

# Annual Report 2011



**GENERALI**  
DAKAR

# Contents

<b>GENERALI GROUP POLAND</b> .....	3
A letter from the President of Generali Group Poland Management Board .....	4
Company profiles .....	6
Generali in Poland – history .....	9
Product range .....	11
Supervisory Board’s Reports .....	15
<b>BOARD’S REPORTS SELECTED ITEMS OF MANAGEMENT REPORTS OF GENERALI T.U. S.A. AND GENERALI ŻYCIE T.U. S.A.</b> .....	18
Selected items of management report of Generali T.U. S.A. ....	19
Selected items of management report of Generali Życie T.U. S.A. ....	24
<b>SELECTED ITEMS OF FINANCIAL STATEMENT OF GENERALI T.U. S.A.</b> .....	27
Selected items of Balance sheet .....	28
Selected items of Profit and Loss Account .....	29
Selected items of Cash Flow Statement .....	30
Registered Auditor’s Opinion .....	31
<b>SELECTED ITEMS OF FINANCIAL STATEMENT OF GENERALI ŻYCIE T.U. S.A.</b> .....	33
Selected items of Balance sheet .....	34
Selected items of Profit and Loss Account .....	35
Selected items of Cash Flow Statement .....	36
Registered Auditor’s Opinion .....	37
<b>SELECTED ITEMS OF MANAGEMENT REPORT OF GENERALI POWSZECHNE TOWARZYSTWO EMERYTALNE S.A.</b> .....	39
<b>SELECTED ITEMS OF FINANCIAL STATEMENT OF GENERALI POWSZECHNE TOWARZYSTWO EMERYTALNE S.A.</b> .....	47
Selected items of Balance sheet .....	48
Selected items of Profit and Loss Account .....	49
Registered Auditor’s Opinion .....	50
<b>GENERALI DAKAR</b> .....	52

# GENERALI DAKAR



GENERALI GROUP POLAND



## A letter from the President of Generali Group Poland Management Board

*Dear Colleagues,*

It is with immense pleasure that I am handing over to you the Annual Report of Generali Poland Group for the year 2011. It is a special report for Generali Poland, since on one hand the previous year had been marked by strenuous efforts at profitability improvement, and from another perspective, it came to a close with a great accomplishment – the best performance results in the company's history..

The year 2011, my first full year of leading the company as Chief Executive Officer of Generali Poland Group was in my personal experience the crucial year in my professional career to date. Before all, this should be attributed to the fact that in the wake of the year 2011, which had proven disastrous for the insurance sector, we were faced with a number of difficult business challenges demanding short-term solutions, with the priority task defined as regaining the business profitability, especially within the scope of non-life insurance sector. We proved to have been successful in the accomplishment of this task, and it is especially important to call attention to the fact that at the same time we were able to maintain a very dynamic growth of our key business lines at a rate faster than the market average, which is not always possible to be accomplished simultaneously.

The strategy which aimed at cost optimization and sustainable growth proved to have been successful and brought expected results. The last year closed with gross written premium amounting to nearly 1.9 bln PLN in comparison to 1.74 bln in the previous year. At the end of the year 2011, Generali Group companies attained the best financial results in the history of the company's operations in Poland. Net profit of the companies in the Group amounted to 97.5 billion PLN as compared with 21 bln in the previous year.

Generali T.U. S.A collected 961.621 PLN in gross written premium for non-life business, i.e. 28% more than the previous year. Thus, the company marked a 2,5 times faster growth rate than the general growth rate for this market segment in Poland. Last year the company significantly improved both the profitability of its motor insurance line, as well as sales in this market segment. Premium written for motor insurance grew year-to-year by 26% to amount to 562.8 million PLN.

Gross written premium on the life insurance market amounted to 891.421 PLN in comparison to 990.566 PLN in the year 2010. A lower year-to year volume of premium written for this market segment is due to two factors. First of all, it was affected by a significant uncertainty on the stock exchange markets, which resulted in lower client interest in investment products with single premium. Second, it is the result of a strategy adopted by Generali, which focuses the company's efforts on the regular premium product segment. In the company's opinion, it is the regular premium market segment that constitutes the core of pure insurance operations of life insurance carriers. In consequence, premium written in life insurance segment with regular premium grew in Generali to amount to 564.9 mln PLN, i.e. as much as by 20% in comparison to the year 2010.

Despite legislative pressure on the pension market, the year 2010 also proved to have been very successful for Generali Pension Fund, which surpassed the threshold of 11 billion PLN of managed assets. At the end of the year, OFE Generali managed 890.1 thousand of active pension accounts and was quoted as the winner of many prestigious industry rankings.



**Dear All,**

The previous year was also marked by significant investments in the expansion of IT technologies and improvements in the client service. Generali completed works on the new IT system supporting sales and servicing of life insurance policies. This was the most extensive IT implementation venture in the company's history, all the more impressive since being performed with the application of the 'in-house' method, which makes use of own IT resources. The implementation of the system significantly contributed to the improvement of efficiency of sales and business support processes on the life insurance market, while allowing to limit the new product implementation period, which had previously taken a few months, to a few weeks. We hope that this solution will allow Generali to introduce numerous product and service novelties, which in turn will allow to continue our efforts at creating added value for our clients.

The year 2011 was also very important for Generali due to the process of creating a new composition of the Management Board membership. The Group has been strengthened with the competence of experts with extensive knowledge and experience gained also on the international level – Magdalena Nawłoka (member of the Management Board, Financial Director) and Martin Vrba (member of the Management Board in charge of claims handling). The company also conducted internal appointments, inviting very experienced managers who have been working for Generali for many years to join the Management Board: Antoni Brański – with 20-years of experience on the non-life market with special emphasis on the motor sector, and Krzysztof Wiecha, who has marked many accomplishments in the life insurance sector on his professional record..

In the year 2011 the word 'profitability' was the key catchphrase of Generali's operations in Poland. In 2012 we strongly wish to continue this trend, while simultaneously planning for the dynamic expansion of our market share and development of the company, to be conducted with close attention to maintaining strict cost discipline and rational price policy. We hope that this task will be helped by our consistent efforts at updating our product offer, which includes new life insurance products, IKZE, new autocasco and home products, as well as investments in IT systems which had been implemented in the second half of the previous year.

Today I wish to extend my heartfelt thanks to all our Clients and Business Partners for their trust and cooperation. I would like to assure you that we will continue to make every effort to meet your expectations concerning both our product offer and the service that we provide. I also want to thank all Generali Group Employees for their commitment and hard work. Without them, this great accomplishment of record performance would not have been possible.

With kind regards,

**Artur Olech**

Chief Executive Officer of Generali Poland Group

# COMPANY PROFILES

## Company: Generali Towarzystwo Ubezpieczeń S.A.

Headquarter: ul. Postępu 15 B  
02-676 Warsaw

Share capital: 190,31 M PLN

Shareholder: Generali PPF Holding B.V.

Licence: 5 July 1999

Scope of activity: All groups of Division II\*; remaining personal insurance and property insurance

\*indicated in the appendix to the legal act on insurance activity

### Management Board:

Artur Olech – President  
Magdalena Nawłoka – Member  
Antoni Brański – Member  
Krzysztof Wiecha – Member  
Martin Vrba – Member

### Supervisory Board:

Klara Starkova – Chairman  
Luisa Coloni – Vice-Chairman  
Jaroslav Mlynář – Member

Selected financial data:  
(in thousands PLN)

	2007	2008	2009	2010	2011
Gross written premium	403 193	600 138	730 512	749 978	961 621
Net written premium	163 722	537 526	561 202	603 749	388 814
Gross technical reserves	516 803	683 341	865 978	1 013 892	1 192 095
Net technical reserves	454 975	623 696	710 374	810 678	632 130
Investments	539 537	719 411	813 721	903 813	1 066 384
Share capital	190 310	190 310	190 310	190 310	190 310
Number of employees	409	510	588	638	711

\* Provisions include estimated subrogation

**Company: Generali Życie Towarzystwo Ubezpieczeń S.A.**

**Headquarter:** ul. Postępu 15 B  
02-676 Warsaw

**Share capital:** 61 M PLN

**Shareholder:** Generali Holding Vienna AG

**Licence:** 6 January 1998

**Scope of activity:** All groups of Division I\*, life insurance  
\*indicated in the appendix to the legal act on insurance activity

**Management Board:** Artur Olech – President  
Magdalena Nawłoka – Member  
Antoni Brański – Member  
Krzysztof Wiecha – Member  
Martin Vrba – Member

**Supervisory Board:** Klara Starkova – Chairman  
Luisa Coloni – Vice-Chairman  
Jaroslav Mlynář – Member

Selected financial data: (in thousands PLN)	2007	2008	2009	2010	2011
Gross written premium	537 539	792 027	1 209 428	990 566	891 421
Net written premium	527 642	779 321	1 191 354	963 530	860 453
Gross technical reserves	1 110 338	1 086 907	1 897 344	1 816 261	1 826 355
Net technical reserves	1 108 355	1 083 137	1 889 817	1 807 948	1 819 069
Investments	1 186 240	1 110 863	1 883 614	1 804 780	1 823 046
Share capital	61 000	61 000	61 000	61 000	61 000
Number of employees	219	279	292	337	373

**Company: Generali Powszechne Towarzystwo Emerytalne S.A.**

Headquarter: ul. Postępu 15 B  
02-676 Warsaw

Share capital: 145,5 M PLN

Shareholder: Generali T.U. S.A.

Licence: 8 January 1999

Scope of activity: Generali OFE management

Management Board: Piotr Pindel – Member  
Jacek Smolarek – Member  
Rafał Markiewicz – Member

Supervisory Board: Luisa Coloni – Chairman  
Jiri Straka – Vice-Chairman  
Karol Lutkowski – Member  
Maciej Zieliński – Member

Selected financial data: (in thousands PLN)	2007	2008	2009	2010	2011
Assets under management	5 264 476	5 476 018	7 724 894	10 425 965	11 270 000
Sales revenues	58 411	72 324	81 245	94 801	92 215
Net profit	16 059	20 022	24 427	40 702	24 190
Share capital	145 500	145 500	145 500	145 500	145 500
Number of employees	167	170	187	225	247



# GENERALI IN POLAND – HISTORY

<b>1837</b>	First Generali units on the Polish soil are established.
<b>1925</b>	Generali obtains authorization to conduct operations on the whole territory of Poland.
<b>1925-1939</b>	During the interwar period Generali opens its branches in all larger cities in Poland, including Lvov, Cracow, Katowice, Poznan, Lodz and Vilnius. Along with the Austrian “Erste Allgemeine Versicherung”, Generali holds significant shares in three Polish companies: “Generali Port – Polonia”, “Patria” and “Varsaviana”.
<b>1948</b>	All private and foreign insurance companies, including Generali are divested of their right to operate in Poland.
<b>1998</b>	Generali returns to Poland as Generali – Risk Consulting Sp. z o. o.
<b>July 5<sup>th</sup>, 1999</b>	The Ministry of Finance grants Generali the permission to conduct business activity within the scope of life insurance and other types of casualty and property insurance. Generali Towarzystwo Ubezpieczeń S.A. and Generali Życie Towarzystwo Ubezpieczeń S.A. are established.
<b>March 26<sup>th</sup>, 2002</b>	Generali Holding AG and Zurich Financial Services sign the agreement according to which Generali took over two insurance companies Zurich (Zurich Towarzystwo Ubezpieczeń na Życie S.A. i Zurich Towarzystwo Ubezpieczeń S.A.) oraz Zurich Powszechnego Towarzystwa Emerytalne S.A. in charge of management of Zurich OFE.
<b>November 6<sup>th</sup>, 2002</b>	Generali Holding AG purchases shares of Zurich Towarzystwo Ubezpieczeń na Życie S.A. and Zurich Towarzystwo Ubezpieczeń S.A. oraz Zurich Powszechnego Towarzystwo Emerytalnego S.A., thus assuming ownership of these companies.
<b>April 11<sup>th</sup>, 2003</b>	Zurich Powszechnego Towarzystwo Emerytalne S.A. changes its name to Generali Powszechnego Towarzystwo Emerytalne S.A.
<b>May 8<sup>th</sup>, 2003</b>	A change of name of the fund from Zurich Otwarty Fundusz Emerytalny to Generali Otwarty Fundusz Emerytalny.
<b>January 2004</b>	Completion of the merger of Generali and Zurich insurance companies in both life and non-life segments.
<b>January the 1<sup>st</sup>, 2006</b>	Generali appoints Generali AutoProgram Sp. z o. o. (GAP) – a company dedicated to provide insurance services to car dealers.
<b>December 2006</b>	Generali Group Poland is made up of the following companies: <ul style="list-style-type: none"> <li>• Generali Towarzystwo Ubezpieczeń S.A.</li> <li>• Generali Życie Towarzystwo Ubezpieczeń S.A.</li> <li>• Generali Powszechnego Towarzystwo Emerytalne S.A.</li> <li>• Generali Finance Sp. z o. o.</li> <li>• Generali AutoProgram Sp. z o. o.</li> </ul>

<b>November 2007</b>	Andrzej Jarczyk assumes the position of Chief Executive Officer of Generali in Poland.
<b>January 2008</b>	Generali PPF Holding is finally established.
<b>May 2008</b>	The Headquarters of Generali companies is relocated. May 2008 direct sales channel kicks off.
<b>September 2008</b>	For the first time in history, gross written premium exceeds the threshold of 1 billion PLN.
<b>December 2008</b>	Top performance year for Generali Group Poland in its 10-year history. Acquisition of 1,392.1 mln PLN in premium written.
<b>January 2009</b>	A new corporate Generali Group website is made accessible at <a href="http://www.generali.pl">www.generali.pl</a> .
<b>April 2009</b>	For the second time running, Generali OFE emerges as the winner of the prestigious ranking organized by Rzeczpospolita daily.
<b>June 2009</b>	The title of the best non-life insurance carrier in 2008 and the second position in the category of the best Pension Funds. Generali OFE awarded first position in Gazeta Wyborcza ranking.
<b>October 2009</b>	For the third time running, Generali OFE is granted the first prize in a prestigious comparison prepared by Rzeczpospolita daily.
<b>May 2010</b>	Generali is granted the "Fair Play" award of the brokerage industry.
<b>June 2010</b>	Generali wins the Student Product of the Year award in the category of Student Pension Plan ("?Dlaczego" monthly).
<b>June 2010</b>	Generali PTE at the top of the Best Financial Institution ranking ("Rzeczpospolita" 22.06.2010).
<b>August 2010</b>	Generali Direct service is taken to the next level.
<b>October 2010</b>	Generali OFE is announced as the best fund according to 3-year investment return rate in a ranking by Polish Financial Supervision Authority (press release of 6.10.2010) and as the winner of Rzeczpospolita ranking.
<b>November 2010</b>	Artur Olech assumes the position of the Chief Executive Officer of Generali Group in Poland.
<b>June 2011</b>	Generali PTE emerges as the winner of Rzeczpospolita ranking for the best financial institution in 2010 in the category of PTE.
<b>October 2011</b>	GENERALI OFE arrives as second in pension funds ranking according to the value of a hypothetical pension account.
<b>December 2011</b>	Top year in the history of Generali Group operations in Poland. Net profit of the companies in the Group amounted to 97,5 mln PLN in 2011 which is nearly 5 times better than in the last year.

# PRODUCT RANGE

## Insurance for individual clients

### Life insurance

1. Endowment insurance Lew Partner Ubezpieczenie na życie i dożycie LEW PARTNER
2. Dowry insurance LEW JUNIOR
3. Life insurance LEW SENIOR
4. Accident package EVENTO
5. Accident package EVENTO (for AFI Group)
6. Generali ProFamilia Insurance
7. Generali ProFamilia Insurance – option M1
8. Child Savings Plan
9. Consistent Pension-Investment Plan
10. Family Running Costs Provision Plan
11. Life insurance with insurance capital funds Generali Beneficio with regular premium.
12. Life insurance with insurance capital funds Generali Beneficio with single premium
13. Life insurance with insurance capital funds Generali OmniProfit with regular premium
14. Life insurance with insurance capital funds Generali OmniProfit with single premium
15. Life insurance with insurance capital funds OVBnera Future Invest
16. Life insurance with insurance capital funds Generali Prospero with regular premium
17. Term annuity life insurance
18. Life insurance with insurance capital fund IKE
19. Life insurance with insurance capital fund IKE BRE
20. Life insurance with insurance capital funds LEOLIFE (new)
21. Life insurance with insurance capital funds LEOLIFE (transferred)
22. Life insurance with insurance capital funds db Invest in Your Future- Save Actively
23. Life insurance with insurance capital funds Generali “Insurance with future” with regular premium
24. Life and health insurance – investment security
25. Term life insurance “db Parasol Bezpieczeństwa” (Safety Net)
26. Term life insurance package “Będziesz Bezpieczny” (You will be safe)
27. Life insurance with insurance capital funds db Emerytura – Start (Pension –Start)

### Non-life insurance

1. Apartament and residential building insurance DOMOWNIK
2. Third party Liability insurance in private life LEW PRYWATNIE
3. Buildings and buildings under construction insurance LEW BUDOWNICZY

4. Fixtures and fittings, house movables and Third Party Liability insurance LEW LOKATOR
5. All risks insurance – PAKIET DIAMENTOWY
6. Business entities insurance – Generali PRESTO (package for SME)
7. Integrated system property insurance – Generali for cooperatives
8. Compulsory Third Party liability of farmers and compulsory insurance of agricultural buildings
9. Voluntary insurance of property in arable farms
10. Luggage-in-vehicle insurance
11. Home insurance as a part of multitenant building (Direct)
12. Single-family dwelling insurance (Direct)
13. Fixtures and fittings and house movables insurance (Direct)
14. Third Party Liability Insurance (Direct)

### Bodily injury insurance

1. Personal Accident Insurance
2. Personal Accident Insurance (Direct)
3. Travel insurance PODRÓŻNIK
4. Foreign Travel insurance

### Motor insurance

1. Third Party Liability insurance of owners of motor vehicles for losses due to the movement of these vehicles in domestic and foreign traffic
2. Green Card
3. Motor Own Damage and Theft insurance – autocasco
4. Personal Accident Insurance of driver and passengers of motor vehicle
5. Personal Accident Insurance of drivers of motor vehicle
6. Generali Assistance – LEW POMOCNIK
7. Motor Traffic Legal protection insurance – LEW ADWOKAT
8. State border crossing insurance
9. AutoGlass Insurance

## Insurance for corporate clients

### Group life insurance

1. Group life insurance CERTUM
2. Group life insurance CERTUM MAX
3. Group life insurance for SME
4. Employee Pension Schemes
5. Individual Continuation of Group Life Insurance
6. Group life and health insurance II
7. Group life insurance CZESNE (TUITION)

### Group non-life insurance

1. Group Health Insurance
2. Group Accident Insurance

### Non-life insurance

1. Property insurance
  - Fire and allied perils insurance
  - Burglary and robbery insurance
  - All risks insurance
  - Loss of income insurance (Business Interruption)
  - Commercial Property Insurance
2. Technical insurance
  - Construction machinery insurance
  - Machinery Breakdown insurance
  - electronic equipment all risks insurance
  - construction all risks insurance
  - erection all risks insurance
3. Third Party Liability insurance
4. Aviation insurance
5. Transportation insurance
  - Cargo insurance
  - Carrier's third party liability insurance in domestic and international transport
  - Forwarder's third Party Liability insurance
6. Casco railcar insurance

#### 7. Financial insurance

- Insurance guarantees
- Insurance of BBB/CC/PI banking risks
- Insurance for mortgage loans and other bank products

#### 8. Insurance for cooperatives and condominium units

- Insurance for owners of multitenant buildings
- Home insurance “ProDomo” (with premium included in rent)

### Group bodily injury insurance

1. Personal Accident insurance for children, school students and education sector employees
2. Personal Accident for college students and college faculty members
3. Personal Accident insurance for sports organizations
4. Travel insurance PODRÓŻNIK (product withdrawn as of December 31<sup>st</sup>, 2011)
5. Foreign Travel Insurance

### Motor insurance

1. Third Party Liability insurance of owners of motor vehicles for losses due to the movement of these vehicles in domestic and foreign traffic
2. Green Card
3. Motor Own Damage and Theft insurance – autocasco
4. Personal Accident Insurance of driver and passengers of motor vehicle
5. Personal Accident Insurance of driver of motor vehicle
6. Generali Assistance – LEW POMOCNIK
7. Motor Traffic Legal protection insurance – LEW ADWOKAT
8. State border crossing insurance
9. AutoGlass Insurance

## **Generali Powszechne Towarzystwo Emerytalne S.A.**

Membership in Generali OFE

# SUPERVISORY BOARD'S REPORTS

## Report of the Supervisory Board of Generali T.U. S.A. for the financial year 2011

The Supervisory Board fulfilled its responsibilities according to the law and the Articles of Associations in the financial year 2011.

During the meetings with the Management Board the Supervisory Board was regularly informed about the current Company's situation and supervised Company's management by the Management Board.

The Supervisory Board examined the financial statements of the Company as well as the Management Board's report on the Company's operations for the financial year 2011 and has no objections to its content. The Supervisory Board confirms that according to its best knowledge and due care, these are prepared in accordance with the laws, Company's books and documents as well as with factual state, they reflect correctly and reliably the results of Company's economic activity, financial and assets status in the financial year 2011.

The Supervisory Board examined the opinion of chartered auditor – PricewaterhouseCoopers Sp. z o.o., confirming proper preparation of the financial statement and the Management Board's report on the Company's operations for the financial year 2011.

The Supervisory Board shares the Management Board's opinion on profit's allocation.

In connection with the above the Supervisory Board recommends the General Assembly to pass the following resolutions:

1. approving of Management Board's Report on Company's operations for the financial year 2011;
2. approving of Company's Financial Statement for the financial year 2011.

Praha, the 12<sup>st</sup> of March 2012

Mrs. Klára Starková

Mrs. Luisa Coloni

Mr. Jaroslav Mlynář

## Report of the Supervisory Board of Generali Žycie T.U. S.A. for the financial year 2011

The Supervisory Board fulfilled its responsibilities according to the law and the Articles of Associations in the financial year 2011.

During the meetings with the Management Board the Supervisory Board was regularly informed about the current Company's situation and supervised Company's management by the Management Board.

The Supervisory Board examined the financial statements of the Company as well as the Management Board's report on the Company's operations for the financial year 2011 and has no objections to its content. The Supervisory Board confirms that according to its best knowledge and due care, these are prepared in accordance with the laws, Company's books and documents as well as with factual state, they reflect correctly and reliably the results of Company's economic activity, financial and assets status in the financial year 2011.

The Supervisory Board examined the opinion of chartered auditor – PricewaterhouseCoopers Sp. z o.o., confirming proper preparation of the financial statement and the Management Board's report on the Company's operations for the financial year 2011.

The Supervisory Board shares the Management Board's opinion on profit's allocation.

In connection with the above the Supervisory Board recommends the General Assembly to pass the following resolutions:

1. approving of Management Board's Report on Company's operations for the financial year 2011;
2. approving of Company's Financial Statement for the financial year 2011;
3. in relation to the division of profit for the financial year 2011 in the amount of PLN 35 865 831,67 as requested by the Management Board, i.e. allocating it fully to increase the supplementary capital with an option to distribute it among the Company's Shareholders in the future;
4. granting Members of Management Board the vote of approval the performance of their duties in the financial year 2011.

Praha, the 12<sup>st</sup> of March 2012

Mrs. Klára Starková

Mrs. Luisa Coloni

Mr. Jaroslav Mlynář



## Report of the Supervisory Board of Generali Powszechne Towarzystwo Emerytalne S.A. for the financial year 2011

The Supervisory Board fulfilled its responsibilities according to the law and Articles of Associations in the financial year 2011.

During the meetings with the Management Board the Supervisory Board was regularly informed about the current company's situation and supervised Company's management by the Management Board.

The Supervisory Board examined the financial statements of the Company and of Generali Otwarty Fundusz Emerytalny ("Fund") as well as the Management Board's report on the Company's operations for the financial year 2011 and has no objections to their content. The Supervisory Board confirms that according to its best knowledge and due care, these are prepared in accordance with law, Company's and Fund's books and documents as well as with factual state, they reflect correctly and reliably the results of Company's economic activity, financial and assets status of the Company and of the Fund in the financial year 2011.

The Supervisory Board examined the opinion of chartered auditor – PricewaterhouseCoopers Sp. z o.o., confirming proper preparation of the financial statements and the Management Board's report on the Company's operations for the financial year 2011.

The Supervisory Board shares the Management Board's opinion on profit's allocation.

In connection with the above the Supervisory Board recommends the General Assembly to pass the following resolutions:

1. approving of Management Board's Report on Company's operations for the financial year 2011;
2. approving of Company's and Fund's Financial Statement for the financial year 2011;
3. in relation to the division of profit for the financial year 2011 in the amount of PLN 24.190.184,76 as requested by the Management Board, i.e.: allocating it fully to increase the supplementary capital with an option to distribute it among the Company's Shareholders in the future;
4. granting Members of Management Board the vote of approval the performance of their duties in the financial year 2011.

Praha, the 12<sup>st</sup> of March 2012.

Mrs Luisa Coloni

Mr Jiří Straka

Mr Karol Lutkowski

Mr Maciej Zieliński

# GENERALI DAKAR



SELECTED ITEMS  
OF MANAGEMENT REPORTS  
OF GENERALI T.U. S.A.  
AND GENERALI ŽYCIE T.U. S.A.

# SELECTED ITEMS OF MANAGEMENT REPORT OF GENERALI T.U. S.A.

## 1. Key events in 2011 and post balance sheet key events

The year 2011 was another year of dynamic growth of Generali T.U. S.A. In comparison with the year 2010, Generali T.U. S.A. recorded increase in the volume of the written premium by 28,2%, mainly due to increasing sales of motor insurance (25.1%), and commercial business (41.4%). In connection with the higher result than non-life insurance market, which recorded an increase of 12% (3<sup>rd</sup> quarter 2011 to 3<sup>rd</sup> quarter 2010), Generali TU SA increased its share in the Non-Life Insurance market by 0.5 percentage points to 3.8%, retaining the 9th position of Insurance Companies.

Year 2011 was characterized by further development of the particular sales channels. The cooperation with the car dealers, started already in 2006 (in co-operation with the service company GAP Sp. z o.o.), resulted in the written premium in year 2011 of PLN 169,2 Mio. (2010: PLN 150,7 Mio). Simultaneously the sales related to the corporate insurance was developing as well as the sales of the Bancassurance channel (2011: PLN 19,8 Mio., 2010: PLN 17,9 Mio., 2009: PLN 15,3 Mio., 2008: PLN 8,9 Mio).

The results of the changes in tariffs, underwriting and servicing had positive impact on significant improvement of profitability measured by the net technical result of Non-Life insurance.

These good sales results and profitability improvement in 2011 were possible also thanks to the positive development of the situation on the property and casualty insurance. After the period of significant technical losses among insurance companies, a dynamic increase of average premium was observed in 2011. Especially in sector with the lowest profitability ratios which is sector of business entity insurances.

The increase in Motor TPL and Casco for individual clients after 3<sup>rd</sup> 2011 amounted to 10% and 9%, while in the corporate sector and other clients increases were 31% and 17%, mainly due to an increase in the average premium.

Significant impact on prices of property insurance had catastrophic events which occurred in year 2010. Clients, who own a legal status, had to pay more for property and TPL insurances (class 8, 9, 13) – average premium increased by 28%.

In the year 2011 the company bought an organised part of Generali Finance Sp. z o.o. operations for PLN 11.2 Mio. As a result, the claims handling process is performed internally, instead of outsourced to an external company.

The Company bought a operations of Generali AutoProgram Sp. z o.o. for PLN 10.2 Mio. The result is a direct relationship with the dealers distribution channel.

New IT system supporting the claims handling process was implemented in 2011.

After the balance-sheet date, there were no key events, which would materially influence the Company's situation.

## 2. Financial situation

In the year 2011 the Company recorded an increase of the balance sheet amount by PLN 348 Mio. to the level of PLN 1.533 Mio., mainly as a result of an increase in the value of the financial investments, including an increase of shares in related parties and in other investments (increase by PLN 139 Mio.). On the liabilities side the gross technical reserves increased by PLN 179 Mio., and net technical reserves decreased by PLN 180 Mio.

In the year 2011 Generali T.U. S.A. recorded the gross written premium in total value of PLN 961,6 Mio. The biggest share in the portfolio recorded car insurance products (about 61%). The second position regarding the premium volume has commercial insurance portfolio (27,3%).

In comparison to the written premium collected in 2010 practically in all business lines the two-digit increase was recorded. The highest increase stated in absolute amounts was noted in motor insurance. The increase amounted about PLN 118,4 Mio. The second increase area was corporate insurance, the increase amounted to about PLN 77 Mio.

In the year 2011 Generali T.U. S.A. initiated new reinsurance program, in which the provisions for unearned premium and provisions for claims outstanding open as the 01.01.2011 ("opening balance") were reinsured. Commencement of this program led to acknowledgment of reinsurers' share in gross claims paid in the amount of PLN 145,3 Mio also charging the other technical costs – net of reinsurance. That also had an impact on the gross claim ratio and net claim ratio in 2011. Ratios shown below include the influence of opening balance on the change in reinsurers' share of claims provisions.

The significant increase of net technical result was noted (+ PLN 0,9 Mio in 2011 ver PLN -75,8 Mio in 2010) which accounted for improvement in the profitability of technical activity by 13 percentage points. The significant influence on the increase of the technical result in 2011 had decrease of the loss ratio. In 2011 the gross loss ratio amounted to 66,7%, in year 2010 81,1%. In year 2011 the rate of insurance activity costs to the gross written premium remained at a similar level as in year 2010 and was 27%.

### Net financial result for the period

In the year 2011 Generali T.U. S.A. generated the net financial result on the positive level of PLN 32,9 Mio versus PLN -20,1 Mio net loss in 2010. The major factor to improve the net financial result was the increase in the technical result.

The profitability of the investment activity (excluding the income from investment in related parties) remains on the relatively stable level in comparison to year 2010.

### High security ratios

The Company still maintains high security ratios. The ratio reflecting the coverage of solvency margin with own funds was 174% and increased in comparison to last year because of the company to develop a better result. The ratio reflecting the backing of technical provisions with assets remains on the secure level and amounted to 107,3% as at the end of December 2011 compared to 109,6% as at the end of December 2010.

Generali T.U. S.A. keeps high safety level of technical reserves due to:

- increase in frequency of the property claims (both in MTPL insurance and in Autocasco), resulting between other from the increase in the insurance crime during the crisis,
- increase in the value of the personal claims (affects MTPL insurance), particularly annuities, due to the intensified activities of law offices,
- changes in law (i.e. issue of the compensation for the death of related person) and lack of the unique jurisdiction, leading to permanent deterioration of the position of the insurance companies and increase in risks related to car insurance, with contemporary increase in the price competition between insurance companies.

#### **Expected financial situation**

We expect that the Company will keep the market position with simultaneous improvement of the portfolio profitability and maintenance of the high security ratios.

### **3. Expected Company's development**

#### **Main targets for the year 2012 include:**

- Further development resulting in the increase in market share
- Improvement of profit after tax in comparison with the year 2011
- Improvement of the profitability of the offered products
- Continued development of the co-operation with the regional multiagencies, with main scope for sale of motor and property insurance
- Continued development and investment of the co-operation with their own network of agents (the sale of mass products: property, motor, accident, travel and small business)
- Continued development of the co-operation with regional brokers in the area of corporate insurance
- Continued development of the co-operation with bancassurance (insurance attached to credit cards and accounts, mortgages insurance)
- Continued development of the co-operation with the car dealers
- Automation of internal processes.

### **4. Description of the risks relating to financial instruments**

#### **Interest rate risk borne by investments**

Interest rate risk is the risk that individual items of the assets can fluctuate because of changes in market interest rates. In the case of our Company the interest rate risk relates mainly to the fact of having in the investment portfolio the debt securities. The interest rate risk relates to both debt securities with variable interest and with fixed interest. Debt securities with fixed interest are exposed to the risk of changes in fair value. The process of interest rate risk management, which exists in the Company, is aimed at restriction of the negative influence of the changes in the interest rates on investment income. The limitation is realized through proper selection of the financial instruments with variable and fixed interest and their diversification in respect of the maturity and the coupons frequency.

For the estimation of the existing risk the Company uses the modified duration index. The modified duration index is variable in the time and shaped based on the expectations about the market situation of the Investment Department.

The value of the debt securities with variable interest as at 31 December 2011 and 31 December 2010 amounted respectively to: PLN 188,8 Mio and PLN 160,7 Mio, and the value of the debt securities with fixed interest as at 31 December 2011 and 31 December 2010 amounted respectively to: PLN 415,6 Mio and PLN 376,2 Mio.

Taking into consideration the Company's asset structure, in particularly the financial asset structure and its sensitivity to the interest rate changes, it should be noted the interest rate risk born by the Company is low. At the same time, the Company conducts ongoing analysis of the assets sensitive to interest rate changes, what considerably influence the optimization of the risk born.

Debt securities with variable interest rate owned by the Company, as at the end of the year 2010, had the frequency of 1,3 and 6 months.

**Credit risk borne**

Credit risk is the risk of the loss, resulting from the third parties failure to discharge an obligation towards the Company. In relation to financial assets such as cash and cash equivalents, assets available for sale and receivables, the Company's credit risk occur when the counterparty is not able to repay its debts, and maximum exposure (value of the loss) is equal to the book value of the assets.

Taking into consideration fact, that the Company invests majority of its assets into the financial instruments issued by the State Treasury and the cash is deposited in banks quoted on the stock Exchange, with safe and constantly monitored rating, the Management Board evaluate the credit risk of the financial instruments on the middle level. The investments in debt securities issued by other parties than the State Treasury are made within limits defined by law and after the analysis of the financial standing of the issuer, what decrease the risk of such investments.

**Accepted by the Company goals and methods of financial risk management**

The purpose of the Company investment policy is the maximisation of the investment return rate with the simultaneous maintenance of the investments security and the Company's liquidity.

The risks related to investment portfolio are controlled by:

1. proper adaptation of the modified duration index, depending in the market situation and the expectations of the Investment Department for the portfolio of debt securities,
2. system of limits, which include the credit and concentration risk, in relation to the single issuer (or the group of the assets in the investment portfolio),
3. hedging of the foreign currency position in relation to assets denominated in foreign currency,
4. system of limits in relation to the maturity of the individual classes of corporate debt securities,
5. system of limits for open foreign currency position,
6. system of limits relating to individual transactions

**5. Risks and threats to the Company's activity**

The negative influence on the Company's activity could have the failure to achieve the goals as a result of the increase in the unemployment rate and decrease in purchase power of the society. This could result in the decrease of the gross written premium volume and as a consequence with the incurred expenses could result in the worsening of the net financial result.

The next treat is still very slow increase on the market in relation to property and personal accident insurance. In comparison to the EU there is still very low level of the expenditure for insurance per capita. From one side it very high potential market, on the other very slow insurance market development shows that the insurance awareness of Poles increases very slowly.

Rising competition (between others further popularization of direct sale, Talanx investments, enter the Polish insurance market Groupama Group) can result in worsening profitability of portfolio.

The important risk factors and risk for business are:

- personal losses development – dynamically changing practise and case-law in Poland concernig responsibility and value of personal losses (mainly in MTPL) make the value of indemnity from occured losses uncertain and it is also risky for tarification process.
- changes in law – instability of regulations concerning enactment and interpretations which regulate an insurance market can be a cause of changes in value and range of indemnities, which were not known in process of tarification and which can have a negative impact on financial result.

The most risky area in law regulations is a replacing car issue in MTPL and concidering by EU changes in taxation of financial transactions.

# SELECTED ITEMS OF MANAGEMENT REPORT OF GENERALI ŻYCIE T.U. S.A.

## 1. Key events in 2011 and post balance sheet key events

Modification of the investment offer for individual insurance product by adjusting it to market needs: four new investments funds were introduced and four with no significant clients concern were withdrawn.

In year 2011 the Company reduced the activity related with single premiums from short term life insurance products sold by bancassurance, at the same time recording the dynamic increase of the written premium with regular payments.

The Company introduced new IT solutions for individual life portfolio, which resulted in shorter time required to introduce new product lines and allowed for more efficient service process.

The Company has acquired organised part of enterprise from Generali Finance Sp. z o.o. for the total amount of PLN 6.3 Mio. As a result of this transaction Generali is performing previously outsourced claims settlements process by its own.

After the balance-sheet date, there were no key events, which would materially influence the Company's situation.

## 2. Financial situation

### Rise of the balance sheet amount

In comparison to previous year in 2011 the Company recorded increase of the balance sheet amount by PLN 118.7 Mio. to level of PLN 2.269,9 Mio. The decrease of the provisions for life insurance amounting to PLN 93.4 Mio. and investments by PLN 86.0 Mio. resulted from matured short term life insurance products sold by bancassurance and decrease of the written single premiums from this type of products. The drop in the provisions for life insurance was compensated by increase in the provisions for life insurance where the investment risk is borne by the policyholders in the amount of PLN 104.3 Mio. due to the increase in the written premium. Increase of other liabilities by PLN 52.1 Mio. is mainly due to loan received from Generali TU S.A. to finance acquisition expenses. The other item influencing the amount of the balance sheet amount was the increase in deferred acquisition costs by PLN 72,6 Mio. due to the sales increase, mainly from individual policies. Rise of intangibles is due to PLN 5.0 Mio. goodwill recognised as a result of purchase transaction of the organised part of enterprise (net goodwill value as at the year end amounts to PLN 4.9 Mio.).

### Decrease of the gross premium written by 10.0%

In 2011 gross premium written collected by Generali Życie T.U. S.A. dropped by 10.0% (from PLN 990.6 Mio. in 2010 to PLN 891.4 Mio. in 2011). The decrease resulted from the drop in the single written premium from



bancassurance products, which only partially was compensated by the increase in the single written premium from other insurance contracts (increase by PLN 8.2 Mio to the level PLN 95.5 Mio.).

In the area of insurance with the premium paid on a periodical basis, the premium written growth dynamics was 20.2% which exceeds the average market growth (the regular premium growth dynamics for 3Q 2011 was ca. 1.8%). A dynamic growth of the premium with the premium paid on a periodical basis was achieved due to the sales including mainly individual life insurance policies where the investment risk is borne by the insuring person and group employee pension schemes (PPE).

In 2011, the largest share in the gross premium written was attributed to the gross premium from the unit-linked life insurance constituting 57.9% of the total premium (21.1% rise in comparison to previous year). Share of gross premium from life insurance (gr. 1) has decreased to 32.1% as a consequence of above described drop in bancassurance single premium. In comparison with the preceding year, an increase in the gross premium written is noted in group 5 by 8.7% which is the primary result of the increased sale of corporate insurance, which are often, in addition to the basic risks, supplemented with the additional agreements.

#### **Financial performance**

In comparison with the preceding year, in 2011, the Company noted an improved technical result by PLN 11.0 Mio. (in 2011, the technical result was PLN 46.7 Mio.) primarily due to the increase in the premium written paid on a regular basis and increase of investments at the risk of the insured under management and thus increased fees. A consequence of the higher technical result is the increased net financial result (PLN 35.9 million in 2011; PLN 29.8 million in 2010).

#### **Security Ratios**

The Company continues to maintain the security ratios at a proper level. The technical reserves covered with assets for insurance other than life insurance where the investment risk is borne by the insuring persons was 117.44% while the solvency margin coverage with equity was 236.34%.

#### **Expected financial situation**

We expect the Company to achieve increasingly better financial results by further developing its portfolio, increasing the gross premium written and market share accompanied by the simultaneous growth of the positive financial result of the Company.

### **3. Expected development**

In 2011, the Company achieved good results related to the area of new customer acquisition and growth of the portfolio.

The primary objectives of Generali in 2012 include:

- Active expansion of the own sales network (mainly individual insurance)
- Further development of cooperation with the banks (new products, new partners)
- In the case of the so-called investment products, further development of the range of available investment funds
- Commencement of activities aimed to maintain the quality of the existing portfolio and its build-up through the expansion of the offer.

#### 4. Description of the risks relating to financial instruments

##### **Interest rate risk borne by investments**

For the estimation of the existing risk the Company uses the modified duration index. The modified duration index is variable in the time and shaped based on the expectations about the market situation of the Investment Department.

The modified duration index of the debt portfolio varies in time depending on the expectations of the Investment Department with respect to the development of the market situation. The rules of the investment policy are laid down in the Regulations on Investment Policy and Functioning of the Investment Department.

##### **Credit risk borne by investments**

In the debt part of the portfolio, the Company invests majority of assets in debt securities issued by the State Treasury. Investments in the corporate debts securities are limited to a selected list of issuers with high credit reliability.

##### **Accepted by the Company goals and methods of financial risk management**

The purpose of the Company investment policy is the maximisation of the investment return rate with the simultaneous maintenance of the investments security and the Company's liquidity.

The risks related to investment portfolio are controlled by:

1. proper adaptation of the modified duration index, depending in the market situation and the expectations of the Investment Department for the portfolio of debt securities,
2. system of limits, which include the credit and concentration risk, in relation to the single issuer (or the group of the assets in the investment portfolio),
3. hedging of the foreign currency position in relation to assets denominated in foreign currency,
4. system of limits in relation to the maturity of the individual classes of corporate debt securities,
5. system of limits for open foreign currency position,
6. system of limits relating to individual transactions.

#### 5. Risks and threats to the Company's activity

The prevailing uncertainty with regard to the level of the basic macroeconomic indicators (GDP growth level, increase of unemployment, growth of public debt) may be an underlying reason for the failure to fulfil the sales plans assumed for the upcoming years and thus may have influence on the failure to achieve the planned financial result.

The other significant risk is capital markets volatility and value decrease of shares and fixed income securities included in policyholder's funds. Significantly lower amount of policyholder's funds will have negative impact on fees charged based on value of reserves.

Another risk is high concentration of major clients in group insurance which, in the event of their resignation (e.g. due to increasing price competition), may result in considerable reduction of the group insurance portfolio and thus the amount of the gross premium written.

GENERALI  
DAKAR



SELECTED ITEMS  
OF FINANCIAL STATEMENT  
OF GENERALI T.U. S.A.



## SELECTED ITEMS OF BALANCE SHEET

Assets (in thousand PLN)	As of 31 December 2011	As of 31 December 2010
<b>Total assets</b>	1 532 997	1 184 954
including:		
<b>A. Investments</b>	1 066 384	903 813
I. Investments in subsidiary entities	211 577	188 610
II. Other ifinancial investments	854 806	715 203

Liabilities (in thousand PLN)	As of 31 December 2011	As of 31 December 2010
<b>Total liabilities</b>	1 532 997	1 184 954
including:		
<b>A. Equity</b>	217 447	177 453
<b>B. Technical provisions</b>	1 198 775	1 019 670
<b>C. Share of reinsureres in technical reserves (negative value)</b>	562 455	203 286



## SELECTED ITEMS OF PROFIT AND LOSS ACCOUNT

in thousands PLN	12 months until 31 December 2011	12 months until 31 December 2010
I. Premium (1-2-3+4)	458 018	589 002
1. Gross written premium	961 621	749 978
2. Share of reinsurers in gross written premium	572 807	146 229
3. Change in provisions for gross premium and unexpired risk	84 688	13 330
4. Share of insurers in change of provisions for premium	153 892	-1 417
II. Indemnities and benefits	180 683	491 095
III. Costs of insurance operations	140 433	170 070
IV. Investment revenues	65 348	77 120
V. Unrealised gain from investments	10 327	1 667
VI. Gross profit (loss)	33 139	-20 004
VII. Net profit (loss)	32 932	-20 076



# SELECTED ITEMS OF CASH FLOW STATEMENT

Other (in thousands PLN)	12 months until 31 December 2011	12 months until 31 December 2010
<b>A. Coverage of solvency margin own funds</b>		
I. Solvency margin	108 264	115 530
II. Own funds	188 211	157 274
III. Surplus/shortage of own funds to cover solvency margin	79 947	41 924
<b>B. Coverage of technical reserves assets</b>		
I. Technical provisions	1 192 095	1 013 892
II. Assets used to cover technical provisions	1 278 725	1 111 145
III. Surplus/shortage of own funds to cover solvency margin	86 630	97 253



# REGISTERED AUDITOR'S OPINION

## Independent Registered Auditor's Opinion

**To the General Shareholders' Meeting and the Supervisory Board of Generali Towarzystwo Ubezpieczeń S.A.**

We have audited the accompanying financial statements of Generali Towarzystwo Ubezpieczeń S.A. (hereinafter referred to as "the Company"), Warsaw, ul. Postępu 15B, which comprise: the balance sheet as at 31 December 2011, showing total assets and total equity & liabilities of PLN 1.532.997.301,17, the technical income statement for the year ended 31 December 2011, showing a net loss of PLN 906.333,71, the general income statement for the year ended 31 December 2011, showing a net loss of PLN 32.932.026,61, the statement of changes in equity for the year ended 31 December 2011, the cash flow statement for the year ended 31 December 2011, the notes to the financial statements comprising an introduction and additional notes and explanations - the list of technical reserves by method of their set-up, calculation of the solvency margin, the solvency declaration as at 31 December 2011, the list of assets for covering the technical reserves, the Management Board Report.

The Company's Management Board is responsible for preparing financial statements and a Directors' Report which comply with the applicable laws.

The Company's Management Board and members of its Supervisory Board are obliged to ensure that the financial statements and the Directors' Report meet the requirements set out in the Act of 29 September 1994 on accounting ("Accounting Act" – Journal of Laws of 2009, No. 152, item 1223, as amended) and the Decree of the Minister of Finance of 28 December 2009 on specific accounting policies for insurers and reinsurers (Journal of Laws of 2009, No. 226, item 1825).

Our responsibility was to express an opinion on the financial statements based on our audit, in all the important aspects, with accordance with the accounting policy employed and to declare if it presents the Company's financial and property state in a fair and clear way and to examine the financial result and the correctness of calculations in the accounting records, on which the report was based.

We conducted our audit in accordance with the following:

- a. the provisions of Chapter 7 of the Accounting Act;
- b. national standards of financial revision published by the National Council of Registered Auditors.



### **Independent Registered Auditor's Opinion**

#### **To the General Shareholders' Meeting and the Supervisory Board of Generali Towarzystwo Ubezpieczeń S.A. cont**

The audit was planned and conducted in such a way as to ensure that the financial report does not contain significant mistakes or omissions. It included, among others, the investigation of the source documents for selected values and information in the report. Also, the accounting policy of the Company was audited along with estimations used for the financial report and its general presentation. We believe that our audit has been enough to express the opinion.

In our opinion, and in all material respects, the accompanying financial statements:

- a. give a fair and clear view of the Company's financial position as at 31 December 2011 and of the results of its operations for the year then ended, in accordance with the accounting policies applicable in the Republic of Poland, specified in the Accounting Act and the provisions of the Decree of the Minister of Finance of 28 December 2009 on specific accounting policies for insurers and reinsurers (Journal of Laws of 2009, No. 226, item 1825);
- b. comply in terms of form and content with the applicable laws and the Company's Memorandum of Association;
- c. have been prepared on the basis of properly maintained accounting records, in accordance with the applicable accounting policies;

The information included in the Company's Directors' Report as at and for the year ended 31 December 2011 has been presented in accordance with the provisions of the Accounting Act and the Decree of the Minister of Finance of 28 December 2009 on specific accounting policies for insurers and reinsurers (Journal of Laws of 2009, No. 226, item 1825) and is consistent with the information presented in the audited financial statements.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., registered audit company No. 144:

Andrzej J. Konopacki

Key Registered Auditor  
No. 1750

Warsaw, 9 March 2012

The items shown on pages 27-30 of the 2011 Annual Report had been selected by Generali TU SA Management Board from the full verified financial statement for the financial period from January 1st to December 31st 2011. The selected items comply in all relevant aspects with the full annual financial statement.

– Generali Towarzystwo Ubezpieczeń S.A. –

The above opinion was issued concerning full financial statement of the company prepared in accordance with the Accounting Act and filed in the National Court Register and should be read along with the company's financial statement after it had been subject to verification.

– PricewaterhouseCoopers Sp. z o.o. –



GENERALI  
DAKAR



SELECTED ITEMS  
OF FINANCIAL STATEMENT  
OF GENERALI ŽYCIE T.U. S.A

## SELECTED ITEMS OF BALANCE SHEET

Assets (in thousand PLN)	As of 31 December 2011	As of 31 December 2010
Total assets	2 269 883	2 151 228
including:		
A. Investments	214 373	300 393
B. Net assets of life insurance with the investment risk with the insurer	1 608 672	1 504 388

Liabilities (in thousand PLN)	As of 31 December 2011	As of 31 December 2010
Total liabilities	2 269 883	2 151 228
including:		
A. Equity	193 570	157 521
B. Technical provisions	1 826 355	1 816 261
C. Share of reinsurers in technical reserves (negative value)	7 286	8 313

## SELECTED ITEMS OF PROFIT AND LOSS ACCOUNT

in thousands PLN	12 months until 31 December 2011	12 months until 31 December 2010
I. Premium (1-2-3+4)	860 756	963 439
1. Gross written premium	891 421	990 566
2. Share of reinsurers in gross written premium	30 968	27 036
3. Change in provisions for gross premium and unexpired risk	-306	98
4. Share of insurers in change of provisions for premium	-3	7
II. Revenues from investments	67 964	129 944
III. Unrealised investment gains	19 865	68 596
IV. Indemnities and benefits	599 840	1 091 175
V. Change in other technical provisions, net of reinsurance	10 894	-74 786
VI. Costs of insurance activity (1+2-3)	92 590	83 987
VII. Gross profit (loss)	44 489	37 747
VIII. Net profit (loss)	35 866	29 820

# SELECTED ITEMS OF CASH FLOW STATEMENT

Other (in thousands PLN)	12 months until 31 December 2011	12 months until 31 December 2010
<b>A. Coverage of solvency margin own funds</b>		
I. Solvency margin	57 565	61 558
II. Own funds	136 045	105 059
III. Surplus/shortage of own funds to cover solvency margin	78 481	43 501
<b>B. Coverage of technical reserves assets</b>		
I. Technical provisions	1 826 355	1 816 261
II. Assets used to cover technical provisions	1 864 324	1 840 354
III. Surplus/shortage of own funds to cover solvency margin	37 969	24 093

# REGISTERED AUDITOR'S OPINION

## Independent registered auditor's opinion

### To the General Shareholders' Meeting and the Supervisory Board of Generali Życie Towarzystwo Ubezpieczeń S.A.

We have audited the accompanying financial statements of Generali Życie Towarzystwo Ubezpieczeń S.A. (hereinafter referred to as "the Company"), Warsaw, ul. Postępu 15B, which comprise the balance sheet as at 31 December 2011, showing total assets and total equity & liabilities of PLN 2.269.883.422,82; the technical income statement for the year ended 31 December 2011, showing a net profit of PLN 46.731.575,71; the statement of changes in equity for the year ended 31 December 2010, showing an increase in the equity; the cash flow statement for the year ended 31 December 2011 and additional information, including an introduction and explanatory notes attached to the report: a list of technical provisions according to the methods of their creation, the calculation of the solvency margin, a declaration of solvency at 31 December 2011, the list of assets covering technical provisions, the Director's report.

The Company's Management Board is responsible for preparing financial statements and a Directors' Report which comply with the applicable laws.

The Company's Management Board and members of its Supervisory Board are obliged to ensure that the financial statements and the Directors' Report meet the requirements set out in the Act of 29 September 1994 on accounting ("Accounting Act" – Journal of Laws of 2009, No. 152, item 1223, as amended) and the Decree of the Minister of Finance of 28 December 2009 on specific accounting policies for insurers and reinsurers (Journal of Laws of 2009, No. 226, item 1825).

Our responsibility was to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the following:

- a. the provisions of Chapter 7 of the Accounting Act;
- b. national auditing standards issued by the National Council of Registered Auditors in Poland.

Our audit was planned and performed to obtain reasonable assurance that the financial statements were free of material misstatements and omissions. The audit included examining, on a test basis, accounting documents and entries supporting the amounts and disclosures in the financial statements. The audit also included an assessment of the accounting policies applied by the Company and significant estimates made in the preparation of the financial statements as well as an evaluation of the overall presentation thereof. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, and in all material respects, the accompanying financial statements:

- a. give a fair and clear view of the Company's financial position as at 31 December 2011 and of the results of its operations for the year then ended, in accordance with the accounting policies applicable in the Republic of Poland, specified in the Accounting Act and the provisions of the Decree of the Minister of Finance of 28 December 2009 on specific accounting policies for insurers and reinsurers (Journal of Laws of 2009, No. 226, item 1825);
- b. comply in terms of form and content with the applicable laws and the Company's Memorandum of Association;
- c. have been prepared on the basis of properly maintained accounting records, in accordance with the applicable accounting policies.

The information included in the Company's Directors' Report as at and for the year ended 31 December 2011 has been presented in accordance with the provisions of the Accounting Act and the Decree of the Minister of Finance of 28 December 2009 on specific accounting policies for insurers and reinsurers (Journal of Laws of 2009, No. 226, item 1825) and is consistent with the information presented in the audited financial statements.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., registered audit company No. 144:

Andrzej J. Konopacki

Key Registered Auditor  
No. 1750

Warsaw, 9 march 2012

The items shown on pages 34-36 of the 2011 Annual Report had been selected by Generali Życie TU SA Management Board from the full verified financial statement for the financial period from January 1st to December 31st 2011. The selected items comply in all relevant aspects with the full annual financial statement.

– Generali Życie Towarzystwo Ubezpieczeń S.A. –

The above opinion was issued concerning full financial statement of the company prepared in accordance with the Accounting Act and filed in the National Court Register and should be read along with the company's financial statement after it had been subject to verification.

– PricewaterhouseCoopers Sp. z o.o. –

GENERALI  
DAKAR



SELECTED ITEMS  
OF MANAGEMENT REPORT  
OF GENERALI POWSZECHNE  
TOWARZYSTWO EMERYTALNE S.A.

# SELECTED ITEMS OF MANAGEMENT REPORT OF GENERALI POWSZECHNE TOWARZYSTWO EMERYTALNE S.A.

## 1. Major events

The 2011 was following year of tremendous challenge for all financial market players. Threats regarding expanding financial debt crisis and world economy slow down had impact on significant equities discount and in consequence return rates realised by domestic pension funds. As a result of better performance in comparison to vast majority of competitors once again Generali OFE is among top performers. Negative rate of return for period 2008-2011 amounted to -3.99% which is not that good result, however the pension fund performance should be evaluated in a long term perspective. Bearing that in mind we underline that taking under consideration the longest comparable perspective (i.e. since September 30<sup>th</sup> 1999) Generali obtained 192.7% of return rate, which is 3<sup>rd</sup> market result and much above the average.

In 2011 there were changes in regulations introduced influencing operational activities of the fund. Pension fund contribution were reduced from 7.3% down to 2.3% (then gradually rising up to 3.5% in 2017) and acquisition ban introduced since January 1<sup>st</sup> 2012. These changes have significant impact on the Company performance.

Throughout the year 2011 there was a positive balance of transfers observed, which means that the number of members leaving Generali OFE was smaller than the number of new members acquired to the Fund. The balance of the year is closed to 27.87 thousand members. This result is primarily a result of active policy in terms of acquiring new members of the Fund and, despite the difficult market situation, a very good performance.

The Fund also acquired more than 50 thousands members as a result of lotteries made in January and July 2011. The good result was possible primarily thanks to strong investment performance.



## 2. Fund Members

In terms of number of members, the Fund, with the number of 890 084 members, classifies as eighth in the market of all pension funds.

### Number of members registered in ZUS at 31 December 2011

Open Pension Fund	Number of members	Share in %
AEGON OFE	948 497	6,12
Allianz Polska OFE	508 124	3,28
Amplico OFE	1 192 597	7,70
Aviva OFE Aviva BZ WBK	2 687 475	17,35
AXA OFE	1 109 445	7,16
<b>Generali OFE</b>	<b>890 084</b>	<b>5,74</b>
ING OFE	2 954 060	19,07
Nordea OFE	898 783	5,80
Pekao OFE	344 520	2,22
PKO BP Bankowy OFE	539 456	3,48
OFE Pocztylion	588 349	3,80
OFE Polsat	302 459	1,95
OFE PZU „Złota Jesień”	2 214 995	14,30
OFE WARTA	314 529	2,03
<b>TOTAL</b>	<b>15 493 373</b>	<b>100,00</b>

Source: www.knf.gov.pl, a percentage share: own calculations

### 3. Investing Activities of the Fund

#### Net asset Funds at 31 December 2011

Open Pension Fund	The net asset value (in billion PLN)	Share in %
AEGON OFE	9 692,66	4,31
Allianz Polska OFE	6 725,70	2,99
Amplico OFE	17 444,70	7,76
Aviva OFE Aviva BZ WBK	51 272,01	22,82
AXA OFE	14 142,87	6,29
<b>Generali OFE</b>	<b>11 270,00</b>	<b>5,02</b>
ING OFE	53 301,69	23,72
Nordea OFE	10 083,92	4,49
Pekao OFE	3 387,67	1,51
PKO BP Bankowy OFE	7 558,26	3,36
OFE Pocztylion	4 261,28	1,90
OFE POLSAT	1 999,98	0,89
OFE PZU „Złota Jesień”	30 522,95	13,58
OFE WARTA	3 056,44	1,36
<b>TOTAL</b>	<b>224 720,13</b>	<b>100,00</b>

Source: www.knf.gov.pl, a percentage share: own calculations

At the end of 2011, net assets of the Generali OFE amounted to 11,270.00 million, which classifies the fund as the sixth in the market.

#### Investing activities

In 2011, the world economy was still in recession. Emerging markets like: China, India and Brazil had positive impact on global economy. Despite tremendous anti crisis actions the biggest world economies have noticed only very moderate growths. Few most in debt countries (Greece, Portugal) were in recession. Economic problems and rising debts of developed countries caused ratings downgrades and in consequence financial markets turbulences.

The Polish economy has noticed a significant 2011 GDP growth of 4.3% despite visible slow down in other European countries. Following inflation rise up to 4.7% (which is above the target) driven by weakening Polish currency and rising raw materials prices, National Bank of Poland started to rise the official interest rates. In the period since January – June the rate had risen by 1% up to 4.5%.

Year 2011, from the standpoint of investment in treasury bonds, proved to be profitable. Index of bonds of Bank Handlowy w Warszawie S.A., reflecting the situation on the Polish market for treasury bonds with fixed rate in 2011 rose by 6.04%.

Our investment policy in 2011 was based on selecting the appropriate segment of the bond market, which may result in relatively high rates of return while maintaining a limited risk. Due to interest rate increased by the Monetary Policy Council, we implemented active enough approach to manage investments in bonds.

The year 2012 for the bond market will certainly be very volatile. The Euro zone crisis development and situation of Portugal and Greece is still unclear. On the other hand we observe strong inflow of foreign investors to Polish capital markets. They appreciate good Polish economic situation and governments efforts aimed to reform public finances. These measures have positive future outlook on Polish currency and bond market.

We are moderate optimists on possible scenarios development on share market, however at the same time indicating significant risk factors due to the Euro crisis. The first 2011 half of the year was relatively stable, but since August there were severe drops in share prices. Seeing increasing threats we had decided to limit our involvement in shares in comparison to other funds. It proved to be the right decision and allowed us to obtain better return rates. We have also used low prices (especially regarding small and medium size companies) to accumulate shares as in our opinion their valuation become attractive for long term investors.

**Planned directions of investment activity**

In the coming year we intend to continue the current investment strategy, which assumes the risk minimization and the selection of instruments based in the reliable and deep fundamental analysis.

In the long term model structure of the fund assets is as follows:

Type of investment	Percentage share
Treasury debt securities	50%
Debt securities of other entities	10%
Shares and other equity (shares)	30%
Bank deposits	5%
Other assets	5%

Despite higher maximum equities share allowed in the portfolio the Pension funds are rather not increasing their engagement in this kind of financial instruments. We anticipate that equities share in the model portfolio might be rising.

In 2011 due to market uncertainty and significant risk we decreased the share of the corporate bonds portfolio to a level of 5.20% of the Fund assets. This year we plan to analysis new emissions and take advantage of attractive offers in terms of return and safety.

In the debt securities part of the portfolio, in connection with our expectations of high variability of the debt market, we will try to use the medium-term market trends in order to maximize returns.

In our view, significant portion of negative information is already included in shares valuation what allows for some degree of optimism especially regarding small-and medium-sized companies, which were heavily discounted in 2011. As it was mentioned before major risk factors we faced recently are still actual, therefore we expect high level of market volatility. We aim to use this volatility by active management of the most liquid portion of the portfolio.

## Risk

In order to reduce the risk, each investment made by Generali OFE is carefully considered in terms of market risk and the issuer. Regarding the most significant part of portfolio which are debt securities the major type of risk include: credit risk, interest rate risk and reinvestment risk.

Credit risk related with creditors insolvency is significantly reduced by the investment portfolio structure. Investments in debt part of portfolio are concentrated on treasury bonds where the risk is practically not relevant. Investments in debt securities of other than treasury bonds are subject to careful analysis. Additionally there are investments limits in use for this category of securities.

Interest rate risk causing change in value of investments as a result of market interest changes is under control through diversification of the portfolio and investment into bonds with different maturities. Portfolio interest rate risk is measured by Mduration ratio which is subject to restriction by the internal limits.

Reinvestment risk which means possible lower return obtained by reinvested assets in comparison to historic. This is lowered as in the case of interest rate risk by portfolio diversification.

Regarding equity part of the portfolio we face risk specific for given companies and market risk.

Risk specific for given companies is reduced by deep fundamental analysis of each investment and diversification of portfolio in terms of market segment and quantities of shares. Market risk is limited by allocation of the assets in different categories. Common risk for debt and equity part of portfolio is liquidity risk (lack of possibility to sell securities without significant influence on the price). In result of diversification the share of low liquid assets is relatively low what decrease this kind of risk.

## 4. Financial situation

The company ended the year 2011 with:

- Profit on sales of PLN 28,901 thousands,
- Operating profit of PLN 28,988 thousands,
- Gross profit of PLN 30,004 thousands,
- Net profit of PLN 24,190 thousands.

### Revenues

In the overall amount of revenue the largest share had:

- the management fee (61.8%).
- and distribution fee revenues collected from members contributions to the Fund (nearly 33% of total revenues), as a result of decreased contribution its share in total revenues decreased in comparison to 2010 by 3.18 p.p.

The rate of distribution in the reporting period was 3.5%. Monthly net asset management fee was calculated by the formula: 3.6 million PLN + 0.04% of the excess over PLN 8 000 billion of the net asset value per month.

Revenue structure	in thousand PLN	in %
<b>Revenues from sales and equivalents</b>	<b>92 215,34</b>	<b>98,42%</b>
Including:		
Distribution Charge	30 342,70	32,38%
Management Fee	57 914,31	61,81%
Net repayment of the funds from the premium and reserve account	3 547,37	3,79%
<b>Other operating income</b>	<b>438,12</b>	<b>0,47%</b>
<b>Financial income</b>	<b>1 041,89</b>	<b>1,11%</b>
<b>TOTAL</b>	<b>93 695,35</b>	<b>100,00%</b>

### Costs

For the costs incurred the greatest impact had:

- active acquisition of the members, which generates almost 26% of the costs
- transfer agent services (over 16% of all costs)
- and salaries and benefits for employees (a total of 12% of costs).

Cost Structure	in thousand PLN	in %
<b>Operating expenses</b>	<b>63 314,37</b>	<b>99,41%</b>
including:		
Acquisition costs	22 329,62	35,06%
Cost of Transfer Agent	10 188,54	16,00%
Salaries and employee benefits	8 053,87	12,65%
Fees for ZUS	6 835,35	10,73%
<b>Other operating expenses</b>	<b>351,14</b>	<b>0,55%</b>
<b>Financial expenses</b>	<b>25,60</b>	<b>0,04%</b>
<b>TOTAL</b>	<b>63 691,11</b>	<b>100,00%</b>

### Description of risks relating to financial instruments

In paragraph 1.11 of additional notes and explanations of the financial statements are described in detail the extent of interest rate risk and credit risk. Interest rate risk is considered to be the most significant financial risk and is constantly monitored by the Department of Investment Company, which takes specific measures to the limit to maximum the risk.

The basic method used in the risk assessment method is modified duration.

Modified duration (MD) is more accurate (in relation to the „duration”), a measure of the sensitivity of changes in the value of bonds (or bond portfolio) to changes in market interest rates.

The „duration” in the literature it is said that this is the weighted average time to maturity, but in more advanced work draws attention to the fact that this is only a measure of sensitivity (changes in the bond portfolio to changes

in market interest percent). However, modified duration is more accurate (more accurately captures the potential change in value of bond portfolio) and calculated by the following formula:

$MD = \text{Duration} / (1 + r)$ , where  $r$  is the market rate of return for bonds

With regard to credit risk, the Company up to it is limited only by investing in instruments issued by the Treasury. Given the current state of the securities portfolio and the anticipated positive cash flow from operations the Company is not exposed to the loss of liquidity in the foreseeable period.

#### **The aims and methods of financial risk management adopted by the Company**

The aim of the company's investment policy is to maximize return on investment while maintaining an appropriate level of security of investments and the liquidity of the Company.

Portfolio risk is controlled by:

- proper adaptation of modified duration index, depending on the market conditions and the expectations of the Investment Department in relation to the debt securities portfolio,
- system of limits relating to individual transactions.

#### **5. Expected developments**

The main goals and objectives for 2012 include:

- Maintaining growth fund, which is determined by number of active clients and the value of net assets
- Maintaining funding at the forefront in terms of achieved rate of return on the value of units
- Continue to improve the service that is provided to fund members.
- Creation of voluntary pension fund and launching new product: Individual Pension Account (IKZE)

#### **6. Significant business risks include**

Possible further amendments of the law on pension funds, which could have negative impact on the Company activities.

GENERALI  
DAKAR



SELECTED ITEMS OF FINANCIAL  
STATEMENT OF GENERALI  
POWSZECHNE TOWARZYSTWO  
EMERYTALNE S.A.

## SELECTED ITEMS OF BALANCE SHEET

Assets (in thousand PLN)	As of 31 December 2011	As of 31 December 2010
Total assets	283 780	263 550
including:		
A. Long-term investments	106 050	106 050
B. Short-term investments	34 601	20 685

Liabilities (in thousand PLN)	As of 31 December 2011	As of 31 December 2010
Total liabilities	283 780	263 550
including:		
A. Equity	243 797	219 567



# SELECTED ITEMS OF PROFIT AND LOSS ACCOUNT

in thousand PLN	As of 31 December 2011	As of 31 December 2010
A. Sales revenues and equivalent	92 215	94 801
B. Operating costs	63 314	65 310
C. Gross profit	30 004	46 520
D. Net profit (loss)	24 190	40 702

# REGISTERED AUDITOR'S OPINION

## Independent Registered Auditor's Opinion

**To the General Shareholders' Meeting and the Supervisory Board of  
Generali Powszechne Towarzystwo Emerytalne S.A.**

We have audited the accompanying financial statements of Generali Powszechne Towarzystwo Emerytalne S.A. (hereinafter referred to as "the Management Company"), Warsaw, ul. Postępu 15b, comprising an introduction to the financial statements, the balance sheet as at 31 December 2011, showing total assets and total equity & liabilities of PLN 283,779,956.59, the income statement for the year ended 31 December 2011, showing a net profit of PLN 24,190,184.76, the statement of changes in equity, the cash flow statement for the year ended 31 December 2011 and additional notes and explanations.

The Management Company's Management Board is responsible for preparing financial statements and a Directors' Report which comply with the applicable laws. The Management Company's Management Board and the members of the Supervisory Board are obliged to ensure that the financial statements and the Directors' Report meet the requirements provided in the Accounting Act of 29 September 1994 (Journal of Laws of 2009, No. 152, item 1223, as amended, hereinafter referred to as "the Accounting Act").

Our responsibility was to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with:

- (a) the provisions of Chapter 7 of the Accounting Act;
- (b) the national auditing standards issued by the National Council of Statutory Auditors.

# REGISTERED AUDITOR'S OPINION

Our audit was planned and performed to obtain reasonable assurance that the financial statements were free of material misstatements and omissions. The audit included examining, on a test basis, accounting documents and entries supporting the amounts and disclosures in the financial statements. The audit also included assessing the Management Company's accounting policies and significant estimates made during the preparation of the financial statements, as well as evaluating the overall presentation thereof. We believe that our audit provided a reasonable basis for our opinion.

In our opinion, and in all material respects, the accompanying financial statements:

- (a) have been prepared on the basis of properly maintained books of account, in accordance with the applicable accounting policies;
- (b) comply in terms of form and content with the applicable laws and the Company's Memorandum of Association;
- (c) give a fair and clear view of the Company's financial position as at 31 December 2011 and of its results of operations for the year then ended, in accordance with the accounting policies applicable in the Republic of Poland, specified in the Accounting Act.

The information in the Directors' Report for the year ended 31 December 2011 is presented in accordance with the provisions of the Accounting Act and is consistent with the information in the audited financial statements.

Person conducting the audit on behalf of PricewaterhouseCoopers Sp. z o.o., registered audit company no. 144:

Tomasz Orłowski

Key Registered Auditor  
No. 12045

Warsaw, 9 March 2012

The items shown on pages 49-50 of the 2011 Annual Report had been selected by Generali Powszechnie Towarzystwo Emerytalne Management Board from the full verified financial statement for the financial period from January 1st to December 31st 2011. The selected items comply in all relevant aspects with the full annual financial statement.

– Generali Powszechnie Towarzystwo Emerytalne S.A. –

The above opinion was issued concerning full financial statement of the company prepared in accordance with the Accounting Act and filed in the National Court Register and should be read along with the company's financial statement after it had been subject to verification.

– PricewaterhouseCoopers Sp. z o.o. –

GENERALI  
DAKAR



GENERALI DAKAR

# GENERALI DAKAR



## ONE TEAM, ONE DREAM

It can hardly be disputed that sport constitutes an inherent part of Generali's internal landscape. Generali Employees who partake in Generali Running Team have used numerous occasions to test their strength in many sports battles, such as half-marathon, marathon or a relay team, succeeding in many of them. Apart from perfecting the body and testing its limits, another feature of participation in such activities which never loses its core significance is surely the spirit of integration. An active participation in sports goes hand in hand with sport promotion. Our company co-sponsors the Lisia Polana golf course and its tournaments. Generali is also active in supporting other sports events, and our club colors include a football team and a volleyball team.



One of the most spectacular examples of Generali Group sports initiatives is no doubt our cooperation with the most outstanding Polish athlete – Adam Malysz. For the last 7 years, Generali has been extending its sponsorship and insurance protection to the former ski jumper, presently active as a race car driver. We have been with him both at the time when he was reaching for the gold, and during the period of his flagging physical shape which brought poorer sports results. Adam Malysz is being perceived as representative of the following features:

- Diligence,
- Strong spirit,
- Perseverance in pursuit of planned goals
- Repetitive success in tackling planned challenges

These features bear close affinity to the values adopted by Generali, which account for our long-standing and undisturbed cooperation. The public image of Adam Malysz has been present in advertising campaigns and PR activities of our company. Our logo has its place on Adam's top clothing and sports jumpsuits (both start and training version).

Adam Malysz's top accomplishment in the year 2011 (while he was being supported by Generali) was his completion of the Dakar Race, which has stood for many years for the most exhausting, difficult and uncompromised endurance



trial in cross-country racing. This race is a legend, which is known and recognized all over the world.

The idea of a cross-country race, known in the recent years as the Dakar Race was conceived by Thierry Sabine, a life-loving motorcyclist and adventure-chaser. During the Abidžan-Nice race the Frenchman got lost in the expanse of the Libyan Desert and it was precisely the lonely struggle of a man against cruel nature and own weakness that

inspired Sabine to create a race which aimed at setting up a confrontation of man, machine and nature. Since 1979 the Dakar Race has undergone many changes to finally expand to the scale of a huge social organization, foundation and sports event in one. The course of the race is different every year, but its potential for high drama is always immense. The percentage of its participants who made it to the finishing line has never reached half of all starting participants, thus, due to the race's rank and hardships the bare fact of its completion is a sufficient reason for immense satisfaction.



The trial initiated by Thierry Sabine has remained for years on end the most prestigious and legendary race event worldwide.

*“A challenge for those who go.  
A dream for those who stay behind”*

*– Thierry Sabine –*

Motor sports is related with risk, which finds its perfect reflection in the nature of an

insurance carrier's activity. Apart from expert knowledge of the secrets of competition racing, car races also require the contestants to give proof of quick reflexes, prediction abilities, above average intelligence and the masterful communication with the partner. Generali image campaign ' For better and for worse' which depicted Adam's preparations for the race illustrated the values which guide Generali in our business activity. Our most important values are:

- trust
- partnership
- certainty of protection and care at every stage of cooperation with our Clients – both during the good and the bad times of their lives.

Generali's involvement in Adam Malysz's participation in the Dakar Race portrayed our Company as an Insurer who ensures security in all aspects of life, while skillfully blending tradition, innovation and modern thinking and adjusting its products to the needs and expectations of the party at the receiving end of our services.

Deciding to participate in the Dakar Race, Adam Malysz could count on Generali to help him accomplish his ambitious sports projects.



*'Life is full of ups and downs. I have proven this statement to be true certainly on more than one occasion...also outside the ski jump. That's why I know that regardless of the direction our life takes, it is good to have someone you can trust, someone you can always count on close by your side. Generali has been such a Partner for me. They have been supporting me for years in all situations. They insure my life, property and investments. With such a partner by my side, I can rest assured that I will be able to pursue my dreams'.*

– Adam Matysz –

Generali is a team of people who are constantly on the road, who take part in a certain race towards excellence. In order to come to the finishing line as the winner, it is necessary to display strong spirit and be steadfast in addition to possessing physical strength. These are assets which Generali team no doubt possesses. Everyone, who has ever watched a car race knows that the car contains one other person apart from the driver – the pilot, whose task is to appropriately indicate the direction. The pilot is the driver's partner, much in the same way as Generali is the partner of our Clients. The Partner's work is very important, it is thanks to his efforts that the driver is able to cover the distance faster, but even more importantly – in a safer way. Exactly the same type of work is being performed by Generali, with its constant readiness to assist the Clients, to protect them against perils, to indicate the right direction. In our attempt to provide the best possible service in meeting the

needs of our Clients, we attach tremendous importance to the constant development of our employees in order to create a trustworthy, competent team of advisors. The team bears enormous responsibility that all of Generali's employees are able to face up to, a fact which is being best proven by awards and top positions granted to Generali in various rankings. The awards received in 2011 should certainly be mentioned at this occasion:

- **Generali OFE as the best Open Pension Fund in Gazeta Wyborcza ranking**

"Gazeta Wyborcza" has again prepared a ranking of best Open Pension Funds. This prestigious comparison revealed Generali as number one, which allowed us to strengthen our position on the OFE market.



- **Fair Play 2011 Award for Generali TU**

During the XV Brokerage Congress, Generali T.U.S.A was honoured with the "Fair Play" Award, thus gaining the title of the most broker-friendly insurance carrier of 2011. In this year's competition also Generali Życie T.U was highly placed, arriving as the runner -up in the Fair Play category among life companies.

- **Generali PTE as the winner of Rzeczpospolita ranking for the best financial institution in the category of PTE**

Generali PTE emerged as the winner of the annual Best Financial Institution ranking prepared by Rzeczpospolita daily. Generali PTE won in the category of PTE carriers operating on the Polish market.



- **Generali OFE as the winner in the category of 'Student Pension Plan' organized as part of the 'Student Product of the Year' competition**

Generali OFE was once again honored by 'Dlaczego' monthly in the category of Student Pension Plan organized as part of the 11th edition of the prestigious 'Student Product of the Year' competition.

Generali Group has been accomplishing success and expanding dynamically. The source of our success is the work of our employees who gather in groups and teams, focused on common goals and tasks.

The idea of the functioning of Generali is being associated with the idea the Dakar Race, with overcoming obstacles and reaching goals. For Generali it is important to act together in partnership, trust and honesty while striving to succeed. Generali Group is well aware that a tight cooperation of people working in concert is the basis of any successful team, both in racing and in everyday life.

***'Coming together is a beginning.  
Keeping together is progress.  
Working together is success'.***

*– Henry Ford –*



**Generali T.U. S.A.**

**Generali Życie T.U. S.A.**

**Generali Powszechne Towarzystwo Emerytalne S.A.**

ul. Postępu 15 B, 02-676 Warsaw

tel. (22) 543 05 00, fax (22) 543 08 99

infoline: 801 343 343

e-mail: [centrumklienta@generali.pl](mailto:centrumklienta@generali.pl)

[www.generali.pl](http://www.generali.pl)

