

# Generali Deutschland Financial Results H1 2011

August, 2011  
Investor Relations



## Generali Deutschland increased net profit strongly by 28% to € 231 m

- **Stable life new business on high level: APE<sup>1</sup> of € 520 m (-1.4%)** in challenging market environment
- **Total premiums<sup>2</sup> increased by +0.8% driven by growth in P&C and health**
  - **Life total premiums** with a slight decrease of **-0.4%** due to reduction in short term single premiums
  - **Health gross premiums** increased by **+5.9%**
  - **P&C gross premiums** with an increase of **+1.5%**
- **Combined ratio P&C reduced to 95.9%: Stable expense ratio and improving claims ratio – FY target of < 95.5% confirmed**
- Reported increase of operating expenses driven by **depreciation of DAC** (deferred acquisition costs) in IFRS – **reduction of cash-based costs**
- **Net investment income declined by € 191 m to € 1,533 m due to € -345 m impairment on Greek government bonds** down to market value in H1 2011 – potential for future write-up
- Net profit impact of impairments on Greek government bonds (approx. € 40 m) offset by non-recurring tax earnings in second quarter – **strong increase of bottom line result** from € 180 m in H1 2010 to € 231 m in H1 2011

**Achievement of top end of the FY net profit target corridor of € 390 – 410 m scheduled due to good operational business development**

## Business development overview

€	H1 10	H1 11	Δ
<b>Total premiums (German GAAP) <sup>1</sup></b>	<b>8,295 m</b>	<b>8,364 m</b>	<b>0.8%</b>
<b>Consolidated gross premiums (IFRS) <sup>1</sup></b>	<b>6,415 m</b>	<b>6,843 m</b>	<b>6.7%</b>
Life	3,499 m	3,835 m	9.6%
Health	1,088 m	1,152 m	5.9%
P&C	1,828 m	1,856 m	1.5%
<b>Life new business APE</b>	<b>528 m</b>	<b>520 m</b>	<b>-1.4%</b>
<b>Claims &amp; benefits (net)</b>	<b>-5,905 m</b>	<b>-6,075 m</b>	<b>2.9%</b>
<b>Operating expenses (net)</b>	<b>-1,212 m</b>	<b>-1,352 m</b>	<b>11.5%</b>
<b>Investment income (net)</b>	<b>1,724 m</b>	<b>1,533 m</b>	<b>-11.1%</b>
<b>Earnings before tax and finance costs</b>	<b>321 m</b>	<b>241 m</b>	<b>-80 m</b>
Finance costs	-8 m	-8 m	0 m
Tax	-133 m	-2 m	131 m
<b>Net profit <sup>2</sup></b>	<b>180 m</b>	<b>231 m</b>	<b>51 m</b>
Other comprehensive income	-59 m	-107 m	-48 m
<b>Total comprehensive income</b>	<b>121 m</b>	<b>124 m</b>	<b>3 m</b>
<b>Shareholders' equity</b>	<b>4,028 m <sup>3</sup></b>	<b>3,948 m</b>	<b>-2.0% <sup>4</sup></b>

1 German GAAP direct business incl. / IFRS excl. savings portions of the life insurance products and the premiums of investment contracts

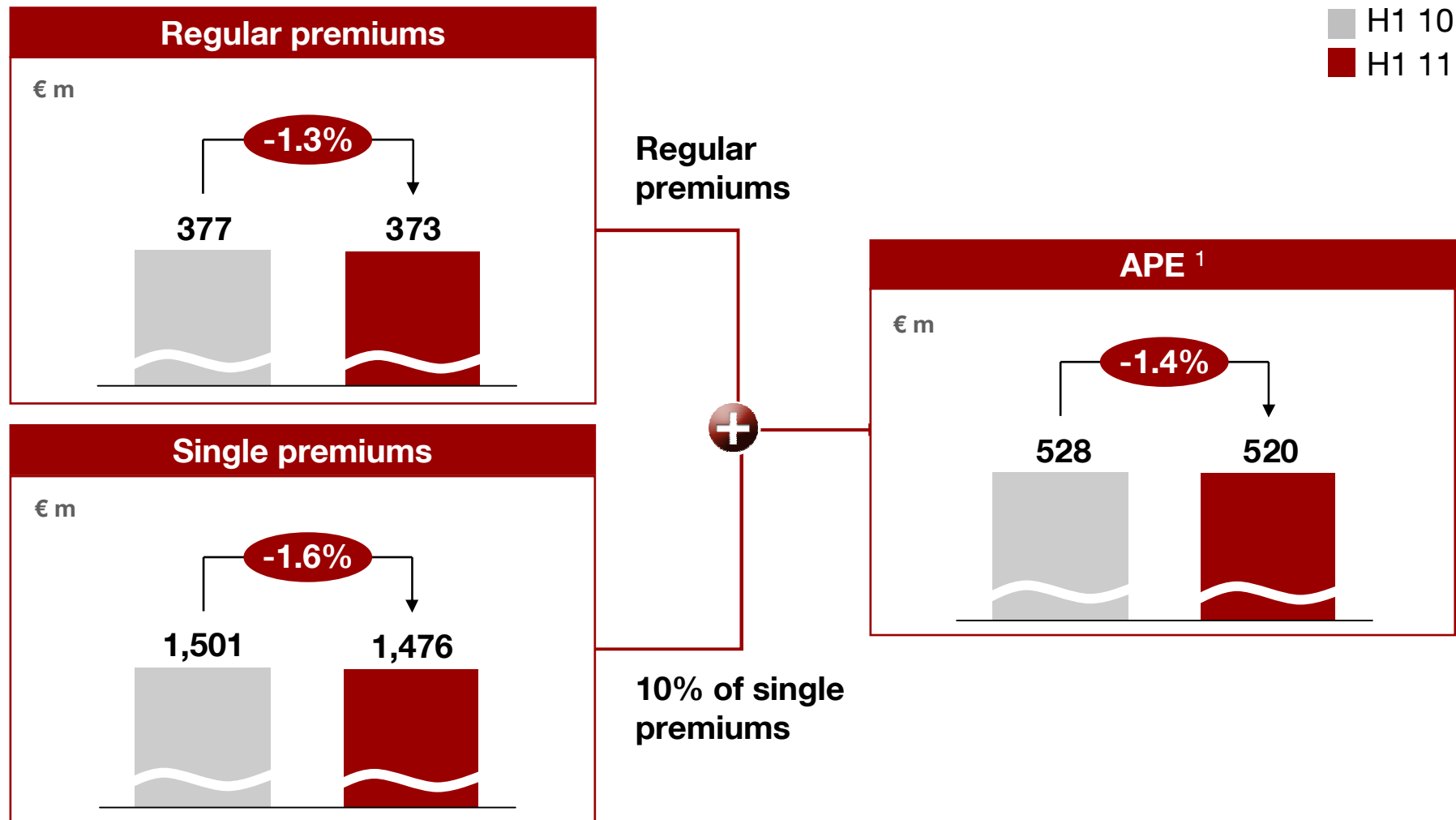
2 attributable to minority interest: € 2 m in H1 10 and € 2 m in H1 11

3 balance-sheet position shown as at 31.12.10

4 in relation to 31.12.10

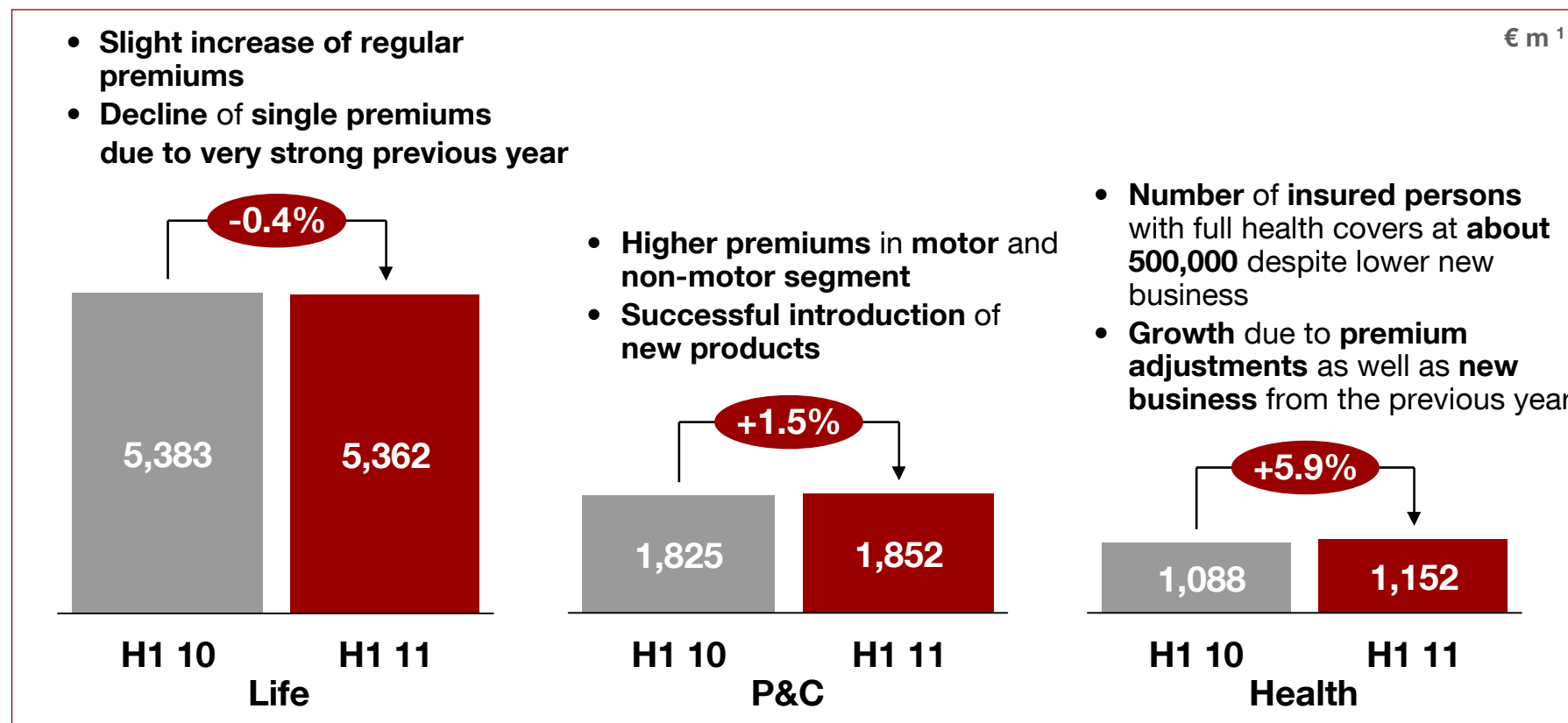
# High level of APE with slight reduction to previous year

## Life new business

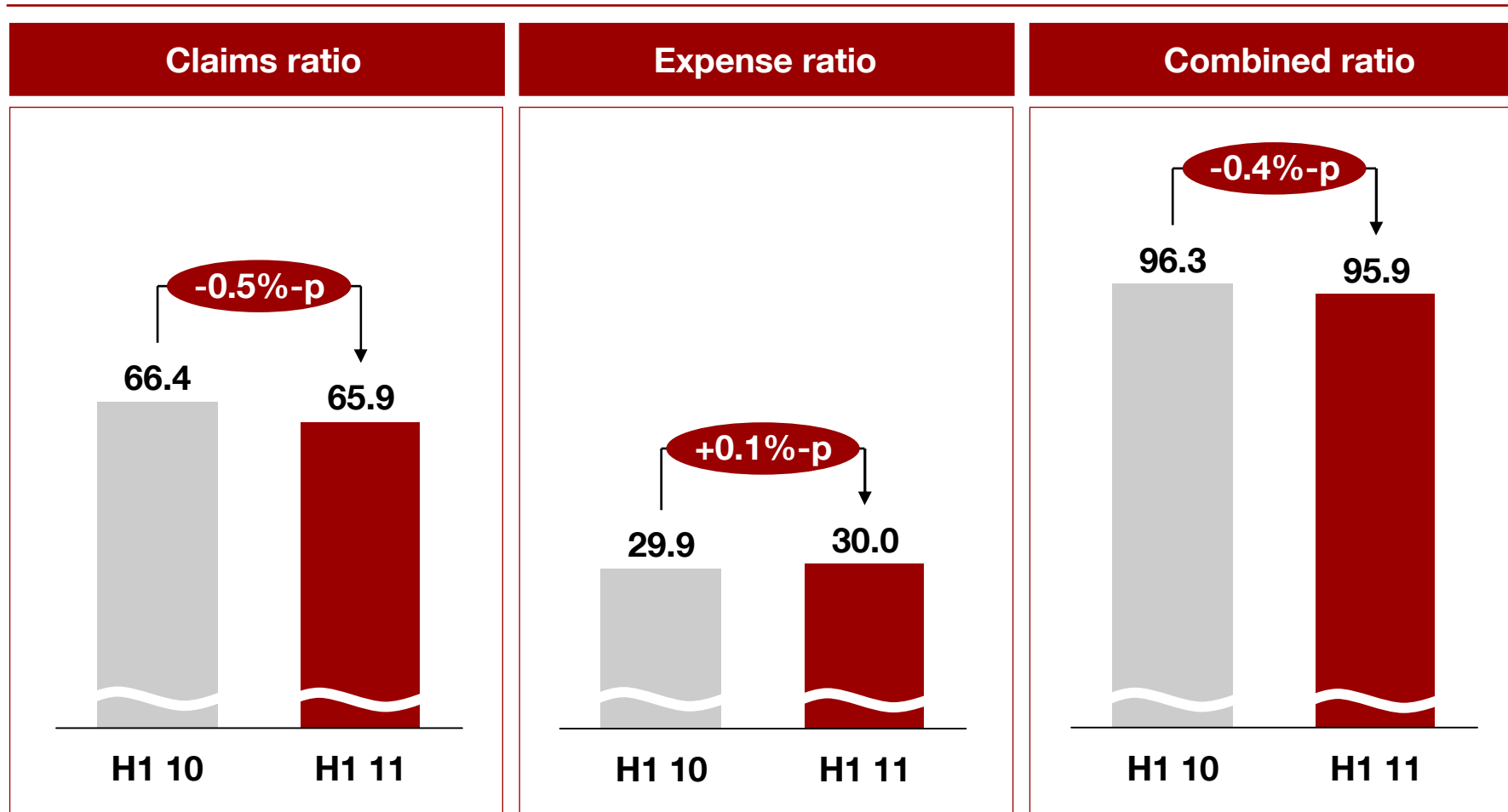


## Increase of total premiums driven by growth in health and P&C lines

€ m	H1 10	H1 11	Δ
Total premiums (German GAAP) <sup>1</sup>	8,295	8,364	0.8%

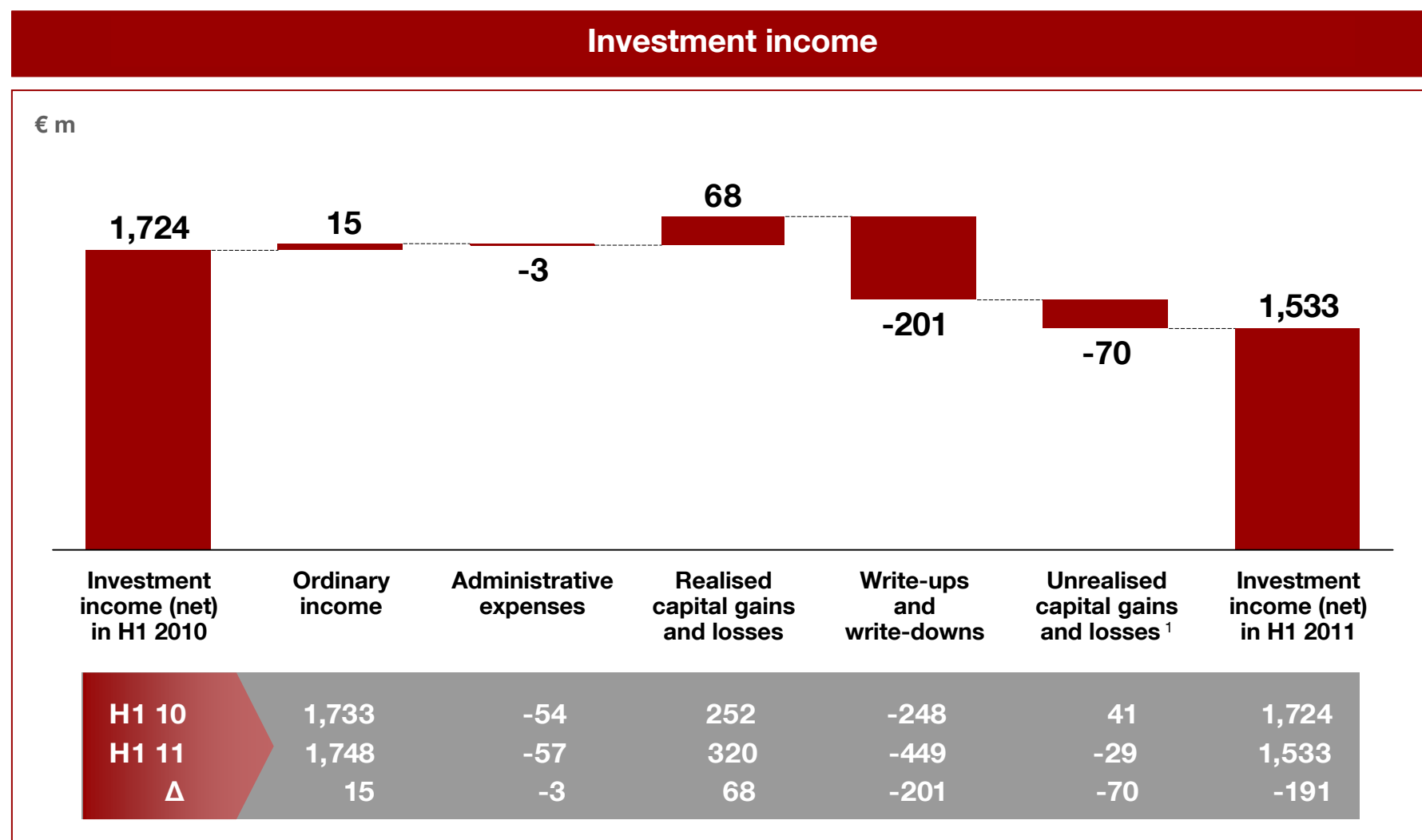


## Further reduction of combined ratio

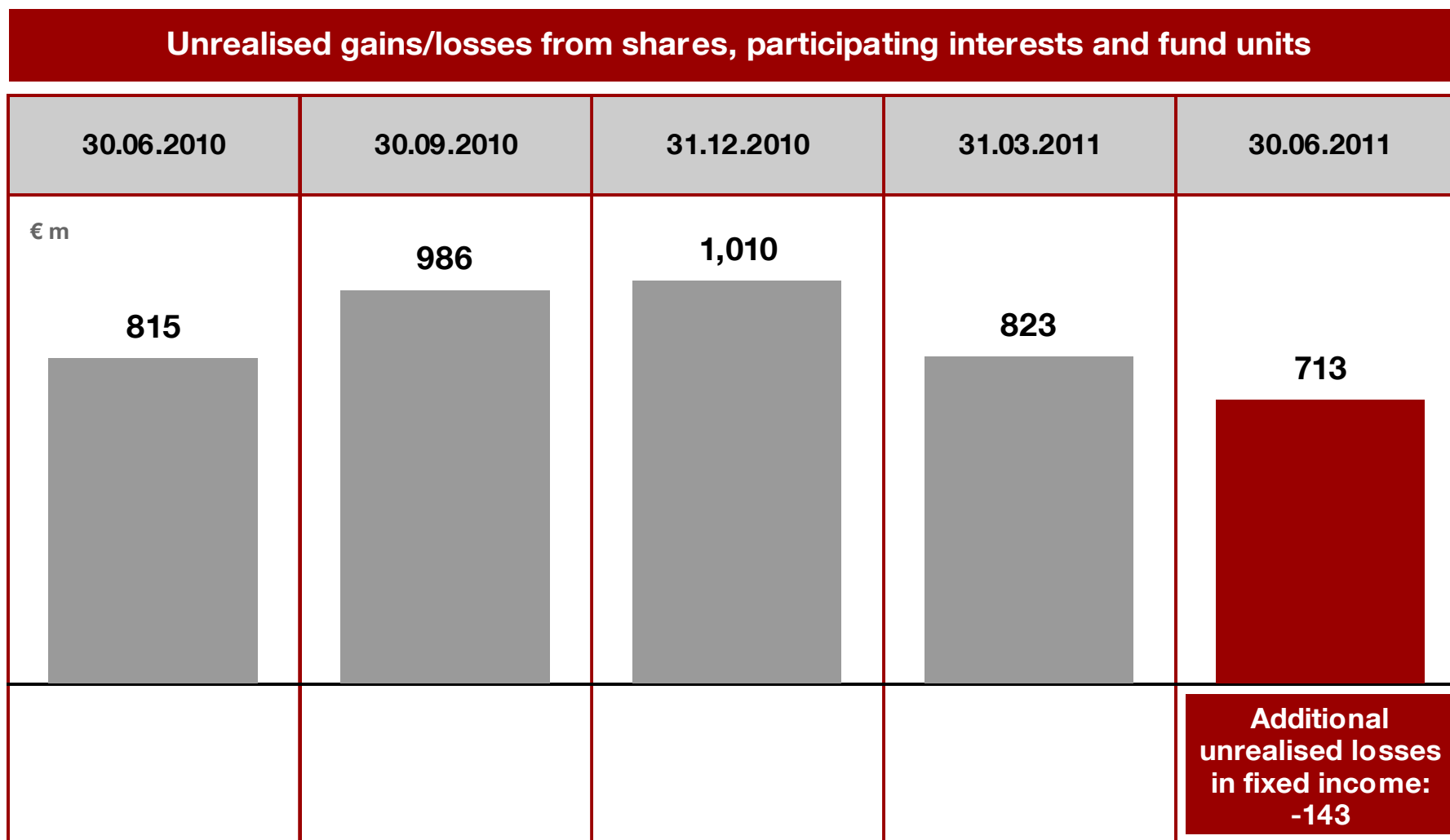


**We confirm our FY target of < 95.5% <sup>1</sup>**

## Decline of investment income mainly driven by impairment on Greek government bonds of € -345 m

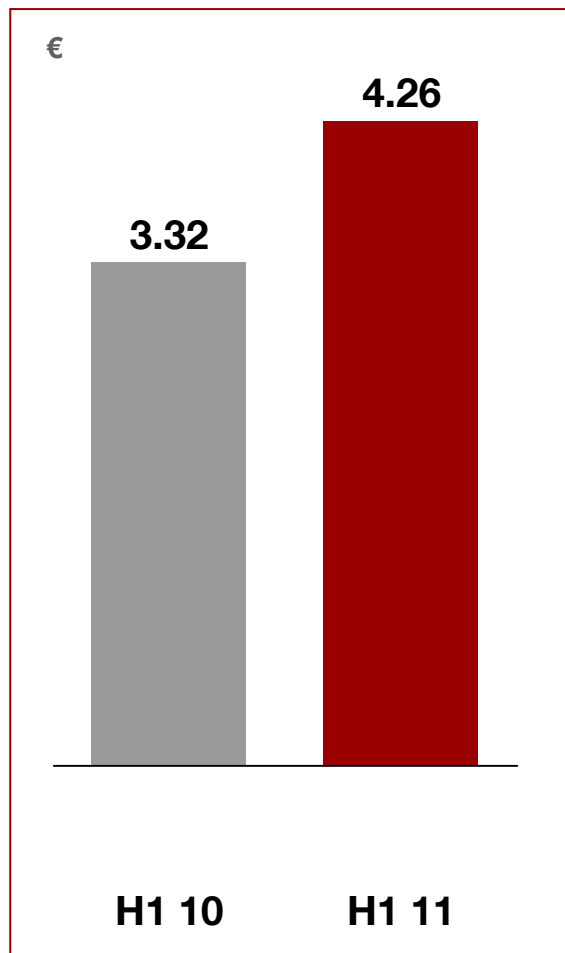


## Slightly lower unrealised gains/losses in dividend-bearing securities

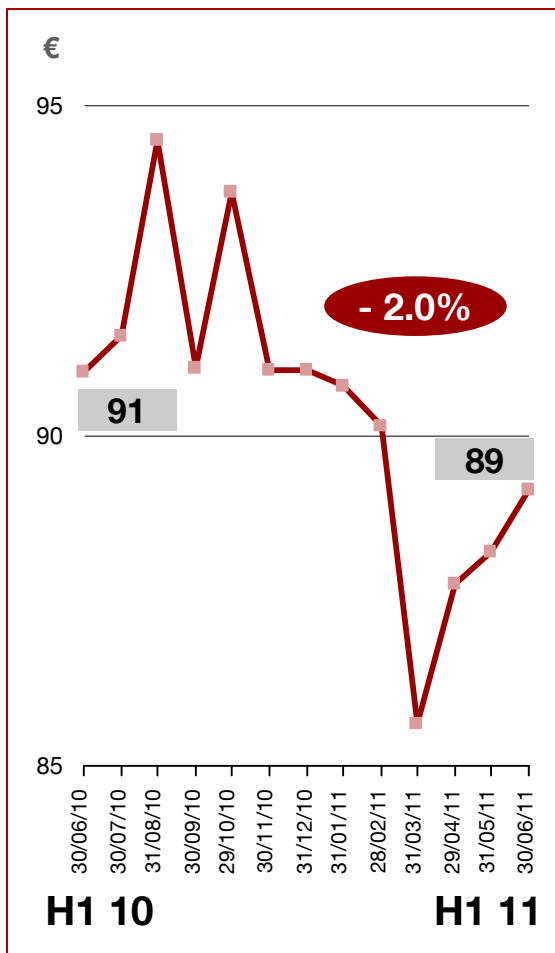


## Share price of Generali Deutschland slightly decreased to 89 €

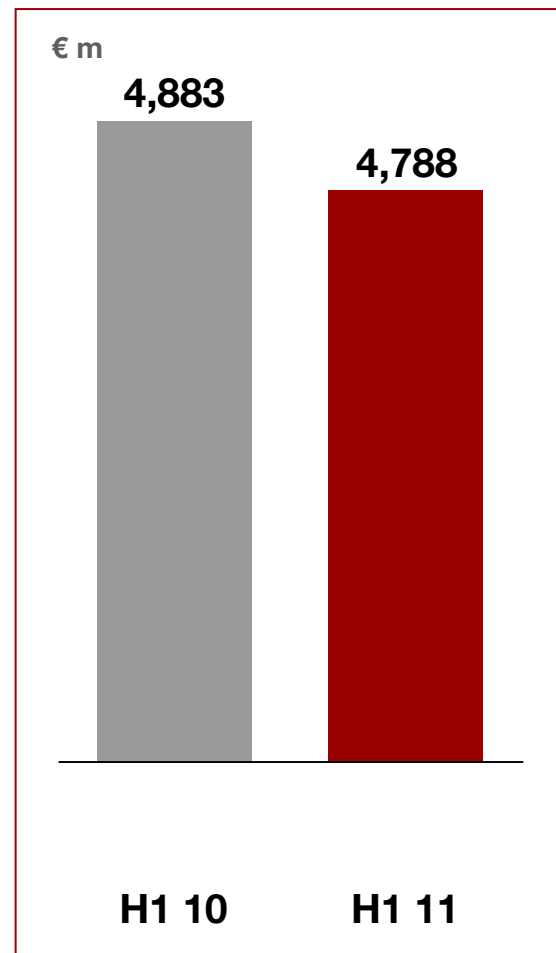
**Earnings per share**








**Share price**



**Market capitalisation**



## Ambitious targets 2011 confirmed

	Targets 2011	Achievements H1 2011	
<b>Premium growth <sup>1</sup></b>			
- Life	above market level	-0.4%	
- Health	above market level	+5.9%	
- P&C	at market level	+1.5%	
<b>Combined ratio <sup>2</sup></b>	< 95.5%	95.9%	
<b>Net profit</b>	€ 390 - 410 m	€ 231 m	

# Back up

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## Development of segments <sup>1</sup>

	Life <sup>2</sup>			Health <sup>2</sup>			P&C		
€ m	H1 10	H1 11	Δ	H1 10	H1 11	Δ	H1 10	H1 11	Δ
<b>Total premiums</b>									
(German GAAP)	5,384 <sup>3</sup>	5,362 <sup>3</sup>	-0.4%	1,088	1,152	5.9%	1,828	1,856	1.5%
<b>Gross premiums written</b>									
(IFRS)	3,500 <sup>3</sup>	3,838 <sup>3</sup>	9.7%	1,088	1,152	5.9%	1,828	1,856	1.5%
<b>Investment Income (net)</b>	1,283	1,172	-8.6%	220	159	-27.8%	134	111	-17.5%
<b>Claims &amp; benefits (net)</b>	-3,836	-4,036	5.2%	-1,106	-1,076	-2.7%	-968	-966	-0.2%
<b>Claims ratio</b>	-	-	-	56.2%	54.5%	-1.7% -p	66.4%	65.9%	-0.5% -p
<b>Expense ratio</b>	12.1%	13.7%	1.6% -p	12.4%	17.0%	4.6% -p	29.9%	30.0%	0.1% -p
<b>Combined ratio</b>	-	-	-	68.6%	71.5%	2.9% -p	96.3%	95.9%	-0.4% -p
<b>Earnings before tax and finance costs</b>	132	80	-52	41	6	-35	137	140	3
Finance costs	0	0	0	-8	-8	0	0	0	0
Tax	-65	-15	50	-11	0	11	-53	17	70
<b>Net profit</b>	67	65	-2	22	-2	-24	84	157	73

## Contact

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**For further information please contact:**



**Generali Deutschland Holding AG  
Investor Relations  
Tunisstr. 19-23  
50667 Köln, GERMANY**

**Daniel Höhnen  
*Assistent des Finanzvorstandes (CFO)***

**Telephone           +49 / 2 21 - 42 03 1776  
Telefax             +49 / 2 21 – 42 03 1486  
E-mail               investor.relations@generali.de  
Internet             <http://www.generali-deutschland.de>**

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