GENERALI GROUP NEWS

GENERALI GROUP: CONSOLIDATED RESULTS AT 30 JUNE 2010

Milan, 5th August 2010, at a meeting chaired by Cesare Geronzi, the Board of Directors of Assicurazioni Generali approved the consolidated results as at 30th June 2010. In a first half affected by continuing economic uncertainty and high volatility on the financial markets, the Generali Group confirmed the growth trend of recent quarters, closing the first six months of 2010 with significant growth in both production and net profit.

First-half net profit was € 873 million (+73.2%; € 504 million at 30 June 2009). A key factor was the strong improvement in the Life operating result to € 1.6 billion (+23.5%), the best half-year result in the Life segment for the past three years, bringing the total operating result to € 2.2 billion (+14.5%; € 1.9 billion at 30 June 2009). This performance was driven by Life net inflows, the improvement in financial margins and containment of costs. The Group continued to report robust production growth, with total gross written premiums of € 38.1 billion (+9.1%; € 34.7 billion at 30 June 2009), reflecting an increase in Life premiums to € 26.4 billion (+13.3%) and a small rise in Non-Life premiums to € 11.8 billion (+0.7%), despite the difficult macroeconomic situation.

The healthy first-half performance was also supported by cost-cutting measures. The expense ratio decreased to 14.9%, from 15.9% at 30 June 2009. This reflected a lower proportion of acquisition costs (from 12.5% to 11.8%) as well as action to contain administrative expenses, which decreased to 3.1% (3.4% in the first half of 2009).

Despite a highly volatile market, the Group also confirmed its solid capital position in the first six months, with shareholders’ equity rising to € 17.1 billion (+3%; € 16.7 billion at the end of 2009). Its Solvency I ratio was 132% (129% at the end of 2009), or 140% including eligible real estate capital gains. The Solvency II ratio – computed using the internal Economic Balance Sheet model based on an AA rating – was 161% (187% at the end of 2009). The decline was largely due to the negative impact of the markets, specifically to the increase in spreads between Italian treasury bonds and the swap curve and the reduction in interest rates on government securities in countries like France and Germany. For the same reason Embedded Value at 30 June 2010 fell to € 26.2 billion, from € 27.3 billion at the end of 2009. Normalised RoEV was 11.8%.

The Group investment policy maintained its focus on an appropriate balance between risk and medium/long-term profitability. Specifically, investment policy on the Non-Life lines aimed at maximising current profitability, by extending duration and increasing the weight of corporate bonds. Investments, excluding those related to linked contracts, stood at € 522.5 billion, with fixed-income financial instruments accounting for 78.4%, equities for 8.4%, real estate for 4.6%, cash and cash equivalents for 3.5% and other investments for 4.2%.
Chairman Cesare Geronzi said: “This is a very positive result, even in comparative terms, and its importance is heightened by the fact it was achieved in a scenario that continues to be troubled by the effects of the global financial crisis. It rewards the commitment and the capabilities of Generali people. This result encourages us to do even better, in particular to focus on measures to improve operating efficiency – already at a high level compared with our competitors – especially in the Non-Life lines. The Group will also be able to play a key role in guaranteeing savings as opportunities develop – as seen in the first half – to respond to growing need for security and investment in the future. The Group is solid and has good governance, probably with room for some fine-tuning. In short, we have to continue devoting all our efforts to the enhancement of our competitiveness and profitability.”

Net profit up to €873 million (+73.2%) with premiums at more than €38 billion (+9.1%)

**PRODUCTION GROWTH STRENGTHENS**
- Life gross premiums rise to €26.4 billion (+13.3%), with new business in terms of APE at €2.8 billion (+10.7%). Upturn in Non-Life premiums to €11.8 billion (+0.7%). Life production improved in China (+48.5%)
- Life net inflows rise to €9.6 billion (+34.4%) from €7.1 billion in 1H09

**STRONG PROGRESS IN OPERATING RESULT, DRIVEN BY LEAP IN LIFE RESULT**
- Total operating result rises to €2.2 billion (+14.5%) fuelled by the increase in the Life result to €1.6 billion (+23.5%), the best half-year figure for the past three years. Non-Life operating result at €663 million (-6.6%) with an improvement in the second quarter.
- Non-Life combined ratio 98.8% (97.9% in 1H09), after an increase in catastrophic events

**SOLID CAPITAL POSITION CONFIRMED**
- Shareholders’ equity gains 3% to reach €17.1 billion (€16.7 billion at the end of 2009)

**FOCUS ON EFFICIENCY AND COST CONTAINMENT**
- Aggregate expense ratio down to 14.9% from 15.9% in 1H09

Did you know that the nine-time World Champion biker Valentino Rossi will join Ducati Moto GP from 2011?
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GENERALI ASIA REGIONAL NEWS

GENERALI INDONESIA LAUNCHES THE INNOVATIVE UNIT LINKED IDARE

Jakarta, August 5th, PT Asuransi Jiwa Generali Indonesia and PT Bank DBS Indonesia announced the set up of a strategic bancassurance partnership for the first unit linked product to use an auto rebalancing system in Indonesia called iDARE. This product is Generali Indonesia’s first individual life insurance product that offers great flexibility for Indonesian customers to determine their personal trading limit, re-entry to stock bourse while benefiting from the auto rebalancing facility, thus allowing customers to constantly monitor and maintain their investment volatility based on their own plans daily. “iDARE is a proprietary Unit Linked product offered by Generali Indonesia. It allows our client to take the ultimate control of their investment risk, while to fully benefit from the upside of the markets. Without extra costs and execution hassles, our clients can setup their individual investment trading plan, automatically balance their portfolios between equity, fixed income and money markets, and perform the market exit and re-entry to offset the extreme market volatility. These innovative and flexible product features are backed by the sophisticated technology developed by Generali Indonesia team. We believe iDARE will be well received by Indonesian customers.” commented Mr. Edy Tuhirman, President Director of Generali Indonesia.

CEO Generali Indonesia, Mr. Edy Tuhirman and Mr. Budiyanto Winata Senior Vice President Consumer Banking Group - Wealth Management PT Bank DBS Indonesia during the press conference.

(Photo Credit: Narhidayat Firmansyah)
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INTERNAL AUDIT REGIONAL MEETING HOSTED IN HONG KONG

The annual meeting of the Heads of Internal Audit was held in Hong Kong on Monday August 16 and Tuesday August 17 with the participation of internal audit representatives of all group companies from across Asia. The meeting was an opportunity to share ideas, thoughts and plans and provide an update on the latest trends from Group Internal Audit, Corporate Center, Trieste, as discussed at the annual meeting of the Chief Internal Auditors in Trieste in early June. Subject matters that were discussed at the meeting with the active and constructive participation of all members included the “New Role of Internal Audit”, the “Harmonization of the Internal Control & Risk Management System Framework – 2010 Targets”, “Fraud Audit”, “IT Audit – A Standard Methodology” and the “Evolution of the Risk Based Approach”.

1st Row from left: Mr. Lawrence Chang, Assistant Audit Manager, Internal Audit – Asia; Ms. Busarin Wongsoeybuth, Head of Internal Audit, Generali Thailand; Ms. Sylvia Chow, Junior IT Auditor, Internal Audit – Asia; Ms. Angel Tan, Assistant Manager, Corporate Affairs Department, Generali China Insurance Co., Ltd.; and Ms. Alice Chen, Head of Internal Audit, Generali China Life Insurance Co. Ltd.

2nd Row from right: Mr. Umberto Semoli, Head of Internal Audit, Internal Audit – Asia; Mr. Patrick Shi, IT Audit Manager, Internal Audit – Asia; Mr. Prashant Chikhal, Head of Internal Audit, Future Generali India Insurance Co. Ltd.; Mr. Prayag Gadgil, Head of Internal Audit, Future Generali India Life Insurance Co. Ltd.; and Mr. Roland Arcadio, Head of Internal Audit, Generali Pilipinas.

Our Activities

GENSOCIETY  GENCULTURE  GENSPORT

GENSOCIETY

GENERALI THAILAND BLOOD DONATION ACTIVITY ON NATIONAL LIFE INSURANCE DAY

Bangkok, On the occasion of the National Life Insurance Day, Generali Thailand in co-operation with Thai Life Assurance Association joined the Blood Donation Activity at National Blood Center. This activity was held on 27th July 2010 at the Thai Red Cross National Blood Centre.
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DID YOU KNOW THAT THE NINE-TIME WORLD CHAMPION BIKER VALENTINO ROSSI WILL JOIN DUCATI MOTO GP FROM 2011?

In 2009 Generali and the Italian Ducati signed a three-year agreement naming the Generali Group, as a Ducati official sponsor. This agreement brought together two successful international players and historical Italian brands.

Ducati and Valentino Rossi, the nine-time World Champion, have signed a two year agreement. In fact Valentino will race in the Ducati MotoGP Team from 2011. The arrival of Valentino in Ducati opens a new and exciting chapter in the Italian factory’s sporting history and, indeed, of the whole MotoGP Championship. The opportunity of lining-up such an extraordinary rider and character is considered by Ducati to be a huge value to the whole Ducati MotoGP project.

For this season the world Champion is still a competitor of the Ducati Team.

To follow the results of Ducati you may check: http://www.motogp.com/en

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- Our Generali colleagues may also check this news on Il Bollettino.com