



17/03/2010

**PRESS  
RELEASE**

Generali Group: consolidated results for 2009<sup>1</sup>

Premiums at over € 70 billion; strong Life profitability with new business margins up at 21.7%

Group Embedded Value rises to € 27.3 billion (+21.5%)

Net profit up 52.1% to over € 1.3 billion, shareholders' equity (+47.2%) to € 16.7 billion

€ 0.35 cash dividend per share, cash pay-out ratio increases to 41.6%

**PREMIUMS DRIVEN BY GEOGRAPHIC SPREAD AND DIVERSIFIED DISTRIBUTION**

- Life net inflows almost double to € 16.1 billion, boosting Life technical reserves to € 286.4 billion (+9.6%)
- Life premiums € 48.9 billion (+9.5%) with APE € 5.2 billion (+3.8%)
- Non-Life premiums stable at € 21.6 billion, despite difficult macroeconomic conditions

**BUSINESS PROFITABILITY DRIVEN BY LIFE AND FINANCIAL SEGMENTS**

- New business value (NBV) exceeds € 1.1 billion with margins (NBM) rising to 21.7% (+1.5 p.p.): performance at top market levels
- Combined Ratio at 98.3% from 96.4%, affected by a 1.9 p.p. increase in the loss ratio due to catastrophic events and Motor performance. Expense ratio stable
- Operating result for Life segment € 2,451 million (+34.2%), for financial segment € 432 million (+30.3%). Total operating result € 3,676 million (-2.7%) with strong growth in 4Q

**OPERATING EFFICIENCY IMPROVES THANKS TO COST REDUCTIONS**

- Administrative and other operating expenses down 2.4%

**SOLID CAPITAL POSITION**

- Solvency I at 128% (from 123%); Solvency II, based on our internal model, at 187% (177%), one of the highest in the market

<sup>1</sup> Changes in premiums are stated on a like-for-like basis, at constant perimeter and exchange rates, with respect to the previous year. The changes in Life premiums, operating result, expenses and technical reserves are stated excluding Intesa Vita in 2008, given that, in compliance with IFRS 5, the relevant assets and liabilities have been classified in separate items on the balance sheet and the net profit for 2009 is reflected in a specific line on the income statement.

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Commenting on the results, Generali Chairman Antoine Bernheim said: *“The strong progress we made during another year of crisis confirms Generali as one of the industry’s global leaders in terms of financial solidity and in terms of its ability to enhance Group value significantly in a very tough period. This is the reward for our strategy that has successfully looked beyond the financial backdrop to build a sustainable business in the long term based on geographic spread and a diversified distribution network.”*

Today’s meeting of the Board of Directors of Assicurazioni Generali, chaired by Antoine Bernheim, approved the consolidated financial statements and the parent company preliminary financial statements for 2009.

In another difficult year at a macro-economic level and for the insurance industry, the Group results reflect Generali’s ability to continue to pursue organic growth, with record premiums of more than € 70 billion and improved profitability. Its success mirrored a strong recovery in the second half of the year, with the **fourth quarter** reporting premium growth of 20% and 82.8% increase in the operating result (compared with 4Q08).

The Group distribution model based on proprietary networks and product quality enabled Generali to boost 2008’s already impressive level of **Life net inflows** – premium income less maturities and surrenders – to € 16.1 billion at the end of 2009 (€ 7 billion at the end of 2008), and simultaneously raise associated profit margins.

These results were accompanied by the continued strength of the capital position, despite two years of instability in the financial markets: **Shareholders’ Equity** grew by 47.2% to € 16.7 billion (€ 11.3 billion at the end of 2008), an improvement achieved through the increase in net profit, the contribution of the recovery in financial markets (€ 1.8 billion) and the effects of the Alleanza Toro merger (€ 2.5 billion).

The strength of the Group was also confirmed by its solvency ratios. Its Solvency I ratio improved to 128% (123% at the end of 2008). Its **Solvency II** ratio – computed using the internal Economic Balance Sheet model on an AA rating – was 187% (177% at the end of 2008), and once again was one of the best in the market.

**Embedded Value** grew by 21.5% to € 27.3 billion (€ 22.5 billion at the end of 2008).

The excellent performance of the Life and financial segments and the measures introduced to contain costs helped the strong improvement in **net profit** for 2009, which amounted to **€ 1,309 million** (+52.1%; € 861 million in 2008); net profit in the fourth quarter confirmed the growth trend, and made the last quarter the best period of 2009.

In order to reflect more accurately the overall performance of the Group, it is necessary to cancel out the effect of distortions created by an accounting mismatch in the treatment for impairments reported in the first half, which were attributed to the P&L, and the corresponding upward revaluation in the second half of the year, which – according to IAS/IFRS accounting standards – are attributable to Shareholders’ Equity. Neutralising these effects, the net profit of the group would be **€ 1,633 million**.

The **dividend per share** proposed for 2009 is a full-cash dividend of € 0.35, more than double the cash component of the 2008 dividend (€ 0.15, plus 1 free share for every 25 held). The total dividend on outstanding shares amounts to € 544.9 million with a cash pay-out ratio rising to 41.6% from 24.6% in 2008, in line with the Group's historic levels. The dividend will be paid from 27 May, and the shares will trade ex dividend as from 24 May 2010.

Analysis of business performance confirms the healthy profitability of the Life and financial segments. In Life, New Business Value (NBV) was more than € 1.1 billion, with **New Business Margins (NBM) in terms of APE** at 21.7% (+1.5 p.p. from 2008 year-end). These are some of the best results in the market, and were achieved thanks to significant growth, notably in Italy, Germany and Eastern Europe.

In Non-Life, prudent underwriting, optimisation of claims management and the reduction in administrative expenses enabled the Group to maintain positive technical margins in difficult market conditions. The **Combined Ratio** was 98.3% (96.4% at the end of 2008), with an impact of 1.9 percentage points from the rise of the loss ratio caused by the continued downturn in the motor business and the impact of a number of catastrophic events in Europe. The expense ratio was stable thanks to the reduction of costs.

Measures to raise Group operating efficiency not only absorbed higher inherent costs but also produced a significant **decrease in expenses**, with administrative and other operating expenses falling to € 2,893 million (-2.4%; € 2,965 million at the end of 2008).

**The Group investment policy** focused on maintaining an appropriate balance between risk and medium/long-term profitability. Investments where risk is borne by the company stood at € 299 billion overall, up from € 286 billion at the end of 2008, with fixed-income financial instruments accounting for 81.5% of investments, equities for 9.3%, real estate for 4.9%, other investments for 4.3%. Investments in equities increased thanks to the market recovery. In the fixed-income segment, the Group increased exposure in corporate securities, where 84.3% of the total has an A rating or higher.

## OUTLOOK

Given current conditions, the Group expects growth in overall premiums and an increase in Non Life technical margins through additional improvements in operating efficiency and appropriate action on policy rates. In the Life business, it forecasts positive life net inflows and a further improvement in the quality of these inflows.

In the present macroeconomic climate, investment policy will maintain prudent asset allocation with a view to consolidating current profitability.

In this situation, subject to exceptional events, **the Group expects to report further growth in net result with respect to 2009.**

## PERFORMANCE BY LINE OF BUSINESS

### LIFE SEGMENT

The Life operating result made excellent progress of +34.2% to € 2,451 million (€ 1,980 million in 2008), assisted in particular by **strong growth in the fourth quarter** (€ 611 million from € 10 million in 4Q08), confirming the positive trend that began in the second half of the year. Growth was reported in all the countries where the Group operates, notably France, Germany and Eastern Europe. The segment result benefited from the containment of administrative expenses in insurance operations (-4.3%) and the improvement in market conditions, which generated investment gains and a significant reduction in impairment losses.

Looking at premiums, **performance was excellent in new business** in terms of APE, reaching € 5,188 million (+3.8%; € 4,798 million in 2008) with important YoY growth in the fourth quarter (+29%), especially in France and Italy where demand for traditional guarantee-backed products was high. APE also made significant progress in China (+94.7%) compared with average growth of around 33% among foreign insurers. Overall, traditional business was a significant factor in the annual result, with an increase of 8.6%.

The rise in volumes was accompanied by **strong production profitability** with New Business Value in excess of € 1.1 billion, and large APE New Business Margins of 21.7%. Particularly healthy progress was achieved on margins in Italy, at 28.5%, and East Europe, at 39.1%.

The strong growth in Life net inflows to € 16.1 billion was also a factor in the growth in **Life technical reserves**, which improved to € 286.4 billion (+9.6% from the end of 2008). More specifically, Life traditional reserves increased by 6.9% to € 244 billion.

#### Geographical breakdown of APE margins

	31/12/2009	Δ
Italy	28.5%	+5.1 pp
France	10.3%	-1.5 pp
Germany	17.7%	+0.8 pp
CEE	39.1%	+4.6 pp
<b>Total</b>	<b>21.7%</b>	<b>+1.5 pp</b>

#### Geographical breakdown of Life net inflows

€ million	31/12/2009	31/12/2008	Δ on a like-for-like basis
Italy	1,182	-2,645	---
France	5,841	2,721	+114.7%
Germany	4,077	3,383	+20.5%
CEE	700	782	-10.5%
<b>Total</b>	<b>16,083</b>	<b>7,004</b>	<b>+83.5%</b>

## NON-LIFE SEGMENT

The Non-Life **operating result** was € 1,300 million (-38.6%; € 2,118 million in 2008). The figure was affected by the combined ratio (98.3%), which reflected the rise in the loss ratio as a result of the performance in the Motor business as well as a number of catastrophic events (ie the Abruzzo earthquake and storms in Europe), which had an impact of € 270 million. An additional factor was the fall in short-term interest rates, which mostly affect investments in this segment, while action to cut costs produced positive effects with a reduction in administrative expenses (-2.6%).

**Analysis of the Non-Life portfolio**, where the retail component stands at about 80%, shows that motor premiums accounted for 41.7% and non-motor premiums for the remaining 58.3%.

In the motor business, the action taken by the Group in 2009 to contain the loss ratio began to produce benefits from the third quarter of the year.

The reserve ratio (total net reserves/net retained premiums) was 149%, up from 145% at the end of 2008.

<b>Geographical breakdown of the Non-Life Combined Ratio</b>		
<b>%</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Italy	102.4	98.9
France	99.0	97.9
Germany	95.6	95.9
CEE	87.9	84.6
<b>Total</b>	<b>98.3</b>	<b>96.4</b>

## FINANCIAL SERVICES

The operating result in Financial Services was € 432 million (+30.3% from the end of 2008), an improvement assisted by the upturn in the financial markets. Net commissions totalled € 792 million compared with € 704 million in 2008. The intermediation margin rose to € 1,289 million (+16.7% from € 1,104 million at the end of 2008) thanks largely to the increase in net commissions and the market recovery.

In Asset Management, assets under management totalled € 406,186 million (+14.9% from the end of 2008). Asset Management accounts for the bulk of the Financial Services business and is mainly concerned with managing the financial instruments of the Group companies.

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**Conference call on 2009 results tomorrow 18 March at 9:00 (CET), please dial in on +39 02 8058827 (audio only), or via the website [www.generali.com](http://www.generali.com)**

The Board of Directors also convened an ordinary **Shareholders' Meeting** for **21-24 April**, to approve the financial statements as at 31 December 2009 and deliberate on the following matters:

- appointment of the Board of Directors for the financial years ending at 31 December 2010, 2011 and 2012, after determination of the number of directors to be appointed;
- determination of the remuneration due to the members of the Board of Directors for the financial years ending at 31 December 2010, 2011 and 2012, pursuant to article 2389 of the Italian Civil Code and article 19 of the By-laws,
- authorisation for stipulation of civil liability insurance cover for the members of the company bodies,
- an incentive Plan for the management of the Generali Group, pursuant to article 114-bis of legislative decree no. 58 of 24 February 1998 (Consolidated Finance Act), including authorisation for the purchase of own shares.

The new incentive Plan is part of a wider remuneration policy for the managers of the Company and of the Group and is based on not only fixed and variable compensation but also a long term incentive Plan in line with international best practice standards.

The Plan spans an overall timeframe of six years, subdivided as follows:

- first three years 2010-2012: at the end of this period, to the extent that certain absolute performance targets have been reached, the plan provides a monetary incentive which implies to invest 25% or 50% of the net amount in Generali shares;
- second three years 2013-2015: at the end of this period, for each share purchased through investment of all or part of the net incentive received, the beneficiary will receive a number of free shares correlated to the positioning of Assicurazioni Generali Total Shareholders' Return with respect to a peer group (relative performance).

The monetary incentive ("Bonus") will be determined as a percentage of the Gross Annual Pay accumulated over the period in question 1 January 2012 – 31 December 2012. The free share assignment will be accomplished through distribution of own shares purchased by the company subject to shareholder approval.

The Board of Directors also ascertained that the non-executive directors complied with the independence requisite in accordance with the criteria of the Voluntary Code of Conduct for Listed Companies and with current laws, verifying fulfilment of the requirement in relation to the majority of the directors, namely: Luigi Arturo Bianchi, Francesco Gaetano Caltagirone, Diego Della Valle, Leonardo Del Vecchio, Loïc Hennekinne, Klaus-Peter Müller, Alessandro Pedersoli, Lorenzo Pellicoli, Kai-Uwe Ricke, Paolo Scaroni.

The company Board of Directors also approved the 2009 annual report on corporate governance and ownership, to be published in accordance with current laws and regulations concerning issuers of listed securities.

**The Manager in charge of preparing the company's financial reports, Mr Raffaele Agrusti, declares, pursuant to paragraph 2 article 154 bis of the Consolidated Law on Finance, that the accounting information in this press release corresponds to the document results, books and accounting entries.**

The Generali Group is one of Europe's largest insurance providers and the biggest European Life insurer, with 2009 total premium income of more than € 70 billion. It is also one of the world's top asset managers with assets exceeding € 400 billion, and a unique real estate operator with a property portfolio of more than € 24 billion.

With 85,000 employees worldwide and 60 million clients in 68 countries, the Group occupies a leadership position in Western European markets and an increasingly important role in Eastern Europe and Asia.

The parent company Assicurazioni Generali is listed on the Milan Stock Exchange (GASI.MI, G.IM) and has an AA- Standard & Poor's rating and an Aa3 Moody's rating.

## DEFINITIONS AND GLOSSARY

**Solvency II ratio:** Available Financial Resources / Risk Capital – using an internal model aligned with Solvency II principles

**Annual Premium Equivalent (APE)** = the sum of the initial premium on new annual-premium policies, plus one-tenth of premiums on new single-premium policies. This is the premium base used to compute Life new business value.

**Combined Ratio** = loss ratio plus expense ratio (acquisition and administration expenses) divided by net earned premiums.

**Embedded Value<sup>2</sup>** = adjusted net asset value + value in force.

**Value in force** = expected present value of future profits on the Life in force portfolio net of the cost of capital.

**New business value** = expected present value of future profits for Life new business in the period net of cost of capital.

**Operating result** was obtained by reclassifying the components making up the pre-tax profit for the year in each segment on the basis of the specific characteristics of the segment, and taking account of the recurring expenses of the holding.

In particular, all profit and loss items were considered, with the exception of net non-operating costs: results of non-current assets or disposal group classified as held for sale, restructuring costs, amortisation of portfolios acquired directly or through acquisition of control of insurance companies or companies in the financial sector (value of business acquired or VOBA) and other net non-recurring costs. The following are also considered as non-operating items: in the **Life segment**, realised gains and losses and net impairment losses on investments on which the policyholder's profit sharing is not based on; in the **Non-Life segment**, all realised gains and losses and net impairment losses; in the **Financial segment**, realised gains and losses and net impairment losses on investments in subsidiaries, associated companies, joint ventures and strategic equities. The total operating result does not include non-operating holding costs such as interest expense on borrowings and costs arising from implementation of parent company stock option plans and stock grants.

Attachments: highlights and the Consolidated and Parent Company profit & loss account and balance sheet.

<sup>2</sup> Net of minority interests

## GROUP HIGHLIGHTS

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

(€ million)	31/12/2009	31/12/2008
Investments	341,601.2	327,134.9
Net insurance provisions <sup>(1)</sup>	304,017.3	295,755.3
Net insurance provisions - life segment <sup>(1)</sup>	274,440.5	266,509.3
Net insurance provisions - non-life segment <sup>(1)</sup>	29,576.8	29,246.0
Provisions for outstanding claims and other insurance provisions	24,213.7	23,925.8
Provisions for unearned premiums	5,363.2	5,320.2
Shareholders' equity attributable to the Group <sup>(2)</sup>	16,652.3	11,312.8

(\*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year, and taking into account premiums related to investment contracts.

(\*\*) The amounts are calculated gross of consolidation adjustments.

(\*\*) On equivalent terms: on equivalent exchange rates, consolidation area and share attributable to the Group.

(1) The amounts are calculated net of consolidation adjustments.

(2) The result of the period is included in shareholders' equity attributable to the Group.

## PROFIT AND LOSS ACCOUNT

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

## BALANCE SHEET – ASSETS

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

## BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

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

## Parent Company highlights

(in million euro)	2009	2008	2007
	Financial Statements	Financial Statements	Financial Statements
<b>Net profits</b>	<b>555.7</b>	<b>828.3</b>	<b>1,401.1</b>
Aggregate dividend	544.9	203.4	1,269.0
<i>Increase</i>	<i>167.9%</i>	<i>-84.0%</i>	<i>32.4%</i>
Total net premiums	8,428.5	8,745.4	8,873.0
Total gross premiums	9,270.9	9,659.9	9,759.7
Total gross premiums from direct business	7,003.0	7,363.9	7,502.5
<i>Increase on equivalent terms <sup>(a)</sup></i>	<i>-4.9%</i>	<i>-1.8%</i>	<i>4.9%</i>
Total gross premiums from indirect business	2,267.9	2,296.0	2,257.2
<i>Increase on equivalent terms <sup>(a)</sup></i>	<i>-1.6%</i>	<i>2.7%</i>	<i>6.1%</i>
Acquisition and administration costs	1,271.6	1,308.5	1,402.1
<i>Expense ratio <sup>(b)</sup></i>	<i>15.1%</i>	<i>15.0%</i>	<i>15.8%</i>
<b>Life business</b>			
Total net premiums	5,267.6	5,514.9	5,609.8
Life gross premiums	5,426.5	5,698.4	5,835.8
<i>Increase on equivalent terms <sup>(a)</sup></i>	<i>-5.0%</i>	<i>-1.7%</i>	<i>7.1%</i>
Life gross premiums from direct business	3,742.6	3,967.6	4,094.1
<i>Increase on equivalent terms <sup>(a)</sup></i>	<i>-5.8%</i>	<i>-2.8%</i>	<i>5.4%</i>
Life gross premiums from indirect business	1,683.9	1,730.8	1,741.7
<i>Increase on equivalent terms <sup>(a)</sup></i>	<i>-3.4%</i>	<i>0.6%</i>	<i>11.2%</i>
Life acquisition and administration costs	569.7	572.6	615.2
<i>Expense ratio <sup>(b)</sup></i>	<i>10.8%</i>	<i>10.4%</i>	<i>11.0%</i>
<b>Non life business</b>			
Total net premiums	3,161	3,230.5	3,263.2
Non-life gross premiums	3,844.4	3,961.5	3,923.9
<i>Increase on equivalent terms <sup>(a)</sup></i>	<i>-2.7%</i>	<i>0.7%</i>	<i>2.5%</i>
Non-life gross premiums from direct business	3,260.4	3,396.3	3,408.4
<i>Increase on equivalent terms <sup>(a)</sup></i>	<i>-3.8%</i>	<i>-0.7%</i>	<i>4.3%</i>
Non-life gross premiums from indirect business	584.0	565.2	515.5
<i>Increase on equivalent terms <sup>(a)</sup></i>	<i>4.1%</i>	<i>9.8%</i>	<i>-8.1%</i>
Non-life acquisition and administration costs	701.9	735.9	786.9
<i>Expense ratio <sup>(b)</sup></i>	<i>22.2%</i>	<i>22.8%</i>	<i>24.1%</i>
<i>Non-life loss ratio <sup>(c)</sup></i>	<i>78.2%</i>	<i>77.1%</i>	<i>70.2%</i>
<i>Non-life net combined ratio <sup>(d)</sup></i>	<i>100.4%</i>	<i>99.9%</i>	<i>94.3%</i>
<b>Current financial result</b>	<b>2,136.8</b>	<b>2,030.1</b>	<b>3,168.6</b>

(continues)

(continues)

(in million euro)	2009	2008	2007
	Financial Statements	Financial Statements	Financial Statements
Technical provisions	39,832.2	39,092.9	39,768.4
Technical provisions life	32,962.2	31,944.2	32,518.6
Technical provisions non life	6,870.0	7,148.7	7,249.8
Investments	63,588.2	57,220.0	56,891.3
Capital and reserves	13,247.4	9,798.9	9,513.6

(a) At equivalent exchange rates.

(b) Acquisition and administration costs on total premiums.

(c) Claims, maturities and surrenders on earned premiums.

(d) Sum of (b) and (c).

**PROFIT AND LOSS ACCOUNT**

in euro	Year 2008		Year 2007	
<b>I. TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS</b>				
1. EARNED PREMIUMS, NET OF REINSURANCE:				
a) Gross premiums written	3.844.395.435			
b) (-) Outward reinsurance premiums	683.477.668			
c) Change in the gross provision for unearned premiums	-111.741.506			
d) Change in the provision for unearned premiums, reinsurers' share	4.866.349	3.277.525.622		3.199.551.027
2. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE NON-TECHNICAL ACCOUNT (ITEM I		313.107.966		350.197.315
3. OTHER TECHNICAL INCOME, NET OF REINSURANCE		69.283.780		65.275.222
4. CLAIMS INCURRED, NET OF RECOVERIES AND REINSURANCE				
a) Claims paid				
aa) Gross amount	3.333.701.158			
bb) (-) Reinsurers' share	493.489.628	2.840.211.530		
b) Recoveries net of reinsurance				
aa) Gross amount	134.304.176			
bb) (-) Reinsurers' share	1.009.844	133.294.332		
c) Change in the provision for claims outstanding				
aa) Gross amount	-217.582.833			
bb) (-) Reinsurers' share	-62.267.949	-155.314.884	2.551.602.314	2.447.569.697
5. CHANGE IN OTHER TECHNICAL PROVISIONS, NET OF REINSURANCE			-162.449	-83.798
6. PREMIUM REFUNDS AND PROFIT SHARING, NET OF REINSURANCE			11.700.523	20.375.069
7. OPERATING EXPENSES				
a) Acquisition commissions	394.338.009			
b) Other acquisition costs	92.549.957			
c) Change in commissions and other acquisition costs to be amortised	0			
d) Collecting commissions	140.559.582			
e) Other administrative expenses	165.917.505			
f) (-) Reinsurance commissions and profit sharing	91.465.621	701.899.432		735.913.463
8. OTHER TECHNICAL CHARGES, NET OF REINSURANCE			145.161.809	157.764.401
9. CHANGE IN THE EQUALISATION PROVISION			468.444	1.194.370
10. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS			249.247.295	252.290.362
<b>II. TECHNICAL ACCOUNT - LIFE ASSURANCE BUSINESS</b>				
1. PREMIUMS WRITTEN, NET OF REINSURANCE				
a) Gross premiums written	5.426.465.608			
b) (-) Outward reinsurance premiums	158.892.759	5.267.572.849		5.514.912.932
2. INVESTMENT INCOME:				
a) From participating interests	594.190.023			
	(of which, income from Group companies	515.363.960 )		



in euro	Year 2008	Year 2007
11. OTHER TECHNICAL CHARGES, NET OF REINSURANCE	38.352.054	32.918.620
12. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-TECHNICAL ACCOUNT (item III. 4)	176.854.013	320.691.510
13. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (item III.2)	188.638.282	200.119.659
<b>III. NON TECHNICAL ACCOUNT</b>		
1. BALANCE ON THE TECHNICAL ACCOUNT FOR NON-LIFE BUSINESS (Item I.10)	249.247.295	252.290.362
2. BALANCE ON THE TECHNICAL ACCOUNT FOR LIFE BUSINESS (Item I.13)	188.638.282	200.119.659
3. NON-LIFE INVESTMENT INCOME		
a) From participating interests	564.422.480	
(of which, income from Group companies	544.202.872 )	
b) From other investments		
aa) income from land and buildings	26.140.180	
bb) from other investments	190.043.298	216.183.478
(of which, income from Group companies	18.269.889 )	
c) Value re-adjustments on investment	96.409.780	
d) Gains on the realisationof investments	187.527.105	
(of which, income from Group companies	14.685.307 )	1.064.542.843
		1.280.742.677
4. (+) ALLOCATED INVESTMENT RETURN TRANSFERRED FROM THE LIFE TECHNICAL ACCOUNT (item iL. 2)	176.854.013	320.691.510
5. INVESTMENT CHARGES FOR NON-LIFE BUSINESS		
a) Investment administration charges, including interest	120.558.411	
b) Value adjustments on investments	94.940.931	
c) Losses on realisation of investments	193.635.704	409.135.046
		619.381.579
6. (-) ALLOCATED INVESTMENT RETURN TRANSFERRED TO THE NON-LIFE TECHNICAL ACCOUNT (item I.	313.107.966	350.197.315
7. OTHER INCOME	321.046.704	1.023.133.240
8. OTHER CHARGES	1.447.398.711	1.714.483.878
9. RESULT FROM ORDINARY ACTIVITY	-169.312.586	392.914.676
10. EXTRAORDINARY INCOME	640.894.354	276.103.252
11. EXTRAORDINARY CHARGES	101.202.481	64.350.529
12. EXTRAORDINARY PROFIT OR LOSS	539.691.873	211.752.723
13. RESULT BEFORE TAXATION	370.379.287	604.667.399
14. INCOME TAXES	-185.303.217	-223.668.676
15. PROFIT (LOSS) FOR THE YEAR	555.682.504	828.336.075

ASSET in euro	Year 2009		Year 2008
A. SUBSCRIBED CAPITAL UNPAID			0
of which called-up capital	0		0
B. INTANGIBLE ASSETS			
1. Acquisition commissions to be amortised			
a) life business	0		
b) non-life business	0	0	
2. Other acquisition costs		0	
3. Formation and development expenses		0	
4. Goodwill	2.538.200		
5. Other intangible assets	154.751.871	157.290.071	164.890.441
C. INVESTIMENTI			
I Land and Buildings			
1. Property used for own activities	323.514.671		
2. Property used by third parties	1.077.091.666		
3. Other properties	0		
4. Other realty rights	0		
5. Assets in progress and payments on account	57.266.055	1.457.872.392	
II Investments in affiliated companies and other shareholdings			
1. Interests in			
a) parent companies	0		
b) affiliated companies	26.436.588.768		
c) affiliates of parent companies	0		
d) associated companies	184.854.019		
e) other	1.358.475.233	27.979.918.020	
2. Debt securities issued by			
a) parent companies	0		
b) affiliated companies	35.551.024		
c) affiliates of parent companies	0		
d) associated companies	0		
e) other	392.070.221	427.621.245	
3. Loans to			
a) parent companies	0		
b) affiliated companies	0		
c) affiliates of parent companies	0		
d) associated companies	309.071		
e) other	0	309.071	28.407.848.336
III Other financial investments			
1. Equities			
a) quoted shares	1.702.873.268		
b) unquoted shares	58.240.837		
c) other interests	233.546.264	1.994.660.369	
2. Shares in common investment funds		1.938.046.191	
3. Debt securities and other fixed-income securities			
a) quoted	17.850.941.060		
b) unquoted	683.871.005		
c) convertible bonds	390.560.267	18.925.372.332	
4. Loans			
a) mortgage loans	4.644.968		
b) loans on policies	228.248.401		
c) other loans	4.945.794	237.839.163	
5. Participation in investment pools		0	
6. Deposits with credit institutions		106.250.706	
7. Other	1.161.008.985	24.363.177.746	
IV Deposits with ceding companies		9.359.284.290	63.588.182.764
			57.220.025.773

ASSET in euro	Year 2009		Year 2008
<b>D. INVESTMENTS FOR THE BENEFIT OF LIFE-ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>			
I - Investments relating to contracts linked to investments funds and market index	693.179.541		
II - Investments relating to the administration of pension funds	360.617.361	1.053.796.902	867.303.669
<b>D.bis REINSURANCE AMOUNTS OF TECHNICAL PROVISIONS</b>			
<b>I NON-LIFE INSURANCE BUSINESS</b>			
1. Provision for unearned premiums	270.671.662		
2. Provision for claims outstanding	1.050.366.865		
3. Provision for profit sharing and premium refunds	0		
4. Other technical provisions	0	1.321.038.527	
<b>II - LIFE INSURANCE BUSINESS</b>			
1. Mathematical provision	89.483.562		
2. Unearned premium provision for supplementary coverage	2.872.164		
3. Provision for claims outstanding	112.768.781		
4. Provision for profit sharing and premium refunds	553.353		
5. Other provisions	0		
6. Provisions for policies where the investment risk is borne by the policyholders and relating to the administration of pension funds	0	205.677.860	1.526.716.387
			1.611.475.922
<b>E. DEBTORS</b>			
<b>I Debtors arising out of direct insurance operations</b>			
1. Policyholders			
a) for premiums - current year	852.905.677		
b) for premiums - previous years	127.772.217	980.677.894	
2. Insurance intermediaries		149.475.405	
3. Current accounts with insurance companies		96.207.977	
4. Policyholders and third parties for recoveries	169.210.573	1.395.571.849	
<b>II Debtors arising out of reinsurance operations</b>			
1. Reinsurance companies	619.630.813		
2. Reinsurance intermediaries	24.083.100	643.713.913	
III - Other debtors		1.405.529.403	3.444.815.165
			3.240.879.134
<b>F. OTHER ASSETS</b>			
<b>I - Tangible assets and stocks</b>			
1. Furniture, office equipment, internal transport vehicles	2.752.603		
2. Vehicles listed in public registers	0		
3. Equipment and appliances	0		
4. Stocks and other goods	286.218	3.038.821	
<b>II - Cash at bank and in hand</b>			
1. Bank and postal deposits	1.385.447.203		
2. Cheques and cash in hand	12.231.879	1.397.679.082	
III - Own shares		116.580.800	
<b>IV - Other</b>			
1. Deferred reinsurance items	48.724.163		
2. Miscellaneous assets	241.902.881	290.627.044	1.807.925.747
			3.274.717.454
<b>G. PREPAYMENTS AND ACCRUED INCOME</b>			
1. Interests	364.779.013		
2. Rents	1.559.762		
3. Other prepayments and accrued income	248.376.156	614.714.931	464.864.490
<b>TOTAL ASSETS</b>		<b>72.193.441.967</b>	<b>66.844.156.883</b>

LIABILITIES AND SHAREHOLDERS' FUNDS in euro	Year 2009		Year 2008
<b>A. SHAREHOLDERS' FUNDS</b>			
I - Subscribed capital or equivalent funds	<u>1.556.864.483</u>		
II - Share premium account	<u>3.568.097.096</u>		
III - Revaluation reserve	<u>2.010.834.652</u>		
IV - Legal reserve	<u>289.301.693</u>		
V - Statutory reserve	<u>0</u>		
VI - Reserve for own shares	<u>116.580.800</u>		
VII - Other reserve	<u>5.705.763.448</u>		
VIII - Profit or loss brought forward	<u>0</u>		
IX - Profit or loss for the financial year	<u>555.682.504</u>	13.803.124.676	10.627.238.218
<b>B. SUBORDINATED LIABILITIES</b>		<u>4.776.911.334</u>	3.918.301.055
<b>C. TECHNICAL PROVISIONS</b>			
<b>I - NON-LIFE INSURANCE BUSINESS</b>			
1. Provision for unearned premiums	<u>1.574.933.517</u>		
2. Provision for claims outstanding	<u>6.745.384.776</u>		
3. Provision for profit sharing and premium refunds	<u>24.600.000</u>		
4. Other provisions	<u>5.627.373</u>		
5. Equalisation provision	<u>9.737.735</u>	8.360.283.401	
<b>II - LIFE INSURANCE BUSINESS</b>			
1. Mathematical provision	<u>31.140.253.435</u>		
2. Unearned premium provision for supplementary coverage	<u>14.915.974</u>		
3. Provision for claims outstanding	<u>793.193.782</u>		
4. Provision for profit sharing and premium refunds	<u>69.052.227</u>		
5. Other provisions	<u>99.697.386</u>	32.117.112.804	40.477.396.205
<b>D. PROVISIONS FOR POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDER AND RELATING TO THE ADMINISTRATION OF PENSION FUNDS</b>			
<b>I - Provisions relating to contracts linked to investments funds and market index</b>			
	<u>690.164.847</u>		
<b>II - Provisions relating to the administration of pension funds</b>			
	<u>360.617.361</u>	1.050.782.208	852.717.003
<b>E. PROVISIONS FOR OTHER RISKS AND CHARGES</b>			
1. Provision for pensions and similar obligations	<u>3.600.000</u>		
2. Provisions for taxation	<u>0</u>		
3. Other provisions	<u>101.287.640</u>	104.887.640	49.616.460
<b>F. DEPOSITS RECEIVED FROM REINSURERS</b>		<u>170.894.469</u>	185.918.203
<b>G. CREDITORS</b>			
<b>I - Creditors arising out of direct insurance operations</b>			
1. Insurance intermediaries	<u>33.899.615</u>		
2. Current accounts with insurance companies	<u>40.348.533</u>		
3. Premium deposits and premiums due to policyholders	<u>92.304.877</u>		
4. Guarantee funds in favour of policyholders	<u>718.185</u>	167.271.210	

LIABILITIES AND SHAREHOLDERS' FUNDS in euro	Year 2009		Year 2008	
II - Creditors arising out of reinsurance operations				
1. Reinsurance companies	218.288.624			
2. Reinsurance intermediaries	44.637.227	262.925.851		
III - Debenture loans		4.250.000.000		
IV - Amounts owed to credit institutions		14.101.926		
V - Loans guaranteed by mortgages		0		
VI - Other financial liabilities		5.109.863.253		
VII - Provisions for severance pay		24.031.166		
VIII - Other creditors				
1. Premium taxes	60.055.714			
2. Other tax liabilities	90.202.206			
3. Social security	10.682.436			
4. Sundry creditors	507.799.442	668.739.798		
IX - Altre passività				
1. Deferred reinsurance items	43.519.316			
2. Commissions for premiums in course of collection	98.687.141			
3. Miscellaneous liabilities	624.954.000	767.160.457	11.264.093.661	10.751.481.620
H. ACCRUALS AND DEFERRED INCOME				
1. Interests		352.788.968		
2. Rents		36.005		
3. Other accruals and deferred income		192.526.801	545.351.774	459.552.667
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>72.193.441.967</b>		<b>66.844.156.883</b>

GUARANTEES, COMMITMENTS AND OTHER EVIDENCE ACCOUNTS in euro	Year 2009		Year 2008	
GUARANTEES, COMMITMENTS AND OTHER EVIDENCE ACCOUNTS				
I Guarantees issued				
1. Fidejussions		5.388.971.159		5.820.010.767
2. Endorsements		0		0
3. Other personal guarantees		0		0
4. Guarantees secured by mortgages		0		25.548.605
II - Guarantees received				
1. Fidejussions		3.687.860		2.992.120
2. Endorsements		0		0
3. Other personal guarantees		0		0
4. Guarantees secured by mortgages		0		13.454.542
III - Guarantees issued by third parties in the interest of the Company		0		0
IV - Commitments		16.132.761.214		15.680.948.554
V - Assets deposited with the Company		12.377.973		10.778.617
VI - Assets belonging to pension funds managed in the name and in the interest		1.131.413.544		725.657.210
VII - of third parties		25.333.920.608		23.461.237.969
VIII - Securities deposited with third parties		3.730.866.520		1.302.268.368