual premums
- Growth in operating performance

Gross written premiums by country



OPERATING RESULT

€ 2,658 mln

(+9.7%)

PROPERTY&CASUALTY

GROSS WRITTEN PREMIUMS

€ 22,803 mln

(+3.3%)

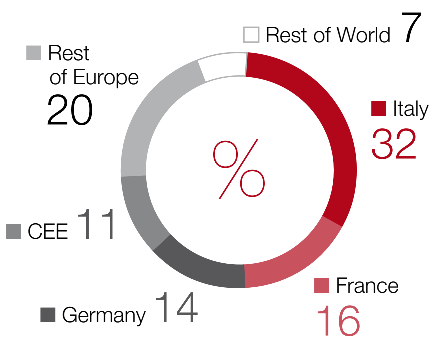
COR

95.7%

(-0.8%)

- Premiums development attributable to both motor and non motor segment
- Improvement in net cor due to the loss ratio trend observed in Italy, CEE countries and France
- Sharp increase in operating result

Gross written premiums by country



OPERATING RESULT

€ 1,664 mln

(+5.6%)

FINANCIAL

THIRD PARTY AUM

€ 96,379 mln

(+14.4%)

OPERATING RESULT

€ 408 mln

(+21.7%)

- Third party assets managed up thanks to the net inflow positive development
- Improved operating performance

COST-INCOME RATIO

69.0%

(-3.9%)

www.generali.com

CONTACTS

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Fax + 39 040 671338
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Head: Spencer Horgan

Media Relations
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Fax + 39 040 671127
press@generali.com
Head: Giulio Benedetti

Shareholders Department - Relations with retail shareholders
Tel. +39 040 671621
Fax + 39 040 671660
azionisti@generali.com
shareholders@generali.com
Head: Michele Amendolagine

Corporate Social Responsibility and Group Sustainability Report
Tel. +39 040 671060
csr@generali.com
Head: Marina Donati

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INFORMATION FOR OUR INVESTORS

Bruxelles - Belgium

Letter by the Chairman and the Group CEO

“2012 was a turning point for Generali”

In 2012 Generali Group made important advances in the industrial performance, with an improvement in the operating result and a significant strengthening of capital, one of our priorities.

The financial statements we are presenting, with restyled graphics and in line with the latest international developments in integrated reporting, confirm the Group’s leadership in the European Life business and its solid performance in P&C. These results were achieved thanks to a unique international positioning, the strength of the Generali brand, our distribution model and the professionalism of our 80,000 employees, who are to be thanked for the quality of their work.

2012 was a turning point for Generali. We formulated a new strategy to re-focus on our core insurance business and began a sweeping transformation of the Group based on the highest industry standards and consistent with the international profile Generali must have.

Consequently we have strengthened internal governance with a simpler, integrated Group organisational structure. The Group Management Committee, consisting of international senior managers, has been established while introducing a team-based managerial approach and a more transparent, effective and shared decision-making process. With regard to financial reporting, we have updated our accounting treatment of impairment on listed equities, which is now in line with international best practice.

> "Improving operating result and significant capital strengthening in 2012"

The Group also maintained its commitment in Corporate Social Responsibility, and this is recognised by the top international ethical indices that include Generali. During the year we adopted a new Code of Conduct, setting out the fundamental principles that inspire Generali activities.

Last year's excellent operating result means we shall be able to distribute a dividend to our shareholders, despite the significant impact on earnings of the impairment losses posted in the fourth quarter. Our industrial performance in 2012 provides us with an important base from which to achieve the goals we have set over the coming years: to re-establish Generali as a leading international insurer in terms of profitability and capitalisation.

Gabriele Galateri di Genola
President

Mario Greco
Group CEO

Generali share

At 31 December 2012 the shares issued of € 1 nominal value each were 1,556,873,283, of which 15,996,870 were held by the Parent company and other Group companies. On the same date approximately 280,000 shareholders were listed in the Parent company's register of members.

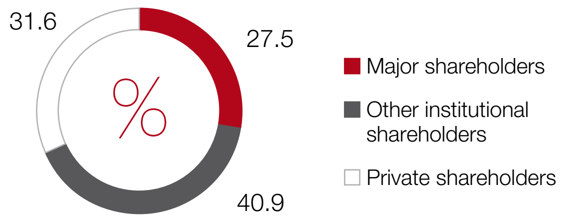
At the end of 2012 the following subjects held – either directly or indirectly through third parties, trustees and subsidiaries – more than 2% of the share capital:

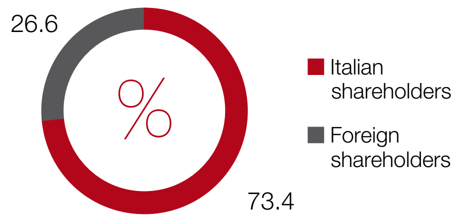
SHAREHOLDERS

Shareholders	NUMBER OF SHARES	PERCENTAGE OF SHARE CAPITAL
MEDIOBANCA GROUP	206,095,172	13.238%
BANCA D'ITALIA	69,879,535	4.488%
LEONARDO DEL VECCHIO	46,653,584	2.997%
DE AGOSTINI GROUP - NEW B&D HOLDING	37,890,000	2.434%
CALTAGIRONE GROUP	34,750,000	2.232%
EFFETI S.p.A.	33,489,587	2.151%

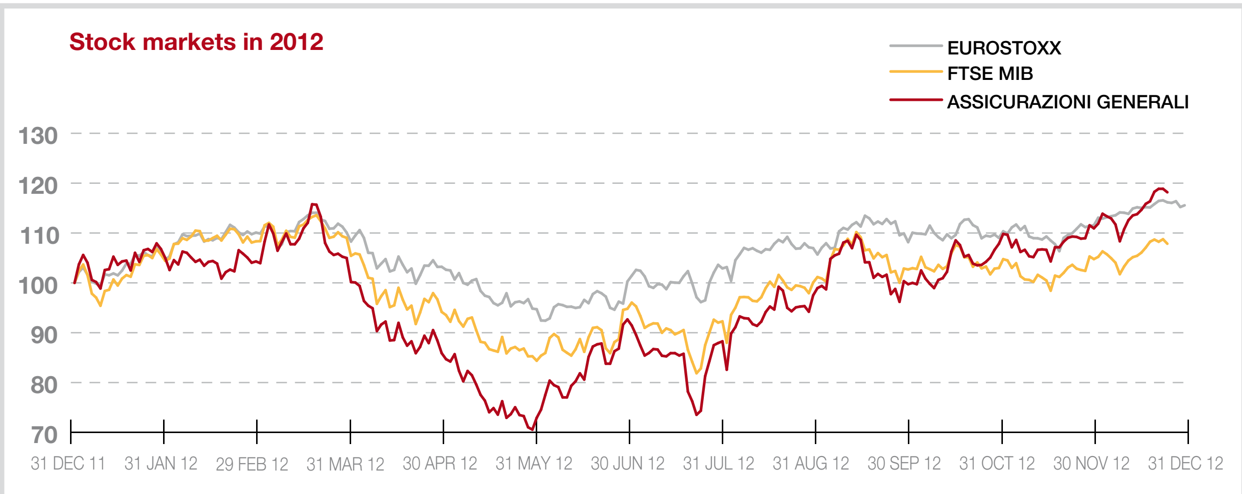
At 31 December 2012 the closing price of Generali shares was € 13.74. Since the beginning of 2012 the shares have hit their lowest level at € 8.22 on 31 May 2012 and their maximum of € 13.82 on 21 December 2012.

The market capitalization at 31 December 2012 was € 21,391 million, a value that confirms Generali as one of the top insurance companies in Europe in terms of capitalization.

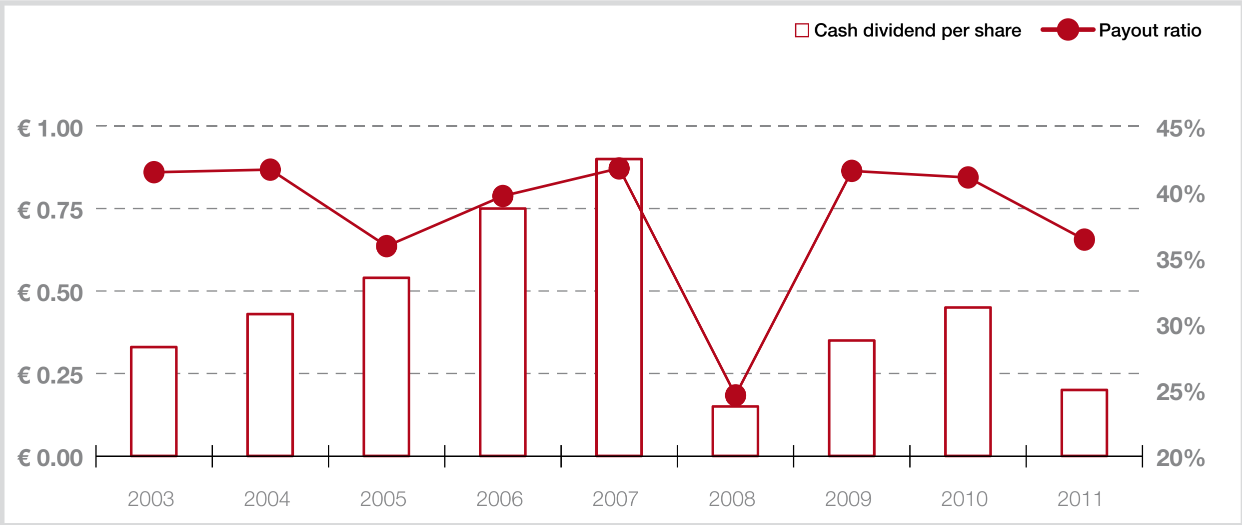




INFORMATION ON SHARE TREND



DIVIDEND PER SHARE AND PAYOUT RATIO



The trend in the share price of the last few financial years is shown below through the main financial indicators per share, which confirm Assicurazioni Generali as one of Europe's most financially sound insurance companies.

MAIN INDICATORS PER SHARE

	31/12/2012	31/12/2011	31/12/2010
Per share information (in euro)			
EPS	0.06	0.56	1.10
Operating earning per share	1.32	1.21	1.27
DPS	0.20	0.20	0.45
Embedded value per share	15.4	14.6	17.5
Share price information (in euro)			
share price at 31/12/2012	13.74	11.63	14.21
minimum share price	8.22	10.65	13.50
maximum share price	13.82	16.99	19.19
average share price	11.35	13.83	15.78
Share volume information			
number of share outstanding	1,540,743,380	1,540,742,780	1,540,740,804
market capitalization (in € milion)	21,391	18,106	22,123
daily number of traded share	7,151,866	8,432,234	7,336,056
Total shareholders' return (%)(*)	19.86%	–16.75%	–22.10%

(*) (Total dividend + change in share price / share price at the beginning of each year).

Rating

The current ratings and outlooks awarded to Assicurazioni Generali by the main rating agencies are illustrated below.

RATING AGENCY	RATING	OUTLOOK
A.M.Best	A	Negative
Standard & Poor's	A	Negative
Fitch	A -	Negative
Moody's	Baa1	Negative

Updated as of January 2013.

In June 2012 Standard and Poor's placed Generali on credit watch. In January 2013 the company was removed from credit watch and the Group's rating was confirmed A (with negative outlook), thanks to factors such as its strong competitive position and solid operating performance, together with the management's commitment aimed at strengthening the capital position. Attention is drawn to the fact that such rating is two notches higher than the one awarded to Italy's sovereign debt.

Moody's too lowered the rating of Generali from A1 to Baa1 in July 2012, following the downgrade of Italy's sovereign debt. The negative outlook is in line with that of Italy.

Investor and Media Relations

The principal objective of the Investor Relations Department and the Media Relations Department is to ensure active communication with the aim of strengthening the visibility and attractiveness of the Group for the international financial community, besides supporting a correct evaluation of its outstanding shares and bonds.
Transparent, prompt and accurate communication between the senior managers of Generali is encouraged on one side, and institutional investors, financial analysts, rating agencies and the media on the other side.
The Group regularly issues press releases and organises presentations via webcast, conference calls and press conferences to guarantee complete information to counterparties with regards to the latest strategic and operating developments. Furthermore, Generali attends road shows aimed at investors and sector conferences organised by major financial institutions.
Generali encourages shareholders, bondholders and other potential institutional investors to increase their knowledge of the group's activities, strategy for long-term growth and expansion to emerging markets.
The group's objective is to guarantee prompt and complete financial information to all the stakeholders, by increasing its use of digital channels. The corporate website, and more specifically the Investor Relations and Media Relations sections, contain all the updated relevant Group data, such as latest financial statements, press releases, information on the Shareholders' Meetings, the main characteristics of the shares issued, recommendations made by financial analysts and other important dates and publications.

For further info
www.generali.com

Corporate event timeline 2013

GENERALI

2013

30/04/2013
Shareholders meeting

09/05/2013
Board of Directors 1Q Results

10/05/2013
1Q results reporting

Generali corporate app

The Generali Corporate app was created to provide the **main stakeholders** that use **mobile devices** with key information on the Group, both online and offline.

The main features include:

- Press releases and press kits;
- Webcasts of financial results and last financial statements;
- Multi-media key events;
- Actions: Daily chart, interactive charts and calculated charts;
- Institutional documents such as Code of Conduct, Sustainability Statement and Governance Report;
- Photo gallery including pictures of Top Management and historical billboards;
- Map with Group's world contacts;
- Interactive calendar of main events;
- Main Headquarter contacts.

Conceived as a tool for professionals that use mobile phones to check the latest information on Assicurazioni Generali, the app is a complementary tool to the generali.com website that is the main source of contents and remains always available for more detailed searches.

Available on the App Store

ANDROID APP ON Google play

01/08/2013
Board of Directors 1H Results

02/08/2013
1H results reporting

07/11/2013
Board of Directors 9M Results

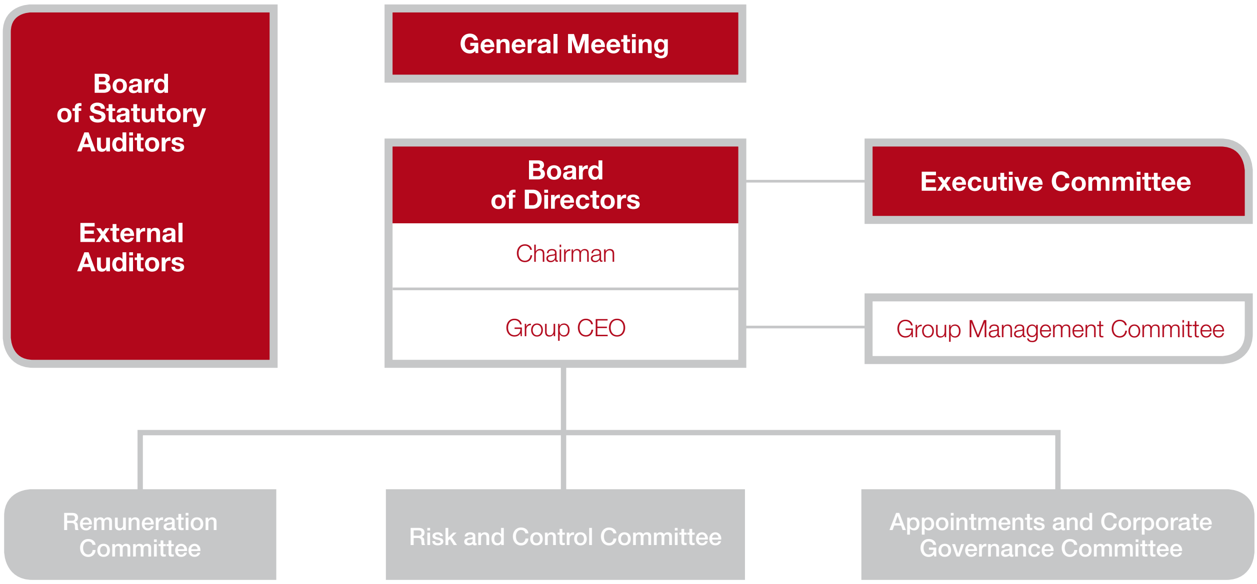
08/11/2013
9M results reporting

27/11/2013
Investor Day

CORPORATE GOVERNANCE

Paris - France

The Corporate Governance system of Assicurazioni Generali focuses on the creation of long-term sustainable value. In pursuing this objective, the Company is committed to achieve organisation excellence yet strive towards sustainable development. The Company intends to achieve its objective of interpreting and meeting any stakeholders' need through a system of values embodying the safeguard of the company's soundness, reliability, transparency and professionalism and the implementation of an effective corporate strategy.



The corporate governance system of Assicurazioni Generali follows the traditional administration and control model which envisages a **Board of Directors** in charge of the strategic management of the Company to pursue the corporate object, a **Board of Statutory Auditors** with supervisory duties and a Shareholders' Meeting, the corporate body which, through its resolutions, expresses the will of the shareholders. The regulatory audit of the company's financial statements, instead, is the responsibility of an independent auditing company.

The Board of Directors and the Board of Statutory Auditors are appointed by the General Meeting through the voting list procedure.

The model chosen by Generali provides for the clear distinction between the duties of the Chairman of the Board of Directors and those of the Chief Executive Officer.

The **Chairman** is the legal representative of the Company and has no operating role since no additional powers were conferred upon him except for those provided by the Company's by-laws.

In accordance with the provisions of the by-laws, the Board of Directors appointed the **Chief Executive Officer** (appointed as Group CEO as already holding the position of General Manager) who was entrusted with the management of the Company.

The Group CEO is the main officer in charge of the company management and is responsible for the operating management of the company and the Group, in Italy and abroad, vested with all powers of extraordinary administration, in line with the general planned and strategic guidelines established by the Board of Directors and within predetermined amount limits, except for the powers which legal regulations and the law confer upon other corporate bodies or which pertain to the Board of Directors.

A **Group Management Committee** was established in 2012 whereby the company introduced a team management approach to run the business at international level, with the aim of identifying a greater alignment with the strategic priorities among the Group's business units and a more effective and shared decision-making process. Besides the Group CEO, Mario Greco, and the Chief Insurance Officer, Sergio Balbinot, who is his Deputy, the GMC comprises the managers in charge of the three main markets, global business lines as well as the guideline and control functions of the Head Office.

The Board of Directors is supported by an **Executive Committee**, made up of a qualified number of members of the same Board. Furthermore, as suggested by the Code of Conduct, a Risk Control Committee, a Remuneration Committee and a Corporate Governance Nomination Committee were set up within the Board by the Board itself.

Finally, the Board of Directors has also established an Investment Committee, a Related-Party Assessment Committee and a Social and Environmental Sustainability Committee. Unlike the Executive Committee, the aforementioned committees are relied upon for consultation, recommendation and investigation purposes.

For more details on the Corporate Governance of the Company, please refer to Corporate governance and Share ownership report or the Governance section of the website [Generali GOVERNANCE online]

Corporate Governance

Board of Auditors

Eugenio Colucci
CHAIRMAN

Giuseppe Alessio Vernì
PERMANENT AUDITOR

Gaetano Terrin
PERMANENT AUDITOR

Maurizio Dattilo
SUBSTITUTE

Francesco Fallacara
SUBSTITUTE

Board Members

	EXECUTIVE	NON EXECUTIVE	INDEPENDENT(*)	C.C.R.	C.R.	C.E.	C.C.G.	C.S.	C.INV.	C.E.T.
Gabriele Galateri di Genola CHAIRMAN		■				■	■	■		
Vincent Bolloré VICE-CHAIRMAN		■	■			■				
Francesco Gaetano Caltagirone VICE-CHAIRMAN		■	■			■			■	
Mario Greco GROUP CEO	■					■			■	
Cesare Calari BOARD MEMBER		■	■	■						■
Carlo Carraro BOARD MEMBER		■	■	■				■		■
Claudio De Conto BOARD MEMBER		■	■		■				■	
Petr Kellner BOARD MEMBER		■							■	
Angelo Miglietta BOARD MEMBER		■	■	■		■				
Alessandro Pedersoli BOARD MEMBER		■	■	■			■			■
Lorenzo Pellicioli BOARD MEMBER		■	■		■	■	■			
Reinfried Pohl BOARD MEMBER		■								
Clemente Rebecchini BOARD MEMBER		■				■	■			
Paola Sapienza BOARD MEMBER		■	■	■						■
Paolo Scaroni BOARD MEMBER		■	■		■		■	■		■

(*) Independence criterion, as envisaged in art.3.C.1 of the Voluntary Self-Regulatory Code of listed companies.

Acronym legend

C.C.R.
RISK AND CONTROL COMMITTEE

C.R.
REMUNERATION COMMITTEE

C.E.
EXECUTIVE COMMITTEE

C.C.G.
APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

C.S.
SOCIAL AND ENVIRONMENTAL SUSTAINABILITY COMMITTEE

C.INV.
INVESTMENT COMMITTEE

C.E.T.
COMMITTEE FOR EVALUATION OF RELATED PARTY TRANSACTIONS

MANAGEMENT REPORT

Vienna - Austria

Index

Generali Group: identity and strategy

GRUPPO GENERALI IDENTITY

Generali Group is one of the leading global insurance and financial entities, led by Assicurazioni Generali S.p.A., established in Trieste in 1831. It has always been internationally oriented and is now present in more than 60 Countries: At the end of 2012 the Group's insurance turnover was approximately € 70 billion.

As regards its ***core insurance business*** the Generali Group remains Europe's leading operator in the life segment. Its product line in this segment comprises savings and protection policies, which account for the majority of its portfolio, alongside the Health business and Supplementary pension policies. In the non-life segment the Group is currently focused on the retail market, offering coverage for the entire insurance portfolio. Furthermore, Generali is one of the world's major players in the field of assistance, through the Europ Assistance Group, which provides worldwide services in the motor, travel, health, home and family segments.

The Group has also expanded its business from insurance to a full line of **asset management, properties and financial services**. In particular, the Banca Generali Group is one of Italy's leaders in the personal financial services market, whereas the BSI Swiss Group provides a full range of private-banking financial services.

Market leader in Italy, the Group has consolidated its position as one of the major insurance groups worldwide, becoming increasingly more important in Western European market, its main area of operations, where it remains among the leading operators in Germany, France, Austria, Spain and Switzerland.
In addition, Generali have a strong presence in markets with high development potential. More specifically, through Generali PPF Holding, the Group is one of the main operators in Central and Eastern Europe. It is also present in China, where after few years since it entered the market, it has become one of the leading foreign-owned insurance companies.

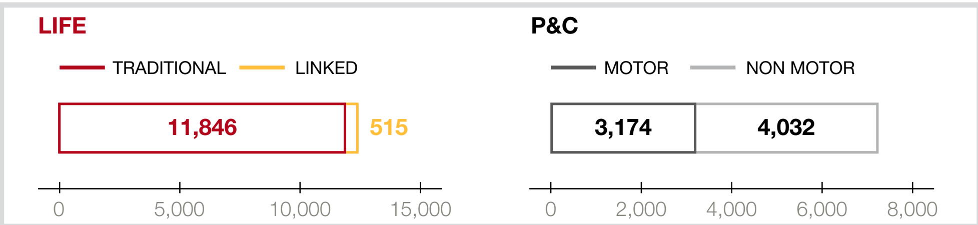
Especially with regard to **distribution channels**, the Group was able to develop new distribution solutions which it adopted alongside the traditional ones and financial promoters. The attention paid to changes in society and the markets, combined with its consolidated diversification policy have, in fact, enabled the company to promote original initiatives linked to insurance services as more specifically proven by the experience made in Italy by Genertel, specialised in phone direct sale. This policy allowed the Group to become leader in the sale of policies through alternative channels such as the Internet and the telephone also in France and Germany.

REFERENCE MARKETS AND GROUP'S COMPETITIVE POSITION*

ITALY

GROSS WRITTEN PREMIUMS

€20,115 mln



TOTAL OPERATING RESULT	LIFE OPERATING RESULT	P&C OPERATING RESULT	COR	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING
€1,749 MLN	€1,060 MLN	€466 MLN	95.2 %	17.2 %	19.1 %	1st

With almost 10.5 million customers and 17.9% market share, Generali is leader in the Italian insurance market. The Group offers its customers - in the retail, SME and Corporate segments - a full range of insurance solutions both in the Life and Non-life segments; the italian turnover is approximately 29% of the total premiums Generali Group. As far as distribution is concerned, Generali can rely on a salesforce of well over 9,000 tied agents and internal producing brokers, almost 35,000 sub-agents and independent producing brokers, 4,500 financial promoters

* Indicated shares and market positions, based on turnover, refer to official data or to the most recent estimates available.

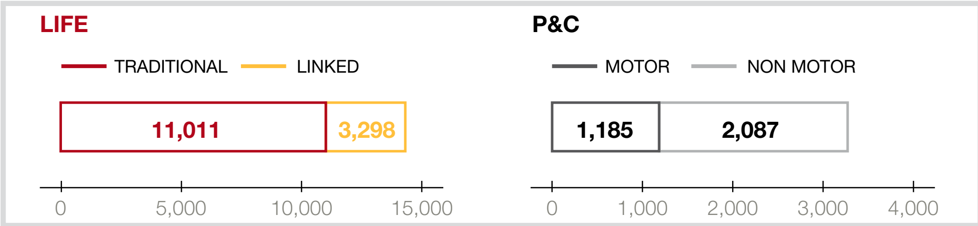
as well as consolidated relationships with approximately 1,400 brokers. Generali also holds a consolidated position in the direct channel, through Genertel insurance company – Genertellife, the first online insurance launched in Italy.

Finally, through Banca Generali, the Group offers its customers a wide and complete range of financial products in the pension and savings segment.

GERMANY

GROSS WRITTEN PREMIUMS

€17,587 mln



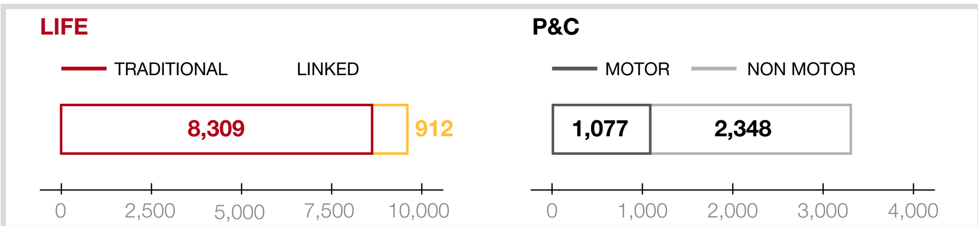
TOTAL OPERATING RESULT	LIFE OPERATING RESULT	P&C OPERATING RESULT	COR	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING
€630 MLN	€327 MLN	€257 MLN	94.5 %	11.4 %	5.6 %	2nd

Generali Deutschland is Germany's second insurance Group in terms of directly written premiums; it represents the second reference market with 25% in written premiums over the Group's total. Generali Deutschland is market leader in the supplementary pension segment of Germany's second pillar pension schemes (so-called Riester policies), in unit-linked contracts and covers against biometric risks. The Group, focused on the retail segment, offers a full range of innovative products that can meet the needs of its 13.5 million customers in the life, non-life and health lines as well as in the financial services segment. The strategy is aimed at enhancing the competitive edge generated by the multi-channel distribution system, that wins over all other distribution alternatives (financial promoters of the DVAG network, direct channel, traditional distribution channels). At the same time the Group is concentrated on exploiting the synergies between the various operating units, by integrating and optimising back-office activities in shared service companies.

FRANCE

GROSS WRITTEN PREMIUMS

€13,141 mln



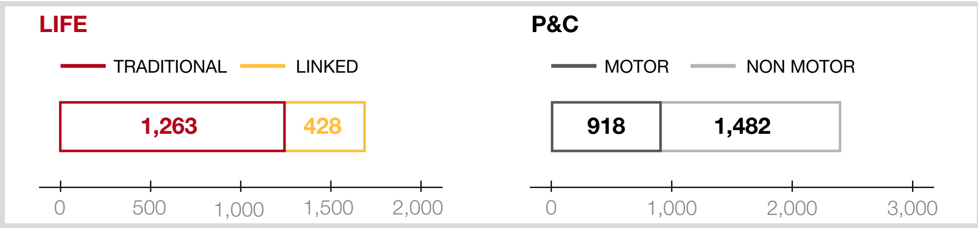
TOTAL OPERATING RESULT	LIFE OPERATING RESULT	P&C OPERATING RESULT	COR	LIFE MARKET SHARE	P&C MARKET SHARE	RANKING
€680 MLN	€464 MLN	€216 MLN	98.9 %	6.9 %	7.9 %	4th

After Italy and Germany, France represents the third market of the Generali Group with a turnover of approximately 20% of the Group's total. Generali France is the second largest general insurer in France. It is market leader in the Private savings segment and, in particular, in the Internet savings segment; it is also leader in the self-employed professional and small enterprise pension segment, and number one in Assistance through Europ Assistance. It operates through 7,000 collaborators and diverse distribution channels: Agents, brokers, financial promoters and banking partnerships as well as internet, basically through a tied agency and multi-channel approach, offering a range of products that can meet the needs of its 6 million customers and 800,000 companies and professionals.

CENTRAL AND EASTERN EUROPE

GROSS WRITTEN PREMIUMS

€4,136 mln



TOTAL OPERATING RESULT	LIFE OPERATING RESULT	P&C OPERATING RESULT	COR	LIFE MARKET SHARE*	P&C MARKET SHARE*	RANKING*
€514 MLN	€184 MLN	€304 MLN	88.5 %	- CZ: 28.7 - HU: 9.2 - SK: 6.9 - PL: 2.7 %	- CZ: 36.2 - HU: 21.2 - SK: 10.8 - PL: 4.1 %	- CZ: 1st - HU: 2nd - SK: 3rd - PL: 8th

*CZ: Czech Republic; HU: Hungary; SK: Slovak Republic; PL: Poland

In Central and Eastern European countries, Generali operates through Generali PPF Holding (GPH), a joint venture with the PPF group, a financial leader in the region, and enjoys a leadership position. The Holding company, with operating office in Prague, provides operating and professional know-how to insurance companies in 14 countries – Belarus, Bulgaria, Croatia, the Czech Republic, Hungary, Kazakhstan, Montenegro, Poland, Rumania, Russia, Serbia, Slovakia, Slovenia and Ukraine. The Group has a catchment area of approximately 14 million customers for a total of € 14.8 bn managed assets.

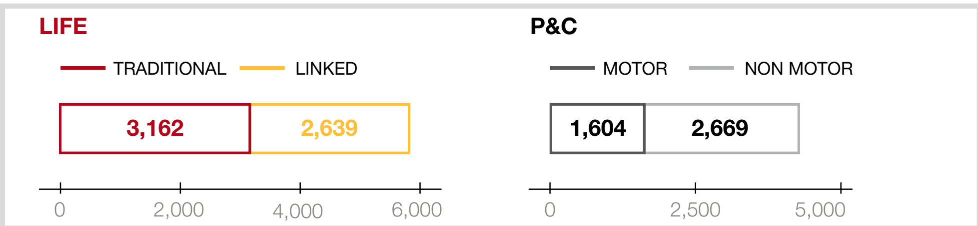
Since it was established in January 2008, GPH has obtained the best profitability of the region both in the Life and Non-life segments. The diversification of the distribution channels surely represents a strength and in the last few years, in particular, the Group has reorganised its networks of agencies in many countries, strengthening at the same time the collaboration with many external partners (brokers, banks, financial promoters, leasing companies).

In January 2013 Generali and the PPF Group entered into an agreement defining the conditions for the termination of the GPH joint venture that will give the opportunity to Generali to obtain a 100% stake and full management control within the end of 2014.

REST OF EUROPE

GROSS WRITTEN PREMIUMS

€10,262 mln



TOTAL OPERATING RESULT	LIFE OPERATING RESULT	P&C OPERATING RESULT	COR	LIFE MARKET SHARE*	P&C MARKET SHARE*	RANKING*
€899 MLN	€430 MLN	€354 MLN	96.4 %	- ES: 4.5 - AT: 13.5 - CH: 4.1 %	- ES: 4.4 - AT: 17.0 - CH: 5.1 %	- ES: 7th - AT: 3rd - CH: 8th

*ES: Spain; AT: Austria; CH: Switzerland

With regards to the remaining European countries, the following are territories where Generali is present:

Austria: Generali has been operating in Austria since 1832, the year after the Company was established in Trieste. Generali, which operates in the Country through the insurance companies Generali Versicherung, BAWAG P.S.K. Versicherung and Europäische Reiseversicherung, today is the country's third insurance company, with a total share of 15.2%, and is leader in the Motor segment.
Today, in Austria, the group has over 4 million customers, to which it offers a full range of Life and Non-life products, both in the retail, mall-medium enterprises and corporate segments. The distribution strategy is multi-channel and can count on a

widespread network of agencies (approximately 2,000 tied agents), over 4,000 brokers, almost 400 financial promoters and 775 bank desks of BAWAG P.S.K. and 3Banken.

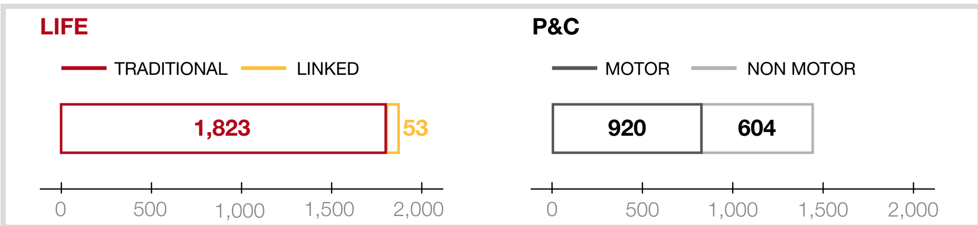
Spain: Generali España is one of Spain's main insurance groups, with a total market share of 4.4%, capable of providing a wide range of Life and Non-life policies dedicated to both private individuals and enterprises, guaranteeing solutions that suit the most complex multinational entities. The Group uses a multi-channel distribution strategy which includes over 1,500 bank desks ad a network of agents and brokers that is one of the most widespread in Spain. Thanks to its presence across the country with over 1,500 assistance points serving more than 3.2 million insured in Spain, the Group stands out for the excellent service offered to its customers and the quality of its products. Always open to innovation, the Group proposes new insurance solutions as a dynamic response to market needs, focusing on value generation for its insured.

Switzerland: Generali has been operating in Switzerland since 1987 and in the following decade it consolidated its presence through the acquisition and merger of many insurance companies, today Generali operates through the Generali and Fortuna brands in the life, non-life and financial services segments, where also BSI, one of the main private banking groups operates. The Group is focused on the retail business and is characterised by the provision of innovative and high-quality services offered through diverse distribution channels: agents, brokers, financial promoters, direct channel. In the life segment, with reference to individual policies sector, the Group is in second place with a market share exceeding 15%. In particular for unit-linked policies the Group is the market leader with a market share close to 50%. In the non-life segment the Group operates in all the insurance lines and ranks 6th with a 4.5% market share. In Switzerland, Generali exceeded one million customers and more than one and a half million policies.

REST OF WORLD

GROSS WRITTEN PREMIUMS

€4,371 mln



TOTAL OPERATING RESULT	LIFE OPERATING RESULT	P&C OPERATING RESULT	COR	LIFE MARKET SHARE*	P&C MARKET SHARE*	RANKING*
€257 MLN	€193 MLN	€67 MLN	99,5 %	- AR: 13.4 - MX: 8.4 - CN: 9.8 %	- AR: 6.4 - MX: 5.6 - CN: - %	- AR: 2nd - MX: 6th - CN: 3rd

*AR:Argentina; MX:Mexico; CN: China

As regards the presence of the Generali Group in non-European countries, the following areas have been highlighted:

Far East: The Generali Group has worked in the Far East since 1980. The JVs in Japan and Hong Kong have been slowly added to the ones in the Philippines, China, Thailand, India and Indonesia. In 2011, the Life Insurance Company was finally established in Vietnam. Particularly in China, the JV incorporated with the local CNPC (China National Petroleum Corporation) Partner has become one of the top life insurance groups. In China, the Group adopted a multi-channel distribution strategy, selling its own Life Insurance products through agents, brokers and bank tellers. There are more than 5,000 agents exclusively for the Generali China Life service while 510 are financial agents. The range of products includes Damages and Savings, Accident and Illness and Simple Risk and involves both the individual and Multinational operating in China that is the market leader among all foreigners in the segment.

Latin America: The Generali Group has long been present in many countries in Latin America. Its main operations are in Mexico and Argentina.

Smaller but significant are operations in Colombia, Guatemala, Ecuador and Panama, particularly through agents and brokers. They offer a wide range of life and accident products for retail and corporate clients. The Group works in Brazil as well with a limited market share.

GENERALI GROUP STRATEGY

During the second half of 2012 Generali undertook a comprehensive strategic, operational and financial review, aimed at identifying Group's excellence areas as well as areas needing improvements, where to focus within the strategic plan 2013-2015.

Generali Group's strategy in the next three years is based on some key strengths:

- Highly strong **brand** both in Italy and abroad;
- Enviable wide and diversified **international presence**, with some excellent competitive positioning in both mature and emerging markets;
- A **total amount of premiums and assets** that make us one of the first insurance groups worldwide;
- a **consolidated leadership** in life and strong performance in non life segment;

Starting from the abovementioned points, Generali developed a turnaround strategy to improve shareholders returns and maximize the profitability of its existing business, based on following three key points: **discipline, simplicity and focus on core insurance business.**

The strategy has been developed considering the current market's environment, characterized by limited households' savings, especially in mature markets, as well as generally low interest rates, leading to lower financial returns reported in the income statement.

In this context, the management of the core insurance business, on which the Group is focusing, is even more important, with the main lead of **maximizing the business profitability, rather than volumes**

The aim is to lead the Group with a clear orientation towards value creation, with a strong attention to capital, to its optimal allocation and to the business' cash flow generation.

Fundamentals of the strategy

Strengthening Group Governance

Since the second half of 2012, Generali Group has experienced an extensive **organizational restructure**, started with the appointment of Mario Greco as Group CEO.

In this context, the functions and roles of the Group's first-line managers have been redefined and rationalized, and an international Group Management Committee was created, which members are Group CEO, Chief Insurance Officer, country heads for main markets Italy, France and Germany, head of global business lines, Chief Operations Officer, Chief Financial Officer, Chief Investment Officer and Chief Risk Officer. The new committee is in charge of identifying Group's strategic priorities and monitoring business and financial performances, while ensuring Group wide operational cohesiveness.

The reorganizational process will continue within the single Group's functions and operating companies over the next three years, with the aim to ensure the operational coherence and efficiency, essential to achieve the goal of revenues and cost synergies.

Optimization of capital strength

Generali's objective is to strongly increase its capital position, in terms of Solvency I, Economic Capital and Rating Capital Adequacy. In order to use calculation methods that enable a more meaningful comparison to its peers, in terms of **Solvency I**, for example, our target is to reach a solvency ratio of **above 160%**. In terms of **Rating Capital Adequacy**, in our internal models and pricing system, we already use the capital and leverage ratios at levels consistent with an AA rating.

To achieve this goals, the following initiatives will be put in place in following three years:

- Disposal of non-core and non-strategic assets, with a stronger focus on insurance business;
- Further harmonization of duration and risk profile between assets and insurance liabilities, through an accurate review of the assets side, driven by the principles of risk/return matching profiles with the insurance liabilities;
- Capital structure efficiency through the optimization of the debt structure and a comprehensive evaluations of Group's refinancing needs, taking into account the ordinary dues of issued instruments, as well as possible favorable market conditions;
- Strong attention on some main financial functions within the Group, also thanks to a greater centralization of the decision process and management of subsidiary companies. About this aspect, in the organization turnaround, some new central functions have been created, with key responsibilities on the capital optimization: Group Reinsurance, Group Treasury, Capital and Value Management, Investment Monitoring;
- Increase of results: through the implementation of the cost savings program (target to deliver € 600 million from cost saving initiatives by 2015), the reduction of the structures' complexity, the pursuing of processes' efficiency as well as the diffusion of best practices among all Group entities.

It is our intention to adopt these actions in order to improve our solvency ratio, while keeping our profitability target (operating ROE[1]) over the cycle to at least 13%.

Optimization of geographical footprint

The rationalization of the Group's presence within the global market means optimizing the presence and operations in the

1 For a definition of this indicator see as described in the methodological note.

mature markets, while investing to enhance its competitive position and profitability in the high growth markets.

In the strategic plan 2013-2015 Generali will concentrate on the profitable growth and the strategy will aim to take the potential growth opportunities in specific growing markets. Owing to the deal with PPF on Generali PPF holding, Generali consolidated its position in Central Europe market. In the next future, the Group will direct its interests also in some profitable markets in Asian Far East (particularly in China, where Generali already has a top competitive position comparing to its international peers) and in some Latin America countries.

As part of this positioning review, the Group's strategy has been stated for every single country: a relevant example is the business' reorganization in Italy, a market highly affected by the current national economic situation and subject to a process of concentration and consolidation by many local insurance companies. In this framework, the Group has taken the opportunity of restructuring its Italian business, simplifying the organizational and governance models, in order to deliver higher performances:

- Business model simplification:
  - Consolidation of businesses and brands with similar characteristics and target customers, product ranges and distribution models, in order to exploit market's competitive position;
  - Concentration of technical skills to maximize the performance in both Life and Non life segment;
  - Economies of scale arising from the merger of Operations, IT structures and other support functions into one single highly performing operating platform.
- Organizational and company simplification:
  - Governance and defined responsibilities, with the clear separation of business units and Corporate center structures;
  - Strong reduction of number of companies;
  - Business unit with direct responsibilities and operational instruments for the achieving of target result.

Strengthening of Operating Model

The Group's objective is to optimize the operating model, pursuing a strong and continuous efficiency and greater integration of the main processes of Groups' subsidiaries ("One Group approach"), attracting and investing in the best **talents** and developing their **skills**.

The Group identified significant opportunities to pursue savings opportunities in the area of procurements, ICT expenses and Real Estate facility management. These estimated savings amounts at least to € 600 million at Group level.

Last but not least, Generali will put continuously greater emphasis on talents and their competences, through a renewed talent management program. The Group will preside and enhance it human capital, investing in programs for professional growth and continuous improvement, achieved also by a centralized development coordination, career opportunities, international mobility and incentive systems balanced between individual needs and Group's results.

Improvement of Life business performance

The profitability of **Life business** – which remains crucial for Generali Group – should be further increased, optimizing returns on absorbed capital, through a punctual monitoring of key metrics of business value generation as well as through a strengthened central supervision on the new products' development.

With reference to the Life business, a "through the cycle" approach has been adopted, because in spite of the current adverse financial market conditions (low interest rates, high volatility, sovereign debt crisis), Generali aims to ensure the possibility to benefit from future return, following the expected market improvement.

In order to guarantee transparency and measurability of value creation in the Life business, appropriate evaluation metrics will be used, such as RORAC, pay-back period, new business value. The incentive schemes of networks and operating companies' performance management will be aligned with those metrics. The approval process of new products will benefit from a tighter central supervision.

Increase of the Property & Casualty activity

The increase will be achieved through a strong monitor of technical profitability levers (including the total centralization of reinsurance activities) by means of a gradual expansion in Corporate & Commercial and Accident & Health segments.

The aim is to progressively and continuously increase the Property & Casualty business, in order to assure to the Group all the benefits deriving from an higher degree of diversification and cash flows stability as well as lower volatility of operating results along the time. The growth of the Property & causality business will occur through the balance over time of organic levers, within the current Group scope in some geographical areas, as well as through external growth on new business lines or customers segments in other geographical areas.

Lastly, Generali will further enforce the technical performance, introducing tighter Group standards in relation to all existing best practices at local level (for example tariffs, risks selection, claims management) and their diffusion and adoption in all geographical areas.

Customer led business approach

That means:

- Put **the customer** always at the center of every initiative in order to catch new market opportunities, enforcing its brand loyalty and offering the complete range of product for its insurance needs and developing new customer segments, in particular in the Affluent segment in the emerging markets;

- Generali Group has around 65 million customers globally, mainly in the Retail segment;
- Generali aim to maximize the value creation for current customer base, improving their retention and increasing up-sell and cross-sell ratio. Thus, we will invest in acquiring greater knowledge and profile of our customers, in order to achieve a better understanding of their specific needs and create appropriate solutions;
- The Group will focus on the Affluent segment, considering it is a growing customer segment and for which we can completely satisfy the specific insurance needs, particularly in emerging markets.

Excellence in sales channels' management

It refer to the pursue of excellence in the management of **sales channels**, strengthening both traditional (agency) and direct sales channels; this will allow the increase of the distribution capabilities also through third parties' channels (for example through bancassurance agreements).

The strategy on distribution channels:

- to work with Group's agents, implementing and disseminating internal and external best practices, in order to achieve the operational excellence in all the core activities of this channel, that is very important for the Group. New distribution opportunities will be caught in the market, for example the role of bancassurance will increase within our multi-channel strategy, paying particular attention on those aspects (operating model, processes, incentives schemes, etc.) needed to fully satisfy our clients, increasing the retention rate and ensuring stability in the relationship with the bank partner;
- a range of insurance solutions will be adopted for the customers' specific needs to deploy with an multi-channel strategy that best suits the client's access preferences.

SOCIAL AND ENVIRONMENTAL COMMITMENT

In the Generali Group, the long-term business sustainability takes part of the insurance business. This can be confirmed by a development lasting more than 180 years, in which the enhancement of employees and attention to the expectations of customers, shareholders and the community are deeply rooted.

In the most recent years, the commitment to sustainability has become progressively stronger, creating a solid culture within the Group and moving toward a continually more systemic approach. This has led to increase the efficiency of actions on various aspects of sustainability over time, thanks, in particular, to the definition of objectives on which to report the Group performance.

In the last few years, results obtained in the various areas of sustainability have led to a general increase in the ratings assigned to Assicurazioni Generali by specialized agencies, which are continually more numerous considering the financial instruments issued by the Company as socially responsible investments (SRI). Subsequently, the Company is included in many of the most prestigious **ethical indices** such as FTSE4Good (which ranks the Company among the top 5 insurers globally), ASPI (Advanced Sustainable Performance Indices) Eurozone, STOXX ESG Leaders Indices, developed to help investors include social, environmental and governance criteria in their investment decisions.

The social and environmental aspects associated with operations shall be reported in a detailed manner in the **Sustainability Report**, usually published in the month of May. However, this financial statement provides again in advance with the most important non-financial information that supplement the financial one as to provide a more complete overview of the business and the results obtained by the Group during the year.

The sustainability approach of the Group is based on the following main management elements: the Code of Conduct, the Sustainability Commitments Chart, the Environmental Management System and a constant dialogue with stakeholders.

The new **Code of Conduct**, accompanied by the Group Rules, was approved by the Board of Directors of the Parent Company on 14 December 2012. The document, which replaces the Ethical Code of the Generali Group, represents a tool for practical and constant consultation, which, to this end, includes explanatory notes and concrete suggestions. The Code of Conduct sets the minimum standards of behaviour that employees and third parties acting on behalf of the Group must observe. The fundamental principles that guide Generali are provided, including that of fair conduct and honesty with explicit reference also to the commitments undertaken by the Group in the field of sustainability. In that regard, the roles assigned to people that have management positions, who are required to display exemplary conduct and to promote the culture of ethical conduct pursuant to the rules in their respective areas of competence, are provided.

To guarantee respect for the Code of Conduct, the Employees are encouraged to report inappropriate behaviour that they have witnessed and anyone making a report in good faith is protected against any retaliation. Despite this, so that no one is afraid to report incidents that could potentially endanger the business and reputation of the Group, reports can be made also anonymously.

Among the contents of the new Code, note, in particular, the significant focus on promoting diversity with an aim of inclusion, on transparency and accuracy in the communications towards all stakeholders, and on fighting against bribery, corruption, money laundering and the financing of terrorism.

The **Sustainability Commitments Chart**, being drafted, represents another important step towards managing the various sustainability aspects in a perspective of continual improvement. In fact, with this document, drafted this year for the first time, the systematic approach that has thus far been focused on environmental issues shall be extended to relations with other stakeholders. The Commitments Chart shall contain strategic goals that the Group intends to pursue with priority and commitments that it will then assume in the social and environmental field. For each strategic goal, mid and short-term objectives will also be identified and the results and actions that the Group undertakes to perform in the three year period from 2013 to 2015 will be indicated in detail.

The sustainability objectives and commitments included in the Chart will not be separate from the industrial ones but, on the contrary, will be integrated with these goals in order to support their achievement by creating value for all stakeholders. Therefore, they shall be based, first and foremost, on the contents of the new Code of Conduct and in the Industrial Plan of the Group. The Sustainability Commitments Chart is so strategic that it shall be presented and approved by the Board of Directors of the Parent Company in the first half of 2013. The document shall simplify and make the reporting of results reached more transparent: henceforth, the results shall refer to commitments in the Chart.

Generali's commitment to protecting the environment is declared in the Environmental Policy, which requires choices compatible with its environmental needs in conducting its business. To this end, the Group places the efficient management of its natural resources among its top goals, which minimizes the environmental impact of energy, paper and water consumption, the production of waste and greenhouse gas emissions. The use of renewable energy is encouraged in order to prevent and mitigate the consequences of climate change. To reach the goals contained in the Policy, the Group is committed to implementing an **Environmental Management System**, aimed at continual improvement and at reducing the risks related to the environment. In 2012, the implementation of the System continued with an audit by the Group Internal Audit department that verified the correct and complete fulfilment of the provisions contained in the Group procedures in Italy. Moreover, for the first time, the RINA Services S.p.A. Certification Body certified the 2011 greenhouse gas emissions of the System based on the ISO 14064-1 regulations; certification has already been requested for 2012.

The systematic approach to sustainability has led the Group to assign ever more importance to **dialogue with stakeholders**, which are continually more involved in decision-making processes. Generali is actually aware of the fact that their contribution is essential in defining shared improvement methods on which to base mutually satisfactory relationships, key to maintain and increase the success of the Group over time and to contribute to the economic and social growth of the communities in which it operates.

The cornerstone of the sustainability issues of the Group is respect for **human rights**, considered essential in all the relationships with stakeholders. Employees are the main sphere of influence. The Group guarantees them a discrimination and harassment free work environment and recognizes freedom of association and collective bargaining. Any form of irregular work and exploitation is also prohibited, as well as any type of compulsory, forced or child labour. Respect for the aforementioned international core standards of the International Labour Organization (ILO) – explicitly referred to in the Code of Conduct – is constantly monitored throughout the Group and promoted with specific training programs. In particular, in 2011, an e-learning course was launched on the Ethical Code of the Group with specific focus on respect for human and labour rights, which has thus far involved almost 19,000 employees, giving priority to those that work in countries where this respect is not always guaranteed.

Insurance, by nature, is a business focused on the long-term and bases its sustainability on the centrality of people since only competent and motivated people can allow to develop the performance of the Group in an integrated way, building good relationships, contributing to the growth of the community and protecting the natural environment.

The Group constantly offers to its employees, who are considered as a fundamental asset, opportunities for professional growth and training to develop their skills and potential. The enhancement of human capital also occurs through policies aimed at attracting and maintaining young talented workers within the organization.

Customer satisfaction is a top goal of the Group, which tries to accomplish this with the high quality of products offered and services provided, constantly adapted to suit the new needs detected through the various forms of surveying carried out by Group companies. Managing customer relations is considered a crucial aspect: to guarantee support and service level that are in line with expectations, specific training courses are provided for the sales force who are asked to act fairly, professionally and transparently and to cooperate with customers to identify the most suitable solutions to protect their needs.

The Group is also committed to promoting responsible behaviour among consumers, contractual partners and issuing companies from a social and environmental standpoint.

To involve customers in protecting the environment and/or helping those who are in need, the Group includes in its offer products like policies with discounts for those who drive low emission or short mileage vehicles, saving products investing in SRI funds, etc..

To influence the conduct of issuing companies, leading them to act responsibly, the Group excludes financial instruments issued by companies that produce weapons that may violate fundamental humanitarian principles and are involved in serious or systemic violations of human rights, severe environmental damage or serious corruption from its investments.

Generali considers the quality of the goods and services provided also on the basis of social and environmental criteria in selecting its suppliers. In particular, in the Ethical Code for suppliers of the Group, contractual partners are required to comply with all applicable national and international rules and regulations and to be aligned with the Group policies, ensuring compliance for all levels of the respective supply chains.

The Group contributes to improving society with an active role in the social fabric of the establishment. Its commitment to the community takes the form of providing funds or other types of support to a large number of social, cultural, environmental and sports initiatives, in addition to implementing projects of mutual interest with institutions, non-profit associations, research and training centres. In the last few years, Generali has also launched several microinsurance initiatives, particularly in China, India, Indonesia, Brazil and Colombia as to provide the poorest members of society who would otherwise remain excluded with insurance products, thus improving their living conditions.

For more information, visit the the Sustainability section on the Group website
[Generali CSR on line]

BUSINESS ENVIRONMENT

Macro-economic scenario

The just ended year was marked by a weak macro-economic situation, although there were some positive signs in the second half of the year characterized by a more sustained economic growth in the United States and a significant reduction in volatility in the European stock markets.

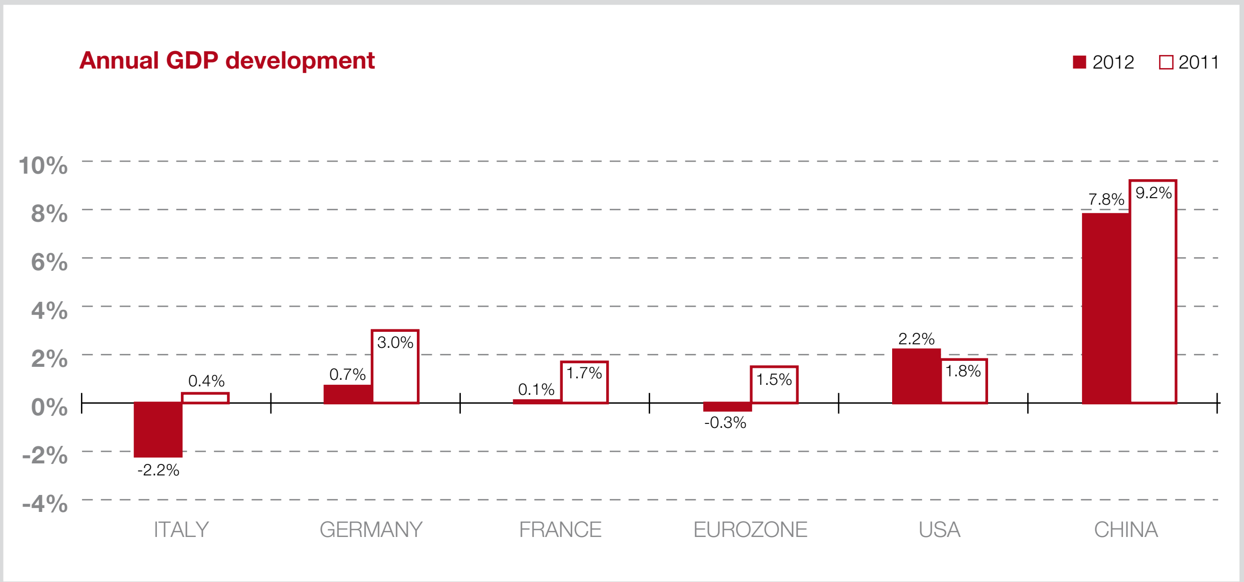
In the Euro Zone, BCE measures were determinant, which were proven to be efficient in significantly reducing the spread between the bund and government bonds in Euro Zone Countries with a high public debt, in particular Italy and Spain. During 2012, the Central Bank granted loans to European Banks through LTRO (long term refinancing operation) operations, implementing quantitative easing (purchasing government debt) at the same time and, subsequently drafted a plan (called Outright Market Transactions – OMT) to support those Countries whose sovereign bond returns do not seem justified by the basic macroeconomic indicators.

At the same time, in this political contest, the framework for a European banking union was developed, which will be monitored by the BCE. Two important measures were approved, the so-called fiscal compact, aimed at strengthening the Stability Agreement (limiting the deficit/GDP ratio at 0.5% and the repayment of public debt exceed 60% of the GDP) and the ESM (European Stability Mechanism), a mechanism aimed at assisting struggling Euro Zone countries. A final important sign for the stability of the Euro is the success of the buy-back operation (buying back restricted debt), implemented by Greece, which was able to obtain a new tranche of assistance.

Despite reducing financial turbulence, the economy of the European Union is struggling to grow, given the particularly weak internal demand due, in large part, to the effects of austerity policies aimed at reducing the public deficit. The data from the third quarter underline a worsening economic situation with a GDP that is expected to be around -0.4% for all 27 countries in the Union and this drops another -0.6% for all countries in the Euro Zone. Unemployment in the Euro Zone in the last quarter of the year remained stable at 11.7% while the tendential inflation rate in the Euro Area dropped to 2.0% in January 2013 compared to 2.2% at the end of 2012.

In the European Union, Italy is among the countries where economic activity slowed down significant (the GDP changed -2.7% in the fourth quarter of 2012) due to a decline in internal demand and the measures undertaken by the government, which however contributed to the stability of the public accounts in the country. Germany continued to be the economic driver of the European Union, even though it experienced some slow down compared to the previous fiscal year (+0.9% increase in GDP in the third quarter compared to +2.7% last year), particularly due to weak foreign demand.

Encouraging signs of recovery came from the United States in the third quarter, where the GDP increased by +2.5%, thanks, in particular, to the labour market and real estate market recovery. China continued to show sustained growth rates (+7.8% increase in the GDP in 2012) even though this was a slow down compared to the previous fiscal year (+9.2%) due to a decline in global demand.

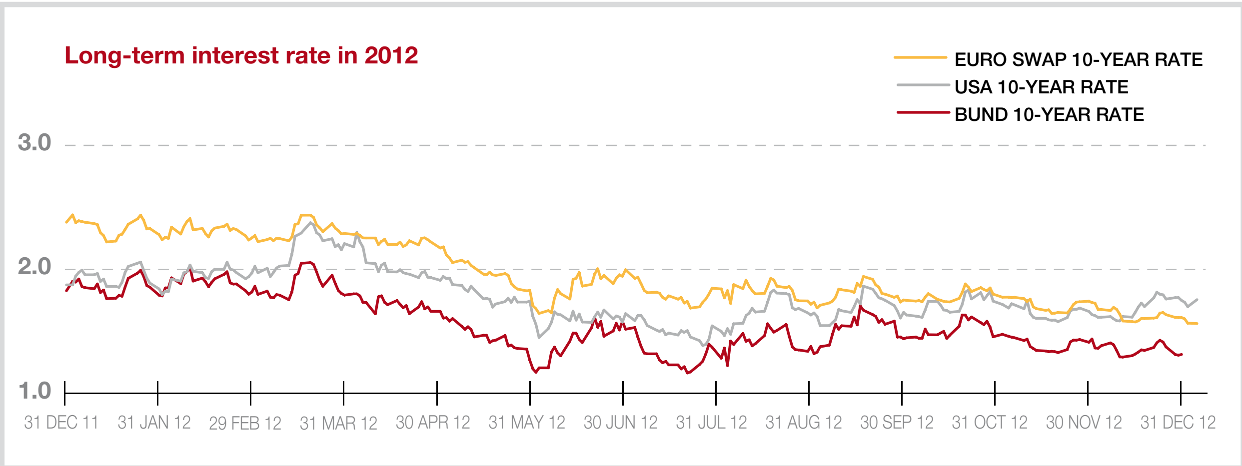


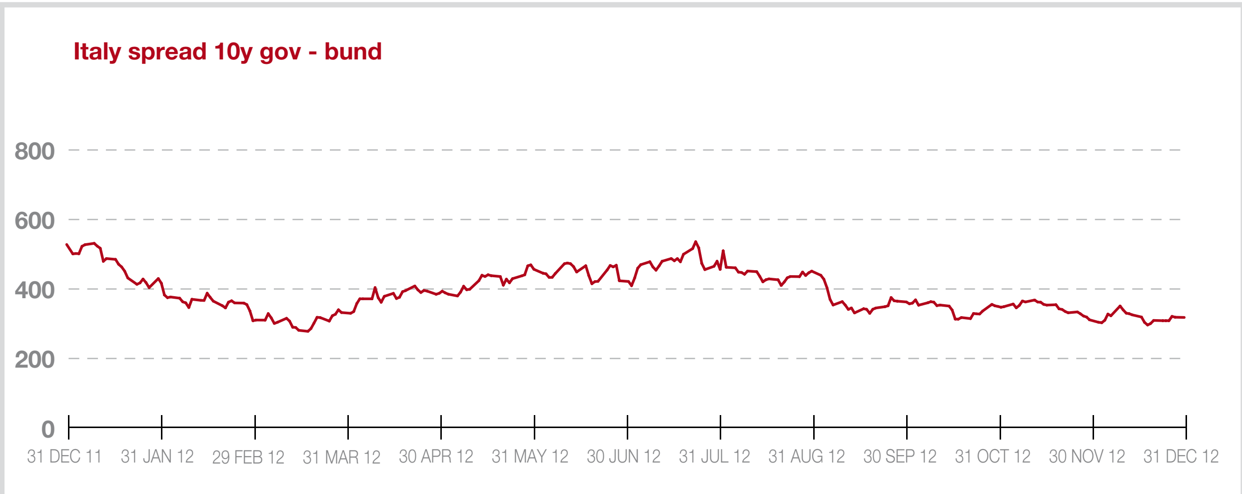
Financial markets

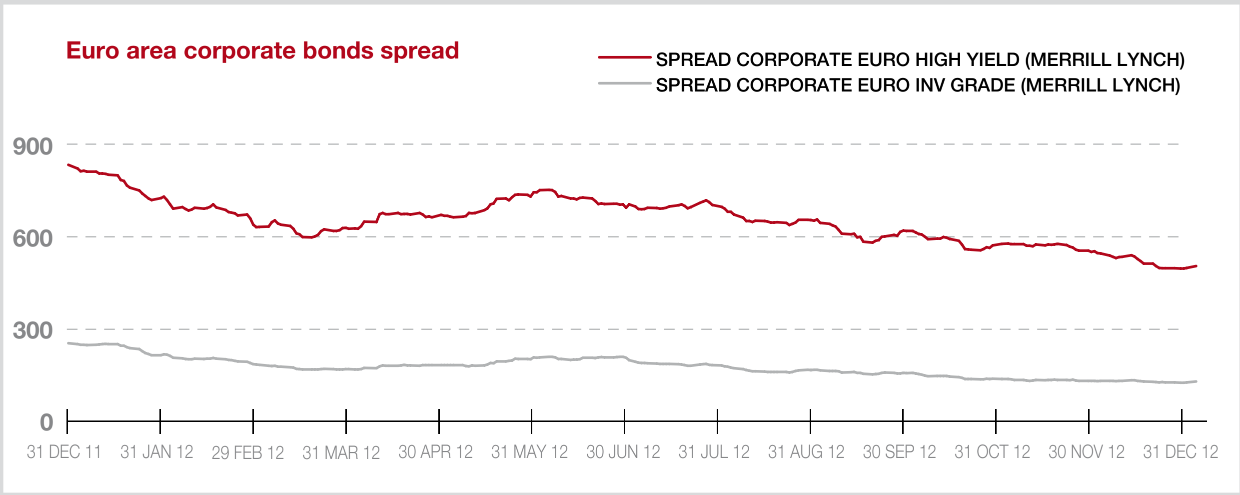
In 2012, financial markets showed signs of recovery, especially benefiting from the intervention by the European Central Bank which, through two refinancing auctions on favourable terms, provided abundant liquidity to the banking sector. These injections of liquidity, largely used by banks to purchase government bonds, improved the investors' confidence index. During the year, the markets were nonetheless characterized by high volatility.

Bond markets reacted positively including with respect to government bonds. The strong recovery, which had characterized the first quarter, however, proved temporary due to the worsening situation in Greece, exacerbated by the country's political uncertainty and, above all, the deterioration of the Spanish banking sector, particularly affected by significant difficulties in the real estate. To cope with the deteriorating markets in late June the European summit launched several important measures including the possibility for the ESM to purchase bonds of member countries of the Euro Area with financial difficulties and the intention to recapitalize banks in crisis. Furthermore, at the end of September, the European Central Bank also announced expansionary monetary policies.

Corporate bonds also reacted positively to such measures: the spread on the bonds of European investment grade issuers in respect of risk free interest rates narrowed from 255 bps to 131 bps; for high yield issuers, the spread fell from 833 bps to 505 bps.

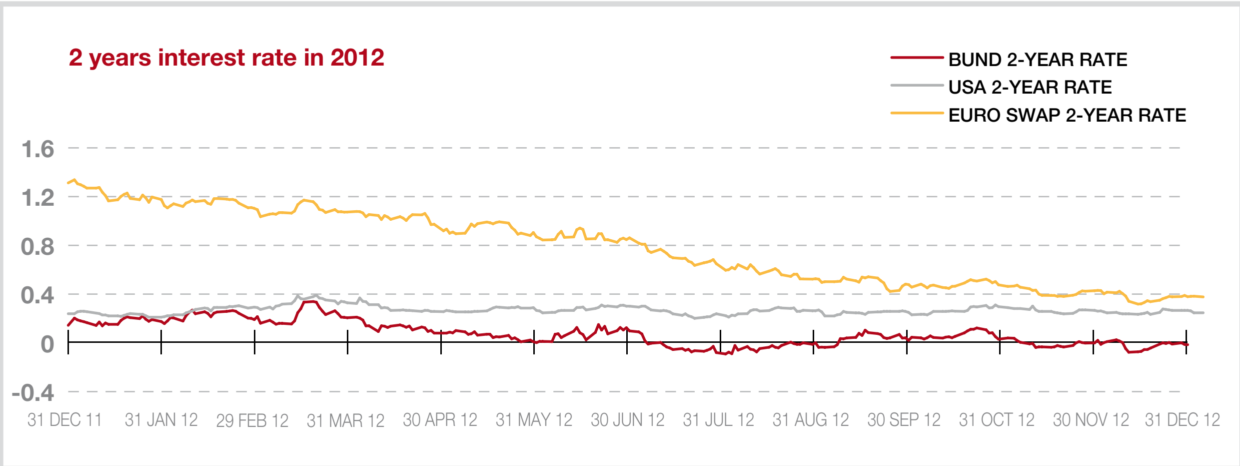






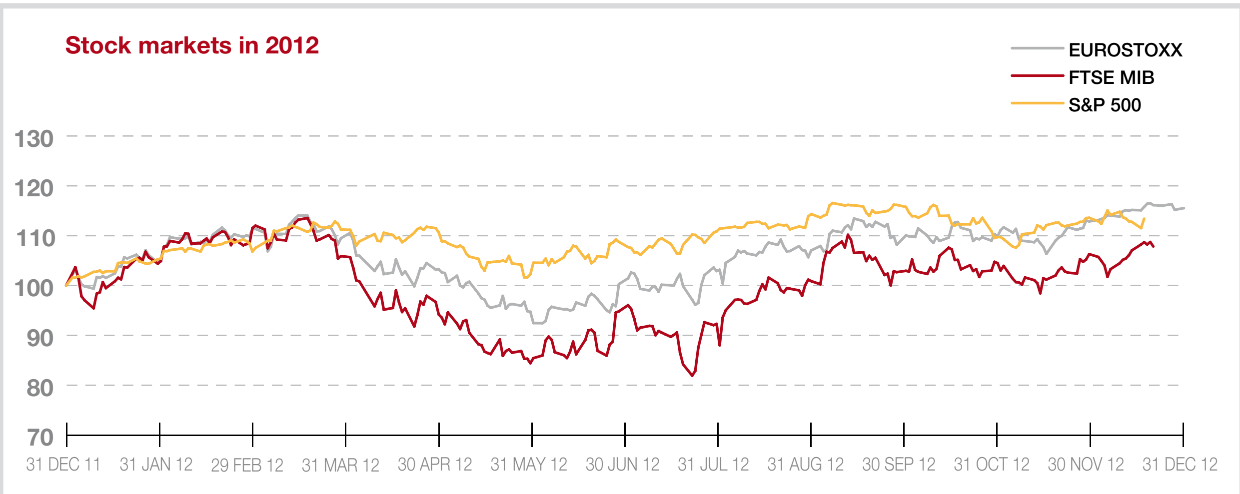
The yield on ten-year German government bonds dropped from 1.83% of 31 December 2011 to 1.32% at 31 December 2012, reaching a low of 1.17% in July. In further detail, the spread between the yields on Italian ten-year BTP and German Bunds, which had come to 527 bps at the end of 2011, fell to a low of 278 bps in March, to then return to 318 bps on 31 December 2012. Euro swap 10year-rate decreased.

The yield on ten-year U.S. government bonds dropped from 1.88% to 1.76%, partly due to monetary policy measures by the Federal Reserve.



The Bund two-year rate dropped, becoming negative from 0.14% at the end of 2011 to -0.01% at 31 December 2012, with a flattening of the rate curve. The Euro swap rate saw a similar trend.

The US two-year rate remained substantially stable at 0.25% (0.24% at the end of 2011).



Equity markets mainly showed positive performances, although characterized by high levels of volatility; after the slowdown that had characterized the second quarter, the main indices showed significant growth.

Eurostoxx recovered significantly (up +15.53%). In particular, the segments with the best performances were the Motor segment (up +35.30%) and the insurance segment (+34.11%). The banking sector also showed signs of recovery (+11.98%).

The main European stock exchanges recorded generally positive performances: Frankfurt's DAX (up +29.06%), Paris's CAC (+15.23%) and Milan's FTSE (+7.84). The exception was Madrid's Ibex (-5.08%).

In the US, the stock markets showed a similar positive yield thanks to the economic recovery. The S&P 500 was up 13.41% and the NASDAQ 15.91%.

Insurance markets

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

The **life segment** continued to show the downtrend that had characterized the previous year; however, there was a dichotomy between the more mature markets of the Euro Area, where premiums written fell sharply and the countries of Central and Eastern Europe, where the life product market regained some momentum.

As regards Italy, the trend in premiums written for direct labour for the first nine months of the year decreased by 8.9% compared to the same period of 2011, thus confirming the negative trend that started in mid-2011. New production continued to decline (-10%), however up compared to 2011 (-28%). The contraction is mostly due to traditional products (-13.3% in the third quarter) while linked products show strong signs of recovery (+13.3% for new production in 2012). As concerns sales channels, there was a contraction in the premiums written in the banking segment (-21% in the third quarter, -17% for new production estimates in 2012) and a more contained decline in the agency channel (-3% in the third quarter). By contrast, brokers performed in sharp contrast to the trend, reporting an increase in premiums written of 15% in the third quarter (+26% for new production) driven by unit-linked policies.

In Germany, premiums written have recovered from the decline during the previous year, thanks to the increase in life products in the strictest sense with single premium policies that show a 0.6% increase while regular premiums are up 0.9%.

France continued to show the decline in premiums written observed in the previous year. Despite a deceleration of the contraction in the second half of the year, the estimates for 2012 show a contraction of premiums totalling 6%. For the first time, the net cash inflow for the segment was negative (-3.4 billion Euros) due to reduced family income and competition from other investment products, particularly from banks.

In the main Central and Eastern European countries, life insurance markets have generally shown a positive trend with the main exception being Hungary. Poland showed robust written premium growth (+10.6% in the third quarter) due, in particular, to the linked product success (+16.5%), which show a positive trend in the Czech Republic (+6.3%) and in Slovakia (+13.4% in the first half of the year). On the contrary, the negative performance of linked products (-12%) led to a contraction in the life insurance market in Hungary (-8%).

Also in Spain, the first estimates for 2012 show that the life segment market suffered a sharp decline (-9%), mainly due to the decline in premiums written through the banking channel and difficulties with saving and pension products (-10%).

In the **property & casualty** damages segment, premiums written showed differentiated performances in the Group's main markets of operation.

In Italy, the weakness of domestic demand had a negative influence on overall premiums written in the property & casualty segment (-0.6% in the third quarter of 2012). In further detail, there was a decrease in the Motor line (-0.5%), which was affected by the sharp decline in new registrations while non-Motor segments, despite a weak internal demand, showed stable premiums written during the third quarter.

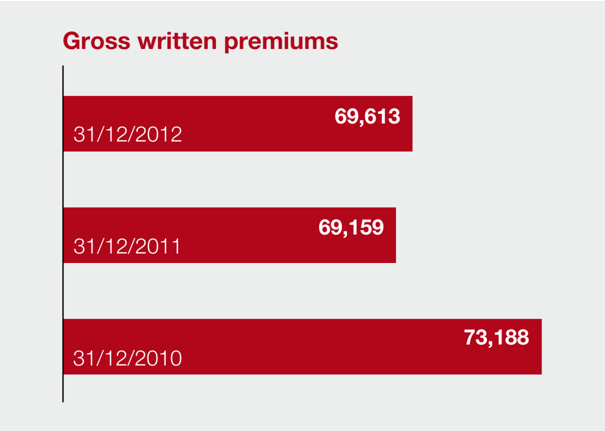
In Germany, there is a significant increase in premiums written in the Motor segment (+5.1%) and a positive results for the property segment performance (+4.1%).

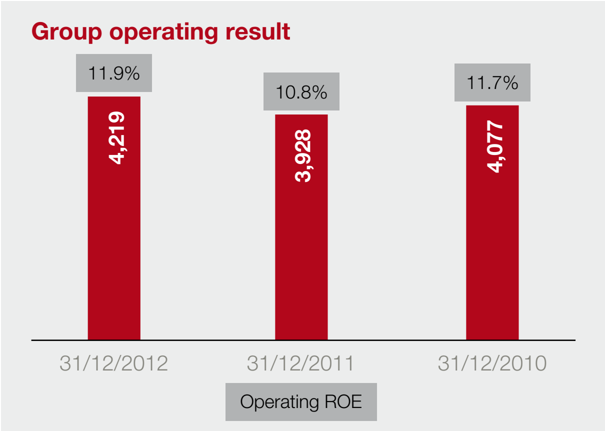
In France, the property & casualty segment showed an increase in premiums of 4%, in large part due to rate increases (particularly in the non-Motor segment) aimed at restoring the technical profitability, which has dropped significantly in recent years. In the Motor segment, the increase in premiums is instead 3%.

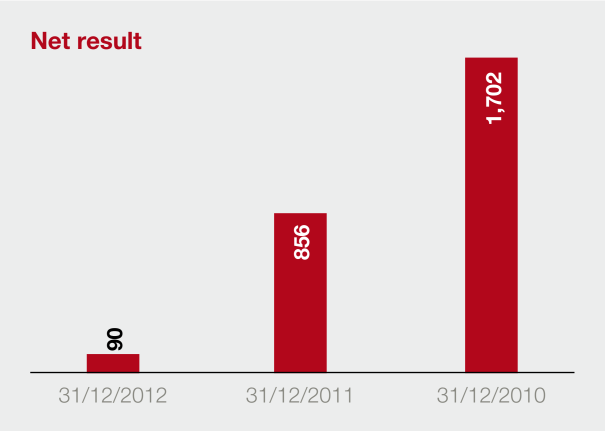
Concerning the other main European operating Countries for the Group, there was a significant decline in Motor premiums almost everywhere except Poland (+3.2%) with a particularly negative trend in Hungary (-8% in the third quarter) and Spain (-6% for the first estimates in 2012). The property segment, due primarily to the rate increase applied, instead shows a positive dynamic in all countries with an increase in premiums written of around +3% on average.

Group's Business Performance and Financial Situation

GROUP HIGHLIGHTS*



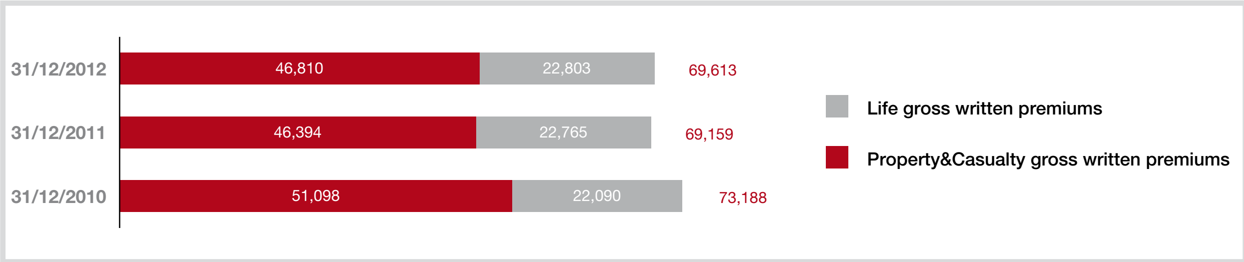




- Written premiums up (+3.2% on equivalent terms) driven by the growth of both segments
- Good growth of the operating performance (+10.5% on equivalent consolidation area) in all Group operation segments with an operating return on equity of 11.9%
- The decline in the Group net result is due to significant impairments
- Marked increased in the Group Solvency

* The figures included into the chrts are exposed in millions, rounded to the first digit, unless otherwise stated.

Gross written premiums development



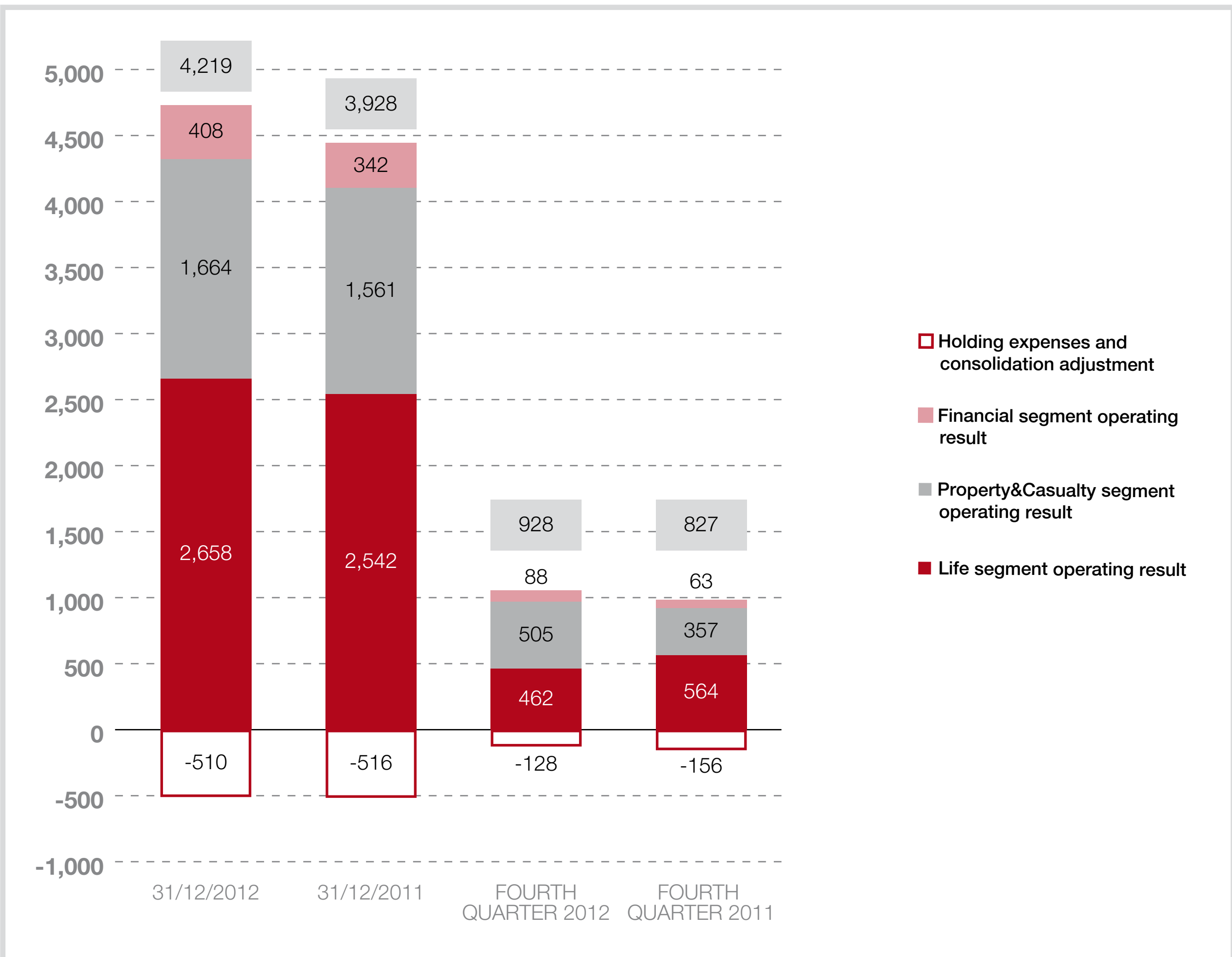
Total premiums written amounted to € 69,613 million, with a growth of 3.2% on equivalent terms compared to 31 December 2011, thanks to the growth of the property&casualty segment. The 2011 volumes include the Migdal Group premiums written, the sale of which was completed at the end of October 2012; without these volumes, the 2011 premiums written would be € 67,368 million.

Life premiums written amounted to € 46,810 million, recording a good resilience (+3.1% on equivalent terms), with a strong increase compared to the trend observed over 9 months (+0.4 pp): in fact, the growth of annual premiums has been confirmed, which adds to the recovery of single premium production observed in the last quarter of the year.

With reference to business lines, a good performance was reported by savings and pension policies (up 5.8% on equivalent terms) and protection policies (+3,2% on equivalent terms), which more than offset the decline of linked contracts (–6.7% on equivalent terms), whose premiums written were again conditioned by the volatility in financial markets.

The growth shown during the year by property&casualty premiums written continued, reaching € 22,803 million. The increase by 3.3% on equivalent terms was generated by the growth of the Motor line (+1.4% on equivalent terms) and more markedly of the Non-motor line (+4.6% on equivalent terms) thanks to the growth of all lines of business.

Operating result



The **operating result of the Group** amounted to € 4,219 million (€ 3,928 million at 31 December 2011). The increase (up 10.5% on equivalent consolidation area) was due to the growth of all Group segments. In particular, the increase in the life segment (+9.7% on equivalent consolidation area) benefited from the positive trend in the technical margin and financial performance, despite the economic effects of the ongoing de-risking policies implemented during the year and the impact of lower reinvestment rates given the current market conditions, particularly in Germany and France. The operating result of the property&casualty segment increased (+5.6% on equivalent consolidation area) given the growth of the technical results despite the increased impact of catastrophic claims, totalling about 298 million. Finally, the contribution of the financial segment was positive (up 21.7% on equivalent consolidation area).

The **operating return on equity** was 11.9% (10.8% at the end of 2011) following an increase in the Group's operating performance.

With reference to the last quarter of 2012, the Group operating result amounted to € 928 million (€ 827 million in the fourth quarter 2011). The growth was due to the trend of the property&casualty and financial segment, which more than offset the decline in the life business.

Non-operating result

The **non-operating result of the Group** went from € –2,013 million as of 31 December 2011 to €–2,496 million. In particular:

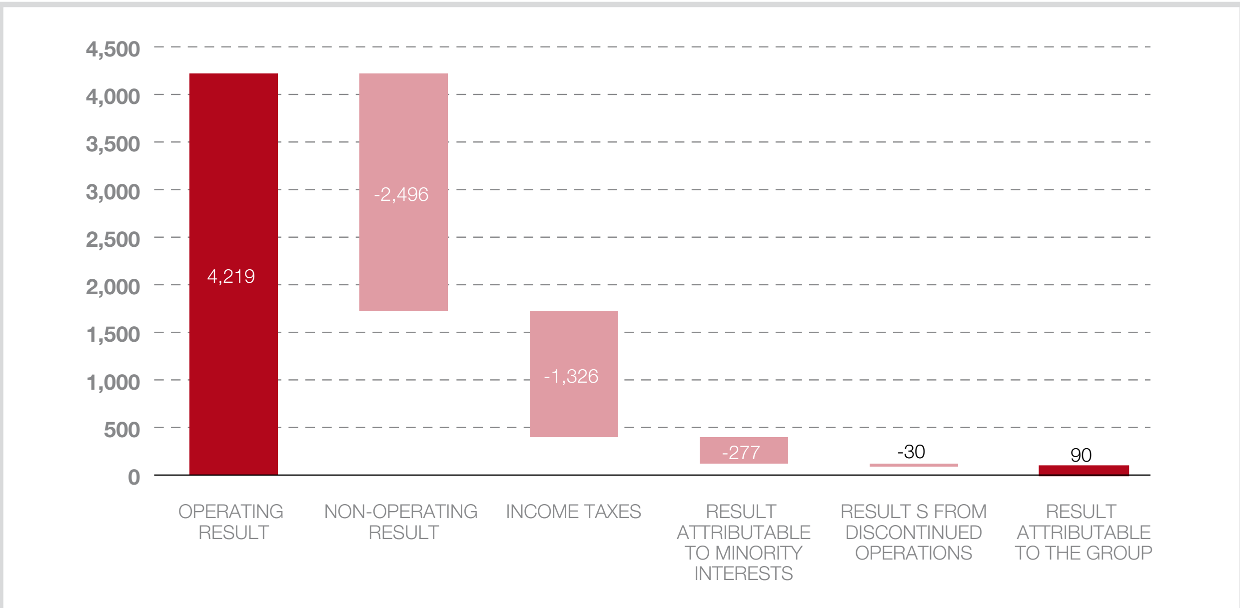
- **net impairment losses** went from € –1,087 million on 31 December 2011 to € –1,396 million. While the data of previous year had been impacted by impairments in particular on Greek government bonds, the impairments recognized during 2012 were instead mainly related to equity portfolios and to investments in subsidiaries, associated companies and joint ventures, among which the additional impairment of Telco;
- **net realized gains** increased, totaling € 3 million (€ 180 million to 31 December 2011) given reduced realized gains on investments;
- **net non-operating income from financial instruments at fair value through profit or loss** increased to € 30 million (€–34 million at 31 December 2011), benefiting from the recovery in the value of investments determined by the positive performance of financial markets;
- **net other non-operating expenses**, which include net non-recurring income and the amortization of the value of acquired portfolios, amounted to € –460 million (€ –392 million at 31 December 2011), of which € 184 million was associated with the amortization of the value of acquired portfolios (€ 196 million at 31 December 2011). The increase was due to increased allocations to the non-recurring risks funds;
- **non-operating holding expenses**, essentially composed of interest expenses on financial liabilities, remained substantially stable at € –673 million (€ –680 million at 31 December 2011).

Group result

The **result of the period attributable to the Group** amounted to € 90 million (€ 856 million at 31 December 2011).

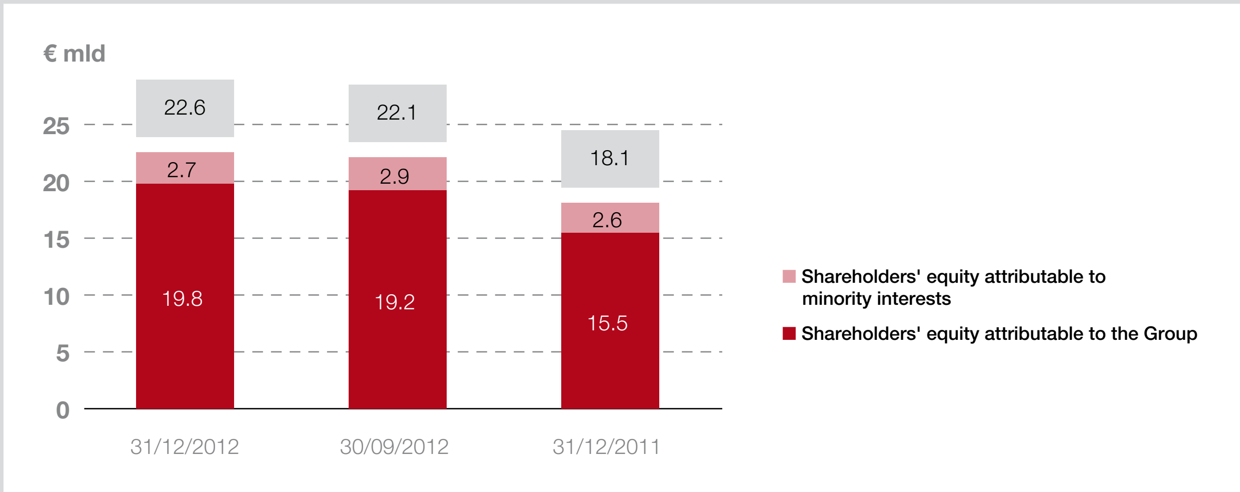
Despite the excellent operating performance, this result was affected by:

- the worsening of the non-operating result, which amounted to € –2,496 million (€ –2,013 million at 31 December 2011);
- the increase in taxes that amounted to € –1,326 million (€ –762 million at 31 December 2011). In particular, there was a significant increase in the tax rate, which went from about 40% at 31 December 2011 to about 77% due to significant non-deductible fiscal impairments, the increased taxes on several foreign investments in subsidiaries, associated companies and joint ventures and the taxation of the Réserve de Capitalisation in France;
- the worsening of the discontinued activities, which amount to € –30 million (€ 0 million at 31 December 2011) given the disposal of the investment in the Migdal group.



Shareholders' equity and Group Solvency

Shareholders' equity



The shareholders' equity attributable to the Group amounted to € 19,828 million (€ 15,486 million at 31 December 2011). The increase (up 28.0%) was due to the improvement of the financial market conditions reflected in the trend of the reserve for unrealized gains and losses on available for sale financial assets thanks to the considerable value recovery of all asset classes.

Group Solvency

The Group Solvency I ratio benefitted from the increased available margin primarily thanks to the cited recovery of the financial markets, amounting to 150% at 31 December 2012 (117% at 31 December 2011). The required margin remained stable at € 17.9 billion while the available margin increased totalling € 26.9 billion. The excess capital was € 9.0 billion.

From operating result to Group result

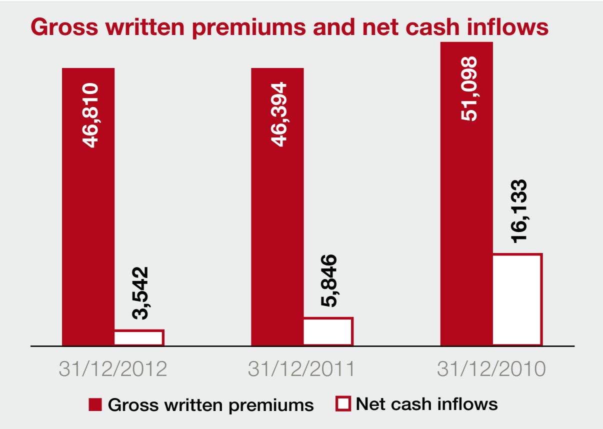
(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Consolidated operating result	**4,219**	**3,928**	**928**	**827**
Net earned premiums	62,838	62,739	16,991	16,047
Net insurance benefits and claims	–63,218	–55,036	–16,246	–15,997
Acquisition and administration costs	–11,563	–11,807	–3,076	–3,198
Net fee and commission income and net income from financial service activities	764	933	174	240
Net operating income from financial instruments at fair value through profit or loss	6,141	–2,905	1,678	1,200
Net operating income from other financial instruments	9,975	10,665	1,650	2,759
Interest income and other income	12,282	12,875	3,032	3,274
Net operating realized gains on other financial instruments and land and buildings (investment properties)	975	2,009	462	513
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	–2,003	–2,975	–1,481	–666
Interest expense on liabilities linked to operating activities	–624	–586	–190	–167
Other expenses from other financial instruments and land and buildings (investment properties)	–657	–658	–173	–196
Operating holding expenses	–313	–294	–92	–80
Net other operating expenses(*)	–404	–367	–151	–143
Consolidated non-operating result	**–2,496**	**–2,013**	**–1,450**	**–550**
Net non-operating income from financial instruments at fair value through profit or loss	30	–34	9	–6
Net non-operating income from other financial instruments(**)	–1,393	–907	–1,069	–193
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	3	180	–45	100
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	–1,396	–1,087	–1,024	–293
Non-operating holding expenses	–673	–680	–177	–183
Interest expenses on financial debt	–668	–646	–175	–162
Other non-operating holding expenses	–5	–34	–2	–22
Net other non-operating expenses(**)(***)	–460	–392	–214	–167
Earnings before taxes	**1,723**	**1,914**	**–523**	**278**
Income taxes(*)	–1,326	–762	–457	–178
Earnings after taxes	397	1,153	–980	100
Profit or loss from discontinued operations	–30	0	–8	0
Consolidated result of the period	**367**	**1,153**	**–988**	**100**
Result of the period attributable to the Group	90	856	–1,043	31
Result of the period attributable to minority interests	277	297	55	69

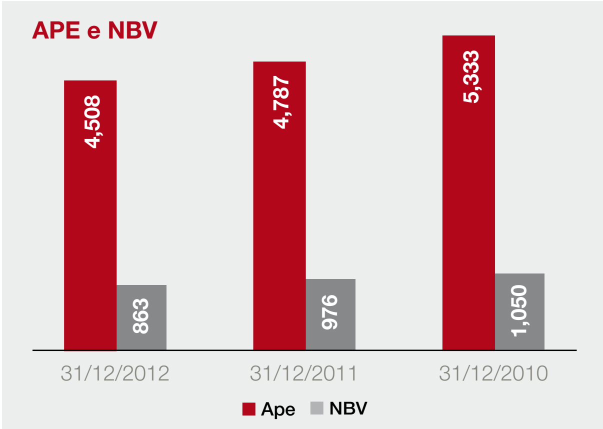
(*) At 31 December 2012 the amount is net of operating taxes for € 64 million and of non-recurring taxes shared with the policyholders in Germany for € 21 million (at 31 December 2011 respectively for € 64 million and € 46 million).

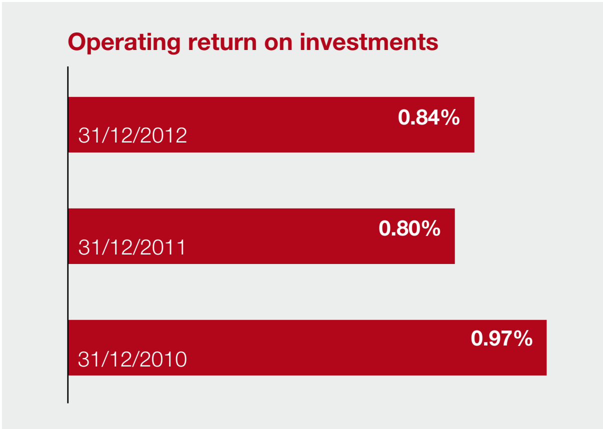
(**) The amount is gross of interest expense on liabilities linked to financing activities.

(***) The amount is net of the share attributable to the policyholders in Germany and Austria.

LIFE SEGMENT

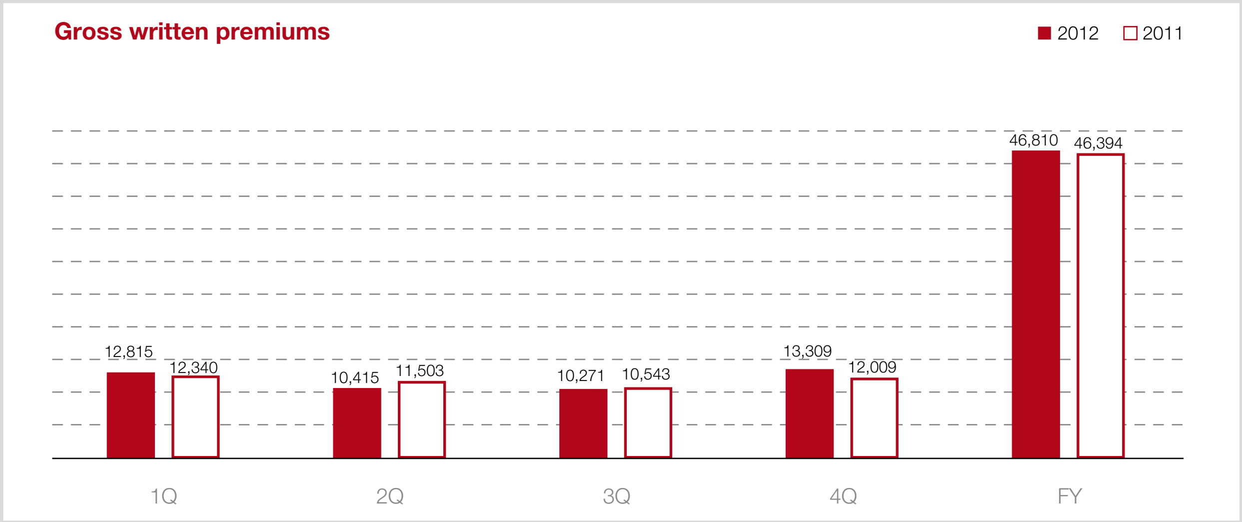






- Written premiums up (+3.1% on equivalent terms) thanks to the growth of single premiums and strong recovery of annual premiums. Also the net cash inflows recovered compared to the September levels
- New production in terms of APE essentially stable compared to 2011; NBV down (–9.5% on equivalent terms) due to the general decline in interest rates
- Operating result up (+9.7% on equivalent consolidation area) thanks to the technical and net investment result contribution
- Operating return on investment increased

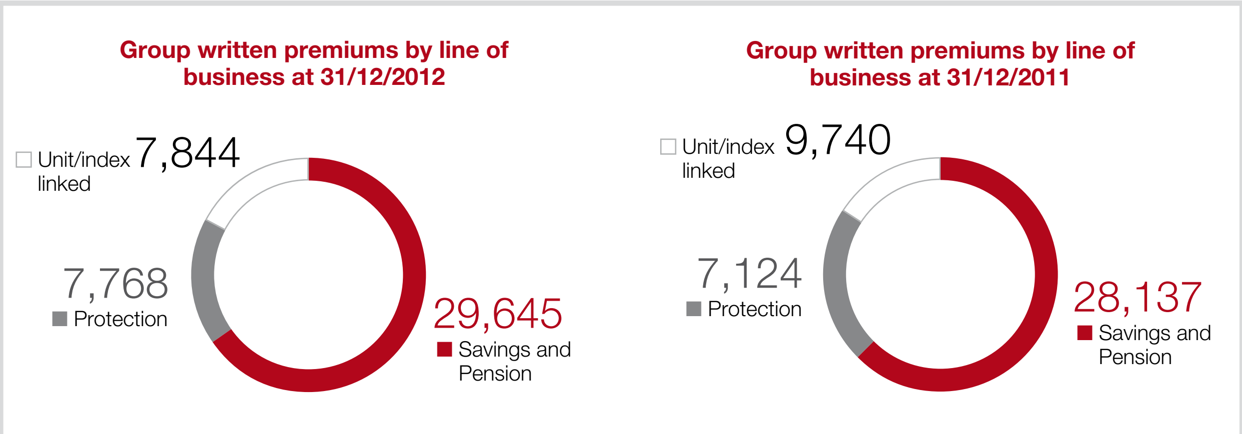
Premiums development and new business



Premiums written for the life segment, including premiums related to investment contracts, totalled € 46,810 million (€ 46,394 million at 31 December 2011), with an increase (up 3.1% on equivalent terms), greater than that observed on 30 September. It should be noted that the 2011 volumes include the Migdal Group premiums written (totalling € 1,500 million), the sale of which was completed at the end of October 2012.

This performance reflects the growth in savings (+5.8%) and pension lines, especially on annual premiums, and in protection policies (+3.2%). By contrast, linked business, which continued to be affected by severe financial market volatility, declined (–6.7%).

The amount of life premiums written includes the effects of the protective measures for the French savings and pension portfolio taken against the significant outflows that affected this portfolio in the fourth quarter of 2011 and the first half of 2012, in order to keep such sums within the Group aiming to re-invest them in contracts with a higher orientation towards the creation of value.



Net cash inflows amounted to € 3,542 million, recovering compared to the sharp reduction reported in September. It should be noted that the amount of net cash inflows reflects the measures taken by the Group in some of the Group's main countries of operation aimed at restoring adequate levels of profitability. Without considering such actions, the Group's net cash inflows amounted at approximately € 6.5 billion, thus confirming the quality of the Group's networks, even in a particularly challenging market scenario.

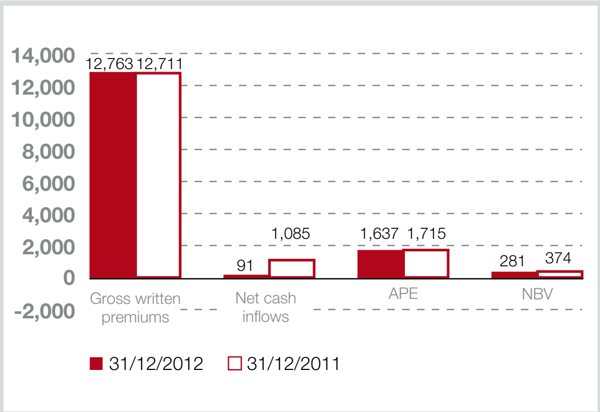
The **new production in terms of annual premium equivalents (APE)** total € 4,508 million, which is essentially stable from the prior year (–1.4% at constant exchange rates and interest of the Group). The annual premiums are down (-5.1% on equivalent terms), continuing to represent more than 60% of the new production while the sole premiums, driven by the production recorded in Germany in the second half of 2012, are up (+5.0% on equivalent terms).

With reference to business lines, the traditional savings and pension business grew (+5.2% on equivalent terms), while, despite the decline in the health line in Germany, the protection business declined slightly (down 2.0% on equivalent terms). The linked business also decreased (-23.4% on equivalent terms), negatively affected by volatility on the financial markets.

On the Group level, the **new business value (NBV)** was 863 million, dropping on equivalent terms by –9.5%. The reasons for this reduction are found in the cited APE production trend (-1.4% on equivalent terms) and the negative impact of the generalized decline in the interest rates on profitability. The new business margin (NBM) went from 20.4% in 2011 to 19.2% in 2012. The internal rate of return, i.e. the rate that represents the return on shareholder investment on the new business, is kept at good levels and is 12.3%.

A territorial focus on the main aforementioned indicators follows:

Italy

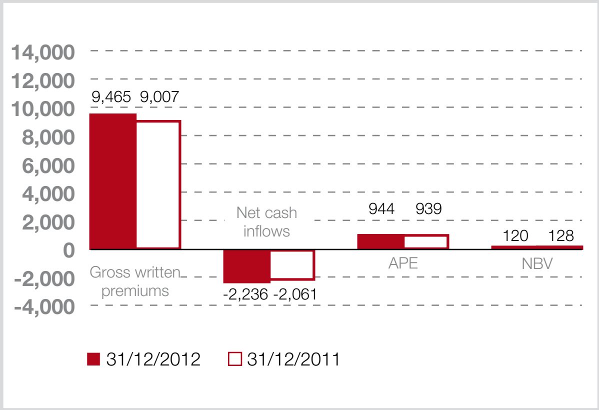


The **gross premiums written** in Italy went from € 12,711 million at 31 December 2011 to € 12,763 million. This performance (+0.4%), which shows a recovery compared to the previous months (-2.5% in September) thanks to the inclusion of the decline in individual policies that has been recorded in the previous months, which shows stable individual recurring-premium policies (-1.0%). With respect to individual policies, pension products gave a positive contribution, increasing by 15.0%, thanks to the initiatives launched by the Group in this segment. The contributions of collective policies and pension funds were also positive (up +9.4%). Lastly, with respect to distribution channels, premiums written of the financial advisors channel continued to grow, whereas the traditional and banking channels showed a decline (-2.1%).

The decrease in **new production in annual premium equivalents** (–4.5% on equivalent terms) was attributable to the decline in annual premiums (-7.6% on equivalent terms), corresponding to 66.3% of APE production while the single premiums increased (+2.1% on equivalent terms). There is a 24.7% decline in the new business value following a decline in profitability (the NBM went from 21.8% in 2011 to 17.2% in 2012) due to the predominance of the savings business, more sensitive to the decline in the yields curve used in the evaluation, only in part mitigated by the reduction of the level of financial guarantees offered.

Net cash inflows worsened, mainly as a result of the marked increase in maturities. The performance was affected by the decision taken in the first half of the year not to keep certain capital redemption policies of large amounts, but which did not provide adequate return, excluding which ample net cash inflows would have been achieved. Finally, it should be noted that the fourth quarter, following that observed in the third quarter, showed a positive net cash inflows.

France

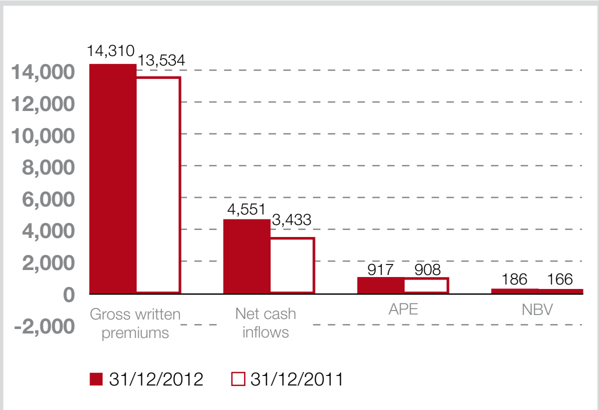


The negative trend as of 30 September 2012 inverted for the **gross premiums written** in France, which went from € 9,007 million as of 31 December 2011 to € 9,465 million as of 31 December 2012. These include the reclassification that occurred during the last quarter of 2012 for part of a health portfolio and a property and casualty portfolio to a protection portfolio.
With reference to the business lines, the growth of savings policies (+6.5%) compensates the linked policies decrease (–27.6%), particularly single premium policies, which were affected by the volatility of financial markets, and the slight decrease in protection policies (–1.0%). It should finally be noted that the volume of premiums written in France benefited from the above-mentioned protective measures for the French savings and pension portfolio, which was affected by significant outflows in the fourth quarter of 2011 and first half of 2012.

The **APE** remain essentially stable (+0.5% on equivalent terms) as a consequence of the traditional savings business growth compensated by the decline recorded in linked production, which continues to suffer the uncertainties of the financial markets. The **new business value** posts a 6.1% decline on equivalent terms and totals € 120 million with a NBM that contracts from 13.7% in 2011 to 12.8% in 2012. This decline is due to the lack of profitability associated with the products sold in the first part of the year following protective actions for the savings portfolio, compensated, in part, by the increased importance of the more profitable pension business.

Negative performance for **net cash inflows**, which continues to be influenced by high outflows given a slight increase in the premiums written. This performance was due to the decision not to keep contracts with high premiums, the return of which was not in line with the Group's expectations and therefore not included in the portfolio protective measures undertaken at the beginning of the year.

Germany

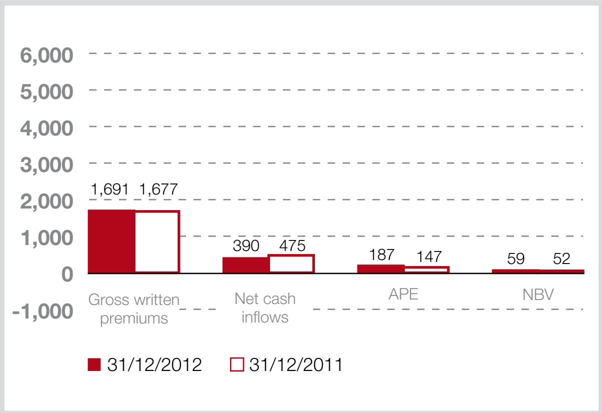


The growth observed on 30 September for the **gross premiums written** in Germany has continued, going from € 13,534 million to 31 December 2011 to € 14,310 million on 31 December 2012. The reported growth (+5.7%) was mainly attributable, contrary to the market trend, to the increase in savings and pension policies (+14.5%), particularly single premium, and in written premiums of protection polices (+1.0%), which compensate the decline in the linked premiums (–4.1%).

Compared to the growth in the life segment, limited growth in **new production** in terms of the annual premium equivalents has been observed (+1.0% on equivalent terms) may be attributed to the considerable downsizing of the health business, due to the decisions reached in the current market scenario to terminate commercial agreements with the brokers channel and to discontinue a specific tariff segment of that line yielding low profitability. The **new business value** is up 11.9% following an increase in profitability (from 18.3% in 2011 to 20.2% in 2012), which positively impacts the increased weight of the risk business in the life segment.

Excellent levels of **net cash inflows** have been maintained thanks to the good level of premiums written and the simultaneous reduction of maturing capital.

Central and Eastern Europe

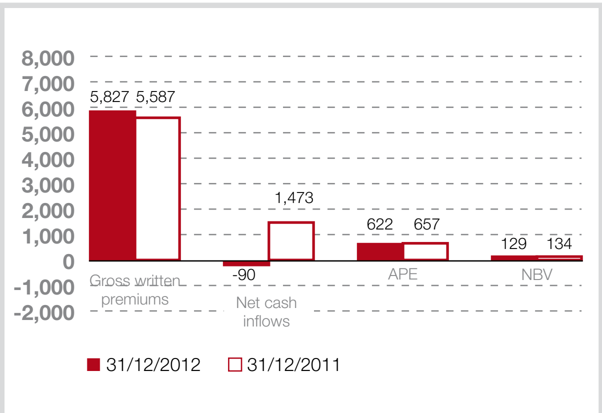


Gross written premiums in Central and Eastern Europe went from € 1,677 million at 31 December 2011 to € 1,691 million (+2.9% on equivalent terms). More specifically, growth continued both in savings and pension policies (+3.3% on equivalent terms), especially in the Czech Republic and, to a lesser extent, Russia, Poland and Serbia and the increase in protection policies (+11.4% on equivalent terms), mainly in the Czech Republic, Poland, Russia, Slovakia and Hungary, while linked polices decreased (–2.0% on equivalent terms), above all in the Czech Republic, Slovakia and Hungary.

In terms of new production, there has been a marked increased (+23.6% on equivalent terms) thanks to a significant increase in annual premiums (+37.1% on equivalent terms), explained primarily by a significant production of the pension fund in the Czech Republic. The value of the **new business** shows an increase of 8.3% on equivalent terms with the NBM that, despite the slight decline due to the increased weight of pension production in the Czech Republic, maintains good levels (from 35.8% in 2011 to 31.4% in 2012).

There is a decline in the **net cash inflows** compared to 31 December 2011 due to a significant decrease observed in the Czech Republic and the negative trends in Slovakia and Hungary, which offset the growth in Poland.

Rest of Europe



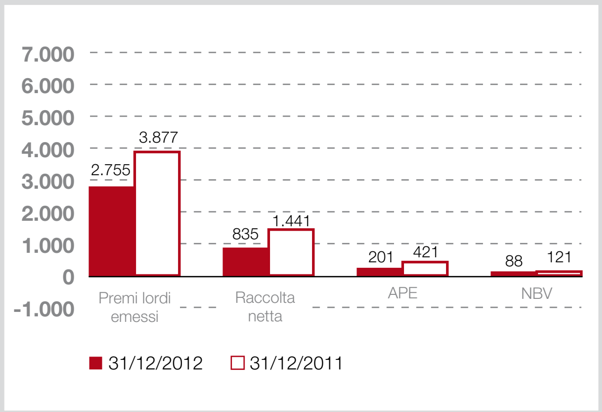
The increase in the gross premiums written in the Rest of Europe (+3.8% on equivalent terms) thanks to the positive trends in all business lines.

In particular, there was an increase in the gross **premiums written** in **Spain** that totals € 1.183 million (€ 1,052 million as of 31 December 2011); this increase (+12.5%) is due exclusively to the positive trend for savings policies written (+16.2%) while there is a slight decrease in the protection policies (–1.1%).
The gross premiums written for **Austria** total € 1,147 million (€ 1,194 million on 31 December 2011); this decline (–4.0%), despite an improvement compared to that of 30 September 2012, was mainly determined by the decline in savings and pension policies (–5.0%), for which the comparison with the same period of 2011 was impacted, in addition to market difficulties, by the presence of some contracts of significant amounts in the corporate pension segment in the previous year. Moreover, the decline of single premium products was attributable to the revision of the tax benefits provided for this type of product. Linked policies decreased (–8.8%), while contribution of protection policies was positive (+2.8%).
The gross written premiums in **Switzerland** (+2.6% on equivalent terms) went from € 1,102 million at 31 December 2011 to € 1,157 million. This increase, slightly less than that recorded on 30 September, was attributable both to the sharp increase in savings and pension policies (+9.7% on equivalent terms), with a significant growth of single premiums, and the positive performance of protection policies (+14.2% on equivalent terms). There is a slight reduction compared to 31 December 2011 in the linked business.

The **new production in terms of annual premium equivalents** for Rest of Europe contracted (–5.5% on equivalent terms) following a negative trend recorded in **Austria** in particular (–6.2% on equivalent terms), this negative change influencing the presence of some significant contracts in the corporate pension segment in the first months of the previous fiscal year in **Spain** (–1.1% on equivalent terms) and in **Guernsey** (-21.8% on equivalent terms) following the negative trend of the linked products given the current market situation. By contrast, **Switzerland** (+6.3% on equivalent terms) and Ireland (+26.9% on equivalent terms) showed a good performance. The **new business value** is € 129 million, down 3.8% on equivalent terms, primarily following reduced volumes. Profitability has remained stable for NBM, which went from 20.4% in 2011 to 20.8% in 2012.

The **net cash inflows** are down due to a negative trend in Spain that, following an increase in premiums written, show a negative trend following the decision to not renew a collective policy of approximately € 1.6 billion, which was not sufficiently profitable, occurred in the second quarter of this year.

Rest of World

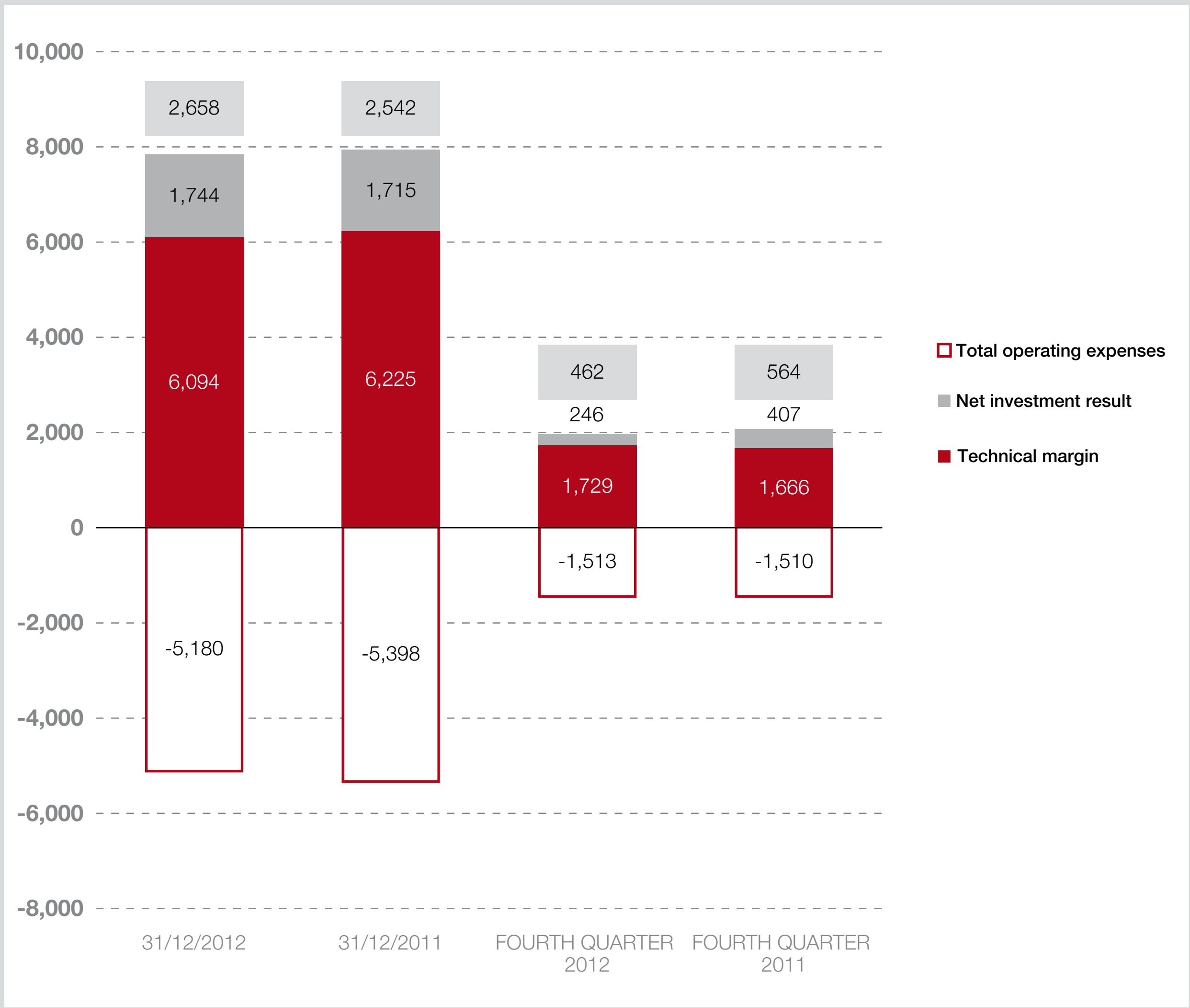


The **gross premiums written** for the Rest of the World post growth (+9.9% on equivalent terms); please note that the 2011 volumes include the Migdal Group premiums written (totalling € 1,500 million on 31 December 2011), the sale of which was completed in October 2012.
The contribution from gross premiums written in **Latin America** (+10.7% on equivalent terms), the increase of which is due to both the trend for savings&pensions (+9.2% on equivalent terms) mainly in Argentina and protection policies (+16.8% on equivalent terms), observed in Mexico and Argentina, the latter having been influenced also by rising inflation.
The positive trend for premiums in **China** has continued after the decline in the first six months of the year, which posted an increase (up +6.7% on equivalent terms) thanks to the good performance of protection policies and the increase in investment lines.

The **new production in terms of annual premiums equivalents** was stable (+0.2% on equivalent terms), particularly thanks to the growth dynamic reported in Mexico (+32.0% on equivalent terms) and the Far East (+5.3% on equivalent terms), which offset the decline in the United States (-35.4% on equivalent terms). The **new business value** was € 88 million, down 9.4% on equivalent terms, primarily following a different production distribution rate in the Area countries. The profitability presented a significant increase (from 28.8% in 2011 to 44.1% in 2012) following the favourable impact of the decline in the protection business interest rates.

Finally, the **net cash inflows** increased thanks to good performance in Argentina and China.

Operating result



The **operating result** of the life segment amounted to € 2,658 million (€ 2,542 million at 31 December 2011). On equivalent consolidation area, the 9.7% increase was due to the improvement in the technical margin, boosted by the protection lines trend and the contribution of the production increasingly focused on recurring premium products. Positive the contribution of net investment result, which benefited from both the decrease in impairment losses compared to the same period of the previous year, characterized by Greek sovereign debt crises, and the recovery of value of investments recognized through profit or loss. Underwriting operating expenses instead decreased.

The result of the fourth quarter 2012 amounted to € 462 million (€ 564 million in the fourth quarter of 2011). The decline during the same period in 2011 was attributable to the reduction in the net investment result, characterized by reduced current incomes and a decline in realized gains given an essentially stable bonus rate.

Finally, the operating return of life segment investments increased slightly to 0.84%.

Operating result: Technical margin

(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Technical margin	**6,094**	**6,225**	**1,729**	**1,666**
Net earned premiums	42,138	42,076	12,054	10,752
Fee and commission from financial service activities	199	303	29	83
Net insurance claims adjusted for financial interests and bonuses credited to policyholders	–36,306	–36,158	–10,375	–9,170
Other insurance items	64	3	21	1

The technical margin increased by 2.0% on equivalent consolidation area, achieving € 6,094 million (€ 6,225 million at 31 December 2011). In detail, the technical margin improved as a result of the greater contribution of the recurring premiums and the constant profitability of the protection lines, consistently with the performance of written premiums in this segment.

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

Operating result: Net investment result

(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Net investment result	**1,744**	**1,715**	**246**	**407**
Operating income from investments	14,536	6,281	2,900	3,641
Net income from investments	9,090	9,841	1,443	2,654
Current income from investments	10,932	11,535	2,711	2,968
Net operating realized gains on investments	967	2,019	455	553
Net operating impairment losses on investments	–1,979	–2,967	–1,469	–667
Other operating net financial expenses	–830	–745	–254	–201
Net income from financial instruments at fair value through profit or loss	5,447	–3,560	1,457	987
Net income from financial instruments related to unit and index-linked policies	4,563	–3,159	1,155	988
Net other income from financial instrumensts at fair value through profit or loss	883	–401	303	–1
Policyholders' interests on operating income from investments	–12,792	–4,566	–2,654	–3,234

Net investment result amounted to € 1,744 million (€ 1,715 million at 31 December 2011). The strong increase on equivalent consolidation area was essentially due to both the reduced impairment impact and the increased income from investments at fair value through profit or loss thanks to the recovery in value of all asset classes. This growth was only partially offset by the reduction of net realized gains and current incomes.

In particular:

- **current income from investments** amounted to € 10,932 million (€ 11,535 million at 31 December 2011), with related current return, calculated based on the total investments book value, which decreased to 4.1% (4.5% at 31 December 2011). In detail, among the main components, current income from fixed income instruments went from € 9,736 million on 31 December 2011 to € 9,390 million, as it was affected by both lower reinvestment rates following the derisking strategy and the on-going high weight of liquidity instruments in the life portfolios. There was a significant decline in the current income from the equity portfolio, which went from € 628 million on 31 December 2011 to € 427 million given the reduced exposure to this asset class in this segment as well as following the exit of Migdal group. Current income from investment properties increased from € 696 million at 31 December 2011 to € 712 million as a result of the policy aimed at increasing real estate exposure in this segment;
- **net operating realized gains on investments** amounted to € 967 million (€ 2,019 million to 31 December 2011) given a reduced realized gains on both the bond and stock portfolio. In detail, the decline in net realized gains on government bonds was due

to the effects of the cross-border exposure reduction strategy, particularly in France and Germany;
- **net operating impairment losses on investments** went from € –2,967 million on 31 December 2011 to € –1,979 million due to reduced impairments, particularly on Greek bonds. In detail, the impairments recognised during 2012 were essentially on the stock portfolio and investment in subsidiaries, associated companies and joint ventures, among which the additional impairment of Telco. Considering that such impairments didn't affect the revaluation of the local insurance provisions, the corresponding impact on the operating result, net of the share of financial profits attributable to the policyholders' interests, has to be considered limited;
- **other operating net financial expenses**, which include interest expenses on liabilities linked to operating activities and investment management expenses, amounted to € -830 million (€ –745 million at 31 December 2011);
- **net income from financial instruments related to unit- and index-linked policies** went from € –3,159 million at 31 December 2011 to € 4,563 million. The € 7,722 million change benefitted from the recovery of the value of investments classified to this item due both to the upturn in equity prices and the improvement in bond market conditions, which during the same period of the previous year had been affected by the widening of spreads on the bonds issued by countries of the Euro Area with an high public sector debt;
- **net income from financial instruments at fair value through profit or loss** also benefitted of the already mentioned positive financial market performance compared to the same period of 2011, reaching € 883 million (€ –401 million at 31 December 2011) and, in particular, of the value recovery of bond portfolios.

Along with the improved net investment result, there is a growth in the **policyholders' interests on operating income from investments**, which went from € –4,566 million as of 31 December 2011 to € –12,792 million, recording a change of € –8,226 million. This change was essentially attributable to the higher result attributable to policyholders' interests on operating income from investments related to linked contracts for € –7,477 million and the recovery of the value of investments at fair value through profit or loss.

Operating result: Total operating expenses

(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Total operating expenses	**–5,180**	**–5,398**	**–1,513**	**–1,510**
Acquisition and administration costs related to insurance business	–5,127	–5,263	–1,473	–1,465
Net other operating expenses	–53	–135	–40	–44

Total operating expenses went from € –5,398 million at 31 December 2011 to € –5,180 million.

In particular, the **acquisition and administration costs related to insurance business** increased by 2.2% on equivalent terms, totalling € –5,127 million as a reusult of the increase in both acquisition costs, totalling € 4,119 million, due to the increase in written premiums and the administrative expenses, totalling € 1,008 million.

The ratio of acquisition costs and administration costs to net premiums totalled 11.2%, with a decline of –0.4 pps compared to 31 December 2011 due to the contraction of the acquisition component, observed particularly in Germany. Finally, the ratio of the total administration costs related to the insurance business on the average insurance reserves showed a limited decline of 0.32%.

Non-operating result

The non-operating result of the life segment went from € –744 million at 31 December 2011 to € –908 million as a result both of higher impairments recognized compared to the same period of the previous year and lower Group net realized gains.

Life segment operating result

(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Life segment operating result	**2,658**	**2,542**	**462**	**564**
Net premiums	42,138	42,076	12,054	10,752
Net insurance benefits and claims	–49,099	–40,770	–13,077	–12,413
of which change in the provisions for unit and index-linked policies	–4,150	2,132	–871	–865
Acquisition and administration costs	–4,985	–5,176	–1,430	–1,445
Acquisition and administration costs related to insurance business(*)	–4,984	–5,137	–1,430	–1,434
Other acquisition and administration costs	–1	–39	0	–11
Net fee and commission income and net income from financial service activities	56	178	–14	52
Net operating income from financial instruments at fair value through profit or loss	5,937	–3,055	1,615	1,167
of which net income from financial assets and liabilities related to unit and index-linked policies	4,563	–3,159	1,155	988
Net operating income from other financial instruments	8,600	9,336	1,285	2,474
Interest income and other income	10,441	11,030	2,553	2,788
Net operating realized gains on other financial instruments and land and buildings (investment properties)	967	2,019	455	553
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	–1,979	–2,967	–1,469	–667
Interest expense on liabilities linked to operating activities	–309	–269	–107	–66
Other expenses from other financial instruments and land and buildings (investment properties)	–521	–476	–146	–134
Net other operating expenses(**)	13	–47	29	–23
Life segment non-operating result	**–908**	**–744**	**–567**	**–262**
Net non-operating income from other financial instruments	–754	–579	–527	–189
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)(***)	–164	–143	–95	–48
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)(***)	–590	–436	–433	–141
Net other non-operating expenses(****)	–154	–165	–40	–73
Life segment earnings before taxes	**1,750**	**1,798**	**–105**	**302**

(*) Commissions related to investment contracts, which amounted to € -143 million (€ -126 million at 31 December 2011), are included in net fee and commission income and net income from financial service activities.

(**) At 31 December 2012 the amount is net of operating taxes for € 64 million and of non-recurring taxes shared with the policyholders in Germany for € 21 million (at 31 December 2011 respectively for € 64 million and € 46 million).

(***) The amount is net of the share attributable to the policyholders.

(****) The amount is net of the share attributable to the policyholders in Germany and Austria.

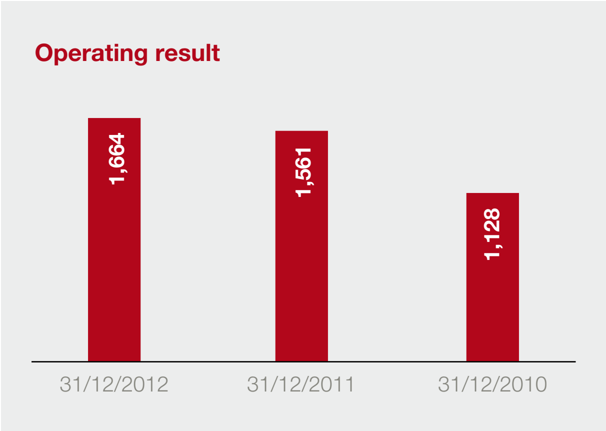
Life segment indicators by country

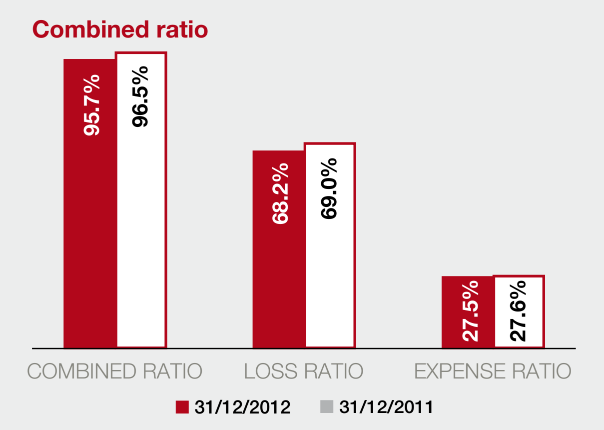
(€ million)	GROSS WRITTEN PREMIUMS		NET CASH INFLOW		APE	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Italy	12,763	12,711	91	1,085	1,637	1,715
France	9,465	9,007	–2,236	–2,061	944	939
Germany	14,310	13,534	4,551	3,433	917	908
Central and Eastern Europe	1,691	1,677	390	475	187	147
Rest of Europe	5,827	5,587	–90	1,473	622	657
Spain	1,183	1,052	–1,569	–253	124	126
Austria	1,147	1,194	141	171	98	104
Switzerland	1,157	1,102	655	549	91	85
Other	2,340	2,239	683	1,006	308	342
Rest of World	2,755	3,877	835	1,441	201	421
Total	**46,810**	**46,394**	**3,542**	**5,846**	**4,508**	**4,787**

(€ million)	SAVINGS AND PENSION		PROTECTION		UNIT/INDEX LINKED		TOTAL	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Italy	11,624	11,513	222	207	515	604	12,360	12,324
France	6,564	6,161	1,745	1,374	912	1,260	9,221	8,795
Germany	6,909	6,034	4,103	4,061	3,298	3,439	14,309	13,533
Central and Eastern Europe	1,019	1,009	244	224	428	445	1,691	1,678
Rest of Europe	2,338	2,217	824	740	2,639	2,602	5,801	5,558
Spain	988	850	186	188	9	14	1,183	1,051
Austria	627	660	248	241	252	276	1,127	1,177
Switzerland	189	169	134	114	834	819	1,157	1,102
Other	534	539	257	197	1,544	1,493	2,335	2,229
Rest of World	1,192	1,204	631	519	53	1,391	1,876	3,114
Total direct written premiums	**29,645**	**28,137**	**7,768**	**7,124**	**7,844**	**9,740**	**45,258**	**45,002**

(€ million)	NBV		OPERATING RESULT	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Italy	281	374	1,060	969
France	120	128	464	295
Germany	186	166	327	378
Central and Eastern Europe	59	52	184	195
Rest of Europe	129	134	430	444
Spain	25	21	127	114
Austria	6	15	61	61
Switzerland	25	16	116	116
Other	73	82	126	154
Rest of World	88	121	193	259
Total	**863**	**976**	**2,658**	**2,542**

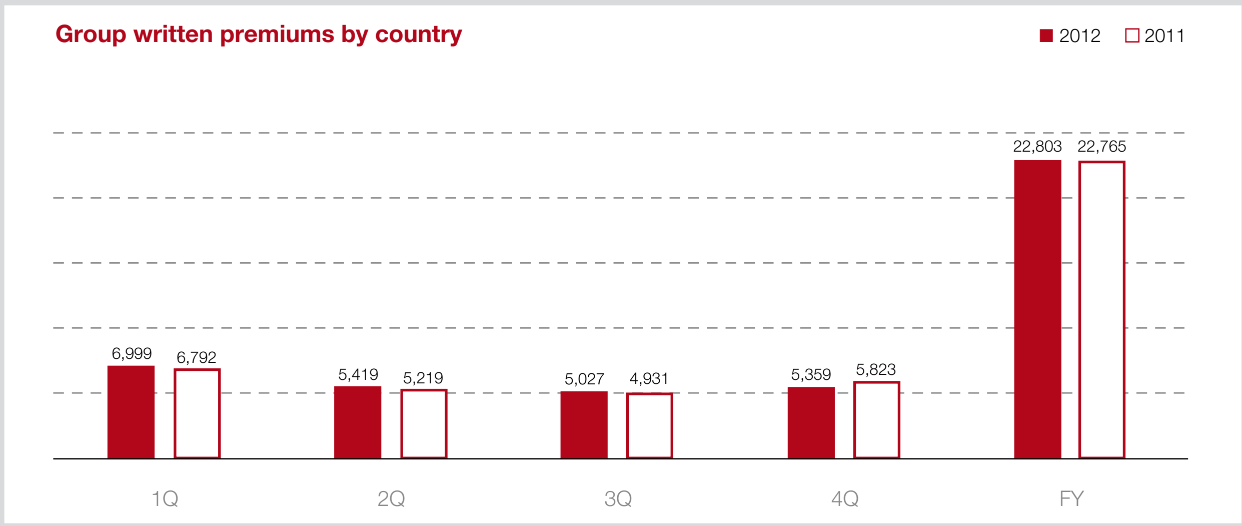
PROPERTY&CASUALTY SEGMENT



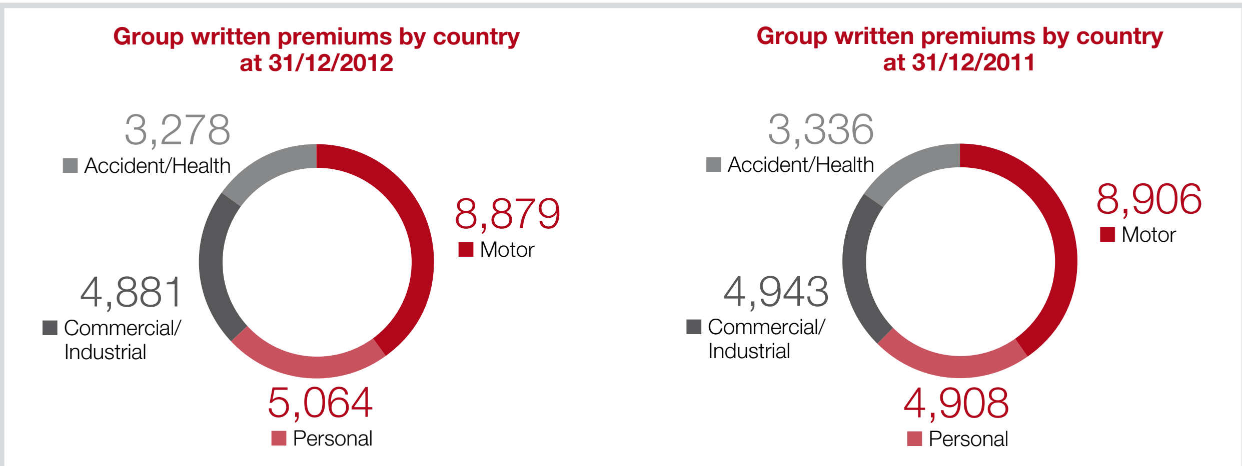


- The increase in written premiums observed during the year has been confirmed (+3.3% on equivalent terms)
- Operating results up (+5.6% on equivalent consolidation area), thanks to the technical margin contribution
- Net Group Cor improved (–0.8 pp) thanks to the decline in the loss ratio despite the impact of catastrophic claims for € 298 million
- Operating return on investment increased to 4.59%

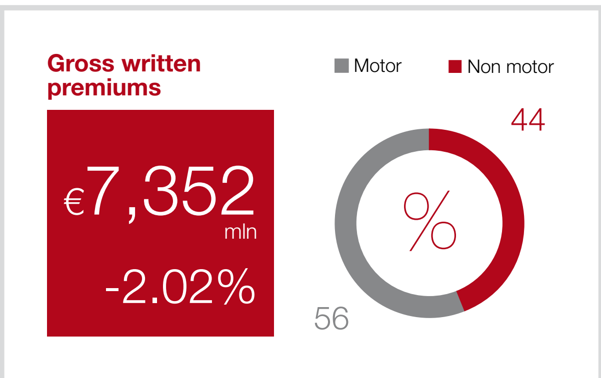
Premiums development



Written premiums in the property&casualty segment increased by 3.3% on equivalent terms, going from € 22,765 million at 31 December 2011 to € 22,803 million, thanks to the growth in all the Non-motor lines of business (+4.6% on equivalent terms). Also the Motor lines reported a positive performance (+1.4% on equivalent terms), though showing differing trends in the Group's main countries of operation.

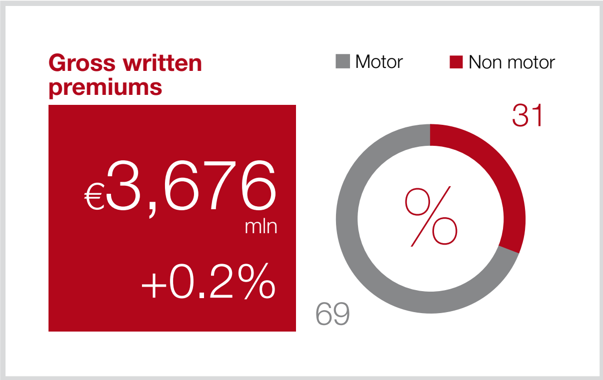


Italy



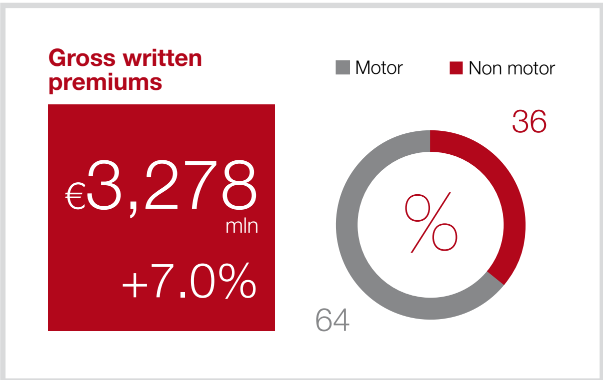
The gross premiums written in Italy totalled € 7,352 million, declining compared to 31 December 2011 (–2.0%), recording a more marked decrease than that observed on 30 September 2012 (-0.2%). This trend was determined by Motor lines (–2.7%) following the downward trend observed during the year, as a consequence of the end of the effects of rate policies implemented in recent periods and the simultaneous increase in segment competition. The Non Motor lines also decreased (–1.4%), and, in particular, the Business line (–3.4%), due to the continuation of the country's economic situation. There was a more limited decline in the Accident and Health lines (–0.8%), in line with 30 September while the contribution of the Personal lines (+2.0%) was positive.

France



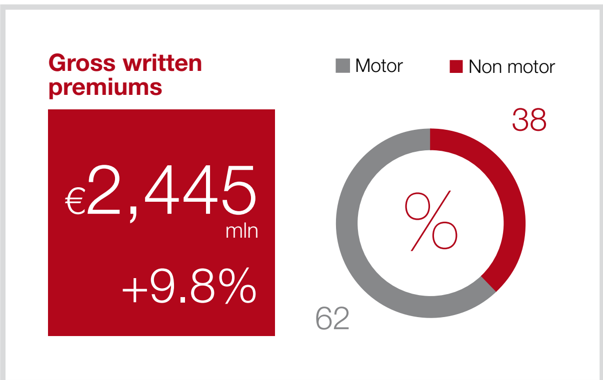
Despite the trend declining compared to the first months of the year, gross written premiums in France increased (+0.2% on equivalent terms[2]) reaching € 3,676 million (€ 4,056 million at 31 December 2011). The growth was entirely due to the growth in the Non-motor lines (+2.7%) particularly the Personal lines (+2.3%) and the Commercial/Industrial lines (+3.0%). The written premiums of the Group's Assistance business, which is attributable to French territory and is included within the Personal lines, amounted to € 812 million at 31 December 2012, +0.2% compared to the same period last year. The contraction of the Motor lines continued (–3.2%), reflecting a reduction of the portfolio, which absorbed the effects of the increase in average premium.

Germany



Confirming the growth reported on 30 September 2012, gross written premiums in Germany amounted to € 3,278 million (€ 3,062 million at 31 December 2011), up by 7.0% thanks both to the Motor lines (+8.4%) and all the Non-motor business lines (+6.2%). In detail, the Motor lines benefitted from an increase of the average premium (+0.8% on total portolio), achieved in the current market context, as well as the significant portfolio growth. In the Non-motor lines, the increase was recorded in the Accident and Health lines (+12.0%) thanks to the launch of a new product on the market and a positive trend in Personal lines (+6.4%) which offset the decline observed in the Commercial/Industrial lines (–4.4%).

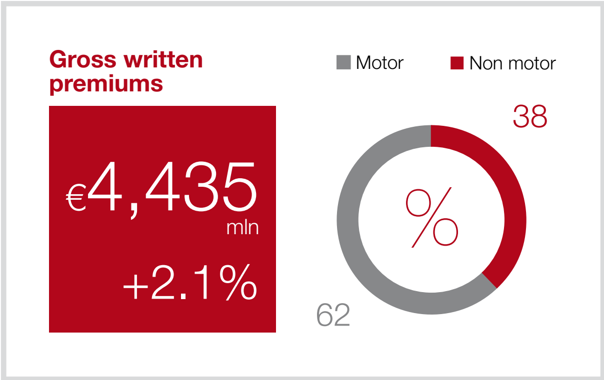
Central and Eastern Europe



Also gross written premiums in Central and Eastern Europe confirmed the growth seen in the first nine months of the year, going from € 2,261 million at 31 December 2011 to € 2,445 million. The increase (+9.8% on equivalent terms) was entirely attributable to the Non-motor lines (+23.5% on equivalent terms) and, in particular, to the increase in Russia of both the Accident and Health lines and the Commercial/Industrial lines and the positive performance in Poland of the Commercial/Industrial lines. The Personal lines showed a positive trend in all countries, excluding Romania. By contrast, the Motor lines, characterized by strong competition resulting from the business profitability, declined (–6.8% on equivalent terms) in Czech Republic, Hungary, Romania and Slovakia, while its performance remained positive in Poland and Serbia.

2 Variation on equivalent terms considered the above mentioned reclassification that occurred during the last quarter of 2012 for part of health portfolio of P&C segment to the life protection portfolio.

Rest of Europe



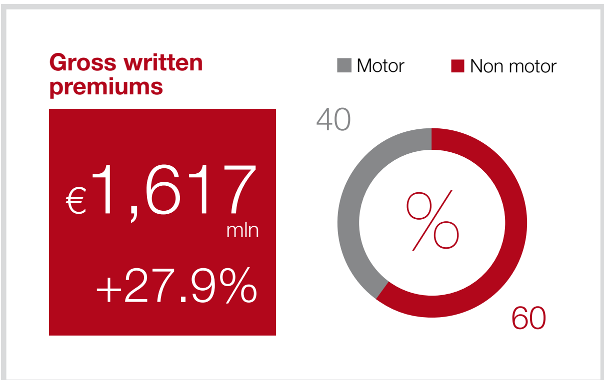
Gross written premiums in the Rest of Europe showed an overall growth (+2.1% on equivalent terms).

Gross written premiums slightly increased in Spain (+0.2%) reaching € 1,376 million (€ 1,374 million at 31 December 2011). This positive trend was attributable to the growth of the Motor lines (+4.7%), especially in individual policies, due to the effects of measures taken in the agency network and in the brokers segment, while the contribution of the Non-motor lines slightly declined. In fact, the growth of the Personal lines (+7.6%) and Accident and Health lines (+1.2%), was offset by the negative trend of the Commercial/Industrial lines (–9.9%), which continued to suffer from the severe economic crisis affecting the country.

Austria continued to show an uptrend in written premiums, with gross written premiums rising from € 1,343 million at 31 December 2011 to € 1,373 million (+2.2%), thanks to the increase observed in the Motor lines (+1.5%) which benefited from the indexing of the written premiums in the portfolio, as well as the increase of the TPL minimum sum insured. Non-motor lines also grew (+2.4%) owing to the contribution of all the lines of business.

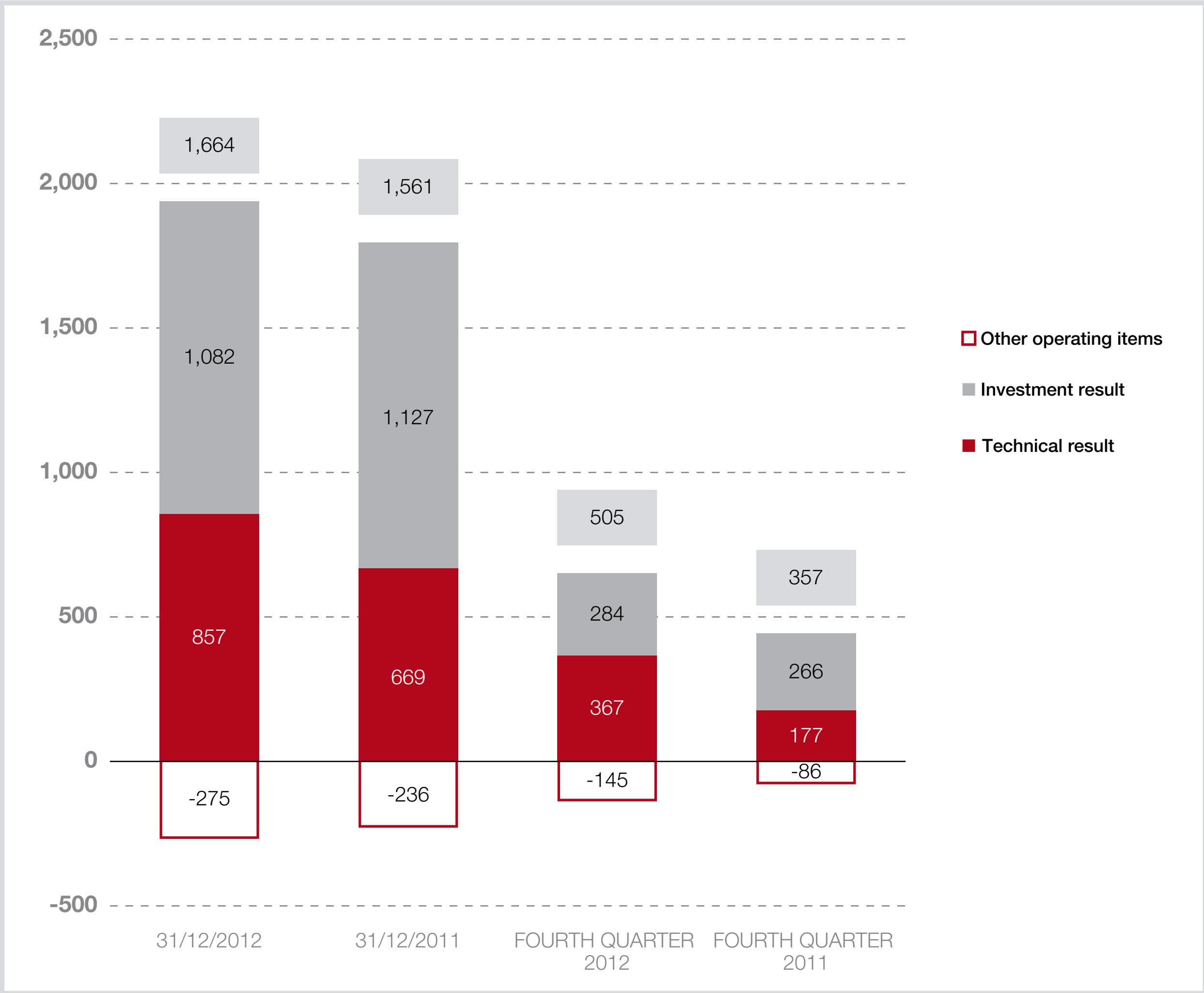
Gross written premiums in Switzerland increased (up 2.4% on equivalent terms), in line with 30 September 2012, to € 689 million (€ 658 million at 31 December 2011). The positive performance was attributable to the growth of both the Motor lines (+2.6% on equivalent terms), due to the measures taken on tariffs during the previous year and the higher number of contracts signed, also thanks to the good performance of the direct channel, and the Non-motor lines (+1.7% on equivalent terms), which benefited from the growth of the Accident and Health lines (+5.7% on equivalent terms) and especially the new contracts underwritten with small and medium-sized enterprises. By contrast, the Personal lines recorded a slightly negative performance.

Rest of World



The contribution from the Rest of World was also positive, thanks to the growth observed in particular in Latin America (+26.3% on equivalent terms). The Motor lines grew in Argentina – mainly as a result of the continued tariff increases and inflation adjustments – as well as in Mexico and Brazil.

Operating result



The operating result for the property&casualty segment amounted to €1,664 million (€ 1,561 million on 31 December 2011); the increase registered (+5.6% on equivalent terms) was primarily due to the growth of technical result, despite the impact of some significant catastrophic events for the Group totalling € 298 million (€ 177 million on 31 December 2011).

The investment result declined suffering the impact of reduced current income from real estate investment due to the de-risking policy enacted by the Group.

Finally, property&casualty operating return on segment's investments increased to 4.59%.

Operating result: Technical result

(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Technical result	**857**	**669**	**367**	**177**
Net earned premiums	20,700	20,662	4,937	5,295
Net insurance benefits and claims	–14,114	–14,247	–3,165	–3,580
Net acquistion and administration costs	–5,699	–5,700	–1,415	–1,527
Other net technical income	–31	–46	10	–11

The **technical result** was € 857 million, up 21.5% compared to the previous year. This result was achieved despite the greater impact of catastrophic events of around € 298 million which affected the Group, thanks to the tariff and claims settlement strategies of the Group in the main countries of operation. Without considering the weight of the catastrophic events in both periods under review the technical result increased by 31% on equivalent consolidation area.

	31/12/2012	31/12/2011	CHANGE
Combined ratio	95.7%	96.5%	–0.8
Loss ratio	68.2%	69.0%	–0.8
current year loss ratio excluding natural catastrophes	70.0%	71.6%	–1.6
natural catastrophes impact	1.4%	0.9%	0.5
prior years loss ratio	–3.3%	–3.5%	0.2
Expense ratio	27.5%	27.6%	–0.1
Acquisition cost ratio	21.5%	21.6%	–0.1
Administration cost ratio	6.0%	6.0%	0.0

While the expense ratio remained stable, the overall loss ratio improved, resulting in in a combined ratio of 95.7%, down by –0.8 pps compared to 31 December 2011. Compared to 30 September, the loss ratio considerably improved, amounting to 68.2%.

As mentioned above, this trend reflected the catastrophic events which affected the Group loss ratio by 1.4 pps. Without considering these events in both periods under review, the loss ratio was at 66.7%, down by 1.4 pps thanks to the improvement of the current year loss ratio excluding natural catastrophes, concentrated in the Motor business, mainly in Italy, France, Germany and Central and Eastern Europe countries. The improvement in the current loss ratio was partially offset by a lower contribution of prior years' result, which was however obtained in the usual context of prudence in the reservation policy of the Group.

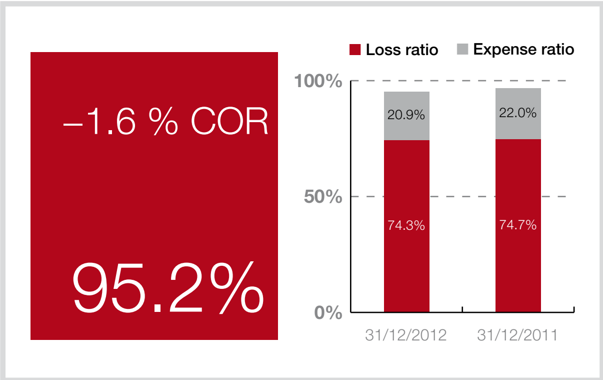
Acquisition and administration costs related to the insurance business totaled € 5,699 million, up 1.3% on equivalent terms. In detail, acquisition costs totalled € 4,453 million, with an increase concentrated in the Non motor retail segment observed mainly in Germany, Central and Eastern Europe and, to a lesser extent, in Austria and Spain. The impact of acquisition costs on net earned premiums remained stable at 21.5%.

Administration costs slightly increased, amounting to € 1,246 million. However their impact on net earned premiums remained at the same level as last year (6.0%).

The expense ratio remained also stable, amounting to 27.5%, thanks to the stability of both its components.

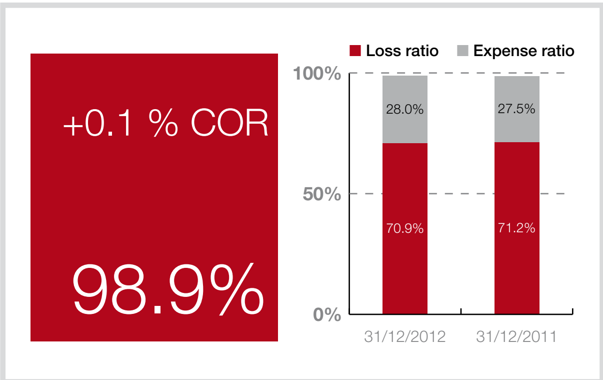
A breakdown by territory of the main indicators mentioned above is provided below:

Italy



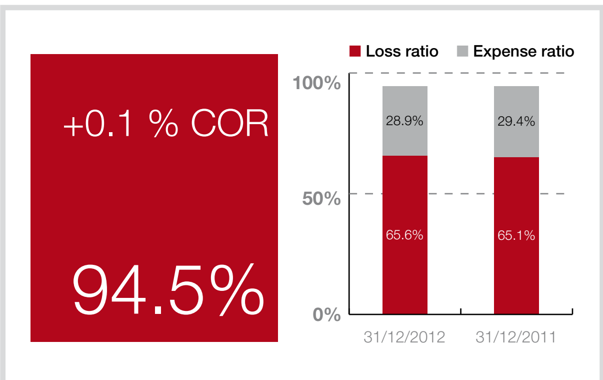
The ratio in Italy improved (–1.6 pps), standing at to 95.2%. This trend reflected both the 0.5 pps reduction in the loss ratio and the improvement in the expense ratio (-1.1 pps) which totalled 20.9%, thanks to the decrease in acquisition costs recorded mainly in the Non motor lines and to lower administration costs. The loss ratio reflected the impact of catastrophic events (earthquakes in the north of Italy and heavy snowfalls) totalling € 193 million, which occurred in the first six months of the year mainly in the Non motor business, with an impact of 2.8 pps.

France



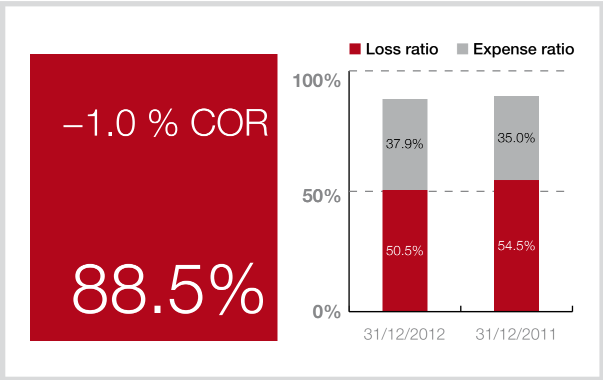
The combined ratio of France was 98,9% and remained at the same level as 31 December 2011 (+0.1 pps), due to the reduction in the loss ratio which amounted to 70.9% (-0.3 pps) owing to the improvement in the Motor lines, despite the impact of catastrophic events of around € 35 million, while the expense ratio worsened (+0.5 pps), standing at 28.0% because of the acquisition component.

Germany



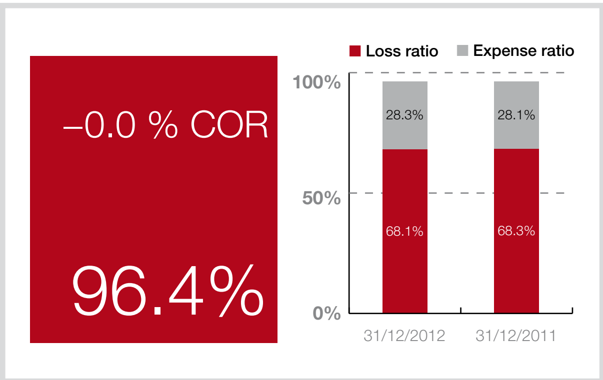
The combined ratio of Germany is 94.5%, in line with 31 December 2011 (+0.1 pps). Specifically, the loss ratio increased by 0.5 pps, mainly in the Non motor lines and was offset by the improvement of the expense ratio (–0.4 pps), amounting to 28.9%. It should be noted that the loss ratio was negatively affected by catastrophic events of around € 26 million; at 31 December 2011 similar events had impacted for € 57 million.

Central and Eastern Europe



The combined ratio of Central and Eastern European countries dropped by 1.0 pp, amounting to 88.5%. The improvement of the loss ratio by 3.9 pps, which amounted to 50.5%, was partially offset by the increase in the expense ratio by 2.9 pps, mainly attributable to the Non motor lines, whose percentage weight on the overall Property and casualty portfolio increased compared to 31 December 2011. These lines, which have higher commission levels and a lower loss ratio, in fact showed a further increase in acquisition costs, above all in Russia.

Rest of Europe



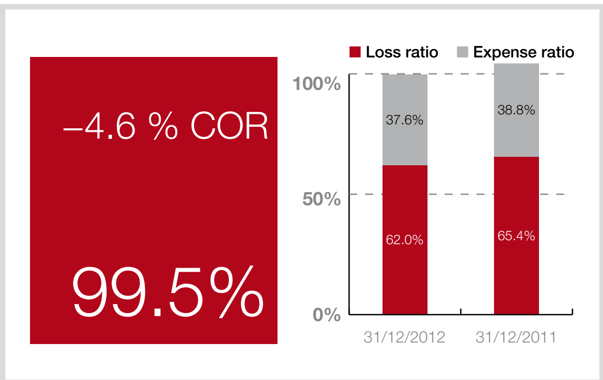
The combined ratio of the Rest of Europe was stable compared to 31 December 2011 and totaled 96.4% thanks to the improvement in the loss ratio (-0.2 pps), which offset the increase in the expense ratio (+0.2 pps).

The combined ratio of Spain recorded an improvement compared to 31 December 2011, amounting to 94.5%. The positive trend of the loss ratio (-1.7 pps) recorded in the Non motor lines, including 0.3 pps of catastrophic events, was partially offset by the increase in the expense ratio (+1.4 pps), amounting to 28.2% due to the higher acquisition costs.

The combined ratio of Austria improved to 94.8% (-0.5 pps), which was due to the 0.5% drop in the loss ratio, despite the impact of catastrophic events for around € 33 million at 31 December 2012. However, the expense ratio remained stable at 27.1%, since the drop in administration costs was offset by the rise in acquisition expenses.

Lastly, the combined ratio of Switzerland improved, totalling 95.1% (-0.4 pps), thanks to the positive trend of the expense ratio at 25.6% (-0.9 pps), which was mainly concentrated in the Non motor lines and which was partially offset by the worsening of the loss ratio, amounting to 69.5% (-0.5 pps), including the impact of catastrophic events of 0.5 pps.

Rest of World



The combined ratio of the Rest of World considerably improved, amounting to 99.5% (–4.6 pps), due to both the positive trend of the loss ratio at 62.0% (–3.4 pps) and the drop in the expense ratio (–1.3 pps) to 37.6%, both due to the excellent levels of production observed mainly in Argentina and Mexico. The improvement of the combined ratio declined to 1.3 pps without considering the contribution of the Migdal Group at 31 December 2011.

Operating result: Investment result

(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Investment result	**1,082**	**1,127**	**284**	**266**
Current income from investments	1,515	1,610	380	401
Other operating net financial expenses	–433	–483	–96	–135

The **investment result** in the property&casualty segment went from € 1,127 million at 31 December 2011 to € 1,082 million. This trend was substantially due to the drop in current income from equity and real estate components caused by the reduction in the weight of these assets classes in the property&casualty segment as a result of the de-risking policy implemented by the Group.

However, the action undertaken by the Group aimed at sustaining adequate portfolio liquidity ensuring at the same time adequate coupon returns enabled it to collect current income from investments for € 1,515 million (€ 1,610 million at 31 December 2011), equal to a current return of 4.1%, showing a moderate downtrend compared to the previous year (4.3% at 31 December 2011).

In detail, current income deriving from investments in fixed income instruments went from € 927 million at 31 December 2011 to € 912 million, while equity current income fell to € 75 million (€ 104 million). Lastly, as a result of the policy aimed at reducing real estate exposure in this segment, income from real estate investments considerably decreased from € 497 million at 31 December 2011 to € 403 million.

Other operating net financial expenses, which include interest expenses for the liabilities relating to operating activities and investment management expenses, amounted to € –433 million (€–483 million at 31 December 2011).

Operating result: Other operating items

Other operating items in the property&casualty segment, which mainly include acquisition and administration costs not related to the insurance business, depreciation of tangible assets and amortization of multi-annual costs, provisions for recurring risks and other taxes, amounted to € –275 million (€–236 million at 31 December 2011) substantially due to higher indirect taxes.

Non-operating result

The **non-operating result** of the property&casualty segment was € –916 million (€ –606 million at 31 December 2011).

In particular, the worsening in the **non-operating investment result** was due to both the increase in impairment losses primarily on equity portfolios, amounting to € –746 million (€ –653 million at 31 December 2011) and the drop in net realized gains amounting to € 170 million (€ 244 million at 31 December 2011). Benefitting from the recovery in the value of investments, net income from financial instruments at fair value through profit or loss instead increased, amounting to € 30 million (€ –34 million at 31 December 2011).

Net other non-operating expenses went from € –162 million at 31 December 2011 to € –370 million, € -75 million of which related to the amortization of the value of acquired portfolios (€ –77 million at 31 December 2011), due to higher provisions for non-recurring risks.

Property&Casualty operating result

(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Property&Casualty operating result	**1,664**	**1,561**	**505**	**357**
Net earned premiums	20,700	20,662	4,937	5,295
Net insurance benefits and claims	–14,114	–14,247	–3,165	–3,580
Acquisition and administration costs	–5,716	–5,715	–1,421	–1,529
Acquisition and administration costs related to insurance business	–5,699	–5,700	–1,415	–1,527
Other acquisition and administration costs	–17	–16	–7	–2
Fee and commission income and income from financial service activities	0	0	0	0
Net operating income from financial instruments at fair value through profit or loss	50	41	16	17
Net operating income from other financial instruments	1,031	1,086	268	249
Interest income and other income(*)	1,465	1,569	364	384
Interest expense on liabilities linked to operating activities(*)	–155	–171	–44	–53
Other expenses from other financial instruments and land and buildings (investment properties)	–278	–312	–52	–82
Net other operating expenses(*)	–288	–266	–129	–96
Property&Casualty non-operating result	**–916**	**–606**	**–744**	**–89**
Net non-operating income from financial instruments at fair value through profit or loss	30	–34	9	–6
Net non-operating income from other financial instruments	–576	–409	–485	–9
Net realized gains on other financial instruments and land and buildings (investment properties)	170	244	49	149
Net impairment losses on other financial instruments and land and buildings (investment properties)	–746	–653	–534	–158
Net other non-operating expenses	–370	–162	–268	–74
Property&Casualty earnings before taxes	**747**	**955**	**–238**	**268**

(*) Starting from 31 march 2012, in order to give a fairer presentation of property development activities within the operating result framework, the related item “Interest income and other income” and “Interest expenses on liabilities linked to operating activities” (respectively € 21 million and € -28 million at 31 December 2011) have been reclassified into net other operating expenses, which includes all income and expenses typical of this business. Consequently, comparative periods has been restated accordingly.

Property&Casualty indicators by country

(€ million)	GROSS WRITTEN PREMIUMS		OPERATING RESULT	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Italy	7,352	7,501	466	402
France	3,676	4,056	216	250
Germany	3,278	3,062	257	259
Central and Eastern Europe	2,445	2,261	304	286
Rest of Europe	4,435	4,329	354	335
Spain	1,376	1,374	144	139
Austria	1,373	1,343	110	107
Switzerland	689	658	56	51
Other	997	954	44	38
Rest of World	1,617	1,555	67	29
Total	**22,803**	**22,765**	**1,664**	**1,561**

(€ million)	MOTOR		NON MOTOR		TOTAL	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Italy	3,174	3,264	4,032	4,091	7,207	7,356
France	1,077	1,113	2,348	2,673	3,425	3,785
Germany	1,185	1,093	2,087	1,966	3,272	3,058
Central and Eastern Europe	918	1,011	1,482	1,210	2,400	2,220
Rest of Europe	1,604	1,554	2,669	2,620	4,273	4,174
Spain	385	368	961	971	1,347	1,338
Austria	534	526	819	799	1,353	1,325
Switzerland	331	316	354	340	686	656
Other	353	344	535	510	888	854
Rest of World	920	872	604	628	1,524	1,499
Total direct written premiums	**8,879**	**8,906**	**13,223**	**13,187**	**22,102**	**22,092**

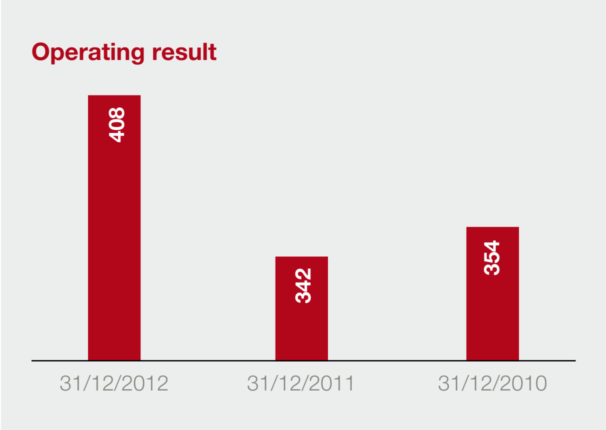
(€ million)	COMBINED RATIO(*)		LOSS RATIO		EXPENSE RATIO	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Italy	95.2	96.8	74.3	74.7	20.9	22.0
France	98.9	98.7	70.9	71.2	28.0	27.5
Germany	94.5	94.4	65.6	65.1	28.9	29.4
Central and Eastern Europe	88.5	89.5	50.5	54.5	37.9	35.0
Rest of Europe	96.4	96.4	68.1	68.3	28.3	28.1
Spain	94.5	94.8	66.3	68.0	28.2	26.8
Austria	94.8	95.3	67.7	68.2	27.1	27.1
Switzerland	95.1	95.5	69.5	69.0	25.6	26.5
Other	102.8	101.3	70.4	68.6	32.4	32.8
Rest of World	99.5	104.2	62.0	65.4	37.6	38.8
Total	**95.7**	**96.5**	**68.2**	**69.0**	**27.5**	**27.6**

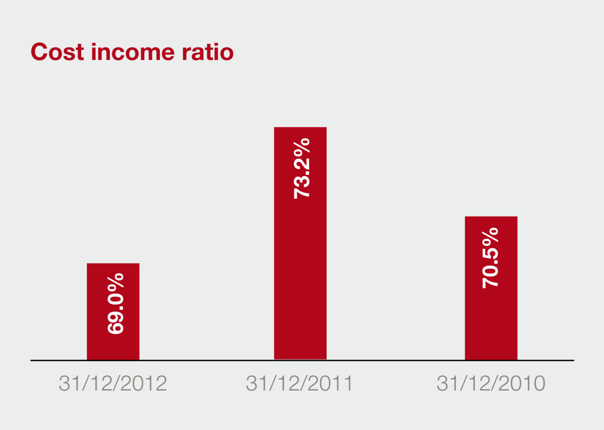
(*) CAT claims impact, net of reinsurance, on the Group combined ratio for 1.4 pps, of which 2,8 pps in Italy, 1.0 pps in France and 0.8 pps in Germany (at 31 December 2011 the total impact was 0.9 pps, of which 0.4 pps in Italy, 0.6 pps in France, 1.9 pps in Germany and 1.8 pps in Switzerland).

(€ million)	PERSONAL		COMMERCIAL/INDUSTRIAL		ACCIDENT/HEALTH(*)	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Italy	878	861	1,851	1,917	1,303	1,313
France	1,472	1,439	779	757	97	477
Germany	1,289	1,211	270	282	529	472
Central and Eastern Europe	345	348	618	553	519	309
Rest of Europe	1,047	993	944	977	678	650
Spain	417	387	372	413	173	171
Austria	320	311	351	345	147	144
Switzerland	188	187	3	3	163	150
Other	122	108	218	216	195	185
Rest of World	33	56	418	457	153	114
Total direct written premiums	**5,064**	**4,908**	**4,881**	**4,943**	**3,278**	**3,336**

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

FINANCIAL SEGMENT



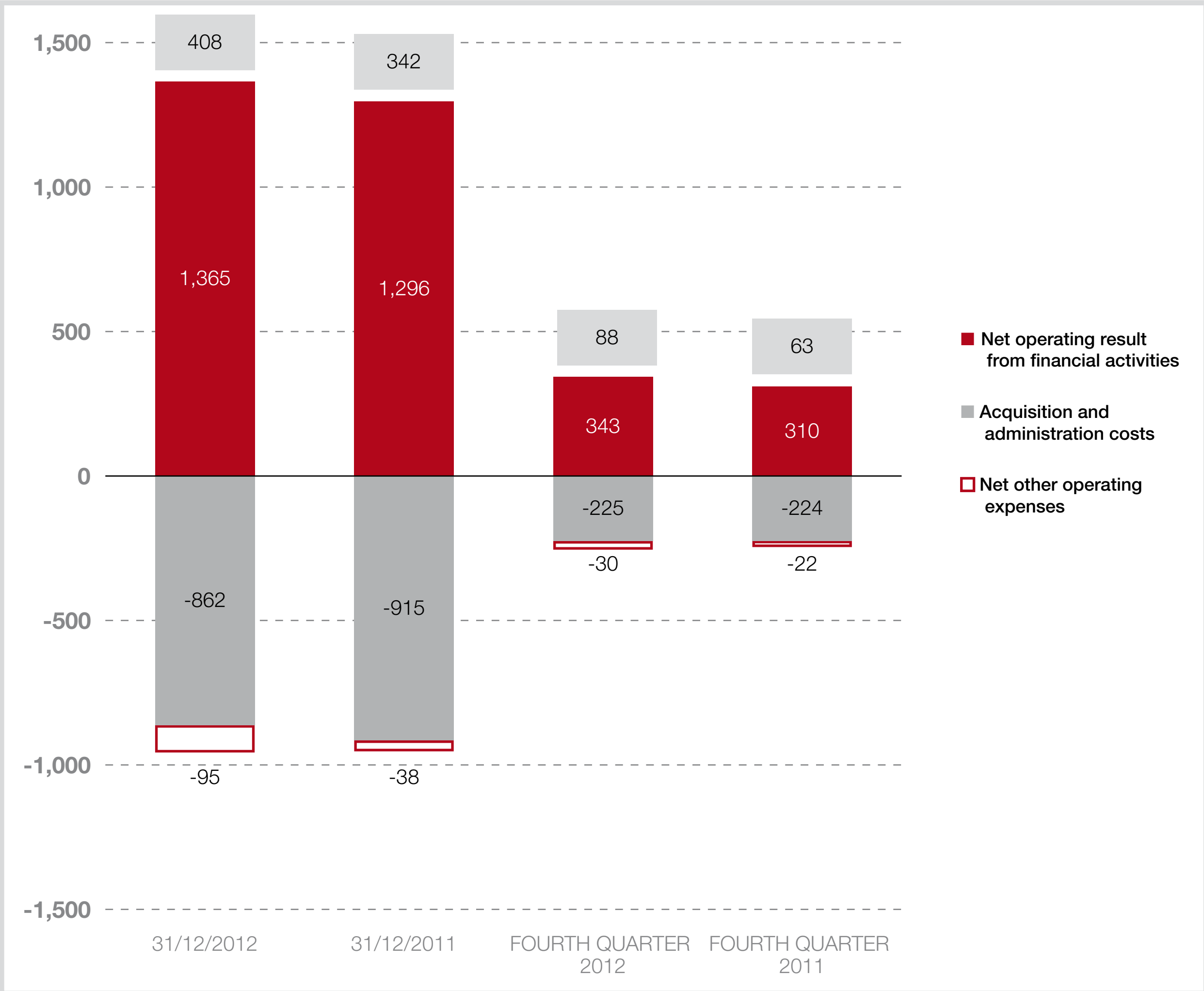


- Third parties AuMs increased by 14.4% on equivalent consolidation area
- The operating result also increased by 21.7% on equivalent consolidation area as a result of the investment result
- The cost income ratio fell to 69.0% due to the development of assets under management

Asset management is the principal activity of the financial segment and is primarily focused on managing the financial instruments of the Group companies.

At 31 December 2012 third party assets managed by banks and asset management Group companies amounted to € 96,379 million (€ 88,207 million at 31 December 2011). On equivalent consolidation area the assets managed on behalf of third parties increased by 14.4% compared to 31 December 2011.

Operating result



The **operating result** of the financial segment was € 408 million (€ 342 million at 31 December 2011). The increase (+21.7% on equivalent consolidation area) was due in particular to the improved performance of the investment result.

The net investment result improved thanks in particular to the increase in the intermediation margin. The growth observed was mainly due to the increase in net interest income, which mainly benefitted from investment of the liquidity provided to the banking sector with favorable terms by the European Central Bank. Moreover, the result of the trading activities carried out by the Group, on the equity portfolio in particular, was positive, while dividends dropped considerably.
Acquisition and administration costs also decreased while the increase in net other operating expenses was mainly caused by higher costs for services.

Lastly, the cost income ratio went from 73.2% at 31 December 2011 to 69.0%, mainly due to the development of assets managed.

Non-operating result

The **non-operating result** in the financial segment decreased from € 16 million at 31 December 2011 to € 3 million.

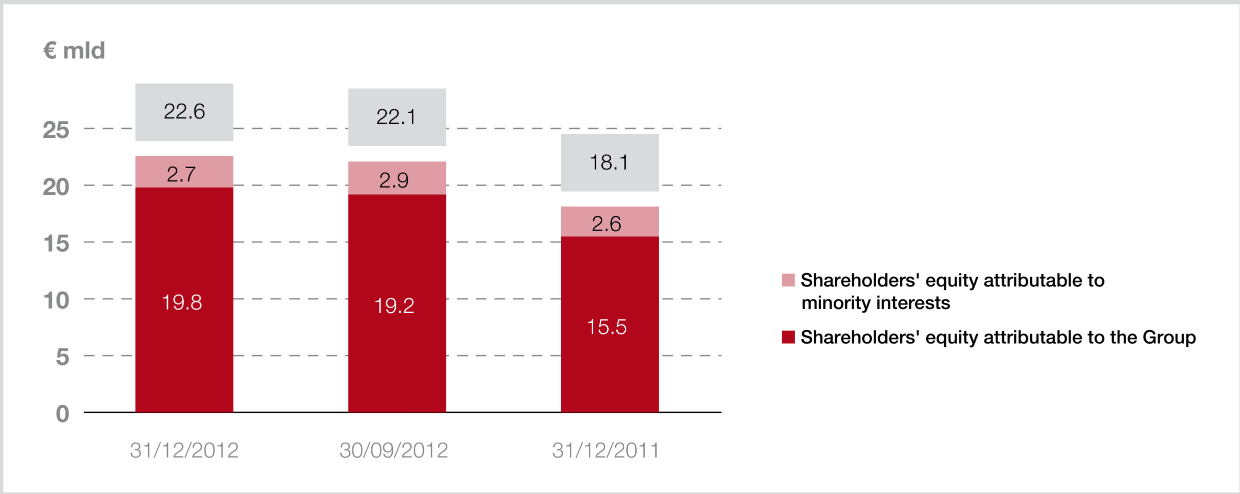
Financial segment operating result

(€ million)	31/12/2012	31/12/2011	FOURTH QUARTER 2012	FOURTH QUARTER 2011
Financial segment operating result	**408**	**342**	**88**	**63**
Net operating result from financial activities	1,365	1,296	343	310
Intermediation margin	1,387	1,303	352	309
Net interest income	399	335	94	87
Dividends and other income	29	108	5	15
Fee and commission income and income from financial service activities	827	859	206	202
Other net income from financial instruments at fair value through profit or loss	133	–3	42	3
Net operating gains on other financial instruments	0	4	5	2
Net operating impairment losses on other financial instruments	–22	–7	–9	1
Acquisition and administration costs	–862	–915	–225	–224
Net other operating expenses	–95	–38	–30	–22
Financial segment non-operating result	**3**	**16**	**29**	**–19**
Non-operating income from investments	–61	81	–56	4
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	–2	79	0	–2
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	–59	1	–57	6
Net other non-operating expenses	65	–65	85	–23
Financial segment earnings before taxes	**411**	**357**	**117**	**44**

GROUP'S FINANCIAL POSITION

Shareholders' equity and Group Solvency

Shareholders' equity



Shareholders' equity attributable to the Group amounted to € 19,828 million (€ 15,486 million at 31 December 2011). The 28.0% increase was mainly attributable to:

- the result of the period attributable to the Group, amounting to € 90 million (€ 856 million at 31 December 2011);
- the dividend distribution of € –311 million (€ –544 million at 31 December 2011);
- other comprehensive income amounting to € 4,628 million (€ –2,022 million at 31 December 2011).

In particular, unrealized gains and losses on available for sale financial assets, net of life deferred policyholder liabilities and deferred taxes, recorded during the period amount to € 4,746 million (€ –1,971 million during the corresponding previous period), benefitting from the recovery in the value of all asset classes compared with the decrease reported during the previous period. At the end of the period the reserve for unrealized gains and losses on available for sale financial assets amounted to € 2,591 million compared to € -2,156 million at 31 December 2011.

Shareholders' equity roll-forward

(€ million)	31/12/2012	31/12/2011
Shareholders' equity attributable to the Group at the end of the previous period	**15,486**	**17,490**
Result of the period	90	856
Dividend distributed	–311	–544
Other comprehensive income	4,628	–2,022
Net unrealized gains and losses on available for sale financial assets	4,746	–1,971
Foreign currency translation differences	–26	58
Net unrealized gains and losses on hedging derivatives	–93	–109
Other items	–65	–294
Shareholders' equity attributable to the Group at the end of the period	**19,828**	**15,486**

Group Solvency

The Group solvency I ratio was 150% at 31 December 2012 (117% at 31 December 2011), benefiting from the increase in own funds mainly thanks to the recovery of the financial markets, the divestiture of the Migdal group completed at the end of October 2012 (for around 2 pps) and the issuing of the subordinated bond in December (for around 7 pps).

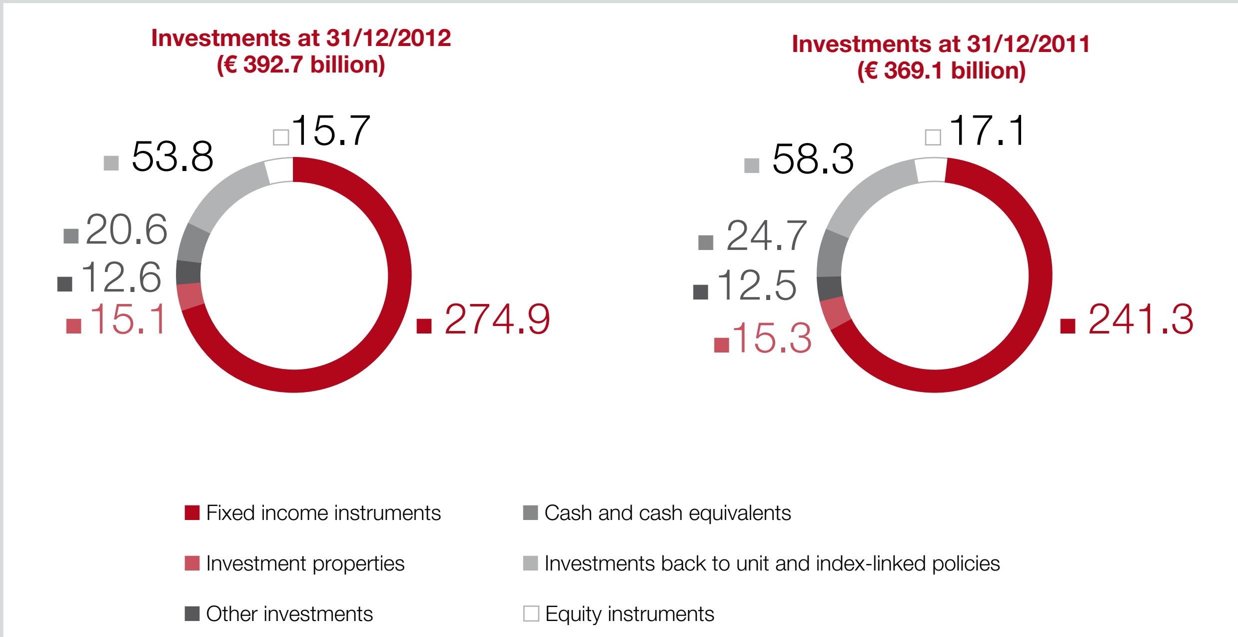
The requested margin remained substantially stable at € 17.9 billion while the available margin increased amounting to € 26.9 billion. The excess capital was therefore € 9.0 billion.

It should also be noted that this ratio does not take into account the benefits set by the ISVAP regulation (now IVASS) on adjusted[3] solvency, following which the ratio would improve by 1 pp.

3 For further information reference should be made to ISVAP Regulation (now IVASS) no. 43 of 12 July 2012.

Investments

Asset allocation

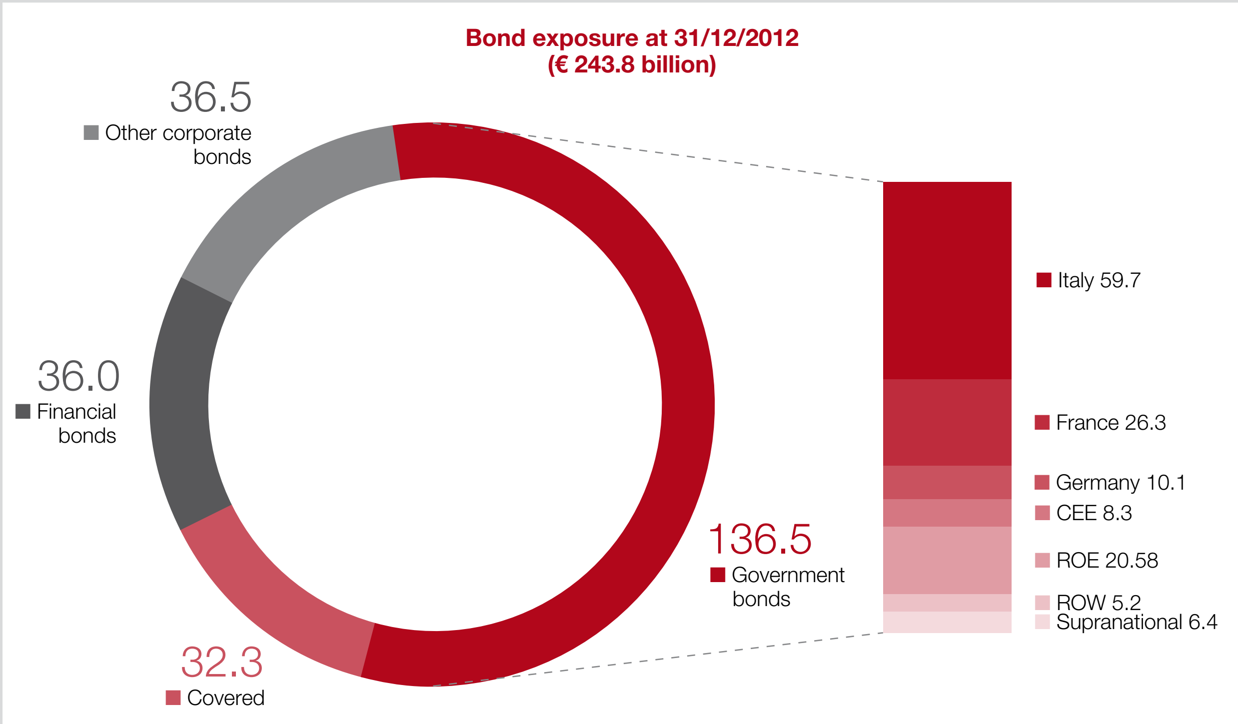


At 31 December 2012 total investments amounted to € 392,658 million (up 11.2% on equivalent consolidation area). Group investments totaled € 338,816 million (up 11.1% on equivalent consolidation area) and linked policy investments € 53,842 million (up 11.8% on equivalent consolidation area).

In a market context still suffering from high volatility fueled by the uncertainties about economic recovery and the ongoing Euro area crisis, over the year the Group continued to carry out its overall portfolio de-risking strategy aimed at limiting financial risks while, at the same time, keeping an high level of profitability appropriate to the undertakings of the policyholders. To this end, measures were taken to considerably reduce in each country of operations the cross-border exposure to government bonds in the Euro Area, by matching the liabilities of each country of operations with securities from that same country, without prejudice to the principle of matching assets and liabilities by currency.

In line with this financial strategy, the exposure to fixed income instruments increased to 81.1 % (77.6% at 31 December 2011), while the impact of equity instruments decreased to 4.6% (5.5% at 31 December 2011). Real estate investments of the Group also decreased slightly, with the related weight falling to 4.4% (4.9% at 31 December 2011). Despite cash and cash equivalents remained at temporarily high levels, the related incidence fell to 6.1% (7.9% at 31 December 2011). Finally, the wight of other investments – which mainly include receivables from banks or customers, investments in subsidiaries, associated companies and joint ventures as well as derivatives – remained substantially stable at 3.7% (4.0% at 31 December 2011).

Fixed income instruments: bond portfolio



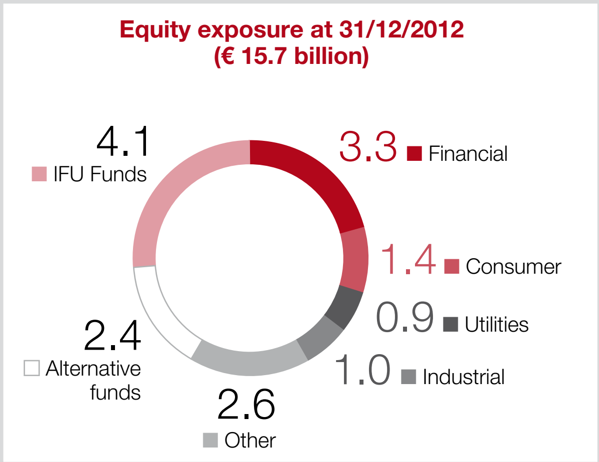
Breaking down the bond portfolio, government bonds, which account for 56.0% of this portfolio (53.8% at 31 December 2011), showed an increase amounting to € 136,542 million (€ 113,755 million at 31 December 2011). The change of the period was due to both the recovery in value of investments and net acquisitions.

In line with the de-risking strategy implemented by the Group aiming at reducing cross-border exposure, the exposure to individual government bonds was mainly allocated to the respective countries of operation.

The corporate component also increased in absolute terms to € 107,228 million (€ 97,682 million at 31 December 2011), equal to 44.0% of the bond portfolio (46.2% at 31 December 2011). The change was attributable to both the recovery in value of investments and to net acquisitions carried out during the year. The corporate component is broken down into covered securities, other bonds in the financial sector and other corporate bonds, including utilities, telecommunications and industrial.

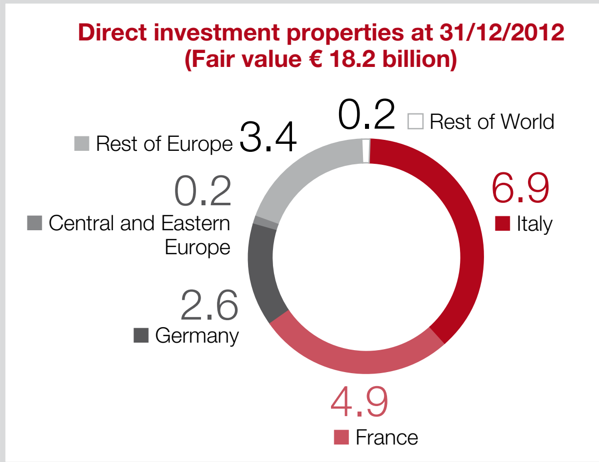
The investment in corporate bonds underwent a recovery in value, in line with market trends, both in the financial and non-financial sector. With reference to new investments the non-financial sector was preferred, with the aim of fostering greater levels of diversification.

Equity instruments: equity portfolio



The equity portfolio decreased to € 15,652 million (€ 17,098 million at 31 December 2011). The change in the period was due to the reduction in investments of this asset class, partly offset by the positive effect on the value of the portfolio of the recovery in equity prices. With reference to the direct equity exposure, there was a reduction in exposure to all the industry sectors.

Investment properties



Real estate investments slightly decreased to € 15,064 million (€ 15,322 million at 31 December 2011). In particular, with reference to the composition of direct investment on real estate at fair value, amounting at € 18,208 million, the Group's investments were almost entirely allocated in Western Europe, particularly in Italy, France and Germany. Moreover, the investment properties are mainly allocated in the respective countries of operations.

Investment results[4]

(€ million)	31/12/2012	31/12/2011
Economic components		
Current income from fixed income instruments	10,659	10,925
Current income from equity instruments	518	828
Current income from investment properties	1,118	1,181
Net realized gains	1,119	2,099
Net impairment losses	–3,221	–3,859
Net unrealised gains	22,270	–12,539
of which recorded in the shareholders' equity	21,390	–11,865
Average stock	**323,164**	**313,312**
Ratio		
Current return	3.9%	4.3%
Harvesting rate	–0.3%	–0.6%
P&L return	3.4%	3.5%
Comprehensive return	10.7%	0.4%

Current return declined amounting to 3.9% (4.3% at 31 December 2011).

This trend was due to lower current income from all asset classes and, in particular, to the effects of the de-risking policy implemented on government bonds and the incidence of cash which, despite decreasing, remained temporarily at high

4 For details on the determination of these indicators, please refer to the methodological note annexed to this report.

levels. Lastly, the reduction in the current return reflected both the reduction in reinvestment rates and the increase in average investments caused by the recovery in value of instruments already present in the portfolio.

The contribution to the result of the period from harvesting operations improved, amounting to –0.3% (–0.6% at 31 December 2011). This ratio benefitted from both the recovery in value of investments recognized through profit and loss and the decrease in impairments, particularly on bond portfolios, which were only partly offset by the drop in realized gains.

The comprehensive return, which includes changes in value for the period recognized through profit or loss and other comprehensive income, increased considerably from 0.4% at 31 December 2011 to 10.7%, benefitting mainly from the improved conditions of the bond market, recognized in particular in shareholders' equity, compared to the corresponding period of the previous year.

Life segment financial position

Investments

(€ million)	31/12/2012		30/09/2012		31/12/2011	
	TOTAL BOOK VALUE	% OF TOTAL	TOTAL BOOK VALUE	% OF TOTAL	TOTAL BOOK VALUE	% OF TOTAL
Equity instruments	12,487	4.5	12,397	4.6	13,415	5.3
Fixed income instruments	236,107	85.2	224,922	83.7	208,088	81.7
Bonds	212,973	76.9	201,161	74.9	186,112	73.1
Other fixed income instruments	23,133	8.4	23,761	8.8	21,976	8.6
Land and buildings (investment properties)	9,751	3.5	9,774	3.6	9,824	3.9
Other investments	5,794	2.1	6,311	2.3	6,018	2.4
Investments in subsidiaries, associated companies and joint ventures	4,482	1.6	4,896	1.8	4,524	1.8
Derivatives	727	0.3	612	0.2	544	0.2
Other investments	586	0.2	804	0.3	950	0.4
Cash and cash equivalents	12,894	4.7	15,168	5.6	17,257	6.8
Total	**277,032**	**100.0**	**268,572**	**100.0**	**254,601**	**100.0**
Investments back to unit and index-linked policies	53,842		52,666		58,312	
Total investments	**330,873**		**321,239**		**312,913**	

At 31 December 2012 total investments of the life segment increased to € 330,873 million (up 11.2% on equivalent consolidation area compared to 31 December 2011). Group investments amounted to € 277,032 million (up 11.1% on equivalent consolidation area), while linked policy investments reached € 53,842 million (up 11.8% on equivalent consolidation area).

In the life segment over the year the Group continued an investment strategy essentially based on an asset allocation in line with the technical reserve profile and, at the same time, keeping an adequate level of profitability for the undertakings with policyholders. In particular, within the Euro Area, measures were taken to pursue the objective of considerably reducing cross-border exposure, by matching the liabilities of each country of operations with domestic government bonds from that same country, without prejudice to the principle of matching assets and liabilities by currency.

The exposure to equity instruments decreased to 4.5% (5.3% at 31 December 2011), while the incidence of fixed income instruments increased from 81.7% at 31 December 2011 to 85.2%. The Group's real estate investment was substantially stable with its weight of 3.5%, while the weight of cash and cash equivalents fell to 4.7% (6.8% at 31 December 2011).

Breaking down the bond investment portfolio, the exposure to government bonds slightly increased to € 119,019 million (€ 100,784 million at 31 December 2011), equal to 55.9% of this asset class (54.2% at 31 December 2011). The change of the period was due to both the recovery in value of investments and net acquisitions.

The corporate component also increased to € 93,954 million (€ 85,329 million at 31 December 2011), equal to 44.1% of the bond portfolio (45.8% at 31 December 2011). The increase was due to both the recovery in value of investments in the financial and non-financial sectors and net acquisitions carried out during the year; specifically, the Group preferred securities aiming at reducing credit risk and thereby optimizing the capital absorbed by this asset class.

Lastly, the average duration of the bond portfolio was 6.7 years (6.1 years at 31 December 2011)

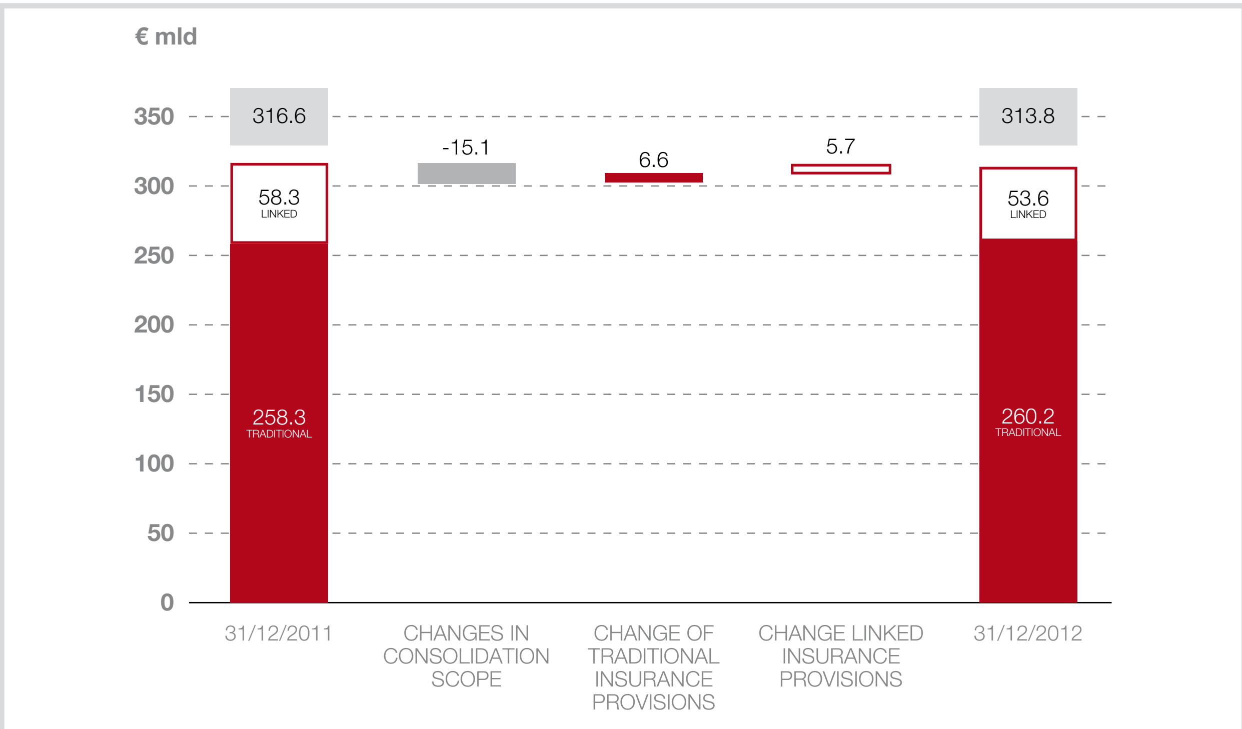
(%)	31/12/2012	31/12/2011
Current return	4.1	4.5
Harvesting rate	–0.3	–0.7
P&L return	3.6	3.6
Comprehensive return	11.7	0.1

The current return of life segment investments declined from 4.5% at 31 December 2011 to 4.1% owing to lower current income from the bond portfolio, due, in particular, to the de-risking policy on government bonds and equity portfolio, as well as to the incidence of cash, althought decreasing.

Instead, the contribution to the result of the period from harvesting operations improved, amounting to –0.3% –0.7% at 31 December 2011), which benefitted from both the decrease in impairment, in particular on bond portfolios, and the recovery in value of investments recognized through profit and loss.

The comprehensive return increased significantly from 0.1% at 31 December 2011 to 11.7%. This trend was attributable to the improvement in the financial markets conditions, which determined a recovery in value of equity and, mainly, bond portfolios recognized in particular in other comprehensive income, compared the drop in value of bond investments observed from the second quarter of 2011 due to the tensions surrounding the sovereign bonds of countries of the Euro Area with high public sector debt.

Life segment insurance provisions



Without taking into account deferred policyholders liabilities, insurance provisions and financial liabilities of the life segment amounted to € 313,761 million compared to € 316,564 million at 31 December 2011 (€ 301,507 million excluding Migdal group). On equivalent consolidation area there was an increase of 4.1% which reflects the increase in traditional portfolio provisions (up 2.6%) as a result of the investment result shared with policyholders, but above all the linked portfolio provisions (up 11.8%) due to the recovery of the financial markets.

Lastly, thanks to the marked recovery observed in the financial markets after the sharp drop in value reported mainly on the Group bond portfolios last year, deferred policyholders liabilities amounted to € 4,000 million (€ –12,185 million at 31 December 2011).

Property&Casualty financial position

Investments

(€ million)	31/12/2012		30/09/2012		31/12/2011	
	TOTAL BOOK VALUE	% OF TOTAL	TOTAL BOOK VALUE	% OF TOTAL	TOTAL BOOK VALUE	% OF TOTAL
Equity instruments	2,601	6.9	2,759	7.6	3,218	9.2
Fixed income instruments	26,419	69.6	24,505	67.5	22,194	63.5
Bonds	22,356	58.9	21,353	58.8	19,193	54.9
Other fixed income instruments	4,063	10.7	3,153	8.7	3,000	8.6
Land and buildings (investment properties)	5,289	13.9	5,296	14.6	5,474	15.7
Other investments	612	1.6	572	1.6	624	1.8
Investments in subsidiaries, associated companies and joint ventures	559	1.5	535	1.5	581	1.7
Derivatives	29	0.1	4	0.0	2	0.0
Other investments	24	0.1	33	0.1	42	0.1
Cash and cash equivalents	3,029	8.0	3,194	8.8	3,457	9.9
Total investments	**37,950**	**100.0**	**36,326**	**100.0**	**34,966**	**100.0**

In the property&casualty segment, total investments went from € 34,966 million at 31 December 2011 to € 37,952 million (up 10.3% on equivalent consolidation area).

In line with the de-risking strategy implemented by the Group also in this segment, the investment policy continued to favor investments in fixed income instruments, both corporate and government bonds, by diversifying risks and issuers, while equity instruments and real estate investments decreased.

While the weight of the fixed income portfolio increased to 69.6% (63.5% at 31 December 2011), the exposure to equity instruments went from 9.2% at 31 December 2011 to 6.9%, and the exposure to real estate dropped to 13.9% (15.7% at 31 December 2011). The weight of cash and cash equivalents also fell to 8.0% (9.9% at 31 December 2011), despite remaining temporarily at high levels.

Breaking down the bond portfolio, the exposure to government bonds increased to € 11,279 (€ 9,642 million at 31 December 2011), equal to 50.4% (50.2% at 31 December 2011). The change of the period was due to both the recovery in value of investments and net acquisitions.

Corporate bonds also increased to € 11,077 million (€ 9,552 million at 31 December 2011), equal to 49.6% (49.8% at 31 December 2011). The change was attributable to both the recovery in value of investments and to net acquisitions carried out during the year. With reference to the new investments the Group favored securities from the non-financial sector.

Lastly, the average duration of the bond portfolio was 3.7 years (4.4 years at 31 December 2011).

(%)	31/12/2012	31/12/2011
Current return	4.1	4.3
Harvesting rate	–1.1	–0.5
P&L return	2.2	2.9
Comprehensive return	7.5	1.3

The current return of total investments in the property&casualty segment remained substantially stable at 4.1% (4.3% at 31 December 2011), sustained in particular by the bond portfolio despite the de-risking measures implemented on the government component.

The slight worsening of the harvesting rate, which amounted to –1.1% (–0.5% at 31 December 2011), was caused by higher impairment recorded on equity instruments, only partly offset by the increase in net realized gains and the recovery in value recognized through profit and loss.

Lastly, the comprehensive return improved considerably, going from 1.3% at 31 December 2011 to 7.5% which benefitted from the recovery recorded, in particular in equity, of all asset classes.

Property&Casualty insurance provisions

(€ million)	31/12/2012	30/09/2012	31/12/2011
Net provisions for unearned premiums	5,960	5,939	5,661
Net provisions for outstanding claims	24,216	24,875	24,560
Other net provisions	404	422	382
Property&Casualty insurance provisions	**30,581**	**31,236**	**30,604**
of which Motor	13,348	14,129	13,602
of which Non Motor	17,233	17,108	17,002

The property&casualty reserving rate amounted to 145.9% substantially in line with the previous year.

Financial segment financial position

Investments

(€ million)	31/12/2012		30/09/2012		31/12/2011	
	TOTAL BOOK VALUE	% OF TOTAL	TOTAL BOOK VALUE	% OF TOTAL	TOTAL BOOK VALUE	% OF TOTAL
Equity instruments	564	1.8	536	1.8	465	1.7
Fixed income instruments	15,585	50.4	14,752	49.8	13,038	48.0
Bonds	8,724	28.2	7,992	27.0	6,518	24.0
Other fixed income instruments	6,861	22.2	6,761	22.8	6,520	24.0
Land and buildings (investment properties)	24	0.1	24	0.1	24	0.1
Other investments	9,644	31.2	9,276	31.3	9,125	33.6
Investments in subsidiaries, associated companies and joint ventures	91	0.3	92	0.3	97	0.4
Derivatives	–48	–0.2	–8	–0.0	18	0.1
Receivables from banks or customers	9,046	29.2	8,808	29.7	8,859	32.6
Other investments	555	1.8	384	1.3	151	0.6
Cash and cash equivalents	5,125	16.6	5,031	17.0	4,539	16.7
Total investments	**30,941**	**100.0**	**29,619**	**100.0**	**27,191**	**100.0**

Debt and liquidity

Debt

In accordance with the IAS/IFRS managerial model used by the Generali Group, consolidated liabilities were split into two categories:

- Liabilities linked to operating activities, which are all the consolidated financial liabilities related to specific consolidated balance sheet items. This category also includes liabilities related to investment contracts issued by insurance companies;
- Liabilities linked to financing activities, including other consolidated financial liabilities, such as subordinated liabilities, bonds issued and other loans received. This category includes, for example, liabilities arising from operations carried out to acquire controlling interests.

Total liabilities were as follows:

(€ million)	31/12/2012	30/09/2012	31/12/2011
Liabilities linked to operating activities	**50,673**	**50,471**	**46,915**
Liabilities linked to financing activities	**13,234**	**12,514**	**12,219**
Subordinated liabilities	7,833	6,636	6,611
Senior bonds	4,464	4,465	4,460
Other non subordinated liabilities linked to financing activities	937	1,413	1,148
Total	**63,907**	**62,985**	**59,133**

The weighted average cost of our financial debt as at 31 December 2012 amounted to 5.85%, compared to 5.63% as at 30 September 2012 and 5.37% as at 31 December 2011. The increase in the average cost of funding is attributable to the two subordinated bonds issued by Assicurazioni Generali S.p.A. during 2012. The weighted average cost reflects the annualized cost of the financial debt considering the outstanding debt at the reporting date and the related activities of currency and interest rate hedging.

Interest expenses on total liabilities are broken down as follows:

(€ million)	31/12/2012	31/12/2011	CHENGE
Interest expense on liabilities linked to operating activities	624	586	6.4%
Interest expense on liabilities linked to financing activities	668	646	3.4%
Total(*)	**1,291**	**1,232**	**4.8%**

(*) Without taking into account the interest expenses on liabilities linked of the real estate development companies, classified among the other expenses, as well as the interest expenses on deposits under reinsurance business accepted, deducted from the related interest income.

Focus on financial debt

Details of the subordinated debt and senior debt

(€ million)	31/12/2012				31/12/2011			
	NOMINAL VALUE	BOOK VALUE	ACCRUED INTEREST EXPENSES	AVERAGE WEIGHTED COST(*) %	NOMINAL VALUE	BOOK VALUE	ACCRUED INTEREST EXPENSES	AVERAGE WEIGHTED COST(*) %
Subordinated liabilities	8,237	7,833	443	6.6%	7,912	6,611	417	5.9%
Senior bonds	4,496	4,464	217	4.8%	4,499	4,460	217	4.8%
Total	**12,733**	**12,297**			**12,410**	**11,071**		

(*) The weighted average cost reflects the annualized cost of the financial debt considering the outstanding debt at the reporting date and the related activities of currency and interest rate hedging.

Details of issues and redemptions of subordinated debt and senior debt

(€ million)	31/12/2012			31/12/2011		
	ISSUANCES	REDEMPTIONS	ISSUANCES NET OF REDEMPTIONS	ISSUANCES	REDEMPTIONS	ISSUANCES NET OF REDEMPTIONS
Subordinated liabilities	2,000	758	1,242	77	0	77
Senior bonds	16	20	–4	0	0	0
Total	**2,016**	**778**	**1,238**	**77**	**0**	**77**

Detalis on main outstanding bonds issued

Subordinated bonds

Issuer	COUPON	OUTSTANDING(*)	CURRENCY	AMORTISED COST(**)	ISSUE DATE	CALL DATE	MATURITY
Generali Finance B.V.	5,32%	1,275	EUR	1,241	16/06/2006	16/06/2016	Perp
Generali Finance B.V.	6.21%	700	GBP	859	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350	GBP	428	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	1,250	EUR	920	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	6.42%	495	GBP	604	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	750	EUR	747	10/07/2012	10/07/2022	10/07/2042
Assicurazioni Generali	7.75%	1,250	EUR	1,245	12/12/2012	12/12/2022	12/12/2042

(*) In currency million.
(**) In € million.

In this cathegory are also classified subordinated liabilities in private placements format issued by Assicurazioni Generali S.p.A. and other subsidiaries. The unquoted private placements issued by Assicurazioni Generali S.p.A. for to a nominal amount of € 1,500 million, are accounted for a corresponding amortized cost of € 1,483 million. The remaining subordinated liabilities are mainly issued by Generali France and BSI, respectively for a nominal amount of € 200 million and USD 100 millions, for a total corresponding amortised cost of € 307 million.

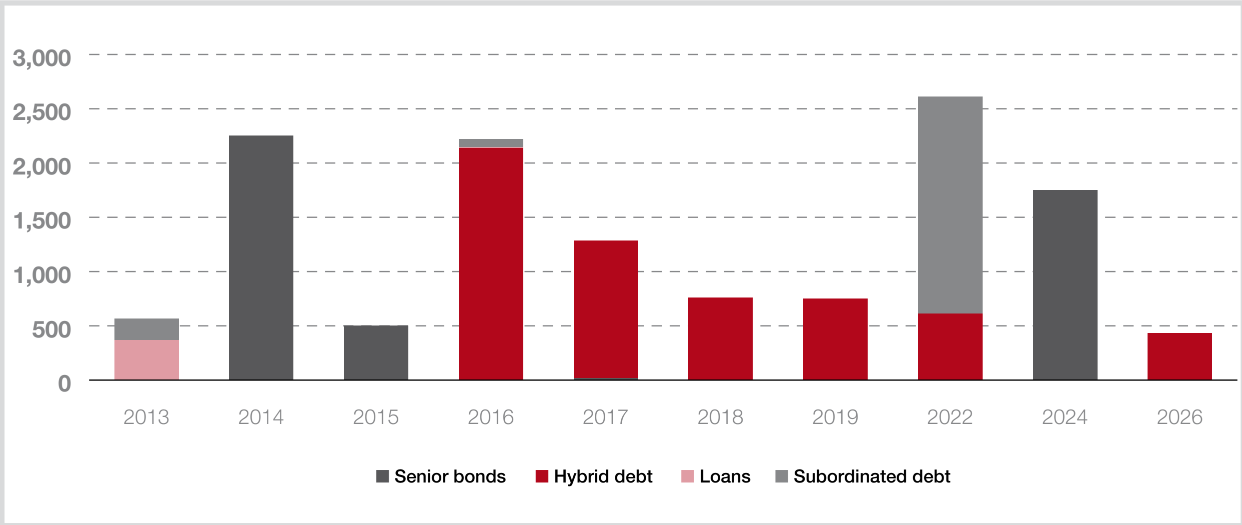
Senior bonds

Issuer	COUPON	OUTSTANDING(*)	CURRENCY	AMORTISED COST(**)	ISSUE DATE	MATURITY
Generali Finance B.V.	4.75%	1,500	EUR	1,490	12/05/1999	12/05/2014
Generali Finance B.V.	3.88%	500	EUR	499	06/05/2005	06/05/2015
Assicurazioni Generali	4.88%	750	EUR	741	11/03/2009	11/11/2014
Assicurazioni Generali	5.13%	1,750	EUR	1,782	16/09/2009	16/09/2024

(*) In currency million.
(**) In € million.

In this cathegory are also classified other senior bonds issued by Ceska Pojistovna for a nominal amount of CZK 500 million corresponding to an amortised cost of € 15 million.

Breakdown of financial debt maturities



The average duration increased to 6,01 as at 31 December 2012 compared to 30 September 2012 (5,76 years) and to the average duration as at 31 December 2011. The increase is attributable to the two subordinated bond issued by Assicurazioni Generali S.p.A. during 2012 and the exercise of the call option on the € 750 million, 6.9%, subordinated bond with first call date on 20 July 2012.

Liquidity

(€ million)	31/12/2012	30/09/2012	31/12/2011
Cash at bank and short-term securities	11,000	9,531	9,622
Cash and cash equivalents	7,490	9,484	6,452
Cash and balances with central banks	3,156	4,917	9,486
Reverse REPO	596	879	214
REPO	–1,655	–1,514	–1,114
Cash and cash equivalents	**20,589**	**23,296**	**24,659**

Despite the decline compared to December 31, 2011, the current level of liquidity as a result of de-risking strategies still remains at high levels, reaching € 20,589 million (€ 24,659 million at December 31, 2011).

Corporate social responsibility

Human capital, consisting of the knowledge and competences of employees, and relationship capital, referring to the stability, quality and extent of relationships with a wide range of parties which the Group deals with, are of fundamental importance for an insurance group. Several indicators which enable an initial understanding of the importance of non-financial capitals for the Group are provided below. They refer only to a limited number of aspects. Indicators are also given which quantify the impact of the activities of the Group on the environment, considered a primary asset to be protected.

The figures shown in this section with the exception of the number of employees were calculated on a comparable basis, i.e. excluding the Israeli Migdal group for both years; in some instances the figures for 2011 may therefore differ from those published in the previous financial statements.

Human capital

EMPLOYEES

(number)	31/12/2012	31/12/2011	CHANGE
Total	**79,454**	**81,997**	**–3.1%**
Italy	17,140	16,980	0.9%
France	8,706	8,866	–1.8%
Germany	14,694	15,117	–2.8%
Central and Eastern Europe	13,417	13,545	–0.9%
Rest of Europe	14,427	14,718	–2.0%
Rest of World	11,070	12,771	–13.3%

In 2012 the employees of the entities consolidated on a line-by-line basis amounted to 79,454 overall, showing a 3.1% decrease (down 0.6% on a comparable basis). Specifically, the reduction in the number of employees in the Rest of World is due to the sale of the Israeli group Migdal, that in Germany is the consequence of restructuring plans regarding the sales attendants of certain companies, whereas the fall reported in the Rest of Europe is attributable to the sale of the English companies of the Europ Assistance group.

PER CAPITA TRAINING

(hours)	31/12/2012	31/12/2011	CHANGE
Total	**33**	**40**	**–18.1%**
Italy	30	41	–27.8%
France	34	33	2.4%
Germany	33	40	–19.1%
Central and Eastern Europe	39	19	104.7%
Rest of Europe	51	38	36.0%
Rest of World	23	49	–54.3%

The Group supports the constant development of human capital by promoting growth of skills and professional abilities of its employees through proper training programs.

In 2012 per capita training hours provided to employees and sales force not on payroll decreased by 18.1% overall. The reduction was due to diverging trends in several countries. Among the main changes there were an increase in Central and Eastern Europe, mainly due to the increase in the sales force not on payroll, and a decrease in the Rest of World, where the training programs of Asian companies were postponed until 2013 and Latin American companies used chiefly e-learning with shorter courses than classroom-based ones.

Relationship capital

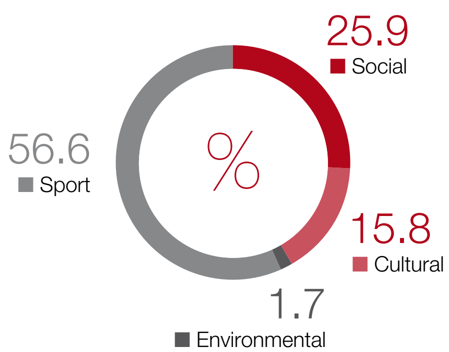
ALLOCATION TO THE COMMUNITY

(€ million)	31/12/2012	31/12/2011	CHANGE
Total	**45.0**	**47.8**	**–5.9%**
Italy	20.4	19.9	2.5%
France	1.5	1.8	–16.7%
Germany	6.6	8.6	–23.3%
Central and Eastern Europe	5.8	6.0	–3.3%
Rest of Europe	9.5	10.1	–5.9%
Rest of World	1.1	1.3	–15.4%

The Group allocated € 45 million (down 5.9% compared to 2011) to community-oriented initiatives, which included both charitable projects and sponsorships of high-value cultural and sporting events and shows offered to local communities.

In view of this decrease, which was affected by the negative economic situation worldwide, the companies increased their involvement in company voluntary initiatives.

Allocation to the community by area



The distribution of funds among the various areas shows the effects of the economic crisis that has led the Group to a greater commitment to social and environmental issues. In fact, sums allocated to charitable social and environmental initiatives increased by 7.8% and 9.6% respectively; cultural initiatives (down 10.5%) and sports initiatives (down 10.3%), often having commercial purposes, decreased.

Natural capital

GROUP ENVIRONMENTAL MANAGEMENT SYSTEM

Since 2009 the Group has been involved in a project aimed at introducing and implementing a Group Environmental Management System (EMS) which meets the requirements of the standard ISO 14001.

Six countries have been involved in implementing the EMS (Italy, Austria, France, Germany, Spain and Switzerland), as are over 70 sites used as company offices of the Group and 122 regional offices in Spain totalling around 850,000 m^2.

Coverage amounts to 39.1% in terms of Group workforce and 80.4% in terms of total gross direct premiums.

The following tables state amounts recognized for the key indicators in relation to which the Group has set itself, within the EMS, specific targets and objectives for environmental improvement. Compared to 2011 the reporting scope grew larger and for this reason 2011 figures may differ from those published in the previous financial statements.

PER CAPITA ELECTRICITY ENERGY CONSUMPTION

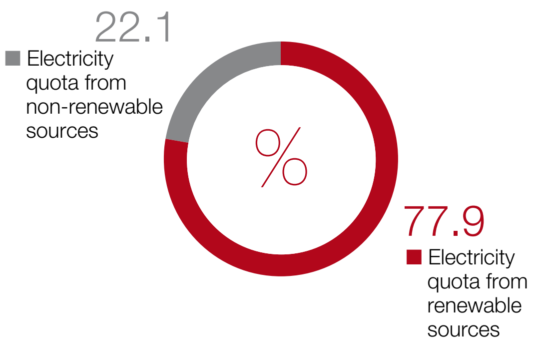
(KWh)	31/12/2012	31/12/2011	CHANGE
Total	**4,847**	**5,224**	**–7.2%**
Italy	4,550	5,537	–17.8%
France	4,893	4,608	6.2%
Germany	4,425	4,835	–8.5%
Spain	5,699	6,094	–6.5%
Austria	3,548	3,570	–0.6%
Switzerland	9,052	8,888	1.9%

The Group's objective to mitigate the environmental impacts of electricity consumption is being achieved by reducing per capita consumption and by using increasing amounts of electricity from renewable sources.

In 2012 a total of 147 Gwh of electricity (down 5.5% compared to 2011) were consumed and were used mainly for lighting, the running of machines, air conditioning and, in certain countries, also for heating.

In almost all countries per capita electricity consumption, calculated as the ratio between overall consumption and the total number of employees working in the offices monitored in the Environmental Management System, show a drop, particularly significant in Italy, thanks above all to a more efficient management of the Mogliano Veneto Data Processing Center. The increase in consumption seen in France was on the other hand due to the reduction of employees in the monitored offices.

Electricity quota from renewable sources



In 2012 the quota of electricity from renewable sources (77.9% against 68.9% in 2011) increased significantly, thanks above all to Italy's decision to use only green energy, as Germany has been doing for many years.

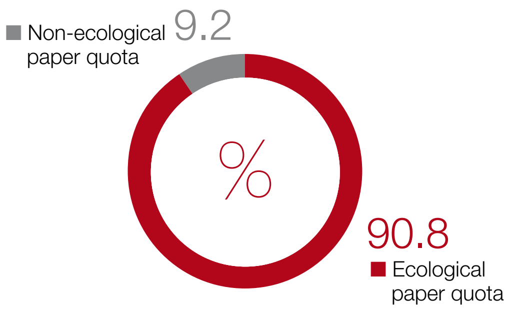
PAPER CONSUMPTION

(quintals)	31/12/2012	31/12/2011	CHANGE
Total	**66,677**	**72,550**	**–8.1%**
Italy	27,040	30,524	–11.4%
France	9,431	10,110	–6.7%
Germany	14,531	16,246	–10.6%
Spain	6,293	5,741	9.6%
Austria	5,212	4,314	20.8%
Switzerland	4,170	5,614	–25.7%

As far as paper consumption is concerned, the aim of the Group is to reduce total paper consumption (white and printed) and to increase the portion of ecological paper used in overall consumption.

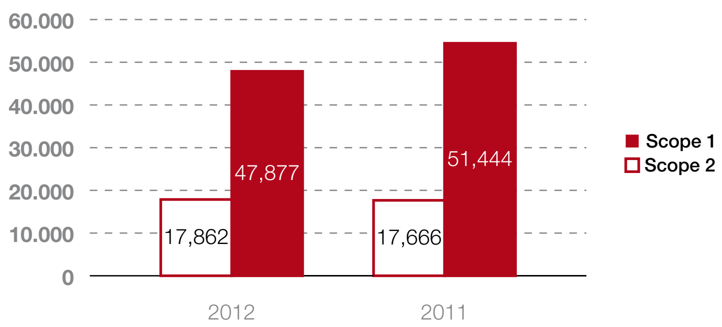
The significant reduction in consumption is the result of targeted action in almost all countries. Austria is an exception: it reported a high paper consumption due to the obsolescence of a number of documents relating to the introduction of a new European regulation and the inclusion of Austrian real estate companies in Generali Real Estate S.p.A. The great reduction in Switzerland was due to a fall in customer communications made in paper.

Ecological paper quota



In 2012 the percentage of ecological paper in total consumption exceeded 90% compared to 85.6% in 2011. In Austria, Spain and Switzerland all the paper used by the companies is ecological..

Greenhouse gas emissions



The aim of the Group is to reduce greenhouse gas (GHG) emissions in terms of total direct emissions deriving from the burning of fossil fuels and the company fleet (Scope1) and indirect emissions deriving from electricity consumption and district heating (Scope2).

In 2012 total GHG emissions from Scope1 and Scope2, consisting of carbon dioxide (CO_2), nitrous oxide (N_2O) and methane (CH_4), totalled 65,738 tons of equivalent carbon dioxide (CO_2e) (down 4.9% compared to 2011), obtained by transforming the quantities of N_2O and CH_4 issued using appropriate coefficients.

In Scope1, the direct emissions produced by natural gas and diesel oil heating systems were estimated at 5,464 tons of CO_2e (down 3.1% compared to 2011) and those produced by the company fleet equal to 12,397 tons of CO_2e (up 3.1% compared to 2011). As far as Scope2 is concerned, emissions due to the consumption of electricity purchased by companies in the Group in 2012 were estimated at 42,388 tons of CO_2e (down 7.3% compared to 2011) and those due to the consumption of energy by district heating equal to 5,488 tons of CO_2e (down 4.4% compared to 2011)[5].

5 The emissions were estimated according to the principles of standard ISO14064-1 and the guidelines of the Greenhouse Gas (GHG) Protocol by the World Business Council on Sustainable Development (WBCSD) and the World Resources Institute (WRI), and the emission factors forecast in the calculation tools and their completion. For emissions relating to corporate mobility the distance-based methodology was applied.

Significant Events after 31 December 2012

As part of the growth strategy in high-growth markets, on 8 January 2013 the Group concluded the agreement with the PPF Group N.V. for the sale of 49% of the company Generali PPF Holding (GPH), which will give the opportunity to Assicurazioni Generali to acquire shareholder and management control of the joint venture. Generali, which already holds 51% of GPH, will acquire the remaining 49% of the share capital in two tranches from PPF Group N.V. Finally, at the same time GPH will sell to the PPF Group N.V. the insurance business for consumer credit in Russia, Ukraine, Belarus and Kazakhstan.

On Investor Day of 14 January 2013 Assicurazioni Generali presented its Group transformation strategy aimed at improving shareholder return and maximizing the value of its business. The new strategy is focused on the insurance core business, on strengthening financial soundness and profitability and on a customer-oriented business approach.

On 23 January 2013 the rating agency Standard & Poor's confirmed Assicurazioni Generali's A rating and removed the negative creditwatch as a result of the Group's undertaking to strengthen the capital adequacy in relation to its risk profile and to increase profits in 2013 and in 2014.

Assicurazioni Generali still have a higher rating on average than its main operating Country thanks to its ability to generate operating profit, its solid business foundations and geographical diversification.

For futher information on Group strategy refer to chapter Generali Group Strategy

Outlook for Generali Group

The expectations of the world economy recovering are remote but are gradually increasing. In 2013 the Euro Area economy will continue to contract (0.2% decrease in GDP expected by the International Monetary Fund) in particular in Italy (down 1.0), due to restrictive tax policies. However, the Euro Area countries should begin a new growth trend from 2014 (up 1.0%, 0.5% for Italy), which will depend to a large extent on the upturn of the banking sector and greater cash, which should increase investments.

In the United States economic growth in the short to medium term (2.0% and 3.0% increase in GDP expected for 2013 and 2014) will be linked to containing public debt and tax policy measures.

China should slowly return to a rate of growth of 8.5% in 2014, while for other emerging countries weak international demand will continue to be a barrier to expansion, which will continue at rates lower than 6%.

With reference to financial markets the interventions of the European Union in favor of the banking system and countries in the Euro Area with high public debt partly reduced tensions concerning securities issued by certain European countries. In this context it is nonetheless likely that a volatile market situation will remain.

In view of this macroeconomic and financial scenario, written premiums are expected to decrease in the **life segment** in 2013, which reflects the persistent climate of uncertainty on the financial markets.

The **Property&Casualty businesses** on the other hand are expected to see an increase in written premiums owing to the trend of the non motor and motor businesses, as well as a further increase in technical margins thanks to the continuation of the high levels of operating efficiency and ongoing effects of the pricing and loss management policies implemented by the Group.

On the whole, there was a very positive trend for reinsurance operations since, despite the rather high level of worldwide catastrophic events which took place in the period, these did not prove particularly burdensome for reinsurers due to their size and the areas affected. Stable costs or slightly lower costs were recorded, with the exception of the Transport sector[6].

On 1 January 2013 the Generali Group saw the completion of the process to centralize the purchase of contractual reinsurance cover of all the operating entities within the Parent, which will enable the terms and conditions of reinsurance cover programsr to be improved further. The centralization also enables counterparty risk to be better managed and controlled.

The Group's **investment policy** will continue to be based on prudent asset allocation with the aim of consolidating current returns and reducing the absorption of capital. In the Euro Area the Group also continues its objective of maintaining the current levels of cross-border exposure, by matching the liabilities of each country of operations with securities from that same country, without prejudice to the principle of matching assets and liabilities by currency.

The Group's investment strategy will be aimed at reducing real estate exposure in the Property & Casualty segment in order to limit the absorption of capital and at the same time gradually increasing real estate investments in the life segment to support returns in the long term and to provide protection from the risk of inflation. The share component will be reduced in the Property&Casualty segment to achieve lower absorption of capital and will be kept stable in the life segment, however reducing exposure to the financial segment. The Group will continue its objective of gradually using cash in order to exploit new investment opportunities.

Considering the initiatives undertaken by the Group, despite the still uncertain macro-economic environment, the Group expects for 2013 that the total operating result will improve and that the capital strengthening process and the cost reduction plan – which has been announced in January – will continue

Milan, 13 March 2013

THE BOARD OF DIRECTORS

6 This sector was affected by the hurricane Sandy, which occurred at the end of October, and the sinking of the Costa Concordia; the combined effect of these two extraordinary events, along with a general negative trend, resulted in generalized increases in reinsurance costs.

Appendix to management report

NOTE ON MANAGEMENT REPORT

The Generali Group's consolidated financial statements at 31 December 2012 were prepared taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606/2002, Legislative Decree No. 58/1998 and Legislative Decree No. 209/2005, as amended by Legislative Decree No. 32/2007.

In this yearly report the Generali Group prepared its consolidated financial statements and Notes in accordance with the ISVAP Regulation (now IVASS) No. 7 of 13 July 2007, as amended by Measure ISVAP (now IVASS) No. 2784 of 8 March 2010, and the information of the CONSOB Communication No. 6064293 of 28 July 2006. As allowed by the aforementioned Regulation, the Generali Group believed it appropriate to supplement its consolidated financial statements with detailed items and to provide further details in the Notes in order to meet also the IAS/IFRS requirements.

The Group takes advantage of the option provided for by Regolamento Emittenti, art. 70, paragraph 8, and art. 71, paragraph 1-bis, to waive the obligation to publish the information documents prescribed in relation to significant operations of merger, split, capital increase by contribution in assets, acquisitions and disposals.

The Group at 31 December 2012 consists of 498 consolidated line by line and valued at equity entities, the decline compared to the previous year (523 at 31 December 2011) was attributable to the disposal of Migdal group. In particular, entities consolidated line by line went from 478 to 451, and those valued at equity from 45 to 47.

The Group, in order to provide the users of the annual report with a more complete financial and economic information in this management report has considered appropriate for comparative purposes to report also the financial data as at 30 September 2012 and the economic data as of the fourth quarter of 2012 and 2011. These data are not audited. For their nature data related to 30 September, fourth quarter 2012 and fourth quarter 2011, are stated by using estimation processes that, even if do not affect their reliability, include an higher proxy level than those as at 30 December.

Comparative figures may have been revised, where necessary, in comparison with those presented in order to ensure uniformity of presentation with other accounting data provided in this report. If the restatement of comparative figures is material to the presentation of the financial information, adequate quantitative information will be however provided.

In October the Generali Group concluded the disposal of its entire 69.1% investment in Migdal Insurance and Financial Holdings to the Israeli financial group Eliahu, obtaining the approvals by the competent Israeli authorities. The related realized loss has been accounted for in the specific item Profit or loss from discontinued operations of the consolidated profit or loss statement.
Therefore, in this report changes on equivalent terms take into consideration this accounting treatment, excluding Migdal Insurance and Financial Holdings from the comparative period.

This yearly report was drawn up in euro (the functional currency used by the entity that prepared the financial statement) and the amounts are shown in millions, rounded to the first digit, unless otherwise stated with the consequence that the rounded amounts may not add to the rounded total in all cases.

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

The reconciliation statement between the result of the period and shareholders' equity of the Group and those of the Parent Company is provided in the Notes within the shareholders'equity section.

The description of the main risks and uncertainties is provided in the Risk report.

Concerning the information required by Article 123-*bis* of Testo Unico della Finanza, please refer to the detailed account given in the Corporate Governance and Share Ownership Report, which will be available at the General Shareholders' Meeting.

The consolidated accounts at 31 December 2012 are audited by Ernst&Young, appointed independent auditors for 2012-2020. Ernst&Young also certify that the information in the management report are consistent with the consolidated financial statements.

METHODOLOGICAL NOTE ON ALTERNATIVE PERFORMANCE MEASURES

In order to support the assessment of the quality and the sustainability of the Groups earnings in each segment and country, in the management report the performance indicators have been included.

Operating result

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 the 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 management 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.:

- realized gains and losses and net impairment losses on investments which both did not affect the statutory reserves to the extent they were not included in the deferred policyholders liability and those on shareholders'fund;
- net other non-operating expenses, mainly including results of non-current assets or disposal group classified as held for sale as defined by IFRS 5 and run-off business, restructuring charges, the amortization of the value of business acquired directly or by securing control of companies in the insurance segment (value of business acquired or VOBA) and other net non recurring expenses.

As to consider the calculation method of the policyholders' profit sharing based on the net result of the period, life non-operating result in Germany and Austria was calculated net of the estimated amount attributable to the policyholders.

Furthermore, whether a new fiscal law materially affects the operating result of the countries for which the policyholders' profit sharing is based on the net result of the period, the estimated non recurring effect on the income taxes attributable to the policyholders has been accounted for in the consolidation adjustments.

In the **property&casualty segment**, all profit and loss account are considered as operating items, except those which represent the non-operating result, i.e.:

- realized gains and losses, unrealized gains and losses, net impairment losses on investments, included gains and losses on foreign currencies;
- net other non-operating expenses, mainly including results of non-current assets or disposal group classified as held for sale as defined by IFRS 5 and run-off business, impairment losses of land and buildings used for own activities, restructuring charges and the amortization of the value of business acquired directly or by securing control of insurance companies (value of business acquired or VOBA) and other net non recurring expenses.

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

- realized gains and losses and net impairment losses on investments considered strategic for the Group;
- other net non-operating expenses, mainly including both the results of non-current assets or disposal group classified as held for sale as defined by IFRS 5 and run-off business, the restructuring charges, the amortization of the value of business acquired directly or by securing control of companies operating in the financial segment (value of business acquired or VOBA) and other net non recurring expenses.

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

The non operating holding expenses refer to:

- interest expenses on liabilities linked to the Group's financing activities[7];
- restructuring charges and other non recurring expenses incurred in the management and coordination activities;
- 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 approach described above, the Generali Group has also presented the life, property&casualty and Group operating result of the main countries where it operates. This performance indicator measures the contribution of each country to the operating result of each segment and of the Group.

7 Further details on the definition of liabilities linked to financing activities are included in the paragraph *Debt* in the chapter *Financial position* of the management report.

Lastly, within the context of the life and property&casualty operating result of each country, reinsurance operations between Group companies in different countries have been considered 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 both the risk management policies implemented by each company and with the other indicators measuring the technical profitability of the Group's companies.

The reconciliation statement of operating result and non-operating result to profit and loss accounts is shown in the table below:

Operating and non operating result	PROFIT AND LOSS ACCOUNT
Net earned premiums	1.1
Net insurance benefits and claims	2.1
Acquisition and administration costs	2.5.1 - 2.5.3
Net fee and commission income and net income from financial service activities	1.2 - 2.2
Net operating income from financial instruments at fair value through profit or loss	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net operating income from other financial instruments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from financial instruments at fair value through profit or loss	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from investments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net other operating expenses	1.6 - 2.6
Net other non-operating expenses	1.6 - 2.6

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

- within the operating result, investment management expenses and investment properties have been reclassified from acquisition and administration costs to net operating income from financial instruments, especially in other expenses from financial instruments and land and buildings (investment properties);
- within the operating result, income and expenses by nature related to real estate development activities have been classified as other non-operating incomes and expenses, coherently with the management model adopted that foresees the sale at completion;
- within the operating income, gains and losses on foreign currencies were reclassified in the life and financial segment from net operating income to net operating income from financial instruments at fair value through profit or loss. In the property&casualty segment, within the operating income, gains and losses on foreign currencies have been reclassified from net operating income to net non-operating income from financial instruments at fair value through profit or loss. The classification for each segment is consistent with the related classification of the derivative transactions drawn up in order to hedge the Group's equity exposure to the changes of the main currencies of operation. The net operating and non-operating income from other financial instruments are therefore not subject to financial market volatility;
- within net operating income from financial instruments, interest expenses on deposits and current accounts under reinsurance business are not included among interest expenses related to liabilities linked to operating activities but are deducted from the related interest income. Moreover, also the interest expenses related to the abovementioned real estate development activities are not included among interest expenses related to liabilities linked to operating activities as classified among other non-operating incomes and expenses coherently with the management model adopted that foresees the sale at completion;
- within operating income, net other operating expenses are adjusted for operating taxes and for non-recurring taxes that affect in a relevant manner the operating income of the countries where the policyholders sharing is determined taking into account the taxes for the period. These adjustment are therefore taking part in the calculation of operating income and are excluded from the income taxes.

Operating result by drivers

Operating results of life and property&casualty segments are also presented in format of **result drivers**, which better describes the management trends of the changes occurred in each segment performance.

The operating result of the **life segment** is made up of a technical margin gross of underwriting expenses, a net investment result and acquisition and administration costs related to insurance business and other net operating expenses. In detail, the technical margin includes loadings, risk and surrenders results. Net investment result consists of operating income from investments, net of the related policyholders' interests. Finally, other net operating expenses are indicated separately.

The operating result of the **property&casualty segment** consists of an technical result, an investment result and other operating items. The technical result is equivalent to the insurance activity result, i.e. the difference between premiums and claims, acquisition and administration costs and other net technical income. The investment result is made up of current income from investments and other operating net financial expenses, like expenses on investment management and interest expenses on operating debt. Finally, other operating items mainly include acquisition and administration costs not related to the insurance business, depreciation of tangible assets and amortization of multi-annual costs, provisions for recurring risks and other taxes.

The operating result of the **financial segment** is split by net operating result from financial activities, acquisition and administration costs and other net operating expenses. Specifically, the net operating result from financial activities is defined as the intermediation margin, net of net operating impairment losses on other financial instruments. The intermediation margin is equal to all net operating income arising from financial activity and, in particular, comprises the sum of net fee and commission income, net interest income and other financial items. Lastly, the interest margin is equal to interest income, net of interest expenses.

Operating Return on Equity

Operating return on equity indicates the return in terms of operating result on Group shareholders' equity. It is calculated according to the following ratio:

- total operating result adjusted to include:
  - interest expenses on financial debt;
  - income taxes based on a mid-term expected tax rate as assumed in 2015 Target (please refer to the chapter "The Generali Group's strategy");
  - minority interests;
- average Group shareholders' equity at the beginning and at the end of each period of valuation, excluding gains and losses included in Other Comprehensive Income OCI (e.g. net unrealized gains and losses on AFS investments, foreign currency translation differences, net unrealized gains and losses on hedging derivatives).

Return on investments

Finally, the Generali Group has presented a performance indicator of **return on investments**, that are calculated as the ratio:

- for the **current return** between interest and other income, including those arising from financial instruments at fair value through profit and loss (excluded those from financial instruments related to linked contracts) and the the average investments (calculated on book value);
- for the **harvesting rate** between net realized gains, net impairment losses and unrealized and realized gains and losses from financial instruments at fair value through profit and loss (excluded those from financial instruments related to linked contracts) and the the average investments (calculated on book value);
- for **comprehensive return** between current income and unrealized income and expenses accounted for both in profit and loss (excluded those from financial instruments related to linked contracts) and in shareholders' equity, net of investment expenses, and the the average investments (calculated on book value).

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

The **average investments** (calculated on book value) includes land and buildings (investment properties), investments in subsidiaries, associated companies and joint ventures, loans and receivables, available for sale financial assets, financial assets at fair value through profit or loss less financial assets and liabilities related to linked contracts, derivatives classified in financial liabilities at fair value through profit or loss and cash and cash equivalent. The total investment is adjusted for derivative instruments classified as financial liabilities at fair value through profit of loss an for REPO classified as other liabilities. The average amount is calculated on the average asset base of each quarter of the reporting period.

These investment returns have been presented in the life and property&casualty segments and for the Group consolidated figures.

Consolidated investments

As far as the Group investments are concerned, the following changes compared to the balance sheet have been implemented, in order to be aligned with the calculation of the related returns:

- IFU have been split by nature between equity, bond and investment properties portfolios;
- derivatives are presented net of those classified as liabilities. Moreover, hedging derivatives are classified in the respective asset class hedged;
- reverse REPOs have been reclassified, coherently to their short term investment view, from 'Other fixed income instruments' to 'Cash and cash equivalent';
- REPOs classified as liabilities are presented in Cash and cash equivalent.

Regarding investments of each segment, investments in subsidiaries consolidated line by line and loans and bonds between Group companies have been excluded, except, in the life segment, those on which policyhoders' share is based on.

GLOSSARY

- **Gross written premiums**: equal to gross written premiums of direct business and accepted by third parties business
- **Gross direct premiums**: equal to gross premiums written of direct business
- **Net cash inflows**: equal to the amount of premiums collected net of benefit paid
- **APE, 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
- **NBV, new business value**: obtained by discounting at the date of the new contracts, the corresponding expected profits net of the cost of capital.
- **New business Margin**: equal to the ratio NBV/APE
- **Operating return of investments**: equal to the ratio between the operating result and the average investments calculated based on the financial statement figures, as described in the point 4. of the methodological note
- **Current accident year loss**: is the ratio of:
  - current year incurred claims + related claims management costs net of recoveries and reinsurance to
  - earned premiums net of reinsurance.
- **Previous accident year loss**: is the ratio of:
  - previous year incurred claims + related claims management costs net of recoveries and reinsurance to
  - earned premiums net of reinsurance.
- **Solvency I ratio**: equal to the ratio of the available margin and the required margin
- **Equivalent terms**: refers to equivalent exchange rates and equivalent consolidation scope
- **Equivalent consolidation area**: refers to quivalent consolidation scope
- **Earning per share**: equal to the ratio of Group net result and the weighted average number of ordinary shares outstanding
- **Operating earning per share**: equal to the ratio of:
  - total operating result net of interest expenses on financial debt, taxes and minority interests (as defined in the point 3. of the methodological note), and
  - weighted average number of ordinary shares outstanding

CONSOLIDATED FINANCIAL STATEMENTS

Prague - Czech Republic

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Consolidated financial statements

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

CONSOLIDATED STATEMENTS

Consolidated financial statements

at **31 December 2012**

(Amounts in € million)

BALANCE SHEET - ASSETS

(€ million)	31/12/2012	31/12/2011
1 INTANGIBLE ASSETS	**9,902**	**10,434**
1.1 Goodwill	7,222	7,394
1.2 Other intangible assets	2,681	3,039
2 TANGIBLE ASSETS	**5,018**	**4,906**
2.1 Land and buildings (self used)	3,002	3,072
2.2 Other tangible assets	2,016	1,835
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	**5,624**	**5,678**
4 INVESTMENTS	**374,074**	**346,655**
4.1 Land and buildings (investment properties)	12,899	13,082
4.2 Investments in subsidiaries, associated companies and joint ventures	1,692	1,905
4.3 Held to maturity investments	7,538	5,293
4.4 Loans and receivables	71,063	77,090
4.5 Available for sale financial assets	212,546	175,649
4.6 Financial assets at fair value through profit or loss	68,337	73,636
of which financial assets where the investment risk is borne by the policyholders and related to pension funds	53,842	58,312
5 RECEIVABLES	**11,143**	**11,255**
5.1 Receivables arising out of direct insurance operations	8,230	8,196
5.2 Receivables arising out of reinsurance operations	976	1,011
5.3 Other receivables	1,938	2,048
6 OTHER ASSETS	**14,336**	**18,569**
6.1 Non-current assets or disposal groups classified as held for sale	15	148
6.2 Deferred acquisition costs	2,323	2,013
6.3 Deferred tax assets	2,314	6,843
6.4 Tax receivables	2,686	2,737
6.5 Other assets	6,998	6,827
7 CASH AND CASH EQUIVALENTS	**21,647**	**25,560**
TOTAL ASSETS	**441,745**	**423,057**

BALANCE SHEET – SHAREHOLDERS' EQUITY AND LIABILITIES

(€ million)	31/12/2012	31/12/2011
1 SHAREHOLDERS' EQUITY	**22,567**	**18,121**
1.1 Shareholders' equity attributable to the Group	**19,828**	**15,486**
1.1.1 Share capital	1,557	1,557
1.1.2 Other equity instruments	0	0
1.1.3 Capital reserves	7,098	7,098
1.1.4 Revenue reserves and other reserves	8,634	8,154
1.1.5 (Own shares)	−403	−403
1.1.6 Reserve for currency translation differences	589	615
1.1.7 Reserve for unrealized gains and losses on available for sale financial assets	2,591	−2,156
1.1.8 Reserve for other unrealized gains and losses through equity	−327	−235
1.1.9 Result of the period	90	856
1.2 Shareholders' equity attributable to minority interests	**2,740**	**2,635**
1.2.1 Share capital and reserves	2,306	2,404
1.2.2 Reserve for unrealized gains and losses through equity	157	−66
1.2.3 Result of the period	277	297
2 OTHER PROVISIONS	**1,471**	**1,386**
3 INSURANCE PROVISIONS	**336,369**	**324,990**
of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	41,068	46,850
4 FINANCIAL LIABILITIES	**63,907**	**59,133**
4.1 Financial liabilities at fair value through profit or loss	14,525	14,539
of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	12,602	11,340
4.2 Other financial liabilities	49,382	44,594
of which subordinated liabilities	7,833	6,611
5 PAYABLES	**8,033**	**7,607**
5.1 Payables arising out of direct insurance operations	3,314	3,578
5.2 Payables arising out of reinsurance operations	646	725
5.3 Other payables	4,073	3,303
6 OTHER LIABILITIES	**9,397**	**11,820**
6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0	0
6.2 Deferred tax liabilities	2,996	5,949
6.3 Tax payables	1,639	1,339
6.4 Other liabilities	4,762	4,532
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**441,745**	**423,057**

INCOME STATEMENT

(€ million)	31/12/2012	31/12/2011
1.1 Net earned premiums	62,838	62,739
1.1.1Gross earned premiums	65,662	65,666
1.1.2 Earned premiums ceded	−2,823	−2,928
1.2 Fee and commission income and income from financial service activities	1,299	1,414
1.3 Net income from financial instruments at fair value through profit or loss	6,164	−3,277
of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	4,565	−3,163
1.4 Income from subsidiaries, associated companies and joint ventures	127	404
1.5 Income from other financial instruments and land and buildings (investment properties)	15,953	17,357
1.5.1 Interest income	10,293	10,607
1.5.2 Other income	1,907	2,176
1.5.3 Realized gains	3,530	4,373
1.5.4 Unrealized gains and reversal of impairment losses	223	201
1.6 Other income	2,166	2,363
1 TOTAL INCOME	**88,547**	**81,001**
2.1 Net insurance benefits and claims	−63,218	−55,036
2.1.1 Claims paid and change in insurance provisions	−65,057	−56,828
2.1.2 Reinsurers' share	1,839	1,791
2.2 Fee and commission expenses and expenses from financial service activities	−534	−481
2.3 Expenses from subsidiaries, associated companies and joint ventures	−423	−728
2.4 Expenses from other financial instruments and land and buildings (investment properties)	−7,578	−7,681
2.4.1 Interest expense	−1,373	−1,295
2.4.2 Other expenses	−440	−414
2.4.3 Realized losses	−2,555	−2,367
2.4.4 Unrealized losses and impairment losses	−3,211	−3,605
2.5 Acquisition and administration costs	−11,717	−11,984
2.5.1 Commissions and other acquisition costs	−8,421	−8,526
2.5.2 Investment management expenses	−118	−127
2.5.3 Other administration costs	−3,178	−3,331
2.6 Other expenses	−3,439	−3,285
2 TOTAL EXPENSES	**−86,910**	**−79,196**
EARNINGS BEFORE TAXES	**1,638**	**1,805**
3 Income taxes	−1,240	−652
EARNINGS AFTER TAXES	**397**	**1,153**
4 RESULT OF DISCONTINUED OPERATIONS	**−30**	**0**
CONSOLIDATED RESULT OF THE PERIOD	**367**	**1,153**
Result of the period attributable to the Group	**90**	**856**
Result of the period attributable to minority interests	**277**	**297**
EARNINGS PER SHARE:		
Earnings per share (in €)	**0.06**	**0.56**
from continuing operation	0.08	0.56
Diluted earnings per share (in €)	0.06	0.56
from continuing operation	0.08	0.56

STATEMENT OF COMPREHENSIVE INCOME

(€ million)	31/12/2012	31/12/2011
1 CONSOLIDATED RESULT OF THE PERIOD	367	1,153
2.1 Foreign currency translation differences	−3	28
2.2 Net unrealized gains and losses on investments available for sale	4,973	−2,127
2.3 Net unrealized gains and losses on cash flows hedging derivatives	−97	−107
2.4 Net unrealized gains and losses on hedge of a net investment in foreign operations	0	0
2.5 Share of other comprehensive income of associates	0	0
2.6 Reserve for revaluation model on intangible assets	0	0
2.7 Reserve for revaluation model on tangible assets	0	0
2.8 Result of discontinued operations	0	0
2.9 Actuarial gains or losses arising from defined benefit plans	0	0
2.10 Other	0	0
2 OTHER COMPREHENSIVE INCOME	4,873	−2,206
3 TOTAL COMPREHENSIVE INCOME	5,240	−1,054
attributable to the Group	4,717	−1,166
attributable to minority interests	522	113
TOTAL COMPREHENSIVE INCOME PER SHARE:		
Total comprehensive income per share (in €)	3.06	−0.76
Diluted total comprehensive income per share (in €)	3.06	−0.76

STATEMENT OF CHANGES IN EQUITY

(€ million)		Amounts at 31/12/2010	Changes in amounts at 31/12/2010	Allocation	Transfer to profit and loss account	Other transfer
Shareholders' equity attributable to the Group	Share capital	1,557		0		0
	Other equity instruments	0		0		0
	Capital reserves	7,098		0		0
	Revenue reserves and other reserves	7,289		865		
	(Own shares)	−403		0		0
	Result of the period	1,702		−147		-699
	Other comprehensive income	247		−2,816	793	
	Total shareholders' equity attributable to the group	**17,490**	**0**	**−2,098**	**793**	**-699**
Shareholders' equity attributable to minority interests	Share capital and reserves	2,168		264		
	Result of the period	316		216		-235
	Other comprehensive income (*)	91	0	−202	18	0
	Total shareholders' equity attributable to minority interests	**2,575**	**0**	**278**	**18**	**-235**
Total		**20,064**	**0**	**−1,820**	**811**	**-935**

(*) 'Other comprehensive income' includes € -5 million reported in the Balance Sheet item '1.2.1 Share capital and reserves'
€ (-28 million at 31 December 2011 and € 3 milion at 31 December 2010).

Amounts at 31/12/2011	Changes in amounts at 31/12/2011	Allocation	Transfer to profit and loss account	Other transfer	Amounts at 31/12/2012
1,557		0		0	1,557
0		0		0	0
7,098		0		0	7,098
8,154		480		0	8,634
−403		0		0	−403
856		−456		−311	90
−1,775		3,904	723		2,852
15,486	**0**	**3,929**	**723**	**−311**	**19,828**
2,432		109		−230	2,311
297		139		−158	277
−93		303	−58		151
2,635	**0**	**551**	**−58**	**−388**	**2,740**
18,121	**0**	**4,480**	**666**	**−699**	**22,567**

STATEMENT OF CASH FLOW (indirect method)

(€ million)	31/12/2012	31/12/2011
Earnings before taxes	**1,638**	**1,805**
Changes in non-cash items	**7,124**	**11,418**
Change in the provisions for unearned premiums and for unexpired risks for non-life segment	258	247
Change in the provisions for outstanding claims and other insurance provisions for non-life segment	580	830
Change in the mathematical provisions and other insurance provisions for life segment	8,664	2,332
Change in deferred acquisition costs	−275	−134
Change in other provisions	306	70
Other non-cash expenses and revenues arising out of financial instruments, investment properties and investments in subsidiaries, associated companies and joint ventures	−1,494	7,896
Other changes	−915	177
Change in receivables and payables from operating activities	**182**	**−601**
Change in receivables and payables arising out of direct insurance and reinsurance operations	−273	−746
Change in other receivables and payables	455	145
Income taxes paid	**−1,028**	**−1,702**
Net cash flows from cash items related to investing or financing activities	**2,778**	**1,938**
Financial liabilities related to investment contracts	480	945
Payables to banks and customers	2,160	3,516
Loans and receivables from banks and customers	−387	−1,162
Other financial instruments at fair value through profit or loss	526	−1,361
CASH FLOW FROM OPERATING ACTIVITIES	**10,694**	**12,857**
Net cash flows from investment properties	514	−444
Net cash flows from investments in subsidiaries, associated companies and joint ventures (***)	−562	26
Net cash flows from loans and receivables	2,805	3,648
Net cash flows from held to maturity investments	−2,159	−772
Net cash flows from available for sale financial assets	−16,674	1,984
Net cash flows from tangible and intangible assets	−271	−458
Net cash flows from other investing activities	696	−797
CASH FLOW FROM INVESTING ACTIVITIES	**−15,652**	**3,188**
Net cash flows from shareholders' equity attributable to the Group	0	0
Net cash flows from own shares	0	0
Dividends payment	−311	−699
Net cash flows from shareholders' equity attributable to minority interests (****)	−158	−236
Net cash flows from subordinated liabilities and other similar liabilities	1,242	77
Net cash flows from other financial liabilities	168	−701
CASH FLOW FROM FINANCING ACTIVITIES	**941**	**−1,558**
Effect of exchange rate changes on cash and cash equivalents	**2**	**67**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD(*)	24,849	10,296
CHANGES IN CASH AND CASH EQUIVALENTS	−4,015	14,554
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(**)	20,834	24,849

(*) Cash and cash equivalents at the beginning of the period include cash and cash equivalents (€ 25,560 million), liabilities to banks payables on demand (€ 414 million) and bank overdrafts (€ 297 million).
(**) Cash and cash equivalents at the end of the period include cash and cash equivalents (€ 21,647 million), liabilities to banks payables on demand (€ 802 million), bank overdrafts (€ 12 million).
(***) Includes proceeds arising from the sale of Migdal Group net of cash disposed (€ -447 million).
(****)It refers entirely to dividends attributable to minority interests.

BASIS OF PRESENTATION AND ACCOUNTING PRINCIPLES

Basis of presentation

The Generali Group's consolidated financial statements at 31 December 2012 was drawn up taking into account the IAS/IFRS issued by the IASB and endorsed by the European Union, in accordance with the Regulation (EC) No. 1606 of 19 July 2002 and the Legislative Decree No. 58/1998, as amended by Legislative Decree No 259/2010, as well with the Legislative Decree No 209/2005.

The Legislative Decree No. 209/2005 empowered ISVAP (now IVASS) 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 (now IVASS) Regulation No. 7 of 13 July 2007, as amended by Measure ISVAP (now IVASS) No. 2784 of 8 March 2010, and information of the Consob Communication No. 6064293 of 28 July 2006.

As allowed by the aforementioned Regulation, the Generali Group believed it appropriate to supplement its consolidated financial statements with detailed items and to provide further details in the Notes in order to meet also the IAS/IFRS requirements.

The consolidated financial statements at 31 December 2012 were approved by the Board of Directors on 13 March 2013.

The consolidated financial statements at 31 December 2012 is audited by Reconta Ernst&Young S.p.A., the appointed audit firm from 2012 to 2020.

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 (now IVASS) Regulation No. 7 of 13 July 2007, as amended by measure ISVAP (now IVASS) No. 2784 of 8 March 2010. The financial statements also include special items that are considered significant for the Group.

The Notes, which are mandatory as minimum content established by ISVAP (now IVASS), are presented in the appendices to the notes to this report.

Comparative figures are restated compared to those presented in the financial statements at 31 December 2011 in order to harmonize them with data in this report.

This yearly report is drawn up in euro (the functional currency used by the entity that prepares the financial statement) and the amounts are shown in millions, unless otherwise stated with the consequence that the rounded amounts may not add to the rounded total in all cases.

2 Consolidation area

Based on the IAS 27, the Consolidated financial statements include the figures for both the Parent company and the subsidiaries directly or indirectly controlled.

At 31 December 2012, the consolidation area decrease from 523 to 498 companies, of which 451 are subsidiaries consolidated line by line and 47 associated companies valued at equity.

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

3 Consolidation methods

Investments in subsidiaries are consolidated line by line, whereas investments in associated companies and interests in joint ventures are accounted for using the equity method.

The balance sheet items of financial statements denominated in foreign currencies is translated into euro based on the exchange rates at the end of the year.

Instead, the profit and loss account items are translated based on the average exchange rates of the year. They reasonably approximate the exchange rates at the dates of the transactions.

The exchange rate differences arising from the translation of the statements expressed in foreign currencies are accounted for in equity in an appropriate reserve and recognised in the profit and loss account only at the time of the disposal of the investments.

EXCHANGE RATES OF THE BALANCE SHEET

CURRENCY	EXCHANGE RATE AT THE END OF THE PERIOD (€) 31/12/2012	31/12/2011
US dollar	1.318	1.298
Swiss franc	1.207	1.214
British pound	0.811	0.835
Israeli shekel	4.919	4.964
Argentine peso	6.481	5.587
Czech koruna	25.096	25.503

EXCHANGE RATES OF THE INCOME STATEMENT

CURRENCY	AVERAGE EXCHANGE RATE (€) 31/12/2012	31/12/2011
US dollar	1.286	1.392
Swiss franc	1.205	1.233
British pound	0.811	0.868
Israeli shekel	4.953	4.977
Argentine peso	5.849	5.747
Czech koruna	25.136	24.583

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, together with their share of profit are shown as separate items.

Subsidiaries consolidated line by line are acquired using the acquisition method. The acquisition cost is represented by the sum of the consideration transferred, including contingent consideration, liabilities assumed towards the previous owners, the fair value of non-controlling interests as well as, in a business combination achieved in stages, the fair value of the acquirer's previously held equity interests in the acquiree. Any contingent consideration to be transferred or received by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

The assets acquired and liabilities assumed in a business combination are initially recognized at acquisition current value. The excess of the acquisition cost over the net value of the identifiable assets acquired and liabilities assumed is accounted for as goodwill. In the case of the acquisition is lower than the net value of assets acquired and liabilities, the difference is recognised in the profit and loss account.

Based on the IAS 27, the acquisitions of further minority interests of subsidiaries already consolidated line by line do not imply the booking of additional goodwill and the difference between the purchase price of the abovementioned minorities and the related minority shareholders' interest shall be booked as reduction of the Group equity.

Similarly, in line with what it has been stated above concerning the purchase of further minority shares, the difference between the transaction value and the book value of the ceded share doesn't affect the profit and loss account, but it is recognised in equity since such transactions are managed in the same way of transactions among shareholders.

3.2 Consolidation using the equity method

Investments in associates and joint ventures are consolidated using the equity method.

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. If an investor holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee, it is presumed that the investor has significant influence.

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Under the equity method, the investment in an associate is initially recognized at cost (including goodwill) and the carrying amount is increased or reduced to recognize the change in the investor's share of the equity of the investee after the date of acquisition,. as well as the investor's share of the profit or loss of the investee the latter is recognised in its profit and loss account.

Dividends received reduce the carrying amount of the investment. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of losses of an associate' in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3.3 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Accounting principles

The accounting standards adopted in preparing the consolidated financial statements, and the contents of the items in the financial statements are presented in this section.

New accounting principles, changes in the accounting rules and in the financial statements

New accounting principles

Following the endorsement of the European Union, starting from the 1st January 2012 new principles and amendments shall be applied. Following the most relevant changes for the Group's consolidated financial statement at 31 December 2012 are described. In addition, also the main documents issued by the International Accounting Standard Board, that could be relevant for the Group, but not yet effective, are described. The new rules are presented by subject.

IFRS 7 – Financial instruments – disclosure

On 7 October 2010 the IASB issued an amendment to IFRS 7 Financial instruments – disclosures. The amendment increased disclosure requirements relating to the transfer of financial assets, in particular with reference to the risk associated with the continuing involvement of the transferor entity, or else there is a total or partial transfer of the risks and rights on a financial instrument. The abovementioned amendment is effective for annual periods commencing on or after 1 July 2011, and has been endorsed by European Union with Regulation (EU) n. 1256 of 13 December 2012. Hence it is applied in this consolidated financial statement.

If the entity that transfer a financial asset retains any of the contractual rights or obligation inherent in a transferred financial asset or obtains any new contractual rights or obligations relating to a transferred financial assets, the definition of the continuing involvement is met, so additional disclosure is required in the notes about the nature, risks and rewards that the entity is still exposed to.

This amendment however does not have a significant impact on the present consolidated financial statement.

At December 2011 the IASB introduced new disclosure requirements of offsetting of all recognized financial assets and liabilities. In particular, it is required that entities present separately the gross and net amounts of the offset assets and liabilities.

IFRS 9 – Financial instruments

On 12 November 2009, the IASB published IFRS 9 - Financial Instruments, the same principle has been subsequently amended. The principle which shall be applied from 1 January 2015 retrospectively, is the first part of a phased process that aims to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and liabilities. In particular, financial assets, the new standard uses a single approach based on business model and the contractual cash flow characteristics of the financial assets in order to determine the criteria, replacing the many different rules in IAS 39. For financial liabilities, however, the main change concerns the accounting treatment of changes in fair value of a financial liability designated as at fair value through profit or loss, in the event that these are due to changes in the credit risk of the liability . Under the new standard, such changes shall be recognized in other comprehensive income/(loss) and no longer in the income statement.

The other phases of the project address the accounting for hedges (hedge accounting) and impairment losses (impairment) on financial instruments.

IFRS 9 – Limited Amendments (Exposure draft)

On 28 November 2012, the IASB published the Exposure draft "IFRS 9 – Limited Amendments". The document's purpose is to consider the interaction between the classification and measurement of financial assets with the insurance contracts project and to clarify classification and measurement requirement. The exposure draft reaffirms the basic principles of IFRS 9 Financial Instruments and introduce an amendment to the contractual cash flow characteristics assessment to allow financial instruments to be classified at amortized cost. The contractual cash flows shall represent solely payments of principal and interests on the principal amount outstanding. In making such assessment an entity consider a benchmark cash flows and if the modification of contractual characteristic are "more than insignificantly different" than benchmark cash flows, the contractual cash flows are not solely payments of principal and interests.

Furthermore the exposure draft introduce a third measurement category to be measured at fair value through Other comprehensive income for financial instruments held within a business model in which assets are managed both in order to collect contractual cash flows and for sale. These proposed amendments will be applicable starting on or after 1st January 2015.

IFRS 9 – Draft of forthcoming IFRS on hedge accounting

On 7 September 2012, the IASB published the draft review "Hedge Accounting", a document which modifies the previous exposure draft in December 2010. Hedge accounting is the third part of the draft revision of IAS 39 and will be part del'IFRS 9.

New requirements mainly regard the efficiency test of hedging relationships, the extension of items that can be designated as hedging instruments and hedged items and the elimination or rebalancing of the hedging relationship. The Review draft expanded the scope of eligible hedged items and hedging instruments, and it replaced the threshold of hedge effectiveness established by IAS 39 Financial Instruments: Recognition and Measurement (80% -125%) with an approach that is based on the economic relationship between the hedged item and the hedging defined by risk management of the entity.

IFRS 9 is effective for annual periods beginning 1 January 2015 or later.

IAS 32 - Financial instruments: presentation

In December 2011, the IASB clarified the requirements for the offsetting of assets and liabilities through the amendment to IAS 32 Offsetting Financial Assets and Financial Liabilities.

In detail, a financial asset and liability shall be offset when, and only when, an entity:
- currently has a legal right to offset the recognized amounts of assets and liabilities or, in other words, has a contractual right or otherwise determined to settle or however eliminate all or part of an amount due to a creditor by offsetting this amount with an amount due from the creditor, and
- has the intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

If both conditions are met, the balance sheet shows the net positions. This regulatory change will be effective for accounting periods beginning on or after 1 January 2014 and was approved by the European Union to Regulation (EU) No. 1256 of 13 December 2012.

IFRS 10, 11, 12, Amendments to IAS 27 and IAS 28

Concerning Consolidation project, on May 12 2011, the IASB issued IFRS 10 Consolidated Financial Statements, which replaced IAS 27 and the interpretation of SIC12 Consolidation - Special Purpose Entities, IFRS 11 Joint Arrangements, which replaced IAS 31 and IFRS 12 Disclosure of Interests in Other Entities which contains the disclosure requirement for IFRS 10, 11, 12. IFRS 10 unified and specified the consolidation principles in IAS 27 and SIC 12. According to IAS 27 the control is defined as the power to govern the financial operating policies of an entity to obtain benefits from its activities and for special purpose vehicles SIC 12 indicates the majority of the risk and rewards that can be obtained from the investment as a criterion for their consolidation. According to IFRS 10 an investor has control over another company when he jointly:
- power to direct the “significant activities” (which influence the economic returns);
- Exposure to returns of the investee;
- Ability to affect those returns through its power over the investee.

IFRS 11 defined a joint arrangement as an arrangement of which two or more parties have joint control. Distinguishes between joint operations and joint ventures: a joint operation is an agreement ehereby the parties have rights to the assets, and obligations for the liabilities relating to the arrangement. For accounting purposes, the assets and liabilities that are part of the arrangemnt are reflected in the financial statements using the IFRS applicable A joint venture is an agreement whereby the parties have rights to the net assets of the arrangement. For accounting purposes, the joint ventuire is consolidated using the equity method (proportional method no longer available as optional IFRS 11).

IFRS 12 established the minimum information designed to understand the nature and risk of the interest held by an entity in one or other entities and the effects that these interest bearing financial position, performance and cash flows of entity.

On 31 October 2012, the IASB published amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities. The standard defines investment entities and requires that they measure its investments in subsidiaries at fair value through profit or loss excluding line by line consolidation. However, the parent company of an investment company shall consolidate the subsidiaries of the investment entity.

An investment company is a company that:
- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

On 28 June 2012, the IASB published then amendment “Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance”. The guidance introduces limits to the application of the new standards on the consolidated IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities, IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures, which will become effective for annual periods beginning on 1 January 2014, following the postponement ordered by the European Financial Reporting Advisory Group in the endorsement. IFRS 10, 11, 12, IAS 27 and IAS 28 revised has been endorsed by European Regulation (UE) n. 1254 of 11 December 2012.

In particular, a company must not make entries for the restatement of the company for which the consolidation conclusion on the date of initial application is the same as that obtained in accordance with IAS 27 and SIC-12 Consolidation – Special Purpose Entities and opposite case the retrospective application is limited to the period preceding the date of initial application.

IFRS 13 – Fair value measurement

In May 2011, the IASB issued IFRS 13, the principle that offers a unique guide for the measurement and disclosure of fair value, defined as the price that would be received in the case of sale of the asset or paid to transfer the liability in an ordinary transaction market.

The fair value is the price of the asset and liabilities in its principal or most advantageous market between market participants at the measurement date in the current market conditions (ie, an exit price from the perspective of a market participant that holds the asset or obligation). Between market participants at the measurement date in the current market conditions (ie, an exit price from the perspective of a market participant that holds the asset or obligation).

Assets and liabilities measured at fair value are classified for accounting purposes in accordance with a fair value hierarchy into three levels:

1 – quoted prices in active markets for identical financial instruments;
2 – inputs other than those included in Level 1 that are observable for the asset or liability, either directly (such as quoted prices for similar instruments in active markets), or indirectly (ie derived from prices);
3 – inputs for the asset or liability that are not based on observable market data.

IAS 19 – Amendments to IAS 19 – Employee benefits

In June 2011, the IASB issued IAS 19 Employee Benefits revised, which introduced the following changes:
1 – Elimination of the option not to recognize part of the actuarial gains/losses arising from changes in estimates of obligations related to the defined benefit plan or changes in the fair value of the assets of the plans, that is the amendment removed the option to use the corridor method to recognize off-balance-sheet profits or losses;
2 – New disclosure in the profit or loss account of interest expenses arising from defined benefit plans.
More specifically, the current service cost is recorded as personnel expenses, interest expense related to the component of the “time value” in the actuarial calculations shall be accounted for in financial expenses. Finally, the gains / losses arising from the remeasurement or settlement of defined benefit plans and the performance of the assets of the plan shall be accounted for in the other comprehensive income (without recycling);
3 – More disclosure in relation to the characteristics of defined benefit plans and the risks deriving from them, the amounts recognized in the financial statements and participation in plans for more than one employer.

The amended IAS 19 is effective for annual periods beginning 1 January 2013 or later and has been endorsed by European Union with Regulation (EU) n. 475 of 5 June 2012.

The estimated impacts on the Group are described in the relevant section of the notes.

IAS 1 – Presentation of Financial Statements

In June 2011, the IASB amended IAS 1 Presentation of Financial Statements requiring to put together in one section all items included in the other comprehensive income that will be recycled to the profit or loss (gains and losses from the translation of financial statements in foreign currency, effective portion of cash flow hedges).

Balance sheet – Assets

1 Intangible assets

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

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

1.1 Goodwill

Goodwill is the sum of future benefits not separately identifiable in a business combination. At the date of acquisition , the goodwill is equal to the excess between the sum of the consideration transferred, including contingent consideration, liabilities assumed towards the previous owners the fair value of non-controlling interests as well as, in a business combination achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree and the value of the separately identifiable net assets and liabilities acquired.

After initial recognition, goodwill is measured at cost less any impairment losses and it is no longer amortised. According to IAS 36, goodwill is not subject to amortization. Realized gains and losses on investments in subsidiaries include the related goodwill. Goodwill is tested at least annually in order to identify any impairment losses.

The purpose of the impairment test on goodwill is to identify the existence of any impairment losses on the carrying amount recognised as intangible asset. In this context, cash-generating units to which the goodwill is allocated are identified and tested for impairment. Cash-generating units (CGU) units usually represent the consolidated units within the same primary segment in each country. Any impairment is equal to the difference, if negative, between the carrying amount and the recoverable amount, which is the higher between the fair value of the cash-generating unit and its value in use, i.e. the present value of the future cash flows expected to be derived from the cash-generating units. The fair value of the CGU is determined on the basis of current market quotation or usually adopted valuation techniques (mainly DDM or alternatively embedded value or appraisal value based on EBS). The Dividend Discount Model is a variant of the Cash flow method. In particular the Dividend Discount Model, in the excess capital methodology, states that the economic value of an entity is equal to the discounted dividends flow calculated considering the minimum capital requirements. Such models are based on projections on budgets/forecasts approved by management or conservative or prudential assumptions covering a maximum period of five years. Cash flow projections for a period longer than five years are extrapolated using estimated among others growth rates. The discount rates reflect the free risk rate, adjusted to take into account specific risks.

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

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

1.2 Other intangible assets

Intangible assets with finite useful life are measured at acquisition or production cost less any accumulated amortisation and impairment losses. The amortisation is based on the useful life and begins when the asset is available for use. Specifically, the purchased software expenses are capitalised on the basis of the cost for purchase and usage. The costs related to their development and maintenance are charged to the profit and loss account of the period in which they are incurred.

Other intangible assets with indefinite useful life are not subject to amortization. They are periodically tested for impairment.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

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

In case of acquisition of life and non-life insurance contract portfolios in a business combination or portfolio transfer, the Group recognises an intangible asset, i.e. the value of the acquired contractual relationships (Value Of Business Acquired).

The VOBA is the present value of the pre-tax future profit arising from the contracts in force at the purchase date, taking into account the probability of renewals of the one year contracts in the non-life segment. The related deferred taxes are accounted for as liabilities in the consolidated balance sheet.

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

The difference between the fair value of the insurance contracts acquired in a business combination or a portfolio transfer, and the insurance liabilities measured in accordance with the acquirer's accounting policies for the insurance contracts that it issues, is recognised as intangible asset and amortized over the period in which the acquirer recognises the corresponding profits.

The Generali Group applies this accounting treatment to the insurance liabilities assumed in the acquisition of life and non-life insurance portfolios.

The future VOBA recoverable amount is nonetheless tested on yearly basis.

As for as the life and non-life portfolios, the recoverable amount of the value of the in force business acquired is carried out through the liability adequacy test (LAT) of the insurance provisions — mentioned in the paragraph 3.2 and 3.3 of insurance provisions— taking into account, if any, the deferred acquisition costs recognised in the balance sheet. If any, the impairment losses are recognised in the profit or loss account and cannot be reversed in a subsequent period.

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

2 Tangible assets

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

2.1 Land and buildings (self-used)

In accordance with IAS 16, this item includes land and buildings used for own activities.

Land and buildings (self-used) are measured applying the cost model set out by IAS 16.

The cost of the self-used property comprises purchase price and any directly attributable expenditure. The depreciation is systematically calculated applying specific economic/technical rates which are determined locally in accordance with the residual value over the useful economic life of each individual component of the property.

Land and buildings (self-used) are measured at cost less any accumulated depreciation and impairment losses. Land and agricultural properties are not depreciated but periodically tested for impairment losses. Costs, which determine an increase in value, in the functionality or in the expected useful life of the asset, are directly charged to the assets to which they refer and depreciated in accordance with the residual value over the assets' useful economic life. Cost of the day-to-day servicing are charged to the profit and loss account.

Finance leases of land and buildings are accounted for in conformity with IAS 17 and require that the overall cost of the leasehold property is recognised as a tangible asset and, as a counter-entry, the present value of the minimum lease payments and the redemption cost of the asset are recognised as a financial liability.

2.2 Other tangible assets

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3 Amounts ceded to reinsurers from insurance provisions

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

4 Investments

4.1 Land and buildings (investment properties)

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

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

4.2 Investments in subsidiaries, associated companies and joint ventures

This item includes investments in subsidiaries and associated companies valued at equity or at cost. Immaterial investments in subsidiaries and associated companies, as well as investments in associated companies and interests in joint ventures valued using the equity method belong to this category.

A list of such investments is shown in attachment to this Consolidated financial statement.

4.3 Held to maturity investments

The category comprises the non-derivative financial assets with fixed or determinable payments and fixed maturity that a company has the positive intention and ability to hold to maturity, other than loans and receivables and those initially designated as at fair value through profit or loss or as available for sale. The intent and ability to hold investments to maturity must be demonstrated when initially acquired and at each reporting date.

In the case of an early disposal (significant and not due to particular events) of said investments, any remaining investments must be reclassified as available for sale.

Held to maturity investments are accounted for at settlement date and measured initially at fair value and subsequently at amortized cost using the effective interest rate method and considering any discounts or premiums obtained at the time of the acquisition which are accounted for over the remaining term to maturity.

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

4.4 Loans and receivables

This category comprises non-derivative financial assets with fixed or determinable payments, not quoted in an active market. It does not include financial assets held for trading and those designated as at fair value through profit or loss or as available for sale upon initial recognition.

In detail, the Generali Group includes in this category some unquoted bonds, mortgage loans, policy loans, term deposits with credit institutions, deposits under reinsurance business accepted, repurchase agreements, receivables from banks or customers accounted for by companies of the financial segment, and the mandatory deposit reserve with the central bank.

The company's trade receivables are instead classified as other receivables in the balance sheet.

Loans and receivables are accounted for at settlement date and measured measured initially at fair value and susequently 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. Short-term receivables are not discounted because the effect of discounting cash flows is immaterial. Gains or losses are recognised in the profit and loss account when the financial assets are derecognised or impaired as well as through the normal amortization process envisaged by the amortized cost principle.

4.5 Available for sale financial assets

Available for sale financial assets are accounted for at the settlement date at the fair value at the related transaction dates, plus the transaction costs directly attributable to the acquisition.

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

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

Interests on debt financial instruments classified as 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.

The Group evaluates whether the ability and intention to sell its Available for sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held to maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available-for sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

4.6 Financial assets at fair value through profit or loss

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

In particular both bonds and equities, mainly quoted, and all derivative assets, held for both trading and hedging purposes, for which the hedge accounting has not been applied, are included in this category.

Financial assets at fair value through profit or loss take also account of investments back to policies where the investment risk is borne by the policyholders and back to pension funds in order to significantly reduce the valuation mismatch between assets and related liabilities.

Structured instruments, whose embedded derivatives cannot be separated from the host contracts, are classified as financial assets at fair value through profit or loss.

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

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify them. The reclassification to loans and receivables, Available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, as these instruments cannot be reclassified after initial recognition.

4.7 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

5 Receivables

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

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

Receivables on premiums written in course of collection and receivables from intermediates and brokers, co-insurers and reinsurers are included in this item. They are accounted for at their fair value at acquisition date and subsequently at their presumed recoverable amounts.

5.3 Other receivables

This item includes all other receivables, which have not an insurance or tax nature. They are accounted for at fair value at recognition and subsequently at their presumed recoverable amounts.

6 Other assets

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

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

This item comprises non-current assets or disposal groups classified as held for sale under IFRS 5.

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification

They are measured at the lower of their carrying amount and fair value less costs to sell.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

6.2 Deferred acquisition costs

Concerning deferred acquisition costs, according to requirements of IFRS 4, the Group continued to apply accounting policies prior to the transition to international accounting principle. In this item acquisition costs paid before the subscription of multi-year contracts to amortize within the duration of the contracts are included.

6.3 Deferred tax assets

Deferred tax assets are recognised – except for the cases provided in paragraph 24 of IAS 12, that is:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized;
- 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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

6.4 Tax receivables

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

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

6.5 Other assets

The item mainly includes accrued income and prepayments, specifically accrued interest from bonds. It also comprises deferred commissions for investment management service related to investment contracts.

Deferred fee and commission expenses include acquisition commissions related to investment contracts without DPF fair valued as provided for by IAS 39 as financial liabilities at fair value through profit or loss. Acquisition commissions related to these products are accounted for in accordance with the IAS 18 treatment of the investment management service component.

They are recognised along the product life by reference to the stage of completion of the service rendered. Therefore, acquisition commissions are incremental costs recognised as assets, which is amortized throughout the whole policy term with a straight line approach, reasonably assuming that the management service is constantly rendered.

Deferred commissions for investment management services are amortized, after assessing their recoverability in accordance with IAS 36.

7 Cash and cash equivalents

Cash in hand and equivalent assets, cash and balances with banks payable on demand and with central banks are accounted for in this item at their carrying amounts.

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value are included in this item. Investments are qualified as cash equivalents only when they have a short maturity of 3 months or less from the date of the acquisition.

Balance sheet - Liabilities and equity

1 Shareholders' equity

1.1 Shareholders' equity attributable to the Group

1.1.1 Share capital

Ordinary shares are recognised as share capital and their value equals the nominal value.

1.1.2 Other equity instruments

The item includes preference shares and equity components of compound financial instruments.

1.1.3 Capital reserve

The item includes the share premium account of the Parent Company.

1.1.4 Revenue reserve and other reserves

The item comprises retained earnings or losses adjusted for the effect due to changes arising from the first-time application of IAS/IFRS, reserves for share-based payments, equalisation and catastrophe provisions not recognised as insurance provisions according to IFRS 4, legal reserves envisaged by the Italian Civil Code and special laws before the adoption of IAS, as well as reserves from consolidation process.

1.1.5 Own shares

As provided for by IAS 32, the item includes equity instruments of the Parent company held by the same company or by its consolidated subsidiaries.

1.1.6 Reserve for currency translation differences

The item comprises the exchange differences to be recognised in equity in accordance with IAS 21, which derive from accounting for transactions in foreign currencies and from the translation of subsidiaries' financial statements denominated in foreign currencies.

1.1.7 Reserve for unrealised gains and losses on available for sale financial assets

The item includes gains or losses arising from changes in the fair value of available for sale financial assets, as previously described in the corresponding item of financial investments.

The amounts are accounted for net of the related deferred taxes and deferred policyholder liabilities.

1.1.8 Reserve for other unrealised gains and losses through equity

The item includes the cash flow hedging derivatives reserve, the reserve for hedge of a net investment in a foreign operation.

1.1.9 Result of the period

The item refers to the Group consolidated result of the period. Dividend payments are accounted for after the approval of the shareholders' general meeting.

1.2 Shareholders' equity attributable to minority interests

The item comprises equity instruments of minority interests.

It also includes the reserve for unrealized gains and losses on available for sale investments and the any other gains or losses recognized directly in equity attributable to minority interests.

2 Other provisions

In compliance with IAS 37, the amounts recorded 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; and
- application of the international principle.

3.1.1 Insurance contracts and investment contracts with DPF

Premiums, payments and change in the insurance provision related to products whose insurance risk is considered significant (e.g. term insurance, whole life and endowment with annual premiums, life contingent annuities and contracts containing an option to elect at maturity a life contingent annuity at rates granted at inception, long-term health insurance and unit-linked with sum assured in case of death significantly higher than the value of the fund) or investment contracts with discretionary participation feature –DPF – (e.g. policies linked to segregated funds, contracts with additional benefits that are contractually based on the economic result of the company) are accounted for in accordance with previous local GAAP. Gross premiums are recognised as a revenue, net of cancellations of the period, and ceded premiums are recognised as expenses of the period.

3.1.2 Shadow accounting

In order to mitigate the valuation mismatch between financial investments carried at fair value according to IAS 39 and insurance provisions which are accounted for in accordance with previous local GAAP, shadow accounting is applied to insurance contracts and investments contracts with DPF. This accounting practice implies to ideally attribute to the policyholders part of the difference between IAS/IFRS valuation of the basis on which the profit sharing is determined and valuation which is used to determine the profit sharing actually paid.

The policyholders' share is calculated on the average contractual percentage for the policyholder participation, as the local regulation already foresees the protection of guaranteed obligations through the recognition of additional provisions for interest rate risk if future financial returns based on a proper time horizon are not sufficient to cover the financial 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 (e.g. the carrying amount in segregated fund) is recognised in the profit and loss account.

3.1.3 Investment contracts

Investment contracts without DPF and that do not have a significant investment risk, mainly include unit/index-linked policies and pure capitalization contracts. These products are accounted for in accordance with IAS 39 as follows:

- the products are recognised as financial liabilities at fair value or at amortized cost. In detail, linked products classified as investment contracts are fair valued through profit or loss, while pure capitalization policies are generally valued at amortized cost;
- fee and commission income and expenses are recognised in the profit and loss account. Specifically, IAS 39 and IAS 18 require that they are separately identified and classified in the different components of: (i) origination, to be charged in the profit and loss account at the date of the issue of the product; and (ii) investment management service, to be recognised throughout the whole policy term by reference to the stage of completion of the service rendered;
- fee and commission income and incremental costs of pure capitalization contracts without DPF (other than administration costs and other non-incremental costs) are included in amortized cost measurement;
- the risk component of linked products is unbundled, if possible, and accounted for as insurance contracts.

3.2 Life insurance provisions

Life insurance provisions are related to insurance contracts and investment contracts with discretionary participation features. Said provisions are accounted for based on local GAAP, in compliance with IFRS 4.

Liabilities related to insurance contracts and investment contracts with discretionary participation features are determined analytically for each kind of contract on the basis of appropriate actuarial assumptions. They meet all the existing commitments based on best estimates.

These actuarial assumptions take into consideration the most recent demographic tables of each country where the risk is underwritten, aspects of mortality, morbidity, determination of risk-free rates, expenses and inflation. The tax charge is based on laws in force.

Among life insurance provisions, the additional provisions to the mathematical ones, already envisaged by the local regulations in case of adverse changes in the interest rates or mortality, are classified as provisions for liability adequacy test.

As previously mentioned, insurance provisions include deferred policyholder liabilities related to contracts with DPF. The recognition of the deferred policyholder liabilities is made in accordance to the shadow accounting (as mentioned in the paragraph 3.1.2 of insurance provisions).

3.2.1 Liability adequacy test (LAT)

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

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

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

Each inadequacy is charged to profit and loss account, initially reducing deferred acquisition costs and value of business acquired, and subsequently accounting for a provision.

3.3 Non-life insurance provisions

The local GAAP for each country is applied to the non-life insurance provisions, since all the existing policies fall under IFRS 4 scope. In conformity with the international standard, no provisions for future claims are recognised, in line with the derecognition of the equalisation and catastrophe provisions and some additional components of the unearned premiums provisions, carried out on the date of the first-time application.

The provisions for unearned premiums includes the pro-rata temporis provision, which is the amounts of gross premiums written allocated to following financial periods, and the provision for unexpired risks, which provides for claims and expenses in excess of the related unearned premiums.

The provisions for outstanding claims are determined by a prudent assessment of damages, based on objective and prospective considerations of all predictable charges. Provisions are deemed adequate to cover payments of damages and the cost of settlement of claims related to accident occurred during the year but not yet reported.

The non-life insurance provisions meets the requirements of the liability adequacy test according to IFRS 4.

Amounts ceded to reinsurers from insurance provisions are determined in accordance with the criteria applied for the direct insurance and accepted reinsurance.

4 Financial liabilities

Financial liabilities at fair value through profit or loss and financial liabilities at amortized cost are included in this item.

4.1 Financial liabilities at fair value through profit or loss

The item refers to financial liabilities at fair value through profit or loss, as defined and regulated by IAS 39. In detail, it includes the financial liabilities related to investment contracts where the investment risk is borne by the policyholders as well as derivative liabilities arising from derivatives held for trading purposes and even hedging derivatives for which coverage was not applied the complex methodology of hedge accounting.

4.2 Other financial liabilities

The item includes financial liabilities within the scope of IAS 39 that are not classified as at fair value through profit or loss and are instead measured at amortized cost.

This item comprises both subordinated liabilities, which, in the case of bankruptcy, are to be repaid only after the claims of all other creditors have been met, and hybrid instruments.

Bond instruments issued are measured at issue price, net of costs directly attributed to the transaction. The difference between the aforesaid price and the reimbursement price is recognised along the duration of the issuance in the profit and loss account using the effective interest rate method.

Furthermore, it includes liabilities to banks or customers, deposits received from reinsurers, bonds issued, other loans and financial liabilities at amortized cost related to investment contracts that do not fall under IFRS 4 scope.

4.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

5 Payables

5.1 Payables arising out of insurance and reinsurance operations

The item includes payables arising out of insurance and reinsurance operations.

5.2 Other payables

This item mainly includes provisions for the Italian "*trattamento di fine rapporto*" (employee severance pay). These provisions are accounted for in accordance with IAS 19 (see paragraph 6.4 below).

6 Other liabilities

The item comprises liabilities not elsewhere accounted for. In detail, it includes liabilities directly associated with non-current assets and disposal groups classified as held for sale, tax payables and deferred tax liabilities and deferred fee and commission income.

6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale

The item includes liabilities directly associated with non-current assets and disposal groups classified as held for sale, as defined by IFRS 5.

6.2 Deferred tax liabilities

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amount of assets and liabilities and their tax base, except the cases provided for in paragraph 15 of IAS 12, that is:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax liabilities are measured at the tax rates that are expected to be applied in the period when the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

6.3 Tax payables

The item includes payables due to tax authorities for current taxes. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

6.4 Other liabilities

This item includes provisions for defined benefit plans, such as termination benefit liabilities and other long-term employee benefits (the Italian provision for “trattamento di fine rapporto” is excluded and classified as other payables).

In compliance with IAS 19, these provisions are measured according to the project unit credit method. This method implies that the defined benefit liability is influenced by many variables, such as mortality, employee turnover, salary trends, expected inflation, expected rate of return on investments, etc. The liability recognised in the balance sheet represents the net present value of the defined benefit obligation less the fair value of plan assets (if any), adjusted for any actuarial gains and losses and any past service costs not amortized. The rate used to discount future cash flows is determined by reference to market yields on high-quality corporate bonds. The actuarial assumptions are periodically tested to confirm their consistency. The actuarial gains and losses arising from subsequent changes in variables used to make estimates are recognised as income or expense only to the extent that exceeds the greater of 10% of the present value of the defined benefit obligation at the end of the previous reporting period, and 10% of any plan assets at that date. The portion of actuarial gains and losses are amortized over the expected average remaining working lives of the employees participating in the plan.

Deferred fee and commission income includes acquisition loadings related to investment contracts without DPF, which are classified as financial liabilities at fair value through profit or loss, according to IAS 39. Acquisition loadings related to these products are accounted for in accordance with IAS 18 treatment of the investment management service component during the product life. They are recognised by reference to the stage of completion of the service rendered.

Thus, the acquisition commissions have been moved in the balance sheet, as liabilities to be released to profit and loss account during the life of the product.

Profit and loss account

1 Income

1.1 Earned premiums

The item includes gross earned premiums on insurance contracts and investment contracts with discretionary participation features, net of earned premiums ceded.

1.2 Fee and commission income and income from financial service activities

The item includes fee and commission income for financial services rendered by companies belonging to the financial segment and fee and commission income related to investment contracts.

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

The item comprises realized gains and losses, interests, dividends and unrealized gains and losses on financial assets and liabilities at fair value through profit or loss.

1.4 Income from subsidiaries, associated companies and joint ventures

The item comprises income from investments in subsidiaries, associated companies and joint ventures, which are accounted for in the corresponding asset items of the balance sheet.

1.5 Income from financial instruments and other investments

The item includes income from financial instruments not at fair value through profit or loss and from land and buildings (investment properties). In detail, it includes mainly interests from financial instruments measured using the effective interest method, other income from investments, including dividends recognised when the right arises, income from properties used by third parties, realized gains from financial assets, financial liabilities and investment properties and reversals of impairment.

1.6 Other income

The item includes: revenue arising from sale of goods and rendering of services other than financial services; other insurance income; gains on foreign currency accounted for under IAS 21; realized gains and reversals of impairment on tangible assets and other assets; and any gains recognised on the re-measurement of non-current assets or disposal groups classified as held for sale.

2 Expenses

2.1 Net insurance benefits and claims

The item includes the amounts paid in respect of claims occurred during the period, maturities and surrenders, as well as the amounts of changes in insurance provisions that fall under IFRS 4 scope, net of recoveries and reinsurance. It also comprises changes in provision for deferred policyholders liabilities with impact on profit and loss account.

2.2 Fee and commission expenses and expenses from financial service activities

The item includes fee and commission expenses for financial services received by companies belonging to the financial segment and fee and commission expenses related to investment contracts.

2.3 Expenses from subsidiaries, associated companies and joint ventures

The item includes expenses from investments in subsidiaries, associated companies and joint ventures, which are accounted for in the corresponding asset items of the balance sheet.

2.4 Expenses from financial instruments and other investments

The item comprises expenses from land and buildings (investment properties) and from financial instruments not at fair value through profit or loss. It includes: interest expense; expenses on land and buildings (investment properties), such as general property expenses and maintenance and repair expenses not recognised in the carrying amount of investment properties; realized losses from financial assets, financial liabilities and land and buildings (investment properties); depreciations and impairment of such investments.

2.5 Acquisition and administration costs

The item comprises acquisition commissions, other acquisition costs and administration costs related to contracts that fall under IFRS 4 scope. Other acquisition costs and administration costs related to investment contracts without discretionary participation features are also included, as well as overheads and personnel expenses for investment management, and administration expenses of non-insurance companies.

2.6 Other expenses

The item includes: other insurance expenses; allocation to provisions; losses on foreign currency accounted for under IAS 21; realized losses, impairment and depreciation of tangible assets not elsewhere allocated; and amortization of intangible assets. It also comprises any loss on the re-measurement of non-current assets or disposal groups classified as held for sale, other than discontinued operations.

2.7 Capitalization of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3 Income taxes

The item includes income taxes for the period and for previous years, deferred taxes and tax losses carried back.

Comprehensive income

The statement of comprehensive income was introduced by the revised IAS 1 issued in September 2007 by the IASB, approved by the EC Regulation No 1274/2008. The statement comprises items of income and expenses different from those included in profit or loss, recognised directly in equity other than those changes resulting from transactions with shareholders. In accordance with the ISVAP (now IVASS) Regulation n.7/2007, as modified by the ISVAP (now IVASS) requirement n. 2784/2010 items of income and expenses are net of taxes as well as net of gains and losses on available for sale assets attributable to the policyholders according to the deferred policyholders liabilities calculation.

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

Statement of changes in equity

The statement was prepared in accordance with the requirements of the ISVAP (now IVASS). 7 of 13 July 2007 as amended by Measure ISVAP (now IVASS) No. 2784 of 8 March 2010, and explains all the variations of equity.

1 Change of the closing balance

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

2 Allocation

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

3 Reclassification adjustments to profit or loss

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

4 Transfers

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

5 Existence

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

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

Cash Flows Statement

The report, prepared using the indirect method, is drawn up in accordance with the ISVAP (now IVASS) requirements n. 7 of 13 July 2007, as amended by Measure ISVAP (now IVASS) No. 2784 of 8 March 2010, and distinguishing its component items among operating, investing and financing activities.

Other information

1 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Therefore, it is presumed that the company is a going concern without any need to liquidate and undertake transactions on adverse terms.

Fair value of financial asset is determined as follows.

In the case of financial assets quoted in active markets, the fair value is their bid price at the end of the trading day at period-end (Mark-to-Market – first level of the fair value hierarchy). A market is considered as active whether the prices are readily and regularly available and represent real market transactions carried out in a normal market environment.

If the market of a financial instrument is not active, the fair value should be determined using valuation techniques that enable to state which price the instrument should have had, at valuation date, in a free exchange carried out within normal market conditions.

A non active market is usually characterized by either none or significantly reduced transactions, high price volatility, relevant enlargements of the bid-ask spreads or an atypical liquidity premium implicit in the bid prices.

The valuation techniques should mainly use, if available, prices in recent transactions carried out in a normal market environment, if the market conditions are not significantly changed, or the fair value of instruments with similar characteristics, without considering subjective parameters (Comparable Approach – second level of the fair value hierarchy).

In case no recent transactions and instruments with similar characteristics are observable, discounted cash flow and option pricing models should be applied. The estimate of the fair value makes maximum use of market inputs and relies as little as possible on entity-specific inputs. The valuation technique incorporates all factors that market participants would consider in setting a price, such as yield curve of free-risk interest rates, i.e. parameters able to measure the credit risk, the liquidity risk and other risk factors. When no market inputs are observable or these need to be materially adjusted, the valuation techniques use internal financial models, which are based on internal assumptions and estimates (Mark-to-Model – third level of the fair value hierarchy).

Furthermore IFRS 7 requires to classify the categories of financial instruments measured at fair value - available for sale financial assets and at fair value through profit or loss following - under a fair value hierarchy, which defines three different levels based on the inputs used for pricing instruments:

- Level 1 - quoted prices (unadjusted) in active markets for identical financial instruments;
- Level 2 - inputs other than those included within level 1, but observable for assets or liabilities, both directly (e.g. quoted prices for similar instruments in active markets) or indirectly (deriving from prices);
- Level 3 – inputs concerning assets or liabilities which are not derived from observable market data.

This additional information required by IFRS 7 are given in the other information of the notes.

2 Derivatives' accounting

Derivatives are financial instruments or other contracts with the following characteristics:

- their value changes in response to the change in interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or other pre-defined underlying variables;
- they require no initial net investment or, if necessary, an initial net investment that is smaller than one which would be required for other types of contracts that would be expected to have a similar response to changes in market factors;
- they are settled at a future date.

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

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

According to this accounting model the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in an appropriate item of comprehensive income while the ineffective portion of the gains or loss on the hedging instrument is recognized in profit or loss. The amount accumulated in the other components of comprehensive income is reversed to profit and loss account in line with the economic changes of the hedged item.

When the hedging instrument expires or is sold, or the hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instruments, that remains recognized directly in the other components of other comprehensive income from the period when the hedge was effective, remains separately recognized in comprehensive income until the forecast transaction occurs. However, if the forecasted transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognized directly in the other components of comprehensive income from the period when the hedge was effective is immediately recognized in profit or loss.

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

Hedges of a net investment in a foreign operation are accounted for similarly to cash flow hedges: the effective portion of gain or loss on the hedging instrument is recognized among the components of profit or loss, while the part is not effective be recognized in the separate income statement.

3 Impairment losses on financial assets

As for financial assets, except investments at fair value through profit or loss, IAS 39 is applied whether there is any objective evidence that they are impaired.

Evidence of impairment includes, for example, significant financial difficulties of the issuer, its default or delinquency in interest or principal payments, the probability that the borrower will enter bankruptcy or other financial reorganisation and the disappearance of an active market for that financial asset.

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

In fourth quarter 2012 the Group improved the definition of impairment losses. The threshold of significance was defined at 30%, while the prolonged decline in fair value was defined as a continuous decline in market value under Group cost for 12 months.

In particular, the thresholds redefinition was made to consider the changed economic and financial contest. In the second half of 2011 the significant increase of volatility of financial markets and in particular the one observed in financial sector was linked to the anomalous widening of spread between government bonds after the tension on sovereign debt of some European countries.

The normalization of market conditions led to a general reduction in the volatility of the reference financial markets for the Group in which the Group at the end of 2012 and in particular the financial sector. The changed financial scenario linked to the need for simplification and greater comparability of the Group's results to those of the major insurance groups in Europe led to the decision of abandoning the definition of the thresholds of significance for the industry. By the same logic, it was decided a more prudent approach in the definition of prolonged loss of value by bringing the threshold from 36 months to 12 months.

The accounting effect of the improvement of methodology described above compared to what would happened in case of the application of general significativity threshold of 50% previously used, is presented in part *Available for sale financial assets* in *Notes to the balance sheet.*

The definition of "prolonged" decline in fair value did not change (continuous loss for 36 months).

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

If there is objective evidence of impairment the loss is measured as follows:

- on financial assets at amortized cost, as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate;
- on available for sale financial assets, as the difference between the cost and the fair value at the measurement date.

Any next, reversal of impairment to the value before recording losses are recognized respectively: in the profit or loss in the case of debt instruments, to equity in the case of equity securities including share of mutual funds (IFU).

4 Use of estimates

The preparation of financial statements compliant to IFRS requires the Group to make estimates and assumptions that affect items reported in the 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 and anticipated 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 in the risk report.

5 Share based payments

The stock option plans granted by the Board are share based payments to compensate officers and employees. The fair value of the share options granted is estimated at the grant date. It is based on the option pricing model that takes into account, at the grant date, factors such as the exercise price and the life of the options, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares and the risk-free interest rate as well as the specific characteristics of the plan itself. Another factor common to share options is the possibility of early exercise of them. The binomial pricing model takes into account the possibility of early exercise of the options. If present, the pricing model estimates separately the option value and the probability that the market conditions are satisfied. Therefore, the fair value of equity instruments granted reflects market conditions.

The cost is charged to the profit and loss account and, as a counter-entry, to equity during the vesting period, by taking into account, if possible, the possibility of satisfaction of the vesting condition related to the rights granted.

The charge or credit to the profit or loss for a period represents the change in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

6 Segment reporting

According to IFRS 8, the disclosure about operating segments of the Group is consistent with the evidence reviewed periodically at the highest managerial level for the purpose of making operational decisions about resources to be allocated to the sector and assessment of results.

The Generali Group identifies three main business segments worldwide:

- non-life segment, which includes non-life insurance activities;
- life segment, which includes life insurance activities;
- financial segment, which includes banking and asset management activities.

Following the revisitation of the segment reporting in order to improve the understanding of the operating performance of activity segments , the three primary business segments do not include the called holding expenses. The holding expenses mainly include the holding and territorial subholding direction expenses in coordination activity, the expenses relating to the parent company of stock option and stock grant plans as well interest expenses on the Group financial debt.

Assets, liabilities, income and expenses of each segment are presented in the appendix to the notes, prepared under the ISVAP (now IVASS) Regulation No. 7 of 13 July 2007 as amended by Measure ISVAP (now IVASS) No. 2784 of 8 March 2010.

Segment data come from a separate consolidation of the figures of subsidiaries and associated companies in each business segment, eliminating of the effects of the transactions between companies belonging to the same segment and, the carrying amount of the investments in subsidiaries and the related portion of equity. The reporting and control process implemented by the Generali Group implies that assets, liabilities, income and expenses of companies operating in different business segments are allocated to each segment through a specific segment reporting. Intra-group balances between companies belonging to different business segments are accounted for in the consolidation adjustments column in order to reconcile the segment information with the consolidated one.

In this context, the Generali Group adopts a management approach on segment reporting, characterized by the elimination of certain transactions between companies belonging to different segments within each segment.

In detail, this approach presents the following main changes:

- for non-life and financial segment companies it involves elimination of participations in and loans to companies of other segments along with relative income (dividend and interest income);
- for non-life and financial segment companies it involves elimination of realized gains and losses on inter-segment transactions;
- for life segment companies it involves elimination of participations in and loans to companies of other segments along with relative income (dividend and interest income) if not backing policyholders' liabilities;
- for life segment companies it involves elimination of realized gains and losses on inter-segment transactions on investments not backing policyholders' liabilities.

Furthermore, inter-segment loans and related interest expenses are eliminated directly in each segment.

The abovementioned approach reduces consolidation adjustments, that are mainly composed by participations and related dividends received by Group companies belonging to different segments, inter-segment loans and related interests, and net commissions for financial services rendered and received by Group companies.

7 Information on financial and insurance risks

In accordance with IFRS 7 and IFRS 4, the information which enables the users to evaluate the significance of financial instruments on the Group's financial position and performance and the nature and extent of risks arising from financial instruments and insurance contracts to which the entity is exposed and how the entity manages those risks are disclosed in the Risk Report.

In this section the Group provides with qualitative and quantitative information about exposure to credit, liquidity and market risks, arising from financial instruments and insurance contracts, and sensitivity analysis to assess the impact of variation of principal financial and insurance variables on equity, profit and loss or other relevant key indicator.

RISK REPORT

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

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

The Risk Management processes affect the Group as a whole in the countries where it operates, and also individual companies, with a varying depth and level of integration depending on the complexity of the underlying risks; the integration of processes within the Group is fundamental to ensure an efficient Risk Management System and capital allocation to business units. This integration has been pursued by coordination and direction activities towards Group companies, by means of Group policies and Guidelines adoption.

In this context, in order to better capture its risk profile, Generali Group makes use of an internal approach to determine the available financial resources and the capital requirements for risks which it is exposed to (Internal Model), while maintaining consistency with the basic framework of Solvency II, which is still to be finalized at European level. During 2012 activities aimed at enhancing the Risk Management System have continued, in accordance with the project aimed at fulfilling Solvency II requirements. Focus was given to Internal Model implementation, although uncertainties in the regulatory framework still remain both on the entry in force timing and on the value assessment of life insurance provisions.

This development was directed to the refinement of the methodology concerning the assessment of available financial resources and the variety of associated risks, consistently with an economic approach. Within risk assessment and monitoring enhancement activities, focus has been given to improve the overall validation acitvty of the overall risk assessment process, in order to fulfill the tests and standard requirements of the forthcoming regulatory regime. Finally, activities aimed at a wider and more transparent disclosure of risks have been carried out, in light of Solvency II Pillar II (Own Risk and Solvency Assessment) and Pillar III requirements (regulatory and market disclosure).

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

1 The Risk Management System

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

The Board of Directors[8] adopted the “Internal Control and Risk Management System” and the “Risk Management Policy”, documents aimed at ensuring an effective management of the risk coming from the Company own activity and in particular the most significant ones.

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

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

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

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

The risk management relies on the following building blocks:

- risks governance: to establish an effective organizational structure based on clear definition of risk roles and

8 Board of Directors is meant to be the Board of Directors of Assicurazioni Generali S.p.A. (Parent Company).

responsibilities, and on a set of Policies and Guidelines;

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

1.1 Roles and responsibilities

The risk management is put in place through a specific ongoing process which involves, with different roles and responsibilities, the Board[9], the Top Management and the organizational structures both at Group and Company level, as illustrated in the "Internal Control and Risk Management System".

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

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

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

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

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

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

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

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

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

- the Group Internal Audit is the Third Line of Defence. It is in charge of performing the independent evaluation of the effectiveness both of the Internal Control and Risk Management System and of all the controls in place to guarantee the adequate execution of the processes.

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

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

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

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

2 The Risk Management Policy

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

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

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

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

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

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

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

2.1 The Risk Management process

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

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

3 Financial Risks

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

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

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

Assets subject to market movements are invested to profitably employ the capital subscribed by shareholders and to meet contractual obligations to policyholders; consequently, financial market movements imply a change both in the value of investment and insurance liabilities. Therefore, oversight through analysis of the impact of adverse market movements implies an adequate consideration of volatility, correlations among risks and the effects on the economic value of the related insurance liabilities.

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

At year-end 2012 the investments whose market risk affects the Group were of € 320 billion at market value[10].

(€ million)	31/12/2012		31/12/2011	
	TOTAL FAIR VALUE	IMPACT (%)	TOTAL FAIR VALUE	IMPACT (%)
Equity instruments	15,652	4.9	17,098.0	6.0
Direct Equity exposure	9,123		10,431.5	
IFU and alternative investments	6,528		6,666.5	
Fixed income instruments	280,542	87.7	242,984.6	85.4
Government bonds	138,760		115,371.8	
Corporate bonds	110,108		97,346.0	
Loans (oth. fixed income investments)	22,506		22,253.5	
IFU bonds	9,167		8,013.2	
Land and buildings	23,850	7.5	24,372.6	8.6
RE Investment properties	18,209		18,590.1	
Self-used real estates	3,477		3,542.4	
IFU real estates	2,165		2,240.1	
Total	**320,043**	**100.0**	**284,455.2**	**100.0**

The exposure to fixed income instruments, expressed as percentage of investments bearing market risks, as defined above, increased to 87.7% (85.4% as at 31 December 2011) while the exposure to equity instruments decreased to 4.9% (6.0% as at 31 December 2011). In decrease also real estate investments that moved from 8.6% to 7.5%.

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

In life business this absorption is generally based on the level and structure of minimum return guarantees and profit sharing arrangements. The impact of the minimum guaranteed rates of return on solvency, both on the short and long terms, is assessed through deterministic and stochastic analysis. These analyses are performed at company and, if necessary, at single portfolio level and take into account the interaction between assets and liabilities helping to develop product strategies and strategic asset allocations aiming at optimising the risk/return profile.

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

- credit and tactical asset allocation guidelines are being updated to the changing market conditions and to the changing ability of the Group to assume financial risks;
- matching strategies, at net cash flow lever or duration matching strategies, for the management of the interest rate risk;
- hedging strategies with approaches of dynamic hedging or through the use of derivatives instruments as option, swap, swap options, interest rate forwards, interest and currency swaps, futures, caps and floors;
- portfolio and pricing management rules, coherent with sustainable guarantee level.

The Group uses a data warehouse to collect and consolidate the financial investments, which guarantees a homogeneous, time effective and high quality analysis of the financial risks.

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

10 Investments whose market risk affects the Group are total investments excluded investments back to policies where the investment risk is borne by the policyholders, investments in subsidiaries, associated companies and joint ventures, derivatives, mortgage loans, receivables from banks or customers and other residual financial investments different than equities and or loans as well as land and buildings used by third parties and cash and cash equivalents. Instead, self used properties are included.

Group’s exposures to investments in equities - detailed by sector and country of risk of investees - as well as to direct real estate investments - detailed by country of location - are reported at fair values in the following tables:

BREAKDOWN OF EQUITY INVESTMENTS BY SECTOR OF LOCATION

(€ million)	31/12/2012	
	TOTAL FAIR VALUE	IMPACT (%)
Equity instruments	**15,652**	
Financial	3,269	20.9
Consumer	1,433	9.2
Utilities	850	5.4
Industrial	1,003	6.4
Other	2,569	16.4
Alternative funds	2,408	15.4
Asset allocation funds	4,120	26.3

The total exposure to equity instruments at the end of the period amounted to € 15,652 million. With reference to the composition of direct equity investments the main sectors the Group is exposed are financial (35.9%), consumer (15.8%), industrial (11.1%) and utilities (9.4%). The category “other” mainly includes telecommunications, materials and energy sectors equities.

BREAKDOWN OF DIRECT EQUITY INVESTMENTS BY COUNTRY OF RISK

(€ million)	31/12/2012	
	TOTAL FAIR VALUE	IMPACT (%)
Direct equity investments	**9,123**	
Italy	2,956	32.4
France	1,966	21.6
Germany	992	10.9
Central and Eastern Europe	201	2.2
Rest of Europe	2,477	27.2
Spain	457	5.0
Austria	168	1.8
Switzerland	367	4.0
The Netherlands	310	3.4
United Kingdom	342	3.8
Others	833	9.1
Rest of world	531	5.8

The direct equity exposure totalled € 9.123 million, principally invested in Italy (32.4%), France (21.6%) and Germany (10.9%).

BREAKDOWN OF DIRECT REAL ESTATE INVESTMENTS BY COUNTRY OF LOCATION

(€ million)	INVESTMENT PROPERTIES		SELF-USED REAL ESTATES	
31/12/2012	TOTAL FAIR VALUE	IMPACT (%)	TOTAL FAIR VALUE	IMPACT (%)
Direct Real-estate investments	**18,209**		**3,477**	
Italy	6,912	38.0	1,377	39.6
France	4,921	27.0	423	12.2
Germany	2,555	14.0	720	20.7
Central and Eastern Europe	170	0.9	89	2.5
Rest of Europe	3,449	18.9	767	22.1
Spain	722	4.0	135	3.9
Austria	1,198	6.6	135	3.9
Switzerland	904	5.0	464	13.3
Others	626	3.4	34	1.0
Rest of world	201	1.1	101	2.9

The direct exposure to Real estate investments was of € 21,686 of which € 18,209 million of investment properties and € 3,477 of properties with self-used destination. Real estate investments were mainly focussed in western European countries, mainly in Italy (38.2%), France (24.6%) and Germany (15.1%).

3.1 Life Segment

Taking into consideration the specific characteristics of the Life business, the impact of negative changes in the financial market conditions has to be assessed both on assets and liabilities. As allowed by IFRS 4, this impact is here represented as percentage change of Group's Embedded Value[11].

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

With reference to the covered business at the date of valuation, and to the relevant consolidation perimeter (i.e. the operating life, health and pension companies of the group), the EV is equal to the sum of the Adjusted Net Asset Value (ANAV), and the Value In-Force (VIF):

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

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

- Yield curve +1%: sensitivity to an upward parallel shift of 100 basis points in the underlying market risk free rates, accompanied by an upward shift of 100 basis points in all economic assumptions;
- Yield curve -1%: sensitivity to a downward parallel shift of 100 basis points in the underlying market risk free rates, accompanied by a downward shift of 100 basis points in all economic assumptions;
- Equity value -10%: sensitivity to a 10% market value simultaneous reduction at valuation date for equity investments;
- Property value -10%: sensitivity to a 10% market value simultaneous reduction at valuation date for property investments.

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

The changes in embedded value (%) at 31 December 2011 and 31 December 2010 are reported in the table below.

LIFE EMBEDDED VALUE SENSITIVITIES: MARKET RISKS

(%)	31/12/2012	31/12/2011
Interest rate +1%	8.4	12.2
Interest rate -1%	–15.3	–17.2
Equity price -10%	–4.1	–4.8
Property price -10%	–2.8	–2.8

When analyzing the data from a general point of view, if it is straightforward to observe that the decrease in equity and real estate prices has a negative impact on the shareholders' value, must be noted that a shift in risk free rates might have both positive and negative effects, driven by the insurance portfolio structure and by the assets and liabilities mismatch in terms of cash flow.

Similarly to the previous year, data at 31 December 2012 showed that the Company suffered 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, taking into consideration the current level of interest rates, increase significantly in respect of a further reduction.

3.2 Non-life and financial segment

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

Market risk evaluation has been performed, for both non-life and financial segments, following a bottom up approach and using a full evaluation model which calculates the change in value of each financial instrument caused by applied stress tests (+/- 100bp yield curve change, +/- 10% change for equity).

The market risk evaluation was done on all the financial instruments in the portfolios at the end of the year, both from direct and indirect investments held by funds, and derivatives instruments.

Valuation of impact on Group's financial statements deriving from possible changes in interest rate was assessed both considering instrument with fixed interest rate (exposing Group to "fair value" risk with impact on equity or result depending on their accounting classification) and with floating interest rate (exposing Group to "cash flow" risk with impact on profit or loss). This impact was assessed considering the 12 month period ending at the reporting date.

The stress test of +/- 100bp on the yield curve and of +/-10% of equity value changes shows:

- a potential impact on the Group shareholders' equity attributable to the consequent change in the fair value of bonds and equities classified as available for sale[12];
- a potential impact on the Group's result of the period attributable to the consequent change in the fair value of debt securities and equities classified as financial assets at fair value through profit or loss;
- a potential impact on the Group's result of the period related to the re-computation on coupon and accrued interest of floating rate securities.

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

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

SENSITIVITY ON NON-LIFE AND FINANCIAL SHAREHOLDERS'EQUITY

(€ million)	31/12/2012	31/12/2011
Interest rate +1%	–546	–444
Interest rate -1%	528	462
Equity price +10%	209	265
Equity price -10%	–211	–266

4 Credit Risk

4.1 Financial Instruments Credit Risk

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

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

The Group uses a data warehouse to collect and consolidate the financial investments, which guarantees a homogeneous, time effective and high quality analysis of the financial risks.

For the internal rating assessment of an issue or issuer, rating of the main agency ratings are used. In the case of different rating judgements, the second best value available is used. Securities without a rating are given an internal one based on exhaustive economic and financial analysis.

The manager of the central financial risk control department reports periodically to the Group Risk Committee on the Groups' exposure to the components of the credit risk.

The portfolio of fixed income investments of the Group is prudently built.

The distribution by rating class shows that the absolute majority of the fixed income investments is of high rating standing.

In order to mitigate the counterparty risk, related to market risk hedging strategies, the following measures have been put in place: the counterparty selection, the use of exchange traded instruments and the integration of ISDA Master Agreements with the Credit Support Annex (CSA). CSA requires the counterparty to post collateral when the derivative position is beyond an agreed threshold.

Note that the same considerations on market risk regard also the financial instruments backing life insurance policies, so default, downgrades or changes in spread could affect the financial liabilities values with a consequent mitigation effect.

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

Group's exposures to investments in government bonds - detailed by country of risk and rating - are reported at fair value in the following tables:

BREAKDOWN OF INVESTMENTS IN GOVERNMENT BONDS BY COUNTRY OF RISK

(€ million) 31/12/2012	TOTAL FAIR VALUE	IMPACT (%)	OF WHICH HOME-COUNTRY	IMPACT (%)
Government bonds	**138,760**			
Italy	59,715	43.0	55,331	92.7
France	26,439	19.1	20,718	78.4
Germany	10,958	7.9	8,270	75.5
Central and Eastern Europe	8,317	6.0	6,022	72.4
Rest of Europe	20,928	15.1	10,236	48.9
Spain	5,442	3.9	4,018	73.8
Austria	3,825	2.8	2,090	54.6
Belgium	7,002	5.0	1,949	27.8
Others	4,659	3.4	2,179	46.8
Rest of world	5,925	4.3	4,238	71.5
Supranational	6,478	4.7	na	na

BREAKDOWN OF INVESTMENTS IN GOVERNMENT BONDS BY RATING

(€ million)	31/12/2012		31/12/2011	
	TOTAL FAIR VALUE	IMPACT (%)	TOTAL FAIR VALUE	IMPACT (%)
Government bonds	**138,760**		**115,372**	
AAA	18,863	13.6	38,118	33.0
AA	43,505	31.4	21,516	18.6
A	3,760	2.7	47,891	41.5
BBB	69,592	50.2	4,496	3.9
Non investment grade	2,884	2.1	3,194	2.8
Not Rated	156	0.1	158	0.1

The government bonds portfolio amounted to € 138,760 million at the end of the period, with the 62% of the portfolio represented by Italian and French debt instruments. The exposure to individual sovereign bonds is mainly allocated to their respective countries of operation.

With reference to ratings, the AA class included the French debt instruments following their downgrade by both S&P's (AA+, 13 January 2012) and Moody's (Aa1, 19 November 2012). The BBB rating class included mainly the Italian debt instruments following their downgrade by both S&P's (13 January 2012) and Moody's (Baa2, 13 July 2012).

Group's exposures to investments in corporate bonds - detailed by sector and rating - are reported at fair value in the following tables:

BREAKDOWN OF DIRECT INVESTMENTS IN CORPORATE BONDS BY SECTOR

(€ million)	31/12/2012	
	TOTAL FAIR VALUE	IMPACT (%)
Corporate bonds	**110,108**	
Financial	36,909	33.5
Covered Bonds	34,259	31.1
Asset-backed	2,331	2.1
Utilities	9,301	8.4
Industrial	9,413	8.5
Consumer	5,533	5.0
Telecommunication services	5,674	5.2
Energy	3,033	2.8
Other	3,656	3.3

BREAKDOWN OF DIRECT INVESTMENTS IN CORPORATE BONDS BY RATING

(€ million)	31/12/2012		31/12/2011	
	TOTAL FAIR VALUE	IMPACT (%)	TOTAL FAIR VALUE	IMPACT (%)
Corporate bonds	**110,108**		**97,346**	
AAA	32,179	29.2	32,387	33.3
AA	8,672	7.9	10,636	10.9
A	33,933	30.8	33,685	34.6
BBB	28,474	25.9	16,659	17.1
Non investment grade	4,878	4.4	1,975	2.0
Not Rated	1,972	1.8	2,005	2.1

The investments in corporate bonds totalled € 110,108 million at the end of the period. The portfolio was composed for 33% by non-financial corporate bonds, for 34% by financial corporate bonds and for 31% by covered bonds.

4.2 Reinsurance credit risk

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

The Group centrally sets the main reliability and solvency criteria, which take into account the risk exposure and the probability of default of each reinsurance counterparty.

The main criterion consists in the definition of a maximum exposure transferable to each reinsurer. In principle, the maximum liability transferable to an individual reinsurer for each reinsurance program should not exceed a given percentage of its shareholder equity. Generally, such exposure is further reduced according to the rating provided by S&P's or equivalent and to the line of business being considered. Based on the features of risk being transferred, a maximum amount threshold has been established. For long-tail business more restrictive criteria are adopted.

RATING OF AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS

(€ million)	31/12/2012	31/12/2011
AAA	6	77
AA	2,947	3,382
A	1,539	1,143
BBB	325	36
Non investment grade	5	13
Not Rated	802	1,027
Total	**5,624**	**5,678**

The table demonstrates that the careful criteria for the selection of reinsurers adopted by the Group over the past allowed Generali to have a significant presence of counterparties in rating classes of higher quality. The small percentage of AAA counterparties reflects the the almost total absence of market players that have kept these characteristics. Our policy in selection of counterparties is stable over time, as well as prudent, and changes from year to year normally depend on rating variations occurred during the year relating to certain reinsurers. In particular, during 2012 the effects of the financial crisis affected the markets and the results of 2011 have been heavily influenced by the exceptional loss related to natural catastrophes recorded from reinsurers during the period.

With regard to “not rated” counterparties, these are often reinsurers that are no longer active in the market and are consequently no longer rated by agencies. However, they are not necessarily less strong from a financial perspective; on the contrary, they are often part of important and high rating insurance Groups that decided to stop their reinsurance activity. Furthermore, in some cases they represent mutual companies or captive companies of big industrial groups, which, even if they have a good financial position, are not rated.

Under some circumstances, local regulations, market practice or specific types of business allow the Group to benefit from mitigation of the related reinsurance credit risk through deposits from reinsurers and/or letters of credit as a guarantee on ceded reserves.

5 Insurance Risk

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

5.1 Life underwriting risk

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

The Group companies life portfolios have a prevailing component of saving contracts, but there are also pure risk covers (death plus riders, such as accident, disability, dread disease, etc.) and some annuity portfolios, with the presence of the longevity risk.

The risks related to policies with a prevailing saving component and with minimum interest rate guarantee are adequately measured in a prudent way in the pricing process in accordance with the particular situation of the local financial markets, and taking also into account any relevant regulatory constraint.

In order to better manage risks and costs associated with embedded options included in the above products, the Group is continuing to pursue the policy, already undertaken in previous years, of redefining the structure of related financial guarantees.

In this perspective the structure of the product has been redefined, connecting in many cases the level and the recognition of guarantees with the length of staying inside the contract.

The table below shows the distribution of insurance provisions of life gross direct business by level of financial guarantee.

LIFE INSURANCE PROVISIONS: FINANCIAL GUARANTEE

(€ million)	GROSS DIRECT INSURANCE	
	31/12/2012	31/12/2011
Liabilities with guaranteed interest(*)	**237,274**	**234,606**
between 0% and 1%	49,440	43,828
between 1% and 3%	98,823	94,079
between 3% and 4%	53,909	56,729
between 4% and 5%	31,366	36,716
more than 5 %	3,737	3,254
Provisions without guaranteed interest	**55,113**	**60,377**
Provisions matched by specific assets	**7,556**	**8,152**
Total	**299,944**	**303,134**

(*) The upper bound of each range is excluded.

The total insurance provisions include the gross direct amount of mathematical provisions, which amount to € 231,673 million (€ 231,588 million at 31 December 2011), the provisions for policies where the investment risk is borne by the policyholders and for pension fund, which amount to € 41,048 million (€ 46,804 million at 31 December 2011), the ageing provision for life segment, which amount to € 9,627 million (€ 9,073 million at 31 December 2011), and financial liabilities related to investment contacts, which amount to € 17,597 million (€ 15,670 million at 31 December 2011).

Year end 2011 figures included technical provisions and investment contracts financial liabilities belonging to Migdal Group, that were mainly recorded as provisions without guaranteed interest and, for a residual amount, as liabilities with guaranteed interest between 3% and 5%.

The insurance provisions above are grouped in three macro classes:

- contracts with a minimum guarantee level: this group considers both yearly cliquet and at event (death and maturity) guarantees;
- contracts without interest guarantee: in this category, together with standard unit linked policies are also included contract whose benefits and premiums can be adjusted by Companies in order to mitigate interest rate risk. With regard to this second class of contracts, comparative information have been consistently restated;
- contracts matched by specific assets: this category includes contracts where the liabilities are totally matched by specific assets.

The table above shows a progressive shift of the exposures towards ‘less than 3%’ guarantee classes, also due to the new business. It also shows a slight increase of ‘in addition to 5%’ class related to the portfolio management of extra-European Group companies where the nominal rates are higher than those in the Eurozone. Lastly, the amount of provisions without guaranteed interest showed an increase amounting to € 55,113 million (€ 60,337 million as at 31 December 2011) due to the disposal of Migdal group. On equivalent consolidation area these provisions would increase.

From a quantitative point of view regarding the life underwriting risk and according to the parameters indicated by the CFO Forum, the Group performs the following Embedded Value sensitivities:

- maintenance expenses -10%: sensitivity to a 10% decrease of maintenance expenses;
- lapse rate -10%: sensitivity to a 10% decrease of lapse rates;
- mortality/morbidity for risk business -5%: sensitivity to a 5% decrease of mortality/morbidity for all product lines except annuities (e.g. term assurance, whole life, annuity during the accumulation period);
- mortality for annuity business -5%: sensitivity to a 5% decrease of mortality for annuity business only (e.g. annuities in payment).

LIFE EMBEDDED VALUE SENSITIVITIES: UNDERWRITING RISKS

(%)	31/12/2012	31/12/2011
Expenses -10%	2.9	3.3
Lapse rate -10%	2.4	3.4
Mortality -5%	3.2	3.2
Annuity Mortality -5%	–1.2	–1.4

The table above shows that the reduction of expenses and mortality rates (except for annuities) has a positive effect in the value; on the contrary, as expected, for the annuities, a reduction in mortality rates leads to a corresponding decrease in value.

Regarding lapse, a decrease in surrender assumptions could produce both positive and negative effect in the Embedded Value, depending on the portfolio structure and on the economic contingencies. In particular the magnitude of variances depends on the alignment of some variables such as return of the fund, level of guarantee and structure of surrender penalties. Like the previous year, the offsetting effects of these factors result at Group level in an increase in the Embedded Value when the lapse rates decrease.

In addition to the quantitative analyses above presented, the qualitative aspects relating to underwriting process and operative risk management are carefully assessed.

As far as the demographic risk related to pure risk portfolios is concerned, the mortality tables used in the pricing include prudential margins. The standard approach is to use population or experience tables with adequate safety loadings. For the most important risk portfolios ad hoc reviews of mortality experience is performed every year in comparison with the expected mortality of the portfolio, determined according to the most up-to-date mortality tables available in each market. This analysis takes into consideration the mortality by sex, age, policy year, sum assured and other underwriting criteria.

There is a particular emphasis, both at local and central level, in the underwriting of the new contracts, that considers both the medical and the financial and moral aspects. A Group standard for manuals, forms and medical and financial underwriting requirements has been established, both for death covers and for riders. Underwriting autonomy levels for companies are determined depending on their structure and their portfolio, while above the autonomy each risk is examined also by either the Underwriting Department of Corporate Centre (which is the main reinsurer for many Group companies) or by a local professional reinsurer.

As far as riders are concerned, which are mostly exposed to moral risks, maximum insurability levels by country and company are set, lower than those applied for death covers; at the same time, in order to mitigate these risks, consistent policy conditions are established, especially for what refers to policy exclusions.

The Companies must apply the underwriting guidelines and operating limits defined by the Corporate Centre which also defines the standard process to request dispensations in order to maintain the risk exposure between the set up limits and to ensure a coherent use of the capital.

In order to mitigate mortality and morbidity risk, another feature is reinsurance. As far as the surplus (proportional) reinsurance is concerned, Head Office acts very often as the main reinsurer for its subsidiaries, then ceding to the reinsurance market the portions of individual risks exceeding its own retention. Sometimes reinsurance is made directly by the company to the local reinsurance market, with Corporate Centre’s support and agreement. As far as the catastrophe risk is concerned, it is related to geographical concentrations, which are typical of group insurance, and it is covered acquiring, at a central or local level, ad hoc non proportional covers, and sometimes diversifying the risk, for instance adopting adequate underwriting policies.

The longevity risk, notwithstanding its minor weight in the life business of the Group, is constantly monitored. For the most important portfolios of annuities in course of payment, there is an annual evaluation for the adequacy of the technical bases, that considers the demographic component but also the financial component related to the minimum interest rate guarantee and any mismatch between the liabilities and the corresponding assets.

As far as new business is concerned, in each country demographic assumptions reflecting future mortality trends are used, while for group contracts, if possible, mortality adjustments clauses are considered. For policies which foresee an accumulation phase and at maturity an annuity conversion option for the lump sum, no guarantee is normally allowed on the technical basis for the determination of the annuity to be paid in the future; if, however, this is guaranteed, particularly in cases of collective agreements, contractual mechanisms for adjusting the basis of mortality compared with some variations in mortality effective population are often introduced.

As far as lapse risk (risks related to voluntary withdrawal from the contract) and expense risk (risks related to inadequacy of charges and loadings in the premiums in order to cover future expenses) are concerned, they are evaluated in a prudential manner in the pricing of new products, considering in the construction and the profit testing of a new tariff assumptions derived from the experience of the company. Should this not be sufficiently reliable or suitable, the experience of the other Group entities of the same country or the general experiences of the local market are applied. In order to mitigate lapse risk, surrender penalties are generally considered in the tariff and are determined in such a way to compensate, at least partially, the loss of future profits.

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

Aggregate analysis have been made on the best estimate of the risk factors in order to assess the congruence of the assumptions and to update them; at the same time it has been assessed the coherence of the assumptions made and the actual experience of the year valuating, risk by risk, the changes in the portfolio values.

The tables below show the concentration of gross direct premiums of life segment, including investment contracts, by line of business and by geographical area.

GROSS DIRECT PREMIUMS BY LINE OF BUSINESS AND BY GEOGRAPHICAL AREA

(€ million) 31/12/2012	SAVINGS AND PENSION	PROTECTION	UNIT/INDEX LINKED	TOTAL
Italy	11,624	222	515	12,360
France	6,564	1,745	912	9,221
Germany	6,909	4,103	3,298	14,309
Central and Eastern Europe	1,019	244	428	1,691
Rest of Europe	2,338	824	2,639	5,801
Spain	988	185	9	1,183
Austria	189	134	834	1,157
Switzerland	627	248	252	1,127
Other Europe	534	257	1,544	2,335
Rest of World	1,192	631	53	1,876
Total	**29,645**	**7,768**	**7,844**	**45,258**

(€ million) 31/12/2011	SAVINGS AND PENSION	PROTECTION	UNIT/INDEX LINKED	TOTAL
Italy	11,513	207	604	12,324
France	6,161	1,374	1,260	8,795
Germany	6,034	4,061	3,439	13,533
Central and Eastern Europe	1,009	223	445	1,677
Rest of Europe	2,217	739	2,601	5,558
Spain	850	188	14	1,051
Austria	169	114	819	1,102
Switzerland	660	241	276	1,177
Other Europe	539	196	1,493	2,229
Rest of World	1,204	519	1,391	3,114
Total	**28,137**	**7,124**	**9,740**	**45,002**

The table above shows the major importance of savings and protection contracts (65.5% of the total), while the unit/index linked portfolio accounts for 17.3% of the total written premiums. Concerning the health business, the Group has a strong presence in markets such as Germany and Austria where operate companies dedicated to this segment; while in all the other geographical areas health premiums refers to life insurance rider covers.

With reference to the distribution by geographical area, the Group, in the life and health market, is present in various countries with a relative stability in term of written premiums. However it is worth noting that the 95.9% of the total written life and health premiums refers to the European market.

5.2 Non-Life underwriting risk

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

Pricing risk

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

In order to quantify this risk, the Group assesses its exposure to attritional claims, large claims and catastrophes, gross and net of reinsurance, for the most relevant part of its portfolio.

Regarding this risk, the Group:

- has developed stochastic or deterministic bottom-up simulation models, which are validated by sensitivity analyses and stress tests;
- determines for frequency risks, large risks and catastrophe risks (such as earthquake, flood, windstorm, etc.) possible loss scenarios and risk capital requirements, also in consideration of reinsurance structures (proportional, excess of loss, etc.), net retention and cover;

- adopts, also for evaluating reinsurance cessions, models that are consistent with Value Based Management principles, which consider value creation estimated from risk capital as the metric to be used to evaluate the efficiency and adequacy of the solutions to be chosen.

Reinsurance structures are based on a detailed risk analysis that allows identifying, for each class of business, the structure type, the retention level and the total amount of cover needed to mitigate exposures from single risks and, for some classes, events that derive from the accumulation of risks existing within a portfolio.

Treaty reinsurance provides a risk transfer mechanism for the greatest portion of each portfolio, while facultative reinsurance is used to cover individual additional exposure peaks.

Regarding treaty reinsurance, the most important lines of business are best covered by excess of loss contracts, which allow setting precise retentions for each class. This makes it possible to retain those risks that are marked by a lower volatility and higher expected returns.

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

As a result, the new model expects that the Parent Company subscribes – at market conditions – all the major treaties of the subsidiaries with less exeptions justified by particular regulatory or market conditions. This approach allows to manage the reinsurance cycle more efficiently than in the past because it gives the possibility to adjust the levels of the Parent Company risk retention through its retrocession treaties, retaining more risk in the hard market phases and less risk in the soft market phases.

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

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

With specific reference to the Parent Company, these principles have been confirmed by the Board of Directors on 24 February 2012 and the structures in place during the year in course reflect the new business model for the purchase of the contractual reinsurance described above both in the structures and levels of retention.

Reserving risk

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

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

The following table shows the cumulative claim payments and the ultimate cost of claims by accident year and their development from 2003 to 2012. 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 € 586.2 million in 2012).

The difference between the ultimate cost of claims and the cumulative paid losses for calendar year 2012 constitutes the claim reserve for accident years 2003 to 2012. 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 2003-2012 indicates the adequate level of prudence adopted by the Generali Group in its reserving policy.

CLAIMS DEVELOPMENT

(€ million)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	TOTAL
Cumulative claim payments											
at the end of accident year	4,644	4,822	5,120	5,328	5,726	6,032	6,248	6,088	5,709	5,838	
one year later	7,777	8,151	8,617	9,035	9,759	10,276	10,321	10,103	9,508		
two years later	8,675	9,124	9,625	10,113	10,886	11,405	11,534	11,248			
threes years later	9,170	9,614	10,124	10,598	11,457	11,958	12,133				
four years later	9,487	9,879	10,382	10,910	11,797	12,296					
five years later	9,699	10,052	10,584	11,124	12,011						
six years later	9,842	10,214	10,744	11,285							
seven years later	9,971	10,343	10,861								
eight years later	10,091	10,438									
nine years later	10,170										
Estimate of ultimate cumulative claims costs:											
at the end of accident year	11,628	12,042	12,318	12,928	13,507	14,037	14,208	13,999	13,439	13,754	131,860
one year later	11,284	11,721	12,232	12,799	13,429	13,851	14,037	13,806	13,237		
two years later	11,078	11,488	11,963	12,554	13,200	13,653	13,919	13,646			
threes years later	10,947	11,350	11,792	12,397	13,061	13,573	13,874				
four years later	10,937	11,241	11,716	12,314	12,996	13,533					
five years later	10,845	11,177	11,648	12,239	12,948						
six years later	10,808	11,125	11,603	12,212							
seven years later	10,774	11,084	11,581								
eight years later	10,749	11,070									
nine years later	10,737										
Estimate of ultimate cumulative claims costs at reporting date	**10,737**	**11,070**	**11,581**	**12,212**	**12,948**	**13,533**	**13,874**	**13,646**	**13,237**	**13,754**	**126,592**
Cumulative payments to date	**–10,170**	**–10,438**	**–10,861**	**–11,285**	**–12,011**	**–12,296**	**–12,133**	**–11,248**	**–9,508**	**–5,838**	**–107,213**
Provision recognised in the balance sheet	**567**	**632**	**721**	**927**	**937**	**1,237**	**1,741**	**2,398**	**3,729**	**7,916**	**20,804**
Provision not included in the claims development table											6,255
Total provision included in the balance sheet											**26,734**

The differences with the amounts published in previous reporting periods are mainly due to changes in exchange rates, the disposal of Migdal Group and the transfer of a French health portfolio from P&C to life and health segment.

The underwriting policy

In the non-life branches, the Group underwriting embraces all lines of business, while targeting the development of retail and small/medium enterprise business, both in Property and Casualty.

The focus is mainly on products characterized by low or medium volatility, with only a minor and selective presence in market segments such as, for example, energy and accepted reinsurance.

The underwriting guidelines are particularly prudent with reference to emerging risks (electromagnetic fields, genetically modified organisms, nanotechnologies, etc.), while asbestos related covers are generally excluded.

The underwriting activity is geographically diversified, although mainly concentrated in continental Europe, which accounts for 93.1% 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) 31/12/2012	MOTOR	NON MOTOR PERSONAL	NON MOTOR COMMERCIAL/ INDUSTRIAL	NON MOTOR ACCIDENT/ HEALTH(*)	TOTAL
Italy	3,174	878	1,851	1,303	7,207
France	1,077	1,472	779	97	3,425
Germany	1,185	1,289	270	529	3,272
Central and Eastern Europe	918	345	618	519	2,400
Rest of Europe	1,604	1,047	944	678	4,273
Spain	385	417	372	173	1,347
Austria	331	188	3	163	686
Switzerland	534	320	351	147	1,353
Other Europe	353	122	218	195	888
Rest of World	920	33	418	153	1,524
Total	8,879	5,064	4,881	3,278	22,102

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

(€ million) 31/12/2011	MOTOR	NON MOTOR PERSONAL	NON MOTOR COMMERCIAL/ INDUSTRIAL	NON MOTOR ACCIDENT/ HEALTH(*)	TOTAL
Italy	3,264	861	1,917	1,313	7,356
France	1,113	1,439	757	477	3,785
Germany	1,093	1,211	282	472	3,058
Central and Eastern Europe	1,011	348	553	309	2,220
Rest of Europe	1,554	993	977	650	4,174
Spain	368	387	413	171	1,338
Austria	526	311	345	144	1,325
Switzerland	316	187	3	150	656
Other Europe	344	108	216	185	854
Rest of World	872	56	457	114	1,499
Total	**8,906**	**4,908**	**4,943**	**3,336**	**22,092**

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

6 Operational risk

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

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

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

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

Operational risk also includes the following risks:

- financial reporting risk, defined as the risk of a transaction error which could entail an untrue and incorrect representation of the situation of the assets,

liabilities, profit or loss in the Company's financial statements, in the yearly and half-yearly consolidated financial statements and in any other financial release;
- a model coherent with international frameworks (COSO, COBIT) has been defined to manage the financial reporting risk. The manager in charge of preparing the Company's financial reports of Assicurazioni Generali S.p.A. defines the operational and organizational aspects of the financial reporting risk model in application of powers and means as provided for by Law 262 of 28 December 2005;
- compliance risk, defined as the risk of legal or regulatory sanctions, material financial loss or loss to reputation the Company may suffer as a result of not complying with laws, regulations and administrative provisions applicable to its activities.

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

For further information please see the Corporate Governance Report.

7 Other risks

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

7.1 Liquidity risk

The Group manages liquidity risk in order to meet its expected obligations as well as its cash commitments even in the occurrence of unpredictable situations. Issues related to marketability of assets are also adequately considered.

By constantly monitoring cash flows, the Group aims at maintaining high financial strength position, in a short and long term horizon.

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

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

In addition, with regard to entities operating in Non-life segment, reinsurance treaties towards the Head Office allow each business unit to reduce the exposure to the main risks assumed at local level, in order to mitigate the possible negative consequences of catastrophes events or huge claims which could impact the company's financial stability.

At Head Office level, Assicurazioni Generali S.p.A., liquidity is periodically monitored in order to ensure that all short term commitments faced by the company are met. Beyond a careful control on the industrial activity's trend, accurate estimates with regard to the dividends that could be paid by the Group's subsidiaries are made, together with a careful evaluation on possible capital requirements of the Group entities. These evaluations are furthermore stressed using negative macroeconomic and financial market's scenarios, in order to be able to eventually satisfy every liquidity need that may arise from several market conditions. With this aim all business units have adopted a liquidity risk model in order to anticipate potential critical future situations, based on defined "liquidity ratios" calculate in stressed scenarios with a one year horizon.

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

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

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

Financial liabilities

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

Liquidity risk is also managed through the placement of different kinds of financial instruments into the market; this strategy allows the Group to diversify its sources of funds, drawing from different classes of investors.

FINANCIAL LIABILITIES AT AMORTIZED COST

(€ million)	31/12/2012	31/12/2011
Subordinated liabilities	**7,833**	**6,611**
Loans and bonds	**16,669**	**15,699**
Deposits received from reinsurers	1,077	984
Bonds(*)	4,975	5,022
Other loans	4,643	4,623
Financial liabilities related to investment contracts issued by insurance companies	4,947	4,107
Hedging derivatives	1,028	963
Liabilities to banks or customers	**24,880**	**22,285**
Liabilities to banks	2,147	995
Liabilities to customers	22,733	21,289
Total	**49,382**	**44,594**

(*) Including senior bond issued in May 2010 to fund the tax recognition of goodwill related to the extraordinary operation Alleanza Toro for a nominal amount of € 560 million (at 31/12/2012 the related book value amounted to € 511 million). This issue was classified as operating debt because the debt structure provides a perfect correlation between cash flows arising from the recognition of taxes and loan repayments in terms of interest than capital.

The main Group's financial liabilities at amortized cost are represented by senior bonds and subordinated liabilities. The following tables sort Senior and Subordinated liabilities in buckets based on maturity, or first call date, when applicable. For each bucket of maturity are reported the undiscounted cash flows (including the related hedging derivatives), the book value and the fair value of financial liabilities.

Starting from the Risk Report 2012 the methodology has been changed in order to allocate to each maturity bucket the corresponding undiscounted cash flows. The previous methodology reported for each liability the sum of the undiscounted cash flows, having as a driver for the allocation in each bucket the maturity date or the call date of the related liability, notwithstanding the timing of interest cash flows. Consistently with the new methodology the 2011 figures have been reinstated.

SUBORDINATED LIABILITIES

(€ million)	31/12/2012			31/12/2011		
	UNDISCOUNTED CASH FLOW	BOOK VALUE	FAIR VALUE	UNDISCOUNTED CASH FLOW	BOOK VALUE	FAIR VALUE
Up to 1 year	752	200	200	1,412	747	728
between 1 and 5 years	5,698	3,116	2,791	4,108	2,402	1,725
between 5 and 10 years	5,646	4,089	4,117	3,467	2,460	1,829
more than 10 years	633	428	340	1,457	1,002	620
Total subordinated liabilities	**12,729**	**7,833**	**7,449**	**10,444**	**6,611**	**4,902**

SENIOR BONDS

(€ million)	31/12/2012			31/12/2011		
	UNDISCOUNTED CASH FLOW	BOOK VALUE	FAIR VALUE	UNDISCOUNTED CASH FLOW	BOOK VALUE	FAIR VALUE
Up to 1 year	312	0	0	342	20	20
between 1 and 5 years	3,616	2,745	2,947	3,737	2,728	2,799
between 5 and 10 years	663	511	513	742	559	559
more than 10 years	1,929	1,719	1,896	2,019	1,715	1,587
Total bond issued	**6,520**	**4,975**	**5,357**	**6,841**	**5,022**	**4,965**

During 2012 the company issued two subordinated bonds that modified the maturity and cash flows profile compared to 2011:

- a first issuance of 750 million euro with maturity of thirty years and first call date in 10 July 2022. The proceeds have been used to refinance the subordinated bond with same nominal amount, redeemed in 20 July 2012;
- a second subordinated issuance of 1.250 million euro issued last December, with maturity of thirty years and first call date in 12 December 2022.

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

Insurance liabilities

The Group's Companies take into adequately account the impact on their expected profits of all the exit and entry sources and in particular those related to any rational/irrational surrenders, as reported also in the previous paragraph 5.1 '*Life underwriting risk*'. In addition, in all the valuations, including sensitivities reported in the paragraph related to the market risk, a dynamic surrender approach is implemented, taking into account the interaction between the return of policyholder funds and the financial market developments.

The liquidity risk arises from a mismatch between liabilities and assets cash flows. The Group manages this risk by mean of mitigation strategies, either embedded in the products and funds structure.

In particular, in the phase of product design, penalties for surrenders are allowed, calculated in order to partially compensate the eventual decrease of expected future profits. At the same time, for a relevant part of the portfolio, financial guarantees are not provided in case of surrender; this has a disincentive effect for policyholders and reduces the cost of this embedded option for the Company. The surrender assumptions used both for the pricing and the valuation, in terms of value and risk, are periodically reviewed and updated.

The table here below shows the amount of the life gross direct insurance provisions broken down by expected contractual residual duration. For annuity in payment or whole life contract the expected residual duration is calculated considering an expected date of conclusion of the contract, according to the embedded value valuation. Excluding Migdal group from 2011, which insurance provisions and financial liabilities related to investment contracts were concentrated in classes with contractual term to maturity between 11 and 20 years and more than 20 years, the aforementioned classes would have been substantially stable.

LIFE INSURANCE PROVISIONS AND FINANCIAL LIABILITIES RELATED TO INVESTMENT CONTRACTS: CONTRACTUAL TERM TO MATURITY

(€ million)	GROSS DIRECT INSURANCE	
	31/12/2012	31/12/2011
Up to 1 year	27,089	23,407
Between 1 and 5 years	77,276	73,790
Between 6 and 10 years	66,573	67,611
Between 11 and 20 years	74,593	78,617
More than 20 years	54,412	59,709
Total	**299,944**	**303,134**

The total amount of insurance provisions and financial liabilities related to investment contracts is the same as the total shown in chapter 5.1 – *Life underwriting risk*.

Note that the provision for outstanding claims (not included in the table), which at 31 December 2012 amounted to € 4,822 million (€ 4,487 million at 31 December 2011), matures in first year by definition.

With reference to non-life segment, the table here below shows the amount of gross direct claims and unearned premiums reserves split by remaining maturity. The total liability is broken down by remaining duration in proportion to the cash flows expected to arise during each duration band.

NON-LIFE INSURANCE PROVISIONS: MATURITY

(€ million)	GROSS DIRECT AMOUNT	
	31/12/2012	31/12/2011
Up to 1 year	12,320	12,736
Between 1 and 5 years	12,268	12,464
Between 6 and 10 years	4,377	4,131
Between 11 and 20 years	3,600	3,472
More than 20 years	0	0
Total	**32,565**	**32,803**

7.2 Strategic, reputational, contagion and emerging risk

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

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

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

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

8 Risk monitoring by third parties

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

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

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

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

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

	RATING	OUTLOOK
Standard & Poor's	A	Negative
Fitch	A-	Negative
AM Best	A	Negative
Moody's	Baa1	Negative

In June 2012 Standard and Poor's placed Generali's rating under credit watch. This condition has been resolved in January 2013, and A rating was confirmed (with negative outlook), confirming the strong fundamentals of the Group's business in terms of competitive position and operating performance, together with the management's commitment towards strengthening capital position. It is worth noting that this rating is by two notches higher than that assigned to the Italian sovereign debt.

Moody's also reduced Generali's rating from A1 ad Baa1 in July 2012 following the downgrade of Italian sovereign rating. The outlook (negative) is in line with that of Italy. In December 2012, the agency placed under review Group Parent Company Assicurazioni Generali S.p.A.'s bond ratings in order to evaluate the impact stemming from launched restructuring of Italian operations on its economic and financial structure.

9 Capital management

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

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

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

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

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

In each country the Group operates, local laws and/or local supervisor authorities require a minimum capital. This minimum capital should be maintained by each subsidiary to face its insurance obligations and/or operational risks. This minimum level of capital has been continuatively maintained during the financial year.

The Group is a financial conglomerate and it is subject to a supplementary supervision about adequacy capital requirements, risk concentration, intra-group transactions and internal control. In particular, in 2012 the Group available margin amounted to € 26.9 billion (€ 20.8 billion at 31 December 2011) and the Group required margin to € 17.9 billion (€ 17.8 billion at 31 December 2011). Therefore, the Group Solvency I cover ratio (i.e. the ratio of available margin to required margin) was 150% (117% at 31 December 2011).

With reference to the Solvency I cover ratio the following sensitivity analysis to market risks which do not consider the possible application of "Anticrisi" rules (i.e. ISVAP - now IVASS – Regulation n. 43 of 12 July 2012 have been performed:

- equity -30%: a 30% reduction of the value of all the equity investments in the portfolio at the balance date affects tha ratio by around 9 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 14 percentage points;
- yield curve -1%: a downward parallel shift of 100 basis points in the underlying market risk free rates at balance sheet date affects the ratio by around 14 percentage points.

NOTES TO THE BALANCE SHEET

Balance sheet - Assets

1 Intangible assets

(€ million)	31/12/2012	31/12/2011
Goodwill	**7,222**	**7,394**
Other intangible assets	**2,681**	**3,039**
Software	426	516
Value of in-force business arising from insurance business combination	1,479	1,628
Other intangible assets	776	895
Total	**9,902**	**10,434**

1.1 Goodwill

(€ million)	31/12/2012	31/12/2011
Carrying amount as at 31 December previous year	**7,394**	**7,415**
Changes in consolidation scope	–137	–19
Other variations	–36	–2
Carrying amount as at the end of the period	**7,222**	**7,394**

At 31 December 2012 Group's goodwill amounted to € 7,222 million (- 2.3% if compared to the same period of last year).

The table below details the goodwill by relevant companies:

(€ million)	31/12/2012	31/12/2011
Alleanza Toro Group	2,793	2,793
Generali Deutschland Holding	2,179	2,179
Generali PPF Holding Grupp	616	656
BSI - Banca del Gottardo Group	553	550
Generali France Group	415	417
Generali Schweiz Holding AG	289	288
Generali Holding Vienna AG	153	153
Migdal Insurance Holding	0	135
Europ Assistance Holding	82	82
Other	140	140
Total goodwill	**7,222**	**7,394**

The decrease was mainly driven by the disposal of Israeli Migdal Group (€ -135 million) and to the devaluation of goodwill belonging to Russian companies (€ -50 million), the latter linked with the buyout of minorities' interests in Generali PPF Holding deeper described in the "Other information – Related parties disclosure". The residual change of the period was mainly attributable to foreign exchange adjustments on the goodwill share calculated on entities that have reporting currencies other than Euro.

Cash generating units were established in accordance with the Group's participation structure and considering the IFRS 8 requirements about operating segments, which Assicurazioni Generali identified as Life, Non-Life and Financial.

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

(€ million)	LIFE	NON-LIFE	FINANCIAL	TOTAL
Generali Deutschland Holding	562	1,617		2,179
Alleanza Toro Group	2,101	692		2,793
Ceska Group	218	398		616
BSI – Banca del Gottardo Group			553	553
Generali France Group	319	97		415
Generali Schweiz Holding AG	81	208		289
Generali Holding Vienna AG	77	77		153
Europ Assistance Group		82		82
Other				140
Total	3,357	3,170	553	7,222

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

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

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

The application of this criterion entailed in general the following phases:

- explicit forecast of the future cash flows to be distributed to the shareholders in the planned time frame, taking into account the limit due to the necessity of maintaining an adequate capital level;
- calculation of the cash generating unit's terminal value, that was the foreseen value of the cash generating unit at the end of the latest year planned.

The expected cash flows used in the analysis for each CGU, were those detailed in the Strategic Plan 2013-2015, presented to the Board of Directors on 14 December 2012 and subsequent amendments. In order to extend the analysis horizon to a 5 years period, the main economic and financial data were calculated for further two years (2016 and 2017). More in detail, required and available solvency margins for 2016 and 2017 were determined on the basis of the growth of the last year of plan (2015), whereas the net result for 2016 and 2017 were calculated using a sustainable growth rate for each CGU.

A) Nominal growth rate (g):

	G
Generali Deutschland Holding	2.0%
Alleanza Toro	2.5%
Gruppo Ceska	3.0%
BSI Group – Banca del Gottardo	1.5%
Generali Schweiz Holding AG	1.0%
Europ Assistance Group	2.0%
Generali Holding Vienna	2.0%
Generali France	2.0%

B) Cost of equity (K_e) of the company net of taxes:

	Ke
Generali Deutschland Holding	
Life	6.6%
Non-Life	6.4%
Alleanza Toro Group	
Life	10.0%
Non-Life	9.8%
Ceska Group	
Life	7.4%
Non-Life	8.1%
BSI – Banca del Gottardo Group	6.2%
Generali Schweiz Holding AG	
Life	5.7%
Non-Life	5.5%
Europ Assistance Group	
Non-Life	7.8%
Generali Holding Vienna	
Life	7.1%
Non-Life	6.9%
Generali France Group	
Life	7.4%
Non-Life	7.1%

The cost of equity (K_e) for each entity is extrapolated based on the Capital Asset Pricing Model (CAPM) formula. More in detail:

- the risk free rate was defined as the average value - observed during the last three months of 2012 - of the 10-years government bond of the reference country of operation of the CGU, on which the goodwill has been allocated;
- the Beta coefficent was determined based on a homogeneous basket of securities of the non-life insurance, life insurance and banking sectors, which was compared to market indexes. The observation period was 5 years with weekly frequence;
- the market risk premium amounts to 5% for all Group's CGUs. In the CGUs located in countries where significant decreases in current market yields were observed (Austria, CEE, Germany and Switzerland), the market risk premium to determine the terminal value has been set equal to 6%. This latter adjustment has been required by a prudential estimate on the long run sustainability of the reference country government bonds' current yields.

All CGUs passed the impairment test, being their recoverable amounts higher than their carrying amounts. Furthermore a sensitivity analysis was performed on the results changing the cost of own capital of the company (Ke) (+/-1%) and the perpetual growth rate of distributable future cash flows (g) (+/-1%). This sensitivity highlightened that some negative changes included in the choosed sensitivity's bucket could lead the recoverable value of some Group CGUs under the corresponding carrying amounts.

For other minor CGUs the Embedded Value Method and, if necessary, the Appraisal value were adopted. These methodologies are linked to definition logics of fair value net of costs of sale.

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

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

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

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

1.2 Other intangible assets

(€ million)	31/12/2012	31/12/2011
Carrying amount as at 31st December previous year	**3,039**	**3,255**
Foreign currency translation effects	28	–6
Increases	250	371
Changes in consolidation scope	–163	–31
Decreases	–69	–65
Amortization and impairment losses of the period	–430	–378
Other variations	25	–108
Carrying amount as at 31st December current year	**2,681**	**3,039**

According to the IFRS 3, Other intangible assets included the value of the insurance portfolio (or "The value in force") acquired in business combinations amounted to € 1,479 million. This amount was attributable to:

- the acquisitions which took place in 2006 of the Toro Group (€ 278 million net of the amortisation of the period) and in the CEE countries (€ 25 million, net of the amortisation of the period);
- the acquisition of Bawag PSK Versicherung in 2007, which brought a further activation of € 44 million, net of the amortisation of the period;
- the acquisition of the Ceška group, whose allocation of purchased price was concluded in the second half of 2008, which brought a further activation of € 1,132 million, net of the amortisation of the year.

The other intangible assets included also the value of the customer portfolio in the asset management business, obtained through the acquisition of control of companies operating in the financial segment. In particular, the acquisition of Banca del Gottardo brought to a further activation of € 166 million, net of the amortisation of the year.

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

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

2 Tangible assets

2.1 Land and buildings (self used)

The main changes occurred in the period and the fair value of the properties used for own activity by the Parent Company and its subsidiaries to run the activity are shown in the table below.

(€ million)	31/12/2012	31/12/2011
Gross bookvalue as at 31 December previous year	**4,025**	**4,164**
Accumulated depreciation and impairment as at 31 December previous year	**–954**	**–952**
Carrying amount as at 31 December previous year	**3,072**	**3,212**
Foreign currency translation effects	2	7
Increases	29	65
Capitalized expenses	51	65
Changes in consolidation scope	–91	–8
Reclassifications	0	–204
Decreases	–9	–14
Depreciation of the period	–52	–52
Net impairment loss of the period	0	0
Carrying amount as at the end of the period	**3,002**	**3,072**
Accumulated depreciation and impairment as at the end of the period	**977**	**954**
Gross bookvalue as at the end of the period	**3,979**	**4,025**
Fair value	**3,477**	**3,542**

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

2.2 Other tangible assets

(€ million)	31/12/2012	31/12/2011
Carrying amount as at 31st December previous year	**1,835**	**585**
Foreign currency translation effects	1	–1
Increases	296	234
Changes in consolidation scope	29	1,178
Decreases	–67	–142
Amortization and impairment losses of the period	–140	–134
Other variations	63	115
Carrying amount as at 31st December current year	**2,016**	**1,835**

The other tangible assets amounted to € 2,016 million (€ 1,835 million at 31 December 2011). It mainly includes property inventories (€ 1,525 million mainly allocated in Citylife) and furniture, fittings and office equipment (€ 443 million).

3 Amounts ceded to reinsurers from insurance provisions

(€ million)	DIRECT INSURANCE		ACCEPTED REINSURANCE		TOTAL	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-life amounts ceded to reinsurers from insurance provisions(*)	**2,865**	**3,031**	**1,030**	**1,015**	**3,895**	**4,046**
Provisions for unearned premiums	**527**	**516**	**98**	**113**	**626**	**630**
Provisions for outstanding claims	2,332	2,510	932	898	3,263	3,408
Other insurance provisions	6	4	0	4	6	8
Life amounts ceded to reinsurers from insurance provisions(*)	**872**	**827**	**858**	**805**	**1,729**	**1,632**
Provisions for outstanding claims	317	250	175	140	493	390
Mathematical provisions	286	293	681	664	967	957
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	161	160	0	0	161	160
Other insurance provisions	108	124	1	1	108	125
Total	**3,736**	**3,858**	**1,888**	**1,820**	**5,624**	**5,678**

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

4 Investments

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

(€ million)	31/12/2012		31/12/2011	
	TOTAL BOOK VALUE	IMPACT (%)	TOTAL BOOK VALUE	IMPACT (%)
Equity instruments	**15,652**	**4.6**	**17,098**	**5.5**
Available for sale financial assets	12,980	3.8	14,384	4.6
Financial assets at fair value through profit or loss	2,672	0.8	2,714	0.9
Fixed income instruments	**274,916**	**81.1**	**241,278**	**77.6**
Bonds	243,771	71.9	211,437	68.0
Other fixed income instruments	31,145	9.2	29,841	9.6
Held to maturity investments	7,538	2.2	5,293	1.7
Loans	61,347	18.1	68,030	21.9
Available for sale financial assets	197,066	58.2	158,835	51.1
Financial assets at fair value through profit or loss	8,965	2.6	9,120	2.9
Land and buildings (investment properties)	**15,064**	**4.4**	**15,322**	**4.9**
Other investments	**12,598**	**3.7**	**12,458**	**4.0**
Investments in subsidiaries, associated companies and joint ventures	1,692	0.5	1,905	0.6
Derivatives	707	0.2	563	0.2
Receivables from banks or customers	9,034	2.7	8,847	2.8
Other investments	1,165	0.3	1,142	0.4
Cash and cash equivalents	**20,589**	**6.1**	**24,659**	**7.9**
Total	**338,817**	**100.0**	**310,814**	**100.0**
Investments back to unit and index-linked policies	53,842		58,312	
Total investments	**392,659**		**369,126**	

Investments fund units (IFU) are allocated to respective asset classes based on prevailing underlying assets. IFU allocated within equity instruments amounted to € 4,120 million (€3,638 million as at 31 December 2011), those allocated within fixed income instruments amounted to € 9,167 million (€8,013 as at 31 December 2011) whereas IFU allocated within land and buildings (investment properties) amounted to € 2,165 million (€ 2,240 million as at 31 December 2011).

Given their short term investments nature, Reverse REPO, that amounted to € 596 million (€ 214 million as at 31 December 2011) were reclassified within "cash and cash equivalents". For the same reason also REPO, that amounted to € -1,655 million (€ -1,114 million as at 31 December 2011), were reclassified in the same item.

Derivatives investments are presented net of derivatives held as financial liabilities, that amounted to € -1,079 million at the end of the period (€ -1,975 million as at 31 December 2011). Hedging derivatives are excluded, as they are presented within asset classes they are hedging.

4.1 Land and buildings (investment properties)

The table below shows the main changes in land and buildings (investment properties) in the reporting period, i.e. those held to earn rentals or capital appreciation or both, and their fair value.

(€ million)	31/12/2012	31/12/2011
Gross bookvalue as at 31 December previous year	**14,879**	**14,330**
Accumulated depreciation and impairment as at 31 December previous year	**–1,797**	**–1,716**
Carrying amount as at 31 December previous year	**13,082**	**12,614**
Foreign currency translation effects	3	23
Increases	327	1,167
Capitalized expenses	90	65
Changes in consolidation scope	–50	173
Reclassification	148	72
Decreases	–442	–844
Depreciation of the period	–177	–178
Net impairment loss of the period	–81	–12
Carrying amount as at the end of the period	**12,899**	**13,082**
Accumulated amortization and impairment as at the end of the period	**1,903**	**1,797**
Gross bookvalue as at the end of the period	**14,802**	**14,879**
Fair value	**18,209**	**18,590**

The fair value of land and buildings (investment properties) at the end of the reporting period is mainly based on external appraisals.

4.2 Investments in subsidiaries, associated companies and joint ventures

(€ million)	31/12/2012	31/12/2011
Investments in non-consolidated subsidiaries	230	226
Investments in associated companies valued at equity	969	1,175
Investments in joint ventures	230	147
Investments in other associated companies	262	357
Total	**1,692**	**1,905**

The decrease in investments in associated companies valuated at equity amounted to € 206 million, mainly attributable to the decrease of the investment in Telco for € 88 million as well as to the disposal from the consolidation perimeter of Amot Investments Ltd and Ramat Aviv Mall Ltd, entities belonging to the Migdal Group, which carrying amounts were € 89 million and € 35 million respectively, as at 31 December 2012.

The reduction of the investment in Telco was mainly attributable to an impairment, amounting to € 275 million, which, net of the capital increase for € 183 million underwritten in May, the positive result of the period and other equity movements, contributed to bring the value of the investment to € 282 million, compared to € 370 million as at 31 December 2011.

This impairment was made on the basis of the impairment test at 31 December 2012 as a result of the emergence of some impairment triggers on the Telecom Italia shares held by Telco (22.4% of ordinary shares).

Considering that the only asset of Telco is the investment in Telecom Italia, the value of the stake in Telco was broadly defined as the difference between equity value of the investment in Telecom Italia at 31 December 2012 and the Telco net financial debt at the same date, as reported in the reporting package relevant to equity method valuation of the investment.

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

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

The evaluation was based on the update of the business plan disclosed by Telecom Italia during the preliminary results presentation for 2012 year end closing on 8 February 2012. More in detail, the Domestic CGU revenues reduction and the increase in Italian interest rates implied a review of the evaluation made at 30 June 2011. The assumptions used were generally consistent with external sources of information and the industrial sector parameters. The value per share of Telecom Italia was defined as the average value between a base scenario and a more conservative scenario.

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

Furthermore, a sensitivity analysis of WACC rate (with a negative stress up to +1% compared to the base value) and nominal growth factor "g" (± 0.5% compared to the central value) was performed, both for the base and conservative scenario. Based on this analysis, the minimum and maximum value of Telecom Italia ranged from € 0.85 to € 1.71 per share, assuming only a negative stress for WACC.

On the basis of this impairment test, the value per share of Telecom Italia in the Financial Statement of Telco amounted to € 1.20 per share, compared to € 1.50 at 31 December 2011. This decrease was indirectly reflected as an impairment of Telco stake in the Generali Group 2012 Consolidated Financial Statement for € 275 million.

4.3 Held to maturity investments

(€ million)	31/12/2012	31/12/2011
Quoted bonds	7,512	5,269
Other held to maturity investments	27	24
Total	**7,538**	**5,293**

The Group limits the use of this category only to high rating quoted bonds, that Group companies are able to hold till maturity. The increase between December 2011 and December 2012 is mainly attributable to the classification in this category of part of investments performed using the liquidity provided on favorable terms by the European Central Bank to Group entities operating in the banking sector.

The fair value of the held to maturity investments amounted to € 8,062 million, of which € 8,035 million represented by quoted bonds.

4.4 Loans and receivables

(€ million)	31/12/2012	31/12/2011
Loans	**62,029**	**68,243**
Unquoted bonds	39,400	46,230
Deposits under reinsurance business accepted	710	665
Other loans and receivables	21,919	21,349
Mortgage loans	8,774	8,766
Policy loans	3,117	3,298
Term deposits with credit institutions	7,925	7,509
Other loans	2,103	1,776
Receivables from banks or customers	**9,034**	**8,847**
Receivables from banks	1,949	2,563
Receivables from customers	7,085	6,284
Total	**71,063**	**77,090**

This category accounts for 19.0% of total investments. It mainly consisted of unquoted bonds and mortgage loans, which represent 55% and 12% of total loans, respectively. More than 90% of the bonds category is represented by fixed income medium-to-long term bond instruments.

The fair value of total loans amounted to € 67,131 million, of which € 43,974 million related to bonds. Receivables from banks or customers are mainly short-term.

4.5 Available for sale financial assets

(€ million)	31/12/2012	31/12/2011
Unquoted equities at cost	308	318
Equities at fair value	8,599	9,804
Quoted	7,513	8,757
Unquoted	1,086	1,047
Bonds	190,349	152,657
Quoted	185,173	147,576
Unquoted	5,176	5,081
Investment fund units	11,458	10,726
Other available for sale financial assets	1,831	2,144
Total	**212,546**	**175,649**

As already mentioned, the available for sale financial assets are measured at fair value and unrealized gains and losses on these assets are accounted for in shareholders' equity in an appropriate reserve. The amortized cost of the available for sale financial assets amounted to € 200,301 million.

(€ million) 31/12/2012	FAIR VALUE	UNREALIZED GAINS / LOSSES	AMORTIZED COST
Unquoted equities at cost	308	0	308
Equities at fair value	8,599	969	7,630
Bonds	190,349	10,721	179,628
Investment fund units	11,458	412	11,046
Other available for sale financial assets	1,831	143	1,688
Total	**212,546**	**12,245**	**200,301**

(€ million) 31/12/2011	FAIR VALUE	UNREALIZED GAINS / LOSSES	AMORTIZED COST
Unquoted equities at cost	318	0	318
Equities at fair value	9,804	–1,612	11,416
Bonds	152,657	–9,286	161,944
Investment fund units	10,726	–484	11,210
Other available for sale financial assets	2,144	182	1,963
Total	**175,649**	**–11,200**	**186,849**

This category accounted for 56.8% of the total investments. In particular, the available for sale bonds represented 78.1% of total bonds and they are mainly fixed interest rate government bonds, with a rating higher than A-. The maturity of this category is shown in the table below.

(€ million)	FAIR VALUE	
	31/12/2012	31/12/2011
Up to 1 year	12,534	9,552
Between 1 and 5 years	40,809	37,288
Between 5 and 10 years	63,266	57,455
More than 10 years	73,632	48,247
Perpetual	109	116
Total	**190,349**	**152,657**

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

(€ million) 31/12/2012	REALIZED GAINS	REALIZED LOSSES	IMPAIRMENT LOSSES
Equities	567	–575	–2,030
Bonds	2,107	–1,651	–175
Investment fund units	103	–108	–290
Other available for sale financial assets	59	–15	–97
Total	**2,835**	**–2,348**	**–2,592**

(€ million) 31/12/2011	REALIZED GAINS	REALIZED LOSSES	IMPAIRMENT LOSSES
Equities	1,193	–1,085	–750
Bonds	1,775	–917	–2,174
Investment fund units	204	–224	–31
Other available for sale financial assets	179	–22	–51
Total	**3,351**	**–2,247**	**–3,007**

The significant impairments, mainly booked during the fourth quarter 2012, result from a detailed recoverability analysis carried out instrument by instrument. As described in the Notes, section *Impairment losses on financial instruments*, part of the impairments refers to the updated definition of impairment losses threshold as well as the definition of continuous decline in the market value. The estimated total impact of the impairment losses on available for sale category affected the net result of the fourth quarter 2012 by about € 792 million of which € 183 million attributable to the change of impairment triggers.

A detailed description of the aforementioned refinement in methodology is included in the Notes, chapter *Impairment losses on financial instruments* of *Other information* included in the section *Basis of presentation and accounting principles*.

4.6 Financial assets at fair value through profit or loss

(€ million)	Financial assets held for trading		Financial assets designated as at fair value through profit or loss		Total financial assets at fair value through profit or loss	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Equities	61	46	155	264	216	310
Quoted	61	46	10	11	71	58
Unquoted	0	0	145	252	145	252
Bonds	1,023	798	5,486	6,482	6,509	7,280
Quoted	960	780	4,780	5,807	5,741	6,586
Unquoted	63	18	706	676	769	694
Investment fund units	29	28	3,966	3,138	3,995	3,165
Derivatives	385	1,167	1,402	1,371	1,786	2,538
Investments back to policies where the investment risk is borne by the policyholders and back to pension funds	0	0	53,842	58,312	53,842	58,312
Other financial investments	**660**	**251**	**1,328**	**1,780**	**1,988**	**2,031**
Total	**2,158**	**2,290**	**66,179**	**71,346**	**68,337**	**73,636**

This category accounted for 18.3% of the total investments. More in detail, these investments were mainly allocated in the life segment (€ 65,656 million, which accounted for 96.1% of this category) whereas the residual part referred to the non-life segment (€ 694 million which accounted for 1.0% of this category) and in the financial segment (€ 1,987 million, which accounted for 2.9% of this category).

Furthermore, this category includes investments back to policies where the risk is borne by policyholders, which amounted to € 53,842 million.

(€ million)	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Assets	51,713	56,463	2,129	1,849	53,842	58,312
Total assets	**51,713**	**56,463**	**2,129**	**1,849**	**53,842**	**58,312**
Financial liabilities	11,188	10,260	1,414	1,080	12,602	11,340
Insurance provisions(*)	40,830	46,540	77	150	40,907	46,690
Total liabilities	**52,017**	**56,800**	**1,492**	**1,229**	**53,509**	**58,030**

(*) Insurance provisions are net of amounts ceded to reinsurers from insurance provisions.

Further information on reclassified financial instruments

Starting on 1st January 2009 the Group transferred to the loans and receivables category € 14,658 million of corporate bonds. At the end of 2012, after sales and pay backs performed during the years, the stock of these reclassified financial instruments amounted to € 6,740.

	Book value reclassified as at 01/01/2009	Book value reclassified as at 01/01/2010	Book value at 01/01/2011	Book value at 01/01/2012	Change of the period 2012	Book value at 31/12/2012	Fair value as at 31/12/2012
Available for sale financial assets	14,028	12,561	9,693	8,204	–1,827	6,377	6,958
Financial assets at fair value through profit or loss	630	625	573	501	–138	363	379
Total reclassified investments	**14,658**	**13,186**	**10,266**	**8,705**	**–1,965**	**6,740**	**7,337**

As a consequence of the positive trend of corporate bond market prices registered in 2012, the reclassification of investments previously classified as available for sale financial assets, implied a missing recognition of the revaluation of the related equity reserve for € 581 million considering both the group share and minorities) compared to the previous classification, and net of policyholders share and deferred taxes, of € 89 million.

Furthermore, the reclassification of investments previously classified as financial assets at fair value through profit or loss implied a missing recognition of an unrealized gain in the profit or loss for € 16 million compared to previous classification, and net of policyholders share and deferred taxes, of € 2 million.

5 Receivables

This category includes receivables arising out of direct insurance and reinsurance operations, and other receivables. Other receivables, which amounted to € 706 million, refer to the real estate activity.

6 Other assets

(€ million)	31/12/2012	31/12/2011
Non-current assets or disposal groups classified as held for sale	15	148
Deferred acquisition costs	2,323	2,013
Tax receivables	2,686	2,737
Deferred tax assets	2,314	6,843
Other assets	6,998	6,827
Accrued interest income	4,067	4,164
Other accrued income	391	372
Deferred income	355	357
Deferred commissions for investment management services	42	69
Miscellaneous assets	2,143	1,865
Total	**14,336**	**18,569**

DEFERRED ACQUISTION COSTS

(€ million)	SEGMENT LIFE		SEGMENT NON-LIFE		TOTAL	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Carrying amount as at 31 December previous year	**1,568**	**1,454**	**445**	**431**	**2,013**	**1,886**
Acquisition costs deferred	466	498	466	218	932	717
Changes in consolidation scope	0	0	0	4	0	4
Amortization of the period	–409	–379	–258	–189	–667	–568
Other movements	3	–5	41	–20	44	–25
Carrying amount as at 31 December current year	**1,628**	**1,568**	**694**	**445**	**2,323**	**2,013**

The deferred acquisition costs increased from € 2,013 million as at 31 December 2011 to € 2,323 million as at 31 December 2012. The increase of the period reflects the increase of the production both in life and non-life segments.

7 Cash and cash equivalents

(€ million)	31/12/2012	31/12/2011
Cash and cash equivalents	7,490	6,452
Cash and balances with central banks	3,156	9,486
Cash at bank and short-term securities	11,000	9,622
Total	**21,647**	**25,560**

The decrease of the period was substantially attributable to the decrease in deposits with the European Central Bank.

Balance Sheet - Equity and liabilities

1 Shareholders' equity

(€ million)	31/12/2012	31/12/2011
Shareholders' equity attributable to the Group	19,828	15,486
Share capital	1,557	1,557
Capital reserves	7,098	7,098
Revenue reserves and other reserves	8,634	8,154
(Own shares)	–403	–403
Reserve for currency translation differences	589	615
Reserve for unrealized gains and losses on available for sale financial assets	2,591	–2,156
Reserve for other unrealized gains and losses through equity	–327	–235
Result of the period	90	856
Shareholders' equity attributable to minority interests	2,740	2,635
Total	**22,567**	**18,121**

The share capital is made up of 1,556,873,283 ordinary shares with a par value of € 1 each.

The Group's own shares amounted to € -403 million (15,996,870 shares) and were stable compared to € -403 million (15,997,470 shares) on 31 December 2011.

The reserve for currency translation differences arising from the translation of the subsidiaries' financial statements denominated in foreign currencies, amounted to € 589 million (€ 615 million as at 31 December 2011). The decrease was mainly due to the exclusion of Migdal Group from the consolidation perimeter that was only partially offset by the appreciation of some foreign currencies against the Euro (British pound, Swiss franc and Czech koruna).

The reserve for unrealized gains and losses on available for sale financial assets, i.e. the balance between unrealized gains and losses on financial assets, net of life deferred policyholder liabilities and deferred taxes, amounted to € 2,591 million (€ -2,156 million on 31 December 2011). The improvement of the reserve was driven by the recovery in value of all asset classes, that beneficiated from improved financial markets conditions and from impairments occurred in 2012 which tansferred the related unrealised losses to profit&loss.

The reserve for other unrealized gains and losses through equity includes gains and losses on GBP/Euro exchange rate and interest expense rates hedging derivative instruments, classified as cash flow hedge, realized following the issue of some subordinated liabilities. The unrealized gains and losses on hedging derivatives are deferred through this reserve of the shareholders' capital and reversed to profit and loss account when the gains or losses on hedged items are recognized.

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

In accordance with the CONSOB Communication No. 6064293 of 28 July 2006, the table below summarizes the reconciliation of the result of the period and shareholders' equity of the Group and the Parent Company.

(€ million)	31/12/2012		31/12/2011	
	SHAREHOLDERS' EQUITY BEFORE THE RESULT OF THE PERIOD	RESULT OF THE PERIOD	SHAREHOLDERS' EQUITY BEFORE THE RESULT OF THE PERIOD	RESULT OF THE PERIOD
Parent Company amounts in conformity with the Italian accounting principles	**14,275**	**131**	**14,260**	**326**
Adjustments to Parent Company for IAS/IFRS application	–1,983	5	–3,358	518
Parent Company amounts in conformity with IAS/IFRS principles	**12,292**	**136**	**10,902**	**844**
Result of the period of entities included in the consolidation area		4,708		4,133
Dividends	3,422	–3,422	3,536	–3,536
Elimination of participations, equity valuation impacts and other consolidation adjustments	1,112	–1,332	1,052	–585
Reserve for currency translation differences	590		615	
Reserve for unrealized gains and losses on available for sale financial assets	2,371		–1,389	
Reserve for other unrealized gains and losses through equity	–47		–86	
Shareholders' equity attributable to the Group	**19,738**	**90**	**14,630**	**856**

2 Other provisions

(€ million)	31/12/2012	31/12/2011
Provisions for taxation	67	69
Provisions for commitments	702	745
Other provisions	701	572
Total	**1,471**	**1,386**

The items provisions for commitments and other provisions mainly include provisions for corporate restructuring, litigation or similar events as well as other commitments for which, at balance sheet date, an outflow of resources to settling the related obligation is considered probable.

In the normal course of business, the Group may enter into arrangements that do not lead to the recognition of assets and liabilities in the consolidated financial statements under IFRS (potential assets and liabilities). However, as these arrangements don't represent a significant source of investment or financing of Group resources, at the end of 2012 there were no significant positions of assets and liabilities off-balance sheet.

The table below summarized the main changes occurred during the period:

(€ million)	31/12/2012	31/12/2011
Carrying amount as at 31 December previous year	**1,386**	**1,497**
Foreign currency translation effects	2	–1
Changes in consolidation scope	4	3
Variations	79	–113
Carrying amount as at 31 December current year	**1,471**	**1,386**

3 Insurance provisions

(€ million)	DIRECT INSURANCE		ACCEPTED REINSURANCE		TOTAL	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-life insurance provisions(*)	**32,970**	**33,189**	**1,506**	**1,460**	**34,475**	**34,649**
Provisions for unearned premiums	6,417	6,154	168	137	6,586	6,291
Provisions for outstanding claims	26,148	26,650	1,331	1,319	27,480	27,969
Other insurance provisions	405	386	6	4	410	390
of which provisions for liability adequacy test	11	7	0	0	11	7
Life insurance provisions(*)	**299,602**	**288,208**	**2,292**	**2,133**	**301,894**	**290,341**
Provisions for outstanding claims	4,822	4,487	862	803	5,684	5,290
Mathematical provisions	231,673	231,588	1,225	1,085	232,898	232,672
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	41,048	46,804	20	46	41,068	46,850
Other insurance provisions	22,060	5,330	185	199	22,245	5,529
of which provisions for liability adequacy test	731	1,175	71	92	802	1,267
of which deferred policyholder liabilities	4,000	–12,185	0	0	4,000	–12,185
Total	**332,572**	**321,398**	**3,798**	**3,593**	**336,369**	**324,990**

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

The decrease in non-life insurance provisions (-0.5% compared to 2011) was entirely attributable to the development of claims provisions, whereas premium provisions increased following the increase of production observed during the period.

In the life segment insurance provisions increased by 4.0%; this trend is determined by the improving of financial markets, that determined both the increase of traditional business and unit-linked provisions. On equivalent terms (excluding effects due to the disposal of Migdal Group) life insurance provisions increased by 9.7%.

The overall total of the other life insurance provisions included both the provision for profit sharing and premium refunds, which amounts to € 7,365 million compared to € 7,213 million in 2011, and the ageing provisions for life segment, which amount to € 9,630 million compared to € 9,076 million in 2011.

PROVISIONS FOR OUTSTANDING CLAIMS

(€ million)	GROSS DIRECT AMOUNT	
	31/12/2012	31/12/2011
Motor	11,315	11,590
Non motor	14,833	15,059
Personal and commercial lines	12,391	12,305
Accident/Health(*)	2,443	2,754
Total	**26,148**	**26,650**

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

The 43.3% of the gross direct claims provisions referred to the motor business that was in line with last year (43.5%). In the non-motor business, the personal and commercial lines weighted for 83.5%.

INSURANCE PROVISIONS AND FINANCIAL LIABILITIES RELATED TO POLICIES OF THE LIFE SEGMENT

(€ million)	NET	
	31/12/2012	31/12/2011
Insurance contracts	194,721	207,312
Investment contracts with discretionary participation feature	87,744	80,165
Total insurance provisions	**282,464**	**287,478**
Investments contracts fair valued	12,650	11,563
Investments contracts at amortised cost	4,947	4,107
Total financial liabilities	**17,597**	**15,670**
Total	**300,061**	**303,148**

Total insurance provisions include the following items: mathematical provisions and provisions for policies where the investment risk is borne by policyholders and for pension fund net of reinsurance, which amounted to € 231,931 million and € 40,907 million, respectively; net ageing provisions for life segment, which amounted to € 9,627 million and were accounted for in other insurance provisions of the life segment.

The policies with significant insurance risk accounted for 64.9% of the total life portfolio (68.4% in 2011), while the investment contracts with discretionary participation feature account for 29.2% (26.4% in 2011).

The investment contracts within the scope of IAS 39 accounted for 5.9% compared to 5.2% in 2011. They are mainly unit/index linked policies without significant insurance risk.

MATHEMATICAL PROVISIONS AND AGEING FOR LIFE SEGMENT

(€ million)	GROSS DIRECT AMOUNT	
	31/12/2012	31/12/2011
Carrying amount as at 31 December previous year	**240,661**	**234,246**
Foreign currency translation effects	99	–35
Premiums and payments	–2,272	–2,593
Interests and bonuses credited to policyholders	8,820	9,186
Change of the management component	33	–23
Transfer to Non-current assets or disposal groups classified as held for sale	0	0
Acquisitions, disinvestments and other movements	–6,041	–120
Carrying amount as at 31 December current year	**241,299**	**240,661**

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

The impact of acquisitions, disinvestments and other movements include the disposal of Migdal Group.

PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY POLICYHOLDERS AND FOR PENSION FUNDS

(€ million)	GROSS DIRECT AMOUNT	
	31/12/2012	31/12/2011
Carrying amount as at 31st December previous year	**46,804**	**49,386**
Foreign currency translation effects	303	–384
Premiums and claims	–199	1,385
Interests and bonuses credited to policyholders	4,402	–3,160
Acquisitions, disinvestments and other	–10,262	–423
Transfer to Non-current assets or disposal groups classified as held for sale	0	0
Carrying amount as at 31st December current year	**41,048**	**46,804**

The impact of acquisitions, disinvestments and other movements include the disposal of Migdal Group. Net of this impact, the development of provisions highlights the increase in value of assets backing unit/index linked policies due to financial markets movements.

DEFERRED POLICYHOLDERS LIABILITIES

(€ million)	31/12/2012	31/12/2011
Carrying amount as at 31 December previous year	**–12,185**	**–4,362**
Foreign currency translation effects	3	5
Change of the period	16,185	–7,829
Acquisitions and disinvestments	–2	0
Carrying amount as at 31 December current year	**4,000**	**–12,185**

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

4 Financial liabilities

4.1 Financial liabilities at fair value through profit or loss

(€ million)	FINANCIAL LIABILITIES HELD FOR TRADING		FINANCIAL LIABILITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS		TOTAL	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Financial liabilities related to investment contracts issued by insurance companies	0	0	12,650	11,563	12,650	11,563
where the investment risk is borne by the policyholders	0	0	11,188	10,260	11,188	10,260
pension funds	0	0	1,414	1,080	1,414	1,080
other financial liabilities related to investment contracts	0	0	48	223	48	223
Derivatives	358	1,148	721	826	1,079	1,975
Other financial liabilities	0	0	796	1,002	796	1,002
Total	**358**	**1,148**	**14,167**	**13,391**	**14,525**	**14,539**

4.2 Other financial liabilities

(€ million)	31/12/2012	31/12/2011
Subordinated liabilities	**7,833**	**6,611**
Loans and bonds	**16,669**	**15,699**
Deposits received from reinsurers	1,077	984
Bonds(*)	4,975	5,022
Other loans	4,643	4,623
Financial liabilities related to investment contracts issued by insurance companies	4,947	4,107
Hedging derivatives	1,028	963
Liabilities to banks or customers	**24,880**	**22,285**
Liabilities to banks	2,147	995
Liabilities to customers	22,733	21,289
Total	**49,382**	**44,594**

(*) Including senior bond issued in May 2010 to fund the tax recognition of goodwill related to the extraordinary operation Alleanza Toro for a nominal amount of € 560 million (at 31/12/2012 the related book value amounted to € 511 million). This issue was classified as operating debt because the debt structure provides a perfect correlation between cash flows arising from the recognition of taxes and loan repayments in terms of interest than capital.

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

Issuer	COUPON	OUTSTANDING(*)	CURRENCY	AMORTISED COST(**)	ISSUE DATE	CALL DATE	MATURITY
Generali Finance B.V.	5.32%	1,275	EUR	1,241	16/06/2006	16/06/2016	Perp
Generali Finance B.V.	6.21%	700	GBP	859	16/06/2006	16/06/2016	Perp
Assicurazioni Generali	6.27%	350	GBP	428	16/06/2006	16/06/2026	Perp
Generali Finance B.V.	5.48%	1,250	EUR	920	08/02/2007	08/02/2017	Perp
Assicurazioni Generali	6.42%	495	GBP	604	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	750	EUR	747	10/07/2012	10/07/2022	10/07/2042
Assicurazioni Generali	7.75%	1,250	EUR	1,245	12/12/2012	12/12/2022	12/12/2042

(*) in currency million.
(**) in € million.

In this category are also classified subordinated liabilities issued by Assicurazioni Generali S.p.A. and other subsidiaries in the form of private placements. The unquoted private placements issued by Assicurazioni Generali S.p.A. for a nominal amount of € 1,500 million, are accounted for at a corresponding amortized cost of € 1,483 million. The remaining subordinated liabilities are mainly issued by Generali France and BSI, respectively for a nominal amount of € 200 million and USD 100 million, for a total corresponding amortised cost of € 306 million.

The fair value of subordinated liabilities amounts to € 7,449 million.

The category of bonds includes some senior issues shown below:

Issuer	COUPON	OUTSTANDING(*)	CURRENCY	AMORTISED COST(**)	ISSUE DATE	MATURITY
Generali Finance B.V.	4.75%	1,500	EUR	1,490	12/05/1999	12/05/2014
Generali Finance B.V.	3.88%	500	EUR	499	06/05/2005	06/05/2015
Assicurazioni Generali	4.88%	750	EUR	741	11/03/2009	11/11/2014
Assicurazioni Generali	5.13%	1,750	EUR	1,719	16/09/2009	16/09/2024

(*) in currency million.
(**) in € million.

This category includes also a senior bond issued in May 2010 for a nominal value of € 560 million, corresponding to an amortized cost of € 511 million, in order to fund the tax recognition of the goodwill related to the extraordinary operation Alleanza Toro.

In this category are also classified other senior bonds issued by Ceska Pojistovna for a nominal amount of CZK 500 million corresponding to an amortized cost of € 15 million.

The fair value of bonds issued (mainly fixed interest rate bonds) amounts to € 5,357 million.

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

5 Payables

(€ million)	31/12/2012	31/12/2011
Payables arising out of direct insurance operations	**3,314**	**3,578**
Payables arising out of reinsurance operations	**646**	**725**
Other payables	**4,073**	**3,303**
Payables to employees	982	954
Provision for defined benefit plans (employee severance pay)	103	108
Payables to clients and suppliers	1,023	1,122
Social security	149	157
Other payables	1,817	962
Total	**8,033**	**7,607**

The other payables, which amounted to € 204 million, were related to real estate activities and are mainly due within a year.

6 Other liabilities

(€ million)	31/12/2012	31/12/2011
Liabilities directly associated to non-current assets and disposal groups classified as held for sale	0	0
Deferred tax liabilities	2,996	5,949
Tax payables	1,639	1,339
Other liabilities	4,762	4,532
Provision for other defined benefit plans	2,505	2,602
Termination benefit liabilities	41	90
Accrued interest expense	351	374
Other accrued expenses	583	317
Deferred expenses	174	99
Deferred income for investment management services	9	12
Miscellaneous liabilities	1,098	1,038
Total	**9,397**	**11,820**

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 for € 103 million.

(€ million)	31/12/2012	31/12/2011	31/12/2010	31/12/2009	31/12/2008
Present value of defined benefit plan obligation	5,436	4,685	4,484	4,030	3,800
Fair value of plan assets	–1,717	–1,628	–1,614	–1,401	–1,321
Status funded	3,719	3,057	2,870	2,629	2,479
Net actuarial gains or (losses) not recognised	–1,155	–350	–191	22	145
Past service cost not recognised	0	4	1	0	–1
Net liability recognised in the Balance Sheet	**2,564**	**2,710**	**2,681**	**2,652**	**2,623**

The funded status arising from the application of IAS 19 increased from € 3,057 million as at 31 December 2011 to € 3,719 million as at 31 December 2012.

The increase was mainly due to the increase of the present value of the defined benefit plan obligations, following the reduction of the discount rate applied in the "Project Unit Credit Method"[13] valuation.

For many of the Group's defined benefit plans there are assets that are designated, but not legally segregated, to meet the pension defined benefit obligations. These are investments related to insurance policies issued by Generali Group insurers, or other investments owned by the Group entities. Consequently, in accordance with IAS 19 these are not recognised as plan assets and so cannot be deducted from the defined benefit obligations. However, to obtain the economic net liability for defined benefit plans these assets would have to be netted against the present value of the related pension obligations.

This is predominantly for Germany and Austria, where the Group retains about the 60% of the present value of defined benefit obligations. Moreover, in these countries, the pension guarantee associations, to the extent of the yearly contributions paid by the companies, are liable for the fulfilment of the pension commitments granted in case of companies insolvency.

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

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

(€ million)	31/12/2012	31/12/2011
Defined benefit obligation as at 31 December previous year	**4,685**	**4,484**
Foreign currency translation effects	0	39
Current service cost	96	93
Past service cost	–177	4
Interest expense	188	193
Actuarial (gains) and losses	920	84
Curtailments and settlements effect	–32	14
Contribution by plan participants	20	12
Benefits paid	–235	–237
Changes in consolidation scope	–29	–1
Defined benefit obligation as at 31 December current year	**5,436**	**4,685**

(€ million)	31/12/2012	31/12/2011
Fair value of plan assets as at 31 December previous year	**1,628**	**1,614**
Foreign currency translation effects	0	33
Expected return on plan assets	67	67
Actuarial (gains) and losses	70	–52
Curtailments and settlements effect	–14	0
Employer contribution	41	45
Contribution by plan participants	20	12
Benefits paid	–73	–89
Changes in consolidation scope	–21	–1
Net liability as at 31 December current year	**1,717**	**1,628**

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

(€ million)	31/12/2012	31/12/2011
Current service cost	96	93
Interest expense	188	193
Expected return on plan assets	–67	–67
Net actuarial losses recognised in the period	50	–43
Past service cost	–177	3
Curtailments and settlements effect	–23	–1
Net expense recognised in the income statement	**68**	**177**

Gains classified in “past service cost” are referred to plan amendments occurred during the period that reduced vested benefits related to past services and therefore were immediately recognized as negative past service costs in the profit or loss.

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

(€ million)	31/12/2012	31/12/2011
Net liability as at 31 December previous year	**2,710**	**2,681**
Foreign currency translation effects	0	2
Net expense recognised in the income statement	68	177
Contributions and benefits payed	–206	–149
Changes in consolidation scope	–8	–1
Net liability as at 31 December current year	2,564	2,710

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

(%)	31/12/2012	31/12/2011
Bonds	49.8	54.6
Equities	20.3	16.9
Rael estates	2.8	11.7
Investment fund units	15.7	7.4
Other investments	11.3	9.3
Total	**100.0**	**100.0**

The assumptions used in the actuarial calculation of the defined benefit obligations and the related periodic pension cost are based on the best estimates of each companies granting defined benefit plans. The main weighted-average hypotheses considered for the value definition of defined benefits plans obligations – other than the Italian "*trattamento di fine rapporto*" – are summarized in the following table, for the main operating areas:

	EUROZONE		SWITZERLAND	
(%)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Discount rate	3.2	4.9	1.8	2.5
Expected long-term rate of return on plan assets	4.3	4.4	3.5	3.7
Rate of salary increase	2.9	3.0	1.7	1.9
Rate of pension increase	2.0	2.0	0	0

Starting from 1 January 2013 the amended IAS 19 will be effective. This standard, in comparison with the version adopted for the 2012 consolidated financial statements, includes amendments deeper described in the paragraph "IAS 19 – Amendments to IAS 19 – Employee benefits" in the Basis of presentation and accounting principles included in the section "Notes to the Consolidated Financial Statements".

The main amendment is the elimination of the "corridor" option for the off-balance sheet recognition of gains or losses arising from the re-measurement of obligations related with defined benefit plans and with assets servicing these plans. The application of the aforementioned amendment would result in the recognition in Other Comprehensive Income of unrecognised actuarial losses, which amounted to € - 1,155 million at 31/12/2012 before policyholders' participation and taxes; attributable to the observed decrease of discount rates used to determine the present values of those liabilities.

Notes to the income statement

1 Income

1.1 Net earned premiums

(€ million)	GROSS AMOUNT		REINSURERS' SHARE		NET AMOUNT	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-life earned premiums	**22,724**	**22,677**	**–2,024**	**–2,014**	**20,700**	**20,662**
Premiums written	22,988	22,970	–2,031	–2,032	20,958	20,937
Change in the provision for unearned premiums	–264	–293	6	18	–258	–275
Life premiums	**42,937**	**42,989**	**–799**	**–913**	**42,138**	**42,076**
Total	**65,662**	**65,666**	**–2,823**	**–2,928**	**62,838**	**62,739**

1.2 Fee and commissions income and income from financial service activities

(€ million)	31/12/2012	31/12/2011
Fee and commission income from banking activity	132	148
Fee and commission income from asset management activity	959	953
Fee and commission income related to investment contracts	193	219
Fee and commission income related to pension funds management	15	94
Total	**1,299**	**1,414**

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

(€ million)	FINANCIAL INVESTMENTS HELD FOR TRADING		FINANCIAL INVESTMENTS BACK TO POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS AND RELATED TO PENSION FUNDS		FINANCIAL INVESTMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS		TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Interest and other income	24	116	377	671	538	541	938	1,328
Realized gains	225	379	460	850	440	1,998	1,124	3,227
Realized losses	–211	–567	–213	–1,377	–286	–1,917	–710	–3,860
Unrealized gains	216	91	8,864	3,558	2,242	2,049	11,322	5,698
Unrealized losses	–97	–56	–4,923	–6,864	–1,489	–2,749	–6,509	–9,669
Total	**157**	**–38**	**4,565**	**–3,163**	**1,443**	**–77**	**6,164**	**–3,277**

The net income from financial assets at fair value through profit or loss mainly referred to the life segment (€ 5,970 million). This item is not material for the other segments (€ 111 million in the non-life segment and € 83 million in the financial segment).

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

(€ million)	31/12/2012	31/12/2011
Dividends and other income	110	148
Realized gains	16	246
Reversal of impairment	1	10
Total	**127**	**404**

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

(€ million)	31/12/2012	31/12/2011
Interest income	**10,293**	**10,607**
Interest income from held to maturity investments	381	240
Interest income from loans and receivables	2,682	3,111
Interest income from available for sale financial assets	7,102	7,103
Interest income from other receivables	10	34
Interest income from cash and cash equivalents	118	119
Other income	**1,907**	**2,176**
Income from land and buildings (investment properties)	998	1,051
Other income from available for sale financial assets	909	1,125
Realized gains	**3,530**	**4,373**
Realized gains on land and buildings (investment properties)	319	323
Realized gains on held to maturity investments	67	0
Realized gains on loans and receivables	286	695
Realized gains on available for sale financial assets	2,835	3,351
Realized gains on other receivable	0	4
Realized gains on financial liabilities at amortised cost	23	0
Reversal of impairment	**223**	**201**
Reversal of impairment of land and buildings (investment properties)	57	26
Reversal of impairment of held to maturity investments	0	0
Reversal of impairment of loans and receivables	44	46
Reversal of impairment of available for sale financial assets	1	3
Reversal of impairment of other receivables	122	126
Total	**15,953**	**17,357**

1.6 Other income

(€ million)	31/12/2012	31/12/2011
Gains on foreign currencies	347	907
Income from tangible assets	250	159
Reversal of other provisions	173	125
Leasing fees	1	0
Income from service and assistance activities and recovery of charges	598	486
Income from non-current assets or disposal group classified as held for sale	0	14
Other technical income	514	381
Other income	284	290
Total	**2,166**	**2,363**

2 Expenses

2.1 Net insurance benefits and claims

(€ million)	GROSS AMOUNT		REINSURERS' SHARE		NET AMOUNT	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-life net insurance benefits and claims	**15,319**	**15,295**	**–1,205**	**–1,047**	**14,114**	**14,247**
Claims paid	14,719	15,164	–1,191	–1,192	13,528	13,971
Change in the provisions for outstanding claims	480	105	–16	144	464	249
Change in claims paid to be recovered	52	–7	1	2	52	–4
Change in other insurance provisions	69	33	1	–2	69	31
Life net insurance benefits and claims	**49,733**	**41,514**	**–633**	**–744**	**49,099**	**40,770**
Claims payments	41,069	38,941	–594	–522	40,475	38,419
Change in the provisions for outstanding claims	162	–325	–28	–50	134	–376
Change in the mathematical provisions	4,552	5,688	–11	–232	4,541	5,456
Change in the provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	4,145	–2,134	5	2	4,150	–2,132
Change in other insurance provisions	–196	–656	–5	58	–201	–599
Total(*)	**65,052**	**56,809**	**–1,839**	**–1,791**	**63,213**	**55,017**

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

The increase of the payments in the life segment (+ 5.4%) was mainly attributable to maturities (+ 14.3%); during the financial year 2012 there was also a growth of surrenders (+ 2.7%), claims (+ 6.9%) and of annuities (+ 2.7%).

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

2.2 Fee and commissions expenses and expenses from financial service activities

(€ million)	31/12/2012	31/12/2011
Fee and commission expenses from banking activity	200	192
Fee and commission expenses from asset management activity	182	154
Fee and commission expenses related to investment contracts	143	126
Fee and commission expenses related to pension funds management	9	10
Total	**534**	**481**

2.3 Expenses from subsidiaries, associated companies and joint ventures

(€ million)	31/12/2012	31/12/2011
Realized losses	11	61
Impairment losses	412	668
Total	**423**	**728**

Impairment losses are mainly attributable to the write-down of the investment in Telco for € 276 million (€ 629 million as at 31 December 2011).

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

(€ million)	31/12/2012	31/12/2011
Interest expense	**1,373**	**1,295**
Interest expense on subordinated liabilities	443	417
Interest expense on loans, bonds and other payables	641	599
Interest expense on deposits received from reinsurers	27	35
Other interest expense	261	243
Other expenses	**440**	**414**
Depreciation of land and buildings (investment properties)	177	178
Expenses from land and buildings (investment properties)	263	236
Realized losses	**2,555**	**2,367**
Realized losses on land and buildings (investment properties)	16	15
Realized losses on held to maturity investments	0	0
Realized losses on loans and receivables	185	87
Realized losses on available for sale financial assets	2,348	2,247
Realized losses on other receivables	4	8
Realized losses on financial liabilities at amortized cost	1	9
Impairment losses	**3,211**	**3,605**
Impairment of land and buildings (investment properties)	150	38
Impairment on held to maturity investments	1	5
Impairment of loans and receivables	344	480
Impairment of available for sale financial assets	2,592	3,007
Impairment of other receivables	123	76
Total	**7,578**	**7,681**

2.5 Acquisition and administration costs

(€ million)	NON-LIFE SEGMENT		LIFE SEGMENT		FINANCIAL SEGMENT	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Net acquisition costs and other commissions	4,452	4,462	3,969	4,064	0	0
Investment management expenses(*)	68	72	178	176	6	0
Other administration costs	1,292	1,297	1,024	1,118	862	915
Total	**5,812**	**5,831**	**5,172**	**5,359**	**868**	**915**

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

In other administration costs of the life segment, administration expenses related to investment contracts amounted to € 60 million compared to € 55 million in 2011, while administrative expenses of non-insurance companies amounted to € 10 million compared to € 45 million in 2011. In the non-life segment, administrative expenses of non-insurance companies amounted to € 45 million, compared to € 59 million in 2011, of which € 28 million (€ 44 million in 2011) referred to the real estate activity.

2.6 Other expenses

(€ million)	31/12/2012	31/12/2011
Amortization and impairment of intangible assets	430	385
Amortization of tangible assets	116	112
Expenses from tangible assets	235	162
Losses on foreign currencies	341	570
Restructuring charges, termination employee benefit expenses and allocation to other provisions	402	287
Other taxes	165	126
Expenses from service and assistance activities and charges incurred on behalf of third parties	486	402
Expenses from non-current assets or disposal group classified as held for sale	0	1
Other technical expenses	608	523
Holding costs	318	328
Other expenses	339	389
Total	**3,439**	**3,285**

3 Income taxes

This item shows the income taxes due by the Italian and the foreign consolidated companies by applying the income tax rates and rules in force in each country.

The components of the income tax expense for 2012 and 2011 are as follow.

(€ million)	31/12/2012	31/12/2011
Income taxes	1,014	977
Italy	346	212
Other countries	668	765
Deferred taxes	227	–325
Italy	110	–6
Other countries	117	–319
Total taxes of period	**1,240**	**652**
Income taxes on discontinued operations(*)	95	0
Total income taxes	**1,335**	**652**

(*) The item includes income taxes of Migdal Group for € 2 mln and the fiscal effect of locally recognized realized profit on the disposal of the participation in Migdal Group for € 92 mln.

The Group's parent company, Assicurazioni Generali S.p.A., and its Italian subsidiaries apply the Italian corporate income tax rate of 27.5% for the fiscal year 2012 and 2011. Furthermore, income taxes of Italian companies include the regional tax on productive activities (IRAP).

Income realized in Germany is subject to the corporate income tax - which is calculated on a rate of 15% plus a solidarity surcharge of 5.5% - and the trade tax (*Gewerbesteuer*). The trade tax varies depending on the municipality in which the company is situated. In 2012 the weighted average tax rate remained substantially unchanged at 16.2%.

In France, income taxes are calculated by using the corporate tax rate of 36,1%. The French corporate tax rate in effect amounts to 33.33%, plus a surcharge of 3.3% (*contribution sociale*). Until the fiscal year 2014, the corporate tax includes a temporary 5% surcharge. Both surcharges are calculated on the tax rate of 33.33%.

All other foreign subsidiaries apply their national tax rates as well, among others: Austria (25%), Belgium (34%), Bulgaria (10%), China (25%), Czech Republic (19%), Israel (25%), Netherlands (25%), Romania (16%), Spain (30%) Switzerland (22%) and USA (35%).

The following table shows a reconciliation from the theoretical income tax expense, by using the Italian corporate income tax rate of 27.5%, to the effective tax expense.

(€ million)	31/12/2012	31/12/2011
Expected income tax rate	**27.5%**	**27.5%**
Earnings before taxes	**1,638**	**1,805**
Expected income tax expense	**450**	**496**
Effect of foreign tax rate differential	–26	–87
Effect of permanent differencies	676	187
Effect of fiscal losses	–1	–37
IRAP, trade tax and other local income taxes	155	168
Foreign withholding taxes not recoverable	22	25
Income taxes for prior years	–72	–91
Exit tax su Réserve de Capitalisation	54	0
Other	–16	–9
Tax expenses	**1,240**	**652**
Effective tax rate	**75.9%**	**36.1%**

The effective tax rate in 2012 (75.89%) is higher than the effective tax rate of the previous year (36.12%), mainly due to a material amount of non-deductible impairment charges on equity instruments, an increase of Italian income taxes on foreign subsidiaries and an exit tax on Réserve de Capitalisation in France.

The tax benefit of € 26 million concerning the foreign tax rate differential corresponds to the difference between the expected income taxes, calculated at each entity level by applying the foreign statutory corporate tax rate, and the expected income taxes, calculated by using the Italian corporate tax rate (27.50%).

Furthermore, the effect of permanent differences equal to € 676 million mainly represents the impact of non-deductible financial impairments and realized capital losses on equity instruments (mainly Enel, Intesa San Paolo and Telco), together with non-taxable dividends and realized capital gains on equity instruments.

Income taxes for prior years refer principally to some tax refunds obtained by a German company.

Fiscal losses carried forward are recognized to the extent that future taxable income will be sufficient to offset the amount of the losses before their expiration.

Fiscal losses carried forward as of 31 December 2011 and 2010 are scheduled according to their expiry periods as follows:

(€ million)	31/12/2012	31/12/2011
2012	0	7
2013	64	4
2014	6	23
2015	13	36
2016	20	22
2017	24	0
2018	0	0
2019	0	0
2020	0	0
2021 and over	0	0
Unlimited	251	640
Fiscal losses carried forward	**379**	**732**

Deferred income taxes are calculated on the temporary differences between the carrying amounts of assets and liabilities reported in the financial statements and their tax base, by using the tax rates applicable at the expected time of realization according to each country's current legislation.

The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible. Furthermore, in making this assessment, the management considers the scheduled reversal of deferred tax liabilities and tax planning strategies.

Assessments show that deferred tax assets will be recovered in the future through either (i) expected taxable income of each consolidated company or (ii) expected taxable income of other companies included in the same tax group (e.g. "*Consolidato fiscale*" in Italy, "*Steuerliche Organschaft*" in Germany and "*Régime d'intégration fiscale*" in France).

Deferred taxes as of 31 December 2012 and 2011 are related to the following assets and liabilities:

(€ million)	31/12/2012	31/12/2011
Intangible assets	160	167
Tangible assets	59	48
Land and buildings (investment properties)	755	758
Available for sale financial assets	2,298	3,242
Other investments	292	213
Deferred acquisition costs	18	20
Other assets	341	319
Fiscal losses carried forward	134	208
Allocation to other provisions and payables	347	397
Insurance provisions	447	393
Financial liabilities and other liabilities	648	895
Other	119	183
Total deferred tax assets	**5,617**	**6,843**
Netting	–3,303	
Total net deferred tax assets	**2,314**	**6,843**

(€ million)	31/12/2012	31/12/2011
Intangible assets	387	433
Tangible assets	175	191
Land and buildings (investment properties)	332	329
Available for sale financial assets	4,111	723
Other investments	282	243
Deferred acquisition costs	516	532
Other assets	80	97
Allocation to other provisions and payables	119	323
Insurance provisions	38	2,840
Financial liabilities and other liabilities	202	164
Other	58	73
Total deferred tax liabilities	**6,300**	**5,949**
Netting	–3,303	
Total net deferred tax liabilities	**2,996**	**5,949**

Netting is attributable to assets and liabilities which relate to the same tax jurisdiction.

Other information

1 Exposure to Greece, Ireland, Italy, Portugal and Spain

(€ million)	GOVERNEMENT BONDS		CORPORATE BONDS		COVERED BONDS	FINANCIAL SECTOR - OTHER
31/12/2012	AMORTISED COST	FAIR VALUE	AMORTISED COST	FAIR VALUE	BOOK VALUE	BOOK VALUE
Greece	55	77	15	12	0	1
Ireland	1,558	1,595	855	831	362	292
Italy	59,219	59,714	12,606	12,776	1,295	5,427
Portugal	1,417	1,214	479	465	0	99
Spain	5,545	5,442	5,101	4,994	2,264	771
Total exposure to government bonds issued by Greece, Ireland, Italy, Portugal and Spain	**67,794**	**68,042**	**19,056**	**19,078**	**3,921**	**6,590**

Government bonds issued by Euro Area countries with high public debt (peripheral countries) were mainly classified as investments available for sale and therefore recorded at market value.

The exposure towards peripheral countries government bonds in nominal terms was mainly held in Italy (79%), Germany (8%) and France (6%).

The fair value of corporate bonds issued by entities located in peripheral countries held by the Group amounted to € 19,078 million. In terms of book value the exposure to covered bonds (corporate bonds issued under specific legislations that grant to the owner of the instrument a dual recourse over the issuing entity assets as well as a specific pool of high quality assets) amounted to € 3,921 million and the exposure to other bonds issued by entities operating in the financial sector amounted to € 6,590 million.

2 Other Comprehensive Income

(€ million)	31/12/2012	31/12/2011
Consolidated result of the period	**367**	**1,153**
Foreign currency translation differences	–3	28
Allocation	103	1
Transfer to profit and loss account	–107	27
Unrealized gains and losses on available for sale financial assets	4,973	–2,127
Allocation	4,177	–2,914
Transfer to profit and loss account	796	787
Net unrealized gains and losses on cash flows hedging derivatives	–97	–107
Allocation	–74	–105
Transfer to profit and loss account	–23	–3
Net unrealized gains and losses on hedge of a net investment in foreign operations	0	0
Allocation	0	0
Transfer to profit and loss account	0	0
Total other comprehensive income	**4,873**	**–2,206**
Total comprehensive income	**5,240**	**–1,054**
attributable to the group	4,717	–1,166
attributable to minority interests	522	113

The following table shows the change of deferred tax assets and liabilities related to gains or losses recognized in shareholders' equity or transferred from shareholders' equity.

(€ million)	31/12/2012	31/12/2011
Income taxes related to other comprehensive income	**–1,430**	**749**
Foreign currency translation differences	–1	0
Unrealized gains and losses on available for sale financial assets	–1,453	691
Net unrealized gains and losses on cash flows hedging derivatives	24	58
Net unrealized gains and losses on hedge of a net investment in foreign operations	0	0

3 Fair value hierarchy

The table shows the classification of the financial assets and liabilities at fair value under a fair value hierarchy as defined by the amended IFRS 7 "Operative instruments: Disclosures".

The three levels of the fair value hierarchy are defined with the inputs used in the price definition.

The amount of financial assets and liabilities classified in Level 3 was not material regarding the total of investment and represents a little more than 1% of total assets at fair value, stable with respect to the previous year.

(€ million) 31/12/2012	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available for sale financial assets	191,815	18,293	2,438	212,546
Equities	7,540	451	916	8,907
Bonds	176,553	13,762	34	190,349
Investment fund units	7,413	3,115	929	11,458
Other assets available for sale	308	965	559	1,831
Financial assets at fair value through profit or loss	42,187	25,306	843	68,337
Equities	70	145	1	216
Bonds	4,566	1,928	15	6,509
Investment fund units	3,838	42	115	3,995
Derivatives	261	1,526	0	1,786
Investments back to policies where the investment riks is borne by the policyholders	32,792	20,790	259	53,842
Other assets at fair value through profit or loss	660	875	453	1,988
Total assets at fair value	**234,002**	**43,599**	**3,282**	**280,882**
Financial liabilities at fair value through profit or loss	12,564	1,961	0	14,525
Financial liabilities related to investment contracts issued by insurance companies	11,488	1,162	0	12,650
Derivatives	310	770	0	1,079
Other financial liabilities	767	29	0	796
Total liabilities at fair value	**12,564**	**1,961**	**0**	**14,525**

(€ million) 31/12/2011	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Available for sale financial assets	156,993	16,392	2,265	175,649
Equities	8,761	487	873	10,121
Bonds	141,008	11,548	101	152,657
Investment fund units	6,783	3,401	543	10,726
Other assets available for sale	441	956	748	2,144
Financial assets at fair value through profit or loss	46,194	25,866	1,576	73,636
Equities	62	234	14	310
Bonds	4,879	2,377	24	7,280
Investment fund units	3,136	23	6	3,165
Derivatives	710	1,829	0	2,538
Investments back to policies where the investment riks is borne by the policyholders	36,908	19,872	1,532	58,312
Other assets at fair value through profit or loss	499	1,531	0	2,031
Total assets at fair value	**203,187**	**42,258**	**3,841**	**249,285**
Financial liabilities at fair value through profit or loss	11,921	2,618	0	14,539
Financial liabilities related to investment contracts issued by insurance companies	10,282	1,281	0	11,563
Derivatives	659	1,316	0	1,975
Other financial liabilities	980	21	0	1,002
Total liabilities at fair value	**11,921**	**2,618**	**0**	**14,539**

4 Information on employees

Number of employees

	31/12/2012	31/12/2011
Managers	2,111	2,337
Employees	57,582	59,497
Sales attendants	19,517	20,098
Others	244	65
Total	**79,454**	**81,997**

The decrease observed in the number of employees was mainly related with the deconsolidation of Migdal Group and Europ Assistance UK, while movements between categories were attributable to the revision of the criteria and definitions of employees classification.

Personnel expenses incurred in the financial year 2012 amounted to € 4,270 million, compared to € 4,265 million in 2011.

5 Share-based compensation plans

At 31 December 2012 incentive plans based on equity instruments granted by the Parent Company and other Group companies are outstanding.

5.1 Share-based compensation plans granted by the Parent Company

The Assicurazioni Generali Shareholders' Meeting held on 28 April 2012, approved a new long term incentive plan (LTI), in addition to the LTI approved by the Shareholders' Meeting held on 30 April 2011 and 24 April 2010.

The aim of the LTIP is, first, to strengthen the link between remuneration and performance in the framework of the Group strategic plans (so-called absolute performance) and, second, to maintain and strengthen the link between remuneration and growth in value in relation to a peers group (so-called relative performance).

The LTIP is based on fundamental aspects listed below:

- the plan is rolling, in other words each year triggers a new cycle lasting six years. This does prejudice, in any case, the power of the Board of Directors to terminate the renewal cycles of the Plan;
- there is a direct link for each cycle with the objectives of the Generali Group three-year strategic plan;
- it involves the concept of joint investments, in other words the obligation of the recipients of the LTIP to invest part of the gross monetary incentive at the end of the first three-year period in Assicurazioni Generali shares.

Each cycle of the LTIP has an overall reference time frame of six years. Specifically, the duration of the first cycle is divided as follows:

- first three-year period: at the end of this period, if these absolute performance targets are reached and, depending on the extent, a monetary incentive (bonus) will be provided, as well as the duty to invest between 15% and 30% of the gross amount of the actual bonus in Assicurazioni Generali shares;
- second three-year period: at the end of this period, for each Company share bought at the end of the first three-year period to fulfil the obligation set out in the LTIP Regulation, the recipient has the right to receive a free allocation of a certain number of Assicurazioni Generali shares, which do not have time constraints in terms of how long they must be held, subject to both the following conditions precedent being verified:
  a) reaching of the access threshold represented by a given level of the Group Solvency Ratio, equal to at least 140%;
  b) positioning of the Generali Group in the peers ranking drawn up on the basis of the respective Total Shareholders' Return (so-called relative performance).

In this regard, the recipients of the LTIP are divided into five bands. The assignment of the recipients to the individual bands is defined, as far as their remit is concerned, by the Board of Directors, following a proposal from the Remuneration Committee, for the band 0, and from the Group CEO (and/or the Group CEO in conjunction with the Managing Director, restricted to the area of responsibility of the latter) for bands 1, 2, 3 and 4, taking into account the hierarchical role and the weight of the position held by the recipients (circumstances, that are, however, in no way, binding). The objectives identified for the first three-year period are linked to the belonging band.

For more details on the incentive plan, please refer to the 'Report on the remuneration'.

The IFRS treatment of the LTIP 2012, LTIP 2010 and LTIP 2011 is different in relation to the two terms of three years.

In particular, for the first three years the monetary incentive is considered a benefit under the IAS 19 scope and consequently a provision has been recognized.

The second three-year period with reference to the right to receive a free allocation of a certain number of Assicurazioni Generali shares subject to the abovementioned condition has been treated as an equity settled share-based payments falling under IFRS 2 scope.

A cost equal to market value of the instrument at the grant date multiplied by the number of equity instruments that are expected to vest is recognized with a corresponding increase in equity. This cost is allocated over a period of maturity of 6 years.

The cost of the above mentioned plans recognized in the year was € 10 million.

The following table shows the development of the options given by the Parent company to personnel, chairman, managing directors and general managers and their weighted average exercise price.

	PERSONNEL		CHAIRMAN, MANAGING DIRECTORS AND GENERAL MANAGERS	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding as at 31 December previous year	**3,865,075**	**30.1**	**1,200,000**	**30.3**
granted	0	0	0	0
forfeited	0	0	0	0
exercised	0	0	0	0
expired	2,059,000	30.4	1,200,000	30.3
Options outstanding as at 31 December current year	**1,806,075**	**29.6**	**0**	**0**
of which exercisable	1,806,075	29.6	0	0

The weighted average expiry date of the stock options granted to managers and employees and outstanding at the balance sheet date is on 20 March 2014. The stock option granted to the Parent Company Chairman and Managing Directors have expired.

5.2 Share-based compensation plans granted by the other Group companies

The main share-based payments granted by the other Group companies are detailed here below.

Share-based compensation plans granted by Banca Generali

At 31 December 2012, the share-based compensation plans granted by Banca Generali are as follows:

- two stock option plans, respectively reserved to the financial advisors and some managers of the group approved in the Shareholders' Meeting of Banca Generali of 18th July 2006;
- two stock option plan reserved for networks distribution - financial advisors and private bankers - and relationship managers approved in the Shareholders' Meeting of Banca Generali of 21st April 2010; and
- one stock option plan, deliberated by Banca BSI Italia on 19th January 2007, reserved to the pro-tempore chairman of the company, assumed by the Group as a result of the incorporation of that company.

By contrast, the stock granting option plan reserved to the group top management has to be considered completed.
At 31 December 2012, the options related to the stock option plan granted and exercisable referring to the plans approved in 2006 amounted to 1.6 million, of which 371,000 granted to employees and 1.3 million granted to financial advisor. The reduction in respect of the previous year is mainly due to the exercise carried out by financial advisor and employees in the first half of the year and, to a lesser extent, to the termination of the relationships with some beneficiaries. For these plans, the exercise period of the assigned options, following the three-year extension approved in 2010, ends between 31 March 2014 and 31 December 2015.

Moreover, with reference to the plans approved in 2010, the options granted amounted to 2.3 million, of which 189,185 reserved to relationship managers, while the options effectively exercisable amounted to 0.7 million, ow which about 56 thousand reserved to relationship managers. The reduction of option granted, in comparison with the previous year, is mainly attributable to exercises actuated by relationship managers and, to a lower extent, to the cessation of relationships with some financial advisors.

	NUMBER OF OPTIONS	EXERCISE PRICE
Options outstanding as at 31 December previous year	**5,411,626**	**9.8**
granted	-	-
forfeited	93,972	9.8
exercised	1,353,187	9.2
expired	-	-
Options outstanding as at 31 December current year	**3,964,467**	**10.0**
of which exercisable	2,332,821	-

As for the stock option plans approved in 2006, with reference to the plan granted to the employees, following the three-year extension of the exercise period approved in 2011, the fair value at measurement date is € 2.5, while the fair value of stock options granted to the financial advisors is between € 2.4 and € 2.5 depending on the exercise date foreseen. At 31 December 2012 these plans completed the vesting period, resulting as a consequence in only exercisable stage.

As for the stock option plans approved in 2010, reserved for networks distribution - financial advisors and private bankers - and relationship managers of Banca Generali, the economic effects started since 7th June 2011 – option granting date – and the fair value is between € 1.01 and € 0.65 depending on the exercise date foreseen.

The costs charged in the profit or loss account of the period from stock option plans 2010 approved in 2012, reserved for networks distribution - financial advisors and private bankers - and relationship managers of Banca Generali amount to € 0.7 million.

Share-based compensation plans granted by Generali France

At the balance sheet date there are the following share-based compensation plans granted by Generali France to the employees of Generali France group: five stock grant plans approved on 21st December 2006, 20th December 2007, 4th December 2008, 10th December 2009, 9th December 2010 and 14th March 2012 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 2012, the number of shares granted amounted to 7,031,632 ordinary shares, of which 480,802 related to the plan granted for 175th anniversary of foundation of Parent Company.

With reference to the stock granting plans assigned by Generali France within the scope of IFRS 2, the positive effect in profit or loss, amounting to € 2.0 million, was determined by a release of the related provisions as a result of both a decrease in fair value of the company shares and the sales by employees of these shares. The plans are considered as cash-settled and so a € 63 million liability was accounted for them.

6 Earnings per share

	31/12/2012	31/12/2011
Result of the period (€ million)	90	856
- from continuing operations	124	856
- from discontinued operations	–35	0
Weighted average number of ordinary shares outstanding	1,540,876,249	1,540,875,154
Basic earnings per share (€)	0.06	0.56
- from continuing operations	0.08	0.56
- 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.

	31/12/2012	31/12/2011
Result of the period (€ million)	90	856
- from continuing operations	124	856
- from discontinued operations	–35	0
Weighted average number of ordinary shares outstanding	1,540,876,249	1,540,875,154
Adjustments for stock option	0	0
Weighted average number of ordinary shares outstanding for diluted earnings per share	1,540,876,249	1,540,875,154
Diluted earnings per share (€)	0.06	0.56
- from continuing operations	0.08	0.56
- from discontinued operations	–0.02	–0.00

Diluted earnings per share reflect the eventual dilution effect of potential ordinary shares.

7 Related parties disclosure

With regard to transactions with related parties, the main intra-group activities, conducted at market prices or at cost, were undertaken through relations of insurance, reinsurance and co-insurance, administration and management of securities and real estate assets, leasing, loans and guarantees, IT and administrative services, personnel secondment, and claim settlement.

These services substantially aim at guaranteeing the streamlining of operational functions, greater economies in overall management, appropriate levels of service and an exploitation of Group-wide synergies.

For further information regarding related parties transactions - and in particular regarding the procedures adopted by the Group to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness - please refer to the 'Corporate governance and share ownership report' in the paragraph 'Related Party Transaction Procedures' included in Second Part - Corporate governance structure.

The most significant economic and financial transactions with Group companies that are not included in the consolidation area and other related parties are listed below.

As shown in the table below, the impact of such transactions, if compared to the Group extent, is not material.

(€ million)	SUBSIDIARIES WITH SIGNIFICANT CONTROL NOT CONSOLIDATED	ASSOCIATED COMPANIES	OTHER RELATED PARTIES	TOTAL	% ON BALANCE - SHEET ITEM
Loans	8	725	1,549	2,282	0.6
Loans issued	–4	–24	–503	–531	0.8
Interest income	2	26	71	99	1.0
Interest expense	0	0	–25	–25	1.8

In further detail, the loans towards associated companies mainly refer to bonds issued by Telco S.p.a. At 31 May 2012 Generali Group underwrote pro quota the debt instruments issued by Telco for € 535 million. The existing financing underwritten by Generali Group, which amounted to € 397, was reimbursed by Telco. This debt issue was part of the broader refinancing plan of Telco, which included also an increase in share capital, in which the Generali Group participated for a total of € 183.5 million.

Furthermore, Telco S.p.A. signed a financing agreement totaling to € 1,050 million, with a pool of financial institutions, expiring the 27 November 2013. This financing agreement is secured by a pledge of Telecom Italia shares, for which Telco shareholders have the right to repurchase the above mentioned shares before entering in the availability of the financial institutions following an eventual enforcement of the pledge.

As far as other related parties are concerned the most significant transactions - other than those indicated below with reference to the conclusion of the joint venture Generali PPF - are:

i) with Mediobanca Group regarding investment bonds for € 566 million and financial liabilities amounting to € 500 million in the form of hybrid instruments;
ii) with PPF Group (headed by the director Petr Kellner) with reference to as follows:
   - bank deposits and repurchase agreements carried out by Generali PPF Holding, which amount to € 326 million;
   - bonds purchased by Generali PPF Holding, which amount to € 219 million;
   - bonds purchased by Generali and other subsidiaries, which amount to € 410 million.

On 8 January 2013 Generali and PPF Group reached an agreement setting out the conditions for the resolution of the Generali PPF Holding joint venture. The details of the mentioned agreement were published on 14 of January through an information document prepared in accordance with the related parties transaction regulations. It follows a summary description of the agreement with the update of the main effects on balance sheet, income statement and financial situation, based on 2012 year-end figures.

Agreement's summary

Transaction on Generali PPF Holding B.V.

Under the new agreements, the total consideration definitively agreed for the purchase of 49% of Generali PPF Holding is 2,520,560,000 euro (subject to possible changes due to the acquisition of the second tranche as further described). Consequently, the previously agreed right of PPF to the higher price between the fair market value of its interest and the minimum price no longer applies.

The transaction has been structured as follows:

I. By 28 March 2013, Generali will acquire 25% of the shares in GPH from PPF Group, for a price of 1,286,000,000 euro. The amount will be used to reimburse around 51% of the 400 million euro bond underwritten by the Generali Group and issued by PPF Co3 B.V., a subsidiary of PPF Group, in 2009 and 51% of the loan for about 2.1 billion euro granted to PPF Group in 2007 by a pool of lender banks. Thus, the net consideration payable by Generali will amount to around € 1.1 billion. Generali already owns the resources needed to purchase the first tranche, in part as a result of the € 1.25 billion subordinated bond issued on 5 December 2012. By using the proceeds from this bond, Generali's Solvency ratios and financial leverage will remain unchanged;
II. For the remaining part, representing 24% of Generali PPF Holding share capital, a new put option exercisable by PPF and, in turn, its lender banks has been underwritten, or, otherwise, a new call option exercisable by Generali's has been underwritten. It is being understood that, upon exercise of any of said options by PPF, Generali reserves the rights to opt for an alternative exit entailing the sale to a third party selected pursuant to a competitive bidding procedure, without prejudice, in any event, to Generali's obligation to ensure payment of a minimum sale price as set out subsequently. It is being understood that, upon exercise of any of said options and Generali will not opt for the alternative exit the second tranche shall be sold around the end of December 2014 for the price of € 1,234,560,000, further increased by the difference,

if any, between: the interests accrued or accruing on the bank loan and the notes starting from 1 January 2013 to the date of the sale of the second tranche to Generali; and the sum of any and all dividends paid by Generali PPF Holding to PPF CO1 starting from the date on which the agreements of the transaction were executed (i.e. 8 January 2013) to the date of the sale of the second tranche to Generali (save for PPF's 49% share of certain pre-established dividends amounting, on the overall, to € 352 million).

Generali will take full management control of Generali PPF Holding with the right to appoint executives at closing of the first tranche. As a minority shareholder, PPF Group will have the right to appoint two of the eight directors on the board of GPH until the end of 2014, compared with its current equal representation. A series of preventive disclosure mechanisms typically granted to minority shareholders has also been agreed. The agreement also provides for Generali PPF Holding to pay the shareholders 66% of profits during the period between 2013 financial report's approval and the end of the shareholders' agreement.

It has also been agreed that, at the same time as Generali acquires the first tranche, PPF Group is to buy from Generali PPF Holding certain of the latter's participating interests in insurance companies operating in Russia, Belarus, Ukraine and Kazakhstan, for the overall price of € 80,000,000 euro.

Transaction on PPF Partners and PPF Beta

In the context of the transaction it was also defined a swap between the participations with no need for cash transfers. Generali Group will acquire from PPF Investments the full ownership and corporate control of the corporation known as PPF Beta, which indirectly holds 38.46% of the share capital of the Russian insurance company Ingosstrakh, while PPF Group will acquire the minority interest of 27.5% held by Generali in the investment fund PPF Partners, managed by PPF Group, together with Generali's interests in PPF Partners 1 Fund L.P.

Overview of the transaction's effects on balance sheet, income statement and financial situation

The main economic effects updated with the 2012 year-end figures are summarized as follows:

Acquisition of the first tranche for € 1,286 million

I. As set out above, the purchase price is to be paid by use of Generali's own financial resources, without prejudice to the set off, if applicable, of an amount corresponding to about 51% of the overall amount of the bond issued by PPF Co3 B.V. (i.e. up to a maximum amount of about € 204 million);
II. At the same time, dividends amounting to € 352 million will be distributed to shareholders (of which about 172 million euro to the PPF Group). This dividend payout will accordingly entail a reduction in the cash balances and shareholders' equity pertaining to third parties, in the amount of € 172 million;
III. The acquisition of the PPF Shareholding will entail a reduction in the shareholders' equity pertaining to third parties in the amount of 808.5 million euro, and, by reason of the difference payable by way of the purchase price, a reduction in the Generali Group's shareholders' equity of € 477 million.

Transaction entailing the exchange of equity shares in PPF Beta, on the one hand, for interests in PPF Partners and PPF Partners Fund, on the other hand

On the overall, this transaction will result in a neutral effect for Generali, apart from a loss on the sale of the investment in PPF Partners Fund. The net negative impact on the income statement amounting to 14 million euro and arising from the difference in the current value of the units held in PPF Partners Fund of 274 million euro and the original book value of the related investment has already been attributed to the Generali Group's shareholders' equity reserve funds, insofar as the investment had already been appraised at fair value. The impacts of this operation has already been booked in 2012 financial statement.

Sale of Generali PPH Holding's business assets in Russia, Ukraine, Belarus and Kazakhstan, for € 80 million

I. The sale of the business assets in Russia, Ukraine, Belarus and Kazakhstan will entail a reduction in consolidated assets of about 738 million euro, with a related reduction in technical reserves in the amount of 566 million euro;
II. The sale will also give rise to a realized loss for Generali Group of € 72 million (of which € 69 million already booked in 2012) and a negative result pertaining to third parties in the amount of € 21 million (of which € 18.6 million already booked in 2012);
III. The impact on the Group's liquidity is basically neutral since, against inflows of € 80 million, the assets sold include cash balances of € 48 million.

Acquisition of the second tranche

With reference to the second tranche, as described beforehand, given the alternative exit mechanism, as at the date of approval of the transaction, Generali bore no obligation whatsoever to acquire the remaining 24% shareholding, given that such eventuality is linked to the exercise of the options described above. As a result, at present there are no consequences on the balance sheet, income statement or financial situation of the Generali Group to be pointed out in connection with the second tranche.

Furthermore, there is no need for Generali to allocate a risk provision, because at the time being there aren't any possibilities of future losses linked to transaction, given that the predetermined value of the second tranche is not higher than its fair market value of the remaining stake in Generali PPF Holding.

With reference to the paragraph 18 of Related Party Transactions Procedures adopted by the Board of Directors in November 2010, excluding the aforementioned operation, there were no (i) Operations of major importance concluded during the reporting period (ii) Related Party Transactions, concluded during the reference period, which influenced the Group's financial statements or profit to a significant extent.

Finally, regarding to the 2012 emoluments due to board members, auditors and general managers and managers with strategic responsibilities, please refer to the section Report on remuneration.

8 Reinsurance policy of the Group

Information on the reinsurance policy of the Group is provided in the Risk Report of the consolidated annual financial statements. Not significant changes on Group's reinsurance policy occurred during the year 2012.

9 Significant non-recurring events and transactions

With reference to non-recurring transactions entered into by the Group during 2012, following the authorization granted by Israeli authorities, in October the Group closed the disposal of the holdings in Migdal Insurance and Financial Holdings with the subsequent record of a net realized loss in the relevant consolidated profit or loss account, profit or loss from discontinued operations. For a detailed description of quantitative impacts of this transaction please refer to section 11 - Non-current assets or disposal group classified as held for sale.

10 Atypical and/or unusual transactions

During the year, there were no atypical and/or unusual transactions, which – because of materiality, nature of counterparties, subject of the transaction, transfer price determination method and occurrence close to the balance sheet date – might give raise to any doubts about the correctness and exhaustiveness of this report, conflict of interests, preservation of equity and protection of minorities.

11 Non-current assets or disposal group classified as held for sale

Following the authorization of competent Israeli authorities, in October the Generali Group closed the disposal of the 69.1% holding in Migdal Financial and Insurance Holdings to the Israeli financial services group Eliahu.
Consequently assets and liabilities belonging to Migdal group, previously recorded as non-current assets and liabilities of disposal group classified as held for sale, were deconsolidated from the consolidated financial statements of the Generali Group.
In accordance with IFRS 5, which defines the accounting rules for non-current assets or disposal group classified as held for sale, Migdal Financial Holdings result was recognized as a separate line in the consolidated income statement in the item profit or loss from discontinued operations for € -30 million. The amount included the net result of Migdal group up to October 2012, equal to € 13 million, and the realized loss due to the disposal, that amounted to € -43 million.

The following tables show:

- an indication of the economic performance of the Migdal group for the current year and the comparative period;
- the Group income statement with the comparative period reclassified reflecting the contribution of Migdal group in the profit or loss from discontinued operations as required by IRFS5:

(€ million)	31/12/12	31/12/11
Revenue	2,585	2,057
Expenses	-2,570	-1,939
Profit before tax of discountinued operations	15	118
Tax	-2	-50
Profit after tax of discountinued operations	13	69
Realized gain/(loss) on discontinued operations after of taxes	-43	-
Profit of the year from discontinued operations	**-30**	**69**

(€ million)	31/12/2012	31/12/2011
1.1 Net earned premiums	62,838	61,039
1.1.1 Gross earned premiums	65,662	63,877
1.1.2 Earned premiums ceded	-2,823	-2,838
1.2 Fee and commission income and income from financial service activities	1,299	1,294
1.3 Net income from financial instruments at fair value through profit or loss	6,164	-2,989
of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	4,565	-2,868
1.4 Income from subsidiaries, associated companies and joint ventures	127	395
1.5 Income from other financial instruments and land and buildings (investment properties)	15,953	16,974
1.5.1 Interest income	10,293	10,351
1.5.2 Other income	1,907	2,107
1.5.3 Realized gains	3,530	4,315
1.5.4 Unrealized gains and reversal of impairment losses	223	201
1.6 Other income	2,166	2,230
1 TOTAL INCOME	**88,547**	**78,944**
2.1 Net insurance benefits and claims	-63,218	-53,616
2.1.1 Claims paid and change in insurance provisions	-65,057	-55,381
2.1.2 Reinsurers' share	1,839	1,765
2.2 Fee and commission expenses and expenses from financial service activities	-534	-470
2.3 Expenses from subsidiaries, associated companies and joint ventures	-423	-728
2.4 Expenses from other financial instruments and land and buildings (investment properties)	-7,578	-7,617
2.4.1 Interest expense	-1,373	-1,285
2.4.2 Other expenses	-440	-414
2.4.3 Realized losses	-2,555	-2,319
2.4.4 Unrealized losses and impairment losses	-3,211	-3,598
2.5 Acquisition and administration costs	-11,717	-11,562
2.5.1 Commissions and other acquisition costs	-8,421	-8,339
2.5.2 Investment management expenses	-118	106
2.5.3 Other administration costs	-3,178	-3,330
2.6 Other expenses	-3,439	-3,265
2 TOTAL EXPENSES	**-86,910**	**-77,257**
EARNINGS BEFORE TAXES	**1,638**	**1,686**
3 Income taxes	-1,240	-602
EARNINGS AFTER TAXES	**397**	**1,084**
4 RESULT OF DISCONTINUED OPERATIONS	**-30**	**69**
CONSOLIDATED RESULT OF THE PERIOD	**367**	**1,153**
Result of the period attributable to the Group	**90**	**856**
Result of the period attributable to minority interests	**277**	**297**

12 Audit and other service fees for the fiscal year

In table below, filled under the article 149-*duodecis* of Consob Regulation, are reported the 2012 fees for auditing services from auditing company of Parent company and companies within audit company's network.

(in thousand euro)	2012	
	E&Y ITALY	E&Y NETWORK
Parent Company	**2,843**	**374**
Audit fee	2,237	374
Attestation service fees	277	0
Other service fees	329	0
Subsidiaries	**2,348**	**17,716**
Audit fee	1,725	15,533
Attest service fees	322	629
Other service fees	301	1,554
of which Tax service fees	0	289
of which Other services	301	1,265
Total	**5,191**	**18,090**

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

CONSOLIDATED STATEMENTS

Appendices to the Notes

at **31 December 2012**

(Amounts in € million)

SEGMENT REPORTING – BALANCE SHEET

	NON-LIFE SEGMENT		LIFE SEGMENT	
(€ million)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
1 INTANGIBLE ASSETS	**3,930**	**4,232**	**4,945**	**5,088**
2 TANGIBLE ASSETS	**3,542**	**3,373**	**1,155**	**1,215**
3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS	**3,895**	**4,046**	**1,729**	**1,632**
4 INVESTMENTS	**35,153**	**31,708**	**318,953**	**296,560**
4.1 Land and buildings (investment properties)	5,188	5,313	7,687	7,744
4.2 Investments in subsidiaries, associated companies and joint ventures	559	581	4,482	4,524
4.3 Held to maturity investments	207	171	4,329	3,707
4.4 Loans and receivables	5,678	4,619	51,539	58,307
4.5 Available for sale financial assets	22,841	20,206	185,246	151,697
4.6 Financial assets at fair value through profit or loss	679	818	65,671	70,581
5 RECEIVABLES	**6,328**	**6,638**	**4,798**	**4,573**
6 OTHER ASSETS	**4,631**	**5,688**	**9,309**	**12,407**
6.1 Deferred acquisition costs	694	445	1,628	1,568
6.2 Other assets	3,937	5,243	7,681	10,838
7 CASH AND CASH EQUIVALENTS	**2,934**	**3,315**	**13,442**	**17,545**
TOTAL ASSETS	**60,413**	**58,999**	**354,332**	**339,019**
1 SHAREHOLDERS' EQUITY				
2 OTHER PROVISIONS	**657**	**628**	**567**	**566**
3 INSURANCE PROVISIONS	**34,475**	**34,649**	**301,894**	**290,341**
4 FINANCIAL LIABILITIES	**11,728**	**10,559**	**25,038**	**23,385**
4.1 Financial liabilities at fair value through profit or loss	91	78	13,351	12,396
4.2 Other financial liabilities	11,637	10,481	11,687	10,989
5 PAYABLES	**3,558**	**3,711**	**4,303**	**3,813**
6 OTHER LIABILITIES	**4,509**	**4,941**	**4,451**	**6,381**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

FINANCIAL SEGMENT		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
1,027	**1,114**	**0**	**0**	**9,902**	**10,434**
320	**322**	**0**	**−3**	**5,018**	**4,906**
0	**0**	**0**	**0**	**5,624**	**5,678**
26,615	**23,739**	**−6,647**	**−5,351**	**374,074**	**346,655**
24	24	0	0	12,899	13,082
91	97	−3,440	−3,297	1,692	1,905
3,002	1,416	0	0	7,538	5,293
17,053	16,218	−3,207	−2,054	71,063	77,090
4,459	3,746	0	0	212,546	175,649
1,987	2,237	0	0	68,337	73,636
161	**160**	**−144**	**−116**	**11,143**	**11,255**
446	**477**	**−50**	**−3**	**14,336**	**18,569**
0	0	0	0	2,323	2,013
446	477	−50	−3	12,013	16,555
5,730	5,293	−459	−593	21,647	25,560
34,299	**31,105**	**−7,300**	**−6,066**	**441,745**	**423,057**
				22,567	**18,121**
201	**210**	**45**	**−18**	**1,471**	**1,386**
0	**0**	**0**	**0**	**336,369**	**324,990**
29,749	**26,278**	**−2,608**	**−1,089**	**63,907**	**59,133**
1,082	2,065	0	0	14,525	14,539
28,666	24,212	−2,608	−1,089	49,382	44,594
264	**217**	**−91**	**−134**	**8,033**	**7,607**
442	**505**	**−5**	**−7**	**9,397**	**11,820**
				441,745	**423,057**

SEGMENT REPORTING – INCOME STATEMENT

	NON-LIFE SEGMENT		LIFE SEGMENT	
(€ million)	31/12/2012	31/12/2011	31/12/2012	31/12/2011
1.1 Net earned premiums	20,700	20,662	42,138	42,076
1.1.1 Gross earned premiums	22,724	22,677	42,937	42,989
1.1.2 Earned premiums ceded	−2,024	−2,014	−799	−913
1.2 Fee and commission income and income from financial service activities	0	0	208	313
1.3 Net income from financial instruments at fair value through profit or loss	111	−43	5,970	−3,257
1.4 Income from subsidiaries, associated companies and joint ventures	28	171	201	302
1.5 Income from other financial instruments and land and buildings (investment properties)	2,027	2,181	13,401	14,737
1.6 Other income	1,336	1,196	765	1,062
1 TOTAL INCOME	**24,203**	**24,168**	**62,683**	**55,232**
2.1 Net insurance benefits and claims	−14,114	−14,247	−49,099	−40,770
2.1.1Claims paid and change in the insurance provisions	−15,319	−15,295	−49,733	−41,514
2.1.2Reinsurers' share	1,205	1,047	633	744
2.2Fee and commission expenses	0	0	−152	−135
2.3Expenses from subsidiaries, associated companies and joint ventures	−49	−93	−366	−632
2.4Expenses from other financial instruments and land and buildings (investment properties)	−1,526	−1,473	−5,121	−5,398
2.5Acquisition and administration costs	−5,812	−5,831	−5,172	−5,359
2.6Other expenses	−1,955	−1,568	−1,108	−1,250
2 TOTAL EXPENSES	**−23,455**	**−23,213**	**−61,019**	**−53,544**
EARNINGS BEFORE TAXES	**747**	**955**	**1,664**	**1,688**

Appendix 2

FINANCIAL SEGMENT		HOLDING EXPENSES		CONSOLIDATION ADJUSTMENTS		TOTAL	
31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
0	0			0	0	62,838	62,739
0	0			0	0	65,662	65,666
0	0			0	0	−2,823	−2,928
1,221	1,252			−131	−151	1,299	1,414
83	24			0	0	6,164	−3,277
11	86			−114	−156	127	404
615	524			−90	−84	15,953	17,357
153	182			−88	−76	2,166	2,363
2,085	**2,067**	**0**	**0**	**−424**	**−467**	**88,547**	**81,001**
0	0			−5	−19	−63,218	−55,036
0	0			−5	−19	−65,057	−56,828
0	0			0	0	1,839	1,791
−395	−392			13	47	−534	−481
−3	−3			−4	0	−423	−728
−291	−198	−668	−646	28	34	−7,578	−7,681
−868	−915			134	121	−11,717	−11,984
−116	−201	−318	−328	58	62	−3,439	−3,285
−1,673	**−1,710**	**−986**	**−974**	**224**	**244**	**−86,910**	**−79,196**
411	**357**	**−986**	**−974**	**−200**	**−222**	**1,638**	**1,805**

Tangible and intangible assets

Appendix 3

(€ million)	At amortized cost	At revalued amount or at fair value	Total
Land and buildings (investment properties)	12,899		12,899
Land and buildings (self used)	3,002		3,002
Other tangible assets	2,016		2,016
Other intangible assets	2,681		2,681

Amounts ceded to reinsurers from insurance provisions

(€ million)	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-life amounts ceded to reinsurers from insurance provisions (*)	**2,865**	**3,031**	**1,030**	**1,015**	**3,895**	**4,046**
Provisions for unearned premiums	527	516	98	113	626	630
Provisions for outstanding claims	2,332	2,510	932	898	3,263	3,408
Other insurance provisions	6	4	0	4	6	8
Life amounts ceded to reinsurers from insurance provisions (*)	**872**	**827**	**858**	**805**	**1,729**	**1,632**
Provisions for outstanding claims	317	250	175	140	493	390
Mathematical provisions	286	293	681	664	967	957
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	161	160	0	0	161	160
Other insurance provisions	108	124	1	1	108	125
Total	**3,736**	**3,858**	**1,888**	**1,820**	**5,624**	**5,678**

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

(€ million)	Held to maturity investments		Loans and receivables		Available for sale financial assets		Financial assets at fair value through profit or loss: Financial assets held for trading		Financial assets at fair value through profit or loss: Financial assets designated as at fair value through profit or loss		Total book value	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Equities at cost	0	0	0	0	308	318	0	0	0	0	308	318
Equities at fair value	0	0	0	0	8,599	9,804	61	46	2,065	5,652	10,725	15,502
of which quoted equities	0	0	0	0	7,513	8,757	61	46	1,920	5,400	9,494	14,203
Bonds	7,512	5,269	39,400	46,230	190,349	152,657	1,023	798	15,219	19,822	253,503	224,776
of which quoted bonds	7,512	5,269	0	0	185,173	147,576	960	780	14,513	19,147	208,159	172,771
Investment fund units	0	0	0	0	11,458	10,726	29	28	44,135	39,488	55,621	50,241
Loans and receivables from customers	0	0	7,085	6,284	0	0	0	0	0	0	7,085	6,284
Loans and receivables from banks	0	0	1,949	2,563	0	0	0	0	0	0	1,949	2,563
Deposits under reinsurance business accepted	0	0	710	665	0	0	0	0	0	0	710	665
Deposit components of reinsurance contracts	0	0	0	0	0	0	0	0	0	0	0	0
Other loans and receivables	0	0	21,919	21,349	0	0	0	0	0	0	21,919	21,349
Derivatives	0	0	0	0	0	0	385	1,167	1,402	1,371	1,786	2,538
Hedging derivatives (*)	0	0	0	0	86	34	0	0	0	0	86	34
Other financial investments	27	24	0	0	1,745	2,111	660	251	3,358	5,014	5,790	7,399
Total	**7,538**	**5,293**	**71,063**	**77,090**	**212,546**	**175,649**	**2,158**	**2,290**	**66,179**	**71,346**	**359,483**	**331,669**

(*) 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 policyholders and to pension funds

Appendix 6

(€ million)	Policies where the investment risk is borne by the policyholders		Pension funds		Total	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Assets	51,713	56,463	2,129	1,849	53,842	58,312
Intra-group assets (*)	0	0	0	0	0	0
Total	**51,713**	**56,463**	**2,129**	**1,849**	**53,842**	**58,312**
Financial liabilities	11,188	10,260	1,414	1,080	12,602	11,340
Insurance provisions (**)	40,830	46,540	77	150	40,907	46,690
Intra-group liabilities (*)	0	0	0	0	0	0
Total	**52,017**	**56,800**	**1,492**	**1,229**	**53,509**	**58,030**

(*) 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

(€ million)	Direct insurance		Accepted reinsurance		Total book value	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-life insurance provisions (*)	**32,970**	**33,189**	**1,506**	**1,460**	**34,475**	**34,649**
Provisions for unearned premiums	6,417	6,154	168	137	6,586	6,291
Provisions for outstanding claims	26,148	26,650	1,331	1,319	27,480	27,969
Other insurance provisions	405	386	6	4	410	390
of which provisions for liability adequacy test	11	7	0	0	11	7
Life insurance provisions (*)	**299,602**	**288,208**	**2,292**	**2,133**	**301,894**	**290,341**
Provisions for outstanding claims	4,822	4,487	862	803	5,684	5,290
Mathematical provisions	231,673	231,588	1,225	1,085	232,898	232,672
Provisions for policies where the investment risk is borne by the policyholders and provisions for pension funds	41,048	46,804	20	46	41,068	46,850
Other insurance provisions	22,060	5,330	185	199	22,245	5,529
of which provisions for liability adequacy test	731	1,175	71	92	802	1,267
of which deferred policyholder liabilities	4,000	−12,185	0	0	4,000	−12,185
Total	**332,572**	**321,398**	**3,798**	**3,593**	**336,369**	**324,990**

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

Financial liabilities

Appendix 8

	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					
(€ million)	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Preference shares	0	0	0	0	0	0	0	0
Subordinated liabilities	0	0	0	0	7,833	6,611	7,833	6,611
Financial liabilities related to investment contracts issued by insurance companies	0	0	12,650	11,563	4,947	4,107	17,597	15,670
where the investment risk is borne by the policyholders	0	0	11,188	10,260	0	0	11,188	10,260
pension funds	0	0	1,414	1,080	0	0	1,414	1,080
other liabilities related to investment contracts	0	0	48	223	4,947	4,107	4,995	4,330
Deposits received from reinsurers	0	0	0	0	1,077	984	1,077	984
Deposit components of insurance contract	0	0	0	0	0	0	0	0
Bonds	0	0	0	0	4,975	5,022	4,975	5,022
Liabilities to customers	0	0	0	0	22,733	21,289	22,733	21,289
Liabilities to banks	0	0	0	0	2,147	995	2,147	995
Other loans	0	0	0	0	4,643	4,623	4,643	4,623
Derivatives	358	1,148	721	826	0	0	1,079	1,975
Hedging derivatives (*)	0	0	0	0	1,028	963	1,028	963
Other financial liabilities	0	0	796	1,002	0	0	796	1,002
Total	**358**	**1,148**	**14,167**	**13,391**	**49,382**	**44,594**	**63,907**	**59,133**

(*) 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

	31/12/2012			31/12/2011		
(€ million)	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
NON-LIFE SEGMENT						
NET EARNED PREMIUMS	22,724	2,024	20,700	22,677	2,014	20,662
a Premiums written	22,988	2,031	20,958	22,970	2,032	20,937
b Change in the provisions for unearned premiums	−264	−6	−258	−293	−18	−275
NET INSURANCE BENEFITS AND CLAIMS	15,319	1,205	14,114	15,295	1,047	14,247
a Claims paid	14,719	1,191	13,528	15,164	1,192	13,971
b Change in the provisions for outstanding claims	480	16	464	105	−144	249
c Change in claims to be recovered	52	−1	52	−7	−2	−4
d Change in other insurance provisions	69	−1	69	33	2	31
LIFE SEGMENT						
NET PREMIUMS	42,937	799	42,138	42,989	913	42,076
NET INSURANCE BENEFITS AND CLAIMS	49,733	633	49,099	41,514	744	40,770
a Claims paid	41,069	594	40,475	38,941	522	38,419
b Change in the provisions for outstanding claims	162	28	134	−325	50	−376
c Change in the mathematical provisions	4,552	11	4,541	5,688	232	5,456
d Change in the provisions for policies where the investment risk is borne by the policyholders and the provisions for pension funds	4,145	−5	4,150	−2,134	−2	−2,132
e Change in other insurance provisions	−196	5	−201	−656	−58	−599

(€ million)	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 31/12/2012	Total income and expenses 31/12/2012
							Unrealized gains	Reversal of impairment losses	Unrealized losses	Impairment losses			
Income and expenses from investments	**10,793**	**2,342**	**−440**	**4,547**	**−3,057**	**14,185**	**10,924**	**102**	**−5,995**	**−3,499**	**1,532**	**15,717**	**7,652**
a from land and buildings (investment propertiesa)	0	998	−440	319	−16	862		57		−150	−93	768	934
b from investments in subsidiaries, associated companies and joint ventures	0	110	0	16	−11	115		1		−412	−411	−296	−325
c from held to maturity investments	381			67	0	447		0		−1	−1	446	236
d from loans and receivables	2,682			286	−185	2,782		44		−344	−300	2,482	3,285
e from available for sale financial assets	7,102	909		2,835	−2,348	8,497		1		−2,592	−2,591	5,907	6,328
f from financial assets held for trading	18	9		186	−48	165	211		−15		196	361	161
g from financial assets designated as at fair value through profit or loss	611	316		838	−448	1,317	10,713		−5,980		4,733	6,049	−2,967
Income and expenses from receivables	**10**			**0**	**−4**	**6**		**122**		**−123**	**−2**	**5**	**79**
Income and expenses from cash and cash equivalents	**118**					**118**					**0**	**118**	**119**
Income and expenses from financial liabilities	**−1,389**	**0**	**0**	**123**	**−215**	**−1,481**	**398**	**0**	**−514**	**0**	**−116**	**−1,597**	**−1,775**
a from financial liabilities held for trading	−3			39	−163	−127	5		−82		−77	−205	−199
bfrom financial liabilities designated as at fair value through profit or loss	−13			61	−51	−2	393		−432		−39	−41	−272
c from other financial liabilities	−1,373			23	−1	−1,351					0	−1,351	−1,304
Income and expenses from payables						0					0	0	0
Total	**9,533**	**2,342**	**−440**	**4,670**	**−3,276**	**12,829**	**11,322**	**224**	**−6,509**	**−3,623**	**1,414**	**14,243**	**6,075**

Acquisition and administration costs of insurance business

Appendix 11

(€ million)	Non-life segment		Life segment	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Commissions and other acquisition costs net of commissions and profit commissions from reinsurers	4,452	4,462	3,969	4,064
Investment management expenses (*)	68	72	178	176
Other administration costs	1,292	1,297	1,024	1,118
Total	**5,812**	**5,831**	**5,172**	**5,359**

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

Details on other comprehensive income

(€ million)	Allocation		Transfer to profit and loss account		Other transfer		Total variation		Taxes		Amounts	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Reserve for currency translation differences	103	1	−107	27			−3	28	1	0	584	587
Unrealized gains and losses on available for sale financial assets	4,177	−2,914	796	787			4,973	−2,127	1,453	−691	2,767	−2,206
Cash flow hedging derivative reserve	−74	−105	−23	−3			−97	−107	−24	−58	−301	−204
Reserve for hedge of a net investment in a foreign operation	0	0	0	0			0	0	0	0	−46	−46
Revenue reserve from valuation of equity	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
Reserve for revaluation model on tangible assets	0	0	0	0			0	0	0	0		0
Result of discontinued operations	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
Other reserves	0	0	0	0			0	0	0	0		0
TOTAL OTHER COMPREHENSIVE INCOME	**4,207**	**−3,017**	**666**	**811**	**0**	**0**	**4,873**	**−2,206**	**1,430**	**−749**	**3,004**	**−1,869**

Details on financial assets reclassified and its effects in profit and loss account and comprehensive income (€ million)

Appendix 13

Financial asset categories affected by the reclassification				Book value reclassified at 31/12/2012		Fair value as at 31/12/2012		Financial assets reclassified in 2012		Financial assets reclassified until 2012		Financial assets reclassified in 2012		Financial assets reclassified until 2012	
from	to	Financial assets	Amount of the financial assets reclassified in the year at the reclassification date	Financial assets reclassified in 2012	Financial assets reclassified until 2012	Financial assets reclassified in 2012	Financial assets reclassified until 2012	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		6,377		6,958			0	0				−581
Financial asset at fair value through profit or loss	Loans and receivables	Corporate bond	630		363		379			0	0			−16	
Total			**14,658**		**6,740**		**7,337**			**0**	**0**			**−16**	**−581**

Fair value hierarchy

Appendix 14

	Level 1		Level 2		Level 3		Total	
(€ million)	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Available for sale financial assets	191,815	156,993	18,293	16,392	2,438	2,265	212,546	175,649
Financial assets at fair value through profit or loss	42,187	46,194	25,306	25,866	843	1,576	68,337	73,636
Financial assets held for trading	1,935	1,750	204	520	18	20	2,158	2,290
Financial assets designated as at fair value through profit or loss	40,251	44,444	25,102	25,346	825	1,556	66,179	71,346
Total financial assets at fair value	**234,002**	**203,187**	**43,599**	**42,258**	**3,282**	**3,841**	**280,882**	**249,285**
Financial liabilities at fair value through profit or loss	12,564	11,921	1,961	2,618	0	0	14,525	14,539
Financial liabilities held for trading	286	645	72	503	0	0	358	1,148
Financial liabilities designated as at fair value through profit or loss	12,278	11,276	1,889	2,115	0	0	14,167	13,391
Total financial liabilities at fair value	**12,564**	**11,921**	**1,961**	**2,618**	**0**	**0**	**14,525**	**14,539**

Fair value hierarchy

Appendix 14

(€ million)	Level 1		Level 2		Level 3		Total	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Available for sale financial assets	191,815	156,993	18,293	16,392	2,438	2,265	212,546	175,649
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Financial assets held for trading	1,935	1,750	204	520	18	20	2,158	2,290
Financial assets designated as at fair value through profit or loss	40,251	44,444	25,102	25,346	825	1,556	66,179	71,346
Total financial assets at fair value	**234,002**	**203,187**	**43,599**	**42,258**	**3,282**	**3,841**	**280,882**	**249,285**
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Financial liabilities designated as at fair value through profit or loss	12,278	11,276	1,889	2,115	0	0	14,167	13,391
Total financial liabilities at fair value	**12,564**	**11,921**	**1,961**	**2,618**	**0**	**0**	**14,525**	**14,539**

Change in the consolidation area

Subsidiaries consolidated line by line

Non-consolidated subsidiaries and associated companies

NEWLY CONSOLIDATEDCHANGE IN THE CONSOLIDATION AREA(*)

NEWLY CONSOLIDATED:	
1.	Fond kvalifikovaných investorů GPH, Prague
2.	Anderfin SA, Lugano
3.	Casa-Bouw Sprl, Aalst
4.	Fondo Immobiliare Haydn, Trieste
5.	Generali Belgium Senior Homes FCP FIS, Luxembourg
6.	Generali Deutschland Alternative Investments GmbH & Co. KG, Cologne
7.	Generali Luxembourg S.A., Luxembourg
8.	GID-Fonds AARGT USD, Frankfurt
9.	GID-Fonds GLAKOR, Frankfurt
10.	Grundstücksgesellschaft Einkaufszentrum Louisen-Center Bad Homburg mbH & Co. KG, Berlin
11.	Icare Courtage S.a.r.l., Boulogne Billancourt
12.	OPCI GB1, Paris
13.	OPCI GR1, Paris
14.	Patrimony 1873 SA, Lugano
15.	PSC Generali PPF Insurance, St. Petersburg
16.	SCI 3-5 Malesherbes, Paris
17.	Sellin Bond Sub-Fund II, Luxembourg
18.	Solitaire Real Estate, a.s., Prague

COMPANY DISPOSED OF/WOUND UP:	
1.	Adriatica Participations Financières S.A., Brussels
2.	Allgemeine Immobilien-Verwaltungs-Gesellschaft mbH, Vienna
3.	BG Società di Gestione Risparmio S.p.A. (merged in Banca Generali S.p.A.), Trieste
4.	BSI Trust Corporation (Singapore) Ltd., Singapore
5.	CZI Ukraine Pension fund Administrator, Kiev
6.	Delta Generali Zivotna Osiguranja ad Podgorica (merged in Delta Generali Osiguranj ad), Podgorica
7.	Europ Assistance Holdings Ltd, Haywards Heath
8.	Europ Assistance Insurance Limited, Haywards Heath
9.	Europ Assistance Limited, Haywards Heath
10.	Fata Vita S.p.A. (merged in Genertellife S.p.A.), Mogliano Veneto
11.	GEII 100 CE Holding SAS, Paris
12.	Generali AutoProgram Spzoo, Warsaw
13.	Generali Belgium Invest S.A., Brussels
14.	Generali Biztosítási Ügynök és Marketing Kft (merged in Generali-Providencia Biztosító Rt.), Budapest
15.	Generali Deutschland Immobilien GmbH (merged in Generali Real Estate S.p.A.), Cologne
16.	Generali Építo- és Tervezo Kft. (merged in Generali-Ingatlan Kft), Budapest
17.	Generali France Immobilier S.A.S. (merged in Generali Real Estate S.p.A.), Paris
18.	Generali Investments France S.A. (merged in Generali Investments Europe S.p.A. SGR), Paris
19.	GLL South Express S.A., Brussels
20.	Gotam SGR S.p.A., Milan

(*) Consolidation area consists of companies consolidated “line by line”.

COMPANY DISPOSED OF/WOUND UP:	
21.	Heracles Immobiliare S.r.l. (merged in Alleanza Toro S.p.A.), Trieste
22.	Horizontes Banorte Generali, S.A. de C.V. (merged in Pensiones Banorte Generali S.A. de C.V.), Monterrey
23.	Inf - Societa' Agricola S.p.A. (merged in Genagricola S.p.A.), Trieste
24.	Iniziative Sviluppo Immobiliare ISIM S.p.A. (merged in Alleanza Toro S.p.A.), Turin
25.	Migdal Capital Markets (1965) Ltd, Tel Aviv
26.	Migdal Capital Markets (Management Services) Ltd, Tel Aviv
27.	Migdal Eshkol Finansim B.M., Petach Tikva
28.	Migdal Health and Life Quality Ltd, Tel Aviv
29.	Migdal Insurance and Financial Holding Ltd, Petach Tikva
30.	Migdal Insurance Company Ltd, Petach Tikva
31.	Migdal Investment Portfolio Management (1988) Ltd, Tel Aviv
32.	Migdal Makefet Pension and Provident Funds Ltd, Tel Aviv
33.	Migdal Mutual Funds Ltd, Tel Aviv
34.	Migdal Real Estate Holdings Ltd, Petach Tikva
35.	Migdal Stock Exchange Services (N.E.) Ltd, Tel Aviv
36.	Migdal Underwriting & Business Initiatives Ltd, Tel Aviv
37.	Operazioni Immobiliari 20 S.p.A. (merged in Generali Properties S.p.A.), Mogliano Veneto
38.	Prunus S.p.A. (merged in Alleanza Toro S.p.A.), Trieste
39.	Saint Ouen C1 S.A.S., Paris
40.	Saint Ouen C1 Société Civile Immobilière, Paris
41.	SCI du 174 Rue de Rivoli (merged in E-Cie Vie S.A.), Paris
42.	SCI Generali Daumesnil (merged in SCI Daumesnil), Paris
43.	SCI Le Rivay (merged in Generali Vie S.A.), Paris
44.	Thalia Fund Management Company (Lux) S.A., Luxembourg
45.	Volksfürsorge Pensionskasse AG, Hamburg

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]
Assicurazioni Generali S.p.A.	086	EUR	1,556,873,283	G	1		0.04	Genertellife S.p.A.	0.77	100.00
							0.67	Ina Assitalia S.p.A.		
							0.01	GBS S.c.p.A.		
							0.05	Alleanza Toro S.p.A.		
Genertel S.p.A.	086	EUR	23,000,000	G	1		100.00	Genertellife S.p.A.	100.00	100.00
UMS S.p.A.	086	EUR	15,993,180	G	10	99.90			99.90	99.90
Risparmio Assicurazioni S.p.A.	086	EUR	5,175,152	G	11	100.00			100.00	100.00
Europ Assistance Italia S.p.A.	086	EUR	12,000,000	G	1	26.05			87.08	86.94
							61.03	Europ Assistance Holding S.A.		
Genagricola S.p.A.	086	EUR	187,850,000	G	11	100.00			100.00	100.00
Finagen S.p.A.	086	EUR	6,700,000	G	8	0.10			100.00	100.00
							99.90	Alleanza Toro S.p.A.		
Banca Generali S.p.A.	086	EUR	112,937,722	G	7	46.52			64.75	64.73
							0.45	Genertel S.p.A.		
							9.96	Generali Vie S.A.		
							5.04	Genertellife S.p.A.		
							2.78	Alleanza Toro S.p.A.		
Europ Assistance Service SpA	086	EUR	4,325,000	G	11		100.00	Europ Assistance Italia S.p.A.	100.00	86.94
Europ Assistance Trade S.p.A.	086	EUR	540,000	G	11		91.50	Europ Assistance Italia S.p.A.	100.00	86.94
							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
Generali Real Estate S.p.A.	086	EUR	780,000	G	11	100.00			100.00	100.00
Genertel Servizi Assicurativi	086	EUR	80,000	G	11		50.00	Genertel S.p.A.	100.00	100.00
							50.00	Genertellife S.p.A.		
Europ Assistance Vai S.p.A.	086	EUR	468,000	G	11		98.89	Europ Assistance Service SpA	98.89	85.97
G.T.I. SGR p.A.	086	EUR	2,500,000	G	8		100.00	Generali Investments Europe	100.00	98.47
Genertellife S.p.A.	086	EUR	175,296,314	G	1	100.00			100.00	100.00
Generali Investments Europe	086	EUR	39,500,000	G	8		71.82	Gen Inv S.p.A.	100.00	98.47
							28.18	Alleanza Toro S.p.A.		
Generali Horizon S.p.A.	086	EUR	120,000	G	9	100.00			100.00	100.00
GenerFid S.p.A.	086	EUR	240,000	G	11		100.00	Banca Generali S.p.A.	100.00	64.73
EOS Servizi Fiduciari SpA	086	EUR	750,000	G	11		100.00	BSI S.A.	100.00	100.00
Assitimm S.r.l.	086	EUR	100,000	G	10	1.00			100.00	100.00
							99.00	Alleanza Toro S.p.A.		
SIMGENIA S.p.A. SIM	086	EUR	5,200,000	G	8	25.00			100.00	94.71
							15.00	Banca Generali S.p.A.		
							10.00	Fata Assicurazioni Danni SpA		
							15.00	Ina Assitalia S.p.A.		
							35.00	Alleanza Toro S.p.A.		
CityLife S.p.A.	086	EUR	351,941	G	10		67.00	Generali Properties S.p.A.	67.00	67.00
BG Fiduciaria Sim S.p.A.	086	EUR	5,200,000	G	8		100.00	Banca Generali S.p.A.	100.00	64.73
Gen Inv S.p.A.	086	EUR	41,360,000	G	9	37.72			100.00	97.87
							28.29	Generali Deutschland Holding		
							28.29	Generali France S.A.		
							5.70	Generali France Assurances SA		
Generali Immobiliare Italia GR	086	EUR	5,000,000	G	8		100.00	Generali Real Estate S.p.A.	100.00	100.00
Fata Assicurazioni Danni SpA	086	EUR	5,202,079	G	1	99.96			99.96	99.96
CESTAR S.c.r.l.	086	EUR	3,100,000	G	11	97.75			100.00	100.00
							0.25	Genertel S.p.A.		
							0.25	Fata Assicurazioni Danni SpA		

SUBSIDIARIES CONSOLIDATED LINE BY LINE

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD(1)	ACTIVITY(2)	SHAREHOLDING % DIRECT	SHAREHOLDING % INDIRECT	SHAREHOLDING % THROUGH	SHAREHOLDING % TOTAL	GROUP EQUITY RATIO %(3)
							0.25	Ina Assitalia S.p.A.		
							1.00	GBS S.c.p.A.		
							0.50	Alleanza Toro S.p.A.		
D.A.S. S.p.A.	086	EUR	2,750,000	G	1		50.01	Alleanza Toro S.p.A.	50.01	50.01
Generali Properties S.p.A.	086	EUR	268,265,145	G	10	100.00			100.00	100.00
Fondo Scarlatti	086	EUR	547,456,612	G	10	27.56			67.31	67.31
							1.94	Genertel S.p.A.		
							2.89	Generali Vie S.A.		
							5.87	Genertellife S.p.A.		
							1.65	Fata Assicurazioni Danni SpA		
							19.09	Ina Assitalia S.p.A.		
							8.31	Alleanza Toro S.p.A.		
Ina Assitalia S.p.A.	086	EUR	618,628,450	G	1	100.00			100.00	100.00
GBS S.c.p.A.	086	EUR	8,010,000	G	11	96.80			100.00	99.78
							0.25	Genertel S.p.A.		
							0.01	Europ Assistance Italia S.p.A.		
							0.55	Banca Generali S.p.A.		
							0.01	Genertel Servizi Assicurativi		
							0.26	Genertellife S.p.A.		
							0.26	Generali Investments Europe		
							0.25	SIMGENIA S.p.A. SIM		
							0.01	BG Fiduciaria Sim S.p.A.		
							0.01	Generali Immobiliare Italia GR		
							0.25	Fata Assicurazioni Danni SpA		
							0.01	Generali Properties S.p.A.		
							0.25	Ina Assitalia S.p.A.		
							0.05	G.I.B.S. s.c.a.r.l.		
							1.01	Alleanza Toro S.p.A.		
							0.01	Alleanza Toro Servizi Assicur.		
							0.01	GCS S.c.a.r.l.		
G.I.B.S. s.c.a.r.l.	086	EUR	27,000	G	11	62.96			100.00	96.31
							18.54	Generali Vie S.A.		
							3.70	Generali Belgium S.A.		
							3.70	Generali Vida de Seguros S.A.		
							3.70	Generali Pojistovna a.s.		
							3.70	GBS S.c.p.A.		
							3.70	Ceska pojistovna, a.s.		
Fondo Cimarosa	086	EUR	495,111,111	G	10	23.15			100.00	99.99
							0.69	Genertel S.p.A.		
							3.60	Generali Vie S.A.		
							3.27	Genertellife S.p.A.		
							13.93	Ina Assitalia S.p.A.		
							55.36	Alleanza Toro S.p.A.		
Alleanza Toro S.p.A.	086	EUR	300,000,000	G	1	100.00			100.00	100.00
Fondo Immobiliare Mascagni	086	EUR	1,293,866,966	G	10	31.10			100.00	100.00
							1.89	Genertel S.p.A.		
							6.85	Genertellife S.p.A.		
							14.70	Generali Properties S.p.A.		
							8.14	Ina Assitalia S.p.A.		
							37.32	Alleanza Toro S.p.A.		

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	
Fondo Immobiliare Toscanini	086	EUR	280,619,317	G	10	14.22			100.00	100.00
							1.89	Assitimm S.r.l.		
							7.70	Generali Properties S.p.A.		
							10.27	Ina Assitalia S.p.A.		
							65.92	Alleanza Toro S.p.A.		
BSI SIM S.p.A.	086	EUR	5,000,000	G	11		100.00	BSI S.A.	100.00	100.00
Alleanza Toro Servizi Assicur.	086	EUR	20,000	G	11		100.00	Alleanza Toro S.p.A.	100.00	100.00
D.A.S. Legal Services S.r.l.	086	EUR	100,000	G	11		100.00	D.A.S. S.p.A.	100.00	50.01
Fondo Chopin	086	EUR	243,656,827	G	11	15.96			100.00	100.00
							2.45	Genertel S.p.A.		
							29.14	Genertellife S.p.A.		
							27.96	Generali Properties S.p.A.		
							19.17	Ina Assitalia S.p.A.		
							2.11	Fondo Cimarosa		
							3.21	Alleanza Toro S.p.A.		
GCS S.c.a.r.l.	086	EUR	10,000	G	11	87.00			100.00	99.41
							1.00	Genertel S.p.A.		
							1.00	Europ Assistance Italia S.p.A.		
							1.00	Banca Generali S.p.A.		
							2.00	Genertellife S.p.A.		
							1.00	Generali Investments Europe		
							1.00	SIMGENIA S.p.A. SIM		
							1.00	Generali Immobiliare Italia GR		
							1.00	Fata Assicurazioni Danni SpA		
							1.00	Ina Assitalia S.p.A.		
							1.00	GBS S.c.p.A.		
							1.00	G.I.B.S. s.c.a.r.l.		
							1.00	Alleanza Toro S.p.A.		
Fondo Haydn	086	EUR	454,868,454	G	11	23.34			100.00	100.00
							52.13	Generali Properties S.p.A.		
							13.17	Ina Assitalia S.p.A.		
							11.36	Alleanza Toro S.p.A.		
Dialog Lebensversicherungs AG	094	EUR	2,045,200	G	2		100.00	Generali Beteiligungs AG	100.00	92.83
Generali Deutschland Holding	094	EUR	137,420,785	G	5		80.19	Generali Beteiligungs-GmbH	93.02	92.74
							0.93	Generali España, S.A.		
							0.93	Generali Belgium S.A.		
							0.93	Generali Levensverz. Maatsch.		
							0.93	Generali Assurances Générales		
							2.14	Vitalicio Torre Cerdà S.l.		
							5.10	Generali Vermögensverwaltung K		
							1.87	Alleanza Toro S.p.A.		
AachenMünchener Lebensvers.	094	EUR	71,269,998	G	2		100.00	Generali Deutschland Holding	100.00	92.74
AachenMünchener Versicherung	094	EUR	136,463,896	G	2		100.00	Generali Deutschland Holding	100.00	92.74
Generali Lebensversicherung AG	094	EUR	124,053,300	G	2		100.00	Generali Beteiligungs AG	100.00	92.83
Generali Versicherung AG	094	EUR	27,358,000	G	2		100.00	Generali Beteiligungs AG	100.00	92.83
Central Krankenversicherung AG	094	EUR	34,017,984	G	2		100.00	Generali Deutschland Holding	100.00	92.74
Europ Assistance Versicherung	094	EUR	2,800,000	G	2		25.00	Generali Deutschland Holding	100.00	98.01
							75.00	Europ Assistance S.A.		
Cosmos Lebensversicherungs AG	094	EUR	10,739,616	G	2		100.00	Generali Deutschland Holding	100.00	92.74
Cosmos Versicherung AG	094	EUR	9,205,200	G	2		100.00	Generali Deutschland Holding	100.00	92.74

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	
ENVIVAS Krankenversicherung AG	094	EUR	1,022,800	G	2		100.00	Generali Deutschland Holding	100.00	92.74
AdvoCard Rechtsschutzvers.	094	EUR	12,920,265	G	2		29.29	AachenMünchener Versicherung	100.00	92.80
							70.71	Generali Versicherung AG		
Generali Beteiligungs-GmbH	094	EUR	1,005,000	G	4	100.00			100.00	100.00
Generali Beteiligungs AG	094	EUR	66,963,298	G	4		98.78	Generali Deutschland Holding	100.00	92.83
							1.22	Transocean Holding Corporation		
ALLWO GmbH	094	EUR	17,895,500	G	10		46.86	AachenMünchener Versicherung	100.00	92.79
							53.14	Generali Versicherung AG		
Deutsche Bausparkasse Badenia	094	EUR	40,560,000	G	7		100.00	Generali Deutschland Holding	100.00	92.74
Europ Assistance Services GmbH	094	EUR	250,000	G	11		100.00	Europ Assistance Versicherung	100.00	98.01
Generali Deutschland Finanzd.	094	EUR	52,000	G	11		100.00	Generali Deutschland Holding	100.00	92.74
Generali Deutschland Informat.	094	EUR	15,000,000	G	11		100.00	Generali Deutschland Holding	100.00	92.74
ATLAS Dienstleistungen	094	EUR	4,100,000	G	11		74.00	AachenMünchener Lebensvers.	74.00	68.63
AM Ges. betr. Altersversorgung	094	EUR	60,000	G	11		100.00	AachenMünchener Lebensvers.	100.00	92.74
Cosmos Finanzservice GmbH	094	EUR	25,565	G	11		100.00	Cosmos Versicherung AG	100.00	92.74
Schloss Bensberg Management	094	EUR	250,000	G	10		100.00	AachenMünchener Lebensvers.	100.00	92.74
AM Vertriebsservice Ges. Pers.	094	EUR	500,000	G	11		100.00	ATLAS Dienstleistungen	100.00	68.63
Generali Investments Deut. KAG	094	EUR	9,050,000	G	8		100.00	Gen Inv S.p.A.	100.00	97.87
AMCO Beteiligungs-GmbH	094	EUR	500,000	G	9		100.00	Generali Deutschland Holding	100.00	92.74
Thuringia Generali 2Immobilien	094	EUR	84,343,265	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Thuringia Generali 1Immobilien	094	EUR	21,388,630	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Volksfürsorge 1Immobilien AGKG	094	EUR	3,583	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Central Zweite Immobilien AGKG	094	EUR	12,371,997	G	10		100.00	Central Krankenversicherung AG	100.00	92.74
Central Erste Immobilien AG&KG	094	EUR	4,823,507	G	10		100.00	Central Krankenversicherung AG	100.00	92.74
AM Erste Immobilien AG&Co. KG	094	EUR	71,360,992	G	10		100.00	AachenMünchener Lebensvers.	100.00	92.74
Generali Private Equity Invest	094	EUR	500,000	G	9		100.00	Gen Inv S.p.A.	100.00	97.87
Generali Deutschland Pensionsk	094	EUR	7,500,000	G	2		100.00	Generali Deutschland Holding	100.00	92.74
DBB Vermögensverwaltung GmbHKG	094	EUR	21,214,579	G	10		100.00	Deutsche Bausparkasse Badenia	100.00	92.74
AM Vers Erste Immobilien KG	094	EUR	17,847,121	G	10		100.00	AachenMünchener Versicherung	100.00	92.74
GID-Fonds AAREC	094	EUR	3,009,907,701	G	11		0.93	Dialog Lebensversicherungs AG	100.00	92.78
							24.89	AachenMünchener Lebensvers.		
							37.94	Generali Lebensversicherung AG		
							23.04	Central Krankenversicherung AG		
							11.95	Cosmos Lebensversicherungs AG		
							0.51	AdvoCard Rechtsschutzvers.		
							0.74	Generali Deutschland Pensionsk		
GID-Fonds ALAOT	094	EUR	803,034,597	G	11		100.00	AachenMünchener Lebensvers.	100.00	92.74
GID-Fonds GDRET	094	EUR	266,830,198	G	11		78.90	Generali Deutschland Holding	100.00	92.76
							21.10	AdvoCard Rechtsschutzvers.		
GID-Fonds AMLRET	094	EUR	474,466,601	G	11		100.00	AachenMünchener Lebensvers.	100.00	92.74
GID-Fonds AVAOT	094	EUR	89,462,713	G	11		100.00	Generali Versicherung AG	100.00	92.83
GID-Fonds CEAOT	094	EUR	472,120,787	G	11		100.00	Central Krankenversicherung AG	100.00	92.74
GID-Fonds CLAOT	094	EUR	330,312,556	G	11		100.00	Cosmos Lebensversicherungs AG	100.00	92.74
GID-Fonds GLRET 4	094	EUR	463,697,568	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
GID-Fonds GLMET	094	EUR	801,922,792	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
GID-Fonds GVMET	094	EUR	329,182,874	G	11		100.00	Generali Versicherung AG	100.00	92.83
GID-Fonds GLLAE	094	EUR	639,802,405	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
Grundstücksges. Stadtlagerhaus	094	EUR	19,560,874	G	10		50.00	Generali Lebensversicherung AG	100.00	92.83
							50.00	Generali Versicherung AG		
Generali Deutschland Sicherung	094	EUR	25,000	G	11		100.00	Generali Deutschland Holding	100.00	92.74

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]
GID-Fonds VLAOT	094	EUR	1,604,768,317	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
GID-Fonds GLRET 3	094	EUR	845,412,069	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
GID-Fonds GLRET 2	094	EUR	774,765,272	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
Vofü Fonds I Hamburgische KG	094	EUR	14,800,000	G	10		59.29	Generali Beteiligungs AG	59.29	55.04
Volksfürsorge 5Immobilien AGKG	094	EUR	637,238,457	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Generali Deutsch. Pensor Pens.	094	EUR	5,100,000	G	2		100.00	Generali Beteiligungs AG	100.00	92.83
GID-Fonds GPRET	094	EUR	98,388,532	G	11		98.24	Generali Deutsch. Pensor Pens.	98.24	91.20
Generali Deutschland Schadenm.	094	EUR	100,000	G	11		100.00	Generali Deutschland Holding	100.00	92.74
Generali Deutschland Services	094	EUR	100,000	G	11		100.00	Generali Deutschland Holding	100.00	92.74
AM Sechste Immobilien AG KG	094	EUR	85,025,000	G	10		100.00	AachenMünchener Lebensvers.	100.00	92.74
GLL AMB Generali Prop. Fund I	094	EUR	45,196,362	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
GLL AMB Generali Prop. Fund II	094	EUR	51,343,760	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
Generali 3. Immobilien AG&CoKG	094	EUR	62,667,551	G	10		100.00	Generali Lebensversicherung AG	100.00	92.83
Einkaufszentrum Louisen-Center	094	EUR	30,754,829	G	10		100.00	Generali Deutschland Holding	100.00	92.74
Volksfürsorge AG Vertriebsges.	094	EUR	1,100,000	G	11		100.00	Generali Beteiligungs AG	100.00	92.83
Generali Vermögensverwaltung K	094	EUR	258,700,000	G	9		94.90	Generali Beteiligungs-GmbH	94.90	94.90
GLL AMB Generali 200 State	094	EUR	38,209,030	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
AM Vertriebsservice-Ges. Sach.	094	EUR	250,000	G	11		100.00	ATLAS Dienstleistungen	100.00	68.63
GID-Fonds AVAOT II	094	EUR	37,677,828	G	11		100.00	AachenMünchener Versicherung	100.00	92.74
GID-Fonds AVAOT III	094	EUR	22,981,275	G	11		100.00	AdvoCard Rechtsschutzvers.	100.00	92.80
GID-Fonds ALRET	094	EUR	1,647,674,142	G	11		100.00	AachenMünchener Lebensvers.	100.00	92.74
GID-Fonds CERET	094	EUR	1,996,846,378	G	11		100.00	Central Krankenversicherung AG	100.00	92.74
GID-Fonds CLRET	094	EUR	742,415,873	G	11		100.00	Cosmos Lebensversicherungs AG	100.00	92.74
GID-Fonds GLRET	094	EUR	2,294,408,460	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
GID-Fonds DLRET	094	EUR	72,195,027	G	11		100.00	Dialog Lebensversicherungs AG	100.00	92.83
GID-Fonds GDPRET	094	EUR	213,706,866	G	11		100.00	Generali Deutschland Pensionsk	100.00	92.74
GID-Fonds GVRET	094	EUR	784,133,734	G	11		100.00	Generali Versicherung AG	100.00	92.83
GEREII GmbH & Co. KG	094	EUR	25,412,178	G	10		5.55	Dialog Lebensversicherungs AG	100.00	92.78
							22.21	AachenMünchener Lebensvers.		
							27.78	Generali Lebensversicherung AG		
							22.21	Central Krankenversicherung AG		
							16.66	Cosmos Lebensversicherungs AG		
							5.55	AdvoCard Rechtsschutzvers.		
							0.04	Generali Real Estate S.p.A.		
GNAREI GmbH & Co. KG	094	EUR	17,560,021	G	10		27.75	AachenMünchener Lebensvers.	100.00	92.78
							38.80	Generali Lebensversicherung AG		
							16.76	Central Krankenversicherung AG		
							16.64	Cosmos Lebensversicherungs AG		
							0.05	Generali Real Estate S.p.A.		
GENTUM Nr. 1	094	EUR	103,201,050	G	11		2.00	Dialog Lebensversicherungs AG	100.00	92.77
							23.00	AachenMünchener Lebensvers.		
							27.00	Generali Lebensversicherung AG		
							25.00	Central Krankenversicherung AG		
							20.00	Cosmos Lebensversicherungs AG		
							3.00	AdvoCard Rechtsschutzvers.		
GID Fonds AVRET	094	EUR	225,306,012	G	11		100.00	AachenMünchener Versicherung	100.00	92.74
FT GEN-Fonds	094	EUR	150,664,675	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
Generali Alternative Inv. G.KG	094	EUR	60,000	G	9		100.00	Generali Deutschland Holding	100.00	92.74
GID-Fonds GLAKOR	094	EUR	153,482,488	G	11		100.00	Generali Lebensversicherung AG	100.00	92.83
GID-Fonds AARGT USD	094	USD	74,601,824	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]
Generali IARD S.A.	029	EUR	59,493,775	G	2		100.00	Generali France Assurances SA	100.00	99.77
Generali Vie S.A.	029	EUR	299,197,104	G	2		100.00	Generali France Assurances SA	100.00	99.77
L'Equité IARD S.A.	029	EUR	18,469,320	G	2		99.98	Generali France Assurances SA	99.98	99.75
GFA Caraïbes	213	EUR	5,742,000	G	2		100.00	Generali France Assurances SA	100.00	99.77
Prudence Creole	247	EUR	6,164,000	G	2		0.01	Generali France S.A.	93.42	93.21
							93.41	Generali France Assurances SA		
Europ Assistance Holding S.A.	029	EUR	17,316,016	G	2		37.86	Generali Vie S.A.	99.99	99.77
							57.82	Generali France S.A.		
							4.31	Part. Maat. Graafschap Holland		
Europ Assistance France S.A.	029	EUR	2,464,320	G	11		100.00	Europ Assistance Holding S.A.	100.00	99.77
Generali France S.A.	029	EUR	114,396,382	G	4	67.15			99.77	99.77
							32.62	Part. Maat. Graafschap Holland		
Generali 7 S.A.	029	EUR	270,000	G	11		0.06	Generali Vie S.A.	99.92	99.69
							0.03	Generali France S.A.		
							99.83	Generali France Assurances SA		
Expert & Finance S.A.	029	EUR	3,456,400	G	11		89.64	Generali Vie S.A.	89.64	89.43
Generali France Assurances SA	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	86,950,710	G	2		100.00	Generali France Assurances SA	100.00	99.77
Suresnes Immobilier S.A.	029	EUR	43,040,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
Europ Assistance S.A.	029	EUR	35,402,785	G	2		100.00	Europ Assistance Holding S.A.	100.00	99.77
Europ Assistance Téléassist.	029	EUR	100,000	G	11		100.00	Europ Assistance France S.A.	100.00	99.77
SCI Generali Carnot	029	EUR	10,525,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
Icare S.A.	029	EUR	3,500,010	G	4		100.00	Europ Assistance Holding S.A.	100.00	99.77
Icare Assurance S.A.	029	EUR	1,276,416	G	2		100.00	Icare S.A.	100.00	99.77
Icare Courtage S.a.r.l.	029	EUR	32,000	G	11		100.00	Icare 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	14,383,201	G	10		91.14	Generali Vie S.A.	91.14	90.94
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		40.81	Generali Vie S.A.	40.81	40.72
SCI Generali Reaumur	029	EUR	10,643,469	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Cogipar	029	EUR	10,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Generali Pierre	029	EUR	10,113,505	G	10		1.11	Generali IARD S.A.	99.90	99.68
							38.15	Generali Vie S.A.		
							60.64	SCI Generali Wagram		
SCI Generali Pyramides	029	EUR	30,160,815	G	10		67.88	Generali IARD S.A.	100.00	99.77
							32.12	SCI Generali Wagram		
SCI Generali Wagram	029	EUR	284,147	G	10		100.00	Generali IARD S.A.	100.00	99.77
SCI 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	12,877,678	G	10		0.81	Generali IARD S.A.	100.00	99.77
							99.19	Generali Vie S.A.		
SCI Espace Seine-Generali	029	EUR	153,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI GPA Pierre	029	EUR	40,800,000	G	10		1.20	Generali IARD S.A.	100.00	99.77
							98.80	Generali Vie S.A.		
SCI Haussmann 50-Generali	029	EUR	43,450,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI du 54 Avenue Hoche	029	EUR	152,400	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Landy-Novatis	029	EUR	1,000,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SCI Landy-Wilo	029	EUR	1,000,000	G	10		0.10	Generali IARD S.A.	100.00	99.77
							99.90	Generali Vie S.A.		
SCI Generali Le Franklin	029	EUR	5,443,549	G	10		99.57	Generali Vie S.A.	99.57	98.59

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 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 Henin B. 2	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	99.77
							99.90	SC Generali Logistique		
SC Generali Logistique	029	EUR	141,760,886	G	10		1.00	Generali IARD S.A.	100.00	99.77
							99.00	Generali Vie S.A.		
Immob.Comm. Indes Orientales	029	EUR	134,543,500	G	10		100.00	Generali Vie S.A.	100.00	99.77
SAS IMMOCIO CBI	029	EUR	68,690,268	G	10		100.00	Immob.Comm. Indes Orientales	100.00	99.77
SCI Iris La Défense	029	EUR	1,350	G	10		44.44	Generali IARD S.A.	100.00	99.77
							55.56	Generali Vie S.A.		
Terra Nova V Montreuil SCI	029	EUR	1,000	G	10		0.10	Tartini S.à.r.l.	100.00	98.11
							99.90	Sammartini S.à.r.l.		
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
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		100.00	Oudart S.A.	100.00	100.00
OPCI Parcolog Invest	029	EUR	225,848,750	G	10		68.31	Generali Vie S.A.	100.00	99.77
							31.69	E-Cie Vie S.A.		
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		1.00	Generali IARD S.A.	100.00	99.77
							99.00	Generali Vie S.A.		
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		1.00	Generali IARD S.A.	100.00	99.77
							99.00	Generali Vie S.A.		
SCI Iliade Massy	029	EUR	1,000	G	10		100.00	Generali Vie S.A.	100.00	99.77
SAS Ocealis	029	EUR	300,000	G	11		75.00	Europ Assistance Holding S.A.	75.00	74.83
SAS Parcolog Lille Henin B. 1	029	EUR	302,845	G	10		100.00	OPCI Parcolog Invest	100.00	99.77
OPCI Generali Bureaux	029	EUR	103,996,539	G	10		100.00	Generali Vie S.A.	100.00	99.77
OPCI Generali Residentiel	029	EUR	149,607,800	G	10		100.00	Generali Vie S.A.	100.00	99.77

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 3-5 Malesherbes	029	EUR	1,500	G	10		99.93	Generali Vie S.A.	100.00	99.77
							0.07	E-Cie Vie S.A.		
GEII Rivoli Holding SAS	029	EUR	12,000,000	G	10		100.00	Generali Europe Income Holding	100.00	98.44
OPCI GB1	029	EUR	153,698,740	G	10		100.00	Generali Vie S.A.	100.00	99.77
OPCI GR1	029	EUR	200,481,793	G	10		19.16	Generali IARD S.A.	100.00	99.77
							42.51	Generali Vie S.A.		
							7.19	L'Equité IARD S.A.		
							31.14	E-Cie Vie 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		2.66	Generali Vie S.A.	100.00	99.99
							29.68	Generali Rückversicherung AG		
							29.72	Part. Maat. Graafschap Holland		
							0.05	Generali Finance B.V.		
							0.08	Generali Worldwide Insurance		
							37.81	Transocean Holding Corporation		
Europäische Reiseversicherungs	008	EUR	730,000	G	2		74.99	Generali Holding Vienna AG	74.99	74.99
Generali Versicherung AG (A)	008	EUR	27,338,520	G	2		7.81	Generali Rückversicherung AG	100.00	99.99
							92.19	Generali Holding Vienna AG		
Europ Assistance Gesellschaft	008	EUR	70,000	G	11		75.00	Europ Assistance Holding S.A.	100.00	99.83
							25.00	Generali Holding Vienna AG		
Allgemeine Immobilien Verw. KG	008	EUR	17,441,553	G	10		100.00	Generali Versicherung AG (A)	100.00	99.99
Generali Capital Management	008	EUR	150,000	G	8		24.99	Generali Deutschland Holding	100.00	98.18
							75.01	Generali Holding Vienna AG		
Interunfall/AIV-Leasing Vorar.	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Generali Leasing GmbH	008	EUR	730,000	G	11		75.00	Generali Versicherung AG (A)	75.00	75.00
Care Consult Versicherungsmak.	008	EUR	138,078	G	11		100.00	Europäische Reiseversicherungs	100.00	74.99
Generali/AIV Leasing Vorarlb.	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Generali/AIV Leasing Salzburg	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Generali/AIV Leasing St.Pölten	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Interunfall/AIV-Leasing Salzb.	008	EUR	18,168	G	11		10.00	Generali Versicherung AG (A)	100.00	99.99
							90.00	Allgemeine Immobilien Verw. KG		
Generali Sales Promotion GmbH	008	EUR	50,000	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
Generali Bank AG	008	EUR	26,000,000	G	7		78.57	Generali Holding Vienna AG	100.00	99.99
							21.43	Generali Versicherung AG (A)		
Generali IT-Solutions GmbH	008	EUR	17,500	G	11		75.03	Generali Holding Vienna AG	100.00	98.18
							24.97	Generali Deutschland Informat.		
Generali Pensionskasse AG	008	EUR	350,000	G	8		100.00	Generali Holding Vienna AG	100.00	99.99
Generali Immobilien GmbH	008	EUR	4,900,000	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
3 BK Gli GLBond Spezialfonds	008	EUR	9,330	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
GLStock-Fonds	008	EUR	4,040	G	11		1.42	Generali Holding Vienna AG	100.00	99.99
							98.58	Generali Versicherung AG (A)		
CA Global Property Int. Imm.AG	008	EUR	11,264,315	G	10		67.74	Generali Versicherung AG (A)	67.74	67.74
BAWAG PSK Versicherung AG	008	EUR	12,000,000	G	2		75.00	Generali Holding Vienna AG	75.00	74.99
BAWAG Spezial 6	008	EUR	13,730	G	11		100.00	BAWAG PSK Versicherung AG	100.00	74.99

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]
Akzent fonds	008	EUR	1,228	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
GSBond Spezialfonds	008	EUR	3,650	G	11		93.56	Generali Versicherung AG (A)	93.56	93.55
GEN4A Spezialfonds	008	EUR	55,500	G	11		100.00	Generali Versicherung AG (A)	100.00	99.99
CEE Liquid	008	EUR	68,250	G	11		90.72	Generali Versicherung AG (A)	95.44	94.26
							4.72	BAWAG PSK Versicherung AG		
GEN4Dividend Spezialfonds	008	EUR	1,146,000	G	11		5.78	Generali Holding Vienna AG	94.63	94.50
							0.50	Europäische Reiseversicherungs		
							88.35	Generali Versicherung AG (A)		
Generali España, S.A.	067	EUR	60,925,401	G	2		95.24	Generali España Holding S.A.	99.91	99.90
							4.67	Hermes S.L.		
Europ Assistance España S.A.	067	EUR	3,612,000	G	2		95.00	Europ Assistance Holding S.A.	100.00	99.78
							5.00	Generali España, S.A.		
Generali España Holding S.A.	067	EUR	563,490,658	G	4	100.00			100.00	100.00
Hermes S.L.	067	EUR	24,933,093	G	10		100.00	Generali España, S.A.	100.00	99.90
Gensegur Agencia de Seguros SA	067	EUR	60,101	G	11		100.00	Generali España, S.A.	100.00	99.90
Vitalicio Torre Cerdà S.l.	067	EUR	1,112,880	G	10		90.66	Generali España, S.A.	100.00	99.90
							9.34	Generali España AIE		
Cajamar Vida S.A.	067	EUR	9,015,200	G	2		50.00	Generali España Holding S.A.	50.00	50.00
Europ Assistance SIdG, S.A.	067	EUR	400,000	G	11		100.00	Europ Assistance España S.A.	100.00	99.78
Generali España AIE	067	EUR	35,597,000	G	11		99.98	Generali España, S.A.	100.00	99.90
							0.02	Generali España Holding S.A.		
Coris Gestion S.l.	067	EUR	3,008	G	11		100.00	Europ Assistance SIdG, S.A.	100.00	99.78
Cafel Inversiones 2008, S.L.	067	EUR	3,006	G	10		100.00	Frescobaldi S.à.r.l.	100.00	98.11
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	6,761,400	G	2		50.00	Generali España Holding S.A.	50.00	50.00
Generali Portfolio Mngmt (UK)	031	GBP	250,000	G	8		100.00	Generali Worldwide Insurance	100.00	100.00
Generali Belgium S.A.	009	EUR	40,000,000	G	2		22.52	Flandria Participations Fin.	99.99	99.70
							10.94	Genass-Invest S.A.		
							9.05	Generali Levensverz. Maatsch.		
							24.91	Part. Maat. Graafschap Holland		
							0.28	Generali Finance B.V.		
							32.29	Ina Assitalia S.p.A.		
Europ Assistance Belgium S.A.	009	EUR	6,012,000	G	2		100.00	Europ Assistance S.A.	100.00	99.77
Generali Belgium Senior Homes FCP FIS	009	EUR	14,500,000	G	11		100.00	Generali Belgium S.A.	100.00	99.70
Flandria Participations Fin.	009	EUR	42,872,000	G	9	93.47			100.00	99.99
							6.53	Generali Vie S.A.		
Genass-Invest S.A.	009	EUR	34,235,504	G	9		100.00	Generali Levensverz. Maatsch.	100.00	98.55
Europ Assistance Services S.A.	009	EUR	186,000	G	11		20.00	Generali Belgium S.A.	100.00	99.76
							80.00	Europ Assistance Belgium S.A.		
G Gestion Privèe N.V.	009	EUR	62,000	G	11		100.00	Generali France S.A.	100.00	99.77
MRS Bioul S.A.	009	EUR	850,000	G	10		86.13	Generali Belgium Senior Homes FCP FIS	100.00	99.64
							13.87	Generali Real Estate Inv. B.V.		
RVT Kortenaken SA	009	EUR	1,800,000	G	10		54.03	Generali Belgium Senior Homes FCP FIS	100.00	99.49
							45.97	Generali Real Estate Inv. B.V.		
RVT Zottegem SA	009	EUR	3,250,000	G	10		35.24	Generali Belgium Senior Homes FCP FIS	100.00	99.40
							64.76	Generali Real Estate Inv. B.V.		
RVT Oordegem SA	009	EUR	146,382	G	10		14.73	Generali Belgium Senior Homes FCP FIS	100.00	99.31
							85.27	Generali Real Estate Inv. B.V.		
Casa-Bouw Sprl	009	EUR	17,419,831	G	10		12.79	Generali Belgium Senior Homes FCP FIS	100.00	99.30
							87.21	Generali Real Estate Inv. B.V.		

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 Levensverz. Maatsch.	050	EUR	2,268,901	G	2		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Generali Schadeverz. Maatsch.	050	EUR	1,361,341	G	2		100.00	Generali Verzekeringsgroep NV	100.00	98.55
Part. Maat. Graafschap Holland	050	EUR	1,583,299,220	G	4	71.88			100.00	100.00
							6.25	Genertellife S.p.A.		
							15.62	Ina Assitalia S.p.A.		
							6.25	Alleanza Toro S.p.A.		
Generali Verzekeringsgroep NV	050	EUR	5,545,103	G	4		12.77	Flandria Participations Fin.	98.55	98.55
							36.45	Part. Maat. Graafschap Holland		
							18.17	BV Algemene Holding en Financ.		
							31.16	Transocean Holding Corporation		
BV Algemene Holding en Financ.	050	EUR	4,696,625	G	9		100.00	Generali Holding Vienna AG	100.00	99.99
Participatie Maat. Transhol	050	EUR	1,633,609	G	9		100.00	Transocean Holding Corporation	100.00	100.00
Generali Finance B.V.	050	EUR	100,000,000	G	4	100.00			100.00	100.00
Redoze Holding N.V.	050	EUR	22,689,011	G	9	6.02			100.00	100.00
							50.01	Generali Worldwide Insurance		
							43.97	Transocean Holding Corporation		
NV De Nederlanden van Nu	050	EUR	500,000	G	2		100.00	Generali Schadeverz. Maatsch.	100.00	98.55
Generali Asia N.V.	050	EUR	130,000	G	4		60.00	Part. Maat. Graafschap Holland	60.00	60.00
Generali Turkey Holding B.V.	050	EUR	22,600	G	4		100.00	Part. Maat. Graafschap Holland	100.00	100.00
Generali Real Estate Inv. B.V.	050	EUR	123,955,000	G	10		59.66	Generali Belgium S.A.	100.00	99.24
							40.34	Generali Levensverz. Maatsch.		
Generali Horizon B.V.	050	EUR	90,760	G	9		100.00	Generali Worldwide Insurance	100.00	100.00
Lion River I N.V.	050	EUR	542,996	G	9	31.34			100.00	97.75
							30.05	Generali Deutschland Holding		
							30.32	Generali Vie S.A.		
							8.29	Lion River II N.V.		
Saxon Land B.V.	050	EUR	16,308	G	10		100.00	Part. Maat. Graafschap Holland	100.00	100.00
Generali Capital Finance B.V.	050	EUR	10,000,000	G	8	25.00			100.00	100.00
							75.00	Generali Finance B.V.		
Generali PPF Holding B.V.	050	EUR	100,000	G	4	51.00			51.00	51.00
Lion River II N.V.	050	EUR	48,500	G	9	2.06			100.00	100.00
							2.06	Generali Beteiligungs-GmbH		
							2.06	Generali Vie S.A.		
							93.82	Part. Maat. Graafschap Holland		
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 N.V.	050	EUR	225,081	G	9		100.00	Ceska pojistovna, a.s.	100.00	51.00
Iberian Structured Investments	050	EUR	90,000	G	4		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali PanEurope Limited	040	EUR	39,134,869	G	2	55.77			100.00	99.48
							7.12	Generali Deutschland Holding		
							0.77	Generali Finance B.V.		
							36.34	Generali Worldwide Insurance		
Genirland Limited	040	EUR	113,660,000	G	9		100.00	Part. Maat. Graafschap Holland	100.00	100.00
Generali Hellas A.E.A.Z.	032	EUR	12,976,200	G	2	100.00			100.00	100.00
Generali European Retail IH SA	092	EUR	31,050	G	9	25.59			100.00	99.65
							24.42	Generali Vie S.A.		
							9.76	Generali Rückversicherung AG		
							1.17	Generali Vida de Seguros S.A.		
							39.06	Generali Real Estate Inv. B.V.		
Generali European Real Estate	092	EUR	292,884,385	G	8	25.59			100.00	98.11
							7.81	AachenMünchener Lebensvers.		

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]
							16.60	Generali Lebensversicherung AG		
							24.41	Generali Vie S.A.		
							9.77	Generali Rückversicherung AG		
							4.88	Generali España, S.A.		
							1.17	Generali Vida de Seguros S.A.		
							9.77	Generali Real Estate Inv. B.V.		
Tartini S.à.r.l.	092	EUR	25,000	G	9		100.00	Generali European Real Estate	100.00	98.11
Frescobaldi S.à.r.l.	092	EUR	1,000,000	G	9		100.00	Generali European Real Estate	100.00	98.11
GLL AMB Generali Cross-Border	092	EUR	225,000,000	G	9		28.00	AachenMünchener Lebensvers.	100.00	92.78
							48.00	Generali Lebensversicherung AG		
							16.00	Central Krankenversicherung AG		
							8.00	Cosmos Lebensversicherungs AG		
Generali Fund Management S.A.	092	EUR	3,921,900	G	11		51.00	Banca Generali S.p.A.	100.00	80.97
							49.00	Gen Inv S.p.A.		
Corelli S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European Real Estate	100.00	98.11
Torelli S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European Real Estate	100.00	98.11
Sammartini S.à.r.l.	092	EUR	12,500	G	9		100.00	Generali European Real Estate	100.00	98.11
BSI Luxembourg S.A.	092	EUR	27,465,676	G	7		100.00	BSI S.A.	100.00	100.00
GLL AMB Generali City22 Sàrl	092	EUR	200,000	G	11		100.00	GLL AMB Generali Cross-Border	100.00	92.78
GLL AMB Generali Bankcenter	092	EUR	175,000	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 Real Estate Luxemb.	092	EUR	250,000	G	8		100.00	Generali Real Estate S.p.A.	100.00	100.00
Generali N. American Holding 1	092	USD	13,246,799	G	11		85.24	Generali Vie S.A.	100.00	99.73
							6.56	E-Cie Vie S.A.		
							8.20	Generali Real Estate Inv. B.V.		
Generali N. American Holding 2	092	USD	7,312,384	G	11		100.00	GNAREI GmbH & Co. KG	100.00	92.78
Generali N. American Holding	092	USD	15,600,800	G	8	46.67			100.00	100.00
							10.56	Genertellife S.p.A.		
							13.88	Ina Assitalia S.p.A.		
							28.89	Alleanza Toro S.p.A.		
Generali Europe Income Holding	092	EUR	39,235,001	G	8	18.98			100.00	98.44
							29.39	Generali Vie S.A.		
							4.29	Genertellife S.p.A.		
							4.52	Generali Immobilien GmbH		
							2.26	E-Cie Vie S.A.		
							2.82	Generali Real Estate Inv. B.V.		
							5.65	Ina Assitalia S.p.A.		
							11.75	Alleanza Toro S.p.A.		
							20.34	GEREII GmbH & Co. KG		
Generali Luxembourg S.A.	092	EUR	55,000,000	G	2		100.00	Generali France S.A.	100.00	99.77
Sellin Bond Sub-Fund II	092	EUR	421,500,000	G	11		100.00	Generali Deutschland Holding	100.00	92.74
Generali Vida de Seguros S.A.	055	EUR	9,000,000	G	2	99.99			99.99	99.99
Europ Assistance Portugal	055	EUR	7,500,000	G	2		53.00	Europ Assistance Holding S.A.	53.00	52.88
Europ Assistance Serviços S.A.	055	EUR	250,000	G	11		99.90	Europ Assistance Portugal	99.90	52.83
BSI Monaco SAM	091	EUR	15,000,000	G	7		100.00	BSI S.A.	100.00	100.00
BSI Asset Managers SAM	091	EUR	2,000,000	G	8		99.96	BSI Monaco SAM	99.96	99.96
BSI Trust Corp. (Malta)	105	EUR	50,000	G	11		98.00	BSI S.A.	98.00	98.00
Generali-Providencia Biztosító	077	HUF	4,500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Europai Utazasi Biztosito R.t.	077	HUF	400,000,000	G	2		13.00	Europäische Reiseversicherungs	74.00	40.86
							61.00	Generali-Providencia Biztosító		

SUBSIDIARIES CONSOLIDATED LINE BY LINE

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD[1]	ACTIVITY[2]	SHAREHOLDING %				GROUP EQUITY RATIO %[3]
						DIRECT	INDIRECT	THROUGH	TOTAL	
Generali-Ingatlan Kft	077	HUF	5,296,788,000	G	10		100.00	Generali-Providencia Biztosító	100.00	51.00
Generali Alapkezelo Zrt.	077	HUF	500,000,000	G	8		74.00	Generali-Providencia Biztosító	100.00	51.00
							26.00	Generali PPF Holding B.V.		
Genertel Biztosító Zrt	077	HUF	2,200,000,000	G	2		100.00	Generali-Providencia Biztosító	100.00	51.00
Vàci utca Center Kft	077	HUF	4,497,120	G	10		100.00	Generali Immobilien GmbH	100.00	99.99
Generali Pojistovna a.s.	275	CZK	500,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali penzijní spolecnost	275	CZK	50,000,000	G	11		100.00	CP Strategic Investments N.V.	100.00	51.00
PCS Praha Center Ssro	275	CZK	396,206,000	G	10		100.00	CA Global Property Int. Imm.AG	100.00	67.74
Generali Velky Spalicek S.r.o.	275	CZK	1,800,000	G	10		100.00	Generali Immobilien GmbH	100.00	99.99
Generali Development spol sro	275	CZK	200,000	G	10		100.00	Generali Pojistovna a.s.	100.00	51.00
Ceska pojistovna, a.s.	275	CZK	4,000,000,000	G	2		100.00	CZI Holdings N.V.	100.00	51.00
Penzijní spolecnost CP, a.s.	275	CZK	300,000,000	G	11		100.00	CP Strategic Investments N.V.	100.00	51.00
Ceska pojistovna Zdravi a.s.	275	CZK	100,000,000	G	2		100.00	Ceska pojistovna, a.s.	100.00	51.00
Generali PPF Asset Management	275	CZK	52,000,000	G	8		100.00	CZI Holdings N.V.	100.00	51.00
CP Invest Invest.spol. a.s.	275	CZK	91,000,000	G	8		100.00	Ceska pojistovna, a.s.	100.00	51.00
Univerzální správa majetku as	275	CZK	1,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00	51.00
CP Direct, a.s.	275	CZK	20,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00	51.00
Generali PPF Services a.s.	275	CZK	3,000,000	G	11		20.00	Generali Pojistovna a.s.	100.00	51.00
							80.00	Ceska pojistovna, a.s.		
Pankrac Services, s.r.o.	275	CZK	200,000	G	10		100.00	Ceska pojistovna, a.s.	100.00	51.00
CP INVEST R.U.I. Fond a.s.	275	CZK	74,000,000	G	9		5.41	Generali Pojistovna a.s.	100.00	51.00
							67.56	Ceska pojistovna, a.s.		
							27.03	GP Reinsurance EAD		
City Empiria a.s.	275	CZK	2,004,000	G	10		100.00	CP INVEST R.U.I. Fond a.s.	100.00	51.00
Solitaire Real Estate, a.s.	275	CZK	128,296,000	G	10		100.00	CP INVEST R.U.I. Fond a.s.	100.00	51.00
Fond kvalifikovaných invest	275	CZK	0	G	11		97.48	Ceska pojistovna, a.s.	100.00	51.00
							2.52	Generali Pojistovna a.s.		
Generali Slovensko Poistovna	276	EUR	25,000,264	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali Towarzystwo Ubezpiec.	054	PLN	190,310,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali Zycie S.A.	054	PLN	61,000,000	G	2		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali PTE S.A.	054	PLN	145,500,000	G	11		100.00	Generali Towarzystwo Ubezpiec.	100.00	51.00
Generali Finance Sp. z o.o.	054	PLN	15,230,000	G	8		100.00	Generali Towarzystwo Ubezpiec.	100.00	51.00
Generali Zavarovalnica d.d.	260	EUR	39,520,356	G	2		99.84	Generali PPF Holding B.V.	99.84	50.92
S.C. FATA Asigurari S.A.	061	RON	101,499,570	G	2		100.00	Fata Assicurazioni Danni SpA	100.00	99.96
Generali Administrare Pensii	061	RON	89,000,000	G	11		100.00	Ceska pojistovna, a.s.	100.00	51.00
S.C. Generali Romania S.A.	061	RON	179,100,909	G	2		84.49	Generali PPF Holding B.V.	99.91	50.96
							15.42	Iberian Structured Investments		
Generali Zakrila MDC EOOD	012	BGN	100,000	G	11		100.00	Generali Zakrila Health-Insur.	100.00	49.72
Generali Insurance AD	012	BGN	15,000,000	G	2		99.92	Generali Bulgaria Holding EAD	99.92	50.96
Generali Bulgaria Holding EAD	012	BGN	83,106,000	G	4		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali Zakrila Health-Insur.	012	BGN	2,000,000	G	2		97.50	Generali Bulgaria Holding EAD	97.50	49.72
Generali Insurance Life AD	012	BGN	7,000,000	G	2		99.56	Generali Bulgaria Holding EAD	99.56	50.77
Zad Victoria AD	012	BGN	13,826,082	G	2		67.00	Fata Assicurazioni Danni SpA	67.00	66.97
GP Reinsurance EAD	012	BGN	53,400,000	G	5		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali Osiguranje d.d.	261	HRK	81,000,000	G	3		100.00	Generali PPF Holding B.V.	100.00	51.00
Generali Life Insurance CJSC	263	UAH	20,050,000	G	3		100.00	CZI Holdings N.V.	100.00	51.00
Generali Assurances Générales	071	CHF	27,342,400	G	3		99.92	Generali (Schweiz) Holding AG	99.92	99.92
Generali Personenversicherung	071	CHF	106,886,890	G	3		15.06	Generali Assurances Générales	100.00	99.99
							84.94	Generali (Schweiz) Holding AG		
Fortuna Rechtsschutz-Vers.	071	CHF	3,000,000	G	3		100.00	Generali (Schweiz) Holding AG	100.00	100.00

SUBSIDIARIES CONSOLIDATED LINE BY LINE

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD[1]	ACTIVITY[2]	SHAREHOLDING %				GROUP EQUITY RATIO %[3]
						DIRECT	INDIRECT	THROUGH	TOTAL	
Generali (Schweiz) Holding AG	071	CHF	4,332,000	G	4	51.05			100.00	100.00
							20.01	Generali Holding Vienna AG		
							28.94	Redoze Holding N.V.		
Fortuna Investment AG	071	CHF	1,000,000	G	8		100.00	Generali (Schweiz) Holding AG	100.00	100.00
BSI S.A.	071	CHF	1,840,000,000	G	7		100.00	Part. Maat. Graafschap Holland	100.00	100.00
Europ Assistance (Suisse) S.A.	071	CHF	200,000	G	11		100.00	Europ Assistance (CH) Holding	100.00	75.83
Europ Assistance (CH) Assur.	071	CHF	3,000,000	G	3		100.00	Europ Assistance (CH) Holding	100.00	75.83
Europ Assistance (CH) Holding	071	CHF	1,400,000	G	4		75.00	Europ Assistance Holding S.A.	76.00	75.83
							1.00	Generali (Schweiz) Holding AG		
Thalia S.A.	071	CHF	4,800,000	G	9		100.00	BSI S.A.	100.00	100.00
Patrimony 1873 SA	071	CHF	5,000,000	G	11		100.00	BSI S.A.	100.00	100.00
Anderfin SA	071	CHF	100,000	G	9		100.00	BSI S.A.	100.00	100.00
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
Generali Worldwide Insurance	201	EUR	86,733,397	G	3		100.00	Part. Maat. Graafschap Holland	100.00	100.00
Generali International Ltd	201	EUR	13,938,259	G	3		100.00	Generali Worldwide Insurance	100.00	100.00
A.G. Insurance Managers Ltd	201	GBP	10,000	G	11	99.94			99.94	99.94
BSI Generali Bank (CI) Ltd	201	GBP	1,425,422	G	7		100.00	Generali Worldwide Insurance	100.00	100.00
Generali Portfolio Management	201	USD	194,544	G	9		100.00	Generali Worldwide Insurance	100.00	100.00
Generali Sigorta A.S.	076	TRY	26,300,000	G	3		99.67	Generali Turkey Holding B.V.	99.67	99.67
Generali Foreign Insurance Co	264	BYR	6,907,249,250	G	3		32.50	Generali Slovensko Poistovna	100.00	51.00
							35.00	Ceska pojistovna, a.s.		
							32.50	Ceska pojistovna Zdravi a.s.		
JSC Generali Life	269	KZT	1,000,000,000	G	3		100.00	Ceska pojistovna, a.s.	100.00	51.00
Delta Generali Holding d.o.o.	290	EUR	5,000,000	G	4		33.00	Delta Generali Osiguranje a.d.	51.00	13.01
							18.00	Delta Generali RE a.d.		
Delta Generali Osiguranje ad	290	EUR	4,399,000	G	3		100.00	Delta Generali Holding d.o.o.	100.00	13.01
Generali PPF Life Insurance	262	RUB	240,000,000	G	3		100.00	CZI Holdings N.V.	100.00	51.00
Generali PPF General Insurance	262	RUB	120,000,000	G	3		100.00	CZI Holdings N.V.	100.00	51.00
PSC Generali PPF Insurance	262	RUB	300,300,000	G	3		100.00	CZI Holdings N.V.	100.00	51.00
Delta Generali Osiguranje a.d.	289	RSD	2,131,997,310	G	3		50.02	Generali PPF Holding B.V.	50.02	25.51
Delta Generali RE a.d.	289	RSD	616,704,819	G	6		99.99	Delta Generali Osiguranje a.d.	99.99	25.51
Voluntary Pension Fund M.Delta	289	RSD	135,000,000	G	11		100.00	Delta Generali Osiguranje a.d.	100.00	25.51
DGO Policlinic	289	RSD	238,272,616	G	11		100.00	Delta Generali Osiguranje a.d.	100.00	25.51
Generali Realties Ltd	182	ILS	2	G	10	100.00			100.00	100.00
Transocean Holding Corporation	069	USD	194,980,600	G	9	100.00			100.00	100.00
Europ Assistance USA Inc.	069	USD	5,000,000	G	11		100.00	Europ Assistance North America	100.00	99.77
Genamerica Management Corp.	069	USD	100,000	G	11	100.00			100.00	100.00
Generali U.S. Holdings Inc.	069	USD	1,000	G	4	100.00			100.00	100.00
Generali USA Life Reassurance	069	USD	10,000,000	G	6		100.00	Generali U.S. Holdings Inc.	100.00	100.00
Generali Claims Solutions LLC	069	USD	100,000	G	11		100.00	Generali Consulting Solutions	100.00	100.00
Generali Consulting Solutions	069	USD	156,420	G	11	100.00			100.00	100.00
GLL Properties Fund I LP	069	USD	37,810,030	G	10		100.00	GLL AMB Generali Prop. Fund I	100.00	92.78
GLL Properties Fund II LP	069	USD	66,316,056	G	11		100.00	GLL AMB Generali Prop. Fund II	100.00	92.78
GLL Properties 444 NM LP	069	USD	66,316,056	G	10		100.00	GLL Properties Fund II LP	100.00	92.78
Europ Assistance North America	069	USD	34,061,342	G	11		100.00	Europ Assistance Holding S.A.	100.00	99.77
CSA Inc.	069	USD	2,960,842	G	11		100.00	Europ Assistance North America	100.00	99.77
Global Medical Management Inc.	069	USD	400,610	G	11		100.00	Europ Assistance North America	100.00	99.77
General Securities Corp.	069	USD	364,597	G	9		1.00	Generali N. American Holding 1	100.00	98.34
							1.00	Generali N. American Holding 2		

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]
							1.00	Generali N. American Holding		
							97.00	GNAREH 1 Farragut LLC		
GNAREH 1 Farragut LLC	069	USD	34,421,491	G	10		35.73	Generali N. American Holding 1	100.00	98.36
							21.09	Generali N. American Holding 2		
							42.18	Generali N. American Holding		
							1.00	General Securities Corp.		
GNAREI 1 Farragut LLC	069	USD	34,037,500	G	10		100.00	GNAREH 1 Farragut LLC	100.00	98.36
Europ Assistance Canada	013	CAD	6,738,011	G	9		100.00	Europ Assistance Holding S.A.	100.00	99.77
Canadian Medical Network Inc.	013	CAD	203	G	11		100.00	Europ Assistance Canada	100.00	99.77
Seguros Banorte Generali SA CV	046	MXN	656,794,722	G	3		21.85	Flandria Participations Fin.	49.00	49.00
							21.85	Part. Maat. Graafschap Holland		
							5.30	Transocean Holding Corporation		
Pensiones Banorte Generali S.A	046	MXN	191,470,260	G	3		24.50	Flandria Participations Fin.	49.00	49.00
							24.50	Part. Maat. Graafschap Holland		
Comercial Banorte Generali SA	046	MXN	5,800,000	G	11		67.00	Seguros Banorte Generali SA CV	100.00	49.00
							33.00	Pensiones Banorte Generali S.A		
Servicios Banorte Generali SA	046	MXN	2,300,000	G	11		67.00	Seguros Banorte Generali SA CV	100.00	49.00
							33.00	Pensiones Banorte Generali S.A		
Assistencia Banorte Generali	046	MXN	50,000	G	11		99.00	Seguros Banorte Generali SA CV	100.00	49.00
							1.00	Pensiones Banorte Generali S.A		
Generali Argentina S.A.	006	ARS	32,000,000	G	3	100.00			100.00	100.00
Caja de Seguros S.A.	006	ARS	228,327,700	G	3		99.00	Caja de Ahorro y Seguro S.A.	99.00	89.10
La Caja de Seguros de Retiro	006	ARS	5,020,000	G	3		95.00	Caja de Seguros S.A.	100.00	89.14
							5.00	Caja de Ahorro y Seguro S.A.		
Caja de Ahorro y Seguro S.A.	006	ARS	143,575,000	G	4	62.50			90.00	90.00
							27.50	Genirland Limited		
Ritenere S.A.	006	ARS	512,000	G	11		50.83	Caja de Seguros S.A.	100.00	89.54
							49.17	Caja de Ahorro y Seguro S.A.		
La Estrella Seguros de Retiro	006	ARS	90,255,655	G	3		50.00	Caja de Seguros S.A.	50.00	44.55
BSI Overseas (Bahamas) Ltd	160	USD	10,000,000	G	8		100.00	BSI S.A.	100.00	100.00
BSI Trust Corp. (Bahamas) Ltd	160	USD	1,000,000	G	8		100.00	BSI Overseas (Bahamas) Ltd	100.00	100.00
Alpine Services Ltd	160	USD	10,000	G	9		100.00	BSI Trust Corp. (Bahamas) Ltd	100.00	100.00
Generali Reassurance (Bermuda)	207	USD	250,000	G	6		100.00	Generali U.S. Holdings Inc.	100.00	100.00
Generali Brasil Seguros S.A.	011	BRL	279,420,168	G	3	74.37			99.98	99.98
							25.61	Transocean Holding Corporation		
Generali Colombia Vida S.A.	017	COP	4,199,989,500	G	3	15.38			99.81	90.67
							16.15	Transocean Holding Corporation		
							68.28	Generali Colombia S.A.		
Generali Colombia S.A.	017	COP	20,999,947,500	G	3	81.83			86.61	86.61
							4.78	Transocean Holding Corporation		
Generali Ecuador S.A.	024	USD	2,130,000	G	3	51.74			51.74	51.74
Aseguradora General S.A.	033	GTQ	100,000,000	G	3	51.00			51.00	51.00
BSI Investment Advisors Panama	051	USD	410,000	G	11		100.00	BSI S.A.	100.00	100.00
Generali China Life Insurance	016	CNY	3,300,000,000	G	3	50.00			50.00	50.00
BSI Bank Ltd	147	USD	214,000,000	G	7		100.00	BSI S.A.	100.00	100.00
Generali Investments Asia Ltd	103	HKD	10,000,000	G	9		100.00	Gen Inv S.p.A.	100.00	97.87
BSI Investment Advisors HK Ltd	103	USD	43,000,000	G	11		100.00	BSI S.A.	100.00	100.00
Generali Financial Asia Ltd	103	HKD	84,870,000	G	9	100.00			100.00	100.00
Generali Pilipinas Life Ass.	027	PHP	1,725,050,515	G	3		100.00	Generali Pilipinas Holding	100.00	36.00
Generali Pilipinas Insurance	027	PHP	1,208,860,137	G	3		99.99	Generali Pilipinas Holding	99.99	36.00

SUBSIDIARIES CONSOLIDATED LINE BY LINE

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD(1)	ACTIVITY(2)	SHAREHOLDING %				GROUP EQUITY RATIO %(3)
						DIRECT	INDIRECT	THROUGH	TOTAL	
Generali Pilipinas Holding	027	PHP	3,079,155,490	G	4		60.00	Generali Asia N.V.	60.00	36.00
PT Asuransi Jiwa Generali Ind.	129	IDR	223,000,000,000	G	3		96.40	Generali Asia N.V.	96.40	57.84
KAG Holding Co. Ltd	072	THB	858,244,200	G	4		100.00	IWF Holding Co. Ltd	100.00	34.86
Generali Assurance (Thailand)	072	THB	1,000,000,000	G	3		25.00	Generali Asia N.V.	75.00	32.43
							50.00	KAG Holding Co. Ltd		
Generali Insurance (Thailand)	072	THB	600,000,000	G	3		25.00	Generali Asia N.V.	75.00	32.43
							50.00	KAG Holding Co. Ltd		
IWF Holding Co. Ltd	072	THB	2,100,000	G	4		58.10	Generali Asia N.V.	58.10	34.86
Europ Assistance W.Services	078	ZAR	18,264,900	G	11		61.00	Europ Assistance Holding S.A.	61.00	60.86
Credough Ltd	078	ZAR	1,000	G	11		90.00	Europ Assistance W.Services	90.00	54.38
24 Fix (Pty) Ltd	078	ZAR	4,249,769	G	11		100.00	Europ Assistance W.Services	100.00	60.86
MRI Criticare Medical Rescue	078	ZAR	1,000	G	11		100.00	Europ Assistance W.Services	100.00	60.86
Access Health Africa Ltd	078	ZAR	1,000	G	11		100.00	Europ Assistance W.Services	100.00	60.86
Access Health South Africa Ltd	078	ZAR	200	G	11		68.00	Europ Assistance W.Services	68.00	41.09
Labour Assist (Pty) Ltd	078	ZAR	100	G	11		90.00	Europ Assistance W.Services	90.00	54.38
Europ Assistance Financial S.	078	ZAR	100	G	11		58.00	Europ Assistance W.Services	58.00	35.05
Generali Vietnam Life Ins.	062	VND	722,081,785	G	3	100.00			100.00	100.00

The percentage of consolidation in each subsidiaries consolidated line by line is 100.00%

(1) Consolidation method: Line-by-line consolidation method = G; Proportionate consolidation method = P; Line-by-line consolidation method arising from joint management = U

(2) 1 = Italian insurance companies; 2 = EU insurance companies; 3 = non EU insurance companies; 4 = insurance holding companies; 5=EU reinsurance companies; 6 = non EU reinsurance companies; 7 = banks; 8 = asset management companies; 9 = other holding companies; 10 = real estate companies; 11 = other

(3) Net Group 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 Investments Europe 100.00%

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	METHOD[1]	ACTIVITY[2]	SHAREHOLDING % DIRECT	SHAREHOLDING % INDIRECT	SHAREHOLDING % THROUGH	SHAREHOLDING % TOTAL	GROUP EQUITY RATIO %[3]	BOOK VALUE (€ THOUSAND)
Sementi Dom Dotto S.p.A.	086	EUR	3,500,000	a	11		100.00	Genagricola S.p.A.	100.00	100.00	3,688
Solaris S.r.l. (*)	086	EUR	20,000	b	10		40.00	Generali Properties S.p.A.	40.00	40.00	2,222
Servizi Tecnologici Avanzati	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	1,344
							89.13	Ina Assitalia S.p.A.			
Initium S.r.l. (*)	086	EUR	250,000	b	10		49.00	Generali Properties S.p.A.	49.00	49.00	4,599
Continuum S.r.l. (*)	086	EUR	20,000	b	10		40.00	Generali Properties S.p.A.	40.00	40.00	88
Sementi Ross S.r.l.	086	EUR	102,800	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	
AEON Trust Soc. Italiana Trust	086	EUR	90,000	a	11		100.00	BSI S.A.	100.00	100.00	128
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	2,285
							19.60	Alleanza Toro S.p.A.			
Tiberina S.r.l.	086	EUR	20,000	a	11		100.00	Ina Assitalia S.p.A.	100.00	100.00	473
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	1,784,619,719	b	8	12.98			30.58	30.40	246,187
							0.44	AachenMünchener Lebensvers.			
							0.07	AachenMünchener Versicherung			
							1.43	Generali Lebensversicherung AG			
							0.11	Generali Versicherung AG			
							0.18	Central Krankenversicherung AG			
							0.12	Cosmos Lebensversicherungs AG			
							2.27	Generali Vie S.A.			
							6.22	Ina Assitalia S.p.A.			
							6.76	Alleanza Toro S.p.A.			
Consel S.p.A. (*)	086	EUR	22,666,669	b	9		32.50	Alleanza Toro S.p.A.	32.50	32.50	31,467
NEIP II S.p.A.	086	EUR	6,500,000	b	9	48.16			48.16	48.16	12,075
Investimenti Marittimi S.p.A.	086	EUR	103,000,000	b	9	30.00			30.00	30.00	7,978
DOTTO CAP FVG Agenzia	086	EUR	10,000	c	11		50.00	Sementi Dom Dotto S.p.A.	50.00	50.00	
Cross Factor S.p.A. (*)	086	EUR	1,032,000	b	11		20.00	BSI S.A.	20.00	20.00	463
Imprebanca S.p.A.	086	EUR	50,000,000	b	9		20.00	Ina Assitalia S.p.A.	20.00	20.00	10,000
Valore Immobiliare S.r.l. (*)	086	EUR	10,000	c	10		1.00	Generali Properties S.p.A.	50.00	50.00	528
							49.00	Alleanza Toro S.p.A.			
HSR S.r.l.	086	EUR	20,000	a	10		90.00	Generali Properties S.p.A.	90.00	90.00	18
Fidelis S.r.l.	086	EUR	10,000	a	11		60.00	Sementi Dom Dotto S.p.A.	60.00	60.00	
Art Defender S.p.A.	086	EUR	8,000,000	b	11		12.50	Alleanza Toro S.p.A.	12.50	12.50	1,120
Beta S.r.l.	086	EUR	2,022,000	b	9	49.46			49.46	49.46	1,010
Fondo Sammartini (*)	086	EUR	33,996,989	c	11	33.33			48.00	48.00	4,467
							14.67	Ina Assitalia S.p.A.			
Romagna Assicura S.r.l.	086	EUR	20,000	b	11		36.00	Sementi Dom Dotto S.p.A.	36.00	36.00	
Cinecittà Parchi S.p.A.	086	EUR	25,005,000	b	10		20.00	Generali Properties S.p.A.	20.00	20.00	25,227
CityLife Sviluppo 1 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 2 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 3 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 4 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 5 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 6 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 7 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 8 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 9 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9
CityLife Sviluppo 10 S.r.l.	086	EUR	10,000	a	10		100.00	CityLife S.p.A.	100.00	67.00	9

NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD[1]	ACTIVITY[2]	SHAREHOLDING %				GROUP EQUITY RATIO %[3]	BOOK VALUE (€ THOUSAND)
						DIRECT	INDIRECT	THROUGH	TOTAL		
NEIP III S.p.A.	086	EUR	2,239,116	b	9	26.53			26.53	26.53	594
BSI Merchant S.p.A.	086	EUR	150,000	a	11		100.00	BSI S.A.	100.00	100.00	160
BBG Beteiligungsges.	094	EUR	25,600	a	9		100.00	Generali Beteiligungs AG	100.00	92.83	51
Deutsche Vermögensberatung AG (*)	094	EUR	150,000,000	b	11		40.00	Generali Deutschland Holding	40.00	37.10	233,800
Generali Seminarzentrum GmbH	094	EUR	25,600	a	11		100.00	Generali Versicherung AG	100.00	92.83	
Versicherungs-Planer-Vermittl.	094	EUR	35,600	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	30
Thuringia Vers.svermittlungs	094	EUR	25,600	a	11		100.00	Generali Beteiligungs AG	100.00	92.83	26
Deutscher Lloyd GmbH	094	EUR	30,700	a	11		100.00	Generali Beteiligungs AG	100.00	92.83	
MLV Beteiligungverwaltungsges.	094	EUR	51,129	a	9		100.00	Generali Holding Vienna AG	100.00	99.99	38
Kleylein & Cie Actuarial Serv.	094	EUR	25,750	a	11		60.00	Generali Lebensversicherung AG	60.00	55.70	102
Generali Finanz Service GmbH	094	EUR	26,000	a	11		100.00	Generali Beteiligungs AG	100.00	92.83	
Generali Pensionsmanagement	094	EUR	52,000	a	11		100.00	Generali Beteiligungs AG	100.00	92.83	112
Volksfürsorge Fixed Assets	094	EUR	104,000	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	104
Hotel und Seniorenr. Rosenpark	094	EUR	511,292	b	11		25.00	AachenMünchener Lebensvers.	25.00	23.19	
AVW Versicherungsmakler GmbH	094	EUR	1,550,000	b	11		26.00	Generali Versicherung AG	26.00	24.14	2,232
ver.di Service GmbH	094	EUR	75,000	b	11		33.33	Volksfürsorge AG Vertriebsges.	33.33	30.94	48
IG BCE Mitglieder-Service GmbH	094	EUR	50,000	a	11		100.00	Volksfürsorge AG Vertriebsges.	100.00	92.83	52
Dein Plus GmbH	094	EUR	50,000	a	11		60.00	Volksfürsorge AG Vertriebsges.	60.00	55.70	23
VOV GmbH	094	EUR	154,000	b	11		21.50	AachenMünchener Versicherung	43.00	39.90	1,049
							21.50	Generali Versicherung AG			
Generali Partner GmbH	094	EUR	250,000	a	11		100.00	Generali Lebensversicherung AG	100.00	92.83	808
Generali Lloyd Vers.smakler	094	EUR	153,388	b	11		50.00	Generali Versicherung AG	50.00	46.41	
AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Lebensvers.	100.00	92.74	25
Central Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Central Krankenversicherung AG	100.00	92.74	25
Cosmos Fixed Assets GmbH	094	EUR	25,000	a	9		100.00	Cosmos Lebensversicherungs AG	100.00	92.74	24
Zweite AM RE Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	AachenMünchener Versicherung	100.00	92.74	25
AM Versicherungsvermittlung	094	EUR	25,000	a	11		100.00	AachenMünchener Versicherung	100.00	92.74	25
GLL GmbH & Co. Retail KG	094	EUR	405,010,000	b	10	29.63			49.38	47.95	144,760
							4.93	AachenMünchener Lebensvers.			
							7.41	Generali Lebensversicherung AG			
							7.41	Central Krankenversicherung AG			
Azur Space Solar Power GmbH	094	EUR	100,000	a	11		100.00	Renewable Investment Holding	100.00	100.00	
Louisen-Center Bad Homburg Vr.	094	EUR	25,000	a	10		94.90	Generali Deutschland Holding	94.90	68.63	24
Schroder Nordic Property Fund (*)	094	EUR	106,248,381	b	11		24.52	Generali Lebensversicherung AG	24.52	22.77	24,561
Alstercampus Verwaltung. mbH	094	EUR	25,000	a	9		50.00	Generali Real Estate S.p.A.	50.00	50.00	13
Generali Verwaltungs GmbH	094	EUR	25,000	a	9		100.00	Generali Beteiligungs-GmbH	100.00	100.00	25
GG Einkaufszentrum Marienplatz (*)	094	EUR	14,810,000	c	10		73.30	AachenMünchener Versicherung	73.30	67.98	8,960
Verwaltungsges. Marienplatz	094	EUR	25,000	a	10		74.00	Generali Real Estate S.p.A.	74.00	74.00	19
BA1 Alstercampus Grundstücksg. (*)	094	EUR	9,248,071	c	10		50.00	Generali Lebensversicherung AG	50.00	46.42	4,156
Verwaltungsg. Wohnen Westhafen	094	EUR	25,000	a	10		85.00	Generali Versicherung AG	85.00	78.90	21
Grundstücksg. Wohnen Westhafen (*)	094	EUR	2,694,471	c	10		84.99	Generali Versicherung AG	84.99	78.90	2,056
Generali Deutschland IV GmbH	094	EUR	25,000	a	10		100.00	Generali Real Estate S.p.A.	100.00	100.00	35
MPC Real Value Fund GmbH&Co.KG	094	EUR	50,200	a	11		99.60	Generali Lebensversicherung AG	99.60	92.46	4,879
Generali European Retail IG KG	094	EUR	20,250	a	10		50.62	Generali Real Estate S.p.A.	100.00	100.00	50
							49.38	Generali Deutschland IV GmbH			
Generali Alternative Inv. GmbH	094	EUR	25,000	a	9		100.00	Generali Deutschland Holding	100.00	92.74	25
vSPS Management GmbH	094	EUR	25,000	a	11		100.00	Volksfürsorge AG Vertriebsges.	100.00	92.83	25
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	98.95	521
							0.05	Generali Vie S.A.			

NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD[1]	ACTIVITY[2]	SHAREHOLDING %				GROUP EQUITY RATIO %[3]	BOOK VALUE (€ THOUSAND)
						DIRECT	INDIRECT	THROUGH	TOTAL		
							0.05	L'Equité IARD S.A.			
							99.80	Generali France S.A.			
Trieste Courtage S.A.	029	EUR	416,000	a	11		0.02	Generali Vie S.A.	99.98	99.01	39
							99.96	Generali France Assurances SA			
Bourbon Courtage S.A.	029	EUR	124,500	a	11		0.12	Generali IARD S.A.	100.00	92.32	127
							0.12	Generali Vie S.A.			
							99.76	Prudence Creole			
Courtage Inter Caraibes	213	EUR	38,100	a	11		99.76	GFA Caraïbes	99.76	98.79	39
Generali Gerance S.A.	029	EUR	228,000	a	11		99.67	Generali Vie S.A.	99.67	98.70	241
SAI Trois Collines de Mougins	029	EUR	184,463	b	10		33.30	Generali IARD S.A.	48.26	47.79	198
							14.96	Generali Vie S.A.			
Generali Reassurance Courtage	029	EUR	3,016,656	a	11		100.00	Generali France Assurances SA	100.00	99.77	2,219
Europ Assistance Océanie SAS	225	XPF	24,000,000	a	11		99.88	Europ Assistance Holding S.A.	99.88	98.93	286
Landy PVG S.A.S.	029	EUR	39,000	a	11		100.00	Cofifo S.A.	100.00	99.77	
Risque et Sérénité S.A.	029	EUR	6,135,300	a	9		47.06	Generali Vie S.A.	59.10	58.53	5,537
							12.04	Generali France Assurances SA			
E3 S.a.r.l.	029	EUR	5,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	5
Europ Assistance IHS Services	029	EUR	7,287,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	1,642
Arche SA	029	EUR	120,975	a	10		79.31	Cofifo S.A.	79.31	78.53	
SCI Immovie	029	EUR	17,662	a	10		0.02	Generali IARD S.A.	100.00	99.77	1,041
							99.98	Generali Vie S.A.			
SCI Les 3 Collines Le Ferandou	029	EUR	304,000	b	10		33.30	Generali IARD S.A.	48.30	47.83	142
							15.00	Generali Vie S.A.			
Bien-Être Assistance S.A. (*)	029	EUR	1,000,000	c	11		51.00	Europ Assistance France S.A.	51.00	50.88	642
Parcolog Lyon Isle d'Abeau	029	EUR	8,000	a	10		100.00	SC Generali Logistique	100.00	99.77	8
Foncière Hypersud S.A. (*)	029	EUR	50,000,205	b	10		49.00	Generali Vie S.A.	49.00	48.89	2,279
GEII 100 CE Holding SAS (*)	029	EUR	51,277,080	c	10		50.00	Generali Europe Income Holding	50.00	49.22	24,908
EAP France SAS (*)	029	EUR	100,000	c	11		51.00	Europ Assistance France S.A.	51.00	50.88	1,355
Bois Colombes Europe Avenue SC (*)	029	EUR	1,000	c	10		50.00	Generali Vie S.A.	50.00	49.51	
ASSERCAR SAS	029	EUR	37,000	b	11		14.87	Generali IARD S.A.	29.73	29.44	660
							14.86	L'Equité IARD S.A.			
COSEV@D SAS	029	EUR	100,000	a	11		100.00	Cofifo S.A.	100.00	99.77	
Generali 1 S.A.S.	029	EUR	1,000	a	9		100.00	Generali France Assurances SA	100.00	99.77	1
Generali Investments PE S.A.S.	029	EUR	2,036,850	a	11		9.99	BSI S.A.	99.91	97.77	2,037
							89.92	Gen Inv S.p.A.			
Generali 8 S.A.S.	029	EUR	1,000	a	9		100.00	Generali France Assurances SA	100.00	99.77	1
Generali 9 S.A.S.	029	EUR	1,000	a	9		100.00	Generali France Assurances SA	100.00	99.77	1
Generali 10 S.A.S.	029	EUR	37,000	a	9		100.00	Generali France Assurances SA	100.00	99.77	37
Cabinet Berat et Fils S.A.S.	029	EUR	8,000	a	11		100.00	Cofifo S.A.	100.00	99.77	
Generali Investments Opera SAS	029	EUR	1,000,000	a	8		100.00	Gen Inv S.p.A.	100.00	97.87	1,000
SCI Daumesnil (*)	029	EUR	16,753,270	c	10		50.00	Generali IARD S.A.	50.00	49.89	34,746
SCI Malesherbes (*)	029	EUR	34,660,674	c	10		50.00	Generali Vie S.A.	50.00	49.89	24,539
SCI 15 Scribe (*)	029	EUR	14,738,000	c	10		50.00	Generali IARD S.A.	50.00	49.89	29,476
SCI Messine (*)	029	EUR	2,420,250	c	10		50.00	Generali Vie S.A.	50.00	49.89	4,841
SCI Château La Pointe	029	EUR	34,309,128	a	10		100.00	Generali France S.A.	100.00	99.77	
Drei-Banken Versicherungs-AG (*)	008	EUR	7,500,000	b	7		20.00	Generali Holding Vienna AG	20.00	20.00	8,304
3 Banken-Generali Investment (*)	008	EUR	2,600,000	b	8		48.57	Generali Holding Vienna AG	48.57	48.57	1,868
Allgemeine Immobilien-Verw.	008	EUR	145,346	a	10		100.00	Generali Holding Vienna AG	100.00	99.99	2,716
Generali Betriebsrestaurazion	008	EUR	36,336	a	11		100.00	Generali Versicherung AG (A)	100.00	99.99	484
MAS Versicherungmakler GmbH	008	EUR	55,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	125

NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD[1]	ACTIVITY[2]	SHAREHOLDING % DIRECT	SHAREHOLDING % INDIRECT	SHAREHOLDING % THROUGH	SHAREHOLDING % TOTAL	GROUP EQUITY RATIO %[3]	BOOK VALUE (€ THOUSAND)
SK Versicherung AG (*)	008	EUR	3,633,500	b	2		20.43	Generali Holding Vienna AG	39.66	39.66	4,578
							19.23	Generali Versicherung AG (A)			
TTC-Training Center Unternem.	008	EUR	35,000	a	11		100.00	Europäische Reiseversicherungs	100.00	74.99	204
Global Private Equity Holding	008	EUR	4,388,000	b	9		11.40	Generali Lebensversicherung AG	23.02	22.20	888
							11.62	Generali Versicherung AG (A)			
Medwell Internet Services GmbH	008	EUR	496,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	258
Car Care Consult Versicherungs	008	EUR	35,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	35
Generali Telefon-Auftragsserv.	008	EUR	35,000	a	11		100.00	Generali Bank AG	100.00	99.99	35
BONUS Vorsorgekasse AG (*)	008	EUR	3,000,000	b	11		50.00	Generali Holding Vienna AG	50.00	50.00	1,712
Risk-Aktiv Versicherungsserv.	008	EUR	35,000	a	11		100.00	Generali Versicherung AG (A)	100.00	99.99	35
Generali 3Banken Holding AG (*)	008	EUR	70,000	b	9		49.30	Generali Versicherung AG (A)	49.30	49.30	61,396
Generali FinanzService GmbH	008	EUR	50,000	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	1,348
M.O.F. Immobilien AG	008	EUR	1,000,000	b	10		20.00	Generali Immobilien GmbH	20.00	19.99	8,620
Generali TVG Vorsorgemanagem.	008	EUR	145,346	a	11		100.00	Generali Sales Promotion GmbH	100.00	99.99	155
M.O.F. Beta Immobilien AG	008	EUR	1,000	b	10		20.00	Generali Immobilien GmbH	20.00	19.99	8,994
GBK Vermögensverwaltung GmbH	008	EUR	35,000	a	11		100.00	Generali Bank AG	100.00	99.99	8,036
Generali Vermögensberatung	008	EUR	35,000	a	11		100.00	Generali Versicherung AG (A)	100.00	99.99	35
PCO Immobilien GmbH	008	EUR	35,000	a	10		100.00	Generali Immobilien GmbH	100.00	99.99	381
Europ Assistance Travel S.A.	067	EUR	60,101	a	11		100.00	Europ Assistance SldG, S.A.	100.00	99.10	219
Robert Malatier	031	GBP	51,258	b	11		33.33	Generali IARD S.A.	33.33	33.01	614
Global Investment Planning Ltd	031	GBP	10,000	a	11		100.00	BSI S.A.	100.00	100.00	19
Tenax Capital Limited	031	GBP	300,000	b	9		49.00	Genirland Limited	49.00	49.00	181
Tishman Speyer Europ Strategic	031	EUR	36,848,362	a	11		25.00	AachenMünchener Lebensvers.	100.00	92.81	17,958
							75.00	Generali Lebensversicherung AG			
Verzekeringskantoor Soenen NV	009	EUR	18,600	a	11		99.80	Generali Belgium S.A.	99.80	99.49	2,016
Groupe Vervietois d'Assureurs	009	EUR	94,240	a	11		99.95	Generali Belgium S.A.	99.95	99.64	571
Dedale S.A.	009	EUR	1,000,005	a	11		99.97	Generali Belgium S.A.	99.97	99.66	1,169
B&C Assurance S.A.	009	EUR	18,600	a	11		98.00	Generali Belgium S.A.	100.00	97.69	982
							1.00	Groupe Vervietois d'Assureurs			
							1.00	Dedale S.A.			
Webbroker S.A.	009	EUR	4,300,000	a	11		100.00	Generali Belgium S.A.	100.00	99.70	4,300
CRM.Dev N.V.	009	EUR	50,000	b	11		33.33	Generali Belgium S.A.	33.33	33.23	
SPRL Marcotty et Deruisseau	009	EUR	18,592	a	11		100.00	Generali Belgium S.A.	100.00	99.70	
Nederlands Algemeen Verzek.	050	EUR	18,151	a	11		100.00	Generali Verzekeringsgroep NV	100.00	98.55	2,518
ANAC Verzekeringen B.V.	050	EUR	12,500	a	11		85.00	Nederlands Algemeen Verzek.	85.00	83.76	
Stoutenburgh Adviesgroep B.V.	050	EUR	18,151	a	11		100.00	Nederlands Algemeen Verzek.	100.00	98.55	
Admirant Beheer B.V. (*)	050	EUR	18,000	b	10		50.00	Generali Real Estate Inv. B.V.	50.00	49.62	10
C.V. Admirant (*)	050	EUR	18,000	b	10		50.00	Generali Real Estate Inv. B.V.	50.00	49.62	28,868
Beleggingscons. Sloterdijk CV (*)	050	EUR	18,000	b	10		21.37	Generali Real Estate Inv. B.V.	21.37	21.21	22,072
Beleggingscons. Sl. Beheer BV (*)	050	EUR	18,000	b	10		21.37	Generali Real Estate Inv. B.V.	21.37	21.21	5
Generali PPF Invest PLC	040	EUR	300,000	a	8		100.00	CP Invest Invest.spol. a.s.	100.00	51.00	
Second Pillar S.A. (*)	032	EUR	60,000	b	11		25.00	BSI S.A.	25.00	25.00	19
BSI Art Collection S.A.	092	CHF	1,000,000	a	9		99.00	BSI S.A.	99.00	99.00	785
Renewable Investment Holding	092	EUR	950,000	a	8		100.00	BSI S.A.	100.00	100.00	1,299
UBS (Lux) Euro Value Added	092	EUR	282,200,000	b	10		7.09	AachenMünchener Lebensvers.	26.58	24.66	31,950
							1.77	AachenMünchener Versicherung			
							17.72	Generali Lebensversicherung AG			
Holding Klege S.à.r.l. (*)	092	EUR	12,500	c	9		50.00	Torelli S.à.r.l.	50.00	48.96	
Valiance Infrastructure Mgt Co	092	EUR	125,000	b	9		50.00	Flandria Participations Fin.	50.00	49.97	
GARBE Logistic Strategic Fund (*)	092	EUR	125,633,942	b	11		7.95	AachenMünchener Lebensvers.	39.76	36.90	49,998

NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD[1]	ACTIVITY[2]	SHAREHOLDING % DIRECT	INDIRECT	THROUGH	TOTAL	GROUP EQUITY RATIO %[3]	BOOK VALUE (€ THOUSAND)
							23.86	Generali Lebensversicherung AG			
							7.95	Central Krankenversicherung AG			
First State European SICAV-SIF	092	EUR	55,000,000	a	11		36.36	AachenMünchener Lebensvers.	100.00	92.74	55,000
							36.36	Central Krankenversicherung AG			
							27.28	Cosmos Lebensversicherungs AG			
BSI & Venture Partners S.A.	092	EUR	200,000	a	9		100.00	BSI S.A.	100.00	100.00	201
BSI & Venture Partners CMGP	092	EUR	12,500	a	9		100.00	BSI S.A.	100.00	100.00	401
Spinnaker Venture S.A.	092	EUR	125,000	b	9		20.00	Flandria Participations Fin.	20.00	19.99	
Generali Belgium Luxembourg fc	092	EUR	65,481,033	a	11		100.00	Generali Belgium S.A.	100.00	99.70	
BSI & Venture Partners SICAV	092	EUR	31,000	a	11		100.00	BSI & Venture Partners CMGP	100.00	100.00	
Ponte Alta Lda	055	EUR	400,000	a	11		100.00	Europ Assistance Portugal	100.00	52.88	3,400
Lordship Consultadoria e Serv.	055	EUR	50,000	a	11		100.00	BSI S.A.	100.00	100.00	69
Europ Assistance A/S	021	DKK	500,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Europ Assistance (Scandinavia)	068	SEK	725,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Citadel Insurance plc	105	EUR	4,853,247	b	11		20.16	Ina Assitalia S.p.A.	20.16	20.16	978
Europ Assistance Kft	077	HUF	24,000,000	a	11		74.00	Europ Assistance Holding S.A.	100.00	86.56	101
							26.00	Generali-Providencia Biztosító			
GP Consulting Kft	077	HUF	11,000,000	a	11		100.00	Generali-Providencia Biztosító	100.00	51.00	259
Famillio Kft	077	HUF	780,000,000	a	11		100.00	Generali-Providencia Biztosító	100.00	51.00	39
Shaza & Toptorony zrt (*)	077	HUF	84,603,426	c	11		50.00	GLL AMB Generali Bankcenter	50.00	46.39	31,716
AUTOTÁL BiztosításiSzolgáltató	077	HUF	104,000,000	a	11		100.00	Generali-Providencia Biztosító	100.00	51.00	1,099
Generali Multiinvest Kft	077	EUR	5,000,000	a	11		100.00	Generali-Providencia Biztosító	100.00	51.00	112
Generali Servis s.r.o.	275	CZK	100,000	a	11		100.00	Generali Pojistovna a.s.	100.00	51.00	5
Europ Assistance s.r.o.	275	CZK	2,900,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	573
Generali Car Care s.r.o.	275	CZK	1,000,000	a	11		100.00	Generali Pojistovna a.s.	100.00	51.00	31
REFICOR s.r.o.	275	CZK	100,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	51.00	878
AIV Sprava Nemovitosti s.r.o.	275	CZK	200,000	a	10		100.00	Allgemeine Immobilien-Verw.	100.00	99.99	
CP Asistence s.r.o.	275	CZK	3,000,000	a	11		49.00	Europ Assistance s.r.o.	100.00	74.55	203
							51.00	Ceska pojistovna, a.s.			
Nadace Ceské pojištovny	275	CZK	500,000	a	11		100.00	Ceska pojistovna, a.s.	100.00	51.00	139
Nadace pojištovny Generali	275	CZK	500,000	a	11		100.00	Generali Pojistovna a.s.	100.00	51.00	20
Generali IT S.r.o.	276	EUR	5,000,000	a	11		100.00	Generali VIS Informatik GmbH	100.00	99.99	132
VUB Generali d.s.s., a.s. (*)	276	EUR	10,090,976	b	11		50.00	Generali Slovensko Poistovna	50.00	25.50	7,561
MAKB s.r.o.	276	EUR	220,000	a	10		100.00	Generali Immobilien GmbH	100.00	99.99	6
Selecta CEE s.r.o.	276	EUR	6,639	b	10		26.99	Generali Holding Vienna AG	26.99	26.98	66
GSL Services s.r.o.	276	EUR	6,639	a	11		100.00	Generali Slovensko Poistovna	100.00	51.00	7
Gradua Finance, a.s.	276	EUR	10,000,000	a	11		100.00	CZI Holdings N.V.	100.00	51.00	883
Europ Assistance Polska Spzoo	054	PLN	3,000,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	73
S.C. Genagricola Romania	061	RON	60,882,570	a	11		100.00	Genagricola S.p.A.	100.00	100.00	16,203
S.C. San Pietro Romania	061	RON	15,112,570	a	11		100.00	Agricola San Giorgio S.p.A.	100.00	100.00	3,903
S.C. Aqua Mures	061	RON	4,331,000	a	11		99.00	Genagricola S.p.A.	100.00	100.00	1,010
							1.00	Agricola San Giorgio S.p.A.			
S.C. La Quercia S.r.l.	061	RON	3,468,403	a	11		100.00	Genagricola S.p.A.	100.00	100.00	810
Famillio Pensii Private Srl	061	RON	25,000	a	11		99.60	Famillio Kft	100.00	51.00	
							0.40	Famillio Agent de Asigurare			
Famillio Agent de Asigurare	061	RON	4,500,200	a	11		100.00	Famillio Kft	100.00	51.00	
Vignadoro S.r.l.	061	RON	3,432,000	a	11		88.87	Genagricola S.p.A.	100.00	100.00	3,343
S.C. Famillio Finance Srl	061	RON	200	a	11		95.00	Famillio Agent de Asigurare	95.00	48.45	
AUTOTÁL Expert Ize Daune Srl	061	RON	10,000	a	11		100.00	AUTOTÁL BiztosításiSzolgáltató	100.00	26.01	
Generali Profesional Training	061	RON	200	a	11		100.00	S.C. Generali Romania S.A.	100.00	50.94	

NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD[1]	ACTIVITY[2]	SHAREHOLDING %				GROUP EQUITY RATIO %[3]	BOOK VALUE (€ THOUSAND)
						DIRECT	INDIRECT	THROUGH	TOTAL		
CPM Internacional d.o.o.	261	HRK	275,600	a	11		100.00	Sementi Dom Dotto S.p.A.	100.00	100.00	
BSI Laran S.A.	071	CHF	100,000	a	9		100.00	BSI S.A.	100.00	100.00	83
Finmo S.A.	071	CHF	50,000	a	11		100.00	BSI S.A.	100.00	100.00	41
Funicolare Lugano-Paradiso	071	CHF	600,000	b	11		31.00	BSI S.A.	31.00	31.00	
Generali Private Equity S.A.	071	CHF	2,100,000	a	11		10.00	BSI S.A.	100.00	97.85	2,661
							90.00	Gen Inv S.p.A.			
Autolinee Regionali Luganesi	071	CHF	653,000	b	11		27.58	BSI S.A.	27.58	27.58	
Generali Group Partner AG	071	CHF	100,000	a	11		100.00	Generali (Schweiz) Holding AG	100.00	100.00	83
BSI Art Collection S.A.	071	CHF	100,000	a	11		100.00	BSI S.A.	100.00	100.00	83
B-Source S.A. (*)	071	CHF	2,400,000	b	11		49.00	BSI S.A.	49.00	49.00	49,157
Finnat Gestioni S.A.	071	CHF	750,000	b	11		30.00	BSI S.A.	30.00	30.00	186
Valiance Capital S.A.	071	CHF	100,000	b	11		30.00	BSI S.A.	30.00	30.00	25
Convivium S.A.	071	CHF	2,000,000	a	10		100.00	BSI S.A.	100.00	100.00	970
Tecnopolo Lugano S.A.	071	CHF	200,000	a	11		100.00	BSI S.A.	100.00	100.00	166
PPF Partners Limited	201	EUR	40,000	b	11		27.50	Generali Worldwide Insurance	27.50	27.50	55
Europ Assistance A.S.	076	TRY	50,000	a	11		99.20	Europ Assistance Holding S.A.	99.20	98.26	215
Europ Assistance CEI OOO	262	RUB	10,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Generali PPF Fund Management	262	RUB	32,150,000	a	11		100.00	CZI Holdings N.V.	100.00	51.00	7,933
Fynansovyj Servis LLC	262	RUB	100,000	a	9		100.00	Ceska pojistovna, a.s.	100.00	51.00	
Novi Blutek d.o.o.	289	RSD	10,000,000	a	9		100.00	Delta Generali Osiguranje a.d.	100.00	25.51	996
Blutek Auto d.o.o.	289	RSD	559,670	a	11		100.00	Novi Blutek d.o.o.	100.00	25.51	
Europ Assistance d.o.o. za	289	RSD	1,442,904	a	11		100.00	Europ Assistance Kft	100.00	86.56	
Intl Inheritance Planning Ltd	049	NZD	5,000	a	9		100.00	BSI S.A.	100.00	100.00	3
BSI Trust Corporation (NZ)	049	NZD	140,000	a	11		100.00	BSI S.A.	100.00	100.00	87
Atacama Investments Ltd (*)	249	USD	12,528,896	b	11		44.16	BSI S.A.	44.16	44.16	23,302
GLL 200 State Street L.P. (*)	069	USD	89,200,000	c	11		49.90	GLL AMB Generali 200 State	49.90	46.30	31,630
Beacon Capital Strategic L.P.	069	USD	100,500,000	a	11		24.87	AachenMünchener Lebensvers.	99.50	92.31	32,974
							39.80	Generali Lebensversicherung AG			
							19.90	Central Krankenversicherung AG			
							14.93	Cosmos Lebensversicherungs AG			
Montcalm Wine Importers Ltd	069	USD	600,000	a	11		80.00	Genagricola S.p.A.	80.00	80.00	
Europ Assistance Argentina S.A	006	ARS	3,285,000	a	11		56.09	Ponte Alta Lda	84.99	55.19	105
							28.90	Caja de Seguros S.A.			
La Caja ART S.A. (*)	006	ARS	70,500,000	b	3		50.00	Caja de Seguros S.A.	50.00	44.55	29,862
Pluria Productores de Seguros	006	ARS	50,000	a	11		96.00	Caja de Ahorro y Seguro S.A.	96.00	86.37	748
BSI Investment Advisory S.A.	006	ARS	12,000	a	11		97.00	BSI S.A.	97.00	97.00	3
Care Management Network Inc.	160	USD	9,000,000	a	11		100.00	Europ Assistance Bahamas Ltd	100.00	99.05	
Europ Assistance Bahamas Ltd	160	USD	10,000	a	11		99.99	Europ Assistance IHS Services	99.99	99.05	
GTC Nominee Ltd	160	USD	10,000	a	11		100.00	BSI Trust Corp. (Bahamas) Ltd	100.00	100.00	13
Europ Assistance Brasil S.A.	011	BRL	2,975,000	c	11		100.00	EABS Serviços Partecipaçoes SA	100.00	26.25	
EABS Serviços Partecipaçoes SA	011	BRL	46,238,940	c	9		50.00	Ponte Alta Lda	50.00	26.25	
CEABS Serviços SA	011	BRL	2,000,000	c	11		50.00	EABS Serviços Partecipaçoes SA	50.00	13.12	
BSI Servicios Internationales	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	38.65	173
							25.50	Ponte Alta Lda			
Europ Servicios S.p.A. Chile	015	CLP	1,000,000	a	11		100.00	Europ Assistance SA (Chile)	100.00	38.65	
La Nacional Cia Inmobiliaria	024	USD	47,647	a	10		100.00	Generali Ecuador S.A.	100.00	51.74	692
BSI (Panama) S.A.	051	USD	10,000	a	11		100.00	BSI S.A.	100.00	100.00	9
BSI Servicios S.A.	080	UYU	1,100,000	a	11		100.00	BSI S.A.	100.00	100.00	
BSI Consultores S.A.	080	UYU	4,000,000	a	11		100.00	BSI S.A.	100.00	100.00	

NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATED COMPANIES

COMPANY	COUNTRY	CURRENCY	SHARE CAPITAL IN ORIGINAL CURRENCY	METHOD(1)	ACTIVITY(2)	SHAREHOLDING %				GROUP EQUITY RATIO %(3)	BOOK VALUE (€ THOUSAND)
						DIRECT	INDIRECT	THROUGH	TOTAL		
EA Travel Assistance Services	016	EUR	1,750,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Generali China Insurance (*)	016	CNY	500,000,000	b	3	49.00			49.00	49.00	9,873
Guotai Asset Management Co. (*)	016	CNY	110,000,000	b	8	30.00			30.00	30.00	124,708
Shanghai Sinodrink Trading Co.	016	CNY	5,000,000	b	11		45.00	Genagricola S.p.A.	45.00	45.00	
Europ Assistance Worldwide Pte	147	SGD	182,102	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
NKFE Insurance Agency Co Ltd (*)	103	HKD	900,000	b	11		49.00	Generali Financial Asia Ltd	49.00	49.00	32
Future Generali India Life (*)	114	INR	14,520,000,000	c	3		25.50	Part. Maat. Graafschap Holland	25.50	25.50	11,493
Future Generali India Insur. (*)	114	INR	7,100,000,000	c	3		25.50	Part. Maat. Graafschap Holland	25.50	25.50	12,302
Europ Assistance India Private	114	INR	200,285,580	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Europ Assistance (Taiwan) Ltd	022	TWD	5,000,000	a	11		100.00	Europ Assistance Holding S.A.	100.00	99.77	
Europ Assistance Angola Lda	133	AOA	2,250,000	a	11		90.00	Europ Assistance IHS Services	90.00	89.15	
EA-IHS Services Nigeria Ltd	117	NGN	10,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	99.77	
Assurances Maghrebia S.A.	075	TND	30,000,000	b	3	44.17			44.17	44.17	1,271
Assurances Maghrebia Vie S.A.	075	TND	10,000,000	b	3	22.08			22.08	22.08	1,356
Europ Assistance–IHS Services	119	XAF	1,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	99.77	
Generali Pacifique NC	253	XPF	1,000,000	a	11		100.00	Generali France S.A.	100.00	99.77	2,095
Cabinet Richard KOCH	253	XPF	1,000,000	a	11		100.00	Generali France S.A.	100.00	99.77	2,178
EA-IHS Services Congo Sarl	145	XAF	10,000,000	a	11		100.00	Europ Assistance IHS Services	100.00	99.77	
Europ Assistance IHS (Pty)	078	ZAR	400,000	a	11		15.00	Europ Assistance W.Services	100.00	73.45	5
							85.00	Europ Assistance IHS Services			
EASA Training Academy (Pty) (*)	078	ZAR	1,000	b	11		49.00	Europ Assistance W.Services	49.00	29.61	

(1) a = non-consolidated subsidiaries (IAS 27); b = associated companies (IAS 28); c = joint ventures (IAS 31)

(2) 1 = Italian insurance companies; 2 = EU insurance companies; 3 = non EU insurance companies; 4 = insurance holding companies; 5 = EU reinsurance companies; 6 = non EU reinsurance companies; 7 = banks; 8 = asset management companies; 9 = other holding companies; 10 = real estate companies; 11 = other

(3) Net Group partecipation percentage

(*) Associated company valued at equity

LIST OF COUNTRIES

COUNTRY	COUNTRY CODE
ANGOLA	133
ARGENTINA	006
AUSTRIA	008
BAHAMAS	160
BELGIUM	009
BERMUDA	207
BRASIL	011
BRITISH VIRGIN ISLANDS	249
BULGARIA	012
BYELORUSSIA	264
CAMERUN	119
CANADA	013
CHILE	015
COLOMBIA	017
CROATIA	261
CZECH REPUBLIC	275
DENMARK	021
ECUADOR	024
EIRE	040
FRANCE	029
GERMANY	094
GREECE	032
GUATEMALA	033
GUERNSEY	201
HONG KONG	103
HUNGARY	077
INDIA	114
INDONESIA	129
ISRAEL	182
ITALY	086
KAZAKISTAN	269
LIECHTENSTEIN	090
LUXEMBOURG	092
MALTA	105
MARTINICA	213
MEXICO	046
MONACO	091
NETHERLANDS	050
NEW CALEDONIA	253
NEW ZEALAND	049
NIGERIA	117
PANAMA	051
PEOPLE'S REPUBLIC OF CHINA	016
PEOPLE'S REPUBLIC OF CONGO	145
PHILIPPINES	027
POLAND	054
POLYNESIAN FRENCH	225

LIST OF COUNTRIES

COUNTRY	COUNTRY CODE
PORTUGAL	055
REPUBLIC OF MONTENEGRO	290
REPUBLIC OF SERBIA	289
REUNION	247
ROMANIA	061
RUSSIA	262
SINGAPORE	147
SLOVAC REPUBLIC	276
SLOVENIA	260
SOUTH AFRICA REPUBLIC	078
SPAIN	067
SWEDEN	068
SWITZERLAND	071
TAIWAN	022
THAILAND	072
TUNISIA	075
TURKEY	076
U.S.A.	069
UKRAINE	263
UNITED KINGDOM	031
URUGUAY	080
VIETNAM	062

LIST OF CURRENCIES

CURRENCY	CURRENCY CODE
Angolan Novo Kwanza	AOA
Argentine Peso	ARS
Bulgarian Lev	BGN
Brasilian Real (new)	BRL
Belarusian Ruble	BYR
Canadian Dollar	CAD
Swiss Franc	CHF
Chilean Peso	CLP
Chinese Renminbi	CNY
Colombian Peso	COP
Czech Korona	CZK
Danish Krone	DKK
European Euro	EUR
British Pound	GBP
Guatemalan Quetzal	GTQ
Hong Kong Dollar	HKD
Croatian Kuna	HRK
Hungarian Forint	HUF
Indonesian Rupiah	IDR
Israeli Shekel	ILS
Indian Rupee	INR
Kazakhstani tenge	KZT
Mexican Pesos	MXN
Nigerian naira	NGN
New Zealand Dollar	NZD
Philippine Peso	PHP
Polish Zloty	PLN
Romanian Leu	RON
Serbian Dinar	RSD
Russian Ruble	RUB
Swedish Krona	SEK
Singapore Dollar	SGD
Thai Bhat	THB
Tunisian Dinar	TND
Turkish Lira (new)	TRY
Taiwan Dollar (new)	TWD
Ukrainian hryvnia	UAH
United States Dollar	USD
Uruguayan Peso (new)	UYU
Dong (Vietnam)	VND
Central African CFA franc	XAF
French Polynesian Franc	XPF
South African Rand	ZAR

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO THE PROVISIONS OF THE ARTICLE 154-*BIS* OF LEGISLATIVE DECREE 58 OF FEBRUARY 24, 1998 AND CONSOB REGULATION 11971 OF MAY 14, 1999

Beijing - China

ATTESTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO THE PROVISIONS OF ART. 154-*BIS*, PARAGRAPH 5, OF LEGISLATIVE DECREE 58 OF FEBRUARY 24, 1998 AND ARTICLE 81-*TER* OF CONSOB REGULATION 11971 OF 14 MAY 1999

1. The undersigned, Mario Greco, in his capacity as Managing Director and Group CEO, and Alberto Minali, 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

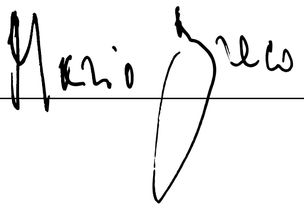
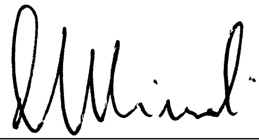
   of the administrative and accounting procedures in place for preparing the consolidated financial statements at 31 December 2012.

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements at 31 December 2012 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 2012:
      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 IVASS;
      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 situations to which they are exposed.

Milan, 13 March 2013

Mario Greco *Managing Director* *and Group CEO* ASSICURAZIONI GENERALI S.p.A.	Alberto Minali *Manager in charge of preparing* *the Company's financial reports* ASSICURAZIONI GENERALI S.p.A.
	


BANCA COMMERCIALE ITALIANA

BOARD OF AUDITORS' REPORT

Milan - Italy

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE SHAREHOLDERS' MEETING OF ASSICURAZIONI GENERALI S.P.A. CALLED FOR THE ADOPTION OF THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2012 PURSUANT TO ARTICLE 153 OF THE LEGISLATIVE DECREE NO. 58/1998 AND ARTICLE 2429 OF THE ITALIAN CIVIL CODE

Shareholders,

Pursuant to article 149 and 153 of the Legislative Decree no. 58/1998 (Code on Finance, the Code of Conduct recommended by the National Accountants' Board, the provisions of the CONSOB Notice no. 1025564 dated 6 April 2001, as amended, and the legislative Decree no. 39 dated 27 January 2010, the Board of Statutory Auditors hereby reports on the supervisory activities performed in 2012.

In 2012, the Board of Statutory Auditors collected any information required to perform the general supervision tasks under its responsibility by regularly attending the meetings of the Board of Directors and its Committees and by meeting the Heads of the corporate departments and units, in particular those in charge of audit. The Board of Statutory Auditors collected information about major economic, financial and capital transactions performed by the Company, including those performed through direct or indirect subsidiaries. The Board of Statutory Auditors determined that the such transactions are in line with any applicable regulations, the Articles of Association and the principles of sound management, and that none of them were manifestly imprudent or reckless, in breach of resolutions of the corporate bodies, or such as to jeopardise the integrity of the Company assets.

At Group Level, the following two non-recurrent transactions are of major importance:

– the dismissal, achieved on 29 October 2012, of the total shareholding of Migdal Insurance and Financial Holdings, i.e. 69,1%, to the Israeli financial group, Eliahu;
– the agreement signed on 8 January 2013 with PPF Group on the termination of the Joint Venture Generali PPF Holding and the take over of the whole company; the Report of the Board of Directors and the Note to the Accounts describe in detail the main features and any impact of these transactions.

Other major actions include the following:

– In the second semester 2012, as a result of changes to the top management, some significant strategic initiatives were launched. In this context, a new governance system was introduced with the launch of a reorganisation process on the Head Office, including the appointment of the Group Chief Insurance Officer and the Group Chief Operations Officer as well as the setting up of the Group Management Committee with a view to enhancing the effectiveness of the Group governance also on the basis of a teamwork approach for the management of the international business;
– a reorganisation programme was launched in Italy with a view to channelling the insurance business into 3 companies: Generali Italia S.p.A., Alleanza Assicurazioni S.p.A. and Genertel S.p.A.

The Board of Statutory Auditors reports to the Shareholders' Meeting that it has performed the following main activities during the year:

– the Board of Statutory Auditors had 22 meetings;
– the Board of Statutory Auditors attended a Shareholders' Meeting;
– the Board of Statutory Auditors attended the 11 meetings of the Board of Directors and the 12 meetings of the Executive Board, ensuring that the matters on which resolutions were passed and implemented were compliant with any applicable regulations and with the Articles of Association. During the year, the Independent Directors met twice;
– the Board of Statutory Auditors attended the 9 meeting of the Control and Risk Committee;
– the Board of Statutory Auditors, represented by its Chairman, attended the 5 meetings of the Remuneration Committee;
– the Board of Statutory Auditors, represented by its Chairman, attended the 5 meetings of the Investment Committee;
– the Board of Statutory Auditors received reports from the Appointments and Corporate Governance Committee, which had 9 meetings during the year;
– the Board of Statutory Auditors received reports from the Committee on the assessment of related-party transactions, which had 8 meetings during the year;
– the Board of Statutory Auditors exchanged data and information with the External Auditor, Reconta Ernst & Young S.p.A., with a view to performing their respective duties. The External Auditor did not reported to this Board any facts, circumstances or irregularities that must be brought to its attention pursuant to the applicable regulations. The Board of Statutory Auditors points out that, on the basis of information it has received, the opinion of the External Auditor on the Financial Statements of Assicurazioni Generali S.p.A. as at 31 December 2012, currently being issued, is unqualified; equally the opinion on the consolidated accounts of the Generali Group as at 31 December 2012 is unqualified;
– the Board of Statutory Auditors had relations with the boards of auditors of the major Italian companies of the Group, in the course of which no noteworthy issue has emerged;
– the Board of Statutory Auditors continued to assess and monitor the appropriateness of the Company organisational structure, as regards the issues under its responsibility, the internal control system and the administrative/accounting system, and its reliability in correctly recording company transactions, by obtaining information from the Manager in charge of preparing the company Financial Statements and the Heads of any

relevant corporate departments, examining corporate documents and analysing the results of the work of the External Auditor. In line with Act no. 262/2005 and the provisions of article 19, paragraph 1, point a) of the Legislative Decree no. 39/10, the Board of Statutory Auditors monitored the processes and the activities performed by the Company with a view to assessing, on an on-going basis, that the administrative and accounting procedures and the relevant financial reporting were performed properly. The Corporate Governance Report describes the main features of the "Financial Reporting Model" of the Company, as defined by the Manager in charge of preparing the company Financial Statements. The External Auditor has already issued the report pursuant to article 19, paragraph 3 of the Legislative Decree no. 39/2010, and no any major faults in the internal control system related to financial reporting have been detected;

- the Board of Statutory Auditors ascertained that the Company has a Risk Management Policy, rules, processes and structures to monitor and control business risks, such as insurance, financial, credit, operational risks, as well as other risks, such as liquidity, reputation, strategic risks, as described in the Management Report;
- the Board of Statutory Auditors ascertained that thee Company has policies, rules, guidelines and procedures to monitor compiance with insurance regulations and regulations on listed companies (including internal dealing, market abuse, related parties, major economic, financial and capital transactions, atypical or unusual transactions);
- the Board of Statutory Auditors assessed the appropriateness of the Internal Control System, as described in the Corporate Governance Report, especially on the actions performed by the Internal Audit Function and the Compliance and Risk Management Function, also by attending the meetings of the Control and Risk Committee and with talks with the relevant Heads, ensuring effectiveness in the framework of the internal control system;
- the Board of Statutory Auditors duly received from the Company its Quarterly Reports on Complaints, drafted by the Group Internal Audit Manager, as required in ISVAP Order no. 24 of 19 May 2008. The reports detected no particular issues nor organisational shortcomings. The Board of Statutory Auditors further ascertained that the Company had sent both the reports and the Board's remarks to ISVAP (now IVASS) within the prescribed deadlines;
- the Board of Statutory Auditors found that, pursuant to article 114, paragraph 2, of the Code on Finance, the Company has provided its subsidiaries with adequate instructions in order to obtain, in a timely manner, the information required to fulfil any statutory reporting requirements;
- the Board of Statutory Auditors has ascertained that in 2012 the Company complied with the "Procedures on related-party transactions", adopted in line with CONSOB regulation no. 17221/2011, as amended, and article 2391 bis of the Italian Civil Code. This Procedure was also applied to transactions performed by subsidiaries;
- any intragroup transactions during the year were performed in line with the relevant annual guidelines adopted by the Board of Directors, pursuant to ISVAP regulation no. 25 of 27 May 2008. Such transactions, aimed at attaining the objectives of streamlining and cost-effectiveness, were put in place at market price or at cost and concerned reinsurance and co-insurance, administration and management of financial assets and real estates, claim management and settlement, IT and administrative services, financing and guarantees as well as staff secondment. The Notes to Financial Statements describe the economic and capital impact of the related-party transactions;
- board of Statutory Auditors ascertained that no atypical and/or unusual transactions which by nature of the counterparts, subject, price determination method may give rise to doubts on the appropriateness and the comprehensiveness of the accounting records, conflicts of interests, protection of the corporate assets, protection of the minority shareholders, were performed during the year;
- pursuant to ISVAP regulation no. 36 of 31 January 2011
  - the Board of Statutory Auditors ascertained that the guidelines adopted with the framework resolution on investment policies of the Board of Directors of 13 May 2011, as amended in 2012, are consistent with the portfolio management strategy, in line with the overall management framework of the Company and its commitments and compatible with its current status and future prospects in terms of economic and financial balance;
  - the Board of Statutory Auditors also ascertained that the management has acted in accordance with the above guidelines adopted by the Board of Directors;
  - the Board of Statutory Auditors found that transactions in derivative financial instruments (as described in the Notes to Financial Statements) were performed in compliance with the guidelines of the Board of Directors and that the Company duly submitted periodic reports to ISVAP;
  - the Board of Statutory Auditors audited the administrative procedures adopted for the transfer, custody and accounting of financial instruments, including the instructions to the deposit organisations on the regular notification of statements with the relevant evidence on any pledges;
  - the Board of Statutory Auditors ascertained that assets assigned to cover technical reserves are free of pledges and encumbrances and fully available, acquiring, on a sample basis, any relevant statements from the deposit organisations;
  - the Board of Statutory Auditors audited the register of assets covering technical reserves, and obtained specific information from External Auditors on the audit tests performed on the amount of securities;
- the Board of Statutory Auditors ascertained that the Company has complied with the statutory anti-money laundering requirements, pursuant to Legislative Decree no. 231 of 21 November 2007 and the relevant provisions of the Bank of Italy and the Italian Financial Information Unit, which also relate to staff training and updating measures;
- the Board of Statutory Auditors ascertained that the

Company has complied with the privacy requirements pursuant to the Legislative Decree no. 196/2003 regarding the processing of personal data, and that it has drafted the Security Plan. The Company has been consistent in ensuring full compliance with all the requirements imposed on personal data controllers by the said Decree;

– the Board of Statutory Auditors ascertained that the Corporate Governance and Share Ownership Report complies with the information requirements pursuant to article 123-*bis* of the Code on Finance;
– the Board of Statutory Auditors ascertained that at the year end, the constituent elements of the solvency margin were adequately covered. The Report of the Board of Directors and the Notes to the Financial Statements include evidence on the Company and the Group net equity, solvency margins and the Group targets in the capital management;
– the Board of Statutory Auditors acknowledged that, in accordance with the organisational and operational model designed to prevent the offences listed in the Legislative Decree no. 231 of 8 June 2001 regarding the administrative liability of companies for offences committed by personnel acting on their behalf, the Company has carried out inspections of its processes and procedures, through the Supervision Board set up for that purpose, to ensure that the crime prevention measures pursuant to said Legislative Decree are still effective. The Board of Statutory Auditors obtained information about the activities of such Board by means of notices received by the Board of Directors and by attending the meetings of the Internal Control Committee and the Supervision Board;
– the Company complies with the new edition of Self-regulatory Code issued by Borsa Italiana S.p.A.;
– the Board of Statutory Auditors audited the correct application of the criteria and procedures issued by the Board of Directors to evaluate the independence of the directors identified as "independent"; it also ascertained that Board of Statutory Auditors still complies with any relevant independence requirements;
– the Board of Statutory Auditors ascertained that, on 14 December 2012, the Company adopted a new Group Code of Conduct, replacing the previous Ethical Code. Since 2011, the Group has had an Ethical Code for providers;
– the Report of the Board of Directors included evidence on the social and environmental action of the Company; the relevant results will be described in the Sustainability Report. The sustainability approach is based on the following major management tools: the Code of Conduct, the Sustainability Charter (now in the drafting process), the Environmental Management System and an on-going dialogue with the relevant stakeholders. The Social and Environmental Sustainability Committee was set up;
– the Board of Statutory Auditors ascertained that the Company has drafted the Remuneration Report;
– no complaints were reported under article 2408 of the Italian Civil Code;
– no legal proceeding notices were received;
– board of Statutory Auditors reports that additional appointments were assigned to the External Auditor and to other companies of its network during the financial year, as described in detail in the Notes to Financial Statements and the relevant fees were found consistent. In the light of the statutory and professional requirements on auditing, Recota Ernst & Young S.p.A. has maintained its independence and objectivity over the year in relation to Assicurazioni Generali S.p.A. The External Auditor confirmed its independence requirements and it has reported that there are no causes for incompatibility pursuant to articles 10 and 17 of the Legislative Decree no. 39/2010;
– the Statutory Board issued the opinions required pursuant to the applicable regulations, mainly on:
  - organisational changes;
  - appointment of the Manager in charge of preparing the company Financial Statements;
  - complaints;
  - remuneration policies on the relevant issues;
  - some appointments to the External Auditor;
  - cooptation of directors;
  - "European Medium Term Notes" (EMTN) bond issue programme.

The regular accounting control and the audit of individual and consolidated Financial Statements have been performed by the External Auditor, Reconta Ernst & Young S.p.A. During the 2012 financial year, the External Auditor determined that the Company accounts were properly kept and transactions were properly recorded in the books, and it ascertained that the Financial Statements as at 31 December 2012 were in accordance with the books of accounts. The Manager in charge of preparing the Company Financial Reports and the Managing Director and Group CEO have issued the declarations and statements pursuant to the applicable regulations on financial reporting and financial statements.

The Board of Statutory Auditors also supervised the general criteria adopted for the preparation of the Financial Statements and compliance with the legislative provisions and specific rules governing the drafting of Financial Statements of insurance companies. The Notes to Financial Statements explain the adopted evaluation criteria and provide all the information required pursuant to the applicable regulations and the Reports of the Board of Directors describe the management, pointing out the current and future developments as well as the development and reorganisation process of the insurance Group.

The Board of Statutory Auditors confirms that the Consolidated Financial Statements of the Assicurazioni Generali Group have been drafted in accordance with the IAS/IFRS international standards issued by the IASB and endorsed by the European Union, pursuant to Regulation (EC) no. 1606 of 19 July 2002, and Legislative Decrees no. 38/2005 and 209/2005, as amended. The Financial Statements and the relevant Notes have been drafted up in line with the layouts pursuant to ISVAP Regulation no. 7 of 13 July 2007 as amended in the ISVAP Provision no. 2784 dated 8 March 2012, and they contain the information required in the CONSOB Notice no. 6064293 of 28 July 2006.

Finally, the supervisory activities performed by the Board of Statutory Auditors, as described above, did not detect any significant reprehensible facts, omissions or irregularities to be reported to the competent supervisory and control bodies or that had to be included in this Report. Therefore, the Board of Statutory Auditors has resolved that the Financial Statements of Assicurazioni Generali S.p.A. as at 31 December 2012, as submitted by the Board of Directors, may be approved by the Shareholders, and it expresses its favourable opinion on the proposal concerning the allocation of profits for the financial year and the distribution of dividends from the extraordinary reserve.

Milan, 28 March 2013

The Board of Statutory Auditors

Eugenio Colucci

Gaetano Terrin

Giuseppe Alessio Vernì

CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

Berlin - Germany

Index

Introduction

Since 1999, our company, Assicurazioni Generali (hereinafter called “the **Company**” or “**Generali**”) has adopted the principles expressed in the various versions of the Self-regulatory Code[1] (“the **Code**”). Compliance with those principles formed the subject of the editions of the Annual Report on the Corporate Governance System and Share Ownership (“the **Report**”) published for the financial years 2001 to 2012[2]. The full text of the Code is available in electronic format on the Borsa Italiana website and in the Corporate Governance section of the Generali website.

This Report takes account of the *Corporate Governance and Share Ownership Report Format* (4th edition, January 2013) published by Borsa Italiana, and the suggestions made by Borsa Italiana S.p.A. and Assonime.

This Report illustrates the corporate governance structure initially established by the Board of Directors elected by the General Meeting on 24 April 2010, and reports on subsequent amendments, particularly those made in the second half of 2012.

Generali’s Board of Directors was elected on the basis of lists: one submitted by shareholder Mediobanca, which received the largest number of votes, and one by some institutional investors under the aegis of Assogestioni which, being the minority list, was able to appoint three directors out of the total of 19. The current Board of Directors has 15 members. The number of 19 originally established has gradually fallen during the last two financial years, for reasons including the resignations of Leonardo Del Vecchio on 21 February 2011 and Ana Patricia Botìn on 4 April 2011, and the agreed resignation of Cesare Geronzi on 6 April 2011.

In 2012, Alberto Nicola Nagel and Francesco Saverio Vinci resigned on 24 April, Diego Della Valle on 5 June, Giovanni Perissinotto on 20 July, and Sergio Balbinot on 8 November.

The General Meeting held on 30 April 2012 confirmed the appointment of Gabriele Galateri as director, and the subsequent Board meeting confirmed his appointment as Chairman.

The details of the current composition of the Board of Directors are contained in the second section, in the paragraph entitled “Directors in Office”.

On 1 August 2012, the Board of Directors appointed Mario Greco as Group CEO, replacing Giovanni Perissinotto, who had resigned.

During the 2012 financial year, the Board of Directors established a new governance structure by initiating a process of reorganisation of the Head Office structures, with a view to making the Company’s governance even more efficient and effective.

In particular, it instituted the Group Management Committee, through which a managerial team approach to the management of international business was introduced, with the aim of implementing greater alignment of strategic priorities between the Group’s business units and a more effective, shared decision-making process.

In addition to Group CEO Mario Greco and Chief Insurance Officer Sergio Balbinot, his Deputy, the GMC consists of the Managers of the three main markets, the global business lines and the main Head Office policy units.

Details of the initiatives undertaken will be found in the “Head Office” chapter.

The Articles of Association were amended by the General Meeting on 28 April 2012. In particular, a mechanism for appointing members of the Board of Directors and Board of Statutory Auditors which guarantees compliance with the gender balance criterion was introduced into the Articles of Association when Statute no. 120 of 12 July 2011 came into force. A further proposed amendment related to making the appointment of a General Council by the Board of Directors purely optional, and finally, an age limit for holding directorships and the positions of Chairman and Managing Director was introduced.

As usual, this Report contains updated information about the Company’s largest shareholders, attendance by the Directors and Statutory Auditors at meetings of the Company’s governing bodies, and anything else which may have changed. Unless otherwise expressly stated, all data are updated to 31 December 2012.

1 I.e. the Self-regulatory Code approved by the Corporate Governance Committee in October 1999, as amended in July 2002, and the Self-regulatory Code approved by the Corporate Governance Committee in March 2006, which was amended as regards art. 7 (Directors’ Fees) on 24 March 2010, and recently revised in December 2011.

2 The reports are available in the “Governance/Corporate Governance Report” section of the company’s website at www.generali.com.

First Part - Company Introduction

Objectives

Before defining the functioning of the Company's Corporate Governance and its ownership, we deem it appropriate to explain certain principles which constitute a regular element of the Company's daily actions aimed at achieving its corporate objects.

As illustrated in greater detail in other corporate documents regularly published by our Company, notably the Generali Group Sustainability Report (published annually by the end of May) and the European Social Charter[3], the Company has for some time pursued the objective of setting corporate activities into a more general framework, one of the key elements of which is social solidarity. Generali has been traditionally characterised by social commitment, which is considered a real investment for all business sectors. Generali believes that economic competitiveness is inextricably linked to ethical aspects, awareness and promotion of social commitment. In particular, the awareness of being the focus of various kinds of interests and expectations held by various categories of parties able to influence the business and success of the company (personnel shareholders and investors, customers and consumers in general, suppliers, institutions and communities) has led the Group to set as its objective the creation of value not just for shareholders, but for all its stakeholders.

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

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

On 14 December last the Board of Directors approved the new Group Code of Conduct, drawn up in English by an international team, which replaces the Code of Ethics published for the first time in 2004.

The rules contained in the Code of Conduct relate to the workplace, promotion of diversity, personal data protection, customer relations and management of conflicts of interest. These Group rules apply to some areas governed by stricter external regulatory provisions.

The Code promotes diversity. In particular, the rules contained in the Code and its implementing procedures were drafted in liaison with the Human Resources Department, and led to the identification in the Group of the position of a Chief Diversity and Inclusion Officer, who will be the reference figure responsible for promoting increasing attention to diversity within the Group.

The new Code of Conduct allows any conduct in breach of legislation, the Code or its implementing provisions, or any other internal regulations, to be reported.

In 2011 the Board of Directors approved the Code of Ethics for Suppliers of the Generali Group, which is designed to involve the Group's contractual partners in the fundamental principles by which the Group is inspired in its relations with stakeholders. In particular, it aims to create a network of approved suppliers which are asked to comply with the Group's policies, guaranteeing their application in the various supply chains.

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

Share ownership information

Structure of share capital

Generali's subscribed and paid-up capital amounts to Euro 1,556,873,283.00. This is divided into 1,556,873,283 registered shares, all of which are ordinary shares, each with a par value of Euro 1.00.

	NO.OF SHARES	% IN RISPECT TO SHARE CAPITAL	LISTED / UNLISTED	RIGHTS AND OBLIGATIONS(**)
Ordinary share	1,556,873,283	100.00	FTSE MIB	See the note
Restricted voting shares(*)	-	-	-	-
Non-voting shares(*)	-	-	-	-

(*) There are no restricted voting shares nor non-voting shares.

(**) Each ordinary share holder has rights and obligations in terms of equity and administration. Equity claims include the right to the dividend, the right of option on shares issued on increase for capital payment or reconstitution, proportionately to the number of hitherto owned shares, the right of free allocation of new shares in case of free capital increase, proportionately to the number of hitherto owned shares as well as the right to settlement share after company liquidation. Administrative rights include, inter alia, the right to participate in corporate plenary meetings and vote, the right to withdraw from the company in specific circumstances and the right to information. Finally, as to obligations, each Shareholder is bound to execute subscriptions as necessary elements for the implementation of the objects of the company.

Significant shareholdings

According to the Register of Shareholders, the notices received pursuant to s. 120 of Legislative Decree no. 58 of 24 February 1998, and other information available to the Company, the parties listed in the table overleaf own shareholdings amounting to over 2% of the Company's share capital either directly or indirectly, through intermediaries, trustees or subsidiaries.

DECLARANT	DIRECT SHAREHOLDER	% SHARE OF ORDINARY CAPITAL(*)
MEDIOBANCA Group	Mediobanca	13.149
	Spafid	0.089
	Total	**13.238**
BANCA D'ITALIA	Banca d'Italia	4.482
	Società per la bonifica dei terreni ferraresi e per le imprese agricole S.p.A.	0.007
	Total	**4.489**
LEONARDO DEL VECCHIO	Delfin Sarl	2.997
	Total	2.997
B&D HOLDING Group	Dea Partecipazioni S.p.A.	2.260
	B&D Finance S.A.	0.174
	Total	**2.434**

(continues)

(continues)

CALTAGIRONE Group	CALTAGIRONE EDITORE	0.215
	Echelto Srl	0.019
	FGC	0.052
	FINANZIARIA ITALIA 2005	0.170
	Finced	0.151
	Gamma S.r.l.	0.409
	Immobiliare Caltagirone - Ical	0.013
	Mantegna 87	0.058
	Pantheon 2000	0.231
	Porto Torre	0.090
	Quarta Iberica	0.106
	So.co.ge.im	0.006
	Unione Generali Immobiliare	0.100
	Vianini Industria	0.116
	Viapar	0.071
	VM 2006	0.418
	Francesco Gaetano Caltagirone	0.007
	Total	**2.232**
EFFETI S.p.A.	Effeti S.p.A.	2.151
	Total	**2.151**

(*) The ordinary share capital coincides with the voting capital.

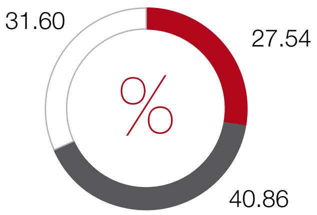
In relation to the terms of s. 123-*bis*.1.h of the CFBA, the Company and its subsidiaries, in the pursuance of its strategic policies, have entered into contractual agreements containing clauses based on the factor of change in the Company's control.
These clauses are not applicable at present, as no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

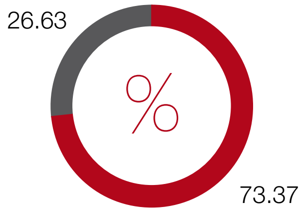


■ Major shareholders

■ Other institutional shareholders

□ Private shareholders

MAIN SHAREHOLDERS	(%)
Mediobanca Group	13.238
Banca d'Italia	4.488
Leonardo Del Vecchio	2.997
De Agostini Group	2.434
Caltagirone Group	2.232
Effeti	2.151



■ Italian shareholders

■ Foreign shareholders

Updated as at 17 January 2013.

The registration procedures relating to shareholders who received dividends in 2012 are almost complete; according to the Register of Shareholders and other evidence, the number of shareholders is currently 280,000. Shares corresponding to 99.99% of the share capital are recorded in the central dematerialised securities system at Monte Titoli S.p.A. in Milan.

With regard to the additional information which s. 123-*bis* of the CFBA requires to be given in this report, there are no:

- restrictions on the transfer of the shares issued by the Company;
- securities which give special rights of control;
- restrictions on the voting rights carried by the shares issued by the Company.

As required by the said s. 123-*bis*.1.i), it is hereby declared that no specific agreements for the payment of severance pay exist between the Issuer and the Directors. In this context, the Company's policy states that:

- in the event of natural expiry of the term of office, no sum shall be payable;
- in the event of early termination of a directorship, compensation may be paid to the director concerned if the statutory pre-requisites apply, provided that it shall not exceed the fee payable for the remainder of the said director's term of office. No amount shall be payable to a director in the event of resignation, revocation of the appointment for just cause, termination of the appointment due to a takeover bid, forfeiture (on any ground, including loss of the requirements of professionalism, respectability and independence, or if any impediment or incompatibility should arise), or any other fact and/or cause not attributable to the fault of the Company.

If the Director also holds the office of General Manager of the Company, the following terms shall apply. In particular, in the event of early termination of the contract of employment of a General Manager or key management personnel, the sum payable to the said person, in accordance with the applicable legislative and contractual provisions, shall be that specified in lieu of notice in the legislation and/or the applicable national collective bargaining agreement, plus an amount equal to twenty-four months recurrent salary, namely the gross annual remuneration plus the average sum actually received by way of short-term component of the variable remuneration in the last three-year period.

By accepting the said amount, the employee waives, in general, all rights connected in any way, directly and/or indirectly, with his/her contract of employment with Assicurazioni Generali S.p.A. and the termination thereof, and all rights, claims and/or actions against the other companies belonging to the Group on any ground, which are directly or indirectly connected with the contract of employment and with the final accepted cessation thereof.

The waiver shall extend to the right to damages pursuant to ss. 2043, 2059, 2087 and 2116 of the Civil Code, and to economic rights connected with the contract of employment and the cessation thereof.

For the purpose of calculating the amount that may be payable to the director, account will be taken of the total amount payable by way of gross annual remuneration, directors' fees, and the average sum actually received on the basis of the short-term component of the variable remuneration in the last three-year period for each office.

A system of stock options for employees also exists, which provides that voting rights must always be exercised directly by them[4].
Finally, the information required by s. 123-*bis*.1.l of the CFBA is illustrated in the paragraph of the Report devoted to the Board of Directors.

Shareholders' Agreements

On 19 December 2012 a shareholders' agreement was entered into between the Bank of Italy, the Deposits and Loans Fund and Fondo Strategico Italiano for exercise of voting rights at general meetings of Assicurazioni Generali. The contents of the Agreement are published on the Company's website in the Investor Relations/Shareholders' Structure & Agreements section.

* * *

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 and risk management system.

Being a joint-stock company governed by Italian law and compliant with the Self-regulatory Code of Conduct for listed companies first published on 30 October 1999, Assicurazioni Generali is characterised by a Corporate Governance that is strongly committed to the Code and is mirrored by the activity of the following main governing bodies:

- General Meeting
- Board of Directors
- Chairman and Vice-Chairmen of the Board of Directors
- Group CEO
- Executive Committee
- Risk and Control Committee
- Remuneration Committee
- Appointments and Corporate Governance Committee
- Investment Committee
- Committee for Evaluation of Related Party Transactions
- Social and Environmental Sustainability Committee
- Board of Statutory Auditors
- Supervision and Control Committee

Further governing bodies of the Company include the company management and, according to the Company's Articles of Association, company officers acting as authorised representatives.

The validly constituted General Meeting ("**General Meeting"**) is the governing body whose resolutions express the will of

4 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.

the shareholders. Resolutions passed in compliance with the legislation and the Articles of Association are binding on all shareholders, including absent and dissenting shareholders.

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

The Group CEO is the person mainly responsible for the Company's management. In that capacity, the Group CEO has the power of leadership and operational management of the Company and the Group, in Italy and abroad, with all powers of ordinary administration, in accordance with the general planning and strategic policies established by the Board of Directors and within the value limits established, without prejudice to the powers granted by legislation or the Articles of Association exclusively to other Company bodies or otherwise delegated by the Board of Directors.

The Executive Committee, the Remuneration Committee, the Risk and Control Committee, the Appointments and Corporate Governance Committee, the Investment Committee, the Committee for the Evaluation of Related Party Transactions and the Social and Environmental Sustainability Committee are bodies established by and composed of members of the Board. However, the Executive Committee is entrusted with important management functions for the Company and the Group, whereas the other Committees have mainly consultative, recommendatory and preparatory functions.

It is the task of the **Remuneration Committee** to express its opinion and make non-binding proposals to the Board of Directors on (*inter alia*) remuneration policies and the determination of the remuneration payable to the Chairman of the Board of Directors, Managing Directors and General Manager.

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

The **Appointments and Corporate Governance Committee** performs consultative, recommendatory and preparatory activities for the Board of Directors on subjects relating to the size and composition of the Board of Directors and the Corporate Governance rules of the Company and the Group.

The members of the **Investment Committee**, instituted in 2010, comprise 4 directors and the CFO. The Board of Directors has given it responsibility for conducting a periodic analysis of the Group's investment policies, the main operational guidelines and the corresponding results, and prior analysis of some major investment and divestment operations.

The members of the **Committee for the Evaluation of Related Party Transactions**, instituted by Board resolution in 2010, comprise 5 independent directors. The Board of Directors has given it responsibility for stating its opinion of related party transactions submitted for its attention by the Board of Directors or bodies holding delegated powers, in accordance with the Related Party Transaction Procedures, provided that in the case of operations relating to the remuneration of Directors, Permanent Statutory Auditors and Senior Executives of the Company with a grade at least equal to Central Director, the Committee's functions are to be performed by the Remuneration Committee, all of whose members are Independent Directors.

The **Social and Environmental Sustainability Committee**, instituted by Board resolution in 2011, is responsible for performing consultative, recommendatory and preparatory activities for the Board on environmental and social matters involving the Company and the Group. It is composed of three directors. CFO Alberto Minali takes part systematically.

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

The **Supervision and Control Committee** is a collective body that reports to the Board of Directors, to which tasks and powers relating to the drafting, development and promotion of constant updates to the Organisation and Management Model are attributed.

The powers and operating procedures of the Company's governing bodies are governed by legislation, the Articles of Association, the Regulation of the Board of Directors and its Sub-committees, and the resolutions passed by the competent bodies. In particular, the Articles of Association are available at Company offices or can be downloaded in Italian, English, French, German and Spanish from the "Governance" section of the Company's website (www.generali.com).

Finally, neither the Company nor any of its subsidiaries of strategic importance is subject to non-Italian legislation which would affect the Company's corporate governance structure.

Sustainability development bodies

Some specific bodies and dedicated departments have been set up at the Group's Head Office to ensure systematic consideration not only of the financial aspects, but also of the social and environmental aspects, connected with the Company's business.

Responsibility for sustainability at Group level is attributed to the Group Chief Executive Officer, who is responsible for implementing the strategies and policies established by the Board of Directors of the parent company, which is also responsible for establishing the objectives and commitments of the Group and evaluating the related risks, opportunities and improvement areas. For this purpose the Board of Directors has set up a **Social and Environmental Sustainability Committee** with consultative functions.

The **Sustainability Committee** is the implementing body with responsibilities for achieving the sustainability objectives at Group level and analysing the information relating to social matters found by monitoring. It consists of the representatives at Group level of the Company's departments most involved in implementing its socio-environmental policies, and the Country and Area CSR Officers.

In order to improve the organisation and coordination of socio-environmental activities, operational governing bodies called **CSR Committees** are active at national level. Those Committees interface firstly with the Sustainability Committee, to coordinate initiatives and promote the transfer of local best practices to international level, and secondly with the local companies in the Group, to implement the decisions taken at Head Office level. The CSR Committees are chaired by a member of the local top management, and their members are the CSR Officer and the heads of the company departments most involved in implementing the Group's socio-environmental policies.

All sustainability activities, within the Group and on the market, are coordinated by the Corporate Social Responsibility unit, which reports directly to the Group Chief Executive Officer.

Second Part - Corporate governance structure

BOARD OF DIRECTORS

Role

The Board is vested with the broadest management powers for the furtherance of the company's objects. The Board is the corporate body designated specifically to ensure that resolutions passed by the General Meetings are correctly and promptly executed.

Among its powers are the statutory powers reserved exclusively to it are concerned with the approval of the Company's strategic, business and financial plans, as well as transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, and significant transactions involving related parties. According to the Company's Articles of Association, it also submits proposals for the allocation of profits.

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

- distributing interim dividends to shareholders during the current financial year;
- formulating proposals for the distribution of the profits;
- establishing or terminating Head Offices and business establishments outside Italy;
- passing resolutions relating to mergers, in the cases allowed by law, opening or closing of secondary premises, and amendments to the terms of the Articles of Association and General Meeting Regulation if they become incompatible with new mandatory legislative provisions;
- establishing or terminating operations of individual Departments;
- appointing one or more General Managers, establishing their powers and duties, and revoking their appointment;
- taking decisions regarding determination of the criteria for coordination and management of the companies in the insurance group and implementation of the instructions issued by IVASS;
- resolving on other matters that cannot be delegated by law[5].

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

- the annual financial report, plus a report on Company management performance;
- the half-year financial report dated 30 June of each year;
- the intermediate management performance reports dated 31 March and 30 September of each year.

In addition to the powers reserved for the Board of Directors by the applicable legislation and regulatory provisions and the Articles of Association, the following powers are always reserved solely for the Board of Directors:

a) to examine and approve the budget, the strategic, industrial and financial plans of the Company and the Group, periodically monitoring their implementation, and the corporate governance system of the Company and the structure of the Group;
b) to evaluate the adequacy of the organisational, administrative and general accounting system of the Company and its subsidiaries with strategic importance prepared by the Group CEO, with special reference to the internal control and risk management system;
c) to pass resolutions on internal control and risk management, as governed by art. 14 of the Regulation;
d) to grant and revoke delegated powers to the Executive Committee and the Managing Directors, establishing their limits and methods of exercise in compliance with the legislation and the Articles of Association; further to establish the intervals, at least quarterly, at which the Executive Bodies must report to the Board on the activities performed in the exercise of the powers delegated to them; the Board of Directors issues a code of conduct with which the Executive Bodies must comply in the exercise of their duties;
e) on the proposal of the Group CEO, and having consulted the Appointments and Corporate Governance Committee except in the cases referred to in para. m) below and art. 14.4 of the Regulation of the Board of Directors and its Sub-committees:
   i) to institute the Group Management Committee, a leadership team formed by executives belonging to the Group, which is responsible for supporting the Group CEO and discusses essential decisions for the Group, examines proposals to be submitted to the Executive Committee or the Board of Directors, and conveys the decisions and policies adopted to the interior of the Group through its members;
   ii) to establish the internal roles in the Group relevant to the composition of the Group Management Committee;
   iii) to appoint and revoke the appointment of the parties called on to hold internal roles in the Group which carry membership thereof;
f) on the proposal of the Group CEO and having consulted the Remuneration Committee except in the cases referred to in paragraph m) below and art. 14.4 of the Regulation of the Board of Directors and its Sub-committees, to determine the remuneration of

5 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.

the parties called on to hold internal roles in the Group which carry membership of the Group Management Committee;

g) to examine and approve in advance the operations of the Company and its subsidiaries, if the said operations have significant strategic, economic, capital or financial importance for the Company. The following operations, including those entered into through subsidiaries, shall be deemed to have significant strategic, economic, capital or financial importance:
   i) the issue of financial instruments with a value exceeding € 500 million;
   ii) the grant of loans and guarantees for amounts exceeding € 500 million;
   iii) operations relating to the performance of work and services, and collaboration agreements for the exercise and development of the Company's business, for amounts exceeding € 500 million;
   iv) costs, even if specified in the budget, of amounts exceeding € 200 million;
   v) merger or demerger operations in relation to which the value of the total assets of the company taken over (merged) or the assets demerged is equal to or greater than 3% of the Company's total assets, as shown in the latest consolidated financial statements;
   vi) investment and disinvestment operations (including those relating to real estate), sale and purchase of shareholdings, companies or company divisions, and assets of all kinds, if the price of the company (or business division or assets) bought (or sold) is equal to or greater than 2% of the average capitalisation of the Generali shares in the last six months;

h) to establish the remuneration policies as governed by art.15 of the Regulation of the Board of Directors and its Sub-committees;

i) to evaluate the general business trend, taking account, in particular, of the information received from the Executive Bodies, and periodically comparing the results achieved with the planned results;

j) at least once a year, to assess the functioning, size and composition and of the Board and its Committees, taking account of factors such as the professional characteristics, experience, including managerial experience, and gender of its members, and their seniority in office, possibly providing guidance on the professional figures whose presence on the Board is deemed advisable;

k) to adopt a succession plan for the Executive Directors, if considered appropriate;

l) to appoint an Internal Control and Risk Management Director;

m) to appoint, revoke the appointment of and determine the remuneration of the heads of the Risk Management and Compliance Departments, on the proposal of the Group CEO and after consulting the Risk and Control Committee;

n) to provide information, in the corporate governance report, about the methods of application of the Self-regulatory Code;

o) to express its view on the maximum number of offices as director or statutory auditor held in other companies listed on regulated markets (whether in Italy or abroad), in finance, banking or insurance companies or companies of significant size, which are deemed compatible with the effective performance of the office of Director of the Company, taking account of Directors' participation in the Board's Sub-committees;

p) to adopt, on the proposal of the Group CEO or the Chairman, a procedure for the internal management and external communication of documents and information relating to the Company, with special reference to privileged information;

q) to evaluate, having consulted the Board of Statutory Auditors and the Risk and Control Committee, the results set out by the External Auditors in any letter of suggestion and in the report on the fundamental issues emerging at the time of the statutory audit.

The Board, having heard the binding opinion of the Risk and Control Committee and the opinion of the Board of Statutory Auditors, appoints and revokes the appointment of the Internal Audit Manager and establishes his/her remuneration in compliance with the applicable legislation and in accordance with the Company's policies.

The heads of the Internal Audit, Independent Risk Control and Compliance departments report functionally to the Board of Directors, either directly or through the Risk and Control Committee.

After assessing the recommendations of the Remuneration Committee and consulting the Board of Statutory Auditors, the Board shall determine the remuneration of Directors with delegated powers, those holding particular offices, the General Managers and, if the General Meeting has not done so, the distribution of the global remuneration payable to Board members.

In 2012 the Board of Directors, when evaluating the adequacy of the organisational, administration and general accounting structure of the Company and its subsidiaries with strategic importance, after consulting the Risk and Control Committee, identified the subsidiaries with these characteristics on the basis not only of quantitative criteria based on the parameters set out in article 151 of the Issuers' Regulation[6], but also of 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[7].

6 That article establishes that Italian or foreign subsidiaries whose assets amount to under 2% of the consolidated assets and whose revenues are under 5% of the consolidated revenues do not have strategic significance, even if they are included in the consolidated accounts, provided that the sum of the assets and revenues of the said companies does not exceed 10% and 15% of the consolidated assets and revenues respectively. The same article states that the Italian or foreign subsidiaries which are liable to significantly influence the income, assets and financial situation of the group to which they belong in view of the type of business performed or the type of contracts, guarantees, commitments and risks entered into are classed as significant.

7 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 Real Estate S.p.A.
	Genertellife S.p.A.	Generali Investments S.p.A.
		Generali Investments Europe S.p.A. SGR
		Banca Generali S.p.A.
		Generali Properties S.p.A.
ABROAD	Generali Deutschland Holding AG	Generali Deutschland Informatik Services GmbH
	AM Lebensversicherugn AG	Generali Deutschland Schadenmanagement GmbH
	Central Krankenversicherung AG	Generali Deutschland Services GmbH
	Generali Lebensversicherugn AG	Generali Beteiligungs-GmbH
	Cosmos Lebensversicherugn AG	Generali Invest. Deutschland Kapital mbH
	Generali Versicherung AG	AM Versicherung AG
	Generali France Assurance S.A.	Deutsche Bausparkasse Badenia
	Generali Vie S.A.	Generali Holding Vienna AG
	Generali España – S.A. de Seguros y Reaseguros	Generali VIS Informatik GmbH
	Generali Personenversicherugn AG	Generali IARD S.A.
	BSI S.A.	Generali China Life Insurance Co. Ltd.
		Generali Schweiz Holding AG
		Gruppo Generali España A.I.E.
		Generali España Holding de Entidades de Seguros S.A.
		Generali PPF Holding B.V.
		Generali PPF Asset Management A.S.
		Ceska Poijstovna a.s.
		Participatie Maatschappij Graafschap Holland N.V.
		Generali Finance B.V.
		Flandria Partecipations Fin.

Furthermore, the Board has recently introduced its own Operating Regulation (governing the operation of the Board of Directors and its Sub-committees), which complies not only with the provisions of the Code, but also with the relevant international best practices.

The Generali Board meets at regular intervals, at least once every three months, in compliance with legal requirements, according to a calendar which is approved on a yearly basis[8]. The Board adopts an organisation and a modus operandi enabling it to guarantee effective and efficient performance of its functions. The Board met on nine occasions during 2010, twelve in 2011 and eleven in 2012. The average attendance of members at meetings was 83% in 2010, 90.2% in 2011 and 89.2% in 2012. In the last financial year the average duration of each meeting was approximately 2½ hours. Minutes of each meeting are taken.

Table 2 attached to this Report shows individual attendance information for each Director; in the case of absence, this was duly justified

8 The calendar is usually approved during the last Board meeting of the year. Starting from 2003, the calendar including the most important corporate events is disseminated by the issuers of securities listed on the Italian Stock Exchange (which then publishes it) within 30 days of the end of the financial year. In the current year, one meeting was held on 13 March 2013 – Board of Directors Meeting (approval of 2012 draft financial statements and approval of 2012 consolidated financial statements). Further meetings are scheduled for 30 April 2013 – General Meeting (approval of 2012 financial statements); 9 May 2013 - Board of Directors Meeting - (approval of the quarterly report as at 31 March 2013); 1 August 2012 - Board of Directors Meeting (approval of half-yearly report as at 30 June 2013) and 9 November 2012 - Board of Directors Meeting (approval of quarterly report as at 30 September 2013).

Number of Directors, appointment and term of office

In conformity with its Articles of Association, the Company is managed by a Board consisting of not less than 11 and not more than 21 members appointed by the General Meeting after deciding upon the number of members.

With the introduction of list voting into the Company's governance, the majority list is entitled to appoint the entire Board of Directors except for one, two or three directors taken from the list which obtains the second-highest number of votes, depending on whether the number of members of the Board of Directors determined by the General Meeting is established at 11, between 12 and 15 or over 15 members respectively[9].

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

Shareholders who, either alone or jointly with others, represent at least the minimum percentage of the Company's share capital specified by current legislation (0.5%) are entitled to submit lists. All those entitled to vote, companies directly or indirectly controlled by them, and companies directly or indirectly subject to joint control, may submit only one list.

A new provision of the Articles of Association in force since 2012 also establishes that the composition of the Board of Directors shall reflect the gender balance criteria imposed by the applicable legislation, and that no-one over 77 years old shall be elected director.

Directors are elected in accordance with the terms of art. 28 of the current Articles of Association. All the Directors to be elected are drawn from the list that obtained the highest number of votes cast by shareholders on the basis of the sequential number with which the candidates are listed in the list, with the exception of those to be drawn from the second list. If the number of Directors of the less represented gender drawn from that list is less than the statutory number, the elected candidate who has the highest sequential number and belongs to the more represented gender is excluded. The excluded candidate is replaced by the next candidate belonging to the less represented gender, drawn from the same list as the excluded candidate. If it is impossible to draw the necessary number of Directors of the less represented gender from the list that obtained the highest number of votes, the missing directors are appointed by the General Meeting by majority vote.

The lists must be filed with the Company not later than the twenty-fifth day before the date of the first or only convocation of the General Meeting. The following documents shall be filed with the lists:

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

The members of the Board of Directors shall hold office for three financial years; their term of office shall expire on the date of the General Meeting that approves the accounts for the last financial year of their term of office, and they may be re-elected. In the event of appointments during the three-year period, the appointments of the newly-elected directors shall expire at the same times as the appointments of those already holding office.

If a director drawn from the minority list should cease to hold office, the Board of Directors shall replace that Director by appointing as Director the first of the unelected candidates in the list to which the outgoing director belonged, provided that the said candidate is still eligible and willing to accept the appointment; the General Meeting shall replace the outgoing Director by majority vote, selecting his/her replacement if possible from among the candidates on the same list who previously accepted the replacement.

In all other cases in which a Director ceases to hold office during the three-year period, that Director shall be replaced in accordance with current legislative provisions. If an Independent Director ceases to hold office, his/her replacement, co-opted, on the proposal of the Appointments and Corporate Governance Committee, by the Board of Directors or appointed by the General Meeting, shall meet the independence requirements laid down by law for holding the office of Statutory Auditor.

In view of the recommendations contained in criterion 5.C.2. of the Self-regulatory Code, the company has adopted, on the proposal of the Corporate Governance Committee, a policy governing the succession plans for the Managing Directors and the General Manager at the Central Head Office.

The Board of Directors subsequently resolved, at the meeting held on 24 February 2012, after examination by the Corporate Governance Committee, to introduce into the Plan already approved a temporary replacement mechanism to be used in the event of urgency regarding

9 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 Statutory Auditors. If the number of members of the Board of Directors established by the General 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.

the parties to which the policy applies. The Plan was further reviewed by the Board of Directors at the meetings held on 27 September and 8 November 2012, to take account of the Company's new organisational structure. The succession plan policy currently relates only to the position of the Group CEO.

The Appointments and Corporate Governance Committee annually examines proposals to amend the Plan, and submits them to the Board of Directors.

The Succession Plan was applied during 2012, when the Board of Directors, at the meeting held on 2 June, resolved to revoke the powers granted to Giovanni Perissinotto as the Company's Managing Director and Group CEO. In that case, in accordance with the terms of the Plan, his delegated powers were immediately taken over by Chairman Gabriele Galateri, who held them until 1 August, when the new Group CEO, Mario Greco, was co-opted to the Board of Directors.

The Board appoints a Secretary. The Secretary need not be a Board member.

Requisites for office

The Directors of Generali, as directors of an Italian insurance company, must be selected in accordance with professional and competence criteria from among candidates who have a total of at least three years' experience in the exercise of qualifying professional activities[10]. Directors must also meet specific requirements of "honourableness"[11] and independence[12]. Lack of the professional, honour or independence requisites results in forfeiture of office[13]. Persons who are over 77 years old at the time of nomination may not be elected Directors.

The task of Director of the Company must be performed effectively. Acceptance of office requires a prior evaluation as to whether the candidate will be able to devote the necessary time to diligent performance of the tasks of a

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10 Decree no. 220 of the Ministry of Economic Development dated 11 November 2011 states, for the purpose of fulfilling the requirement of professionalism, that at least one of the following qualifying professional activities must be exercised:
- administration, management or control of companies and organisations in the insurance, credit or financial sector;
- administration, management and control of companies and organisations in the insurance, financial or credit sector, public agencies or public authorities associated with the said sectors or in different sectors involving the management of economic and financial resources;
- administration, management and control of public and private companies, having dimensions adequate to the those of the insurance or reinsurance company at which the office will be held.

The Decree also lays down some disqualifying situations: the functions of Director, Statutory Auditor, General Manager or claims adjuster of insurance or reinsurance companies cannot be held by persons who:
- within the preceding three years have been key members of companies subjected to receivership, bankruptcy, compulsory liquidation or similar proceedings. The prohibition remains in force for three years, starting on the date on which the order is made;
- have been deleted from the single national register of stockbrokers, or are stockbrokers excluded from trading on a regulated market.

The new legislation expressly attributes to the Board of Directors power to make such evaluations as it thinks fit, on the basis of evidence and according to criteria of reasonableness and proportionality, as to whether or not disqualifying situations exist.

11 The Minister of Economic Development's Decree no. 220 of 11 November 2011 states that the requisite of honourableness is deemed to apply provided that the prospective candidate does not belong to any of the following categories:
- statutory disqualification or temporary disqualification from holding directorships in legal persons and companies, and all the other situations specified in s. 2382 of the Civil Code;
- being subject to preventive measures ordered by the courts pursuant to Statute no. 1423 of 27 December 1956 or Statute no. 575 of 31 May 1965 (anti-mafia provisions), and Statute no. 646 of 13 September 1982 (financial prevention provisions), as amended, subject to the effects of rehabilitation;
- unappealable conviction, subject to the effects of rehabilitation:
  a) a sentence of imprisonment for one of the offences specified in the legislation governing the insurance, financial, credit and securities sectors; and by Legislative Decree no. 231 of 21 November 2007 (money-laundering legislation), as amended;
  b) imprisonment for one of the offences specified in Title XI, Book V of the Civil Code and Royal Decree no. 267 of 16 March 1942 (Bankruptcy Act);
  c) imprisonment for a period of not less than one year for offences against the public authorities, offences against public trust, property offences, public order offences, offences against the public economy or tax offences;
  d) imprisonment for a period of not less than two years for any wilfully committed offence.
- unappealable conviction, following a plea bargain, of one of the offences referred to paragraph 3 above, save in the case of extinction of the offence and, in the case of the offences referred to in paras. 3 a) and b) above, provided that the sentence is longer than a year.

12 The said Decree no. 220 of the Ministry of Economic Development dated 11/11/2011 introduced into Italian legislation, for the first time in the insurance industry, independence requirements for Directors, Statutory Auditors and General Managers of insurance and reinsurance companies whose registered office is located in Italy.
The Decree imposes:
- the obligation for parties in situations which may adversely affect the requirement of independence to report the matter to the Board of Directors;
- a corresponding obligation for the Board of Directors to perform such evaluations as it thinks fit in relation to the contents of the said reports.

The function of administration, management and control of an insurance company is not compatible with the performance of a similar function, the existence of contracts of employment, quasi-freelance agreements, remunerated agreements for the supply of services, or other financial transactions with insurance or reinsurance companies, their subsidiaries or controlling companies, which may prejudice their independence.

If a party holds positions or contracts as specified above in companies not belonging to the same insurance group, they shall not be deemed liable to prejudice the said party's independence.

13 In the case of parties who perform administration, management and control duties in insurance and reinsurance companies with registered office in Italy, absence of the requirements of professionalism, respectability and independence, and the presence of disqualifications, entails forfeiture of the office, to be declared by resolution of the Board of Directors within 30 days of the date of the appointment or the date when absence of the requirement came to their knowledge.

If the Board of Directors fails to take action with regard to the requirements of professionalism, respectability and independence, the forfeiture will be ordered by IVASS pursuant to art. 76.2 of the Private Insurance Code.

Director, taking account of the number of directorships or appointments as statutory auditor held in other Italian or foreign companies listed on regulated markets, or in finance, banking or insurance companies or other large companies, and of the other professional activities performed by the person concerned.

Large companies are deemed to be those with a net equity exceeding € 10 billion. 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 the Directors, and is included in the Report on Corporate Governance and Share Ownership.

A maximum of two executive directorships or five non-executive directorships is usually deemed to be compatible with the effective performance of a directorship of the Company. The Board of Directors can evaluate case by case the importance of the offices held by a Director in companies belonging to the same Group. Multiple offices held in companies in the same group are deemed to constitute a single office.
Moreover, s. 36 of Statute no. 214 of 22/12/2011, converting the "Italy Rescue Decree", states that in order to protect competition and the independence of members of the top management of companies operating on the credit and financial markets:

- persons holding offices in management, supervision and control bodies and top management executives of companies or groups of companies operating on the credit, insurance and financial markets are prohibited from accepting or exercising similar functions in competing companies or groups of companies;
- for the purpose of the prohibition contained in paragraph 1, "competitors" shall mean companies or groups of companies between which there is no controlling relationship as defined in s. 7 of Statute no. 287 of 10 October 1990, and which operate on the same geographical and product markets;
- the holders of incompatible functions as defined in the said Decree may, within ninety days of the date of appointment, choose which of the offices to which they were appointed by the competent company body they will continue to perform. If no such option is exercised by that date, both functions shall be forfeited, and the forfeiture shall be declared by the competent governing bodies of the organisations concerned within thirty days after the period expires or the breach of the prohibition comes to their knowledge. If no action is taken, the forfeiture shall be declared by the Regulator of the appropriate industry.

In that legislative context, Alberto Nicola Nagel and Francesco Saverio Vinci resigned their directorships of the Company on 24 April 2012, as they considered that those directorships were incompatible with their directorships of Mediobanca. As regards the positions of the other Directors and Statutory Auditors, no other situations of incompatibility emerged.

Directors in office

The Board of Directors currently in office was appointed on 24 April 2010, and will remain in office until the approval of the financial statements for the year ending on 31 December 2012.

In accordance with the list voting system adopted by the Company, after the number of its members had been established at 19 (now 15), 16 members of the Board of Directors (later reduced to 12) were drawn from the majority list submitted by shareholder Mediobanca S.p.A., namely: Cesare Geronzi (who resigned on 6 April 2011), Vincent Bolloré, Alberto Nicola Nagel (who resigned on 24 April last), Giovanni Perissinotto (who resigned on 20 July last), Sergio Balbinot (who resigned on 8 November last), Francesco Gaetano Caltagirone, Ana Patricia Botin (who resigned on 4 April 2011), Diego Della Valle (who resigned on 5 June last), Leonardo Del Vecchio (who resigned on 21 February 2011), Petr Kellner, Angelo Miglietta, Alessandro Pedersoli, Lorenzo Pelliccioli, Reinfried Pohl jr, Paolo Scaroni and Francesco Saverio Vinci (who resigned on 24 April last). Three directors drawn from the minority list submitted by Assogestioni were then elected, namely Cesare Calari, Carlo Carraro and Paola Sapienza.

As the Board of Directors had decided that seventeen directors is an adequate number for the needs of good operation of the Board, including through its sub-committees, the General Meeting agreed on 30 April 2011 that it was adequate in practice, having regard to the best practice relating to the composition of the Boards of listed companies.

After Cesare Geronzi's resignation, Gabriele Galateri di Genola was appointed Director and elected Chairman on 8 April 2011. The General Meeting held on 30 April 2012 confirmed the appointment of Gabriele Galateri as director, and the subsequent Board meeting confirmed his appointment as Chairman.

On 24 April 2012, Alberto Nicola Nagel and Francesco Saverio Vinci resigned their directorships of the Company, considering that they were incompatible with their directorships of Mediobanca, as defined in s. 36 of Statute no. 214 of 22 December 2011.

On 11 May 2012 the Board of Directors therefore co-opted Claudio De Conto and Clemente Rebecchini to the Board.

Diego Della Valle resigned his directorship on 5 June. Giovanni Perissinotto also resigned on 20 July, having retained his directorship of the Company after the Board of Directors revoked his powers as Group CEO on 2 June. Mario Greco was co-opted to the role of Group CEO by the Board of Directors on 1 August, after a favourable opinion had been obtained from the Appointments and Corporate Governance Committee. Finally, Sergio Balbinot resigned as Director and Managing Director on 8 November 2012.

The current Board of Directors therefore has fifteen members, and is composed as follows:

BOARD OF DIRECTORS

OFFICE(*)	FIRST NAME, LAST NAME
• Chairman • Non-executive director • Chairman of Executive Committee • Chairman of Appointments and Corporate Governance Committee • Chairman of Social and Environmental Sustainability Committee	Gabriele Galateri
• Vice-chairman • Non-executive director • Member of Executive Committee	Vincent Bolloré
• Vice-chairman • Independent director(*) • Non-executive director • Member of Executive Committee • Member of Investment Committee	Francesco Gaetano Caltagirone
• Executive director • Chairman of Investment Committee • Member of Executive Committee • General Manager	Mario Greco
• Non-executive director • Independent director(*) • Member of Risk and Control Committee • Member of Committee for Evaluation of Related-party Transactions • Minority director	Cesare Calari
• Non-executive director • Independent director(*) • Member of Risk and Control Committee • Member of Committee for Evaluation of Related-party Transactions • Member of Social and Environmental Sustainability Committee • Minority director	Carlo Carraro
• Non-executive director • Independent director(*) • Member of Investment Committee • Member of Remuneration Committee	Claudio De Conto
• Non-executive director • Member of Investment Committee	Petr Kellner
• Non-executive director • Independent director(*) • Member of Executive Committee • Member of Risk and Control Committee	Angelo Miglietta
• Non-executive director • Independent director(*) • Chairman of Risk and Control Committee • Chairman of Committee for Evaluation of Related-party Transactions • Member of Appointments and Corporate Governance Committee	Alessandro Pedersoli
• Non-executive director • Independent director(*) • Member of Executive Committee • Member of Appointments and Corporate Governance Committee • Member of Remuneration Committee	Lorenzo Pellicioli
• Non-executive director	Reinfried Helmut Pohl
• Non-executive director • Member of Executive Committee • Member of Appointments and Corporate Governance Committee	Clemente Rebecchini
• Non-executive director • Independent director(*) • Member of Risk and Control Committee • Member of Committee for Evaluation of Related-party Transactions • Minority director	Paola Sapienza
• Non-executive director • Independent director(*) • Chairman of Remuneration Committee • Member of Appointments and Corporate Governance Committee • Member of Social and Environmental Sustainability Committee • Member of Committee for Evaluation of Related-party Transactions	Paolo Scaroni

(*) Independent as defined in the Self-regulatory Code.

As previously stated, the Code states the obligation for Directors to accept their appointment, taking account of the number of positions they hold on the Board of Directors or Board of Statutory Auditors of other companies listed on regulated markets, including foreign markets, finance companies, banks, insurance companies and large companies.

In compliance with the provisions set out in the Code, and article 144-*decies* of the Issuers' Regulation a complete list of the positions held by the Company's Directors in such companies – along with a brief profile of each of them – is provided.

Gabriele GALATERI di GENOLA was born in Rome on 11 January 1947. After obtaining his law degree, he was awarded a Master of Business Administration degree by Columbia University. He was appointed Managing Director of IFIL in 1986 and Managing Director and General Manager of IFI in 1993, and elected Managing Director of Fiat in 2002. In 2003 he was appointed Chairman of the Board of Directors of Mediobanca, which position he held until June 2007. From 2003 al 2010 he was Vice-Chairman and member of the Board of Directors of Generali.
He is the Chairman of TIM Brasil Serviços and Participaçoes S.A., a member of the Board of Directors of Telecom Italia (Chairman from 2007 to 2011) and a non-executive member of the Board of Directors of TIM Participações S.A, Italmobiliare S.p.A., Azimut-Benetti S.p.A., SAIPEM S.p.A., Lavazza S.p.A., the Giorgio Cini charitable foundation, and Edenred S.A. He is Chairman of the Executive Board of the Italian Institute of Technology and a member of the Columbia Business School Board of Overseers. He was awarded the title of Cavaliere del Lavoro in May 1999, and is a member of the Légion d'Honneur.
He has been Chairman of Assicurazioni Generali since 8 April 2011.

Vincent BOLLORÉ was born in Boulogne-Billancourt (France) on 1 April 1952. After obtaining his law degree, he worked in banking for ten years and then joined his father's company, where he was appointed Chairman and Managing Director. He is now Chairman and Managing Director of various companies in the Bolloré Group. He is also Chairman of the Board of Directors of Havas and a member of the Boards of Directors of Vivendi and various companies in the Socfinal Group. He has been Vice-Chairman of Assicurazioni Generali since April 2010.

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

Mario Greco was born in Naples on 16 June 1959. He graduated in Economics at the University of Rome in 1983 and obtained a Master's degree in International Economics and Monetary Theory at Rochester University, N.Y., USA, in 1986. He began his career in 1986 at McKinsey & Company. He was with McKinsey & Company until 1994. In 1992 he became a Partner, mainly focusing on financial consulting for banks and insurance companies. In 1995, he joined RAS as Head of Claims Division. In 1996, he became General Manager and in 1998 he was appointed Managing Director. In 2000, he became the company's Chief Executive Officer and held this position until 2005, achieving major results and awards; in 2004, he was appointed Insurance CEO of the year. In 2004, he joined Allianz AG Vorstand. In 2005, he became CEO at EurizonVita in the Sanpaolo IMI Group and CEO of Eurizon Financial Group. In 2007, he joined Zurich Financial Services as Deputy CEO of Global Life. In 2008, he became CEO and member of the executive committee. In 2010, he was appointed CEO of General Insurance in Zurich Insurance Group, and he held this position until 4 June 2012. He is currently a member of the Board of Directors of Indesit (his office will expire with the approval of the balance sheet as of 31/12/2012). On 1 August 2012, he was appointed Group CEO of Assicurazioni Generali.

Cesare CALARI was born in Bologna on 10 May 1954. After obtaining his law degree at Bologna University he continued his studies in the USA, where he graduated at Johns Hopkins University and attended managerial development courses at Harvard and Stanford. He held managerial positions at the World Bank Group's International Finance Corporation, and was later appointed as World Bank Deputy Chairman for the financial sector. He was also a member of the Financial Stability Forum (now Board) and Chairman of CGAP, a worldwide consortium for microfinance development. Having gained wide experience in private equity and financial, banking and insurance services in the developing countries, he is now Managing Director of Wolfensohn Fund Management LP, specialising in the management of private equity investments in emerging markets. He is also an assistant lecturer in International Finance at Johns Hopkins University, Washington, and a member of the Bretton Woods Committee, also based in Washington. He has been a member of Assicurazioni Generali Board of Directors since April 2010.

Carlo CARRARO was born in Camposampiero (PD) on 17 May 1957. After graduating in Economics and Business Studies from the Ca' Foscari University in Venice, he obtained a doctorate from Princeton University, USA. During his academic career he has worked in both Italian and foreign universities, until taking up his present post as Rector of Ca' Foscari University, where he is also Full Professor of Econometrics. He is the author of numerous studies and publications on economic subjects. He has held various prestigious appointments, including that of Vice-Chairman of WG III and member of the Bureau of the Intergovernmental Panel on Climate Change (IPCC) in Geneva, whose work was awarded the Nobel prize in 2007. He is also a member of the governing bodies and scientific committees of various international and national organisations, including Harvard, CESifo in Munich and the Australian National University, which are active in the field of long-term economic trends and environmental sustainability. He holds administrative posts in various agencies, including the Cini Foundation and the Further Studies Foundation in Venice. He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

Claudio DE CONTO was born in Milan in 1964 and has a degree in corporate business. He has held major positions in the Pirelli Group, was Director in RCS MediaGroup SpA and member of the management board of Banca Popolare di Milano Scarl. He is senior advisor in McKinsey and director in Artsana S.p.A., Sesto Immobilare S.p.A., Prysmian S.p.A. and chairman of the board of directors of Star Capital SGR S.p.A. He has been a Director of Generali since May 2012.

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 investment and finance groups in Central and Eastern Europe; it has interests in banking and consumer finance, insurance, retail, real estate, energy, mining, agriculture and biotechnologies. Petr Kellner has been a Director of Generali since April 2007 and Director of Generali PPF Holding B.V. (joint venture between Generali and PPF) since January 2008. He was Chairman of the Board of Directors of PPF a.s. from 1998 until March 2007, and a member of the Supervisory Board of Česká pojišťovna a.s. from 2000 to 2006.

Angelo MIGLIETTA was born in Casale Monferrato (Alessandria) on 21 October 1961. After obtaining an honours degree in Business Administration at Bocconi University, he completed his studies in marketing and strategies at Stanford University. He is a chartered accountant and auditor, and Full Professor of Economics and Business Administration at IULM university, Milan. He sits on the Board of Directors of Effeti S.p.A. and Banca Generali S.p.A., holds the post of Chairman of Sirti S.p.A. and is a Director in other listed and non-listed companies. He is also the Chairman of the Board of Statutory Auditors in some companies of the E.ON and Cogetech groups. He is the author of numerous studies and publications on economics, management and finance. He has been a member of the Assicurazioni Generali Board of Directors since April 2010.

Alessandro PEDERSOLI was born in Naples on 24 April 1929. He graduated in Law and practises as a civil lawyer specialising in business and company law in Milan. He was appointed a Member of the Board of Directors of Generali in 2003. Currently, he is also a Director of Effe 2005 Gruppo 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 Chairman and CEO of Costa Cruise Lines and PDG and Directeur Général Compagnie Française de Croisières, and 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., member of the Board of Directors of De Agostini Editore, member of the Board of Directors of Atlas, Vice-Chairman of the Supervisory Board of Général de Santé and Chairman of the Board of Directors of DeA Capital S.p.A.. He is also Chairman of the Board of Directors of Zodiak Media and a member of the Board of Directors of B&D Holding di Marco Drago e C. S.A.P.A. In the past he has also been a director of ENEL, INA and Toro Assicurazioni and a member of the Advisory Board of Lehman Brothers Merchant Banking. He has been a Director of Generali since April 2007.

Reinfried Helmut POHL was born in Marburg (Germany) on 2 November 1959. After completing his studies in humanities and economics, he embarked on a business career in 1984 in his father's company, Deutsche Vermögensberatung AG, of which he is general power of attorney holder. He is a director of several companies operating in the banking and insurance fields (including subsidiaries Deutsche Bausparkasse Badenia, Generali Holding Vienna AG and AM Lebensverischerung AG) and Advocard Rechtsschutzversicherung AG.
He has been a member of the Board of Directors of Assicurazioni Generali since April 2010.

Clemente Rebecchini was born in Rome in 1964; he has a degree in economics (1988) and he is a chartered accountant. He has been working in Mediobanca since 1989 and currently he is central manager in charge of the Principal Investing Department. He is also director of Gemina SpA, Aeroporti di Roma Spa, Italmobiliare SpA and chairman of the board of directors of Telco S.p.A. He was co-opted to Generali's Board of Directors on 11 May 2012.

Paola SAPIENZA was born in Catania on 19 March 1965. After graduating in Political Economics at Bocconi University, Milan, she continued her studies at Harvard University where she obtained a master's degree and a PhD in Economics. She worked at the Bank of Italy Research Department and then started her academic career in the USA; she now has the Merrill Lynch's post as Full Professor of Finance at the Kellogg School of Management at Northwestern University. She is specialised in different fields including corporate governance, business finance and banking economics and has written numerous publications. She is a Research Associate at the National Bureau of Economic Research and Director of the American Finance Association since 2011.
She has been a member of Assicurazioni Generali Board of Directors since April 2010.

Paolo SCARONI was born in Vicenza on 28 November 1946. He graduated in Economics and Business from the Bocconi University in Milan, and obtained a Master's Degree in Business Administration from Columbia University in New York. He began his career with business consultants McKinsey, and then joined the Saint Gobain Group, where he held various managerial positions in Italy and abroad. He was Vice-Chairman and Managing Director of Techint until 1996, and the same year was appointed Managing Director of Pilkington, which position he held until 2002. He was Managing Director and General Manager of ENEL from 2002 to 2005, and is now Managing Director of ENI S.p.A., 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 non executive Vice Chairman of the Board of Directors of the London Stock Exchange Group and member of the Board of Directors of Veolia Environnement. 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.

Antonio Cangeri has been the Secretary of the Board of Directors since November 2012.

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

The Directors' knowledge of corporate and group dynamics and situations is promoted by invitations to attend meetings of the governing bodies of the Company and the Group, which provide detailed information about the items on the agenda. The management intends to further develop this practice, which has already been in use for some time. Workshops for members of the Board of Directors on specific subjects, such as the new Solvency II Directive and the related parties legislation, were organised during the 3-year period, with the support of the Company's executives working in that field, to provide a more complete picture of the new legislative scenarios. An off-site meeting of the Board of Directors was held in 2012, at which the Group strategy was presented to Directors; the presentation and discussion occupied a whole day. The Statutory Auditors also attended these events.

On 24 February 2012, after receiving the favourable opinion of the Corporate Governance Committee, the Board of Directors resolved to adopt the Regulation of the Board of Directors and its Sub-committees in order to collate and simplify the provisions governing the activities of those bodies. The said Regulation will formally specify (*inter alia*) the rights, duties, powers and responsibilities of the Company's directors acting in the capacity of members of its collective governing bodies.

The Regulation is designed to collate and simplify, in a single document, the provisions governing the activities of the Board of Directors and its Sub-committees, which were previously fragmented between a number of regulations.

It has also been decided to regulate the operation of the Executive Committee and its Sub-committees, which previously lacked a regulation that formalises the current practices.

The Board of Directors has officially launched its self-assessment process.

In the last three years in particular, the self-assessment process was conducted by different procedures from those used in earlier years. As in 2010 and 2011 the Board of Directors resolved, after consulting the Appointments and Corporate Governance Committee, to instruct a leading firm of consultants (Egon Zehnder International) to assess the size, composition and functioning of the Board and its Committees with regard to its activities in 2012.

The evaluation process consisted of three stages: an individual discussion with each Director on the basis of a questionnaire, analysis with the Chairman of the Board of Directors of the main indications and the comments made, and finally, support for the Chairman of the Board of Directors in drawing up a final Report to the Board, including the main results and a proposed action plan.

The results of the Board Evaluation, which also related to the Chairman of the Board of Statutory Auditors, were approved by the Board of Directors at the meeting held on 22 February 2013.

The picture emerging from the self-assessment of the structure, functioning and efficiency of the Board of Directors was favourable on the whole.

Once again this year, the interviews highlighted some strengths and some points requiring further consideration. It emerged that the majority of directors consider that the Board of Directors consists of members who possess the skills needed to guide the Group, even at times of discontinuity, and are particularly satisfied with the internal dynamics on the Board which lead to direct, open debate, with their own contributions to the Board, and with the work performed as a whole. A degree of satisfaction also emerged with the contribution made by the minority and independent Directors in general, the quality of the information received before Board meetings, and the clarity and efficacy of the presentations to the Board.

The interviews demonstrated full satisfaction with the amount of time devoted to discussion of strategies, which led to better comprehension and approval. Full appreciation was also expressed for the new electronic documentation transmission method.

As regards possible areas requiring improvement, although the training initiatives offered were appreciated, the Board considered that informal meetings with technical and business contents should be intensified. It also considered the advisability of evaluating a further reduction in the number of Board members in future, while guaranteeing the necessary level of their skills on the subjects of Insurance, Finance, Audit and Control, Risk, and Human Resources and Organisation. In particular, a reduction in the number of Board members could mean that there is no need for an Executive Committee.

The majority of Directors consider that the number of Committees should be reduced, and their responsibilities merged. Finally, a qualified minority consider that the mission of the Risk and Control Committee should be further reviewed to verify whether it is fully effective.

On the basis of the results of the self-assessment, the Board of Directors gave shareholders, prior to the renewal of the Board, some advice on the professional figures whose presence on the Board is deemed appropriate.

Non-executive and independent directors

The Board is currently made up of one director who, according to the terms of the Code, is to be considered an executive director, and fourteen non-executive directors, nine of whom are independent as defined by the Self-Regulatory Code[14].
At the meeting held on 11 May 2011, the Company made the usual annual assessment of the independence of the Members of the Board of Directors, also applying all the criteria laid down by the Code in this case.

Members of the Executive Committee are not classed as "executive directors" because, in view of the frequency of their meetings and the subject of their resolutions, they are not systematically involved in the current management of the Company.

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

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

The presence of non-executive and independent directors, according to the application criteria laid down in the Self-Regulatory Code, is considered crucial on the Board's sub-committees, whose members must consist of directors with no delegated operational powers.

The Code, which states that the status of "Independent Director" must be evaluated periodically by the Board, taking account of the information provided by individual directors, requires the Board of Directors to assess whether that requirement is met, "having regard more to substance than to form".

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14 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 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.

A further concept of independent director[15] is included in the applicable legislation. The absence of this requisite entails forfeiture of the office. A check was made on the basis of this concept to establish that the independence requirement was met. Nearly all directors met the definitions of independence contained in both s. 147-*ter* of the CFBA and the Self-Regulatory Code. The only exceptions are Gabriele Galateri, Vincent Bolloré and Clemente Rebecchini, who are classed as independent according to the CFBA definition but as non-independent according to the parameters of the Self-Regulatory Code, and Angelo Miglietta, who is in the opposite position, being classed as non-independent according to s. 147-*ter* of the CFBA but independent on the basis of the Self-Regulatory Code. Angelo Miglietta is a member of the Board of Directors of subsidiary Banca Generali.

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

On the occasion of the annual assessment of whether the independence requirement is met, the Board of Statutory Auditors verified the correct application of the criteria and procedures adopted by the Board of Directors to assess its members' independence.

The Independent Directors met twice in 2012.

The average attendance of Independent Directors at meetings of the Board was 77% in 2010, 91% in 2011 and 95% in 2012. For more details, see Table 2 containing individual attendance information for each Director.

Remuneration of Directors and executives with strategic responsibilities

Pursuant to s. 123-*ter* of the CFBA and ISVAP Regulation no. 39/2011, and in view of the principles and application criteria laid down in art. 6 of the Self-regulatory Code, the general policy for the remuneration of Directors and key management personnel is illustrated in a specific Report approved by the Board of Directors after consulting the Remuneration Committee, which will be submitted to shareholders at the General Meeting held on 30 April 2013. The Report will be published on the Company's website (www.generali.com), in the *Investor Relations – 2013 General Meeting* section.

D&O insurance policy to cover the third-party liability of members of the Company's governing bodies

In line with the best practice on the most progressive financial markets, and having regard to the characteristic features of the business of the Company and the Group, the General Meeting held on 24 April 2010 resolved:

1) that the Company should pay any compensation deriving from liability towards third parties for prejudicial acts performed by the Directors and Statutory Auditors and the CFO (in view of his position as Chief Financial Officer and Manager in charge of Preparation of the Company's Financial Reports) in the exercise of their functions, excluding cases of fraud and wilful misconduct, up to the maximum cover limit of € 100 million;
2) to authorise the Board of Directors to take out an insurance policy to cover the third-party liability of the Company's Directors and Statutory auditors (Directors' and Officers' Liability Insurance - D&O), broadly on the following terms:
   a) duration: 12 months, renewable from year to year until revoked by the General Meeting;
   b) maximum cover: € 100 million per claim, by way of annual aggregate, and per period of cover;
   c) exclusion of insurance cover for cases of fraud or wilful misconduct;
   d) annual premium: € 843,525.

The widest powers were granted to the Group CEO to implement the resolution passed by the General Meeting, including power to renew the said policy on the best market terms on its expiry, provided that the annual premium should not exceed 30% of the last annual premium paid, after the usual revaluations and the necessary updating of the cover.

Handling of confidential and inside information

To implement the legislation on market abuse, the Company has passed a regulation on keeping the Register of Persons who have access to inside information, in line with the obligations laid down in the CFBA.

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15 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 Statutory 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 Statutory 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.

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[16] and inside[17] information;
- identification of personnel obliged to comply with these regulations;
- definition of procedures for handling confidential and inside information.

The corporate representatives, i.e. directors, Statutory Auditors and employees of the Company and its subsidiary companies as well as those on whom Generali, the Subsidiary Companies or even third parties have conferred professional, service or equivalent responsibilities that have led them to acquire inside information on the Company, shall maintain maximum discretion on the confidential information they acquire in the performance of their corporate or professional duties.

The said parties having access on a regular or occasional basis to inside information are entered in an appropriate register, set up and kept according to the legislation and regulations in force. In order to ensure proper keeping of the register and the information it contains, the Company has adopted internal procedures which, according to specific criteria, are aimed at ensuring efficient, effective management of the information and data contained in the register[18].

The Regulation in question is aimed at safeguarding the effectiveness of the principle of equal treatment of inside information towards the market and ensuring that its disclosure outside the Company and/or subsidiary companies is handled promptly, completely and adequately, without causing information asymmetries among the public.

To this end, Generali has established its policies on circulating and monitoring inside information[19].
When handling confidential information, corporate representatives are required to use any type of precaution that allows such information to be disclosed within the Company, the subsidiary companies and/or in the relationships between the latter, without prejudice to its own specific nature.

Management of institutional communications is dealt with by the Group CEO. Relations with financial analysts and institutional investors are coordinated by the Group CEO, through the Chief Financial Officer, and conducted through the Investor Relations Department.

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

The Guidelines adopted by the Board of Directors in this respect ensure compliance by the Company with the principle of substantive and procedural correctness in the performance, by the Company and its subsidiaries, of transactions having a significant impact on the Company's profitability, assets and liabilities or financial position, including atypical or unusual transactions.

In this context, attention focused on establishing the terms and procedures for management of information flows to the Company's governing bodies (which are necessary to perform the activities falling within their jurisdiction) and to the public (to provide it with a prompt, complete picture of the Company's business trends).
"Transactions having a significant impact on the Company's profitability, assets and liabilities or financial position"

16 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.

17 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.

18 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.

19 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.

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:

- the issue of financial instruments amounting to a total sum higher than € 500 million;
- the grant of loans and guarantees, also amounting to a total sum higher than € 500 million;
- transactions regarding the provision of activities or services, cooperation agreements for the exercise and development of corporate activities, amounting to a total sum higher than Euro 500 million;
- costs, even if included in the budget, amounting to over € 200 million;
- 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;
- investment and disinvestment transactions, including those regarding real property, operations of purchase and sale of shareholdings, companies or Company branches, or assets of any kind, on the occasion of which the price of the Company (or company branch or assets) bought (or sold) amounts to or exceeds 2% of the average capitalisation recorded over the past six months by Generali shares.

Mergers and takeovers between listed companies, mergers between a listed company and an unlisted company, and takeovers of a listed Company by an unlisted company have also been included in the category of transactions having a significant impact on the Company's profitability, assets and liabilities or financial position.

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

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

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

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

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

- transactions not exceeding a total of € 100 million;
- transactions that merely implement corporate initiatives already included among the resolutions previously passed by the Board;
- the purchase and/or sale of real estate rights involving the use of free assets amounting to under € 50 million.

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

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

Pursuant to article 150 of Legislative Decree 58, 24 February 1998 and article 32 of the Company's Articles of Association, the Board of Directors shall report promptly and at least every three months to the Board of Statutory Auditors on the activities carried out, in particular:

- on transactions having a significant impact on the Company's profitability, assets and liabilities or financial position;
- on transactions in which Directors have an interest, on their own account or on behalf of a third party.

The said disclosure to the Board of Statutory Auditors is made at the meetings of the Board of Directors or, when necessary, directly or at the meetings of the Executive Committee.

Those reports concern not only the executive activities and the developments of the transactions that have already been approved by the Board of Directors, but also the initiatives taken by the representative bodies – including through subsidiary companies – while exercising the powers assigned to them, together with the decisions taken and projects started.

Related Party Transaction Procedures

At its meeting held on 11 November 2010, the Board of Directors adopted the new Related Party Transaction Procedures to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness.

The procedures in question were prepared in compliance with the terms of s. 2391-*bis* of the Civil Code and Consob Regulation no. 17221 of 12 March 2010, which implements the statutory provisions.

The Procedures make a distinction between operations of minor and major importance, imposing stricter rules for the latter in terms of the decision-making process as well as transparency towards the market. For both types of operation, the Procedures state that a committee of Independent Directors (the **Committee for Evaluation of Related Party Transactions**) shall assess whether the Company has an interest in performing the operation, and evaluate the benefits and substantive correctness of its terms. The opinion given by the Independent Directors is binding for all operations of major importance, and those of minor importance which exceed given value thresholds.

Certain types of operations are specified for which the decision-making process accompanied by the opinion of the Independent Directors need not be activated. These are operations deemed unlikely to prejudice the interests protected by the regulations, which are specifically indicated.

The Procedures apply not only to Related Party Transactions performed directly by Assicurazioni Generali, but also to those performed by its subsidiaries.
The full, updated text of the Procedures can be viewed in the Governance section of the Company's website (www.generali.com).

Internal dealing regulations

In addition to and by way of completion of the legislation governing this subject, Generali has approved a Regulation on internal dealing, identifying the relevant subjects (or internal dealers) in the Company, relevant transactions and the Data Processor.

The internal dealer category includes the following subjects:
- Directors of the Company issuing listed securities;
- members of the Company's Board of Statutory Auditors;
- its General Managers and Deputy General Managers;
- its Assistant General Managers.

Relevant transactions are those performed by the internal dealers or by persons closely related to them[20], 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 calendar year and not previously communicated, which is equal to or greater than Euro 5,000.00.

The following are not relevant for the purpose of the Regulation:
- operations whose total amount is less than € 5,000.00 in the calendar year; after each communication, operations whose total amount is less than a further € 5,000.00 by the end of the calendar year are not reported;
- transactions between Relevant Parties and Persons Closely Associated with Relevant Parties;
- operations performed by the Company and its subsidiaries.

Relevant financial instruments are:
- shares issued by Assicurazioni Generali;
- shares of listed subsidiary companies;
- financial Instruments linked to Shares;
- financial Instruments linked to the Shares of listed subsidiary companies.

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

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 SDIR-NIS circuit (Relevant Information Communication System and Network Information System), and to 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 operations on relevant financial instruments; these periods are generally close to certain corporate events.

20 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.

CHAIRMAN AND VICE-CHAIRMEN OF THE BOARD OF DIRECTORS

Chairman

The Board of Directors appoints a Chairman from among its members unless the General Meeting has appointed one. The Chairman is selected from candidates who meet the specific professional requirements required of the other Board members. The Chairman must not be older than 70 at the time of appointment[21].
The Chairman acts as authorised representative of the Company, through joint signature with another authorised representative in the Company's name[22].

In addition to the functions assigned to him by law, the Chairman chairs the General Meetings, in compliance with the provisions of the specific By-laws. Furthermore, the Chairman convenes and presides over the Board of Directors and the Executive Committee; sets the agenda, directs, coordinates and moderates the proceedings and announces the results of their resolutions.

Moreover, with the cooperation of the Secretary of the Board of Directors and in accordance with the Regulation of the Board of Directors and its Sub-committees, he ensures that adequate information about the items on the agenda of each meeting is given to all Directors with suitable notice. In particular, if the subjects under discussion relate to ordinary business, the corresponding documents, if available, can be consulted by Directors on an electronic platform, normally within four working days. If that is impossible for exceptional reasons, the Chairman ensures that Directors are informed as quickly and comprehensively as possible of the contents of any proposals on the Agenda relating to particularly significant operations.

The current Chairman, Gabriele Galateri, does not hold an operational role, as no powers additional to those specified in the Articles of Association have been granted to him.

Vice-Chairmen

The Board of Directors elects one or more Vice-Chairmen from among its Members, who shall replace the Chairman in case of the latter being absent or prevented from performing his office. If there is more than one Vice-Chairman, the one who also holds the office of Managing Director shall act as Deputy Chairman; if none of them holds the office of Managing Director, the oldest one shall replace the Chairman.

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

The Company has two Vice-Chairmen: Francesco Gaetano Caltagirone (who acts as Deputy Chairman pursuant to art. 30.2 of the Company's Articles of Association), and Vincent Bolloré.

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21 After the entry into force of Ministry of Economic Development Decree no. 220 of 2011, the Chairman of an insurance company must have performed at least one of the following activities for at least a five-year period:
1. administration, management and control of companies and organisations in the insurance, credit or financial sector;
2. administration, management and control of public and private companies having dimensions similar to those of the insurance or reinsurance offices at which the office is to be held;
3. professional activity in subjects associated with the insurance, credit or financial sector or university lectureships in economic, legal or actuarial subjects relevant to the insurance industry.

22 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.

EXECUTIVE COMMITTEE

The Board may appoint from among its members an Executive Committee to which it delegates certain powers in accordance with regulations and the Articles of Association, within the limits of the law. At all events, the said delegations of powers shall never deprive the Board of Directors of its fundamental faculties.

The Executive Committee consists of not less than 5 and not more than 9 members, including the Chairman of the Board of Directors, who chairs it, the Vice-Chairmen and the Managing Directors, if appointed. The Executive Committee, with delegated powers, is currently made up as follows:

EXECUTIVE COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman	Gabriele Galateri
• Vice-chairman	Francesco Gaetano Caltagirone
• Vice-chairman	Vincent Bolloré
• Group CEO	Mario Greco
• Independent director	Angelo Miglietta
• Independent director	Lorenzo Pellicioli
• Independent director	Clemente Rebecchini

After obtaining a favourable opinion from the Appointments and Corporate Governance Committee, the Board of Directors appointed Clemente Rebecchini as a member of the Executive Committee on 11 May 2012. This followed the resignation of Director Alberto Nicola Nagel in view of the supervening situation of incompatibility pursuant to s. 36 of Statute no. 214 of 22 December 2011 (converting the “Italy Rescue Decree”).

The Secretary of the Board of Directors, Antonio Cangeri, also acts as Secretary of the Executive Committee.

The members of the Executive Committee shall be selected from among candidates meeting the same professional and competency requirements as established for the office of Chairman.

The members of the Executive Committee shall also remain in office for three years. The mandate of the present Executive Committee will thus last until the date of the meeting held to approve the financial statements for the financial year ending on 31 December 2012.

Notwithstanding the powers assigned exclusively to the Board of Directors and those which the Board has reserved for itself, as listed above, the serving Executive Committee is delegated the power to:

- to examine in advance, on the proposal of the Group CEO, the plans, budgets and strategic operations to be submitted for examination and approval by the Board;
- to monitor the performance of the plans, budget and strategic operations approved by the Board;
- to examine and approve, on the proposal of the Group CEO, the general organisation of the Company and the Group established by the Group CEO;
- to resolve, on the proposal of the Group CEO, on operations and deeds of disposal which exceed the limits of the powers granted to him, without prejudice to the powers reserved for the Board;
- to appoint, on the proposal of the Group CEO, the chairmen, executive directors and general managers (or members of the top management who hold equivalent positions) of subsidiaries with strategic importance, also formulating proposals relating to the revocation of their office and to their remuneration, provided that the designations and proposals relating to the revocation and remuneration of the executives included in the Group Management Committee shall be made by the Board of Directors, after consulting the Appointments and Corporate Governance Committee and the Remuneration Committee, on the matters for which they are responsible;
- to approve the signature of shareholders’ agreements of particular strategic importance relating to holdings in the capital of listed Italian and/or foreign companies;
- to ratify the decisions taken by the Group CEO, on the ground of necessity or urgency, insofar as they exceed the limits of the powers delegated to him;
- to pass, on the proposal of the Group CEO, when there is an urgent need to protect the interests of the Company or the Group, any other resolution which would otherwise be the province of the Board, excluding those referred to in ss. 2420-*ter* (*Delegation to directors*), 2423 (*Drafting of financial statements*), 2443 (*Delegation to directors*), 2446 (*Reduction of share capital due to losses*), 2447 (*Reduction of share capital below the statutory limit*), 2501-*ter* (*Merger Plan*) and 2506-*bis* (*Demerger Plan*) of the Civil Code, in compliance with the provisions governing major economic, financial and capital operations with related, parties, atypical or unusual operations;
- to establish the succession plan for the other key positions in the Company and the Group, namely positions other than those indicated in art. 8.2.j of the Regulation of the Board of Directors and its Sub-committees, whose Hay score exceeds the threshold of 1,000 points;
- to grant general and special authorisations for the performance of its resolutions.

Significant transactions performed to implement the delegated power shall be reported by the Executive Committee to the Board of Directors at its first meeting after the exercise of the delegated powers, without prejudice to the validity of the actions performed in any event.

Members of the Executive Committee receive an attendance fee of € 4,000.00 per meeting, a 50% increase on the gross annual salary for their directorship, and reimbursement of expenses incurred to attend meetings.

Average meeting attendance of Executive Committee members was 100% at the meetings held in 2010, 92.5% in 2011 and 96% in 2012. (See Table 2, containing attendance information for each member of the Executive Committee).

The average duration of the ten Committee meetings held in 2011 was 2½ hours. Twelve meetings were held in 2012, the average duration of which was about 1 hour 40 minutes.

GROUP CEO

Pursuant to the Articles of Association, 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, who are not more than 65 years old at the time of appointment[23].

Managing Directors shall remain in office for three years. Their mandate will thus last until the date of the meeting held to approve the financial statements for the financial year ending on 31 December 2012.

The Managing Director in office is a Member of the Executive Committee by right.

On 1 August 2012, the Board of Directors appointed Mario Greco as Managing Director, General Manager and Company Strategy Officer. Having regard to the delegated powers granted to him, which make him the person principally responsible for the management of the Company and the Group, Mr Greco was also appointed Group Chief Executive Officer (Group CEO).

The same Board meeting also decided to grant to Mario Greco, in his capacity as Managing Director and Group CEO, power of guidance and operational management of the Company and the Group, in Italy and abroad, with all powers of ordinary administration, in accordance with the general planning and strategic policies established by the Board of Directors and within the value limits specified below, without prejudice to the powers granted by legislation or the Articles of Association exclusively to other governing bodies of the Company or otherwise delegated by the Board of Directors.

Mario Greco therefore has powers including but not limited to the following matters: operational management of insurance and reinsurance business and the activities relating thereto in Italy and abroad; responsibility for activities involving strategic planning, management control, enterprise risk management and asset liability management, mergers and acquisitions and management of relevant shareholdings, and activities performed by the Group in the banking, financial and real estate sectors; responsibility for administrative, tax, legal and corporate affairs; responsibility for human resources and the organisation of work, coordination of information technology activities, management and coordination of the companies in the Group, and management of communication regarding the external relations and institutional relations of the Company and the Group.

By way of example but not of limitation, the following powers are granted to Mr Greco for the purpose of performing the tasks allocated to him, provided that the quantitative and other limitations on the powers granted shall be considered as internal limits between the delegating body and the party to whom the powers are delegated:

a) to propose to the Board of Directors and/or the Executive Committee the adoption of measures in the field for which he is responsible;
b) to formulate proposals relating to the multi-annual plans and annual budgets of Assicurazioni Generali and the Group, to be submitted for examination and approval by the Board of Directors;
c) to issue directives for the drafting of the Company's financial statements; to prepare proposals for submission to the Board of Directors on the draft annual financial statements and consolidated financial statements and on the budget estimates;
d) to establish the general organisational system of Assicurazioni Generali and the Group, and submit it to the Executive Committee for examination and approval;
e) to ensure that the resolutions passed by the General Meeting, the Board of Directors and the Executive Committee are implemented;
f) as regards insurance and reinsurance business:
    i. to manage insurance and reinsurance business in Italy and abroad, authorising the taking of insurance and reinsurance risks in the sectors in which the Company is authorised to operate and payment of the corresponding compensation, and to perform the activities relating thereto and take the appropriate decisions with respect thereto;
    ii. to supervise and guide the management of the Group's technical and actuarial activities and manage its research and development activities;
    iii. to draft and approve the statements of the Company's Separate Internal Management Accounts and Internal Insurance funds and establish the proportion of participation in the yield of the Separate Internal Management Accounts, without prejudice to any more favourable contractual terms

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

and/or clauses which provide for a minimum yield to be withheld by the Company;

g) as regards human resource management and organisation:
   i. to establish the human resource development and management policies and the associated incentive system; to manage relations with trade unions and employers' associations, with power to sign agreements with them on the Company's behalf; to attempt conciliation, make settlements and sign the minutes relating to settlements;
   ii. with the exception of the powers granted exclusively to the Board of Directors pursuant to art. 32.2 of the Company's Articles of Association, to hire, promote, establish the duties, delegated powers, tasks and economic position of personnel of all grades of the Company in Italy, with the exception of executives with a grade higher than Central Director. As regards the said personnel: to take the necessary measures, authorise the grant of financial subsidies and leave of absence, arrange transfers and secondments, and take all precautionary and disciplinary measures including dismissal and establishing severance pay;
   iii. to formulate proposals to the Board of Directors relating to:
      1. the institution of the Group Management Committee;
      2. the definition of the internal roles in the Group relevant to the composition of the Group Management Committee;
      3. the appointment, revocation of the appointment and remuneration of the parties called on to hold internal roles in the Group carrying membership of the Group Management Committee;
   iv. to determine, in accordance with the terms of arts. 39 and 40 of the Company's Articles of Association, the scope of the power of representation and company signature of executives with a grade not exceeding that of Central Director, and to grant the said power continuously to the Company's officers and revoke it;
   v. to propose to the Executive Committee the appointment of the Chairmen, Managing Directors and General Managers (or members of the top management who hold equivalent positions) of the Company's subsidiaries with strategic importance, also formulating proposals relating to their remuneration; and to nominate the members of the Boards of Directors and Board of Statutory Auditors of subsidiaries without strategic importance;
   vi. to propose to the Executive Committee the signature of shareholders' agreements of particular strategic importance relating to holdings in the capital of listed Italian and/or foreign companies;
   vii. to formulate proposals to the Remuneration Committee relating to the guidelines of the remuneration policy of the Company and the Group;
   viii. to ensure the application of the corporate governance rules of the Company and the Group;

h) as regards relevant shareholdings, pursuant to s. 4 of Legislative Decree no. 173 of 26 May 1997:
   i. to acquire and/or increase shareholdings (directly or indirectly and by subscription of rights issues) up to the value of € 100 million, if the Company's free assets are used; to authorise the waiver or assignment of stock options relating to rights issues in invested companies and the waiver of rights of pre-emption;
   ii. to approve rights issues by invested companies; to approve Company operations (such as mergers, demergers, contribution to capital of Company divisions, issue of bonds or subordinate loans, purchase of own shares, etc.) performed by controlled or invested companies with which shareholders' agreements relating to the matters in question have been entered into: all up to € 100 million, if the Company's free assets are used;
   iii. to approve operations involving the total or partial acquisition, increase or assignment of shareholdings (including subscription of rights issues and waiver of stock options on rights issues or rights of pre-emption) proposed by subsidiaries up to the value of € 100 million;
   iv. to approve amendments to the Articles of Association of invested companies;
   v. to issue voting instructions for the General Meetings of controlled and invested companies;

i) as regards other operations:
   i. to approve issues of financial instruments up to a total value of € 100 million;
   ii. to approve the grant of loans and guarantees for amounts of up to € 100 million;
   iii. to approve operations relating to the performance of work and services, and cooperation agreements for the exercise and development of the Company's business, for amounts of up to € 100 million if the Company's free assets are used;
   iv. to approve merger or demerger operations in relation to which the total assets of the company taken over (merged) or the assets demerged do not exceed € 100 million;
   v. to approve the acquisition and assignment of companies or company divisions and assets of all kinds for amounts of up to € 100 million, if the Company's free assets are used;

j) as regards management of real estate:
   i. to authorise the purchase and assignment of rights relating to real estate and grant of licences to use the same;
   ii. to grant servient easements on the Company's real estate, with no value limits;
   iii. to consent to the cancellation, reduction and restriction of mortgages and/or liens of any kind (with express power to identify the property to be cancelled for Land Registry and mortgage purposes) and deeds of subordination or subrogation; to consent to the cancellation of transcriptions and annotations, exonerating the Land Registrar and registrars of other offices from the responsibility to establish that the extinction has taken place or a corresponding reduction made in the debt claimed and/or that an authorising resolution has been passed by the appropriate body of the Company;
   iv. for the operations referred to in the earlier paragraphs, the use of the Company's free assets is allowed for amounts of up to € 50 million;

k) as regards expenditure: with reference to the Company, to authorise compulsory expenditure with no limit on the amount, and other costs up to € 50 million per item;
l) as regards legal matters:
   i. to file suits and proceedings in courts and administrative tribunals, non-contentious proceedings and arbitration proceedings; to defend proceedings taken against the Company; to represent the Company in legal proceedings, both as Plaintiff and Defendant, before any authority, in any forum and at any level or stage of proceedings, and consequently in interlocutory, enforcement, appeal and cassation proceedings and arbitration proceedings, with all the corresponding powers, including power to conciliate and/or settle disputes, to sign arbitration agreements and compositions, to issue general and special powers of attorney *ad litem* and special powers of attorney pursuant to ss. 183 and 420 of the Civil Procedure Code to represent the Company in legal proceedings, including with power to conciliate or settle disputes, to waive and accept waivers of judicial documents, to issue declarations as garnishee, and to claim damages in criminal proceedings; to file and transfer complaints;
   ii. to authorise payments of claims by third parties;
m) as regards service activities: to sign and terminate service contracting and/or outsourcing agreements relating to the performance of services for other companies in the Group;
n) Group management and coordination activities: to perform, within the guidelines established by the Board of Directors, management and coordination activities for the companies in the Group;
o) power of subdelegation: to subdelegate to employees or third parties who are not employees one or more of the powers specified in the preceding paragraphs, with the obligation to predetermine any limitations thereon;
p) emergency powers: to exercise any power held by the Board of Directors if, at his sole discretion, the urgency of the matter requires an immediate decision, excluding the powers referred to in ss. 2420-*ter* (Delegation to directors), 2423 (Drafting of financial statements), 2443 (Delegation to directors), 2446 (Reduction of share capital due to losses), 2447 (Reduction of share capital below the statutory limit), 2501-*ter* (Merger Plan) and 2506-*bis* (Demerger Plan) of the Civil Code, with the value limit of € 100 million per operation, taking account, in any event, of the terms of the resolution passed by the Board of Directors regarding major economic, financial and capital operations with related parties, atypical or unusual operations. The value limit of € 100 million shall also apply to the case of multiple operations of the same type which, though individually falling below the said threshold, collectively fall into the same time, functional or planning scale. The exercise of emergency powers is conditional on a prior check by the Managing Director and Group CEO, by agreement with the Chairman, that it is impossible to hold a meeting of the Board of Directors or Executive Committee in sufficient time to pass a resolution on a matter falling within their jurisdiction, in compliance with the minimum period of two days specified in the Articles of Association for calls of meetings in the event of urgency.

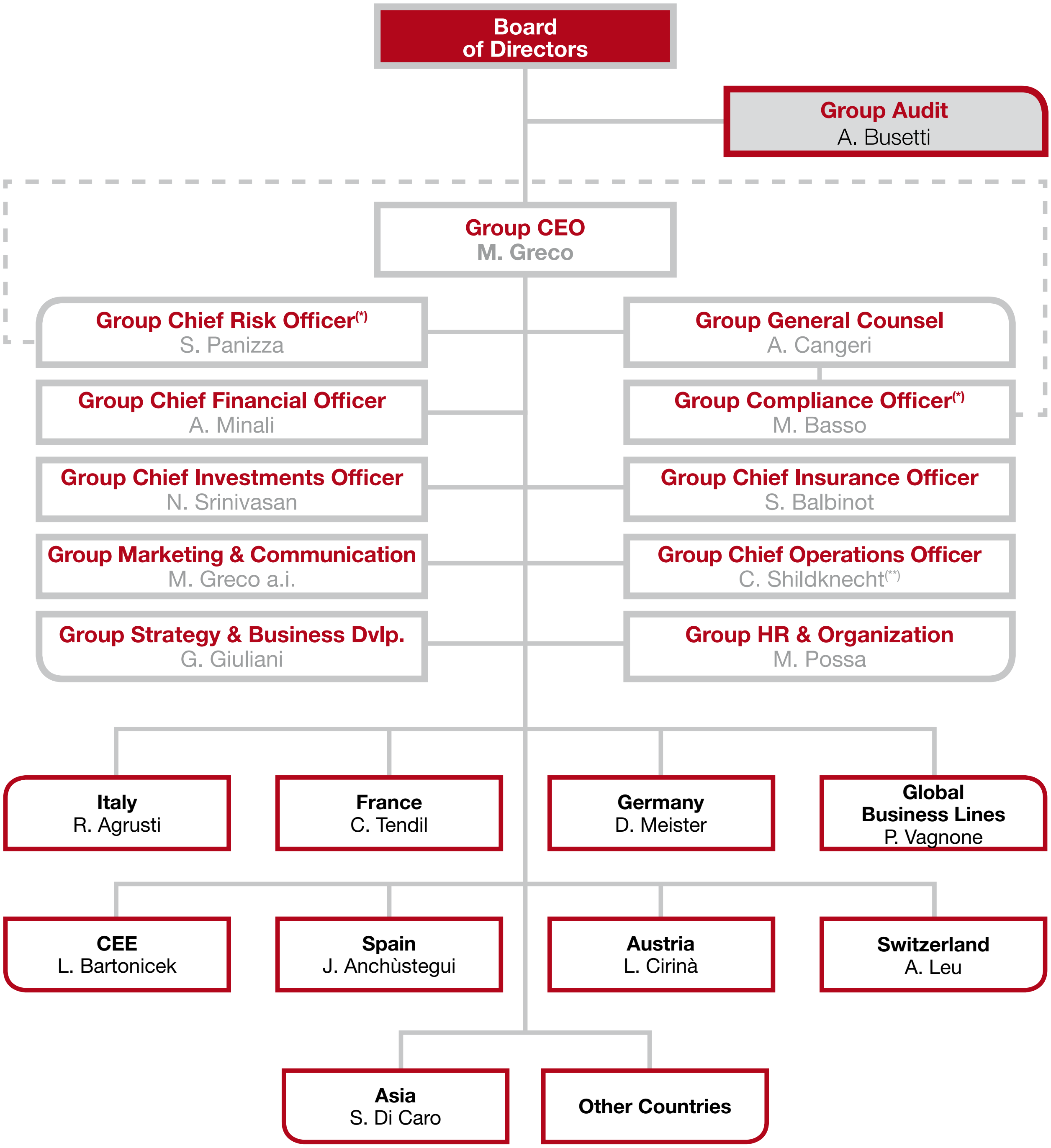
All significant transactions performed are required to be reported by the Group CEO to the Board of Directors at the first meeting held after the exercise of the delegated powers, provided that the actions performed shall be valid in any event.

Head Office and markets

In the second half of 2012 the Generali Group commenced a restructuring programme designed to implement an organisational model in line with the best international practice, which supports the growth and profitability objectives.

In this context, the Executive Committee meeting held on 19 October 2012 approved the new organisational structure designed to simplify the internal organisation of the Group, ensure more integrated management of the insurance business, and reinforce Head Office monitoring of capital, risk and investment management. The Generali Group currently has the structure shown in the Table.

HEAD OFFICE AND MARKETS



(*) The Group Chief Risk Officer and the Group Compliance Officer report functionally to the Board of Directors for the relevant issues.
(**) Effective April 1st, 2013.

In the context of this reorganisation, and in accordance with the principles of organisational simplification and clear attribution of responsibilities, the Head Office is divided into the following functions reporting to the Group CEO:

- *Group Chief Insurance Officer*, with the task of leadership of the Group's insurance business and supervising the development of technical excellence and the profitability of the life and non-life businesses at global level. For this purpose, the Chief Insurance Officer establishes the industrial objectives of the business units, monitors their performance and manages the Group's reinsurance business and the development of technical and commercial centres of excellence. In this context, the Chief Technical Officer supervises the technical life and non-life activities and ensures the guidance and monitoring of the Group's industrial activities through specific structures organised according to geographical approaches, called Business Performance Management Units;
- *Group Chief Financial Officer (CFO),* with the task of monitoring the financial management of the Group, supervising activities relating to capital management, drafting of financial statements, tax activities, planning and control, debt management, treasury, M&A, investor relations and supervision of shareholdings. The Group CFO has also been appointed as Manager in Charge of Preparation of Assicurazioni Generali's Financial Reports, as regards both statutory and consolidated financial statements;
- *Group Chief Risk Officer (CRO),* with a reinforcement of the preceding function, incorporating responsibilities for establishing the strategy and monitoring risk with the development of the capital model;
- *Group Chief Investments Officer (CIO),* with the task of establishing the Group's investment strategies for all asset classes;
- *Group Chief Operations Officer (COO)*, a new role in the Group, instituted to improve the Group's efficiency and harmonise its operational procedures in non-insurance activities such as procurement and Information Technology;
- *Group HR & Organisation*, with the task of coordinating the management and development of human resources and supporting the organisational development of the Group in accordance with the business model;
- *Group General Counsel*, with the task of coordinating legal, corporate and compliance activities at Group level;
- *Group Marketing & Communication*, with the task of managing communication activities at Group level in an integrated way, promoting their values and culture and developing image policies at global level;
- *Group Strategy & Business Development*, with the task of supporting the development and promotion of the Group strategy.

The heads of the various country and business units report directly to the Group CEO, including Italy, France, Germany, EEC, Spain, Austria, Switzerland, Asia and the Global Business Lines structure, the latter having responsibilities for business with global characteristics (Corporate & Commercial, Employee Benefits and Europ Assistance).

The Group CEO is supported by the following committees:

- *Balance Sheet*, with decision-making responsibility for aspects of the financial statements at Group and Head Office level, and alignment of financial information;
- *Finance*, responsible for examining, evaluating and approving extraordinary investments and transactions;
- *Product & Underwriting*, which supervises the taking of extraordinary insurance risks on the basis of their industrial and financial impacts and the risk aspects.

Group Management Committee

With the aim of improving alignment with the Group's strategic priorities and increasing the efficacy and approval of the decision-making process, a Group Management Committee (GMC) has been instituted. The GMC introduces a team approach to the management of the business at international level. In addition to Group CEO Mario Greco and Chief Insurance Officer Sergio Balbinot, his Deputy, the Committee consists of the managers of the three main markets, the global business lines and the Head Office policy and control departments, namely:

- Alberto Minali, Group Chief Financial Officer (CFO);
- Sandro Panizza, Group Chief Risk Officer (CRO);
- Nikhil Srinivasan, Group Chief Investment Officer (CIO);
- Carsten Schildknecht, Group Chief Operations Officer (COO);
- Raffaele Agrusti, Italian market manager;
- Claude Tendil, French market manager;
- Dietmar Meister, German market manager;
- Paolo Vagnone, Global Business Lines manager.

Italy

As part of the restructuring programme already mentioned, on 14 December 2012 the Board of Directors approved the Italian insurance business reorganisation programme called "Generalitalia", which is designed to reinforce the Company's market positioning and simplify the operational model. This programme, which began operationally in January 2013 and has been submitted for approval by the competent authorities, will lead to the incorporation of Assicurazioni Generali Italia, which is expected to come into full operation in November 2013, after the transfer of the insurance business of the Italian Head Office of Assicurazioni Generali and the Toro, Fata and Ina Assitalia businesses. The newco Assicurazioni Generali Italia will be wholly controlled by the parent company, which will retain all reinsurance business at Group level.

Legal representation

The legal representation system of the Company, regulated by articles 39 and 40 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 Director, by deed filed with the Trieste Companies Registry, shall determine the scope of the power to represent the Company and sign on its behalf granted to executives holding an office not ranking higher than "Assistant General Manager", and define their sphere of jurisdiction.

Moreover, the jurisdiction of each executive of the Company shall coincide with the jurisdiction assigned to the Deputy General Manager or the Assistant General Manager who, directly or indirectly, supervises him/her; in the absence of such a person, it coincides with the jurisdiction assigned to the executive with the highest ranking position reporting to the General Manager or to the competent Director.

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

OTHER SUB-COMMITTEES

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

In accordance with the recommendations of the Self-regulatory Code, Generali has instituted a Risk and Control Committee, a Remuneration Committee and an Appointments and Corporate Governance Committee.

The Board of Directors has also instituted the Investment Committee, the Committee for evaluation of Related Party Transactions and the Social and Environmental Sustainability Committee.

The basis for the institution of sub-committees has been identified as art. 34 of the Articles of Association, which empowers the Board to set up consultative committees, which may be sub-committees of the Board, and to establish their powers.

Sub-Committee members are appointed by the Board of Directors and, unless otherwise decided by the Board, selected from among its members. The Sub-Committees' term of office shall expire at the same time as that of the Board. If one or more members should cease to hold office for any reason, the Board of Directors shall replace them with its own members who meet the requirements for holding office as a member of the Sub-Committee concerned.

The Board shall appoint the chairmen of the Sub-Committees, choosing them from among the members of each Sub-Committee.
If the Sub-Committee chairmen are absent or unable to act, they shall be replaced in all their powers by the oldest member of the Sub-Committee. The chairmen of the Sub-Committees shall chair the meetings; prepare the proceedings; direct, coordinate and moderate the discussion and represent the Sub-Committees at meetings of the Board and before the Executive Bodies, and may also sign reports and opinions to be submitted to the Board and the Executive Bodies on behalf of the Sub-Committee.

For the organisation of their proceedings, the Sub-Committees shall call on the support of a secretary appointed by the Board or by the said Sub-Committees, who need not be a member of the Sub-Committees, and on the support of the Group Corporate Affairs Department.

The Sub-Committees shall meet, at the request of the Chairman of the Sub-Committees or the person acting on his/her behalf, at the place specified by him/her in a notice sent to all its members. The Chairman of the Sub-Committees shall ensure that adequate information about the items on the agenda of each meeting is given to all members with suitable notice, and adopt the procedures required to maintain the confidentiality of the data and information supplied. The documentation is normally deemed to have been despatched promptly if it is sent by the last date allowed for the call of the meeting (four working days before the date of the meeting).
Minutes of each meeting shall be drawn up, and signed by the Sub-Committee Chairman and the Secretary.

The Sub-Committees shall normally meet on the basis of a calendar approved by the Board by the end of each financial year, and whenever the Chairman of each one thinks fit. They usually meet before Board meetings, allowing time to discuss the matters they are responsible for submitting to the Board. Parties who are not members of Sub-Committees may attend their meetings, including other members of the Board and the Company's structure, on the invitation of the Chairman of the Sub-Committee, in relation to individual items on the agenda.

The Sub-Committees, in the performance of their functions, shall be entitled to access the information and Company functions necessary for the performance of their duties, and to call on external consultants, on the terms established by the Board.

The Sub-committees specified by the Self-regulatory Code, on which the Board relies in the performance of its managerial functions, shall have an annual expenditure budget for the performance of the activities attributed to them by the Board. Sub-Committee members shall be entitled to reimbursement of expenses incurred for attending meetings, and the fee established by the Board, if any.

The Board has also reserved the right to approve, at least annually, an expenditure budget for the Sub-Committees it uses, the institution of which does not form the subject of an express recommendation in the Self-regulatory Code.

Risk and Control Committee

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

The present Committee was appointed by the Board of Directors in April 2010, and will be in force until the General Meeting which approves the financial statements for the financial year ending on 31 December 2012.

The said Committee is made up as follows:

RISK AND CONTROL COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman • Non-executive and independent Director	Alessandro Pedersoli
• Member of the Committee • Non-executive and independent Director	Cesare Calari
• Member of the Committee • Non-executive and independent Director	Carlo Carraro
• Member of the Committee • Non-executive and independent Director	Angelo Miglietta
• Member of the Committee • Non-executive and independent Director	Paola Sapienza

Antonio Cangeri acts as Secretary of the Committee.

In compliance with the best practice incorporated in the Code, the Board of Directors, during its meeting held on 11 May 2012, verified the existence of the independence requirement for all members of the Committee. According to the provisions of article 7.P.4 of the Code, the Committee members must be independent, or alternatively non-executive and for the most part independent; in such case the Chairman of the Committee is chosen from among the Independent Directors.
Prof. Miglietta also meets the requirement laid down by art. 7.P.4 of the Listed Companies' Self-regulatory Code, as he possesses specific accounting and financial skills and experience.

In view of application Criteria no. 1.C.1.c and 7.C.2 of the Self-Regulatory Code and the terms of ISVAP Regulation no. 20 of 26 March 2008, the Committee assists the Board of Directors in determining the internal control system and risk management guidelines, assessing its adequacy and actual functioning on a regular basis, identifying and managing the main corporate risks.

The Committee also ensures that the assessments and decisions made by the Board of Directors pertaining to the internal control and risk management system, approval of the annual accounts and the half-year reports as well as the relations between the Company and the External Auditors are supported by an adequate preliminary stage.

In this context, the Committee holds the following powers and responsibilities:

- to express its binding opinion on the appointment, revocation and remuneration of the Internal Audit Manager;
- to express its opinion, on the proposal of the Group CEO, of the appointment, revocation and remuneration of the heads of the Risk Management and Compliance departments;
- to express its opinion of the draft Audit Plan and the Summary Report on Internal Audit activities prepared by the Internal Audit Manager, with a view to their submission to the Board;
- to express its opinion of the proposed Compliance Plan and the Report on the adequacy and efficacy of the measures taken by the Company to manage the non-compliance risk, prepared by the Compliance Manager, with a view to their presentation to the Board;
- to obtain information about the adequacy of the expenditure budget and the quantitative and qualitative profiles assigned to the control departments;

- to assess, together with the Manager responsible for drawing up the Company's accounting documents and having consulted the representatives of the external auditors and the Board of Statutory Auditors, the correct use of the accounting standards and their uniformity with a view to preparation of the consolidated accounts;
- to examine the substantiated proposal by the Board of Statutory Auditors regarding the appointment of the external auditors and formulates its comments thereon, reporting to the Board;
- to evaluate the results illustrated in the External Auditors' Report and their letter of suggestions, if any;
- to report to the Board on its activity and the adequacy of the internal control and risk management system when the draft annual and semi-annual accounts are approved; comments on matters relating to delegated powers;
- to express its opinion of the draft "*Annual Report on the Internal Control and Risk Management System*" to be submitted for evaluation by the Board;
- to express opinions concerning the identification of the main corporate risks and the planning, implementation and management of the internal controls and risk management system, upon request by the Board;
- to assist the Board in assessing its skills in maintaining the risk management system of the Company and the Group in terms of adequacy of the organisational and process structures relating to the identification and management of the Group's main risks, including quantitative analysis performed, at least once a year, by means of stress tests;
- to direct, with the support of the Internal Audit function, the process through which the Board assesses the adequacy of the organisational, administrative and accounting systems of the Company in line with the terms of the Self-Regulatory Code, and those of its subsidiaries with strategic relevance;
- to request the Internal Audit Department to perform audits on specific operational areas, possibly notifying the Chairman of the Board of Statutory Auditors;
- to monitor the independence, adequacy, efficacy and efficiency of the Internal Audit Department.

The activities performed by the Committee in 2012 related (*inter alia*) to the Report on the Committee's activities during the 2011 financial year, examination of the report on the activities performed in the 2011 financial year by the Internal Audit, Risk Management and Compliance Departments, the 2012 Audit Plan and the expenditure budget of the Internal Audit Department and the Risk and Control Committee for the 2012 financial year.

The Committee's activities also related to the progress of the matters for which the Manager in Charge of Preparation of the Company's Financial Reports is responsible, analysis of the Group Compliance Manager's report on complaints relating to the distribution of financial/insurance products, analysis of the Internal Audit Manager's quarterly reports on claims management, analysis of the information note on the reports by the External Auditors and the actuary appointed by them on the financial statements as at 31 December 2011, analysis of proposals relating to the remuneration of the internal audit manager, the opinion on the remuneration of the heads of the Risk Management and Compliance Departments, and evaluation of the organisational, administrative and general accounting structure of the issuer and its key subsidiaries, on the basis of application criterion 1.C.1.c) of the Self-Regulatory Code.

The Committee then analysed the reports to be sent to IVASS pursuant to art. 28.2 of ISVAP Regulation no. 20 of 26 March 2008, the update to the risk management policy, the framework resolution on investment policy, the quarterly reports on operations in derivatives, and the presentation of the operational model of the Internal Audit department for verification of the correct application of the remuneration policies, as required by ISVAP Regulation no. 39 of 9 June 2011.

If the Chairman thinks fit, the meetings shall be attended, on the Chairman's invitation, by the members of the Top Management, the Heads of the Internal Control Departments, the Manager in charge of preparation of the Company's financial reports and the senior executives and officers of the Company responsible for the subjects submitted for the approval of the Risk and Control Committee from time to time. The notice of call shall be sent to the Board of Statutory Auditors, to enable it to attend 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.

During the 2012 financial year, the Committee did not call on the assistance of advisors external to the Company.

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

The operation of the Committee is guaranteed by the Regulation of the Board of Directors and its Sub-committees.

Members of the Risk and Control Committee receive an attendance fee of € 2,000.00 per meeting, a fixed fee (€ 50,000.00 for the Chairman and € 30,000.00 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

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

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

Specifically, nine Committee meetings were held in 2012, with an average duration of 1 hour 40 minutes, eleven in 2011 with an average duration of two hours, and eight in 2010. All those meetings were attended by all members. Minutes of the meetings were always taken. Table 2 contains attendance information for each member of the Risk and Control Committee.

Seven meetings have been scheduled for 2013, and two have been held to date.

In the 2012 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 21 February 2013, the Committee passed its 2013 budget, confirmed at € 300,000.00, then approved by the Board of Directors at the meeting held on 22 February 2013.

Remuneration Committee

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

Approaching this issue in the spirit of the Code, on 20 February 2001 the Board took note of the indisputable existence of the limitation laid down by Article 2389 of the Italian Civil Code, which attributes solely to the Board, upon indications provided by the Board of Statutory Auditors, the power to determine the remuneration of Directors appointed to particular positions as specified in the Articles of Association. Moreover, pursuant to the legislation, the Board of Directors must establish the Company's remuneration policies.

The Board later deemed it desirable to formally appoint its own body with delegated powers, known as the Remuneration Committee, which assists the Board of Directors on remuneration matters. The Committee also expresses its opinion of related party transactions regarding the remuneration of key management personnel, in accordance with the terms of the Related Party Transaction Procedures approved by the Board of Directors.

The Committee currently holding office was appointed by the Board of Directors on 24 April 2010, and will hold office until the General Meeting which approves the financial statements for the financial year ending on 31 December 2012.

The said Committee is made up as follows:

REMUNERATION COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman • Non-executive and independent director	Paolo Scaroni
• Member of the Committee • Non-executive and independent director	Claudio De Conto
• Member of the Committee • Non-executive and independent director	Lorenzo Pellicioli

The Board of Directors, in its meeting of 11 May 2012, designated, effective that date, Claudio De Conto as a member of the Remuneration Committee. He replaced Francesco Saverio Vinci, who had resigned on 24 April 2012.

The Board of Directors has established that the Committee consists of Non-executive Directors, a majority of whom are independent, and its Chairman, Paolo Scaroni, was chosen by the Independent Directors. The Board of Directors has also established that, in view of their prior experience, not only in companies in which they hold executive positions, but also due to the role they perform on similar consultative committees, both Lorenzo Pellicioli and Paolo Scaroni possess adequate knowledge in the field of remuneration policies. Paolo Scaroni also held the position of Chairman of that Committee in the preceding three-year period (2007/2010).

If one or more members of the Remuneration Committee should declare that they are a related party with regard to a transaction submitted for its examination, the Remuneration Committee shall be supplemented, solely for the examination of that transaction, by the other Independent Directors belonging to the Board, starting with the oldest. In the absence of at least two Independent Directors to form the Remuneration Committee, the opinion or proposal shall be provided by an independent expert appointed by the Board.

Antonio Cangeri acts as Secretary to the Committee.

The Remuneration Committee shall perform consultative, recommendatory and preparatory functions for the Board relating to the subject of remuneration.
In particular, the Remuneration Committee has the following tasks:

a) to formulate non-binding opinions and proposals to the Board regarding the remuneration to which Directors are entitled. Opinions and proposals relating to the Managing Directors shall be expressed on the basis of a discretionary evaluation, which shall take account (*inter alia*) of the following parameters:
   i) the importance of the responsibilities in the Company's organisational structure;
   ii) the effect on the Company's results;
   iii) the profits achieved;
   iv) attainment of specific objectives specified in advance by the Board;
b) to monitor the implementation of the decisions taken by the Board on the basis of the proposals put forward;
c) to express proposals or opinions to the Board on the amount of the remuneration payable to Executive Directors and Directors holding other particular offices or positions in accordance with the Articles of Association, and on the setting of performance targets correlated with the variable component of the said remuneration, and to establish whether the performance targets are met;
d) to express opinions and make non-binding proposals on the determination of the remuneration payable to the General Managers and the persons holding internal roles in the Group relevant for the purpose of membership of the Group Management Committee, on the proposal of the Group CEO, on the basis of a discretionary assessment adopting the following criteria:
   i) the level of responsibility and the risks relating to the functions held;
   ii) the results achieved with reference to the objectives set out;
   iii) extra tasks carried out;
e) to assess, at regular intervals, the criteria adopted for the remuneration of Directors and managers with strategic responsibilities, using the information gathered by the Group CEO for this purpose, and make relevant recommendations to the Board;
f) to verify the proportionality of the Managing Directors' remuneration between them and compared with the Company's personnel;
g) to formulate opinions and proposals for the definition of the remuneration policies.

The Committee Chairman or another Committee member shall attend the Annual General Meeting to report to the General Meeting on the methods of exercising the Committee's functions.

The main activities performed by the Committee in 2012 involved analysing the Remuneration Committee's expenditure budget for the financial year 2012, submitting the guidelines of the new Long-term Incentive Plan and analysing proposals relating to the Balanced Scorecard 2012 and the Long-Term Incentive Plan 2012-2014 as regards the Managing Directors and General Managers. The Committee also established guidelines for the Group remuneration policy, to ensure that it complies with the terms of ISVAP regulation no. 39 of 9 June 2011, having analysed the proposals relating to definition of a Group severance pay (TFM) policy and early termination of office, and the adoption of performance indicators pursuant to arts. 12 and 13 of the ISVAP Regulation of 9 June 2011.

The Committee has also analysed the proposal relating to the remuneration of the Chairman of the Board of Directors and the Executive Bodies, with special reference to the remuneration package of the new Group CEO, Mario Greco, and that of Managing Director and General Manager Sergio Balbinot, and an analysis of the proposal regarding Giovanni Perissinotto's severance pay. The Committee has examined the proposed definition of the remuneration policies for the 2012 financial year and conducted evaluations of the application of the 2011 remuneration policies, and finally, has analysed the proposed approval of the Annual Report on remuneration policies.

If the Chairman thinks fit, meetings are attended, on the Chairman's invitation, by the members of the Top Management, the superintendent of the Group Human Resources and Organisation Area, and the senior executives and officers of the Company responsible for the subjects submitted for approval by the Committee from time to time. The notice of call is sent to the Board of Statutory Auditors, to enable it to attend meetings.
In the past financial year, meetings of the Committee were attended by non-members, on the Committee's invitation. Some attended the whole meeting, while others were only present during the discussion of certain items on the agenda. The Committee also called on assistance from external consultants.

Members of the Remuneration Committee receive an attendance fee of € 2,000.00 per meeting, a fixed fee (€ 20,000.00 for the Chairman and € 15,000.00 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

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

The Remuneration Committee met eight times in 2010, five times in 2011 and eight times in 2012. All those meetings were attended by all members. The average duration of the meetings held in 2012 was approximately thirty minutes, and minutes of each meeting were drawn up. (See Table 2, containing attendance information for each member of the Remuneration Committee). The Chairman of the Remuneration Committee attends General Meetings and reports on the work performed by the Committee.

Three meetings have been scheduled for 2013 to date, two of which have already been held.

At the Committee meeting held on 21 February 2013, the Committee established its spending budget for the 2013 financial year at € 100,000.00. This budget was approved by the Board of Directors at its meeting on 22 February 2013.

Appointments and Corporate Governance Committee

In 2007 the Board of Directors created a consultative committee called the Corporate Governance Committee with the aim of establishing whether, and to what extent, the Company's rules of corporate governance matched the best practice. This was due to some important changes in the applicable legislation and the best practice, and to updating of the industrial and financial objectives specified in the Strategic Plan.

On 24 February 2012, in line with the recommendations of Principle 5.P.1. of the Self-regulatory Code, the Board of Directors created an Appointments Committee, the majority of whose members are Independent Directors.

After consulting the Corporate Governance Committee, the Board of Directors decided that the tasks and functions specified by the Code for the Appointments Committee should be performed by the Governance Committee which, from that date, was renamed the "Appointments and Corporate Governance Committee".

The Appointments and Corporate Governance Committee performs a consultative, recommendatory and preparatory role in favour of the Board. Its duties are:

- to formulate opinions and proposals on the decisions to be taken regarding the corporate governance of the Company and the Group which fall within the sphere of the Board's sole responsibilities;
- to provide opinions to the Board regarding its size and composition and to make recommendations regarding the professional figures whose presence on the Board is deemed advisable;
- to express its view to the Board on the maximum number of directorships or positions as statutory auditor held in other Italian or foreign companies listed on regulated markets, in finance, banking or insurance companies or companies of significant size, which can be deemed compatible with the effective performance of the office of Director of the Company, taking account of Directors' participation in the Board's Sub-committees;
- to formulate opinions for the Board of Directors on individual matters of particular significance which, in the ambit of the general authorisations issued in advance by the General Meeting regarding exemptions to the prohibition on competition laid down in s. 2390 of the Civil Code, are particularly critical;
- to propose to the Board candidates for the position of Director in cases of co-opting, when Independent Directors need to be replaced;
- to prepare for the drafting of the succession plan for Executive Directors, if adopted by the Board;
- to formulate opinions regarding the institution of the Group Management Committee, the definition of the internal roles in the Group which are relevant to its composition, and the appointment and revocation of the appointment of those called on to hold internal roles in the Group which carry membership of the Group Management Committee, except in the case of the Risk Management, Compliance and Internal Audit managers.

Five members of the Board of Directors have been co-opted to the Committee. The presence of the Independent Directors makes a decisive contribution to its composition. Alberto Nicola Nagel, who resigned on 24 April 2012, was succeeded by Clemente Rebecchini (for the details of this succession, see explanation above).

Members of the Appointments and Corporate Governance Committee receive an attendance fee of € 2,000.00 per meeting, a fixed fee (€ 20,000.00 for the Chairman and € 15,000.00 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman • Non-executive director	Gabriele Galateri
• 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 director	Clemente Rebecchini
• Member of the Committee • Non-executive and independent director	Paolo Scaroni

The Committee met six times in 2012, five times in 2011, and once in 2010. The average duration of the meetings held in 2012 was approximately half an hour. Minutes of each meeting were drawn up.

Three meetings have so far been scheduled in 2013, two of which have been held.

Antonio Cangeri is the Secretary of the Committee.

In 2012 the Committee supplemented the succession plan for executive directors and the General Manager at the Central Head Office with regulations governing their replacement in case of emergency, and amended the Plan by deleting the reference to the succession of the General Manager. It also evaluated the new requirements of professionalism, respectability and independence of insurance company officers (Ministerial Decree no. 220 of 11/11/2011), the prohibition on accepting offices in competing banking, insurance and finance companies (s. 36 of Statute no. 214 of 22/12/2011), and modifications to the Company's governance regarding legislative and self-regulatory changes, conducted evaluations of the appointment of the General Council and examined the Corporate Governance and Share Ownership Report. It also examined proposals for the appointment of members of the Board of Directors, pursuant to s. 2386 of the Civil Code, expressed opinions on the appointment of a Deputy General Manager designated as CFO and Manager in charge of preparation of the company's financial reports, and expressed an opinion on the replacement of a member of the Investment Committee and an opinion on the proposed attribution to the Group CEO of the role of Internal Control and Risk Management Director. Finally, it favourably evaluated the appointment of Egon Zehnder International as consultants in support of the self-assessment process of the Board and its sub-committees.

The Committee also analysed the activities performed for the review of the Listed Companies' Self-regulatory Code, and examined the proposals to be submitted to the Board of Directors regarding the variation in the composition and responsibilities of the Risk and Control Committee.

Investment Committee

The Investment Committee, instituted in 2010, performs consultative, recommendatory and preparatory tasks for the Board, the Executive Committee and the Group CEO, within the limits of their powers, consistently with the corporate governance structure laid down by the applicable insurance supervision regulations. The Committee is required to conduct a periodic analysis of the investment policies, the main operational guidelines and their results, identifying proposals for analysis or actions to be submitted to the Board in accordance with the Group's risk appetite and risk tolerance; this periodic analysis also relates to the Group's asset allocation (by asset class), the main concentrations, strategic shareholdings and investment and divestment operations of particular significance performed during the preceding period.

The Committee also analyses in advance some major investment and divestment operations relating to specific assets which, due to their liquidity and riskiness, require complex evaluations of merit and advisability. Finally, it formulates analyses and proposals regarding plans to buy back the Company's own shares and issue bonds.

The Committee consists of four Directors and the CFO. The Group's Real Estate and Financial Operations Managers are systematically invited to attend meetings.

INVESTMENT COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman	Mario Greco
• Member of the Committee	Francesco Gaetano Caltagirone
• Member of the Committee	Claudio De Conto
• Member of the Committee	Petr Kellner
• Member of the Committee	Alberto Minali

Antonio Cangeri is the Committee Secretary.

Members of the Investment Committee receive an attendance fee of € 2,000.00 per meeting, a fixed fee (€ 30,000.00 for all members of the Committee except the Chairman) and reimbursement of expenses incurred to attend meetings.

The Committee met five times in 2010, with 100% attendance at the first four meetings. Nine meetings were held in 2011, and the average attendance was 91.2%. Eight meetings were held in 2012 and the average attendance was 85%, The average duration of each meeting was approximately one hour forty-five minutes in 2011 and one hour fifteen minutes in 2012. Minutes of each meeting were drawn up.

Committee for the Evaluation of Related Party Transactions

The Company's Board of Directors instituted the Committee for the Evaluation of Related Party Transactions in 2010. The Committee consists of five members appointed by the Board of Directors from among its non-executive members who meet the independence requirements laid down by the Listed Companies' Self-Regulatory Code. Its current members are Alessandro Pedersoli (Chairman), Cesare Calari, Carlo Carraro, Paola Sapienza and Paolo Scaroni.

COMMITTEE FOR THE EVALUATION OF RELATED PARTY TRANSACTIONS

OFFICE	FIRST NAME, LAST NAME
• Chairman	Alessandro Pedersoli
• Non-executive and indipendendent Director	Cesare Calari
• Non-executive and indipendendent Director	Carlo Carraro
• Non-executive and indipendendent Director	Paola Sapienza
• Non-executive and indipendendent Director	Paolo Scaroni

This Committee, met once in 2011 and seven times in 2012, and has met once to date in 2013.

It has the task of expressing its opinion of the related party transactions submitted for its attention by the Board of Directors or the bodies holding delegated powers, in accordance with the Related Party Transaction Procedures approved by the Board of Directors. The opinion relates to the Company's interest in performing the transaction, and the benefits and substantive fairness of its terms.

For the issue of its opinion, the Committee for Evaluation of Related Party Transactions can call on the assistance of one or more independent experts, preferably experts commissioned specifically for that purpose by the Board of Directors or the body holding delegated powers.

The Committee has no power to express its opinion of transactions relating to the remuneration of Directors, Permanent Statutory Auditors or Senior Executives of the Company with a grade at least equal to Central Director, which are the responsibility of the Remuneration Committee.

In 2012 the Committee supported the Board of Directors in expressing an opinion of the various related-party transactions. Minutes of each meeting are drawn up. The duration of the only meeting held in 2011 was approximately thirty minutes. The average duration of the meetings held in 2012 was approximately forty minutes.

The Members of the Committee receive an attendance fee of € 5,000.00 per meeting, a fixed fee (€ 25,000.00 for the Chairman and € 20,000.00 for the other members of the Committee) and reimbursement of expenses incurred to attend meetings.

Antonio Cangeri is the Secretary of the Committee.

Social and Environmental Sustainability Committee

The Company's Board of Directors has instituted a **Social and Environmental Sustainability Committee**. The Committee consists of three directors (its current members being Gabriele Galateri, Carlo Carraro and Paolo Scaroni). CFO Alberto Minali is systematically invited to attend meetings of the Committee. The Committee is responsible for performing consultative, recommendatory and preparatory activities for the Board of Directors on environmental and social matters involving the Company and the Group.

OFFICE	FIRST NAME, LAST NAME
• Chairman • Non-executive director	Gabriele Galateri
• Member of the Committee • Non-executive and independent director	Carlo Carraro
• Member of the Committee • Non-executive and independent director	Paolo Scaroni

The Committee met twice (for about an hour) in 2012, and dealt (*inter alia)* with some matters regarding drafting guidelines for the Group Sustainability Report. It has so far met once in 2013. Minutes of each meeting are drawn up.

Antonio Cangeri is the Secretary of the Committee.

Committee members receive an attendance fee of € 2,000.00 per meeting.

Internal Control and Risk Management System

ISVAP Regulation no. 20 of 26 March 2008, as amended, contains the main regulatory provisions for insurance companies relating to internal controls and risk management.

The Company's Board of Directors has established the principles and basic characteristics of its Internal Control and Risk Management System, approving a document entitled *The Internal Control and Risk Management System*, which describes in detail its purposes, principles, structure, roles, responsibilities and main provisions, and arranging for it to be adopted by its subsidiaries, while having regard to the specific legislative provisions in force in each country in which the Group operates.

This system takes account of the "Solvency II" Directive on the taking-up and pursuit of the business of Insurance and Reinsurance (issued on 17 December 2009).

In particular, the Group has already introduced adaptations to the organisational structure of its Internal Control and Risk Management System ("the System"), designed to stimulate continual value creation, promoting its values and business culture.

The System attributes to the Board of Directors, in the ambit of its tasks and responsibilities, the ultimate responsibility for establishing internal control and risk management strategies and policies and guaranteeing their suitability and maintenance over time, in terms of completeness, functionality and efficacy, in accordance with the size and operational specificity of the Company and the Group and with the nature and intensity of its corporate risks, including with reference to outsourced company functions. The Top Management[24] is responsible at different levels for the implementation, maintenance and monitoring of the System.

The System also attributes to all the Company's departments an adequate position in a system with two organisational levels:

- the first level, namely the operational level, whose main organisational interface is the top management and which is supported by controls focusing on the functionality of specific risk management and control areas;
- the second level, namely the control level, which has a high degree of organisational independence, and is responsible for evaluating the soundness of the System in terms of controls.

These organisational levels are divided into three lines of defence for risk management purposes:

- operational departments;
- Risk Management Department and Compliance Department;
- Internal Audit Department.

In the ambit of the first line of defence, the heads of the operational departments (risk owners) have direct responsibility for undertaking and managing risks and implementing the necessary control activities. For this purpose, with the support of the Risk Management Department, they provide the top management with the information required for it to establish the management and control policies, methods and tools for the risks for which they are responsible at both Group and Company level, coordinate their implementation, and guarantee their adequacy over time. They also ensure compliance with the objectives and policies by the operational departments for which they are responsible, and identify and perform corrective measures within the limits of their independent responsibility; outside those limits they produce specific recommendations and suggestions for the top management.

The control activities are therefore deemed to be an integral part of each company process, and are the responsibility of the Manager of each organisational unit. According to a principle of "self-assessment" of processes, in terms of the risks and controls associated with them, each organisational unit is directly responsible for achieving (and therefore aware of having to achieve) the objectives of efficacy, efficiency and quality of the risk management and control mechanisms relating to their activities, which are defined by policies issued at Group level.

To guarantee continuous control of risks by implementing suitable controls, there are specific company departments which have no operational tasks and are consequently not responsible for decision-making regarding individual risks.

Moreover, to complete the activities performed by the operational structures and line control structures (such as management control, inspectorates, etc.), a specific role is performed by the risk management, compliance and internal audit departments, independent control departments that supplement the activities of the first line of defence. These functions are represented organisationally by the Group Risk Management, Group Compliance and Group Audit structures, whose managers report functionally to the Board of Directors, either directly or through the Risk and Control Committee (while the Group Audit structure reports organisationally to the Board of Directors).

The Group Risk management structure supports the Board of Directors and the top management in establishing risk management strategies and risk monitoring and measurement tools and, through a suitable reporting system, supplies the data required to evaluate the strength of the risk management system as a whole. For this purpose it constantly monitors the development of the risk profile of the Company and the Group and compliance with the management policies.

In order to guarantee a consistent, uniform approach within the Group, the management policies and risk measurement methods approved by the Board of Directors are adopted by all Companies in the Group, with any necessary

24 Group CEO and his first reports at Head Office.

adaptations due to the legislative context or the specificity of local business.

The Group Risk Management structure constantly monitors the development of the risk profiles of the Company and the Group, and compliance with the management policies established.

In the ambit of the Group Risk Management structure, the Operational Risk Unit, among the activities for which it is responsible, supports the Manager in Charge of Preparation of the Company's Financial Reports as regards the activities for which he is responsible, as specified by s. 154-*bis* of the CFBA.
Also in the context of the second line of defence, the Group Compliance structure represents an additional control, being responsible for evaluating the suitability of the organisation and internal procedures of the insurance company to prevent the risk of incurring legal or administrative sanctions, pecuniary loss or damage to reputation, as a result of infringement of legislation, regulations or orders issued by the Regulators or the provisions of self-regulatory codes.

The manager of the structure reports at half-yearly intervals to the Board of Directors, either directly or through the Risk and Control Committee, and prepares a report on the non-compliance risk situation and the annual plan of planned activities. To allow supervision of the management of the compliance risk at Group level, a *Group Compliance Policy* has been approved, which establishes the principles and guidelines for the performance of the activities that each company in the Group is obliged to adopt, subject to the necessary adaptations due to specific local legislation and the size and nature of the company.

In addition to the tasks specified in the said ISVAP Regulation no. 20 of 26 March 2008, the structure is also responsible for supervising the correct management of Related-Party Transactions pursuant to Consob Regulation no. 17221 of 12 March 2010.

The Group Audit structure is responsible for providing an independent evaluation of the efficacy and efficiency of the internal control system and highlighting any need for updating, operating as a third line of defence.

The internal audit activities consist of direct actions at operational facilities, established in the ambit of an Audit Plan, approved by the Board of Directors, which is based on a structured process of analysis and prioritising of the main actions

In order to ensure a uniform approach and rapid discovery of any critical factors present in the various subsidiaries, their internal audit officers report to the head of the Group Audit structure as established by a dedicated Group Policy, which also defines relations between the local internal audit structures and the Group Audit structure and precise methodological and organisational instructions.

To guarantee the independence of the control departments, the Board of Directors resolves on the appointment and dismissal of the heads of the said departments, and establishes their annual remuneration packages.

Main characteristics of the risk management and internal control system in relation to the financial reporting process

The risk management and internal control system in relation to the financial reporting process adopted by Assicurazioni Generali ("the System") is part of the more general internal control and risk management system.

That System, designed to guarantee the accuracy, reliability and promptness of financial reporting, deals with internal control and risk management issues in an integrated way with the aim of identifying, evaluating and controlling risks relating to the financial reporting process (the financial reporting risk)[25] to which the Company and the Group are exposed.

In the pursuance of this aim, the Company has established a "financial reporting risk model" consisting of a set of principles, rules and procedures which are designed to guarantee a suitable administrative and accounting system.

The figure of Manager in Charge of Preparing the Company's Financial Reports falls into this context.

The "financial reporting risk model" adopted by the Company and extended in the ambit of the Group to companies identified as relevant for those purposes (Perimeter Companies)[26] is based on a process in accordance with the following reference frameworks, generally recognized and accepted at international level:

- CoSO[27] Internal Control – Integrated Framework, issued in 1992, which establishes guidelines for the evaluation and development of an internal control system[28];

25 Financial reporting risk is defined as the risk of incorrect recording of a company transaction which entails an untrue and incorrect representation of the situation of the assets, liabilities, profit or loss in the company's yearly and consolidated financial statements and in any other financial release.

26 Perimeter companies are identified as those which, when the ratios between assets, income and profits of the individual companies and the corresponding consolidated totals are applied, exceed given thresholds consistent with the best market practice. In particular, in the 2012 financial year, Perimeter companies represented approximately 80% of the total consolidated assets.

27 Committee of Sponsoring Organisation of the Treadway Commission.

28 In the ambit of the CoSO Framework, the model refers to the component of the internal control system relating to the processes of obtaining, processing and publishing flows of economic and financial information (financial reporting).

- CObiT (Control Objective for IT and Related Technology)[29] which provides specific guidelines for the information systems area, supplemented by the ITIL[30] (a framework already adopted by the Group) and ISO/IEC[31] 27001.

A "cascade" system of certificates (known as "Confirmation letters") has been instituted, whereby the CEOs and/or the CFOs of all the consolidated subsidiaries guarantee the true and correct representation of the financial data communicated to the Company, and the adoption of a suitable internal control system governing the financial reporting risk.

In accordance with the chosen reference framework (CoSO framework) the financial reporting risk model is divided into the following stages:
- identification and assessment of financial reporting risks;
- identification and assessment of controls governing the risks identified.

In relation to the consolidated accounts, relevance is determined on the basis of the same criteria as generally used in auditing practice.

As regards processes, those which have a potential accounting impact on the consolidated accounts in question are considered relevant, as well as all processes relating to activities performed at the close of a given period.

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

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

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

The first-level controls of the *financial reporting risk model* include the following types:
- controls at company level;
- controls at process level;
- controls on information technology.

The analysis of the controls is broken down into stages involving the assessment of the design and confirmation they are operating effectively, according to specific methods for each type of control.

If deficiencies in governing the financial reporting risks are found during tests of adequacy and operating effectiveness, corrective measures/actions are identified and constantly monitored by the Manager in Charge of Preparing the Company's Financial Reports.

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

Process-level controls operate at a more specific level than company-level controls, and are designed to mitigate the financial reporting risk by means of control activities, included those performed in the company's operational processes.

Information Technology controls focus on processes closely connected with the management and processing of information relating to the systems used to draft the financial statements.
Controls relating to software purchase and maintenance activities, management of safety and security, development and maintenance of applications, completeness and accuracy of the data in the systems, IT risk analysis and government of information systems, are analysed in particular.

Consistently with the internal control and risk management system adopted by the Company, the *financial reporting risk model* involves the company's governing bodies and operational and control structures in an integrated management, in accordance with different levels of responsibility, which are designed to guarantee the adequacy of the model at all times.

Within the Perimeter companies, the activities involved in coordinating the financial reporting risk model are performed by the CEOs of each company through a delegate, usually the CFO, who reports to a permanent local monitoring unit responsible for the activities involved in management of the financial reporting risk; the local monitoring unit also has the task of guaranteeing an appropriate, complete report to the Operational Risk function on the activities performed and any critical factors found.

29 The CobIT is connected by the IT Governance Institute to the CoSO Framework.

30 Information Technology Infrastructure Library.

31 International Organization for Standardization/ Information Electrotechnical Commission.

The Manager in Charge of Preparing the Company's Financial Reports periodically reports to the Board of Directors, either directly or through the Control and Risks Committee, on the activities performed in the exercise of his/her functions.

The organisational and management model

The Company's Board of Directors, and the Boards of its Italian subsidiaries with strategic importance, have adopted an organisational and management model ("the **Model**") aimed at preventing the criminal offences described in the current legislation on the subject of administrative liability of companies for criminal offences perpetrated in the Company's interests or for its benefit, 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 of preventing offences under LD 231/01 (hereinafter called "the offences") that led to its adoption.

The adoption of a Model designed to prevent offences, and its effective implementation, are designed to protect the Company against conduct that may involve administrative liability pursuant to Legislative Decree no. 231/01, as expressly stated in the applicable legislation.

The approach taken is of a substantial nature, since the Model is made up of a set of principles, rules, provisions and organisational schemes relating to the management and control of corporate activities. The contents of the Model are illustrated in the Document illustrating the Organisation and Management Model and its schedules.

The activity of identifying "sensitive" or "at-risk" areas, namely company processes and activities in which offences could theoretically be committed, has led to the passing of the "231/01 legislation", a series of general and special provisions governing various fields of activity with the main (but not sole) objective of preventing the commission of offences on the basis of the suggestions contained in the ANIA Guidelines for the insurance industry, and on the basis of the Operating Suggestions by which the said trade association has identified the procedures to be followed for the adoption of the Models and some of the possible methods of detecting and preventing crimes.

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 independent persons who, within the corporate organisational structure, guarantee the necessary independence of the Supervisory Body and make the best possible contribution to performance of its functions and attainment of its objectives.

Statute no. 183 of 12 November 2011 (the "Stability Act"), which came into force on 1 January 2012, states that the Board of Statutory Auditors may act as Supervision and Control Committee pursuant to Legislative Decree 231/2001. However, the Company has decided not to use that power granted by the legislator, in order to guarantee adequate segregation of tasks and ensure, in view of the range of crimes covered by the Decree, that its own Supervision and Control Committee holds all the necessary powers to perform the supervisory tasks allocated to it by the Decree effectively.

It is therefore structured as follows:

MEMBERS OF THE SUPERVISORY BODY

CORPORATE FUNCTION		FIRST NAME, LAST NAME
• Chairman	Chairman of the Control and Risk Committee	Alessandro Pedersoli
• Member of the Committee	Head of the Group Internal Audit	Alessandro Busetti
• Member of the Committee	Head of the Group Legal and Corporate Affairs	Stefania Bergamo

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

This solution is considered suitable in that:
- it ensures the autonomy and independence required for the Supervisory Body;
- it allows a direct connection with the top management, the Board of Statutory Auditors and, both directly and through the Risk and Control Committee, the Board of Directors.

The Supervisory Body cooperates 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 unit responsible for updating the Model.

The members of the Supervisory Body 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[32].

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 Decree;
- 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 Risk and Control Committee and the Board of Statutory Auditors;
- asking for and obtaining information and documents of any type from any level or sector within Generali;
- carrying out checks and inspections with a view to ascertaining any breaches of the Model;
- devising a supervision programme within the framework of the various activity sectors, in accordance with the principles contained in the Model;
- guaranteeing that the supervision programme is implemented, partly by scheduling activities;
- guaranteeing that reports are drafted on the effects of the measures taken;
- guaranteeing that the identification, mapping and classification system of "risk" areas is constantly updated, for the supervision purposes falling within the jurisdiction of the Body;
- notwithstanding the terms of the document illustrating the Model, defining and promoting initiatives aimed at spreading knowledge and understanding of the Model, training personnel and raising their awareness of the need for compliance with the principles outlined in the Model;
- dispelling any doubts on the interpretation and implementation of the provisions enshrined in the Model;
- establishing an effective internal communication system to allow the transmission and collection of relevant news for the purpose of the applicable legislation, while ensuring the protection and privacy of informants;
- issuing quotes for the performance of its activities, and submitting them to the Board of Directors for approval; any extraordinary expenses not included in the quote shall also be submitted to the Board for approval before being incurred;
- activating disciplinary measures if necessary;
- monitoring compliance with the terms of Legislative Decree 231/07 within its sphere of jurisdiction;
- notifying the appropriate supervisory authorities, without delay, of all actions or facts that come to its knowledge in the exercise of its duties which may constitute a breach of the terms of s. 7.2 of Legislative Decree 231/07;
- notifying the owner of the business, its legally authorised representative or agent, without delay, of breaches of the terms of s. 41 of Legislative Decree 231/07 which come to its knowledge;
- notifying the Economy and Finance Ministry, within thirty days, of breaches of the terms of ss. 49.1, 49.5, 49.6, 49.7, 49.12, 49.13, 49.14 and s. 50 of Legislative Decree 231/07 which come to its knowledge;
- informing the appropriate supervisory authority, within thirty days, of breaches of the terms of s. 36 of Legislative Decree 231/07 which come to its knowledge.

The Board of Directors is called upon to update the Model and adapt it to any changes in the organisational structure, operational processes and the results of checks.

The Supervisory Body retains, in any event, the tasks and powers connected with devising, developing and promoting constant updating of the Model. To that end, it may present recommendations and proposals as to the organisation and the control system to relevant units or, in particularly significant cases, directly to the Board of Directors. The Supervisory Body also supervises the dissemination of the contents of the Model 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.

32 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.

In 2012, the main activities performed by the Supervision and Control Committee were:

- analysis of the periodic report on the implementation and supervision activities performed by the Company regarding the Model;
- description of the activities performed during the 2010 financial year;
- presentation of the 2011 activity plan and expenditure budget;
- examination of the progress of the supervisory activities performed during the period in question;
- evaluation of the variation in the organisational structure and grant of powers regarding the protection of health and safety in the workplace.

The Supervision and Control Committee has not so far discovered any conduct relevant for the purpose of Legislative Decree no. 231/01, and has already audited all the most significant company areas, with the assistance of the Internal Audit Department. In particular, the supervisory activities have led to continual improvements in the level of prevention of the offences in question, by formulating suggestions to the various Process Owners, who have always formally undertaken to implement the necessary corrective measures.
In 2012, in the context of a continuous improvement process, the Supervision and Control Committee began updating the Model to incorporate the legislative amendments and organisational changes which had been introduced, so that the contents and structure of the Model more closely match the actual operational situation.

This activity, coordinated by the relevant organisational structure, led to a review of the Document Illustrating the Model, which consists of a General Part and various Special Parts.

The General Part illustrates the rationale for and principles of the Decree, the Governance Model and the principles of the Internal Control System, and delineates the elements constituting the components of the Model, including the role of Supervision and Control Committee responsible for supervising the operation, and updating of the Model and compliance with it.

The Special Parts, which cover some classes of crime, provide a representation of the types of offence contemplated by the Decree. For this purpose, each Special Part contains a legislative analysis of the individual crimes included in the Decree, and the general principles of conduct by which behaviour in all the potentially "at risk" areas of each Special Part must be inspired. In each "at risk" area the company departments involved are identified, together with "sensitive activities", the specific crimes theoretically possible, the methods by which they can be committed or conduct contributing to their commission, and the "preventive controls" and tasks of the Supervision and Control Committee in this respect.

The updated version of the "Document illustrating the Company's organisation and management model" was approved by the Board of Directors at the meeting held on 22 February 2013. At the same time, the Board approved the expenditure budget of the Supervision and Control Committee, proposed by the latter for the 2013 financial year, confirming it at € 308,000, as in the preceding year.

The newly-appointed Board of Directors will also appoint the new Supervision and Control Committee with a different composition, namely:

- a non-executive independent director;
- an interim Group Internal Audit Manager;
- an interim Group Compliance Manager;
- two authoritative external professionals with proven skills and experience in fields relating to the tasks assigned to the Supervision and Control Committee.

GENERAL MEETING

The Company has amended the text of the Articles of Association to incorporate the main innovations introduced by Legislative Decree no. 91 of 18 June 2012 (the "Corrective Decree"), and introduced some major innovations regarding the operation of General Meetings which are designed to strengthen the rights of shareholders and facilitate their participation in the corporate life of listed companies.

In particular the possibility of using telecommunication systems to speak at the General Meeting and electronic systems to cast the vote was introduced, and submitted to the Board of Directors, when drafting the notice of call.

The General Meeting is called by publishing a notice on the Company's website at least 30 days prior to the date of the first or only convocation of the meeting. The said notice shall indicate the date, hour and place of the meeting and the items on the agenda, and the additional information required by the applicable legislation. The notice shall also be published in national newspapers The said notice is publicised by publication in national newspapers, and by direct notice sent to the shareholders who attended recent meetings. In the case of the General Meeting called to elect the members of the Board of Directors and Board of Statutory Auditors, the deadline for publication of the notice of call has been brought forward to the 40th day before the date of the General Meeting, whereas for the General Meetings specified in ss. 2446 (*Reduction of share capital due to losses*), 2447 (*Reduction of share capital below statutory limit*) and 2487 (*Appointment and revocation of liquidators; criteria for conduct of liquidation*) of the Civil Code, the deadline is postponed to the 21st day before the date of the General Meeting.

The General Meeting is not entitled to make decisions upon items that are not on the agenda.

Shareholders jointly or severally representing at least one-fortieth of the share capital may apply, within ten days of the publication of the notice of call of the Meeting, for additional subjects proposed by them to be added to the agenda, or submit proposed resolutions relating to items already on the agenda.

The Ordinary General Meeting for the approval of the Financial Statements is called within 120 days of the end of the financial year; if the statutory conditions are fulfilled, the said period can be extended to 180 days. The meeting is usually conducted in Trieste, although it may alternatively be held at other locations in Italy.

Annual General Meetings are one of the major opportunities for dialogue between shareholders and Company management. During the meeting, a presentation concerning management performance is traditionally followed by a question-and-answer session between shareholders and the management.

The General Meeting may be attended by shareholders who are entitled to vote, provided that they prove their entitlement in the statutory forms. Entitlement to attend the General Meeting and exercise voting rights is certified by a notice issued to the Company by the intermediary in accordance with its books of account, on the basis of evidence relating to the end of the accounting day on the seventh market trading day before the date set for the first or only call of the General Meeting. Debit and credit entries made after that date shall not be taken into account for the purpose of entitlement to vote at the General Meeting. The notice issued by the intermediary that keeps the accounts relating to the shares must be received by the Company by the end of the third market trading day prior to the date set for the first or only call of the Meeting, or within such different period as may be indicated in the notice convening the Meeting in compliance with the law, and in any event before the start of the proceedings at each call of the Meeting.

As regards Attendance at General Meetings by parties acting as proxies for other shareholders, according to the legislation, only one proxy can be appointed for each General Meeting, save for the power to indicate substitutes, and a different representative can be appointed for each of the accounts to which the intermediary's notice relates.

For each General Meeting the Company designates a party (the designated representative) which shareholders can appoint as proxy with voting instructions on some or all of the items on the agenda; the identity of the said party designated by the Company, and the procedures and time limits for shareholders to appoint a proxy, are indicated in the notice of call of the General Meeting. The proxy can be appointed in writing or in electronic form, in compliance with the current legislation and according to the procedures specified in the applicable regulations. The appointment of the proxy can be notified to the Company in a specific section of the Company's website or by certified e-mail, by the procedures indicated in the notice of call.

Members of the Board of Directors attend these meetings regularly[33].

The operating procedures of the General Meeting and the procedures for individual shareholders to speak during the discussion[34] are governed by a specific Regulation. The said Regulation is available at the Company's registered offices and in the section of the website (www.generali.com) containing, as well as the Regulation, the Articles of Association and information about the Company's governing bodies.

Assicurazioni Generali has had a General Meeting Regulation since 1972.

That document, which was the prototype by which many listed and unlisted Italian companies were inspired when drafting their own, was recently amended to comply with the provisions introduced by Legislative Decree no. 27 of 27 January 2010 entitled "Implementation of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies", to define the scope of some provisions more clearly, and to regulate the stages in which the General Meeting is performed.

The Legislative Decree made substantial amendments to a number of matters relating to the operation of the general meetings of companies issuing listed shares, and some amendments consequently need to be made to coordinate the text of the Company's Articles of Association with the Regulation. In particular, the amendments to the General Meeting Regulation related to:

- revocation of the reference to production of the certificate issued by an intermediary as the pre-requisite for entitlement to speak at the General Meeting;
- introduction of electronic voting;
- introduction of the right to ask questions before General Meetings;
- adjustment of the maximum period for adjournment of the General Meeting to comply with the legislation if the conditions specified in section 2374 of the Italian Civil Code are fulfilled;
- the grant of power to the Board of Directors to resolve on amendments to terms of the Regulations which become incompatible with new, mandatory legislative provisions.

33 The mathematical mean of attendance of Directors at the last three General Meetings, held in 2010, 2011 and 2012, was 79.5%.

34 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 Statutory 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.

Majorities

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

ORDINARY SESSION	FIST CALL	SECOND CALL	THIRD CALL	ONE CALL
Constitutive quorum	Presesence of as many shareholders as to represent at least a half of the share capital	Regardless of the share capital represented by the shareholders attending the meeting	Does not apply	Regardless of the share capital represented by the shareholders attending the meeting
Deliberative quorum	Absolute majority of the represented capital	Absolute majority of the represented capital	Does not apply	Absolute majority of the represented capital

EXTRAORDINARY SESSION	FIST CALL	SECOND CALL	THIRD CALL	ONE CALL
Constitutive quorum	Presesence of as many shareholders as to represent at least a half of the share capital	Presesence of as many shareholders as to represent more than one third of the share capital	Presesence of as many shareholders as to represent more than one fifth of the share capital	Presesence of as many shareholders as to represent more than one fifth of the share capital
Deliberative quorum	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital	Favourable vote cast by at least two thirds of the represented capital

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

- pass resolutions on Financial Statements;
- pass resolutions concerning the allocation of profits;
- appoint the Board of Directors, Permanent and Substitute Auditors and the Chairman of the Board of Statutory Auditors;
- approve remuneration policies for members of the governing bodies appointed by the General Meeting and the Company's key personnel in accordance with the applicable legislation in the sector, including remuneration plans based on financial instruments;
- establish the Statutory Auditors' fees;
- 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;
- appoint External Auditors to audit the accounts during the financial year, the financial statements and the consolidated financial statements; establish their fees;
- pass any other resolution required by law or submitted to the General Meeting by the Board of Directors.

The majorities established for extraordinary sessions of the General Meetings are required to resolve on amendments to the Company's Articles of Association, the appointment and powers of liquidators in the event of the Company's winding-up, and in other cases provided for by law.

Relations with Institutional Investors and other Shareholders

The Investor Relations Department is responsible for relations with institutional investors. To facilitate relations with this Department, the "Investor Relations" section of the website www.generali.com includes its telephone numbers and e-mail addresses under "Contacts".

As far as day-to-day relations with retail shareholders are concerned (intensifying as General Meetings draw near), the Company has set up its own "Share Office", the activity of which falls within the "Group Corporate Affairs Department", which is also part of the Central Head Office in Trieste.

The Company encourages and promotes the widest possible attendance of shareholders at General Meetings. This year's General Meeting will be held on Tuesday 30 April.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors consists of three permanent and two substitute Auditors, who may be re-elected. Once elected, Statutory Auditors forfeit their office if situations of incompatibility arise as specified by law or they exceed the limits on simultaneous offices established by the applicable legislation.

All the permanent and substitute statutory auditors must meet the requirements laid down by law.

As regards the requisite of independence of the members of the Board of Statutory Auditors, without prejudice to the statutory provisions the Code states that the Statutory Auditors shall be chosen among people who can be classed as independent, partly on the basis of the criteria applicable to Directors. Furthermore, the Board of Statutory Auditors shall assess compliance with the said criteria after the appointment and subsequently on an annual basis, including the result of such assessment in the corporate governance report. The current Board of Statutory Auditors, appointed by the General Meeting on 30 April 2011 for the 2011, 2012 and 2013 financial years, ie. until the next General Meeting held to approve the financial statements for the 2013 financial year, duly established that its members met the independence requirements according to Application Criterion 10.C.2 of the Self-Assessment Code.

Amongst the provisions of the Code pertaining to the Board of Statutory Auditors, attention should be paid to the fact that an Statutory Auditor who holds an interest, either directly or on behalf of third parties, in a certain transaction of the issuer, must promptly and exhaustively inform the other Statutory Auditors and the Chairman of the Board about the nature, terms, origin and extent of his/her interest.

The Board of Statutory Auditors is now required to monitor the independence of the External Auditors (whose appointment it proposes), verifying their compliance with the provisions of the applicable legislation and regulations, and the nature and extent of services other than the accounting control provided to the issuer and its subsidiaries by the External Auditors and organisations belonging to its network. This activity was duly performed by the Board of Statutory Auditors in the last financial year.

Moreover, in compliance with the Code, the Statutory Auditors may exercise the aforementioned power to verify the proper application of the criteria and assessment procedures adopted by the Board of Directors to evaluate the independence of its own members.

Among all the various provisions, particular attention should be paid to the one laid down in article 149 of the CFBA which includes, among the other supervisory duties attributed to the Board of Statutory Auditors, checking on the methods of implementing the corporate governance rules laid down in codes of conduct drawn up by the management companies of regulated markets or by trade associations, which the company, in public disclosures, declares that it complies with.

According to current legislation, shareholders who, either alone or jointly with others, own a qualifying holding amounting to at least 0.5% of the share capital, shall be entitled to submit a list for the appointment of the Board of Statutory Auditors.

Lists submitted by shareholders, consisting of two sections, one for the appointment of the Regular Statutory Auditors ad the other for the appointment of the Substitute Statutory auditors, shall be filed by the twenty-fifth day before the date of the first or only convocation of the General Meeting.

The lists, suitably composed to ensure a gender balance, shall be accompanied by information about the shareholders who submit them, with details of the total percentage of the share capital held by them. The following documents shall be filed together with the lists:

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

If the said requirements are not met, the list shall be deemed not to have been submitted.

If only one list has been submitted by the said deadline, or only lists submitted by shareholders connected with one another, lists may be submitted until the third day after the said date. In such case, the thresholds for submission of lists of candidates shall be halved.

The parties entitled to vote, companies directly or indirectly controlled by them, companies directly or indirectly subject to joint control, and shareholders connected by one of the relationships specified in s. 109.1 of the CFBA, relating to the company, may jointly submit and shall only vote for one list; in the event of breach of this provision, no account shall be taken of support given to any of the lists.

The first two candidates in the list that obtained the largest number of votes (the "**Majority List**") and the first candidate in the list which, without taking account of the support given in any way, even indirectly, by shareholders connected with those who submitted or voted for the Majority List, obtained the second-largest number of votes (the "**Minority List**"), shall be elected Permanent Statutory Auditors. If the number of permanent statutory auditors of the less represented gender is less than the statutory number, the necessary replacements will be made from the statutory auditors' section of the Majority List, in order of presentation of the candidates.

The first candidate on the Majority List which obtained the largest number of votes and the first candidate on the Minority List shall be elected Substitute Statutory Auditors.

If the first two lists obtain the same number of votes, a new vote shall be held. In the event of a tie between two or more lists other than the one which obtained the largest number of votes, the youngest candidates shall be elected Statutory Auditors until all posts have been filled.

If only one list is submitted, all the Statutory Auditors to be elected shall be taken from that list.

The Permanent Statutory Auditor taken from the Minority List shall be appointed Chairman. If all the Statutory Auditors are taken from one list, the first candidate on that list shall be appointed Chairman.

In the event of the death, resignation or debarment of a Permanent Statutory Auditor taken from the Majority List or the only list, s/he shall be replaced by the substitute belonging to the same list or, if none, by the youngest substitute. The General Meeting shall appoint the members required to complete the Board of Statutory Auditors, passing resolutions by the statutory majority.

In the event of the death, resignation or debarment of the Permanent Statutory Auditor taken from the Minority List, s/he shall be replaced (including as Chairman) by the substitute belonging to the Minority List. If the replacement procedure for Statutory Auditors fails to produce a gender balance, the General Meeting shall make the necessary appointments, 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	Gaetano Terrin
• Permanent auditor	Giuseppe Alessio Vernì
• Substitute auditor	Maurizio Dattilo
• Substitute auditor	Francesco Fallacara

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 Statutory 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 permanent statutory auditor of Autogrill S.p.A. and Nuova Sidap S.r.l., 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 subsidiaries Banca Generali S.p.A., Europ Assistance Italia S.p.A. and Genertellife S.p.A., among others, He is also a statutory auditor of Premuda S.p.A. and Chairman of the Supervision and Control Committee of Danieli & C. S.p.A.

Gaetano Terrin, born in Padua on 16 July 1960, has been a certified auditor since 1992. In addition to practising as a chartered accountant, he is also an Statutory Auditor of a number of companies operating in the insurance, financial and industrial sectors, including a number of Generali subsidiaries. Engaged as Substitute Statutory Auditor of the Company in 1999, in 2001 he was appointed Permanent Statutory Auditor. Moreover, he holds the office of Permanent Statutory Auditor of Danieli & C. Officine Meccaniche S.p.A.

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

Francesco FALLACARA, born in Bari on 14 June 1964, graduated in Economics and Business, qualified as an accountant in 1990 and enrolled with the Accountants' and Bookkeepers' Roll in Rome in 1991. He currently provides tax and business consultancy services, and has written a number of tax publications.

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

Twenty-two meetings were held in 2010, with 100% attendance. 22 meetings were held in 2011 and 2012, almost all with 100% attendance. (See Table 3, containing attendance information for each member of the Board of Statutory Auditors).

The average attendance of Statutory Auditors at meetings of the Board of Directors was 100% in 2010, 94% in 2011 and 98% in 2012. The average attendance of Statutory

Auditors at Executive Committee meetings was 100% in 2010, 97% in 2011 and 100% in 2012.

The meetings of the Board of Statutory Auditors held in the last three years always saw full attendance.

EXTERNAL AUDITORS

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

The External Auditors are appointed by the General Meeting, on the substantiated proposal of the Board of Statutory Auditors. The General Meeting also decides on the fees of the External Auditors. The legislation has extended their term of office to nine years, and their appointment can be renewed when an interval of at least three years has elapsed since the termination of the last appointment.

If their appointment is renewed, the person in charge of the audits must be replaced after seven years, and cannot hold the same office again, even on behalf of another auditing firm, or with reference to the financial statements of subsidiaries, related companies, companies controlling the issuer or jointly controlled companies, unless an interval of at least three years has elapsed since the termination of the last appointment.

The above-mentioned mandate can be terminated before the due date upon the substantiated proposal of the Board of Statutory Auditors, on reasonable grounds. All resolutions passed by the General Meeting and concerning appointments and terminations are transmitted to CONSOB.

At the end of each financial year, the External Auditors examine the Financial Statements and draft a formal Report. The document is attached to the Financial Statements and deposited at the registered office of the Company for the fifteen days preceding the Meeting called to approve the Financial Statements, and until the statements are finally approved.

The firm of External Auditors, Reconta Ernst & Young S.p.A., was appointed on the proposal of the Board of Statutory Auditors by the General Meeting held on 30 April 2011, for the financial years 2011-2020.

WEBSITE

Legislative Decree no. 27 of 27 January 2010, which implements Shareholders' Rights Directive 2007/36/EEC, introduced some major innovations regarding the role played by the website of a listed company. The Company's website is the method used to disseminate information, including regulated information, as required by the applicable legislation.
The Company has kept its website (www.generali.com) regularly updated, in order to make clear, exhaustive information available to all users.

The website features a presentation of the Group and its history, its objectives, the markets where it operates, press releases describing major events in which the Group has played a part, and opportunities to work with the Company.

With an eye on information transparency, great importance is attached to the presentation of the share structure, financial and accounting data on the website. The data are carefully and promptly updated, so that among the documents users will find the latest approved financial statements and an easily accessible archive containing the accounts for several previous financial years.

In order to provide rapid, easy access to Company information, the telephone numbers and e-mail addresses of the Group Communications, Investor Relations, and Group Corporate Affairs departments are provided in the Press and Communications, Investor Relations and Governance sections.

In the Investor Relations section, the "General Meeting" subsection contains the notice convening the next General Meeting and the Reports on the Agenda, the minutes of meetings, and the speeches by the Chairman and Managing Directors for the last five financial years.

The Governance section makes all major documents available for consultation and downloading, such as the Articles of Association, the By-Laws of the General Meetings and this Report on Corporate Governance. At the same time, information is provided on internal dealing regulations, with details of the operations performed by internal dealers, related party transactions, and information about the legal representation system and the organisational and management model. A brief but comprehensive summary of the said documents is also available.

The site also features a subsection called "*Event Calendar*", providing information on the dates of the meetings of the governing bodies, such as the General Meeting and the Board of Directors' Meetings convened to approve the draft annual accounts, the consolidated financial statements, the half-year report and the quarterly reports, as well as events that are strictly financial in nature, such as press conferences and encounters with financial analysts.

The website also displays the ratings given to Generali's securities by rating firms. They are updated promptly, even before the said information is transmitted to Borsa Italiana.

All the material that can be consulted without a password is available in both Italian and English. The Articles of Association can also be downloaded in French, German and Spanish versions.

The company King Worldwide Digital, which has rated Italian and European websites for several years, has evaluated the Corporate Governance section of Generali's website very well again this year, giving it a score of 7.7 out of 12 for completeness of the information provided.

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

Milan, 13 March 2013

BOARD OF DIRECTORS

Third part – Annexed tables

Table 1: Share ownership information

SHARE CAPITAL STRUCTURE

	NO.OF SHARES	% IN RISPECT TO SHARE CAPITAL	LISTED / UNLISTED	RIGHTS AND OBLIGATIONS(**)
Ordinary share	1,556,873,283	100.00	FTSE MIB	See the note
Restricted voting shares(*)	-	-	-	-
Restricted 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 OF ORDINARY CAPITAL(*)
MEDIOBANCA Group	Mediobanca	13.149
	Spafid	0.089
	Total	**13.238**
BANCA D'ITALIA	Banca d'Italia	4.482
	Società per la bonifica dei terreni ferraresi e per le imprese agricole S.p.A.	0.007
	Total	**4.489**
Leonardo Del Vecchio	Delfin Sarl	2.997
	Total	**2.997**
B&D HOLDING Group	Dea Partecipazioni S.p.A.	2.260
	B&D Finance S.A.	0.174
	Total	**2.434**
CALTAGIRONE Group	CALTAGIRONE EDITORE	0.215
	Echelto Srl	0.019
	FGC	0.052
	FINANZIARIA ITALIA 2005	0.170
	Finced	0.151
	Gamma S.r.l	0.409
	Immobiliare Caltagirone - Ical	0.013
	Mantegna 87	0.058
	Pantheon 2000	0.231
	Porto Torre	0.090
	Quarta Iberica	0.106
	So.co.ge.im	0.006
	Unione Generali Immobiliare	0.100
	Vianini Industria	0.116
	Viapar	0.071
	VM 2006	0.418
	Francesco Gaetano Caltagirone	0.007
	Total	**2.232**
EFFETI	Effeti S.p.A.	2.151
	Total	**2.151**

(*) The ordinary share capital coincides with the voting capital.

Table 2: Structure of the Board of Directors and Committees

BOARD OF DIRECTORS		DIRECTORS					RISK AND CONTROL COMMITTEE		REMUNERATION COMMITTEE		EXECUTIVE COMMITTEE		APPOINTMENTS AND CG COMMITTEE	
OFFICE	MEMBERS	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT	(***)	NO. OF OTHER OFFICES(*)	(**)	(***)	(**)	(***)	(**)	(***)	(**)	(***)
Chairman	Gabriele Galateri		X		100%	5					X	100%	X	100%
Vice-chairman	Francesco Gaetano Caltagirone		X	X	91%	3					X	92%		
Vice-chairman	Vincent Bolloré		X		73%	3					X	92%		
Vice-chairman	Alberto Nicola Nagel *(until 24/04/2012)*		X		100%						X	100%	X	50%
Group CEO	Mario Greco *(from 1/08/2012)*	X			100%	1					X	100%		
Managing Director	Giovanni Perissinotto *(until 20/07/2012)*	X			100%						X	100%		
Managing Director	Sergio Balbinot *(until 8/11/2012)*	X			100%						X	100%		
Director	Cesare Calari		X	X	100%	1	X	100%						
Director	Carlo Carraro		X	X	100%		X	100%						
Director	Claudio De Conto *(from 11/05/2012)*		X	X	100%	4			X	100%				
Director	Diego Della Valle *(until 5/06/2012)*		X	X	50%									
Director	Petr Kellner		X		55%									
Director	Angelo Miglietta		X	X	100%	4	X	100%			X	100%		
Director	Alessandro Pedersoli		X	X	100%	1	X	100%					X	84%
Director	Lorenzo Pellicioli		X	X	82%	1			X	100%	X	92%	X	84%
Director	Reinfried Helmut Pohl		X		55%	1								
Director	Clemente Rebecchini *(from 11/05/2012)*		X		100%	3					X	100%	X	100%
Director	Paola Sapienza		X	X	100%		X	100%						
Director	Paolo Scaroni		X	X	82%	3			X	100%				
Director	Francesco Saverio Vinci *(until 24/04/2012)*		X		100%				X	100%				

Number of meetings held in the reference financial year

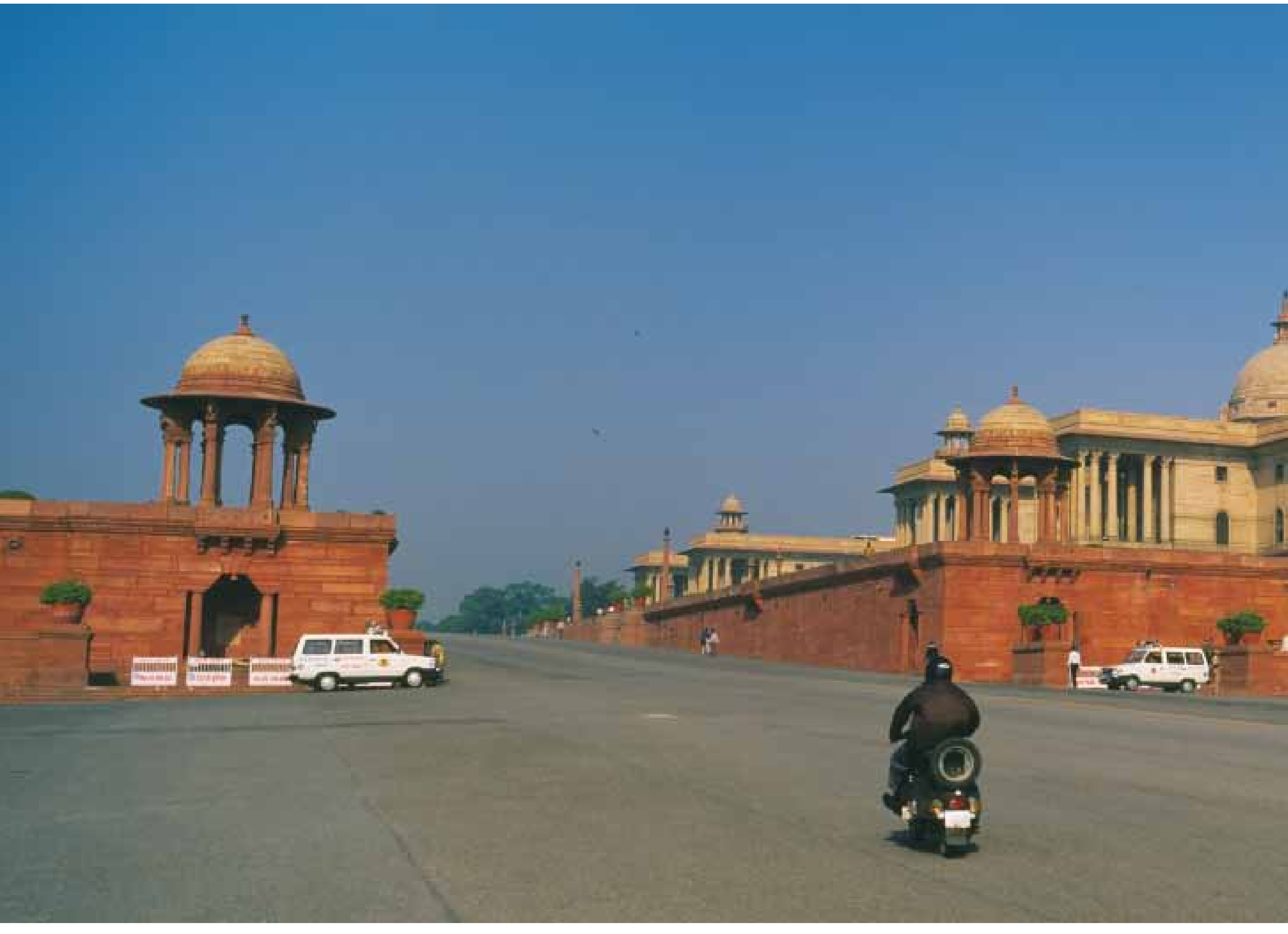
BoD: 12 Risk and Control Committee: 9 Remuneration Committee: 8 Executive Committee: 12 Appointments and Corporate Governance Committee: 6

The quorum required for submission of lists for the last appointment of the Board of Directors was 0.5% of the share capital.
The period on which the valuation of the holdings is based is 1 January to 31 December 2012.
(*) This column indicates the number of directorships or statutory auditor offices.
The foregoing report expressly indicates such offices.
(**) "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 Committeees attended by Directors.

Table 3: Board of Statutory Auditors

OFFICE	MEMBERS	PERCENTAGE OF MEETINGS OF THE BOARD OF STATUTORYAUDITORS ATTENDED	NUMBER OF OTHER OFFICES(*)
Chairman	Eugenio Colucci	91%	1
Permanent auditor	Giuseppe Alessio Vernì	100%	-
Permanent auditor	Gaetano Terrin	100%	1
Substitute auditor	Maurizio Dattilo	-	-
Substitute auditor	Francesco Fallacara	-	-
Number of further meetings attended during the financial year:		24 (1 General Meeting, 11 Board of Directors Meetings and 12 Executive Committee meetings)	
Quorum for the submission of lists by minorities for the election of one or more Permanent Auditors (pursuant to art. 148 of the CFA):		5/1000 of the share capital	

(*) This column indicates the number of directorships or statutory auditor offices held by the person concerned in other companies listed on regulated Italian markets. The foregoing Report lists such offices in full.



INDIPENDENT AUDITOR'S REPORT

New Delhi - India

Reconta Ernst & Young S.p.A.
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34125 Trieste

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Independent auditors' report
pursuant to articles 14 and 16 of Legislative Decree No. 39 dated 27 January 2010 and to article 102 of Legislative Decree No. 209 dated 7 September 2005

(Translation from the original Italian text)

To the Shareholders of
ASSICURAZIONI GENERALI S.p.A.

1. We have audited the consolidated financial statements of ASSICURAZIONI GENERALI S.p.A. and its subsidiaries (the "GENERALI Group") as of 31 December 2012 and for the year then ended, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flow and the related explanatory notes. The preparation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the Regulation issued in implementation of artcle 90 of the Legislative Decree n° 209/2005, is the responsibility of ASSICURAZIONI GENERALI S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to the report issued by another auditor dated 2 April 2012.

3. In our opinion, the consolidated financial statements of ASSICURAZIONI GENERALI S.p.A. at 31 December 2012 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as well as the Regulation issued in implementation of article 90 of Legislative Decree n° 209/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the GENERALI Group as of 31 December 2012 and for the year then ended.

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
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4. The Directors of ASSICURAZIONI GENERALI S.p.A. are responsible for the preparation of the Management 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 Management Report and the specific section on Corporate Governance and Ownership Structure Report, limited to the information indicated in article 123-bis, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) of Legislative Decree n. 58/1998 with the financial statements, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Management Report and the information presented in the Corporate Governance and Share Ownership Report as required by article 123-bis paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) of Legislative Decree n. 58/1998, are consistent with the consolidated financial statements of GENERALI Group at 31 December 2012.

Trieste, 28 March 2013

Reconta Ernst & Young S.p.A.
Signed by: Paolo Ratti, Partner

This report has been translated into the English language solely for the convenience of international readers

REMUNERATION REPORT

Budapest - Hungary

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Introduction

In the current economic and financial context, in which stakeholders are extremely conscious of matters relating to risk management and to profitability, matters relating to remuneration and how it is managed in a company setting continue to be of great concern.

It should be remembered that ISVAP, through Regulation No. 39 of 9 June 2011, requested that insurance and reinsurance firms adopt remuneration policies consistent with the sound and prudent management of the risk, profitability and equilibrium of the business in the long term, and the development of transparent decision-making processes, thereby also giving the Shareholders' Meeting an active role in defining the policies in question.

The Supervisory Authority also entrusted the Parent Company with the task of ensuring overall consistency and the appropriate alignment of the remuneration policies within the insurance groups, ensuring compliance with the above-mentioned regulation by all group companies.

In relation to this and also with the purpose of aligning the individual performance of managers with strategic responsibilities in the Group even closer with the strategic targets defined, the current remuneration systems were re-examined, being evaluated in terms of efficiency in relation to the overall prospects of the Group; the results led to the establishment of a new incentive scheme to be applied to the above persons in all countries where the Group has a presence.

The adoption of this new incentive scheme, aimed primarily at more effectively addressing the actions of managers with strategic responsibilities in pursuing the strategic targets of the Group from a perspective of maximising overall performance, will, at the same time, allow their contribution to be valued and the Group culture to be promoted.

The implementation of the system, supported by a suitable communication plan and the involvement of the managers concerned, will be launched during the current year with the goal of it becoming fully operational in 2014, in compliance with industry and local regulations in force and taking existing situations into account.

The remuneration policies illustrated in this Report, which will be submitted to the Shareholders' Meeting in April for approval, respond to the regulations on the subject, both in terms of the main aspects and from the point of view of consistency. In this sense, the Generali Group's constant commitment to the topics of transparency, consistent risk management and guaranteeing profitability in the long term should be stressed, which will continue to be one of the Group's main focuses with regard to the subject of remuneration.

Section I - Remuneration policy

1. The basics, the principles, the measures

1.1 The basics

In determining the payment strategy it is imperative to align with:

- our mission, in particular as far as the will to generate constant and excellent results for our stakeholders in the short and medium-to-long term is concerned, at the same time ensuring the sound and prudent management of risk, alignment with strategic targets and equilibrium of the company;
- our values, specifically responsibility, reliability and commitment to the community, which must be adhered to as much by top management as by our employees in achieving the objectives assigned to them;
- our governance, a company/organisational model and set of rules that guide the operations towards:
  - a precise and constant adherence to the rules,
  - compliance with the ways in which relations are managed between the governing bodies and various corporate structures,
  - observance and adequacy of the existing risk management and control processes;
- our sustainability policy, the main priorities of which include the pursuit of sustainable growth over time and making the most of people who work within the Group, recognising individual contributions to the success of the organisation, including appropriate remuneration, and, at the same time, discouraging conduct which fosters excessive exposure to risk.

The remuneration policy thus defined in turn supports our mission, values, governance and sustainability, giving rise to a continuous interaction that allows, on the one hand, a steady improvement of the remuneration practices adopted and, on the other hand, the consolidation of the elements considered above, whilst meeting the needs of our stakeholders in a more satisfactory manner.

1.2 The principles

The objective of our remuneration policy is to guarantee adequate remuneration in the light of sustainable performance.
With this goal in mind, our actions are governed by the following cardinal rules:

- internal equity: remuneration should be consistent with the role and responsibilities assigned as well as the skills and abilities demonstrated. This is true for the top positions as well as for other bands, with the latter coordinating with the provisions of national collective agreements and corporate regulations in effect;
- competitiveness: remuneration must be balanced in relation to that of the reference markets; it is for this reason that monitoring and regular remuneration analyses are performed for different professional families and/or roles, business types and geographic areas. For the top positions, the Remuneration Committee identifies direct competitors, which make up a panel of peers to be used as a reference for forming remuneration benchmarks; for the remainder of the employees, comparisons are made through participation in remuneration surveys, both within the industry and in general;
- consistency: meaning the ability to agree across the whole Group similar remuneration for professionals who can be considered similar, taking into account business type, geographic area and other factors which could influence the rate of remuneration. At the same time, this encourages the development of human resources, through both national and international mobility;
- meritocracy: meaning a system used to consistently reward results and the behaviour used to achieve them. This behaviour should involve constant compliance with regulations and procedures in place, a detailed risk assessment and a suitable reorganisation of the relevant actions on the basis of a longer time span, so as to facilitate the achievement of results in the short and medium-to-long term.

The application of these principles strengthens the motivation and loyalty of employees, particularly those considered strategic or having potential, and enables Generali to continue to establish itself as one of the best employers, both in Italy and internationally, capable of attracting the best talent.

1.3 The measures

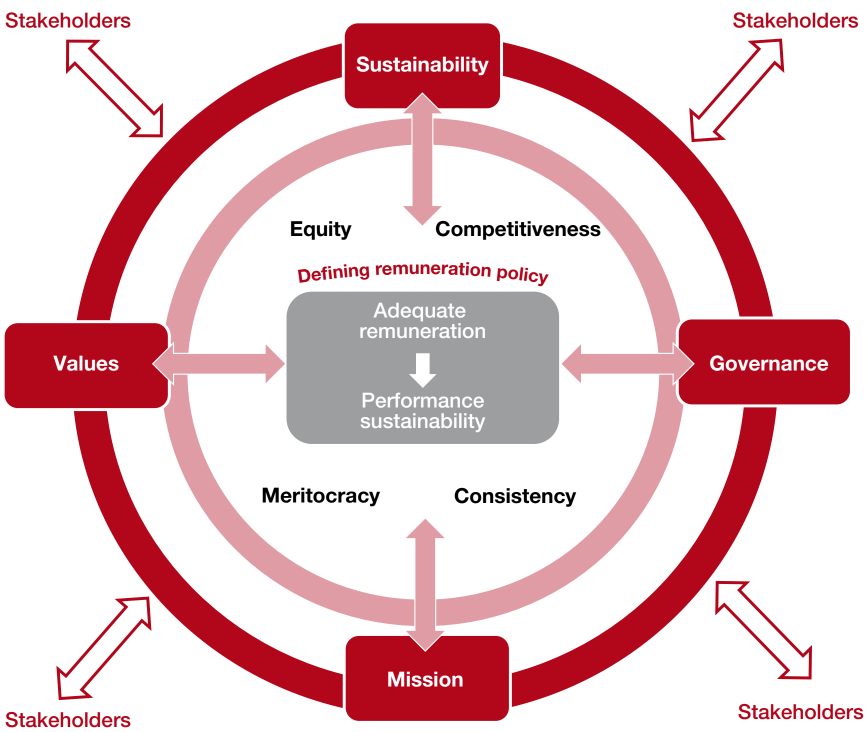
On the basis of these principles, the following measures should be put in place in order to establish remuneration policies and levels:

- defining a balanced remuneration package. Specifically:
  - defining a comprehensive remuneration package proportional in its fixed components, variable components and benefits, and guaranteeing a correct balance, including with regard to the variable remuneration, between short-term and medium-to-long-term contracts, in order to avoid the adoption of conduct that favours short-term results over medium-to-long-term goals;
  - defining a comprehensive remuneration package that is fair and competitive, including by adopting alternative or additional solutions to monetary remuneration, such as benefits, with a view to optimising the efficiency of interventions in financial terms;
- ensuring a linear connection between remuneration and performance, whilst adopting a flexible and differentiated approach. More specifically, adopting reward schemes that fulfil the requirements/elements listed below:
  - using measures for determination of the variable component that incorporate – in setting the objectives, target values and parameters and in the subsequent correlation between results and incentives – pre-

determined goals, clarity, unambiguous interpretation, transparency and measurability;
- setting maximum and minimum limits on bonuses, beyond which the incentives are not given;
- deferral of a proportion of variable remuneration, whose size and duration must be consistent with the characteristics of our activities and our risk management practices, through the adoption of long-term incentive schemes;
- differentiation of the incentives, on the basis of a meritocratic approach that takes into account the role and the specific sector in which the recipients operate, and other distinguishing factors that may be relevant from time to time;
- flexibility, so that individuals can be rewarded whilst also considering the overall performance of the structure/company/group and the economic and financial context at that time;

- <u>aligning the performance of the recipients with shareholder interests, adopting a multi-annual and multi-dimensional approach</u>. Specifically:
  - defining *a priori* objectives directly related to the creation of shareholder value both in the short and medium-to-long term;
  - defining short-term annual remuneration objectives consistent with those fixed for the medium-to-long term;
  - evaluating performance over time, both in absolute and in relative terms, measuring the impact of performance over the year and over a longer period of time;
  - evaluating performance on the basis of other factors, such as risk management and the cost of company capital, with a view to sustainability;
  - foreseeing, where possible, non-financial and economic objectives, in order to ensure an effective reward system which also recognises the ways in which results are achieved, such as sustainable behaviour supporting the company in terms of customer engagement, growth of internal resources, improvement in procedures, and compliance with internal and external regulations, whilst remaining consistent with the Group strategy in terms of sustainability;
- <u>acting in compliance with procedures and regulations. Specifically, guaranteeing:</u>
  - quick access to data confirming the results for the bodies entrusted with control;
  - independence for the roles involved in the preparation of the incentive schemes and those that perform the necessary evaluations and subsequent checks;
  - the effectiveness over time, as far as possible, of plans for regulatory purposes, taking into account possible future developments.

OUR APPROACH IN DETERMINING REMUNERATION POLICY



2. Recipients of the remuneration policy

Based on the above and taking into account the diversity of the roles considered, remuneration policies are developed with a view to remunerating the various contributions made by the recipients in different ways.

Specifically, the policies illustrated later on in this Report refer to members of corporate bodies (the Board of Directors, including the Managing Director and Group CEO, hereafter the "Group CEO"[1], and the Board of Statutory Auditors), as well as Company "personnel"[2] identified on the basis of the criteria indicated in Article 2.1 f) of ISVAP Regulation No. 39/2011, i.e. "*general managers, management with strategic tasks, managers and top level personnel in the internal control functions and other categories of personnel whose activity may have a significant impact on the risk profile of the business*".

This having been stated, it should be pointed out that the definition and identification of managers with strategic responsibilities is in the process of being reviewed using new criteria aimed at placing greater importance on the following factors:

- the strategic nature of the activities conducted;
- the possibility that they will have an impact on risk;
- their capacity to influence the achievement of business results.

In relation to this, with a view also to adopting specific guidelines for the Group for managing these roles, a process has been launched to review the Group's corporate titles, with the aim of defining a new qualification model for managerial positions which is applicable both across Assicurazioni Generali and in all countries where the Group has a presence.

Therefore, in anticipation of the definitive model for corporate titles becoming operational, it is expected that in Assicurazioni Generali managers with strategic responsibilities will be members of the Group Management Committee (hereafter "GMC")[3], as well as the top executives reporting to the Group CEO with the characteristics described above, i.e.:

- Group Chief Insurance Officer,
- Group Chief Financial Officer,
- Group Chief Investments Officer,
- Group Chief Operations Officer,
- Group Chief Risk Officer,
- Country Manager for Italy,
- Country Manager for France,
- Country Manager for Germany,
- Global Business Lines Manager,
- Group HR & Organization Manager,
- Group General Counsel,
- Group Strategy & Business Development Manager,
- Group Marketing & Communication Manager.

In addition to these roles there are the heads of the Compliance, Internal Audit and Risk Management functions, as well as their first reports.

3. Bodies assigned/involved in the definition, approval, implementation and verification of the remuneration policy – Decision-making processes

Determining, approving, implementing and then verifying the remuneration policy falls under the remit of various bodies and/or functions and requires the involvement and/or support of different individuals depending on the recipients to whom they are addressed.

As far as the definition of policies aimed at corporate bodies and "personnel" are concerned, based on the guidelines issued by the Board of Directors and with the favourable opinion of the Remuneration Committee, the related proposals are drawn up by Human Resources (Group Development & Reward function), involving, according to the skills required, the Group Internal Audit, Compliance and Risk Management departments. Human Resources can also take advantage of the contribution of other Group functions and structures, such as the Group Legal Affairs Department, the Group Corporate Affairs Department, the Group Strategic Planning & Control Department and the Group Organisation Service, bringing together and coordinating their respective contributions.

The proposals are then put to the Group CEO, who vets their contents and form and, having requested any additions and amendments, submits them to the Remuneration Committee, which expresses its opinion and, in turn, submits them to the Board of Directors. As far as the remuneration policy for the Group CEO is concerned, the proposal is formulated by the Remuneration Committee,

1 Who also holds the office of General Manager.

2 The category of "personnel" significant for the purpose of ISVAP Regulation No. 39/2011, in addition to general managers, also includes management personnel with strategic responsibilities, i.e. deputy general managers and assistant general managers. The heads of the Compliance, Internal Audit and Risk Management functions are also added to these roles, as well as top executives reporting to the latter. Therefore, on the basis of the above-mentioned criteria, it should be pointed out that within Assicurazioni Generali the following positions are present: Group Chief Insurance Officer, Country Manager for Italy and Global Business Lines Manager, as General Managers; the 13 managers who hold the office of Deputy General Manager or Assistant General Manager; under management personnel with strategic responsibilities we have not counted the Group Chief Risk Officer, even though he comes under this category, since – on the basis that at the same time he also holds the role of head of the Risk Management function – this has been included in the category of "personnel" under control function managers. As well as the above persons, there are the 3 heads of the control functions, respectively Group Internal Audit, Compliance and Risk Management, and the 4 top executives operating under the scope of these functions.

3 It should be noted that the establishment of the GMC took place through the resolutions first of the Executive Committee on 19 October 2012 and later of the Board of Directors on 8 November 2012. This body was assigned the fundamental task of identifying the strategic priorities of the Group and ensuring operational consistency.
As far as the Country Managers for France and Germany are concerned, it should be pointed out that these managers are not employees of Assicurazioni General S.p.A.; therefore, for these persons the remuneration and governance policies illustrated in this Report will be subject to application in compliance with the respective governance and in compliance with local rules and regulations.

with the support of the Group Development & Reward function, and is put to the Board of Directors for discussion.

Once approved by the Board, the policies are then submitted for approval by the Shareholders' Meeting.

The roles of the various individuals involved in the definition, approval, implementation and subsequent verification of the remuneration policy are illustrated below.

3.1 Shareholders' Meeting

Pursuant to the Bylaws, the Shareholders' Meeting:

a) approves the remuneration policy for members of the corporate bodies and "personnel", in addition to the remuneration plans based on financial tools (Article 19.1, d));
b) determines the annual gross pay due to members of the Boards of Directors and Statutory Auditors (see Article 19.1, f) and e)).

3.2 Board of Directors

The Board of Directors defines the remuneration policy for members of the corporate bodies and "personnel". In relation to this, it decides on remuneration policies, or subsequent revisions, for approval by the ordinary Shareholders' Meeting.

The Board of Directors also ensures that the remuneration policy is regularly reviewed in order to ensure that it is constantly updated and remains consistent with the principles of sound and prudent management, as well as in line with the interests of stakeholders. For this purpose it periodically uses benchmarks designed by both corporate functions and external consultants, specifically as far as verifying the positioning of remuneration in relation to the reference markets is concerned. External consultants can also be used for changing or preparing the remuneration policy.

In this context it should be noted that Assicurazioni Generali has used the consultancy services of Aon Hewitt for the preparation of the new remuneration policy to be applied to the Group CEO and managers with strategic responsibilities starting from this year, and has not used the remuneration policy of other companies as a reference.

Lastly, under the scope of activities related to the definition of remuneration policy, the Board of Directors takes note of the evidence presented by the Remuneration Committee with regard to the proportionality of the remuneration of the Group CEO in relation to company personnel.

The Board is also responsible for the correct implementation of the remuneration policy approved by the Shareholders' Meeting.

For some categories of recipients this translates directly into determining the related remuneration; on that basis, this body determines, with regard to the remuneration policy it has defined and having obtained the opinion of the Board of Statutory Auditors, the remuneration due to directors with special responsibilities (Article 36.1 of the Company Bylaws), directors who are also members of advisory committees (Article 34.1 of the Company Bylaws), and, currently, the General Managers and the Deputy General Managers. This having been stated, it should be pointed out that on 22 February 2013 the Board of Directors resolved that the responsibility for defining the remuneration of the members of the GMC pertains to the latter, upon the proposal of the Group CEO and having obtained the opinion of the Remuneration Committee, without prejudice to the powers of the Control and Risk Committee with reference to the Group Chief Risk Officer. The decision to determine the remuneration of the individuals listed above was taken by the board taking into consideration the fundamental role assigned to this body and therefore to its members[4].

The board also defines the remuneration of the head of the Internal Audit function, having obtained the opinion of the Control and Risks Committee, which is binding, and consulted the Board of Statutory Auditors, on the proposal of the Chairman of the Control and Risk Committee. It also defines the remuneration of the heads of the Compliance and Risk Management functions, on the proposal of the Group CEO and having obtained the opinion of the Control and Risk Committee, having also consulted the Board of Statutory Auditors.

As far as the remuneration of the remaining control function personnel is concerned, this is determined by the Group CEO in line with the policies defined by the Board of Directors for these individuals.

With regard to the other categories of recipients, for which the Board of Directors is not responsible for determining remuneration, a report produced by the competent function operating under the scope of Human Resources is submitted annually, to enable checks as to whether the remuneration policy defined for the above-mentioned individuals is correctly implemented.

The Board of Directors also submits an annual report, in turn, on the application of the remuneration policies to the Shareholders' Meeting, accompanied by quantitative data.

Lastly, under the scope of the activities designed to ensure overall consistency of remuneration policies within the insurance group, the Board of Directors issues appropriate guidelines on the subject of remuneration for the insurance group companies, in compliance with the provisions of ISVAP Regulation No. 39/2011, as specified in Chapter 6 below.

4 This new structure of responsibilities will temporarily operate alongside the existing one until the new Group corporate titles model comes into operation.

3.3 Remuneration Committee

The Remuneration Committee was set up by the Board of Directors as a body with consultative, proposal and investigative powers, based on Article 34.1 of the Company Bylaws.

The current Committee will remain in office until the Shareholders' Meeting that will approve the financial statements for 2012 and is made up of the following members:

REMUNERATION COMMITTEE

OFFICE	FIRST NAME, LAST NAME
• Chairman • Non-executive and independent Director	Paolo Scaroni
• Member of the Committee • Non-executive and independent Director	Claudio De Conto
• Member of the Committee • Non-executive and independent Director	Lorenzo Pellicioli

The responsibilities of the Committee are:

- providing opinions and proposals to the Board of Directors on the definition of remuneration policy aimed at members of corporate bodies and "personnel", as identified in Chapter 2;
- providing opinions and proposals, which are not binding, to the Board on the subject of determining the remuneration due to Directors;
- providing opinions and proposals to the Board on the subject of the amount of pay due to the Chairman of the Board of Directors and the Group CEO and members of the Board who also hold special offices or who are also members of the board committees; providing opinions and proposals, which are not binding, on the subject of the amount of pay due to those who have important roles within the Group and belong to the GMC[5], upon the proposal of the CEO, without prejudice to the powers of the Control and Risk Committee relating to the Group Chief Risk Officer;
- regular evaluation of the criteria adopted for the remuneration of Directors and management personnel with strategic responsibilities, making use, in the latter case, of information provided by the Group CEO, and giving general recommendations on the subject to the Board of Directors;
- monitoring the implementation of the decisions taken by the Board of Directors based on the proposals submitted;
- verifying the proportionality of the remuneration of the Group CEO in relation to Company personnel;
- verifying the independence of any external consultants used for consultancy services regarding remuneration.

In order to report to the Shareholders' Meeting on the methods of performing the Committee's functions, the Chairman of the Committee or another member of the Committee itself is always present at the annual Meeting.

In performing its duties, this body has the right to access the information and corporate functions necessary to carry out the tasks entrusted to it. The Chairman of the Board of Statutory Auditors routinely attends these meetings.

The above body regularly carries out the proposal and consultation activities under its remit, and writes the minutes and reports required by the Company.

3.4 Group CEO

Based on the powers assigned to him by the Board of Directors on the subject of the management of human resources and organisation, the Group CEO provides proposals regarding guidelines on the subject of company and Group remuneration policies.

Besides this, he formulates proposals regarding remuneration policies for management personnel with strategic responsibilities; the Group CEO, in particular, provides proposals on the remuneration of GMC members, without prejudice to the powers of the Control and Risk Committee with regard to the Group Chief Risk Officer.

He is also responsible for the definition of the financial position of personnel of every level within the Company in Italy, without prejudice to the powers of the Board of Directors[6].

5 Alongside this role, still on a provisional basis, as explained previously in Chapter 3.2, is that of providing opinions and formulating proposals, which are not binding, for the Board of Directors, upon the proposal of the Group CEO, on the subject of the remuneration of the Deputy General Managers who do not have one of the roles included in the GMC. In addition, as far as transactions with related parties regarding the payment of Directors, Standing Statutory Auditors and management personnel of the Company at a level of at least Assistant General Manager are concerned, the Remuneration Committee performs the functions assigned to the Committee for the evaluation of Transactions with Related Parties.

6 With the exception, therefore, of GMC members and management personnel who currently occupy the roles of General Manager and Deputy General Manager and the heads of the control functions. With regard to the General Managers and Deputy General Managers, he submits proposals to the Board of Directors; with regard to the heads of the control functions, he provides proposals on the remuneration of the Head of Compliance and the Head of Risk Management.

He also submits proposals to the Executive Committee in relation to the top positions in companies of strategic importance to the Generali Group. In relation to the last point and as detailed in Chapter 3.2, the Group CEO has responsibility for formulating the remuneration proposals for the members of the GMC[7], without prejudice to the powers of the Control and Risk Committee with reference to the Group Chief Risk Officer.

3.5 Board of Statutory Auditors and Control and Risk Committee

The Board of Statutory Auditors has the task, pursuant to Article 36.1 of the Company Bylaws, of providing opinions on the remuneration of directors invested with special offices; these opinions are also provided on the remuneration of members of the GMC.

It also gives its opinion about the remuneration of the head of the Internal Audit department, as well as the remuneration of other heads of control functions.

On the other hand, as far as the Control and Risk Committee is concerned, this body gives its opinion on determining the remuneration of the head of the Internal Audit function, binding in this case, and the other heads of the control functions, respectively, which are put to the Board of Directors. Under the scope of the policies defined for the heads of control functions, the proposal for the head of the Internal Audit function is formulated by the Chairman of the Control and Risk Committee.

3.6 Control functions and Human Resources

The internal functions which are involved and collaborate in various ways in the definition and/or later verification of the correct implementation of the remuneration policies are:

- the Compliance function, which verifies that the remuneration policies are consistent with the objectives of complying with existing regulations on the subject of remuneration, including the provisions of the Bylaws, Corporate Governance Code for listed companies and Code of Conduct, from a standpoint of preventing the risk of incurring judicial or administrative sanctions, capital losses or reputational damage. This function refers proposals to the relevant bodies on the outcome of the checks carried out and indicates any corrective measures;
- the Internal Audit function, which verifies the correct application of the remuneration policies based on the guidelines set out by the Board of Directors with a view to efficiency and safeguarding the capital of the business. In this case, too, the function is called upon to report to the Board of Directors and the bodies responsible for the adoption of any corrective measures on the outcome of the checks conducted;
- the Risk Management function, which verifies the suitability of the criteria and relevant indicators used for the evaluation of performance in relation to the risk management strategies established by the Board of Directors; it also reports to the bodies responsible for the adoption of corrective measures;
- the Human Resources Department, which provides technical assistance, including in terms of reporting, and provides support material for the definition of policies; more specifically, the functions involved are Group Development & Reward, for the implementation of remuneration systems, analysis of remuneration levels in terms of internal equity and compared to the markets selected, and monitoring remuneration dynamics, and the Group Organisation Service for the evaluation of roles using the Hay method.

Other functions, pertaining to the Group CFO, are involved in the definition of remuneration policies for the identification of quantitative parameters relating to the strategic targets to be linked to the variable component and for determining the expenses budget.

4. Remuneration policy for the members of corporate bodies and “personnel”

4.1. Remuneration policy for the Group CEO and management personnel with strategic responsibilities

The Group CEO and Management Personnel with strategic responsibilities receive an overall remuneration package (so-called total compensation), made up of a fixed component, a short and medium/long-term variable component and benefits.

In order to give a correct representation of this compensation package, the new Group remuneration policies that the Company intends to introduce for managers considered strategic and personnel who, due to their role and position, could have a direct impact on the achievement of Group results are illustrated below. The aims of these revisions are as follows:

- to align the behaviour and expectations of management with the overall Group targets and results under the scope of shared risk policies;

7 As a result of this, the proposals with regard to determining the remuneration of chairmen, managing directors and general managers (or members of the top management who hold similar roles) of subsidiaries which are of strategic importance who hold one of the positions in the GMC are formulated by the Group CEO and put to the Board of Directors rather than to the Executive Committee.

- to reinforce the culture of the Group, linking the incentive scheme more closely with Group results;
- to consolidate the Group philosophy of total compensation;
- to ensure the consistency of the remuneration packages from a Group perspective.

The guiding principles are:
- the remuneration package for those who are considered as having key roles in the Group is clearly defined and directed at the long term;
- the structure and the level of total compensation are aligned with Group risk policies and risk taking capacities;
- expected performance is clearly defined through a structured performance management system;
- variable remuneration is related to Group performance indicators, business sector, divisions/business units and functions, as well as individual results;
- variable remuneration is determined through short- and long-term incentive schemes related to Group performance indicators, both absolute and relative, and the overall cost of the variable system is related to the results of the Group in the long term;
- the structure of the long-term incentive scheme connects remuneration with the development of performance and future risks.

During the course of 2013, the remuneration packages for the personnel in question will be reviewed in order to make them more consistent with the above-mentioned principles.

As far as the current positioning versus the external markets of the remuneration packages of the recipients of the remuneration policies is concerned, such positioning is generally oriented towards reflecting the median level of the international market for the GMC roles and the median level of the domestic market for all the other roles.

4.1.1 Fixed pay

Remuneration for a role and in particular for the responsibilities assigned to the role, taking into account experience, quality of the contribution made to the business results and excellence shown in the conduct of the assigned functions.

The weighting of the fixed component must affect the total remuneration to an appropriate extent in order to attract and retain staff and, at the same time, reward the role to a suitable extent, even in the case of failure to meet the incentives and insufficient results, in order to discourage conduct that is not proportional to the degree of risk undertaken by the Company in achieving its desired results in both the short and medium to long-term. Lastly, it should allow for the variable pay component to be expanded, especially when particularly strong results are achieved.

4.1.2 Variable pay

Variable pay is aimed at motivating management to achieve both short- and long-term business goals, relating them to the creation of value for shareholders.

Performance is evaluated through a multidimensional approach which, depending on the time scale taken into consideration, takes into account results achieved by individuals, those achieved by the structures in which they operate and the results of the Group in its entirety, as well as those of the competitors which make up the reference peer panel.

Below is a summary of the tools that will be used from this financial year in determining variable pay.

A. Short-Term Incentive (STI)

Individual performance is evaluated on the basis of both absolute performance, measured through the achievement of annual targets, and relative performance, evaluated under the scope of a calibration meeting during which the individual performance levels are evaluated both in relation to those of other Group key strategic managers and in the context of the respective reference markets.

At the start of each financial year a funding pool is defined, consisting of the total amount available for payment of the STI in relation to Group performance. The funding target level, calibrated on the performance target, is given by the sum of the individual bonus target levels.

The Board of Directors approves the STI matrix, which connects the business performance to the potential funding pool.

The funding planned for the STI pool, as a percentage of the target pool, is defined at the end of the reference year for the measurement of performance. Taking into account the business results and risk indicators, the Group CEO proposes the final funding pool to the Remuneration Committee, which gives its opinion for the purpose of approval by the Board of Directors[8]. Having verified that the Group Solvency I Ratio has been achieved, based on the level of achievement of Group targets (operating profit and net profit), the funding pool can vary from a minimum of 60% to a maximum of 150% of the target level. There is no funding or payment of bonuses below the minimum results. However, the Board of Directors can authorise a proportion with the objective of rewarding any particularly significant performance.

For the year 2013, the Group Solvency I Ratio level to be achieved has been fixed at 140% (hurdle).

8 It should be noted that the short-term portion of the variable remuneration of the Group CEO does not come under the calculation of the funding, because it is determined by the Board of Directors.

The evaluation of the Group results to which the funding is related and of the results achieved by individual recipients with regard to the targets fixed in the Balanced Scorecards takes into account the necessary considerations on the subject of current and future related risks as a priority.

This process is aimed at ensuring that the STI rewards effective performance, evaluation consistency at Group level and individual contribution towards achieving Group results.

The allocation of the short-term component of variable pay to participants is determined in relation to the capacity of the funding pool available and the level of individual performance, measured through a Group performance management process. This process uses an individual performance indicator on a scale of 1 to 5 (where 5 is the maximum value) and is related to Group guidelines for determining the incentive related to each performance level.

The cascading of targets is defined through the use of a Balanced Scorecard (BSC), which the individual recipients are notified of. The BSC structure includes the following categories with weightings of not less than 10%:

- Strategic Progress;
- Business Delivery & Financial Performance;
- Process Effectiveness, Risk and Control;
- Customer Engagement;
- People Management.

With regard to the current financial year, which is the first year the new incentive scheme has been operational, all of the above may not be evaluated for the BSCs of the members of the GMC, as calibration will only take place in 2014.

The BSC involves the definition of the expected target level for each objective; the target level achieved (not reached, reached, exceeded) is defined on the basis of the effective target level percentage achieved.

For the *Group CEO* the assessment of results achieved and the consequent *bonus* determination is rolled out by the Board of Directors on a Remuneration Committee proposal; for the other GMC members, such assessment and the consequent bonus definition is rolled out by the Board of Directors based on the Group CEO proposal, having obtained the opinion of the Remuneration Committee; finally, as far as the other strategic roles are concerned, the results obtained in this way are discussed by the GMC at a calibration meeting, during which individual performances are evaluated in order to determine definitive performance, taking into account results achieved by other Group key strategic personnel and the overall performance of reference markets. The relevant bonus amounts are determined on the basis of individual performance. The payment, both for those who work in Assicurazioni Generali and in other Group Companies, are then paid out after the Board of Directors has certified the level of achievement of the objectives.

The various categories contain predetermined, measurable targets, both quantitative and qualitative, which allow multiple aspects of company performance to be monitored; these targets are also differentiated according to the various skills and operational environments of the recipients. The targets mainly used are operating profit, net profit, combined ratio and General Expenses.

B. Long-Term Incentive (LTI)

This system, whose use is in line with the most widespread practice at international level, pursues the goal of growth in value of company shares, at the same time aligning the financial interest of the recipients of the LTI with that of the shareholders.

In this sense, in order to improve the correlation between company performance and the contribution to the generation of value for shareholders, it has been decided to interrupt the current Long-Term Incentive Plan and adopt a new one, more in line with these expectations.

The incentive plan is aimed at strengthening the bond between the remuneration of management and expected performance in accordance with the Group strategic plan (so-called absolute performance), as well as the bond between remuneration and the generation of value in comparison with a peer group (so-called relative performance).

The Plan is also aimed at inducing loyalty in management at Group level.

The performance of the participants in the Plan will, in this way, be even more focused on the achievement of the targets set in the Generali Group strategic plan, in order to ensure growth in results, cash flows and balance sheet for the Company and the Group.

In this framework, the Plan complies with the regulations and principles on the subject at national and transnational level, also taking into account the recommendations on remuneration policy for directors and management personnel with strategic responsibilities set out in the Corporate Governance Code for listed companies. It is also in line with the internationally adopted best practices.

The Plan is based on the following fundamental aspects:

- the plan is a rolling plan, with each year triggering a new cycle lasting three years;
- the incentive for reaching the targets is provided through the allocation of Assicurazioni Generali S.p.A. ordinary shares;
- the targets to which the provision of the incentive are subject are defined at the beginning of the three-year period of each cycle;
- the number of shares to be granted is also determined at the start of each three-year period;
- a three-year vesting period has been defined;
- *malus* and claw back clauses are in place;
- a minimum access threshold for every *tranche* has been identified;
- the objectives that drive the incentive payment for the cycle 2013-2015 are Return on Equity (RoE) and relative Total Shareholders' Return (rTSR) compared to a group of peers. As far as the heads of the control functions are concerned, the Board of Directors, based on the

Control and Risk Committee proposal for the Head of Group Audit and on the Group CEO proposal for the heads of Compliance and Risk Management, will define year by year the qualitative objectives, having heard the opinion of the Board of Statutory Auditors and, for the heads of Compliance and Risk Management, the opinion of the Control and Risk Committee.

In detail, the maximum number of target shares that can be assigned at the end of each cycle is calculated based on the ratio between the maximum bonus (calculated as a percentage of gross annual recurring remuneration) and the value of the share, calculated as its average value over the 3 months prior to the Board of Directors meeting which approves the draft balance sheet and the consolidated balance sheet referred to the exercise prior to the one in which the cycle starts. The number of shares can go down to a minimum level (also calculated as a percentage of the gross annual recurring remuneration), below which no shares are granted.

The maximum number of shares to be granted will be divided into three *tranche*s, each relating to one of the three years of the cycle, and considered to represent 30%, 30% and 40% respectively. Each year the level of achievement of the targets set for the three-year period will be monitored to determine the number of shares to be set aside for each *tranche*. The actual provision of the shares set aside is also subject to the annual verification of whether the individual in question has exceeded the minimum access threshold, which, for the cycle which starts in the current financial year, has been identified in the Group Solvency Ratio calculated using Solvency I criteria. In order to allow the actual provision of the first *tranche*, the Solvency Ratio level should not be lower than 140%. For the second *tranche*, in 2014, this level should not be lower than the higher value between 140% and the level reached in the previous year. Finally, for the provision of the third *tranche*, in 2015, this level should not be lower than 160%.

The total of the shares set aside in each of the three years will only be definitively granted at the end of the three-year period, after verifying that the targets for the third year have been reached.

The targets to which the provision of the shares should be related are the relative Total Shareholders' Return (rTSR, compared with a peer group identified in the *STOXX Euro Insurance Index*) and the RoE. The expected levels of achievement for these targets will be identified at the start of each cycle and will remain as such for the entire duration of the three-year period. The performance level and the corresponding incentive level are determined by the evaluation of the simultaneous achievement of the two targets described above. The level of performance is represented in a matrix which identifies the RoE ranges and the relative rTSR quadrants and, according to the intersection of the respective results, defines the percentage of shares in relation to the maximum value.

According to the reference matrix, no incentive is provided if at least one of the targets is reached at a level below the minimum (threshold). If the RoE result is between the maximum band and the minimum band, the value of the incentive follows a progressive trend equal to ±25%. If the rTSR result is between the maximum quadrant and the threshold, the incentive follows a progressive trend equal to ±25%. The effective incentive levels are determined by the corresponding percentage with reference to the RoE achievement bands and simultaneous achievement of the related TSR quadrant. For levels above the RoE target, an overperformance cap is imposed.

At the end of the third year, the shares set aside are definitively granted to the recipients in a single instalment, as long as the employment relationship with the Company or with another Group company has not ceased as at the grant date. 50% of the total will be available immediately, 25% will be subject to a lock-up period lasting one year, and the remaining 25% to a lock-up period lasting two years, without prejudice to the fact that directors who participate in the Plan can keep an appropriate number of shares granted until the end of their term of office.

For the purpose of implementing the Plan, the shares to be granted to the recipients of the Plan for free, under the conditions set out therein, for the first cycle will be taken, in full or in part, from the stock of treasury shares that may be purchased by the Company in the execution of the relevant authorisation of the Shareholders' Meeting pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code and/or from a possible dedicated free share capital increase through the use of profits and/or reserves pursuant to Article 2349, paragraph one, of the Italian Civil Code.

4.1.3 Consistency between remuneration policies and the pursuit of the Company's long-term interests and the risk management policy

The remuneration policy illustrated above ensures, in its entirety, consistency with the pursuit of the company's and the Group's long-term interests, as well as with the Group's risk management policy.

Specifically, as far as the variable component is concerned, the combined use of the Short-Term Incentive Plan (STIP) for the short-term component and the Long-Term Incentive Plan (LTIP) for the medium/long-term component is designed to direct the activities of recipients towards pursuing equilibrium and profitability for the business in the medium/long term, through a series of *ex-ante* and *ex-post* measures – partly described above – which impact on the process of determining and supplying the variable pay component.

The measures adopted are summarised below, with regard in particular to the Group CEO and other Management Personnel with strategic responsibilities.

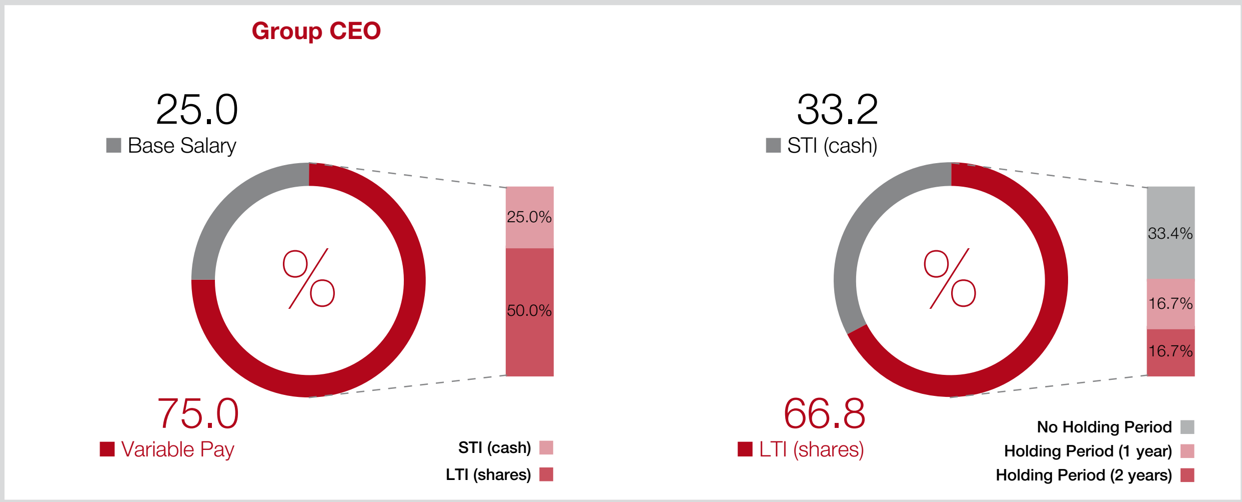
A. Balancing remuneration components

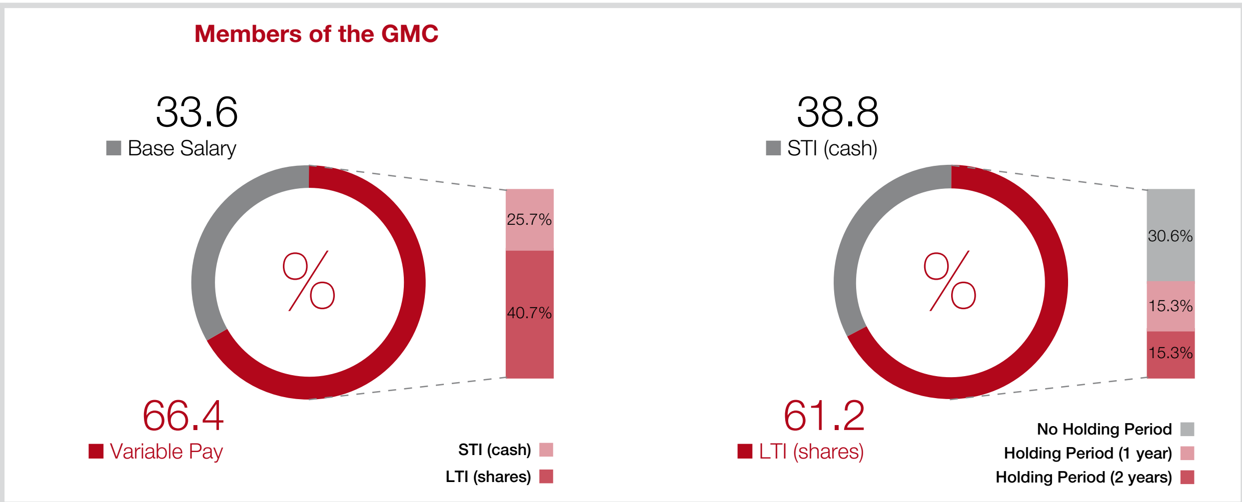
With regard firstly to the amount of fixed pay and variable pay as a proportion of total pay, and secondly to the weighting of the short-term and long-term components of the variable remuneration on the total of the latter, the balance setoff these components is designed to facilitate the pursuit of the interests of the company and the Group in the medium-to-long term, while the fixed component is designed to reward the role even in the absence of results.

In effect, in the first case there is a direct correlation between the responsibilities allocated and the proportion accounted for by the variable pay component, whereby as the former increases there is a corresponding substantial increase in the weighting of the latter. In the second case, too, the balance between the two variable pay components, the proportion accounted for by the long-term component, broadly speaking, increases as the responsibilities increase.

It should be pointed out that the balance in question has been devised based on the hypotheses set out in the methodology note mentioned below and on the assumption that the scheme is fully operational (taking into account the potential effects that the LTI in question will have starting from 2016).

HYPOTHETICAL AMOUNT OF FIXED PAY AND VARIABLE PAY COMPONENTS AS A PROPORTION OF THE TOTAL, WITH AN INDICATION OF THE WEIGHTING OF THE SHORT-TERM AND LONG-TERM COMPONENTS AND THE AMOUNT OF THE SHORT-TERM AND LONG-TERM COMPONENTS AS A PROPORTION OF TOTAL VARIABLE PAY





Methodology note: performance estimated at the target; STI: annual payment in cash. LTI: payment after 3 years in shares; 50% without constraints; 25% frozen for a year; 25% frozen for two years. The hypothesis is based on the value of the shares remaining constant during the reference period.

B. Measuring performance – annual and three-year goals

Given that the Company has annual and three-year targets, performance evaluation is based on a multi-year time frame. This ensures a strict correlation with the expected performance levels for the year in progress and for the next three-year period based on the business plans.

C. Payment of the variable component: minimum access levels, maximum limits, deferment and share holding period, malus and claw-back clauses; conditions precedent

As far as the payment of the variable component is concerned, minimum access levels and maximum limits in the case of overperformance have been identified, for both STIPs and LTIPs, and a share of the incentive will be deferred.

In effect, the payment of variable remuneration is diluted over a 5-year period: after the first annual accrual period linked to the targets in the STIP being reached, an initial cash portion is provided. At the same time, under the scope of the LTIP, and after the initial accrual period, a portion of shares is set aside, equal to 30%, based on the annual performance in relation to the three-year targets. After the second accrual period, a further portion of shares is set aside, again equal to 30% based on the performance level for the second year in relation to the three-year targets. The same happens at the end of the third year for a number of shares equal to 40%. The shares are all granted in the third year; part of them is subject to a further period of non-availability of one or two years.

Conditions precedent have also been adopted: specifically, for both the STI and the LTI, there is the possibility of not paying the bonus, in full or in part, if the minimum level for the targets deemed by the Board of Directors to be strategic is not reached at Group level. Besides this, the STI will not be paid out if the Group Solvency Ratio level, calculated based on the Solvency I criteria, is lower than 140%, and the three *tranche*s of the LTI will not be set aside if the level of the Group Solvency Ratio, calculated based on the Solvency I criteria, is below the levels described in Chapter 4.1.2 B).

Finally, claw-back clauses have been adopted which allow the Company to reclaim all or part of the short and medium-/long-term variable components paid on the basis of results which proved to be non-lasting due to wilful misconduct or gross negligence by the recipients. *Malus* clauses have also been adopted, according to which all or part of the shares that have been set aside may not be granted if the Company's financial position or asset situation has noticeably deteriorated, as certified by the Board of Directors.

D. Risk Management

With a view to developing remuneration policies consistent with sound and prudent risk management, the Group Solvency Ratio, calculated using the Solvency I criteria, is deemed the most appropriate parameter with regard to risk management.

4.1.4 Further remuneration

A. Remuneration as directors of subsidiary and associated companies

The remuneration received by the Group CEO and management personnel with strategic responsibilities as directors of subsidiary and associated companies must be transferred to the Parent Company, except in exceptional cases, which must be duly formalised and justified, as authorised on a case-by-case basis by the competent bodies.

B. Exceptional remuneration and supplementary payments/improved terms

These are elements of remuneration which, in particular situations (described in more detail below), can be granted on a one-off, ad hoc basis to certain top level individuals, without prejudice to their extraordinary nature.

More specifically, this involves entry bonuses, guaranteed variable components, extraordinary bonuses, retention bonuses, both in cash and in financial instruments, or additional payments or more favourable terms compared with those governed by the policy, as in the case of benefits. They are paid extraordinarily to promote the engagement of these top level people, during the start-up of particularly important projects, if exceptional results are achieved or if there is a risk of losing key employees who would be difficult to replace.

These remuneration elements are paid under the scope of governance processes on the subject of remuneration, and precise information is given in compliance with the provisions of existing regulations.

4.1.5 Benefits

This is a valuable component of the remuneration package – with a view to total compensation – in addition to the monetary payment.

The benefits generally differ depending on the recipient categories, both in total value and in type, and consist mainly of supplementary pension and health care plans for employees and their families. Supplementary pension and health care plans for the Group CEO and management personnel with strategic responsibilities are governed by industry contractual regulations and by the regulations for Generali Group directors, which contain several provisions for improvements. At supplementary agreement level, there are also provisions for additional insurance cover, such as long-term care in the case of permanent disability, and guarantees in case of death and permanent total invalidity as a result of an accident or illness, whether work-related or not, and for the case of partial permanent invalidity as a result of an accident or illness.

More favourable contract terms are also provided for subscription to insurance and banking products, while improved terms are granted in access to loans/mortgages for purchasing a home or a car.

The benefit package for the Group CEO and management personnel with strategic responsibilities also includes a mixed use company car and a fuel card.

Lastly, help might be offered with logistic and housing arrangements.

It should be noted that there is a D&O policy for the Group CEO and the Group CFO, in his capacity as the Director Responsible for Financial Reporting. Chapter 4.5 contains the details.

To sum up, the remuneration structure for the Group CEO and management personnel with strategic responsibilities, because it is centred on the sound and prudent management of risk, as well as the need to guarantee profitability and equilibrium for the business in the long term, conforms to the principles that inspired the regulations and, in the main, complies with the regulations governing the remuneration structure.

With regard to the amendments that have been made to the remuneration policies described above and have already been defined by the Board of Directors, no significant changes are expected during the course of this year.

4.2 Remuneration policy for directors without executive powers

Existing remuneration policy for directors without executive powers, independent directors and the Vice Chairmen of the Board of Directors require the remuneration to include a fixed component, with a 50% increase for those who are members of the Executive Committee, and a variable component equal, in total, to 0.01% of consolidated profit, up to a maximum limit of Euro 300,000.00, to be distributed equally among the members of the Board of Directors. In addition to the above-mentioned remuneration, an attendance fee is paid for each meeting of the Board of Directors and the Executive Committee, as well as payment of documented out-of-pocket expenses incurred for attending meetings.

As far as the variable component is concerned, this represents an insignificant part of the total remuneration, given that the related calculation mechanism, as defined above, involves a limited proportion of the fixed compensation, and an even smaller proportion if the total package is taken into consideration (including attendance fees and any payments for sitting on advisory committees). There are no incentive plans based on financial instruments for directors without executive powers.

This having been stated, taking into consideration that the term of office of the directors will expire during the course of this year, the Shareholders' Meeting on 30 April 2013 will be called upon to appoint the members of the Board of Directors and determine their gross annual pay; with regard to this, at the Board Meeting of 22 February 2013, the consultants The European House – Ambrosetti were engaged to conduct an analysis in terms of the overall adequacy of the current existing remuneration components, including with reference to a group of major Italian companies, which was identified taking into consideration the characteristics and standing of the Generali Group.

The results of the analysis in question have been put by the Remuneration Committee to the Board of Directors last March 13th , and, on the basis of the shown evidence, has decided not to introduce any change to the policy presently in force. Therefore, for the three-year mandate of the Board of Directors, this meaning until the date of actual approval of the balance sheet related to the exercise which will finish on 31st December 2015, the following proposal will be presented to the Shareholders' Meeting for the appointment of the members of the Board: every member of the Board of Directors is entitled to a fixed component with a 50% increase for those who are members of the Executive Committee, and a variable component equal, in total, to 0.01% of consolidated profit, up to a maximum limit of Euro 300,000.00 to be distributed equally among the members of the Board of Directors. In addition to the above-mentioned remuneration, an attendance fee is paid for each meeting of the Board of Directors and the Executive Committee as well as payment of documented out-of-pocket expenses incurred for attending meetings.

A similar benchmark has also been requested in relation to additional payments currently made to directors who are members of board committees.

It should be noted that in the meeting held on 22 February 2013, the Remuneration Committee verified that there were no impediments that would prevent the consultancy firm The European House – Ambrosetti from taking up the appointment.

Directors who are also members of advisory committees (other than the Executive Committee mentioned above) are paid additional fees with regard to what they already receive as members of the Board of Directors (with the exception of those who are also management personnel of the Generali Group), according to the roles assigned to these committees and the commitment required for taking part in their tasks in terms of numbers of meetings and preparatory activities.

The remuneration policy regarding the Chairman involves the payment of fees as a member of the Board of Directors and the Executive Committee, as indicated above, and a fixed annual remuneration determined on the basis of comparative analysis with similar national and international positions. As far as variable remuneration is concerned, the Chairman – like all the directors without executive powers – is not part of the short and medium to long-term incentive plans.

The policy for this position also includes several non-monetary benefits, such as insurance cover against occupational accident and illness and health care plans. Further benefits, similar to those in place for the Group CEO and the managers with strategic responsibilities, can also be included.

With regard to payment of sums by way of termination indemnity or payment for early termination of office for the above-mentioned directors, including the Chairman of the Board of Directors, please refer to the policy on the subject as explained in detail in Chapter 4.3.

Lastly, it should be noted that a D&O policy for the aforementioned individuals has been agreed, as illustrated in Chapter 4.5.

4.3 Severance pay – Amounts paid in the case of early termination of office

The policy defined last year by the Company for payment of sums by way of termination indemnity or payment for early termination of office includes:

a) if the term of office expires naturally, no sum will be paid;
b) if the office of a director finishes early, he/she may receive a payment by way of indemnity, depending on legal requirements, of an amount up to the maximum remuneration due for the remainder of the period of office. No sum will be paid to the director if he/she resigns or is dismissed for just cause, or if the relationship ends following an IPO, is revoked (for any reason whatsoever, including failure to fulfil the necessary requirements concerning professional qualifications, good character and independence, or the existence of impediments or incompatible situations) or ends due to any other fact and/or cause that is not attributable to the Company.

If the Director also holds the office of General Manager of the Company[9], the following arrangements apply. Specifically, if the employment relationship of a General Manager or management personnel with strategic responsibilities is terminated early, the payment they will receive, in line with existing regulatory and contractual provisions, will be equivalent to that provided for by way of notice pursuant to applicable regulatory and/or national collective agreements, plus an amount equivalent to the twenty-fourth monthly recurring payment. This refers to the annual gross payment increased by the average effectively received by way of the short-term component of the variable remuneration for the last three-year period.

By accepting this sum, the employee, generally speaking, renounces all other rights related, directly and/or indirectly, to the employment relationship with Assicurazioni Generali S.p.A. and to the termination thereof, as well as any right, claim and/or action against other Group Companies for any reason directly or indirectly connected with the employment relationship and the definitive acceptance that it has ceased.

The renouncement extends to rights of a compensatory nature pursuant to Articles 2043, 2059, 2087 and 2116 of the Italian Civil Code, as well as rights of a financial nature related to the employment relationship and its termination.

For the purpose of calculating the amount that could be paid to the individual involved, it is necessary to take into account the total amount due by way of gross annual pay, the fee for the office of director and the average of what is actually received by way of the short-term component of variable remuneration in the last three-year period relating to each of the offices.

In addition to the above provisions, both directors and management personnel with strategic responsibilities can enter into non-compete or confidentiality agreements. The consideration for these agreements, which have a limited duration, is commensurate with the prejudice that could arise for the Company and/or the Group if the individual were to carry out activities in competition to those of the company and/or Generali Group or divulge information which could cause harm to the Company and/or the Group, and also takes into account the role previously held and, specifically, the responsibilities assigned to the person in question.

4.4 Remuneration policy for the members of the control body

The policy for these parties involve the payment of a fixed gross annual sum for the entire duration of their term of office, with a 50% increase for the Chairman of the Board of Statutory Auditors. There are no variable remuneration components.

The individuals in question are also reimbursed for expenses incurred in carrying out their office, pursuant to Article 37.4 of the Bylaws.

The members of the control body also benefit from the D&O policy illustrated in Chapter 4.5.

4.5 D&O Policy (Directors' and Officers' Liability Insurance)

In line with best practice in the financial markets and taking into account the nature of the business activity of the company and the Group, an insurance policy is in place covering the civil liability of Company Directors and Statutory Auditors (Directors' and Officers' Liability Insurance – D&O), as well the manager in charge of preparing the financial reports. The current terms, which are valid from 1 May 2012 until 30 April 2013, are as follows:

a) Duration: 12 months, renewable annually, until the authorisation from the Shareholders' Meeting is revoked;
b) Maximum amount: Euro 100 million per claim, as an annual aggregate and for the period of cover;
c) Annual taxable premium: Euro 843,525;
d) Cases of willful misconduct and gross negligence are excluded from the insurance cover.

From 1 May 2013, without prejudice to the renewal of the cover described above, members of the GMC will be awarded further cover under the same terms as above, with the exception of the maximum amount, which will be Euro

9 This is the case for the Group CEO.

20 million per claim, as an annual aggregate and for the period of the cover.

4.6 Remuneration policy for managers and their first reports in control functions

The remuneration package for the individuals mentioned above comprises a fixed component and a variable component. The fixed portion is adjusted in relation to the level of responsibility and the commitment required, and is appropriate to guarantee the autonomy and independence required from these positions.

The targets on the basis of which the short-term component of the variable remuneration is determined are defined based on the specific activities of each of the functions and do not take financial performance into consideration.

There are also provisions for control function managers, although to a lesser extent, for participation in the medium-/long-term incentive plan (LTIP). Multi-year targets are assigned in this context, related exclusively to the effectiveness and quality of the control action, after verifying that they are not a source of conflict of interest.

For this purpose, the annual check on the achievement of the above-mentioned qualitative targets and the actual assignment of shares at the end of each three-year period are approved by the Board of Directors, having obtained the opinion of the Control and Risk Committee and the Board of Statutory Auditors, as described in the paragraph 3.2 above. Only if the Board of Directors believes that the results achieved and the quality of the control action are satisfactory can the control functions access the incentives, which, in any case, depend on the results established for all participants of the LTIP being achieved.

Conditions precedents and *malus* and claw-back clauses similar to those defined in Chapter 4.1.3 C) will also be applicable for both the short- and long-term components of the variable pay.

Lastly, the persons considered cannot receive remuneration and attendance fees for other tasks carried out on the instruction of the Parent Company in subsidiary or associated companies, bodies or associations, except with special exemption from the Board of Directors, which must be suitably justified and formalised.

5. Internal communication of remuneration policies and related processes

The general criteria of the remuneration policies and the evaluation processes must be appropriately formalised and the related documentation should be sent, in advance, to the personnel involved, in order to ensure that they have appropriate information, in compliance with confidentiality rights and without prejudice to the application of the regulation governing employment relationships; with regard to this, the adequacy of the communication process and of the related timetable is being verified in order to comply more adequately with the above regulations.

6. Remuneration policies of the insurance group

Under the scope of its management and coordination powers, the Parent Company has the task of ensuring the overall consistency of the insurance Group remuneration policies, guaranteeing adequate calibration and their correct application.

This having been stated, the new incentive scheme illustrated in Chapter 4.1, intended for strategic managers for the entire Group, as identified based on the corporate title model, will gradually be extended from this financial year to all Group companies, both in Italy and abroad; this will allow the consistency of policies at Group level to be strengthened further and their calibration to be refined depending on the characteristics of the company, as well as directing the actions of the above-mentioned individuals more effectively towards pursuing the targets deemed strategic by the Company from a standpoint of maximising overall performance.

With regard in general to determining the remuneration due to members of the Board of Directors and the control body of Generali Group companies with registered offices in Italy, each company applies the arrangements established on the subject by the Italian Civil Code and the relevant bylaws, in light of the instructions provided by the Parent Company.

In addition, the Board of Directors of the company, under the scope of the guidelines issued by the Parent Company, determines and approves the fixed component of remuneration due to directors vested with special powers (Chairman, Vice Chairman and CEO) and also establishes the variable components, both short-term and long-term, for directors with executive powers.

A similar governance arrangement is replicated for Generali Group companies with registered offices abroad, in compliance with the peculiarities of the companies and local jurisdictions.

With the aim of allowing the Parent Company to check the consistency of the remuneration policies at Group level *a posteriori* and ensure they are correctly applied, the above-mentioned companies will make the necessary documentation relating to them and their subsidiaries available annually to the Parent Company.

Section II – Information about the implementation of the remuneration policy

PART ONE

1. Remuneration of the members of the Board of Directors

The Shareholders' Meeting has resolved that, with reference to the entire three-year period that the Board of Directors appointed by the Shareholders' Meeting of 24 April 2010 is in office, and therefore until the effective date of approval of the financial statements for the year ending on 31 December 2012, each member of the Board of Directors will receive:

1) reimbursement of documented out-of-pocket expenses incurred for attending the meetings;
2) a payment equal to Euro 100,000.00 gross per year, with an increase of 50% for those who are members of the Executive Committee;
3) a variable payment, equal in total to 0.01% of the consolidated profit, up to a maximum total limit of Euro 300,000.00, to be distributed equally among the members of the Board of Directors;
4) an attendance fee for each meeting of the Board of Directors and the Executive Committee of Euro 4,000.00.

The fees of the members of the Board of Directors for the financial year 2012 are given in table 1.

As far as directors who are also members of the advisory committees are concerned, on 24 March 2012, the Board of Directors resolved to award to the members of the Appointments and Corporate Governance Committee – because of the increased commitment in terms of meetings and related activities – gross annual fees of respectively Euro 20,000.00 for the Chairman and Euro 15,000.00 for the members of the committee, as well as attendance fees of Euro 2,000.00 for each meeting. On the basis of similar considerations, the Board also approved, during the course of the same meeting, the payment of an attendance fee of Euro 2,000.00 to the Chairman and members of the Social and Environmental Sustainability Committee.

Details of the fees defined for the financial year 2012 for directors who are also members of advisory committees are given in table 2.

2. Remuneration of the Chairman, Managing Directors, General Managers and management personnel with strategic responsibilities

Chairman: taking into account the fact that the Shareholders' Meeting on 28 April 2012 was called upon to approve the reconfirmation of Mr Galateri di Genola as a member of the Board of Directors, the latter body re-appointed him to the office of Chairman, also redetermining the related fees.

Therefore, Mr Galateri di Genola, without prejudice to what is due to him as a member of the Board of Directors and Executive Committee, i.e.:

1) a fixed payment equal to Euro 100,000.00 gross as a member of the Board of Directors, increased by 50% as a member of the Executive Committee;
2) a portion of the variable payment received by the members of the Board of Directors, equal in total to 0.01% of the consolidated profit, up to a maximum total limit of Euro 300,000.00, to be distributed equally among all the Directors;
3) an attendance fee for each meeting of the Board of Directors and the Executive Committee of Euro 4,000.00;

by reason of the powers assigned to him, was awarded a further payment of Euro 750,000.00 gross per year, a payment in line with those received by both Italian and foreign individuals who perform comparable roles in similar companies to Assicurazioni Generali in terms of size and characteristics.

The following previous benefits were also reconfirmed:

- insurance cover relating to occupational accidents and illness, in the case of death or total and permanent invalidity;
- supplementary insurance cover for health expenses, with features equivalent to that provided for Group executives. Lastly, the Chairman received payments and attendance fees related to the offices of Chairman of the Appointments and Corporate Governance Committee and of the Social and Environmental Sustainability Committee.

It should be noted that in relation to severance indemnity or payment of compensation if his office finishes prematurely, the Chairman is subject to the policy defined by the Company during 2012 described in Chapter 4.3. For the purpose of calculating the amount of any payment if the office finishes prematurely, all payments due to the person involved at that time will be taken into consideration.

The details of fees relating to the financial year 2012 are given in table 1.

Managing Directors: the change at the top concerning the Group CEO and the subsequent changes made to the organisational structure of the Company have involved the following:

Mr Giovanni Perissinotto: on 2 June 2012, his managerial powers were revoked and at the same time his offices under the scope of the Executive Committee and the Investment Committee came to an end. On 12 June, his employment relationship was terminated by mutual consent, while Mr Perissinotto ceased to be a director from 20 July 2012. By reason of this and in compliance with the policy defined by the Company on the premature termination of office, Mr Perissinotto was paid a total gross amount of Euro 9,073,024.89.

More specifically, the following was paid to Mr Perissinotto:

- compensation for the remaining period of office, equal to 11 months, calculated based on the related fees, in the amount of Euro 1,475,398.22, for the premature termination of his office as director;
- an amount, by way of notice, as set out by the national collective bargaining agreement for directors of insurance firms, equal to 12 months' pay, calculated based on the gross annual remuneration received as General Manager, equal to Euro 1,459,525.33, with regard to the termination of the employment relationship;
- an amount equivalent to 24 months' remuneration, understood as emoluments for the offices of Managing Director and member of the Board of Directors and the Executive Committee, the gross annual remuneration received as General Manager and the average of the variable component provided in the last three-year period of each of the offices; the amount is equal to Euro 6,138,101.33.

It should be pointed out that the premature termination of the office involved the loss of Mr Perissinotto's rights as a participant in long-term incentive plans.

Mr Perissinotto also signed a non-compete agreement, pursuant to which the Company is required to pay him, in 18 monthly instalments until 31 December 2013, a gross overall amount of Euro 1,584,362.55.

The D&O policy in favour of Mr Perissinotto is also in place, as set out in the coverage, with regard to his previous work in Assicurazioni Generali, under the existing conditions, until the expiry date (set at 30 April 2013).

The Company has also made a pro rata gross payment by way of a reward for seniority, as set out under the collective bargaining agreement, of Euro 117,040.00.

Lastly, Mr Perissinotto was granted the use until 31 December 2013 of the home in Milan that he used previously, under the same conditions, and a partial deduction of legal expenses was agreed.

Mr Mario Greco: on 1 August 2012 Mr Mario Greco was appointed Managing Director and Group CEO of the Company, and an employment relationship in the role of General Manager was established.

Mr Greco was granted the following remuneration package:

- fixed remuneration: a gross annual payment for the office of Managing Director equal to Euro 1,100,000.00, including the emoluments and attendance fees provided for members of the Board of Directors and Executive Committee and those for the office of member of the internal advisory committees, as well as a gross annual remuneration for the office of General Manager equal to Euro 200,000.00;
- short-term component of the variable remuneration: for achieving the targets assigned, he will receive an amount for the target that is equal to 100% of the fixed remuneration;
- long-term component of the variable remuneration: for achieving the targets assigned, he will receive an amount for the target that is equal to 200% of the fixed remuneration;
- supplementary pension: pursuant to national and supplementary collective agreements, with the Company responsible for a contribution of 16.5%, a fixed remuneration and annual supplement from the Company equal to Euro 107,452.22 gross;
- other benefits: as per the existing remuneration policies.

In addition, in order to facilitate the establishment of the employment relationship between the Company and Mr Greco, some more favourable conditions were granted to the latter, as summarised below:

- in relation to the short-term component of the variable pay, Mr Greco will receive a gross payment of Euro 1,300,000.00 for 2012 only;
- a one-off payment was agreed, following approval by the Shareholders' Meeting, in the form of 380,868 Assicurazioni Generali shares, with 50% subject to a lock-up period which will end on 1 August 2015 and the remaining 50% subject to a lock-up period which will end on 1 August 2018. For further details, please refer to the information document produced pursuant to Article 114-*bis* of the T.U.F., which is available on the Company website under the section "Governance, Remuneration Report";
- with regard to severance indemnity and compensation paid for premature termination of office, without prejudice to the relevant policy in force, in the case of dismissal without just cause or resignation with just case, the following additional provisions have been defined:
  a) notice period: conventionally determined as 12 months;
  b) if the relationship ceases in the first year (prior to the vesting date of the short-term variable component) the indemnity is calculated including in the calculation base the amount of the short-term variable component in the amount of 100% of the fixed component of the remuneration;
  c) conventional hypotheses of just cause for resignation include cases of reduction, revocation or lack of renewal of the office and/or powers (without just cause) and/or the allocation of mandates or power to other persons which are, overall, essentially equivalent to those attributed or due to the person in question, or in any case of such importance as to have a substantial impact on the overall position and on the senior role of the person in question under the scope of the Company and the Group;
  d) incentives in the form of financial instruments subject to lock-up; automatically released.

Mr Sergio Balbinot: with regard to the organisational structure of the Company, on 8 November 2012, Mr Balbinot's office as director ended prematurely, along with the offices of Managing Director and member of the Executive Committee of the Company, without prejudice to his employment relationship as General Manager. With regard to this and in compliance with the policy on the subject, Mr Balbinot was paid a sum of Euro 790,596.00 gross, equivalent to 6 months' emoluments for the offices mentioned above plus the average of the short-term component for the last three-year period (as Managing Director). Besides this, in light of the termination of the aforementioned offices and his simultaneous appointment to the role of Group Chief Insurance Officer, the fixed component of his remuneration was reset at Euro 1,000,000.00 gross per annum, with effect from 9 November 2012.

With regard to Mr Raffaele Agrusti and Mr Paolo Vagnone, who in 2012, respectively, took on the roles of Country Manager for Italy and Head of Global Business Lines, it should be pointed out that these changes did not involve changes as far as the structure and size of the respective remuneration packages are concerned.

In relation to management personnel with strategic responsibilities, the existing remuneration packages have been reconfirmed or adapted following changes in role, and the total remuneration of the new Group Chief Financial Officer has been determined. In particular, it should be pointed out that in order to incentivise entry into the Company, an agreement was stipulated with the latter, based on which, following approval from the Shareholders' Meeting, he will be given a one-off payment, in the form of shares, as detailed in the information document on the Company website in the section "Governance, Remuneration Report".

Lastly, again during the course of 2012, two managers with strategic responsibilities left the Company by mutual consent and both were paid for the premature termination of the office in line with the policy on the subject. It should also be pointed out that one of the persons in question signed a confidentiality agreement for a period of one year until 31 October 2013, while there is a consultancy agreement in force with the other person which will end on 31 May 2013.

As far as the detailed information relating to the long-term variable component with reference to 2012 is concerned, please refer to the special information document produced pursuant to Article 114-*bis* of the T.U.F., which is available on the Company website in the section "Governance, Remuneration Report".

Details of the remuneration of the Managing Directors, General Managers and management personnel with strategic responsibilities relating to 2012 are given in table 1; tables 3A and 3B refer to the LTIP; tables 2 and 4 respectively list the stock options and the holdings of the Managing Directors, General Managers and management personnel with strategic responsibilities.

3. Remuneration of the members of the control body

Given that the expiry of the term of office for the Board of Statutory Auditors coincided with the 2010 financial year, the Board of Directors, through the Remuneration Committee, verified the adequacy of the fees paid at that time and their positioning in relation to the fees paid to the control bodies of the most significant competitors that can be considered comparable in size and complexity to Assicurazioni Generali, whilst taking into account further and important tasks that were assigned to the control body through the entry into force of Legislative Decree No. 39 of 27 January 2010 on the subject of auditing annual and consolidated financial statements.

On 30 April 2011, the Shareholders' Meeting reconfirmed the adequacy of the fees paid to the Board of Statutory Auditors, deciding on Euro 100,000.00 as the gross annual fee due to standing statutory auditors for each of the financial years 2011, 2012 and 2013, with an increase of 50% for the Chairman of the Board of Statutory Auditors.

The details of fees relating to the financial year 2012 are given in table 1.

4. Remuneration of the managers and their first reports in control functions

During 2012, remuneration packages for control function managers were adequate in the light of the information that emerged from the benchmarking requested from Hewitt for these positions at the end of 2011, and the overall remuneration of the Group Chief Risk Officer was determined *ex novo*, including a long-term variable component.

For the year in question, the heads of the control functions and their first reports received a fixed remuneration component of Euro 1,297,613.00 gross in total; the total variable component of the remuneration is equal to € 321.961,67.

As far as benefits are concerned, according to the policy of tax liability, these come to Euro 21,585.04; one of the above-mentioned managers also received an allowance of Euro 20,000.00 gross per annum.

PART TWO

Table 1 - Remuneration paid to members of the management and control bodies, General Managers and management personnel with strategic responsibilities

			EMOLUMENTS (IN EURO)							
			EMOLUMENTS FOR THE OFFICE HELD							
PERSON NAME AND SURNAME / OFFICE HELD	PERIOD COVERED BY THE MANDATE	END OF MANDATE	FIXED EMOLUMENTS	VARIABLE EMOLUMENTS	ATTENDANCE FEE	TOTAL EMOLUMENTS	NON MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER EMOLUMENTS	SEVERANCE PAY OR AMOUNTS PAID IN CASE OF EARLY TERMINATION
Gabriele GALATERI DI GENOLA		**Total**	**855,000**	**554.34**	**110,000**	**965,554**	**3,480**			
Chairman	1.1-31.12.2012	Approved f.s. 2012	685,000	554.34	-	**685,554**	3,480			
Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000		44,000	**144,000**				
Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		48,000	**98,000**				
Chairman of the Appointments and Corporate Governance Committee	1.1-31.12.2012	Approved f.s. 2012	20,000		12,000	**32,000**				
Chairman of the Social and Environmental Sustainability Committee	1.1-31.12.2012	Approved f.s. 2012	-		4,000	**4,000**				
Chairman of the Investment Committee *ad interim*	2.6-1.8.2012	Approved f.s. 2012	-		2,000	**2,000**				
Vincent BOLLORE'		**Total**	**150,000**	**554.34**	**80,000**	**230,554**				
Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	36,000	**136,554**				
Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		44,000	**94,000**				
Francesco Gaetano CALTAGIRONE		**Total**	**180,000**	**554.34**	**102,000**	**282,554**				
Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	**144,554**				
Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		44,000	**94,000**				
Member of the Investment Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		14,000	**44,000**				
Giovanni PERISSINOTTO		**Total**	**774,216**		**44,000**	**818,216**	**72,138**		**117,040**	**10,657,387**
Managing Director and Group CEO	1.1-2.6.2012	Approved f.s. 2012	337,778		-	**337,778**				10,657,387
Member of the Board of Directors	1.1-20.7.2012	Approved f.s. 2012	55,342		20,000	**75,342**				
Member of the Executive Committee	1.1-2.6.2012	Approved f.s. 2012	21,096		16,000	**37,096**				
Chairman of the Investment Committee	1.1-2.6.2012	Approved f.s. 2012	-		8,000	**8,000**				
General Manager	1.1-12.6.2012		360,000		-	**360,000**	72,138		117,040	
Mario GRECO		**Total**	**541,666**		**-**	**541,666**	**44,771**	**1,300,000**		
Managing Director and Group CEO	1.8-31.12.2012	Approved f.s. 2012	458,333[1]		-	**458,333**	44,771	1,100,000		
Member of the Board of Directors	1.8-31.12.2012	Approved f.s. 2012	-		-	**-**				
Member of the Executive Committee	1.8-31.12.2012	Approved f.s. 2012	-		-	**-**				
Chairman of the Investment Committee	1.8-31.12.2012	Approved f.s. 2012	-		-	**-**				
General Manager	1.8-31.12.2012		83,333		-	**83,333**		200,000		
Sergio BALBINOT		**Total**	**1,555,018**	**474.06**	**84,000**	**1,639,492**		**1,838,961**		**790,596**
Managing Director	1.1-8.11.2012	Approved f.s. 2012	596,944	474.06	-	**597,418**				790,596
Member of the Board of Directors	1.1-8.11.2012	Approved f.s. 2012	85,753		40,000	**125,753**				
Member of the Executive Committee	1.1-8.11.2012	Approved f.s. 2012	42,877		44,000	**86,877**				
General Manager	1.1-31.12.2012		829,444		-	**829,444**		1,838,961		

PERSON NAME AND SURNAME	OFFICE HELD	PERIOD COVERED BY THE MANDATE	END OF MANDATE	EMOLUMENTS (IN EURO) EMOLUMENTS FOR THE OFFICE HELD FIXED EMOLUMENTS	VARIABLE EMOLUMENTS	ATTENDANCE FEE	TOTAL EMOLUMENTS	NON MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER EMOLUMENTS	SEVERANCE PAY OR AMOUNTS PAID IN CASE OF EARLY TERMINATION
Cesare CALARI			Total	150,000	554.34	97,000	247,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	144,554				
	Member of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		18,000	48,000				
	Member of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	20,000		35,000	55,000				
Carlo CARRARO			Total	150,000	554.34	96,000	246,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	144,554				
	Member of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		18,000	48,000				
	Member of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	20,000		30,000	50,000				
	Member of the Social and Environmental Sustainability Committee	1.1-31.12.2012	Approved f.s. 2012	-		4,000	4,000				
Claudio DE CONTO			Total	93,101	354.41	50,000	143,455				
	Member of the Board of Directors	11.5-31.12.2012	Approved f.s. 2012	64,208	354.41	32,000	96,562				
	Member of the Remuneration Committee	11.5-31.12.2012	Approved f.s. 2012	9,631		12,000	21,631				
	Member of the Investment Committee	11.5-31.12.2012	Approved f.s. 2012	19,262		6,000	25,262				
Petr KELLNER			Total	130,000	554.34	32,000	162,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	24,000	124,554				
	Member of the Investment Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		8,000	38,000				
Angelo MIGLIETTA			Total	180,000	554.34	110,000	290,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	144,554				
	Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		48,000	98,000				
	Member of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		18,000	48,000				
Alessandro PEDERSOLI			Total	190,000	554.34	107,000	297,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	144,554				
	Chairman of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		18,000	68,000				
	Chairman of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	25,000		35,000	60,000				
	Member of the Appointments and Corporate Governance Committee	1.1-31.12.2012	Approved f.s. 2012	15,000		10,000	25,000				
Lorenzo PELLICIOLI			Total	180,000	554.34	110,000	290,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	40,000	140,554				
	Member of the Executive Committee	1.1-31.12.2012	Approved f.s. 2012	50,000		44,000	94,000				
	Member of the Remuneration Committee	1.1-31.12.2012	Approved f.s. 2012	15,000		16,000	31,000				
	Member of the Appointments and Corporate Governance Committee	1.1-31.12.2012	Approved f.s. 2012	15,000		10,000	25,000				
Reinfried Helmut POHL			Total	100,000	554.34	24,000	124,554			(2)	
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	24,000	124,554				
Clemente REBECCHINI			Total	105,943	354.41	70,000	176,297(3)				
	Member of the Board of Directors	11.5-31.12.2012	Approved f.s. 2012	64,208	354.41	32,000	96,562				
	Member of the Executive Committee	11.5-31.12.2012	Approved f.s. 2012	32,104		32,000	64,104				
	Member of the Appointments and Corporate Governance Committee	11.5-31.12.2012	Approved f.s. 2012	9,631		6,000	15,631				

PERSON NAME AND SURNAME	OFFICE HELD	PERIOD COVERED BY THE MANDATE	END OF MANDATE	EMOLUMENTS (IN EURO) – EMOLUMENTS FOR THE OFFICE HELD – FIXED EMOLUMENTS	VARIABLE EMOLUMENTS	ATTENDANCE FEE	TOTAL EMOLUMENTS	NON MONETARY BENEFITS	BONUSES AND OTHER INCENTIVES	OTHER EMOLUMENTS	SEVERANCE PAY OR AMOUNTS PAID IN CASE OF EARLY TERMINATION
Paola SAPIENZA			Total	150,000	554.34	97,000	247,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	44,000	144,554				
	Member of the Risk and Control Committee	1.1-31.12.2012	Approved f.s. 2012	30,000		18,000	48,000				
	Member of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	20,000		35,000	55,000				
Paolo SCARONI			Total	155,000	554.34	98,000	253,554				
	Member of the Board of Directors	1.1-31.12.2012	Approved f.s. 2012	100,000	554.34	36,000	136,554				
	Chairman of the Remuneration Committee	1.1-31.12.2012	Approved f.s. 2012	20,000		16,000	36,000				
	Member of the Appointments and Corporate Governance Committee	1.1-31.12.2012	Approved f.s. 2012	15,000		12,000	27,000				
	Member of the Committee for the Evaluation of Related Party Transactions	1.1-31.12.2012	Approved f.s. 2012	20,000		30,000	50,000				
	Member of the Social and Environmental Sustainability Committee	1.1-31.12.2012	Approved f.s. 2012	-		4,000	4,000				
Diego DELLA VALLE			Total	43,014	237.79	12,000	55,252				
	Member of the Board of Directors	1.1-5.6.2012	Approved f.s. 2012	43,014	237.79	12,000	55,252				
Alberto Nicola NAGEL			Total	51,986	174.18	26,000	78,160(3)				
	Member of the Board of Directors	1.1-24.4.2012	Approved f.s. 2012	31,507	174.18	8,000	39,681				
	Member of the Executive Committee	1.1-24.4.2012	Approved f.s. 2012	15,753		16,000	31,753				
	Member of the Appointments and Corporate Governance Committee	1.1-24.4.2012	Approved f.s. 2012	4,726		2,000	6,726				
Francesco Saverio VINCI			Total	45,685	174.18	18,000	63,859(3)				
	Member of the Board of Directors	1.1-24.4.2012	Approved f.s. 2012	31,507	174.18	8,000	39,681				
	Member of the Investment Committee	1.1-24.4.2012	Approved f.s. 2012	9,452		6,000	15,452				
	Member of the Remuneration Committee	1.1-24.4.2012	Approved f.s. 2012	4,726		4,000	8,726				
Eugenio COLUCCI			Total	150,000			150,000				
	Chairman of the Statutory Auditors	1.1-31.12.2012	Approved f.s. 2013	150,000			150,000				
Giuseppe ALESSIO VERNI'			Total	100,000			100,000			111,300(4)	
	Statutory Auditor	1.1-31.12.2012	Approved f.s. 2013	100,000			100,000				
Gaetano TERRIN			Total	100,000			100,000			88,000(5)	
	Statutory Auditor	1.1-31.12.2012	Approved f.s. 2013	100,000			100,000				
Raffaele AGRUSTI			Total	1,000,000			1,000,000	6	806,579		
	General Manager	1.1-31.12.2012		1,000,000			1,000,000	6			
Paolo VAGNONE			Total	800,000			800,000	1,997	441,206		
	General Manager	1.1-31.12.2012		800,000			800,000	1,997			
Other managers with strategic responsibilities(6)			Total	3,248,917			3,248,917	28,695	1,918,232	16,000	1,685,000

(1) The emolument for the position of managing director and Group CEO includes the emoluments and attendance fees as board member and as member of the Executive Committee, as well as the emoluments and the attendance fees for the participation in the internal committees.
(2) Mr. Pohl doesn't receive any emolument for the office in AachenMünchener Lebensversicherung; the emoluments for Generali Holding Vienna AG will be defined by the General Meeting of the company during the current year.
(3) The emolument was paid directly to Mediobanca.
(4) Emoluments for the office of Chairman of the Board of Statutory Auditors of Banca Generali, Europ Assistance Italy, Generali Horizon, Genertellife, Genfid and Effective Auditor of Europ Assistance Service, Genertel and UMS Immobiliare Genova.
(5) Emolument for the office of Effective Auditor for Alleanza Toro, Generali Immobiliare Italia SGR and Ina Assitalia.
(6) During 2012, the other managers with Strategic Responsibilities were 13.

Table 1A - Fees for members of advisory committees – financial year 2012

ROLE	GROSS YEARLY EMOLUMENT (EURO)	ATTENDANCE FEE PER SESSION (EURO)
Members of the Remuneration Committee	15,000	2,000
Chairman of the Remuneration Committee	20,000	2,000
Members of the Risk and Control Committee	30,000	2,000
Chairman of the Risk and Control Committee	50,000	2,000
Members of the Appointments and Corporate Governance Committee	15,000	2,000
Chairman of the Appointments and Corporate Governance Committee	20,000	2,000
Members of the Investments Committee	30,000	2,000
Chairman of the Investments Committee	no emolument(*)	2,000(*)
Members of the Committee for the evaluation of related party transactions	20,000	5,000
Chairman of the Committee for the evaluation of related party transactions	25,000	5,000
Members of the Social and Environmental Sustainability Committee	no emolument	2,000
Chairman of the Social and Environmental Sustainability Committee	no emolument	2,000

(*) The office of Chairman of the Committee for Investments has been held, respectively, by the former Group CEO and current Chairman and Group CEO. For the former Group CEO and the Chairman attendance fees were paid, for the current Group CEO attendance fees are included under the remuneration defined by the Board of Directors for the role of managing director.

Table 2 – Stock options granted to members of the Board of Directors, general managers and management personnel with strategic responsibilities

					Options held at the start of the financial year					Option granted during the financial year			Options exercised during the financial year		Options expired during the financial year	Options held at the end of the financial year	Options related to the financial year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = 2+5-11-14	(16)
Name and Surname	Role	Plan	Number of options	Strike price	Possible exercise period	Number of options	Strike price	Possible exercise period	Fair value at grant date	Grant date	Market price of the shares at the grant of options	Number of options	Strike price	Market price of the shares at the grant date	Number of options	Number of options	Fair value
Giovanni Perissinotto	Group CEO Gen. Man.	2006	500,000	30.127	10/05/09 10/05/12										500,000	0	0
Sergio Balbinot	Man. Dir. Gen. Man.	2006	500,000	30.127	10/05/09 10/05/12										500,000	0	0
Raffaele Agrusti	General Manager	2006	200,000	31.37	23/03/09 23/03/12										200,000	0	0
Other Managers with strategic responsibilities			205,000	31.37	20/03/09 22/03/12										205,000	0	0

Table 3A - Incentive plans based on financial instruments other than stock options for members of the Board of Directors, general managers and management personnel with strategic responsibilities

		Financial instruments assigned during previous years and not vested during the year			Financial instruments assigned during the year					Financial instruments vested during the year and not assigned	Financial instruments vested during the year and able to be assigned		Financial instruments relevant to the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and Surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on assignment date	Vesting period	Assignment date	Market price upon assignment	Number and type of financial instruments	Number and type of financial instruments	Value on maturity date	Fair value
(I) Emoluments in the company that prepares the financial statement													
Sergio Balbinot	General Manager	LTIP 2010 resolution of the Board of Directors 17/3/2010											
Raffaele Agrusti	General Manager	LTIP 2010 resolution of the Board of Directors 17/3/2010											
Paolo Vagnone	General Manager	LTIP 2010 resolution of the Board of Directors 17/3/2010											
Other managers with strategic responsibilities		LTIP 2010 resolution of the Board of Directors 17/3/2010											
(II) Emoluments from subsidiaries and associates													
		Plan A (data of the relevant resolution)											
		Plan B (data of the relevant resolution)											
(III) Total													

This table has not been completed because the 2010 LTIP produced effects in cash; please refer, therefore, to table 3B.

Table 3B - Monetary incentive plans for members of the Board of Directors, general managers and management personnel with strategic responsibilities

A	B	(1)	(2)			(3)			(4)
			BONUS OF THE YEAR			BONUS OF THE PREVIOUS YEARS			
			(A)	(B)	(C)	(A)	(B)	(C)	
NAME AND SURNAME	OFFICE	PLAN	PAYABLE/PAID	DEFERRED	DEFERMENT PERIOD	NO LONGER PAYABLE	PAYABLE/PAID	STILL DEFERRED	OTHER BONUSES
(I) Emoluments in the company that prepares the financial statement									
Mario Greco	Man. Dir. and Group CEO								1,300,000
Sergio Balbinot	General Manager	BSC 2012	1,838,961						
		LTIP 2010 resolution of the Board of Directors 17/3/2010	0						
Raffaele Agrusti	General Manager	BSC 2012	806,579						
		LTIP 2010 resolution of the Board of Directors 17/3/2010	0						
Paolo Vagnone	General Manager	BSC 2012	441,206						
		LTIP 2010 resolution of the Board of Directors 17/3/2010	0						
Other managers with strategic responsibilities		BSC 2012	1,630,000						
		LTIP 2010 resolution of the Board of Directors 17/3/2010	288,232						
(II) Emoluments from subsidiaries and associates									
		Plan A (data of the relevant resolution)							
		Plan B (data of the relevant resolution)							
(III) Total									

Table 4 - Holdings of members of the management and control bodies, general managers and management personnel with strategic responsibilities

NAME AND SURNAME	COMPANIES IN WHICH SHARES ARE HELD	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE YEAR-END
Gabriele GALATERI DI GENOLA *Chairman*	Generali	11,500			11,500
Sergio BALBINOT *Managing Director* *General Manager*	Generali	12,729			12,729
Giovanni PERISSINOTTO *Managing Director and Group CEO* *General Manager*	Generali	88,922	11,078		100,000
	Banca Generali	25,000			25,000
Vincent BOLLORE'	Generali	2,028,352 (1)			2,028,352 (1)
Francesco Gaetano CALTAGIRONE	Generali	35,300,000 (2)	3,000,000 (1)	3,550,000 (1)	34,750,000 (3)
Petr KELLNER	Generali	17,684,342 (1)		7,684,342 (1)	10,000,000 (1)
Paolo SCARONI	Generali	9,828			9,828
Francesco Saverio VINCI	Generali	1,372 (1)			1,372 (1)
Eugenio COLUCCI *Chairman of the Board of Auditors*	Generali	1,979			1,979
Raffaele AGRUSTI *General Manager*	Generali	32,422			32,422
Paolo VAGNONE *General Manager*	Generali	2,500			2,500
Other managers with strategic responsibilities	Generali	35,268	10,000		45,268
	Generali France	53,464	13,332	13,333	53,463

(1) Shares held through a subsidiary or affiliate company.
(2) Of which 35,185,000 held through a subsidiary or affiliate company.
(3) Of which 34,635,000 held through a subsidiary or affiliate company.

Section III – Control Functions verifications

A. *Ex ante* verifications of the Compliance and Risk Management functions

1. Introduction

Regulation No. 39, adopted by ISVAP on 9 June 2011 (‘***ISVAP Regulation No. 39***’) provides that implementation of the remuneration policies adopted by the company is reviewed, at least annually, by the internal control functions, in accordance with the scope of their authority. The Compliance Function, in particular, pursuant to Article 23 of the above-mentioned ISVAP Regulation, is responsible for checking that these policies comply with the rules of ISVAP Regulation No. 39, the Company By-laws as well as any codes of ethics or other standards of conduct applicable to the Company in order to prevent and control legal and reputational risks.

Within this scope and following approval of the remuneration policy by the Shareholders’ Meeting of 28 April 2012, each of the Company’s internal control functions, according to its area of authority, initiated the action necessary to ensure compliance of corporate conduct under the cited regulatory framework, supporting the Human Resources Department through *ex ante* assessments of compliance. Starting on 14 December 2012, these assessments also refer to the new Code of Conduct and the related Group Rules.

The Group CEO encouraged the review of the existing remuneration systems for the purpose of aligning the individual performance of managers with key roles in the Group more closely with the Group’s strategic objectives.

The outcome of this review led to the formulation of a new Group incentive model and to the redrafting of the criteria for identifying *“personnel”*[1], taking into consideration also the establishment of the Group Management Committee, which has been entrusted with the task of defining the Group’s strategic priorities and ensuring that they are operationally coherent.

Summarised below are the main new features of the latest model, reflected in the Remuneration Report, and the controls conducted by the Compliance Function and the Risk Management Function.

2. The new remuneration system

The main new features of the latest remuneration system are listed below.

2.1. - Recipients

The Company’s executives who will participate in the new remuneration system include the members of the above-mentioned Group Management Committee and *personnel* who, through their job, position, level of responsibility, activities and authority, may have a direct impact on the Group’s results.

The new remuneration system will also include head of internal control functions and relevant top-level lines, who come under the regulatory definition of “*personnel*”. In this case there are specific governance rules and criteria for the allocation of objectives designed to avoid possible situations of conflict of interest.

2.2. - Structure of the new remuneration package

The overall remuneration package awarded under the new system comprises a fixed part and a short- and medium- to long-term variable component.
As far as the short-term component is concerned (the so-called ‘*Short Term Incentive*’ or STI), granted in cash, the main new features introduced involve:

a) A more direct correlation between the financing of the short-term remuneration system and the achievement of the Group’s annual results;
b) The possibility of not awarding this component if the minimum level of the Group’s Solvency Ratio, understood as a hurdle and calculated in accordance with the Solvency I criteria (hereinafter known as the “*Solvency I Ratio*”), or the minimum level of the Group’s targets to which the financing of the STI is connected (for 2013, the Operating Result and Net Profit) is not reached;
c) The expectation of achieving five categories of targets in individual Balanced Scorecards, divided into objectives, aligned with the Group’s strategic objectives: 1) Strategic Progress, 2) Business Delivery & Financial Performance, 3) Process Effectiveness, Risk & Control, 4) Customer

1 Refer to the definition in Article 2, paragraph 1(f) of ISVAP Regulation No. 39.

Engagement, 5) People Management. Payment of the STI remains subject to reaching the targets selected at the beginning of the year, which can be easily measured, with each having a specific weighting;

d) Evaluation of the performance achieved by individual recipients of the STI at the end of each year is carried out based on a process which sees the involvement of the Group Human Resources Department and, later on, the Group CEO and members of the Group Management Committee. The process of assigning the targets and evaluating to what extent they have been achieved, which includes discretionary factors, supported by reasons, is adequately set down in writing.

The medium- to long-term component (the "*Long Term Incentive*" or LTI), unlike the previous 2011 Long Term Incentive Plan, is granted exclusively in Assicurazioni Generali S.p.A. shares. This is a rolling plan, in other words it is based on three-year cycles, which start every year, without affecting the possibility that the Board of Directors of the Parent Company may stop the cycles after the first one.

Each participant in the LTI is a potential recipient of a maximum number of shares of the Parent Company, which is calculated, at the beginning of each cycle, on the basis of a ratio between (*i*) the maximum amount of the bonus which may be received by the individual recipient (equal to a percentage of their recurring gross annual remuneration), and (*ii*) the value of the share, calculated as an average of the share price recorded in the three months prior to the meeting of the Board of Directors at which the financial statements and the consolidated financial statements for the year ended 31 December of the previous year are approved. The maximum number of shares is allocated in three annual *tranches* equal, respectively, to 30% of the maximum number of shares which can be awarded for the first *tranche*, 30% for the second *tranche* and 40% for the third *tranche*.

The allocation of each *tranche* of shares is subject to verification, on an annual basis, that the Group objectives have been achieved (for 2013 they were identified as the rTSR (relative Total Shareholder Return), that is the positioning of the Generali Group in relation to a set group of peers, and the ROE (Return on Equity) of the Group). The targets which these annual objectives must achieve are set at the beginning of each cycle and remain the same for all three reference years.

The granting of each *tranche* is also subject to verification that an access threshold ("*gate*") has been exceeded, indicated in the Company's Remuneration Report. In particular, for the cycle which starts in 2013, the access threshold has been identified as the Solvency I Ratio, which should not be lower than: (i) 140% for the first *tranche*; (ii) 140% for the second *tranche* or not lower than the higher Solvency 1 Ratio level, if the Solvency I Ratio achieved in the previous year was more than 140%; (iii) 160% for the third *tranche*.

The granting of the share component is, lastly, subject to the condition precedent that the recipient shall remain at the Generali Group for the entire duration of the cycle and until the date of the actual shares granting, according to the Board of Directors resolution that verifies the level of objectives achievement at the end of the third year of each cycle.

After the allocation of the first *tranche* (at the end of the first year), the portion of shares assigned is subject to a two-year deferral period; the second *tranche* (at the end of the second year) is awarded after verification of the achievement of the targets on the second year and is then subject to a deferral period of one year. Following this, the third *tranche* (at the end of the third year) is awarded after verification of the achievement of the targets on the third year.

Half the shares acquired at the end of the three-year period are available immediately for the recipient, 25% are subject to a one-year lock-up period, and 25% are subject to a two-year lock-up period.

Further one-off payments may also be granted such as, for example, entry bonuses. This type of remuneration is paid in compliance with the governance procedures on remuneration and precise information about them is given in compliance with the provisions of existing regulations.

3. Controls conducted

With regard to the above, the Risk Management Function has examined the coherence of the criteria identified and the related indicators used for performance evaluation in relation to the risk management strategies established by the Board of Directors.

The Compliance Function has also verified the compliance of the variable remuneration components (STI and LTI), described in the Remuneration Report, with the regulatory context and makes the following comments:

a) The new system provides for alignment with the strategic objectives of the Company and the Generali Group;
b) Measurement of the results takes place over an adequate timescale;
c) Maximum limits have been set for the granting of the variable component;
d) Payment of the variable component is subject to pre-set and objective results being achieved, which are also easy to measure;
e) The setting of these targets also takes into account non-financial criteria which contribute to the creation of value for the Company, such as "People Management" and "Customer Engagement";
f) Steps have been taken to ensure that the amount received by each recipient is based on a suitable combination of results achieved by the individual and the overall results achieved by the Company and the Group, also within the scope of the so-called 'calibration meetings';
g) It is possible not to grant a bonus if the minimum levels to which the financing of the system is related are not reached (Group objective and Solvency I Ratio), and the bonus will not be paid, in full or in part, if individual targets are not achieved;
h) The application of so-called *malus* and claw-back clauses is provided for;

i) There is a minimum deferral period for part of the variable component;
j) There are adequate periods for the assignment and retention of the component paid in shares.

The Compliance Function also noted that, with regard to the policy illustrated in the Remuneration Report approved in 2012 by the Shareholders' Meeting, the new remuneration policy remains essentially unaltered with regard to the following aspects, already deemed substantially compliant with the provisions of ISVAP Regulation No. 39:

a) The basis, the principles and the measures from which the Company remuneration policy generally draws its inspiration;
b) The procedures aimed at internal communication of the remuneration policy and related procedures;
c) The remuneration policy for members of the Company's Board of Directors who do not have executive powers, including the Chairman and the two Vice Chairmen;
d) The policy on severance pay and the amounts paid to members of the Board of Directors for early termination of office;
e) The remuneration policy for members of the Board of Statutory Auditors;
f) General policies on the fixed component of remuneration and benefits.

4. Conclusions

The Compliance Function considers that the new remuneration system described in the Remuneration Report substantially complies with the provisions of ISVAP Regulation No. 39, the Company By-laws, the Code of Conduct of listed companies and the new Code of Conduct.

The Risk Management Function, with particular reference to the criteria and parameters adopted for determining variable remuneration, considers that the new remuneration system is substantially consistent with the Group risk management strategies.

Both departments will take care to verify that the implementation procedures of the new remuneration policy conform with the latter as well as the provisions of ISVAP Regulation No. 39, the Company Bylaws, the Code of Conduct of listed companies and the Code of Conduct and related implementation arrangements.

B. *Ex post* verification of the Internal Audit function

Group Audit – Operational Audit Model of the Remuneration Policies

Internal Audit report on the proper implementation of the Remuneration policies for 2012

This report is prepared pursuant to Art. 23 of ISVAP Regulation No. 39/2011, which requires the Internal Audit Function to verify the proper implementation of the remuneration policies based on the guidelines established by the Board of Directors to ensure the efficient use and safeguarding of the company's assets. Such audit supplements those that have already been performed by other control departments (i.e. *Compliance* and *Risk Management*).

The audit has been performed on the basis of a Operational Audit Model that was previously presented by the Internal Audit Function to the Risk and Control Committee on 14 December 2012. Based on such Model, structured activities shall be carried out on all the companies that fall within the identified product type or geographical area. These activities include both the phase of definition of the policies and their implementation, as well as the actual payment of the main remuneration components. With regard to the latter, the final quantification and payment of the variable components of the remuneration will be audited after the approval of the financial statements as at 31 December 2012 by the Shareholders' Meeting, which is an essential precondition for the quantification and payment of the variable components of the remuneration.

The results of the activities carried out show that a few compensation packages are an exception to the remuneration policies approved by the Shareholders' Meeting held on 28 April 2012. These exceptions are attributable to the evolution of the remuneration policies, partly due to a different organizational structure adopted by the Group following the changes in the top management during the course of 2012. These changes are clearly visible in the new version of the policies that will be submitted to the approval of the Shareholders' Meeting that is currently being convened. In any event, the identified exceptions have been approved by the Board of Directors.

The audit also revealed that the business processes that fall within the responsibility of the Group HR Function need to be fine-tuned to guarantee wider coordination and control activities, particularly in the phase of implementation of the policies in question. In this regard, although complexities have emerged during the first year of implementation of the policies, arising from the deep diversity of the geographies and regulatory environments where they have been adopted, the audit has highlighted the need to complete the dissemination of these policies across all the entities of the Group, at the same time ensuring that adequate support and control activities are in place.

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